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WEST MIDLANDS RESIDENTIAL PROPERTY

insider breakfast

HOME RUN

How are new funding and powers helping to boost housebuilding in the West Midlands?

HOW DO WE INCREASE THE NUMBER OF NEW HOMES BEING BUILT?

Victor Librae There's a target of 16,500 new homes per year in the West Midlands. The average house in the Midlands costs around £200,000, and of that around 55 per cent gets funded, which works out at around £1.5bn of funding that needs to come into the West Midlands. The £350m of government funding to the West Midlands Combined Authority (WMCA) is a great start, but it needs to be focused on areas where brownfield sites can get to a point where they're actually fundable.

Tim Allen It's about being more collaborative and looking more creatively about capturing the value uplift of land once development begins. There are deals where the government has invested money, the developer takes the first cut of profit, and the next cut of profit goes to the government, giving them their money back.

Jonathan Turner Collaboration between the public and private sector is important, either an informal model or a long-term, formal joint venture.

But collaboration between different parts of the public sector is also important, such as those between Homes England and housing associations.

Chris Keogh We're looking to build 2,000 units in the WMCA area outside of Birmingham. We wouldn't have looked at those schemes were it not for the support of WMCA and local authorities.

Stuart Penn We've got to find a way of disrupting the market in a positive sense, which is what the WMCA is doing.

Dena Burgher We'd like to see more partners who are willing to enter into





true partnerships, such as joint ventures where they share risk. When we're looking at large-scale development a lot of the emphasis is on the contractor or developer to take a lot of the risk.

Karl Tupling The housing sector is broken in many areas, and our role is to act differently to achieve a step change. It's about working with partners to deliver homes more quickly than otherwise would have happened in places such as the Royal Hospital site in Wolverhampton and the Whitley Pumping Station site in Coventry.

WHERE ARE YOU LOOKING TO TACKLE HOUSING SHORTAGES?

Penn We have a large presence in Staffordshire, the Black Country and Coventry. In the future we're going to continue to focus in those areas, because there's opportunity and it's where we know there are sites we can unlock. Those areas also have good transport links and there are local authorities which are pro-development.

Burgher We're working in the Black Country, Birmingham, Coventry, Staffordshire, Stratford-upon-Avon and Kidderminster. Right across the West Midlands we're building or have in the pipeline around 2,500 units.

Tupling The most significant site we've been involved with recently is Perry Barr where we acquired a site from the University of Birmingham for residential development. It will now be used for the athletes' village for the Commonwealth Games. After the Games there'll be 1,200 new units.

Librae We have done around 300 homes in Digbeth. We're involved in a joint venture with Gilliard Homes and Aspley Capital. We have done another 300-plus units at Five Ways and we're looking at another 1,000 units in the Birmingham area.

HOW DO WE IMPROVE TRANSPORT LINKS TO MAKE HOUSING SCHEMES MORE VIABLE?

Jon Harris Train operators have a major role to play in placemaking. We're developing around 90 station integration plans, looking to make them a bigger part of the communities they serve. There's a real opportunity to help developers secure planning consent if there's a focus on rail and transport connectivity early on in the process.

Allen Young people are choosing not to learn to drive or have cars. We have to react to this. We need to be ahead of the curve when it comes to alternative

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REGIONAL MANAGING DIRECTOR, LOVELL

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PARTNER - NEW BUSINESS, URBAN EXPOSURE



transport and working with organisations like West Midlands Trains. We need 20-year visions, not just for big transport plans, but for individual train stations.

ARE WE BUILDING TOO MANY BUILD-TO-RENT SCHEMES?

Keogh Between 2008 and 2013, we didn't really build anything. Between 2011 and mid-2018 there were just under 6,000 units built in Birmingham city centre. But the population of the city centre is set to grow by 81,500 over the next decade yet we're not even close to delivering enough units to meet this.

HOW DO YOU GET THE TENURE BALANCE RIGHT?

Turner We need a diversity of suppliers to deliver a broader tenure of units. The NHS, for example, has a strong need to ensure there is enough accommodation for its workers.

Allen The real issue is how we maintain the tenure mix we've already got and sustain it in a way that matches the population. The policy that allowed the right to buy public sector housing required that homes were replaced, but that requirement has been watered down.

Harris A key challenge is where people with diverse skills end up living. If they can commute by rail, it's not a barrier. But if the affordable housing patchwork is a little bit random, there may be an issue with people living further away from their place of work.

WHAT'S THE BIGGEST CHALLENGE THAT THE HOUSING MARKET FACES OVER THE NEXT FIVE YEARS?

Harris The speed of the planning process and innovation approaches around transport and connectivity.

Turner There's a funding question around retro fitting programmes of housing aimed at addressing environmental issues, energy efficiency and fire safety.

Keogh A possible Labour government is a concern. At the moment we're in a great position and local authorities are very pro-development.

Penn I'm concerned about the skills gap and the how we get the extra volume of units through local authority development control functions.

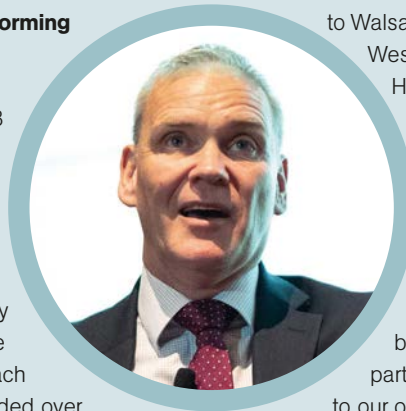
ONE TO ONE

David Warburton

head of land and development,
West Midlands Combined Authority

How is WMCA performing when it comes to building homes?

We delivered 14,628 homes last year, an increase on the previous year's 12,087. To hit our target of 215,000 homes being built by 2031, we need to be delivering 16,500 each year, or 42 keys handed over to new owners each day. All the indications are we're ahead of trajectory.



to Walsall railway line and the West Bromwich to Brierley Hill corridor, which follows the Metro extension.

What are the criteria for investment?

Part of our investment decisions are based on dealing with partners who subscribe to our objective on inclusive growth. Any WMCA scheme or project we invest in has to contain 20 per cent affordable housing.

What funding do you have?

We have around £600m available to help us achieve our targets. We have a single commissioning framework which contains a £100m land fund to help developers acquire sites, a £50m brownfield land development fund, and a £210m investment fund, principally available as debt or equity.

How do your partnerships work?

There are two routes to funding. One is continuous engagement, the other approach is commissioned partnering. The latter is where we look at the portfolio of sites of private and public sector organisations and see which ones are viable if they are given some help. The first one of these partners is Lovell where we're on site with the first scheme in Wolverhampton. We're at advance stages of discussions with two other partners.

What areas are you focusing on?

We're looking at the whole area, but we're targeting some public transport routes, for example the Wolverhampton

