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“Some people don’t like change, but you need to embrace change if the alternative is disaster”. Elon Musk



A sustainable housing business

- Look back, do a little dreaming and some housework
- How we can create a sustainable business
- Create a new story for housing



This Green Business (2013)

- My statements then -
- The 2008 recession had been good for the environmental business if not the environment
- We became unburdened by public expenditure (pre green deal, eco and fit demise)
- On retrofit we knew what to do and what works – especially in social housing
- The price of energy – and especially oil – will continue to rise...



This Green Business (2013)

Increasing energy prices will for the first time make large scale investment in energy saving and energy generation possible. Anything that saves energy or generates energy will increase in value. For years the marginal return on energy saving and generation in the domestic sector was simply too low.

With increased margins new money, new approaches, new ideas and new entrants will flood in to the market. They are already. We can look forward to a future where 'green business' is just 'business'.



This Green Business (2013)

- The government needs to give us the framework in which to build a new industry
- There are too many people who want retrofit to be perfect.
- Climate change has no currency
- Ask not what you can do for the environment but what the environment can do for you



That was then and this is now

- Social housing has never been under so much pressure
- Its actual existence is being questioned
- We have seen a variety of responses
- But the one thing we must do is lift our heads to the horizon
- The five things that will change housing ...forever....



Tesla

- Drive one. Tomorrow.
- It has shaken up and reinvented an established industry
- Can housing do the same?
- The biggest change is in storage and there is more to come
- Homes will be able to generate, import, export and store energy
- Lower cost energy but imagine turning your homes in to 108MW power and storage facility (or should it be a power station that happens to be homes...)



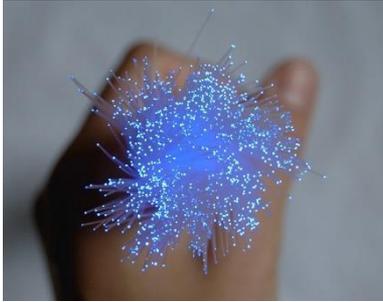
Amazon

- Everyone's guilty retailer of choice
- Shifted our boundaries of what customer service could be
- Moved their whole shopping business to the internet. Can we sell this to others?
Have built up one of the largest cloud storage businesses in the world - \$2.1bn in revenues and 25% margins. Can housing make a similar leap?
- The key is commoditization of cloud storage – we can now set up and scale businesses quicker, cheaper and better.
- We keep talking about data. Its time to do data. We are not data poor – we are poor at data.



Smets2

- The next generation of Smart Meters
- 53 Million meters, 26 million homes. By 2020
- Real data, not poor models
- Want to know which homes are performing – good, bad and indifferent?
- How is that multimillion pound investment now doing? Which measures work – or don't?
- Which customers at risk?
- If we do this right, we CAN eliminate fuel poverty in social housing



Broadband

- Old hat, but new status
- Its now a utility not an option
- Customer benefits
- Data benefits – smart meters, property data
- Lets get on and fit it.



NTBMs

- Non Traditional Business Models
- Ofgem - the new businesses that do it differently – by sector by tariff, by service
- More are coming
- But this the first phase – retail energy supply is dead. Long live retail energy
- And isn't it time we had some housing NTBMs?
- The box has been broken – we don't need to think outside it any more



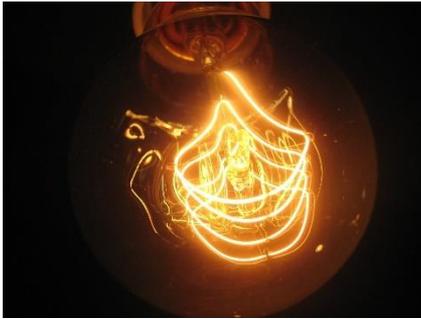
Now for some housework...

- Things to do right here and right now
- Have the potential to feed in to creating a new business models
- Focus on costs and revenue
- Starts to take back the control



Heat networks

- New pressures – compliance, metering and billing, service charges and costs
- Currently connecting thousands of new homes per year with legacy of supported housing and GLA and LA planning schemes of ten years.
- The sector only now starting to tackle them – and its crashing in to very few players and no proper social housing offer.
- Those that are, now realising cost and service improvement – and may – just may generate a return.



Electric Heating

- Electric out, gas in. Right?
- New options, new technologies and new choices to make
- Lower capex, lower opex and delivering better customer service
- The new asset management – its not elemental Dr Watson



Past, present and future

- Dangers of predicting the future
- But there are some exciting opportunities accelerating towards us
- But we must take charge of our own destiny – the world is changing, we can choose to take charge or it or simply let it take charge of us
- Can housing change – indeed can housing reinvent itself?



This sustainable business

“Change is the law of life.

And those who look only to the past or the present are certain to miss the future”.

John F Kennedy