

COLNEY HEATH PARISH COUNCIL

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Land to the Rear of 42-100 Tollgate Road & 42 Tollgate Road, Colney Heath

CD 9.20

date	Issue version	Revision
22 Aug 2023	1	Issue to Planning Inspectorate

AFFORDABILITY

Proof of Evidence

by

John Clemow

Colney Heath Parish Councillor

For Colney Heath Parish Council Rule 6 Party

Planning Inquiry

PINS Ref : APP/B1930/W/23/3323099

LPA REF: 5/2022/1988

1 Housing need in St Albans District

Affordability is the key issue for many, and more particularly for low paid and key workers.

1.1 The Southwest Herts Group Housing Need Assessment CD 10.2 quantifies need by number, size, and tenure. The emerging St Albans draft Local Plan identifies sites to meet its housing need therefore the housing need is already met without this site.

1.2 The Southwest Herts Group provides evidence on desired locations and dwelling sizes and its headline conclusions are that this would not be a suitable location for development due to -

- Poor affordability

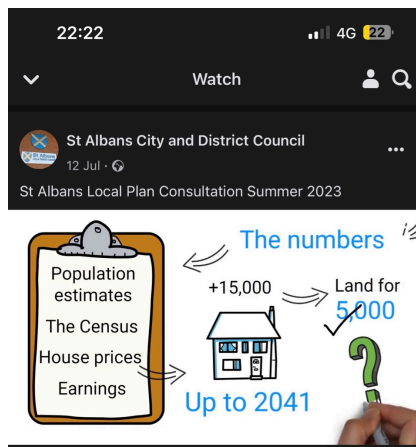
- 1-2 bedroom dwellings needing to be near train stations

- 2-3 bedroom dwellings requiring good transport links

Colney Heath has none of these attributes.

2 St Albans Local Plan

2.1 Housing need : St Albans District Council has stated that the need for housing is 888 houses per annum and, in the audio statement to the publication below “we already have enough land in the pipeline for 5,000 homes”. This is more than a 5 year supply of land for the stated housing need.



2.2 The St Albans draft Local Plan CD 3.1 is at reg18 and, while this carries a lesser weight than an adopted plan, it still carries some weight in planning terms. The draft local plan has identified strategic and smaller sites which together with the expected windfall sites will provide its housing need. The identified sites are all in more sustainable locations than Colney Heath.

2.3 The settlement hierarchy provides the basis for allocation and location of growth in the draft Local Plan which locates most growth generally within and adjacent to the larger and most sustainable urban centres that are Tier 1 - St Albans and Hemel Hempstead; Tier 2 – Harpenden, and Tier 3 - London Colney. Colney Heath is designated Tier 6 (Green Belt village) in the settlement hierarchy.

2.4 This demonstrates that St Albans housing needs can be met elsewhere and importantly in more sustainable locations.

3 The Colney Heath Parish Council agree and support the need for genuinely affordable housing and the need for such housing within the district.

The Parish Council considers development in Colney Heath village for key and low income workers, is inappropriate. Rural locations are not suitable sites for one- or two-bedroom dwellings due to the lack of public transport and social facilities. Building large numbers of smaller starter homes in this rural location will permanently embed carbon emissions. Residents are totally car dependent and the cost of running a car is a substantial financial burden on a people living on a limited nett income.

4 For the affordable portion of the proposed development the applicant is proposing First Homes (15 units), Shared Ownership (5 units) Affordable Rented (40 units).

5 As legally defined at least 20% below market rents and sales, unless the discount is significantly greater than 20% the affordable portion would not realistically attainable by many local families and does not assist in meeting St Albans housing need

It is this discount that needs to be declared by the Appellant.

6 The NPPF 2021 defines essential local workers as public sector employees who provide frontline services in areas including health, education and community safety – such as NHS staff, teachers, police, firefighters and military personnel, social care and childcare workers. Key worker include other employment types in the private sector many on lower incomes.

7 **Housing for rent**

7.1 The ONS deems an area to have private rent that is affordable if it is equivalent to 30% or less of the median income of private renting households. [1].

Examples of market rents in St Albans [2] indicate a median of £1,650 per month.

	BED	RENT
LOCATION	S	pcm
Bricket Wood	2	£1,250
St Albans City	2	£1,595
Ridgeway	2	£1,550
St Albans City	2	£1,900
St Albans City	2	£2,250
St Albans City	2	£1,595
St Albans City	2	£1,695
St Albans City	2	£1,495
St Albans City	2	£1,400
St Albans City	2	£1,700
St Albans City	2	£1,775
St Albans City	2	£1,850
St Albans City	2	£1,650
London Colney	2	£1,395
St Albans City	2	£1,650
St Albans City	2	£1,750
St Albans City	2	£2,000

7.2 Incomes for lower paid workers in Hertfordshire range between £20,000 and £30,000 per annum [3]

7.3 Using a mid point of £25,000, i.e.£2,083 per month, the sum available for rent at 30% is £625 per month. This is a 70% discount of the median market rent for a 2 bed unit.

8 First homes

8.1 Recent sold prices for 2 properties in Colney Heath [4] are shown below

		BED		
LOCATION	TYPE	S	SOLD	YEAR
Colney Heath	terrace	2	£305,000	2023
Colney Heath	terrace	2	£417,000	2022
Colney Heath	terrace	2	£365,000	2022
Colney Heath	semi-detached	2	£465,000	2022
Colney Heath	terrace	2	£390,000	2021
	average		£388,400	

8.2 Based on £625 per month for mortgage repayments over 30 years, with a deposit of £14,500, the potential borrowing at 4% interest rate is indicated around £159,500 [5]. This is less than half the average market value.

9 Shared ownership

9.1 The shared ownership calculator by Newlon Living [6] indicates the following based on a 4% interest rate and 30 year term

Open market value	share	deposit	monthly cost	% of £2,083 pcm
£380,000	10%	£3,600	£947	45%
£380,000	20%	£7,600	£1,023	49%
£380,000	30%	£11,400	£1,099	53%
£380,000	40%	£15,200	£1,175	56%

9.2 On this basis the shared ownership would consume far more than 30% of the gross monthly income of a lower paid worker.

10 If the Appeal is allowed, the Parish Council considers the necessary level of discount should be a condition.

REFERENCES

1 <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/privaterentalaffordabilityengland/2021#:~:text=To%20show%20the%20affordability%20of,income%20of%20private%20renting%20households>

2 Rightmove website : data for rental 2 bed properties

3 NHS EMPLOYEES PAY AWARD 2022/23

BAND	low	high
2	£20,270	£21,318
3	£21,730	£23,177
4	£23,949	£26,282
5	£27,055	£32,934
6	£33,706	£40,586
7	£41,659	£47,762
8	£48,526	£91,787
9	£95,135	£109,475

Low first quartile = £23,394 High first quartile = £25,505

Examples of key worker and other lower paid jobs – search area St Albans (ref Reed.co.uk) Annual – hourly x 1924

Job	Location	£/hour	£/month	Annual
Receptionist	Stevenage	£10.98	£1,760	£21,125

Driver	Hemel Hempstead	£11.44	£1,834	£22,010
Retail sales	Waltham Cross	£10.25	£1,643	£19,721
Warehouse operative	Stevenage	£11.00	£1,764	£21,164
Administrator	St Albans	£12.24	£1,963	£23,550
Teaching assistant	Hertfordshire	£12.66	£2,029	£24,357

- 4 Rightmove website : data for freehold sold prices
- 5 Forbes website <https://www.forbes.com/uk/advisor/mortgages/mortgage-repayment-calculator/>
- 6 Newlon Living website by Newlon Housing Trust, Community Benefit Society.

KEY WORKER AND LOWER INCOME JOBS Reed.co.uk

⚡ Easy Apply ♡ ✕


Receptionist

3 August by [Tate](#)

£10.98 per hour 🏢 Temporary, part-time

📍 Stevenage

⌵ See more



⚡ Easy Apply ♡ ✕


Driver

4 August by [First Recruitment Services Limited](#)

£11.44 - £11.45 per hour 🏢 Temporary, full-time

📍 Hemel Hempstead

⌵ See more



Featured ⚡ Easy Apply ♡ ✕


Retail Sales Assistant

10 October by [Reed](#)

£10.25 per hour, inc benefits 🏢 Permanent, full-time or part-ti...

📍 Waltham Cross

⌵ See more



⚡ Easy Apply ♡ ✕


Warehouse Operative

26 July by [Osborne Appointments](#)

£10.42 - £11 per hour 🏢 Temporary, full-time

📍 Stevenage

⌵ See more



⚡ Easy Apply ♡ ✕


Administrator

2 days ago by [Tate](#)

£12.24 per hour 🏢 Permanent, full-time

📍 St. Albans

⌵ See more



⚡ Easy Apply ♡ ✕


Teaching Assistant

13 July by [Prospero Teaching](#)

£80 - £95 per day 🏢 Contract, full-time

📍 Hertfordshire

⌵ See more



SCREEN GRAB FORBES MORTGAGE CALCULATION

Our mortgage calculator allows for monthly household bills too, so you'll get a good indication of the entire costs of running a property.

Property Price
£ 145,000

Deposit
£ 14,500 10 %

Interest Rate
4.0 %

Mortgage Term (Years)
10 15 25 30

[Show additional options](#) ▾

Payment breakdown

£623
Monthly Payment

Estimated mortgage-free by
Aug 2053

Repayment schedule

How is my monthly payment calculated?

Capital and Interest (repayment mortgage)	£623
Home insurance	£ 0
Council tax	£ 0
Energy	£ 0
Broadband	£ 0

SCREEN GRABS NEWLON LIVING

Shared ownership mortgage calculator

£380,000 10% share

SHARED OWNERSHIP MORTGAGE CALCULATOR

Use the fields below to calculate your repayments. These figures are only a guide. We recommend that you obtain exact figures from a specific lender before committing to any mortgage.

Property Value	Interest Rate	Share to Purchase (%)	Repayment Period (Years)
<input type="text" value="380000"/>	<input type="text" value="4"/>	<input type="text" value="10"/>	<input type="text" value="30"/>

The fields below will automatically make the calculations

Share to Purchase amount

Minimum Deposit Needed at 10%

If you have more, please enter the amount

You will need a Mortgage of

Monthly Mortgage Payment

This illustration is based on the total monthly payment for a straight repayment mortgage, including both interest and payment towards the capital loan amount over the selected years. APRs vary according to how your mortgage payments are arranged.

Monthly Rental Payment

The illustrated rent is based on 2.75% on the retained equity. This will usually increase by the annual rate of RPI. Your lease will detail the exact payments and increases.

Total Monthly Cost (excluding Service Charge)

You will also need to take into account the Service Charge which is fixed on the property.

£380,000 20% share

SHARED OWNERSHIP MORTGAGE CALCULATOR

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Property Value	Interest Rate	Share to Purchase (%)	Repayment Period (Years)
<input type="text" value="380000"/>	<input type="text" value="4"/>	<input type="text" value="20"/>	<input type="text" value="30"/>

The fields below will automatically make the calculations

Share to Purchase amount

Minimum Deposit Needed at 10%

If you have more, please enter the amount

You will need a Mortgage of

Monthly Mortgage Payment

This illustration is based on the total monthly payment for a straight repayment mortgage, including both interest and payment towards the capital loan amount over the selected years. APRs vary according to how your mortgage payments are arranged.

Monthly Rental Payment

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Total Monthly Cost (excluding Service Charge)

You will also need to take into account the Service Charge which is fixed on the property.

£380,000 30% share

SHARED OWNERSHIP MORTGAGE CALCULATOR

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Property Value	Interest Rate	Share to Purchase (%)	Repayment Period (Years)
<input type="text" value="380000"/>	<input type="text" value="4"/>	<input type="text" value="30"/>	<input type="text" value="30"/>

The fields below will automatically make the calculations

Share to Purchase amount

£114,000

Minimum Deposit Needed at 10%

£11,400

If you have more, please enter the amount

You will need a Mortgage of

£102,600

Monthly Mortgage Payment

£489.83

This illustration is based on the total monthly payment for a straight repayment mortgage, including both interest and payment towards the capital loan amount over the selected years. APRs vary according to how your mortgage payments are arranged.

Monthly Rental Payment

£609.58

The illustrated rent is based on 2.75% on the retained equity. This will usually increase by the annual rate of RPI. Your lease will detail the exact payments and increases.

Total Monthly Cost (excluding Service Charge)

£1,099.41

You will also need to take into account the Service Charge which is fixed on the property.

£380,000 40% share

SHARED OWNERSHIP MORTGAGE CALCULATOR

Use the fields below to calculate your repayments. These figures are only a guide. We recommend that you obtain exact figures from a specific lender before committing to any mortgage.

Property Value	Interest Rate	Share to Purchase (%)	Repayment Period (Years)
<input type="text" value="380000"/>	<input type="text" value="4"/>	<input type="text" value="40"/>	<input type="text" value="30"/>

The fields below will automatically make the calculations

Share to Purchase amount

£152,000

Minimum Deposit Needed at 10%

£15,200

If you have more, please enter the amount

You will need a Mortgage of

£136,800

Monthly Mortgage Payment

£653.10

This illustration is based on the total monthly payment for a straight repayment mortgage, including both interest and payment towards the capital loan amount over the selected years. APRs vary according to how your mortgage payments are arranged.

Monthly Rental Payment

£522.50

The illustrated rent is based on 2.75% on the retained equity. This will usually increase by the annual rate of RPI. Your lease will detail the exact payments and increases.

Total Monthly Cost (excluding Service Charge)

£1,175.60

You will also need to take into account the Service Charge which is fixed on the property.