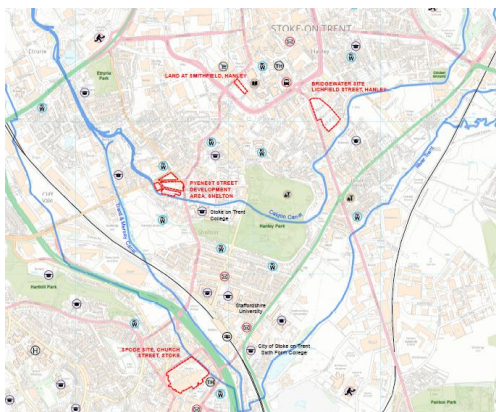


Project Experience

Private Rented Sector Housing Feasibility – Stoke City Council



Background

AspinallVerdi led a consultant team including IBI and BWA cost consultants to undertake a feasibility study for Private Rented Sector housing in Stoke. Stoke has significant plans to grow the local economy and diversify the types of employment opportunities, particularly the professional services sector in the city centre. There is therefore significant potential to grow the private rented market in Stoke. In this context we appraised the feasibility of PRS on four sites within the city – namely land at: Smithfield, Bridgewater, Pyenest Street, and Spode Works.

Scope

We carried out the following tasks -

- Detailed research in respect of the national housing market context for PRS and the local housing market and residential letting market in Stoke.
- Detailed consultation with investors in order to (1) raise awareness of the potential opportunities in Stoke and the renaissance programme and (2) test and validate our financial appraisal assumptions.
- We received positive feedback to PRS in Stoke from both developer-investors and Investment Funds looking to develop their portfolios. We received specific feedback on IRR's, cashflow length, deductions to net operating income (NOI) and growth assumptions.
- IBI prepared concept capacity plans and we carried out explicit cashflow appraisals of the four schemes.

Conclusions

We identified the key risks which are: viability and funding; delivery and VFM; and procurement. We also set out a clear strategy for the Council to engage with private sector developers and investors to deliver PRS in Stoke.

