

MADISON BROOK

LIVING MARKETS

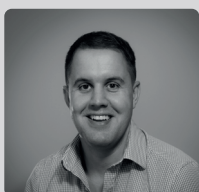
MAKING MEANINGFUL **CHANGE**

INTRODUCTION

Madison Brook is a property services group with a passion for ending homelessness through the supply of affordable homes.

Our dedicated Living Markets team is partnered with councils, LATCo's and housing providers offering a number of highly focused housing solutions.

Whether it's navigating regulations or aligning with community-focused goals, we bring a comprehensive approach to property, aiming for lasting positive influence and meaningful societal change.



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SECTOR UPDATE

The long-awaited decision to unfreeze Local Housing Allowance (LHA) rates was announced in the Autumn budget.

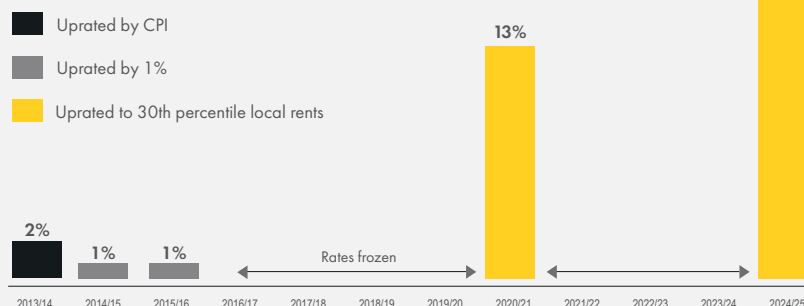
The existing LHA rates, frozen since 2020, lagged behind Private Rented Sector (PRS) levels, with rents in the open market increasing rapidly since Covid-19 as reducing supply struggles to meet demand.

The affordability gap, particularly in London and the Home Counties, has widened at an alarming pace.

From April 2024 rates will be set at the 30th percentile within each local "Broad Rental Market Area" (BRMA) based on rents surveyed in the year to September 2023, up to national maximum amounts.

Average change in LHA rates

Great Britain: percentage change in cash prices



Source: Adapted from Figure 1 of Clegg A, [A temporary thaw: An analysis of Local Housing Allowance uprating over time](#), Resolution Foundation, 9 December 2023.

In one high demand East London location we operate in, new figures represent an 18% rise for 4-bedroom family sized properties. This creates strong viability for our clients to rapidly increase the supply of homes in the local community.

2023 IN REVIEW

In 2023 we saw widespread financial instability leading to caution for many, including housing providers and housebuilders.

Stubbornly high interest rates hindered many public sector housing programmes resulting in spiralling temporary accommodation costs.

The greatest casualty of these economic pressures are London's at risk families, many of which are faced with homelessness and offered impractical and unsustainable housing. This has a direct impact on their ability to integrate into local communities.

Despite this, working alongside councils and equity providers we have taken positive steps to establish sustainable housing solutions.

Introducing private sector partners, willing and experienced at delivering in scale, helping councils to alleviate long term supply and financial pressures.

An example of our progress is the successful delivery of our Housing Supply Agreement crafted in collaboration with a central London council, whereby privately owned portfolios of properties are offered at mutually beneficial terms.

This bespoke agreement offers LHA tracked rents resulting in major cost avoidance, long-term supply, and comfort in the robust quality of newly refurbished homes.

PROGRESS UP TO 31ST OF DECEMBER 2023



£350 million+
of property purchased into
the Affordable Homes sector



2,500+
families housed
to date



0.72 tonnes CO²
Approx saving per home
after refurbishment



Efficient homes
with EPC ratings improved
to a D rating minimum

WHATS NEXT?

2024 has started strong, with reports of gradually stabilising interest rates and buyers returning to the housing market with renewed confidence.

The ripple effect is likely to be felt throughout the market, with opportunities presenting themselves to local authorities able to transact themselves or acquire through delivery partners such as Madison Brook.

Action must be taken as the need for high-quality and reliable housing is more prevalent than ever. We believe that public/private partnerships can efficiently deliver homes at the scale required.

As such we look forward to building on existing partnerships and forging new relationships across the sector. To understand more about the work we do and the approach we take in delivering reliable and sustainable housing solutions, then please do get in touch.

Laurie Emsworth
Head of Living Markets, Madison Brook

Room151's Housing151

Investment. Finance. Social. Affordable.
for local government and their partners

6th March 2024
One Moorgate Place,
London

sponsor:

MADISON BROOK
LIVING MARKETS



INTERACT WITH US

On March 6th we are delighted to be sponsoring and attending the Housing151 event.

This day brings together senior local government finance and housing officers with public and private sector partners, to discuss finding and funding sustainable solutions to the UK's deepening housing crisis.

As part of the agenda, our Director John Lipper is looking forward to discussing how joint venture partnerships can solve housing issues.

For those also attending, we look forward to engaging at the event. We will be sharing our key takeaways following the event.

[Room151's Housing151 2024 - Longview Networks](#)



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