

Take a holistic approach to asset management



To refurbish or redevelop? First know your housing stock, explains Alan Davison, Head of Building Surveying at Pellings LLP.



To deliver the ongoing comprehensive upgrade and replacement of the UK's social housing stock, and to provide more and better housing of different types of tenure, requires a holistic asset management approach.

This includes establishing the condition of the existing housing portfolio to gain a better understanding of the benefits of upgrade or tear down.

This is, of course, a continuous process, which was reinforced at the beginning of this year when former Prime Minister David Cameron announced that a loan fund of £140m would be made available to help rejuvenate 100 of the most run-down housing estates around the UK as part of a comprehensive package of measures to end poverty and improve the life chances of the most disadvantaged.

Clearly, £140m spread across 100 estates means that the funding for each project will be somewhat limited; nevertheless, it could be used to fund early stage viability/feasibility studies or community engagement, together with smaller scale 'quick

win' projects that deliver benefits for the community where redevelopment is not currently viable or necessary. Examples could include community buildings, public spaces or external wall insulation projects.

Exploring options

As design, property and construction consultants, Pellings regularly works with landlords to explore the 'demolish and rebuild' versus 'renovate and remodel' options. By necessity, this also includes examining the cost of decanting and rehousing residents which is a significant factor for landlords, especially in London and the South East which have the highest accommodation costs.

Point blocks (i.e. vertical tower blocks) are often the most difficult to make the numbers add up, as demolition releases relatively little land for redevelopment, and they regularly house 100+ households.

However, a huge amount can be done with residents in occupation, including recladding, winter gardens, sustainability improvements to common areas, lifts and internal improvements as well as finding additional homes within the existing envelope in under crofts and underused spaces. The team at Pellings have also used very successful decanting procedures moving residents permanently into refurbished properties within the block.

The starting point is identifying the condition of existing properties by undertaking a housing stock condition survey.

Making decisions

While undertaking a survey is an important first step in making the refurbishment or redevelopment decision, it can of course serve other parallel purposes including the following:

- To identify immediate repairs, for five-year planned maintenance or 30-year business planning in order to budget accordingly.
- To ensure the housing portfolio meets the Decent Homes Standards or the landlord's own alternative.
- To meet the 29-point check list of the Housing Health & Safety Rating System such as falls on stairs, damp and mould growth and presence of asbestos.
- To comply with legislative requirements such as energy improvements through improved insulation and lighting, for example, and the Regulatory Reform Fire Safety Order focusing on items such as the proper working order of fire doors, and smoke detection systems.

The benefits to landlords come in accurate, well-thought-out, scoping of the survey which ensures correct survey numbers, predictable survey costs, accurate and consistent datasets and ensuring that expectations are managed and the survey is delivered on time and on budget.

The survey provides an important opportunity for a landlord to understand the nature of its housing stock and to have an up-to-date, comprehensive picture of its holdings. That not only includes the physical condition of the buildings and their energy efficiency but, also, the surrounding environment, the provision of additional community facilities and the types of occupier tenure. Where the survey template is clear and meaningful it will help improve consistency in the survey and will reduce the risk of error.

Often there is confusion as to what the landlord actually does own and whether there are specific occupancy issues relating to the properties to be surveyed. For example:

- There is no point in including leaseholders in the survey as they are generally responsible for their own internal maintenance.
- It is incumbent on the landlord to be aware of properties where there are health and safety issues for those undertaking the survey or where there are special sensitivities with tenants. This could include known difficult tenants or elderly residents who need to be treated with greater awareness and patience.

The landlord can help to avoid error by having a pilot survey undertaken initially and proactively involving itself in weekly progress reports.

It is prudent for the landlord to undertake the survey in manageable phases rather than trying to analyse one huge dataset. This avoids compounding misinterpretations which could have been discovered in the early stages.

The message is clear; if the owner has detailed knowledge of the housing assets it owns, and the state they are in, it will be able to optimise repairs and maintenance activities, and introduce preventative maintenance practices where appropriate, which can significantly extend the life of the asset. Or failing that a decision can be taken to redevelop.