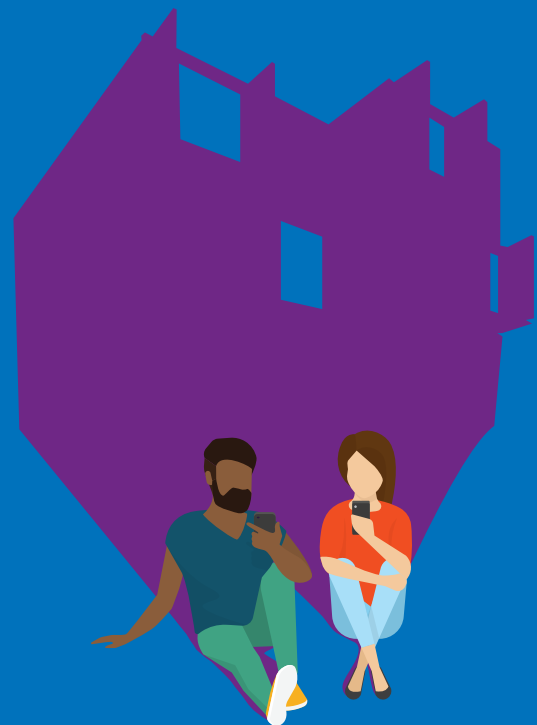




# Reimagine housing: thinking inside the box

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# Let's reimagine

In the last couple of years, shoppers and diners in some of the UK's liveliest cities have begun stumbling across unusual, intriguing new neighbourhoods. Gaps in the dense urban grain have been occupied by temporary buildings, constructed from stacked shipping containers and housing small businesses providing retail, restaurants, events and flexible workspaces.

Bristol's Cargo, for example, provides space for independent retailers; Manchester's Hatch hosts local restaurateurs; in the capital, three Boxpark sites offer food, fashion and nightlife, whilst Pop Brixton blends start-up workspaces with eateries, shops and community events. And new projects are emerging all the time – including schemes planned in Camden, Newcastle and Belfast.

Most of these buildings are designed to be temporary, making productive use of empty sites whilst permanent developments inch their way through the planning system: Pop Brixton, for example, expects to stay on its council-owned site until 2020. Plugging a spatial and temporal gap with an interim development helps maintain a neighbourhood's economic momentum, whilst providing a launchpad for local start-ups that can't afford full market rents.



Whilst the UK's housing and social care crises hit young people, the poor and the elderly, vast tracts of land inch glacially through our sclerotic planning system. But as retailers and restaurateurs are demonstrating, attractive developments can be built from shipping containers – and by taking that model a step further, we could create temporary villages that benefit landowners, communities and public servants alike. //

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# The space to fill

These schemes enjoy low vacancy rates and attract large numbers of visitors: the model demonstrably works in central locations suitable for commercial activity. But there are many more empty plots a little further from transport links and retail centres – and these could be used just as productively. The use, though, would be a different one. Suburban and outlying sites could become ‘temporary villages’, helping to address one of the country’s biggest challenges: our chronic housing shortage.

According to research by economics consultancy ChamberlainWalker, it takes 3.4 to 4.6 years to take a substantial site through the planning process from preparatory work to breaking ground, and an average 2.7 years to complete construction. As well as navigating the many stages of the planning system – which continue, in the shape of pre-commencement conditions, long after formal

approval has been granted – landowners must build supporting infrastructure, commission suppliers, and line up labour and machinery. And even when builders are on site, many large sites are built out in phases to avoid swamping local housing markets – with the last plots remaining empty for years more.

Yet many of these suburban sites are in popular residential areas, within walking distance of public transport links, and connected to essential services. Most lack the footfall to support much commercial or retail activity, but could provide temporary housing – with one-bed or bedsit-style containers stacked around community facilities. And we are desperately in need of this form of entry-level rented accommodation.



# The people to fill it

Britain's high property values have left millions unable to rent or buy a place of their own; but some groups have been particularly badly affected. These include young people and graduates, who find themselves stuck in the parental home or in shared houses; and keyworkers, who often commute long distances from cheaper outlying areas to provide our public services. Many single people and young couples in these situations would jump at the chance of renting a small, relatively cheap flat much closer to the city centre.

At the sharpest end of this problem are low-income and disabled people. Benefits cuts, including caps on housing benefit payments and the transition to the Personal Independence Payments for the disabled, have left many unable to afford private sector rents. And for those who end up on the streets – many with mental health or drug addiction problems – the network of dedicated hostels often present more problems than solutions, including the risks of theft, antisocial behaviour and relapse.

Former rough sleepers with complex and multiple needs are far more likely to rebuild their lives if placed in their own space than in temporary 'halfway homes': the Economist reports that only half of those leaving the streets for halfway houses eventually move onto permanent accommodation, but some 80% of those provided with intensive support to live in their own place are still there a year later. Given the right forms of assistance, container units could provide excellent homes for former homeless and poorer disabled people.

Meanwhile, other groups find themselves trapped in under-occupied housing. Those older people who receive council-funded social care visits, for example, have a strong incentive not to sell up and move into a smaller home: the moment their cash savings exceed £23,250, English and Northern Irish pensioners are required to contribute to care costs (the threshold is £26,500 in Scotland and £30,000 in Wales). As a result, they often remain living in family-sized homes, reducing the number of larger properties on the market. But if the financial barriers could be addressed, then many might prefer to live in a smaller, single-level dwelling, with care provision and a ready-made community on-site.







# Creating a community

Not all of Britain's container buildings host small businesses: in locations including Bristol, Ealing and Wrexham, they've been used to house the homeless. But these developments, which concentrate large numbers of former rough sleepers, can suffer from many of the same problems as halfway homes. And the container village model has far greater potential – lending itself to the creation of mixed communities in which all sides can benefit from organised networks of mutual support.

Building with containers is significantly cheaper than traditional construction – not only in workers and materials, but also because temporary buildings escape the full planning process. This, combined with the high density of developments built from 20- and 40-foot containers, could bring rental values down well below the rates for one-bed flats: many of the units would be let to young professionals and keyworkers unable to afford a traditional home of their own. Others could provide flexible workspaces for freelancers and start-ups, or house local services such as convenience stores.

But there are more potential synergies here. Recent graduates, freelancers, shift workers – including keyworkers such as nurses and firefighters – and the recently-retired could secure discounted rents by pledging some of their time to the community. They'd spend these hours supporting more vulnerable residents of the village – perhaps helping former homeless people with job applications, taking disabled tenants to the shops, or cooking a meal for an elderly person.





# Funding the volunteers

This organised volunteering work would tap into additional funding streams, supporting volunteers' rental discounts. Local authorities and charities could help fund the village's work with former rough sleepers, saving substantial sums by comparison with the cost of B&Bs and hostels; the Personal Independence Payment, Attendance Allowance and Carer's Allowance would subsidise the support offered to the disabled; and for those elderly people able to live on their own with daily support, the volunteer system could offer a more personal service at substantially lower cost.

Taking an example, let's say a one-bed flat in the area costs £1000 a month, and full-rent container units are let at £700. Now a pensioner moves in – leaving their home, where they received two daily 30-minute social care visits, at a cost to the local authority of £500 a month; and resident volunteers provide a similar level of care. There is a cost to training the volunteers in social care work, with courses retailing at about £600. But even if the council absorbs these fees, it can still contribute £250 towards the volunteer's rent over the first year, whilst cutting the cash cost of social care by £200 per month.

Officially, now that the elderly person has sold their house, they should pay for their own social care. But because the council was paying for their care as long as they lived in their own home, it's benefited substantially from their shift to volunteer support: its service cost has fallen by 40%, and another family home has been made available in

the area. Some local authorities might agree to waive care fees as long as service users remain in the village. And where they would not, this model enables people to buy a combined rent and social care package for £1000 a month, or the same cost as a local one-bed rental – minimising the perverse incentives that keep elderly people locked in unsuitable accommodation.

This form of housing might also prove appealing to many of those elderly people who need regular help – or those who simply lack human company – but don't need or qualify for social care. These pensioners could make personal contributions to the village's volunteer pot, in exchange receiving informal support and access to volunteer-led community activities.

The volunteers, meanwhile, would benefit from highly affordable rents: £450, in the example above. Some might choose to take on additional caring responsibilities, trading more time for further rent discounts; and with all their clients living in the village, they wouldn't have to worry about travel times. Others might wish to job-share with another volunteer resident, giving themselves greater flexibility at the cost of a reduced discount. Those with first aid skills, and suitable professionals such as nurses, could receive a separate discount for spending periods 'on call' – ready to respond if elderly, disabled or former homeless residents need urgent help. But all would become an integral part of a diverse, mutually-supportive urban community; an attractive idea to many in our atomised, divided society.





# Building confidence

Landowners would, of course, need to be confident that they could reclaim their property when the time came to erect permanent buildings, or sell the plot on if their plans changed. So leases would have to provide robust break clauses, with the first set at a point after the village is expected to have recouped its installation costs and broken even – perhaps two years.

This sounds like a long time – but with planning processes lasting around four years, a two-year minimum term would leave developers with plenty of headroom. In addition, many landowners acquire property well before entering the formal planning process – perhaps in anticipation that a council masterplan will facilitate later development, or whilst they wait for land values to rise. And in big, phased developments, those plots designated for later construction often remain undisturbed for considerably longer than the 2.7-year average build-

out time. Given the uncertainties in the planning system and housing market, the chances are that many villages – like Pop Brixton, whose three-year lease has been extended for a further three years – could remain for well over the minimum term.

In time, though, developers would need to recover their sites. And here, following a three-month notice period, the modular nature of shipping containers would make the dismantling process relatively straightforward: village managers could simply disconnect their container units, load them onto trucks, and transport them to their next site.



# The delivery model

And who are these village managers? Villages might be run by social enterprises, like Pop Brixton – which rents units to local entrepreneurs, all of whom do voluntary work for community projects. They could be operated by private businesses, like the Boxpark projects in Shoreditch, Croydon and Wembley. Or local authorities might decide to create an arm's length village company, helping to realise the goals of their housing, homelessness, social care, economic development and planning teams.

Either way, planning and construction would probably have to be funded by investments and loans secured against rental income. And village managers would need to work closely with sources of public and voluntary sector funding, ensuring that their volunteer training and management systems meet the needs of service users. Suitable sites could be suggested by local authority planners, identified by central government agencies – most obviously Homes England or the Office of Government Property – or sourced through local chambers of commerce.

For decades, governments have wrestled with the issue of how to bring forward more housing, more quickly; the latest review, by Sir Oliver Letwin, was published in June 2018. But as development sites grow in scale, timelines are actually lengthening.

This is in nobody's interest. Not the landowners, who see their cash tied up in unproductive assets for ever longer periods. Not public bodies, which must catch those who can't afford to buy or rent. And not the millions trapped in unsuitable accommodation.

The container village model provides a way through the problem – ensuring that land meets social and business needs whilst its end use is decided. And by developing container developments as managed, mutually-supportive villages, we could meet three more pressing requirements: those of providing low-cost housing; reducing the cash cost of public services; and satisfying people's desire to live in close, interdependent communities.

We've seen this model work on central sites, boosting local economies and providing a first step for start-up businesses. But it has so much more potential. What are we waiting for?



To discuss this piece in more detail feel free to contact.



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