

CEO Forum held by The Housing Forum and Kier 7th September 2016

“The Housing Impacts of Brexit”

Event took place at:

Innholders' Hall
30 College Street
London EC4R 4RH



Key words: *partnership, alignment, regional delivery, life cycle costings*

The conclusions of the Forum are:

- There is a short term window of opportunity with advantageous land prices which can benefit housing associations with the ability to switch tenure
- The dynamic that always drives the housing market is consumer confidence, and potential job losses following Brexit need to be understood at a micro level.
- Some private house buyers have held off buying land recently which gives medium sized housing associations a competitive opportunity although larger housing associations who operate as developers may have to hold back on land purchase.
- For major contractors there is an opportunity through more partnerships and joint ventures
- Volumetric solutions can speed up delivery and could supply the majority of housing association's needs.
- Long term maintenance costs could be reduced with better customer management - in some cases 85% of responsive repairs budgets can be spent on 11% of the stock.



John Anderson, on behalf of hosts Kier Living, opened the discussion emphasising we are in a time of change, following the vote to leave the EU but the greatest uncertainty is when this change will have impact. Housing outputs are very positive, with the best summer house sales figures in recent years. The UK is attractive to investors but the industry must be alert to change and take early action to mitigate any economic consequences.

Nigel Turner anticipated that some initiative from government to encourage infrastructure and housing delivery would emerge and encouraged the public sector to be more forceful in decision taking to get returns quickly as the market has generally been very positive since the vote. Partnerships deliver when all are aligned and in the future opportunities are likely to open up, beyond Manchester and Birmingham in to a range of local markets.

Geeta Nanda covered the extensive watch TVHA keep on market sales, shared ownership and PRS offer to get insights into rapidly changing customer buying behaviour. The sales market is strong for apartments but there has been some slowing down in the purchase of larger properties in London and the South East. The pace of lettings for Fizzy has doubled in recent weeks and is attracting tenants of all nationalities and now drawing in higher income renters. This trend may be due to uncertainty among EU nationals about long term residence in the UK. Housing land opportunities are opening up within the NHS which may cover some social housing.

Tony Stacey highlighted recent reports from Civitas and Capital Economics which covered sub market rented housing. Since the vote and the change in political leadership, it was of significance that there had been discussion about the need for social housing. The NHF, CIH and others have called for flexibility in the tenure offer, investment in infrastructure and concerns about further rent cuts. Flexibility means taking account of local market conditions as the consequences of right to buy from a South Yorkshire perspective indicate an average sales receipt of £80,000 against a replacement cost of £120,000. Devolution of housing policy to suit local circumstances will mean local providers can adapt better to achieve greater outputs – especially if the ambition to treble house building output in Sheffield City Region is to be realised.

Shamez Alibhai set out one significant impact of Brexit which could be the transfer of manufacturing industry to Europe but this is less likely to occur in high value industries. London could be impacted if easy to relocate professional services move away - all of which will have an impact on the number of prospective purchasers able to buy. A micro understanding of the local economy and the type of lack industry has become much more essential. For a funder of low cost housing, the effects of Brexit are positive. Continuing low interest rates and the low cost of money gives up to 33% saving on finance making this good time to build more cost effectively. However, productivity in the sector is the lowest in Europe and is very likely to be challenged and there may be a squeeze on skills, making offsite manufacture very important. Whilst there are real opportunities to get involved in growing regional markets, the greatest concern is the fine balance of confidence.

David Mawson brought out ways to drive long term savings through new ways to consider costs. If maintenance, build and development costs are all considered together and modelled in terms of customer, location and property type then life cycle costs can be much lower and more accurately predicted. This is especially important in joint ventures where costs need to be modelled for up to 20 years in advance.

The following took part in the Forum on the housing impact of Brexit.

- 🏠 John Anderson, Executive Director, Kier Living (Host)
- 🏠 Nigel Turner, Executive Director, Kier Group (Co-Host)
- 🏠 Shamez Alibhai, Partner, Cheyne Social Impact Fund
- 🏠 Jeff Astle, Business Development Director, Guinness
- 🏠 Chris Brown, Executive Chairman, Igloo Regeneration
- 🏠 Joe Cook, Executive Director of Sales & Development, Aldwyck Housing Group
- 🏠 Linda Faucher, Sales & Marketing Director, NU living
- 🏠 Pete Gladwell, Head Of Public Sector Partnerships, Legal & General Property

- 🏠 Mike Kay, Chief Executive, Northampton Partnership Homes
- 🏠 Ben Llewellyn, Deputy Director for Housing Strategy, DCLG
- 🏠 David Mawson, MD of Housing Maintenance, Kier (Co-Host)
- 🏠 Neil McCabe, Managing Director, Hunters
- 🏠 Geeta Nanda, Chief Executive, TVHA
- 🏠 Sarah Pearson, Service Director for Economic Growth & Housing, Wakefield One
- 🏠 Anthony Riley, Director of Development at Waterloo, Waterloo Housing Group
- 🏠 Marie Riordan, Regional Development Manager, Stonewater
- 🏠 Tony Stacey, Chief Executive, South Yorkshire Housing Association
- 🏠 Lee Sugden, Chief Executive, Salix Homes
- 🏠 Andy Tookey, Managing Director, Baily Garner
- 🏠 Simon Vevers, Regeneration and Strategic Partnerships Director, Hyde Group
- 🏠 Ian Wall, Strategy Officer, Royal Borough of Greenwich
- 🏠 Kevin Williams, Executive Director (Growth & Enterprise), Wulvern Housing Group

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