

Community Infrastructure Levy Charging Schedule Preparation – consultation on basic assumptions

Consultation period: 12 March to 26 April 2021

March 2021



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East Suffolk CIL Charging Schedule Preparation – consultation text on basic assumptions

March 2021

1 Summary

1.1 The Council plans to undertake a formal consultation on the draft CIL Charging Schedule (including the evidence base) in summer 2021. Before that stage, however, the Council has decided to undertake a consultation on the key baseline values and assumptions and the typologies proposed to be used in the Viability Report.

1.2 As a largely technical consultation, it is aimed primarily at developers, landowners, surveyors, agents, Suffolk County Council, neighbouring local authorities and key infrastructure providers (such as health bodies and Suffolk Police) but anyone is welcome to respond. Respondents can choose to answer some or all of the questions, but the Council would (where appropriate) prefer answers to be supported by evidence. Confidential information and evidence provided by respondents cannot be taken into account – all information provided will be summarised and will later be made available publicly.

1.3 The Council is preparing a new Instalments Policy and is also consulting on this now.

1.4 The consultation will run from Monday 12th March to 5pm on Monday 26th April 2021. All the consultation material can be found on the Council's website <https://eastsuffolk.inconsult.uk/CILCS21/consultationHome>.

Background

1.5 The detailed information below is based on information produced by Aspinall Verdi for East Suffolk Council.

1.6 Delivering the right amount of infrastructure at the right time is a vitally important component in ensuring that development is sustainable. Whilst the amount and type of infrastructure needed varies from site to site, and on the size and type of development, common elements include: new roads, paths, play space and green space; money for additional school places; drainage works/improvements; contributions to community facilities and services (such as health and policing).

1.7 There are two complementary approaches to securing necessary infrastructure to support development. Some kinds of infrastructure – typically but not always on-site – and affordable housing are normally secured through a planning obligation, known as a Section 106 agreement or (normally for highways which will be 'adopted' by Suffolk County Council) a Section 278 agreement. If a council wishes to secure developer contributions through the application of Community Infrastructure Levy (CIL), it must set out the delineation between the infrastructure types that will be sought through a S106 agreement and those through CIL. This delineation must be set out in a council's annual Infrastructure Funding Statement

(IFS) and Chapter 4 of [the Council's 2019/20 IFS](#) has a table showing how that split will be applied to unplanned sites (individual Local Plan allocation policies may have a different infrastructure split set out).

1.8 At present, there are two separate CIL Charging Schedules operating in East Suffolk, firstly in the former [Waveney District Council](#) area (which was adopted in 2013) and secondly, in the former [Suffolk Coastal District Council](#) area (which was adopted in 2015). CIL rates in both areas have been increased annually, in line with the Royal Institution of Chartered Surveyors' CIL Index (which is published in November each year). The CIL Charging Schedules set out the amount of CIL liable for different development types, varied by zone (for residential uses).

Introduction

1.9 So long as there is evidence to justify it, differential CIL rates are allowed by the CIL Regulations to ensure that the viability of development is not put at risk. In particular, differential rates can be set for:

- Geographical zones (to reflect differences in land values, for example); and/or
- Types of development (such as residential, retailing, office etc); and/or
- Scales of development (different rates for smaller and larger sites, for example).

1.10 The two existing Charging Schedules both have variable rates in line with the above. The age of the two CIL Charging Schedules and the fact that there are some differences between them, allied to the formal establishment of East Suffolk Council on 1st April 2019, means that the time is right for the Council to prepare a single CIL Charging Schedule for the whole of the East Suffolk district (excluding the parts within the Broads Authority. The Government's Planning White Paper consultation (August-October 2020) proposes a move to a national Infrastructure Levy, but as there is considerable uncertainty about both the precise form that any changes may take, and their timing, the Council is continuing with the preparation of a single CIL Charging Schedule. The [Council's website](#) (<https://www.eastsuffolk.gov.uk/planning/developer-contributions/community-infrastructure-levy/>) has further information on the stages and timing of the preparation of the CIL Charging Schedule, as well as more general CIL information.

1.11 The various CIL Regulations, and the [CIL guidance](#), set out how CIL Charging Schedules must be prepared, and the Council is following these requirements. Important in these is that, in preparing its evidence base in order to prepare its draft levy rates, the charging authority should "*collaborate with neighbouring /overlapping authorities (and other stakeholders)*" and that the charging authority should "*collaborate with the local community, developers and other stakeholders, to create realistic and viable charging schedules*".

1.12 As part of the first stage of this work, consultancy Aspinall Verdi has been commissioned to prepare a Viability Appraisal to provide key elements of the evidential

base to underpin the CIL Charging Schedule. Aspinall Verdi has previously prepared the [Suffolk Coastal Viability Report](#) and [Waveney Viability Report](#) to underpin both the [Suffolk Coastal Local Plan](#) (adopted in September 2020) and the [Waveney Local Plan](#) (adopted in March 2019) and so is familiar with the area and its issues. The CIL Viability Report will build on the two Plan-wide Viability Reports, updating key information.

1.13 Work on the Viability Appraisal is advancing. For residential allocations set out in the two adopted Local Plans, a “typology” approach is being practised (with the exception of “strategic” sites; see below). The [Planning Practice Guidance](#) supports the use of typologies for viability assessment purposes – the grouping of similar kinds of allocated sites (by size, location, greenfield/brownfield, development use proposed etc) together and assessing the viability of these “typology” sites, as a proxy for all allocated sites. It is not necessary to demonstrate that each and every individual site would be (or could be) viable.

Viability

1.14 Sites allocated in an adopted Local Plan and/or coming forward as a planning application can sometimes have significant infrastructure requirements, although this obviously varies by scale and type of development and location.

1.15 It is common for at least some of these infrastructure requirements to have to be delivered or paid for early in the lifetime of the development (a new junction might need to be developed to access the site, for example). These costs can have a significant effect on a developer’s cashflow position; in other words, some infrastructure often has to be funded before much or any income has been secured through house and/or flat sales.

1.16 CIL normally has to be paid within a very short period of development commencing and the amount cannot be negotiated, even if the developer believes that paying the full quantum of CIL would potentially make the development unviable. Recognising this, the Council currently has (separate) Instalments Policies for the former [Suffolk Coastal](#) and [Waveney](#) areas: the Instalments Policies allow the payment of each chargeable development to be spread over three separate instalments.

Strategic-scale sites

1.17 The two Local Plans include housing allocations for strategic-scale sites (360-2,000 dwellings, plus other elements). Such sites can often have significant infrastructure requirements and costs over and above the typical infrastructure requirements for smaller sites. For example, a strategic site might be required to deliver/undertake some or all of (this is not necessarily a full list of potential matters for all such sites):

- i) One or more significant new road junctions;
- ii) A site for a new primary school and early years provision, as well as financial contributions to primary school and secondary school places;
- iii) Major drainage and/or flood defence works;

- iv) Community facilities (perhaps including a village hall, local shop etc);
- v) Formal and informal recreation space, playspace and green infrastructure;
- vi) Biodiversity improvements and the provision of Suitable Alternative Natural Greenspace (SANGS).

1.18 Even if a strategic site is viable overall, if the initial costs are too high it can render a site potentially undeliverable (due to cashflow). This can be the case even taking into account the fact that CIL is charged separately for each separate phase of development, and that CIL can be paid in instalments for each separate phase.

1.19 The two Local Plans allocate a number of strategic-scale sites for development. These are:

Suffolk Coastal Local Plan (2020)

- SCLP12.29: South Saxmundham Garden Neighbourhood – approximately 800 dwellings;
- SCLP12.64: Land off Howlett Way, Trimley St Martin – approximately 360 dwellings;
- SCLP12.3: North Felixstowe Garden Neighbourhood – approximately 2,000 dwellings; and
- SCLP12.19: Brightwell Lakes, Martlesham – approximately 2,000 dwellings (which was granted outline planning permission in 2018); this is already zero rated in the current Suffolk Coastal CIL Charging Schedule.

Waveney Local Plan (2019)

- WLP2.16: Land south of The Street, Carlton Colville – approximately 900 dwellings;
- WLP3.1: Beccles and Worlingham Garden Neighbourhood – approximately 1,250 dwellings;
- WLP2.13: North of Lowestoft Garden Village – approximately 1,300 dwellings; and
- WLP2.4: Kirkley Waterfront and Sustainable Urban Neighbourhood – approximately 1,380 dwellings; this is already zero rated in the current Waveney CIL Charging Schedule.

1.20 It is very common for CIL Charging Schedules to consider strategic sites separately from smaller residential sites, with a bespoke approach taken (rather than the ‘typology’ approach). It is also very common for strategic sites to have very low or zero levels of CIL – if development costs increase, the inflexible nature of CIL can mean that such sites might become undeliverable. In the current CIL Charging Schedules, the Brightwell Lakes (Adastral Park) and the Kirkley Waterfront sites are both zero-rated for CIL (£0) and it is considered likely that the CIL rates in the new Charging Schedule for strategic sites will be low or zero.

1.21 Aspinall Verdi has been in contact with the promoters of the strategic sites and is in the process of undertaking bespoke viability assessments of each site.

Do you have any comments on the proposed approach to 'strategic' sites? Yes/No/Don't know. Please provide any information/evidence to support your answer

2 Residential

Typologies

2.1 The following typologies are proposed to be used, based on representative samples of the residential allocations made in the Waveney Local Plan and the Suffolk Coastal Local Plan and various 'made' Neighbourhood Plans. Figure 1 shows a map of allocated sites in the two Local Plans and whilst the typologies do not match these allocations exactly, they do cover a broad range of site-types. They will cover a range of sites across the two districts:

- i) geographically (from the Lowestoft area through coastal and inland market towns and villages towards the edge of Ipswich), thus encompassing a wide range of different viability areas;
- ii) size-wise (a smaller 17-home typology through to a proposed 255-home typology);
- iii) density-wise (less-dense though to denser sites);
- iv) variations of dwelling sizes and mixes within certain typologies (using relevant Local Plan policies on housing size and bedroom number mix); and
- v) both greenfield and brownfield (previously developed) sites:

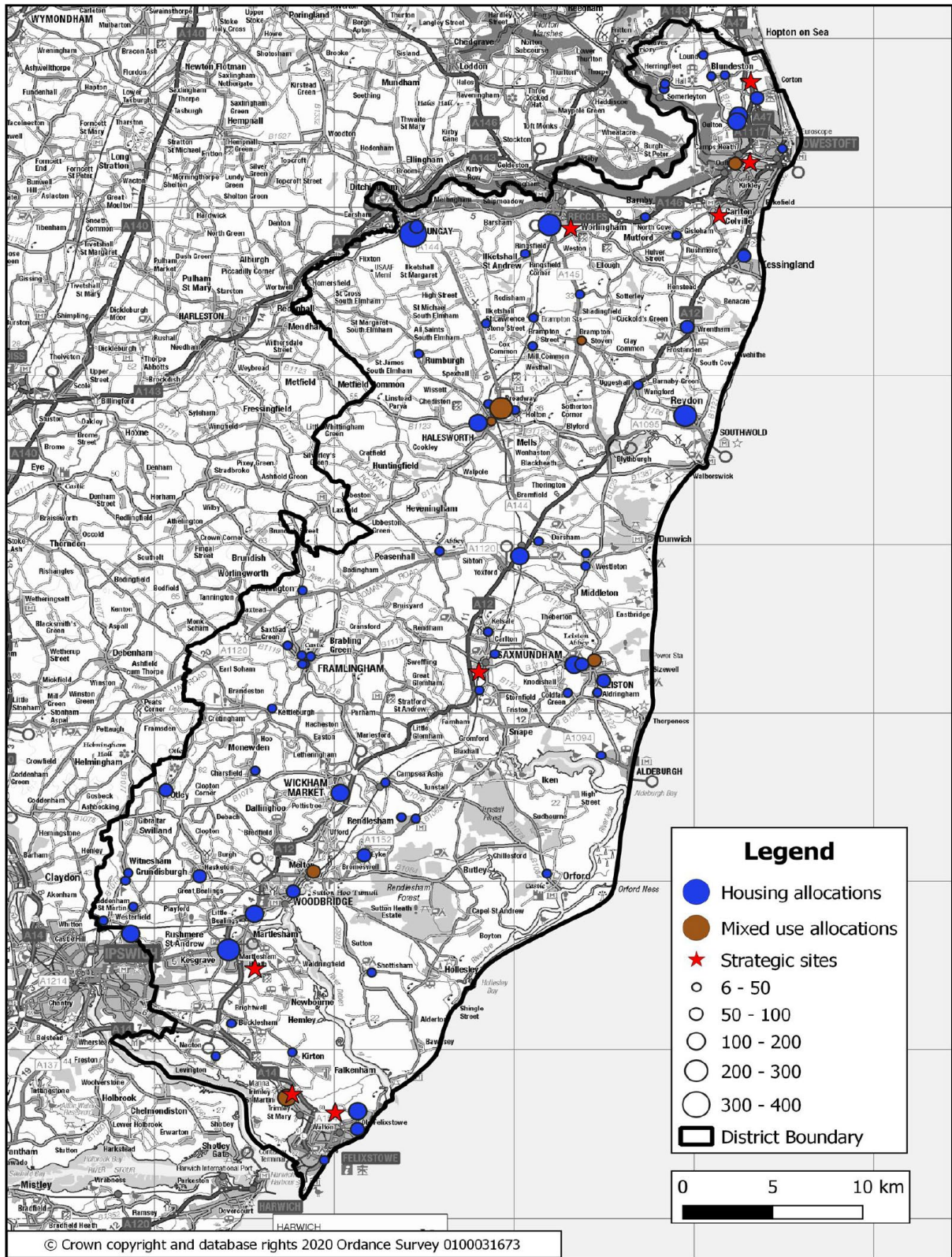


Figure 1 – Distribution of residential development growth in the Suffolk Coastal Local Plan, Waveney Local Plan and various ‘made’ Neighbourhood Plans

2.2 The two Whole Plan Viability Reports (for the former Waveney and Suffolk Coastal areas) prepared by Aspinall Verdi identified various different Value Zones (see below). Further work is taking place on updating values and preparing a single set of value zones for the whole of the district, but it is not thought likely that there have been major changes to relative values (i.e. between different value areas).

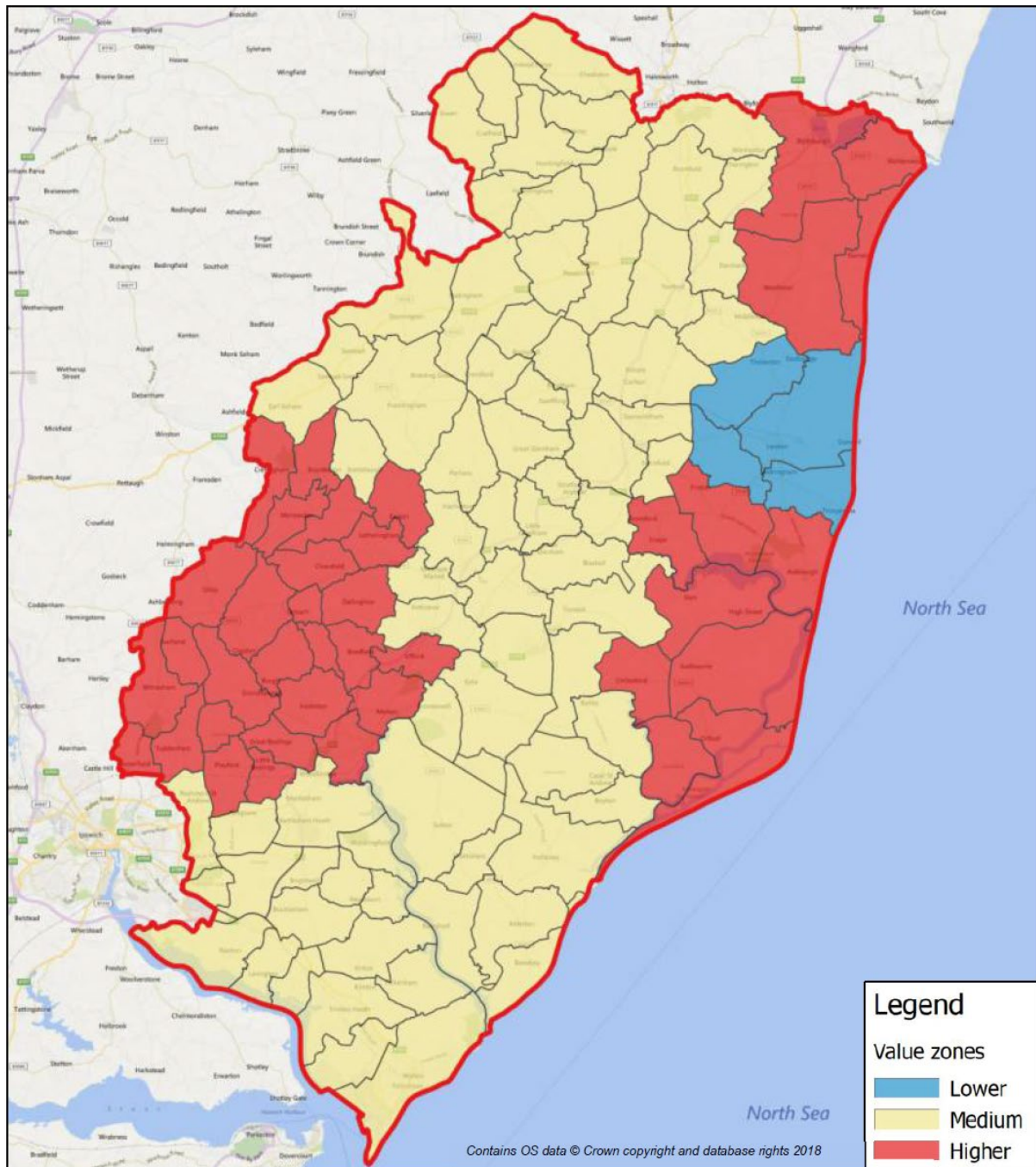


Figure 2 – 2019 Value Zones for the (former) Suffolk Coastal area (taken from the 2019 Aspinall Verdi Plan-Wide Viability Study)

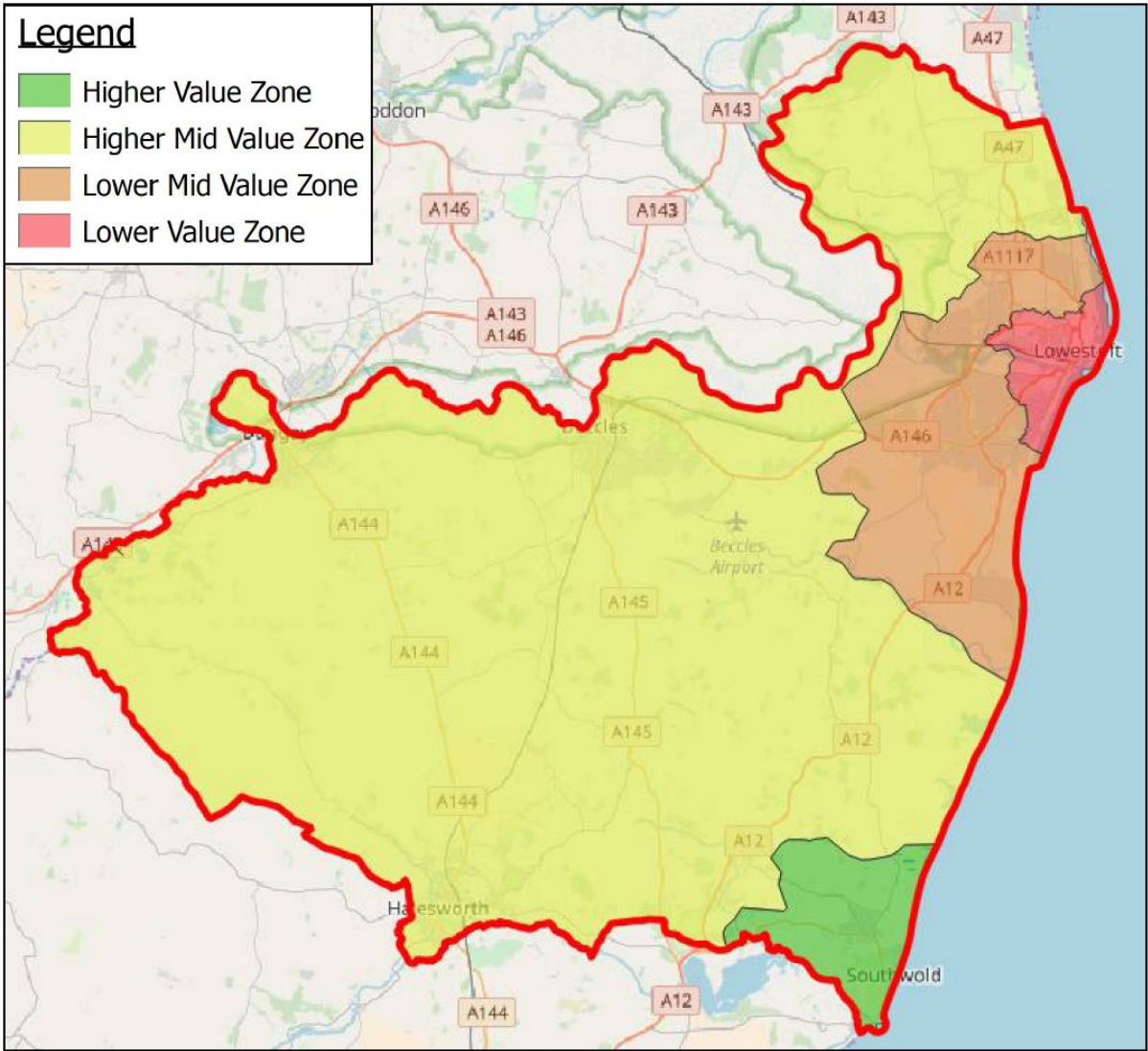


Figure 3 – 2018 Value Zones for the (former) Waveney area (taken from the 2018 Aspinal Verdi Plan-Wide Viability Study)

2.3 Greenfield

Units	Gross site area (ha)	Gross dwellings per ha (dph)	Gross to net ratio	Net site area (ha)	Net dph
17	0.94	18	90%	0.85	18
22	2.24	10	90%	0.71	11
24	0.79	30	90%	0.71	33
29	1.07	27	90%	2.01	30
35	2.13	16	90%	1.92	18

50	2.54	20	85%	2.16	23
76	5.08	15	85%	4.31	18
102	4.43	23	80%	3.54	29
140	4.55	31	75%	3.41	41
145	6.75	21	75%	5.07	29
170	6.06	28	75%	4.54	37
255	15.76	16	75%	11.82	22

Do you have any comments on the proposed approach to greenfield residential typologies? Yes/No/Don't know. Please provide any information/evidence to support your answer

2.4 Brownfield

Units	Gross site area (ha)	Gross dwellings per ha (dph)	Gross to net ratio	Net site area (ha)	Net dph
8	0.22	36	90%	0.2	40
42 (flatted)	0.86	49	100%	0.86	49
45 (flatted)	0.72	63	100%	0.72	63
51 (flatted)	0.73	70	100%	0.73	70
100 (flatted)	1.27	79	100%	1.27	79
100	4.43	23	80%	3.55	28
300	10.57	28	85%	3.3	41

Do you have any comments on the proposed approach to brownfield residential typologies? Yes/No/Don't know. Please provide any information/evidence to support your answer

Baseline assumptions

2.5 Many of the cost values and assumptions are unaltered from the two Local Plans' Viability Appraisals (both prepared by Aspinall Verdi), which were important evidence base information sources for the Local Plan examinations.

2.6 Many of the cost assumptions are drawn from the Building Cost Information Service (BCIS) index, which is operated by the Royal Institute of Chartered Surveyors (RICS) and publishes typical/average costs for building, on a local authority basis (using cost submissions made by developers and builders). This is a well-used information source for construction/build costs, and although not perfect (it is known, for example, that not all developers submit their costs), it has a significant degree of robustness and credibility. At present (2021), BCIS indices are still published separately for Suffolk Coastal and Waveney rather than as a single East Suffolk figure. Where appropriate, and where a single district-wide figure is needed, the most conservative assumption is used – which is normally the (higher) costs in Suffolk Coastal.

2.7 The tables below also show the values assumed in the two Local Plan Viability Reports and explain which values are assumed for the purposes of this CIL Viability Report.

2.8 Land and residential values are not included below, but up-to-date figures will be included in the draft Viability Assessment underpinning the draft CIL Charging Schedule and any views on land and sales values will be welcomed.

Residential cost assumptions

2.9 *Build cost – houses*

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment
£1,198 per m ²	£1,146 per m ²	£1,152 per m ²	A conservative approach is taken here, with the up-to-date (2021) BCIS figure for Suffolk Coastal used

Do you agree with this figure? Yes/No. Please provide any information/evidence to support your answer

2.10 *Build cost – flats*

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment

£1,386 per m ²	£1,339 per m ²	£1,288 per m ²	A conservative approach is taken here, with the up-to-date (2021) BCIS figure for Suffolk Coastal used
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Do you agree with this figure? Yes/No. Please provide any information/evidence to support your answer

2.11 *External works for services and infrastructure*

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment
15% of BCIS build costs	15% of BCIS build costs	15% of BCIS build costs	External works costs will vary from site-to-site, but this figure is based on industry norms and other schemes coming forward in the district and allows for the cost of garages

Do you agree with this figure? Yes/No. Please provide any information/evidence to support your answer

2.12 *Site abnormalities*

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment
£110,000 per net developable acre or £270,000 per hectare (if brownfield)	£110,000 per net developable acre or £270,000 per hectare (if brownfield)	£110,000 per net developable acre or £270,000 per hectare (if brownfield)	Site abnormalities will vary significantly from site-to-site but the allowance includes the cost for demolition and remediation. Homes England (previously HCA) guidance on dereliction, demolition and remediation costs (March 2015), along with

			<p>comparable and other schemes coming forward in the district. Any site-specific costs which are greater than assumed in this study will need to be reflected in a reduced land value</p> <p>For greenfield sites this is assumed to be £0 – any unusual costs will need to be reflected in a reduced land value</p>
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Do you agree with this figure? Yes/No. Please provide any information/evidence to support your answer

2.13 *Professional fees (such as for architects, highways consultants, ecologists etc)*

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment
8% of BCIS build costs	10% of BCIS build costs	10% of BCIS build costs	This typically ranges from 8-12% (based on industry norms and other schemes coming forward). A figure of 10% is used – any higher fees will be reflected in a reduced land value

Do you agree with this figure? Yes/No. Please provide any information/evidence to support your answer

2.14 *Statutory planning application fees*

National planning application fees are assumed.

Do you agree with this assumption? Yes/No. Please provide any further information/evidence to support your answer

2.15 *Planning application professional fees, surveys and reports*

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment
3 x the planning application fee	3 x the planning application fee	3 x the planning application fee	Reasonable figure as reflects the size of scheme and professional fees allowed for

Do you agree with this figure? Yes/No. Please provide any information/evidence to support your answer

2.16 *Contingency costs*

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment
5% of all construction costs	5% of all construction costs	5% of all construction costs	This typically ranges from 3%-5%, based on industry norms and other schemes coming forward. A conservative approach of 5% is used here

Do you agree with this figure? Yes/No. Please provide any information/evidence to support your answer

2.17 *RAMS (Recreational Disturbance Avoidance Mitigation Strategy) contribution*

This is a contribution required from ‘qualifying’ residential development to help mitigate the effects on sites of European nature conservation significance (Special Areas of Conservation and Special Protection Areas), as detailed in the Habitats Regulations Assessment – see <https://www.eastsuffolk.gov.uk/planning/developer-contributions/rams/>. The cost depends on which RAMS zone the development is in – Zone B currently costs £321.22 per dwelling and Zone A currently costs £121.89 per dwelling.

For all qualifying development there is no alternative but to provide mitigation and the RAMS costs are therefore applied to all qualifying development. There cannot therefore be a Yes/No question on this amount of the charge. However, please provide any comments on this matter if you wish

2.18 *Facilitating Independent Living*

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment
£521 per dwelling (50% of dwellings need to meet the requirement for accessible and adaptable dwellings under Part M4 (2) of the Building Regulations)	£521 per dwelling (5% of all units on schemes of 20+ dwellings tested to meet the Part M4 (2) standard	£521 per dwelling (50% of dwellings tested to meet the requirement for accessible and adaptable dwellings under Part M4 (2) of the Building Regulations)	The final Waveney Local Plan policy requires 40% on all schemes of 10+ dwellings. The increased provision is reflected in updated cost assumptions but the figure of £521 per unit (taken from the DCLG Housing Standards Review, Final Implementation Impact Assessment paras 153 and 157, March 2015)

Do you agree with this figure? Yes/No. Please provide any information/evidence to support your answer

2.19 *Water efficiency*

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment
£9 per dwelling	£9 per dwelling	£9 per dwelling	This is to require water efficiency of 110 litres per person per day (based on MHCLG Standards

			Review Cost Impact, by EC Harris, September 2014)
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Do you agree with this figure? Yes/No. Please provide any information/evidence to support your answer

2.20 Carbon dioxide & energy obligations

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment
3% of BCIS build costs	N/A	3% of BCIS build costs	<p>SCLP policy 9.2 ('Sustainable Construction') requires developments of more than 10 dwellings to have energy efficiency standards resulting in a 20% reduction in CO₂ emissions below the Target CO₂ Emission Rate (TER) set out in Part L of the Building Regulations. WLP policy 8.28 ('Sustainable Construction') covers similar territory.</p> <p>The 3% figure is taken from the Evora Edge report for Guildford Borough Council <i>Assessment of the Viability of Carbon Emission Targets for New Builds – Main Report</i> (2017)</p>

Do you agree with this figure? Yes/No. Please provide any information/evidence to support your answer

2.21 *Selling agents' costs*

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment
1.5% of GDV	1.5% of GDV	1.5% of GDV	Taken from p35 of the Harman Report (2012) and comparable schemes

Do you agree with this figure? Yes/No. Please provide any information/evidence to support your answer

2.22 *Sale legal costs*

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment
0.5% of Gross Development Value (GDV)	0.5% of GDV	0.5% of GDV	Taken from p35 of the Harman Report (2012) and comparable schemes

Do you agree with this figure? Yes/No. Please provide any information/evidence to support your answer

2.23 *Scheme marketing and promotion*

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment
1.5% of GDV	1.5% of GDV	1.5% of GDV	Taken from p35 of the Harman Report (2012) and comparable schemes

Do you agree with this figure? Yes/No. Please provide any information/evidence to support your answer

2.24 *Profit on market housing*

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment
20% on GDV	20% on GDV	20% on GDV	<p>Paragraph 018 (Reference ID: 10-018-20190509, 9 May 2019) in the PPG on Viability says that “...an assumption of 15-20% gross development value may be considered a suitable return to developers in order to establish the viability of plan policies...”</p> <p>A figure at the top end of this range is used, for robustness – there is little evidence to suggest that a different figure should be used</p>

Do you agree with this figure? Yes/No. Please provide any information/evidence to support your answer

2.25 *Profit on affordable housing*

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment
6% on GDV	6% on GDV	6% on GDV	<p>Paragraph 018 (Reference ID: 10-018-20190509, 9 May 2019) in the PPG on Viability says that “...A lower [developer’s return] figure</p>

			<p><i>[than for a market scheme] may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk..."</i></p> <p>The 6% figure reflects industry norms</p>
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Do you agree with this figure? Yes/No. Please provide any information/evidence to support your answer

2.26 *Interest*

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment
6.5%	6.25%	6.5%	This figure is based on industry norms and other schemes coming forward in East Suffolk. The higher Suffolk Coastal figure of 6.5% is used

Do you agree with this figure? Yes/No. Please provide any information/evidence to support your answer

2.27 *Stamp Duty Land Tax on land value*

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment

5%	5%	5%	“Slabbed” figure used (i.e. the amount on the whole purchase price) rather than a “sliced” approach (different percentages applied on the amount depending on the SDLT rate)
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Do you agree with this figure? Yes/No. Please provide any information/evidence to support your answer

2.28 Agents fee on land value

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2020	Comment
1%	1%	1%	This figure is based on industry norms and other schemes coming forward in East Suffolk

Do you agree with this figure? Yes/No. Please provide any information/evidence to support your answer

2.29 Legal fee on land value

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2020	Comment
0.5%	0.5%	0.5%	This figure is based on industry norms

Do you agree with this figure? Yes/No. Please provide any information/evidence to support your answer

2.30 *Land values*

Land values obviously vary across the district, with lower-value areas like parts of Lowestoft, and much higher value areas such as Aldeburgh. These will be assessed in spring 2021.

Do you have any comments to make on land values in the district? Yes/No. Please provide any further information/evidence to support your answer

2.31 *Sales values*

Sales values obviously vary across the district, with lower-value areas like parts of Lowestoft, and much higher value areas such as Aldeburgh. The housing market has shown resilience following the Covid-related construction industry shut-down in spring 2020, with January 2021 prices being 5.4% higher than January 2020 (Halifax Bank national figure). However, there remain wider-than-normal economic (and housing market) uncertainties due to the post-Brexit arrangements and the ongoing Covid pandemic and property agency [Savills predicts](#) that values in the East of England will see “little, if any” housing growth during 2021

Sales values will be assessed in spring 2021.

Do you have any comments on sales values in the district? Please provide any information/evidence to support your answer

2.32 *Biodiversity net gain*

The UK Government announced new English developments will be required to demonstrate a 10% increase in biodiversity on or near development sites. The Environment Bill (which will introduce this) has been delayed several times and Royal Assent is not now expected until after the summer recess in 2021. It remains unclear exactly when the targets for net biodiversity gain will come into effect.

This is assumed to be £42,545 per gross hectare of development land – greenfield scenarios only. Cost calculated on gross site area. Reliance for this figure has been placed upon the calculation set out in the [Biodiversity Net Gain and Local Nature Recovery Strategies](#) document (2019).

Do you agree with this figure? Yes/No. Please provide any information/evidence to support your answer

2.33 Affordable housing value inputs

	Affordable rent	Shared ownership	Discounted ownership
% of open market value	50%	75%	60%

Do you agree with this figure? Yes/No. Please provide any information/evidence to support your answer

2.34 Build-out rates

It is assumed that a typical build-out rate is two market units per month for the typologies to be used in the Viability Assessment (with developers building to sale, rather than more speculatively; in other words, the expected rate of sale is also two per month), with a typical lead-in time of six months to the start of construction. All sites are assumed to have a minimum 12-month build-out time. As stated above, the largest, strategic-sized, sites, are being assessed individually and will normally have a longer lead-in time but a higher rate of sales.

Do you agree with these figures? Yes/No. Please provide any information/evidence to support your answer

2.35 CIL and Section 106 agreements

These are treated as viability output, with the Council deciding on an annual basis (in its Infrastructure Funding Statement) which infrastructure should be funded through CIL and which through S106. The first IFS (for 2019/20) was published in December 2020 – see <https://www.eastsuffolk.gov.uk/planning/developer-contributions/infrastructure-funding-statement/>.

The Waveney and Suffolk Coastal Infrastructure Delivery Frameworks have specific cost advice for S106 obligations on larger sites which will be reflected in the viability assessment. Site specific mitigation on generic scenarios will vary from site-to-site and will need to be met by any viability surplus generated.

If you have any other comments on residential accommodation viability testing, please make them here:

3 **Holiday accommodation viability testing**

3.1 In the current CIL Charging Schedules, holiday accommodation in the Suffolk Coastal area is either charged at the standard residential rate or is not liable for CIL at all (as appropriate). The current (2021) charge for holiday lets in the Waveney is £59.46 per m².

The main holiday accommodation typologies proposed to be tested are:

Scenario	Unit size m² (gross internal area)	Unit sale price/ weekly rate	£ per m²/yield
New build holiday let	75	£500	5%
Barn conversions/ change of use holiday let	75	£500	5%
Caravans	2-bed: 74 3-bed: 90	2-bed: £100,000-£200,000 3-bed: £150,000-£300,000	2-bed: £740-£2,700 3-bed: £1,666-£3,333

Do you agree with these figures? Yes/No/Don't know. Please provide any further information/evidence to support your answer

3.2 Build costs are assumed to be the same as for normal residential properties (see Chapter 2 above), with the exceptions below:

Element	Cost per m²	Comment
Flats	£1,411	Based on median BCIS costs for flats for Suffolk Coastal, using a 5-year sample to reflect current building regulations
Barn conversions	£1,390	BCIS upper quartile estate housing – 5-year sample, rebased to Suffolk Coastal. We have adopted upper quartile build costs to reflect higher build costs when converting barns due to structural deficiencies often being found
Holiday lodges	£600-£1,082	Based on research, the cost of Mountain Lodge Homes, reconciled with the lowest observed BCIS, cost for residential development rebased to Suffolk Coastal

Management costs	50% of turnover	For new build and conversion holiday let appraisals
Occupancy rate	60%	
Build timescale	12 months	Assumed for all typologies

Do you agree with these figures? Yes/No/Don't know. Please provide any information/evidence to support your answer

3.3 *CIL and Section 106 agreements*

These are treated as viability output, with the Council deciding on an annual basis (in its Infrastructure Funding Statement) which infrastructure should be funded through CIL and which through S106. The first IFS (for 2019/20) was published in December 2020 – see <https://www.eastsuffolk.gov.uk/planning/developer-contributions/infrastructure-funding-statement/>.

The Waveney and Suffolk Coastal Infrastructure Delivery Frameworks have specific cost advice for S106 obligations on larger sites which will be reflected in the viability assessment. Site specific mitigation on generic scenarios will vary from site-to-site and will need to be met by any viability surplus generated.

If you have any other comments on holiday accommodation viability testing, please make them here:

4 Specialist residential accommodation testing

4.1 There are three main types of specialist residential accommodation:

- i) **sheltered housing** – accommodation for sale or rent to (normally) elderly people, often (but not always) with estate management services, emergency alarm system and warden service);
- ii) **extra-care housing** (also known as ‘assisted living’) – independent living, but normally with personal care and support services available on-site 24 hours a day; and
- iii) **nursing/residential care home** – all meals and care are provided on site with no independent living.

4.2 The two Local Plans recognise the need for this kind of accommodation, whether standalone or as part of a larger development. Three typologies are proposed, all based on standalone sites (as these are the most likely to come forward and be developed by specialist developers):

Type	No. units	Development density per net hectare	Dwelling mix	Unit size	Internal gross to net
Sheltered housing	50	Greenfield: 80 Brownfield: 120	75% 1-bed 25% 2-bed	55m ² 1-bed 75m ² 2-bed	75%
Extra-care housing	50	Greenfield: 80 Brownfield: 120	75% 1-bed 25% 2-bed	55m ² 1-bed 75m ² 2-bed	70%
Nursing/residential care home	60	70 rooms per hectare	Single en-suite	N/A	50%

Do you agree with these figures? Yes/No/Don't know. Please provide any further information/evidence to support your answer

4.3 The proposed cost assumptions for specialist residential accommodation are the same as standard residential (see Chapter 2 for details) with the exception of those below:

Element	Cost	Source
Build costs	£1,646 per m ²	2020 BCIS median build costs for care homes in Suffolk Coastal (costs are higher there than in Waveney, so the conservative value is used)
Marketing	5% of market value	Comparable scheme analysis shows higher costs over 'general needs market housing'. Cost allowance assumed still in line with the Harman report (P.35) but at higher end
Purchasers' costs (<i>nursing homes only</i>)	5.76% of GDV	Industry standard

Do you agree with these figures? Yes/No/Don't know. Please provide any information/evidence to support your answer

4,4 Building and sales period assumptions

Type	Lead-in period	Development period	Sales period
Sheltered housing	6 months	18 months	18 months (on practical completion)
Extra-care housing	6 months	18 months	18 months (on practical completion)
Nursing/residential care home	6 months	24 months	Investment sold on practical completion. But a 30 month rent free period included to account for occupancy 'build up period'

Do you agree with these figures? Yes/No/Don't know. Please provide any information/evidence to support your answer

4.5 *CIL and Section 106 agreements*

These are treated as viability output, with the Council deciding on an annual basis (in its Infrastructure Funding Statement) which infrastructure should be funded through CIL and which through S106. The first IFS (for 2019/20) was published in December 2020 – see <https://www.eastsuffolk.gov.uk/planning/developer-contributions/infrastructure-funding-statement/>.

The Waveney and Suffolk Coastal Infrastructure Delivery Frameworks have specific cost advice for S106 obligations on larger sites which will be reflected in the viability assessment. Site specific mitigation on generic scenarios will vary from site-to-site and will need to be met by any viability surplus generated.

If you have any other comments on specialist residential accommodation viability testing, please make them here:

5 Retail, office and industrial development

5.1 The two Local Plans identify a range, or amount, of convenience and comparison floorspace over the Plan period, with a number of allocations proposing retail as part of a broader mix. One example is the Kirkley Waterfront and Sustainable Urban Neighbourhood (Waveney Local Plan Policy WLP2.4), which requires part of the 60-hectare site to contain a local retail centre (although a precise quantum is not specified).

Convenience retail

5.2 Given changes to food (convenience) retailing in recent years, it is considered highly unlikely that any large new superstores will be proposed for the foreseeable future (on the scale of a Tesco Extra, for example). It is considered much more likely that smaller foodstores would come forward, either “corner-shop”-type units (Express, 350 m² gross internal area, 20% site coverage, gross-to-net ratio 90%), or medium-scale stores of the kind that operators like Co-op, Aldi and Lidl might perhaps seek (Budget, 2,000 m² GIA, 35% site coverage, gross to net ratio 85%).

5.3 These following assumptions and judgements are made, which are not thought to vary significantly across East Suffolk:

Scenario	Gross internal area (m²)	Site coverage	Rent (per ft²)	Yield	Lead-in period	Development (build) period	Initial rent-free period
Express	350	20%	£18	5.9%	6 months	9 months	9 months
Budget	2,000	35%	£15	5.9%	6 months	9 months	9 months

Do you agree with these figures and assumptions? Yes/No/Don't know. Please provide any information to support your answer

Comparison retail

5.4 The comparison retail market is in a state of flux with currently very limited new store requirements in the market (due to greater shopping online and the effects of the Covid-19 pandemic). Two scenarios are proposed to represent a local/regional retailer and national retailer (both with 40% site coverage):

- Smaller format – 500 sqm / 90% net to gross
- Larger format – 1,000 sqm / 85% net to gross

Scenario	Gross internal area (m ²)	Site coverage	Rent (per ft ²)	Yield	Lead-in period	Development (build) period	Initial rent-free period
Smaller format	500	40%	£20	5.9%	6 months	9 months	12 months
Larger format	1,000	40%	£18	5.9%	6 months	9 months	12 months

Do you agree with these figures and assumptions? Yes/No/Don't know. Please provide any information to support your answer

Office and industrial development

5.5 Employment allocations are made in the two Local Plans (either standalone or as part of strategic-scale development). Two scenarios are proposed for testing CIL viability, one for office and one for industrial.

Scenario	Gross internal area (m ²)	Site coverage	Rent (per ft ²)	Yield	Lead-in period	Development (build) period	Initial rent-free period
Office	500	40%	£20	5.9%	6 months	12 months	12 months
Industrial	1,000 (single building or sub-divided)	40%	£8	6%	6 months	12 months	12 months

Do you agree with these figures and assumptions? Yes/No/Don't know. Please provide any information to support your answer

Development costs for retail, office and industrial development

5.6 The assumptions and values are the same for retail, office and industrial development, with the exception of build costs:

5.7 *Build costs – convenience retail*

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment
£1,390 psm	£1,424 psm	£1,427 psm	BCIS median build costs supermarkets, re-based for Suffolk Coastal. Suffolk Coastal builds costs are currently higher than Waveney. The higher figure is used

Do you agree with these figures and assumptions? Yes/No/Don't know. Please provide any information to support your answer

5.8 *Build costs – comparison retail*

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment
£1,048 psm	£731 psm	£1,137 psm	BCIS median build costs shops, re-based for Suffolk Coastal. Suffolk Coastal builds costs are currently higher than Waveney. The higher figure is used

5.9 *Build costs – office*

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment
£1,673 psm	£1,577 psm	£1,728 psm	BCIS median build costs for offices, re-based for Suffolk Coastal. Suffolk Coastal

			builds costs are currently higher than Waveney. The higher figure is used
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5.10 *Build costs – industrial*

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment
£876 psm	£991 psm	£803 psm	BCIS median build costs for warehouses/store, re-based for Suffolk Coastal. Build costs have fallen since the earlier Viability Studies

Do you agree with these figures and assumptions? Yes/No/Don't know. Please provide any information to support your answer

5.11 *External works for services and infrastructure*

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment
15% of BCIS build costs	15% of BCIS build costs	15% of BCIS build costs	External works will vary, depending on site requirements. Based on industry norms and other schemes coming forward in the District

Do you agree with these figures and assumptions? Yes/No/Don't know. Please provide any information to support your answer

5.12 Site abnormalities

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment
£110,000 per net developable acre (if brownfield)	£110,000 per net developable acre (if brownfield)	£110,000 per net developable acre (if brownfield)	<p>Site abnormalities will vary significantly from site to site.</p> <p>Allowance includes the cost for demolition and remediation. We have had regard to HCA (now Homes England) guidance on dereliction, demolition and remediation costs March 2015, along with comparable and other schemes coming forward in the District. Any site-specific costs which are greater than that assumed in this study will need to be reflected in a reduced land value</p>

Do you agree with these figures and assumptions? Yes/No/Don't know. Please provide any information to support your answer

5.13 Professional fees

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment
8% of BCIS build costs	8% of BCIS build costs	8% of BCIS build costs	<p>Typically ranges between 8% - 12%, based on industry norms and other schemes coming forward. Any higher professional fees will be reflected in a reduced land value</p>

Do you agree with these figures and assumptions? Yes/No/Don't know. Please provide any information to support your answer

5.14 *Contingency*

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment
5% of all construction costs	5% of all construction costs	5% of all construction costs	Typically ranges between 3% - 5%, based on industry norms and other schemes coming forward

Do you agree with these figures and assumptions? Yes/No/Don't know. Please provide any information to support your answer

5.15 *Letting agent costs*

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment
10%	10%	10%	Based on industry norms and other schemes coming forward on the District

Do you agree with these figures and assumptions? Yes/No/Don't know. Please provide any information to support your answer

5.16 *Letting legal costs*

Suffolk Coastal Viability Study	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment

(December 2018)			
5%	5%	5%	Based on industry norms and other schemes coming forward on the District

Do you agree with these figures and assumptions? Yes/No/Don't know. Please provide any information to support your answer

5.17 *Investment sale agent's costs*

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment
1%	1%	1%	Based on industry norms and other schemes coming forward on the District

Do you agree with these figures and assumptions? Yes/No/Don't know. Please provide any information to support your answer

5.18 *Marketing and promotion*

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment
1%	1%	1%	Based on industry norms and other schemes coming forward on the District

Do you agree with these figures and assumptions? Yes/No/Don't know. Please provide any information to support your answer

5.19 Profit

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment
20% profit on build costs	20% profit on build costs	20% profit on build costs	The PPG on Viability (ref: 10-018-20190509) says that 15-20% of GDV “may be a suitable return to developers”

Do you agree with these figures and assumptions? Yes/No/Don't know. Please provide any information to support your answer

5.20 Interest

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment
6.5%	6.5%	6.5%	Industry norms and other schemes coming forward in the District

Do you agree with these figures and assumptions? Yes/No/Don't know. Please provide any information to support your answer

5.21 Finance fee

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment
1%	1%	1%	Industry norms and other schemes coming forward in the District

Do you agree with these figures and assumptions? Yes/No/Don't know. Please provide any information to support your answer

5.22 *Stamp Duty Land Tax on land value*

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment
5%	5%	5%	"Slabbed" figure used (i.e. the amount on the whole purchase price) rather than a "sliced" approach (different percentages applied on the amount depending on the SDLT rate)

Do you agree with these figures and assumptions? Yes/No/Don't know. Please provide any information to support your answer

5.23 *Agent's fee on land value*

Suffolk Coastal Viability Study (December 2018)	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment
1%	1%	1%	Industry norms and other schemes coming forward in the District

Do you agree with these figures and assumptions? Yes/No/Don't know. Please provide any information to support your answer

5.24 *Legal fee on land value*

Suffolk Coastal Viability Study	Waveney Viability Study (March 2018)	CIL Viability Testing 2021	Comment

(December 2018)			
0.5%	0.5%	0.5%	Industry norms and other schemes coming forward in the District

Do you agree with these figures and assumptions? Yes/No/Don't know. Please provide any information to support your answer

5.25 *CIL and Section 106 agreements*

These are treated as viability output, with the Council deciding on an annual basis (in its Infrastructure Funding Statement) which infrastructure should be funded through CIL and which through S106. The first IFS (for 2019/20) was published in December 2020 – see <https://www.eastsuffolk.gov.uk/planning/developer-contributions/infrastructure-funding-statement/>.

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If you have any other comments on retail and employment land viability testing, please make them here:

6 If you have any other comments on the preparation of the East Suffolk CIL Charging Schedule, please make them here: