



Homes &
Communities
Agency

Housing Market Intelligence Conference

HCA – The story so far

Sir Bob Kerslake,
Chief Executive, Homes and Communities Agency

Contents



- The HCA vision
- Delivery in the downturn
- New initiatives to shape future delivery

Our Vision

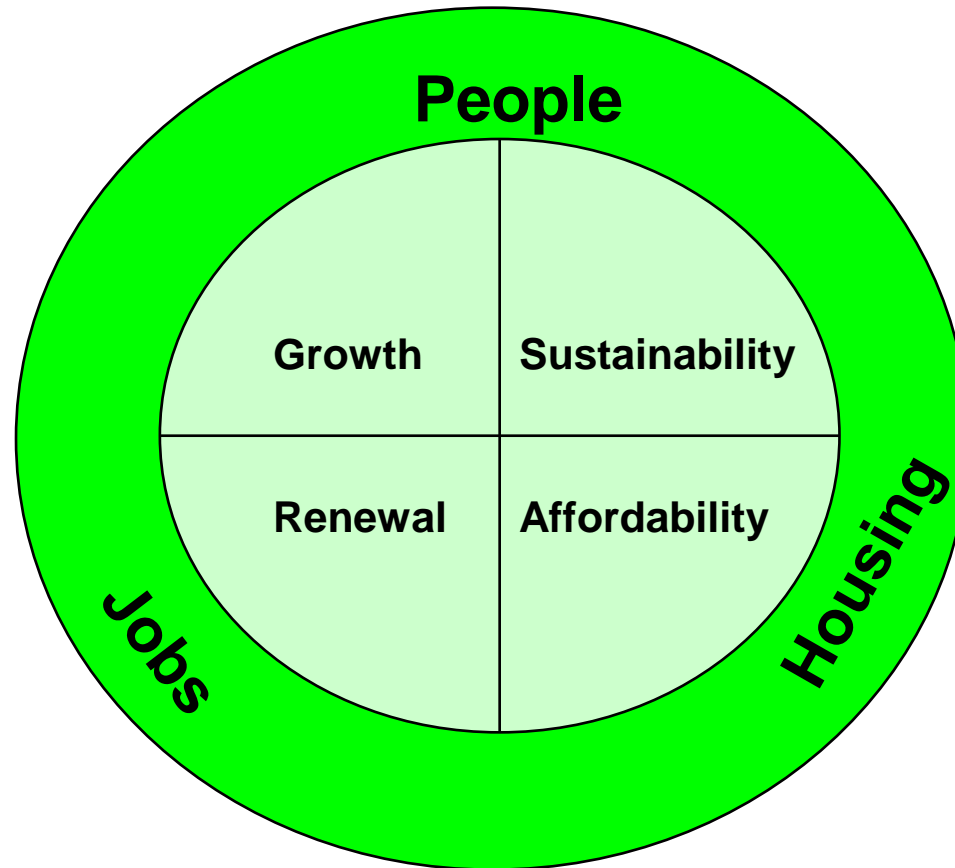
To create opportunity:

- For people to live in homes they can afford in places they want to live
- For local authorities and communities to deliver the ambition they have for their own areas



A national agency that works locally

The Business of the HCA



Delivered in places through the Single
Conversation

Achievements

- Smooth (and early) start up in difficult conditions
- Delivered 2008/09 housing targets
- Introduced flexible grant rates and tailored packages
- Secured Housing Stimulus Package
- Developed new initiatives
- Strengthened local delivery
- Progressed Single Conversation
- Built good partnership working

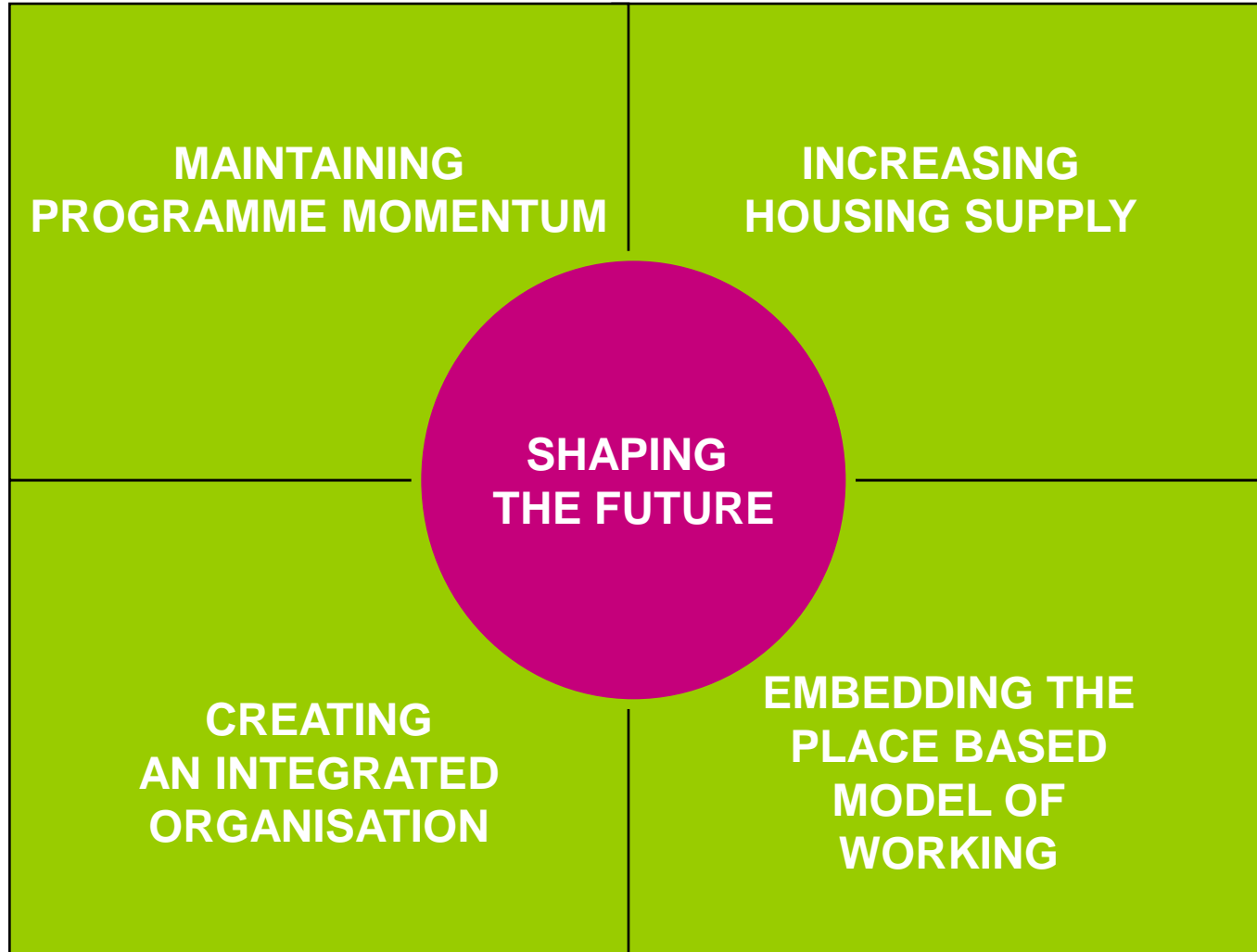


Challenges

- Fragile Housing Market
- Stalled regeneration schemes
- Pressure on public spending
- Political uncertainty
- Competing views on how best to deliver housing growth



Our Corporate Plan



Maintaining programme momentum

- Essential to deliver well on Housing Kickstart and Homebuy Direct
- Pressure on some budgets (especially Decent Homes)
- Need to review and simplify Homebuy products
- Focussing regeneration resources where they impact most
- Continue discussions with lenders



**“Tight programme management
and acting on
stakeholder feedback”**

Maintaining programme momentum- A flexible approach



- Kickstart: Liskerrett Vale, Liskeard, Cornwall 50 Homes, £279,000 Kickstart Funding
- LA New Build: Gateshead, three successful bids to deliver 61 new homes for elderly residents
- Flexible approach: Kidbrooke Estate use of flexible NAHP grant rates, transferring some units from LCHO to Intermediate Rent, agreeing a revision in the grant funding contract

Increasing Housing Supply

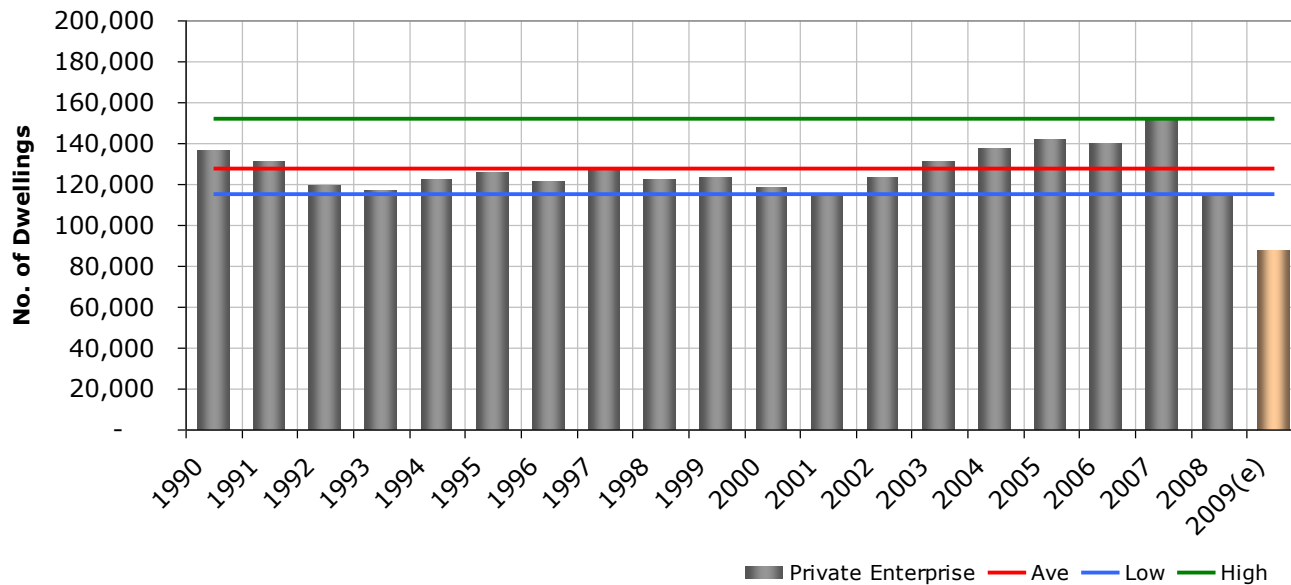
- Long term demand for housing unchanged
- Challenge of short/mid-term housing supply
- Maintain RSL development capacity
- Strengthening the local authority role
- Public land initiative
- Private Rented Sector Initiative
- Review ‘Economic Model’ of housebuilding



“Recovery and change”

Annual dwellings completion Private Enterprise

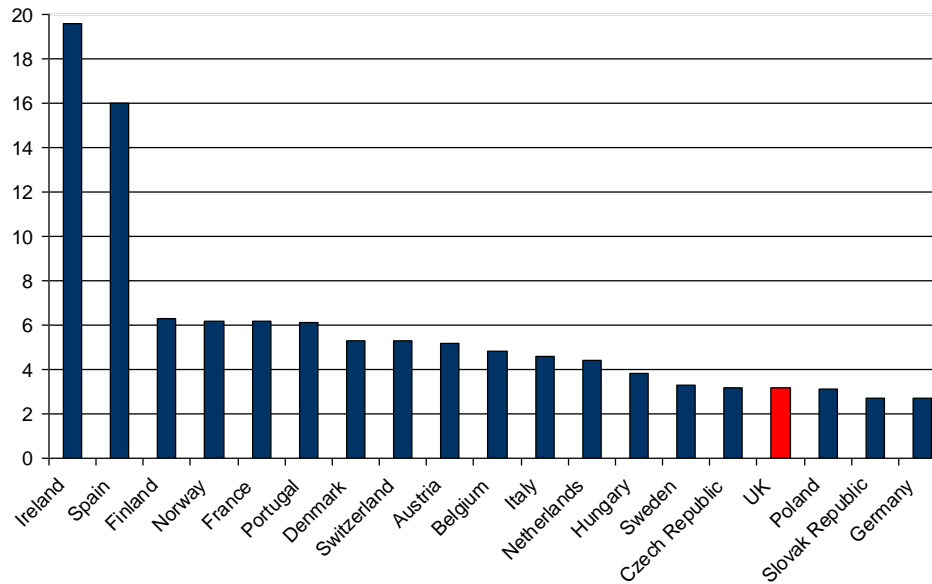
Annual Dwelling Completions, Private Enterprise



Note: e = extrapolation based on Q1 2009 and historic quarterly proportions of completions

International comparisons of housing

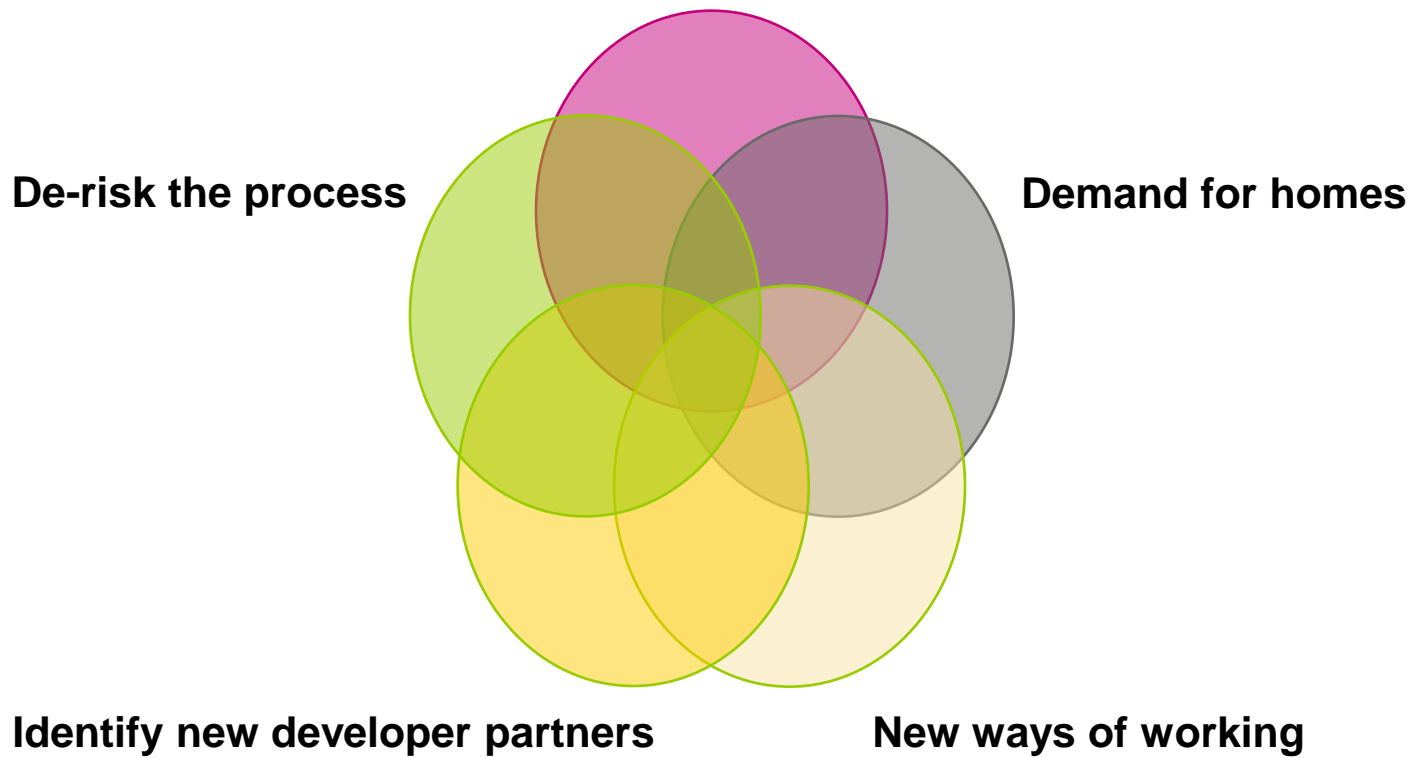
International comparison of housing completions (per 1000 inhabitants, 2004-2007)²



PLI - Rationale



Current housing supply issues



Private Rented Sector Initiative



- A catalyst for institutional investment
- Stimulating residential development, including regeneration schemes
- New affordable & flexible tenure
- Encouraging innovation & alternative approaches
- Unlocking development finance
- Unblocking mixed tenure development
- Facilitates economic, social & geographic mobility

Private Rented Sector Initiative



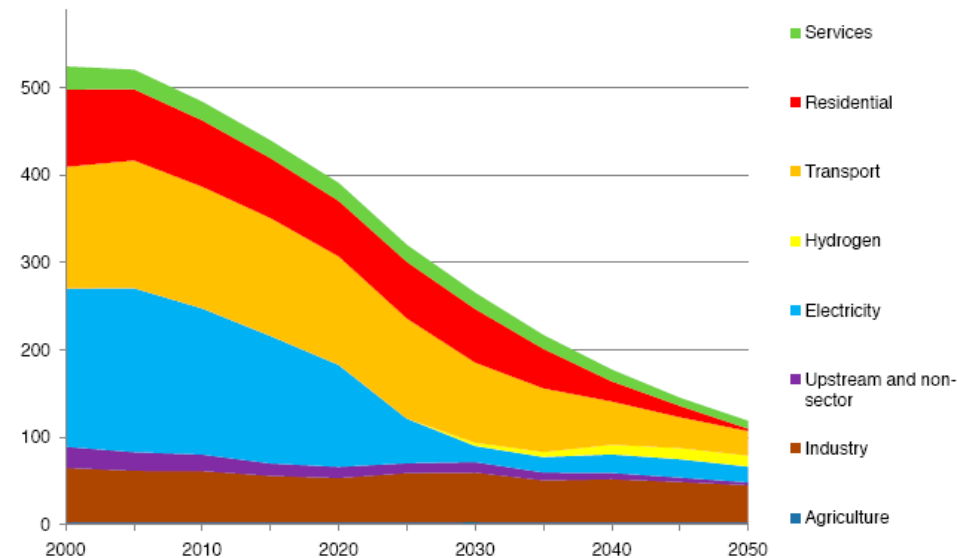
A scheme based approach:

- **Kickstart**
 - Co-ordination with Kickstart 2 bidding process
 - Expression of Interest submission deadline 19 October
 - Investment (timescale)
- **Land based investment**
 - HCA land
 - Co-ordination with Public Land Initiative
 - Delivering projects over 2 financial years 2010/11 and 2011/12
- **Rental Guarantees**

Sustainability

- Introducing a single set of standards (including codes) for HCA funded housing
- Challenge of existing stock
- Learning from Exemplar Schemes

UK CO₂ emissions by sector to 2050 on an 80% emissions reduction path²



“Housing is key to delivery of Government targets”

Cross cutting issues

- Economic benefits of housebuilding
- Apprenticeships and local labour
- New sources of finance
- Infrastructure and planning



Conclusion

- An encouraging start
- Strong delivery and good partnership are key to our success
- Real challenges ahead that we need to manage together

