

Hackney Housing Regeneration and Delivery



Hackney is Building

- Hackney was one of the first councils to start building our own council homes
- Estate Regeneration Programme (ERP) started in 2011, Housing Supply Programme (HSP) started in 2016, New Homes Programme (NHP) started in 2024
- By April 2018, 660 new and refurbished homes had been completed - mostly estate regeneration schemes
- Between May 2018 and May 2022, the Council started, completed or received planning permission for 1,984 homes
- Direct delivery model - mainly D&B with inhouse sales team, plus some development agreements
- Skilled inhouse delivery team established, along with the infrastructure to deliver

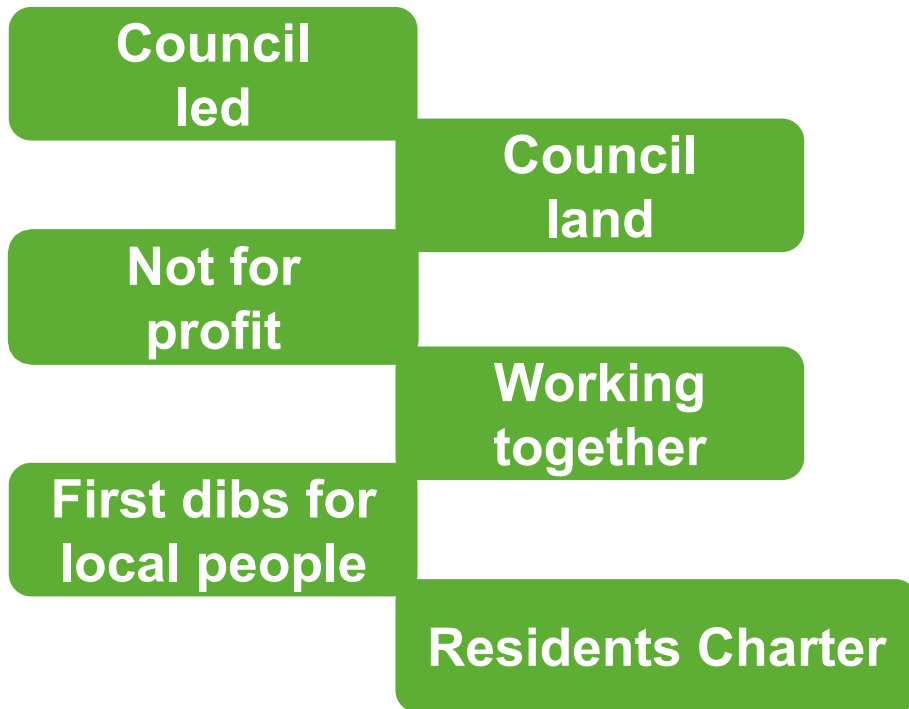
Our objectives

- **Deliver high quality mixed tenure developments** including homes for social rent, shared ownership and outright sale alongside a range of non-residential uses, public realm improvements and socio-economic outputs
- **Build additional, high quality homes** within existing estates by building on underused land, typically car parks, garages and depots.



Frampton
Park Estate

Our commitments to residents



Our manifesto targets

- During the last manifesto period, 2018 - 2022 target of **1,984 homes**
- Of these homes, **956** are **affordable** - Social Rent and Shared Ownership
- The current manifesto **2022 - 2026** target is to deliver **1,000** new **Social Rent homes**
- Our current and new sites building programmes are contributing **568 Social Rent** homes to this target



Colville
Estate

Our building programme

- More than **3,400 homes** across more than **30 sites**
- ERP, HSP & NHP - a mix of large and small sites - including estate regeneration, infill and brownfield
- **Social rent**, shared ownership and outright sale to pay for it
- A portfolio, self-funding approach
- ERP and HSP **50% affordable**
- NHP programme **75% social rent**



Colville Estate



Taylor and
Chatto Courts



Colville
Estate

#HACKNEYISBUILDING



Tower
Court



Clapton
Greenway

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Chowdhury
Walk

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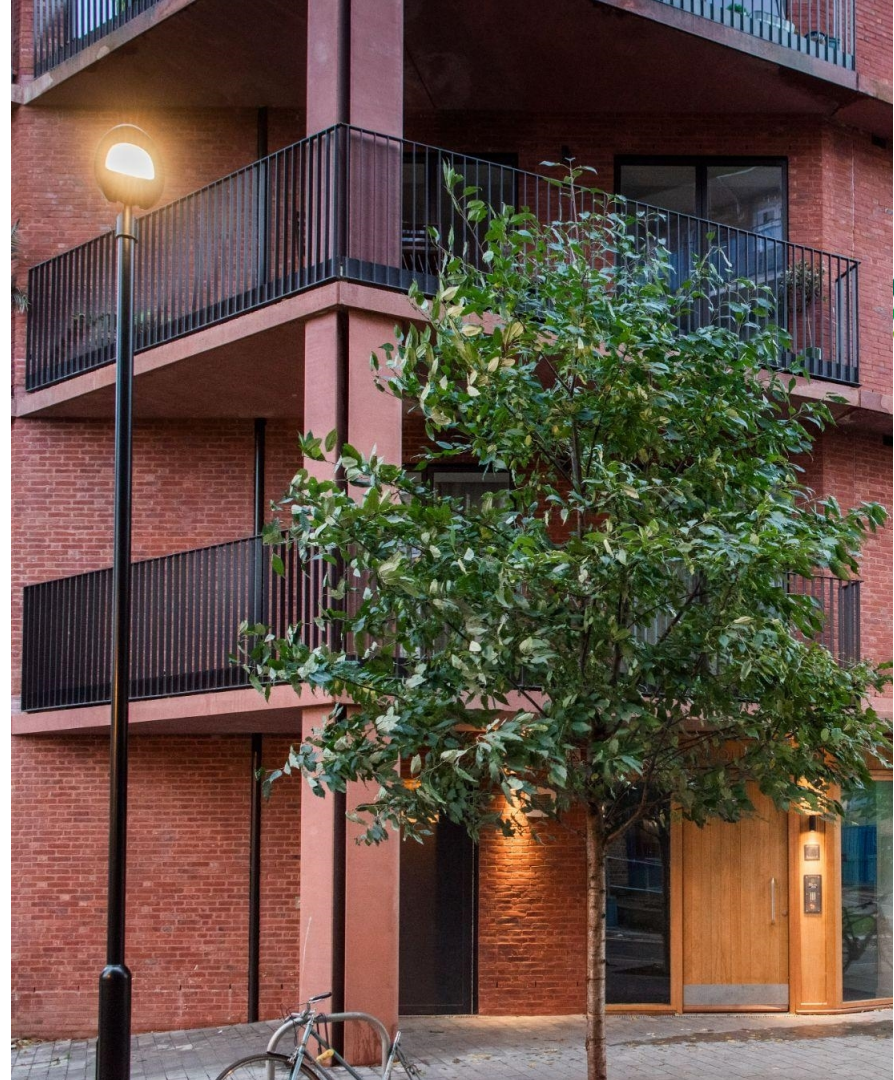
New Homes Programme

- In Dec 2022 Cabinet approved the New Homes Programme (NHP)
- Key plank in the ‘1,000 new Council homes for social rent’ target
- 15 underused sites on housing land
- c.400 new homes, 75% for social rent
- Resident participatory design
- Surrounding improvements and alignment with capital works in existing homes



Our approach to design

- to deliver well designed, high quality homes that support attractive, functional, safe and sustainable neighbourhoods - places where people want to live and that make a positive contribution to the Borough
- to build characterful, cost effective, robust and well-loved homes that age well and stand the test of time.
- to deliver resilient, high performing and energy efficient homes that lower the energy burden of the residents and contribute to the Council's net zero targets
- to be informed by the views and knowledge of the local community to make the best possible housing for those in need whilst bringing benefit for existing residents.





Kings
Crescent



#HACKNEYISBUILDING



Kings
Crescent



Financial rules

- Overall, the programme should be financially self-sustaining
- Should break even over 50 year investment
- This is to protect the Council's finances and front line services
- Rents and services charges of residents in existing homes do not pay towards the cost of building new homes
- Hackney's council rents are amongst the lowest in London
- We seek to maximise inward funding from GLA and other sources

Financial realities

- The cost of building has increased significantly over the last few years
- Each square metre of new building now costs at least £4,000 to build
- The total cost of each new home is £500,000+
- Council rents don't pay back the full cost of a new home over 50 years
- We don't receive enough government funding to fill the gap
- Outright sale homes are needed in the programme to cross-subsidise the social rent homes, to make them viable

Viability = income - costs

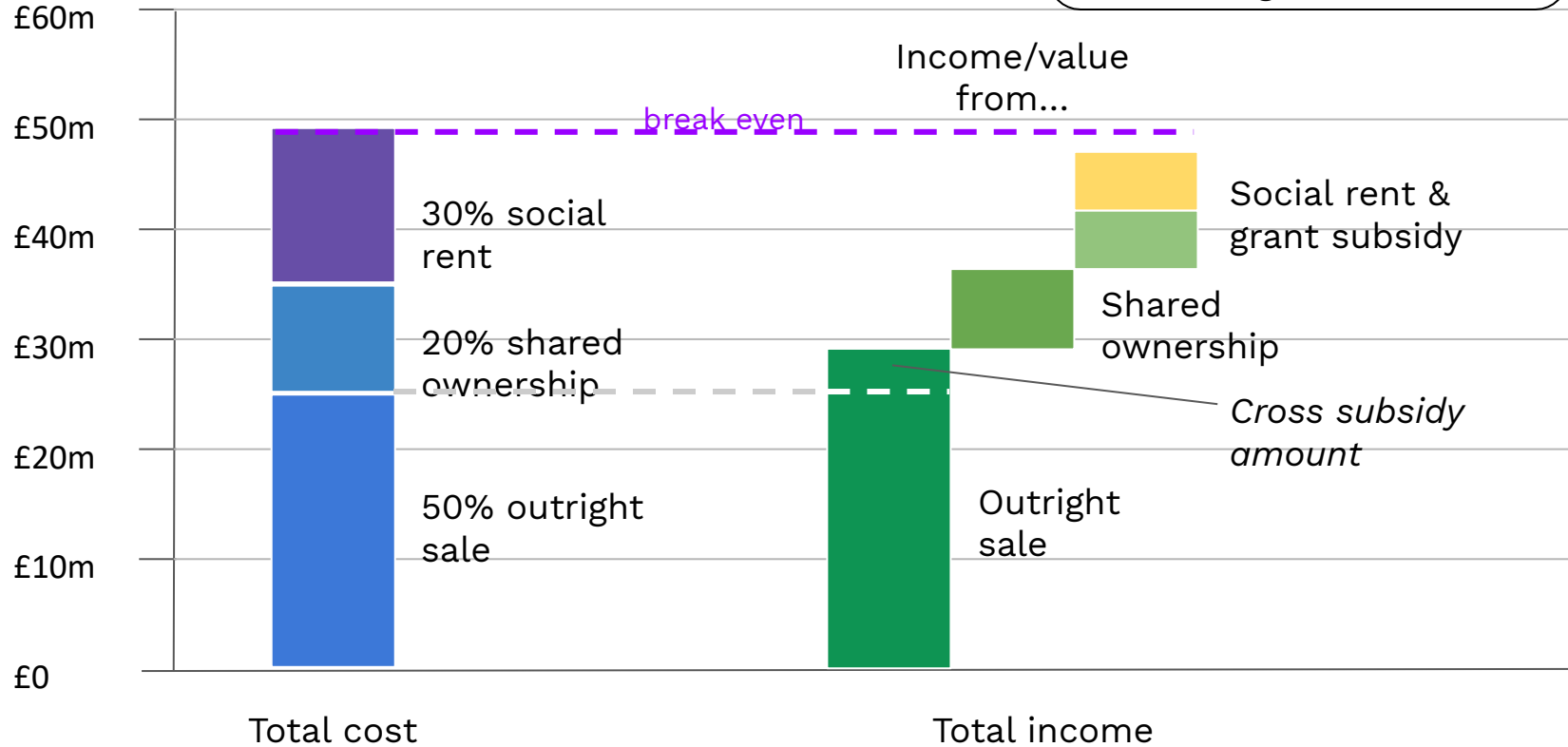
If **income** is greater than **costs**
(over 40 years) the programme is
financially viable

If **income** is lower than **costs**
(over 40 years) the programme is
not financially viable

Example

50% affordable housing

100 homes example:
Achieving 50% affordable
housing with cross subsidy
from outright sale homes



Challenges

Viability

Cross subsidy model challenging in current market - construction cost inflation/property prices plateauing

Dwindling RTB receipts

The number of RTB sales is expected to reduce significantly over the coming years - 75% reduction expected

Changing regulatory framework

Building safety, energy efficiency

Grant rules

GLA eligibility criteria in relation to ballots and additionality

Opportunities

Diversifying our model

Working with the market to respond to current challenges, bringing contractors and partners into the process earlier

Evolving and developing our skills as a developer

Boosting commercial and construction expertise

Seeking further subsidy

GLA, other sources

Refining our approach to design

Efficiency, standardisation, MMC



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