

## SHBC/6

### CIL Viability Buffers in Residential Development & Retail Development

#### Residential

- 1.1 Tables 1-1 to 1-2 set out the average viability buffers for all sites appraised by value point area. This has been further broken down into sites which will contribute toward SANG through CIL and those which will provide SANG on site. The viability buffer percentage figures set out in tables 1-1 and 1-2 represent how close the proposed CIL charge is to the potential maximum CIL that could be charged within a given value point area.

**Table 1-1: Residential Viability Buffers (Sites without SANG)**

Viability Buffers (Sites without SANG)		
	£180	£220
VP1	92.0%	-
VP2	60.0%	-
VP3	-	50.0%
VP4	-	38.0%
VP5	-	32.0%
<b>Average</b>	<b>76.0%</b>	<b>40.0%</b>

**Table 1-2: Residential Viability Buffers (Sites with SANG)**

Viability Buffers (Sites Providing SANG)		
	£180	£220
VP1	47.0%	-
VP2	32.0%	-
VP3	-	29.0%
VP4	-	21.0%
VP5	-	16.0%
<b>Average</b>	<b>39.5%</b>	<b>22.0%</b>

- 1.4 Tables 1-1 and 1-2 show that in the vast majority of circumstances an average viability buffer of at least 40% from the maximum exists. The exception to this is the viability buffer in VP1 which is on average 8% away from the maximum.
- 1.5 However, given the low level of residential development expected to come forward in this area of the Borough, as evidenced in Table 5-2 of the CIL Technical Background Document (CIL/CD/012], it is not considered that this will place delivery of development as a whole at risk.

## Retail

- 1.6 Tables 1-3 to 1-6 show the viability buffers for supermarkets/superstores both outside and within Camberley Town Centre, retail warehousing and all other retail outside of Camberley Town Centre. The viability buffer percentage figures set out in tables 1-3 to 1-6 represent how close the proposed CIL charge is to the potential maximum (in green) or the percentage that the proposed charge is over the maximum (in red).

**Table 1-3: Supermarket/Superstore Viability Buffers (500sqm to 10,000sqm outside Camberley Town Centre)**

500sqm			2,000sqm			10,000sqm		
Viability Buffers			Viability Buffers			Viability Buffers		
4.75%	5.25%	5.75%	4.75%	5.25%	5.75%	4.75%	5.25%	5.75%
72%	57%	33%	61%	25%	69%	77%	69%	53%

**Table 1-4 Supermarket/Superstores Viability Buffers (500sqm to 2,000sqm within Camberley Town Centre)**

500sqm			2,000sqm		
Viability Buffers			Viability Buffers		
4.75%	5.25%	5.75%	4.75%	5.25%	5.75%
62%	26%	68%	63%	31%	59%

**Table 1-5 Retail Warehousing Viability Buffers (2,000sqm to 10,000sqm)**

	2000sqm			10,000sqm		
	Viability Buffers			Viability Buffers		
Rent	6% Yield	7% Yield	8% Yield	6% Yield	7% Yield	8% Yield
£200	63%	57%	23%	65%	33%	53%
£225	79%	70%	53%	75%	59%	21%
£250	83%	76%	66%	80%	70%	52%

**Table 1-6 Other Retail Viability Buffers (100sqm to 200sqm)**

	100sqm			200sqm		
	Viability Buffers			Viability Buffers		
Location	6% Yield	7% Yield	8% Yield	6% Yield	7% Yield	8% Yield
District/Local Centres	87%	77%	28%	88%	80%	57%
Camberley (non CTC)	65%	83%	-ve CIL	74%	8%	-ve CIL

- 1.7 For supermarkets/superstores Tables 1-3 & 1-4 show the majority of scenarios return buffers at least 25% or greater. The scenario's where the proposed CIL is over the potential maximum are at less favourable yields. It is considered, having regard to market commentary and data set out in paragraph 3.46 and Appendix C of the Viability Assessment [CIL/CD/011] that yield profiles for supermarkets/superstores are likely to sit in the 4.75%-5.25% region and as such the Borough Council considers that the viability buffers for the most likely yield profiles are reasonable even when seen against highest land values in Camberley Town Centre.
- 1.8 The majority of retail warehouse scenarios set out in Table 1-5 return viability buffers of at least 21% and only in one scenario at less favourable rents and yields is the proposed CIL charge over the maximum potential. Having regard to market commentary and data on where rental values and yield profiles sit, the Borough Council considers that the viability buffers are reasonable.
- 1.9 For 'Other Retail' outside of Camberley Town Centre Table 1-6 shows viability buffers of at least 28% for all scenarios within District/Local centres. This is considered to be reasonable. For the local parades within Camberley the proposed CIL is over the potential maximum or there was negative potential for CIL. For the reasons set out in paragraph 5.62 of the Borough Council's CIL Technical Background Document [CIL/CD/012] this is not considered to place development as a whole at risk.