

**CEO Forum held by The Housing Forum and NHBC, 7<sup>th</sup> July 2016**  
**"Housing delivery – in the post EU referendum context"**

**Key words:** EU referendum, market reaction, shared ownership, regulations, global energy issues

The conclusions of the Forum are:

- 🏠 In the aftermath of the EU referendum, significant confidence still remains in the housing sector.
- 🏠 The result has not changed the fact that there is a serious, long term under supply of housing in all locations.
- 🏠 There are wide differences between the sentiments governing markets in the regions and the north, where sales and reservations have remained steady compared to London and the South East where markets are more exposed and affected.
- 🏠 Longer term regeneration schemes are potentially more susceptible, needing project specific funding.
- 🏠 The housing market takes a long time to recover from downturns and fiscal encouragement may be needed to keep equilibrium.
- 🏠 The demand for social rented properties is considerable and levels of homelessness are moving again towards the high levels of previous decades.
- 🏠 The Housing Forum will take up concerns that concentration of housing policy on home ownership is in conflict with the needs of some parts of the country and a balanced market is needed.



In his opening remarks, **Andy von Bradsky**, reflected on the immediate impact of the referendum result and the message from the industry that the housing market is robust with demand as high as ever. The main issue for The Housing Forum is how to maintain rates of supply and what partnerships in the sector might look like in future?

**Chris Tinker** spoke of strong growth in housing outputs over the last year and the prospects of consolidation in the housing association sector driving growth of between 10%-15%. Sales rates in the north and midlands have held up well since the EU vote although the London market is more challenging with some falls in sales rates. House builders have met with government representatives to make the case for some measures of support - possibly extensions to 'Help to Buy' to add certainty while the position on EU trade tariffs becomes clearer. Overall, housing policy is too London centric. Stamp Duty has impacted on regional regeneration schemes and should operate on a more flexible basis, taking account of local market conditions. There remains uncertainty around the regulations governing Starter Homes which have the potential to create market distortions. Pricing is too wide, potentially allowing the purchase of a family home in one location and a



small flat in another. Local authorities might review affordable housing requirements which may lead to viability tests on new schemes and potential delays.



**Neil Hadden** set out the ambition behind the planned merger between Genesis and Thames Valley which would see their combined offer of 48,000 homes of all tenures become the largest provider of shared ownership in the country. Genesis see shared ownership as a good product and substantial grant is available for further development. The new organisation, at capacity, would build 3,000 homes from year 3 – at 20% rent, 40% intermediate tenures and 40% market sale. Increasingly, housing associations are having to operate pro-cyclically in house building and are likely to be affected by EU tariffs on materials. A possible upside is the prospect of keener land prices, especially welcome in London, which has become a big factor in recent times. The response of many housing associations has been to make a positive commitment to building. The approach of housing associations has increasingly been to make development programmes work without any grant and some have been considering Build to Rent to add a commercial element to their portfolio.



Investment in the energy market is part of a long term strategy for Worcester Bosch and **Carl Arntzen** explained that they seek to invest in technology 5 to 10 years ahead of coming to market. The UK housing market is very large and products made in the UK are sold into that market. Worcester Bosch have no plans to slow down investment and anticipate the market remaining at 1.5/1.6m boilers in coming years. A deterioration in the value of the pound may push up costs and in a competitive market, they will try to absorb this in the short term as the market adjusts. In the longer term, we are close to a digital transformation – a whole energy revolution- which will see smart home technology become widely available and smart homes products and services to be launched.

The growth of new institutional investment into residential investment began to take off in 2011 and **Nick Jopling's** proposition is that it will take a least a decade to fully introduce PRS as an asset class. The strategic objective of Grainger's business is to run a net rent distribution model that maximises rental income from stock. Net rental income is time dependent, and is affected by location, design, and management of housing stock - all of which drives the imperative of a good quality, market ready product. In the last 5 years, and within a strong housing market, Build for Rent has grown steadily bringing additionality to the range of tenures alongside home ownership and shared ownership. Awareness is growing within local authorities that Build for Rent can add to the local supply of affordable rent and has a place in the market.



### The following contributed to the CEO Forum:

- 🏠 Andy von Bradsky, Consultant, PRP & Chairman, The Housing Forum (Co-Host)
- 🏠 Ian Davis, Operations Director, NHBC (Host)
- 🏠 Shelagh Grant, Chief Executive, The Housing Forum (Co-Host)
- 🏠 Carl Arntzen, Chief Executive, Bosch Thermotechnology
- 🏠 Andy Bugler, Managing Director, Bugler Developments



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- 🏠 Tim Carpenter, Managing Director, Mears Group
- 🏠 Matt Cooney, Group Chief Executive, asra Housing Group
- 🏠 Ben Derbyshire, Managing Partner, HTA Design LLP
- 🏠 Colin Farrell, Senior Partner, Faithorn Farrell Timms
- 🏠 Neil Hadden, Chief Executive, Genesis Housing Group
- 🏠 David Hall, Group Chief Executive, Polypipe Group
- 🏠 Ian Fletcher, Director of Policy (Real Estate), British Property Federation
- 🏠 Joanne Jamieson, Managing Director, Wates Living Space Homes
- 🏠 Nick Jopling, Executive Director - Property, Grainger plc
- 🏠 Chan Kataria, Group Chief Executive, emh group
- 🏠 Mike Kay, Chief Executive, Northampton Partnership Homes
- 🏠 Chris Liffen, Executive Director Property, Homes for Haringey
- 🏠 Paul Miller, Partner, calfordseaden LLP
- 🏠 Tony Stacey, Chief Executive, South Yorkshire Housing Association
- 🏠 Simon Smith, Finance Director, Octopus QSH
- 🏠 Chris Tinker, Chairman, Regeneration Division, Crest Nicholson
- 🏠 Alan Townshend, Group Director Development, Southern Housing Group

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