

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 Local Plan and other emerging planning policy documents.
- 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') 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 plan period. 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. Following the adoption of policies, developers will need to reflect policy requirements 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 sustained growth. Forecasts for future house price growth point to continuing growth in mainstream London housing markets, although there is a degree of short term uncertainty following the referendum on the UK's membership of the European Union. 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 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. Some sites may require more detailed viability analysis when they come forward through the development management process due to specific site circumstances that cannot be reflected in an area wide assessment².

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.

² The Local Housing Delivery Group Guidance '*Viability Testing Local Plans: Advice for Planning Practitioners*' notes that "*the role of the test is not to provide 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*".

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 12% higher than they were adopted. The proposed Mayoral CIL will also increase from £35 per square metre to £60 per square metre in April 2019 if the rates are not amended through the Examination process.

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 Extension, which will enable developers to benefit from increased development opportunities and higher sales values. 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.

B class uses

- The borough is still seeing losses of B use class floorspace and our testing confirms that new office and industrial development is unlikely to be able to make a significant contribution towards infrastructure. The viability testing shows that a modest contribution of circa £20 per square metre could in principle be applied to B use class developments without significant impact on the likelihood of developments coming forward. However, given continuing losses of B use class floorspace, it is very unlikely that applying CIL to any developments that might come forward would generate any contributions to infrastructure.

Other uses

- Other uses covered by the existing "all other uses" rate in the adopted CIL Charging Schedule (retail, student housing and hotels) show varying viability but the evidence points to an increase from the current £80 per square metre charge (£90 after indexation) to £160 per square metre.

Strategic sites

- With the exception of Strategic Site 3, the other 6 strategic sites are located within the expanded Zone 1. Strategic Site 3 is located on the border of Zones 1 and 2, but is able to absorb a CIL at an increased rate of £125 per square metre alongside affordable housing of between 30% and 35% affordable housing.
- The other strategic sites will also be able to absorb the proposed rate of £200 per square metre alongside varying levels of affordable housing, ranging from 10% to 30% affordable housing. Clearly on these sites there is potential for the Council to maintain or increase affordable housing on these sites by funding community infrastructure using CIL or other Council resources. There is no compelling evidence to adopt alternative rates of CIL on these sites.

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	£112	£200
	Zone 2 ⁴	£70	£79	£125
B use classes	Whole borough	£0	£0	£0
All other uses	Whole Borough	£80	£90	£160

- 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 3.75% 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.
- 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 requirements⁵ ensures that these objectives are balanced appropriately.

³ Postcode sectors SE3, SE8, SE10 and SE16 and the Bakerloo Line Extension corridor to Lewisham (the latter extending zone 1 to a 1 kilometre radius around Lewisham Station, reflecting the area which will benefit from increasing sales values resulting from access to London Underground services. This reflects the approach adopted by TfL for determining the extent of Crossrail Section 106 contributions around stations which will benefit from Crossrail services.

⁴ Postcode sectors BR1, BR3, SE4, SE9, SE12, SE13, SE14, SE15, SE23 and SE26

⁵ 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 to accommodate alternative amounts of Community Infrastructure Levy ('CIL') to the rates contained in the Council's adopted Charging Schedule alongside policies in the Local Plan and other emerging planning policy documents. 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 In light of the above we would highlight that 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 National 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 The housing and commercial property markets are inherently cyclical. The downwards adjustment in house prices in 2008/9 was followed by a prolonged period of real house price growth. By 2010 improved consumer confidence fed through into more positive interest from potential house purchasers. However, this brief resurgence abated with figures falling and then fluctuating in 2011 and 2012. The improvement in the housing market towards the end of 2012 continued through into 2013 at which point the growth in sales values improved significantly through to the last quarter of 2014, where the pace of the improvement was seen to moderate and continued to do so in 2015. The UK economy sustained momentum following the result of the UK's referendum on its membership of the European Union (EU), and as a result the UK housing market surprised many in 2016. The average house price rose 4.5%, which was 0.2% lower than our forecast and ahead of the level recorded in 2015. While first time buyer numbers continued to recover in 2016, overall transaction levels slowed as some home movers and investors withdrew from the market.
- 2.7 The referendum held on 23 June 2016 on the UK's membership of the EU resulted in a small

majority in favour of exit. The immediate aftermath of the result of the vote was a fall in the Pound Sterling to a 31 year low and stocks overselling due to the earnings of the FTSE being largely in US Dollars. As the Pound dropped significantly this supported the stock market, which has since recouped all of the losses seen and is near the all-time highs. We are now in a period of uncertainty in relation to many factors that impact the property investment and letting markets. In March 2017, the Sterling Exchange Rate Index fell a further 1.5% from the end of February and was 10.5% lower compared with the end of March 2016. However in other areas there are tentative signs of improvement and resilience in the market. For example, the International Monetary Fund revised its forecast for UK growth in 2016 on 4 October 2016 from 1.7% to 1.8%, thereby partly reversing the cut it made to the forecast shortly after the referendum (1.9% to 1.7%). However it further trimmed its 2017 forecast from 1.3% to 1.1%, which stood at 2.2% prior to the Referendum.

- 2.8 The UK's first official growth figures since the referendum result vote exceeded initial estimates. Growth for Q3 according to the ONS figures was 0.5%, higher than analyst's predictions of 0.3%. The ONS highlighted that *"the pattern of growth continues to be broadly unaffected following the EU referendum"*. Initial expectations were that the better than expected GDP figures would deter the Bank of England Monetary Policy Committee from going ahead with any further or planned interest rate cuts. The Economy slowed slightly from the Q2 figure of 0.7% and the pattern was a slightly unbalanced one with services being the only sector continuing to grow, achieving a rate of 0.8%. The Chancellor, Phillip Hammond, noted at the time that *"the fundamentals of the UK economy are strong and today's data show that the economy is resilient"*. Production increased by 1.6% in the 3 months to February 2017 and manufacturing increased by 2.2% over the same period. Notwithstanding this the ONS indicate that *"manufacturing is dependent upon both domestic and overseas demand for UK produced goods. Changes in output will reflect both domestic demand and how UK trade is faring post-referendum"*; especially as Article 50 has now been triggered and the negotiation process to leave the EU is underway. Data from the construction sector indicated that the quarterly movement shows a growth of 1.5% in output, which the ONS state *"may act as an indicator of how confident enterprises are in investing in buildings and the infrastructure as longer term assets"*.
- 2.9 It was further expected that manufacturing would be bolstered by the fall in the value of the pound; however this failed to materialise. Despite this, the ONS Head of GDP Darren Morgan observed that *"the economy grew slightly more in the last three months of 2016 than previously thought, mainly due to a stronger performance from manufacturing"*.
- 2.10 The Office of Budgetary Responsibility's *'Economic and fiscal outlook'* report (November 2017) indicates that UK GDP slowed to an annualised rate of 1.2% over the first three quarters of 2017, caused largely by the impact of the fall in sterling feeding through into consumer facing services. In addition, the construction sector saw output fall in the second and third quarters of the year.
- 2.11 BNP Paribas Real Estate's UK Housing Market Prospects Q3 2017 report indicates that *"our Q2 forecast for a period of muted activity and price change remain unchanged"*. In this report we note that *"we expect the average UK house price to rise by around 3.5%, effectively remaining close to flat in real terms given the current pace of inflation. We expect the average UK home to have increased in value by 13.7% or just over £28,000 over the next four years. This translates to an average UK house price increase of 3.4% per annum, although given the political and economic uncertainties ahead, the journey is unlikely to feel quite so benign with the average masking inevitable volatility"*.
- 2.12 The May Halifax House Price Index Report identifies that overall prices in the three months to April were marginally lower than in the preceding three months; the first quarterly decline since November 2012. The annual rate of growth remained at 3.8% in April, the lowest rate since May 2013. Martin Ellis, the Halifax housing economist comments that, *"Housing demand appears to have been curbed in recent months due to the deterioration in housing affordability caused by a sustained period of rapid house price growth during 2014-16. Signs of a decline in the pace of job creation, and the beginnings of a squeeze on households' finances as a result of increasing inflation may also be constraining the demand for homes"*.
- 2.13 This view is shared by Robert Gardiner, Nationwide's Chief Economist, who comments in their April

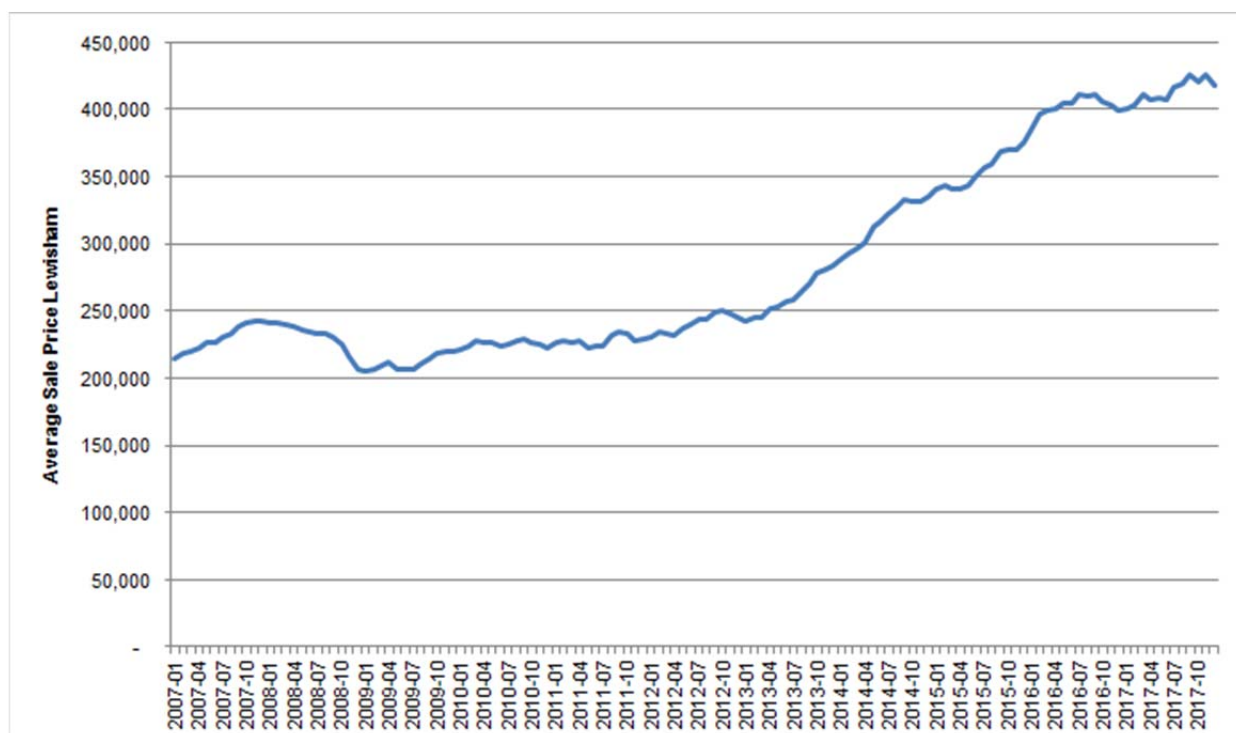
House Price Index report, that “in some respects, the softening in house price growth is surprising because the unemployment rate is near to a 40-year low, confidence is still relatively high and mortgage rates have fallen to new all-time lows in recent months”. However he balances this by highlighting that, “while monthly figures can be volatile, the recent softening in price growth may be a further indication that households are starting to react to the emerging squeeze on real incomes or to affordability pressures in key parts of the country”.

- 2.14 Notwithstanding the above both the Halifax and Nationwide consider that a combination of the continuing low mortgage rates, together with an on-going acute shortage of properties on the market should support house prices. Nationwide conclude that as a result they remain of the opinion that “a small increase in house prices of around 2% is likely over the course of 2017 as a whole”. However, the outcome of the General Election on 8 June which saw the Conservative Party lose its majority may result in additional uncertainty in the short term, both in terms of the content of a legislative programme but also the negotiations on the UK’s exit from the EU. These factors may impact on buyer activity.

Local Housing Market Context

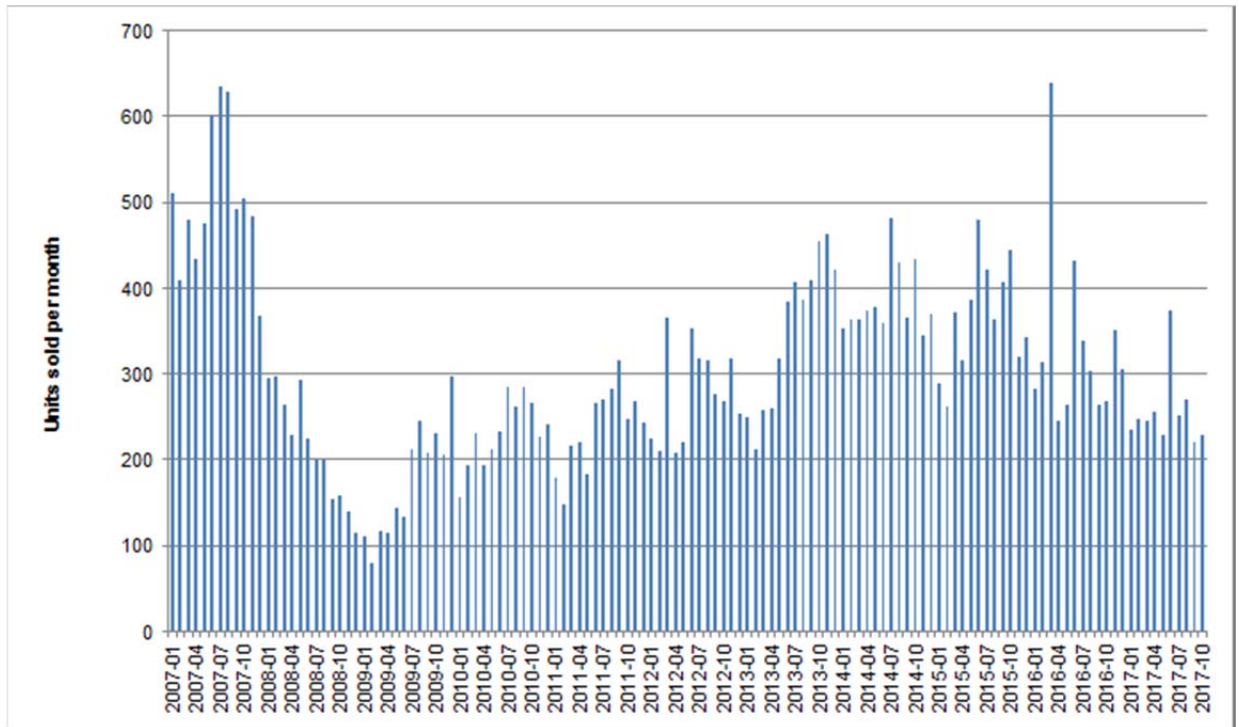
- 2.15 House prices in the London Borough of Lewisham have followed recent national trends, with values falling in 2008 to 2009 and recovering over the intervening years, as shown in Figure 2.15.1. Sales volumes fell below historic levels between 2009 and 2012, but have since recovered (see Figure 2.15.2). By November 2017, sales values had increased by 138% in comparison to the lowest point in the cycle in June 2009, or 109% higher than the previous peak in July 2008.

Figure 2.15.1: Average sales value in Lewisham



Source: Land Registry

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

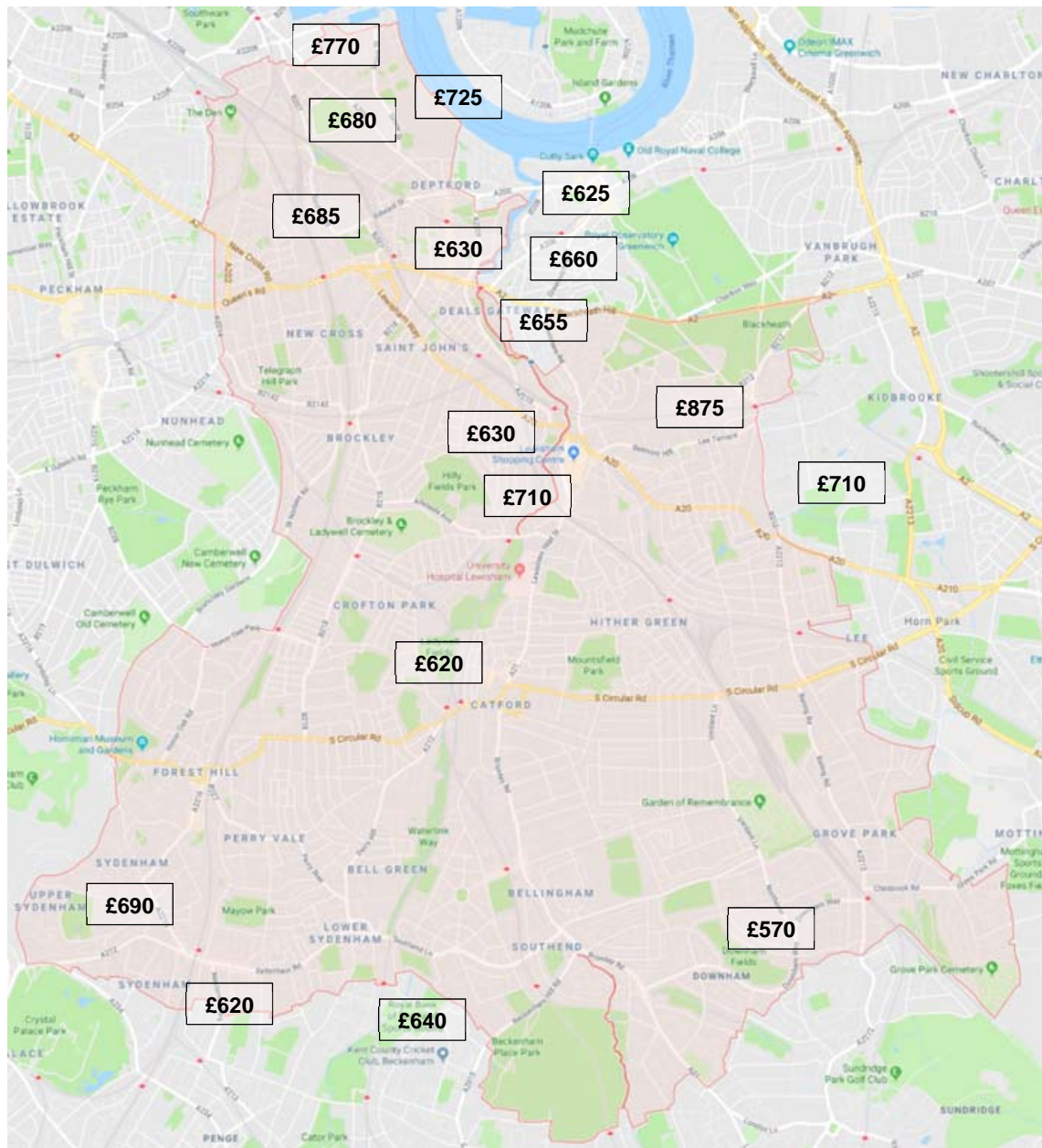


Source: Land Registry

- 2.16 The future trajectory of house prices is currently uncertain, although Savills' *Residential Property Forecasts Autumn 2017* prediction is that values are expected to increase over the next five years. Medium term predictions are that properties in mainstream London markets will grow over the period between 2018 and 2022. Savills predict that values in mainstream London markets (i.e. non-prime) will fall by 2% in 2018, remain unchanged in 2019 but will increase by 5% in 2020, 2% in 2021 and 2% in 2022. This equates to cumulative growth of 7.1% between 2018 and 2022 inclusive.
- 2.17 In common with other Boroughs in London, there are variations in sales values between different parts of Lewisham, as shown in Figure 2.17.1⁶. However, the variations in Lewisham are far 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.

⁶ Some of the price points in Figure 2.17.1 are for schemes in neighbouring boroughs close to the border with Lewisham

Figure 2.17.1: Sales values in Lewisham (approx. £s per square foot)



Sources: Map – Google; Values – Molior

Private rented sector market context

- 2.18 The proportion of households privately renting is forecast to increase from under 10% in 1991 to circa 25% by 2021, largely as a result of affordability issues for households who would have preferred to owner occupy⁷. Over the same period, the proportion of households owner occupying is forecast to fall from 69% to under 60%. 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.
- 2.19 Perceived softening of the housing for sale market has prompted developers to seek bulk sales to PRS operators, with significant flows of investment capital into the sector. Investment yields have

⁷ Knight Frank PRS Update August 2017

remained stable in the zones 2 to 4 London market at 3.5% 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.

- 2.20 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.
- 2.21 A reduced profit margin helps to compensate (to some degree) for the discount to market value that investors will seek. PRS units typically transact at discounts of circa 20% of market value on the basis of build to sell.
- 2.22 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

- 2.23 In March 2012, the old suite of planning policy statements and planning policy guidance was replaced by a single document – the National Planning Policy Framework ('NPPF'). The NPPF has subsequently been supplemented by the National Planning Practice Guidance ('NPPG').
- 2.24 The NPPF provides more in-depth guidance on viability of development than Planning Policy Statement 3, which limited its attention to requiring local planning authorities to test the viability of their affordable housing targets. The NPPF requires that local planning authorities have regard to the impact on viability of the *cumulative effect* of all their planning requirements on viability. Paragraph 173 of the NPPF requires that local planning authorities give careful attention “*to viability and costs in plan-making and decision-taking*”. The NPPF requires that “*the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened*”. After taking account of policy requirements, land values should be sufficient to “*provide competitive returns to a willing landowner and willing developer*”.
- 2.25 The meaning of a “*competitive return*” has been the subject of considerable debate over the past year. For the purposes of testing the viability of a Local Plan, the Local Housing Delivery Group⁸ has concluded that the current use value of a site (or a credible alternative use value) plus an appropriate uplift, represents a competitive return to a landowner. Some members of the RICS consider that a competitive return is determined by market value⁹, although there is no consensus around this view. The government’s draft NPPF issued for consultation in March 2018 removes the requirement for “competitive returns” and is silent on how landowner returns should be assessed. The draft PPG issued at the same time indicates that viability testing of plans should be based on existing use value plus a landowner premium.

CIL Policy Context

- 2.26 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’

⁸ Viability Testing Local Plans: Advice for planning practitioners, June 2012

⁹ RICS Guidance Note: Financial Viability in Planning, August 2012

S106 obligations, was limited to a maximum of five S106 agreements. The adoption of a CIL charging schedule is discretionary for a charging authority; however, the scaling back of the use of pooled S106 obligations is not discretionary. As such, should the Council elect not to adopt a CIL Charging Schedule, it may have implications with regard to funding infrastructure in the District in future and the Council will need to be aware of such implications in their decision-making.

- 2.27 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 CIL Regulation 122 and to the provision of affordable housing. They cannot be used for securing payments towards infrastructure¹⁰ that benefit more than one development, unless they form part of a maximum of five S106 agreements, from which contributions to provide infrastructure can be pooled.
- 2.28 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. This report deals with viability only and does not consider other sources of funding (this is considered elsewhere within the Council’s evidence base).
- 2.29 Local authorities must consult relevant stakeholders on the nature and amount of any proposed CIL at two stages; after publication of the Preliminary Draft Charging Schedule (“PDCS”) and the Draft Charging Schedule (“DCS”). Following consultation, a charging schedule must be submitted for independent examination.
- 2.30 The payment of CIL becomes mandatory on all new buildings and extensions to buildings with a gross internal floorspace over 100 square metres 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.
- 2.31 The exemption would be available for 12 months, after which time viability of the scheme concerned would need to be reviewed. 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 however that CIL cannot simply be negotiated away or the local authority decide not to charge CIL.
- 2.32 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.
- 2.33 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 NPPG (paragraph 022 Reference ID: 25-022-20140612) clarifies that CIL Regulation 13 permits charging authorities to levy

¹⁰ This infrastructure should not be identified on the Council’s Regulation 123 list.

“differential rates by reference to different intended uses of development.” Charging Authorities taking this approach need to ensure that such different rates are justified by a comparative assessment of the economic viability of those categories of development. Further the NPPG 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, although that Order does provide a useful reference point.’ The NPPG also sets out (paragraph 023 Reference ID: 25-023-20140612) 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.

- 2.34 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 if they choose to do so. This is an important issue that the Council will need to consider, as the timing of payment of CIL can have an impact on an Applicant’s cashflow (the earlier the payment of CIL, the more interest the Applicant will bear before the development is completed and sold).
- 2.35 The Government published the findings of the independent CIL review alongside the Housing White Paper in February 2017. The White Paper identified at paragraph 2.28 that the Government *“continue to support the existing principle that developers are required to mitigate the impacts of development in their area, in order to make it acceptable to the local community and pay for the cumulative impacts of development on the infrastructure of their area.”* The White Paper summarised the main finding of the CIL review to be that *“the current system is not as fast, simple, certain or transparent as originally intended.”*
- 2.36 As a result the Government committed to *“examine the options for reforming the system of developer contributions including ensuring direct benefit for communities, and will respond to the independent review and make an announcement at Autumn Budget 2017.”* At this stage there is no further information as to whether the Government will implement the independent CIL review panel’s recommendations for reform to the approach of calculating and securing developer contributions towards infrastructure required to support development and if so what the transition period will be.
- 2.37 The government’s recent consultation on changes to the NPPF includes proposed reforms of CIL, including the following potential changes:
- The potential for councils to adopt Strategic Infrastructure Tariffs (‘SITs’) to fund strategic infrastructure that cross borough boundaries. Any potential SIT proposals would need to be factored into the viability testing to ensure rates of CIL that are set are viable alongside SITs and Local Plan policies.
 - Potential changes to the approach to consultation with stakeholders, with the current formal process replaced with a statement on how the Authority has engaged, which would form part of the Examination in Public.
 - Potential removal of pooling restrictions on Section 106. If councils intend to collect funds for infrastructure through pooled contributions, any such contributions would need to be incorporated into viability testing to ensure that the CIL rates charged alongside Section 106 remain viable.
 - Encouragement for setting specific rates for all uses on large strategic developments would require the testing of individual strategic sites to determine an appropriate and specific rate. Councils would need to identify which sites this may apply to.
 - Setting rates according to existing uses of sites is a key change proposed by the government. This would enable councils to set higher rates on sites that are currently in low value uses (e.g. secondary industrial).

- Changes to the way CIL is indexed, moving from indexation by reference to changes in build costs to changes in values across the borough.

Mayoral CIL

- 2.38 The Borough is located within Mayoral CIL Zone 2, which attracts a rate of £35 per square metre before indexation¹¹ which has been used to fund circa £300 million of the costs of the Crossrail construction project. The consultation on the proposed amendments to the Mayoral CIL indicates that a rate of £60 per square metre will be levied in Lewisham. 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.

Borough CIL

- 2.39 The Council approved its CIL Charging Schedule on 25 February 2015 and it came into effect on 1 April 2015. Table 2.39.1 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 2.39.1: CIL rates per net additional square metre in the Charging Schedule

Development type	Zone	Adopted rate
Residential C3 use class	Zone 1 ¹²	£100
	Zone 2 ¹³	£70
B use classes	Whole borough	£0
All other uses	Whole Borough	£80

- 2.40 In 2015/16, the Council collected CIL payments totalling £1,440,464. This was the first year that CIL was in place in Lewisham and clearly it is unlikely that many schemes actually consented after 1 April 2015 would have actually started on site or reached a point in construction where CIL payments are triggered. The receipts for 2016/17 total £4.49 million, which is a significant increase in receipts in comparison to the first year CIL was in force. The level of CIL receipts in Lewisham is higher than neighbouring boroughs Southwark and Greenwich - where CIL was adopted at the same time – but lower than Tower Hamlets. However, this can be explained by the significantly higher level of housing delivery in Tower Hamlets in that year compared to Lewisham.

Table 2.40.1: CIL receipts of neighbouring boroughs

Borough	Adoption date	Income 2014/15	Income 2015/16	Income 2016/17	No of housing units completed ¹⁴ 2015/16
Lewisham	1/4/15	-	£1,440,464	£4,487,775	1,609
Southwark	1/4/15	-	£286,057	Not published	1,858
Lambeth	1/10/14	£54,533	£3,258,552	£7,829,563	1,707
Greenwich	25/3/15	-	£20,255	£1,475,668	1,858
Tower Hamlets	1/4/15	-	£6,774,442	£18,338,813	2,578

¹¹ The impact of indexation is discussed in section 6.

¹² Postcode sectors SE3, SE8, SE10 and SE16

¹³ Postcode sectors BR1, BR3, SE4, SE9, SE12, SE13, SE14, SE15, SE23 and SE26

¹⁴ London Plan Annual Monitoring Report 2015/16 (July 2017). Lewisham's Annual Monitoring Report indicates that 1,668 additional dwellings were completed in 2016/17. None of the other boroughs had published their figures at the time of drafting this report.

2.41 Lambeth adopted its CIL 6 months prior to Lewisham's adoption date. Lewisham outperformed Lambeth's CIL income over the first six months on an annualised basis and also outperformed Lambeth against its first full year of CIL being in force. Projections made for the five year housing land supply in Lewisham shows a continued strong delivery of housing, with the expectation that similar or greater CIL amounts will be collected over this period.

Local Policy context

2.42 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. Appendix 1 summarises the Council's analysis of the potential impacts of the current Local Plan policies which must be reflected in viability testing undertaken to test the impact of alternative CIL rates.

2.43 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.

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

- Core Strategy Policy 1 requires 50% affordable housing from all sources with a tenure mix of 70% London Affordable Rent and 30% intermediate (London Living Rent or shared ownership). 42% of affordable housing units are to be provided as 3 bed units.
- Policy 4 requires that in mixed use locations, 20% of floorspace is provided as B use class floorspace.
- Policy 7 reflects the requirements of London Housing SPG standard 35 which requires zero carbon homes.
- Policy 8 sets out a requirement for new homes to meet Code for Sustainable Homes, but this standard has now been removed. For commercial floorspace, Policy 8 requires that commercial floorspace meets BREEAM excellent standard.
- Policy 12 will require that some sites provide open space and children's playspace which would be secured through planning obligations.
- Policy 21 identifies the basis for seeking planning obligations. These requirements will be subject to pooling restrictions in most cases.
- DM policy 8 requires that student housing provides an affordable housing component in line with the Mayor of London's requirement on affordability for students (this equates to a rent of circa £155 per week).

Development context

2.45 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.

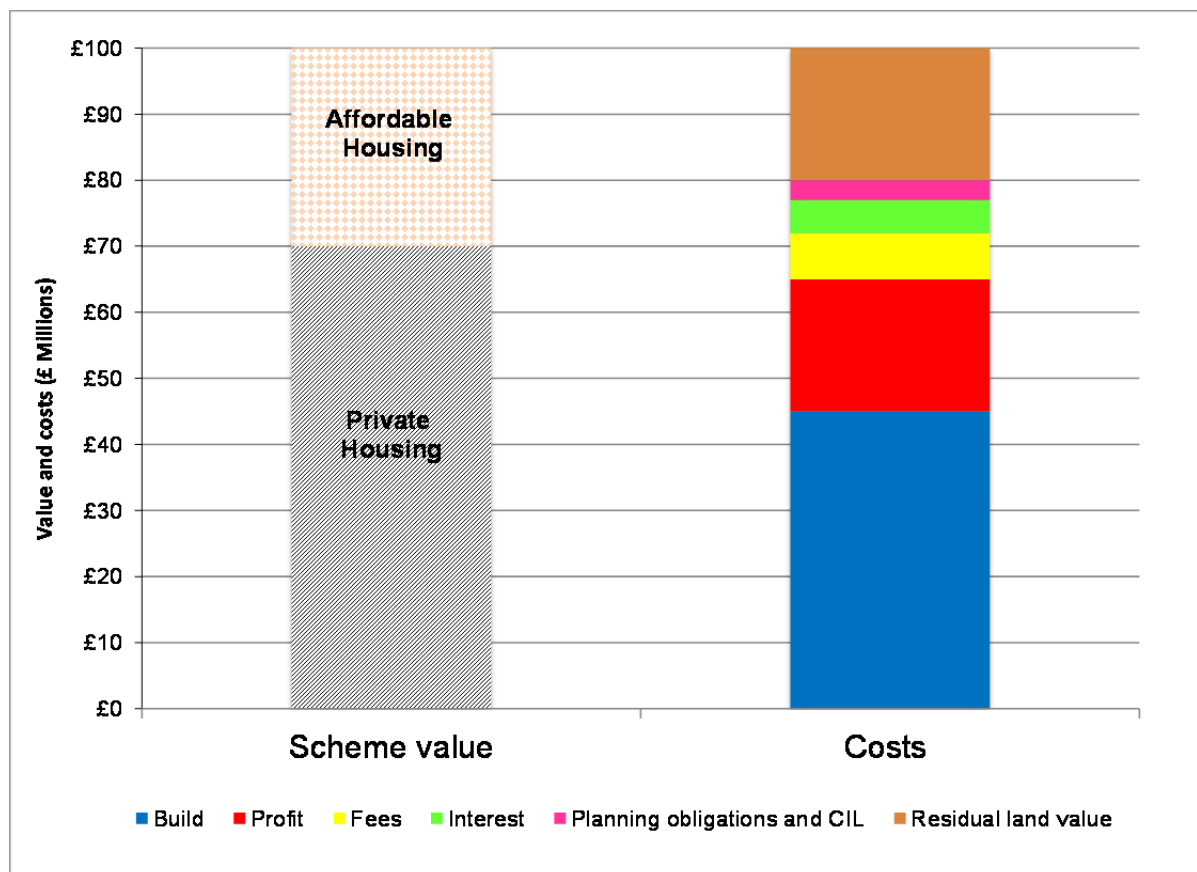
- 2.46 Transport for London ('TfL') recently consulted on a potential extension to the Bakerloo Line, which currently starts at Harrow and Wealdstone Station and terminates at Elephant and Castle. TfL's current preferred option is for the line to be extended to Lewisham with stations at Old Kent Road, New Cross Gate and Lewisham. If the decision is made to proceed with the extension, construction could commence in 2023 with services running by around 2028/29. There are clearly precedents for extensions in growth areas, such as the Northern Line Extension ('NLE') to Battersea Power Station, which is facilitating high density development in the Nine Elms Vauxhall Opportunity Area ('NEVOA'). Developers in the NEVOA are making substantial contributions to the NLE and TfL has 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 has recently adopted amendments to its CIL Charging Schedule to secure increased contributions from developments in this area towards the cost of the BLE.
- 2.47 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).
- 2.48 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.
- 2.49 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.

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 reflects the Council's existing planning policy requirements.

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.



- 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, many sites will be

previously developed. These sites can sometimes encounter 'exceptional' costs such as decontamination. Such costs can be very difficult to anticipate before detailed site surveys are undertaken;

- 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 the obligations are deferred, the less 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. While profit levels were typically up to around 15% of completed development value at the peak of the market in 2007, banks currently require schemes to show a higher profit to reflect the current risk. Typically developers and banks are targeting around 17-20% 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'¹⁵ 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 current 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 takes place 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 those 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 The NPPF is not prescriptive on the type of methodology local planning authorities should use when assessing viability. The National Planning Practice Guidance indicates that the NPPF requirement for a 'competitive return' to the landowner will need to allow for an incentive for the land owner to sell and options may include "*the current use value of the land or its value for a realistic alternative use that complies with planning policy*" (paragraph 024; reference ID 10-024-20140306). In March 2018, the government published a draft revised NPPF, which indicates at paragraph 34 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*". The draft 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's Affordable Housing and Viability SPG 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*".

¹⁵ 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'.

- 3.9 The Local Housing Delivery Group published guidance¹⁶ in June 2012 which provides guidance on testing viability of Local Plan policies. The guidance notes that “*consideration of an appropriate 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 In light of the weaknesses in the market value approach, the Local Housing Delivery Group guidance recommends that benchmark land value “*is based on a premium over current use values*” with the “*precise figure that should be used as an appropriate premium above current use value [being] determined locally*”. The guidance considers that this approach “*is in line with reference in the NPPF to take account of a “competitive return” to a willing land owner*”.
- 3.11 The examination on the Mayor of London’s first CIL charging schedule considered the issue of an appropriate land value benchmark. The Mayor had adopted existing use value, while certain objectors suggested that ‘Market Value’ was a more appropriate benchmark. The Examiner concluded that:
- “The market value approach.... while offering certainty on the price paid for a development site, suffers from being based on prices agreed in an historic policy context.” (paragraph 8) and that “I don’t believe that the EUV approach can be accurately described as fundamentally flawed or that this examination should be adjourned to allow work based on the market approach to be done” (paragraph 9).*
- 3.12 In his concluding remark, the Examiner points out that
- “the price paid for development land may be reduced [so that CIL may be accommodated]. As with profit levels there may be cries that this is unrealistic, but **a reduction in development land value is an inherent part of the CIL concept**. It may be argued that such a reduction may be all very well in the medium to long term but it is impossible in the short term because of the price already paid/agreed for development land. The difficulty with that argument is that if accepted the prospect of raising funds for infrastructure would be forever receding into the future. In any event in some instances it may be possible for contracts and options to be re-negotiated in the light of the changed circumstances arising from the imposition of CIL charges.* (paragraph 32 – emphasis added).
- 3.13 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 current 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.
- 3.14 Respondents to consultations on planning policy documents in other authorities in London have made various references to the RICS Guidance on ‘Viability in Planning’ and have suggested that councils should run their analysis on market values. This would be an extremely misleading measure against which to test viability, as market values should reflect *existing policies already in place*, and would consequently tell us nothing as to how future (as yet un-adopted) policies might impact on viability. It has been widely accepted elsewhere that market values are inappropriate for testing planning policy requirements.
- 3.15 Relying upon historic transactions is a fundamentally flawed approach, as offers for these sites will have been framed in the context of current planning policy requirements, so an exercise using these transactions as a benchmark would tell the Council nothing about the potential for sites to absorb as yet unadopted policies. Various Local Plan inspectors and CIL examiners have accepted the key point that Local Plan policies and CIL will ultimately result in a reduction in land values, so

¹⁶ Viability Testing Local Plans: Advice for planning practitioners, Local Housing Delivery Group, Chaired by Sir John Harman, June 2012

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. This fundamental point is recognised by the RICS at paragraph 3.4.4. of their Guidance Note on 'Financial Viability in Planning':

"For a development to be financially viable, any uplift from current use value to residual land value that arises when planning permission is granted should be able to meet the cost of planning obligations while ensuring an appropriate Site Value for the landowner and a market risk adjusted return to the developer in delivering that project (the NPPF refers to this as 'competitive returns' respectively). The return to the landowner will be in the form of a land value in excess of current use value".

- 3.16 The Guidance goes on to state that *"it would be inappropriate to assume an uplift based on set percentages ... given the diversity of individual development sites"*.
- 3.17 Commentators also make reference to 'market testing' of benchmark land values. This is another variant of the benchmarking advocated by respondents outlined at paragraph 3.13. These respondents advocate using 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 the respondents who advocate this 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' 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.
- 3.18 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%.
- 3.19 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.

4 Appraisal assumptions

- 4.1 We have appraised 22 development typologies on sites across the borough to represent the types of sites that the Council expects to come forward over the plan period. In addition, we have appraised 7 specific sites that are important for the delivery of the Council’s targets. 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 mix identified in Policy 1.

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 £7,000 per square metre (£650 per square foot) to £8,290 per square metre (£770 per square foot), as shown in Figure 2.14.1. As noted in Section 2, the highest sales values are achieved in the area adjacent to the Thames, Deptford and Creekside. 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 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 4.3.1. 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. We have also increased the benchmark land values in the growth scenarios by 20%, reflecting some improvement in the value of secondary assets.

Table 4.3.1: Growth scenario

Year	1 2017	2 2018	3 2019	4 2020	5 2021	6 2022 and each year thereafter
Values	1%	3%	4%	4%	4.5%	4%
Costs	2.0%	2.0%	2.5%	2.5%	2.5%	2.5%

Affordable housing tenure and values

- 4.4 Policy 1 sets out 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).
- 4.5 Our appraisals assume that the rented housing is let at rents that do not exceed London Affordable Rents, as shown in Table 4.5.1. These rents are broadly equivalent to social/target rents.
- 4.6 We have tested the impact of the provision of a proportion of private units as rented by discounting the market value for these units by 20%, 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 15%.

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

Site	Description	Site area HA	Sqm	Site cover	Units	Ave GIA sqm per unit	Residential floorspace	A use	B1	B2	B8	C1 Hotel	C2	D1	D2	Gross floorspace	No of floors
1	Very small residential	0.03	300	50%	1	108	108	0	0	0	0	0	0	0	0	108	2
2	Small residential developments (backland, infill etc)	0.05	500	60%	5	77	383	0	0	0	0	0	0	0	0	383	3
3	Small residential developments (backland, infill etc)	0.10	1,000	60%	11	79	873	0	0	0	0	0	0	0	0	873	6
4	Small residential developments	0.15	1,500	60%	25	79	1,978	0	0	0	0	0	0	0	0	1,978	6
5	Residential development	0.25	2,500	70%	50	83	4,170	0	0	0	0	0	0	0	0	4,170	6
6	Small scale mixed use, local centres	0.02	200	80%	5	77	383	50	0	0	0	0	0	0	0	433	3
7	Small scale mixed use, local centres	0.02	200	80%	5	77	383	0	50	0	0	0	0	0	0	433	3
8	Small mixed use	0.15	1,500	80%	25	79	1,978	200	0	0	0	0	0	0	0	2,178	6
9	Small mixed use	0.20	2,000	80%	30	82	2,468	0	300	0	0	0	0	0	0	2,768	6
10	Mixed use	0.30	3,000	80%	70	84	5,873	100	700	0	0	0	0	0	0	6,673	10
11	Mixed use	0.70	7,000	80%	150	80	11,930	100	700	0	0	0	0	200	0	12,930	14
12	Large mixed use (employment led)	0.80	8,000	80%	300	80	23,865	300	4,500	0	0	0	0	200	0	28,865	16
13	Town Centre	0.30	3,000	90%	200	80	15,910	200	500	0	0	0	0	0	100	16,710	20
14	Town Centre	1.00	10,000	90%	500	80	39,775	1,000	2,500	0	0	0	0	250	250	43,775	30
15	Town Centre	1.00	10,000	90%	250	79	19,865	500	500	0	0	0	0	500	0	21,365	10

Site	Description	Site area HA	Sqm	Site cover	Units	Ave GIA sqm per unit	Residential floorspace	A use	B1	B2	B8	C1 Hotel	C2	D1	D2	Gross floorspace	No of floors
16	Estate regeneration (small)	0.20	2,000	80%	10	79	785	0	0	0	0	0	0	0	0	785	3
17	Estate regeneration (large)	4.00	40,000	80%	200	80	15,910	100	0	0	0	0	0	250	0	16,260	13
18	Student housing	0.30	3,000	90%	-	25	-	150	400	0	0	0	3,000	0	0	3,550	5
19	Hotels	0.20	2,000	90%	67	30	2,000	250	0	0	0	2,000	0	0	0	4,250	6
20	Commercial	0.60	6,000	90%	0	0	-	0	500	0	0	0	0	0	0	500	3
21	Storage	0.20	2,000	80%	0	0	-	0	1,000	0	1,500	0	0	0	0	2,500	2
22	Residential care home (7 units)	0.03	300	80%	7	0	-	0	0	0	0	0	250	0	0	250	3
23	Strategic Site 1	0.77	7,700	80%	230	80	18,315	200	1,600	0	0	0	0	200	0	20,315	16
24	Strategic Site 2	0.85	8,500	80%	250	79	19,865	300	3,000	0	400	0	0	300	0	23,865	16
25	Strategic Site 3	1.68	16,800	80%	370	80	29,415	6,700	0	0	0	0	0	300	1,650	38,065	11
26	Strategic Site 4	0.28	2,800	80%	242	80	19,250	500	200	0	0	0	0	200	0	20,150	30
27	Strategic Site 5	1.14	11,400	80%	540	80	42,965	3,000	500	0	0	0	0	250	250	46,965	30
28	Strategic Site 6	0.30	3,000	70%	180	80	14,315	250	0	0	0	0	0	0	0	14,565	30
29	Strategic Site 7	0.60	6,000	70%	180	80	14,315	0	250	0	0	0	0	0	0	14,565	15

Table 4.5.1: Affordable housing rents (per week)

Rent type	1 bed	2 bed	3 bed	4 bed
London Affordable Rent	£144.26	£152.73	£161.22	£169.70

- 4.8 In the July 2015 Budget, the Chancellor announced that Registered Providers ('RPs') will be required to reduce rents by 1% per annum for the next four years. This will reduce the capital values that RPs will pay developers for completed affordable housing units. From 2019/20 onwards, RPs will be permitted to increase rents by CPI plus 1% per annum. Given that rents will be increasing by CPI plus 1% by the time the new Charging Schedule will be in place, we have applied this assumption to our appraisals.
- 4.9 Based on the rents above, our modelling indicates that RPs would pay an average of £1,749 per square metre (£162 per square foot) to acquire completed Affordable Rented units.
- 4.10 The CLG/HCA 'Shared Ownership and Affordable Homes Programme 2016-2021: Prospectus' 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.
- 4.11 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

- 4.12 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 12 month rent-free period for both retail and office floorspace.

Table 4.12.1: Commercial rents (£s per square metre) and yields

Commercial floorspace	Rent per square metre	Investment yield	Rent free period (months)
Retail	North: £325	5.00%	12
	Mid-borough-: £325	5.00%	12
	South: £325	5.00%	12
Office	North: £375	6.00%	12
	Mid-borough-: £375	6.00%	12
	South: £375	6.00%	12
Industrial and warehousing	North: £160	6.00%	12
	Mid-borough-: £160	6.00%	12
	South: £160	6.00%	12
Hotel	North: £425	5.00%	12
	Mid-borough-: £425	5.00%	12
	South: £425	5.00%	12

Build costs

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

- Flats (3 – 5 storeys): £1,782 per square metre;
- Flats (6+ storeys): £2,263 per square metre;
- Retail: £1,553 per square metre;
- Offices: £2,081 per square metre;
- B2 Industrial: £1,204 per square metre;
- Warehouse/storage: £1,140 per square metre;
- Student housing: £2,344 per square metre;
- Hotel: £2,344 per square metre
- D1/D2 Education, health, leisure etc: £2,617 per square metre.

4.14 In addition, the base costs above are increased by 15% to account for external works (including car parking spaces) and 6% for the costs of meeting the energy requirements now embedded into Part L of the Building Regulations.

Zero carbon and BREEAM

- 4.15 The 'Greater London Authority Housing Standards Review: Viability Assessment' estimates that the cost of achieving zero carbon standards is 1.4% of base build costs. We have applied this uplift in costs to the base build costs outlined above.
- 4.16 For commercial developments, we have increased base build costs by 2% to allow for the extra-over costs of achieving BREEAM 'excellent' standard¹⁷. This is assumed to also address the 'excellent;' standard in relation to water efficiency, for which no clear data is available.

Accessibility standards

- 4.17 Our appraisals assume that all units are constructed to meet wheelchair accessibility standards (Category 2) apply to all dwellings at an average cost of £521 per house and £924 per unit for flats. In addition, we have assumed that Category 3 standard applies to 10% of dwellings at a cost of £22,694 per house and £7,908 per flat¹⁸. These costs address both parts A and B of the requirements (i.e. that the communal areas are designed and fitted out to allow wheelchair access and also that the dwellings themselves are designed and fitted out to facilitate occupation by wheelchair users).

Professional fees

- 4.18 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

- 4.19 Our appraisals assume that development finance can be secured at a rate of 6%, inclusive of arrangement and exit fees, reflective of current funding conditions.

Marketing costs

- 4.20 Our appraisals incorporate an allowance of 3% for marketing costs, which includes show homes and agents' fees, plus 0.5% for sales legal fees.

¹⁷ Based on 'Delivering Sustainable Buildings: savings and payback', BREEAM and Sweett Group Research 2014, which identified an increase of between 0.87% to 1.71% of build costs

¹⁸ Based on DCLH 'Housing Standards Review: Cost Impacts' September 2014

Mayoral CIL

- 4.21 Mayoral CIL is payable on most developments that receive planning consent from 1 April 2012 onwards. Lewisham falls within Zone 3, where a CIL of £35 per square metre is levied. The Mayoral CIL takes precedence over Borough requirements, including affordable housing. Our appraisals take into account Mayoral CIL.
- 4.22 The Mayor has recently issued a consultation on amendments to the CIL which will (if adopted) increase the rate in Lewisham to £60 per square metre. We have applied this increased rate in our appraisals¹⁹.

Lewisham CIL

- 4.23 As previously noted, 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 and the rates after indexation²⁰. For residential developments, the borough is divided into two zones; for 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. B use classes attract a nil rate, while all other uses 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	Indexed rate
Residential C3 use class	Zone 1 ²¹	£100	£112
	Zone 2 ²²	£70	£79
B use classes	Whole borough	£0	£0
All other uses	Whole Borough	£80	£90

- 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 £20 per square metre for non-residential development and up to £1,500 per unit for residential development (the precise amount varies between the typologies, as shown at Appendix 1). The actual amounts will of course be subject to site-specific negotiations when schemes are brought forward through the development management process.

Development and sales periods

- 4.26 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

¹⁹ The current Mayoral CIL Charging Schedule rate of £20 after indexation has is currently £25.83 per square metre.

²⁰ As per the CIL regulations, indexation applies to rates from the point of introduction to the current date by reference to the BCIS All-In Tender Price Index. April 2015: 283; February 2018: 318. Change is 12.37%. The indexed rates are used in the appraisals.

²¹ Postcode sectors SE3, SE8, SE10 and SE16

²² Postcode sectors BR1, BR3, SE4, SE9, SE12, SE13, SE14, SE15, SE23 and SE26

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

- 4.27 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. In 2007, profit levels were at around 13-15% of GDV. However, following the impact of the credit crunch and the collapse in interbank lending and the various government bailouts of the banking sector, profit margins have increased. 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).
- 4.28 The views of the banks which fund development are more important; if the 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.
- 4.29 The near collapse of the global banking system in the final quarter of 2008 is resulting in a much tighter regulatory system, with UK banks having to take a much more cautious approach to all lending. In this context, and against the backdrop of the current sovereign debt crisis in the Eurozone, the banks were for a time reluctant to allow profit levels to decrease. However, perceived risk in the UK housing market is receding, albeit there is a degree of caution in prime central London markets as a consequence of the outcome of the referendum on the UK's membership of the EU. We have therefore adopted a profit margin of 18% of private GDV for testing purposes, although individual schemes may require lower or higher profits, depending on site specific circumstances. The assumed profit margin is reflective of the range of sales values in the borough, which are affordable to owner-occupiers and therefore less vulnerable to changing levels of demand from international investors. Furthermore, there has been less development in the borough in comparison to other boroughs and subsequently lower levels of supply and less sales risk.
- 4.30 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. A reduced profit level on the affordable housing reflects the GLA 'Development Control Toolkit' guidance (February 2014) and Homes and Communities Agency's guidelines in its Development Appraisal Tool (August 2013).

Exceptional costs

- 4.31 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

- 4.32 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.

- 4.33 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 current use does not yield an optimum use of the site; for example, it has fewer storeys than neighbouring buildings; 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 current use value in these circumstances.
- 4.34 Redevelopment proposals that generate residual land values below current 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 current use value justifies a higher benchmark than those assumed, then appropriate adjustments may be necessary. As such, current use values should be regarded as benchmarks rather than definitive fixed variables on a site by site basis.
- 4.35 Sites will be in various existing uses and for the purposes of the study, we have adopted a range of benchmark land values from £2.5 million to £10 million per gross hectare, inclusive of any premium deemed to be required to incentivise release of land for development. This range is informed by our analysis of lettings of industrial floorspace and secondary offices in the borough, as set out below.
- 4.36 Lettings of office space in the borough between March 2015 and March 2018 have achieved rents ranging from £8 per square foot to £41 per square foot, with lettings in the bottom 20% averaging £10 per square foot, which is reflective of the sites likely to come forward for development. We have established the capital value of a site extending to one hectare by adopting the following assumptions:
- 40% site coverage
 - 2 storeys
 - Yield 7.5%
 - 1 years rent free
 - Purchaser's costs deducted at 6.8%.
- 4.37 The capital value assumed is £10 million, including premium.
- 4.38 We have adopted the same approach for industrial buildings. We have applied a rent of £5 per square foot reflecting the lower end of the range of lettings of industrial space between March 2015 and March 2018. We have established the capital value of a site extending to one hectare by adopting the following assumptions:
- 40% site coverage
 - 1 storey
 - Yield 7%
 - 1 year rent free
 - Purchaser's costs deducted at 6.8%.
- 4.39 The capital value assumed is £2.5 million across the borough.
- 4.40 We have tested two intermediate benchmark land values in the range above, at £5 million and £7.5 million per gross hectare.

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 22 development typologies, reflecting different densities and types of development across the Borough and 7 specific sites identified by the Council.
- 5.2 Each appraisal incorporates (where relevant) the following levels of affordable housing in line with Policy 11:
- 50% affordable housing;
 - 40% affordable housing;
 - 35% affordable housing;
 - 20% affordable housing;
 - 10% affordable housing; and
 - 100% private housing.
- 5.3 In all cases, the affordable housing is assumed to be provided as 70% social 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 current 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. 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.
- 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.

Table 5.6.1: Alternative CIL rates

Development type	Zone	Adopted rate	Indexed rate	Alternative rate 1	Alternative rate 2	Alternative rate 3
Residential	Zone A	£70	£79	£100	£125	£150
	Zone B	£100	£112	£150	£175	£200
Offices	Whole borough	-	-	£20	£30	£40
Retail	Whole borough	£80	£90	£120	£140	£160
Hotel	Whole borough	£80	£90	£120	£140	£160
Student Housing	Whole Borough	£80	£90	£120	£140	£160
Industrial and warehousing	Whole Borough	-	-	£10	£20	£30
All other uses, incl emergency services buildings	Whole Borough	-	-	-	-	-

- 5.7 Finally, all the scenarios are tested with the growth and inflation rates summarised in Table 4.3.1.

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.
- 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 sometimes 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 Policy 1 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 Council's latest Annual Monitoring Report for the financial year 2016/17 (published December 2017) indicates that there were 327 net new affordable housing completions, which amounts to 20% of all net dwellings that were completed. The Council's affordable housing delivery is subject to a separate report by the Council looking at planning obligations, CIL and Affordable Housing delivery.
- 6.6 We have therefore focused on the results of testing where we have included between 20% and 30% 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.
- 6.7 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 6.7.8. As one would expect, the capacity for schemes to absorb CIL is greater 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.
- 6.9 The results of this analysis indicate that increases from the adopted CIL rates would not have a significant impact on the residual land values generated. This is illustrated in figures 6.9.1 to 6.9.5, which set the various residual land values from the four CIL scenarios 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%. This indicates that developments could absorb the higher rates without any adverse significant impact upon land supply.

Table 6.7.1: Maximum CIL rates (before buffer), using £2.5 million per hectare benchmark land value – Zone A

£7,750 per sqm / £720 per sqft		Affordable housing percentage and maximum CIL rates per sqm								
	Resi units	0%	10%	20%	30%	35%	40%	50%		
1	Very small residential	1	£ 2,176	£ 1,874	£ 1,572	£ 1,270	£ 1,119	£ 969	£ 667	
2	Small residential developments (backland, infill etc)	5	£ 1,643	£ 1,393	£ 1,144	£ 895	£ 770	£ 646	£ 397	
3	Small residential developments (backland, infill etc)	11	£ 1,618	£ 1,374	£ 1,130	£ 886	£ 764	£ 642	£ 398	
4	Small residential developments	25	£ 1,491	£ 1,257	£ 1,023	£ 789	£ 672	£ 555	£ 320	
5	Residential development	50	£ 1,504	£ 1,273	£ 1,042	£ 811	£ 695	£ 580	£ 349	
6	Small scale mixed use, local centres	5	£ 1,803	£ 1,582	£ 1,362	£ 1,142	£ 1,031	£ 921	£ 701	
7	Small scale mixed use, local centres	5	£ 1,725	£ 1,505	£ 1,285	£ 1,064	£ 954	£ 844	£ 623	
8	Small mixed use	25	£ 1,454	£ 1,242	£ 1,029	£ 816	£ 710	£ 604	£ 391	
9	Small mixed use	30	£ 1,364	£ 1,155	£ 946	£ 738	£ 633	£ 529	£ 320	
10	Mixed use	70	£ 815	£ 627	£ 439	£ 250	£ 156	£ 62	£ -	
11	Mixed use	150	£ 739	£ 545	£ 350	£ 155	£ 58	£ -	£ -	
12	Large mixed use (employment led)	300	£ 607	£ 454	£ 301	£ 148	£ 71	£ -	£ -	
13	Tow n Centre	200	£ 688	£ 506	£ 322	£ 138	£ 47	£ -	£ -	
14	Tow n Centre	500	£ 307	£ 162	£ 17	£ -	£ -	£ -	£ -	
15	Tow n Centre	250	£ 626	£ 444	£ 260	£ 77	£ -	£ -	£ -	
16	Estate regeneration (small)	10	£ 1,138	£ 889	£ 640	£ 390	£ 266	£ 141	£ -	
17	Estate regeneration (large)	200	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
18	Student housing	120	£ 551	£ 551	£ 551	£ 551	£ 551	£ 551	£ 551	
19	Hotels	67	£ 1,201	£ 1,092	£ 983	£ 874	£ 819	£ 764	£ 655	
20	Office	-	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
21	Storage	-	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
22	Residential care home (7 units)	7	£ 613	£ 612	£ 611	£ 610	£ 609	£ 609	£ 608	
23	Strategic Site 1	230	£ 773	£ 587	£ 401	£ 213	£ 119	£ 25	£ -	
24	Strategic Site 2	250	£ 678	£ 514	£ 348	£ 182	£ 99	£ 16	£ -	
25	Strategic Site 3	370	£ 652	£ 501	£ 351	£ 200	£ 124	£ 48	£ -	
26	Strategic Site 4	242	£ 596	£ 418	£ 241	£ 63	£ -	£ -	£ -	
27	Strategic Site 5	540	£ 401	£ 253	£ 103	£ -	£ -	£ -	£ -	
28	Strategic Site 6	180	£ 655	£ 464	£ 273	£ 82	£ -	£ -	£ -	
29	Strategic Site 7	181	£ 905	£ 687	£ 468	£ 249	£ 139	£ 29	£ -	

Table 6.7.2: Maximum CIL rates (before buffer), using £2.5 million per hectare benchmark land value – Zone B

		Resi units	Affordable housing percentage and maximum CIL rates per sqm							
			0%	10%	20%	30%	35%	40%	50%	
1	Very small residential	1	£ 1,670	£ 1,419	£ 1,168	£ 916	£ 791	£ 665	£ 414	
2	Small residential developments (backland, infill etc)	5	£ 1,219	£ 1,012	£ 805	£ 598	£ 495	£ 392	£ 185	
3	Small residential developments (backland, infill etc)	11	£ 1,201	£ 998	£ 796	£ 594	£ 493	£ 391	£ 189	
4	Small residential developments	25	£ 1,086	£ 893	£ 699	£ 505	£ 408	£ 312	£ 118	
5	Residential development	50	£ 1,102	£ 911	£ 720	£ 529	£ 434	£ 339	£ 148	
6	Small scale mixed use, local centres	5	£ 1,428	£ 1,245	£ 1,062	£ 879	£ 788	£ 696	£ 513	
7	Small scale mixed use, local centres	5	£ 1,351	£ 1,168	£ 985	£ 802	£ 710	£ 619	£ 436	
8	Small mixed use	25	£ 1,087	£ 911	£ 735	£ 559	£ 471	£ 383	£ 207	
9	Small mixed use	30	£ 1,003	£ 830	£ 657	£ 485	£ 398	£ 312	£ 139	
10	Mixed use	70	£ 485	£ 329	£ 174	£ 19	£ -	£ -	£ -	
11	Mixed use	150	£ 396	£ 235	£ 75	£ -	£ -	£ -	£ -	
12	Large mixed use (employment led)	300	£ 324	£ 198	£ 73	£ -	£ -	£ -	£ -	
13	Tow n Centre	200	£ 358	£ 208	£ 57	£ -	£ -	£ -	£ -	
14	Tow n Centre	500	£ 26	£ -	£ -	£ -	£ -	£ -	£ -	
15	Tow n Centre	250	£ 293	£ 143	£ -	£ -	£ -	£ -	£ -	
16	Estate regeneration (small)	10	£ 714	£ 507	£ 301	£ 94	£ -	£ -	£ -	
17	Estate regeneration (large)	200	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
18	Student housing	120	£ 551	£ 551	£ 551	£ 551	£ 551	£ 551	£ 551	
19	Hotels	67	£ 1,013	£ 923	£ 832	£ 742	£ 697	£ 652	£ 561	
20	Office	-	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
21	Storage	-	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
22	Residential care home (7 units)	7	£ 613	£ 612	£ 611	£ 610	£ 609	£ 609	£ 608	
23	Strategic Site 1	230	£ 443	£ 288	£ 134	£ -	£ -	£ -	£ -	
24	Strategic Site 2	250	£ 382	£ 246	£ 109	£ -	£ -	£ -	£ -	
25	Strategic Site 3	370	£ 380	£ 257	£ 132	£ 8	£ -	£ -	£ -	
26	Strategic Site 4	242	£ 275	£ 129	£ -	£ -	£ -	£ -	£ -	
27	Strategic Site 5	540	£ 119	£ -	£ -	£ -	£ -	£ -	£ -	
28	Strategic Site 6	180	£ 314	£ 157	£ 0	£ -	£ -	£ -	£ -	
29	Strategic Site 7	181								

Table 6.7.3: Maximum CIL rates (before buffer), using £5 million per hectare benchmark land value – Zone A

		Resi units	Affordable housing percentage and maximum CIL rates per sqm							
			0%	10%	20%	30%	35%	40%	50%	
1	Very small residential	1	£ 1,478	£ 1,177	£ 875	£ 573	£ 422	£ 271	£ -	
2	Small residential developments (backland, infill etc)	5	£ 1,316	£ 1,067	£ 817	£ 568	£ 444	£ 319	£ 70	
3	Small residential developments (backland, infill etc)	11	£ 1,332	£ 1,088	£ 843	£ 599	£ 477	£ 355	£ 111	
4	Small residential developments	25	£ 1,302	£ 1,068	£ 833	£ 599	£ 482	£ 365	£ 131	
5	Residential development	50	£ 1,354	£ 1,123	£ 892	£ 661	£ 545	£ 430	£ 199	
6	Small scale mixed use, local centres	5	£ 1,687	£ 1,467	£ 1,246	£ 1,026	£ 916	£ 805	£ 585	
7	Small scale mixed use, local centres	5	£ 1,610	£ 1,389	£ 1,169	£ 949	£ 838	£ 728	£ 508	
8	Small mixed use	25	£ 1,282	£ 1,070	£ 857	£ 644	£ 538	£ 432	£ 219	
9	Small mixed use	30	£ 1,183	£ 975	£ 766	£ 557	£ 453	£ 348	£ 139	
10	Mixed use	70	£ 703	£ 514	£ 326	£ 138	£ 44	£ -	£ -	
11	Mixed use	150	£ 604	£ 409	£ 215	£ 20	£ -	£ -	£ -	
12	Large mixed use (employment led)	300	£ 537	£ 385	£ 232	£ 78	£ 1	£ -	£ -	
13	Tow n Centre	200	£ 644	£ 461	£ 277	£ 94	£ 2	£ -	£ -	
14	Tow n Centre	500	£ 250	£ 105	£ -	£ -	£ -	£ -	£ -	
15	Tow n Centre	250	£ 509	£ 327	£ 143	£ -	£ -	£ -	£ -	
16	Estate regeneration (small)	10	£ 501	£ 252	£ 3	£ -	£ -	£ -	£ -	
17	Estate regeneration (large)	200	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
18	Student housing	120	£ 339	£ 339	£ 339	£ 339	£ 339	£ 339	£ 339	
19	Hotels	67	£ 1,084	£ 975	£ 866	£ 756	£ 702	£ 647	£ 538	
20	Office	-	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
21	Storage	-	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
22	Residential care home (7 units)	7	£ 313	£ 312	£ 311	£ 310	£ 309	£ 309	£ 308	
23	Strategic Site 1	230	£ 679	£ 493	£ 306	£ 118	£ 24	£ -	£ -	
24	Strategic Site 2	250	£ 589	£ 424	£ 259	£ 93	£ 10	£ -	£ -	
25	Strategic Site 3	370	£ 542	£ 391	£ 240	£ 90	£ 14	£ -	£ -	
26	Strategic Site 4	242	£ 562	£ 384	£ 206	£ 28	£ -	£ -	£ -	
27	Strategic Site 5	540	£ 340	£ 192	£ 43	£ -	£ -	£ -	£ -	
28	Strategic Site 6	180	£ 603	£ 412	£ 221	£ 30	£ -	£ -	£ -	
29	Strategic Site 7	181	£ 802	£ 584	£ 366	£ 146	£ 36	£ -	£ -	

Table 6.7.4: Maximum CIL rates (before buffer), using £5 million per hectare benchmark land value – Zone B

		Resi units	Affordable housing percentage and maximum CIL rates per sqm							
			0%	10%	20%	30%	35%	40%	50%	
1	Very small residential	1	£ 973	£ 721	£ 470	£ 219	£ 93	£ -	£ -	
2	Small residential developments (backland, infill etc)	5	£ 892	£ 685	£ 479	£ 272	£ 168	£ 65	£ -	
3	Small residential developments (backland, infill etc)	11	£ 914	£ 712	£ 510	£ 307	£ 206	£ 105	£ -	
4	Small residential developments	25	£ 897	£ 703	£ 509	£ 316	£ 219	£ 122	£ -	
5	Residential development	50	£ 952	£ 761	£ 570	£ 380	£ 284	£ 189	£ -	
6	Small scale mixed use, local centres	5	£ 1,312	£ 1,130	£ 947	£ 764	£ 672	£ 581	£ 398	
7	Small scale mixed use, local centres	5	£ 1,235	£ 1,052	£ 869	£ 686	£ 595	£ 503	£ 320	
8	Small mixed use	25	£ 914	£ 738	£ 563	£ 387	£ 299	£ 211	£ 35	
9	Small mixed use	30	£ 822	£ 649	£ 477	£ 304	£ 218	£ 131	£ -	
10	Mixed use	70	£ 372	£ 217	£ 62	£ -	£ -	£ -	£ -	
11	Mixed use	150	£ 260	£ 100	£ -	£ -	£ -	£ -	£ -	
12	Large mixed use (employment led)	300	£ 254	£ 129	£ 4	£ -	£ -	£ -	£ -	
13	Tow n Centre	200	£ 314	£ 163	£ 12	£ -	£ -	£ -	£ -	
14	Tow n Centre	500	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
15	Tow n Centre	250	£ 176	£ 26	£ -	£ -	£ -	£ -	£ -	
16	Estate regeneration (small)	10	£ 77	£ -	£ -	£ -	£ -	£ -	£ -	
17	Estate regeneration (large)	200	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
18	Student housing	120	£ 339	£ 339	£ 339	£ 339	£ 339	£ 339	£ 339	
19	Hotels	67	£ 896	£ 805	£ 715	£ 624	£ 579	£ 534	£ 444	
20	Office	-	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
21	Storage	-	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
22	Residential care home (7 units)	7	£ 313	£ 312	£ 311	£ 310	£ 309	£ 309	£ 308	
23	Strategic Site 1	230	£ 348	£ 194	£ 39	£ -	£ -	£ -	£ -	
24	Strategic Site 2	250	£ 293	£ 157	£ 20	£ -	£ -	£ -	£ -	
25	Strategic Site 3	370	£ 270	£ 146	£ 22	£ -	£ -	£ -	£ -	
26	Strategic Site 4	242	£ 240	£ 95	£ -	£ -	£ -	£ -	£ -	
27	Strategic Site 5	540	£ 59	£ -	£ -	£ -	£ -	£ -	£ -	
28	Strategic Site 6	180	£ 263	£ 106	£ -	£ -	£ -	£ -	£ -	
29	Strategic Site 7	181	£ 431	£ 249	£ 67	£ -	£ -	£ -	£ -	

Table 6.7.5: Maximum CIL rates (before buffer), using £7.5 million per hectare benchmark land value – Zone A

		Resi units	Affordable housing percentage and maximum CIL rates per sqm							
			0%	10%	20%	30%	35%	40%	50%	
1	Very small residential	1	£ 781	£ 479	£ 177	£ -	£ -	£ -	£ -	
2	Small residential developments (backland, infill etc)	5	£ 989	£ 740	£ 491	£ 241	£ 117	£ -	£ -	
3	Small residential developments (backland, infill etc)	11	£ 1,045	£ 801	£ 557	£ 313	£ 191	£ 69	£ -	
4	Small residential developments	25	£ 1,112	£ 878	£ 644	£ 410	£ 292	£ 175	£ -	
5	Residential development	50	£ 1,204	£ 973	£ 742	£ 511	£ 396	£ 280	£ 49	
6	Small scale mixed use, local centres	5	£ 1,572	£ 1,351	£ 1,131	£ 910	£ 800	£ 690	£ 469	
7	Small scale mixed use, local centres	5	£ 1,494	£ 1,274	£ 1,053	£ 833	£ 723	£ 612	£ 392	
8	Small mixed use	25	£ 1,110	£ 897	£ 685	£ 472	£ 366	£ 259	£ 47	
9	Small mixed use	30	£ 1,003	£ 794	£ 585	£ 376	£ 272	£ 168	£ -	
10	Mixed use	70	£ 590	£ 402	£ 214	£ 26	£ -	£ -	£ -	
11	Mixed use	150	£ 469	£ 274	£ 79	£ -	£ -	£ -	£ -	
12	Large mixed use (employment led)	300	£ 468	£ 316	£ 163	£ 9	£ -	£ -	£ -	
13	Tow n Centre	200	£ 599	£ 416	£ 232	£ 49	£ -	£ -	£ -	
14	Tow n Centre	500	£ 193	£ 48	£ -	£ -	£ -	£ -	£ -	
15	Tow n Centre	250	£ 392	£ 210	£ 26	£ -	£ -	£ -	£ -	
16	Estate regeneration (small)	10	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
17	Estate regeneration (large)	200	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
18	Student housing	120	£ 128	£ 128	£ 128	£ 128	£ 128	£ 128	£ 128	
19	Hotels	67	£ 967	£ 857	£ 748	£ 639	£ 584	£ 530	£ 421	
20	Office	-	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
21	Storage	-	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
22	Residential care home (7 units)	7	£ 13	£ 12	£ 11	£ 10	£ 9	£ 9	£ 8	
23	Strategic Site 1	230	£ 584	£ 398	£ 211	£ 24	£ -	£ -	£ -	
24	Strategic Site 2	250	£ 500	£ 335	£ 170	£ 4	£ -	£ -	£ -	
25	Strategic Site 3	370	£ 431	£ 281	£ 130	£ -	£ -	£ -	£ -	
26	Strategic Site 4	242	£ 527	£ 349	£ 171	£ -	£ -	£ -	£ -	
27	Strategic Site 5	540	£ 280	£ 132	£ -	£ -	£ -	£ -	£ -	
28	Strategic Site 6	180	£ 552	£ 361	£ 170	£ -	£ -	£ -	£ -	
29	Strategic Site 7	181	£ 699	£ 481	£ 263	£ 43	£ -	£ -	£ -	

Table 6.7.6: Maximum CIL rates (before buffer), using £7.5 million per hectare benchmark land value – Zone B

£7,000 per sqm / £650 per sqft		Affordable housing percentage and maximum CIL rates per sqm								
	Resi units	0%	10%	20%	30%	35%	40%	50%		
1	Very small residential	1	£ 275	£ 24	£ -	£ -	£ -	£ -	£ -	£ -
2	Small residential developments (backland, infill etc)	5	£ 565	£ 359	£ 152	£ -	£ -	£ -	£ -	£ -
3	Small residential developments (backland, infill etc)	11	£ 628	£ 425	£ 223	£ 21	£ -	£ -	£ -	£ -
4	Small residential developments	25	£ 707	£ 513	£ 320	£ 126	£ 29	£ -	£ -	£ -
5	Residential development	50	£ 802	£ 611	£ 421	£ 230	£ 134	£ 39	£ -	£ -
6	Small scale mixed use, local centres	5	£ 1,197	£ 1,014	£ 831	£ 648	£ 557	£ 465	£ 282	£ 282
7	Small scale mixed use, local centres	5	£ 1,119	£ 937	£ 754	£ 571	£ 479	£ 388	£ 205	£ 205
8	Small mixed use	25	£ 742	£ 566	£ 390	£ 215	£ 127	£ 39	£ -	£ -
9	Small mixed use	30	£ 641	£ 469	£ 296	£ 123	£ 37	£ -	£ -	£ -
10	Mixed use	70	£ 260	£ 105	£ -	£ -	£ -	£ -	£ -	£ -
11	Mixed use	150	£ 125	£ -	£ -	£ -	£ -	£ -	£ -	£ -
12	Large mixed use (employment led)	300	£ 185	£ 60	£ -	£ -	£ -	£ -	£ -	£ -
13	Tow n Centre	200	£ 269	£ 118	£ -	£ -	£ -	£ -	£ -	£ -
14	Tow n Centre	500	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
15	Tow n Centre	250	£ 59	£ -	£ -	£ -	£ -	£ -	£ -	£ -
16	Estate regeneration (small)	10	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
17	Estate regeneration (large)	200	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
18	Student housing	120	£ 128	£ 128	£ 128	£ 128	£ 128	£ 128	£ 128	£ 128
19	Hotels	67	£ 778	£ 688	£ 597	£ 507	£ 462	£ 417	£ 326	£ 326
20	Office	-	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
21	Storage	-	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
22	Residential care home (7 units)	7	£ 13	£ 12	£ 11	£ 10	£ 9	£ 9	£ 8	£ 8
23	Strategic Site 1	230	£ 253	£ 99	£ -	£ -	£ -	£ -	£ -	£ -
24	Strategic Site 2	250	£ 204	£ 67	£ -	£ -	£ -	£ -	£ -	£ -
25	Strategic Site 3	370	£ 159	£ 36	£ -	£ -	£ -	£ -	£ -	£ -
26	Strategic Site 4	242	£ 206	£ 60	£ -	£ -	£ -	£ -	£ -	£ -
27	Strategic Site 5	540	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
28	Strategic Site 6	180	£ 211	£ 54	£ -	£ -	£ -	£ -	£ -	£ -
29	Strategic Site 7	181	£ 328	£ 146	£ -	£ -	£ -	£ -	£ -	£ -

Table 6.7.7: Maximum CIL rates (before buffer), using £10 million per hectare benchmark land value – Zone A

		Resi units	Residential sales values per square metre							
			0%	10%	20%	30%	35%	40%	50%	
1	Very small residential	1	£ 83	£ -	£ -	£ -	£ -	£ -	£ -	£ -
2	Small residential developments (backland, infill etc)	5	£ 662	£ 413	£ 164	£ -	£ -	£ -	£ -	£ -
3	Small residential developments (backland, infill etc)	11	£ 759	£ 515	£ 270	£ 26	£ -	£ -	£ -	£ -
4	Small residential developments	25	£ 922	£ 688	£ 454	£ 220	£ 103	£ -	£ -	£ -
5	Residential development	50	£ 1,054	£ 823	£ 592	£ 361	£ 246	£ 130	£ -	£ -
6	Small scale mixed use, local centres	5	£ 1,456	£ 1,236	£ 1,015	£ 795	£ 684	£ 574	£ 354	
7	Small scale mixed use, local centres	5	£ 1,379	£ 1,158	£ 938	£ 717	£ 607	£ 497	£ 276	
8	Small mixed use	25	£ 938	£ 725	£ 513	£ 300	£ 194	£ 87	£ -	£ -
9	Small mixed use	30	£ 822	£ 613	£ 404	£ 196	£ 91	£ -	£ -	£ -
10	Mixed use	70	£ 478	£ 290	£ 101	£ -	£ -	£ -	£ -	£ -
11	Mixed use	150	£ 333	£ 138	£ -	£ -	£ -	£ -	£ -	£ -
12	Large mixed use (employment led)	300	£ 399	£ 246	£ 94	£ -	£ -	£ -	£ -	£ -
13	Tow n Centre	200	£ 554	£ 371	£ 187	£ 4	£ -	£ -	£ -	£ -
14	Tow n Centre	500	£ 136	£ -	£ -	£ -	£ -	£ -	£ -	£ -
15	Tow n Centre	250	£ 275	£ 93	£ -	£ -	£ -	£ -	£ -	£ -
16	Estate regeneration (small)	10	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
17	Estate regeneration (large)	200	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
18	Student housing	120	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
19	Hotels	67	£ 849	£ 740	£ 631	£ 522	£ 467	£ 412	£ 303	
20	Office	-	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
21	Storage	-	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
22	Residential care home (7 units)	7	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
23	Strategic Site 1	230	£ 489	£ 303	£ 116	£ -	£ -	£ -	£ -	£ -
24	Strategic Site 2	250	£ 411	£ 246	£ 81	£ -	£ -	£ -	£ -	£ -
25	Strategic Site 3	370	£ 321	£ 170	£ 20	£ -	£ -	£ -	£ -	£ -
26	Strategic Site 4	242	£ 492	£ 314	£ 136	£ -	£ -	£ -	£ -	£ -
27	Strategic Site 5	540	£ 219	£ 71	£ -	£ -	£ -	£ -	£ -	£ -
28	Strategic Site 6	180	£ 500	£ 309	£ 118	£ -	£ -	£ -	£ -	£ -
29	Strategic Site 7	181	£ 596	£ 378	£ 160	£ -	£ -	£ -	£ -	£ -

Table 6.7.8: Maximum CIL rates (before buffer), using £10 million per hectare benchmark land value – Zone B

		Resi units	Residential sales values per square metre							
			0%	10%	20%	30%	35%	40%	50%	
1	Very small residential	1	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
2	Small residential developments (backland, infill etc)	5	£ 239	£ 32	£ -	£ -	£ -	£ -	£ -	£ -
3	Small residential developments (backland, infill etc)	11	£ 341	£ 139	£ -	£ -	£ -	£ -	£ -	£ -
4	Small residential developments	25	£ 517	£ 324	£ 130	£ -	£ -	£ -	£ -	£ -
5	Residential development	50	£ 652	£ 461	£ 271	£ 80	£ -	£ -	£ -	£ -
6	Small scale mixed use, local centres	5	£ 1,081	£ 898	£ 715	£ 532	£ 441	£ 349	£ 167	
7	Small scale mixed use, local centres	5	£ 1,004	£ 821	£ 638	£ 455	£ 364	£ 272	£ 89	
8	Small mixed use	25	£ 570	£ 394	£ 218	£ 42	£ -	£ -	£ -	£ -
9	Small mixed use	30	£ 461	£ 288	£ 115	£ -	£ -	£ -	£ -	£ -
10	Mixed use	70	£ 147	£ -	£ -	£ -	£ -	£ -	£ -	£ -
11	Mixed use	150	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
12	Large mixed use (employment led)	300	£ 116	£ -	£ -	£ -	£ -	£ -	£ -	£ -
13	Tow n Centre	200	£ 224	£ 73	£ -	£ -	£ -	£ -	£ -	£ -
14	Tow n Centre	500	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
15	Tow n Centre	250	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
16	Estate regeneration (small)	10	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
17	Estate regeneration (large)	200	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
18	Student housing	120	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
19	Hotels	67	£ 661	£ 570	£ 480	£ 390	£ 345	£ 299	£ 209	
20	Office	-	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
21	Storage	-	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
22	Residential care home (7 units)	7	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
23	Strategic Site 1	230	£ 159	£ 4	£ -	£ -	£ -	£ -	£ -	£ -
24	Strategic Site 2	250	£ 115	£ -	£ -	£ -	£ -	£ -	£ -	£ -
25	Strategic Site 3	370	£ 49	£ -	£ -	£ -	£ -	£ -	£ -	£ -
26	Strategic Site 4	242	£ 171	£ 25	£ -	£ -	£ -	£ -	£ -	£ -
27	Strategic Site 5	540	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
28	Strategic Site 6	180	£ 160	£ 3	£ -	£ -	£ -	£ -	£ -	£ -
29	Strategic Site 7	181	£ 225	£ 43	£ -	£ -	£ -	£ -	£ -	£ -

Table 6.8.1: Alternative CIL rates – Higher value zone – change in residual land value (appraisals assume 20% affordable housing)

Site	Type No	Adopted	Alternative 1	Alternative 2	Alternative 3
Very small residential	1	244,023	242,368	240,430	238,491
Small residential developments (backland, infill etc)	2	562,671	556,788	549,896	543,003
Small residential developments (backland, infill etc)	3	1,235,915	1,222,506	1,206,797	1,191,089
Small residential developments	4	2,397,939	2,367,598	2,332,055	2,296,512
Residential development	5	4,969,493	4,905,566	4,830,679	4,755,792
Small scale mixed use, local centres	6	639,032	631,626	623,721	615,818
Small scale mixed use, local centres	7	605,557	598,662	591,264	583,865
Small mixed use	8	2,615,997	2,579,704	2,540,207	2,500,710
Small mixed use	9	3,119,192	3,075,401	3,028,085	2,980,770
Mixed use	10	3,676,307	3,569,567	3,455,312	3,341,055
Mixed use	11	6,273,643	6,074,286	5,851,524	5,628,761
Large mixed use (employment led)	12	10,702,219	10,244,269	9,769,861	9,295,455
Town Centre	13	6,131,795	5,873,366	5,580,107	5,286,847
Town Centre	14	3,248,267	2,569,421	1,820,022	1,070,622
Town Centre	15	8,059,106	7,731,538	7,361,728	6,991,918
Estate regeneration (small)	16	1,002,025	989,951	975,806	961,661
Estate regeneration (large)	17	1,834,310	1,588,504	1,302,037	1,015,569
Student housing	18	2,704,656	2,628,988	2,547,923	2,466,857
Hotels	19	4,687,083	4,590,726	4,511,304	4,431,881
Office	20	- 382,586	- 392,612	- 397,626	- 402,638
Storage	21	494,283	458,591	433,096	407,601
Residential care home (7 units)	22	227,716	222,317	215,993	209,668
Strategic Site 1	23	10,064,955	9,747,425	9,399,634	9,051,841
Strategic Site 2	24	10,436,937	10,062,819	9,668,753	9,274,688
Strategic Site 3	25	17,553,305	16,918,090	16,271,731	15,625,371
Strategic Site 4	26	5,547,295	5,234,938	4,879,036	4,523,135
Strategic Site 5	27	7,703,284	6,957,057	6,132,170	5,307,284
Strategic Site 6	28	4,723,132	4,496,816	4,235,457	3,974,098
Strategic Site 7	29	8,323,545	8,098,967	7,839,204	7,579,441

Table 6.8.2: Alternative CIL rates – Higher value zone – change in residual land value (appraisals assume 20% affordable housing) – percentage change in residual land values

Site	No	Alt 1	Alt 2	Alt 3
Very small residential	1	0.68%	1.47%	2.27%
Small residential developments (backland, infill etc)	2	1.05%	2.27%	3.50%
Small residential developments (backland, infill etc)	3	1.08%	2.36%	3.63%
Small residential developments	4	1.27%	2.75%	4.23%
Residential development	5	1.29%	2.79%	4.30%
Small scale mixed use, local centres	6	1.16%	2.40%	3.63%
Small scale mixed use, local centres	7	1.14%	2.36%	3.58%
Small mixed use	8	1.39%	2.90%	4.41%
Small mixed use	9	1.40%	2.92%	4.44%
Mixed use	10	2.90%	6.01%	9.12%
Mixed use	11	3.18%	6.73%	10.28%
Large mixed use (employment led)	12	4.28%	8.71%	13.14%
Town Centre	13	4.21%	9.00%	13.78%
Town Centre	14	20.90%	43.97%	67.04%
Town Centre	15	4.06%	8.65%	13.24%
Estate regeneration (small)	16	1.21%	2.62%	4.03%
Estate regeneration (large)	17	13.40%	29.02%	44.63%
Student housing	18	2.80%	5.79%	8.79%
Hotels	19	2.06%	3.75%	5.44%
Office	20	-2.62%	-3.93%	-5.24%
Storage	21	7.22%	12.38%	17.54%
Residential care home (7 units)	22	2.37%	5.15%	7.93%
Strategic Site 1	23	3.15%	6.61%	10.07%
Strategic Site 2	24	3.58%	7.36%	11.14%
Strategic Site 3	25	3.62%	7.30%	10.98%
Strategic Site 4	26	5.63%	12.05%	18.46%
Strategic Site 5	27	9.69%	20.40%	31.10%
Strategic Site 6	28	4.79%	10.33%	15.86%
Strategic Site 7	29	2.70%	5.82%	8.94%

Table 6.8.3: Alternative CIL rates – Lower value zone – change in residual land value (appraisals assume 20% affordable housing)

		Site	Adopted	Alternative 1	Alternative 2	Alternative 3
1	Very small residential	1	200,520	198,866	196,927	194,987
2	Small residential developments (backland, infill etc)	2	433,044	427,160	420,268	413,376
3	Small residential developments (backland, infill etc)	3	944,599	931,190	915,481	899,773
4	Small residential developments	4	1,757,049	1,726,708	1,691,165	1,655,622
5	Residential development	5	3,628,585	3,564,659	3,489,771	3,414,884
6	Small scale mixed use, local centres	6	509,405	501,998	494,094	486,191
7	Small scale mixed use, local centres	7	475,930	469,035	461,636	454,238
8	Small mixed use	8	1,975,107	1,938,814	1,899,317	1,859,820
9	Small mixed use	9	2,319,497	2,275,706	2,228,391	2,181,076
10	Mixed use	10	1,912,869	1,806,130	1,691,875	1,577,618
11	Mixed use	11	2,719,068	2,519,711	2,296,948	2,074,187
12	Large mixed use (employment led)	12	4,106,131	3,648,180	3,173,773	2,699,366
13	Town Centre	13	1,708,819	1,450,391	1,157,132	863,873
14	Town Centre	14	- 6,695,355	- 7,383,807	- 8,143,811	- 8,903,816
15	Town Centre	15	2,358,499	2,030,931	1,661,120	1,291,310
16	Estate regeneration (small)	16	735,993	723,918	709,773	695,629
17	Estate regeneration (large)	17	- 2,625,298	- 2,874,581	- 3,165,102	- 3,455,624
18	Student housing	18	2,704,656	2,628,988	2,547,923	2,466,857
19	Hotels	19	4,045,287	3,948,931	3,869,507	3,790,085
20	Office	20	- 382,586	- 392,612	- 397,626	- 402,638
21	Storage	21	494,283	458,591	433,096	407,601
22	Residential care home (7 units)	22	227,716	222,317	215,993	209,668
23	Strategic Site 1	23	4,650,290	4,332,761	3,984,968	3,637,176
24	Strategic Site 2	24	4,736,330	4,362,212	3,968,146	3,574,080
25	Strategic Site 3	25	9,225,551	8,581,348	7,925,842	7,270,336
26	Strategic Site 4	26	368,430	56,073	- 304,072	- 665,009
27	Strategic Site 5	27	- 2,978,472	- 3,735,258	- 4,571,818	- 5,408,377
28	Strategic Site 6	28	755,537	529,221	267,862	6,503
29	Strategic Site 7	29	3,972,116	3,747,538	3,487,775	3,228,011

Table 6.8.4: Alternative CIL rates – Lower value zone – change in residual land value (appraisals assume 20% affordable housing) – percentage change in residual land values

		Site	Alternative 1	Alternative 2	Alternative 3
1	Very small residential	1	0.83%	1.79%	2.76%
2	Small residential developments (backland, infill etc)	2	1.36%	2.95%	4.54%
3	Small residential developments (backland, infill etc)	3	1.42%	3.08%	4.75%
4	Small residential developments	4	1.73%	3.75%	5.77%
5	Residential development	5	1.76%	3.83%	5.89%
6	Small scale mixed use, local centres	6	1.45%	3.01%	4.56%
7	Small scale mixed use, local centres	7	1.45%	3.00%	4.56%
8	Small mixed use	8	1.84%	3.84%	5.84%
9	Small mixed use	9	1.89%	3.93%	5.97%
10	Mixed use	10	5.58%	11.55%	17.53%
11	Mixed use	11	7.33%	15.52%	23.72%
12	Large mixed use (employment led)	12	11.15%	22.71%	34.26%
13	Town Centre	13	15.12%	32.28%	49.45%
14	Town Centre	14	-10.28%	-21.63%	-32.98%
15	Town Centre	15	13.89%	29.57%	45.25%
16	Estate regeneration (small)	16	1.64%	3.56%	5.48%
17	Estate regeneration (large)	17	-9.50%	-20.56%	-31.63%
18	Student housing	18	2.80%	5.79%	8.79%
19	Hotels	19	2.38%	4.35%	6.31%
20	Office	20	-2.62%	-3.93%	-5.24%
21	Storage	21	7.22%	12.38%	17.54%
22	Residential care home (7 units)	22	2.37%	5.15%	7.93%
23	Strategic Site 1	23	6.83%	14.31%	21.79%
24	Strategic Site 2	24	7.90%	16.22%	24.54%
25	Strategic Site 3	25	6.98%	14.09%	21.19%
26	Strategic Site 4	26	-84.78%	-182.53%	-280.50%
27	Strategic Site 5	27	-25.41%	-53.50%	-81.58%
28	Strategic Site 6	28	29.95%	64.55%	99.14%
29	Strategic Site 7	29	5.65%	12.19%	18.73%

Figure 6.9.1: Comparison of residual land values with the adopted and three alternative CIL rates (typologies 1 to 8)

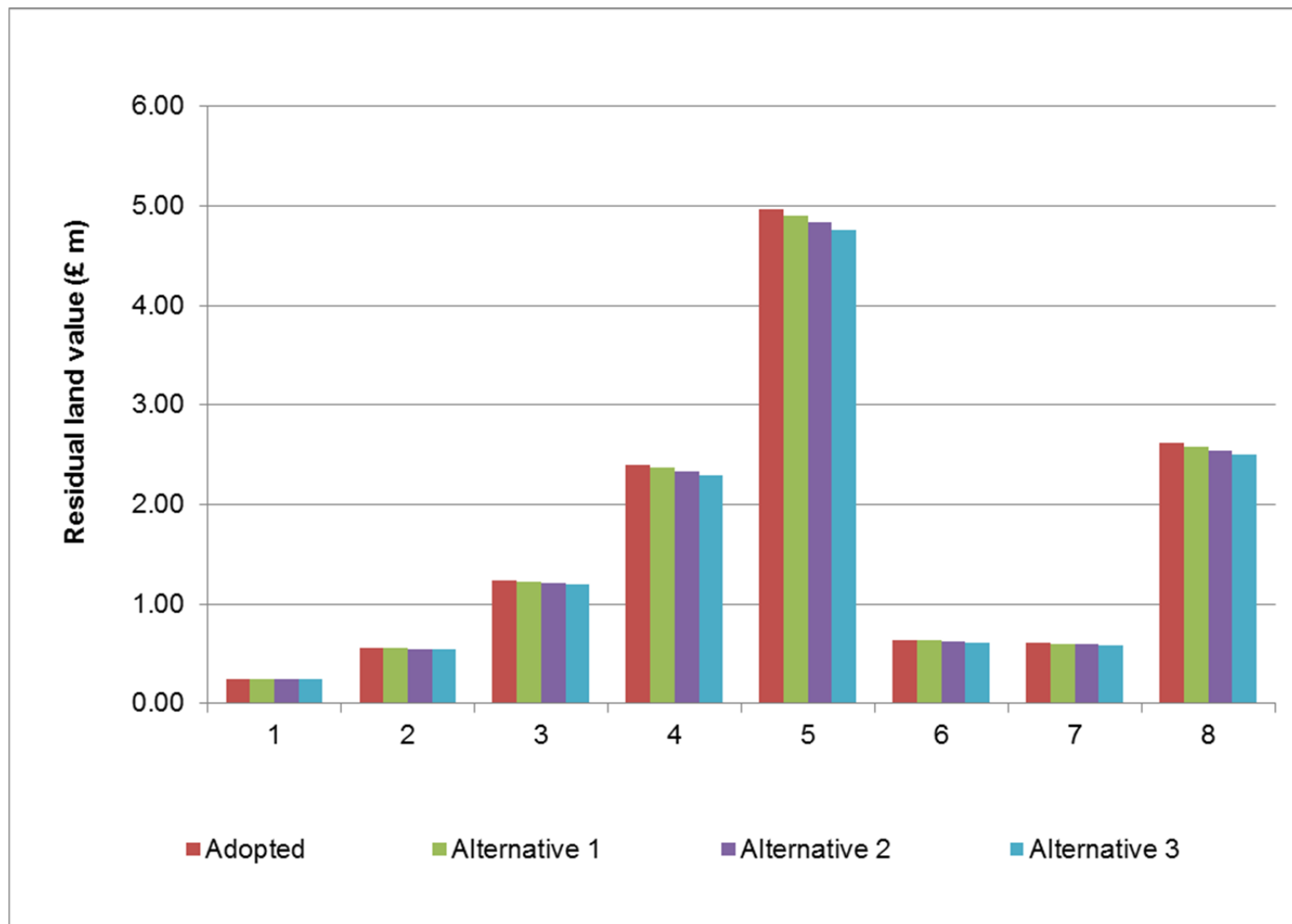


Figure 6.9.2: Comparison of residual land values with the adopted and three alternative CIL rates (typologies 9 to 14)

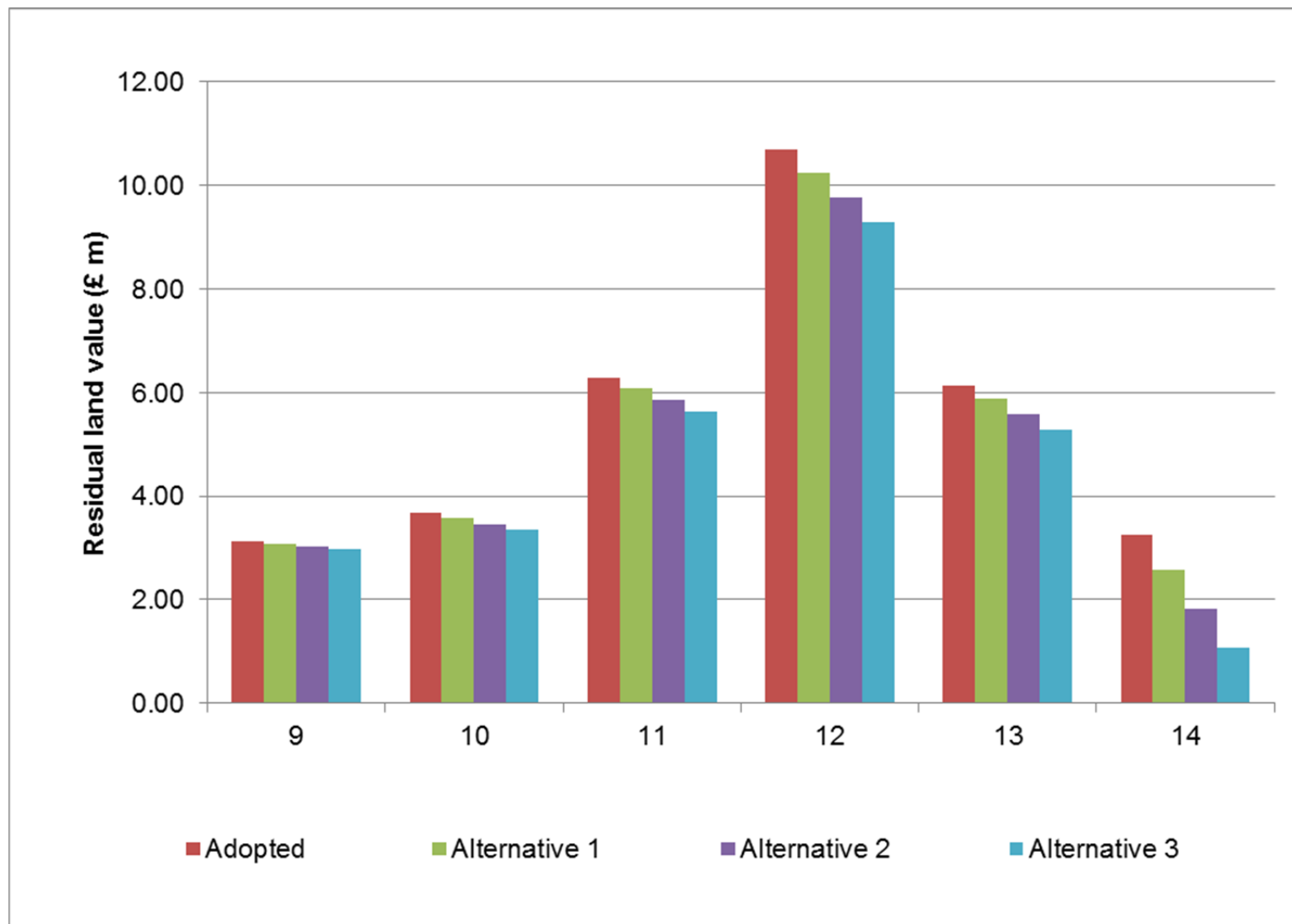


Figure 6.9.3: Comparison of residual land values with the adopted and three alternative CIL rates (typologies 15 to 18)

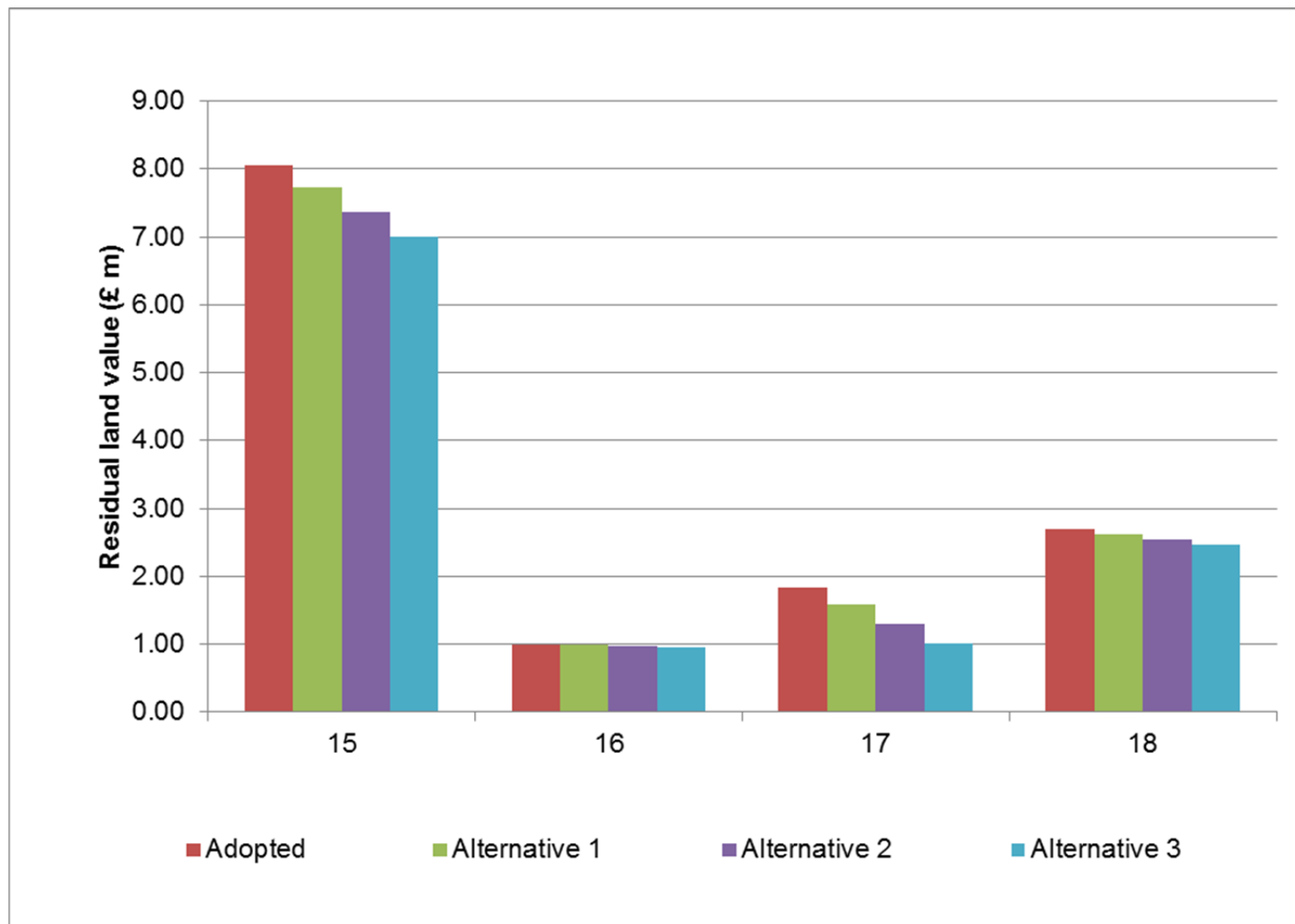


Figure 6.9.4: Comparison of residual land values with the adopted and three alternative CIL rates (typologies 19 to 23)

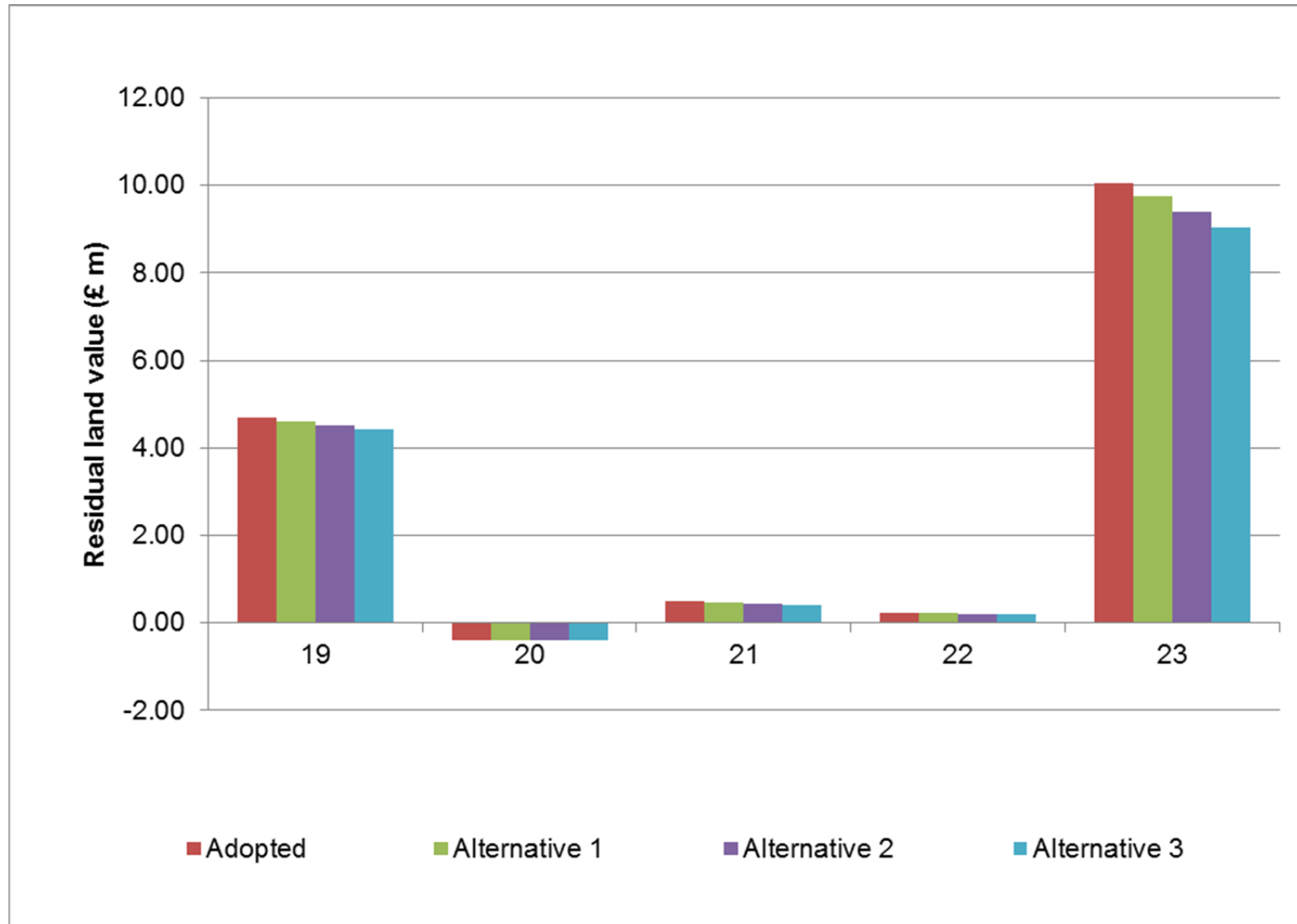
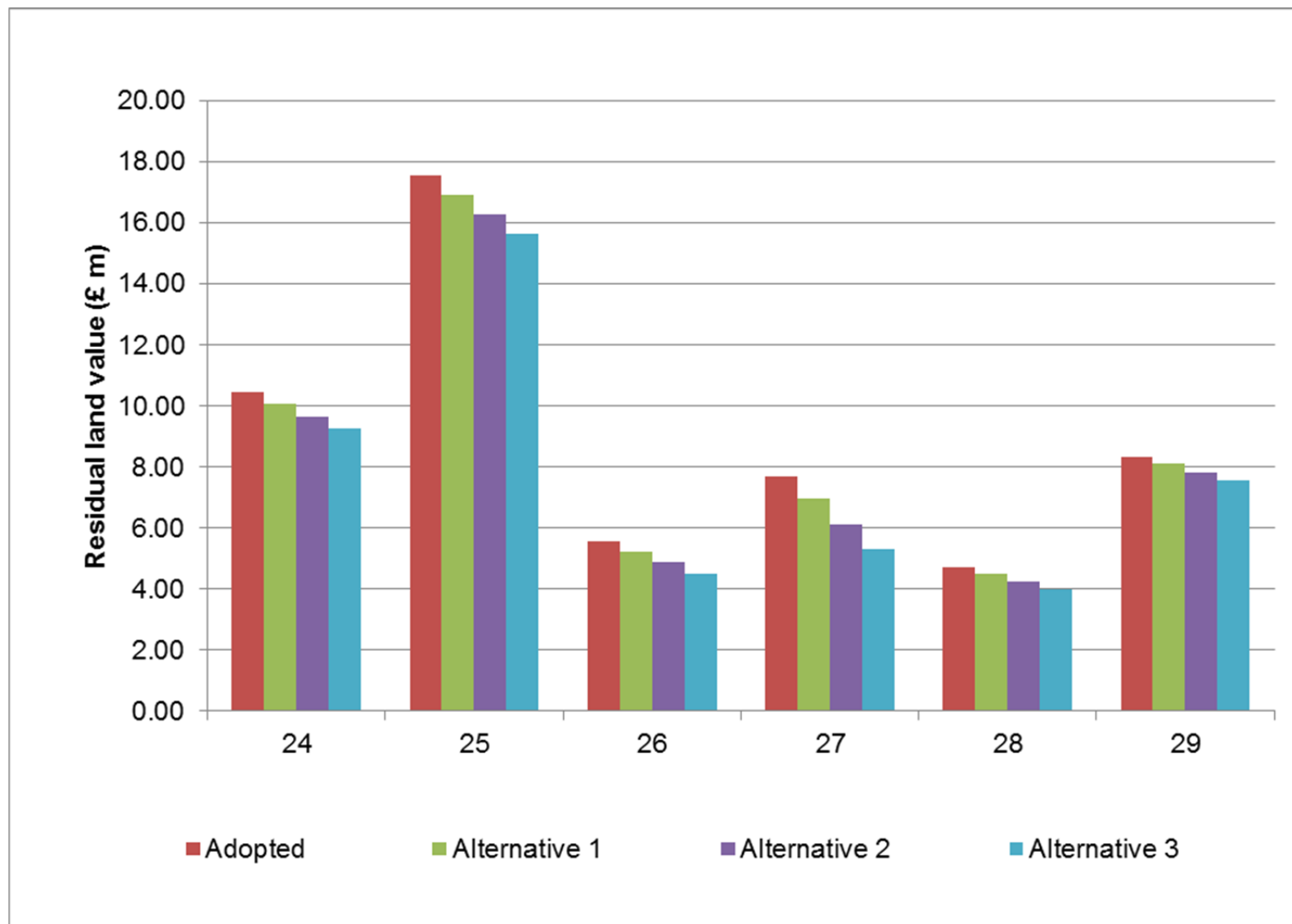


Figure 6.9.5: Comparison of residual land values with the adopted and three alternative CIL rates (typologies 25 to 29)



Residential rates

- 6.11 As noted earlier in this report, the north of the borough will benefit from the extension of the Bakerloo Line to Lewisham, with an intermediate station at New Cross. 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 to £200 per square metre without affecting the delivery of the Local Plan.
- 6.12 In the rest of the borough, the evidence indicates that an increase from the current rate of £70 per square metre (£79 per square metre with indexation) to £125 per square metre will be viable in most situations and readily absorbed through modest reductions in residual land values
- 6.13 We attach as Appendix 3 the results of our sensitivity analysis which builds in the growth rates on sales values and inflation on costs identified in Table 4.3.1. 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 a 'no CIL' scenario.
- 6.15 We have therefore run a theoretical exercise to test the impact of the proposed 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 value²³. 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 in order to restore the residual land value back to its previous level. Clearly schemes in the expanded Zone A (which now includes the Bakerloo Line Extension corridor) will benefit from increasing residential sales values, so the reductions in affordable housing shown here will be mitigated to an extent.

Table 6.15.1: Theoretical reduction in affordable housing required to offset increase in CIL rates (higher value zone)

Site ref	Site type	Number of units	RLV – incorporating adopted CIL	RLV – incorporating proposed CIL	Change in affordable housing required to offset increase in CIL
1	Very small residential	1	£227,796	£218,975	2.80%
2	Small residential developments (backland, infill etc)	5	£515,007	£483,646	3.40%

²³ 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 adopted CIL	RLV – incorporating proposed CIL	Change in affordable housing required to offset increase in CIL
3	Small residential developments (backland, infill etc)	11	£1,129,420	£1,057,943	3.50%
4	Small residential developments	25	£2,166,398	£2,004,668	3.70%
5	Residential development	50	£4,487,777	£4,147,019	3.70%
6	Small scale mixed use, local centres	5	£591,368	£556,460	3.80%
7	Small scale mixed use, local centres	5	£557,893	£524,508	3.70%
8	Small mixed use	25	£2,384,456	£2,208,865	4.00%
9	Small mixed use	30	£2,830,298	£2,616,630	3.90%
10	Mixed use	70	£3,048,425	£2,534,391	7.80%

Table 6.15.2: Theoretical reduction in affordable housing required to offset increase in CIL rates (lower value zone)

Site ref	Site type	Number of units	RLV – incorporating adopted CIL	RLV – incorporating proposed CIL	Change in affordable housing required to offset increase in CIL
1	Very small residential	1	£187,012	£183,643	1.30%
2	Small residential developments (backland, infill etc)	5	£393,481	£381,504	1.50%
3	Small residential developments (backland, infill etc)	11	£856,311	£829,014	1.60%
4	Small residential developments	25	£1,565,563	£1,503,798	1.60%
5	Residential development	50	£3,230,675	£3,100,538	1.70%
6	Small scale mixed use, local centres	5	£469,843	£455,330	1.90%
7	Small scale mixed use, local centres	5	£436,367	£422,873	1.70%
8	Small mixed use	25	£1,783,622	£1,711,949	1.90%
9	Small mixed use	30	£2,080,585	£1,994,616	1.80%
10	Mixed use	70	£1,395,202	£1,186,415	2.10%

Commercial rates

- 6.16 The borough is still seeing losses of B use class floorspace and our testing confirms that new office and industrial development is unlikely to be able to make a significant contribution towards infrastructure. However, the viability testing shows that a modest contribution of circa £20 per square metre could be achieved, although the extent to which any income will be generated depends upon the extent to which additional floor area is created. The Council's 2016/17 Annual Monitoring Report notes that new B use class floorspace is not yet exceeding existing space, so in these circumstances little new B use class development would generate a CIL contribution.

Other uses

- 6.17 Other uses covered by the existing “all other uses” rate in the adopted CIL Charging Schedule (retail, student housing and hotels) show varying viability but the evidence points to an increase from the current £80 per square metre charge (£90 after indexation) to £160 per square metre.

Strategic sites

- 6.18 Other charging authorities consider strategic sites to be those that will, when developed, account for 5% or more of housing supply identified in the Plan. The largest of the strategic sites will provide circa 540 units, which will account for only 2.9% of housing units identified in the Local Plan. None of the sites therefore meet the criteria applied elsewhere for ‘strategic sites’ but they are nevertheless important in terms of housing supply.
- 6.19 With the exception of Strategic Site 3, the other 6 strategic sites are located within the expanded Zone 1. Strategic Site 3 is located on the border of Zones 1 and 2, but is able to absorb a CIL at an increased rate of £125 per square metre alongside affordable housing of between 30% and 35% affordable housing.
- 6.20 The other strategic sites will also be able to absorb the proposed rate of £200 per square metre alongside varying levels of affordable housing, ranging from 10% to 30% affordable housing. Clearly on these sites there is potential for the Council to maintain or increase affordable housing on these sites by funding community infrastructure using CIL or other Council resources.
- 6.21 The CIL liability based on the rates in the adopted CIL Charging Schedule ranges from 1.82% to 2.41% of development costs. Application of the proposed rates results in a modest increase to 2.97% to 3.65% of development costs.
- 6.22 The results of the appraisals indicate that the proposed CIL rates should be applied to the schemes identified by the Council as being of strategic importance to the delivery of the scale of housing and other uses identified in the Plan.

Potential income

- 6.23 We have run an illustrative high-level calculation of the potential increase in CIL income that the proposed rates could generate. This is based on an assumption of 1,668 units per annum²⁴ over a five year period, 65% of which are assumed to be in the higher value zone and the remaining 35% in the lower value zone. In addition, we have assumed that there are 5,000 square metres of net additional B1 office and 6,000 square metres of net additional B2/B8 floorspace²⁵. In both bases, we have assumed that there will be a 30% offset of existing floorspace. Social housing relief is applied to 20% of residential floorspace.
- 6.24 The results of this high level calculation are summarised in Table 6.24.1 (showing the income derived from the current rates with indexation) and Table 6.17.2 (proposed rates). The proposed increase in CIL rates from the current indexed rates would increase total CIL income from £39 million to £68 million in today’s terms (i.e. before indexation).

Table 6.24.1: CIL income with current rates

	2018/19	2019/20	2020/21	2021/22	2022/23	Totals
Residential units	1,668	1,668	1,668	1,668	1,668	
Ave sqm per unit sqm	80	80	80	80	80	
Total GIA sqm	133,440	133,440	133,440	133,440	133,440	
<i>Private only sqm</i>	<i>106,752</i>	<i>106,752</i>	<i>106,752</i>	<i>106,752</i>	<i>106,752</i>	

²⁴ Based on the most recent year’s completions from the AMR.

²⁵ These figures are adopted for illustrative purposes to assist the Council in understanding the relative contribution that applying a CIL rate to these uses might make. Clearly if the current trend of net losses of these types of use continue then there will be little or no CIL liable space within B1 and B2/B8 use classes.

	2018/19	2019/20	2020/21	2021/22	2022/23	Totals
Net of existing floorspace	74,726	74,726	74,726	74,726	74,726	
Zone A GIA sqm	48,572	48,572	48,572	48,572	48,572	
Zone B GIA sqm	29,891	29,891	29,891	29,891	29,891	
CIL rate Zone A	£112	£112	£112	£112	£112	
CIL rate Zone B	£79	£79	£79	£79	£79	
Income Zone A	£5,440,082	£5,440,082	£5,440,082	£5,440,082	£5,440,082	£27,200,410
Income Zone B	£2,361,354	£2,361,354	£2,361,354	£2,361,354	£2,361,354	£11,806,771
B1 office	5,000	5,000	5,000	5,000	5,000	
Net of existing floorspace	3,500	3,500	3,500	3,500	3,500	
B2 industrial	6,000	6,000	6,000	6,000	6,000	
Net of existing floorspace	4,200	4,200	4,200	4,200	4,200	
B1/B2 CIL rate	0	0	0	0	0	
Income - offices	-	-	-	-	-	-
Income - industrial	-	-	-	-	-	-
INCOME FROM ALL USES	£7,801,436	£7,801,436	£7,801,436	£7,801,436	£7,801,436	£39,007,181

Table 6.24.2: CIL income with proposed rates

	2018/19	2019/20	2020/21	2021/22	2022/23	Totals
Residential units	1,668	1,668	1,668	1,668	1,668	
Ave sqm per unit sqm	80	80	80	80	80	
Total GIA sqm	133,440	133,440	133,440	133,440	133,440	
Private only sqm	106,752	106,752	106,752	106,752	106,752	
Net of existing floorspace	74,726	74,726	74,726	74,726	74,726	
Zone A GIA sqm	48,572	48,572	48,572	48,572	48,572	
Zone B GIA sqm	29,891	29,891	29,891	29,891	29,891	
CIL rate Zone A	200	200	200	200	200	
CIL rate Zone B	125	125	125	125	125	
Income Zone A	£9,714,432	£9,714,432	£9,714,432	£9,714,432	£9,714,432	£48,572,160
Income Zone B	£3,736,320	£3,736,320	£3,736,320	£3,736,320	£3,736,320	£18,681,600
B1 office	5,000	5,000	5,000	5,000	5,000	
Net of existing floorspace	3,500	3,500	3,500	3,500	3,500	
B2 industrial	6,000	6,000	6,000	6,000	6,000	
Net of existing floorspace	4,200	4,200	4,200	4,200	4,200	
B1/B2 CIL rate	20	20	20	20	20	

	2018/19	2019/20	2020/21	2021/22	2022/23	Totals
Income - offices	70,000	70,000	70,000	70,000	70,000	350,000
Income - industrial	84,000	84,000	84,000	84,000	84,000	420,000
INCOME FROM ALL USES	£13,604,752	£13,604,752	£13,604,752	£13,604,752	£13,604,752	£68,023,760

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 draft 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 12% higher than they were adopted. The proposed Mayoral CIL will also increase from £35 per square metre to £60 per square metre in April 2019 if the rates are not amended through the Examination process.
- 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, which will enable developers to benefit from increased density and higher sales values. An increase to £200 per square metre 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 £79 per square metre (with indexation) to £125 per square metre as a result of increasing sales values.

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	£112	£200
	Zone 2 ²⁷	£70	£79	£125
B use classes	Whole borough	£0	£0	£0
All other uses	Whole Borough	£80	£90	£160

- 7.5 The borough is still seeing losses of B use class floorspace and our testing confirms that new office and industrial development is unlikely to be able to make a significant contribution towards infrastructure. The viability testing shows that a modest contribution of circa £20 per square metre could in principle be applied to B use class developments, although the extent to which any income will be generated depends upon the extent to which additional floor area is created. The Council's 2016/17 Annual Monitoring Report notes that new B use class floorspace is not yet exceeding existing space, so in these circumstances little or new B use class development would generate a CIL contribution. If these trends change in the future, the Council could revisit their approach to CIL charges on B use class developments in a future CIL review.
- 7.6 Other uses covered by the existing "all other uses" rate in the adopted CIL Charging Schedule (retail, student housing and hotels) show varying viability but the evidence points to an increase from the current £80 per square metre charge (£90 after indexation) to £160 per square metre.

²⁶ Postcode sectors SE3, SE8, SE10 and SE16 and the Bakerloo Line Extension corridor to Lewisham

²⁷ Postcode sectors BR1, BR3, SE4, SE9, SE12, SE13, SE14, SE15, SE23 and SE26

- 7.7 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 3 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.
- 7.8 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.
- 7.9 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.

Strategic Sites

- 7.10 With the exception of Strategic Site 3, the other 6 strategic sites are located within the expanded Zone 1. Strategic Site 3 is located on the border of Zones 1 and 2, but is able to absorb a CIL at an increased rate of £125 per square metre alongside affordable housing of between 30% and 35% affordable housing.
- 7.11 The other strategic sites will also be able to absorb the proposed rate of £200 per square metre alongside varying levels of affordable housing, ranging from 10% to 30% affordable housing. Clearly on these sites there is potential for the Council to maintain or increase affordable housing on these sites by funding community infrastructure using CIL or other Council resources.
- 7.12 The CIL liability based on the rates in the adopted CIL Charging Schedule ranges from 1.82% to 2.41% of development costs. Application of the proposed rates results in a modest increase to 2.97% to 3.65% of development costs.
- 7.13 The results of the appraisals indicate that the proposed CIL rates should be applied to the schemes identified by the Council as being of strategic importance to the delivery of the scale of housing and other uses identified in the Plan.

Additional observations

- 7.14 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.
- 7.15 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.
- 7.16 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.

- 7.17 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.
- 7.18 This study demonstrates that the proposed increase to the CIL charges and the Councils 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 - Policy review

Policy Number	Policy Name	Summary of Requirement	Cost Analysis
Core Strategy Policy 1	Housing provision, mix and affordability	No net loss of housing. 50% affordable housing from all sources. 70% social rented and 30% intermediate. Provision of 3 bed plus units including 42% of affordable housing. Built to lifetime homes standard and 10% provided as wheelchair housing.	Key policy tested for viability. Tested at 0% to 100% affordable in 10 increments plus 35% AH. AH tested with 70/30 and 60/40 tenure split.
Core Strategy Policy 2	Gypsies and Travellers	Assess and provide for the identified needs of gypsies and travellers.	N/A
Core Strategy Policy 3	Strategic Industrial Locations and Local Employment Locations	Sets out that the Council will protect Strategic Industrial Locations for uses within the B use Class and also appropriate sui generis uses. Protect Local Employment Locations for a range of uses within the B use classes.	N/A
Core Strategy Policy 4	Mixed Use Employment Locations	Comprehensive development of Mixed Use Employment Locations. B use class 20% of floor space, proportion of affordable housing, improvements to environmental quality and social cultural and leisure facilities of the area. Enable continued employment functioning of the areas. Require a Master plan.	Provision of B uses, affordable housing and environmental improvements required to bring schemes forward will have an impact on the viability of development of MELs. Only applies to some sites. Covered by other specific policies e.g. Affordable housing.
Core Strategy Policy 5	Other employment locations	Protects the scattering of employment locations outside SILs, LELs, and MUELs. Employment land in town centres which has potential to contribute to a Major town centre, District Hub, Local Hub or other cluster of businesses uses should be recommended for retention. Other uses supported if certain conditions show that the site should not be retained in employment use.	Only relevant to some sites. Viability of redevelopment is one of several considerations in the policy for allowing other uses.
Core Strategy Policy 6	Retail hierarchy and location of retail development	Sets out retail hierarchy. Expect major retail leisure, arts, cultural and entertainment facilities to be located in major and district centres. Designate primary and secondary frontages to ensure essential services are maintained. Protect local shopping facilities from change of use where there is a demand for services. In neighbourhood local centres and parades, consider change of use only in certain circumstances. Support retail hierarchy through markets etc.	No additional costs.

Policy Number	Policy Name	Summary of Requirement	Cost Analysis
Core Strategy Policy 7	Climate change and adapting to the effects	Partnership approach to implement the principles of avoidance, mitigation and adaptation to reduce CO2 emissions. Applying London Plan policies relevant to Climate Change. Development required to be air quality neutral.	London Housing SPG (Standard 35) requires zero carbon home which will have an additional cost.
Core Strategy Policy 8	Sustainable design and construction and energy efficiency	Sets out a number of requirements for major developments including submission of a SS and ES, maximising energy and water efficiency measures, connecting to existing or approved decentralised energy networks and safeguarding routes for future connection, integrating on-site renewable energy generation into design of building, reduce CO2 emissions. Minimum code for Sustainable Homes level 6. Non-residential development to achieve BREEAM Excellent.	Code for sustainable homes no longer required as tied in to building regulations. BREEAM Excellent requirement for non-residential development will have an additional cost.
Core Strategy Policy 9	Improving local air quality	Seek to improve air quality working with businesses and TfL to manage and improve air quality.	Addressed under DM policy. Standard. May be some additional costs through planning obligations but this will be included in the S106 assumptions.
Core Strategy Policy 10	Managing and reducing the risk of flooding	Demonstrate positive reduction in flood risk. Use of London Plan SPG Sustainable Design and Construction.	Policy reflects national and regional guidance. London Plan (Standard 39) requires SUDs/living roofs to achieve a greenfield run-off rate. No additional costs.
Core Strategy Policy 11	River and waterways network	Development adjacent to rivers should contribute to their special character by improving urban design quality, vitality of river frontages and improving access to the foreshore and naturalising flood defences.	Could involve additional costs but only relevant to some sites.
Core Strategy Policy 12	Open space and environmental assets	Conserve nature, green the public realm provide opportunities for sport, recreation, leisure and well-being. Protect open spaces. Maintain and improve accessibility to open space. Preserve or enhance local biodiversity. Protect trees. New on-site provision of open space. Maximise opportunities for sport and recreation. Promote living roofs. Promote and support local food growing.	Provision of open space, children's play space and improving accessibility to open space should be standard and where it is not included on-site would be secured through planning obligations.

Policy Number	Policy Name	Summary of Requirement	Cost Analysis
Core Strategy Policy 13	Addressing Lewisham's waste management requirements	Major developments to submit a SWMP. Design in waste management and disposal. Require integrated recycling facilities	Standard requirements. No additional costs
Core Strategy Policy 14	Sustainable movement and transport	Car parking standards, submission of travel plans, provision of cycle parking.	Most TA/TS/TP are standard. Some additional costs through specific S.278 works or through planning obligations.
Core Strategy Policy 15	High quality design for Lewisham	Highest quality design. Housing densities as outlined in the London Plan. Achieve 'central' density levels within the Lewisham Town Centre. Achieve 'urban' density levels in the Catford Town Centre. New development in Lewisham and Catford town centres should result in a radical upgrading of the social and physical environment. Building for Life standards.	Standard requirement. No additional costs.
Core Strategy Policy 16	Conservation areas, heritage assets and the historic environment.	Value and significance monitored, reviewed, enhanced and conserved.	Only relevant to some sites. Depends on mitigation required.
Core Strategy Policy 17	The protected vistas the London panorama and local views, land marks and panoramas	Ensure new development does not impede or detract from local views or obscure local landmarks.	Some site layouts and design would need to reflect the need to safeguard views but otherwise no additional cost to development.
Core Strategy Policy 18	The location and design of tall buildings	May be appropriate in specific locations identified in Lewisham Tall Building Study. Highest design quality.	No additional costs aside from the inherent additional cost of building a tall building.
Core Strategy Policy 19	Provision and maintenance of community and recreational facilities	No net loss of facilities and needs of current and future populations are met.	No additional costs.
Core Strategy Policy 20	Delivering education achievements, healthcare provision and promoting healthy lifestyles	Support implementation of the School Implementation Plan and NHS Lewisham Commissioning Strategy Plan.	No additional costs.
Core Strategy Policy 21	Planning obligations	Sets out basis for seeking planning obligations.	Key policy to be assessed. Additional costs to development.
DM Policy 1	Presumption in favour of sustainable development	Presumption in favour of sustainable development as set out in NPPF.	No additional costs.
DM Policy 2	Prevention of loss of existing housing	The Council will only grant planning permission for the loss of housing by demolition, redevelopment or change of use in particular circumstances.	Only relevant to some sites. No additional costs.
DM Policy 3	Conversion of a single family house to two or more dwellings	Refuse planning permission for the conversion of a single family house into flats except where environmental conditions mean that the single family house is not suitable for family accommodation.	Only relevant to some sites. No additional costs.

Policy Number	Policy Name	Summary of Requirement	Cost Analysis
DM Policy 4	Conversions of office space and other B Use Class space into flats	The Council will support the conversion of office space and other B Use Class space into self-contained flats in certain circumstances.	Overtaken somewhat by other policies (PD rights). Only relevant to some developments. No additional costs.
DM Policy 5	Specialist accommodation for older people	Support proposals for specialist accommodation for older people provided that the development meets particular criteria. Where accommodation is provided on a freehold or leasehold basis, the Council will expect the development to supply an appropriate percentage of affordable housing in accordance with Core Strategy Policy 1	Only relevant to some developments. Affordable housing provision would be an additional cost but covered by other policies.
DM Policy 6	Houses in multiple occupation (HMO)	Sets out criteria for when the provision of HMOs is appropriate. Will resist the loss of good quality HMOs.	N/A
DM Policy 7	Affordable rented housing	Requires new residential development to provide maximum possible onsite affordable housing in accordance with Core Strategy Policy 1. Prioritises the provision of family units.	Key policy to be tested for viability as part of the project brief. Covered by Core Strategy Policy 1
DM Policy 8	Student housing	Addresses the loss of student housing and the provision of housing with an affordable housing component.	Only relevant to certain sites. No additional costs as affordable housing covered by other policies.
DM Policy 9	Mixed use employment locations (MEL)	Sets out criteria for change of use applications including comprehensive mixed use redevelopment, provision of Local employment opportunities, lower cost accommodation for starter Businesses, 20% B Use Class, the continued employment functioning of the area and internal fit out of space.	Only relevant to some sites. Some additional costs including affordable housing provision, 20% B use class, and internal fit out. Affordable housing covered in other policies. The fit out of units would be an additional cost when developing only to shell and core.
DM Policy 10	Local Employment Locations (LEL)	Support uses within the B Use Class. Requires floor space for Small and Medium Enterprises New build will be required to be flexibly specified and provided with an internal fit out. The provision of lower cost accommodation suitable for starter businesses should form part of any new scheme.	Only relevant to some sites. Fit out of units and lower cost starter business accommodation would add to development costs where space is only provided to shell and core.
DM Policy 11	Other employment locations Sites in Town Centres, Local Hubs and other clusters of commercial and/or retail uses	Redevelopment supported subject to certain criteria. May seek contributions to training and/or local employment schemes and/or require the internal fit out of units and provide a proportion of lower cost accommodation suitable for start-up businesses.	Only relevant to certain sites. Contributions and fit out would be an additional cost where scheme built to shell and core. Low cost accommodation would reduce GDV.

Policy Number	Policy Name	Summary of Requirement	Cost Analysis
DM Policy 12	Hotels	Sets out criteria for when hotel development would be considered appropriate including provision of 10% wheelchair accessible bedrooms, high quality design, transport and sustainability considerations.	Only relevant to certain sites. Standard. No additional costs.
DM Policy 13	Location of main town centre uses	Location of main town centre uses in accordance with Core Strategy Policy 6. P proposals including 1,000 m2 of retail floor space on the edge or outside of the major and district centres require an impact assessment and only considered subject to certain criteria including the possible need for planning obligations.	Only relevant to certain sites. No cost implications apart from the possibility of planning obligations being imposed.
DM Policy 14	District centres shopping frontages	Sets out criteria for acceptable change of use within district centres	Only relevant to certain sites. No additional costs.
DM Policy 15	Neighbourhood local centres	Change of use only acceptable subject to certain criteria including highest quality design and that adequate provision for access for people with disabilities is made.	Only relevant to certain sites. Standard. No additional costs.
DM Policy 16	Local shopping parades and corner shops	Retention of A1 shops unless certain criteria are met. Change of use to residential ground floor use only acceptable subject to certain criteria.	N/A
DM Policy 17	Restaurants and cafés (A3 uses) and drinking establishments (A4 uses)	Sets out when the Council will consider proposals for restaurants, cafes and drinking establishments and issues to be addressed such refuse and litter, odour and provision of sound proofing when located living accommodation.	Only relevant to certain sites. Standard. No additional costs.
DM Policy 18	Hot food take-away shops (A5 uses)	Sets out when the Council will consider proposals for hot food take-away shops and issues to be addressed such refuse and litter, odour and provision of sound proofing when located living accommodation.	Only relevant to certain sites. Standard. No additional costs.
DM Policy 19	Shop fronts, signs and hoardings	Shop fronts should be designed to a high quality and reflect and improve the character and Quality of their surroundings.	Only relevant to certain sites. No additional costs.
DM Policy 20	Public houses	Sets out criteria for change of use or redevelopment of public houses including possible retention of the building with a D use on the ground floor as part of a redevelopment.	Only relevant to certain sites. No additional costs.
DM Policy 21	Mini cab or taxi offices	Sets out criteria for when they will be acceptable	Only relevant to certain sites. No additional costs.

Policy Number	Policy Name	Summary of Requirement	Cost Analysis
DM Policy 22	Sustainable design and construction	All developments to maximise the incorporation of design measures to maximise energy efficiency, manage heat gain and deliver cooling and non-residential development to meet BREEAM excellent.	Most are standard policy requirements. BREEAM Excellent could be an additional cost to the scheme.
DM Policy 23	Air Quality	Requires submission of an Air Quality Impact Assessment and set out mitigation measures.	Will vary from site to site. Addressed as part of scheme or through planning obligations.
DM Policy 24	Biodiversity, living roofs and artificial playing pitches	Applications must take into account biodiversity and geodiversity in design. When providing living roofs ensure extensive substrate base where possible. Locate artificial playing pitches on hard surfaces or previously developed land where possible and consider drainage and surface flooding.	Costs dependent on site. Can also be considered standard requirement.
DM Policy 25	Landscaping and trees	All major developments and some minor to provide a landscape scheme including a 5 year management plan. Trees to be retained or replaced.	Standard. No additional costs.
DM Policy 26	Noise and vibration	Noise and or vibration generating development to be located in certain areas. Studies to be undertaken to assess impact of new noise and or vibration generating development.	Only relevant to certain sites. Standard. No additional costs.
DM Policy 27	Lighting	Protect surrounding area from light pollution and nuisance. Sensitive, energy efficient lighting where possible. Consideration of hours of use.	Standard. No additional costs.
DM Policy 28	Contaminated land	Ensure contaminated land is fully investigated and remediated. Submission of a preliminary risk assessment, remediation plan and verification report.	Only relevant to some specific sites. Should be taken into account as part of the land price.
DM Policy 29	Car parking	Provision of car parking in accordance with core strategy policy 14. Limited car parking only acceptable in certain circumstances. Electric car charging points required to be provided in line with London Plan	Standard. No additional costs.
DM Policy 30	Urban design and local character	All development proposals to obtain a high standard of design. Sets out detailed matters to be addressed by schemes.	Standard. No additional costs.
DM Policy 31	Alterations and extensions to existing buildings including residential extensions	Sets out requirements for alterations and extensions. New rooms provided by extensions required to meet the space standards in DM Policy 32.	Standard. No additional costs.

Policy Number	Policy Name	Summary of Requirement	Cost Analysis
DM Policy 32	Housing design, layout and space standards	Attractive, functional and accessible providing external space, children's play space, and be safe and secure. Meet the London Plan space standards. Should be dual aspect. Family units should have a separate dining and living room. Sufficient storage space.	Standard. No additional costs.
DM Policy 33	Development on infill sites, back land sites, back gardens and amenity areas	Only acceptable subject to certain criteria.	Restrictive policy which may need to change in light of recent policy changes. No additional costs.
DM Policy 34	Thames Policy Area and Deptford Creekside	New development to improve the relationship of the River Thames with the local context including maintaining views or physical links, provide a mix of uses and public uses on ground floor, encourage river related uses, maintain and enhance the river or creek corridor and maintain the stability of the flood defences and examine opportunities to retreat flood defences .	Only relevant to certain sites. Costs dependent on site specific opportunities and constraints.
DM Policy 35	Public realm	Well designed, generously sized public realm using high quality material and provision of trees where possible. In Conservation Areas ensure that street furniture and paving is compatible with the character of the area.	Standard policy requirement.
DM Policy 36	New development, changes of use and alterations affecting designated heritage assets and their setting: conservation areas, listed buildings, schedule of ancient monuments and registered parks and gardens	Requires a statement on the significance of the asset and the impact of the development. Encourages adaption of historic buildings to be more energy efficient. Will only grant planning permission in Conservation Areas in certain circumstances. Will only grant consent for alterations and extensions to Listed Buildings which relate sensitively to the building's significance and sustain and enhance its significance and integrity.	Costs dependent on mitigation required. Only relevant to certain developments.
DM Policy 37	Non designated heritage assets including locally listed buildings, areas of special local character and areas of archaeological interest	Protect the local distinctiveness of the borough. Requires heritage reports for non-designated heritage assets. Retain and enhance locally listed buildings and resist demolition. Resist demolition of unlisted buildings in areas of special local character.	Only relevant to certain developments.

Policy Number	Policy Name	Summary of Requirement	Cost Analysis
DM Policy 38	Demolition or substantial harm to designated and non-designated heritage assets	Applications refused for demolition or harm to designated heritage assets unless proven necessary to achieve substantial public benefit that outweighs the harm or loss. Where demolition is proposed on the grounds that a building's condition is beyond repair, a structural survey is required.	Only relevant to certain developments.
DM Policy 39	Domestic satellite dishes and telecommunications equipment and Radio and telecommunications masts and infrastructure	Consider design and siting.	Normally no additional cost and only relevant to certain schemes.
DM Policy 40	Public conveniences	Expect new developments which attract large numbers of visitors/customers to make adequate provision for public conveniences, which are well located and signed in relation to pedestrian flows, car parks, public transport and other public places and are accessible for all.	Normally no additional cost and only relevant to certain schemes.
DM Policy 41	Innovative community facility provision	Encourages, where appropriate, the use of innovative solutions to the provision of community meeting space including in schools or unused buildings	No additional costs.
DM Policy 42	Nurseries and childcare	Consider loss of existing use, accessibility, traffic congestion, noise impacts and outdoor space provision	N/A
DM Policy 43	Art, culture and entertainment facilities	Encourages new or extended art, culture and entertainment uses where there is no unacceptable impact on local amenity. Protecting existing uses.	N/A
DM Policy 44	Places of worship	Sets out acceptable locations, high design quality, and consideration of noise and traffic impacts. Provision of a travel plan.	N/A

Appendix 2 - Sites details

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
LONDON BOROUGH OF LEWISHAM						Years 1 - 5		Years 6 - 10		Years 11 - 15					
Site ref	SITE NAME	Gross Site area	Net site area	Site coverage	Heights	No of Houses	No of Flats	No of Houses	No of Flats	No of Houses	No of Flats	Resi costs Houses	Resi costs Flats	GIA Houses	GIA flats
1	Very small residential	0.03	0.03	50%	2	1		-	-	-	-	1,619	1,782	108	-
2	Small residential developments (backland, infill etc)	0.05	0.05	60%	3	-	5	-	-	-	-	1,619	1,782	-	383
3	Small residential developments (backland, infill etc)	0.10	0.10	60%	6	-	11	-	-	-	-	1,619	1,782	-	873
4	Small residential developments	0.15	0.15	60%	6	-	25	-	-	-	-	1,619	1,914	-	1,978
5	Residential development	0.25	0.25	70%	6	-	50	-	-	-	-	1,619	1,914	-	4,170
6	Small scale mixed use, local centres	0.02	0.02	80%	3	-	5	-	-	-	-	1,619	1,782	-	383
7	Small scale mixed use, local centres	0.02	0.02	80%	3	-	5	-	-	-	-	1,619	1,782	-	383
8	Small mixed use	0.15	0.15	80%	6	-	25	-	-	-	-	1,619	1,914	-	1,978
9	Small mixed use	0.20	0.20	80%	6	-	30	-	-	-	-	1,619	1,914	-	2,468
10	Mixed use	0.30	0.30	80%	10	-	70	-	-	-	-	1,619	2,263	-	5,873
11	Mixed use	0.70	0.70	80%	14	-	150	-	-	-	-	1,619	2,263	-	11,930
12	Large mixed use (employment led)	0.80	0.80	80%	16	-	300	-	-	-	-	1,619	2,263	-	23,865
13	Town Centre	0.30	0.30	90%	20	-	200	-	-	-	-	1,619	2,263	-	15,910
14	Town Centre	1.00	1.00	90%	30	-	500	-	-	-	-	1,619	2,263	-	39,775
15	Town Centre	1.00	1.00	90%	10	-	250	-	-	-	-	1,619	2,263	-	19,865
16	Estate regeneration (small)	0.20	0.20	80%	3	-	10	-	-	-	-	1,619	1,782	-	785
17	Estate regeneration (large)	4.00	4.00	80%	13	-	200	-	-	-	-	1,619	2,263	-	15,910
18	Student housing	0.30	0.30	90%	5	-	-	-	-	-	-	1,619	2,263	-	-
19	Hotels	0.20	0.20	90%	6	-	67	-	-	-	-	1,619	2,263	-	2,010
20	Office	0.60	0.60	90%	3	-	-	-	-	-	-	1,619	2,263	-	-
21	Storage	0.20	0.20	80%	2	-	-	-	-	-	-	1,619	2,263	-	-
22	Residential care home (7 units)	0.03	0.03	80%	3	-	7	-	-	-	-	1,619	1,782	-	-
23	Strategic site 1	0.77	0.77	80%	16	-	230	-	-	-	-	1,619	2,263	-	18,315
24	Strategic site 2	0.85	0.85	80%	16	-	250	-	-	-	-	1,619	2,263	-	19,865
25	Strategic site 3	1.68	1.68	80%	11	-	370	-	-	-	-	1,619	2,263	-	29,415
26	Strategic site 4	0.28	0.28	80%	30	-	242	-	-	-	-	1,619	2,263	-	19,250
27	Strategic site 5	1.14	1.14	80%	30	-	540	-	-	-	-	1,619	2,263	-	42,965
28	Strategic site 6	0.30	0.30	70%	30	-	180	-	-	-	-	1,619	2,263	-	14,315
29	Strategic site 7	0.60	0.60	70%	15	-	180	-	-	-	-	1,619	2,263	-	14,315

LONDON IFloor areas - proposed (sqm)

CIL (rate per sqm) - INCL MAYORAL CIL

Site ref	Note: B1 office includes B1(b)										Total resi units	Total resi FS	CIL (rate per sqm) - INCL MAYORAL CIL									
	Retail A1-A2	Retail S'Mark	B1 office	B2 industrial	B8 storage	C1 Hotel	C2 resi inst	D1	D2				Retail A1-A2	Retail S'Mark	B1 office	B2 industrial	B8 storage	C1 Hotel	C2 resi inst	D1	D2	Resi
1	-	-	-	-	-	-	-	-	-	-	1	108	220	220	100	90	90	220	260	£60	£60	260
2	-	-	-	-	-	-	-	-	-	-	5	383	220	220	100	90	90	220	260	£60	£60	260
3	-	-	-	-	-	-	-	-	-	-	11	873	220	220	100	90	90	220	260	£60	£60	260
4	-	-	-	-	-	-	-	-	-	-	25	1,978	220	220	100	90	90	220	260	£60	£60	260
5	-	-	-	-	-	-	-	-	-	-	50	4,170	220	220	100	90	90	220	260	£60	£60	260
6	50	-	-	-	-	-	-	-	-	-	5	383	220	220	100	90	90	220	260	£60	£60	260
7	-	-	50	-	-	-	-	-	-	-	5	383	220	220	100	90	90	220	260	£60	£60	260
8	200	-	-	-	-	-	-	-	-	-	25	1,978	220	220	100	90	90	220	260	£60	£60	260
9	-	-	300	-	-	-	-	-	-	-	30	2,468	220	220	100	90	90	220	260	£60	£60	260
10	100	-	700	-	-	-	-	-	-	-	70	5,873	220	220	100	90	90	220	260	£60	£60	260
11	100	-	700	-	-	-	-	200	-	-	150	11,930	220	220	100	90	90	220	260	£60	£60	260
12	300	-	4,500	-	-	-	-	200	-	-	300	23,865	220	220	100	90	90	220	260	£60	£60	260
13	200	-	500	-	-	-	-	-	100	-	200	15,910	220	220	100	90	90	220	260	£60	£60	260
14	1,000	-	2,500	-	-	-	-	250	250	-	500	39,775	220	220	100	90	90	220	260	£60	£60	260
15	500	-	500	-	-	-	-	500	-	-	250	19,865	220	220	100	90	90	220	260	£60	£60	260
16	-	-	-	-	-	-	-	-	-	-	10	785	220	220	100	90	90	220	260	£60	£60	260
17	100	-	-	-	-	-	-	250	-	-	200	15,910	220	220	100	90	90	220	260	£60	£60	260
18	150	-	400	-	-	-	3,000	-	-	-	-	-	220	220	100	90	90	220	260	£60	£60	260
19	250	-	-	-	-	-	2,000	-	-	-	67	2,010	220	220	100	90	90	220	260	£60	£60	260
20	-	-	500	-	-	-	-	-	-	-	-	-	220	220	100	90	90	220	260	£60	£60	260
21	-	-	1,000	-	1,500	-	-	-	-	-	-	-	220	220	100	90	90	220	260	£60	£60	260
22	-	-	-	-	-	-	250	-	-	-	7	-	220	220	100	90	90	220	260	£60	£60	260
23	200	-	1,600	-	-	-	-	200	-	-	230	18,315	220	220	100	90	90	220	260	£60	£60	260
24	300	-	3,000	-	400	-	-	300	-	-	250	19,865	220	220	100	90	90	220	260	£60	£60	260
25	6,700	-	-	-	-	-	-	300	1,650	-	370	29,415	220	220	100	90	90	220	260	£60	£60	260
26	500	-	200	-	-	-	-	200	-	-	242	19,250	220	220	100	90	90	220	260	£60	£60	260
27	3,000	-	500	-	-	-	-	250	250	-	540	42,965	220	220	100	90	90	220	260	£60	£60	260
28	250	-	-	-	-	-	-	-	-	-	180	14,315	220	220	100	90	90	220	260	£60	£60	260
29	-	-	250	-	-	-	-	-	-	-	180	14,315	220	220	100	90	90	220	260	£60	£60	260

1	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	
LONDON I		S106 (per sqm for commercial; per unit for resi)											Rents							Cap val			Yields		
Site ref	E&T cost	Retail A1-A	Retail S'Ma	B1 office	B2 industri	B8 storage	C1 Hotel	C2 resi ins	D1	D2	Resi	Retail A1-A	Retail S'Ma	B1 office	B2 industri	B8 storage	C1 Hotel	C2 resi ins	D1	D2	Resi	Retail A1-A	Retail S'Ma	B1 office	
1	-	0	0	0	0	0	0	0	0	0	0	325	250	375	160	160	425	450	250	250	7,750	5.00%	5.00%	6.00%	
2	-	0	0	0	0	0	0	0	0	0	0	325	250	375	160	160	425	450	250	250	7,750	5.00%	5.00%	6.00%	
3	-	0	0	0	0	0	0	0	0	0	1,500	325	250	375	160	160	425	450	250	250	7,750	5.00%	5.00%	6.00%	
4	-	0	0	0	0	0	0	0	0	0	1,500	325	250	375	160	160	425	450	250	250	7,750	5.00%	5.00%	6.00%	
5	-	0	0	0	0	0	0	0	0	0	1,500	325	250	375	160	160	425	450	250	250	7,750	5.00%	5.00%	6.00%	
6	-	20	20	20	20	20	20	20	20	20	1,500	325	250	375	160	160	425	450	250	250	7,750	5.00%	5.00%	6.00%	
7	-	20	20	20	20	20	20	20	20	20	1,500	325	250	375	160	160	425	450	250	250	7,750	5.00%	5.00%	6.00%	
8	-	20	20	20	20	20	20	20	20	20	1,500	325	250	375	160	160	425	450	250	250	7,750	5.00%	5.00%	6.00%	
9	-	20	20	20	20	20	20	20	20	20	1,500	325	250	375	160	160	425	450	250	250	7,750	5.00%	5.00%	6.00%	
10	-	20	20	20	20	20	20	20	20	20	1,500	325	250	375	160	160	425	450	250	250	7,750	5.00%	5.00%	6.00%	
11	-	20	20	20	20	20	20	20	20	20	1,500	325	250	375	160	160	425	450	250	250	7,750	5.00%	5.00%	6.00%	
12	-	20	20	20	20	20	20	20	20	20	1,500	325	250	375	160	160	425	450	250	250	7,750	5.00%	5.00%	6.00%	
13	-	20	20	20	20	20	20	20	20	20	1,500	325	250	375	160	160	425	450	250	250	7,750	5.00%	5.00%	6.00%	
14	-	20	20	20	20	20	20	20	20	20	1,500	325	250	375	160	160	425	450	250	250	7,750	5.00%	5.00%	6.00%	
15	-	20	20	20	20	20	20	20	20	20	1,500	325	250	375	160	160	425	450	250	250	7,750	5.00%	5.00%	6.00%	
16	-	0	0	0	0	0	0	0	0	0	1,500	325	250	375	160	160	425	450	250	250	7,750	5.00%	5.00%	6.00%	
17	-	20	20	20	20	20	20	20	20	20	1,500	325	250	375	160	160	425	450	250	250	7,750	5.00%	5.00%	6.00%	
18	-	20	20	20	20	20	20	20	20	20	1,500	325	250	375	160	160	425	450	250	250	7,750	5.00%	5.00%	6.00%	
19	-	20	20	20	20	20	20	20	20	20	0	325	250	375	160	160	425	450	250	250	7,750	5.00%	5.00%	6.00%	
20	-	20	20	20	20	20	20	20	20	20	0	325	250	375	160	160	425	450	250	250	7,750	5.00%	5.00%	6.00%	
21	-	20	20	20	20	20	20	20	20	20	0	325	250	375	160	160	425	450	250	250	7,750	5.00%	5.00%	6.00%	
22	-	0	0	0	0	0	0	0	0	0	1,500	325	250	375	160	160	425	450	250	250	7,750	5.00%	5.00%	6.00%	
23	-	20	20	20	20	20	20	20	20	20	1,500	325	250	375	160	160	425	450	250	250	7,750	5.00%	5.00%	6.00%	
24	-	20	20	20	20	20	20	20	20	20	1,500	325	250	375	160	160	425	450	250	250	7,750	5.00%	5.00%	6.00%	
25	-	20	20	20	20	20	20	20	20	20	1,500	325	250	375	160	160	425	450	250	250	7,750	5.00%	5.00%	6.00%	
26	-	20	20	20	20	20	20	20	20	20	1,500	325	250	375	160	160	425	450	250	250	7,750	5.00%	5.00%	6.00%	
27	-	20	20	20	20	20	20	20	20	20	1,500	325	250	375	160	160	425	450	250	250	7,750	5.00%	5.00%	6.00%	
28	-	20	20	20	20	20	20	20	20	20	1,500	325	250	375	160	160	425	450	250	250	7,750	5.00%	5.00%	6.00%	
29	-	20	20	20	20	20	20	20	20	20	1,500	325	250	375	160	160	425	450	250	250	7,750	5.00%	5.00%	6.00%	

1	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94
LONDON I							n/a	Build costs										Net to gross					
Site ref	B2 industri	B8 storage	C1 Hotel	C2 resi ins	D1	D2	Resi	Retail A1-A5	Retail S'Ma	B1 office	B2 industri	B8 storage	C1 Hotel	C2 resi ins	D1	D2	NOT USED	Retail A1-A5	Retail S'Ma	B1 office	B2 industrial	B8 storage	C1 Hotel
1	6.00%	6.00%	5.00%	6.00%	7.00%	7.00%		1,585	1,850	2,123	1,228	1,163	2,391	2,391	2,670	2,641		85%	85%	85%	85%	85%	85%
2	6.00%	6.00%	5.00%	6.00%	7.00%	7.00%		1,585	1,850	2,123	1,228	1,163	2,391	2,391	2,670	2,641		85%	85%	85%	85%	85%	85%
3	6.00%	6.00%	5.00%	6.00%	7.00%	7.00%		1,585	1,850	2,123	1,228	1,163	2,391	2,391	2,670	2,641		85%	85%	85%	85%	85%	85%
4	6.00%	6.00%	5.00%	6.00%	7.00%	7.00%		1,585	1,850	2,123	1,228	1,163	2,391	2,391	2,670	2,641		85%	85%	85%	85%	85%	85%
5	6.00%	6.00%	5.00%	6.00%	7.00%	7.00%		1,585	1,850	2,123	1,228	1,163	2,391	2,391	2,670	2,641		85%	85%	85%	85%	85%	85%
6	6.00%	6.00%	5.00%	6.00%	7.00%	7.00%		1,585	1,850	2,123	1,228	1,163	2,391	2,391	2,670	2,641		85%	85%	85%	85%	85%	85%
7	6.00%	6.00%	5.00%	6.00%	7.00%	7.00%		1,585	1,850	2,123	1,228	1,163	2,391	2,391	2,670	2,641		85%	85%	85%	85%	85%	85%
8	6.00%	6.00%	5.00%	6.00%	7.00%	7.00%		1,585	1,850	2,123	1,228	1,163	2,391	2,391	2,670	2,641		85%	85%	85%	85%	85%	85%
9	6.00%	6.00%	5.00%	6.00%	7.00%	7.00%		1,585	1,850	2,123	1,228	1,163	2,391	2,391	2,670	2,641		85%	85%	85%	85%	85%	85%
10	6.00%	6.00%	5.00%	6.00%	7.00%	7.00%		1,585	1,850	2,123	1,228	1,163	2,391	2,391	2,670	2,641		85%	85%	85%	85%	85%	85%
11	6.00%	6.00%	5.00%	6.00%	7.00%	7.00%		1,585	1,850	2,123	1,228	1,163	2,391	2,391	2,670	2,641		85%	85%	85%	85%	85%	85%
12	6.00%	6.00%	5.00%	6.00%	7.00%	7.00%		1,585	1,850	2,123	1,228	1,163	2,391	2,391	2,670	2,641		85%	85%	85%	85%	85%	85%
13	6.00%	6.00%	5.00%	6.00%	7.00%	7.00%		1,585	1,850	2,123	1,228	1,163	2,391	2,391	2,670	2,641		85%	85%	85%	85%	85%	85%
14	6.00%	6.00%	5.00%	6.00%	7.00%	7.00%		1,585	1,850	2,123	1,228	1,163	2,391	2,391	2,670	2,641		85%	85%	85%	85%	85%	85%
15	6.00%	6.00%	5.00%	6.00%	7.00%	7.00%		1,585	1,850	2,123	1,228	1,163	2,391	2,391	2,670	2,641		85%	85%	85%	85%	85%	85%
16	6.00%	6.00%	5.00%	6.00%	7.00%	7.00%		1,585	1,850	2,123	1,228	1,163	2,391	2,391	2,670	2,641		85%	85%	85%	85%	85%	85%
17	6.00%	6.00%	5.00%	6.00%	7.00%	7.00%		1,585	1,850	2,123	1,228	1,163	2,391	2,391	2,670	2,641		85%	85%	85%	85%	85%	85%
18	6.00%	6.00%	5.00%	6.00%	7.00%	7.00%		1,585	1,850	2,123	1,228	1,163	2,391	2,391	2,670	2,641		85%	85%	85%	85%	85%	85%
19	6.00%	6.00%	5.00%	6.00%	7.00%	7.00%		1,585	1,850	2,123	1,228	1,163	2,391	2,391	2,670	2,641		85%	85%	85%	85%	85%	85%
20	6.00%	6.00%	5.00%	6.00%	7.00%	7.00%		1,585	1,850	2,123	1,228	1,163	2,391	2,391	2,670	2,641		85%	85%	85%	85%	85%	85%
21	6.00%	6.00%	5.00%	6.00%	7.00%	7.00%		1,585	1,850	2,123	1,228	1,163	2,391	2,391	2,670	2,641		85%	85%	85%	85%	85%	85%
22	6.00%	6.00%	5.00%	6.00%	7.00%	7.00%		1,585	1,850	2,123	1,228	1,163	2,391	2,391	2,670	2,641		85%	85%	85%	85%	85%	85%
23	6.00%	6.00%	5.00%	6.00%	7.00%	7.00%		1,585	1,850	2,123	1,228	1,163	2,391	2,391	2,670	2,641		85%	85%	85%	85%	85%	85%
24	6.00%	6.00%	5.00%	6.00%	7.00%	7.00%		1,585	1,850	2,123	1,228	1,163	2,391	2,391	2,670	2,641		85%	85%	85%	85%	85%	85%
25	6.00%	6.00%	5.00%	6.00%	7.00%	7.00%		1,585	1,850	2,123	1,228	1,163	2,391	2,391	2,670	2,641		85%	85%	85%	85%	85%	85%
26	6.00%	6.00%	5.00%	6.00%	7.00%	7.00%		1,585	1,850	2,123	1,228	1,163	2,391	2,391	2,670	2,641		85%	85%	85%	85%	85%	85%
27	6.00%	6.00%	5.00%	6.00%	7.00%	7.00%		1,585	1,850	2,123	1,228	1,163	2,391	2,391	2,670	2,641		85%	85%	85%	85%	85%	85%
28	6.00%	6.00%	5.00%	6.00%	7.00%	7.00%		1,585	1,850	2,123	1,228	1,163	2,391	2,391	2,670	2,641		85%	85%	85%	85%	85%	85%
29	6.00%	6.00%	5.00%	6.00%	7.00%	7.00%		1,585	1,850	2,123	1,228	1,163	2,391	2,391	2,670	2,641		85%	85%	85%	85%	85%	85%

1	95	96	97	98	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137
LONDON I							Build start (QUARTERS)							Build period (QUARTERS)								
Site ref	C2 resi ins	D1	D2	Resi	Total new floorspace	Highways/S278	Retail A1-A	Retail S'Ma	B1 office	B2 industri	B8 storage	C1 Hotel	C2 resi ins	D1	D2	Resi	Retail A1-A	Retail S'Ma	B1 office	B2 industri	B8 storage	C1 Hotel
1	85%	85%	85%	100%	108	-	2	2	2	2	2	2	2	2	2	2	4	4	4	4	4	4
2	85%	85%	85%	85%	383	-	2	2	2	2	2	2	2	2	2	2	5	5	5	5	5	5
3	85%	85%	85%	85%	873	11,000	2	2	2	2	2	2	2	2	2	2	6	6	6	6	6	6
4	85%	85%	85%	85%	1,978	25,000	2	2	2	2	2	2	2	2	2	2	8	8	8	8	8	8
5	85%	85%	85%	85%	4,170	50,000	2	2	2	2	2	2	2	2	2	2	8	8	8	8	8	8
6	85%	85%	85%	85%	433	5,750	2	2	2	2	2	2	2	2	2	2	5	5	5	5	5	5
7	85%	85%	85%	85%	433	5,750	2	2	2	2	2	2	2	2	2	2	5	5	5	5	5	5
8	85%	85%	85%	85%	2,178	28,000	2	2	2	2	2	2	2	2	2	2	8	8	8	8	8	8
9	85%	85%	85%	85%	2,768	34,500	2	2	2	2	2	2	2	2	2	2	8	8	8	8	8	8
10	85%	85%	85%	80%	6,673	82,000	2	2	2	2	2	2	2	2	2	2	8	8	8	8	8	8
11	85%	85%	85%	80%	12,930	165,000	2	2	2	2	2	2	2	2	2	2	8	8	8	8	8	8
12	85%	85%	85%	80%	28,865	375,000	2	2	2	2	2	2	2	2	2	2	12	12	12	12	12	12
13	85%	85%	85%	78%	16,710	212,000	2	2	2	2	2	2	2	2	2	2	10	10	10	10	10	10
14	85%	85%	85%	75%	43,775	560,000	2	2	2	2	2	2	2	2	2	2	14	14	14	14	14	14
15	85%	85%	85%	80%	21,365	272,500	2	2	2	2	2	2	2	2	2	2	10	10	10	10	10	10
16	85%	85%	85%	85%	785	10,000	2	2	2	2	2	2	2	2	2	2	5	5	5	5	5	5
17	85%	85%	85%	78%	16,260	205,250	2	2	2	2	2	2	2	2	2	2	10	10	10	10	10	10
18	85%	85%	85%	85%	3,550	53,250	2	2	2	2	2	2	2	2	2	2	8	8	8	8	8	8
19	85%	85%	85%	85%	4,260	33,750	2	2	2	2	2	2	2	2	2	2	8	8	8	8	8	8
20	85%	85%	85%	85%	500	7,500	2	2	2	2	2	2	2	2	2	2	8	8	8	8	8	8
21	85%	85%	85%	85%	2,500	37,500	2	2	2	2	2	2	2	2	2	2	4	4	4	4	4	4
22	85%	85%	85%	85%	250	7,000	2	2	2	2	2	2	2	2	2	2	5	5	5	5	5	5
23	85%	85%	85%	80%	20,315	260,000	2	2	2	2	2	2	2	2	2	2	8	8	8	8	8	8
24	85%	85%	85%	80%	23,865	310,000	2	2	2	2	2	2	2	2	2	2	10	10	10	10	10	10
25	85%	85%	85%	80%	38,065	499,750	2	2	2	2	2	2	2	2	2	2	10	10	10	10	10	10
26	85%	85%	85%	75%	20,150	255,500	2	2	2	2	2	2	2	2	2	2	10	10	10	10	10	10
27	85%	85%	85%	75%	46,965	600,000	2	2	2	2	2	2	2	2	2	2	14	14	14	14	14	14
28	85%	85%	85%	75%	14,565	183,750	2	2	2	2	2	2	2	2	2	2	8	8	8	8	8	8
29	85%	85%	85%	78%	14,565	183,750	2	2	2	2	2	2	2	2	2	2	8	8	8	8	8	8

1	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157
LONDON I				Investment sale (QUARTERS)										Resi sales period (qtrs)		Sales period start		Area	On-site AH	% AH rented
Site ref	C2 resi ins	D1	D2	Resi	Retail A1-A	Retail S/M	B1 office	B2 industri	B8 storage	C1 Hotel	C2 resi ins	D1	D2	Resi	Resi	Resi	% of PRS units			
1	4	4	4	4	6	6	6	6	6	6	6	6	6	6	1	6	0.00%		20%	70%
2	5	5	5	5	7	7	7	7	7	7	7	7	7	7	1	7	0.00%		20%	70%
3	6	6	6	6	8	8	8	8	8	8	8	8	8	8	1	8	0.00%		20%	70%
4	8	8	8	8	10	10	10	10	10	10	10	10	10	10	1	10	0.00%		20%	70%
5	8	8	8	8	10	10	10	10	10	10	10	10	10	10	2	10	0.00%		20%	70%
6	5	5	5	5	7	7	7	7	7	7	7	7	7	7	1	7	0.00%		20%	70%
7	5	5	5	5	7	7	7	7	7	7	7	7	7	7	1	7	0.00%		20%	70%
8	8	8	8	8	10	10	10	10	10	10	10	10	10	10	1	10	0.00%		20%	70%
9	8	8	8	8	10	10	10	10	10	10	10	10	10	10	1	10	0.00%		20%	70%
10	8	8	8	8	10	10	10	10	10	10	10	10	10	10	3	10	0.00%		20%	70%
11	8	8	8	8	10	10	10	10	10	10	10	10	10	10	4	10	0.00%		20%	70%
12	12	12	12	10	14	14	14	14	14	14	14	14	14	14	6	14	0.00%		20%	70%
13	10	10	10	10	12	12	12	12	12	12	12	12	12	12	5	12	0.00%		20%	70%
14	14	14	14	10	16	16	16	16	16	16	16	16	16	16	8	16	0.00%		20%	70%
15	10	10	10	8	12	12	12	12	12	12	12	12	12	12	5	12	0.00%		20%	70%
16	5	5	5	5	7	7	7	7	7	7	7	7	7	7	1	7	0.00%		20%	70%
17	10	10	10	10	12	12	12	12	12	12	12	12	12	12	5	12	0.00%		20%	70%
18	8	8	8	8	10	10	10	10	10	10	10	10	10	10	4	10	0.00%		0%	70%
19	8	8	8	8	10	10	10	10	10	10	10	10	10	10	2	10	0.00%		20%	70%
20	8	8	8	8	10	10	10	10	10	10	10	10	10	10	1	10	0.00%		0%	70%
21	4	4	4	4	6	6	6	6	6	6	6	6	6	6	1	6	0.00%		0%	70%
22	5	5	5	5	7	7	7	7	7	7	7	7	7	7	1	7	0.00%		20%	70%
23	8	8	8	8	10	10	10	10	10	10	10	10	10	10	5	10	0.00%		20%	70%
24	10	10	10	10	12	12	12	12	12	12	12	12	12	12	5	12	0.00%		20%	70%
25	10	10	10	10	12	12	12	12	12	12	12	12	12	12	6	12	0.00%		20%	70%
26	10	10	10	10	12	12	12	12	12	12	12	12	12	12	5	12	0.00%		20%	70%
27	14	14	14	14	16	16	16	16	16	16	16	16	16	16	8	16	0.00%		20%	70%
28	8	8	8	8	10	10	10	10	10	10	10	10	10	10	5	10	0.00%		20%	70%
29	8	8	8	8	10	10	10	10	10	10	10	10	10	10	5	6	0.00%		20%	70%

Appendix 3 - Appraisal results with growth

Maximum CIL rates (before buffer), using £3 million per hectare benchmark land value – Higher value zone – with growth

£7,750 per sqm / £720 per sqft

		Affordable housing percentage and maximum CIL rates per sqm								
	Resi units	0%	10%	20%	30%	35%	40%	50%		
1	Very small residential	1	£ 2,600	£ 2,217	£ 1,834	£ 1,451	£ 1,260	£ 1,068	£ 685	
2	Small residential developments (backland, infill etc)	5	£ 1,968	£ 1,653	£ 1,338	£ 1,022	£ 865	£ 707	£ 392	
3	Small residential developments (backland, infill etc)	11	£ 1,943	£ 1,634	£ 1,325	£ 1,015	£ 861	£ 706	£ 397	
4	Small residential developments	25	£ 1,798	£ 1,501	£ 1,204	£ 907	£ 759	£ 610	£ 313	
5	Residential development	50	£ 1,813	£ 1,520	£ 1,227	£ 933	£ 787	£ 640	£ 347	
6	Small scale mixed use, local centres	5	£ 2,093	£ 1,814	£ 1,535	£ 1,256	£ 1,117	£ 977	£ 698	
7	Small scale mixed use, local centres	5	£ 2,010	£ 1,732	£ 1,453	£ 1,174	£ 1,034	£ 895	£ 616	
8	Small mixed use	25	£ 1,707	£ 1,438	£ 1,168	£ 898	£ 764	£ 629	£ 359	
9	Small mixed use	30	£ 1,600	£ 1,336	£ 1,071	£ 806	£ 674	£ 542	£ 277	
10	Mixed use	70	£ 966	£ 727	£ 489	£ 250	£ 131	£ 11	£ -	
11	Mixed use	150	£ 904	£ 657	£ 410	£ 163	£ 39	£ -	£ -	
12	Large mixed use (employment led)	300	£ 699	£ 504	£ 308	£ 111	£ 13	£ -	£ -	
13	Tow n Centre	200	£ 850	£ 618	£ 385	£ 151	£ 34	£ -	£ -	
14	Tow n Centre	500	£ 385	£ 199	£ 13	£ -	£ -	£ -	£ -	
15	Tow n Centre	250	£ 776	£ 544	£ 310	£ 76	£ -	£ -	£ -	
16	Estate regeneration (small)	10	£ 1,401	£ 1,086	£ 771	£ 456	£ 298	£ 140	£ -	
17	Estate regeneration (large)	200	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
18	Student housing	120	£ 95	£ 95	£ 95	£ 95	£ 95	£ 95	£ 95	
19	Hotels	67	£ 1,120	£ 982	£ 843	£ 705	£ 636	£ 566	£ 428	
20	Office	-	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
21	Storage	-	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
22	Residential care home (7 units)	7	£ 107	£ 106	£ 105	£ 104	£ 103	£ 102	£ 101	
23	Strategic site 1	230	£ 930	£ 694	£ 456	£ 218	£ 99	£ -	£ -	
24	Strategic site 2	250	£ 789	£ 580	£ 369	£ 158	£ 53	£ -	£ -	
25	Strategic site 3	370	£ 727	£ 536	£ 344	£ 151	£ 54	£ -	£ -	
26	Strategic site 4	242	£ 743	£ 517	£ 291	£ 65	£ -	£ -	£ -	
27	Strategic site 5	540	£ 491	£ 301	£ 110	£ -	£ -	£ -	£ -	
28	Strategic site 6	180	£ 824	£ 582	£ 340	£ 98	£ -	£ -	£ -	
29	Strategic site 7	181	£ 1,120	£ 846	£ 571	£ 294	£ 156	£ 18	£ -	

Maximum CIL rates (before buffer), using £3 million per hectare benchmark land value – lower value zone – with growth

		Resi units	Affordable housing percentage and maximum CIL rates per sqm							
			0%	10%	20%	30%	35%	40%	50%	
1	Very small residential	1	£ 2,050	£ 1,722	£ 1,394	£ 1,066	£ 902	£ 738	£ 410	
2	Small residential developments (backland, infill etc)	5	£ 1,515	£ 1,245	£ 975	£ 705	£ 570	£ 435	£ 165	
3	Small residential developments (backland, infill etc)	11	£ 1,497	£ 1,232	£ 968	£ 703	£ 571	£ 439	£ 174	
4	Small residential developments	25	£ 1,366	£ 1,113	£ 859	£ 605	£ 478	£ 351	£ 97	
5	Residential development	50	£ 1,385	£ 1,135	£ 884	£ 634	£ 509	£ 383	£ 133	
6	Small scale mixed use, local centres	5	£ 1,692	£ 1,453	£ 1,214	£ 976	£ 856	£ 737	£ 498	
7	Small scale mixed use, local centres	5	£ 1,610	£ 1,371	£ 1,132	£ 893	£ 774	£ 655	£ 416	
8	Small mixed use	25	£ 1,316	£ 1,085	£ 855	£ 624	£ 509	£ 394	£ 163	
9	Small mixed use	30	£ 1,216	£ 990	£ 763	£ 537	£ 424	£ 311	£ 85	
10	Mixed use	70	£ 617	£ 413	£ 210	£ 6	£ -	£ -	£ -	
11	Mixed use	150	£ 541	£ 331	£ 120	£ -	£ -	£ -	£ -	
12	Large mixed use (employment led)	300	£ 403	£ 236	£ 69	£ -	£ -	£ -	£ -	
13	Tow n Centre	200	£ 505	£ 306	£ 107	£ -	£ -	£ -	£ -	
14	Tow n Centre	500	£ 95	£ -	£ -	£ -	£ -	£ -	£ -	
15	Tow n Centre	250	£ 427	£ 229	£ 30	£ -	£ -	£ -	£ -	
16	Estate regeneration (small)	10	£ 948	£ 678	£ 408	£ 138	£ 3	£ -	£ -	
17	Estate regeneration (large)	200	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
18	Student housing	120	£ 137	£ 137	£ 137	£ 137	£ 137	£ 137	£ 137	
19	Hotels	67	£ 920	£ 801	£ 682	£ 564	£ 505	£ 445	£ 327	
20	Office	-	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
21	Storage	-	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
22	Residential care home (7 units)	7	£ 157	£ 156	£ 155	£ 154	£ 154	£ 153	£ 152	
23	Strategic site 1	230	£ 582	£ 379	£ 175	£ -	£ -	£ -	£ -	
24	Strategic site 2	250	£ 478	£ 298	£ 118	£ -	£ -	£ -	£ -	
25	Strategic site 3	370	£ 442	£ 278	£ 113	£ -	£ -	£ -	£ -	
26	Strategic site 4	242	£ 408	£ 216	£ 23	£ -	£ -	£ -	£ -	
27	Strategic site 5	540	£ 200	£ 38	£ -	£ -	£ -	£ -	£ -	
28	Strategic site 6	180	£ 468	£ 262	£ 55	£ -	£ -	£ -	£ -	
29	Strategic site 7	181								

Maximum CIL rates (before buffer), using £6 million per hectare benchmark land value – Higher value zone – with growth

£7,750 per sqm / £720 per sqft

		Affordable housing percentage and maximum CIL rates per sqm								
	Resi units	0%	10%	20%	30%	35%	40%	50%		
1	Very small residential	1	£ 1,763	£ 1,380	£ 997	£ 614	£ 423	£ 231	£ -	-
2	Small residential developments (backland, infill etc)	5	£ 1,576	£ 1,261	£ 945	£ 630	£ 472	£ 315	£ -	-
3	Small residential developments (backland, infill etc)	11	£ 1,599	£ 1,290	£ 981	£ 672	£ 517	£ 363	£ 53	53
4	Small residential developments	25	£ 1,570	£ 1,273	£ 976	£ 679	£ 531	£ 382	£ 86	86
5	Residential development	50	£ 1,633	£ 1,340	£ 1,047	£ 753	£ 607	£ 460	£ 167	167
6	Small scale mixed use, local centres	5	£ 1,954	£ 1,675	£ 1,396	£ 1,117	£ 978	£ 838	£ 560	560
7	Small scale mixed use, local centres	5	£ 1,872	£ 1,593	£ 1,314	£ 1,035	£ 896	£ 756	£ 477	477
8	Small mixed use	25	£ 1,501	£ 1,231	£ 961	£ 692	£ 557	£ 422	£ 152	152
9	Small mixed use	30	£ 1,384	£ 1,119	£ 854	£ 590	£ 457	£ 325	£ 60	60
10	Mixed use	70	£ 831	£ 593	£ 354	£ 115	£ -	£ -	£ -	-
11	Mixed use	150	£ 741	£ 495	£ 247	£ 0	£ -	£ -	£ -	-
12	Large mixed use (employment led)	300	£ 616	£ 421	£ 225	£ 28	£ -	£ -	£ -	-
13	Tow n Centre	200	£ 796	£ 564	£ 331	£ 97	£ -	£ -	£ -	-
14	Tow n Centre	500	£ 316	£ 131	£ -	£ -	£ -	£ -	£ -	-
15	Tow n Centre	250	£ 636	£ 404	£ 170	£ -	£ -	£ -	£ -	-
16	Estate regeneration (small)	10	£ 637	£ 322	£ 7	£ -	£ -	£ -	£ -	-
17	Estate regeneration (large)	200	£ -	£ -	£ -	£ -	£ -	£ -	£ -	-
18	Student housing	120	£ -	£ -	£ -	£ -	£ -	£ -	£ -	-
19	Hotels	67	£ 979	£ 841	£ 703	£ 564	£ 495	£ 426	£ 287	287
20	Office	-	£ -	£ -	£ -	£ -	£ -	£ -	£ -	-
21	Storage	-	£ -	£ -	£ -	£ -	£ -	£ -	£ -	-
22	Residential care home (7 units)	7	£ -	£ -	£ -	£ -	£ -	£ -	£ -	-
23	Strategic site 1	230	£ 816	£ 580	£ 343	£ 104	£ -	£ -	£ -	-
24	Strategic site 2	250	£ 683	£ 473	£ 263	£ 51	£ -	£ -	£ -	-
25	Strategic site 3	370	£ 595	£ 403	£ 211	£ 18	£ -	£ -	£ -	-
26	Strategic site 4	242	£ 701	£ 475	£ 250	£ 24	£ -	£ -	£ -	-
27	Strategic site 5	540	£ 418	£ 229	£ 37	£ -	£ -	£ -	£ -	-
28	Strategic site 6	180	£ 762	£ 521	£ 278	£ 36	£ -	£ -	£ -	-
29	Strategic site 7	181	£ 997	£ 723	£ 448	£ 171	£ 32	£ -	£ -	-

Maximum CIL rates (before buffer), using £6 million per hectare benchmark land value – Lower value zone – with growth

		Resi units	Affordable housing percentage and maximum CIL rates per sqm							
			0%	10%	20%	30%	35%	40%	50%	
1	Very small residential	1	£ 1,213	£ 885	£ 557	£ 229	£ 65	£ -	£ -	
2	Small residential developments (backland, infill etc)	5	£ 1,123	£ 853	£ 583	£ 313	£ 178	£ 43	£ -	
3	Small residential developments (backland, infill etc)	11	£ 1,153	£ 889	£ 624	£ 360	£ 227	£ 95	£ -	
4	Small residential developments	25	£ 1,139	£ 885	£ 631	£ 377	£ 251	£ 124	£ -	
5	Residential development	50	£ 1,205	£ 955	£ 704	£ 454	£ 329	£ 204	£ -	
6	Small scale mixed use, local centres	5	£ 1,553	£ 1,314	£ 1,076	£ 837	£ 717	£ 598	£ 359	
7	Small scale mixed use, local centres	5	£ 1,471	£ 1,232	£ 993	£ 755	£ 635	£ 516	£ 277	
8	Small mixed use	25	£ 1,109	£ 878	£ 648	£ 417	£ 302	£ 187	£ -	
9	Small mixed use	30	£ 999	£ 773	£ 547	£ 320	£ 207	£ 94	£ -	
10	Mixed use	70	£ 482	£ 279	£ 75	£ -	£ -	£ -	£ -	
11	Mixed use	150	£ 379	£ 168	£ -	£ -	£ -	£ -	£ -	
12	Large mixed use (employment led)	300	£ 320	£ 153	£ -	£ -	£ -	£ -	£ -	
13	Tow n Centre	200	£ 451	£ 252	£ 54	£ -	£ -	£ -	£ -	
14	Tow n Centre	500	£ 27	£ -	£ -	£ -	£ -	£ -	£ -	
15	Tow n Centre	250	£ 287	£ 88	£ -	£ -	£ -	£ -	£ -	
16	Estate regeneration (small)	10	£ 184	£ -	£ -	£ -	£ -	£ -	£ -	
17	Estate regeneration (large)	200	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
18	Student housing	120	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
19	Hotels	67	£ 779	£ 660	£ 542	£ 423	£ 364	£ 304	£ 186	
20	Office	-	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
21	Storage	-	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
22	Residential care home (7 units)	7	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
23	Strategic site 1	230	£ 468	£ 265	£ 62	£ -	£ -	£ -	£ -	
24	Strategic site 2	250	£ 371	£ 191	£ 11	£ -	£ -	£ -	£ -	
25	Strategic site 3	370	£ 309	£ 146	£ -	£ -	£ -	£ -	£ -	
26	Strategic site 4	242	£ 366	£ 174	£ -	£ -	£ -	£ -	£ -	
27	Strategic site 5	540	£ 128	£ -	£ -	£ -	£ -	£ -	£ -	
28	Strategic site 6	180	£ 406	£ 200	£ -	£ -	£ -	£ -	£ -	
29	Strategic site 7	181	£ 606	£ 369	£ 132	£ -	£ -	£ -	£ -	

Maximum CIL rates (before buffer), using £9 million per hectare benchmark land value – Higher value zone – with growth

£7,750 per sqm / £720 per sqft

		Affordable housing percentage and maximum CIL rates per sqm								
	Resi units	0%	10%	20%	30%	35%	40%	50%		
1	Very small residential	1	£ 926	£ 543	£ 160	£ -	£ -	£ -	£ -	
2	Small residential developments (backland, infill etc)	5	£ 1,184	£ 869	£ 553	£ 238	£ 80	£ -	£ -	
3	Small residential developments (backland, infill etc)	11	£ 1,255	£ 946	£ 637	£ 328	£ 173	£ 19	£ -	
4	Small residential developments	25	£ 1,343	£ 1,046	£ 749	£ 452	£ 303	£ 155	£ -	
5	Residential development	50	£ 1,453	£ 1,160	£ 867	£ 574	£ 427	£ 280	£ -	
6	Small scale mixed use, local centres	5	£ 1,815	£ 1,536	£ 1,257	£ 979	£ 839	£ 700	£ 421	
7	Small scale mixed use, local centres	5	£ 1,733	£ 1,454	£ 1,175	£ 896	£ 757	£ 617	£ 339	
8	Small mixed use	25	£ 1,294	£ 1,024	£ 755	£ 485	£ 350	£ 215	£ -	
9	Small mixed use	30	£ 1,167	£ 902	£ 637	£ 373	£ 240	£ 108	£ -	
10	Mixed use	70	£ 696	£ 458	£ 219	£ -	£ -	£ -	£ -	
11	Mixed use	150	£ 579	£ 332	£ 85	£ -	£ -	£ -	£ -	
12	Large mixed use (employment led)	300	£ 532	£ 337	£ 142	£ -	£ -	£ -	£ -	
13	Tow n Centre	200	£ 742	£ 510	£ 277	£ 43	£ -	£ -	£ -	
14	Tow n Centre	500	£ 248	£ 62	£ -	£ -	£ -	£ -	£ -	
15	Tow n Centre	250	£ 496	£ 263	£ 29	£ -	£ -	£ -	£ -	
16	Estate regeneration (small)	10	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
17	Estate regeneration (large)	200	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
18	Student housing	120	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
19	Hotels	67	£ 839	£ 700	£ 562	£ 423	£ 354	£ 285	£ 146	
20	Office	-	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
21	Storage	-	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
22	Residential care home (7 units)	7	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
23	Strategic Site 1	230	£ 702	£ 466	£ 229	£ -	£ -	£ -	£ -	
24	Strategic Site 2	250	£ 576	£ 366	£ 156	£ -	£ -	£ -	£ -	
25	Strategic Site 3	370	£ 462	£ 271	£ 79	£ -	£ -	£ -	£ -	
26	Strategic Site 4	242	£ 660	£ 434	£ 208	£ -	£ -	£ -	£ -	
27	Strategic Site 5	540	£ 345	£ 156	£ -	£ -	£ -	£ -	£ -	
28	Strategic Site 6	180	£ 700	£ 459	£ 216	£ -	£ -	£ -	£ -	
29	Strategic Site 7	181	£ 873	£ 599	£ 324	£ 47	£ -	£ -	£ -	

Maximum CIL rates (before buffer), using £9 million per hectare benchmark land value – Lower value zone – with growth

		Affordable housing percentage and maximum CIL rates per sqm								
		Resi units	0%	10%	20%	30%	35%	40%	50%	
1	Very small residential	1	£ 376	£ 48	£ -	£ -	£ -	£ -	£ -	
2	Small residential developments (backland, infill etc)	5	£ 731	£ 461	£ 191	£ -	£ -	£ -	£ -	
3	Small residential developments (backland, infill etc)	11	£ 809	£ 545	£ 280	£ 16	£ -	£ -	£ -	
4	Small residential developments	25	£ 911	£ 657	£ 404	£ 150	£ 23	£ -	£ -	
5	Residential development	50	£ 1,026	£ 775	£ 525	£ 274	£ 149	£ 24	£ -	
6	Small scale mixed use, local centres	5	£ 1,414	£ 1,176	£ 937	£ 698	£ 579	£ 459	£ 220	
7	Small scale mixed use, local centres	5	£ 1,332	£ 1,093	£ 855	£ 616	£ 496	£ 377	£ 138	
8	Small mixed use	25	£ 902	£ 672	£ 441	£ 211	£ 96	£ -	£ -	
9	Small mixed use	30	£ 782	£ 556	£ 330	£ 103	£ -	£ -	£ -	
10	Mixed use	70	£ 347	£ 144	£ -	£ -	£ -	£ -	£ -	
11	Mixed use	150	£ 217	£ 6	£ -	£ -	£ -	£ -	£ -	
12	Large mixed use (employment led)	300	£ 237	£ 70	£ -	£ -	£ -	£ -	£ -	
13	Tow n Centre	200	£ 397	£ 199	£ -	£ -	£ -	£ -	£ -	
14	Tow n Centre	500	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
15	Tow n Centre	250	£ 147	£ -	£ -	£ -	£ -	£ -	£ -	
16	Estate regeneration (small)	10	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
17	Estate regeneration (large)	200	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
18	Student housing	120	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
19	Hotels	67	£ 638	£ 519	£ 401	£ 282	£ 223	£ 164	£ 45	
20	Office	-	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
21	Storage	-	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
22	Residential care home (7 units)	7	£ -	£ -	£ -	£ -	£ -	£ -	£ -	
23	Strategic Site 1	230	£ 354	£ 151	£ -	£ -	£ -	£ -	£ -	
24	Strategic Site 2	250	£ 264	£ 85	£ -	£ -	£ -	£ -	£ -	
25	Strategic Site 3	370	£ 177	£ 13	£ -	£ -	£ -	£ -	£ -	
26	Strategic Site 4	242	£ 325	£ 132	£ -	£ -	£ -	£ -	£ -	
27	Strategic Site 5	540	£ 55	£ -	£ -	£ -	£ -	£ -	£ -	
28	Strategic Site 6	180	£ 345	£ 138	£ -	£ -	£ -	£ -	£ -	
29	Strategic Site 7	181	£ 483	£ 245	£ 8	£ -	£ -	£ -	£ -	

Maximum CIL rates (before buffer), using £12 million per hectare benchmark land value – Higher value zone – with growth

£7,750 per sqm / £720 per sqft

	Resi units	Residential sales values per square metre							
		0%	10%	20%	30%	35%	40%	50%	
1 Very small residential	1	£ 89	£ -	£ -	£ -	£ -	£ -	£ -	£ -
2 Small residential developments (backland, infill etc)	5	£ 792	£ 476	£ 161	£ -	£ -	£ -	£ -	£ -
3 Small residential developments (backland, infill etc)	11	£ 911	£ 602	£ 293	£ -	£ -	£ -	£ -	£ -
4 Small residential developments	25	£ 1,115	£ 818	£ 521	£ 224	£ 76	£ -	£ -	£ -
5 Residential development	50	£ 1,273	£ 980	£ 687	£ 394	£ 247	£ 100	£ -	£ -
6 Small scale mixed use, local centres	5	£ 1,676	£ 1,398	£ 1,119	£ 840	£ 700	£ 561	£ 282	£ -
7 Small scale mixed use, local centres	5	£ 1,594	£ 1,315	£ 1,036	£ 758	£ 618	£ 479	£ 200	£ -
8 Small mixed use	25	£ 1,087	£ 818	£ 548	£ 278	£ 144	£ 9	£ -	£ -
9 Small mixed use	30	£ 950	£ 685	£ 421	£ 156	£ 24	£ -	£ -	£ -
10 Mixed use	70	£ 561	£ 323	£ 84	£ -	£ -	£ -	£ -	£ -
11 Mixed use	150	£ 416	£ 170	£ -	£ -	£ -	£ -	£ -	£ -
12 Large mixed use (employment led)	300	£ 449	£ 254	£ 59	£ -	£ -	£ -	£ -	£ -
13 Town Centre	200	£ 688	£ 456	£ 223	£ -	£ -	£ -	£ -	£ -
14 Town Centre	500	£ 179	£ -	£ -	£ -	£ -	£ -	£ -	£ -
15 Town Centre	250	£ 355	£ 123	£ -	£ -	£ -	£ -	£ -	£ -
16 Estate regeneration (small)	10	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
17 Estate regeneration (large)	200	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
18 Student housing	120	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
19 Hotels	67	£ 698	£ 559	£ 421	£ 282	£ 213	£ 144	£ 5	£ -
20 Office	-	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
21 Storage	-	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
22 Residential care home (7 units)	7	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
23 Strategic Site 1	230	£ 589	£ 352	£ 115	£ -	£ -	£ -	£ -	£ -
24 Strategic Site 2	250	£ 469	£ 260	£ 49	£ -	£ -	£ -	£ -	£ -
25 Strategic Site 3	370	£ 330	£ 138	£ -	£ -	£ -	£ -	£ -	£ -
26 Strategic Site 4	242	£ 618	£ 392	£ 166	£ -	£ -	£ -	£ -	£ -
27 Strategic Site 5	540	£ 272	£ 83	£ -	£ -	£ -	£ -	£ -	£ -
28 Strategic Site 6	180	£ 638	£ 397	£ 155	£ -	£ -	£ -	£ -	£ -
29 Strategic Site 7	181	£ 750	£ 476	£ 200	£ -	£ -	£ -	£ -	£ -

Maximum CIL rates (before buffer), using £12 million per hectare benchmark land value – Lower value zone – with growth

£7,000 per sqm / £650 per sqft

		Resi units	Residential sales values per square metre							
			0%	10%	20%	30%	35%	40%	50%	
1	Very small residential	1	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
2	Small residential developments (backland, infill etc)	5	£ 339	£ 69	£ -	£ -	£ -	£ -	£ -	£ -
3	Small residential developments (backland, infill etc)	11	£ 465	£ 201	£ -	£ -	£ -	£ -	£ -	£ -
4	Small residential developments	25	£ 684	£ 430	£ 176	£ -	£ -	£ -	£ -	£ -
5	Residential development	50	£ 846	£ 595	£ 345	£ 94	£ -	£ -	£ -	£ -
6	Small scale mixed use, local centres	5	£ 1,276	£ 1,037	£ 798	£ 559	£ 440	£ 321	£ 82	£ -
7	Small scale mixed use, local centres	5	£ 1,194	£ 955	£ 716	£ 477	£ 358	£ 238	£ -	£ -
8	Small mixed use	25	£ 696	£ 465	£ 235	£ 4	£ -	£ -	£ -	£ -
9	Small mixed use	30	£ 565	£ 339	£ 113	£ -	£ -	£ -	£ -	£ -
10	Mixed use	70	£ 213	£ 9	£ -	£ -	£ -	£ -	£ -	£ -
11	Mixed use	150	£ 54	£ -	£ -	£ -	£ -	£ -	£ -	£ -
12	Large mixed use (employment led)	300	£ 153	£ -	£ -	£ -	£ -	£ -	£ -	£ -
13	Tow n Centre	200	£ 343	£ 145	£ -	£ -	£ -	£ -	£ -	£ -
14	Tow n Centre	500	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
15	Tow n Centre	250	£ 6	£ -	£ -	£ -	£ -	£ -	£ -	£ -
16	Estate regeneration (small)	10	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
17	Estate regeneration (large)	200	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
18	Student housing	120	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
19	Hotels	67	£ 497	£ 378	£ 260	£ 141	£ 82	£ 23	£ -	£ -
20	Office	-	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
21	Storage	-	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
22	Residential care home (7 units)	7	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
23	Strategic Site 1	230	£ 241	£ 37	£ -	£ -	£ -	£ -	£ -	£ -
24	Strategic Site 2	250	£ 158	£ -	£ -	£ -	£ -	£ -	£ -	£ -
25	Strategic Site 3	370	£ 44	£ -	£ -	£ -	£ -	£ -	£ -	£ -
26	Strategic Site 4	242	£ 283	£ 91	£ -	£ -	£ -	£ -	£ -	£ -
27	Strategic Site 5	540	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -
28	Strategic Site 6	180	£ 283	£ 76	£ -	£ -	£ -	£ -	£ -	£ -
29	Strategic Site 7	181	£ 359	£ 122	£ -	£ -	£ -	£ -	£ -	£ -

Appendix 4 - Sample appraisal

LOCAL PLAN AND CIL VIABILITY MODEL

This is input source box for reference info that appears on all sheets

Local Authority	LONDON BOROUGH OF LEWISHAM
Area(s)	
Author	
Date	22 March 2018
Reference	

Site	4
	0.15

DO NOT CHANGE SITE USING THIS CELL - USE M3 IN "RESULTS" PAGE

Values: - NOT USED

Sales values	H
--------------	---

Affordable housing percentage	20%
of which social rented	70%
of which intermediate	30%

Sustainability

Cost allowance - all tenures (% of base costs)	7.4%
Cost uplift on commercial	2%
Green roofs	

Grant available check box

Residual Land Values	Total units	Total floor area GIA	Private floor area	Ave unit size	CIL as % of dev costs
£1,655,622	25	1,978	1,582	79	4.1%

Site area	0.15
Scheme above AH threshold	y

	GIA per unit	Units years 1 - 5	Units years 6 - 10	Units years 11 - 15	GIA years 1 - 5	GIA years 6 - 10	GIA years 11 - 15	G to N flats	NiAs years 1 - 5	NiAs years 1 - 6	NiAs years 1 - 7	Totals
Houses	-	-	-	-	-	-	-	100%	-	-	-	-
Flats	79	25	-	-	1,978	-	-	85%	1,681	-	-	1,681
Totals	79	25	-	-	1,978	-	-	-	1,681	-	-	1,681

Private NiAs	1,345	-	-	1,345
PRS units	-	-	-	-
Affordable NiAs	336	-	-	336

Revenue	Years 1 - 5	Years 6 - 10	Years 11 - 15
Value perm	7000	7,000	7,000
Private GDV	9,412,900	-	-

PRS units to be sold at 85% of MV

Base costs	Per sqm	Years 1 - 5	Years 6 - 10	Years 11 - 15
Houses	1,619	1,619	1,619	1,619
Houses externals	15%	243	243	243
Flats	1,914	1,914	1,914	1,914
Flats externals	15%	287	287	287
Costs + externals		4,352,675	-	-

Growth/inflation	Year 1-5	Year 6-10	Year 11-15
Sales	0.00%	0.00%	0.00%
Build	0.00%	0.00%	0.00%

LOCAL PLAN AND CIL VIABILITY MODEL

Local Authority	LONDON BOROUGH OF LEWISHAM
Area(s)	0
Author	0
Date	22 March 2018
Reference	0

SALES AND AFFORDABLE HOUSING VALUES

VALUE BANDS for private sales

Sub Market	£ per sq metre
A Value 1	£6,250
B Value 1	£6,500
C Value 1	£6,750
D Value 1	£7,000
E Value 1	£7,250
F Value 1	£7,500
G Value 1	£7,750
H Value 1	£8,000
I Value 1	£8,250

GROUND RENTS from flats (£s per annum)

	Private	Affordable
Average	£300	£0
Capitalisation rate		4.50%

Investment value

	Private	Affordable
One bed	£6,667	£0
Two beds	£0	£0
Three beds	£0	£0
Four beds	£0	£0

Select affordable value option from drop down box Option 2: Capital values calculated from net rents & yields ▼

AFFORDABLE HOUSING CAPITAL VALUES (price paid to developer)

Option 1 User defined capital values per unit

	Social rent			NBHB		
	Capitalised rent per unit	Indicative HCA funding per unit	Value per unit	Equity + rent	Indicative HCA funding per unit	Value per unit
One bed flats	£78,000	£0	£78,000			£0
Two bed flats	£95,000	£0	£95,000			£0
Three bed flats	£123,000	£0	£123,000			£0
Four bed flats	£132,000	£0	£132,000			£0
Two bed house	£95,000	£0	£95,000			£0
Three bed house	£123,000	£0	£123,000			£0
Four bed house	£132,000	£0	£132,000			£0

Per sqm
 Average Aff Rent value: £1,749
 Average Shd Own value: £4,323
 Blended value: £2,521.20 (Based on selection from 'Test Variables' sheet)

NOT USED

Option 2 Capital values for affordable housing calculated from net rents & yield assumption

	Social rent					NBHB									
	Net Target rent per annum	Yield	Capital value	Indicative unit funding	Value per unit	Average market value	% of equity sold	Value of equity sold	Rent (% of retained equity)	Rent per annum	Yield	Capital value of retained equity	Indicative HCA funding per unit	Value per unit	
One bed flats		6.50%	£0	£0	£0	£400,000		£0		£0	6.00%	£0	£0	£0	
Two bed flats		6.50%	£0	£0	£0	£584,000		£0		£0	6.00%	£0	£0	£0	
Three bed flats		6.50%	£0	£0	£0	£688,000		£0		£0	6.00%	£0	£0	£0	
Four bed flats		6.50%	£0	£0	£0	£720,000		£0		£0	6.00%	£0	£0	£0	
Two bed house		6.50%	£0	£0	£0	£664,000		£0		£0	6.00%	£0	£0	£0	
Three bed house		6.50%	£0	£0	£0	£768,000		£0		£0	6.00%	£0	£0	£0	
Four bed house		6.50%	£0	£0	£0	£904,000		£0		£0	6.00%	£0	£0	£0	

LOCAL PLAN AND CIL VIABILITY MODEL

Local Authority	LONDON BOROUGH OF LEWISHAM
Area(s)	0
Author	0
Date	22 March 2018
Reference	0

BUILD COSTS

TIMINGS *for cash flow*

PLANNING OBLIGATIONS / CIL

Typology	Build costs per gross sqm - HOUSES	Build costs per gross sq m - FLATS	External works and other costs	Gross to net adjustment for flats	Build start	Build period	Sales period	Sales period start	S106 payments		CIL Charges (incl Mayoral CIL)			Fees	
					Quarters	Quarters	Quarters	Quarters from start on site	£s per sqm all tenures	Quarter paid	£s p sq m private sales only	Instal-ment 1 - Qtr paid	Instal-ment 2 - Qtr paid	Instal-ment 3 - Qtr paid	% of build cost
Residential	£1,619	£1,914	£287	85.0%	2	8	1	10	£1,500	3	£210	1	2	3	10%

NB externals included in base costs in 'sites page'

OTHER COSTS

Developer return % GDV	Private	18.00%
	Affordable	6.00%
Zero carbon	All tenures	7.4%
Contingency		5%
Marketing costs % of sales values		3.00%
Legal Fees % of GDV		0.50%
Site acquisition costs % land value		6.80%
Development Finance		6.00%

Highways/S278	£25,000	(Total for scheme)
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Employment & training	£0
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Cat 2 accessibility:	Applies to all dwellings	Nos of units:
Houses	£521	-
Flats	£924	25

Cat 3 accessibility	Applies to 5% of affordable dwellings	
Houses	£22,694	-
Flats	£7,906	0

COMMERCIAL INPUTS

	Site 4								
Value	Retail A1-A5	Retail S'Market	B1 office	B2 industrial	B8 storage	C1 Hotel	C2 resi institutio	D1	D2
Rent per sq m	£325.00	£250.00	£375.00	£160.00	£160.00	£425.00	£450.00	£250.00	£250.00
Yield	5.00%	5.00%	6.00%	6.00%	6.00%	5.00%	6.00%	7.00%	7.00%
Rent free/void period (years)	1.0	0.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Net floor area (sq m)	-	-	-	-	-	-	-	-	-
Purchaser's costs	5.80%	5.80%	5.80%	5.80%	5.80%	5.80%	5.80%	5.80%	5.80%
Disposal Costs									
Letting Agent's fee (% of rent)	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Agent's fees (on capital value)	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Legal fees (% of capital value)	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
Costs									
Demolition costs	£50 psm	£50 psm	£50 psm	£50 psm	£50 psm	£50 psm	£50 psm	£50 psm	£50 psm
Demolition area (sq m)									
Building costs	£1585 psm	£1850 psm	£2123 psm	£1228 psm	£1163 psm	£2391 psm	£2391 psm	£2670 psm	£2641 psm
Net to gross floor area	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%
External works	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
CIL (incl Mayoral)	£220	£220	£100	£90	£90	£220	£210	£60	£60
Crossrail S106	£0	£0	£0	£0	£0	£0	£0	£0	£0
S106 (per net sq m)	£ psm	£ psm	£ psm	£ psm	£ psm	£ psm	£ psm	£ psm	£ psm
Cashflow timing									
	Quarters								
Build start	2	2	2	2	2	2	2	2	2
Build period	8	8	8	8	8	8	8	8	8
Investment sale (quarters from start on site)	10	10	10	10	10	10	10	10	10

Note: demolition of existing floorspace is loaded as a single amount on Retail A1-A5

LB Lewisham - CIL viability review

Small residential developments	0.15 ha
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Development mix (square metres GIA)

Residential	1,978
Retail (comparison and A3)	-
Retail (supermarket)	-
B1 office	-
B8 storage	-
C1 Hotel	-
C2 residential	-
D1	-
D2	-

Summary viability

Private housing value	£9,244,282
Affordable housing value	£847,564
Commercial value	£0
Build costs	£4,908,512
Fees	£490,851
CIL	£332,220
Resi S106	£37,500
Accessibility standards	£25,077
Green roofs	£135,000
Employment & Training levy	£0
Highways/S278	£25,000
Developer's profit	£1,714,825
Interest	£646,443
Gross Residual Land Value	£1,776,419
<i>Stamp duty, agents and legal fees</i>	£120,797
NET RESIDUAL LAND VALUE	£1,655,622

Benchmark land value	£1,500,000
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Viable or unviable	Viable
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Appendix 5 - Development appraisals

LB Lewisham - CIL viability review

Small residential developments (backland, infill etc)	0.10 ha
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Development mix (square metres GIA)

Residential	873
Retail (comparison and A3)	-
Retail (supermarket)	-
B1 office	-
B8 storage	-
C1 Hotel	-
C2 residential	-
D1	-
D2	-
Affordable housing	20%

Summary viability

Private housing value	£4,507,909
Affordable housing value	£373,957
Commercial value	£0
Build costs	£2,016,344
Fees	£201,634
CIL	£181,480
Resi S106	£16,500
Accessibility standards	£11,034
Green roofs	£90,000
Employment & Training levy	£0
Highways/S278	£11,000
Developer's profit	£833,861
Interest	£275,729
Gross Residual Land Value	£1,244,284
<i>Stamp duty, agents and legal fees</i>	£84,611
NET RESIDUAL LAND VALUE	£1,159,673

Benchmark land value	£250,000
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Viable or unviable	Viable
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LB Lewisham - CIL viability review

Small residential developments (backland, infill etc)	0.05 ha
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Development mix (square metres GIA)

Residential	383
Retail (comparison and A3)	-
Retail (supermarket)	-
B1 office	-
B8 storage	-
C1 Hotel	-
C2 residential	-
D1	-
D2	-
Affordable housing	20%

Summary viability

Private housing value	£1,977,390
Affordable housing value	£163,941
Commercial value	£0
Build costs	£883,956
Fees	£88,396
CIL	£79,560
Resi S106	£0
Accessibility standards	£5,015
Green roofs	£45,000
Employment & Training levy	£0
Highways/S278	£0
Developer's profit	£365,767
Interest	£105,806
Gross Residual Land Value	£567,831
<i>Stamp duty, agents and legal fees</i>	£38,613
NET RESIDUAL LAND VALUE	£529,218

Benchmark land value	£125,000
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Viable or unviable	Viable
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LB Lewisham - CIL viability review

Very small residential	0.03 ha
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Development mix (square metres GIA)

Residential	108
Retail (comparison and A3)	-
Retail (supermarket)	-
B1 office	-
B8 storage	-
C1 Hotel	-
C2 residential	-
D1	-
D2	-
Affordable housing	20%

Summary viability

Private housing value	£643,173
Affordable housing value	£54,206
Commercial value	£0
Build costs	£225,708
Fees	£22,571
CIL	£22,360
Resi S106	£0
Accessibility standards	£748
Green roofs	£22,500
Employment & Training levy	£0
Highways/S278	£0
Developer's profit	£119,023
Interest	£32,737
Gross Residual Land Value	£251,731
<i>Stamp duty, agents and legal fees</i>	£17,118
NET RESIDUAL LAND VALUE	£234,613

Benchmark land value	£75,000
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Viable or unviable	Viable
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LB Lewisham - CIL viability review

Small residential developments	0.15 ha
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Development mix (square metres GIA)

Residential	1,978
Retail (comparison and A3)	-
Retail (supermarket)	-
B1 office	-
B8 storage	-
C1 Hotel	-
C2 residential	-
D1	-
D2	-
Affordable housing	20%

Summary viability

Private housing value	£10,217,508
Affordable housing value	£847,564
Commercial value	£0
Build costs	£4,908,512
Fees	£490,851
CIL	£411,320
Resi S106	£37,500
Accessibility standards	£25,077
Green roofs	£135,000
Employment & Training levy	£0
Highways/S278	£25,000
Developer's profit	£1,890,005
Interest	£754,011
Gross Residual Land Value	£2,387,797
<i>Stamp duty, agents and legal fees</i>	£162,370
NET RESIDUAL LAND VALUE	£2,225,427

Benchmark land value	£375,000
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Viable or unviable	Viable
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LB Lewisham - CIL viability review

Residential development	0.25 ha
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Development mix (square metres GIA)

Residential	4,170
Retail (comparison and A3)	-
Retail (supermarket)	-
B1 office	-
B8 storage	-
C1 Hotel	-
C2 residential	-
D1	-
D2	-
Affordable housing	20%

Summary viability

Private housing value	£21,528,410
Affordable housing value	£1,787,279
Commercial value	£0
Build costs	£10,350,693
Fees	£1,035,069
CIL	£867,360
Resi S106	£75,000
Accessibility standards	£50,153
Green roofs	£262,500
Employment & Training levy	£0
Highways/S278	£50,000
Developer's profit	£3,982,351
Interest	£1,700,485
Gross Residual Land Value	£4,942,079
<i>Stamp duty, agents and legal fees</i>	£336,061
NET RESIDUAL LAND VALUE	£4,606,018

Benchmark land value	£625,000
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Viable or unviable	Viable
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LB Lewisham - CIL viability review

Small scale mixed use, local centres	0.02 ha
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Development mix (square metres GIA)

Residential	383
Retail (comparison and A3)	50
Retail (supermarket)	-
B1 office	-
B8 storage	-
C1 Hotel	-
C2 residential	-
D1	-
D2	-
Affordable housing	20%

Summary viability

Private housing value	£1,977,390
Affordable housing value	£163,941
Commercial value	£241,850
Build costs	£987,937
Fees	£98,794
CIL	£79,560
Resi S106	£7,500
Accessibility standards	£5,015
Green roofs	£24,000
Employment & Training levy	£0
Highways/S278	£5,750
Developer's profit	£409,300
Interest	£119,367
Gross Residual Land Value	£645,959
<i>Stamp duty, agents and legal fees</i>	£43,925
NET RESIDUAL LAND VALUE	£602,034

Benchmark land value	£50,000
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Viable or unviable	Viable
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LB Lewisham - CIL viability review

Small scale mixed use, local centres	0.02 ha
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Development mix (square metres GIA)

Residential	383
Retail (comparison and A3)	-
Retail (supermarket)	-
B1 office	50
B8 storage	-
C1 Hotel	-
C2 residential	-
D1	-
D2	-
Affordable housing	20%

Summary viability

Private housing value	£1,977,390
Affordable housing value	£163,941
Commercial value	£230,076
Build costs	£1,012,680
Fees	£101,268
CIL	£79,560
Resi S106	£7,500
Accessibility standards	£5,015
Green roofs	£24,000
Employment & Training levy	£0
Highways/S278	£5,750
Developer's profit	£407,180
Interest	£116,779
Gross Residual Land Value	£611,675
<i>Stamp duty, agents and legal fees</i>	£41,594
NET RESIDUAL LAND VALUE	£570,081

Benchmark land value	£50,000
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Viable or unviable	Viable
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LB Lewisham - CIL viability review

Small mixed use	0.15 ha
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Development mix (square metres GIA)

Residential	1,978
Retail (comparison and A3)	200
Retail (supermarket)	-
B1 office	-
B8 storage	-
C1 Hotel	-
C2 residential	-
D1	-
D2	-
Affordable housing	20%

Summary viability

Private housing value	£10,217,508
Affordable housing value	£847,564
Commercial value	£967,401
Build costs	£5,324,435
Fees	£532,444
CIL	£411,320
Resi S106	£37,500
Accessibility standards	£25,077
Green roofs	£180,000
Employment & Training levy	£0
Highways/S278	£28,000
Developer's profit	£2,064,138
Interest	£822,668
Gross Residual Land Value	£2,606,893
<i>Stamp duty, agents and legal fees</i>	£177,269
NET RESIDUAL LAND VALUE	£2,429,624

Benchmark land value	£375,000
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Viable or unviable	Viable
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LB Lewisham - CIL viability review

Small mixed use	0.20 ha
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Development mix (square metres GIA)

Residential	2,468
Retail (comparison and A3)	-
Retail (supermarket)	-
B1 office	300
B8 storage	-
C1 Hotel	-
C2 residential	-
D1	-
D2	-
Affordable housing	20%

Summary viability

Private housing value	£12,741,595
Affordable housing value	£1,057,580
Commercial value	£1,380,458
Build costs	£6,897,123
Fees	£689,712
CIL	£513,240
Resi S106	£45,000
Accessibility standards	£30,092
Green roofs	£240,000
Employment & Training levy	£0
Highways/S278	£34,500
Developer's profit	£2,605,424
Interest	£1,021,462
Gross Residual Land Value	£3,103,079
<i>Stamp duty, agents and legal fees</i>	£211,009
NET RESIDUAL LAND VALUE	£2,892,070

Benchmark land value	£500,000
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Viable or unviable	Viable
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LB Lewisham - CIL viability review

Mixed use	0.30 ha
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Development mix (square metres GIA)

Residential	5,873
Retail (comparison and A3)	100
Retail (supermarket)	-
B1 office	700
B8 storage	-
C1 Hotel	-
C2 residential	-
D1	-
D2	-
Affordable housing	20%

Summary viability

Private housing value	£28,558,467
Affordable housing value	£2,368,920
Commercial value	£3,704,770
Build costs	£19,244,607
Fees	£1,924,461
CIL	£1,221,480
Resi S106	£105,000
Accessibility standards	£70,214
Green roofs	£360,000
Employment & Training levy	£0
Highways/S278	£82,000
Developer's profit	£5,949,518
Interest	£2,316,176
Gross Residual Land Value	£3,358,700
<i>Stamp duty, agents and legal fees</i>	£228,392
NET RESIDUAL LAND VALUE	£3,130,308

Benchmark land value	£750,000
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Viable or unviable	Viable
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LB Lewisham - CIL viability review

Mixed use	0.70 ha
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Development mix (square metres GIA)

Residential	11,930
Retail (comparison and A3)	100
Retail (supermarket)	-
B1 office	700
B8 storage	-
C1 Hotel	-
C2 residential	-
D1	-
D2	200
Affordable housing	20%

Summary viability

Private housing value	£58,066,752
Affordable housing value	£4,812,467
Commercial value	£4,225,102
Build costs	£37,655,078
Fees	£3,765,508
CIL	£2,481,440
Resi S106	£225,000
Accessibility standards	£150,459
Green roofs	£840,000
Employment & Training levy	£0
Highways/S278	£165,000
Developer's profit	£11,501,282
Interest	£4,740,097
Gross Residual Land Value	£5,580,458
<i>Stamp duty, agents and legal fees</i>	£379,471
NET RESIDUAL LAND VALUE	£5,200,987

Benchmark land value	£1,750,000
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Viable or unviable	Viable
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LB Lewisham - CIL viability review

Large mixed use (employment led)	0.80 ha
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Development mix (square metres GIA)

Residential	23,865
Retail (comparison and A3)	300
Retail (supermarket)	-
B1 office	4,500
B8 storage	-
C1 Hotel	-
C2 residential	-
D1	-
D2	200
Affordable housing	20%

Summary viability

Private housing value	£116,157,436
Affordable housing value	£9,626,950
Commercial value	£22,678,307
Build costs	£82,880,644
Fees	£8,288,064
CIL	£4,963,920
Resi S106	£450,000
Accessibility standards	£300,918
Green roofs	£960,000
Employment & Training levy	£0
Highways/S278	£375,000
Developer's profit	£25,568,051
Interest	£15,615,997
Gross Residual Land Value	£9,060,099
<i>Stamp duty, agents and legal fees</i>	£616,087
NET RESIDUAL LAND VALUE	£8,444,012

Benchmark land value	£2,000,000
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Viable or unviable	Viable
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LB Lewisham - CIL viability review

Town Centre	0.30 ha
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Development mix (square metres GIA)

Residential	15,910
Retail (comparison and A3)	200
Retail (supermarket)	-
B1 office	500
B8 storage	-
C1 Hotel	-
C2 residential	-
D1	-
D2	-
Affordable housing	20%

Summary viability

Private housing value	£75,058,552
Affordable housing value	£6,217,405
Commercial value	£3,528,331
Build costs	£48,708,652
Fees	£4,870,865
CIL	£3,309,280
Resi S106	£300,000
Accessibility standards	£200,612
Green roofs	£405,000
Employment & Training levy	£0
Highways/S278	£212,000
Developer's profit	£14,518,683
Interest	£7,217,187
Gross Residual Land Value	£5,062,009
<i>Stamp duty, agents and legal fees</i>	£344,217
NET RESIDUAL LAND VALUE	£4,717,792

Benchmark land value	£750,000
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Viable or unviable	Viable
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LB Lewisham - CIL viability review

Town Centre	1.0 ha
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Development mix (square metres GIA)

Residential	39,775
Retail (comparison and A3)	1,000
Retail (supermarket)	-
B1 office	2,500
B8 storage	-
C1 Hotel	-
C2 residential	-
D1	-
D2	250
Affordable housing	20%

Summary viability

Private housing value	£181,697,035
Affordable housing value	£15,042,110
Commercial value	£17,641,656
Build costs	£126,820,813
Fees	£12,682,081
CIL	£8,273,200
Resi S106	£750,000
Accessibility standards	£501,530
Green roofs	£1,350,000
Employment & Training levy	£0
Highways/S278	£560,000
Developer's profit	£36,783,491
Interest	£27,033,688
Gross Residual Land Value	-£374,003
<i>Stamp duty, agents and legal fees</i>	<i>-£25,432</i>
NET RESIDUAL LAND VALUE	-£348,571

Benchmark land value	£2,500,000
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Viable or unviable	Unviable
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LB Lewisham - CIL viability review

Town Centre	1.0 ha
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Development mix (square metres GIA)

Residential	19,865
Retail (comparison and A3)	500
Retail (supermarket)	-
B1 office	500
B8 storage	-
C1 Hotel	-
C2 residential	-
D1	-
D2	500
Affordable housing	20%

Summary viability

Private housing value	£96,690,169
Affordable housing value	£8,013,382
Commercial value	£6,020,098
Build costs	£62,209,066
Fees	£6,220,907
CIL	£4,131,920
Resi S106	£375,000
Accessibility standards	£250,765
Green roofs	£1,350,000
Employment & Training levy	£0
Highways/S278	£272,500
Developer's profit	£18,968,651
Interest	£10,205,138
Gross Residual Land Value	£6,739,703
<i>Stamp duty, agents and legal fees</i>	£458,300
NET RESIDUAL LAND VALUE	£6,281,403

Benchmark land value	£2,500,000
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Viable or unviable	Viable
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LB Lewisham - CIL viability review

Estate regeneration (small)	0.20 ha
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Development mix (square metres GIA)

Residential	785
Retail (comparison and A3)	-
Retail (supermarket)	-
B1 office	-
B8 storage	-
C1 Hotel	-
C2 residential	-
D1	-
D2	-
Affordable housing	20%

Summary viability

Private housing value	£4,056,490
Affordable housing value	£336,454
Commercial value	£0
Build costs	£1,814,132
Fees	£181,413
CIL	£163,280
Resi S106	£15,000
Accessibility standards	£10,031
Green roofs	£240,000
Employment & Training levy	£0
Highways/S278	£10,000
Developer's profit	£750,355
Interest	£207,262
Gross Residual Land Value	£1,001,472
<i>Stamp duty, agents and legal fees</i>	£68,100
NET RESIDUAL LAND VALUE	£933,372

Benchmark land value	£500,000
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Viable or unviable	Viable
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LB Lewisham - CIL viability review

Estate regeneration (large)	4.0 ha
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Development mix (square metres GIA)

Residential	15,910
Retail (comparison and A3)	100
Retail (supermarket)	-
B1 office	-
B8 storage	-
C1 Hotel	-
C2 residential	-
D1	-
D2	250
Affordable housing	20%

Summary viability

Private housing value	£75,058,552
Affordable housing value	£6,217,405
Commercial value	£1,134,117
Build costs	£47,691,636
Fees	£4,769,164
CIL	£3,309,280
Resi S106	£300,000
Accessibility standards	£200,612
Green roofs	£4,800,000
Employment & Training levy	£0
Highways/S278	£205,250
Developer's profit	£14,087,725
Interest	£6,567,316
Gross Residual Land Value	£479,092
<i>Stamp duty, agents and legal fees</i>	£32,578
NET RESIDUAL LAND VALUE	£446,514

Benchmark land value	£10,000,000
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Viable or unviable	Unviable
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LB Lewisham - CIL viability review

Student housing	0.30 ha
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Development mix (square metres GIA)

Residential	-
Retail (comparison and A3)	150
Retail (supermarket)	-
B1 office	400
B8 storage	-
C1 Hotel	-
C2 residential	-
D1	3,000
D2	-
Affordable housing	20%

Summary viability

Private housing value	£0
Affordable housing value	£0
Commercial value	£19,131,659
Build costs	£10,498,682
Fees	£1,049,868
CIL	£0
Resi S106	£0
Accessibility standards	£0
Green roofs	£405,000
Employment & Training levy	£0
Highways/S278	£53,250
Developer's profit	£3,443,699
Interest	£1,193,429
Gross Residual Land Value	£2,487,731
<i>Stamp duty, agents and legal fees</i>	£169,166
NET RESIDUAL LAND VALUE	£2,318,565

Benchmark land value	£750,000
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Viable or unviable	Viable
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LB Lewisham - CIL viability review

Hotels	0.20 ha
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Development mix (square metres GIA)

Residential	2,010
Retail (comparison and A3)	250
Retail (supermarket)	-
B1 office	-
B8 storage	-
C1 Hotel	-
C2 residential	2,000
D1	-
D2	-
Affordable housing	20%

Summary viability

Private housing value	£10,652,989
Affordable housing value	£861,494
Commercial value	£13,859,882
Build costs	£12,439,451
Fees	£1,243,945
CIL	£418,080
Resi S106	£0
Accessibility standards	£67,205
Green roofs	£270,000
Employment & Training levy	£0
Highways/S278	£33,750
Developer's profit	£4,464,006
Interest	£1,759,071
Gross Residual Land Value	£4,678,857
<i>Stamp duty, agents and legal fees</i>	£318,162
NET RESIDUAL LAND VALUE	£4,360,695

Benchmark land value	£500,000
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Viable or unviable	Viable
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LB Lewisham - CIL viability review

Office	0.60 ha
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Development mix (square metres GIA)

Residential	-
Retail (comparison and A3)	-
Retail (supermarket)	-
B1 office	500
B8 storage	-
C1 Hotel	-
C2 residential	-
D1	-
D2	-
Affordable housing	20%

Summary viability

Private housing value	£0
Affordable housing value	£0
Commercial value	£2,300,764
Build costs	£1,287,238
Fees	£128,724
CIL	£0
Resi S106	£0
Accessibility standards	£0
Green roofs	£810,000
Employment & Training levy	£0
Highways/S278	£7,500
Developer's profit	£414,137
Interest	£85,180
Gross Residual Land Value	-£432,015
<i>Stamp duty, agents and legal fees</i>	<i>-£29,377</i>
NET RESIDUAL LAND VALUE	-£402,638

Benchmark land value	£1,500,000
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Viable or unviable	Unviable
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LB Lewisham - CIL viability review

Storage	0.20 ha
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Development mix (square metres GIA)

Residential	-
Retail (comparison and A3)	-
Retail (supermarket)	-
B1 office	1,000
B8 storage	-
C1 Hotel	1,500
C2 residential	-
D1	-
D2	-
Affordable housing	20%

Summary viability

Private housing value	£0
Affordable housing value	£0
Commercial value	£7,546,504
Build costs	£4,757,552
Fees	£475,755
CIL	£0
Resi S106	£0
Accessibility standards	£0
Green roofs	£240,000
Employment & Training levy	£0
Highways/S278	£37,500
Developer's profit	£1,358,371
Interest	£239,987
Gross Residual Land Value	£437,340
<i>Stamp duty, agents and legal fees</i>	£29,739
NET RESIDUAL LAND VALUE	£407,601

Benchmark land value	£500,000
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Viable or unviable	Unviable
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LB Lewisham - CIL viability review

Residential care home (7 units)	0.03 ha
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Development mix (square metres GIA)

Residential	-
Retail (comparison and A3)	-
Retail (supermarket)	-
B1 office	-
B8 storage	-
C1 Hotel	-
C2 residential	-
D1	250
D2	-
Affordable housing	20%

Summary viability

Private housing value	£45,033
Affordable housing value	£0
Commercial value	£1,380,458
Build costs	£758,617
Fees	£75,862
CIL	£0
Resi S106	£10,500
Accessibility standards	£7,021
Green roofs	£36,000
Employment & Training levy	£0
Highways/S278	£7,000
Developer's profit	£256,588
Interest	£62,508
Gross Residual Land Value	£211,395
<i>Stamp duty, agents and legal fees</i>	£14,375
NET RESIDUAL LAND VALUE	£197,020

Benchmark land value	£75,000
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Viable or unviable	Viable
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LB Lewisham - CIL viability review

Strategic site 1	0.77 ha
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Development mix (square metres GIA)

Residential	18,315
Retail (comparison and A3)	200
Retail (supermarket)	-
B1 office	1,600
B8 storage	-
C1 Hotel	-
C2 residential	-
D1	-
D2	200
Affordable housing	20%

Summary viability

Private housing value	£89,142,583
Affordable housing value	£7,388,124
Commercial value	£8,850,177
Build costs	£58,918,657
Fees	£5,891,866
CIL	£3,809,520
Resi S106	£345,000
Accessibility standards	£230,704
Green roofs	£924,000
Employment & Training levy	£0
Highways/S278	£260,000
Developer's profit	£18,081,984
Interest	£7,910,926
Gross Residual Land Value	£9,008,228
<i>Stamp duty, agents and legal fees</i>	£612,560
NET RESIDUAL LAND VALUE	£8,395,668

Benchmark land value	£1,925,000
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Viable or unviable	Viable
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LB Lewisham - CIL viability review

Strategic site 2	0.85 ha
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Development mix (square metres GIA)

Residential	19,865
Retail (comparison and A3)	300
Retail (supermarket)	-
B1 office	3,000
B8 storage	-
C1 Hotel	400
C2 residential	-
D1	-
D2	300
Affordable housing	20%

Summary viability

Private housing value	£96,690,169
Affordable housing value	£8,013,382
Commercial value	£16,821,510
Build costs	£68,178,463
Fees	£6,817,846
CIL	£4,131,920
Resi S106	£375,000
Accessibility standards	£250,765
Green roofs	£1,020,000
Employment & Training levy	£0
Highways/S278	£310,000
Developer's profit	£20,912,905
Interest	£10,339,134
Gross Residual Land Value	£9,189,027
<i>Stamp duty, agents and legal fees</i>	£624,854
NET RESIDUAL LAND VALUE	£8,564,173

Benchmark land value	£2,125,000
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Viable or unviable	Viable
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LB Lewisham - CIL viability review

Strategic site 3	1.68 ha
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Development mix (square metres GIA)

Residential	29,415
Retail (comparison and A3)	6,700
Retail (supermarket)	-
B1 office	-
B8 storage	-
C1 Hotel	-
C2 residential	-
D1	-
D2	300
Affordable housing	20%

Summary viability

Private housing value	£143,172,289
Affordable housing value	£11,865,776
Commercial value	£37,481,184
Build costs	£106,375,678
Fees	£10,637,568
CIL	£6,118,320
Resi S106	£555,000
Accessibility standards	£371,132
Green roofs	£2,016,000
Employment & Training levy	£0
Highways/S278	£499,750
Developer's profit	£33,229,572
Interest	£17,062,979
Gross Residual Land Value	£15,653,250
<i>Stamp duty, agents and legal fees</i>	£1,064,421
NET RESIDUAL LAND VALUE	£14,588,829

Benchmark land value	£4,200,000
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Viable or unviable	Viable
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LB Lewisham - CIL viability review

Strategic site 4	0.28 ha
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Development mix (square metres GIA)

Residential	19,250
Retail (comparison and A3)	500
Retail (supermarket)	-
B1 office	200
B8 storage	-
C1 Hotel	-
C2 residential	-
D1	-
D2	200
Affordable housing	20%

Summary viability

Private housing value	£87,936,429
Affordable housing value	£7,279,965
Commercial value	£3,859,141
Build costs	£58,682,297
Fees	£5,868,230
CIL	£4,004,000
Resi S106	£363,000
Accessibility standards	£242,741
Green roofs	£336,000
Employment & Training levy	£0
Highways/S278	£255,500
Developer's profit	£16,960,001
Interest	£8,249,371
Gross Residual Land Value	£4,114,396
<i>Stamp duty, agents and legal fees</i>	£279,779
NET RESIDUAL LAND VALUE	£3,834,617

Benchmark land value	£700,000
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Viable or unviable	Viable
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LB Lewisham - CIL viability review

Strategic site 5	1.14 ha
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Development mix (square metres GIA)

Residential	42,965
Retail (comparison and A3)	3,000
Retail (supermarket)	-
B1 office	500
B8 storage	-
C1 Hotel	-
C2 residential	-
D1	-
D2	250
Affordable housing	20%

Summary viability

Private housing value	£196,268,696
Affordable housing value	£16,248,504
Commercial value	£18,112,613
Build costs	£135,193,053
Fees	£13,519,305
CIL	£8,936,720
Resi S106	£810,000
Accessibility standards	£541,652
Green roofs	£1,368,000
Employment & Training levy	£0
Highways/S278	£600,000
Developer's profit	£39,563,546
Interest	£26,335,395
Gross Residual Land Value	£3,762,142
<i>Stamp duty, agents and legal fees</i>	£275,759
NET RESIDUAL LAND VALUE	£3,779,525

Benchmark land value	£2,850,000
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Viable or unviable	Viable
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LB Lewisham - CIL viability review

Strategic site 6	0.30 ha
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Development mix (square metres GIA)

Residential	14,315
Retail (comparison and A3)	250
Retail (supermarket)	-
B1 office	-
B8 storage	-
C1 Hotel	-
C2 residential	-
D1	-
D2	-
Affordable housing	20%

Summary viability

Private housing value	£65,392,984
Affordable housing value	£5,413,647
Commercial value	£1,209,251
Build costs	£42,531,321
Fees	£4,253,132
CIL	£2,977,520
Resi S106	£270,000
Accessibility standards	£180,551
Green roofs	£315,000
Employment & Training levy	£0
Highways/S278	£183,750
Developer's profit	£12,313,221
Interest	£5,277,616
Gross Residual Land Value	£3,713,771
<i>Stamp duty, agents and legal fees</i>	£252,536
NET RESIDUAL LAND VALUE	£3,461,235

Benchmark land value	£750,000
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Viable or unviable	Viable
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LB Lewisham - CIL viability review

Strategic site 7	0.60 ha
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Development mix (square metres GIA)

Residential	14,315
Retail (comparison and A3)	-
Retail (supermarket)	-
B1 office	250
B8 storage	-
C1 Hotel	-
C2 residential	-
D1	-
D2	-
Affordable housing	20%

Summary viability

Private housing value	£67,534,150
Affordable housing value	£5,594,102
Commercial value	£1,150,382
Build costs	£42,655,036
Fees	£4,265,504
CIL	£2,977,520
Resi S106	£270,000
Accessibility standards	£180,551
Green roofs	£630,000
Employment & Training levy	£0
Highways/S278	£183,750
Developer's profit	£12,698,862
Interest	£2,837,093
Gross Residual Land Value	£7,580,318
<i>Stamp duty, agents and legal fees</i>	£515,462
NET RESIDUAL LAND VALUE	£7,064,856

Benchmark land value	£750,000
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Viable or unviable	Viable
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