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Wayne

Swiss model for cheap flats should chime with London

Peter Bill
22.10.10

The man who owns the company which built the clock mechanism which chimes Big Ben thinks it is time to build Londoners a couple of thousand three-bed flats to rent at £300 a week.

The man in question is a 45-year-old Geordie, Iain Hutchinson, who has already made enough money as a property developer to own a multi-million penthouse at the Thameside Montevetro building in [Battersea](#).

The clock company is Dent, a 196-year-old firm that also supplied a watch to the 1st Duke of [Wellington](#) and built the new St Pancras Station timepiece.

In 2008 Hutchinson launched the first new wristwatch range in 40 years. They are made in [Switzerland](#). It is here the property tale begins: the former civil engineer noticed his workers lived in basic, but well-engineered, rented accommodation.

"I want to take the no-frills airline approach and build robust, spacious three-bed affordable flats that will last 200 years," said the snappily-dressed developer on Tuesday before going to lunch with a bunch of fellow Tory-supporting developers to bend the ear of housing minister, [Grant Shapps](#). "Right now, builders are simply offering the same old for-sale product, for rent."

Not a bad time to try. Spending cuts are going to slash government-subsidised "affordable" homes. That, and cuts to housing benefit, will boost private landlords. [Savills](#) housing expert Yolande Barnes says: "ultimately, the private sector will be catering for intermediate and open-market tenants, while the state-subsidised sector accommodates the poorest."

These changes will attract private-sector capital. Barnes says she expects there to be "significant appetite" from lenders to fund built-to-let schemes.

The cuts "could prove to be one of the single most important events in UK housing provision for decades", says Barnes. So, a good time for Hutchinson to set up the London Rental Housing Company. Three sites in Greenwich, Hillingdon and [Croydon](#), capable of holding 750 homes, are under negotiation. His handful of Swiss workers rent homes with polished concrete walls, wet-room bathrooms, plenty of storage space and industrial-strength finishes to the common circulation areas.

Hutchinson wants to build similar three-bed flats of 1100 sq ft with solid walls and floors. He says: "[Barclays](#) and RBS have agreed to back the plan" to build up to 2000 of the units over five years in 10 to 17 outer [London](#) locations.

The sites, containing 150-300 units in blocks of 75, or so will be built under "renting in perpetuity" rules that prevent the flats ever being sold. The rent, plus service



Time is money: Hutchinson owns Dent, 196-year-old firm that made Big Ben clock

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City Spy

The City's brains to solve London's problems

charge of £17-£20, will be under the current £340 limit for housing benefit.

The service charge alone at Hutchinson's Montevetro flat is £400 a week. The bill for the 103 owners of the [Richard Rogers](#)-designed apartments is £1.3 million a year.

The block employs 17 staff who tend a huge boiler room, air-conditioning systems, and a window-cleaning system to wipe the expansive glass facades.

"It has taught me to make sure our service charges must be low," says Hutchinson.

Mapping out the best way ahead for developers

Local authorities had better get a move on. New planning laws are to be published in a Bill on November 20 that will force them to make up their minds on what should get built and where.

Labour spent years fruitlessly cajoling councils to draw up a local plan that simply says "houses here, shops there and factories over there". Few local authorities bothered. So developers looking for a steer on what can be built are never quite certain of getting permission. The idea behind local plans is that, once fixed, the applicant can rely upon a "presumption of permission".

If they want to build shops in a spot where the local plan is marked "shops", fine. If they want to build houses, not fine.

[Planning Minister Bob Neill](#) wants to put a stop to the prevarication. So the cherubic MP for Bromley and Chislehurst is going to insert a clause in the Bill that will force councils to draw up a local plan in fairly short order.

How? If they don't, the developer will have their "presumption of permission" to build what they like.

Private revival

To City Hall for a debate on the future of London organised by property industry charity LandAid.

A pity Iain Hutchinson was not in the 250-strong audience. For the man who wants to build rented homes would have heard [Baroness Ford](#), of the [Olympic Park Legacy Company](#), say it's time to "rediscover the private rented sector".

He would have also heard deputy mayor, [Sir Simon Milton](#), talk of a new housing finance task group being set up by his boss, [Boris Johnson](#), to find ways of stimulating the building of new homes.

These moves fit in with the post-spending review consensus yesterday that the private rented sector will be the main beneficiary of a £4 billion cut imposed on the social housing sector.

Big Issue founder John Bird told a surprised audience that: "I am not a great one for social housing. We need to look at the private rented sector."



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Well, his service charges will be low since he owns the freehold and gets to manage it himself.

The rest of us who own leasehold apartments get continually gouged with high service charges by unscrupulous landlords.

- jonathan, london, 22/10/2010 14:21

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