

Housing Market Renewal Briefing Note for DCLG Select Committee 12th December 2012

The **Housing Market Renewal Initiative** (HMRI) is a package of policies in the North of England aimed to address housing market failure, which was defined as housing which in local markets was priced below the build cost, such that renovations were uneconomic and the sale of property would not generate sufficient funds to move elsewhere.

Background information is available at http://en.wikipedia.org/wiki/Housing_Market_Renewal_Initiative

The Department of Communities and Local Government are taking some good steps on Empty Homes, but some might argue that they have made a **£70m mess** of the aftermath of Housing Market Renewal, leaving people trapped in ghost streets in Toxteth and other places. If the Government starts favouring development on the Greenbelt, it will hurt urban regeneration in many of our towns.

Summary

- **The Housing Market Renewal (HMR) demolition programme was expensive (£2.2bn) and self-defeating (*30,000 homes cleared in England during a housing crisis*).**
- The vast spending consolidated individual home owners' assets into large land banks, obtained via aggressive council / social landlord CPO and eviction. This throttled natural processes of recovery, as **streets of acquired properties deteriorated**. It has smothered local regeneration by creating monopolies & denying market entry to families / small firms.
- **It has proved counter-productive to urban regeneration in places like Merseyside**, working against more sensitive design and planning policies like the Albert Dock & Liverpool 1, which have led to Liverpool's first uplift in population since the 1930s (+5.5% since 2001).
- In this broadly positive regeneration context, the **HMR policy's 'managed decline'** targeted **18,000 of the city's Victorian terraced properties** for purchase & clearance. As in the 1960s, clearances proved *profoundly* damaging, imposing terrible blight on inner urban communities, & preventing natural market uplift during the city's recovery.
- **The Coalition's analysis has been broadly sound**, thanks to quietly effective work by former Junior Minister Andrew Stunnell MP. Policy was set out by the then Housing Minister Grant Shapps MP a year ago in Parliament. He condemned clearance programmes that '**increased deprivation, undermined the market & left families trapped in abandoned streets**'.
- <http://www.publications.parliament.uk/pa/cm201011/cmhsrd/cm111124/wmstext/111124m0001.htm> (Hansard, Ministerial Statement by Hon. Grant Shapps MP, Nov 24th, 2011)
- **BUT, on the ground, the welcome change of policy has not taken effect**. In Liverpool, Wirral & Sefton, c.2,000 potentially attractive, sustainable homes are locked up in a stagnant £500m local authority and housing association land bank.
- **Transitional Funding meant for renovation has instead been allocated unlawfully for 5,000 further demolitions nationally**.

Venmore Street, Anfield, L4 – these perfectly good houses are now 90%



boarded up, acquired for demolition at public expense despite their obvious popularity.

- ☛ Since ‘Market Renewal’ demolition was scrapped, money for renovation has been allocated, with the £50m Clusters of Empty Homes Fund and £75m Transitional Fund adding to the £100m Empty Homes fund. Further money was announced in the Autumn Statement.
- ☛ The legal mess over the Transitional Fund can be resolved if Ministers uphold Shapp’s statement. http://www.huffingtonpost.co.uk/adam-forrest/britains-empty-homes-the-unlearned-lessons_b_2203836.html
- ☛ These empty homes and sites are now public assets controlled by the Homes and Communities Agency (HCA). Ministers need to act more decisively to deliver their re-use in the public interest. Council and HCA / housing association strangleholds over underused streets need to be broken up, *with ownerships and control returned to actual occupiers, with incentives for refurbishment*.
- ☛ Public resources must by-pass regeneration bureaucracies if they block progress. Assets must reach local families and small firms.
- ☛ Pathfinder’s culture of area-wide site assembly to facilitate large land deals is undemocratic when applied to residential neighbourhoods. It imposes deep social costs for narrow private profit. Tenants and owner occupiers should not be pawns in back room deals between officials and their favoured development interests, with the public paying the bill.
- ☛ In Sefton’s Klondyke, a community-led bid for £4m was approved by DCLG as ‘good value’, but stymied by Sefton Council’s refusal to write a letter in support. In practice this means streets suitable for renovation stand empty, with associated costs and problems.
- ☛ In Liverpool’s Welsh Streets, a private funder is offering to deliver designs endorsed by George Clarke, but HCA funded social landlord Plus Dane remains tied to demolition.
- ☛ Ministers need to instruct housing authorities & the HCA to act in the public interest to deliver ‘best value’, or forfeit public assets under the 1980 Local Govt, Planning & Land Act.
- ☛ Housing equity assembled under duress should be returned to individuals & communities.

Background – sample articles

- ☛ Pathfinder Post Mortem - SAVE: <http://www.savebritainheritage.org/news/campaign.php?id=191>
- ☛ Community Right to Reclaim – PRODS: <http://www.emptyhomes.com/what-you-can-do-2/resources/prods-2/>
- ☛ Blight in the name of Regeneration, Guardian, 23rd September 2012: <http://www.guardian.co.uk/artanddesign/2012/sep/23/liverpool-biennial-review-hmr-anfield>
- ☛ Eviction of 88 year old resident, 9th March 2012, Liverpool Echo: <http://www.liverpoolecho.co.uk/liverpool-news/local-news/2012/03/09/88-year-old-bootle-woman-evicted-from-her-home-to-make-way-for-the-bulldozers-100252-30493544/>
- ☛ Rewards for failure, 18th February 2011, Liverpool Daily Post: <http://www.liverpooldailypost.co.uk/liverpool-news/regional-news/2011/02/18/consultant-paid-more-than-182k-for-liverpool-s-welsh-streets-work-92534-28191659/>
- ☛ Plug pulled on Toxteth scheme, 1st November, 2012, Liverpool Echo: <http://www.liverpoolecho.co.uk/liverpool-news/local-news/2012/11/01/liverpool-council-pulls-plug-on-25m-housing-regeneration-scheme-in-south-liverpool-100252-32142229/#ixzz2Axz5LgFy>
- ☛ Housing Shambles, 28th October, 2012, Sunday Times <http://www.emptyhomes.com/2012/10/29/charles-clover-denounces-empty-homes-scheme-as-housingshambles/>
- ☛ Welsh Streets Homes Group http://www.welshstreets.co.uk/?page_id=348

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Venmore St, Anfield, L4 - now in limbo – Ministers should force disposal for homesteading



Welsh Streets, Kelvin Grove, Liverpool 8 'before and after housing market renewal'



The enlightened alternative – renovation by Miller Homes in Moss Side, Manchester



Welsh Streets, Toxteth, L8 – Voelas Street 2005, prior to HMR spend of circa £20m



Welsh Streets, Toxteth, L8 – Voelas Street 2012, blighted by acquisition for clearance