Quintic Advisory LLP

Wokingham Borough: Community Infrastructure Levy Viability Assessment

Addendum Assessment - Proposed rate for student housing

Prepared for

Wokingham Borough Council

4 November 2026

Regulated by RICS®

Contents

1	Introduction	3
2	Affordable rents for purpose built student accommodation	4
3	Appraisal outputs	5
4	Conclusions	6

Appendices

Appendix 1 - PBSA scheme appraisal outputs (all units let at market rents)

Appendix 2 - PBSA scheme appraisal outputs (all units let at rents not exceeding 80% of market rents)

Anthony Lee MRTPI MRICS
Managing Partner
Quintic Advisory LLP

anthony.lee@quinticadvisory.com
www.quinticadvisory.com

1 Introduction

1.1. The Council's Draft Charging Schedule ('DCS') issued for consultation from 23 July 2026 to 7 September 2026. This DCS incorporates a new rate of CIL for Purpose Built Student Accommodation ('PBSA') of £500 per square metre Gross Internal Area (GIA).

1.2. Although the DCS implicitly applies to PBSA provided at market rents, representations submitted during the consultation suggested that the Council's intentions with regards to 'affordable' student accommodation should be more explicit.

1.3. The Council has advised us that it is amenable (in principle) to revise the DCS to indicate that the proposed Student CIL rate will only apply to developments which are let at market rents and also to detail the requirements for 'affordable student housing' which would be eligible for Mandatory Social Housing Relief ('SHR'). In order for a student housing development to be eligible for SHR, CIL Regulation 49(7)A requires that rents do not exceed 80% of market rents (including service charges) and that the discount below market rent has been secured by a planning obligation.

1.4. The Council has also instructed us to test the viability of PBSA schemes that are provided at rents which are set at a 20% discount to market rents. In this note, we summarise the outputs of this additional testing.

2 Affordable rents for purpose built student accommodation

2.1 The '*Wokingham Borough: Community Infrastructure Levy Viability Assessment (April 2026)*' assesses the viability of PBSA developments using a rent of £225 per week (uncatered) with 49 week tenancies. These rents reflect the lower end of rents charged by Unite at Kendrick Hall, Reading with rents for ensuites at Crown House being slightly higher at £231 per week and rents for studios at £299 per week.

2.2 Rents charged by the University of Reading for its own accommodation cover a range of rental levels but are generally lower, typically circa 80% of the equivalent rent in private sector student accommodation schemes.

2.3 We have re-run our appraisals assuming that the previously tested rent of £225 per week is discounted to £175 per week, which is a discount of just over 20% of market rent. We have also reflected a slightly shorter tenancy period of 45 weeks, reflecting shorter tenancies offered by the University of Reading (40 weeks), but also reflecting some potential for this accommodation to be let out on a short term basis during vacation periods.

3 Appraisal outputs

3.1 Our appraisal outputs are summarised at Appendix 1 (the original PBSA testing outputs) and Appendix 2 (the revised testing outputs).

3.2 As noted in Appendix 1, if the PBSA schemes are let at unrestricted market rents, they will generate significant surplus residual land values (in excess of the four benchmark land values). When these surpluses are divided by the gross floor area of each typology, the maximum CIL rates range from £1,987 to £2,388 per square metre.

3.3 The proposed £500 per square metre CIL rate therefore equates to 21% to 25% of the maximum potential CIL rates, allowing significant headroom for scheme-specific costs and for changes to market conditions over the life of the Charging Schedule.

3.4 However, Appendix 2 indicates that for PBSA schemes let at 80% market rents there is either no surplus residual land value (when PBSA schemes are brought forward on previously developed sites) or far more limited surpluses when PBSA schemes are developed on greenfield sites.

3.5 Affordable PBSA schemes developed on greenfield sites generate capacity to absorb maximum CIL rates ranging from £83 to £119 per square metre, which is considerably lower than the £500 per square metre rate in the DCS.

3.6 Bearing in mind that the construction cost for PBSA schemes in the Viability Assessment is £3,087 per square metre[1], a relatively increase in construction costs could eliminate the surplus values indicated by the appraisal outputs. For example, the top end of the range of maximum CIL of £119 per square metre equates to just 4% pf construction costs.

[1] Informed by BCIS data – see paragraph 4.11.1 of the CIL Viability Study. The cost comprises base construction cost, plus externals, plus an allowance for energy efficiency.

4 Conclusions

4.1 PBSA schemes delivered with rents not exceeding 80% of market rents would qualify for Mandatory SHR, although this is not explicitly stated in the consultation DCS and a revision making the distinction between PBSA schemes let at market rents and schemes let at discounted rents would add clarity.

4.2 Regulation 49(7)A sets out the requirements for schemes to be eligible for Mandatory SHR, namely that rents must not exceed 80% of market rents and that this discount must be secured by a planning obligation.

4.3 Our further testing also confirms that PBSA schemes let at 80% of market rents would not have sufficient capacity to absorb the CIL rate in the DCS and also that there would be insufficient headroom to absorb a lower CIL rate.

Appendix 1 - PBSA scheme appraisal outputs (all units let at market rents)

WOKINGHAM COMMUNITY INFRASTRUCTURE LEVY - PURPOSE BUILT STUDENT ACCOMMODATION

All rents at full market rents (£225 per week, 49 week tenancies)

BENCHMARK LAND VALUE 1 (SECONDARY OFFICES) **£3,295,905** PER HA

Typology no	Description	BLV	RLV	GIA sqm	Max CIL psm
34	Student housing development (medium density) 200 beds	£1,647,953	£9,597,526	4,000	£1,987
35	Student housing development (medium density) 250 beds	£2,043,461	£13,260,098	5,500	£2,039
36	Student housing development (medium density) 300 beds	£2,373,052	£15,945,984	6,600	£2,057
37	Student housing development (high density) 200 beds	£988,772	£8,620,841	3,600	£2,120
38	Student housing development (high density) 250 beds	£1,318,362	£10,818,384	4,500	£2,111
39	Student housing development (high density) 300 beds	£1,582,034	£13,015,927	5,400	£2,117

BENCHMARK LAND VALUE 2 (SECONDARY INDUSTRIAL) **£2,232,423** PER HA

Typology no	Description	BLV	RLV	GIA sqm	Max CIL psm
34	Student housing development (medium density) 200 beds	£1,116,211	£9,597,526	4,000	£2,120
35	Student housing development (medium density) 250 beds	£1,384,102	£13,260,098	5,500	£2,159
36	Student housing development (medium density) 300 beds	£1,607,344	£15,945,984	6,600	£2,173
37	Student housing development (high density) 200 beds	£669,727	£8,620,841	3,600	£2,209
38	Student housing development (high density) 250 beds	£892,969	£10,818,384	4,500	£2,206
39	Student housing development (high density) 300 beds	£1,071,563	£13,015,927	5,400	£2,212

BENCHMARK LAND VALUE 3 (HIGHER GREENFIELD) **£370,000** PER HA

Typology no	Description	BLV	RLV	GIA sqm	Max CIL psm
34	Student housing development (medium density) 200 beds	£185,000	£9,597,526	4,000	£2,353
35	Student housing development (medium density) 250 beds	£229,400	£13,260,098	5,500	£2,369
36	Student housing development (medium density) 300 beds	£266,400	£15,945,984	6,600	£2,376
37	Student housing development (high density) 200 beds	£111,000	£8,620,841	3,600	£2,364
38	Student housing development (high density) 250 beds	£148,000	£10,818,384	4,500	£2,371
39	Student housing development (high density) 300 beds	£177,600	£13,015,927	5,400	£2,377

BENCHMARK LAND VALUE 4 (LOWER GREENFIELD) **£247,000** PER HA

Typology no	Description	BLV	RLV	GIA sqm	Max CIL psm
34	Student housing development (medium density) 200 beds	£123,500	£9,597,526	4,000	£2,369
35	Student housing development (medium density) 250 beds	£153,140	£13,260,098	5,500	£2,383
36	Student housing development (medium density) 300 beds	£177,840	£15,945,984	6,600	£2,389
37	Student housing development (high density) 200 beds	£74,100	£8,620,841	3,600	£2,374
38	Student housing development (high density) 250 beds	£98,800	£10,818,384	4,500	£2,382
39	Student housing development (high density) 300 beds	£118,560	£13,015,927	5,400	£2,388

Appendix 2 - PBSA scheme appraisal outputs (all units let at rents not exceeding 80% of market rents)

WOKINGHAM COMMUNITY INFRASTRUCTURE LEVY - PURPOSE BUILT STUDENT ACCOMMODATION

All rents at discounted rents (£175 per week, 45 week tenancy)

BENCHMARK LAND VALUE 1 (SECONDARY OFFICES) **£3,295,905** PER HA

Typology no	Description	BLV	RLV	GIA sqm	Max CIL psm
34	Student housing development (medium density) 200 beds	£1,647,953	£518,739	4,000	-
35	Student housing development (medium density) 250 beds	£2,043,461	£776,765	5,500	-
36	Student housing development (medium density) 300 beds	£2,373,052	£965,984	6,600	-
37	Student housing development (high density) 200 beds	£988,772	£449,931	3,600	-
38	Student housing development (high density) 250 beds	£1,318,362	£604,748	4,500	-
39	Student housing development (high density) 300 beds	£1,582,034	£759,563	5,400	-

BENCHMARK LAND VALUE 2 (SECONDARY INDUSTRIAL) **£2,232,423** PER HA

Typology no	Description	BLV	RLV	GIA sqm	Max CIL psm
34	Student housing development (medium density) 200 beds	£1,116,211	£518,739	4,000	-
35	Student housing development (medium density) 250 beds	£1,384,102	£776,765	5,500	-
36	Student housing development (medium density) 300 beds	£1,607,344	£965,984	6,600	-
37	Student housing development (high density) 200 beds	£669,727	£449,931	3,600	-
38	Student housing development (high density) 250 beds	£892,969	£604,748	4,500	-
39	Student housing development (high density) 300 beds	£1,071,563	£759,563	5,400	-

BENCHMARK LAND VALUE 3 (HIGHER GREENFIELD) **£370,000** PER HA

Typology no	Description	BLV	RLV	GIA sqm	Max CIL psm
34	Student housing development (medium density) 200 beds	£185,000	£518,739	4,000	£83
35	Student housing development (medium density) 250 beds	£229,400	£776,765	5,500	£100
36	Student housing development (medium density) 300 beds	£266,400	£965,984	6,600	£106
37	Student housing development (high density) 200 beds	£111,000	£449,931	3,600	£94
38	Student housing development (high density) 250 beds	£148,000	£604,748	4,500	£101
39	Student housing development (high density) 300 beds	£177,600	£759,563	5,400	£108

BENCHMARK LAND VALUE 4 (LOWER GREENFIELD) **£247,000** PER HA

Typology no	Description	BLV	RLV	GIA sqm	Max CIL psm
34	Student housing development (medium density) 200 beds	£123,500	£518,739	4,000	£99
35	Student housing development (medium density) 250 beds	£153,140	£776,765	5,500	£113
36	Student housing development (medium density) 300 beds	£177,840	£965,984	6,600	£119
37	Student housing development (high density) 200 beds	£74,100	£449,931	3,600	£104
38	Student housing development (high density) 250 beds	£98,800	£604,748	4,500	£112
39	Student housing development (high density) 300 beds	£118,560	£759,563	5,400	£119

Note: the University accommodation typically has tenancy periods of 40 weeks. We have assumed 45 weeks to reflect some potential for letting these units during vacation periods.