
Housing, financialisation and the 21st century

Housing Studies Association Conference

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The role and purpose of The Housing Forum

- independent membership network of professional and commercial organisations
- to influence, network and inform
- housing providers, developer/contractors, housebuilders, manufacturers, specialists, investors
- *“The cross sector representation of our membership equips us to investigate issues that require collaboration to achieve successful outcomes”*

What needs to change?

- Market – wide strategies informed at local level
- Interventions in land, partnering and expertise
- Better predictability over housing cycles at scale

How are we doing?

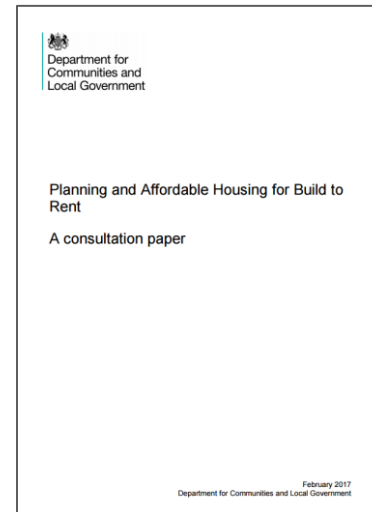
- 2017 predictions down grade construction growth from 3.5% to 1.3%
- 2016 outputs:
 - ✓ Net additions to housing stock 163,940
 - ✓ Office to Resi 12,824
 - ✓ Planning permissions granted 275,000 but takes 3-5 years to build out

How did we get here?

- From private rent from landlords through interwar and post-war council and private house building
- Establishment of the Housing Corporation and direct grant for new build
- Council housing Right to buy
- Encouragement of large scale council housing stock transfer and decent homes standards
- Financialisation
- Cross subsidy in housing association building programmes, reduction of social housing programmes from 34,000 in 2009 to below 3,000 by 2013

Recent government approaches

- 2015 Home ownership
- 2016 Autumn statement
- 2017 “Fixing our broken housing market” White Paper
- Planning and Affordable Housing for Build to Rent

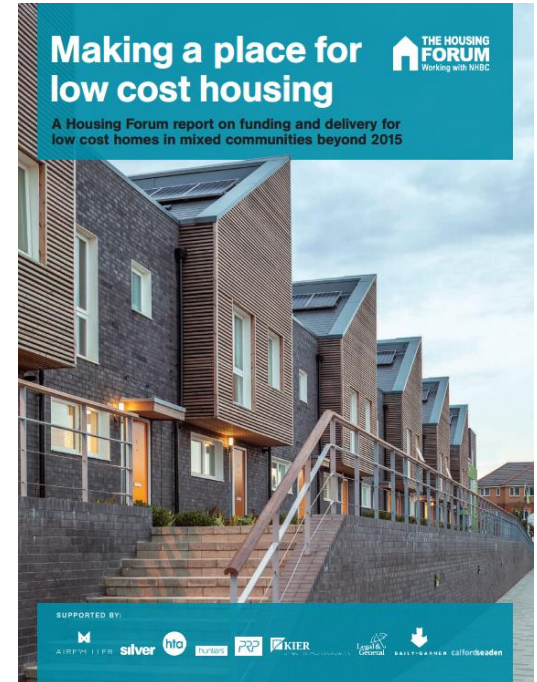


Financial

- Reduction in capital subsidies
- Revenue subsidies
- Global capital
- The link between house prices and earning has changed
- The rise of buy to let and private rented

Making a place for low cost housing March 2014

- Called for a National Housing Bank
- Local Housing Companies spanning several council areas
- Affordable Housing to be seen as an asset class



Future proofing housing supply February 2017

- 10 point plan
- Including:
 - ✓ officer decisions on compliant planning applications below 250 units
 - ✓ long term, cross party large scale capital investment plans
 - ✓ local authority freedom to commission Bank of procurement expertise



New solutions through partnerships

- Bristol Council – local council company
- Sheffield – Local Housing Company with Keepmoat
- Kier £1bn for 100,000 homes on public sector land – The New Communities Partnership
- Birmingham, Manchester, Southampton, Gateshead

Manchester City Centre



Creating an exciting mixed use scheme in a city centre

Ambition to create a vibrant City Centre with new tram system

Brokerage between all Local Authorities within Greater Manchester who are signed up to common agreements and long term planning

Continuity of council leadership over a long period

Park Central : Birmingham

Transforming inner city estates through working in partnership



- Large scale housing association mergers to set up development companies:
 - Willmott Partnership Homes with LB Hounslow mixed tenure
 - Hill and Peabody at Fish Island Village Regeneration
 - LB of Barking & and East Thames to construct the first phase of regeneration to the eastern side of Gascoigne Estate, Barking



Financial

- Pension funds which are traceable – Greater Manchester, Heylo
- Presence of investors
- Capco, M&G, Civitas; track records of others

Complexities

- An interdependent process but rarely expressed as a whole market
- The cyclical nature is not well predicted
- Tensions in supply and price in land, materials, expertise and running costs
- Nature of home ownership models in UK
- Regulation – protects density, design and standards
- No one sector or model can match need

Our recent outputs



February 2017



December 2016



Key words: place making, quality, development management, planning, build to rent, mixed tenure solutions.

The conclusions of the Forum are:

- The White Paper strongly encourages mixed tenure solutions to support delivery through a very broad range of measures
- Rent settlements will be important to unlock development capacity in the housing association sector
- The house building process needs early, integrated planning with all stakeholders co-operating from the outset
- The planning reforms should avoid in ensuring local authority plan making is more consistent, efficient and focused on delivering improved supply
- The White Paper acknowledges the importance of design quality
- The stimulus for build to rent is welcomed, this has to now be supported by planning
- The disconnect between design and construction is limiting the growth of off-site manufacturing solutions
- Lifting supply and achieving quality outcomes requires quality design and development management and there is a danger that this is an increasingly scarce resource, particularly on the commissioning side.
- Not enough housing is meeting the needs of younger and older households

Monthly CEO Forum outputs



May 2015

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