The triptych of Affordable Housing

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With the shortage of affordable housing units and the severe housing cost burdens, the consequences for some of the nation's most low-income households could be dire

Apparently, nearly 1 in 4 working households spends more than half of its income on housing. The share of working households with a severe housing cost burden increased significantly in the recent years, especially for those earning less than 80% of the area median income. In the UK there are hundreds of thousands of families whose incomes are so low and whose housing costs are so high that all it would take is a few days out of work with a sick child or one high heating bill to push them into rental arrears and ultimately potential homelessness.

Affordable housing is a desperate situation in most parts of the UK with the exception of areas that are historically so economically depressed that the local rental market has long factored in the low-income segment and offer prices matching local housing allowance (LHA). Paradoxically in those areas finding an affordable rental property can be quite easy; but then quality (health and safety) issues are widespread.

And this takes me to what I've defined as the triptych of the affordable housing conundrum: affordability, availability and quality.

Affordability, Availability and Quality

Obviously there is a direct connection between rent levels and local property prices. But affordable housing may also not be available because of their poor condition or may be too far from jobs and transportation. Public transportation costs are notoriously expensive in this country and present a major obstacle to many working people, not even to mention those on low income or jobless. Of course London is at the centre of this conundrum with a mix of extremely pricey living accommodations, expensive transportation costs and undersized public transportation infrastructures. Working class families are gradually but consistently squeezed out of London and must invest more and more in transportation costs. Some of them even lose their local London jobs altogether because they have moved too far away.

Our solution to this conundrum

Poune AM's solution to this triptych is simple and relies on good sense and proven methods. Nothing fancy or undecipherable, meaning impossible to understand or control even by those who devised it in the first place. To cut a long story short we go along this way:

1. Refute the assumption the situation is impossible to solve:
   YES we can.
2. Use a professional and profit-driven approach to this kind of investment;
   Think YIELD.
3. Take the investment approach to scale to make it more financially sustainable;
   Think BIG.
4. Rely on private funding and keep public involvement as minimal as possible:
   Keep it SIMPLE.
5. Have a tough lobbying action on public organisations (local councils) when needed:
   Take NO NONSENSE.
6. Import technologies and building methods (off-site manufacturing) from the office/commercial realms into our residential/mixed developments:
   Be EFFICIENT.
7. Integrate features dedicated to people with disabilities and environment-friendly:
   BROADEN PERSPECTIVES and EXPAND your TARGET SEGMENT.
8. Make it known and create a new investment segment in the property investment industry:
   Be AMBITIOUS.

Olivier Ribert
Managing Director

"Success is not final. Failure is not fatal. It's the courage to continue that counts."
Winston Churchill

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