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How housebuilders are unlocking brownfield sites to meet home targets

The Midlands badly needs thousands of acres of land on which to build 60,000 homes per year. Thousands of acres of former industrial land lie unused. The solution seems simple, but brownfield brings baggage.

Most of the sites are contaminated with decades' worth of industrial blight and need costly remedial work, they are usually in undesirable locations and it can be difficult to track down who actually owns them.

"There are a number of key constraints, in particular decontamination and demolition costs, land assembly, location and infrastructure," says Waheed Nazir, strategic director of economy at Birmingham City Council.

One example is the former MG Rover factory site in Longbridge, in Birmingham, where at least 2,000 homes are set to be built as part of a mixed-use development.

But the extent of the industrial legacy means the £1bn development is taking a lot longer to revamp than developer St Modwen predicted. It currently estimates it will take about 20 years to complete, compared with the original ten to 15 years.

St Modwen is a brownfield specialist but

cleaning up 100 years of industrial heritage, it admits, takes time. Remedial work has included pumping out 500,000 litres of petrol spilled on the site. To help smooth things over, councils such as Birmingham are working with developers to identify sites which can provide quicker turnarounds.

One site in the city is off Great Charles Street, where Sterling Property Ventures plans to create 432 apartments as part of a mixed-use development. The former industrial site, which is a car park.

But Birmingham needs a lot more land to accommodate the 89,000 homes that have to be built in the city by 2031.

Controversially, about 6,000 of these have been earmarked for Sutton Coldfield's green belt, a move which has led to protests from local residents.

Despite being costly to develop, brownfield is a lot less troublesome politically, says Martin Edwards, a specialist planning barrister at Cornerstone Barristers in Birmingham.

"Green belt sites are in short supply and come with political consequences," he adds. "Much of the land required then will inevitably be brownfield, sites that have lain derelict for

years as old industries have closed. Often these sites are hampered by seemingly intractable issues such as fragmented ownership, inaccessibility or potential contamination."

One way of overcoming these issues is for developers to work with local authorities to seek a compulsory purchase order (CPO) on a site, adds Edwards.

Birmingham City Council has already shown it is willing to use CPO powers, by securing land for Aston Advanced Manufacturing Hub partly through this method.

"Encouraging developers to build on brownfield sites by making sites as ready to go as possible through addressing constraints and impediments is a key area of work for the council," says Nazir.

While Birmingham struggles to secure the brownfield space it needs, neighbouring city Coventry has enjoyed a successful spell of building homes on industrial sites. Nine in ten new homes over the past 20 years have been built on brownfield.

One of the reasons the city has been so successful has been the loss of a large number of manufacturers in recent decades and



the subsequent land availability it generated. Examples include the former Massey Ferguson site at Banner Brook, the former Peugeot factory at Lower Stoke and Daimler Green in Radford, all of which have been developed as urban villages, providing more than 1,000 homes each.

Similar schemes in Coventry are coming forward at Paragon Park, New Century Park and Whitmore Park, albeit at slightly smaller scales of around 700 homes each.

However, Coventry is running out of brownfield sites and it is focusing on greenfield to fill the gap, says Martin Yardley, acting chief executive of Coventry City Council.

"We have become victims of our own success," he adds. "The city now finds itself at a crossroads. Our new local plan has to turn to look at greenfield and green belt options to help meet the city's growing housing needs."

Authorities like Coventry and Birmingham face a dilemma: build on the green belt or fail to supply the thousands of new homes they need to support economic growth in their area.

Nationally, the number of homes planned for the green belt has risen to 275,000, nearly 200,000 more than four years ago, says the Campaign to Protect Rural England (CPRE). It claims the figure increased by 55,000 between 2015 and 2016 alone, with the area around London and the West Midlands under particular threat.

The lack of brownfield means Coventry plans to turn 10 per cent of the city's 7,400 acres of green belt land into construction land, while 17,000 homes are allocated to existing brownfield sites.

However, it is still committed to ensuring a large proportion of new homes are on pre-used land. One way of doing this is to embrace the growing but hard-to-predict apartment market, says Yardley. "Although the concept of apartment living remains positive, the viability of its delivery is difficult in current market circumstances," he adds.

Despite this, city living will be a key part of the £100m Friargate mixed-use scheme. Yardley feels that the success of the city's student accommodation market, whose occupants will demand similar locations and levels of service once they graduate, means there is likely to be a strong pipeline of occupants.

"The plan is to provide the next step in the housing pathway, to retain graduates in the city centre to take up local jobs and support the local economy," Yardley says. "We're also keen to understand the demand for



"Most cities have brownfield sites that could help meet residential demand. But many pose significant challenges."

JOHN FORKIN

higher-density family living in the city centre and looking at new ways to provide older people's accommodation, too."

Derby is another historic industrial city with its fair share of derelict manufacturing sites. Developers have seen the potential for quality accommodation for skilled workers at its Rolls-Royce, Bombardier and Toyota plants.

The £100m regeneration of Castleward into residential use is a key part of Derby city centre's redevelopment masterplan. The scheme, a joint venture between the city council and Liverpool-based Compendium Living, has included 164 homes for sale, rent and shared ownership.

Next door, London-based First Urban has submitted plans to build 500 units on the old DRI hospital site.

"Most cities have reasonably large brownfield opportunities that could help meet the UK's residential demand and so reduce pressure on the greenfield," says John Forkin, managing director of inward investment agency Marketing Derby. "The problem is each site usually has significant individual challenges to ensure viability. We need innovation in doing this, because there is a space between landowners and housebuilders, which public sector intervention is normally required to fill."

Another way of filling the traditional gap between the public and private sector is using technology, says Richard Madeley, land development director at United Living, based in Wolverhampton.

The building company, which works with housing associations, uses specialist software to collate data from sources including Zoopla and Right Move to provide land values and sales activity, helping to identify viable development sites. It then compares this to a local authority's development plan.

"It's about finding the right pockets of land and the right people to deal with," says Madeley. "We're dealing with layers of bureaucracy which can make working with local authorities difficult. Local authorities need to work more closely with people like us."

Another innovative way of overcoming the housing shortage is making better use of the thousands of empty homes across the Midlands. One such solution is the property guardian model, which places people into uninhabited buildings. These can be anything from former schools, care homes and vicarages to empty flats, retail buildings and even mansions in some sought-after locations.

A guardian can pay as little as 50 per cent of the equivalent market rate for the type of house-share or self-contained property they reside in, says Darren Tubb, Midlands manager for Ad Hoc Property Management.

"The USP of the guardianship model lies in its solution to benefit all parties involved. It defies the tense relationship between the traditional tenant and landlord concerning high rent, payment, security and maintenance. It can be implemented immediately while longer-term solutions are researched and developed."

With the Midlands building fewer than half of the new homes it needs each year, it is an idea which may need to be examined more closely.