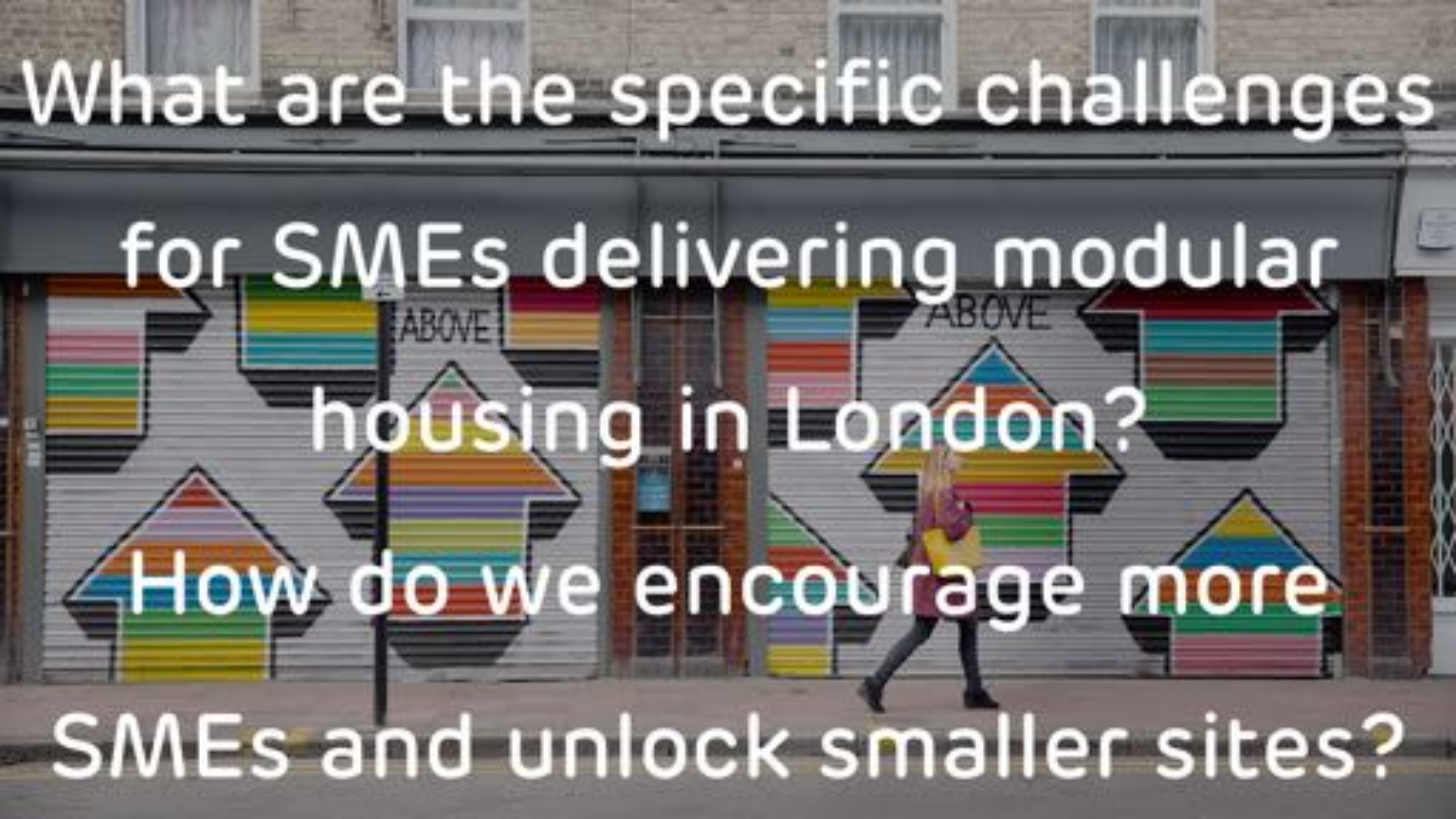


pocket

Housing Innovation: New methods of construction and delivery

Russ Edwards, Head of Design

30 March 2017

A street scene featuring a row of colorful, stylized house-shaped murals on a wall. Each mural is composed of horizontal stripes in various colors (red, orange, yellow, green, blue, purple, pink) and has a black outline. Above some of the murals, the word "ABOVE" is written in black capital letters. A person wearing a purple jacket and a yellow bag is walking across the street in front of the murals. The background shows a brick building with windows.

What are the specific challenges
for SMEs delivering modular
housing in London?
How do we encourage more
SMEs and unlock smaller sites?



The price of property in city centres is making it impossible, particularly in the big cities, for any kind of social mix to take place. It's castrating the whole notion of city life.

Joseph Rykwert, RIBA Gold Medallist, 2014

Social Housing

30.9%

1.7%

Affordable
Housing

Private Housing

66.4%

Pocket homes are sold outright to purchasers at a discount to the open market of at least 20%, and they have a restrictive covenant which controls their future affordability.

Pocket homes are only available to Londoners that meet these three criteria:

1. Have a household income below the threshold set by the Mayor of London
2. Live or work in the borough
3. Not already own another property.

All of our developments are owner-occupied, 100% affordable and remain within the affordable arena in perpetuity – so the lights are on.

Our typical buyer profile:

- Average income £39k p.a.
- Average age 32
- 90% singles
- 56% female
- Average time renting prior to purchase is 7 years



An affordable, no compromise one bedroom home that optimizes the space available



Make Lambeth
your home

One bedroom flats for sale at a
20% discount for first time buyers

Are we even a SME?

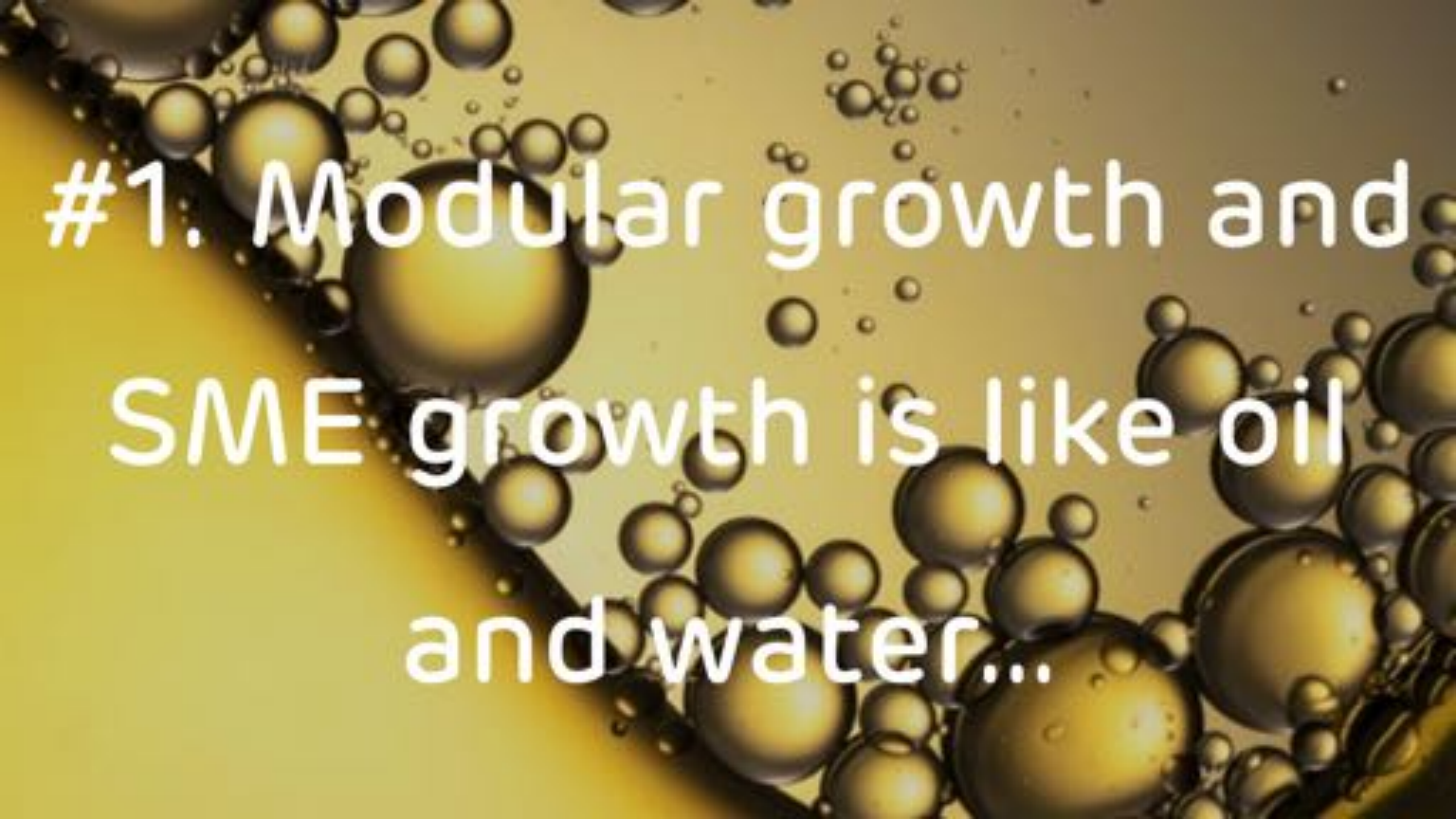
Sail and Juxon Street SE11
Available now

Register at pocketliving.com

← Bake

Smaller firms have multiple challenges including difficult access to finance, little equity, lumpy cash-flows and trying to compete in a very expensive land market. The larger housebuilders will not take on smaller sites so in theory there is a lot of opportunity to exploit, but smaller developers and builders find it hard to enter the market at all due to restricted access to funding post-crash and the vastly increased complexity of both planning and technical regulation.

Claire Bennie. New Ideas for Housing London Background Essay. 2015

The background of the slide is a close-up photograph of numerous small, spherical droplets of oil suspended in water. The droplets vary in size and are densely packed, creating a complex, textured appearance. The lighting is soft, highlighting the smooth, reflective surfaces of the droplets. The overall color palette is warm, dominated by shades of yellow, orange, and brown.

#1. Modular growth and
SME growth is like oil
and water...

Pocket has made it work...

but we are a

laboratory environment



A group of men in suits and high-visibility vests walking through a construction site. The scene is a busy industrial environment with various construction materials and equipment visible in the background. The men are walking towards the camera, and one man in the center is gesturing with his hands as if speaking.

But this is not the case for most SMEs:

- SMEs cannot support increased risk profile
- SMEs do not have a 'guaranteed' pipeline
- SMEs struggle to accommodate a front-ended cash-flow



Project will build a new development in
Malden (London, southeast), with
10 new flats for the first time.

London gets tallest modular tower

NEWS/LEAD

By Sarah
Graham

MOORE has built on London's
first modular tower block, the
first modular office in
London's history.

The tower will be built using
steel modular units - a company
specialist in building before being
connected with cranes.

The 10-story development will
feature 10 flats for the first time
before and 10 offices (one of a
total value of £10m).


The block will be developed by
Puckin, which intends to build
more affordable housing by
providing towers with a 10 per cent
discount.

"Modular construction has
allowed us to build the tower in three
months," says Puckin.

Project's modular towers are a major
innovation and offer a new,
affordable housing option in the
heart of London's business district.

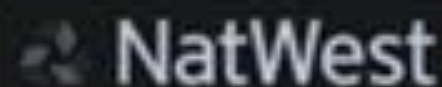
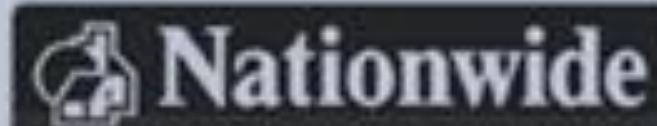
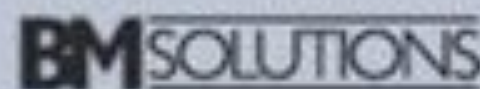
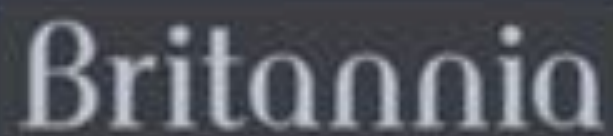
Project's CEO Mark Fleming called
for new ways to improve building
quality and reduce costs.

"The way we build these
modular buildings will mean
to significantly reduce disruption to
local residents," he said.

An aerial night view of a city with a tall modular tower under construction. The tower is illuminated and stands out against the city lights. A crane is visible at the top of the tower. The text "But modular growth needs innovators to step up and scale uptake!" is overlaid on the image in large white letters.

But modular growth needs
innovators to step up and
scale uptake!

#2. Third parties need to catch up...



Senior debt providers

Mortgage providers

Warranty providers

SOCIAL & FUNCTIONAL ANALYSIS

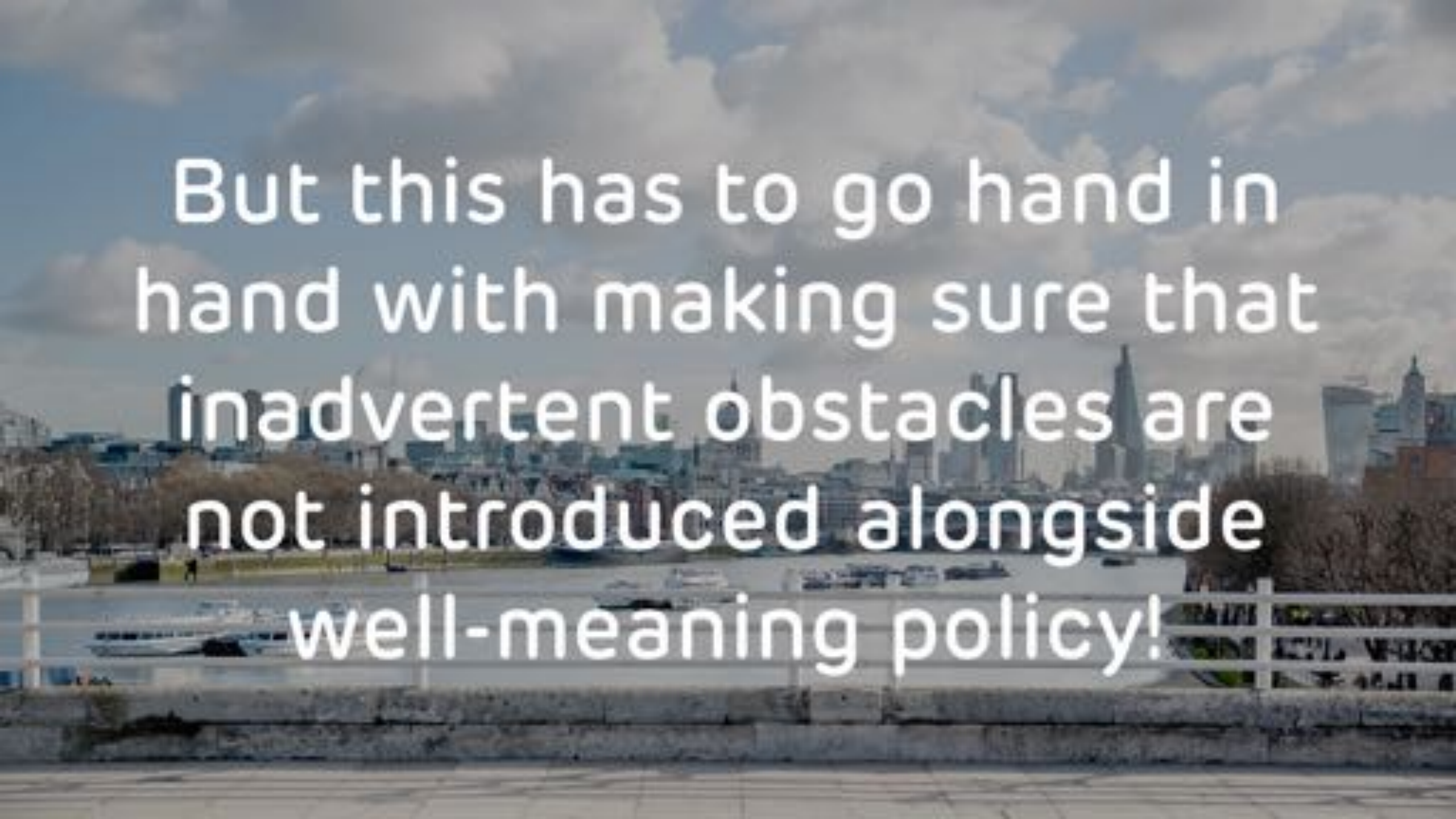
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POPULATION AGE	POPULATION AGE STRUCTURE
POPULATION INCOME	POPULATION INCOME DISTRIBUTION
POPULATION EDUCATION	POPULATION EDUCATION LEVEL
POPULATION HEALTH	POPULATION HEALTH STATUS
POPULATION HOUSING	POPULATION HOUSING TYPE
POPULATION EMPLOYMENT	POPULATION EMPLOYMENT TYPE
POPULATION MIGRATION	POPULATION MIGRATION TYPE
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POPULATION COMMUNITY	POPULATION COMMUNITY TYPE
POPULATION CULTURE	POPULATION CULTURE TYPE
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#3. Where's the quid pro quo?
Planning must be de-risked



How might this work?

- 1. Cheaper pre-apps/PPA's?**
- 2. Guarantee of planning determination timelines?**
- 3. Reduced CIL allocations?**
- 4. Policy support for MMC?**

A photograph of a city skyline, likely New York City, viewed from across a body of water. In the foreground, there is a white fence and a concrete ledge. The sky is overcast with grey clouds. The text is overlaid in white, bold, sans-serif font.

But this has to go hand in hand with making sure that inadvertent obstacles are not introduced alongside well-meaning policy!

An aerial photograph of a large-scale pre-fabricated housing development. The image shows a grid-like arrangement of rectangular, single-story units. The units are arranged in long, parallel rows, with narrow walkways between them. The overall color scheme is a monochromatic green. The text is overlaid in white, bold, sans-serif font.

#4. We need to
challenge the pre-fab
prejudices...



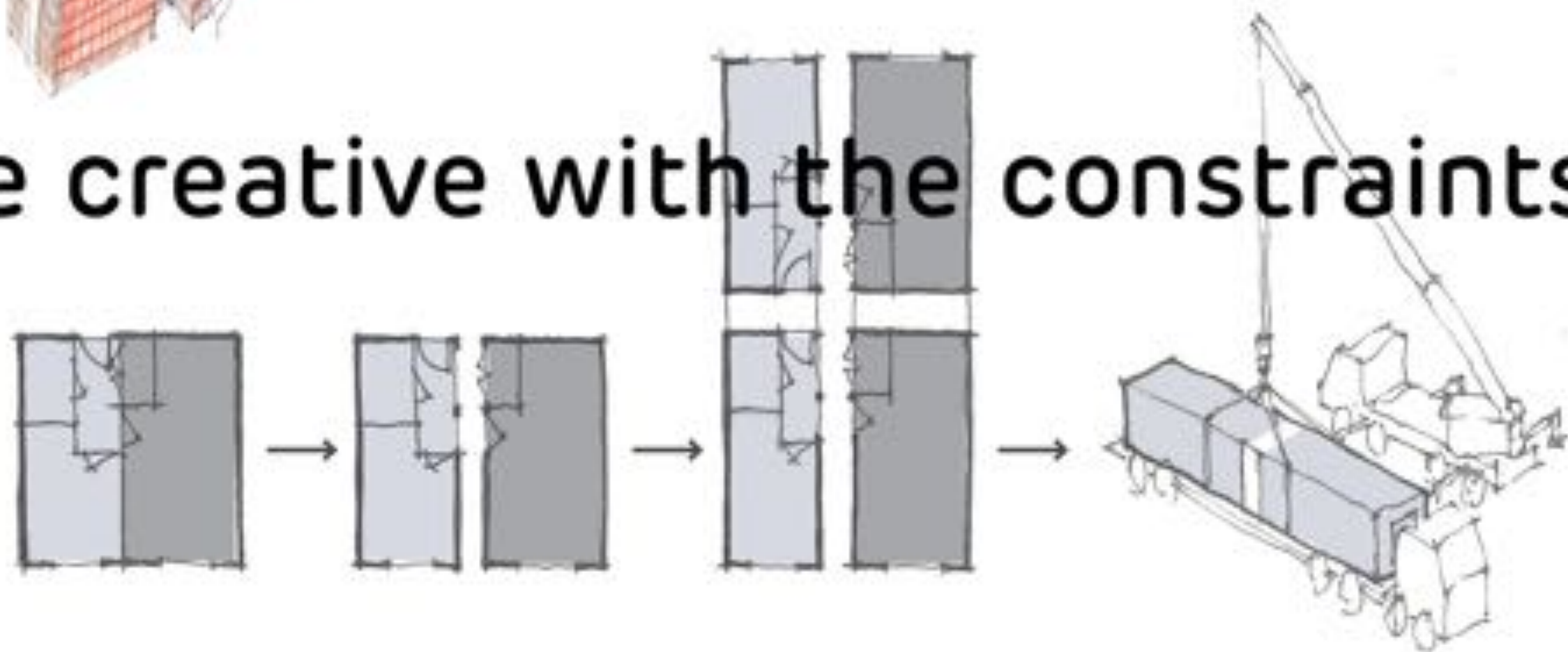
Modular construction
is an advantage!



Be creative with the constraints!



Be creative with the constraints!





#5. Give SMEs a crack
at estate renewal...

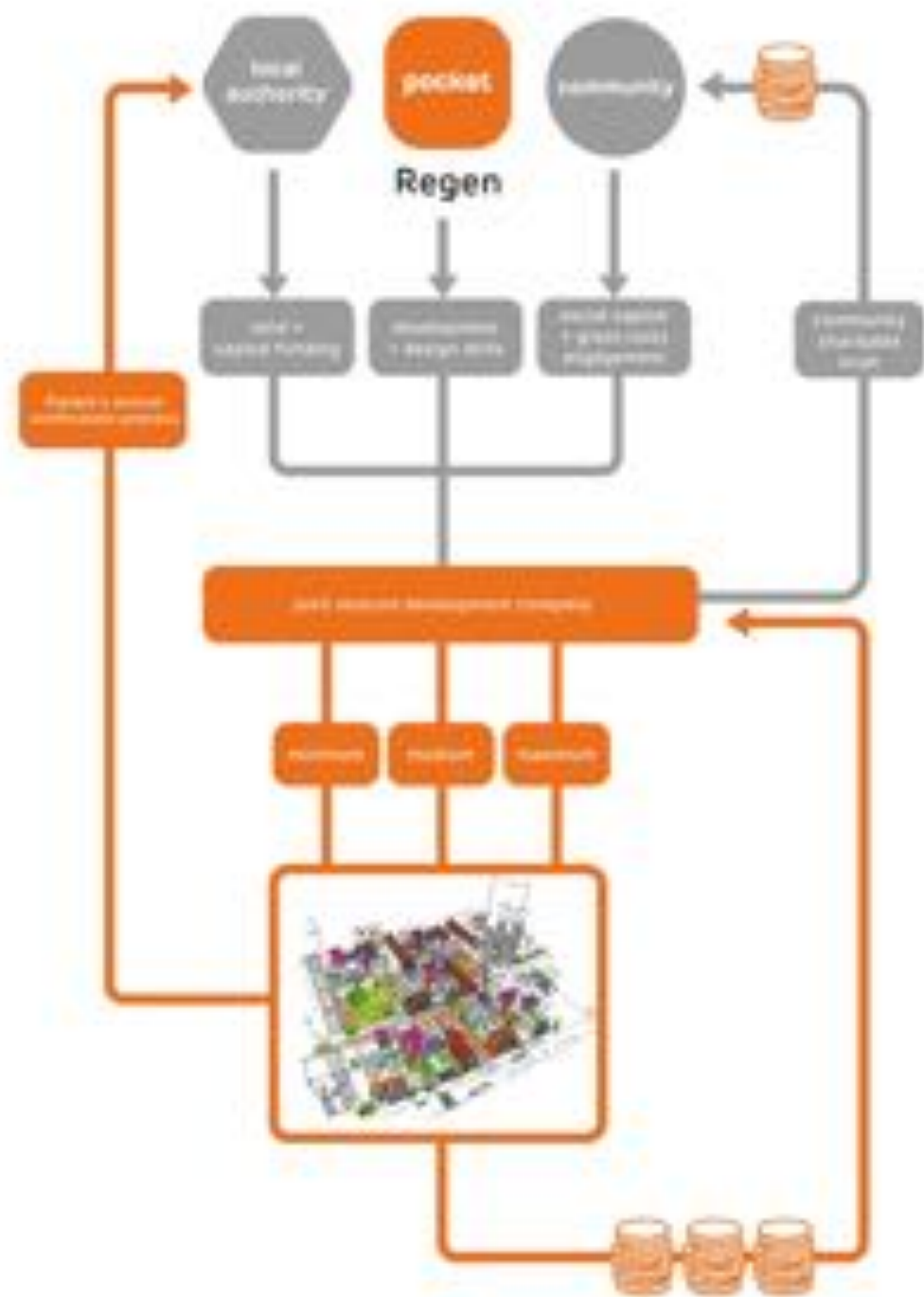


Fixing our broken housing market:

- Making more land available for homes in the right places by maximising the contribution from brownfield and surplus public land, regenerating estates...
- Giving communities a stronger voice in the design of new housing to drive up the quality and character of new development, building on the success of neighbourhood planning...



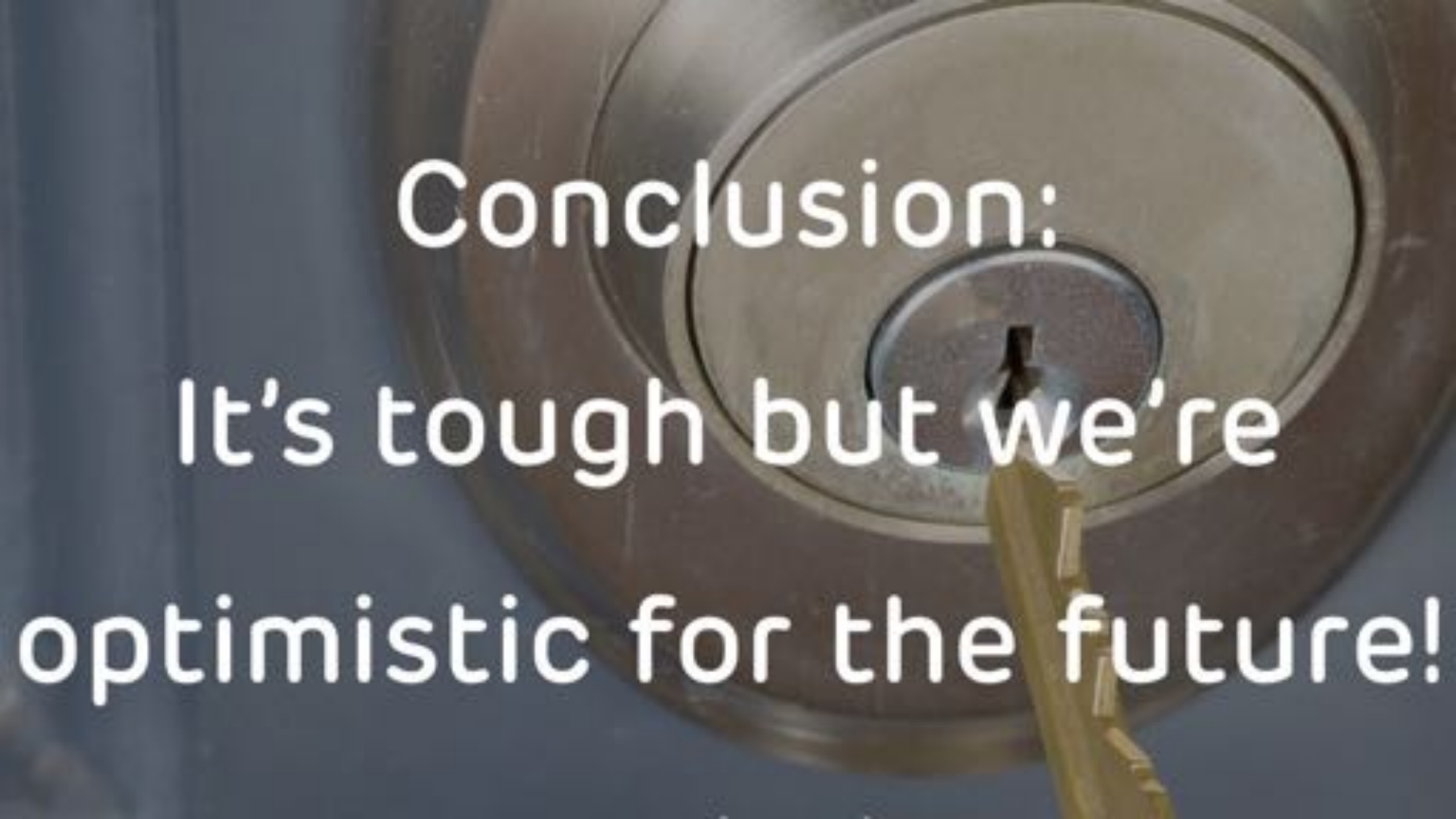
Pocket has an
oven-ready
estate
regeneration
concept...



... which places the existing community in a decision making role – using incentives to encourage density...

But... Opportunities are currently limited for SMEs – including Pocket because:


- Framework barriers
- Smaller infill sites are lower priority because LAs need to make progress on numbers driven targets
- Sale of public land to the private sector is fraught!
- The Accelerated Construction Programme is for delivery of council homes – not innovation



Conclusion:

It's tough but we're

optimistic for the future!

A woman in a purple coat and yellow bag walks past a wall of colorful arrows. The word 'Thank you' is overlaid in large white text. A white rounded rectangle contains the word 'pocket' in lowercase. The background is a brick building with a grey awning and a sign that says 'ABOVE'.

pocket

Thank you

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