

## Local Housing Market Assessment (LHMA) Affordable Discount 2018

Affordable housing discounts have been calculated across the local housing market areas to reflect local house prices and median household incomes. Table 1 shows how the discounts have been calculated and will be applied across the five different areas. The Median house price figure is produced from analysis of all properties sold within Conwy within a twelve month period. The Median household income includes the entire household and is calculated using the CACI PayCheck data for the same twelve month period as the house price data. A 5% deposit is now accepted by many mortgage providers and is the minimum required to be considered eligible for Conwy's affordable housing register and other National schemes such as Welsh Government's Help to Buy.

Table 1. Local Housing Market Area	Median Household income	3.5 household income	5% Deposit	3.5 x income Plus 5%	Median House Price	% of open market value (OMV) payable	Discount off OMV
LHMA1 West	£28,850	£100,975	£5,049	£106,024	£165,000	64%	36%
LHMA2 North	£25,050	£87,675	£4,384	£92,059	£156,000	59%	41%
LHMA3 Central	£26,000	£91,000	£4,550	£95,550	£159,000	60%	40%
LHMA4 East	£24,650	£86,275	£4,314	£90,589	£145,000	62%	38%
LHMA5 South	£27,150	£95,025	£4,751	£99,776	£155,000	64%	36%

The calculation works as follows:

*3.5 x median household income plus 5%, divided by median house price x 100 to express % of open market value payable.*

Table 2. Local Housing Market Area	Discount off OMV
LHMA1 West	36%
LHMA2 North	41%
LHMA3 Central	40%
LHMA4 East	38%
LHMA5 South	36%

Table 2 shows the discounts that will be applied to intermediate products for sale (both local cost home ownership and intermediate rent) across the five local housing market areas. Registered Social Landlords will be able to purchase intermediate rental properties using the same discount as low cost home ownership products.

Map 1. LHMA Boundaries.

