

# **ANNUAL REVIEW**

## **2019**

PROVIDING GOOD QUALITY AFFORDABLE LIVING

# WELCOME

🕒 **2019** saw a whirlwind of development activity as we made excellent progress in increasing the supply of good quality mid-market rental homes across Scotland.

At the close of the year we had 700 homes occupied, under construction or in the planning process at 30 sites across the country. Those are numbers about which we can be extremely proud, and I pay tribute to the staff team, so ably led by our Chief Executive Ann Leslie. Their hard work and dogged determination to make a difference to the housing sector across Scotland is admirable.

During the year we welcomed nearly 250 new tenants to our 10 new developments in six different local authority areas – an impressive set of figures. Elsewhere in this review you can read about what some of our tenants think about the service they have received from us.

I was delighted to welcome our funders, the Bank of Scotland and Scottish Widows, and the Minister for Local Government, Housing and Planning, Kevin Stewart MSP, to a number of our sites during the year. They continue to take a great interest in our achievements, and I am sure there will be many more for them to note during the coming year.

Finally, I thank my fellow Trustees for their support and wise counsel as we oversee the strategic direction of the organisation. I was particularly delighted to welcome a new face to the Board in 2019 with the appointment of Philip Rodney. He is a hugely respected figure in Scotland's legal sector as well as the wider business community and brings many new talents to the Board.

I look forward to more success in the coming year.

**Andrew Robertson, Chair**

🕒 **I OCCASIONALLY** think back to our launch just over four years ago and the challenges of building up a brand-new business and a considerable portfolio in a very compressed time period from a standing start.

With 30 developments now on the go, I hope that LAR's credibility is now firmly in place and we have in fact worked with most of the major construction companies and developers so far.

Our thoughts are now turning to the next stage of our growth and a 10-year strategic plan is underway, which recognises the switch in LAR from start-up to scale-up.

At the heart of LAR's strategy are our tenants and we spend a lot of time listening to their feedback to help shape the holistic service we provide. Thanks to tenants' comments, some external grassed areas at two developments in Aberdeen have been turned into private gardens during the year. Given the number of trampolines and newly created flower beds in these gardens, they are proving to be a huge success. LAR Projects Limited, our new development subsidiary, is also using suggestions from our tenants to design new developments which incorporate well-liked features from developments which we have provided so far.

Our financial model also provides a welcome boost to the public purse, as it is based entirely on loan funding rather than grants. This innovative approach, without a strong parental balance sheet behind us, has been interesting to make work – but it is working, and working well. As such, we hope to continue leading the way for this type of housing model in the coming decade.

**Ann Leslie, Chief Executive**



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

# TENANT TESTIMONIALS

Our tenants are at the heart of every decision we make as an organisation. We talk about developments and construction, but it's the people in LAR homes that matter most. Here's what some of them have to say about us:



## ABOUT OUR STAFF

So excited to move into my new flat. Been a great process and lovely staff to deal with – great communication and updates and always answer my queries quickly.

Very nice, responsive and helpful staff. The flat is really lovely and we're excited that our son will have such a lovely home.

Extremely kind, helpful and accommodating staff and the flats are beautiful.

The staff have been fantastic and very patient with us providing all the information we needed.

I'm so excited! Really helpful staff and beautiful, affordable flats.

Building amazing and amazing helpful staff too.

## ABOUT OUR PROPERTIES

I'm thrilled to have been offered a flat – so happy with the finish.

Building is looking very fresh and modern. Very good ambience.

Building is very well finished and bright.

Flat is lovely and the location is perfect.

Flats are very comfy and spacious. Very impressed and looking forward to moving in.

Looking forward to moving in. Gorgeous new development at an affordable price.

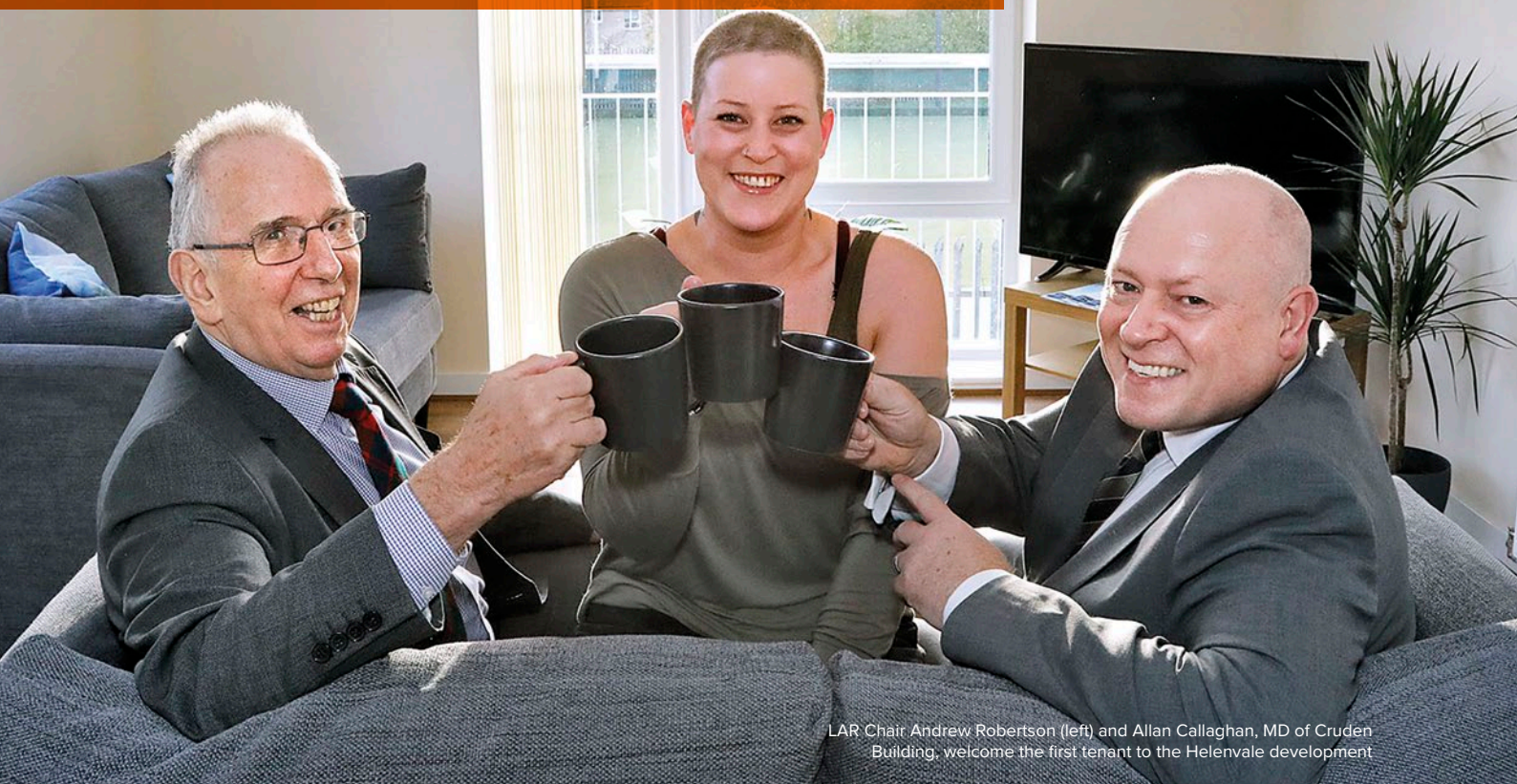
## ABOUT OUR SERVICE

The whole process has been fantastic. Can't believe I've been so lucky to get such a beautiful flat.

The whole process was smooth and professionally handled. The flats were a pleasant surprise and I'm excited to move into the building.

Very helpful and reliable and always been kept up to date. Flat is lovely.

# DEVELOPMENT MATTERS



LAR Chair Andrew Robertson (left) and Allan Callaghan, MD of Cruden Building, welcome the first tenant to the Helenvale development

🕒 **IT** has been a particularly busy year for acquisitions and development work across Scotland. We completed our first and second sites in Edinburgh, our biggest development to date in Glasgow, our seventh in East Lothian and continued to look for design and build opportunities, as well as turnkey projects.

Here are some of our highlights of 2019.

## EDINBURGH

### 🏠 **ELFIN SQUARE**

Elfin Square (formerly known as Chesser House) is a former eight-storey office block on the city's Gorgie Road. Work on converting the 1970s building was completed in January 2020 and the one, two and three-bed homes are being snapped up quickly given the superb location in the west end of the city.

### 🏠 **WESTWOOD HOUSE**

Next door to Elfin Square is our first completed development in the capital, Westwood House. A former office block, it comprises 47 properties.



We were pleased to welcome Kevin Stewart MSP, Minister for Local Government, Housing and Planning, to officially open the development in November 2019. Westwood House is our first commercial-to-residential conversion and one we would be delighted to replicate, if we can find a similar suitable building.

This was Mr Stewart's second visit to Westwood House. He toured the site during conversion work, carried out by Clark Contracts, earlier in the year. Demand for the homes was high with all properties allocated shortly after advertisement. Westwood House consists of 18 one-bed, 27 two-bed and two three-bed properties with the top floor flats enjoying enviable views towards Edinburgh Castle.

There is no doubt that Edinburgh is in great need of good quality mid-market rental homes and we're very grateful for the continued support of the City of Edinburgh Council for both Westwood House and Elfin Square. We are actively looking for more development opportunities in the city.

### **ST KENTIGERN**

We are delighted to announce the purchase of a disused and bricked up church on the banks of the Union Canal. We are currently in the process of submitting planning permission for conversion into four three-bed homes and to build a small block of 12 flats in the grounds. This will be a challenging and exciting project. Keep an eye out for progress.



Kevin Stewart MSP (centre), Minister for Local Government, Housing and Planning, meets tenants at Westwood House

one week for these homes to be let. Our waiting list for East Lothian hit record highs during 2019 and we are struggling to keep pace with demand in the area. Although we already have seven sites in the area, we are actively looking for more and will continue to work closely with East Lothian Council to identify opportunities.

### **GLASGOW**

#### **HELENVALE**

This record-breaking development is our biggest to date consisting of 64 mid-market rental flats in the east end of Glasgow.

The site was developed by Cruden Building on Helenvale Street, just a short walk from the Emirates Arena and marked an important milestone for us. This is our second development in the city and heralds a push for more sites in Glasgow.

It is close to our first site in Glasgow at Belvidere and we look forward to working with Glasgow City Council going forward as we aim to expand our offering in the city.

#### **INN ON THE GREEN**

This is our first design and build project in Glasgow, converting a burnt-out tenement that has been lying empty for the last decade into 45 new flats. Subject to planning permission, our plan involves retaining the façade to fit seamlessly into the current surroundings.

### **EAST LOTHIAN**

#### **DOLPHINGSTONE**

We handed over the keys to our first tenants at Dolphingstone for two three-bed properties in June 2019. Demand for this size and type of home in East Lothian is huge and this site was extremely popular.

The second phase of this development consisted of six one-bed flats and a further four cottage flats and it took just

#### **DUNBAR**

Hard on the heels of the launch of our Dolphingstone development we were celebrating the opening of our seventh site in East Lothian.

The 23 properties were designed and built by CALA Management Ltd at its Castle Bay development near Dunbar. It represents the fourth time LAR has worked on projects with the construction company.

As part of our strategic plan when we launched four years ago this area was identified as being in particular need of good quality mid-market rental homes and the board and staff team were determined to follow through on commitments to develop in East Lothian.

This site consists of 12 two-bed cottage flats and 11 three-bed terraced houses with all homes let in just three viewing sessions. The development is fully occupied.

#### **OLD CRAIGHALL**

Our final East Lothian development consisted of 12 one and two-bed cottage flats, built by Cruden in a lovely countryside location well served by transport links close to Edinburgh Royal Infirmary.

### **MIDLOTHIAN**

#### **NORTH MIDDLETON**

We purchased five two-bed terraced houses, which formed part of a small development in North Middleton built by Miller Homes. This was completed on 20 December 2019 and was fully allocated by mid-January 2020.



Our Dunbar development welcomed its first tenants, watched by LAR Chair Andrew Robertson (right)



**“ The second phase of the Dolphingstone development consisted of six one-bed flats and a further four cottage flats and it took just one week for these homes to be let.**



DOLPHINGSTONE



NORTH MIDDLETON



HELENVALE

## KEY



FULLY BUILT  
AND LET



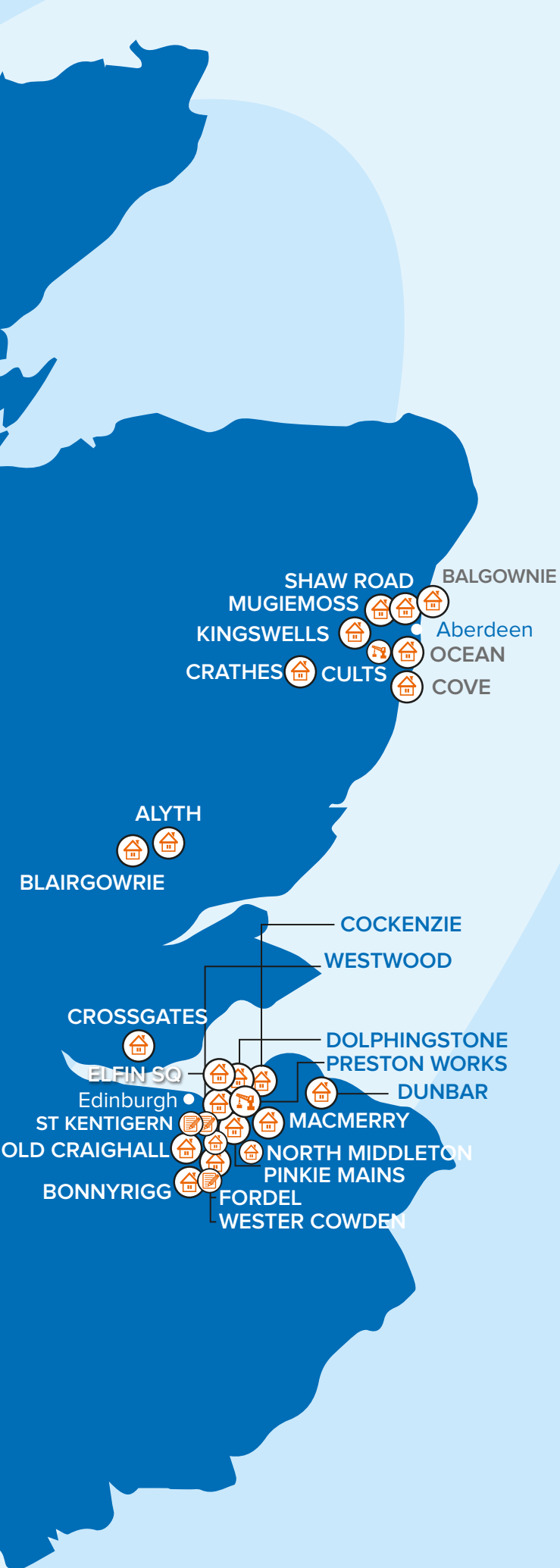
UNDER  
CONSTRUCTION



IN PLANNING

- Cults
- Balgownie
- Shaw Road
- Ocean
- Mugiemoss
- Kingswells
- Cove
- Crathes
- Alyth
- Blairgowrie
- Crossgates
- Elfin Square
- Westwood House
- Westwood Townhouses
- Bonnyrigg
- Old Craighall
- Fordel
- Wester Cowden Cottages
- Wester Cowden site
- Pinkie Mains
- Macmerry
- Dunbar
- Preston Works, Prestonpans
- Dolphingstone
- Cockenzie
- North Middleton
- St Kentigern
- Inn on the Green
- Helenvale
- Belvidere

HELENVALE  
Glasgow  
INN ON  
THE GREEN  
BELVIDERE



DUNBAR



WESTWOOD HOUSE



WESTER COWDEN

# SUSTAINABILITY

🕒 **FROM** the outset LAR has been focused on doing the right thing, the right way and we have a strong emphasis on implementing and promoting policies and procedures to increase sustainability across all areas of our work.

All of our work is underpinned by the promotion of sustainability practices to be followed throughout the build period and beyond. Each workstream and development feasibility study identifies and considers opportunities for maximising environmental social and economic sustainability.

## HOW WE OPERATE

### CONSTRUCTION-LED SUSTAINABILITY MEASURES:

- We promote development on brownfield sites and conversions close to amenities and within easy access to public transport.
- We minimise environmental impact through the re-use of materials wherever possible, specifying materials that have a long operational life and low whole life environmental impact.
- We resource materials and supplies responsibly and contract with consultants, designers and builders that have sustainability policies in place.
- We design homes that are energy efficient, low maintenance and carry a small operational carbon footprint. For example, electric heating is now being considered on all new build projects, rather than use of fossil fuel alternatives and electric car charging points and car club spaces will be provided at all new developments (unless they are car free).
- We create spaces and environments that integrate within the wider community and encourage social interaction between residents.

The derelict Inn on the Green building



The view from the Inn on the Green



An artist's impression of the development



# MATTERS TO LAR

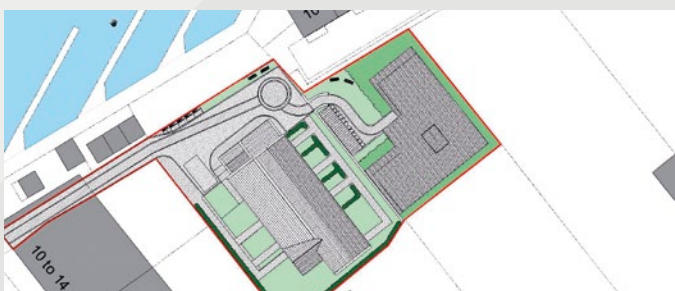
## OPERATIONAL MEASURES:

- We target households with a local connection for our tenant groups.
- We provide facilities for and encourage recycling of waste and re-use of materials.
- We use local suppliers and contractors where available.
- We provide factoring of sites, allowing liaison with residents and communities.

## ORGANISATIONAL MEASURES:

- We are a Living Wage employer and look for opportunities to promote Living Wage across our contractors and supply chain.
- Our staff benefit from flexible working and intelligent use of technology which allows for home working, further reducing our carbon footprint.
- We minimise our environmental impact through the elimination of waste as far as possible, the use of sustainably produced and sourced materials and supplies, the operation of energy efficient and long-lasting equipment, and opportunities for recycling.

The old church at St. Kentigern will be transformed into flats and (below) the proposed development



## WHAT WE'VE DONE AT SOME OF OUR SITES:

- **Cockenzie, East Lothian.** We re-developed a dirty, semi-derelict site to greatly improve the entrance to a community and give people a sense of arrival as they enter the village, turning this site into 26 highly sought-after affordable homes.
- **Westwood House, Edinburgh.** We converted a disused commercial building into 47 new energy efficient residential homes, with many of the materials in the old building re-used either on site or elsewhere. Ceiling tiles and lights were installed in our Dunfermline headquarters, sinks were re-used in five houses in Bonnyrigg, floor-plates which are normally replaced, were also re-used in addition to the building fabric.
- **Inn on the Green, Glasgow.** One of our new self-build projects, this is a burnt-out tenement that has been decaying for most of the past decade and, subject to planning, will create 45 new flats. We are incorporating a façade retention to a new-build energy efficient interior, ensuring that the re-developed building will fit seamlessly into the current surroundings.
- **St. Kentigern Church, Fountainbridge, Edinburgh.** We hope to turn this bricked-up church, previously used as a store, on the banks of the Forth and Clyde Canal into townhouses with the addition of a new-build block of flats.

# LAR IN NUMBERS

LAR is about people, but we also have some interesting facts and figures to shout about



**30**

LAR SITES  
AROUND  
SCOTLAND



**£1,270**

AVERAGE RENT SAVING  
PER ANNUM



**483**

HOMES OCCUPIED  
BY TENANTS

## WELCOME TO CLAIRE

We are delighted to welcome Claire McConville to the LAR team. She is based in our Aberdeen office as part of our administration team supporting our tenants in the north-east. She joined us in January 2019.



**1300**

HOMES UNDER CONSTRUCTION  
OR IN PLANNING



YEARS IN BUSINESS

**£120M**

DEVELOPMENT FUNDS

**2**

NEW  
SUBSIDIARIES  
SET UP

**11**

MEMBERS OF STAFF

**4**

NEW  
MEMBERS  
OF STAFF  
THIS YEAR

**195**

JOBS SUPPORTED IN THE SCOTTISH  
ECONOMY BY LAR'S DEVELOPMENT ACTIVITY



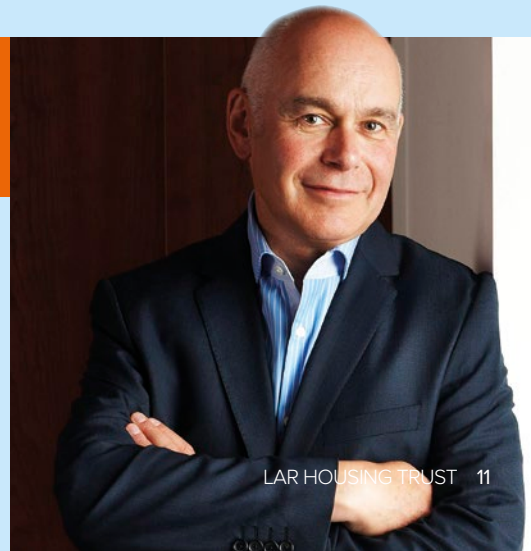
**ANOTHER  
NEW BABY**

**16**

DEVELOPERS LAR  
HAS WORKED WITH

## KEY BOARD APPOINTMENT FOR LAR

We were delighted to welcome Philip Rodney as a Trustee. Philip is a business consultant, *The Times* columnist and non-executive director on various boards. Before that he was Chair of Burness Paull. His wide experience and expertise will help us with our plans for further growth across Scotland, tackling the shortage of good quality mid-market rental homes.





# A FACTOR OF OUR SUCCESS

## DELIVERING FOR YOU

☺ **WE** are now able to provide factoring services for future developments after key members of staff qualified as registered property managers.

Operations Director Fiona Kelly and Development Manager Stuart McLaren have both passed a factoring qualification run by the Institute of Residential Property Managers (IRPM) with top marks.

We are providing this service in-house to our tenants and through a subsidiary company LAR Property Management C.I.C. to others. This is another string to our bow and well done to both Fiona and Stuart for passing the relevant

exams with such flying colours. This should help us provide an even better service to our tenants and to others as we increase the number of developments we own and manage around the country.

Through our subsidiary company we introduced the service to commercial tenants in our own headquarter building in Dunfermline and we also now provide the service at many residential developments around Scotland.

IRPM offers industry leading qualifications, which are well recognised and respected across both private and social sectors. It currently has members across over 1,200 organisations in the UK.

## CONSTRUCTION FRAMEWORK

Towards the end of 2019 we announced we were looking for contractors to tender for our £20 million construction framework. This design and build framework will last for a four-year term and is split into two lots. We issued an Invitation to Tender to cover construction of standard residential units and also more complex projects, which may include difficult sites or existing buildings.

The projects will range in size, but are generally expected to be for 20-50 units on each site and likely to be in the Glasgow, Edinburgh and Aberdeen areas.

We will be in a position to announce the successful bidders during the first quarter of 2020.

## SHORTLISTING SUCCESS

We were honoured to have been shortlisted for a prestigious prize in 2019.

We made the shortlist for the 'Excellence in regeneration' category at the Chartered Institute of Housing's (CIH) 2019 awards ceremony for our Cockenzie development.

Our submission highlighted the co-operation and close relationship we developed during the project with the local community and East Lothian Council. This was deemed to be a great example of partnership working, resulting in huge benefits for the local area. Unfortunately, we didn't win, but there's always next year!

**WOULD YOU  
BE INTERESTED  
IN RENTING  
FROM LAR?**

If so, please contact us  
[info@larhousingtrust.co.uk](mailto:info@larhousingtrust.co.uk)

**WHAT NEXT FOR LAR?  
WE WANT TO HEAR FROM YOU**

Do you have properties you would interested in selling to LAR? If so:



What is their location?



What size of properties would be available?



How many would be available?



When might they be ready for tenants?