



Ethical Build-to-Rent: Community Housing

Ben Aspinall

Monday 12th November 2018
Rural Arts Centre, Thirsk

Overview



- Introduction
- Our Prospectus
- Next Steps

Introduction



Aspinall
Verdi

- Egerton Estates Limited
- AspinallVerdi – Property Regeneration Consultants
- Specialist Property Development Consultants
- RICS GP and P&D Surveyors / RTPI
- Unique skills and experience:
 - AspinallVerdi is on the Homes England Property Professional Services Framework 2018;
 - Non-Executive Board Director level experience of a Register Provider;
 - Development Director level experience in a private development company;
 - Executive Director experience of the Leeds City Academy CIC (now the Ruth Gorse Academy);
 - Board member experience of Headingley Development Trust and the HEART (Headingley Enterprise and Arts centre);
- Extensive Viability Experience: CIL Viability Studies; Local Plan / Affordable Housing Viability; Economic Viability Appraisals for S106; Heritage - Conservation Deficit / Enabling Dev. Appraisals; Market Studies to support change of use; Land Value Capture; Funding

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Background



- Build-to-Rent (BTR) sector will continue to play an increasingly part of the housing choice for many in 'generation rent'
- In 2010, working with the University of Leeds, we led the research into the question, '*does affordable housing planning policy act as an impediment to housing delivery and is there a better way of regulating the market?*'
- Research for Planning Advisory Service (PAS) into Planning for Self and Custom Build Housing
- Feasibility Study for Stoke-on-Trent City Council and Homes England on the feasibility of a portfolio of four strategic city centre sites for BTR
- Ongoing research for Historic England, Power to Change, Locality, Heritage Lottery Fund into barriers to Community Asset Transfer
- On RTPI EPP / RICS FVIP Steering Group

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Why Ethical?



Innovative ethical model based on delivering sustainable development using a partnership approach with appropriate allocation of risk and return. Key features include:

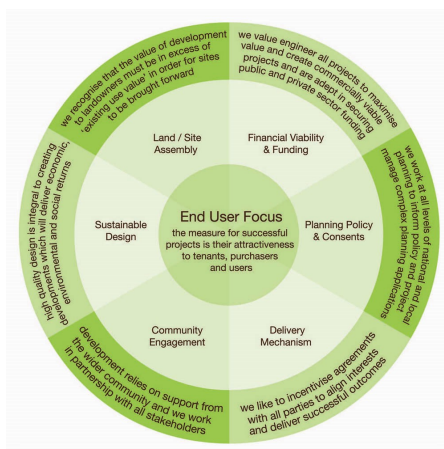
- Asset locked comprising Community Interest Company or Community Land Trust and /or Registered Provider;
- End-User focused on the community to provide for local (affordable and specialist) housing needs;
- Discounted Market rent homes for people on the housing register;
- Long term family-friendly tenancies of three or more years for those tenants that want them to enable families to feel secure in their homes and build communities;
- High quality in terms of the urban design, environmental sustainability and unit size and layout;
- Landowner/partner receives a turnover based land payment for the land creating an income stream;
- The CIC/CLT design, builds, finance and manages the units;
- Public benefits in terms of affordable housing, CIL and other S106 contributions are delivered.

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Our Approach

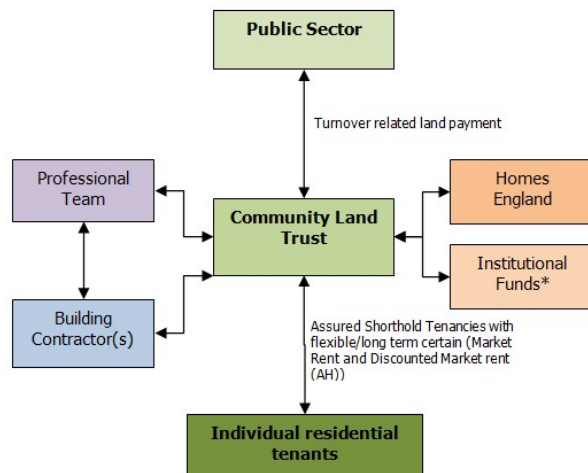


Our seven priorities of successful capital development projects:



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Delivery Model



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Pilot Project

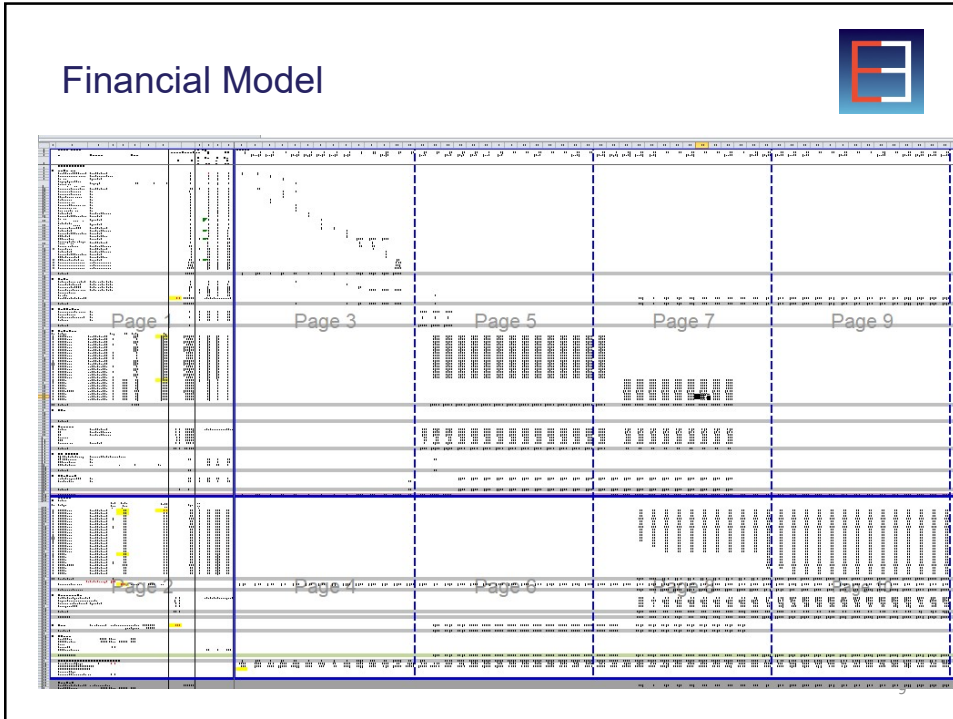


RP Walsall; 3 x infill sites; 24 units



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Financial Model



Scenario Testing



	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
	Optimistic	Increase AH%	Increase rent discount	Increase land payment	Increase IRR funding
No. Units	24	24	24	24	24
No. Affordable Rent	3	6	3	3	3
% Aff. Rent	13%	25%	13%	13%	13%
% of MR	80%	80%	60%	80%	80%
Land payaway (%)	8.0%	8.0%	8.0%	12.0%	8.0%
IRR	8.0%	8.0%	8.0%	8.0%	10.0%
Grant requirement (£/unit)	47,639	49,946	49,699	52,517	65,372

Next Steps



- Engaging with Homes England
- Work with local communities / Councils
- Need more sites to pilot

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Contact



We are always delighted to meet to talk about potential projects

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