

## 1 Bed flat – Affordability comparison

% Overall Teignbridge housing tenure from 2011 census (compared to England % housing tenure)

Open mkt /discount = 74% (64% England)

Private rent = 15% (17% England)

Shared ownership = less than 1% (1% England)

Affordable and Social rent = 9% (17% England)

Open Market Purchase

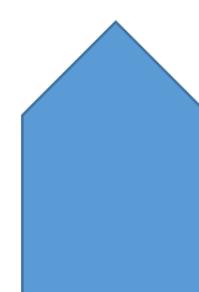
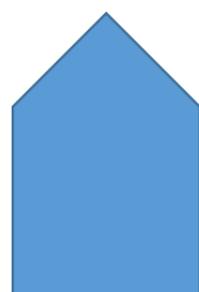
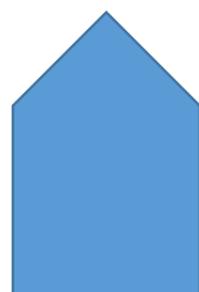
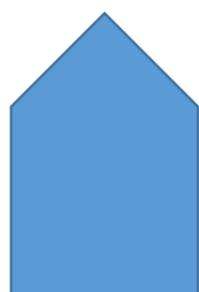
80% discount purchase  
(starter home)

Private Rent

Shared Ownership  
(40% share plus rent)

Affordable Rent

Social Rent



50 sq m

New build - £150,300

New build @ 80% - £120,240

£117 pw Av for Teignbridge

New build 40% share - £60,120

£102 pw Av. for South Devon area

£87 pw Av for South Devon Area

Deposit @ 5% - £7,515

Deposit @ 5% - £6,012

Min 4 weeks Rent in advance

Deposit @ 5% of share - £3,006

LHA rate (£96.91)

LHA rate (£96.91)

Mortgage – £142,785

Mortgage - £114,228

Nb rural availability problems

Mortgage - £57,114 + £206 rent pm

Typical Exeter area cost extra 20%

Typical Exeter area cost extra 20%

Household ann. income req =

Housing ann. income req =

Household ann. income req =

£42,796

£34,637

£15,210

£24,498

£13,260

£11,310

Monthly cost - **£954\***

Monthly cost - **£765\***

Monthly cost - **£507**

Monthly cost £299 + £206 rent

Monthly cost - **£442**

Monthly cost - **£377**

Monthly cost total - **£672\***

Nb Rent in advance deposits typically 2 – 4 weeks rent in advance

Monthly cost highlight colour: Green = Affordable to local Av income – single earner / Yellow = Affordable to Local Average income – double earner / Red = Unaffordable to Local Average income household

Teignbridge Local Average Income = £22,818

\*Housing purchase options will all involve property upkeep/maintenance costs which affects affordability. An additional annual assumed cost of £2,000 per year (or £167 per month) has been factored into the above figures.

Assumed household income required to service mortgage payments. Mortgage assumptions based on First time buyer no equity, 5% deposit, 3.5 times household income.

Monthly cost assumption for mortgages using Money Saving Expert online ultimate mortgage calculator assuming 3.92% interest rate for 25 years.

Note Service charges may apply and could increase housing costs for purchase or rentals.

Rent on shared ownership retained share calculated at 2.75%.

Local Housing Allowance rate for 1 bed flat: South Devon = £96.91 per week / Exeter Area £116.52 per week

Household income required to pay rents – assume payment of 40% household income

Rural Private rental availability is scarce and commands Premium prices, typically 30-50% more than urban averages. Unless the household can pay the premium rent – they relocate to urban areas where private rents are cheaper. This presents serious problems for former Band E rural households who are no longer eligible to register for Devon Home Choice and cannot afford to live in rural areas. Throughout Teignbridge communities are telling Enablers that the sustainability of villages is being threaten by households having no option but to resolve their housing needs in nearby towns.