



Lunch with BLP 2019

It's time to rethink urban regeneration

Presented by guest speaker Liz Peace CBE

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Executive Summary

Urban regeneration plays a major role within the present and future direction of UK's housing landscape. From Glasgow to London, our urban landscape is in dire need of redevelopment. As an industry, it is time that we examined how urban regeneration is perceived by the public, local authorities and government and where in some cases we are going wrong. If we can address these issues, we can deliver more affordable, better designed houses in a more effective and efficient manner.

People and profit

Property is a vital factor in the way we live and work. It's difficult to do almost anything in a civilised society, unless you've got somewhere to do it. Property satisfies a social need for housing, education, health, leisure and commerce. That's quite straightforward but there is also something more complex at play in a capitalist society. The investment class, who are vital to the industry, view property as a means to acquire a return on investment.

That means one person's social need is another person's investment income, making for an interesting dilemma as to whose priorities should trump the other. The property industry to some extent bears the burden of this responsibility. Trying to balance the social need and achieving a profit aren't always compatible.

Regeneration is further complicated as you can't build something without the appropriate infrastructure wrapped around it. For example, it's not practical

to build homes where there aren't roads, schools, shops and leisure space. Most importantly, there's no point in building houses that people can't afford. These conundrums along with stakeholder engagement are extremely important topics for the sector to address

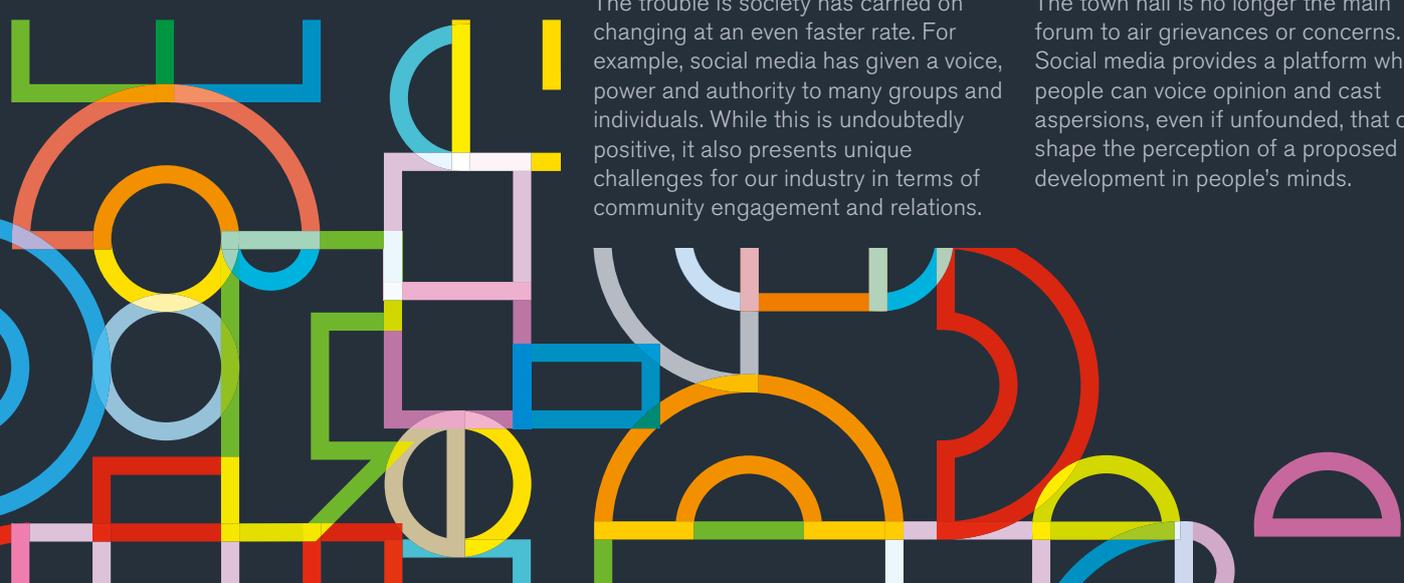
Those who are involved in the frontline of development will attest that the stakeholder environment is extremely complex. You have to think about the local authority, from whom you need planning permission, the bank, which will finance your development and all the groups and sub-groups that may have a say or be affected.

In recent times, we have seen many planned regeneration projects around London in places like Bermondsey and Haringey, where new homes and infrastructure are vitally needed, turned down over affordable housing quotas, local politics and perceptions about the property industry.

The power of perception

The property sector has changed a huge amount over the last 15 years, repositioning its offering as a valuable service meeting society's needs. The trouble is society has carried on changing at an even faster rate. For example, social media has given a voice, power and authority to many groups and individuals. While this is undoubtedly positive, it also presents unique challenges for our industry in terms of community engagement and relations.

Today, stakeholder dialogue doesn't just involve district councils and borough councils but neighbourhood forums. This creates another layer of complexity. The town hall is no longer the main forum to air grievances or concerns. Social media provides a platform where people can voice opinion and cast aspersions, even if unfounded, that can shape the perception of a proposed development in people's minds.



Community engagement

To achieve progress on urban regeneration programmes, the property industry needs to put people at the heart of what it does. We haven't always thought deeply enough about what the people who will be living in our buildings really want and need and that's something that needs to change. There is a definite need to reach the communities that are going to be affected by our development and to make the consultation process meaningful for them. To deliver regeneration schemes that are viable and achievable, we've got to start from the perspective of what the people actually want.

The volume housebuilders build a certain number of houses at a price at which they know they can sell them in order to achieve a certain level of profit margin. However, the real housing need comes from people who can't afford to pay prices even at the lower end of the scale that volume housebuilders are producing.

The quandary for society is to find the sort of housing that our cities' working

class can afford. People who earn below twenty-five thousand a year shouldn't be excluded from the housing market. These people are the backbone to the NHS, service industries and local authority amenities. They're providing vital services that help our cities and country function and they can't afford to live in the housing stock we are currently constructing.

So what are the solutions? We could have a mandated affordable housing provision but what about the money developers have paid for land or for sites? Ultimately, this would have to be factored into the land pricing and work its way through the system. Alternatively, the government has to find a way of funding a council building programme akin to the ones rolled out after World War One and World War Two. That's going to mean raising taxes across the board, something that will affect individuals and enterprise. It's the elephant in the room but one that needs addressing.

The design dimension

We also need to focus on improving the quality and the aesthetics of what we build. It's not just about meeting building regulations, but going beyond and considering practical design needs of a modern family such as storage space. We've got some serious thinking to do on how we can implement high design standards while retaining other vital factors like affordability, energy efficiency, environmental sustainability, as well as all the logistical and infrastructural requirements such as transport and local amenities.

Innovation in funding and all the ancillary aspects that go into development is the way forward. There was a review of the community infrastructure levy a few years ago, with interesting conclusions that the government never adopted. Nonetheless, we have to help the government with alternative methods, looking for some element of value capture. You could argue that the simple, fairer way of financing and encouraging affordable housing development would be some form of taxation. A permit to develop, for which everybody pays a certain percentage of the sale or rent price, definitely has potential.

Finally, creative suggestions on how to bridge the gap between the public and private sector are vital. Sometimes these relationships work but quite often public authorities or local authorities in particular just don't have the resources or expertise. We, in the private sector, have to find ways of assisting them, even if that means funding and supplementing local authorities both in terms of manpower and capital. To achieve genuine and impactful joint ventures, we have to persuade local authorities, which are instrumental to the future of urban regeneration, that the property industry is genuinely there to help them.

By coming at the problem from a slightly oblique perspective and focusing on community, quality, funding and cooperative action, urban regeneration can yield positive results for all. If these elements are executed correctly, it would help to build trust and take a lot of unnecessary confrontation out of the dialogue between stakeholders. Ultimately, this can create a more streamlined, efficient, and cost effective process that delivers much needed urban regeneration and affordable housing.



Liz Peace CBE was Chief Executive of the British Property Federation for 13 years, prior to which she was a career civil servant in the MoD working on an exciting range of projects from nuclear safety, to defence finance, public inquiries and land acquisitions. Liz is now an independent consultant in the fields of property, politics and the built environment.

Images from London 2 May, 2019 at The Soho Hotel, London



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