

Chiswell Green Inquiry

Interested Party Statement

17th April 2023

Alan Moreland
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My name is Alan Moreland and I have resided in St Albans for 33 years, and for the last 26 years I have lived in Chiswell Green.

I have three adult children who were raised and schooled in St Albans. My son Tom is 26 and lives in Bristol, my eldest daughter Georgia is 24 and lives in Sheffield and my youngest daughter Molly, is a student at Sheffield university.

Following their university degrees, my eldest children had hoped to return to the St Albans area to live and work, however the cost of property ownership in St Albans is prohibitive.

My daughter Georgia works as an assistant psychologist for the NHS in Barnsley, Yorkshire. As an NHS keyworker she supports people with mental health problems.

When plans were first announced for two large housing developments in Chiswell Green, we believed that these developments might provide affordable homes that would enable Georgia to return to St Albans to live and work.

However, studying the developers plans, local property prices and lending requirements, it is very clear to me that neither of these developments will be truly 'affordable' to key workers on low incomes.

Neither developer have disclosed their anticipated property sale prices, so to consider affordability with any accuracy, I have first sought to establish the likely sale price of the appellants 'most affordable' property – a one bedroom flat, suitable for a typical first time buyer.

UK House Price Index

<http://landregistry.data.gov.uk/id/region/st-albans>

The UK House Price Index (HPI) uses house sales data from HM Land Registry, Registers of Scotland, and Land and Property Services Northern Ireland and is calculated by the Office for National Statistics.

Figure 1 shows the ONS average price for flats and maisonettes in St Albans in Jan 2023 is £328,369.

Figure 1

ONS UK House Price Index			
Name	Period	Average price All property types	Average price Flats and maisonettes
St Albans	2023-01	£607,805.00	£328,369.00

2023 House Prices in Chiswell Green, AL2

Zoopla

https://www.zoopla.co.uk/house-prices/al2/?search_source=house-prices&q=St.albans%20AL2&propertyTypeCode=F&sortOrder=last_sale_price&sortDirection=asc

The average sold price for a property in AL2 in the last 12 months is £561,567.

Property types in AL2 have average sold prices over the last 12 months:

Detached	£794,005
Semi-detached	£647,564
Terraced	£486,887
Flats	£284,072

New Home Developments in Hertfordshire – Property Prices April 2023

Figure 2 shows current asking prices for properties in current new home developments in Hertfordshire where 1 bedroom apartments or terraced homes are for sale.

These 1 bedroom properties range from £270,000 to over £362,000. An average of £307,000.

Figure 2

<p>Crest Nicholson – Verla, St Albans, Hertfordshire AL1 https://www.crestnicholson.com/developments/hertfordshire/verla From £362,500</p>		
Flat 14	1 Bedroom	£362,500
Flat 7	1 Bedroom	£365,000
Flat 13	1 Bedroom	£365,000
Flat 28	1 Bedroom	£368,500
<p>Station Approach, Harpenden, Hertfordshire AL5 https://www.hamptons.co.uk/properties/16378593/sales/BDI220075# From £325,000 - £560,000</p>		
Flat 1	1 Bedroom	£325,000
Flat 3	1 Bedroom	£335,000
Flat 5	1 Bedroom	£400,000
<p>London Square Watford - St Albans Road, Watford, Hertfordshire WD24 https://londonsquare.co.uk/developments/watford From £300,000</p>		
The Egerton	1 Bedroom	£300,000
The Clapton	1 Bedroom	£340,000
The Arundel	1 Bedroom	£345,000
<p>Weston Homes Plc - The Laundry Works, Watford, Hertfordshire WD18 https://www.weston-homes.com/the-laundry-works From £279,500</p>		
Flat 82	1 Bedroom	£285,000
Flat 89	1 Bedroom	£279,000
Flat 96	1 Bedroom	£288,000
Flat 118	1 Bedroom	£295,000
<p>Salisbury Square, Old Hatfield, Hatfield, Hertfordshire AL9 https://www.ashtons.co.uk/salisburysquare/ From £270,000 - £440,000</p>		
Flat 3	1 Bedroom	£270,000
Flat 5	1 Bedroom	£299,950
Flat 9	1 Bedroom	£280,000
Flat 23	1 Bedroom	£350,000

CALA Homes – Property Prices

CALA Homes have not published anticipated property prices, but Figure 3 shows the current asking prices for properties in all current CALA Homes developments within the home counties where CALA are marketing 1 bedroom apartments or terraced homes.

These 1 bedroom CALA properties range from £250,000 to almost £290,000. An average of £270,000.

Figure 3

CALA at Beaulieu Chelmsford, Essex, CM1 6FU from £289,950 — £724,950 https://www.cala.co.uk/homes-for-sale/south-east-england/essex/cala-at-beaulieu-chelmsford/availability-prices		
PLOT 101	1 Bedroom	£289,950
CALA at St Peter's Quarter Stonehill Road, Chertsey, KT16 0AG from £275,000 — £935,000 https://www.cala.co.uk/homes-for-sale/south-east-england/surrey/st-peter-s-quarter-chertsey/availability-prices		
PLOT 171	1 Bedroom	£275,000
CALA at Aylett's Green Doughton Road, Kelvedon, Essex, CO5 9NX from £264,950 - £709,950 https://www.cala.co.uk/homes-for-sale/south-east-england/essex/aylett-s-green-kelvedon/availability-prices		
PLOT 180	1 Bedroom	£264,950
CALA at Hurlocke Fields Hitchin, Hertfordshire, SG4 0JD from £250,000 - £789,999 https://www.cala.co.uk/homes-for-sale/south-east-england/hertfordshire/hurlocke-fields-hitchin/availability-prices		
PLOT 1	1 Bedroom	£250,000

Addison Park – Property Prices

Addison Park have not published anticipated property prices, but on their website <https://addisonpark.co.uk/our-proposal/levelling-up-locally> (figure 4), they compare the price of a 3 bedroom property in August 2021, with another St Albans development – Oaklands Grange.

Figure 4

3-bedroom Shared Ownership PRICE COMPARISON			
	Oaklands Grange Sandpit Lane St Albans	Addison Park Chiswell Green Lane St Albans	Saving
Value	£ 535,000	£ 535,000	
Discount	zero	£ 178,333	£ 178,333
Discounted Value	£ 535,000	£ 356,666	
Shared Price 50%	£ 267,500	£ 178,333	
Deposit 5%	£13,375	£ 8,917	£ 4,458
Mortgage*	£ 254,125	£ 169,416	£ 84,709
Mortgage pcm	£ 1,283	£ 855	£ 428
Rent pcm	£ 780	£ 520	£ 260
Service Charge pcm	£ 52	£ 52	
Monthly Housing Cost	£ 2,115	£ 1,427	£ 688
Yearly Housing Cost	£ 25,380	£ 17,124	£ 8,256

The developers of Oaklands Grange, Taylor Wimpey, partnered with the housing association Hightown to manage their shared ownership scheme. In July 2022, Hightown marketed shared ownership 3 Bedroom terrace houses at Oaklands Grange at £575,000 and 1 bedroom terraced shared ownership maisonettes at £255,000.

Given these prices are over 18 months old, it is likely the cost of a 1 bedroom shared ownership property at the proposed Addison Park development would be in excess of £280,000.

Addison Park state that their homes would be discounted by 33%, <https://addisonpark.co.uk/our-proposal/levelling-up-locally>, if this is correct, the cost of a discounted one bedroom property might be £187,600.

Affordability

Given that Office for National Statistics show average flat prices in St Albans are £328,369, Zoopla shows the average sold prices for flats in AL2 is £284,000, and the average price of a 1 bedroom property at other large new housing developments around St Albans is £307,000, it is likely that prices for a single bedroom apartment on the proposed sites in Chiswell Green would range between £275,000 and £300,000.

For the purpose of these affordability calculations, I use the lower sale price of £275,000.

Mortgage Calculations - April 2023

Mortgage Borrowing

- My daughter is an NHS Assistant Psychologist earning £21,500 pa (Salary Band 3).
- She is single, has no debts and has saved a 5% (£13,750) deposit.
- The purchase price is £275,000 and a mortgage term of 25 years.

Nationwide Building Society

We might be able to lend you up to: **£96,535**

Your monthly payment might be: £558 - £658

Halifax

We might be able to lend you up to: **£92,200**

Your monthly payment might be: £555

So that would leave my daughter with a borrowing shortfall of over £178,000. Even if the Addison Park homes were discounted by one third, there would still be a borrowing shortfall of over £91,000.

It may be that most first-time buyers are couples, but even if my daughter decided to purchase with her partner, who is on the same income, they would only be able to borrow £193,500 – well short of the £275,000 needed to buy an average flat on these developments.

Affordable Homes & Shared Ownership

Both these developers promise affordable homes – CALA state 40% would be 'Affordable Homes' and Addison Park say all homes would be 'Shared Ownership or Discounted Market Sales Housing'.

However, I do not accept their Affordability Evidence. Addison Park's document 'CD 4.80 Proof of Evidence of Annie Gingell' includes Figure 11.1: Key worker household incomes in Hertfordshire, 2022/23 on page 69. Not only are these affordability figures solely based on the combined income of a couple, the inclusion of a second Median salary is disingenuous.

CD 4.80 Proof of Evidence of Annie Gingell' Figure 11.1

NHS Staff							
Salary Band	Salary Range		Median Income	Combined Household Income		Maximum Mortgage	
	Lower	Upper		Lower	Upper	Lower	Upper
1	£20,270		£33,774	£54,044		£243,198	
2	£20,270	£21,318	£33,774	£54,044	£55,092	£243,198	£247,914
3	£21,730	£23,117	£33,774	£55,504	£56,891	£249,768	£256,010

Given the real-life scenario of my daughter and her partner, their combined income is £43,000, so they would only be able to borrow £193,500, not the £249,768 to £256,010 stated.

Homes Exclusively for Key Workers & Military Personnel

Whilst most acknowledge the sentiment of Addison Park proposing affordable housing solely for those identified as key workers, I believe these eligibility restrictions are impractical and unworkable.

First, I do not believe that there are enough key workers to occupy 330 homes on one site in St Albans. Can we be certain that St Albans is where 330 key workers want to live?

The average cost of living in St Albans is £1469 pcm, <https://livingcost.org/cost/united-kingdom/eng/st-albans> which makes St Albans the 17th most expensive city out of the 277 in England. With the cost of living in St Albans 21% higher than the UK average, those keyworkers on low incomes, would prefer to choose a less expensive place to live.

Then the practical aspects of homes exclusively for Key Workers & Military Personnel. What happens if my NHS key worker daughter buys a property, and then takes a new job as a high-flying city trader the very next month? Or she partners with an investment banker? Does she have to sell up?

And when she does decide to sell, does she have to find a keyworker to buy the property? What if a lawyer is offering the asking-price, but there are no offers from key workers?

The Addison Park scheme is an applaudable concept but in reality, it is totally unworkable. The CALA Homes proposal has no buyer restrictions, but I believe these homes will be completely unaffordable for most low-income key workers, including, sadly, my own children.