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Do land agents hold the key to delivering affordable homes?

Land agents could be the missing link to boost delivery of affordable housing, says Ollie Dyson, chief operating officer of Walter Cooper...



Everyone agrees that more affordable homes are desperately needed; especially in London, with the GLA having set itself the ambitious target of seeing 32,500 new affordable units built every year from 2022 to 2032, with a full 50% of new homes being genuinely affordable¹. However, as just 9,051 affordable homes were completed in 2020-21 (and in case you are tempted to lay all the blame on the pandemic, the figures for 2019-20 were even worse - 7,775)²,

things are going to have to change considerably to make that vision achievable.

Part of the problem is that the different parties that can be involved in the process of creating affordable homes have very different skillsets and, indeed, motives, so they don't always make naturally comfortable bedfellows. Developers, who have the best expertise in navigating the planning system and constructing new homes on time and to budget, are inevitably

focused on creating profit for shareholders and tend to see Section 106 agreements in purely negative terms as a tax affecting the value of their private units. Registered providers such as housing associations, on the other hand, are purely about the delivery of social housing for public good, but lack the experience of building in bulk – we have recently seen L&Q, for example, scaling back on its plans.

Registered providers have the advantage that they can buy anything they want within reason – they have the spending power and the buying power, they have good covenant and can borrow cheaply; but to ensure delivery of those affordable home targets they need a partner behind them with expertise in getting the best price from their contractors and supply chain and that can navigate the planning system, as much as anyone can, to secure consents.

When developers and providers work together, real inroads can be made on those targets and both parties can benefit, while the need for complex Section 106 agreements will doubtlessly become diluted in favour of alternative methods of funding like grants and the First Homes initiative. I previously worked for housing association Metropolitan and saw this in action – we used grant funding to deliver additional affordable housing and a reduction in private units working collaboratively with development partners who would construct the scheme. The developer has forward-sold units, which helps its year end numbers and de-risks a large proportion of the site. This enables Government money to be used wisely in developments that are actually available and may initially have been undeliverable, creating affordable homes far more quickly to the people who need them. It's a good way to use money.

In the last few years, the partnership approach has really gained momentum, with other

registered providers and national housebuilders pursuing this method, and even medium-sized housebuilders going down the partnership route as they see affordable housing as a way to reduce business risk. Finding the combination of the right partner and the right land for the project, however, needs specialist assistance – which is where land agents can help. A company such as Walter Cooper can form a link between affordable housing providers and housebuilders by introducing the parties to each other and managing the process of working together. Rather than both entities fighting over their different points of view, land agents act as a mediator and help both developers and providers to get the best of both worlds. They both have separate and different skills and we act as the conduit in the middle to drive that forward as we understand the win-wins of both parties.


The bottom line is that they need each other. There will always be an element of competition between registered providers and housebuilders, but from a developer's point of view, working in partnership can give them a competitive edge on sites by mitigating risks and driving volume – and it can even make the difference between a site being viable or not. Housebuilders need

to recognise that rather than providing unwelcome competition, it's better to sell some of their homes to a housing association because forward sales can secure the future of the entire site.

The affordable housing sector is becoming more commercial as a result of headhunting people from housebuilding backgrounds to bring that expertise in house and drive organisations forward, however they still don't have the delivery vehicle to actually create the bricks and mortar on a large scale. Until affordable housing providers bite the bullet and create a proper standalone contracting arm that works holistically like an affordable housebuilder, there will be a need for intermediaries. The land agent is the facilitator to deliver best value for all parties because we want to get everyone on track and ultimately deliver more houses for this country.

¹<https://www.london.gov.uk/what-we-do/housing-and-land/increasing-housing-supply/2022-2032-affordable-housing-funding-requirement-london>

²https://www.london.gov.uk/sites/default/files/affordable_housing_starts_and_completions_-_end_of_june_2021.pdf

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Land agency Walter Cooper were established in 2020, and despite being a new business they have already produced significant success in their first year of trading, transacting on over 200 plots with a combined GDV of over £75m