



Insight on

Maximising the
potential in
housing stock

INSIGHT 2

The John Rowan & Partners magazine

Autumn edition 2011



John Rowan & Partners
Construction Consultants
www.jrp.co.uk

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Everyone's Talking About: retrofit post occupancy

QUOTE
OF THE
MONTH

"It is time property stood up for itself. The industry can be one of the drivers for future growth, but not if occupiers, developers, and homeowners are stifled by a planning system that has spiralled out of control."

Giles Barrie,
Editor-in-Chief
at Property Week

Send us your views on the 'quote of the month.'
Email: ichisholm@jrp.co.uk

STAT OF THE MONTH

In April 2012 the scrapping of the HRA will see the majority of town halls in England take on a share of the existing £21 billion national housing debt based on the number of properties they own. Based on published research



John Rowan & Partners
Construction Consultants

John Rowan & Partners are global construction consultants specialising in the delivery of cost management, project management, building surveying, health and safety, planning, sustainability advice, information systems and asset optimisation services to all areas of the construction and property industry.

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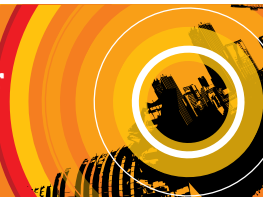


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STEPHENGEE ON THE SPOT

INDUSTRY NEWS/
VIEWS/OPINIONS



Welcome to the autumn 2011 edition of Insight. Now a year on from the Comprehensive Spending Review, this edition focuses on the housing market and how it is holding up.

2011 has brought

some great

achievements

for us as a

business in

winning Building

Consultancy of

the year

Due to government spending cuts and private sector investment remaining cautious, there is certainly still a lack of investment in the housing sector. This has meant that many organisations built on a longstanding and traditional business model are having to evolve to develop new ways of working and create innovative business models in order to progress – something which in the end may be seen as positive.

The ongoing argument of new build versus refurbishment is as strong as ever and the government has launched a range of incentives to encourage both, including the New Homes Bonus, Green Deal and Affordable Rent. Most in the industry would however agree that getting these ideas to work in the market has yet to be fulfilled and a greater understanding of how they should fit into everyday projects needs to be developed.

It's certainly not all doom and gloom, the announcement by the government to release public land is long awaited news. It's now important that it doesn't forget the end goal and ensures that this land is available for affordable housing landlords and not priced so that the emphasis will only be on private developers.

We have also seen encouraging signs of growth from working on large scale redevelopments like the A2Dominion Group/Rydon Green Man Lane regeneration and One Housing Group's Bollo Lane scheme. We have also made a transition from focusing on Decent Homes work to helping landlords manage their existing housing stock and retrofitting properties for the future. Our work with South Essex Homes, for example, has helped them to take a strategic approach to reducing carbon within their existing stock.

2011 has brought some great achievements for us as a business in winning Building Consultancy of the year, the judges praised our "unprecedented level of commitment to our staff and graduate interns" through our initiative The Pledge. We have also again been placed in the Sunday Times Top 100 Companies to Work For and Building Best Employer and have expanded abroad with projects in Europe and New Zealand, along with potential projects in India. I would like to thank everyone who made these achievements possible and we are looking forward to what the future will hold.

STEPHENGEE
MANAGING PARTNER

NEWS

LE PARC'S

3 MONTH

RENOVATION



The end of May 2011 saw the reopening of the 5 star Marriott Renaissance Paris Le Parc Trocadero Hotel, following 3 months of complete renovation overseen by our hotel and leisure team. All bedrooms and public areas, including lobby, bar and courtyard have been redesigned and the hotel now boasts a subtle blend of luxury, charm, class and innovation.

The renovation was steered by architect and designer Jean Philippe Nuel, who aimed to bring together the modern and traditionally romantic appeal of Paris in all aspects of the hotel design.

The nearly century-old hotel has long been a closely guarded secret and was recently awarded its 5th star by the French government after the renovation. Made up of 4 buildings surrounding a central courtyard, the hotel was once a haunt for the social elite of Paris. Alfred Nobel, inventor of dynamite and creator of the Nobel Prize, was known to have enjoyed the hotel's grounds where he had a small laboratory and an orchid greenhouse.

The project required detailed programme management and negotiation with local authorities, architects, designers and contractors to deliver this high quality hotel. Costs were managed using our Purchase Order Manager that was integrated into the FF&E supply chain.



GREENE KING'S

WINNING FORMULA

Greene King has operated pubs and breweries for over 200 years. Growing from its base in Bury St Edmunds, Suffolk, it is now a leading brewer and pub retailer. Its huge portfolio ranges from pubs set on idyllic country roads to locations amongst the bustle of a city centre high street. The combination of successful traditional ale brands and modern forward thinking has created businesses that all play a major role in the Greene King estate.



Its understanding of the market, its innovation and forward thinking has meant the investment by Greene King into Pub Partners, the division involved in running its tenanted and leased pubs, has been all about value for money and maximum impact.

Greene King utilises a 'rota' programme which is a fast track scheme to renovate its pub businesses quickly and efficiently. John Rowan & Partners are providing cost and project management services, together with building surveying and technical expertise such as fire risk and asbestos advice.

By providing these services we are reducing operational impact and ensuring that both Greene King and its tenants are pleased with the quick turn around and high impact solutions. This rolling programme approach means that approximately 100 pubs will be refurbished each year.

In a competitive and challenging trading environment this approach has helped drive revenue and ensure Greene King and its individual tenants stay at the forefront of the industry.

DAVID BARRETT ON RETROFIT



With the well publicised decline in new build housing, it is clear that we don't just need to maintain our housing stock, but we also need to retrofit this stock if it is to be viable in 40 years time. **David Barrett** head of Retrofit at John Rowan & Partners talks about the need for engagement.



**First and
foremost
landlord
education
is key**

A high priority for any landlord will be working out how to improve the energy efficiency of their stock. There are certainly a lot of initiatives to encourage retrofits and energy improvements, but it is not yet clear how these should be utilised to the greatest effect. One task that should be started now, but is rarely mentioned, is gaining resident buy-in for retrofits, gaining consent for works and achieving the lifestyle changes that are integral to achieving real improvements. Without this it will be an uphill struggle for any landlord to not only get the work done on the scale needed, but also to achieve the energy savings post completion.

So what are the challenges?

Funding aside, one of the biggest barriers to retrofits is access to property. The Decent Homes programme has taught us a great deal about resident engagement and building trust and those lessons learnt should be taken forward. You may think that residents would be delighted to have energy improvements made to their homes but often there is a fear of landlord scrutiny and monitoring once in their homes.

We have found a key part of breaking down this fear is by the formation of a resident core group at an early stage in a project's inception. This should be high on any retrofit agenda, to ensure resident buy-in to the programme.

Like any major project a detailed and open consultation exercise should be undertaken in four simple stages: pre planning application, planning, during construction and post completion. Conducting this type of consultation will reduce possible delays during the installation and ensure that every resident, installer and landlord is fully aware of the scope of the works, the impact (on residents and the local area) and what the residents can do to help the process.

What can be done?

First and foremost landlord education is key. For example, we are working in partnership with South Essex Homes and have developed a Housing Energy Strategy which will deliver a tangible and practical plan of improvement for them going forward. This will give them a clear idea of what will need to be undertaken with their residents as well as helping to demonstrate their ongoing commitment to improving the energy efficiency of their housing stock.

Next comes resident education, which has to be integral to any retrofit project moving forward – without this, projects are simply a waste of time and money. The key benefit of involving residents at an early stage is to ensure they understand the opportunity that a retrofit programme presents, the technologies being used and also the basic maintenance of those technologies. This will also help to educate residents in how they can benefit from changing behaviour to minimise the use of electricity.

In days gone by it would be the residents chasing the landlord because they'd noticed that a neighbour had received improvements such as double glazing. What we need now is for the residents to be driving the 'want' for energy efficiency improvements in their homes. To do this we must engage, educate, assess and act. This way we can maximise the resources available and make the most of the housing stock both now and through to 2050.

INSIGHT TALKS TO KEN MORGAN ON ASSET OPTIMISATION



At a time when many affordable housing landlords are feeling the pinch of cuts to public spending, the focus is now on maximising both the potential and the value of their stock.

With funding from Decent Homes programmes soon to be phased out and private investors still reluctant to commit, these organisations must look for new ways of moving forward to meet the demands for affordable housing. According to Inside Housing, there are 1.7 million people on local authority waiting lists in England, with over 350,000 families registered for affordable housing in London alone.

Despite this need for homes, affordable housing landlords are struggling to make the most out of existing stock. A poll of 27 UK Registered Providers found that in attempting to save money over the next 6 months, project cancellations within the public sector would be increasingly common. For example, local authorities look set to cut 71% of projects, while Registered Providers look set to cut 40% of projects.

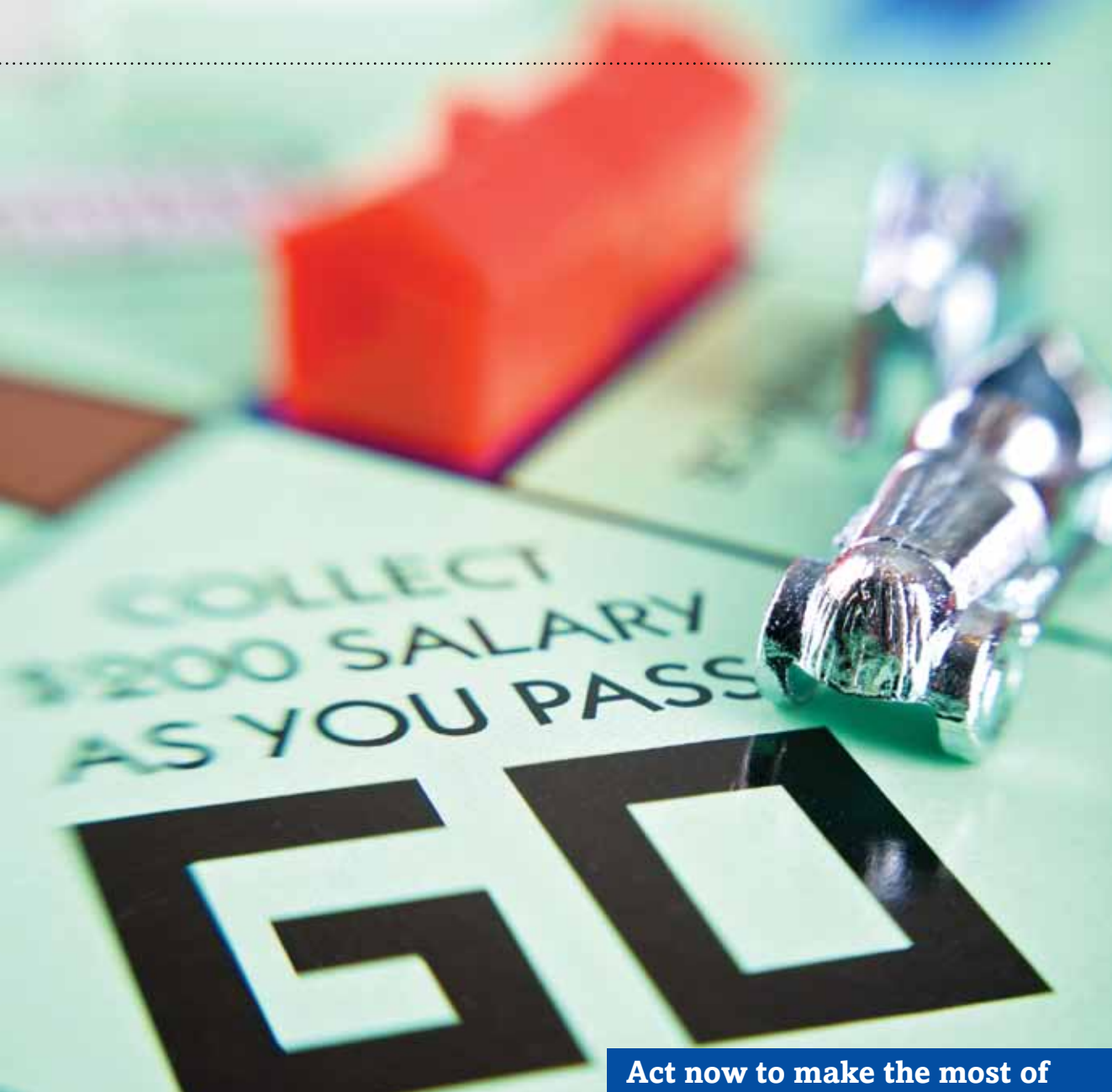
In order to boost revenue, maintenance and planned improvements will need to become a more prominent part of asset management in the future. The National Maintenance Housing Forum recently suggested that 4 out of 5 affordable housing properties will still be in use in 2050. Asset managers will need to make the most of opportunities not only to maintain but also retrofit current stock if it is to be viable for future use.

So what can be done?

The best asset management plans involve an ongoing and structured assessment process, reflecting economic, environmental, demographic and political changes. We are providing guidance for affordable housing clients through our Asset Optimisation model, basing asset performance on 5 key areas: utilisation, maintenance, compliance, investment and sustainability. The model can be applied at any stage of an asset's lifecycle.

**1.7 million
people on local
authority waiting
lists in England**





Act now to make the most of your assets, ensuring that your stock maximises its potential

Why is it important?

Asset models like ours are important to ensure stock portfolios are as efficient as possible. As landlords adjust to the need for self-funding rather than relying on government help, it is important that they understand the link between built assets, business performance and revenue. An analysis of stock distribution, compliance with legislation and sustainability of assets can ensure landlords get the most out of their portfolio. By employing an effective asset model, organisations can ensure that their stock supports their business plan and ultimately increases value for residents and stakeholders alike.

Landlords could be missing out on the opportunity to add value and increase revenue through their asset portfolios. My advice is simple: Act now to make the most of your assets, ensuring that your stock maximises its potential. Only by doing this can we hope to raise the standards of our existing housing stock over the coming years.

INSIGHT ON...

PERSONALISING SOCIAL CARE ACCOMMODATION



Mash Halai, head of Residential Development and Regeneration talks about helping people to live independently.

The government initiative 'Putting people first: a shared vision and commitment to the transformation of adult social care' aims to radically transform the adult social care system in England, responding to demographic challenges including an ageing population and the demand for customised care.

The concept, outlined in the 2007 Budget Report and Comprehensive Spending Review, follows the principles of the Personalisation Agenda currently focused on social care. Individuals are put in the driving seat when it comes to their care accommodation and unique needs. It outlines the government's vision of helping individuals to live independently improving upon the restrictive Community Care legislation of the 1990s by working with individuals, accommodation providers and carers at every stage in the process.

As one of the first to pilot 'personalisation', One Housing Group has developed Bevatone House, a supported housing scheme in East Barnet, London. The site provides fully personalised care and 24 hour support for adults with mental health needs. Residents within the development can request bespoke levels of assistance from the on-site team of support staff.

The development consists of 15 self-contained apartments as well as supporting facilities, all of which enable residents to live day-to-day with minimal intervention.

Other amenities on site include a support office, staff kitchen, sleepover room and communal areas for residents. The construction and design of the building was carefully considered to complement its surroundings, in keeping with adjacent properties.

**the building was carefully
considered to complement
its surroundings**

John Rowan & Partners provided employer's agent, CDM co-ordinator and party wall services for the demolition of an industrial unit and construction of the residential development costing £2.3 million. Since the completion of the project John Rowan & Partners have been reappointed on One Housing Group's 4 year employer's agent, site inspection and CDM co-ordinator framework running until 2015.



THE PLEDGE

Insight talks to **Graeme Manley**
about graduate internships



Q1: What have you been doing since you left university?

I graduated from Southbank University in the summer of 2009 having completed a MSc in Building Surveying. There were very few graduate surveying positions available when I left university and I spent several months cold calling, emailing, and writing to companies asking for employment opportunities or even unpaid work experience.

I was frustrated that I'd done my degree and couldn't continue my development as a building surveyor. So it wasn't until May the following year that I had the opportunity to apply for a three month paid internship at John Rowan & Partners. After the 3 months my internship was turned into a permanent full time contract.

Q2: Did your fellow university colleagues find themselves in a similar position after graduation?

Quite a few of them were out of work for many months and some are still actively trying to pursue building surveying careers. I know of others who have decided they don't want to work in the industry anymore and have gone back to university to do a different degree.

Q3: What were the main things you were doing during your internship?

I was actively involved in all aspects of building surveying. I was encouraged and afforded the responsibility of undertaking a diverse range of activities, normal building surveying roles, specification writing, condition reports, party wall issues, snagging and shadowing on-site meetings. I worked on a residential refurbishment in Clareville Street, defects management at Universal House, and party wall issues with a residential project in Shepherd's Bush.

Q4: What have you enjoyed most during your time so far at John Rowan & Partners?

I've enjoyed it all really, but especially the work on the residential refurbishment at Clareville Street. I've also enjoyed working with the new build housing team on a project on Fortune Green Road. Additionally I have spent 2 months in Paris, working with the hotel and leisure team on the renovation of the Le Parc Hotel.

Q5: What has been your biggest challenge so far?

The biggest challenge for me was Paris, operating in the deep end on a complex project. I'm on a good learning curve and it was a great experience over there. It was a big responsibility but I've had a lot of responsibility from day one; I've been allowed to lead site meetings and pre-commencement meetings for example but always had the support and guidance from my team.

Supported by Building magazine and spearheaded by John Rowan & Partners, The Pledge is an exciting new initiative that unites the UK construction industry in a common commitment to provide internships. For more information please visit www.thepledge.org.uk



CLAREVILLE STREET PRESTIGIOUS RESIDENTIAL PROPERTY IN LONDON



According to Property Week, London property prices are continuing to outperform the UK market average, bolstered by an increase in investment of over 30% on the first quarter of last year.

Research suggests that the London market is seen as a safe bet with the added attraction of low sterling exchange rates and, unsurprisingly, the shortage of properties in London has made refurbishment and extension particularly lucrative.

While we have a strong presence in affordable housing, private restoration and refurbishment is a core focus. John Rowan & Partners were given the opportunity to help significantly increase the capital value of a property within a client's portfolio. The property is in a conservation area which presented specific challenges to the project.

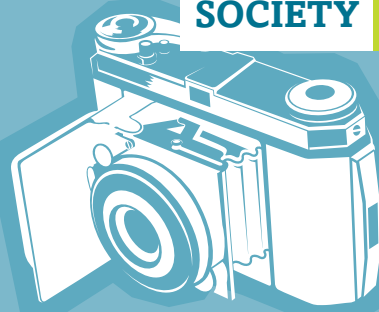
The development and modernisation of the 19th century townhouse in Clareville Street, Kensington, included extensions to the rear and side of the property as well as to the basement. The 18 month project produced a return on investment of 42%, with the property value increasing from £1.85 million to £3.5 million.



We provided numerous services to the project including cost management, CDM co-ordination and party wall advice. The improvements, costing £620,000 increased the internal floor space from 1433ft² to 1819ft². Following the success of this project we are currently helping with the development of another property in Clareville Street. Gurpal Virdee, who led the team in the original development, has recently become a member of the board at John Rowan & Partners.



**The 18 month project
produced a return on
investment of 42%**



Annual sports day



A relaxed team before we won Buildings' Top Consultancy award



Our annual bowling and Greek meal night



The tenacious John Rowan & Partners netball team



IANBLACKER THE LAST WORD

INDUSTRY NEWS/
VIEWS/OPINIONS

Ian Blacker, our head of Planning Advisory Services, finds some encouraging signs for developers in the latest government announcements on planning.

The government's localism agenda has raised significant concerns in the development industry about the potential impact of "nimbyism". Help may now be forthcoming from the unlikely source of the Treasury with a presumption in favour of development.

Many involved in the planning process have endured years of frustration watching proposals for much needed housing (and other developments) founder on the rocks of nimbyism. With the arrival of localism we've seen strategic housing allocations slashed across the country and the prospect of enhanced powers of veto for neighbours of new development causing many to wonder how anything was going to get built in constrained urban locations.

And then came the Budget. Whether a response to concerns about slipping back into recession or to specific criticisms of the Bill itself, the Plan for Growth (published by the Treasury and Department for Business, Innovation and Skills, not the DCLG) committed the government to reintroduce a presumption in favour of (sustainable) development. Whatever the reason, it's good news.

By June the DCLG was on board: Local planning authorities "should plan positively for new development, and approve individual proposals wherever possible". It provided a 3 step approach for planning authorities: Prepare local plans on the basis that objectively assessed development needs should be met; approve development proposals that accord with statutory plans without delay; and grant planning permission where local plans and policies are "absent, silent, indeterminate or out of date".

Just in case the message still wasn't clear, it emphasised that this approach should apply "unless the adverse impacts of allowing development would significantly and demonstrably outweigh the benefits when assessed against the policy objectives in the National Planning Policy Framework taken as a whole". (The NPPF is the single document which will replace all those PPGs, PPSs and Circulars). We've come a long way from the classic Brundtland Commission definition of sustainable development as "meeting the needs of the present without compromising the ability of future generations to meet their own needs".

The government then added a clause to the Localism Bill stating that financial contributions derived directly from new housing development such as the New Homes Bonus and Section 106 Agreement payments will be material considerations in the determination of planning applications.

These are all of course just words and much can change before the Bill becomes law and the news reaches your local planning officer or planning committee member. But every decision developers make should now be influenced by this new planning landscape.

We're not out of the dark yet, but it's just got a lot brighter.

