

# SFT OUTCOMES

# 2023

## Innovative funding model delivers more affordable housing

PRIMARY OUTCOME

SECONDARY

OUR CORPORATE PRIORITIES

03

**INFRASTRUCTURE INVESTMENT IS AFFORDABLE WITH INCREASED FINANCING INNOVATION**



NET ZERO



SUSTAINABLE PLACES



INCLUSIVE GROWTH

The popular and award-winning National Housing Trust (NHT) programme, developed and managed by our Housing team in partnership with Scottish Government and a number of local authorities, helped establish mid-market rent homes as a new, viable option for housing across Scotland.

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

The City of Edinburgh Council (CEC) wished to continue to expand the supply of mid-market rent 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.

Our Housing team, working closely with CEC and Scottish Government, developed a new funding model - a Housing Delivery Partnership (HDP) - which would allow CEC to purchase mid-market homes using funds 'on-lent' from the Public Works Loan Board, assisted by a grant allocated by Scottish Government. Our Housing team helped the process by bringing its financial modelling skills, commercial know-how and practical experience of mid-market rent programmes to the table.

As a result, 'Edinburgh Living' was launched in 2019 and by the end of the 2022/23 financial year, 502 homes were owned by Edinburgh Living and occupied by tenants at mid-market rent, with around 100 more homes in Edinburgh Living's 2023/24 pipeline.

CEC has used these homes to provide quality accommodation to families across the City and is helping with the regeneration of parts of Edinburgh.

Furthermore, delivering homes through Edinburgh Living has allowed CEC to tackle challenges faced by working homeless households in finding suitable homes.

CEC's Private Rented Sector team has worked closely with Edinburgh Living, ensuring that officers are aware of the delivery pipeline and supporting working homeless households to apply for new homes, where this is the best housing option for them.

This partnership working and knowledge sharing approach has assisted families into quality, long-term affordable homes and is one of a number of ways CEC is supporting the reduction in homelessness across Edinburgh.

CEC continues to support the growth of Edinburgh Living with a strong pipeline of future homes at various stages of the development process with the Housing team continuing to support the Council deliver this much-needed supply of affordable, quality homes right across the City.

More broadly, the Housing team is now looking at how other councils could utilise the HDP approach, building upon the experience of Edinburgh Living and the East Lothian HDP - the East Lothian Mid-Market Homes LLP.