- **Elliot Lipton**
- **Managing Director**
- **First Base**

Elliot Lipton

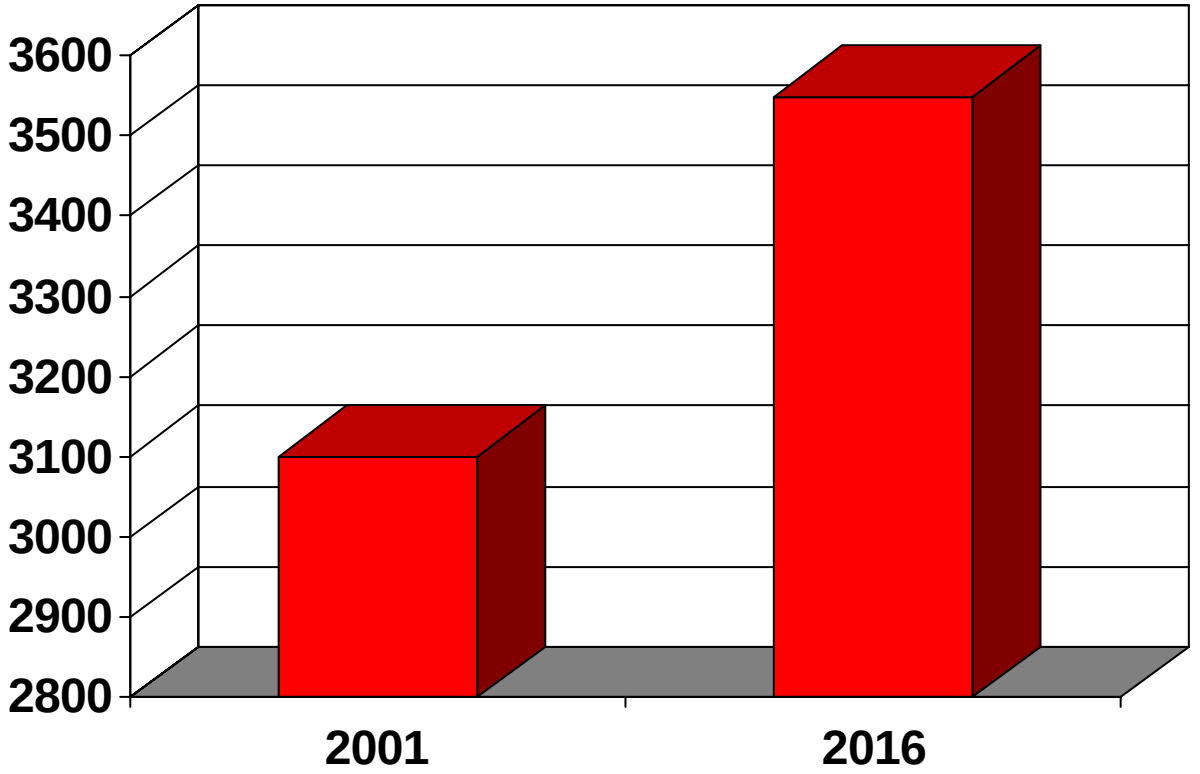
2016: Residential in London



20th June 2006

The challenge now and in 2016…
…..increasing demand for Housing

000's Households



Source: London Plan

The Vision

1) Increased Quality
2) Better value for money
3) Partnerships critical
4) Create communities not buildings
5) New methods of affordable housing finance

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Greater Focus on Quality

- Design diversity

Some House builders have not “perceived the need to innovate and offer a design edge” or “to differentiate their design to secure a market”

Source: CABE “What homebuyers want”

The Market is Changing

- Increasing expectations
- Customer segmentation – not homogeneous
- Evolving life styles
- Customers increasingly want choice for Premium price
- Design as well as function
- Attention to detail
- Focus on sustainability

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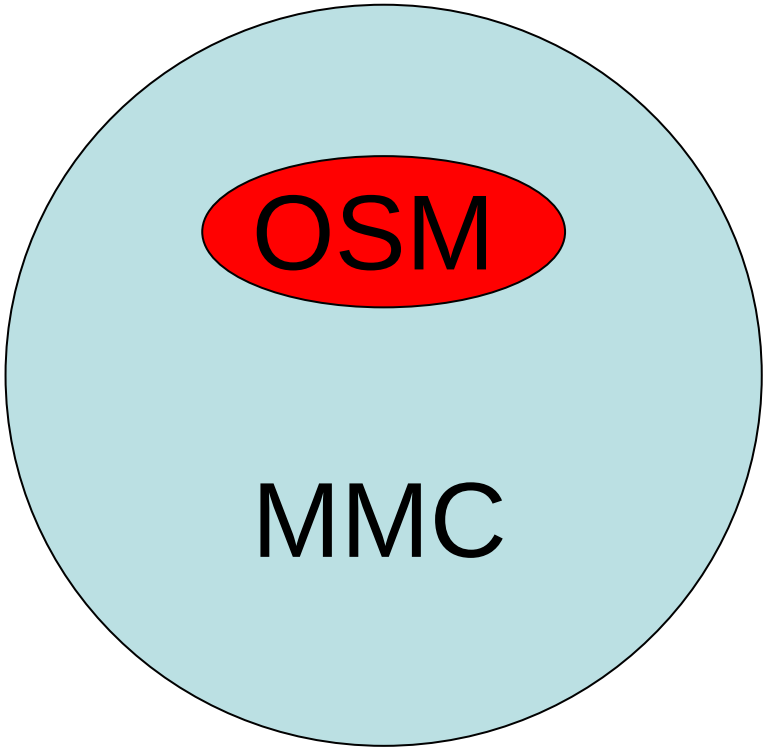
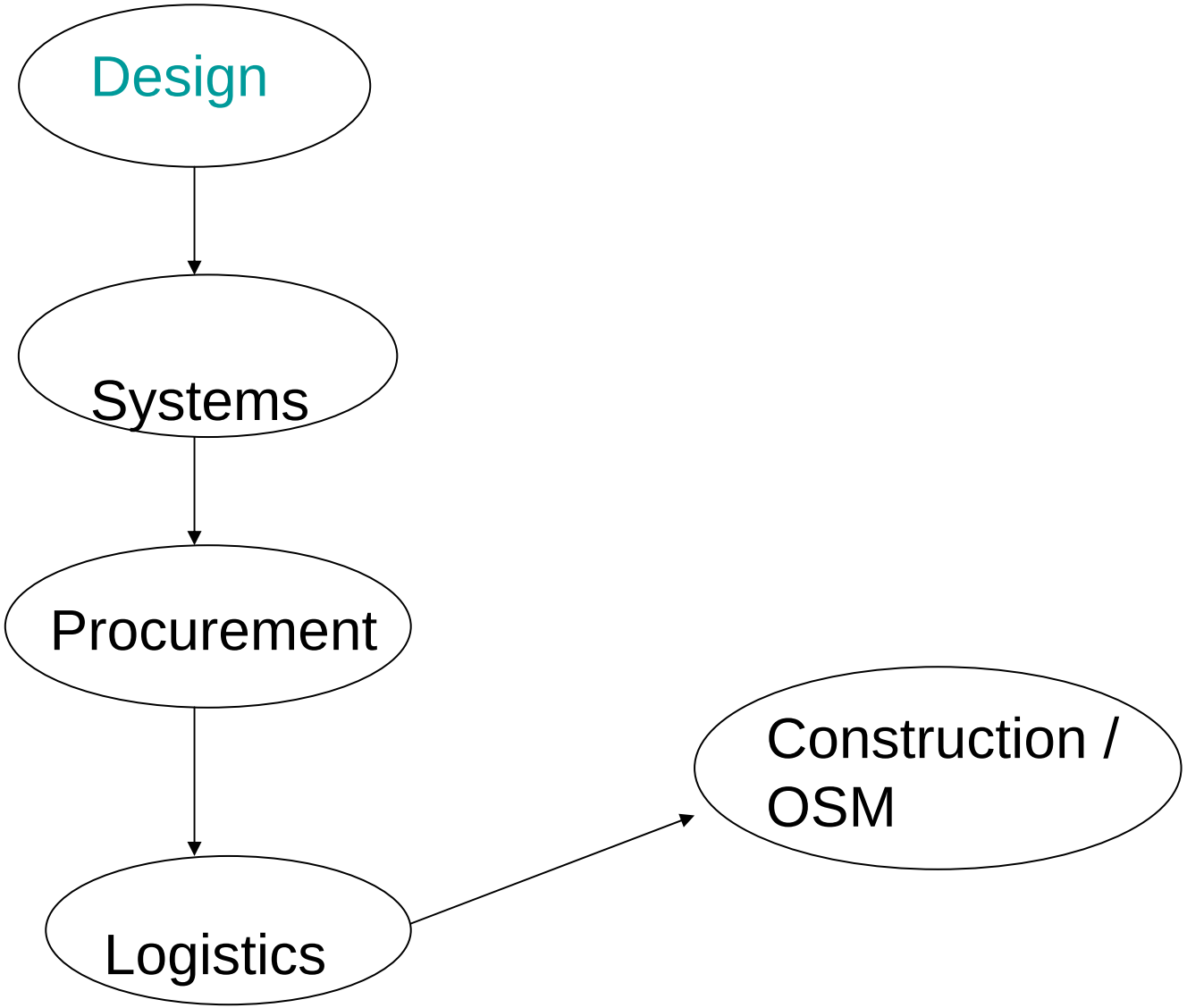
MMC can drive Value for Money and Quality



First Base view of MMC



OSM: Key Drivers

- Higher quality than traditional
- Mortgageable & insurable
- Proven
- Meet current building codes and future expectations
- Must mitigate risk
- Prototype & learn

Value for Money:
Long-term approach

- Total cost not initial cost
- Maintenance cost higher than construction cost
- Enabling Occupiers
- Impact on health, education, & crime

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3) Partnership

- Partnerships required to address
  - Complex delivery solutions required
  - Competing aspirations
  - Long-term planning and investment required
- EP &HC already partnering with private sector
- LAs will increasingly use partnerships to deliver aims
- Possible change in GLA powers for Housing Policy

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Communities

- Route to better communities is clear

  > No more mono tenure

  > Social and economic cohesion

  > Mix of employment, income, age, lifestage

  > Connectivity to Employment

  > Supporting infrastructure – transport, schools, hospitals

- Management and Maintenance crucial

- Role of City Centre ?

Implications for the Industry

- No visible tenure differentiation
- Minimising impact on viability
- Mixing commercial and residential
- Long-term management crucial
- Developments work with community – less gates!
- Families
- Service charges

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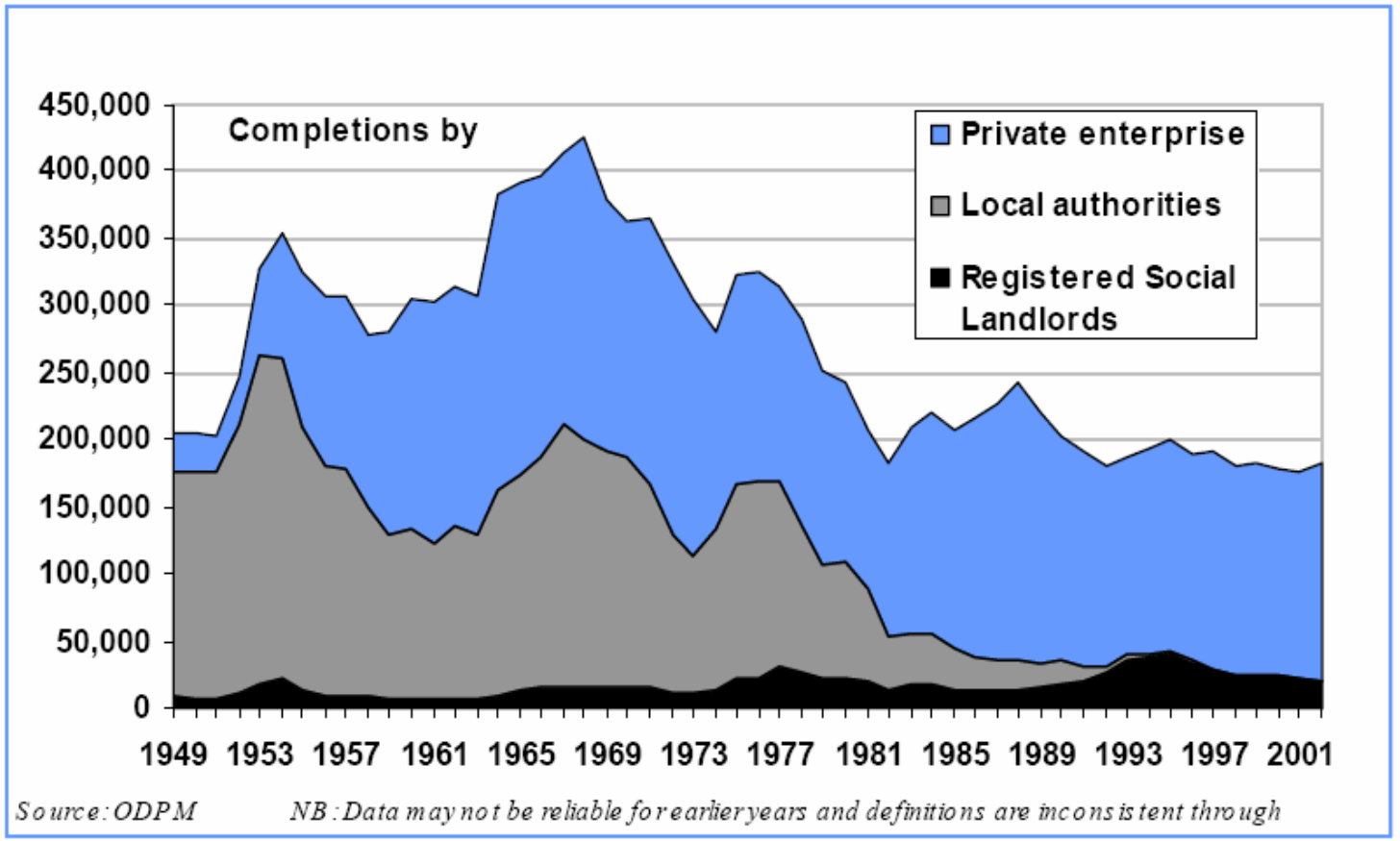
Barker Review - Housing completions 1949-2002



Affordable Housing Finance

- Limited Public Funds
  - H.C funded approx 9,000 homes in London in 04/05
  - 2007 review implications
  - Prioritisation of Public Funds
  - Intermediate sector 1m - 1.5 m households who cannot afford to buy & not eligible for support
- Challenge for Viability if no grant

Private sector finance available

- A valuable option for developers if no grant available
- Private Finance is crucial to boost outputs of affordable housing
- Can deliver win:win of more affordable housing AND better viability
- In some cases, need to look at S106 agreements
- Changing role of Housing Associations

2016 Today… we're getting there

- Increasing Quality
- Better Value for Money a Key Driver
- Public/private partnerships are working well
- Understand how to deliver Communities
- Private sector appetite for funding Affordable Housing


FIRST BASE