



creating affordable rural housing



Following the release of The Taylor Review last year, the support for that document, even by The Campaign for the Protection of Rural England (CPRE), whose own report was entitled "Save Rural England – Build Affordable Homes" and the strong endorsement of the report by The Prime Minister recently, we have identified an opportunity for one of our Group Companies, Esh Property Services (EPS), to utilise the development expertise available within the Group and source land for schemes of 100% affordable housing, to be delivered in partnership with a select group of Housing Association's (RSL's).

The current downturn in the Housing Market is having a devastating impact on the delivery of affordable housing, as no schemes are coming forward where a Developer would be delivering affordable homes as an obligation on their planning permission. Similarly,

the development arms of the largest RSL's are also affected by the recession, as they have all ventured into 'speculative development' in order to supplement and cross-subsidise their 'core work' which is delivering rented social housing.

Within the Esh Group, our main development businesses are currently operating at reduced capacity, consequently, EPS can benefit by linking up with Esh Developments to deliver new affordable housing in the areas of greatest need. Last year EPS became a Private Sector Partner to the Housing Corporation (now HCA), which means we can apply for grant towards the delivery of affordable housing and we now have two sites underway on Teesside.

The model we wish to pursue is in fact very simple:-

- Find land in plots of around 1-2 acres (probably greenfield) that would be difficult to bring forward for market housing but may be seen as acceptable for 100% affordable housing or even classified as a 'Rural Exception Site'.
- Agree the value with the landowner on a 'subject to planning and grant' basis and enter into an option agreement to purchase, which would be transferable to the RSL Partner.
- Select the most appropriate RSL to take on the ownership and management of the houses on completion.
- EPS apply for planning permission and grant simultaneously,

following community consultation and engagement with Local Authority housing officer.

- If successful, a 3-way contract is triggered, with the RSL buying the land, EPS being in receipt of grant and the RSL providing the final payment to EPS on completion of the houses and simply moving in a tenant, usually with local connections.

The key to this process for us is that EPS simply act as a builder, rather than a Developer. We at the Esh Group see this as an opportunity to keep our workforce employed in house building and delivering a much needed resource in Rural areas – Affordable Housing. With the houses being owned and managed by an RSL, they are deemed to be affordable "in perpetuity".

Rural Exception Sites

The principle of 'Rural Exception sites' for affordable housing is well established. Its basis lies in the fact that new development is not being focused towards many smaller communities, largely as a result of their relatively unsustainable locations. To compound this matter, speculative developments with houses for sale aren't being completed further reducing delivery of affordable housing. This has limited the supply of dwellings in these communities and accordingly the prices of properties have increased to a level which is often significantly greater than a comparable property in a more urban setting. The result of this has been that certain groups of local people, namely the young, and those working in rural areas for relatively lower wages, can no longer afford to rent or buy properties.

The effects of this can include:

- A greater degree of reverse commuting by workers employed in rural enterprises who are forced to live elsewhere as a result of their inability to buy.
- An erosion of family and community ties as younger family members are forced to move away.
- A shift in the demographic balance which has impacted upon the ability of local services, particularly schools, to maintain their pupil numbers, and subsequently, their overall viability.

Accordingly, Rural Exceptions policies, seek to provide a means whereby housing for local people can be provided where normal open market housing would not normally be allowed.

Suitable Settlements and Locations

From the outset it must be noted that exception sites will only be considered appropriate in settlements where there are a range of local facilities. Basic facilities will vary from place to place, but there should at least be a primary school, access to a regular public transport service and a shop meeting a range of daily basic needs. The presence of other amenities such as a pub and recreation area will also be important.

Providing the community is well served by facilities and amenities to support local people, careful consideration then needs to be given to the location of the site. Firstly, it is important that the exception site is well related to most of these amenities, typically being within a 10 minute walk of most or all of the available facilities. The basis for this expectation is that exception sites should be located within the community, not in a peripheral location away from the main focus of activity.

Secondly, the site must be in a position which largely conforms with planning policy. The exceptions policy still requires that well planned and good quality development is provided, and accordingly issues such as poor access, risk from flooding and landscape impact remain as important as they would be to any other proposal.

Taking into account the proximity of services and facilities, as outlined above a suitable rural exception site for affordable housing will normally be located just outside of a Housing Policy Boundary, and would be expected to be closely related to the existing built up area. Supply will be determined by identified needs and the availability of the properties will be maintained in perpetuity for local people, normally through the involvement of a Registered Social Landlord.

Identifying Housing Need

The case for individuals or households in housing need is well documented and generally forms the majority of affordable housing provision. In the case of a rural exception site, the need must relate directly to a village, parish or cluster of parishes. At a district level, a Council's Housing Needs Survey cannot always relate to a local level and so Local Needs Assessments (LNA) will need to be undertaken to make a case for rural exception schemes.

An LNA should seek to understand local housing conditions, incomes and property values, as well as identifying whether there are households or individuals who need or wish to remain resident in the community but are unable to gain access to suitable housing on account of its cost. The following are the type of people an exception scheme could cater for;

- (a) people who already live in the local area and are seeking separate or more suitable accommodation;
- (b) people whose work provides important services (e.g. key workers & carers) and who need to live closer to the local community; or
- (c) people who used to live in the local area and wish to return for reasons of employment or family connections; or
- (d) people who have found permanent employment in the local area but who live elsewhere.

Summary

Where there is a demonstrable local need, clearly identified in a Local Needs Assessment, a local Council can help assist communities to progress suitable exception schemes where they conform with their policy.

The key requirements of the policy can be summarised as follows.

- A rural exception application would be supported by a proper Local Needs Assessment which identifies needy local households or individuals, and which shows that this need could not be met by any other means.
- In broad planning terms the proposed site and eventual scheme is acceptable with regard to other policies in the saved Local Plan.
- The site relates well to the existing settlement.

• The site is well placed to allow current and future occupants to make use of basic facilities such as a primary school, public transport service and shop meeting a range of basic daily needs.

• All dwellings would be made available in perpetuity to meet local housing needs, typically through a formal arrangement with a Registered Social Landlord.

• Housing secured would be occupied by local people recognised by the local Council to be in housing need.

• As a result of the exceptional case being made, the design of the properties is fully in keeping with the prevailing local style and character of existing settlement.



how sites are identified in areas of greatest housing needs

Code for Sustainable Homes

The new Code for Sustainable Homes was published by the government in December 2006 and becomes effective from April 2007. This is widely regarded as an important tool for achieving 'zero carbon' status in housebuilding. The definition of a 'Zero Carbon Home' appears to be one which is both thermally efficient (at least 100% better than the minimum laid down in Part L 2006) and which locally generates all its own energy requirements (eg using solar panels on the roof). The government has stated that it wants to see all new homes achieve zero carbon status by 2016. The Code is based on many of the principles contained within the Ecohomes scheme, which in the case of new housing it replaces.

The CSH is a voluntary tool for both public and private housing developers. However, all public housing will need to achieve at least a 3 star rating if it is to obtain central government funding and Code 4 from 2010.

The government also hopes that the Code, with its maximum 6 star rating scheme, will provide a marketing tool for private developers. Consumers have responded very well to energy rating schemes for electrical white goods and the government hopes that by informing customers of the overall energy ratings of houses it will lead to the same positive changes.

Developments can achieve ratings from one to six stars. All star ratings are calculated on a 'points out of 100' basis across nine categories.

Varying quantities of points are available in each of the nine categories. The lowest level, 1 star, demands an improvement on the minimum requirements given in Part L1A. The higher star ratings naturally require higher overall point scores. There is flexibility in how points are achieved, but some performance aspects are compulsory.

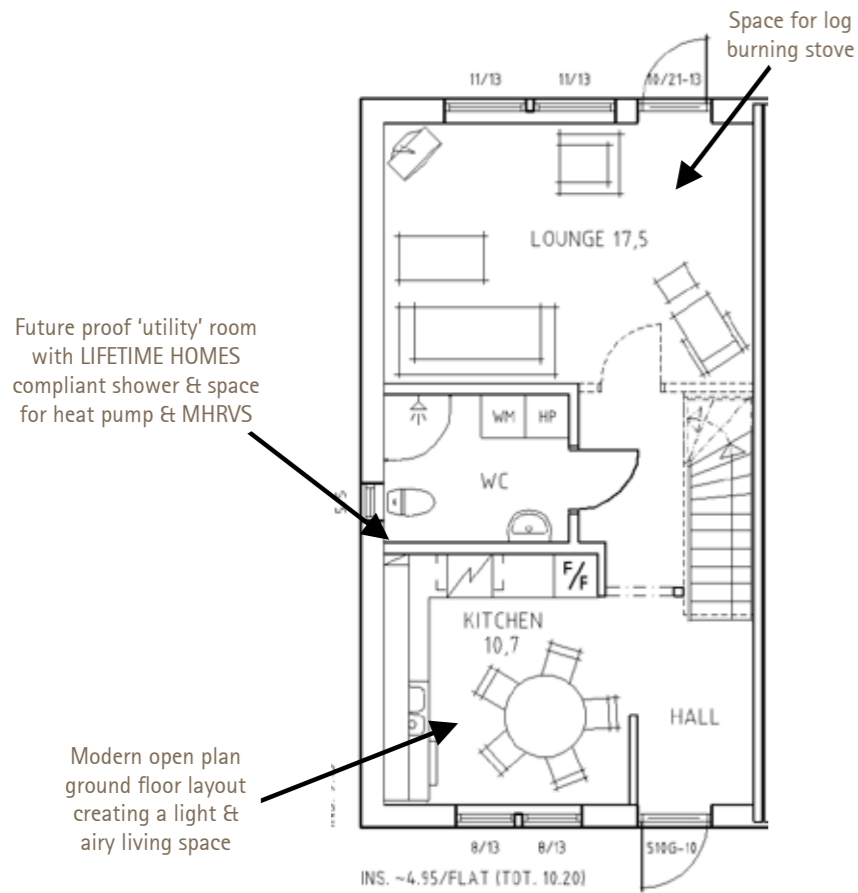
- 1 Energy / CO2
- 2. Water

These two are the most important and are therefore the least flexible. Minimum levels of performance are set for each star rating.

Minimum performance levels are set for 1 star performance only.

- 3 Materials
- 4 SW run-off
- 5 Waste
- 6 Pollution
- 7 Health & wellbeing
- 8 Management
- 9 Ecology

No minimum standards are set



Modern appearance to suit the location



Elevations created with pre-fabrication in mind

Trivselhus is part of the Ittur group owned by the Johan Hansen family – one of Sweden's 30 largest privately owned groups of companies which is estimated at around 10 billion in 2007. The Group operates in various areas such as the sawmill business, forest material manufacture of prefabricated houses, land, construction, security, agency companies, clothing and others. The Group comprises 70 companies and 24 industries. Production of prefabricated houses is carried out by Sweden's second largest housebuilder, Trivselhus.

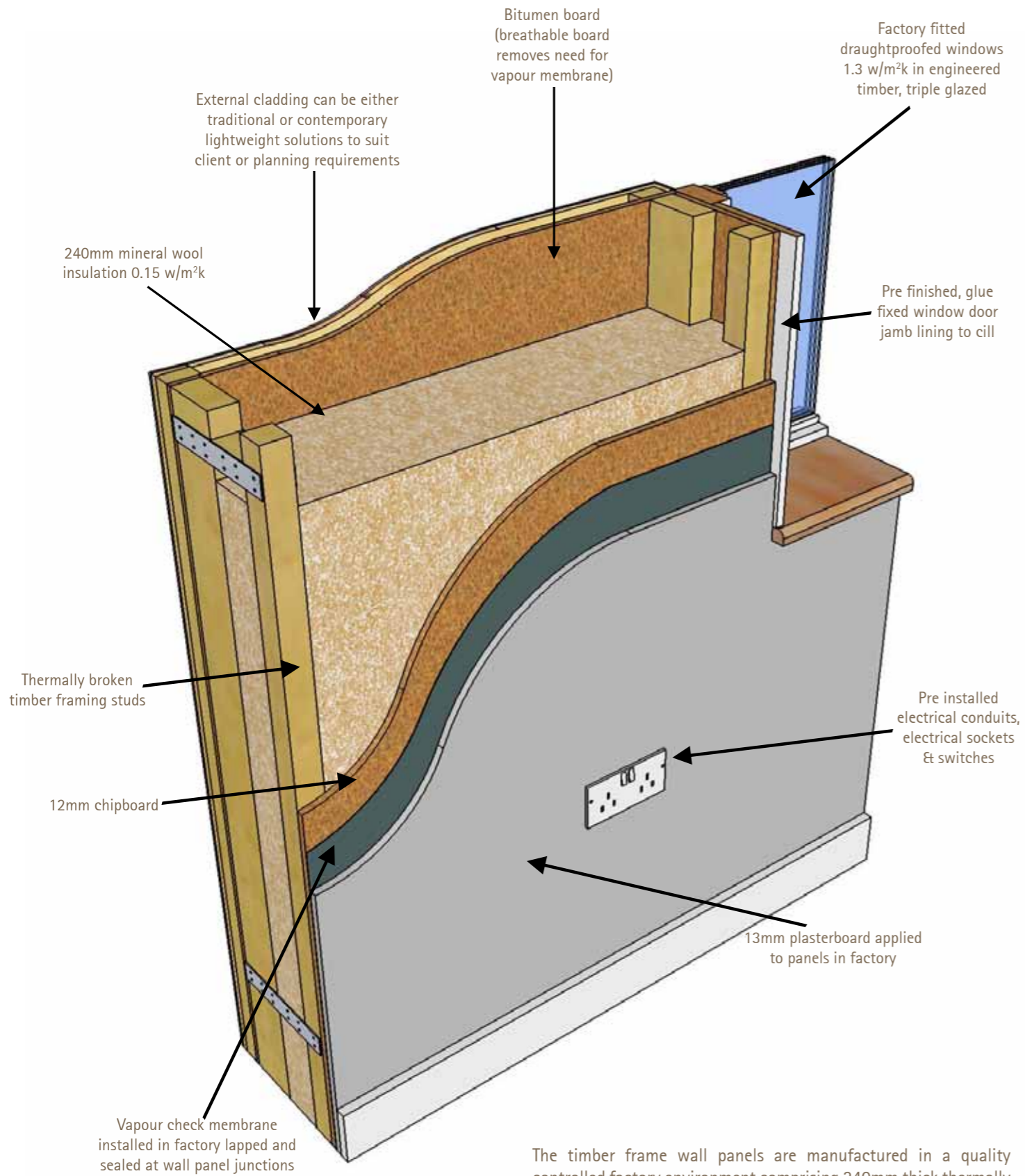
Trivselhus is a leading housebuilder on the Swedish market. Exports of Swedish house is made to Norway, Denmark, Germany, Switzerland, Holland and England.

Trivselhus is one of several housebuilder in Småland. There's a long tradition and great knowledge in the production of prefabricated houses. The main plant is located 15 km south of Vetlanda, in society Korsberga. Production is also at plants in eg Näshult and Landsbro. The production is based on flexibility, quick adaptability to varying layout. Most of the houses produced are custom made, by their own house designers in direct contact with the customer.



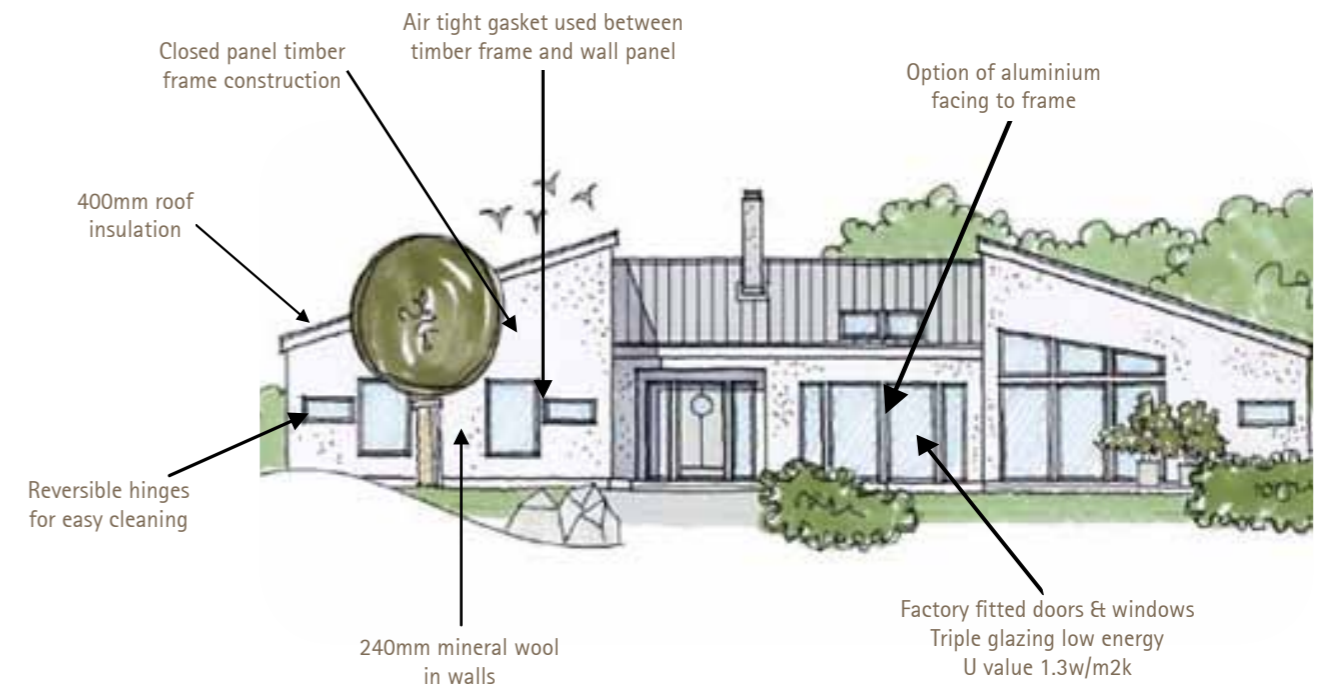
modern affordable homes

working with trivselhus



The timber frame wall panels are manufactured in a quality controlled factory environment comprising 240mm thick thermally broken timber studs and are fully pre insulated with doors and windows installed and draught proofed. The interior face is lined with chipboard and plasterboard with electrical sockets, switches and conduits already installed. Produces a climate shield with advanced levels of insulation, reduced air leakage and condensation control achieving a U value of 0.15w/m²k.

Externals



Renewables & Energy Efficiency



A percentage reduction in Carbon Emissions over and above Part L of the Building Regulations 2006, is essential to comply with current and future levels of the Code for Sustainable Homes.

Whilst these are achieved by the use of renewable energies such as solar thermal and heat pumps, it is essential they are coupled with a high performing building envelope. The structure's high insulation levels contain the heat generated whilst ensuring that any heating

appliance's workload is kept to a minimum to achieve the desired comfort temperatures inside the home.

The Trivselhus timber frame and advanced manufacturing practises gives a head start when identifying suitable build specifications to achieve higher Codes for Sustainable Homes.



about us...

At Esh Property Services we refurbish, maintain and construct homes in the social housing sector putting quality, care and commitment first.

Esh Property Services Ltd was formed in July 2002. The team, led by David Halfacre, had over seventy years of combined experience in social housing in the North East and collectively held a wealth of contacts in the sector.

The culture of the business, under which it developed its systems and procedures, was chosen as the 'preferred way to run a business'. Our ethos and reputation for delivering on our promises and putting "Customer Care" first soon spread and work was secured with a number of the key housing providers in the region.

That original team of four has now grown into a dedicated and motivated team of over 200. The team has won several major contracts in the region, made partnerships with several clients, established firm links in the supply chain and formed alliances that have benefited the clients.

The team at Esh Property Services are able to offer you a high level of service that is second to none. Read on to find out more about our areas of expertise...

design & construct

- Experience in delivering high quality homes
- Full design and construct service
- Full consultancy and design service
- Fully integrated team work
- Modern methods of construction
- Development with mixed tenure
- Family housing
- Wheelchair bungalows
- Assisted care homes
- Housing for sale.

customer care

- Dedicated customer care teams
- Extensive experience in the social housing sector
- A fundamental element of the management role
- Consult & communicate
- Resident open days
- Dedicated customer care hotline
- We ensure dealing with Dunelm Property Services is a comfortable experience
- All staff signed up to "The Dunelm Way"
- Fully adopted and upheld code of conduct

residential refurbishment

- Delivering a full range of projects
- Residents needs understood and met
- Projects completed on time and to budget
- "Do it once. Do it right" – zero defects
- Full refurb
- Decent Homes Standard
- Window, kitchen, bathroom, heating and electrical upgrades
- Works in occupied and decanted properties

collaborative working

- Culture of openness, respect and honesty
- Follow principles of true partnership
- Committed to working together
- Value creation and cost certainty
- 'No Blame' culture
- Problem solving process
- We match the right people to each project
- A fully collaborative approach

Esh Property Services is part of Esh Group. Esh Group provides a quality service to all sectors of the construction industry. We aim to meet the expectations of our clients, through the sharing of skills, the pursuit of open communication, and the flexibility of our service. Our people are our strength, and we achieve all of this through their experience, commitment and training. The Esh approach provides optimum solutions and delivers on expectations.

The business directly employs nearly 1000 people and our Group turnover was £170m in 2010.

Our roots are firmly in the region. Group headquarters are sited within a few miles of our original home in the village of Esh Winning. Our founder directors continue to be actively involved and we have a rich tradition of 'growing our own'; many of our senior team first joined as trainees and apprentices and we continue to recruit and nurture young people.

Our range of services is unrivalled. We support our clients through a diverse range of construction related products and services. We can work independently or in close partnership; our eye is ever on the needs and aims of those we serve.

Below are all the companies that make up Esh Group:



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