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# European Residential Product Council

Dublin – September 2018

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## Overview

ULI Europe's Residential Council brings together a diverse group of professionals who are passionate about the creation, expansion and retention of high quality, affordable housing in European cities. Members believe in the importance of housing as a key success factor for vibrant, dynamic and economically successful cities. Council meetings capture the views of both ULI members and experts in the field on all types of residential property across Europe, and are a forum for sharing ideas and experiences from around the world.



# Housing Affordability in Five European Cities

ULI launched its housing affordability in five European cities white paper.

**Key takeaways:**

- City like for like comparison on housing affordability, namely Amsterdam, Barcelona, Berlin, London and Warsaw.
- The research looks at the experience of **different types of households with lower, median and upper quartile disposable incomes.**
- It requires both policy and market solutions to tackle the housing affordability issue.
- Countries that fared better in the diagram had good social housing policy.

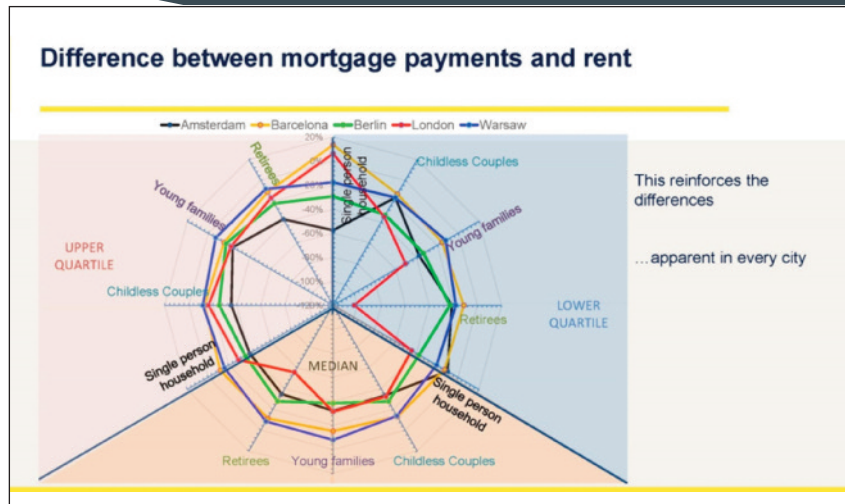
“Housing affordability is a global problem”

## Mass manufacturer modular homes

**Robert Luck**, Chief Executive Officer, Top Hat Corporate Ltd  
 Robert takes the Council through the evolution journey of Top Hat, which mass manufacturers modular homes for the UK housebuilding market.

**Key takeaways:**

- Top Hat’s innovative approach utilises an automated moving production line that will send an entire home out of the factory every six hours.
- The modules are then transported to destination sites and assembled quickly and efficiently.



- Modular construction is considered as the way forward in housebuilding.
- Homes are built in 2 to 3 parts and homes are assembled in less than a day.
- It is fixed price to build (depending on the specification) with a 12 year guarantee.
- 25% larger than the industry average home.
- They are zero carbon homes.
- They feature option of mass customisation throughout the home.

“We have the mission and the means to revolutionize the housebuilding industry”

## Can Innovation Lead to Affordable New Housing Supply?

**David Woodward**, President, Global Apartment Advisory

**Key takeaways:**

- Modular building is in the very early days in the United States.
- The United States is starting to see apartment communities with we work elements in place
- Location is becoming less important as more and more of people’s lives are being integrated into where they live.



“Once the modular home building genie is out of the bottle there’s no going back”

## How Does Affordability Link to Risk and Fragility of Investment Portfolios?

**Xavier Jongen**, Member of the Board, Catella Real Estate AG and  
**Brian Klinkseik**, Senior Vice President, Heitman

### Key takeaways:

- Affordability is a risk for investors.
- Tail risk is building with the affordability issue.
- Young people in Dublin seem to be spending 40-50% of their disposable income on rent.
- There’s more than one type of affordable housing:
  1. Fundamentally driven: Strong job growth and migration
  2. Asset price driven: International buyers storing assets
  3. Market positioning: Developers responding to high land prices by targeting the upmarket buyers

- There’s a big debate in the United States whether millennials will keep renting in the cities or eventually move out to the suburbs and buy.
- Older people may sell their large home and end up renting for their remaining years is viable.
- Affordable housing can be seen as a bond product.
- US apartment rental growth in affordable housing is better than all other forms of housing in terms of growth.

“I see a high end urban bubble in the US”



## Site Tour

The Council took a site tour to Hansfield Wood guided by IRES REIT. The Council members were shown a method of building not commonly seen using lightweight material that is filled with concrete. A lot of these houses are rented out.

## Next Steps for the ULI Europe Residential Product Council

Going forward The Council will focus on sharing best practices in tackling housing affordability and has proposed to begin with planning as a key instrument. The Product Council members proposed to compare regulations in US, UK and NL.





## Members and guests of the Council

**Davide Albertini Petroni**, Risanamento S.P.A

**Yolande Barnes**, UCL

**Nicolas Bearelle**, Re-Vive

**John Bruder**, Burl Real Estate

**Marcus Cieleback**, Patrizia Immobilien AG

**Mark Collins**, CBRE

**Gary Corrigan**, IRES

**Garrett Dorrian**, IRES

**Xavier Jongen**, Catella

**Nick Jopling**, Square House Consultancy

**Alan Kavanagh**, IRES

**Kazimierz Kirejczyk**, REAS Residential Advisors

**Brian Klinskiak**, Heitman

**Robert Luck**, Top Hat Corporate Ltd

**Eduard Mendiluce Fradera**, Anticipa Real Estate S.L.U

**Alex Milojevic**, Catella

**Rory O'Hagan**, Assael Architecture Limited

**Tim Phillips**, Lothbury Investment Managers

**Christian Schouten**, Bouwinvest

**Roger Southam**, Consultant

**David Woodward**, Global Apartment Advisors

**Adel Yahia**, Immobel

## About ULI Europe

The Urban Land Institute is a global, member-driven organization comprising more than 40,000 real estate and urban development professionals in 76 countries dedicated to advancing the Institute's mission of providing leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. In Europe, we have over 3,000 members.

European Councils are forums for industry leaders to meet, exchange ideas, share best practices and foster thought leadership in their specific sector of the real estate market. Consisting of a genuinely international membership, the councils provide a unique platform to learn from peers in the same sector who are operating in different geographical markets, as well as help shape the future of pan-European real estate.

## Join us today

The success of ULI's Product Councils relies on the active participation of our senior executive full members. If you would like to share your expertise and be involved in shaping the future of real estate in Europe, please contact the relevant Chair or Louisa Batts at [louisa.batts@uli.org](mailto:louisa.batts@uli.org) for information on applying to join a Council.

<https://europe.uli.org/join>

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