



NEW HOMES DEVELOPMENT STRATEGY 2019-2024





Our New Homes Development Strategy for 2019/2024 will be to grow and deliver a fundable development pipeline that is achievable within our financial resources, matches to and delivers on local need and demand, linking with our established areas,

this Strategy sets out our 5 year vision for development priority; acquisitions, cross - subsidisation and tenure approach. We will take strategic decisions that work for the organisation and for our existing and prospective tenants, supporting the development of new affordable housing wherever possible by maximising our income streams.

Under the stock transfer agreement, we have a commitment to deliver 100 new homes in our first four years as a Housing Association. We are progressing well and are achieving much more than our original promise. Supported by an excellent relationship with our funding partner RBS, we have delivered 135 homes since 2015, and we plan to deliver another 456 units by 2024.

Asif Bhatti - Chair of the Board



Painswick Road

A TRACK RECORD OF SUCCESS:



BAZELEY ROAD

Units

6

Final Cost

£628,000

May 2016



KEMBLE ROAD

Units

9

Final Cost

£1,056,000

November 2016



AMBERLEY ROAD

Units

3

Final Cost

£326,000

January 2018



MATSON AVENUE

Units

9

Final Cost

£1,046,000

July 2018



GARNALLS ROAD

Units

15

Final Cost

£1,347,000

December 2018



ST JAMES CLOSE

Units

13

Final Cost

£1,790,000

January 2019



ACHIEVEMENTS:



Over the past 3 years, GCH has completed 135 units and started the construction of over 50 more units. GCH continues to explore new schemes that will be funded from existing resources and loan capacity.

OUR COMPLETED SCHEMES IDENTIFY THE FOLLOWING RESULTS:

✓ ARE FINANCIALLY VIABLE

✓ PAY BACK WITHIN THE CURRENT BUSINESS PLAN

✓ PROVIDE OUR LENDERS WITH SECURITY, £13 MILLION INVESTED AGAINST STOCK WORTH £16.8 MILLION

✓ GENERATE A GOOD RETURN FOR GCH

✓ HAVE NOT INCREASED OPERATING COSTS



ACHIEVEMENTS:



THE FINANCIAL BENEFITS ALSO CORRESPOND WITH:

- ✓ SECURING HOMES ENGLAND PARTNER STATUS
- ✓ WINNING OVER £3 MILLION OF GRANT SUBSIDY FROM HOMES ENGLAND
- ✓ ACHIEVING GREEN STATUS IN OUR HOMES ENGLAND PARTNER AUDIT – THE HIGHEST RATING
- ✓ ENSURING ALL SCHEMES COMPLETE WITHIN BUDGET ACHIEVING ALMOST ZERO LET TIMES ON ALL NEW PROPERTIES
- ✓ ACHIEVING THE SALE OF ALL SHARED OWNERSHIP UNITS ON TIME AND AT FULL MARKET VALUE
- ✓ ESTABLISHING AN IN-HOUSE TEAM AND EXPERTISE TO DELIVER OUR DEVELOPMENT VISION
- ✓ LAUNCHING A DESIGN AND BUILD COMPANY TO REDUCE COSTS ON DEVELOPMENT FEES BY 20%



DEVELOPMENT PRIORITIES:



The Board agreed the following development priorities as part of its **Development Strategy**: We will maintain a variety of routes to market, securing schemes through S106 and land-led Developments.

This approach will ensure we have the opportunity to deliver all possible tenure types - assessing the most appropriate tenure on a scheme by scheme basis.

PRIORITY 1

Invest on GCH land or S106 sites within the Gloucester City Boundary to support GCH's core objective of meeting GCH tenants and prospective tenant's needs.

PRIORITY 2

Invest in a "Greater Gloucester Area" one bigger than the Gloucester City boundary, but smaller than the JCS area. It is based on the outskirts of Gloucester in areas like Brockworth; Hardwicke and Innsworth – which residents would ultimately consider as Gloucester, using the City Council facilities rather than those of their own local authorities.

PRIORITY 3

Invest in Joint Core Strategy land led development opportunities or S106 sites (Gloucester, Tewkesbury, Cheltenham LA sites).

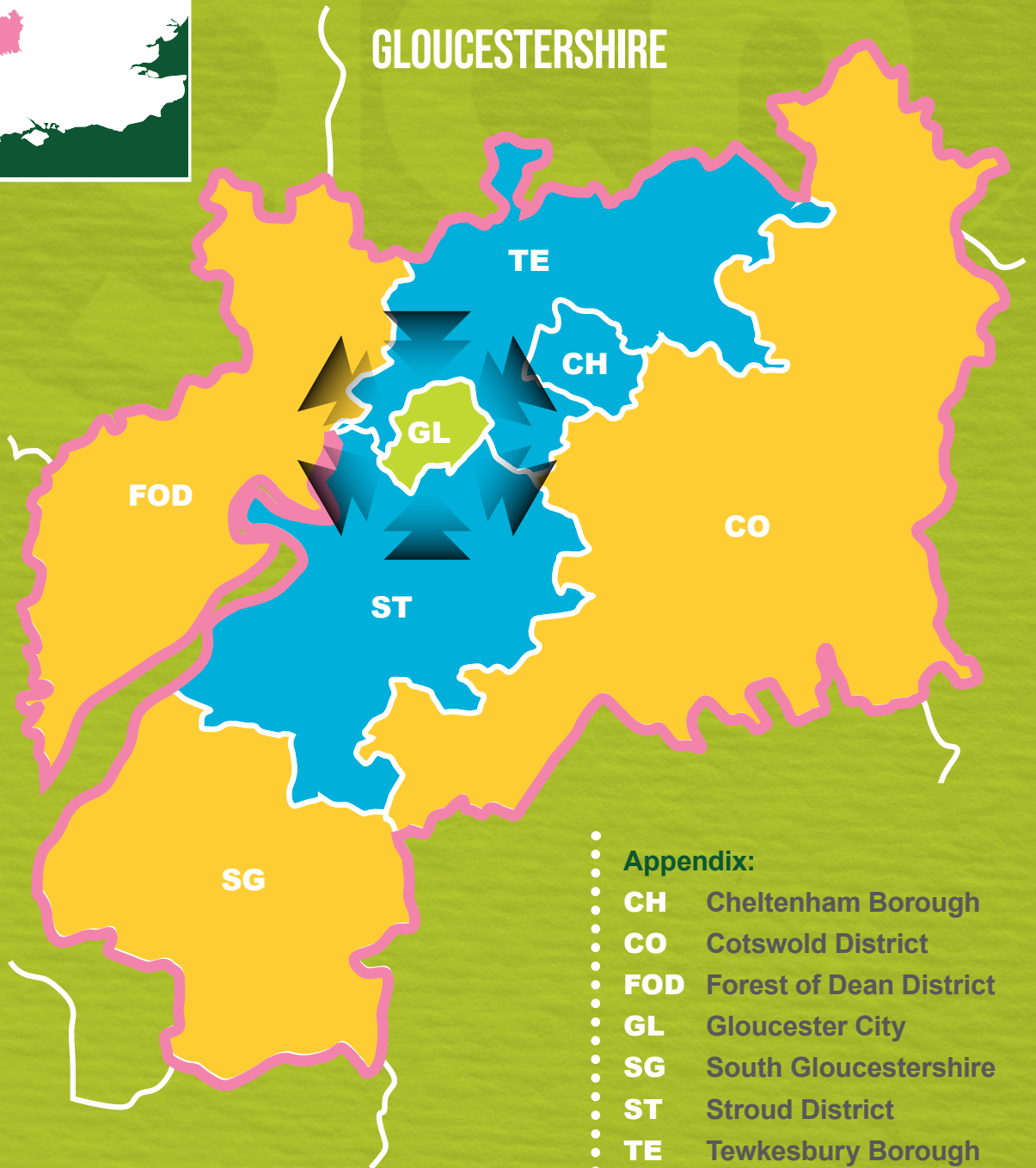
PRIORITY 4

Invest on all other land or S106 sites within the County Boundary.

PRIORITY 5

On large sites in excess of 100 new homes, we limit our bids to controlled phases of development agreed with the developer or their agent; and / or; we seek a partnering arrangement with another housing provider.

DEVELOPMENT PRIORITIES MAP:



National Context

In 2018, the Government signalled their intention to deliver more new homes (c300,000 a year by the mid 2020's).

Homes England are taking a lead through unlocking land; subsidising affordable housing and regeneration programmes and using legislation to create different approaches and markets for housing. It will also require a huge and demonstrable commitment from private developers, local authorities and Housing Associations to provide solutions through a range of housing products including more affordable homes.

Local Policy Context: Gloucester

We are ambitious to create many more new homes and support regeneration across the Joint Core Strategy area.

GCH is a development partner of the Joint Core Strategy Partnership (JCS) which aims to build over 30,000 new homes within the boundaries of Gloucester, Cheltenham and Tewkesbury by 2031. We will provide development either alone or alongside other like-minded Associations within the Joint Core Strategy Partnership, using both skills and resources to make a significant investment opportunity into development in the near future.

Our Strategy provides a commitment by the Board to optimise our resources to build more new homes and regenerate our communities to provide better quality housing over the coming years.



St Peters Road

STRATEGIC PARTNERSHIPS:



We have used predominantly local construction companies to support the development of new homes, on GCH land-led developments. This approach supports the local economy through new jobs, apprenticeships, skills and training opportunities for the local community and our tenants. We will continue to utilise local construction companies where possible. We have also used a number of large developers where we have been successful with S106 bids to acquire new homes. We are ambitious to create many more new homes and support regeneration across the Joint Core Strategy area.

Homes England

We will seek to maximise any funding opportunities through Homes England for the development of more affordable housing on our future schemes. We will also seek to secure funding for the future regeneration of our Matson and Podsmead communities.

Gloucester City Council and other Registered Providers

We will seek to engage in Partnerships with Gloucester City Council and other Registered Providers, where possible, to support the delivery of more affordable housing.

Networks

As we grow our new business activities, we will invest in building our external networks. We will attend and participate at formal networking events, seminars and other strategic stakeholder forums including those hosted by the national Housing Federation, the Chartered Institute of Housing, PlaceShapers and Homes for the South West.



SUSTAINABLE GROWTH:



We are delivering on our stock transfer promise to provide more homes. We have already developed 135 units under a range of new homes products including affordable, shared ownership and rent to buy.

Our homes have been predominantly built on GCH land, in Gloucester. We have however acquired a number of homes within the JCS area surrounding Gloucester, including Tewkesbury, Cheltenham and Stroud, via a number of S106 agreements.

Our current pipeline identifies our development commitment up-to 2024 where we aim to increase our stock numbers, since the initial stock transfer by 10%.

There are 4,500 people on the housing waiting list within our area of opportunity. Whilst we will continue to work to reduce this through our development programme, we will ensure our plans remain sustainable and making best use of our existing assets.

IDENTIFYING AND BRINGING FORWARD NEW SCHEMES:



As the end of rent reduction policy draws to a close and drives more revenue to fund development, GCH continues to refine its development strategy to respond to the various opportunities and risks at local and national level.

We have prioritised the target geographical area to ensure new developments are built within and around the city boundaries, near existing stock to secure economies of scale and further reduce property management costs. We continue to aggressively compete for Homes England grant whilst ensuring GCH gets its fair share of Government subsidy – our grant rate per property has steadily risen from £26k per unit to £35k.

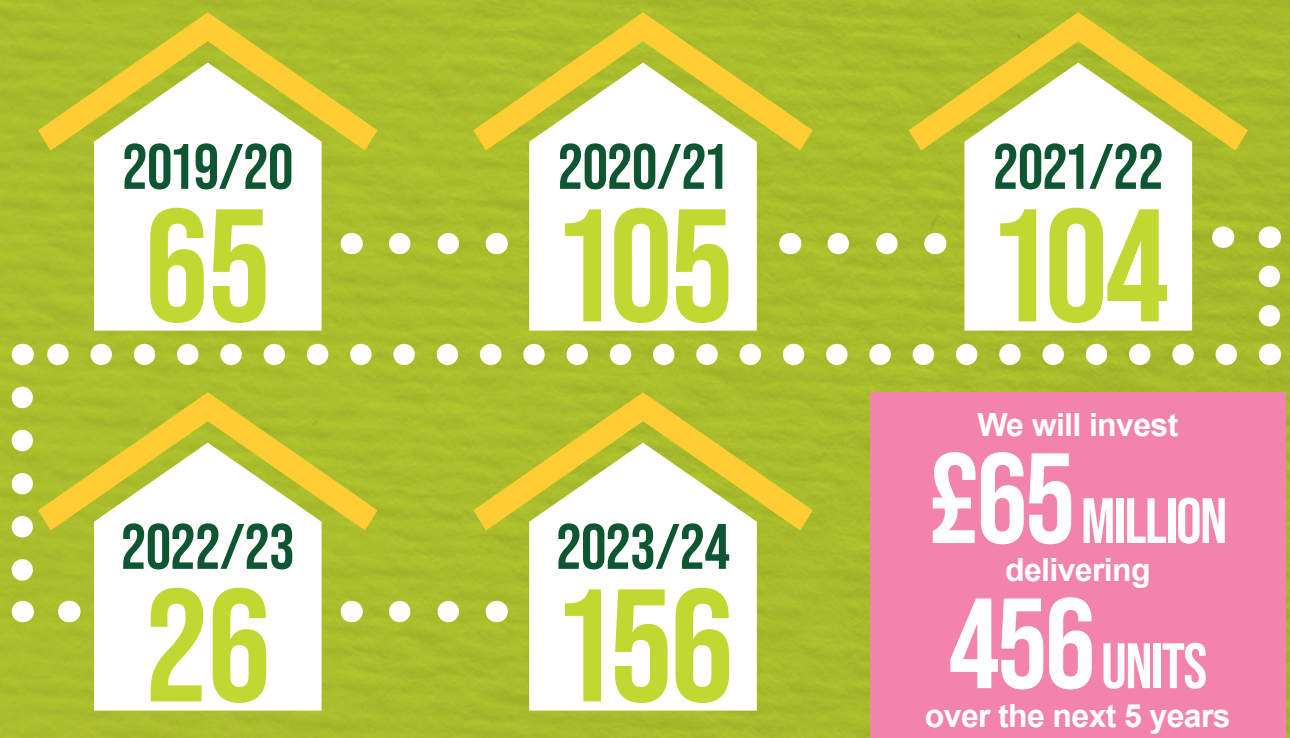
Our approach to partnerships, market engagement and business engagement remains robust, ensuring we leverage our buying power to continue to pay below market value for new properties. Lastly, we have refined our approach to sales, reducing the number of shared ownership sales we take on (and therefore the sales risk), and directing more effort to help the 4,500 people on the housing waiting list.

We will however continue to review each development on a scheme by scheme basis with a view to promoting a mix of different tenures.

NEW HOMES COMPLETIONS FOR THE NEXT 5 YEARS:



The development pipeline will bring forward a mix of properties that achieves our target of completing a further 456 homes over the lifetime of the strategy, focusing on our established areas, whilst respecting the different housing markets and communities across the City and its outskirts.



NEW HOMES KEY PERFORMANCE INDICATORS:



To ensure our development activities support the sustainable growth of GCH whilst meeting the expectations of our future customers, we will achieve the following KPIs:

	Key Performance Indicators	Target
1	New Homes Completed	456 by 2024 – profiled as above
2	Schemes completed within budget	100% – all our schemes will be delivered within budget
3	Let time	0-days – all our units will be let on the day of completion
4	Shared Ownership units sold at market value	100% – we will ensure our homes sell at the value we indicated in our viabilities
5	Customer Satisfaction	100% – we will strive to ensure all our customers are completely satisfied with their new homes
6	Health and Safety incidents	0 – all our schemes will be delivered in a safe and compliant manner



Taylor's Yard, Cheltenham

THE CUSTOMER EXPERIENCE:



We will aim to achieve 100% customer satisfaction with the homes we build for our customers.

We are building high quality homes of a good space and design standard. Our homes are designed to be desirable and a place where people want to live. We will achieve high levels of energy efficiency whilst also ensuring our homes are easy to operate. Our homes will have good thermal qualities as we aim to drive our tenant's energy bills down, therefore ensuring our customers do not experience fuel poverty.

We want our new homes to be sustainable and expect our schemes to:

- Make efficient use of land, buildings and infrastructure
- Enhance existing communities or ensure new communities are created.
- Promote a mix of tenures and offer choice
- Support the economic well-being of residents
- Improve the health, education and safety of the local population
- Protect the quality of natural resources including water, air, land and biodiversity



We will build to the following standards and guidelines:

- Building Regulations
- Modern Methods of Construction
- Build For Life – where appropriate
- Secure by Design
- Some aspects of Lifetime Homes as appropriate
- Space standards in line with Homes England guidance

We have developed design standards which seek to provide quality homes which are desirable, safe, secure, easy to operate and energy efficient. Our investment decisions will ensure new homes are situated within sustainable, strong communities and serve to further enhance the existing environment.





Garnalls Road



Amberley Road



St James Close



Railway House, Bruton Way, Gloucester
GL1 1DG


Call us on: 01452 424344


When the office is closed, calls will be transferred
to our 24/7 out-of-hours service.


email: customer.services@gch.co.uk



Matson Avenue

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