

**APPENDIX 1: BNP Paribas Real Estate Sensitivity Testing 40% New Floorspace Delivered in Developments**

## COMMUNITY INFRASTRUCTURE LEVY Commercial Development

Use class:	B1 Floorspace
Location:	LB Camden - Central Zone (1,500 sq m)

	£s per sqft	Yield	Rent free
Appraisal 1	£58.00	4.50%	2.00 years
Appraisal 2	£60.00	4.50%	2.00 years
Appraisal 3	£62.00	4.50%	2.00 years
Appraisal 4	£65.00	4.75%	2.00 years
<b>Appraisal 5 (base)</b>	<b>£65.00</b>	<b>4.50%</b>	<b>2.00 years</b>
Appraisal 6	£65.00	4.25%	2.00 years
Appraisal 7	£66.00	4.50%	2.00 years
Appraisal 8	£67.00	4.50%	2.00 years
Appraisal 9	£68.00	4.50%	2.00 years
Appraisal 10	£69.00	4.50%	2.00 years

Existing floorspace as % of new
60%

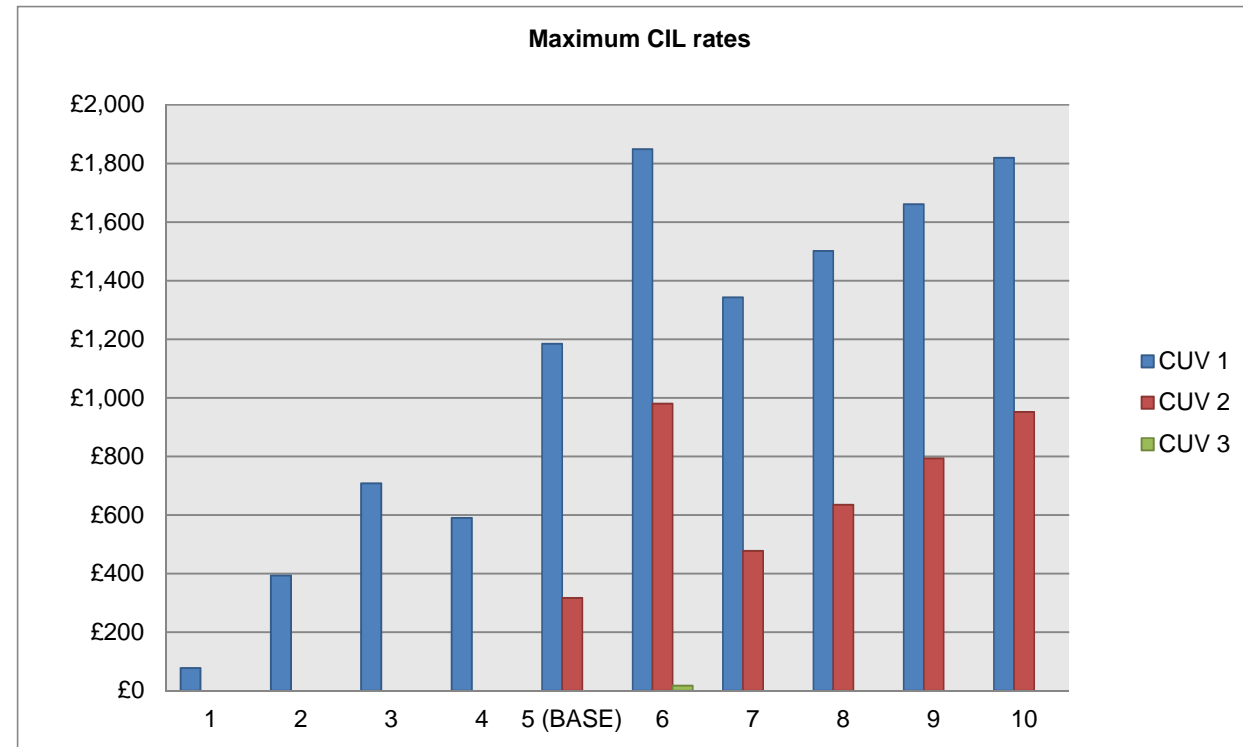
Net off existing floorspace from CIL calculation: **N**

Ctrl + y to goal seek max CIL

	£s per sqft	Yield	Rent free	Premium
Current use value 1	£40.00	5.50%	2.00 years	20.00%
Current use value 2	£45.00	5.25%	2.00 years	20.00%
Current use value 3	£50.00	5.00%	2.00 years	20.00%

### Results - Maximum CIL rates per square metre

	Change in rent from base	CUV 1	CUV 2	CUV 3
Appraisal 1	-12%	£78	£0	£0
Appraisal 2	-8%	£394	£0	£0
Appraisal 3	-5%	£708	£0	£0
Appraisal 4	0%	£590	£0	£0
<b>Appraisal 5 (base)</b>	<b>-</b>	<b>£1,184</b>	<b>£316</b>	<b>£0</b>
Appraisal 6	0%	£1,848	£980	£17
Appraisal 7	2%	£1,343	£477	£0
Appraisal 8	3%	£1,502	£635	£0
Appraisal 9	4%	£1,661	£793	£0
Appraisal 10	6%	£1,819	£951	£0





**CURRENT USE VALUE**  
**Commercial Development**

Use class: **B1 Floorspace**

	Common assumptions	CUV 1		CUV 2		CUV 3	
<b>Current use value</b>							
Existing space as percentage of new	60%	9,688					
Rent per sq ft		£40 psf		£45 psf		£50 psf	
Rental income per annum		£387,504		£435,942		£484,380	
Rent free/voids (years)		2.0	0.8985	2.0	0.9027	2.0	0.9070
Total revenue, capitalised (including all costs)		5.50%		5.25%		5.00%	
Refurbishment costs	£50 psf	£484,380		£484,380		£484,380	
Fees	7%	£33,907		£33,907		£33,907	
Capitalised rent, net of refurb and fees		£5,811,784		£6,977,638		£8,268,652	
Purchaser's costs	6.80%						
<b>Current use value</b>		<b>£5,811,784</b>		<b>£6,977,638</b>		<b>£8,268,652</b>	
<b>CUV including Landowner premium</b>		20%	£6,974,141	20.00%	£8,373,165	20.00%	£9,922,383

## COMMUNITY INFRASTRUCTURE LEVY Commercial Development

Use class:	B1 Floorspace
Location:	LB Camden - Central Zone (10,000 sq m)

	£s per sqft	Yield	Rent free
Appraisal 1	£58.00	4.50%	2.00 years
Appraisal 2	£60.00	4.50%	2.00 years
Appraisal 3	£62.00	4.50%	2.00 years
Appraisal 4	£65.00	4.75%	2.00 years
<b>Appraisal 5 (base)</b>	<b>£65.00</b>	<b>4.50%</b>	<b>2.00 years</b>
Appraisal 6	£65.00	4.25%	2.00 years
Appraisal 7	£66.00	4.50%	2.00 years
Appraisal 8	£67.00	4.50%	2.00 years
Appraisal 9	£68.00	4.50%	2.00 years
Appraisal 10	£69.00	4.50%	2.00 years

Existing floorspace as % of new
60%

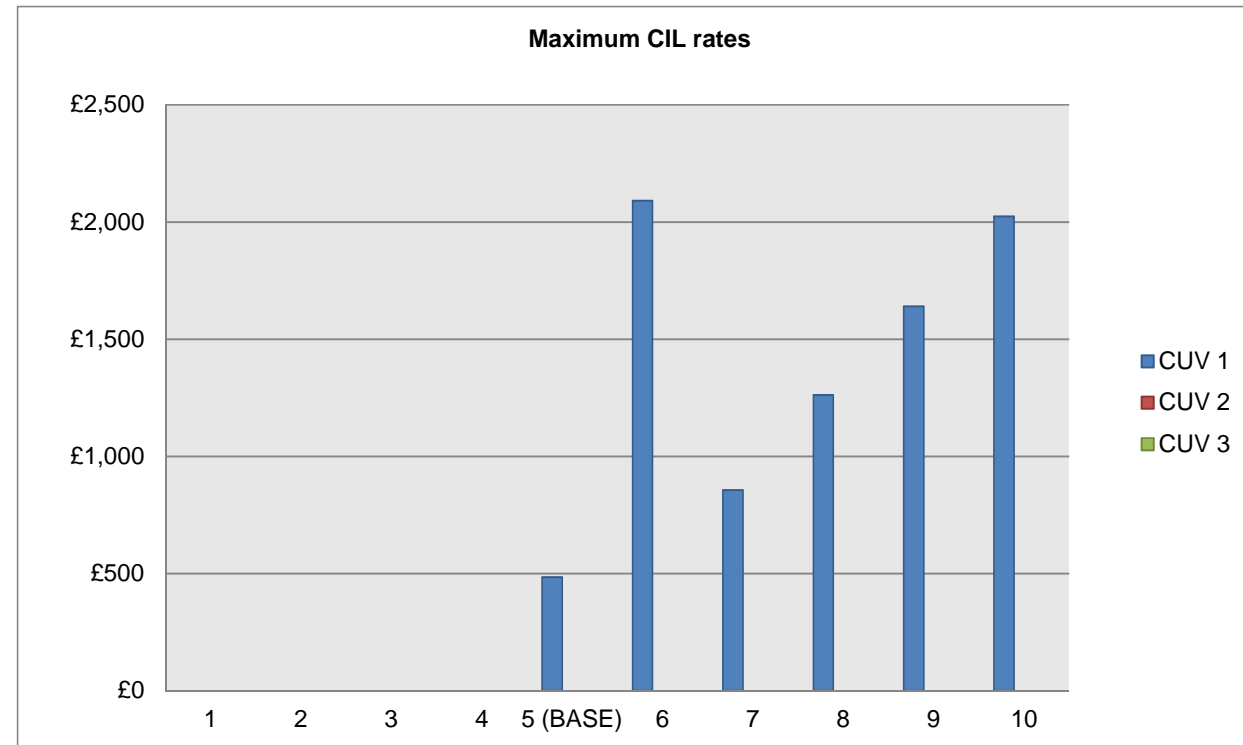
Net off existing floorspace from CIL calculation:  Y

Ctrl + y to goal seek max CIL

	£s per sqft	Yield	Rent free	Premium
Current use value 1	£40.00	5.50%	2.00 years	20.00%
Current use value 2	£45.00	5.25%	2.00 years	20.00%
Current use value 3	£50.00	5.00%	2.00 years	20.00%

### Results - Maximum CIL rates per square metre

	Change in rent from base	CUV 1	CUV 2	CUV 3
Appraisal 1	-12%	£0	£0	£0
Appraisal 2	-8%	£0	£0	£0
Appraisal 3	-5%	£0	£0	£0
Appraisal 4	0%	£0	£0	£0
<b>Appraisal 5 (base)</b>	<b>-</b>	<b>£484</b>	<b>£0</b>	<b>£0</b>
Appraisal 6	0%	£2,091	£0	£0
Appraisal 7	2%	£856	£0	£0
Appraisal 8	3%	£1,261	£0	£0
Appraisal 9	4%	£1,640	£0	£0
Appraisal 10	6%	£2,024	£0	£0





**CURRENT USE VALUE**  
**Commercial Development**

Use class: **B1 Floorspace**

	Common assumptions	CUV 1		CUV 2		CUV 3	
<b>Current use value</b>							
Existing space as percentage of new	60%	64,584					
Rent per sq ft		£40 psf		£45 psf		£50 psf	
Rental income per annum		£2,583,360		£2,906,280		£3,229,200	
Rent free/voids (years)		2.0	0.8985	2.0	0.9027	2.0	0.9070
Total revenue, capitalised (including all costs)		5.50%		5.25%		5.00%	
Refurbishment costs	£50 psf	£3,229,200		£3,229,200		£3,229,200	
Fees	7%	£226,044		£226,044		£226,044	
Capitalised rent, net of refurb and fees		£38,745,229		£46,517,586		£55,124,348	
Purchaser's costs	6.80%						
<b>Current use value</b>		<b>£38,745,229</b>		<b>£46,517,586</b>		<b>£55,124,348</b>	
<b>CUV including Landowner premium</b>		20% £46,494,275		20.00% £55,821,103		20.00% £66,149,217	

## COMMUNITY INFRASTRUCTURE LEVY Commercial Development

Use class:	B1 Floorspace
Location:	LB Camden - Kings Cross (1,500 sq m)

	£s per sqft	Yield	Rent free
Appraisal 1	£68.00	4.50%	2.00 years
Appraisal 2	£70.00	4.50%	2.00 years
Appraisal 3	£72.00	4.50%	2.00 years
Appraisal 4	£75.00	4.75%	2.00 years
<b>Appraisal 5 (base)</b>	<b>£75.00</b>	<b>4.50%</b>	<b>2.00 years</b>
Appraisal 6	£75.00	4.25%	2.00 years
Appraisal 7	£76.00	4.50%	2.00 years
Appraisal 8	£78.00	4.50%	2.00 years
Appraisal 9	£80.00	4.50%	2.00 years
Appraisal 10	£82.00	4.50%	2.00 years

Existing floorspace as % of new
60%

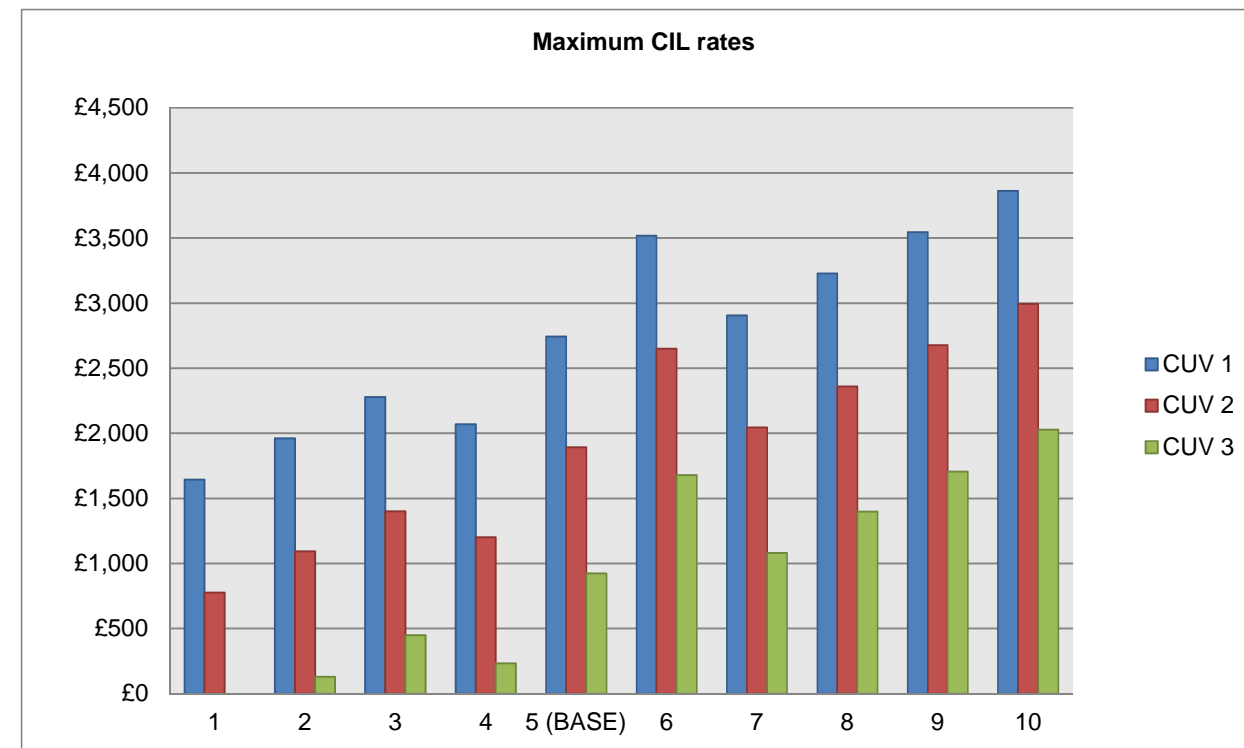
Net off existing floorspace from CIL calculation: **N**

Ctrl + y to goal seek max CIL

	£s per sqft	Yield	Rent free	Premium
Current use value 1	£40.00	5.50%	2.00 years	20.00%
Current use value 2	£45.00	5.25%	2.00 years	20.00%
Current use value 3	£50.00	5.00%	2.00 years	20.00%

### Results - Maximum CIL rates per square metre

	Change in rent from base	CUV 1	CUV 2	CUV 3
Appraisal 1	-10%	£1,645	£777	£0
Appraisal 2	-7%	£1,961	£1,093	£130
Appraisal 3	-4%	£2,278	£1,401	£448
Appraisal 4	0%	£2,069	£1,201	£233
<b>Appraisal 5 (base)</b>	<b>-</b>	<b>£2,744</b>	<b>£1,893</b>	<b>£923</b>
Appraisal 6	0%	£3,517	£2,650	£1,679
Appraisal 7	1%	£2,905	£2,045	£1,081
Appraisal 8	4%	£3,227	£2,361	£1,397
Appraisal 9	6%	£3,544	£2,678	£1,707
Appraisal 10	9%	£3,861	£2,994	£2,029







**CURRENT USE VALUE**  
**Commercial Development**

Use class: **B1 Floorspace**

	Common assumptions	CUV 1		CUV 2		CUV 3	
<b>Current use value</b>				60%			
Existing space as percentage of new	60%	9,688					
Rent per sq ft		£40 psf		£45 psf		£50 psf	
Rental income per annum		£387,504		£435,942		£484,380	
Rent free/voids (years)		2.0	0.8985	2.0	0.9027	2.0	0.9070
Total revenue, capitalised (including all costs)		5.50%		5.25%		5.00%	
Refurbishment costs	£50 psf	£484,380		£484,380		£484,380	
Fees	7%	£33,907		£33,907		£33,907	
Capitalised rent, net of refurb and fees		£5,811,784		£6,977,638		£8,268,652	
Purchaser's costs	6.80%	5.00%					
<b>Current use value</b>		<b>£5,811,784</b>		<b>£6,977,638</b>		<b>£8,268,652</b>	
<b>CUV including Landowner premium</b>		20%	£6,974,141	20.00%	£8,373,165	20.00%	£9,922,383

**COMMUNITY INFRASTRUCTURE LEVY**  
**Commercial Development**

Use class:	B1 Floorspace
Location:	LB Camden - Kings Cross (10,000 sq m)

	£s per sqft	Yield	Rent free
Appraisal 1	£68.00	4.50%	2.00 years
Appraisal 2	£70.00	4.50%	2.00 years
Appraisal 3	£72.00	4.50%	2.00 years
Appraisal 4	£75.00	4.75%	2.00 years
<b>Appraisal 5 (base)</b>	<b>£75.00</b>	<b>4.50%</b>	<b>2.00 years</b>
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Appraisal 8	£78.00	4.50%	2.00 years
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Existing floorspace as % of new
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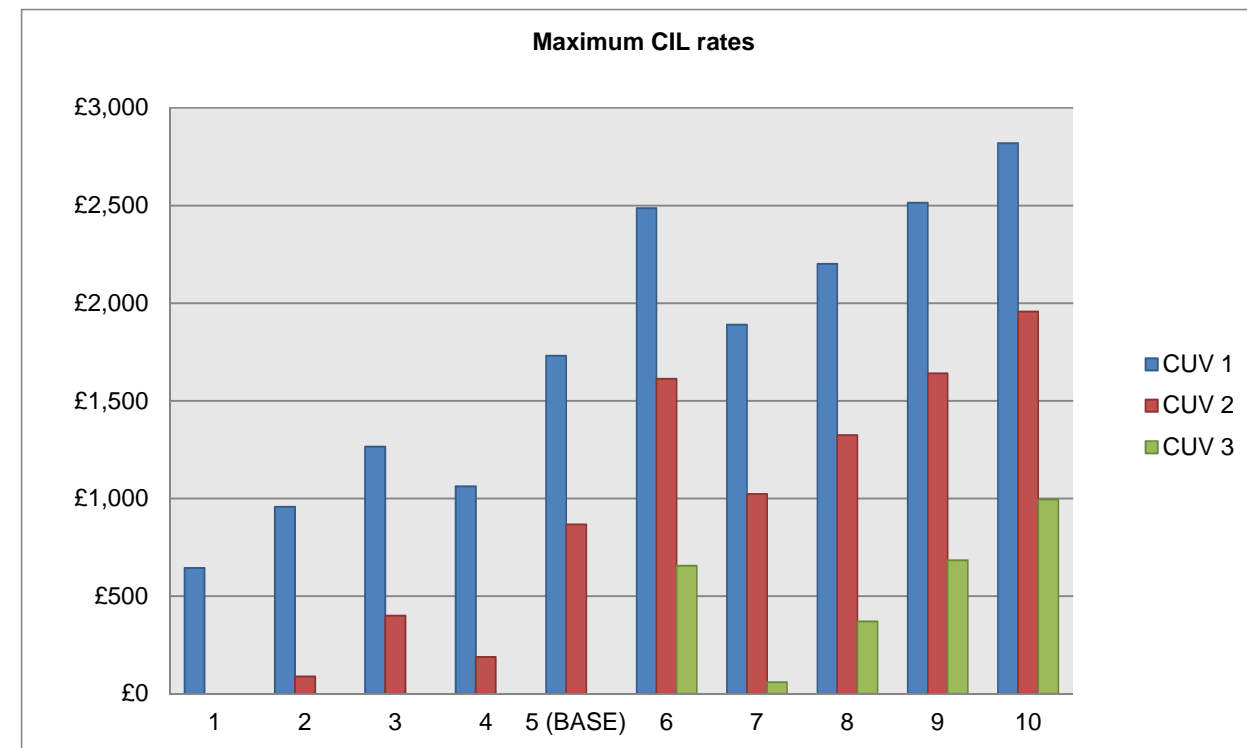
Net off existing floorspace from CIL calculation: N

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	£s per sqft	Yield	Rent free	Premium
Current use value 1	£40.00	5.50%	2.00 years	20.00%
Current use value 2	£45.00	5.25%	2.00 years	20.00%
Current use value 3	£50.00	5.00%	2.00 years	20.00%

**Results - Maximum CIL rates per square metre**

	Change in rent from base	CUV 1	CUV 2	CUV 3
Appraisal 1	-10%	£644	£0	£0
Appraisal 2	-7%	£956	£87	£0
Appraisal 3	-4%	£1,266	£400	£0
Appraisal 4	0%	£1,062	£188	£0
<b>Appraisal 5 (base)</b>	<b>-</b>	<b>£1,730</b>	<b>£866</b>	<b>£0</b>
Appraisal 6	0%	£2,486	£1,613	£656
Appraisal 7	1%	£1,890	£1,022	£59
Appraisal 8	4%	£2,202	£1,324	£370
Appraisal 9	6%	£2,513	£1,640	£683
Appraisal 10	9%	£2,818	£1,956	£994





**CURRENT USE VALUE**  
**Commercial Development**

Use class: **B1 Floorspace**

	Common assumptions	CUV 1		CUV 2		CUV 3	
<b>Current use value</b>							
Existing space as percentage of new	60%	64,584					
Rent per sq ft		£40 psf		£45 psf		£50 psf	
Rental income per annum		£2,583,360		£2,906,280		£3,229,200	
Rent free/voids (years)		2.0	0.8985	2.0	0.9027	2.0	0.9070
Total revenue, capitalised (including all costs)		5.50%		5.25%		5.00%	
Refurbishment costs	£50 psf	£3,229,200		£3,229,200		£3,229,200	
Fees	7%	£226,044		£226,044		£226,044	
Capitalised rent, net of refurb and fees		£38,745,229		£46,517,586		£55,124,348	
Purchaser's costs	6.80%						
<b>Current use value</b>		<b>£38,745,229</b>		<b>£46,517,586</b>		<b>£55,124,348</b>	
<b>CUV including Landowner premium</b>		20% £46,494,275		20.00% £55,821,103		20.00% £66,149,217	

**APPENDIX 2: BNP Paribas Real Estate Sensitivity Testing onsite self-contained residential in commercial schemes**

**APPENDIX 2: Results of BNPPRE Sensitivity Testing Commercial Schemes including onsite self contained housing and affordable housing**

We have undertaken appraisals of commercial schemes including 50% of the scheme as self-contained residential units and the requisite quantum of affordable housing onsite. The results of these appraisals are set out in the tables below. These results demonstrate that a CIL charge of £110 per sq ft will not significantly impact on the delivery of such sites and in the scenarios where viability is identified as challenging it is not CIL making the scheme unviable. We have undertaken further sensitivity testing which identifies that affordable housing is shown to have a more significant cost to schemes than a CIL charge on the commercial space, (which equates to circa 1.5% of development costs). Further it is reiterated that the proposed increase in the office CIL rate equates to 0.7% of development costs, and at this level is unlikely to have a bearing on a developer's decision making. Notwithstanding this, we note that the Council's adopted policies allow for developers to present viability evidence on a case by case basis to support applications should there be viability concerns. This enables developers to either reduce the onsite affordable housing and or self-contained housing or to pursue the sequential approach of offering a payment in lieu of the onsite affordable housing.

**Development Typology: 1,500 sq m office and 16 Flats**
**At proposed CIL rate of £110 per sq m**
**AH Policy requirement: 32%**

Market area	Residual Land value (RLV)	As per CIL Evidence Base			Sensitivity on 40%		
		RLV (Measured against CUV 1)	RLV (Measured against CUV 2)	RLV (Measured against CUV 3)	RLV (Measured against CUV 1)	RLV (Measured against CUV 2)	RLV (Measured against CUV 3)
Central area High	£15,629,070	£4,005,501	£1,673,794	-£908,234	£1,680,788	-£1,117,261	-£4,215,695
Central area Med	£13,357,881	£1,734,313	-£79,677,290	-£96,890,814	-£79,630,669	-£98,284,324	-£118,940,553
Central area Low	£12,206,756	£583,187	-£1,748,520	-£4,330,549	-£1,741,527	-£4,539,575	-£7,638,010
Kings Cross development High	£17,084,642	£5,461,073	£3,129,366	£547,338	£3,136,359	£338,311	-£2,760,123
Kings Cross development Med	£15,380,679	£3,757,110	£1,425,403	-£1,156,625	£1,432,396	-£1,365,652	-£4,464,086
Kings Cross development Low	£14,229,553	£2,605,984	£274,278	-£2,307,751	£281,271	-£2,516,778	-£5,615,212

**Sensitivity test at CIL rate of £0 per sq m**

Residual Land value (RLV)	As per CIL Evidence Base			Sensitivity on 40%		
	RLV (Measured against CUV 1)	RLV (Measured against CUV 2)	RLV (Measured against CUV 3)	RLV (Measured against CUV 1)	RLV (Measured against CUV 2)	RLV (Measured against CUV 3)
£15,776,772	£4,153,203	£1,821,496	-£760,533	£1,828,489	-£969,559	-£4,067,994
£13,505,583	£1,882,014	-£449,693	-£3,031,721	-£442,700	-£3,240,748	-£6,339,182
£12,356,874	£733,305	-£1,598,401	-£4,180,430	-£1,591,408	-£4,389,457	-£7,487,891
£17,232,345	£5,608,776	£3,277,069	£695,040	£3,284,062	£486,014	-£2,612,421
£15,528,381	£3,904,812	£1,573,105	-£1,008,924	£1,580,098	-£1,217,950	-£4,316,385
£14,379,671	£2,756,102	£424,395	-£2,157,634	£431,388	-£2,366,660	-£5,465,094

**Development Typology: 10,000 sq m office and 100 Flats**
**AH Policy requirement: 50%**

Market area	Residual Land value (RLV)	As per CIL Evidence Base			Sensitivity on 40%		
		RLV (Measured against CUV 1)	RLV (Measured against CUV 2)	RLV (Measured against CUV 3)	RLV (Measured against CUV 1)	RLV (Measured against CUV 2)	RLV (Measured against CUV 3)
Central area High	£67,388,100	-£10,102,359	-£25,647,071	-£42,860,596	-£25,600,451	-£44,254,106	-£64,910,335
Central area Med	£56,973,640	-£20,516,818	-£36,061,531	-£53,275,055	-£36,014,910	-£54,668,565	-£75,324,795
Central area Low	£51,762,752	-£25,727,706	-£41,272,419	-£58,485,943	-£41,225,798	-£59,879,453	-£80,535,682
Kings Cross development High	£77,154,827	-£335,631	-£15,880,344	-£33,093,868	-£15,833,723	-£34,487,378	-£55,143,607
Kings Cross development Med	£69,338,496	-£8,151,963	-£23,696,675	-£40,910,200	-£23,650,054	-£42,303,709	-£62,959,939
Kings Cross development Low	£64,127,609	-£13,362,850	-£28,907,562	-£46,121,087	-£28,860,941	-£47,514,596	-£68,170,826

Residual Land value (RLV)	As per CIL Evidence Base			Sensitivity on 40%		
	RLV (Measured against CUV 1)	RLV (Measured against CUV 2)	RLV (Measured against CUV 3)	RLV (Measured against CUV 1)	RLV (Measured against CUV 2)	RLV (Measured against CUV 3)
£70,063,199	-£7,427,259	-£22,971,972	-£40,185,496	-£22,925,351	-£41,579,006	-£62,235,235
£59,664,322	-£17,826,137	-£33,370,849	-£50,584,374	-£33,324,229	-£51,977,884	-£72,634,113
£54,453,435	-£23,037,024	-£38,581,736	-£55,795,261	-£38,535,116	-£57,188,771	-£77,845,000
£79,845,509	£2,355,050	-£13,189,662	-£30,403,187	-£13,143,042	-£31,796,697	-£52,452,926
£72,029,177	-£5,461,281	-£21,005,994	-£38,219,518	-£20,959,373	-£39,613,028	-£60,269,257
£66,818,290	-£10,672,168	-£26,216,881	-£43,430,405	-£26,170,260	-£44,823,915	-£65,480,144

**AH Policy sensitivity: 20%**

Market area	Residual Land value (RLV)	As per CIL Evidence Base			Sensitivity on 40%		
		RLV (Measured against CUV 1)	RLV (Measured against CUV 2)	RLV (Measured against CUV 3)	RLV (Measured against CUV 1)	RLV (Measured against CUV 2)	RLV (Measured against CUV 3)
Central area High	£91,199,941	£13,709,483	-£1,835,230	-£19,048,754	-£1,788,609	-£20,442,264	-£41,098,493
Central area Med	£75,631,162	-£1,859,296	-£17,404,009	-£34,617,533	-£17,357,388	-£36,011,043	-£56,667,273
Central area Low	£67,455,523	-£10,034,935	-£25,579,648	-£42,793,172	-£25,533,027	-£44,186,682	-£64,842,912
Kings Cross development High	£99,712,475	£22,222,016	£6,677,303	-£10,536,221	£6,723,924	-£11,929,731	-£32,585,960
Kings Cross development Med	£87,996,018	£10,505,559	-£5,039,153	-£22,252,678	-£4,992,532	-£23,646,187	-£44,302,417
Kings Cross development Low	£79,820,379	£2,329,920	-£13,214,792	-£30,428,317	-£13,168,171	-£31,821,826	-£52,478,056

Residual Land value (RLV)	As per CIL Evidence Base			Sensitivity on 40%		
	RLV (Measured against CUV 1)	RLV (Measured against CUV 2)	RLV (Measured against CUV 3)	RLV (Measured against CUV 1)	RLV (Measured against CUV 2)	RLV (Measured against CUV 3)
£93,680,987	£16,190,529	£645,816	-£16,567,708	£692,437	-£17,961,218	-£38,617,447
£78,194,027	£703,569	-£14,841,144	-£32,054,668	-£14,794,523	-£33,448,178	-£54,104,408
£70,119,485	-£7,370,974	-£22,915,686	-£40,129,211	-£22,869,066	-£41,522,721	-£62,178,950
£102,193,520	£24,703,062	£9,158,349	-£8,055,175	£9,204,970	-£9,448,685	-£30,104,914
£90,558,883	£13,068,424	-£2,476,288	-£19,689,813	-£2,429,667	-£21,083,322	-£41,739,552
£82,484,341	£4,993,882	-£10,550,831	-£27,764,355	-£10,504,210	-£29,157,865	-£49,814,094

**Benchmark Land Values**

N.B. these are double the benchmark land values included in the CIL Viability Update evidence as the assumption is that 50% of floorspace is provided as self contained housing in the scheme - in line with policy requirements

Scenario	As per CIL Evidence Base			Sensitivity on 40%		
	CUV 1	CUV 2	CUV 3	CUV 1 (sens)	CUV 2 (sens)	CUV 3 (sens)
Typology 1	£11,623,569	£13,955,276	£16,537,304	£13,948,283	£16,746,331	£19,844,765
Typology 2	£77,490,459	£93,035,171	£110,248,696	£92,988,550	£111,642,205	£132,298,435