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Our ref 13901/NT/ABe/9815693v1
Your ref

Dear Mr Banks

Chichester District Council: Community Infrastructure Levy Charging Schedule Examination: Examiner's Main Issues and Questions

We write on behalf of our client CEG in relation to the email from the Chichester CIL programme officer Chris Banks dated 14 September.

We have reviewed the evidence submitted by Martin Grant Homes (MGH); the Examiner's letter to the Council of 28 August regarding evidence in the viability appraisal; and the Council's response dated 10 September. We set out CEG's comments on these here:

CEG has taken an active role in the emerging CIL Charging Schedule to date, submitting comments to the Preliminary Draft Charging Schedule; the Draft Charging Schedule; Examiners Main Issues and Questions; as well as attending the Hearing sessions in June. CEG's comments have focused on concerns surrounding the proposed £120sq/m² residential rate and the application of this to strategic sites like Westhampnett. In particular, CEG's responses have emphasised the need to ensure ongoing viability for strategic sites in Chichester.

CEG's comments to date, from Brookbanks (CEG's cost advisors), have raised similar issues with the Council's viability assumptions as raised by (MGH):

- 1 CEG has continued to make the case that the sales values adopted are optimistic, and agree that the new build sales values of £3,400 are unlikely to be achievable on the Westhampnett site.
- 2 CEG has also continued to make the case that the build cost put forward is too low and the data used does not reflect current market conditions because they are essentially backwards looking. This is contrary to the PPG which says "*assessment of costs should be based on*



robust evidence which is reflective of market conditions". It has also been noted previously that the reality is that the build cost could be 10% higher.

The above forms part of CEG's residual concerns with the Council's evidence base for CIL in Chichester. CEG remains concerned that there is insufficient clarity to demonstrate that the SDLs would be viably able to support the proposed charge of £120psm. Given the importance of the SDLs to meeting the district's future housing requirements, certainty is required so as not to put at risk the overall development of the area.

We trust the above is of assistance for the Examiner finalising his report.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Alison Bembenek'.

Alison Bembenek

Senior Planner

Cc

Jon Allen
Jon White
Luke Challenger
DC Heaver

Commercial Estate Group
Brookbanks
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