



Providing affordable homes in challenging rural housing markets

Grayshott village is on the North East Hampshire and Surrey border, population 2,500. This is a case study on turning around a moribund housing association to one that is starting new development and updating its existing properties with its own resources.

Private rents are influenced by the travel time to London of 50 minutes by train, Guildford 20 minutes by car. For example, 1 bed flat @£750 per month, £950 for 2 bed houses, £1,400 for 3 bed houses. These high rents can often be over the Local Housing Allowance for Housing Benefit, or landlords will not accept those on benefit.

Yet many local wages are low – care workers, key workers such as teachers and police, as well as the self-employed tradespeople with precarious incomes. People we need to live locally to sustain our community.

G&DHA was formed over 80 years ago by two local ladies, supported by the Parish Council, for the very same reasons we are experiencing today G&DHA now owns 31 flats and houses valued at £7.5 million.

A few years ago, the management committee was down to 3 volunteer members and the housing stock was not fully up to date or well managed. To undertake replacement roofs on some properties, a house had been sold to raise the necessary funds.

The then Chairman set about recruiting specific skills from the village, such as property management, governance and finance to assist him in overhauling the housing association. The Rules governing the association were dated 1964, which limited borrowing to £120,000 at no more than 1% over base rate. It cost two shillings to obtain a copy of the Rules.

Yet there was well over £1.5 million in the bank, no debts but with inconsistent low rents being charged including 5 Secure tenancies.

G&DHA is a member of the National Housing Federation and in 2015 sought help, they recommended Campbell Tickell who assisted us with planning a future. Colin Wiles recommended that we retain our current status of a Community Benefit Society with charitable rules. He also advised on tenancies, waiting lists, rents and linking with an experienced development partner. This key advice acted as a catalyst for change.

By 2016 we had adopted the National Housing Federation model rules and appointed English Rural Housing Association as the development partner. Rents were reviewed following a full stock valuation and are now set at 70% of Market Rent Value for flats and 62% of MRV for family housing due to their high market level locally.

More volunteer trustees were recruited based on their skills and experience as well as a part time paid housing administrator with social housing knowledge. Feedback from tenants has been positive.

G&DHA has chosen not to register with Homes England in order to reduce bureaucracy, maintain independence and block any possible Right to Buy.

English Rural Housing Association has been invaluable in analysing our development opportunities within the village, carrying out viability appraisals and assisting with public consultations.

The outcome to date is obtaining planning permission to build 14 flats following demolition of 4 sub-standard flats and 2 semi-detached houses on a large plot in the village centre. These flats will have a communal garden and are aimed primarily at our older tenants who are currently under-occupying our other larger properties, as well as for local young singles and couples.

The public consultation was treated like a marketing exercise and went so well that the residents losing their flats to demolition were deciding which new flat they wanted!

So, what have been the challenges?

- At the beginning it seemed a steep climb, but the external expert advice was a key catalyst for change.
- Choosing the right development partner who understood our predicament was also very important.
- Once we had recruited suitable skilled trustees, we were able to move forward and be more ambitious.
- Communicating with the tenants was sometimes hard, but the plans won them over.
- The planning process proved very challenging, especially the Section 106 requirements giving nomination rights to our local District Council for some units. Next time we shall be more prepared!

Meanwhile the tenders are back in, all close to our budget and the projected build start date is July 2019.