

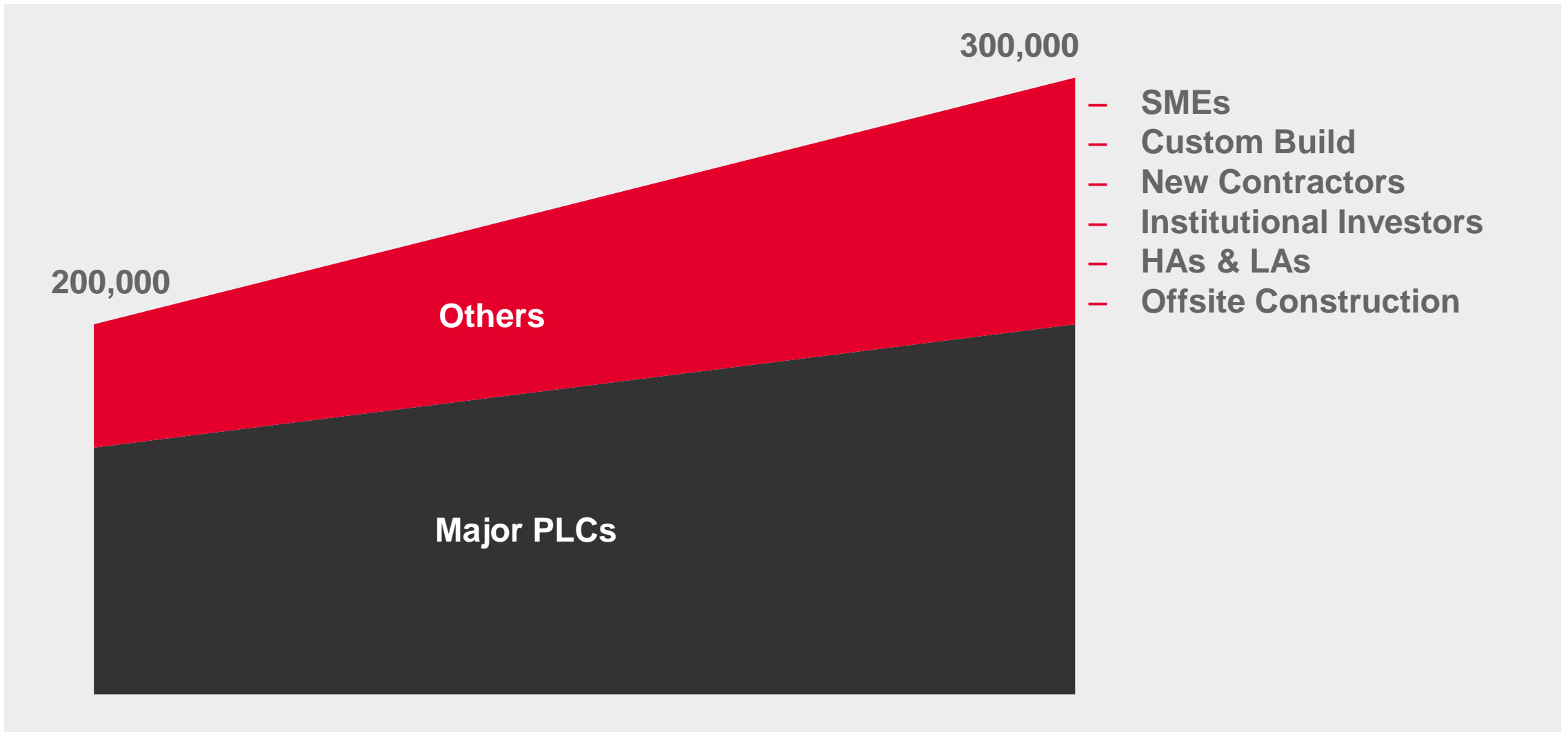


The role of offsite construction in building new homes for social landlords

John Skivington, LHC Director

November 2017

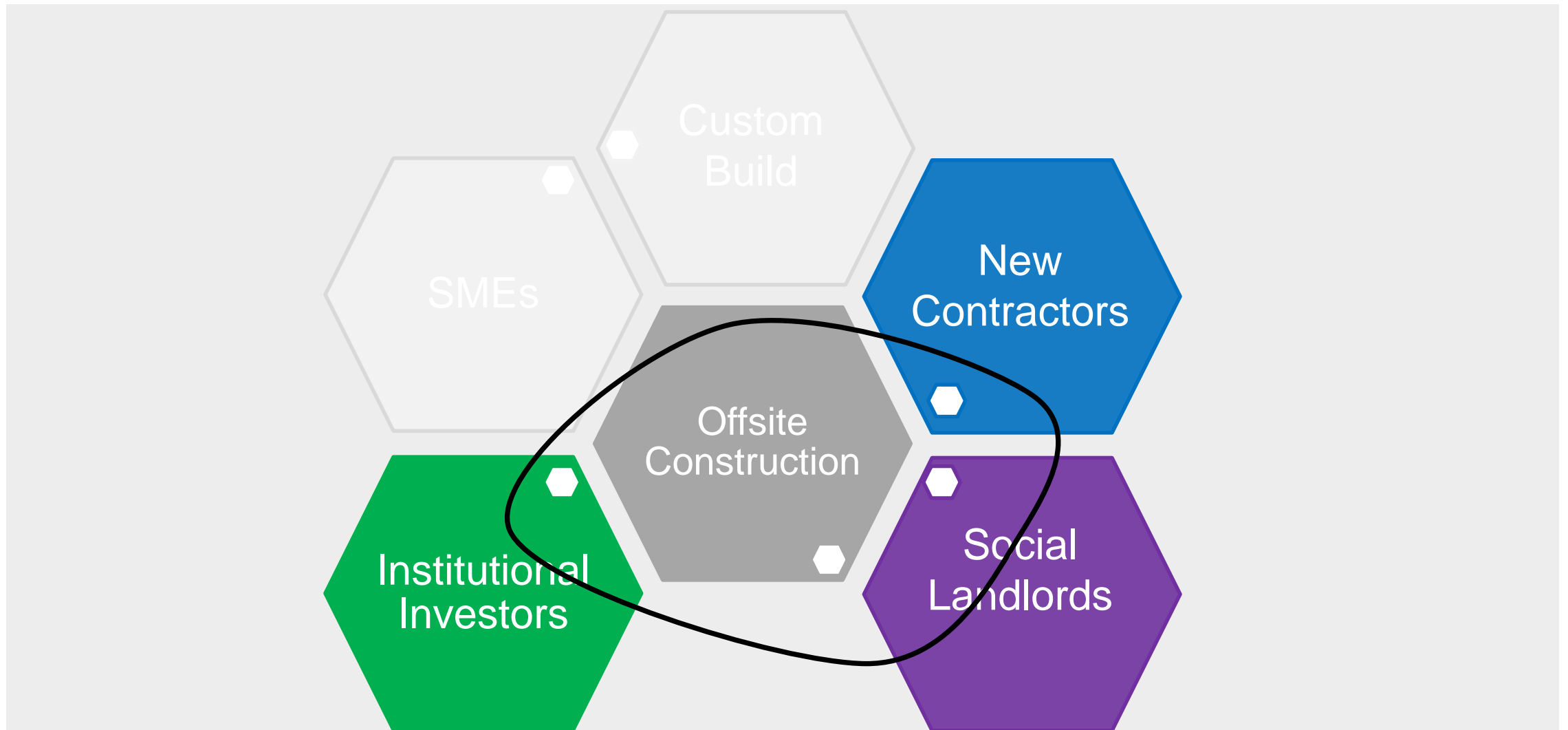
Diversifying the Housing Supply Market



The wider housing market



Private rented sector



Small Sites



Housing White Paper (1.29 to 1.48)

- Local authorities to give greater weight to using small underdeveloped sites
- Small sites to represent min. 10% of residential development in local plans
- Windfall site policy – to support small sites not identified in the plan
- Allow greater use of Local Development Orders to accelerate small sites

Small Sites



Offsite construction on small sites

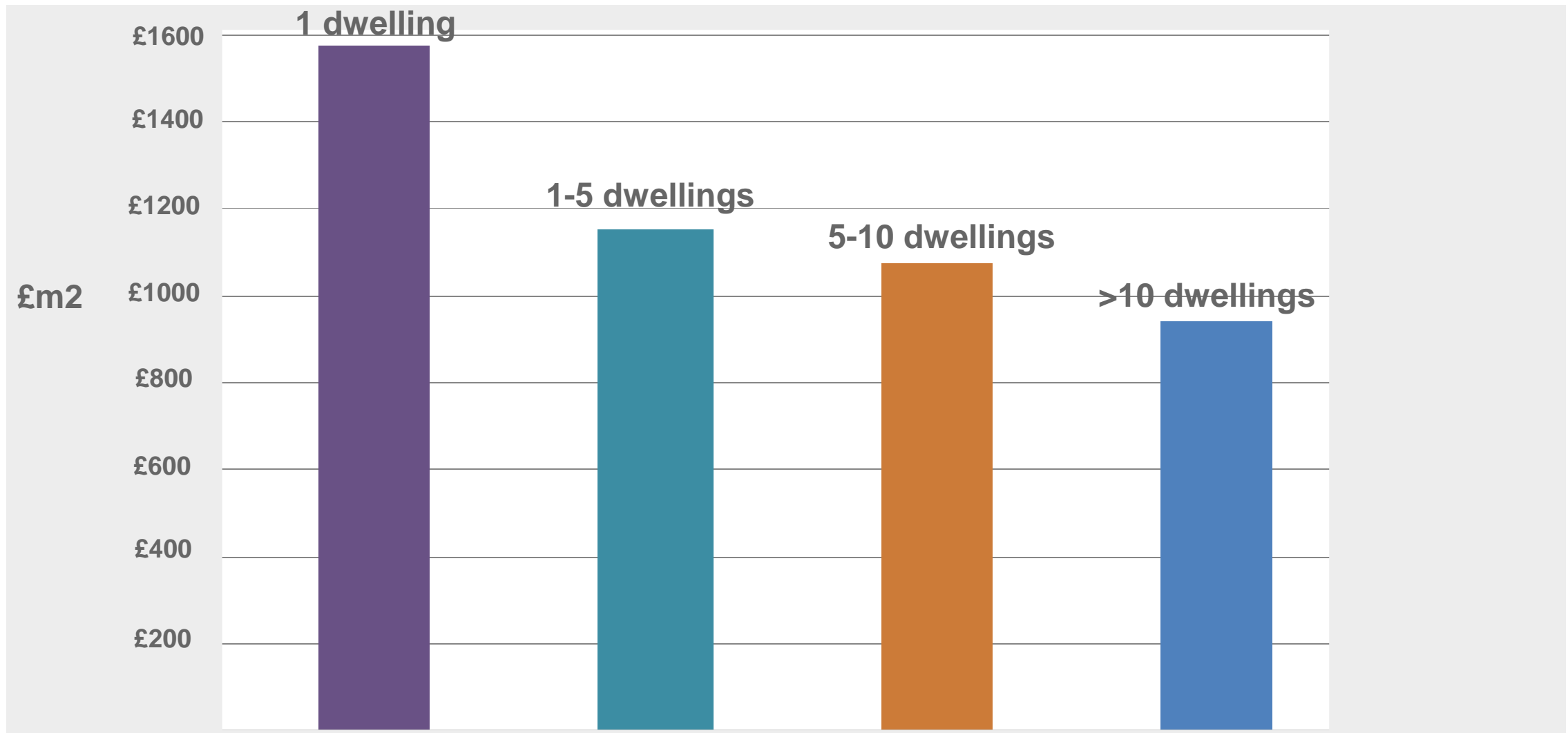
Two key drivers for offsite construction on small sites:

- Overcome disproportionately higher cost of development
- Aggregation of lots of small sites to provide critical mass

Small Sites



Build cost of Housing units by site size (BCIS August 2015)



Strategic approach to small sites

“...if councils look at small site development strategically, either within its own organisation or in collaboration with others, a plan can be formulated to ensure small sites play a significant role in meeting local housing needs.”

Small Sites



Public Sector Land



160,000

Public Sector Land



- **Launch of a £45m Land Release Fund**
- **Allow disposal of land at less than “best consideration”**
- **Local authorities play a greater role in assembling land for development**
- **Prioritise developments on land with local authority planning permission**



Build-to-rent

Housing White Paper (3.37 to 3.40)

“...homes constructed offsite can be built up to 30% more quickly than traditional methods and with a potential 25% reduction in costs. They are high quality, reliable, more productive and can be highly energy efficient. ”



Build-to-rent

Benefits of offsite construction for Build-to-Rent schemes

The financial benefits of increased speed of offsite construction are more realisable:

- Lower financing costs
- Earlier receipt of rental income



Build-to-rent

Benefits of offsite construction for Build-to-Rent schemes

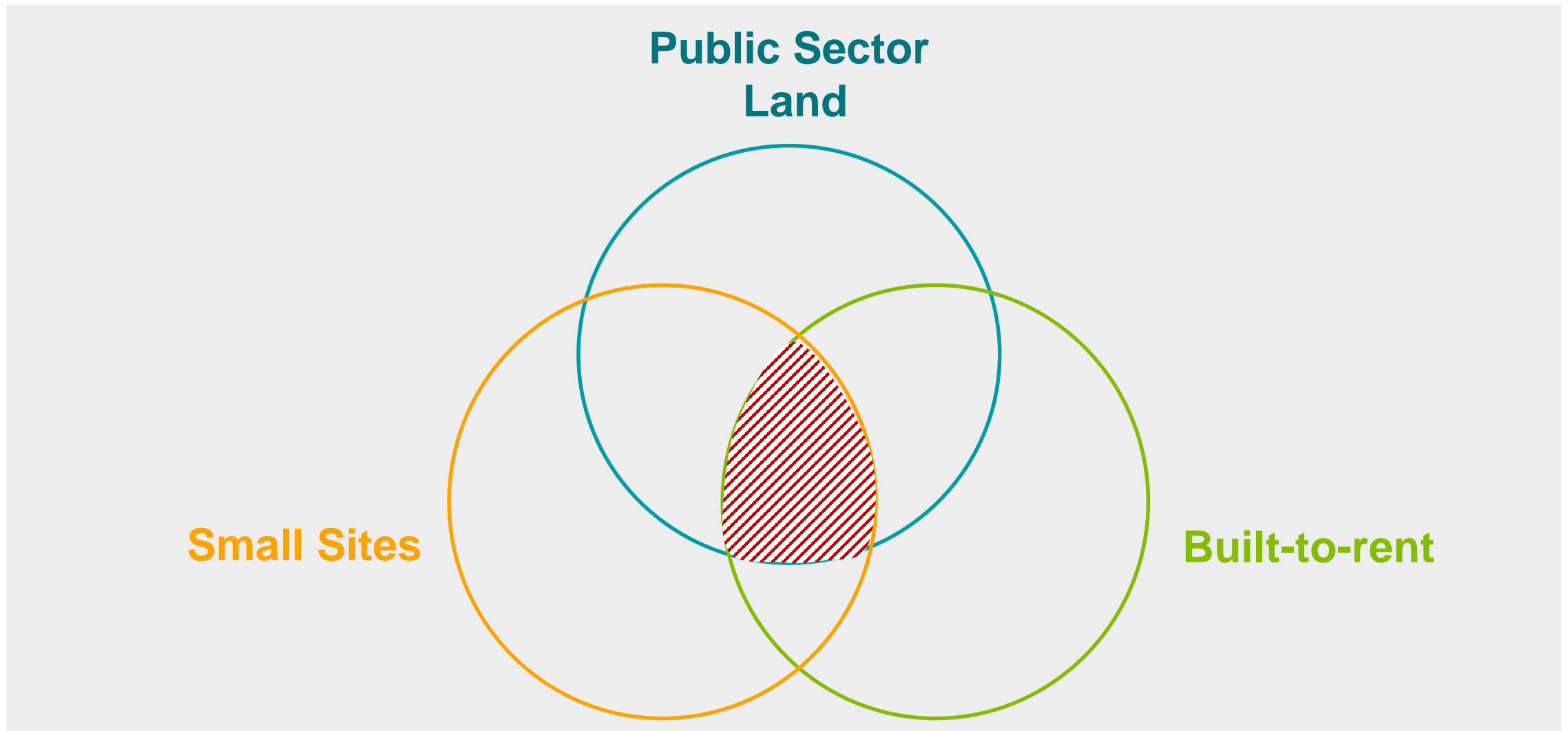
The potential for superior build quality and better energy efficiency:

- Lower maintenance costs
- Lower energy costs



Build-to-rent

Off-Site Construction: The Sweet Spot for Social Landlords



Q&A Session

