

## SFT Outcomes Demonstrating progress with impact



2020 CASE STUDY

### Outcome 03



**Infrastructure investment is sustainable and affordable with an increased use of innovative funding and financing approaches**

### Edinburgh Living

*New approach to deliver more homes*

The popular and award-winning National Housing Trust (NHT) programme, developed and managed by the Scottish Futures Trust (SFT) in partnership with Scottish Government, has helped establish midmarket rent (MMR) homes as a viable option for housing across Scotland.

Such has been its popularity, that in Edinburgh alone, demand for NHT homes has often outstripped supply by as much as 10 to 1.

The City of Edinburgh Council (CEC) wished to continue to expand the supply of MMR homes while also wishing to seize the opportunity to create a bank of affordable, quality housing that could be used to tackle additional pressures across Edinburgh's housing market.

Working together, SFT, CEC and Scottish Government developed a new funding model which would allow CEC to purchase MMR homes using funds 'on-lent' from the Public Works Loan Board, assisted by a grant allocated by Scottish Government.

In addition, CEC also wished to expand the supply of quality housing by creating a new "market rent" tenure. Funded and operated in a similar manner to MMR homes, these market rent homes would operate commercially without any grant support and represent excellent value for money to tenants.

SFT helped develop the model through close collaboration with Scottish Government and CEC, bringing its financial modelling skills, practical experience of mid-market rent vehicles and commercial know-how to the proceedings.

**Edinburgh Living** was launched and currently has 150 homes occupied for mid-market rent, with hundreds more in its acquisition pipeline. CEC has used these homes to provide quality, stable accommodation to families in locations across the city, improving the diversity of communities and helping with the regeneration of parts of Edinburgh.

Furthermore, the homes delivered through Edinburgh Living have been used by CEC to tackle the widespread problem of working homelessness. CEC's control of the homes means that working homeless families can be offered first refusal on new properties, enabling them to get a quality and affordable family home much faster than they would have through the social housing register.

CEC is keen to expand Edinburgh Living, with an initial target of 750 mid-market rent homes and 750 market rent homes. CEC is proactively developing a pipeline to achieve this ambition, with SFT supporting the council deliver this much-needed supply of affordable, quality homes across the city.

