

Appendix S: Current Use Value Benchmarks – Clarification

Rate	CUV used to set CIL rate		Characteristics of CUV as submitted	Commentary
	DCS Stage	RDCS ¹ Stage and EiP Submission Modified Rates ²		
Office ND	CUV2	CUV1	Existing Floorspace as percentage of proposed: 30% Rent: £8psf Yield: 8% Rent free period: 3 years Refurbishment costs: £50 psf Fees on refurbishment: 7% Landowner premium: 15%	A more cautious CUV was initially used to set this rate (CUV2 – rent of £12.50 psf), as opposed to CUV1 which could have been used instead. Upon consideration of the more detailed representations submitted regarding viability, the appropriate CUV was more specifically considered. In this regard, BNPPRE and the Council considered the type of sites that will likely be coming forward in the north Docklands area for redevelopment over the life of a Charging Schedule. It was identified that the majority if not all new office development will come forward on sites that are currently in secondary industrial or low value commercial use such as Wood Wharf. In this regard the use of CUV1 was considered to be appropriate as this CUV would reflect the lower value commercial/industrial use of such a site.
Office CF	CUV3	CUV2	Existing Floorspace as percentage of proposed: 30% Rent: £15.50psf Yield: 6.75% Rent free period: 3 years Refurbishment costs: 7%	A more cautious CUV was initially used to set this rate (CUV3 – rent of £18 psf) as opposed to CUV2 which could have been used instead. Upon consideration of the more detailed representations submitted regarding viability, the appropriate CUV was more specifically considered. In this regard, BNPPRE and the Council

¹ ED2.1: Revised Draft Charging Schedule

² ED3.5: Statement of Modifications, Appendix 1 and 2

Rate	CUV used to set CIL rate		Characteristics of CUV as submitted	Commentary
	DCS Stage	RDCS ¹ Stage and EiP Submission Modified Rates ²		
			Fees on refurbishment: £50 psf Landowner premium: 20%	considered the type of sites that will be coming forward in City Fringe area for redevelopment over the life of a Charging Schedule. It was identified that the majority if not all new office development will come forward on sites that are currently in lower value secondary commercial use. In this regard the use of CUV2 was considered to be appropriate as this CUV is reflective of capital values for lower value secondary commercial floorspace likely to come forward for redevelopment.
Convenience Supermarkets, Superstores and Retail Warehousing	CUV2	CUV3	Existing Floorspace as percentage of proposed: 30% Rent: £10psf Yield: 8% Rent free period: 3 years Refurbishment costs: 7% Fees on refurbishment: £50 psf Landowner premium: 20%	Upon review of the appraisals and inputs following the DCS consultation (in particular a keener yield was adopted for such proposed developments) BNPPRE updated the appraisals and given an improvement in viability a more cautious current use value CUV3 was adopted (CUV 2 – rent of £8 psf).
Hotel	CUV2	CUV2	Existing Floorspace as percentage of proposed: 30% Rent: £15psf Yield: 7% Rent free period: 3 years Refurbishment costs: £50 psf Fees on refurbishment: 7% Landowner premium: 20%	No change

Rate	CUV used to set CIL rate		Characteristics of CUV as submitted	Commentary
	DCS Stage	RDCS ¹ Stage and EiP Submission Modified Rates ²		
Comparison Retail ND and CF	CUV3	CUV2	Existing Floorspace as percentage of proposed: 30% Rent: £15psf Yield: 7% Rent free period: 3 years Refurbishment costs: £50 psf Fees on refurbishment: 7% Landowner premium: 20%	A more cautious CUV was initially used to set this rate (CUV3 – rent of £20 psf) as opposed to CUV2 which could have been used instead. Upon consideration of the more detailed representations submitted regarding viability, the appropriate CUV was more specifically considered. In this regard, BNPPRE and the Council considered the type of sites that will be coming forward in City Fringe area for redevelopment over the life of a Charging Schedule. It was identified that the majority if not all new retail development will come forward on sites that are currently in lower value secondary commercial use. In this regard the use of CUV2 was considered to be appropriate as this CUV is reflective of capital values for lower value secondary commercial floorspace likely to come forward for redevelopment.
Student	£12psf	£12psf	Existing Floorspace (sq. ft): Rent: £12psf Yield: 8% Rent free period: 3years Refurbishment costs: £50 psf Fees on refurbishment: 7% Landowner premium: 20%	No change in CUV.