

Successful places  
with homes and jobs



Homes &  
Communities  
Agency

# A NATIONAL AGENCY WORKING LOCALLY



Sir Edward Lister

Chairman, Homes and  
Communities Agency

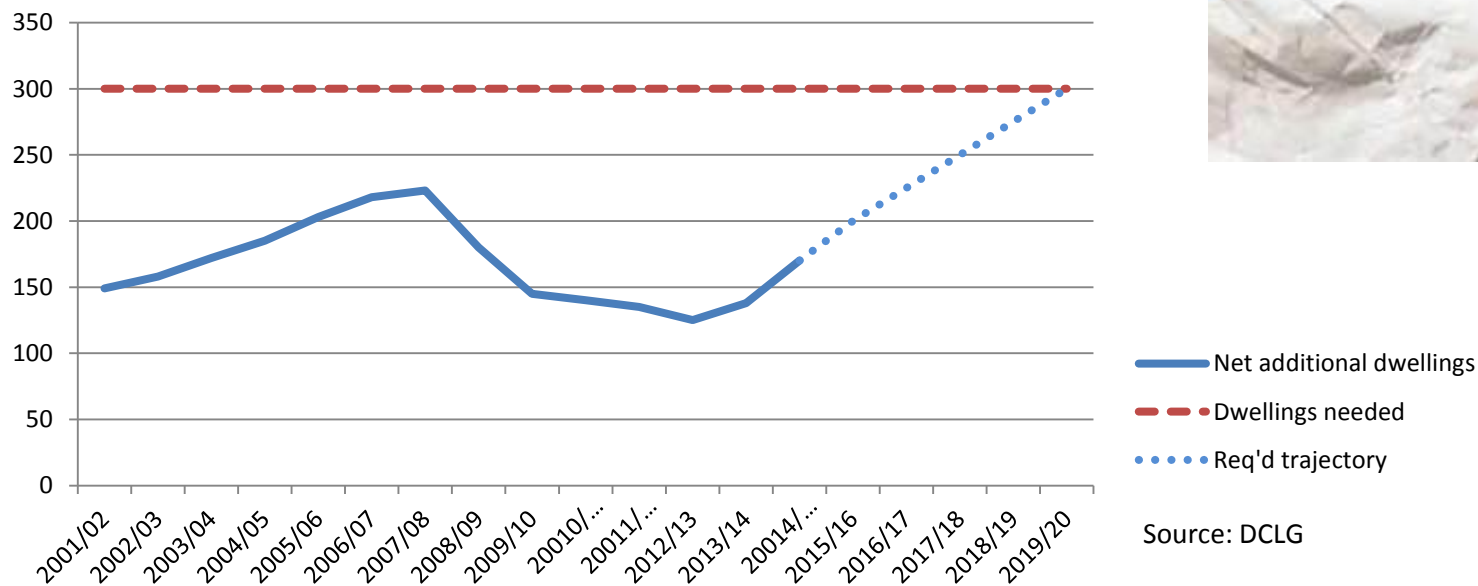
Thursday 6<sup>th</sup> October 2016

# Key issues facing the housing industry



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- Availability and affordability of housing
- Skills shortages across the sector
- Availability of land
- Availability of development finance
- **Build rates are too low**



Source: DCLG

# Direct Commissioning / Accelerated Construction



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## Programme Objectives:

- **Increase the pace of delivery** – want to double the current average private sector rate of delivery on HCA sites
- **Deliver a return to Government**
- **Increase sector diversity** – bringing new and different players into the market or increasing the scale of activity of existing players (outside of the ‘usual suspects’)



# Assistance for Small Builders



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## Smaller builders face 3 key blockers:

- **Availability of sites**

- Local plans concentrate on a few large sites
- Sites that are available are unlikely to get planning permission

- **Planning Process**

- SMEs deterred as planning process is too slow, expensive and uncertain

- **Availability of development finance**

- Private debt finance terms can be restrictive
- Private finance equity terms do not reflect equitable share of risk/reward
- Applying for public finance takes too long and paperwork is too onerous





# Home Building Fund

- **The new fund aims to:**
  - Increase housing supply in the short and long term
  - Diversify the supplier base in housing
  
- **The fund will:**
  - Provide development finance to build more homes
  - Provide infrastructure finance to unlock land for house building
  - Support diversity and innovation to scale up delivery using modern methods of construction, including off-site manufacture





# Home Building Fund

- **Increased Flexibility**

- A single front door to HCA recoverable investments
- We start the process with a conversation, not a form to fill in
- Support for new entrants and innovative solutions to housing

- **Increased Eligibility:**

- Loans of over £250k for developments of over 5 homes
- No unit caps on development loans, No unit minimum on infrastructure loans
- No 50% limit on loan to cost
- Longer availability period than other HCA programmes





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# Home Building Fund

## HCA Commitment:

- We will continue to listen
- We will engage regularly with the industry
- We will review fund performance regularly
- We will continuously improve

