



Housing Association Resource for Investment Scheme (HARIS)

14 June 2016

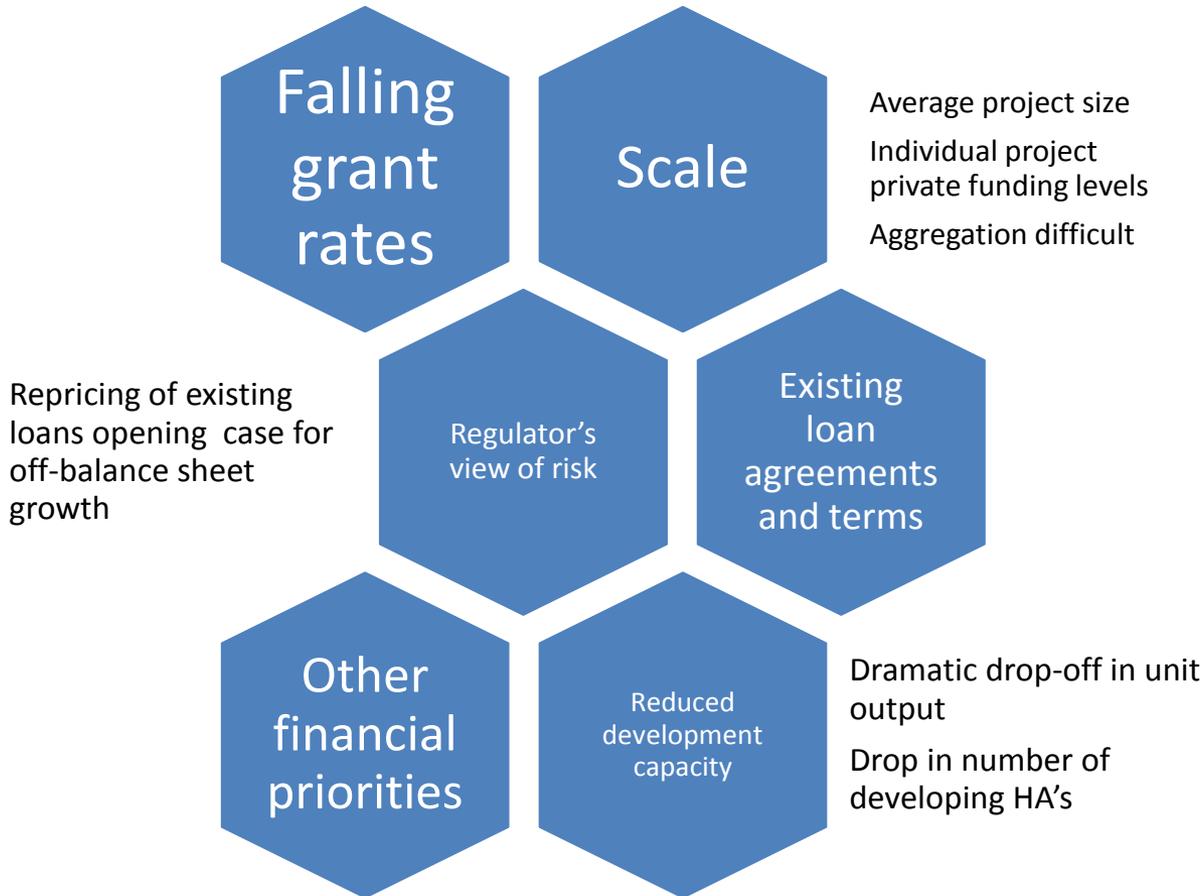
Donald Lockhart

HARIS Feasibility Working Group

What does our sector look like?

- 280,000 homes for rent,
 - plus shared homes, part ownership and factoring
- 11% of all housing in Scotland
 - 46% of all affordable rented housing
- 150 HAs and co-ops
 - Range of sizes: 400, 4000, 40,000. Typical around 1800.
 - Roles vary
 - Very general to very specialised
 - Very local to national, across Scotland
 - All registered social landlords (RSLs) regulated by the Scottish Housing Regulator therefore comfort to investors
- Strong track record for innovation and reputation good
 - Demand is strong

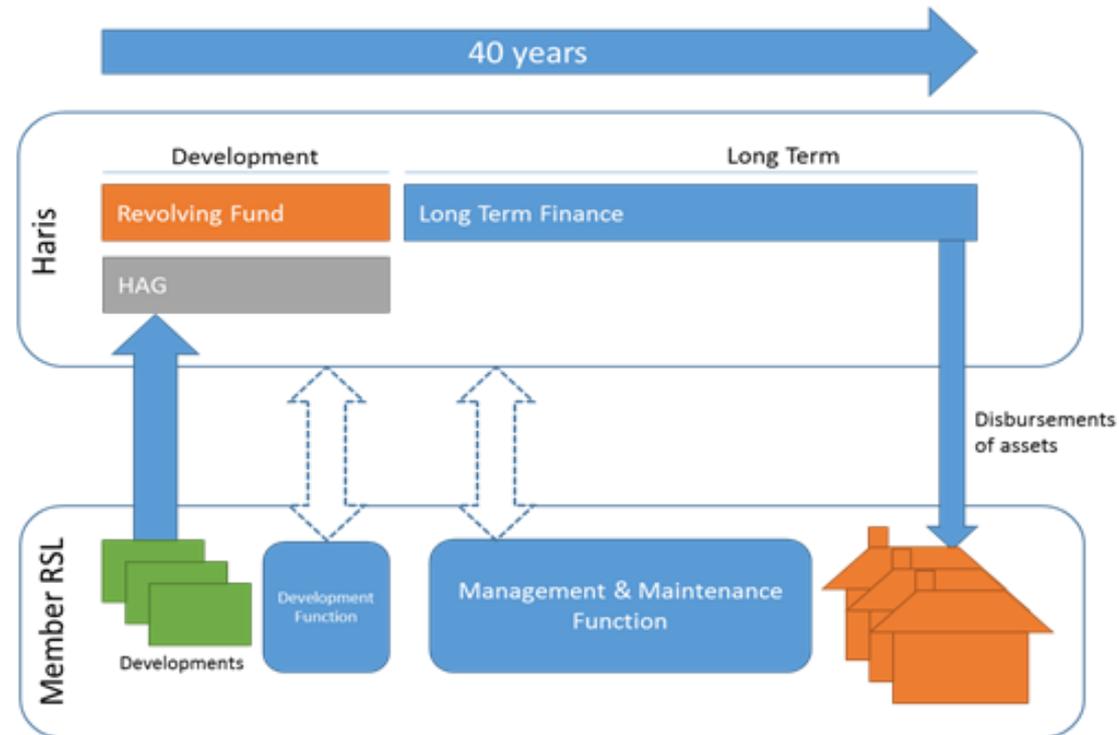
Sector challenges



- Housing a political priority
- Support for social housing
- Housing need continues to rise
- Most HA's want to do more but are limited
- Challenging unit target
- Councils want HA's to do more if they can
- Subsidy changes
- **BUT** funding constraints remain

What is HARIS?

- RSL, charity HARIS owns homes
- Members put projects to HARIS for approval in 2 stage process
- HARIS assesses project viability within its model
- HARIS builds significant number of homes over 5 year period
- Partner RSL develops, manages and maintains on Devt Agreement and M and M Agreement
- HARIS accesses private finance at a scale likely to be of interest to big funding institutions
- Modelled on 2000 units requiring £110m of long term money





Why might EIB be interested?



- Safe investment in a sector which is enormous force for good
 - Never been a lending failure
 - HARIS an investable prospect with index-linked rental stream
 - HARIS will benefit from reassurance of regulation as an RSL
- Support of Scottish Government
 - Sector vehicle an early priority of Government's Housing Delivery Plan
- HARIS offers a unique funding opportunity to:
 - Support projects that contribute to growth and employment
 - HARIS vision, purpose shows strong synergies with EIB lending aims
- HARIS is ready to go:
 - Legal structure, Governance, Agreements well advanced
 - Financial model that works
- HARIS sustains its association members by:
 - Employing their development and asset management skills
 - Investing In HARIS means 'investing' in member associations but only one due diligence process

Why does it matter?

- More than just housing
 - Potential to change lives for the better, health, economic and educational benefits
 - Recent report £3.25 SRIO for every £1 invested in social housing
- Housing associations as community anchors
 - Support, care, regeneration, employment training, supporting the development of local social enterprises, money, energy advice services
- HARIS – a unique model
 - Design excellence
 - Opportunity for more award-winning low-energy homes
 - Place-making track record of the member associations
 - Provide homes that meet the highest possible design and quality standards within acceptable cost limits
 - Interest from NHF and others





Thank you

Donald Lockhart
HARIS Feasibility Working Group

dlockhart@sfha.co.uk

07887 888337

@donald_lockhart