

# MEARS

helping  
**communities**  
thrive

**Working with Institutional  
Funders to Deliver  
Affordable Housing**

Mears Housing Management | 2019

**You  
and  
Mears**  
Better together

# Introduction to the Panel

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- **Tom Finch** – Mears Housing Management
- **Sian Davenport** – Mears Housing Management & Care
- **Ian Wilson** – CBRE Global Investors

# Who are Mears Housing Management

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**Established to increase supply of social and affordable housing in partnership with Local/Central Government, investors and other housing providers**

- **Homelessness:** Provision of accommodation and management services to prevent and alleviate homelessness
- **Housing with Care:** Bespoke housing developments with provision of care services for elderly people and those with physical or learning disabilities
- **Affordable:** Not for profit Registered Providers – increasing supply of affordable housing: S106, shared ownership and affordable rent products
- **Private Rented & Outsourcing:** Good quality accommodation for keyworkers, students, individuals and families looking for good quality, value for money accommodation

# How We Use Funding to Achieve These Housing Outcomes

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- Public sector is unable to fulfil the demand for affordable housing alone
- Private sector is playing a positive and important role in solving the funding crisis
- Over the past 5 years Mears have helped source in excess of £250 million of Investment for social housing projects
- These include long term debt solutions (bonds) or short term financing to either develop out land for new build developments

# Housing with Care– Extra Care & Supported Living

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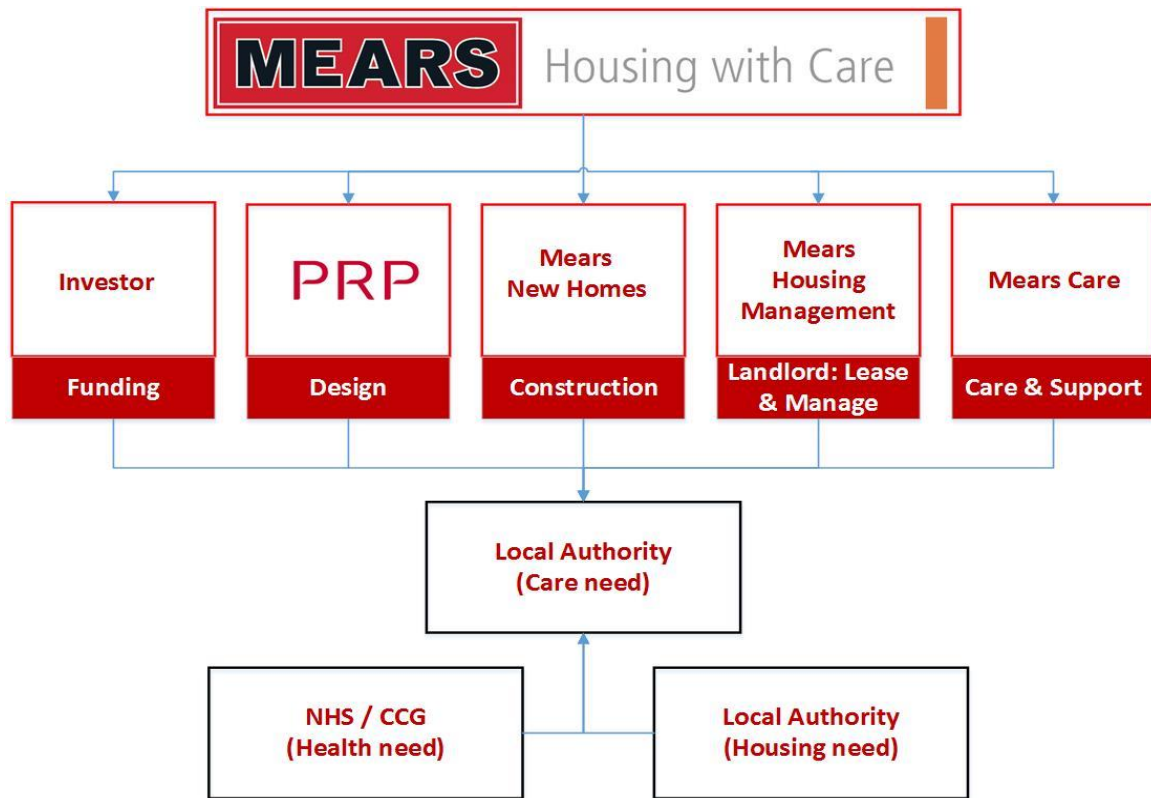


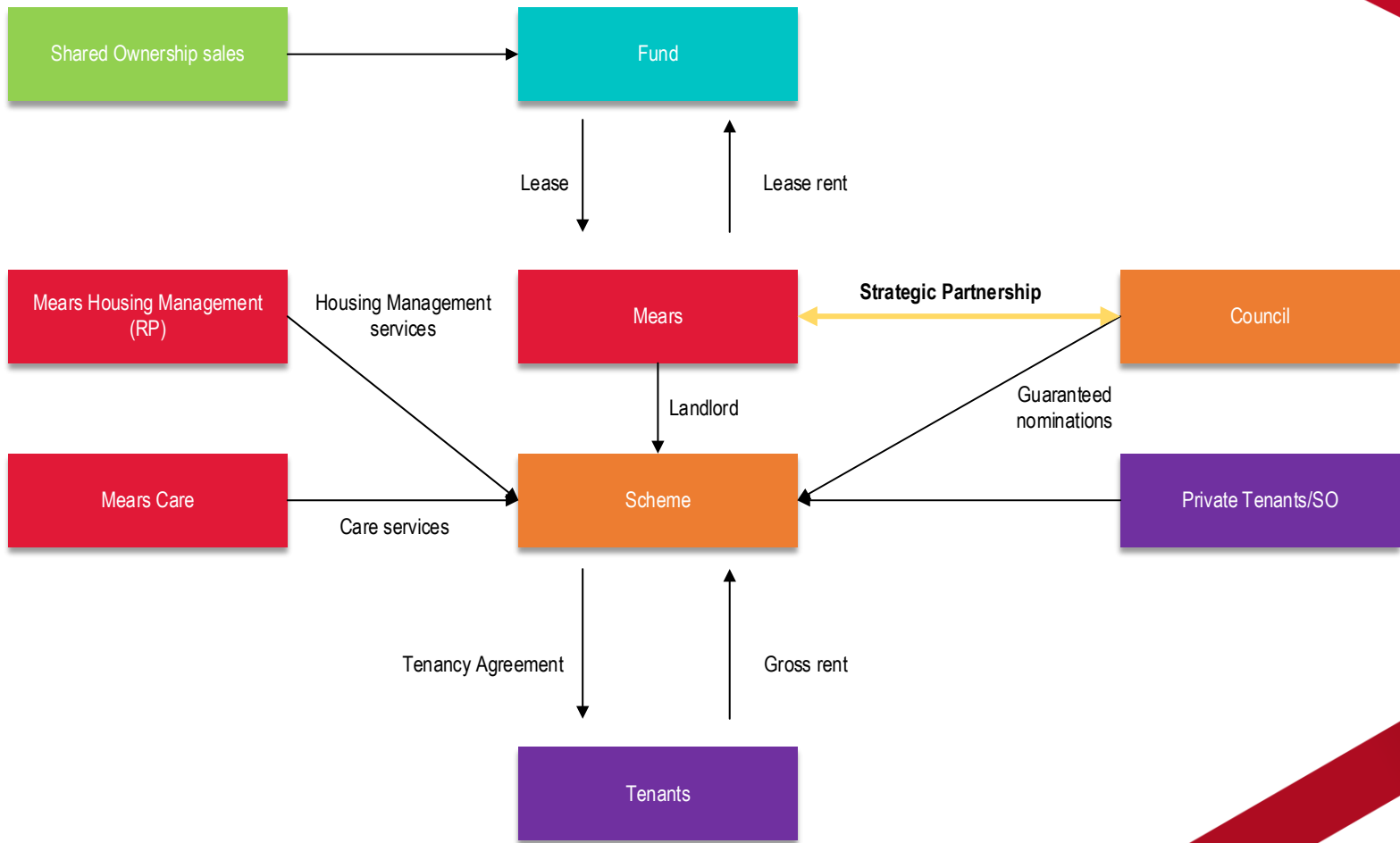
# What is Housing with Care

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- Self contained apartments with own front door
- On site care and housing support team
- Designed for Older People, those with physical or learning disability or mixed community
- Assistive Digital Technology
- High quality housing
- Vibrant social community – Internally and Externally

# Partnerships







# Benefits of Model

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- Investor model removes the need for council borrowing
- Affordable housing model
- Partnership approach – benefits to multiple parties
- Joined up approach to design, planning, construction & service delivery
- Planning authority involved from start
- Frees up general needs housing
- Positive outcomes for residents, housing and health and social care

# Joint Venture Model– Addressing Homelessness

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## **More Homes - Bromley (TA) & Waltham Forest (Discharge of Duty)**

- 40 years
- Joint venture established with Local Authority
- Investment of £80m+ of institutional funding (BAE Systems Pension Fund)
- Mears purchase portfolio of 400 properties in each Kent
- Repair and Refurbish properties
- Rents based on LHA + top up
- Responsible for full end to end housing management service
- Repairs & Maintenance
- Value of transferred stock – est. £260-280m

# Homes England Investment Partnership

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## Sapphire Leeds and Wakefield and Basingstoke

- Bringing Empty Properties back in to use
- 22 Units in Leeds and Wakefield and 9 Units in Basingstoke
- Mears not for profit RP Plexus Homes England Investment Partner
- £720k of Homes England funding supported private investment of £10m
- Repair and Refurbish properties to Decent Homes standard
- Rents based on LHA. Responsible for full end to end housing management service
- Repairs & Maintenance

# Shared Ownership & Affordable Rent (SOAR)

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- Partnership with CBRE (and other funders)
- CBRE is the worlds largest real estate services and investment company
- Acquisition of S106 stock to increase supply and access for Local Authorities & communities
- Together we have a current pipeline of over 2500 S106 units
- Starting to see opportunities for match funding approach with local authorities

# SOAR – Case Study Chorley

- Working with Institutional funds to buy and manage new build stock
- 60 units let at Target Rents
- Stock developed as result of Section 106 requirements , all purchased
- OMV £11.2m, acquisition cost £4.8m
- Families moving into brand new homes



# Private Rental Sector – Case Study Horizon

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- Institutional Investor - Horizon
- Purchase of large number of properties from Housing Association in East Midlands
- Leased to Mears on 20 FRI year lease
- Management of discounted rent housing stock
- Optimise rents – not maximise
- Provision of repairs, maintenance & asset management
- Meeting market demand locally



**CBRE**  
GLOBAL  
INVESTORS

**CIH CONFERENCE:**  
**INSTITUTIONAL EQUITY FOR \$106**  
**GENERAL NEEDS HOUSING**

**MEARS**

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# CBRE UK AFFORDABLE HOUSING FUND

1

CBRE UK Affordable Housing Fund is structured as an open-ended fund investing in non-private market housing through equity funding for Registered Providers and Local Authority partners.

2

Assets in the Fund comprise S106 Social and Affordable Rented housing, Shared Ownership units and Other Tenures, for example, homeless accommodation and key worker housing.

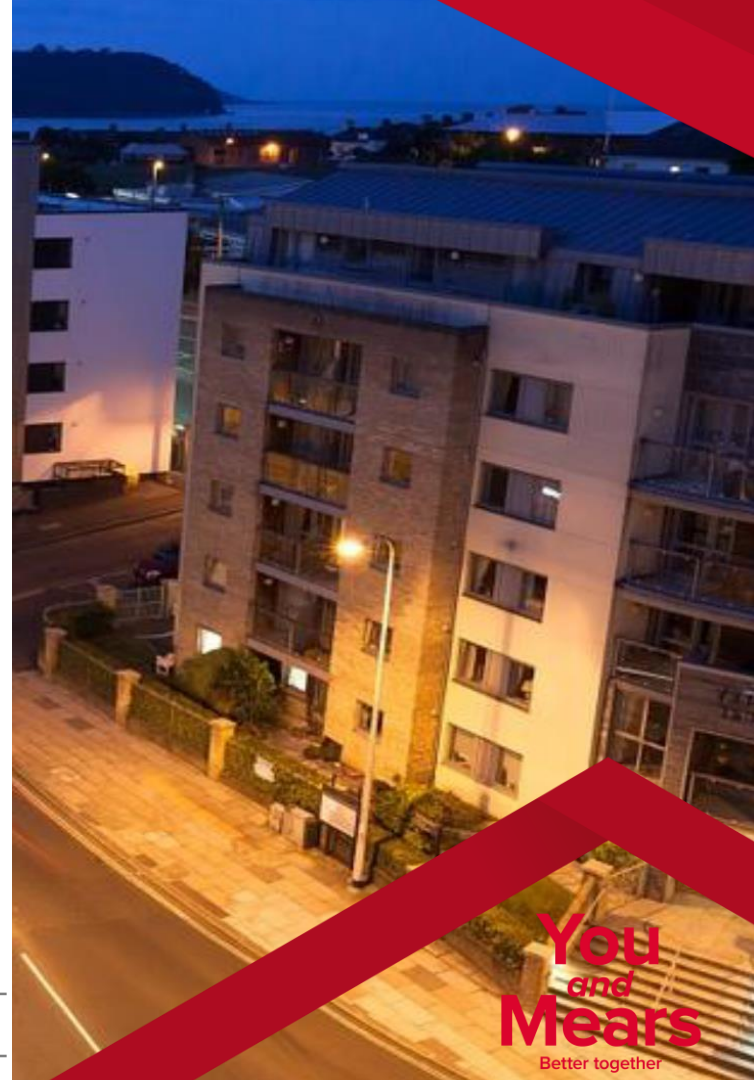
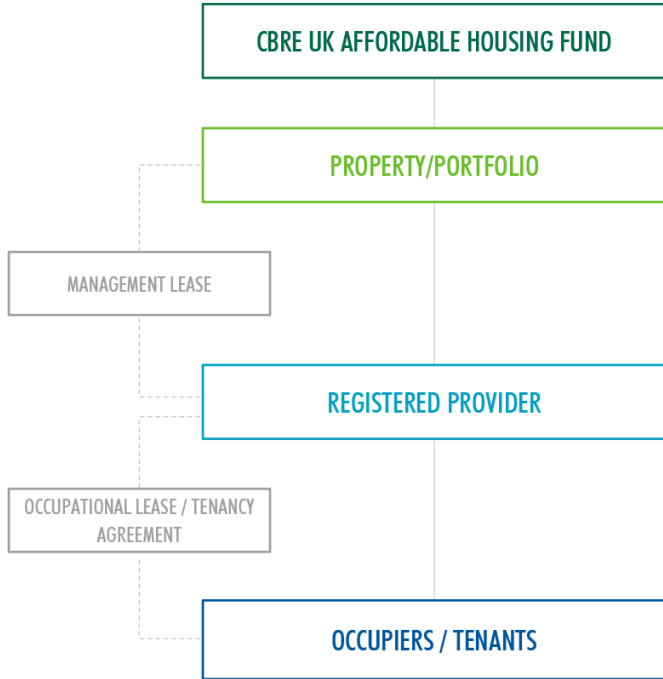
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High social impact sector, investing in the funding of homes for those households unable to afford to rent or buy in the open-market.

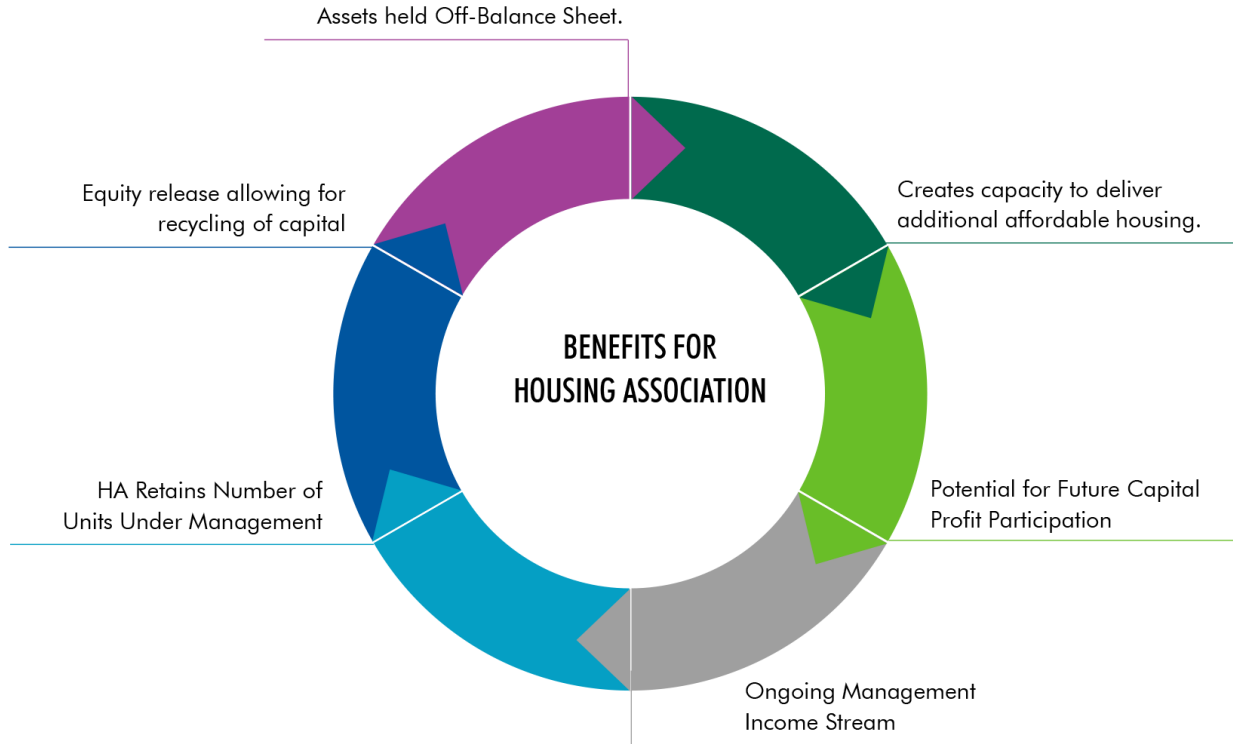




# OPERATING MODEL S106 GENERAL NEEDS HOUSING



# RATIONALE FOR REGISTERED PROVIDERS



# In Summary

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- Generating alternative routes to expand housing provision
- Using commercial market, not reliant upon local or central government funding
- Release of Right to Buy funds and Homes England support grants
- Flexibility
- Wide range of housing needs
- High quality product; new or refurbished to minimum of decent homes standard