

Case Study: Social Housing Consultancy for Origin Properties

Background

EnterpriseBWNL provides specialist strategic finance and advice to the social housing sector.

This has been provided for over 20 years, which mirrors the aim to developing long term customer relationships.

EnterpriseBWNL has been providing this service to Origin Properties and works to provide solutions which benefit all stakeholders.

Origin Properties was set up in April 2006 to take on the management of existing commercial properties held by Group members, SPH Housing and Griffin Homes.

The purpose of Origin Properties is to:

- Generate profits to support group activities
- Enable members to gain greater access to social housing
- Provide a vehicle to undertake commercial activities outside the scope of other Group members and so protect public funds.

Origin Properties is a non-registered subsidiary of the Origin Group, which is a Registered Social Landlord operating mainly in North London and the Home Counties. It was formed to invest in land for housing, for sale and mixed use developments.

Commercial property is included, which offers the prospect of redeveloping for profit.

The aim of this company is to:

- Improve access to land
- Secure a forward land supply for 200 units a year
- Make profits to recycle into the Groups charitable activities.

Initial Situation

The Origin Group required advice on the establishment of Origin Properties, the production of its Business Plan, the creation of its Long Term Financial Plan and the arrangement of the requisite private finance facility. It is intended that Origin Properties will make investments to:

- Earn profits for the Group
- Contribute to a land bank for future affordable housing development
- Become part of mixed developments which includes social housing

Key Customer Requirements

Origin Properties requires a specialist consultancy company to offer financial and strategic advice to develop the future of the business.

This company will be required to identify any underperforming areas and make recommendations for improvements.

Our Response

Enterprise prepared a long term financial plan, a corporate plan and arranged the private finance facility of £20m required to support Origin Properties proposed programme.

These operations are subject to market fluctuations and opportunities so the plan has to be flexible and make viable assumptions.

The proposed operations covered in this plan include:

- Developing commercial assets for trading
- Developing a portfolio of commercial assets
- Developing a market rent portfolio
- Developing housing for sale
- Maximising returns from a land bank

EnterpriseBWNL developed a financial plan which included a range of assumed schemes. Although they were not yet committed, the plan allows investors to recognise the nature of the business and foresee any future plans to expand.

This aided the pricing of a competitive loan, which was compiled according to the business plan.

Achievements

EnterpriseBWNL was able to advise on the production of the business plan, which accommodated the risks associated.

Origin Properties completed the £20m facility in summer 2007, in preparation for the acquisition of the first commercial schemes.

Summary

EnterpriseBWNL continue to work closely with Origin Properties, providing ongoing treasury advice and arranged the £100 million private finance facilities for the two RSL borrowers within the Group to support their grant funded schemes.

This consultancy service integrates the knowledge and specialist skills of the Enterprise team to provide innovative solutions to difficult problems. The company will continue to tailor this customer focused service, to meet customer requirements and help with clients development and growth.



Enterprise

Lancaster House
Centurion Way
Leyland
Lancashire
PR26 6TX

Tel: 01772 819 000
www.enterprise.plc.uk