

Our ref: J033555

Development Policy Manager
Development Services
Warwick District Council
Riverside House
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Leamington Spa
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(email: newlocalplan@warwickdc.gov.uk)

10 April 2015

Dear Sir / Madam

Community Infrastructure Levy – Draft Charging Schedule 2015 Representations from Alumno Developments

On behalf of our clients, Alumno Developments, we set out the below representations towards the current consultation of the Warwick District Council's Community Infrastructure Levy (CIL) Draft Charging Schedule.

Background

Alumno specialise in the design and development of modern accommodation for students. The team has a strong track record of delivering key developments in the sector throughout the UK. Alumno work with universities, colleges and other key stakeholders to provide purpose built student accommodation, to date they have delivered approximately 3,000 units in cities such as London, Birmingham and Bristol and are currently delivering a scheme in Norwich.

Alumno are currently considering the progression of a purpose built student accommodation scheme in central Leamington Spa and are in discussion with Warwick University.

Representations

The draft charging schedule proposes a charge of **£80 per sqm** of new floorspace for student accommodation.

We note that concern was raised regarding this proposed charge for student accommodation during the previous consultation in 2013. Whilst our client had no interest in the area during the previous consultation we do now raise concerns with this proposed charge for student accommodation which appears high in comparison to our experience of other comparable locations, for example Norwich where the adopted CIL charge for student accommodation is £5 per sqm. More locally Stratford Upon Avon's Draft Charging Schedule proposes no charge for student accommodation.

We consider that this rate is unjustified for student accommodation and could make development unviable. The viability report prepared by BNP Paribas in support of the emerging CIL assumes rent of £120 per week per 29 week term. It is based upon no case study evidence as far as one can see and is based Warwick University provided accommodation on campus. The suggested rent figure appears to assume a gross income rather than net and we assume would exclude important considerations such as management fees which would represent a considerable part of this income and could be up to £2,000 per bedroom per annum.

The appraisal considers that student accommodation will provide hall type residences with en-suite bathrooms and communal living rooms and kitchens. This is one form of student accommodation however there are more common applied cluster types which offer more affordable accommodation than this. We consider that the appraisal should consider additional costs of student accommodation being provided off campus such as study areas and other communal facilities required to serve the students' academic requirements. We do not consider the proposed CIL charge to be appropriate in reflection of these costs.

We note that to date there are limited examples of this type of purpose built provision being delivered off-campus in Leamington Spa or Warwick. There is a real danger that this level of charge would restrict future student accommodation supply to HMOs.

The Council have the discretionary powers to provide relief where there would an unacceptable impact to the economic viability of a development. We note from the consultation document that the Council do propose that if it can be demonstrated that a CIL Charge will impact on scheme viability and that the scheme can clearly deliver sustainable development, then Council may consider the case for exceptional relief on a case by case basis. We support this.

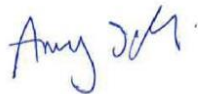
We also note that the Council propose to accept to payment in instalments, again we support this.

We would like to reserve the right to speak at the Examination in Public.

Conclusion

We trust the above will be given your full consideration.

Yours sincerely,

A handwritten signature in blue ink that reads "Amy Jones".

Amy Jones
Senior Development Planner

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