

Rural Housing Scotland 2020 – Climate and Housing

- Financial Sector – fit for purpose?
- Lending for Community-led Housing and self-build at EBS
- Pricing and pushing for environmental excellence

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Finance Sector – fit for purpose?

- Sector still dominated by volume driven business models
- Risk averse, perception problems re “community-led” “rural”, “remote” and “restrictive covenants” = higher risk
- Lack of knowledge – fear factor
- Lack of specialist resource and ability to look at bespoke solutions

Finance Sector – fit for purpose?

- Short termism of political cycles of funding creates uncertainty
- Timescales for CLH projects (and conversion rates) dampen enthusiasm
- Sector support pre-planning is limited
- Mezzanine finance providers expensive – can impact on whether rents are affordable in reality
- Term of loan and minimum deposit issues

Solutions?

- Better liaison between lenders and support networks including lawyers and valuers
- Importance of case studies and sharing of best practice
- Importance of good sector data to tell the financial world we are not “flaky, high –risk, amateurs”
- Innovative relationships with developers and kit suppliers including MMC and more traditional materials – even timber frame still an issue for some mortgage lenders!!!
- Good understanding between Government managed funds and lenders essential

EBS - Who we are

- Established 1981 – most recent building society created
- Initial focus – low-impact living
- Assets: £200 million
- Mortgage book value: £150 million+
- Mutual – owned by the 10,000 members of the Society
- Specialists - only building society that lends exclusively for environmental and community projects

Community Led Housing lending @ Ecology



- Development finance for groups available (up to £2m and a maximum LTV of 80% at any phase)
- Stage payments available benchmarked against the increasing value of the plot / site
- Longer term mortgages supported by rental income over up to 40 years
- “Affinity” residential mortgages available to cohousing lease buyers, including shared ownership (up to 95% of share) and restrictive price covenants (e.g. up to 90% of restricted sale value)
- Also willing to look at deep renovation / conversions and unusual tenures

Passivhaus designed Community Custom-Build in Portobello



Passivhaus designed community build for affordable rent – Nith Valley



C-Change Sustainable Homes

Level	Discount %	Standards	CO ₂ Emissions
1	0.5	EPC 'B'	
2	0.75	EPC 'A' AECB Silver (Carbonlite step 1) CSH Code Level 4	22kg/m ² pa
3	1.00	CSH Code Level 5	
4	1.25	AECB Gold (Carbonlite step 3) CSH Code Level 6 Passivhaus and EnerPHit	4kg/m ² pa

Thanks for listening!

- Any questions?
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