London Borough of Ealing

Draft Community Infrastructure Levy (CIL) Modifications Statement

October 2024

Introduction

A consultation summary and response to representations to the CIL viability assessment are set out in the following appendix. Additionally, several revisions are proposed the draft Ealing CIL charging rates and are set out in the revised charging schedule. These changes primarily reflect the spatial and development objectives of the draft Ealing Local Plan, which was consulted on in parallel to the CIL and will be submitted for examination before the end of 2024.

Rest of borough residential

The residential charging rate outside of Central Ealing has been cut from £200 per square metre to £150 per square metre. This change reflects the key objective of the new local plan to drive growth across the borough, not just in Central Ealing, and a lower rate will provide an additional incentive for development in the borough's other six towns.

Office

The rate for office development across the LPA is now set to zero, this reflects the strategic priority placed by the council upon renewing office provision and to guarantee in the future of Central Ealing as a strategic office location within West London.

Industry

Industrial rates have been cut from £100 per square metre to £40 per square metre reflecting the priority that the Local Plan puts upon growing all employment uses. Additionally, this reflects the local plan land use strategy of industrial intensification based upon reuse and redevelopment of existing industrial areas across the plan period.

Floorspace comprising enclosed access roads, ramps and service yards within multi-storey industrial development has also been zero rated to reflect that these are necessary but not rent producing parts of multi-storey industrial development.

Data centres

The rate for data centres has been increased from £150 per square metre to £200 per square metre. This rate falls within the assessed viable charging range, but also acknowledges the inherent attractiveness of West London to data centre operators given its proximity to the national and transatlantic fibre network.

Definition of hotels

For the purposes of clarity and practicality the definition of a hotel has been restricted to premises offering accommodation for less than 3 months, with other accommodation falling into the category of Large Scale Purpose Built Shared Living.

LONDON BOROUGH OF EALING – COMMUNITY INFRASTRUCTURE LEVY

REVIEW OF REPRESENTATIONS TO CONSULTATION ON DRAFT CHARGING SCHEDULE

Submission by and on behalf of	Comment	BNPPRE response
TFL	Opening paragraph states that the views expressed "should not be taken to represent an indication of any subsequent Mayoral decision in relation to this matter".	For the avoidance of doubt, the Mayor has not role in any decision making in regard to the Borough's CIL CS.
	Seeks to prioritise transport infrastructure investment.	TFL will need to submit any proposals for investment in transport infrastructure for the Council's consideration. Any investment in these projects will be at the Council's sole discretion.
Stantec on behalf of Acton Gdns LLP	Proposes a nil rate for Acton Gardens, although acknowledging that the development has outline planning permission and will not be subject to CIL. Only additional units secured outside this consent will be CIL liable. Indicates that the Section 106 agreement	The Council is not proposing any nil rates for estate regeneration schemes in the Borough. As noted, the regeneration is at an advanced stage and the remaining phases will not be CIL liable. Any applications to add units will be CIL liable, but these are likely to be of relatively small scale in comparison to the whole. The affordable housing content of these additional units will need to be adjusted to accommodate the proposed CIL rate. Given the quantum of existing floorspace on the Site, CIL liabilities will be lower in comparison to many other sites.

Submission by and on behalf of	Comment	BNPPRE response
	commits the Owner to provide 50% affordable housing (80% rent, 20% intermediate) and that the FVA (undertaken in Nov 2018) indicated that the profit generated ranged from 0.67% to 5.11% of GDV against a target of 17.28% (blended). Proposes that the Council uses the existing viability review mechanism to secure any improvement in viability on the development.	The entire Mayoral CIL liability across the whole of the revised masterplan (submitted in 2018) was £5.07 million based on 102,251 square metres (out of total GIA of 191,286 square metres). The proposed Borough CIL would therefore equate to £20.45 million, if applied to the entire masterplan area. It is inconceivable that a new application would ever result in such a quantum of additional floorspace. Nevertheless, even if there were to be such an increase, this would have equated to 2.8% of the development costs of the scheme, which is a modest increase to costs. In any future applications for additional units, the LLP will be able to include any CIL liability (taking account of existing floorspace) in determining the balance between private and affordable housing. This may result in a very modest adjustment to affordable housing in the additional units. To mitigate the full impact of the £20.45 m CIL liability across the whole masterplan, the percentage of affordable housing would need to fall by 2%. However, this completely exaggerates the impact, as CIL would only be payable on additional units outside the consented masterplan area. Furthermore, many of the liabilities currently collected through Section 106 will be rolled into CIL, with a corresponding reduction in Section 106 contributions. The net effect of introducing CIL is therefore likely to be limited in practice.
Turley on behalf of Christian Vision	Development viability impacted by changes to building regulations; changes to planning policy; higher sustainability requirements; affordable housing and affordable	All of these requirements are factored into the viability assessment.

Submission by and on behalf of	Comment	BNPPRE response
	workspace requirements; increases in build costs; biodiversity net gain; inflation; rising interest rates.	
	House prices have fallen by 1.2% over the past year. London is set to see decreases of 4% up to 2025. Market correction to industrial land values in Q4 2022 and Q1 2023.	This is incorrect. According to Land Registry data, average values in Ealing in January 2022 were £520,649 and in March 2024, average values were £520,303. Savills' May Residential forecast indicates that "the UK housing market has performed more strongly than many anticipated so far this year, with average values increasing by 1.1%. The outlook for 2024 has now improved since our last November forecasts, primarily thanks to falls in the cost of mortgage debt. We now expect UK house prices to rise by 2.5% this year". For context, Savills' November 2023 forecast had been predicting a fall of 3% in 2024. Savills are forecasting cumulative growth in London of 14.2% in the five years to 2028.
	CIL rate comparison indicates that Ealing's rates are significantly higher than those in neighbouring boroughs.	The selection of boroughs in the comparison is not explained and appears to exclude boroughs that are far closer to Ealing than those selected. For example, why have Enfield and Havering been included when they are located in east London, but the neighbouring boroughs of Hammersmith & Fulham, Brent and Hillingdon been excluded? The Brent residential rate is currently £340.18 per square metre.

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		Hillingdon adopted their CS is 2014 and this is currently being reviewed, including similar rates for industrial and data centre development to those in Ealing's Draft CS. OPDC has adopted a Data Centre rate of £120 per square metre. With regards to industrial rates, Harrow, Hounslow, Enfield and Havering all adopted their CSs a considerable time ago and industrial land values have subsequently changed significantly. Market conditions from as long as 11 years ago (which determined those rates) are not relevant to today's market conditions.
	A housing development of 325 residential units (27,500 sqm GIA) would have a CIL liability of £7.4 million (INCLUDING Mayoral CIL).	The Mayoral CIL is an existing liability that the market has absorbed, so the representation should not be showing this as a new liability. The representation fails to net off any existing floorspace and, more critically, it fails to acknowledge that affordable housing will not be CIL liable. The Borough CIL would therefore equate to £2.75 million at worse, even assuming there is no existing floorspace to offset the liability.
		The example of an employment development similarly includes the Mayoral CIL liability, which is a pre-existing cost and not part of the Borough CIL. The representation suggests that the CIL liability would be an additional cost to Section 106, which is unlikely to be the case in practice. At least part of the CIL liability would be offset by lower Section 106 contributions. Furthermore, it is unclear why Turley quote the CIL liabilities for these schemes without setting them within the wider context. The employment scheme of 12,500 square metres will generate a Gross Development Value of circa £55 million, so the CIL liability of £1.25 million will equate to just 2.2%.

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	The proposed CIL rates will “act as a hindrance to developers investing and bringing forward new housing and employment schemes in LB Ealing (and therefore likely to be directing those to Outer London Boroughs)”.	London is suffering from an acute shortage of land for residential and employment development. The significant increase in industrial rents results almost entirely from the significant loss of industrial land over the past decade (mostly to housing) including in Ealing. Ealing is a popular for both residential and employment land and the proposed CIL rates will have no impact on the likelihood of available sites being brought forward for residential or employment development. As noted previously, the proposed residential rate is in line (indeed somewhat lower in some cases) than neighbouring boroughs’ CIL rate. It equates to a low proportion of costs/value and will not prevent schemes coming forward.
Qoud on behalf of Berkeley Homes (Southall)	BH division bringing forward Southall Gas Works delivering circa 3,000 residential units. Quod suggest that the rates in the DCS would increase the CIL liability from £22m to £84 m. *“As the largest housebuilder in London, Berkeley is always looking for new sites… The proposed CIL rates are a key factor that could affect the deliverability of Green Quarter, and the*	This alludes to the proposed CIL rate meaning that BH will no longer be interested in bringing sites forward in Ealing. This is surprising given that BH is bringing forward a major development of circa 5,850 homes (35% affordable) in LB Brent (Grand Union), where the residential CIL rate is £340.18 per square metre. The Ealing rate is considerably lower in the rest of borough zone at £200 per square metre. In the Central Ealing Zone with a higher rate of £300 per square metre, residential sales values are significantly higher than those achieved at BH’s Grand Union Scheme. The Molior database shows that the average marketing price at Grand Union Phase 2 is £835 per square foot, which is significantly lower than the values achieved on schemes in Central Ealing (over £1,000 per square foot).

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	likelihood of further investment elsewhere in the Borough".	
	The representation acknowledges that the proposed rates are similar (and lower) than rates in neighbouring boroughs. However, the representation claims that Ealing has not met its housing delivering test.	There can be a range of factors resulting in a borough not meeting housing delivery targets, one of the main factors being the availability of sites. The representation seeks to conflate the issue of housing delivery with CIL rates. If there were any causal link, then Ealing should have outperformed in terms of housing delivery, as all the neighbouring boroughs have had CIL in place from the early years of the last decade and Ealing has not. There is no evidence, as claimed in the representation, that Ealing faces "unique challenges for development viability and delivery".
	Standardised methodology and set of assumptions…are not suitable in the case of Ealing.	This comment fails to recognise that the sales value assumptions is based wholly on sales of residential properties in the London Borough of Ealing. They are not "standardised" in some way that results in the values not reflecting GDVs achieved on the ground in the Borough. Construction costs are also re-based reflecting the local Ealing BCIS multiplier, which means that they are bespoke to Ealing.

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	BH Southall Gas Works delivers "essential enabling infrastructure directly, on-site or through Section 106. The extant Section 106 covers all of the mitigation for items".	If the Development delivers infrastructure on-site, then the Developer can apply to the Council for CIL in kind relief.
	Typologies – schemes of 1 to 500 tested in the Viability Study. Southall Gas Works delivers 5,000 units. Quod "would like to see" bespoke evidence for Southall Gas Works.	Southall Gas Works has secured a planning permission and the Developer could build out this scheme and indeed phases 1, 2 and 3 are under construction. 100,200 square metres (GEA) of residential floorspace under the extant permission remain to be built out. The affordable housing requirement on this remaining land is 30% (50% low cost rent and 50% intermediate). The new scheme is proposing to increase the affordable housing from 30% to 35% with an improved tenure mix of 60% London Affordable Rent and 40% intermediate, indicating that the application scheme significantly improves the viability of the remaining part of the development. BH have submitted the application through the London Plan 'Fast Track' route, indicating that the Applicant does not contend that the Application Scheme is adversely impacted by any viability issues, for which a Financial Viability Assessment would have been used to demonstrate.
	The VA does not include abnormal costs in its testing.	The PPG provides a very clear direction that abnormal costs, such as contamination arising from previous uses must be reflected in the Benchmark Land Value set for the site. In other words, the previous landowner who has caused the contamination should accept a reduced land value to account for the costs associated with their previous use. National Grid has a "sell clean" policy,

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		which means they will address historic contamination associated with gas storage prior to sale. If a clean up was not undertaken in the gas of Southall Gas Works, then the PPG direction should be applied and any costs deducted from the price paid for the land. The effect of contamination in such circumstances is therefore neutral in an FVA undertaken for planning purposes.
	BH is concerned that CIL is bring introduced at a time when viability is deeply challenging due to current interest rate, regulatory and inflation environment.	Such arguments can always be deployed to argue that the introduction of CIL should be deferred. The same arguments were deployed consistently by Quod and others at various points in market cycles, but councils introduced CIL CSs without any adverse impact on land supply and development activity. The proposed rates account for a marginal additional development cost, well within the usual rules of thumb in terms of percentage of development costs. In all cases, the proposed rates are significantly lower than 5% of development costs.
	Profit on private housing at 17.5% of GDV is too low.	17.5% is reflective of the rate of profit that we most typically see in the circa 300 FVAs supporting live planning applications that we review annually. We do not accept that profit should be increased to 20% and there is no evidence in the representation supporting this contention.
	Construction costs are too low at £2,745 per square metre.	The representation does not provide any evidence in relation to the Southall Gas Works scheme – it merely states (without evidence) that they are higher. It should be noted that the figure quoted (£2,745 per square metre) is *before* external works are added and before policy and associated costs. When these costs are added, the rate increases to well above £3,000 per square metre.
	Contingency excluded.	This is incorrect – a separate contingency is allowed for in the appraisal at 5% of construction costs.
	Preliminaries are excluded, which are	This is incorrect – the BCIS costs are *inclusive* of preliminaries.

Submission by and on behalf of	Comment	BNPPRE response
	significant in an urban context.	
	Finance rates are "unstable…and rates over 8.5%-10% have been common in the last year".	There is no evidence to support finance rates at these claimed levels. Prior to the global financial crash in 2009, the UK base rate was 5.25% and at that time, finance rates for development were typically 6%. Today, the base rate is 5.25% and finance rates for development do not behave like a tracker mortgage rate (as alluded to by the representation). Large corporates do not raise funds from banks and the plc housebuilders' cost of finance is significantly lower.
	No evidence has been provided to support the values shown in Figure 2.22.1 of the VS. "Achievable residential revenues have reduced considerably as a result of increased interest rates which have reduced mortgage affordability."	As noted at paragraph 4.2 of the VS, the residential values are based on the 4,601 transactions recorded on the Land Registry between January 2021 to July 2023, with adjustment (up and down, as appropriate) by reference to the change in the index between the point of sale and July 2023. This information is publicly available. In addition, we considered values achieved and marketing prices for developments as reported by the Molior database. This reports marketing prices for Phase 3 of the Southall Gas Works site averaging £747 per square foot (£8,040 per square metre), which is higher than the value assumed in the FVA for Southall (£700 per square foot or £7,535 per square metre). Molior reports that achieved values of Phase 1 of Southall Gas Works averaged £7,018 per square metre. As noted in response to other representations, claims of falling values are incorrect and unsupported by any evidence.
	Viability evidence has not been "informed by market indicators".	The additional units at Southall Gas Works are being brought forward by BH with 35% affordable housing through the London Plan fast track route, indicating that there are no particular viability issues.

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	The BNPPRE study indicates that many forms of development can provide 40% affordable housing and could absorb “an increased cost burden” of CIL.	No viability information has been submitted to demonstrate any issues with viability. Quod suggest that the introduction of CIL will “increase the CIL liability of the new Green Quarter planning application (ref 234110OUT) from £22m to an estimated £84m, an increase of £62m”. Given that the Council does not currently have a CIL CS in place, it is incorrect to suggest that this is an “increase”, so Quod are presumably incorrectly making a comparison of Mayoral CIL to a combined Borough and Mayoral CIL following adoption. According to the Design and Access Statement, the proposed enhanced masterplan will accommodate the following areas:

	GEA sqm	GIA sqm	CIL Rate	Applied to (sqm)	Amount
Residential	320,000	304,000	£200	197,600	39,520,000
Non food retail	14,200.00	13,490	Nil		
Food retail	5,850.00	5,558	Nil		
A3-A5	1,750.00	1,663	Nil		
Hotel	9,650.00	9,168	£50	9,650	482,500
Conference/ banqueting	3,000.00	2,850	£25	3,000	75,000
Cinema	4,700.00	4,465	£25	4,700	117,500
Health	2,550.00	2,423	Nil		
Education	3,450.00	3,278	Nil		
Dance/studio	3,500.00	3,325	£25	3,500	87,500
Sports Pavilion	390.00	371	Nil		
Energy Centre	600.00	570	Nil		
Car parking	24,450	23,228	£25	24,450	611,250
Total					£41,905,548

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		As can be noted, the actual CIL liability when accounting for Social Housing Relief on 35% of the residential floorspace is £41.9 million, not £62 million as claimed. Furthermore, the implied Mayoral CIL of £22 million is also overstated (we calculate this to be £18 million). Given these floor areas, the GDV of the proposed enhanced masterplan for the remaining phases will be in the region of £1.5 billion (assuming 35% affordable housing). The proposed CIL will therefore equate to 2.7% of value, which is well within the normal parameters for CIL accepted by other examinations.
	The results of the VS do not demonstrate how the proposed policies of the Regulation 19 plan are consistent with the proposed rates.	The representation focuses on affordable housing aspects of the VS, but fails to acknowledge that CIL will be used to support the essential supporting infrastructure that housing developments in the Borough will require to be sustainable. Without the funding provided by CIL, many schemes that might have come forward will not be able to do so, due to lack of supporting infrastructure. There is always a balance to be struck between the potentially adverse impact of CIL on affordable housing and the desirability of raising funds to deliver infrastructure. While it is correct to suggest that schemes on the margins of viability will provide slightly less affordable housing if CIL were not in place after CIL has been introduced, the Council cannot set aside the pressing need for community infrastructure to support growth. As noted in Table 7.17.1 of the VS, the reductions in affordable housing (assuming that CIL cannot be offset against land value), would typically be relatively low.
	CIL and Section 106 will be double counted	The representation lists items that are clearly normal development costs and seeks to claim that these are “community infrastructure” and some relate to other plan policies.

BNP PARIBAS REAL ESTATE

Submission by and on behalf of	Comment	BNPPRE response
		It is unclear how "parking" and "air quality monitoring" can be considered to be community infrastructure. Furthermore, none of the claimed contributions are quantified. Quod fail to acknowledge that if any of the claimed items are genuine items of community infrastructure, CIL in kind could be deployed to offset the financial impact, subject to meeting the requirements in the regulations.
	The Council should "recognise the bespoke nature of brownfield sites and make them CIL exempt".	If this argument were accepted, virtually all sites in London would not contribute towards community infrastructure via CIL. This would be unsustainable. Negotiated Section 106 agreements are generally unsuitable for raising contributions to area wide community infrastructure (including, for example, strategic transport infrastructure) as they are limited to the restrictions at paragraph 57 of the NPPF, which limit them to on-site mitigation only.
Quod on behalf of Segro	The proposed CIL rate for industrial uses is higher than the £35 per square metre rate recently adopted by Old Oak and Park Royal Development Corporation ('OPDC').	Local authorities are not required to set rates of CIL on the basis of rates applied by neighbouring authorities.
	Adopting a higher rate of CIL for industrial than other uses (offices/retail	This is completely incorrect. Rates of CIL are informed by the capacity of developments to contribute while leaving a reasonable return for the developer and for the landowner. Furthermore, many sites are unsuitable for industrial use

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	and hotels) "will be signalling to investors that the Council is disincentivising industrial development.	(and similarly, many sites in industrial use would be unsuitable for other uses due to neighbour impacts). To suggest that a CIL rate is an indication of the Council's desire to "disincentives" one use or another is entirely incorrect; by this logic, presumably Quod would be arguing that the Council is seeking to disincentivise residential development, as it is proposing far higher CIL rates for this use.
	Most boroughs do not set CIL rates for industrial use.	This is because most other London boroughs adopted their CIL CSs in the early part of the last decade, when industrial markets were very different. There has subsequently been a significant increase in industrial land values due to scarcity of supply and higher demand. Several other London boroughs are reviewing rates of CIL and are considering setting rates on industrial development for the first time.
	Evidence on data centres is very limited. Segro has "extensive experience" of data centre development"	None of this evidence has been provided. The VS uses a rent of £400 per square metre and investment yield of 4.5%, or a capital value of £8,889 per square metre. This is well within the range of recent data centre transactions, as summarised below:

Address	Date of sale	Sale price	Area sq ft	Price per sq ft	NIY
Unit B Digital Croydon, Prologis Park CR0 4TD	17/03/2021	£135,590,000	55251	£2,454	
Cressex Data Centre, High Wycombe HP12 3TA	17/03/2021	£35,490,000	21022	£1,688	
Ugly Brow Building, 3-6 St Pancras Way NW1 0QG	14/04/2020	£78,750,000	57003	£1,382	3.88%
230 Blackfriars Rd SE1 8NW	04/11/2021	£55,000,000	60300	£912	3.50%
Pure Data Centre Global, Staples Corner, NW2 7BA	10/11/2020	£69,000,000	98237	£702	

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		The Telephone Exchange, 268-270 High Holborn WC1V 7EJ 19/12/2020 £45,000,000 67803 £664 3.37%
	Policies for affordable workspace and operational energy performance will impose significant costs on development.	These costs are reflected in the assessment. The baseline residual values that Quod cite in the Table at the top of their page 8 reflects net zero carbon development, which exceeds the emerging LP policy requirement (this does not require developments to meet NZC requirements until 2030).
	OPDC set a nil rate for "enclosed roads, ramps and service yards within multi storey industrial developments…to avoid discouraging the intensification of industrial sites and innovative design solutions".	This is a reasonable proposition and would bring the CS into line with the OPDC .resulting in consistency of approach.
	Typology 23 – "data inputs are not clear as it also states it is 2 stories [sic] and 5,000 sqm GIA of data centre floorspace".	This is a single storey datacentre of 5,000 square metres as noted in Appendix 2 of the VS.
	Benchmark land values – suggests that BLVs in Ealing for secondary	The BLV in the VS is based on lower quartile lettings of existing industrial units in the Borough, as noted at Appendix 6 of the VS. This is based on the existing secondary units being retained for ongoing letting (and also reflecting costs of

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	industrial are £12 - £14 million in OPDC area.	modest refurbishment to ensure their continued letting). Quod appear to be referring to land values, reflecting the opportunity for redevelopment of sites, which is not the same as existing use.
	Data centres and industrial development would not be viable if the higher of the four benchmark land values were to be applied.	It is inconceivable that a developer would redevelop an office or a retail unit for use as industrial, so this is not a realistic development scenario. This is borne out by the appraisal outputs that Quod have highlighted in the table at the top of their page 8. This shows a baseline residual value for a data centre of £4.85 million compared to the *existing* use of a secondary office building of £10.18 million. Clearly, in this scenario, the landowner would retain the office building until the value dynamics change. The same would apply to secondary retail, which has an existing use value of £5.52 million. What the Quod representation fails to acknowledge is that – despite the residual value for a data centre being lower than office and retail existing use values – it is higher than secondary industrial and undeveloped land. Furthermore, Quod fail to acknowledge how modestly the proposed CIL rate impacts the residual land value. As noted, the baseline residual value (no LBE CIL applied) is £4.85 million. If the proposed CIL of £100 per square metre is applied, the residual value would fall slightly to £4.04 million. This would still be above the existing use value of secondary industrial units and undeveloped land.
	Appraisals do not take account of re-location and decanting / interim moves.	This is incorrect – landowners will typically redevelop when buildings become vacant, they will actively avoid significant costs of relocating existing tenants wherever possible, so this is not a routine or “typical” cost that should be reflected.

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	Build costs appear low. Quod claim that costs are £160 per square foot for industrial and £300 to £400 per square foot for multi-storey development.	The build costs are based on a recognised and independent source (BCIS) which is based on tenders for live developments. The base date for this data is October 2023 and there has only been a very modest change over the intervening period (less than 2%), so Quod's claimed 42% increase over 9 months is totally unsupported. Quod have not provided any evidence to support these figures. The VS uses a much higher cost for data centres of £3,863 per square metre £359 per square foot. It should also be noted that all these rates are shown before external works and before policy costs and it is unclear what is included/excluded within the rates that Quod cite.
	Professional fees are typically 12.5% as opposed to 10% in the report.	This allowance sits outside the range we see in FVAs submitted in support of live planning applications, including those within industrial space. No evidence has been provided to support Quod's figure.
	Quod are unclear about assumptions used for data centre development.	As noted above, the capital values underpinning the rental assumptions are set out earlier in this response.
Savills on behalf of Luxgrove Capital (Appendix 2 by Quod)	Private residential sales values – no evidence of values of £1,000 per sq ft being achieved in Ealing.	It is surprising that Quod are not aware of private residential sales values in Ealing given that they have submitted a number of representations on behalf of various developers to the consultation. Quod are regular users of the Molior database, and it is therefore surprising that they have disregarded the evidence it contains in submitting their representation.

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		The Filmworks development achieved an average of £1,035 per square foot and many of these sales were completed prior to the significant increase in sales values over the course of 2021/22 (many sales were completed prior to March 2021 when average values were £499,107, well below the peak at £559,368 in January 2023). Similar values were achieved at Dickens Yard, although some of these sales date back to 2012 (when the average value across the Borough as a whole was much lower). Resales of unit in Dickens Yard have been averaging £961 per square foot – as these units are second hand, this value does not reflect any new build premium.
	Construction costs at £2,745 per square metre are lower than most forms of large scale development.	No evidence provided to support this contention. As noted previously, these are base construction costs only, to which a further allowance is added for external works and policy costs, resulting in the overall costs increasing to over £3,000 per square metre.
	No contingency included	This is incorrect – our appraisals incorporate a 5% contingency on construction costs.
	Abnormal costs allowances – suggests that all schemes have podiums.	There is no evidence that most schemes in the borough deploy podiums. In any case, the BCIS database includes a range of developments, some of which will include podiums, while others will not. Given the outer London nature of the Borough and relatively low density, it is unlikely that developments will use podiums. The more common form of development is for commercial uses to be simply built on the ground floor of developments, while the upper floors are occupied by residential.
	S106 allowances are significantly lower than the amounts currently	Clearly the Council currently seeks the entire range of contributions via S106 contributions, as there is no CIL in place. Following adoption of CIL, S106 requirements will be scaled back with the bulk of requirements secured through CIL in most cases. The residual amounts of S106 incorporated into the

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	being sought by the Council.	appraisals reflects the Council's estimate of what will remain to be collected through S106 on average.
	Finance costs at 6% are too low.	Current finance rates applied in viability assessments are typically 7%, but we have considered the forecast trajectory of interest rates leading up to the point when CIL is introduced and the significant lag between adoption and the first schemes being liable to pay CIL. Furthermore, the VS also assessed the viability of emerging Local Plan policies, which will be in place for a much longer period of 15 years, whereas the CIL charging schedule is likely to be reviewed within a shorter timeframe. The finance rate applied is therefore a reasonable reflection of the costs CIL-liable developments will incur.
	Profit margins required by BTR developers and build for sale developers have increased above the 15% and 17.5% of GDV applied in the VS.	There is no evidence to support this statement. We see a range of viability assessments supporting planning applications for both build for sale and build for rent schemes and the typical profit applied to build for rent schemes is 12.5% - 15% and 17.5% for build for sale schemes (with profits exceeding this amount only in exception circumstances).
	Table 2 (headed "Revised Small Sites Results") claims that schemes of 7 flats, 10 flats and 20 flats would not be viable.	This table provides no information on the inflated profit margin that Quod have assumed in arriving at these conclusions. It does not specify the benchmark land value that Quod have assumed. Nor does it specify the build costs, profit margins or finance rates they have assumed. In fact the only information they have provided is the sales values they have assumed. Therefore this table is meaningless. Clearly, Quod have adopted completely unrealistic assumptions as developers still build schemes in Ealing – if Quod's assessment were correct, developers

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		would not be building here. Their contentions are not supported by reality on the ground.
	Viability study typologies – insufficient number tested. Respondent's scheme in the planning pipeline should be tested.	The PPG indicates that viability testing needs to be proportionate. The VS tests a range of 30 developments, 19 of which are residential-led schemes, with additional typologies testing specialist forms of housing. We do not accept that repeating a greater volume of typologies would result in a different overall outcome. The Respondent's application scheme which is currently in the planning pipeline is likely to have been determined well in advance of CIL being adopted, so testing this scheme would provide no useful evidence on the impact of CIL, given that it will not be chargeable.
	The outputs of the VS should be tested against case studies.	The typologies tested in the VS reflect the types of scheme that have come forward and that the Council expects to come forward in the future. There is no requirement in the PPG to add a further layer of testing of schemes that are unlikely to be CIL liable.
	Some schemes coming forward have not delivered more than 20% - 35% affordable housing.	This is already acknowledged in the VS, but as noted in the report, the Council cannot set CIL rates on the basis that every single site will deliver 35% (or 40%) affordable housing, as that is not the nature of development economics in London. The London Plan (and the adopted and emerging Local Plan) both provide a fast track route for schemes that are viably able to deliver all the policy requirements and a viability tested route for schemes that cannot. This approach will remain unchanged after CIL has been adopted.

Submission by and on behalf of	Comment	BNPPRE response
	Introduction of CIL will reduce a scheme that Quod have tested from 17% to 12% as a result of a £1.6 million CIL liability.	This assumes that CIL is applied to the whole floorspace and that there is no existing floorspace to offset the liability, so the £1.6 million liability is very likely to be overstated. Furthermore, it is unclear what purpose Quod believe this exercise serves, given that the VS already indicates that viability is variable, depending on sales values, scheme content and benchmark land value. The emerging policy will be applied flexibly, having regard to site-specific viability, and affordable housing output will vary accordingly. Furthermore, Quod's analysis is silent on S106 in this particular case. They appear to be treating CIL as an entirely new cost, whereas in reality, this will be scaled back with most requirements collected through CIL. It is surprising that such points are being made, given that every other London Borough has a CIL in place and the London Plan and local plan regimes operate in precisely the same manner as it will in Ealing.
	Paragraph 4.19 claims that "the introduction of the CIL charging schedule and/or a higher Fast Track Threshold of 40% would render the scheme undeliverable and could result in the loss of hundreds of much needed homes…"	This comment is surprising as it demonstrates a wilful misunderstanding of how policy applies in practice. The Fast Track route is an *option* for the developer and nothing compels them to adopt this. If they consider that their scheme cannot provide 40% affordable and other policy requirements, then the viability tested route is available to them to deliver the maximum viable proportion of affordable housing alongside other requirements. It is disingenuous of Quod to suggest that the 40% Fast Track and/or the CIL would render the scheme undeliverable, when the Fast Track would be pursued at the Applicant's sole discretion – it is not something that the Council can force the Applicant to do. The point Quod seek to make here is fundamentally undermined by other parts of their representation, where they refer to schemes in Ealing that HAVE been brought forward with levels of affordable housing lower than 40%, including the

Submission by and on behalf of	Comment	BNPPRE response
		scheme that they refer to in their paragraph 4.17 and Table 3., which came forward with 17% affordable housing and others at paragraph 4.20. Quod have wilfully misrepresented the policy and real-world application of the adopted policy demonstrates that their argument is entirely devoid of any foundation.
	VS results do not demonstrate how the proposed policies and CIL rates will contribute towards meeting the objectives of the Plan.	This section of the representation is clearly misguided. One of the key policy objectives is to deliver affordable housing and the viability study demonstrates how this will be achieved, through a flexible approach which offers developers a 'fast track' route at 40% affordable housing and a viability tested route for schemes that are not able to achieve this percentage. The ability of schemes to come forward under the Fast Track route will clearly vary over the 15 year plan period and it is undesirable to measure this through the prism of current market conditions alone. The Local Plan also indicates that developments will require supporting community infrastructure and collecting contributions through CIL (with potentially a wider 'base' of schemes that will contribute) will maximise the extent to which the Infrastructure Funding Gap can be addressed. Without community infrastructure being delivered, the extent to which the Council can deliver the scale of housing and other development identified in the plan will be limited.
	The Council should delay implementation of CIL until the Regulation 19 plan has been in place and the impact can be tested on live schemes.	Ealing is the only Council in London that does not have CIL in place and it is surprising to see Quod appearing to claim that CIL is novel or that Ealing is in some way a 'test bed' for CIL when comparable or higher rates are in place in neighbouring boroughs with no demonstrable impact on land supply. The impact of the proposed CIL rates is modest in terms of its scale (typically 2 – 2.5% of development costs) which again is comparable to the impact in other London boroughs. There is no justification for suggesting that CIL should be

Submission by and on behalf of	Comment	BNPPRE response
		deferred any longer, given that the Council has given the development industry 14 years to adjust since the CIL regulations were introduced.
	Suggests that the respondent "would welcome the opportunity to with LB Ealing to address these issues"	We do not consider that the representation demonstrates a genuine attempt on the part of Quod to provide any assistance to the Council in balancing the desirability of securing funding for essential community infrastructure with the impact on viability. Without this funding, schemes being brought forward by Quod's client (and others) will be stymied. The Council recognises that the introduction of CIL needs to be balanced against the requirement for the delivery of affordable housing, but the rates that are proposed are entirely comparable to rates of neighbouring boroughs who are still securing significant contributions towards affordable housing.
Savills on behalf of Imperial College	Notes that Imperial does not have any land interests in LBE and these are currently limited to OPDC area. But Imperial may acquire land in Ealing in the future.	Given that Imperial has not yet acquired any sites in Ealing, if and when it does so, it will be able to reflect the impact of CIL in its bids for land. The impact on Imperial will therefore be entirely neutral.
	Imperial has the potential to bring forward development in Ealing.	If Imperial wishes to bring forward developments in Ealing, it will need to meet the policies set out in the emerging Local Plan and will need to contribute towards delivery of community infrastructure that will support those developments through CIL. As noted above, Imperial has the opportunity to reflect these requirements when acquiring land.
	Concerned that CIL rates are higher than	As noted previously, the proposed CIL rates are in line (or indeed lower) than neighbouring boroughs. The CIL rate for residential in Brent, for example, is £340.18 per square metre.

Submission by and on behalf of	Comment	BNPPRE response
	neighbouring authorities.	
	Concern re timing alongside Regulation 19 Plan and "there is no guarantee of the schemes that will be delivered over the plan period".	There is never any "guarantee" on the schemes that will come forward over a Local Plan period, particularly in London. This point is rather muddled. The emerging policies that will apply to schemes that do come forward over the plan period have been reflected in the testing for the purposes of establishing CIL rates, which is the key requirement in the PPG. In terms of schemes that will actually come forward, this is beyond the Council's control, regardless of timing of the introduction of CIL and will be driven by the wishes of landowners and appetite amongst developers.
	Are BTR, coliving and student housing tested in the VS?	These uses have been tested. The Council has not seen any student housing developments and this is not particularly relevant, but has been tested through a co-living typology which is analogous to student housing.
	Concern that rates for BTR, coliving and student housing are higher than in OPDC.	It is unclear why Savills consider that "neighbouring authorities" should only include OPDC (when this covers a very small land area with unique circumstances that are not necessarily relevant to the Borough of Ealing as a whole.
	Imperial is a charity and are obliged to ensure that best value is reasonably obtained.	Savills fail not acknowledge that any schemes that Imperial bring forward that assist them in meeting their charitable objectives will benefit from charitable relief. Clearly if Imperial seek to bring forward commercial developments to generate a profit, then such developments would be subject to Development Plan policies and CIL like all other developments.
	Savills suggest that it is "usual practice" for CIL charging schedules to	The Council has considered this matter and there are only two large sites that might be considered "strategic" in nature and both of these sites have already secured planning permission.

Submission by and on behalf of	Comment	BNPPRE response
	outline “different policies for strategic sites”	
	Savills “have not yet seen LBE’s proposed instalments policy”	For ease of administration, the Council will be applying the Mayor of London’s CIL instalments policy.
	Not clear whether the Council intends to implement charitable relief.	The CIL regulations do not allow charging authorities to opt in or out of charitable relief. Charitable relief operates in the same manner as Social Housing Relief – charitable organisations who bring forward developments that assist in meeting their charitable objectives are automatically eligible for relief.
	Unclear as to how buffer has been applied	The application of a buffer is not mechanistic – it is more a matter of judgement. The assessment is based on two approaches – one which tests the maximum potential CIL rates (not including Mayoral CIL, which is already factored into the appraisals as a development cost) and the other which tests the impact on a set of potential CIL rates on residual land values. Clearly with a wide range of results, the discount below the maximum potential rates will vary – in some cases the discount will be significant, while in others the discount will be lower. This is nature of the heterogeneity of development in London boroughs.
Quod on behalf of Valor Real Estate Partners LLP	Typology 23 – “data inputs are not clear as it also states it is 2 stories [sic] and 5,000 sqm GIA of data centre floorspace”.	This is a single storey datacentre of 5,000 square metres as noted in Appendix 2 of the VS.
	Benchmark land values – suggests that BLVs in	The BLV in the VS is based on lower quartile lettings of existing industrial units in the Borough, as noted at Appendix 6 of the VS. This is based on the existing

Submission by and on behalf of	Comment	BNPPRE response
	Ealing for secondary industrial are £12 - £14 million in OPDC area.	secondary units being retained for ongoing letting (and also reflecting costs of modest refurbishment to ensure their continued letting). Quod appear to be referring to land values, reflecting the opportunity for redevelopment of sites, which is not the same as existing use.
	Data centres and industrial development would not be viable if the higher of the four benchmark land values were to be applied.	It is inconceivable that a developer would redevelop an office or a retail unit for use as industrial, so this is not a realistic development scenario. This is borne out by the appraisal outputs that Quod have highlighted in the table on their page 8. This shows a baseline residual value for a data centre of £4.85 million compared to the *existing* use of a secondary office building of £10.18 million. Clearly, in this scenario, the landowner would retain the office building until the value dynamics change. The same would apply to secondary retail, which has an existing use value of £5.52 million. What the Quod representation fails to acknowledge is that – despite the residual value for a data centre being lower than office and retail existing use values – it is higher than secondary industrial and undeveloped land. Furthermore, Quod fail to acknowledge how modestly the proposed CIL rate impacts the residual land value. As noted, the baseline residual value (no LBE CIL applied) is £4.85 million. If the proposed CIL of £100 per square metre is applied, the residual value would fall slightly to £4.04 million. This would still be above the existing use value of secondary industrial units and undeveloped land.
	Substantial investment in the land that disrupts that income can only happen if it makes up	Landowners will typically redevelop when buildings become vacant, they will actively avoid significant costs of relocating existing tenants wherever possible, so this is not a routine or “typical” cost that should be reflected. Furthermore, Quod’s representation appears to indicate that this client is a long term investor in industrial buildings, so they will retain the profit that is built into our appraisals

Submission by and on behalf of	Comment	BNPPRE response
	for the period of lost income.	if and when they choose to redevelop their sites. This would more than compensate for any interruptions to income arising from redevelopment, in addition to the long term enhancement to the value of their assets through intensification of sites they own.
	Evidence on data centres not transparent.	Addressed in response to previous representation above.
	All other uses rate of £25 per square metre.	Other London boroughs are at various stages of adoption and review, with many having introduced their first CSs some time ago. Recently adopted CIL CSs, including Brent and Greenwich include nominal rates on all other uses which the examiners have agreed are sufficiently low to not have any significant impact on viability. The Mayoral CIL is also a nominal rate put in place without any evidence on viability and relies purely on it being "nominal" in nature.
Quod on behalf of GTR	Acknowledges that publicly available information on data centres has limitations.	Does not provide any evidence or any other information that provides a counter view to the evidence that we have relied upon.
	Typology 23 – "data inputs are not clear as it also states it is 2 stories [sic] and 5,000 sqm GIA of data centre floorspace".	This is a single storey datacentre of 5,000 square metres as noted in Appendix 2 of the VS.
	Benchmark land values – suggests that BLVs in Ealing for secondary	GTR's site is in Southall, not OPDC, so it is unclear why this is relevant. The BLV in the VS is based on lower quartile lettings of existing industrial units in the Borough, as noted at Appendix 6 of the VS. This is based on the existing secondary units being retained for ongoing letting (and also reflecting costs of

<table>
<tr><th>Submission by and on behalf of</th><th>Comment</th><th>BNPPRE response</th></tr>
<tr><td></td><td>industrial are £12 - £14 million in OPDC area.</td><td>modest refurbishment to ensure their continued letting). Quod appear to be referring to land values, reflecting the opportunity for redevelopment of sites, which is not the same as existing use.</td></tr>
<tr><td></td><td>Evidence on data centres is very limited.</td><td>The VS uses a rent of £400 per square metre and investment yield of 4.5%, or a capital value of £8,889 per square metre. This is well within the range of recent data centre transactions, as summarised below:
<table>
<tr><th>Address</th><th>Date of sale</th><th>Sale price</th><th>Area sq ft</th><th>Price per sq ft</th><th>NIY</th></tr>
<tr><td>Unit B Digital Croydon, Prologis Park CR0 4TD</td><td>17/03/2021</td><td>£135,590,000</td><td>55251</td><td>£2,454</td><td></td></tr>
<tr><td>Cressex Data Centre, High Wycombe HP12 3TA</td><td>17/03/2021</td><td>£35,490,000</td><td>21022</td><td>£1,688</td><td></td></tr>
<tr><td>Ugly Brow Building, 3-6 St Pancras Way NW1 0QG</td><td>14/04/2020</td><td>£78,750,000</td><td>57003</td><td>£1,382</td><td>3.88%</td></tr>
<tr><td>230 Blackfriars Rd SE1 8NW</td><td>04/11/2021</td><td>£55,000,000</td><td>60300</td><td>£912</td><td>3.50%</td></tr>
<tr><td>Pure Data Centre Global, Staples Corner, NW2 7BA</td><td>10/11/2020</td><td>£69,000,000</td><td>98237</td><td>£702</td><td></td></tr>
<tr><td>The Telephone Exchange, 268-270 High Holborn WC1V 7EJ</td><td>19/12/2020</td><td>£45,000,000</td><td>67803</td><td>£664</td><td>3.37%</td></tr>
</table></td></tr>
<tr><td></td><td>All other uses rate of £25 per square metre.</td><td>Other London boroughs are at various stages of adoption and review, with many having introduced their first CSs some time ago. Recently adopted CIL CSs, including Brent and Greenwich include nominal rates on all other uses which the examiners have agreed are sufficiently low to not have any significant impact on viability. The Mayoral CIL is also a nominal rate put in place without any evidence on viability and relies purely on it being “nominal” in nature.</td></tr>
<tr><td>Quod on behalf of</td><td>JLP is bringing forward a mixed use redevelopment of its</td><td>CIL would only apply to this site if permission is granted after CIL comes into effect. At a rate of £200 per square metre, the CIL liability on this development would be similar to neighbouring boroughs.</td></tr>
</table>

Submission by and on behalf of	Comment	BNPPRE response
John Lewis Partnership Note – there is also a submission by Savills on behalf of JLP and it is unclear which one JLP intends to rely upon.	Waitrose Store in West Ealing.	
	Private residential sales values – no evidence provided.	It is surprising that Quod are not aware of private residential sales values in Ealing given that they have submitted a number of representations on behalf of various developers to the consultation. Quod are regular users of the Molior database, and it is therefore surprising that they have disregarded the evidence it contains in submitting their representation. The Filmworks development achieved an average of £1,035 per square foot and many of these sales were completed prior to the significant increase in sales values over the course of 2021/22 (many sales were completed prior to March 2021 when average values were £499,107, well below the peak at £559,368 in January 2023). Similar values were achieved at Dickens Yard, although some of these sales date back to 2012 (when the average value across the Borough as a whole was much lower). Resales of unit in Dickens Yard have been averaging £961 per square foot – as these units are second hand, this value does not reflect any new build premium. In West Ealing (where the Waitrose development is located), there are various developments with values at the levels assumed in the VS (£750 per square foot) including the following: • 127 West Ealing (119-127 Gordon Road) – achieved values averaging £894 per square foot. This development is opposite the existing Waitrose Store, both sites benefiting from very close proximity to West Ealing Elizabeth Line Station. • Green Man Lane Estate Phase 6A/B – Felix Road West Ealing - £741 per square foot

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		• 75-117 Boston Road W7 - £746 per square foot (less desirable location than Waitrose site). • Easton Lodge and Brentwater Terrace – 144-156 Uxbridge Road W7 - £746 per square foot (less desirable location than Waitrose). Inexplicably, later in their representation, Quod admit that private values of £755 per square foot have been agreed for their Client's proposed application scheme, which is considerably higher than the value applied in our appraisals.
	Construction costs at £2,745 per square metre are lower than most forms of large scale development.	No evidence provided to support this contention. As noted previously, these are base construction costs only, to which a further allowance is added for external works and policy costs, resulting in the overall costs increasing to over £3,000 per square metre.
	No contingency included	This is incorrect – our appraisals incorporate a 5% contingency on construction costs.
	Abnormal costs allowances – suggests that all schemes have podiums.	There is no evidence that most schemes in the borough deploy podiums. In any case, the BCIS database includes a range of developments, some of which will include podiums, while others will not. Given the outer London nature of the Borough and relatively low density, it is unlikely that developments will use podiums. The more common form of development is for commercial uses to be simply built on the ground floor of developments, while the upper floors are occupied by residential.
	S106 allowances are significantly lower than the amounts currently	Clearly the Council currently seeks the entire range of contributions via S106 contributions, as there is no CIL in place. Following adoption of CIL, S106 requirements will be scaled back with the bulk of requirements secured through CIL in most cases. The residual amounts of S106 incorporated into the

Submission by and on behalf of	Comment	BNPPRE response
	being sought by the Council.	appraisals reflects the Council's estimate of what will remain to be collected through S106 on average.
	Finance costs at 6% are too low.	Current finance rates applied in viability assessments are typically 7%, but we have considered the forecast trajectory of interest rates leading up to the point when CIL is introduced and the significant lag between adoption and the first schemes being liable to pay CIL. Furthermore, the VS also assessed the viability of emerging Local Plan policies, which will be in place for a much longer period of 15 years, whereas the CIL charging schedule is likely to be reviewed within a shorter timeframe. The finance rate applied is therefore a reasonable reflection of the costs CIL-liable developments will incur.
	Profit margins required by BTR developers and build for sale developers have increased above the 15% and 17.5% of GDV applied in the VS.	There is no evidence to support this statement. We see a range of viability assessments supporting planning applications for both build for sale and build for rent schemes and the typical profit applied to build for rent schemes is 12.5% - 15% and 17.5% for build for sale schemes (with profits exceeding this amount only in exception circumstances).
	Viability study typologies – insufficient number tested. Respondent's scheme in the planning pipeline should be tested.	The PPG indicates that viability testing needs to be proportionate. The VS tests a range of 30 developments, 19 of which are residential-led schemes, with additional typologies testing specialist forms of housing. We do not accept that repeating a greater volume of typologies would result in a different overall outcome. The Respondent's application scheme which is currently in the planning pipeline is likely to have been determined well in advance of CIL being adopted, so testing this scheme would provide no useful evidence on the impact of CIL, given that it will not be chargeable.

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	The outputs of the VS should be tested against case studies.	The typologies tested in the VS reflect the types of scheme that have come forward and that the Council expects to come forward in the future. There is no requirement in the PPG to add a further layer of testing of schemes that are unlikely to be CIL liable.
	Some schemes coming forward have not delivered more than 20% - 35% affordable housing.	This is already acknowledged in the VS, but as noted in the report, the Council cannot set CIL rates on the basis that every single site will deliver 35% (or 40%) affordable housing, as that is not the nature of development economics in London. The London Plan (and the adopted and emerging Local Plan) both provide a fast track route for schemes that are viably able to deliver all the policy requirements and a viability tested route for schemes that cannot. This approach will remain unchanged after CIL has been adopted.
	Introduction of CIL will impact viability of Waitrose proposal.	Quod claims that the CIL liability on the proposed redevelopment of the Waitrose store will equate to £7 million. However, it is unclear whether this calculation deducts the existing floorspace, as not calculations are provided. The existing store extends to circa 4,500 square metres GIA which would have a significant impact on the CIL liability. The Applicant's viability assessment shows total development costs of £240 million, so even if the CIL liability is correct at £7 million, this equates to only 2.9% of development costs, which is well within the normal test of reasonableness for CIL rates of up to 5%. Furthermore, the Applicant's FVA also shows that the proposed development currently generates a negative return of £57 million, which equates to 29% of

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		GDV. If CIL is applied, this increases marginally to 33% of GDV. Given the scale of the reported shortfall in return, clearly the Applicant is not bringing the scheme forward in order to generate a short term speculative return, but it seeking a long term investment. The change in day one return (29% to 33%) is marginal and relatively meaningless over the long term. Furthermore, Quod's analysis is silent on S106 in this particular case. They appear to be treating CIL as an entirely new cost, whereas in reality, this will be scaled back with most requirements collected through CIL. It is surprising that such points are being made, given that every other London Borough has a CIL in place and the London Plan and local plan regimes operate in precisely the same manner as it will in Ealing.
	Paragraph 4.19 claims that "the introduction of the CIL charging schedule and/or a higher Fast Track Threshold of 40% would render the scheme undeliverable and could result in the loss of hundreds of much needed homes…"	This comment is surprising as it demonstrates a wilful misunderstanding of how policy applies in practice. The Fast Track route is an *option* for the developer and nothing compels them to adopt this. If they consider that their scheme cannot provide 40% affordable and other policy requirements, then the viability tested route is available to them to deliver the maximum viable proportion of affordable housing alongside other requirements. It is disingenuous of Quod to suggest that the 40% Fast Track and/or the CIL would render the scheme undeliverable, when the Fast Track would be pursued at the Applicant's sole discretion – it is not something that the Council can force the Applicant to do. The point Quod seek to make here is fundamentally undermined by other parts of their representation, where they refer to schemes in Ealing that HAVE been brought forward with levels of affordable housing lower than 40%, including the scheme that they refer to in their paragraph 4.17 and Table 3 over their Lexgrove representation, which came forward with 17% affordable housing and

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		others at paragraph 4.20. Clearly also the Waitrose scheme is proposed to come forward with 20% affordable housing. Quod have wilfully misrepresented the policy and real-world application of the adopted policy demonstrates that their argument is entirely devoid of any foundation.
	VS results do not demonstrate how the proposed policies and CIL rates will contribute towards meeting the objectives of the Plan.	This section of the representation is clearly misguided. One of the key policy objectives is to deliver affordable housing and the viability study demonstrates how this will be achieved, through a flexible approach which offers developers a 'fast track' route at 40% affordable housing and a viability tested route for schemes that are not able to achieve this percentage. The ability of schemes to come forward under the Fast Track route will clearly vary over the 15 year plan period and it is undesirable to measure this through the prism of current market conditions alone. The Local Plan also indicates that developments will require supporting community infrastructure and collecting contributions through CIL (with potentially a wider 'base' of schemes that will contribute) will maximise the extent to which the Infrastructure Funding Gap can be addressed. Without community infrastructure being delivered, the extent to which the Council can deliver the scale of housing and other development identified in the plan will be limited.
	The Council should delay implementation of CIL until the Regulation 19 plan has been in place and the impact can be tested on live schemes.	Ealing is the only Council in London that does not have CIL in place and it is surprising to see Quod appearing to claim that CIL is novel or that Ealing is in some way a 'test bed' for CIL when comparable or higher rates are in place in neighbouring boroughs with no demonstrable impact on land supply. The impact of the proposed CIL rates is modest in terms of its scale (typically 2 – 2.5% of development costs) which again is comparable to the impact in other London boroughs. There is no justification for suggesting that CIL should be

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		deferred any longer, given that the Council has given the development industry 14 years to adjust since the CIL regulations were introduced.
	Suggests that the respondent *“would welcome the opportunity to with LB Ealing to address these issues”*	We do not consider that the representation demonstrates a genuine attempt on the part of Quod to provide any assistance to the Council in balancing the desirability of securing funding for essential community infrastructure with the impact on viability. Without this funding, schemes being brought forward by Quod’s client (and others) will be stymied. The Council recognises that the introduction of CIL needs to be balanced against the requirement for the delivery of affordable housing, but the rates that are proposed are entirely comparable to rates of neighbouring boroughs who are still securing significant contributions towards affordable housing.
Savills on behalf of John Lewis Partnership Note – there is also a submission by Quod on behalf of JLP and it is unclear which one JLP intends to rely upon.	JLP is seeking a CIL rate that “enables the sustainable development of affordable housing and public amenities to be brought forward”.	In setting the proposed CIL rates, the Council has sought to balance the need to secure contributions towards essential community infrastructure that will support developments such as the JLP scheme, with the impact this will have on levels of affordable housing. Clearly in some cases, there will be a tradeoff between the two objectives.
	JLP supports the principle of raising funding through CIL to support infrastructure, but seeks to ensure that the rate is “reasonable”.	The rates proposed are either in line or in some cases lower than those adopted by neighbouring boroughs. Thes rates have been in place for a considerable time, with no evidence that CIL has prevented developments from coming forward. There is no evidence that the introduction of CIL in Ealing will have any different effect to that in the neighbouring boroughs.
	The government is proposing an	This is not supported by the Labour Party, which has indicated that it intends to retain the current system.

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	Infrastructure Levy to replace CIL and S106.	Even if the current government were to remain in office, the recent technical consultation indicated that there would be a long lead in programme of around 10 years (incorporating a further consultation on regulations, followed by a 'test and learn' programme, further consultation on revised regulations and then adoption of new style plans. In the interim, the existing systems would remain in place. If the Council were to defer adoption of CIL on the basis of an alternative system that might come forward at some distant point in the future, it would forgo significant income that could otherwise have been collected towards essential community infrastructure.
	Concern re timing alongside Regulation 19 Plan and "there is no guarantee of the schemes that will be delivered over the plan period".	There is never any "guarantee" on the schemes that will come forward over a Local Plan period, particularly in London. This point is rather muddled. The emerging policies that will apply to schemes that do come forward over the plan period have been reflected in the testing for the purposes of establishing CIL rates, which is the key requirement in the PPG. In terms of schemes that will actually come forward, this is beyond the Council's control, regardless of timing of the introduction of CIL and will be driven by the wishes of landowners and appetite amongst developers.
	Profit margin of 17.5% on private housing and 5% on affordable equates to a blended rate of 12.9% of GDV if a policy compliant level of affordable housing is provided.	These profit levels are reflective of the vast majority of the viability assessments we review. The PPG does NOT advocate a blended margin of 15% to 20% across all tenures. This refers to the private housing element only, which our 17.5% is in line with. Reading paragraph 018 10-018-20190509 as a whole, Savills should

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	PPG considers reasonable profit to be 15% to 20% of GDV.	not that the guidance states that “a lower figure [than 15%-20%] may be more appropriate in consideration of delivery of affordable housing in circumstances where this guarantees an end sale at a known value and reduces risk”. Furthermore, it also notes that “alternative figures may also be appropriate for different development types”. We note that Savills’ Development Viability Team routinely applies a profit of 6% to affordable housing in their appraisals and does not measure profit on a blended basis. Profit margins on build to rent scheme are typically in the range of 12.5% to 15%.
	Refers to Southend (an appeal heard in 2015) Shinfield (an appeal heard in 2013) and Rotherham (an appeal heard in 2014)	All of these schemes are very historic, dating from 2013, 2014 and 2015. These are numerous appeals heard in London more recently which would have given a guide to relevant profits. All of the Appeals quoted by Savills were heard under a different NPPF and different PPG, both of which were significantly revised in 2019.
	S106 allowances are significantly lower than the amounts currently being sought by the Council.	Clearly the Council currently seeks the entire range of contributions via S106 contributions, as there is no CIL in place. Following adoption of CIL, S106 requirements will be scaled back with the bulk of requirements secured through CIL in most cases. The residual amounts of S106 incorporated into the appraisals reflects the Council’s estimate of what will remain to be collected through S106 on average.
	Typologies to include schemes “which support diverse community	Build to rent schemes have been tested in the VS.

Submission by and on behalf of	Comment	BNPPRE response
	needs" including build to rent.	
	Private residential sales values – Savills query the vales (no alternative evidence provided) Concern over values over the next 12 months.	As noted in response to other representations on the same point, evidence from Molior shows that our values our robust. Evidence from JLP's own viability assessment for the Waitrose store also confirms our residential values. Savills May 2024 Residential Forecast has revised their previous position indicating that values would fall in 2024 to growth of 2% in 2024, reflecting higher than expected confidence in the London residential market. We note that this representation was drafted prior to Savills changing their position on the outlook for residential markets and this has now been superseded.
	Build costs – Savills thinks that a wider range of sources should be used.	The PPG recommends that build costs be sourced from recognised sources and it specifically identifies BCIS. This reflects widespread practice across Local Plan and CIL viability and has been applied on almost all CIL CSs that other London boroughs have adopted.
	Savills think that the JLP's costs "significantly exceed the assumptions adopted by BNP".	This is incorrect – the design and access statement for the JLP application shows a GIA of 57,135 square metres across all uses. The construction costs (all in, including demolition, infrastructure and all 'abnormal' costs is shown as £183,201,740. This is before scrutiny by the Council's independent review, so this figure is likely to fall. The cost per square metre is therefore £3,206 per square metre, which is broadly comparable to the figure used in our appraisals over £3,000 per square metre).
	Suggests that same build cost rate has been applied to all typologies.	This is incorrect. As shown in Table 4.13.1, different build costs are applied to houses, flats of five or fewer storeys and flats of 6 storeys or higher.
	Abnornals/exception costs – says that JLP	As noted above, the all in cost (including these costs) is comparable to the total cost allowance used in our appraisal for schemes above 6 storeys.

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	site has abnormal costs of £1.08m and £6.92m.	
	Contingency should be 10%	Our appraisals incorporate a contingency of 5%, which is line with all FVAs that are submitted in London, including those prepared by Savills' Development Viability Team. We have not seen any FVAs on live schemes proposing contingencies of 10%. The site-specific FVA in support of JLP's application adopts a contingency of 5%, not 10%.
	Development finance should be 8% - 8.5%	There is no evidence to support finance rates at these claimed levels. Prior to the global financial crash in 2009, the UK base rate was 5.25% and at that time, finance rates for development were typically 6%. Today, the base rate is 5.25% and finance rates for development do not behave like a tracker mortgage rate (as alluded to by the representation). Large corporates do not raise funds from banks and the plc housebuilders' cost of finance is significantly lower.
	BNP also states that it may be necessary for the Council to have a flexible approach in regard to affordable housing across these sites. Whilst it's an approach that can be adopted by the Council, the CIL Regulations and PPG guidance indicate that CIL rates should be	We not state that it may be necessary for a flexible approach to be applied – this is enshrined in both Local Plan and London Plan policy. This is a surprising comment, given that Savills' own client (JLP in this case) is proposing to bring forward a scheme at 20% affordable (against the London Plan target of 50%), which is an example of how the adopted policy operates in practice. As noted in response to other representations, this reflects the heterogeneity of development in London; there is not a one size fits all approach to affordable housing that can be applied uniformly, which results in a wide range of viable levels of affordable housing.

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	based on current planning policy requirements. Relying on affordable housing as a tension release where CIL rates are set above viable levels is not in the spirit of this and risks sites being delayed in coming forward for development; a particular concern given the shortfall in delivery of new housing	Clearly, various representations (including Savills) make the point that schemes have come forward with levels of affordable housing that are lower than the target. If the argument that Savills seek to advance here (namely that viability has to be tested at **policy levels of affordable housing**), then **no other London Borough** nor the Mayoral of London would have been able to adopt CIL in their areas. Clearly all other London boroughs (and the Mayor) have been collecting CIL starting at various points from 2011 onwards and land values (and in some cases small adjustments to affordable housing) have been made to accommodate CIL. The same will apply in Ealing, which is clearly adopting sometime after other boroughs.
	Unclear as to how buffer has been applied	The application of a buffer is not mechanistic – it is more a matter of judgement. The assessment is based on two approaches – one which tests the maximum potential CIL rates (not including Mayoral CIL, which is already factored into the appraisals as a development cost) and the other which tests the impact on a set of potential CIL rates on residual land values. Clearly with a wide range of results, the discount below the maximum potential rates will vary – in some cases the discount will be significant, while in others the discount will be lower. This is nature of the heterogeneity of development in London boroughs.
Lichfields on behalf of Prologis	Service yards and access roads on single storey industrial	Same issue was raised in relation to OPDC CIL CS and it was agreed that only the lettable space would be chargeable. It appears logical the that Council should apply the same approach.

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	developments are not covered and therefore do not count as part of GIA and therefore not chargeable. In contrast, access and service yards in multi-storey developments would be part of GIA and therefore chargeable. These areas can constitute up to 40% of GIA.	We note that Lichfields cite LB Barnet's CIL charging schedule as an example of where ancillary car parking has been excluded from CIL rates. However, they have referred to the 2013 CS, which was superseded by a new charging schedule in April 2022. This removed the exclusion of ancillary car parking that appeared in the 2013 CS and this is now CIL liable.
	Lichfields express concern that the proposed CIL rates will have a "fundamental impact on the delivery of new industrial development in the borough".	This "fundamental impact" is not demonstrated in Lichfield's representation. The consultation on the draft CS is Lichfield's opportunity to submit evidence for consideration.
	Comparisons with other borough CIL rates. £35 psm in OPDC for industrial and £120 psm for Data Centres	The Council will consider how the proposed rates compare to OPDC. It is noted that the Data Centre rate is not significantly different (£120 vs £150 per square metre).

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	Lower rents applied in LBE VS and lower costs than those applied to OPDC.	Lichfields do not state whether their position is that the rents we have assumed are correct or not, or whether they have alternative evidence to indicate that rents should be different (presumably higher as they indicate).
	Table 2.46.1 shows rates for residential development in other boroughs but does not include industrial rates.	As noted elsewhere, most other London boroughs adopted their CIL CSs some time ago (typically 10 years ago or longer) when conditions in the industrial market were very different. At that time, viability evidence indicated that industrial development could not viably support a CIL charge. Subsequently, as Lichfields will be well aware, there has been significant yield compression and increasing rents in response to supply and demand dynamics. This has increased industrial values, resulting in significantly higher residual values. Given that Lichfields themselves acknowledge in their table at the bottom of their page 8 that the CIL rates they cite are from 2013, 2014 and 2015, it is unreasonable to base a CIL CS for Ealing on market conditions from as long as 11 years ago. This has nothing to do with “differences in viability considerations within each borough” – it is about the significant shift in the industrial market over the intervening period which affects all boroughs. At least one of the boroughs that Lichfields cite is reviewing its CIL rates and is likely to include a rate of CIL on industrial development.
	VS reflects regulation 18 policies, assessment should be repeated with Regulation 19 policies.	There are no material differences that have not already been tested in the VS.
	Unclear what level of BREEAM is targeted	The VS incorporates a cost allowance which will facilitate ‘excellent’ BREEAM standards.

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	Profit is discussed in section 3.4 in relation to residential but not industrial	Profit on commercial development (including industrial) is discussed in Section 4. The profit margin of 15% of GDV is in line with the level of profit applied in FVAs submitted in support of live planning applications in London.
	Section 106 of £25 per square metre	This is based on average requirements across a range of non-residential developments. Following adoption of CIL, most requirements will be addressed through CIL and the £25 per square metre is the net amount of residual S106 to be collected. Clearly the specific amounts will be subject to scheme specific characteristics and subject to negotiation.
	Cost of achieving NZC is too high.	To be clear, while NZC was tested, it does not reflect the policy in the emerging Local Plan (nor the adopted London Plan), which does not require developments to be carbon neutral until 2030. A review of the Charging Schedule can be undertaken at that time if considered necessary. The Lichfields note appears to suggest that the cost of embodied carbon is lower than our assumed figure and will decrease significantly by the point Ealing is targeting zero carbon. Clearly this result in an improved viability outcome compared to our outputs, so this appears to be an argument that would improve (rather than worsen) viability and thus increase capacity for schemes to absorb CIL.
Savills on behalf of CEG Estates	CEG Estates owns 54-58 Uxbridge Road	This property has been demolished and has planning permission for a part six, part ten storey office building, which we understand is under construction. This is being marketed as “Revolution” (revolutioniscoming.co.uk).
	Concern that future viability would be adversely impacted by	CEG’s scheme has planning permission and would not be CIL liable.

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	proposed student housing and office rates.	
	Does not accept that coliving should be used as a proxy for testing PBSA	These two forms of housing are analogous both in terms of rental profile and capital value but also form (configuration is typically studio units).
	Unclear whether provision has been made for any 'buffer' below maximum rates.	The maximum viable CIL rate is shown in the VS to be circa £2,000 per square metre, so the proposed rate of £350 per square metre is significantly lower, being 17.5% of the maximum. In comparison, LB Brent's CIL rate for student housing is £340.18 per square metre and there has been significant student housing planning activity recently, including major applications in the Wembley Park area.
	Cites CIL rates from other boroughs adopted between 2013 and 2015.	These CIL CSs were formulated as long as 11 years ago and market conditions have changed over time. The fact that CEG are now bringing forward a major office scheme in Ealing indicates that market conditions have clearly evolved over that period.