

CEO Forum held by The Housing Forum & NHBC, 9th December 2015 "Working with the Housing and Planning Bill 2015"

Key words: housing supply, starter homes, replacement homes, collaboration

As the Housing and Planning Bill reaches the end of its committee stage, The Housing Forum assessed the overall impact of its range of measures aimed at boosting housing supply with an expanded home ownership programme.

The conclusions of the forum were:

- 🏠 Measures are aimed primarily at a switch in tenure and may not substantially increase growth in supply
- 🏠 A redefinition of the green belt will ease the limited supply of land where needed to support affordable housing.
- 🏠 Demand for housing will continue - driven in part by an increase in net migration and household changes
- 🏠 The pre funding of infrastructure would directly support an increase in custom and self-build
- 🏠 In some locations, house builders are considering setting aside sections of sites for sme/self-build development
- 🏠 Former public sector bodies (including housing associations) have a different approach to investing in new products like prs and it produces an asset at a scale attractive to investors
- 🏠 This also creates a different dynamic which is more flexible and better able to react to the market
- 🏠 A step change with housing associations building more homes for sale and rent has to be supported by a move forward in the regulatory agenda
- 🏠 There are mixed views on whether there has been an improvement in planning although there are successful good examples of neighbourhood planning contributing to growth



In his opening remarks, **Ben Derbyshire** commented that given the scale of anticipated change, The Housing Forum with its cross sector approach, will be concentrating on solutions to housing supply that can be achieved through improved collaboration.

Ian Davis indicated that recent initiatives have made it easier to build but beyond headlines, there may not be much more additional growth as industry output is now getting close to 200,000 starts a year. Government policy is supporting the supply that is already in the system and making it easier to bring forward land supply. It is clear that the intention is to recast affordable housing as affordable sale housing although there is still quite an amount of affordable rent in the pipeline to come through.



Elaine Bailey set out Hyde Housing's purpose - to build



more homes in London and the South East - then manage those homes well. Hyde will expand their development programme applying RTB receipts to increase the amount of building from 1,000 up to 2,000 homes a year within 5 years. A change in tenure mix is planned, from 60% sub market and social and 40% commercial to 50% sub market and social to 50% commercial. To increase the range and numbers of homes built, housing associations need flexibility to build as many homes as possible which may result in a steer away from building in Zones 1 and 2 to the outer zones of London. Housing associations are also seeking flexibility to vary exact 1:1 replacement within a 3 year time scale and introduce more options on size, tenure and location in the replacement pipeline. The flexibilities which will allow the rented market to work are powers to self-determine rent levels and property disposal and to widen nomination channels beyond council waiting lists

Andy Steele commented that current challenges in housing are due to competition for limited government resources from other sectors including health, education and transport. The house building industry must react to the reality of the skills gap- 400,000 people have left the industry and cannot all be replaced. There has to be a co-ordinated approach to issues of the shortages in the supply chain- the consequence otherwise could be rapid price growth. Osborne's approach is to work collaboratively with councils and housing associations to maximise opportunities and find housing solutions. As a whole, the construction industry is not yet efficient with too many sub-contractor levels. Energy efficiency and whole life costings can be improved with good energy efficiency becoming the norm.





Andrew Beharrell considered the starter homes policy as it has been set out in the Bill and in previous announcements. Earlier coverage had suggested the aim of starter homes would be to widen investment and help younger people get on to the housing ladder. But this may only have a short term effect as potentially 200,000 starter homes purchasers could realise the 20% discount on resale after only 5 years. It is surely better to link the discount to a 25/30 year period in line with the usual length of a mortgage.

Where will starter homes be built? The original announcement described starter homes as being built on former industrial land not already allocated to housing, but in London and the South East surely all such land has already been designated? The design advice for starter homes contains fine aspirations, but no real guidance, and a focus on the appropriate 'look' for low density developments: there is not much for London and other urban centres and nothing about designing for modern lifestyles or modern methods of construction.

The following took part in the CEO Forum:

- 🏠 Elaine Bailey, Chief Executive, Hyde Housing
- 🏠 Andrew Beharrell, Senior Partner, Pollard Thomas Edwards
- 🏠 Chris Blundell, Director of Development & Regeneration, Golding Homes
- 🏠 James Brennan, UK Corporate Finance Director, Ballymore Group
- 🏠 Andy Bugler, Managing Director, Bugler Developments
- 🏠 Visakha Chandrasekera, Head of Leadership Programmes, Future of London
- 🏠 Ian Davis, Operations Director, NHBC (Host)
- 🏠 Ben Derbyshire, Managing Partner, HTA Design & Chair, The Housing Forum (Co-Host)
- 🏠 Vanessa Dockerill, Commercial Manager and Interim Head of Development, Aldwyck Housing Group
- 🏠 Steve Hicks, Managing Director, Gentoo Genie
- 🏠 Shelagh Grant, Chief Executive, The Housing Forum
- 🏠 Richard Jones, Partner, Arcadis LLP
- 🏠 Nick Rogers, Director of Design, Taylor Wimpey
- 🏠 Andy Steele, Chief Executive, Osborne
- 🏠 Laura Waind, Membership and Development Manager, The Housing Forum

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