



# LAR HOUSING TRUST

MARKET ENGAGEMENT

and

REQUEST FOR PROPOSALS

**September 2017**

LAR Housing Trust is a Scottish Charitable Incorporated  
Organisation (Scottish Charity number SC044825)

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## 1. LAR HOUSING TRUST: AN INTRODUCTION

LAR Housing Trust (“LAR”) is a Scottish Charitable Incorporated Organisation which provides homes for rent across Scotland. Established in 2015, LAR currently has over 200 operational homes with a similar number either under missive or being considered. With an initial target of up to 1000 homes we are actively seeking further opportunities to increase our portfolio and meet this objective. With access to a loan facilities totalling £120m we are in a position to enter into purchase agreements within a short timeframe if there are opportunities that meet LAR’s requirements.

The properties are occupied by tenants who fall within LAR’s target tenant group. LAR’s tenants tend to be those people who are in work (or retired) and for whom private rents are generally too expensive, but for whom renting a council house is not a realistic prospect, mainly due to high levels of demand and long waiting lists.

## 2. PURPOSE OF THIS DOCUMENT

- 2.1 LAR is a long-term provider of high quality, energy efficient, mid-market rental homes. To achieve this, LAR requires a portfolio of high quality, energy efficient homes in a number of areas across Scotland.
- 2.2 With this document, LAR seeks to engage with developers, housebuilders and others to seek proposals for LAR to acquire units which are already built or in the process of being built or for sites.
- 2.3 This market awareness process is being conducted entirely on a voluntary basis. LAR will not be under any obligation to accept the lowest cost proposal, or any proposal submitted to it. LAR reserves the right to accept a proposal in part. The costs of participating in this process (and all costs related thereto) are solely the responsibility of the developer / housebuilder submitting the proposal.
- 2.4 As this process is entirely voluntary, LAR reserves the right to purchase sites and units directly from developers and housebuilders outwith this process without any further advertisement.
- 2.5 As per 2.2 above, LAR is also interested to hear from landowners who would be interested in selling land to LAR which is suitable for residential development. In this case, please contact LAR at: [info@larhousingtrust.co.uk](mailto:info@larhousingtrust.co.uk) for further details.

## 3 LAR’S REQUIREMENTS

- 3.1 LAR now seeks to expand its portfolio of units, mainly by purchasing 2 bedroom flats and 2 bedroom and 3 bedroom houses. Other sizes/types will be considered, but are not a priority at this time.
- 3.2 Although LAR is prepared to consider developments across Scotland, those areas where there is the greatest demand for this type of unit will be prioritised and priority will therefore initially be given to developments in the following areas:

**First tier:**

- Edinburgh, East Lothian and Midlothian
- Glasgow

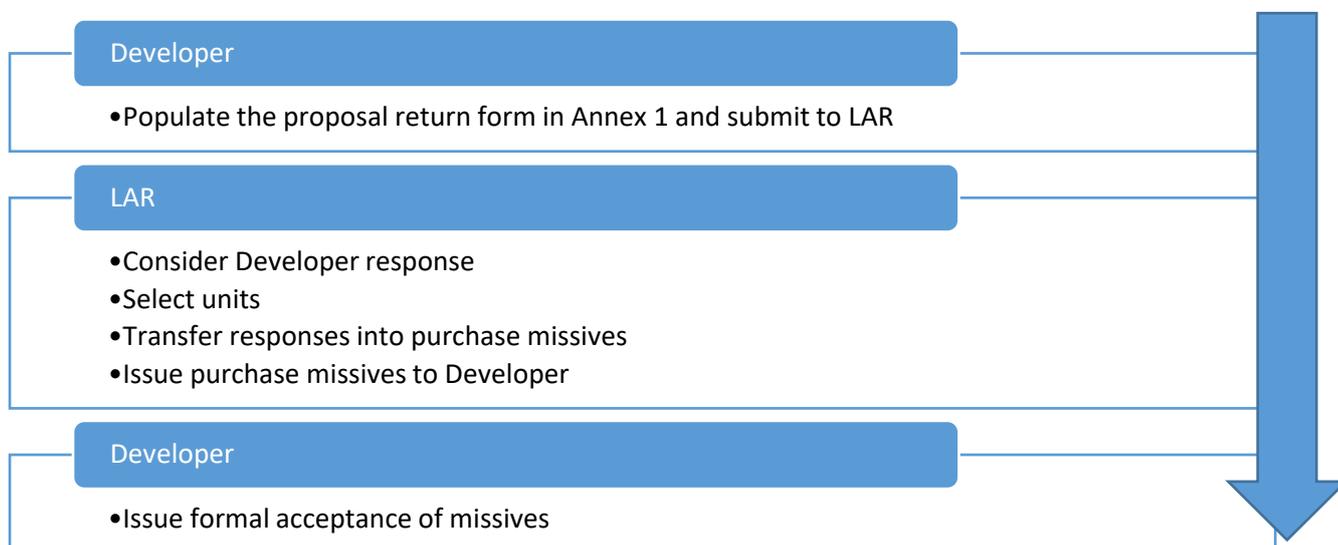
**Second tier:**

- All other areas within Scotland

- 3.3 LAR is seeking to acquire units that are already built/partially built developments that will be suitable for occupation within the next 12 months. Longer term opportunities will also be considered.
- 3.4 The minimum size of development that LAR will consider is 10 units. Developments which will be completed on a phased basis, particularly where there are significant numbers of units involved, are also welcomed.
- 3.5 LAR will purchase units based on LAR's standard purchase missives.
- 3.6 LAR intends to purchase units on their completion. If the development is to be completed in phases, then payments can be made once a phase has been completed.
- 3.7 Please see section 5 below regarding how LAR will consider any proposals that it receives. As LAR is not specifying design requirements, but rather reviewing what is proposed to LAR, a proposal return form in the style attached at Annex 1 must be submitted.
- 3.8 LAR is also keen to explore opportunities to acquire units in a manner which would assist developers in meeting their section 75 and planning obligations, for example where developments have come forward more quickly than anticipated and SHIP funding is not available. Developers should confirm with the relevant planning authority that mid market rent is a recognised route for discharging section 75 obligations. If a developer believes that this is the case in respect of any units proposed under a proposal return form, this should be made clear on the proposal return form and relevant evidence appended.
- 3.9 LAR is committed to working closely with each Local Authority in whose area it is considering developments. To this end LAR will consult with the relevant Local Authority and consider its Strategic Housing Investment Programme before deciding which developments to invest in.

## **4. PURCHASE PROCESS AND TIMESCALES**

- 4.1 LAR will operate the process outlined below:



4.2 The return of a proposal return form shall place LAR under no obligation to purchase, and only those developments which are subsequently selected by LAR and which LAR deem to offer best value and which best meet its objectives will be pursued.

4.3 It should be noted that any contract concluded between LAR and a Developer will be conditional on (amongst other things) delivery of a Certificate of Title (or LAR’s solicitors providing a Report on Title) which is satisfactory to LAR.

4.4 The pro-forma proposal return form (in Annex 1) which all applicants must use, must be returned to LAR, either in hard copy form to LAR at:

**LAR Housing Trust,**  
Suite F3,  
Buchan House,  
Enterprise Way,  
Dunfermline, KY11 8PL

**by 5pm on 27<sup>th</sup> October 2017.**

or in soft format to LAR at [info@larhousingtrust.co.uk](mailto:info@larhousingtrust.co.uk), marked for the attention of the Development Manager, with heading “**Market Engagement Return**”.

LAR will respond to successful Developers within 4 to 8 weeks of receipt of responses.

4.5 LAR reserves the right to discuss the terms of any proposal with the relevant developer (or not, as the case may be) and to arrange to visit proposed sites and units to ensure that LAR best meets its objectives.

## 5. SELECTION PROCESS

- 5.1 LAR will be considering proposals both on their own merits and as part of a portfolio for LAR. This is because it is important to LAR that the units which it purchases individually offer value for money and quality of build and, when taken together with all other LAR units (or potential LAR units), have a geographical and unit type/size spread which enables LAR to best meet its objectives.
- 5.2 Each proposal will firstly be considered relative to LAR's identified priorities in terms of location and unit type (see sections 2 and 3 above). Developments that indicate that they are capable of fulfilling those priorities will then be reviewed further to allow LAR to gain a fuller understanding of the development before other proposals will be considered.
- 5.3 The following criteria will then inform LAR's decision making processes:
- Proposed unit price (overall and as a per metre rate);
  - Desirability of immediate location and surrounds;
  - Desirability of the unit, once completed;
  - Condition of unit (i.e. if completed, extent of snagging list);
  - Warranties/certificates (e.g. NHBC) available in respect of the unit;
  - On-going maintenance/lifecycle costings;
  - Timescale for delivery/completion of the Unit;
  - Certainty of delivery;
  - Whether the units form part of the affordable commitment on the site;
  - Fit with geographical spread of other units being considered by LAR in similar and other locations;
  - Fit with unit types being considered by LAR in similar and other locations;
  - Fit with local authority assessed housing need and demand.

## 6. CONTACT DETAILS

If you require any further information in relation to this call for proposals or the contents of this document, please contact LAR through the following channels:

E-mail: [info@larhousingtrust.co.uk](mailto:info@larhousingtrust.co.uk)

Telephone: 01383 630190

## Annex 1 – Proposal Return Form

Please complete the following tables and attach relevant plans/guarantees/warranties as detailed below:

Developer/Housebuilder's Name:	
Contact Person (name and position):	
Phone number:	
E-mail:	
Address:	

### 1. Location, Type & Site information

Number	Heading	Requirement	Response
1.1	Location	The postal address of the development should be given, together with a map, pinpointing its location.	
1.2	Site size	State number of units that would be acquired by LAR. Please also state the number of units which are being developed on the site (and state their type e.g. for private sale, social units, low-cost home ownership etc.).	
1.3	Site Plan and Build Programme	Please attach a site plan (showing clearly which units are proposed for LAR and their relationship with the wider site) and Build Programme. This should identify all plots and a route of build attached to a time line for completion.	

1.4	Planning Permission	Please give planning permission/building warrant reference numbers.	
1.5	Unit Type	Please state number and type of each unit proposed (e.g. 2x 1bed flat, 10 x 2 bed flat in each block, 2 blocks proposed). Floorplans (for each unit type – see section 3 below) and warrant drawings should also be attached. Please provide plans for any common areas and detail any particular features that apply, such as lift provision.	
1.6	Stage of build	Please indicate the stage that the build has reached, together with the construction start date and [expected] completion date(s). If the build is being completed in phases, please list all phasing information (completion dates, numbers of units etc.)	

## 2. Price and financial information

Number	Heading	Requirement	Response
2.1	Purchase Price	Please give total purchase price: price per unit/unit type: price per metre	
2.2	Factoring arrangements/on-going charges	If any factoring costs or other charges will apply post purchase, the arrangements and costs should be detailed.	
2.3	Affordable contribution	Do the units form part of any section 75 affordable	

		housing requirements on the site? If yes, please explain why you consider that the s75 requirement will be met by the provision of mid-market housing.	
2.4	Purchase Missives	Please detail any unusual burdens or conditions relevant to the proposed development, including, but not limited to, environmental conditions and/or construction complexities. If a deed of conditions will apply, it should be attached. Any title issues or third-party rights/use prohibitions should be detailed.	

### 3. Applicable Regulations, Dimensions and Specification

Number	Heading	Requirement	Response
3.1	Regulations	Which Building Regulations will/have the units be(en) completed under (e.g. 2010, 2013, 2016). Please provide details of any guarantees and/or warranties which will be given. (e.g. NHBC/Premier or similar, Architects certificates, Engineers collateral warranties, lift guarantees etc.). Copies of guarantees/warranties already given to the developer should be attached.	
3.2	Dimensions	Please give gross internal floor area for each unit type,	

		floor plan showing size of each room and size of any internal common areas.	
3.3	Specification	Please attach the specification for each Unit type in sufficient detail to allow LAR to carry out a lifecycle costing exercise. The specifications should show design standards and materials used and the quantities. The more detailed the information provided, the quicker it will be for LAR to assess the suitability of the proposed units.	
3.4	External Areas	Please show clearly the external areas which will be purchased by LAR and detail materials used/finishes. Bin stores/cycle stores should be clearly marked on any plans.	
3.5	Fittings and fixtures	Please give details of kitchen and bathroom units provided (including brand and supplier). Please indicate whether the units will be carpeted, whether white goods are included, any blinds or curtains provided etc.	
3.6	TV/telecoms	Please detail the IT provision for each unit (communal aerial etc.) and type of connection (FTTC, FTTH etc.) and expected broadband speed.	