



MADISON BROOK

LIVING MARKETS

MAKING MEANINGFUL **CHANGE**

AUGUST 2024



IT'S TIME TO BUILD.

As the dust settles and Keir Starmer's new government gets down to business, we look at how housing played a central role in Labour's manifesto and what the future might hold for affordable housing.

Labour has a good record of tackling homelessness. The last Labour government halved the number of households living in temporary accommodation between 2005 and 2010, despite a recession in 2008.

It should come as no surprise then that the housing crisis has been identified as the urgent priority that it is, but also how tackling this emergency can play a pivotal role in economic growth.

Can this new government have the same impact? Labour is confident that it can rebuild the nation's housing stock.

As we know, the crisis is deep rooted and will take time to solve. Shelter have called for 90,000 social homes per year over the next ten years to meet rising demand, and whilst Labour hopes to meet this with their plans to build 1.5 million new homes (with social rented prioritised), these will not arrive overnight.

So what can Labour do quickly to drive positive change in communities across the nation? We look at two of the most common issues Councils face and how centrally adopted solutions could have a widespread impact...

COST OF TEMPORARY ACCOMMODATION

The Issue:

Research from The Local Government Association (LGA) shows that the proportion of Council's housing budget spent on temporary accommodation has risen from 18% nine years ago to 61% last year. This is unsustainable and the emergency accommodation provided such as hotels is completely impractical for the families caught in the middle. These crippling costs are stalling longer term plans and creating a catch-22 scenario for housing teams.

The Solution:

Through partnerships with the private sector, Councils can immediately boost the supply of genuinely affordable homes, just as Madison Brook has delivered with Council partners across London. In acquiring council owned housing stock that will appreciate over time, this approach demonstrates best value for money and provides stable long-term homes for residents.

PRIVATE RENTED SECTOR

The Issue:

Private Landlords have been exiting the market since the Pandemic due to rising costs, increasing taxation and legislation. As a result, rents across the nation have continued to rise caused by this sustained supply and demand imbalance. What was previously a reliable source of homes to Council's is fast becoming scarce, and the remaining properties are becoming increasingly more expensive as rents try to keep pace with private rental sector values.

The Solution:

With the impacts on private Landlords unlikely to reverse any time soon, there is a gap for professional and institutional Landlords seeking social impact. Madison Brook have led on structuring medium to long-term lease agreements with recipient Councils, providing them with affordable and high-quality portfolios that deliver a stable and reliable source of homes filling the void with an improved product.



Focus Areas

HOUSEBUILDING

Labour is clear that Councils will be expected to build the homes required. Unlocking of land, talk of grey belt building and planning reform will need careful consideration before they can be fully understood and implemented.

Plans to build new towns to meet ambitious house building targets will require similar detailed planning.

The potential displacement of residents can have lasting effects, particularly on young people.

Prolonged economic instability and global conflicts showing no immediate sign of de-escalation, mean that materials and build costs remain unviable for many developers. The new homes required face many obstacles.

EXISTING STOCK

The planned investment in new properties should not come at the detriment of existing. CBRE report that current estimates suggest repair and maintenance costs across the Affordable Housing sector have increased by £1.5bn in just four years. The Regulator of Social Housing estimating that capitalised repairs and maintenance costs will increase by a further 30% in 2024 from 2022/23.

How Councils and Registered Providers can balance the books whilst delivering new targets will have to be followed closely.

GRANT FUNDING

Local Councils across the nation rely on the accessibility and availability of grant funding to deliver housing and regeneration projects. Procurement can at times be a challenge, removing barriers and promoting central and local government collaboration will be vital to improving the pipeline of homes.

GREATER FLEXIBILITY

We have previously spoken about there being no single solution to the housing crisis. Partners we work with that embrace a mixed approach to housing are seeing immediate and sustained results by removing any over reliance on one source, mitigating against risks such as economic downturn or new legislation.

HOPE OF A NEW DAWN?

In Angela Rayner we have a Deputy Prime Minister who is also Secretary of State for Housing, Communities and Local Government. This is huge for the sector and ensures housing has a seat at the top table. Let's hope it now gets the stability it has lacked with sixteen housing ministers since 2010.

Ms Rayner has pledged the *"biggest boost to affordable housing for a generation"*.

Whilst new homes are clearly needed, we must not ignore our existing communities. Homes that form the fabric of the nations towns and cities, many of which have been neglected affecting the health of residents and the wider environment.

Employing modern methods of construction, Madison Brook can evidence significant reduction in CO² emissions through our skilled and cost effective refurbishments. Delivering high-quality, sustainable homes that require minimal maintenance through a standardised approach.

In engaging positively with their communities, Councils can significantly boost local economy supporting businesses, trades and employment. Local problems solved by local people.

By bringing residents along with us on the journey to solve the housing crisis we can establish generational buy-in, ensuring housing remains a priority and not viewed as a problem.

WHAT NEXT?

Madison Brook are encouraged by the step change in affordable housing and are excited to be a part of the solution. **We are looking forward to an upcoming seminar on 4th November 2024 hosted by Devonshires Solicitors. Jointly organised by Campbell Tickell, and attended by Madison Brook, who will be holding guest speaking roles..**

This event will help Local Authorities understand how to access the homes they need. Delivering bettering quality, lower cost and at a faster pace.

To be part of the discussion please contact us at livingmarkets@madisonbrook.com



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