
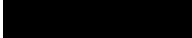



Mr Neil Archbutt MRICS
Directorate of Planning and Economic
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District Valuer Services
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Our Reference : 1474729
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Sent by email

Please ask for : David J Newham
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Date : 04 July 2014

Dear Mr Archbutt

**RE: AREA STUDY TO PROVIDE INDICATIVE TRANSFER VALUES / COMMUTED SUMS
IN RELATION TO AFFORDABLE HOUSING WITHIN EAST RIDING OF YORKSHIRE**

Further to your instructions, I am pleased to supply my report as follows.

1.0 My Instructions

- 1.1 I have been instructed by East Riding of Yorkshire Council ("the Council") to provide indicative transfer values / commuted sums in relation to affordable housing. I understand this is in preparation for the Council's forthcoming Supplementary Planning Document (SPD) on Affordable Housing.
- 1.2 I have been instructed by the Council to provide the following:
 1. **Indicative transfer values for various types of affordable housing** – equals the sum a developer would expect to receive when transferring an "affordable" home to a Registered Provider (the types of affordable housing are defined below in 2.0).
 2. **Indicative commuted sums** – defined in the Council's instructions as being the difference between the indicative transfer value of an affordable home and the anticipated Market Value of that house if it were to be made available in the open market. It is understood this will apply (to reflect the a greed mix of affordable housing) when an on-site provision cannot be delivered (where the reasons why the on-site pr ovision cannot be delivered are approved by the Council) and therefore the indicative commuted sum will be used as a 'default' position.
 3. **Standard commuted sum** – defined in the Council's instructions as being an overall average of the indicative commuted sums for the three housing types and the three affordable housing tenures (again defined below in 2.0). It is understood the standard commuted sum will be applied when the Council requires a commuted sum rather than on-site affordable units.
 4. **Indexation** – advice on an appropriate index linked mechanism to ensure the figures calculated in Parts 1 – 3 above reflect changes in the market over the period the forthcoming SPD on Affordable Housing will cover.

2.0 Affordable Housing Types – Council Instructions and My Assumptions

2.1 For Parts 1 – 3 above I have been instructed to take into account different hypothetical housing types, locational factors and different affordable housing tenures.

Hypothetical Housing Types

2.2 I have been instructed to consider 3 specific housing types, in line with the HCA's Design and Quality Standards:

- 1 bedroom 2 person, minimum size 45 sq m
- 2 bedroom 4 person, minimum size 67 sq m
- 3 bedroom 5 person, minimum size 82 sq m

2.3 The Council has not provided any further details on these housing types (e.g. whether they reflect flats, terraces, semi-detached, detached, bungalows, 2 storey, 3 storey etc). As such I have made specific assumptions based on my research into the local market. Please note my office holds details of all sales of residential properties in the region including referencing information such as accommodation, floor areas etc. I have therefore been able to assess appropriate types of new build / modern housing based on the above minimum size requirements.

2.4 For 1 bedroom dwellings, in certain areas the overwhelming majority of the sales evidence identified related to 1 bedroom flats. Where this was the case, I have assumed the 1 bedroom dwellings are provided as flats. However, in other areas (Holderness, Hull Borders and Wolds – see below 2.7) sales for both 1 bed flats and 1 bed houses were identified. In these particular locations I have provided separate transfer values / commuted sums for 1 bed flats and 1 bed houses, as 'blending' the two data sets together would provide unreliable results.

2.5 For the 2 and 3 bedroom dwellings, the majority of the sales evidence identified related to terraces and semi-detached dwellings. In some areas there was a minority of sales evidence for detached dwellings, which I have looked to incorporate into my considerations where appropriate. However, to the most part I have assumed the hypothetical 2 and 3 bedroom affordable dwellings reflect terraced and semi-detached house types.

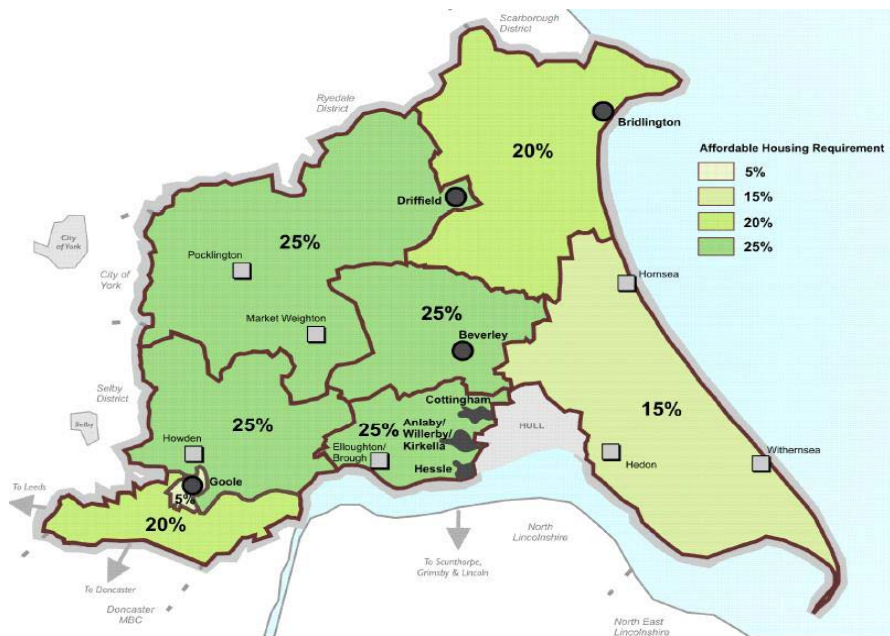
2.6 For the 3 bedroom dwellings, a high proportion of the sales evidence related to 2.5 storey houses (i.e. loft conversions) and 3 storey 'townhouse' style constructions. I consider it reasonable to assume developers would continue to provide a mix of 2, 2.5 and 3 storey housing and have therefore considered all such evidence in my assessment.

Locational factors

2.7 In addition to housing types, I have also been instructed to factor in the variance in house values experienced across different locations within the region. The Council has confirmed that Policy H2: Providing Affordable Housing of the Local Plan Proposed Submission Strategy Document splits the East Riding of Yorkshire into 8 areas:

- | | |
|------------------------------|---|
| 1. Beverley | 5. Snaith and Airmyn, Rawcliffe and Marshland |
| 2. Bridlington | 6. Holderness |
| 3. Goole North & Goole South | 7. Hull Borders |
| 4. Howden & Howdenshire | 8. Wolds |

2.8 These 8 locations are shown by the following map, as shown in the "Proposed Submission Local Plan" and in the "East Riding of Yorkshire Council Interim Approach on Affordable Housing – Background Notes" Updated December 2013:



2.9 However, it should be noted that housing markets do not necessarily recognise ward boundaries therefore there is naturally an element of ‘overlap’ between neighbouring wards when considering some of the market evidence.

Housing Tenures

2.10 For each of the above hypothetical housing types in each of the 8 geographical locations I have been instructed to consider 3 affordable housing tenure types, being Social Rent, Affordable Rent and Shared Equity 50% Purchase (sometimes referred to as Shared Ownership).

2.11 The Home and Communities Agency (“HCA”) publication “The Regulatory Framework For Social Housing in England From April 2012 – Annex A Rent Standard Guidance” March 2012 **defines Social Rent as follows:**

“When rent restructuring was introduced in April 2002, PRPs [Private Registered Providers] were required to calculate and attribute a target rent to each of their social housing properties. Actual rents were then phased to reach target rent, usually by 31 March 2012.” Pg 7 Paragraph 4.

“The Calculation of a target rent is based on a pre-set formula...The calculation is derived from a combination of property values (as at January 1999), local earnings and property size.” Pg 8 Paragraph 6.

2.12 In other words, the Registered Provider was to set a target rent each year and over a period of 10 years they were to try and gradually align the actual social rents received to this target figure. This was to be achieved by 31 March 2012 (known as the rent ‘convergence date’). The target rents were to be assessed through a pre-determined formula (further details provided below in 4.0). This was introduced because it was believed that prior to April 2002 actual social rents being paid were lagging behind anticipated levels.

2.13 However, the House of Commons Standard Note S N/SP1090 dated 25 July 2013 confirmed that:

“The current Government continued with the rent setting process put in place by the previous Government with (initially) a revised target convergence date for local authorities of 2015-16...”

- 2.14 This confirms that the original convergence date of 31 March 2012 had not been met, with statistical evidence showing that across the UK social rents were still lagging behind target rents. As such the convergence date has been pushed back to 2015-16. This is important for the purposes of my assessment as a differential between target rents and actual social rents paid therefore needs to be factored in.
- 2.15 In summary, social rents are to be based on target rents, with the latter assessed as per a pre-determined formula. However, there is still a 'lag' between the actual social rents paid and the target rents, which I have factored into my assessment using an evidence based approach.
- 2.16 The Home and Communities Agency ("HCA") publication "The Regulatory Framework For Social Housing in England From April 2012 – Annex A Rent Standard Guidance" March 2012 **defines Affordable Rent as follows:**
- "Homes let on Affordable Rent terms fall within the definition of social housing but are exempt from the full requirements of rent restructuring" Pg 13 Paragraph 2.*
- "Homes let on Affordable Rent terms should be made available at a rent level of up to 80% of gross market rents (inclusive of service charges where applicable)". P g 13 Paragraph 4.*
- "The maximum annual rent increase on an Affordable Rent property will be the Retail Price Index (RPI) + 0.5%...On each occasion that an AR tenancy is issued for a property...providers are required to re-set the rent based on a new valuation, to ensure that it remains at no more than 80 % of the relevant market rent. This requirement overrides the RPI + 0.5% limit" Pgs 14 – 15.*
- 2.17 Affordable rents are therefore excluded from the target rent formula used for social rents. Instead, they are calculated in relation to the private sector, with a maximum charge of 80% of the Market Rent. This is combined with an annual increase cap of RPI + 0.5%, albeit whenever a new tenancy is entered into the affordable rent reverts to a maximum of 80% of the Market Rent, overriding the annual increase.
- 2.18 In short Affordable Rents are calculated more simply, being in relation to the equivalent Market Rent of a particular property. The agreements themselves are also structured more in line with the private rental market, with tenancy agreements ranging from 1 – 5 years. This implies more flexibility than the longer term social rent arrangements, both for the tenant and the registered provider.
- 2.19 As part of the Government's Help to Buy initiative, further details of which were released in October 2013, the Government **defines Shared Equity housing (or Shared Ownership)** as being a scheme provided through housing associations whereby the purchaser buys a share of the home (between 25 – 75% of the home's value) and pays a rent on the remaining share.
- 2.20 To confirm, the Council has instructed me to consider a 50% share, i.e. the occupier owns a 50% share in the house and Registered Provider retains a 50% share, on which they charge a rent. I have also been asked to consider a 25% purchase, where the occupier owns a 25% share in the house and Registered Provider retains a 75% share, on which they charge a rent.
- 2.21 The HCA's Development Appraisal Tool and "Affordability Calculator" (both of which can be downloaded from the HCA's website) indicate that the maximum rent chargeable on the remaining share equates to 2.75% of that figure. For example, for a house with a Market Value of £100,000 where a 50% share is being retained by the Registered Provider, the rent they are able to charge will equate to a maximum of 2.75% of £50,000 (or £1,375) per annum.

3.0 Methodology

3.1 Prior to the commencement of the exercise I outlined to the Council various approaches to assessing transfer values and commuted sums. I have been instructed by the Council to adopt the following 2 methods:

Method 1 – Rent and capitalisation approach advocated by the HCA

3.2 The first step to identifying the hypothetical transfer values for the Social Rent and Affordable Rent tenures is to identify the gross rent for each. Various allowances are then made for management, bad debts, voids and repairs / maintenance to arrive at a net figure. A yield is then applied to the net rent to arrive at a capital value (which equates to the 'transfer value').

3.3 For Shared Equity housing, a share in the house is retained by the Registered Provider and a share is 'sold' to the occupier. To assess the transfer value a similar approach to the above (in 3.2) is taken, albeit a rent and capitalisation approach is only applied to the share retained by the Registered Provider. For the purposes of our assessment we have assumed that the Registered Provider would retain a 50% share in the house, with the remaining 50% share 'sold' to the occupier. For clarity, the rent and capitalisation approach is therefore only applied to the 50% share. The 50% share 'sold' to the occupier is simply taken as being 50% of the Market Value of the dwelling.

3.4 The Commuted Sums are then identified by taking the identified Transfer Values of each dwelling from the Market Values of each dwelling. The Market Values have been established using the comparable method, which involves identifying the sales prices of other similar properties within the locality and then making suitable adjustments to the identified values to reflect the specific size, location and nature of the house type to be valued. These adjustments are made using the valuer's judgement and based on their experience in the market.

Method 2 – Direct figures provided by Registered Providers

3.5 Local Registered Providers are engaged directly to provide their own indicative transfer values / commuted sums, based on the hypothetical housing types, location and affordable housing tenures outlined above in 2.0.

3.6 The Council confirmed the following 8 Registered Providers were 'active' in the locality at the current time and should be contacted to provide input into the exercise:

- | | |
|--------------------------------------|--------------------------------|
| 1. Chevin Housing Group | 5. Places for People |
| 2. Headrow Housing Group | 6. Sanctuary Housing North |
| 3. Home Housing Association | 7. York Housing Association |
| 4. Hull Churches Housing Association | 8. Yorkshire Community Housing |

4.0 Method 1 – Rent and capitalisation approach advocated by the HCA

4.1 Please see attached Appendix I detailing the transfer values and commuted sums for each housing type in each location for the 3 affordable housing tenures described above in 2.10 – 2.21, as at November 2013.

Social Rent

- 4.2 As indicated above, there is a pre-determined formula set by the Government for assessing appropriate Social Rents. This is detailed in HCA's "The Regulatory Framework for Social Housing in England from April 2012" March 2012, Appendices 3, 3b and 3c. This is a complicated calculation which involves identifying a 'target rent' by factoring in the property's value as well as relative local earnings. The calculation also involves 'rebasings' certain figures to a benchmark date of January 1999 (and indexing forward from this point).
- 4.3 By way of illustration, the following example provides a summary of how the formula is applied:

Table 1: Calculating Target Rent Example Based On Assumed 2 Bed House In Beverley

Inputs

National average Registered Provider rent in 1999/2000	£53.50 per wk
Average earnings in East Riding of Yorkshire Jan 1999	£318.40 per wk
National average earnings Jan 1999	£316.40 per wk
Bedroom weighting (1 bed 0.90, 2 bed 1.00, 3 bed 1.10)	1.00 (2 bed)
National average RP property value in Jan 1999	£49,750
Existing Use Value of subject house at Jan 1999	£50,000

Calculation for 'rebased' Social Rent as at Jan 1999

$£53.50 \times 0.7$ (0.7 is a set figure in the calculation)	=	£37.45
$(£318.40 / £316.40) \times £37.45$	=	£37.69
$£53.50 \times 0.3$ (0.3 is a set figure in the calculation)	=	£16.05
$(£50,000 / £49,750) \times £16.05$	=	£16.13
$£37.69 + £16.13$	=	£53.82

'Rebased' Social Rent as at Jan 1999 **£53.82**

- 4.4 As shown in Table 1, one of the inputs into the calculation is an 'Existing Use Value' ("EUV") for each specific property as at January 1999. This is defined in the guidance as being the value assuming the property is used as a residential dwelling and is provided with vacant possession. If the property was not built at this date the valuer is to assume a similar style dwelling as at January 1999.
- 4.5 In assessing the EUV as at January 1999 I have researched each individual housing type in each location. As part of the Valuation Office Agency ("VOA") we have access to all sales transactions, collated through Stamp Duty Land Tax returns. The data includes referencing information such as unit size, number of rooms, parking provisions etc. I have utilised this database in forming my opinion of each EUV.
- 4.6 Having established the EUV for each property type in each location I was then able to calculate the target rent as at January 1999. This is then brought forward to current day levels through annual indexation. The suggested increase per annum (known as the 'Guideline Limit') is based on the Retail Price Index plus 0.5%. The maximum charge allowed for any year is 105% of the Guidance Limit.
- 4.7 The annual Guideline Limits for indexation are detailed in the HCA's "The Regulatory Framework for Social Housing in England from April 2012" March 2012, Appendix 3c (Pg 27), summarized below:

Table 2: Indexation Annual Guidance Limits For Calculating Target Rents

Effective Year	Guidance Limit (% uplift from previous year)	Effective Year	Guidance Limit (% uplift from previous year)
1999/2000	4.2%	2006/2007	3.2%
2000/2001	2.1%	2007/2008	4.1%
2001/2002	4.3%	2008/2009	4.4%
2002/2003	2.2%	2009/2010	5.5%
2003/2004	2.2%	2010/2011	-0.9%
2004/2005	3.3%	2011/2012	5.1%
2005/2006	3.6%	2012/2013	6.1%

- 4.8 I adopted the above guidance limits to identify current target rents for each housing type in each location. Please note I have assumed that any service charge would only cover costs incurred (i.e. no profit is made from the service charge). I have not therefore included service charges in my assessment.
- 4.9 I then considered in more detail the relationship between the target rents and the actual Social Rents charged by Registered Providers.
- 4.10 The HCA “Statistical Release – Statistical Data Return 2012/ 13” August 2013 lists average Social Rents charged by Registered Providers against target rents (the target rents as calculated by the individual Registered Providers). This is a nationwide databank, collected directly from Registered Providers and broken down into specific regions (including information specifically for the East Riding of Yorkshire) for differing housing types. I used this to establish whether Registered Providers were meeting the ‘target rents’ in the region. The evidence demonstrates that in the East Riding of Yorkshire on average Social Rents charged for 1 bedroom dwellings equated to 103% of the target rents, for 2 bedroom dwellings 98.5% of the target rent and for 3 bedroom dwellings 99% of the target rent. In undertaking my assessment I adopted the same ratios for each housing type when assessing the actual gross Social Rents charged against the identified target rents.
- 4.11 As detailed above in 3.2 I then looked to ‘net’ down the gross Social Rent by making allowances for management, bad debts, voids and repairs / maintenance. For Social Rent I adopted fixed costs of £500 for management and £600 to reflect general repairs / maintenance. I also made an allowance of 3% of the gross Social Rent to reflect bad / debts and voids.
- 4.12 Having identified a net Social Rent I then adopted a capitalisation rate (yield) of circa 6%.
- 4.13 Expressing the Transfer Value as a percentage of Market Value, I identified a range of 37.73% - 52.00%. For the East Riding of Yorkshire region (for all housing types) the average equates to 43.98% of Market Value.

Affordable Rent

- 4.14 In assessing the Affordable Rent I specifically assumed that a Registered Provider would look to charge the maximum allowed, being 80% of the Market Rent. Again, I have assumed that any service charge would only cover costs incurred (i.e. no profit is made from the service charge). I have not therefore included service charges in my assessment.
- 4.15 To assess the Market Rent I researched the East Riding region, with reference to both completed lettings and properties currently available on the market. Once an average Market Rent was identified for each housing type in each location I calculated 80% of this figure (reflecting the maximum chargeable rent outlined above in 4.14, being 80% of Market Rent).

- 4.16 Having identified the gross Affordable Rent I gain made the same allowances as detailed above in 4.11 to arrive at a net Affordable Rent.
- 4.17 I then applied a capitalisation rate (yield) of circa 6% to arrive at the transfer value.
- 4.18 As a percentage of Market Value, I identified a range of 40.62% - 53.35%. For the East Riding of Yorkshire region (for all housing types) the average equates to 48.25% of Market Value.

Shared Equity (RP purchases 50% share)

- 4.19 In assessing Market Values for each housing type in each location I have again utilized the sales evidence database held by the VOA. As per the approved approach, the identified Market Values have then been used to assess the 50% share transferred to the occupier.
- 4.20 For the remaining 50% share, I have assumed the rent charged by the Registered Provider would always equate to the maximum rate of 2.75%, giving the gross rent chargeable.
- 4.21 As per the social and affordable rent tenures, it is then necessary to identify a net rent. The costs associated with a shared equity dwelling are considered to be lower than the social and affordable rent tenures. In this case I consider a fixed management charge of £250 plus a 1% allowance for bad debts / voids to be appropriate.
- 4.22 I then applied a capitalisation rate (yield) of circa 6% to arrive at the transfer value.
- 4.23 Expressing the Transfer Value as a percentage of Market Value, I identified a range of 67.13% - 70.16%. For the East Riding of Yorkshire region (for all housing types) the average equated to 68.71% of Market Value.

Shared Equity (RP purchases 75% share)

- 4.24 I have adopted the same approach as detailed above in 4.19, albeit on the basis that the occupier takes a 25% share and Registered Provider retains a 75% share.
- 4.25 Expressing the Transfer Value as a percentage of Market Value, I identified a range of 53.48% - 56.51%. The average equated to 55.06% of Market Value.

5.0 Method 2 – Direct figures provided by Registered Providers

- 5.1 I contacted each of the 8 Registered Providers through 2 rounds of emails, using the contact details as provided by the Council.
- 5.2 Unfortunately there was a limited response so I am unable to provide a detailed comparison with the figures identified through Method 1.

6.0 Indexation

- 6.1 I have been asked to comment upon a suitable mechanism to ensure the indicative and standard commuted sums fluctuate in line with future market conditions.

Methodology

- 6.2 As detailed above in 1.2 there are two key elements which are necessary to calculate the commuted sum; the transfer value and the market value of each specific dwelling. Each element, and specifically how each fluctuates over time, needs to therefore be considered.

- 6.3 In terms of transfer values, as detailed above there are different methods of calculation for each tenure type. For social rented units a complex formula is applied which depends on a variety of inputs. For affordable rented units an assessment is based principally on a proportion of the Market Rent and then capitalised. For shared equity units this depends on the level of equity retained by the Registered Provider. In short, there are therefore a variety of factors / inputs which impact on the assessment of transfer values which are like to fluctuate at different rates depending on the prevalent market conditions. This makes indexation difficult. The most robust approach would therefore be to replicate the methods adopted above in 4.0 for each tenure basis. Repeating the exercise on an annual basis would ensure general changes in the market were being reflected as accurately as possible.
- 6.4 However, it is acknowledged this may not be practical. Alternatively, a simpler, more general approach could be considered, linking the transfer values to either the Retail Price Index ("RPI") or the Consumer Price Index ("CPI"). In assessing an appropriate target rent for social rent units the maximum recommended increase per annum is set as RPI + 0.5% (see above 4.6), albeit from 2015/2016 this will be changed to CPI + 1%. Furthermore, for affordable rented units the maximum increase per annum is also set as RPI + 0.5%. It would therefore seem sensible to adopt a similar approach when considering future growth in transfer values.
- 6.5 As to whether to use RPI + 0.5% or CPI + 1.0% my research suggests, on average, these broadly give the same answer. Please see below Table 3 which details the annual UK RPI and CPI inflation over a 10 year period from 2004 (as taken the Office for National Statistics website). The table also shows the average change per annum for each during the 10 year sample period.

Table 3: Annual RPI and CPI Since 2004

Year	RPI Average Increase per annum	CPI Average Increase per annum
2004	3.00%	1.50%
2005	2.80%	2.10%
2006	3.20%	2.60%
2007	4.30%	2.20%
2008	4.00%	3.80%
2009	-0.50%	2.25%
2010	4.60%	3.52%
2011	5.20%	4.32%
2012	3.20%	2.70%
2013	3.00%	2.31%
AV	3.28%	2.73%

- 6.6 Using the average rate over the last 10 years, RPI + 0.5% equates to circa 3.75% and likewise CPI + 1% also equates to circa 3.75%. In this regard, on average, there is therefore considered to be little difference in the end result when RPI and CPI are applied in this way.
- 6.7 Going forward, to assess future growth in transfer values the Council could therefore consider adopting an annual increase of 3.75% (using the transfer values given in this report as the 'base' point for assessment). Alternatively, the Council could apply the previous years RPI + 0.5% / CPI + 1.00% (whichever the Council decides to be appropriate).
- 6.8 As for house prices, predicting future trends is extremely difficult, particularly over the short to medium term. However, adopting the same generalised approach adopted with regard to transfer values, I have considered house price inflation in England and Wales also over the last 10 years in an attempt to identify a general trend in growth (please note I consider it appropriate to adopt house prices from England and Wales to be consistent, as the RPI / CPI data is taken on a national basis).

- 6.9 Table 4 below shows the annual change in house price across England and Wales since 2004 (taken from the Land Registry House Price Index, available on the Land Registry website), together with the average change per annum during this 10 year period:

Table 4: Annual House Price Inflation Since 2004 (England and Wales)

Year	Average House Price Inflation per annum
2004	11.69%
2005	2.96%
2006	7.79%
2007	5.31%
2008	-14.73%
2009	4.94%
2010	-0.48%
2011	-0.89%
2012	0.99%
2013	4.52%
AV	2.21%

- 6.10 Again, going forward the Council could consider applying average annual growth in house prices of say 2.20% (using the Market Values detailed in this report as the 'base' point for assessment). Alternatively, the previous years change in house prices, as shown on the Land Registry House Price Index, could also be applied.

Summary

- 6.11 In assessing the indicative / standard commuted sums at different points in the future the most robust approach would be to replicate the methods adopted above in this report for each tenure basis.
- 6.12 However, if this is not considered to be practical alternatively a simpler approach could be adopted, summarized below:

Method 1

- Use the transfer values detailed in this report as the 'baseline' figures on which any future indexation is based.
- For each property type, tenure and location inflate the previous years transfer value by 3.75%.
- For each property type, tenure and location inflate the previous years market value by 2.20%.
- Net the transfer value from the Market Value to arrive at the indicative commuted sum for each property type and tenure in each location.
- Once all the transfer values for each property type and tenure in each location have been identified divide these by the number of transfer values identified to arrive at a standard commuted sum
- For example, in Beverley there are 3 houses types (1 bed, 2 bed and 3 bed) and 3 tenure bases (social, affordable and shared equity). This means there will be 9 transfer values identified. To arrive at the standard commuted sum add all 9 transfer values and then divide by 9).

Method 2

- Use the transfer values detailed in this report as the 'baseline' figures on which any future indexation is based.

- For each property type, tenure and location inflate the previous years transfer value by the previous years average national RPI + 0.5% or the previous years average national CPI + 1.00%.
- For each property type, tenure and location inflate the previous years market value by previous years average change in house prices for England and Wales.
- Net the market value from the transfer value to arrive at the indicative commuted sum for each property type and tenure in each location.
- Once all the transfer values for each property type and tenure in each location have been identified divide these by the number of transfer values identified to arrive at a standard commuted sum (as per the example above in Method 1).

7.0 Summary

- 7.1 Having undertaken a detailed review I have established the following average transfer values and indicative commuted sums for the 8 pre-defined East Riding Regions (expressed in terms of a percentage of equivalent Market Value homes):

Table 5: Summary of findings – Indicative Transfer Values November 2013

	Social Rent TV (% of MV)	Affordable Rent TV (% of MV)	50/50 Shared Equity TV (% of MV)	25/75 Shared Equity TV (% of MV)	Market Values (£)
Beverley					
1 bed (flats)	43%	48%	69%	55%	100,000
2 bed	38%	44%	70%	56%	135,000
3 bed	38%	41%	70%	57%	165,000
Hull Borders					
1 bed (flats)	47%	46%	68%	55%	95,000
1 bed (houses)	44%	49%	69%	55%	100,000
2 bed	39%	47%	70%	56%	135,000
3 bed	40%	46%	70%	56%	155,000
Wolds					
1 bed (flats)	46%	46%	68%	54%	90,000
1 bed (houses)	46%	42%	68%	54%	90,000
2 bed	40%	47%	69%	56%	130,000
3 bed	41%	50%	70%	56%	150,000
Howden & Howdenshire					
1 bed (flats)	48%	47%	68%	54%	85,000
2 bed	40%	47%	69%	56%	125,000
3 bed	41%	50%	70%	56%	145,000
Holderness					
1 bed (flats)	49%	50%	67%	54%	80,000
1 bed (houses)	48%	49%	68%	54%	85,000
2 bed	41%	49%	69%	56%	120,000
3 bed	42%	52%	70%	56%	140,000
Bridlington					
1 bed (flats)	52%	48%	67%	53%	75,000
2 bed	44%	50%	69%	55%	115,000
3 bed	44%	53%	70%	56%	135,000
Goole North and Goole South					
1 bed (flats)	49%	53%	67%	53%	75,000
2 bed	41%	50%	69%	55%	110,000
3 bed	42%	53%	69%	56%	130,000

Snaith / Airmyn / Rawcliffe / Marshland					
1 bed (flats)	49%	48%	67%	53%	75,000
2 bed	41%	50%	69%	55%	110,000
3 bed	42%	53%	69%	56%	130,000
Area wide averages					
1 bed (flats)	48%	48%	68%	54%	84,375
1 bed (houses)	46%	47%	68%	54%	91,667
2 bed	41%	48%	69%	56%	122,500
3 bed	41%	50%	70%	56%	143,750

7.2 From this data I was able to establish the standard commuted sums for each area (which is to be applied when the Council requires a commuted sum rather than on-site affordable units).

Table 6: Summary of findings – Standard Commuted Sums November 2013

	Standard Commuted Sums (£)
Beverley	65,606
Hull Borders	57,803
Wolds	53,785
Howden & Howdenshire	55,319
Holderness	48,482
Bridlington	48,732
Goole North and Goole South	47,402
Snaith / Airmyn / Rawcliffe / Marshland	47,833

7.3 By way of comparison, DTZ's "Affordable Housing Viability Assessment" March 2010 indicated social rented transfer values at 35% of Market Values and Shared Equity housing at 65%. My study has therefore produced slightly higher transfer values for these tenure bases.

7.4 Due to the limited response from the Registered Providers I am unable to provide a detailed comparison with actual transfer values being paid in the region.

7.5 As for indexation, the most robust approach is to reassess the transfer values on an annual basis, replicating the Government set formula detailed above in "Method 1 – rent and capitalisation" approach. However, it is acknowledged that replicating this methodology on an annual basis would be costly to the Council and also potentially time consuming.

7.6 Alternatively, the Council may consider simply linking the transfer values to RPI / CPI and the market values to the Land Registry House Price Index (as detailed above in section 6.0). The former can then be taken from the latter to arrive at an indicative commuted sum. The standard commuted sum is then assessed as being the average of the indicative commuted sums.

I would be pleased to discuss the foregoing if you wish.

Yours sincerely



David Newham MRICS RICS Registered Valuer
DVS
District Valuer Services

APPENDIX I - TRANSFER VALUES AND COMMUTED SUMS SUMMARY SHEET

	MV (£)	Market Rent (£ p.a)	Social Rent TV (£)	% of MV	Social Rent Comm. Sum (£)	Affordable Rent TV (£)	% of MV	Afford Rent Comm. Sum (£)	50/50 Shared Equity TV	% of MV	Shared Comm. Sum (£)	25/75 Shared Equity TV	% of MV	Shared Comm. Sum (£)
1 Bed Flat - Housing Market Areas														
Beverley	100,000	5,100	43,348	43.35%	56,652	47,625	47.63%	52,375	68,521	68.52%	31,479	54,865	54.87%	45,135
Hull Borders	95,000	4,800	44,437	46.78%	50,563	43,750	46.05%	51,250	64,886	68.30%	30,114	51,913	54.65%	43,087
Wolds	90,000	4,620	41,177	45.75%	48,823	41,421	46.02%	48,579	61,252	68.06%	28,748	48,961	54.40%	41,039
Howden & Howdenshire	85,000	4,500	41,177	48.44%	43,823	39,866	46.90%	45,134	57,618	67.79%	27,382	46,010	54.13%	38,990
Holderness	80,000	4,500	38,998	48.75%	41,002	39,866	49.83%	40,134	53,983	67.48%	26,017	43,058	53.82%	36,942
Bridlington	75,000	4,200	38,998	52.00%	36,002	35,991	47.99%	39,009	50,349	67.13%	24,651	40,107	53.48%	34,893
Goole North and South	75,000	4,500	36,827	49.10%	38,173	39,866	53.15%	35,134	50,349	67.13%	24,651	40,107	53.48%	34,893
Snaith, Airmyn, Rawcliffe	75,000	4,200	36,827	49.10%	38,173	35,991	47.99%	39,009	50,349	67.13%	24,651	40,107	53.48%	34,893
All 8 areas	84,375	4,553	40,224	47.91%	44,151	40,547	48.20%	43,828	57,163	67.69%	27,212	45,641	54.04%	38,734
1 Bed House - Housing Market Areas														
Beverley	n/a													
Hull Borders	100,000	4,800	44,437	44.44%	55,563	43,750	43.75%	56,250	68,521	68.52%	31,479	54,865	54.87%	45,135
Wolds	90,000	4,800	41,177	45.75%	48,823	43,750	48.61%	46,250	61,252	68.06%	28,748	48,961	54.40%	41,039
Howden & Howdenshire	n/a													
Holderness	85,000	4,620	41,177	48.44%	43,823	41,421	48.73%	43,579	57,618	67.79%	27,382	46,010	54.13%	38,990
Bridlington	n/a													
Goole North and South	n/a													
Snaith, Airmyn, Rawcliffe	n/a													
All 8 areas	91,667	4,740	42,264	46.21%	49,403	42,974	47.03%	48,693	62,464	68.12%	29,203	49,945	54.47%	41,721
2 Bed House - Housing Market Areas														
Beverley	135,000	6,000	51,781	38.36%	83,219	59,269	43.90%	75,731	93,961	69.60%	41,039	75,526	55.95%	59,474
Hull Borders	135,000	6,300	52,822	39.13%	82,178	63,144	46.77%	71,856	93,961	69.60%	41,039	75,526	55.95%	59,474
Wolds	130,000	6,180	51,781	39.83%	78,219	61,597	47.38%	68,403	90,327	69.48%	39,673	72,574	55.83%	57,426
Howden & Howdenshire	125,000	6,000	49,707	39.77%	75,293	59,269	47.42%	65,731	86,693	69.35%	38,307	69,622	55.70%	55,378
Holderness	120,000	6,000	48,666	40.56%	71,334	59,269	49.39%	60,731	83,058	69.22%	36,942	66,671	55.56%	53,329
Bridlington	115,000	5,820	50,748	44.13%	64,252	56,940	49.51%	58,060	79,424	69.06%	35,576	63,719	55.41%	51,281
Goole North and South	110,000	5,700	45,551	41.41%	64,449	55,385	50.35%	54,615	75,790	68.90%	34,210	60,768	55.24%	49,232
Snaith, Airmyn, Rawcliffe	110,000	5,700	45,551	41.41%	64,449	55,385	50.35%	54,615	75,790	68.90%	34,210	60,768	55.24%	49,232
All 8 areas	122,500	5,963	49,576	40.57%	72,924	58,782	48.13%	63,718	84,876	69.26%	37,625	68,147	55.61%	54,353
3 Bed House - Housing Market Areas														
Beverley	165,000	6,600	62,249	37.73%	102,751	67,028	40.62%	97,972	115,768	70.16%	49,232	93,235	56.51%	71,765
Hull Borders	155,000	6,900	62,249	40.16%	92,751	70,903	45.74%	84,097	108,499	70.00%	46,501	87,332	56.34%	67,668
Wolds	150,000	7,200	61,199	40.80%	88,801	74,787	49.86%	75,213	104,865	69.91%	45,135	84,380	56.25%	65,620
Howden & Howdenshire	145,000	7,020	59,109	40.76%	85,891	72,459	49.97%	72,541	101,230	69.81%	43,770	81,429	56.16%	63,571
Holderness	140,000	7,020	59,109	42.22%	80,891	72,459	51.76%	67,541	97,596	69.71%	42,404	78,477	56.06%	61,523
Bridlington	135,000	6,900	59,101	43.78%	75,899	70,903	52.52%	64,097	93,961	69.60%	41,039	75,526	55.95%	59,474
Goole North and South	130,000	6,780	54,929	42.25%	75,071	69,357	53.35%	60,643	90,327	69.48%	39,673	72,574	55.83%	57,426
Snaith, Airmyn, Rawcliffe	130,000	6,780	54,929	42.25%	75,071	69,357	53.35%	60,643	90,327	69.48%	39,673	72,574	55.83%	57,426
All 8 areas	143,750	6,900	59,109	41.24%	84,641	70,907	49.65%	72,843	100,322	69.77%	43,428	80,691	56.11%	63,059
Housing Market Areas Averages	116,875	5,805	49,636	43.98%	67,239	56,745	48.25%	60,130	80,787	68.71%	36,088	64,826	55.66%	52,049
Standard Commuted Sum														
Beverley	65,606													
Hull Borders	57,803													
Wolds	53,785													
Howden & Howdenshire	55,319													
Holderness	48,482													
Bridlington	48,732													
Goole North and South	47,402													
Snaith, Airmyn, Rawcliffe	47,833													
Notes														
Market Rent	This assumes unfurnished accommodation and excludes any service charges, bills etc													
Social Rent	Should have come into line with "Target Rent" by 31 Mar 2012. However, the convergence date has been extended to 2015-16. Used HCA Statistical Data Return for assessing relationship between rent charged and target rent For 1 bed flats used 103% of Target Rent. For 2 bed houses used 98.5% of Target Rent. For 3 bed houses used 99% of Target Rent For 1 bed flats assume there is a service charge (being £8 per wk, evidenced from HCA Statistical Data Return). However, assume no profit is made on the service charge. For 2 & 3 bed houses service charges are excluded from the Social Rent The figure stated is a gross rent, a net rent is arrived by subtracting an allowance for management, bad debts, voids, sinking fund, maintenance etc													
Target Rent	Market Values established for each property type in each location as at Jan 1999, as per the pre-set statutory formula. For 1 bed flats assume there is a service charge (being £8 per wk, evidenced from HCA Statistical Data Return). However, assume no profit is made on the service charge. For 2 & 3 bed houses service charges are excluded from the Social Rent The figure stated is a gross rent, a net rent is arrived by subtracting an allowance for management, bad debts, voids, sinking fund, maintenance etc													

APPENDIX I - TRANSFER VALUES AND COMMUTED SUMS

Pg 2

1. BEVERLEY HOUSING MARKET AREA
AFFORDABLE HOUSING POLICY

25%

	1 bed	2 bed	3 bed
Average Sq m	45.00	67.00	82.00
	Flats	Houses	Houses
Market Value - £ per sq m	£ 2,222	£ 2,015	£ 2,012
Market Value - total	£100,000	£ 135,000	£ 165,000
Existing Use Value - Jan 1999	£ 35,000	£ 50,000	£ 62,500
Market Rent (per wk)	£ 98.08	£ 115.38	£ 126.92
Market Rent (pcm)	£ 425	£ 500	£ 550
Market Rent (per annum)	£ 5,100	£ 6,000	£ 6,600
Social Rent (per wk)	£ 75.52	£ 85.97	£ 98.94
Target Rent (per wk)	£ 73.32	£ 87.28	£ 99.94
Affordable Rent (per wk)	£ 78.46	£ 92.31	£ 101.54

INDICATIVE TRANSFER VALUES	1 bed	% of MV	2 bed	% of MV	3 bed	% of MV
Social Rent	£ 43,348	43.35%	£ 51,781	38.36%	£ 62,249	37.73%
Affordable Rent	£ 47,625	47.63%	£ 59,269	43.90%	£ 67,028	40.62%
Shared Equity (50% purchase)	£ 68,521	68.52%	£ 93,961	69.60%	£ 115,768	70.16%
Shared Equity (25% purchase)	£ 54,865	54.87%	£ 75,526	55.95%	£ 93,235	56.51%

INDICATIVE COMMUTED SUM	1 bed		2 bed		3 bed
Social Rent	£ 56,652		£ 83,219		£ 102,751
Affordable Rent	£ 52,375		£ 75,731		£ 97,972
Shared Equity (50% purchase)	£ 31,479		£ 41,039		£ 49,232

STANDARD COMMUTED SUM		
Average of all 3 tenures & dwelling types		£ 65,606

2. BRIDLINGTON HOUSING MARKET AREA

AFFORDABLE HOUSING POLICY

20%

		1 bed	2 bed	3 bed
Average Sq m		45.00	67.00	82.00
		Flats	Houses	Houses
Market Value - £ per sq m	£	1,667	1,716	1,646
Market Value - total	£	75,000	115,000	135,000
Existing Use Value - Jan 1999	£	25,000	47,500	55,000
Market Rent (per wk)	£	80.77	111.92	132.69
Market Rent (pcm)	£	350	485	575
Market Rent (per annum)	£	4,200	5,820	6,900
Social Rent (per wk)	£	70.13	84.69	95.05
Target Rent (per wk)	£	68.09	85.98	96.01
Affordable Rent (per wk)	£	64.62	89.54	106.15

INDICATIVE TRANSFER VALUES	1 bed	% of MV	2 bed	% of MV	3 bed	% of MV
Social Rent	£ 38,998	52.00%	£ 50,748	44.13%	£ 59,101	43.78%
Affordable Rent	£ 35,991	47.99%	£ 56,940	49.51%	£ 70,903	52.52%
Shared Equity (50% purchase)	£ 50,349	67.13%	£ 79,424	69.06%	£ 93,961	69.60%
Shared Equity (25% purchase)	£ 40,107	53.48%	£ 63,719	55.41%	£ 75,526	55.95%

INDICATIVE COMMUTED SUM	1 bed		2 bed		3 bed
Social Rent	£ 36,002		£ 64,252		£ 75,899
Affordable Rent	£ 39,009		£ 58,060		£ 64,097
Shared Equity (50% purchase)	£ 24,651		£ 35,576		£ 41,039

STANDARD COMMUTED SUM		
Average of all 3 tenures & dwelling types		£ 48,732

APPENDIX I - TRANSFER VALUES AND COMMUTED SUMS Pg 4
3. GOOLE NORTH AND GOOLE SOUTH HOUSING MARKET AREA
AFFORDABLE HOUSING POLICY 5%

	1 bed	2 bed	3 bed
Average Sq m	45.00	67.00	82.00
	Flats	Houses	Houses
Market Value - £ per sq m	£ 1,667	£ 1,642	£ 1,585
Market Value - total	£75,000	£ 110,000	£ 130,000
Existing Use Value - Jan 1999	£20,000	£ 35,000	£ 45,000
Market Rent (per wk)	£ 86.54	£ 109.62	£ 130.38
Market Rent (pcm)	£ 375	£ 475	£ 565
Market Rent (per annum)	£ 4,500	£ 5,700	£ 6,780
Social Rent (per wk)	£ 67.44	£ 78.25	£ 89.87
Target Rent (per wk)	£ 65.48	£ 79.44	£ 90.78
Affordable Rent (per wk)	£ 69.23	£ 87.69	£ 104.31

INDICATIVE TRANSFER VALUES	1 bed	% of MV	2 bed	% of MV	3 bed	% of MV
Social Rent	£ 36,827	49.10%	£ 45,551	41.41%	£ 54,929	42.25%
Affordable Rent	£ 39,866	53.15%	£ 55,385	50.35%	£ 69,357	53.35%
Shared Equity (50% purchase)	£ 50,349	67.13%	£ 75,790	68.90%	£ 90,327	69.48%
Shared Equity (25% purchase)	£ 40,107	53.48%	£ 60,768	55.24%	£ 72,574	55.83%

INDICATIVE COMMUTED SUM	1 bed	2 bed	3 bed
Social Rent	£ 38,173	£ 64,449	£ 75,071
Affordable Rent	£ 35,134	£ 54,615	£ 60,643
Shared Equity (50% purchase)	£ 24,651	£ 34,210	£ 39,673

STANDARD COMMUTED SUM	
Average of all 3 tenures & dwelling types	£ 47,402

APPENDIX I - TRANSFER VALUES AND COMMUTED SUMS Pg 5
4. HOWDEN AND HOWDENSHERE HOUSING MARKET AREA
AFFORDABLE HOUSING POLICY 25%

	1 bed	2 bed	3 bed
Average Sq m	45.00	67.00	82.00
	<i>Flats</i>	<i>Houses</i>	<i>Houses</i>
Market Value - £ per sq m	£ 1,889	£ 1,866	£ 1,768
Market Value - total	£ 85,000	£ 125,000	£ 145,000
Existing Use Value - Jan 1999	£ 30,000	£ 45,000	£ 55,000
Market Rent (per wk)	£ 86.54	£ 115.38	£ 135.00
Market Rent (pcm)	£ 375	£ 500	£ 585
Market Rent (per annum)	£ 4,500	£ 6,000	£ 7,020
Social Rent (per wk)	£ 72.83	£ 83.40	£ 95.05
Target Rent (per wk)	£ 70.71	£ 84.67	£ 96.01
Affordable Rent (per wk)	£ 69.23	£ 92.31	£ 108.00

INDICATIVE TRANSFER VALUES	1 bed	% of MV	2 bed	% of MV	3 bed	% of MV
Social Rent	£ 41,177	48.44%	£ 49,707	39.77%	£ 59,109	40.76%
Affordable Rent	£ 39,866	46.90%	£ 59,269	47.42%	£ 72,459	49.97%
Shared Equity (50% purchase)	£ 57,618	67.79%	£ 86,693	69.35%	£ 101,230	69.81%
Shared Equity (25% purchase)	£ 46,010	54.13%	£ 69,622	55.70%	£ 81,429	56.16%

INDICATIVE COMMUTED SUM	1 bed	2 bed	3 bed
Social Rent	£ 43,823	£ 75,293	£ 85,891
Affordable Rent	£ 45,134	£ 65,731	£ 72,541
Shared Equity (50% purchase)	£ 27,382	£ 38,307	£ 43,770

STANDARD COMMUTED SUM	
Average of all 3 tenures & dwelling types	£ 55,319

APPENDIX I - TRANSFER VALUES AND COMMUTED SUMS Pg 6
5. SNAITH AND AIRMYN AND RAWCLIFFE AND MARSHLAND HOUSING MARKET AREA
AFFORDABLE HOUSING POLICY 20%

	1 bed	2 bed	3 bed
Average Sq m	45.00	67.00	82.00
	<i>Flats</i>	<i>Houses</i>	<i>Houses</i>
Market Value - £ per sq m	£ 1,667	£ 1,642	£ 1,585
Market Value - total	£75,000	£ 110,000	£ 130,000
Existing Use Value - Jan 1999	£20,000	£ 35,000	£ 45,000
Market Rent (per wk)	£ 80.77	£ 109.62	£ 130.38
Market Rent (pcm)	£ 350	£ 475	£ 565
Market Rent (per annum)	£ 4,200	£ 5,700	£ 6,780
Social Rent (per wk)	£ 67.44	£ 78.25	£ 89.87
Target Rent (per wk)	£ 65.48	£ 79.44	£ 90.78
Affordable Rent (per wk)	£ 64.62	£ 87.69	£ 104.31

INDICATIVE TRANSFER VALUES	1 bed	% of MV	2 bed	% of MV	3 bed	% of MV
Social Rent	£ 36,827	49.10%	£ 45,551	41.41%	£ 54,929	42.25%
Affordable Rent	£ 35,991	47.99%	£ 55,385	50.35%	£ 69,357	53.35%
Shared Equity (50% purchase)	£ 50,349	67.13%	£ 75,790	68.90%	£ 90,327	69.48%
Shared Equity (25% purchase)	£ 40,107	53.48%	£ 60,768	55.24%	£ 72,574	55.83%

INDICATIVE COMMUTED SUM	1 bed		2 bed		3 bed
Social Rent	£ 38,173		£ 64,449		£ 75,071
Affordable Rent	£ 39,009		£ 54,615		£ 60,643
Shared Equity (50% purchase)	£ 24,651		£ 34,210		£ 39,673

STANDARD COMMUTED SUM		
Average of all 3 tenures & dwelling types		£ 47,833

6. HOLDERNESS HOUSING MARKET AREA

AFFORDABLE HOUSING POLICY

15%

	1 bed	1 bed	2 bed	3 bed
Average Sq m	45.00	45.00	67.00	82.00
	<i>Flats</i>	<i>Houses</i>	<i>Houses</i>	<i>Houses</i>
Market Value - £ per sq m	£ 1,778	£ 1,889	£ 1,791	£ 1,707
Market Value - total	£ 80,000	£ 85,000	£ 120,000	£ 140,000
Existing Use Value - Jan 1999	£ 25,000	£ 30,000	£ 42,500	£ 55,000
Market Rent (per wk)	£ 86.54	£ 88.85	£ 115.38	£ 135.00
Market Rent (pcm)	£ 375	£ 385	£ 500	£ 585
Market Rent (per annum)	£ 4,500	£ 4,620	£ 6,000	£ 7,020
Social Rent (per wk)	£ 70.13	£ 72.83	£ 82.11	£ 95.05
Target Rent (per wk)	£ 68.09	£ 70.71	£ 83.36	£ 96.01
Affordable Rent (per wk)	£ 69.23	£ 71.08	£ 92.31	£ 108.00

INDICATIVE TRANSFER VALUES	1 bed	% of MV	1 bed	% of MV	2 bed	% of MV	3 bed	% of MV
Social Rent	£ 38,998	48.75%	£ 41,177	48.44%	£ 48,666	40.56%	£ 59,109	42.22%
Affordable Rent	£ 39,866	49.83%	£ 41,421	48.73%	£ 59,269	49.39%	£ 72,459	51.76%
Shared Equity (50% purchase)	£ 53,983	67.48%	£ 57,618	67.79%	£ 83,058	69.22%	£ 97,596	69.71%
Shared Equity (25% purchase)	£ 43,058	53.82%	£ 46,010	54.13%	£ 66,671	55.56%	£ 78,477	56.06%

INDICATIVE COMMUTED SUM	1 bed		1 bed		2 bed		3 bed
Social Rent	£ 41,002		£ 43,823		£ 71,334		£ 80,891
Affordable Rent	£ 40,134		£ 43,579		£ 60,731		£ 67,541
Shared Equity (50% purchase)	£ 26,017		£ 27,382		£ 36,942		£ 42,404

STANDARD COMMUTED SUM		
Average of all 3 tenures & dwelling types		£ 48,482

7. HULL BORDERS HOUSING MARKET AREA
AFFORDABLE HOUSING POLICY 25%

	1 bed	1 bed	2 bed	3 bed
Average Sq m	45.00	45.00	67.00	82.00
	Flats	Houses	Houses	Houses
Market Value - £ per sq m	£ 2,111	£ 2,222	£ 2,015	£ 1,890
Market Value - total	£ 95,000	£ 100,000	£ 135,000	£ 155,000
Existing Use Value - Jan 1999	£ 37,500	£ 37,500	£ 52,500	£ 62,500
Market Rent (per wk)	£ 92.31	£ 92.31	£ 121.15	£ 132.69
Market Rent (pcm)	£ 400	£ 400	£ 525	£ 575
Market Rent (per annum)	£ 4,800	£ 4,800	£ 6,300	£ 6,900
Social Rent (per wk)	£ 76.87	£ 76.87	£ 87.26	£ 98.94
Target Rent (per wk)	£ 74.63	£ 74.63	£ 88.59	£ 99.94
Affordable Rent (per wk)	£ 73.85	£ 73.85	£ 96.92	£ 106.15

INDICATIVE TRANSFER VALUES	1 bed	% of MV	1 bed	% of MV	2 bed	% of MV	3 bed	% of MV
Social Rent	£ 44,437	46.78%	£ 44,437	44.44%	£ 52,822	39.13%	£ 62,249	40.16%
Affordable Rent	£ 43,750	46.05%	£ 43,750	43.75%	£ 63,144	46.77%	£ 70,903	45.74%
Shared Equity (50% purchase)	£ 64,886	68.30%	£ 68,521	68.52%	£ 93,961	69.60%	£ 108,499	70.00%
Shared Equity (25% purchase)	£ 51,913	54.65%	£ 54,865	54.87%	£ 75,526	55.95%	£ 87,332	56.34%

INDICATIVE COMMUTED SUM	1 bed		1 bed		2 bed		3 bed
Social Rent	£ 50,563		£ 55,563		£ 82,178		£ 92,751
Affordable Rent	£ 51,250		£ 56,250		£ 71,856		£ 84,097
Shared Equity (50% purchase)	£ 30,114		£ 31,479		£ 41,039		£ 46,501

STANDARD COMMUTED SUM		
Average of all 3 tenures & dwelling types		£ 57,803

8. WOLDS HOUSING MARKET AREA

AFFORDABLE HOUSING POLICY

25%

		1 bed	1 bed	2 bed	3 bed
Average Sq m		45.00	45.00	67.00	82.00
		Flats	Houses	Houses	Houses
Market Value - £ per sq m	£	2,000	£ 2,000	£ 1,940	£ 1,829
Market Value - total	£	90,000	£ 90,000	£ 130,000	£ 150,000
Existing Use Value - Jan 1999	£	30,000	£ 30,000	£ 50,000	£ 60,000
Market Rent (per wk)	£	88.85	£ 92.31	£ 118.85	£ 138.46
Market Rent (pcm)	£	385	£ 400	£ 515	£ 600
Market Rent (per annum)	£	4,620	£ 4,800	£ 6,180	£ 7,200
Social Rent (per wk)	£	72.83	£ 72.83	£ 85.97	£ 97.64
Target Rent (per wk)	£	70.71	£ 70.71	£ 87.28	£ 98.63
Affordable Rent (per wk)	£	71.08	£ 73.85	£ 95.08	£ 110.77

INDICATIVE TRANSFER VALUES	1 bed	% of MV	1 bed	% of MV	2 bed	% of MV	3 bed	% of MV
Social Rent	£ 41,177	45.75%	£ 41,177	45.75%	£ 51,781	39.83%	£ 61,199	40.80%
Affordable Rent	£ 41,421	46.02%	£ 43,750	48.61%	£ 61,597	47.38%	£ 74,787	49.86%
Shared Equity (50% purchase)	£ 61,252	68.06%	£ 61,252	68.06%	£ 90,327	69.48%	£ 104,865	69.91%
Shared Equity (25% purchase)	£ 48,961	54.40%	£ 48,961	54.40%	£ 72,574	55.83%	£ 84,380	56.25%

INDICATIVE COMMUTED SUM	1 bed		1 bed		2 bed		3 bed
Social Rent	£ 48,823		£ 48,823		£ 78,219		£ 88,801
Affordable Rent	£ 48,579		£ 46,250		£ 68,403		£ 75,213
Shared Equity (50% purchase)	£ 28,748		£ 28,748		£ 39,673		£ 45,135

STANDARD COMMUTED SUM		
Average of all 3 tenures & dwelling types		£ 53,785