



Group
Business Plan
2026-27

Cover: The Didsbury and Town Hall Annexe in East Ham, with 188 homes in total, including 71 affordable. This picture: London Road with 100 Build to Rent homes, part of Plaistow Hub.



Contents

Board Statement	4
1. Introduction	5
2. Our Culture and Values	7
3. Operating Context	9
4. Delivering for our Residents	11
5. Populo Living - our Investment Company	12
6. Populo Design and Build - our Development Company	13
7. Populo Homes - our Registered Provider Company	15
8. Populo Living development map	16
Group Financial Plan & Appendices (not included in this pdf)	

Further information



populo-living



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For more information on any aspects of the Populo Living Business Plan please contact duncan.hayes@populoliving.co.uk

Board statement

This year has seen significant change at Board level across Populo Living and Populo Homes with the departure of both Chairs and other members for a range of reasons. Lessons around timely Board succession planning have been learned. Our new Non-Executive Director additions to both Boards have brought energy, expert scrutiny and challenge to our business operations. We also benefit from Council representation on the Populo Homes board in addition to Populo Living, this is a welcome addition to our governance arrangements.

It remains a challenging period for new housing delivery in London. In the face of acute housing pressures, the work of Council-owned housing companies like Populo Living to stimulate supply is more important than ever. We continue to work to deliver homes across Newham, including pursuing new funding strategies to deliver on our growth ambitions, as set out in this Business Plan.

Our role as Newham Council's wholly owned housing company means we develop on the borough's behalf, cutting out the middleman to capture as much value as possible from every site, which we use to boost our affordable homes provision. Populo Living has a solid track record in delivering high-quality and well-designed homes for Newham Council, well managed and maintained by our transformed customer services team.

Housing security has a profound impact on residents, as testified by one tenant previously in temporary accommodation, who said: "This

permanent home has given my family the foundation to thrive, and it's reassuring to know that we are part of a supportive community that truly values families."

While delivery is key to our growth, our residents remain our most important priority. We have new systems and processes that ensure we deliver quality services that respond to their needs, while meeting the more stringent statutory and regulatory duties placed on the sector, for both private and affordable tenures.

Populo's strength lies in two distinct areas, it's appetite to deliver for the greater good and the strength and adaptability of its employees. Being socially conscious is in our DNA, and collectively we work to create better homes and better affordability, with development benefitting the wider local community.

Whether in customer services, housing delivery or the services that support these areas, our staff are key to our success, especially as they are motivated by our social purpose. As a vertically integrated company there is a need to share resources and respond quickly to change, to maintain and grow our trajectory – and it is our staff that enable us to meet these new challenges as we move through 2026.

Populo Living Board

1. Introduction

Populo is recognised within the industry as one of the leading Council-owned Housing Companies in the UK. We provide the London Borough of Newham with the ability to directly invest in new market and affordable rented homes improving the stock of homes available in the borough and generating a long-term stable return, with the council retaining ownership of the land. We describe this as our 'triple dividend':

- **Social** – We are a placemaking platform dedicated to delivering high-quality, sustainable homes, including genuinely affordable housing, for the residents of Newham. All our homes are retained by the Council for the benefit of future generations, ensuring a lasting positive impact on the borough's future.
- **Economic** – investing directly in new homes and gaining a long-term financial return plus the long-term control of the asset for Newham Council. Providing opportunities for local businesses and training and employment for local residents.
- **Environmental** – we build high-quality, low-carbon neighbourhoods for this generation and the next.

Delivering whilst innovating

Over the past 5 years, by utilising Council direct investment and GLA grant, Populo has delivered a substantial number of new homes by operating commercially for a social purpose. We work hard to deliver housing while innovating for better value and outcomes. Our cross-subsidy model of delivery works by our market rents homes subsidising the cost of delivering our social rent homes over a long-term investment period. Developing homes directly allows us to capture the developer profit and direct this into funding a greater proportion of affordable homes, with better affordability as these homes are at social rent levels.

The housing sector is recognising the impact Newham Council and Populo are having, and in 2025 Populo was awarded the *RESI Award for Outstanding Achievement in Affordable Housing 2025* while the Carpenters Estate Masterplan won the *Festival of Place Pineapples Award for Future Place* in acknowledgement for its co-creation approach in its 2,300-home masterplan.

Below: The Eves, a street of shared ownership homes.





Above: Populo’s corporate structure

We are also collaborating with other local authorities, MHCLG and leading industry bodies, building strong professional relationships with construction partners and advisory firms that put Newham at the forefront of quality and innovation in regeneration.

However, as with all construction and local authority activities, the business environment has changed significantly in the last few years, as set out in Chapter 3: Operating Context. External economic challenges have had a profound effect nationally, taking the housing challenge for the UK, London and Newham to crisis levels.

In a perfect storm, double digit build inflation has combined with borrowing cost increases at the same time as a more stringent regulatory environment has added to time and costs for development.

In the same period net income has declined, just as rents are accelerating to create a situation where both public and private housebuilding in London has nosedived. Temporary Accommodation (TA) in Newham is now at record levels, with corresponding social and financial impacts placing huge pressure on the Council.

Innovation in action

To meet these existential challenges, Populo continues to innovate around core housing challenges, including for example:

Building Standard Types:

We are championing the potential for semi automation in construction to deliver cheaper and better-quality homes, at pace.

Best Start and Homes for Foster Carers:

We have devised a pilot scheme on a DfE/LocatED owned surplus site to deliver around 400 new homes but also a neighbourhood that focusses on Best Start and Children’s Services to design in better outcomes and design out revenue costs e.g. large family homes to enable fostering e.g. Best Start space co-located with a local café.

Great Green Lofts:

Populo is trialling a model for Newham’s overcrowded but loved period terrace homes – combining retrofit with expanding habitable space. The pilot is transforming a sub-quality 3-bed home into a well-insulated 5-bed home for an overcrowded family. It also considers future options to create two individual homes as an alternative, creating additional dwellings without the need for land.

2. Our Culture and Values

As a Council owned company, we recognise that our culture must be aligned to our shareholder’s but equally, to be successful we must be market facing in our approach. We refer to this as being Commercial for a Social Purpose.

The benefits this offers to Newham Council, our shareholder and investors, are:

- A company with a sole focus on placemaking and developing and managing high quality new and modernised homes.
- We must be efficient across all areas of our business, focused on value for money and service performance, since only by acting commercially can we capture the ‘developer’s profit’ that supports our cross-subsidy model.
- A private sector facing team that is highly motivated to deliver positive outcomes for Newham and our residents.
- An innovative, intelligent and agile team, quick to respond to market opportunities and threats as they arise.

Our values

‘Populo’ means ‘with the people’, and our brand values reflect this:

We build better:

We believe everyone deserves a home with the best possible design, build and management standards, while ensuring value for money.

We build thoughtfully:

We are curious about people and places and innovate to deliver quality homes responsibly and sustainably. We are passionate that what we do matters.

We build communities:

We put people first, with Newham at the heart of everything we do, from investing in existing communities to creating new ones. We engage with and value our residents as our success depends on embracing their diversity.





Above: The Brickyard in East Ham, wrapped around the heritage pub on the high street.

Our strategic objectives

Our Strategic Objectives have been reviewed and updated from last year's Business Plan.

1. Ensure we deliver safe and secure homes that deliver value for money for residents whilst working towards high customer satisfaction levels, building communities where people want to live.
2. Develop and increase our homes under management by at least 1,000 new homes by 2030/31.
3. Deliver a future investment strategy that

combines grant and other private sector finance to enable new homes to be delivered whilst retaining long-term control of the asset with Newham Council for the benefit of future generations.

4. Lead exemplar place regeneration, including town centre and estate regeneration, to strengthen local communities.
5. Provide a strong governance and risk management framework, driving a collaborative, trust-based, continuous-learning culture, that attracts and retains talented, diverse and motivated people.

3. Operating Context

Instigating a step-change in housing supply remains a central pillar of the UK government's policy agenda and policy targets at central, regional (GLA) and local government all point to a desire to rapidly expand housebuilding capacity. Set against this is not only a challenging macro-economic environment but also a series of legislative changes which are adding to the regulatory burden on the delivery and management of homes.

The economy

The UK economy is growing, albeit slowly. Productivity flatlined following the end of the COVID-19 pandemic and this is reflected in lacklustre growth in real earnings, which stood just 2% higher in the year to July 2025 than in the period in 2021. Although underlying earnings rose by 26% across this timeframe, the gains to households were wiped out by high inflation.

This has yet to have a profound effect on housing market activity and in the year to date, mortgage lending and transactions data are broadly in line with the 2014-19 period. There was an upswing in transactions ahead of stamp duty changes that came into force in April 2025, but this may be reversed as

activity falls towards the end of 2025, as a higher tax burden and weaker economy take their toll on household confidence.

Housing affordability and demand

Median (full-time) earnings for Newham residents stood at around £38,000 in 2024, while the median house price was more than 11 times higher at £435,000. Meanwhile, the ONS reports that a three-bed home in Newham now rents for an average of £2,100 a month – up 20% since 2021. Rents at these levels would absorb over half of the average Newham resident's income. Indeed, the English Housing Survey indicates that private renters across London were on average committing 45% of their entire household income to housing costs in 2023-24.

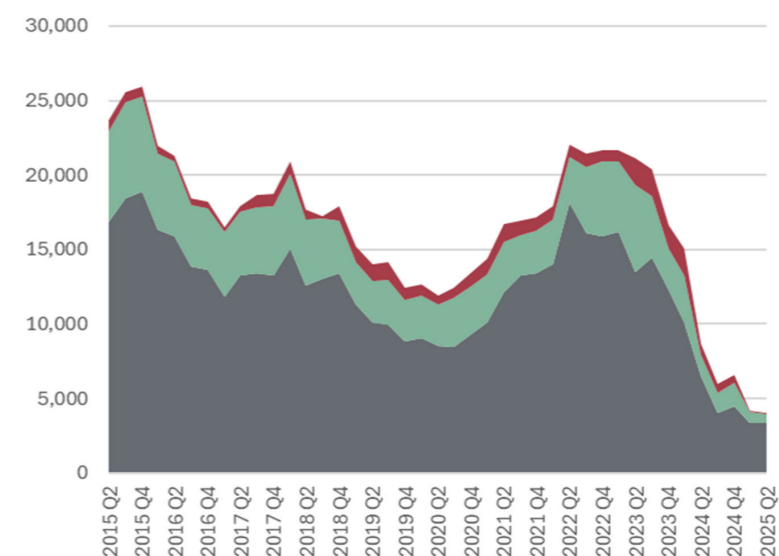
Against this backdrop, RICS reports that forward looking demand indicators are slowing, with fewer buyer enquiries pointing to a slowdown in residential transactions in the months ahead. While RICS' indicator of tenant demand remains positive, this stands only slightly above the level that would indicate falling demand as of August 2025.

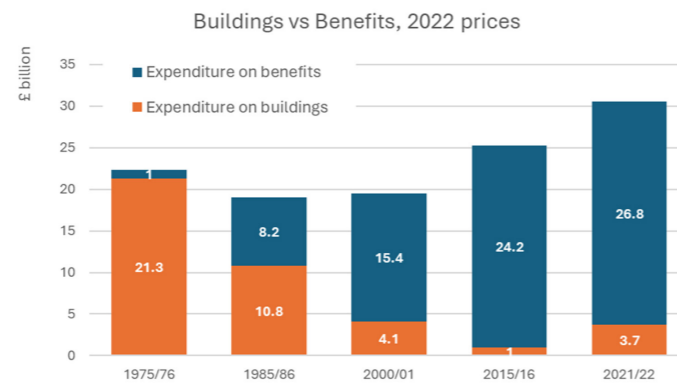
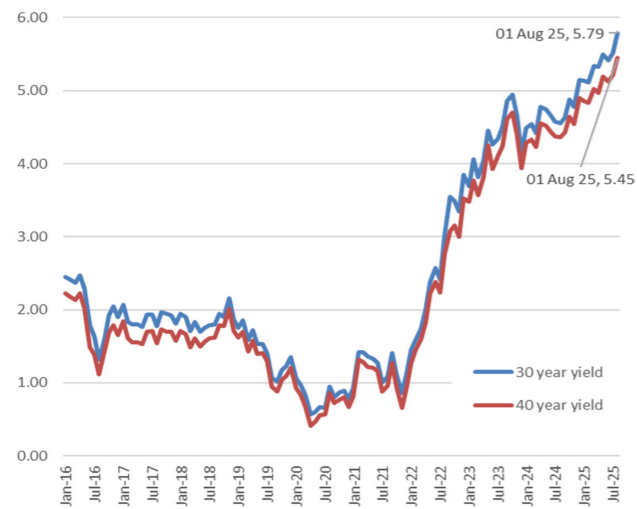
Build costs and supply

Housing supply has almost ground to a standstill in London, with four-quarter rolling new housing starts down by over 80% on the recent peak (Q2 2022) in Q2 2025 (see graph below). Local authorities started fewer than 100 new homes in that same period.

Construction output price indices are up 32% on January 2021. Although the rate of construction cost inflation has slowed from its peak in 2022, costs remain high enough to challenge viability.

Industry surveys indicate fewer developers reporting materials costs as a constraint in 2025 although the cost of labour remains a challenge for many.





Interest rates and regulation

In terms of constraints, gilt rates determine the cost of borrowing for Newham through the Public Works Loan Board (PWLB). With long term (40 year+) gilt yields rates up by over 450 basis points since January 2021, PWLB rates for long-term borrowing stood at over 6.25% in September 2025.

High yields imply the financial market’s lack of confidence that the government can sustainably fund its spending commitments in the long term and better returns can be secured elsewhere.

The regulatory burden is also rising on both house builders and operators. The impact of the Building Safety Act – especially the slow progress of sites through the Building Safety Regulator’s Gateway 2 process – is creating significant uncertainty and cost for developers. This is not only affecting viability but also causing some developers to delay schemes until there is more certainty over the process. *The London Plan*, which includes 88 additional policies applicable to residential schemes, is also making development slower and more costly.

Additional duties on landlords including Awaab’s law, the Renter’s Rights bill, consumer energy standards, and a more proactive approach to regulation from the Regulator of Social Housing are all having, or are soon to have, an impact. This is positive insofar as it raises the standards for residents by expanding the responsibilities of landlords (especially for registered providers) but will incur additional costs and risks.

Opportunities to respond...

With margins squeezed by regulation and high build costs and a weak economy signalling downstream sales risk, the incentive for many developers to build is limited. However, Populo’s objectives are broader than pure financial returns and the high policy targets are being supported by a new social and affordable housing programme (SAHP) – offering £39bn over 10 years nationally.

The cost of providing temporary accommodation to around 7,000 households is placing significant strain on Newham’s financial health. The local need for more permanent homes to reduce the budget pressure directly aligns with Populo’s intention to deliver more homes and scale up its management to drive further operational efficiencies.

In terms of investors, they do see long term potential in London’s Build to Rent sector since the underlying demand/supply imbalance in UK housing may allow rental income to act as an inflation hedge, depending on whether regulatory burdens and high build costs can be managed. This is coupled with a less favourable tax regime for smaller landlords (where individuals can only claim partial relief on mortgage interest costs) potentially discouraging buy to let investors, despite recent rental growth. Taken together we see this is an opportunity to continuing growing and improving our offer to the 80,000 households renting in Newham, even as the industry consolidates.

4. Delivering for our residents

We understand that secure homes give people the foundations for happier, healthier and more fulfilling lives. In turn this security ensures better attainment for residents, giving them better long-term outcomes too. We’re committed to making sure that every one of our homes is safe, well-maintained and comfortable.

Across our business we are always looking to improve, and we will embrace new technology and opportunities to work more effectively and efficiently. To ensure we make the right decisions, our approach will be customer-informed and data-driven. We want to understand our customers better to ensure we are meeting their evolving needs, as everything we do is geared towards meeting the needs of our customers and enriching the communities we serve.

Our customers told us that these are the things that matter most to them:

- Ensuring our buildings are safe and secure
- Keeping communal areas clean and tidy
- Delivering an efficient repairs service

We continue to learn from our Tenant Satisfaction Measures (TSMs) survey results, and we are

determined to drive improvements in all our services. We use the TSMs to benchmark our year-on-year performance and make sure our work is driven by our residents’ feedback. In addition, we will be strengthening the way in which we seek feedback from residents as and when they receive a service from us. Using text message and telephone surveys, we want to use this feedback to improve on our repairs service as well as complaints and anti-social behaviour case management

We will be building upon our Customer Experience Strategy which sets out how we will enhance our offer to customers – delivering a reliable repairs service and excellent housing management, acting on residents’ feedback and working to make our communities better.

We will be reviewing our key service contracts including repairs and maintenance, cleaning and health and safety testing over the coming year to ensure we are achieving high quality services that are cost effective. In addition to this we will be utilising our stock condition surveys to forecast ongoing costs related to maintaining our buildings as well as creating a schedule of works for the next five years.



Valetta Grove, with 82 Build to Rent homes, part of Plaistow Hub.

5. Populo Living – our Investment Company

Populo Living is our Group company. It owns and manages our 544 market rent homes and 3,650sqm of commercial space. The company is set up to operate as a Property Developer, sourcing funding to develop and retain market rent homes. It can also acquire completed homes on the open market where appropriate, subject to viability and funding availability.

The Council has invested c£303m (debt and equity) in Populo for the purposes of building and operating homes. Additionally, a separate working capital loan facility has been made available, which currently stands at £20m (original limit £40m). We are currently managing these homes and over the next 10 years are forecast to return an average of £3.4m annually to the Council in interest and margin payments. Overall Populo is forecast to generate average profits of £6.2m annually over the same period.

Revenue retained by Populo Living comes from our management services activity. This includes development management income and management services for all our Market and Affordable Rented homes provided by our in-house team. Over the past 6 months we have restructured and transformed our Customer Services team. This comprised reviewing and implementing new technologies that improve operational efficiency and embedding our new team structure which includes a caretaking service, a

responsive 7 day per week service, and the ability for the team to absorb projected growth in new homes up to 2030.

Newham Council has an ambitious pipeline of development sites. The funding and delivery of this pipeline is a key consideration. Populo Living presents the Council with the ability to bring forward the delivery of new developments without necessarily needing to directly fund the full development cost. There are a range of different funding structures available which we are currently exploring in conjunction with the Council, set out in the table.

As a continuation of last year's Business Plan, we assume in this Plan that Populo Living will see an increase in revenue from Customer Services management activity but no increase in homes in direct ownership. We assume that developments at Pier Road (350 homes), Cyprus (211 homes) and Bridge Road Quarter (c179 homes) will be owned on completion by the Council with Populo managing at least the market rent homes and communal areas under an operating lease arrangement, accepting that this remains subject to future Council cabinet approvals. We also assume that future pipeline projects will be funded via some form of Joint Venture arrangement between the Council, Populo and a Funder, where Populo Living provides the operational management platform and charges accordingly.

Model	Description	Opportunities
Development Joint Venture (JV)	Shared equity and risk-sharing across full lifecycle (land, planning, delivery, sales).	Leverages institutional balance sheets; aligns long-term interest; accelerates regeneration.
Forward Funding	Investor funds schemes during construction; Populo acts as developer.	Minimal working capital requirement; long-term institutional partnership potential.
Asset JV / FPRP Structure	Establish a jointly owned vehicle to acquire and hold affordable/BTR stock.	Long-term income stream; aligns with Populo's RP structure; scalable model for future pipeline.
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Hybrid Model	Mix of JV for regeneration and Asset JV for long-term income schemes.	Balances risk and liquidity; adaptable to site scale.

6. Populo Design and Build - our Development Company

Populo Design and Build is our subsidiary development company. It provides expert Development Management Services to the Council, and potentially other organisations, under Development Management Services agreements.

The Council's pipeline of sites can be characterised as high density urban regeneration and, as such, they come with a wide range of technical and regulatory challenges. The risk premium attached to these sites by developers and investors is typically higher than greenfield low-rise housing outside of London and can stifle quality, viability and affordable housing provision in Newham. The table below lists the future pipeline sites modelled within this business plan.

Populo provides the Council with the ability to respond to this across its sites by acting as a 'Master Developer' to unlock and de-risk regeneration and new homes delivery across the Borough. We have worked with the Council to identify a potential pipeline of homes that could be delivered over the next 20 years, subject to Planning Permission. These sites range in size from small infill plots to large-scale regeneration projects.

Using Populo Living to progress these higher-risk sites allows the Council to engage with funders at a lower risk premium and ultimately deliver better outcomes including more affordable homes. Populo manage and mitigate this risk, taking projects through the more complex design, planning,

Site	Estimated Nr Homes	Stage
Pier Road (North Woolwich)	350 homes	Construction
Ferndale Gardens (Cyprus - Beckton)	211 homes	Construction
Bridge Road Quarter (Stratford)	179 homes	Pre-planning
Carpenters Phase 1 – JRP (Stratford)	136 homes	Construction
Carpenters Phase 2 – Lund Quarter (Stratford)	494 homes	Planning
Carpenters Phase 3 – Station Quarter (Stratford)	425 homes	Pre-Planning
Carpenters Primary School plus Residential (Stratford)	120 homes	Planning
Carpenters later phases (Stratford)	1,212 homes	Pre-Planning
North Woolwich Area Regeneration	795 homes	Pre-planning
Beckton Masterplan	1,510 homes	Pre-planning
Custom House	600 homes	Pre-Construction
Canning Town	1,370 homes	Pre-Planning
Small sites programme	100 homes	Pre-Planning
Total	7,502 homes	



Above: Ground breaking at Pier Road in North Woolwich with Mayor Forhad Hussain.

procurement and regulatory approval process to a point where all development cost risks are controlled and there is a fixed-price construction contract ready to sign.

In addition to our development activity for Newham we now have the shareholder's approval to provide Development Management Services for other organisations. Although to date we have not actively pursued this option, diversification in this area would help to increase revenues to the business and provide resilience should Newham Council reach its funding capacity. We intend to invest senior leadership time in business development activity in this area over the coming 12-months but to be prudent we haven't forecast any revenue for 2026/27.

This Business Plan assumes forecast DMS revenue for 2026-27 of circa £4 million, however 60% of this forecast is currently unsecured and subject to future Council project approvals. Delivery in line

with this plan is therefore dependent on Council approval to progress the following projects:

- Progressing 494 homes at the Lund Quarter on the Carpenters beyond Planning Submission
- Progressing 120 homes plus a new school on the Carpenters School beyond Planning Submission
- Developing proposals for circa 100 homes across 15 small sites
- Developing proposals for circa 140 homes at the Fernhill Street site in North Woolwich as part of deal with the Church of England
- Developing a new exemplar 1,500 home masterplan for Beckton Retail centre
- Progressing delivery of 145 homes as part of Custom House sub phase 2
- Progressing a new 1,500 home masterplan for Canning Town.



The 77 affordable homes at the Grange include a mix of 1-, 2- and 3-bedroom homes.

7. Populo Homes – our Registered Provider company

Populo Homes is our subsidiary Registered Provider. It owns and manages a total of 251 homes; 235 homes let at London Affordable Rent and 16 Shared Ownership homes. As a regulated entity, Populo Homes has an independent Board and approves a separate Business Plan which fits within the framework of this Group Plan. The headline strategic objectives for Populo Homes are set out below.

1. Our Residents

We will have a resident-centred approach, built around the principle that we will get the basics right first time.

2. Our Homes

We will ensure that our residents enjoy a warm, safe and secure home.

3. Our People

We will develop our staff with the skills, qualifications and outlook to deliver our goals.

4. Our Governance & Financial Strength

We will ensure strong governance and build and maintain our financial resilience for the long-term benefit of our residents.

The growth of Populo Homes is constrained by Council borrowing interest rates with it being

beneficial in overall housing delivery terms for the Council to fund and retain affordable homes via the Housing Revenue Account ('HRA') rather than Populo Homes. However, we understand from the Council that HRA funding is constrained in the medium term and future schemes may need Populo Homes investment.

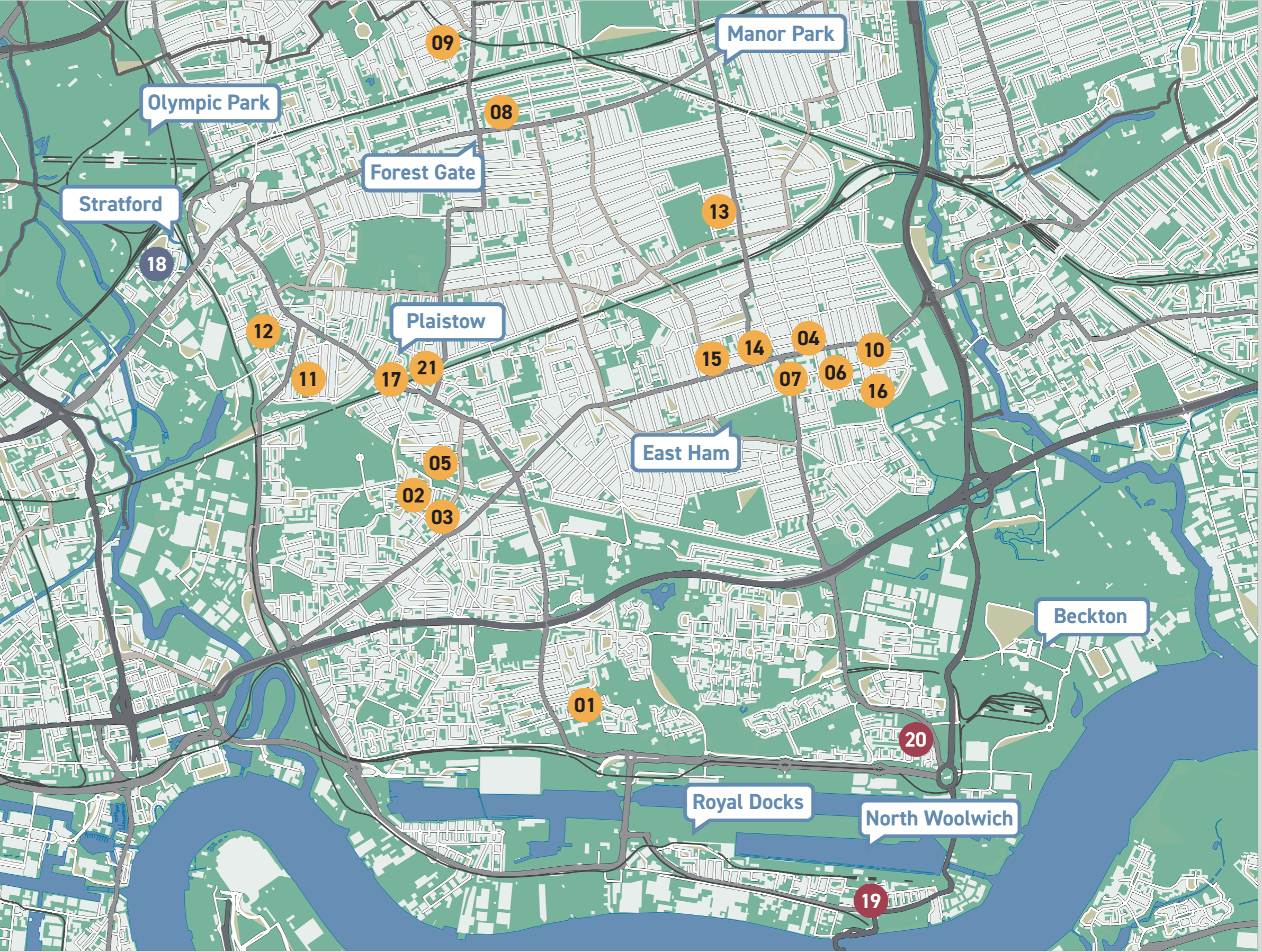
This Business Plan assumes no growth in Populo Homes stock over the next 12 months, although we plan to work with the Council to forecast when the HRA will no longer enable future development activity, and hence when Populo Homes may offer a viable alternative route.

We will also consider whether Populo Homes incorporation as a Charitable Benefit Society still provides the Council with the best option for creating additionality of affordable housing supply across Newham. For example, it may be preferable to set up a 'For Profit' structure capable of attracting institutional investment into the sector.

This may allow Populo Homes to become the 'go-to' purchaser of S106 homes across Newham and help the Council to unlock stalled developer sites. Potential options will be considered against defined decision making criteria and discussed at Board level before any recommendations are made to the Council.

Our Developments

Baxter Road (15 Homes)	1
Chargeable Lane (12 Homes)	2
Doherty Road (9 Homes)	3
Firemans' Reach (8 Homes)	4
The Grange (77 Homes)	5
Nelson Street (6 Homes)	6
Old Fire Station (15 Homes)	7
Romford Road (7 Homes)	8
Stracey Road (9 Homes)	9
The Didsbury (148 Homes)	10
The Eves (8 Homes)	11
The Tanneries (36 Homes)	12
Wordsworth Ave (11 Homes)	13
Brickyard (98 Homes)	14
Noele Gordon House (75 Homes)	15
PlaiStow Hub (182 Homes)	17
Town Hall Annexe Hub (37 Homes)	16
Carpenters Estate (2,271 Homes)	18
Pier Road (360 Homes)	19
Cyprus (215 Homes)	20
Gregory (17 Homes)	21



- Currently on site
- Completed
- Carpenters Masterplan



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