

## News

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### Blog: Property partnerships: a tool to address the housing crisis



By Adrian Turner  
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The challenges local authorities currently face is greater than ever before. Government funding is set to be cut by a further £1.3 billion in 2019/20, despite many authorities already struggling to balance the books. Authorities are being forced to find new ways to preserve front line services and meet their many other obligations, including delivering thousands of new homes - with some now suggesting that in the region of one million new homes will be required by 2020.

There is a range of approaches already available to authorities to deliver new housing and many local authorities have made clear their aspiration to once again be a direct provider of new homes, setting up housing companies and buoyed by the lifting of the HRA borrowing cap.

However, for many, the lack of resource means there is a limit to the pace and scale at which new homes can be delivered. In addition, authorities often need to respond to a whole host of other community needs and are looking at how they can secure the maximum value from the land it owns. For many, the answer is to procure a long term partner and establish a property partnership. The model, known as property partnership or property joint venture, is one which is gaining real traction in the market, now backed up by numerous success stories around the country.

At Morgan Sindall Investments, we have formed a number of these long-term, strategic joint ventures to help authorities meet their various aims. Each has seen the creation of a 50:50 joint development company with a programme spanning 20 years or more, with profits shared between the partners. Each covers a portfolio of sites and as well as new homes can deliver a range of other developments as well as community buildings, in line with local needs and ambitions.

Since 2011, we have formed a £0.5bn joint venture with Bournemouth Borough Council, a £1bn programme with Slough Borough Council, and a £2bn partnership with Herts Living Limited, a company owned by Hertfordshire County Council.

By aligning the interests of the council and the partner over the long-term, these partnerships can focus on real outcomes and meaningful delivery that benefits communities, rather than short-term goals. Trust is therefore essential as there is a shared

risk and reward. Councils must trust the partnership with their land, while we must have confidence in the venture to invest and commit for the long term – this mutual process binds us together.

The specific objectives of each partnership are different, but what they share in common is a desire to deliver development at scale and at pace.

Each partner brings a different skillset. Morgan Sindall brings access to wide ranging development and investment expertise, while the council brings a strategic perspective on local needs and unparalleled understanding of the community – an invaluable part of the equation.

This means that through our partnership with Slough Borough Council – Slough Urban Renewal – for example, we are fulfilling the council's various ambitions. As well as building homes, the partnership has delivered a range of community buildings including a 1,950-person capacity community sports stadium, an £18m leisure centre, six school extensions and The Curve, an iconic new library, museum, performance venue and cultural centre. Last year, Slough was named best place to work in Glassdoor's '25 Best UK Towns & Cities to Work In', based on hiring opportunities, cost of living and overall satisfaction, with continued investment in infrastructure, homes, schools and leisure a key ingredient in the town becoming a highly attractive place to live and work.

This is not to say that the property partnerships will be right for every authority. What's important is that authorities focus on the outcomes that they want to achieve and select the right delivery model, or models, to do that. For many though, the property JV is proving to be a highly effective tool in the tool box.

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