

Homes for city makers

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Marc Vlessing is a founder Director and CEO of Pocket, London's first private developer that focuses exclusively on delivering intermediate housing for the starter market. Pocket's award winning housing requires no grant, is secured as affordable in perpetuity and sold outright to people on low to moderate incomes – see www.pocketliving.com

London is experiencing one of its biggest ever housing crises. We need to house a city the size of Birmingham in the capital in the next ten years. Planners and other local government officers are on the front line in helping us to achieve this. Sadly though, local government bureaucracy is getting in the way of this too often says Marc Vlessing

At Pocket we've seen what a great job planners do but also what a strain they are under. The Government could do more to help solve the housing crisis by not piling additional requirements and budget pressures on planning departments. It is clear that finding sufficient resources is a constant pressure.

Yet in our experience it isn't planning that is holding the system up. Planners understand the scale of the challenge we face and the need to innovate to overcome it. They largely deliver in a reasonable time frame and work constructively with developers and communities to overcome issues in achieving planning consent. On average it takes Pocket just 16 weeks from putting in an application to achieving planning consent. Our main challenge with local government has been in achieving Section 106 agreements which now take longer to agree than planning permission. Our experience has shown that on average it takes 22 weeks to agree a Section 106 agreement but it has taken us up to 44 weeks.

Pocket is an innovative and forward thinking SME affordable housing developer. We can and want to be part of the solution to each borough's individual housing crisis, we are currently working with twenty boroughs. For example, in Hackney we're delivering brownfield starter homes for local people who mostly earn under £40,000 and work in the public and charity sectors. Across the city in Westminster we're breaking new ground with the City Council to build an affordable rent scheme using their S106 capital but where we will be responsible for their properties on a day-to-day basis. To date we have delivered over 200 affordable units but we have plans to grow fast and are on target to deliver 4,000 intermediate homes in under 10 years. As professional operators we understand how to work constructively to deliver affordable housing.

Increasingly we are finding that our city's political leaders are keen to see their authorities speed up the process to help deliver affordable housing. However, all of this effort becomes pointless if Peter is not speaking to Paul. We have found that housing departments often have unrealistic expectations of developers, legal departments fail to understand the need for quick turnarounds and property services don't have the tools to value public land correctly. This can be particularly challenging for smaller developers.

It is important for officers in our local authorities to work with their colleagues across departments to deliver a 'whole authority' process and without this we will never see the renaissance of the small and medium sized developer that we



need. It has become abundantly clear that the volume house builders and the Housing Associations either can't or won't deliver the extra volume we so desperately need in London. So the only way to gain more homes, is to engage with more small and medium sized developers (SME) and work with them on the plots that the volume players aren't interested in. These sites should be quick to finance, build and get through the process. This is the critical area for improvement.

We recognise that when local authorities' budgets are being stretched (and planning and legal departments are seeing their budgets take a disproportionate hit) that the resources may simply not be there to make the process as smooth as it needs to be. It is therefore clear that we need to see more support from regional and central government to help eradicate the inefficiencies in the processes that drain so much precious resource.

There are some clear areas for immediate improvement:

- It is ludicrous that 33 London boroughs all have their own versions of the S106 agreement. The variations are not significant enough for this to be the case. There must be a way to get to a standardised shorter core document which requires very few amendments between schemes with the unique borough and community requirements addressed in an adjoining Unilateral Undertaking. Pocket's S106 agreements all ensure we offer starter homes at a discount of at least 20% to local first time buyers earning less than £71,000. A restrictive covenant ensures this remains the case. Sadly we spend too much time correcting basic errors in basic documents.

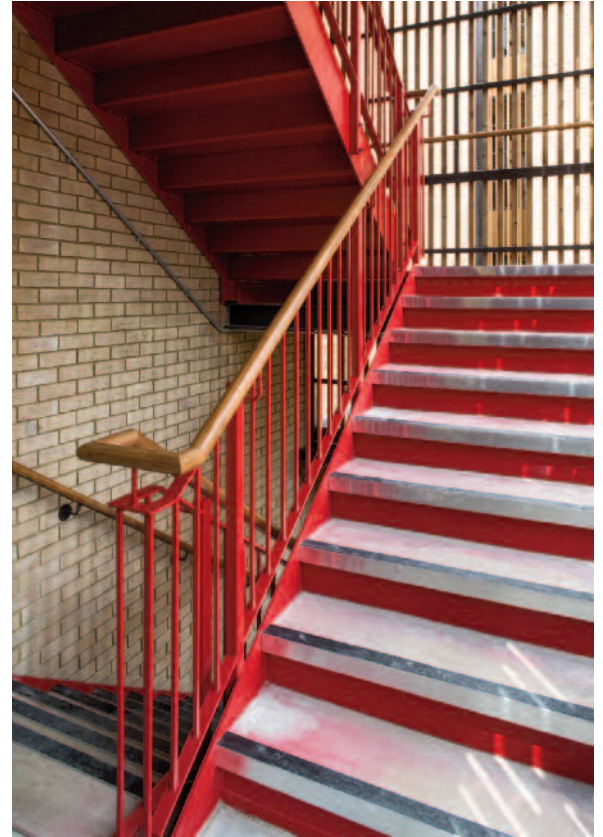
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- There must be simpler and clearer processes for smaller schemes and those that focus on affordable housing. This is precisely the type of investment we want to encourage and yet it is being squeezed out of the system. Schemes of under 50 units really should be able to move faster through the system while the NPPF and supporting documents need to recognise affordable housing properly.
- Clearer guidance is needed on how to dispose of small and medium sized public sites for best consideration for affordable schemes. The legals are clear around the valuation criteria and it is very rare that the valuation differentials on such sites get close to triggering the requirements for OJEU.

With some clear and immediate action in these areas we can start to envisage the renaissance of the small and medium sized developer that we so desperately need. London is one of the world's most exciting places to live but for those struggling on moderate wages and rising rents it is becoming increasingly difficult. These are the people that make our city what it is: they teach our kids, they look after us when we're not well, they're the chefs that make our restaurants' world class. In short they are the people that make London tick; at Pocket we call them "city makers" and they need a more varied approach to housing provision.

Last year the London Chamber of Commerce and Industry identified the lack of affordable housing as a key threat to London's competitiveness and economic resilience. City makers forced further and further out in search of an affordable home lead to longer commutes and tired unhappy workers. The private sector is feeling the effects of a less productive workforce on its balance sheet. But we know from speaking to local authorities that the public sector is being harmed by this even more. In our opinion we need to take action to retain these educated and skilled key workers in our city before they look

ALL IMAGES:
Pocket's Marcon Place
development



beyond our borders for their way out of the housing crisis.

I am confident that we can create a new environment where fresh thinking and innovation can flourish. Innovation in the public sector such as Lord Adonis and Finn William's 'Planning First' initiative will make bright young graduates the place makers of the future. By attracting fresh talent and making planning an even more attractive career option we will help create a culture that understands the housing crisis and wants to solve it. The public sector has its role to play but so do we in the private sector. At Pocket, we have had to change and adapt to the different needs of different London boroughs. Whatever Pocket product they require, they all agree that we need to manage affordability according to wages rather than just the surrounding market.

Like most people, city makers want security and the chance to progress; they want a home they can call their own. City makers don't qualify for social housing and can't afford London's astronomical house prices. They need an alternative and that's where intermediate housing solutions like Pocket come in.

Meeting our politicians, I know they understand the frustrations of the hundreds of thousands of city makers excluded from getting on the property ladder and forced into an over-priced private rental market. Should city makers choose to use their collective bargaining power they could exert significant influence over our policy makers. City leaders could respond appropriately by reforming bureaucracy and ensuring local government is doing all it can to help our city makers. We urgently need to build more houses to keep our city booming. It would be a travesty if we lock our millennial generation out of home ownership forever and see an exodus by failing to build. London's housing crisis doesn't just affect those who can't own a home; it affects us all. ■