

Briefing Note - Newcombe House Affordable Housing Rental Levels

NB. All figures below exclude service charges

Social Rent

Number of bedrooms	GLA London Affordable Rent (LAR) benchmarks 2018/19 per week
1 bedroom	£150.03
2 bedroom	£158.84
<i>For reference only</i>	
3 bedroom	£167.67
4 bedroom	£176.49
5 bedroom	£185.31

Intermediate Rent

- London Living Rent (LLR) is targeted at middle income households. Eligibility is for residents currently renting and will be first-time buyers, earning between £25,000 and £60,000
- The median gross household income across the Borough is £50,000 (skewed by the proportion of high earners). Therefore target middle income households in RBKC only have an “affordability window” of £10,000 (up to £60,000 income cap).
- The lowest LLR in the Borough represents 49% of the income for a nurse and 88% of the income for a teaching assistant.
- The GLA has calculated ward-level caps for LLR homes based on one-third of median household income for the borough. The cap varies from the Borough median by up to 20% in line with house prices within the ward. The caps have further variation based on the number of bedrooms. RPs have the flexibility to let homes at lower rents if they wish.
- If only one-third of incomes are to be spent on rents, then LLR would require an income of £51,048 for the 1-bed homes and £62,388 for the 3-bed homes in Campden Ward. This would not cater to lower income levels and would be at the higher end/exceed the £60,000 LLR income cap set by the Mayor.
- The applicant’s Discounted LLR would require an income of £50,400 for the 1 and 3-bed homes. This would not exceed the £60,000 LLR income cap set by the Mayor but it would not cater to lower income levels, particularly for the 1-bed homes.
- LLR and applicant’s Discounted LLR is not genuinely affordable in RBKC.

	Monthly (M)/ Weekly (W) Rent		
	1 bed	2 bed	3 bed
GLA London Rent Maps (W8) [based on sample covering the last 12 months]	M: £1,841 W: £424.85	M: £2,708 W: £624.92	M: £4,767 W: £1,100.08
London Living Rent Ward Benchmark Data 2018/19 (Campden Ward)	M: £1,418 (23% discount on W8 average rent) W: £327.23	M: £1,576 (42% discount on W8 average rent) W: £363.69	£1,733 (64% discount on W8 average rent) W: £399.92
Application Proposal (Discounted London Living Rent)	M: £1,400 (24% discount on W8 average rent) W: £323.08	N/A (no intermediate 2-beds proposed)	M: £1,400 (71% discount on W8 average rent) W: £323.08

- RBKC Intermediate Rent Tenancy policy January 2017 (the policy is not applicable to the proposal as the homes are not Council owned but is nevertheless a useful comparator for affordability in the Borough). Weekly rent charges are set no greater than 30% of gross income levels

Band	Gross Income Threshold	Property eligibility and rent level		
		1-bed rent per week	2-bed rent per week	3-bed rent per week
1	£20,000 - £30,000	£115	-	-
2	£31,000 - £45,999	£179	£179	-
3	£46,000 - £60,999	£265	£265	£265
4	£61,000 - £70,999	£352	£352	£352
5	£71,000 - £85,000	-	-	£410

- LLR and applicant's Discounted LLR is would only cater to higher income bands i.e. between Bands 3 and 4
- Based on RBKC Intermediate Rent Tenancy policy rent figures, £179 for 1-bed (Band 2) and £265 for 3-bed (Band 3) would be appropriate rents.