

Appendix 2

Royal Holloway, University of London - CIL Representation (April 2020)

Runnymede Borough Council - Draft Community Infrastructure Levy Charging Schedule
Viability Report Worked Example (Student Accommodation)

Student Housing	AGA Ltd (2019)	Student Housing	STL (2020)	Notes
Revenue		Revenue		
Rent per week	£ 160.00	Rent per week	£ 165.00	Rental levels are based upon averages reflecting a pricing stratification which reflects different room offerings for undergraduate students, post-graduate students and summer schools.
Rent per annum (40 weeks)	£ 6,400.00	Rent per annum (44.8 weeks)	£ 7,392.00	40 weeks plus a 60% occupation over an 8 week summer period reflecting international summer school and events, resulting in 44.8 weeks of income over the calendar year.
Rent per m2 (20m2 per room)	£ 320.00	Rent per m2 (30m2 per room)	£ 246.40	The average size of a new cluster flat student study bedroom is 30m2. This is similar to other new build student accommodation currently under construction or being progressed and reflects the need for supporting and ancillary facilities to meet student resident demands.
Less M and M - at 15%	£ 272.00	Less M and M - at 15%	£ 209.44	
Yield	4.5%	Yield	4.5%	Yield remains at the mid-point of the range cited by Cushman and Wakefield in the AGA Viability Report (para 6.45)
YP	22.22	YP		
Capital Value per m2	£ 6,044	Capital Value per m2	£ 4,654	
Development Costs		Development Costs		
Construction costs per m2 (BCIS)	£ 1,500.00	Construction costs per m2	£ 2,400.00	This is based upon a number of large student accommodation schemes around the UK where Stride Treglown are the appointed architects. The Construction Cost estimates provided by AGA appear to be based on above ground activities and does not take into account either the premium construction costs associated with low or zero carbon solutions, or underground, demolition and enabling works.
Surrey Factor (at 15%)	£ 225.00	Surrey Factor (at 15%)	£ 360.00	
Sub-Total	£ 1,725.00	Sub-Total	£ 2,760.00	
Professional Fees (12%)	£ 207.00	Professional Fees (12%)	£ 331.20	
Finance (6% of Construction and Fees)	£ 115.92	Finance (6% of Construction and Fees)	£ 185.47	
Marketing Fees (2% of GDV)	£ 120.89	Marketing Fees (2% of GDV)	£ 93.08	
Margin (20% of GDV)	£ 1,208.89	Margin (20% of GDV)	£ 930.84	
Total Development Costs	£ 3,378	Total Development Costs	£ 4,301	
Residual Value	£ 2,666.75	Residual Value	£ 354	
One Hectare Site		One Hectare Site		
Coverage at 30% (m2) and at 5 Storeys	15,000	Coverage at 30% (m2) and based upon a scale (height) of development appropriate achieved (or proposed) in the local setting in and around the University (Egham and Englefield Green)	10,790	This is an average of three real-life student accommodation schemes designed in the area: George Eliot Hall, The Pad (Phases 1 and 2 extrapolated to a 1ha site) and a 1ha extract of the current Rusham Park outline planning application proposal.
Efficiency at 80% (m2)	12,000	Efficiency at 80% (m2)	8,632	
Residual per hectare	£ 32,000,960	Residual per hectare	£ 3,052,459	
LVB (per hectare) - commercial land	£ 2,000,000	LVB (per hectare) - commercial land	£ 2,000,000	
		LVB (per hectare) - Residential with Aff Housing	£ 3,000,000	
Surplus	£ 30,000,960	Surplus / Deficit	£ 1,052,459	For the reasons set out within our representation, if located outside the Green Belt, redevelopment of a previously developed commercial site for residential uses would represent a reasonable alternative development scenario. A surplus of £52,459 would be generated if a residential LVB was applied.
Surplus per m2	£ 2,000	Surplus / Deficit per m2	£ 98	A surplus of £5m2 would be generated if a residential LVB was applied.
Draft CIL Charging Schedule (per m2)	£ 495	Draft CIL Charging Schedule (per m2)	£ 24	
Draft CIL Charge as % of estimated Surplus	25%	Draft CIL Charge as % of estimated Surplus	25%	