

# **North West Housing Forum**

## **Submission to the Barker Review of Housing Supply**

### **1.0 Background**

1.1 This document is submitted to the Barker Review on behalf of the North West Housing Forum. The Forum represents the views of housing providers in the North West of England, and membership comprises of all local housing authorities in the region, registered social landlords, representatives of the House Builders Federation, the Chartered Institute of Housing, the Local Government Association, the Northern Housing Consortium and the Housing Federation North. Many of our members will be submitting their own views to the review, based on detailed experience. This submission is intended to take a broader regional view of the issue and how it affects the North West.

### **2.0 The North West Region**

2.1 The North West is a diverse region, with a mixture of areas of outstanding natural beauty, old industrial towns and both vibrant and declining cities. The Regional Forum, with other partners, have been active in trying to understand the housing markets in which we work, with research carried out into changing housing markets and urban regeneration in the M62 corridor<sup>1</sup> and more recently the changing housing markets study in Cheshire, Cumbria and Lancashire<sup>2</sup>. The major difference with the latter study was the specific consideration given to issues of affordability and lack of supply in certain parts of the region. A copy of this report is included at appendix 1. It must however also be emphasised that affordability and supply are not just issues in rural parts of Cheshire, Cumbria and Lancashire, but similar symptoms are also manifesting themselves in many urban areas that are demonstrating increasing vibrant economic regeneration.

### **3.0 Scope of the Review**

3.1 The review asks for responses to particular themes to assist the Government in delivering its housing objectives. However the scope of the review specifically states that it 'will not cover issues of low demand or wider issues of regional policy'. The North West Housing Forum believes that there is a fundamental flaw to this approach. Regional Policy is key to the delivery of sustainable housing markets, and therefore the review should take into consideration the policy priorities that have been identified regionally.

3.2 Furthermore, the North West, as previously outlined, is a diverse region with many differing housing markets. There are many examples of areas of low demand adjacent to high value areas with problems of supply and affordability. With the massive investment from the Government in the 4 Housing Market Renewal Pathfinder areas<sup>3</sup> in the North West Region,

---

<sup>1</sup> Changing Housing Markets and Urban Regeneration in the M62 Corridor. Centre for Urban and Regional Studies, University of Birmingham 2001.

<sup>2</sup> Changing Housing Markets in Cheshire, Cumbria and Lancashire. Centre for Urban and Regional Studies, University of Birmingham. 2003

<sup>3</sup> Housing Market Renewal Pathfinders in the North West Region – Manchester and Salford; Liverpool; Oldham and Rochdale; East Lancashire

consideration must be given to the relationship between these and adjacent areas, and the potential impact of the pathfinders.

- 3.3 In light of these comments, we would ask that the review team do recognise the wider issues of regional policy and low demand areas as crucial to the outcome of the review. The Forum's response will also show where the specific issues link directly to the key priorities of the North West Regional Housing Strategy<sup>4</sup>

#### **4.0 Issue 1 – Land Constraints**

- 4.1 The issue of land constraints is the first raised by the review, and the first area that the Forum would argue the review cannot consider in isolation. There are often issues over land supply in high demand areas, however with the development of areas such as the Housing Market Renewal Pathfinders<sup>5</sup> opportunities for development in adjacent areas should become available. What will be the impact of the pathfinders on neighbouring high demand areas, and will it relieve any of the pressure? The pathfinders are currently considering issues including adjacency and any findings from the review must recognise the evolving issues being identified through the pathfinders.
- 4.2 Problems with bringing forward brownfield land for housing development need to be addressed, and policies are needed that will ease the process. The North West Development Agency, within its remit, is looking to reclaim derelict and underused brownfield land to create new development sites, parks and woodlands, and the Forum will be asking the Agency how housing developments fit into this. There are other issues even where land is available. Often there can be competition with commercial developers that makes it difficult for RSLs to secure sites for housing development.
- 4.3 Land constraints in the Lake District National Park continues to impact on development opportunities, with the need to prevent mass house building which would have a detrimental impact on the area. For this reason policies are in place to ensure that provision of dwellings, including the conversion of non-residential buildings, will only be permitted when it is to meet identified housing needs of the locality<sup>6</sup>
- 4.4 Issues around land ownership include; owners hanging on to land in the belief that this may increase in value; restrictive covenants; and in some instances believing that CPO may provide the best return. There are also incidents where, even when sites are identified, development does not go ahead due to local opposition.

#### **5.0 Issues 2 – Industry Constraints**

- 5.1 The North West Housing Forum recognise the shortage of skilled workers in the region, not just in terms of construction and related industries, but also

---

<sup>4</sup> North West Regional Housing Strategy 2003

<sup>5</sup> Housing Market Renewal Pathfinders in the North West Region – Manchester and Salford; Liverpool; Oldham and Rochdale; East Lancashire

<sup>6</sup> Planning Cumbria. The Cumbria and Lake District Joint Structure Plan 2001 – 2016. Deposit Plan May 2003. Policy H17 Housing in the Lake District National Park

housing management and neighbourhood renewal professionals.

- 5.2 There will be a vast level of investment in housing stock in the North West region, across all tenures, over the coming years, including the funding for the 4 Housing Market Renewal Pathfinders<sup>7</sup>, and investment to meet the decent homes standard. The North West Regional Housing Board<sup>8</sup> has recognised the potential impact of the skills shortage on delivering regional priorities, and a commitment has been made through the Regional Housing Strategy<sup>9</sup> ‘to assist the North West Development Agency and its partners in their work to ensure the availability of sufficient skilled personnel to deliver the physical works relating to the regional priorities....’
- 5.3 The review must recognise that the need for a skilled workforce to meet the priorities of low demand areas and meeting the decency standard, in a diverse areas such as the North West, and the impact that this may have on the availability of a skilled work force to deliver new housing provision in other parts of the region.
- 5.4 It must be further recognised within the review that not only does the skills shortage impact on the resource available; this can also have the effect of pushing up the cost of that resource.
- 5.5 There are further industry issues in terms of access to funding. Lenders may be unwilling to take on board the associated risks with land that may have been contaminated, and there still does appear to be a view that generally residential build is a more risky investment than commercial.

## **6.0 Issue 3 – Policy Environment**

- 6.1 Problems are caused through planning policies and the rural economy in some instance where the policies actually prevent development. The Forum would call for an urgent review of these policies, and an assessment of the potential impact on the sustainability of these areas.
- 6.2 There are also issues with planning policies in urban areas and we need to be looking at the impact of decisions made on neighbouring areas, both within and outside of the planning authorities boundaries. Consideration also needs to be given, within the planning system, to encourage development and remove barriers to any solutions.
- 6.3 Generally there is a lack of consistency across planning authorities, and whilst we would not support a move towards a one size fits all policy, this does mean that developers are often given mixed messages regarding their obligations (to provide an element of social housing on schemes) with some authorities following the guidance quite tightly and other allowing for a loose interpretation.

---

<sup>7</sup> Housing Market Renewal Pathfinders in the North West Region – Manchester and Salford; Liverpool; Oldham and Rochdale; East Lancashire

<sup>8</sup> Membership of the North West Regional Housing – Government Office for the North West, North West Development Agency, North West Assembly, English Partnerships, Housing Corporation and the North West Regional Housing Forum

<sup>9</sup> North West Regional Housing Strategy, Page 31 Delivering the Regional Housing Strategy

## **7.0 Issue 4 – Social Housing and the rental sector**

- 7.1 The North West region suffers from a lack of affordable housing in two main areas, the first being the vibrant urban areas and the second being rural communities.
- 7.2 The development of some urban areas in the region has resulted in a growing demand for housing that inevitably has led to increased property prices. Many of these areas that are in close proximity to failing housing markets, typically characterised by empty properties and low demand, and policies must be developed that look at these supply and demand issues collectively. Access to affordable social housing in these high demand urban areas is becoming more difficult, with large numbers of properties lost to the sector through the right to buy. Furthermore development of new affordable housing is becoming increasingly difficult due to rising land and property values.
- 7.3 There is also a concern that small-scale developments in these areas do not attract private investment, as the gains are too marginal for the developers.
- 7.4 The ability of registered social landlords to develop for market and sub market renting is blocked, as the funding is not available. Furthermore some Members feel that the range of equity share provision is too limited to have a meaningful impact.
- 7.5 In rural areas many of the same problems are manifested such as high volume of right to buys and high land and property values. However there are further circumstances that must also be taken into account. Particularly in areas of the national park, not only is land and property value high, there are also higher building costs associated with development. In these areas there is also high incidence of second homes/holiday homes<sup>10</sup>.
- 7.6 The impact of second/holiday homes in rural areas, not only impacts on the value and availability of property for local residents, but also can have a massive impact on local rural economies such as schools and shops. With the responsibility for the regional economy being devolved to Regional Development Agencies, again the Forum cannot see how this review can consider the issues of supply without consideration for regional policies and priorities.
- 7.7 In many rural areas the value of properties is now disproportionate to the average incomes in areas where employment is linked to professions such as farming and tourism. Therefore, even where development is possible, it is difficult to secure this at an affordable rent level, or indeed at a level where local residents could consider purchase.
- 7.8 The Forum welcome the move by the Housing Corporation to consider abolishing Total Cost Indicators in an attempt to aid delivery in high demand areas, and believe that further recommendations should come from this review that will assist in delivering affordable housing in these areas. They

---

<sup>10</sup> Rural Housing Strategy for Cumbria 2003 – 2005. Produced by the Cumbria Rural Housing Trust.

include financial incentives to landowners such as tax exemptions, and the extension of Section 157 of the Housing Act 1985 regarding resale covenants to cover all defined rural areas.

- 7.9 Generally the planning system must be able to deliver the affordable housing needed to redress the balance of right to buy sales and the decline of local authority new provision. This however must be considered in line with the need for demolitions and the need for and location of new developments.

## **8.0 Conclusions**

- 8.1 As outlined at the beginning of this submission, Forum Members will be submitting their individual responses to the review that will detail their own experiences. This response has attempted to bring to the attention of the review a picture of a North West region that might be very different from the perceptions from outside of the region. There are real problems of dysfunctional housing markets within the region, but this does not exclusively mean areas of low demand. The Forum has lobbied for measures to tackle the problems of low demand that are experienced in the region, and we look forward to the lessons that will come from the Housing Market Renewal Pathfinders<sup>11</sup>. We must now look at ways of tackling the just as serious problems of high demand and lack of supply that is more commonly associated with London and the South East, but which is becoming a more familiar problem in the North West region.
- 8.2 The Forum urges the review to recognise the issues that are faced in the North West, and we look forward to policy changes that will prevent the overheating of markets in this region. Furthermore the Forum would welcome the review team to the North West to enable them to see first hand the issues that are faced in the region and to hear from Forum Members about the problems that are being experienced in the delivery of housing provision in areas with problems of supply and affordability.
- 8.3 In conclusion it is important to reiterate that any recommendations coming from the review cannot consider the issue of supply in isolation from problems of low demand and regional priorities. Only through wider consideration of the range of issues can we ensure that we have a national policy that helps the individual regions to deliver sustainable housing markets.

## **North West Housing Forum July 2003**

*North West Housing Forum Partnership:* Representing the Housing Authorities of Cheshire, Cumbria, Greater Manchester, Lancashire, Merseyside, Housing Associations providing homes in the region, Chartered Institute of Housing (NW), Northern Housing Consortium, Council of Mortgage Lenders, House Builders Federation, Housing Federation North, and Local Government Association

---

<sup>11</sup> Housing Market Renewal Pathfinders in the North West Region – Manchester and Salford; Liverpool; Oldham and Rochdale; East Lancashire

**Appendix 1 –**

**A Study into Changing Housing Markets in Cheshire, Cumbria and Lancashire.**

Carried out by the Centre for Urban and Regional Studies, University of Birmingham. 2003

***(attached)***