



NEWS RELEASE
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BUILDING BETTER HOMES FOR A BRIGHTER FUTURE IN THE TEES VALLEY

IN one of the most buoyant housing markets for 50 years, property prices in several areas of the Tees Valley have actually fallen by up to 18%.

In one of these areas, Grangetown, near Middlesbrough, the average price of a house has plummeted from £23,000 to £14,000 and, even more amazingly, there have been no sales of properties to owner-occupiers in this area for the past five years.

Grangetown is not alone in suffering these inner-city problems. Fifty of the Tees Valley's wards are in the poorest 10% in England and four of these wards are listed among the top ten most deprived of all 8,400 wards in England.

And of all the North-Eastern homes identified as being in failing areas in the Centre for Urban and Regional Studies' 2001 report on low demand, 30% are in the Tees Valley - that is a total of 59,000 homes.

So, when the Government's Sustainable Communities Plan designated nine Housing Market Renewal (HMR) "Pathfinders" in February 2003, one would expect to have seen the Tees Valley on top of this list. Unfortunately, this was not so.

In the North-East, only Newcastle/Gateshead was granted this Pathfinder status, which came with Government funding of £69m until March 2006 and the ability to draw on a wide range of other funding streams, as well as maximising income from private sector sources.

So, in the Tees Valley this still left the question of how to tackle one of the country's worst housing market failures with no Pathfinder cash?

The answer lies in the creation of Tees Valley Living, a housing market renewal project that embraces five local authorities, four housing associations, the Tees Valley Joint Strategy Unit, Tees Valley Regeneration, the Darlington Building Society and the House Builders Federation.

Overseen by One NorthEast, Government Office for the North East, English Partnerships and the Housing Corporation, Tees Valley Living partners have contributed £870,000 for strategy preparation and lobbying.

The overarching aim of Tees Valley Living is to pump new life back into those local communities where low housing demand is most acute and the housing market has failed.

Jim Johnson, Director of Tees Valley Living, said: "You have to ask why the Tees Valley failed to be designated as a Pathfinder and the answer is Whitehall either doesn't think we have a problem or that there is a perception that we can't help ourselves.

"Both of these answers are wrong and the truth is we were never given an opportunity to present our case. As a result we lost out even though we have the facts and figures to support our case for urgent and substantial help.

"But rather than looking back, we are looking forward and are going to try to turn the area around and we'll be making a very strong case for Government cash.

" Tees Valley Living is carrying out a host of evidence-based research projects to establish the statistics that will help drive forward any future regeneration plans. By looking at quality of life factors such as crime, health and education, the project team can identify those areas most in need of intervention, and identifying what sort of homes people want to live in.

Not unsurprisingly, those areas where demand for housing is at its lowest are places such as Grangetown and South Bank, both near Middlesbrough; the St Hilda's estate in Middlesbrough and the Mandale estate in Thornaby, Stockton.

There are a number of reasons why nobody wants to move into these areas but most are linked to historical change. The once-booming Tees Valley has been in decline since the 1970s when the oil crisis hit the chemical industries and it became apparent that the region was highly dependent on the global economy.

Victorian terraced houses built to house manual workers had been complemented by big social housing schemes but as the traditional industries died and people either migrated away from the Tees Valley or opted to move to the suburbs, then demand for these homes collapsed. Now, estates such as St Hilda's and Grangetown are 30% abandoned with houses not just lying empty but virtually destroyed. Boarded-up buildings act like a magnet for vandals who steal roof tiles and then go back to steal the timbers and bricks.

One of the main challenges facing Tees Valley Living is how people can be enticed back into areas where some streets have more boarded up homes than habitable ones.

Mr Johnstone says they have learned the lessons of previous urban regeneration schemes which received millions of pounds of funding in the 1970s. The areas suffering the most severe housing problems are exactly the ones covered by those previous programmes.

"These earlier schemes were too short-term to make a difference because you can't turn around 30 years of decline in just five years," said Mr Johnstone.

"In areas where we see the need for intervention we intend to be around for 15 years because in many cases it will take this long to transform the area.

"The Tees Valley Living Partnership Board also recognises that installing double-glazing and tidying up gardens is not going to solve the problem. It may be an emotive issue but the partners believe the only way many areas can be properly regenerated is through demolition and rebuilding.

Tees Valley Living estimates that 18,000 homes will need to be demolished to tackle the problem. Mr Johnstone says this will need to be done in small phases but believes that from these ashes, and with the help of both the public and private sector, new, modern urban villages can emerge.

"People love to work in town centres but at the moment they choose not to live there for a number of understandable reasons," he said.

"Replacing unpopular and obsolete houses with modern new properties that have gardens, open spaces, and in areas with good performing schools and good transport links, will begin to entice people back.

"Mr Johnstone says any future regeneration scheme will be sympathetic to people living in those areas where intervention is needed. If homes need to be demolished as part of a neighbourhood improvement scheme, people will receive the market value for their property and help with relocation. It is also hoped that people will eventually be given preferential treatment if they want to move back into the area once the work is done.

"It is not our intention to upset anyone but I am sure people who are still living in the areas where there is low housing demand will already recognise that doing nothing is not an option.

"We want to work with them to improve their communities and to make them the sort of places that attracted people to the area in the first place.

"Tees Valley Living is currently in the process of making a submission to the Government that aims to encourage the inclusion of funding for Tees Valley Housing Market Renewal in the forthcoming Comprehensive Spending Review that will determine government spending streams from 2006 to 2008. Mr Johnstone says it is extremely difficult to estimate the requirement for public funds that will be needed over the next 15 years, but he is clear that it will be many millions. And, as Tees Valley Living is unlikely to bid under any existing spending streams, its most likely tactic will be to become part of the

national market restructuring campaign which recently asked the government for £350m over the next three years.

"We have identified the scale of the problem, set up the mechanism for tackling the issues and now we need the resources to deliver fundamental change" he said.

"But if we don't get the money we'll carry on. There will be a limit to what we can do. It will be estate by estate on a smaller scale but we will get there in the end."