



London Borough of Camden Review of Payment-in-Lieu Rates for Housing and Affordable Housing in Connection with Policies H2 and H4 in the Camden Local Plan 2017 and Camden Planning Guidance

Prepared for
London Borough of Camden

July 2019

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1 Introduction

- 1.1 The London Borough of Camden ('the Council') is currently carrying out a phased review of a number of Supplementary Planning Documents ('SPDs') known as Camden Planning Guidance ('CPG'). As part of the review, the Council wishes to update rates for payments-in-lieu per square metre for housing (sought as part of mixed-use schemes) and affordable housing. The Council has commissioned BNP Paribas Real Estate to undertake an update of the payment-in-lieu ('PIL') rates recommended as part of the Camden Local Plan Financial Viability Study October 2015. This updated testing takes into consideration the changes made to the Local Plan up to adoption in 2017, Camden's preferred affordable housing products and current development costs and values.

2 Policy Position

Payments-in-lieu of on-site affordable housing

- 2.1 Policy H4 (Maximising the supply of affordable housing) of the adopted Camden Local Plan 2017 identifies that the Council will expect all residential developments providing one or more additional homes and involving 100 sq m or more Gross Internal Area ('GIA') to provide affordable housing. The policy goes on to set out that that *"The Council will seek to negotiate the maximum reasonable amount of affordable housing on the following basis:*
- a. *the guideline mix of affordable housing types is 60% social-affordable rented housing and 40% intermediate housing;*
 - b. *targets are based on an assessment of development capacity whereby 100sqm (GIA) of housing floorspace is generally considered to create capacity for one home;*
 - c. *targets are applied to additional housing floorspace proposed, not to existing housing floorspace or replacement floorspace;*
 - d. *a sliding scale target applies to developments that provide one or more additional homes and have capacity for fewer than 25 additional homes, starting at 2% for one home and increasing by 2% of for each home added to capacity;*
 - e. *an affordable housing target of 50% applies to developments with capacity for 25 or more additional dwellings;*
 - f. *for developments with capacity for 25 or more additional homes, the Council may seek affordable housing for older people or vulnerable people as part or all of the affordable housing contribution;*
 - g. *where developments have capacity for fewer than 10 additional dwellings, the Council will accept a payment-in-lieu of affordable housing;*
 - h. *for developments with capacity for 10 or more additional dwellings, the affordable housing should be provided on site; and*
 - i. *where affordable housing cannot practically be provided on site, or offsite provision would create a better contribution (in terms quantity and/or quality), the Council may accept provision of affordable housing offsite in the same area, or exceptionally a payment-in-lieu.*
- 2.2 The Council's approach to calculating off-site provision and payments in lieu of on-site affordable housing seeks to ensure that the appropriate affordable housing contribution is comprehensively assessed. Para 2.107 in the CPG 2 sets out that:

"the overall percentage of housing/ affordable housing and non-residential uses will be considered across the aggregate floorspace on all related development sites. In other words, the percentage requirement for an off-site contribution is calculated as a proportion of the floorspace at the application site and the floorspace at the delivery site(s) added together, rather than the application site alone. In the case of policy DP1,[now replaced by Local plan Policy H2] where there is a single target of 50% for negotiation of on-site contributions, off-site contributions should normally involve matching the non-residential floorspace increase at the application site with an equivalent increase in residential floorspace at the delivery site. In the case of policy DP3 [now replaced by Local plan Policy H4], where the sliding scale applies a formula is used to calculate off-site contributions".

- 2.3 Camden Planning Policy Guidance (CPG) 2 Housing and the interim Housing CPG March 2019 set out details as to how a payment in lieu of on-site affordable housing is to be calculated. The approach seeks to ensure that *“the policies do not provide an unintended incentive towards off-site contributions. Off-site contributions allow more non-residential floorspace (or market housing floorspace) to be developed at the application site. Considering the sites together ensures that this gain in non-residential floorspace (or market housing) also leads to a proportionate increase in residential floorspace (or affordable housing floorspace) at the delivery site.”* (CPG2 Para 2.108)
- 2.4 We note that as with the provision of seeking to negotiate the provision of affordable housing onsite, flexibility is also applied in seeking payments-in-lieu. The policy allows for consideration of site specific circumstances, which includes amongst a number of other factors, the economics and financial viability.

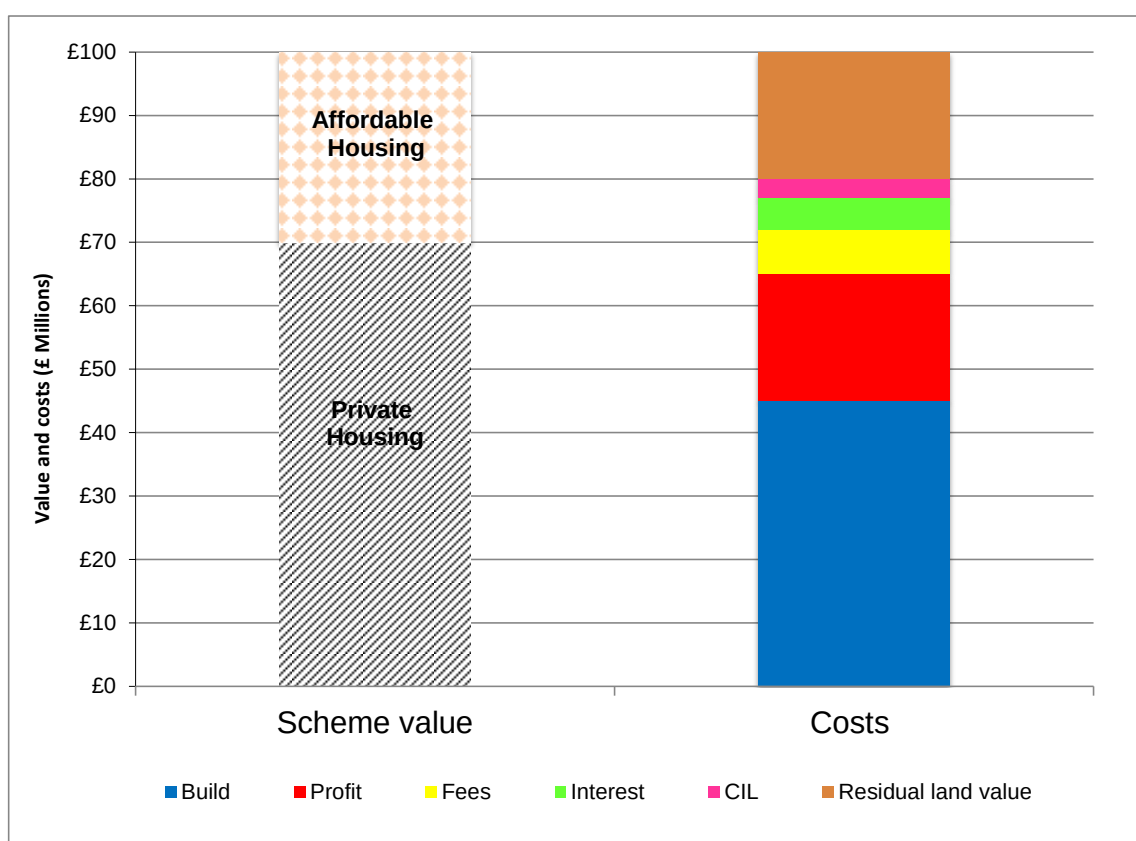
Payments-in-lieu of on-site self-contained housing

- 2.5 Policy H2 (Maximising the supply of self-contained housing from mixed-use schemes) in the adopted Camden Local Plan promotes the inclusion of self-contained homes as part of a mix of uses where non-residential development is proposed. Policy H2 identifies that the Council will seek this:
- *“In all parts of the borough the Council will encourage the inclusion of self-contained homes in non-residential development.*
 - *In the Central London Area and the town centres of Camden Town, Finchley Road/ Swiss Cottage and Kilburn High Road, where development involves additional floorspace of more than 200 sq m (GIA), we will require 50% of all additional floorspace to be self-contained housing...”*
- 2.6 The Policy goes on to identify that *“in the specified areas, the Council will consider whether self-contained housing is required as part of a mix of uses taking into account”* of a number of specified considerations.
- 2.7 Once again, CPG 2 Housing and the interim Housing CPG March 2019 set out further details as to how a payment in lieu of on-site provision is to be calculated. As with the approach to PIL of on-site affordable housing set out above, this approach seeks to ensure that there is no incentive to deliver the self-contained housing offsite.
- 2.8 We note that Policy H2 is applied flexibly identifying that, *“Where the Council is satisfied that providing on-site housing is not practical or housing would more appropriately be provided off-site, we will seek provision of housing on an alternative site nearby, or exceptionally a payment-in-lieu.”* Further, the policy also sets out that *“In considering whether housing should be provided on site and the most appropriate mix of housing and other uses, the Council will take into account’ ten identified criteria including ‘the economics and financial viability of the development including any particular costs associated with it...”*

3 Methodology

Residual Appraisal

- 3.1 In line with our 2015 testing and current viability guidance and best practice, our methodology follows standard development appraisal conventions, using assumptions that reflect local market and planning policies. The study is therefore specific to Camden and reflects the Council's planning policy requirements.
- 3.2 Appraisal models can be summarised via the following diagram. The total scheme value is calculated, as represented by the left hand bar. This includes the sales receipts from the private housing (the hatched portion) and the payment from a Registered Provider ('RP') (the chequered portion) for the completed affordable housing units. For a commercial scheme, scheme value equates to the capital value of the rental income after allowing for rent free periods and purchaser's costs. The model then deducts the build costs, fees, interest, CIL and developer's profit. A 'residual' amount is left after all these costs are deducted – this is the land value that the Developer would pay to the landowner. The residual land value is represented by the brown portion of the right hand bar in the diagram.



- 3.3 Problems with key appraisal variables can be summarised as follows:
- Development costs are subject to national and local monitoring and can be reasonably accurately assessed in 'normal' circumstances. Some sites will be previously developed. These sites can sometimes encounter 'exceptional' costs such as decontamination. Such costs can be very difficult to anticipate before detailed site surveys are undertaken but should in normal circumstances be reflected in bids for sites from developers;
 - Assumptions about development phasing, phasing of Section 106 contributions and infrastructure required to facilitate each phase of the development will affect residual values. Where the delivery of the obligations are deferred, the less the real cost to the applicant (and the greater the scope for increased affordable housing and other planning obligations). This

is because the interest cost is reduced if the costs are incurred later in the development cashflow; and

- While Developer's Profit has to be assumed in any appraisal, its level is closely correlated with risk. The greater the risk, the higher the profit level required by lenders. While profit levels were typically up to around 15% of completed development value at the peak of the market in 2007, banks currently require schemes to show a profit level that is reflective of current risk. Typically, developers and banks have been targeting between 17-20% profit on value of the private housing element.

- 3.4 Ultimately, the landowner will make a decision on implementing a project on the basis of return and the potential for market change, and whether alternative developments might yield a higher value.

Payments-in-lieu of on-site affordable housing

- 3.5 In order to establish the likely contribution chargeable on a per square metre approach, as currently adopted within the borough, we have tested residential schemes both with and without affordable housing to establish the cost of delivering affordable housing to schemes in the borough. We have then undertaken further analysis to establish this as an average cost per unit, per gross internal square metre of delivering affordable housing on site in the borough. We set out our full analysis of this testing in **Appendix 1** (and a sensitivity test of this position assuming different affordable housing tenures sought at **Appendix 2**). We provide a summary of our findings in Section 5 of this report – see Heading 5a.

Payments-in-lieu of on-site self-contained housing

- 3.6 In order to establish the likely contribution chargeable on a per square metre approach, as currently adopted within the borough, we have tested a range of mixed use schemes both with and without self-contained housing (assuming the appropriate policy compliant level of affordable housing provision where housing is included taking into account the Council's sliding scale). We have then undertaken further analysis to establish this as an average cost per unit, per net internal square metre and per gross internal square metre of delivering self-contained housing on site in the borough. We provide a summary of our findings in Section 5 of this report – see Heading 5b.
- 3.7 The Council have also requested a series of sensitivity tests in relation to the delivery of self-contained housing, which they have come across in developments. We have assessed these scenarios in the same way as identified above, however instead of measuring these scenarios against a purely commercial scheme we have used the full policy compliant position. This ensures that only the non-compliant element of the scheme is being assessed as a payment-in-lieu of this requirement. The scenarios assessed are as follows:
- Full policy compliant level of self-contained housing is delivered on-site, but all as market housing – see Heading 5c;
 - Policy compliant level of self-contained market housing is delivered on-site, but affordable housing floorspace is delivered as non-residential floorspace – see Heading 5d; and
 - Policy compliant level of self-contained affordable housing is delivered on-site, but market housing floorspace is delivered as non-residential floorspace – see Heading 5e;
- 3.8 We set out the results of our appraisals of schemes assuming the above scenarios at **Appendices 3, 5, 7 and 9** (with sensitivity tests of the affordable housing tenures of these appraisals at **Appendices 4, 6, 8 and 10**).

4 Appraisal assumptions

Site areas and scheme content

- 4.1 We have appraised 14 residential development typologies, reflecting both the range of sales values/capital values as well as sizes/types of development and densities across the borough. These are in line with the 2015 development typologies viability tested for the Camden Local Plan 2017. The Council have considered these in light of historic planning applications and knowledge of anticipated future development within its area. These typologies are therefore reflective of developments that have been consented / delivered as well as those the Council expects to come forward in the borough in future.
- 4.2 Details of the development typologies tested are provided below in Table 4.2.1. The unit mixes adopted for market/private and affordable tenures are set out in tables 4.2.2 to 4.2.5.

Table 4.2.1: Residential development typologies

No.	No. Resi units	Description of Development	Gross site area (Ha)
1	1	House	0.01
2	4	Houses	0.07
3	6	Flats	0.03
4	9	Flats	0.09
5	10	Flats	0.04
6	11	Flats	0.07
7	25	Flats	0.10
8	34	Flats	0.23
9	45	Flats	0.30
10	50	Flats	0.30
11	75	Flats	0.25
12	100	Flats	0.50
13	150	Flats	0.90
14	200	Flats	1.11

Table 4.2.2: Market/private unit mix

Typology No.	1B flat	2B flat	3B flat	4B flat	2B House	3B House	4B House
Size (sq m)	50	70	86	99	83	93	115
1 & 2					55%	40%	5%
3 - 14	15%	40%	40%	5%			

Table 4.2.3: Social rent unit mix

Typology No.	1B flat	2B flat	3B flat	4B flat	2B House	3B House	4B House
Size (sq m)	50	70	86	99	83	93	115
1 & 2					50%	30%	20%
3 - 14	10%	40%	30%	20%			

Table 4.2.4: Camden Intermediate Rent unit mix

Typology No.	1B flat	2B flat	3B flat	4B flat	2B House	3B House	4B House
Size (sq m)	50	70	86	99	83	93	115
1 & 2					100%		
3 - 14	50%	50%					

Table 4.2.5: Shared Ownership unit mix

Typology No.	1B flat	2B flat	3B flat	4B flat	2B House	3B House	4B House
Size (sq m)	50	70	86	99	83	93	115
1 & 2					100%		
3 - 14	75%	25%					

Mixed use schemes

- 4.3 As part of this study, we have also tested the seven non-residential developments to establish updated payment in lieu figures for the Policy H2 and four requirements for self-contained housing and affordable housing, respectively, to be delivered as part of these schemes. The mixed use schemes tested are based on the development typologies tested in the 2015 Viability Study, which are based on reviewed planning applications for schemes that have come forward in the borough over the last few years and considering the likely types of schemes that will come forward in the borough over the life of the plan as well as having consideration for typologies tested in the GVA CIL viability study 2014. We set out details of the schemes tested in Table 4.3.1 below.

Table 4.3.1 Mixed Use development typologies

No	Use	Floor area (GIA)	No units/beds ¹	Site size (Ha)
C1	Office Residential	175 sq m circa 175 sq m	2 Flats	0.02
C2	Office Residential	500 sq m circa 500 sq m	6 Flats	0.06
C3	Office Residential	1,500 sq m circa 1,500 sq m	16 Flats	0.16
C4	Office Residential	10,000 sq m circa 10,000 sq m	100 Flats	0.89
C5	Office Residential	20,000 sq m 20,000 sq m	200 Flats	2.02
C6	Retail Residential	300 sq m circa 300 sq m	4 Flats	0.03
C7	Retail Residential	600 sq m circa 600 sq m	7 Flats	0.07

- 4.4 In establishing the number of units provided a unit mix as set out in Table 4.4.1 below has been adopted and applied.

¹ In establishing the number of units provided a unit mix of 20% 1 beds, 30% 2 beds and 50% 3 beds has been adopted and applied to the unit sizes as set out in Table 5.1.2 above.

Table 4.4.1: Mixed use schemes residential unit mix

Tenure	1B flat	2B flat	3B flat	4B flat
Size (sq m)	50	70	86	99
Private	15%	40%	40%	5%
Social Rent	10%	40%	30%	20%
Camden Intermediate Rent	50%	50%		
Shared Ownership	75%	25%		

Appraisal inputs

- 4.5 We set out further detail on the inputs adopted in the following sections.

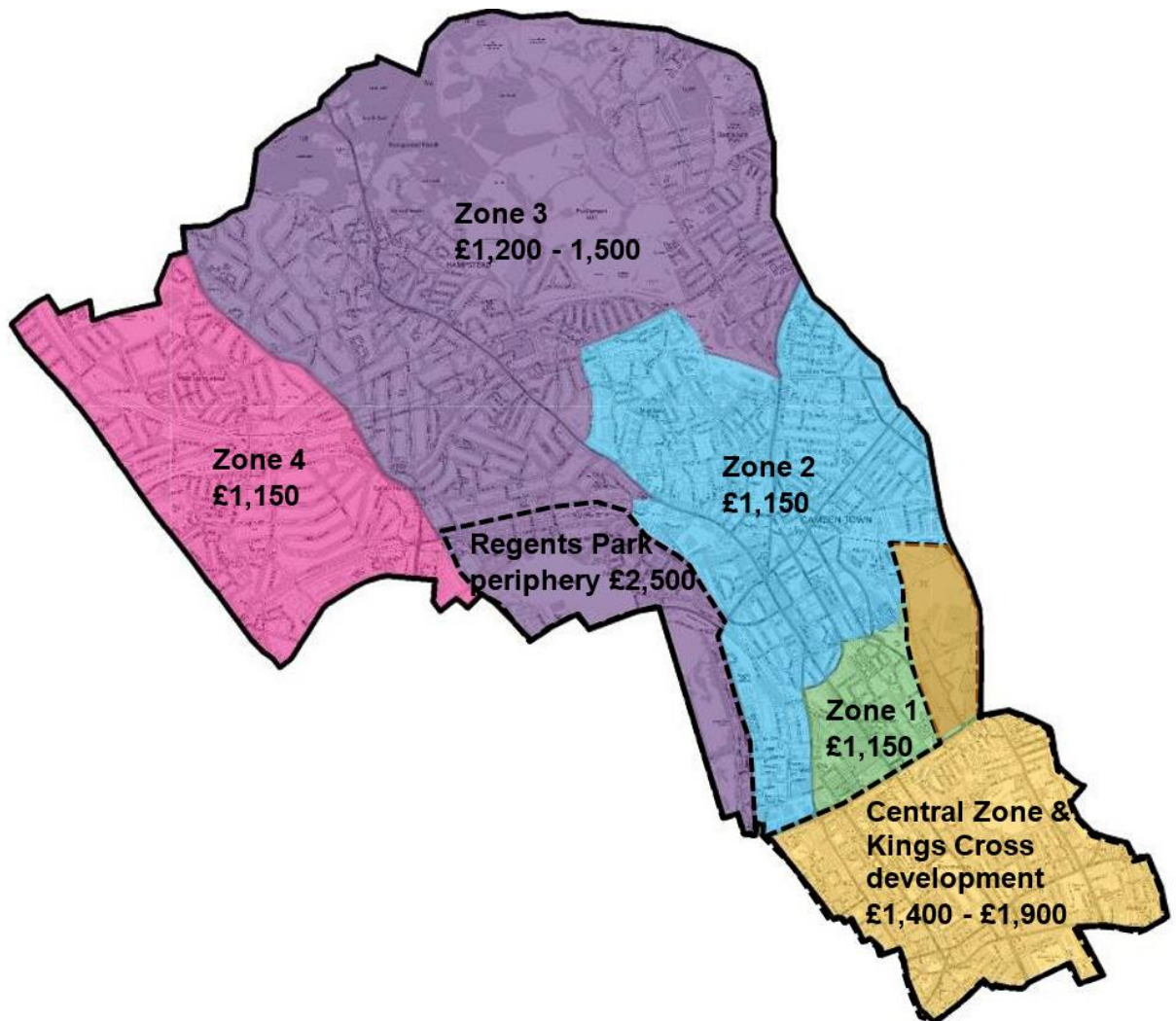
Residential sales values

- 4.6 Residential sales values in the borough reflect national trends in recent years and do vary across the Camden area. In order to establish appropriate updated values for testing purposes, we have reviewed residential values in the borough. We have considered information from a range of sources including online databases such as Molior, Rightmove and Land Registry. This exercise indicates that average development values in the Council's area have increased since the previous viability assessment's research was undertaken in 2015.
- 4.7 In light of this research we have adopted a range of average sales values reflective of each of the CIL Zones within our appraisals, which are set out in Table 4.7.1 and identified on the corresponding map in Figure 4.7.1 below. It should be noted that these are based on the assumption of average new build residential unit sizes.

Table 4.7.1 Range of average sales values adopted in study

CIL Zone	Market Value Area	£ per sq ft	£ per sq m
Zone A	Central area and Kings Cross development (H)	£1,900	£20,452
Zone A	Central area and Kings Cross development (M)	£1,600	£17,222
Zone A	Central area and Kings Cross development (L)	£1,400	£15,070
Zone A	Zone 1 excluding Kings Cross development	£1,150	£12,379
Zone B	Zone 2 and Zone 4	£1,150	£12,379
Zone C	Zone 3 – excluding periphery of Regent's Park (L)	£1,200	£12,917
Zone C	Zone 3 – excluding periphery of Regent's Park (M)	£1,300	£13,993
Zone C	Zone 3 – excluding periphery of Regent's Park (H)	£1,500	£16,146
Zone C	Zone3 – Periphery of Regent's Park only	£2,500	£26,910

Figure 4.7.1 Map showing indicative market areas and average sales values adopted



Affordable housing tenure and values

- 4.8 As identified in Section 2 of this report, Camden's Local Plan Policy H4 seeks to maximise affordable housing delivery through a 50% target on developments with capacity for 25 or more additional dwellings and a sliding scale target on developments that provide one or more additional homes and have capacity for fewer than 25 additional homes. The sliding scale starts at 2% for one home and increases by 2% for each home added to capacity. The guideline mix of affordable housing types is 60% social-affordable rented housing and 40% intermediate housing. For the purposes of this testing the Council has requested that we test 60% Social Rented housing based on London Affordable Rents ('LAR') and 40% Intermediate Rent based on Camden's affordability criteria, (identified as being Camden Intermediate Rent in this study ('CIR')) tenures as the base position. They have also identified that they would like to sensitivity test the delivery of the 40% intermediate units as 20% CIR and 20% Shared Ownership ('SO') units (based on the expectation that 10% of homes should be available for affordable home ownership set out in paragraph 64 of the National planning Policy Framework ('NPPF')).
- 4.9 In light of the above, we have adopted the rents for LAR as identified by the Mayor of London for the 2019/2020 period, which are set out in Table 4.9.1 below.

Table 4.9.1: London Affordable Rents adopted in study

Unit type	London Affordable Rent per week
1 bed	£155.13
2 beds	£164.24
3 beds	£173.37
4 beds	£182.49

- 4.10 For CIR units, we have taken into consideration Camden's Intermediate Housing Strategy, which is summarised in the CPG on Interim Housing (paras IH2.78 and IH2.79), which states that,

"the Council will seek to ensure that the majority of intermediate housing in each scheme is affordable to households with gross incomes between £30,000 and £40,000 (as adjusted by wage inflation). A small proportion of the homes could be provided at rents affordable to households with higher incomes, but incomes should not exceed the maximum of £60,000 adopted in the Mayor's Affordable Housing and Viability SPG (August 2017). When the affordability of intermediate housing is assessed, service charges are included as part of the overall cost, and we will encourage developers to take this into account at the design stage so that service charges are minimised." In addition, the Guidance sets out that the *"Council considers housing to be affordable where housing costs (including rent and service charges) take up no more than 40% of net household income (with net income assumed to be 70% of gross income). For example, the maximum cost affordable to a household with a gross income of £30,000 would be £162 per week, the maximum cost with a gross income of £40,000 would be £215 per week, and the maximum cost with a gross income of £60,000 would be £323 per week."*

- 4.11 We have undertaken research into the average market rents currently achieved on private residential units across the borough. We have then considered these rents against the affordability criteria set out in the Camden's Intermediate Housing Strategy. This has identified that the rents currently achieved across the borough far exceed the CIR weekly rents identified and on this basis, we have adopted the lower CIR weekly rents in our appraisals as follows:

Table 4.11.1: Camden Intermediate Rents adopted in study

Unit type	Camden Intermediate Rent per week
1 bed flats	£162
2 bed flats	£215
2 bed houses	£323

- 4.12 We have used our bespoke model to value the affordable housing, which replicates how RPs undertake such appraisals. This model runs cashflows for the rented tenures in the Council's area over a period of circa 35 years which capitalises the net rental income stream. The net rent is calculated by taking into account factors such as: standard levels for individual registered providers ('RP's') management and maintenance costs; finance rates currently obtainable in the sector; allowances for voids and bad debt.
- 4.13 For shared ownership units, we have assumed that RPs will sell initial equity stakes of 25% and charge a maximum rent of 2.75% on the retained equity assuming a maximum household income of £90,000 in line with the Mayor of London's guidance. A 10% charge for management is deducted from the rental income and the net amount is capitalised using a yield of 5%.

- 4.14 In the July 2015 Budget, the Chancellor announced that Registered Providers ('RPs') will be required to reduce rents by 1% per annum for the next four years. This will reduce the capital values that RPs will pay developers for completed affordable housing units. From 2019/20 onwards, RPs will be permitted to increase rents by CPI plus 1% per annum. Given that rents will be increasing by CPI plus 1% by the time the new payments in lieu will be in place, we have applied this assumption to our appraisals
- 4.15 The CLG/HCA 'Shared Ownership and Affordable Homes Programme 2016-2021: Prospectus' document clearly states that Registered Providers will not receive grant funding for any affordable housing provided through planning obligations on developer-led developments. The Mayor of London's "Homes for Londoners Affordable Housing Programme 2016-21 Funding Guidance" (November 2018) identifies that *"The Mayor has secured £3.15bn from the Government to fund new affordable homes for Londoners. This funding is expected to support starts for at least 90,000 new affordable homes in London through to 2021. The Mayor and Government have agreed at least 58,500 of this total will be a combination of London Living Rent and shared ownership."* The guidance goes on to set out that *"The GLA will fund affordable housing through three different routes:*
- *The Approved Provider route, with a single set grant rate for London Affordable Rent at or below the benchmarks, and a different set grant rate for both London Living Rent and London Shared Ownership;*
 - *The Developer-led route, with a single set grant rate to increase the level of affordable homes provided on section 106 sites;*
 - *Negotiated grant rates mainly for supported and specialised housing, and for London Affordable Rent at levels above the benchmarks.*
- The GLA does not expect to allocate its entire available grant in this programme through the initial bidding round. There will be further opportunities to bid on an ongoing basis, once the initial allocations are made."*
- 4.16 In light of the above we consider that developments receiving grant funding will be the exception rather than the rule and consequently, all our appraisals, which we rely upon for testing Camden's payments-in-lieu assume nil grant. Clearly, where grant funding does become available over the plan period, it should facilitate an increase in the provision of affordable housing when developments come forward.
- 4.17 Notwithstanding the above, we note that the Affordable Housing and Viability SPG 2017 sets out the Mayor of London's position on Grant Funding in paragraphs 2.23 to 2.28 and Affordable Homes Programme 2016-21 paras 48-52. This indicates that to enable the delivery of more affordable housing, the Mayor will make funding available to increase the proportion of affordable homes above that which is viable on a nil-grant basis. Further, where developer-led schemes can provide or exceed 40% affordable housing (with grant) then the fixed grant per unit will be available on all affordable housing units in the scheme. However where developer-led schemes are delivering less than 40%, grant will only be available for the additional affordable homes over and above the baseline level of affordable housing shown as being viable on a nil-grant basis.

Commercial revenue

- 4.18 We have undertaken research into commercial values through online databases including EGi, Costar and Promis as well as speaking to active local agents including BNP Paribas Real Estate's office and retail in-house agency teams. We set out the assumptions adopted in Table 4.18.1 below.

Table 4.18.1: Commercial assumptions adopted in typology testing

Use	Rent / Capital value	Yield	Incentives/vacancy assumptions
Office (B1) Central Zone Kings Cross Development Zones 2-4	£65 per sq ft £75 per sq ft £40 per sq ft	4.50% 4.50% 5.25%	24 months RF ² and void 24 months RF and void 24 months RF and void
Retail (A1-A5) Central Zone Zone 1 -4	£55 per sq ft £35 per sq ft	4.50% 5.75%	24 months RF and void 24 months RF and void

Build costs

- 4.19 We have sourced build costs from the RICS Building Cost Information Service ('BCIS') adjusted to the London Borough of Camden, which is based on tenders for actual schemes. We have adopted the upper quartile figures to allow for the high specification identified as necessary to achieve the prevailing sales values in the borough. We set out the build costs assumptions adopted in tables 4.19.1 and 4.19.2 below.

Table 4.19.1: Residential base build costs adopted

Typology No.	Gross to net floor area	BCIS Upper Quartile costs per sq m GIA
1	100%	£2,639
2	100%	£1,733
3	80%	£2,111
4	80%	£2,111
5	80%	£2,111
6	75%	£2,111
7	75%	£2,452
8	75%	£2,452
9	75%	£2,452
10	75%	£2,452
11	75%	£2,452
12	75%	£2,452
13	75%	£2,452
14	75%	£2,452

Table 4.19.2: Commercial base build costs

Use	Build Cost per sq m GIA
Office (B1) Typologies C1 – C3 Typologies C4-C5	£2,244 £2,717
Retail (A1-A5)	£2,254

² RF – Rent free period

- 4.20 Adjustments to the base costs are necessary to reflect other factors, which are not included in BCIS. In addition to the base build costs outlined above, the costs in our appraisals include an allowance of 15% for external costs such as landscaping, pavements and street furniture, roads on the site etc. for residential schemes and 10% for commercial schemes.
- 4.21 In addition to the build costs outlined above, our appraisals include a contingency of 5% of build costs.
- 4.22 The 'Greater London Authority Housing Standards Review: Viability Assessment' estimates that the cost of achieving zero carbon standards is 1.4% of base build costs. We have applied this uplift in costs to the base build costs outlined above.
- 4.23 We have adopted an allowance of 1% on base build costs for achieving BREEAM excellent on commercial type buildings, based on the 2014 BRE / Sweet Group study.
- 4.24 Our appraisals assume that all units are constructed to meet requirements for accessible and adaptable dwellings (Building Regulations Part M4 Category 2) at an average cost of £521 per house and £924 per unit for flats³. In addition, we have assumed that Building Regulations Part M4 Category 3 requirements for wheelchair user dwellings apply to 10% of dwellings at a cost of £22,694 per house and £7,908 per flat. These costs address both parts A and B of the requirements (i.e. that the communal areas are designed and fitted out to allow wheelchair access and also that the dwellings themselves are designed and fitted out to facilitate occupation by wheelchair users).

Professional fees

- 4.25 In addition to base build costs, schemes will incur professional fees, covering design, valuation, highways consultants and so on. Our appraisals incorporate a 10-12% allowance, which is at the middle to higher end of the range for most schemes.

Development finance

- 4.26 Our appraisals assume that development finance can be secured at a rate of 7%, inclusive of arrangement and exit fees, which is considered to be reflective of the upper limit of current funding conditions.

Marketing costs

- 4.27 Our appraisals incorporate an allowance of 3% for marketing costs, which includes show homes and agents' fees, plus 0.5% for sales legal fees.

Mayoral CIL2

- 4.28 The Council is required to calculate, collect and enforce the Mayoral CIL. Camden falls within Mayoral CIL Zone 1 in the currently adopted Mayoral CIL Charging Schedule (MCIL1). A CIL charge of £50 per square metre (un-indexed) is levied on most development (i.e. 100 square metres or more, or a development which creates at least one dwelling, even where this is below 100 square metres excluding health, education and affordable housing floorspace). In addition, the Crossrail and Mayoral CIL SPG⁴ identifies that in particular locations, where appropriate, the Mayor could negotiate Section 106 contributions over and above the Mayoral CIL towards Crossrail, dependent on the size and impact of the development and viability issues.
- 4.29 We note however that the Mayor has adopted a new charging schedule, known as MCIL2, which came into effect on 1 April 2019 superseding both the current Mayor's CIL (MCIL1) and the associated planning obligation/S106 charge scheme applicable in the Central London area.

³ Based on former DCLH (now MHCLG) 'Housing Standards Review: Cost Impacts' September 2014

⁴ The London Plan Supplementary Planning Guidance on 'Use of planning obligations and Mayoral Community Infrastructure Levy' (March 2016) ("Mayoral CIL and S106 SPG")

4.30 MCIL2 identifies Camden as falling within Band 1, for which a charge of £80 per square metre on all new development apart from office, retail and hotel in the Central London area. These uses will incur charges of £165 per sq m, £165 per sq m and £140 per sq m respectively whilst health and education across the borough remain nil rated.

4.31 We have accordingly adopted these higher MCIL2 rates within our assessment.

Camden CIL

4.32 The Council adopted its CIL Charging Schedule on 1 April 2015. This sets out a range of charges for different development types and in some instances geographical locations within the borough. The pertinent charges to this study are as set out in Table 4.32.1 below. In line with the requirements of Regulation 40 in the CIL Regulations (as amended), the Council's Charging Schedule rates are subject to annual indexation. The figures adopted reflect the 2019 inflated charging rates (i.e. inflated from November 2014 to November 2018).

Table 4.32.1 LB Camden CIL Charges as adopted (i.e. un-indexed)

Use	CIL Tarrif (pounds per sq. m) Zone		
	Zone A (Central)	Zone B (Rest of Camden)	Zone C (Highgate, Hampstead)
Residential below 10 dwellings (or 1000sqm)	£500		
Residential of 10 or more dwellings (or above 1,000sqm) and private care residential homes with a degree of self-containment.	£150	£250	£500
Retail (including bar / restaurant / entertainment and other town centre uses)	£25		
Office	£45	£25	

4.33 The CIL Regulations (as amended) specify that if any part of an existing building is in lawful use for 6 months within the 36 months prior to the time at which planning permission first permits development, all of the existing floorspace will be deducted when determining the amount of chargeable floorspace. This will be the case for some development sites in the LB Camden's area. However, for the purposes of our appraisals, we have assumed that there is no deduction for existing floorspace, which is a conservative assumption.

Section 106 costs

4.34 To account for residual Section 106 requirements, we have included an allowance of £2,000 per unit for residential uses and £30 per square metre for commercial uses. We consider this allowance to be a reasonable assumption of such costs. However, we note that the actual amount will be negotiated on a site-by-site basis when schemes are brought forward through the development management process and consequently are likely to vary.

Development and sales periods

4.35 Development and sales periods vary between schemes. However, our sales periods are based on an assumption of a sales rate of 10 units per month and does not account for any sales off plan, which we consider to be a reasonable if conservative assumption. We note that many schemes in London have sold entirely off-plan in the last few years, in some cases well in advance of completion of construction. However, clearly markets are cyclical and sales periods will vary over the economic cycle and the extent to which units are sold off-plan will also vary over time.

Developer's profit

- 4.36 Developer's profit is closely correlated with the perceived risk of residential development. The greater the risk, the greater the required profit level, which helps to mitigate against the risk, but also to ensure that the potential rewards are sufficiently attractive for a bank and other equity providers to fund a scheme. In 2007, profit levels were at around 13-15% of development value. However, following the impact of the credit crunch and the collapse in interbank lending and the various government bailouts of the banking sector, profit margins have increased. It is important to emphasise that the level of minimum profit is not necessarily determined by developers (although they will have their own view and the Boards of the major house builders will set targets for minimum profit).
- 4.37 The views of the banks which fund development are more important; if the banks decline an application by a developer to borrow to fund a development, it is very unlikely to proceed, as developers rarely carry sufficient cash to fund it themselves. Consequently, future movements in profit levels will largely be determined by the attitudes of the banks towards development proposals.
- 4.38 The near collapse of the global banking system in the final quarter of 2008 has resulted in a much tighter regulatory system, with UK banks having to take a much more cautious approach to all lending. In this context, and against the backdrop of the current sovereign debt crisis in the Eurozone, the banks were for a time reluctant to allow profit levels to decrease. Perceived risk in the UK housing market had receded with a range of developer profit of between 17% to 20% being seen on developments across London, but the outcome of the referendum on the UK's membership of the European Union has resulted in a degree of uncertainty about the future trajectory of house prices. We have therefore adopted a profit margin of 20% for testing purposes (being at the higher end of the range previously experienced), although individual schemes may require lower or higher profits, depending on site specific circumstances.
- 4.39 Our assumed return on affordable housing GDV is 6%. A lower return on the affordable housing is appropriate as there is very limited sales risk on these units for the developer; there is often a pre-sale of the units to an RP prior to commencement. Any risk associated with take up of intermediate housing is borne by the acquiring RP, not by the developer. A reduced profit level on the affordable housing reflects the GLA 'Development Control Toolkit' guidance (February 2014) and HCA's guidelines in its Development Appraisal Tool (August 2013). This issue was considered in detail by the Inspector of the Former Holsworthy Showground, Trewyn Road, Holsworth Appeal⁵.

Exceptional costs

- 4.40 Exceptional costs can be an issue for development viability on previously developed land. These costs relate to works that are 'atypical', such as remediation of sites in former industrial use and that are over and above standard build costs. However, in the absence of detailed site investigations, it is not possible to provide a reliable estimate of what exceptional costs might be. Our analysis therefore excludes exceptional costs, as to apply a blanket allowance would generate misleading results. An 'average' level of costs for abnormal ground conditions and some other 'abnormal' costs is already reflected in BCIS data, as such costs are frequently encountered on sites that form the basis of the BCIS data sample.
- 4.41 It is expected however, that when purchasing previously developed sites developers will have undertaken reasonable levels of due diligence and would therefore have reflected obvious remediation costs/suitable contingencies into their purchase price.

⁵ Appeal Ref: APP/W1145/Q/13/2204429

5 Assessment of the results

- 5.1 Section 3 introduced five scenarios for testing payments-in-lieu, one in relation to housing schemes and four in relation to mixed-use schemes. This Section sets out an analysis of the results of this testing. For ease of reference, the results are summarised in sub-headings from 5a through to 5e below.

5a: Payments-in-lieu of on-site affordable housing

- 5.2 The results of our base appraisals⁶ testing residential schemes both with and without affordable housing to establish the cost of delivering affordable housing to schemes in the borough are set out at **Appendix 1**. We set out in Table 5.2.1 a summary of our analysis of a payment in lieu of on-site affordable housing on the basis of an average price per affordable housing unit and price per square metre GIA.

Table 5.2.1 Summary of payments-in-lieu of on-site affordable housing testing across all typologies

Value	PIL per AH unit ⁷	PIL per GIA sq m of AH (all schemes)
Central area and Kings Cross development High	£810,097	£9,628
Central area and Kings Cross development Med	£655,089	£7,784
Central area and Kings Cross development Low	£551,986	£6,558
Zone 1 excluding Kings Cross development	£422,972	£5,023
Zone 2 and Zone 4	£415,400	£4,937
Zone 3 – excluding periphery of Regent's Park Low	£422,286	£5,030
Zone 3 – excluding periphery of Regent's Park Med	£473,987	£5,645
Zone 3 – excluding periphery of Regent's Park High	£577,269	£6,874
Zone 3 – Periphery of Regent's Park only	£1,093,716	£13,017
Average (all areas)	£602,534	£7,166
Average (excl. Periphery of Regent's Park)	£541,136	£6,435
Lower Quartile	£422,972	£5,030

- 5.3 Based on the results of our analysis, should the Council be minded to adopt the same approach as currently in practice, it could consider adopting a rate per square metre (GIA) of circa £6,400 based on the average value taken across the borough (but excluding the results of the Regents Park area). The PIL identified in the periphery of the Regent's Park area is significantly in excess of all other parts of the borough. Given this, we consider that it is best to treat this figure as an outlier, excluding it from the data set as it would distort the average calculations. Should the Council wish to adopt a more conservative approach, they could consider circa £5,000 per square metre based on the lower end of the range of values identified in testing.

⁶ Affordable housing provided as London Affordable Rent and Camden Intermediate Rent.

⁷ This relates to the average revenue per unit lost by providing it as affordable housing (at the Council's policy complaint tenure split) instead of private housing.

- 5.4 The results of our sensitivity testing schemes with SO units included as half of the intermediate requirement identify that a lower payment-in-lieu would result (see [Appendix 2](#)). Based on the results of our analysis of the sensitivity testing, should the Council be minded to adopt the same approach as currently in practice using the sensitivity testing assumptions, it could consider adopting a rate per square metre (GIA) of circa £6,350. This is based on the average value taken across the borough (and excluding the results of the Periphery of the Regents Park area). Alternatively, should the Council wish to adopt a more conservative approach they could consider circa £4,950 per square metre based on the lower end of the range of values identified in testing.

5b: Payments-in-lieu of on-site self-contained housing

- 5.5 The results of our appraisals testing non-residential schemes both with and without the policy compliant quantum of self-contained housing and appropriate percentage of affordable housing are set out at **Appendix 3**. We have then undertaken further analysis to establish the difference between delivering such self-contained housing in schemes on an average cost per unit and per gross internal square metre basis. We set out a summary of our findings in Table 5.5.1 below.

Table 5.5.1 Summary of payments-in-lieu of on-site self-contained housing testing across all typologies

Value	PIL per resi unit	PIL per GIA sq m of self-contained housing at policy compliant AH (all schemes)
Central area and Kings Cross development High	£106,868	£1,073
Central area and Kings Cross development Med	£197,610	£2,027
Central area and Kings Cross development Low	£160,916	£1,650
Zone 1 excluding Kings Cross development	£189,636	£2,002
Average	£163,758	£1,688
Lower Quartile	£147,404	£1,505

- 5.6 The results of our testing have identified that residential values are generally higher than the identified non-residential values in the rest of the borough. Consequently, the analysis of our testing in such locations has not produced a positive value differential to consider for setting a PIL of self-contained housing in such schemes. Given this position, the Council could either choose to apply a charge in the identified Central and Kings Cross area (broadly corresponding to the CAZ boundary) only or could apply this borough wide, on the basis that schemes would only come forward without residential uses where they are more valuable than delivering residential uses as part of the scheme. Further, the Council applies its policy flexibly, i.e. subject to viability. Given this, in instances where viability is identified to be an issue, a developer would have the opportunity to provide evidence to demonstrate to the Council that the delivery of on-site self-contained housing or a PIL would make the development undeliverable.
- 5.7 Based on the results of our analysis, should the Council be minded to adopt the same approach as currently in practice, it could consider adopting a rate per square metre (GIA) of £1,700 for the provision of a policy compliant quantum of housing including affordable housing in non-residential schemes based on the average value taken across the borough. Alternatively, should the Council wish to adopt a more conservative approach they could consider circa £1,500 per square metre based on the lower end of the range of values identified in testing.

- 5.8 As with the wholly residential testing, we have undertaken a sensitivity test with SO units making up half of the intermediate affordable housing units. See **Appendix 4** for the full results of our appraisals and analysis. Based on the results of our analysis, the Council could consider adopting a rate per square metre (GIA) of circa £1,600 or a more conservative figure of circa £1,400 per square metre based on the same approach as set out for the base scenario.

5c: Policy compliant quantum of self-contained housing all provided as market housing

- 5.9 The results of our appraisals testing non-residential schemes with a policy compliant quantum of self-contained housing, all provided as market housing, measured against a fully policy complaint scheme i.e. delivering both the correct quantum of self-contained housing and affordable housing are set out at **Appendix 5**.
- 5.10 Unlike the testing for scenario 5b, the results of our testing for this scenario (5c) have identified a positive value differential to consider for setting a PIL of affordable self-contained housing where market housing is provided in its stead in schemes developed in all areas. This is because the element being measured is the differential between market and affordable housing in mixed use schemes and not between commercial and residential uses as tested scenario 5b.
- 5.11 Our analysis of the outcome of our appraisals has identified that the Council could consider setting a rate per square metre (GIA) of £6,000 for the affordable housing requirement in such circumstances. Alternatively, should the Council wish to adopt a more conservative approach they could consider circa £4,750 per square metre based on the lower end of the range of values identified in testing.
- 5.12 As with the wholly residential testing, we have undertaken a sensitivity test with SO units making up half of the intermediate affordable housing units. See **Appendix 6** for the full results of our appraisals and analysis. Based on the results of our analysis, the Council could consider adopting a rate per square metre (GIA) of circa £5,900 or a more conservative figure of circa £4,650 per square metre based on the same approach as set out for the base scenario.

5d: Policy compliant quantum of market self-contained housing but affordable housing floorspace provided as non-residential floorspace

- 5.13 The results of our appraisals testing non-residential schemes with a policy compliant quantum of market self-contained housing, but with affordable housing floorspace provided as non-residential floorspace measured against a fully policy complaint scheme i.e. delivering both the correct quantum of self-contained housing and affordable housing are set out at **Appendix 7**.
- 5.14 As with the testing for scenario 5c, the results of our testing for this scenario (5d) have identified a positive value differential to consider for setting a PIL of affordable self-contained housing where non-residential floorspace is provided in its stead in all areas. This is because the element being measured is the differential between non-residential floorspace and affordable housing in mixed use schemes, and not between commercial and residential uses including market housing as tested scenario 5b.
- 5.15 Our analysis of the outcome of our appraisals has identified that the Council could either choose to apply two charges (i.e. one in the identified Central and Kings Cross area (broadly corresponding to the CAZ boundary) and one for the rest of the borough) or could apply a borough wide average figure.
- 5.16 If the Council was minded to adopt a two-rate approach for the affordable housing requirement in such circumstances, it could consider adopting:
- £5,400 per square metre (GIA) for the Central and Kings Cross area (broadly corresponding to the CAZ boundary) or a more conservative approach of £5,200 per square metre (GIA) which is based on the lower end of the range of values identified in testing; and

- £1,850 per square metre (GIA) for the remainder of the Borough⁸.
- 5.17 Were the Council minded to adopt a borough wide charge, it could consider setting a rate per square metre (GIA) of £3,650 for the affordable housing requirement in such circumstances. Alternatively, should the Council wish to adopt a more conservative approach they could consider circa £1,850 per square metre based on the lower end of the range of values identified in testing.
- 5.18 As with the wholly residential testing, we have undertaken a sensitivity test with SO units making up half of the intermediate affordable housing units. See **Appendix 8** for the full results of our appraisals and analysis. Based on the results of our analysis, the Council could consider adopting a two-rate approach as follows:
- £5,300 per square metre (GIA) for the Central and Kings Cross area (broadly corresponding to the CAZ boundary) or a more conservative approach of £5,100 per square metre (GIA) which is based on the lower end of the range of values identified in testing; and
 - £1,750 per square metre (GIA) for the remainder of the Borough⁹.
- 5.19 Were the Council minded to adopt a single rate approach based on the SO sensitivity test figures, a rate per square metre (GIA) of circa £3,500 or a more conservative figure of circa £1,750 per square metre based on the same approach as set out for the base scenario.

5e: policy compliant quantum of affordable self-contained housing but market housing floorspace provided as non-residential floorspace

- 5.20 The results of our appraisals testing non-residential schemes with a policy compliant quantum of affordable self-contained housing, but with market housing floorspace provided as non-residential floorspace measured against a fully policy complaint scheme i.e. delivering both the correct quantum of self-contained housing and affordable housing are set out at **Appendix 9**.
- 5.21 The results of our testing has identified that commercial values only exceed purely market housing values in the Zone 1 area. In all other scenarios, it is identified that it would be more valuable to a scheme to include the market housing required by policy. Notwithstanding this, our analysis of the outcome of our appraisals has identified that, in such instances where it is viable for floorspace to be provided as non-residential (when policy requires it to be market housing) and a developer chooses to do so, the Council could consider setting a rate per square metre (GIA) of £1,000 for the market housing requirement. This is based on the results of the Zone 1 area.
- 5.22 We have undertaken a sensitivity test with SO units making up half of the intermediate affordable housing units. See **Appendix 10** the full results of our appraisals and analysis. Based on the results of our analysis, the Council could consider adopting a rate per square metre (GIA) of £900.

⁸ The lower end of the range of values identified in testing are only marginally lower than the average figure and consequently the conservative figure would be the same as the average figure when rounded in this instance.

⁹ The lower end of the range of values identified in testing are only marginally lower than the average figure and consequently the conservative figure would be the same as the average figure when rounded in this instance.

6 Conclusion and recommendations

- 6.1 As previously identified, the Council is currently carrying out a phased review of a number of their SPDs, known as Camden Planning Guidance or CPGs. As part of the review, the Council wishes to review the PIL rates set out for self-contained housing (sought as part of mixed-use schemes) and affordable housing. To inform the review of rates, the Council commissioned us to undertake updated testing of the PIL rates. This testing takes into consideration the changes made to the Local Plan up to adoption in 2017, Camden's preferred affordable housing products and current development costs and values.
- 6.2 For purely residential schemes where the provision of affordable housing is required under **Policy H4**, we have tested the provision of market housing in place of affordable housing. This establishes the opportunity cost of delivering onsite affordable housing, such that there is no financial advantage to developers in not delivering affordable housing on-site.
- 6.3 Non-residential schemes are required to deliver self-contained housing through **Policy H2**. The delivery of housing on sites subsequently triggers the requirement for contributions towards affordable housing under **Policy H4**. On this basis, similar to our testing of purely residential schemes, we have assessed the differential between the delivery of a 100% commercial scheme, versus a mixed use scheme delivering a policy compliant quantum of self-contained housing, including a policy compliant quantum of affordable housing. This establishes the opportunity cost of delivering on-site policy compliant self-contained housing, once again ensuring there is no financial advantage to developers in not delivering self-contained housing on-site.
- 6.4 We set out a summary of the recommended PIL rates in Table 6.4.1 as identified through our appraisals and analysis in this report for the aforementioned scenarios. These figures are based on the conservative position proposed in each scenario as set out in Section 5. We consider this to be a reasonable approach to setting the updated PIL rates in the context of the current economic climate and the level of uplift from the currently adopted PIL rates. We set out a summary of the results of the sensitivity testing scenarios 5c to 5e in **Appendix 11**.

Table 6.4.1 Summary of potential payments-in-lieu from testing undertaken

Sc No.	PIL Scenario testing explanation	Suggested rate of PIL per sq m GIA (base scenario – AH provided as LAR and CIR) ¹⁰
5a	Market housing is provided in place of affordable housing required by Policy H4	£5,000
5b	Non-residential floorspace provided in place of policy compliant self-contained housing under Policy H2 including policy compliant level of affordable housing required by Policy H4	£1,500

- 6.5 In light of the findings of our appraisals and analysis, we recommend that the Council consider adopting the PIL rates for the 2019 update of the CPG2 as set out in Table 6.4.1 above. In our opinion, these provide an appropriate balance between simplicity of operation and a reasonable yet cautious updated rate reflecting the position of developments nine years on from when the PIL rates were initially set in 2010.

¹⁰ We have also sensitivity tested the scenarios with an alternative affordable housing tenure split i.e. 10% of the affordable units are delivered as an intermediate home ownership product, in this case SO:
 5a - £4,950 per sq m
 5b - £1,400 per sq m

Appendix 1 - 5a: Analysis of base residential schemes appraisal results (affordable housing provided as LAR and CIR)

5a - Payment-in-lieu of onsite affordable housing analysis

Assuming RLVs generated by appraisals with: Base residential values, SR and CIR

Typology 1

	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No AH	1	£778,577	£605,111	£489,467	£344,913	£344,913	£373,823	£431,646	£547,289	£1,125,509
RLV with 2% AH	0.02	£760,490	£590,496	£477,164	£335,500	£335,500	£363,833	£420,499	£533,830	£1,100,485
Difference		£18,087	£14,615	£12,304	£9,412	£9,412	£9,990	£11,147	£13,459	£25,023
Payment in Lieu for 1 unit	0.02	£904,374	£730,758	£615,177	£470,625	£470,625	£499,495	£557,336	£672,968	£1,251,175
Payment in lieu per net sq qm	1.50	£12,084	£9,764	£8,220	£6,288	£6,288	£6,674	£7,447	£8,992	£16,718
Payment in lieu per gross sq qm	1.50	£12,084	£9,764	£8,220	£6,288	£6,288	£6,674	£7,447	£8,992	£16,718

Typology 2

	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No AH	4	£3,477,733	£2,783,869	£2,321,293	£1,743,074	£1,743,074	£1,858,717	£2,090,005	£2,552,581	£4,865,460
RLV with 8% AH	0.32	£3,185,517	£2,547,206	£2,121,637	£1,589,674	£1,589,674	£1,696,067	£1,908,852	£2,334,421	£4,462,270
Difference		£292,216	£236,664	£199,657	£153,400	£153,400	£162,650	£181,154	£218,161	£403,190
Payment in Lieu for 1 unit	0.32	£913,174	£739,574	£623,927	£479,375	£479,375	£508,283	£566,105	£681,752	£1,259,969
Payment in lieu per net sq qm	23.95	£12,202	£9,882	£8,337	£6,405	£6,405	£6,792	£7,564	£9,109	£16,835
Payment in lieu per gross sq qm	23.95	£12,202	£9,882	£8,337	£6,405	£6,405	£6,792	£7,564	£9,109	£16,835

Typology 3

	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No AH	6	£4,150,229	£3,209,932	£2,583,068	£1,799,488	£1,799,488	£1,956,204	£2,269,636	£2,896,500	£6,030,821
RLV with 12% AH	0.72	£3,585,415	£2,758,063	£2,206,422	£1,516,872	£1,516,872	£1,654,782	£1,930,603	£2,482,243	£5,240,445
Difference		£564,814	£451,869	£376,646	£282,616	£282,616	£301,422	£339,033	£414,257	£790,376
Payment in Lieu for 1 unit	0.72	£784,464	£627,596	£523,119	£392,522	£392,522	£418,641	£470,879	£575,357	£1,097,744
Payment in lieu per net sq qm	46.84	£12,058	£9,647	£8,041	£6,034	£6,034	£6,435	£7,238	£8,844	£16,874
Payment in lieu per gross sq qm	55.11	£10,250	£8,200	£6,835	£5,129	£5,129	£5,470	£6,152	£7,517	£14,343

Typology 4

	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No AH	9	£6,383,224	£4,972,780	£4,032,483	£2,857,114	£2,857,114	£3,092,188	£3,562,336	£4,502,632	£9,204,113
RLV with 18% AH	1.62	£5,101,592	£3,945,273	£3,174,230	£2,210,426	£2,210,426	£2,403,187	£2,788,709	£3,559,752	£7,414,966
Difference		£1,281,632	£1,027,507	£858,253	£646,687	£646,687	£689,001	£773,627	£942,880	£1,789,147
Payment in Lieu for 1 unit	1.62	£791,131	£634,264	£529,786	£399,190	£399,190	£425,309	£477,548	£582,025	£1,104,412
Payment in lieu per net sq qm	106.07	£12,083	£9,687	£8,091	£6,097	£6,097	£6,496	£7,294	£8,889	£16,868
Payment in lieu per gross sq qm	124.79	£10,270	£8,234	£6,878	£5,182	£5,182	£5,521	£6,200	£7,556	£14,337

Typology 5

	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No AH	10	£7,283,265	£5,716,104	£4,671,331	£3,365,364	£3,260,732	£3,260,344	£3,782,731	£4,827,505	£10,051,373
RLV with 20% AH	2	£5,637,287	£4,383,861	£3,548,043	£2,503,269	£2,419,563	£2,419,253	£2,837,163	£3,672,981	£7,852,076
Difference		£1,645,978	£1,332,243	£1,123,288	£862,095	£841,169	£841,091	£945,568	£1,154,524	£2,199,296
Payment in Lieu for 1 unit	2	£822,989	£666,122	£561,644	£431,047	£420,585	£420,546	£472,784	£577,262	£1,099,648
Payment in lieu per net sq qm	131.23	£12,543	£10,152	£8,560	£6,569	£6,410	£6,409	£7,205	£8,798	£16,759
Payment in lieu per gross sq qm	164.04	£10,034	£8,122	£6,848	£5,255	£5,128	£5,127	£5,764	£7,038	£13,407

Typology 6

	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No AH	11	£7,819,765	£6,095,889	£4,946,638	£3,510,074	£3,387,306	£3,367,696	£3,942,322	£5,091,573	£10,837,828
RLV with 22% AH	2	£5,835,299	£4,491,041	£3,594,625	£2,474,106	£2,378,347	£2,363,052	£2,811,259	£3,707,675	£8,189,753
Difference		£1,984,466	£1,604,848	£1,352,013	£1,035,968	£1,008,959	£1,004,645	£1,131,063	£1,383,898	£2,648,074
Payment in Lieu for 1 unit	2	£820,027	£663,161	£558,683	£428,086	£416,925	£415,142	£467,381	£571,859	£1,094,246
Payment in lieu per net sq qm	159.13	£12,471	£10,085	£8,496	£6,510	£6,340	£6,313	£7,108	£8,697	£16,641
Payment in lieu per gross sq qm	199	£9,977	£8,068	£6,797	£5,208	£5,072	£5,051	£5,686	£6,957	£13,313

Typology 7

	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No AH	25	£16,747,210	£12,829,310	£10,217,376	£6,952,458	£6,675,684	£6,636,731	£7,942,698	£10,554,632	£23,614,302
RLV with 50% AH	13	£6,455,193	£4,498,134	£3,192,167	£1,559,709	£1,421,320	£1,401,845	£2,054,828	£3,360,795	£9,890,630
Difference		£10,292,018	£8,331,176	£7,025,209	£5,392,750	£5,254,363	£5,234,886	£5,887,870	£7,193,837	£13,723,672
Payment in Lieu for 1 unit	13	£823,361	£666,494	£562,017	£431,420	£420,349	£418,791	£471,030	£575,507	£1,097,894
Payment in lieu per net sq qm	846.19	£12,163	£9,846	£8,302	£6,373	£6,209	£6,186	£6,958	£8,501	£16,218
Payment in lieu per gross sq qm	1128	£9,122	£7,384	£6,227	£4,780	£4,657	£4,640	£5,219	£6,376	£12,164

Typology 8

	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No AH	34	£22,287,969	£17,051,266	£13,560,130	£9,196,211	£8,820,222	£8,753,030	£10,498,598	£13,989,733	£31,445,410
RLV with 50% AH	17	£8,558,153	£5,942,351	£4,196,783	£2,014,824	£1,826,829	£1,793,233	£2,666,017	£4,411,585	£13,139,424
Difference		£13,729,816	£11,108,914	£9,363,347	£7,181,387	£6,993,393	£6,959,797	£7,832,581	£9,578,148	£18,305,987
Payment in Lieu for 1 unit	17	£807,636	£653,466	£550,785	£422,435	£411,376	£409,400	£460,740	£563,420	£1,076,823
Payment in lieu per net sq qm	1151	£11,930	£9,653	£8,136	£6,240	£6,077	£6,048	£6,806	£8,323	£15,907
Payment in lieu per gross sq qm	1534	£8,948	£7,240	£6,102	£4,680	£4,558	£4,536	£5,105	£6,242	£11,930

Typology 9

	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No AH	45	£28,991,432	£22,179,707	£17,638,557	£11,943,344	£11,446,270	£11,348,157	£13,637,300	£18,197,369	£40,903,120
RLV with 50% AH	23	£11,132,155	£7,706,678	£5,417,535	£2,556,106	£2,307,570	£2,258,513	£3,403,084	£5,692,227	£17,091,315
Difference		£17,859,277	£14,473,029	£12,221,022	£9,387,237	£9,138,700	£9,089,644	£10,234,216	£12,505,142	£23,811,806
Payment in Lieu for 1 unit	23	£793,746	£643,246	£543,157	£417,211	£406,164	£403,984	£454,854	£555,784	£1,058,302
Payment in lieu per net sq qm	1523	£11,725	£9,502	£8,024	£6,163	£6,000	£5,968	£6,719	£8,210	£15,633
Payment in lieu per gross sq qm	2031	£8,794	£7,127	£6,018	£4,622	£4,500	£4,476	£5,039	£6,158	£11,725

Typology 10

	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No AH	50	£32,356,257	£24,787,673	£19,741,950	£13,416,284	£12,876,957	£12,800,386	£15,343,879	£20,407,544	£45,636,156
RLV with 50% AH	25	£12,470,625	£8,666,171	£6,122,679	£2,943,314	£2,673,651	£2,635,365	£3,907,111	£6,450,603	£19,114,231
Difference		£19,885,631	£16,121,501	£13,619,271	£10,472,970	£10,203,306	£10,165,021	£11,436,768	£13,956,941	£26,521,925
Payment in Lieu for 1 unit	25	£795,425	£644,860	£544,771	£418,919	£408,132	£406,601	£457,471	£558,278	£1,060,877
Payment in lieu per net sq qm	1692	£11,750	£9,526	£8,047	£6,188	£6,029	£6,006	£6,758	£8,247	£15,671
Payment in lieu per gross sq qm	2257	£8,813	£7,144	£6,036	£4,641	£4,522	£4,505	£5,068	£6,185	£11,754

Typology 11

	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No AH	75	£48,139,777	£36,786,901	£29,218,317	£19,723,365	£18,914,374	£18,799,517	£22,614,755	£30,216,708	£68,059,626
RLV with 50% AH	38	£18,330,191	£12,617,365	£8,802,126	£4,033,078	£3,628,584	£3,571,155	£5,478,774	£9,294,012	£28,295,597
Difference		£29,809,587	£24,169,537	£20,416,191	£15,690,286	£15,285,791	£15,228,362	£17,135,982	£20,922,696	£39,764,028
Payment in Lieu for 1 unit	38	£794,922	£644,521	£544,432	£418,408	£407,621	£406,090	£456,960	£557,939	£1,060,374
Payment in lieu per net sq qm	2539	£11,743	£9,521	£8,042	£6,181	£6,021	£5,999	£6,750	£8,242	£15,664
Payment in lieu per gross sq qm	3385	£8,807	£7,141	£6,032	£4,636	£4,516	£4,499	£5,063	£6,181	£11,748

Typology 12

	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No AH	100	£65,168,854	£50,035,147	£39,943,724	£27,329,445	£26,287,576	£26,195,117	£31,251,470	£41,342,893	£91,731,979
RLV with 10% AH	50	£25,179,601	£17,618,110	£12,531,018	£6,154,000	£5,615,886	£5,558,050	£8,132,948	£13,221,497	£38,500,541
Difference		£39,989,253	£32,417,037	£27,412,706	£21,175,445	£20,671,690	£20,637,067	£23,118,522	£28,121,396	£53,231,438
Payment in Lieu for 1 unit	50	£799,785	£648,341	£548,254	£423,509	£413,434	£412,741	£462,370	£562,428	£1,064,629
Payment in lieu per net sq qm	3385	£11,815	£9,577	£8,099	£6,256	£6,107	£6,097	£6,830	£8,308	£15,727
Payment in lieu per gross sq qm	4513	£8,861	£7,183	£6,074	£4,692	£4,580	£4,573	£5,123	£6,231	£11,795

Typology 13

	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No AH	150	£91,744,295	£70,119,555	£55,703,061	£37,579,358	£36,048,212	£35,848,162	£43,103,797	£57,615,065	£129,701,069
RLV with 50% AH	75	£34,916,461	£24,043,592	£16,737,691	£7,566,363	£6,778,484	£6,664,695	£10,360,840	£17,688,138	£53,937,736
Difference		£56,827,834	£46,075,962	£38,965,370	£30,012,995	£29,269,728	£29,183,468	£32,742,957	£39,926,927	£75,763,332
Payment in Lieu for 1 unit	75	£757,704	£614,346	£519,538	£400,173	£390,263	£389,113	£436,573	£532,359	£1,010,178
Payment in lieu per net sq qm	5077	£11,193	£9,075	£7,675	£5,911	£5,765	£5,748	£6,449	£7,864	£14,922
Payment in lieu per gross sq qm	6770	£8,395	£6,806	£5,756	£4,434	£4,324	£4,311	£4,837	£5,898	£11,192

Typology 14

	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No AH	200	£118,447,100	£90,623,325	£72,004,934	£48,693,202	£46,696,496	£46,396,786	£55,780,892	£74,421,439	£167,278,365
RLV with 50% AH	100	£45,185,106	£31,173,297	£21,753,190	£9,823,899	£8,792,622	£8,610,536	£13,402,745	£22,938,171	£69,702,293
Difference		£73,261,994	£59,450,029	£50,251,744	£38,869,303	£37,903,874	£37,786,250	£42,378,148	£51,483,268	£97,576,072
Payment in Lieu for 1 unit	100	£732,620	£594,500	£502,517	£388,693	£379,039	£377,863	£423,781	£514,833	£975,761
Payment in lieu per net sq qm	6670	£10,985	£8,914	£7,535	£5,828	£5,683	£5,666	£6,354	£7,719	£14,630
Payment in lieu per gross sq qm	8893	£8,238	£6,685	£5,651	£4,371	£4,262	£4,249	£4,766	£5,789	£10,973

Summary

	Price per AH unit	Price per NIA sq m of AH (all schemes)	Price per GIA sq m of AH (all schemes)
Central area and Kings Cross development High	£810,097	£11,910	£9,628
Central area and Kings Cross development Med	£655,089	£9,631	£7,784
Central area and Kings Cross development Low	£551,986	£8,115	£6,558
Zone 1 excluding Kings Cross development	£422,972	£6,217	£5,023
Zone 2 and Zone 4	£415,400	£6,105	£4,937
Zone 3 – excluding periphery of Regent's Park Low	£422,286	£6,203	£5,030
Zone 3 – excluding periphery of Regent's Park Med	£473,987	£6,963	£5,645
Zone 3 – excluding periphery of Regent's Park High	£577,269	£8,482	£6,874
Zone 3 – Periphery of Regent's Park only	£1,093,716	£16,076	£13,017
Average	£602,534	£8,856	£7,166
Average (Excl. Regents Park Only)	£541,136	£7,953	£6,435
Lower Quartile	£422,972	£6,217	£5,030
Lowest	£415,400	£6,105	£4,937

Appendix 2 - 5a (sensitivity): Analysis of residential schemes appraisal results sensitivity testing affordable housing tenures (provided as LAR, CIR and SO)

5a (sensitivity) Payment-in-lieu of onsite affordable housing analysis

Assuming RLVs generated by appraisals with: Base residential values, SR, CIR and SO

Typology 1

	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No AH	1	£778,577	£605,111	£489,467	£344,913	£344,913	£373,823	£431,646	£547,289	£1,125,509
RLV with 2% AH	0.02	£760,734	£590,737	£477,406	£335,742	£335,742	£364,075	£420,740	£534,071	£1,100,726
Difference		£17,843	£14,374	£12,062	£9,171	£9,171	£9,748	£10,906	£13,219	£24,783
Payment in Lieu for 1 unit	0.02	£892,151	£718,716	£603,085	£458,533	£458,533	£487,403	£545,294	£660,926	£77,446
Payment in lieu per net sq qm	1.50	£11,921	£9,603	£8,058	£6,127	£6,127	£6,513	£7,286	£8,831	£16,557
Payment in lieu per gross sq qm	1.50	£11,921	£9,603	£8,058	£6,127	£6,127	£6,513	£7,286	£8,831	£16,557

Typology 2

	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No AH	4	£3,477,733	£2,783,869	£2,321,293	£1,743,074	£1,743,074	£1,858,717	£2,090,005	£2,552,581	£4,865,460
RLV with 8% AH	0.32	£3,189,432	£2,551,066	£2,125,496	£1,593,534	£1,593,534	£1,699,926	£1,912,711	£2,338,281	£4,466,129
Difference		£288,301	£232,803	£195,797	£149,540	£149,540	£158,791	£177,294	£214,300	£399,331
Payment in Lieu for 1 unit	0.32	£900,942	£727,510	£611,866	£467,311	£467,311	£496,222	£554,044	£669,688	£1,247,908
Payment in lieu per net sq qm	24	£12,038	£9,721	£8,176	£6,244	£6,244	£6,630	£7,403	£8,948	£16,674
Payment in lieu per gross sq qm	24	£12,038	£9,721	£8,176	£6,244	£6,244	£6,630	£7,403	£8,948	£16,674

Typology 3

	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No AH	6	£4,150,229	£3,209,932	£2,583,068	£1,799,488	£1,799,488	£1,956,204	£2,269,636	£2,896,500	£6,030,821
RLV with 12% AH	0.72	£3,593,086	£2,765,649	£2,214,009	£1,524,458	£1,524,458	£1,662,368	£1,938,189	£2,489,830	£5,248,031
Difference		£557,143	£444,283	£369,059	£275,030	£275,030	£293,836	£331,447	£406,670	£782,789
Payment in Lieu for 1 unit	0.72	£773,810	£617,059	£512,581	£381,985	£381,985	£408,105	£460,343	£564,819	£1,087,207
Payment in lieu per net sq qm	46	£12,079	£9,632	£8,001	£5,963	£5,963	£6,371	£7,186	£8,817	£16,971
Payment in lieu per gross sq qm	54	£10,267	£8,187	£6,801	£5,068	£5,068	£5,415	£6,108	£7,494	£14,426

Typology 4

	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No AH	9	£6,383,224	£4,972,780	£4,032,483	£2,857,114	£2,857,114	£3,092,188	£3,562,336	£4,502,632	£9,204,113
RLV with 18% AH	1.62	£5,118,547	£3,962,038	£3,190,996	£2,227,192	£2,227,192	£2,419,953	£2,805,475	£3,576,517	£7,431,732
Difference		£1,264,677	£1,010,742	£841,487	£629,921	£629,921	£672,235	£756,861	£926,115	£1,772,381
Payment in Lieu for 1 unit	1.62	£780,665	£623,915	£519,437	£388,840	£388,840	£414,960	£467,198	£571,676	£1,094,062
Payment in lieu per net sq qm	104	£12,108	£9,676	£8,056	£6,031	£6,031	£6,436	£7,246	£8,866	£16,968
Payment in lieu per gross sq qm	123	£10,291	£8,225	£6,848	£5,126	£5,126	£5,470	£6,159	£7,536	£14,423

Typology 5

	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No AH	10	£7,283,265	£5,716,104	£4,671,331	£3,365,364	£3,260,732	£3,260,344	£3,782,731	£4,827,505	£10,051,373
RLV with 20% AH	2	£5,658,594	£4,404,936	£3,569,116	£2,524,343	£2,440,637	£2,440,327	£2,858,236	£3,694,056	£7,873,150
Difference		£1,624,671	£1,311,169	£1,102,214	£841,021	£820,095	£820,018	£924,495	£1,133,449	£2,178,223
Payment in Lieu for 1 unit	2	£812,335	£655,584	£551,107	£420,511	£410,047	£410,009	£462,247	£566,725	£1,089,111
Payment in lieu per net sq qm	129	£12,572	£10,146	£8,529	£6,508	£6,346	£6,345	£7,154	£8,771	£16,855
Payment in lieu per gross sq qm	162	£10,057	£8,117	£6,823	£5,206	£5,077	£5,076	£5,723	£7,017	£13,484

Typology 6

	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No AH	11	£7,819,765	£6,095,889	£4,946,638	£3,510,074	£3,387,306	£3,367,696	£3,942,322	£5,091,573	£10,837,828
RLV with 22% AH	2	£5,861,596	£4,517,056	£3,620,640	£2,500,121	£2,404,362	£2,389,066	£2,837,274	£3,733,690	£8,215,768
Difference		£1,958,169	£1,578,833	£1,325,998	£1,009,953	£982,944	£978,631	£1,105,048	£1,357,883	£2,622,059
Payment in Lieu for 1 unit	2	£809,161	£652,411	£547,933	£417,336	£406,175	£404,393	£456,631	£561,109	£1,083,496
Payment in lieu per net sq qm	157	£12,496	£10,075	£8,462	£6,445	£6,273	£6,245	£7,052	£8,665	£16,732
Payment in lieu per gross sq qm	196	£9,997	£8,060	£6,769	£5,156	£5,018	£4,996	£5,641	£6,932	£13,386

Typology 7

	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No AH	25	£16,747,210	£12,829,310	£10,217,376	£6,952,458	£6,675,684	£6,636,731	£7,942,698	£10,554,632	£23,614,302
RLV with 50% AH	13	£6,597,904	£4,639,388	£3,333,421	£1,700,961	£1,562,574	£1,543,098	£2,196,082	£3,502,049	£10,031,884
Difference		£10,149,307	£8,189,922	£6,883,955	£5,251,497	£5,113,109	£5,093,633	£5,746,616	£7,052,583	£13,582,418
Payment in Lieu for 1 unit	13	£811,945	£655,194	£550,716	£420,120	£409,049	£407,491	£459,729	£564,207	£1,086,593
Payment in lieu per net sq qm	834	£12,174	£9,824	£8,257	£6,299	£6,133	£6,110	£6,893	£8,460	£16,292
Payment in lieu per gross sq qm	1112	£9,130	£7,368	£6,193	£4,724	£4,600	£4,582	£5,170	£6,345	£12,219

Typology 8

	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No AH	34	£22,287,969	£17,051,266	£13,560,130	£9,196,211	£8,820,222	£8,753,030	£10,498,598	£13,989,733	£31,445,410
RLV with 50% AH	17	£8,750,474	£6,132,708	£4,387,141	£2,205,181	£2,017,186	£1,983,591	£2,856,375	£4,601,942	£13,329,781
Difference		£13,537,495	£10,918,557	£9,172,989	£6,991,030	£6,803,036	£6,769,439	£7,642,223	£9,387,791	£18,115,630
Payment in Lieu for 1 unit	17	£796,323	£642,268	£539,588	£411,237	£400,179	£398,202	£449,543	£552,223	£1,065,625
Payment in lieu per net sq qm	1134	£11,940	£9,630	£8,090	£6,166	£6,000	£5,970	£6,740	£8,280	£15,978
Payment in lieu per gross sq qm	1512	£8,955	£7,222	£6,068	£4,624	£4,500	£4,478	£5,055	£6,210	£11,983

Typology 9

	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No AH	45	£28,991,432	£22,179,707	£17,638,557	£11,943,344	£11,446,270	£11,348,157	£13,637,300	£18,197,369	£40,903,120
RLV with 50% AH	23	£11,382,319	£7,958,339	£5,669,196	£2,807,766	£2,559,230	£2,510,173	£3,654,745	£5,943,888	£17,338,925
Difference		£17,609,113	£14,221,368	£11,969,361	£9,135,577	£8,887,040	£8,837,984	£9,982,555	£12,253,481	£23,564,195
Payment in Lieu for 1 unit	23	£782,627	£632,061	£531,972	£406,026	£394,980	£392,799	£443,669	£544,599	£1,047,298
Payment in lieu per net sq qm	1501	£11,734	£9,477	£7,976	£6,088	£5,922	£5,889	£6,652	£8,166	£15,703
Payment in lieu per gross sq qm	2001	£8,801	£7,108	£5,982	£4,566	£4,442	£4,417	£4,989	£6,124	£11,777

Typology 10

	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No AH	50	£32,356,257	£24,787,673	£19,741,950	£13,416,284	£12,876,957	£12,800,386	£15,343,879	£20,407,544	£45,636,156
RLV with 50% AH	25	£12,746,374	£8,943,569	£6,400,077	£3,220,711	£2,951,047	£2,912,762	£4,184,509	£6,728,001	£19,387,163
Difference		£19,609,883	£15,844,104	£13,341,874	£10,195,573	£9,925,910	£9,887,624	£11,159,370	£13,679,543	£26,248,992
Payment in Lieu for 1 unit	25	£784,395	£633,764	£533,675	£407,823	£397,036	£395,505	£446,375	£547,182	£1,049,960
Payment in lieu per net sq qm	1667	£11,761	£9,502	£8,002	£6,115	£5,953	£5,930	£6,693	£8,204	£15,734
Payment in lieu per gross sq qm	2223	£8,821	£7,127	£6,001	£4,586	£4,465	£4,448	£5,020	£6,153	£11,807

Typology 11

	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No AH	75	£48,139,777	£36,786,901	£29,218,317	£19,723,365	£18,914,374	£18,799,517	£22,614,755	£30,216,708	£68,059,626
RLV with 50% AH	38	£18,746,449	£13,036,139	£9,220,901	£4,451,853	£4,047,358	£3,989,929	£5,897,549	£9,712,787	£28,707,634
Difference		£29,393,329	£23,750,763	£19,997,417	£15,271,511	£14,867,016	£14,809,588	£16,717,206	£20,503,920	£39,351,992
Payment in Lieu for 1 unit	38	£783,822	£633,354	£533,264	£407,240	£396,454	£394,922	£445,792	£546,771	£1,049,386
Payment in lieu per net sq qm	2501	£11,752	£9,496	£7,996	£6,106	£5,944	£5,921	£6,684	£8,198	£15,734
Payment in lieu per gross sq qm	3335	£8,814	£7,122	£5,997	£4,580	£4,458	£4,441	£5,013	£6,149	£11,801

Typology 12

	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No AH	100	£65,168,854	£50,035,147	£39,943,724	£27,329,445	£26,287,576	£26,195,117	£31,251,470	£41,342,893	£91,731,979
RLV with 10% AH	50	£25,716,885	£18,149,944	£13,070,509	£6,702,314	£6,164,201	£6,106,364	£8,673,846	£13,760,987	£39,032,374
Difference		£39,451,969	£31,885,203	£26,873,215	£20,627,131	£20,123,375	£20,088,754	£22,577,624	£27,581,906	£52,699,605
Payment in Lieu for 1 unit	50	£789,039	£637,704	£537,464	£412,543	£402,467	£401,775	£451,552	£551,638	£1,053,992
Payment in lieu per net sq qm	3335	£11,831	£9,561	£8,059	£6,186	£6,034	£6,024	£6,770	£8,271	£15,803
Payment in lieu per gross sq qm	4446	£8,873	£7,171	£6,044	£4,639	£4,526	£4,518	£5,078	£6,203	£11,852

Typology 13

	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No AH	150	£91,744,295	£70,119,555	£55,703,061	£37,579,358	£36,048,212	£35,848,162	£43,103,797	£57,615,065	£129,701,069
RLV with 50% AH	75	£35,719,929	£24,838,911	£17,546,017	£8,386,894	£7,600,029	£7,486,240	£11,169,165	£18,496,463	£54,721,766
Difference		£56,024,365	£45,280,644	£38,157,044	£29,192,464	£28,448,183	£28,361,922	£31,934,632	£39,118,601	£74,979,303
Payment in Lieu for 1 unit	75	£746,992	£603,742	£508,761	£389,233	£379,309	£378,159	£425,795	£521,581	£999,724
Payment in lieu per net sq qm	5002	£11,200	£9,052	£7,628	£5,836	£5,687	£5,670	£6,384	£7,820	£14,989
Payment in lieu per gross sq qm	6670	£8,400	£6,789	£5,721	£4,377	£4,265	£4,252	£4,788	£5,865	£11,242

Typology 14

	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No AH	200	£118,447,100	£90,623,325	£72,004,934	£48,693,202	£46,696,496	£46,396,786	£55,780,892	£74,421,439	£167,278,365
RLV with 50% AH	100	£46,208,305	£32,199,517	£22,794,614	£10,882,354	£9,851,079	£9,668,992	£14,461,201	£23,979,594	£70,704,933
Difference		£72,238,794	£58,423,808	£49,210,320	£37,810,848	£36,845,417	£36,727,794	£41,319,691	£50,441,845	£96,573,432
Payment in Lieu for 1 unit	100	£722,388	£584,238	£492,103	£378,108	£368,454	£367,278	£413,197	£504,418	£965,734
Payment in lieu per net sq qm	6670	£10,831	£8,760	£7,378	£5,669	£5,524	£5,507	£6,195	£7,563	£14,480
Payment in lieu per gross sq qm	8893	£8,123	£6,570	£5,534	£4,252	£4,143	£4,130	£4,646	£5,672	£10,860

Summary

	Price per AH unit	Price per NIA sq m of AH (all schemes)	Price per GIA sq m of AH (all schemes)
Central area and Kings Cross development High	£799,043	£11,888	£9,606
Central area and Kings Cross development Med	£644,109	£9,583	£7,742
Central area and Kings Cross development Low	£540,968	£8,048	£6,501
Zone 1 excluding Kings Cross development	£411,918	£6,127	£4,948
Zone 2 and Zone 4	£404,344	£6,013	£4,861
Zone 3 – excluding periphery of Regent's Park Low	£411,230	£6,112	£4,955
Zone 3 – excluding periphery of Regent's Park Med	£462,958	£6,881	£5,577
Zone 3 – excluding periphery of Regent's Park High	£566,254	£8,419	£6,820
Zone 3 – Periphery of Regent's Park only	£999,825	£16,106	£13,035
Average	£582,294	£8,797	£7,116
Average (excl. Regents Park Only)	£530,103	£7,884	£6,376
Lower Quartile	£411,918	£6,127	£4,955
Lowest	£404,344	£6,013	£4,861

Appendix 3 - 5b: Analysis of base appraisal results comparing pure commercial schemes against schemes with a policy compliant quantum of self-contained housing including affordable housing (provided as LAR and CIR)

5b - Payment-in-lieu of policy compliant onsite self-contained housing and affordable housing

Assuming RLVs generated by appraisals with: AH provided as SR & CIR

Typology 1

small office										
	No Units	Central area and Kings Cross development High	Kings Cross development area (Resi Med)	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No self-contained housing onsite		£1,633,579	£2,031,832	£1,633,579	£1,633,579	£389,650	£389,650	£389,650	£389,650	£389,650
RLV with Housing onsite of which 4% AH		£2,142,566	£2,042,560	£1,649,712	£1,403,279	£792,012	£841,299	£939,872	£1,137,018	£2,122,750
Difference		£0	£0	£0	£230,300	£0	£0	£0	£0	£0
Payment in Lieu per resi unit	2	£0	£0	£0	£115,150	£0	£0	£0	£0	£0
Payment in lieu per gross sq qm resi	176	£0	£0	£0	£1,310	£0	£0	£0	£0	£0

Typology 2

medium office										
	No Pvt Units	Central area and Kings Cross development High	Kings Cross development area (Resi Med)	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No self-contained housing onsite		£4,713,456	£5,851,321	£4,713,456	£4,713,456	£1,159,372	£1,159,372	£1,159,372	£1,159,372	£1,159,372
RLV with Housing onsite of which 12% AH		£5,961,126	£5,707,151	£4,605,851	£3,928,160	£2,181,682	£2,317,219	£2,588,296	£3,130,449	£5,841,213
Difference		£0	£144,170	£107,605	£785,296	£0	£0	£0	£0	£0
Payment in Lieu per resi unit	6	£0	£24,028	£17,934	£130,883	£0	£0	£0	£0	£0
Payment in lieu per gross sq qm resi	521	£0	£277	£206	£1,506	£0	£0	£0	£0	£0

Typology 3

medium large										
	No Pvt Units	Central area and Kings Cross development High	Kings Cross development area (Resi Med)	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No self-contained housing onsite		£14,140,367	£17,553,962	£14,140,367	£14,140,367	£3,478,116	£3,478,116	£3,478,116	£3,478,116	£3,478,116
RLV with Housing onsite of which 32% AH		£14,309,538	£14,311,997	£11,517,391	£10,108,140	£4,754,993	£4,754,572	£5,322,289	£6,444,951	£12,030,767
Difference		£0	£3,241,965	£2,622,976	£4,032,227	£0	£0	£0	£0	£0
Payment in Lieu per resi unit	16	£0	£202,623	£163,936	£252,014	£0	£0	£0	£0	£0
Payment in lieu per gross sq qm resi	1,494	£0	£2,170	£1,756	£2,699	£0	£0	£0	£0	£0

Typology 4

large office										
	No Pvt Units	Central area and Kings Cross development High	Kings Cross development area (Resi Med)	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No self-contained housing onsite		£73,227,452	£93,735,018	£73,227,452	£73,227,452	£9,172,728	£9,172,728	£9,172,728	£9,172,728	£9,172,728
RLV with Housing onsite of which 50% AH		£61,565,908	£64,244,933	£48,885,497	£42,503,432	£9,917,255	£9,796,629	£12,349,456	£17,455,107	£42,201,260
Difference		£11,661,544	£29,490,085	£24,341,955	£30,724,020	£0	£0	£0	£0	£0
Payment in Lieu per resi unit	100	£116,615	£294,901	£243,420	£307,240	£0	£0	£0	£0	£0
Payment in lieu per gross sq qm	9,960	£1,171	£2,961	£2,444	£3,085	£0	£0	£0	£0	£0

Typology 5

large office										
	No Pvt Units	Central area and Kings Cross development High	Kings Cross development area (Resi Med)	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No self-contained housing onsite		£131,139,446	£170,755,870	£131,139,446	£131,139,446	£11,902,416	£11,902,416	£11,902,416	£11,902,416	£11,902,416
RLV with Housing onsite of which 50% AH		£111,715,197	£116,978,620	£87,464,345	£75,331,767	£14,648,373	£14,412,689	£19,265,721	£28,971,783	£77,163,085
Difference		£19,424,249	£53,777,250	£43,675,101	£55,807,679	£0	£0	£0	£0	£0
Payment in Lieu per resi unit	200	£97,121	£268,886	£218,376	£279,038	£0	£0	£0	£0	£0
Payment in lieu per gross sq qm resi	19,921	£975	£2,700	£2,192	£2,802	£0	£0	£0	£0	£0

Typology 6

small retail										
	No Pvt Units	Central area and Kings Cross development High	Kings Cross development area (Resi Med)	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No self-contained housing onsite		£2,138,577	£2,138,577	£2,138,577	£2,138,577	£206,688	£206,688	£206,688	£206,688	£206,688
RLV with Housing onsite of which 8% AH		£3,603,329	£3,031,947	£2,650,993	£2,174,801	£1,225,469	£1,320,707	£1,511,184	£1,892,138	£3,788,308
Difference		£0	£0	£0	£0	£0	£0	£0	£0	£0
Payment in Lieu per resi unit	4	£0	£0	£0	£0	£0	£0	£0	£0	£0
Payment in lieu per gross sq qm resi	352	£0	£0	£0	£0	£0	£0	£0	£0	£0

Typology 7

larger retail										
	No Pvt Units	Central area and Kings Cross development High	Kings Cross development area (Resi Med)	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No self-contained housing onsite		£4,277,155	£4,277,155	£4,277,155	£4,277,155	£413,376	£413,376	£413,376	£413,376	£413,376
RLV with Housing onsite of which 14% AH		£6,239,534	£5,304,896	£4,681,704	£3,902,716	£2,004,053	£2,159,850	£2,471,446	£3,094,637	£6,201,792
Difference		£0	£0	£0	£374,439	£0	£0	£0	£0	£0
Payment in Lieu per resi unit	7	£0	£0	£0	£53,491	£0	£0	£0	£0	£0
Payment in lieu per gross sq qm resi	615	£0	£0	£0	£609	£0	£0	£0	£0	£0

Summary of PIL of full policy compliant contribution i.e. onsite housing and affordable housing

		Price per GIA sq m of self-contained housing at policy compliant AH (all schemes)
Value	Price per resi unit	
Central area and Kings Cross development High	£106,868	£1,073
Kings Cross development area (Resi Med)	£197,610	£2,027
Central area and Kings Cross development Low	£160,916	£1,650
Zone 1 excluding Kings Cross development	£189,636	£2,002
Zone 2 and Zone 4	£0	£0
Zone 3 – excluding periphery of Regent's Park Low	£0	£0
Zone 3 – excluding periphery of Regent's Park Med	£0	£0
Zone 3 – excluding periphery of Regent's Park High	£0	£0
Zone 3 – Periphery of Regent's Park only	£0	£0
Average	£163,758	£1,688
Lower Quartile	£147,404	£1,505
Lowest figure	£106,868	£1,073

Appendix 4 - 5b (sensitivity): Analysis of sensitivity appraisal results comparing pure commercial schemes against schemes with a policy compliant quantum of self-contained housing including affordable housing (provided as LAR, CIR and SO)

5b (sensitivity) - Payment-in-lieu of policy onsite self-contained housing and affordable housing

Assuming RLVs generated by appraisals with: AH provided as LAR, CIR and SO

Typology 1

	small office									
	No Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No self-contained housing onsite		£1,633,579	£2,031,832	£1,633,579	£1,633,579	£389,650	£389,650	£389,650	£389,650	£389,650
RLV with Housing onsite of which 4% AH		£2,143,389	£2,043,374	£1,650,525	£1,404,092	£792,825	£842,111	£940,685	£1,137,831	£2,123,564
Difference		£0	£0	£0	£229,487	£0	£0	£0	£0	£0
Payment in Lieu per resi unit	2	£0	£0	£0	£114,744	£0	£0	£0	£0	£0
Payment in lieu per gross sq qm resi	176	£0	£0	£0	£1,306	£0	£0	£0	£0	£0

Typology 2

	medium office									
	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No self-contained housing onsite		£4,713,456	£5,851,321	£4,713,456	£4,713,456	£1,159,372	£1,159,372	£1,159,372	£1,159,372	£1,159,372
RLV with Housing onsite of which 12% AH		£5,968,531	£5,714,473	£4,613,174	£3,935,483	£2,189,004	£2,324,542	£2,595,618	£3,137,771	£5,848,535
Difference		£0	£136,848	£100,282	£777,973	£0	£0	£0	£0	£0
Payment in Lieu per resi unit	6	£0	£22,808	£16,714	£129,662	£0	£0	£0	£0	£0
Payment in lieu per gross sq qm resi	520	£0	£263	£193	£1,495	£0	£0	£0	£0	£0

Typology 3

	medium large									
	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No self-contained housing onsite		£14,140,367	£17,553,962	£14,140,367	£14,140,367	£3,478,116	£3,478,116	£3,478,116	£3,478,116	£3,478,116
RLV with Housing onsite of which 32% AH		£14,363,144	£14,365,016	£11,570,411	£10,162,027	£4,808,880	£4,808,458	£5,376,176	£6,497,969	£12,083,786
Difference		£0	£3,188,946	£2,569,956	£3,978,340	£0	£0	£0	£0	£0
Payment in Lieu per resi unit	16	£0	£199,309	£160,622	£248,646	£0	£0	£0	£0	£0
Payment in lieu per gross sq qm resi	1,493	£0	£2,136	£1,721	£2,664	£0	£0	£0	£0	£0

Typology 4

	large office									
	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No self-contained housing onsite		£73,227,452	£93,735,018	£73,227,452	£73,227,452	£9,172,728	£9,172,728	£9,172,728	£9,172,728	£9,172,728
RLV with Housing onsite of which 50% AH		£62,107,563	£64,792,229	£49,432,793	£43,050,729	£10,464,551	£10,343,926	£12,896,752	£18,002,405	£42,710,616
Difference		£11,119,889	£28,942,789	£23,794,659	£30,176,723	£0	£0	£0	£0	£0
Payment in Lieu per resi unit	100	£111,199	£289,428	£237,947	£301,767	£0	£0	£0	£0	£0
Payment in lieu per gross sq qm	9,955	£1,117	£2,907	£2,390	£3,031	£0	£0	£0	£0	£0

Typology 5

	large office									
	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No self-contained housing onsite		£131,139,446	£170,755,870	£131,139,446	£131,139,446	£11,902,416	£11,902,416	£11,902,416	£11,902,416	£11,902,416
RLV with Housing onsite of which 50% AH		£116,977,070	£122,229,477	£92,715,202	£80,582,623	£17,647,427	£17,411,744	£22,264,775	£31,970,839	£80,066,395
Difference		£14,162,376	£48,526,393	£38,424,244	£50,556,823	£0	£0	£0	£0	£0
Payment in Lieu per resi unit	200	£70,812	£242,632	£192,121	£252,784.11	£0	£0	£0	£0	£0
Payment in lieu per gross sq qm resi	19,910	£711	£2,437	£1,930	£2,539	£0	£0	£0	£0	£0

Typology 6

	small retail									
	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No self-contained housing onsite		£2,138,577	£2,138,577	£2,138,577	£2,138,577	£206,688	£206,688	£206,688	£206,688	£206,688
RLV with Housing onsite of which 8% AH		£3,606,674	£3,035,255	£2,654,301	£2,178,107	£1,228,776	£1,324,015	£1,514,492	£1,895,446	£3,791,562
Difference		£0	£0	£0	£0	£0	£0	£0	£0	£0
Payment in Lieu per resi unit	4	£0	£0	£0	£0	£0	£0	£0	£0	£0
Payment in lieu per gross sq qm resi	351	£0	£0	£0	£0	£0	£0	£0	£0	£0

Typology 7

	larger retail									
	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV No self-contained housing onsite		£4,277,155	£4,277,155	£4,277,155	£4,277,155	£413,376	£413,376	£413,376	£413,376	£413,376
RLV with Housing onsite of which 14% AH		£6,249,778	£5,315,025	£4,691,834	£3,912,845	£2,014,183	£2,169,980	£2,481,576	£3,104,767	£6,211,759
Difference		£0	£0	£0	£364,310	£0	£0	£0	£0	£0
Payment in Lieu per resi unit	7	£0	£0	£0	£52,044	£0	£0	£0	£0	£0
Payment in lieu per gross sq qm resi	615	£0	£0	£0	£593	£0	£0	£0	£0	£0

Summary of PIL of full policy compliant contribution i.e. onsite housing and affordable housing (sensitivity with SO)

Value	Price per resi unit	Price per GIA sq m of self-contained housing at policy compliant AH (all schemes)
Central area and Kings Cross development High	£91,005	£914
Central area and Kings Cross development Med	£150,835	£1,936
Central area and Kings Cross development Low	£151,851	£1,558
Zone 1 excluding Kings Cross development	£183,275	£1,938
Zone 2 and Zone 4	£0	£0
Zone 3 – excluding periphery of Regent's Park Low	£0	£0
Zone 3 – excluding periphery of Regent's Park Med	£0	£0
Zone 3 – excluding periphery of Regent's Park High	£0	£0
Zone 3 – Periphery of Regent's Park only	£0	£0
Average	£144,242	£1,587
Lower Quartile	£135,878	£1,397
Lowest figure	£91,005	£914

Appendix 5 - 5c: Analysis of base appraisal results where schemes provide a policy compliant quantum of self-contained housing but provided all as market housing (affordable housing in comparison scenario provided as LAR and CIR)

5c - Payment-in-lieu of policy compliant level of onsite self-contained housing but provided all as market housing

Assuming RLVs generated by appraisals with: no AH i.e. all housing on site provided as market housing

Typology 1

	small office									
	No Units	Central area and Kings Cross development High	Kings Cross development area (Resi Med)	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with 100% of Housing on site as market housing		£2,204,522	£2,092,182	£1,691,120	£1,434,419	£823,151	£874,491	£977,171	£1,182,533	£2,209,337
RLV with Housing onsite of which 4% AH		£2,142,566	£2,042,560	£1,649,712	£1,403,279	£792,012	£841,299	£939,872	£1,137,018	£2,122,750
Difference		£61,956	£49,622	£41,407	£31,139	£31,139	£33,193	£37,300	£45,514	£86,587
Payment in Lieu per resi unit	0.08	£774,445.50	£620,278	£517,593	£389,240	£389,240	£414,908	£466,244	£568,929	£1,082,340
Payment in lieu per gross sq qm resi	7	£9,251	£7,409	£6,183	£4,649	£4,649	£4,956	£5,569	£6,796	£12,928

Typology 2

	medium office									
	No Pvt Units	Central area and Kings Cross development High	Kings Cross development area (Resi Med)	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with 100% of Housing on site as market housing		£6,519,995	£6,155,018	£4,979,789	£4,209,686	£2,463,206	£2,617,228	£2,925,268	£3,541,351	£6,621,765
RLV with Housing onsite of which 12% AH		£5,961,126	£5,707,151	£4,605,851	£3,928,160	£2,181,682	£2,317,219	£2,588,296	£3,130,449	£5,841,213
Difference		£558,869	£447,868	£373,938	£281,526	£281,525	£300,009	£336,973	£410,903	£780,552
Payment in Lieu per resi unit	0.72	£776,207	£622,038	£519,358	£391,008	£391,006	£416,679	£468,018	£570,698	£1,084,100
Payment in lieu per gross sq qm resi	60	£9,272	£7,430	£6,204	£4,671	£4,671	£4,977	£5,590	£6,817	£12,949

Typology 3

	medium large									
	No Pvt Units	Central area and Kings Cross development High	Kings Cross development area (Resi Med)	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with 100% of Housing on site as market housing		£18,465,166	£17,678,277	£14,357,947	£12,304,339	£6,900,371	£6,899,761	£7,721,204	£9,364,092	£17,578,528
RLV with Housing onsite of which 32% AH		£14,309,538	£14,311,997	£11,517,391	£10,108,140	£4,754,993	£4,754,572	£5,322,289	£6,444,951	£12,030,767
Difference		£4,155,628	£3,366,280	£2,840,556	£2,196,199	£2,145,378	£2,145,189	£2,398,916	£2,919,141	£5,547,761
Payment in Lieu per resi unit	5.12	£811,646	£657,477	£554,796	£428,945	£419,019	£418,982	£468,538	£570,145	£1,083,547
Payment in lieu per gross sq qm resi	455	£9,125	£7,392	£6,237	£4,822	£4,711	£4,710	£5,267	£6,410	£12,182

Typology 4

	large office									
	No Pvt Units	Central area and Kings Cross development High	Kings Cross development area (Resi Med)	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with 100% of Housing on site as market housing		£99,148,997	£95,203,439	£75,483,430	£63,464,465	£30,355,151	£30,121,604	£35,050,146	£44,582,241	£91,913,376
RLV with Housing onsite of which 50% AH		£61,565,908	£64,244,933	£48,885,497	£42,503,432	£9,917,255	£9,796,629	£12,349,456	£17,455,107	£42,201,260
Difference		£37,583,089	£30,958,506	£26,597,932	£20,961,033	£20,437,897	£20,324,975	£22,700,691	£27,127,134	£49,712,116
Payment in Lieu per resi unit	50	£751,662	£619,170	£531,959	£419,221	£408,758	£406,499	£454,014	£542,543	£994,242
Payment in lieu per gross sq qm	4,744	£7,922	£6,526	£5,607	£4,418	£4,308	£4,284	£4,785	£5,718	£10,479

Typology 5

	large office									
	No Pvt Units	Central area and Kings Cross development High	Kings Cross development area (Resi Med)	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with 100% of Housing on site as market housing		£189,279,450	£181,417,367	£143,016,767	£119,221,985	£55,221,911	£54,750,544	£64,456,607	£83,326,466	£175,496,850
RLV with Housing onsite of which 50% AH		£111,715,197	£116,978,620	£87,464,345	£75,331,767	£14,648,373	£14,412,689	£19,265,721	£28,971,783	£77,163,085
Difference		£77,564,253	£64,438,747	£55,552,423	£43,890,219	£40,573,538	£40,337,855	£45,190,886	£54,354,683	£98,333,765
Payment in Lieu per resi unit	100	£775,643	£644,387	£555,524	£438,902	£405,735	£403,379	£451,909	£543,547	£983,338
Payment in lieu per gross sq qm resi	9,488	£8,175	£6,792	£5,855	£4,626	£4,276	£4,251	£4,763	£5,729	£10,364

Typology 6

	small retail									
	No Pvt Units	Central area and Kings Cross development High	Kings Cross development area (Resi Med)	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with 100% of Housing on site as market housing		£3,852,103	£3,231,818	£2,817,738	£2,300,137	£1,350,805	£1,454,325	£1,661,365	£2,075,447	£4,134,937
RLV with Housing onsite of which 8% AH		£3,603,329	£3,031,947	£2,650,993	£2,174,801	£1,225,469	£1,320,707	£1,511,184	£1,892,138	£3,788,308
Difference		£248,774	£199,871	£166,745	£125,336	£125,336	£133,618	£150,181	£183,308	£346,629
Payment in Lieu per resi unit	0.32	£777,418	£624,597	£521,077	£391,676	£391,676	£417,557	£469,316	£572,839	£1,083,216
Payment in lieu per gross sq qm resi	27	£9,286	£7,461	£6,224	£4,679	£4,679	£4,988	£5,606	£6,843	£12,939

Typology 7

	larger retail									
	No Pvt Units	Central area and Kings Cross development High	Kings Cross development area (Resi Med)	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with 100% of Housing on site as market housing		£7,005,281	£5,918,320	£5,193,679	£4,287,878	£2,389,215	£2,570,375	£2,932,695	£3,657,337	£7,264,643
RLV with Housing onsite of which 14% AH		£6,239,534	£5,304,896	£4,681,704	£3,902,716	£2,004,053	£2,159,850	£2,471,446	£3,094,637	£6,201,792
Difference		£765,747	£613,424	£511,975	£385,163	£385,163	£410,526	£461,249	£562,700	£1,062,851
Payment in Lieu per resi unit	0.98	£781,375	£625,943	£522,424	£393,023	£393,023	£418,904	£470,663	£574,184	£1,084,542
Payment in lieu per gross sq qm resi	82	£9,333	£7,477	£6,240	£4,695	£4,695	£5,004	£5,622	£6,859	£12,955

Summary of PIL where all housing provided as market housing on the site

		PIL per sq m GIA towards non-provision of affordable housing where all units MH
Value	Price per resi unit	
Central area and Kings Cross development High	£778,342	£8,909
Kings Cross development area (Resi Med)	£630,556	£7,212
Central area and Kings Cross development Low	£531,819	£6,079
Zone 1 excluding Kings Cross development	£407,431	£4,651
Zone 2 and Zone 4	£399,780	£4,570
Zone 3 – excluding periphery of Regent's Park Low	£413,844	£4,739
Zone 3 – excluding periphery of Regent's Park Med	£464,100	£5,315
Zone 3 – excluding periphery of Regent's Park High	£563,269	£6,453
Zone 3 – Periphery of Regent's Park only	£1,056,475	£12,114
Average	£582,846	£6,671
Average (excl. Regents Park Only)	£523,643	£5,991
Lower Quartile	£413,844	£4,739
Lowest figure	£399,780	£4,570

Appendix 6 - 5c (sensitivity): Analysis of sensitivity appraisal results where schemes provide a policy compliant quantum of self-contained housing but provided all as market housing (affordable housing in comparison scenario provided as LAR, CIR and SO)

5c (sensitivity) - Payment-in-lieu of policy compliant level of onsite self-contained housing but provided all as market housing

Assuming RLVs generated by appraisals with: no AH i.e. all housing on site provided as market housing

Typology 1

	small office									
	No Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with 100% of Housing on site as market housing		£2,204,522	£2,092,182	£1,691,120	£1,434,419	£823,151	£874,491	£977,171	£1,182,533	£2,209,337
RLV with Housing onsite of which 4% AH		£2,143,389	£2,043,374	£1,650,525	£1,404,092	£792,825	£842,111	£940,685	£1,137,831	£2,123,564
Difference		£61,133	£48,808	£40,594	£30,326	£30,326	£32,380	£36,487	£44,701	£85,773
Payment in Lieu per resi unit	0.08	£764,161	£610,103	£507,431	£379,078	£379,078	£404,746	£456,083	£558,767	£1,072,165
Payment in lieu per gross sq qm resi	7	£9,258	£7,392	£6,148	£4,593	£4,593	£4,904	£5,526	£6,770	£12,989

Typology 2

	medium office									
	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with 100% of Housing on site as market housing		£6,519,995	£6,155,018	£4,979,789	£4,209,686	£2,463,206	£2,617,228	£2,925,268	£3,541,351	£6,621,765
RLV with Housing onsite of which 4% AH		£5,968,531	£5,714,473	£4,613,174	£3,935,483	£2,189,004	£2,324,542	£2,595,618	£3,137,771	£5,848,535
Difference		£551,464	£440,545	£366,615	£274,203	£274,203	£292,686	£329,650	£403,580	£773,230
Payment in Lieu per resi unit	0.72	£765,922	£611,868	£509,187	£380,837	£380,837	£406,508	£457,847	£560,528	£1,073,930
Payment in lieu per gross sq qm resi	59	£9,279	£7,413	£6,169	£4,614	£4,614	£4,925	£5,547	£6,791	£13,011

Typology 3

	medium large									
	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with 100% of Housing on site as market housing		£18,465,166	£17,678,277	£14,357,947	£12,304,339	£6,900,371	£6,899,761	£7,721,204	£9,364,092	£17,578,528
RLV with Housing onsite of which 4% AH		£14,363,144	£14,365,016	£11,570,411	£10,162,027	£4,808,880	£4,808,458	£5,376,176	£6,497,969	£12,083,786
Difference		£2,102,022	£3,313,261	£2,787,536	£2,142,312	£2,091,491	£2,091,303	£2,345,029	£2,866,123	£5,494,742
Payment in Lieu per resi unit	5.12	£801,176	£647,121	£544,441	£418,420	£408,494	£408,458	£458,013	£559,790	£1,073,192
Payment in lieu per gross sq qm resi	449	£9,135	£7,379	£6,208	£4,771	£4,658	£4,657	£5,223	£6,383	£12,237

Typology 4

	large office									
	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with 100% of Housing on site as market housing		£99,148,997	£95,203,439	£75,483,430	£63,464,465	£30,355,151	£30,121,604	£35,050,146	£44,582,241	£91,913,376
RLV with Housing onsite of which 4% AH		£62,107,563	£64,792,229	£49,432,793	£43,050,729	£10,464,551	£10,343,926	£12,896,752	£18,002,405	£42,710,616
Difference		£37,041,433	£30,411,210	£26,050,636	£20,413,736	£19,890,600	£19,777,677	£22,153,394	£26,579,837	£49,202,760
Payment in Lieu per resi unit	50	£740,829	£608,224	£521,013	£408,275	£397,812	£395,554	£443,068	£531,597	£984,055
Payment in lieu per gross sq qm	4,677	£7,919	£6,502	£5,570	£4,364	£4,253	£4,228	£4,736	£5,683	£10,519

Typology 5

	large office									
	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with 100% of Housing on site as market housing		£189,279,450	£181,417,367	£143,016,767	£119,221,985	£55,221,911	£54,750,544	£64,456,607	£83,326,466	£175,496,850
RLV with Housing onsite of which 4% AH		£116,977,070	£122,229,477	£92,715,202	£80,582,623	£17,647,427	£17,411,744	£22,264,775	£31,970,839	£80,066,395
Difference		£72,302,380	£59,187,890	£50,301,566	£38,639,363	£37,574,484	£37,338,800	£42,191,831	£51,355,627	£95,430,455
Payment in Lieu per resi unit	100	£723,024	£591,879	£503,016	£386,394	£375,745	£373,388	£421,918	£513,556	£954,305
Payment in lieu per gross sq qm resi	9,355	£7,729	£6,327	£5,377	£4,130	£4,017	£3,991	£4,510	£5,490	£10,201

Typology 6

	small retail									
	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with 100% of Housing on site as market housing		£3,852,103	£3,231,818	£2,817,738	£2,300,137	£1,350,805	£1,454,325	£1,661,365	£2,075,447	£4,134,937
RLV with Housing onsite of which 4% AH		£3,606,674	£3,035,255	£2,654,301	£2,178,107	£1,228,776	£1,324,015	£1,514,492	£1,895,446	£3,791,562
Difference		£245,429	£196,563	£163,437	£122,030	£122,029	£130,310	£146,873	£180,000	£343,375
Payment in Lieu per resi unit	0.32	£766,965	£614,260	£510,740	£381,342	£381,339	£407,220	£458,978	£562,501	£1,073,047
Payment in lieu per gross sq qm resi	26	£9,292	£7,442	£6,188	£4,620	£4,620	£4,934	£5,561	£6,815	£13,000

Typology 7

	larger retail									
	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with 100% of Housing on site as market housing		£7,005,281	£5,918,320	£5,193,679	£4,287,878	£2,389,215	£2,570,375	£2,932,695	£3,657,337	£7,264,643
RLV with Housing onsite of which 4% AH		£6,249,778	£5,315,025	£4,691,834	£3,912,845	£2,014,183	£2,169,980	£2,481,576	£3,104,767	£6,211,759
Difference		£755,503	£603,295	£501,845	£375,034	£375,033	£400,396	£451,120	£552,570	£1,052,884
Payment in Lieu per resi unit	0.98	£770,921	£615,607	£512,087	£382,688	£382,687	£408,567	£460,326	£563,847	£1,074,372
Payment in lieu per gross sq qm resi	81	£9,340	£7,458	£6,204	£4,636	£4,636	£4,950	£5,577	£6,831	£13,016

Summary of PIL where all housing provided as market housing on the site

		PIL per sq m GIA towards non-provision of affordable housing where all units MH
Value	Price per resi unit	
Central area and Kings Cross development High	£761,857	£8,850
Central area and Kings Cross development Med	£614,152	£7,130
Central area and Kings Cross development Low	£515,416	£5,980
Zone 1 excluding Kings Cross development	£391,005	£4,533
Zone 2 and Zone 4	£386,570	£4,484
Zone 3 – excluding periphery of Regent's Park Low	£400,634	£4,656
Zone 3 – excluding periphery of Regent's Park Med	£450,891	£5,240
Zone 3 – excluding periphery of Regent's Park High	£550,084	£6,395
Zone 3 – Periphery of Regent's Park only	£1,043,581	£12,139
Average	£568,243	£6,601
Average (Excl. Regents Park only)	£508,826	£5,909
Lower Quartile	£400,634	£4,656
Lowest figure	£386,570	£4,484

Appendix 7 - 5d: Analysis of base appraisal results where commercial is provided in place of policy compliant quantum of affordable housing (provided as LAR and CIR) but policy compliant market housing quantum provided

5d - Payment-in-lieu of partially met requirement for onsite self-contained housing but with only market housing and commercial in place of affordable housing

Assuming RLVs generated by appraisals with: no AH i.e. only MH requirement on site provided

Typology 1

	small office									
	No Units	Central area and Kings Cross development High	Kings Cross development area (Resi Med)	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with only market requirement and AH space provided as commercial		£2,181,164	£2,088,975	£1,688,298	£1,441,866	£806,147	£855,433	£954,006	£1,151,153	£2,136,886
RLV with Housing onsite of which 4% AH		£2,142,566	£2,042,560	£1,649,712	£1,403,279	£792,012	£841,299	£939,872	£1,137,018	£2,122,750
Difference		£38,598	£46,415	£38,585	£38,586	£14,135	£14,135	£14,135	£14,135	£14,136
Payment in Lieu per resi unit	0.08	£482,476	£580,182	£482,317	£482,329	£176,683	£176,683	£176,683	£176,683	£176,696
Payment in lieu per gross sq qm resi	7	£5,763	£6,930	£5,761	£5,761	£2,110	£2,110	£2,110	£2,110	£2,111

Typology 2

	medium office									
	No Pvt Units	Central area and Kings Cross development High	Kings Cross development area (Resi Med)	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with only market requirement and AH space provided as commercial		£6,279,875	£6,088,417	£4,924,492	£4,246,802	£2,304,718	£2,440,256	£2,711,331	£3,253,484	£5,964,249
RLV with Housing onsite of which 12% AH		£5,961,126	£5,707,151	£4,605,851	£3,928,160	£2,181,682	£2,317,219	£2,588,296	£3,130,449	£5,841,213
Difference		£318,749	£381,267	£318,641	£318,642	£123,036	£123,037	£123,036	£123,036	£123,036
Payment in Lieu per resi unit	0.72	£442,707	£529,537	£442,557	£442,559	£170,883	£170,885	£170,883	£170,883	£170,883
Payment in lieu per gross sq qm resi	60	£5,288	£6,325	£5,286	£5,286	£2,041	£2,041	£2,041	£2,041	£2,041

Typology 3

	medium large									
	No Pvt Units	Central area and Kings Cross development High	Kings Cross development area (Resi Med)	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with only market requirement and AH space provided as commercial		£17,020,762	£17,553,649	£14,225,756	£12,806,463	£5,794,160	£5,793,739	£6,361,456	£7,496,258	£13,082,074
RLV with Housing onsite of which 32% AH		£14,309,538	£14,311,997	£11,517,391	£10,108,140	£4,754,993	£4,754,572	£5,322,289	£6,444,951	£12,030,767
Difference		£2,711,224	£3,241,652	£2,708,364	£2,698,322	£1,039,167	£1,039,167	£1,039,167	£1,051,307	£1,051,307
Payment in Lieu per resi unit	5.12	£529,536	£633,135	£528,977	£527,016	£202,962	£202,962	£202,962	£205,333	£205,333
Payment in lieu per gross sq qm resi	455	£5,953	£7,118	£5,947	£5,925	£2,282	£2,282	£2,282	£2,308	£2,308

Typology 4

	large office									
	No Pvt Units	Central area and Kings Cross development High	Kings Cross development area (Resi Med)	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with only market requirement and AH space provided as commercial		£87,447,714	£95,134,021	£74,683,582	£68,301,517	£19,813,754	£19,693,129	£22,245,956	£27,351,608	£52,556,931
RLV with Housing onsite of which 50% AH		£61,565,908	£64,244,933	£48,885,497	£42,503,432	£9,917,255	£9,796,629	£12,349,456	£17,455,107	£42,201,260
Difference		£25,881,806	£30,889,088	£25,798,085	£25,798,085	£9,896,499	£9,896,500	£9,896,500	£9,896,500	£10,355,671
Payment in Lieu per resi unit	50	£517,636	£617,782	£515,962	£515,962	£197,930	£197,930	£197,930	£197,930	£207,113
Payment in lieu per gross sq qm	4,744	£5,466	£6,511	£5,438	£5,438	£2,086	£2,086	£2,086	£2,086	£2,183

Typology 5

	large office									
	No Pvt Units	Central area and Kings Cross development High	Kings Cross development area (Resi Med)	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with only market requirement and AH space provided as commercial		£159,261,066	£174,344,961	£134,995,909	£122,863,331	£32,579,344	£32,343,661	£37,196,692	£46,902,756	£95,433,069
RLV with Housing onsite of which 50% AH		£111,715,197	£116,978,620	£87,464,345	£75,331,767	£14,648,373	£14,412,689	£19,265,721	£28,971,783	£77,163,085
Difference		£47,545,870	£57,366,342	£47,531,565	£47,531,565	£17,930,971	£17,930,972	£17,930,971	£17,930,972	£18,269,984
Payment in Lieu per resi unit	100	£475,459	£573,663	£475,316	£475,316	£179,310	£179,310	£179,310	£179,310	£182,700
Payment in lieu per gross sq qm resi	9,488	£5,011	£6,046	£5,010	£5,010	£1,890	£1,890	£1,890	£1,890	£1,926

Typology 6

	small retail									
	No Pvt Units	Central area and Kings Cross development High	Kings Cross development area (Resi Med)	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with only market requirement and AH space provided as commercial		£3,723,357	£3,151,925	£2,770,971	£2,294,779	£1,260,007	£1,355,245	£1,545,723	£1,926,677	£3,823,581
RLV with Housing onsite of which 8% AH		£3,603,329	£3,031,947	£2,650,993	£2,174,801	£1,225,469	£1,320,707	£1,511,184	£1,892,138	£3,788,308
Difference		£120,027	£119,978	£119,978	£119,978	£34,539	£34,539	£34,539	£34,539	£35,273
Payment in Lieu per resi unit	0.32	£375,085	£374,932	£374,932	£374,932	£107,933	£107,933	£107,933	£107,933	£110,229
Payment in lieu per gross sq qm resi	27	£4,480	£4,479	£4,479	£4,479	£1,289	£1,289	£1,289	£1,289	£1,317

Typology 7

	larger retail									
	No Pvt Units	Central area and Kings Cross development High	Kings Cross development area (Resi Med)	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with only market requirement and AH space provided as commercial		£6,616,548	£5,681,761	£5,058,570	£4,279,581	£2,111,941	£2,267,739	£2,579,334	£3,202,525	£6,312,009
RLV with Housing onsite of which 14% AH		£6,239,534	£5,304,896	£4,681,704	£3,902,716	£2,004,053	£2,159,850	£2,471,446	£3,094,637	£6,201,792
Difference		£377,014	£376,865	£376,866	£376,865	£107,888	£107,889	£107,888	£107,888	£110,217
Payment in Lieu per resi unit	0.98	£384,708	£384,556	£384,557	£384,556	£110,090	£110,091	£110,090	£110,090	£112,466
Payment in lieu per gross sq qm resi	82	£4,595	£4,593	£4,594	£4,593	£1,315	£1,315	£1,315	£1,315	£1,343

Summary of PIL where only AH requirement provided on the site

Value	Price per resi unit	PIL per sq m GIA towards non-provision of AH where commercial provided instead
Central area and Kings Cross development High	£458,230	£5,221
Kings Cross development area (Resi Med)	£527,684	£6,000
Central area and Kings Cross development Low	£457,803	£5,216
Zone 1 excluding Kings Cross development	£457,524	£5,213
Zone 2 and Zone 4	£163,685	£1,859
Zone 3 – excluding periphery of Regent's Park Low	£163,685	£1,859
Zone 3 – excluding periphery of Regent's Park Med	£163,685	£1,859
Zone 3 – excluding periphery of Regent's Park High	£164,023	£1,863
Zone 3 – Periphery of Regent's Park only	£166,489	£1,890
Single charge approach (Whole Borough)		
Average	£302,534	£3,442
Average (Excl. Regents Park Only)	£319,540	£3,636
Lower Quartile	£163,685	£1,859
Lowest figure	£163,685	£1,863

2 Charge Approach		
Central are and Kings Cross only:		
Average	£475,310	£5,413
Lower Quartile	£457,733	£5,216
Lowest figure	£457,524	£5,213
Rest of Borough:		
Average	£164,313	£1,866
Lower Quartile	£163,685	£1,859
Lowest figure	£163,685	£1,859

Appendix 8 - 5d (sensitivity): Analysis of sensitivity appraisal results where commercial is provided in place of policy compliant quantum of affordable housing (provided as LAR, CIR and SO) but policy compliant market housing quantum provided

5d (sensitivity) - Payment-in-lieu of partially met requirement for onsite self-contained housing but with only market housing and commerical in place of affordable housing

Assuming RLVs generated by appraisals with: no AH i.e. only MH requirement on site provided

Typology 1

	small office									
	No Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with only market requirement and AH space provided as commercial		£2,181,164	£2,088,975	£1,688,298	£1,441,866	£806,147	£855,433	£954,006	£1,151,153	£2,136,886
RLV with Housing onsite of which 4% AH		£2,143,389	£2,043,374	£1,650,525	£1,404,092	£792,825	£842,111	£940,685	£1,137,831	£2,123,564
Difference		£37,775	£45,601	£37,772	£37,773	£13,322	£13,322	£13,322	£13,322	£13,322
Payment in Lieu per resi unit	0.08	£472,191	£570,007	£472,155	£472,167	£166,521	£166,521	£166,521	£166,521	£166,521
Payment in lieu per gross sq qm resi	7	£5,721	£6,906	£5,720	£5,720	£2,017	£2,017	£2,017	£2,017	£2,017

Typology 2

	medium office									
	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with only market requirement and AH space provided as commercial		£6,279,875	£6,088,417	£4,924,492	£4,246,802	£2,304,718	£2,440,256	£2,711,331	£3,253,484	£5,964,249
RLV with Housing onsite of which 12% AH		£5,968,531	£5,714,473	£4,613,174	£3,935,483	£2,189,004	£2,324,542	£2,595,618	£3,137,771	£5,848,535
Difference		£311,344	£373,944	£311,318	£311,319	£115,714	£115,714	£115,713	£115,713	£115,713
Payment in Lieu per resi unit	0.72	£432,422	£519,367	£432,387	£432,388	£160,714	£160,714	£160,713	£160,713	£160,713
Payment in lieu per gross sq qm resi	59	£5,239	£6,292	£5,238	£5,238	£1,947	£1,947	£1,947	£1,947	£1,947

Typology 3

	medium large									
	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with only market requirement and AH space provided as commercial		£17,020,762	£17,553,649	£14,225,756	£12,806,463	£5,794,160	£5,793,739	£6,361,456	£7,496,258	£13,082,074
RLV with Housing onsite of which 32% AH		£14,363,144	£14,365,016	£11,570,411	£10,162,027	£4,808,880	£4,808,458	£5,376,176	£6,497,969	£12,083,786
Difference		£2,657,618	£3,188,633	£2,655,345	£2,644,435	£985,280	£985,281	£985,280	£998,289	£998,289
Payment in Lieu per resi unit	5.12	£519,066	£622,780	£518,622	£516,491	£192,438	£192,438	£192,438	£194,978	£194,978
Payment in lieu per gross sq qm resi	449	£5,919	£7,101	£5,914	£5,889	£2,194	£2,194	£2,194	£2,223	£2,223

Typology 4

	large office									
	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with only market requirement and AH space provided as commercial		£87,447,714	£95,134,021	£74,683,582	£68,301,517	£19,813,754	£19,693,129	£22,245,956	£27,351,608	£52,556,931
RLV with Housing onsite of which 50% AH		£62,107,563	£64,792,229	£49,432,793	£43,050,729	£10,464,551	£10,343,926	£12,896,752	£18,002,405	£42,710,616
Difference		£25,340,150	£30,341,792	£25,250,789	£25,250,788	£9,349,203	£9,349,203	£9,349,204	£9,349,203	£9,846,315
Payment in Lieu per resi unit	50	£506,803	£606,836	£505,016	£505,016	£186,984	£186,984	£186,984	£186,984	£196,926
Payment in lieu per gross sq qm	4,677	£5,418	£6,487	£5,399	£5,399	£1,999	£1,999	£1,999	£1,999	£2,105

Typology 5

	large office									
	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with only market requirement and AH space provided as commercial		£159,261,066	£174,344,961	£134,995,909	£122,863,331	£32,579,344	£32,343,661	£37,196,692	£46,902,756	£95,433,069
RLV with Housing onsite of which 50% AH		£116,977,070	£122,229,477	£92,715,202	£80,582,623	£17,647,427	£17,411,744	£22,264,775	£31,970,839	£80,066,395
Difference		£42,283,996	£52,115,485	£42,280,708	£42,280,709	£14,931,917	£14,931,917	£14,931,917	£14,931,917	£15,366,673
Payment in Lieu per resi unit	100	£422,840	£521,155	£422,807	£422,807	£149,319	£149,319	£149,319	£149,319	£153,667
Payment in lieu per gross sq qm resi	9,355	£4,520	£5,571	£4,520	£4,520	£1,596	£1,596	£1,596	£1,596	£1,643

Typology 6

	small retail									
	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with only market requirement and AH space provided as commercial		£3,723,357	£3,151,925	£2,770,971	£2,294,779	£1,260,007	£1,355,245	£1,545,723	£1,926,677	£3,823,581
RLV with Housing onsite of which 8% AH		£3,606,674	£3,035,255	£2,654,301	£2,178,107	£1,228,776	£1,324,015	£1,514,492	£1,895,446	£3,791,562
Difference		£116,682	£116,670	£116,670	£116,671	£31,231	£31,231	£31,231	£31,231	£32,019
Payment in Lieu per resi unit	0.32	£364,632	£364,595	£364,595	£364,598	£97,596	£97,596	£97,596	£97,596	£100,061
Payment in lieu per gross sq qm resi	26	£4,418	£4,417	£4,417	£4,417	£1,182	£1,182	£1,182	£1,182	£1,212

Typology 7

	larger retail									
	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with only market requirement and AH space provided as commercial		£6,616,548	£5,681,761	£5,058,570	£4,279,581	£2,111,941	£2,267,739	£2,579,334	£3,202,525	£6,312,009
RLV with Housing onsite of which 14% AH		£6,249,778	£5,315,025	£4,691,834	£3,912,845	£2,014,183	£2,169,980	£2,481,576	£3,104,767	£6,211,759
Difference		£366,770	£366,736	£366,736	£366,736	£97,758	£97,759	£97,758	£97,758	£100,250
Payment in Lieu per resi unit	0.98	£374,255	£374,221	£374,221	£374,221	£99,753	£99,754	£99,753	£99,753	£102,296
Payment in lieu per gross sq qm resi	81	£4,534	£4,534	£4,534	£4,534	£1,209	£1,209	£1,209	£1,209	£1,239

Summary of PIL where only AH requirement provided on the site

		PIL per sq m GIA towards non-provision of AH where commercial provided instead
Value	Price per resi unit	
Central area and Kings Cross development High	£441,744	£5,110
Central area and Kings Cross development Med	£511,280	£5,901
Central area and Kings Cross development Low	£441,400	£5,106
Zone 1 excluding Kings Cross development	£441,098	£5,102
Zone 2 and Zone 4	£150,475	£1,735
Zone 3 – excluding periphery of Regent's Park Low	£150,475	£1,735
Zone 3 – excluding periphery of Regent's Park Med	£150,475	£1,735
Zone 3 – excluding periphery of Regent's Park High	£150,838	£1,739
Zone 3 – Periphery of Regent's Park only	£153,595	£1,770
Single charge approach (Whole Borough)		
Average	£287,931	£3,326
Average (Excl. Regents Park)	£304,723	£3,520
Lower Quartile	£150,475	£1,735
Lowest figure	£441,098	£1,735

2 Charge Approach		
Central are and Kings Cross only:		
Average	£458,881	£5,305
Lower Quartile	£441,325	£5,105
Lowest figure	£441,098	£5,102
Rest of Borough:		
Average	£151,171	£1,743
Lower Quartile	£150,475	£1,735
Lowest figure	£150,475	£1,735

Appendix 9 - 5e: Analysis of base appraisal results where commercial is provided in place of market housing but policy compliant quantum of affordable housing provided as LAR and CIR

5e - Payment-in-lieu of partially met requirement for onsite self-contained housing but with only affordable housing and commercial in place of market housing

Assuming RLVs generated by appraisals with: no MH i.e. only AH requirement on site provided as SR & CIR

Typology 1

	small office									
	No Units	Central area and Kings Cross development High	Kings Cross development area (Resi Med)	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with only AH requirement and private housing space provided as commercial		£1,569,947	£1,954,653	£1,569,960	£1,569,960	£368,382	£368,382	£368,382	£368,382	£368,382
RLV with Housing onsite of which 4% AH		£2,142,566	£2,042,560	£1,649,712	£1,403,279	£792,012	£841,299	£939,872	£1,137,018	£2,122,750
Difference		£0	£0	£0	£166,681	£0	£0	£0	£0	£0
Payment in Lieu per resi unit	1.92	£0	£0	£0	£86,813	£0	£0	£0	£0	£0
Payment in lieu per gross sq qm resi	169	£0	£0	£0	£986	£0	£0	£0	£0	£0

Typology 2

	medium office									
	No Pvt Units	Central area and Kings Cross development High	Kings Cross development area (Resi Med)	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with only AH requirement and private housing space provided as commercial		£4,379,598	£5,454,388	£4,379,708	£4,379,708	£1,022,975	£1,022,975	£1,022,975	£1,022,975	£1,022,975
RLV with Housing onsite of which 12% AH		£5,961,126	£5,707,151	£4,605,851	£3,928,160	£2,181,682	£2,317,219	£2,588,296	£3,130,449	£5,841,213
Difference		£0	£0	£0	£451,548	£0	£0	£0	£0	£0
Payment in Lieu per resi unit	5.28	£0	£0	£0	£85,520	£0	£0	£0	£0	£0
Payment in lieu per gross sq qm resi	465	£0	£0	£0	£971	£0	£0	£0	£0	£0

Typology 3

	medium large									
	No Pvt Units	Central area and Kings Cross development High	Kings Cross development area (Resi Med)	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with only AH requirement and private housing space provided as commercial		£11,203,316	£14,049,030	£11,204,089	£11,204,089	£2,318,006	£2,318,006	£2,318,006	£2,318,006	£2,318,006
RLV with Housing onsite of which 32% AH		£14,309,538	£14,311,997	£11,517,391	£10,108,140	£4,754,993	£4,754,572	£5,322,289	£6,444,951	£12,030,767
Difference		£0	£0	£0	£1,095,949	£0	£0	£0	£0	£0
Payment in Lieu per resi unit	10.88	£0	£0	£0	£100,731	£0	£0	£0	£0	£0
Payment in lieu per gross sq qm resi	1,018	£0	£0	£0	£1,077	£0	£0	£0	£0	£0

Typology 4

	large office									
	No Pvt Units	Central area and Kings Cross development High	Kings Cross development area (Resi Med)	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with only AH requirement and private housing space provided as commercial		£47,599,133	£63,272,144	£47,606,416	£47,606,416	£-1,346,660	£-1,346,660	£-1,346,660	£-1,346,660	£-1,346,660
RLV with Housing onsite of which 50% AH		£61,565,908	£64,244,933	£48,885,497	£42,503,432	£9,917,255	£9,796,629	£12,349,456	£17,455,107	£42,201,260
Difference		£0	£0	£0	£5,102,984	£0	£0	£0	£0	£0
Payment in Lieu per resi unit	50	£0	£0	£0	£102,060	£0	£0	£0	£0	£0
Payment in lieu per gross sq qm	4,990	£0	£0	£0	£1,023	£0	£0	£0	£0	£0

Typology 5

	large office									
	No Pvt Units	Central area and Kings Cross development High	Kings Cross development area (Resi Med)	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with only AH requirement and private housing space provided as commercial		£83,785,832	£114,062,133	£83,800,137	£83,800,137	£-7,401,147	£-7,401,147	£-7,401,147	£-7,401,147	£-7,401,147
RLV with Housing onsite of which 50% AH		£111,715,197	£116,978,620	£87,464,345	£75,331,767	£14,648,373	£14,412,689	£19,265,721	£28,971,783	£77,163,085
Difference		£0	£0	£0	£8,468,371	£0	£0	£0	£0	£0
Payment in Lieu per resi unit	100	£0	£0	£0	£84,684	£0	£0	£0	£0	£0
Payment in lieu per gross sq qm resi	9,980	£0	£0	£0	£849	£0	£0	£0	£0	£0

Typology 6

	small retail									
	No Pvt Units	Central area and Kings Cross development High	Kings Cross development area (Resi Med)	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with only AH requirement and private housing space provided as commercial		£2,157,313	£2,157,361	£2,157,361	£2,157,361	£179,587	£179,587	£179,587	£179,587	£179,587
RLV with Housing onsite of which 8% AH		£3,603,329	£3,031,947	£2,650,993	£2,174,801	£1,225,469	£1,320,707	£1,511,184	£1,892,138	£3,788,308
Difference		£0	£0	£0	£0	£0	£0	£0	£0	£0
Payment in Lieu per resi unit	3.68	£0	£0	£0	£0	£0	£0	£0	£0	£0
Payment in lieu per gross sq qm resi	324	£0	£0	£0	£0	£0	£0	£0	£0	£0

Typology 7

	larger retail									
	No Pvt Units	Central area and Kings Cross development High	Kings Cross development area (Resi Med)	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with only AH requirement and private housing space provided as commercial		£3,874,207	£3,874,355	£3,874,355	£3,874,355	£285,882	£285,882	£285,882	£285,882	£285,882
RLV with Housing onsite of which 14% AH		£6,239,534	£5,304,896	£4,681,704	£3,902,716	£2,004,053	£2,159,850	£2,471,446	£3,094,637	£6,201,792
Difference		£0	£0	£0	£0	£0	£0	£0	£0	£0
Payment in Lieu per resi unit	6.02	£0	£0	£0	£0	£0	£0	£0	£0	£0
Payment in lieu per gross sq qm resi	530	£0	£0	£0	£0	£0	£0	£0	£0	£0

Summary of PIL where only AH requirement provided on the site

Value	Price per resi unit	PIL per sq m GIA towards non-provision of MH where commercial provided instead
Central area and Kings Cross development High	£0	£0
Kings Cross development area (Resi Med)	£0	£0
Central area and Kings Cross development Low	£0	£0
Zone 1 excluding Kings Cross development	£91,961	£981
Zone 2 and Zone 4	£0	£0
Zone 3 – excluding periphery of Regent's Park Low	£0	£0
Zone 3 – excluding periphery of Regent's Park Med	£0	£0
Zone 3 – excluding periphery of Regent's Park High	£0	£0
Zone 3 – Periphery of Regent's Park only	£0	£0
Average	£91,961	£981
Lower Quartile	N/A	N/A
Lowest figure	N/A	N/A

Appendix 10 - 5e (sensitivity): Analysis of sensitivity appraisal results where commercial is provided in place of market housing but policy compliant quantum of affordable housing provided as LAR, CIR and SO

5e (sensitivity) - Payment-in-lieu of partially met requirement for onsite self-contained housing but with only affordable housing and commercial in place of market housing

Assuming RLVs generated by appraisals with: no MH i.e. only AH requirement on site provided as LAR, CIR and SO

Typology 1

	small office									
	No Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with only AH requirement and private housing space provided as commercial		£1,570,784	£1,955,480	£1,570,787	£1,570,787	£369,210	£369,210	£369,210	£369,210	£369,210
RLV with Housing onsite of which 4% AH		£2,143,389	£2,043,374	£1,650,525	£1,404,092	£792,825	£842,111	£940,685	£1,137,831	£2,123,564
Difference		£0	£0	£0	£166,694	£0	£0	£0	£0	£0
Payment in Lieu per resi unit	1.92	£0	£0	£0	£86,820	£0	£0	£0	£0	£0
Payment in lieu per gross sq qm resi	169	£0	£0	£0	£986	£0	£0	£0	£0	£0

Typology 2

	medium office									
	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with only AH requirement and private housing space provided as commercial		£4,387,124	£5,461,830	£4,387,150	£4,387,150	£1,030,418	£1,030,418	£1,030,418	£1,030,418	£1,030,418
RLV with Housing onsite of which 12% AH		£5,968,531	£5,714,473	£4,613,174	£3,935,483	£2,189,004	£2,324,542	£2,595,618	£3,137,771	£5,848,535
Difference		£0	£0	£0	£451,667	£0	£0	£0	£0	£0
Payment in Lieu per resi unit	5.28	£0	£0	£0	£85,543	£0	£0	£0	£0	£0
Payment in lieu per gross sq qm resi	465	£0	£0	£0	£971	£0	£0	£0	£0	£0

Typology 3

	medium large									
	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with only AH requirement and private housing space provided as commercial		£11,257,798	£14,102,917	£11,257,976	£11,257,976	£2,371,892	£2,371,892	£2,371,892	£2,371,892	£2,371,892
RLV with Housing onsite of which 32% AH		£14,363,144	£14,365,016	£11,570,411	£10,162,027	£4,808,880	£4,808,458	£5,376,176	£6,497,969	£12,083,786
Difference		£0	£0	£0	£1,095,949	£0	£0	£0	£0	£0
Payment in Lieu per resi unit	10.88	£0	£0	£0	£100,731	£0	£0	£0	£0	£0
Payment in lieu per gross sq qm resi	1,018	£0	£0	£0	£1,077	£0	£0	£0	£0	£0

Typology 4

	large office									
	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with only AH requirement and private housing space provided as commercial		£48,152,038	£63,819,441	£48,153,712	£48,153,712	£-790,411	£-790,411	£-790,411	£-790,411	£-790,411
RLV with Housing onsite of which 50% AH		£62,107,563	£64,792,229	£49,432,793	£43,050,729	£10,464,551	£10,343,926	£12,896,752	£18,002,405	£42,710,616
Difference		£0	£0	£0	£5,102,983	£0	£0	£0	£0	£0
Payment in Lieu per resi unit	50	£0	£0	£0	£102,060	£0	£0	£0	£0	£0
Payment in lieu per gross sq qm	4,990	£0	£0	£0	£1,023	£0	£0	£0	£0	£0

Typology 5

	large office									
	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with only AH requirement and private housing space provided as commercial		£84,871,925	£115,137,209	£84,875,213	£84,875,213	£-6,308,489	£-6,308,489	£-6,308,489	£-6,308,489	£-6,308,489
RLV with Housing onsite of which 50% AH		£116,977,070	£122,229,477	£92,715,202	£80,582,623	£17,647,427	£17,411,744	£22,264,775	£31,970,839	£80,066,395
Difference		£0	£0	£0	£4,292,590	£0	£0	£0	£0	£0
Payment in Lieu per resi unit	100	£0	£0	£0	£42,926	£0	£0	£0	£0	£0
Payment in lieu per gross sq qm resi	9,980	£0	£0	£0	£430	£0	£0	£0	£0	£0

Typology 6

	small retail									
	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with only AH requirement and private housing space provided as commercial		£2,160,658	£2,160,669	£2,160,669	£2,160,669	£182,895	£182,895	£182,895	£182,895	£182,895
RLV with Housing onsite of which 8% AH		£3,606,674	£3,035,255	£2,654,301	£2,178,107	£1,228,776	£1,324,015	£1,514,492	£1,895,446	£3,791,562
Difference		£0	£0	£0	£0	£0	£0	£0	£0	£0
Payment in Lieu per resi unit	3.68	£0	£0	£0	£0	£0	£0	£0	£0	£0
Payment in lieu per gross sq qm resi	324	£0	£0	£0	£0	£0	£0	£0	£0	£0

Typology 7

	larger retail									
	No Pvt Units	Central area and Kings Cross development High	Central area and Kings Cross development Med	Central area and Kings Cross development Low	Zone 1 excluding Kings Cross development	Zone 2 and Zone 4	Zone 3 – excluding periphery of Regent's Park Low	Zone 3 – excluding periphery of Regent's Park Med	Zone 3 – excluding periphery of Regent's Park High	Zone 3 – Periphery of Regent's Park only
RLV with only AH requirement and private housing space provided as commercial		£3,884,450	£3,884,485	£3,884,485	£3,884,485	£296,012	£296,012	£296,012	£296,012	£296,012
RLV with Housing onsite of which 14% AH		£6,249,778	£5,315,025	£4,691,834	£3,912,845	£2,014,183	£2,169,980	£2,481,576	£3,104,767	£6,211,759
Difference		£0	£0	£0	£0	£0	£0	£0	£0	£0
Payment in Lieu per resi unit	6.02	£0	£0	£0	£0	£0	£0	£0	£0	£0
Payment in lieu per gross sq qm resi	530	£0	£0	£0	£0	£0	£0	£0	£0	£0

Summary of PIL where only AH requirement provided on the site (sensitivity with SO)

		PIL per sq m towards non-provision of MH where commercial provided instead
Value	Price per resi unit	
Central area and Kings Cross development High	£0	£0
Central area and Kings Cross development Med	£0	£0
Central area and Kings Cross development Low	£0	£0
Zone 1 excluding Kings Cross development	£83,616	£897
Zone 2 and Zone 4	£0	£0
Zone 3 – excluding periphery of Regent's Park Low	£0	£0
Zone 3 – excluding periphery of Regent's Park Med	£0	£0
Zone 3 – excluding periphery of Regent's Park High	£0	£0
Zone 3 – Periphery of Regent's Park only	£0	£0
Average	£83,616	£897
Lower Quartile	N/A	N/A
Lowest figure	N/A	N/A

Appendix 11 - Summary of Sensitivity test scenarios

As identified in the study, non-residential schemes are required to deliver self-contained housing through **Policy H2**. The delivery of housing on sites subsequently triggers the requirements for contributions towards affordable housing under **Policy H4**. The Council has identified that the development of non-residential schemes across the borough can on occasion be delivered through a range of non-policy compliant scenarios. As a result, they expressed interest in understanding the PIL outcomes from sensitivity testing a number of additional scenarios. These additional scenarios are summarised as follows:

- PIL of affordable housing where market housing provided instead.
- PIL of affordable where non-residential floorspace provided instead.
- PIL of market housing where non-residential floorspace provided instead.

We set out a summary of our recommended PIL rates as identified through the analysis of our appraisal outcomes of the sensitivity test scenarios requested by the Council.

Table A11.1 Summary of potential payments-in-lieu from testing undertaken

Sc No.	PIL Scenario testing explanation	Suggested rate of PIL per sq m GIA (base scenario – AH provided as LAR and CIR)	Sensitivity testing rate of PIL per sq m GIA (AH provided as LAR, CIR and SO)
5c	Policy compliant level of self-contained housing as required by Policy H2 provided all as market housing i.e. not compliant with Policy H4	£4,750	£4,650
5d	Non-residential floorspace provided in place of policy compliant level of affordable housing. i.e. Not compliant with Policies H4 or H2	Single: £1,850 Dual: Central and Kings Cross: £5,200 Rest of Borough: £1,850	Single: £1,700 Dual: Central and Kings Cross: £5,100 Rest of Borough: £1,750
5e	Non-residential floorspace provided in place of policy compliant level of market housing. i.e. Compliant with Policy H4 but not compliant with Policy H2	Zone 1 only: £1,000	Zone 1 only: £900