

### 3. futureproof: Aims and Objectives

With the first stage desk-top research behind us we were ready to start to develop the thinking behind the original concept in preparation for the financial modelling phase.

#### Original Hypotheses

The proof-of-concept project originally sought to identify a solution-focused response to both the wider strategic context and the perceived barriers to the rapid construction and installation of new homes. It was conceived with a view to developing a new financial product for accelerated housing delivery.

Our early hypothesis was that a different long term financial – link - infrastructure, homeownership finance, site ownership and management, used in creative ways ought to drive down operational running costs for residents and create community benefits.

In contrast to many existing housing delivery models, **futureproof** would become a long-term investment / asset ownership model with access to long term / lower cost finance. This will be linked to a new delivery partnership and home ownership borrowing structures. Put together this approach will underpin the design and planning, construction, and operational phases of development.

It would assume that the public sector could play a key role in the delivery if it wishes. Off-site / Design for Manufacture and Assembly (DfMA) will be the sole construction method to drive speed and build quality. Generating local economic benefit through local supply chain development would also be part of the approach.

This project would seek to determine the structure and cash flows of the **futureproof** model by assessing the value, risks, and opportunities of the bundled combination of residential related investment opportunities / associated revenue streams whilst identifying potential social, economic, and environmental value creation opportunities. Our original plan was to develop a **futureproof** financial model of an exemplar site, working with Homes England's South East Regional Team.

Our theory was that this long-term investment horizon would necessarily precipitate greater interest in and requirement for high quality construction, affordability and sustainability and could widen access with a differentiated housing 'offer'.

In addition, the model could generate significant value by exploiting a wide range of unmet housing related investment and ownership opportunities whilst spreading portfolio risk. It would be better at dealing with market fluctuations and potentially overcoming absorption rate supply constraints and ultimately accelerate build out rates.

Alongside this work we would seek some early identification of governance management / service requirements, potential routes to market and further work required for establishment and piloting the FutureProof approach on a live site.

#### Wider Engagement

Stakeholder and expert engagement has helped evolve initial perceptions and hypotheses into a much more refined financial delivery model. Testing of the emerging concept has led to far greater robustness and confidence that it has a significant chance of take up by the investor sector.

Inevitably though, and as with most proof-of-concept projects, the initial design of **futureproof** evolved significantly over the 8–9-month project period, but the overall objective was achieved.

**IN SUMMARY:** **futureproof** offers a different route by fundamentally redistributing value in the housing construction process and in so doing create a better way to accelerate the delivery of quality homes. This would have to be quantified before trying to find the Investors for the first **futureproof** site.