



The Confederation of
Co-operative
Housing

CCH Case Study: Climate Innovation District (Leeds) | Researcher: Nic Bliss | Date: July 2020

Climate Innovation District (Leeds)

Working with a private developer





At a glance

- **CITU is a private developer with a commitment to developing community orientated schemes that enable people to reduce their carbon footprint**
- **Leeds Community Homes (LCH) is the community led housing hub for the Leeds City Region**
- **The Climate Innovation District (CID) is an innovative scheme being developed by CITU in the Aire Valley Corridor regeneration programme in Leeds**
- **CITU has agreed to grant a 999 year lease of 16 pepperpotted flats in the CID (9 rented homes; 7 discounted equity) to enable LCH to play a role in the development of community within the overall scheme**
- **LCH is paying for the lease through a £360k share offer with £600k worth of home sales**
- **There have been substantial delays to the scheme due to the repercussions of the Grenfell Tower tragedy resulting in restrictions on timber development in schemes over 11 metres**



Photos





Overview

The Climate Innovation District (CID) was the initial scheme that kickstarted Leeds Community Homes (LCH) in 2015. LCH had been formed earlier in the same year by a range of people interested in exploring how to expand community-led housing in the Leeds area through LCH building its own housing or enabling others to.

LCH was formed as a Community Benefit Society and it is recognised by Community Led Homes as the community led housing hub for the Leeds City Region (an area that encompasses a number of local authorities in the region including Leeds). LCH now has more than 270 members – mostly individuals but also some corporate organisations – most of whom invested when LCH launched its share offer.

An LCH founding member had a personal link to CITU – an award-winning private developer building innovative places that help people to reduce their carbon footprint and communities to be sustainable. CITU acquired a privately owned derelict industrial site in the Aire Valley Corridor regeneration programme in Leeds – a programme to breathe life back into a former industrial spine leading along the A63 out of Leeds. CITU wanted a partner to develop community focussed homes in what became known as the Climate Innovation District (CID) and chose to work with LCH because of their community credentials and because they were uncomfortable with proposals put to them by housing associations where affordable rented homes were to be separated out from market-based homes (with “poor doors” and equivalent).

This led to CITU offering LCH 16 peppercotted flats (9 rented homes; 7 discounted equity) in the development for a 999 year lease costing £800k. LCH intends to cover these lease costs and additional costs (total of

£950k) through a £360k share offer alongside £600k sales to homes leased on at discounted value. LCH also anticipates a potential to borrow up to £400k should the need arise.

LCH describe CITU as a private developer that has its heart in the right place, but there have been difficulties – in particular keeping updated on developments, and getting to see the full picture – especially when the project encountered some challenges. CITU was also keen to manage any PR and media messaging, so as to fit in with their need to sell the other properties being developed.

Problems have emerged in the wake of the fallout from the Grenfell Tower fire tragedy in that the scheme was intended to be timber built and initially over the 18m threshold where superior fire safety measures would be required. Adjustments were made to the scheme to cater for these requirements, but with Government now exploring increasing fire safety measures for schemes of 11m – consideration is now being given to using steel and concrete build. The scheme is still intended to be Passivhaus nonetheless.

CITU is just a developer. It has no long-term intentions to own or manage the homes built, but intends to establish management arrangements owned and controlled by the residents. It is intended to establish a CIC to own the freehold of all homes (all will be leased – an issue for CITU being that none of the properties will be investment properties) and common spaces – with the intention that all

residents will be members of the CIC, meaning that LCH will have an influence over the community structure of the whole development.

CITU are now starting to have dialogue with LCH about phase two of the project.



1. Climate Innovation District elevations
2. A visit to the site
3. Examining the plans





Quotes

“Our involvement with CITU came from their desire to create thriving communities. They wanted shared community space and they liked that we were a community housing provider. Our values were aligned. Community led housing offers interesting opportunities to private developers. They are starting to understand that people want a sense of place. A home is not just four walls and a door. Some people want to have something to do with their local environment and community led housing offers a means by which they can be the core of an ongoing community.”

“Working with a private developer, you are not entirely in control of the journey. You can have a say on it, but it’s a lot harder to control decisions about design and timings. Communication can be difficult because you are a relatively low priority for the developer because they are dealing with the day to day challenges of building the scheme.”

“More than 60% of those who invested in community shares were local to Leeds. We offered a competitive rate of return but financial return was not a major motivation for most investors. Most people were interested in seeing their money being used to create more and better homes for people.”

Jimm Reed

Leeds Community Homes



Learning points

- **Private developers may offer interesting potential to develop community led housing schemes across different tenures**
- **There may be various motivations for private developers. CITU describe themselves as a “property developer like no other” that uses “beautiful design to create places that make it easy to live a sustainable life”. Their motivation was to deliver their mission to tackle climate change through community orientated housing solutions**
- **Working with a private developer may bring particular challenges regarding communications, involvement in design and the priority level of community led housing schemes**
- **People investing in community shares generally want to see their money being used for the benefit of the community rather than for an anticipated rate of return**
- **Development delays are common. Where community shares are part of the funding mix, there is a need to engage and have dialogue with investors regarding delays**