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**CIL Development Viability Study:  
Residential Urban Extension**  
Birmingham City Council  
Draft 11th December 2013

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Appendix 1: Appraisals

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For and on behalf of GVA Grimley Ltd





how much is available for affordable housing. reversed this sequence and sought to illustrate how much is available to pay for CIL once one takes into account an assumed affordable housing requirement together with the adopted S106 payment.

For the purpose of this testing we have tested how much is available to pay for CIL once the housing requirement together with the

- 2.12 For ease of reference we have focused only on the housing within the SUE. There will also be other buildings that are potentially liable for CIL; however, for the benefit of this residential testing they have not been considered.

- 3.5 For ease of reference we have shown the results for a blended average of the affordable housing, since we have not varied the split of affordable rent and intermediate tenures.
- 3.6 On instruction we have assumed S106 payments of £10,000 (or £20,000) per unit. We have adopted the following timings and proportions of payments:

*Table 3: S106 Payment Schedule*

% of Development	0%	20%	40%	60%	100%
% of S106 Paid	2%	40%	30%	23%	5%

- 3.7 We have assumed an average dwelling size of c 93 sq m (1,000 sq ft). This assumption provides for the fact that there would be an element of flats within a SUE.
- 3.8 The cost of Enabling Works, for example utilities, surface water drainage and the main on-site highway costs, can be very significant for SUEs. The Harman Report, which was published in July 2012, suggests that these costs are typically in the range £17,000 to £23,000 per dwelling. We have dealt with a number of large schemes and the costs have ranged from c. £9,000 per dwelling to in excess of £30,000. We have adopted a cost of £20,000 per dwelling (the mid point suggested by the Harman Report).
- 3.9 We have assumed that the Scheme will take c 22 years to build and sell, c 250 dwellings pa, and we have allowed for a period of enabling works before construction of the housing can commence.
- 3.10 Whilst this timescale assumes a relatively fast sales rate, we consider that this is necessary for a scheme of this scale. It significantly assists the prospect for delivery of the scheme since the payback is earlier, and the scheme goes cash positive sooner. We therefore consider that in reality a scheme of this scale would be promoted based on a similar assumption.

*Table 4: Assumptions for 5,000 unit scheme*

Item	Assumption
No. of dwellings	5,000
Gross site area	270 ha (670 acres)
Net residential area	175 ha (435 acres)



## 5. CONCLUSIONS

- 5.1 Our assumption as to the general level of Enabling Cost is in line with the Harman Report, and our own experience.
- 5.2 We have tested two different levels of S106 payment, £10,000 per unit and £20,000 per unit (both private and affordable). It is noted that the scheme cannot support a CIL charge using either level of payment.
- 5.3 Any CIL payment that is imposed will effectively reduce the amount of affordable housing that can be provided, and might also impact on the level of S106 Contribution.
- 5.4 We recommend that the Council imposes a Nil Charge for CIL.



**BIRMINGHAM CIL**  
**Sustainable Residential Development of 5,000 dwellings**  
**Enabling Costs @ £20,000 per dwelling**  
**Assume 20% Affordable Housing & S106 Contribution @ £10,000 per dwelling**  
**Nil CIL**

