

ILLUSTRATION I
(LESS THAN MARKET VALUE CALCULATION - SIMPLE INCOME EXAMPLE)

Assumptions / Knowns:

Number of Acres:	20 (A)
Value per Acre:	\$300,000 (B)
Market Value (Highest and Best Use):	\$6,000,000 (C)
% of Market Income Living Space:	50% (D)
Total % of Low Income Living Space:	50% (E)
% Low Income Living Space per Income Group 80% or less of Median Income:	50% (F)
Low Income Level Discount Rate: 80% or less of Median Income:	90% (G)
BLM Low Income Value:	\$3,300,000 (X)

Formula:

$$X = C - \{ (C \times F) \times G \}$$

$$X = \$6,000,000 - \{ (\$6,000,000 \times .50) \times .90 \}$$

$$X = \$6,000,000 - \{ \$3,000,000 \times .90 \}$$

$$X = \$6,000,000 - \$2,700,000$$

$$X = \$3,300,000$$

*This formula works regardless of the unit value indicator used (per acre, per square foot, per developable unit, etc.)

*Immediately below is an encrypted working Excel formula based on the numbers used in the example.

\$3,300,000.00

ILLUSTRATION II
(LESS THAN MARKET VALUE CALCULATION - COMPLEX INCOME EXAMPLE)

Assumptions / Knowns:

Number of Acres:	20 (A)
Value per Acre:	\$300,000 (B)
Market Value (Highest and Best Use):	\$6,000,000 (C)
% of Market Income Living Space:	30% (D)
Total % of Low Income Living Space:	70% (E)
% Low Income Living Space per Income Group	
61 - 80% of Median Income:	35% (F)
60% or less of Median Income:	35% (G)
Low Income Level Discount Rate:	90% (H)
(% of Median Income is 61 - 80%)	
Extremely Low Income Level Discount Rate:	95% (I)
(% of Median Income is 60% or less)	
BLM Low Income Value:	\$2,115,000 (X)

Formula:

$$\begin{aligned}
 X &= C - [\{ (C \times F) \times H \} + \{ (C \times G) \times I \}] \\
 X &= \$6,000,000 - \{ (\$6,000,000 \times .35) \times .90 \} + \{ (\$6,000,000 \times .35) \times .95 \} \\
 X &= \$6,000,000 - \{ \$2,100,000 \times .90 \} + \{ \$2,100,000 \times .95 \} \\
 X &= \$6,000,000 - \{ \$1,890,000 + \$1,995,000 \} \\
 X &= \$6,000,000 - \$3,885,000 \\
 X &= \$2,115,000
 \end{aligned}$$

*This formula works regardless of the unit value indicator used (per acre, per square foot, per developable unit, etc.)

*Immediately below is an encrypted working Excel formula based on the numbers used in the example.

\$2,115,000.00