

Comparison of Revenue Streams

APPENDIX 1

				Shared Ownership								
				25%			50%			75%		
Average Valuation of Property	Bed size	Average 2013/14 Tenancy Rent	Typical Leasehold Service Charge	SO Rent	Apportioned SC	Total	SO Rent	Apportioned SC	Total	SO Rent	Apportioned SC	Total
£180,000	1	£4,559.36	£1,073.89	£4,050.00	£268.47	£4,318.47	£2,700.00	£536.95	£3,236.95	£1,350.00	£805.42	£2,155.42
£195,000	2	£4,988.36	£1,243.39	£4,387.50	£310.85	£4,698.35	£2,925.00	£621.70	£3,546.70	£1,462.50	£932.54	£2,395.04
£235,000	3	£5,490.68	£1,439.45	£5,287.50	£359.86	£5,647.36	£3,525.00	£719.73	£4,244.73	£1,762.50	£1,079.59	£2,842.09
£350,000	4	£5,929.04	£1,898.95	£7,875.00	£474.74	£8,349.74	£5,250.00	£949.48	£6,199.48	£2,625.00	£1,424.21	£4,049.21

1. All income figures are yearly calculations.

2. Typical service charges have been calculated with respect to all current live service charge accounts in 2013/14. However, caution must be exercised in interpreting these figures. There is no "average" service charge as they relate only to individual properties and depend on the wide and varied nature and extent of the actual services provided. These figures are for illustrative purposes only and should NOT be considered as benchmarks. The figures do not include service charges payable due to major works.

3. The leasehold service charge plus a ground rent of £200 per annum is the only amount which would be payable by a shared equity owner should the shared equity route be adopted, as envisaged, and would remain the same regardless of the level of ownership.

4. The service charge and shared ownership rent calculations provided relate only to flats.

5. Shared ownership rent is calculated at 3% of the value of the unowned share per annum and rises with RPI + 0.5% on a yearly basis.

6. For simplicity and illustrative purposes only, all service charge figures for the shared ownership calculations have been apportioned to the owned share, including those normally charged in full (i.e. communal heating & hot water, buildings insurance and ground rent).

7. Property valuations are averages taken from market valuations carried out over a 6 month historical period (May to November 2013) on council owned property as a result of rehousing assistance procedures and in relation to claims made for the right to buy during the same period. For actual financial assessment purposes, these are regularly revised on a rolling basis in accordance with the latest data available and subject to change in accordance with market forces. They should therefore only be considered to be illustrative.