

*build***offsite**

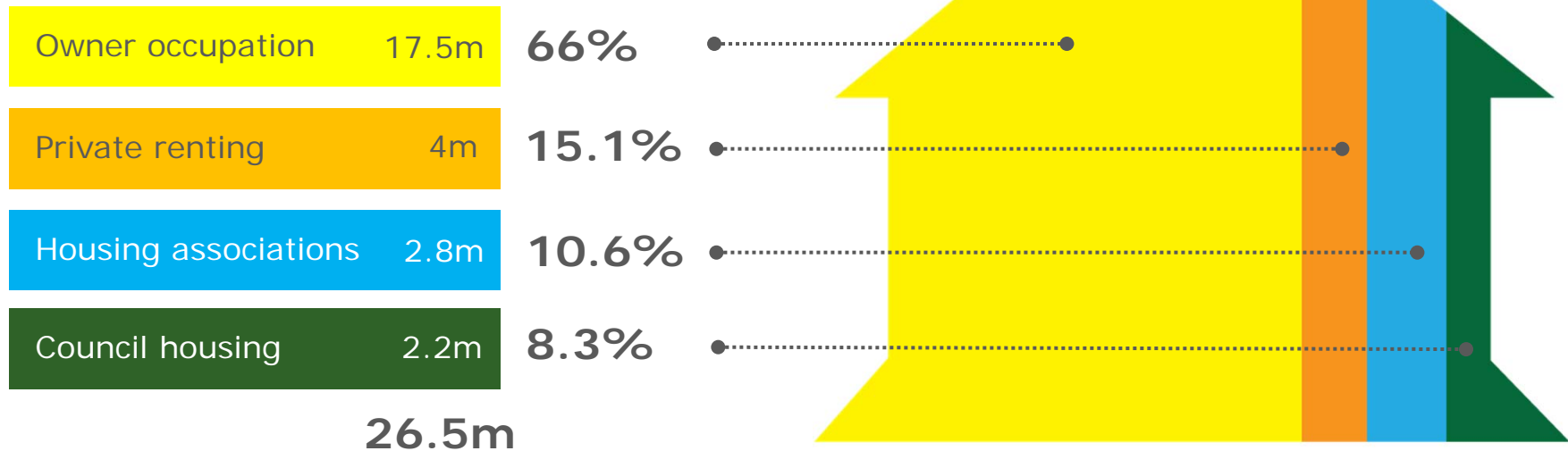
Conference 2013

Welcome and Introduction



Housing stock

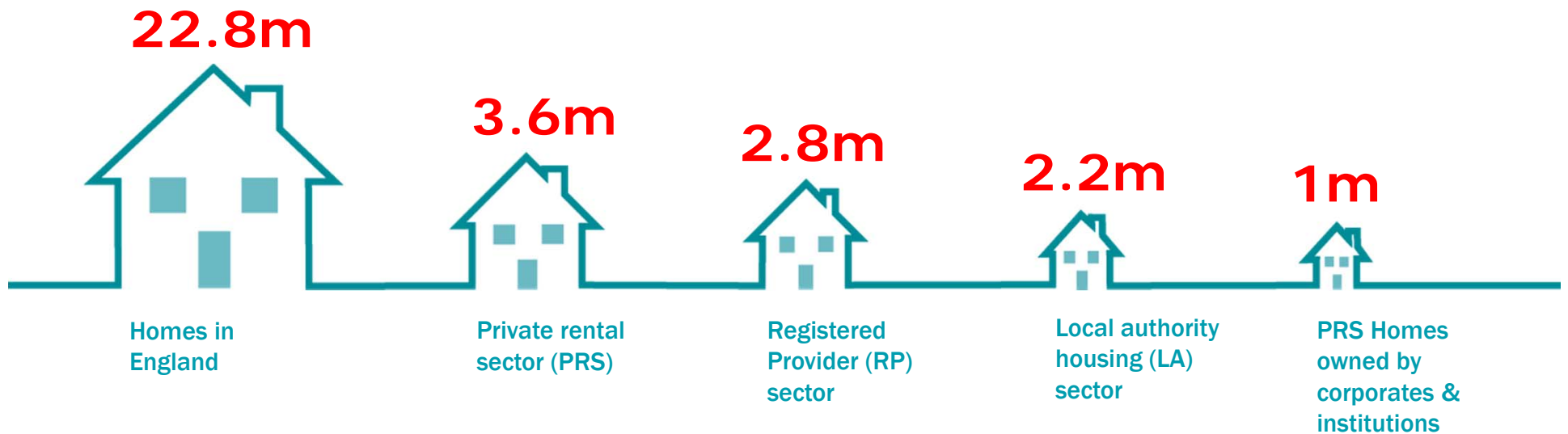
Present day



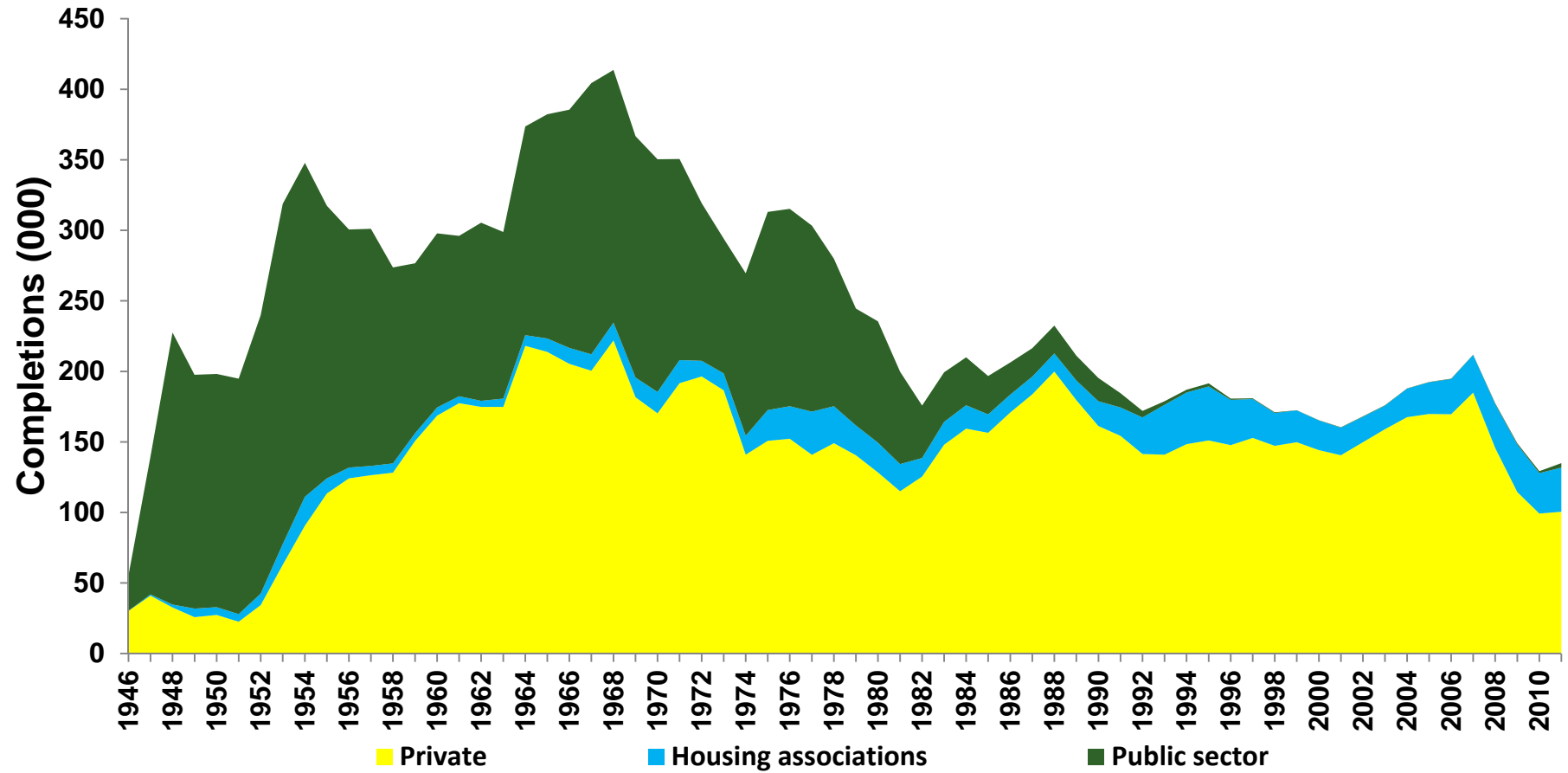
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- > 2.8m Social Housing units within the Housing Association Registered Provider Sector
 - > 2.2m Social Housing units within the Local Authority Registered Provider Sector
 - > Total 5m Social Housing units
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Demand and supply

- > Demand 221,000 new homes per annum required between 2011 and 2021
- > Housing starts 2012: 101,920
- > Housing completions : 108,190



Housing Completions (GB)

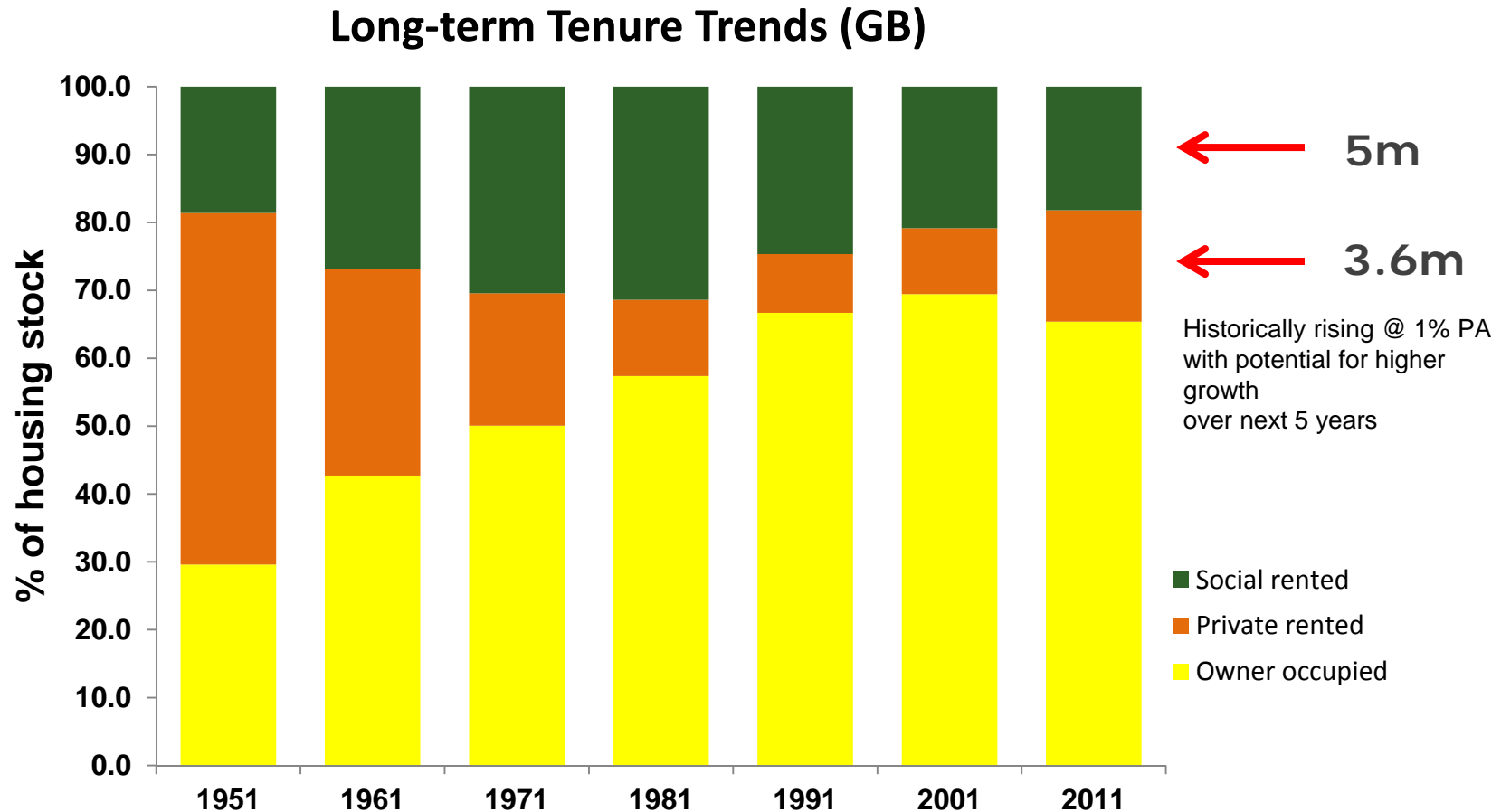


Source: DCLG 16th May 2013

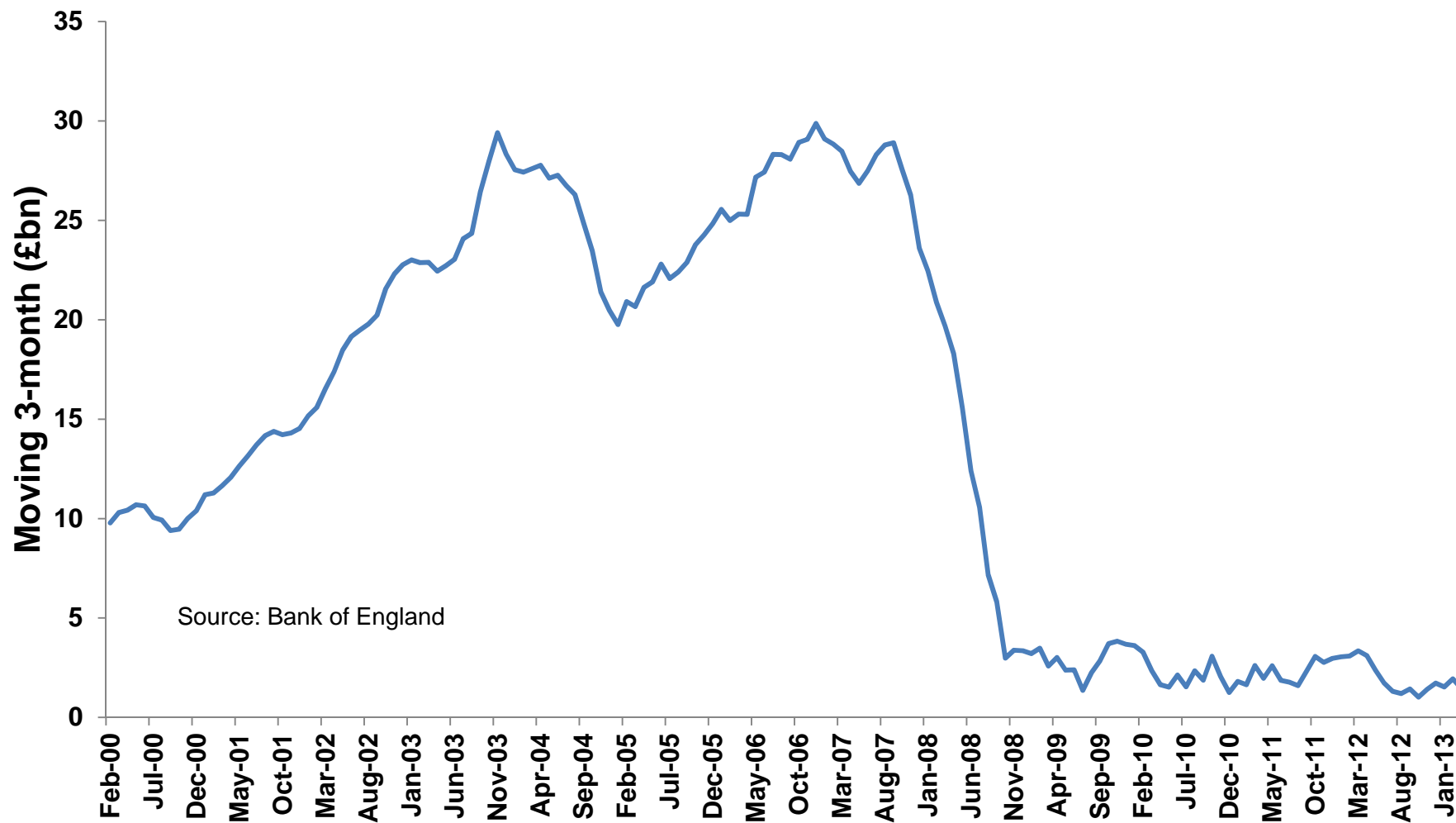
The Trend

Long term tenure trend towards PRS

(Reduction in delivery of social and market housing)



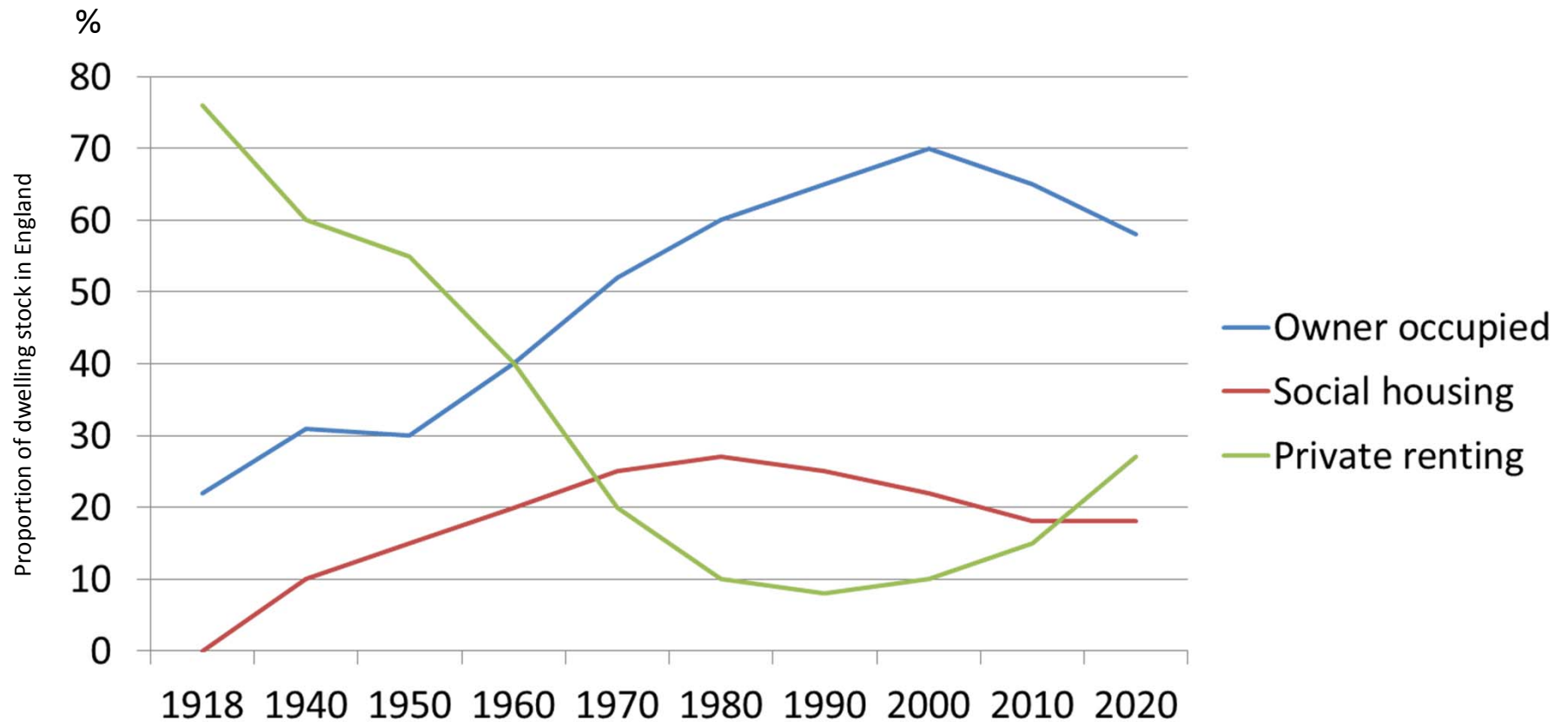
Net Mortgage Lending (UK)



The big challenges

- > Increase **home building**:
By how much medium & long term?
Who – Majors, SMEs, housing associations, custom build?
 - > Will new **planning system** provide sufficient permissioned land for increased home building?
 - > Will government reduce **regulatory burden**?
 - > Will **mortgage market** recover in medium term?
 - > Will **development finance** be restored?
-

Structural change in demand



Sources: Savills, CLG, Survey of England Housing

“

If the 20th Century was;

**INCOME TO
GENERATE ASSETS**

Then the 21st Century is;

**ASSETS TO
GENERATE INCOME** ”

QUOTE: Yolander Barnes - Savills

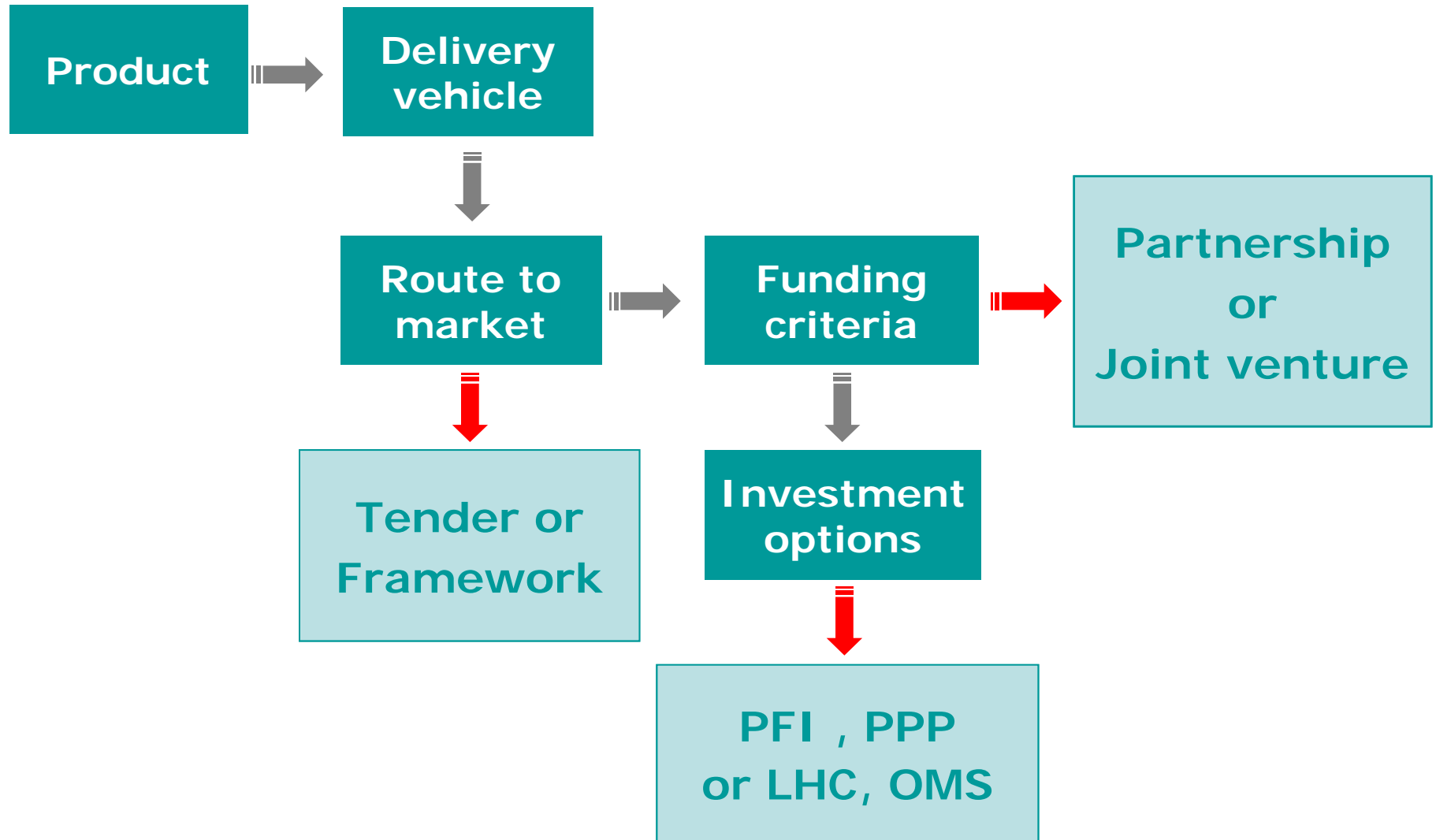


Going Forward

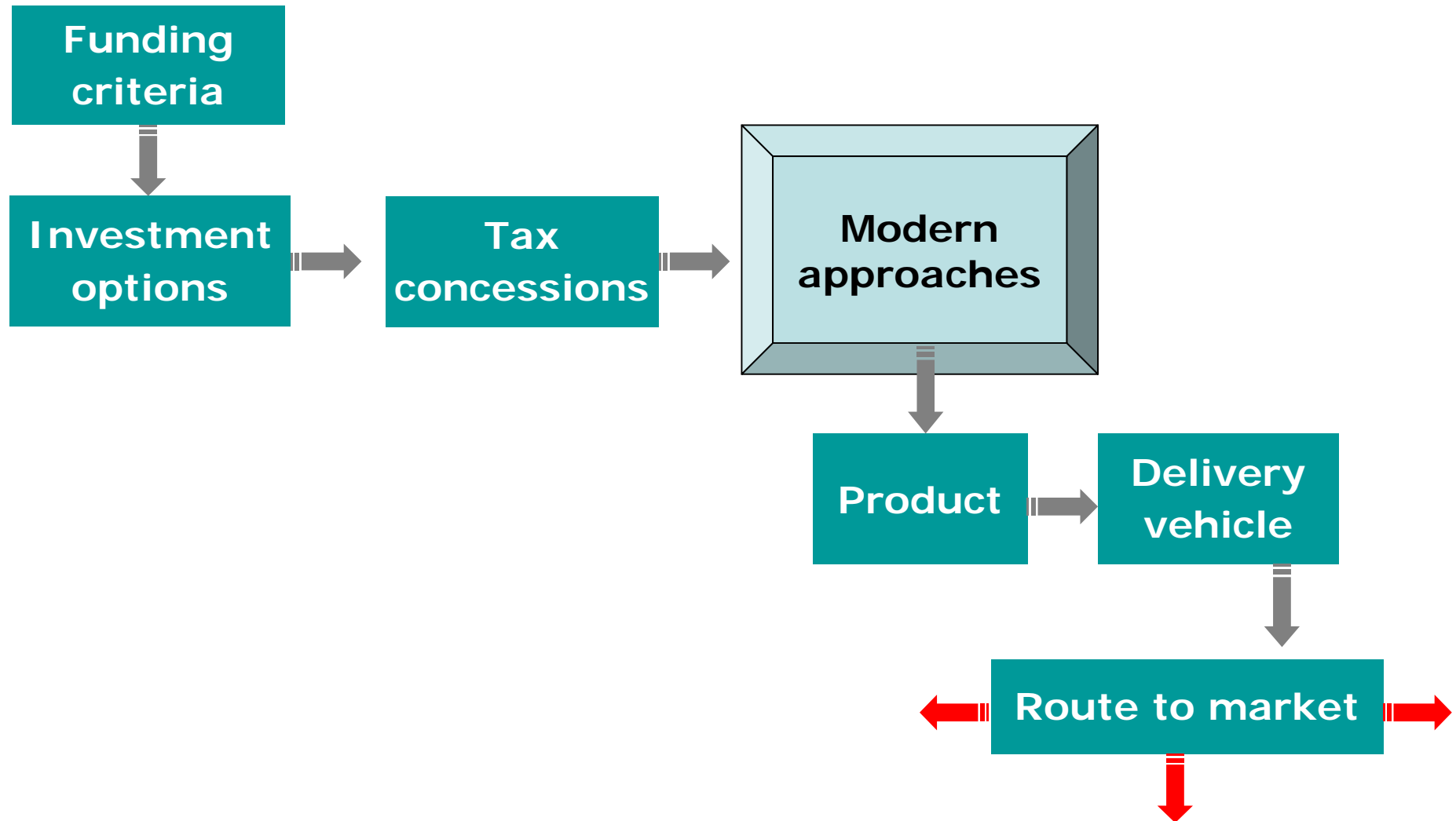
A Perspective
on 2010

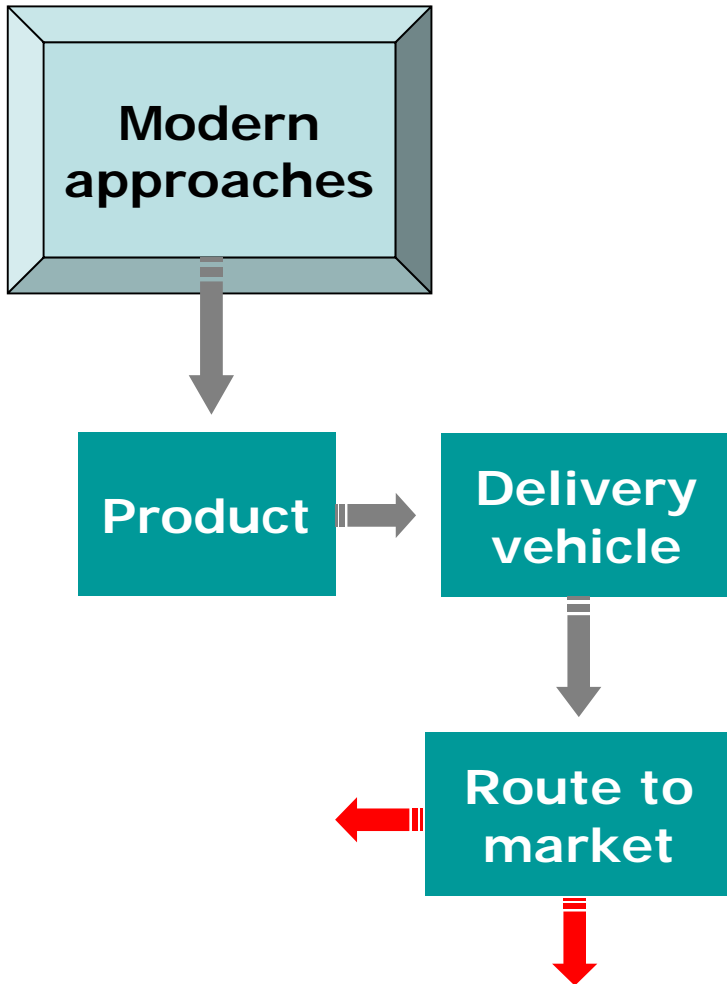


Sector Delivery – The Old Way



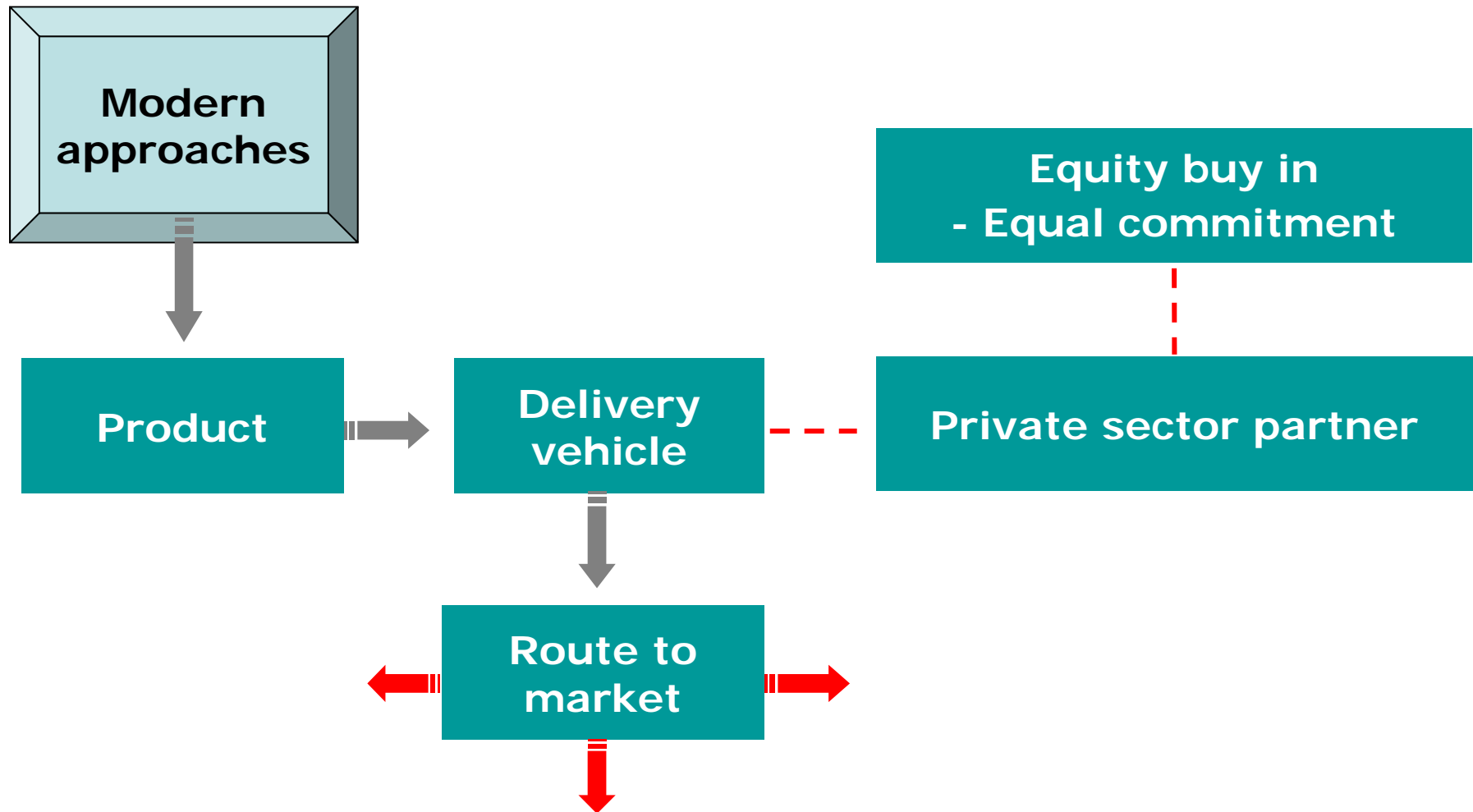
Sector Delivery – The New Way

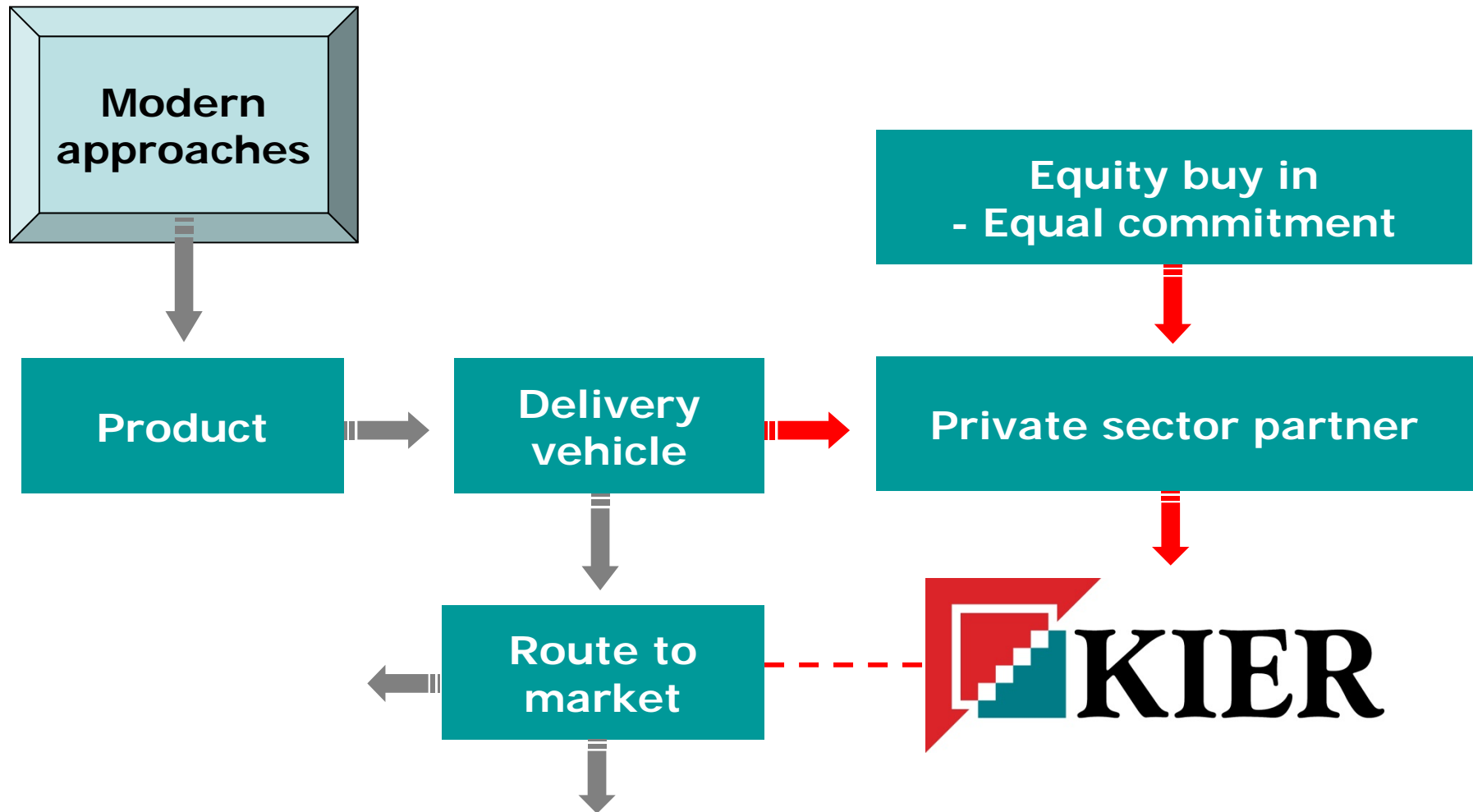




Modern Approaches

- PLI – Development Partner Panel (DPP)
 - Land ownership (deferring land payment)
 - Code for Sustainable Homes 3, 4, 5 and 6
 - Grant to developers – NAHP
 - Intermediate rent
 - Market rent (PRSI)
 - Open market sale (oms/shared ownership/shared equity)
 - PFI/PPP initiatives
 - Design, build, finance, operate (DBFO)
 - Modern methods of construction (mmc)
 - Component manufacturing
 - Offsite/volumetric manufacturing.
-





What does this mean

Reconfiguration of the housing market to meet changes in financial, demand and tenure delivery.

A modern approach is necessary as a consequence of the state of the economy and its effect on the UK housing market.



The vision

- Tenure driven solutions providing good design and quality of build
- Homes that target specific local demand and affordability
- Homes that are built to be attainable through all types of tenure
- Initiatives linked to housing delivery that support local communities and local employment.



Examples of the visions

















The Modern Approach

- Delivering the vision
- Compliance and regulations
- Flexibility and tenure
- Flexibility of funding model
- Taking the modern approach
 - Modern methods of construction
 - Component manufacturing
 - Offsite/volumetric manufacturing



The Modern Approach for Kier

- Understanding and interpreting what is required in the housing sector so we can deliver what is needed
- Having the ability to make things happen in the housing sector, so we can deliver what is needed
- Funding and resourcing the provision of new homes in the housing sector so we can deliver what is needed.



Managing Change

- What part can offsite play in Kier's modern approach
- What does Kier want from its offsite providers/partners
- What are the next steps.



Managing Change Offsite

- Modern approach may require larger volumes of housing to be built over shorter timescales
- Offsite needs to respond to three key areas of delivery
 - 1 – 3 Storey flats and houses
 - 4 – 11 Storey flats
 - 12 storey flats and higher
- Continuity versus cost; the key drivers

