

## **Issue 1**

## **Representor Number: 7**

# **Position Statement for the Bristol City Council Community Infrastructure Levy Charging Schedule Examination**

June 2012

## **Issue 1 – Hotel / Student Housing Levy Rate**

submitted on behalf of

**The Unite Group Plc (ID 7)**



## 1. Context

- 1.1 This statement seeks to build upon the previous representations submitted by GVA on behalf of The Unite Group Plc ('Unite') in relation to the Community Infrastructure Levy (CIL) and specifically the draft Charging Schedule.
- 1.2 Unite is the UK's leading developer and manager of purpose-built student accommodation, established in 1991. Unite have an existing portfolio of purpose built student accommodation schemes in Bristol and also have their head office located within the City Centre. Unite as a provider of student accommodation work closely with the University of Bristol and the University of the West of England (UWE).
- 1.3 As part of Unite' commitment to deliver student accommodation requirements in Bristol, Unite are currently involved in pre-application discussions with regards to the proposed redevelopment of the Former Bristol Entertainment Centre (referred to hereafter a 'Trenchard Street') for purpose-built student accommodation (and associated D2 Leisure use). However, Unite' interests in terms of the CIL are representative of all future student developments in the city. It is the intention of Unite to continue to build upon the existing portfolio (and improve existing provision where necessary) in order to ensure that the demand for student accommodation is met thereby releasing pressure from HMO's and providing high quality accommodation for students at the two universities in the city.
- 1.4 The statement should therefore be considered as evidence at the session relating to Issue 1 which focuses on the hotel and student housing levy rate.



## 2. Justification of Proposed Levy Rate

***Agenda Item (a) Are the local levy rates for new hotel and student residential accommodation justified by appropriate available evidence, having regard to national guidance, local economic context and infrastructure needs, including in relation to the Council's adopted Core Strategy?***

- 2.1 The evidence base undertaken is based on the assumption of average weekly rents for student accommodation in purpose built accommodation. Whilst this methodology in itself is not challenged, we do question the assumption made over build costs and therefore implications for the viability of developments. We do not believe that a 'one fits all' approach is appropriate for student housing.
- 2.2 Non-campus student accommodation is generally located within the City Centre as this is the most accessible location for students. Such sites are Brownfield in nature and therefore subject to a variable range of abnormal costs. Taking the current Trenchard Street scheme (pre-application stage) as an example, this is subject to a challenging typography which increases build costs. Therefore, development in such sites is subject to substantially higher build costs than Greenfield alternatives. This could result in a number of challenging city sites remaining vacant as less complex and less sustainable sites will prove to be more preferable for developers of student accommodation.
- 2.3 The Core Strategy and emerging Central Area Action Plan recognises the role of the City Centre in accommodating purpose built student accommodation and the value to the local economy. There is the consensus that purpose built student accommodation reduces the

pressure on HMO's in established residential areas. A high concentration of HMO's is recognised as having an impact on the availability of family housing and also associated anti-social behaviour. Unite provides managed student accommodation and operates a strict policy with regards to the behaviour of students ensuring the amenity of local residents are protected.

- 2.4 A potential implication of adopting a levy rate of £100 per sqm for student accommodation is that this will discourage and stifle purpose built student accommodation to come forward thereby impacting upon the supply chain. In order to meet demand for student accommodation this is likely to fall to the HMO sector which does not meet the policy objectives of Bristol City Council.

***Agenda Item (b) Overall, do they strike an appropriate balance between helping to fund the new infrastructure required and the potential effect on the economic viability of new hotel and student residential accommodation across the city?***

- 2.5 The principle of using a tariff to fund infrastructure development within the City is accepted. However, we still have significant concerns over the relationship between the impact caused by the student population on infrastructure and the rates proposed for CIL. Whilst viability is a useful basis for determining appropriate rates for CIL, the reasonableness of charging £100 per sqm for student accommodation is questionable given that students do not have comparative levels of impact to the general population.

- 2.6 The student population is serviced by their respective University with regards to a number of infrastructure types. The characteristics of student accommodation are unique with little or no impact on existing or future

community infrastructure i.e. : education; child play provision; highways improvements (majority of Unite schemes are car-free) and; libraries. Therefore, in order to ensure the proposed charging schedule is reasonable we request that the analysis is revisited to take impact into consideration.

- 2.7 Developers of student accommodation will use the viability as a key influence over the siting of future schemes. Therefore, there is the risk that investment will be directed to other University towns/cities which propose a lower levy rate but who have a comparative student population and demand for accommodation. For example, Exeter City Council published their Draft Charging Schedule on the 20<sup>th</sup> March 2012 and this proposes £40 per square metre. Therefore, the proposed rate of £100 per sqm threatens the attractiveness of Bristol as a city to invest in student accommodation. This could have substantial implications on the local economy as a whole.