



Campaign to Protect
Rural England

A CPRE report

Useless Old Houses?

What to do with the North West's low demand housing and high density heritage.



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Foreword

CPRE has been monitoring the potential effects of the Sustainable Communities Plan on England's countryside and green spaces since its launch in February 2003. The original announcement defined four Growth Areas in the South East for which massive levels of new housing and infrastructure development were proposed. It also recognised the need to tackle low demand and abandonment through the promotion of Housing Market Renewal Pathfinders in the North and the Midlands.

In February 2004, the Deputy Prime Minister, John Prescott MP, announced a new Sustainable Communities Plan initiative concentrating on bringing greater economic prosperity to the northern regions. 'The Northern Way' is designed to raise productivity by capitalising on the inter-regional transport links and other economic connections along two Northern 'Growth Corridors', from Liverpool to Hull and Sheffield to Newcastle-upon Tyne.

CPRE has long recognised the need for sustainable economic development which reinforces the effort to secure an urban renaissance, while protecting the beauty of the countryside as a vital economic asset. In the under-used low demand areas of the North and the Midlands there is huge potential for promoting the regeneration of existing urban land to support economic renewal while avoiding greenfield development or damaging countryside character.

This report looks at what building sustainable communities really means for the low demand areas in the North West. It is a timely reminder of the potential offered by re-using existing housing stock, but also of the non-housing interventions, to address key problems such as bad

image and social deprivation, which are needed in order to turn around the fortunes of low demand areas.

It is not clear how the Pathfinder areas will benefit from the proposed Northern Growth Corridors or the emerging Heart of Opportunity concept in the Midlands. At the moment there is a danger that these will simply increase pressure for sprawling development similar to that which currently exists in the South East. 'The Northern Way' looks set to encourage physical development between urban centres, rather than concentrating it within them.

It is vital that the Government's emerging regional policies aim to shape strategies for sustainable economic development which contribute to, rather than undermine, efforts to turn around declining neighbourhoods. This report highlights the need for the Pathfinder areas to be given effective support from economic and spatial planning strategies so that their potential contribution to regional prosperity can be realised.

Clare Mumford
CPRE North West Regional Policy Officer
March 2004

Summary

In North West England, some urban areas are affected by an acute level of low market demand for housing. The Government's Sustainable Communities Plan (2003) outlines plans for housing market renewal, which include the establishment of Housing Market Renewal Pathfinder Areas where strategies to deal with the problem of low demand will be prioritised. Likely measures in the North West include large-scale clearance of high density terraced housing.

CPRE campaigns for urban regeneration in order to decrease development pressures on the countryside. High density housing encourages vital urban centres with sufficient population to support a wide range of essential services. However, if vacancy rates are high, or if areas become 'ghettoised', this vitality is undermined.

CPRE's North West Regional Group commissioned this study – involving a literature study and interviews with estate agents – in order to look at the extent to which the causes of low demand are related to the region's high density heritage.

The central findings of the research conclude that the type of housing is not central to low demand problems. Rather, it is deprivation-related factors that cause residential environments to decline, and more affluent occupiers to move on. Given this, while in some circumstances this may be the best option, clearance of high-density terraced housing stock could actually be contrary to sustainable development.

The report offers some criteria to help determine when retaining existing low demand housing stock is the most suitable option. This would include when the

houses are structurally sound; of high density; in sustainable locations where people can access a wide range of facilities by foot, bicycle, and where they support public transport nodes; and when their character contributes to a sense of place.

Where increased housing choice is desired, this can often be managed most efficiently and with least social disruption by refurbishment and alterations to existing buildings – to provide both bigger and smaller units – and by targeted new build to complement the nature of the existing stock.

Recommendations

- > The image and reputation of low demand areas are identified as key factors for change: renewal strategies for low demand areas must include wide-ranging initiatives which tackle the social, economic and environmental health problems of affected areas.
- > The planning system is an integral long-term tool for building sustainable communities, to measure housing needs, protect greenfields and to bring previously developed land back into productive use.

Recommendations for Pathfinder Partnerships

Re-use of existing buildings:

- > In order to comply with Regional Planning Guidance, Pathfinder proposals must include an assessment of measures to bring empty homes back into use.
- > Proposals should explicitly identify existing housing and associated infrastructure which, based on its location, density and design would be useful to act as an 'anchor' around which to build new development.

Clearance schemes:

- > Proposals should identify within any clearance schemes locations where new and/or replacement high-density housing development will be important in order to make best use of existing infrastructure.
- > Clearance should be avoided when housing stock is:

- > structurally sound;

- > in urban locations with good access to public services infrastructure;
- > of sufficient density to support these services; and
- > has historical/architectural interest and local character.

- > The role of new green spaces, as a replacement for demolished homes, should be described within, and as part of, a wider regeneration strategy. Plans for green space must identify long-term management and funding strategies before being approved.

- > Where redevelopment is envisaged, the active participation of current residents and possible future residents should be sought to determine the development brief for new housing and amenities.

- > To encourage long-term mixed use development, proposals should consider replacing and/or including new small-scale retail and workshop units in rebuilding schemes.

- > When threats of demolition have been lifted, this fact should be publicised by local authorities and other partners as part of a positive image-building exercise for the area.

New build:

- > As a catalyst for wider regeneration, consider converting existing buildings with historical interest into apartments, rather than building new detached stock.

- > The use of covenants on new and

remodelled properties should be considered as a means of ensuring a proportion of homes remain under owner occupation.

Other issues:

- > The issue of people buying cheap houses which then remain unoccupied, in order to profit from eventual CPO payments, must be addressed. The potential to develop policies for local authority action to tackle this problem should be investigated.
- > Pathfinder proposals should include details about how the problems of crime, anti-social behaviour and environmental health will be dealt with in low demand areas.

For the North West Development Agency

- > Strategies should encourage local business start-ups in empty commercial property, particularly addressing the negative impact of empty corner shops.
- > The environmental capacity of sub-regions should determine how regional economic growth is directed.
- > Renewal strategies should link programmes of: local business start-ups; energy efficiency and small-scale renewables development; image promotion; sustainable transport development; derelict land reclamation; and nature conservation.

For The North West Regional Assembly

- > Regional Spatial Strategies should consider how to link low and high housing demand on a sub-regional basis, so that housing supply and demand are better integrated over wider areas defined by sustainable patterns of access to services and resource use.
- > Forthcoming revisions to the regional sustainable development framework should explicitly consider the issue of low demand housing, so that all local and regional plans, policies and programmes are directed to support the regeneration of low demand areas.

Introduction

CPRE has consistently argued that in order to protect the English countryside, urban regeneration must be promoted. A recent CPRE calculation suggests that 166 square miles of green fields could be threatened by the level of new housing development expressed in local development plans.¹ Yet in some areas existing housing remains vacant or under threat of demolition while new housing is built nearby.

Around one million homes in England are affected by low demand (ODPM, 2003a). Approaching half of these – 440,000 homes – are in North West England (ODPM, 2003b). If vacancy rates are high, the vitality of the urban centres of which they are a part can be undermined.

Migration from towns and cities has meant more people living in the suburbs and rural locations, where new housing has often had a destructive impact on local countryside character. Such a trend is unsustainable not only from the view of protecting England's remaining countryside but also in terms of preventing the collapse of already-fragile urban environments.

The challenge is to revitalise our towns and cities with people, green spaces, safe streets and good design so that they become places where more of us choose to live. We need to create communities which are capable of absorbing social change and renewing themselves, where existing buildings and brownfield sites are recycled and reused to provide a range of goods and services for modern life.

Low housing demand and the Sustainable Communities Plan

Urban renaissance has been a consistent theme of Government policy for several

years. It has been expressed most recently in the Sustainable Communities Plan, launched in February 2003. Described as a 'radical programme of action', it aims to tackle the four challenges of 'a rapidly changing population, the needs of the economy, serious housing shortages in London and the South East and the impact of housing abandonment in the North and Midlands'. Its action programme sets out in total nineteen 'Key Actions' (see *Appendix*) and aims to ensure problems are tackled permanently and not just displaced or deferred.

The Plan admits that its approach will sometimes lead to fewer homes in some urban areas in the North and Midlands. Meanwhile, around half a million new homes could be proposed on greenfield sites in just four growth areas in London and the South East over the next 30 years aiming to accommodate the region's economic success.² In February 2004, the Deputy Prime Minister provided an update of the Plan which looked at how some of the disparities, particularly relating to economic performance between the North and the South, are being addressed.³

This report looks at some of the specific problems of low housing market demand

1 See CPRE press release, Greenfield Housing Threat Continues Unabated, 22 January 2003.

2 See CPRE (2003). The four areas are the Thames Gateway; Milton Keynes/South Midlands; Ashford (Kent); and London – Stansted – Cambridge (the 'M11 corridor').

3 The announcement came as this report was going to press and it is therefore not subject to review within this report. CPRE will continue to work on the issue during 2004.

in the North West. Drawing upon primary qualitative research with estate agents in Merseyside and East Lancashire, it explores the issue of what to do with the existing older housing stock and whether it can still play a useful role. The report complements our work on the Sustainable Communities Plan's impacts in South East England, where the problems largely relate to high housing demand imposing pressures for new build regardless of the environmental consequences.

The *Low Housing Demand and Sustainable Communities* chapter sets out the context of the problem of low housing market demand in the North West, and establishes how it relates to sustainable development. In the chapter on *Factors Contributing to Low Demand*, we look at our case studies and analyse what estate agents considered to be the main causal factors for low demand. The *Recovery from the Low Demand Problems* chapter outlines some recommendations for action to help address low demand, and is followed by a concluding summary.



Low Housing Demand & Sustainable Communities

Government defines low housing demand using different indicators for social and private sector housing (see page 9).

The two sectors show different types of housing being low demand. According to Renewal.net (2003),⁴ in the social housing sector, demand has fallen for sheltered housing, inter-war properties, housing built between 1965 and 1987, pre-1900 properties acquired by Registered Social Landlords in the North, and small housing units. In the private sector, low demand has been concentrated in areas where property is in poor condition – this appears to be particularly the case for pre-1919 terraced housing in Northern cities and industrial areas.

The problem in the North West

The North West is the region considered to be most severely affected by low housing demand: it has approaching half of the housing in England which falls within the Government's definition of low demand. Of the 50 least expensive postcode sectors, which saw average sales in early 2003 at between £12,000 and £26,000, 36 were in the North West.⁵

On top of this, the North West region suffered the UK's biggest net population loss between 1991 and 2001 – around 115,000 people (Census 2001). Manchester and Liverpool saw England's biggest percentage losses over this period at 9.2% and 7.7% respectively. It is doubtful that demand will rise simply by population increases in the region. Holmans and Simpson (1999) have described the problems thus: '...due to migration, probably stemming mainly from job opportunities, there [was] some shift in demand for housing from the North of

England to the South. This shift has not brought about any general collapse of housing demand in the North of England, but it has led to increased departures and higher vacancies in local authority housing and has produced local surpluses in the least popular localities.'

Within the region, the most extensive and acute areas of low demand are generally considered to be located in Merseyside, Greater Manchester and East Lancashire. However pockets with problems occur throughout the region. In 2001, lower quartile house prices below £20,000 were found in Preston, Skelmersdale and the Cumbrian towns of Maryport, Workington, Whitehaven, Egremont and Barrow-in-Furness; (ODPM, 2003b). In a study of housing markets in Cumbria, Lancashire and Cheshire, Leather et al. (2003) also suggest that Carlisle, Blackpool, parts of Fleetwood, Morecambe, and Ellesmere Port have the potential to experience demand problems.

4 Renewal.net is a website developed by the Neighbourhood Renewal Unit, which is part of the Office of the Deputy Prime Minister

5 This compares with seven in Yorkshire and the Humber, five in the North East and one each in Wales and the West Midlands (www.landreg.gov.uk). All 50 are located in the North and Midlands.

Low demand is not exclusively an urban problem in the North West. Some former coal mining villages are also affected, such as Huncoat in East Lancashire and Cleator Moor in West Cumbria which is amongst the 50 cheapest postcode sectors in England and Wales. The solutions to low demand in rural areas may be very different to those in urban areas, and it is outside the scope of this report to cover the rural implications and issues relating to low demand.

In most low demand areas, pre-1919 terraced housing predominates, although in some areas, particularly in parts of Merseyside, housing built by local authorities is more significant.

Households and their expectations have changed markedly since the bulk of the region's housing stock was constructed.

The average household size is predicted to continue to decline to 2.2 by 2016, but this is balanced by demand for larger rooms and more spare rooms. Wong and Madden (2000) note some demographic variation for ethnic minorities. For instance, much of the housing generally available in low demand areas is too small to meet the needs of some Asian households due to the cultural practice of living in extended families.

Other social trends, such as willingness and ability to travel greater distances to work, have also affected housing markets. There are many people who commute into areas that suffer low housing demand. According to the 1991 census nearly 15,000 commuted into Manchester and over 8,000 into Liverpool. Even Burnley, a much smaller urban centre, had a gross inflow of over 1,000 workers.

Government indicators of low demand

Social housing

Housing in blocks or management patches of at least 50 dwellings where one or more of the following symptoms occur:

- > *a small or non-existent waiting list;*
- > *tenancy offers frequently refused;*
- > *high rates of voids available for letting;*
- > *high rates of tenancy turnover or where marketing initiatives or exceptional allocations policies have been implemented to counter low demand and unpopularity.*

Private sector housing

Neighbourhoods of at least 50 dwellings where private sector housing is predominant and one or more of the following symptoms occur:

- > *private property value is particularly low and/or falling in absolute terms;*
- > *high private sector void rate;*
- > *high turnover of population;*
- > *significant incidence of long-term private sector voids or abandoned properties.*
- > *visibly high incidence of properties for sale or let*

From renewal.net

Whilst much of the work to date on low demand problems has focused on the social housing sector, the majority of low demand properties in the North West are within the private sector. Figures from Government Office for the North West show that the 130,000 local authority and registered social landlord low demand dwellings together make up less than 30% of the low demand properties in the region (GONW, 2003). Meanwhile, in the East Lancashire pathfinder area, 80% of the properties in the intervention area are privately owned (Elevate, 2003).

The majority of clearance measures to date have been taking place in the public sector. It is clearly easier to deal with low demand through clearance when adjoining properties are in the same ownership. However significant numbers of privately owned homes have also been cleared in recent years, and more seems to be on the cards.

Policy context in the North West

Regional Housing Board and Strategy

The Sustainable Communities Plan established Regional Housing Boards with the responsibility of formulating Regional Housing Strategies. The Board in the North West is made up of representatives primarily from regional agencies.

The North West Regional Housing Strategy was published in July 2003, with the intention of fine-tuning it during 2004. It sets as the first regional priority 'urban renaissance and dealing with changing demand'. It recognises that 'the impact of housing market failures is a threat to the health, well being and economic competitiveness of the region, as well as having a devastating effect on quality of

life in the worst affected communities' (see page 16). Another priority within the Strategy is affordable housing. The region suffers from the two extremes of high and low demand, often in relatively close proximity to each other.

Housing Market Renewal Pathfinders

The main policy initiative by which the Sustainable Communities Plan aims to tackle low demand is via nine Housing Market Renewal Pathfinder (Pathfinder) areas, covering about half the stock affected by low demand. A large proportion of Government funding is being directed at the Pathfinder areas for at least three years: £500 million has been made available for the task. What will happen to the schemes after this period is unclear.

The four Pathfinders in the North West cover East Lancashire, Manchester and Salford, Merseyside (Liverpool, Sefton and Wirral) and Oldham and Rochdale. Each Pathfinder area is designed to cover between 40,000 and 120,000 units (Renewal.net, 2002).⁶

By 2005 the Government expects Strategic Action Plans to be in place for all Pathfinder areas, envisaging large-scale clearance, refurbishment and new build work to be underway, complemented by improvements in local services. The Pathfinder partnerships, which have been established for each Pathfinder area, are working on producing the prospectuses for action. The partners are seen as being crucial to addressing the non-housing requirement of sustainable communities, in particular 'good quality, customer focused public services and a pride in the community and cohesion within it, in line with the wider National Strategy for Neighbourhood Renewal' (Audit Commission, 2003).

6 The East Lancashire pathfinder, for instance, comprises seven such areas, containing approximately 85,000 properties in the towns of Blackburn, Darwen (Blackburn with Darwen unitary authority), Accrington/Padiham (Hyndburn Borough Council), Burnley, Bacup/Stacksteads (Rossendale Borough Council), and Nelson/Colne (Pendle Bouncil Council) (Elevate, 2003).

At the time of writing, only the Manchester Salford prospectus has been approved, and there is limited information in the public domain on the plans for other Pathfinders. Nevertheless the Government has been keen to see quick wins, and work such as the clearance of empty flats in the Accrington Road area of Burnley, East Lancs, has begun under the banners of the Pathfinders.

Regional Planning Guidance

Regional Planning Guidance 13 for the North West (RPG) defines the locations for new development in the region and for action on economic regeneration and housing issues. It contains a Spatial Development Framework which concentrates new development around the North West Metropolitan Area (NWMA), and primarily the 'regional poles' of Manchester and Liverpool, as well as other key towns and cities outside of the NWMA. RPG also identifies Regeneration Priority Areas (RPAs). All the Pathfinder areas fall within the NWMA or RPA areas. Other areas outside of these are less likely to be targeted for remedial action since they do not fit in to the preferred regional model for development.

On the specific issue of housing renewal, RPG policy UR6 states that 'there will be a particular need for clearance in areas where there are problems with housing that is:

- > unfit;
- > beyond economic repair;
- > life expired and unsuitable for modern living;
- > in areas of extremely low demand; and

- > necessary to assist the better functioning of local housing markets or the overall improvement and regeneration of an area.'

An estimate of at least 74,900 dwellings is provided for the number of homes that may need to be cleared over the next 25 years. This comes from local authority estimates based on recent clearance activity and current funding. The supporting text goes on to say that in reality much higher levels of clearance may be necessary.

One of the problems of this approach to clearance is that it undervalues the full role of existing housing and concentrates primarily on the economics of the housing market. There is an implicit acceptance – which the Sustainable Communities Plan policy shares – about the need to focus on housing markets and an assumption that some houses will become out-dated and unsuitable for modern lifestyles.

Yet the sequential approach to land use outlined in RPG's Core Development Policy DP1 Economy in the Use of Land – which favours firstly reusing existing buildings, then reusing vacant brownfield sites, and only as a last resort, developing greenfield sites – indicates that the refurbishment of low demand houses should be preferred over demolition. Its policy UR7 on regional housing provision also states that local planning authorities should seek to minimise the amount of land needed for new housing by bringing about a reduction in vacancy rates to 3% in existing stock, particularly where vacancy rates are high.

Regional Economic Strategy

One of the North West Development Agency (NWDA)'s objectives in its Regional Economic Strategy is to 'deliver urban renaissance' (NWDA, 2003). Within this objective it has adopted a key activity to 'develop the economic strength of the areas of greatest concentration of unsatisfactory and unpopular housing'. The Agency's action plan 2003-2006 incorporates actions for Pathfinder areas specifically, relating to identifying the key economic drivers and best options for initial investment in housing in each Pathfinder.

The NWDA's primary focus in low demand areas has been in the sphere of economic development to promote local employment growth and skills development. It supports three sub-regional regeneration companies whose remit is more localised economic development work: *New East Manchester*, *Liverpool Vision and Furness & West Cumbria – West Lakes Renaissance*. Whilst not specifically addressing the problems of low housing demand, their work on economic regeneration is likely to address some of the root causes of low demand in several of the worst affected areas.

In February 2004, the Deputy Prime Minister launched a new report *Making It Happen: the Northern Way* which detailed work done so far under the Sustainable Communities Plan, and new initiatives designed to address some of the economic and social disparities between different regions in England. The NWDA will be working within this framework for regional economic growth.

Action for sustainability – the regional sustainable development framework

The regional sustainable development framework does not explicitly address the issue of low demand. However the Integrated Appraisal Toolkit, published in 2003 and designed to be used to enhance sustainability within the plans, policies and programmes of regional and local agencies, does refer to the improvement of housing conditions through upgrading, refurbishment or maintenance and the reduction of vacant properties.

Recommendations

If Housing Market Renewal Pathfinder proposals are to comply with Regional Planning Guidance, they must include an assessment of measures to bring empty homes back into use. Funding should be allocated to proposals on the basis of such an assessment being included.

Forthcoming revisions to the regional sustainable development framework should explicitly consider the issue of low demand housing, so that all local and regional plans, policies and programmes are directed to support the regeneration of low demand areas.

The sustainability context in the North West

Low demand for housing cuts across environmental, social and economic aspects of sustainability.

Efficient use of land and infrastructure

Low demand acts to decrease the number of people living in an area because of the high vacancy rates implied. A high density of residents helps to ensure a customer base for the wide range of shops and services that give successful urban areas their vitality. National planning policy guidance in PPG3 considers that developments of less than 30 dwellings per hectare make inefficient use of land and should be avoided. It further advocates densities greater than 50 dwellings per hectare at places with good public transport accessibility such as city, town, district and local centres or around major nodes along good quality public transport corridors. For public transport to be an attractive alternative to the car, it is important to minimise the distance of the final part of the journey, which usually has to be completed by foot. The Urban Task Force (1999) found a strong case for creating 'pyramids of intensification' around transport hubs and town centres. Other studies have identified even higher densities as being important to retain essential services for communities.⁷

High density housing is resisted in some quarters due to fear of 'town cramming'. Yet density should never be confused with intensity. With good design, high density secures vitality and improves community safety. The quality of open space is as important as quantity. Densities of around 50 dwellings per hectare can allow the incorporation of small-scale amenities,

employment uses and open space as well as a mixture of flats and some houses with gardens.⁸

Pre-1919 terraces are typically built at a density of 80-100 dwellings per hectare and with street patterns that were designed for pedestrian access to shops and services. They are often in urban core locations with good public transport accessibility. Such factors provide very efficient land use.

In Merseyside, some areas of low demand are conveniently located close to the stations of the extensive local rail network. The situation is similar in East Lancashire, where it is proposed to develop the existing rail network into a Rapid Transit System. In order to maintain and enhance the viability of these sustainable travel options, it is useful to retain a concentration of development in these areas.

The existing public services infrastructure in urban areas represents a major capital asset which should be fully utilised. Power (2001) found that, in comparison, greenfield developments are effectively being subsidised, at the rate of around £30,000 per dwelling, because of the need to provide and maintain new infrastructure.

Resource use and efficiency

Leaving homes empty is a waste not only of land but of the construction resources used to build them. Much of the older low demand housing stock in the North West is built of local stone. Because this stone is of high value, much will be recycled if houses are demolished. However some material will be destroyed during demolition, and the environmental costs of transporting stone are significant if it is to be used off-site.

7 The Local Government Management Board Sustainable Settlements Guide suggests that a density of 100 people per hectare is required to support a bus service (Rudlin, 1998). This figure was accepted by the Urban Task Force (p61), assuming a socially mixed population.

8 See for instance Lancaster City Council's development brief, based on a design exercise with NWDA backing, for Luneside East, which proposes on a 6.2ha site, 300 dwellings (thus 48.4dph) and states 'whilst housing should be the predominant use, other uses which complement the urban village theme should ... includ[ing] workshops, local shopping, recreation, open space and community uses, pub/restaurant on the waterfront...'

The domestic sector contributes an estimated 25% of carbon dioxide emissions in the UK, and given the UK Government's commitments to reducing greenhouse gas emissions by 60% by 2050 (DTI, 2003), serious work will be needed to make existing housing stock anywhere near energy efficient. It is now feasible to construct 'zero-energy' new housing.⁹ Given today's potential high standards of construction and that the fact that re-use of construction materials is increasingly promoted, it is possible that new build would provide greater long-term resource use efficiency than re-using old homes.

Low demand does, however, create an opportunity to make existing houses which are still useful more energy efficient while they are temporarily vacant, providing that it is likely that renovated stock will be occupied after completion. The upgrading of solid-walled housing to best practice standards is very difficult to carry out whilst dwellings are occupied, but lining internal walls with insulation at the same time as other renovation work such as re-plastering and the replacement of services can help improve stock and maximise cost-effectiveness.

Community cohesion and social needs

The Sustainable Communities Plan considers 'a range of household sizes, ages and incomes' to be a key requirement of a sustainable community. A mixture of household types can increase social capital, particularly by creating the conditions for informal support networks. The presence of households with relatively high disposable incomes can help to support local shops and services.

As housing demand falls, the mixed nature of a community decreases.¹⁰ When areas

decline, many of those who are able to leave do so. The number of residents with a long-term stake in the area diminishes, and the impacts on quality of life for the remaining residents become more acute. Owner-occupiers with mortgages can become trapped with severe personal consequences: Power and Mumford (1999) found neighbourhoods where property values fell from around £25,000 to next to nothing during the course of the 1990s.

Many areas of social deprivation are racially mixed, and different communities may live side by side or may live in different streets/neighbourhoods. There have been problems in places such as Oldham – a Pathfinder area – of different communities perceiving others to be advantaged over them in terms of regeneration spend. Racist organisations have fostered anger at this situation and communities have become polarised. This in turn causes areas to be stigmatised – for people of all colours – and the popularity of neighbourhoods decline even further. Deprivation and racism plunge an area into a downward spiral.

When the policy response to low demand involves clearance measures, a new set of factors impacts upon communities. Clearance, particularly on a large scale, can destroy social ties built up over decades, and it is frequently fought by local residents.¹¹ Forced moves can be particularly stressful for older people.

Cultural landscapes and heritage

Both street patterns and houses themselves contribute to the heritage of the North West's urban areas. The North West's history is often told through its built and natural environment. Where

9 Examples of best practice can be found in Sustainable Housing Forum (2003).

10 The Joseph Rowntree Foundation has supported a number of studies which reveal the social impacts of low demand. These are summarised by Niner (1999).

11 See for instance the Salford Advertiser newspaper article, 13 Feb 2004, 'Relocation, relocation, relocation' about the concerns of residents in Langley Road South, Charlestown.

housing clearance takes place, this historical thread may be lost.

In Nelson, East Lancashire, English Heritage successfully opposed Pendle Borough Council's proposals for the clearance of 350 homes, claiming the 'properties are of considerable historical and architectural significance... that none of them were unfit to live in and they were capable of being refurbished.' The Secretary of State agreed with the Inspector's conclusion that the '[r]emoval of the terraced housing by Compulsory Purchase Order would have a harmful effect on the totality of the historic townscape character of Nelson'.¹² The Inspector's report notes that the fact 'that some terraced housing may need to be removed from the housing stock reinforces the need to protect that which is most significant in heritage and townscape terms' (Planning Inspectorate, 2003, para.56).

Economic opportunities

The North West Development Agency recognises that 'a positive image will increase economic activity, attract further investment, and boost business and leisure tourism in the North West' (NWDA, 2003). The boarding up of houses, vandalism and dumping of rubbish that afflicts low demand neighbourhoods could not be further from the positive image that the Agency is seeking. Furthermore, a lack of residents undermines the economic viability of shops and services in an area.

The Government has taken steps to encourage mixed-use developments. Older residential areas usually contain a mix of low cost non-residential premises that provide for a range of business

activities. Ironically they are affordable to new and small businesses because they are in relatively low demand. Clearance in mixed use areas tends to remove premises such as shops and workshops along with the housing. The house building industry specialises in building and selling houses, and so shops and other facilities in new housing estates remain few and far between. When they are provided, the costs of modern premises may be prohibitive to small businesses.

12 Letter from Government Office for the North West to Pendle Borough Council solicitor, dated 18 September 2003, para.10.

Factors Contributing to Low Demand

Simply stating what types of houses suffer from low demand does not get at the root cause of why this is the case. After all, whilst the 440,000 homes in the North West affected by low demand is undeniably a large number, this should be considered in the context of the region's total housing stock which approaches three million dwellings. This includes around one million terraced homes. There are more than twice as many terraced homes in the region than there are low demand homes. It is clear, therefore, not all pre-1919 terraced homes are in low demand. So why are some affected in this way?

Research results

In July 2003, CPRE North West Regional Group commissioned consultants to investigate the issue of low demand and specifically the role of housing density, and whether clearance and rebuilding at lower density would be likely to increase demand. The research focused on private sector housing – since this is where the majority of low demand properties are found in the North West – and in two Pathfinder areas – as they will be receiving substantial funding for housing market renewal. Merseyside and East Lancashire were chosen to represent one Pathfinder area in a conurbation core area and one in a Pennine mill town area, with the assumption that similar issues might be found in Manchester/Salford and Oldham/Rochdale respectively.

It was assumed that estate agents would be familiar with the housing market and the factors that contribute to demand for housing. Twenty one estate agents were interviewed by telephone between August and September 2003, with semi-

structured conversations being led by a questionnaire in order to retain consistency between interviews. East Lancashire estate agents covered Bacup, Blackburn, Burnley, Nelson, Oswaldtwistle, Accrington and Rossendale. Merseyside estate agents covered low demand areas of the Wirral, Sefton, and Liverpool.

A set of possible factors that might contribute to the problem of low housing market demand were collected from the literature (particularly renewal.net, 2003, Nevin *et al.*, 2001, Leather *et al.*, 2003) as:

1 Factors related to deprived areas and anti-social behaviour:

- > bad image/reputation of area
- > crime and anti-social behaviour
- > litter and vandalism

- > physical appearance of housing and surrounding area

2 Factors related to type and condition of housing:

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- > room sizes/layouts
 - > density of housing
 - > type of housing ("People don't want to live in terraces / flats")
 - > Lack of garden
 - > Availability of new housing elsewhere that is more attractive
 - Lack of car parking
- > low quality of local schools / childcare
 - > poor road links
 - > poor public transport
 - > limited access to green space
 - > low availability of employment

4 Factors related to threat of demolition / empty housing:

3 Factors related to location, availability of services and amenities, and accessibility:

- > lack of convenient shops and services

- > threat of demolition

- > empty housing in the area

Estate agents were asked initially to identify areas of low demand and to give

Table 1

Extent to which factors contribute to low demand according to estate agents in East Lancashire and Merseyside

	A lot (%)	A little (%)	Not at all (%)	Don't know (%)
<i>Bad image/reputation of area</i>	76	14	5	5
<i>Crime and anti social behaviour</i>	76	5	14	5
<i>Litter and vandalism</i>	71	10	14	5
<i>Appearance of housing & area</i>	43	19	38	0
<i>Room sizes / layouts</i>	5	33	62	0
<i>Density of housing</i>	0	5	91	5
<i>Type of housing ('people don't like terraces/flats')</i>	5	19	76	0
<i>Lack of garden</i>	5	33	62	0
<i>New housing elsewhere that is more attractive</i>	29	19	52	0
<i>Lack of car parking</i>	10	38	52	0
<i>Lack of convenient shops and services</i>	19	29	52	0
<i>Low quality of local schools / childcare</i>	19	19	57	5
<i>Poor road links</i>	5	14	76	5
<i>Poor public transport</i>	0	19	76	5
<i>Limited access to green space</i>	19	24	57	0
<i>Low availability of employment</i>	10	38	52	0
<i>Threat of demolition</i>	38	5	57	0
<i>Empty housing in the area</i>	67	14	14	5

reasons without prompting why those areas suffer from the problem. They were then asked how much each of the factors given above contribute to the lack of demand in the areas identified. The results are given in Table 1 on the previous page. Figure 1 below shows the extent to which each of the categories of factors are considered to contribute to the low demand for the housing stock.

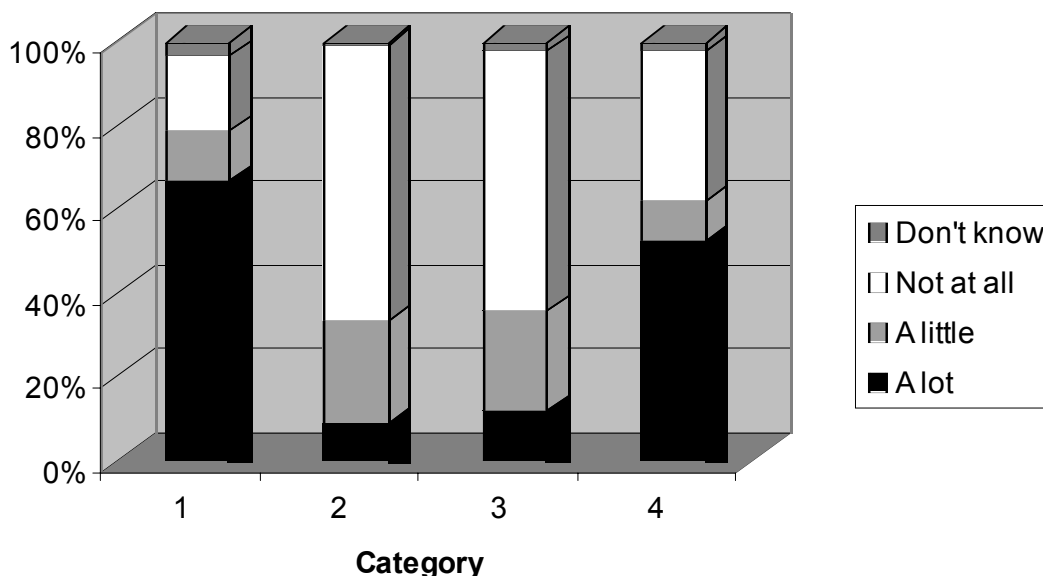
Reviewing the results, the factors *bad image/reputation of area, crime and antisocial behaviour, empty housing in the area and litter and vandalism* were considered to contribute the most to the

lack of demand. More than two thirds of agents thought they contributed a lot. In areas where there was a threat of demolition, principally East Lancashire, this was considered to be the main factor.

Factors that contributed very little to low demand include *lack of a garden, room sizes/layouts, density of housing, poor public transport, type of housing, and poor road links*. More than 60% of agents felt that these factors did not contribute at all.

This indicates strongly that it is not high-density terraced housing nor its location that is a problem per se, but rather the

Figure 1
The extent to which factors contribute to low demand according to estate agents in East Lancashire and Merseyside



Categories:
 (1) *deprived areas and anti social behaviour*
 (2) *type and condition of housing*
 (3) *location, availability of services and amenities, and accessibility*
 (4) *threat of demolition / empty housing*

social conditions which surround the houses.

Deprived areas and anti-social behaviour

It is clear that estate agents consider that the factors in this category (bad image/reputation of area; crime and anti social behaviour; litter and vandalism; physical appearance of housing and surrounding area) the most important in contributing to low demand. These were reasons that most estate agents gave before prompting, and by far the most frequently chosen factors of those offered to research participants.

Nevin *et al.* (2001) suggest that the housing market in the M62 corridor area (comprising the conurbations of Manchester and Merseyside and the area in between) has become fragmented so that many neighbourhoods are becoming highly differentiated in their social composition and environmental quality. Our research supports this, that the changes in social composition within the neighbourhood resulting from an initial decline serve to exacerbate problems of low demand.

Type and condition of housing

The factors relating to type and condition of housing were not considered by estate agents to contribute significantly to low demand. On average 9% thought these factors contributed a lot, and 66% thought they didn't contribute at all. Indeed in many areas private housing in poor condition was felt to be in high demand from developers

and purchasers wishing to renovate to their taste and requirements.

It is often suggested that people don't want to live in terraced houses. 76% of estate agents suggested that this is not an issue and only 5% thought that it was important. Some estate agents said that people prefer terraces to ex council properties, and every single estate agent interviewed was able to think of a location of similar terraced housing stock where demand is strong or improving. For example, the popular areas of Oswaldtwistle (Hyndburn) and Upper Tranmere (Wirral) were given as examples of similar housing stock to the nearby low demand areas of Church (Hyndburn), and Rock Ferry (Wirral).

Other factors relating to the type of housing were also not considered to be significant. Very few interviewees thought density of housing, lack of a garden, room sizes/layouts, or lack of car parking contributed much to low demand. The most significant factor in this group was new housing elsewhere that is more attractive. Nearly 30% thought that this contributed a lot to the problem, although the majority felt that the housing markets were separate.¹³

Location, availability of services and amenities, and accessibility

The factors relating to location were – perhaps surprisingly – not considered by estate agents to be important generally in

13 This supports other studies such as Nevin et al., 2001 ; Leather et al., 2003.

Recommendation

Pathfinder proposals should include details about how the problems of crime, anti-social behaviour and environmental health will be dealt with in low demand areas.

contributing to low demand. 62% thought they did not contribute at all; 12% thought they contributed a lot. However, the factors in this category relate purely to the accessibility of amenities. It seems that factors relating to an area's social make-up and reputation, rather than its service base, impacts most significantly upon low housing market demand.

Of the factors in the group, the absence of local services and amenities – lack of convenient shops and services, low quality of local schools/childcare and limited access to green space – were considered to be most significant, although still over half of respondents considered them unimportant. Many suggested (without prompting) that rows of boarded up shops were a significant factor in putting people off an area, which again implies that image may be key.

The effect of transport infrastructure on housing demand is unclear but does not seem to have a major role. 76% of estate agents thought poor public transport is not relevant, and the same proportion thought poor road links do not contribute.

Good accessibility can make a residential location attractive, but it equally enables a household to live further away and to commute for access to jobs and services. Certainly, some of the worst low demand areas have excellent road access, such as postcode BB9 5 (M65 J12 at Brierfield). Good train services can also go hand in

hand with low demand. Some of the worst affected areas in Merseyside include the areas around Edge Hill, Kirkdale and Bank Hall Merseyrail stations.¹⁴ Among estate agents, the view that poor accessibility contributes to low demand was limited to Rossendale District, which has no motorways and no passenger connection to the national rail network.

Threat of demolition/empty housing

38% of estate agents overall thought that the threat of clearance was a major factor in leading to low demand in their areas, but this obscures geographical divisions. This was not a major factor in Merseyside locations, but in certain East Lancashire areas it was considered the most important factor. As one East Lancashire estate agent put it:

'There is threat of demolition. This is the problem. The council blight the areas because they mention they're going to take these properties down. They mentioned 10 years ago in one of our town centre areas that these properties would be demolished...and therefore they blight the areas themselves.'

This raises the question as to whether certain low demand areas would have recovered without intervention were it not for the uncertainties surrounding an area's future. Estate agents in East Lancashire believe that the threat of demolition was the initial cause of low demand in certain areas, and has led to the other problems

14 This tends to support CPRE's research report, Roads to Regeneration?, which highlights the mixed effects of new road-building schemes which claim regeneration benefits (CPRE, November 2003).

Recommendation

When threats of demolition have been lifted, this fact should be publicised by local authorities and other partners as part of a positive image-building exercise for the area.

of empty and boarded up properties and lack of pride of ownership.

The uncertainty surrounding clearance of privately owned homes presents some specific problems. Firstly, the people deciding whether to maintain and upgrade properties are not the people deciding whether they should be demolished. This problem was clearly illustrated by an interview with a resident of Burnley Wood who lives in a well maintained home within a terrace with several boarded up houses. He wanted to upgrade his windows but was being put off by the possibility that his house might be included in a future clearance area. Burnley Borough Council's assurances that money spent on improvements would be taken into account should his home be compulsorily purchased have failed to convince him.

The second problem surrounding clearance is property speculation. The same resident reported that purchasers of many of the empty homes on his street had made no effort to let or resell them, and were presumably simply waiting for a decision to demolish in the expectation of making a profit on the compulsory purchase. An estate agent in Burnley claimed he knew of a case where an investor bought 1,300 properties most of which have remained empty.

The Housing Bill, which is currently passing through Parliament, recognises the problems in relation to private rented accommodation, by including provisions for the mandatory licensing of large, high-risk houses which are rented out. However, it is not clear whether these provisions will be sufficiently responsive to the circumstances identified here.

Recommendations

The issue of people buying cheap houses in an area, which then remain unoccupied, in order to profit from eventual CPO payments, must be addressed. The potential to develop policies for local authority action to tackle this problem should be investigated.

The use of covenants on new and remodelled properties should be considered as a means of ensuring a proportion of homes remain under owner occupation.

Recovery from the Low Demand Problem

Given the analysis in the previous chapter of the main factors causing low demand, how can people be successfully attracted back to live in those urban environments blighted by low demand in the North West?

First of all, there may be good reasons for demolition of some of the existing housing stock, when it is unsustainable locations or in such a condition that it cannot be realistically re-used.

Hulme in Manchester provides an interesting case study of where clearance and rebuild has worked successfully. The original workers' terraces were built at a density of 150 dwellings per hectare. In the 1960s the area was redeveloped at 37 dwellings per hectare, but the area quickly became subject to low demand. Those who could leave did so. The area became characterised as having a poor but racially diverse population, with a relatively large proportion of students. During the 1990s, the local authority worked with residents to develop a regeneration initiative. People were concerned about the possible effects of clearance, because Hulme had already experienced one disastrous clearance programme. However, this time around residents were involved in choosing the types of housing where they would live. The strong character and diversity of the area were seen as an asset, and homes to meet the needs of the varied population were built. Hulme is

now a thriving neighbourhood, with a density around 80 dwellings per hectare, over twice the 1960s level.

An essential component for success was engaging with the local community. Although the Sustainable Communities Plan promotes this, it is not clear yet how effectively local participation has been activated by, or how it has influenced, the Pathfinder partnerships.

Renewal of existing stock

English Heritage have pointed out that clearance and new build requires a higher level of subsidy than a programme of repair, refurbishment and extension (Thurley, 2003). The Regional Assembly's cost estimates for clearance are based upon an average of £33,500 per house: a total amount of more than £2.5 billion for the clearance levels envisaged in its Regional Planning Guidance policies (NWRA, 2001). In situations where refurbishment is feasible, this money could achieve more through programmes of repair and tackling the general environmental and social conditions of an area than through clearance.

Recommendation

Where redevelopment is envisaged, the active participation of current residents and possible future residents should be sought to determine the development brief for new housing and amenities.

English Heritage's approach is to favour retention of housing stock that contributes to local and regional heritage and whose attributes are valued by local people. There are reasons for going further. It may be more efficient to use public funding to retain structurally sound stock where its characteristics provide the building blocks for long-term sustainability: high density, in central urban locations, near public transport nodes and other key services.

Many of the problems of low demand in our case studies related to the image and reputation of certain areas, rather than the housing stock. There are plenty of examples in the North West of terraced housing being in extremely high demand, and being attractive to a range of households, to show that it can work well. Wong & Madden (2001) found examples in several neighbourhoods south of Manchester of high quality terraces which would fetch what would be over £170,000 at today's prices.¹⁵

In most areas of our case studies, estate agents felt that there had been a gradual decline in that area and that, in order to solve the problem of low demand, investment was needed for repair and renewal of properties, removal of litter and cleaning, and improving local services and amenities. Attention to the basic

conditions surrounding low demand stock is imperative.

The low demand problem has been overcome in areas where there has been investment to improve the condition of the housing, or to improve the area. An estate agent in Huyton said that the local authority put a lot of money into improving the condition and services of one estate where no-one would consider moving a few years ago, and now people choose to move there. A similar estate nearby which has not had intervention is still suffering from low demand.

Private investment has also proved effective. According to a Liverpool estate agent, 'there was a block of council apartments in Liverpool Centre that the council couldn't do anything with. They sold it to a private developer and he has done it all out in tasteful fashion...people were queuing up to buy them'.

It is perfectly possible that housing refurbishment and measures to tackle the social conditions of the area is all that is needed to overcome at least some of the problems of low demand.

15 See also the situation in Aighburth, Liverpool; and Moorlands/Primrose, Lancaster, where even small terraced houses are in high demand.

Recommendations

Pathfinder proposals should explicitly identify existing housing which, based on its location, density and design would be useful to act as an 'anchor' around which to build any necessary new development.

Proposals should also identify locations where high-density rebuild can contribute to making best use of existing infrastructure.

Altering the housing stock

Attracting new residents by new types of housing

Support for clearance as a solution to low demand in the North West is at least partly based on the premise that too many terraced houses in the region is an undesirable state of affairs. In Government-sponsored research, Wong & Madden (2000, p. 94) state that 'the dominance of terraces in some local districts means that local residents cannot exercise much choice over the types of dwelling they live in.' They report that terraces represent over 60% of dwellings in the districts of Hyndburn and Pendle (both within the East Lancashire Pathfinder area). Whilst there are clearly large numbers of very similar small terraced homes in some areas, viewing terraces as a single type of housing is an over-simplification. Furthermore, Leishman et al (2004) point out that people's housing choices are much more complex, and may be based on subtle 'fine-grain' details rather than 'big picture' factors such as housing type purely.

Some estate agents thought that demolition of terraces in their areas and replacing them with council housing was a mistake, principally because it did not change the mix of social composition but simply replaced one cheap house with another without increasing the number of residents.¹⁶ In order to support regeneration, altering the housing stock to appeal to different housing needs and markets may be useful.¹⁷

The property developer Urban Splash has plans to work with the existing street fabric of low demand terraced housing in Salford to refurbish houses but change

their internal structures to create larger dwelling spaces so that, with some selective clearance to open up larger areas of green space, the buildings appeal to a different range of households. Since the density of Victorian terraces is usually around 80-100 houses per hectare, selective demolition can still achieve the higher order densities in national planning guidance.

A lot of estate agents in our case studies suggested that people like to live near expensive housing. Examples of places that used to be low demand and are increasing in popularity tend to be places that are close to high demand areas. Areas singled out by estate agents include Helmshore which is close to Haslingden (Rossendale), and areas where there is new expensive housing such as the Albert Dock in Liverpool. An estate agent suggested that the building of expensive flats in the Albert Dock area increased the level of demand in the surrounding areas that had previously been low demand: 'If you start getting new housing in an area it builds the whole area up. The people who are buying the new housing obviously are paying a lot more money and everyone's happy, the shops are better....'.

Whilst existing smaller terraced properties are likely to fill most types of demand for affordable housing in low demand areas, new high quality flats can provide a catalyst for regeneration of the wider housing market. Flats are far better suited than detached housing to the small brownfield sites available in urban core locations, and the occupants are less directly affected by anti-social behaviour at street level if the ground floors are given over to commercial uses.

16 One estate agent gave the example of Crosby, Merseyside, in which new properties competed with existing homes for the same pool of residents, worsened low demand in the existing stock, and quickly became low demand themselves.

17 The Manchester/Salford Pathfinder plans to overcome this by ensuring that new housing is aimed at retaining existing households, newly formed households, such as graduate leavers and newly arrived households in the region (Audit Commission, 2003).

The emerging boom in city centre apartment living in central Manchester and Liverpool, has been well documented. The development of luxury flats in smaller towns has been more limited, particularly within the low demand areas. However, there are examples that show the regenerative capacity of such proposals, such as the conversions of Stalybridge Cornmill in Tameside and of disused warehouses along St Georges Quay in Lancaster. In the Lancaster example, prices of terraced properties in the adjacent – and, until recently, low demand – areas of Skerton (LA1 2) and Marsh (LA1 5) have increased by 76% and 61% respectively over the last three years (www.landreg.gov.uk). This is above the average for Lancaster and well above the average of 40% for England and Wales as a whole. It is difficult to prove cause and effect, and a new river bridge for pedestrians and cyclists will have played a part together with the correct implementation of policies for greenfield restraints and restrictions on new housing in Lancaster District. However, it would be difficult to argue that the transformation of derelict and under-used buildings into highly sought after dwellings has not made a contribution to the general increase in house prices in those areas.

Leishman et al (2004) report that the types of buyers most easily attracted to the convenience of urban centre living valued traditional buildings and

conversions more than new-build apartments. Indeed, opportunities for creating new housing by re-using existing buildings seem to work particularly well when waterside locations and historic buildings are available for development.

Attracting new residents by conservation regeneration

English Heritage has been working with the Pathfinder partnerships to pioneer new approaches to adapting traditional housing to the needs and aspirations of modern households (English Heritage, 2003a). It is promoting conservation-led regeneration. In Chester it has funded the additional costs of repairing Georgian terraces, using traditional materials and craftsmanship, which were beyond the scope of Housing Act grants.

Similar principles could usefully be extended to historically interesting housing within low demand areas, leading to high quality renovations more likely to attract new buyers into the area. In other low demand areas, including Ancoats in Manchester and Whitehaven, Conservation Area Partnership funding has been used to repair and restore historic buildings which are central to the character of the area (English Heritage, 1998).

The recent report Heritage Counts (English Heritage, 2003c) shows that Liverpool and Manchester have a high number of listed buildings, but that Oldham also has a high

Recommendation

As a catalyst for wider regeneration, proposals for low demand should consider building flats, rather than new detached stock; and re-using existing buildings with historical interest through conversion into flats.

number (531 compared to Manchester's 875). The Oldham/Rochdale Pathfinder may therefore find conservation-led regeneration a particularly attractive route to take.

The Commission for Architecture & the Built Environment (CABE), together with other agencies including English Heritage, has produced an agenda for action for housing market renewal (CABE, 2003). This stresses the importance of good design – not just of buildings but also of the whole space around them – and advocates the creation of places of distinction. By drawing upon the landscape, existing buildings, urban form and the role of the urban area, distinctive and attractive places to live can be created, and this applies just as much to low demand areas. Housing with some historic connection may be more useful to retain than other types of low demand stock.

Comprehensive regeneration

Low demand is inextricably linked with other regeneration issues. This is increasingly recognised by the agencies

working to tackle it. The NWDA's work on economic growth in the Pathfinder areas, for instance, is just as essential as the direct action on the housing stock itself. It is to be hoped that the NWDA's promotion of training in sustainable construction techniques will have two positive benefits: not only an emphasis on maximum resource efficiency in refurbishment programmes and high sustainability standards in new build; but also to raise skills qualifications in areas that have largely been characterised by low-skilled employment opportunities to date. The retention – or when clearance is envisaged, the replacement – of small workshop and retail units within the built fabric of the community should be included in Pathfinder strategies in order to encourage new locally-based small business start-ups and supply chains.

Initiatives such as the creation of Regional Parks, which is currently being incorporated into RPG policies, may make a welcome contribution to changing the way in which some low housing demand areas are perceived, not simply by creating a better quality green space in

Recommendations

Strategies to develop the economic strength of low demand areas should be holistic in order to incorporate sustainability fully. Regeneration strategies should link programmes of: local business start-ups; energy efficiency and small-scale renewables development; image promotion; sustainable transport development; derelict land reclamation, and nature conservation.

Strategies should encourage local business start-ups in empty commercial property particularly addressing the negative impact of empty corner shops. To encourage long-term mixed use development, plans for housing demolition should consider replacing small-scale retail and workshop units in rebuilding schemes.

the community but also because it draws regional attention and importance to the areas. The success of the venture will depend on which sites are included as Regional Park projects, how they are developed and funded in the long-term.

However, the lack of access to public green space or the lack of gardens, was not considered by estate agents to be a major design flaw in low demand areas. The creation of new open spaces should not be used as an easy option replacement for demolished houses. The quality of green space and its precise location is just as important as the quantity of it, in creating attractive, safe and compact communities.

The decisions that have had the most impact on low demand housing may not be those specifically aimed at addressing it. In Liverpool there is now much less evidence of low demand. This is attributed to a boom due to Liverpool becoming 'City of Culture' for 2008. Many estate agents there said they were too busy to participate in the research, or that they no longer had any low demand properties. This includes those covering areas that were previously low demand such as Toxteth and Kensington. One said 'at the moment everything in this office has sold bar three houses'. When we asked a Wirral agent to identify a low demand area that was improving, he stated 'Liverpool, of course, the city of culture...prices there

are zooming up because everyone thinks it's a good place to invest.'

One important aspect that emerged was that it was often investors from outside the region that were buying these houses. What is good for property prices, and hence markets, is not necessarily what is needed to create sustainable communities. It is imperative that local people are given the opportunity to stay and grow within their communities: otherwise interventions to address low demand may simply shift problems, rather than solve them. Maintaining up-to-date local housing needs surveys and planning for housing needs as required in PPG3 is necessary to capture the effects of changing markets and any loss of disparity between housing need and availability.

Restricting greenfield development

The long trend in the North West of migration out of inner urban and other low demand areas has yet to be effectively curtailed. Figures for intra-region flows in 2000-1 show some significant flows from areas of low demand to areas where greenfield housing development continues (Leather et al, 2003). Along with the well known flows from Liverpool, Salford and Manchester to the outer metropolitan boroughs, significant movements out of areas suffering low demand include 300

18 Housing markets are too complex to state cause and effects of such flows clearly. However, it is interesting to note that while housing provision and supply in Carlisle City Council is likely to be fairly well matched against Local Plan, a not insignificant proportion of new build has occurred in its rural areas, rather than the urban centre. Meanwhile, Wyre Borough Council are working to a figure of 3,000 new dwellings between 2001-2016. Of the 2,147 already completed or with planning permission, 1,360 are on greenfield, 669 are on brownfield, and 118 are rural barn conversions. Neither local authority has succeeded in absorbing housing demand without some effects on the countryside.

Recommendation

The role of new green spaces, as a replacement for demolished homes, should be described within, and as part of, a wider regeneration strategy. Plans for green space must identify long-term management and funding strategies before being approved.

people leaving Blackburn for the Ribble Valley, 230 leaving Allerdale for Carlisle and 720 leaving Blackpool for Wyre.¹⁸

It has been widely recognised that the supply of new housing needs to be carefully managed if low demand is to be tackled successfully. RPG policy UR7 requires local planning authorities to 'consider the impact of new housing development upon the existing housing stock and market in the immediate area and adjoining districts.'

What is also needed is a change in emphasis: recognition of the positive contribution that low demand areas can make to long-term sustainable development by absorbing the high demand in other areas of the North West. RPG in the North West provides for 12,790 new dwellings per year, net of clearance: the planned number of new homes to be built in the region is small relative to the 440,000 said to be in low demand. It can be argued that there is much more potential and flexibility to meet demand for housing and other land uses within the low demand areas than there is elsewhere in the region.

The interim report from the Barker review of housing supply, commissioned by the Treasury, suggests that more houses are

needed to respond adequately to demand. Yet it also acknowledges that '[t]here are no obvious right answers as to how many more houses should be built... Often supply and demand are spatially at odds, suggesting further problems which cannot be solved simply by building more houses regardless of location' (Barker, 2003, para.16).

The planning system is an integral part of solving this equation. It is particularly important to prevent greenfield land release for housing and other land uses in order to promote the take-up of brownfield sites that will be available in the low demand areas.¹⁹ Economic development policies and other strategies must similarly be coordinated to respond to the environmental capacity within the region.

The recent consultation on PPG3 suggested that a greater emphasis on sub-regional working on housing markets might be useful. The Planning & Compulsory Purchase Bill introduces a sub-regional component of Regional Spatial Strategies. Both these may be beneficial in the North West to overcome the way in which local authority boundaries affect the development of housing strategies and to tie together the many aspects that affect housing markets.

19 The Urban Task Force remarked that, 'In the North East and the North West, the potential to maximise the re-use of brownfield sites is undermined by the amount of "virgin" greenfield land that planners have already earmarked or released for development' (1999, Executive Summary, p.11).

Recommendations

The environmental capacity of sub-regions should determine how regional economic growth is directed.

Regional Spatial Strategies should consider how to link low and high housing demand on a sub-regional basis, so that housing supply and demand are measured and better integrated over wider areas defined by sustainable patterns of access to services and resource use.

The problem of the South East

Meanwhile, back in the South East of England, the problems of demand are very different. The Sustainable Communities Plan proposes new growth areas: 'to accommodate the economic success of London and the wider South East and ensure that the international competitiveness of the region is sustained, for the benefit of the region and the whole country, and to alleviate pressures on services and housing caused by economic success where these pressures cannot readily be dealt with within existing towns and cities.'

Few would dispute that some increase in the 'pressures of economic success' would benefit some of the urban centres of northern towns and cities that suffer low demand. In February 2004, the Deputy Prime Minister announced plans which included working more closely with the regional development agencies and planning bodies to 'exploit the economic and transport links of [the Northern] cities and beyond' (ODPM press release, *Making It Happen – The Northern Way*, 2 Feb 2004). These feature the concept of new, dedicated 'Northern Growth Corridors' which will be developed to help lever in new investment and boost the North as an economic force in Europe.

The Government has already established a Public Service Agreement in order to reduce the economic disparities between regions.²⁰ Each Regional Development Agency (RDA) is required to foster economic growth in their own region, but nevertheless will do so in a climate in which the South East has a strong advantage over other regions. This can lead to the RDAs ignoring their own intra-

regional disparities and encouraging footloose economic investment to locate to what are deemed the most attractive investment spots – where there is already pressure on land, for housing and other uses – at the expense of areas where development would provide much needed jobs and help to tackle low demand.

The Lyons review being carried out by the Treasury into possible relocation of Government departments – and hence jobs – out from London and the South East may have some regional regeneration benefits if relocation goes to the right places.²¹ The review is looking at the possible benefits of relocating to other regions. It includes quality of life of employees due to lower house prices and commute times among its terms of reference.²²

These initiatives may make a difference to regional economic disparities. Yet none of them take the opportunity to examine fully the advantages of promoting economic development based on environmental capacity and sustainability considerations²³. Unless factors such as the availability of housing and brownfield land for development, and natural resource and built infrastructure capacities, are taken into account in economic policy-making, both at a national and regional level, sustainable communities will not be delivered on the ground.

20 The Public Service Agreement is to 'make sustainable improvements in the economic performance of all English regions and over the long term reduce the persistent gap in growth rates between the regions, defining measures to improve performance and reporting progress against these measures by 2006'. Joint target for ODPM, DTI and the Treasury.

21 When it was decided that the Met Office would move from Bracknell, none of the short-listed alternatives were in low demand areas. The move involving 1,150 jobs has been estimated to be worth £69 million per year to the local economy. The chosen location, Exeter, has house prices above the national average.

22 The final report is expected in March 2004.

*23 CPRE's proposals for an environmental and land-use dimension to the Government's 'new regional policy' are set out in the report *Even Regions, Greener Growth*, published in 2002.*

Conclusions – Action for Sustainability

A clear view of the factors perpetuating low demand in the North West has emerged from the interviews with estate agents. They see a group of deprivation related factors as being the principle constraint on demand. While not directly related to housing, these are the most important factors to address if action to tackle the problem of low demand is to be effective and sustainable.

The private sector will invest in the renovation of housing in poor condition if it has confidence in the neighbourhood. Houses in a nice street with a good reputation will be popular with some buyers regardless of their condition, size or layout, or the absence of parking and gardens.

Regional Planning Guidance has put in place policies to control the number and location of new dwellings constructed. These policies need to be strictly enforced, and the Government needs to take more decisive action to encourage excess demand for housing both within the region and from the South East to transfer to specific areas of low demand within the North West. Both regions would benefit from this.

The expectation that there will be fewer homes in some urban areas in the North West is a cause for concern, particularly as falling household sizes mean that population density will fall even if the number of homes remains stable. The vitality of many low demand areas is already suffering due to a shortage of people. There is a need to attract a much greater social mix. The way in which this is done must retain a high density of housing. The key will be good design and high quality, human scale development, fully exploiting the unique heritage of these areas. Most successful developments in low demand areas have these characteristics.

Clearance will be necessary in some circumstances, but is an expensive option, will not necessarily solve the problem and may indeed cause new ones. Even when the majority of homes have been abandoned, comprehensive renewal may be preferable for structurally sound terraces. Concentrating development around existing infrastructure in low demand areas would lead to significant savings on new infrastructure which could be invested far more profitably in tackling some of the root causes of unpopular neighbourhoods.

Wider concerns of image and reputation of areas must be addressed. This is challenging, because reputations can remain long after conditions on the ground have improved. Bad reputations are usually based on much more than housing quality. Agencies need to work together to bring about a range of non-housing improvements and market the quality of life urban living can offer.

Low demand is a vicious circle. Breaking out of it will involve some brave decisions and is not without its risks. But sustainable development will not be achieved, either in the North West or the South East, if the necessary investment is not directed to low demand areas.

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Appendix: The Key Actions on Low Demand and Abandonment from the *Sustainable Communities Plan*

Pathfinder projects

2.1 Areas most acutely affected by low demand and abandonment will be tackled through pathfinder projects, tailoring solutions to the needs of the area. These pathfinders cover about half of the stock affected by low demand.

2.2 We have already made £25m available to help partnerships develop strategic pathfinder plans and start to implement them.

2.3 We are creating a new Market Renewal Fund totalling £500m over the next three years. This will provide the main funding to execute pathfinder plans.

2.4 We will assess and monitor the pathfinder projects, making funding dependent on the quality of strategic plans and performance against them.

2.5 Government and its agencies, including the Housing Corporation, English Partnerships and the RDAs, will support the pathfinders.

Tools and actions to tackle low demand more widely

2.6 We will use the lessons learned from the pathfinders, from New Deal for Communities schemes and neighbourhood management schemes to help all areas with declining demand to tackle the problems better. We will share and use learning from www.renewal.net, Neighbourhood Renewal Advisers (NRAs)

and the evaluation of the New Deal for Communities programme on 'what works'.

2.7 We will improve the system of compulsory acquisition of land and property through new powers and a wider system of loss payments in the Planning and Compulsory Purchase Bill. We are separately increasing thresholds for home loss payments to benefit people whose homes are compulsorily purchased or redeveloped.

2.8 We will publish updated guidance on compulsory purchase procedures for acquiring authorities in February 2003.

2.9 Proposals in the Bill will prevent automatic renewal of planning consents. Old greenfield consents will disappear and new applications will have to be justified against current policy guidance.

2.10 Gap-funding offers a new tool to pump-prime development where the costs of private development are likely to exceed developers' estimates of sale values. Gap-funding will enable new housing to be provided in deprived areas, especially low demand areas, and combine the efforts of the public and private sectors.

2.11 We will tackle private sector landlords who fail to manage and maintain their properties and contribute to neighbourhood decline. The Housing Bill to be published this Spring will allow local authorities in low demand areas to license landlords.

2.12 In advance of legislation, we will introduce pilot projects from June 2003 to help local authorities assemble teams to tackle the problems as effectively as possible by joining up existing powers to deal with housing, environmental health, anti-social behaviour and other relevant issues.

2.13 We will work with key players such as the Regional Development Agencies and Business Links to encourage businesses and jobs into run-down areas through the establishment of Enterprise Areas, as set out in the 2002 pre-budget report.

2.14 We will work with private developers to maximise their contribution to redevelopment, and with lenders to develop new mortgage products for existing and new homeowners in low demand areas.

2.15 We will ensure, through local strategic partnerships, that local stakeholders work together to tackle declining demand across neighbourhoods.

Coalfields

2.16 We will tackle low demand and abandonment in former coalfield communities through continued funding and support for the work of English Partnerships on the National Coalfield Programme; the Coalfield Regeneration Trust and (when launched in 2003) the Coalfield Enterprise Fund. This will amount to over £500m investment in coalfield communities over some 10 years.

Longer-term prevention

2.17 We will review planning policies in the regions affected to ensure that they support the objective of tackling low demand. We have already reduced the amount of urban fringe greenfield housing planned for the North West and North East and set stretching targets for re-using brownfield land.

2.18 Through new regional arrangements, building on 'Your Region, Your Choice' (see Part 6 for details) we will ensure that strategic decisions on housing, planning and economic development are better co-ordinated to tackle some of the underlying causes of low demand and abandonment more effectively.

2.19 We will develop a better understanding of housing markets through improved data and by producing a housing demand assessment guidance tool by Autumn 2003 that can be used on a sub-regional basis across which housing markets operate.

Taken from *Sustainable Communities: building for the future*, pages 26-29, ODPM, 2003



Campaign to Protect
Rural England

Campaign to Protect Rural England

CPRE exists to promote the beauty, tranquillity and diversity of rural England by encouraging the sustainable use of land and other natural resources in town and country. We promote positive solutions for the long-term future of the countryside to ensure change values its natural and built environment. Our Patron is Her Majesty The Queen. We have 59,000 supporters, a branch in every county, nine regional groups, over 200 local groups and a national office in central London. Membership is open to all. Formed in 1926, CPRE is a powerful combination of effective local action and strong national campaigning. Our President is Sir Max Hastings.

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