




GallifordTry



Improved solutions to housing supply

Stephen Teagle MRICS

- Role and purpose of working group
 - policy and market context
- Priority themes
- Roundtable discussion on themes and feedback



Role and purpose

Alignment with More Homes, Better homes

- Key focus area with specific recommendations
- Increase supply across all tenures
- Longer term-10-20 year supply
- Anticipate changes in residential market across cycle
- Recognise delivery, investment and policy drivers
- High level recommendations with practical exemplars



Policy and market context

market fundamentals- a 10-20 year perspective

- Continued demand- historic supply side deficit pressurising system
- High political visibility leading to continued public interventions
- Successive Governments' use as lever for economic growth and employment
- Public and private co-investment
- Continued high reliance on private sector to initiate supply
- Mainstreaming of intermediate market
- Significant growth in mixed tenure and PRS programmes
- Planning, land availability and absorption rates determine momentum



profound sectoral change- home ownership centre stage



Government policy

- Rent reforms
- Right to Buy introduced
- Pay to stay
- Starter homes introduced
- New home ownership programmes
- HTB extended
- Revised definitions of affordable
- LA direct commissioning

The Supply imperative

- Build out rates
- Planning efficiency and reform
- Leverage capacity



removing barriers, facilitating investment

The working groups –

- Leadership and Structures
- Tenure Delivery
- Sector Capacity
- Commissioning and Investment



Leadership and Structures

The Challenge

Better leadership and implementing structures for delivery

Issues

- Avoiding short-term interventions
- Political and policy consensus
- Providing stability for investment
- Facilitating continuity of delivery
- Defining devolution
- Demonstrating success

Consider

A national delivery plan
Cabinet responsibility
Devolve fiscal and planning powers
Support for local innovation

Tenure delivery

The Challenge

Removing barriers to individual tenures to encourage investment

Issues

- Structural imbalance
- Absorption rates
- Congestion in intermediate market
- Political volatility
- Momentum in PRS market
- Variable regional markets
- Placement of investment risk

Responses

Sector adjustment to intermediate
New financial models for rent
Variable yield-based tenure models
Support for local innovation
Shared ownership flexibilities

Sector capacity

The Challenge

Increasing capacity to lift output

Issues

- Investment caution
- Planning process reforms
- Consolidation and delivery concentration
- Skills and capacity deficit across supply chain
- Contraction of SMEs and lack of new entrants
- Development finance
- Low levels of R & D investment

Responses

Planning and speed to market

Land value release

Forward visibility of demand

Partnerships in procurement

Cross-party strategy for training

Fiscal incentives to innovate

Commissioning and Investment

The Challenge

Encouraging public commissioning and private capital

Issues

- Uneven and inconsistent
- Absorption rates
- Congestion in intermediate market
- Political volatility
- Momentum in PRS market
- Variable regional markets
- Placement of investment risk

Responses

Legitimise local authority models
Longer term revenue models
Use of portfolio investment
Joint ventures and co-investment
Funding to increase capacity

- Leadership and structure

How do we achieve better leadership and structures for delivery?

- Tenure delivery

How do we remove barriers to individual tenures and encourage investment?

- Sector capacity

How do we increase capacity to lift output?

- Commissioning and investment

How do we encourage commissioning and private capital?





stephen.teagle@gallifordtry.co.uk