

## ANNEX 3: SHARED OWNERSHIP AFFORDABILITY MODELLING

### Burnholme and Duncombe Barracks Shared Ownership affordability modelling

1. Tables one to three below demonstrate the affordability of a range of housetypes available for Shared Ownership across Duncombe and Burnholme.
2. These are modelled on an estimated first tranche sale of 40% and a mortgage term of 35 years. The sales values are based on the latest valuation advice in Jan 2022.
3. Total monthly housing costs meet the Homes England definition of 'affordable' meaning that no more than 35% of a household income can be spent on mortgage and rent. All of the scenarios below meet this definition.

#### Scenario 1: A typical 1 bedroom (2 person) Passivhaus flat at Burnholme

|   |                   |
|---|-------------------|
| Total purchase price  | £200,000          |
| Buyer contribution  | £80,000           |
| Purchase %  | 40%               |
| Rent 2.75% per month of unsold equity                             | £275.00           |
| Minimum household income needed                                   | £16,888.89        |
| Lowest deposit needed is 5%                                       | £4,000            |
| Mortgage repayments on 95% with 4.4% interest over a 35 year term | £189.33 per month |
| Total monthly outgoings   | £464.33           |

Scenario 2: A 2 bedroom (4 person) Passivhaus house at Duncombe Barracks

|   |                  |
|---|------------------|
| Total purchase price  | £325,000         |
| Buyer contribution  | £130,000         |
| Purchase %  | 40%              |
| Rent 2.75% per month of unsold equity                             | £446.88          |
| Minimum household income needed                                   | £27,444.44       |
| Lowest deposit needed is 5%                                       | £16,250          |
| Mortgage repayments on 95% with 4.4% interest over a 35 year term | 307.67 per month |
| Total monthly outgoings   | £754.54          |

Scenario 3: A 3 bedroom (5 person) Passivhaus house at Burnholme

|   |                   |
|---|-------------------|
| Total purchase price  | £425,000          |
| Buyer contribution  | £170,000          |
| Purchase %  | 40%               |
| Rent 2.75% per month of unsold equity                             | £584.38           |
| Minimum household income needed                                   | £35,888.89        |
| lowest deposit needed is 5%                                       | £21,250           |
| mortgage repayments on 95% with 4.4% interest over a 35 year term | £402.33 per month |
| Total monthly outgoings   | £986.71           |