

## CHICHESTER COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE EXAMINATION

### RESIDENTIAL RATES


#### Buffer

**7. Do the rates of £120psm and £200psm allow a sufficient buffer to absorb abnormal development costs and fluctuations in the housing market?**

#### Response

7.1 In the CIL evidence base (Community Infrastructure Levy Storyboard, CIL-09) the buffers relating to residential were calculated as follows:

**CIL rates set significantly below the theoretical maximum**



| Development Type                                   | PDCS (£m <sup>2</sup> ) | DCS (£m <sup>2</sup> ) |                                    | Theoretical max viable CIL (£m <sup>2</sup> ) | CIL as % of theoretical max CIL | CIL as % of sale value (£m <sup>2</sup> ) |
|--|-------------------------|------------------------|------------------------------------|---|---------------------------------|---|
| Residential Development South of District (Houses) | £120                    | £120                   | Most viable scenario (4 houses)    | £208  | 58%                             | 3.6%                                      |
|  |                         |                        | Least viable scenario (100 houses) | £163  | 74%                             | 3.6%                                      |
| Residential Development South of District (Flats)  | £120                    | £120                   | Most viable scenario (4 flats)     | £225  | 53%                             | 3.3%                                      |
|  |                         |                        | Least viable scenario (24 flats)   | £199  | 60%                             | 3.3%                                      |
| Residential Development North of District (Houses) | £200                    | £200                   | Most viable scenario (4 houses)    | £459  | 44%                             | 4.8%                                      |
|  |                         |                        | Least viable scenario (100 houses) | £412  | 49%                             | 4.8%                                      |
| Residential Development North of District (Flats)  | £200                    | £200                   | Most viable scenario (4 flats)     | £771  | 26%                             | 4.3%                                      |
|  |                         |                        | Least viable scenario (24 flats)   | £751  | 27%                             | 4.3%                                      |

7.2 It should be noted that CIL as a percentage of sales values is less than 5% in all scenarios.

7.3 Abnormal cost variations are accommodated within the benchmark land value assessment, which as previously stated are based on fully serviced land.

7.4 The public sector should not vary planning conditions relating to abnormal costs which have not been fully reflected in the purchase price of the land.