Right-to-buy extension fuels innovation

Insider's Alex Bell explores delivery-focused joint ventures following another shake-up for social homes and affordable housing

The housing crisis isn't news but the government's pledge to build replacement social homes for each one sold is.

Boris Johnson recently announced that tenants – 2.5 million of them – will be given the right to buy from housing associations. It's a shake-up which tests true collaboration.

Our nation had become obsessive over home ownership when Margaret Thatcher paved the way for the introduction of right to buy in 1980.

Many in real estate circles have put forth a melting pot of mixed reactions to Johnson's extension of the scheme.

While some industry heavyweights welcomed the government's plan to help more people become homeowners, others questioned it.

Ian Fletcher, director of policy at the British Property Federation, talked of the risk of undermining the interest in investment in the sector, further reducing supply.

He said: "While the extension of right to buy to housing associations may support more people into home ownership, the homes bought must be replaced on a like-for-like basis. Without this, the availability of affordable homes will continue to be stretched at a time when we urgently need more stock, not less.

"The initiative also fundamentally misses the core issue, helping people into social housing and reducing the waiting list. Extending right to buy runs the risk of exacerbating this challenge by diverting government funding away from affordable housing supply. There is also the not inconsiderable issue about the legal framework for all of this and how property owned by independent organisations is going to be sold with hopefully their agreement."

With 140,000 affordable homes needed in the country, here we look at two projects tackling the rise in land and construction costs while delivering affordable and social homes.

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>
> **Sandy Livingstone**
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> Onward Homes

Caraway Green

Goosnargh, Preston

Onward Homes owns and manages 35,000 homes – a mix of social housing, affordable rent and shared ownership – across Liverpool, Greater Manchester, Lancashire and Cheshire.

Having recently secured £152m from the Affordable Homes Programme (AHP), Onward will create 3,208 North West homes by 2026.

Onward, working in a joint venture (JV) with Seddon, is in the final stages of delivering Caraway Green in Goosnargh, Preston. It will offer a range of two, three and four-bedroom homes.

Sandy Livingstone, executive director of property at Onward, describes the Caraway Green development as being in "a rural exception site" and "in an area of high unaffordability".

"Our partners at Preston City [Council] knew exactly what they wanted for the tenure mix, offering a range of affordable rent, shared ownership, discount market sale and outright sale. We shared their

Onward's Goosnargh development

How Caraway Green will look

The Royal Canal Works development

commitment and were delighted to deliver exactly this," says Livingstone.

"In line with our commitment to promoting innovation and modern methods of construction [MMC], we deployed techniques such as timber frame construction.

"Timber cost rises in recent months have put pressure on the numbers but manufacturing offsite gives us volume efficiencies that help it all to add up. Forward-thinking and diversifying construction methods is essential to staying on track and delivering commitments to partners."

Caraway Green is next to the village centre and village green, with views across farmland to the hills of Beacon Fell Country Park. Livingstone insists that partnership working and MMC are helping Onward Homes deliver, despite rising costs. He says, however, that the Levelling Up Bill means more challenges are on the horizon.

"The challenge ahead of us all is how to maximise quality and keep delivery moving while costs rise in an uncertain market," he says.

"Good relationships with local government and private partners are more important than ever because there is no margin for error.

"The Levelling Up Regeneration Bill includes lots of promising elements, but it also risks more sand in the gears of planning in the years ahead. A new NPPF [National Planning Policy Framework], local plans and local design codes all add up to a lot of work for planning officers who are already under stretch.

"Our sector will need to be as supportive as possible, work with our local authority partners and factor these pressures into our forward planning."

Livingstone also spoke of a period of challenging transition following the replacement of Section 106 with a local infrastructure levy.

"In the fullness of time," he says, "clarity on developer contributions will give benefits. The focus on agreeing value, rather than number of homes, will also likely tilt deals towards quality over quantity.

"However, a local land value-based system is unlikely to do anything for levelling up, making it more important than ever that national grant funding for affordable homes is focused on areas with lower values."

Royal Canal Works

Bridgewater Canal, Stretford

In winter 2023 a building influenced by a local art deco landmark, the 1930s Essoldo Cinema, will be completed.

It will consist of 40 one and two-bedroom homes with private terraces and waterfront views, a symbol of Trafford Council's "total commitment" to providing more affordable and social housing in the borough.

Stretford – Royal Canal Works falls under the area's wider masterplan – was recently named in the 'six cool neighbourhoods to invest in' list by *The Sunday Times*.

The affordable homes are the subject of a JV between Southway Housing Trust, CERT Property and contractor Heatley Developments. Funding for the scheme came from the Greater Manchester Combined Authority (GMCA) via the Brownfield Housing Fund. The properties will be sold by Southway Housing Trust as shared ownership through Gecko Homes.

Southway Housing Trust, a not-for-profit, community-based housing provider, works in the Manchester City, Trafford, Salford City, Tameside and Cheshire East council areas. It is currently delivering 291 shared ownership homes through the Shared Ownership and Affordable Homes Programme (SOAHP) with funding from Homes England.

Wendy Mills, head of development at Southway Housing Trust, says: "We are pleased to be working in partnership with CERT and Heatley Developments on Royal Canal Works. The 40 homes will provide an affordable option for those looking to get on the property ladder. The Trust is focused on offering a safe community and neighbourhood for people to live, work and socialise."

CERT has also submitted a planning application for a further phase of development on the site of 11 houses to commence later in the year, which Heatley Developments will also be building.

Managing director of CERT, Howard Lord, says: "This is our first deal of this type and we are evolving with the changing landscape. We're seeing councils being willing to be supportive and innovative in ways like they have here. CERT is looking to do more of these deals and is already talking to Southway about two other sites. In general, I think this is something we will see more of." ■