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16 September 2014

Dear Sirs

**COMMUNITY INFRASTRUCTURE LEVY – REVISED DRAFT CHARGING
SCHEDULE – SUPPLEMENTARY EVIDENCE REQUESTED BY THE
EXAMINER
REPRESENTATIONS ON BEHALF OF UNITE GROUP PLC**

I write in respect of the above on behalf of my client UNITE Group PLC (hereafter 'UNITE'). This representation should be read alongside the representation submitted 5 June 2013 and the Private and Confidential submission dated 2 December 2013, and have the following comments on the Supplementary Evidence.

Student Housing Build Costs

We note Appendix V of the Evidence provides additional analysis of build costs following further research by BNP Paribas.

The figure used in both the Draft Charging Schedule and the Appendix V is £137sq.m (based on BICS costs for student accommodation) although as set out at para 1.2 of this Appendix V earlier appraisals to support the Draft Charging Schedule were set at £180sq.m. In UNITE's experience build costs for Central London sites are closer to £180sq.m and this figure should be reinstated.

Further, we would highlight the Examiner Findings into Southwark's Revised Draft Charging Schedule (attached). In relation to build costs this states that there is merit in criticism that the BCIS data is limited in scope and related to modest, low-rise developments, that the rates do not appear to have compared to actual prices, especially given the likely effect of subsequent market inflation.

On this point we would note that BCIS build cost rate is dated 15 June 2013 and since this time there is likely to have been inflation in particular when the recent construction boom is taken into consideration.

Student Housing: Separate Rate for University Led Schemes

We would note from the evidence submitted that at Section 14 and as demonstrated at Appendix X that even a relatively modest change in rents impacts on viability considerably. When considering this alongside the build cost evidence above, this would make student housing even less viable.

We would therefore reiterate our earlier representation in that a consistent approach is necessary and that a simplified, lower single-tier levy reflecting scheme value across the borough is provided as adopted in other charging schedules across London.

We would highlight that the Inspector in relation to the Lambeth Draft Charging Schedule has reduced the CIL rate for student accommodation from £360sq.m to £215sq.m to meet statutory requirements, also highlighting how a differential rate would essentially be unworkable.

I trust this is in order and will be taken into account prior to submission of the DCS to the Inspectorate. I have copied in the Programme Officer and kindly request this representation is sent onto the Inspector. Please do not hesitate to contact either Matthew Roe or myself should you have any queries.

Yours faithfully



John N. Smith
Senior Associate Director

c.c UNITE Group PLC