

THE
GOOD
ECONOMY



Funding Affordable Homes.

Impact Report 2023

October 2023

Headline Results.

As of 30 June 2023



£124.8M
GROSS DEVELOPMENT
VALUE¹



9 SCHEMES, ALL OF WHICH ARE OPERATIONAL
COMPARED TO 2022 – 10, 2021 – 9, 2020 – 7



732
HOMES BUILT²



PROVIDING HOMES FOR
APPROXIMATELY **1,300** PEOPLE³



6 REGISTERED
PROVIDER PARTNERS



95%
OCCUPANCY RATE



69% SPECIALIST
HOUSING



31% GENERAL NEEDS
AFFORDABLE HOUSING



100% OF HOMES HAVE
AN EPC RATING OF A OR B⁴

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This report was commissioned by Funding Affordable Homes SICAV SIF S.A. (Funding Affordable Homes and FAH) and has been prepared by The Good Economy Partnership Limited (The Good Economy and TGE), a specialist social advisory firm with expertise in impact measurement and management. The Good Economy supported Funding Affordable Homes in developing its impact assessment methodology and carries out an annual review of its social and environmental impact performance. This report is based on analysis of quantitative data, performance data from partner organisations, resident surveys and in-depth interviews with residents, partner housing associations, service providers, and the management and staff of Edmond de Rothschild Real Estate Investment Management (UK) Limited (EdR), the Real Estate and Investment Advisor to Funding Affordable Homes.

¹ Net of grant total excludes £8.3m from the Fund's temporarily remaining shared ownership properties at Landmark Pinnacle, and £2.0m from its Independent Living properties, both of which are being held for sale.
² One shared ownership unit at Island Point was fully staircased out (i.e. the resident now owns 100% of the property). As such, it has been removed from the FAH portfolio.
³ This figure is estimated based on the number of people each home is assumed to provide for.
⁴ Midland House received an EPC reassessment shortly after 30 June 2023. This resulted in the assessment being upgraded from an EPC C rating to a B.

Executive Summary.



Established in 2015, Funding Affordable Homes (FAH or the Fund) is a social impact investment company that invests in affordable housing in the UK, across both general needs housing for people on low incomes and specialist housing for people with additional support needs.

This is the eighth Annual Impact Report produced for FAH by The Good Economy (TGE). The assessment in this report is based on both quantitative and qualitative information including portfolio data, scheme-level data, resident feedback collected by housing partners, site visits to three FAH schemes, and interviews with housing partners and residents.

This report covers the period from July 2022 to June 2023.

FAH discloses according to Article 9 requirements, in relation to the European Union's (EU) Sustainable Finance Disclosure Regulation (SFDR).⁵



⁵ Article 9 funds have sustainable investment as their objective and specifically target sustainable investments.

Impact Objectives



Social Need

The general needs schemes within FAH's portfolio are in areas with high demand for more affordable homes. Several of the Fund's specialist housing schemes also play key roles in responding to local needs. For example, Midland House provides accommodation for people who are homeless in Luton, an area with high rates of homelessness. Occupancy rates across the portfolio are at 95% [increased from 92% last year], indicating high demand for FAH's homes.



Fund High Quality Sustainable Developments

All of FAH's homes have EPC ratings of A or B. FAH is focused on improving the environmental performance of its homes and is currently exploring ways to further improve energy performance. FAH commissioned BREEAM In-Use assessments for all schemes and provisional ratings suggest that the portfolio is rated 'Good', on average.⁶ Overall, site visits to FAH schemes have also confirmed the quality of the homes, with all residents we spoke to reporting being satisfied with their homes.



Affordability

Half of FAH's general needs portfolio are social rent homes (with rents at approximately 50% of market rates). This year, FAH's rents were increased in line with the Regulator of Social Housing's (RSH) 7% rent cap. In line with other market participants, the same cap was voluntarily applied to rents for FAH's shared ownership properties. At the Fund's specialist housing schemes, residents' housing costs are often covered by local authorities, and evidence from Crisis and the National Housing Federation suggests they are providing value for money for public budgets compared to potential alternatives.



Additionality

FAH has delivered a total of 11 schemes, comprising 871 new homes since entering the sector. Two schemes, which no longer meet the Fund's social commitment, have now been or are currently in the process of being sold, leaving the current portfolio at 732 homes across nine schemes. Since its launch, we assess FAH to have generated a high level of additionality for the sector. Whilst no new investments have been made in the last 12 months, FAH expects to grow the portfolio over the coming year.



Quality of Management

FAH works with six partner Registered Providers (RPs) who are responsible for the day-to-day management of the schemes. Partners are screened and monitored by FAH to ensure that quality services are delivered. Overall, we have heard positive feedback from the residents we spoke to regarding the quality of management of their homes, suggesting a high standard of service is provided. In particular, residents at the schemes we visited this year spoke highly of the staff and services provided.

Outcomes



Social Outcomes

Across FAH's portfolio, we have heard evidence of a range of positive outcomes experienced by residents. These vary depending on the type of accommodation, however common outcomes include: improved resident wellbeing, greater stability of tenure, more social interactions, improved confidence and independence, and feeling safer.



Environmental Outcomes

FAH's contribution to environmental outcomes comes mostly from the energy efficiency of its homes. FAH is considering the best ways to improve energy efficiency, particularly through a retrofit of homes to reduce energy consumption and expense. FAH also monitors its contribution to improved environmental outcomes by tracking the estimated CO₂ emissions at each scheme. Three of the Fund's schemes also have solar panels installed, providing on-site renewable energy.



Resident at River Beal Court, Rochdale

⁶ Building Research Establishment Environmental Assessment Methodology (BREEAM) In-Use – a sustainability assessment method that enables property owners to determine and drive sustainable improvements in the operational performance of their assets.



Resident of Island Point, Tower Hamlets



Left: River Beal Court, Rochdale
Right: Residents at Colwell Road, Freshwater

Areas of Strength

> Positive impact on resident wellbeing

We once again heard repeated evidence of the positive impact that FAH's homes are having on resident wellbeing. Residents reported feeling happier and more settled and generally having a more positive outlook on life because of living in a home which appropriately serves their needs.

> High quality of management

Resident feedback has shown that FAH's housing managers are delivering a high quality of service to residents. This was highlighted in the feedback gathered on our site visits and through the positive resident survey results from other schemes. As the

freehold owner, FAH is several steps removed from the individual residents. Therefore, the quality of its housing management is an essential element of ensuring a positive lived experience for its residents.

> BREEAM In-Use assessments

During 2023, FAH engaged with specialist consultants to undertake BREEAM In-Use assessments of its assets. This should facilitate ways to improve the operational environmental efficiency of its buildings, including relevant factors such as energy, water use, waste management and air quality.

Potential Risks and Areas for Improvement

> Birchett Road

This year has seen a significant issue arise with the roof at Birchett Road, Aldershot resulting in some residents needing to be housed in nearby temporary accommodation. Works on a roof replacement are being completed and FAH is pleased with how the matter is being handled by Plexus, its managing partner at Birchett Road. However, this is a considerable inconvenience and will clearly have had an impact on the wellbeing of the affected families.

> Supply

FAH has added no new schemes to the portfolio, limiting the Fund's contribution to increasing supply in the last 12 months. However, FAH has now raised new capital and is exploring opportunities for potential investments to deliver up to 3,000 new affordable homes in the coming years.

1 Introduction.

About Funding Affordable Homes

FAH is a social impact investment fund that invests in affordable general needs and specialist housing in the UK. Launched in 2015, FAH aims to help alleviate the chronic shortage of affordable housing in the UK by offering a valuable source of funding to the sector and delivering more homes. FAH seeks to deliver both measurable improvements to the lives of people in need and durable, long-term financial returns to investors.

As of June 2023, FAH owns a portfolio with a Gross Development Value of £124.8 million (net of Government grant). This comprises nine schemes, including general needs affordable housing and specialist housing for individuals with additional support needs. FAH's portfolio contains 732 homes with the potential to provide accommodation for around 1,300 people.

FAH is a specialist investment fund authorised and regulated by the Luxembourg regulator (Commission de Surveillance du Secteur Financier). Its subsidiary, Funding Affordable Homes Housing Association Limited (FAHHA), can secure Government grants, deliver Section 106 schemes (developments with planning obligations to provide affordable housing) and receive subsidised or free land from local authorities.

In 2019, FAH appointed Edmond de Rothschild Real Estate Investment Management (UK) Limited (EdR) as its property advisor. EdR provides all real estate and investment advisory services.



Above: Resident at Ashy Road, Ryde
Below: Resident at Midland House, Luton

IMPAKT Housing and Support
Manager at Midland House, Luton



Poplar HARCA staff at Island
Point, Tower Hamlets

FAH is funded by a range of private and institutional investors, together with Big Society Capital (BSC) and the Joseph Rowntree Foundation (JRF).



Big Society Capital is one of the leading social impact investment organisations in the UK. It exists to improve the lives of people in the UK through investment with a sustainable return.



JRF is an independent social change organisation working to solve UK poverty. Through research, policy, collaboration, and practical solutions, JRF aims to inspire action and change that will create a prosperous UK without poverty.

FAH AND FAHHA STATEMENT ON BOARD DIVERSITY

The Boards of FAH and its affiliated entity FAHHA comprise nine members, of which:

- > Six are male and three are female
- > Ages vary between 40 and 75 years old
- > Eight are White European and one is British Asian.

Investment and Impact Thesis

FAH's overall impact goal is to increase the provision of high-quality affordable housing to improve the lives of people in social need.

Under this goal, FAH has worked with TGE to develop an Impact Measurement and Management (IMM) system to enable the Fund to measure, manage and report on the impact of its investments.⁷

The IMM system is structured around a core framework, which includes FAH's impact objectives and the intended outcomes through which the Fund aims to contribute to positive impact creation (see below).

FAH's IMM Framework



⁷ Overall, we take a stakeholder-driven and outcomes-focused approach to assessing the impact of FAH's investments. This incorporates a core focus on residents' lives and their wellbeing (who benefits and how), which aligns with the Impact Management Project (IMP). Appendix 1 provides detail on the data sources used in this report.

2 Portfolio Overview.



Birchett Road
Aldershot, Hampshire
Social and affordable rented and shared ownership homes
58 x 1- to 4-bed apartments and maisonettes
c.120 people housed



Island Point
Tower Hamlets, London
Social and affordable rented and shared ownership homes
172 x 1- to 5-bed apartments and houses⁸
c.450 people housed



Balmoral Place
Northampton, Northamptonshire
Extra care for over 55s
80 x 1-bed apartments
c.120 people housed



River Beal Court
Rochdale, Greater Manchester
Supported living for individuals with a care need
37 x 1-bed apartments
c.55 people housed



Midland House
Luton, Bedfordshire
Homelessness project
78 x 1- & 2-bed apartments
78 people housed



Rosebank Park
Harwich, Essex
Extra care for over 55s
70 x 1- & 2-bed apartments
c.105 people housed



Ashey Road
Ryde, Isle of Wight
Extra care apartments, including shared ownership
for over 55s, or over 45s with a support need
27 x 2-bed bungalows, 75 x 1- & 2-bed apartments
c.150 people housed



Colwell Road
Freshwater, Isle of Wight
Extra care apartments, including shared ownership
for over 55s, or over 45s with a support need
75 x 1- & 2-bed apartments
c.110 people housed



Beaumont House
Walton-on-the-Naze, Essex
Extra care for over 55s
60 x 1- & 2-bed apartments
c.90 people housed

Total number of homes: 732
Number of residents: c.1,300

3 Performance against Impact Objectives.



Provide housing to support those with a **Social Need**

FAH's portfolio provides affordable general needs homes for those struggling to rent or own a home on the open market, specialist housing including extra care for older people, supporting living for people with a range of disabilities and a homelessness project.

Metric	June 2022	June 2023
Total number of homes ⁹	768	732
Breakdown of homes by type		
> General needs – social rent	15% (115)	16% (115)
> General needs – affordable rent	10% (77)	11% (77)
> General needs – shared ownership	10% (74)	5% (38)
> Homelessness	10% (78)	11% (78)
> Extra care	50% (387)	53% (387)
> Supported living	5% (37)	5% (37)
Potential number of people housed	c.1,300	c.1,300
Occupancy rate	92%	95%
Percentage of homes in the 20% most deprived local authorities	49%	46%
General needs – percentage of rented homes in boroughs with greater than average social housing waiting lists	74%	74%
General needs – percentage of homes in areas of constrained affordability ¹⁰	100%	100%



General Needs

The two general needs schemes within the portfolio – Birchett Road and Island Point – provide a total of 231 homes. Across the two schemes, 83% of homes are social or affordable rent homes, while the remaining 17% provide shared ownership.

These investments are playing an important role in enabling people to get off local authority housing waiting lists and into homes which meet their needs.

Island Point, in particular, is in a London borough with an urgent need for more affordable housing options. The scheme is located in Tower Hamlets, which has one of the largest social housing waiting lists in the country.

Homelessness

FAH's homelessness project, Midland House, is based in Luton, the borough outside of London with the

highest rate of homelessness in England, with 1 in every 65 people classed as homeless.¹¹

The scheme maintains high demand for places, with 529 referrals from July 2022 to June 2023, a 36% increase from last year.

Extra Care and Supported Living

Extra care and supported living provide the opportunity for older people and people who need specialist support to live independently, while having their support needs met on-site.

There is substantial demand for more of these types of accommodation across the country. The Elderly Accommodation Counsel (EAC) estimates a substantial shortfall in housing and care provision by 2035 of nearly 400,000 units of purpose-built housing for older people in England.¹²

⁹ Reduction due to the sale of Landmark Pinnacle – see page 29.

¹⁰ 'Area of constrained affordability' defined as a local authority/borough in which the median house price to earnings ratio is greater than the national average (9.05).

¹¹ Shelter, [at least 271,000 people are homeless in England today, 11 Jan 2023.](#)

¹² Housing LIN, [The market for extra care housing, March 2019.](#)

CASE STUDY

Midland House

Midland House is a 78-bed homelessness project in Luton that provides accommodation for people who are homeless.

During 2022/23:

- > 529 referrals into the service (a 36% increase from last year)
- > 99.4% overall occupancy for the year
- > 71 residents moved-on from Midland House during the year, 82% of those were 'planned moves' with positive next stage arrangements.



Resident Case Study – Shannon

Shannon has been living at Midland House for a year and a half. Prior to moving in, she had been living in a shared house, but that was not a positive experience. She therefore went to the council who pointed her towards Midland House.

Overall, Shannon stated that her experience at Midland House has been great. When she arrived, she was at a difficult time in her life, and her mental health was suffering. Living at Midland House has helped her to rebuild her life. This support from staff includes being available to chat when she needs some company, support with housing applications, and courses and workshops on topics such as employment, budgeting and self-care.

“ The staff here are fantastic, I can't fault them. There is always someone there who will listen. I'm now feeling far more positive about things in general and am better at looking after myself.



Resident Case Study – Aaron

Aaron has been living at Midland House for 11 months. He was made homeless when his relationship with his family broke down, and he was kicked out of his house. He was homeless for four months, during which time he was staying on a friend's sofa.

He had heard negative stories about other hostels in the area and was worried how the communal element would affect his mental health, as he is autistic and struggles with anxiety. However, Aaron was glowing in his review of his time at Midland House, stating "it's my home" and "the staff are like my family".

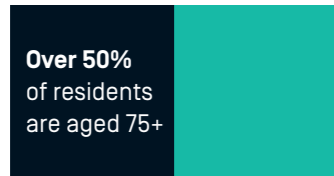
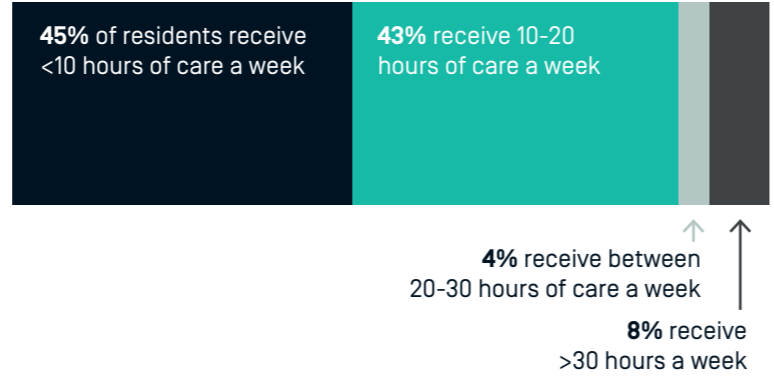
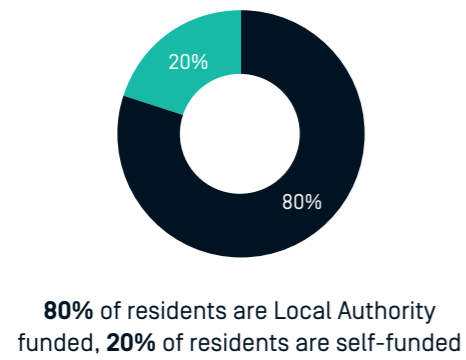
Aaron has now started the process of bidding for an affordable housing tenancy with the assistance of his support officer. He is looking forward to being able to secure his own home and feels far more positive about his prospects. Had it not been for Midland House, Aaron thinks he would have been in a far worse position and would possibly be living on the streets.

“ Since moving in, I have become more confident, more independent and more myself. This place has really helped me and picked me up.

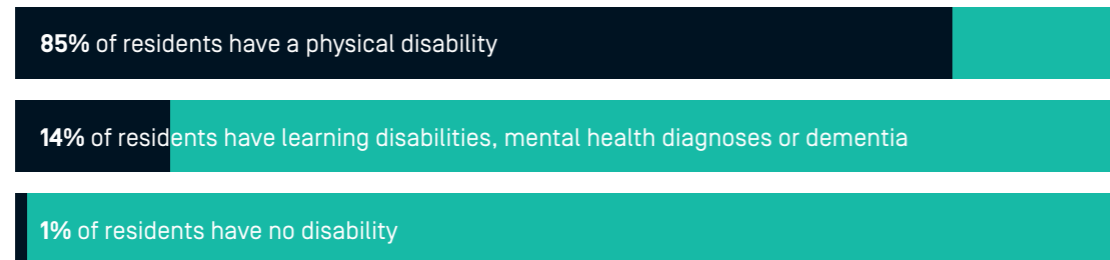


Residents at Beaumont House, Walton-on-the-Naze

Rosebank Park and Beaumont House – Resident Demographics



Primary Disability



Overall, 49% of properties are in the 20% most deprived local authorities.

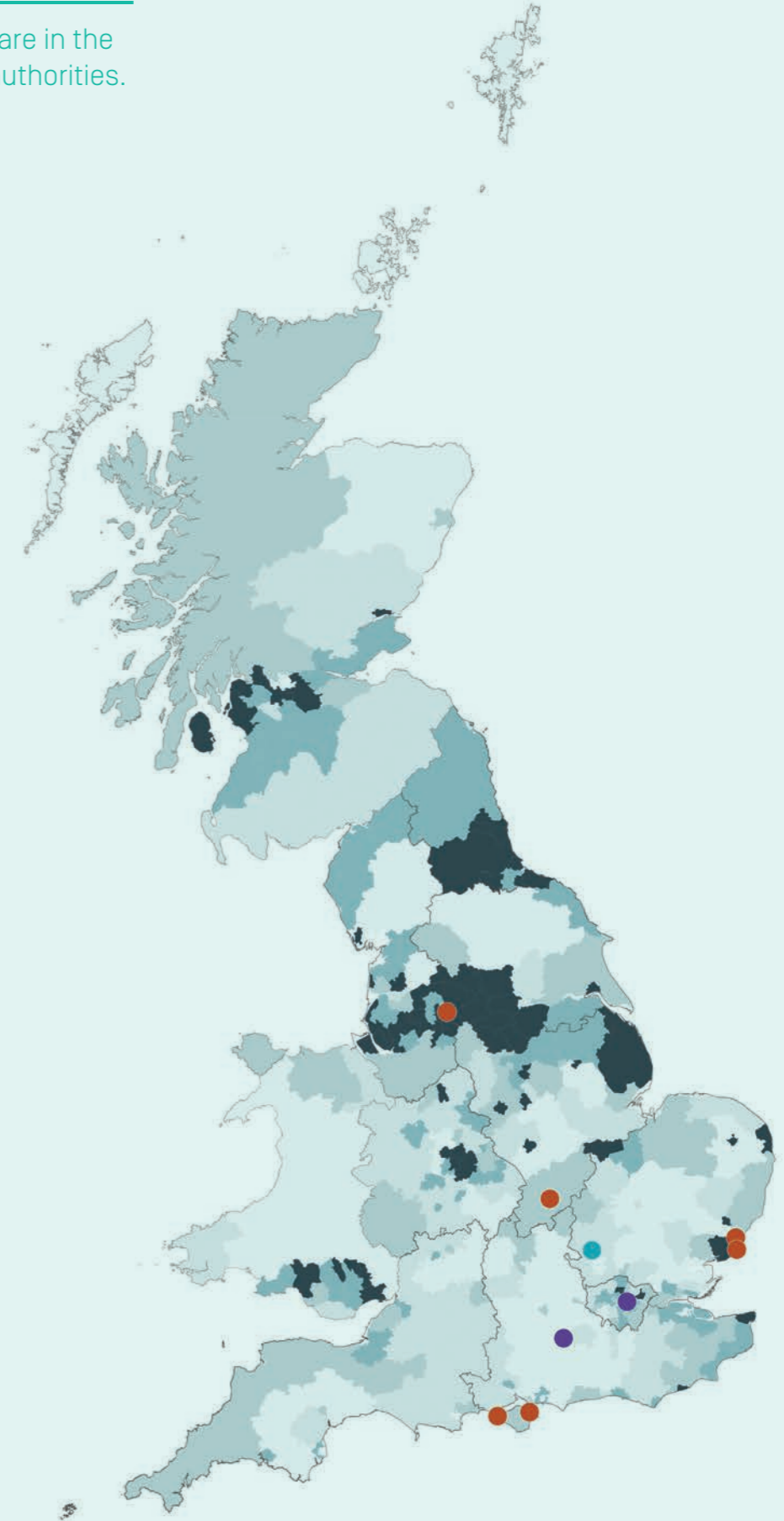
Location of Properties

- Extra Care and Supported Living
- General Needs
- Homelessness Project

Index of Multiple Deprivation



Contains OS data @ Crown copyright and database right (2023). Data Sources: English Indices of Deprivation (IMD) (2019), Scottish IMD (2020) and Welsh IMD (2019) – percentage of local areas in the 20% most deprived nationally (by local authority). Each nation to be treated separately.





Maximise Affordability for residents

Half of FAH's general needs homes are at the most affordable social rent level, set at around 50% of market rates. This is substantially above the national average, where only 20% of new affordable homes in 2022/23 were for social rent (where tenure is known).¹³ Affordability analysis shows that most of FAH's shared ownership homes provide a route to home ownership for households who would otherwise struggle to purchase in the open market. In addition, FAH's specialist housing schemes are providing value for money for local authorities, by reducing the use of more costly options.

Metric	June 2022	June 2023
General needs – Breakdown of homes by tenure type		
> Social rent	43% [115]	50% [115]
> Affordable rent	29% [77]	33% [77]
> Shared ownership	28% [74]	17% [38]
General needs (rented) – percentage of homes with rent at or below Local Housing Allowance (LHA) ¹⁴	99%	81%
General needs (shared ownership) – percentage of homes meeting a person-centred affordability test ¹⁵		
> Rated high affordability	49%	21%
> Rated high or medium affordability	79%	84%
General needs (shared ownership) – average monthly saving vs renting privately	–	£185
General needs (shared ownership) – average monthly saving vs outright purchase	–	£1,028
Homelessness project – weekly cost per resident as a percentage of:		
> Local one-bedroom LHA rate	–	88%
Rental increase information across all FAH properties (Government capped rent increase for 2023/24 at 7%)	4%	7%
General needs (rented) – average rental discount to market rent	35%	35%

On average, FAH's general needs portfolio has rents set at a 35% discount to market rents.



Left: Colwell Road, Freshwater
Right: Resident at Midland House, Luton

General Needs

This year, FAH's rents were increased in line with the RSH's 7% rent cap. FAH also took the decision to voluntarily set the same cap on rents for its shared ownership properties.

With this 7% increase in rents, FAH has seen the proportion of its social and affordable rent properties with rents at or below LHA decrease from 99% last year to 81% this year. Yet almost all the properties now above LHA are still within 2% of it. Also, at Island Point in Tower Hamlets, all rented properties are below LHA, most of which are substantially lower – 77% of the rented properties have rents at least 45% below the LHA.

In relation to FAH's shared ownership portfolio, TGE's affordability calculations reveal that:

- > 21% are homes which are affordable to households who, without shared ownership, would be priced out of most of the property market in their borough (assuming they spend 33% or less of their income on monthly mortgage and rent payments).
- > 84% are rated as affordable, but only if those same households spend 40% of their income on their housing costs. This is above the maximum recommended level of 33%, but it is common for many households to spend this much.

A large proportion of FAH's shared ownership properties have received a downgrade in their affordability assessment since last year. Primarily, this was caused by the increase in interest rates, which is making mortgage payments more expensive for households. This highlights the increasing challenge of accessing affordable home ownership in the current economic climate.

Nonetheless, shared ownership still provides a viable and affordable route to home ownership for many households who may be struggling to save while renting privately.

We estimate that residents living in FAH's shared ownership homes save an average of £185 per month compared to what they could expect to pay renting privately.¹⁶

Moreover, shared ownership can provide an opportunity to get on the housing ladder for those who would otherwise be excluded if looking to purchase a home outright. We estimate that households acquiring a 25% initial stake in an FAH shared ownership home can expect to save, on average, £1,028 per month compared to an outright purchase of a similar sized home in the local area.

¹³ Homes England, Housing Statistics: 1 April – 31 March 2023.

¹⁴ The Local Housing Allowance (LHA) has been frozen since 2020 and as such have not kept up with the inflationary increases applied to the portfolio.

¹⁵ This affordability calculation is based on the income level and saving rate required to afford a lower-quartile house price in the relevant local authority. If a shared ownership property is only affordable to households earning above this threshold, it is deemed unaffordable.

¹⁶ This figure is calculated by comparing the assumed monthly rental costs of FAH's shared ownership homes against the median monthly rental costs for equivalent-sized homes in the private rental sector within the relevant local authority.



Residents at FAH's homelessness project in Midland House, Luton



Homelessness

Midland House provides a cost-effective long-term solution by reducing dependency on expensive temporary accommodation in the short-term and providing residents with a pathway to their own secure tenancies in the long-term, thereby reducing dependence on long-term Government support.¹⁷

Luton has the highest level of homelessness outside of London. Midland House serves as a strategic site for Luton Borough Council in tackling this issue.



Resident at Midland House, Luton

Extra Care and Supported Living

FAH's extra care schemes provide new purpose-built accommodation which is designed to support residents to maintain their independence, receiving care in a residential rather than an institutional setting.

According to the National Housing Federation (NHF), extra care housing can deliver financial benefits through reducing or delaying the need for elder people to enter higher-acuity settings such as residential care.¹⁸

FAH's extra care schemes also often cater to residents with lower levels of income/wealth, as many will have their accommodation costs covered by the local authority through Housing Benefit and/or Universal Credit. Across four of FAH's extra care schemes in Essex and the Isle of Wight, roughly 80% of residents are full or part funded by the Local Authority, with only 20% of residents self-funding their accommodation costs.

We estimate that FAH's shared ownership extra care residents save an average of £517 per month compared to the assumed monthly costs from an outright purchase of a similar sized home in the local area.

¹⁷ [Crisis, Cost of homelessness](#) – Research shows that effective early interventions reduce the personal and financial cost of homelessness.

¹⁸ [NHF, Value of Sheltered Housing, 2017.](#)



Fund High Quality, Sustainable Developments

FAH has a portfolio of quality schemes which have been built to a high standard. Consideration has been given to the sustainability of the buildings and the extent to which they are socially fit-for-purpose. We carried out three site visits in July 2023, and feedback from residents was very positive overall with only a handful of minor issues reported, which is largely to be expected. Most of the Fund's homes meet National Space Standards (NSS). FAH is also now exploring options to improve operational environmental performance through undertaking BREEAM In-Use assessments of all schemes.

Metric	June 2022	June 2023
Breakdown of EPC ratings		
> A	14%	15%
> B	81%	85%
> C	5%	0%
Percentage of homes meeting National Space Standards (NSS)	90%	88%
Total capacity of renewable energy production		
> Freshwater	11.97kW	11.97kW
> Ryde	11.76kW	11.76kW
> Island Point	15.00kW	15.00kW
Average walking or public transport travel time to nearest train station	16 minutes	16 minutes
Breakdown of provisional BREEAM In-Use assessments		
> Very Good	-	22%
> Good	-	45%
> Pass	-	33%
Percentage of homes with property lifecycle plans in place and on track	-	100%



Beaumont House, Walton-on-the-Naze



Left: Ashey Road, Ryde
Right: Resident at Colwell Road, Freshwater

Environmental Sustainability

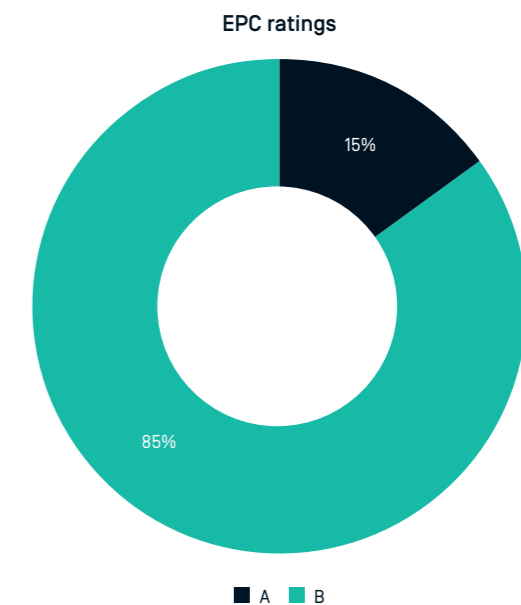
Across the portfolio, all of FAH's homes have EPC ratings of A or B.

The average EPC rating for new-build properties in England and Wales is a B, meaning FAH performs broadly in line with this average for new-build stock.¹⁹ However, FAH's portfolio outperforms the average for all housing stock across England and Wales, which has an average EPC rating of D.

FAH is focused on improving the environmental performance of its homes and is currently exploring ways to improve energy performance to reduce energy consumption and expense.

FAH has had BREEAM In-Use assessments carried out at all schemes. A breakdown of provisional ratings suggests that on average, the portfolio falls within the 'Good' rating. Broken down on a scheme-by-scheme basis, 22% of the portfolio score 'Very Good', 45% 'Good' and 33% 'Pass'.

Ryde, Freshwater and Island Point have solar panels installed, providing on-site renewable energy production. Across the three sites, the total output of the solar panels ranges from 11.76kW to 15.00kW.²⁰ In addition, Freshwater and Ryde have attenuation ponds for storm water and surface water management. Island Point has a district heating system with a Heat Interface Unit in each of the homes to increase efficiencies and reduce fuel consumption.



FAH is focused on improving the environmental performance of its homes and is currently exploring ways to improve energy performance to reduce energy consumption and expense.

¹⁹ ONS, Energy efficiency of housing in England and Wales: 2022, October 2022.
²⁰ A 15kW system will likely contain approximately 40-50 solar panels.



Resident at Beaumont House,
Walton-on-the-Naze

Build Quality

We have visited all FAH schemes in the last few years and heard overall positive feedback in terms of the quality of the homes. Residents are mostly happy with the quality of the properties in terms of both build and finish.

There have been some minor issues, which are to be expected of a portfolio of this size. For example, there was a temporary issue with the heating at Island Point, although we understand this has now been resolved. This year there was also a significant issue with the roof at Birchett Road in Aldershot.

FAH monitors the quality of its housing stock and the services delivered by its partner RPs through quarterly monitoring as well as bi-annual property inspection

visits. This monitoring involves reviewing performance indicators on a scheme-by-scheme basis relating to rents, voids, repairs, health and safety, resident satisfaction and, where relevant, Care Quality Commission (CQC) ratings. The property inspection visits allow FAH to check that what is being reported by its RP partners matches what is happening in practice.

NSS, an optional standard, is considered during the design process for new homes. Evidence shows that a lack of dwelling space can have a significant impact on individual wellbeing.²¹

Across FAH's portfolio, 88% of units are NSS compliant, most of the remainder are less than 10% smaller than NSS requirements.

CASE STUDY

Roof replacement

Birchett Road, Aldershot



Birchett Road,
Aldershot

At Birchett Road in Aldershot, there were issues this year with the roof of the building. This has resulted in leaks and associated issues in a number of the scheme's apartments. As a result, some individuals and families needed to be housed in nearby temporary accommodation, whilst the remediation works were undertaken.

Though this is obviously an area of concern which has impacted on resident wellbeing, FAH is pleased with how the issue is being handled by its managing

partner, Plexus. The affected residents have been moved to temporary accommodation of at least equivalent size to their home and remained in the area so that children can be kept at the same schools and to minimise impact on employment.

The Fund has proactively worked with Plexus, its managing partner, along with the relevant surveying and professional firms to minimise resident disruption.



Fund homes that demonstrate **Additionality**

The Gross Development Value of FAH's current portfolio is £124.8 million. The Fund's investment has facilitated the delivery of 732 new social and affordable homes across nine schemes. Since entering the sector, the Fund has delivered a total of 11 schemes, comprising 871 homes – two schemes, which no longer meet the Fund's social commitment, have now been, or are currently in the process of, being sold.

FAH's current portfolio includes schemes where FAH has partnered with local authorities, developers and RPs to unlock sites and drive forward delivery which may not have occurred otherwise. Since the Fund's launch, we assess FAH to have generated a high level of additionality to the sector. Whilst no new investments have been made in the last 12 months, the Fund expects to start deploying capital to fund new schemes in the coming year.

Metric	June 2022	June 2023
Gross Development Value	£132.1m	124.8m
Breakdown of homes by build type		
> New-build	90%	89%
> Conversion to social or affordable housing	10%	11%
> Acquired existing stock	0%	0%
Breakdown of homes by transaction type		
> Forward-funded	65%	69%
> Forward-purchased	35%	31%
General needs – Breakdown of homes by financing route		
> Section 106	78%	75%
> Grant-funded	22%	25%
Breakdown of scheme-level TGE Additionality ratings		
> High	8	7
> Medium	2	2
> Low	0	0



Colwell Road, Freshwater

CASE STUDY

Sale of Landmark Pinnacle

In 2023, FAH took the decision to place the long leasehold interest of its 35 shared ownership apartments in the Landmark Pinnacle Tower on the market. This decision was largely undertaken because FAH felt that the homes do not meet its impact objectives. The homes were acquired as part of the S106 requirements which enabled the delivery

of FAH's 173 homes at Island Point consisting of mostly social and affordable rent homes. Whilst the Landmark Pinnacle homes are relatively expensive shared ownership, which do not serve lower earners, they provided additionality in enabling the delivery of the homes at Island Point which meet a more pressing social need.



FUNDING AFFORDABLE HOMES HOUSING ASSOCIATION

Established in 2016, Funding Affordable Homes Housing Association (FAHHA) is FAH's subsidiary RP. As an RP, FAHHA is regulated by the Regulator of Social Housing (RSH). FAHHA owns four of the nine Fund investments, however it typically outsources management services to other RPs, albeit it retains the ability to directly manage any properties if required.

Through establishing an RP as a wholly-owned subsidiary, there are several benefits provided to FAH which contribute to its additionality and highlight the fundamental role FAHHA plays in facilitating impact:

- > Ability to access Government grant funding, such as the case at Ryde, Freshwater, and

Aldershot where FAHHA attracted substantial grants from Homes England.

- > Delivery of Section 106 housing (affordable homes planning obligations), of which Island Point is an example.
- > Accessing discounted land from local authorities, which is not something that has been secured to date, though the Fund has ambitions to do so in the future.

FAH was the first investment fund of this type to set up its own For-Profit RP. This model has now been replicated by several other investors in the sector, demonstrating FAH's role as a first mover.



Work with partners to provide high Quality of Management

FAH, as the property owner, is not typically directly involved in the day-to-day management of residents living in its homes. Instead, FAH enters into management leases with partner RPs. To ensure FAH's expected standards of management are met, the Fund aims to select high-quality partners to deliver services to residents.

We have seen evidence of the Fund screening and monitoring its partners to ensure quality services are delivered. This year, we heard particularly positive feedback at two of the Fund's schemes regarding the standard of management provided.

Metric	June 2022	June 2023
General needs (rented) – percentage of renting residents with a 3-year assured tenancy agreement (AST) or longer	100%	100%
Homelessness project – percentage of residents in receipt of support alongside their accommodation	100%	100%
Extra care and supported living – percentage of schemes with CQC rating 'Good' or 'Outstanding'	100%	100% ²²
Percentage of RPs graded G2/V2 or higher by RSH Governance and Viability Standards	100%	100% ²³

Balmoral Road, Northampton



General Needs



FAH currently work with two RPs – Poplar HARCA and Plexus – across its general needs portfolio. This year, we visited the Island Point scheme, managed by Poplar HARCA, which appeared well looked after. We heard mostly positive feedback from residents, who were generally satisfied with both the speed and standard of the management and maintenance services. Issues highlighted related mostly to anti-social behaviour from non-resident individuals living in the local area near the scheme.

Homelessness

IMPAKT Housing and Support provide management and support services at Midland House. When visiting the scheme this year, we heard extremely positive feedback regarding the quality of their services. This is evidenced in consistently high occupancy rates, and overwhelmingly positive feedback we heard from residents.

Several residents mentioned that there are other homelessness projects in Luton, however, they would only want to stay at Midland House. The differentiating factor is the quality of service provided by IMPAKT, compared to other organisations operating in the area.

Extra Care and Supported Living

CQC ratings have remained at 100% 'Good' or 'Outstanding' across the four of FAH's six extra care and supported living portfolio which have been rated. To note, Beaumont House received 'Outstanding' in care following their most recent inspection.

At Balmoral Place, there were some issues in the early years of operation, particularly in terms of nominations, but this has been turned around and occupancy rates have increased steadily.

We have seen evidence from resident surveys carried out at other schemes which indicate satisfaction with the quality of management. At River Beal Court, managed by Partners Foundation, 92% of residents reported being satisfied (34 out of 37). Ryde and Freshwater extra care schemes, managed by Southern Housing, resident responses indicate 90% satisfaction. Beaumont House and Rosebank Park were taken over by Orwell Housing last year. Residents report this has had a positive influence on the schemes.

²² CQC ratings are available for four out of FAH's six extra care and supported living schemes. Rosebank Park, Beaumont House, Balmoral Place and Ryde Village all received a rating of 'Good' from the CQC in their last inspection. Both Freshwater and River Beal Court are yet to be inspected.

²³ Three out of FAH's six partner RPs have a Governance and Viability (G/V) grading from the RSH. Two at G1/V2 and one at G2/V2 (interim rating for Southern Housing following merger). The other three RPs have not been assessed – this is because they are under the 1,000-home threshold to receive a formal G/V grading from the RSH.

CASE STUDY

Island Point

Island Point is a 173-home affordable housing development in Tower Hamlets. The development comprises 109 social rent, 33 affordable rent and 31 shared ownership homes.

This project goes some way to alleviating the urgent need for more affordable housing in Tower Hamlets, one of London's poorest boroughs. Tower Hamlets currently has more than 20,000 households on their housing waiting list – this constitutes approximately 18% of local households, which is more than three times the national average. Many households have been stuck in temporary and/or overcrowded accommodation for many years due to the shortage of affordable accommodation.



Resident Case Study – Reza

Reza and his family have been living at Island Point since January 2020, living in an affordable rent three-bedroom apartment. Prior to moving to Island Point, Reza and his family had been living in what he described as an “older and overcrowded two-bedroom flat”. During this time, they had been on the housing waiting list for many years.

Reza stated that the property at Island Point is a vast improvement on their previous accommodation. This is largely due to the property's increased space and the fact that it is a new build, which is of superior quality compared to their previous, much older home. The rental cost is more than their previous accommodation, but Reza believes that the extra charge is worth it due to the additional bedroom, larger communal spaces, and higher quality of the accommodation.

Reza did note some concerns around antisocial behavior from non-residents coming onto the scheme and causing some safety issues. Such behaviour had led to a gate being broken, and Reza stated that it had taken a while to get fixed, causing safety concerns but this has now been resolved.

Reza did inform us that he generally felt safe and happy at Island Point and would be happy to live at his home for a long time.

“ Everything is fine and better than the last house, including the security.



Resident Case Study – Aimee

Aimee has been living at Island Point for over three years. She lives in a shared ownership property on the site, having purchased 25% of the property with her partner. Prior to moving into her home, she was renting in the private sector. Aimee stated a frustration with the high and unaffordable rents which she was being faced with and now believes that the shared ownership home at Island Point is much better as it has enabled her and her partner to get onto the property ladder.

Regarding the service charge on the property, Aimee noted that it has increased a couple of times, but she doesn't believe it is unreasonable and sees the value in it, specifically when compared with service charges her peers are faced with at other shared ownership schemes.

Aimee described her relationship with her neighbours as one where “everyone looks out for one another.” Furthermore, she informed us that she feels “very content” with the quality of her home and that any issues with the property have always been resolved quickly. When asked how long she might want to stay within the home, Aimee explained that she would be interested in selling her property with the hopes of buying a larger shared ownership property on the same development. Overall, Aimee informed us that she was very pleased with both the quality of the accommodation and the impact that it has made on her life.

“ This provided a good opportunity for us to get onto the property ladder. It was definitely the best option for us!

4 Contribution to Outcomes.

This section aims to assess the change in outcomes experienced by FAH's key stakeholders, and what the contribution of FAH has been to those outcomes.

These outcomes are likely to be influenced by many factors, and so FAH's activities only contribute to them partially. We have grouped target outcomes into two broad areas: Social Outcomes and

Environmental Outcomes. These are sufficiently broad to accommodate the diverse types of schemes that FAH fund and, by extension, the variation in type of outcomes experienced.



Social Outcomes

FAH's homes deliver a range of positive social outcomes for residents. These vary according to type of housing and individual circumstances.

Social outcomes are based on conversations we have had with residents in July 2023²⁴ as well as data from resident surveys carried out by RPs during the reporting period. Collecting social outcomes data is challenging and therefore usually needs to be done on a sample basis. We ensure that the residents we speak to are given the time and space to share their feedback in a meaningful manner.

General Needs Housing Outcomes

Improved physical and mental health

We spoke to residents from Island Point, who spoke of the positive difference living at Island Point has had on their wellbeing. For example, living in a shared ownership property has alleviated the frustrations caused for one resident who had been renting in the private sector. They affirmed that the quality of the accommodation at Island Point has had a positive impact on their life.

Greater stability

One of the residents we spoke to at Island Point would be happy to live there for a long time as it provides more space and higher quality affordable accommodation than their previous home. For shared ownership residents, there is the long-term opportunity to get onto the property ladder, with the hope of using this as a stepping-stone to full ownership of a property in the future.

Improved relationships and sense of Community

FAH values fostering a sense of community for residents of their schemes. Despite some antisocial behaviour issues with non-residents in the local area, Island Point residents shared positive feedback on their relationships with other residents and the quality of the communal spaces.

²⁴ We conducted site visits to three of FAH's properties for this report – Island Point, Midland House and Balmoral Place. At each of these properties, we spoke to between two and six residents. This means we gathered direct detailed feedback through interviews with approximately 12 residents for this report.

Homelessness Outcomes

Positive move-ons

71 residents left Midland House in the last 12 months. Of these, 82% were 'planned' move-ons. This represents a high proportion of residents achieving a positive step in their transition towards a long-term tenancy and is above IMPAKT's target and typical rates achieved in the sector. Most leavers achieving planned moves secured a private or affordable rented housing tenancy, while others moved in with family or friends, or to another housing provider.

Improved mental wellbeing

We spoke to four residents from Midland House. Two reported having suffered with mental health issues. Both residents spoke positively about Midland House, and the ways in which the support provided has led them to feel more equipped to take care of themselves and have a more positive outlook on life.

Development of new skills

Midland House provides skills and resident engagement sessions. This includes courses and workshops on things such as employment, budgeting, and self-care which aim to enable residents to become more independent. This year, a total of 54 sessions were completed at Midland House with 569 resident attendances.

Extra Care and Supported Living Outcomes

Improved physical and mental health

We spoke to various residents at Balmoral Road who have experienced improvements in their wellbeing since the start of their residency. In addition, resident surveys carried out at Ryde and Freshwater indicate the positive impact their housing has had on their health:

- > At Ryde²⁵ and Freshwater²⁶ – over 90% of respondents feel confident in their health, or their capacity to sustain good physical and mental health.

Improved confidence and independence

Residents of FAH specialist housing schemes benefit from a high degree of independence. Supported living and extra care schemes offer individualised care packages. Moreover, residents have their own self-contained apartment within a wider development. Balmoral Road residents spoke of their increase in confidence through the high-quality accommodation and support services provided on site. For example, one resident had reservations when moving to Balmoral Road but has since discovered a sense of purpose through gardening.

Over 90% of survey respondents at Ryde and Freshwater reported feeling satisfied with the level of confidence and independence they feel in their home.



Resident at Midland House, Luton

Improved social interactions

FAH's specialist housing schemes have the potential to improve residents' social interactions, particularly through the relatively large number of residents living on-site. Residents at Balmoral Road spoke about the friendships they have developed, enabled by the social aspects of the development and the communal lounge and gardens.

92% of survey respondents at both Ryde and Freshwater were satisfied with the level of social interaction. However, 11% of respondents at Freshwater reported that they do not get to do enough of the things which they value. In response the RP, Southern Housing, recruited a specialist Activities Co-Ordinator, which they hope will lead to improvements in this area.

Feeling safer at home

One key advantage of extra care and supported living schemes is that residents are afforded their own home while still having care services available on-site, often 24 hours a day. At Freshwater, 95% of survey respondents reported confidence in feeling safe in their own home, an increase of 7% from last year. Southern Housing has gathered more detailed feedback on reasons for not feeling safe and is looking to implement solutions to further improve the feeling of safety on-site.

Last year, Orwell Housing took over as RP of Beaumont House and Rosebank Park. Since this change in management, there has been a new approach adopted to provide additional interventions where needed to enable residents to remain at the scheme if their support needs increase, as opposed to being moved to a care home. We heard positive feedback on these changes.

²⁵ Of the 70 occupied apartments at the time of the survey, 58 provided responses to the survey.
²⁶ Of the 67 possible respondents at the time of the survey, 57 provided responses to the survey.

CASE STUDY
Balmoral Road



Balmoral Road is an extra care scheme in Northampton comprised of 80 units. It provides accommodation for people who are over the age of 55 with varying degrees of additional care needs. The project was forward funded by FAH, with development works carried out by HB Villages.

Northampton has an ageing population. In 2016, Northamptonshire County Council forecast that housing provision for older people would need to double over the next 20 years to meet demand. This scheme is helping to alleviate pressure on residential care services by providing an option for older people to live independently while still receiving personalised care in their own home.

Balmoral Road,
Northampton

Resident Case Study – Paul

Paul has been living at Balmoral Road for around a year and a half. Prior to moving in, he had been living in a shared house, but stated to us that it was not a positive experience. When he arrived, he said that he had not been in a good place and his mental health was under strain.

However, since moving in, Paul said that his experience at Balmoral Road has been very positive. He affirmed that his needs have “absolutely” been met through the high-quality accommodation at Balmoral Road and the 24 hour on-call support has enabled him to rebuild his confidence. Whilst Paul did note some anti-social behaviour within the building, he also stated that the “staff are better than any other place [which he had lived in]” and that they listened to his concerns, resolved issues and were there if he needed them.

Paul stated that he was so pleased with the residency that he hoped it would be his home for the rest of his life.



“ Living here has transformed my life, reduced my ailments and improved my mental health.



Resident Case Study – Alan

Alan has been living at Balmoral Road for over four years. He previously rented within the private sector and came to Balmoral Road following health complications which meant he required a higher level of support in his daily life.

When moving into Balmoral Road, he stated that he had concerns surrounding companionship and what he would be able to do with his time while living at the scheme. However, since being at Balmoral Road, he has been pleased with the quality of support he receives, and he has discovered a real sense of purpose through his gardening. Alan is out gardening virtually every day in the scheme’s communal gardens – this is positive for his wellbeing and has the added benefit of keeping the scheme looking attractive and well tended for all the other residents and staff. Alan

also stated that he was pleased with the “friendly environment” which Balmoral Road offered and the good social aspect of the development which has allowed him to develop friendships with the other residents.

Overall, Alans’ perspective on Balmoral Road was very positive, believing the property has “made a vast difference” to his life. He also believes that a change in manager in recent years has resulted in quicker maintenance and a much better atmosphere at the scheme compared to its first two years of operation.

“ I came here and it gave me a new perspective on life.

Environmental Outcomes

FAH's contribution to environmental outcomes primarily results from the energy efficiency of its homes. Portfolio data shows that 100% of FAH's homes have an EPC rating of A or B. As such, all the Fund's homes meet the Government's Clean Growth Strategy target of upgrading all homes to an EPC rating of C by 2035, where possible to do so.

FAH also uses EPC ratings to estimate the average CO₂ emissions across units at each of its schemes. Monitoring this over time allows FAH to track contribution to improving environmental outcomes by reducing emissions.

This year, for the first time, FAH has had BREEAM In-Use assessments carried out at each of its schemes. BREEAM assessments cover a range of environmental issues, including energy and water use, health and wellbeing, pollution, transport, materials, waste, ecology, and management processes. Buildings can be rated and certified on a scale of five bands, from Pass, Good, Very Good, Excellent to Outstanding. Provisional ratings for the Fund's schemes suggest

22% of schemes score 'Very Good', 44% 'Good' and 33% 'Pass'. As FAH looks to retrofit homes to improve energy efficiency, it is likely that BREEAM ratings will increase as well.

Scheme-Level Environmental Performance Information

Scheme	Average annual CO ₂ emissions per m ² 27	Provisional BREEAM In-Use Assessment
Island Point	3kg	Good
Beaumont House	9kg	Very Good
Rosebank Park	10kg	Good
Freshwater	13kg	Pass*
Aldershot	13kg	Pass
Balmoral Place	14kg	Good
Ryde	15kg	Good
River Beal Court	24kg	Very Good
Midland House	57kg	Pass*

*No water meter.

FAH's ESG Reporting

The Equity Impact Project (EIP) is a sector-wide initiative that aims to provide metrics for equity investors in the affordable housing sector. FAH was involved throughout the consultation phase for this project and is now involved as a group member. FAH reported against the EIP for the first time last year. 15%

In addition, FAH has also been involved with other external reporting frameworks and regimes. This includes:

- > **EU Sustainable Finance Disclosure Regulation (SFDR) Article 9** – SFDR was introduced to improve transparency in the EU market for sustainable investment products. FAH has worked with specialist consultants to ensure it self-categorises appropriately under SFDR. The Fund discloses according to Article 9 requirements based on its social criteria. This is because FAH has sustainable investment as its objective and uses a bespoke IMM framework developed in partnership with TGE to measure and assess the overall sustainability-related impact of the Fund.

- > **Global Real Estate Sustainability Benchmark (GRESB)** – A global ESG benchmark for real estate assets. In 2022, FAH commenced the process of collating and submitting portfolio information to GRESB, working with environmental consultants to measure the performance of its portfolio compared to its peers.

- > **Building Research Establishment Environmental Assessment Method (BREEAM)** – In 2023, FAH has undertaken BREEAM In-Use assessments of its assets. This enables the Fund to benchmark the sustainability performance of its schemes against a recognised industry standard. In addition, the assessment should help to identify ways to further improve occupational use data collection and opportunities to enhance the operational sustainability performance of the Fund's schemes.

5 Conclusions.



Areas of Strength

- > **Positive impact on resident wellbeing**
We once again heard repeated evidence of the positive impact that FAH's homes are having on resident wellbeing. Residents reported feeling happier and more settled and generally having a more positive outlook on life because of living in a home which appropriately serves their needs.
- > **High quality of management**
Resident feedback has shown that FAH's housing managers are delivering a high quality of service to residents. This was highlighted in the feedback gathered on our site visits and through the positive resident survey results from other schemes. As the

freehold owner, FAH is several steps removed from the individual residents. Therefore, the quality of its housing management is an essential element of ensuring a positive lived experience for its residents.

- > **BREEAM In-Use assessments**
During 2023, FAH engaged with specialist consultants to undertake BREEAM In-Use assessments of its assets. This should facilitate ways to improve the operational environmental efficiency of its buildings, including relevant factors such as energy, water use, waste management and air quality.

Potential Risks and Areas for Improvement

- > **Birchett Road**
This year has seen a significant issue arise with the roof at Birchett Road, Aldershot resulting in some residents needing to be housed in nearby temporary accommodation. Works on a roof replacement are being completed and FAH is pleased with how the matter is being handled by Plexus, its managing partner at Birchett Road. However, this is a considerable inconvenience and will clearly have had an impact on the wellbeing of the affected families.

- > **Supply**
FAH has added no new schemes to the portfolio, limiting the Fund's contribution to increasing supply in the last 12 months. However, FAH has now raised new capital and is exploring opportunities for potential investments to deliver up to 3,000 new affordable homes in the coming years.

27 Due to a change in calculation method, the average annual emissions at three schemes has been amended from the figure stated last year – Island Point (increased from 1kg to 3kg), Beaumont House (decreased from 14kg to 9kg), and Midland House (increased from 39kg to 57kg). All other figures remain the same.

Appendices.

Appendix 1 – Data Sources

The table below provides full transparency on all the data sources contained within this report, which have been used to inform TGE’s impact assessment. The ‘Evidence Risk’ column provides TGE’s view on the likelihood that the source generates high-quality data. This includes considerations such as: completeness, potential bias, and likelihood that other relevant insights exist but could not be collected.

Data Source/Evidence	Overview	Evidence Risk	Comments
Scheme data provided by FAH	FAH provided us with data gathered during due diligence, not subject to annual changes, e.g. investment value, number of homes, tenure, rent, location, partners, planning requirements, grant, and funding details. FAH also provided us with updated figures on data points monitored on an annual basis, e.g. occupancy, Gross Development Value (GDV) and EPC ratings.	Low	Reliant on accuracy of data provided by FAH.
Scheme data provided by Housing Partners	Data shared with us by housing management partners, e.g. occupancy levels, resident demographics and results of surveys conducted with residents (if available).	Low	Reliant on accuracy of data provided by partners. Variation in the amount and quality of data received across schemes.
Interviews with Housing Partners and Residents	Interviews with FAH’s housing management partners aim to get an update on progress at the scheme during the past year and hear feedback on specific building-related matters and any resident stories to highlight this. Interviews of residents from several schemes are conducted in person while on site visits or remotely through video or audio calls.	Medium	We aim to speak to all housing partners annually. This year, we spoke to representatives of eight of the Fund’s nine schemes. We can only conduct interviews with residents from a few schemes. Contingent on resident views being representative.

Data Source/Evidence	Overview	Evidence Risk	Comments
Site visits to selected schemes	We conduct site visits to selected schemes to hear feedback from residents and staff on their view of the scheme. This year we visited three schemes – Balmoral Place, Island Point and Midland House.	Medium	We can only visit a few schemes each year. However, the feedback gathered provides detailed insight direct from residents and on-site staff.
Publicly available data	We review Governance and Viability (G/V) gradings published by the RSH for each of FAH’s six partner RPs. Where care is delivered to residents living in a FAH property, we review the published CQC ratings. We also use various publicly available data sources in our affordability analysis (e.g. local earnings data, rent data, house price data).	Low	Both RSH and CQC are independent regulatory bodies. Gradings should accurately reflect an independent appraisal of their standard of G/V and quality of care delivered.



Appendix 2 – Impact Risk

Impact risk is the likelihood that impact will be different than expected, and that the difference will be material from the perspective of those being impacted. We have analysed the potential impact risks relating to FAH using the IMP’s impact risk assessment framework.

The IMP identifies nine types of impact risk that investors may face. We have classified two categories of risk as potentially material for FAH. In the table below, we describe the risk faced, the likelihood and severity of risk for FAH and the Fund’s mitigating actions.

Impact Risk	Likelihood	Severity	Description and Mitigation
External risk <i>Risk of negative external factors affecting resident wellbeing</i>	Medium	Medium	<p>There is a risk of external influences affecting residents’ wellbeing while living at FAH schemes. For example, we have been informed of some instances of antisocial behaviour, often from surrounding residents in the local area.</p> <p>Antisocial behaviour stemming from residents outside of FAH schemes is difficult to mitigate entirely. However, FAH is an engaged landlord, undertaking quarterly monitoring and bi-annual visits to all schemes, which aids in tracking any external factors which may affect residents’ lived experience of the homes.</p>
Execution risk <i>Risk of building-related issues affecting resident wellbeing</i>	Low	Medium	<p>There is a risk of building-related issues affecting resident wellbeing. This is inevitable with a large portfolio of homes. Overall, the general feedback we have heard from residents suggests that most FAH schemes offer high-quality housing, and that FAH has been quick to respond when issues have arisen.</p>

The findings and opinions conveyed in this report are based on information obtained from a variety of sources which The Good Economy believes to be reliable and accurate. However, the information reviewed should not be considered as exhaustive and The Good Economy, its principals and staff cannot and does not guarantee the accuracy, completeness and/or fairness of the information and opinions contained herein. This report shall not be construed as a financial promotion or as a recommendation, invitation or inducement to any person to engage in investment activity. This report has been prepared solely for the benefit of Funding Affordable Homes and no other person may rely upon this report. Accordingly, The Good Economy accepts no duty of care, responsibility or liability (whether in contract or tort (including negligence) or otherwise) to any person other than Funding Affordable Homes for any loss, costs, claims or expenses howsoever arising from any use or reliance on this report.

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