

Appendix 5

Example of possible costs required for a direct housing scheme

The average property price in Surrey is £519,203*. This table highlights the average prices by property type. Property prices differ widely across Surrey so for the purposes of this example we are using the average price across all property types.

| Property type | Average property prices as at April 2017 |
|---------------|--|
| Detached | £857,260 |
| Semi | £493,142 |
| Terraced | £411,741 |
| Flat | £292,431 |
| All | £519,203 |

If SCC was to purchase property in order to provide housing for employees under different schemes there would be a large initial outlay of funds required to cover the purchases and the associated costs that go with house buying.

For example, if we were to purchase 5 houses for use under a tied housing scheme and a further 5 houses in order to be able to offer transitional support for new employees there would be an initial capital cost of approximately £5,192,030. The numbers of employees this level of housing could support would be dependent on the personal circumstances and family of each individual as to what size of property would need to be provided. It is estimated that this number of houses could support between 10-20 employees at any one time.

In addition to the purchase price costs, approximately £259,601 would also be required to cover the 5% stamp duty land tax that would need to be paid.

*Source – home.co.uk which uses search engine technology to build and maintain the most comprehensive database of UK residential properties advertised for sale and rent on the Internet.

This page is intentionally left blank