

Providing Affordable Housing During the Recession

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Link – A Profile

- Group of 6 HA's, social enterprises and voluntary organisations
- Formed 1962
- Operating in 26 Scottish local authorities
- £26m turnover
- 100+ completions p.a.
- Tradition of partnerships – developers, LAs, RSLs
- Innovation – a wider role

5 Diverse Decades

- Cost Rent 1964
- Co-ownership 1968
- Fair Rent 1975
- Shared Ownership 1980
- Right to Buy
- New Build for Sale 1985
- Tenant Incentive Scheme
- Foyer/students 1990
- Market Rent
- Mortgage to Rent 2000
- (Homestake) LIFT –
OMSEP and NSSE

Firm Foundations Summary

- Crisis – current arrangements unsustainable, market failure, unaffordable
- Increased supply and choice of housing
- Mixed communities
- ‘Most want owner-occupation’
- Land supply/planning issues
- Enhanced role for LAs and the private rented sector while sustaining RSLs
- Efficiency in procurement
- Regulation

Proposals

- 35000 completions p.a
- Higher Environmental Standards
- Strengthening the Planning framework e.g. SPP3
- Strategic, cross-boundary planning
- Remove blockages to delivery
- New settlements
- Central govt./national co-ordination – planning and land assembly
- Support for ownership – LIFT
- Affordable Housing Policy(s75) – developer (cross) subsidy
- A future for social housing

Stimulating Choice in Affordable Housing

- Support to LAs – RTB change and incentives
- Improved supply of RSL housing – strategic, efficiency
- Lead developer / alliances
- Competition for subsidy
- Range of tenure/prices – social, mid, mid-market and market rent
- Revise mix of existing stock
- Support for non-RSLs?
- Quality – SHQS
- Better Neighbourhoods
- Lettings - Access and choice

But Then - Unprecedented Change

- Concordat – Single Outcome Agreements
- Procurement / Efficiency
- Credit Crunch and recession
- Private sector development halted
- Lending to individuals and developers/RSLs constrained
- HAG reductions and ‘tighter’ assumptions
- Food/Fuel Costs and Pensions rises
- 2012 Homeless target
- New Housing Minister
- Affordable Housing Investment Reform

Initiatives

- New markets, maintaining a broad range
- Front-fund development
- Landbank fund £6m
- Strategic objective – make best use of reserves/surpluses
- ‘Community’ PFI eg Cordale’s schools
- Mid market rent
- Mergers/alliances
- Community Benefit Clauses in contracts
- Supply Chain control- better (or worse) prospects for SEs/SMEs?
- Bulk Procurement – dev./maint.
- Social Return on Investment (SROI)

Opportunities

- SFT – and its ‘spin-off’ Housing Trust
- European Investment Bank (EIB)/ The Housing Finance Corporation (THFC)
- Scottish Investment Bank?
- Long-term /larger programmes
- LIFT continuation – extend to developers
- MMC/off site/low carbon, cost in use
- Developer sales to RLs (homes/sites- inc. build)
- Councils allowed to build again
- RTB scrapped (new tenants)

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Threats

- Recession not over
- We're skint!
- 20% reduction in public spending
- LA efficiency – less partnership
- Tighter control by lenders
- Utilities costs/prices
- HAG and wider role cuts- removal?
- 'Black Hole' following accelerated funding (£120m)
- Withdrawal of ring fencing for regeneration – and developers withdraw
- Other priorities eg Glasgow Games, Forth Bridge, wars
- New Westminster Govt.

What should (but may not) be...

- Homes for life
- Removal of obsession with home ownership
- Completely flexible tenure
- Effective tax breaks for investors – private and institutional
- Land Tax
- Further restriction on RTB eg less discount for qualifying tenants
- Control/ownership of banks
- Hugely expanded Credit Unions
- Re-ignite Community Ownership
- Co-ownership Housing Societies



Co-Ownership

- Late '60s
- Combining advantages of renting and owning
- Developed by HA , Joint (co-) ownership/control by individuals(members) of whole estate
- Exclusive occupation of one property
- Monthly payment – loan, management/maintenance , fund for 'premium payments'
- 50% of value increase after 5 years.
- 15 Societies to 0 – RTB and high interest rates.