

Greater Cambridge CIL Examination

Additional Sensitivity Testing – Consortium Submission – 16th October 2026

This note sets out comments on the GCSP CIL Sensitivity testing Note dated 13 October 2026 as requested by the Examiner in the Post Hearing Note dated 14 October 2026.

It provides comments on the various tests and inputs that the Consortium considers it necessary to test by way of further sensitivity analysis.

These comments are founded upon various parts of the National Planning Policy Guidance (NPPG) as referenced below.

The NPPG directs that the Charging Authority “*...needs to demonstrate that their proposed levy rate or rates are informed by ‘appropriate available’ evidence and consistent with that evidence across their area as a whole*”. (NPPG paragraph 020).

The NPPG makes clear that, for example, Building Cost Information Service data is only one example of appropriate data (NPPG paragraph 013), market evidence can be used as a cross-check for BLV purposes (NPPG paragraph 017) and that the establishment of BLV is an iterative and collaborative process (NPPG paragraph 014).

The sensitivity tests requested by the Consortium, utilising inputs from the Consortium’s written evidence, is available and appropriate evidence that should inform the levy rates.

The Consortium notes that Quintic have agreed to undertake additional sensitivity testing. However, it appears that this is “*subject to receipt of full elemental cost plans*” and that Quintic are suggesting they want to seek third party verification of the costs from their own QS.

The Consortium’s QSs have advised that it will not be possible to produce full elemental cost plans in this instance. The amount of data is vast, and it will not be possible to translate it into cost plans in the time available, noting the Examiner’s suggested timetable. The data will also be different for each project, particularly given that much of the data comprises contract sums presented by contractors and housebuilders in varying formats. It would take a notable amount of time to translate this information into elemental analysis. The Consortium’s QSs also advise that it would also be necessary to obtain permission from the various sources prior to sharing the data on an elemental basis, which again would take some time.

The Consortium is of the view, however, that third party verification of the build costs data should not be necessary in this instance. The Consortium has presented evidence from appropriately qualified and experienced cost consultants in addition to evidence where Quintic have accepted build costs higher than BCIS when signing off site-specific FVAs in Cambridge (Hearing Statement 3, paragraphs 250-251). The purpose of the further testing sought by the Examiner is to understand the impact of alternative cost assumptions. Quintic is not being asked to certify the Consortium’s costs, merely to model them to inform the Examiner. Quintic can make comment on the sensitivity test outputs and it is ultimately a matter for the Examiner to apply appropriate weight to all evidence in forming a view on the Draft Charging Schedule.

Both QS reports (Hearing Statement 3, Appendices 1 and 4) are clear that the data excludes professional fees, external works and contingency allowances, meaning that there should be no “double counting” of build costs, as suggested there may be by Quintic. Should Quintic require further clarification regarding the makeup of the build cost data provided (in terms of what has been included and excluded)

then signed letters can be provided from the Consortium's Qs to this effect, although given that what is being undertaken here are sensitivity tests it is not considered that this should be necessary.

1.0 RESIDENTIAL – STRATEGIC SITES

Inputs / Assumptions

Quintic to retest the strategic sites typologies using:

a) The Consortium's residential build costs, as provided by Cast

Rationale: BCIS data is generic benchmark data and not does reflect the actual cost of delivering development in Cambridge. The Consortium's build cost data is more comparable given it is sourced from live and recently-completed schemes, many of which are located in Cambridge. (Hearing Statement 3, Appendix 1).

b) Indicative Greenfield Benchmark Land Values reflective of the Consortium's minimum option price data

Rationale: See Hearing Statement 3, paragraphs 2.64 – 2.74 and moreover:

PPG paragraph 014 allows market evidence as a cross-check: it can be used as a cross-check of benchmark land value but should not be used in place of it, and divergence between the two may reflect different assumptions used by developers, promoters and landowners.

PPG paragraph 015, on EUV, says existing use value is not the price paid and should disregard hope value.

PPG paragraph 016, on premium, states that land transactions can be used, but only as a cross check to the other evidence. Any data should identify adjustments for policy compliance, land quality, site scale, market performance and reasonable expectations of local landowners. It then says local authorities can request data on the price paid for land, or the price expected to be paid through an option or promotion agreement.

We note that the PPG itself names option prices as relevant data in the paragraph regarding premium.

At the Hearing it was submitted by Dr Lee that there was an inconsistency in PPG regarding the usage of option prices for informing BLV.

The Consortium's position is that there is no inconsistency in PPG in this regard. PPG deals with two different matters:

- **The price paid for the subject site** cannot be used to justify failing to meet policy. This targets the developer who overpays for a site and then argues for reduced affordable housing; and
- **Transactions on other land** are legitimate market evidence for cross-checking the BLV and premium.

In a CIL viability assessment, there is no "the land", only notional typologies. The prohibition on relying on a site's own purchase price therefore has no application in the case of a CIL viability assessment.

The Consortium further submits:

The Council relied on market evidence first. Quintic justified its greenfield BLVs as reflective of typical minimum option pricing (CIL Viability Assessment paragraph 4.37). That is itself a market-evidence claim, albeit made without any evidence. The Council cannot rely on option prices to support its BLVs and then argue option prices are irrelevant when the Consortium's evidence contradicts it.

The Consortium is not proposing option prices as BLV. As submitted at the Hearing, the Consortium's option price data should be used as a cross-check to BLV. The Consortium remains of the position that its data indicates Quintic's greenfield BLVs sit below what the local market indicates.

PPG paragraph 016 lists "reasonable expectations of local landowners" as a factor in setting the premium. Minimum option prices are the most direct evidence of what Cambridge landowners actually require to release land.

The above notwithstanding, upon further review of the Consortium's option price data, Bidwells notes that this was presented in Hearing Statement 3 on a net developable hectare basis, whereas Quintic's own greenfield BLVs are presented on a gross hectare basis. It is necessary therefore to convert the majority of the Consortium's option price comparables to a gross hectare basis, in order to be presented in the same way as Quintic's. Bidwells has undertaken this adjustment to the data in the table below:

SITE REF.	MINIMUM PRICE £/GROSS HA	MINIMUM PRICE £/GROSS ACRE	COMMENTS
1	£408,000	£165,000	No Net Developable Area (NDA) in contract. 55% NDA assumed based upon site characteristics.
2	£408,000	£165,000	No Net Developable Area (NDA) in contract. 55% NDA assumed based upon site characteristics.
3	£680,000	£275,000	No Net Developable Area (NDA) in contract. 55% NDA assumed based upon site characteristics.
4	£1,112,000	£450,000	No conversion required - gross acre basis set out in the contract.
5	£1,244,000	£503,250	No Net Developable Area (NDA) in contract. 55% NDA assumed based upon site characteristics.

The Consortium notes that the updated analysis now shows that Quintic's higher greenfield BLV of £370,000 per ha sits just below the lower end of the range of the Cambridge-specific minimum option price data. This does not change the Consortium's submitted conclusions therefore that landowners require higher incentives than assumed by Quintic in order to release land for development in Cambridge.

Accordingly, the Consortium requests sensitivity analysis on BLV assuming lower, middle and higher end range of the minimum option price data:

- £400,000 per gross ha
- £800,000 per gross ha
- £1,200,000 per gross ha

c) A developers' return of 20.0% profit on GDV for the market housing

Rationale: There has been a material increase in development risk and uncertainty in the housing market since the publication of the Aspinall Verdi Local Plan Viability Assessment in 2021 (Hearing Statement 3, paragraph 2.87) and more recently, as evidenced by the retrenchment of Vistry from the market (Hearing Statement 3, paragraph 2.98).

d) A professional fees allowance of 10.0%

Rationale: Quintic's allowance of 7.0% is low for Cambridge. 10.0% is more realistic and reflective of the increasing complexity of planning requirements, site-specific constraints, and high-design standards in the Greater Cambridge area. Quintic commonly accept an allowance of 10.0% when undertaking site-specific viability reviews. (Hearing Statement 3, paragraph 2.102).

e) Sales and marketing fees of 3.5% of GDV in total

Rationale: Quintic's allowance of 2.5% is below industry benchmark allowances. (Hearing Statement 3, paragraph 2.103).

f) A Biodiversity Net Gain allowance of 3.0% of build costs

Rationale: Quintic's allowance of 1.4% of build costs for delivering 20% BNG materially understates the impact of the policy (Hearing Statement 3, paragraph 2.109).

g) Sales absorption rates of 3 sales per month

Rationale: Quintic's assumed rate of 6 to 8 sales per month is too optimistic in the current market and not evidenced. (Bidwells Technical Note, pages 11-12). Vistry's retrenchment from the market (Hearing Statement 3, paragraph 2.98) evidences a reduction in delivery volumes due to reduced demand. It runs contrary to the argument that 6 to 8 sales per month is achievable by assuming two sales outlets.

2.0 RESIDENTIAL – HOUSING FOR OLDER PEOPLE (RETIREMENT)

Two additional typologies:

1. Retirement Living

- Reflecting a McCarthy and Stone type product (40-50 units)
- Owner-occupied homes – age restricted sales
- Limited care provision
- Communal facilities, however, less than Extra Care

2. Integrated Retirement Community

- Reflecting an Audley type product (c. 80 - 100 units)
- Significant communal facilities including restaurant and wellness facilities
- Care available if needed

Inputs / Assumptions

Quintic to test the additional retirement typologies using:

a) The Consortium's retirement build costs, as provided by Cast

Rationale: As provided above in relation to Residential – Strategic Sites.

b) Gross to net ratios appropriate to the typology being assessed

Rationale: Retirement developments exhibit inferior floorspace efficiencies compared with mainstream housing developments due to the inclusion of communal and care facilities (where relevant). Typical gross to net ratios range from 65% (assisted living / extra care) to 75% (age restricted / sheltered housing).

c) Quintic's industrial brownfield BLV and the Consortium's indicative secondary office BLV figures of £15 million and £20 million per ha

Rationale: Quintic's Secondary Offices BLV of £10.25m per ha is suboptimal. It assumes a two-storey building with a stated plot ratio of 25%. Across one hectare, this produces the 5,000 sq m shown in Table 4.38.1 of the CIL Viability Assessment, so the actual plot ratio is 0.5:1. That reflects a low-density business-park building profile, not relevant for the more urban, city centre-focussed sites that retirement developments will come forward on.

Holding all of Quintic's other EUV inputs constant, the BLV varies in direct proportion to floorspace:

- 7,500 sq m (25% site coverage, three storeys): c. £15.4m per ha
- 10,000 sq m (50% site coverage, two storeys): c. £20.5m per ha

Both densities remain modest for city centre sites. MHCLG's 2023 land value estimates for policy testing assume approximately 34,000 sq m NIA per ha for a city centre office site. Both scenarios also retain Quintic's rent of £243 per sq m, which appears to reflect District-wide rather than reflective of city centre lettings.

Quintic accepts at paragraph 4.36 of the CIL Viability Assessment that benchmarks may need adjusting where current use values justify a higher figure. The Consortium therefore requests that the office and PBSA typologies be tested against BLVs of £15m and £20m per ha.

d) A developers' return of 20.0% profit on GDV for the market retirement housing

Rationale: Retirement housing developments have materially different delivery and viability characteristics to mainstream housing, including different costs, sales rates, operational requirements and demand profiles. (Hearing Statement 3, paragraph 2.128). A developers' return of 20.0% profit on GDV is commonly adopted in respect of retirement development financial viability assessments due to the smaller pool of buyers and the elongated sales periods, which elevates the risk profile.

e) A professional fees allowance of 10.0%

Rationale: As provided above in relation to Residential – Strategic Sites.

f) Sales and marketing fees of 5.0% of GDV in total

Rationale: Quintic's allowance of 2.5% is below industry benchmark allowances. (Hearing Statement 3, paragraph 2.103). Higher sales and market fees are incurred in respect of retirement developments compared with general needs housing due to the smaller pool of buyers, longer purchaser decision-making, the need for more dedicated sales staff and marketing suites, and greater advertising requirements. In Bidwells' experience the allowance is usually between 5.0% - 6.0% of GDV.

g) A Biodiversity Net Gain allowance of 3.0% of build costs

Rationale: Quintic's allowance of 1.4% of build costs for delivering 20% BNG materially understates the impact of the policy (Hearing Statement 3, paragraph 2.109).

h) Sales absorption rates of 2 sales per month

Rationale: Retirement housing developments have materially different delivery and viability characteristics to mainstream housing, including different costs, sales rates, operational requirements and demand profiles. (Hearing Statement 3, paragraph 2.128). A reduced sales rate compared with mainstream housing is appropriate, due to the smaller pool of buyers and longer purchaser decision-making.

3.0 RESIDENTIAL – BUILD TO RENT

Quintic to test a Build to Rent (BTR) typology using:

a) The Consortium's BTR build costs, as provided by Cast

Rationale: As provided above in relation to Residential – Strategic Sites.

b) Quintic's industrial brownfield BLV and the Consortium's indicative secondary office BLV figures of £15 million and £20 million per ha

Rationale: As provided above in relation to Residential – Retirement, given the expectation that BTR developments are likely to come forward in urban areas and on city centre sites.

c) A professional fees allowance of 10.0% and BNG allowance of 3.0%

Rationale: As provided above in relation to Residential.

d) Appropriate rent, OPEX and yield assumptions for Cambridge

4.0 PURPOSE BUILT STUDENT ACCOMMODATION (PBSA)

Two additional PBSA typologies:

a) Small PBSA scheme: 100 beds

b) Medium PBSA scheme: 150 beds

Quintic to test the additional PBSA typologies using:

a) The Consortium's PBSA build costs, as provided by Cast

Rationale: As provided above in relation to Residential – Strategic Sites.

b) Quintic's industrial brownfield BLV and the Consortium's indicative secondary office BLV figures of £15 million and £20 million per ha

Rationale: As provided above in relation to Residential – Retirement and BTR, given the expectation that PBSA developments are likely to come forward in urban areas and on city centre sites.

c) A developers' return of 17.5% profit on GDV

Rationale: Whilst an allowance of 15.0% profit on GDV may be appropriate for certain forward-funded or pre-let schemes in Cambridge, it is low for speculative PBSA development where the developer is still exposed to planning, construction, letting and exit risk. (Hearing Statement 3, paragraph 3.48).

d) A professional fees allowance of 10.0% and BNG allowance of 3.0%

Rationale: As provided above in relation to Residential.

e) PBSA yield sensitivity up to 5.5%

Rationale: Quintic's adopted yield of 4.75% is overly optimistic in the current market. Testing PBSA yields of up to 5.5% would be more realistic and in line with the Knight Frank Yield Guide. (Hearing Statement 3, paragraph 3.31).

f) Each typology to be tested with/without an assumed nomination agreement

Rationale: Such accommodation is typically let on lower rents. (Hearing Statement 3, paragraph 3.2).

g) Affordable Housing payment in lieu requirements

Rationale: As sought by emerging policy H/AH. (Hearing Statement 3, paragraph 3.53).

5.0 CO-LIVING

Quintic to test a co-living typology using:

a) The Consortium's co-living build costs, as provided by Cast

Rationale: As provided above.

b) Quintic's industrial brownfield BLV and the Consortium's indicative secondary office BLV figures of £15 million and £20 million per ha

Rationale: As provided above in relation to Residential – Retirement and BTR, given the expectation that co-living developments are likely to come forward in urban areas and on city centre sites.

c) A professional fees allowance of 10.0% and BNG allowance of 3.0%

Rationale: As provided above in relation to Residential – Retirement.

d) Affordable Housing payment in lieu requirements

Rationale: As sought by housing strategy.

6.0 OFFICES AND R&D

The Consortium considers the following office and R&D typologies should be tested as a minimum:

a) Science Park Laboratories

- I. Small: 5,000 sq m
- II. Medium: 10,000 sq m
- III. Large: 15,000 sq m

b) City Centre Offices (Cat A fit-out)

- I. Small: 5,000 sq m
- II. Medium: 10,000 sq m
- III. Large: 15,000 sq m

c) Peripheral and out of town Offices

- I. Small: 5,000 sq m
- II. Medium: 10,000 sq m
- III. Large: 15,000 sq m

It may also be necessary to test a strategic scale R&D typology, as requested by Cambridge Biomedical Campus at the Hearing.

The additional office/R&D typologies to be tested using:

a) The Consortium's office and R&D build costs, as provided by G&T

Rationale: As provided above.

b) Gross to net ratios appropriate to the typology being assessed

Rationale: Compared with offices, laboratory buildings include significantly larger mechanical and electrical installations, upgraded power infrastructure, specialist ventilation and extraction systems, dedicated servicing arrangements and other technical infrastructure. (Hearing Statement 3, paragraph 6.4). On this basis, a larger proportion of Gross Internal Area is unlettable. The laboratory typologies should be tested assuming lower gross to net ratios to offices, as per the approach taken in the BNP Paribas CIL Review undertaken by BNP Paribas for the London Borough of Tower Hamlets (December 2024).

c) Quintic's industrial brownfield BLV and the Consortium's indicative secondary office BLV figures of £15 million and £20 million per ha

Rationale: Many of the office and R&D schemes in Cambridge are likely to come forward on previously developed land, meaning that the brownfield BLVs are highly relevant in this instance.

d) A S106 allowance of £146 per sq m

Rationale: Quintic's S106 allowance of £25 per sq m is understated. An allowance of £146 per sq m would be in line with the assumption made in the Local Plan Viability Assessment. (Hearing Statement 3, paragraph 6.40).

e) Rent sensitivities of base +/- 5.0%

Rationale: Quintic's rent assumptions are optimistic, are reflective of the upper end of the market and are only likely to be achieved by high-quality schemes in the strongest locations. (Hearing Statement 3, paragraph 6.70).

f) Yield sensitivities of base +/- 50 basis points

Rationale: Quintic's adopted yield of 6.0% is keen and unlikely to be representative of the full range of office and R&D developments that come forward. (Hearing Statement 3, paragraph 6.73).

g) Allowing for the full suite of additional policy requirements envisaged under the emerging Local Plan, including affordable workspace (Policy J/AW)

Rationale: The Council's emerging policies sit alongside the already high expectations for development quality within Greater Cambridge. Whilst they are positive and important aspects of successful development, they contribute to a higher cost base. (Hearing Statement 3, paragraph 6.97).

h) Adopting a developers' return of 20.0% profit on cost

Rationale: The Consortium's experience is that speculative office and R&D development in the Cambridge market generally requires returns of at least 20.0% profit on cost in order to attract capital and adequately compensate developers for the planning, construction, letting and exit risks. (Hearing Statement 3, paragraph 6.76).

i) A professional fees allowance of 10.0% and BNG allowance of 3.0%

Rationale: As per the approach to professional fees taken in the Council's Local Plan Viability Assessment, which adopts an allowance of 10.0% for commercial typologies.

7.0 INDUSTRIAL

The Consortium considers it necessary to test data centres as a separate typology.

The additional data centre typology to be tested adopting:

a) Appropriate build costs specific to data centres

b) The Consortium's greenfield and brownfield BLV figures

Rationale: Data centres are likely to come forward on both greenfield and brownfield sites, depending on access to power and grid infrastructure.

c) A S106 allowance of £146 per sq m

Rationale: Quintic's S106 allowance of £25 per sq m is understated. An allowance of £146 per sq m would be in line with the assumption made in the Local Plan Viability Assessment. (Hearing Statement 3, paragraph 6.40).

d) A professional fees allowance of 10.0% and BNG allowance of 3.0%

Rationale: As per the approach to professional fees taken in the Council's Local Plan Viability Assessment, which adopts an allowance of 10.0% for commercial typologies.

e) Allowing for the full suite of additional policy requirements envisaged under the emerging Local Plan, including affordable workspace (Policy J/AW)

Rationale: The Council's emerging policies sit alongside the already high expectations for development quality within Greater Cambridge. Whilst they are positive and important aspects of successful development, they contribute to a higher cost base. (Hearing Statement 3, paragraph 6.97).