

4 March 2015

Delivered by email

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Dear Hayley

Birmingham Community Infrastructure Levy (CIL) - Modifications

On behalf of Calthorpe Estates, we are instructed to make representations on the proposed modifications to the Birmingham CIL Draft Charging Schedule (DCS) which was submitted to the Planning Inspectorate on 4 February 2015.

Calthorpe Estates previously submitted representations to the Preliminary Draft Charging Schedule and Draft Charging Schedule consultations held in January 2013 and November 2014 respectively.

Calthorpe Estates wishes to notify Birmingham City Council of its intention to be heard by the Examiner in relation to the modifications. Calthorpe also considers that the examination should be dealt with via a public hearing and not written representations as suggested.

Calthorpe will be appearing at the examination principally in relation to Modification SM7 (Charging Zone Map). Modification SM7 proposes the addition of wording to clarify the residential charging zone map, which at present does not clearly show the exact boundary of the high value residential rate areas. The additional wording proposed by Modification SM7 is:

“Please note – where the residential charging zone dissects a building on the above plan, the postcode used for the planning application site address will determine which charging zone the application falls under.”

In addition, the Market Value Areas from the GVA CIL Economic Viability Assessment Report (October 2012) (‘the Viability Report’) (Table 3) - showing which postcodes fall within the high value areas has been reproduced in the charging schedule. It is also noted that in advance of CIL adoption Birmingham City Council will produce a high resolution map to clearly show the boundaries of the high and low value areas.

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This additional clarification is welcomed, however Calthorpe Estates' representations to the Draft Charging Schedule also requested amendments to the Charging Zone Map which have not been accepted by Birmingham City Council.

Calthorpe Estates remains concerned that the boundary, as presently proposed by Birmingham City Council within the CIL DCS, is based on postcode sectors. Within a major urban area, postcode sector data fails to accurately plot spatial variations and market disparities, which it is considered will have significant impacts if the boundary is both imprecisely defined and weakly justified.

The proposed amendments (as listed in Table 1 below) are considered to remain necessary to ensure that the high value residential rates proposed will not threaten delivery of the proposals contained in the Birmingham Development Plan (BDP).

Table 1: Boundary Amendments Sought

Area	Amendment Sought
Hagley Road	<ul style="list-style-type: none"> • Accurately plotted at a lower scale to exclude buildings currently bisected by the boundary. • Continuation of the set back to the high value rate area (south of the Hagley Road) to the administrative boundary with Sandwell. • Removal of the wedge bound by Hagley Road and Sandon Road from the high value residential area.
Bristol Road	<ul style="list-style-type: none"> • Accurately plotted at a lower scale to exclude buildings bisected by the boundary. • Extension of the set back of the high value area to the north of Bristol Road.
Lee Bank Middleway	<ul style="list-style-type: none"> • Boundary of high value area amended to exclude properties fronting the south of the Lee Bank Middleway.

The enclosed map has been produced to clearly show the above proposed amendments to the high value residential area boundary.

Calthorpe Estates is also highly concerned that the GVA Viability Report is highly opaque in its translation of market evidence into market value areas and the residential values (£/sqm). It is necessary for charging authorities setting differential rates to provide 'fine grained' evidence and analysis in order to justify boundaries for rate setting. Yet, only a limited commentary is provided in paragraphs 3.10-17, which refers to advice being provided by GVA's 'in-house Residential Agency team' alongside Land Registry data.

Moreover, none of the market evidence is provided either within the report, or within accompanying appendices. As a result, there is no comparable transactional information presented in the GVA Viability Report against which the accuracy and relevance of the market value areas and residential values (£/sqm) can be considered by stakeholders. This is deemed insufficiently transparent to fulfil the requirements of NPPG in preparing a CIL DCS (NPPG Paragraph: 020 Reference ID: 25-020-20140612).

In order to fill this 'void' in the evidence base, further analysis of Land Registry residential transaction data has been undertaken at a 'fine-grained' level in order to provide robust and evidenced justification for the boundary changes proposed by Calthorpe Estates.

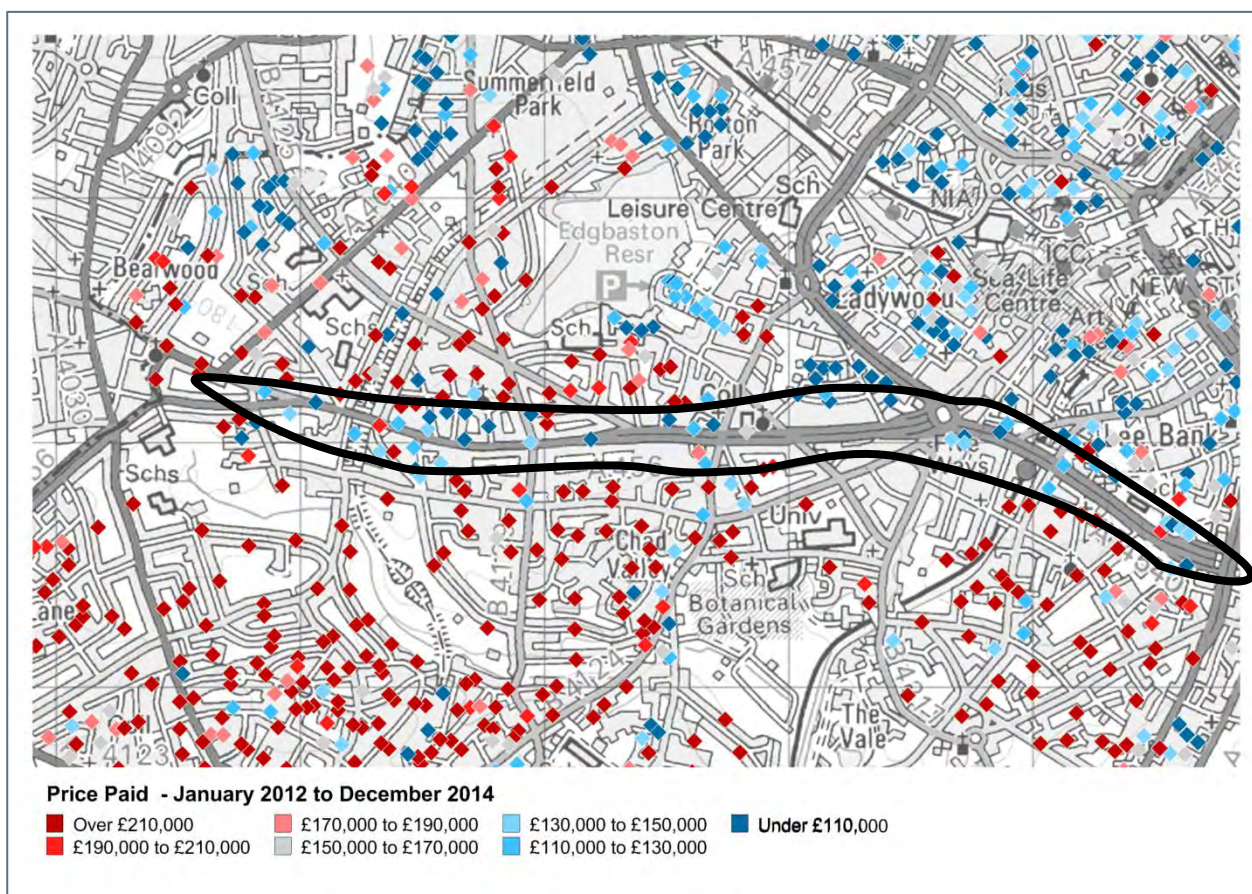
The analysis, presented spatially in Figure 1 and Figure 2 below, contains all residential property transactions over the period of January 2012 – December 2014, and has been sourced from Land Registry. The data is 'banded' around the average all transaction sale price within the City over the period (£161,045).

Figure 1, which focuses on the Hagley Road and Lee Bank Middleway, demonstrates that there is a clear depression in average property prices for dwellings transacted fronting the Hagley Road. Values sit far below those achieved to the south, which represents the reduction in appeal for premises fronting the highway.

The same trend is evident to the north of Hagley Road, with a clear distinction weighted towards transactions either at, or below, the average values in Birmingham. Moving further north values clearly depreciate further, which emphasises the distinction.

Figure 1 therefore demonstrates, at a fine-grained level, support for the proposed boundary amendments proposed within Table 1.

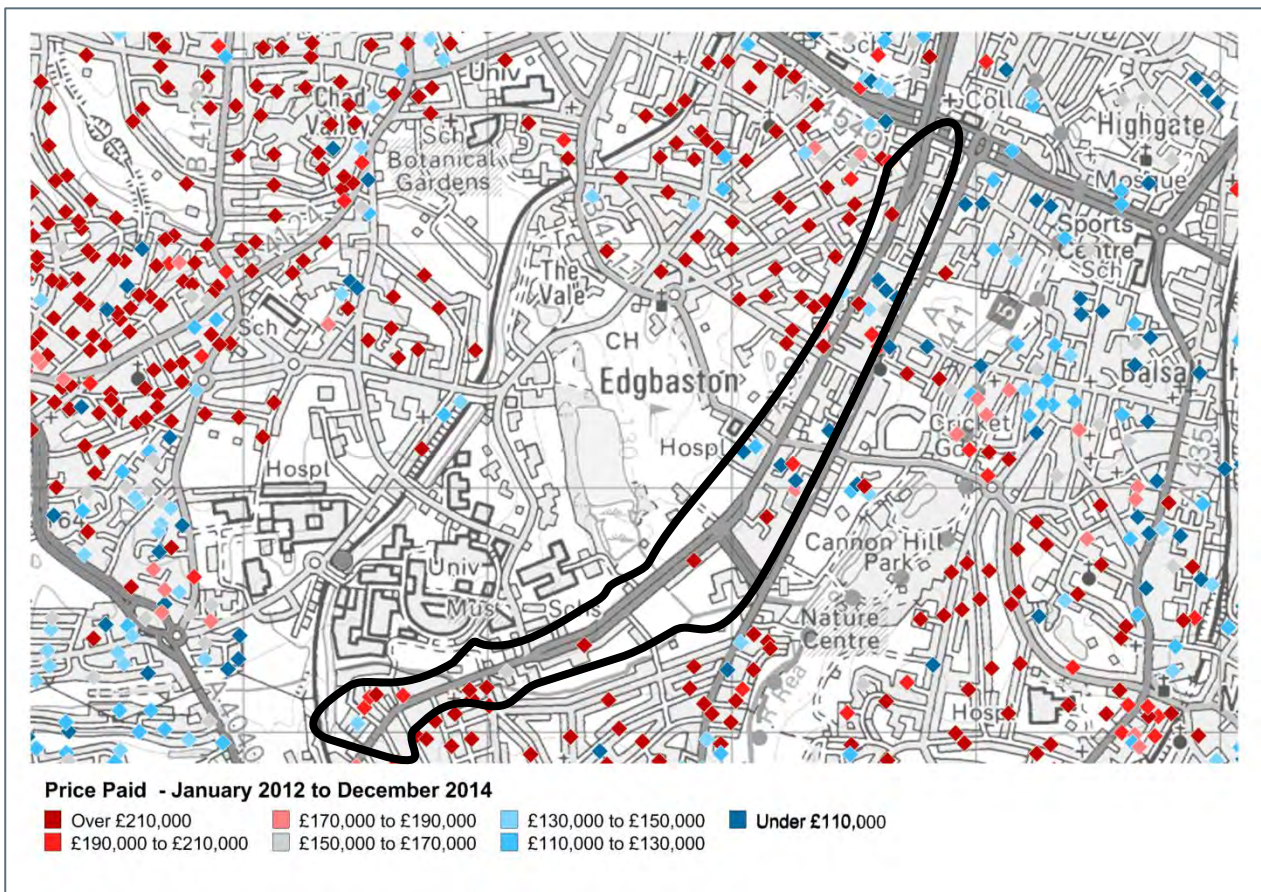
Figure 1: Land Registry Price Paid Map - Hagley Road and Lee Bank Middleway



Source: Land Registry / Turley

Figure 2 presents transactional data focusing on Bristol Road. This demonstrates that there are far fewer transactions along this road corridor, which is likely to reflect the nature of the active uses of existing premises. However, those transactions recorded demonstrate that there is a clear distribution of values below the average price for the City – particularly at the northern end of Bristol Road. When compared to transactions in Edgbaston, in the streets to the west of Bristol Road, it is clear that this frontage does not represent the same market. This evidence supports the boundary amendments sought in Table 1.

Figure 2: Land Registry Price Paid Map – Bristol Road



Source: Land Registry / Turley

We trust this information is useful, and will be considered by both Birmingham City Council and the Examiner.

Yours Faithfully

Turley

Enc. Amended Charging Zone Boundary Map

