



Presentation Housing Forum Conference

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Order of presentation

- Remit and terms of reference
- Consultation and engagement
- Conclusions
- Principal propositions
- Key recommendations

Remit in a nutshell

- Explain how the industry works
- Set out its key drivers and business models
- Make recommendations that will facilitate:
 - Delivery of 240,000 homes per annum by 2016
 - Where they are needed to those that need them
 - Meeting energy efficiency targets
 - Achieving the quality, design and sustainability standards set out in the Housing Green Paper

Review contents

- Main Review
- 37 recommendations
- Overview of the house building industry
- Historical background
- Key drivers of house prices

Approach

- Refocus on urban regeneration and renewal
- Empower local democracy / government to deliver
- Encourage fair competition
- Facilitate permanent social and physical regeneration
- Create a structured approach to Zero Carbon
- Incentivise the sector to deliver policy objectives by
 - the optimisation of urban viabilities
 - facilitating long term asset growth
 - improving the quality of house building profits
 - increasing shareholder value

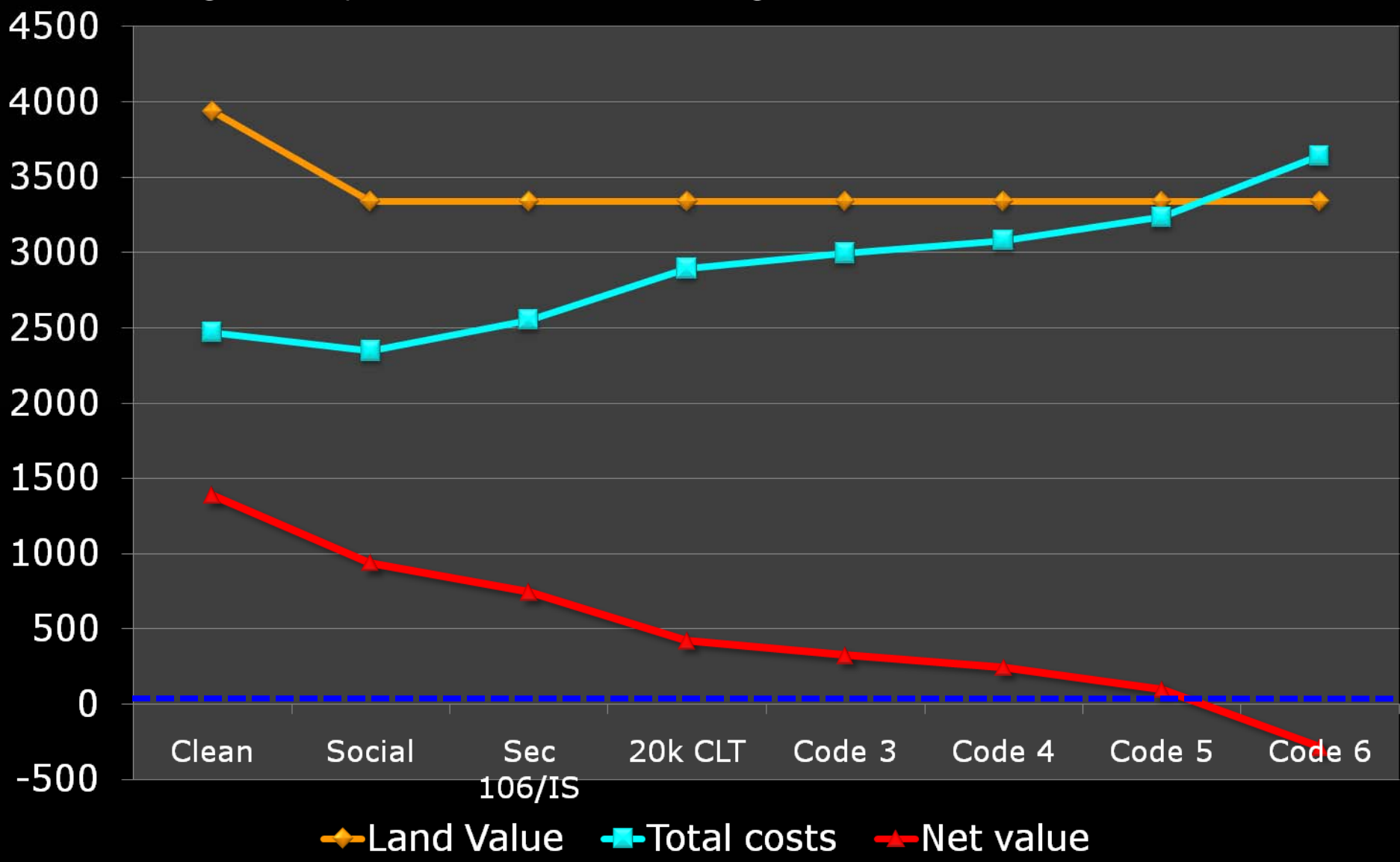
Findings

- The House building Industry can
 - deliver 240,000 homes a year by 2016
 - **achieve the Government's zero carbon targets**
- PPS3 is a sound policy basis for land supply, however
 - we need to maximise the contribution of urban land
 - creation of viabilities is the key to market led investment
 - a smooth trajectory on land supply is important
 - concentrate on building capacity not short term statistics

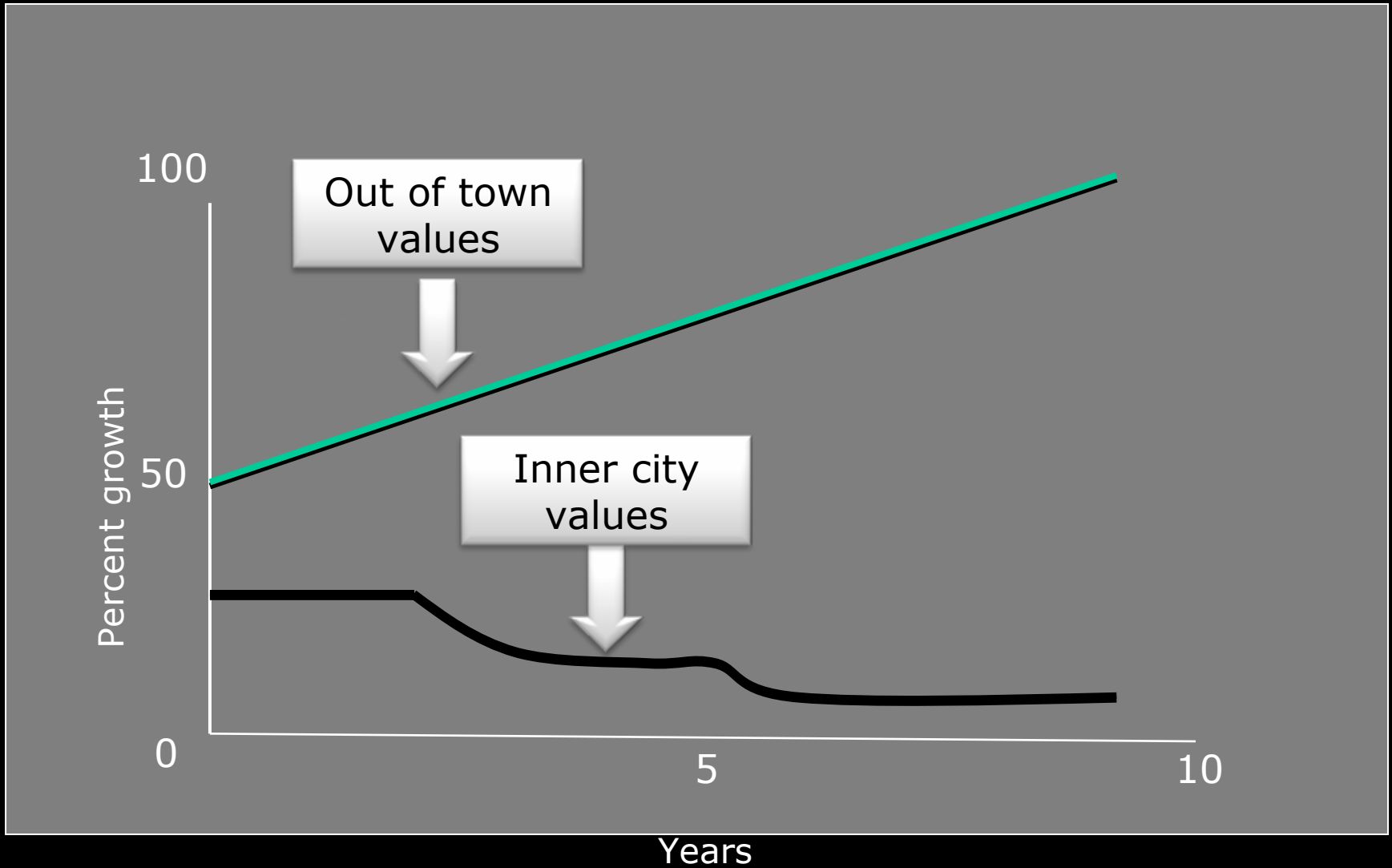
Main propositions

- Use public investment in infra structure and services to build investor confidence in urban development
- Incentivise the public and private sector to work in new “mature partnerships”
- Use regulatory framework to give incentives for quality and efficiency
- Community management is given renewed priority to maintain social and value recovery
- Encourage new entrants and opportunity for SME’s to grow
- Government to maintain strong leadership to its zero carbon objectives

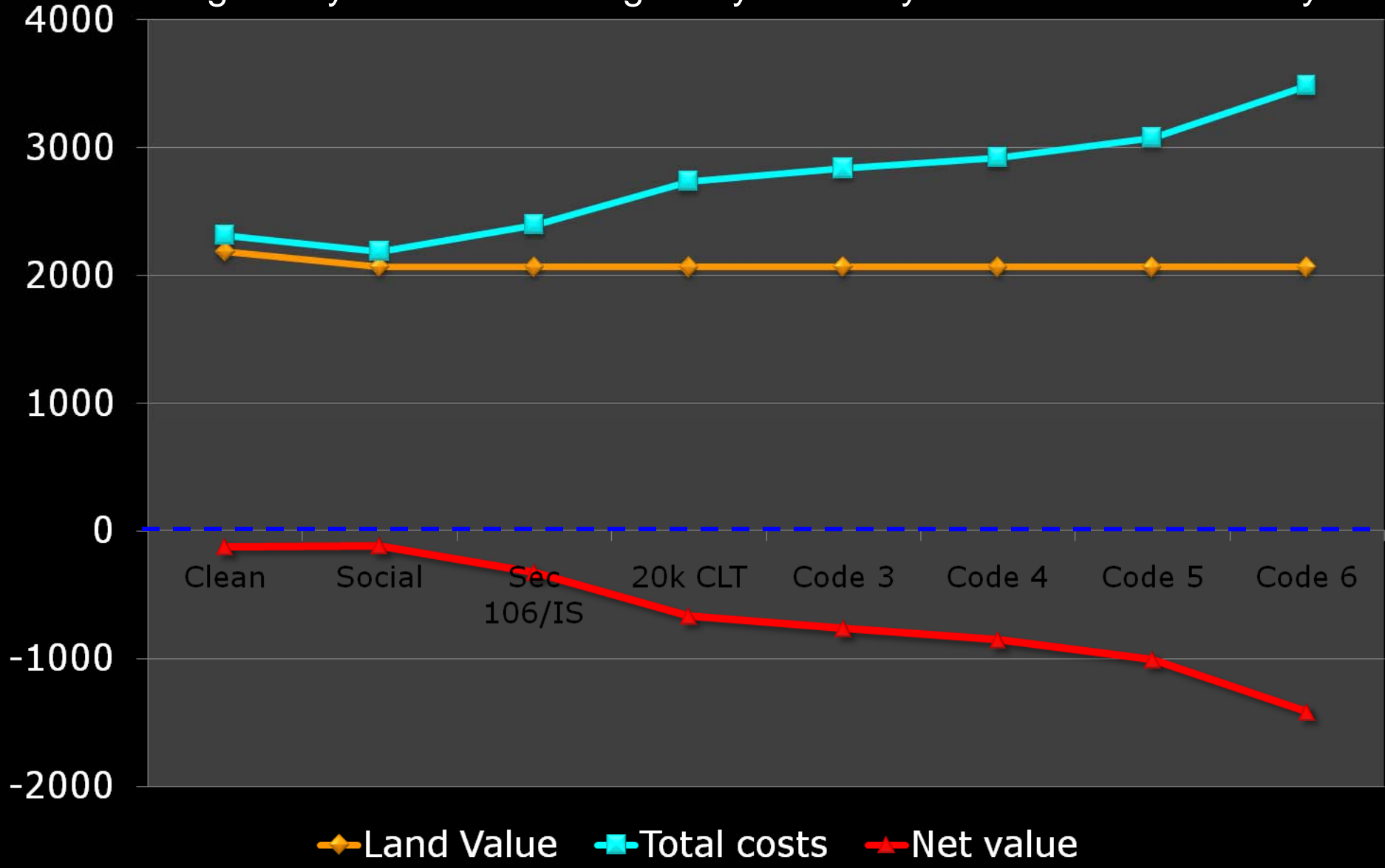
Regulatory costs are reducing prime land values



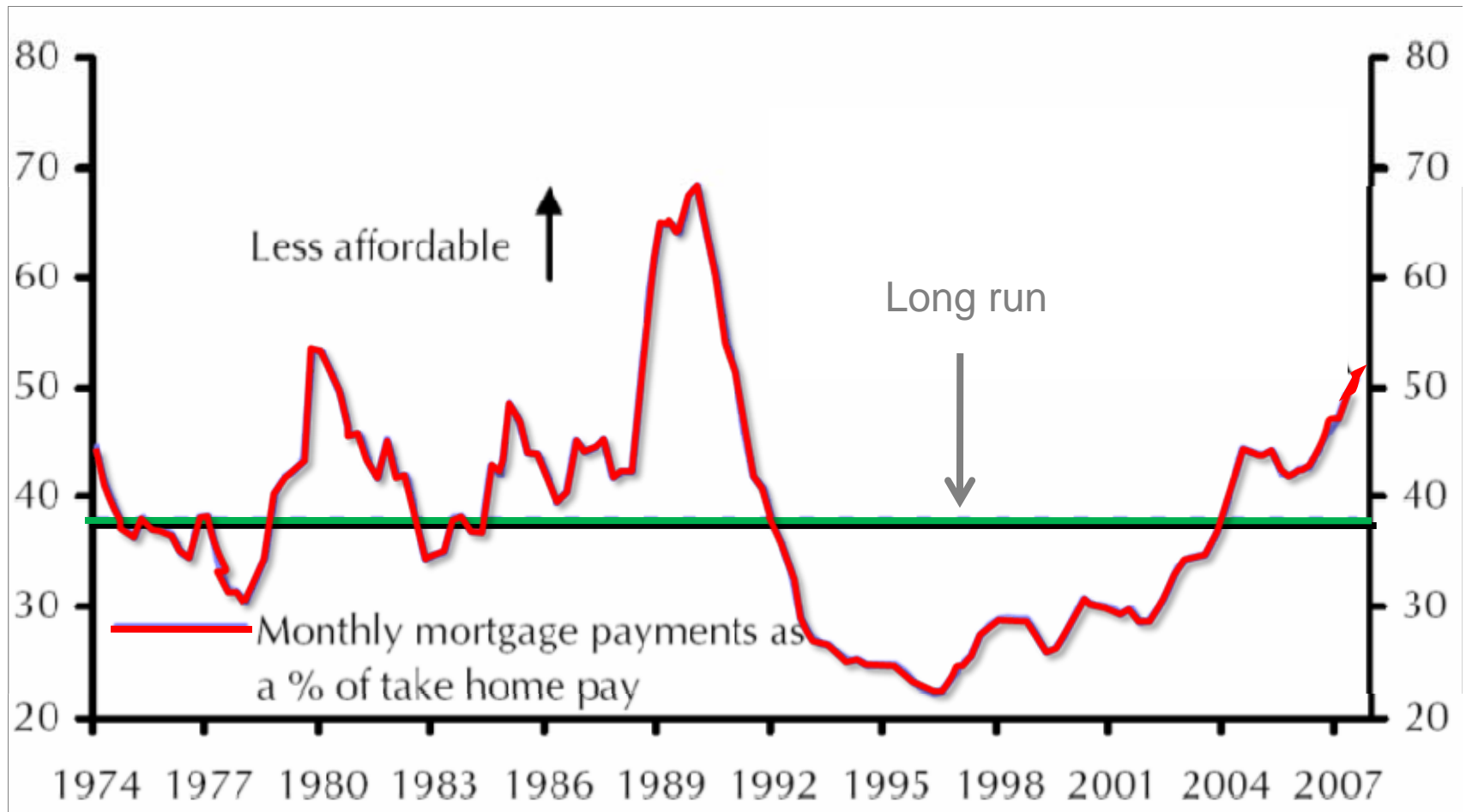
Wide disparity between inner city and edge of town values



Regulatory costs are driving many inner city areas into non viability



Will house price inflation bail us out



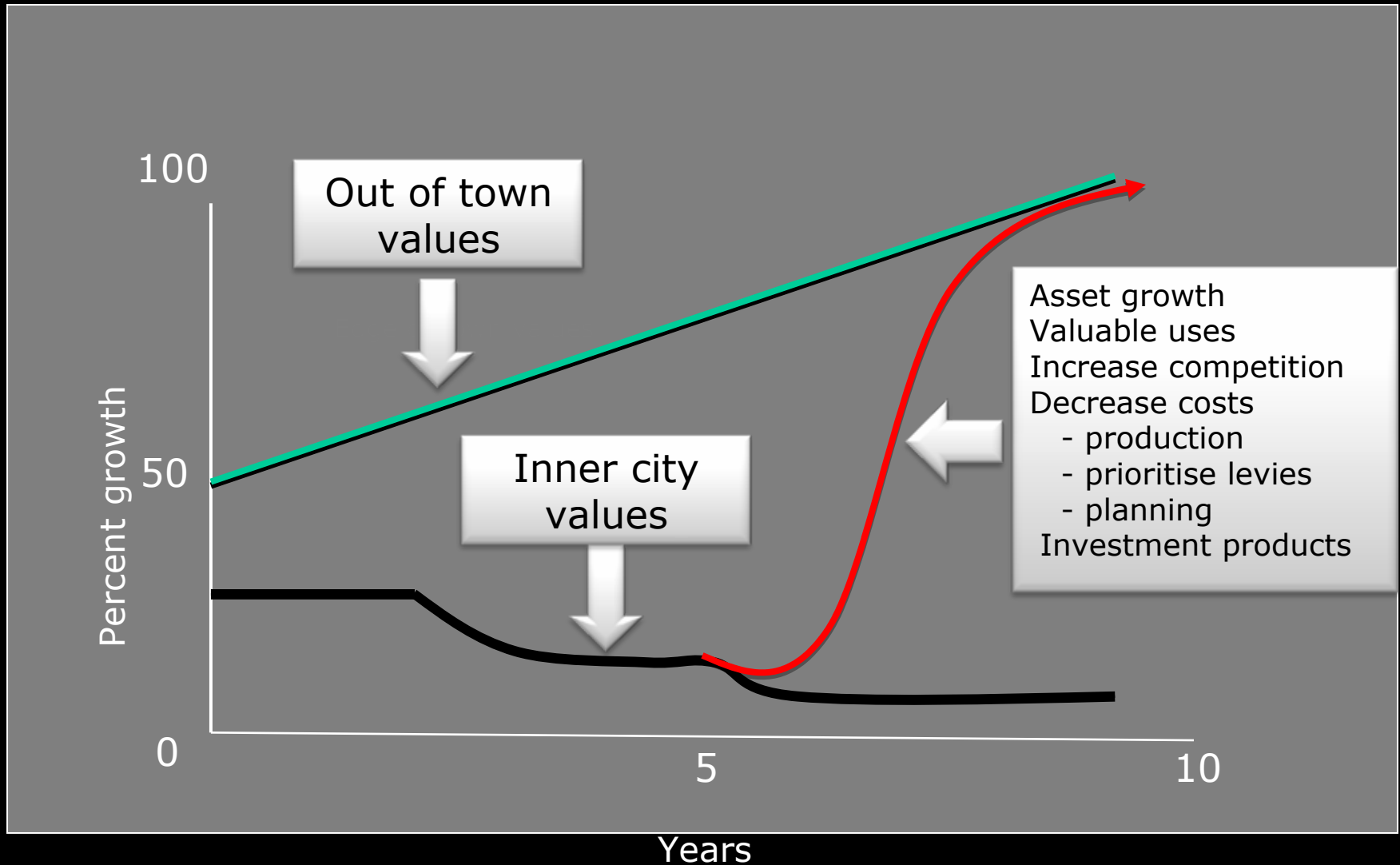
The end of cheap easy credit



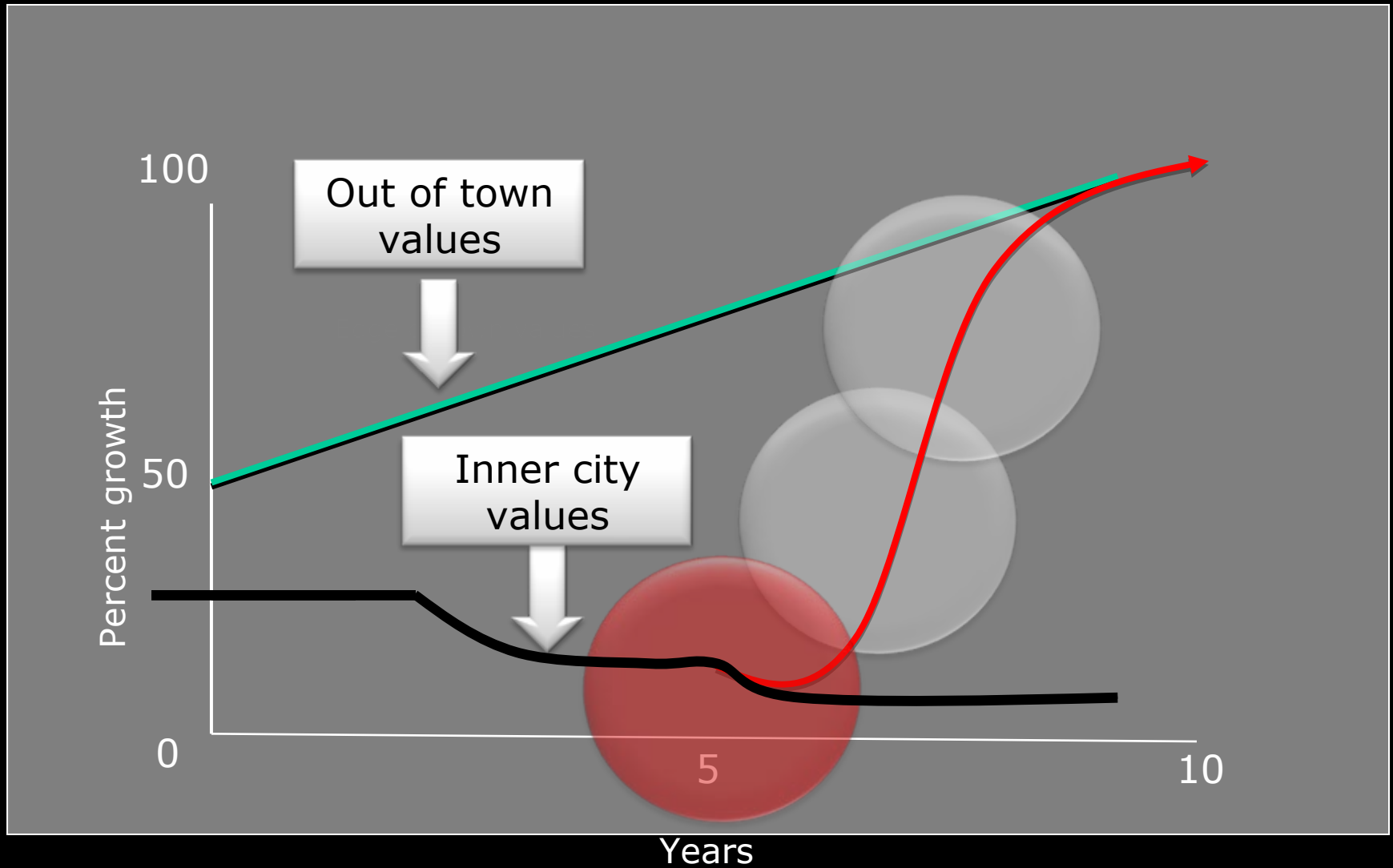
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Switching from inflation to value creation in regeneration



Investment in physical and social infrastructure to create value

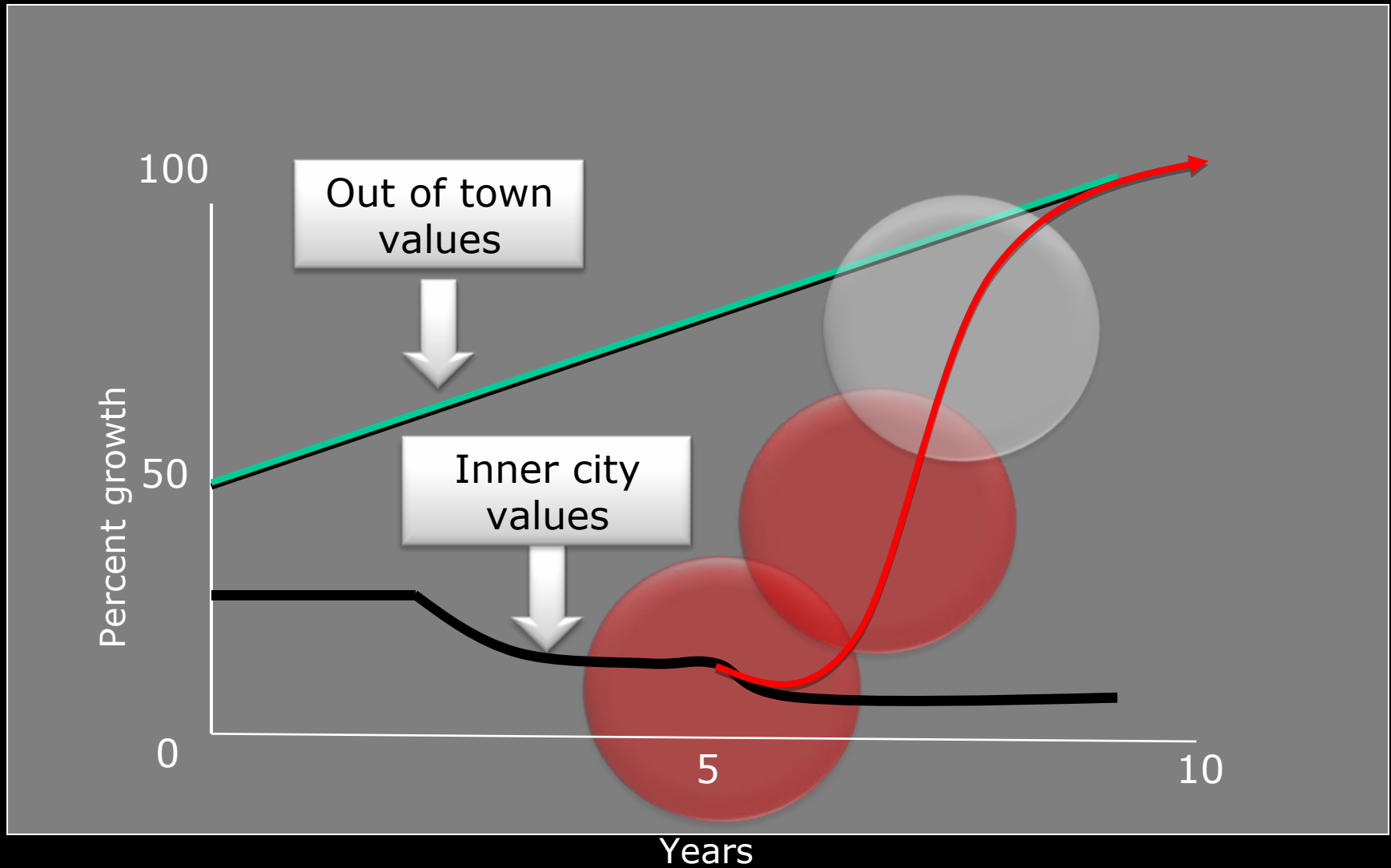


Key recommendations

Creating urban value

- Local authorities coordinate investment and services to create investor value
- Local Authorities should seek new “ preferred partners” to optimise urban values
- Homes and Communities Agency should enable, facilitate and support new LA partnerships
- Property law and local government practice should be reviewed to make long term community management cost effective

Creation of good quality, socially diverse communities



Key Recommendations

Incentivising quality and design

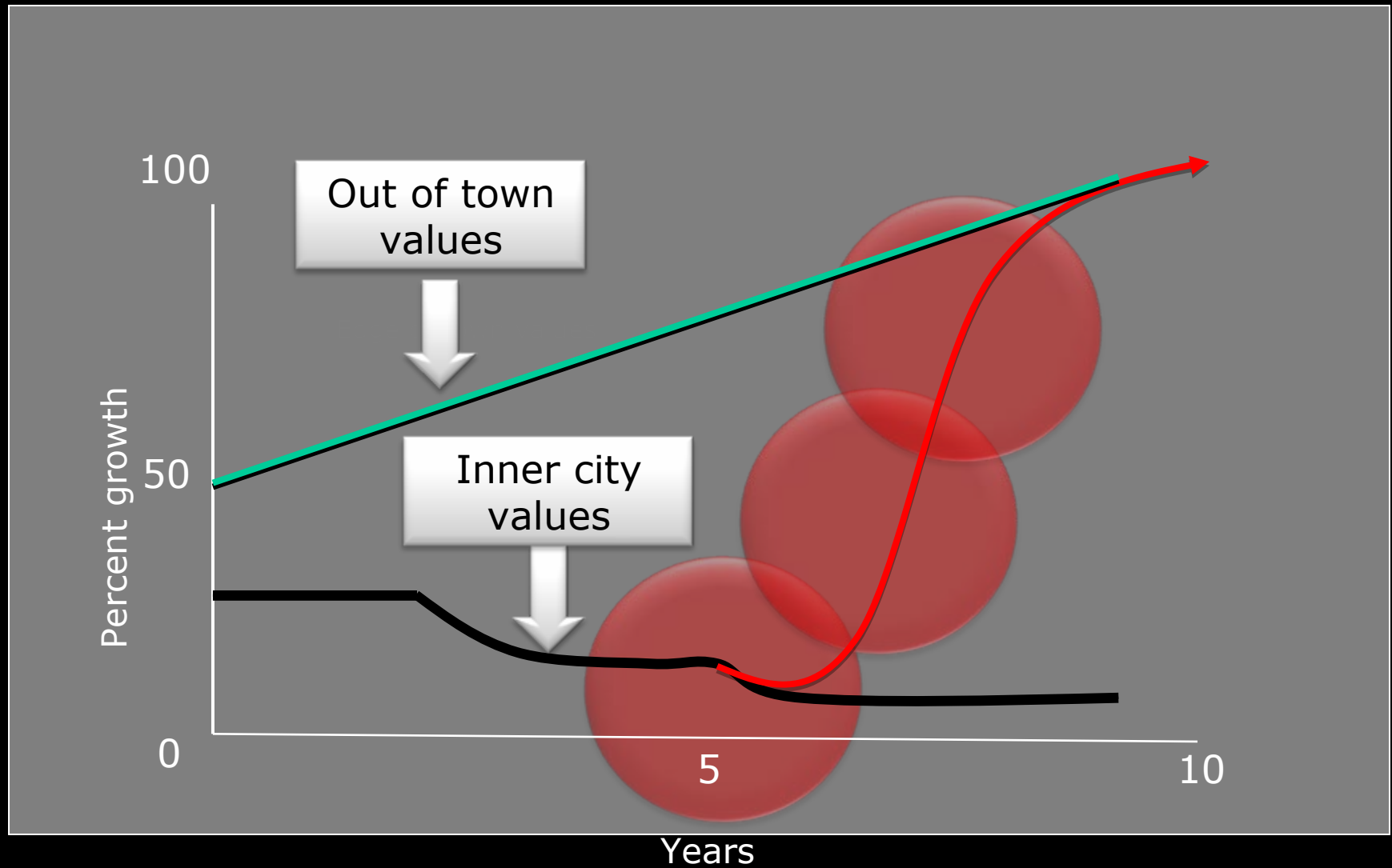
- A new national design review process for house building should be established
- A new and better regime for house building standards, building control and planning conditions
- An annual customer satisfaction survey should be carried out by an independent body
- Benchmarks set for build quality and service with penalties for poor performance

Key Recommendations

Creating a vibrant and competitive sector

- A substantial start on consented land within 3 years
- PPS3 guidance should be amended to stipulate at least 10% of L.A. housing land be for sites of no more than 10-15 homes
- Parts of large public sector sites should be broken out into smaller sites for separate development
- The land holdings of house builders and developers should be more transparent in their published financial reports

Setting up and financing high quality community management

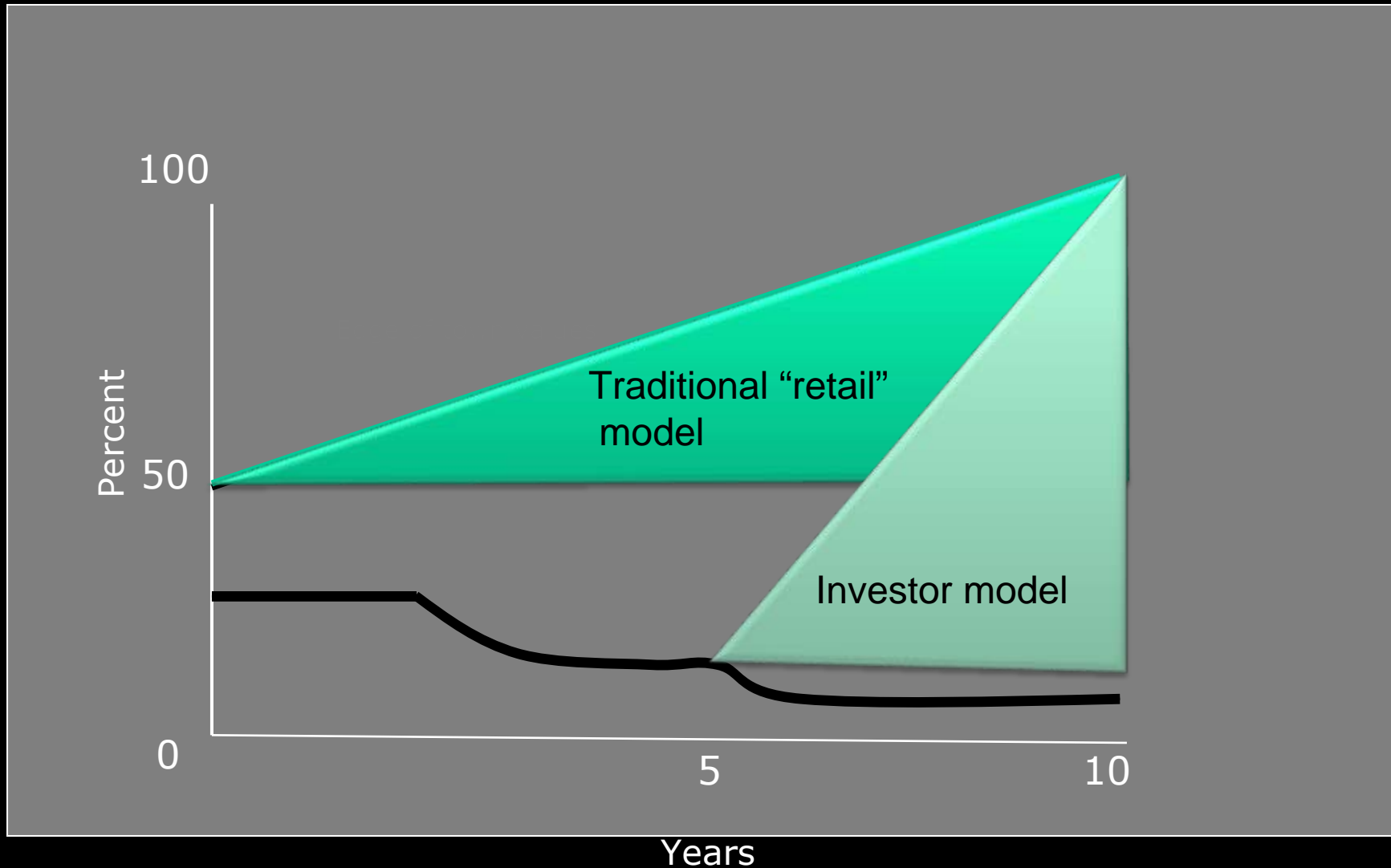


Key Recommendations

Community Management

- Development of community management structures
- Review of current law to remove obstacles to long term investment
- Community management to encompass the wider community

Investor business model would help bridge the affordability gap



Key Recommendations

Zero Carbon

- The Government should maintain strong leadership to achieve its world class targets by 2016
- A new independent body should lead and coordinate delivery of the national zero carbon programme and establish exemplar developments
- Guidance and regulation needed to ensure definition and methods of assessment for zero carbon should be clear
- Resources required to update SAP software

Conclusions

- Public and private sectors to work to common objectives
- Unlock the value potential of our towns and cities
- Recreate a strong demand for urban living
 - residential
 - commercial
- Zero carbon and other desirables cannot be financed by subsidy alone
- Create better quality profits
- Increase shareholder value in regeneration



Questions