

#WeAreHomesEngland

Accelerating Delivery on Publically Owned Land

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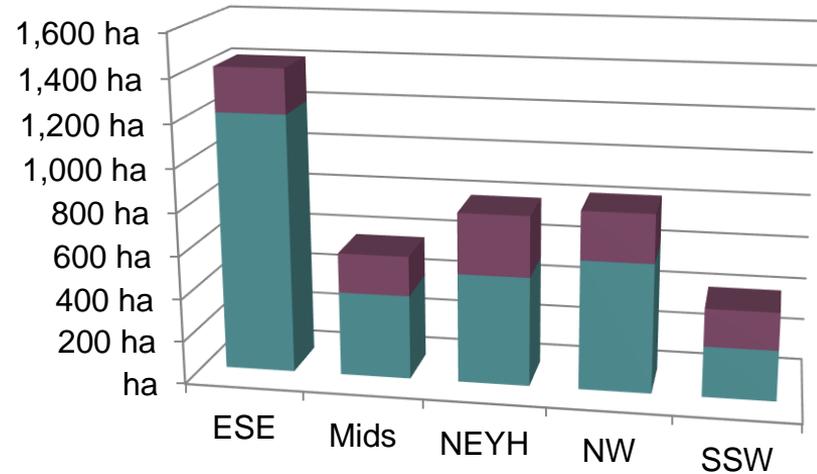
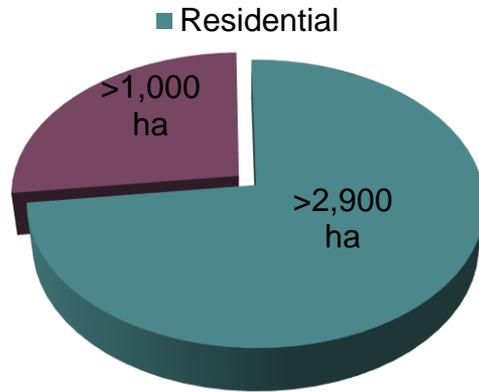
Who are Homes England?

Mission Statement:

“Homes England brings together land, money, expertise, and planning and compulsory purchase powers, with a clear remit to facilitate delivery of sufficient new homes, where they are most needed, to deliver a sustained improvement in affordability”

- Government body – funded through HM Treasury and sponsored by the Ministry of Housing, Communities & Local Government (MHCLG)
- Aim to increase home building to 300,000 completions per year by the mid 2020s

Summary of Landholdings



- Delivering land for **36,000 homes** to be released to market **2015-2020** (under PSL Prog.)
- Capacity for **c20,000 homes** from acquisitions since 2015

Sites Profile

	Small Sites		Medium Sites		Large Sites	
	No. of sites marketed	Aggregate Unit Capacity	No. of sites marketed	Aggregate Unit Capacity	No. of sites marketed	Aggregate Unit Capacity
2018/19	50	1,203	52	5,664	20	7,773
2019/20	15	390	28	3,779	20	8,095
2020/21	16	275	9	1,203	4	2,336
TOTAL	81	1,868	89	10,646	44	18,204
Av. Site Size	23 units		120 units		414 units	

NB – excludes strategic landholdings where phasing has not yet been determined

Policy Objectives

Objectives centred around pace, MMC, developer diversification and design:

- **Pace:** Accelerating delivery without eroding value
- **MMC:** Encouraging the industry to use innovation as a way of increasing output
- **Design:** Encouraging developers to be more ambitious with design & measuring this against Building for Life 12 performance principles
- **Diversification:** Expanding the range of development companies who are active in developing on Homes England land

Activities to be focussed where affordability issues are most acute – and where there is evidence of ‘Market Failure’

Pre-Sale Processes

- Where is time lost pre-sale?
 - Developers not warmed up to opportunity
 - Inadequate technical information
 - Weaknesses in the tender process
 - Legal contracting
 - Planning issues / complications

Land Development and Disposal Plan

- Details of all Homes England sites on the market and in the pipeline for marketing
- 83 sites currently out to market
- 143 sites forecast for marketing by June 2019



Land Disposal Plan

Land Development and Disposal Plan, June 2018

Spatial Solutions | Homes England

On Market Pipeline

1 Adjacent L&P - Aston Hall Road, Aston
2 Puddick Road Development
3 Brookvale Phase 1B Meadow Lane
4 Burton on Trent Magistrate Court
5 Sully St Edmunds Magistrate And Crown
6 Cannon House, Hudson Road Sunderland
7 Car Park Renaissance H - Business Lane
8 Thurston Maritime - JF - Dock West Road
9 Chesterfield County Court Site Lane
10 Crick Business Park, Cuckoo Lane
11 Doncaster County Court Waterbase Doncaster
12 Dudley County Court Offices Hagley Road

Operating Area: North West
Local Authority: Rochdale
Postcode: OL113JG
Gross Area (Ha): 5.8647
Disposal Route: DPP
Proposed Use: Residential
Planning Status: Outline application granted
Marketing Status: Q3 2018/19

Land Development and Disposal Plan, June 2018

Spatial Solutions | Homes England

On Market Pipeline

1 Former Car Craft Site, Nixon Street, Castleton, Rochdale

Operating Area: North West
Local Authority: Rochdale
Postcode: OL113JG
Gross Area (Ha): 5.8647
Disposal Route: DPP
Proposed Use: Residential
Planning Status: Outline application granted
Marketing Status: Q3 2018/19

Technical Packs

- Homes England standard (minimum) technical packs now include:
 - Intrusive site investigations carried out on a 25m-50m grid pattern
 - Topographical survey in CAD format
 - Flood risk assessment
 - Drainage strategy & infiltration surveys
 - Utility capacity surveys
 - Highways assessment
- Costs typically exceed £50,000 – but worth the investment!

Tenders

- Population of standard templates – covering:
 - Scheme revenues
 - Scheme costs
 - Abnormal costs – specification of works and source of costs
 - Terms of financial offer
 - Conditions of offer
- Specific guidance on what supporting information is to be provided
- Specific guidance on how the tendered information will be evaluated

Legal Contracting

- Providing legal information as part of tenders is key
- Bidders should be provided with:
 - Your standard sale contracts
 - Your deeds of overage (if applicable)
 - A report on title (redacted if appropriate)
 - Up to date legal searches
- Bidders should be invited to review this information as part of the tender process and highlight their concerns
- Homes England to conclude its Sales Contract consultation later this month

Planning

- Planning complications most common on multi-phase schemes where there is a single outline planning consent
- S106 agreements and planning conditions should be negotiated in a manner that lends to phasing – and which to head off problems that would be encountered later in the planning process
- Detailed 'Planning Guides' should be included in Tender Packs to support developers in pricing their offers

On-Site Development

- Accelerating the pace of delivery is a central objective for Homes England
- We achieve this by:
 - Committing the developer to start on site by a specific date (to avoid land banking)
 - Committing the developer to build their homes at a specified pace (to prevent unnecessary drip-feeding of product into the market place)
 - Mixing up tenures (to overcome market saturation issues)

Committing to Pace

- Start on site & pace of build agreed pre-launch of tenders with shortlisted developers
- Agreed pace of build set as a 'pass / fail' threshold within tenders. No extra marks awarded for exceeding the minimum threshold
- Bidders invited to state how many homes they will complete at 3 month intervals throughout the duration of the scheme
- The preferred developer's tendered build programme and housing completion timetable becomes their contractual obligations within the sale contract
- Agreed pace should preserve land value – but overage likely diminished

Diversifying Tenures

- Increasing volume of rental accommodation (affordable rent, PRS, etc...) promotes faster build out
- PRS housing typically completes at a rate of 12 dwellings per month – versus 4 homes per month for ‘for sale’ product
- By-product benefits:
 - Diversifies types of organisation developing on Homes England sites
 - Rented product lends to MMC
- Approach typically impairs land value

Accelerating Third Party Land

- Homes England can use its funding to support other public sector organisations in bringing forward their land for development quicker

'Small Sites Fund' - £630m fund to support 'Other Government Departments

'Local Authority Accelerated Construction' - £470m fund to support local authorities