

## Affordability - Helen Jeffries

I'd like to address the issue of affordability. Contrary to the assertions in the draft report, that prices in Guildford are "substantially above the regional average across all property types" the reality is that prices are very similar to the rest of the HMA and in fact over the five year period ending 2012, prices are cheaper than Waverley and marginally more expensive than Woking. When compared to Surrey, Guildford sits somewhere in the middle on affordability.

Nonetheless, GL Hearn who incidentally provided at least **six** different numbers for the total number of households state that over 50% of ALL households in Guildford have insufficient income to afford market housing without a subsidy. How can that be true? This is another example of the poor quality of the detail of this report.

Furthermore, not only can less than half the residents afford suitable housing – we are told that 59% of newly forming households will be unable to afford housing without support. Unfortunately the figure for newly-forming households, who will need 700 odd houses a year, is overstated due to the student problem that you've already heard about. So in fact this need is YET to be established. Until this anomaly in the dataset is removed nothing else can be validated or relied upon.

In terms of newly-forming households, we think the assumptions on affordability are incorrect. In 2012 lower quartile workers earned £23,939. Using 35% of income as an acceptable threshold for housing costs a single income household can afford to rent market housing. Most newly-forming households will have two earners and a household with two lower quartile earners can also afford to rent two and three bedroom properties today without subsidy. We recognise that there is clearly a need for affordable housing but the report does not provide robust evidence, to support this – until it does it cannot be relied upon. GL Hearn make some extremely dangerous assumptions in their forecasts. There is no consideration of anything other than linear growth whereas economists would say that the chance of at least one recession in the plan period is a given. There is no sensitivity analysis on interest rates – even the man in the street would say this is a one way bet... not if interest rates rise but when and how fast. Both of these factors impact hugely on affordability whether it's market housing, affordable market housing or social housing.

I am not an accountant but I am certain that GL Hearn's portrayal of the picture would not pass an audit. If you include the students you must include their accommodation (the minister has confirmed this); if you include the prisoners, you must include their accommodation, if you don't you are misleading the audience – that's us, the voters of Guildford who expect that the research that we pay for is sound and robust and that it will stand up to scrutiny. This report will not. Two months now or two years wasted.