



GNDP  
PO Box 3466  
Norwich  
NR7 7NX

CIARA ARUNDEL BSc (Hons) MRICS  
E: carundel@savills.com  
DL: +44 (0) 1603 229245  
F: +44 (0) 1603 229200

Hardwick House  
Agricultural Hall Plain  
Norwich NR1 3FS  
T: +44 (0) 1603 229 229  
savills.com

Dear Sirs

**COMMUNITY INFRASTRUCTURE LEVY FOR BROADLAND, NORWICH AND SOUTH NORFOLK**

Further to the Notice of Submission relating to the Community Infrastructure Levy Draft Charging Schedules for Broadland, Norwich and South Norfolk, dated 10 August 2012, we are writing to advise you that Savills wish to make representations to the Examiner in relation to the modifications.

1. **Draft Charging Schedule for Norwich**

Section	Modification	Reason
4	Table detailing CIL rates "Flats in blocks of 6 storeys and above" threshold reduced to "Flats in blocks of 5 storeys and above"	Additional viability evidence / representations on the Draft Charging Schedule

We have reviewed the modification and the two pieces of supporting evidence; Supplementary Viability Evidence Relating to Flats in Norwich and Supplementary Evidence on Build Costs of Flats in Norwich.

We consider the literal use of the BCIS data to be flawed as it can be seen from Table 2 that the mean prices are very volatile. We reiterate that once a concrete or steel frame is required, which is on four storeys or more, the build cost rises substantially.

Having reviewed the appraisals in the Viability Evidence, we would make the following comments:

- The appraisal has been carried out using a two dimensional model (Three Dragons or similar). Flatted schemes are very difficult to sell in phases and therefore the only incoming cashflow over the build period may be deposits paid. A three dimensional model, such as Argus Developer, is a far more accurate method of testing viability as a result as it factors in holding costs and interest charges over the whole period rather than being just a snapshot in time.
- The flatted Scheme X used as an example in the Viability Evidence, is that we provided as evidence in our Addendum to Response dated 5 March 2012. We used this as it was a scheme already in the planning system and being tested by Norwich City Council planning department for viability in relation to the affordable housing provision. Many of the inputs have already been agreed and the application has been recommended for approval at just 7.50% affordable. Despite this, your example Xe, shows it to be viable at £100 per sq m CIL



and 17.00% affordable. This has been achieved by omitting some inputs entirely and tweaking up the GDV and ground rents. We consider it a pointless exercise to continue to amend appraisals to show what you want them to, rather than having regard to the actual market and, indeed, your planning colleagues.

- Due to the often high abnormal costs, schemes have to be high density to make development viable. We therefore question why viability has been tested on a lower density scheme?
- There are just under 1,000 units coming forward in the city centre through brownfield sites. At the level of CIL proposed, we believe all of the potential schemes will be unviable at any level of affordable housing and thus put the five year land supply for Norwich at severe risk.

2. **Draft Charging Schedule for Norwich. Broadland and South Norfolk**

Section	Modification	Reason
4	Table detailing CIL rates "All other developments covered by the CIL regulations (including shared-user/decked garages)" to "All other developments covered by the CIL regulations (including shared-user/decked garages, B1, B2, B8 and C1 uses)"	To add clarity following representations on the Draft Charging Schedule.

- This modification relates to a charging rate of £5 per sq m. We have already commented on this in relation to commercial premises in our previous responses. We have no comment to make on the actual modification but reserve the right to raise our concerns over the level of CIL proposed.

We requested to be heard by the Examiner in our previous responses and confirm that we wish to discuss all the points contained in those documents as well as this current letter.

Yours faithfully  
**For and on Behalf of Savills**



**CIARA ARUNDEL BSc (Hons) MRICS**  
 Director, Savills (L&P) Ltd