



AN EXAMINATION UNDER SECTION 212
OF THE PLANNING ACT 2008 (AS AMENDED)

**REPORT ON THE DRAFT CITY OF YORK
COMMUNITY INFRASTRUCTURE LEVY CHARGING SCHEDULE**

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Charging Schedule Submitted for Examination: 18 July 2025

Date of Report: 22 October 2025

Main Findings - Executive Summary

In this report I have concluded that the draft City of York Council Community Infrastructure Levy Charging Schedule provides an appropriate basis for the collection of the levy in the area.

The Council has provided sufficient evidence that shows that with the modifications recommended the proposed rates would not threaten delivery of the Local Plan.

Two modifications are necessary to meet the drafting requirements. These can be summarised as follows:

- Charge £0 on all identified strategic sites; and
- Charge £75 on residential dwellings in the City of York.

The specified modification(s) recommended in this report does not alter the basis of the Council's overall approach or the appropriate balance achieved.

Introduction

1. I have been appointed by the City of York Council, the charging authority, to examine the draft City of York Community Infrastructure Levy (CIL) Charging Schedule. I am a chartered town planner with more than 25 years' experience inspecting and examining development plans and CIL Charging Schedules as a Government Planning Inspector.
2. This report contains my assessment of the Charging Schedule in terms of compliance with the requirements in Part 11 of the Planning Act 2008 as amended ('the Act') and the Community Infrastructure Regulations 2010 as amended ('the Regulations').¹ Section 212(4) of the Act terms these collectively as the "drafting requirements". I have also had regard to the National Planning Policy Framework (NPPF) and the CIL section of the Planning Practice Guidance (PPG).²
3. To comply with the relevant legislation, the submitted Charging Schedule must strike what appears to the charging authority to be an appropriate balance between helping to fund necessary new infrastructure and the

¹ The Regulations have been updated through numerous statutory instruments since 2010, most notably through the Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019.

² The CIL section of the PPG was substantially updated on 1 September 2019, and most recently updated 26 April 2024. At the time of completion of the examination, no further updates have been made to the CIL section of the PPG following publication of the December 2024 NPPF. For example, in relation to Development contributions, the paragraph referenced in the current PPG as 34 is now paragraph **35** (albeit the text remains unchanged).

potential effects on the economic viability of development across the district. The PPG states³ that the examiner should establish that:

- the charging authority has complied with the legislative requirements set out in the Act and the Regulations;
 - the draft charging schedule is supported by background documents containing appropriate available evidence;
 - the charging authority has undertaken an appropriate level of consultation;
 - the proposed rate or rates are informed by, and consistent with, the evidence on viability across the charging authority's area; and
 - evidence has been provided that shows the proposed rate or rates would not undermine the deliverability of the plan (see NPPF paragraph 34⁴).
4. The basis for the examination, on which a hearing session was held on 2 September 2025⁵, is the submitted draft Schedule of February 2023 as modified in December 2023 and July 2025 as a result of CIL Viability Addendum reports dated November 2023 and June 2025.⁶
5. In summary, the Council proposes a Charging Schedule that has several rates. First a rate of £150 for residential dwellings in the City of York. For strategic sites ST1, ST5, ST16 and ST36 the proposed rate is £100 for residential dwellings. On strategic sites ST4, ST7, ST8, ST9, ST14, ST15, ST31 and ST33 the proposed rate is nil. Purpose built student accommodation (PBSA) off-campus would attract a CIL of £150. All other development in York would have a nil charge. In this report all figures quoted are £/square metre unless otherwise stated.

Has the charging authority complied with the legislative requirements set out in the Act and the Regulations, including undertaking an appropriate level of consultation?

6. The first consultation undertaken ran from 13 February 2023 to 27 March 2023. This consultation included a formal notice in the Council's West Offices, a press advert and release in the York Press, publication on the Council's website with hard copies made available, about 900 consultation letters (linked to the Local Plan consultation), use of social media channels and the Council's newsletter, and notification to statutory consultation bodies including the County Council, parish councils and district councils. This

³ See PPG Reference ID: 25-040-20190901.

⁴ Paragraph 35, December 2024 NPPF.

⁵ View details on the examination at: <https://www.york.gov.uk/planning-policy/community-infrastructure-levy/4>

⁶ View the submission documents at: <https://www.york.gov.uk/planning-policy/community-infrastructure-levy/3>

consultation resulted in 33 responses and 10 incomplete responses. In response to the results and the consequent modifications to the proposed Charging Schedule, a second consultation was held between 18 December 2023 and 31 January 2024. This resulted in 15 representations. Following further modifications to the Charging Schedule in July 2025, upon submission of the Charging Schedule for examination a third period of consultation was undertaken between 18 July to 15 August 2025.⁷

7. I am satisfied the Charging Schedule complies with the Act and the Regulations, including in respect of the statutory processes and public consultation, consistency with the adopted Local Plan and the Infrastructure Delivery Plan, and is supported by an adequate financial appraisal. I also consider it compliant with the national policy and guidance contained in the NPPF and PPG respectively.

Is the draft charging schedule supported by background documents containing appropriate available evidence?

Infrastructure planning evidence

8. The City of York Local Plan was adopted on 27 February 2025.⁸ This sets out the main elements of growth that will need to be supported by further infrastructure in the City of York. In relation to residential development, the Local Plan identifies the need for 13,152 additional dwellings (2017 to 2033) of which the affordable housing need is 9,396.⁹ Of the total need, 8,160 are on identified strategic locations. Because of persistent under-delivery of housing, a 20% buffer is applied to the five-year housing need figure. The housing trajectory (Fig 5.1 Local Plan) shows delivery only from the allocated strategic sites and windfall sites from 2029/30.
9. Infrastructure evidence was produced as part of the evidence base for the City of York Local Plan. An Infrastructure Funding Gap Assessment was produced in December 2022 and updated in July 2025. This relates to the June 2025 Infrastructure Delivery Plan. To support the policies in the adopted Local Plan, the total cost of the required infrastructure is estimated to be £1015.67 million of which there is confirmed funding for £540.51 million. The largest costs relate to highways improvements, public transport, education and healthcare. The evidence is that there is a funding gap of £480.07 million. The Council estimate that CIL income over the Local Plan period should be in the region of £41 million. The figures demonstrate the need to levy CIL which is expected to make only a modest contribution to filling the infrastructure gap.

⁷ View details on the Draft CIL Charging Schedule consultations at:
<https://www.york.gov.uk/planning-policy/community-infrastructure-levy/2>

⁸ View at: <https://www.york.gov.uk/AdoptedLocalPlan>

⁹ Local Plan Policy SS1: 'Delivering Sustainable Growth for York' states the Council is aiming to meet 45% of the overall affordable housing need.

Economic viability evidence

10. The Council commissioned a CIL Viability Study (VS) from Porter Planning Economics (PPE). The VS was dated in December 2022 and is referred to in this report as the 2022 VS. In November 2023, an Addendum was produced largely to take account of stagnant house sales and rising build costs. An Erratum was published in December 2023 to correct a modelling error in the testing of older persons accommodation. In June 2025, another Addendum was produced to provide up-to-date evidence of sales values and build costs for new residential dwellings and student accommodation in York.
11. The 35 general residential typologies tested in 2022 included 10 identified strategic sites. The scale of development tested ranged from 4 units to 3,339 units on ST15. Both brownfield and greenfield sites were tested. As regards location, the testing included city centre and city centre extensions, urban, rural, village and suburban sites. In terms of the mix of units, the testing was informed by the 2022 Local Housing Needs Assessment and takes into account the likely mix of units on the various typologies. For older persons accommodation, 8 typologies were tested involving 60 and 50 units on green field and brown field sites as well as a 60-bed care home typology. Five PBSA typologies were assessed ranging from a 25-bed scheme to a 600-bed development.
12. Eight non-residential typologies were tested. These included offices, industrial/warehouses, retail units and a hotel.
13. The assessment used a residual valuation approach and included details of the assumptions used and the sources of the data included in the VS.
14. For residential prices, the 2022 VS built on the work done in 2018 by PPE and was informed by Land Registry transactions matched to Energy Performance Certificates. The 2018 work used a sample of 320 new build properties (January 2015 – May 2016). The 2022 research was based on 439 new build transactions (January 2019 – August 2022). The 2023 Addendum report reindexed the data to June 2023 prices. The figures in the June 2025 Addendum are based on 777 new build transactions between January 2020 and October 2024, indexed to March 2025 prices. Between June 2023 and March 2025, prices fell by 4.7% for flats and 5.6% for houses. The 2025 prices for flats/apartments averaged £5,136/sqm and £3,965/sqm for houses. For affordable housing values, the VS follows advice from Registered Providers and confirmed by the Council's Housing Team. For intermediate tenures the assumption was 70% of open market value, for affordable rent it was 50%, and for social rent it was 40%.
15. For PBSA, the 2022 VS reviewed 2022/2023 advertised and quoted rents. Applying a yield of 5% and assuming operational and management costs of 30% of rental income, the capitalised value per room was £112,300. As a result of policy requirements and representations, the 2023 VS Addendum distinguished between on-campus and off-campus PBSA. Based on advertised room rates and applying a yield of 5.25%, the 2023 VS

Addendum concluded that the capitalised value per room had risen to £128,035. For the 2025 VS Addendum, 2024/25 rental evidence was collated by the Council from online sources for management companies involved in student accommodation letting and data from university managed sites. Applying a yield of 5.25% to off-campus PBSA and using the same assumptions as before, the 2025 VS Addendum puts the capitalised value per room at £160,000 after rounding. The substantial increase in value reflects the way rents have risen from £177 per week 2022/23 to £249 2024/25 off-campus.

16. In relation to older persons accommodation, because of the relatively few transactions, the 2022 VS relies on advice from the Retirement Housing Group. For a 1-bed apartment this advice assumes a sales price of 75% of the average semi-detached house price. For a 2-bed retirement home it is assumed that the price is equivalent to the price of a semi-detached house.
17. For industrial units the 2022 VS notes the regional research by Lambert Smith Hampton and the limited transactional data for York between January 2018 and November 2022. The viability assessment uses a figure of £80 for new industrial uses. Based on regional data the assumed yield is 6.5%. For town centre offices and business parks, the 2022 VS reports 32 transactional records since January 2018. For business parks there were eight transactions. Based on this limited data, the 2022 VS assumed a rent of £190 for town centre offices and £195 for business parks. The yield assumed was 8%.
18. For retail the 2022 VS distinguished between convenience and comparison units. There was little York specific evidence for either of these types of retail and regional and national data was therefore used. For convenience retail the rent was put at £180 on average with a yield of 6% and 5% for supermarket uses. For town centre comparison retail units, the assumed rent was £225 and for retail parks it was £175. In both instances the yield applied was 7%.
19. For hotels evidence from 9 transactions in Yorkshire and Humberside was quoted in the 2022 VS. Capital values in the region ranged from £50,000 per bed to £200,000. The VS noted a regional average of around £107,000 but expected the York figure to be higher than average given the historic nature of the City of York.
20. In the 2022 VS residential build costs were based on 15 years tender prices for new builds provided by the Build Cost Information Service (BCIS). The data was rebased to the York area using tender price adjustments to Q3 2022. Median built costs were used for flatted development and for sites of less than 50 houses. Lower quartile BCIS figures were used for larger developments. The highest identified build cost was for small housebuilders at £1,804/sqm. Flats and apartments were assumed to cost £1,505psm and large housebuilder developments £1,187/sqm. Medium housebuilders base build costs were put at £1,340/sqm. These figures were updated in 2023 and, again, in 2025. The 2025 Q1 figures tested are £1,631/sqm for

flats/apartments, £1,441/sqm for houses built by medium size housebuilders and £1,274/sqm for large housebuilders. For PBSA the Q3 2022 build cost figure was £2,112/sqm. For off-campus development this increased in Q2 2023 to £2,199/sqm and to £2,253/sqm in Q1 2025.

21. In the 2022 VS, external costs including incidental landscaping, estate roads and connections to site infrastructure works were estimated at 10% of build costs for housing and 5% for flats. Estimated garage costs were £9,000. The provision of garages was based on a RAC report that used the England Housing Survey data.
22. A number of other costs were included in the 2022 VS. Professional fees were put at 8% of build costs, contingencies at 4% while site costs (for bringing land forward for development) ranged from £0 for green field sites of less than 50 units, to £400,000 per unit on large brown field sites. As a result of evidence presented to the Local Plan examination, specific rates were identified for 2 strategic sites – ST14 and ST15. Costs associated with land purchase, including stamp duty were included. Finance costs at 7.75% were assumed.
23. Developer's profit was assumed to be 20% of open market Gross Development Value (GDV) and 6% for affordable unit transfer values. PPE point out that 20% is at the upper end of the viability guidance provided in national Planning Policy Guidance. The VS takes account of the Local Plan policy requirements for affordable housing and the favoured tenure split for the provision of on-site affordable housing.
24. As regards s106 costs, the VS tests a figure of £4,200 per unit for older persons accommodation and £8,274 for other non-strategic residential development. For strategic sites a range of site specific s106 costs are identified based on information provided for the Local Plan examination.
25. A number of planning policy related costs are included in the 2022 VS. These include £15,000 per house and £9,000 per flat for sustainable design and construction requirements, and £1,000 per dwelling for houses for electric charging points. For biodiversity and access to nature the assumptions are £1,212 for green field units, £231 for brown field units and £721 for mixed typologies. For units falling within the Strensall Common Special Area of Conservation "zone of influence" there is a policy requirement for areas of suitable greenspace. The estimated cost of meeting this policy is £1,000 per house and £500 per flat. A requirement for accessible/adaptable homes is considered on the basis of an average cost across all housing. The highest figure is £22,700 per house to meet the accessibility standard. The implications of meeting the standards for dwelling sizes and consequent base construction costs is taken into account. The provision of sites for Gypsies and Travellers on strategic sites is allowed for at a rate of £150,000 per pitch.
26. In the 2022 VS build costs for non-residential development were based on BCIS median values rebased to York at Q3 2022 prices. The highest build

costs were for an hotel at £2,274/sqm and student housing at £2,112/sqm. Town centre offices and business parks were calculated at £1,985/sqm. The lowest build cost was £732 for retailing warehousing. The VS took into account other relevant policy costs and rent-free periods. A 20% developer's profit margin was applied. For off-site PBSA, the cost of providing a financial contribution to deliver affordable housing elsewhere in the City was calculated at £7,000 per bedroom.

27. Benchmark Land Values (BLV) in the 2022 VS were based on Local Plan viability work done in 2018 updated on the basis of the Savills Land Value Index. The Savills work was used because there were few local land transactions. The familiar approach of existing use value plus a premium applicable to the net developable site area was used. The resultant BLV was £1,700,000 per net hectare for City Centre/extension land, £1,120,000 for urban/suburban land, £900,000 for village/rural land, and £450,000 for agricultural/green field land.
28. The draft Charging Schedule is supported by detailed evidence of community infrastructure needs. On this basis, the evidence which has been used to inform the Charging Schedule is robust, proportionate and appropriate.

Are the proposed rates informed by and consistent with the evidence on viability across the charging authority's area?

Residential development

29. For residential development the 2022 VS concluded that all the non-strategic site typologies showed substantial headroom available for a CIL. The lowest headroom - £322 - was for a village development of 122 dwellings on a green field site and the highest was £625 on a small 4 dwelling scheme on the same sort of site in the same sort of location. The strategic sites tested showed on average significantly less headroom with the lowest being £2 on ST15 – land west of Elvington Lane. For older persons accommodation, the assessment showed a mixed picture generally with less headroom and, in the case of extra-care housing on green field sites, no headroom.
30. The 2022 VS included sensitivity testing relating to housing standards, notably accessibility, and to changed market conditions. The conclusions in 2022 were that with a viability buffer of 25% to 50%, the bulk of the non-strategic sites could support a CIL of £320 and that a number of the strategic sites would remain viable with a CIL of £100. For older persons accommodation, including extra-care units on brown field sites, the view was that a CIL of £100 would be acceptable.
31. For student accommodation the 2022 testing showed that on-campus accommodation had CIL headroom ranging from £421 to £135. Because of different room rates and benchmark values, the 2023 VS Addendum distinguished between on and off-campus development. On-campus student accommodation was shown to have less, and in some cases, no scope for a CIL, while off-campus PBSA had headroom of between £169 and £494. In

the 2025 VS Addendum, PPE concluded that the headroom on off-campus PBSA had risen to between £975 and £1,391.

32. The 2022 recommendations from PPE favoured a cautious approach with a 60% buffer. The recommendations for residential dwellings in York were £200 but £0 on strategic sites ST7,8,9,14 and 15 and £100 for the other strategic sites, sheltered/retirement accommodation and extra-care accommodation on brown field land. For PBSA, £150 with no affordable housing contribution, and £50 for PBSA with 100 or fewer bedrooms and an affordable housing contribution.
33. The 2023 VS Addendum revised the figures in the light of stagnant house sales and rising build costs. For PBSA a distinction was introduced between on-site and off-site student accommodation. The 2023 work also provided additional evidence regarding sales values of flatted development. The 2023 VS Addendum recorded a rise in sales values for flats/apartments of 1.03% compared with 2022 but a fall of 0.05% for houses. Cost increases over the same period were recorded as 5% for flats/apartments, 4.3% for small house builders, and 4.6% for medium and larger building firms. The proposed rates following the 2023 VS Addendum were that general residential rates remain as proposed in 2022, that strategic sites ST4,31 and 33 be charged at £0 but that ST1 and ST5 be included in the £100 rate band. Sheltered/retirement accommodation was also to be charged £0. A rate of £150 for off-campus PBSA was proposed and £0 for on-campus PBSA.
34. In June 2025 the proposals were again revised as a consequence of updated sales values and build costs. Indexed from June 2023 to March 2025, the VS records a fall in sales values of 4.7% for flats/apartments and 5.6% for houses. Build costs over the same period are shown as rising between 2.6% and 5.5%. The VS notes that with a 25% buffer the bulk of the generic sites have headroom sufficient for a CIL rate of £150 - down from £200 previously proposed. Strategic sites ST1 and ST5 were incorrectly omitted from the 2023 modifications and were reinstated in the £100 rate band.
35. In relation to PBSA, the 2025 VS Addendum recorded a combined average rental rate for off-campus cluster and studio flats of £12,259 per year. Using a net initial yield of 5.25%, and assuming management/operational costs of 30% of rental income, the off-campus capitalised value per room is shown as £160,000. Build costs in the VS are based on BCIS median average tender prices for PBSA over a 15-year period, rebased to Q1 2025 York prices to match the timescales of sales values. The results show an increase in build costs of 2.6% between Q1 2023 and Q1 2025. The 2025 testing includes suitable allowances for Local Plan policies in relation to affordable housing, carbon reduction, biodiversity and access to nature. The conclusion in the 2025 VS Addendum is that there is strong development viability for off-campus PBSA. Significantly higher headroom in comparison with 2023 is identified. For all four typologies tested the headroom is close to or above £1,000. PPE conclude that off-campus PBSA can easily afford the proposed CIL rate of £150.

36. For older persons housing the 2023 work showed reduced viability because of increased build costs. For sheltered/retirement accommodation the view of PPE was that there was headroom for a CIL of £100 on brown field sites but no headroom on green field land. Extra-care accommodation was shown to not be viable with a CIL charge. The decision by the City Council is to have a nil charge for sheltered/retirement accommodation and for extra-care accommodation.

Commercial rate

37. The 2022 VS concluded that there was some scope for CIL to be charged on small local convenience retail and retail warehousing. A rate of £100 was initially proposed for these uses. This was dropped in 2023 because of increases in build costs. In the July 2025 modifications the City Council retains a proposed nil rate for all commercial development.

Has evidence been provided that shows the proposed rate or rates would not undermine the deliverability of the plan (see National Planning Policy Framework paragraph 34¹⁰).

38. As regards residential development, delivery is an important consideration, particularly in York which has a poor record of meeting the identified need for housing. Judging from the recently adopted Local Plan, the intention is to rely heavily on the strategic sites to deliver the housing numbers needed over the term of the Local Plan. In the light of this intention, the proposal to apply a nil CIL to the majority of the identified strategic sites is sensible. Less helpful from a housing delivery point of view is the intention to propose a £100 CIL on four strategic sites or, in the case of ST32, a charge of £150.
39. Taking ST32 as an example, several early phases of development on ST32 have been completed. The next phase, block H, benefits from a resolution to grant planning permission subject to a s106 that is yet to be completed. The latter phases of this development, and possibly block H if the s106 agreement is not finalised before the CIL is adopted, would be subject to the CIL. A viability appraisal of ST32 was undertaken in 2015. This resulted in an agreed reduced affordable housing baseline of 17%. The Council and the representor (Hungate (York) Regeneration Limited) have agreed a Statement of Common Ground. This includes a suggestion from the Council, not accepted by Hungate, that ST32 could be included as a strategic site to be charged £100. It is not clear what the suggested reduced rate is based on. Hungate contend that the viability of the Hungate site has become significantly more difficult since 2015 because of regulatory and site-specific requirements. The Council do not agree with this and believe that the levy costs should be able to be accommodated by the contingency provision and the viability buffer. What is clear from the available evidence is that the viability of development on ST32 is not robust, largely due to high build and "opening up" costs. The 2022 VS allows for opening up costs of £200,000 per net hectare on mixed green field/brown field sites and £400,000 for

¹⁰ Paragraph 35, December 2024 NPPF.

brown field land. From evidence presented to the examination relating to several of the strategic sites, these costs assumptions are too low.

40. ST1 is another example of a problem with the proposed Charging Schedule rates for strategic sites, as this site benefits from planning permission and an agreed master plan, but is included in the £100 charge category. A high-level viability assessment of this site was done in 2017 but not refreshed for the purposes of preparing the CIL Charging Schedule. More recent evidence of high development costs has not been adequately taken into account in proposing that this site be put into the £100 rate category. The purpose of putting a site already benefitting from planning permission into the £100 charging band is evidently to “future proof” the situation should a revised planning permission be sought.
41. Another issue is ST16 which is included in the £100 charging rate. The evidence in the 2025 VS is that the viability buffer for this strategic site would only be 17%. The evidence of high development costs on several of the strategic sites and the inadequate viability buffer for ST16, lead me to conclude that the proposals for the strategic sites are confusing and have not been adequately justified. Whilst the 2025 VS shows that ST16 and ST32 may remain viable at the proposed rate of £100, it is acknowledge that both have lower viability headroom in the current market. As regards ST36, it is noted that the estimated Policy DM1¹¹/s106 costs per unit shown in Table 4.13 of the 2022 VS are comparable to those for some other nil rated strategic sites. It is also noted that the estimated DM1/s106 costs for ST36 are almost four times higher than the costs per unit for ST16. This leads me to doubt that the headroom for ST36 is materially higher than the ST16 headroom. My view is that both of these sites are likely to have an inadequate viability buffer. The proposed CIL charges for ST1, ST5 and ST32 are not supported by convincing up-to-date available evidence and a cautious approach is therefore needed. In the light of the need to facilitate housing development and the importance of the strategic sites to housing delivery, the logical approach is to include all of the identified strategic sites in the nil rate band. **(EM1)**.
42. Turning to the non-strategic residential typologies that are tested in the 2025 VS, it is likely that sites represented by these typologies will be important to the delivery of housing because relying heavily on the strategic sites carries a degree of risk. Experience shows that the delivery of housing from strategic sites can be disappointing. The Examination Hearing was told by several of those representing the development industry that the delivery of housing from identified strategic sites is likely to be below expectations. Given the history of poor housing delivery in York and the likely high opening up costs of strategic sites this contention is not unreasonable. In these circumstances relying on non-strategic sites for housing delivery will be critical. A potential problem is that, based on the 2025 VS headroom assessment, less than half of the seven larger (50+units) typologies have sufficient headroom to accommodate the proposed CIL of £150. Of the 25 non-strategic typologies

¹¹ Local Plan Policy DM1: ‘Infrastructure and Developer Contributions’.

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of all sizes tested, 10 could not afford to pay a CIL of £150 and a further 2 could only pay if virtually no viability buffer is allowed for.

43. The PPE conclusions in the 2025 VS rely on a viability buffer of 25%. The 2022 assessment by PPE recommended a cautious approach with a buffer close to 60%. It is difficult to see how a much lower buffer can be justified in the current uncertain economic climate and where build costs are rising but sales values have stalled. PPE's argument is that they have based their assessment on a generous developers' return of 20%. I agree that a return at this level is relatively high and higher than the return seen in a number of CIL viability studies. I also consider that the cost of borrowing (7.75%) used by PPE is higher than the rate frequently seen in CIL viability work. In my view, these considerations help to counter the challenge to PPE from developers that the base build costs/assumptions used under-estimate current costs. These considerations cannot in my view be used to justify both an optimistic approach to costs and a low viability buffer.
44. In relation to build costs, the VS has followed a standard approach using BCIS data rebased to local prices and updated to match average sales values. The approach used by PPE reflects the national guidance that CIL viability work should use appropriate available evidence that is relevant across their area as a whole. The use of development costs from specific projects as evidence can be misleading if the costs are not matched to the relevant sales values. The available evidence suggests that the use of BCIS data is reasonable for development on non-strategic sites but that for strategic sites with very substantial "opening up" costs the BCIS data probably under-estimates costs. The impact of new legislation, such as the requirement for second staircases for fire protection will add to costs, particularly on large sites with multi-storey development.
45. My conclusion is that the proposed rate for residential dwellings on non-strategic sites within the City of York needs to be reduced to £75 to avoid a serious threat to the delivery of housing in York. **(EM2)**. At this level, based on the 2025 VS evidence, 20 out of 25 of the non-strategic typologies could pay the proposed CIL charge and remain viable. Notwithstanding that I was told at the Examination Hearing that a less cautious approach might be taken in 2025, with a CIL at £75 the viability buffer for most typologies would reflect the cautious approach recommended by PPE in 2022.
46. Following challenges at the Examination Hearing, at my request PPE have provided a technical note relating to the viability of PBSA.¹² The note adjusts the BLV for city centre brown field land for PBSA to the same figure (£1,700,000) that is applied in the VS to general residential development. Secondly, the note adjusts rental values by looking at cluster flats and studio flats separately before using a 3 cluster flats to 1 studio flat ratio to derive an overall average rent and letting period. The note argues that this reflects a cautious approach by using the lowest reported rent in any range provided

¹² View at: <https://www.york.gov.uk/downloads/file/10426/sd6-testing-student-accommodation-sites-june-2025-report-assumptions>

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by existing PBSA's in York. Using the same assumptions as the 2025 VS the conclusion is that the average net room revenue rate is £8,050 resulting in a capitalised value per room of about £153,000 for off-campus PBSA.

47. As a sensitivity test, to answer a challenge from objectors, a yield of 5.75% is tested as opposed to the 5.25% used in the VS work. This results in a capitalised value of £140,000 per room. Taking the lower capitalised value PPE considers that the headroom for off-campus PBSA ranges from £771 to £408. The yield assumption used is a matter of judgement. PPE justify their figure on the basis of prime regional yields quoted for PBSA development by 4 firms for 2024/25. The yields reported range from 5.75% from Colliers (2024 Q2) to 4.25% from Knight Frank (April 2025). Given this variation, it is not unreasonable for PPE to base their assessment of the viability of PBSA on a yield of 5.25%.
48. Based on room sizes and the net to gross efficiency ratio, there is a challenge to the build cost assumptions used by PPE for PBSA. Reference is made to a decision by the Council for PBSA at 15 Foss Island Road where the application was refused on the grounds of limited room size and lack of communal space. Using data from Nottingham and Liverpool it is also argued that the use of BCIS data under-estimates build costs. It is also argued that the contingency figure should be set at 5% rather than the 4% used by PPE.
49. For PBSA, PPE rely on BCIS median average tender prices over a 15-year period rebased to Q1 2025 York prices. This broad-based approach is reasonable. Costs based on a small number of examples from other cities may not be as relevant as the BCIS data. It is also relevant to note that the profit levels assumed are at the top end of the range usually applied and the finance costs are also relatively high in comparison with many CIL viability assessments. To some degree, these factors should help to off-set any underestimation of build costs. In relation to the contingency, the use of a mid-range figure is acceptable for a city such as York, where risks associated with PBSA are unlikely to be exceptionally high because of the strong demand for student accommodation.
50. There is a challenge to the benchmark figures used by PPE. The challenge relies on transactional data in York. The difficulty with transactional data on previously developed land is that establishing an existing use value and the price at which a landowner may be prepared to sell is, as the VS points out, a complex process. The figures quoted by the representor demonstrate the big variation that is found in transactional values. A pragmatic approach based on a research based national index, as used by PPE, is thus appropriate.
51. There is a suggestion that any PBSA headroom should be used for providing discounts to the rents being paid by students. This suggestion fails to appreciate the fundamental purpose of the CIL.
52. Drawing the arguments regarding PBSA together, it is considered that the headroom identified by PPE in the technical note is a reasonable figure that

can be justified on the available evidence. The headroom identified ranges from £771 to £408. On this basis, I agree with the assessment by PPE that the proposed £150 charge will not put the delivery of off-campus PBSA at serious risk.

53. There is a challenge to the VS on the grounds that the evidence is not transparent enough and lacks detail such as a cash flow analysis. I reject this argument. National guidance for the preparation of a CIL Charging Schedule requires a broad test of viability.¹³ Detailed site-specific assessments involving details such as a cash flow analysis are not required. PPE have detailed the assumptions they have used and have provided example viability appraisals in their 2022 initial work and in the 2023 Addendum. For PBSA the technical note supplied includes typology site appraisals.
54. In setting the CIL charging rate the Council has had regard to detailed evidence on infrastructure planning and the economic viability evidence of the development market in York. The Council has tried to be realistic in terms of achieving a reasonable level of income to address an acknowledged gap in infrastructure funding, while ensuring that a range of development remains viable across the City of York.

Overall Conclusion

55. I conclude that the draft City of York Community Infrastructure Levy Charging Schedule, subject to the making of the modifications set out in **EM1** and **EM2**, satisfies the drafting requirements and I therefore recommend that the draft Charging Schedule be approved.

Keith Holland

Examiner

Attachments:

Appendix – Modifications that the examiner specifies so that the Charging Schedule may be approved.

¹³ <https://www.gov.uk/guidance/community-infrastructure-levy>

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Appendix

Examiner Modifications (EM) recommended in order that the Charging Schedule may be approved.

Examiner Modification (EM)	Reference	Modification
EM1	Paragraph 41	Include residential dwellings on all ST sites in the £0 rate.
EM2	Paragraph 45	Reduce the rate for residential dwellings in the City of York on non-strategic sites to £75.