

A photograph of three young people standing in front of a brick wall. On the left is a young man with dark hair, wearing a dark denim jacket over a colorful patterned shirt and black pants. In the center is a young woman with long brown hair, wearing a black and white patterned sweater and black pants. On the right is a young woman with her hair in a bun, wearing a pink puffer jacket over a light green sweater and black pants. They are all smiling and looking towards the camera. The background is a brick wall with some white paint or plaster. The overall lighting is warm and slightly dim, suggesting an indoor or shaded outdoor setting.

LandAid

BUILD TO RENT PATHFINDER

Guidance document

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Supporting and expanding opportunities for young people to move-on from temporary accommodation to secure housing.

Sometimes young people simply need a helping hand – a route out of homelessness. This is where the Build to Rent Pathfinder seeks to make a difference.

By expanding the number of vital homes available to young people who are ready for the next step, we can help break the cycle of youth homelessness. Build to Rent operators are in a unique position to help.



Youth Homelessness in the UK

Centrepoin estimates that last year alone, 136,000 young people in the UK approached their local council for housing support – this is more than a five per cent increase from the previous year.

That's 372 young people asking for help every day.

Of these, over half of the presentations are from young women. The statistics paint a startling picture - youth homelessness is on the rise, intensified by the cost-of-living crisis, coupled with the housing crisis.

Many of these young people are in work, education, or training, or are ready to do so, but many live in expensive supported housing and hostels, that they no longer need and are desperate to leave.

The reality >>

- Although one in five young people are ready to move-on from temporary supported accommodation, they are prevented from doing so because they simply cannot pass the affordability test to qualify for a tenancy.
- Whilst unemployed, the young person's rent is covered by Housing Benefit but once they enter the world of work this accommodation becomes unaffordable. This means that work doesn't really pay and instead traps young people in the benefits system at a significant expense to the state.

Why the Build to Rent sector?

Build to Rent (BTR) has gone from strength to strength as a distinct asset class within the Private Rented Sector, growing 28% in the past five years.

Recent figures* show the number of BTR homes - complete, under construction, or in planning in England alone - currently stands at over **263,000**.

*British Property Federation

It's not just the level of BTR stock, but the ethos of BTR developments that make the Build to Rent model a perfect next step for young people: BTR is about more than just a home - it is an experience. Well-managed, safe, secure, high-quality accommodation with community and connection at the heart. Fundamentals that would make a world of difference to young people ready to transition to independent living.

What are we asking Build to Rent operators to do?

LandAid is asking the BTR sector to help create vital homes for young people as part of our 2024-2029 strategy by >>

- Providing an allocation of tenure-blind flats/homes that young people can call home for now. Whilst flat/unit size is typically dependent on what Build to Rent operators can feasibly contribute, one bed (single occupancy) units are preferable in support of the Pathfinder.
- Partially subsidising the rental payment, covering at least the difference between market rent and 30% of living wage.

The subsidy will depend on the location and could be somewhere between 35-50% or more.

This is an example of how this may look using the Manchester region for context >>



BTR provider has **studio apartment at £1060 pcm.**



UK living wage is c.£1,860 pcm. Assuming housing costs of 30%, **a young tenant could afford £560 pcm** in total.



BTR provider discounts rent by 47% and 'donates' difference of £500 pcm.



Assuming average occupancy of 12 months, **3 lives would be positively and measurably impacted** over the life of a 3 year programme.

Supporting the Build to Rent Pathfinder

What are the roles and responsibilities?

The Build to Rent Pathfinder will be a collaborative partnership between your organisation (the BTR operator), LandAid and reputable, registered frontline homelessness charities. The partnership would function as follows >>

- Your organisation/the BTR operator would allocate units of safe, secure, high-quality accommodation at a discounted rental rate, providing opportunities for independent young people to start the rest of their lives.
- LandAid will connect your organisation/the BTR operator with a local reputable frontline youth homelessness charity that has a young person ready to move-on into independent living. We will be responsible for vetting each charity (prior to making the connection) which includes undertaking necessary due diligence to ensure the charity's ability to provide the range of housing management services you will require, as well as the ongoing/follow-on services to support the young person. LandAid will also track the Social Value and overall impact created through each new opportunity you provide.
- The registered charity will be responsible for selecting appropriate young people who are ready for the opportunity to move-on to independent living. Ultimately the charity partner will be the registered tenant (subletting to the young person they support) and as such will take on responsibility for managing lettings and collecting rent, in addition to providing general tenancy support to the young person and helping the young person access appropriate employment and training opportunities, as part of their overall move-on journey.



The overarching aim of the partnership is to create access to subsidised, high-quality move-on accommodation that will enable more young people to move-on in a sustainable, supportive, and empowering environment that is also truly affordable.

Whilst LandAid's regional boards currently operate across the North West, Yorkshire and The Humber, Midlands, Eastern Region, the South West and Scotland, we are not restricted to working with BTR operators and frontline charities solely in these regions.

HOMELESSNESS IS EVERYWHERE.

Why get involved?

Benefits for Build to Rent operators

By supporting the Build to Rent Pathfinder your organisation will >>

- Be helping local young people who've endured homelessness establish new move-on routes, at an affordable rent with a secure tenancy.
- Deepen your impact within your area, supporting young people directly on your doorstep.
- Take part in a property industry and BTR sector movement tackling youth homelessness.
- Receive an annual Impact Report detailing the social impact and social value you have generated, with data that can be included in your organisation's ESG reporting.
- Fill empty units in development blocks, whilst positively providing a safe space and opportunity for a fresh start to a young person in need.

We know that being a responsible part of the community you operate in, is important to your organisation.

This commitment is an opportunity for the Build to Rent sector to deliver the S in ESG, generating significant social impact as a real force for good and truly helping to turn people's lives around.



Social Value and Impact

LandAid is working with the Housing Associations' Charitable Trust (HACT) to calculate the projected social value of the homes we help to create for young people via our charity partners, using robust wellbeing metrics to capture the life-changing impact of those spaces.

We are undertaking this work not just to report on what we already do, but also to improve and increase our impact. We will therefore be able to better inform our current and future partners of the impact of their contribution.

Presently, we are using the following HACT metrics to calculate the value generated for the young tenant, via the Build to Rent Pathfinder >>

- Moving from temporary accommodation to secure housing.
- Feeling increased control over their life.
- Feeling increased confidence.
- Feeling less concerned about being a victim of crime.
- Experiencing relief from depression and anxiety.
- Enrolling on an apprenticeship, or finding part-time employment.

‘Be a real force for good and truly help to turn someone's life around.’



The Practicalities

Terms of Agreement / Information for Build to Rent Operational Managers

At the start of the partnership, a contract will be agreed, setting out the rental fee, the term of the rent, and any termination clauses.

Leading law firm, BCLP, has kindly drafted a model tenancy agreement which we hope will become the standard for all BTR Pathfinder Partners. Organisations are of course free to draft their own, and if this is preferred, may find the BCLP version a helpful guide.

Rent

The agreed subsidised rental fee will be paid to your organisation by the registered charity partner (representing the young person). The charity partner is the registered tenant and will sublet the rental unit/flat to the young person. The charity partner will be responsible for collecting rent and utility bills from the young person. The young person will pay the charity partner via their employment wages or housing benefit. In doing so, the charity partner takes on all associated risk with the tenancy, ensuring your rent is paid in full and on time.

Tenancy term

A 3-year tenancy term would be preferable to our charity partners as this helps ensure security and stability for the young person - providing them with the tools and confidence to move out of homelessness and providing charities with a prolonged boost to their own pipeline of accommodation. It is appreciated that a longer tenure may not always be available, or that a trial period of one year may be required, as such, the minimum request is that accommodation is available for one year.

Selecting young people to take part in the BTR Pathfinder

The Build to Rent Pathfinder will not be suitable for all young people - for example those with higher support needs, or who may be struggling with alcohol or substance misuse problems. Our charity partners will agree clear

eligibility criteria with the BTR Partner; identifying independent young people who fully understand what the accommodation offer entails.

In most cases, the young people selected will be in education, employment, or training and at the end stages of their journey out of homelessness - simply awaiting that missing link, which is a stable home and a permanent address, to help them reach full independence.

Should these young people be treated differently?

The Build to Rent Pathfinder is designed for young people who are ready to get on with their lives, and as such, should not be treated any differently to other tenants within your development. To this regard, the young person should have access to the same facilities as other residents and tenants, and we hope that these young people can go on to become great tenants and members of your community.

Concerns around antisocial behaviour

All young people put forward for the opportunity to move-on via the Build to Rent Pathfinder will have to meet eligibility criteria - agreed by your organisation with the frontline charity partners. This will help to minimise any potential management problems and maximise the chances of long-term success.

Many of these young people will have already lived in supported accommodation managed by the charity partner representing them.

Charity partners will therefore be very familiar with the young people and will have considered those put forward to have demonstrated a considerable level of maturity, trustworthiness, and reliability during this time which has led to their applicability to move-on into independent accommodation.

Sometimes things can go wrong and issues may arise - as is the case with any tenants in rental accommodation. We understand that Build to Rent developments generally have staff on-site providing security and support; each young person referred through the Pathfinder will have a designated support worker, working on behalf of the charity partner who will liaise with you and your on-site team. It will be their responsibility to both manage any issues that could arise as a result of the young person's independent living, and to facilitate a smooth handing back of the vacant property at the end date of the tenancy agreement.

What happens at the end of the term?

Once the tenancy agreement comes to an end, the accommodation is returned to you ready for re-letting. Charity partners are accustomed to, and comfortable working with, fixed-term lets and will manage the young person's expectations around the terms of the tenancy from the outset.

Of course, the arrangement with the charity can be extended at your discretion and you can continue to rent to the young person (in the same flat) at your normal rental rate, or continuing at a discounted rental rate of your choosing. As with any other tenancy, the young person should have the option to request a reference on vacating.

LandAid has a dedicated in-house BTR Task Force who can provide support at every stage of the process

Led by Strategic Partnerships Manager, Will Keenan.

“Last year, an estimated 136,000 young people approached their local council for housing support. Our industry has not only the tools, but the means to make a difference. In collaboration with LandAid and the innovative Build to Rent Pathfinder we can help young people who are ready for independent living, through the provision and expansion of suitable accommodation.”

Michael Brodtman, Grainger Non-Exec Director and LandAid Patron

Pilot Programme

Evidence based case-stories and success to date



Two years on...

Since moving into his accommodation in May 2022 Linh has grown in confidence and self-esteem.

A stepping stone to independence

Cortland | Heitman | Local Solutions: Two years into the move-on journey

Linh Le was the first young person to be supported by LandAid's Build to Rent Pathfinder in Spring 2022. Linh moved-on from Local Solutions' Supported Lodgings Service (where young people experiencing homelessness live with householders in the community) into a beautiful fully furnished property at Baltic Yard in Liverpool City Centre. This was thanks to a partnership between LandAid, frontline charity Local

Solutions, property investment specialist, Heitman, and Build to Rent Manager, Cortland.

Local Solutions (a North West charity who have provided support to homeless young people for more than 40 years) continue to provide follow on support to Linh, with a focus on achieving skills and independence to enable a self-sustaining and successful tenancy in the future.



"His home is always clean, tidy and has a great warm vibe in it. He has learnt how to budget and makes his money go a long way in these hard times. He has coped with the price hikes and adjusted how he uses amenities and food shopping.

Now he has his own place he can show off his hospitality skills, which he does by having friends round for dinner and after I have

visited him, I bounce out of there feeling happy and positive.

Linh has started introducing me to different tastes from his country with snacks and teas. Linh has also gained more hours at work, which is in the centre of Liverpool not far from his accommodation, and says it is great to have his own place to come home and chill after work.

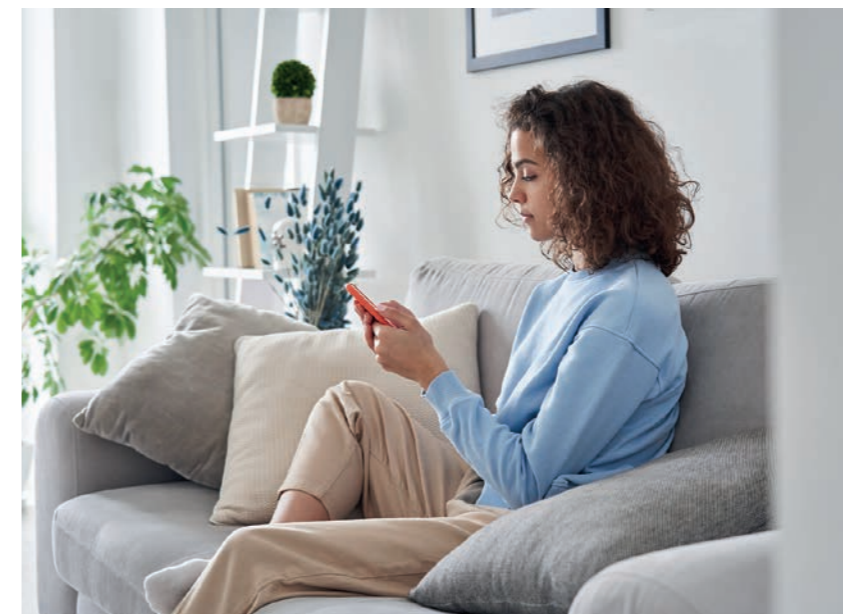
He is so thankful to have been given this opportunity to live in a beautiful home in the centre of Liverpool where his job is."

Progress update provided by **Marie Hardiskey, Linh's Support Worker and Support Coordinator** at Local Solutions, July 2023.

Build to Rent in Action: Harrow

Insight from Cliff Dymond, Area Manager for youth homelessness charity, Depaul UK.

One of the biggest problems we have nationally is finding good move-on accommodation for the young people we support.



Especially for those on low-incomes, there aren't many options. The rental market, especially in London, is very expensive and often out of reach for our clients.

Last year we got chatting to LandAid about this issue and the team there helpfully connected us with a Build to Rent developer who had some really high-quality accommodation available in Harrow.

When young people we support are ready to move-on from our supported accommodation, we know that potential exists to offer a number of flats in the development to them, with a significantly discounted rent for the first two years. There's a free gym, a cinema and shared cooking facilities on site, so there's a really good community feel to the place.



It's an ideal set-up for young people who are in work and ready to leave that experience of homelessness behind, and it means they're able to meet and socialise with other young professionals.

It's not just about somewhere to put their heads down – being able to live somewhere like this high-quality development is a real boost to their self-worth for the clients who have moved in. Our involvement doesn't end when a young person moves in, we continue to offer support and to broker the relationship between the landlord and tenant to iron out any issues. So far two young people have moved in and we have the opportunity to access up to five units this year.

One was a young man who had been in Depaul accommodation for 18 months. In that time, he'd finished college and got a job in research and development for a chemical company.

He's really committed to his career, but he's early in his career and his wages just wouldn't sustain a private rented tenancy. He jumped at the opportunity, and he's really thrived in his new home, making new friends and having an easy commute to work.

The other young person who moved in, did so following the end of a relationship. She felt she needed a fresh start in a new location, but she was quite nervous about going there and meeting new people.

We were able to facilitate a few visits with a progression coach to check out the accommodation and the communal areas, and we also mapped out a route for her to get to work. She needed to get a deposit together quickly and Depaul was able to loan her those funds to give her a leg up. She's also now settled and really enjoying her new home – and she's been able to repay the loan.

Both clients had been on the verge of homelessness for different reasons, but they were fundamentally motivated, resilient young people.

All they needed in life was a break, and through this scheme, we were able to give them that.

The more affordable move-on options we have for our clients the better, and the more control they have, which is really important for young people who've experienced homelessness or are at risk of homelessness.

“ We're very grateful to LandAid and to the developers involved for the faith they've shown in our clients. This kind of affordable move-on accommodation makes the world of difference to young people who just want to get on with their lives.”

Cliff Dymond is the London and South East Area Manager for frontline youth homelessness charity, Depaul UK.

Frontline charities can make a bigger impact when they join forces with strategic partners – and your organisation is best placed to help by joining up to the Pathfinder.

After a successful pilot programme

LandAid needs your help

to take the Build to Rent Pathfinder to the next level.



With a commitment to support 10,000 young people facing homelessness by the end of our current strategy (2024-2029), we are calling for BTR Partners across the UK to contribute homes towards this target.

Will you help LandAid create vital homes through this initiative?

Let's set up a meeting and discuss
Contact Will Keenan: btr@landaid.org

LandAid



Will Keenan

Strategic Partnerships Manager

Landaid Charitable Trust

St Albans House

5th Floor, 57-59 Haymarket

London, SW1Y 4QX

020 3102 7190

btr@landaid.org

www.landaid.org

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