

Perspective

For professionals in the UK property market

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Power to the people

As each person in the UK uses around 14kWh of electricity every day, we urgently need to develop the energy flexibility and technology for residential consumers for the immediate future.

An energy crisis has been simmering away in the UK for years fuelled by a combination of growing demand and dwindling affordable natural resources. It is challenging everyone. An aging population, exponential population growth, and the large proportion of older oil, gas and nuclear power stations that are now closing are forcing a serious rethink about how we live. By 2030, 35 per cent of our current energy capacity will no longer exist, and the Government estimates that energy reforms will cost up to £110 billion over the coming years.

There's enough electricity to meet demand for the time being but a power crisis, it is generally agreed, is not far away. The debate is around how soon we may get there. Many academics, policy makers and industry experts think we could run into trouble within just 10 years.

Half of the UK's demand comes from homes, so managing this demand more efficiently could greatly help. Of course, smart tech will help as we develop applications to turn off non-essential power automatically during peak times but its far from clear which technological approach is best, be it electrification of heating, the use of greener gases such as hydrogen, district heating schemes, or some combination of all three.

But this is no easy sell to the voting public whose inertia is legendary on this particular subject and few politicians want to stand up and be honest with voters (aka bill payers) and tell them they will need a small fortune for a new hydrogen boiler in a decade's time.

Gas normally provides around half of the UK's electricity but regularly this drops back to around a quarter, due to the demand for heating. The gap is filled partly by windfarms but also by coal plants, which won't be there in 2025 because the government is decommissioning them. At first glance, electrifying heating appears like a viable solution but the expected growth in demand for electricity electric cars will make this impossibly hard to do. Electric vehicles will make a significant difference to electricity demand, just when we would need to be greening our heating system.

For a national solution, we are left with greener gas options, such as hydrogen produced with carbon capture, or biomethane produced from food waste plants. But it's early days for such technologies, and big decisions will need to be taken on infrastructure.

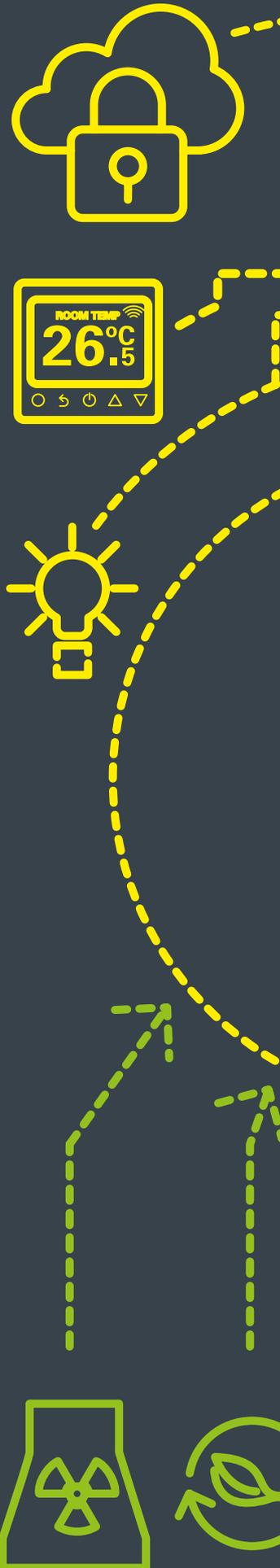
While a serious conversation starts on the longer term, there is a short-term solution that is affordable and should leave no regrets.

When the last government scrapped its green deal insulation scheme and regulations for new homes to be zero carbon, it said it would work up a new plan but there is still no proper, ambitious policy on energy efficiency – a situation that not only looks socially unjust, because the poor spend more of their income on energy than the rich, but looks bad for energy security.

Energy is a complex issue for housing and policy makers. Saving energy can be fraught with laws of unintended consequences. Only recently the Government exhorted homeowners to insulate their homes, but cavity walls were built as a barrier against penetrating dampness. When retrofit cavity wall insulation is installed into a property that is located or built in a way that means it should not have the cavities fully filled (or if the work is undertaken incorrectly), the first and most obvious sign of a problem is often internal dampness. The insulation successfully stops both warm air and moisture escaping. Subsequently the humidity levels rise and mould growth is almost inevitable. In the most extreme cases, cavity walls have been fully filled in timber frame houses and, as the damp cavity wall filling material comes into contact with the wood frame, rot sets in.

It's tempting to think that a 'joined up' approach would help and certainly at many higher levels that might help. But our property stock is aging and there is no one size fits all solution for our homes because of geographic, build type or technology considerations. This means offering alternative solutions that involve active management of domestic consumption and an energy strategy that allows the integration of many power sources into the grid to be accessed flexibly by homes and businesses. The UK is moving from a centralised system, with very large power stations generating the majority of power, to a decentralised one, where generation is more widely dispersed, from solar panels on roofs to offshore and inland wind farms.

Many of the new technologies have only become available in the last few years. But by involving the grid and large energy consumers in solving issues such as frequency balancing, capacity fulfilment, voltage issues and tracing problems, we may develop the energy flexibility and technology for residential consumers.



Welcome

Welcome to this edition of Perspective Magazine. In this issue we see how property risk is continuing to evolve and how the facts on which we base our assumptions and values are prone to change across nearly every area of housing you can imagine.

Some of these impacts are closer to our own sphere of business than others. Help to Buy remains in the news as the government ponders its next step for the stimulus. We reflect on what has gone well and not so well through the scheme and how any move is likely to require a re-balancing of the commitments and beneficiaries of the scheme if it likely to retain public support.

Among the issues that impact our notions of value are challenges facing policy makers, construction companies, and mortgage lenders. Energy policy is one such area that is vexing politicians and academics alike. How can we change our habits and sources of energy and is it viable and how might it be politically expedient to do so? Of equal concern among many too is the sustainability of another key resource in our bid to address the housing crisis – cement and its key ingredient sand. We look at how the global boom in construction is putting a high human and financial cost on this global commodity.

The glorious summer quickly stimulated debate over domestic water use in the national press and prompted more focus on the opportunities and risks of installing greywater systems. We look at these and how they may work for newer builds but present considerable challenges for older housing.

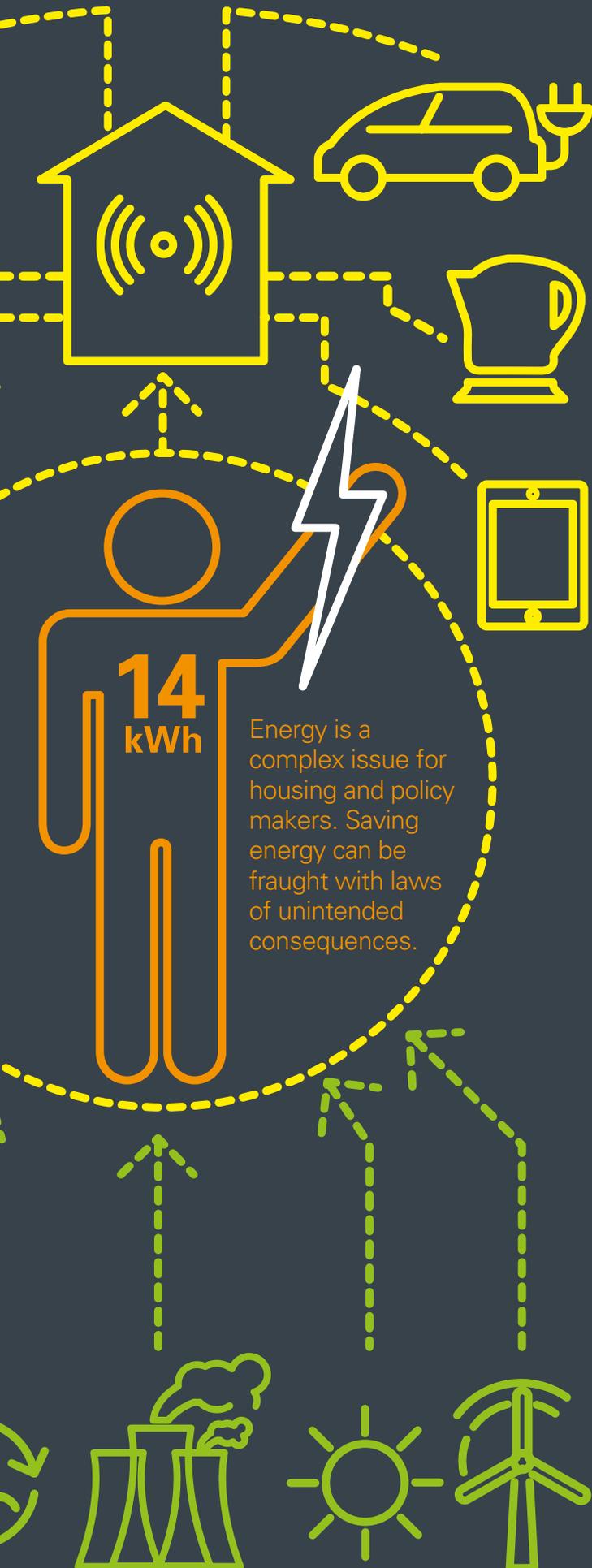
If we ever needed a reminder of how our ideas of risk and value of the past might be challenged, then the recent research work at Leeds University has highlighted a possible miscarriage of justice with regard Japanese Knotweed. We look at the new evidence.

Finally, our View from the Top comes from Andrew Haigh, Chief Executive of the Newcastle Building Society with some thoughts on what it means to be part of strong, multiple award winning regional society.

All that remains for me to say is thank you once again for your support and I hope you enjoy the magazine.

Thank you

Kevin Webb
Managing Director



Help to Buy – a change of prescription

Where next for Help to Buy? Take a quick look at any of the results published by the major house builders in recent times and it becomes clear just how dependent most of the industry still is on the equity loan scheme.

It's no small wonder that Help to Buy has been labelled as 'Help to Sell' by one developer and, as a 'godsend' by another, but everyone is wondering what happens when the scheme expires in March 2021.

On one level, the scheme has met its objectives in terms of increasing housing supply. It has done this via a stimulus to demand which has fed through into an expansion of supply and with little evidence of a serious and destabilising impact on house prices.

But look a little deeper and there is plenty of ammunition for critics of the scheme too. Most obvious is the flip-side of that oft quoted figure that Help to Buy has supported 43% of new builds: if 57% of Help to Buy homes would have been built anyway, is that really a good use of the £9.7bn that the scheme is set to cost by 2020?

A recent report from the Home Builders Federation (HBF) unsurprisingly claims that Help to Buy has been an "unmitigated success", ensuring the construction of 170,000 new homes in its first five years, while supporting 150,000 jobs and helping 137,000 first-time buyers on to the housing ladder.

But this good news is largely obliterated in the national press which has turned its fury on the soaring profits, pay and shares at the major house builders and wealthier buyers taking advantage of interest-free loans that they do not need.

A report in the Sunday Telegraph recently intimidated that the government is set to announce a scaled-back successor "more targeted at those it is meant to be helping", perhaps restricting it to first-time buyers, reducing the maximum price of a property and introducing a household income threshold.

Has Help to Buy become the opium of house building? It certainly has created a dependency and it's true to say that any medicine policy makers are considering needs to be carefully administered. Killing is not in this case curing. The house building industry needs a remedy that avoids sending a dependent industry into instant withdrawal symptoms, with dire consequences for the government's ambition to deliver 300,000 new homes a year.

In the defence of Help to Buy, the HBF argues we should not ignore the fact that the scheme increases supply – unlike, for example, the Right to Buy movement and this is a fair observation. The Help to Buy ISA by contrast rewards anyone who can save up to £12,000, with a bonus of up to £3,000, and amounts to a £8.6bn gift from the taxpayer that does not create a single new home. An external evaluation of Help to Buy for the government suggested that more than half of the homes completed under the scheme would have been built anyway and that many buyers used it to buy a more expensive home than they would have been able to afford otherwise.

Meanwhile, unless there is a housing market crash, the government will make a profit when Help to Buy loans are paid off. The HBF estimates that loans of £8.9bn could currently be worth £9.8bn, while the last accounts from Homes England showed that £526m of Help to Buy loans were repaid in 2017/18.

Critics also tend to blame Help to Buy for all of the excessive profits and bonuses paid by house builders when they have probably benefited as much if not more from measures to cut 'red tape', such as the viability loophole on affordable housing and the relaxation of energy efficiency regulations and from scaling back the incentives they offer to buyers.

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And the balance of housing remains overwhelmingly tilted towards the market rather than genuinely affordable homes.

For all these reasons, a more targeted extension to the scheme makes sense to maintain the supply of new homes after 2021, while reserving help for first-time buyers who really need it.

Help to Buy would then start to look a lot like the schemes that it replaced but with one big difference: under both FirstBuy and HomeBuy Direct equity loans were co-funded by house builders rather than wholly financed by the taxpayer.

Given that annual profits at the 10 biggest house builders have already risen from £1.9bn to £4.9bn since Help to Buy began, they might just be able to afford it – or some other quid pro quo for continued taxpayer support.



In a spin with greywater?

Our record breaking summer quickly focussed minds on the way home owners manage their domestic water usage. Our use of rainwater and greywater raises both opportunities and challenges for the future.

A recent report by the National Infrastructure Commission (NIC) calculated that Britain would need to find an extra 4,000 million litres a day to cope with a drier climate and population growth by 2040. The NIC continued that every household would have to save an extra 23 litres of water daily.

Our water usage has been changing for some time as usage and bills are being reduced by installing low-flow shower heads, fixing leaky pipes, and retrofitting toilets with low- or dual-flush devices. But beyond sanctions on water using devices such as dishwashers, power showers and the like, greywater is the much discussed 'next big step' among policy makers. Employing the used water from baths, showers and hand basins, offers a huge saving opportunity. It is not the water used from the domestic sewerage system but the waste water that can be relatively clean – depending on how much soap, shampoo and shower gel is used – and that can be harvested and reused.

Local governments, we expect, will relax restrictions on greywater systems that recycle non-sewage waste for non-potable uses. But their implementation brings with it some issues around how these systems affect residential property and its value.

That said, if water bills keep increasing, home owners will look to ways of saving money and water but the way forward is not as straight forward as we might hope for housing stock built predominantly nearly 100 years ago.

At the moment, greywater reuse systems are not common because it is relatively expensive to retrofit to older homes. The systems can be costly to install and maintain and the return on investment may be very long (upto and beyond 10 years by some estimates). But on top of this consideration is the fact that, even after basic treatment (when greywater might be clean enough for flushing toilets) if it is left to stand in a storage tank, the water quality can deteriorate and bacteria levels rise.

The British Standard BS8525 states that greywater should only be for toilet flushing, garden use and washing machines, as long as it has been treated enough. It shouldn't be used for bathing, dish washing or anything that needs safe and wholesome water quality, because of potential higher health risks. All installations must comply with the Water Supply (Water Fittings) Regulations 1999 in England and Wales and the Building Regulations parts G and H apply.

Perhaps most importantly behind all this are some very key issues about how such as system is installed and managed and if this is done, how well it is maintained in the context of property value. Home owners will need to carefully think through the location of the water collection, the treatment and the size of any holding tanks. Any pipework carrying treated greywater will need to be clearly marked. Greywater is normally collected at a low level and then pumped to where it can refill toilet cisterns but where greywater is used inside the home, biological treatment and disinfection will be required to control bacterial growth and provide 'clear' water.



Greenhouse, South Leeds

Greenhouse is a part-refurbishment and part-new-build development in South Leeds. The Greenhouse ambition is to allow people to live and work together in a more sustainable way and uses greywater in the toilet facilities and recycles waste water from basins and showers reduces water costs. Greenhouse was built partly as a refurbishment and partly as a new build. The original structure, Shaftesbury House, was originally a lodging house and hostel for seasonal workers living in Leeds.

The site was chosen for development following confirmation that an aquifer existed 80m below ground. This feature enables Greenhouse to use a ground source heat pump to heat water for the central heating and domestic hot water. The building has a number of wind turbines which generate power for the residents, as well as 201m of solar thermal collectors which are used to heat weather throughout the complex. The facade has a foot of external insulation which keeps the building cool in summer and warm in winter.



Every household in the UK would have to save an extra 23 litres of water daily

Regular cleaning and the removal of debris from filters and from the biological treatment process is needed with a regular visual inspection of the system components and replacement of filters according to manufacturer's recommendations. .

The economic tipping point may be some time away but greywater solutions are already available. People's motivations and choices of action concerning water usage are attached to many drivers, such as: comfort, convenience, cleanness, economy and design, with environmental issues generally ranking lower amongst the drivers for one's actions and often people, even when they feel they are responsible for their own actions (either pro or anti-environmental), may assume that their actions have little or no weight on the whole global environment picture resulting in a dismissal of the intention of behaving sustainably.

Adoption may be slow but different possible solutions to decrease water consumption already exist and are vying for attention and sales: changing behaviour, applying efficient technologies (water saving devices) and using alternative water sources (recycling or reusing greywater) all figure in this equation for policy makers and consumers.



Concrete evidence

Concrete is used the world over to build our towns and cities and all the infrastructure that's required to make these urban areas function. It's extremely versatile and in demand like never before.

Concrete is to our modern urban areas as wheat or corn are to our food supply. This industrial use of concrete is the essence of all building projects and in the last four years, China has used more sand than the US has used in the last 100 years. There are substitutes that promise to make our environment cleaner but swapping conventional concrete for 'greener' equivalents is proving to be a tough challenge.

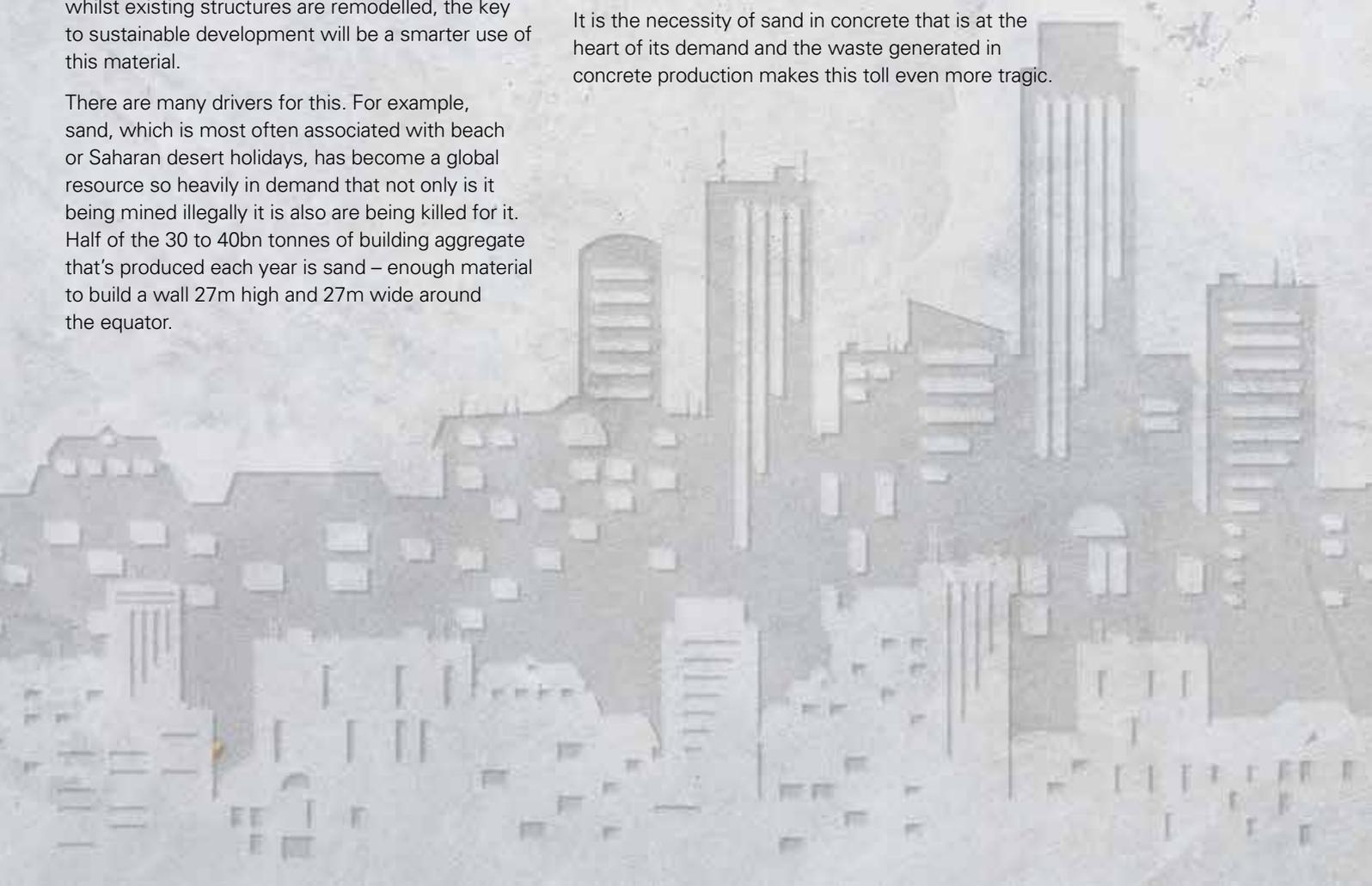
The two main ingredients to concrete are cement, which derives from limestone such as Portland, and aggregate which is commonly sand, gravel and recycled building material. Limestone-based concrete dates back to ancient Macedonia, and is in its current form is here to stay. One reason is logistics – most people are actually within 20 miles of a cement plant, and any drastic change will involve an overhaul of infrastructure, not to mention the retraining of everyone from truck haulers to civil engineers. But with more new buildings rising up to blot the skyline whilst existing structures are remodelled, the key to sustainable development will be a smarter use of this material.

There are many drivers for this. For example, sand, which is most often associated with beach or Saharan desert holidays, has become a global resource so heavily in demand that not only is it being mined illegally it is also being killed for it. Half of the 30 to 40bn tonnes of building aggregate that's produced each year is sand – enough material to build a wall 27m high and 27m wide around the equator.

The demanding need is for the right kind of sand. Surprisingly, the Burj Khalifa in Dubai, currently the world's tallest skyscraper was constructed with concrete incorporating the 'right kind of sand' from Australia, despite being totally surrounded by the stuff. Riverbed sand is most prized, being of the correct gritty texture and purity, washed clean by running fresh water. Marine sand is also used in increasing quantities but it must be cleansed of salt to avoid metal corrosion in buildings. It all comes at a cost.

Sand has become a vital commodity for our modern economies: we use it in our toothpaste, detergents and cosmetics. Computers and mobiles couldn't exist without it. It has become the most widely consumed natural resource on the planet after fresh water and the worldwide construction boom fuelled by emerging economies and increasing urbanization has led to intensive sand extraction on land and in the oceans, with damaging environmental impacts.

It is the necessity of sand in concrete that is at the heart of its demand and the waste generated in concrete production makes this toll even more tragic.



- In 2014, China produced 2,500 million metric tons of cement – more than any other country
- 10bn tons of concrete are produced each year
- Concrete is the most used man-made material in the world
- Concrete is the most consumed substance in the world after water
- Worldwide the industry is worth over \$37bn
- 70% of the world's population live in a concrete structure

There can be a lot of industrial waste during this process: much of the concrete will not be used immediately, and will harden and be left unused. The process also uses and wastes a lot of water and water pollution can also occur at this and every stage of the process – from extraction of concrete through to its eventual application – and particularly if this water then becomes ground water or reaches the river systems, the natural environment can become polluted. In its final form a waste product, concrete is far from being either biodegradable or environmentally friendly. It generally has to be smashed up and removed in chunks. One of the benefits of working with concrete is that it is adaptable, hard wearing and long lasting, but once it has started cracking, or becoming uneven, then it needs to be replaced, or covered with further layers of new concrete.

There are other green materials that can be used for some building and construction purposes – more wood can be used in house construction for example. But in general we need to wean ourselves off our devotion to and reliance upon concrete. Materials that work with and do not despoil the natural environment need to be found and experimented with. What architects, designers, and consumers all must do is to start looking at cement and concrete as valuable resources. Recycling concrete into kitchen counter tops, instead of slicing granite out of mountains and quarries, is just one very small example. Encouraging architectural features that repurpose concrete, instead of energy-intensive processes that involve pulverising and firing it are another. The issue highlights the need for other materials of alternative construction.

New approaches, and an emphasis on smart use, reuse, and design, can burnish concrete's reputation as a sustainable, un-polluting material.

Weeding out the facts about knotweed

Automatically refusing mortgages on properties where Japanese knotweed is found is out of proportion to the risk posed by this invasive species, according to ecologists from global infrastructure services firm AECOM and the University of Leeds, whose latest research, assessing the potential of the plant to cause structural damage, is the most extensive to date.

Japanese knotweed is a notorious non-native species in the UK, originally from Japan as an ornamental garden plant in the mid-nineteenth century. It has, over time, become widespread just about everywhere throughout the country; particularly in urban areas and on roadsides, riverbanks and derelict land. Due to the devastating effect it has on other species as it outcompetes and displaces native flora, it was included on schedule 9 of the Wildlife and Countryside Act in 1981 as a pest species illegal to grow or cause to spread in the wild. It was then classed as controlled waste under the Environmental Protection Act 1990 necessitating its disposal at specially licensed facilities.

Now recognised as one of the most problematic weeds in the UK and Ireland, it is known to have a range of negative environmental impacts.

In the UK, Japanese knotweed is widely believed to pose a significant risk of damage to buildings that are within seven metres of the above-ground portions of the plant – the so-called ‘seven metre rule’ – due to its underground shoots, known as rhizomes.

The high economic impact is due to the cost of removal necessitated by legislation – eradication from construction sites can cost in excess of £1000 per square metre and the cost of disposal for contaminated topsoil compounds that cost. The total global cost of its control could easily reach several hundreds of millions of pounds.

The stigma associated with the plant means that property values can be affected, even after action is taken to control it. As well as setting out to test the accuracy of the seven metre rule, researchers examined the risk from multiple lines of evidence. All reached the same conclusion.

Examining the evidence

The research involved looking for evidence of the perceived threat in previous research literature; surveying invasive species control contractors and property surveyors; assessing 68 residential properties where Japanese knotweed was found and examined data collected when knotweed was removed by excavation from an additional 81 sites.

Cause of structural damage

The authors assessed the three main mechanisms by which plants are known to cause structural damage: subsidence (usually caused by plants and trees drying out clay soils around foundations); collapse and impact (usually caused by trees falling on buildings) and accumulating pressure due to growth (usually caused by the plant’s main trunk and secondary thickening of the roots in close proximity to the trunk).

Their survey of 51 contractors and 71 surveyors, reporting on 122 properties where Japanese knotweed was present, showed that reports of defects or structural damage to residential properties were rare.

Damage from plant growth

A case study looked at 68 pre-1900 residential properties located on three streets in northern England, chosen because they had been abandoned for at least ten years, were already in a state of disrepair, and so represented a ‘worst case’ scenario in terms of susceptibility to damage from unchecked plant growth.

While knotweed was identified within seven metres of 18 of the properties, it was linked to less damage than the trees, climbers and shrubs (such as buddleia, which is also non-native and invasive in the UK) also found there.

In a separate survey, of 26 contractors who provided records of 81 excavations, results showed that Japanese knotweed rhizomes rarely extended more than 4m from above-ground plants. Rhizome spread was generally less than 2.5m – well below 7m.

The researchers also found no support in the literature for the idea that Japanese knotweed is a major cause of damage to property and, overall, established it was less likely to cause damage than many other common species.





Conclusion

Dr. Mark Fennell, Principal Ecologist at AECOM, who led the study, said: "Our research...found nothing to suggest that Japanese knotweed causes significant damage to buildings – even when it is growing in close proximity – and certainly no more damage than other species that are not subject to such strict lending policies."

The research also questioned the validity of the seven metre rule which, although based on the best information previously available, was not a statistically robust tool for estimating how far the plant's rhizomes are likely to reach underground.

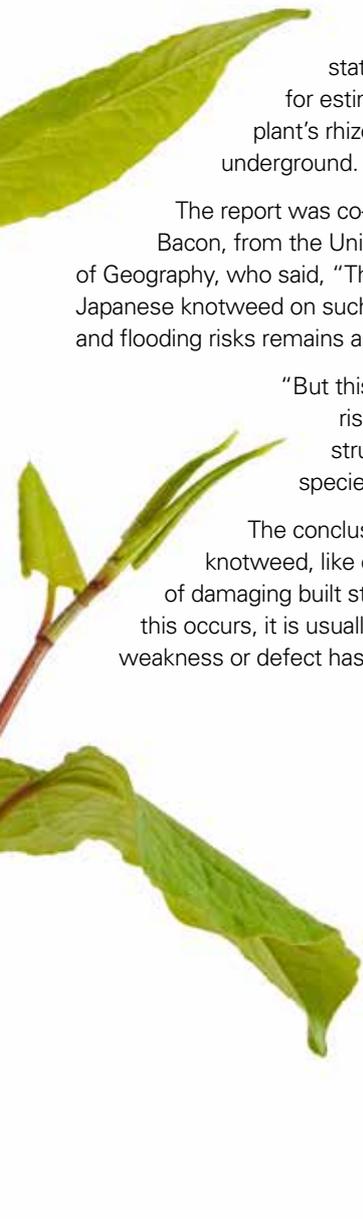
The report was co-authored by Dr. Karen Bacon, from the University of Leeds' School of Geography, who said, "The negative impact of Japanese knotweed on such factors as biodiversity and flooding risks remains a cause for concern.

"But this plant poses less of a risk to buildings and other structures than many woody species, particularly trees.

The conclusion was that Japanese knotweed, like other plants, is capable of damaging built structures, but where this occurs, it is usually because an existing weakness or defect has been exacerbated."

Know your knotweed

- *Fallopia Japonica* is a tall, herbaceous, perennial plant with woody rhizomes when mature.
- Introduced to Europe from Japan in the mid-19th century by renowned Bavarian plant importer Phillip von Siebold, it arrived in a package he sent to Kew Gardens in London in 1850.
- Distributed across the UK, it proved popular in Victorian parks and gardens.
- But despite gardeners expressing misgivings about this newcomer as far back as 1898 because of its invasiveness, it was on sale in UK nurseries for almost another century.
- It was first recorded in the wild in the UK in Maesteg, South Wales in 1886 and is now widespread across the UK and Ireland.
- Because of its vigorous growth and impact on habitats near rivers and streams – as well as the fact it is hard to eradicate – it is now recognised as one of the most problematic weeds in the UK and Ireland and one of the worst invasive alien plants in Europe and parts of North America.
- It creates dense cover, reducing species diversity, impedes access and affects flood defence by impeding water flow and enabling riverbank erosion.
- The species now poses a significant socioeconomic burden in the UK.
- In the UK, legislation under the Wildlife and Countryside Act 1981 (as amended in 2010); the Environmental Protection Act 1990 and the Anti-social Behaviour, Crime and Policing Act 2014 can all be used to prosecute those failing to control Japanese knotweed or who cause it to spread into the wild. There is a duty of care regarding the proper disposal of waste containing Japanese knotweed (as per the Environmental Act 1990).
- In response to this legislation, growing concern about Japanese knotweed, mortgage lending issues, and a rise in the number of businesses specialising in its treatment, the Invasive Weed Control Group was established by the Property Care Association (PCA) in 2012.
- This latest research complements a recent paper published by academics at Swansea University which looked at effective ways to tackle Japanese knotweed.



View from the top

Andrew Haigh became the Newcastle Building Society's Chief Executive in May 2015 having joined the Board as Chief Operating Officer in January 2014. During his career he has held leadership roles as both an Executive and a Non-Executive Director. As the former Chief Executive he led Engage Mutual Assurance for over 10 years, through a period of sustained growth and innovation.



How can regional building societies play a useful role in their regions and nationally?

As the largest building society in the North East, we're here to help our customers across the UK save, plan their finances, and own their own homes. But we see our role as going far beyond this. We are a significant North East employer, committed to realising the talent of our region's youth, our graduates, our returners to work and those with limited opportunity.

We've recently partnered with the Prince's Trust, promising over £100,000 to fund a four year, comprehensive programme of support and investment to enhance employability, develop skills, and realise the potential of our region's unemployed 16-25 year olds. We will be complementing our financial support by providing access to Society mentoring opportunities and real work experience, helping to build the skills and confidence to set those young people, historically excluded from opportunity, on the path to employment.

Our subsidiary, Newcastle Strategic Solutions provides opportunities for developing local careers in digital tech and the chance to work with global brand names and new digital banks.

We believe in sharing financial know-how with our customers and local communities, to help them make sound financial decisions. Our financial education programme aims to pass on this knowledge to school children, first time buyers, growing families and those in and beyond retirement.

Working with the Community Foundation Tyne & Wear and Northumberland, we are building a significant community grant programme that will have capacity to support our communities long into the future. Community grants are backed by a comprehensive volunteering programme that seeks to build strong, supportive and long term relationships across our communities.

How does that manifest itself in lending ambitions and policies?

We believe that we fulfil an important role in helping people onto the property ladder as evidenced by our commitment to first time buyers through our 95% LTV mortgages. First time buyers can also use our help to buy mortgage range, either for purchase or remortgage. We don't just help first time buyers through lending, we also help them save for a deposit. This week we announced our entry into the LISA market to support our already market leading HTB ISA product.

As well as first time buyers, we're committed to supporting later life lending, from intergenerational joint mortgage sole proprietor products, to lending up to age 80.

We are also one of the few lenders to support the growing newly self employed market, with our self employed specialist underwriters considering each case individually in the round and accepting one year's accounts rather than the usual two years as required by most lenders.

We have ambitious plans to grow our lending and you'll be seeing numerous announcements from Newcastle Intermediaries in the months ahead as we continue to introduce thoughtful solutions across several lending areas designed to meet a variety of customer needs for borrowers both in the North East and beyond.

What are the residential lending risks for societies that need addressing most urgently?

With an ageing population, later life lending presents both opportunities and challenges that building societies are well placed to address. Developing a thoughtful and constructive approach to lending in later life is very much on our agenda as we understand more about how people's needs are evolving.

It would be hard to answer this question without a mention of Brexit! As we speak, the way forward is still unclear, the consequences

of the possible outcomes are unknown and the scenarios we need to consider must therefore include the possibility of a serious impact on our market. So, we must prepare for a wide range of possibilities and be ready to respond appropriately as the and when the way ahead becomes a reality.

Housing supply remains an issue across the country and needs addressing at scale. This is something we have started to explore in a recent partnership with Future Homes, around the development of sustainable, intergenerational homes that can flex to meet changing needs, and have community at heart.

What is your vision for Newcastle Building Society beyond the next couple of years?

Being part of an organisation with a 155 year heritage, we tend to think in long term when it comes to vision. Everything we hope to achieve for our Society links back to our Purpose – 'Connecting communities in the North East with a better financial future'. So, when I think of the future, I think about the difference we will make if we deliver our Purpose at scale and with impact. We aim to be part of the fabric of our communities – helping more people to save, more people to understand and plan their finances and most importantly, more people to own their own home. We want to add to the communities we serve: being part of a thriving High Street as well as being digitally engaged with our communities. Helping people achieve a better financial future also means we want to be a brilliant place to work – where colleagues can make the most of their talents and develop rewarding and meaningful careers. We want to work with like-minded business partners too, where we have common goals and can succeed together.

If we do these things, we will genuinely be making an increasingly positive difference for our region, building on the incredibly strong customer relationships that already exist and sustaining them for the future.