

Appendix IV
Results of Payment-in-Lieu Appraisals

Appendix IV: Salisbury District Council Payments in lieu of on-site provision - Value Points 2 to 5: 0%, 20%, 30% & 40% Equivalent Affordable Housing Provision

Value Point 2												
Scheme Size	Mix	0% Affordable Equivalent		20% Affordable Equivalent			30% Affordable Equivalent			40% Affordable Equivalent		
		RLV (£)	RLV (% of GDV)	Commuted Payment	RLV (£)	RLV (% of GDV)	Commuted Payment	RLV (£)	RLV (% of GDV)	Commuted Payment	RLV (£)	RLV (% of GDV)
1 House	1 x 3-bed house	£49,572	22.4%	£12,352	£37,569	17.0%	£18,528	£31,568	14.3%	£24,703	£25,566	11.6%
2 House	2 x 3-bed house	£75,138	17.0%	£24,703	£75,138	17.0%	£37,055	£63,136	14.3%	£49,407	£51,133	11.6%
3 House	3 x 3-bed house	£112,708	17.0%	£37,055	£112,708	17.0%	£55,583	£94,703	14.3%	£74,110	£76,699	11.6%
4 House	4 x 3-bed house	£148,774	16.8%	£49,407	£148,774	16.8%	£74,110	£125,009	14.1%	£98,814	£102,266	11.6%

Value Point 3												
Scheme Size	Mix	0% Affordable Equivalent		20% Affordable Equivalent			30% Affordable Equivalent			40% Affordable Equivalent		
		RLV (£)	RLV (% of GDV)	Commuted Payment	RLV (£)	RLV (% of GDV)	Commuted Payment	RLV (£)	RLV (% of GDV)	Commuted Payment	RLV (£)	RLV (% of GDV)
1 House	1 x 3-bed house	£72,426	28.9%	£14,014	£58,807	23.5%	£21,022	£51,998	20.7%	£28,029	£45,189	18.0%
2 House	2 x 3-bed house	£143,403	28.6%	£28,029	£117,615	23.5%	£42,043	£103,996	20.7%	£56,058	£90,378	18.0%
3 House	3 x 3-bed house	£215,105	28.6%	£42,043	£174,658	23.2%	£63,065	£154,434	20.5%	£84,087	£134,211	17.8%
4 House	4 x 3-bed house	£281,012	28.0%	£56,058	£232,677	23.2%	£84,087	£205,913	20.5%	£112,115	£178,948	17.8%

Value Point 4												
Scheme Size	Mix	0% Affordable Equivalent		20% Affordable Equivalent			30% Affordable Equivalent			40% Affordable Equivalent		
		RLV (£)	RLV (% of GDV)	Commuted Payment	RLV (£)	RLV (% of GDV)	Commuted Payment	RLV (£)	RLV (% of GDV)	Commuted Payment	RLV (£)	RLV (% of GDV)
1 House	1 x 3-bed house	£95,280	34.0%	£15,677	£80,046	28.5%	£23,516	£72,428	25.8%	£31,354	£64,811	23.1%
2 House	2 x 3-bed house	£188,654	33.6%	£31,354	£158,490	28.3%	£47,031	£143,408	25.6%	£62,709	£128,326	22.9%
3 House	3 x 3-bed house	£277,264	32.9%	£47,031	£237,735	28.3%	£70,547	£215,112	25.6%	£94,063	£192,490	22.9%
4 House	4 x 3-bed house	£369,686	32.9%	£62,709	£310,577	27.7%	£94,063	£281,022	25.0%	£125,417	£251,468	22.4%

Value Point 5												
Scheme Size	Mix	0% Affordable Equivalent		20% Affordable Equivalent			30% Affordable Equivalent			40% Affordable Equivalent		
		RLV (£)	RLV (% of GDV)	Commuted Payment	RLV (£)	RLV (% of GDV)	Commuted Payment	RLV (£)	RLV (% of GDV)	Commuted Payment	RLV (£)	RLV (% of GDV)
1 House	1 x 3-bed house	£118,134	38.1%	£17,340	£101,284	32.6%	£26,010	£92,859	29.9%	£34,680	£84,434	27.2%
2 House	2 x 3-bed house	£233,905	37.7%	£34,680	£200,542	32.3%	£52,020	£183,860	29.6%	£69,359	£167,179	26.9%
3 House	3 x 3-bed house	£343,769	36.9%	£52,020	£294,736	31.7%	£78,029	£270,219	29.0%	£104,039	£245,702	26.4%
4 House	4 x 3-bed house	£458,359	36.9%	£69,359	£392,981	31.7%	£104,039	£360,292	29.0%	£138,719	£327,603	26.4%

Value Point	1-Bed Flats	Commuted Payment (Per Unit)	2-Bed Flats	Commuted Payment (Per Unit)	2-Bed Houses	Commuted Payment (Per Unit)	3-Bed Houses	Commuted Payment (Per Unit)	4-Bed Houses	Commuted Payment (Per Unit)
1	£112,500	£31,438	£150,750	£42,127	£168,750	£47,157	£191,250	£53,445	£225,000	£62,876
2	£130,000	£36,329	£174,200	£48,680	£195,000	£54,493	£221,000	£61,758	£260,000	£72,657
3	£147,500	£41,219	£197,650	£55,233	£221,250	£61,828	£250,750	£70,072	£295,000	£82,438
4	£165,000	£46,109	£221,100	£61,786	£247,500	£69,164	£280,500	£78,386	£330,000	£92,219
5	£182,500	£51,000	£244,550	£68,339	£273,750	£76,499	£310,250	£86,699	£365,000	£101,999
6	£200,000	£55,890	£268,000	£74,893	£300,000	£83,835	£340,000	£95,013	£400,000	£111,780

Commuted payment calculated by:

- Taking average residual land value as percentage of GDV from all appraisals with zero affordable housing = 24.3%
- Multiplying this figure by the open market unit value
- Adding 15% on-costs
- Multiplying this figure by the equivalent affordable housing percentage (20% in this example).

Example - 15 Unit Flatted Housing of 5 x 1-bed flats & 10 x 2-bed flats:

1-bed flats at £147,500 x 0.243 = £35,675
 2-bed flats at £197,650 x 0.243 = £47,804
 35,817 +15% = £41,026
 £47,995 +15% = £54,975
 5 x 1-bed flats x 20% = 1 flats x £41,190 = £41,026
 10 x 2-bed flats x 20% = 2 flats x £55,195 = £109,950
 Commuted Payment = £41,190 + £110,389
Commuted Payment = £150,976

Appendix IV - Average Residual Land Value as Percentage of GDV on Sites of 0% Affordable Housing - Salisbury District Council Commuted Sums Methodology

	Value Point 2	Value Point 3	Value Point 4	Value Point 5	Housing Mix
	£5,000	£5,000	£5,000	£5,000	
5 Houses	17.0%	26.7%	31.6%	35.2%	2 x 2BH; 3 x 3BH
10 Mixed	18.5%	24.7%	29.7%	33.8%	4 x 2BF; 4 x 3BH; 2 x 4BH
10 Flats	12.1%	19.1%	24.6%	29.1%	4 x 1BF; 6 x 2BF
15 Flats	12.1%	19.1%	24.7%	29.3%	5 x 1BF; 10 x 2BF
15 Houses	20.5%	26.6%	31.4%	35.4%	7 x 2H; 5 x 3BH; 3 x 4BH
25 Houses	18.7%	25.0%	29.9%	33.8%	9 x 2BH; 9 x 3BH; 7 x 4BH
35 Flats	9.7%	16.6%	22.0%	26.4%	10 x 1BF; 25 x 2BF
35 Mixed	15.8%	21.9%	26.8%	30.7%	6 x 1BF; 6 x 2BF; 6 x 2BH; 10 x 3BH; 7 x 4BH
50 Mixed	16.6%	22.7%	27.5%	31.3%	4 x 1BF; 8 x 2BF; 13 x 4BH, 16 x 3BH, 9 x 2BH
100 Mixed	15.1%	20.9%	25.6%	29.3%	8 x 1BF; 15 x 2BF; 25 x 4BH, 32 x 3BH, 20 x 2BH
Average	15.6%	22.3%	27.4%	31.4%	
Overall Average	24.2%				

Unit	Value Point 1	Value Point 2	Value Point 3	Value Point 4	Value Point 5	Value Point 6
1-Bed Flat	£112,500	£130,000	£147,500	£165,000	£182,500	£200,000
2-Bed Flat	£150,750	£174,200	£197,650	£221,100	£244,550	£268,000
2-Bed House	£168,750	£195,000	£221,250	£247,500	£273,750	£300,000
3-Bed House	£191,250	£221,000	£250,750	£280,500	£310,250	£340,000
4-Bed House	£225,000	£260,000	£295,000	£330,000	£365,000	£400,000
£/m ²	£2,250	£2,600	£2,950	£3,300	£3,650	£4,000

Commuted payment calculated by:

1. Taking average residual land value as percentage of GDV from all appraisals with zero affordable housing = 24.3%
2. Multiplying this figure by the open market unit value
3. Adding 15% on-costs
4. Multiplying this figure by the equivalent affordable housing percentage (20% in this example).

Example - 15 Unit Flatted Housing of 5 x 1-bed flats & 10 x 2-bed flats:

1-bed flats at £147,500 x 0.243 =	£35,675
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35,817 +15% =	£41,026
£47,995 +15% =	£54,975
5 x 1-bed flats x 20% = 1 flats x £41,190 =	£41,026
10 x 2-bed flats x 20% = 2 flats x £55,195 =	£109,950
Commuted Payment = £41,190 + £110,389	
Commuted Payment =	£150,976