

Appendix 1 – Proposed methodology for Calculation of payments for affordable housing provision in circumstances where provision off-site is considered acceptable

Social Rent

Property Type	Land costs (a)	Build cost (b)	On Costs	Total Scheme Costs	RP / LA Borrowing (c)	Cost (d)	Typical floorspace* (sq m) (e)	Cost per sq m (d/e) (f)
Studio	15,000	24,000	2,925	41,925	-£7,824.58	£34,100.42	20	£1,705.02
1B2P	15,000	61,200	5,715	81,915	-£12,897.49	£69,017.51	51	£1,353.28
2B3P	15,000	79,200	7,065	101,265	-£19,015.72	£82,249.28	66	£1,246.20
2B4P	15,000	92,400	8,055	115,455	-£22,167.07	£93,287.93	77	£1,211.53
3B5P	15,000	111,600	9,495	136,095	-£28,300.68	£107,794.32	93	£1,159.08
4B6P	15,000	127,200	10,665	152,865	-£34,403.55	£118,461.45	106	£1,117.56
Average	15,000	82,600	7,320	104,920	-£20,769.87	£84,150.13	68.83	£1,222.52

Shared Ownership - 25% equity sold

Property Type	Land costs (a)	Build cost (b)	On Costs	Total Scheme Cost	Value to RP (c)	Value to tenant (d)	Cost (e)	Typical floorspace* (sq m) (f)	Cost per sq m (d/e) (g)
Studio	£15,000	£24,000	£2,925	£41,925	-£11,775.30	-£16,250	£13,899.70	20	£694.99
1B2P	£15,000	£61,200	£5,715	£81,915	-£22,751.23	-£25,000	£34,163.77	51	£669.88
2B3P	£15,000	£79,200	£7,065	£101,265	-£29,038.56	-£30,000	£42,226.44	66	£639.79
2B4P	£15,000	£92,400	£8,055	£115,455	-£33,742.53	-£33,750	£47,962.47	77	£622.89
3B5P	£15,000	£111,600	£9,495	£136,095	-£41,582.48	-£40,000	£54,512.52	93	£586.16
4B6P	£15,000	£127,200	£10,665	£152,865	-£47,869.81	-£45,000	£59,995.19	106	£565.99
Average	£15,000	£82,600	£7,320	£104,920	-£31,129.21	-£31,667	£42,124.12	68.83	£611.97

*Net internal

Average cost of provision of affordable floorspace is therefore calculated to be $0.85 \times £1222.52$ plus $0.15 \times £611.97 = £1130.94$ per sq m

Total contribution due therefore equals net internal floorspace of open market housing proposed x 0.20 (if 5-9 dwellings proposed), or 0.30 (if 10-15 dwellings proposed), or 0.33 (if 16 or more dwellings are proposed) x £1130.94. Plus flat fee of £1000 to cover legal charges associated with land transfer.

Figures correct at Oct 2011 - to be updated in Jan 2013 and annually in Jan thereafter.