

## **ALTERNATIVE FINANCIAL DELIVERY MODELS** **FOR AFFORDABLE HOUSING**

### **INTRODUCTION**

1. This is the second of two briefing papers aimed at assisting the Committee for Social Development in determining the terms of reference for a potential inquiry into housing. The purpose of this paper is to provide a broad overview of a number of alternative financial delivery models for affordable housing. It should be stressed that this is not in anyway intended to be a definitive analysis of the issues, rather its purpose is to familiarise the Committee with key concepts and to provide contextual examples of alternative financial models applied in other jurisdictions. The Committee may wish to seek further detailed information on those issues which is it is most interested in.
2. For ease of reference, the paper provides a broad overview of the following issues:
  - Real Estate Investment Trusts **(p1-6)**
  - The Role of the Housing Finance Corporation as a Financial Intermediary **(p6-8)**
  - Bond Finance **(p8-9)**
  - Charity Banks and Ethical Finance **(p9)**
  - Tax Increment Finance **(p10-12)**
  - Prudential Borrowing **(p12-14)**
  - The Scottish Housing Trust Initiative **(p14-15)**
  - Local Asset Backed Vehicles **(p15-18)**
  - Developer Contributions **(p18)**

### **REAL ESTATE INVESTMENT TRUSTS**

1. Put simply, Real Estate Investment Trusts (REITs – pronounced R-E-E-T-s) are closed-ended companies or trusts that hold, manage and maintain real estate for

investment purposes<sup>1</sup>. There are two kinds of REITs, equity REITs and mortgage REITs. Equity REITs own a portfolio of property assets and the income that these generate (i.e. the rental yield) is passed on to shareholders in the form of dividends. Mortgage REITs lend money to developers and the interest received from the loans is also passed on to shareholders<sup>2</sup>. Most of REITs' taxable income (at least 90%) is distributed to shareholders through dividends, in return for which REITs are largely exempt from corporation tax<sup>3</sup>.

2. According to the British Property Federation, REITs are designed to offer investors income and capital appreciation from rented property assets in a tax-efficient way, with a return on investment more closely aligned with direct property investment. This is achieved by taking away the 'double taxation' (i.e. corporate tax plus the tax on dividends) associated with ordinary property funds<sup>4</sup>. A report by the House of Lords Economic Affairs Committee assists in explaining both the concept of, and tax incentives associated with, REITs as follows:

*"For companies carrying out property rental business, the provisions shift the burden of tax from the company to its shareholders. Quoted companies, at least 75% of whose business is renting property (known as the balance of business test), can become a REIT subject to various conditions and on paying an entry charge of 2% of the value of its property assets for doing so. In order to put a lower bound on the level of debt financing, there is an interest cover ratio of 1.25% which a REIT has to meet. It is then exempt from tax on its income and gains of its property rental business and pays tax only on profits and gains from other activities. However, it has to distribute to its shareholders under deduction of tax 90% of its profits from its property rental business: in their hands it is treated as property income".<sup>5</sup>*

3. REITs are already a feature of a number of mature economies such as the USA and Australia, but have only relatively recently been permitted to operate in the UK (since 1 January 2007). The Government believed that the introduction of UK-REITs would lead to improvements in the UK property investment market by:
  - Providing liquidity to the current range of property investment vehicles;
  - Allowing small-scale investors the opportunity to access commercial property returns, currently unavailable without significant capital outlays or tax inefficiency;
  - Improving stability in the property investment market by rebalancing some debt with equity among property companies;
  - Providing the opportunity for companies to release property assets from the corporate balance sheets into professionally managed companies;

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<sup>1</sup> HM Treasury (2005) UK Real Estate Investment Trusts: A Discussion Paper, p5. [www.hm-treasury.gov.uk/d/Bud05Reits.pdf](http://www.hm-treasury.gov.uk/d/Bud05Reits.pdf)

<sup>2</sup> Definition extracted from the Financial Times Lexicon - <http://lexicon.ft.com/term.asp?t=real-estate-investment-trust--REIT>

<sup>3</sup> British Property Federation. [www.bpf.org.uk/topics/subtopic/131/real-estate-investment-trusts-reits](http://www.bpf.org.uk/topics/subtopic/131/real-estate-investment-trusts-reits)

<sup>4</sup> British Property Federation. [www.bpf.org.uk/topics/subtopic/131/real-estate-investment-trusts-reits](http://www.bpf.org.uk/topics/subtopic/131/real-estate-investment-trusts-reits)

<sup>5</sup> House of Lords Economic Affairs Committee (2009) Third Report – The Finance Bill 2009. [www.publications.parliament.uk/pa/ld200809/ldselect/ldeconaf/113/11308.htm](http://www.publications.parliament.uk/pa/ld200809/ldselect/ldeconaf/113/11308.htm)

- Potentially improve the housing market through greater professionalisation in the private and social rented sectors; and
  - Alongside wider reforms in the planning system, provide a route into which newly developed rented accommodation can be sold, thereby increasing the willingness of house builders to increase supply<sup>6</sup>.
4. In the US, where residential REITs are said to have been established successfully, REITs have predominately invested in communities of 200 or more small apartments in urban areas<sup>7</sup>, as well as student accommodation and sheltered housing for older people. Provided below are some illustrative examples of residential-based REITs in the US.

### **Examples US REITs**

#### **American Campus Communities**

American Campus Communities is a REIT based in Austin, Texas which develops, owns and manages student housing across the US. Since 1996, ACC developed more than \$1.5 billion in properties for its own account and university clients, and have acquired in excess of \$2 billion in student housing assets. The REIT owns 85 student community housing developments (a total of 52,100 beds) and manages 137 student community housing developments (a total of 87,100 beds)<sup>8</sup>.

#### **Apartment Investment and Management Company (AIMCO)<sup>9</sup>**

AIMCO is a REIT based in Denver, Colorado that acquires, owns, manages, re-develops apartment properties and provides management services to third-party owners. AIMCO is reported to be one of the largest owners and operators of apartment communities in the US with 916 properties, including 146,581 apartment units located in 44 states. AIMCO shares are traded on the New York Stock Exchange.

#### **Nationwide Health Properties (NHP)**

NHP is a REIT that invests in housing facilities for older people, long-term care facilities and medical office buildings throughout the US. NHP acquires real-estate then leases it to senior (older person) housing and long-term care operators. NHP are reported to have approximately \$4.3bn in healthcare real estate including 260 assisted and independent living facilities (primarily aimed at frail older people who can no longer live independently but who do not need round the clock nursing care)<sup>10</sup>.

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<sup>6</sup> HM Treasury (2005) UK Real Estate Investment Trusts: A Discussion Paper, p6. [www.hm-treasury.gov.uk/d/Bud05Reits.pdf](http://www.hm-treasury.gov.uk/d/Bud05Reits.pdf)

<sup>7</sup> Jones, C. (2007) Private Investments in Rented Housing and the Role of REITs in European Journal of Housing Policy, Vol. 7, No 4, 383-400, December 2007.

<sup>8</sup> Information extracted from American Campus Communities website - [www.studenthousing.com/company/](http://www.studenthousing.com/company/)

<sup>9</sup> Information extracted from [www.aimco.com](http://www.aimco.com)

<sup>10</sup> Information extracted from [www.nhp-reit.com](http://www.nhp-reit.com)

THE EXPERIENCE OF UK-REITS TO DATE<sup>11</sup>

5. The experience of UK-REIT scheme to date was an issue considered in a recent [report](#) by the House of Lords Economic Affairs Committee (published June 2009). The Committee concluded that the scheme had worked well in the two and a half years since its introduction for those large property investment groups who had converted to the REIT regime at the outset. However, the Committee noted that there was disappointment that there had been no new REITs since then, particularly covering the residential property market. The Committee concluded that,

*“REITs were introduced after a great deal of careful planning between departments and the industry and there were considerable hopes for what they might achieve. Certainly there has been some success, in particular there are 21 REITs today....However, they have failed to live up to expectations, in particular in that there are no residential REITs or new ones rather than conversion of existing property companies.*

*It is not difficult to conclude that this partial failure is wholly due to the economic circumstances and also in part to structural defects in the system. Moreover there has been little attempt to respond flexibly or significantly in their design to the difficult economic context”.*

6. With regard to long-term strategic opportunities for REITs, witnesses from the private sector suggested that REITs could have a role in transforming the private residential sector through large scale institutional investment and more professional management of private rented stock. It is suggested that if this is managed correctly, it could offer a more flexible route to residential investment (rather than buy to let) and open up a new market for housebuilders. The private sector witnesses further maintained that the recent fall in house prices presented a cyclical opportunity for REITs, but that the Government had so far failed to acknowledge this opportunity to take action. The Committee recommended that the Government engage with the private sector to look again, taking account of international experience, at what types of measures would be necessary to encourage the establishment of new REITs in the UK.

EXAMPLES OF UK-REITS AND SOME KEY BARRIERS TO INVESTMENT

7. As previously stated, UK-REITs are predominantly involved in commercial and retail investments, although a small number also invest in rental accommodation. However, there are no REITs involved solely in residential property. One of the largest REITs in the UK is [Land Securities](#), a FTSE 100 company which owns and manages more than 29 sq ft of property including 24 shopping centres, 20 retail parks, as well as numerous offices and strategic land holdings (potentially for regeneration)<sup>12</sup>.
8. Another example of a UK REIT, is [Town Centre Securities](#) a property investment and development company with reported assets in excess of £276 million. Its main investment interests rest within retail and office accommodation and car

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<sup>11</sup> Information in this section extracted from House of Lords Economic Affairs Committee (2009) Third Report – The Finance Bill 2009.

[www.publications.parliament.uk/pa/ld200809/ldselect/ldconaf/113/11308.htm](http://www.publications.parliament.uk/pa/ld200809/ldselect/ldconaf/113/11308.htm)

<sup>12</sup> For further information see [www.landsecurities.com](http://www.landsecurities.com)

parks, however, it does hold a portfolio of high specification serviced and rental apartments in Leeds, York and Glasgow. The company is said to specialise in mixed-use regeneration developments, an example of which is Piccadilly Basin a £250m (12.8 acre) site in Manchester City Centre which offers office, residential, retail and leisure space including a 750 space multi-storey car park<sup>13</sup>.

9. A recent HM Treasury consultation document on '[Investment in the UK private rented sector](#)' (February 2010) highlights that investment in the private rented sector has tended to be on an individual private landlord basis and that institutional investment (e.g. by pension and insurance funds) has been virtually absent from this sector. The report puts forward a number of explanations as to why this has been the case. For example, reputational and financial risks, the lack of suitable portfolios to invest in, high management costs compared to commercial real estate, and lower yields<sup>14</sup>.
10. Representatives of the property industry, such as the British Property Federation (BPF), believe that current regulations around stamp duty act as a huge disincentive for institutional investors, such as REITs, to become involved in the residential property market. BPF maintains that it has, *"...long pressed the government to remove a stamp duty anomaly that means a single investor who buys a number of residential properties must pay stamp duty at a higher rate than investors who buy one residential property each. A targeted relief would remove this disincentive against large scale investment in housing and make it more viable."*<sup>15</sup>
11. HM Treasury is currently consulting on the barriers to UK-REIT investment in the residential property market and is seeking evidence that institutional investment will prove beneficial to the private rented sector and the housing market generally. HM Treasury, for example, maintain that, *"It has been suggested that institutional investment will be beneficial, not only to help meet growing housing demand, and increase new-build housing supply, but also in encouraging the development of more 'professional' PRS.....However, the position is not clear cut. New institutional investment might simply substitute for supply that would otherwise have been delivered through individuals. Additional investment, particularly if geographically concentrated, and/or directed into the existing housing stock could be expected to have some impact on house prices. In addition....surveys of tenant satisfaction rates do not apply to support the argument that larger, more professional, landlords will necessarily provide a better service to tenants than individual landlords"*.

#### A REGISTERED SOCIAL LANDLORD-LED REIT?

12. Initially it was hoped that a consortium of Housing Associations would be the first to launch a residential REIT in the UK. When considering the potential for Housing Association-led REITs in the UK, it is important to note that the parameters for Housing Associations and other Registered Social Landlords (RSLs) in Great Britain are not limited exclusively to the provision of social housing for rent. Rather, they have diversified into many other areas including

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<sup>13</sup> For further information see [www.tcs-plc.co.uk/piccadillybasin.html](http://www.tcs-plc.co.uk/piccadillybasin.html)

<sup>14</sup> HM Treasury (2010) Investment in the UK Private Rented Sector, p25-26.

<sup>15</sup> British Property Federation Press Release. 'Treasury opens doors to RESI REITs and Institutional Housing Investors'. 3 February 2010.

[www.bpf.org.uk/newsroom/pressreleases/document/23840/treasury-opens-doors-to-resi-reits-and-institutional-housing-investors](http://www.bpf.org.uk/newsroom/pressreleases/document/23840/treasury-opens-doors-to-resi-reits-and-institutional-housing-investors)

building homes for outright sale and market rent, and the provision of affordable low cost home ownership.

13. In 2007, a consortium of over 20 Housing Associations (including large HAs such as Affinity Sutton, Genesis and Peabody Trust) attempted to establish the first residential REIT in the UK, which was to be known as 'HA REIT'. The consortium pledged £250m worth of properties to 'HA REIT' and it was envisaged that other Registered Social Landlords (RSLs) would be able to sell properties to the REIT or managed properties on behalf of the REIT. It was estimated that the initial start-up costs associated with the REIT would run into millions of pounds, however, it is reported that the consortium had entered into negotiations with a major investment bank to secure the necessary finance<sup>16</sup>. However, around 10 Housing Associations were reported to have withdrawn from the REIT consortium<sup>17</sup> and a social landlord REIT still yet to be formed.

#### **A FINANCIAL INTERMEDIARY FOR SOCIAL HOUSING PROVIDERS IN NORTHERN IRELAND: THE ROLE OF THE HOUSING FINANCE CORPORATION**

14. The [Commission on the Future of Housing in Northern Ireland](#) is looking at a range of alternative investment models for social and affordable housing. The Commission has expressed an interest in examining the scope for large scale investment in social housing, whereby providers can make bids or joint bids for funding which is facilitated through a financial intermediary. The Commission suggest that a potential model could involve the establishment of a branch of The [Housing Finance Corporation \(THFC\)](#) in Northern Ireland<sup>18</sup>.

#### **WHAT IS THE HOUSING FINANCE CORPORATION?**

15. THFC was established in 1987 as a result of a joint initiative by the Housing Corporation (a Government Body), the National Housing Federation (Housing Association representative body) and the private sector. It is an independent, not for profit, organisation that provides loans to Registered Social Landlords (RSLs – e.g. Housing Associations) primarily in Great Britain. THFC raises funds through various means including public secured bond issues and bank loans. By aggregating the requirements of individual housing associations it aims to achieve economies of scale for associations whilst providing a broad security portfolio for investors<sup>19</sup>. THFC state that, unlike banks, the group does not trade with the objective of making profits and has no shareholders to whom dividends are paid. Any surpluses are retained in order to support additional lending to housing associations (in 2009, for example, THFC had a post-tax surplus of £841,000)<sup>20</sup>.

16. THFC has five principles of finance, which are as follows:

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<sup>16</sup> Inside Housing. 'Associations eager to seize investment opportunity'. 11 January 2007.

<sup>17</sup> Inside Housing. 'Ten associations withdraw from first REIT plans'. 26 January 2007.

<sup>18</sup> Commission for the Future of Housing in Northern Ireland (2009) The Future for Housing in Northern Ireland: A Key Issues Paper from the Independent Commission, p39.

<sup>19</sup> Information extracted from the Housing Finance Corporation website - [www.thfcorp.com/socialhousing.htm](http://www.thfcorp.com/socialhousing.htm)

<sup>20</sup> The Housing Finance Corporation Ltd. Annual Report and Accounts 2009. [www.thfcorp.com/accounts/2009/THFC\\_Annual\\_Report\\_FA\\_7.pdf](http://www.thfcorp.com/accounts/2009/THFC_Annual_Report_FA_7.pdf)



- THFC will act as principle, borrowing in its own name and on-lending the proceeds only to Registered Housing Associations. Funds will be on-lent immediately;
  - Funds will be on-lent on a similar interest and repayment profile ensuring that THFC takes no risk on interest rate movements;
  - No currency risk in relation to its funds will be taken by either the THFC or its borrowers;
  - THFC will make its own independent credit assessment of its borrowers and will accept or refuse applications accordingly; and
  - THFC's loans are fully secured<sup>21</sup>.
17. THFC have set out in their latest Annual Report the perceived benefits of borrowing from it as opposed to directly from banks, in that it has stated, "As a result of both the shortage of liquidity and regulatory capital there has been a marked reduction in both the appetite of banks and building societies to lend to the housing association sector and in the number of institutions from whom associations can borrow. With upwards of £50bn already committed to the sector this has manifested itself principally in a desire by banks not only to price new business at current market rates, but also to re-negotiate credit margins on existing loans. It is a major plus for housing associations that they have their own bespoke finance company in the form of the THFC group, and one that, unlike the banking industry, will never require re-pricing of earlier loans as a condition of a new loan"<sup>22</sup>.
18. Evidence to a recent inquiry into '[Housing and the Credit Crunch](#)' by the House of Commons Communities and Local Government Committee appears to agree that currently banks are not just simply restricting the criteria for new lending but are also seeking, on occasions, to re-price the terms of existing loans to housing associations. The report provides one example by which a housing association attempted to restructure and rationalise its governance arrangements in an attempt to save around £300,000 per year. The core lender is reported to have stated that this development could be interpreted as a significant change in terms of the loan agreement and as a result it would have to re-price the HAs entire loan book at a cost of £1.9m per year<sup>23</sup>.

#### EUROPEAN INVESTMENT BANK FUNDING – THFC AND NORTHERN IRELAND

19. THFC also worked in co-operation with the [European Investment Bank](#) (EIB)<sup>24</sup> for over a decade. The EIB is the European Union's long-term public lending institution and is owned by the Member States of the EU. It is a policy-driven bank which supports EU priority objectives, particularly European integration and social cohesion<sup>25</sup>. EIB funding is usually brought forward in specific tranches of funds and THFC plays a pivotal role in introducing EIB funding for investment in housing regeneration schemes. As a non-profit organisation EIB passes on the benefits to its clients in the form of loans with rates lower than commercial banks can offer. THFC passes the rates which it borrows from EIB directly to the

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<sup>21</sup> See [www.thfcorp.com/socialhousing.htm](http://www.thfcorp.com/socialhousing.htm)

<sup>22</sup> The Housing Finance Corporation Ltd. Annual Report and Accounts 2009, p1. [www.thfcorp.com/accounts/2009/THFC\\_Annual\\_Report\\_FA\\_7.pdf](http://www.thfcorp.com/accounts/2009/THFC_Annual_Report_FA_7.pdf)

<sup>23</sup> House of Commons Communities and Local Government Committee (2009). Housing and the Credit Crunch. [www.publications.parliament.uk/pa/cm200809/cmselect/cmcomloc/101/10102.htm](http://www.publications.parliament.uk/pa/cm200809/cmselect/cmcomloc/101/10102.htm)

<sup>24</sup> <http://www.eib.org>

<sup>25</sup> EIB Frequently Asked Questions, [www.eib.org/infocentre/faq/index.htm#what-is-the-eib](http://www.eib.org/infocentre/faq/index.htm#what-is-the-eib)

borrowing Associations without adding further credit margins. THFC covers its initial and on-going costs by charging a front-end fee and an annual agency fee<sup>26</sup>.

20. In early 2009, THFC successfully completed a £100m tranche of EIB funding of behalf of eight of its customers. Five of these EIB funding recipients were new customers, significantly one of which was Clanmil Housing Association in Northern Ireland. This represented the THFC's first lending facility to a Housing Association in Northern Ireland. Clanmil secured £15m of the EIB £100m loan to help finance housing regeneration projects, providing around 238 new homes across Belfast (i.e. Ormeau Road, Pilot Street and Sunningdale Gardens)<sup>27</sup>.

21. In September 2009, THFC announced that it had secured a further tranche of £345m from the EIB to long-term fund housing regeneration projects across the UK<sup>28</sup>. In total, £30m of this tranche was allocated to Housing Associations in Northern Ireland:

▪ Fold Housing Association	£8m
▪ Helm Housing Association	£5m
▪ North & West Housing Association	£5m
▪ Oaklee Housing Association	£5m
▪ Trinity Housing Association	£7m <sup>29</sup>

### **BOND FINANCE**

22. It has become increasingly common for Housing Associations to access funding from the bond market. But what are bonds? Put simply, a bond is essentially “a tradable IOU. Governments, companies and other organisations issue bonds to raise money; in doing so they have an obligation to repay the bondholder according to specific terms. Once issued, bonds – including the right to receive the issuer’s payments – can be traded on established markets. In most cases, a bond is redeemable at face value on a particular date, and has a fixed rate of interest that is paid at regular intervals through to maturity”<sup>30</sup>.

23. For example, if company A sells to investor B £100m of 30 year bonds with an interest value of 6%, it will pay the investor 6% of £100m annually for 30 years, Investor B will then redeem the £100m at the end of that period. As illustrated in the remainder of this section, some Housing Associations are large enough to issue bonds in their own names, smaller associations can access bond finance through THFC which issues bonds on behalf of groups of associations<sup>31</sup>.

24. In March 2010, it was announced that a group of three Housing Associations in Northern Ireland had become the first social landlords in Northern Ireland to access funding from the bond market. Helm Housing, North and West Housing

<sup>26</sup> See [www.thfcorp.com/eib\\_funding.htm](http://www.thfcorp.com/eib_funding.htm)

<sup>27</sup> Clanmil Housing Association. ‘Clanmil secures £15m from European Investment Bank to deliver new housing projects across Belfast’. 14 January 2009. [www.clanmil.org/newsarchive.php](http://www.clanmil.org/newsarchive.php)

<sup>28</sup> The Housing Finance Corporation News Release. ‘THFC announces £345m UK wide regeneration investment funded by the European Investment Bank (EIB)’. 24 September 2009.

<sup>29</sup> Inside Housing. ‘THFC allocates £345m European loan’. 8 December 2009. [www.insidehousing.co.uk/story.aspx?storycode=6507684](http://www.insidehousing.co.uk/story.aspx?storycode=6507684)

<sup>30</sup> Definition taken from the Financial Times Lexicon.

<sup>31</sup> Example extracted from Inside Housing, Jargon Buster. [www.insidehousing.co.uk/story.aspx?storycode=6503679](http://www.insidehousing.co.uk/story.aspx?storycode=6503679)



Association and Belfast Community Housing Association joined two other Housing Associations in the THFC's latest £72.25m club bond deal. Helm Housing and North and West are to receive £10m each from the deal and Belfast Community Housing will receive £1m (South East England based Paradigm Housing Group will receive the largest portion of the funding totally £50m, with the remainder being allocated to Welsh association Taff Housing)<sup>32</sup>. The deal was reported to be twice over-subscribed by investors interested in the bonds. THFC state that the transaction demonstrates the attraction of bond aggregation vehicles to small and medium sized HAs in that *"at one end of the spectrum, Belfast Community Housing Association, with only £1m participation, was able to benefit from similar bond terms to a much bigger HA like L&Q by utilising THFC as a route to market"*<sup>33</sup>.

25. In addition to THFC, other lending institutions have become interested in Housing Association bonds. In September 2009, for example, Lloyds TSB completed its first housing association bond deal, raising £175m for Sovereign Housing Association (south/south-west England)<sup>34</sup>. The largest amount of bond finance raised by a Housing Association was £300m by London and Quadrant (L& Q - a London-based Housing Association with 63,000 homes). It is reported that the 30 year repayment deal was three and a half times over-subscribed within an hour of hitting the markets. The money raised will support development plans for 10,000 homes over the next five years<sup>35</sup>.

#### **CHARITY AND ETHICAL BANK FINANCE**

26. In December 2009 it was announced that Abbeyfield Housing Association in Northern Ireland had invested 'a substantial six figure sum' of reserves in [Charity Bank](#) to help the bank lend to local voluntary and community organisations<sup>36</sup>. Charity Bank is the only regulated bank in the UK which is also a registered charity. It uses the vast majority of investors' savings to support charities, voluntary organisations and social enterprises<sup>37</sup>.
27. A number of housing associations in England have also borrowed from ethical bank Triodos. Triodos is a public bank based in the Netherlands with offices in the UK. The bank primarily restricts its lending to businesses judged to be of social or environmental benefit. Triodos agreed nearly £100m of new loans with housing associations during 2009, making lending to associations the bank's largest growth area during this period<sup>38</sup>. It is reported that Triodos will not lend more than £30m to individual housing associations, which may rule out the largest housing associations. Rather it seeks to focus its attention on small to medium housing associations with around 6,000 homes or fewer. With regards to

<sup>32</sup> Inside Housing. 'Northern Irish trio in £72m club bond'. 26 March 2010.

<sup>33</sup> THFC News Release. 'THFC £72m Bond Tap breaks new boundaries'. 18 March 2010.

<sup>34</sup> Inside Housing. 'Sovereign raises £175m through bond issue'. 7 September 2009.

[www.insidehousing.co.uk/story.aspx?storycode=6506250](http://www.insidehousing.co.uk/story.aspx?storycode=6506250)

<sup>35</sup> London and Quadrant News Release. 'Debut bond issue attracts over £1bn in subscriptions. 19 January 2010 [www.lqgroup.org.uk/services-for-residents/media-centre/press-releases/2010/1/19/landq-debut-bond-issue-attracts-over-1billion-in-subscriptions](http://www.lqgroup.org.uk/services-for-residents/media-centre/press-releases/2010/1/19/landq-debut-bond-issue-attracts-over-1billion-in-subscriptions)

<sup>36</sup> Northern Ireland Federation of Housing Associations. 'Abbeyfield Housing Association Invests in Charity Bank'. 30 November 2009. [www.nifha.org/press-room/index.php/123/](http://www.nifha.org/press-room/index.php/123/)

<sup>37</sup> For further information on the Charity Bank see [www.charitybank.org/About\\_Us/Who\\_we\\_are.aspx](http://www.charitybank.org/About_Us/Who_we_are.aspx)

<sup>38</sup> Inside Housing. 'Ethical bank lends £100m to housing'. 19 March 2010. [www.insidehousing.co.uk/story.aspx?storycode=6509037](http://www.insidehousing.co.uk/story.aspx?storycode=6509037)

the capacity of the banks to compete with the high street banks, the head of business at Triodos is reported to have stated that , ‘*On pricing and margins the fact that we are well capitalised makes us very competitive..... The most logical way to explain that is that we lend against a base rate. Historically the main high street banks have always lent against Libor, [the rate at which banks lend to each other] which is currently significantly higher than the base rate.*’<sup>39</sup>

### **TAX INCREMENT FINANCING**

28. Tax Increment Financing (TIF) is a mechanism for funding urban regeneration pioneered in the US, it is sometimes known in the UK as ‘local tax reinvestment programmes’. TIF uses anticipated increases in tax revenues to finance current improvements (such as new or improved infrastructure) that are expected to generate those increased revenues. Put simply, “*TIF works on the principle that the supply of new or improved infrastructure usually leads to both new development and to an increase in the value of surrounding property, both of which serve to increase the level of property taxation in the area. Within a designated TIF district, this anticipated increase taxation (the ‘tax increment’) is captured and used to fund the infrastructure that has been provided. Financing debt issued to pay for the project utilising increased tax revenues can take up to 20-25 years, but in some cases the timeframe can be much shorter*”<sup>40</sup>.

29. A recent report by the British Property Federation (BPF) entitled ‘[Tax Increment Financing: A new tool for funding regeneration in the UK?](#)’ highlights that TIF has been used in the US since the 1950s (particularly in cities such as Chicago) to fund urban renewal, affordable housing, pollution clean-up and public infrastructure projects such as roads and sewerage. The report sets out the potential steps involved in a TIF project, in short it requires:

- The passage of enabling legislation which provides the necessary powers and defines the criteria under which TIFs can operate.
- Interest in establishing a TIF zone/area/district that might come from a business or from the development arm of a local authority. Redevelopment plans are put together along with an estimate of the impact of the project on property values and tax revenues.
- A detailed study to be undertaken to demonstrate how the area meets the criteria for setting up a TIF as defined by the enabling legislation. The study also defines the boundaries of the TIF district and must demonstrate that the purpose of the TIF is ‘regeneration’ and that other means of financing the project have been explored.
- A redevelopment agency needs to be created by the local authority and a development plan for the TIF area is prepared. The TIF vehicle/local authority starts the task of marketing the area to potential developers.
- Typically, a local authority will issue bonds to purchase several pieces of undeveloped land/land in need of regeneration. It will clear the land and prepare it for sale by installing water and sewerage infrastructure, and will sell or give the land to a developer at less than cost. The bonds principal and interest will be paid by the tax increments<sup>41</sup>.

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<sup>39</sup> Inside Housing. ‘Ethical expansion into housing finance’. 1 August 2008.  
[www.insidehousing.co.uk/story.aspx?storycode=6500624](http://www.insidehousing.co.uk/story.aspx?storycode=6500624)

<sup>40</sup> British Property Federation (2008) Tax Increment Financing: A New Tool for Funding Regeneration in the UK?, p3.

<sup>41</sup> Ibid, pp5-6.

30. According to the BPF report the extra property tax revenue generated within a designated TIF area is usually deposited in a special fund which is then used to pay for public improvements within that area. Once the cost of the redevelopment is met and associated debt repaid, the 'ring-fencing' of the additional property taxes is removed and the property taxes can then be spent anywhere in the local authority's area. The report stresses that public consultation (including local business leaders and neighbourhood groups) and political buy-in are crucial to the process. Developer financing can be an alternative to TIF-backed bonds. These work on the basis that a developer takes a 'promise to pay' from the relevant local authority/TFI district and is then reimbursed for the project costs over the life time of the note. Where this approach is used, BPF highlight that the risk associated with the delivery of tax increment is passed on to the developer who may, in turn, recognise that additional risk in his pricing<sup>42</sup>.
31. The BPF report sets out what it perceives are a number of advantages and disadvantages to TIF and these are summarised in the Table below.

**Table 1: Advantages and Disadvantages of Tax Increment Financing (extracted from British Property Federation report on TIF)**

Advantages of TIF	Disadvantages of TIF
<ul style="list-style-type: none"> <li>▪ A mechanism to raise money for redevelopment without having to deplete general revenues or accept funding from central government.</li> <li>▪ Private Investors have a tax exempt bond that generates tax-free returns.</li> <li>▪ Property owners in the district may see their property values rise after the development.</li> <li>▪ Public improvements can be created without increasing the burden of property taxes on existing tax payers as TIF enables local authorities to use funds that would not have been generated without the TIF district.</li> <li>▪ As well as stimulating economic activity within the TIF district itself, a TIF might increase economic activity in surrounding areas which will be taxed at full value.</li> </ul>	<ul style="list-style-type: none"> <li>▪ TIFs may not necessarily create new jobs but simply move existing jobs into new facilities. However, this criticism would also apply to almost any type of area based regeneration vehicle, such as enterprise zones.</li> <li>▪ Borrowing against projected TIF revenues may be overly optimistic and may lead to financial problems if growth does not match projections. The potential impact of insufficient TIF revenues depends on how the risk is allocated between investors, the local authority and the developer.</li> <li>▪ Residents who are not included in, or are not located near, the TIF district could be perceived as losing out under the system. Since the increased tax receipts do not go to the city, any increased service needs in the targeted area may have to be financed by non-TIF district residents and businesses through increased taxes.</li> <li>▪ Originally used to help revive deprived areas, TIFs now appear in affluent neighbourhoods subsidising high end housing developments and shopping malls.</li> <li>▪ Since most US cities are using TIFs,</li> </ul>

<sup>42</sup> Ibid, p7.

	cities find it hard to attract new developments without tax breaks.
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32. The TIF model has been explored in a recent study by PricewaterhouseCoopers commissioned on behalf of the Core Cities Group (a network of England's major regional cities - Liverpool, Birmingham, Bristol, Leeds, Manchester, Nottingham, Newcastle and Sheffield). The report '[Unlocking City Growth Interim Findings on New Funding Mechanisms](#)' provides a review of the potential costs and benefits of using new and existing funding tools to deliver major regeneration projects. The report introduces a new concept of 'Accelerated Development Zones' (ADZs) based on the principles that underpin TIF in the US, i.e.<sup>43</sup>:

- ADZs would be defined as physical areas, consisting of either a single or multiple administrative area linked by a common infrastructure requirement;
- Within ADZs local authorities could retain new business rates that are supplementary to the existing revenues for the area and securitise that income to raise funding for upfront infrastructure investment;
- Business rate growth would be captured and reinvested, e.g. for a maximum of 20 years or more until finance raised to invest upfront enabling infrastructure is paid; and
- There would be no blanket entitlement to use ADZs, but cities would be required to make a case to central government so that zones create maximum impact.

33. Key to the success of TIFs/ADZs is further financial devolution from central government to local governing bodies such as local authorities (e.g. in the form of controlling and retaining local business rates). In England there has been a move towards giving local government the tools to support growth and the flexibility to attract investment into their areas through developments such as the Business Rate Supplement and the Community Infrastructure Levy. In addition to this, there has been a commitment by Government to examine the framework and legislative changes that would be needed to implement TIF<sup>44</sup>.

### **PRUDENTIAL BORROWING**

34. On the 15 January 2009 the Committee received a briefing from the Minister for Social Development on the outcome of the December Monitoring round and the future of the housing programme. One of the issues raised by the Minister during the briefing was the capacity for local authorities in England and Wales to access loans for capital programmes through the prudential borrowing powers set out in the Local Government Act 2003<sup>45</sup>. These powers permit councils to access private finance without the consent of central government, providing that they remain within their affordable borrowing limits. An Assembly Research [briefing](#)

<sup>43</sup> PricewaterhouseCoopers (2008) Unlocking City Growth Interim Findings on New Funding Mechanisms., pp5-6. [www.corecities.com/dev07/Publications/Unlocking\\_City\\_Growth\\_web.pdf](http://www.corecities.com/dev07/Publications/Unlocking_City_Growth_web.pdf)

<sup>44</sup> Department for Communities and Local Government. 'Pre-Budget Report 2009 – A fair outcome and a clear challenge for local government'. 10 December 2009. [www.communities.gov.uk/news/localgovernment/1408894](http://www.communities.gov.uk/news/localgovernment/1408894)

<sup>45</sup> Northern Ireland Assembly. Committee for Social Development Minutes of Proceedings. 15 January 2009. [www.niassembly.gov.uk/social/2007mandate/minutes/2008/090115.htm](http://www.niassembly.gov.uk/social/2007mandate/minutes/2008/090115.htm)

which has been previously presented to the Committee explores the issue of prudential borrowing in some further detail. Provided below is a brief recap of some of the issues<sup>46</sup>.

#### AN OVERVIEW OF PRUDENTIAL BORROWING IN GREAT BRITAIN

35. The [Local Government Act 2003](#)<sup>47</sup> introduced new financial freedoms and flexibilities for local authorities in England and Wales. The Act provides local authorities with the power to borrow money to invest in capital works and assets providing the cost of borrowing is affordable and in compliance with principles set out in the CIPFA<sup>48</sup> endorsed '[Prudential Code for Capital Finance in Local Authorities](#)'<sup>49</sup>. Under the Act, local authorities are permitted to borrow from either private sector sources, such as commercial banks or bonds, or from the [Public Works Loans Board](#) (PWLB)<sup>50</sup>. The Local Government in Scotland Act 2003 introduced a similar prudential borrowing framework for local councils in Scotland. There is currently no prudential borrowing regime for councils in Northern Ireland.
36. The use of prudential borrowing by local authorities has increased steadily since its introduction. For local authorities in England and Wales, for example, prudential borrowing has increased from £987m (7% of total spend) in 2004/05 to £2768m (15.1% of total spend) in 2006/07. The number of local authorities using prudential borrowing also rose during this period from 189 local authorities in 2004/05 to 248 in 2006/07<sup>51</sup>.
37. Many local authorities use the prudential borrowing framework to meet their obligations under the Decent Homes Standard. However, the Chief Executive of the Homes and Communities Agency (HCA) has also called on local authorities to use prudential borrowing to fund major social housing developments<sup>52</sup>. Portsmouth City Council has set up a company called 'Portsmouth Social Housing' to build around 400 social housing units. Up to 50% of the subsidy for this programme is funded by the HCA with the rest of the money made up from different 'pots' including prudential borrowing<sup>53</sup>.

#### PRUDENTIAL BORROWING AND THE NIHE

38. Under current Treasury rules, the Northern Ireland Housing Executive, as a non-Departmental Public Body (NDBP), does not have the freedom to access a

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<sup>46</sup> Northern Ireland Assembly Research and Library Services (2009) The Potential Use of Prudential Borrowing by the Northern Ireland Housing Executive.

[www.niassembly.gov.uk/io/research/2009/3509.pdf](http://www.niassembly.gov.uk/io/research/2009/3509.pdf)

<sup>47</sup> Local Government Act 2003, [www.opsi.gov.uk/acts/acts2003/ukpga\\_20030026\\_en\\_1](http://www.opsi.gov.uk/acts/acts2003/ukpga_20030026_en_1)

<sup>48</sup> The Chartered Institute of Public Finance and Accountancy (CIPFA).

<sup>49</sup> For further details of the Code and related Guidance see

[www.cipfa.org.uk/pt/prudential\\_framework.cfm](http://www.cipfa.org.uk/pt/prudential_framework.cfm)

<sup>50</sup> The Public Works Loans Board (PWLB) is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. At present nearly all borrowers are local authorities requiring loans for capital purposes. Loans are drawn down from the National Loans Fund and interest rates are determined by the Treasury. For further information see the PWLB website [www.dmo.gov.uk/index.aspx?page=PWLB/Introduction](http://www.dmo.gov.uk/index.aspx?page=PWLB/Introduction)

<sup>51</sup> Local Government Association (2007) Funding innovation: local authority use of prudential borrowing, p1. [www.lga.gov.uk/lga/aio/22386](http://www.lga.gov.uk/lga/aio/22386)

<sup>52</sup> Public Service news article, 'Start borrowing to build houses, councils are told'. 30 January 2009. [www.publicservice.co.uk/feature\\_story.asp?id=11220](http://www.publicservice.co.uk/feature_story.asp?id=11220)

<sup>53</sup> Improvement and Development Agency (IDeA) article, 'Constructing through the credit crunch' [www.idea.gov.uk/idk/core/page.do?pageId=9419118](http://www.idea.gov.uk/idk/core/page.do?pageId=9419118)



prudential borrowing regime. The Department for Social Development has indicated that it has had some discussion with the Department for Finance and Personnel in order to explore the potential for devising a means of alleviating such rules with regard to the NIHE. The greatest immediate hurdle for the Northern Ireland Housing Executive in gaining access to commercial borrowing or a framework similar to prudential borrowing in Great Britain, is the amendment of Treasury rules. This has the potential, if indeed it is at all possible, to be a complex and time intensive process which could involve legislative changes and the formulation of a regulatory regime.

#### **ALTERNATIVE HOUSING DELIVERY MODELS: THE NATIONAL HOUSING TRUST INITIATIVE IN SCOTLAND**

39. The National Housing Trust (NHT) is a new housing initiative in Scotland aimed at increasing affordable housing supply from limited public resources. Launched in March 2010, the initiative is a joint collaboration between Scottish Government, ten Local Authorities and the Scottish Futures Trust (a Government-owned company set up to improve public infrastructural investment. It aims to create at least 1,000 affordable homes for rent and sustain a similar number of jobs, thereby stimulating Scotland's house building industry<sup>54</sup>. The purpose of NHT is to kick-start activity on mothballed housing sites and it is expected to lever in £130m in extra housing investment.

#### **HOW WILL THE SCHEME WORK?**<sup>55</sup>

40. Local authorities will work in co-operation with housing developers to build and let houses in areas of high demand, the houses will be let at mid market rents for five to ten years and the developer would oversee an agent who would manage the homes and carry out maintenance and repairs. Homes would be allocated to tenants based on criteria agreed with the Council.

41. It is proposed that the NHT will procure new build homes primarily from developers. Once a bid from a developer or other private sector partner is accepted onto the scheme, they will complete the homes on their site to agreed standards and timescales. Special Purpose Vehicles (SPVs) will be established to oversee progress on each site or group of sites. The SPVs will comprise of a management committee involving the developer, council and a representative from the NHT. Once the homes are completed it is envisaged the SPV will buy the homes by paying 65% of an agreed purchase price to the developer upfront. This will be funded by participating councils who will most likely borrow money from the Public Works Loan Board (i.e. prudential borrow). The loans will be underwritten by the Scottish Government who will provide a guarantee to participating councils that they will intervene if the SPV is unable to pay its outstanding debts to the local authority. The remaining 35% will be contributed by the developer as a mixture of loan funding (e.g. 5% loan) and equity investment (e.g. 30% equity investment).

42. Each SPV's rental income would be used to pay the interest on the local authority's loan, the interest on the loan from the developer, and agent fees (in respect of managing and maintaining the homes). After five to ten years the

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<sup>54</sup> Scottish Futures Trust. 'More affordable homes and jobs'. 29 March 2010.

[www.scottishfuturestrust.org.uk/news.asp?id=17](http://www.scottishfuturestrust.org.uk/news.asp?id=17)

<sup>55</sup> Extracted from the Scottish Government website, [www.scotland.gov.uk/Topics/Built-Environment/Housing/supply-demand/nht/HousingTrust](http://www.scotland.gov.uk/Topics/Built-Environment/Housing/supply-demand/nht/HousingTrust)



developer will be expected to sell the homes, however, the relevant local authority would have a right to buy some or all of the homes for the market value at that time. If it does not wish to do so then the developer could choose to sell the homes which could include giving existing tenants the right to buy their home at market value.

43. This model has a number of perceived benefits<sup>56</sup>:

- Meeting housing needs in areas of high demand including helping reduce waiting lists. The rent levels will be set at levels which are manageable for people on low to moderate incomes who would otherwise struggle financially to buy a home or rent from the private sector. The scheme could be adaptable to house some homeless households as well as offering choice to others on the social housing waiting lists.
- It will restart construction work on mothballed or stalled developments, assisting the developer's cash flow and helping to ensure other construction projects can continue. The Scottish Government estimate that around 1,100 jobs could be sustained for every 1,000 new homes provided by the NHT.
- It could take advantage of the current economic situation where lenders and developers are unable to secure the returns they would previously have obtained from a standard sale of the site or homes.
- Public funding is recycled, rather than "spent" as grant which, provided the risks are not greater than assumed, returns funds to the public purse for future investment.
- It could make a step change in providing a larger scale, professional, high quality private rented sector for lower income families.

#### **LOCAL ASSET BACKED VEHICLES**

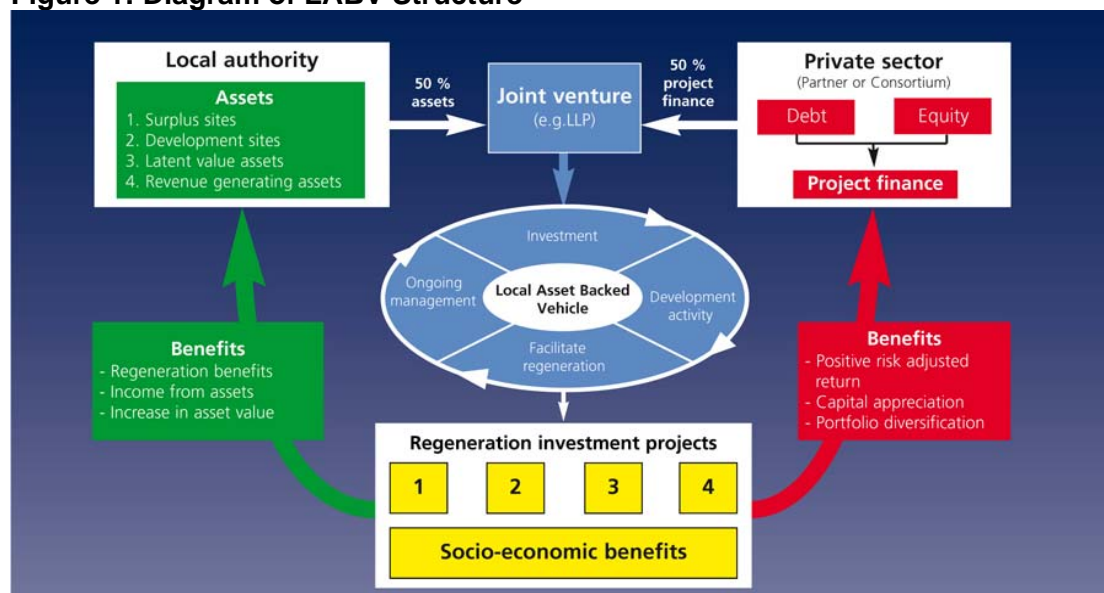
44. Local Asset Backed Vehicles (LABVs) are long-term special purpose vehicles owned 50/50 by public and private sector partners with the specific purpose of carrying out large regeneration projects. The public sector invests property assets (e.g. land or buildings) into the vehicle which are matched in cash by the private sector partner. The partnership may then use these assets as collateral to raise debt financing. Assets will revert back to the public sector if the partnership does not progress them according to pre-agreed timescales<sup>57</sup>. The diagram in Figure 1 provides an illustration of the various components of an LABV.

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<sup>56</sup> Information extracted from "Scottish Government Housing Supply Unit (2009) National Housing Trust: Summary of Proposals. [www.scotland.gov.uk/Topics/Built-Environment/Housing/supply-demand/COSLA](http://www.scotland.gov.uk/Topics/Built-Environment/Housing/supply-demand/COSLA)

<sup>57</sup> Definition extracted from Grace, G. & Ludiman, A. 'Local Asset Backed Vehicles: The potential for exponential growth as the delivery vehicle of choice for physical regeneration in Vol 1, 4, 341-353, Journal for Urban Regeneration and Renewal. 13 December 2007. [www.lailondon.org/publications/LABVs%20Grace%20Ludiman%20Academic%20Paper.pdf](http://www.lailondon.org/publications/LABVs%20Grace%20Ludiman%20Academic%20Paper.pdf)

Figure 1: Diagram of LABV Structure<sup>58</sup>



45. For LABVs to function effectively it is suggested that cities need to identify a pipeline of major projects; develop a mixed portfolio of assets to put into the vehicle; undertake economic modelling; and build management capacity and stable political support. However, LABVs may not be appropriate for every city, it is suggested that some cities may not yet have the diverse project 'pipeline' necessary, or may not have the right mix of valuable assets or the willingness to pull those assets in a public-private finance vehicle<sup>59</sup>.

46. Some of the perceived benefits of LABVs include<sup>60</sup>:

- **Unlocking significant additional investment for urban regeneration projects** – by encouraging local authorities and other public bodies to make best use of their assets (without necessarily giving up those assets) increased investment from the private sector for urban development can be secured.
- **Creating a 'self-sustaining cycle' of regeneration funding** – by packaging assets and developing them sequentially allows for the establishment of revenue streams that support development over time. LABVs are said to provide returns to both the private and public sector partners with a share of the profits being reinvested in future urban regeneration programmes.

<sup>58</sup> Diagram extracted from Lambert Smith Hampton website  
[www.lsh.co.uk/pages/views\\_detail.asp?id=112&q=](http://www.lsh.co.uk/pages/views_detail.asp?id=112&q=)

<sup>59</sup> Marshall, A. & Harrison, B. 'Cities in the driving seat'. Local Government Chronicle. 22 October 2007.

<sup>60</sup> Extracted from PricewaterhouseCoopers (2007) City Solutions: Delivering Local Growth, p8.  
[www.centreforcities.org/assets/files/pdfs/071126LABVPaperBHAM.pdf](http://www.centreforcities.org/assets/files/pdfs/071126LABVPaperBHAM.pdf)

- **Helping raise the standard of management for regeneration projects** – by ensuring that the public and private sector engage with one another, LABVs offer the potential for public bodies to draw on the skills of the private sector, improving efficiency in asset management and enhancing leadership, creativity and delivery for projects at a local level.
47. LABVs are already operational in a number of regions in GB, one example of which is [ISIS](#) Waterside Regeneration. ISIS was formed in 2002 by British Waterways (a public corporation responsible for maintaining 2,200 mile network of canals and rivers in England and Wales) and a number of private sector investors (including igloo who manages a regeneration fund of Aviva Investors and Muse Developments a UK company specialising in mixed-use urban regeneration schemes) along waterways. The aim of ISIS is to provide a choice of housing, businesses and leisure amenities around land and water and 50% of ISIS profits are invested back into British Waterways. Some illustrative examples of ISIS regeneration projects include:
- [Granary Wharf \(Leeds\)](#): a new development of retail units, a hotel and apartments next to the waterfront includes restoration of the waterway including the refurbishment of boating docks and new boating facilities. Affordable apartments available through the Homebuy Direct Scheme, an equity loan scheme co-funded by the Government and ISIS which helps first time buyers purchase a new home by funding an equity loan of up to 30% of the purchase price.
  - [Glasgow Canal Regeneration](#): a partnership between ISIS and Glasgow City Council which aims to regenerate areas along Forth and Clyde Canal by 2020. Projects include Maryhill Locks (the creation of 700 new homes for mixed tenure on land previously occupied by inter-war tenements), bringing a redundant public bar back into use, sculptures and other artwork, a state of the art leisure centre, the promotion of festivals and other cultural events.
48. Another form of LABVs are the [Local Housing Companies \(LHCs\)](#) which operate in England. A LHC is a joint venture between a local authority and private developers, the local authority ‘invests’ land in the new company and the private developers and other investors providing house building expertise and funding that matches the value of the land. The LHC is jointly owned with both parties sharing the risks and benefits of the development process. Around half of all new homes built by LHCs should be for affordable sale or rent. The Homes and Communities Agency led an LHC pilot project in November 2007 with 14 participant local authorities and the LHCs were expected to begin development activity during 2009/2010. However, this timetable coincided with the recession and as yet no LHCs have yet been delivered although a number are at an advanced stage of development.
49. The costs associated with setting up LHCs, both in terms of financial costs and time costs, are seen as one of their main drawbacks. They are also viewed as a vehicle which is perhaps best suited to larger metropolitan boroughs rather than rural districts. It has been suggested that LHCs have been a victim of timing, launched during economically buoyant times in 2007 their development has been effected by the slump in the property market and a curb on lending. However, given that there may be anticipated further reduction in Government spending

post 2011 it is likely that local authorities will continue to be interested in exploring other alternative joint venture models for financing affordable housing<sup>61</sup>.

### **DEVELOPER CONTRIBUTIONS**

50. Developer contributions have been used to deliver affordable housing in England, Wales, Scotland and the Republic of Ireland (RoI). The Committee has already considered a Research and Library Service [Research Paper](#) which provided information on the legislation and policy in place that governs developer contributions in these jurisdictions.

51. Some key findings from case studies and evaluations in GB and RoI that are examined in further detail in this paper include the need for a:

- clear policy framework that provides consistency;
- housing needs analysis;
- dedicated trained skills team to take part in negotiations with developers;
- model that provides a framework for negotiation that provides all parties with an understanding of what is to be achieved in individual negotiations;
- housing associations to be involved from the start of the process;
- effective monitoring systems to ensure that agreements are being delivered; and
- A more pro-active approach to procuring developer contributions by local authorities<sup>62</sup>.

52. The Committee may wish to reconsider the previous Assembly Research Paper on developer contributions and may wish to consider revisiting the issue of developer contributions including seeking further information on the latest developments in other jurisdictions.

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<sup>61</sup> Nabarro LLP (2010) Opening Doors: The potential of joint ventures to deliver new homes via Local Housing Companies. [www.nabarro.com/Downloads/Opening%20Doors%20-%20The%20potential%20of%20joint%20ventures%20to%20deliver%20new%20homes%20via%20Local%20Housing%20Companies.pdf](http://www.nabarro.com/Downloads/Opening%20Doors%20-%20The%20potential%20of%20joint%20ventures%20to%20deliver%20new%20homes%20via%20Local%20Housing%20Companies.pdf)

<sup>62</sup> Northern Ireland Assembly Research and Library Service (2008) Developer Contributions in the Delivery of Social and Affordable Housing. [www.niassembly.gov.uk/io/research/2008/12908.pdf](http://www.niassembly.gov.uk/io/research/2008/12908.pdf)