

PL/DS1034

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Dear Carmel,

In respect of section 2 of the Further Evidence Post Hearing provided by the London Borough of Tower Hamlets dated August 2019, the council have provided 6 examples of consents from the last two years from across London where a 20% premium above EUV was agreed and one at 10% - 15%. Clearly this represents a very small sample and may well be reflective of the circumstances of those particular sites and in turn the requirements of the National Planning Policy Guidance (as commented upon in the Council's note).

Clearly, there may also be examples where 20% is in excess of the market evidence (i.e. *the premium for the landowner should reflect the minimum return at which it is considered a reasonable landowner would be willing to sell their land – NPPG para 13*) and conversely where 20% is not sufficient. The Council notes that in inner London 20% has become common place (this is primarily driven by the GLA's Development Viability SPG) however the PPG paragraph 13 takes priority.

The Council's CIL evidence does not however assess whether the premium applied is appropriate and as such, there is no analysis as to whether an arbitrary approach to the premium is sufficient to release the sites that have been tested from a viability perspective.

Regards,

DS2 LLP

The logo for DS2, with 'DS' in red and '2' in grey, followed by three small grey squares of increasing size to the right.

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