



Mears and the London Borough of Waltham Forest Joint Venture: Tackling Homelessness together

What was the Challenge

Waltham Forest Council is an Outer London Borough with Inner London, catering to just over 8,000 households on the housing register. More than £3.4 million is spent by the Council every year, housing around 2300 families in bed and breakfasts, hostels and other forms of temporary accommodation.

Waltham Forest needed to reduce reliance on expensive temporary accommodation, with over 70% of the households in the borough placed in nightly accommodation, with a net increase of between 10 and 12 households per month.

East London is a rapidly developing area with private rents increasing, meaning the pipeline of social lets available is falling and in addition to dealing with the lack of housing options available, other London Boroughs were placing residents in Waltham Forest and its surrounding boroughs.

What did we do?

In answer to the need for more affordable, decent housing within Waltham Forest, Mears developed a joint partnership, “More Homes Waltham Forest”. This is a purchase-and-repair scheme bond to purchase and refurbish 365 homes for homeless individuals and families.

The joint venture partnership was set up in 2018 to raise the £88m needed to purchase the properties. The scheme lasts for 40 years, after which the homes will revert to the ownership of the Council, providing a sustainable source of housing for the area and giving long-term security to households in need.

The More Homes Waltham Forest model provides an alternative, far more affordable, supply of housing which aims to significantly reduce costs to the Council while allowing it to truly discharge its housing duty. The result is

win-win with better homes and outcomes for families for less expenditure.

Key features of the More Homes model include:

- ▶ Funds borrowed for 40 years at a fixed price to purchase 365 homes
- ▶ Flexibility built in to respond to changes in housing quantity, price and location
- ▶ Properties bought locally and in agreed areas
- ▶ Commercially beneficial portfolio of housing set up by the joint venture
- ▶ Portfolio made available on long leases from the joint venture
- ▶ Stock transfer to Waltham Forest at the end of the joint venture
- ▶ Tenure can change throughout the lease length
- ▶ Risk and costs are shared

Most importantly, this improved accommodation offers a better alternative to temporary housing which means better outcomes for individuals and families.

What were the outcomes?

Through this partnership, Mears have made significant revenue savings for Waltham Forest. The value of the rent goes to the Council, not a landlord and ownership of the 365 properties revert to the Council at the end of the 40-year term.

To date we have purchased 254 properties, with 236 of these being made available to let to Waltham Forest households so far. This is a saving of circa £491k per annum. The full quota of houses for the scheme are likely to have been purchased by autumn 2021, a total of 330 properties, at this point the saving to Waltham Forest Borough Council will be circa £686k per annum.

The joint venture also gives Waltham Forest the option to sell the properties using the capital receipt to offset any debt outstanding at the end of the contract term. Most importantly, this improved accommodation offers a better alternative to temporary housing which means better outcomes for individuals and families that are housed through the scheme.

