



Watts Bulletin

The technical companion to the Watts Pocket Handbook, keeping its readership abreast of industry news, every month.

watts-international.com

Issue 121 March 2010

Community Infrastructure Levy comes into force

The Community Infrastructure Levy (CIL) will replace the current system of planning obligations from April this year.

The aim of the new CIL regime is to create a fairer, more transparent system of standard charges at the same time as delivering additional funding for local authorities to use in delivering community infrastructure.

Local authorities can choose the CIL rate that they wish to charge, but must set this out in a 'charging schedule' which is independently examined to ensure that it is evidence-based and appropriate for the local area. The Government expects the CIL to raise an additional £700 million per year by 2016.

For local authorities, the main plus points of the new system are likely to be its transparency and predictability. Charging schedules will be published, and developers will be able to assess the level of their potential liability before proceeding with a development. This should not only facilitate forward planning, but is also expected to speed up the planning process. The primary legislation is designed to permit the CIL regulations to be changed as the way in which local authorities in England and Wales operate evolves over time.

The Department for Communities and Local Government is due to issue new guidance to support local authorities considering introducing the CIL. The Local Government Association and other stakeholders are involved in discussions to determine what support and other tools local authorities may need to ensure the introduction of CIL is as painless as possible.

Commenting on the introduction of the new system, John Healey, Planning Minister said: "The new levy will be a big improvement to the existing system. It puts an end to site-by-site deals, which can be lengthy and uncertain. Many councils don't get the contribution to new infrastructure their area needs at present. The CIL will bring improved transparencies for communities who will know what infrastructure is needed and how it will be funded, as well as fairness and predictability for developers.

For more information go to www.communities.gov.uk



Editorial

Welcome to the March issue of Watts Bulletin. Next month sees the advent of the new Community Infrastructure Levy which replaces the existing system of planning obligations in England and Wales. The new charge aims to introduce a fair and more transparent system that will be predictable for developers and will provide much-needed funding for local infrastructure. Have the lengthy consultations that have led up to the introduction of the new regime got it right? There is room for manoeuvre within the legislation and it will be interesting to see how effectively individual local authorities levy and then use the charge.

Also in this issue, there are finally signs of green shoots in the commercial property sector, as RICS reports that investors are coming back to the international property market. And finally, closer to home there is still confusion over EPCs – in these challenging times there is perhaps some comfort in noting that some things never change.

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Renewable Building Group launched

A new group that aims to promote bio-based building materials was launched at Ecobuild at the beginning of March.

The Renewable Building Group is an independent working group of the National Non-Food Crops Centre (NNFCC). Chaired by Gary Newman of Plant Fibre Technology, the group – which comprises manufacturers, suppliers, academics and consultants who are involved with bio-based building materials – aims to help facilitate the development of renewable building products in the UK. It will do this by promoting the environmental, health, technical and social benefits of bio-based building materials through research and education.

According to the NNFCC, there are many sound reasons for using such materials in construction. For example, bio-based building materials:

- are truly sustainable;
- improve air quality in buildings and are consequently healthy for occupiers;
- store carbon and therefore do not exacerbate climate change; and
- are durable and high quality.

Established in 2003, the NNFCC provides independent advice and information to industry, the Government and the general public. The not-for-profit organisation brings products to market by helping to build supply chains for plant-derived renewable materials. It develops and assesses the scientific evidence on renewable materials and pledges only to recommend products that will deliver environmental benefits.

For more information go to www.nnfcc.co.uk or contact Dr. Alison Hamer at a.hamer@nnfcc.co.uk

Confusion continues over Commercial EPCs

Despite being a legal requirement for more than a year, two surveys published in February both point to the fact that less than 40% of commercial buildings marketed for sale or lease make the legally required Energy performance Certificate available to prospective purchasers.

A recent poll of 356 commercial properties undertaken by energy-rating specialist Elmhurst Energy Systems identified that only 28% of those surveyed had an EPC.

According to a report from Modern Building Services, levels of compliance had improved since a previous survey in June 2008 but there was "continued confusion" as to when an EPC was required.

Similar findings were revealed by the EPC index, run by National Energy Services and Building magazine, which monitors how many commercial buildings being marketed have valid EPCs. In January, according to a report in Building, a staggering 64% did not have an EPC lodged on the Government's official registry.

An article posted on the RICS subscriber service, Isurv, also confirms that there seems to be collective confusion across the property industry about compliance with EPC requirements. According to author Robert Corbyn, who is a member of both the RICS Building Engineering Services Business Group and RICS Commercial Energy Performance Working

Group, the most common areas of misunderstanding appear to be:

- which buildings need an EPC and when?
- how do the requirements for EPCs differ in Northern Ireland and Scotland
- which buildings are exempt from an EPC;
- what is the situation regarding EPCs and buildings in multiple occupation; and
- what information will an EPC assessor need to produce a certificate?

According to Corbyn, since the new legislation came into force in October 2008, only 85,000 EPCs have been produced and registered. This is in contrast to the Government's estimate of around 300,000 EPCs required each year. Corbyn believes this is due in part to the fact that transactions in the commercial property market are lower than anticipated due to the economic climate and EPCs have only been a legal requirement for just over a year and numbers will undoubtedly increase over time.

For more information go to www.communities.gov.uk



Investment cash returns to commercial property

According to the latest RICS Global Commercial Property Survey for the final quarter of 2009, investment activity rose in 70% of the countries covered by the survey as commercial property started to recover as an asset class.

Commercial property transactions rose across the majority of countries, with Brazil and China leading the way. With generally low interest rates and relatively high yields, investors have returned to commercial property. The net balance of surveyors reporting a rise in transactions in Brazil rose from 29% to 61% in the fourth quarter, while the net balance in China edged up to 58% from 47%.

The UK property recovery was led by the London office market, with the amount of available space declining for the first time in two years. However, elsewhere in the UK and across 90% of the countries surveyed, the amount of available space continued to rise. There were some notable exceptions – Brazil, Peru, Venezuela, Austria, Hong Kong and Ghana are all witnessing mild declines.

Surveyors are confident that the emerging economies, particularly in Latin America and Asia, will continue to lead

the property recovery into the first quarter of 2010 but concerns persist over the outlook for some of the more developed real estate markets. Surveyors again reported a drop in activity in the US and they remained generally downbeat in Japan, Germany, Italy and the UAE.

RICS chief economist, Simon Rubinsohn, believes the latest survey “demonstrates in the clearest possible terms” that it is emerging real estate markets – which have also seen more occupier demand than elsewhere – where sentiment has turned around most significantly. “Crucially, the improvement in investor appetite is being accompanied by a firmer tone to the rental market. This is key to ensuring that the recovery proves sustainable”, he says.

For more information go to www.rics.org

Ska rating promotes sustainable office fit-outs

A new system which will rate the environmental impact of office fit-outs, an area that accounts for 10% of the £64.5 billion spent on construction in the UK, has been launched by RICS.

With pressure growing from all fronts for property occupiers and owners to improve the sustainability of existing stock as well as new buildings, RICS has led the development of a new assessment scheme that focuses 100% on fit-outs, known as Ska rating. Anybody interested in fitting out an office building in a more environmentally sustainable way can use the method to:

- carry out an informal self-assessment of the environmental performance of their fit-out;
- commission a quality assured assessment and certificate from an RICS accredited Ska assessor;
- obtain clear guidance on good practice in fit-out and how to implement it; and
- benchmark the performance of fit outs against each other and the rest of the industry.

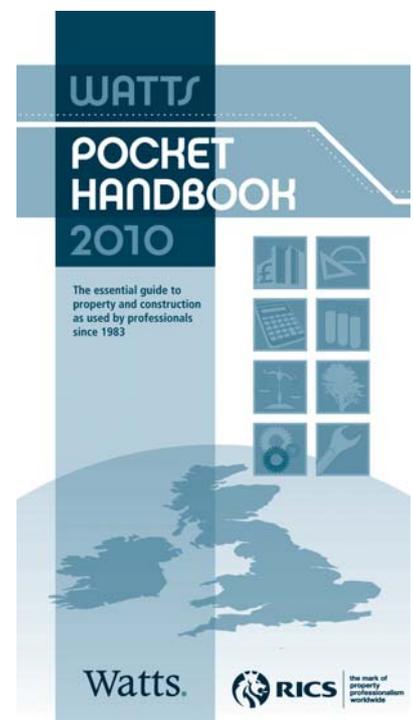
Ska rating comprises 99 good practice measures across energy & CO₂, waste, water, pollution, transport, materials, and wellbeing. Depending on the number of measures achieved, and the significance of these from a sustainability perspective, a fit-out is then awarded either Gold, Silver or Bronze ranking.

A key feature of the Ska Rating is that it has been designed to be accessible even for the smallest organisation. All the information about the rating method, criteria and best practice guidance is available free via the

internet. Use of the online assessment tool is also free for those who want to self-assess their fit-out. However those companies looking to obtain a quality-assured certificate will also be able to commission a formal assessment from a qualified Ska rating assessor.

“In the current economic climate occupiers are now more likely to refurbish their offices, rather than looking to move into new premises, and as a result it is important that sustainable measures are embedded into these fit-outs,” says Tim Robinson, RICS Director of Strategic Business Development. “The uniqueness of the Ska rating is that it allows occupiers to do just that. By providing best practice guidance developers will be able to use Ska rating or employ the services of a Ska rating assessor to guide the project from the outset.”

For more information go www.ska-rating.com



Watts Pocket Handbook: new edition out now

The Watts Pocket Handbook 2010 is launched this month by RICS Books and features seven new sections.

Now in its 26th year, this popular reference guide provides a useful source of property and construction-related information, designed to keep readers abreast of the latest technical developments in the industry as well as providing a useful aide memoire to a comprehensive range of topics.

Each year, a team of internal contributors and external specialists provide information and guidance on a vast selection of subjects ranging from Green Legislation to Geomatics. Content is reviewed on an annual basis to ensure it remains topical, accurate and relevant.

Priced at £26.95, the new edition has been comprehensively updated. For the first time the Handbook features sections on Air-conditioning inspections; the Code for Sustainable Buildings; Managing construction risks in the recession; Multi-storey car parks; Project stages; Rating revaluation 2010; and Tree identification.

The Handbook is published on behalf of the Watts Group by RICS and is available to purchase from its website. For more information go to www.ricsbooks.com

Alternative route to RICS qualification for project managers

Project Management has become the latest specialism to qualify for RICS' new grade of Associate membership, AssocRICS, which was launched last year.

AssocRICS is an entry level professional qualification that offers an alternative to the RICS graduate route for those without a degree. By adding project management to the list of AssocRICS specialisms, those with relevant experience or qualifications working within project management now have the chance to achieve the RICS's widely respected and internationally recognised professional qualification.

AssocRICS offers a progressive route to chartered status for skilled property and construction professionals by enabling those with vocational competence to undertake study modules to work towards a final assessment of professional competence.

The Associate Assessment process is online and competency based, and the qualification is achieved by demonstrating that RICS standards have been met through relevant work experience and/or qualifications.

The role of project manager is increasingly vital to construction projects as schemes become more complex. The RICS believes its new, entry-level qualification is an excellent opportunity for many in the industry to prove their expertise with a professional qualification.

The Associate qualification is now available to those working in quantity surveying and construction, facilities management, residential estate agency and residential survey and valuation as well as project management in the UK. Since its launch last November, more than 1000 people have registered their interest in the Associate grade of RICS membership.

For more information go to www.rics.org



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The Watts Bulletin is the technical companion to the Watts Pocket Handbook, the essential guide to property and construction, as used by professionals since 1983.

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Comments, criticisms and contributions are always welcome.

The Handbook is available to purchase from www.ricsbooks.com priced £26.95.

Library and research facilities are available to assist in developing particular lines of inquiry. The contents of this Bulletin represent a brief summary of information obtained from various sources. No guarantee is given by Watts Group PLC, or any of its employees, as to this Bulletin's accuracy. More detailed advice must be obtained before relying on statements made.

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