

Comment Piece June 2008

Blue Oceans in the North

You don't look twice at the bags of salad lining the shelves in our supermarkets, but 20 years ago they didn't exist. Someone had the imagination and foresight to create the bagged, washed salad and now where would we be without it. What is the housing sector's salad of the future? This was the challenge laid down to Chief Executives at the Northern Housing Consortium's 'Leaders in the North' conference in Leeds last week. Housing needs to create its own "blue ocean strategy" – a new range of products appealing to a new range of consumers. This ability to turn a challenge into an opportunity has never been more timely.

Although housing markets across the North are facing a crisis, with access to the housing ladder severely curtailed for many first time buyers; the issuing of repossession orders up over 20% on this time last year in many parts of the North, and the supply chain for new homes drying up, the sector in the North feels it has the imagination to rise to this challenge and to meet its ongoing aspirations of delivering growth through regeneration and regeneration through growth.

In a series of Chatham house discussions, Consortium members engaged with Steve Douglas, John Walker and Roy Irwin, exploring what the future would look like and what we need to do now to get us there.

Land – what is it good for?

Exploring the "land is king" debate, the North is considering ways in which we can better facilitate the supply of land coming forward for affordable housing. The North has some of the lowest percentages of brownfield land available for housing development and the costs of remediation can impact on the viability of sites. Could the emerging MAA framework give us a better way of balancing out site values in order to provide the resources required to remediate land and regenerate places, providing safe attractive neighbourhoods – all of which are vital to our economic ambitions?

Whole Landlord Package

Housing organisations have long had the mantra "it's more than bricks and mortar". And they demonstrate this through wide ranging cross-disciplinary functions, from supporting health centres to sponsoring city academies. But what else could the landlord offer of the future be? How can the new Tenants Services Authority not only drive up existing standards but also provide the impetus for new landlord delivered services. Consortium members are already fully engaged in the diversification agenda, looking at the delivery of shared

services, from providing mortgages to the consumer to supporting owner occupiers and residents in their eco ambitions.

Rent or Buy or Try till you Buy?

Faced with the credit crunch, how should the North respond? Many feel that consumer sentiment is now firmly against purchasing – even if liquidity in the market *was* restored. So, with a cohort of people either not able or choosing not to access home ownership, what does this mean for other tenures?

Across the country, we know that social housing is massively over subscribed: waiting lists are increasing and the North is no different. Housing organisations report over 400 potential tenants for every upcoming home – and turnover is slowing down dramatically. Does this market change signal the opportunity to really create a new intermediate tenure? The interest in projects such as ‘Try Till You Buy’ or ‘Rent to Purchase’ is increasing. Whilst there is an immediate short term need for these options, perhaps a more interesting question is whether this lays the foundations for a real alternative housing pathway for consumers, and if so, does this pathway provide an answer to the questions raised by last years Hills Review?

In recent years, the North has been faced with challenges of a different nature, of dysfunctional housing markets, of understanding the nature of a relationship between housing markets and the economy. Now we face a myriad of challenges, from affordability, to regeneration, from meeting environmental targets – not just for new build (that’s the relatively easy bit), but for the vast majority of housing we’ve already built; to understanding how housing can reduce worklessness and promote opportunity. The scale of the challenge should not be underestimated, but the North has proved in the past it has the imagination to solve problems, to create new approaches and devise new tools. It is now ready to create its own blue ocean strategy...