

Public & Private Partnership

Looking for the Sweet Spot



 **tinder**
Swindler



Local Government
Wholly owned local
housing companies.

e.g.:
Croydon / Lambeth

or

Market Friendly
Flexible, financially
enabled delivery.

e.g.:
Vancouver / Manchester

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Why Local Government owned?

- **Triple Dividend**
 - more homes, better stewardship, placemaking, financial...
- **Harder areas of the market**
 - affordable, weaker markets...
- **Political Dividend**
 - *"look what I did!"*

Current Status

- 80% of Local Authorities own a housing company.
- Circa £50-100 million in set up costs.
- Estimate of 10,000 home per annum.
- Average: 37 homes per Local Authority.
- **Note: 89% of all Councils recorded zero housing delivery in 2021.**

Why the under-performance?

- Councils are not able to deal with commercial risk.
- Councils typically do not delegate enough authority.
- Operating in highly competitive labour markets - limited bandwidth.
- Financial and bureaucratic quagmire.
- When empowered, some (not all) go a bit crazy...



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NEWS 05.01.21 5.55 PM BY NATHANIEL BARKER

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Why Market Led?

- **Delivery**
 - more homes, more residents, more investment, more profile...
- **Dividend**
 - financially enabled structures
e.g.: GM Investment Fund.



Market led
Flexible, financially
enabled delivery.

e.g.:
Vancouver / Manchester

Potential Downsides?

- **Recent history of delivery seen only limited new, affordable housing.**
- **Genuine and purposeful public spaces and public realm relatively limited.**
- **Striking a balance between existing communities and the need to continuously internationalise major conurbations.**
- **Outlier towns are becoming increasingly economically fragmented.**





The Sweet Spot!

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**PLACE
CAPITAL**
GROUP