

# TH SPECIALIST

UNITED TRUST BANK 



## You decide!

Is giving customers choice key to the future of housing?



## Welcome to the latest edition of The Specialist

In 2016, Tom Bloxham MBE and Urban Splash co-founder Jonathan Falkingham MBE launched House by Urban Splash – their modular housing concept which is being rolled out across the country. Homes England recently appointed them to create 228 new homes outside Warrington, extending the pair's partnership in delivering homes using modern methods of construction (MMC). Inside, Tom talks about how the business is addressing the government's target on new homes with its investment in pioneering building techniques.

# Giving customers choice is key to the future of housing



**Tom Bloxham MBE** is chairman and co-founder of award-winning regeneration company Urban Splash, which has received more than 440 awards to date for architecture, design and business success. Tom is also Chairman of Manchester International Festival, and trustee of Tate, the Manchester United Foundation and The Bloxham Charitable Trust.

Late last year, a report recommended the Government should set a target of 75,000 new modular homes within the next decade. The findings come from industry champions (and Wise Owl!) Mark Farmer and Mike D'Ath ; their Build Homes Build Jobs Build Innovation report calls on the government to make modular the driving force behind its 'build, build, build' agenda.

Additionally, the report suggests that 50,000 new jobs could be created if the government sets the target, and it advocates the benefits of modular homes as a sustainable alternative – with modular properties reducing carbon emissions by 40%.

In the UK, the sector's not quite there yet, and we've a long way to go before we're in line with our neighbours in Northern Europe – where materials such as timber are more successfully used – or for example in Japan, where millions of pounds of R&D investment is commonplace to ensure that suitable homes are being created.

This report is encouraging for our sector,

especially after a period in which we have all spent so much time in our sacred spaces – living, working, socialising – and fighting for room at the dining table to work or home school. The pandemic exposed a lot of poorly designed homes for what they are, small, poorly lit spaces with little natural light.

For me, it's shown just how important customer choice is – and compounded my belief that MMC and customisable homes is the way forward.

It's something we've worked hard on this past decade; in 2012 we teamed up with architects shedkm, to collaboratively develop a blueprint of a new type of contemporary home, which evolved into our House by Urban Splash Town House, a product which allows our customers to determine their final specifications. They are created offsite in controlled, efficient environments, meaning there's no cost variance. No matter which part of the country we build in, the construction cost

remains the same. We've already delivered our concept at numerous award-winning developments across the UK – places like New Islington in Manchester and Port Loop in Birmingham and we're creating more in places such as Northstowe in Cambridgeshire and Wirral Waters in Merseyside.

Crucially, our homes give customers real choice, something compounded by our launch of an online configurator which allows consumers to design a bespoke property. The process inspires those who loved Grand Designs by putting the big decisions in their hands, giving them the opportunity to determine the layout of their property, deciding if they're a loft liver – where their living room will be on the top floor with an exposed pitched roof – or if they prefer traditional garden living.

We launched our House by Urban Splash in 2016, the year in which another Farmer report was published. Entitled Modernise or Die it advocated a shift to modular, and the vertical integration of construction processes; it criticised the sector's lack of examples of vertical integration – something it cited, was much more prevalent in other industries. It's a move we too believed in, and in March 2018, we acquired the factory in which our homes were created, giving us the capacity to create hundreds of homes each year.

Inward investment has also been key in growing our modular sector – bringing in the expertise from countries who have a more demonstrable track record. In 2019, we signed one of the modular sector's biggest ever deals, a £90m partnership which means House by Urban Splash is now jointly owned by Japan's biggest housebuilder Sekisui House and Homes England – the Government's housing agency.

This transformative deal is allowing us to upscale production and create thousands of new homes using MMC in the next decade. It is also allowing us to improve our R&D processes as we strive to create homes that are sustainable and actually deliver what a customer wants and needs – demands which are hugely under the microscope post-COVID. The future of housebuilding is coming, and I am confident that at the turn of the next decade we'll have fulfilled our obligations by making choice the norm.



# UTB and Homes England fund provides 70% LTGDV facility for £5m development



Homes England

United Trust Bank (UTB) is funding a £5m residential led mixed use development through its innovative Housing Accelerator Fund, a public private finance partnership launched by Homes England and UTB earlier this year to improve financial support for the building activities of small and medium sized housebuilders and developers.

The scheme comprises 13 new apartments in a 5-storey building situated in a central city location with ground floor commercial space. The developer has already secured three off-plan sales and fully

expects to secure more during the construction phase.

The development is being undertaken by an experienced and successful regional developer who has secured 70% LTGDV funding under the Housing Accelerator Fund.

As well as securing competitively priced funding with increased gearing, the borrowers also benefitted from a swift and straightforward delivery of the funding with the first draw completed within 23 working days of credit sanction.



**BORROWER** Regional House Builder

**AMOUNT** £3.46 million

**LOAN TYPES** Housing Accelerator Fund

**LOCATION** East of England

**LTGDV** 70%

## PROJECT TYPE

- New build regeneration of city centre brownfield site
- Residential led mixed use apartment block including ground floor commercial space

## SPECIAL FEATURES

- Public Private Finance Partnership between Homes England and UTB
- Drawn within 23 working days of Credit sanction



UTB and Aprao – the Property Development Appraisal and Feasibility Software – have recently announced their collaborative relationship to promote the benefits of digital solutions in the development finance sector. This means that Property Intermediaries can now easily share their development appraisals on the Aprao platform with any one of UTB's 24 regional BDMs.

Scan the QR code to access our special offer coupon for 50% off your order.



Scan the QR code to access our special offer coupon by typing UTBOFFER when clicking 'apply coupon' at checkout.



Aprao's Nick Fisher MRICS speaks to UTB's Paul de Croos on the benefits of their game-changing software and provides tips for brokers looking to raise finance for their projects.



Scan here to watch the video in full.



## Managing Risk–Opportunity in Volatile Times

Justin Sullivan, Chair of the Construction Industry Council (CIC), on how the problems of supply chain volatility can be answered by understanding and embracing 'value'.



Scan here to read more and view our other Wise Owl articles.



## Our memberships & partnerships

# NACFB

HELPING FUND UK BUSINESS



We are members of the NACFB, the professional association of choice for all commercial finance brokers and lenders servicing the needs of business borrowers and property investors. Established in 1992, their mission is to support brokers in their endeavours to source funding solutions for UK SMEs and they do this by partnering with their members to foster professional expertise and by embracing the highest industry and regulatory standards, including engagement with their stakeholders, to help their business prosper.



Working with



### British Business Bank

Earlier this year UTB secured an ENABLE Guarantee via the British Business Bank (BBB). The new guarantee allows UTB to significantly increase the amount of development finance it provides to SME housebuilders. Also in partnership with the BBB, UTB are offering Recovery Loan Scheme (RLS) facilities supporting access to finance for developers as they recover and grow following the pandemic. Although the maximum loan available under RLS reduces from £10m to £2m from January 1st 2022, we will continue to consider qualifying loans up to the new limit until the scheme expires at the end of June next year.



Homes England

# housing accelerator

### Housing Accelerator Fund

*Working in partnership with Homes England*

**70% LTGDV | Loans up to £10m**

### Development Finance

**65% LTGDV | Loans up to £30m**

### Development Exit

**75% LTV | Loans up to £30m**

