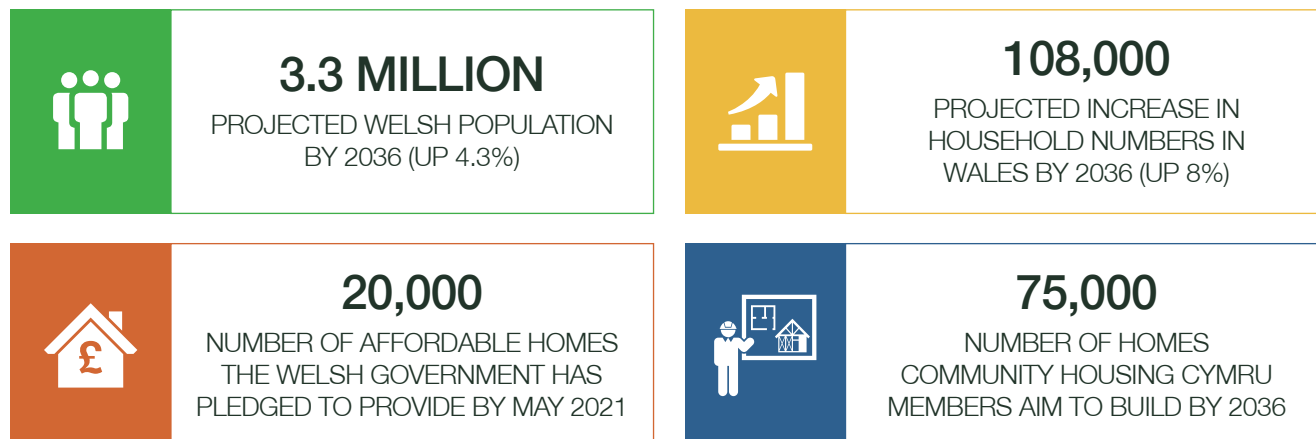


Meeting the Welsh housing challenge



The ambition to build the tens of thousands of homes needed in Wales over the next two decades is clear – but how will it be done?

Luckily, Wales is great at partnerships. This was demonstrated in December 2016 when local authorities, housing associations and community mutuals signed up to a Housing Delivery Pact with the Welsh Government. It committed all parties to helping reach the government's affordable housing delivery target of 20,000 by the next Welsh Assembly elections in May 2021.

Building on this, Savills supported Community Housing Cymru to launch its 'Housing Horizons' project. This culminated in November 2017 with the announcement of an ambition by CHC members to build 75,000 homes by 2036.

So what next?

Savills has experience of working on numerous emerging opportunities with Welsh housing providers to use new partnership models to build on the work they already do.

Local authority developers

Decades of decline in the development of new council homes in Wales has left shortages in both skills and capacity. For those that transferred their stock to housing associations, this problem can be exacerbated – and they may also be constrained by post-transfer funder covenants.

However, in the post-self-financing era, our analysis has found many local authorities now have borrowing headroom, which could be used to invest in much-needed new homes. Crucially, all councils have access to cheap funding across the board in their council funds.

Development programme partnerships

In light of this, councils and housing associations might decide to join forces at programme level. For example, housing associations might provide development expertise and management on a council-owned and funded scheme. Or, housing associations could help the supply chain alongside a local authority's new apprenticeship scheme.

Local housing company partnerships

Many local authorities have land for redevelopment, and two have already taken the step to create new local housing companies. These new companies might work alongside existing housing associations to lever in inexpensive council borrowing, delivering returns for all parties, including the local authority.

Joint ventures

Or partnerships could extend to a full joint venture between council and housing association, similar to that developed by Brighton & Hove City Council and Hyde Group in England, with a mix of funding from both, as well as land from the council and programme delivery by Hyde.

We could be on the threshold of a new age of partnership in Wales. If there's anywhere local authorities and housing associations can make it work, it's here.

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