

## **EXAM 1 – Examiner’s Query to Rugby Borough Council**

Where in the Viability Assessment is the evidence for the CIL rates the Council are proposing for apartments in the rural area?

### **Rugby Borough Council’s Response:**

In the submitted viability study the flatted typologies (numbers 29, 30, and 31) were tested based on a benchmark land value of £800,000. This is used in the study as the urban BLV. In the study for the other typologies in the rural areas a BLV of £247,000 per gross hectare is applied. Below and attached details the maximum CIL rates supportable for flatted schemes in the rural area with a BLV of £247,000 per gross hectare.

### **BNP Paribas Comments:**

There is no data in the report or elsewhere that shows the results of the flatted development using a BLV of £247,000 per hectare.

The attached document extrapolates from the residual land values in the existing report, but substitutes a BLV of £247,000 per hectare for the previously used £800,000 per hectare.

In terms of interpreting the results, there are two key points for the Examiner to bear in mind:

1. Large flatted developments in the rural area are likely to be very rare – they will be predominantly schemes of fewer than 10 units and (even when above this), not likely to exceed 25 units.
2. Schemes in the rural area will attract the highest values per sqm in the range we have tested (the rate per sq m will always be higher for smaller units than for larger units)

On this basis, flatted schemes can readily absorb the proposed rates.

RUGBY BOROUGH COUNCIL - MAXIMUM CIL RATES

			Max CIL rates in each value area (sales values per square metre)						
			£3,708	£3,849	£3,990	£4,131	£4,272	£4,413	£4,554
Site ref	Site location	units							
61	Typology 29 - Flatted scheme	10	£9	£122	£236	£349	£462	£575	£688
62	Typology 30 - Flatted scheme	25	-£317	-£231	-£146	-£60	£25	£110	£194
63	Typology 31 - Flatted scheme	50	-£344	-£259	-£174	-£89	-£5	£78	£161

**Site Residual values**

Residual land values in each value area (with % affordable housing)

£3,708 Per sqm

Site ref	Site location	units	BLV per ha	Site area ha	GIA sqm	0%	10%	20%	30%	40%	50%
61	Typology 29 - Flatted Scheme	10	£247,000	0.10	650	£28,858	£28,858	£28,858	£28,858	£28,858	£28,858
62	Typology 30 - Flatted Scheme	25	£247,000	0.25	1,625	£50,426	-£65,604	-£182,459	-£299,315	-£416,171	-£533,026
63	Typology 31 - Flatted Scheme	50	£247,000	0.50	3,250	£15,290	-£208,971	-£433,482	-£657,995	-£882,506	-£1,107,018

**Indicative maximum CIL rates**

Max CIL rate alongside Aff Hsg % (where relevant)

Site ref	Site location	units	BLV	0%	10%	20%	30%	40%	50%
			Chargeable floorspace sqm	650	585	520	455	390	325
			Chargeable floorspace sqm	1,625	1,463	1,300	1,138	975	813
			Chargeable floorspace sqm	3,250	2,925	2,600	2,275	1,950	1,625
61	Typology 29 - Flatted Scheme	10	£24,700	£6.40	£7.11	£8.00	£9.14	£10.66	£12.79
62	Typology 30 - Flatted Scheme	25	£61,750	-£6.97	-£87.08	-£187.85	-£317.42	-£490.17	-£732.03
63	Typology 31 - Flatted Scheme	50	£123,500	-£33.30	-£113.67	-£214.22	-£343.51	-£515.90	-£757.24

**Site Residual values**

Residual land values in each value area (with % affordable housing)

£3,849 Per sqm

Site ref	Site location	units	BLV per ha	Site area ha	GIA sqm	0%	10%	20%	30%	40%	50%
61	Typology 29 - Flatted Scheme	10	£247,000	0.10	650	£80,362	£80,362	£80,362	£80,362	£80,362	£80,362
62	Typology 30 - Flatted Scheme	25	£247,000	0.25	1,625	£178,215	£52,705	£-73,996	£-201,560	£-329,123	£-456,687
63	Typology 31 - Flatted Scheme	50	£247,000	0.50	3,250	£267,050	£25,451	£-219,683	£-465,232	£-710,782	£-956,332

**Indicative maximum CIL rates**

Max CIL rate alongside Aff Hsg % (where relevant)

Site ref	Site location	units	BLV	0%	10%	20%	30%	40%	50%
			Chargeable floorspace sqm	650	585	520	455	390	325
			Chargeable floorspace sqm	1,625	1,463	1,300	1,138	975	813
			Chargeable floorspace sqm	3,250	2,925	2,600	2,275	1,950	1,625
61	Typology 29 - Flatted Scheme	10	£24,700	£86	£95	£107	£122	£143	£171
62	Typology 30 - Flatted Scheme	25	£61,750	£72	£-6	£-104	£-231	£-401	£-638
63	Typology 31 - Flatted Scheme	50	£123,500	£44	£-34	£-132	£-259	£-428	£-665

**Site Residual values**

Residual land values in each value area (with % affordable housing)

£3,990 Per sqm

Site ref	Site location	units	BLV per ha	Site area ha	GIA sqm	0%	10%	20%	30%	40%	50%
61	Typology 29 - Flatted Scheme	10	£247,000	0.10	650	£131,864	£131,864	£131,864	£131,864	£131,864	£131,864
62	Typology 30 - Flatted Scheme	25	£247,000	0.25	1,625	£306,005	£169,959	£33,913	£-103,804	£-242,076	£-380,347
63	Typology 31 - Flatted Scheme	50	£247,000	0.50	3,250	£518,809	£256,512	£-5,882	£-272,470	£-539,058	£-805,646

**Indicative maximum CIL rates**

Max CIL rate alongside Aff Hsg % (where relevant)

Site ref	Site location	units	BLV	0%	10%	20%	30%	40%	50%
			Chargeable floorspace sqm	650	585	520	455	390	325
			Chargeable floorspace sqm	1,625	1,463	1,300	1,138	975	813
			Chargeable floorspace sqm	3,250	2,925	2,600	2,275	1,950	1,625
61	Typology 29 - Flatted Scheme	10	£24,700	£165	£183	£206	£236	£275	£330
62	Typology 30 - Flatted Scheme	25	£61,750	£150	£74	£-21	£-146	£-312	£-544
63	Typology 31 - Flatted Scheme	50	£123,500	£122	£45	£-50	£-174	£-340	£-572

**Site Residual values**

Residual land values in each value area (with % affordable housing)

£4,131 Per sqm

Site ref	Site location	units	BLV per ha	Site area ha	GIA sqm	0%	10%	20%	30%	40%	50%
61	Typology 29 - Flatted Scheme	10	£247,000	0.10	650	£183,367	£183,367	£183,367	£183,367	£183,367	£183,367
62	Typology 30 - Flatted Scheme	25	£247,000	0.25	1,625	£433,795	£287,213	£140,630	-£6,049	-£155,028	-£304,007
63	Typology 31 - Flatted Scheme	50	£247,000	0.50	3,250	£769,277	£487,571	£204,573	-£79,707	-£367,334	-£654,960

**Indicative maximum CIL rates**

Max CIL rate alongside Aff Hsg % (where relevant)

Site ref	Site location	units	BLV	0%	10%	20%	30%	40%	50%
			Chargeable floorspace sqm	650	585	520	455	390	325
			Chargeable floorspace sqm	1,625	1,463	1,300	1,138	975	813
			Chargeable floorspace sqm	3,250	2,925	2,600	2,275	1,950	1,625
61	Typology 29 - Flatted Scheme	10	£24,700	£244	£271	£305	£349	£407	£488
62	Typology 30 - Flatted Scheme	25	£61,750	£229	£154	£61	-£60	-£222	-£450
63	Typology 31 - Flatted Scheme	50	£123,500	£199	£124	£31	-£89	-£252	-£479

**Site Residual values**

Residual land values in each value area (with % affordable housing)

£4,272 Per sqm

Site ref	Site location	units	BLV per ha	Site area ha	GIA sqm	0%	10%	20%	30%	40%	50%
61	Typology 29 - Flatted Scheme	10	£247,000	0.10	650	£234,871	£234,871	£234,871	£234,871	£234,871	£234,871
62	Typology 30 - Flatted Scheme	25	£247,000	0.25	1,625	£561,584	£404,467	£247,348	£90,231	-£67,981	-£227,668
63	Typology 31 - Flatted Scheme	50	£247,000	0.50	3,250	£1,017,365	£717,405	£414,933	£111,236	-£195,609	-£504,274

**Indicative maximum CIL rates**

Max CIL rate alongside Aff Hsg % (where relevant)

Site ref	Site location	units	BLV	0%	10%	20%	30%	40%	50%
			Chargeable floorspace sqm	650	585	520	455	390	325
			Chargeable floorspace sqm	1,625	1,463	1,300	1,138	975	813
			Chargeable floorspace sqm	3,250	2,925	2,600	2,275	1,950	1,625
61	Typology 29 - Flatted Scheme	10	£24,700	£323	£359	£404	£462	£539	£647
62	Typology 30 - Flatted Scheme	25	£61,750	£308	£234	£143	£25	-£133	-£356
63	Typology 31 - Flatted Scheme	50	£123,500	£275	£203	£112	-£5	-£164	-£386

**Site Residual values**

Residual land values in each value area (with % affordable housing)

£4,413 Per sqm

Site ref	Site location	units	BLV per ha	Site area ha	GIA sqm	0%	10%	20%	30%	40%	50%
61	Typology 29 - Flatted Scheme	10	£247,000	0.10	650	£286,373	£286,373	£286,373	£286,373	£286,373	£286,373
62	Typology 30 - Flatted Scheme	25	£247,000	0.25	1,625	£689,373	£521,721	£354,067	£186,413	£18,759	£-151,329
63	Typology 31 - Flatted Scheme	50	£247,000	0.50	3,250	£1,265,452	£945,088	£624,724	£300,896	£-23,885	£-353,588

**Indicative maximum CIL rates**

Max CIL rate alongside Aff Hsg % (where relevant)

Site ref	Site location	units	BLV	0%	10%	20%	30%	40%	50%
			Chargeable floorspace sqm	650	585	520	455	390	325
			Chargeable floorspace sqm	1,625	1,463	1,300	1,138	975	813
			Chargeable floorspace sqm	3,250	2,925	2,600	2,275	1,950	1,625
61	Typology 29 - Flatted Scheme	10	£24,700	£403	£447	£503	£575	£671	£805
62	Typology 30 - Flatted Scheme	25	£61,750	£386	£315	£225	£110	£-44	£-262
63	Typology 31 - Flatted Scheme	50	£123,500	£351	£281	£193	£78	£-76	£-294



**Site Residual values**

Residual land values in each value area (with % affordable housing)

£4,554 Per sqm

Site ref	Site location	units	BLV per ha	Site area ha	GIA sqm	0%	10%	20%	30%	40%	50%
61	Typology 29 - Flatted Scheme	10	£247,000	0.10	650	£337,876	£337,876	£337,876	£337,876	£337,876	£337,876
62	Typology 30 - Flatted Scheme	25	£247,000	0.25	1,625	£817,164	£638,974	£460,785	£282,595	£104,406	-£74,990
63	Typology 31 - Flatted Scheme	50	£247,000	0.50	3,250	£1,513,539	£1,172,771	£832,003	£490,557	£145,460	-£202,901

**Indicative maximum CIL rates**

Max CIL rate alongside Aff Hsg % (where relevant)

Site ref	Site location	units	BLV	0%	10%	20%	30%	40%	50%
			Chargeable floorspace sqm	650	585	520	455	390	325
			Chargeable floorspace sqm	1,625	1,463	1,300	1,138	975	813
			Chargeable floorspace sqm	3,250	2,925	2,600	2,275	1,950	1,625
61	Typology 29 - Flatted Scheme	10	£24,700	£482	£535	£602	£688	£803	£964
62	Typology 30 - Flatted Scheme	25	£61,750	£465	£395	£307	£194	£44	-£168
63	Typology 31 - Flatted Scheme	50	£123,500	£428	£359	£273	£161	£11	-£201