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London Borough of Lewisham: Community Infrastructure Levy Viability Review



Prepared for
London Borough of Lewisham

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1 Summary

- 1.1 This report tests the ability of developments to accommodate alternative amounts of Community Infrastructure Levy ('CIL') to the rates contained in the Council's adopted Charging Schedule alongside policies in the London Borough of Lewisham's emerging Local Plan, the London Plan and national standards.
- 1.2 The study takes account of the cumulative impact of the Council's planning requirements, in line with the requirements of the National Planning Policy Framework ('NPPF') 2024 and the Local Housing Delivery Group guidance '*Viability Testing Local Plans: Advice for planning practitioners*'.

Methodology

- 1.3 The study methodology compares the residual land values of a range of development typologies reflecting the types of developments expected to come forward in the borough over the life of a potential replacement CIL Charging Schedule. The appraisals compare the residual land values generated by those developments (with varying levels of affordable housing and CIL contributions) to a benchmark land value to reflect the existing value of land prior to redevelopment. If a development incorporating the Council's policy requirements generates a higher residual land value than the benchmark land value, then it can be judged that the site is viable and deliverable, and potentially able to make an increased contribution towards community infrastructure. Following the adoption of policies, developers will need to reflect policy requirements and CIL in their bids for sites, in line with requirements set out in the Mayor of London's supplementary planning guidance on 'Affordable Housing and Viability' and in the RICS Guidance on '*Financial Viability in Planning*'¹.
- 1.4 The study utilises the residual land value method of calculating the value of each development. This method is used by developers when determining how much to bid for land and involves calculating the value of the completed scheme and deducting development costs (construction, fees, finance, sustainability requirements and CIL) and developer's profit. The residual amount is the sum left after these costs have been deducted from the value of the development, and guides a developer in determining an appropriate offer price for the site.
- 1.5 The housing and commercial property markets are inherently cyclical and the Council is testing the viability of potential development sites at a time when the market has experienced a period of volatility following the coronavirus pandemic in 2020/21 and subsequent supply chain issues. Forecasts for future house price growth point to growth in mainstream London housing markets, although this growth is expected to be muted in the short term as a result of high interest rates, which started to fall in August 2024. We have allowed for this medium term growth over the plan period by running a sensitivity analysis which applies growth to sales values and inflation on costs to provide an indication of the extent of improvement to viability that might result. The assumed growth rates for this sensitivity analysis are outlined in Section 4.
- 1.6 This sensitivity analysis is indicative only but is intended to assist the Council in understanding the viability of potential development sites on a high level basis, both in today's terms but also in the future. In any complex urban area such as Lewisham, differences between sites in terms of capacity, existing use value, residential and commercial values and infrastructure costs will mean that there may not be a precise correlation between the outputs of this study and scheme-specific viability when applications are submitted. Inputs to scheme-specific appraisals submitted with applications will need to be justified by reference to comparable and other supporting evidence relevant to the particular site and scheme at the time of the application.

¹ This guidance notes that when considering site-specific viability "Site Value should equate to the market value subject to the following assumption: that the value has regard to development plan policies and all other material planning considerations and disregards that which is contrary to the development plan". Providing therefore that Site Value does not fall below a site's existing use value, there should be no reason why policy requirements cannot be achieved.

Key findings

1.7 The key findings of the study are as follows:

- The Council's adopted CIL rates have been in place since 1 April 2015 and there has been no demonstrable adverse impact on the supply of housing land or upon the viability of developments coming forward across the Borough. Since the evidence base for the adopted CIL was prepared, there have been increases to sales values and build costs. Our testing of alternative CIL rates indicates that relatively significant changes could be accommodated without adversely impacting on viability to a sufficient degree to impact on land supply.
- As a result of indexation, the CIL rates are now circa 50% higher than they were adopted. The proposed Mayoral CIL also increased from £35 per square metre to £60 per square metre in April 2019 and will increase to £71.09 in 2025.

Residential rates

- The proposed CIL rates are summarised in Table 1.7.1. Sales values have increased at a faster rate than build costs since the adopted CIL rates were tested and as a consequence, residential schemes can absorb higher levels of CIL. Some developments in Zone 1 will benefit from the opportunities derived from the Bakerloo Line Extension², although the timescale for this major transport intervention is currently uncertain. An increase to £200 per square metre in an enlarged Zone 1 will secure much needed additional income to assist with provision of infrastructure that these developments will require.
- In Zone 2, developments have enhanced capacity to absorb an increase in CIL from £106.09 per square metre (with indexation) to £150 per square metre as a result of increasing sales values. In Zone 3, a slightly reduced rate of £120 per square metre would be appropriate.
- Specialist housing for elderly people typically generates lower residual land values in comparison to general purpose housing. We therefore recommend that a lower rate of £145 per square metre is applied in Zone 1 and a nil rate applied elsewhere.

Student housing and purpose-built shared living

- Student housing and purpose built shared living schemes can viably absorb a CIL of up to £200 per square metre across the borough, which is an increase from the indexed rate of £121.24 per square metre.

Offices

- The borough is still seeing losses of office floorspace (mostly to residential use through permitted development rights conversions and through redevelopments) and our testing confirms that new office development is unlikely to be able to make a contribution towards infrastructure.

Industrial, logistics, warehousing and data centre

- Industrial, logistics, warehousing and data centres have seen significant increases in capital values since the Charging Schedule was introduced and can viably absorb a CIL of £100 per square metre.

Other uses

- Other uses should continue to attract the "all other uses" rate in the adopted CIL Charging Schedule subject to indexation (i.e. £121.24 per square metre). However, publicly provided

² TfL's current cost estimate is £8 billion and they are currently exploring funding options. This may include a range of funding sources including Mayoral CIL, Borough CIL and Section 106.

healthcare and education developments should attract a nil rate, which would bring the Charging Schedule into line with the Mayoral CIL Charging Schedule.

Key worker accommodation for nurses at local hospitals

- Providing the rents for this type of housing meet the requirements in the CIL regulations, it would qualify as affordable housing which would secure social housing relief. Mandatory social housing relief applies to intermediate rented housing and key worker housing for nurses would fall into this category.

Proposed rates

- Our proposed CIL rates are summarised in Table 1.7.1.

Table 1.7.1: Proposed changes to CIL rates

Development type	Zone	Adopted rate	Indexed rate	Proposed rate
Residential C3 use class	Zone 1 ³	£100	£151.55	£200
	Zone 2	£70	£106.09	£150
	Zone 3	£70	£106.09	£120
Residential with care for elderly people	Zone 1	£80	£121.24	£145
	Zone 2	£80	£121.24	£0
Student housing/purpose built shared living	Whole Borough	£80	£121.24	£200
Hotels	Whole Borough	£80	£121.24	£121.24
Industrial, warehousing, logistics and data centres	Whole Borough	£0	£0	£100
Retail	Whole Borough	£80	£121.24	£121.24
Large format convenience retail	Whole Borough	£80	£121.24	£150
All other uses	Whole Borough	£80	£121.24	£121.24
Offices	Whole borough	£0	£0	£0
Publicly provided education	Whole borough	£80	£121.24	£0
Publicly provided healthcare	Whole borough	£80	£121.24	£0

- Our testing indicates that the increase in CIL rates will have a relatively modest impact on residual land values in most cases. In almost all cases, increases in sales values (in excess of cost increases) will have enhanced the capacity of developments to absorb increased CIL rates. In the isolated cases where a scheme is on the margins of viability where it is not possible to pass the cost of increased CIL rates back to the landowner through a reduction in land value (for example, due to high existing use values), the increase in CIL will have a modest impact on affordable housing levels that can be delivered.
- The proposed CIL typically amounts to 3.5% to 4.0% of development costs and is therefore not a critical determinant in the viability of developments.
- Some scenarios (e.g. certain affordable housing percentages) are unviable prior to the application of CIL in the appraisal. There is clearly an important distinction to be drawn between these schemes and those that are viable. Where schemes are viable, the proposed CIL rates are sufficiently modest to ensure that schemes remain viable.

³ See map at Figure 6.11.1

- There is clearly a need to balance the need to deliver affordable housing with the need to secure contributions to fund community infrastructure that will support development and growth. The Council cannot seek to prioritise securing affordable housing and other Local Plan policies (as summarised in Section 2) to the exclusion of securing funding for infrastructure and vice versa. In our view, the proposed rates strike this balance appropriately.
- The Council needs to strike a balance between achieving its aim of meeting needs for affordable housing with raising funds for infrastructure, and ensuring that developments generate acceptable returns to willing landowners and willing developers. This study demonstrates that the Council's approach to applying its affordable housing requirements⁴ ensures that these objectives are balanced appropriately.

⁴ The Council's strategic 50% affordable housing target is subject to individual scheme viability which in practice means that a range of percentages is delivered up to this target level.

2 Introduction

- 2.1 The Council has commissioned this study to consider the ability of developments in the Borough of Lewisham to accommodate alternative amounts of Community Infrastructure Levy ('CIL') to the rates contained in the Council's adopted Charging Schedule alongside policies in the adopted Local Plan. The aim of the study is to assess at high level the viability of development typologies representing the types of sites that are expected to come forward to test alternative CIL rates to those in the adopted Charging Schedule.
- 2.2 In terms of methodology, we adopted standard residual valuation approaches to test the viability of development typologies, including the impact on viability of the Council's proposed (and existing) planning policies alongside adopted and alternative levels of CIL. However, due to the extent and range of financial variables involved in residual valuations, they can only ever serve as a guide. Individual site characteristics (which are unique), mean that conclusions must always be tempered by a level of flexibility in application of policy requirements on a site by site basis.
- 2.3 The purpose of this viability study is to assist the Council in understanding changes to the capacity of schemes to absorb CIL and to support any proposed changes to the Charging Schedule through Examination in Public. The Study therefore provides an evidence base to show that the requirements set out within the NPPF, CIL regulations and Planning Practice Guidance are satisfied. The key underlying principle is that charging authorities should use evidence to strike an appropriate balance between the desirability of funding infrastructure from the levy and the potential impact upon the economic viability of development across their area.
- 2.4 As an area wide study this assessment makes overall judgements as to viability of development within the London Borough of Lewisham and does not account for individual site circumstances. The assessment should not be relied upon for individual site applications. However, an element of judgement has been applied within this study with regard to the individual characteristics of the strategic sites tested. The schemes tested on these sites are based on assessments of likely development capacity on the sites by the Council and clearly this may differ from the quantum of development in actual planning applications that will come forward. Scheme specific testing may still be required at the point where they come forward.
- 2.5 This position is recognised within Section 2 of the Local Housing Delivery Group guidance, which identifies the purpose and role of viability assessments within plan-making. This identifies that: *"The role of the test is not to give a precise answer as to the viability of every development likely to take place during the plan period. No assessment could realistically provide this level of detail. Some site-specific tests are still likely to be required at the development management stage. Rather, it is to provide high level assurance that the policies within the plan are set in a way that is compatible with the likely economic viability of development needed to deliver the plan."*

Economic and housing market context

- 2.6 Since early 2020, the global economy has been subject to a degree of turbulence arising from the consequences of the Covid-19 pandemic; subsequent supply chain and labour market issues; and steep increases in energy prices resulting from Russia's invasion of Ukraine. In addition to these global issues, the UK economy has also been adversely affected by its departure from the European Union and the resulting impact on trade and tourism, as well as the government's September 2022 'Fiscal Event'. The combined effect of these issues resulted in a sharp increase in inflation to 10.7% in October 2022. In response, the Bank of England ('BoE') increased its base rate from 0.1% in March 2020 to 5.25% in September 2023 and in October 2024, inflation fell to 2.3%.
- 2.7 Despite the impact of these events, the UK housing market outperformed expectations between 2020 and mid 2022 and has subsequently remained resilient despite increasing costs of borrowing.
- 2.8 In its August 2024 House Price Index release, Nationwide reported that UK house prices fell by 0.2% month-on-month in August, after having increased by 0.3% month-on-month in July 2024 and by 0.2% month-on-month in June 2024. As a result, the annual rate of change increased to 2.4% from

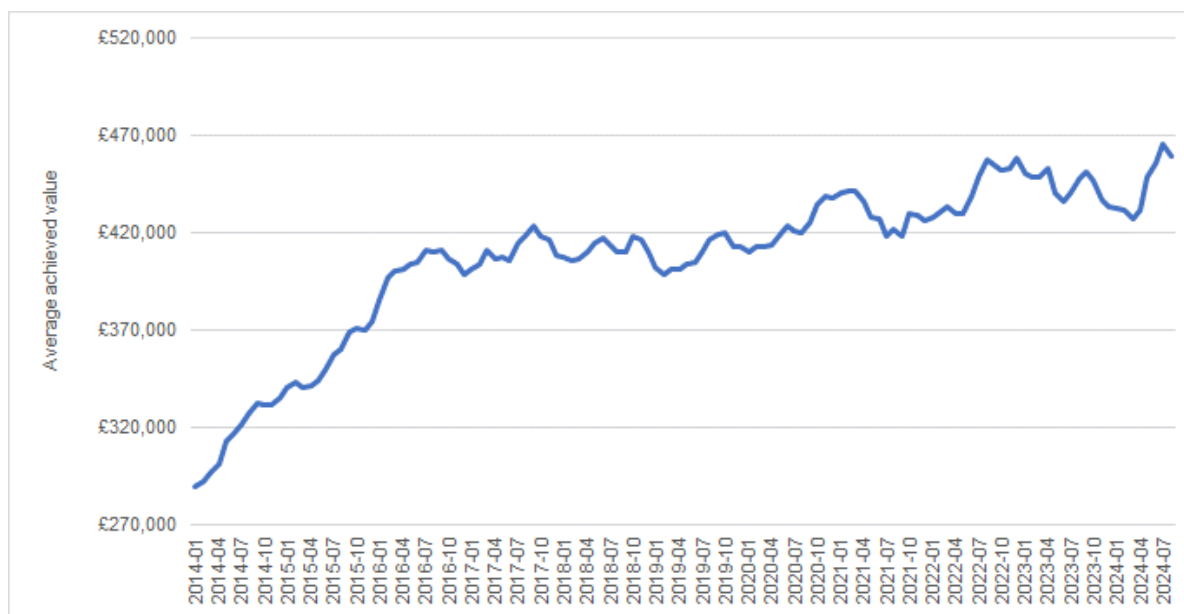
2.1% in July. Commenting on these changes, Nationwide's Chief Economist, Robert Gardener, observed that *"while house price growth and activity remain subdued by historic standards, they nevertheless present a picture of resilience in the context of the higher interest rate environment and where house prices remain high relative to average earnings (which makes raising a deposit more challenging)"*.

- 2.9 Nationwide is not forecasting significant growth in 2024 and indicates that significant change is unlikely until interest rates start to fall and affordability improves, suggesting that housing market activity is only likely to strengthen *"gradually"* as affordable constraints ease *"through a combination of modestly lower interest rates and earnings outpacing house price growth"*.
- 2.10 Halifax report similar trends in its September 2024 release, with a month-on-month increase of 0.3% and annual growth of 4.3% (up from 2.4% in the previous month).
- 2.11 Commenting on the year-on-year increase, Amanda Bryden (Head of Mortgages, Halifax Mortgages) observed that *"this is due in large part to the comparison with weaker growth this time last year"*. The annual rate of change brings average prices back up to where they previously stood in June 2022 but she observed that *"affordability remains a significant challenge for many potential buyers still adjusting to higher mortgage costs"*.
- 2.12 Halifax points to ongoing affordability constraints for both first time buyers and existing mortgage holders who need to refinance at the end of fixed term deals. Providing the Bank of England reduces the base rate in the short term, Halifax expects prices to rise modestly over the remainder of 2024.
- 2.13 In their September 2024 Housing Market Update, Savills reflect improvements in market sentiment in response to falling mortgage rates, which has triggered an increase in demand from potential buyers.
- 2.14 Savills note that *"while we have seen higher levels of market activity than the same period last year, the past three months have moved more in line with a "normal" market (pre-pandemic) than earlier in 2024"*. Savills now expect that UK house prices will increase by 2.5% in 2024.
- 2.15 Forecasts for house price growth indicate that values for the UK as a whole are expected to increase over the next five years. Savills forecast an increase of 21.6% across the UK as a whole over the period 2024 to 2028 (up from 17.9% in their November forecast). They forecast lower cumulative growth of 18.2% over the same period in south-east England (up from 16.7% in their November forecast) and 14.2% in London (up from 13.9% in their November 2023 forecast). The other major agents report similar rates of cumulative growth over the same period.

Local Housing Market Context

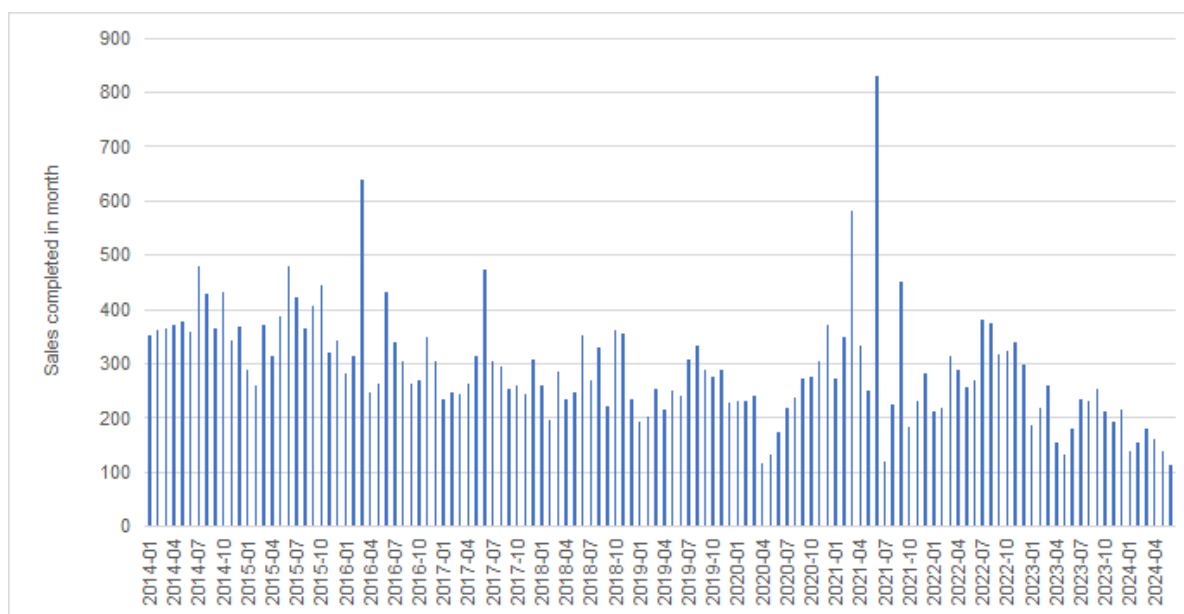
- 2.16 House prices in the London Borough of Lewisham have followed recent national trends, with values increasing sharply between 2014 and 2016; remaining flat between 2017 and 2021 and increasing in the period to July 2024 (the latest data available), as shown in Figure 2.16.1. Sales volumes fell below historic levels during the Coronavirus pandemic, but have since recovered (see Figure 2.16.2). In 2024, sales volumes declined as the market entered a period of adjustment following an increase in mortgage rates after the September 2022 'Fiscal Event'. By July 2024, sales values had increased by 59% in comparison to January 2014.

Figure 2.16.1: Average sales value in Lewisham



Source: Land Registry

Figure 2.15.2: Sales volumes in Lewisham (sales per month)



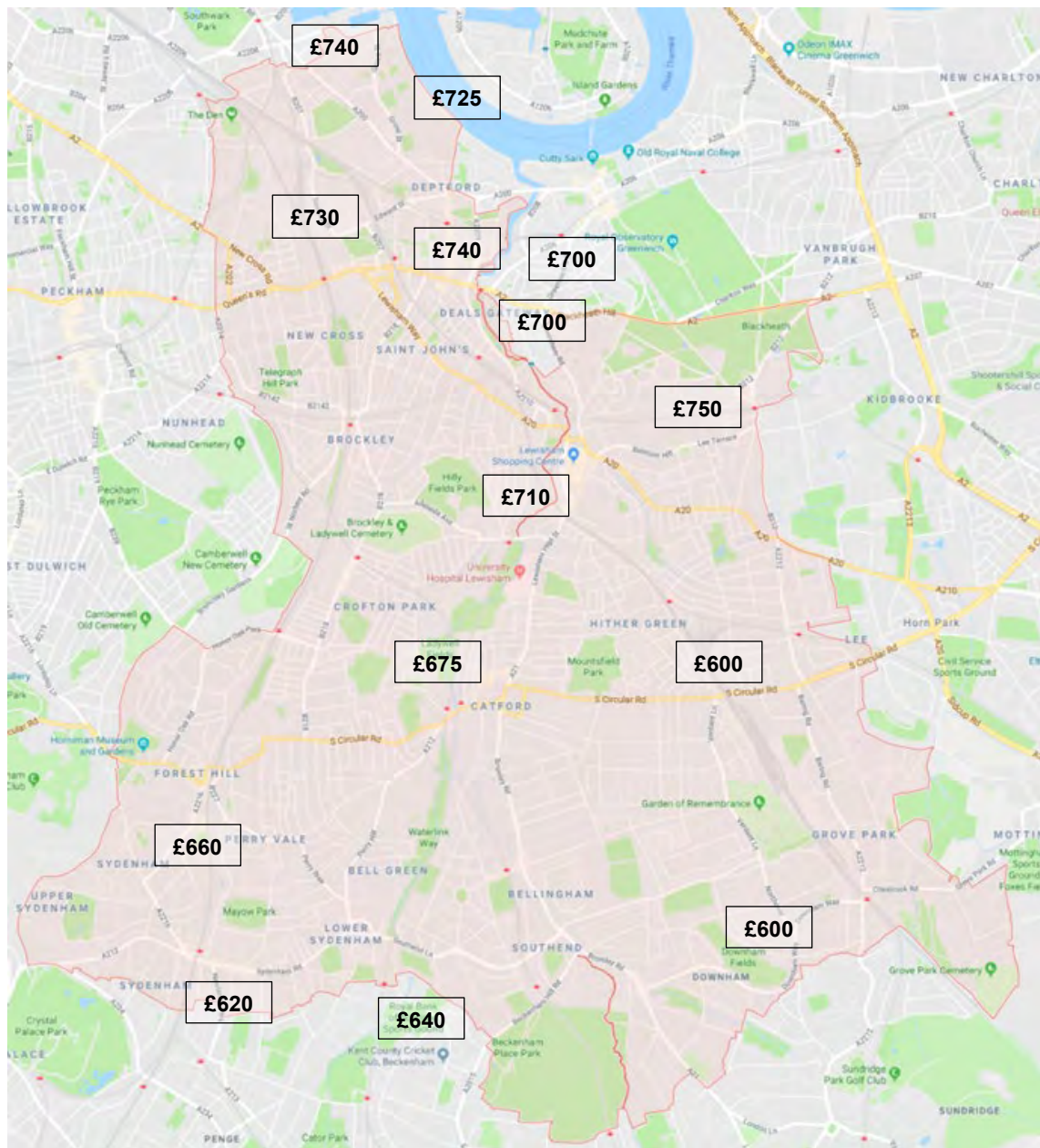
Source: Land Registry

- 2.17 The future trajectory of house prices is currently uncertain, although Savills' most recent housing market forecast issued in August 2024 is that values in 'mainstream' London markets are expected to increase by 2% in 2024; 2% in 2025; 2.5% in 2026; 3.5% in 2027 and 3.0% in 2028, equating to cumulative growth of 14.2% over the period 2024-2028.
- 2.18 In common with other Boroughs in London, there are variations in sales values between different parts of Lewisham, as shown in Figure 2.18.⁵ However, the variations in Lewisham are far

⁵ Some of the price points in Figure 2.17.1 are for schemes in neighbouring boroughs close to the border with Lewisham

narrower than in some other boroughs in London. Highest sales values are achieved in the north of the borough and Blackheath, while values in the south-east of the borough are marginally lower.

Figure 2.18.1: Sales values in Lewisham (approx. £s per square foot)



Sources: Map – Google; Values – Land Registry

Private rented sector market context

- 2.19 The proportion of the UK population living in privately renting housing has more than doubled between 1990 and 2023. In 1990, 9.3% of the population were living in privately rented homes and this increased to 19.1% in 2023. This increase largely results from affordability issues for households who would have preferred to owner occupy. Over the period 2000 to 2023, the proportion of households owner occupying has fallen from 70.6% to under 64.8% in 2023. These trends are set to continue in the context of a significant disparity between average household incomes and the amounts required to purchase a residential property in the capital, although intergenerational transfers of equity will also play a key role in levels of owner occupation.

- 2.20 Perceived softening of the housing for sale market has prompted some developers to seek bulk sales to PRS operators, with significant flows of investment capital into the sector⁶. Investment yields have remained stable in the zones 2 to 4 London market at 3% to 4%. PRS housing as an asset class is still emerging and valuation portfolios and development opportunities is difficult in the context of lack of data. As the market matures, more information will become available, facilitating more sophisticated approaches to valuing and appraising PRS developments.
- 2.21 The PRS market is still immature and as a consequence there is little data available on management costs and returns that would assist potential entrants into the market. However, viability assessments of schemes brought forward to date confirm that profit margins are lower than build for sale on the basis that a developer will sell all the PRS units in a single transaction to an investor/operator. The income stream is therefore akin to a commercial investment where a 15% profit on GDV is typically sought.
- 2.22 A reduced profit margin helps to compensate (to some degree) for the slightly lower capital values derived from a discounted cashflow model of a PRS operator. PRS units typically transact at discounts of circa 10% to 15% of market value on the basis of build to sell. However, forward funding arrangements will help to reduce finance costs during the build period which offsets the reduction in market value to some degree.
- 2.23 On larger developments, PRS can help to diversify the scheme so that the Developer is less reliant on build to sell units. Building a range of tenures will enable developers to continue to develop schemes through the economic cycle, with varying proportions of units being provided for sale and rent, depending on levels of demand from individual purchasers. However, demand for build for rent product will also be affected by the health of the economy generally, with starting and future rent levels more acutely linked to changes in incomes of potential tenants.

National Policy Context

The National Planning Policy Framework

- 2.24 In February 2019, the government published a revised NPPF, with subsequent updates in 2021, 2023 and 2024, and revised PPG, with subsequent updates in May and September 2019.
- 2.25 Paragraph 35 of the NPPF states that *“Plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water management, green and digital infrastructure). Such policies should not undermine the deliverability of the plan”*.
- 2.26 Paragraph 59 of the NPPF suggests that *“Where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage. The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and the viability evidence underpinning it is up to date, and any change in site circumstances since the plan was brought into force. All viability assessments, including any undertaken at the plan-making stage, should reflect the recommended approach in national planning guidance, including standardised inputs, and should be made publicly available”*.
- 2.27 In London and other major cities, the fine grain pattern of types of development and varying existing use values make it impossible to realistically test a sufficient number of typologies to reflect every conceivable scheme that might come forward over the plan period. Both the Council’s adopted Local Plan policy and London Plan policy are applied ‘subject to viability’, having regards to site-specific circumstances. This enables schemes that cannot provide as much as the relevant policy target for affordable housing to still come forward rather than being sterilised by a fixed or ‘quota’ based

⁶ Knight Frank ‘Multihousing 2022’ estimates that capital committed to build to rent housing in the UK has increased from £35 billion in 2019 to over £56 billion in 2022, with a further increase to £102 billion forecast by 2028.

approach to affordable housing.

- 2.28 The 2019 PPG indicates that viability testing of plans should be based on existing use value plus a landowner premium. The revised PPG also expresses a preference for plan makers to test the viability of planning obligations and affordable housing requirements at the plan making stage in the anticipation that this may reduce the need for viability testing developments at the development management stage. Local authorities have, of course, been testing the viability of their plan policies since the first NPPF was adopted⁷, but have adopted policies based on the most viable outcome of their testing, recognising that some schemes coming forward will not meet the targets. This approach maximises delivery, as there is flexibility for schemes to come forward at levels of obligations that are lower than the target, if a proven viability case is made. The risk of the approach in the NPPF is that policy targets will inevitably be driven down to reflect the least viable outcome; schemes that could have delivered more would not do so.

CIL Policy Context

- 2.29 As of April 2015 (or the adoption of a CIL Charging Schedule by a charging authority, whichever was the sooner), the S106/planning obligations system' i.e. the use of 'pooled' S106 obligations, was limited to a maximum of five S106 agreements. However, changes in the CIL regulations in September 2019 removed the pooling restrictions, giving charging authorities a degree of flexibility in how they use Section 106 and CIL. The adoption of a CIL charging schedule is discretionary for a charging authority.
- 2.30 It is worth noting that some site specific S106 obligations remain available for negotiation, however these are restricted to site specific mitigation that meet the three tests set out at Regulation 122 of the CIL Regulations (as amended) and at paragraph 57 of the NPPF, and to the provision of affordable housing.
- 2.31 The CIL regulations state that in setting a charge, local authorities must strike "*an appropriate balance*" between revenue maximisation on the one hand and the potentially adverse impact upon the viability of development on the other. The regulations also state that local authorities should take account of other sources of available funding for infrastructure when setting CIL rates.
- 2.32 From September 2019 onwards, the previous two stage consultation was amended to require a single consultation with stakeholders. Following consultation, a charging schedule must be submitted for independent examination.
- 2.33 The payment of CIL becomes mandatory on all new buildings and extensions to buildings with a gross internal floorspace over 100 square metres (or any new dwelling, regardless of floor area) once a charging schedule has been adopted. The CIL regulations allow a number of reliefs and exemptions from CIL. Firstly, affordable housing and buildings with other charitable uses (if a material interest in the land is owned by the charity and the development is to be used wholly or mainly for its charitable purpose) are subject to relief. Secondly, local authorities may, if they choose, elect to offer an exemption on proven viability grounds. A local authority wishing to offer exceptional circumstances relief in its area must first give notice publicly of its intention to do so. The local authority can then consider claims for relief on chargeable developments from landowners on a case by case basis. In each case, an independent expert with suitable qualifications and experience must be appointed by the claimant with the agreement of the local authority to assess whether paying the full CIL charge would have an unacceptable impact on the development's economic viability.
- 2.34 The exemption would be available for 12 months, after which time viability of the scheme concerned would need to be reviewed if the scheme has not commenced. To be eligible for exemption, regulation 55 states that the Applicant must enter into a Section 106 agreement; and that the Authority must be satisfied that granting relief would not constitute state aid. It should be noted,

⁷ And also following the publication of Planning Policy Statement 3 which required that LPAs set affordable housing policies on the basis of both proven need *and* viability. The need for viability testing was established following the quashing in 2008 of Blyth Valley's Core Strategy, which based its 30% affordable housing target on need alone, with no evidence on the viability of the policy.

however, that CIL cannot simply be negotiated away or the local authority decide not to charge CIL.

- 2.35 CIL Regulation 40 includes a vacancy period test for calculating CIL liability so that vacant floorspace can be offset in certain circumstances. That is where a building that contains a part which has not been in lawful use for a continuous period of at least six months within the last three years, ending on the day planning permission first permits the chargeable development, the floorspace may not be offset.
- 2.36 The CIL regulations enable local authorities to set differential rates (including zero rates) for different zones within which development would take place and also for different types of development. The CIL Guidance set out in the PPG (paragraph 022 Reference ID: 25-022-20230104) clarifies that CIL Regulation 13 permits charging authorities to *“apply differential rates in a flexible way, to help ensure the viability of development is not put at risk [including] in relation to geographical zones within the charging authority’s boundary; types of development; and/or scales of development”*. Charging Authorities taking this approach need to ensure that different rates are justified by a comparative assessment of the economic viability of those categories of development. Furthermore, the PPG clarifies that the definition of “use” for this purpose is not tied to the classes of development in the Town and Country Planning Act (Use Classes) Order 1987 (as amended), although that Order does provide *“a useful reference point”*⁸. The PPG also sets out (paragraph 024 Reference ID: 25-024-20190901) that charging authorities may also set differential rates in relation to, scale of development i.e. by reference to either floor area or the number of units or dwellings.
- 2.37 The 2010 CIL regulations set out clear timescales for payment of CIL, which are varied according to the size of the payment, which by implication is linked to the size of the scheme. The 2011 amendments to the regulations allowed charging authorities to set their own timescales for the payment of CIL under regulation 69B if they choose to do so. This is an important issue that charging authorities need to consider, as the timing of payment of CIL can have an impact on development cashflows (the earlier the payment of CIL, the more interest applicants will bear before the development is completed and sold).
- 2.38 Regulation 73 enables charging authorities to secure physical infrastructure on a development site, or land, in lieu (or ‘in kind’) of a Developer’s CIL liability. The PPG (paragraph 133) notes that *“there may be circumstances where the charging authority and the person liable for the levy will wish land and/or infrastructure to be provided, instead of money, to satisfy a charge arising from the levy”*. The PPG goes on to note that the charging authority can enter into agreements with developers to receive infrastructure as payment of a CIL liability.
- 2.39 Revised regulations came into effect on 1 September 2019 which introduced the following changes:
 - Consultation requirements to be amended to remove the current two stage consultation process and replace this with a single consultation.
 - Removal of the pooling restrictions contained within Regulation 123.
 - Charging authorities are no longer required to publish a Regulation 123 list.
 - Changes to calculations of chargeable amounts in different cases, including where granting of amended scheme under Section 73 leads to an increased or decreased CIL liability.
 - Removal of provisions which resulted in reliefs being lost if a commencement notice was not served before a developer starts a development. A surcharge will apply in future but the relief will not be lost.
 - Introduction of ‘carry-over’ provisions for a development which is amended by a Section 73 permission, providing the amount of relief does not change.

⁸ Difficulties may emerge, for example, with regards to Class E, which includes very different uses which are interchangeable, such as offices and retail. Applying CIL rates to use classes (*rather than intended uses of development*) in these circumstances may be inconsistent with viability evidence.

- Charging authorities are required to publish an annual infrastructure funding statement, setting out how much CIL has been collected and what it was spent on. Similar provisions to be introduced for Section 106 funds.
- Charging authorities are required to publish annual CIL rate summaries showing the rates after indexation.

Mayoral CIL

- 2.40 The Borough is located within Mayoral CIL Zone 2, which attracts a rate of £60 per square metre before indexation⁹ and £69.27 per square metre after indexation. Future receipts from the Mayoral CIL will be used to contribute towards funding Crossrail 2 (a north-east to south-west line) to relieve pressure on existing transport networks and other major transport investments, including the potential Bakerloo Line Extension from Elephant and Castle to Lewisham.

Borough CIL

- 2.41 The Council approved its CIL Charging Schedule on 25 February 2015 and it came into effect on 1 April 2015. Table 2.41.1 below summarises the prevailing rates of CIL. For C3 residential developments in the north of the borough (New Cross Gate, Deptford and Lewisham), the adopted rate is £100 per square metre. In all other parts of the borough, the rate for residential developments is £70 per square metre. Developments within B use classes are nil rated, while all other uses not specified attract a charge of £80 per square metre.

Table 2.41.1: CIL rates per net additional square metre in the Charging Schedule

Development type	Zone	Adopted rate	2025 indexed rate
Residential C3 use class	Zone 1 ¹⁰	£100	£151.55
	Zone 2 ¹¹	£70	£106.09
B use classes	Whole borough	£0	£0
All other uses	Whole Borough	£80	£121.24

- 2.42 Since Lewisham's CIL came into effect in 2015, the Council has collected a total of £26.38 million in CIL receipts, 25% of which has been devolved to neighbourhoods, while the remaining 75% has been used for strategic Borough-wide infrastructure. The amount of CIL collected in each year varies, depending on the number of CIL liable developments that are commenced at particular times. Over the last five years for which figures are available, the Council has collected £0.75 million, £5.8 million, £1.9 million, £4.9 million, £3.6 million and £1.25 million in 2018/19 to 2023/24 respectively¹².

Local Policy context

- 2.43 There are numerous policy requirements that are now embedded in base build costs for schemes in London addressing London Plan requirements, which are mirrored in borough Local Plans (i.e. secure by design, lifetime homes, landscaping, amenity space, internal space standards, car parking, waste storage, tree preservation and protection etc). Therefore it is unnecessary to establish the cost of all these pre-existing policy requirements.
- 2.44 In order to assess the ability of schemes to absorb higher CIL rates than those in the adopted Charing Schedule, it is also necessary to factor in the pre-existing requirements in the adopted policies. The affordable housing policy is tested at various percentages, as it has a significant bearing on the viability of developments, even though it has been in place for a considerable period.

⁹ The impact of indexation is discussed in section 6.

¹⁰ Postcode sectors SE3, SE8, SE10 and SE16

¹¹ Postcode sectors BR1, BR3, SE4, SE9, SE12, SE13, SE14, SE15, SE23 and SE26

¹² 5% of gross CIL receipts are allocated for administration costs

2.45 We set out a summary of the policies identified as having cost implications for developments below:

- Draft Local Plan Policy HO3 sets a strategic target of 50% affordable housing across all sites, but recognises that provision may vary in accordance with site-specific circumstances, including viability. We have assumed that the rented element is provided as social rent; London Affordable Rent and that the intermediate element is provided as shared ownership.
- As part of the requirement above, to reflect the requirement of Draft Local Plan Policy HO3 that requires sites below 10 units to provide contributions towards affordable housing on a 'sliding scale' basis and determine the potential amounts of CIL that can be secured.
- For build to rent schemes, we have reflected the impact of London Plan policy H11 which requires 35% affordable housing, comprising at least 30% of units as London Living Rent with the balance at a range of discounts below market rent and which requires the maximum reasonable level of affordable housing on PRS schemes having regard to site-specific viability.
- For large-scale purpose built shared housing, we have tested the impact of London Plan policy H16 and Draft Local Plan Policy HO8 which requires payments in lieu equivalent to a discount of 50% to market rent on 35% of the units.
- For purpose built student housing, we have tested the impact of London Plan policy H15 and Draft Local Policy HO7 which requires 35% of units to be provided at affordable rent levels (defined as a rent not exceeding 55% of the maximum maintenance loan available to undergraduates studying in London).
- For specialist housing for older people (C3 use class), we have tested the impact of London Plan policy H13 and Local Plan Policy HO5 which applies the affordable housing policy approach for general needs housing to this sector.
- Accessibility standards set out in Policy D7 of the London Plan and Draft Local Plan Policy QD2 (at least 10% of dwellings to meet Building Regulations Part M(3) 'wheelchair accessible dwellings' and all other dwellings to meet Part M4(2) requirements).
- Low carbon requirements in London Plan policy SI2 and Local Plan Policy SD1 for developments to achieve a 35% reduction on carbon emissions beyond Building Regulations requirements.
- Affordable workspace requirements on schemes which provide new or replacement employment floorspace. Draft Local Plan Policy EC4 requires 10% of floorspace to be let at a 50% discount to market rents.
- The impact of MCIL2, which is set at a rate of £60 per square metre (before indexation) or £69.27 per square metre in 2024 after indexation.

2.46 In addition, there is now a statutory requirement for developments to achieve 10% biodiversity net gain, which we have reflected in our appraisals.

Development context

2.47 Lewisham is an inner-London borough located in south-east London. The borough is bordered by the River Thames and Tower Hamlets to the north, the Royal Borough of Greenwich to the east; the London Borough of Southwark to the west; and the London Borough of Bromley to the south. The borough has numerous transport routes, including mainline trains from central London (London Bridge, Cannon Street and Charing Cross) providing north-south services to the west of the borough (serving New Cross Gate, Brockley, Honor Oak Park, Forest Hill and Sydenham); in the centre of the borough (serving Deptford, St John's, Lewisham, Ladywell, Catford, Bellingham and Beckenham Hill); and to the east (serving Blackheath, Hither Green, Lee and Grove Park). Public Transport Accessibility Levels ('PTAL') are highest in New Cross, Lewisham and Catford, where PTALs reach

level 6A/6B, meaning excellent, but are as low as 1 (meaning the lowest levels of accessibility) in the south, the latter being commensurate with the more suburban makeup of this part of the borough.

- 2.48 Transport for London ('TfL') has consulted on a potential extension to the Bakerloo Line, which currently starts at Harrow and Wealdstone Station and terminates at Elephant and Castle. TfL's current preferred option is for the line to be extended to Lewisham with stations at Old Kent Road, New Cross Gate and Lewisham. The Coronavirus pandemic had an adverse impact upon TfL's finances which cast some doubt on the timing of the extension. In 2021, the Secretary of State issued directions to safeguard land required to build the extension to Lewisham. TfL is also considering a second phase beyond Lewisham to Hayes and Beckenham Junction (utilising existing National Rail lines) which we understand is strongly supported by LB Lewisham. There are now some positive signs that the BLE is moving forward as TfL awarded feasibility design contracts in 2024 for four new stations on the route. When the extension proceeds, there are clearly precedents for extensions in growth areas, such as the Northern Line Extension ('NLE') to Battersea Power Station, which has facilitated high density development in the Nine Elms Vauxhall Opportunity Area ('NEVOA'). Developers in the NEVOA made substantial contributions to the NLE and TfL secured funding against future incremental business rates arising from the growth in employment floorspace in the area. London Borough of Southwark, which accommodates the Old Kent Road Opportunity Area amended to its CIL Charging Schedule to secure increased contributions from developments in this area towards the cost of the BLE.
- 2.49 The London Plan designates Lewisham, Deptford Creekside, Catford and New Cross as opportunity areas with potential for significant housing provision and new employment. In addition, the borough accommodates two Housing Zones, one at Catford (2,372 new homes over 33 hectares) and New Bermondsey (2,372 new homes over 12 hectares).
- 2.50 Developments in Lewisham range from small in-fill sites to major regeneration schemes. The bulk of development (in terms of volume of units) is expected to come forward on sites in Town Centres and highly accessible locations such as New Cross, Deptford, Lewisham and Catford.
- 2.51 The Borough has significant opportunities for development through the recycling of previously developed sites, including vacant and under-utilised buildings, commercial buildings, car parks and surplus public sector land.

Fire safety regulations

- 2.52 In July 2023, the government confirmed an 18 metre height threshold above which all residential buildings are to have a second stair core. Many developers who have recently secured planning permission but who have not yet implemented these permissions are submitting Section 73 applications to vary these schemes to add second cores. This sometimes results in reductions in saleable floorspace where it is not possible to offset space lost to additional cores by either expanding the footprint of the building or adding height.
- 2.53 The issue has been compounded by recent increases in construction costs, which developers are typically reflecting in their financial viability assessments submitted with Section 73 applications. This is entirely appropriate of course (providing that any increases in value since the original application are also reflected), but sometimes has the effect of reducing the affordable housing below 35% unless other factors have changed to offset increased costs, such as a reduced benchmark land value.
- 2.54 This is in essence a short term issue that will be resolved after consented schemes have been varied to add the required additional cores. Schemes being designed after the changes to the regulations will clearly already reflect the requirements and sufficient floorspace will need to be negotiated with officers to ensure schemes are financially viable.

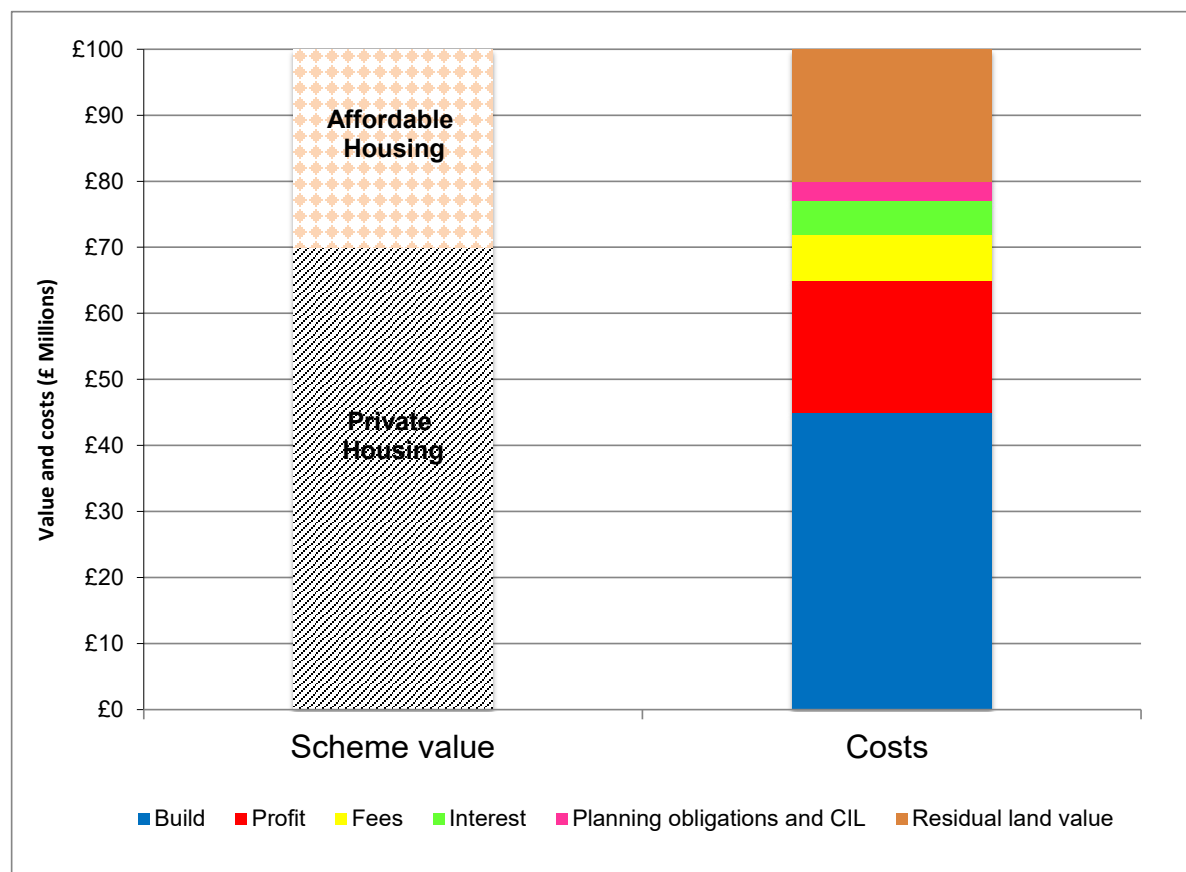
3 Methodology and appraisal approach

- 3.1 Our methodology follows standard development appraisal conventions, using locally-based sites and assumptions that reflect local market and planning policy circumstances. The study is therefore specific to Lewisham and tests the Council's emerging planning policy requirements alongside adopted CIL rates.

Approach to testing development viability

- 3.2 Appraisal models can be summarised via the following diagram. The total scheme value is calculated, as represented by the left hand bar. This includes the sales receipts from the private housing (the hatched portion) and the payment from a Registered Provider ('RP') (the chequered portion) for the completed affordable housing units. For a commercial scheme, scheme value equates to the capital value of the rental income after allowing for rent free periods and purchaser's costs. The model then deducts the build costs, fees, interest, planning obligations, CIL and developer's profit. A 'residual' amount is left after all these costs are deducted – this is the land value that the Developer would pay to the landowner. The residual land value is represented by the brown portion of the right hand bar in the diagram.

Figure 3.2.1: Components of a residual valuation



- 3.3 The Residual Land Value is normally a key variable in determining whether a scheme will proceed. If a proposal generates sufficient positive land value (in excess of existing use value, discussed later), it will be implemented. If not, the proposal will not go ahead, unless there are alternative funding sources to bridge the 'gap'.
- 3.4 Issues with establishing key appraisal variables are summarised as follows:

- Development costs are subject to national and local monitoring and can be reasonably accurately assessed in 'normal' circumstances. In boroughs like Lewisham, most sites will have been developed previously. These sites can sometimes encounter 'exceptional' costs such as decontamination. Such costs can be very difficult to anticipate before detailed site investigations are undertaken (and we have not attempted to for the purposes of this study);
 - Assumptions about development phasing, phasing of Section 106 contributions and infrastructure required to facilitate each phase of the development will affect residual values. Where the delivery of a planning obligation is deferred, the lower the real cost to the applicant (and the greater the scope for increased affordable housing and other planning obligations). This is because the interest cost is reduced if the costs are incurred later in the development cashflow; and
 - While Developer's Profit has to be assumed in any appraisal, its level is closely correlated with risk. The greater the risk, the higher the profit level required by lenders. The PPG identifies a range of 15% to 20% for private housing development, with lower rates for some forms of housing such as BTR. Typically, developers and banks are targeting around 17.5 profit on value of the private housing element.
- 3.5 Ultimately, the landowner will make a decision on implementing a project on the basis of return and the potential for market change, and whether alternative developments might yield a higher value. The landowner's 'bottom line' will be achieving a residual land value that sufficiently exceeds 'existing use value'¹³ or another appropriate benchmark to make development worthwhile. The margin above existing use value may be considerably different on individual sites, where there might be particular reasons why the premium to the landowner should be lower or higher than other sites.
- 3.6 Clearly, however, landowners have expectations of the value of their land which often exceed the value of the existing use. Ultimately, if landowners' *reasonable* expectations are not met, they will not voluntarily sell their land and (unless a Local Authority is prepared to use its compulsory purchase powers) some may simply hold on to their sites, in the hope that policy may change at some future point with reduced requirements. However, the communities in which development is brought forward also have reasonable expectations that development will mitigate its impact, in terms of provision of community infrastructure, which will reduce land values. It is within the scope of these expectations that developers have to formulate their offers for sites. The task of formulating an offer for a site is complicated further still during buoyant land markets, where developers have to compete with other developers to secure a site, often speculating on increases in value.

Viability benchmark

- 3.7 In 2019 (with re-issues in 2021, 2023 and 2024), the government published a revised NPPF, which indicates at paragraph 34 that *"Plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water management, green and digital infrastructure). Such policies should not undermine the deliverability of the plan"*. The revised PPG indicates that for the purposes of testing viability, local authorities should have regard to existing use value of land plus a premium to incentivise release for redevelopment.
- 3.8 The Mayor of London's Affordable Housing and Viability SPG (August 2017) focuses on decision making in development management, rather than plan making, but indicates that benchmark land values should be based on existing use value plus a premium which should be *"fully justified based on the income generating capacity of the existing use with reference to comparable evidence on rents, which excludes hope value associated with development on the site or alternative uses"*.
- 3.9 The Local Housing Delivery Group published guidance¹⁴ in June 2012 which provides guidance on testing viability of Local Plan policies. The guidance notes that *"consideration of an appropriate*

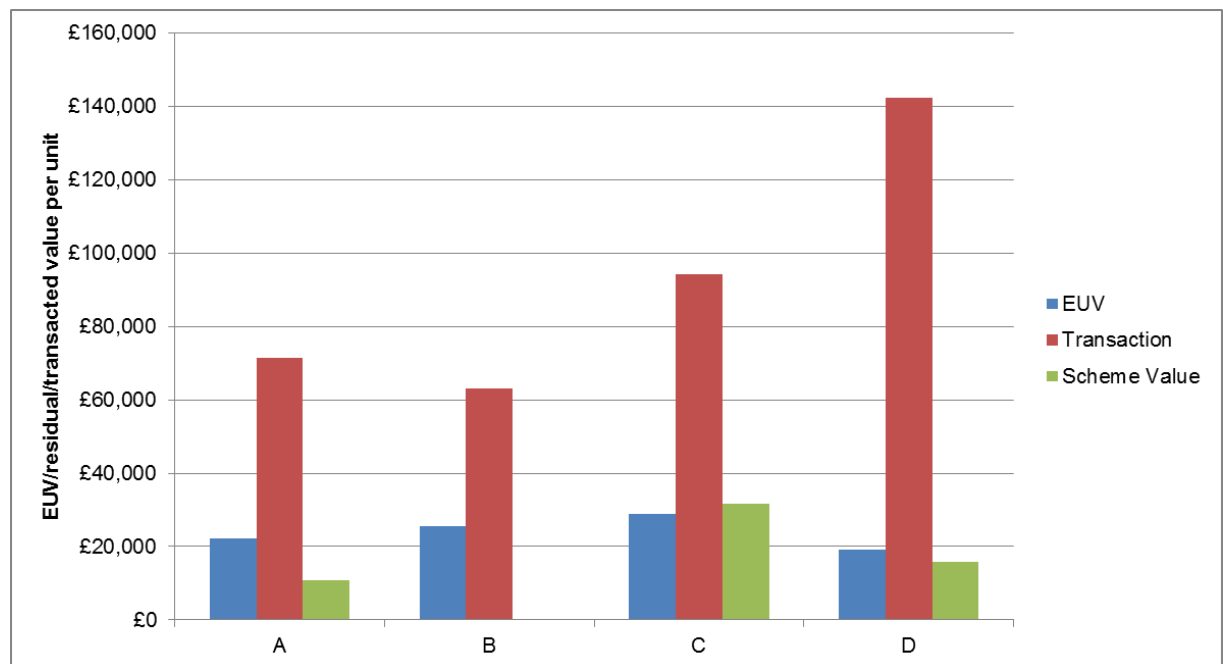
¹³ For the purposes of this report, existing use value is defined as the value of the site in its existing use, assuming that it remains in that use. We are not referring to the RICS Valuation Standards definition of 'Existing Use Value'.

¹⁴ Viability Testing Local Plans. Advice for planning practitioners. Local Housing Delivery Group, Chaired by Sir John Harman, June 2012

Threshold Land Value [or viability benchmark] needs to take account of the fact that future plan policy requirements will have an impact on land values and landowner expectations. Therefore, using a market value approach as the starting point carries the risk of building-in assumptions of current policy costs rather than helping to inform the potential for future policy”.

- 3.10 It is important to stress, therefore, that there is no single threshold land value at which land will come forward for development. The decision to bring land forward will depend on the type of owner and, in particular, whether the owner occupies the site or holds it as an asset; the strength of demand for the site's existing use in comparison to others; how offers received compare to the owner's perception of the value of the site, which in turn is influenced by prices achieved by other sites. Given the lack of a single threshold land value, it is difficult for policy makers to determine the minimum land value that sites should achieve. This will ultimately be a matter of judgement for each planning authority.
- 3.11 Relying upon historic transactions to inform benchmark land values is a fundamentally flawed approach, as offers for these sites will have been framed in the context of current planning policy requirements. Consequently, and exercise using these transactions as a benchmark would tell the Council nothing about the potential for sites to absorb as yet unadopted policies. Even prior to the publication of the 2019 PPG, various Local Plan inspectors and CIL examiners accepted the key point that Local Plan policies and CIL will ultimately result in a reduction in land values, so benchmarks must consider a reasonable minimum threshold which landowners will accept. For local authority areas such as Lewisham, where the vast majority of sites are previously developed, the 'bottom line' in terms of land value will be the value of the site in its existing use.
- 3.12 Commentators frequently make reference to 'market testing' of benchmark land values and advocating the use of benchmarks that are based on the prices that sites have been bought and sold for. There are significant weaknesses in this approach which none of advocates of this approach have addressed. In brief, prices paid for sites are a highly unreliable indicator of their actual value, due to the following reasons:
- Transactions are often based on bids that 'take a view' on squeezing planning policy requirements below target levels. This results in prices paid being too high to allow for policy targets to be met. If these transactions are used to 'market test' emerging Local Plan policies and/or CIL rates, the outcome would be unreliable and potentially highly misleading.
 - Historic transactions of housing sites are often based on the receipt of grant funding, which is no longer available in most cases.
 - There would be a need to determine whether the developer who built out the comparator sites actually achieved a profit at the equivalent level to the profit adopted in the viability testing. If the developer achieved a sub-optimal level of profit, then any benchmarking using these transactions would produce unreliable and misleading results.
 - Developers often build assumptions of growth in sales values into their appraisals, which provides a higher gross development value than would actually be achieved today. Given that our appraisals are based on current values, using prices paid would result in an inconsistent comparison (i.e. current values against the developer's assumed future values). Using these transactions would produce unreliable and misleading results.
- 3.13 These issues are evident from a recent BNP Paribas Real Estate review of evidence submitted in viability assessments where the differences between the value ascribed to developments by applicants and the amounts the sites were purchased for by the same parties. The prices paid exceeded the value of the consented schemes by between 52% and 1,300%, as shown in Figure 3.13.1. This chart compares the residual value of four central London development proposals to the sites' existing use values and the price which the developers paid to acquire the sites (all the data is on a per unit basis).

Figure 3.13.1: Comparison of residual values to existing use value and price paid for site



- 3.14 For the reasons set out above, the approach of using current use values is a more reliable indicator of viability than using market values or prices paid for sites, as advocated by certain observers. Our assessment follows this approach, as set out in Section 4.
- 3.15 The PPG indicates that planning authorities should adopt benchmark land values based on existing use values. It then goes on to suggest that the premium above existing use value can be informed by land transactions. This would in effect simply level benchmark land values up to market value, with all the issues associated with this (as outlined above). The PPG does temper this approach by indicating that *“the landowner premium should be tested and balanced against emerging policies”* and that *“the premium should provide a reasonable incentive for a land owner to bring forward land for development while allowing a sufficient contribution to comply with policy requirements”*. The guidance also stresses in several places that *“price paid for land”* should not be reflected in viability assessments. This would exclude use of transactional data thus addressing the issues highlighted in paragraphs 3.11 and 3.12.

4 Appraisal assumptions

- 4.1 We have appraised 48 development typologies on sites across the borough to represent the types of sites that the Council expects to come forward over the plan period. The development typologies are identified in Table 4.1.1 overleaf. Floor areas for commercial uses are gross internal areas and are indicative estimates only without the benefit of detailed design. The appraisals include sufficient gross internal floorspace to accommodate the space standards and amenity standards in Policy D6 of the London Plan and the housing mix sought by Policy HO1 in the Draft Local Plan.

Residential sales values

- 4.2 Residential values in the area reflect national trends in recent years but do of course vary between different sub-markets, as noted in Section 2. We have considered comparable evidence of new build schemes in the borough to establish appropriate values for each scheme for testing purposes. This exercise indicates that the developments in the sample will attract average sales values ranging from circa £6,500 per square metre (£604 per square foot) to £7,965 per square metre (£740 per square foot), as shown in Figure 2.18.1. As noted in Section 2, the highest sales values are achieved in the area adjacent to the Thames, Deptford, Creekside and Blackheath. Developments in parts of the south of the borough are lowest, but there are fewer sites available in this area than in other parts of the borough.
- 4.3 We have also tested the impact of the provision of private units as rented by discounting the market value for these units by 10%, which reflects the discount we have seen on live developments when units are provided as Private Rented Sector stock. As noted in Section 2, this discount is offset to a degree by a reduction in profit margin of circa 5%, so the net reduction in value is 5%.
- 4.4 As noted earlier in the report, Savills predict that sales values will increase over the medium term (i.e. the next five years). Whilst this predicted growth cannot be guaranteed, we have run a series of sensitivity analyses assuming growth in sales values accompanied by cost inflation as summarised in Table 4.4.1. While these growth scenarios are based on a number of forecasts, they cannot be guaranteed and the results which these scenarios produce must be viewed as indicative only.

Table 4.4.1: Growth scenario

Year	1 2024	2 2025	3 2026	4 2027	5 2028	6 2029 and each year thereafter
Values	1%	3%	4%	4%	4.5%	4%
Costs	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

Affordable housing tenure and values

- 4.5 Draft Local Plan Policy HO3 sets a 50% strategic target for affordable housing from all sources with a tenure mix of 70% London Affordable Rent and 30% intermediate (London Living Rent or shared ownership).
- 4.6 Our appraisals assume that the rented housing is let at rents that do not exceed London Affordable Rents, as shown in Table 4.6.1. These rents are broadly equivalent to social/target rents.

Table 4.6.1: Affordable housing rents (per week 2024/25)

Rent type	1 bed	2 bed	3 bed	4 bed
London Affordable Rent	£201.43	£213.26	£225.11	£236.95

Table 4.1.1: Development typologies tested in the study (all areas are square metre gross internal areas)

Site	Description	Site area HA	Units	Ave GIA sqm per unit	Residential floorspace	Retail	Large retail incl supermarkets	Offices	B2	B8	C1 Hotel	C2	D1	D2	Gross floorspace	Indicative No of floors
1	Very small residential (house)	0.03	1	86	86	0	0	0	0	0	0	0	0	0	86	2
2	Small residential developments (houses, backland, infill etc)	0.05	5	86	432	0	0	0	0	0	0	0	0	0	432	3
3	Small residential developments (flats, backland, infill etc)	0.05	5	86	432	0	0	0	0	0	0	0	0	0	432	3
4	Small residential developments (houses, backland, infill etc)	0.10	11	86	950	0	0	0	0	0	0	0	0	0	950	3
5	Small residential developments (flats - backland, infill etc)	0.10	11	86	950	0	0	0	0	0	0	0	0	0	950	3
6	Small residential developments	0.15	25	86	2,160	0	0	0	0	0	0	0	0	0	2,160	4
7	Residential development	0.25	50	86	4,320	0	0	0	0	0	0	0	0	0	4,320	5
8	Small scale mixed use, local centres	0.02	5	86	432	50	0	0	0	0	0	0	0	0	482	3
9	Small scale mixed use, local centres	0.02	5	86	432	0	0	50	0	0	0	0	0	0	482	3
10	Small mixed use	0.15	25	86	2,160	200	0	0	0	0	0	0	0	0	2,360	6
11	Small mixed use	0.20	30	86	2,592	0	0	300	0	0	0	0	0	0	2,892	6
12	Mixed use	0.30	70	86	6,048	100	0	700	0	0	0	0	0	0	6,848	8
13	Mixed use	0.70	150	86	12,961	100	0	700	0	0	0	0	200	0	13,961	10
14	Mixed use incl community facility	0.56	118	86	10,196	0	0	0	0	0	0	0	0	1,650	11,846	12

Site	Description	Site area HA	Units	Ave GIA sqm per unit	Residential floorspace	Retail	Large retail incl supermarkets	Offices	B2	B8	C1 Hotel	C2	D1	D2	Gross floorspace	Indicative No of floors
15	Mixed use incl health facility	0.40	60	86	5,184	0	0	0	0	0	0	0	0	800	5,984	4
16	Mixed use incl leisure facility	0.70	150	86	12,961	300	0	0	0	0	0	0	0	2,500	15,761	10
17	Mixed use	0.42	88	86	7,604	600	0	0	0	0	0	0	0	0	8,204	8
18	Large mixed use (employment led)	0.80	300	86	25,922	300	0	4,500	0	0	0	0	200	0	30,922	15
19	Estate regeneration (small infill - houses)	0.20	10	86	864	100	0	0	0	0	0	0	0	0	964	3
20	Estate regeneration (small infill - flats)	0.20	10	86	864	0	0	0	0	0	0	0	0	0	864	3
21	Estate regeneration (large)	4.00	200	86	17,281	100	0	0	0	0	0	0	250	0	17,631	10
22	Student housing	0.30	-	25	-	150	0	400	0	0	0	3,000	0	0	3,550	5
23	Hotels	0.20	67	30	2,000	250	0	0	0	0	2,000	0	0	0	4,250	6
24	Commercial	0.60	0	0	-	0	0	500	0	0	0	0	0	0	500	3
25	Storage	0.20	0	0	-	0	0	1,000	0	1,500	0	0	0	0	2,500	2
26	Residential care home (7 units)	0.03	7	86	-	0	0	0	0	0	0	250	0	0	250	3
27	Site allocation 1	0.28	242	86	20,910	2,880	0	960	-	0	0	0	960	960	26,670	30
28	Site allocation 2	1.14	536	86	46,313	2,171	0	700	-	0	0	0	2,000	-	51,184	24
29	Site allocation 3	23.60	3514	86	303,629	17,755	0	15,500	32,200	0	27,070	0	6,500	6,500	409,154	30
30	Site allocation 4	4.60	1582	86	136,694	1,870	0	6,268	-	0	0	0	374	374	145,580	20
31	Site allocation 5	10.56	3500	86	302,420	6,300	0	15,000	-	0	0	0	15,800	10,000	349,520	30
32	Site allocation 6	5.52	649	86	56,077	7,560	0	880	-	0	5,960	0	3,900	880	75,257	20
33	Site allocation 7	6.06	443	86	38,278	-	0	-	-	0	0	0	-	768	39,046	17
34	Site allocation 8	0.77	393	86	33,957	752	0	752	-	0	0	0	-	7,983	43,444	16

Site	Description	Site area HA	Units	Ave GIA sqm per unit	Residential floorspace	Retail	Large retail incl supermarkets	Offices	B2	B8	C1 Hotel	C2	D1	D2	Gross floorspace	Indicative No of floors
35	Site allocation 9	0.30	365	86	31,538	3,024	0	1,512	-	0	0	0	-	-	36,074	25
36	Site allocation 10	0.6	585	86	50,547	4,820	0	2,410	-	0	0	0	-	-	57,777	15
37	Site allocation 11	1.68	393	86	33,957	5,305	0	805	-	0	0	0	1,122	321	41,510	11
38	Site allocation 12	3.59	1,020	86	88,134	13,382	0	4,061	-	0	0	0	-	400	105,977	20
39	Site allocation 13	0.61	260	86	22,465	200	0	-	-	0	0	0	-	-	22,665	12
40	Site allocation 14	1.01	324	86	27,995	572	0	-	-	0	0	0	-	934	29,501	8
41	Site allocation 15	2.23	636	86	54,954	9,308	0	3,103	-	0	0	0	-	-	67,365	12
42	Site allocation 16	3.41	1080	86	93,318	11,175	0	4,725	-	0	0	0	2,000	1,000	112,218	20
43	Site allocation 17	2.06	918	86	79,320	4,160	0	4,780	2,000	0	0	0	-	500	90,760	20
44	Site allocation 18	1.91	300	86	25,922	5,017	0	12,033	-	0	0	0	-	1,000	43,972	15
45	Site allocation 19	0.81	299	86	25,835	2,615	0	2,615	-	0	0	0	-	-	31,065	10
46	Site allocation 20	6.37	1186	86	102,477	59,402	0	16,601	-	0	0	0	5,000	2,000	185,480	20
47	Site allocation 21	0.93	274	86	23,675	2,151	0	1,225	-	0	0	0	-	300	27,351	10
48	Site allocation 22	2.46	1029	86	88,911	7,974	0	4,237	-	0	0	0	500	-	101,622	6
49	Site allocation 23	1.1	352	86	30,415	-	0	12,370	-	0	0	0	-	-	42,785	6
50	Site allocation 24	0.77	277	86	23,934	2,426	0	2,426	-	0	0	0	-	-	28,786	10
51	Site allocation 25	7.35	2219	86	191,734	14,270	0	9,135	-	0	0	0	3,000	1,000	219,139	10
52	Site allocation 26	5.4	1818	86	157,085	19,861	0	7,954	-	0	0	0	3,000	1,000	188,900	10
53	Site allocation 27	0.96	283	86	24,453	-	0	9,771	-	0	0	0	-	-	34,224	6
54	Site allocation 28	1.26	245	86	21,169	-	0	8,455	-	0	0	0	-	-	29,624	6
55	Site allocation 29	1.7	255	86	22,033	2,234	0	2,234	-	0	0	0	-	-	26,501	6

- 4.7 Draft Local Plan Policy HO3 indicates that the Council will seek the unit mix shown in Table 4.7.1.

Table 4.7.1: Housing mix for affordable housing

Tenure	1 bed	2 bed	3 bed	4 bed
Rented	19%	36%	32%	13%
Intermediate	10%	40%	35%	15%

- 4.8 Based on the rents above, our modelling indicates that RPs would pay an average of £2,987 per square metre (£277 per square foot) to acquire completed London Affordable Rented units.
- 4.9 The CLG 'Affordable Homes Programme 2021-2026' document clearly states that Registered Providers will not receive grant funding for any affordable housing provided through planning obligations on developer-led developments. Consequently, all our appraisals assume nil grant. Clearly if grant funding does become available over the plan period, it should facilitate an increase in the provision of affordable housing when developments come forward.
- 4.10 For shared ownership units, we have assumed that Registered Providers will sell 25% initial equity stakes and charge 2.5% on the retained equity. The rent on retained equity is capitalised using a yield of 5%.

Rents and yields for commercial development

- 4.11 Our assumptions on rents and yields for the retail, office and industrial floorspace are summarised in Table 4.12.1. These assumptions are informed by lettings of similar floorspace in the area over the past year. Our appraisals assume a 24 month rent-free period for office floorspace and a 12 month rent free period for other uses.

Table 4.11.1: Commercial rents (£s per square metre) and yields

Commercial floorspace	Rent per square metre	Investment yield	Rent free period (months)
Retail			
North	£811	7.00%	12
Rest of Borough	£644	7.50%	12
Office			
North	£417	6.50%	24
Rest of Borough	£381	6.75%	24
Industrial and warehousing			
North	£238	5.0%	12
Rest of Borough	£214	5.0%	12
Hotel			
Whole Borough	£303	5.00%	-
Student			
Whole Borough – market ¹⁵	£688	4.75%	-
Whole Borough - affordable ¹⁶	£263	4.75%	-

Build costs

- 4.12 We have sourced build costs from the RICS Building Cost Information Service (BCIS), attached as Appendix 2, which is based on tenders for actual schemes. Base costs (adjusted for local circumstances by reference to BICS multiplier) are as follows:

- Flats (5 or fewer storeys): £2,014 per square metre;

¹⁵ Rent of £200 per week per studio, 51 week tenancy

¹⁶ Rent of £155 per week, based on 55% of maximum maintenance loan in line with London Plan policy, 35 week tenancy

- Flats (6+ storeys): £2,364 per square metre;
- Retail: £1,776 per square metre;
- Offices: £2,465 per square metre;
- B2 Industrial: £1,226 per square metre;
- Warehouse/storage: £1,057 per square metre;
- Student housing: £2,729 per square metre;
- Hotel: £3,052 per square metre
- Leisure and ancillary uses: £2,256 per square metre.

4.13 In addition, the base costs above are increased by 10% to account for external works (including car parking spaces).

Zero carbon

- 4.14 In 2023, London boroughs commissioned research on the costs of achieving reductions in carbon emissions from development (*'Delivering Net Zero: An evidence study to support planning policies which deliver Net Zero Carbon developments'* (May 2023) by Levitt Bernstein, Introba, Inkling, Currie & Brown and Etude.
- 4.15 This research identifies additional capital costs of achieving net zero carbon development ranging from 4% to 5% for houses; 4% to 7% or low rise flats; and 3% to 5% for mid-rise flats. The study also identifies additional capital costs of 1% to 4% for offices and 4% to 7% for industrial development.
- 4.16 We have therefore tested the upper end of the range of costs in our appraisals (i.e. 5% of construction costs).

Accessibility standards

- 4.17 We have tested the impact of applying accessible and adaptable dwellings standards (Category 2 and Category 3) at the rates summarised in Table 4.18.1. These costs are based on the MHCLG *'Housing Standards Review: Cost Impacts'* study, but converted into percentages of base construction costs (see calculations at Appendix 3) so that they can be applied to contemporary costs.

Table 4.17.1: Costs of accessibility standards (% uplift to base construction costs)

Standard	Flats	Houses
M4(2) accessible and adaptable	1.15%	0.54%
M4(3) (a) wheelchair user - adaptable	9.28%	10.77%
M4(3) (b) wheelchair user - accessible	9.47%	23.80%

- 4.18 Our appraisals assume that all units are constructed to meet wheelchair accessibility standards (Category 2) and that Category 3 applies to 10% of dwellings. M4(3) (a) applies to market housing units and M4(3) (b) applies to affordable units.

Professional fees

- 4.19 In addition to base build costs, schemes will incur professional fees, covering design and valuation, highways consultants and so on. Our appraisals incorporate a 10% allowance, which is at the middle to higher end of the range for most schemes.

Development finance

- 4.20 Our appraisals assume that development finance can be secured at a rate of 6.5%, inclusive of arrangement and exit fees, reflective of medium term funding conditions.

Marketing costs

- 4.21 Our appraisals incorporate an allowance of 2.5% for marketing costs, which includes show homes and agents' fees, plus 0.25% for sales legal fees. For commercial developments, we have allowed 15% of first year's rent for letting agent and legal fees; a disposal fee of 1% of capital value; and legal fees of 0.5%.

Mayoral CIL

- 4.22 The Borough is located within Mayoral CIL Zone 2, which attracts a rate of £60 per square metre before indexation¹⁷ and £69.27 per square metre after indexation. Future receipts from the Mayoral CIL will be used to contribute towards funding Crossrail 2 (a north-east to south-west line) to relieve pressure on existing transport networks and other major transport investments, including the potential Bakerloo Line Extension from Elephant and Castle to Lewisham.

Borough CIL

- 4.23 The Council approved its CIL Charging Schedule on 25 February 2015 and it came into effect on 1 April 2015. Table 4.23.1 below summarises the prevailing rates of CIL. For C3 residential developments in the north of the borough (New Cross Gate, Deptford and Lewisham), the adopted rate is £100 per square metre. In all other parts of the borough, the rate for residential developments is £70 per square metre. Developments within B use classes are nil rated, while all other uses not specified attract a charge of £80 per square metre.

Table 4.23.1: CIL rates per net additional square metre in the Charging Schedule

Development type	Zone	Adopted rate	2025 indexed rate
Residential C3 use class	Zone 1 ¹⁸	£100	£151.55
	Zone 2 ¹⁹	£70	£106.09
B use classes	Whole borough	£0	£0
All other uses	Whole Borough	£80	£121.24

- 4.24 The amended CIL Regulations specify that if any part of an existing building is in lawful use for 6 months within the 36 months prior to the time at which planning permission first permits development, all of the existing floorspace will be deducted when determining the amount of chargeable floorspace. This is likely to be the case for many development sites in Lewisham but not all existing floorspace will qualify. Therefore, for the purposes of our appraisals, we have assumed that there is no deduction for existing floorspace to ensure that the proposed CIL rate is viable for developments where there is no qualifying existing floorspace to net off.

Section 106 costs

- 4.25 To account for residual Section 106 requirements, we have included an allowance of up to £40 per square metre for non-residential development and up to £2,000 per unit for residential development. The actual amounts will of course be subject to site-specific negotiations when schemes are brought forward through the development management process. In addition, we have incorporated £1,000 per residential unit and £15 per square metre for S278 highways works.

¹⁷ The impact of indexation is discussed in section 6.

¹⁸ Postcode sectors SE3, SE8, SE10 and SE16

¹⁹ Postcode sectors BR1, BR3, SE4, SE9, SE12, SE13, SE14, SE15, SE23 and SE26

Urban Greening Factor / green roofs

- 4.26 The London Plan requires an Urban Greening Factor ('UGF') of 0.4 for residential-led developments and 0.3 for commercial-led developments. We have modelled the inclusion of green roofs as a proxy for the various measures that developers can deploy to achieve the required UGF levels. Studies²⁰ on the cost installing green roofs indicate a typical cost of £100 per square metre of roof space, which we have applied to an estimate of the footprints of the buildings in each development typology. We have increased this cost by the change in the BCIS Tender Price Index²¹, increasing costs to £121.10 per square metre.

Biodiversity Net Gain

- 4.27 We have reflected the additional costs of achieving a 10% biodiversity net gain by applying an increase in build costs indicated in the 2019 DEFRA report 'Biodiversity net gain and local nature recovery strategies impact assessment'. The Impact Assessment indicates that costs on brownfield sites in London for a 10% biodiversity net gain equate to 0.1% of build costs²². Increasing biodiversity in urban areas on sites which have been previously developed, as the starting base level of biodiversity is typically very low.

Development and sales periods

- 4.28 Development and sales periods vary between type of scheme. However, our sales periods are based on an assumption of a sales rate of 6 units per month, with an element of off-plan sales reflected in the timing of receipts. This is reflective of current market conditions, whereas in improved markets, a sales rate of up to 8 units per month might be expected. We also note that many schemes in London have sold entirely off-plan, in some cases well in advance of completion of construction. Clearly markets are cyclical and sales periods will vary over the economic cycle and the extent to which units are sold off-plan will vary over time. Our programme assumptions assume that units are sold over varying periods after completion, which is a conservative approach that ensures that the proposed CIL rates are viable for most developments.

Developer's profit

- 4.29 Developer's profit is closely correlated with the perceived risk of residential development. The greater the risk, the greater the required profit level, which helps to mitigate against the risk, but also to ensure that the potential rewards are sufficiently attractive for a bank and other equity providers to fund a scheme. It is important to emphasise that the level of minimum profit is not necessarily determined by developers (although they will have their own view and the boards of the major housebuilders will set targets for minimum profit).
- 4.30 The views of the banks which fund development are a relevant consideration; if banks decline an application by a developer to borrow to fund a development, it is very unlikely to proceed, as developers rarely carry sufficient cash to fund it themselves. Consequently, future movements in profit levels will largely be determined by the attitudes of the banks towards development proposals. However, they also need to remain competitive and if margins are set at unsustainably high levels, new entrants will be attracted into the market which will reduce rates due to competition.
- 4.31 Following a significant period of turbulence, including the UK's departure from the European Union, the Coronavirus pandemic, the war in Ukraine and the September 2022 'fiscal event', the market has remained relatively resilient, despite an increase in the Bank of England's base rate. We have adopted a profit margin of 17.5% of private GDV for testing purposes, although individual schemes may require lower or higher profits, depending on site specific circumstances. For example, schemes of houses are relatively low risk in comparison to large flatted developments as the latter tends to be built over long periods of time with significant capital lock-up. Profit rates applied to rented housing (BTR, co-living and student housing) are set at 15% of GDV. Profit on commercial

²⁰ See, for example, the Corporation of City of London's 'Urban Greening Study', July 2018

²¹ BCIS Qtr 3 2018 = 327; Qtr 4 2024 = 396. Change = 21.1%

²² Central Estimate – see Table 20 of DEFRA Impact Assessment

development is also set at 15% of GDV.

- 4.32 Our assumed return on the affordable housing GDV is 6%. A lower return on the affordable housing is appropriate as there is very limited sales risk on these units for the developer; there is often a pre-sale of the units to an RP prior to commencement. Any risk associated with take up of intermediate housing is borne by the acquiring RP, not by the developer.

Exceptional costs

- 4.33 Exceptional costs can be an issue for development viability on previously developed land. These costs relate to works that are 'atypical', such as remediation of sites in former industrial use and that are over and above standard build costs. However, in the absence of details site investigations, it is not possible to provide a reliable estimate of what exceptional costs might be. Our analysis therefore excludes exceptional costs, as to apply a blanket allowance would generate misleading results. An 'average' level of costs for abnormal ground conditions and some other 'abnormal' costs is already reflected in BCIS data, as such costs are frequently encountered on sites that form the basis of the BCIS data sample.

Benchmark land value

- 4.34 Benchmark land value, based on the existing use value of sites is a key consideration in the assessment of development economics for testing planning policies and tariffs. Clearly, there is a point where the Residual Land Value (what the landowner receives from a developer) that results from a scheme may be less than the land's existing use value. Existing use values can vary significantly, depending on the demand for the type of building relative to other areas. Similarly, subject to planning permission, the potential development site may be capable of being used in different ways – as a hotel rather than residential for example; or at least a different mix of uses. Existing use value is effectively the 'bottom line' in a financial sense and therefore a key factor in this study.
- 4.35 We have arrived at a broad judgement on the likely range of benchmark land values. On previously developed sites, the calculations assume that the landowner has made a judgement that the existing use does not yield an optimum use of the site; for example, it has fewer storeys than neighbouring buildings that were developed more recently; or there is a general lack of demand for the type of space, resulting in low rentals, high yields and high vacancies (or in some cases no occupation at all over a lengthy period). We would not expect a building which makes optimum use of a site and that is attracting a reasonable rent to come forward for development, as residual value may not exceed existing use values in these circumstances.
- 4.36 Redevelopment proposals that generate residual land values below existing use values are unlikely to be delivered. While any such thresholds are only a guide in 'normal' development circumstances, it does not imply that individual landowners, in particular financial circumstances, will not bring sites forward at a lower return or indeed require a higher return. If proven existing use value justifies a higher benchmark than those assumed, then appropriate adjustments may be necessary. As such, existing use values should be regarded as benchmarks rather than definitive fixed variables on a site. The assumptions underpinning our benchmark land values are summarised in Appendix 4 and in Table 4.36.1.

Table 4.36.1: Benchmark land values (£ millions per hectare)

Use	EUV	Premium	BLV
Secondary offices	£4.77	£0.95	£5.73
Secondary retail	£3.72	£0.74	£4.46
Secondary industrial	£2.94	£0.59	£3.53
Undeveloped land	£1.00	-	£1.00

- 4.37 We have not used 'alternative use values' in this study, as we have modelled a wide range of

development typologies, including commercial schemes (which would, themselves, be the 'alternative uses' that would be tested, resulting in a degree of circularity). Clearly such approaches to benchmark land value would also need to meet the four tests identified in paragraph 017 summarised as follows:

- That any alternative use scheme would comply in full with development plan policies;
- That it can be demonstrated that the alternative use could be accommodated on the site in question;
- There is demonstrable market demand for the alternative use;
- There is robust justification as to why this alternative use is not being pursued by the landowner.

4.38 A recent appeal decision²³ notes that it is unlikely to be appropriate to use an alternative use value in an application scheme viability assessment where the owner has no intention of bringing forward such a scheme. Such circumstances might include where a residential developer proposes a commercial scheme as an alternative use value.

²³ 55-69 Rothbury Road, 22 February 2022, reference PP/M9584/W/20/3258321

5 Appraisal outputs

- 5.1 The full inputs to and outputs from our appraisals of the various developments are set out in Section 6 and appendices 2 to 5. We have appraised 55 development typologies (including site allocations), reflecting different densities and types of development across the Borough.
- 5.2 Each appraisal incorporates (where relevant) the following levels of affordable housing in line with Draft Local Plan Policy HO3:
- 50% affordable housing;
 - 45% affordable housing;
 - 40% affordable housing;
 - 35% affordable housing;
 - 30% affordable housing;
 - 25% affordable housing;
 - 20% affordable housing;
 - 15% affordable housing;
 - 10% affordable housing; and
 - 100% private housing.
- 5.3 In all cases, the affordable housing is assumed to be provided as 70% London Affordable Rent and 30% intermediate housing.
- 5.4 For small sites that fall below the 10 unit threshold, we have factored in the affordable housing requirement as on-site units to test their ability to a potential affordable housing requirement as well as CIL. This is provided for information only, as the Draft Local Plan does not require small schemes to make any contribution towards affordable housing.
- 5.5 For each development typology, we have tested a range of sales values, reflecting the spread identified in the previous section and in Section 2. Where the residual land value of a typology exceeds the benchmark land value, we have converted the surplus into a rate per square metre, which is equivalent to the maximum CIL that could, in theory, be charged for that particular development. It should be noted that this testing assumes that Mayoral CIL is incorporated as a development cost, so the surpluses identified relate to the capacity for Borough CIL only.
- 5.6 We have also tested the developments with CIL as an inputted amount (rather than an output) with the starting point being the adopted charging schedule rates after indexation. The purpose is to approach the potential CIL rates through the 'other end of the telescope', that is, to test the impact on the residual land value that each scheme generates with the existing CIL rates in place. This can assist the Council in forming a judgement as to the potential impact on changes to CIL rates on land values and, consequently, potential land supply for certain uses. The indexed and alternative rates are summarised in Table 5.6.1 (overleaf).
- 5.7 Finally, all the scenarios are tested with the growth and inflation rates summarised in Table 4.4.1.

Table 5.6.1: Alternative CIL rates tested

Use	Zone 1				Zone 2				Zone 3			
	Prevailing	Alt 1	Alt 2	Alt 3	Prevailing	Alt 1	Alt 2	Alt 3	Prevailing	Alt 1	Alt 2	Alt 3
Residential incl co-living, shared accom	£151.55	£160	£175	£200	£106.09	£110	£125	£150	£106.09	£110	£115	£125
Residential sheltered housing	£0.00	£120	£135	£145	£0	£0	£0	£0	£0	£0	£0	£0
Hotels	£121.24	£125	£135	£150	£121.24	£125	£135	£150	£121.24	£125	£135	£150
Offices	£0.00	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Student housing	£121.24	£200	£210	£220	£121.24	£200	£210	£220	£121.24	£200	£210	£220
Large retail	£121.24	£200	£210	£220	£121.24	£200	£210	£220	£121.24	£200	£210	£220
Other retail	£121.24	£125	£135	£150	£121.24	£125	£135	£150	£121.24	£125	£135	£150
Education (private)	£0.00	£100	£110	£120	£0	£100	£110	£120	£0	£100	£110	£120
Health care (private)	£0.00	£100	£110	£120	£0	£100	£110	£120	£0	£100	£110	£120
Industrial and warehousing	£0.00	£50	£75	£100	£0	£50	£75	£100	£0	£50	£75	£100

6 Assessment of appraisal results

- 6.1 This section sets out the results of our appraisals with the residual land values calculated for scenarios with sales values and capital values reflective of market conditions across the Borough. The Residual Land Values are assessed in two ways. Firstly, the surplus residual above the benchmark land value is calculated and converted into a rate per square metre, which is a proxy for potential CIL rates. This results in a significant number of results, depending on other factors tested, most notably the level of affordable housing and benchmark land value.
- 6.2 Development value is finite and – in densely developed Boroughs such as Lewisham - is rarely enhanced through the adoption of new policy requirements. This is because existing use values are often relatively high prior to development. In contrast, areas which have previously undeveloped land clearly have greater scope to secure an uplift in land value through the planning process.
- 6.3 In assessing the results, it is important to clearly distinguish between two scenarios; namely, schemes that are unviable *regardless of the Council's policy requirements, including the level of CIL* (including a nil rate) and schemes that are viable *prior* to the imposition of policy requirements. If a scheme is unviable before policy requirements and CIL are levied, it is unlikely to come forward and policy requirements and CIL would not be a factor that comes into play in the developer's/landowner's decision making. The unviable schemes will only become viable following an increase in values and sites would remain in their existing use.
- 6.4 The CIL regulations state that in setting a charge, local authorities must “*strike an appropriate balance*” between revenue maximisation on the one hand and the potentially adverse impact of CIL upon the viability of development across the whole area on the other. When considering this balance, the following factors are important:
- Firstly, councils should take a strategic view of viability. There will always be variations in viability between individual sites, but viability testing should establish the most ‘typical’ viability position; not the exceptional situations.
 - Secondly, councils should take a balanced view of viability – residual valuations are just one factor influencing a developer's decision making – the same applies to local authorities.
 - Thirdly, while a single charge is attractive, it may not be appropriate for all authorities, particularly in areas where sales values vary between areas.
 - Fourthly, markets are cyclical and subject to change over short periods of time. Sensitivity testing to sensitivity test levels of CIL to ensure they are robust in the event that market conditions improve over the life of a Charging Schedule is essential.
 - Fifthly, local authorities should not set their rates of CIL at the limits of viability. They should leave a margin or contingency to allow for change and site specific viability issues.
- 6.5 There is clearly a balance that has to be struck between the aims of Draft Local Plan Policy HO3 on the delivery of affordable housing (which sets a strategic target of 50%, subject to individual scheme viability) and securing adequate contributions towards infrastructure from the developments that contribute towards the need for new infrastructure. The CIL rate cannot therefore be set on the basis that every single development typology right across the borough will deliver 50%, as this is not always viable. The latest London Plan Annual Monitoring Report for the financial year 2021/22 (published May 2024) indicates that there were 88 net new affordable housing completions, which amounts to 20.3% of all net dwellings that were completed.
- 6.6 We have therefore focused on the results of testing where we have included between 35% to 50% affordable housing, as the Council will need to secure adequate amounts of funding to support new development. Affordable housing cannot be maximised to the total exclusion of securing infrastructure funding and vice versa, but CIL rates will need to be set so that developments coming forward have potential for delivering at the target percentage in the Draft Local Plan.
- 6.7 Where we have tested CIL as an output, the appraisals generate a very wide spread of potential CIL

rates, depending on the benchmark land value, residential sales values and the mix of uses within each development typology. The results are summarised in tables 6.7.1 to 6.7.9. As one would expect, the capacity for schemes to absorb CIL is greater where sales values are at the higher end of the borough-wide range and where the benchmark land value is lowest. Furthermore, it is very clear that the capacity to absorb CIL contributions declines as the percentage of affordable housing increases.

- 6.8 The second approach to testing potential revised CIL rates is to consider viability from the other perspective; rather than the potential CIL rates being determined by the 'surplus' residual land value over the benchmark land value, the second approach inputs CIL as a cost to determine the scale of impact on the residual land value. This approach helps form a judgement on the impact of CIL on land values, which – if sufficiently modest – is unlikely to prevent a scheme from coming forward. These results are summarised in tables 6.8.1 to 6.8.4. In these tables, the percentage change in residual land value is not calculated where the starting residual value is negative, as in these situations, sites would stay in their existing uses.
- 6.9 The results of this analysis indicate that increases from the adopted CIL rates would not – in the main – have a significant impact on the residual land values generated. This is illustrated in figures 6.9.1 to 6.9.16²⁴, which set the various residual land values from the four CIL scenarios (i.e. adopted rate with indexation and three alternative rates) alongside each other for each development. The charts show very modest movements in residual land values in almost all cases, indicating that increases to the Council's currently adopted CIL rates would not prevent development coming forward.
- 6.10 At any of the alternative CIL rates the burden on development would remain at an acceptably low level in most cases. The change in residual land value resulting from increases in CIL rates would generally be less than 10%, although the impact can be significantly higher in some cases where the starting residual land value is low. This indicates that developments could, in principle, absorb the higher rates without any adverse significant impact upon land supply.

²⁴ These figures exclude scenarios where the starting residual land value is negative, as these sites would stay in their existing use, rather than being brought forward for development.

Table 6.8.1: Alternative CIL rates – Price Point A (£6,458 per square metre – change in residual land value - 35% affordable housing)

	Development	Adopted	Alternative 1	Alternative 2	Alternative 3		Adopted	Alt 1	Alt 2	Alt 3
1	Very small residential (house)	£143,937	£143,716	£143,460	£142,948		100.00%	99.85%	99.67%	99.31%
2	Small res devs (houses)	£719,686	£718,579	£717,301	£714,743		100.00%	99.85%	99.67%	99.31%
3	Small res dev (flats)	£295,372	£294,269	£292,992	£290,439		100.00%	99.63%	99.19%	98.33%
4	Small res devs (houses)	£1,573,270	£1,570,837	£1,568,023	£1,562,395		100.00%	99.85%	99.67%	99.31%
5	Small res dev (flats)	£639,800	£637,372	£634,563	£628,947		100.00%	99.62%	99.18%	98.30%
6	Small residential developments	£1,424,399	£1,418,885	£1,412,509	£1,399,759		100.00%	99.61%	99.17%	98.27%
7	Residential development	£2,699,843	£2,689,001	£2,676,466	£2,651,396		100.00%	99.60%	99.13%	98.21%
8	Small scale mixed use, local centres	£388,005	£386,690	£384,914	£381,612		100.00%	99.66%	99.20%	98.35%
9	Small scale mixed use, local centres	£265,713	£264,609	£263,333	£260,780		100.00%	99.58%	99.10%	98.14%
10	Small mixed use	£526,159	£519,802	£511,429	£495,684		100.00%	98.79%	97.20%	94.21%
11	Small mixed use	£14,865	£8,249	£598	£-14,928		100.00%	55.49%	4.02%	0.00%
12	Mixed use	£81,205	£65,374	£46,562	£9,434		100.00%	80.51%	57.34%	11.62%
13	Mixed use	£-1,804,063	£-1,847,800	£-1,892,365	£-1,976,038		0.00%	0.00%	0.00%	0.00%
14	Mixed use incl community facility	£-3,403,240	£-3,511,595	£-3,583,046	£-3,684,930		0.00%	0.00%	0.00%	0.00%
15	Mixed use incl health facility	£1,558,312	£1,506,060	£1,471,396	£1,421,691		100.00%	96.65%	94.42%	91.23%
16	Mixed use incl leisure facility	£233,614	£79,644	£-21,198	£-162,752		100.00%	34.09%	0.00%	0.00%
17	Mixed use	£659,872	£638,324	£610,403	£557,501		100.00%	96.73%	92.50%	84.49%
18	Large mixed use (employment led)	£917,076	£841,739	£759,394	£600,856		100.00%	91.79%	82.81%	65.52%
19	Estate regen (small infill - houses)	£2,154,310	£2,149,472	£2,143,367	£2,131,658		100.00%	99.78%	99.49%	98.95%
20	Estate regen (small infill - flats)	£581,636	£579,428	£576,875	£571,770		100.00%	99.62%	99.18%	98.30%
21	Estate regeneration (large)	£2,635,106	£2,579,468	£2,522,543	£2,415,190		100.00%	97.89%	95.73%	91.65%
22	Student housing	£5,439,184	£5,288,705	£5,212,285	£5,135,114		100.00%	97.23%	95.83%	94.41%
23	Hotels	£1,209,596	£1,195,285	£1,167,455	£1,122,832		100.00%	98.82%	96.52%	92.83%
24	Commercial	£-254,883	£-254,883	£-254,883	£-254,883		0.00%	0.00%	0.00%	0.00%
25	Storage	£863,291	£787,092	£748,992	£710,891		100.00%	91.17%	86.76%	82.35%
26	Residential care home (7 units)	£774,472	£759,608	£750,615	£738,874		100.00%	98.08%	96.92%	95.40%
27	Site allocation 1	£-4,949,476	£-5,110,708	£-5,249,218	£-5,464,311		0.00%	0.00%	0.00%	0.00%
28	Site allocation 2	£-3,100,962	£-3,322,545	£-3,528,059	£-3,880,115		0.00%	0.00%	0.00%	0.00%
29	Site allocation 3	£-101,540,298	£-104,330,853	£-106,520,048	£-109,778,222		0.00%	0.00%	0.00%	0.00%
30	Site allocation 4	£-20,476,882	£-20,860,954	£-21,291,737	£-22,128,403		0.00%	0.00%	0.00%	0.00%
31	Site allocation 5	£-98,097,708	£-99,960,722	£-101,436,526	£-103,824,651		0.00%	0.00%	0.00%	0.00%
32	Site allocation 6	£4,790,748	£4,370,897	£3,965,967	£3,333,851		100.00%	91.24%	82.78%	69.59%
33	Site allocation 7	£-320,747	£-454,870	£-585,679	£-828,804		0.00%	0.00%	0.00%	0.00%
34	Site allocation 8	£-7,284,317	£-7,755,369	£-8,053,054	£-8,453,561		0.00%	0.00%	0.00%	0.00%
35	Site allocation 9	£-4,842,043	£-4,934,501	£-5,056,896	£-5,286,534		0.00%	0.00%	0.00%	0.00%
36	Site allocation 10	£5,224,854	£5,081,339	£4,891,469	£4,535,135		100.00%	97.25%	93.62%	86.80%
37	Site allocation 11	£14,240,342	£14,067,076	£13,884,796	£13,580,053		100.00%	98.78%	97.50%	95.36%
38	Site allocation 12	£5,157,667	£4,874,805	£4,494,146	£3,805,304		100.00%	94.52%	87.14%	73.78%
39	Site allocation 13	£3,891,783	£3,834,789	£3,767,877	£3,635,044		100.00%	98.54%	96.82%	93.40%
40	Site allocation 14	£4,751,504	£4,634,610	£4,525,816	£4,333,354		100.00%	97.54%	95.25%	91.20%
41	Site allocation 15	£9,559,445	£9,409,965	£9,197,136	£8,810,599		100.00%	98.44%	96.21%	92.17%
42	Site allocation 16	£-2,210,590	£-2,617,227	£-3,054,889	£-3,810,109		0.00%	0.00%	0.00%	0.00%
43	Site allocation 17	£-10,868,379	£-11,195,711	£-11,520,294	£-12,092,087		0.00%	0.00%	0.00%	0.00%
44	Site allocation 18	£-5,684,776	£-5,822,504	£-5,975,648	£-6,231,662		0.00%	0.00%	0.00%	0.00%
45	Site allocation 19	£8,036,774	£7,961,230	£7,860,622	£7,672,377		100.00%	99.06%	97.81%	95.47%
46	Site allocation 20	£75,846,236	£75,147,865	£74,268,726	£72,894,794		100.00%	99.08%	97.92%	96.11%
47	Site allocation 21	£7,165,367	£7,082,726	£6,985,743	£6,809,667		100.00%	98.85%	97.49%	95.04%
48	Site allocation 22	£22,347,243	£22,087,871	£21,764,295	£21,164,613		100.00%	98.84%	97.39%	94.71%
49	Site allocation 23	£-2,084,723	£-2,161,757	£-2,250,828	£-2,428,968		0.00%	0.00%	0.00%	0.00%
50	Site allocation 24	£3,583,496	£3,513,496	£3,420,257	£3,245,813		100.00%	98.05%	95.44%	90.58%
51	Site allocation 25	£13,767,156	£13,121,180	£12,410,775	£11,130,570		100.00%	95.31%	90.15%	80.85%
52	Site allocation 26	£24,802,730	£24,207,333	£23,532,658	£22,353,712		100.00%	97.60%	94.88%	90.13%
53	Site allocation 27	£-360,395	£-422,450	£-494,200	£-637,702		0.00%	0.00%	0.00%	0.00%
54	Site allocation 28	£-598,157	£-651,879	£-713,995	£-838,228		0.00%	0.00%	0.00%	0.00%
55	Site allocation 29	£6,859,972	£6,795,528	£6,709,688	£6,549,088		100.00%	99.06%	97.81%	95.47%

Table 6.8.2: Alternative CIL rates – Price Point B (£6,647 per square metre – change in residual land value - 35% affordable housing)

	Development	Adopted	Alternative 1	Alternative 2	Alternative 3		Adopted	Alt 1	Alt 2	Alt 3
1	Very small residential (house)	£151,169	£150,949	£150,692	£150,182		100.00%	99.85%	99.68%	99.35%
2	Small res devs (houses)	£755,848	£754,742	£753,463	£750,906		100.00%	99.85%	99.68%	99.35%
3	Small res dev (flats)	£325,136	£324,031	£322,755	£320,203		100.00%	99.66%	99.27%	98.48%
4	Small res devs (houses)	£1,652,827	£1,650,394	£1,647,580	£1,641,954		100.00%	99.85%	99.68%	99.34%
5	Small res dev (flats)	£705,279	£702,850	£700,042	£694,426		100.00%	99.66%	99.26%	98.46%
6	Small residential developments	£1,572,197	£1,566,683	£1,560,308	£1,547,556		100.00%	99.65%	99.24%	98.43%
7	Residential development	£2,987,399	£2,976,558	£2,964,023	£2,938,953		100.00%	99.64%	99.22%	98.38%
8	Small scale mixed use, local centres	£417,768	£416,453	£414,677	£411,375		100.00%	99.69%	99.26%	98.47%
9	Small scale mixed use, local centres	£295,476	£294,372	£293,095	£290,543		100.00%	99.63%	99.19%	98.33%
10	Small mixed use	£665,263	£658,905	£650,533	£634,788		100.00%	99.04%	97.79%	95.42%
11	Small mixed use	£181,790	£175,173	£167,522	£152,221		100.00%	96.36%	92.15%	83.73%
12	Mixed use	£465,398	£449,568	£430,755	£393,626		100.00%	96.60%	92.56%	84.58%
13	Mixed use	-£1,030,677	-£1,074,413	-£1,118,979	-£1,202,651		0.00%	0.00%	0.00%	0.00%
14	Mixed use incl community facility	-£2,806,368	-£2,914,725	-£2,986,176	-£3,088,059		0.00%	0.00%	0.00%	0.00%
15	Mixed use incl health facility	£1,883,083	£1,830,830	£1,796,166	£1,746,461		100.00%	97.23%	95.38%	92.74%
16	Mixed use incl leisure facility	£1,056,347	£902,375	£801,852	£662,425		100.00%	85.42%	75.91%	62.71%
17	Mixed use	£1,117,758	£1,096,210	£1,068,289	£1,015,387		100.00%	98.07%	95.57%	90.84%
18	Large mixed use (employment led)	£2,510,338	£2,435,002	£2,352,656	£2,194,118		100.00%	97.00%	93.72%	87.40%
19	Estate regen (small infill - houses)	£2,283,866	£2,279,029	£2,272,924	£2,261,215		100.00%	99.79%	99.52%	99.01%
20	Estate regen (small infill - flats)	£641,162	£638,955	£636,402	£631,297		100.00%	99.66%	99.26%	98.46%
21	Estate regeneration (large)	£3,732,082	£3,676,444	£3,619,518	£3,512,166		100.00%	98.51%	96.98%	94.11%
22	Student housing	£5,439,184	£5,288,705	£5,212,285	£5,135,114		100.00%	97.23%	95.83%	94.41%
23	Hotels	£1,333,877	£1,319,566	£1,291,735	£1,247,111		100.00%	98.93%	96.84%	93.50%
24	Commercial	-£254,883	-£254,883	-£254,883	-£254,883		0.00%	0.00%	0.00%	0.00%
25	Storage	£863,291	£787,092	£748,992	£710,891		100.00%	91.17%	86.76%	82.35%
26	Residential care home (7 units)	£831,035	£816,171	£807,178	£795,437		100.00%	98.21%	97.13%	95.72%
27	Site allocation 1	-£3,822,495	-£3,983,726	-£4,122,236	-£4,337,330		0.00%	0.00%	0.00%	0.00%
28	Site allocation 2	-£449,046	-£668,354	-£870,780	-£1,217,544		0.00%	0.00%	0.00%	0.00%
29	Site allocation 3	-£87,613,591	-£90,404,145	-£92,593,341	-£95,851,515		0.00%	0.00%	0.00%	0.00%
30	Site allocation 4	-£13,245,865	-£13,624,166	-£14,048,475	-£14,872,567		0.00%	0.00%	0.00%	0.00%
31	Site allocation 5	-£83,314,530	-£85,177,545	-£86,653,348	-£89,041,473		0.00%	0.00%	0.00%	0.00%
32	Site allocation 6	£7,869,689	£7,456,147	£7,057,303	£6,429,993		100.00%	94.75%	89.68%	81.71%
33	Site allocation 7	£1,970,946	£1,838,838	£1,709,994	£1,470,524		100.00%	93.30%	86.76%	74.61%
34	Site allocation 8	-£5,309,671	-£5,780,723	-£6,078,408	-£6,478,914		0.00%	0.00%	0.00%	0.00%
35	Site allocation 9	-£3,168,525	-£3,260,983	-£3,383,379	-£3,613,017		0.00%	0.00%	0.00%	0.00%
36	Site allocation 10	£8,045,851	£7,904,492	£7,717,474	£7,366,496		100.00%	98.24%	95.92%	91.56%
37	Site allocation 11	£16,352,182	£16,178,915	£15,996,635	£15,691,892		100.00%	98.94%	97.83%	95.96%
38	Site allocation 12	£9,545,895	£9,267,286	£8,892,347	£8,213,858		100.00%	97.08%	93.15%	86.05%
39	Site allocation 13	£5,317,851	£5,260,859	£5,193,946	£5,061,112		100.00%	98.93%	97.67%	95.17%
40	Site allocation 14	£6,515,284	£6,398,899	£6,290,103	£6,097,643		100.00%	98.21%	96.54%	93.59%
41	Site allocation 15	£12,056,580	£11,909,348	£11,699,718	£11,318,989		100.00%	98.78%	97.04%	93.88%
42	Site allocation 16	£2,516,112	£2,115,587	£1,684,502	£941,360		100.00%	84.08%	66.95%	37.41%
43	Site allocation 17	-£6,756,012	-£7,083,344	-£7,407,927	-£7,979,720		0.00%	0.00%	0.00%	0.00%
44	Site allocation 18	-£4,287,690	-£4,425,418	-£4,578,564	-£4,834,578		0.00%	0.00%	0.00%	0.00%
45	Site allocation 19	£9,671,643	£9,597,234	£9,498,138	£9,312,356		100.00%	99.23%	98.21%	96.29%
46	Site allocation 20	£80,608,221	£79,930,435	£79,067,494	£77,702,466		100.00%	99.16%	98.09%	96.40%
47	Site allocation 21	£8,666,538	£8,585,139	£8,488,600	£8,312,524		100.00%	99.06%	97.95%	95.92%
48	Site allocation 22	£27,278,308	£27,018,935	£26,695,359	£26,095,678		100.00%	99.05%	97.86%	95.66%
49	Site allocation 23	-£152,519	-£229,553	-£318,623	-£496,764		0.00%	0.00%	0.00%	0.00%
50	Site allocation 24	£5,013,437	£4,943,436	£4,850,198	£4,675,753		100.00%	98.60%	96.74%	93.26%
51	Site allocation 25	£23,012,878	£22,366,902	£21,656,497	£20,377,954		100.00%	97.19%	94.11%	88.55%
52	Site allocation 26	£32,599,684	£32,004,287	£31,329,613	£30,150,667		100.00%	98.17%	96.10%	92.49%
53	Site allocation 27	£1,197,242	£1,136,119	£1,065,448	£924,102		100.00%	94.89%	88.99%	77.19%
54	Site allocation 28	£754,628	£701,714	£640,531	£518,165		100.00%	92.99%	84.88%	68.66%
55	Site allocation 29	£8,254,169	£8,190,695	£8,106,145	£7,947,732		100.00%	99.23%	98.21%	96.29%

Table 6.8.3: Alternative CIL rates – Price Point C (£6,835 per square metre – change in residual land value - 35% affordable housing)

	Development	Adopted	Alternative 1	Alternative 2	Alternative 3		Adopted	Alt 1	Alt 2	Alt 3
1	Very small residential (house)	£158,402	£158,181	£157,414	£156,135		100.00%	99.86%	99.38%	98.57%
2	Small res devs (houses)	£792,011	£790,904	£787,068	£780,674		100.00%	99.86%	99.38%	98.57%
3	Small res dev (flats)	£354,898	£353,795	£349,965	£343,584		100.00%	99.69%	98.61%	96.81%
4	Small res devs (houses)	£1,732,385	£1,729,951	£1,721,511	£1,707,444		100.00%	99.86%	99.37%	98.56%
5	Small res dev (flats)	£770,757	£768,329	£759,904	£745,865		100.00%	99.69%	98.59%	96.77%
6	Small residential developments	£1,719,995	£1,714,481	£1,695,354	£1,663,476		100.00%	99.68%	98.57%	96.71%
7	Residential development	£3,274,957	£3,264,116	£3,226,510	£3,163,834		100.00%	99.67%	98.52%	96.61%
8	Small scale mixed use, local centres	£447,531	£446,215	£441,887	£434,756		100.00%	99.71%	98.74%	97.15%
9	Small scale mixed use, local centres	£325,239	£324,135	£320,306	£313,924		100.00%	99.66%	98.48%	96.52%
10	Small mixed use	£804,366	£798,009	£776,886	£742,014		100.00%	99.21%	96.58%	92.25%
11	Small mixed use	£348,715	£342,098	£319,146	£280,892		100.00%	98.10%	91.52%	80.55%
12	Mixed use	£849,592	£833,761	£779,314	£688,735		100.00%	98.14%	91.73%	81.07%
13	Mixed use	-£268,017	-£311,097	-£431,053	-£627,558		0.00%	0.00%	0.00%	0.00%
14	Mixed use incl community facility	-£2,209,498	-£2,317,854	-£2,450,171	-£2,643,354		0.00%	0.00%	0.00%	0.00%
15	Mixed use incl health facility	£2,207,853	£2,155,600	£2,090,853	£1,996,021		100.00%	97.63%	94.70%	90.41%
16	Mixed use incl leisure facility	£1,879,078	£1,725,107	£1,549,666	£1,297,862		100.00%	91.81%	82.47%	69.07%
17	Mixed use	£1,575,644	£1,554,096	£1,482,094	£1,363,071		100.00%	98.63%	94.06%	86.51%
18	Large mixed use (employment led)	£4,103,600	£4,028,263	£3,796,374	£3,413,522		100.00%	98.16%	92.51%	83.18%
19	Estate regen (small infill - houses)	£2,413,423	£2,408,585	£2,392,270	£2,365,244		100.00%	99.80%	99.12%	98.00%
20	Estate regen (small infill - flats)	£700,689	£698,481	£690,823	£678,059		100.00%	99.68%	98.59%	96.77%
21	Estate regeneration (large)	£4,829,057	£4,773,420	£4,616,603	£4,359,416		100.00%	98.85%	95.60%	90.27%
22	Student housing	£5,439,184	£5,288,705	£5,212,285	£5,135,114		100.00%	97.23%	95.83%	94.41%
23	Hotels	£1,458,156	£1,443,845	£1,404,503	£1,342,610		100.00%	99.02%	96.32%	92.08%
24	Commercial	-£254,883	-£254,883	-£254,883	-£254,883		0.00%	0.00%	0.00%	0.00%
25	Storage	£863,291	£787,092	£748,992	£710,891		100.00%	91.17%	86.76%	82.35%
26	Residential care home (7 units)	£887,599	£872,734	£858,243	£838,254		100.00%	98.33%	96.69%	94.44%
27	Site allocation 1	-£2,695,513	-£2,856,743	-£3,119,837	-£3,521,806		0.00%	0.00%	0.00%	0.00%
28	Site allocation 2	£2,169,764	£1,953,752	£1,491,200	£754,895		100.00%	90.04%	68.73%	34.79%
29	Site allocation 3	-£73,730,000	-£76,478,616	-£80,433,772	-£86,342,655		0.00%	0.00%	0.00%	0.00%
30	Site allocation 4	-£6,060,413	-£6,438,714	-£7,646,241	-£9,645,161		0.00%	0.00%	0.00%	0.00%
31	Site allocation 5	-£68,531,352	-£70,394,368	-£73,642,341	-£78,688,721		0.00%	0.00%	0.00%	0.00%
32	Site allocation 6	£10,923,085	£10,509,543	£9,792,049	£8,691,458		100.00%	96.21%	89.65%	79.57%
33	Site allocation 7	£4,257,818	£4,125,710	£3,775,609	£3,204,252		100.00%	96.90%	88.67%	75.26%
34	Site allocation 8	-£3,335,026	-£3,806,077	-£4,301,877	-£4,999,557		0.00%	0.00%	0.00%	0.00%
35	Site allocation 9	-£1,495,007	-£1,587,465	-£1,894,041	-£2,399,949		0.00%	0.00%	0.00%	0.00%
36	Site allocation 10	£10,857,439	£10,716,081	£10,247,257	£9,473,568		100.00%	98.70%	94.38%	87.25%
37	Site allocation 11	£18,464,022	£18,290,755	£17,915,330	£17,320,868		100.00%	99.06%	97.03%	93.81%
38	Site allocation 12	£13,916,072	£13,637,463	£12,780,909	£11,380,000		100.00%	98.00%	91.84%	81.78%
39	Site allocation 13	£6,743,920	£6,686,927	£6,490,157	£6,162,538		100.00%	99.15%	96.24%	91.38%
40	Site allocation 14	£8,256,343	£8,141,205	£7,874,811	£7,446,391		100.00%	98.61%	95.38%	90.19%
41	Site allocation 15	£14,527,702	£14,382,682	£13,915,054	£13,148,325		100.00%	99.00%	95.78%	90.51%
42	Site allocation 16	£7,209,591	£6,809,066	£5,860,257	£4,340,527		100.00%	94.44%	81.28%	60.20%
43	Site allocation 17	-£2,652,424	-£2,974,837	-£3,749,157	-£5,001,348		0.00%	0.00%	0.00%	0.00%
44	Site allocation 18	-£2,890,605	-£3,028,334	-£3,335,921	-£3,823,599		0.00%	0.00%	0.00%	0.00%
45	Site allocation 19	£11,291,444	£11,217,035	£10,970,848	£10,564,794		100.00%	99.34%	97.16%	93.56%
46	Site allocation 20	£85,326,591	£84,658,493	£83,334,589	£81,262,884		100.00%	99.22%	97.67%	95.24%
47	Site allocation 21	£10,150,904	£10,069,505	£9,839,187	£9,463,568		100.00%	99.20%	96.93%	93.23%
48	Site allocation 22	£32,202,383	£31,946,908	£31,147,862	£29,830,338		100.00%	99.21%	96.73%	92.63%
49	Site allocation 23	£1,752,939	£1,677,062	£1,413,867	£975,208		100.00%	95.67%	80.66%	55.63%
50	Site allocation 24	£6,443,376	£6,373,377	£6,141,790	£5,759,823		100.00%	98.91%	95.32%	89.39%
51	Site allocation 25	£32,163,481	£31,527,213	£29,835,031	£27,087,023		100.00%	98.02%	92.76%	84.22%
52	Site allocation 26	£40,358,902	£39,772,453	£38,291,631	£35,875,766		100.00%	98.55%	94.88%	88.89%
53	Site allocation 27	£2,749,462	£2,688,340	£2,476,323	£2,122,962		100.00%	97.78%	90.07%	77.21%
54	Site allocation 28	£2,098,424	£2,045,509	£1,861,961	£1,556,047		100.00%	97.48%	88.73%	74.15%
55	Site allocation 29	£9,635,605	£9,572,130	£9,362,134	£9,015,778		100.00%	99.34%	97.16%	93.57%

Table 6.8.4: Alternative CIL rates – Price Point D (£7,024 per square metre – change in residual land value - 35% affordable housing)

	Development	Adopted	Alternative 1	Alternative 2	Alternative 3		Adopted	Alt 1	Alt 2	Alt 3
1	Very small residential (house)	£165,635	£165,413	£164,646	£163,367		100.00%	99.87%	99.40%	98.63%
2	Small res devs (houses)	£828,173	£827,067	£823,231	£816,836		100.00%	99.87%	99.40%	98.63%
3	Small res dev (flats)	£384,662	£383,557	£379,728	£373,346		100.00%	99.71%	98.72%	97.06%
4	Small res devs (houses)	£1,811,942	£1,809,510	£1,801,069	£1,787,001		100.00%	99.87%	99.40%	98.62%
5	Small res dev (flats)	£836,236	£833,807	£825,383	£811,343		100.00%	99.71%	98.70%	97.02%
6	Small residential developments	£1,867,792	£1,862,279	£1,843,152	£1,811,274		100.00%	99.70%	98.68%	96.97%
7	Residential development	£3,562,514	£3,551,673	£3,514,068	£3,451,392		100.00%	99.70%	98.64%	96.88%
8	Small scale mixed use, local centres	£477,294	£475,979	£471,650	£464,519		100.00%	99.72%	98.82%	97.32%
9	Small scale mixed use, local centres	£355,002	£353,898	£350,068	£343,687		100.00%	99.69%	98.61%	96.81%
10	Small mixed use	£943,471	£937,113	£915,990	£881,117		100.00%	99.33%	97.09%	93.39%
11	Small mixed use	£515,639	£509,023	£486,071	£447,817		100.00%	98.72%	94.27%	86.85%
12	Mixed use	£1,229,043	£1,213,451	£1,159,822	£1,070,604		100.00%	98.73%	94.37%	87.11%
13	Mixed use	£486,149	£443,717	£325,563	£132,010		100.00%	91.27%	66.97%	27.15%
14	Mixed use incl community facility	-£1,612,628	-£1,720,983	-£1,853,300	-£2,046,483		0.00%	0.00%	0.00%	0.00%
15	Mixed use incl health facility	£2,532,623	£2,480,372	£2,415,623	£2,320,791		100.00%	97.94%	95.38%	91.64%
16	Mixed use incl leisure facility	£2,701,809	£2,547,839	£2,372,398	£2,120,595		100.00%	94.30%	87.81%	78.49%
17	Mixed use	£2,033,530	£2,011,981	£1,939,979	£1,820,957		100.00%	98.94%	95.40%	89.55%
18	Large mixed use (employment led)	£5,696,862	£5,621,526	£5,389,636	£5,006,784		100.00%	98.68%	94.61%	87.89%
19	Estate regen (small infill - houses)	£2,542,980	£2,538,142	£2,521,826	£2,494,800		100.00%	99.81%	99.17%	98.11%
20	Estate regen (small infill - flats)	£760,215	£758,007	£750,349	£737,585		100.00%	99.71%	98.70%	97.02%
21	Estate regeneration (large)	£5,926,033	£5,870,395	£5,713,579	£5,456,392		100.00%	99.06%	96.41%	92.07%
22	Student housing	£5,439,184	£5,288,705	£5,212,285	£5,135,114		100.00%	97.23%	95.83%	94.41%
23	Hotels	£1,582,436	£1,568,125	£1,528,782	£1,466,890		100.00%	99.10%	96.61%	92.70%
24	Commercial	-£254,883	-£254,883	-£254,883	-£254,883		0.00%	0.00%	0.00%	0.00%
25	Storage	£863,291	£787,092	£748,992	£710,891		100.00%	91.17%	86.76%	82.35%
26	Residential care home (7 units)	£944,162	£929,297	£914,806	£894,817		100.00%	98.43%	96.89%	94.77%
27	Site allocation 1	-£1,568,531	-£1,729,761	-£1,992,856	-£2,394,824		0.00%	0.00%	0.00%	0.00%
28	Site allocation 2	£4,781,825	£4,565,814	£4,103,261	£3,366,957		100.00%	95.48%	85.81%	70.41%
29	Site allocation 3	-£60,076,128	-£62,789,723	-£66,686,597	-£72,506,676		0.00%	0.00%	0.00%	0.00%
30	Site allocation 4	£1,108,132	£735,517	-£460,787	-£2,459,708		100.00%	66.37%	0.00%	0.00%
31	Site allocation 5	-£53,782,788	-£55,619,136	-£58,859,164	-£63,905,543		0.00%	0.00%	0.00%	0.00%
32	Site allocation 6	£13,976,480	£13,562,938	£12,845,445	£11,744,854		100.00%	97.04%	91.91%	84.03%
33	Site allocation 7	£6,544,689	£6,412,581	£6,062,481	£5,491,124		100.00%	97.98%	92.63%	83.90%
34	Site allocation 8	-£1,376,206	-£1,840,178	-£2,328,526	-£3,024,911		0.00%	0.00%	0.00%	0.00%
35	Site allocation 9	£158,438	£68,739	-£232,181	-£730,486		100.00%	43.39%	0.00%	0.00%
36	Site allocation 10	£13,669,029	£13,527,670	£13,058,846	£12,285,157		100.00%	98.97%	95.54%	89.88%
37	Site allocation 11	£20,575,862	£20,402,595	£20,027,169	£19,432,707		100.00%	99.16%	97.33%	94.44%
38	Site allocation 12	£18,280,298	£18,005,876	£17,151,086	£15,750,177		100.00%	98.50%	93.82%	86.16%
39	Site allocation 13	£8,169,988	£8,112,995	£7,916,225	£7,588,606		100.00%	99.30%	96.89%	92.88%
40	Site allocation 14	£9,997,401	£9,882,264	£9,615,870	£9,187,450		100.00%	98.85%	96.18%	91.90%
41	Site allocation 15	£16,976,919	£16,834,078	£16,373,478	£15,612,709		100.00%	99.16%	96.45%	91.96%
42	Site allocation 16	£11,838,282	£11,443,776	£10,509,226	£9,012,337		100.00%	96.67%	88.77%	76.13%
43	Site allocation 17	£1,376,896	£1,059,329	£304,363	-£924,364		100.00%	76.94%	22.10%	0.00%
44	Site allocation 18	-£1,497,761	-£1,633,419	-£1,938,836	-£2,426,513		0.00%	0.00%	0.00%	0.00%
45	Site allocation 19	£12,911,244	£12,836,835	£12,590,648	£12,184,595		100.00%	99.42%	97.52%	94.37%
46	Site allocation 20	£90,022,165	£89,363,362	£88,056,158	£86,018,059		100.00%	99.27%	97.82%	95.55%
47	Site allocation 21	£11,635,271	£11,553,872	£11,323,553	£10,947,934		100.00%	99.30%	97.32%	94.09%
48	Site allocation 22	£37,073,867	£36,818,393	£36,028,310	£34,730,587		100.00%	99.31%	97.18%	93.68%
49	Site allocation 23	£3,656,105	£3,580,228	£3,317,032	£2,878,373		100.00%	97.92%	90.73%	78.73%
50	Site allocation 24	£7,873,316	£7,803,316	£7,571,730	£7,189,763		100.00%	99.11%	96.17%	91.32%
51	Site allocation 25	£41,277,259	£40,647,145	£38,954,963	£36,206,955		100.00%	98.47%	94.37%	87.72%
52	Site allocation 26	£48,056,488	£47,470,039	£45,989,217	£43,603,558		100.00%	98.78%	95.70%	90.73%
53	Site allocation 27	£4,301,682	£4,240,561	£4,028,544	£3,675,182		100.00%	98.58%	93.65%	85.44%
54	Site allocation 28	£3,442,219	£3,389,304	£3,205,756	£2,899,842		100.00%	98.46%	93.13%	84.24%
55	Site allocation 29	£11,017,041	£10,953,566	£10,743,569	£10,397,214		100.00%	99.42%	97.52%	94.37%

Table 6.8.5: Alternative CIL rates – Price Point E (£7,212 per square metre – change in residual land value - 35% affordable housing)

	Development	Adopted	Alternative 1	Alternative 2	Alternative 3		Adopted	Alt 1	Alt 2	Alt 3
1	Very small residential (house)	£172,867	£172,646	£171,878	£170,600		100.00%	99.87%	99.43%	98.69%
2	Small res devs (houses)	£864,336	£863,230	£859,393	£852,999		100.00%	99.87%	99.43%	98.69%
3	Small res dev (flats)	£414,424	£413,321	£409,492	£403,110		100.00%	99.73%	98.81%	97.27%
4	Small res devs (houses)	£1,891,501	£1,889,067	£1,880,626	£1,866,559		100.00%	99.87%	99.43%	98.68%
5	Small res dev (flats)	£901,715	£899,286	£890,861	£876,822		100.00%	99.73%	98.80%	97.24%
6	Small residential developments	£2,015,591	£2,010,076	£1,990,950	£1,959,071		100.00%	99.73%	98.78%	97.20%
7	Residential development	£3,850,072	£3,839,231	£3,801,624	£3,738,949		100.00%	99.72%	98.74%	97.11%
8	Small scale mixed use, local centres	£507,056	£505,741	£501,413	£494,283		100.00%	99.74%	98.89%	97.48%
9	Small scale mixed use, local centres	£384,765	£383,661	£379,832	£373,450		100.00%	99.71%	98.72%	97.06%
10	Small mixed use	£1,082,575	£1,076,217	£1,055,094	£1,020,221		100.00%	99.41%	97.46%	94.24%
11	Small mixed use	£682,564	£675,947	£652,995	£614,742		100.00%	99.03%	95.67%	90.06%
12	Mixed use	£1,607,942	£1,592,350	£1,538,721	£1,449,503		100.00%	99.03%	95.70%	90.15%
13	Mixed use	£1,236,287	£1,193,854	£1,075,700	£882,148		100.00%	96.57%	87.01%	71.35%
14	Mixed use incl community facility	-£1,015,756	-£1,124,112	-£1,256,429	-£1,449,612		0.00%	0.00%	0.00%	0.00%
15	Mixed use incl health facility	£2,857,395	£2,805,142	£2,740,394	£2,645,561		100.00%	98.17%	95.91%	92.59%
16	Mixed use incl leisure facility	£3,524,542	£3,370,571	£3,195,129	£2,943,326		100.00%	95.63%	90.65%	83.51%
17	Mixed use	£2,491,415	£2,469,867	£2,397,865	£2,278,843		100.00%	99.14%	96.25%	91.47%
18	Large mixed use (employment led)	£7,290,124	£7,214,787	£6,982,898	£6,600,046		100.00%	98.97%	95.79%	90.53%
19	Estate regen (small infill - houses)	£2,672,536	£2,667,698	£2,651,383	£2,624,357		100.00%	99.82%	99.21%	98.20%
20	Estate regen (small infill - flats)	£819,741	£817,533	£809,874	£797,111		100.00%	99.73%	98.80%	97.24%
21	Estate regeneration (large)	£7,020,290	£6,965,487	£6,810,555	£6,553,367		100.00%	99.22%	97.01%	93.35%
22	Student housing	£5,439,184	£5,288,705	£5,212,285	£5,135,114		100.00%	97.23%	95.83%	94.41%
23	Hotels	£1,706,716	£1,692,405	£1,653,062	£1,591,170		100.00%	99.16%	96.86%	93.23%
24	Commercial	-£254,883	-£254,883	-£254,883	-£254,883		0.00%	0.00%	0.00%	0.00%
25	Storage	£863,291	£787,092	£748,992	£710,891		100.00%	91.17%	86.76%	82.35%
26	Residential care home (7 units)	£1,000,726	£985,860	£971,370	£951,381		100.00%	98.51%	97.07%	95.07%
27	Site allocation 1	-£456,702	-£615,510	-£874,650	-£1,270,578		0.00%	0.00%	0.00%	0.00%
28	Site allocation 2	£7,375,830	£7,163,065	£6,707,464	£5,979,019		100.00%	97.12%	90.94%	81.06%
29	Site allocation 3	-£46,625,652	-£49,322,299	-£53,160,608	-£58,893,218		0.00%	0.00%	0.00%	0.00%
30	Site allocation 4	£8,185,596	£7,812,980	£6,623,601	£4,654,722		100.00%	95.45%	80.92%	56.86%
31	Site allocation 5	-£39,354,130	-£41,164,663	-£44,317,406	-£49,258,781		0.00%	0.00%	0.00%	0.00%
32	Site allocation 6	£17,029,876	£16,616,334	£15,898,840	£14,798,249		100.00%	97.57%	93.36%	86.90%
33	Site allocation 7	£8,831,560	£8,699,453	£8,349,353	£7,777,996		100.00%	98.50%	94.54%	88.07%
34	Site allocation 8	£559,781	£102,782	-£383,999	-£1,071,193		100.00%	18.36%	0.00%	0.00%
35	Site allocation 9	£1,782,084	£1,692,384	£1,394,954	£904,139		100.00%	94.97%	78.28%	50.73%
36	Site allocation 10	£16,480,618	£16,339,259	£15,870,434	£15,096,747		100.00%	99.14%	96.30%	91.60%
37	Site allocation 11	£22,682,971	£22,512,308	£22,139,009	£21,544,547		100.00%	99.25%	97.60%	94.98%
38	Site allocation 12	£22,593,182	£22,318,760	£21,475,080	£20,095,224		100.00%	98.79%	95.05%	88.94%
39	Site allocation 13	£9,585,516	£9,529,379	£9,335,566	£9,012,872		100.00%	99.41%	97.39%	94.03%
40	Site allocation 14	£11,738,460	£11,623,323	£11,356,929	£10,928,508		100.00%	99.02%	96.75%	93.10%
41	Site allocation 15	£19,408,255	£19,267,561	£18,807,879	£18,052,673		100.00%	99.28%	96.91%	93.02%
42	Site allocation 16	£16,465,528	£16,071,022	£15,136,472	£13,639,582		100.00%	97.60%	91.93%	82.84%
43	Site allocation 17	£5,366,353	£5,048,787	£4,293,820	£3,078,985		100.00%	94.08%	80.01%	57.38%
44	Site allocation 18	-£121,998	-£257,656	-£560,620	-£1,040,969		0.00%	0.00%	0.00%	0.00%
45	Site allocation 19	£14,531,045	£14,456,636	£14,210,449	£13,804,396		100.00%	99.49%	97.79%	95.00%
46	Site allocation 20	£94,710,673	£94,054,688	£92,759,534	£90,743,968		100.00%	99.31%	97.94%	95.81%
47	Site allocation 21	£13,119,636	£13,038,237	£12,807,920	£12,432,300		100.00%	99.38%	97.62%	94.76%
48	Site allocation 22	£41,945,352	£41,689,876	£40,899,795	£39,602,071		100.00%	99.39%	97.51%	94.41%
49	Site allocation 23	£5,544,986	£5,470,250	£5,211,010	£4,778,943		100.00%	98.65%	93.98%	86.18%
50	Site allocation 24	£9,297,479	£9,228,531	£9,000,426	£8,619,704		100.00%	99.26%	96.81%	92.71%
51	Site allocation 25	£50,278,963	£49,652,258	£47,985,508	£45,278,798		100.00%	98.75%	95.44%	90.06%
52	Site allocation 26	£55,745,362	£55,167,624	£53,686,802	£51,301,143		100.00%	98.96%	96.31%	92.03%
53	Site allocation 27	£5,853,903	£5,792,782	£5,580,765	£5,227,403		100.00%	98.96%	95.33%	89.30%
54	Site allocation 28	£4,786,014	£4,733,100	£4,549,551	£4,243,637		100.00%	98.89%	95.06%	88.67%
55	Site allocation 29	£12,398,476	£12,335,001	£12,125,005	£11,778,650		100.00%	99.49%	97.79%	95.00%

Table 6.8.6: Alternative CIL rates – Price Point F (£7,400 per square metre – change in residual land value - 35% affordable housing)

	Development	Adopted	Alternative 1	Alternative 2	Alternative 3		Adopted	Alt 1	Alt 2	Alt 3
1	Very small residential (house)	£180,100	£179,879	£179,111	£177,832		100.00%	99.88%	99.45%	98.74%
2	Small res devs (houses)	£900,498	£899,392	£895,556	£889,162		100.00%	99.88%	99.45%	98.74%
3	Small res dev (flats)	£444,187	£443,084	£439,254	£432,873		100.00%	99.75%	98.89%	97.45%
4	Small res devs (houses)	£1,971,058	£1,968,624	£1,960,184	£1,946,117		100.00%	99.88%	99.45%	98.73%
5	Small res dev (flats)	£967,193	£964,764	£956,340	£942,300		100.00%	99.75%	98.88%	97.43%
6	Small residential developments	£2,163,017	£2,157,587	£2,138,747	£2,106,869		100.00%	99.75%	98.88%	97.40%
7	Residential development	£4,137,629	£4,126,787	£4,089,182	£4,026,507		100.00%	99.74%	98.83%	97.31%
8	Small scale mixed use, local centres	£536,820	£535,505	£531,177	£524,045		100.00%	99.76%	98.95%	97.62%
9	Small scale mixed use, local centres	£414,527	£413,424	£409,595	£403,213		100.00%	99.73%	98.81%	97.27%
10	Small mixed use	£1,221,679	£1,215,321	£1,194,198	£1,159,325		100.00%	99.48%	97.75%	94.90%
11	Small mixed use	£849,489	£842,872	£819,920	£781,666		100.00%	99.22%	96.52%	92.02%
12	Mixed use	£1,986,841	£1,971,249	£1,917,620	£1,828,402		100.00%	99.22%	96.52%	92.03%
13	Mixed use	£1,986,424	£1,943,992	£1,825,838	£1,632,286		100.00%	97.86%	91.92%	82.17%
14	Mixed use incl community facility	£-418,886	£-527,242	£-659,559	£-852,742		0.00%	0.00%	0.00%	0.00%
15	Mixed use incl health facility	£3,182,165	£3,129,912	£3,065,164	£2,970,332		100.00%	98.36%	96.32%	93.34%
16	Mixed use incl leisure facility	£4,347,273	£4,193,303	£4,017,861	£3,766,058		100.00%	96.46%	92.42%	86.63%
17	Mixed use	£2,949,301	£2,927,753	£2,855,751	£2,736,729		100.00%	99.27%	96.83%	92.79%
18	Large mixed use (employment led)	£8,883,385	£8,808,049	£8,576,160	£8,193,307		100.00%	99.15%	96.54%	92.23%
19	Estate regen (small infill - houses)	£2,802,093	£2,797,255	£2,780,940	£2,753,914		100.00%	99.83%	99.25%	98.28%
20	Estate regen (small infill - flats)	£879,267	£877,059	£869,400	£856,637		100.00%	99.75%	98.88%	97.43%
21	Estate regeneration (large)	£8,103,769	£8,048,966	£7,894,508	£7,641,186		100.00%	99.32%	97.42%	94.29%
22	Student housing	£5,439,184	£5,288,705	£5,212,285	£5,135,114		100.00%	97.23%	95.83%	94.41%
23	Hotels	£1,830,380	£1,816,283	£1,777,342	£1,715,449		100.00%	99.23%	97.10%	93.72%
24	Commercial	£-254,883	£-254,883	£-254,883	£-254,883		0.00%	0.00%	0.00%	0.00%
25	Storage	£863,291	£787,092	£748,992	£710,891		100.00%	91.17%	86.76%	82.35%
26	Residential care home (7 units)	£1,057,289	£1,042,423	£1,027,933	£1,007,944		100.00%	98.59%	97.22%	95.33%
27	Site allocation 1	£643,265	£486,844	£231,599	£-160,795		100.00%	75.68%	36.00%	0.00%
28	Site allocation 2	£9,951,762	£9,738,995	£9,283,396	£8,558,156		100.00%	97.86%	93.28%	86.00%
29	Site allocation 3	£-33,382,370	£-36,048,989	£-39,829,613	£-45,476,068		0.00%	0.00%	0.00%	0.00%
30	Site allocation 4	£15,263,059	£14,890,444	£13,701,065	£11,732,186		100.00%	97.56%	89.77%	76.87%
31	Site allocation 5	£-25,202,980	£-26,988,536	£-30,095,098	£-34,920,323		0.00%	0.00%	0.00%	0.00%
32	Site allocation 6	£20,083,272	£19,669,729	£18,952,236	£17,851,645		100.00%	97.94%	94.37%	88.89%
33	Site allocation 7	£11,118,432	£10,986,325	£10,636,224	£10,064,867		100.00%	98.81%	95.66%	90.52%
34	Site allocation 8	£2,475,084	£2,018,085	£1,537,076	£860,209		100.00%	81.54%	62.10%	34.75%
35	Site allocation 9	£3,405,729	£3,316,030	£3,018,600	£2,527,784		100.00%	97.37%	88.63%	74.22%
36	Site allocation 10	£19,266,722	£19,127,488	£18,665,710	£17,903,649		100.00%	99.28%	96.88%	92.93%
37	Site allocation 11	£24,772,442	£24,601,778	£24,231,995	£23,646,468		100.00%	99.31%	97.82%	95.45%
38	Site allocation 12	£26,906,067	£26,631,645	£25,787,965	£24,408,108		100.00%	98.98%	95.84%	90.72%
39	Site allocation 13	£10,994,039	£10,937,902	£10,744,089	£10,421,394		100.00%	99.49%	97.73%	94.79%
40	Site allocation 14	£13,479,519	£13,364,381	£13,097,988	£12,669,567		100.00%	99.15%	97.17%	93.99%
41	Site allocation 15	£21,814,206	£21,673,512	£21,219,834	£20,475,978		100.00%	99.36%	97.28%	93.87%
42	Site allocation 16	£21,078,219	£20,689,643	£19,763,718	£18,266,829		100.00%	98.16%	93.76%	86.66%
43	Site allocation 17	£9,319,508	£9,006,713	£8,263,093	£7,066,516		100.00%	96.64%	88.66%	75.82%
44	Site allocation 18	£1,234,923	£1,101,304	£802,893	£329,763		100.00%	89.18%	65.02%	26.70%
45	Site allocation 19	£16,150,846	£16,076,437	£15,830,250	£15,424,197		100.00%	99.54%	98.01%	95.50%
46	Site allocation 20	£99,386,461	£98,736,566	£97,450,859	£95,456,169		100.00%	99.35%	98.05%	96.05%
47	Site allocation 21	£14,604,003	£14,522,603	£14,292,285	£13,916,666		100.00%	99.44%	97.87%	95.29%
48	Site allocation 22	£46,816,836	£46,561,361	£45,771,280	£44,473,556		100.00%	99.45%	97.77%	94.99%
49	Site allocation 23	£7,421,876	£7,347,140	£7,087,899	£6,655,832		100.00%	98.99%	95.50%	89.68%
50	Site allocation 24	£10,709,825	£10,640,878	£10,412,772	£10,036,546		100.00%	99.36%	97.23%	93.71%
51	Site allocation 25	£59,264,477	£58,647,191	£56,987,211	£54,280,502		100.00%	98.96%	96.16%	91.59%
52	Site allocation 26	£63,350,927	£62,773,291	£61,314,724	£58,964,919		100.00%	99.09%	96.79%	93.08%
53	Site allocation 27	£7,406,124	£7,345,002	£7,132,985	£6,779,623		100.00%	99.17%	96.31%	91.54%
54	Site allocation 28	£6,129,810	£6,076,894	£5,893,346	£5,587,432		100.00%	99.14%	96.14%	91.15%
55	Site allocation 29	£13,779,912	£13,716,437	£13,506,441	£13,160,085		100.00%	99.54%	98.02%	95.50%

Table 6.8.7: Alternative CIL rates – Price Point G (£7,589 per square metre – change in residual land value - 35% affordable housing)

	Development	Adopted	Alternative 1	Alternative 2	Alternative 3		Adopted	Alt 1	Alt 2	Alt 3
1	Very small residential (house)	£185,015	£184,554	£183,786	£182,507		100.00%	99.75%	99.34%	98.64%
2	Small res devs (houses)	£925,077	£922,767	£918,930	£912,535		100.00%	99.75%	99.34%	98.64%
3	Small res dev (flats)	£462,389	£460,083	£456,254	£449,872		100.00%	99.50%	98.67%	97.29%
4	Small res devs (houses)	£2,025,131	£2,020,047	£2,011,606	£1,997,539		100.00%	99.75%	99.33%	98.64%
5	Small res dev (flats)	£1,007,237	£1,002,163	£993,739	£979,699		100.00%	99.50%	98.66%	97.27%
6	Small residential developments	£2,252,570	£2,241,223	£2,222,384	£2,190,910		100.00%	99.50%	98.66%	97.26%
7	Residential development	£4,310,753	£4,288,442	£4,251,388	£4,188,712		100.00%	99.48%	98.62%	97.17%
8	Small scale mixed use, local centres	£631,149	£628,631	£624,302	£617,171		100.00%	99.60%	98.92%	97.79%
9	Small scale mixed use, local centres	£450,653	£448,346	£444,517	£438,135		100.00%	99.49%	98.64%	97.22%
10	Small mixed use	£1,607,243	£1,594,878	£1,573,756	£1,538,884		100.00%	99.23%	97.92%	95.75%
11	Small mixed use	£1,054,547	£1,040,722	£1,017,770	£979,516		100.00%	98.69%	96.51%	92.88%
12	Mixed use	£2,602,737	£2,570,611	£2,516,983	£2,427,765		100.00%	98.77%	96.71%	93.28%
13	Mixed use	£2,779,909	£2,702,188	£2,584,034	£2,390,481		100.00%	97.20%	92.95%	85.99%
14	Mixed use incl community facility	-£97,675	-£234,702	-£367,019	-£560,202		0.00%	0.00%	0.00%	0.00%
15	Mixed use incl health facility	£3,370,684	£3,304,262	£3,239,513	£3,144,681		100.00%	98.03%	96.11%	93.30%
16	Mixed use incl leisure facility	£5,264,209	£5,074,949	£4,899,508	£4,647,704		100.00%	96.40%	93.07%	88.29%
17	Mixed use	£4,103,836	£4,061,524	£3,989,522	£3,870,499		100.00%	98.97%	97.21%	94.31%
18	Large mixed use (employment led)	£11,683,661	£11,540,074	£11,311,670	£10,934,572		100.00%	98.77%	96.82%	93.59%
19	Estate regen (small infill - houses)	£3,037,658	£3,028,011	£3,011,696	£2,984,669		100.00%	99.68%	99.15%	98.26%
20	Estate regen (small infill - flats)	£915,670	£911,057	£903,399	£890,635		100.00%	99.50%	98.66%	97.27%
21	Estate regeneration (large)	£8,883,977	£8,782,830	£8,628,371	£8,375,049		100.00%	98.86%	97.12%	94.27%
22	Student housing	£5,810,949	£5,660,470	£5,584,049	£5,506,880		100.00%	97.41%	96.10%	94.77%
23	Hotels	£2,270,355	£2,250,918	£2,212,166	£2,151,204		100.00%	99.14%	97.44%	94.75%
24	Commercial	-£72,919	-£72,919	-£72,919	-£72,919		0.00%	0.00%	0.00%	0.00%
25	Storage	£1,613,530	£1,537,329	£1,499,230	£1,461,130		100.00%	95.28%	92.92%	90.55%
26	Residential care home (7 units)	£1,088,951	£1,071,496	£1,057,005	£1,037,016		100.00%	98.40%	97.07%	95.23%
27	Site allocation 1	£5,677,198	£5,463,844	£5,208,598	£4,818,620		100.00%	96.24%	91.75%	84.88%
28	Site allocation 2	£14,825,992	£14,491,126	£14,035,526	£13,310,286		100.00%	97.74%	94.67%	89.78%
29	Site allocation 3	-£1,945,727	-£5,304,495	-£8,972,335	-£14,450,345		0.00%	0.00%	0.00%	0.00%
30	Site allocation 4	£22,782,609	£22,046,608	£20,857,229	£18,888,350		100.00%	96.77%	91.55%	82.91%
31	Site allocation 5	-£8,520,407	-£11,067,518	-£14,167,312	-£18,992,536		0.00%	0.00%	0.00%	0.00%
32	Site allocation 6	£33,306,063	£32,750,895	£32,044,183	£30,960,134		100.00%	98.33%	96.21%	92.96%
33	Site allocation 7	£12,403,241	£12,166,911	£11,816,812	£11,245,455		100.00%	98.09%	95.27%	90.67%
34	Site allocation 8	£4,915,506	£4,369,035	£3,888,026	£3,211,159		100.00%	88.88%	79.10%	65.33%
35	Site allocation 9	£9,254,383	£9,083,128	£8,790,168	£8,306,729		100.00%	98.15%	94.98%	89.76%
36	Site allocation 10	£28,643,885	£28,373,903	£27,912,125	£27,150,064		100.00%	99.06%	97.45%	94.78%
37	Site allocation 11	£34,176,111	£33,915,836	£33,546,053	£32,960,525		100.00%	99.24%	98.16%	96.44%
38	Site allocation 12	£49,192,437	£48,709,416	£47,890,905	£46,552,212		100.00%	99.02%	97.35%	94.63%
39	Site allocation 13	£12,125,716	£12,009,330	£11,815,518	£11,492,822		100.00%	99.04%	97.44%	94.78%
40	Site allocation 14	£15,363,528	£15,173,384	£14,906,991	£14,478,570		100.00%	98.76%	97.03%	94.24%
41	Site allocation 15	£34,906,340	£34,663,429	£34,236,415	£33,536,279		100.00%	99.30%	98.08%	96.08%
42	Site allocation 16	£40,816,209	£40,200,432	£39,293,762	£37,841,527		100.00%	98.49%	96.27%	92.71%
43	Site allocation 17	£19,401,058	£18,891,859	£18,159,414	£16,971,252		100.00%	97.38%	93.60%	87.48%
44	Site allocation 18	£13,887,629	£13,686,500	£13,392,573	£12,926,555		100.00%	98.55%	96.44%	93.08%
45	Site allocation 19	£21,989,790	£21,846,095	£21,599,908	£21,193,854		100.00%	99.35%	98.23%	96.38%
46	Site allocation 20	£174,351,958	£173,519,486	£172,297,764	£170,417,947		100.00%	99.52%	98.82%	97.74%
47	Site allocation 21	£19,166,698	£19,021,806	£18,791,488	£18,415,869		100.00%	99.24%	98.04%	96.08%
48	Site allocation 22	£61,985,865	£61,515,531	£60,737,323	£59,459,103		100.00%	99.24%	97.99%	95.92%
49	Site allocation 23	£12,529,653	£12,373,509	£12,114,268	£11,682,202		100.00%	98.75%	96.68%	93.24%
50	Site allocation 24	£16,037,244	£15,904,107	£15,676,001	£15,299,775		100.00%	99.17%	97.75%	95.40%
51	Site allocation 25	£85,460,031	£84,421,071	£82,828,306	£80,238,352		100.00%	98.78%	96.92%	93.89%
52	Site allocation 26	£96,395,650	£95,481,663	£94,072,224	£91,792,519		100.00%	99.05%	97.59%	95.22%
53	Site allocation 27	£11,825,811	£11,700,029	£11,491,198	£11,143,147		100.00%	98.94%	97.17%	94.23%
54	Site allocation 28	£9,958,854	£9,849,961	£9,669,172	£9,367,855		100.00%	98.91%	97.09%	94.07%
55	Site allocation 29	£18,766,743	£18,644,177	£18,434,181	£18,087,825		100.00%	99.35%	98.23%	96.38%

Table 6.8.8: Alternative CIL rates – Price Point H (£7,777 per square metre – change in residual land value - 35% affordable housing)

	Development	Adopted	Alternative 1	Alternative 2	Alternative 3		Adopted	Alt 1	Alt 2	Alt 3
1	Very small residential (house)	£196,918	£195,801	£194,522	£193,244		100.00%	99.43%	98.78%	98.13%
2	Small res devs (houses)	£984,587	£979,007	£972,613	£966,218		100.00%	99.43%	98.78%	98.13%
3	Small res dev (flats)	£518,056	£512,487	£506,105	£499,724		100.00%	98.93%	97.69%	96.46%
4	Small res devs (houses)	£2,156,052	£2,143,777	£2,129,709	£2,115,642		100.00%	99.43%	98.78%	98.13%
5	Small res dev (flats)	£1,129,703	£1,117,452	£1,103,412	£1,089,372		100.00%	98.92%	97.67%	96.43%
6	Small residential developments	£2,526,453	£2,499,055	£2,467,655	£2,436,256		100.00%	98.92%	97.67%	96.43%
7	Residential development	£4,846,224	£4,792,355	£4,730,622	£4,668,889		100.00%	98.89%	97.61%	96.34%
8	Small scale mixed use, local centres	£689,768	£683,827	£676,695	£669,065		100.00%	99.14%	98.10%	97.00%
9	Small scale mixed use, local centres	£509,119	£503,550	£497,168	£490,787		100.00%	98.91%	97.65%	96.40%
10	Small mixed use	£1,904,356	£1,875,052	£1,840,179	£1,803,311		100.00%	98.46%	96.63%	94.69%
11	Small mixed use	£1,413,703	£1,380,323	£1,342,069	£1,303,816		100.00%	97.64%	94.93%	92.23%
12	Mixed use	£3,428,372	£3,351,075	£3,261,857	£3,171,659		100.00%	97.75%	95.14%	92.51%
13	Mixed use	£4,432,590	£4,258,814	£4,065,261	£3,870,746		100.00%	96.08%	91.71%	87.32%
14	Mixed use incl community facility	£1,254,370	£1,042,786	£852,506	£662,226		100.00%	83.13%	67.96%	52.79%
15	Mixed use incl health facility	£4,041,111	£3,936,240	£3,841,408	£3,746,575		100.00%	97.40%	95.06%	92.71%
16	Mixed use incl leisure facility	£7,054,516	£6,772,878	£6,524,858	£6,273,995		100.00%	96.01%	92.49%	88.94%
17	Mixed use	£5,094,907	£4,995,875	£4,878,642	£4,755,615		100.00%	98.06%	95.76%	93.34%
18	Large mixed use (employment led)	£15,169,230	£14,836,499	£14,459,400	£14,079,504		100.00%	97.81%	95.32%	92.82%
19	Estate regen (small infill - houses)	£3,271,033	£3,248,013	£3,220,987	£3,192,963		100.00%	99.30%	98.47%	97.61%
20	Estate regen (small infill - flats)	£1,027,003	£1,015,865	£1,003,101	£990,338		100.00%	98.92%	97.67%	96.43%
21	Estate regeneration (large)	£11,100,470	£10,873,276	£10,619,954	£10,365,684		100.00%	97.95%	95.67%	93.38%
22	Student housing	£5,979,845	£5,828,884	£5,751,713	£5,673,045		100.00%	97.48%	96.18%	94.87%
23	Hotels	£2,706,288	£2,675,012	£2,623,714	£2,569,999		100.00%	98.84%	96.95%	94.96%
24	Commercial	-£44,496	-£44,496	-£44,496	-£44,496		0.00%	0.00%	0.00%	0.00%
25	Storage	£1,708,684	£1,632,484	£1,594,385	£1,556,284		100.00%	95.54%	93.31%	91.08%
26	Residential care home (7 units)	£1,197,981	£1,173,500	£1,153,510	£1,133,522		100.00%	97.96%	96.29%	94.62%
27	Site allocation 1	£8,435,522	£8,064,423	£7,680,306	£7,266,685		100.00%	95.60%	91.05%	86.14%
28	Site allocation 2	£20,509,023	£19,846,276	£19,131,936	£18,397,058		100.00%	96.77%	93.29%	89.70%
29	Site allocation 3	£30,793,437	£25,576,403	£20,440,181	£15,094,191		100.00%	83.06%	66.38%	49.02%
30	Site allocation 4	£38,233,779	£36,558,177	£34,625,878	£32,670,728		100.00%	95.62%	90.56%	85.45%
31	Site allocation 5	£23,527,368	£19,017,566	£14,403,445	£9,740,892		100.00%	80.83%	61.22%	41.40%
32	Site allocation 6	£40,995,889	£40,025,852	£38,968,975	£37,839,487		100.00%	97.63%	95.06%	92.30%
33	Site allocation 7	£17,181,413	£16,670,120	£16,107,350	£15,544,580		100.00%	97.02%	93.75%	90.47%
34	Site allocation 8	£9,384,419	£8,600,847	£7,934,153	£7,260,265		100.00%	91.65%	84.55%	77.37%
35	Site allocation 9	£13,090,883	£12,686,557	£12,203,118	£11,690,719		100.00%	96.91%	93.22%	89.30%
36	Site allocation 10	£34,848,950	£34,219,198	£33,468,592	£32,673,245		100.00%	98.19%	96.04%	93.76%
37	Site allocation 11	£38,823,248	£38,303,400	£37,717,873	£37,081,342		100.00%	98.66%	97.15%	95.51%
38	Site allocation 12	£59,295,532	£58,202,367	£56,883,794	£55,442,759		100.00%	98.16%	95.93%	93.50%
39	Site allocation 13	£14,995,561	£14,715,083	£14,392,388	£14,067,739		100.00%	98.13%	95.98%	93.81%
40	Site allocation 14	£18,977,341	£18,581,897	£18,153,477	£17,719,474		100.00%	97.92%	95.66%	93.37%
41	Site allocation 15	£40,315,202	£39,760,403	£39,081,153	£38,329,726		100.00%	98.62%	96.94%	95.08%
42	Site allocation 16	£51,609,960	£50,348,394	£48,917,985	£47,387,439		100.00%	97.56%	94.78%	91.82%
43	Site allocation 17	£28,506,009	£27,438,799	£26,260,204	£25,043,187		100.00%	96.26%	92.12%	87.85%
44	Site allocation 18	£17,886,430	£17,480,887	£17,014,867	£16,499,831		100.00%	97.73%	95.13%	92.25%
45	Site allocation 19	£25,554,392	£25,219,586	£24,819,635	£24,393,492		100.00%	98.69%	97.12%	95.46%
46	Site allocation 20	£187,529,133	£185,994,035	£184,114,217	£181,797,207		100.00%	99.18%	98.18%	96.94%
47	Site allocation 21	£22,384,856	£22,060,924	£21,685,304	£21,288,669		100.00%	98.55%	96.87%	95.10%
48	Site allocation 22	£72,385,947	£71,315,557	£70,056,547	£68,727,158		100.00%	98.52%	96.78%	94.95%
49	Site allocation 23	£16,982,102	£16,610,753	£16,180,699	£15,748,632		100.00%	97.81%	95.28%	92.74%
50	Site allocation 24	£19,258,293	£18,943,364	£18,567,138	£18,167,208		100.00%	98.36%	96.41%	94.33%
51	Site allocation 25	£104,691,179	£102,520,144	£100,028,420	£97,403,118		100.00%	97.93%	95.55%	93.04%
52	Site allocation 26	£113,244,242	£111,352,293	£109,157,181	£106,781,152		100.00%	98.33%	96.39%	94.29%
53	Site allocation 27	£15,463,002	£15,159,297	£14,811,246	£14,463,195		100.00%	98.04%	95.79%	93.53%
54	Site allocation 28	£13,115,252	£12,852,328	£12,551,012	£12,249,695		100.00%	98.00%	95.70%	93.40%
55	Site allocation 29	£21,807,016	£21,521,452	£21,180,302	£20,816,975		100.00%	98.69%	97.13%	95.46%

Table 6.8.9: Alternative CIL rates – Price Point I (£7,965 per square metre – change in residual land value - 35% affordable housing)

	Development	Adopted	Alternative 1	Alternative 2	Alternative 3		Adopted	Alt 1	Alt 2	Alt 3
1	Very small residential (house)	£204,150	£203,034	£201,755	£200,476		100.00%	99.45%	98.83%	98.20%
2	Small res devs (houses)	£1,020,750	£1,015,170	£1,008,775	£1,002,381		100.00%	99.45%	98.83%	98.20%
3	Small res dev (flats)	£547,818	£542,250	£535,868	£529,486		100.00%	98.98%	97.82%	96.65%
4	Small res devs (houses)	£2,235,610	£2,223,334	£2,209,267	£2,195,199		100.00%	99.45%	98.82%	98.19%
5	Small res dev (flats)	£1,195,182	£1,182,931	£1,168,890	£1,154,851		100.00%	98.97%	97.80%	96.63%
6	Small residential developments	£2,672,888	£2,645,489	£2,614,090	£2,582,691		100.00%	98.97%	97.80%	96.63%
7	Residential development	£5,131,122	£5,077,255	£5,015,521	£4,953,787		100.00%	98.95%	97.75%	96.54%
8	Small scale mixed use, local centres	£719,531	£713,590	£706,459	£698,829		100.00%	99.17%	98.18%	97.12%
9	Small scale mixed use, local centres	£538,881	£533,313	£526,931	£520,549		100.00%	98.97%	97.78%	96.60%
10	Small mixed use	£2,043,459	£2,014,155	£1,979,283	£1,942,415		100.00%	98.57%	96.86%	95.06%
11	Small mixed use	£1,580,627	£1,547,248	£1,508,994	£1,470,740		100.00%	97.89%	95.47%	93.05%
12	Mixed use	£3,807,271	£3,729,974	£3,640,756	£3,550,558		100.00%	97.97%	95.63%	93.26%
13	Mixed use	£5,182,728	£5,008,951	£4,815,399	£4,620,884		100.00%	96.65%	92.91%	89.16%
14	Mixed use incl community facility	£1,839,373	£1,630,686	£1,440,407	£1,250,127		100.00%	88.65%	78.31%	67.96%
15	Mixed use incl health facility	£4,365,881	£4,261,010	£4,166,178	£4,071,346		100.00%	97.60%	95.43%	93.25%
16	Mixed use incl leisure facility	£7,867,125	£7,585,486	£7,337,468	£7,086,604		100.00%	96.42%	93.27%	90.08%
17	Mixed use	£5,547,717	£5,448,685	£5,331,451	£5,208,425		100.00%	98.21%	96.10%	93.88%
18	Large mixed use (employment led)	£16,742,889	£16,410,157	£16,033,059	£15,653,163		100.00%	98.01%	95.76%	93.49%
19	Estate regen (small infill - houses)	£3,400,589	£3,377,570	£3,350,545	£3,322,519		100.00%	99.32%	98.53%	97.70%
20	Estate regen (small infill - flats)	£1,086,529	£1,075,392	£1,062,628	£1,049,864		100.00%	98.97%	97.80%	96.63%
21	Estate regeneration (large)	£12,183,948	£11,956,755	£11,703,432	£11,449,161		100.00%	98.14%	96.06%	93.97%
22	Student housing	£5,979,845	£5,828,884	£5,751,713	£5,673,045		100.00%	97.48%	96.18%	94.87%
23	Hotels	£2,829,419	£2,798,144	£2,746,844	£2,693,131		100.00%	98.89%	97.08%	95.18%
24	Commercial	-£44,496	-£44,496	-£44,496	-£44,496		0.00%	0.00%	0.00%	0.00%
25	Storage	£1,708,684	£1,632,484	£1,594,385	£1,556,284		100.00%	95.54%	93.31%	91.08%
26	Residential care home (7 units)	£1,254,545	£1,230,063	£1,210,074	£1,190,085		100.00%	98.05%	96.46%	94.86%
27	Site allocation 1	£9,515,177	£9,144,078	£8,759,961	£8,348,532		100.00%	96.10%	92.06%	87.74%
28	Site allocation 2	£23,053,086	£22,390,338	£21,675,998	£20,941,121		100.00%	97.13%	94.03%	90.84%
29	Site allocation 3	£43,074,034	£37,856,999	£32,721,476	£27,455,831		100.00%	87.89%	75.97%	63.74%
30	Site allocation 4	£45,112,635	£43,437,033	£41,526,864	£39,601,060		100.00%	96.29%	92.05%	87.78%
31	Site allocation 5	£36,820,172	£32,327,145	£27,780,385	£23,185,753		100.00%	87.80%	75.45%	62.97%
32	Site allocation 6	£44,013,934	£43,043,898	£41,987,020	£40,857,533		100.00%	97.80%	95.39%	92.83%
33	Site allocation 7	£19,440,147	£18,928,855	£18,366,084	£17,803,315		100.00%	97.37%	94.48%	91.58%
34	Site allocation 8	£11,273,231	£10,489,659	£9,822,965	£9,149,076		100.00%	93.05%	87.14%	81.16%
35	Site allocation 9	£14,673,792	£14,274,368	£13,798,194	£13,292,560		100.00%	97.28%	94.03%	90.59%
36	Site allocation 10	£37,595,553	£36,965,802	£36,215,195	£35,419,848		100.00%	98.32%	96.33%	94.21%
37	Site allocation 11	£40,899,219	£40,387,185	£39,807,344	£39,170,813		100.00%	98.75%	97.33%	95.77%
38	Site allocation 12	£63,467,319	£62,374,155	£61,055,582	£59,618,897		100.00%	98.28%	96.20%	93.94%
39	Site allocation 13	£16,404,084	£16,123,606	£15,800,910	£15,476,261		100.00%	98.29%	96.32%	94.34%
40	Site allocation 14	£20,715,130	£20,322,956	£19,894,535	£19,460,532		100.00%	98.11%	96.04%	93.94%
41	Site allocation 15	£42,581,355	£42,026,557	£41,347,307	£40,600,811		100.00%	98.70%	97.10%	95.35%
42	Site allocation 16	£56,071,596	£54,810,030	£53,379,621	£51,849,075		100.00%	97.75%	95.20%	92.47%
43	Site allocation 17	£32,345,020	£31,293,848	£30,132,966	£28,924,783		100.00%	96.75%	93.16%	89.43%
44	Site allocation 18	£19,224,844	£18,819,301	£18,353,282	£17,838,245		100.00%	97.89%	95.47%	92.79%
45	Site allocation 19	£27,159,175	£26,824,369	£26,424,418	£25,999,302		100.00%	98.77%	97.29%	95.73%
46	Site allocation 20	£192,189,540	£190,654,442	£188,774,624	£186,457,614		100.00%	99.20%	98.22%	97.02%
47	Site allocation 21	£23,855,935	£23,536,872	£23,166,897	£22,773,035		100.00%	98.66%	97.11%	95.46%
48	Site allocation 22	£77,155,692	£76,085,302	£74,826,292	£73,496,903		100.00%	98.61%	96.98%	95.26%
49	Site allocation 23	£18,837,263	£18,465,914	£18,040,340	£17,614,766		100.00%	98.03%	95.77%	93.51%
50	Site allocation 24	£20,670,639	£20,355,710	£19,979,484	£19,579,556		100.00%	98.48%	96.66%	94.72%
51	Site allocation 25	£113,109,176	£110,965,015	£108,493,012	£105,907,011		100.00%	98.10%	95.92%	93.63%
52	Site allocation 26	£120,492,520	£118,604,194	£116,425,444	£114,084,975		100.00%	98.43%	96.62%	94.68%
53	Site allocation 27	£16,996,124	£16,692,420	£16,344,368	£15,996,318		100.00%	98.21%	96.17%	94.12%
54	Site allocation 28	£14,442,514	£14,179,590	£13,878,273	£13,576,957		100.00%	98.18%	96.09%	94.01%
55	Site allocation 29	£23,175,644	£22,890,079	£22,548,930	£22,186,281		100.00%	98.77%	97.30%	95.73%

Figure 6.9.1: Comparison of residual land values with the adopted and three alternative CIL rates (typologies 1 to 26) – Price Point A (£6,458 per square metre)

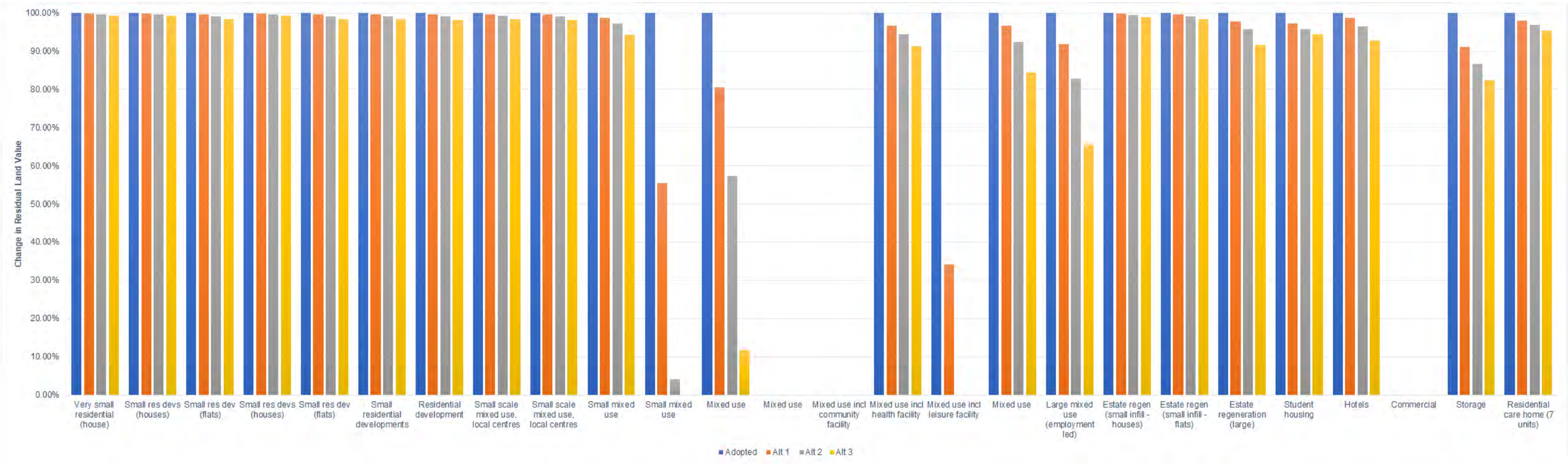


Figure 6.9.2: Comparison of residual land values with the adopted and three alternative CIL rates (site allocations) – Price Point A (£6,458 per square metre)

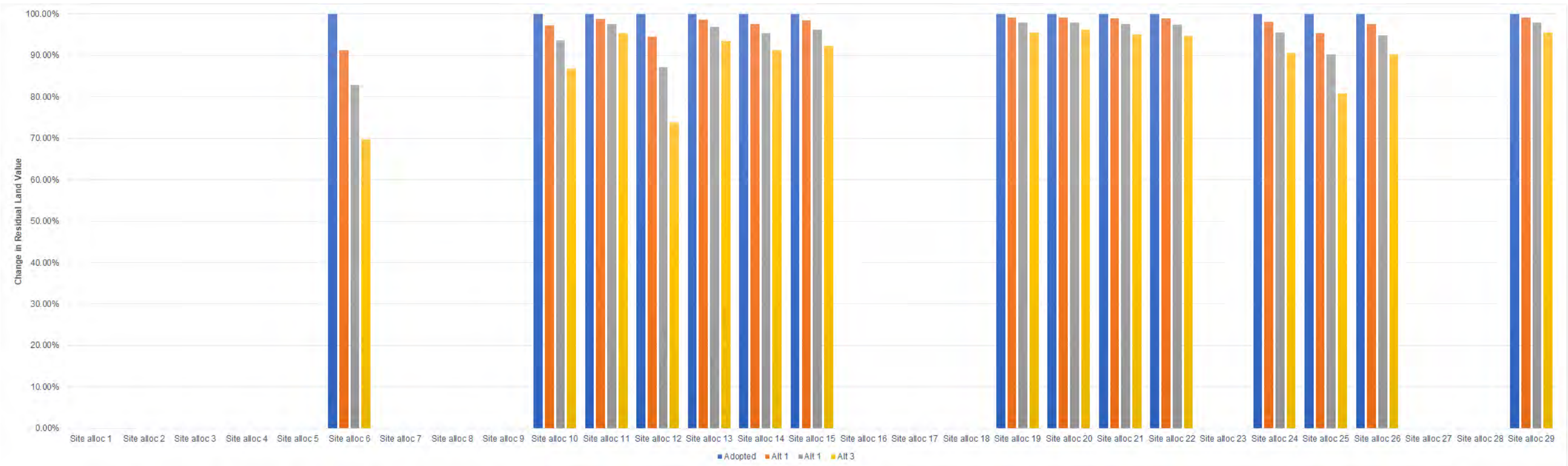


Figure 6.9.3: Comparison of residual land values with the adopted and three alternative CIL rates (typologies 1 to 26) – Price Point B (£6,647 per square metre)

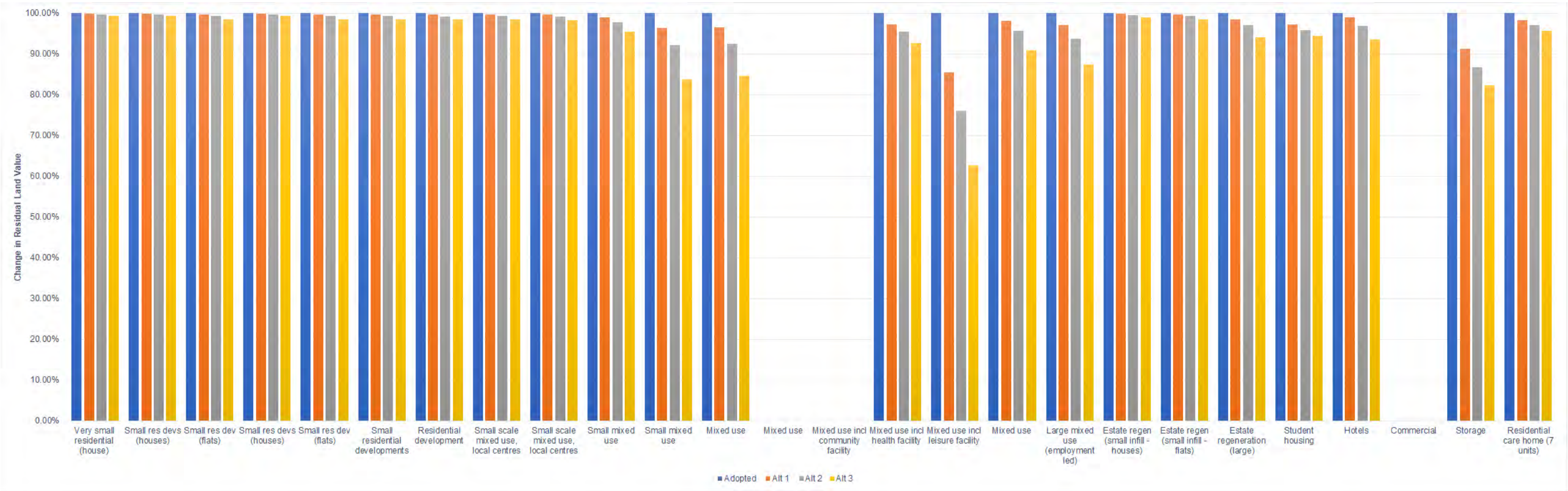


Figure 6.9.4: Comparison of residual land values with the adopted and three alternative CIL rates (site allocations) – Price Point B (£6,647 per square metre)

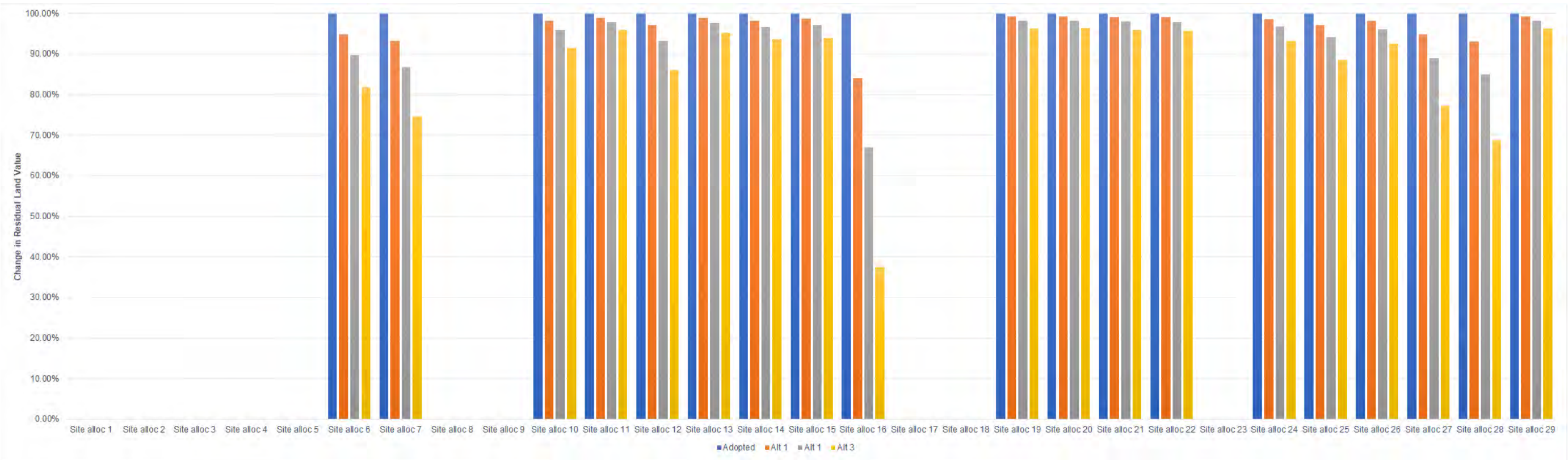


Figure 6.9.5: Comparison of residual land values with the adopted and three alternative CIL rates (typologies 1 to 26) – Price Point C (£6,835 per square metre)

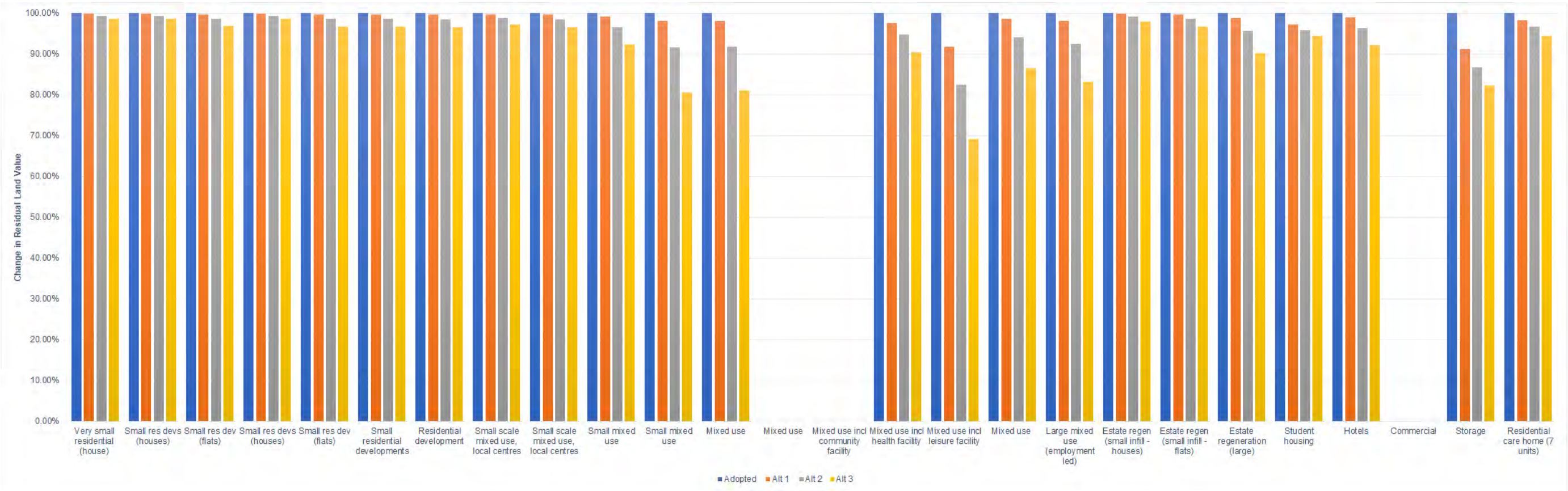


Figure 6.9.6: Comparison of residual land values with the adopted and three alternative CIL rates (site allocations) – Price Point C (£6,835 per square metre)

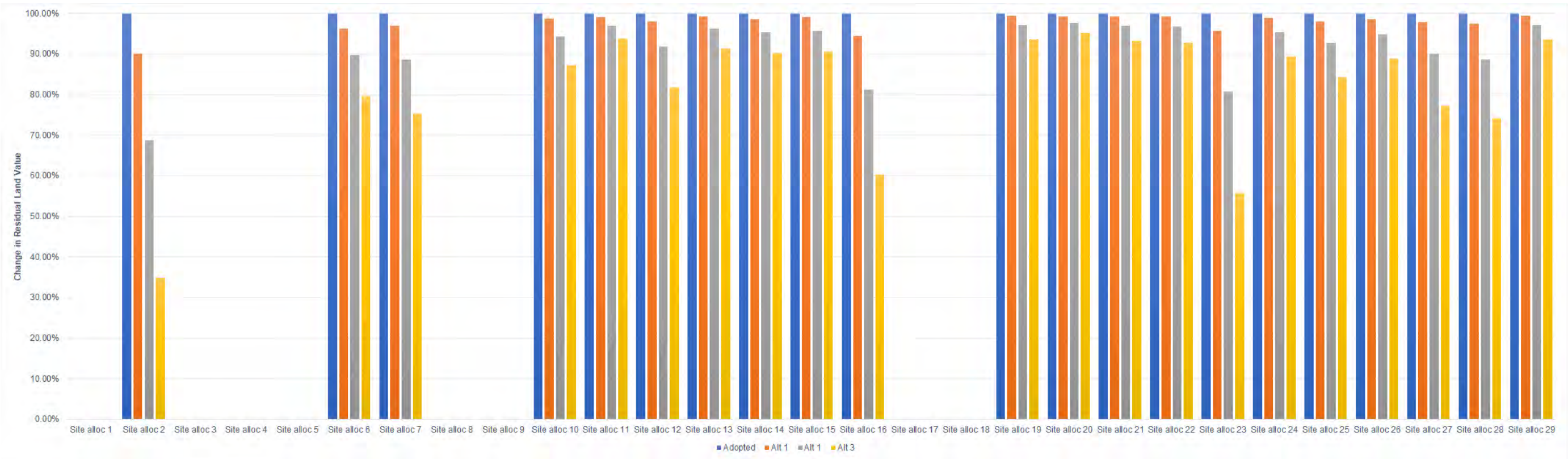


Figure 6.9.7: Comparison of residual land values with the adopted and three alternative CIL rates (typologies 1 to 26) – Price Point D (£7,024 per square metre)

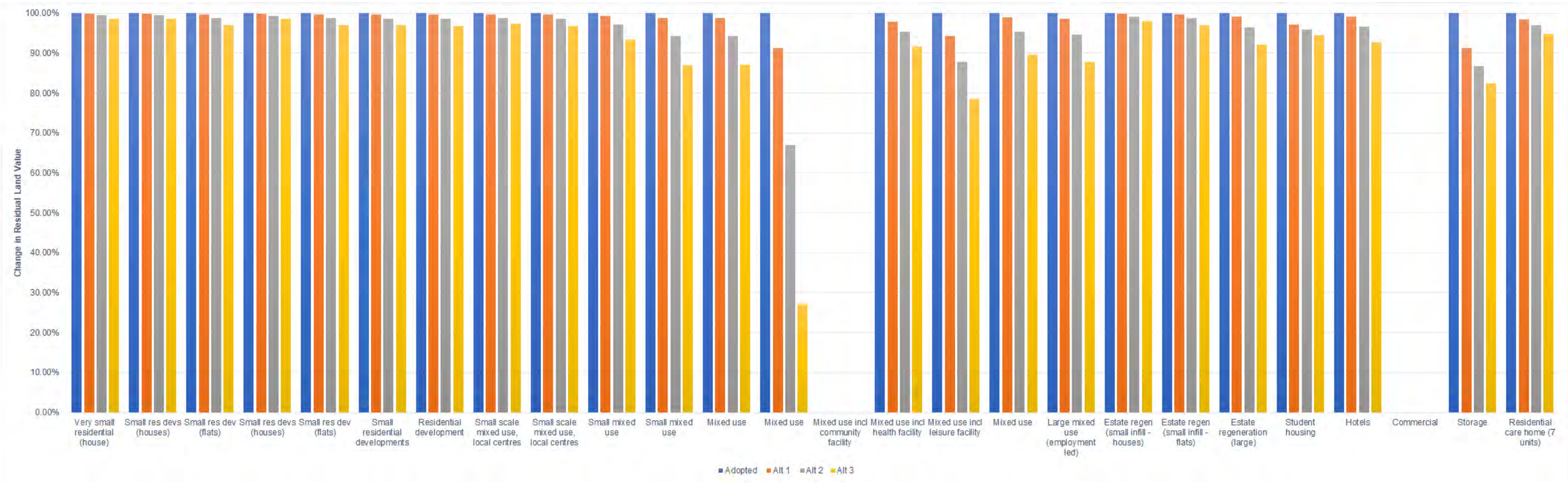


Figure 6.9.8: Comparison of residual land values with the adopted and three alternative CIL rates (site allocations) – Price Point D (£7,024 per square metre)

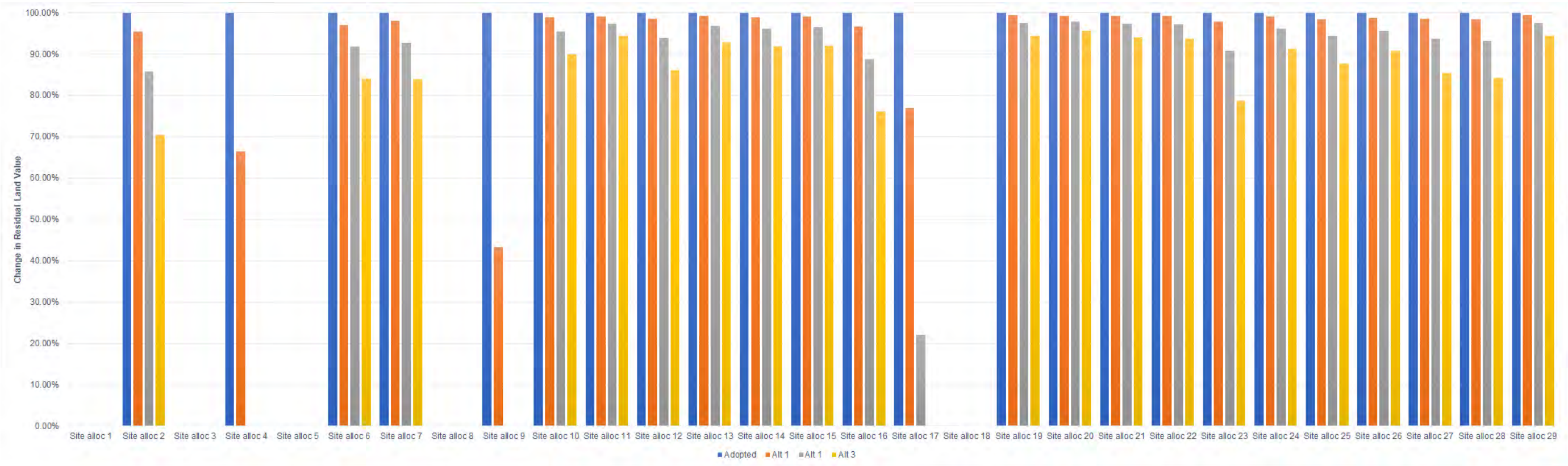


Figure 6.9.9: Comparison of residual land values with the adopted and three alternative CIL rates (typologies 1 to 26) – Price Point E (£7,212 per square metre)

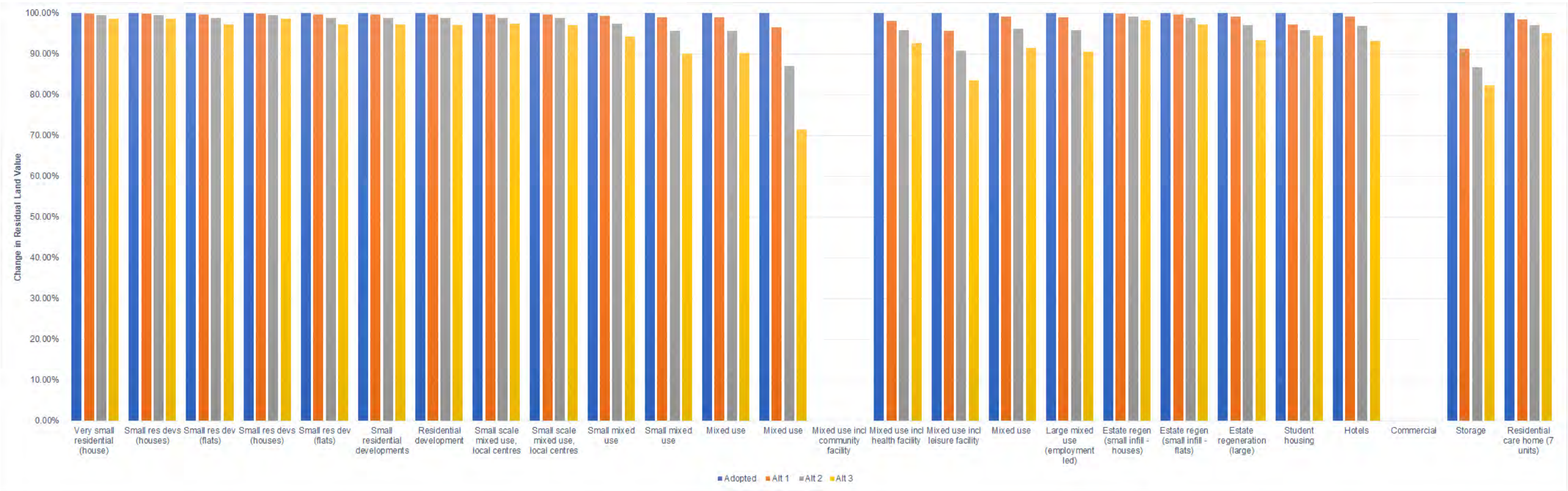


Figure 6.9.10: Comparison of residual land values with the adopted and three alternative CIL rates (site allocations) – Price Point E (£7,212 per square metre)

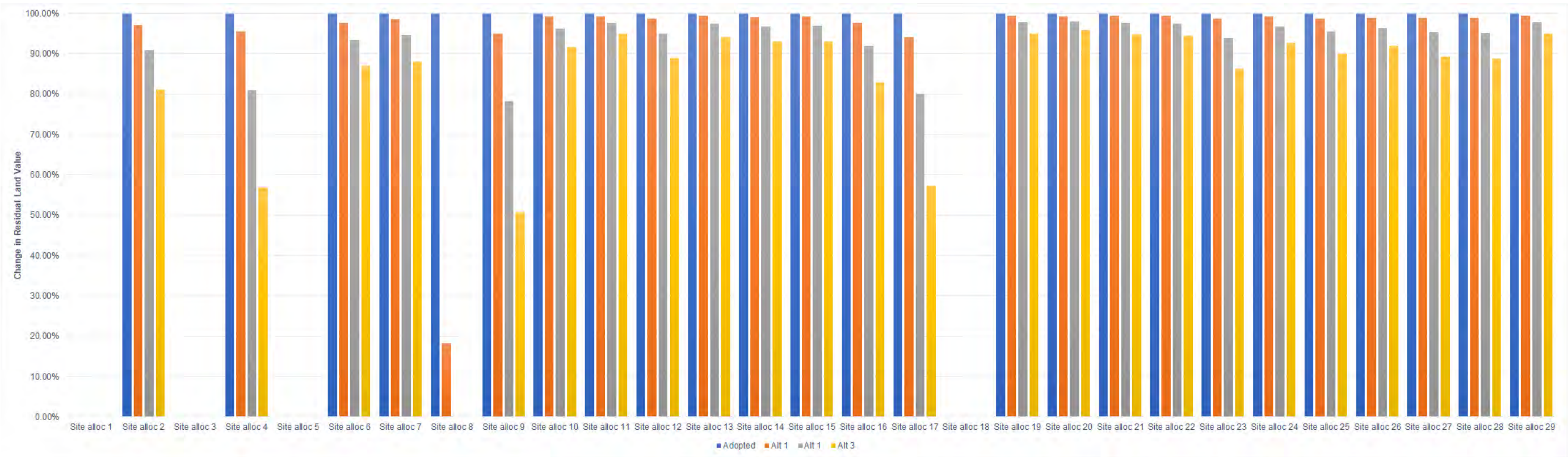


Figure 6.9.11: Comparison of residual land values with the adopted and three alternative CIL rates (typologies 1 to 26) – Price Point F (£7,400 per square metre)

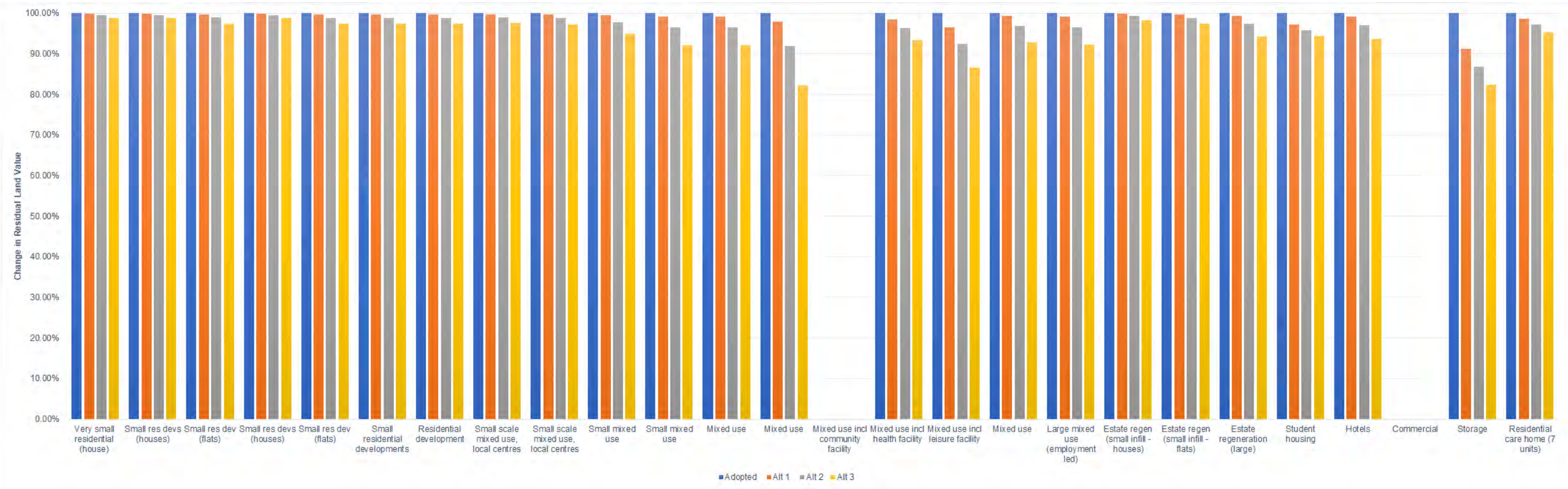


Figure 6.9.12: Comparison of residual land values with the adopted and three alternative CIL rates (site allocations) – Price Point F (£7,400 per square metre)

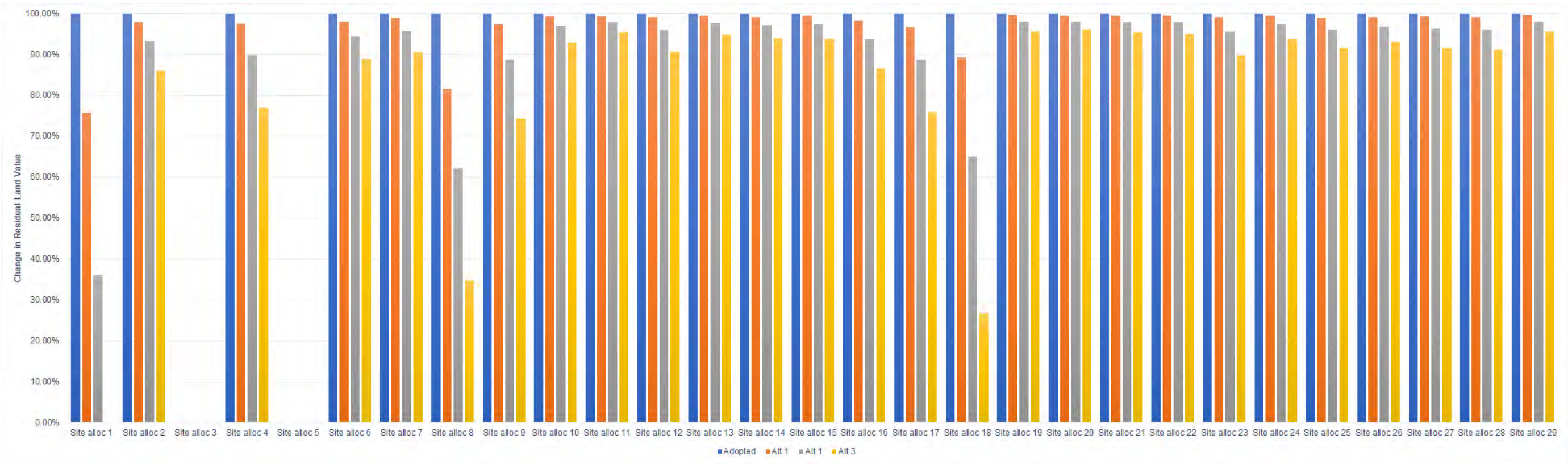


Figure 6.9.13: Comparison of residual land values with the adopted and three alternative CIL rates (typologies 1 to 26) – Price Point G (£7,589 per square metre)

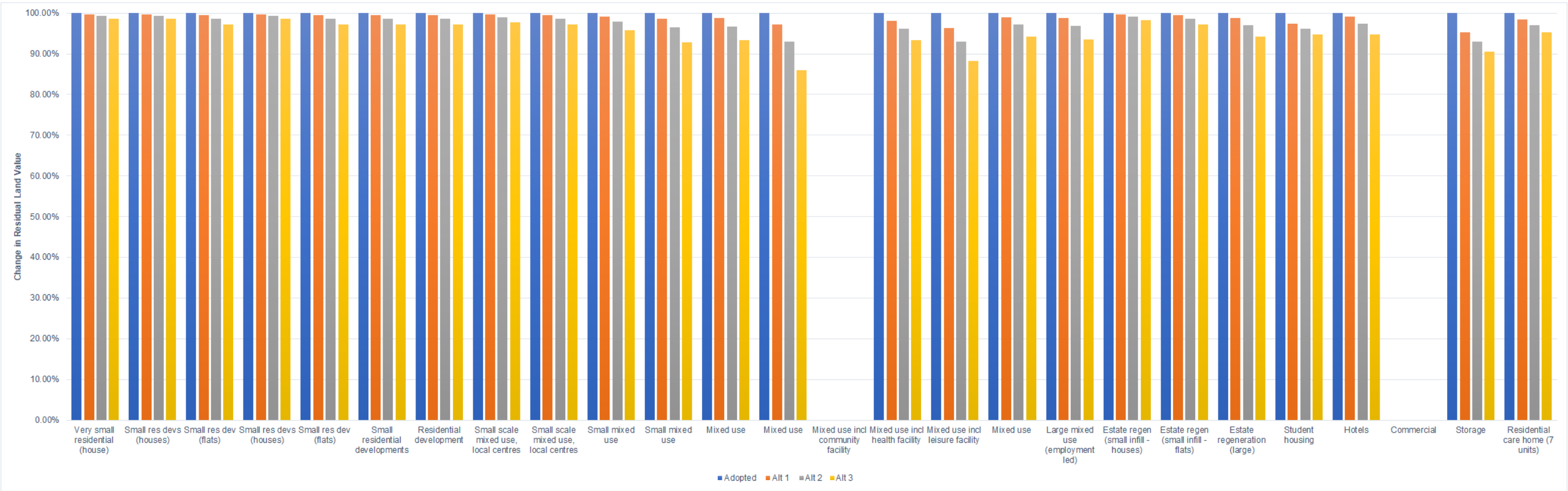


Figure 6.9.14: Comparison of residual land values with the adopted and three alternative CIL rates (site allocations) – Price Point G (£7,589 per square metre)

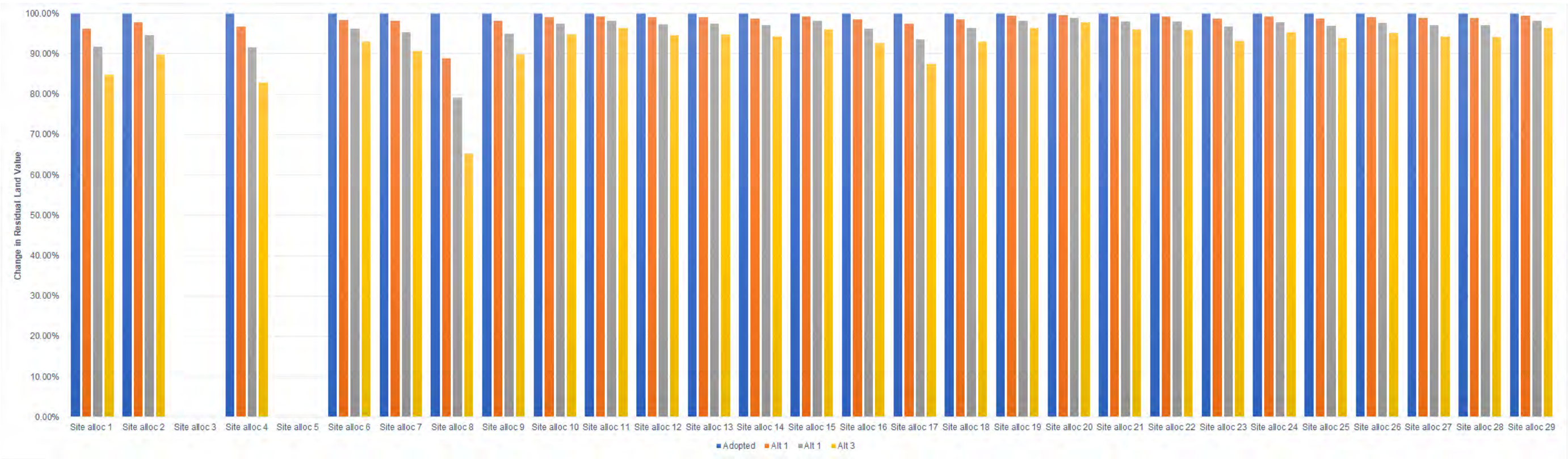


Figure 6.9.15: Comparison of residual land values with the adopted and three alternative CIL rates (typologies 1 to 26) – Price Point H (£7,777 per square metre)

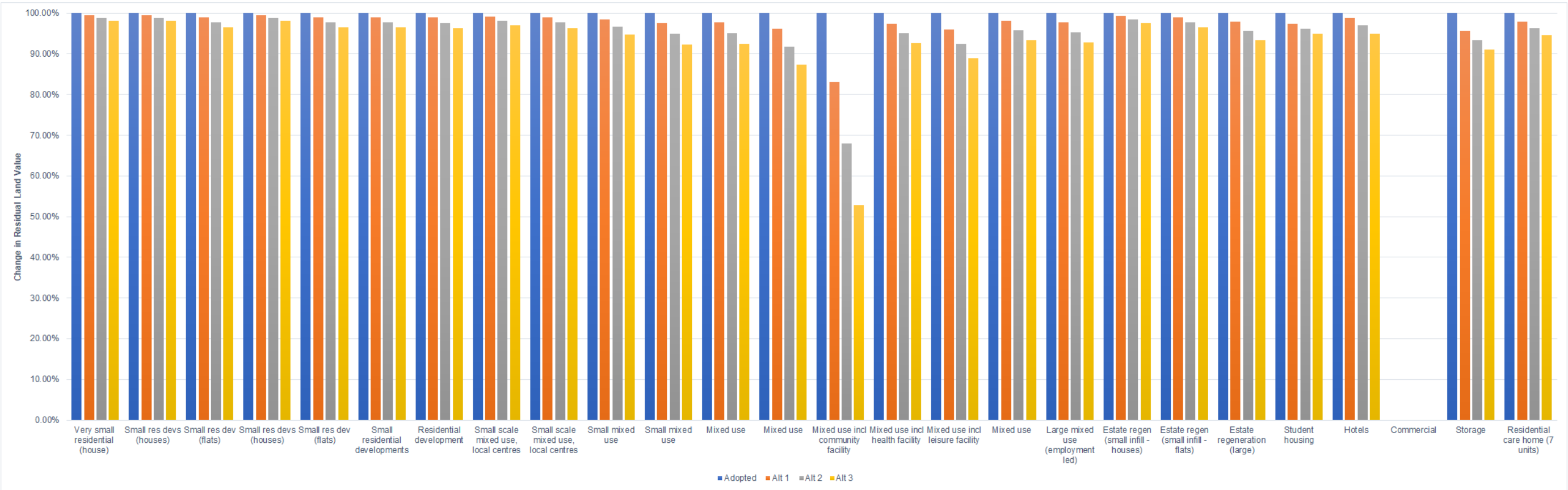


Figure 6.9.16: Comparison of residual land values with the adopted and three alternative CIL rates (site allocations) – Price Point H (£7,777 per square metre)

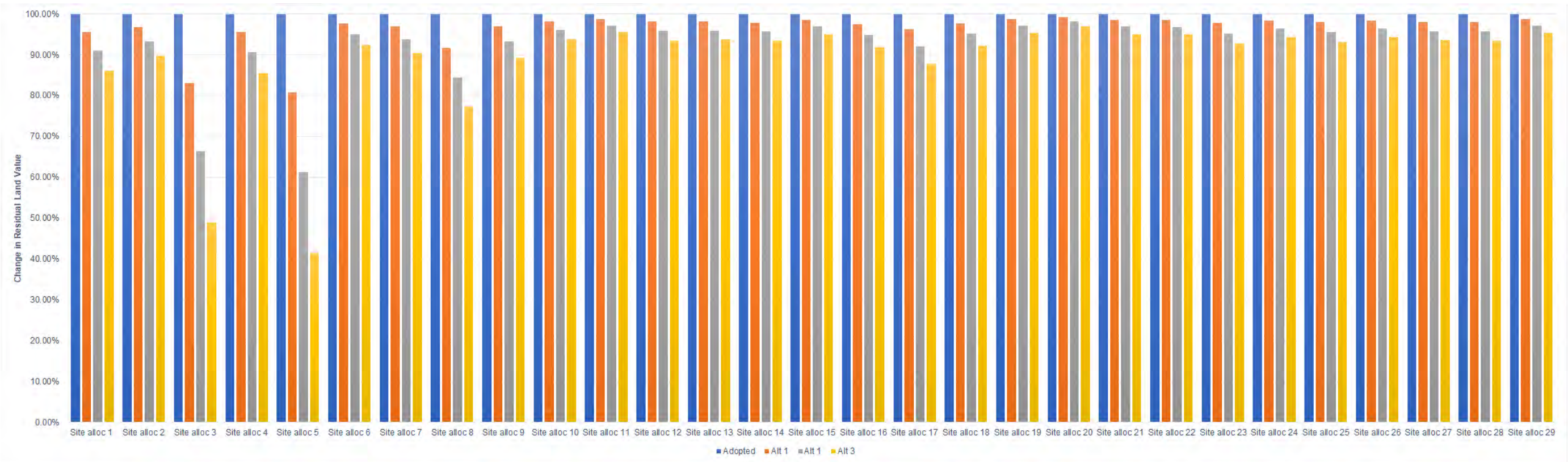


Figure 6.9.17: Comparison of residual land values with the adopted and three alternative CIL rates (typologies 1 to 26) – Price Point I (£7,965 per square metre)

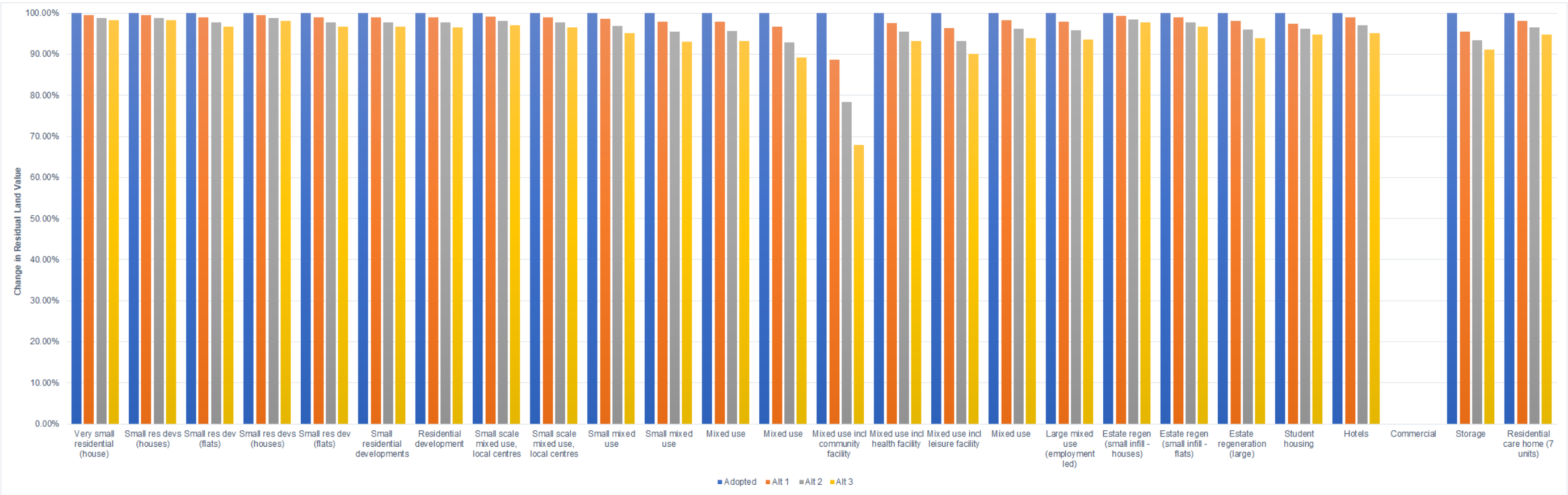
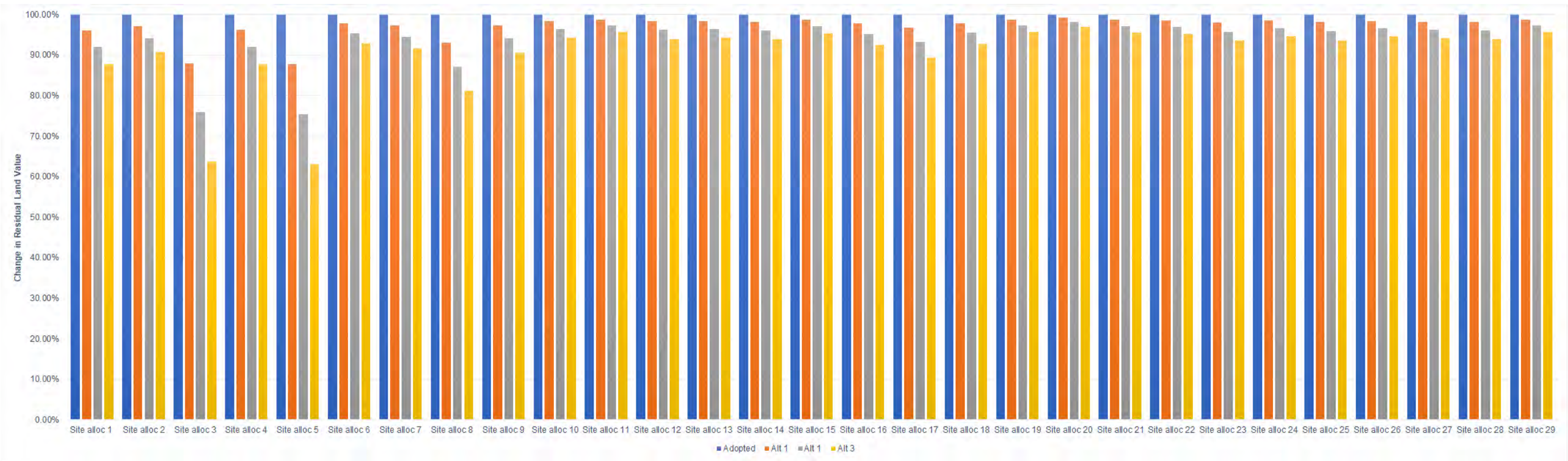


Figure 6.9.18: Comparison of residual land values with the adopted and three alternative CIL rates (site allocations) – Price Point I (£7,965 per square metre)



Residential rates

- 6.11 Values in the north of the borough exceed those achieved in the south, largely as a result of higher levels of public transport accessibility and extent of recent regeneration. There remains the possible extension of the Bakerloo Line in the future. When the extension proceeds, this will result in further improvements in public transport accessibility in the New Cross to Lewisham corridor. This will significantly improve the potential for sales values in these areas to increase, as noted and accepted at Southwark's CIL Examination on revisions to their Charging Schedule for areas in Southwark that are located within the Bakerloo Line Extension corridor. Although the evidence in the preceding section shows a wide range of results, we consider that the current higher value zone could be increased from the prevailing rate (with indexation) of £151.55 to £200 per square metre without affecting the delivery of the Local Plan. Furthermore, we consider that it would be possible to expand Zone 1 to incorporate (broadly) the areas from the River Thames extending to Rushey Green Ward (as shown indicatively on the map at Figure 6.11.1).

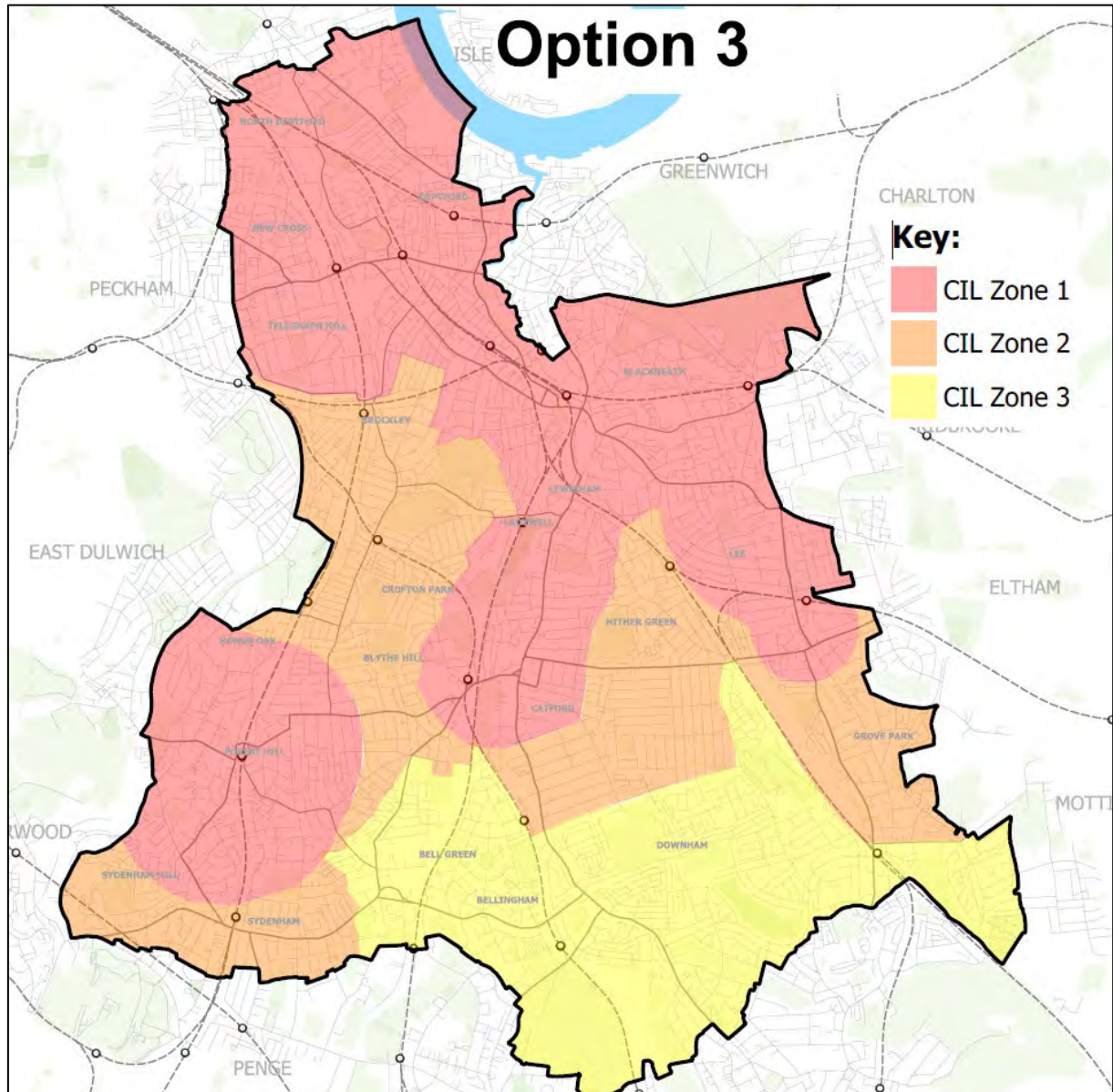
Figure 6.11.1: Map showing indicative boundary of expanded Zone 1



- 6.12 In the rest of the borough, the evidence indicates that an increase from the current rate of £70 per square metre (£106.09 per square metre with indexation) to £150 per square metre will be viable in

most situations and readily absorbed through modest reductions in residual land values. As an alternative to a two zone approach for residential rates, there is a further option of a three zone approach, which would carve out part of the south of the Borough and allow a slightly lower rate to reflect lower values achieved there. This potential third zone is shown in Figure 6.12.1.

Figure 6.12.1: Potential three zone structure



- 6.13 We attach as Appendix 5 the results of our sensitivity analysis which builds in the growth rates on sales values and inflation on costs identified in Table 4.4.1. In this analysis, we have also increased the benchmark land values by 20% to reflect the possibility that existing use values may also increase over time. The results indicate that schemes will become more viable and the 'buffer' or 'margin' between the theoretical maximum CIL rates and the proposed rates will widen. This will increase the capacity of schemes to provide higher levels of affordable housing (towards or at the strategic target level of 50%) or generate higher returns to landowners. As noted previously, these results should be treated with a degree of caution as forecasts are based on assumptions on a range of factors that may change.
- 6.14 A key consideration for the Council is the interaction between CIL contributions and affordable housing, noting of course our earlier comments that securing both CIL and affordable housing are essential objectives. Like other planning authorities, the Council cannot seek to secure affordable

housing to the total exclusion of financial contributions towards essential community infrastructure, and vice-versa. Increased rates should, in most circumstances, be passed on to the landowner through modest reductions in residual land values, but where this cannot happen (due to a high existing use value, for example), there may be a reduction in affordable housing in comparison to the prevailing rates of CIL currently in place.

- 6.15 We have therefore run a theoretical exercise to test the impact of the proposed enhanced CIL rates on the level of affordable housing to establish the change in affordable housing if it is not possible to pass the increased CIL liability to the land owner through a reduction in land value²⁵. Tables 6.15.1 and 6.15.2 summarise this analysis; for each scheme, we show the residual land value with the adopted CIL rate and the reduction arising from the increase in the CIL rate. We then reduce the affordable housing (from 35%) in order to restore the residual land value back to its previous level. Clearly schemes in the expanded Zone 1 will benefit from increasing residential sales values if the Bakerloo Line Extension proceeds, so the reductions in affordable housing shown here will be mitigated to a greater extent.

Table 6.15.1: Theoretical reduction in affordable housing required to offset increase in CIL rates (higher value zone – Price Point I - £7,695 per square metre) – starting affordable housing provision of 35%

Site ref	Site type	Number of units	RLV – incorporating prevailing CIL rates reflecting indexation	RLV – incorporating proposed CIL	Revised affordable housing required to offset increase in CIL
4	Small residential (houses)	11	£2,184,246	£2,156,655	33.60%
5	Small residential (flats)	11	£1,138,195	£1,110,656	33.30%
6	Small residential developments	25	£2,545,442	£2,483,855	33.30%
7	Residential development	50	£4,880,550	£4,759,467	33.25%
10	Small mixed use	25	£1,885,451	£1,817,092	33.06%
11	Small mixed use	30	£1,388,396	£1,313,365	33.23%
12	Mixed use	70	£3,360,535	£3,185,563	33.15%
13	Mixed use	150	£4,280,185	£3,890,757	32.83%
18	Large mixed use employment led	300	£14,830,979	£14,081,890	32.95%
21	Estate regeneration (large)	200	£11,050,935	£10,542,007	33.03%

Table 6.15.2: Theoretical reduction in affordable housing required to offset increase in CIL rates (lower value zone – Price Point C - £6,835 per square metre) – starting affordable housing provision of 35%

Site ref	Site type	Number of units	RLV – incorporating prevailing CIL rates reflecting indexation	RLV – incorporating proposed CIL	Revised affordable housing required to offset increase in CIL
4	Small residential (houses)	11	£1,759,544	£1,733,911	31.11%
5	Small residential (flats)	11	£793,228	£767,646	30.70%
6	Small residential developments	25	£1,770,042	£1,711,957	30.65%

²⁵ The draft Planning Practice Guidance notes that land values should reflect planning policy requirements, including CIL. Developers should take account of policy requirements when formulating bids for sites.

Site ref	Site type	Number of units	RLV – incorporating prevailing CIL rates reflecting indexation	RLV – incorporating proposed CIL	Revised affordable housing required to offset increase in CIL
7	Residential development	50	£3,370,127	£3,255,926	30.57%
10	Small mixed use	25	£854,142	£790,223	30.40%
11	Small mixed use	30	£408,445	£338,743	30.64%
12	Mixed use	70	£982,897	£818,405	30.51%
13	Mixed use	150	-£15,983	-£384,865	30.01%
18	Large mixed use employment led	300	£4,601,968	£3,893,528	30.10%
21	Estate regeneration (large)	200	£5,185,269	£4,703,361	30.25%

- 6.16 As can be noted in tables 6.15.1 and 6.15.2, if the enhanced CIL cannot be passed back to the landowner through a modest reduction in residual land value, the potential impact of increasing the CIL rates in the higher value zone (Zone 1) would be a 1.5% to 2% reduction in affordable housing provision. In the lower value area (Zone 3), the impact would be slightly higher of 4% to 5%. However, this would only be relevant to schemes on the margins of viability and in most cases we would expect the increased CIL liability to be reflected in the land value, with no discernible impact on the percentage of affordable housing. In most cases, schemes will generate a significant margin above existing use values which will be able to absorb the additional CIL liability without the need to reduce affordable housing provision. In these cases and many others, developers will be taking the 'Fast Track' route to affordable housing provision and will simply absorb the additional CIL to avoid going down the 'Viability Tested' route.
- 6.17 Specialist housing for elderly people typically generates lower residual land values in comparison to general purpose housing. We therefore recommend that a lower rate of £145 per square metre is applied in Zone 1 and a nil rate applied elsewhere.

Student housing and purpose built shared living

- 6.18 Student housing and other similar purpose built shared living developments generate surplus residual land values that will exceed benchmark land values in most cases. These developments could viably contribute towards infrastructure via a CIL rate of £200 to £220 per square metre across the borough.

Key worker accommodation for nurses at local hospitals

- 6.19 Providing the rents for this type of housing meet the requirements in the CIL regulations, it would qualify as affordable housing which would secure social housing relief. Mandatory social housing relief applies to intermediate rented housing and key worker housing for nurses would fall into this category.

Industrial, warehousing, logistics and data centre rates

- 6.20 Capital values of industrial, warehouses, logistics and data centres have increased significantly since the Council first adopted a CIL Charging Schedule. We have tested these types of development incorporating CIL contributions. A rate of £100 per square metre would not have a significant adverse impact on the residual land values generated by these uses.

Office development rates

- 6.21 The borough is still seeing losses of office floorspace to other uses (predominantly residential) and our testing confirms that new office development is unlikely to be able to generate residual land values that exceed benchmark land values. We therefore recommend that the prevailing position of a nil rate is continued if the Council seeks to introduce a new CIL Charging Schedule.

Retail uses

- 6.22 The retail sector has been through a period of structural change which has accelerated following the pandemic. Town centres are experiencing a surplus of supply due to retailers either moving on-line completely, or reducing the amount of space they occupy. It is therefore unlikely that developments in town centres or elsewhere will be seeking to increase the quantum of floorspace above existing levels, resulting in no net increase in retail floorspace. We therefore recommend that the existing (indexed) rates for retail remain unchanged.

Other uses

- 6.23 Other uses covered by the existing “all other uses” rate in the adopted CIL Charging Schedule pay an indexed rate of £121.24 per square metre and we recommend that this is continued unchanged.

Publicly provided/funded healthcare and education

- 6.24 Education and healthcare facilities that are either provided by public sector organisations, or that are developed by private sector organisations with public funding, or on behalf of a public sector provider should be nil rated in line with the approach adopted by the Mayor of London’s CIL Charging Schedule.

7 Conclusions and recommendations

- 7.1 The NPPF states that the cumulative impact of local planning authority standards and policies “*should not put implementation of the plan at serious risk, and should facilitate development throughout the economic cycle*”. The 2024 NPPF echoes this requirement, stating that “*Plans should set out the contributions expected in association with particular sites and types of development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, green and digital infrastructure). Such policies should not make development unviable, and should be supported by evidence to demonstrate this*”. This report and its supporting appendices test the ability of development typologies in Lewisham to support local plan policies while making contributions to infrastructure that will support growth through CIL.
- 7.2 The Council's adopted CIL rates have been in place since 1 April 2015 and there has been no demonstrable adverse impact on the supply of housing land or upon the viability of developments coming forward across the Borough. Since the evidence base for the adopted CIL was prepared, there have been changes to sales values and build costs. Our testing of alternative CIL rates indicates that relatively significant changes could be accommodated without adversely impacting on viability to a sufficient degree to impact on land supply.
- 7.3 As a result of indexation, the CIL rates are now circa 50% higher than they were when first introduced. The proposed Mayoral CIL also increased from £35 per square metre to £60 per square metre in April 2019 and will increase to £71.09 in 2025.
- 7.4 The proposed CIL rates for the borough are summarised in Table 7.4.1. Developments in Zone 1 will benefit from the opportunities derived from the Bakerloo Line Extension, although the timescale for this major improvement is now uncertain. An increase to £200 per square metre will secure much needed additional income to assist with provision of infrastructure that these developments will require. There is also scope for this zone to expand to cover more areas immediately to the south of the existing Zone 1. In Zone 2, developments have enhanced capacity to absorb an increase in CIL from £106.09 per square metre (with indexation) to £150 per square metre as a result of increasing sales values. In Zone 3, a slightly lower rate of £120 per square metre would be appropriate.

Table 7.4.1: Proposed changes to CIL rates

Development type	Zone	Adopted rate	Indexed rate	Proposed rate
Residential C3 use class	Zone 1 ²⁶	£100	£151.55	£200
	Zone 2	£70	£106.09	£150
	Zone 3	£70	£106.09	£120
Residential with care for elderly people	Zone 1	£80	£121.24	£145
	Zones 2 and 3	£80	£121.24	£0
Student housing/purpose built shared living	Whole Borough	£80	£121.24	£200
Hotels	Whole Borough	£80	£121.24	£121.24
Industrial, warehousing, logistics and data centres	Whole Borough	£0	£0	£100
Retail	Whole Borough	£80	£121.24	£121.24
Large format convenience retail	Whole Borough	£80	£121.24	£150.00
All other uses	Whole Borough	£80	£121.24	£121.24
Offices	Whole borough	£0	£0	£0
Publicly provided education	Whole borough	£80	£121.24	£0

²⁶ See map at Figure 6.11.1

Development type	Zone	Adopted rate	Indexed rate	Proposed rate
Publicly provided healthcare	Whole borough	£80	£121.24	£0

- 7.5 Student housing and purpose built shared living schemes can viably absorb a CIL of £200 per square metre across the borough, which is an increase from the indexed rate of £121.24 per square metre.
- 7.6 The borough is still seeing losses of office floorspace and our testing confirms that new office development is unlikely to be able to make a significant contribution towards infrastructure. Industrial, logistics, warehousing and data centres have seen significant increases in capital values since the Charging Schedule was introduced and can viably absorb a CIL of £100 per square metre.
- 7.7 Other uses should continue to attract the "all other uses" rate in the adopted CIL Charging Schedule subject to indexation (i.e. £121.24 per square metre). However, publicly provided healthcare and education developments should attract a nil rate, which would bring the Charging Schedule into line with the Mayoral CIL Charging Schedule.
- 7.8 Our testing indicates that the increase in CIL rates will have a relatively modest impact on residual land values in most cases. Where it is not possible to pass the cost of increased CIL rates back to the landowner through a reduction in land value (for example, due to high existing use values), the increase will have a modest impact on affordable housing levels that can be delivered. However, increases in sales values since the last Charging Schedule was formulated have outstripped increases in costs, which has resulted in improvements in viability and enhanced capacity for absorbing CIL requirements. The sensitivity analysis at Appendix 5 indicates that if forecast growth and cost inflation reflect outturn values, there will be a further enhancement in viability and an increased margin between the proposed rates and the theoretical maximum rates.
- 7.9 There is clearly a need to balance the need to deliver affordable housing with the need to secure contributions to fund community infrastructure that will support development and growth. The Council cannot seek to prioritise securing affordable housing to the exclusion of securing funding for infrastructure and vice versa. In our view, the proposed rates strike this balance appropriately.
- 7.10 The Council needs to strike a balance between achieving its aim of meeting needs for affordable housing with raising funds for infrastructure, and ensuring that developments generate acceptable returns to willing landowners and willing developers. This study demonstrates that the Council's flexible approach to applying its affordable housing requirements ensures that these objectives are balanced appropriately.

Additional observations

- 7.11 Viability measured in present value terms is only one of several factors that determine whether a site is developed. Developers need to maintain a throughput of sites to ensure their staff are utilised and they can continue to generate returns for their shareholders. Consequently, small adjustments to residual land values resulting from changes to CIL rates can be absorbed in almost all circumstances by developers taking a commercial view on the impact. However, in most cases the impact on land value is sufficiently modest that this can be passed onto the land owner at the bid stage without adversely impacting on the supply of land for development.
- 7.12 In most cases, the changes in residual land values required to accommodate the increased CIL rates is very modest and the CIL itself accounts for a very small proportion of overall development costs (typically well below 5%). The imposition of CIL is therefore not the critical factor in determining whether or not a scheme will come forward.
- 7.13 In considering the outputs of the appraisals, it is important to recognise that some developments will be unviable regardless of the Council's requirements. In these cases, the value of the existing building will be higher than a redevelopment opportunity over the medium term. However, this situation should not be taken as an indication of the viability (or otherwise) of the Council's policies and requirements.
- 7.14 It is critical that developers do not over-pay for sites such that the value generated by developments is paid to the landowner, rather than being used to provide affordable housing. The Council should work

closely with developers to ensure that landowners' expectations of land value are appropriately framed by the local policy context and adjusted for the proposed CIL rates. There may be instances when viability issues emerge on individual developments, even when the land has been purchased at an appropriate price (e.g. due to extensive decontamination requirements). In these cases, some flexibility may be required subject to submission of a robust site-specific viability assessment.

- 7.15 This study demonstrates that the proposed increase to the CIL charges and the Council's flexible approach to applying policy requirements will ensure an appropriate balance between delivering affordable housing, sustainability objectives, necessary infrastructure and the need for landlords and developers to achieve a return in line with the NPPF.

Appendix 1 - Sites details

[illegible]

	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	120	121	
LB LEWISHABuild costs			Net to gross																			Total new floorspace	Highways/S278
Site ref	Retail A1-A5	Retail S'Mc	B1 office	B1(c) and B2	B8 storage	C1 Hotel	C2 resi ins	D1	D2	GF infra % costs	Retail A1-A5	Retail S'Mc	B1 office	B1(c) and B2	B8 storage	C1 Hotel	C2 resi ins	D1	D2	Resi	Total new floorspace	Highways/S278	
1	1,865	1,865	2,588	1,287	1,110	3,205	2,105	2,369	2,369	-	85%	85%	85%	85%	85%	85%	85%	85%	85%	100%	89	-	
2	1,865	1,865	2,588	1,287	1,110	3,205	2,105	2,369	2,369	-	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	446	-
3	1,865	1,865	2,588	1,287	1,110	3,205	2,105	2,369	2,369	-	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	446	-
4	1,865	1,865	2,588	1,287	1,110	3,205	2,105	2,369	2,369	-	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	982	11,000
5	1,865	1,865	2,588	1,287	1,110	3,205	2,105	2,369	2,369	-	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	982	11,000
6	1,865	1,865	2,588	1,287	1,110	3,205	2,105	2,369	2,369	-	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	2,231	25,000
7	1,865	1,865	2,588	1,287	1,110	3,205	2,105	2,369	2,369	-	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	4,462	50,000
8	1,865	1,865	2,588	1,287	1,110	3,205	2,105	2,369	2,369	-	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	496	5,750
9	1,865	1,865	2,588	1,287	1,110	3,205	2,105	2,369	2,369	-	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	496	5,750
10	1,865	1,865	2,588	1,287	1,110	3,205	2,105	2,369	2,369	-	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	80%	2,431	28,000
11	1,865	1,865	2,588	1,287	1,110	3,205	2,105	2,369	2,369	-	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	80%	2,977	34,500
12	1,865	1,865	2,588	1,287	1,110	3,205	2,105	2,369	2,369	-	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	80%	7,047	82,000
13	1,865	1,865	2,588	1,287	1,110	3,205	2,105	2,369	2,369	-	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	78%	14,387	165,000
14	1,865	1,865	2,588	1,287	1,110	3,205	2,105	2,369	2,369	-	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	75%	12,181	142,750
15	1,865	1,865	2,588	1,287	1,110	3,205	2,105	2,369	2,369	-	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	80%	6,155	72,000
16	1,865	1,865	2,588	1,287	1,110	3,205	2,105	2,369	2,369	-	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	16,187	192,000
17	1,865	1,865	2,588	1,287	1,110	3,205	2,105	2,369	2,369	-	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	78%	8,454	97,000
18	1,865	1,865	2,588	1,287	1,110	3,205	2,105	2,369	2,369	-	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	31,775	375,000
19	1,865	1,865	2,588	1,287	1,110	3																	

1	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141
LB LEWISHABuild start (QUARTERS)											Build period (QUARTERS)									
Site ref	Retail A1-/	Retail S/M	B1 office	B1(c) and	B8 storage	C1 Hotel	C2 resi ins	D1	D2	Resi	Retail A1-/	Retail S/M	B1 office	B1(c) and	B8 storage	C1 Hotel	C2 resi ins	D1	D2	Resi
1	2	2	2	2	2	2	2	2	2	2	4	4	4	4	4	4	4	4	4	4
2	2	2	2	2	2	2	2	2	2	2	4	4	4	4	4	4	4	4	4	4
3	2	2	2	2	2	2	2	2	2	2	6	6	6	6	6	6	6	6	6	6
4	2	2	2	2	2	2	2	2	2	2	4	4	4	4	4	4	4	4	4	4
5	2	2	2	2	2	2	2	2	2	2	6	6	6	6	6	6	6	6	6	6
6	2	2	2	2	2	2	2	2	2	2	6	6	6	6	6	6	6	6	6	6
7	2	2	2	2	2	2	2	2	2	2	6	6	6	6	6	6	6	6	6	6
8	2	2	2	2	2	2	2	2	2	2	6	6	6	6	6	6	6	6	6	6
9	2	2	2	2	2	2	2	2	2	2	6	6	6	6	6	6	6	6	6	6
10	2	2	2	2	2	2	2	2	2	2	6	6	6	6	6	6	6	6	6	6
11	2	2	2	2	2	2	2	2	2	2	6	6	6	6	6	6	6	6	6	6
12	2	2	2	2	2	2	2	2	2	2	6	6	6	6	6	6	6	6	6	6
13	2	2	2	2	2	2	2	2	2	2	8	8	8	8	8	8	8	8	8	8
14	2	2	2	2	2	2	2	2	2	2	8	8	8	8	8	8	8	8	8	8
15	2	2	2	2	2	2	2	2	2	2	6	6	6	6	6	6	6	6	6	6
16	2	2	2	2	2	2	2	2	2	2	8	8	8	8	8	8	8	8	8	8
17	2	2	2	2	2	2	2	2	2	2	6	6	6	6	6	6	6	6	6	6
18	2	2	2	2	2	2	2	2	2	2	10	10	10	10	10	10	10	10	10	10
19	2	2	2	2	2	2	2	2	2	2	6	6	6	6	6	6	6	6	6	6
20	2	2	2	2	2	2	2	2	2	2	6	6	6	6	6	6	6	6	6	6
21	2	2	2	2	2	2	2	2	2	2	8	8	8	8	8	8	8	8	8	8
22	2	2	2	2	2	2	2	2	2	2	6	6	6	6	6	6	6	6	6	6
23	2	2	2	2	2	2	2	2	2	2	6	6	6	6	6	6	6	6	6	6
24	2	2	2	2	2	2	2	2	2	2	6	6	6	6	6	6	6	6	6	6
25	2	2	2	2	2	2	2	2	2	2	4	4	4	4	4	4	4	4	4	4
26	2	2	2	2	2	2	2	2	2	2	6	6	6	6	6	6	6	6	6	6
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28	2	2	2	2	2	2	2	2	2	2	4	4	4	10	10	10	10	10	10	10
29	2	2	2	2	2	2	2	2	2	2	30	30	30	30	30	30	30	30	30	30
30	2	2	2	2	2	2	2	2	2	2	20	20	20	20	20	20	20	20	20	20
31	2	2	2	2	2	2	2	2	2	2	30	30	30	30	30	30	30	30	30	30
32	2	2	2	2	2	2	2	2	2	2	4	4	4	11	11	11	11	11	11	11
33	2	2	2	2	2	2	2	2	2	2	4	4	4	10	10	10	10	10	10	10
34	2	2	2	2	2	2	2	2	2	2	4	4	4	10	10	10	10	10	10	10
35	2	2	2	2	2	2	2	2	2	2	4	4	4	9	9	9	9	9	9	9
36	2	2	2	2	2	2	2	2	2	2	4	4	4	10	10	10	10	10	10	10
37	2	2	2	2	2	2	2	2	2	2	4	4	4	9	9	9	9	9	9	9
38	2	2	2	2	2	2	2	2	2	2	4	4	4	15	15	15	15	15	15	15
39	2	2	2	2	2	2	2	2	2	2	4	4	4	8	8	8	8	8	8	8
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41	2	2	2	2	2	2	2	2	2	2	4	4	4	11	11	11	11	11	11	11
42	2	2	2	2	2	2	2	2	2	2	4	4	4	15	15	15	15	15	15	15
43	2	2	2	2	2	2	2	2	2	2	4	4	4	14	14	14	14	14	14	14
44	2	2	2	2	2	2	2	2	2	2	4	4	4	9	9	9	9	9	9	9
45	2	2	2	2	2	2	2	2	2	2	4	4	4	8	8	8	8	8	8	8
46	2	2	2	2	2	2	2	2	2	2	4	4	4	15	15	15	15	15	15	15
47	2	2	2	2	2	2	2	2	2	2	4	4	4	8	8	8	8	8	8	8
48	2	2	2	2	2	2	2	2	2	2	4	4	4	15	15	15	15	15	15	15
49	2	2	2	2	2	2	2	2	2	2	10	10	10	10	10	10	10	10	10	10
50	2	2	2	2	2	2	2	2	2	2	4	4	4	9	9	9	9	9	9	9
51	2	2	2	2	2	2	2	2	2	2	4	4	4	24	24	24	24	24	24	24
52	2	2	2	2	2	2	2	2	2	2	4	4	4	20	20	20	20	20	20	20
53	2	2	2	2	2	2	2	2	2	2	4	4	4	9	9	9	9	9	9	9
54	2	2	2	2	2	2	2	2	2	2	4	4	4	8	8	8	8	8	8	8
55	2	2	2	2	2	2	2	2	2	2	4	4	4	8	8	8	8	8	8	8

	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	166	167	168	173	174			
LB LEWISHA Investment sale (QUARTERS)												Resi sales period (qtrs)		Sales period start	Area	On-site AH		% AH rented		Site areas		Roof area	BNG cost	Car parking spaces
Site ref	Retail A1-/	Retail S'M	B1 office	B1(c) and f	B8 storage	C1 Hotel	C2 resi ins	D1	D2	Resi	Resi	Resi	units				Gross	Net						
1	6	6	6	6	6	6	6	6	6			1	6	0.00%	50%	70%	0.03			150.00	0.1%	10%		
2	6	6	6	6	6	6	6	6	6			1	6	0.00%	50%	70%	0.05			300.00	0.1%	10%		
3	8	8	8	8	8	8	8	8	8			1	8	0.00%	50%	70%	0.05			400.00	0.1%	10%		
4	6	6	6	6	6	6	6	6	6			1	6	0.00%	50%	70%	0.10			600.00	0.1%	10%		
5	8	8	8	8	8	8	8	8	8			1	8	0.00%	50%	70%	0.10			800.00	0.1%	10%		
6	8	8	8	8	8	8	8	8	8			2	8	0.00%	50%	70%	0.15			900.00	0.1%	10%		
7	8	8	8	8	8	8	8	8	8			4	8	0.00%	50%	70%	0.25			1,750.00	0.1%	10%		
8	8	8	8	8	8	8	8	8	8			1	8	0.00%	50%	70%	0.02			160.00	0.1%	10%		
9	8	8	8	8	8	8	8	8	8			1	8	0.00%	50%	70%	0.02			160.00	0.1%	10%		
10	8	8	8	8	8	8	8	8	8			2	8	0.00%	50%	70%	0.15			1,200.00	0.1%	10%		
11	8	8	8	8	8	8	8	8	8			2	8	0.00%	50%	70%	0.20			1,600.00	0.1%	10%		
12	8	8	8	8	8	8	8	8	8			4	8	0.00%	50%	70%	0.30			2,400.00	0.1%	10%		
13	10	10	10	10	10	10	10	10	10			6	10	0.00%	50%	70%	0.70			5,600.00	0.1%	10%		
14	10	10	10	10	10	10	10	10	10			4	10	0.00%	50%	70%	0.56			4,480.00	0.1%	10%		
15	8	8	8	8	8	8	8	8	8			4	8	0.00%	50%	70%	0.40			3,200.00	0.1%	10%		
16	10	10	10	10	10	10	10	10	10			6	10	0.00%	50%	70%	0.70			5,600.00	0.1%	10%		
17	8	8	8	8	8	8	8	8	8			5	8	0.00%	50%	70%	0.42			3,360.00	0.1%	10%		
18	12	12	12	12	12	12	12	12	12			6	12	0.00%	50%	70%	0.80			6,400.00	0.1%	10%		
19	8	8	8	8	8	8	8	8	8			1	8	0.00%	50%	70%	0.20			1,600.00	0.1%	10%		
20	8	8	8	8	8	8	8	8	8			1	8	0.00%	50%	70%	0.20			1,600.00	0.1%	10%		
21	10	10	10	10	10	10	10	10	10			6	10	0.00%	50%	70%	4.00			32,000.00	0.1%	10%		
22	8	8	8	8	8	8	8	8	8			1	8	0.00%	0%	70%	0.30			2,700.00	0.1%	10%		
23	8	8	8	8	8	8	8	8	8			4	8	0.00%	50%	70%	0.20			1,800.00	0.1%	10%		
24	8	8	8	8	8	8	8	8	8			1	8	0.00%	0%	70%	0.60			5,400.00	0.1%	10%		
25	6	6	6	6	6	6	6	6	6			1	6	0.00%	0%	70%	0.20			1,600.00	0.1%	10%		
26	8	8	8	8	8	8	8	8	8			1	8	0.00%	0%	70%	0.03			240.00	0.1%	10%		
27	10	10	10	10	10	10	10	10	10			6	10	0.00%	50%	70%	0.28			2,240.00	0.1%	10%		
28	6	6	6	12	12	12	12	12	12			12	6	0.00%	50%	70%	1.14			9,120.00	0.1%	10%		
29	32	32	32	32	32	32	32	32	32			30	10	0.00%	50%	70%	23.60			188,800.00	0.1%	10%		
30	22	22	22	22	22	22	22	22	22			15	10	0.00%	50%	70%	4.60			36,800.00	0.1%	10%		
31	32	32	32	32	32	32	32	32	32			20	10	0.00%	50%	70%	10.56			84,480.00	0.1%	10%		
32	6	6	6	13	13	13	13	13	13			8	10	0.00%	50%	70%	5.52			44,160.00	0.1%	10%		
33	6	6	6	12	12	12	12	12	12			6	10	0.00%	50%	70%	6.06			48,480.00	0.1%	10%		
34	6	6	6	12	12	12	12	12	12			12	10	0.00%	50%	70%	0.77			6,160.00	0.1%	10%		
35	6	6	6	11	11	11	11	11	11			11	10	0.00%	50%	70%	0.30			2,400.00	0.1%	10%		
36	6	6	6	12	12	12	12	12	12			12	10	0.00%	50%	70%	0.60			4,800.00	0.1%	10%		
37	6	6	6	11	11	11	11	11	11			7	10	0.00%	50%	70%	1.68			13,440.00	0.1%	10%		
38	6	6	6	17	17	17	17	17	17			17	10	0.00%	50%	70%	3.59			28,720.00	0.1%	10%		
39	6	6	6	10	10	10	10	10	10			6	10	0.00%	50%	70%	0.61			4,880.00	0.1%	10%		
40	6	6	6	11	11	11	11	11	11			7	10	0.00%	50%	70%	1.01			8,080.00	0.1%	10%		
41	6	6	6	13	13	13	13	13	13			35	10	0.00%	50%	70%	2.23			17,840.00	0.1%	10%		
42	6	6	6	17	17	17	17	17	17			17	10	0.00%	50%	70%	3.41			27,280.00	0.1%	10%		
43	6	6	6	16	16	16	16	16	16			17	10	0.00%	50%	70%	2.06			16,480.00	0.1%	10%		
44	6	6	6	11	11	11	11	11	11			6	10	0.00%	50%	70%	1.91			15,280.00	0.1%	10%		
45	6	6	6	10	10	10	10	10	10			6	10	0.00%	50%	70%	0.81			6,480.00	0.1%	10%		
46	6	6	6	17	17	17	17	17	17			17	10	0.00%	50%	70%	6.37			50,960.00	0.1%	10%		
47	6	6	6	10	10	10	10	10	10			6	10	0.00%	50%	70%	0.93			7,440.00	0.1%	10%		
48	6	6	6	17	17	17	17	17	17			17	10	0.00%	50%	70%	2.46			19,680.00	0.1%	10%		
49	12	12	12	12	12	12	12	12	12			8	10	0.00%	50%	70%	1.10			8,800.00	0.1%	10%		
50	6	6	6	11	11	11	11	11	11			6	10	0.00%	50%	70%	0.77			6,160.00	0.1%	10%		
51	6	6	6	26	26	26	26	26	26			26	10	0.00%	50%	70%	7.35			58,800.00	0.1%	10%		
52	6	6	6	22	22	22	22	22	22			22	10	0.00%	50%	70%	5.40			43,200.00	0.1%	10%		
53	6	6	6	11	11	11	11	11	11			6	10	0.00%	50%	70%	0.96			7,680.00	0.1%	10%		
54	6	6	6	10	10	10	10	10	10			6	10	0.00%	50%	70%	1.26			10,080.00	0.1%	10%		
55	6	6	6	10	10	10	10	10	10			6	10	0.00%	50%	70%	1.70			13,600.00	0.1%	10%		

Appendix 2 - BCIS costs

£/M2 STUDY

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 05-Oct-2024 07:13

Rebased to Lewisham (118; sample 19)

MAXIMUM AGE OF RESULTS: DEFAULT PERIOD

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest		
New build								
282. Factories								
Generally (25)	1,461	343	835	1,226	1,758	5,633	121	
Up to 500m2 GFA (25)	1,907	1,226	1,378	1,608	2,381	3,280	13	
500 to 2000m2 GFA (25)	1,539	343	927	1,396	1,758	5,633	52	
Over 2000m2 GFA (25)	1,286	494	740	1,028	1,565	3,273	56	
282.1 Advance factories								
Generally (15)	1,253	518	988	1,246	1,572	1,903	17	
Up to 500m2 GFA (15)	1,499	1,230	1,259	1,493	1,608	1,903	5	
500 to 2000m2 GFA (15)	1,406	932	1,250	1,506	1,620	1,671	6	
Over 2000m2 GFA (15)	894	518	767	908	1,027	1,246	6	
282.12 Advance factories/offices - mixed facilities (class B1)								
Generally (20)	1,735	768	1,179	1,648	2,053	3,273	16	
Up to 500m2 GFA (25)	2,904	2,381	-	3,051	-	3,280	3	
500 to 2000m2 GFA (20)	1,721	1,405	1,514	1,782	1,865	2,041	5	
Over 2000m2 GFA (20)	1,525	768	1,031	1,207	2,002	3,273	9	

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest		
282.2 Purpose built factories								
Generally (30)	1,645	343	873	1,392	2,189	5,633	75	
Up to 500m2 GFA (30)	2,016	1,023	1,449	2,089	2,582	2,913	6	
500 to 2000m2 GFA (30)	1,798	343	930	1,386	2,205	5,633	27	
Over 2000m2 GFA (30)	1,494	460	831	1,285	2,036	2,997	42	
282.22 Purpose built factories/Offices - mixed facilities (15)	1,328	629	1,046	1,259	1,577	2,806	24	
284. Warehouses/stores								
Generally (15)	1,342	519	797	1,057	1,517	6,046	38	
Up to 500m2 GFA (15)	2,411	871	1,341	1,714	2,841	6,046	8	
500 to 2000m2 GFA (15)	1,175	618	843	1,067	1,316	2,130	14	
Over 2000m2 GFA (15)	953	519	756	851	1,004	1,980	16	
284.1 Advance warehouses/stores (15)	1,003	537	861	921	1,234	1,375	7	
284.2 Purpose built warehouses/stores								
Generally (15)	1,428	519	796	1,059	1,581	6,046	29	
Up to 500m2 GFA (15)	2,780	871	1,668	2,161	3,492	6,046	6	
500 to 2000m2 GFA (15)	1,171	618	831	1,059	1,336	2,130	13	
Over 2000m2 GFA (15)	950	519	768	848	1,169	1,564	10	
284.5 Cold stores/refrigerated stores (30)	1,819	1,252	1,331	1,581	2,464	2,468	5	
320. Offices								
Generally (20)	2,628	1,131	1,901	2,465	3,076	7,978	126	
Air-conditioned								
Generally (20)	2,869	1,635	2,173	2,636	3,213	7,978	36	

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest		
1-2 storey (20)	2,534	1,635	2,107	2,362	2,725	4,756	13	
3-5 storey (20)	2,992	1,838	2,093	2,585	3,236	7,978	14	
6 storey or above (20)	3,080	2,347	2,779	2,943	3,151	4,415	8	
Not air-conditioned								
Generally (20)	2,560	1,356	1,874	2,474	3,018	4,653	63	
1-2 storey (20)	2,496	1,447	1,773	2,401	2,924	4,348	36	
3-5 storey (20)	2,587	1,356	1,912	2,388	3,033	4,653	24	
6 storey or above (25)	3,241	2,539	-	3,342	-	3,739	4	
345. Shops								
Generally (30)	2,174	824	1,184	1,776	2,690	5,715	14	
1-2 storey (30)	2,201	824	1,179	1,725	2,800	5,715	13	
3-5 storey (30)	1,827	-	-	-	-	-	1	
532. Community Centres								
Generally (25)	3,157	1,240	2,504	2,991	3,599	9,183	101	
Up to 500m2 GFA								
Generally (25)	3,417	1,240	2,345	3,229	3,873	9,183	42	
Steel framed (25)	3,870	2,087	2,707	3,271	4,167	9,183	20	
Concrete framed (45)	1,924	-	-	-	-	-	1	
Brick construction (25)	2,336	1,240	1,816	2,256	2,472	3,743	13	
Timber framed (25)	3,987	3,206	3,505	3,788	4,425	5,152	8	
500 to 2000m2 GFA								
Generally (25)	2,986	1,584	2,576	2,978	3,355	4,718	55	
Steel framed (25)	3,010	1,797	2,609	2,985	3,434	4,718	36	
Concrete framed (30)	2,867	-	-	-	-	-	1	

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest		
Brick construction (25)	2,745	1,584	2,449	2,642	3,138	4,679	12	
Timber framed (25)	3,346	2,482	3,055	3,352	3,736	4,068	6	
Over 2000m ² GFA								
Generally (25)	2,776	2,306	-	2,875	-	3,049	4	
Steel framed (30)	2,836	-	-	-	-	-	1	
Concrete framed (50)	2,045	-	-	-	-	-	1	
Brick construction (50)	1,548	-	-	-	-	-	1	
Timber framed (15)	3,049	-	-	-	-	-	1	
810. Housing, mixed developments (15)	1,833	978	1,589	1,771	2,008	4,582	1249	
810.1 Estate housing								
Generally (15)	1,818	935	1,540	1,743	1,987	6,245	1349	
Single storey (15)	2,062	1,208	1,737	1,980	2,257	6,245	221	
2-storey (15)	1,752	935	1,510	1,695	1,922	3,788	1051	
3-storey (15)	1,893	1,126	1,577	1,813	2,158	3,706	72	
4-storey or above (15)	3,777	1,847	3,023	3,375	5,024	5,617	5	
810.11 Estate housing detached (15)	2,439	1,328	1,790	2,037	2,755	6,245	18	
810.12 Estate housing semi detached								
Generally (15)	1,836	1,069	1,558	1,781	2,016	3,997	344	
Single storey (15)	2,028	1,317	1,742	1,992	2,200	3,997	78	
2-storey (15)	1,778	1,069	1,544	1,718	1,956	3,068	255	
3-storey (15)	1,816	1,325	1,470	1,744	2,128	2,585	11	
810.13 Estate housing terraced								
Generally (15)	1,830	1,064	1,509	1,717	1,976	5,617	218	

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest		
Single storey (15)	2,041	1,330	1,734	1,977	2,442	2,878	16	
2-storey (15)	1,754	1,064	1,492	1,687	1,897	3,788	168	
3-storey (15)	1,907	1,126	1,577	1,784	2,099	3,706	32	
4-storey or above (15)	5,321	5,024	-	-	-	5,617	2	
816. Flats (apartments)								
Generally (15)	2,145	1,050	1,773	2,014	2,421	7,302	777	
1-2 storey (15)	2,043	1,235	1,728	1,927	2,317	4,038	166	
3-5 storey (15)	2,115	1,050	1,763	2,005	2,393	4,430	517	
6 storey or above (15)	2,508	1,540	2,014	2,364	2,728	7,302	91	
852. Hotels (15)	3,075	1,645	2,412	3,052	3,728	4,329	12	
856.2 Students' residences, halls of residence, etc (15)	2,680	1,544	2,389	2,729	2,985	4,416	51	

Appendix 3 - Accessibility standards

Accessibility standards

DCLG - Housing Standards Review - Cost impacts (September 2014)

Note: The percentage uplifts generated by this analysis (final table on this page) are applied to contemporary construction costs to provide a current cost of meeting accessibility standards.

Cost per dwelling (Table 45)					
	1B flat	2B flat	2B House	3B House	4b House
Cat 2	£940	£907	£523	£521	£520
Cat 3(a)	£7,607	£7,891	£9,754	£10,307	£10,568
Car 3(b)	£7,764	£8,048	£22,238	£22,791	£23,052

Dwelling construction costs (Tables 12 and 12b)					
Size sqm	50	67	72	96	117
Cost per unit	£81,966	£94,520	£78,044	£95,741	£121,045
Cost psm	£1,639.32	£1,410.75	£1,083.94	£997.30	£1,034.57

Standards as % of construction costs					
	1B flat	2B flat	2B House	3B House	4b House
Cat 2	1.15%	0.96%	0.67%	0.54%	0.43%
Cat 3(a)	9.28%	8.35%	12.50%	10.77%	8.73%
Cat 3(b)	9.47%	8.51%	28.49%	23.80%	19.04%

Cost uplifts applied in study		
	Flats	Houses
Cat 2	1.15%	0.54%
Cat 3(a)	9.28%	10.77%
Cat 3(b)	9.47%	23.80%

Appendix 4 - BLV assumptions

Lewisham CIL Review - Benchmark Land Values

20%

No	Description of use	Site coverage	No of storeys	Sq m GIA	Indicative rent psm	Rent per annum	Yield	YP	Deferment (years)	PV	Cap val	Purchaser's costs	Letting agents and letting legal fees (% of year 1 rent)	Refurb cost	Net cap val	Premium	Benchmark Land Value	
1	Secondary offices	35%	2.0	7,000	£154.00	£1,078,000	8.0%	12.50	2.5	0.82	£11,116,534	£755,924	15%	£161,700	£5,425,000	£4,773,909	£954,781.86	£5,728,691
2	Secondary retail	30%	1.0	3,000	£213.00	£639,000	8.0%	12.50	2.5	0.82	£6,589,485	£448,085	15%	£95,850	£2,325,000	£3,720,550	£744,110.03	£4,464,660
3	Industrial	30%	1.0	2,750	£101.00	£277,750	6.0%	16.67	2.5	0.86	£4,001,641	£272,112	15%	£41,663	£750,000	£2,937,867	£587,573.43	£3,525,441
4	Backlands, other non-developed land															£1,000,000		£1,000,000

Appendix 5 - Sensitivity analysis

