

**For: Brighton & Hove City Council
Community Infrastructure Levy (CIL)**

Viability Study Addendum 2

Further Update November 2018

DSP18472B

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1. Introduction

- 1.1.1. Brighton & Hove City Council is continuing its progression towards putting a Community Infrastructure Levy (CIL) charging schedule in place. As a second stage of consultation, following that completed previously on the Preliminary Draft Charging Schedule, between March and June 2018 the Council consulted on a Draft Charging Schedule (DCS). The Council has since been considering the representations received in response to the DCS, along with latest available information.
- 1.1.2. A summary of the consultation feedback and the Council's review of that has also been produced by the Council in schedule form. That provides the Council's responses to points specifically raised through the second consultation process and to avoid repetition, once again those are not included here. The Council again sought the input of Dixon Searle Partnership (DSP) in considering the DCS consultation feedback prior to moving to the next stage of progressing its CIL – i.e. submission for examination of the DCS. At the point of completing this report, our understanding is that there will be Proposed Modifications to the DCS accompanying the submission.
- 1.1.3. The work undertaken for this second Addendum, further Update November 2018, was commissioned by the Council to help inform its latest responses and the approach to this next stage. This Addendum therefore further adds to the Council's available evidence.
- 1.1.4. In undertaking further review and carrying out additional appraisals, principally on a sensitivity basis, Dixon Searle Partnership (DSP) has used the same principles and methodology as those used in preparing the main body of the viability assessment as well as the February 2018 (first) Addendum.
- 1.1.5. Again, this brief report should not be read in isolation – the methodological explanations and their context will not be repeated here. Only the further assessment and review scope aspects which have been added or adjusted in comparison with those set out for the previous Addendum work will be noted here. A proportional approach is continued here – it is not practical or necessary to consider every potential eventuality.
- 1.1.6. This Addendum 2 provides further information for the Council's review as above. This is on areas that respond to the following, reflecting the Council's requested emphasis for further review:
- a. **C3 residential rates.** Additional consideration of the 3-zone proposed residential charging rates at £75, £150 and £175/sq. m. There have been a mixture of further representations received, both broadly continuing to provide support and in one

case reiterating concerns about these proposed charging levels being too high for application to general sites. Other parties have commented with their views about the unsuitability of these rates for certain 'strategic' sites (specific site based representations) and on their application to particular forms of development such as C2 uses – care homes or similar provision (see below in both respects);

- b. **Larger site typologies/strategic sites.** Provision of larger development typology assessments, falling between the earlier assessment of sites providing 100 dwellings and the c.700 dwellings tests aligned to the Toad's Hole Valley site (DA7). The Council has widened out its consideration of larger 'strategic' sites in the CIL context with the passing of time and given also that the City Plan Part 2 has now also been further progressed. The information informs the options or potential approach(es) to CIL on sites that were not previously specifically considered for differential treatment compared with the above noted general charging rates for C3 development. Additional development typologies at 200 and 500 dwellings have been provided (see below).
- c. **Interaction with affordable housing (AH).** AH requirements invariably have the greatest single impact on viability – cost the most to secure. The degree of influence of the AH on overall viability is second only to that from the operation of the market itself. A CIL has a very small impact in comparative terms. The Council requested further expansion of the testing scope enabling it to consider at a high-level the impact of affordable housing (AH) proportion (%) varying, in combination with CIL and all other development costs. This was requested by the Council because its experience is that in practice a range of AH%s up to the headline policy target (City Plan Part 1 CP20) of 40% *currently apply (through site specific viability negotiations)*, rather than *only* consistently at that 40% AH level. Lower AH proportions are sought on sites of fewer than 15 dwellings. The Council wished to consider information on the influence of affordable housing, with this experience and the ongoing practical application of policy CP20 in mind. If required by B&H CC, equivalent information could be provided in respect of smaller sites. While, as before, the CIL proposals are made with the full adopted policy proportion of AH allowed for, the purpose here was to gain further insight into how the collective cost burdens reduce and the effect CIL then has alongside lower the lower AH levels that we understand are frequently achievable.
- d. **Specialist housing forms.** Further consideration has been given to the application of CIL (as proposed in the DCS) to **housing/care provision for the elderly** (proposed to date for charging as per C3) and to **purpose built students housing (PBSH)** (proposed for charging at £175/sq. m city-wide). This follows the further representations made

to the DCS consultation and the Council's desire to set up a straightforward approach to its CIL that strikes the required balance between supporting the planned development infrastructure requirements and potential viability effects, as above.

- e. **Wider review.** Whilst the above represent the main areas that have been reviewed further at this stage, the Council has also continued to consider all elements of its CIL proposals in looking to come to a suitable, equitable approach all round that will work as part of a continued wider approach to securing developer contributions. As noted above and included within the Council's schedule of representations responses, all DCS stage feedback has been accorded appropriate consideration. This Addendum 2 report does not detail those. However, DSP has been asked by the Council for a wider range of views in terms of potential impact of the CIL, including for example again on the likely viability of the Churchill Square shopping centre retail element of DA1 and on the Toad's Hole Valley site (DA7) – since these have been the subject of representations.

- 1.1.7 The original Viability Study¹, February 2018 Addendum² and now this second Addendum (completed November 2018) have been carried out applying the principles relating to the nature of the CIL and the appropriate, proportionate evidence needed to inform and support the charging rates setting. It is important to note that a CIL charge does not typically represent a new cost to development, but in most cases a different way of collecting infrastructure contributions, with the use of s.106 usually significantly scaled-back.
- 1.1.7 This second Addendum report (further update completed November 2018) sets out additional information to further inform the Council's consideration of potential final CIL charging rates from a viability perspective whilst continuing to take into account adopted local and national policies that may impact on development viability.
- 1.1.8 This assessment continues to use well recognised residual valuation techniques, combined with appropriate assumptions for the purpose, review and judgment offered by consultants highly experienced in the preparation of strategic viability assessments for local authority policy development including whole plan viability, affordable housing and CIL economic viability as well as providing site-specific viability reviews and advice. In order to carry out this type of assessment inevitably a large number of assumptions are required, alongside the consideration of a range of a large quantity of information which rarely fits all eventualities.
- 1.1.9 Small changes in assumptions can have a significant individual or cumulative effect on the residual land value (RLV) or other surplus / deficit output generated – the indicative surpluses (or other outcomes) generated by the development appraisals for this review will

¹ Brighton & Hove City Council – Community Infrastructure Levy (CIL) Viability Study (August 2017)

² Brighton & Hove City Council – Community Infrastructure Levy (CIL) Viability Study Addendum (February 2018)

not necessarily reflect site specific circumstances. Therefore, this assessment (as with similar studies of its type) is not intended to prescribe land values or other assumptions or otherwise substitute for the usual considerations and discussions that will continue to be needed as particular developments with varying characteristics come forward. Nevertheless, the assumptions used within this study reflect the policy requirements and strategy of the Council as known at the time of carrying out this review and therefore take into account the cumulative cost effects of policies where those are relevant in developing a CIL Charging Schedule.

- 1.1.10 Since the earlier assessment, consultation and review stages for this CIL, a new National Planning Policy Framework (NPPF) has been issued, replacing the NPPF 2012. Accompanying the new NPPF, released on the same date (24.07.2018), the Planning Practice Guidance (PPG) section on ‘Viability’ has been comprehensively updated.
- 1.1.11 The PPG ‘Community Infrastructure Levy’ section³ remains largely unchanged since our previous work stage for B&H CC. That continues to contain the government’s guidance on CIL (dating from 12.06.2014), and was last updated on 22.02.2018 and 22.03.2018 (limited para.s only).
- 1.1.12 In October 2018 the Government (Ministry of Housing, Communities & Local Government - MHCLG) has published the ‘*Government response to supporting housing delivery through developer contributions – A Summary of consultation responses and the Government’s view on the way forward.*’ Following the earlier decisions not to progress towards a simplified ‘Local Infrastructure Tariff’ basis as had been put forward by the CIL Review Panel (which had been mentioned in DSP’s earlier assessment reporting), this continues the steer that CIL will remain a key tool for collecting infrastructure contributions. The response suggests that there is likely to be greater flexibility over the use of s.106 alongside CIL.
- 1.1.13 The NPPF no longer contains the principle of “willing land owner” and “willing developer” and remains very high-level in respect of viability. Although established practice previously included the use of an existing use value (EUV) basis for benchmark land values (BLVs) in strategic viability assessment, the July 2018 Viability Guidance⁴ places considerable emphasis on the “EUV plus” route to assessing land value for viability assessment/review purposes in the planning context – for both plan making and development management. We will not repeat the PPG detail here, but in reconsidering the matter of BLVs for this purpose both generally and in respect of the representations submitted we have reconsidered these for application to the added testing.

³ <https://www.gov.uk/guidance/community-infrastructure-levy>

⁴ <https://www.gov.uk/guidance/viability>

1.1.14 Consistent with this, in providing latest information to the Council we have made use of the MHCLG updated May 2018 publication '*Land Value Estimates for Policy Appraisal*'⁵ (2017) which includes land value figures, produced in conjunction with the Valuation Office Agency (VOA), for a wide range of localities including for Brighton & Hove. The publication provides guidance which in our view supports the use of this information for the subject purpose here. It also explains the VOA approach and assumptions used in arriving at the stated £/hectare (£/ha) figures for the City area, as follows:

- Agricultural land (coast to capital) - £22,500/ha;
- Industrial land - £1,800,000/ha;
- Commercial land: Office Out of Town - £1,800,000/ha;
- Commercial land: Office Edge of City Centre - £2,290,000/ha;
- Residential land - £7,165,000/ha.

1.1.15 These land value estimates assume nil AH (in the case of residential). The publication notes: '*The values here assume nil Affordable Housing provision in order to give a pure residential use value, rather than market value. In reality we expect the market value of land to reflect the cost of affordable housing provision.*' It is also acknowledged that: '*...it is likely that such a scheme would not obtain planning consent. The figures on this basis, therefore, may be significantly higher than could reasonably be obtained for land in the actual market.*' The figures exclude any liability for CIL and furthermore: '*It has been assumed that full planning consent is already in place; that no grants are available and that no major allowances need to be made for other s106/s278 costs.*'

1.1.16 According, DSP has adjusted the land value estimates to reflect, within the residential benchmark, the affordable housing provision. A 40% reduction (as per CP20) has been made from the estimate figure to reflect the effect that affordable housing generates a land value that may be between a negative and nominal / low level dependent on tenure (and so broadly a nil land value overall). Planning risk has also been reflected in a 25% reduction. To the resulting figures a 20% uplift/sale incentive premium has been added back, reflecting the "EUV plus" principle as noted above. The resulting BLVs range is considered to be relatively cautiously placed, but appropriately so for this purpose, as experience shows that the influence of a significant AH content on land value can be greater than that allowed for here.

1.1.17 In respect of the MHCLG/VOA industrial land values the publication states: '*The value estimates for industrial land can be used to proxy alternative use value for developments on brownfield land.*' This means that at the level provided, no "plus" element needs to be added when using this as a BLV. Given the guidance notes within the publication, on the other hand

⁵ <https://www.gov.uk/government/publications/land-value-estimates-for-policy-appraisal-2017>

we have also made no planning risk adjustment (no deduction for this) in respect of this BLV level.

1.1.18 Reflecting the above, this revisited approach to considering land values for the purpose of the assessment has produced the following range of BLVs (as also appear and are used in the latest results tables (see below and the Appendices to this further Addendum):

EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Residential)
£1,800,000	£2,160,000	£2,748,000	£3,009,300

1.1.19 Overall, this further demonstrates that land value expectations will need to be realistic and reflective of the opportunities offered by, and constraints associated with, particular sites and schemes in the given circumstances and at the relevant delivery timing; with planning policies being reflected amongst these factors. As above, the planning requirements including CIL will be necessarily reflected in the land values that are ultimately supportable. The above noted viability guidance states: *'The price paid for land is not a relevant justification for failing to accord with relevant policies in the plan.'*⁶

1.1.20 In this City area wide context, a strategic overview is needed to inform the Council's approach to its CIL. This is in order to provide clarity on the level of developer contributions and therefore needs to be as simple as possible whilst reflecting the nature of the area and above all enabling the Council 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'*⁷. There can be no definite viability cut off points owing to the variation in site specific circumstances.

1.1.21 The Council's and this assessment approach is considered to remain consistent with the above noted CIL guidance. Related to the principle noted at 1.1.20 above, the guidance notes that: *'A charging authority should be able to explain how their proposed levy rate or rates will contribute towards the implementation of the relevant Plan.....and support development across their area. Charging authorities will need to summarise their economic viability evidence. This evidence should be presented in a document (separate from the charging schedule) that shows the potential effects of the proposed levy rate or rates on the economic viability of development across the authority's area.'*⁸

⁶ Planning Practice Guidance Viability section – para. 002 (24/07/2018)

⁷ Planning Practice Guidance Community Infrastructure Levy section – para. 008 (last revised 12/06/2014)

⁸ Planning Practice Guidance Community Infrastructure Levy section – para. 0018 (last revised 12/06/2014)

- 1.1.22 The CIL guidance discusses a practical, proportionate approach, using the principles of ‘appropriate available evidence’ to inform their draft charging schedule. It is recognised that this means taking an area based approach, involving a broad test of viability, and that the available data is unlikely to be fully comprehensive. This is essentially about considering the strength of the relationship between development values and costs, and how this may vary in different circumstances – viewed through development typologies. The guidance notes that: *‘A charging authority’s proposed rate or rates should be reasonable, given the available evidence, but there is no requirement for a proposed rate to exactly mirror the evidence. For example, this might not be appropriate if the evidence pointed to setting a charge right at the margins of viability. There is room for some pragmatism. It would be appropriate to ensure that a “buffer” or margin is included, so that the levy rate is able to support development when economic circumstances adjust.’*⁹
- 1.1.23 The following report section 2 outlines the additional elements of review undertaken at B&H CC’s request at this stage. This also notes the Appendices content that may be referred to in respect of the below.

⁹ Planning Practice Guidance Community Infrastructure Levy section – para. 0019 (last revised 12/06/2014)

2 Additional review, findings & conclusions summary

2.1.1 The following briefly sets out the further review and assessment work completed, in the context set out in section 1 above, to continue to inform and support the Council's work to November 2018 on progressing its CIL.

Residential/residential-led scenarios – further consideration and testing

2.1.2 The following Appendices are provided with this Addendum 2 report, and will be referred to below:

- Appendix I – updated and additional assumptions:
 - Sheet 1 – overview of scheme assumptions and value levels (VLs) used for these tests of the re-tested 100 flats typology; and added 200 and 500 flats typologies;
 - Sheet 2 – overview of development costs assumptions.
- Appendix IIa – Results of further tests (and additional sensitivity tests) of the previous flats development typologies – Table 1a 25 flats typology (3-5 storeys on PDL, 40% AH); Table 1b 75 flats (3-5 storeys on PDL, 40% AH); Table 1c 100 flats (6+ storeys on PDL, 40% AH). ON each Appendix IIa sheet (by typology) the single set of results over on the right-hand side are the original (2017) assessment RLVs – provided for comparison to the new bases set to their left.
- Appendix IIb – The primary purpose here is to include tests using new typologies of 200 and 500 flats (Tables 2b and 2c respectively). For further information requested by the Council these have been run at 20% and 30% AH as well as the base (policy target) 40%. Likewise, the 100 flats have also been tested with varying AH% context (Table 1a at Appendix IIb). Those table each show the £/ha surplus (or deficit) that results from comparing the particular appraisal RLV from the series of BLVs which are shown in each table and again are as noted at 1.1.18 above. The coloured shading is applied using graduated conditional formatting and is provided only as a guide to the general results trends; it does not indicate particular cut-offs.

2.1.3 A CIL takes time to put in place. The values research undertaken for the CIL viability study completed August 2017 was undertaken primarily over the period February to May 2017. Given the timing of this latest work, it was felt appropriate to look again at the market – not on the basis of wholly rerunning the research but a revisit enabling consideration of what has happened to house prices in the City, and how that might influence an updated view on viability / interpretation of results.

- 2.1.4 Review of the Land Registry House Price Index (HPI) shows that from early 2017 to the latest available data (July 2018) at the point of reviewing and undertaking further high-level tests for this report, house prices in the City had risen by approximately 5.5%.
- 2.1.5 The further appraisals run at this stage do not rely on the use of this values increase as a base position (for the 25, 75 and 100 flats typology re-runs or the various tests added at 200 and 500 flats). However, to provide additional information for the Council, sensitivity tests have also been run for the 25, 75 and 100 flats typologies using this value uplift as well as increased BCIS sourced build costs also reflecting latest available data (see Appendices I and IIa, as noted above).
- 2.1.6 As a part of this latest review, we have also further considered the development value (sale price):build costs relationship in the case of flats (apartments) development. Previously for this high level assessment purpose we had taken a relatively simple view on this, within which we had not applied the typically higher £/sq. m values levels that are achieved for smaller dwellings and notably for flats, on the whole. For the base 25, 75 and 100 flats typology re-runs (results summaries at Appendix IIa), so that we could consider any significant difference from the original (2017) results sets this time we uplifted the VLs by one VL step in each case to reflect this – i.e. + £500/sq. m - and also added 15% to the build costs (representing typical communal i.e. non-saleable floor area content).
- 2.1.7 Looking at Land Registry sold prices data for new build property overall in the City area between September 2016 and September 2018, with the sale prices adjusted to broadly current levels using the HPI, we found the following overview (sale price and £/sq. m value):

L Quartile	£388,534	£4,955
Median	£448,859	£5,629
U Quartile	£545,710	£6,189
Max	£1,403,280	£10,679

- 2.1.8 Behind the comparative testing approach noted at 2.1.6 above, the research showed that there is a marked difference in the typical £/sq. m price applicable to new build flats compared with houses. Analysis of the same data showed the following average prices by property type:

- Semi-detached houses (3) - £4,799/sq. m – average 120 sq. m;
- Terraced houses (24) - £5,098/sq. m – average 107 sq. m;
- Flats (100) - £6,237/sq. m – average 79 sq. m.

- 2.1.9 Although for Appendix IIa the CIL tests were again run at trial levels (potential CIL charges tested) up to £1,000/sq. m, the results are displayed only up to £350/sq. i.e. twice the highest proposed B&H CC charging rate (@ £175/sq. m). For Appendix IIb (additional larger / 'strategic' site tests), CIL charged rates at £0, £75, £150 and £175/sq. m were used in the appraisals – across all tests with varying value level (VL) range by proposed CIL charging zone and also in combination with varying AH% included (for the Council's wider information purposes).
- 2.1.10 The Appendix IIa tables show new base results that are overall very similar to the earlier set. The effect of looking to add accuracy through reflecting the higher £/sq. m sales rates typically achieved by apartments over larger property types and also adding to the build costs allowances has produced essentially the same picture as noted previously.
- 2.1.11 Across the 25 and 75 units tests, a great majority of scenarios support viability in excess of the highest viability tests (BLVs) considered appropriate – assuming a range of PDL sites viewed consistent with the MHCLG information noted above. CIL rates well beyond the proposed levels are supportable, including in theory charging rates that go above or significantly above the maximum £350/sq. m CIL trials that are currently displayed in order to reduce the information volume presented.
- 2.1.12 The CIL Zone 3 (lower rate proposed at £75/sq. m) results are more mixed and further show the benefit and appropriateness of the Council's differential approach within which it is seeking to set a significantly lower rate for the typically lower value areas. A wide range of scenarios appear workable across a variety of former industrial/commercial sites and then meeting or exceeding the residential BLV with the higher-end of the values range for those areas. It can also be observed that the higher costs that could be associated with higher density/taller development generally need the support of higher values that are more likely to be found in proposed CIL zones 1 and 2 than 3. However, it can also be seen that the viability influence from CIL is small as the rate steps up or down, and in those lower value scenarios (meaning relatively, in the context of this City of high house prices) a lower-still rate would be unlikely to have a significant positive impact on viability and delivery; and at the same time would not help to achieve an overall balance between infrastructure contributions and the potential effects on viability.
- 2.1.13 Overall, looking at this again with refreshed assumptions, we arrive at essentially the same picture and one that continues to support the proposed approach. We would not expect to find a significantly less positive figure.
- 2.1.14 The additional sensitivity test results provided for B&H CC information at Appendix IIa indicate that if we were to rely on latest available information on updated values and build

costs (Sensitivity Test 1), this produces an improvement in the results. This trend then continues, as the Sensitivity Test 2 results show, if we then assume improved affordable revenue values compared with those used in 2017 (owing to the removal of the rent-capping regime that was in place at the point of earlier assumptions setting). The final Sensitivity Test included in the Appendix IIa tables shows that improving results picture continues further with a 17.5% development profit on GDV (market sales) assumed; a mid-range figure from the 15-20% GDV noted for plan making purposes in the updated PPG Viability guidance (as noted above) – para. 018 on ‘How should a return to developers be defined for the purpose of viability assessment?’ Although provided for illustration of how there could be positive movement in the assumptions and results, further supporting viability and balancing against some of the points made in representations, this is also reflective of DSP’s day to day experience of planning application stage viability assessment – a range of profit expectations and positions are seen.

- 2.1.15 At the proposed rates, the CIL charges represent only a modest proportion of development values or costs. We provided indications of this in our earlier work.

Larger / ‘strategic’ allocation scenarios (and wider affordable housing testing)

- 2.1.16 The Appendix IIb appraisals now added carry £20,000/dwelling site works/infrastructure costs in addition to the same £3,000/dwelling s.106/278 contingency used within the smaller site typology appraisals.
- 2.1.17 These tests provide mixed results - from large surpluses generated in addition to funding the assumed CIL costs from high value scenarios, through likely marginal to poor results seen when the higher development costs come into play alongside lower to some mid-range values for the City.
- 2.1.18 The Council has so far proposed some differential treatment in the form of nil-CIL rating. It will need to consider how this information overlays with the characteristics of sites coming forward, potentially including some further sites emerging proposals as the City Plan Part 2 progresses. At this stage, for example, we were asked to consider larger typology reviews aligned generally to the type and scale of development that could come forward at the Brighton General Hospital (BGH) site (SSA1) (c. 200 dwellings) and Sackville Trading Estate/ Coal Yard (SSA4) (c. 500 dwellings). The former involves Listed Building considerations and a proposed significant new healthcare facility, and has been the subject of a viability submission. The latter is likely to include mixed uses. Our understanding is that no viability submission has been made in respect of the Sackville site.

- 2.1.19 In our view, the current stage results, necessarily generated using high-level assumptions, suggest that the Council has potential options in terms of the most suitable mix of approaches to securing both site delivery and infrastructure contributions – all as part of the balance that it must strike, and informed by but not necessarily having to exactly mirror the viability information.
- 2.1.20 In the case of either of the above or indeed similar sites, it is likely that the application of CIL would not be “make or break” if s.106 and other planning objectives were carefully managed. Nevertheless, moving away from the mid to higher value areas, as above the marginal and then likely poor viability results are seen as the higher assumed development costs also influence the outcomes more in conjunction with the (relatively) low values.
- 2.1.21 The effect of a reducing AH content can also be seen and has been looked at, as above, owing to the Council’s experience of provision levels overall on a range of PDL sites. We have noted that affordable homes are much more costly to fund from development than CIL. Coming alongside a reduced AH level as part of a negotiated approach where necessary on justified viability grounds (as per the Council’s approach), it can be seen that the CIL would have a reduced effect still. Further information on the interaction of AH and CIL could be provided for the Council if required.
- 2.1.22 In the case of greenfield development supported by a low EUV, the same is not expected to be found. Developments of this type should be amongst the most viable in the City area, unless significant site-specific infrastructure or mitigation measures are to be required through s.106 (e.g. new school provision, significant highway network capacity improvements or similar). Although again at an early stage supported by initial information rather than more, the characteristics of the Toad’s Hole Valley (THV) site (DA7) are such that it would appear to be unlikely to need differential CIL treatment. As in other cases, this would mean a balancing up with other obligations and requirements; but also certainty of infrastructure funding as part of the overall balance to support planned new development. Again, our understanding is that no particular viability submission has been made in respect of THV.

Specialist accommodation forms and other development uses

- 2.1.23 The Council and DSP have been considering further the nature of care home or equivalent accommodation that would fall within Use Class C2 (residential institution), and the potential impact of CIL on that – informed by the further representations and information that has been submitted – available evidence considered alongside the previous assessment work.

- 2.1.24 On further review, it has been concluded that the development of certain types of C2 accommodation for the elderly warrants differential CIL treatment.
- 2.1.25 We are not measuring the financial performance of a business model but considering the viability of developing a site for care home or similar use. Looking at the development route to considering viability (rather than the operating profit route that has also been mentioned as an in representation), however, following additional consideration of the information put forward and a wider high-level look at others' experience of the viability of development for this sector, DSP acknowledge that overall it is probably appropriate for this particular purpose (i.e. of the Council ultimately imposing a fixed CIL charge) to make less positive assumptions than we relied on earlier.
- 2.1.26 We would accept that the Turley view on assumed rental level and proportion of communal space appear suitable and in fact their presented view on the latter could be an economic rather than a negative view.
- 2.1.27 DSP looked at a range of tests in terms of rental value (under an assumed lease and investment scenario, equivalent to other commercial / non-residential property investment based review for the assessment) and found the outcomes to be very sensitive to both rental level and investment yield assumption. We have considered the appraisals further.
- 2.1.28 It appears that with a 70-80% net:gross floor area assumption, we can generate a RLV of around £5+m/ha, but on reflection only based on a rental assumption that is likely to be too positive. Indicatively, we found using a 80% net to gross ratio (as per the representation) and a 5.5% yield that we would reach a land value of around £1.5m/ha with £150/sq. m CIL but underpinned by a rental assumption of around £350/sq. m, which appears too high an assumption for CIL setting purposes and yet leaves the RLV probably short of the lower PDL based BLVs that we are using here (@ £1.8+m/ha).
- 2.1.29 Overall, we consider there to be sufficient justification for a nil rate for genuine C2 development uses, which we would consider to be more traditional bed space based residential care/nursing home provision. This is without taking any affordable housing element into account – in accordance with the Council's (and most others') policies.
- 2.1.30 If pursuing this differential, the Council will need to consider how best to guide the use of the charging schedule – provide clarity as far as possible on this. The intention will not be to "capture" affordable/social provision of care accommodation, such as may be at least in part publicly procured and funded or subsidised.
- 2.1.31 This is likely to come down to the primary purpose of the accommodation provision and the core business of the developing/procuring organisation – i.e. care-led rather than housing-

led (see below on the latter). This would involve considering the eligibility criteria for occupiers, for example the apartments may only be occupied by persons in need of care.

- 2.1.32 'Extra-care' or 'Assisted Living' types of accommodation for older people may fall between the fully care-led provision (as outlined in 2.1.29 above), and market led housing for older persons which clearly falls within Use Class C3 in the form of fully self-contained retirement/sheltered apartments. This form of accommodation may be available on a purchase or rental basis but may involve a range of care needs to establish eligibility to buy or lease a property.
- 2.1.33 As an example, residents could be required to purchase a 'minimum care package' as a condition of initial occupation, to include say at least 2 hours of domiciliary care per week focused on the health and social care needs of the residents.
- 2.1.34 Typically, such a development could be expected to have a minimum non-saleable floorspace in excess of 25-30% of the total GIA.
- 2.1.35 An appropriate level of CIL charging for this form of development could fall within the overall parameters that have been and continue to be put forward for residential development (C3). The Council may wish to consider a single charging rate City-wide that would be within the scope of this. Preliminary further discussion with the Council on this suggested that a rate of around £100/sq. m may be considered. In our view, this would be capable of contributing to an appropriate balance, sitting between the now likely nil-rated C2 (nursing/care home) development and the wide range of C3 residential (including retirement/sheltered housing).

Purpose built student housing accommodation

- 2.1.36 On further review with the Council of the points made in representation, DSP remains of the view that the proposed £175/sq. m (as per the upper residential arte) is representative of the strong viability scenarios, underpinned by investors' confidence in this area and the reflective relatively low investment yields, than can expect to be seen in a City such as this, having a large and vibrant higher education provision and student scene.
- 2.1.37 There is a range of development types and models and it is necessary not to assume that a particular approach may be representative of others – the setting of CIL is strategic and not allied to specific parties' proposals.
- 2.1.38 With the proposed charging rate having been reduced from PDCS stage (@£250/sq. m City-wide), no further change is considered necessary as part of reaching the appropriate balance between the desirability of funding infrastructure and the potential effect on planned

development. Under the Council's policy (and again consistent with most others') this form development is not required to provide affordable housing.

Retail

2.1.39 We reiterate our previous discussion and findings in regard to the potential effect on the viability of the Churchill Square retail proposals. Overall it is not possible in our view to say that a £50/sq. m CIL (or possibly a higher charge) would be likely to render this element of the scheme unviable. If it comes forward, it is likely to be viable and a CIL charge of £50/m² is a minor element in terms of the overall development value and costs associated with what would be a prime shopping location.

3. Notes and limitations

- 3.1.1 This has been a continuation of the desk-top exercise based on information provided by Brighton & Hove City Council (B&H CC), including details of the representations submitted to the Council following consultation on the Draft Charging Schedule; supplemented with information gathered by and assumptions made by DSP appropriate to the current stage of review and to further inform the Council's preparation of a Community Infrastructure Levy (CIL) Charging Schedule for the city.
- 3.1.2 We reiterate that the review of development viability is not an exact science. There will always be variations in the available information and differences in opinions and expectations.
- 3.1.3 It should be noted that every scheme is different and no review of this nature can reflect the variances seen in site specific cases. Specific assumptions and values applied for our schemes are unlikely to be appropriate for all developments and a degree of professional judgment is required. We are confident, however, that our assumptions are reasonable in terms of making this viability overview and further informing the Council's progression of its CIL.
- 3.1.4 This document has been prepared for the stated objective and should not be used for any other purpose without the prior written authority of Dixon Searle Partnership Ltd; we accept no responsibility or liability for the consequences of this document being used for a purpose other than for which it was commissioned.
- 3.1.5 To the extent that the document is based on information supplied by others, Dixon Searle Partnership Ltd accepts no liability for any loss or damage suffered by the client or others who choose to rely on it.
- 3.1.6 In no way does this study provide formal valuation advice; it provides an overview not intended for other purposes nor to over-ride particular site considerations as the Council's policies continue to be applied practically from case to case.

CIL Viability Addendum - Update report text ends (v4).

November 2018

Appendices follow

Brighton & Hove City Council - CIL Viability Assessment - November 2018 DCS Addendum - Appendix I - Residential Assumptions Overview

Additional Scenario Type Appraised (as per Appendix IIb)	Site type	Gross Site Area (ha)	Net Site Area (ha)	Density (DPH)	Overall Dwelling Mix (BF = Bed Flat; BH = Bed House)	Percentage Affordable Housing & Tenure Mix						Build Period (Months)
						20% Affordable Housing*		30% Affordable Housing*		40% Affordable Housing*		
						Private Mix	Affordable Mix: Tenure Split 55% Rent; 45% Intermediate (shared ownership)	Private Mix	Affordable Mix: Tenure Split 55% Rent; 45% Intermediate (shared ownership)	Private Mix	Affordable Mix: Tenure Split 55% Rent; 45% Intermediate (shared ownership)	
100 Flats (6+ Storey)	PDL	0.45	0.45	220	32 x 1BF, 52 x 2BF, 15 x 3BF	25 x 1BF, 40 x 2BF, 15 x 3BF	7 x 1BF, 13 x 2BF	20 x 1BF, 35 x 2BF, 15 x 3BF	12 x 1BF, 18 x 2BF	15 x 1BF, 30 x 2BF, 15 x 3BF	17 x 1BF, 23 x 2BF	24
200 Flats (3-5 Storey)	PDL	4.0	2.00	100	64 x 1BF, 104 x 2BF, 30 x 3BF	50 x 1BF, 80 x 2BF, 30 x 3BF	14 x 1BF, 26 x 2BF	40 x 1BF, 70 x 2BF, 30 x 3BF	24 x 1BF, 36 x 2BF	30 x 1BF, 60 x 2BF, 30 x 3BF	34 x 1BF, 46 x 2BF	48
500 Flats (6+ Storey)	PDL	3.6	2.50	200	160 x 1BF, 260 x 2BF, 75 x 3BF	125 x 1BF, 200 x 2BF, 75 x 3BF	35 x 1BF, 65 x 2BF	100 x 1BF, 175 x 2BF, 75 x 3BF	60 x 1BF, 90 x 2BF	75 x 1BF, 150 x 2BF, 75 x 3BF	85 x 1BF, 115 x 2BF	75

Notes:

Base assumes fully applied policy position @ 40% AH. The 100, 200 and 500 flatted scenarios have also been tested (Nov 2018 Addendum) at 20% and 30% AH - with CIL rates of £0, £75, £150 and £175/m2.

25, 75 and 100 flats typologies also re-rested as per Appendix IIa

2017 - 2018 Assumptions (Nationally Described Space Standard)

Unit Sizes (sq. m)*	Affordable	Private (market)
Studio Flat (SF)	n/a	39
1-bed flat	50	50
2-bed flat	70	70
3-bed flat	n/a	79
2-bed house	79	n/a Nov 2018
3-bed house	93	n/a Nov 2018
4-bed house	112	n/a Nov 2018

175 (Large) (n/a Nov 2018)

Assumed Market Value Level (VL) - 2018 range & indicative match with proposed CIL Zones & Ward areas	Zone 1			Zone 2			Zone 3		
	Wish A, Westbourne A, Central Hove A, Brunswick & Adelaide A, Regency, St Peters & North Laine A, Preston Park A, Hove Park B, Queens Park A, East Brighton A, Rottingdean Coastal A			Withdean, Patcham, Hangleton C, Hove Park A, Hangleton A, Wish B, Westbourne B, Central Hove B, Goldsmid, Brunswick & Adelaide B, Preston Park B, Hollingdean & Stanmer, St Peter's & North Lane B, Hanover & Elmgrove, Queens Park B, East Brighton B, Rottingdean Coastal B			North Portslade, South Portslade, Hangleton B, Moulsecomb & Bevendean, Woodingdean, East Brighton C		
	VL1	VL2	VL3	VL1	VL2	VL3+	VL1	VL2	VL3+
1 Bed Flat (Studio)	£234,000	£253,500	£273,000	£195,000	£214,500	£234,000	£156,000	£175,500	£195,000
1 Bed Flat	£300,000	£325,000	£350,000	£250,000	£275,000	£300,000	£200,000	£225,000	£250,000
2 Bed Flat	£420,000	£455,000	£490,000	£350,000	£385,000	£420,000	£280,000	£315,000	£350,000
3 Bed Flat	£474,000	£513,500	£553,000	£395,000	£434,500	£474,000	£316,000	£355,500	£395,000
Value Level (£/sq.m)	£6,000	£6,500	£7,000	£5,000	£5,500	£6,000	£4,000	£4,500	£5,000

Notes:

Above do not rely on Land Registry HPI increase (that used in additional information testing as per Appendix IIa sensitivity tests)

DSP 2018

Development / Policy Costs	B&HCC 2017	B&HCC 2018 DCS Addendum 2	Notes (2018)
	BCIS (Median)	BCIS (Median)	
RESIDENTIAL BUILDING, MARKETING & S106 COSTS			
Build Costs Mixed Developments - generally (£/sq. m) ¹	£1,360	N/A	
Build costs One-off Housing Detached - generally (£/sq.m)	£2,213	N/A	
Build Costs Estate Housing - generally (£/sq. m)	£1,513	N/A	
Build Costs Estate Housing - generally (£/sq. m)	£1,327	N/A	
Build Costs Flats - generally (£/sq. m)	£1,547	£1,676	(For information only - figures below used in 2018 tests)
Build Costs Flats - generally (£/sq. m)	£1,473	N/A	Not applicable to 2018 tests (Only applicable to scenarios <10 units).
Build Costs Flats - 3-5 Storey (£/sq. m)	£1,535	£1,663	100 dph Ave. of Brighton & Hove figures £1,586 & £1,437 respectively is £1,511.50/sq. m (before ext. works)
Build Costs Flats - 6+ Storey (£/sq. m)	£1,999	£2,077	220 dph Ave. of Brighton & Hove figures £1,966 & £1,781 respectively is £1,873.50/sq. m (before ext. works)
Build Costs (Sheltered Housing - Generally) (£/sq.m) ¹	£1,656	£1,768	
Site Prep & Survey Costs (£ / unit)	£4,500	£4,500	Assumed at £17,000 - £23,000/dwelling equivalent - larger/strategic scale development (200+ dwellings tests) where applicable
Contingencies (% of build cost)	5%	5%	
Professional & Other Fees (% of build cost)	10.0%	10.0%	
Sustainable Design / Construction Standards (% of build cost) ³	2.00%	2.00%	Latest data suggests allowances in the range of 1% to 1.5% to meet Building Regulations
Residual s.106 /non-CIL costs (£ per unit) - non-strategic sites	£3,000	£3,000	
On larger / strategic sites (200+) - carried out on surplus basis unless detailed infrastructure costs and timings known			
B&HCC potential CIL rates (£/sq.m.)	Tested at range of rates from £0 - £1,000/m2 overall	Tested at range of rates from £0 - £1,000/m2 overall	Results displayed to £350/sq.m i.e. twice the highest B&H CC proposed CIL charging rate of £175/sq. m
M4(2) Compliance (all dwellings not to M4(3) as below)	£1,646 (Flats) £2,447 (Houses)	£1,646 (Flats)	As previous assumptions
M4(3) 10% of AH	£15,691 (Flats) £26,816 (Houses)	£15,691 (Flats)	
Technical Housing Standards - Nationally Described Space Standard	Assumed sizes compliant	Assumed sizes compliant	
Reduced Water usage (max.consumption)	110 litres per person per day	110 litres per person per day	Based on the Housing/technical Standards Review - optional increased standard included within Building Reg.s
Marketing & Sales Costs (%of GDV)	3%	3%	
Legal Fees on sale (£ per unit)	£750	£750	
DEVELOPER'S RETURN FOR RISK AND PROFIT			
Open Market Housing Profit (% of GDV)	20.0%	20.0%	Novemembr 2018 Addendum - Also sensitivity tested at 17.5% GDV
Affordable Housing Profit (% of GDV)	6.0%	6.0%	
FINANCE & ACQUISITION COSTS			
Arrangement Fees - (% of loan)	0.0%	0.0%	included within higher overall finance rate
Agents Fees (% of site value)	1.50%	1.50%	
Legal Fees (% of site value)	0.75%	0.75%	
Stamp Duty Land Tax (% of site value)	0% to 5%	0% to 5%	HMRC scale
Finance Rate - Build (%)	6.5%	6.5%	
Finance Rate - Land (%)	6.5%	6.5%	

Notes:

¹ Build cost taken as "Median" figure from BCIS for that build type - e.g. flats storey heights etc. and then rounded. Median figure gives a better figure than the Mean as it is not so influenced by rogue figures that can distort the mean on small sample sizes. The average of the BCIS figures for Brighton (location factor 117) and Hove (106) has been used. External works included @ 10% of base build costs - i.e. added to BCIS to arrive at above figures.

³ The above costs are based on the DCLG Housing Standards Review Impact Assessment costings assuming equivalent CFSH L4 energy costs only base. Appraisals assume cost uplift in line with figures above assuming average cost uplift from each unit type (£1,932 per unit average, equating to the 2% assumed above).

Addendum 2 - Appendix IIa - Table 1a: RLV Results by Value Level & CIL Rate
- 25 Unit Scheme - Flats (3-5 storey, PDL)

		Residual Land Value - Addendum 2 2018 Update									Residual Land Value - 2017 Assessment								
Development Scenario	CIL Rate £/m ²	Zone 1			Zone 2			Zone 3			Zone 1			Zone 2			Zone 3		
		VL1 £6,000	VL2 £6,500	VL3 £7,000	VL1 £5,000	VL2 £5,500	VL3 £6,000	VL1 £4,000	VL2 £4,500	VL3 £5,000	VL1 £5,500	VL2 £6,000	VL3 £6,500	VL1 £4,500	VL2 £5,000	VL3 £5,500	VL1 £3,500	VL2 £4,000	VL3 £4,500
		Residual Land Value (£/Ha)																	
Flats 25 40% AH	£0	£6,416,669	£7,634,586	£8,940,260	£4,003,854	£5,264,570	£6,416,669	£1,475,902	£2,832,917	£4,003,854	£6,432,599	£7,584,698	£8,802,615	£4,035,309	£5,178,117	£6,432,599	£1,477,340	£2,758,977	£4,035,309
	£25	£6,340,712	£7,558,629	£8,864,303	£3,925,663	£5,188,613	£6,340,712	£1,392,124	£2,754,726	£3,925,663	£6,366,549	£7,518,649	£8,736,565	£3,967,316	£5,112,067	£6,366,549	£1,404,490	£2,690,984	£3,967,316
	£50	£6,264,755	£7,482,672	£8,788,346	£3,847,471	£5,112,656	£6,264,755	£1,308,346	£2,675,868	£3,847,471	£6,300,500	£7,452,599	£8,670,516	£3,899,324	£5,046,018	£6,300,500	£1,331,639	£2,618,500	£3,899,324
	£75	£6,188,798	£7,406,715	£8,712,389	£3,769,279	£5,036,699	£6,188,798	£1,224,568	£2,592,090	£3,769,279	£6,234,450	£7,386,550	£8,604,466	£3,831,331	£4,979,968	£6,234,450	£1,258,788	£2,545,649	£3,831,331
	£100	£6,112,841	£7,330,758	£8,636,432	£3,691,088	£4,960,742	£6,112,841	£1,140,790	£2,508,311	£3,691,088	£6,168,401	£7,320,500	£8,538,417	£3,763,338	£4,913,919	£6,168,401	£1,185,938	£2,472,799	£3,763,338
	£125	£6,036,884	£7,254,801	£8,560,475	£3,612,896	£4,884,785	£6,036,884	£1,057,012	£2,424,533	£3,612,896	£6,102,351	£7,254,450	£8,472,367	£3,695,346	£4,847,869	£6,102,351	£1,113,087	£2,399,948	£3,695,346
	£150	£5,960,927	£7,178,844	£8,484,518	£3,534,705	£4,808,828	£5,960,927	£973,234	£2,340,755	£3,534,705	£6,036,302	£7,188,401	£8,406,318	£3,627,353	£4,781,819	£6,036,302	£1,040,237	£2,327,097	£3,627,353
	£175	£5,884,971	£7,102,887	£8,408,561	£3,456,513	£4,732,871	£5,884,971	£889,456	£2,256,977	£3,456,513	£5,970,252	£7,122,351	£8,340,268	£3,559,360	£4,715,770	£5,970,252	£967,386	£2,254,247	£3,559,360
	£200	£5,809,014	£7,026,930	£8,332,604	£3,378,322	£4,656,914	£5,809,014	£805,677	£2,173,199	£3,378,322	£5,904,203	£7,056,302	£8,274,219	£3,491,368	£4,649,720	£5,904,203	£894,536	£2,181,396	£3,491,368
	£250	£5,657,100	£6,875,016	£8,180,690	£3,221,938	£4,505,000	£5,657,100	£633,494	£2,005,643	£3,221,938	£5,772,104	£6,924,203	£8,142,120	£3,355,382	£4,517,621	£5,772,104	£748,637	£2,035,695	£3,355,382
	£300	£5,505,186	£6,723,103	£8,028,776	£3,065,555	£4,353,087	£5,505,186	£459,234	£1,838,087	£3,065,555	£5,640,005	£6,792,104	£8,010,021	£3,219,397	£4,385,522	£5,640,005	£597,107	£1,889,994	£3,219,397
	£350	£5,353,272	£6,571,189	£7,876,862	£2,909,172	£4,200,560	£5,353,272	£282,495	£1,670,530	£2,909,172	£5,507,905	£6,660,005	£7,877,921	£3,083,411	£4,253,423	£5,507,905	£445,577	£1,744,293	£3,083,411

Note: Table as per original 2017 Appendix IIa Residential Results

		Residual Land Value - Addendum 2 2018 Update Sensitivity Test 1 (Updated adjusted build costs (BCIS) and Values by LR HPI)								
Development Scenario	CIL Rate £/m ²	Zone 1			Zone 2			Zone 3		
		VL1 £6,330	VL2 £6,858	VL3 £7,385	VL1 £5,275	VL2 £5,803	VL3 £6,330	VL1 £4,220	VL2 £4,748	VL3 £5,275
		Residual Land Value (£/Ha)								
Flats 25 40% AH	£0	£6,531,693	£7,816,595	£9,194,081	£3,986,005	£5,316,228	£6,531,693	£1,312,562	£2,750,667	£3,986,005
	£25	£6,455,736	£7,740,638	£9,118,124	£3,907,814	£5,240,271	£6,455,736	£1,228,784	£2,671,519	£3,907,814
	£50	£6,379,779	£7,664,681	£9,042,167	£3,829,622	£5,164,314	£6,379,779	£1,145,006	£2,587,741	£3,829,622
	£75	£6,303,822	£7,588,724	£8,966,210	£3,751,431	£5,088,357	£6,303,822	£1,061,227	£2,503,963	£3,751,431
	£100	£6,227,865	£7,512,767	£8,890,253	£3,673,239	£5,012,400	£6,227,865	£977,449	£2,420,184	£3,673,239
	£125	£6,151,908	£7,436,810	£8,814,296	£3,595,047	£4,936,443	£6,151,908	£893,671	£2,336,406	£3,595,047
	£150	£6,075,951	£7,360,853	£8,738,339	£3,516,856	£4,860,486	£6,075,951	£809,893	£2,252,628	£3,516,856
	£175	£5,999,994	£7,284,896	£8,662,382	£3,438,664	£4,784,529	£5,999,994	£725,009	£2,168,850	£3,438,664
	£200	£5,924,037	£7,208,939	£8,586,425	£3,360,473	£4,708,572	£5,924,037	£637,879	£2,085,072	£3,360,473
	£250	£5,772,123	£7,057,025	£8,434,511	£3,204,090	£4,556,658	£5,772,123	£463,619	£1,917,516	£3,204,090
	£300	£5,620,209	£6,905,111	£8,282,597	£3,047,706	£4,404,744	£5,620,209	£286,991	£1,749,960	£3,047,706
	£350	£5,468,295	£6,753,197	£8,130,683	£2,891,323	£4,252,830	£5,468,295	£108,262	£1,582,403	£2,891,323

		Residual Land Value - Addendum 2 2018 Update - Sensitivity Test 2 (As per Sensitivity Test 1 also with AH Values Updated)								
Development Scenario	CIL Rate £/m ²	Zone 1			Zone 2			Zone 3		
		VL1 £6,330	VL2 £6,858	VL3 £7,385	VL1 £5,275	VL2 £5,803	VL3 £6,330	VL1 £4,220	VL2 £4,748	VL3 £5,275
		Residual Land Value (£/Ha)								
Flats 25 40% AH	£0	£6,902,027	£8,217,790	£9,518,123	£4,378,514	£5,655,701	£6,902,027	£1,789,107	£3,108,070	£4,378,514
	£25	£6,826,070	£8,141,833	£9,442,166	£4,302,557	£5,579,744	£6,826,070	£1,705,328	£3,029,878	£4,302,557
	£50	£6,750,113	£8,065,876	£9,366,209	£4,226,600	£5,503,787	£6,750,113	£1,621,550	£2,951,686	£4,226,600
	£75	£6,674,156	£7,989,919	£9,290,252	£4,148,545	£5,427,830	£6,674,156	£1,537,772	£2,873,495	£4,148,545
	£100	£6,598,199	£7,913,963	£9,214,295	£4,070,353	£5,351,873	£6,598,199	£1,453,994	£2,795,303	£4,070,353
	£125	£6,522,242	£7,838,006	£9,138,338	£3,992,161	£5,275,916	£6,522,242	£1,370,216	£2,717,112	£3,992,161
	£150	£6,446,285	£7,762,049	£9,062,381	£3,913,970	£5,199,959	£6,446,285	£1,286,438	£2,635,566	£3,913,970
	£175	£6,370,328	£7,686,092	£8,986,424	£3,835,778	£5,124,002	£6,370,328	£1,202,660	£2,551,788	£3,835,778
	£200	£6,294,371	£7,610,135	£8,910,468	£3,757,587	£5,048,045	£6,294,371	£1,118,882	£2,468,010	£3,757,587
	£250	£6,142,457	£7,458,221	£8,758,554	£3,601,203	£4,896,131	£6,142,457	£951,325	£2,300,454	£3,601,203
	£300	£5,990,543	£7,306,307	£8,606,640	£3,444,820	£4,744,217	£5,990,543	£783,769	£2,132,897	£3,444,820
	£350	£5,838,629	£7,154,393	£8,454,726	£3,288,437	£4,592,303	£5,838,629	£610,710	£1,965,341	£3,288,437

		Residual Land Value - Addendum 2 2018 Update - Sensitivity Test 3 (As per Sensitivity Test 2 with 17.5% Profit on market sales)								
Development Scenario	CIL Rate £/m ²	Zone 1			Zone 2			Zone 3		
		VL1 £6,330	VL2 £6,858	VL3 £7,385	VL1 £5,275	VL2 £5,803	VL3 £6,330	VL1 £4,220	VL2 £4,748	VL3 £5,275
		Residual Land Value (£/Ha)								
Flats 25 40% AH	£0	£7,306,960	£8,656,468	£9,990,545	£4,715,959	£6,026,890	£7,306,960	£2,086,859	£3,420,704	£4,715,959
	£25	£7,231,003	£8,580,511	£9,914,588	£4,640,002	£5,950,933	£7,231,003	£2,003,081	£3,342,513	£4,640,002
	£50	£7,155,046	£8,504,554	£9,838,632	£4,564,045	£5,874,976	£7,155,046	£1,919,303	£3,264,321	£4,564,045
	£75	£7,079,089	£8,428,597	£9,762,675	£4,488,088	£5,799,019	£7,079,089	£1,835,524	£3,186,130	£4,488,088
	£100	£7,003,132	£8,352,640	£9,686,718	£4,412,131	£5,723,062	£7,003,132	£1,751,746	£3,107,938	£4,412,131
	£125	£6,927,175	£8,276,683	£9,610,761	£4,336,174	£5,647,105	£6,927,175	£1,667,968	£3,029,746	£4,336,174
	£150	£6,851,218	£8,200,726	£9,534,804	£4,260,217	£5,571,148	£6,851,218	£1,584,190	£2,951,555	£4,260,217
	£175	£6,775,261	£8,124,769	£9,458,847	£4,183,150	£5,495,191	£6,775,261	£1,500,412	£2,873,363	£4,183,150
	£200	£6,699,304	£8,048,812	£9,382,890	£4,107,193	£5,419,234	£6,699,304	£1,416,634	£2,795,172	£4,107,193
	£250	£6,547,390	£7,896,898	£9,230,976	£3,948,575	£5,267,200	£6,547,390	£1,249,078	£2,635,425	£3,948,575
	£300	£6,395,477	£7,744,984	£9,079,062	£3,792,192	£5,115,406	£6,395,477	£1,081,522	£2,467,869	£3,792,192
	£350	£6,243,563	£7,593,070	£8,927,148	£3,635,809	£4,963,492	£6,243,563	£913,965	£2,300,313	£3,635,809

BLVs

- RLV exceeding Viability Test 1 (RLV £1,800,000/ha)
- RLV exceeding Viability Test 2 (RLV £2,160,000/ha)
- RLV exceeding Viability Test 3 (RLV >£2,748,000/ha)
- RLV exceeding Viability Test 4 (RLV >£3,009,300/ha)

Source: Dixon Searle Partnership (2018)

Addendum 2 - Appendix IIa - Table 1b: RLV Results by Value Level & CIL Rate - 75 Unit Scheme - Flats (3-5 Storey, PDL)

		Residual Land Value - Addendum 2 2018 Update									Residual Land Value - 2017 Assessment								
Development Scenario	CIL Rate £/m ²	Zone 1			Zone 2			Zone 3			Zone 1			Zone 2			Zone 3		
		VL1 £6,000	VL2 £6,500	VL3 £7,000	VL1 £5,000	VL2 £5,500	VL3 £6,000	VL1 £4,000	VL2 £4,500	VL3 £5,000	VL1 £5,500	VL2 £6,000	VL3 £6,500	VL1 £4,500	VL2 £5,000	VL3 £5,500	VL1 £3,500	VL2 £4,000	VL3 £4,500
Flats 75 40% AH	£0	£5,337,259	£6,425,553	£7,591,936	£3,186,699	£4,307,531	£5,337,259	£1,054,469	£2,169,986	£3,186,699	£5,376,261	£6,405,989	£7,494,283	£3,238,716	£4,255,429	£5,376,261	£1,081,356	£2,130,899	£3,238,716
	£25	£5,267,091	£6,355,385	£7,521,768	£3,116,531	£4,237,363	£5,267,091	£981,873	£2,099,818	£3,116,531	£5,315,245	£6,344,973	£7,433,268	£3,177,700	£4,194,413	£5,315,245	£1,018,228	£2,069,883	£3,177,700
	£50	£5,196,923	£6,285,217	£7,451,600	£3,046,363	£4,167,195	£5,196,923	£909,277	£2,029,650	£3,046,363	£5,254,229	£6,283,957	£7,372,252	£3,116,685	£4,133,398	£5,254,229	£955,101	£2,008,868	£3,116,685
	£75	£5,126,755	£6,215,049	£7,381,432	£2,976,195	£4,097,027	£5,126,755	£836,680	£1,959,482	£2,976,195	£5,193,214	£6,222,942	£7,311,236	£3,055,669	£4,072,382	£5,193,214	£891,974	£1,947,852	£3,055,669
	£100	£5,056,587	£6,144,881	£7,311,264	£2,906,027	£4,026,859	£5,056,587	£759,301	£1,889,314	£2,906,027	£5,132,198	£6,161,926	£7,250,221	£2,994,653	£4,011,366	£5,132,198	£828,847	£1,886,836	£2,994,653
	£125	£4,986,419	£6,074,713	£7,241,096	£2,835,859	£3,956,690	£4,986,419	£680,634	£1,819,146	£2,835,859	£5,071,182	£6,100,910	£7,189,205	£2,933,637	£3,950,351	£5,071,182	£761,074	£1,825,821	£2,933,637
	£150	£4,916,250	£6,004,545	£7,170,928	£2,765,691	£3,886,522	£4,916,250	£601,967	£1,748,978	£2,765,691	£5,010,167	£6,039,895	£7,128,189	£2,872,622	£3,889,335	£5,010,167	£692,668	£1,764,805	£2,872,622
	£175	£4,846,082	£5,934,377	£7,100,760	£2,695,523	£3,816,354	£4,846,082	£523,301	£1,678,810	£2,695,523	£4,949,151	£5,978,879	£7,067,173	£2,811,606	£3,828,319	£4,949,151	£624,262	£1,703,789	£2,811,606
	£200	£4,775,914	£5,864,209	£7,030,592	£2,625,355	£3,746,186	£4,775,914	£444,634	£1,608,642	£2,625,355	£4,888,135	£5,917,863	£7,006,158	£2,750,590	£3,767,304	£4,888,135	£555,856	£1,642,774	£2,750,590
	£250	£4,635,578	£5,723,873	£6,890,256	£2,485,019	£3,605,850	£4,635,578	£287,300	£1,468,306	£2,485,019	£4,766,104	£5,795,832	£6,884,126	£2,628,559	£3,645,272	£4,766,104	£419,044	£1,520,742	£2,628,559
	£300	£4,495,242	£5,583,537	£6,749,920	£2,344,683	£3,465,514	£4,495,242	£125,251	£1,327,969	£2,344,683	£4,644,072	£5,673,801	£6,762,095	£2,506,528	£3,523,241	£4,644,072	£282,232	£1,398,711	£2,506,528
	£350	£4,354,906	£5,443,201	£6,609,584	£2,204,347	£3,325,178	£4,354,906	Negative RLV	£1,184,275	£2,204,347	£4,522,041	£5,551,769	£6,640,064	£2,384,496	£3,401,210	£4,522,041	£141,420	£1,276,403	£2,384,496

Note: Table as per original 2017 Appendix IIa Residential Results

		Residual Land Value - Addendum 2 2018 Update Sensitivity Test 1 (Updated adjusted build costs (BCIS) and Values by LR HPI)								
Development Scenario	CIL Rate £/m ²	Zone 1			Zone 2			Zone 3		
		VL1 £6,330	VL2 £6,858	VL3 £7,385	VL1 £5,275	VL2 £5,803	VL3 £6,330	VL1 £4,220	VL2 £4,748	VL3 £5,275
Flats 75 40% AH	£0	£5,433,215	£6,581,366	£7,811,900	£3,164,375	£4,346,852	£5,433,215	£910,479	£2,091,742	£3,164,375
	£25	£5,363,047	£6,511,198	£7,741,732	£3,094,207	£4,276,684	£5,363,047	£837,883	£2,021,574	£3,094,207
	£50	£5,292,879	£6,441,030	£7,671,564	£3,024,039	£4,206,516	£5,292,879	£760,605	£1,951,406	£3,024,039
	£75	£5,222,711	£6,370,862	£7,601,396	£2,953,871	£4,136,348	£5,222,711	£681,938	£1,881,238	£2,953,871
	£100	£5,152,543	£6,300,694	£7,531,228	£2,883,703	£4,066,180	£5,152,543	£603,271	£1,811,070	£2,883,703
	£125	£5,082,375	£6,230,526	£7,461,060	£2,813,534	£3,996,012	£5,082,375	£524,604	£1,740,902	£2,813,534
	£150	£5,012,207	£6,160,358	£7,390,892	£2,743,366	£3,925,844	£5,012,207	£445,937	£1,670,734	£2,743,366
	£175	£4,942,039	£6,090,189	£7,320,724	£2,673,198	£3,855,676	£4,942,039	£367,270	£1,600,566	£2,673,198
	£200	£4,871,871	£6,020,021	£7,250,556	£2,603,030	£3,785,508	£4,871,871	£288,603	£1,530,398	£2,603,030
	£250	£4,731,535	£5,879,685	£7,110,220	£2,462,694	£3,645,172	£4,731,535	£126,614	£1,390,062	£2,462,694
	£300	£4,591,199	£5,739,349	£6,969,884	£2,322,358	£3,504,835	£4,591,199	Negative RLV	£1,248,516	£2,322,358
	£350	£4,450,863	£5,599,013	£6,829,548	£2,182,022	£3,364,499	£4,450,863	Negative RLV	£1,103,324	£2,182,022

		Residual Land Value - Addendum 2 2018 Update - Sensitivity Test 2 (As per Sensitivity Test 1 also with AH Values Updated)								
Development Scenario	CIL Rate £/m ²	Zone 1			Zone 2			Zone 3		
		VL1 £6,330	VL2 £6,858	VL3 £7,385	VL1 £5,275	VL2 £5,803	VL3 £6,330	VL1 £4,220	VL2 £4,748	VL3 £5,275
Flats 75 40% AH	£0	£5,762,749	£6,938,361	£8,100,242	£3,507,639	£4,648,925	£5,762,749	£1,307,452	£2,400,680	£3,507,639
	£25	£5,692,581	£6,868,193	£8,030,074	£3,437,471	£4,578,757	£5,692,581	£1,235,644	£2,330,512	£3,437,471
	£50	£5,622,413	£6,798,025	£7,959,906	£3,367,303	£4,508,589	£5,622,413	£1,163,048	£2,260,344	£3,367,303
	£75	£5,552,245	£6,727,857	£7,889,738	£3,297,135	£4,438,421	£5,552,245	£1,090,451	£2,190,176	£3,297,135
	£100	£5,482,077	£6,657,689	£7,819,570	£3,226,967	£4,368,253	£5,482,077	£1,017,855	£2,120,008	£3,226,967
	£125	£5,411,909	£6,587,521	£7,749,402	£3,156,799	£4,298,085	£5,411,909	£945,259	£2,049,840	£3,156,799
	£150	£5,341,741	£6,517,353	£7,679,234	£3,086,631	£4,227,917	£5,341,741	£872,663	£1,979,672	£3,086,631
	£175	£5,271,573	£6,447,185	£7,609,066	£3,016,463	£4,157,749	£5,271,573	£798,293	£1,909,504	£3,016,463
	£200	£5,201,405	£6,377,017	£7,538,898	£2,946,295	£4,087,581	£5,201,405	£719,626	£1,839,336	£2,946,295
	£250	£5,061,069	£6,236,681	£7,398,562	£2,805,959	£3,947,245	£5,061,069	£562,292	£1,699,000	£2,805,959
	£300	£4,920,733	£6,096,345	£7,258,226	£2,665,623	£3,806,908	£4,920,733	£404,958	£1,558,664	£2,665,623
	£350	£4,780,397	£5,956,009	£7,117,890	£2,525,287	£3,666,572	£4,780,397	£247,624	£1,418,328	£2,525,287

		Residual Land Value - Addendum 2 2018 Update - Sensitivity Test 3 (As per Sensitivity Test 2 with 17.5% Profit on market sales)								
Development Scenario	CIL Rate £/m ²	Zone 1			Zone 2			Zone 3		
		VL1 £6,330	VL2 £6,858	VL3 £7,385	VL1 £5,275	VL2 £5,803	VL3 £6,330	VL1 £4,220	VL2 £4,748	VL3 £5,275
Flats 75 40% AH	£0	£6,125,406	£7,331,239	£8,523,342	£3,809,853	£4,981,360	£6,125,406	£1,549,223	£2,672,673	£3,809,853
	£25	£6,055,238	£7,261,071	£8,453,174	£3,739,685	£4,911,192	£6,055,238	£1,479,055	£2,602,505	£3,739,685
	£50	£5,985,070	£7,190,903	£8,383,006	£3,669,517	£4,841,024	£5,985,070	£1,408,887	£2,532,337	£3,669,517
	£75	£5,914,902	£7,120,735	£8,312,838	£3,599,349	£4,770,856	£5,914,902	£1,338,719	£2,462,169	£3,599,349
	£100	£5,844,734	£7,050,567	£8,242,670	£3,529,181	£4,700,688	£5,844,734	£1,267,993	£2,392,001	£3,529,181
	£125	£5,774,566	£6,980,399	£8,172,502	£3,459,013	£4,630,520	£5,774,566	£1,195,397	£2,321,833	£3,459,013
	£150	£5,704,398	£6,910,231	£8,102,334	£3,388,845	£4,560,352	£5,704,398	£1,122,800	£2,251,665	£3,388,845
	£175	£5,634,230	£6,840,063	£8,032,166	£3,318,677	£4,490,184	£5,634,230	£1,050,204	£2,181,497	£3,318,677
	£200	£5,564,061	£6,769,895	£7,961,997	£3,248,509	£4,420,016	£5,564,061	£977,608	£2,111,329	£3,248,509
	£250	£5,423,725	£6,629,559	£7,821,661	£3,108,173	£4,279,680	£5,423,725	£832,415	£1,970,999	£3,108,173
	£300	£5,283,389	£6,489,223	£7,681,325	£2,967,837	£4,139,344	£5,283,389	£676,013	£1,830,656	£2,967,837
	£350	£5,143,053	£6,348,887	£7,540,989	£2,827,501	£3,999,008	£5,143,053	£518,679	£1,690,320	£2,827,501

BLVs

- RLV exceeding Viability Test 1 (RLV £1,800,000/ha)
- RLV exceeding Viability Test 2 (RLV £2,160,000/ha)
- RLV exceeding Viability Test 3 (RLV >£2,748,000/ha)
- RLV exceeding Viability Test 4 (RLV >£3,009,300/ha)

Source: Dixon Searle Partnership (2018)

Red edged results correspond to proposed CIL charging rates by Zone

Addendum 2 - Appendix IIa - Table 1c: RLV Results by Value Level & CIL Rate - 100 Unit Scheme - Flats (6+ Storey, PDL)

		Residual Land Value - Addendum 2 2018 Update								
		Zone 1			Zone 2			Zone 3		
Development Scenario	CIL Rate £/m ²	VL1 £6,000	VL2 £6,500	VL3 £7,000	VL1 £5,000	VL2 £5,500	VL3 £6,000	VL1 £4,000	VL2 £4,500	VL3 £5,000
		Residual Land Value (£/Ha)								
Flats 100 40% AH	£0	£5,536,176	£7,987,114	£10,610,313	£582,698	£3,214,435	£5,536,176			£582,698
	£25	£6,318,201	£8,769,139	£11,392,338	£1,451,392	£3,996,460	£6,318,201			£1,451,392
	£50	£6,159,411	£8,610,348	£11,233,548	£1,281,420	£3,837,669	£6,159,411			£1,281,420
	£75	£5,059,805	£7,510,743	£10,133,942	£28,425	£2,738,064	£5,059,805			£28,425
	£100	£5,841,830	£8,292,768	£10,915,967	£925,373	£3,520,088	£5,841,830			£925,373
	£125	£5,683,039	£8,133,977	£10,757,177	£747,349	£3,361,298	£5,683,039			£747,349
	£150	£4,583,434	£7,034,372	£9,657,571	£-674,016	£2,261,693	£4,583,434			£-674,016
	£175	£4,424,644	£6,875,581	£9,498,781	£-910,366	£2,102,321	£4,424,644			£-910,366
	£200	£5,206,668	£7,657,606	£10,280,806	£205,446	£2,884,927	£5,206,668			£205,446
	£250	£4,889,088	£7,340,025	£9,963,225		£2,567,346	£4,889,088			
	£300	£4,571,507	£7,022,445	£9,645,644	Negative RLV	£2,249,766	£4,571,507			Negative RLV
	£350	£4,253,926	£6,704,864	£9,328,064		£1,925,695	£4,253,926			

		Residual Land Value - 2017 Assessment								
		Zone 1			Zone 2			Zone 3		
Development Scenario	CIL Rate £/m ²	VL1 £5,500	VL2 £6,000	VL3 £6,500	VL1 £4,500	VL2 £5,000	VL3 £5,500	VL1 £3,500	VL2 £4,000	VL3 £4,500
		Residual Land Value (£/Ha)								
Flats 100 40% AH	£0	£7,131,315	£9,418,506	£11,834,893	£2,384,671	£4,643,151	£7,131,315			£2,384,671
	£25	£6,995,632	£9,282,823	£11,699,210	£2,248,987	£4,507,468	£6,995,632			£2,248,987
	£50	£6,859,948	£9,147,140	£11,563,527	£2,113,083	£4,371,785	£6,859,948			£2,113,083
	£75	£6,724,265	£9,011,456	£11,427,844	£1,972,704	£4,236,102	£6,724,265			£1,972,704
	£100	£6,588,582	£8,875,773	£11,292,161	£1,832,325	£4,100,419	£6,588,582			£1,832,325
	£125	£6,452,899	£8,740,090	£11,156,478	£1,691,947	£3,964,736	£6,452,899			£1,691,947
	£150	£6,317,216	£8,604,407	£11,020,794	£1,551,568	£3,829,052	£6,317,216			£1,551,568
	£175	£6,181,533	£8,468,724	£10,885,111	£1,411,189	£3,693,369	£6,181,533			£1,411,189
	£200	£6,045,849	£8,333,041	£10,749,428	£1,263,762	£3,557,686	£6,045,849			£1,263,762
	£250	£5,774,483	£8,061,674	£10,478,062	£959,527	£3,286,320	£5,774,483			£959,527
	£300	£5,503,117	£7,790,308	£10,206,696	£655,292	£3,014,954	£5,503,117			£655,292
	£350	£5,231,751	£7,518,942	£9,935,329	£349,603	£2,743,587	£5,231,751			£349,603

Note: Table as per original 2017 Appendix IIa Residential Results

		Residual Land Value - Addendum 2 2018 Update Sensitivity Test 1 (Updated adjusted build costs (BCIS) and Values by LR HPI)								
		Zone 1			Zone 2			Zone 3		
Development Scenario	CIL Rate £/m ²	VL1 £6,330	VL2 £6,858	VL3 £7,385	VL1 £5,275	VL2 £5,803	VL3 £6,330	VL1 £4,220	VL2 £4,748	VL3 £5,275
		Residual Land Value (£/Ha)								
Flats 100 40% AH	£0	£7,480,915	£10,066,654	£12,834,130	£2,370,015	£5,031,478	£7,480,915			£2,370,015
	£25	£7,322,125	£9,907,864	£12,675,340	£2,211,225	£4,872,688	£7,322,125			£2,211,225
	£50	£7,163,334	£9,749,074	£12,516,549	£2,050,106	£4,713,897	£7,163,334			£2,050,106
	£75	£7,004,544	£9,590,283	£12,357,759	£1,885,821	£4,555,107	£7,004,544			£1,885,821
	£100	£6,845,754	£9,431,493	£12,198,969	£1,721,535	£4,396,317	£6,845,754			£1,721,535
	£125	£6,686,963	£9,272,703	£12,040,178	£1,557,250	£4,237,526	£6,686,963			£1,557,250
	£150	£6,528,173	£9,113,912	£11,881,388	£1,392,964	£4,078,736	£6,528,173			£1,392,964
	£175	£6,369,383	£8,955,122	£11,722,598	£1,218,107	£3,919,946	£6,369,383			£1,218,107
	£200	£6,210,592	£8,796,332	£11,563,807	£1,040,083	£3,761,155	£6,210,592			£1,040,083
	£250	£5,893,012	£8,478,751	£11,246,227	£684,037	£3,443,575	£5,893,012			£684,037
	£300	£5,575,431	£8,161,170	£10,928,646	£325,467	£3,125,994	£5,575,431			£325,467
	£350	£5,257,850	£7,843,590	£10,611,065	Negative RLV	£2,808,413	£5,257,850			Negative RLV

		Residual Land Value - Addendum 2 2018 Update - Sensitivity Test 2 (As per Sensitivity Test 1 also with AH Values Updated)								
		Zone 1			Zone 2			Zone 3		
Development Scenario	CIL Rate £/m ²	VL1 £6,330	VL2 £6,858	VL3 £7,385	VL1 £5,275	VL2 £5,803	VL3 £6,330	VL1 £4,220	VL2 £4,748	VL3 £5,275
		Residual Land Value (£/Ha)								
Flats 100 40% AH	£0	£8,207,860	£10,854,178	£13,470,207	£3,127,250	£5,697,845	£8,207,860		£516,168	£3,127,250
	£25	£8,049,070	£10,695,388	£13,311,417	£2,968,460	£5,539,054	£8,049,070		£336,092	£2,968,460
	£50	£7,890,280	£10,536,598	£13,152,626	£2,809,669	£5,380,264	£7,890,280		£148,522	£2,809,669
	£75	£7,731,489	£10,377,807	£12,993,836	£2,650,879	£5,221,473	£7,731,489			£2,650,879
	£100	£7,572,699	£10,219,017	£12,835,046	£2,492,088	£5,062,683	£7,572,699			£2,492,088
	£125	£7,413,909	£10,060,227	£12,676,255	£2,333,298	£4,903,893	£7,413,909			£2,333,298
	£150	£7,255,118	£9,901,436	£12,517,465	£2,174,508	£4,745,102	£7,255,118			£2,174,508
	£175	£7,096,328	£9,742,646	£12,358,675	£2,012,119	£4,586,312	£7,096,328			£2,012,119
	£200	£6,937,538	£9,583,856	£12,199,884	£1,847,833	£4,427,522	£6,937,538			£1,847,833
	£250	£6,619,957	£9,266,275	£11,882,304	£1,519,262	£4,109,941	£6,619,957			£1,519,262
	£300	£6,302,376	£8,948,694	£11,564,723	£1,176,942	£3,792,360	£6,302,376			£1,176,942
	£350	£5,984,795	£8,631,114	£11,247,142	£820,895	£3,474,780	£5,984,795			£820,895

		Residual Land Value - Addendum 2 2018 Update - Sensitivity Test 3 (As per Sensitivity Test 2 with 17.5% Profit on market sales)								
		Zone 1			Zone 2			Zone 3		
Development Scenario	CIL Rate £/m ²	VL1 £6,330	VL2 £6,858	VL3 £7,385	VL1 £5,275	VL2 £5,803	VL3 £6,330	VL1 £4,220	VL2 £4,748	VL3 £5,275
		Residual Land Value (£/Ha)								
Flats 100 40% AH	£0	£9,028,553	£11,743,262	£14,427,682	£3,811,160	£6,450,146	£9,028,553		£1,206,240	£3,811,160
	£25	£8,869,762	£11,584,471	£14,268,891	£3,652,370	£6,291,355	£8,869,762		£1,028,216	£3,652,370
	£50	£8,710,972	£11,425,681	£14,110,101	£3,493,579	£6,132,565	£8,710,972		£850,193	£3,493,579
	£75	£8,552,182	£11,266,891	£13,951,311	£3,334,789	£5,973,775	£8,552,182		£672,170	£3,334,789
	£100	£8,393,391	£11,108,100	£13,792,520	£3,175,999	£5,814,984	£8,393,391		£494,146	£3,175,999
	£125	£8,234,601	£10,949,310	£13,633,730	£3,017,208	£5,656,194	£8,234,601		£313,051	£3,017,208
	£150	£8,075,811	£10,790,520	£13,474,939	£2,858,418	£5,497,404	£8,075,811		£124,801	£2,858,418
	£175	£7,917,020	£10,631,729	£13,316,149	£2,699,628	£5,338,613	£7,917,020			£2,699,628
	£200	£7,758,230	£10,472,939	£13,157,359	£2,540,837	£5,179,823	£7,758,230			£2,540,837
	£250	£7,440,649	£10,155,358	£12,839,778	£2,223,257	£4,862,242	£7,440,649			£2,223,257
	£300	£7,123,068	£9,837,778	£12,522,197	£1,898,269	£4,544,662	£7,123,068			£1,898,269
	£350	£6,805,488	£9,520,197	£12,204,617	£1,569,698	£4,227,081	£6,805,488			£1,569,698

BLVs

- RLV exceeding Viability Test 1 (RLV £1,800,000/ha)
- RLV exceeding Viability Test 2 (RLV £2,160,000/ha)
- RLV exceeding Viability Test 3 (RLV >£2,748,000/ha)
- RLV exceeding Viability Test 4 (RLV >£3,009,300/ha)

Source: Dixon Searle Partnership (2018)

Red edged results correspond to proposed CIL charging rates by Zone

Addendum 2 Update - Appendix IIb - Table 2c - RLV - 500 Unit Strategic Allocation - Flatted Scheme

Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Site Density (dph) - net	Zone	CIL	Value Level	Value £/m ²	Residual Land Value	Residual Land Value (£/Ha)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Residential)	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Commercial CBD	+/- Difference Residential	
500	Flats 40% AH	PDL	3.60	2.50	200	1	£175/m ²	VL1	£6,000	£7,297,868	£2,027,186	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£227,186	£-132,814	£-720,814	£-982,114
								VL2	£6,500	£13,338,363	£3,705,101	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£1,905,101	£1,545,101	£957,101	£695,801
								VL3	£7,000	£20,531,173	£5,703,104	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£3,903,104	£3,543,104	£2,955,104	£2,693,804
500	Flats 40% AH	PDL	3.60	2.50	200	2	£150m ²	VL1	£5,000	£-7,972,998	£-2,214,722	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£-4,014,722	£-4,374,722	£-4,962,722	£-5,224,022
								VL2	£5,500	£-323,428	£-89,841	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£-1,889,841	£-2,249,841	£-2,837,841	£-3,099,141
								VL3	£6,000	£6,895,101	£1,915,306	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£115,306	£-244,694	£-832,694	£-1,093,994
500	Flats 40% AH	PDL	3.60	2.50	200	3	£75/m ²	VL1	£4,000	£-21,490,322	£-5,969,534	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£-7,769,534	£-8,129,534	£-8,717,534	£-8,978,834
								VL2	£4,500	£-13,782,532	£-3,828,481	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£-5,628,481	£-5,988,481	£-6,576,481	£-6,837,781
								VL3	£5,000	£-6,242,101	£-1,733,917	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£-3,533,917	£-3,893,917	£-4,481,917	£-4,743,217
500	Flats 40% AH	PDL	3.60	2.50	200	1	£0/m ²	VL1	£6,000	£10,988,410	£3,052,336	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£1,252,336	£892,336	£304,336	£43,036
								VL2	£6,500	£17,028,906	£4,730,252	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£2,930,252	£2,570,252	£1,982,252	£1,720,952
								VL3	£7,000	£24,221,714	£6,728,254	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£4,928,254	£4,568,254	£3,980,254	£3,718,954
500	Flats 40% AH	PDL	3.60	2.50	200	2	£0/m ²	VL1	£5,000	£-4,520,773	£-1,255,770	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£-3,055,770	£-3,415,770	£-4,003,770	£-4,265,070
								VL2	£5,500	£3,001,634	£833,787	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£-966,213	£-1,326,213	£-1,914,213	£-2,175,513
								VL3	£6,000	£10,213,110	£2,836,975	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£1,036,975	£676,975	£88,975	£-172,325
500	Flats 40% AH	PDL	3.60	2.50	200	3	£0/m ²	VL1	£4,000	£-19,710,175	£-5,475,049	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£-7,275,049	£-7,635,049	£-8,223,049	£-8,484,349
								VL2	£4,500	£-12,023,017	£-3,339,727	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£-5,139,727	£-5,499,727	£-6,087,727	£-6,349,027
								VL3	£5,000	£-4,523,773	£-1,256,604	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£-3,056,604	£-3,416,604	£-4,004,604	£-4,265,904

Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Site Density (dph) - net	Zone	CIL	Value Level	Value £/m ²	Residual Land Value	Residual Land Value (£/Ha)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Residential)	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Commercial CBD	+/- Difference Residential	
500	Flats 30% AH	PDL	3.60	2.50	200	1	£175/m ²	VL1	£6,000	£10,358,071	£2,877,242	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£1,077,242	£717,242	£129,242	£-132,058
								VL2	£6,500	£17,242,752	£4,789,653	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£2,989,653	£2,629,653	£2,041,653	£1,780,353
								VL3	£7,000	£24,991,668	£6,942,130	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£5,142,130	£4,782,130	£4,194,130	£3,932,830
500	Flats 30% AH	PDL	3.60	2.50	200	2	£150m ²	VL1	£5,000	£-5,531,966	£-1,536,657	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£-3,336,657	£-3,696,657	£-4,284,657	£-4,545,957
								VL2	£5,500	£2,645,056	£734,738	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£-1,065,262	£-1,425,262	£-2,013,262	£-2,274,562
								VL3	£6,000	£10,523,070	£2,923,075	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£1,123,075	£763,075	£175,075	£-86,225
500	Flats 30% AH	PDL	3.60	2.50	200	3	£75/m ²	VL1	£4,000	£-20,117,548	£-5,588,208	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£-7,388,208	£-7,748,208	£-8,336,208	£-8,597,508
								VL2	£4,500	£-11,724,198	£-3,256,722	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£-5,056,722	£-5,416,722	£-6,004,722	£-6,266,022
								VL3	£5,000	£-3,528,638	£-980,177	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£-2,780,177	£-3,140,177	£-3,728,177	£-3,989,477
500	Flats 30% AH	PDL	3.60	2.50	200	1	£0/m ²	VL1	£6,000	£14,663,703	£4,073,251	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£2,273,251	£1,913,251	£1,325,251	£1,063,951
								VL2	£6,500	£21,548,384	£5,985,662	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£4,185,662	£3,825,662	£3,237,662	£2,976,362
								VL3	£7,000	£29,297,299	£8,138,139	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£6,338,139	£5,978,139	£5,390,139	£5,128,839
500	Flats 30% AH	PDL	3.60	2.50	200	2	£0/m ²	VL1	£5,000	£-1,538,561	£-427,378	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£-2,227,378	£-2,587,378	£-3,175,378	£-3,436,678
								VL2	£5,500	£6,516,064	£1,810,018	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£10,018	£-349,982	£-937,982	£-1,199,282
								VL3	£6,000	£14,394,078	£3,998,355	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£2,198,355	£1,838,355	£1,250,355	£989,055
500	Flats 30% AH	PDL	3.60	2.50	200	3	£0/m ²	VL1	£4,000	£-18,040,710	£-5,011,308	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£-6,811,308	£-7,171,308	£-7,759,308	£-8,020,608
								VL2	£4,500	£-9,682,008	£-2,689,447	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£-4,489,447	£-4,849,447	£-5,437,447	£-5,698,747
								VL3	£5,000	£-1,538,561	£-427,378	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£-2,227,378	£-2,587,378	£-3,175,378	£-3,436,678

Development Scenario	Typical Site Type	Gross Site Area (ha)	Net Site Area (ha)	Site Density (dph) - net	Zone	CIL	Value Level	Value £/m ²	Residual Land Value	Residual Land Value (£/Ha)	EUV+ £ / ha (Industrial)	EUV+ £ / ha (Commercial - OoT)	EUV+ £ / ha (Commercial - CBD)	EUV+ £ / ha (Residential)	+/- Difference Industrial	+/- Difference Commercial OoT	+/- Difference Commercial CBD	+/- Difference Residential	
500	Flats 20% AH	PDL	3.60	2.50	200	1	£175/m ²	VL1	£6,000	£13,418,273	£3,727,298	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£1,927,298	£1,567,298	£979,298	£717,998
								VL2	£6,500	£21,147,139	£5,874,205	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£4,074,205	£3,714,205	£3,126,205	£2,864,905
								VL3	£7,000	£29,452,162	£8,181,156	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£6,381,156	£6,021,156	£5,433,156	£5,171,856
500	Flats 20% AH	PDL	3.60	2.50	200	2	£150m ²	VL1	£5,000	£-3,109,286	£-863,691	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£-2,663,691	£-3,023,691	£-3,611,691	£-3,872,991
								VL2	£5,500	£5,606,452	£1,557,348	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£-242,652	£-602,652	£-1,190,652	£-1,451,952
								VL3	£6,000	£14,151,040	£3,930,844	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£2,130,844	£1,770,844	£1,182,844	£921,544
500	Flats 20% AH	PDL	3.60	2.50	200	3	£75/m ²	VL1	£4,000	£-18,755,720	£-5,209,922	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£-7,009,922	£-7,369,922	£-7,957,922	£-8,219,222
								VL2	£4,500	£-9,676,825	£-2,688,007	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£-4,488,007	£-4,848,007	£-5,436,007	£-5,697,307
								VL3	£5,000	£-839,781	£-233,273	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£-2,033,273	£-2,393,273	£-2,981,273	£-3,242,573
500	Flats 20% AH	PDL	3.60	2.50	200	1	£0/m ²	VL1	£6,000	£18,338,996	£5,094,166	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£3,294,166	£2,934,166	£2,346,166	£2,084,866
								VL2	£6,500	£26,067,861	£7,241,073	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£5,441,073	£5,081,073	£4,493,073	£4,231,773
								VL3	£7,000	£34,372,883	£9,548,023	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£7,748,023	£7,388,023	£6,800,023	£6,538,723
500	Flats 20% AH	PDL	3.60	2.50	200	2	£0/m ²	VL1	£5,000	£1,390,703	£386,306	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£-1,413,694	£-1,773,694	£-2,361,694	£-2,622,994
								VL2	£5,500	£10,030,461	£2,786,239	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£986,239	£626,239	£38,239	£-223,061
								VL3	£6,000	£18,575,050	£5,159,736	£1,800,000	£2,160,000	£2,748,000	£3,009,300	£3,359,736	£2,999,736	£2,411,736	£2,150,436
500	Flats 20% AH																		