

CEO Forum held by The Housing Forum and Wates Residential 21st
September 2016

“Shaping the future – The Midlands Housing Offer”

Event took place at:

The Hotel Du Vin Birmingham
Church Street
Birmingham, B3 2NR



Key words: *risk/reward, joint ventures, market rent, shared ownership*

The conclusions of the Forum are:

- Particularly in times of uncertainty joint ventures offer a good basis for the long-term
- Shared ownership opportunities will be taken up but housing providers are demonstrating a case for greater tenure flexibility
- Housing provider board need proven commercial expertise
- An active building and sales programme is good business for housing providers and some who stopped building due to the 1% rent reduction found that not developing made their situation worse
- Some national housing associations are showing interest in investing in the West Midlands due in part to the “investable proposition” stemming from the combined authority

Lee Sale, began with an overview of the housing market: demand continues to be high and facing the exit from the EU, little so far has changed. Quality and confidence need to be kept high as uncertainty could have an adverse impact. Wates are committed to supplying affordable housing and the core of the offer is to work in partnership, taking risk and reward together and support joint ventures with cash and development expertise.

Steve Dallaway explained how Birmingham Council had built 2,500 houses in the last 7 years at 50:50 rent and sale and now are ready to launch into PRS and direct sales through “Forward Homes” sites are the biggest challenge so Birmingham aim to de-risk the planning process by allowing building under licence with land sale following on completion.

Darren Clarke considered that, given the scale and mass of housing needed in the Combined Authority, joint venture is one of the best vehicles to achieve delivery that meets the required objectives of each party to unlock development. Collaborative working brings benefits allowing a “doubling up” of consultant and contractor expertise. Typical examples in the Birmingham &

Walsall areas would be yields around 15% which can be shared between client and contractor. Looking ahead to the exit from the EU, a period of uncertainty is ahead so long term arrangements will give more certainty on cash flow for contractors with clients benefitting from access to a competitive supply chain and net build costs. Each party shares in the risk but also the rewards. Housing association approaches to development were discussed and for whg, homes for sale is now a significant part of their development programme as their appetite for risk changes within a balanced development programme.

Gary Fulford advised that whg is setting up a commercial house building company to build homes for sale which may include some high value homes. Through joint venture, they believe that they will be able to enter the market at less risk and provide a wider portfolio of homes. A good knowledge of the market determines what is built and they are aiming to build or acquire up to 1,000 market rent properties over the next few years as well.

Amanda Tomlinson set out Black Country's approach – successful as smaller association with an annual development programme of smaller sites and a more local focus The West Midlands Housing Partnership has been positive, enabling greater co-ordination between housing associations and councils in terms of housing development.

Tim Bush is looking forward to the autumn statement, considered some easing may come to help housing delivery. Costs and competition are very real issues locally. Housing has to be part of the nation's assets, with assurance for affordable housing provision, in much the same way as education is regarded.

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

Hosts

- 🏠 Shelagh Grant, Chief Executive, The Housing Forum (Co-Host)
- 🏠 Lee Sale, Business Director, Wates Residential (Co-Host)

Guests

- 🏠 Tim Bush, Equity Partner, Baily Garner
- 🏠 Nick Byrne, director of Development Operations, WM Housing
- 🏠 Darren Clarke, Partner, Arcadis
- 🏠 Steve Dallaway, Development Manager, Birmingham Municipal Housing Trust
- 🏠 John Downs, Managing Director, Circle Housing Mercian
- 🏠 Gary Fulford, Group Chief Executive, WHG
- 🏠 Debbie Griffiths, Chief Executive, Housing Plus
- 🏠 Chris Jones, Development Director, Orbit Housing Group
- 🏠 Helen Newbury, Group Head of Programme & Performance, Waterloo Housing
- 🏠 Chris Poulton, Director Asset Management & Development, Stafford & Rural Homes
- 🏠 Richard Powell, Director, BM3
- 🏠 Amanda Tomlinson, Chief Executive, Black Country Housing Group
- 🏠 Andrew Vickery, Partner, Trowers & Hamlins
- 🏠 Graham Wright, Head of Office, Capita Property & Infrastructure

WITH THANKS TO WATES RESIDENTIAL FOR HOSTING THE CEO FORUM