

**COMMUNITY
INFRASTRUCTURE LEVY
CHARGING SCHEDULES
ISSUE3: VIABILITY
HEARING STATEMENT ON
BEHALF OF CAMBRIDGE
DEVELOPMENT CONSORTIUM**

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1.0 Introduction

- 1.1 This Hearing Statement addresses Issues 3-8 of the Issues and Questions published by the Examiner to the Cambridge City Council (CCC) and South Cambridgeshire District Council (SCDC) Community Infrastructure Levy (CIL) examination.
- 1.2 This Hearing Statement has been prepared on behalf of the Development Consortium (the "Consortium") and comprises Hearing Statement 3. It sits alongside Consortium Hearing Statement 1 (Issue 1 - Planning) and Hearing Statement 2 (Issue 2 - Transport). The parties making up the Consortium are set out in Hearing Statement 1.
- 1.3 This Hearing Statement contains the Consortium's written answers to the Examiner's questions relating to financial viability. It is supported by expert evidence appendices covering:
 - a. Residential build cost benchmarking: Cast
 - b. Commercial build cost benchmarking: Gardiner & Theobald (G&T)
 - c. Commercial agency commentary: Bidwells Agency
- 1.4 The Consortium supports the principle of developer contributions towards infrastructure delivery and recognises the important infrastructure requirements associated with planned growth across Greater Cambridge.
- 1.5 However, the Consortium considers that the proposed charging rates are not supported by sufficiently robust viability evidence and therefore fail to strike the appropriate balance required by Regulation 14 of the Community Infrastructure Levy ("CIL") Regulations.
- 1.6 In particular, concerns arise in relation to:
 - a. The treatment of strategic sites
 - b. Residential build costs and values (including absorption rates)
 - c. Commercial build costs and values
 - d. Allowances for Professional Fees and Marketing/Disposal Costs
 - e. Allowances for planning contributions including S106 and Biodiversity Net Gain
 - f. Allowances for Developer's Profit
 - g. Allowances for Exceptional or Abnormal Costs
 - h. Benchmark Land Values

2.0 Issue 3: Residential Charging Rates

1. *Do the 26 residential typologies provide for a sufficiently comprehensive assessment in terms of the types of developments likely to come forward?*

- 2.1 The Consortium considers that the range of residential typologies tested is comprehensive. It is concerned, however, that the CIL Viability Assessment (“CIL VA”) does not include bespoke viability testing for several residential formats to which the proposed CIL charge will apply, including retirement housing, Build to Rent, and other forms of specialist residential accommodation.
- 2.2 The Consortium considers that retirement living development should be tested separately for the following reasons:
- a) Retirement schemes typically have much higher build costs;
 - b) They include significant elements of communal space, reducing saleable efficiency;
 - c) They often come forward on expensive town-centre sites; and
 - d) They frequently generate lower residual land values than mainstreams flatted developments.
- 2.3 The Consortium has commissioned residential construction cost benchmarking from Cast Consultancy (“Cast”), which is provided at **Appendix 1**. The Cast report clearly evidences that build costs for Build to Rent and retirement developments differ significantly from other, more standard forms of residential development.
- 2.4 In terms of further evidence, the Consortium notes that there are instances where other authorities have expressly recognised that Build to Rent and retirement/older persons housing are distinct development products with different viability characteristics and have tested them separately for CIL purposes.
- 2.5 In the South Oxfordshire District Council CIL VA¹, Aspinall Verdi tested ‘mainstream residential’, Built to Rent, PBSA and older persons housing (retirement living). Separate viability outputs and CIL recommendations were made for those specific sectors for South Oxfordshire District Council.
- 2.6 Following representations from the retirement living sector, Charnwood Borough Council commissioned a specific retirement housing addendum to its CIL VA in January 2026², also authored by Aspinall Verdi. In this case a specific CIL rate was recommended for this distinct asset class.
- 2.7 The Consortium also notes that within the planning appeal decision for a 170-unit retirement care village in Bottisham, Cambridgeshire (APP/V0510/W/23/3324141), the Inspector noted (at paragraph 38) that the Council did not contest the Appellant’s assertion that retirement housing

¹ <https://www.southoxon.gov.uk/wp-content/uploads/sites/2/2022/02/03-CIL-Viability-Assessment-Dec-2021.pdf>

² https://www.chnwood.gov.uk/files/documents/viability_study_addendum_on_retirement_housing/Viability%20study%20Addendum%20on%20retirement%20housing.pdf

schemes are generally less viable than general needs housing due to a range of factors, such as higher build costs.

- 2.8 The Consortium considers therefore that it is inappropriate to amalgamate these forms of residential development and treat them the same for CIL testing purposes when they are not economically equivalent and other authorities have recognised this.
- 2.9 Moreover, the Consortium notes that the emerging Greater Cambridge Local Plan (“emerging Local Plan”) contains a specific policy on specialist housing and homes for older people (Policy H/SH). The policy is intended to support specialist housing provision for older people and recognises the need to help older people downsize, remain in their communities and access suitable accommodation.
- 2.10 The inclusion of Policy H/SH in the emerging Local Plan shows that the Councils accept that retirement development comprises a different typology to conventional residential development and that it should be treated differently. However, no such different treatment has taken place in the CIL VA.
- 2.11 Consequentially, the Consortium requests that specialist forms of residential development, including Build to Rent and retirement living are tested separately, so that the ability of these forms of residential development to absorb CIL at the levels proposed are understood.
- 2.12 Accordingly, the Consortium considers the Council has not demonstrated that the proposed charging rate is appropriate across the full spectrum of residential development envisaged by the Charging Schedule.
- 2. *Is the evidence on residential sales values (Fig 2.16.1 and Appendix 3) sufficiently comprehensive? Does it provide an appropriate basis for the viability appraisal and how has it been used to inform the appraisal?***
- 2.13 The Consortium accepts that Quintic has assembled a substantial dataset of residential sales evidence and that Appendix 3 of the CIL VA demonstrates a wide range of values across Greater Cambridge. The evidence identifies significant variation in achieved sales values between different postcode sectors, reflecting the diverse nature of the Greater Cambridge housing market.
- 2.14 The Consortium also notes that Quintic has tested residential development across a range of sales values, generally between approximately £4,000 per sq m and £9,000 per sq m. This represents a broad spectrum of market conditions and is preferable to relying upon a single value assumption.
- 2.15 However, there remains limited explanation as to how the market evidence has been translated into the appraisal assumptions for the individual typologies. In particular, it is not clear whether the adopted sales values appropriately reflect the locations, housing mixes and development forms that are likely to come forward under the emerging Local Plan.
- 2.16 This is particularly relevant given the significant differences in value that exist between Cambridge City, edge-of-city locations, new settlements, strategic urban extensions and rural villages. Whilst Appendix 3 demonstrates this variation, the viability assessment does not clearly explain how these differences have informed the assumptions adopted for the individual residential typologies.

- 2.17 Moreover, given the significant variation in values throughout the Greater Cambridge area, the Consortium considers the Council's own evidence demonstrates that a zoned approach to CIL rate setting should be applied, rather than the adoption of a single flat rate.
- 2.18 This point was made previously in Bidwells' Viability Technical Note (**Appendix 2**) included as part of the representations submitted in March 2026 (Page 3, Section 1, paragraphs 1-7).
- 2.19 The Consortium notes that Quintic's consultation response does not adequately address this and instead argues that:
- "This would be inconsistent with the Authority's intention to secure the bulk of contributions through S106. CIL is deliberately set at a modest level so that a single rate could be applied across the whole area. Had a variable approach been adopted, £60 per square metre would have been the minimum rate, not the top end."*
- 2.20 The Consortium considers Quintic's response flawed. Fundamentally, it does not explain why a uniform residential charging rate is justified having regard to the variation in residential values and viability across Greater Cambridge. Instead, it simply states that the charging authority has chosen to adopt a relatively modest rate in order to avoid geographic differentiation. While administrative simplicity may be a relevant consideration for the Councils, it does not remove the need to consider whether material viability differences exist between locations in order to demonstrate that development in all locations can support the level of CIL proposed on a basis that does not risk scheme viability.
- 2.21 Indeed, Quintic's acknowledgement that a variable approach would have resulted in £60 per sq m representing the minimum rate rather than the maximum suggests that viability differences between locations do exist. The evidence does not explain why the differences in viability do not warrant differential charging zones and the Consortium's position is that this high material consideration must be addressed.
- 2.22 The Consortium notes also (at paragraph 6.12 of the CIL VA) that Quintic has undertaken sensitivity testing on its residential typologies on a growth basis whereby it has assumed capital value growth in values and inflation in build costs. Quintic state that *"the results indicate that schemes will become more viable and the 'buffer' or 'margin' between the theoretical maximum CIL rates and the proposed rates would widen."*
- 2.23 There are several important points to highlight pursuant to Quintic's growth modelling.
- 2.24 The Consortium notes that Quintic's growth modelling has been undertaken as a form of sensitivity analysis, to explore the impact of potential cost and value movements (increases) over time. It is not the primary basis upon which Quintic draws its conclusions regarding appropriate CIL rates. The primary basis for viability testing is, and should be on a present-day basis, adopting cost and value inputs stemming from the prevailing market at the time of the viability assessment.
- 2.25 The matter of growth modelling was explored in great depth at the recent Cuba Street Planning Appeal (APP/E5900/W/24/3356375), where Inspector Matthew Jones rejected the embedding of forecast growth assumptions into the assessment of development viability, noting that *"realistic does not necessarily mean real"* and that to *"front load risk by baking-in favourable growth forecasts"* could lead to developers to *"stall sites and wait for an economic up-turn"*. The Inspector

concluded that such an approach would risk undermining development delivery and housing supply.

2.26 The Consortium notes that the CIL VA states that *“these sensitivity analyses should be treated with a degree of caution as forecasts are based on assumptions on a range of factors and may change”*. The Consortium agrees with this statement. It considers in addition, however, that it is important to understand the context (as presented above) and the risks to development delivery associated with the imposition of favourable forecast cost and value assumptions in a viability assessment.

2.27 As a consequence it is necessary for the Councils to demonstrate that the CIL rate it proposes will not risk development viability now. It is not open to the Councils to argue for rates which would risk development viability now on the basis that growth modelling shows that development might become viable in the future. As a result, the growth modelling undertaking is of limited relevance and limited assistance in the Examination.

3. How has it been used to appraise different residential typologies, including retirement housing and residential institutions?

2.28 As explained above, the CIL Charging Schedule proposes to apply the same rate to retirement housing as standard residential housing. The Consortium notes that the CIL VA does test Extra Care as a typology. However, the CIL VA does not test the viability of retirement housing on a standalone basis.

2.29 The Consortium’s position is that separate testing of retirement living should be undertaken, on the basis that this form of development typically differs from general needs housing due to the effect of higher build costs, inferior gross to net ratios resulting from the presence of shared amenities / care related facilities, higher marketing costs, a smaller pool of buyers and more drawn-out sales periods.

2.30 Evidence supporting the different treatment / separate testing of retirement housing developments is provided under the answer to Question 1.

2.31 As explained in the Consortium’s response to Question 1, retirement living is economically different to general needs housing, therefore having its own specific set of viability challenges, and it is clear that these have not been considered in the viability analysis undertaken.

2.32 The Consortium requests that further testing on retirement living development is undertaken by Quintic accordingly.

4. What is the basis for the assumptions on affordable housing tenure and values and are these appropriate?

2.33 The Consortium has no response to this question.

5. Are the assumptions on build costs appropriate and sufficiently up to date? Do they adequately reflect the build costs associated with different residential typologies including retirement housing and residential institutions?

- 2.34 No. The Consortium remains of the view that build cost assumptions adopted within the CIL VA are materially understated and therefore inappropriate for the purposes of setting a robust CIL charging schedule.
- 2.35 The Consortium's own experience is that undertaking all forms of development in Greater Cambridgeshire is expensive compared to other locations, in part due to the very high design standards that are required in Greater Cambridge. Officers and Members of the Council pursue notably high-quality development and only give their support to schemes that meet their expected standards, which is most often over and above the minimum policy thresholds set into the 2018 Local Plans. This is especially so for architectural design, sustainability standards and landscape design.
- 2.36 The Council supports two design review panels (Cambridgeshire Quality Panel and the Design Review Panel) to bring additional scheme critique. There are dedicated urban design officers that bring challenge and push design quality. This is a known factor when operating in Greater Cambridge and the extra design focus is evident in built schemes across the city, but this does come at a premium cost.
- 2.37 The Cambridgeshire Quality Charter for Growth has also been adopted across Greater Cambridge since 2008 as a tool to push scheme quality around its focus on Climate, Connectivity, Character and Community.
- 2.38 There is also a large suite of 34 Supplementary Planning Documents and Area Action Plans that cover Greater Cambridge, or parts of it, which further champion the quality of developments.
- 2.39 Such requirements directly contribute towards construction costs and thus the elevated cost of undertaking development in Greater Cambridge.
- 2.40 The CIL VA relies principally on BCIS benchmark data for its build cost assumptions. The Consortium notes that in doing so, the ultimate source of Quintic's build cost evidence (pre-entry into the BCIS database) will be unknown to Quintic. Whilst BCIS provides a useful reference point for strategic viability testing, it comprises generic benchmark data and the Consortium's position is that it does not reflect the actual cost of delivering residential development in Greater Cambridge in reality.
- 2.41 The Consortium has therefore commissioned residential construction cost benchmarking from Cast Consultancy ("Cast"), procured and delivered in the wider South East market (**Appendix 1**).
- 2.42 The evidence comprises real-world cost data sourced from 61 residential projects. The benchmarking includes analysis of nine single family housing schemes, located predominantly in Cambridgeshire, and 14 flatted schemes (eight private for sale and six affordable) located across Cambridgeshire, Hertfordshire and London boroughs. It is derived from a database of live and completed residential developments on which Cast has acted on as cost consultant, project manager or development adviser.

2.43 The underlying information comprises contract sums, tender returns and project cost plans obtained through Cast's direct involvement in the delivery and procurement of schemes. Costs have been indexed to the present-day using BCIS Tender Price Indices and location-adjusted to Cambridge to provide a consistent basis for comparison with development expected to come forward in Greater Cambridge.

2.44 Cast has confirmed that they are open to having a meeting with Quintic (and its QS, should it instruct one), to share further detailed build cost information, should this be helpful.

2.45 A comparison between Quintic's base build assumptions and Cast's benchmark evidence is summarised below on a per sq ft basis. The data displayed for 'flats' reflects the combined affordable homes and private for sale data provided by Cast.

USE	QUINTIC (£/SQ FT)	CAST – AVERAGE (£/SQ FT)	DIFFERENCE (£/SQ FT)	DIFFERENCE (%)
Houses	£149	£239	£90	+60.4%
Flats	£173	£308	£135	+78.0%

2.46 The benchmarking identifies average construction costs of approximately £239 per sq ft for houses and £308 per sq ft for flats. By comparison, Quintic adopts build costs equivalent to approximately £149 per sq ft for houses and £173 per sq ft for flats.

2.47 Consequently, the benchmark evidence indicates that:

- a) House build costs are approximately **60% higher** than Quintic's assumptions; and
- b) Flat build costs are approximately **78% higher** than Quintic's assumptions.

2.48 The Consortium notes that these are not marginal differences. They represent substantial departures from actual construction costs evidenced by delivered and procured residential developments and are of a magnitude capable of materially affecting appraisal outcomes.

2.49 Importantly, even the lowest benchmark scheme within the single family housing dataset reflects a construction cost of approximately £2811 per sq ft following normalisation to Cambridge. This is materially above Quintic's adopted cost assumptions of £149 per sq ft for houses and £173 per sq ft for flats, suggesting the CIL VA materially understates residential build costs.

2.50 Moreover, the Consortium notes that under the viability discussions relating to the redevelopment of Hanover Court and Princes Court, Hills Road, Cambridge, correspondence (available online – planning reference 25/04187/FUL) between Savills and Quintic sets out agreed total build costs £41,886,707, reflecting approximately £287 per sq ft on the GIA of 146,069 sq ft. This total build cost figure includes an allowance for contingency, external works and abnormals. On a net basis, the total base build cost agreed amounted to £37,305,309, reflecting approximately £255 per sq ft GIA.

2.51 Hanover Court and Princes Court consist of entirely flatted development, where the applicant is Cambridge Investment Partnership (a joint venture between Cambridge City Council and Hill Group), and for which planning permission was granted by the Council in June 2026. The

Consortium notes that the agreed base build cost rate of £255 per sq ft is approximately 34% higher than Quintic's CIL VA flatted scheme build cost rate of £190 per sq ft.

2.52 The Consortium therefore highlights that Cast's benchmarking evidence comprises relevant, Cambridge-specific, evidence in support of significantly higher build cost rates than those adopted by Quintic in the CIL VA. This is better evidence than the BCIS data adopted by the Councils and is to be preferred.

2.53 Construction costs represent one of the largest inputs within any residential development appraisal. Where construction costs are understated, residual land values are correspondingly inflated and development viability overstated. This is particularly relevant in Greater Cambridge, where developers are simultaneously required to absorb increasingly demanding policy requirements relating to affordable housing, sustainability, biodiversity enhancement and infrastructure delivery.

2.54 Accordingly, the Consortium considers that greater weight should be afforded to actual construction cost evidence derived from real development schemes than to Quintic's generic benchmark assumptions. The Cast benchmarking evidence indicates that residential development costs are materially higher than implied by Quintic's BCIS rates and therefore supports the conclusion that the CIL VA overstates the level of value available to support CIL whilst maintaining competitive returns to developers and landowners.

6. Are the increases for external works appropriate?

2.55 The Consortium has taken advice from its QS, Cast, and considers that Quintic's external works allowances are broadly reasonable.

7. Is the additional cost assumption for larger residential developments on the edge of settlements (£29,070 per unit) justified and appropriate?

2.56 The Consortium has considered this additional cost assumption and the advice from its appointed residential QS, Cast, is that the additional allowance of £29,070 is broadly reasonable.

2.57 The above notwithstanding, it is not clear why Quintic have applied this additional cost in respect of only larger residential developments that are on the edge of existing settlements.

2.58 Cast's advice to the Consortium is that the £29,070 per unit allowance for such infrastructure should be applied in respect of all strategic residential developments tested and not just those that are located on the edge of existing settlements. The Consortium considers that Quintic's testing should adopt the approach recommended by Cast.

8. What is the basis for the assumptions on S106 costs and are they realistic and appropriate?

2.59 The CIL VA adopts an allowance of up to £25,000 per unit for S106 contributions in respect of residential developments.

2.60 The assessment does not clearly set out how the S106 assumptions have been derived; nor does it demonstrate that they adequately reflect the full range of obligations that are likely to arise through the planning process. The allowance of £25,000 per unit appears, therefore, to be an arbitrary allowance and it is not clear how it has been derived.

2.61 The Consortium notes that within the Council's Local Plan Viability Assessment³ ("LPVA") (July 2026), Aspinall Verdi adopt a S106 allowance of £45,500 per unit, nearly double the allowance made by Quintic in the CIL VA. Aspinall Verdi's source is cited as the draft Infrastructure Delivery Plan (IDP), prepared by AtkinsRealis in July 2026. Clearly this post-dates the Quintic CIL VA. However, the significant divergence in S106 allowances being made in two area wide studies commissioned by the Councils in the same year should be explained.

2.62 The Consortium's position is that a rate of £45,500 per unit should be adopted, in line with the LPVA, unless Quintic can provide satisfactory evidence indicating a rate of £25,000 per unit is appropriate for Greater Cambridge.

9. What is the basis for the approach to benchmark land values and is this appropriate?

2.63 The Consortium takes no issue with Quintic's use of an Existing Use Value ("EUV") plus premium approach to derive BLVs. This is consistent with National Planning Practice Guidance.

2.64 The Consortium's concern relates instead to the level of the BLVs adopted and the extent to which they reflect market conditions within Greater Cambridge. In particular, the Consortium considers that the BLVs adopted for both greenfield and brownfield sites are generally too low and do not reflect the prices required in the real world to incentivise landowners to release land for development in one of the UK's strongest development markets.

2.65 As a consequence, the Consortium considers that the viability evidence overstates residual land values and, in turn, overstates the capacity of development to support CIL.

2.66 Quintic adopts greenfield BLVs ranging from approximately £250,000 to £370,000 per gross hectare, equating to c. £100,000 to £150,000 per acre. Whilst Quintic states that these values are reflective of typical minimum option prices for greenfield development land, the Consortium is not aware of any substantial Cambridge-specific option, promotion agreement or strategic land evidence presented in support of this conclusion.

2.67 Moreover, the Consortium considers that they do not generally reflect the level of incentive typically required to bring strategic development land forward in Greater Cambridge, which is in one of the strongest residential markets in the country.

2.68 The Consortium's experience is that landowner expectations within Greater Cambridge are typically influenced by the area's strong residential and commercial property markets. As set out within the Consortium's Viability Technical Note, recent evidence suggests greenfield land values and option arrangements are frequently agreed at materially higher levels than those assumed by Quintic.

2.69 Whilst values vary according to location, planning prospects, strategic importance and competing land uses, the evidence reviewed by the Consortium indicates that greenfield land capable of supporting development within Cambridgeshire commonly commands existing use values

³ [Greater Cambridge Local Plan Viability - Main Viability Report - Regulation 19 Stage](#)

significantly above agricultural benchmarks. This means that Quintic's own assumptions do not reflect the reality of the Greater Cambridge market.

2.70 The Consortium's position is that a more realistic, Cambridge-specific greenfield BLV would be in the order of £750,000 to £1.5 million per ha (c. £300,000 to £600,000 per acre). Sensitivity testing should be undertaken by Quintic at these levels.

2.71 This is supported by evidence of anonymised minimum option pricing for several sites in Greater Cambridge, sourced by Bidwells, as shown in the table below.

SITE REF.	MINIMUM PRICE £/HA	MINIMUM PRICE £/ACRE
1	£741,000	£300,000
2	£741,000	£300,000
3	£1,112,000	£450,000
4	£1,236,000	£500,000
5	£2,261,000	£915,000

2.72 Please note that it is not possible to provide further details publicly other than the above information in written form for reasons of commercial confidentiality.

2.73 The Consortium is also concerned that Quintic's approach does not sufficiently recognise the distinction between isolated agricultural land and land located adjacent to existing settlements. In practice, land situated on settlement edges frequently commands an existing use value materially above agricultural value as a consequence of its potential for amenity, equestrian, paddock or other ancillary uses.

2.74 Such land is often the very land that is promoted through the plan-making process and ultimately comes forward for development. Applying generic agricultural values across all greenfield sites therefore understates the existing use value of a significant proportion of the developable land supply.

2.75 In respect of its brownfield BLVs, Quintic adopt £10.25 million per ha for 'Secondary Offices' and £3.54 million per ha for 'Secondary Industrial'. These are derived from a hypothetical secondary office and industrial investments, assuming relatively low rents, significant voids, refurbishment costs and a landowners' premium of 20%.

2.76 Whilst the Consortium does not object in principle to Quintic's Secondary Industrial BLV of £3.54 million per hectare, it considers that this benchmark is unlikely to be representative of all employment land capable of accommodating higher-value science, technology and R&D uses. The sensitivity testing should therefore not be treated as capturing the full range of site circumstances encountered in the Greater Cambridge market.

- 2.77 The Consortium also notes that the adopted BLVs have not been analysed against the Government's Land Value Estimates for Policy Appraisal dataset⁴, which indicates that office land values in Cambridge are in the order of £20.15 million per ha, approximately double Quintic's secondary office assumption of £10.25 million per ha.
- 2.78 Whilst there is no requirement for BLVs to be derived directly from the Government's data, the dataset was prepared specifically to inform policy assessment and provides a nationally recognised benchmark for testing whether viability assumptions remain grounded in market evidence.
- 2.79 Given the difference between Quintic's £10.25 million per ha and the £20.15 million per acre value indicated by the Government's data, the Consortium suggests that in order to understand the potential risk to viability that the Councils CIL Charge represents, it is appropriate to undertake further secondary office BLV sensitivity analysis at £15 million and £20 million per ha levels.
- 2.80 The absence of any meaningful comparison with this dataset limits and the divergence with it suggests that one should have little confidence that the adopted BLVs have been appropriately sense-checked against wider market evidence.
- 2.81 The Consortium also queries the assumption that redevelopment opportunities will predominantly arise from secondary office and industrial assets with relatively low existing use values.
- 2.82 Greater Cambridge is one of the world's leading science and technology markets. The strength of occupier demand, rental performance and investor interest has contributed to elevated existing use values across much of the commercial market. In these circumstances, a BLV derived solely from secondary office accommodation is not an appropriate benchmark against which to assess the viability of higher-value commercial development.
- 2.83 More fundamentally, there appears to be a risk of inconsistency within the viability evidence. Quintic's appraisals seek to capture the positive benefit of Cambridge's commercial market performance through the rents and yields adopted within the appraisal, whilst relying upon comparatively low benchmark land values derived from secondary commercial stock. The Consortium therefore considers that the strength of the Cambridge market is not being reflected consistently on both sides of the viability equation.
- 2.84 For the reasons set out above, the Consortium remains concerned that the BLVs adopted within the CIL VA are insufficiently reflective of prevailing market conditions within Greater Cambridge. Whilst the methodology is consistent with national policy and guidance, the resulting benchmark values are generally low when considered against local land market evidence, landowner expectations and the strength of the Cambridge property market.
- 2.85 The Consortium therefore considers that the adopted BLVs materially contribute to an overstatement of viability and that further testing using the assumptions set out within this response should be undertaken. This will provide highly material evidence to inform the judgment that needs

⁴ [Land value estimates for policy appraisal 2023 - GOV.UK](#)

to be made regarding the extent of the risk to development viability and thus deliverability that the proposed CIL charge represents.

10. Are the other assumptions including on profit, other costs and policy requirements appropriate? To what extent have emerging Local Plan policy requirements been taken into account?

- 2.86 In terms of developer's profit, the CIL VA assumes a rate of 17.5% on GDV for private residential and 6.0% on GDV for affordable housing.
- 2.87 The Consortium is aware of other instances where a profit allowance of 20% to 25% on GDV has been adopted on other Local Plan and CIL VAs, including an earlier area-wide study⁵ undertaken by Aspinall Verdi in 2021 for Greater Cambridge Shared Planning (referred to in our Viability Technical Note) in which a profit allowance of 20% profit on GDV was adopted for private residential development. This comprises strong evidence as to why a return of 17.5% profit on GDV is understated in the current market.
- 2.88 The Consortium considers that whilst 17.5% profit on GDV is not necessarily an unreasonable allowance in some instances, since 2021 there has been a material increase in development risk and uncertainty in the housing market, as explained below. It follows that adopting a lower rate of 17.5% profit on GDV in the current market risks understating the profit required to incentivise development and absorb unforeseen costs.
- 2.89 The Consortium notes that when the Aspinall Verdi study was prepared in 2021, the development industry was only just beginning to experience significant cost inflation. Since then, developers have faced:
- a) Unprecedented construction cost inflation;
 - b) Labour shortages;
 - c) Material supply chain disruption;
 - d) The implications of the Building Safety Act;
 - e) On-going uncertainty regarding future build cost movements; and
 - f) Significantly higher costs of finance.
- 2.90 Given these factors, it is necessarily the case that a residential development undertaken in 2026 carries a higher level of construction risk than it would have done in 2021, meaning that the return required from undertaking residential development should increase rather than decrease.
- 2.91 The Consortium notes that since 2021, developers have experienced markedly higher funding costs. In 2021, the Bank of England Base Rate was c. 0.1%, senior debt was relatively inexpensive and development finance margins were generally lower. By comparison, the Bank of England Base rate is currently 3.75%.

⁵ <https://consultations.greatercambridgeplanning.org/sites/gcp/files/2021-09/First%20Proposals%20Viability%20Report.pdf>

- 2.92 In the present day, developers operate in an environment where funding remains materially more expensive than in 2021. Higher costs of finance increase overall development risk and reduce tolerance for underperformance. The reduction in the profit assumption from 20% to 17.5% therefore cannot be reconciled with the substantial increase in financing costs and funding risk experienced since the earlier viability study was prepared.
- 2.93 The Consortium notes that since 2021, the housing market has seen a significant increase in sales market uncertainty, again increasing development risk.
- 2.94 In 2021, the market was benefiting from exceptionally low interest rates, government stimuli measures (including stamp duty holidays and Help to Buy) and strong levels of house price growth⁶. In the current market, developers now face greater mortgage affordability constraints, stagnant house price growth, longer sales periods in many locations, slower absorption rates, and increased usage of incentives, all of which erode returns.
- 2.95 Some might contend that Cambridge is a robust market that can sustain such an increase in market uncertainty. The Consortium's own experience is that Greater Cambridge housing market is not unique and that it has faced its own set of sales market challenges, which have been compounded by increased costs. It considers that it cannot credibly be argued that the Greater Cambridge market carries less uncertainty than it did in 2021.
- 2.96 In addition to the above, the Consortium notes that residential development has been subject to increased policy and regulatory burdens. Since 2021 a range of additional obligations have emerged or become more significant, including:
- a) Biodiversity Net Gain;
 - b) Nutrient neutrality issues;
 - c) More onerous sustainability requirements;
 - d) Future building safety requirements; and
 - e) Infrastructure and utility constraints (water, power etc).
- 2.97 The Consortium considers that not all of the above necessarily increase base build costs directly, but they introduce greater complexity and uncertainty into the delivery of residential development.
- 2.98 Consequentially, most housebuilders currently have a reduced appetite for risk. Recent reporting by Vistry Group PLC⁷, one of the UK's largest housebuilders, highlights the need for increased operational control, enhanced cash generation, deleveraging and more disciplined capital allocation. Vistry has recently announced that it is actively restructuring to create a smaller, more focussed business, that will result in a reduction in its development pipeline and lower targeted delivery volumes than previously planned. Vistry's announcement is material because it indicates

⁶ [Recent trends in the housing market - Office for National Statistics](#)

⁷ [Vistry Group PLC Half Year Results 2026](#)

that one of the UK's largest housebuilders is signalling that the current market does not justify maintaining optimistic delivery rates or land pipeline that had previously been pursued.

- 2.99 This does not suggest a residential development market in which risk has reduced since the earlier Aspinall Verdi assessment adopted a 20% profit assumption. Rather, it indicates that developers remain highly focused on ensuring an adequate return is achieved in order to justify the deployment of capital. Accordingly, the Consortium's position is that a profit allowance of 20% of GDV would comprise a reasonable developer's return in the current market and would provide a more appropriate viability buffer than the 17.5% adopted by Quintic.
- 2.100 In terms of other costs, the Consortium is concerned that Quintic's professional fees and marketing costs are too low, which is underestimating the costs side of the appraisals.
- 2.101 Quintic adopt a professional fees allowance of 7.0% on build costs across all typologies. We note the CIL VA includes no indication of what is included within Quintic's 7.0% allowance, so it is not clear what the breakdown is within the allowance.
- 2.102 The Consortium's position is that Quintic's allowance is unrealistically low. An allowance of 10.0% would be more realistic and reflective of the increasing complexity of planning requirements, site-specific constraints and high-design standards in the Greater Cambridge area. The Consortium notes that Quintic commonly accept a professional fees allowance of 10.0% when undertaking site-specific viability reviews, thereby providing further justification.
- 2.103 In terms of marketing and disposal costs, Quintic's 2.5% total allowance is below industry benchmark allowances of between 3.0% and 5.0%, as set out in our Viability Technical Note. The Consortium's position is that a total allowance of at least 3.5% would be appropriate, broken down as follows (as a percentage of GDV):
- a) Marketing: 1.5%
 - b) Sales agents fee: 1.5%
 - c) Sales legal fee: 0.5%
- 2.104 In terms of finance rate, the Consortium notes that whilst many site-specific viability assessments tend to adopt an allowance of 7.0% at present, Quintic's comment that *"this rate is expected to fall back to normal levels (6% to 6.5%) over the next 12 months"* appears misplaced at the current time.
- 2.105 Recent commentary from the Bank of England⁸ states:
- "We started raising interest rates at the end of 2021 to help control inflation. Since then, it has fallen a lot and the pressures that caused price rises had eased. As a result, we were able to start reducing interest rates in August 2024 from 5.25% down to 3.75% in December 2025."*

⁸ [What is happening with interest rates in the UK? | Bank of England – the UK's central bank](#)

However, this was before war broke out in Iran and the Middle East. This has disrupted the transportation and supply of oil and gas and pushed up energy prices. Inflation reached 3.1% in August 2026.”

- 2.106 The Consortium notes therefore that at the date of Quintic’s CIL VA (January 2026), there were indications that interest rates might reduce, in turn leading to reductions in development finance. The War in the Middle East has, however, broken out since, meaning that this is no longer the case. Consequentially, the financial markets are forecasting that given current inflationary pressures, the Bank of England could vote to start raising interest rates, at its next Monetary Policy Committee meeting on the 5th November.
- 2.107 The Consortium’s position on finance rate is therefore that 7.0% is broadly acceptable for CIL testing purposes, however that (contrary to Quintic’s comment stated above), this rate is more likely to increase over the course of the next 12 months than decrease. Given the likelihood of base rate increases in the near future, it would be prudent to test viability at finance rates of 7.25% and 7.5% in addition.
- 2.108 The Consortium notes that the emerging Greater Cambridge Local Plan contains a number of policy requirements that are likely to increase development costs. These include net zero carbon requirements, enhanced water efficiency standards, integrated water management and suitable drainage requirements, biodiversity and green infrastructure requirements, tree canopy and landscaping requirements, high-quality design and placemaking standards and together with transport, active travel and wider infrastructure requirements.
- 2.109 As set out in the Viability Technical Note, the allowance of 1.4% of build costs for delivering 20% Biodiversity Net Gain (“BNG”), as set out in emerging Policy BG/BN, materially understates the financial impact of the policy. The Consortium’s position is an allowance of 3% of build costs is more appropriate.
- 2.110 Whilst some of these costs may be reflected indirectly within build cost allowances, the CIL VA provides limited evidence demonstrating how the cumulative impact of these emerging policy burdens has been quantified and incorporated into the residential viability appraisals.

11. Is the charging rate of £60 per sqm for residential houses and flats justified by the evidence? Does it provide for a sufficient buffer below the potential maximum charging rates? Is it appropriate to apply the same rate to all residential houses and flats regardless of the scale of development or location?

- 2.111 No, the proposed charging rate of £60 per sq m for residential houses and flats is not justified by the evidence. As set out herein, the analysis relied upon to argue that the rate is reasonable is predicated on overly optimistic, generic inputs that are not reflective of the Greater Cambridge market.
- 2.112 Given the optimistic inputs adopted, the Consortium considers that the analysis in the CIL VA does not provide for a sufficient buffer below the potential maximum charging rate.
- 2.113 The Consortium considers that no, it is not appropriate to apply the same rate to all residential houses and flats regardless of the scale of development or location. The Council has not considered differential rates, nor has it provided a reason for rejecting such an approach.

- 2.114 The Consortium notes that Quintic's viability evidence identifies substantial variation in residential sales values across Greater Cambridge. Notwithstanding this, the draft Charging Schedule proposes a single residential CIL rate across the entire area.
- 2.115 The approach contrasts with numerous charging authorities in the East and South East of England, including East Cambridgeshire, Lewes, Wealden, Rother, Hertsmere and Chichester, which have adopted differential residential charging zones to reflect geographical variations in viability. Given the significant divergence in house prices between Cambridge and parts of the rural hinterland with Greater Cambridgeshire, the Council should explain why a zonal approach has been rejected and demonstrate that a uniform charging rate represents the most appropriate balance.
- 2.116 In terms of scale, the Consortium's position is that strategic sites should be zero rated for CIL purposes, with their infrastructure continuing to be funded through bespoke S106 requirements. Fundamentally, most strategic allocations in Greater Cambridge are already required to deliver substantial infrastructure through:
- a) S106 obligations;
 - b) On-site highway works;
 - c) Public transportation;
 - d) Schools and education facilities;
 - e) Community facilities;
 - f) Open space;
 - g) Utilities upgrades;
 - h) Biodiversity measures; and
 - i) Affordable housing.
- 2.117 Unlike smaller developments, strategic developments are capable of delivering site-specific mitigation and infrastructure directly related to the development.
- 2.118 Strategic sites are typically associated with complex and evolving infrastructure requirements, including schools, transport improvements, utilities, community facilities, green infrastructure and environmental mitigation. The scale, timing and nature of these requirements is rarely capable of being fully anticipated at the plan-making stage and frequently changes over the course of the development process.
- 2.119 In these circumstances, the Consortium considers that S106 obligations provide a significantly more flexible mechanism than CIL. Through the negotiation process, infrastructure requirements can be prioritised, phased and reviewed in response to viability constraints, delivery risks and changing circumstances. This flexibility allows authorities and developers to focus available development value on the infrastructure that is genuinely required to support delivery.
- 2.120 By contrast, CIL is a fixed charge which must generally be paid irrespective of the infrastructure burden already being borne by a site. Consequently, the imposition of CIL alongside substantial S106 obligations risks reducing the flexibility available to respond to site-specific viability

challenges and may undermine the delivery of strategic allocations that are critical to the success of the Local Plan.

- 2.121 The Consortium therefore considers that strategic sites are better suited to a bespoke S106-led approach, whereby infrastructure contributions can be tailored to the specific characteristics, constraints and viability position of each allocation. This approach would maximise the prospects of delivery whilst ensuring that infrastructure funding is directed towards the projects most closely related to the impacts of development.
- 2.122 The Consortium also notes that Quintic's own appraisals demonstrate that its own strategic site typologies are amongst the least viable residential typologies assessed. It is clear that typologies 20 to 26 exhibit either very low or no CIL headroom at lower value points, particularly when tested against higher BLVs.
- 2.123 Quintic's conclusion that strategic sites can absorb the proposed CIL charge appears therefore to depend heavily upon the adoption of greenfield BLVs (which we consider low) and relatively optimistic sales value assumptions. Their own testing demonstrates that viability headroom is significantly reduced when less favourable assumptions are applied.
- 2.124 Given the importance of strategic sites to housing delivery and the substantial infrastructure burden they already bear, the Consortium remains of the view that such sites should be zero rated, with their infrastructure continuing to be funded through bespoke S106 agreements.
- 2.125 As referenced in our Viability Technical Note, the principle of zero rating strategic sites for CIL purposes has been accepted by other local authorities including Peterborough City Council. The Councils should explain why their own proposed approach must differ and robustly evidence that it will not impede delivery of strategic sites.

12. Is there sufficient, specific evidence to justify the charging rates for retirement housing and residential institutions?

- 2.126 No. The Consortium does not consider that sufficient evidence has been provided to justify the proposed charging rates for retirement housing or residential institutions.
- 2.127 The CIL Viability Assessment does not include any specific viability testing of either use. Instead, retirement housing is effectively grouped with conventional residential development and assumed to be capable of supporting the same charging rate.
- 2.128 The Consortium considers that this approach is insufficiently evidence-based. Retirement housing and residential institutions are distinct development typologies with materially different delivery and viability characteristics to mainstream housing, including different development costs, sales rates, operational requirements and demand profiles. As set out in response to Question 1, these factors can have a significant bearing on viability and should not be assumed to mirror those of conventional residential development.
- 2.129 In the absence of specific testing, it has not been demonstrated that retirement housing and residential institutions can support the proposed charging rates whilst remaining deliverable. The CIL VA therefore provides no evidential basis for concluding that these uses should be subject to the same charge as mainstream residential development.

- 2.130 The Consortium considers that separate viability testing should be undertaken for both retirement housing and residential institutions, using assumptions that properly reflect their distinct economics and delivery characteristics. Until such testing has been completed, the justification for applying the proposed residential charging rate to these development types remains unproven.

3.0 Issue 4: Charging rate for student accommodation

1. *Do the student accommodation typologies provide for a sufficiently comprehensive assessment in terms of the types of developments likely to come forward.*

- 3.1 No. Whilst six Purpose Built Student Accommodation (“PBSA”) typologies are tested, all comprise relatively large direct-let en-suite schemes containing between 200 and 300 beds and comprising buildings of 4-5 storeys. The typologies therefore represent only a relatively narrow segment of the PBSA market.

- 3.2 The Consortium does not consider that the typologies adequately reflect the range of student accommodation products likely to come forward in Greater Cambridge for the following reasons:

- **Scheme size:** All typologies comprise schemes of between 200 and 300 beds. However, a number of existing and proposed PBSA developments in Cambridge are smaller than this. Smaller schemes may be less efficient, with fixed costs spread across fewer bedrooms, and can therefore exhibit materially different viability characteristics.
- **Institution-backed accommodation:** No typology assesses accommodation delivered pursuant to nomination agreements or similar arrangements with the University of Cambridge, its colleges or Anglia Ruskin University. Such accommodation is often let at lower rents and for shorter letting periods than direct-let PBSA and is therefore likely to generate lower revenues. For example, nomination accommodation at The Railyard has reportedly been let to ARU at rents significantly below the levels assumed within the viability evidence.
- **Accommodation mix:** The typologies exclusively assess en-suite accommodation and do not test studio-led schemes or mixed studio/en-suite developments. Studio accommodation typically achieves different rental levels, incurs different build costs and commands different investment yields. The absence of such typologies means that an important segment of the Cambridge PBSA market has not been assessed.
- **Co-living accommodation:** The assessment combines student accommodation and co-living uses within the same typologies. However, co-living and PBSA are distinct products which are subject to different demand drivers, operational models, occupancy patterns and value characteristics. The viability of one should not necessarily be assumed to be representative of the other.

- 3.3 Taken together, these omissions raise concerns as to whether the typologies fully reflect the range of PBSA developments likely to come forward during the charging period. Whilst viability evidence is not required to test every possible scheme type, it should provide a reasonable representation of the market. In the Consortium's view, the current typologies are weighted towards larger direct-let en-suite schemes and do not adequately capture institution-backed accommodation, smaller schemes or alternative accommodation formats that are an established part of the Cambridge student housing market.

- 3.4 Quintic's consultation response notes that the typologies are consistent with those adopted in the Local Plan Viability Assessment and that circulation space has been appropriately reflected. However, neither point addresses the principal concern. Consistency with another viability study does not, in itself, demonstrate that the typologies are representative of the PBSA schemes likely to come forward in Greater Cambridge, nor does it address the specific omissions identified above.
- 3.5 The Consortium does not suggest that every conceivable form of PBSA should be tested. However, given the characteristics of the Cambridge market, the evidence should, at a minimum, have included:
- a) a smaller PBSA typology (for example 100-150 beds);
 - b) an institution-backed typology reflecting nomination arrangements potentially with the University of Cambridge, its colleges and/or Anglia Ruskin University;
 - c) a studio-led or mixed studio/en-suite typology; and
 - d) a standalone co-living typology.
- 3.6 These forms of development are not hypothetical. They represent established and active segments of the Greater Cambridge market and are likely to continue coming forward during the charging period. Their omission means that the viability evidence does not fully reflect the range of student and student-related accommodation expected to contribute towards housing delivery.

2. *Is the assumption on build costs appropriate and sufficiently up to date?*

- 3.7 No. The Consortium remains of the view that the PBSA build cost assumptions adopted within the CIL VA are materially understated and therefore inappropriate for the purposes of setting a robust CIL charging schedule.
- 3.8 The Consortium's own experience is that undertaking all forms of development in Greater Cambridgeshire is expensive compared to other locations, in part due to the very high design standards that are required in Greater Cambridge. Officers and Members of the Council pursue notably high-quality development and only give their support to schemes that meet their expected standards, which is most often over and above the minimum policy thresholds set into the 2018 Local Plans. This is especially so for architectural design, sustainability standards and landscape design.
- 3.9 The Council supports two design review panels (Cambridgeshire Quality Panel and the Design Review Panel) to bring additional scheme critique. There are dedicated urban design officers that bring challenge and push design quality. This is a known factor when operating in Greater Cambridge and the extra design focus is evident in built schemes across the city, but this does come at a premium cost.
- 3.10 The 'Cambridgeshire Quality Charter for Growth' has also been adopted across Greater Cambridge since 2008 as a tool to push scheme quality around its focus on Climate, Connectivity, Character and Community.
- 3.11 There is also a large suite of 34 Supplementary Planning Documents and Area Action Plans that cover Greater Cambridge, or parts of it, which further champion the quality of developments.

- 3.12 Such requirements directly contribute towards construction costs and thus the elevated cost of undertaking development in Greater Cambridge.
- 3.13 The CIL VA relies principally on BCIS benchmark data for its build cost assumptions. The Consortium notes that in doing so, the ultimate source of Quintic's build cost evidence (pre-entry into the BCIS database) is unknown to Quintic.
- 3.14 Whilst BCIS provides a useful reference point for strategic viability testing, it comprises generic benchmark data and the Consortium's position is that it does not reflect the actual cost of delivering PBSA development in Greater Cambridge in reality.
- 3.15 The Consortium has therefore commissioned Cast to provide construction benchmarking based on actual projects procured and delivered across the wider market (**Appendix 1**).
- 3.16 The evidence comprises real-world cost data sourced from 10 PBSA projects ranging from 106 to 864 beds. The benchmarking is derived from a database of live and completed PBSA developments on which Cast has acted on as cost consultant, project manager or development adviser.
- 3.17 The underlying information comprises contract sums, tender returns and project cost plans obtained through Cast's direct involvement in the delivery and procurement of schemes. Costs have been indexed to the present-day using BCIS Tender Price Indices and location-adjusted to Cambridge to provide a consistent basis for comparison with development expected to come forward in Greater Cambridge.
- 3.18 Cast has confirmed that they are open to having a meeting with Quintic (and its QS, should it instruct one), to share further detailed build cost information, should this be helpful.
- 3.19 A comparison between Quintic's assumptions and the PBSA benchmark evidence is summarised in the table below.

USE	QUINTIC (£/SQ FT)	CAST – AVERAGE (£/SQ FT)	DIFFERENCE (£/SQ FT)	DIFFERENCE (%)
PBSA	£237	£347	£110	+46.4%

- 3.20 The benchmarking identifies average PBSA construction costs of approximately £347 per sq ft. By comparison, Quintic adopts a build cost assumption equivalent to approximately £237 per sq ft (excluding external works). Accordingly, the benchmark evidence indicates that actual PBSA construction costs are approximately 46% higher than those assumed within the CIL VA.
- 3.21 The Consortium notes that this is not a marginal difference. It represents a substantial departure from actual construction costs evidenced by delivered and procured PBSA developments and is capable of materially affecting appraisal outcomes.
- 3.22 Importantly, the benchmark evidence identifies costs ranging from approximately £300 per sq ft to £387 per sq ft. Even the lowest benchmark scheme exceeds Quintic's assumed cost level by approximately 27%. The issue is therefore not simply that Quintic's assumptions sit below the

benchmark average. Rather, Quintic's adopted build cost assumption sits below the entirety of the benchmark dataset.

- 3.23 Construction costs represent one of the largest inputs within any development appraisal. Where construction costs are materially understated, residual land values are correspondingly inflated and development viability overstated. The Consortium therefore considers that Quintic's assumptions materially overstate the level of value available to absorb CIL whilst maintaining competitive returns to developers and landowners.

3. *Is the increase for external works appropriate?*

- 3.24 The Consortium has taken advice from its QS, Cast, and considers that Quintic's external works allowances are broadly reasonable.

4. *What is the basis for the assumptions set out in Paragraph 4.10 of the Viability Assessment and are they realistic and appropriate?*

- 3.25 Paragraph 4.10 adopts the following assumptions:

- a) Gross rent of £250 per week per en-suite room;
- b) Operating costs of £3,200 per room per annum;
- c) Room area of 14 sqm;
- d) A blended net rent of £682 per sq m;
- e) An investment yield of 4.75%

- 3.26 The Consortium is concerned that the CIL VA provides limited evidence to support these assumptions. This is particularly notable given that representations were made during consultation regarding PBSA rents and values, yet Quintic's consultation response does not substantively address those concerns.

- 3.27 The adopted net rent of £682 per sqm is derived from a gross rent of £250 per week for 51 weeks per annum, less operating costs of £3,200 per room, based on an average room size of 14 sqm. In effect, the appraisal assumes that accommodation is occupied for almost the entire year, with little or no allowance for shorter tenancy lengths, void periods, incentives or other operational inefficiencies. The Consortium does not consider this to represent a prudent basis for strategic viability testing.

- 3.28 Recent market evidence suggests that the adopted rental assumptions are also optimistic. The two most recently completed PBSA schemes in Cambridge, Stellaris⁹ and Scholars View¹⁰, advertise en-suite accommodation at average rents of approximately £231 per week for the 2026/27 academic year. This is materially below Quintic's assumed rent of £250 per week and suggests that newly delivered accommodation is entering the market at lower rental levels than those adopted within the viability evidence.

⁹ [Stellaris, Cambridge | Book Direct – No Fuss](#)

¹⁰ [Scholars View, Cambridge | Coming Soon in 2026!](#)

- 3.29 The Consortium considers that a more representative assumption would be an average rent of approximately £230 per week, together with a 47-week letting period and a 97% occupancy assumption. Such assumptions would better reflect the operational realities of the Cambridge PBSA market whilst still representing strong trading performance.
- 3.30 The Consortium does not dispute the operating cost allowance of £3,200 per room per annum.
- 3.31 The appraisal also adopts a 4.75% investment yield. Whilst such yields may have been achievable during the low interest rate environment of previous years, the PBSA investment market has undergone significant repricing. Current market evidence¹¹ published by Knight Frank indicates that Prime Regional Direct-Let PBSA yields are typically in the order of 5.5%-5.75%. The Consortium therefore considers that a yield of 5.5% would provide a more realistic basis for strategic viability testing.
- 3.32 Finally, it is unclear whether the derived net rent of £682 per sq m has been applied to net lettable area or to gross internal area. This is an important distinction given the substantial proportion of circulation, communal and ancillary accommodation typically required within PBSA developments. If the rent has been applied to gross floor area, development values may be materially overstated and clarification should therefore be provided.
- 3.33 Taken together, the appraisal adopts a combination of relatively high rental assumptions, near-full annual occupation and a comparatively sharp investment yield. Each assumption acts to increase capital value and improve viability. The cumulative effect is therefore likely to overstate the value of PBSA development and, in turn, its ability to accommodate CIL. The Consortium recommends that the appraisals are re-run using more representative rental, occupancy and yield assumptions, together with sensitivity testing to assess the impact on CIL headroom.

5. What is the basis for the assumptions on S106 costs and are they realistic and appropriate?

- 3.34 The CIL VA allows up to £25 per sq m for S106 obligations on non-residential development, which appears to have been applied to the PBSA typologies. On the schemes tested, this equates to approximately £450 to £550 per bedroom.
- 3.35 The Consortium does not consider this allowance to be realistic. Quintic states that S106 obligations will remain the principal mechanism through which site-specific infrastructure is secured, with CIL primarily funding strategic infrastructure. The assessment also acknowledges that PBSA schemes may be required to make additional S106 contributions beyond those currently assumed.
- 3.36 In particular, emerging Policy H/AH proposes that privately provided PBSA should make a financial contribution in lieu of affordable housing equivalent to 40% of bedrooms. The CIL VA expressly recognises that such a contribution could absorb a significant proportion of the surplus value identified within the PBSA appraisals.

¹¹ <https://www.knightfrank.co.uk/site-assets/research/report-pdfs/uk-living-sectors-yield-guide/kf-september-2026-prime-yield-guide.pdf>

- 3.37 However, it is unclear whether any allowance for this payment-in-lieu has been incorporated within the viability testing itself, or whether it has merely been acknowledged qualitatively within the supporting text. This is a critical issue because the proposed contribution is likely to represent a substantial development cost. It is likely to present a significant risk to the viability and thus delivery of PBSA schemes.
- 3.38 If the affordable housing payment-in-lieu has not been included within the appraisals, the reported viability surpluses will be overstated and unreliable. At the very least, the assessment should clearly demonstrate how the payment-in-lieu has been treated and should undertake sensitivity testing to assess its impact on development viability.
- 3.39 Given Quintic's own acknowledgement that the contribution may absorb a significant proportion of PBSA viability, the Consortium considers that greater clarity is required before robust conclusions can be drawn regarding the ability of PBSA schemes to accommodate both Section 106 obligations and the proposed CIL charge.

6. What is the basis for the approach to benchmark land values and is this appropriate?

- 3.40 The Consortium notes that none of the benchmark land values (BLVs) adopted within the CIL Viability Assessment are specific to PBSA. In practice, PBSA in Greater Cambridge is most likely to come forward on previously developed urban sites within Cambridge, particularly in locations close to the University of Cambridge, its colleges and Anglia Ruskin University. Such sites typically compete with commercial, mixed-use and residential development rather than greenfield land uses.
- 3.41 Against this background, the Consortium considers that Quintic's brownfield benchmarks, namely £10.25 million per hectare for Secondary Offices and £3.54 million per hectare for Secondary Industrial, are the most relevant BLVs for PBSA testing. The greenfield benchmarks are unlikely to reflect the characteristics or market context of sites capable of delivering PBSA and should therefore be afforded limited weight. To the extent that PBSA viability is demonstrated using greenfield BLVs, viability headroom is likely to be overstated.
- 3.42 Whilst the Consortium does not object in principle to Quintic's Secondary Industrial BLV of £3.54 million per hectare, it considers that this benchmark is unlikely to be representative of all employment land capable of accommodating higher-value science, technology and R&D uses. The sensitivity testing should therefore not be treated as capturing the full range of site circumstances encountered in the Greater Cambridge market.
- 3.43 However, greater uncertainty surrounds the Secondary Office BLV of £10.25 million per hectare. This assumption has not been considered against the Government's Land Value Estimates for Policy Appraisal dataset, which indicates office land values in Cambridge of approximately £20.15 million per hectare. Whilst the Government's dataset is not intended to provide site-specific BLVs, it nevertheless represents a nationally recognised evidence source for policy appraisal and suggests that Quintic's office benchmark may be conservative.
- 3.44 Given the significant difference between these figures, the Consortium requests sensitivity testing PBSA viability using office BLVs of £15 million and £20 million per hectare in addition to Quintic's adopted assumption.

3.45 More generally, PBSA operates within a highly competitive land market characterised by a limited supply of suitable sites and strong competition from alternative higher-value uses. In such circumstances, landowner expectations may reasonably exceed those reflected in Quintic's adopted benchmarks, particularly in locations close to Cambridge's higher education institutions.

3.46 It is therefore important that viability is assessed against benchmarks that properly reflect the type of sites on which PBSA is realistically expected to come forward. Failure to do so risks overstating viability and the level of CIL that the sector can sustainably support.

7. Are the other assumptions including on profit, other costs and policy requirements appropriate? To what extent have emerging Local Plan policy requirements been taken into account?

3.47 The CIL VA applies a developer's profit of 15.0% of GDV to commercial development, which appears to include PBSA. PBSA development is generally perceived as having a slightly lower risk profile to that of mainstream residential development because demand is underpinned by a large and relatively predictable population, resulting in faster lease-up rates and lower sales risk. Unlike build for sale housing, income is typically generated through the letting of completed units rather than individual property sales, reducing exposure to housing market cycles and purchaser sentiment.

3.48 The above notwithstanding, whilst a profit allowance of 15.0% 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. Given the range of delivery models likely to come forward in Greater Cambridge, the Consortium considers that a profit allowance of at least 17.5% of GDV would provide a more realistic basis for viability testing and ensure an appropriate buffer is maintained within the appraisals.

3.49 The professional fee allowance of 7.0% is also unrealistically low for PBSA developments, particularly in Greater Cambridge. Such schemes typically require specialist design, planning, operational and management input from an early stage, particularly where they are required to meet the design and placemaking expectations of emerging Policy GP/QD. In the Consortium's view, a professional fee allowance in the region of 10% would more accurately reflect likely delivery costs.

3.50 Quintic's consultation response confirms that the appraisals include a 5% contingency allowance and that the Building Safety Levy has been applied to GIA and paid at commencement. However, neither assumption is expressly identified within the CIL VA in relation to PBSA development. Greater transparency would therefore be beneficial to ensure that all relevant costs have been fully reflected within the viability assessment.

3.51 In relation to emerging Local Plan policy requirements, the Consortium notes that relatively minimal allowances have been made for Biodiversity Net Gain and net zero carbon required under emerging Policy CC/NZ.

3.52 As set out in the Viability Technical Note, the allowance of 1.4% of build costs for delivering 20% BNG, as set out in emerging Policy BG/BN, materially understates the financial impact of the policy. The Consortium's position is an allowance of 3.0% of build costs is more appropriate.

3.53 It also remains unclear whether the proposed affordable housing payment-in-lieu under emerging Policy H/AH has been incorporated within the PBSA appraisals. This is a significant issue because the CIL VA itself acknowledges that the payment-in-lieu could absorb a substantial proportion of the surplus value generated by PBSA schemes. If this obligation has not been fully accounted for, the viability of PBSA development will have been overstated.

3.54 Overall, the Consortium considers that a number of the assumptions adopted within the PBSA appraisals are unrealistically optimistic. When considered alongside the uncertainty surrounding the treatment of the affordable housing payment-in-lieu, there is insufficient evidence to conclude that the appraisals provide a robust basis for supporting the proposed CIL charging rate for student accommodation.

8. *Is the charging rate of £60 per sqm for student accommodation justified by the evidence? Does it provide for a sufficient buffer below the potential maximum charging rate?*

3.55 The Consortium does not consider that the proposed charging rate of £60 per sqm for student accommodation is adequately justified by the evidence currently presented.

3.56 The appraisal results indicate that PBSA is capable of generating viability surpluses in excess of the proposed charging rate. However, those results are highly sensitive to a number of assumptions relating to rents, occupancy, yields, profit, build costs and Section 106 obligations. For the reasons set out above, the Consortium considers that many of these assumptions are unrealistically optimistic and collectively have the effect of overstating viability.

3.57 In particular:

- The typologies tested comprise exclusively large direct-let en-suite schemes of between 200 and 300 beds and do not capture smaller schemes, institution-backed accommodation or alternative accommodation formats that form part of the Cambridge PBSA market.
- The adopted revenue assumptions are based upon £250 per week rents and effectively assume near-full annual occupancy with limited allowance for voids, shorter letting periods or operational inefficiencies.
- The adopted yield of 4.75% is overly optimistic in the context of current investment market conditions.
- The profit allowance of 15.0% of GDV is low for speculative development and does not provide a substantial buffer against market risk.
- It remains unclear whether the emerging affordable housing payment-in-lieu requirement for PBSA has been fully incorporated within the appraisals, despite the CIL VA acknowledging that it could absorb a significant proportion of the surplus value generated by student accommodation schemes.

3.58 The cumulative effect of these assumptions is likely to be materially more significant than any individual adjustment in isolation. Whilst each assumption may arguably fall within a broad range of possible outcomes, they generally operate in the same direction, namely to increase development value and improve viability performance.

- 3.59 The Consortium is therefore concerned that the viability evidence does not demonstrate sufficient resilience to changes in market conditions or policy requirements. This is particularly important in the context of CIL, which is a fixed charge payable regardless of future increases in development costs, build cost inflation, changes in funding conditions or additional planning obligations.
- 3.60 The National Planning Practice Guidance is clear that charging authorities should strike an appropriate balance between funding infrastructure and the potential effects of CIL on the viability of development across their area. In practice, this requires the charging rate to be set at a level below the theoretical maximum supported by the appraisals, thereby allowing a reasonable buffer for uncertainty and changes in market conditions.
- 3.61 Given the concerns identified regarding the representativeness of the tested typologies, the treatment of emerging policy costs and the optimism of several key appraisal assumptions, the Consortium is not persuaded that the proposed £60 per sqm charging rate provides a sufficient buffer below the potential maximum charge. The evidence does not demonstrate that PBSA development could reliably support this level of CIL across the full range of schemes likely to come forward during the charging period.
- 3.62 The Consortium therefore considers that further sensitivity testing should be undertaken using more cautious assumptions regarding rents, occupancy, yields, profit and policy costs and that following this a lower charging rate should be adopted to ensure an appropriate viability buffer is maintained so not to give rise to any unacceptable risk to development viability and thus deliverability.
- 3.63 In the absence of such analysis, the Consortium does not consider that the proposed £60 per sqm charging rate can be regarded as robustly justified by the available evidence.

4.0 Issue 5: Charging rate for hotels

- 4.1 The Consortium has no responses to these questions.

5.0 Issue 6: Charging rate for shops, restaurants, financial and professional services

- 5.1 The Consortium has no responses to these questions.

6.0 Issue 7: Charging rate for offices and R&D

1. ***Do the two office typologies provide appropriate evidence for the types of schemes being brought forward in Greater Cambridgeshire? Do they provide appropriate evidence in relation to R&D uses?***

- 6.1 No. The Consortium does not consider that the two office typologies provide a sufficiently robust evidence base for the full range of commercial development being brought forward across Greater Cambridge, particularly in relation to R&D, laboratory and life sciences development.

- 6.2 The CIL VA tests two office typologies only, comprising conventional office developments of 10,000 sq m and 15,000 sq m respectively. No separate laboratory, life sciences, science park or R&D typologies have been assessed. This is despite the fact that the proposed charging schedule applies a single £175 per sq m rate across offices, R&D and laboratory uses.
- 6.3 The Consortium is concerned by this approach because these uses are not economically equivalent. As explained in commentary provided by Bidwells' Head of Business Space Agency (**Appendix 3**), laboratory and life sciences buildings differ materially from conventional office development in terms of specification, technical requirements, construction costs and rental characteristics. Cambridge is one of the world's leading life sciences clusters, and a significant proportion of commercial development comes forward in the form of specialist research, laboratory and innovation space rather than traditional office accommodation.
- 6.4 Laboratory buildings typically require increased floor-to-floor heights, enhanced structural capacity, greater vibration control, significantly larger mechanical and electrical installations, upgraded power infrastructure, specialist ventilation and extraction systems, dedicated servicing arrangements and other technical infrastructure. Consequentially, they are materially more expensive to develop than conventional offices. The evidence provided by Bidwells suggests benchmark construction costs of approximately £550 per sq ft for laboratory buildings compared with c. £400 per sq ft for conventional offices, representing a cost premium of around 35-40%.
- 6.5 Whilst laboratory space can achieve higher rents than conventional offices, this should not be taken as evidence that such developments are inherently more viable. The higher rental levels are largely a reflection of the substantially higher costs, specifications and technical complexity required to deliver these buildings. A robust viability assessment should therefore consider both sides of the appraisal i.e. both costs and revenues.
- 6.6 The Consortium's concern is that Quintic's analysis appears to assume that R&D and laboratory development exhibits the same viability characteristics as conventional offices. However, no specific evidence has been presented to support that assumption, and no dedicated R&D typologies have been tested. Given the strategic importance of the life sciences sector to the UK and Greater Cambridge economy, the Consortium considers this to be a significant omission.
- 6.7 Furthermore, the Consortium's independently commissioned benchmarking undertaken by Gardiner & Theobald ("G&T") (**Appendix 4**) demonstrates that development costs for life science and R&D accommodation are materially higher than conventional office accommodation. The benchmarking identifies average office construction costs of approximately £398 per sq ft and average life sciences/R&D construction costs of approximately £464 per sq ft across 20 Cambridge commercial developments. This further supports the conclusion that R&D development represents a distinct product type with materially different viability characteristics.
- 6.8 The Consortium therefore considers that the CIL VA does not provide sufficient evidence to demonstrate that all forms of office, laboratory and R&D development can viably support a uniform charging rate of £175 per sq m. Further testing should be undertaken, whereby offices and R&D/laboratories are appraised separately, on a standalone basis.
- 6.9 Given the significantly higher development costs associated with laboratory and life sciences schemes, the impact of CIL is likely to be proportionately greater for these developments. The absence of dedicated R&D testing therefore reduces confidence that the proposed charging rate

would not adversely affect the delivery of one of Greater Cambridge's most strategically important employment sectors.

2. *Is the assumption on build costs appropriate and sufficiently up to date?*

- 6.10 No. The Consortium remains of the view that the build cost assumptions adopted within the CIL VA are materially understated and therefore inappropriate for the purposes of setting a robust CIL charging schedule.
- 6.11 The Consortium's experience is that demand within the Cambridge commercial market is focused on the delivery of best-in-class office, research and innovation space. Occupiers within the life sciences, technology and knowledge-intensive sectors require highly specified accommodation capable of supporting research, collaboration and innovation. The continued success of the Cambridge cluster depends upon attracting and retaining globally significant occupiers, which in turn requires development product of a quality significantly above that reflected within generic national benchmark datasets. Footloose world-class occupiers require world class accommodation.
- 6.12 The Consortium's own experience is that undertaking all forms of development in Greater Cambridgeshire is expensive compared to other locations, in part due to the very high design standards that are required in Greater Cambridge. Officers and Members of the Council pursue notably high-quality development and only give their support to schemes that meet their expected standards, which is most often over and above the minimum policy thresholds set into the 2018 Local Plans. This is especially so for architectural design, sustainability standards and landscape design.
- 6.13 The Council supports two design review panels (Cambridgeshire Quality Panel and the Design Review Panel) to bring additional scheme critique. There are dedicated urban design officers that bring challenge and push design quality. This is a known factor when operating in Greater Cambridge and the extra design focus is evident in built schemes across the city, but this does come at a premium cost.
- 6.14 The Cambridgeshire Quality Charter for Growth has also been adopted across Greater Cambridge since 2008 as a tool to push scheme quality around its focus on Climate, Connectivity, Character and Community.
- 6.15 There is also a large suite of 34 Supplementary Planning Documents and Area Action Plans that cover Greater Cambridge, or parts of it, which further champion the quality of developments.
- 6.16 Such requirements directly contribute towards construction costs and thus the elevated cost of undertaking development in Greater Cambridge.
- 6.17 The CIL VA relies principally on BCIS benchmark data for its build cost assumptions. The Consortium notes that in doing so, the ultimate source of Quintic's build cost evidence (pre-entry into the BCIS database) is unknown to Quintic. Whilst BCIS provides a useful reference point for strategic viability testing, it comprises generic benchmark data and the Consortium's position is that it does not reflect the actual cost of delivering best-in-class office and R&D development in Greater Cambridge.

- 6.18 The Consortium has therefore commissioned independent commercial build cost benchmarking from Gardiner & Theobald ("G&T"), based on actual office and life sciences developments within the Cambridge market (**Appendix 4**).
- 6.19 The G&T study analyses 21 commercial developments comprising 11 office schemes and 10 life science/R&D schemes. The evidence is derived from contract sums, tender returns and detailed cost plans covering the period 2019 to 2026, with all costs rebased to a common price level using G&T tender price indices and excluding any allowances for external works. Unlike the CIL VA, which relies principally on generic BCIS benchmark evidence, the G&T dataset reflects actual procurement outcomes within the local Cambridge market.
- 6.20 G&T has confirmed that they are open to having a meeting with Quintic (and its QS, should it instruct one), to share further detailed build cost information, should this be helpful.
- 6.21 A comparison between Quintic's assumptions and the G&T benchmark evidence is summarised in the table below.

USE	QUINTIC (£/SQ FT)	G&T – AVERAGE (£/SQ FT)	DIFFERENCE (£/SQ FT)	DIFFERENCE (%)
Offices	£237	£398	£161	+67.9%
R&D / Life Sciences	£237	£464	£227	+95.8%

- 6.22 The benchmarking identifies average office construction costs of £398 per sq ft and average life science/R&D construction costs of £464 per sq ft. By comparison, Quintic adopts build costs equivalent to approximately £237 per sq ft (excluding external works) for both offices and R&D.
- 6.23 Consequentially, the G&T evidence indicates that:
- Office build costs are approximately **68%** higher than Quintic's assumptions; and
 - R&D / life sciences build costs are approximately **96%** higher than Quintic's assumptions.
- 6.24 The Consortium notes that these are not marginal differences. They represent very substantial departures from the costs currently adopted within the viability evidence and are of a magnitude capable of materially affecting appraisal outcomes.
- 6.25 Importantly, the office benchmarking identified costs ranging from £341 per sq ft to £530 per sq ft, whilst the life sciences benchmarking identifies costs ranging from £419 per sq ft to £504 per sq ft. In both cases, every benchmark scheme exceeds Quintic's assumed cost level. The issue is therefore not simply that Quintic's figures sit below the market average. Rather, its assumptions sit below the lowest cost example contained within the benchmark dataset.
- 6.26 The significance of this finding should not be understated. The evidence suggests that Quintic's assumptions are not merely conservative relative to average market costs, but materially below the actual range of costs currently being experienced on comparable developments within Greater Cambridge. The Consortium therefore considers that the CIL VA materially understates the cost of

delivering modern commercial development and, as a consequence, overstates the ability of schemes to absorb CIL whilst maintaining competitive returns to developers and landowners.

- 6.27 The Consortium is also concerned by Quintic's decision to apply effectively the same build cost assumptions to both generic office and specialist R&D accommodation.
- 6.28 This contrasts with the approach adopted by Aspinall Verdi within the Council's emerging *Local Plan Viability Assessment* (July 2026), which separately tests offices and science park/R&D development and recognises the higher build costs associated with modern research facilities. By contrast, Quintic groups offices and R&D together and applies a generic office build cost assumption. The Councils have not explained why it is appropriate for them to adopt a different approach to the two assessments.
- 6.29 The approach adopted in the CIL VA is inconsistent with the Council's wider evidence base. Quintic adopts rents and yields that reflect the strength of Cambridge's specialist life sciences market yet does not apply a corresponding premium to reflect the significantly higher cost of delivering that accommodation.
- 6.30 Separately, the Consortium notes that different commercial build cost assumptions have been adopted within the CIL VA and the more recent Local Plan Viability Assessment. Whilst this does not alter the Consortium's principal position that both assessments materially understate actual Cambridge construction costs, the discrepancy raises questions regarding consistency across the Councils' evidence base. Again, no explanation of the inconsistency in approach has been provided by the Councils.
- 6.31 The Consortium is also concerned that the CIL VA contains no sensitivity testing for abnormal development costs. Whilst abnormal costs cannot be assumed on every site, many strategic employment and science park developments in Greater Cambridge are likely to encounter costs associated with utilities reinforcement, enabling works, servicing infrastructure, remediation, archaeology or access improvements.
- 6.32 This is particularly relevant to laboratory and life science development, where enhanced servicing, power requirements and specialist infrastructure often forms a significant component of total development costs. The absence of sensitivity testing reduces confidence that the proposed £175 per sq m charging rate has been assessed against the range of development circumstances likely to arise during the charging period.
- 6.33 This is of a key concern to the Consortium, particularly given that CIL is a fixed charge and cannot be negotiated away in the event that contamination is discovered or utility infrastructure costs are enhanced.
- 6.34 In summary, the Consortium has provided Cambridge-specific benchmark evidence derived from 20 office and life science developments. The evidence demonstrates average office construction costs of £406 per sq ft and average life science/R&D construction costs of £480 per sq ft, compared with Quintic's assumed rate of approximately £261 per sq ft. The evidence therefore suggests that Quintic has materially understated construction costs and, consequently, materially overstated development viability.

6.35 Given that the proposed £175 per sq m office and R&D charging rate is substantially higher than any other commercial charging rate proposed by the Councils, the Consortium considers that the viability evidence should be revisited to ensure that it properly reflects the actual costs of delivering commercial development in the Cambridge market.

6.36 It is crucial for the delivery of the policy aspirations for Cambridge that it remains able to support world class laboratory and R&D development on a basis that is viable. The Councils' proposals put this at risk and in so doing put at risk the growth of the knowledge economy in Cambridge that the Government is keen to support.

3. *Is the increase for external works appropriate?*

6.37 The Consortium has taken advice from its QS, G&T, and considers that Quintic's external works allowances are broadly reasonable.

4. *What is the basis for the assumptions on S106 costs and are they realistic and appropriate?*

6.38 The CIL VA adopts an allowance of up to £25 per sq m (£2.30 per sq ft) for S106 contributions in respect of non-residential development.

6.39 The assessment does not clearly set out how the S106 assumptions have been derived; nor does it demonstrate that they adequately reflect the full range of obligations that are likely to arise through the planning process. The allowance of £25 per sq m appears, therefore, to be an arbitrary allowance and it is not clear how it has been derived.

6.40 The Consortium notes that within the Council's LPVA12 (July 2026), Aspinall Verdi adopt a S106 allowance of £146 per sq m for commercial uses, nearly six times the allowance made by Quintic in the CIL VA. Aspinall Verdi's source is cited as the draft Infrastructure Delivery Plan (IDP), prepared by AtkinsRealis in July 2026. Clearly this post-dates the Quintic CIL VA. However, the significant divergence in S106 allowances being made in two area wide studies commissioned by the Councils in the same year should be explained.

6.41 The Consortium's position is that a rate of £146 per sq m should be adopted, in line with the LPVA, unless Quintic can provide satisfactory evidence indicating a rate of £25 per sq m is appropriate for Greater Cambridge.

What is the basis for the approach to benchmark land values and is this appropriate?

6.42 The Consortium's response to this question is largely the same as for Issue 3 (Residential) Question 9.

6.43 The Consortium takes no issue with Quintic's use of an Existing Use Value ("EUV") plus premium approach to derive BLVs. This is consistent with National Planning Practice Guidance.

6.44 The Consortium's concern relates instead to the level of the BLVs adopted and the extent to which they reflect market conditions within Greater Cambridge. In particular, the Consortium considers

¹² [Greater Cambridge Local Plan Viability - Main Viability Report - Regulation 19 Stage](#)

that the BLVs adopted for both greenfield and brownfield sites are generally too low and do not adequately reflect the prices required to incentivise landowners to release land for development in one of the UK's strongest development markets.

- 6.45 As a consequence, the Consortium considers that the viability evidence overstates residual land values and, in turn, overstates the capacity of development to support CIL.
- 6.46 Quintic adopts greenfield BLVs ranging from approximately £250,000 to £370,000 per gross hectare, equating to c. £100,000 to £150,000 per acre. Whilst Quintic states that these values are reflective of typical minimum option prices for greenfield development land, the Consortium is not aware of any substantial Cambridge-specific option, promotion agreement or strategic land evidence presented in support of this conclusion.
- 6.47 The Consortium's experience is that landowner expectations within Greater Cambridge are typically influenced by the area's strong residential and commercial property markets. As set out within the Consortium's Viability Technical Note, recent evidence suggests greenfield land values and option arrangements are frequently agreed at materially higher levels than those assumed by Quintic.
- 6.48 Moreover, the Consortium considers that they do not reflect the level of incentive typically required to bring strategic development land forward in Greater Cambridge, which is in one of the strongest residential markets in the country.
- 6.49 The Consortium's experience is that landowner expectations within Greater Cambridge are typically influenced by the area's strong residential and commercial property markets. As set out within the Consortium's Viability Technical Note, recent evidence suggests greenfield land values and option arrangements are frequently agreed at materially higher levels than those assumed by Quintic.
- 6.50 Whilst values vary according to location, planning prospects, strategic importance and competing land uses, the evidence reviewed by the Consortium indicates that greenfield land capable of supporting development within Cambridgeshire commonly commands values significantly above purely agricultural benchmarks. Accordingly, Quintic's assumptions largely do not reflect the market.
- 6.51 The Consortium's position is that a more realistic, Cambridge-specific greenfield BLV would be in the order of £750,000 to £2.2 million per ha (c. £300,000 to £900,000 per acre). Sensitivity testing should be undertaken by Quintic at these levels.
- 6.52 This is supported by evidence of anonymised minimum option pricing for several sites in Greater Cambridge, sourced by Bidwells, as shown in the table below.

SITE REF.	MINIMUM PRICE £/HA	MINIMUM PRICE £/ACRE
1	£741,000	£300,000
2	£741,000	£300,000
3	£1,112,000	£450,000
4	£1,236,000	£500,000

5	£2,261,000	£915,000
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- 6.53 Please note that it is not possible to provide further details publicly other than the above information in written form for reasons of confidentiality.
- 6.54 The Consortium is also concerned that Quintic's approach does not sufficiently recognise the distinction between isolated agricultural land and land located adjacent to existing settlements. In practice, land situated on settlement edges frequently commands an Existing Use Value materially above agricultural value as a consequence of its potential for amenity, equestrian, paddock or other ancillary uses.
- 6.55 Such land is often the very land that is promoted through the plan-making process and ultimately comes forward for development. Applying generic agricultural values across all greenfield sites therefore understates the existing use value of a significant proportion of the developable land supply.
- 6.56 In respect of its brownfield BLVs, Quintic adopt £10.25 million per ha for 'Secondary Offices' and £3.54 million per ha for 'Secondary Industrial'. These are derived from a hypothetical secondary office and industrial investments, assuming relatively low rents, significant voids, refurbishment costs and a landowners' premium of 20%.
- 6.57 Whilst the Consortium does not object in principle to Quintic's Secondary Industrial BLV of £3.54 million per hectare, it considers that this benchmark is unlikely to be representative of all employment land capable of accommodating higher-value science, technology and R&D uses. The sensitivity testing should therefore not be treated as capturing the full range of site circumstances encountered in the Greater Cambridge market.
- 6.58 The Consortium also notes that the adopted BLVs have not been analysed against the Government's Land Value Estimates for Policy Appraisal dataset¹³, which indicates that office land values in Cambridge are in the order of £20.15 million per ha, approximately double Quintic's secondary office assumption of £10.25 million per ha.
- 6.59 Whilst there is no requirement for BLVs to be derived directly from the Government's data, the dataset was prepared specifically to inform policy assessment and provides a nationally recognised benchmark for testing whether viability assumptions remain grounded in market evidence.
- 6.60 Given the delta between Quintic's £10.25 million per ha and the £20.15 million per acre value indicated by the Government's data, the Consortium suggests undertaking secondary office BLV sensitivity analysis at £15 million and £20 million per ha levels.
- 6.61 The absence of any meaningful comparison with this dataset limits confidence that the adopted BLVs have been appropriately sense-checked against wider market evidence.

¹³ [Land value estimates for policy appraisal 2023 - GOV.UK](https://gov.uk/land-value-estimates-for-policy-appraisal-2023)

- 6.62 The Consortium also queries the assumption that redevelopment opportunities will predominantly arise from secondary office and industrial assets with relatively low existing use values.
- 6.63 Greater Cambridge is one of the world's leading science and technology markets. The strength of occupier demand, rental performance and investor interest has contributed to elevated existing use values across much of the commercial market. In these circumstances, a BLV derived solely from secondary office accommodation does not provide an appropriate benchmark against which to assess the viability of higher-value commercial development.
- 6.64 More fundamentally, there appears to be an inconsistency within the viability evidence. Quintic's appraisals seek to capture the positive benefit of Cambridge's commercial market performance through the rents and yields adopted within the appraisal, whilst relying upon comparatively low benchmark land values derived from secondary commercial stock. The Consortium therefore considers that the strength of the Cambridge market is not being reflected consistently on both sides of the viability equation; rather it is reflected in a manner which is more likely to suggest that the CIL charges proposed can be supported compared to a more even-handed approach.
- 6.65 For the reasons set out above, the Consortium remains concerned that generally the BLVs adopted within the CIL VA are insufficiently reflective of prevailing market conditions within Greater Cambridge. Whilst the methodology is consistent with national policy and guidance, the resulting benchmark values appear generally low when considered against local land market evidence, landowner expectations and the strength of the Cambridge commercial property market.
- 6.66 The Consortium therefore considers that generally the adopted BLVs materially contribute to an overstatement of viability and warrant further review before a charging schedule is finalised.

5. Are the assumptions on rental income appropriate?

- 6.67 No, as set out in the Consortium's Viability Technical Note, Quintic's adopted rent of £57 per sq ft, applied across both office and R&D uses, is optimistic when considered against the market evidence presented by Bidwells.
- 6.68 The Consortium is concerned that the office/R&D appraisals effectively assume rental levels associated with prime, best-in-class accommodation whilst adopting significantly lower and more generic build cost assumptions. This creates an inconsistency within the viability assessment, whereby the benefits of the strongest parts of the Cambridge market are reflected on the revenue side of the appraisal, without a corresponding adjustment to reflect the costs of delivering the type of accommodation capable of achieving such rents.
- 6.69 The approach also fails to recognise the distinction between conventional office accommodation and laboratory/R&D floorspace. The *Local Plan Viability Assessment* ("LPVA") adopts office rents ranging from £46 per sq ft to £65 per sq ft for fringe and city centre office locations respectively, whilst separately applying a rent of £70 per sq ft to laboratory accommodation. This recognises the existence of differing occupational markets and the different value characteristics of office and life science space. By contrast, Quintic applies a single blended rent across both uses, despite testing them under a common charging rate.
- 6.70 The Consortium also notes that rents in the region of £57 per sq ft represent the upper end of the office market and are only likely to be achieved by high-quality schemes in the strongest locations. Whilst certain laboratory buildings may justify higher rental levels, it is not reasonable to assume

that **all** office and R&D development coming forward during the charging period will consistently achieve such rental performance.

6.71 Our Viability Technical Note identified significant variations in office and laboratory rents throughout Greater Cambridge, with office rents ranging from £28 per sq ft ('out of town') to £65 per sq ft (Grade A / 'prime city centre') and laboratory rents ranging from £57.50 per sq ft (prime shell and core) to £72.50 per sq ft ('fitted').

6.72 The Consortium notes that Quintic's evidence does not consider whether material viability differences exist across the Greater Cambridge employment market. The CIL Regulations permit differential rates by geographical area where justified by evidence. Given the substantial variation in rents, values and development characteristics between prime Cambridge laboratory locations, city centre offices and peripheral employment sites, it is not self-evident that a single £175 per sq m charging rate is appropriate across all office and R&D development. At a minimum, the evidence should demonstrate why a uniform rate is preferable to a differential approach.

6.73 Furthermore, Quintic capitalises rental income at an investment yield of 6.0%. The combination of an optimistic rental assumption and a relatively keen yield generates a strong capital value and is materially enhancing viability. Whilst this may be achievable for some of the best-performing assets under favourable market conditions, it is highly unlikely to be representative of the full range of office and R&D developments that come forward.

6.74 The Consortium therefore considers that the Councils' appraisal adopts assumptions that are unrealistically optimistic. In combination, the assumptions adopted are highly likely to overstate development value and, consequently, the capacity of office and R&D schemes to support the CIL rate proposed whilst maintaining a suitable viability buffer.

6. Are the other assumptions including on profit, other costs and policy requirements appropriate? To what extent have emerging Local Plan policy requirements been taken into account?

6.75 In terms of developer's profit, the CIL VA assumes a rate of 15.0% on GDV for commercial development (equivalent to approximately 17.6% profit on cost). As set out in our Viability Technical Note, this sits towards the lower end of the range typically adopted for viability testing and at the lower end of the range referenced within national guidance.

6.76 The Consortium's experience is that speculative office and R&D development in the Cambridge market generally requires returns of at least **20.0% on cost** in order to attract capital and adequately compensate developers for the planning, construction, letting and exit risks associated with commercial development. A return of 15.0% on GDV is not considered to be a realistic assumption to adopt for all commercial development, particularly when considered alongside the other appraisal assumptions adopted within the CIL VA.

6.77 The Consortium also notes that Aspinall Verdi's 2021 Local Plan Viability Assessment adopted a developer's return of 20.0% on cost for retail, office and industrial development. This demonstrates that higher profit allowances have previously been considered appropriate within the Councils' own evidence base. The Councils have presented no evidence to demonstrate why the changes in circumstances since 2021 justify a lower rate of return now when development risk has merely increased since that date.

- 6.78 As aforementioned, since 2021 there has been a material increase in development risk and uncertainty in the housing market, as explained below. It follows that adopting a lower rate of 15.0% profit on GDV in the current market will understate the profit required to incentivise commercial development and absorb unforeseen costs.
- 6.79 The Consortium notes that when the Aspinall Verdi study was prepared in 2021, the development industry was only just beginning to experience significant cost inflation. Since then, developers have faced:
- a) Unprecedented construction cost inflation;
 - b) Labour shortages;
 - c) Material supply chain disruption;
 - d) On-going uncertainty regarding future build cost movements; and
 - e) Significantly higher costs of finance.
- 6.80 The Consortium firmly believes that a commercial development undertaken in 2026 carries a higher level of construction risk than it would have done in 2021, meaning that the return required from undertaking residential development should increase rather than decrease.
- 6.81 The Consortium notes that since 2021, developers have experienced markedly higher funding costs. In 2021, the Bank of England Base Rate was c. 0.1%, senior debt was relatively inexpensive and development finance margins were generally lower. By comparison, the Bank of England Base rate is currently 3.75%.
- 6.82 In the present day, developers operate in an environment where funding remains materially more expensive than in 2021. Higher costs of finance increase overall development risk and reduce tolerance for underperformance. The developer's profit reduction in the Council's own wider evidence base is therefore difficult to reconcile with the substantial increase in financing costs and funding risk experienced since the earlier viability study was prepared.
- 6.83 The Consortium notes that the commercial development market has also experienced a material increase in uncertainty in recent years, increasing development risk relative to the period in which many historic viability assumptions were established.
- 6.84 Whilst Cambridge continues to benefit from a strong knowledge economy and world-leading life sciences cluster, the commercial market is not insulated from wider economic conditions. Developers are operating in an environment characterised by higher financing costs, elevated construction costs, increased policy requirements, longer development programmes and greater uncertainty regarding occupier demand and leasing velocity.
- 6.85 Particularly within the office and R&D sectors, developers are increasingly required to deliver highly specified, sustainability-led and 'best in class' accommodation in order to attract prospective occupiers. This has increased both the cost and risk associated with development. The delivery of modern laboratory and life sciences accommodation typically requires significant upfront capital expenditure, specialist design solutions and substantial servicing infrastructure before occupational demand can be realised.

- 6.86 It may be argued that Greater Cambridge is a uniquely strong commercial market capable of absorbing these risks. The Consortium does not dispute the strength of the Cambridge economy. However, market strength should not be conflated with reduced development risk. Indeed, the very characteristics that make Cambridge attractive to occupiers, namely the prevalence of high-quality office, laboratory and innovation space, also contribute to a development environment in which capital requirements, delivery costs and exposure to market fluctuations are materially greater than those associated with more conventional commercial development.
- 6.87 The Consortium considers that it cannot reasonably be argued that commercial development in Greater Cambridge today carries less risk or uncertainty than in previous years. Accordingly, viability assumptions should ensure that sufficient headroom exists to accommodate changing market conditions, cost inflation, leasing risk and development uncertainty over the life of the charging schedule.
- 6.88 In terms of other costs, the Consortium considers that Quintic's assumptions relating to professional fees and marketing costs to be too low, which thus results in an underestimate of the costs side of the appraisals.
- 6.89 Quintic adopt a professional fees allowance of 7.0% on build costs across all typologies. The CIL VA includes no indication of what is included within Quintic's 7.0% allowance, so it is not clear what the breakdown is within the allowance.
- 6.90 By contrast with the appraisals produced for the LPVA, AV's commercial appraisals include a professional fees allowance of 10.0% on build costs. This is a standard assumption in our (and AV's) view.
- 6.91 The Consortium's position is that Quintic's allowance is unusually low. As set out in our Viability Technical Note, an allowance of at least 10.0% would be more realistic and reflective of the increasing complexity of planning requirements, site-specific constraints and high-design standards in the Greater Cambridge area. An allowance of 10.0% would be in line with the Council's LPVA and should be adopted for CIL testing also.
- 6.92 In terms of marketing costs, Quintic's 2.5% total allowance is below industry benchmark allowances of between 3.0% and 5.0%, as set out in our Viability Technical Note. The Consortium's position is that a total allowance of at least 3.5% would be appropriate, broken down as follows (as a percentage of GDV):
- a) Marketing: 1.5%
 - b) Sales agents fee: 1.5%
 - c) Sales legal fee: 0.5%
- 6.93 The Consortium believes that there is a disconnect between the values adopted by Quintic and the marketing costs allowed for, which are needed to achieve these values. In other words, the marketing costs appear to be insufficient to achieve the values assumed.
- 6.94 The adopted assumptions reflect the more favourable end of the viability spectrum, and there is limited evidence demonstrating that the cumulative effect of emerging policy requirements has

been fully accounted for. Given that plan making viability should ensure policies remain deliverable across the full range of market conditions, a greater degree of caution would be appropriate.

- 6.95 There is an extensive policy burden within the Draft Plan, representing a significant increase compared with both the 2018 Adopted Local Plans and the 2026 NPPF (in relation to development management policies).
- 6.96 Whilst many of the individual policies are proposed for entirely appropriate reasons and support Greater Cambridge's ambition to achieve high quality development, their cumulative effect presents a significant risk to the deliverability of future schemes. For example, the Draft Local Plan introduces a number of new policy requirements, including:
- Net Zero Operational Carbon (CC/NZ);
 - Supporting a circular economy and sustainable resource use, including a greater emphasis on retaining existing buildings, which can be complex and costly to deliver, may reduce overall floorspace, and can affect market attractiveness (CC/CE);
 - Biodiversity Net Gain of 20% (BG/BN);
 - Accreditation under the Building with Nature Standards (BG/GI);
 - Urban Greening Factor requirements (BG/UGF);
 - Provision and enhancement of open space within commercial schemes (BG/EO); and
 - Affordable Workspace requirements (J/AW).
- 6.97 These requirements sit alongside the already high expectations for development quality within Greater Cambridge, including standards relating to public realm, landscaping, architecture, materials, public art and cycling infrastructure. Whilst these are positive and important aspects of successful development, they contribute to a higher cost base for development in Greater Cambridge than in many competing locations.
- 6.98 A particular concern is that many of the newly proposed policy requirements are drafted as generic obligations, with limited regard to site-specific circumstances, viability considerations or demonstrable local need. The cumulative impact of these requirements risks undermining the delivery of development, particularly during the first five to ten years of the Plan period. This issue is likely to be most acute for sites already under contract or progressing through the development pipeline, where land transactions and investment decisions could not reasonably have anticipated such a substantial increase in policy requirements (and potentially CIL liabilities).
- 6.99 As set out in the Viability Technical Note, the allowance of 1.4% of build costs for delivering 20% BNG, as set out in emerging Policy BG/BN, materially understates the financial impact of the policy. The Consortium's position is an allowance of 3% of build costs is more appropriate.
- 6.100 Whilst some of these costs may be reflected indirectly within build cost allowances, Quintic provides limited evidence demonstrating how the cumulative impact of these emerging policy burdens has been quantified and incorporated into the commercial viability appraisals.

7. Is the charging rate of £175 per sqm for offices and R&D justified by the evidence? Does it provide for a sufficient buffer below the potential maximum charging rate?

- 6.101 No. The Consortium does not consider that the proposed charging rate of £175 per sq m for offices and R&D development is adequately justified by the viability evidence and it does not provide a sufficient buffer below the potential maximum charging rate.
- 6.102 As set out above, the viability of the office and R&D typologies is highly sensitive to a number of key assumptions, including rental values, investment yields, build costs, benchmark land values and developer profit. The Consortium considers that the Councils have adopted highly optimistic assumptions which have the effect of materially overstating viability.
- 6.103 Most notably, the viability evidence adopts rental assumptions that are reflective of prime or best-in-class accommodation whilst simultaneously adopting build costs that are materially below those evidenced by the Consortium's Cambridge-specific benchmarking. The Consortium has demonstrated that Quintic's adopted commercial build cost of approximately £2,555 per sq m (£237 per sq ft) is significantly below the evidence provided by G&T, which identifies average construction costs of approximately £398 per sq ft for offices and £464 per sq ft for life science/R&D developments. The evidence therefore establishes that the appraisals capture the benefit of Cambridge's strongest occupational market performance in terms of revenue without fully reflecting the costs associated with delivering the type of accommodation required to achieve such revenue levels.
- 6.104 The Consortium is also concerned by the decision to apply effectively the same rental and build cost assumptions to both office and R&D development. Whilst the assessment recognises the strength of the Cambridge life sciences market through the rents adopted, it does not adequately reflect the materially higher build costs associated with laboratory-enabled accommodation. This contrasts with the approach adopted elsewhere in the Councils' evidence base for the emerging Local Plan, where office and R&D development are assessed separately.
- 6.105 The Consortium also notes that in its consultation response, Quintic places weight on the fact that the City of Oxford has adopted a comparable CIL charging rate and shares certain rental and investment market characteristics with Cambridge. However, the relevant question is not whether Oxford has adopted a similar charge, but whether the proposed rate of £175 per sq m is justified by the viability evidence for Greater Cambridge. Similar rents and yields do not necessarily imply a similar capacity to support infrastructure levies, given that viability is also influenced by factors such as construction costs, benchmark land values, planning obligations, infrastructure requirements, abnormal costs and developer return expectations. The Consortium therefore considers that the Oxford comparison does not provide useful support for the proposed charging rate and cannot substitute for the robust Cambridge-specific viability evidence that it has provided.
- 6.106 Further concerns arise in relation to the adopted benchmark land values and developer profit assumptions. The BLVs are largely not calibrated to the realities of the Greater Cambridge market, whilst the adopted developer's return of 15.0% of GDV sits towards the lower end of the range typically adopted for commercial development. Combined with optimistic rental and yield assumptions and understated construction costs, the assumptions result in a viability picture that is not even-handed and not reflective of current real-world conditions.

- 6.107 The Consortium also notes that the viability evidence contains limited sensitivity testing in respect of abnormal development costs, despite many of the strategic employment and science park sites likely to come forward during the charging period being exposed to costs associated with utilities reinforcement, enabling works, remediation, access infrastructure and specialist servicing requirements. This is particularly relevant to laboratory and life sciences development, where power requirements and servicing infrastructure can comprise a substantial element of total development cost.
- 6.108 The National Planning Practice Guidance makes clear that charging authorities should avoid setting CIL rates up to the margin of viability and should instead maintain an appropriate buffer to reflect uncertainty and changing market conditions. In the Consortium's view, the evidence does not demonstrate that the proposed charging rate of £175 per sq m incorporates such a buffer.
- 6.109 This is particularly important given that £175 per sq m represents the highest commercial charging rate proposed by the Councils. Once adopted, CIL becomes a fixed and non-negotiable charge, irrespective of future movements in construction costs, financing costs, investment yields or development risk. The charging rate must therefore be capable of being supported across the full range of development circumstances likely to arise during the charging period, rather than under a relatively optimistic set of assumptions.
- 6.110 For these reasons, the Consortium does not consider the proposed charging rate of £175 per sq m to be justified by the available evidence, nor does it provide a sufficient buffer below the maximum level theoretically supported by the appraisals.
- 6.111 The Consortium considers that further testing must be undertaken using more realistic assumptions on construction costs, land values, developer returns and abnormal costs before any conclusion is reached regarding an appropriate charging rate for office and R&D development.
- 6.112 In summary therefore, the Consortium's position is that the proposed charging rate of £175 per sq m is categorically not justified by the evidence presented in the CIL VA. Given the fundamental differences in build costs between Quintic and Consortium, the proposed charging rate fails to incorporate an appropriate buffer below the maximum viable level and that it cannot be concluded that delivery of office and R&D development would remain unaffected in all market conditions.

7.0 Issue 8: Charging rate for industrial use including data centres

1. Do the typologies for industrial and warehousing/logistics provide appropriate evidence for the types of schemes being brought forward in Greater Cambridgeshire? Do they provide appropriate evidence in relation to data centres?

- 7.1 Whilst the industrial and warehousing typologies may broadly reflect traditional employment development, it is less clear that they appropriately capture the characteristics of data centre development.
- 7.2 Data centres represent a highly specialised form of employment development with fundamentally different development economics to conventional industrial and logistics uses. Construction costs,

infrastructure requirements, power provision, cooling systems, servicing requirements and operational characteristics differ significantly from standard industrial development.

7.3 The evidence does not appear to demonstrate that data centre viability has been separately tested in a sufficiently robust manner. Instead, there is a risk that viability conclusions in this regard are being drawn from typologies which are more representative of conventional industrial and warehousing schemes than the specialist forms of development now being promoted within Greater Cambridge.

7.4 Accordingly, it is not clear that the typologies provide an adequate basis for assessing the ability of all industrial and data centre developments to support the proposed charging rate.

2. *Is the assumption on build costs appropriate and sufficiently up to date?*

7.5 As with the office and R&D assessment, build costs remain a key concern to the Consortium.

7.6 The viability evidence places considerable emphasis on rental values and investment assumptions whilst providing limited justification for the adopted construction costs. Recent market conditions have seen sustained inflationary pressures affecting labour, materials, energy and specialist infrastructure requirements.

7.7 This issue is particularly relevant for data centre development, where no data centre-specific build costs have been adopted. Construction costs for data centres typically differ materially from conventional industrial buildings due to the need for extensive electrical infrastructure, cooling systems, backup power provision and specialised plant.

7.8 The Consortium wishes to highlight that data centres are also unusually dependent on power infrastructure and therefore generic commercial construction benchmarks will not reflect the likely cost of delivering operational facilities. Grid upgrades, substations and reinforcement works can materially affect development viability and are site specific.

7.9 While the proposed charging rate for industrial and data centres is lower than that proposed for offices and R&D, viability remains highly sensitive to construction costs. In the absence of more detailed evidence demonstrating that the adopted assumptions fully reflect current market conditions and the full spectrum of development typologies (including data centres), the Consortium considers that Quintic's build cost assumptions do not provide robust justification for the proposed charging rate.

3. *Is the increase for external works appropriate?*

7.10 The Consortium considers that Quintic's external works allowances are broadly reasonable.

4. *What is the basis for the assumptions on S106 costs and are they realistic and appropriate?*

7.11 The CIL VA adopts an allowance of up to £25 per sq m (£2.30 per sq ft) for S106 contributions in respect of non-residential development.

7.12 The assessment does not clearly set out how the S106 assumptions have been derived; nor does it demonstrate that they adequately reflect the full range of obligations that are likely to arise

through the planning process. The allowance of £25 per sq m appears, therefore, to be an arbitrary allowance and it is not clear how it has been derived.

7.13 The Consortium notes that within the Council's LPVA14 (July 2026), Aspinall Verdi adopt a S106 allowance of £146 per sq m for commercial uses, nearly six times the allowance made by Quintic in the CIL VA. Aspinall Verdi's source is cited as the draft Infrastructure Delivery Plan (IDP), prepared by AtkinsRealis in July 2026. Clearly this post-dates the Quintic CIL VA. However, the significant divergence in S106 allowances being made in two area wide studies commissioned by the Councils in the same year should be explained.

7.14 The Consortium's position is that a rate of £146 per sq m should be adopted, in line with the LPVA, unless Quintic can provide satisfactory evidence indicating a rate of £25 per sq m is appropriate for Greater Cambridge.

5. *What is the basis for the approach to benchmark land values and is this appropriate? Is the reference in Paragraph 6.25 of the Viability Assessment to development typically being on previously developed land appropriate?*

7.15 As per our comments in respect of Offices and R&D, the basis for the approach to BLVs is appropriate, as it is in line with NPPG. However, the Consortium's position is that the BLV figures themselves are too generic and largely understated, for the same reasons as set out in the preceding section (Offices and R&D).

7.16 The Consortium partly agrees with the reference at Paragraph 6.25 of the CIL VA, in so far as that due to their large scale, industrial developments and data centres will typically be developed on previously undeveloped land. The Consortium disagrees, however, that this automatically means such land will have 'lower benchmark land values', as explained in the preceding section (on Offices and R&D). Particularly if such land is located close to or on the edge of existing settlements, where greenfield EUVs are typically higher than isolated agricultural land values. This form of development requires particularly large parcels of land. As a result, there are relatively few sites that can accommodate them leading owners to having higher expectations for the value of these sites.

6. *Are the assumptions on rental income appropriate?*

7.17 As per our Viability Technical Note, we consider the industrial rental assumption of £195 per sq m (£18.11 per sq ft) to sit within a reasonable range (£15.50 per sq ft for 'good secondary' and £25.75 per sq ft for 'prime').

7.18 However, the Consortium considers Quintic's yield assumption of 5.0% to be reflective of prime property and therefore not something that every development will be able to achieve. Given that Quintic's adopted rent sits between the expected secondary and prime rental range, it is not clear why the yield has been set reflecting prime property, without adjustment outwards. The Consortium's position is that an industrial yield of 6.0% would be appropriate for industrial property generally.

¹⁴ [Greater Cambridge Local Plan Viability - Main Viability Report - Regulation 19 Stage](#)

7. Are the other assumptions including on profit, other costs and policy requirements appropriate? To what extent have emerging Local Plan policy requirements been taken into account?

7.19 Please see our response to Question 7 in relation to Offices and R&D, which are relevant for this section also.

7.20 In addition, the Consortium considers that the viability assessment should be capable of reflecting the cumulative impact of all policy costs. Whilst individual obligations may vary between schemes, it is important that the assumptions adopted provide a realistic representation of the contributions likely to arise in practice.

7.21 Without greater transparency regarding the derivation of the assumptions and the extent of any sensitivity testing, it is difficult to conclude that the cumulative cost burden associated with planning obligations has been fully reflected.

8. Is the charging rate of £35 per sqm for industrial use including data centres justified by the evidence? Does it provide for a sufficient buffer below the potential maximum charging rate?

7.22 While the proposed rate of £35 per sqm is more modest than for other development types, the Consortium considers that the proposed rate is not justified by the evidence and that it does not provide for a sufficient buffer below the potential maximum charging rate.

7.23 The viability evidence places considerable reliance on favourable assumptions regarding values and market performance, whilst providing relatively limited justification for many of the underlying cost assumptions. Concerns remain regarding build costs, external works, planning obligations and the treatment of specialist developments such as data centres.

7.24 Furthermore, the assessment has not demonstrated that data centre development, with its unique infrastructure and construction requirements, can be appropriately assessed through the same broad viability framework as conventional industrial and logistics development.

7.25 Consequently, while a £35 per sq m rate may ultimately prove capable of being supported by some forms of employment development, the evidence currently presented does not conclusively demonstrate that the proposed charge provides sufficient headroom below the maximum viable rate across the full range of industrial and data centre schemes likely to come forward during the plan period.

8.0 Conclusion

8.1 The Consortium considers that the viability assessment work undertaken for the Councils is not appropriately supported by real world data derived from the specifics of the Greater Cambridge market and the nature of the development within it. The consequence is that the Councils' generic assessment risks development viability and thus deliverability in an area identified by the Government as a key area for growth.

- 8.2 The Consortium believes that further viability testing using assumptions that are in fact related to local circumstances and experience **must** be undertaken to establish a CIL rate that can be supported without risking development viability now. Indeed, adoption of a CIL charge without consideration of these issues would be unlawful since it would fail to take into account a number of material considerations.
- 8.3 Section 205(2) of the Planning Act 2008 provides:
- “In making the [CIL] regulations the Secretary of State shall aim to ensure that the overall purpose of CIL is to ensure that costs incurred in supporting the development of an area can be funded (wholly or partly) by owners or developers of **land in a way that does not make development of the area economically unviable**.”* (emphasis added).
- 8.4 Thus, the central objective of the CIL system is to support infrastructure delivery via a CIL charge only where this does not make development economically unviable.
- 8.5 It may well be that further testing demonstrates that the scope for a CIL charge is materially more limited than suggested by the Councils' assessment, or potentially absent for certain development typologies or under current market conditions. If that is the case, the charging schedule would need to be amended accordingly.
- 8.6 Whatever the outcome of that testing, the Consortium's position is that any charges should be informed by robust evidence derived from local market circumstances and set at levels that are consistent with the statutory objective of not putting development viability at risk.

APPENDIX 1

CAST RESIDENTIAL CONSTRUCTION COST
BENCHMARKING



Development Consortium

Greater Cambridge
CIL Examination

Residential
Benchmarking Report

Rev.04

October 2026





Version Control & Contact Information

Issue	Revision No.	Date Issued	Comments / Description	Page No.	Prepared by:	Reviewed by:
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Section 1

Introduction

Introduction

- 1.1 This report has been prepared by Cast Real Estate & Construction Consultancy (“Cast”) to provide independent expert evidence on residential construction costs for the Examination of the Cambridge City and South Cambridgeshire Community Infrastructure Levy (CIL) Draft Charging Schedule.
- 1.2 The report responds specifically to the build cost assumptions set out by BNP Paribas Real Estate in the report entitled " Greater Cambridge: Community Infrastructure Levy Viability Assessment" (“BNPP Report”)
- 1.3 Cast has been appointed as Quantity Surveyor to a consortium of landowners, developers, investors and institutions with active or planned development interests across Greater Cambridge (“the Consortium”) to prepare this Residential Construction Cost Benchmarking Report to provide an informed assessment of prevailing construction costs across all residential sectors relevant to the Greater Cambridge market.
- 1.4 Cast have provided a review of the construction cost position outlined in the BNPP including a critical analysis on the application of single cost points for multiple sub-sector products including Affordable Homes, Private For Sale Multi-family Developments, Build to Rent, Retirement Residential, Purpose Built Student Accommodation and Co-Living Developments.
- 1.4 Cast’s scope is to draw together interrogable construction cost data for the residential sector. The report sets out project-level data normalised by date and location to responds directly to the position taken on behalf of the Councils that previous representations on cost were set aside because the underlying costs could not be interrogated.
- 1.5 Project data is anonymised to protect client confidentiality. Underlying cost plans and contract documents can be made available to the Examiner on a confidential basis if required.
- 1.6 Cast’s evidence is intended to be read alongside the Bidwells viability evidence, into which these construction costs feed, and the Gardiner & Theobald commercial benchmarking report, which follows a consistent benchmarking methodology.



Section 2

Overview of Cast Consultancy

Overview of Cast Consultancy

- 2.1 Cast Consultancy is a specialist residential construction and development consultancy providing cost management, project management and strategic consultancy services across the UK built environment.
- 2.2 Cast's focus is centred on the commercial, technical and delivery aspects of development. This provides direct exposure to the projects, procurement exercises, contractor returns, cost plans, tenders and completed schemes that form the basis of robust benchmarking and market analysis.
- 2.3 Over the last decade, Cast has advised on residential-led developments with an aggregate construction value running into many billions of pounds, working across every major residential asset class. Our clients include private developers, institutional investors, local authorities, housing associations, build-to-rent operators, later living providers, care operators, purpose-built student accommodation providers, contractors, manufacturers and public sector bodies.
- 2.4 Our work spans the full development lifecycle, from site acquisition and feasibility through planning, viability, procurement, delivery and operational handover. As a result, our benchmark data is informed by live market pricing, contractor tender returns, construction contracts, completed developments and operational assets.
- 2.5 Cast maintains direct involvement across the full spectrum of UK residential development, including:
- Private sale residential
 - Affordable housing
 - Build-to-rent (BTR)
 - Single-family homes
 - Purpose-built student accommodation (PBSA)
 - Co-living developments
 - Later living and retirement communities
 - Care homes and assisted living
 - Mixed-use residential regeneration
 - Estate regeneration and masterplan developments

Overview of Cast Consultancy

2.6 Neil Brearley MRICS

Neil is a Founding Director of Cast and has over 25 years' experience providing cost management, development consultancy and strategic advisory services across the residential and mixed-use development sectors throughout the UK.

During his time in the industry Neil has advised developers, institutional investors, registered providers, local authorities, housing associations, build-to-rent operators, student accommodation providers retirement living operators and on projects ranging from small urban infill developments to some of the UK's largest residential-led regeneration schemes.

Throughout his career, Neil has been responsible for the preparation, review and interrogation of development appraisals, cost plans, viability assessments and market benchmarks, providing strategic advice to clients at all stages of the development lifecycle. He has extensive experience analysing construction costs and development trends across multiple residential sectors, drawing upon a substantial database of completed and live projects to inform investment, acquisition and development decisions.

Neil has acted as an expert witness and independent adviser in planning, viability and development-related matters. His experience includes the assessment of residential development costs, market comparators, procurement strategies and the examination of development viability assumptions.

Overview of Cast Consultancy



2.7 Michael Hughes MRICS

Michael Hughes is a Director at Cast with extensive experience delivering cost consultancy and procurement management services across the residential sectors advising on a wide range of schemes including private sale residential, affordable housing, build-to-rent, purpose-built student accommodation, co-living developments, later living communities and care homes.

He has worked with developers, institutional investors, housing associations, operators and funding partners on projects across London and the wider UK market.

A significant part of Michael's role involves the collection, interrogation and normalisation of construction cost data from live and completed developments to support strategic decision-making, benchmarking and viability assessments. He has been responsible for the development and maintenance of Cast's residential cost benchmarking database and has led comparative analyses across multiple residential asset classes and procurement routes.

For this report, Michael has overseen the collation, validation and normalisation of the benchmark dataset and has undertaken the comparative analysis of costs, market evidence and sector-specific trends. His experience across build-to-rent, private residential, affordable housing, student accommodation and later living developments provides a detailed understanding of the key drivers influencing construction costs, specification standards and development viability across the residential market.



Section 3

Approach to Benchmarking

Approach to Benchmarking

3.1 Our benchmarking approach provides a consistent and robust framework to compare projects on a like-for-like basis, ensuring that cost outcomes are assessed objectively and transparently.

Using Cast’s internal cost database, we collect data on projects at all key stages (feasibility, cost plans, CSA and final account) and benchmark projects of a similar scale, typology and specification, adjusting all data to current-day costs using BCIS tender price indices. This normalises the impact of inflation and allows direct comparison of key cost metrics such as £/m², £/ft² and £/unit. Importantly, we look to use relatively recent project information (less than 5 years old) to ensure regulatory changes are not overlooked.

Benchmarks are structured to ensure consistency, typically excluding demolition, enabling works and project-specific abnormals unless otherwise stated, allowing a clear focus on core construction costs. By analysing schemes delivered through a range of methodologies—from traditional construction to modern methods of construction—we are able to identify performance trends, validate cost positions and provide meaningful market context.

The data used within this benchmarking comprises recently delivered and live projects across the with comparable scale, typology and quality to those expected in the Greater Cambridge area. Where projects are located outside of Cambridgeshire, their construction costs are adjusted using the BCIS Location factors as included below.

3.2 The report analyses from cost data between 2023-2026, with the primary data source being projects that Cast are providing Cost Management, Project Management or Specialist Advisory Services on, either in the design or procurement stages or agreed contract sums. l project data has been anonymised to preserve client confidentiality and any commercial sensitivity.

We note that Greater Cambridge represents a distinctive residential construction market, with projects often requiring high-quality design solutions both in terms of facade materiality and services/sustainability; sometimes governed by regional policy/guidelines, and also governed by market comparators.

Approach to Benchmarking

BCIS All-in TPI	
Feb-2020	335
May-2020	335
Aug-2020	330
Nov-2020	328
Feb-2021	328
May-2021	331
Aug-2021	339
Nov-2021	344
Feb-2022	349
May-2022	365
Aug-2022	371
Nov-2022	375
Feb-2023	379
May-2023	383
Aug-2023	386
Nov-2023	388
Feb-2024	390
May-2024	392
Aug-2024	394
Nov-2024	397
Feb-2025	399
May-2025	401
Aug-2025	404
Nov-2025	407
Feb-2026	410
May-2026	414
Aug-2026	417
Nov-2026	419

Source : BCIS online as of 28th September 2026

BCIS Location	
North East	89
North West	104
Yorkshire and the Humber	103
East Midlands	103
West Midlands	93
East of England	103
Bedfordshire	106
Cambridgeshire	101
Essex	105
Hertfordshire	108
Norfolk	98
Suffolk	99
London	117
Inner London Boroughs	121
Outer London Boroughs	114
South East	107
Berkshire	107
Buckinghamshire	106
East Sussex	108
Hampshire	104
Isle of Wight	104
Kent	108
Oxfordshire	104
Surrey	113
West Sussex	107
South West	92
Wales	101
Scotland	92

Source : BCIS online as of 28th September 2026

Approach to Benchmarking

Exclusions

- | | |
|--|---|
| 1 Value Added Tax (VAT) | 29 Professional fees (e.g. design, project management, surveys, etc.) |
| 2 Land acquisition costs and fees | 30 Fund monitoring and third-party advisor costs. |
| 3 Client finance, legal or marketing costs | 31 Fund monitoring and third-party advisor costs. |
| 4 Planning and Building Regulation fees | 32 Fees or costs associated with Rights of Light agreements, Party Wall Awards, over-sailing agreements, etc. |
| 5 Project insurances | 33 Benefits arising from any potential Capital Allowances or other government incentives/grants |
| 6 Section 106 contributions, including cycle hire costs | |
| 7 Community Infrastructure Levy (CIL) contributions or similar | 34 Fees or costs associated with Rights of Light agreements, Party Wall Awards, over-sailing agreements, etc. |
| 8 Connection to district heating systems | 35 Costs resulting from tariffs or other charges following the withdrawal of the UK from the European Union/US fiscal policy (or similar) |
| 9 Works outside normal working hours | 36 Client risk allowance (allowance for Design Contingency in line with RICS NRM guidelines including for Cost Planning in alignment with anticipated CSA for developments) |
| 10 Statutory changes | |
| 11 No allowance has been made for future changes to the Building Regulations | |
| 12 Loose fittings, furnishings, equipment and external furniture | |
| 13 External works, utilities, demolitions and diversions | |
| 14 Carbon offset payments | |
| 15 Public art installations or contributions | |
| 16 Works outside the site boundary | |
| 17 Financing costs. | |
| 18 Latent Defects Insurance. | |
| 19 Advanced Payment Bonds. | |
| 20 Excavation and disposal of contaminated materials. | |
| 21 Upgrades to existing incoming services. | |
| 22 Watching brief and post-UXO survey requirements. | |
| 23 Site-specific investigations and surveys. | |
| 24 BREEAM requirements and associated compliance measures. | |
| 25 Section 278 works. | |
| 26 Local authority charges. | |
| 27 Archaeological surveys and associated costs. | |
| 28 Protected species surveys and associated costs | |



Section 4

Review of BNP Report approach to build cost assumptions

Review of BNP Report approach to build cost assumptions

4.1 At paragraph 4.11 of the BNPP Report, BNPP state that build costs are sourced from the RICS Building Cost Information Service (BCIS), based on tenders for actual schemes, with base costs adjusted for local circumstances by a BCIS location multiplier. The residential rates adopted in Table 4.11.1 are:

Typology	BCIS category	Base £/m ²	External works	Total £/m ² (before policy costs)
Houses	810.1 Estate housing generally	£1,608	15%	£1,849
Flats – fewer than 6 storeys	816 Flats 3–5 storeys	£1,858	10%	£2,044
Student housing	856.2 Students’ residences, halls of residence etc.	£2,549	10%	£2,804

Table 4.1 – Residential build costs, BNPP Viability Assessment Table 4.11.1.

4.2 Paragraph 4.12 applies an external works uplift of 15% for houses and 10% for flats. Paragraph 4.13 adds £29,070 per unit for utilities upgrades, estate roads and related infrastructure on larger edge-of-settlement schemes, indexed from the lower end of the Local Housing Delivery Group range.

- 4.3 The BNPP Report allows for only one construction cost position for Houses and one for Flats of fewer than six storeys . This overlooks the differences between there are two primary delivery routes for housing, with distinct cost structures: the House Builder model and the Investor/Developer model, under which a main contractor is procured to deliver the works. It overlooks the impacts and cost trends/differentials associated with different typologies and densities within these groupings.
- 4.4 For the House Builder model, the developer is also "the builder". It manages construction in-house, procures trade packages and materials directly, and uses standard house types refined over many sites. Its construction margin is not charged as a build cost but is recovered within the gross development margin, so the house builder effectively builds at net cost. It also owns and mitigates the delivery, quality and supply-chain insolvency risk that a main contractor would price in.
- 4.5 For the Investor/Developer model, the developer, fund, registered provider or operator appoints a main contractor. The contract sum therefore includes additional margin / on-costs : the main contractor’s preliminaries profile, overheads and profit and risk pricing.

Review of BNP Report approach to build cost assumptions



4.6 The two models differ in four areas of cost:

Organisation costs – hard preliminaries (Differential: c.1.0%.)

Compound, plant, waste, scaffolding and site facilities are broadly similar under both models. House builders run them leaner and procure them directly rather than through a main contractor, in a manner closer to construction management, and they keep the associated risk.

Organisation costs – soft preliminaries (staff) (Differential: c.1.0%)

Main contractors carry larger site and commercial teams, particularly after recent problem projects. The gap has narrowed as house builders have had to pay more to keep staff targeted by contractors and consultants.

Trade package costs (Differential: 5.0%)

House builders engage labour-only trades (bricklayers, joiners, plasterers, plumbers, tilers) and buy directly from manufacturers and suppliers (bricks, kitchens, doors, ironmongery, flooring, sanitaryware, tiling). Their supply chain is broader and less polarised, and they avoid the roll-up of main contractor on-costs. The benefit is greatest on lower-value schemes, where house builder leverage over trades is strongest, and carries more risk for the house builder.

Overheads and profit (Differential: 5.0%.)

House builders offset construction margin against gross development margin, so overheads and profit do not appear in build cost. Main contractor overhead and profit rates have risen with demand.

	Investor/Developer (main contractor) – index	House Builder – index	Differential (% of I/D cost)
Organisation costs – hard preliminaries	10	9	1%
Organisation costs – soft preliminaries (staff)	8	7	1%
Overheads and profit	5	0	5%
Trade package costs	77	72	5%
Total construction cost	100	88	12%

Table 4.2 – Comparison of Investor Developer model versus House Builder Model



Section 5

Summary on Benchmarking Review

Summary of benchmarking



	Cast Benchmarks (Investor/Developer Model)				BNPP Report	Difference in Residential Construction Costs	
	Number of Schemes	Cast Range £/m2 (low)	Cast Range £/m2 (high)	Average £/m2	BNPP £/m2	Difference £/m2	Difference %
Single Family Homes	9	£2,272/m2	£3,055/m2	£2,570/m2	£1,608/m2	£962/m2	60%
Affordable Homes	6	£2,365/m2	£4,210/m2	£2,895/m2	£1,858/m2	£1,037/m2	56%
Private For Sale	8	£3,091/m2	£4,244/m2	£3,625/m2	£1,858/m2	£1,767/m2	95%
Affordable Homes/Private For Sale Combined	14	£2,365/m2	£4,244/m2	£3,312/m2	£1,858/m2	£1,454/m2	78%
Build to Rent	10	£3,101/m2	£4,025/m2	£3,579/m2	£1,858/m2	£1,721/m2	93%
Retirement Residential	10	£2,792/m2	£3,646/m2	£3,220/m2	£1,858/m2	£1,362/m2	73%
Purpose Built Student Accommodation	10	£3,237/m2	£4,169/m2	£3,735/m2	£2,549/m2	£1,186/m2	47%
Co-living Developments	8	£3,161/m2	£4,512/m2	£3,628/m2	£2,549/m2	£1,079/m2	42%
TOTAL	75						

Table 5.1 - Headline Summary of Cast benchmark output , comparison with BNPP report cost position and difference of costs.



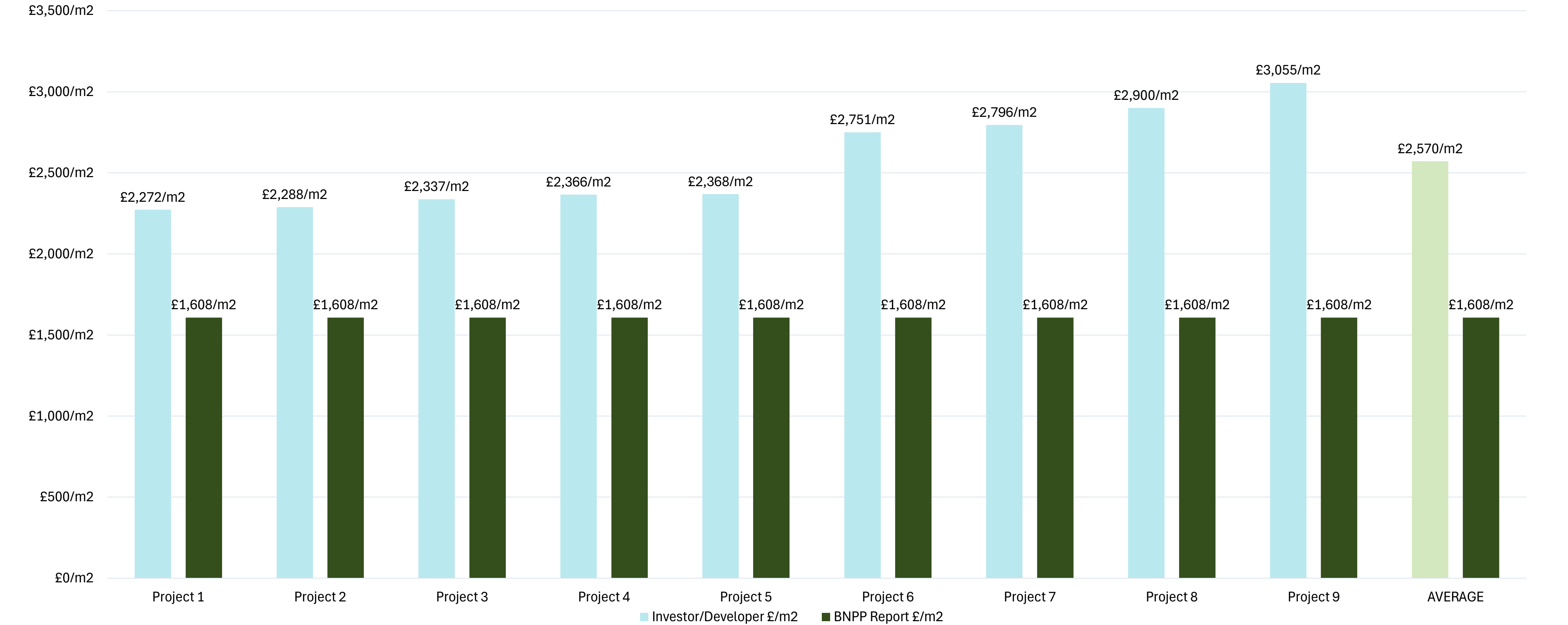
Section 1

Residential Benchmarking - Single Family Homes



Single Family Homes - Benchmark Data

Project	Project 1	Project 2	Project 3	Project 4	Project 5	Project 6	Project 7	Project 8	Project 9	AVERAGE
GIA	ANONYMISED	ANONYMISED	ANONYMISED	ANONYMISED	ANONYMISED	67,500 sqft	ANONYMISED	193,750 sqft	131,773 sqft	131,008 sqft
Units	ANONYMISED	ANONYMISED	ANONYMISED	ANONYMISED	ANONYMISED	71 units	ANONYMISED	129 units	112 units	104 units
Cost Data Source	Contract Sum	Contract Sum	Contract Sum	Contract Sum	Contract Sum	Stage 3 Cost Plan	Contract Sum	Stage 3 Cost Plan	Contract Sum	
BCIS Location, TPI and Investor/Developer Adjusted Construction Cost	ANONYMISED	ANONYMISED	ANONYMISED	ANONYMISED	ANONYMISED	£17,250,000.00	ANONYMISED	£52,200,000.00	£37,400,000.00	£35,616,667
Investor/Developer Model										
£/Unit	£272,324/unit	£260,425/unit	£296,501/unit	£268,144/unit	£239,985/unit	£250,141/unit	£273,760/unit	£484,806/unit	£333,929/unit	£297,779/unit
Investor/Developer £/m2	£2,272/m2	£2,288/m2	£2,337/m2	£2,366/m2	£2,368/m2	£2,751/m2	£2,796/m2	£2,900/m2	£3,055/m2	£2,570/m2
BNPP Report £/m2	£1,608/m2	£1,608/m2	£1,608/m2	£1,608/m2	£1,608/m2	£1,608/m2	£1,608/m2	£1,608/m2	£1,608/m2	£1,608/m2
Variance £/m2	£664/m2	£680/m2	£729/m2	£758/m2	£760/m2	£1,143/m2	£1,188/m2	£1,292/m2	£1,447/m2	£962/m2





Single Family Homes - Benchmark Data									
	Project 1	Project 2	Project 3	Project 4	Project 5	Project 6	Project 7	Project 8	Project 9
BCIS Project Location	Cambridgeshire	Cambridgeshire	Cambridgeshire	Cambridgeshire	Cambridgeshire	Oxfordshire	Cambridgeshire	Hertfordshire	Cambridgeshire
Status	On Site	On Site	On Site	On Site	On Site	Completed	On Site	Completed 2023	Stage 1 Design
Data Source	Con tract Sum	Con tract Sum	Con tract Sum	Con tract Sum	Con tract Sum	Contract Sum	Con tract Sum	Publicly available	Market Test
GIA (sqft)						67,500 sqft		193,750 sqft	131,773 sqft
GIA (m2)						6,271 m2		18,000 m2	12,242 m2
Units						71 units		129 units	112 units
Contractor Tier						Main Contracor		Main Contracor	Main Contracor
Development Model						Investor/Developer		Investor/Developer	Investor/Developer
Total Construction Cost	ANONYMISED	ANONYMISED	ANONYMISED	ANONYMISED	ANONYMISED	£14,580,000	ANONYMISED	£50,000,000	£35,166,981
15%						*Exc. Site works / abnormals		*Exc. Site works / abnormals	*Exc. Site works / abnormals
Adjusted Construction cost excluding site works and abnormals						£14,580,000		£50,000,000	£35,166,981
BCIS Base Date						Nov-2021		May-2022	Aug-2024
BCIS All-in TPI Base Date						344		335	394
BCIS All-in TPI Nov-2026						419		419	419
BCIS TPI Adjusted Construction Cost						£17,760,000.00		£62,540,000	£37,400,000.00
BCIS Project Location Factor						104		121	101
BCIS Cambridge Location Factor						101		101	101
BCIS Location and TPI Adjusted Construction Cost						£17,250,000.00		£52,200,000.00	£37,400,000.00
£/m2	£2,029/m2	£2,043/m2	£2,086/m2	£2,113/m2	£2,115/m2	£2,751/m2	£2,496/m2	£2,900/m2	£3,055/m2
£/Unit	£243,146/unit	£232,523/unit	£264,733/unit	£239,414/unit	£214,273/unit	£250,141/unit	£244,429/unit	£484,806/unit	£333,929/unit
Investor/Devloper Model									
Investor/Developer Model factor:									
12%									
£/Unit	£272,324/unit	£260,425/unit	£296,501/unit	£268,144/unit	£239,985/unit	£250,141/unit	£273,760/unit	£484,806/unit	£333,929/unit
£/m2	£2,272/m2	£2,288/m2	£2,337/m2	£2,366/m2	£2,368/m2	£2,751/m2	£2,796/m2	£2,900/m2	£3,055/m2
BNPP Reprort £/m2	£1,608/m2	£1,608/m2	£1,608/m2	£1,608/m2	£1,608/m2	£1,608/m2	£1,608/m2	£1,608/m2	£1,608/m2
Variance to BNPP Report £/m2	£664/m2	£680/m2	£729/m2	£758/m2	£760/m2	£1,143/m2	£1,188/m2	£1,292/m2	£1,447/m2
House Builder Model									
£/Unit	£243,146/unit	£232,523/unit	£264,733/unit	£239,414/unit	£214,273/unit	£220,124/unit	£244,429/unit	£426,629/unit	£293,857/unit
£/m2	£2,029/m2	£2,043/m2	£2,086/m2	£2,113/m2	£2,115/m2	£2,421/m2	£2,496/m2	£2,552/m2	£2,688/m2
BNPP Reprort £/m2	£1,608/m2	£1,608/m2	£1,608/m2	£1,608/m2	£1,608/m2	£1,608/m2	£1,608/m2	£1,608/m2	£1,608/m2
Variance to BNPP Report £/m2	£421/m2	£435/m2	£478/m2	£505/m2	£507/m2	£813/m2	£888/m2	£944/m2	£1,080/m2



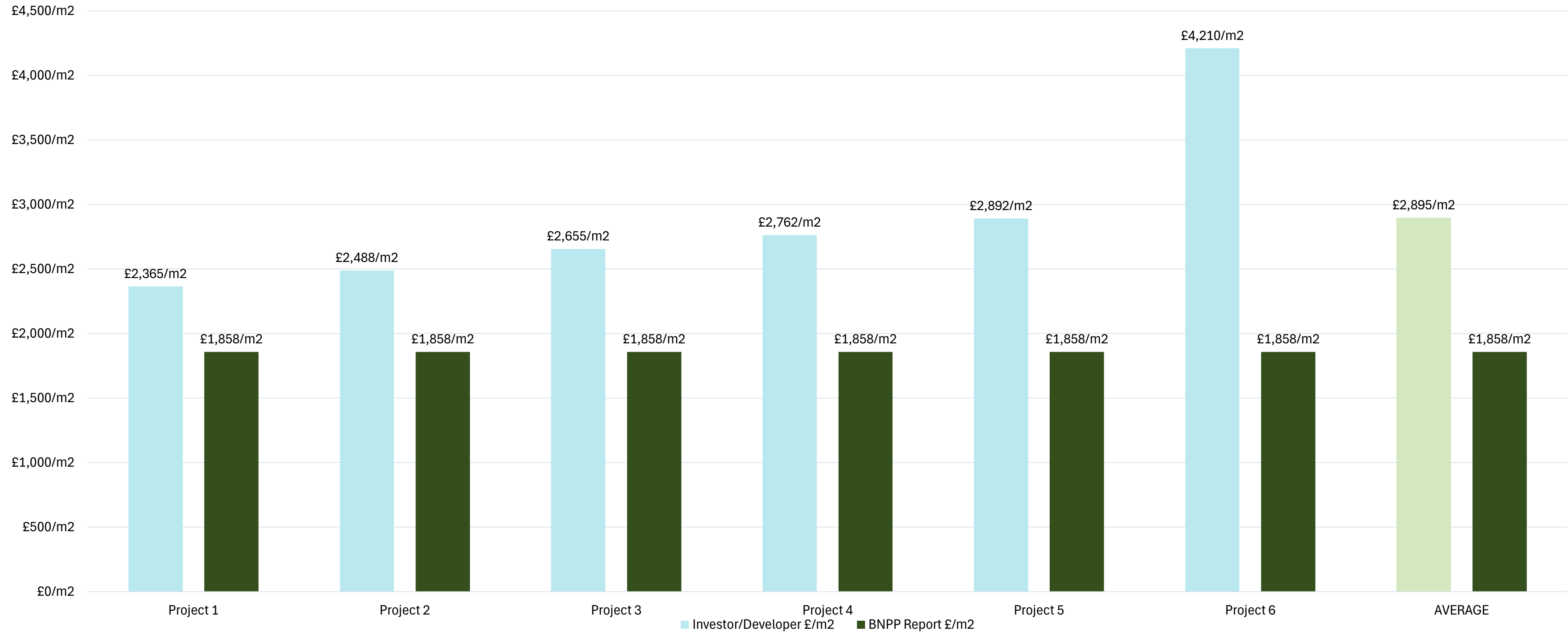
Section 7

Residential Benchmarking - Affordable Homes



Affordable Homes - Benchmark Data							

Project	Project 1	Project 2	Project 3	Project 4	Project 5	Project 6	AVERAGE
GIA	99,696 sqft	212,512 sqft	209,221 sqft	94,302 sqft	142,483 sqft	140,152 sqft	149,728 sqft
Units	100 units	207 units	203 units	82 units	120 units	139 units	44 units
Cost Data Source	Contract Sum	Contract Sum	Contract Sum	Contract Sum	Contract Sum	Contract Sum	
BCIS Location and TPI Adjusted Construction Cost	£21,900,000.00	£49,130,000.00	£51,610,000.00	£24,200,000.00	£38,280,000.00	£54,820,000.00	£39,990,000
Investor/Developer Model							
£/Unit	£247,200/unit	£237,343/unit	£304,581/unit	£333,049/unit	£360,083/unit	£472,446/unit	£325,784/unit
Investor/Developer £/m2	£2,365/m2	£2,488/m2	£2,655/m2	£2,762/m2	£2,892/m2	£4,210/m2	£2,895/m2
BNPP Report £/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2
Variance £/m2	£507/m2	£630/m2	£797/m2	£904/m2	£1,034/m2	£2,352/m2	£1,037/m2





Affordable Homes - Benchmark Data

	Project 1	Project 2	Project 3	Project 4	Project 5	Project 6
BCIS Project Location	Outer London Boroughs	Hertfordshire	Inner London Boroughs	Outer London Boroughs	Outer London Boroughs	Inner London Boroughs
Status	On-site	Completed 2023	PCSA	On-site	Completed 2025	Completed 2026
Data Source	Contract Sum	Contract Sum	Contract Sum	Contract Sum	Contract Sum	Contract Sum
GIA (sqft)	99,696 sqft	212,512 sqft	209,221 sqft	94,302 sqft	142,483 sqft	140,152 sqft
GIA (m2)	9,262 m2	19,743 m2	19,437 m2	8,761 m2	13,237 m2	13,020 m2
Units	100 units	207 units	203 units	82 units	120 units	139 units
Contractor Tier	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 1
Development Model	Investor/Developer	Investor/Developer	Investor/Developer	Investor/Developer	Investor/Developer	Investor/Developer
Construction Cost	£24,184,869	£42,000,000	£60,500,000	£26,330,000	£39,500,000	£59,400,000
BCIS Base Date	Feb-2026	Feb-2020	Feb-2026	Aug-2025	May-2023	Feb-2023
BCIS All-in TPI Base Date	410	335	410	404	383	379
BCIS All-in TPI Nov-2026	419	419	419	419	419	419
BCIS TPI Adjusted Construction Cost	£24,720,000.00	£52,530,000.00	£61,830,000.00	£27,310,000.00	£43,210,000.00	£65,670,000.00
BCIS Project Location Factor	114	108	121	114	114	121
BCIS Cambridge Location Factor	101	101	101	101	101	101
BCIS Location and TPI Adjusted Construction Cost	£21,900,000.00	£49,130,000.00	£51,610,000.00	£24,200,000.00	£38,280,000.00	£54,820,000.00
£/Unit	£247,200/unit	£237,343/unit	£304,581/unit	£333,049/unit	£360,083/unit	£472,446/unit
£/m2	£2,365/m2	£2,488/m2	£2,655/m2	£2,762/m2	£2,892/m2	£4,210/m2
Investor/Developer Model						
£/Unit	£247,200/unit	£237,343/unit	£304,581/unit	£333,049/unit	£360,083/unit	£472,446/unit
£/m2	£2,365/m2	£2,488/m2	£2,655/m2	£2,762/m2	£2,892/m2	£4,210/m2
BNPP Reprort £/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2
Variance to BNPP Report £/m2	£507/m2	£630/m2	£797/m2	£904/m2	£1,034/m2	£2,352/m2



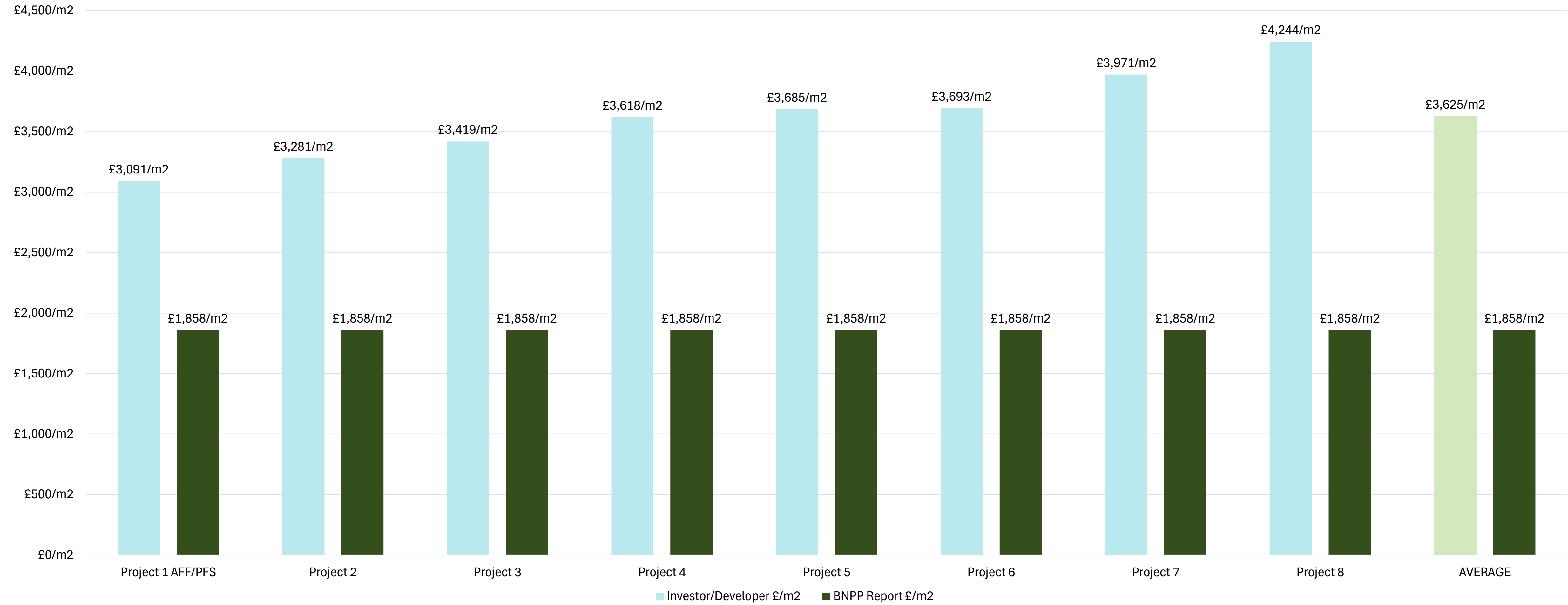
Section 8

Residential Benchmarking - Private For Sale Multi-family Developments



Private for Sale - Benchmark Data									

Project	Project 1 AFF/PFS	Project 2	Project 3	Project 4	Project 5	Project 6	Project 7	Project 8	AVERAGE
GIA	146,067 sqft	625,000 sqft	ANONYMISED	161,459 sqft	ANONYMISED	129,167 sqft	180,000 sqft	193,903 sqft	239,266 sqft
Units	165 units	458 units	0 units	160 units	0 units	93 units	170 units	261 units	44 units
Cost Data Source	Agreed Construction Costs	Stage 3 Cost Plan	Con tract Sum	Contract Sum	Con tract Sum	Contract Sum	Contract Sum	Market Testing	
BCIS Location and TPI Adjusted Construction Cost	£41,940,000.00	ANONYMISED	ANONYMISED	£54,270,000.00	ANONYMISED	£41,440,000.00	£58,840,000.00	£76,460,000.00	£54,590,000
Investor/Developer Model									
£/Unit	£254,182/unit	£415,895/unit	£325,595/unit	£339,188/unit	£417,170/unit	£476,452/unit	£390,647/unit	£292,950/unit	£364,010/unit
Investor/Developer £/m2	£3,091/m2	£3,281/m2	£3,419/m2	£3,618/m2	£3,685/m2	£3,693/m2	£3,971/m2	£4,244/m2	£3,625/m2
BNPP Report £/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2
Variance £/m2	£1,233/m2	£1,423/m2	£1,561/m2	£1,760/m2	£1,827/m2	£1,835/m2	£2,113/m2	£2,386/m2	£1,767/m2

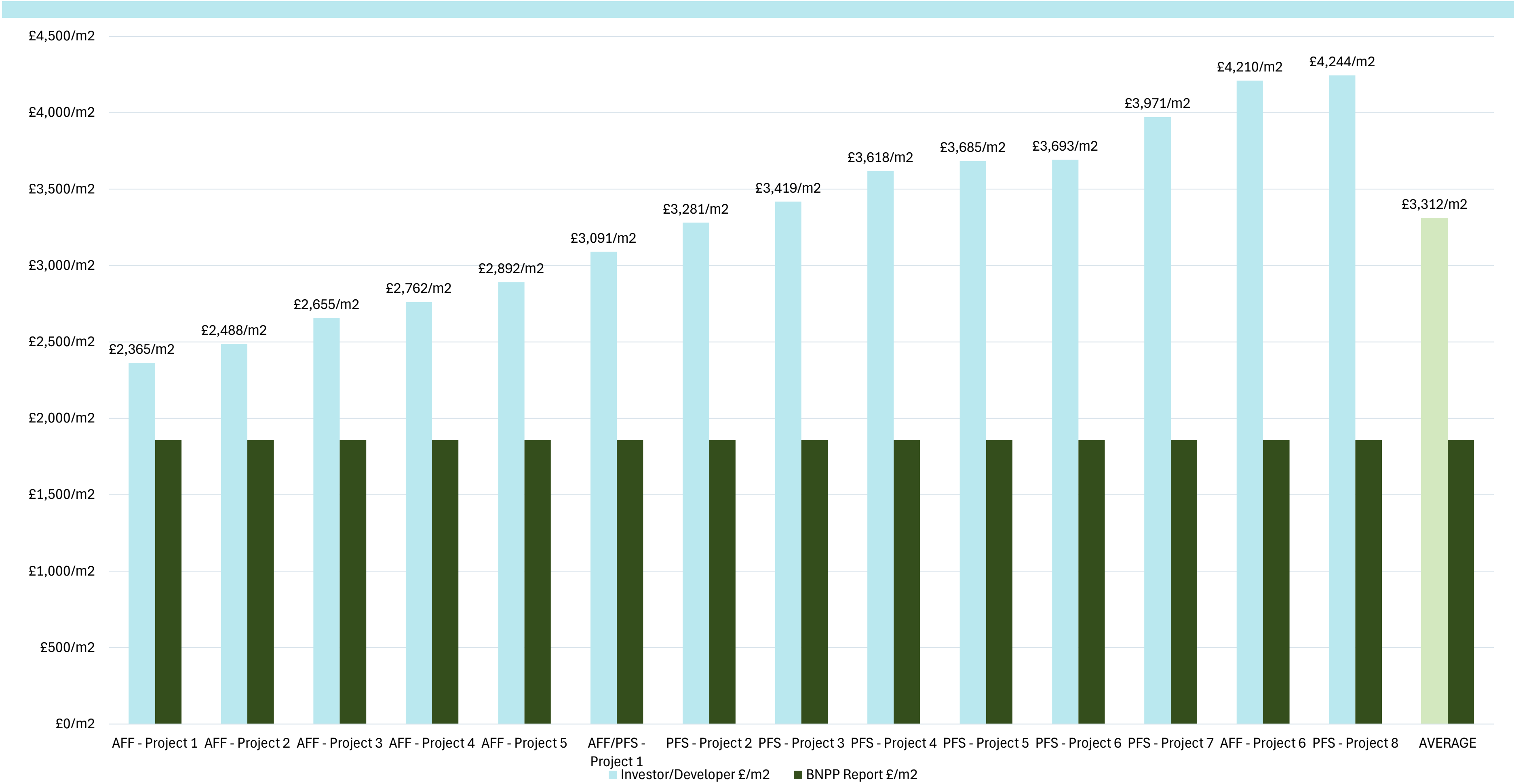




Private for Sale - Benchmark Data

	Project 1 AFF/PFS	Project 2	Project 3	Project 4	Project 5	Project 6	Project 7	Project 8
BCIS Project Location	Cambridgeshire	Outer London Boroughs	Cambridgeshire	Cambridgeshire	Cambridgeshire	Hertfordshire	Outer London Boroughs	Cambridgeshire
Status	Planning	Stage 3 Design	On Site	On Site	On Site	Completed 2024	Completed 2024	Stage 1 Design
Data Source	Agreed Construction Costs	Stage 3 Cost Plan	Con tract Sum	Contract Sum	Con tract Sum	Contract Sum	Contract Sum	Market Testing
GIA (sqft)	146,067 sqft	625,000 sqft		161,459 sqft		129,167 sqft	180,000 sqft	193,903 sqft
GIA (m2)	13,570 m2	58,064 m2		15,000 m2		12,000 m2	16,722 m2	18,014 m2
Units	165 units	458 units		160 units		93 units	170 units	261 units
Contractor Tier	TBC	Tier 2		Tier 2		Tier 2	Tier 1	Tier 2
Development Model	Investor/Developer	Investor/Developer		Investor/Developer		Investor/Developer	Investor/Developer	Investor/Developer
Construction Cost	£41,437,072	£215,000,000		£50,000,000		£35,000,000	£58,800,000	£71,900,000
BCIS Base Date	May-2026	Nov-2026	ANONYMISED	Aug-2023	ANONYMISED	May-2021	Oct-2022	Aug-2024
BCIS All-in TPI Base Date	414	419		386		331	371	394
BCIS All-in TPI Nov-2026	419	419		419		419	419	419
BCIS TPI Adjusted Construction Cost	£41,940,000.00	£215,000,000		£54,270,000		£44,310,000	£66,410,000	£76,460,000
BCIS Project Location Factor	101	114		101		108	114	101
BCIS Cambridge Location Factor	101	101		101		101	101	101
BCIS Location and TPI Adjusted Construction Cost	£41,940,000.00	£190,480,000.00		£54,270,000.00		£41,440,000.00	£58,840,000.00	£76,460,000.00
£/unit	£254,182/unit	£415,895/unit	£325,595/unit	£339,188/unit	£417,170/unit	£476,452/unit	£390,647/unit	£292,950/unit
£/m2	£3,091/m2	£3,281/m2	£3,419/m2	£3,618/m2	£3,685/m2	£3,693/m2	£3,971/m2	£4,244/m2
Investor/Developer Model								
£/Unit	£254,182/unit	£415,895/unit	£325,595/unit	£339,188/unit	£417,170/unit	£476,452/unit	£390,647/unit	£292,950/unit
£/m2	£3,091/m2	£3,281/sqft	£3,419/sqft	£3,618/sqft	£3,685/sqft	£3,693/sqft	£3,971/sqft	£4,244/sqft
BNPP Reprort £/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2
Variance to BNPP Report £/m2	£1,233/m2	£1,423/m2	£1,561/m2	£1,760/m2	£1,827/m2	£1,835/m2	£2,113/m2	£2,386/m2
House Builder Model								
Housebuilder model factor: 12%								
£/Unit	£223,680/unit	£365,988/unit	£286,524/unit	£298,485/unit	£367,109/unit	£419,277/unit	£343,769/unit	£257,796/unit
£/m2	£2,720/m2	£2,887/sqft	£3,009/sqft	£3,184/sqft	£3,243/sqft	£3,249/sqft	£3,495/sqft	£3,735/sqft
BNPP Reprort £/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2
Variance to BNPP Report £/m2	£862/m2	£1,029/m2	£1,151/m2	£1,326/m2	£1,385/m2	£1,391/m2	£1,637/m2	£1,877/m2

ombined Affordable Homes/Private for Sale - Benchmark Data



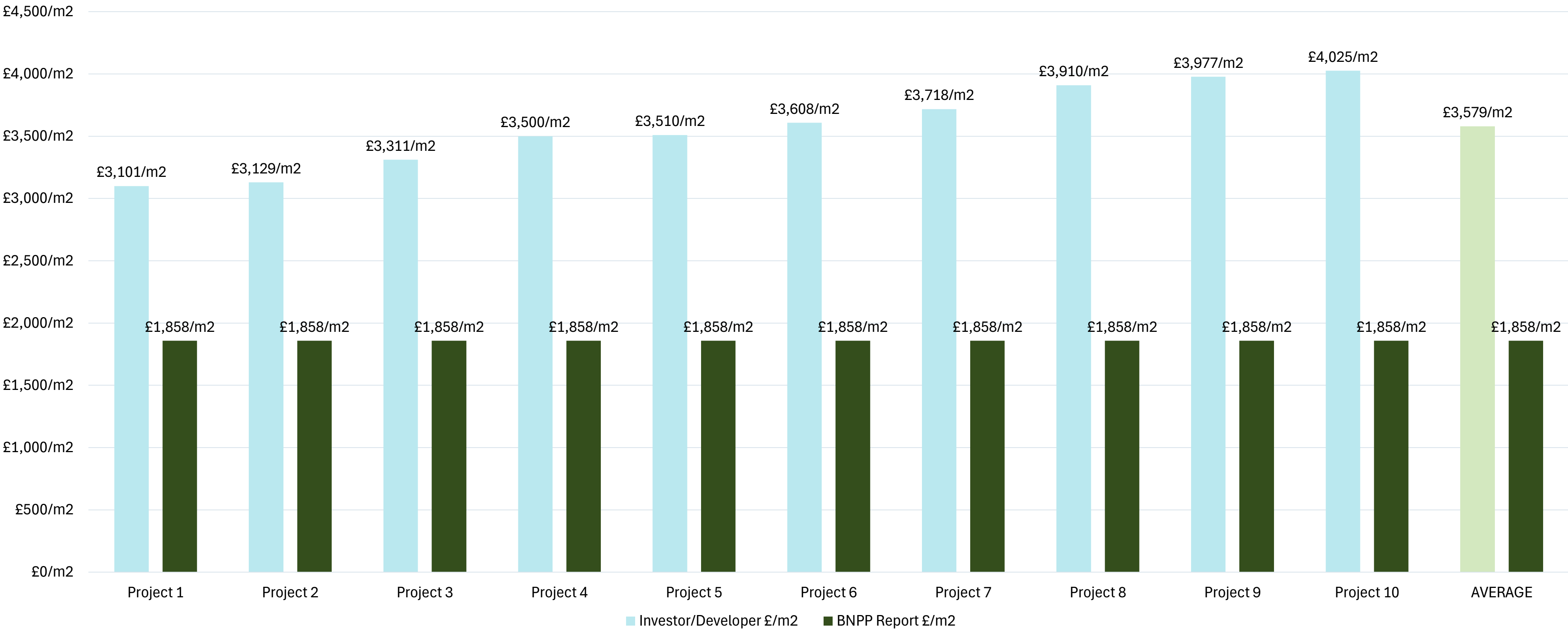


Section 9

Residential Benchmarking - Build to Rent



BTR - Benchmark Data											
Project	Project 1	Project 2	Project 3	Project 4	Project 5	Project 6	Project 7	Project 8	Project 9	Project 10	AVERAGE
GIA	264,226 sqft	275,000 sqft	273,500 sqft	376,672 sqft	288,335 sqft	231,424 sqft	136,000 sqft	640,000 sqft	452,084 sqft	93,646 sqft	303,089 sqft
Units	278 units	387 units	249 units	373 units	286 units	239 units	159 units	554 units	467 units	109 units	310 units
Cost Data Source	Contract Sum	Tender Return	Contract Sum	Contract Sum	Contract Sum	Contract Sum	Contract Sum	Contract Sum	Contract Sum	Contract Sum	
BCIS Location and TPI Adjusted Construction Cost	£76,110,000.00	£79,950,000.00	£84,130,000.00	£122,480,000.00	£94,020,000.00	£77,570,000.00	£46,980,000.00	£232,460,000.00	£167,040,000.00	£35,020,000.00	£101,576,000
Investor/Developer Model											
£/Unit	£309,029/unit	£206,589/unit	£381,365/unit	£328,365/unit	£371,049/unit	£366,318/unit	£353,962/unit	£502,690/unit	£428,522/unit	£321,284/unit	£356,917/unit
Investor/Developer £/m2	£3,101/m2	£3,129/m2	£3,311/m2	£3,500/m2	£3,510/m2	£3,608/m2	£3,718/m2	£3,910/m2	£3,977/m2	£4,025/m2	£3,579/m2
BNPP Report £/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2
Variance £/m2	£1,243/m2	£1,271/m2	£1,453/m2	£1,642/m2	£1,652/m2	£1,750/m2	£1,860/m2	£2,052/m2	£2,119/m2	£2,167/m2	£1,721/m2





BTR - Benchmark Data										
	Project 1	Project 2	Project 3	Project 4	Project 5	Project 6	Project 7	Project 8	Project 9	Project 10
BCIS Project Location	Outer London Boroughs	Cambridgeshire	Outer London Boroughs	Cambridgeshire	Outer London Boroughs	Outer London Boroughs	Inner London Boroughs	Inner London Boroughs	Inner London Boroughs	Cambridgeshire
Status	Due to Commence	Due to Commence	On site	Completed 2025	On site	Completed 2020	Completed 2024	Completed 2024	Completed 2025	Completed 2026
Data Source	Contract Sum	Tender Return	Contract Sum	Contract Sum	Contract Sum	Contract Sum	Contract Sum	Contract Sum	Contract Sum	Contract Sum
GIA (sqft)	264,226 sqft	275,000 sqft	273,500 sqft	376,672 sqft	288,335 sqft	231,424 sqft	136,000 sqft	640,000 sqft	452,084 sqft	93,646 sqft
GIA (m2)	24,547 m2	25,548 m2	25,409 m2	34,994 m2	26,787 m2	21,500 m2	12,635 m2	59,457 m2	42,000 m2	8,700 m2
Units	278 units	387 units	249 units	373 units	286 units	239 units	159 units	554 units	467 units	109 units
Contractor Tier	Tier 1	Tier 2	Tier 2	Tier 1	Tier 2	Tier 2	Tier 2	Tier 1	Tier 1	Tier 2
Development Model	Investor/Developer	Investor/Developer	Investor/Developer	Investor/Developer	Investor/Developer	Investor/Developer	Investor/Developer	Investor/Developer	Investor/Developer	Investor/Developer
Construction Cost excluding externals and abnormals	£85,500,000	£79,000,000	£86,800,000	£114,000,000	£97,000,000	£70,000,000	£45,000,000	£220,000,000	£160,000,000	£28,000,000
BCIS Base Date	Aug-2026	May-2026	Mar-2023	Feb-2024	Jun-2023	Feb-2020	Aug-2021	May-2021	Feb-2020	Feb-2020
BCIS All-in TPI Base Date	417	414	383	390	383	335	335	331	335	335
BCIS All-in TPI Nov-2026	419	419	419	419	419	419	419	419	419	419
BCIS TPI Adjusted Construction Cost	£85,910,000	£79,950,000	£94,960,000	£122,480,000	£106,120,000	£87,550,000	£56,280,000	£278,490,000	£200,120,000	£35,020,000
BCIS Project Location Factor	114	101	114	101	114	114	121	121	121	101
BCIS Cambridge Location Factor	101	101	101	101	101	101	101	101	101	101
BCIS Location and TPI Adjusted Construction Cost	£76,110,000.00	£79,950,000.00	£84,130,000.00	£122,480,000.00	£94,020,000.00	£77,570,000.00	£46,980,000.00	£232,460,000.00	£167,040,000.00	£35,020,000.00
£/Unit	£309,029/unit	£206,589/unit	£381,365/unit	£328,365/unit	£371,049/unit	£366,318/unit	£353,962/unit	£502,690/unit	£428,522/unit	£321,284/unit
£/sqft	£325/sqft	£291/sqft	£347/sqft	£325/sqft	£368/sqft	£378/sqft	£414/sqft	£435/sqft	£443/sqft	£374/sqft
Investor/Devloper Model										
£/Unit	£309,029/unit	£206,589/unit	£381,365/unit	£328,365/unit	£371,049/unit	£366,318/unit	£353,962/unit	£502,690/unit	£428,522/unit	£321,284/unit
£/m2	£3,101/m2	£3,129/m2	£3,311/m2	£3,500/m2	£3,510/m2	£3,608/m2	£3,718/m2	£3,910/m2	£3,977/m2	£4,025/m2
BNPP Reprort £/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2
Variance to BNPP Report £/m2	£1,243/m2	£1,271/m2	£1,453/m2	£1,642/m2	£1,652/m2	£1,750/m2	£1,860/m2	£2,052/m2	£2,119/m2	£2,167/m2



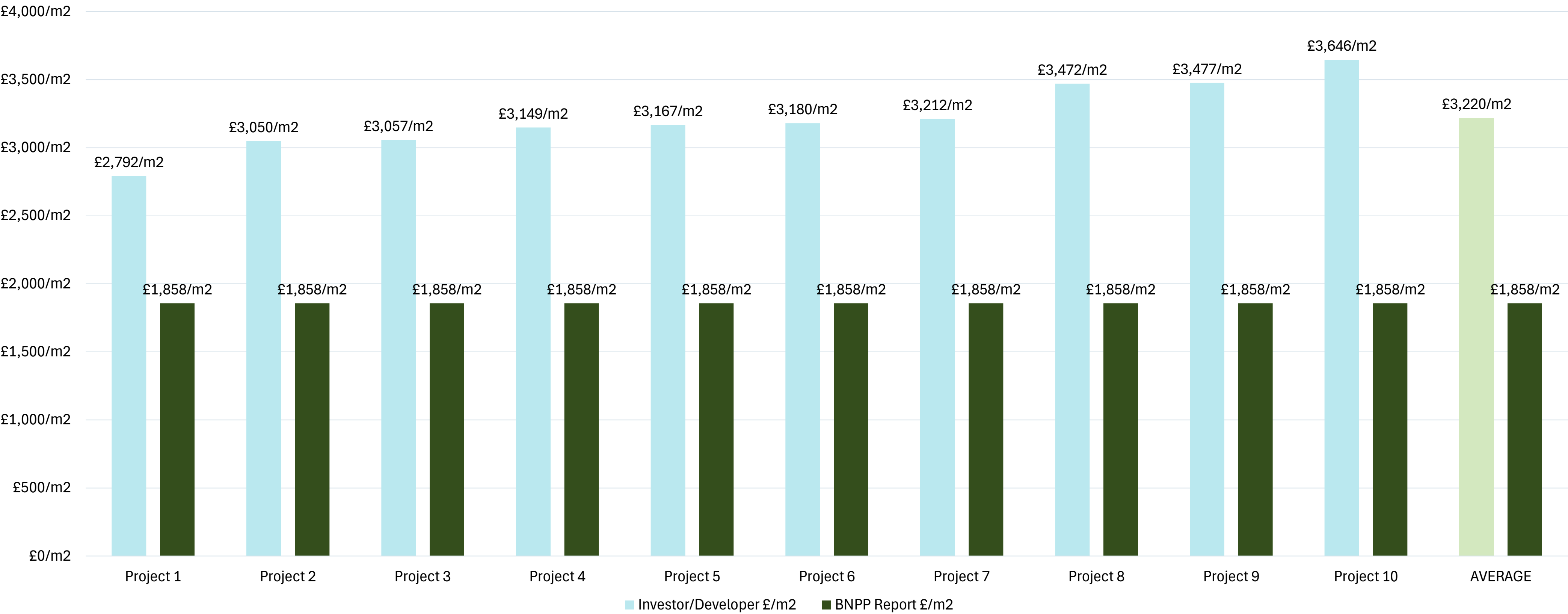
Section 10

Residential Benchmarking - Retirement Residential



Retirement Residential - Benchmark Data

Project	Project 1	Project 2	Project 3	Project 4	Project 5	Project 6	Project 7	Project 8	Project 9	Project 10	AVERAGE
GIA	101,989 sqft	155,335 sqft	100,174 sqft	248,949 sqft	191,858 sqft	173,389 sqft	265,778 sqft	181,819 sqft	192,751 sqft	122,669 sqft	173,471 sqft
Units	69 units	103 units	89 units	168 units	147 units	141 units	222 units	144 units	107 units	73 units	126 units
Cost Data Source	Contract Sum	Contract Sum	Contract Sum	Contract Sum	Contract Sum	Stage 3 Cost Plan	Contract Sum	Stage 3 Cost Plan	Contract Sum	Contract Sum	
BCIS Location and TPI Adjusted Construction Cost	£26,450,000.00	£44,010,000.00	£28,450,000.00	£72,820,000.00	£56,450,000.00	£51,220,000.00	£79,300,000.00	£58,640,000.00	£62,260,000.00	£41,550,000.00	£52,115,000
Investor/Developer Model											
£/Unit	£394,783/unit	£427,282/unit	£341,798/unit	£463,512/unit	£384,014/unit	£388,440/unit	£399,640/unit	£423,333/unit	£651,028/unit	£586,027/unit	£445,986/unit
Investor/Developer £/m2	£2,792/m2	£3,050/m2	£3,057/m2	£3,149/m2	£3,167/m2	£3,180/m2	£3,212/m2	£3,472/m2	£3,477/m2	£3,646/m2	£3,220/m2
BNPP Report £/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2
Variance £/m2	£392,925/m2	£425,424/m2	£339,940/m2	£461,654/m2	£382,156/m2	£386,582/m2	£397,782/m2	£421,475/m2	£649,170/m2	£584,169/m2	£444,128/m2





Retirement Residential - Benchmark Data										
	Project 1	Project 2	Project 3	Project 4	Project 5	Project 6	Project 7	Project 8	Project 9	Project 10
BCIS Project Location	Hampshire	Hertfordshire	Kent	Kent	Cambridgeshire	Hertfordshire	Surrey	Essex	Surrey	Oxfordshire
Status	Completed 2025	Completed 2025	Completed 2025	Completed 2026	Completed 2025	Procurement	Procurement	Design	Procurement	Completed - 2026
Data Source	Contract Sum	Contract Sum	Contract Sum	Contract Sum	Contract Sum	Stage 3 Cost Plan	Contract Sum	Stage 3 Cost Plan	Contract Sum	Contract Sum
GIA (sqft)	101,989 sqft	155,335 sqft	100,174 sqft	248,949 sqft	191,858 sqft	173,389 sqft	265,778 sqft	181,819	192,751 sqft	122,669 sqft
GIA (m2)	9,475 m2	14,431 m2	9,306 m2	23,128 m2	17,824 m2	16,108 m2	24,691 m2	16,891 m2	17,907 m2	11,396 m2
Beds	69 beds	103 beds	89 beds	168 beds	147 beds	141 beds	222 beds	144 beds	107 beds	73 beds
Contractor Tier	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	TBC	Tier 2	Tier 2
Development Model	Investor/Developer	Investor/Developer	Investor/Developer	Investor/Developer	Investor/Developer	Investor/Developer	Investor/Developer	Investor/Developer	Investor/Developer	Investor/Developer
Construction Cost excluding externals and abnormals	£24,900,000	£39,200,000	£28,608,762	£72,110,299	£52,000,000	£51,500,000	£70,084,000	£56,740,000	£65,500,000	£39,100,000
BCIS Base Date	May-2023	Feb-2022	Aug-2024	Nov-2023	Aug-2023	Aug-2024	May-2021	Feb-2024	Aug-2024	May-2023
BCIS All-in TPI Base Date	383	349	394	388	386	394	331	390	394	383
BCIS All-in TPI Nov-2026	419	419	419	419	419	419	419	419	419	419
BCIS TPI Adjusted Construction Cost	£27,240,000.00	£47,060,000.00	£30,420,000.00	£77,870,000.00	£56,450,000.00	£54,770,000.00	£88,720,000.00	£60,960,000.00	£69,660,000.00	£42,780,000.00
BCIS Project Location Factor	104	108	108	108	101	108	113	105	113	104
BCIS Cambridge Location Factor	101	101	101	101	101	101	101	101	101	101
BCIS Location and TPI Adjusted Construction Cost	£26,450,000.00	£44,010,000.00	£28,450,000.00	£72,820,000.00	£56,450,000.00	£51,220,000.00	£79,300,000.00	£58,640,000.00	£62,260,000.00	£41,550,000.00
£/unit	£394,783/unit	£427,282/unit	£341,798/unit	£463,512/unit	£384,014/unit	£388,440/unit	£399,640/unit	£423,333/unit	£651,028/unit	£586,027/unit
£/m2	£2,792/m2	£3,050/m2	£3,057/m2	£3,149/m2	£3,167/m2	£3,180/m2	£3,212/m2	£3,472/m2	£3,477/m2	£3,646/m2
Investor/Developer Model										
£/unit	£394,783/unit	£427,282/unit	£341,798/unit	£463,512/unit	£384,014/unit	£388,440/unit	£399,640/unit	£423,333/unit	£651,028/unit	£586,027/unit
£/m2	£2,792/m2	£3,050/m2	£3,057/m2	£3,149/m2	£3,167/m2	£3,180/m2	£3,212/m2	£3,472/m2	£3,477/m2	£3,646/m2
BNPP Report £/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2	£1,858/m2
Variance to BNPP Report £/m2	£934/m2	£1,192/m2	£1,199/m2	£1,291/m2	£1,309/m2	£1,322/m2	£1,354/m2	£1,614/m2	£1,619/m2	£1,788/m2



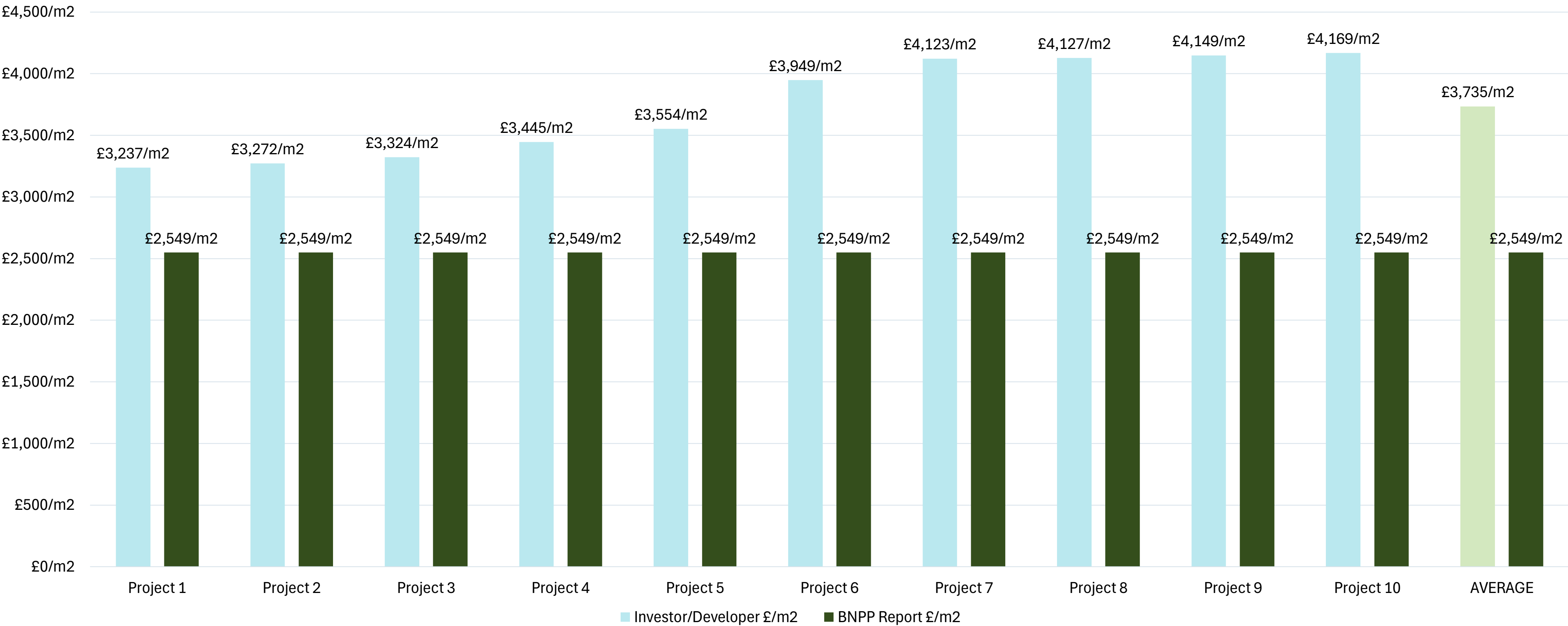
Section 11

Residential Benchmarking - Purpose Built Student Accommodation



PBSA - Benchmark Data

Project	Project 1	Project 2	Project 3	Project 4	Project 5	Project 6	Project 7	Project 8	Project 9	Project 10	AVERAGE
GIA	59,417 sqft	285,246 sqft	73,195 sqft	68,545 sqft	43,282 sqft	307,603 sqft	271,888 sqft	242,674 sqft	96,790 sqft	312,081 sqft	176,072 sqft
Units	138 units	769 units	177 units	185 units	106 units	758 units	832 units	614 units	247 units	864 units	469 units
Cost Data Source	Contract Sum	Stage 4 Cost Plan	Stage 3 Cost Plan	Contract Sum	Stage 3 Cost Plan	Contract Sum	Contract Sum	Stage 3 Cost Plan	Stage 3 Cost Plan	Stage 3 Cost Plan	
BCIS Location and TPI Adjusted Construction Cost	£17,870,000.00	£86,710,000.00	£22,600,000.00	£21,940,000.00	£14,290,000.00	£112,840,000.00	£104,140,000.00	£93,050,000.00	£37,310,000.00	£120,870,000.00	£63,162,000
Investor/Developer Model											
£/Bed	£129,493/unit	£135,085/unit	£152,994/unit	£118,595/unit	£152,170/unit	£178,338/unit	£149,952/unit	£181,564/unit	£170,486/unit	£127,431/unit	£149,611/unit
Investor/Developer £/m2	£3,237/m2	£3,272/m2	£3,324/m2	£3,445/m2	£3,554/m2	£3,949/m2	£4,123/m2	£4,127/m2	£4,149/m2	£4,169/m2	£3,735/m2
BNPP Report £/m2	£2,549/m2	£2,549/m2	£2,549/m2	£2,549/m2	£2,549/m2	£2,549/m2	£2,549/m2	£2,549/m2	£2,549/m2	£2,549/m2	£2,549/m2
Variance £/m2	£688/m2	£723/m2	£775/m2	£896/m2	£1,005/m2	£1,400/m2	£1,574/m2	£1,578/m2	£1,600/m2	£1,620/m2	£1,186/m2





PBSA- Benchmark Data										
	Project 1	Project 2	Project 3	Project 4	Project 5	Project 6	Project 7	Project 8	Project 9	Project 10
BCIS Project Location	Cambridgeshire	Inner London Boroughs	Inner London Boroughs	Inner London Boroughs	Outer London Boroughs	Inner London Boroughs	Inner London Boroughs	Inner London Boroughs	Outer London Boroughs	South West
Status	On Site	Procurement	Design	Completed 2025	Procurement	Complete-2021	Completed - 2025	Procurement	Design	Stage 3 Cost Plan
Data Source	Contract Sum	Stage 4 Cost Plan	Stage 3 Cost Plan	Contract Sum	Stage 3 Cost Plan	Contract Sum	Contract Sum	Stage 3 Cost Plan	Stage 3 Cost Plan	Stage 3 Cost Plan
GIA (sqft)	59,417 sqft	285,246 sqft	73,195 sqft	68,545 sqft	43,282 sqft	307,603 sqft	271,888 sqft	242,674 sqft	96,790	312,081 sqft
GIA (m2)	5,520 m2	26,500 m2	6,800 m2	6,368 m2	4,021 m2	28,577 m2	25,259 m2	22,545 m2	8,992 m2	28,993 m2
Beds	138 units	769 beds	177 beds	185 beds	106 beds	758 beds	832 beds	614 beds	247 beds	864 beds
Contractor Tier	Tier 2	TBC	Tier 2	Tier 2	Tier 2	Tier 2	Tier 1	Tier 1	TBC	TBC
Development Model	Investor/Developer	Investor/Developer	Investor/Developer	Investor/Developer	Investor/Developer	Investor/Developer	Investor/Developer	Investor/Developer	Investor/Developer	Investor/Developer
Construction Cost excluding externals and abnormals	£16,933,925	£100,906,000	£26,300,000	£24,030,000	£15,550,000	£130,340,000	£103,913,000	£105,625,000	£41,210,000	£103,528,000
BCIS Base Date	Nov-2024	Nov-2025	Nov-2025	May-2023	Aug-2025	Aug-2025	Feb-2022	Nov-2024	Feb-2026	Aug-2024
BCIS All-in TPI Base Date	397	407	407	383	404	349	397	397	410	394
BCIS All-in TPI Nov-2026	419	419	419	419	419	419	419	419	419	419
BCIS TPI Adjusted Construction Cost	£17,870,000	£103,880,000.00	£27,080,000.00	£26,290,000.00	£16,130,000.00	£135,180,000.00	£124,760,000.00	£111,480,000.00	£42,110,000.00	£110,100,000.00
BCIS Project Location Factor	101	121	121	121	114	121	121	121	114	92
BCIS Cambridge Location Factor	101	101	101	101	101	101	101	101	101	101
BCIS Location and TPI Adjusted Construction Cost	£17,870,000.00	£86,710,000.00	£22,600,000.00	£21,940,000.00	£14,290,000.00	£112,840,000.00	£104,140,000.00	£93,050,000.00	£37,310,000.00	£120,870,000.00
£/Bed	£129,493/unit	£135,085/bed	£152,994/bed	£118,595/bed	£152,170/bed	£178,338/bed	£149,952/bed	£181,564/bed	£170,486/bed	£127,431/bed
£/m2	£3,237/m2	£3,272/m2	£3,324/m2	£3,445/m2	£3,554/m2	£3,949/m2	£4,123/m2	£4,127/m2	£4,149/m2	£4,169/m2
Investor/Developer Model										
£/Bed	£129,493/unit	£135,085/bed	£152,994/bed	£118,595/bed	£152,170/bed	£178,338/bed	£149,952/bed	£181,564/bed	£170,486/bed	£127,431/bed
£/m2	£3,237/sqft	£3,272/m2	£3,324/m2	£3,445/m2	£3,554/m2	£3,949/m2	£4,123/m2	£4,127/m2	£4,149/m2	£4,169/m2
BNPP Report £/m2	£2,549/m2	£2,549/m2	£2,549/m2	£2,549/m2	£2,549/m2	£2,549/m2	£2,549/m2	£2,549/m2	£2,549/m2	£2,549/m2
Variance to BNPP Report £/m2	£688/m2	£723/m2	£775/m2	£896/m2	£1,005/m2	£1,400/m2	£1,574/m2	£1,578/m2	£1,600/m2	£1,620/m2



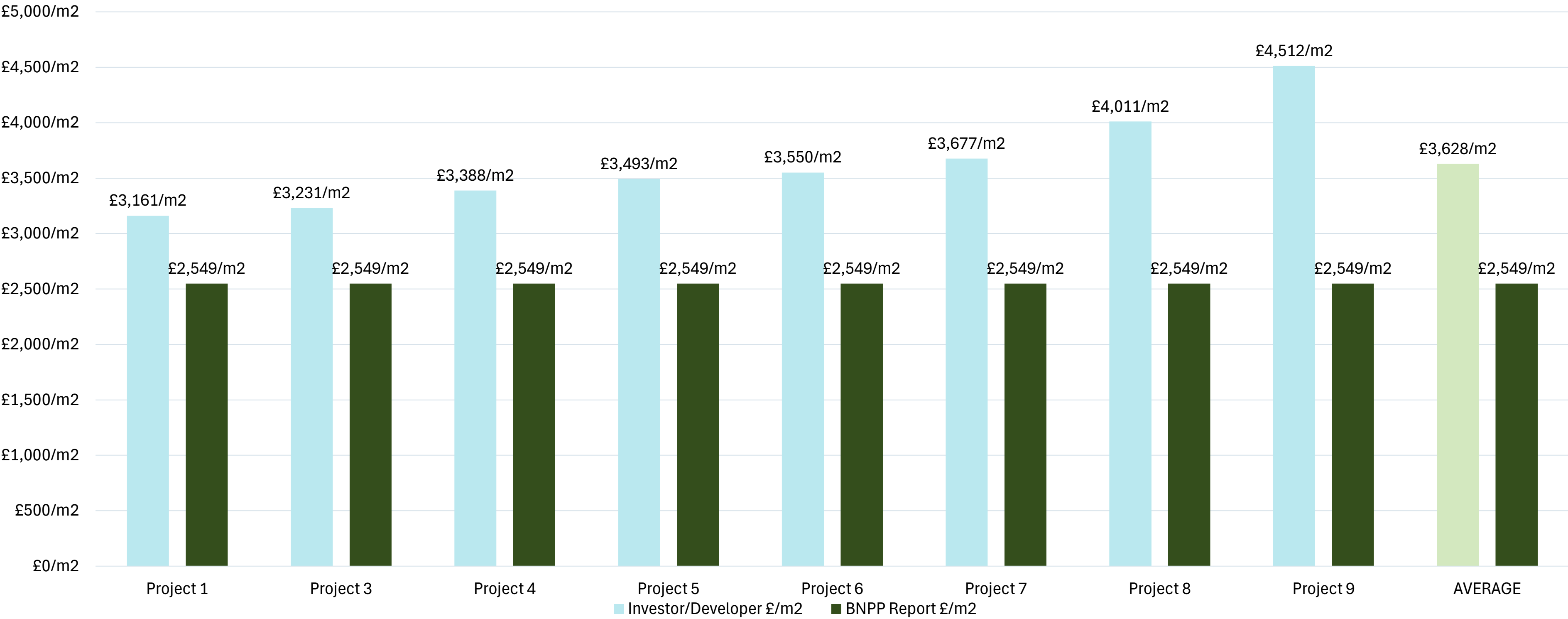
Section 12

Residential Benchmarking - Co-living Developments



Co-living - Benchmark Data

Project	Project 1	Project 3	Project 4	Project 5	Project 6	Project 7	Project 8	Project 9	AVERAGE
GIA	216,000 sqft	160,000 sqft	155,000 sqft	67,000 sqft	195,000 sqft	81,000 sqft	115,000 sqft	99,900 sqft	136,113 sqft
Units	330 units	320 units	340 units	150 units	434 units	200 units	270 units	206 units	281 units
Cost Data Source	Contract Sum	Stage 3 Cost Plan	Contract Sum	Stage 3 Cost Plan	Contract Sum	Contract Sum	Stage 3 Cost Plan	Stage 3 Cost Plan	
BCIS Location and TPI Adjusted Construction Cost	£52,950,000.00	£40,090,000.00	£40,730,000.00	£18,150,000.00	£53,690,000.00	£23,100,000.00	£35,770,000.00	£34,960,000.00	£37,430,000
Investor/Developer Model									
£/Unit	£192,212/unit	£150,094/unit	£143,500/unit	£144,933/unit	£123,710/unit	£138,350/unit	£158,704/unit	£169,709/unit	£152,651/unit
Investor/Developer £/m2	£3,161/m2	£3,231/m2	£3,388/m2	£3,493/m2	£3,550/m2	£3,677/m2	£4,011/m2	£4,512/m2	£3,628/m2
BNPP Report £/m2	£2,549/m2	£2,549/m2	£2,549/m2	£2,549/m2	£2,549/m2	£2,549/m2	£2,549/m2	£2,549/m2	£2,549/m2
Variance £/m2	£612/m2	£682/m2	£839/m2	£944/m2	£1,001/m2	£1,128/m2	£1,462/m2	£1,963/m2	£1,079/m2





Co-Living - Benchmark Data									
	Project 1	Project 2	Project 3	Project 4	Project 5	Project 6	Project 7	Project 8	Project 9
BCIS Project Location	Inner London Boroughs	Inner London Boroughs	Inner London Boroughs	Inner London Boroughs	Inner London Boroughs	Inner London Boroughs	Inner London Boroughs	Inner London Boroughs	Inner London Boroughs
Status									
Data Source	S2 - Cost Plan	S2 - Cost Plan	OCE	S2 - Cost Plan	OCE	OCE	OCE	OCE	Contract Sum
GIA (sqft)	216,000 sqft	160,000 sqft	155,000 sqft	67,000 sqft	195,000 sqft	81,000 sqft	115,000 sqft	99,900 sqft	126,000 sqft
GIA (m2)	20,067 m2	14,864 m2	14,400 m2	6,224 m2	18,116 m2	7,525 m2	10,684 m2	9,281 m2	11,706 m2
Units	330 units	320 units	340 units	150 units	434 units	200 units	270 units	206 units	937 units
Contractor Tier	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
Development Model	Investor/Developer	Investor/Developer	Investor/Developer	Investor/Developer	Investor/Developer	Investor/Developer	Investor/Developer	Investor/Developer	Investor/Developer
Construction Cost excluding externals and abnormals	£59,040,000	£38,400,000	£47,040,000	£21,120,000	£60,480,000	£26,880,000	£40,800,000	£36,480,000	£55,680,000
BCIS Base Date	Feb-2024	May-2024	Aug-2025	Nov-2025	Aug-2024	Nov-2025	Feb-2025	May-2022	Feb-2020
BCIS All-in TPI Base Date	390	335	404	407	394	407	399	365	335
BCIS All-in TPI Nov-2026	419	419	419	419	419	419	419	419	419
BCIS TPI Adjusted Construction Cost	£63,430,000	£48,030,000	£48,790,000	£21,740,000	£64,320,000	£27,670,000	£42,850,000	£41,880,000	£69,640,000
BCIS Project Location Factor	121	121	121	121	121	121	121	121	121
BCIS Cambridge Location Factor	101	101	101	101	101	101	101	101	101
BCIS Location and TPI Adjusted Construction Cost	£52,950,000.00	£40,090,000.00	£40,730,000.00	£18,150,000.00	£53,690,000.00	£23,100,000.00	£35,770,000.00	£34,960,000.00	£58,130,000.00
£/Unit	£192,212/unit	£150,094/unit	£143,500/unit	£144,933/unit	£123,710/unit	£138,350/unit	£158,704/unit	£169,709/unit	£74,322/unit
£/m2	£3,161/m2	£3,231/m2	£3,388/m2	£3,493/m2	£3,550/m2	£3,677/m2	£4,011/m2	£4,512/m2	£5,949/m2
Investor/Devloper Model									
£/Unit	£192,212/unit	£150,094/unit	£143,500/unit	£144,933/unit	£123,710/unit	£138,350/unit	£158,704/unit	£169,709/unit	£74,322/unit
£/m2	£3,161/m2	£3,231/m2	£3,388/m2	£3,493/m2	£3,550/m2	£3,677/m2	£4,011/m2	£4,512/m2	£5,949/m2
BNPP Reprort £/m2	£2,549/m2	£2,549/m2	£2,549/m2	£2,549/m2	£2,549/m2	£2,549/m2	£2,549/m2	£2,549/m2	£2,549/m2
Variance to BNPP Report £/m2	£612/m2	£682/m2	£839/m2	£944/m2	£1,001/m2	£1,128/m2	£1,462/m2	£1,963/m2	£3,400/m2

Contact us

Cast is a specialist construction consultancy providing solutions for developers, investors, policymakers and the supply chain. We are focused on helping deliver homes and places viably whilst also addressing bigger economic, societal and environmental challenges.



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APPENDIX 2

BIDWELLS VIABILITY TECHNICAL NOTE

Date: 27/03/2026

Cambridge City Council
Community Infrastructure Levy Consultation
Mandela House
4 Regent Street
Cambridge
CB2 1BY

Dear Sir / Madam

COMMUNITY INFRASTRUCTURE LEVY DRAFT CHARGING SCHEDULE VIABILITY REPRESENTATION

Bidwells is instructed by a consortium of clients to provide a response to Cambridge City Council's ('CCC') consultation on its draft Community Infrastructure Levy ('CIL') Charging Schedule dated January 2026. This representation has been prepared to provide supporting evidence in response to Question 5 of the consultation questions.

A key part of Greater Cambridge's evidence base informing its proposed CIL rates comprises the CIL Viability Assessment ('CIL VA') undertaken by BNP Paribas (now Quintic Advisory (QA)), dated January 2026. The CIL VA tests the viability of different development typologies and their ability to sustain the cost of CIL without compromising viability (and therefore the delivery of planned development in Cambridge). This representation focusses on responding to the key assumptions that have been made in Greater Cambridge's CIL VA.

We have reviewed the CIL VA and have concerns regarding the appropriateness of some of the assumptions that have been adopted. This means that cumulatively, the viability of the various typologies that have been tested and thus their ability to sustain the cost of CIL is being overstated.

Whilst the CIL VA analysis includes some stress testing of CIL rates in recognition of potential cost and value fluctuations over the market cycle, in our view, a number of the baseline assumptions remain inappropriately optimistic for a study designated to encompass development viability across a broad geographical area and time period.

In our opinion, this therefore compromises the effectiveness of the sensitivity analysis in ensuring that the required viability 'buffers' are accounted for within the proposed CIL rates.



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Our responses to the CIL VA methodology and assumptions are set out below:

Basis of the CIL VA

We agree with the approach taken within the CIL VA in adopting present day market inputs, rather than relying on projected future growth. This is consistent with national Planning Practice Guidance, which is clear that viability should be informed by current market evidence and should not depend on optimistic assumptions regarding future increases in development value.

It is important to highlight however, that in the current economic context development viability is affected by slower economic growth, increased construction costs, and a constrained housing market. These factors place increasing pressure on development margins and must be appropriately reflected in the viability evidence base.

It is therefore important that the assumptions underpinning the CIL VA are not only based on present day inputs, but are also appropriately conservative, ensuring that CIL rates are not set at levels that could compromise viability.

Where appraisal inputs appear optimistic or insufficiently evidenced, there is a risk that the CIL VA may overstate the ability of development, just to absorb additional CIL funding, notwithstanding the use of a present day assessment approach.

Typologies Tested

The CIL VA states that 48 development typologies have been tested. Whilst this represents an evidenced number of scenarios, it is not clear whether these typologies fully reflect the diversity of development forms likely to come forward within the Greater Cambridge area over the plan period.

In particular, the assessment does not clearly demonstrate whether emerging residential formats such as Build-to-Rent, Co-Living or Retirement Living have been appropriately tested within the CIL VA. These models must be considered alongside the more established Leisure, Office, Hotels and Industrial and Logistics uses, given the differing costs and margins.

Given the growing diversification of residential development in and around Greater Cambridge, a failure to properly represent all of the above the above range of development types may result in an assessment that does not fully capture the differing uses/arms of the market.

Strategic Sites

Strategic sites often carry a significantly greater infrastructure burden than the more immediate or infill sites. These sites of scale frequently require the delivery of major infrastructure, such as:

- New highway infrastructure and road networks
- Public transportation
- Education facilities
- POS and community facilities

In recognition of this, some local authorities adopt nil or reduced CIL rates for strategic sites, reflecting the substantial infrastructure obligations that are already secured through Section 106 agreements.

A clear example is provided by Peterborough City Council, which through its adopted CIL Charging Schedule exempts residential developments comprising 500 or more dwellings. This reflects the principle

that infrastructure for major strategic developments is often delivered primarily through Section 106 obligations, and that the imposition of CIL in addition may risk either double counting infrastructure contributions or undermining scheme viability.

The CIL VA itself acknowledges this burden by adopting an allowance of £46,000 per dwelling for major identified strategic site allocations (typologies 22 – 26). The CIL VA also notes that the actual level of Section 106 contributions will ultimately be subject to site-specific negotiations through the development management process.

Therefore, as these sites already have such a vast infrastructure burden associated with the planning permission, the CIL VA should recommend setting a CIL rate of £0 for strategic developments. This is particularly relevant in the current market with increasing planning and infrastructure costs, already testing development viability.

Appraisal Assumptions

1. Revenues

Residential Sales Values

The residential sales value evidence within the CIL VA demonstrates that Greater Cambridge is not a uniform market. The report's own Land Registry analysis identifies a very wide spread of achieved values across the area, ranging from around £322/sq ft in locations such as Six Mile Bottom and around £369–£398/sq ft in settlements such as Papworth Everard, Cambourne and Northstowe, compared with values in Cambridge City rising to £546–£678/sq ft across many urban postcodes and up to £836/sq ft in the highest value city locations. Notwithstanding that variation, BNPP recommends a single residential CIL rate of £60/sq m across the whole Greater Cambridge area

This broad-brush approach is difficult to reconcile with the report's own viability analysis. At paragraph 6.7, BNPP expressly states that for BLVs 3 and 4 the most relevant scenarios are likely to be lower-density developments adjoining existing settlements with lower sales values. The VA then accordingly identifies the £5,250/sq m (£488/sq ft) to £6,500/sq m (£604/sq ft) range as the most relevant sales-value band for those locations. The report therefore accepts that a rather significant proportion of future residential development and delivery, particularly on the edge-of-settlement strategic sites, will come forward in the lower-value market areas opposed to those higher premium areas in the city center (£800/sq ft+).

Once those lower-value scenarios are examined, the report's own data shows that the capacity to absorb CIL reduces materially. In Table 6.8.1, at £4,000/sq m (£372/sq ft), the introduction of CIL produces residual land value reductions of 26.9% to 54.1% for low-density edge-of-settlement houses/flats, 27.0% to 54.3% for a further edge-of-settlement typology, and 46.3% to 92.5% for another such scheme.

In Table 6.8.2, at £4,625/sq m (430/sq ft), the New Settlement typology records reductions of 16.4% to 33.1%, while low-density edge-of-settlement houses/flats record reductions of 24.1% to 49.0%. This demonstrates that, in the lower-value parts of the Greater Cambridge market, viability headroom falls rapidly as CIL is introduced.

In that context, it is notable that paragraph 2.29 of the report confirms that the CIL regulations permit charging authorities to apply differential rates by geographical zone, development type and scale, where justified by comparative viability evidence. Given the clear variation in values across Greater Cambridge, and the significantly weaker CIL headroom shown in the lower-value BLV3 and BLV4 scenarios in their own supporting evidence, it is reasonable to question why BNPP did not test a more refined value-band approach for residential development, rather than recommending a single authority-wide fixed rate.

Further, paragraph 6.13 acknowledges that where CIL cannot be passed back through a reduction in land value, the consequences may be a reduction in affordable housing delivery. That again points to the need for caution in the lower-value areas, where the evidence suggests that the ability to absorb a uniform residential charge is materially more constrained than in the higher-value Cambridge market.

In summary, the report's own evidence shows materially different value bands and different viability outcomes, yet BNPP has still recommended a single residential CIL rate across the whole of Greater Cambridge.

Commercial/Retail Development Revenues/Rents/Yields

As with their residential inputs, BNPP has consulted the available comparable evidence to derive valuation assumptions for their commercial development typologies. These have been arranged into five categories: Retail, Office/R&D, Industrial and Warehousing, Hotel, and Purpose Build Student Accommodation (PBSA).

Offices

Whilst we appreciate that the broad scope of BNPP's study requires some generalisations to be made, we would question the approach of analysing Office and R&D (now more commonly referred to as 'Labs') under the same valuation assumptions. Whilst these uses often sit side by side, the actual economics of office and lab development (in terms of associated rental values, yields and development costs) can vary significantly. This is evident in Bidwells' and Savills' most recent research publications in relation to the Cambridge property market, which highlight office rents between £48 per sq ft ('out of town') and £65 per sq ft (Grade A/prime city centre') and lab rents from £57.50 per sq ft ('prime shell and core') to £72.50 per sq ft ('fitted').

In reality, even the lower figures in both ranges are above what can be achieved in the majority of the Greater Cambridge area, with Bidwells' Databook analysis focussing explicitly on more prime locations and stock.

For example, we have been supplied with current data from Cambridge Research Park, an out-of-town campus offering newly-refurbished office and lab space, indicating recently achieved rents of c.£28 per sq ft for offices and c.£46 per sq ft for fitted labs.

This is corroborated by market evidence from Cambridge Science Park, located on the northern edge of the city and offering a similar mix of modern office and lab accommodation. Most recently, office units at Cambridge Science Park have been letting at least £15 per sq ft below the prime city centre stock referenced in Bidwells' Databook.

BNPP's assumed rental value of £57 per sq ft across both office and lab uses therefore appears extremely optimistic as a basis for testing the viability of CIL, which will apply to all new office/lab developments across Greater Cambridge and not just the highly sought-after city centre schemes that BNPP's assumption appears to be based on.

Bidwells' Cambridge Offices and Labs Market Databook also indicates that labs only make up only circa one third of the available supply coming onto the market in Cambridge across the two uses, with the majority of this concentrated in a small number of locations.

BNPP's proposed investment yield for the combined office/lab category (6%) sits broadly in the middle of a range of 5.25%-6.5% established through reference to the above research. However, given the greater representation of office properties in the sample, and the fact that the research clarifies the upper value in the range (6.5%) as being for prime/Grade A office space, we question whether BNPP's assumption is truly representative of the Greater Cambridgeshire office market as a whole. The lowest office yield outside London quoted in Knight Frank's current Prime Yield Guide is 6.5% ('Major Regional Cities'), which may still be relatively optimistic for Cambridge given the Grade A value evidenced above. We would request

that BNPP reviews this element of their appraisal and gives greater consideration to the balance and specification of office and lab accommodation that is likely to come forwards in the area.

As noted elsewhere in this representation, we do not consider it appropriate for a CIL viability testing study to adopt such bullish assumptions given the range of values, costs and general market conditions that are likely to be experienced over the lifetime of the Charging Schedule.

Retail

We have undertaken a review of recent retail lettings in Cambridge city centre and the surrounding area to sense-check BNPP's assumptions in this regard (£675 per sq m/£62.50 per sq ft in the 'City' and £325 per sq m/£30.19 per sq ft 'Elsewhere'). We have filtered our search, using Costar, to leases agreed within the last three years for newer properties built since 2000. The full dataset is provided below as **Appendix 1**.

Aside from two outliers, the comparable evidence indicates that BNPP's proposed rental values are significantly higher than what can be achieved in the two sub-areas. For example, a new unit of c.5,000 sq ft at Brookgate's CB1 development, located opposite the station, was leased to Tesco in September 2024 at £42.06 per sq ft. More recently, a smaller unit of 1,317 sq ft at 1 Brookgate leased to Costa Coffee, with the Costar listing indicating an asking rent of £29.50 per sq ft. On this basis, BNPP's current town centre assumption of £62.50 per sq ft appears extremely optimistic.

Further out of the centre, two lettings at the new Great Kneighton development in Trumpington and a further letting at 3-7 Eddington Square indicate a rental tone of c.£20 per sq ft, therefore far below BNPP's current lower assumption of £30.19 per sq ft.

As these comprise recent lettings in new developments, we would request that BNPP reviews its assumptions for retail rental values in light of this comparable evidence.

Notwithstanding the above, BNPP's adopted yield of 7% appears broadly reasonable following our review of the available investment sale evidence for retail properties and wider market research including the latest Knight Frank Prime Yield guide.

Industrial and Warehousing

BNPP has adopted a rental value of £195 per sq m (£18.11 per sq ft) for the purpose of testing the viability of its industrial typologies, which we note assume B2/B8 use across units of between 4,000-6,000 sq m. Based on our own analysis, this appears to sit within the expected range, with Bidwells' March 2025 Cambridge Industrial Market Databook indicating rents between £15.50 per sq ft for 'good secondary' and £25.75 per sq ft for 'prime mid-tech' industrial units in this market area.

BNPP's yield assumption does, however, appear somewhat optimistic at 5%. Our review of the current market research indicates that this should be regarded as a 'prime' yield. Given that the industrial development schemes to be delivered across Greater Cambridge are likely to be a mix of prime and secondary (both in terms of specification and location), we would recommend that a more cautious yield assumption of c.6% is adopted based on the available comparable evidence of completed investment sales.

Student/Co-living

We note that BNPP has analysed the economics of student housing development (commonly referred to as Purpose Built Student Accommodation or PBSA) in tandem with Co-living development. We would note that the former is a much more mature and established market, with Co-living only gaining traction outside of London relatively recently. As such, we would question the approach of assessing the viability of these uses as a combined category given the different risk profiles, rental values and other valuation considerations.

Nevertheless, we have consulted with Bidwells' PBSA specialists to understand the reasonableness of BNPP's valuation assumptions as set out at paragraph 4.10 of their report.

BNPP has assumed that a gross rent of £250 per week would be received (on the assumption of an ensuite room of 14 sq m NIA), which has then been netted back to £682 per sq m per annum on the basis of £3,200 operating costs per room per annum. Whilst we would not dispute the net:gross rent calculation, the gross figure appears to be at the upper end of the expected range based on Bidwells' current understanding of rent expectation across a wide sample of private developments and operators in the Cambridge market.

For example, for a standard en-suite room of the type and approximate size assumed by BNPP, we are aware of the following comparables:

- Anglia House, 217 Newmarket Road, CB5 (Yugo): £225-£235 per week
- The Railyard, Station Place, CB1: £238 per week
- The Cam Foundry, 315-349 Mill Road, CB1: £235 ('Bronze') - £255 ('Platinum') per week

We would strongly recommend that BNPP take a more conservative approach in light of the above and the remit of their study to ensure that the proposed CIL rate for this typology is viable. It is likely that the issue would be compounded for Co-living developments, which fall within the same category in BNPP's assessment and typically attract lower rental values than PBSA on a like-for-like basis, and higher yields given their relatively nascent status.

BNPP has capitalised the assumed net rental income at an investment yield of 4.75%. Whilst there is evidence that has historically been achievable in Cambridge, noting the sale of the 251-bed Brunswick House development at 4.76% NIY in 2018, yields have softened substantially in the interim due to challenges in the PBSA sector (including increased interest rates and changing investor sentiment).

Whilst not in the vicinity of Cambridge, Bidwells has recent experience acting on the acquisition of PBSA schemes in the London Borough of Southwark and the town centre of Guildford, Surrey, at yields of c.6-6.5%. We would therefore suggest that an assumption of at least 5.5% would be more appropriate for the purpose of the current exercise.

A final observation linking to our commentary on BNPP's build cost assumptions elsewhere in this representation, we note from the 'site details' tables provide at Appendix 2 of their report that an average GIA per bedroom of between 18-22 sq m has been assumed across their six Student/Co-living typologies. Given that this needs to reflect each room's proportionate share of communal facilities, corridors and ancillary space, we do not consider BNPP's allowance to be sufficient. A more market-facing assumption, based on a net room area of 14 sq m, would in our view be 25-26 sq m GIA/unit. The knock-on impact is that the total build costs for these typologies, applied on a £ per sq m GIA basis, is likely undercalculated, leading to an apparently more viable position than could be achieved by real-world Student/Co-living developments.

Hotels

In terms of hotel value assumptions, BNPP have assumed a rent of £530 per sq m (£49 per sq ft), a rent-free period of 12 months and a yield of 5.0%. BNPP's hotel sales evidence ranges from £83,039 to £242,424 per room. We note that BNPP have adopted a value rate of £200,000 per room, which is towards the higher end of their range. We query whether this is reasonable given the rate is reflective of the smaller, more boutique hotels referred to at Table 4.9.2 of their report.

We note that BNPP's approach assumes that the hotel typologies tested are let on a commercial leasehold structure. In our experience, hotels are often occupied by way of Management Agreements and not leases. Moreover, the source of BNPP's £530 per sq m rent has not been evidenced.

In our experience, hotels are conventionally valued with reference to their revenue-generating potential (using the profits method of valuation). In summary, in order to value a hotel, the valuer calculates the total annual revenue with reference to RevPAR (Revenue Per Available Room), minus operating expenses (staff, utilities, maintenance and management fees) to generate the Net Operating Income (NOI). The NOI is then capitalised at an appropriate yield. BNPP appear to have not considered this more conventional approach to hotel valuation, adopting the investment method instead. We query their approach to hotel valuation accordingly.

In any event, BNPP's yield of 5% is, in our opinion, too keen, over-stating viability. In terms of evidence, we note that the Knight Frank Yield Guide (March 2026)¹ currently places regional budget hotels, assuming 20-year income and five-yearly rent reviews, at a yield of 5.25%. Moreover, we understand that JAYNIC recently sold the 80-bedroom Travelodge Haverhill for £5.5 million, at a yield of 5.9%, reflecting £68,750 per key. In our opinion, a yield of between 5.5% and 6.0% would be more appropriate and in line with evidence, for the purposes of this exercise.

In summary, we consider BNPP's hotel value assumptions optimistic, which is over-estimating the viability of the hotel typologies tested.

2. Costs

Build Costs and External Works

The CIL VA relies on primarily BCIS benchmark data for its build cost assumptions. Whilst BCIS provides a useful reference point for viability and appraisal modeling, it may not in many cases fully reflect the cost environment currently faced by developers within Greater Cambridge. For example, a smaller, housing-led rural site on an edge-of-city location would be considerably less constrained and costly to construct than an inner-city, flat led student accommodation scheme, built to a Passivhaus compliant regulation.

Construction costs as a whole remain elevated due to labour shortages, material cost volatility, and infrastructure delivery, so benchmark data may therefore understate the current costs associated with delivering the complex development sites that drive the higher sales values.

Offices/Labs

In terms of build costs, the CIL VA adopts a base rate of £2,555 per sq m for office use, which is derived from BCIS data (albeit it is not stated what quartile this is reflective of, which is an omission). An allowance of 10% is added to the rate of £2,555 per sq m for external works (including car parking spaces), taking the total build cost rate to £2,811 per sq m (£261 per sq ft).

Bidwells is advising on the procurement and construction delivery of numerous office and labs developments in the Cambridge market at present. Accordingly, we have been supplied with a set of build cost data for such developments as summarised in the table. We are unable to disclose the specific project names in each case due to client confidentiality.

Project Ref	Type	Status	Base Date	NIA (ft2)	GIA (ft2)	£/ft2 GIA
1	New Build Lab Enabled to Shell and Core	On Site	Q4 24	130,000	206,000	364
2	New Build Office to Cat A	On Site	Q4 25	334,000	545,000	444

¹ <https://content.knightfrank.com/research/522/documents/en/investment-yield-guide-march-2026-12737.pdf>

3	New Build Office to Cat A	Pre Construction	Q4 25	105,000	162,000	464
4	New Build Office	Pre-Planning	Q1 26	122,000	154,000	369
5	New Build Lab / Office	Pre-Planning	Q1 26	297,000	419,000	450
6	New Build Lab (fitted)	Tender	Q2 24	74,000	120,000	433

In terms of benchmarking, BNPP's office build cost rate of £261 per sq ft is approximately 28% lower than Project 1 (which is lower in any event due to the Shell and Core fit out), 41% lower than Project 2, just over 43% lower than Project 3, 29% lower than Project 4, 42% lower than Project 5 and 40% lower than Project 6.

Appendix 2 sets out further, project-specific evidence provided by Bidwells' clients, clearly demonstrating that BNPP's build cost assumptions are below realistic market level assumptions.

Our build cost data strongly indicates that BNPP's build cost assumptions for offices/labs have been significantly underestimated, which is overestimating the viability of these typologies.

Residential

Table 4.11.1 of the CIL VA of the CIL VA adopts BCIS base build costs of £1,608 per sq m for houses and £1,858 per sq m for flats, with 15% applied for external works, taking their total residential build cost rates to £1,849 per sq m (£172 per sq ft) and £2,044 per sq m (£190 per sq ft) respectively.

In terms of benchmarking, we have been provided with a cost plan for a residential flatted scheme that is currently the subject of a financial viability assessment. We are not able to disclose the address of the site at this stage for reasons of confidentiality; however, the full cost plan will be disclosed to the Council when the viability assessment is submitted in c. April 2026.

Excluding external works, the build costs for this project reflect approximately £245 per sq ft GIA; and including external works they reflect approximately £273 per sq ft GIA. Inclusive of external works, the build costs for this project are approximately 44% higher than BNPP's build cost assumptions for flatted developments, again indicating that they have significantly underestimated build costs for their flatted residential typologies.

Bidwells has extensive experience procuring, reviewing and agreeing residential scheme cost plans for planning application viability purposes. BNPP's assumption of £190 per sq ft is far below anything we have seen across a range of flatted schemes and locations in recent years, particular for the higher density typologies tested by BNPP.

The residential typologies of 50 units and above generally adopt an average unit size of 102 sq m per dwellings. On this basis, this equates to between £18,952 and £24,602 per plot, based on the BCIS lower quartile rate applied by CIL VA within their appraisals for 50+ unit schemes.

In Bidwells' experience, including discussions with quantity surveyors on relevant sites, normal off-plot site costs for a medium to large residential scheme may reasonably be expected to be in the region of £20,000-£30,000 per plot. For the avoidance of doubt, this would exclude any additional abnormal costs (for example, highways upgrades or deepened/piled foundations) that may be incurred on individual sites.

We therefore have significant concerns that the CIL VA has undercalculated the normal cost of delivering the larger typologies tested, with a potential shortfall of between £1,048 to £11,048 per plot, equating to a sum of circa £104,800 to £1.10 million on a typical scheme of 100 dwellings, before allowing for any abnormal or site-specific infrastructure costs.

The CIL VA includes an allowance of approximately £29,070 per dwelling for utility upgrades and estate roads, however, the basis for this figure is not clearly explained. Strategic development sites frequently require substantial site servicing works, including utility upgrades, new road networks and drainage infrastructure, which may quite quickly, well exceed this allowance.

Furthermore, there is no mention of any contingency allowed for within the development costs heading and assumptions, which could be an omission. Given the common uncertainties associated with site servicing and delivery, the absence of a contingency allowance risks presenting a best-case scenario, rather than a realistic viability assessment. We consider that a contingency of 5% would be more realistic, and have seen this widely adopted in site-specific viability assessments for both greenfield and brownfield development (the latter as a minimum).

Moreover, the draft Net Zero Carbon policy in the Greater Cambridge Local Plan requires new developments to meet significantly enhanced performance standards (including strict energy use intensity caps, mandatory low-carbon heading, gas-free design, and on-site renewable generation sufficient to offset total annual energy use), all of which collectively place build specifications well above what is reflected in average BCIS build costs. Considering, BNPP have utilised primarily BCIS benchmark data, there is a clear disconnect between policy aspirations and BNPP's optimistic build cost inputs, and no consideration to the true cost of building akin to Passivhaus standards.

As build costs are clearly understated, given that BNPP's residential sales values and commercial value assumptions are at the upper end of a reasonable range, cumulatively this overstates the actual capacity of new residential and office/lab developments to absorb any CIL costs.

Professional Fees

The CIL VA includes an allowance of 7% on build costs for professional fees, including design, valuation, highways consultants and so on. However, BNPP have not provided a specified list of what is included within professional fees. Strategic development sites will often require site-specific works and therefore consultants.

In addition, the CIL VA states that the allowance they have assumed of 7% is at the middle to higher end of the range for most schemes. In practice, professional fees commonly fall between 8% - 12%. A 7% allowance is below the realistic range given the increasing complexity of planning requirements, site-specific constraints, and the rising number of specialist technical input required. We consider an allowance for professional fees in the range of 9%-10% would be more realistic, and have seen this widely adopted in numerous Local Plan viability assessments.

Development Finance

The CIL VA states that development finance can be secured at 7% inclusive of arrangement and exit fees, falling to 6% - 6.5% within 12 months. This remains materially understated for the purposes of robust viability testing.

PLC housebuilders typically fund development through balance sheets, revolving credit facilities, or in some cases equity rather than project specific finance. As a result, their effective cost of capital is materially lower and does not represent the market reality. However, a 7% development finance rate is unlikely to be

reflective of current market conditions. The cost of debt across the sector remains elevated due to broader macroeconomic and geopolitical certainty.

Additionally, the assumption does not reflect market conditions for SME housebuilders who are also responsible for housing delivery within Greater Cambridge. Unlike PLC housebuilders, SMEs rely on project-specific development finance. This commonly falls within the 8%-12% range, driven by geopolitical instability, supply chain risks and continued market uncertainty.

Therefore, the adoption of a uniform 7% rate understates the true cost of capital for both SME and PLC housebuilders. It also seems even more optimistic given the current geopolitical circumstances in the Middle East, which could have a notable impact on inflation, in the same way that Russia's invasion of Ukraine resulted in a surge in inflation in 2022. BNPP's assumption risks overstating scheme viability, and therefore setting a CIL charge that could suppress delivery. We consider a more realistic development finance assumption of between 8% - 10% to reflect the prevailing market conditions, rather than optimistic forward projection, unaligned with current market conditions.

Marketing Costs

The CIL VA assumption of 2.5% for marketing costs, including show homes and agents' fees, together with 0.25% for sales legal fees, significantly understates the true level of costs incurred in delivering residential development. Industry standard benchmarks indicate that marketing costs typically fall within the range of 1% to 1.5% of GDV, with a further 0.75% to 1.25% required to fund show home construction and fit-out, and 1% to 2% commonly applied for agents' commissions alone.

Sales legal fees similarly tend to fall between 0.35% to 0.5% of GDV, reflecting the complexity of residential plot conveyancing, purchaser enquiries and relevant documentation. Specifically, in the current market, additional purchasers' incentives may also be required to maintain sales rates.

In total, accepted practice supports a combined sales and marketing allowance of 3% to 5% of GDV, materially above the CIL VA assumption.

There is a clear disconnect between costs and values here. If values are set at the upper end of a reasonable range (as per BNPP's approach), it is essential that sufficient market and disposal costs are allowed for to realise this value. We therefore query whether sufficient costs have been allowed for in order to generate BNPP's aspirational values.

Biodiversity Net Gain (BNG)

The CIL VA has applied a flat allowance of 1.4% of build cost for delivering 20% BNG. Available national evidence indicates that this figure is unlikely to reflect the actual cost of achieving such a high uplift, particularly on greenfield sites which are most likely to come forward within Greater Cambridge and typically have higher baseline biodiversity than brownfield sites.

Furthermore, where on-site delivery capacity is constrained, developers will need to rely on off-site units, through either credit banks or statutory biodiversity credits, with an average cost of credit in Cambridgeshire being £20,000 for a medium distinctiveness habitat (for example, neutral grassland and mixed scrub), £35,000 for a high distinctiveness habitat (for example, lowland calcareous grassland, lowland meadow and traditional orchard), and £90,000 for a more niche habitat (for example, watercourse).

In this context, a uniform 1.4% allowance risks materially understating the financial impact of a 20% BNG policy on scheme viability across Greater Cambridge. This is supported by the recent IPF "Biodiversity Net Gain Regulations – Opportunities and Challenges" report, which found that delivering 10% BNG typically costs between 0.1% and 3.9% of total development cost for greenfield residential development.

Several factors highlighted in the report, such as the difficulty of delivering BNG on constrained or high-density sites, the need to purchase off-site units where on-site provision is not viable, and the higher costs associated with achieving uplift in areas with high baseline biodiversity, indicate that the upper end of the range outlined above is likely associated with more challenging schemes. These same factors would logically apply with even greater force with a 20% BNG requirement.

We consider that a 3% allowance would be more realistic due to the policy requirement of delivering 20% BNG uplift, double the national requirement.

Section 106 costs

The CIL VA adopts a series of standardised assumptions in respect of Section 106 contributions, such as:

- £25/sq ft for non-residential development
- £25,000 per dwelling for residential development
- £46,000 per dwelling for major strategic site allocations

Whilst it is acknowledged that plan-wide viability assessments require a degree of estimation, there is limited evidence provided within the CIL VA to demonstrate that these figures accurately reflect the full extent of the Section 106 obligations typically secured within Greater Cambridge.

A key omission within the CIL VA is the treatment of indexation. In practice, many Section 106 contributions are subject to indexation, typically linked to construction cost indices such as the BCIS All-In Tender Price Index. As a result, the headline figures assumed within the appraisal are unlikely to reflect the actual costs incurred at the point of implementation.

The CIL VA does not clearly demonstrate how indexation has been incorporated within the modeling. Failure to account for indexed contributions of risks systematically understating Section 106 costs, particularly over the lifetime of the charging schedule.

CIL VA states £25/sq ft for non residential development and £25,000 per dwelling for residential or £46,000 per dwelling for major strategic site allocations. It should be noted that indexation will be applied to certain contributions and that this will need to be added to the overall figures.

Building Safety Levy

The CIL VA should make clear how the forthcoming Building Safety Levy has been incorporated into the viability testing. Table 4.27.1 identifies the draft levy rates for Greater Cambridge, but the report does not clearly explain how that additional cost has been reflected in the appraisal outputs. Given that the levy is now a known cost chargeable on private residential floorspace from October 2026, with differential brownfield and greenfield rates, the assessment should confirm that relevant schemes have been tested with this additional cost burden in place. In the absence of that clarity, there is a risk that the appraisal again overstates the capacity of development to absorb CIL and other policy costs.

Development and Sales Periods

The CIL VA assumes a sales rate of 6 dwellings per month increasing up to 8 dwellings per month with improved market conditions. There is no specification whether the assumed sales rate is based on per outlet or per site.

Furthermore, market evidence from recent residential schemes in Cambridgeshire indicates that the assumed sales rate of 6 dwellings per month significantly overstates realistic absorption levels. Even well-

located and actively marketed schemes are achieving sales rates closer to 2 to 3 dwellings per month, reflecting current purchaser demand, mortgage market constraints and broader economic conditions. This more modest sales period is consistent with delivery patterns across the Cambridgeshire market and results in extended sales periods, with limited scope for meaningful off-plan sales.

When the above, more accurate sales periods are applied, development cashflow materially lengthens and scheme viability correspondingly weakens.

Developer's Profit

The CIL VA has assumed 17.5% of private GDV for testing purposes, reflective of the range of sales values in Cambridgeshire. This sits below widely-recognised viability benchmarks and under-prices the risk developers are carrying in the current market.

Evidence commissioned for other CIL examinations indicates that a site-level net margin of 20% to 25% of GDV is the appropriate hurdle rate in typical market conditions, before allowing for exceptional planning or significant abnormal costs. On that basis, a minimum of 20% on private GDV should be justified in today's market, potentially even rising to 25% on riskier, more complex brownfield regeneration sites to reflect funding requirements and deliverability.

We note that Greater Cambridge Shared Planning commissioned an earlier area-wide viability study, produced by Aspinall Verdi in 2021², to support the plan-making process. As part of this study, Aspinall Verdi made an allowance of 20% profit on GDV for private (market) housing.

BNPP's justification that a lower profit allowance is acceptable because of local sales values and therefore less exposure to volatility is not supported by current market evidence. Geopolitical and economic factors support a fragile pricing market in Cambridgeshire rather than one insulated from fluctuations. These conditions weaken absorption rates and elevate sales risk, meaning the assumption that BNPP has made of robust and reliable values is not credible. Any profit expectation predicated on inflated or overly optimistic sales values will distort viability outcomes.

A return of around 6% on affordable housing GDV is broadly appropriate given the limited sales risk to the developer in scenarios where units are forward-sold to a Registered Provider (RP). However, it is important to recognise that RP appetite is not guaranteed, and in the current affordable housing market this represents a growing source of risk for developers.

Across many regions, RP's have become increasingly selective about acquisitions, with well-documented periods where they are not actively bidding on new stock. This is largely driven by the timing and availability of grant funding cycles, which can significantly restrict RP capacity to commit to purchases at the point schemes require certainty. As a result, developers can be left holding affordable units for longer, renegotiating terms, or facing delayed or reduced receipts. While these risks are lower than private sales exposure, they are nonetheless material and should be acknowledged when considering the overall risk profile of a scheme and the reasonableness of assumed profit levels.

We agree that 15.0% profit on GDV is commonly adopted as a profit allowance (target) in respect of commercial developments in viability testing; the justification being that this reflects (in principle) the opportunity to pre-let the accommodation and/or dispose of the completed scheme as a single investment transaction upon completion.

In the event that this is feasible, this reduces risk compared with conventional residential development, which usually relies upon sales of multiple individual properties. Given the current economic climate

² <https://consultations.greatercambridgeplanning.org/sites/gcp/files/2021-09/First%20Proposals%20Viability%20Report.pdf>

(domestically and internationally) at present, in our view, 15.0% should be seen as the lower end of a reasonable range for viability testing commercial developments.

Exceptional Costs

CIL VA assumes no allowance for 'atypical' works and deemed an 'average' level of costs for ground conditions and some other abnormal costs already reflected in BCIS data. Although we agree in relation to not applying a blanket abnormal cost percentage, and have regard to this being a very specific site cost, we disagree with regard to some abnormal costs being included within and reflected in BCIS.

The BCIS Elemental Standard Form of Cost Analysis distinguishes facilitating works (including but not limited to remediation, major demolition, and ground improvement) from the building elements and states such works are often a separate project to be analysed, not embedded within the BCIS base build cost.

Therefore, BCIS elemental benchmarks represent typical building works only and do not provide a blanket allowance for site-specific abnormals. National guidance similarly recognises that abnormal costs on brownfield land are inherently uncertain and require explicit estimation, as they can materially affect viability. Relying on BCIS alone, without an abnormal allowance, would overstate viability.

3. Benchmark Land Value

Benchmark Land Value ("BLV") is a core component in any viability assessment as it represents the minimum value at which a landowner could reasonably be expected to release a site for development. If the development scheme cannot demonstrate a residual land value at least at the level of the BLV, factoring in relevant policy requirements (and in this case, CIL), it is unlikely that the scheme would be delivered and would therefore be assessed as unviable.

The Planning Practice Guidance establishes a framework for the assessment of BLV and we note that BNPP's overarching approach is in general conformity with this, referring to the assumed Existing Use Value ("EUV") of the site typologies in question and applying a 'premium' in recognition of the financial incentive required by landowners to sell their property.

Greenfield

Dealing firstly with greenfield sites, which are expected to be a significant source of housing delivery in Greater Cambridge, BNPP has tested viability for 'higher value greenfield (smaller sites)' against a BLV of £370,000 per gross hectare (c.£150,000 per acre) and 'lower value greenfield (larger sites)' at a BLV of £250,000 per gross hectare (c.£101,000 per acre). It is claimed that these reflect a typical range of agricultural land values (£20,000-£23,000 per gross hectare / c.£8,000-£9,300 per acre) plus a 12.5-18.5x uplift to incentivise the owner. We wish to raise a number of issues in this regard.

Firstly, we consider that the quoted range of agricultural values is out of step with the current market for land of this nature. For example, the most recent Farmland Market Update produced by Carter Jonas (Q4 2025) indicates an average range for the East of England region of £8,000-£16,500 per acre, reflecting the variety of 'existing uses' that farmland may be in and its suitability for that use (arable, pasture, paddock etc.).

Furthermore, Strutt & Parker's latest English Estates & Farmland Market Review indicates national averages of £8,600/acre for pasture and £11,000/acre for arable land, which we consider are likely to be conservative figures for Cambridgeshire particularly given that it is known for the high quality of its arable farmland. Strutt & Parker also found that almost 70% of all arable land sold nationally in 2025 achieved a price in excess of £10,000/acre.

On this basis, BNPP appear to have been overly optimistic (in viability terms) as to the price at which greenfield land would be made available for development. As a further illustration, if a baseline average land value of £10,000 per acre were to be assumed, as supported by the above evidence, BNPP's overall BLVs would represent only a 10-15x uplift, therefore sitting at the lower end of the 10-20x range often quoted by policymakers in a viability testing context.

BNPP notes at paragraph 4.37 of their report that the adopted range of greenfield BLVs "is reflective of typical minimum option pricing for greenfield development land". This does not align with Bidwells' recent experience advising on option and promotion agreements. We recently undertook an analysis of minimum price provisions in a lower value area (Leicestershire) across a broad sample of sites controlled by housebuilding developers, finding that a minimum return in the region of £275,000-£300,000 per net acre had generally been negotiated. Assuming a relatively conservative net:gross area ratio of 60%, this would indicate an equivalent value of £165,000-£180,000 per acre, therefore exceeding BNPP's tested range before an adjustment for Cambridgeshire land values is considered.

Finally, we note that the Aspinall Verdi CIL Viability Study (2021) adopted an agricultural EUV of £10,000 per acre as a starting point for calculating greenfield BLVs. Given the general appreciation in agricultural land values evidenced in the intervening five years, it is in our view clear that BNPP's assumption of £8,000-£9,300 per acre is overly conservative as the basis for their greenfield BLV calculations.

Brownfield

BNPP has adopted the same EUV-derived approach to BLV for two brownfield site typologies, reflecting 'secondary offices' and 'secondary industrial' use. As is conventional for brownfield sites, a percentage uplift is applied (rather than a multiplier as with greenfield sites) to account for a landowner incentive to release the site, resulting in BLVs of £10.25 million per gross hectare (£4.15 million per acre) and £3.54 million per gross hectare (£1.43 million per acre) respectively.

In terms of Secondary Office BLV, BNPP's assumption of £10.25 million (£4.15 million per acre) appears significantly understated. It is recognised that Government policy on assessing BLV is based on EUV plus a premium. This does not necessarily reflect real world market transactions, where land values have historically been significantly in excess of this premium above EUV.

In considering the appropriateness of BNPP's inputs in this regard we have had regard to the Government's latest 'land value estimates for policy appraisal' data, which has recently been updated (March 2026)³. The data is provided by the Government for use in the economic appraisal of projects, programmes and policies, and has been referred to for BLV purposes in several Local Plan Viability Assessments that we are aware of.

The Government data indicates a land value for Offices in Cambridge of £20.15 million per hectare (£8.16 million per acre). As this data is reflective of EUVs and not BLVs (which include a landowner premium), in order to directly compare it to BNPP's own BLV figures it is necessary to apply the same 20% premium that they have applied in their own calculations. This elevates the Government data for Office land values in Cambridge to £24.18 million per hectare (£9.8 million per acre), which we note is approximately 136% higher than BNPP's equivalent BLV figures. This evidence demonstrates that BNPP have materially underestimated their Secondary Office BLV figures.

In terms of premium relevant guidance is not prescriptive as to the level to be applied in such instances, although BNPP's assumption (20%) both for office and industrial sites is broadly in line with expectations based on Bidwells' experience advising on application-stage viability for brownfield sites.

We would, however, question the rationale underpinning BNPP's proposed brownfield EUVs. This includes

³ [Land value estimates for policy appraisal 2023 - GOV.UK](#)

the baked-in assumptions that 1) the landowner considers the existing use and/or condition of the site to be sub-optimal, 2) the existing use attracts limited demand and, as a result, 3) the average brownfield site with redevelopment potential is only capable of generating rental income in the lower quartile for the area.

For the purpose of a plan-wide viability study, particularly in a highly desirable area with a thriving economy such as Cambridgeshire, we consider this to represent an overly pessimistic assessment of the local commercial property market. By approaching their analysis in this way, there is a risk that BNPP has underestimated a typical landowner's reasonable price expectations, leading to an optimistic assessment of the level of CIL that can be sustained by the relevant development typologies without jeopardising delivery.

It should also be remembered that 'brownfield' is a very broad category, encompassing many different uses beyond the two (office and industrial) tested by BNPP. Whilst some will indeed be suboptimal for their location, we do not consider that this should be the working assumption in the viability study, and BNPP's approach of testing viability against just two of the (lower value) uses that might be expected in this category is in our view flawed.

We note that BNPP's brownfield BLV calculations have been further suppressed by the application of a cost allowance for the refurbishment of the property. We are therefore concerned that the 'secondary' nature of these site typologies has effectively been double counted, with the assumed lower quartile rental value likely reflecting a property which is obsolete and/or in a poor state of repair despite the separate allowance to bring the property up to a standard which could command a higher rent.

We also suspect a further adjustment will be required to BNPP's yield assumptions (7.5% and 6.5% for office and industrial, respectively) to reflect the improved condition and commercial desirability of the property following refurbishment, based on Bidwells' analysis of commercial yields elsewhere in this representation.

BLV Conclusion

Whilst we recognise that an area-wide viability study cannot practically reflect the full spectrum of sites on which development is expected to come forward, we do not consider it appropriate for the BLVs to be set at levels which, on the basis of the above, appear to be at the lower end of that spectrum for both greenfield and brownfield sites. Our own analysis demonstrates that BNPP have underestimated Secondary Office BLVs by approximately 136%.

Concluding Remarks

As highlighted above, there are numerous instances in BNPP's CIL VA where in our view they have been too optimistic in terms of their inputs. Values have been set at the upper end of a range and costs have been set below realistic levels. There is a clear disconnect therefore between the costs of delivering development in Greater Cambridge vs actual realisable values. Evidence to this effect has been set out in this submission.

We therefore conclude that at present, the CIL VA is overstating the viability of the typologies assessed, which in turn is overstating the ability to sustain the proposed CIL. We urge Greater Cambridge and BNPP to reconsider their position on the viability inputs discussed above, update their modelling using more realistic figures, and reconsider the proposed CIL Charging Rates.

If this process is not undertaken we are of the view that it will run the risk of negatively impacting the viability and deliverability of development in Cambridge, which in turn is very likely to have knock-on consequences in respect of the ability of developments to sustain high design standards that are expected and public benefits such as affordable housing.

Yours sincerely



Alex Brown MRICS MRTPI
Partner, Land & Development

Signed for and on behalf of Bidwells LLP

APPENDIX 3

BIDWELLS COMMERCIAL OFFICE AND LABS COMMENTARY

Alex Brown

From: Dick Wise
Sent: 25 September 2026 09:38
To: Alex Brown
Cc: Guy Kaddish
Subject: Commercial - Offices and Labs

Alex

Following from yesterday call I agreed to write a couple of paragraphs explaining that in Cambridge there are significant differences between office buildings and lab buildings and that because of these differences there are material divergence between the costs of delivering an office building to the costs of delivering a lab building. It follows then that there is a rental differential between offices and labs.

Building Differentials

Laboratory buildings in Cambridge are built both speculatively and purpose built to accommodate occupiers who require a wet lab facility whether this be chemistry or biology laboratory for life science uses. The buildings tend to be very specialist meeting a small but expanding sector of the UK life science market that is of increasing importance to the UK economy. Cambridge is very much a focus for this market with an established cluster that includes the MRC, Genome Campus, Babraham Institute, AZ shortly to be joined by GSK working with the University and the hospital. The buildings occupied by these companies differ from standard office buildings in numerous ways but are significantly more expensive to build. The principal differences being

- 1) the slab-to-slab heights on the buildings are a minimum of 4.5m as opposed to 4 (or just sub 4 m) on office buildings meaning that there is approximately 12/15% more external fabric to the building which has the equivalent increase in the cost of the building
- 2) The quantum of plant required to circulate the air in the building and power upgrade that is required to run that plant.
- 3) The performance specification of the building in terms of floor loadings, vibration control , fume hood requirement, gasses and drainage and waste disposal
- 4) Loading, delivery, goods lifts and separate stores for gasses and equipment.
- 5) In current Cambridge buildings given capacity issues with Anglian Water, separate effluent tanks.

Given the nature of lab building and the specialist requirements of end users lab buildings tend to be built to a shell and core specification and the landlord will then provide the end occupier with a capital contribution that effectively takes the building to open plan labs. This is how the buildings are generally rented known as open plan labs. This enables the tenant/end occupier to complete their fitout to fully fitted labs without first dismantling elements of the landlords works that otherwise would be the case with ceilings and lighting for instance.

Office buildings in Cambridge compose circa 70% of all Cambridge Commercial (E class buildings) totalling circa 7- 8 million sq ft across the city and surrounding area. Office buildings are occupied by professional companies but also and mainly by the Cambridge tech companies whether they be developing AI, chips, computer gaming, telecoms, or software. All these uses can be accommodated in a typical office building. The buildings will be delivered to Cat A specification which is relatively standard that provides an open plan office environment with floors, ceilings and lighting, finished cores and receptions. It will then be handed over to the occupier to complete their fit out (Cat B) works. Office buildings do not require the air handling plant and power of lab buildings and therefore can be built on a smaller slab to slab height with savings, compared to lab buildings in fabric as well as plant.

There are increasing environmental costs for delivering both offices and labs in Cambridge and these have had a material increase in costs of delivering buildings in a positive way.

There are separate tables detailing cost evidence of building but broadly as a house Bidwells would say that Cat A office buildings will cost around £400 psf GIA to deliver and Open Plan Labs will be around £550 psf on a GIA basis to deliver. These can range depending on specifics and exact specification but for the purposes of running appraisals these tend to be the starting point.

Rents

Because of the differential in costs the required rental returns from office and lab buildings are different.

As has been explained above labs are generally delivered to shell and core with a landlord contribution to take the buildings to what is described as 'Open Plan Labs'. This is the makeup of the construction cost of £550 psf on a GIA basis. Prime headline rents for Open Plan labs are currently around £65 psf on a GIA basis. This has been achieved at Granta Park. These rents are likely to be superseded by the GSK deal at Cambridge Biomedical Campus where the headline rent agreed is believed to be around £70 psf NIA on the basis of Open Plan Labs. This will set the new benchmark prime rent for Cambridge.

Cambridge Biomedical Campus is the prime location for labs in Cambridge and probably the UK and is home to Addenbrookes Hospital, Cambridge University Teaching Hospital, The MRC, Papworth Hospital and Astra Zeneca. CBC will trade at a premium to other locations and therefore a range of rents for Open Plan Labs is likely to be £55 - £70 psf depending on exact locational dynamics.

Offices, given the lesser build costs trade at lower levels of rent.

Prime City Centre headline rents currently stand at around £60/63 psf on an NIA basis. Railpen is building office buildings speculatively and are targeting rents into the £70 psf and beyond on Mill Yard and Botanic Place respectively. Their build costs are significantly greater than the £400 psf used as bench mark above and we believe that the Botanic Place Development is costing £550 psf to building on a GIA basis and Railpen is hoping that it will set a new benchmark in quality for office buildings in Cambridge and attract a corresponding significant premium.

The area around the city Centre that includes the Science Park, Peterhouse Technology Park, Cambridge Business Park and Cambridge Square at Cambridge North Station is achieving headline rents of between £45/ £50 psf on the prime and new space. At Peterhouse Technology Park at Fulbourn, ARM took a 100,000 sq ft pre let at £49 psf from British Land. Brookgate is now achieving headline rents in the high £40 psf on its building at 1 Cambridge Square.

Further out in locations such as Cambourne and Cambridge Research Parks office rents are a maximum of £35/40 psf on a headline rent and demand is patch at best.

As can be seen above there is a large variation in rents which is primarily down to location but broadly the table below summarises this;

Location	Headline Rent	Evidence
Prime	£60 - £65	Station Road, Hills Road
Periphery	£45 - £50	CSP, Peterhouse Technology Park
Secondary	£35 - 40	Cambridge Research Park, Cambourne Business Park.

I have stressed above that the levels stated are headline rents and to achieve these headlines significant incentives have been granted which include up to two year rent free periods. If you look at rents on a net effective basis, ie taking into account the effect of the incentives, the rents above would be between 10 and 20% lower.

Yields

I have not commented on yields but note that the evidence is applying exit yields of 6% to commercial space. There is very little evidence to support any yield at the moment but using the trues costs and comparable rents above viability is at best marginal but in most cases it is not viable to bring development forward.

I am very happy to talk through.

Many thanks

Dick



Dick Wise

Partner, Head of Business Space Agency

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Latest Offices & Labs
Market Databooks Reports

Available to download here



APPENDIX 4

GARDINER & THEOBALD CONSTRUCTION COST BENCHMARKING



CAMBRIDGE CONSTRUCTION COSTS: COMMERCIAL BENCHMARKING REPORT

For Development Consortium

October 2026

CONTENTS

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01

INTRODUCTION

01 | INTRODUCTION

General

Gardiner & Theobald (G&T) has been commissioned to prepare this Construction Cost Benchmarking Report to provide an informed assessment of prevailing construction costs within specific sectors of the Greater Cambridge, Cambridge City and South Cambridgeshire Cambridge market.

G&T is an independent consultancy providing cost, project and construction management services across a broad range of sectors and project types. Cambridge represents a distinctive construction market, with projects frequently requiring high-quality specification, technically complex solutions and specialist accommodation.

The report draws upon G&T's wider cost management expertise and experience across the UK built environment, together with our knowledge of projects and market conditions relevant to Cambridge and the surrounding region.

Consideration has been given to the underlying scope, specification, procurement strategy, programme, building configuration and technical requirements of each benchmark before establishing an appropriate basis for comparison. This report therefore draws on G&T's knowledge and project experience to provide a comparative assessment across the commercial office and life sciences sectors.

The analysis seeks to normalise relevant benchmark data, where appropriate, to enable comparison on a consistent basis and to identify a range of construction costs between individual projects and sectors. The purpose of the report is to provide a robust and transparent evidence base against which current and future project budgets can be compared against.

Methodology

The report analyses from cost data between 2019-2026, with the primary data source being projects that G&T are providing Cost or Project Management Services on, either in the design or procurement stages or agreed contract sums. We have collated and analysed data from 21 buildings (11 commercial office projects and 10 research/life science projects), which were carefully chosen to best represented the data set in terms of product type, size, and the Greater Cambridge location.

It is important to note that the selected projects are not theoretical benchmarks or high-level market comparators. They comprise actual schemes that have either been completed or have progressed sufficiently through their development and delivery cycle for the underlying costs to have been subject to detailed scrutiny, challenge and financial testing. This provides a high degree of confidence in the robustness of the benchmark dataset and ensures that the analysis reflects real project outcomes and current commercial experience.

The pages within Sections 3 and 4 graphically present the findings from our analysis of the dataset. Due to client confidentiality and the commercially sensitive nature of the underlying project and cost information, the benchmark projects are presented on an anonymous basis. Specific project names, client identities and other identifiable information have therefore been withheld, while the key project characteristics required to support a meaningful and relevant comparison have been retained. This enables the analysis to benefit from detailed project cost intelligence while ensuring that individual projects, clients, procurement outcomes and supply chain arrangements are withheld.

01 | INTRODUCTION

Methodology Cont'd

Anonymisation ensures that the focus remains on the underlying cost data, project characteristics and key cost drivers, rather than the identity or perceived performance of individual schemes. It also protects commercially sensitive procurement and tender information, including contractor, subcontractor and supplier pricing, which could otherwise prejudice future negotiations. Similarly, tender settlements, value engineering outcomes, risk allowances and other negotiated commercial arrangements are often specific to the parties and circumstances of each project and should therefore remain confidential

Anonymisation also enables project experience and cost intelligence to be used responsibly while maintaining the confidentiality and trust of clients, project teams and supply chain partners. Ultimately, the purpose of the benchmarking is not to assess or interrogate the commercial performance of individual projects, but to identify meaningful cost ranges, trends and key cost drivers across a representative group of comparable schemes. Presenting the data anonymously therefore provides a robust basis for comparison while maintaining the appropriate level of commercial confidentiality.

Specification**Commercial Offices**

Shell & Core + CAT A:

Costs includes the complete base building structure and envelope, cores, landlord common areas (e.g. WC's), vertical transportation, primary building services, together with CAT A finishes and services to the office floorplates. The CAT A generally comprises raised access flooring, ceilings or finished soffits, basic finishes, lighting, mechanical services distribution, fire protection and electrical distribution, providing completed open-plan floorplates ready for subsequent tenant fit-out. Tenant-specific partitions, finishes, joinery, furniture, IT/AV, kitchens, meeting rooms and other occupational fit-out are excluded

Life Sciences

Shell & Core + CAT A / Write-Up Areas:

The benchmark scope comprises the complete base building structure and envelope, cores, landlord common areas (including WCs), vertical transportation, primary building services and laboratory-enabling infrastructure, together with CAT A finishes and services to the office/write-up accommodation. The base building also incorporates the enhanced plant capacity, servicing infrastructure, riser provision and distribution routes required to support future laboratory occupation. Tenant-specific laboratory fit-out is excluded, including laboratory furniture, specialist equipment, fume cupboards, specialist ventilation and extract systems, laboratory gases, process services, specialist drainage, controlled environments and other occupier-specific installations.

Life Sciences Cost Premium

It should be noted that life sciences buildings typically benchmark at a higher cost than conventional commercial office buildings, reflecting the enhanced base-build specification and infrastructure required to enable laboratory use. Key cost drivers reflected within the benchmark projects include:

- Increased floor-to-floor heights, typically a minimum of approximately 4.5m compared with 3.8m to 4.0m for conventional offices, resulting in a greater quantity of façade and external envelope.
- Enhanced mechanical and electrical infrastructure, including increased plant capacity to accommodate higher ventilation and air-change requirements, together with the associated electrical capacity and power upgrades.

01 | INTRODUCTION

Specification Cont'd

Life Sciences Cost Premium

- Enhanced structural performance, including increased floor loadings and more stringent vibration criteria to accommodate vibration-sensitive laboratory uses.
- Laboratory-enabling infrastructure, including provision for future fume cupboard extract, laboratory gases, specialist drainage and waste systems.
- Dedicated effluent infrastructure, including requirements for separate effluent collection and storage tanks.

External Works and Other Costs

All external works, incoming utilities and site-wide infrastructure costs are excluded from the benchmarking. The exception is external finishes associated with balconies, terraces and rooftop terraces that form an integral part of the building, which are included within the assessed scope.



02

OVERVIEW OF GARDINER & THEOBALD

Gardiner & Theobald is an independent, partner-owned construction and property consultancy with over 190 years of experience delivering complex, high-value projects across the built environment. Backed by our strategic partner HennickCo, we offer long-term financial stability, continuity of leadership and a clear focus on quality, accountability and client outcomes.



We support major, complex and high-profile programmes across all sectors of the built environment working with some of the leading brands in the world. Our global team of over **1,500 professionals**, with a strong presence in the United Kingdom, the United States and Ireland, enables us to mobilise expertise at scale and integrate seamlessly with international programme teams.

We regularly deliver projects of scale, complexity and operational intensity. Our experience spans the integrated systems that define world-class destinations - infrastructure and utilities, transport and servicing networks, commercial offices, life sciences, leisure destinations, sporting arenas, hotels, food and beverage, retail, and logistics often within **live, operational settings** where safety, interface management and programme certainty are critical.

Our services support projects from early strategy through to delivery and handover, with proven capability in leading multi-phase programmes, coordinating complex stakeholders and maintaining robust cost, risk and programme controls across long delivery horizons.

03

COMMERCIAL OFFICES

03 | COMMERCIAL OFFICE BENCHMARKING

Commercial Office Benchmarking - £/ft² GIA



	Project 1	Project 2	Project 3	Project 4	Project 5	Project 6	Project 7	Project 8	Project 9	Project 11	Project 12	Average
GIA ft²	219,648	544,546	79,372	94,961	93,069	114,764	228,657	210,637	148,298	92,419	21,216	167,962
Total £/ft²	£397	£423	£383	£341	£377	£364	£394	£376	£371	£419	£530	£398
Cost Data Source	Stage 3 Cost Plan	Stage 2 Cost Plan	Contract Sum	Contract Sum	Contract Sum	Contract Sum	Contract Sum	Contract Sum	Contract Sum	Stage 2+ Cost Plan	Stage 2+ Cost Plan	N/A

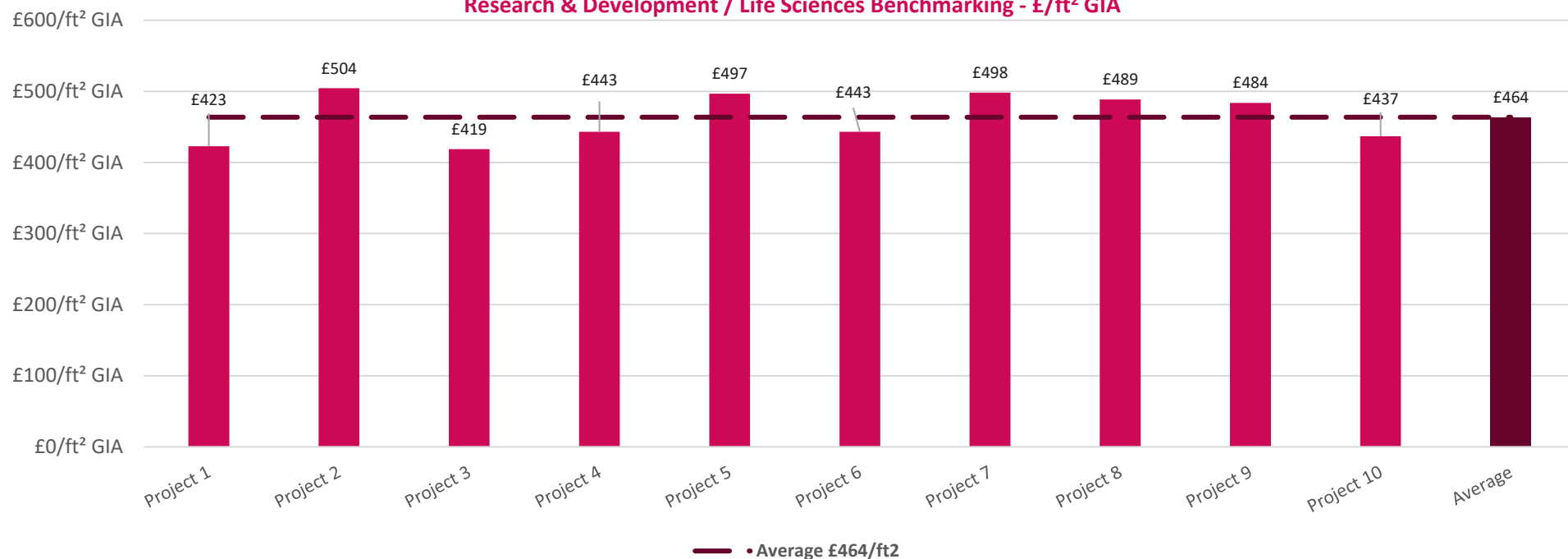
Note: The above benchmark costs relate to new-build office developments in Cambridge and are based on shell and core construction with CAT A fit-out to the net lettable areas. They have all been adjusted to current day Q42026 prices using G&T's tender price indices.

04

RESEARCH AND DEVELOPMENT FACILITIES/ LIFE SCIENCES

04 | RESEARCH AND DEVELOPMENT / LIFE SCIENCES BENCHMARKING

Research & Development / Life Sciences Benchmarking - £/ft² GIA



	Project 1	Project 2	Project 3	Project 4	Project 5	Project 6	Project 7	Project 8	Project 9	Project 10	Average
GIA ft²	144,840	495,139	108,000	77,600	84,884	125,475	189,725	193,417	230,143	228,988	187,821
Total £/ft²	423	504	419	443	497	443	498	489	484	437	464
Cost Data Source	Contract Sum	Tender Price	Contract Sum	Contract Sum	Stage 2+ Cost Plan	Stage 2+ Cost Plan	Stage 2 Cost Plan	Stage 2 Cost Plan	Stage 2 Cost Plan	Contract Sum	

Note: The above benchmark costs are based on new-build life sciences developments in Cambridge, comprising base build shell and core accommodation, with the laboratory areas finished to a CAT A specification and the associated write-up/office areas delivered as open-plan CAT A space. They have all been adjusted to current day Q42026 prices using G&T's tender price indices.

05

EXCLUSIONS

05 | EXCLUSIONS

The following items are excluded from the construction costs on the benchmark slides of this report and are deemed to be included elsewhere by the Developer in the overall project appraisal.

1	Value Added Tax	15	Connection to district heating system
2	Land acquisition costs and fees	16	Union Works outside of normal working hours
3	Client finance, legal or marketing costs	17	Audio visual installations and equipment
4	Professional fees (e.g. design, PCSA, PM, surveys etc)	18	Spares and maintenance costs
5	Planning and building regulation fees	19	Changes in costs and / or programme caused by epidemic or pandemic disease, act of war or other extraordinary geo-political event.
6	Fees or costs associated with rights of light agreement, party wall awards or over-sailing agreements etc.	20	Costs relating from force majeure events.
7	Project insurances	21	Statutory changes
8	Section 278 works and Section 106 Contributions including cycle hire costs	22	The project has been costed on the assumption that the design details provided are in line with current Building Regulations. No allowance has been made for future changes to the Building Regulations
9	Community Infrastructure Levy Contributions or similar	23	Loose fittings, furnishings and equipment and external furniture
10	Benefits arising from any potential Capital Allowances or other government incentives / grants	24	Diversion of existing below ground services
11	Fluctuation of exchange rates	25	Carbon offset payments
12	Costs resulting from tariffs or other charges following the withdrawal of the UK from the European	26	Public art installations or contributions
13	Tenant fit out beyond Cat A on the commercial offices and life sciences buildings	27	Works outside of the site boundary
14	Client held construction contingency	28	All external works, incoming utilities and site-wide infrastructure costs

06

G&T TENDER PRICE FORECAST

06 | G&T TENDER PRICE FORECASTS

GT GARDINER
& THEOBALDTender Price
Forecastfor 2nd Quarter 2026 is...3.50%
Annual UK Average

▲ compared to 3.00% Annual UK Avg. for Q1 2026

Renewed energy and commodity pressures have lifted short-term inflation risk, particularly where packages are exposed to energy, shipping, metals and imported components.

However, weaker workload conversion and increased contractor appetite to secure future pipeline are providing an important counterweight. Whilst macroeconomic conditions remain volatile, our research suggests a period of selective cost pressure rather than broad-based escalation.

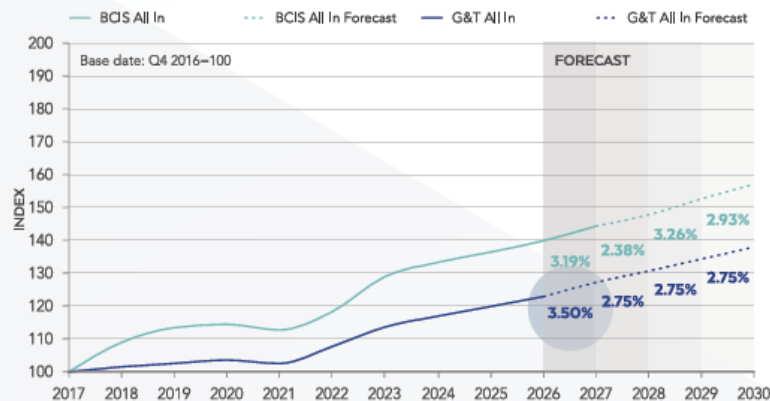
Our forecast reflects a scenario of stabilisation to the Middle East conflict over the next three months.

TENDER PRICE ANNUAL PERCENTAGE CHANGE Q2 2026

%	2026		2027		2028		2029	
Regional forecasts	Now	Last*	Now	Last*	Now	Last*	Now	Last*
Greater London	3.75	3.25	3.00	3.00	2.75	2.75	2.75	2.75
South East	3.50	3.00	3.00	3.00	2.75	2.75	2.75	2.75
South West	3.50	2.50	2.50	2.50	2.75	2.75	2.75	2.75
East (Anglia)	3.75	3.00	3.25	3.00	3.25	3.25	3.25	3.25
Midlands	2.75	2.25	2.75	2.25	2.50	2.50	2.75	2.50
Wales	3.00	2.50	2.75	2.75	2.75	2.75	2.75	2.75
Yorks & Humber	2.25	2.00	2.25	2.25	2.50	2.50	2.50	2.50
North West	2.75	2.25	2.50	2.25	2.50	2.75	2.50	2.50
North East	2.25	2.00	2.25	2.25	2.25	2.50	2.25	2.50
Scotland	3.00	2.50	3.00	2.75	3.00	3.00	3.00	3.00
Northern Ireland	3.50	3.00	4.00	3.50	3.50	3.50	3.50	3.50
UK Weighted Average	3.50	3.00	2.75	2.75	2.75	2.75	2.75	2.75

Our forward forecasts show annual tender price inflation (Jan-Dec)

TENDER PRICE TREND 'ALL UK TPI'



Our advice is to review each project on its own merits. This forecast publication must be treated as a guide only, being that it is based on averages of various types and sizes of projects across a region, ascertained through our latest market research.



TENDER PRICE DRIVERS

1. Energy and fuel costs (oil, gas, electricity)
2. Macro-economic conditions
3. Material pricing and availability
4. Financing conditions/cost of capital
5. Labour pricing and availability

HOW DO WE REACH OUR
TENDER PRICE FORECAST?

We conduct a detailed industry survey and consider factors including...

INPUT COSTS

- ▼ 5.8% (6.4%) BCIS Labour Cost Index Mar 25 – Mar 26
- ▼ 1.9% (2.6%) BCIS Materials Cost Index Mar 25 – Mar 26
- ▼ 3.7% (4.3%) BCIS Plant Cost Index Mar 25 – Mar 26
- ◀ 5.0% (5.0%) BCIS M&E Cost Index Mar 25 – Mar 26
- ▲ 65.6% (-9.4%) Oil Prices (Brent Crude) May 25 – May 26
- ▲ 27.6% UK NBP Natural Gas May 25 – May 26

KEY
Arrows indicate whether each indicator has increased, decreased or remained unchanged compared with the value reported in our previous TPI report.

● High Cost Driver ● Medium Cost Driver ● Low Cost Driver

Note: The figures shown in brackets represent data from the previous report.

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14th May 2026

The costs identified in this benchmarking document are at current day 4Q2026 prices.

G&T's Tender Price Indices (TPIs) shown in the adjacent table provide a measure of forecast movements in construction tender prices which can be used to project current costs forward to the anticipated tender or construction period.

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