

NOTE TO THE INSPECTOR: Affordable Housing

Subject: Shared Ownership Calculation

Job Ref: M22/1115-08.RPT

Site: St Stephens Green Farm, Chiswell Green Lane

Date: 25 April 2023

1. This note provides my response to the additional Shared Ownership calculation question requested by opposing counsel in cross examination on 24 April 2023.
2. Opposing counsel requested a calculation be provided to understand what level of purchase (i.e., house price) would result in a monthly rent that would exceed the District lower quartile rent of £995 per calendar month ("pcm") in 2021/22 (**CD4.80, p62 [10.27]**).
3. Figure 1 below sets out that a purchase price of £482,500 would result in a monthly rent of £995.16 pcm which exceeds the District lower quartile rent of £995 pcm by 16p.

Figure 1: Shared Ownership house price to exceed lower quartile rent of £995 pcm

Criteria	10% Purchase
House price to exceed lower quartile rent of £995pcm	£482,500.00
10% Minimum purchase	£48,250.00
Deposit (5% minimum purchase)	£2,412.50
Minimum Mortgage	£45,837.50
Remaining Cost	£434,250.00
Rent per year (2.75%)	£11,941.88
Rent pcm	£995.16

4. To put this figure in to context I would like to draw the Inspector's attention to Figure 2.2 of my Rebuttal Proof of Evidence (**CD4.82, p8**) which highlights a median house price of £515,000 within St Peters Ward and MSOA St Albans 012, where the Jubilee Square development is located.
5. Evidently, a median house price of £515,000 would result in a monthly rent that would exceed the District lower quartile rent of £995 pcm for 2021/22.
6. The higher median house price at Jubilee Square should also be viewed in light of the fact that Councillor Chris White, the Council Leader, considered the Jubilee Square development to represent "*an excellent deal for our residents*" and that it would provide "*an opportunity for young people and key workers to be able to purchase some of the flats on shared ownership terms*" (**CD4.82, p6 [2.27]**).
7. Overall, in my opinion, the calculation is at best noteworthy. However, given the context explained above, it does not alter my opinion that the weight to affordable housing should be very substantial.

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