Housing delivery vehicles, partnerships and innovation

Harrow Council's Great Estates Model

APSE Seminar March 23rd 2017

Paul Nichols Harrow Council Regeneration, Enterprise and Planning

The ideology

- Affordable housing model systematically dismantled
 - Cuts to affordable housing grant
 - Comprehensive welfare and benefits cuts
 - Council and RP rents capped and cut
 - Extension of right to buy, no reprovision
 - Exemptions from planning requirements to provide affordable homes
- Housing White Paper shift in approach?
 - Starter Homes rolled back
 - Acknowledgement of need for diverse tenures
 - Support for institutional build-to-rent
 - Guarded support for LA housing companies

The crisis

- Together with adult social care, has the capacity to ruin some Councils
- Planned housing targets don't meet need
- Homelessness now a daily reality even in the less deprived boroughs
- Eg £4m pa overspend, £10m reserves
- New urgency
- Housing and homelessness now top our local political agenda

The response

- Planning for Housing Growth, AAP in place
- Opportunity Area and Housing Zone
- Established £1.75Bn regeneration programme to implement the planned growth
- £240m of Council investment
- Broadly based programme of social and economic regeneration
- Housing and meeting local housing need at its core: 5,500 new homes

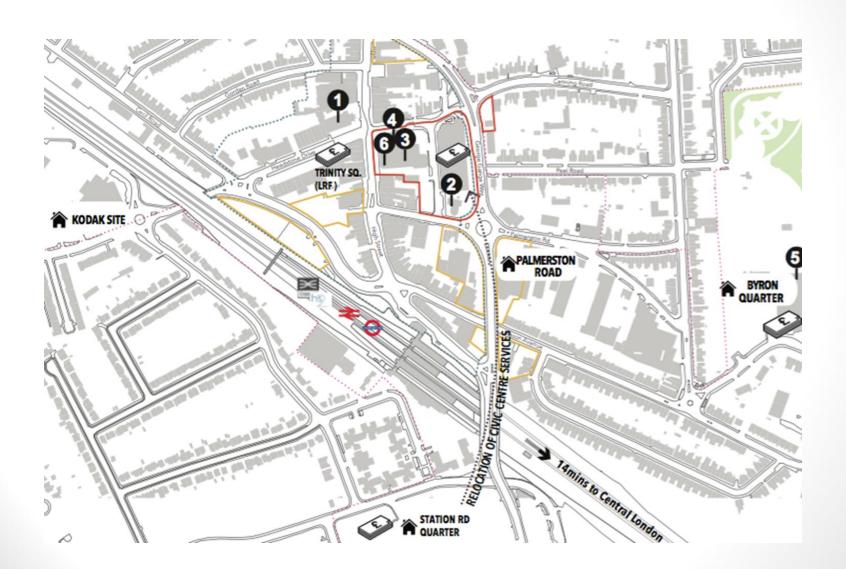
Our approach

- Great estates model
- Not selling the family silver
- Managing land assets for the long term
- Design quality, placemaking
- Council as master developer
- Creating build to rent portfolio
- Discounted market rent within BtR
- Creating temporary accommodation through property purchase
- Established SPV to hold and manage

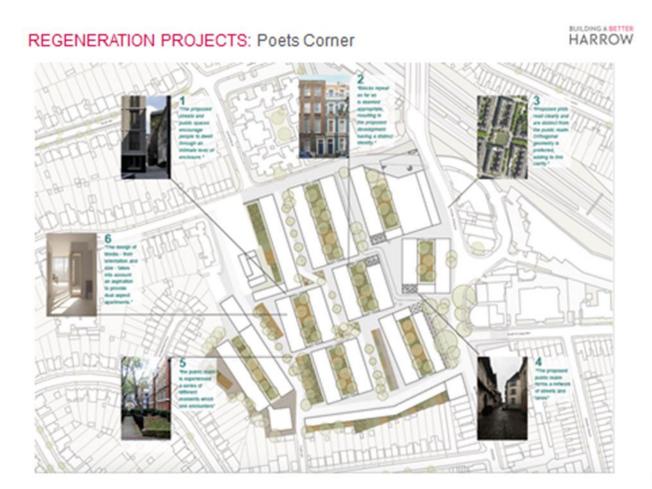
Master developer

- Programme of 10 Council sites, 2,000 homes
- In house masterplanning and design team
- In house programme and project management
- Programme level procurement, legal, cost consultancy, financial modelling
- Control over scheme design and content, throughout the life cycle

Civic Centre move



Redeveloping the Civic Centre site



Leisure Centre site



Redeveloping town centre car parks







Build to Rent

- 650 home programme
- Targeting local need live or work locally
- Managed by Harrow Council's Smart Lettings
- Owned by Council's Concilium group no RTB
- For the tenants: No fees, long lease options, responsive and professional local management
- Good quality, purpose built rental homes
- Affordable component discounted market rent, London Living Rent (1/3 of average local income)
- Generates £2.3m pa net income stream (and growing)

Build to rent pilot



Town centre build to rent



Family build to rent



The payback

- Medium and long term income £2.3m+ pa net
- Appreciating asset to hold, manage, sell
- Temporary accommodation programme woven in meanwhile uses and interim lettings
- Rigorous focus on placemaking and design
- Complementary workspace programme
- Developer JV partnering to extend reach
- Public sector partnering eg TfL to deliver strategic infrastructure