RENEW

HOUSING-LED REGENERATION FOR NORTHERN GROWTH

NORTHERN HOUSING CONSORTIUM
VOICE OF THE NORTH

UNLOCKING OVER 500,000 GOOD QUALITY HOMES IN THE NORTH

Homes for the North
Muse
nhc PROCUREMENT

CONTENTS

INTRODUCTION

The social housing sector has a once in a generation opportunity to make sure more people can live in a warm and safe home they can afford, in a place they're proud of, following recent significant government investment in housing.

But the housing crisis is different in different places. That's why the Northern Housing Consortium (NHC) launched Renew, an inquiry, supported by Homes for the North and placemakers Muse, into housing-led regeneration. We wanted to explore how housing-led regeneration can enable the housing sector in the North to do even more to deliver growth, help tackle the housing crisis, and create thriving communities across the North.

To define the regeneration challenge facing the North and set out the policy reforms needed to address it, we issued a Call for Evidence in late 2025, inviting submissions from all stakeholders involved with regeneration across the three northern regions. The response was substantial: submissions from local authorities, housing associations, developers and strategic authorities covered organisations responsible for approximately 1 million of the North's 1.4 million social homes, and identified more than 160 individual regeneration schemes and sites for us to learn lessons from. It is this rich insight, alongside wider sector engagement, that this report draws on.

This report sets out the evidence the inquiry has gathered to date and provides a first set of policy recommendations to Government. It begins by defining housing-led regeneration and making the case for it, before setting out the evidence on the scale of the challenge, the financial position of existing stock, what successful regeneration looks like, and the barriers currently preventing delivery. It closes with a specific examination of the private rented sector and the policy reforms required.

Our work will continue throughout the coming months as we enter phase two of Renew, including:

- Examining the vital role of community engagement in regeneration.
- Exploring the role of the private rented sector in regeneration areas, where tenure fragmentation, concentrated poor quality housing and absentee landlords simultaneously create a need for regeneration and make it more difficult to deliver.
- On the ground tours of regeneration in the North and sharing case studies of both best practice and areas in need of renewal.

These topics will be touched on in this report, but more comprehensive findings on each will be published ahead of the inquiry's final output.

We are grateful for the support and insight of the Renew Advisory Group, and from our sponsors Homes for the North and placemakers Muse. We also extend our thanks to all NHC members and stakeholders who submitted evidence to the inquiry - your expertise and experience have been invaluable in shaping this report and will continue to inform the next phase of Renew.

This report is dedicated to the memory of Eamonn Boylan who did so much for regeneration in the North


TYSON

WHAT IS HOUSING-LED REGENERATION?

What is housing-led regeneration?

Housing-led regeneration in the North is not one single activity. It encompasses a wide range of interventions, from the refurbishment of individual homes, to the wholesale transformation of neighbourhoods, the reclamation of derelict or underutilised land, right up to the redevelopment and densification of the North's urban cores. While these interventions differ in scope and the specific actions taken, they are all united in the common logic that investment in the physical fabric of homes and places can act as a catalyst for wider social and economic renewal.

It is important to stress that throughout this activity, housing is the lead intervention but not the only one. Using housing as a starting point and organising principle, successful regeneration addresses the full range of challenges facing a place: employment, health, community safety, public realm, energy efficiency, connectivity and more.

Throughout our engagement with the sector, the breadth and diversity of regeneration activity, and how regeneration is perceived, has consistently shone through.

Encapsulating this diversity, the Renew Inquiry uses the following definition of housing-led regeneration:

"Housing-led regeneration uses the physical renewal of homes and the public realm — whether through demolition and replacement, refurbishment, or remodelling — as a catalyst for the wider social and economic renewal of an area."

"HOUSING-LED REGENERATION USES THE PHYSICAL RENEWAL OF HOMES AND THE PUBLIC REALM — WHETHER THROUGH DEMOLITION AND REPLACEMENT, REFURBISHMENT, OR REMODELLING — AS A CATALYST FOR THE WIDER SOCIAL AND ECONOMIC RENEWAL OF AN AREA."

Three regeneration opportunities for the North
Beyond this high level definition of what housing-led regeneration entails, our work has identified three specific regeneration challenges. These are:

- **Urban centre regeneration**
- **Brownfield regeneration**
- **Estate regeneration and neighbourhood renewal**

Each involve different interventions, but all face shared barriers and need a long-term regeneration policy framework.

Urban centre regeneration
Urban centre regeneration involves the large-scale transformation of city and town centre areas, typically on brownfield or previously developed land, through mixed-use development combining new homes, commercial space, public realm and infrastructure. It is the most visible form of regeneration and has attracted the most sustained policy attention and private investment in recent years, including the recently announced City Investment Funds.[1] Examples include the transformation of Manchester city centre and the Victoria North regeneration scheme, Leeds South Bank, York Central, the Newcastle/Gateshead Quayside, regeneration on both the Liverpool and Birkenhead sides of the Mersey, and Furnace Hill and Neepsend in Sheffield.

Across the North, local and strategic authorities are increasingly looking to residential development as the foundation for town and city centre renewal. As the retail-led model has declined, councils have identified bringing people back to live in these spaces, including at higher densities, as a priority for supporting more vibrant centres and wider economic growth. In this context, new homes are viewed as a key driver of economic renewal by supporting footfall, investor confidence and wider placemaking outcomes, helping to repurpose underused space and re-establish town and city centres as mixed-use neighbourhoods.

Urban centre regeneration in the North has genuine momentum in some places, but it remains dependent on significant and sustained public effort to de-risk sites, fund up-front infrastructure and bridge viability gaps. Even in the strongest northern markets, the economics are challenging, with high remediation and infrastructure costs, and crucially, lower land values relative to the South, meaning that private investment alone is rarely sufficient. Delivery is slow, schemes are often delayed and pipelines remain shallower than the scale of opportunity warrants. **With more sustained support, more could be delivered, in more places, at greater pace.**

CASE STUDY

BRADFORD CITY VILLAGE
CITY CENTRE SCHEME
REPLACING DECLINING RETAIL WITH NEW 'VILLAGE' OF 1,000 HOMES

Regeneration typology:
• Urban centre regeneration

Project
Bradford City Village is a major regeneration scheme focused on the former retail heart of Bradford City Centre. The project aims to deliver 1,000 new homes, supporting residential densification of the city centre core and helping to reshape the role of the area as retail patterns change.

Barriers to delivery
The scheme requires a long-term regeneration approach that combines the leveraging of private investment, the closing of viability gaps, and sufficient development capacity to manage delivery. These challenges are compounded by the financial constraints facing the Council.

Leadership & Oversight
ECF (formerly the English Cities Fund, a partnership of Homes England, L&G and Muse) is working in partnership with Bradford City Council and the West Yorkshire Combined Authority (WYCA) to bring the scheme forward. The partnership model provides coordinated leadership and oversight across planning, investment and delivery.

Funding & Finance
Significant upfront costs have been required to bring the scheme to development stage, including the acquisition of shopping centres, planning costs and wider preparatory work.

The programme has combined long-term investment capital leveraged through ECF alongside grant funding from Homes England (£30 million) and WYCA (£13 million) to support viability and delivery.

Engagement & Accountability
The vision for City Village has been subject to consultation since 2023, helping to develop a series of principles that have informed the emerging masterplan and future proposals for the area.

Capacity & Knowledge
City Village is a complicated regeneration programme requiring planning, development and commercial capabilities. ECF was brought in by public sector partners to provide the additional delivery capacity and regeneration experience required to progress the scheme through to delivery.

Planning, Land & Assembly
The Council has approved the City Village masterplan and planning applications for the scheme have been submitted. The Council has also notified its intention to use Compulsory Purchase Order powers within the masterplan area where required.

Acquisition of a shopping centre site has enabled the Council to secure greater control over the area, while future development phases are now being planned.

Issues to resolve
As a large and complex long-term regeneration scheme requiring significant commercial input, there remains a need for a commercially led approach capable of leveraging private capital investment. These delivery capabilities remain in relatively short supply.

The blending of grant funding between WYCA and Homes England, both operating through different funding processes, has also presented challenges. Simple procedures agreed between public funding bodies and more flexible grant processes would help support delivery.


Image courtesy of Muse

CASE STUDY

SALFORD CENTRAL
A PARTNERSHIP BETWEEN SALFORD CITY COUNCIL AND ENGLISH CITIES FUND

Wide area regeneration achieving new homes and economic growth

Regeneration typology:
• Urban centre regeneration

Salford Central involved the regeneration of over 50 acres of underutilised land with a failing urban form on the edge of Manchester City Centre. The programme has delivered more than 1,000 mixed tenure homes, including Greenhaus and the development of 96 Passivhaus affordable homes delivered with Salix housing association.

The regeneration has also delivered 770,000 sq. ft of workspace alongside improved public amenity and public realm, helping to support wider economic growth and neighbourhood renewal.

Barriers to delivery
The regeneration required a long-term masterplan to leverage private capital investment. Key barriers included land assembly challenges, viability gaps across development phases, and additional costs associated with former land uses and remediation requirements.

Leadership & Oversight
Salford operates a Strategic Regeneration Forum chaired by the Deputy Mayor, with representation from ECF, Peel, the Mayoral Strategic Authority and Homes England. The Forum provides governance and oversight for the long-term regeneration approach across the city.

Funding & Finance
The regeneration model is based on a partnership with ECF, which operates a development account that reinvests returns into a long-term programme. The model also requires grant funding and would further benefit from a patient equity approach such as the Good Growth Fund. ECF has played an important role in leveraging private capital investment into the area.

Engagement & Accountability
Extensive engagement has been part of the process of developing the masterplan and translating it into individual schemes. As a joint model with the Council, the programme aims to maintain high levels of engagement and accountability to the city and local communities.

Capacity & Knowledge
Salford previously operated an Urban Regeneration Company (URC) during the 1990s, with much of this regeneration capability transferring into the Council when the URC closed. The success of Salford Central reflects the retention of regeneration expertise over a long period, alongside strong partnerships with capable private sector partners.

Planning, Land & Assembly
A long-term masterplan and development approach was agreed between ECF and the Council. The Council used planning powers to ensure development aligned with the masterplan, alongside targeted land acquisition to gain greater site control.

Issues to resolve
Viability remains the critical market issue. While there are willing developers and partners, development costs continue to exceed end values. Limited availability of viability gap funding, infrastructure grant and land assembly funding restricts the ability to leverage private capital to deliver more at speed. The coordination burden associated with multiple funding streams and administrative requirements also remains a challenge.

Images courtesy of Muse


Cakes | Cocktails | Coffee

CASE STUDY

HYDE PARK STREET, GATESHEAD
BROWNFIELD ESTATE REGENERATION DELIVERING AFFORDABLE FAMILY HOUSING ON A LONG-DERELICT SITE – GATESHEAD COUNCIL, HOME GROUP AND VISTRY

Regeneration typology
- Brownfield regeneration

Context
Hyde Park Street in Bensham is a 2.88-acre site that stood vacant for nearly a decade following the demolition of terraced housing in 2013. Redevelopment had stalled due to prohibitive costs despite strong demand for affordable family homes.

The Bensham and Saltwell Neighbourhood Action Plan identified major challenges for the area including limited housing choice, poor-quality stock, a high concentration of small flats, and a lack of open space. Gateshead's Orthodox Jewish community also faced a shortage of large family homes that met cultural and practical needs.

Project Overview
The Gateshead Regeneration Partnership (GRP), a joint venture between Gateshead Council, Home Group, and Vistry, commenced delivery of 62 affordable homes for rent and shared ownership on the site in 2023. Twenty homes have been specifically designed for Gateshead's Orthodox Jewish community.

Homes are designed to be tenure blind, exceeding Nationally Described Space Standards, Lifetime Homes standards, and achieving Secured by Design certification. The scheme also reflects the local architectural character through traditional red brick design, while creating safe and sociable streets with traffic calming, natural surveillance, and green infrastructure.

Issues that were resolved
Key barriers included long-term vacancy of the site, prohibitive redevelopment costs, and weak market viability.

FACTORS SUPPORTING DELIVERY

Leadership and oversight
GRP provided a long-term partnership model between Gateshead Council, Home Group, and Vistry to coordinate regeneration and delivery.

Funding and finance
The site was unlocked using GRP's cross-subsidy model, with profits from private house sales elsewhere in the borough reinvested to make redevelopment viable along with affordable homes grant funding from Homes England.

Engagement and accountability
The scheme responds directly to identified local housing needs, including bespoke homes for the Orthodox Jewish community.

Capacity and knowledge
The partnership combined public and private sector expertise to deliver affordable, mixed tenure housing on a stalled brownfield site.

Planning, land and site assembly
The partnership brought long-derelict land back into productive use while aligning with national and local planning policy.

OUTCOMES

Housing and supply
The scheme delivers 62 affordable homes for rent and shared ownership, including specialist family homes.

Economic growth
The redevelopment supports wider regeneration and economic confidence in the area.

Sustainability
Homes include green infrastructure and high-quality design standards.

People and place
The development improves housing quality, community cohesion, and neighbourhood safety while revitalising a long-vacant site.

Brownfield regeneration

Brownfield regeneration focuses on the remediation and redevelopment of former industrial or commercial land for residential and mixed use. The North has an abundance of such land, with NHC's research identifying capacity across the three northern regions amounting to at least 320,000 homes, concentrated in and around former industrial centres, and including major strategic sites that could each deliver thousands of new homes.[2]

Much of this land requires significant remediation and enabling work, reflecting decades of heavy industry and long periods of time left dormant. Fragmented ownership, insufficient infrastructure and planning complexity add further risk, while lower residential values in many northern markets reduce scheme viability. The result is that brownfield land which is technically available for development often remains undeveloped because the economics cannot be made to work without public intervention.

Despite these challenges, brownfield regeneration represents one of the most significant opportunities for new housing supply across the North. The sites are often well-located – close to existing urban centres, transport connections and employment opportunities – and their development would deliver new homes in sustainable locations while remediating land that frequently blights nearby communities. **With the right funding and wider support, the North's brownfield land represents a major, largely untapped resource for housing-led regeneration and new supply.**

BROWNFIELD REGENERATION REPRESENTS ONE OF THE MOST SIGNIFICANT OPPORTUNITIES FOR NEW HOUSING SUPPLY ACROSS THE NORTH.

CASE STUDY

STONEYGATE, PRESTON
POTENTIAL TO UNLOCK GROWTH, AFFORDABLE HOMES AND RESPOND TO DILAPIDATION

Wide area scheme unable to progress due to inflexibility of funding regime

Regeneration typology:
- Urban centre regeneration
- Estate regeneration and neighbourhood renewal

Stoneygate presents a major regeneration and development opportunity on the edge of Preston city centre, including the opportunity to renew end-of-life and redundant affordable housing stock alongside wider economic growth opportunities.

The scheme has the potential to deliver between 1,500 and 2,000 homes via initial phases and further homes as part of a wider masterplan; this would be alongside commercial development, helping to support housing growth, regeneration and city centre renewal.

Barriers to delivery

The scheme faces considerable viability gaps. Current funding sources, including the Social and Affordable Homes Programme (SAHP), do not meet the full costs required to bring development forward. As a result, the scheme has been unable to progress despite the scale of opportunity and identified housing need.

Leadership & Oversight

A Supplementary Planning Document (SPD) is already in place for the area. However, there remains a critical need for a mechanism that can bring all partners together around a common regeneration plan that can align funding and delivery priorities.

Funding & Finance

The scheme has been costed with a viability gap of approximately £200,000 per home. Current SAHP funding is unable to bridge the full viability gap despite the significant affordable housing component within the proposals.

More flexible grant funding, alongside the SAHP, is required to recognise the wider economic growth and densification opportunities associated with the scheme.

Engagement & Accountability

While the SPD provides a strategic framework for regeneration, the scheme cannot progress to full engagement stages without greater certainty around funding. The need to replace end-of-life housing stock is recognised by all partners.

Capacity & Knowledge

Preston is a relatively small Local Authority operating within an area where a Mayoral Strategic Authority has not yet formed, creating challenges around public sector regeneration capacity. This is not a criticism but a recognition that complex development schemes often have costs that stretched Local Government is often unable to meet.

Registered Provider Onward Homes has land holdings and working with others as a potential development partner could brings expertise that would support acceleration of the delivery programme if funding can be secured. The key issue is the lack of such flexible funding.

Planning, Land & Assembly

The Council has already established Supplementary Planning Guidance through the SPD, while Onward Homes has existing stock and landholdings within the area.

The fundamentals required to bring forward delivery at pace are therefore already in place.

Issues to resolve

The scheme could progress quickly given the existing planning framework and landholdings, but the key barrier remains the funding gap even after SAHP funding has been factored in.

A lack of flexible gap funding, designed around the needs of regeneration schemes rather than benchmarked against SAHP unit-cost assumptions, prevents delivery. Additional coordination challenges also exist due to uncertainty around devolution and Local Government Reorganisation in Lancashire, including where future responsibilities and funding will sit.

Estate regeneration and neighbourhood renewal

Estate regeneration and neighbourhood renewal involves the physical regeneration of existing communities where homes and the wider built environment are no longer fit for purpose and require significant intervention. It includes:

- Selective demolition and replacement of homes where they have reached the end of their serviceable life
- Refurbishment and modernisation of existing properties
- Remodelling and redesign of existing properties and estates
- Improvements to the wider built environment and public realm
- Targeted investment in community facilities and local services

Unlike urban centre or brownfield regeneration, this process takes place entirely within existing, occupied communities. This necessitates careful management of resident engagement, as well as decanting and rehousing residents if homes are occupied, alongside construction. Where it is done well, regeneration moves beyond bricks and mortar to address the full range of challenges facing a neighbourhood, including poor housing conditions, weak demand and concentrated deprivation that the private market cannot address alone.

The role of the social housing sector

Renewal is necessary across social and mixed-tenure areas, especially where poor-quality privately rented housing is concentrated within deprived areas. When quantifying the scale of the estate regeneration and neighbourhood renewal challenge, however, this report focuses primarily on the social housing sector. A portion of the stock is reaching the end of its serviceable life leading to significant increases in maintenance requirements. If unaddressed, this risks holding the sector back from delivering the new homes the North needs and contributing to national housing ambitions, through their own development programmes and by acquiring homes through the Section 106 process. This risk makes the issue of end-of-life stock an immediate policy priority.

This does not mean the private rented sector (PRS) can be ignored. The quality issues there are serious, with more than a quarter of privately let homes in the North failing to meet the Decent Homes Standard, and require their own policy response. By focusing first on the social housing sector, however, where the conditions for delivery are strongest, this report aims to establish the funding models and delivery mechanisms that can subsequently inform efforts to address regeneration need in the private rented sector. An initial set of PRS recommendations is set out later in this report, with further work to follow in the next phase of the Renew Inquiry.

CASE STUDY

SALE WEST
LONG-TERM ESTATE REGENERATION COMBINING AFFORDABLE HOUSING, PLACEMAKING AND COMMUNITY INVESTMENT

"NOW I HAVE A DECENT HOME AND A SPACE OF MY OWN, I FINALLY FEEL I CAN THRIVE, NOT JUST SURVIVE"

Regeneration typology:
• Estate regeneration and neighbourhood renewal

Context
Sale West in Trafford is a long-term housing-led regeneration programme running from 2020 to 2027. The vision for the £50 million masterplan was to deliver 263 new homes, enhance green spaces and biodiversity, and improve 1,100 existing homes.

In the 2019 Index of Multiple Deprivation the estate ranked within the 20% most deprived neighbourhoods nationally and was identified in the Trafford Core Strategy as a Priority Regeneration Area. By 2025, the area had improved to within the top 30% of neighbourhoods indicating reduced deprivation and improved access to housing and services.

Project Overview
The regeneration combines phased housing delivery with long-term community investment. Phase 1 delivered 79 homes for social rent alongside environmental improvements and upgrades to existing homes. Phase 2 delivered 22 affordable rent apartments including 11 adaptable-ready homes. Phase 3, currently on site, is delivering 66 homes for social rent, including homes for older people and supported housing for adults with learning disabilities. Phase 3 homes are being delivered to Truly Affordable Net Zero (TANZ) standards, achieving EPC A and Low Energy Transformation Initiative (LETI) targets. Alongside new homes, more than 600 roofs, 640 kitchens, and 235 energy efficiency measures have been installed to existing properties. Environmental improvements include new play areas, communal spaces, tree planting, resurfaced ginnels and parking courts, a nature trail and a new link road. This dual focus prevents the creation of a "two tier" estate and has been critical in ensuring cohesion between new and existing residents.

Key issues that were resolved
Key barriers included maintaining community confidence during long-term phased regeneration, adapting to changing housing needs, and coordinating multiple funding streams.

FACTORS SUPPORTING DELIVERY

Leadership and oversight
Irwell Valley Homes has led the regeneration in partnership with Trafford Council, Homes England and wider Greater Manchester stakeholders.

Funding and finance
Nearly £40 million has been invested to date through a blend of funding from Irwell Valley Homes, Homes England, Brownfield Land Funding, Levelling Up funding and recycled Capital Grant funding.

Engagement and accountability
Residents shaped design principles and priorities through workshops, consultation events and co-design activities. Internal lettings policies prioritised some new homes for existing residents to reduce displacement and strengthen community cohesion.

Capacity and knowledge
Partnership working has combined housing renewal with health, employment, and community initiatives.

Planning, land and site assembly
Phased delivery enabled continued investment across new homes, estate renewal and environmental improvements while adapting to local housing needs.

Having only outline planning as part of the hybrid application for the estate regeneration presented some challenges, and led to a reduction in the number of homes being delivered as part of the later phases - compared to the overall vision for the masterplan.

OUTCOMES

Housing and supply
The programme is delivering 167 affordable homes alongside significant improvements to 1,100 existing homes.

Economic growth
The programme combined housing delivery with apprenticeships, work experience, employment support, health programmes, cost of living support and the HITZ youth engagement programme.

Sustainability

TANZ standards, biodiversity enhancements, tree planting and energy efficiency upgrades including ventilation and heating systems have improved sustainability in the home and reduced running costs for residents.

People and place

Investment in community facilities, allotments, play areas and activities and initiatives delivered through a community café has strengthened social connection, reduced isolation and improved wellbeing. Residents report greater pride and confidence in the future of the neighbourhood.

Image courtesy of Irwell Valley Homes

THE CASE FOR HOUSING-LED REGENERATION


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The case for housing-led regeneration

The Northern Housing Consortium's companion paper, **The Social and Economic Case for Housing-led Regeneration**, sets out the economic and social case for housing-led regeneration in detail. This section sets out the headline argument and connects it to the policy implications that follow.

Regeneration is essential to unlocking new housing supply in the North

Housing-led regeneration directly increases supply by replacing obsolete homes and bringing underutilised land back into productive use, often at higher densities and in well-connected urban locations.

Across the three regeneration challenges identified in this report, there is potential to unlock and accelerate more than 500,000 good quality homes across the North.

This figure is made up of three distinct opportunities. Between 84,000 and 112,000 social homes are approaching the end of their serviceable life and identified as in need of renewal or replacement. By replacing and refurbishing this stock, we can create more good quality, modern homes, and retain much-needed social housing that would otherwise be lost to the social sector via demolition without replacement, or disposal. Previous NHC research suggests that approximately a third of estate regeneration schemes could deliver more homes on the same site through densification, offering the potential for increasing overall supply further.[3]

The North's brownfield land has identified capacity for a further 320,000 new homes.

Finally, the identified town and city centre housing-led regeneration opportunities will deliver another 100,000 homes in well-connected, mixed-use neighbourhoods, bringing people back to live at the heart of the North's towns and cities, if delivered in full.

Regeneration also supports new supply by unleashing further capacity through addressing the financial pressures that ageing stock places on social housing providers. Maintaining homes approaching the end of their serviceable life is costly, and meeting the new Decent Homes Standard, Minimum Energy Efficiency Standards and other regulatory requirements alongside ongoing maintenance is particularly challenging for older homes and certain stock archetypes. As providers must prioritise compliance and investment in existing homes, funding for new development is limited to what remains. The growing weight of ageing, difficult to maintain stock therefore acts as a structural drag on provider balance sheets, diverting resources from new supply and constraining the North's ability to contribute to the Government's commitment to deliver "the biggest boost in a generation" to social and affordable housebuilding. This increase in future development, beyond regenerating and replacing end-of-life homes themselves, has not been factored in to the above estimates, but is an area where we will carry out additional research throughout the remainder of Renew.

Regeneration drives economic growth for the North

The economic benefits of regeneration extend well beyond construction activity. Investment generates substantial economic activity through the supply chain, supporting jobs and businesses across the local economy. The land value uplift created when land is brought back into productive use provides a measurable proxy for the wider economic welfare gains that improved housing and neighbourhood conditions generate.

Housing-led regeneration:

Accelerates
100,000
homes through densification of town centres

+

Unlocks
320,000
new homes on brownfield land

+

Ensures
100,000
modern decent homes by replacing, densifying or refurbishing end-of-life social homes that would otherwise be lost.

=

Over
500,000
good quality homes

IN DEPRIVED AREAS WHERE HEALTH OUTCOMES ARE WORST, REGENERATION HAS THE POTENTIAL TO MEANINGFULLY NARROW LONGSTANDING HEALTH INEQUALITIES, GENERATING LONG TERM FISCAL SAVINGS.

THE REMOVAL OF DERELICT BUILDINGS, REFURBISHED GREEN SPACES AND IMPROVED COMMUNAL FACILITIES LIFTS THE PUBLIC REALM AND SIGNALS THAT A COMMUNITY IS ON A POSITIVE TRAJECTORY, SUPPORTING RESIDENT SATISFACTION AND PRIDE IN PLACE.

Over the longer term, regeneration supports regional economic growth and productivity gains. By improving the density and connectivity of housing in the North, especially around major urban centres, regeneration deepens labour markets and supports the agglomeration effects that drive productivity, innovation and higher wages. A sustained programme of housing-led regeneration that increases density in well-connected locations offers one of the strongest available mechanisms for narrowing the long-standing productivity gap between the North and the rest of the country, supporting the regional economic growth this government has identified as a priority.

The growing powers and resources of Northern Mayoral Strategic Authorities, including control over transport investment, employment and skills funding and economic development, mean that a long-standing weakness in regeneration delivery – the lack of strong regional governance – can finally be overcome, allowing housing-led regeneration to be aligned with wider investments.

Regeneration improves housing quality and health

Regeneration improves housing quality through the replacement of ageing, obsolete homes with modern dwellings built to higher accessibility, safety and energy efficiency standards. It also enables homes to better match the needs of the local population, providing more family homes or properties suited to those with accessibility needs, and broadening the range of people who can live in an area. Where replacement is not required, comprehensive refurbishment and retrofit can improve thermal performance, reduce energy bills, modernise amenities and improve domestic security.

Higher-quality homes have significant public health benefits. The relationship between housing quality and resident health is well-established, with damp, mould, excess cold, overcrowding and disrepair all driving negative outcomes including respiratory and cardiovascular disease, poor mental health and reduced life expectancy. The Building Research Establishment estimates the direct cost of poor housing to the NHS at £1.4 billion a year in England, with wider impacts including additional care needs and lost productivity estimated to be far higher.

In the North, where the housing stock is older and a section is reaching the end of its life, poor housing both costs the public purse directly and acts as a barrier to people entering employment. Sustained investment in regeneration, particularly in deprived areas where health outcomes are worst, has the potential to meaningfully narrow longstanding health inequalities, generating long-term fiscal savings.

Regeneration builds stronger, safer communities

Regeneration consistently delivers benefits for community safety, public realm and community cohesion. Improvements to the built environment, including estate remodelling, improved lighting, more secure building components and better natural surveillance, reduce opportunities for crime and anti-social behaviour.

These interventions are particularly relevant in the North, where housing estates and tower blocks were sometimes designed in ways that inadvertently make crime more likely. The removal of derelict buildings, refurbished green spaces and improved communal facilities lifts the public realm and signals that a community is on a positive trajectory, supporting resident satisfaction and pride in place.

Stronger, more cohesive communities are themselves a clear outcome of good regeneration, particularly where programmes have invested in community capacity, supported residents to engage meaningfully in decisions about their neighbourhoods, and embedded long-term resident engagement at the heart of delivery.

Regeneration creates employment and skills opportunities

Beyond the direct jobs created through scheme delivery, the most effective regeneration programmes use investment as a platform for targeted employment and training support. Apprenticeships, local procurement requirements, employment support and skills development have all been used successfully to ensure that the economic benefits of regeneration flow to existing residents rather than primarily to those from elsewhere.

The growing devolution of adult education and skills funding to strategic authorities creates, for the first time, a genuine opportunity to align housing and regeneration investment with locally designed skills and employment programmes, ensuring that local residents are equipped to fill the roles that regeneration creates. Established Mayoral Strategic Authorities in the North will receive more than £1.3 billion funding for employment and skills within their Integrated Settlements over the next three years. This includes more than £32 million specifically for construction skills, and a £10 million economic inactivity trailblazer in Greater Manchester.

This alignment is timely given the growing challenge of young people not in education, employment or training across many northern communities. A sustained programme of regeneration, deliberately designed to create apprenticeships, entry-level construction roles and structured employment pathways, could make a meaningful contribution to addressing this challenge in some of the North's most deprived communities.

Regeneration supports environmental sustainability

Housing-led regeneration makes a distinctive contribution to environmental sustainability that new build on greenfield land cannot replicate. By directing development onto previously used land, regeneration makes more efficient use of land and limits the loss of green space that development on the edge of settlements generates. Higher density, mixed-use development in well-connected locations reduces car dependency, supports active travel and public transport use, and generates lower per-household carbon emissions than urban-fringe alternatives.

Retrofit and refurbishment of existing housing stock improve energy efficiency and reduce fuel poverty. They also tackle one of the most stubborn sources of domestic carbon emissions, which account for over a fifth of the total.[4] Well-designed schemes also offer the opportunity to incorporate green infrastructure, urban greening, enhanced biodiversity and sustainable drainage into places that have historically had very little of it. Done well, regeneration delivers environmental benefits alongside social and economic ones, making it an effective tool for advancing the Government's net zero and biodiversity commitments.

Regeneration attracts investment and restores market confidence

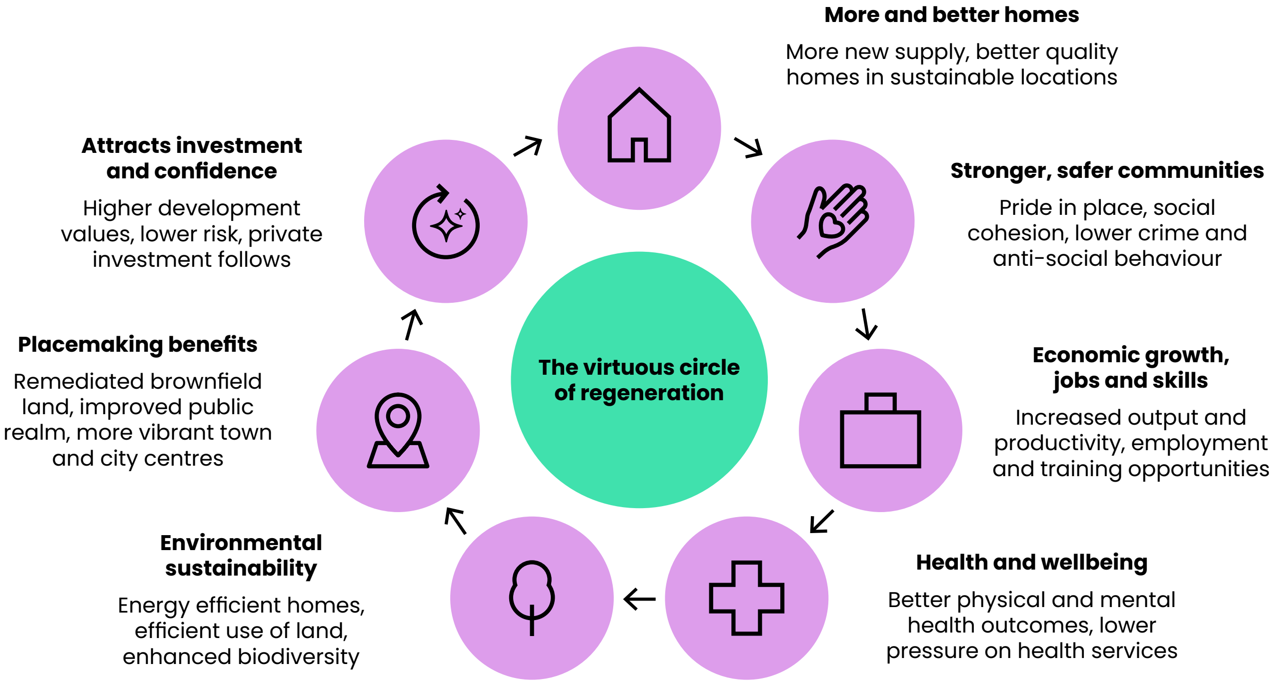
Successful regeneration attracts further investment by making an area a more attractive proposition. By improving neighbourhood conditions, assembling land, reducing perceived risk and demonstrating sustained public commitment, regeneration shifts how an area is perceived and valued. Areas that previously offered little confidence to the market become viable for private investment, with higher development values and the potential for cross-subsidy making future schemes easier to fund.

This catalytic effect, where private capital follows the upfront investments made by the public sector to create the conditions for growth, is one of the most powerful arguments for regeneration. It also demonstrates a significant long-term return on initial public investment through economic growth, improved social outcomes and reduced public service costs. This model is particularly relevant to the North, where weaker market conditions, principally driven by lower property and land values, are a barrier to delivering housing-led regeneration at scale.

The virtuous circle of regeneration

These benefits do not operate in isolation. They act as a virtuous circle in which they continually reinforce one another. Upfront government investment de-risks development, signals long-term commitment and enables wider investment to follow. Improvements to homes and the built environment enhance safety and wellbeing; stronger communities and pride in place improve stability and cohesion; rising confidence and increasing property values support the viability of further investment. Where this virtuous circle is established, places can shift onto a sustained upward trajectory.

Conversely, in the absence of intervention, many areas risk being trapped in a cycle of decline, where poor-quality environments, weak demand and deprivation reinforce one another over time. Government-supported housing-led regeneration is therefore fundamentally about changing the direction of travel for places and creating the conditions for long-term growth, opportunity and resilience.



Financial capacity restored

Balance sheet strengthened, borrowing capacity increased allowing providers to do more

LOCAL SOLUTIONS THAT MEET LOCAL NEED

Local solutions that meet local need

Housing-led regeneration is not a single, uniform challenge that can be addressed through a single response. Need across the North is diverse in its nature and scale and unevenly distributed across communities and tenures. Understanding this diversity is essential to designing policy and funding frameworks capable of serving the full range of places that need support and avoiding the mistake of previous programmes which concentrated activity in stronger markets where delivery was easiest, failing to reach where need was greatest.

UNDERSTANDING THIS DIVERSITY IS ESSENTIAL TO DESIGNING POLICY AND FUNDING FRAMEWORKS CAPABLE OF SERVING THE FULL RANGE OF PLACES THAT NEED SUPPORT

The diversity of regeneration in the North

The case studies below are a selection of regeneration sites across the North. These span inner city urban areas and town centres, former industrial settlements, post-war tower blocks and mixed-tenure housing estates, demonstrating the wide range of interventions that successful regeneration across the North requires.

CASE STUDY

BATTERSBY HAT WORKS, STOCKPORT
BROWNFIELD HERITAGE REGENERATION DELIVERING MIXED-TENURE HOUSING AND PRESERVING HISTORIC MILL BUILDINGS – STOCKPORT HOMES GROUP AND VIADUCT HOUSING PARTNERSHIP

Regeneration typology

- Brownfield regeneration
- Estate regeneration and neighbourhood renewal

Context

Viaduct Housing Partnership, part of Stockport Homes Group, created a new mixed tenure neighbourhood in Offerton in Stockport while preserving the locally listed Battersby Hat Works mill buildings. Redevelopment of the brownfield site began in 2019, following planning approval in 2018. The scheme was completed in 2025.

The project was developed in response to significant housing pressures in Stockport. The borough's five year housing land supply was critically low, and the area faced a net annual shortfall of 549 affordable homes including a severe shortage of larger affordable family homes.

Project Overview

The Battersby Hat Works development delivered 144 houses and apartments, including the refurbishment of retained mill buildings. Of the 144 homes, 92 are affordable, including 10 Affordable Rent and 82 Shared Ownership homes. 51 homes are for market sale and one property is for market rent.

The development combines heritage preservation, housing delivery, community regeneration, and sustainability. Homes range from one to three storeys and are designed with wider doorways, step-free access, and adaptable layouts to support accessibility and long-term use.

New pedestrian and cycle connections are integrated throughout the site to support sustainable travel and Stockport Council's carbon neutrality ambitions.

The scheme has been designed to respect the industrial heritage of the site while creating a high-quality and cohesive residential environment.

Issues that were resolved

Key barriers included the redevelopment of a complex brownfield site, preservation of a locally listed building, and delivery of affordable housing in an area with significant housing need.

FACTORS SUPPORTING DELIVERY

Leadership and oversight

Viaduct Housing Partnership led delivery of the scheme in partnership with Stockport Council, which supported planning, highways, and building control to ensure the development met local priorities.

Funding and finance

Homes England and Greater Manchester Combined Authority provided vital funding of £2.3 million and £2 million respectively which helped address viability challenges associated with the brownfield site.

Engagement and accountability

Community initiatives included a road naming competition involving local primary school children and funding for a community defibrillator at a nearby secondary school.

Capacity and knowledge

The partnership combined expertise in housing delivery, heritage conservation, and regeneration to deliver mixed tenure housing while preserving the historic mill buildings.

Planning, land and site assembly

The scheme successfully regenerated a brownfield site while retaining and refurbishing a locally listed heritage asset.

OUTCOMES

Housing and supply

The scheme delivered 144 homes across affordable rent, shared ownership, market sale, and market rent tenures, helping address housing need in a borough with over 9,000 households on the Housing Register.

Economic growth

The project created 43 local jobs and 9 apprenticeships while supporting local businesses during construction.

Sustainability

The development incorporated sustainable travel infrastructure and adaptable housing design to support long-term accessibility and reduced carbon impact.

People and place

The scheme preserved and brought back into active use the locally listed Battersby Hat Works mill buildings, at the same time creating a locally important heritage building, created a mixed community, and supported local pride and community wellbeing through social and community initiatives.

Images courtesy of Stockport Homes

CASE STUDY

HALLWOOD PARK AND PALACE FIELDS, RUNCORN

LONG-TERM ESTATE REGENERATION SUPPORTING HOUSING RENEWAL, CONNECTIVITY AND ECONOMIC GROWTH - RIVERSIDE

Regeneration typology

• Estate regeneration and neighbourhood renewal

Context

Riverside has been active in Runcorn since 1989, managing around 2,700 homes in Halton. Hallwood Park and Palace Fields are central to this £119 million, ten year regeneration project aimed at revitalising these communities.

The neighbourhoods were selected for regeneration due to a range of challenges and opportunities identified through Riverside's internal sustainability index, housing market conditions, Indices of Multiple Deprivation, and measures of community resilience.

The area faced poor quality homes and community assets, with many properties now 41–50 years old and no longer meeting modern standards. There were also high levels of tenure turnover, economic decline, antisocial behaviour. The community is impacted by limited suitable housing options, poor connectivity, and a lack of accessible community spaces.

Project Overview

The regeneration aims to create sustainable, vibrant neighbourhoods that attract economically active families, meet local housing and socio-economic needs, and support wider economic regeneration and growth.

Initial analysis undertaken in 2017 identified an opportunity to align regeneration with the 20,000 new and retained jobs associated with the Mersey Gateway Project, which opened in 2017.

The project includes new and improved housing, enhanced green spaces, safer and more accessible walking and cycling routes, improved transport links, and new community facilities. A landscaped "green avenue" through the centre of the site will improve connectivity between the estate and the neighbouring town park.

Issues to resolve

Key barriers include addressing in tandem ageing housing stock, poor connectivity, economic decline, limited community infrastructure, and social issues including antisocial behaviour.

FACTORS SUPPORTING DELIVERY

Leadership and oversight

Riverside has led the regeneration programme, using evidence from housing, deprivation, and community resilience data to identify priority areas and shape delivery.

Funding and finance

Around 50% of the project will be grant funded, including through Brownfield Land funding, Sustainable Transport Settlement funding and Homes England grant. The project has also received £4.5million from the Armed Forces Covenant Fund Trust to build 30 homes specifically for veterans. Since 2019, £150,000 has also been accessed by local community groups and charities.

Engagement and accountability

Community engagement has been central to the project. Riverside has undertaken workshops, surveys, events, and meetings with residents, businesses, and community groups. Since September 2022, over 300 households have been consulted and 245 surveys completed. The project has also supported the co-production of a new community space and church facility.

Planning, land and site assembly

The redesign improves accessibility and connectivity by opening the estate onto the town park and integrating sustainable transport routes.

OUTCOMES

Housing and supply

The project will deliver homes that are more energy efficient and fit for the future through improved insulation, ventilation, and energy-efficient design measures.

Economic growth

The regeneration supports wider economic growth linked to the Mersey Gateway Project and aims to attract economically active households. Analysis carried out in 2017 found that a significant regeneration project in the areas surrounding the Mersey Gateway could support the creation and retention of a combined 20,000 jobs.

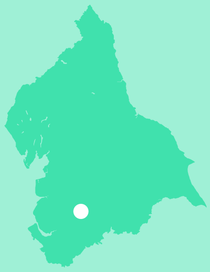
Sustainability

The project will create greener neighbourhoods, improved green spaces, and sustainable walking and cycling routes.

People and place

The regeneration will improve public spaces, connectivity, accessibility, and community facilities, helping to create more sustainable and resilient neighbourhoods.

CASE STUDY



HATTERSLEY, TAMESIDE
LONG-TERM ESTATE REGENERATION COMBINING HOUSING RENEWAL WITH COMMUNITY INVESTMENT – ONWARD HOMES

Regeneration typology

- Estate regeneration and neighbourhood renewal
- Brownfield regeneration

Context

In Hattersley, Onward are undertaking a long-term, phased approach to transforming an entire neighbourhood, combining new homes, improved existing stock, public realm investment and social infrastructure.

At the outset of the programme, Hattersley faced entrenched challenges including poor-quality, mono-tenure social housing, a weak housing market, fragmented land ownership, stalled sites, and a negative reputation that raised doubts about the viability of new homes. Regeneration was required to rebalance the tenure mix, unlock brownfield and stalled sites, and support wider public realm, employment, and skills interventions.

Project Overview

Regeneration in Hattersley has been delivered over more than 20 years, with housing acting as the anchor for wider economic, social and environmental change. The programme combines regeneration and renewal, recognising that large estates require both physical transformation and sustained community investment.

The programme is centred on Hattersley Central and surrounding sites. Key housing interventions include 161 new homes on former brownfield land, offering a mix of tenures including affordable rent and shared ownership. A central feature is Birch Lea Park, a 91-home housing-with-care scheme for over-55s designed to promote independent living and free up family homes in the wider area.

Alongside housing delivery, the programme has invested in public realm improvements, play areas, green spaces, and local centres and amenities.

Issues that were resolved

Key barriers included fragmented land ownership, stalled sites, weak market confidence, and the need for coordinated investment over a long period of time.

FACTORS SUPPORTING DELIVERY

Leadership and oversight

A defining feature of Hattersley's regeneration has been strong partnership governance through a Collaboration Agreement between the housing provider, local authority and development partners, supported by the Hattersley Land Board.

Funding and finance

Partners aligned funding, land, and delivery capacity. This enabled continued investment through a period of market uncertainty and delivery at scale without fragmenting the overall vision.

Engagement and accountability

Community engagement has been continuous throughout the programme. Early and ongoing involvement helped to build trust and avoid perceptions of externally imposed development. Investment in community facilities and social infrastructure was made as part of the process.

Capacity and knowledge

Targeted social investment programmes focusing on employment, skills, health, digital inclusion and green space have run alongside physical regeneration to support existing and future residents.

Planning, land and site assembly

An approach prioritising licences to build over land disposal prevented speculative land banking and maintained public control of regeneration outcomes while supporting coordinated land assembly.

OUTCOMES

Housing and supply

The programme has delivered new homes across multiple tenures, including affordable rent, shared ownership, and housing-with-care, while freeing up family housing.

Economic growth

Housing-led regeneration has increased confidence in the local housing market and attracted greater investor interest.

Sustainability

Investment in green spaces, public realm and long-term neighbourhood renewal has supported more sustainable communities.

People and place

The programme has transformed the tenure balance, strengthened community infrastructure, and supported wider outcomes including employment, skills, and stronger partnership working.

CASE STUDY

BEECH HILL, HALIFAX
ESTATE REGENERATION
TRANSFORMING A DERELICT GATEWAY SITE THROUGH AFFORDABLE HOUSING AND RENEWAL – CALDERDALE COUNCIL AND TOGETHER HOUSING

Regeneration typology

- Urban centre regeneration
- Brownfield regeneration
- Estate regeneration

Context

Beech Hill lies on the western edge of Halifax Town Centre. Previously, three derelict tower blocks, a council depot, a shop and nine garages occupied the site, with the tower blocks standing empty for over ten years before demolition began.

The regeneration forms part of the Calderdale and Together Housing Investment Partnership (CTHIP). Established in 2017 to help address the housing crisis, CTHIP aimed to deliver approximately 650 affordable homes across Calderdale between 2018 and 2023. In doing so, a prominent gateway site was transformed into a high-quality living environment reflective of Halifax's distinctive character while meeting diverse local housing needs.

Project Overview

The Beech Hill regeneration was a dual-phased affordable housing and estate renewal scheme comprising 106 new affordable homes and energy efficiency improvements to 70 existing homes at Mount Pleasant.

The new development included a mix of two, three, four and five-bedroom homes available for affordable rent, with five homes fully wheelchair accessible. The wider scheme includes landscaping, public open space, cycle routes, parking facilities and infrastructure works. Existing homes on Mount Pleasant benefited from improvements including new roofs, insulated cladding, windows, doors and boundary treatments.

Key Issues Resolved

Key barriers included long-term dereliction, demolition and remediation of former high-rise blocks, and delivering affordable housing in a challenging brownfield location.

FACTORS SUPPORTING DELIVERY

Leadership and oversight

The regeneration was delivered through partnership working between Together Housing Group, Calderdale Council, West Yorkshire Combined Authority, Homes England, Esh Construction and Equans/ENGIE. Governance was provided through CTHIP.

Funding and finance

The £16.5 million scheme received £2.197 million from the Leeds City Region Enterprise Partnership through the West Yorkshire Combined Authority Growth Deal, alongside funding from Homes England, Calderdale Council, Together Housing Group, the Government's Getting Building Fund and the Estate Regeneration Fund.

Engagement and accountability

The project attracted strong local and political support, including visits from Lisa Nandy MP (whilst Shadow Secretary of State for Levelling Up, Housing and Communities), Holly Lynch MP (former MP for Halifax), and Tracy Brabin, Mayor of West Yorkshire, demonstrating the importance of engaging with and aligning local civic leadership.

Capacity and knowledge

Together Housing Group brought significant housing development expertise, managing around 38,000 homes across the North of England.

Planning, land and site assembly

Demolition of the tower blocks, depot, shop and garages enabled redevelopment of the site and wider estate improvements.

OUTCOMES

Housing and supply

The scheme delivered 106 new affordable homes and improvements to 70 existing homes helping address housing need in Calderdale.

Economic growth

The regeneration formed part of wider investment intended to accelerate growth and create jobs across the Leeds City Region.

Sustainability

All new homes are energy efficient with EPC B ratings while existing homes received retrofit and energy efficiency improvements.

People and place

The regeneration transformed a long-derelict gateway site into a high-quality neighbourhood with an improved public realm and community infrastructure, and greater accessibility and connectivity.


Images courtesy of Together Housing
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CASE STUDY

BOROUGH YARD, BIRKENHEAD
BROWNFIELD REGENERATION
CREATING A LOW-CARBON NEIGHBOURHOOD AND RECONNECTING THE TOWN CENTRE – LIVERPOOL CITY REGION COMBINED AUTHORITY

Regeneration typology

- Urban centre regeneration
- Brownfield regeneration

Context

At Borough Yard, Birkenhead, Wirral Council and its partners, supported by Liverpool City Region Combined Authority and Homes England, are aiming to turn 10.9 hectares of long derelict former gasworks and railway land into a walkable, low carbon neighbourhood.

The area has suffered from decades of vacancy and contamination, poor connectivity caused by tunnel flyovers and the gyratory road system, high recorded crime and antisocial behaviour, and deep deprivation.

Project Overview

Borough Yard will deliver up to 1,600 homes alongside complementary uses, new infrastructure and extensive public realm. The initial phases of Borough Yard (A&B) will unlock 10.9 hectares to deliver over 600 new homes, 1,300+ sqm of active ground floor commercial space, and high-quality public realm. Dock Branch Park South, a new linear green corridor and active travel spine, will connect Birkenhead town centre with Birkenhead Central and Green Lane stations.

The project is designed to improve physical and mental wellbeing through new green space and off-road walking and cycling routes. A bus first street layout and proximity to rail will improve access to jobs, education, and services while reducing transport barriers in an area of high deprivation. Bringing homes and amenities onto previously overlooked streets is also intended to reduce crime and antisocial behaviour through design, lighting, and natural surveillance.

Issues to resolve

Key barriers to delivery include site contamination, poor connectivity and deep social-economic challenges. These are compounded by significant funding and viability challenges associated with complex brownfield, multiphase projects in lower value markets. The Full Business Case identifies a £50+ million viability gap for enabling works.

FACTORS SUPPORTING DELIVERY

Leadership and oversight

A strong partnership is central to its progress: Wirral Borough Council as principal landowner, Ion Developments as Development Manager and Master Developer, and substantial funding support from Liverpool City Region Combined Authority and Homes England. It forms part of the wider Left Bank, Birkenhead and Wirral Waters regeneration corridor under the Strategic Place Partnership with Homes England, and the scheme represents one of Wirral's most significant redevelopment programmes.

Funding and finance

The scheme relies on a blended funding model with substantial public investment focused on enabling infrastructure and site preparation including utilities diversion, site clearance, and transport improvements which represent a significant proportion of the overall development cost.

A joint business case secured £29 million from Homes England and £22 million from the Liverpool City Region Combined Authority (approved in principle) to support early phases of delivery.

By addressing these upfront infrastructure constraints, public investment plays a catalytic role in unlocking schemes of this nature and enabling the delivery of new homes that would not otherwise be viable. Without this intervention, the scheme would be unlikely to proceed, given the scale of abnormal costs associated with the site.

Engagement and accountability

The project will work with the community with a focus on improving access to services, reducing transport barriers, and creating safer streets and public spaces for existing and future residents.

Capacity and knowledge

The scheme builds on strategic regeneration partnerships and experience of delivering complex brownfield regeneration and infrastructure-led development.

Planning, land and site assembly

Public enabling works, new transport infrastructure, and the Dock Branch Park South corridor will unlock the first phase of development and connect the site with surrounding neighbourhoods and transport hubs.

OUTCOMES

Housing and supply
The scheme will initially unlock over 600 homes, with later phases supporting around 1,600 homes overall.

Economic growth
The development will strengthen town centre footfall and support wider regeneration across Birkenhead and Wirral Waters.

Sustainability
All homes are targeted to meet the Future Homes Standard, with air source heat pumps, Sustainable Drainage Systems (SuDS), biodiversity measures, and a movement network prioritising walking, cycling, and public transport.

People and place
The project will create high-quality public realm, safer streets, improved connectivity, and better access to jobs, education, and services.


Image courtesy of Wirral Council

CASE STUDY

RIVERSIDE, SUNDERLAND
CITY CENTRE SCHEME REPLACING DECLINING RETAIL WITH NEW MIXED-USE NEIGHBOURHOOD

Regeneration typology:
- Brownfield regeneration
- Urban centre regeneration

Project

One of the UK's most ambitious city centre regeneration schemes creating a new urban quarter at the heart of Sunderland.

The 32 hectare brownfield site sits adjacent to the river and requires significant demolition, land remediation and infrastructure investment before redevelopment can take place.

The vision for the site is to create a new mixed-use community delivering around 1,000 homes and 1 million sq. ft of commercial space, helping to reconnect the area with Sunderland city centre and support wider economic growth.

Barriers to delivery

The historic heavy industrial use of the site has created significant abnormal development costs to deliver extensive remediation and enabling works.

The site is made up of three development plateaux's, is dissected by the river, and is physically disconnected from the city centre by a dual carriageway. There was therefore a need for major infrastructure and connectivity improvements, including a 250m long new pedestrian/cycle bridge, to allow development to progress.

Sunderland has suffered more than most from the effects of de-industrialisation and suppressed land and property values add an extra layer of complexity in addressing the development viability gap.

Leadership & Oversight

Sunderland City Council has a strong track record of leading major regeneration and development schemes, built on retaining strong in-house regeneration capability and long-term partnership working with the private sector.

Funding & Finance

With over £650m invested to date, the scheme required substantial upfront investment to remediate the site and prepare it for delivery.

Grant funding from MHCLG, the North East Strategic Mayoral Authority, and Homes England alongside the Council's own capital, has supported the delivery of infrastructure and enabling works, and the Council also acted as developer on the initial office and residential developments to stimulate market interest.

This leveraged significant private sector investment from Legal and General, Canada Life, Vistry, Placefirst, and Igloo to bring the site forward for commercial and residential development.

Engagement & Accountability

The Riverside Sunderland Masterplan and Supplementary Planning Document (SPD) for Riverside was subject to extensive public consultation, helping to shape the long-term vision and framework for regeneration.

Capacity & Knowledge

The Council has invested in dedicated development and development management capability while working closely with partners such as Vistry and Igloo to bring forward delivery of the residential development and create a new high quality city centre housing offer.

Planning, Land & Assembly

An SPD for the site was produced in 2020. The Council has undertaken a long-term programme of land acquisition while reserving the right to use Compulsory Purchase Order powers to support comprehensive delivery of the site.

The former Vaux Brewery site itself was acquired in 2011 for £22 million using funding from the then Homes and Communities Agency, former regional governance body One North East, and Sunderland City Council.

Issues to resolve

The homes and wider regeneration would not come forward without significant public grant investment for enabling works, site remediation and infrastructure.

The Current funding system that 'buys' housing units is not well suited to the scale of upfront investment required for complex brownfield regeneration and whilst Homes England has been a committed funding partner, its cumbersome processes are not aligned with the complexity of delivering large-scale brownfield regeneration schemes or the Council and the private sector's ambition to progress at scale and pace.

Images courtesy of Sunderland City Council

CASE STUDY

LEEDS
TRANSFORMATIONAL REGENERATION PARTNERSHIP (& NEW TOWN)

Wide area set of schemes unable to progress due to inflexibility of funding regime and slow pace of Government

Regeneration typology:
- Brownfield regeneration
- Urban centre regeneration

The South Bank area of Leeds has the potential to deliver more than 20,000 new homes over the next decade alongside significant new economic and commercial activity creating growth and jobs. The area has been designated as a New Town area reflecting the scale of the regeneration opportunity.

Barriers to delivery
Progress has been constrained by a lack of clarity around funding availability for the New Town programme, delays caused by multiple extended Government processes, and the need for grant funding to support infrastructure and viability.

Leadership & Oversight
The Mayoral Strategic Authority and Council have developed the principle of a Mayoral Development Zone model to coordinate activity across the area, with a joint delivery team now created and co-locating to drive the programme forward. This provides strong coordinating leadership and oversight across the regeneration area.

Funding & Finance
The programme has the potential to attract considerable private investment but requires flexible grant funding to unlock delivery, particularly if the ambition for 40% affordable housing is to be achieved. This affordable housing target adds further pressure to existing viability constraints, and where Local Plan requirements are currently set at 7% delivery.

Despite the national political priority given to New Towns, long-term funding arrangements remain unclear. For any New Town to be delivered it must remain a priority across political cycles and needs committing to on such a basis.

Engagement & Accountability
The governance model allows for shared accountability between key partners, while schemes are routinely engaged with as proposals are developed.

Capacity & Knowledge
The Council has a strong track record of achievement and of working with private sector partners and with the Mayoral Strategic Authority. However, there has been a recognition that to achieve a step-change in delivery a new model would be required. A joint-team has now been formed between the Council, Mayoral Strategic Authority and Homes England to accelerate delivery.

Planning, Land & Assembly
The Council has a strong track record of planning-led growth and there are willing development partners already engaged in the programme.

There will likely to be a need for some strategic land acquisition and possible use of Compulsory Purchase Orders to support comprehensive regeneration and infrastructure delivery in the long term.

Issues to resolve
The programme could make a significant contribution to housing supply through the delivery of over 20,000 homes. However, New Town funding over the long term remains uncertain despite national policy announcements.

Viability gaps remain a major challenge, particularly where regeneration sites face high abnormal costs that existing Government funds do not support. This is particularly the case when there is a site such as Temple Works which effectively blights wider development occurring yet no single fund is necessarily applicable to solve the problem. The desire for increased affordable housing also creates additional costs above existing market viability gaps which risk being unfunded.

There are also concerns that Government preference for “one size fits all” processes is creating delays when delivery could otherwise be progressing.

The Climate Innovation District on Leeds South Bank, image courtesy of the NHC

Regeneration need and deprivation

Regeneration need in the North is also closely tied to the geography of deprivation.

The map below shows regeneration sites identified through the Renew Call for Evidence and major urban centre regeneration schemes planned in the North, plotted against the 2025 Indices of Multiple Deprivation. The 20% most deprived areas in England are shown in darkest green.

Across the North, the places where regeneration is most needed are overwhelmingly the same places where deprivation is most concentrated. This is not coincidence. Deteriorating stock, underused brownfield land, declining town centres and the long-term withdrawal of investment all drive both regeneration need and deprivation, and their consequences fall on the same residents and communities. Addressing the regeneration challenge in the North is inseparable from addressing the deprivation challenge.

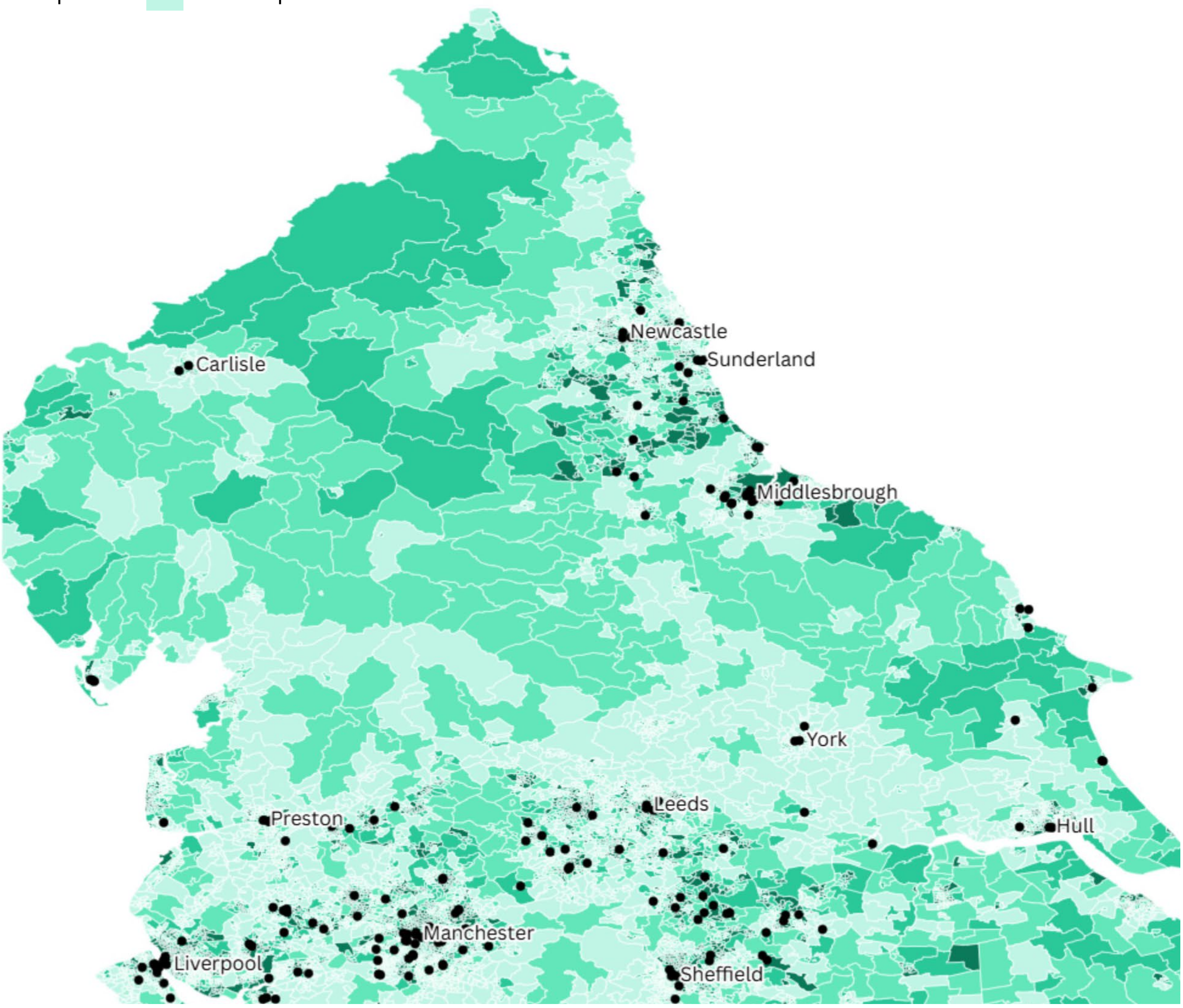
Regeneration sites in the North of England

The below map shows the regeneration sites highlighted through the Renew Call for Evidence and major town and city centre regeneration schemes across the North, with Indices of Multiple Deprivation data overlaid

● Regeneration sites highlighted through the Renew Call for Evidence

Most Deprived | More Deprived

Less deprived | Least deprived

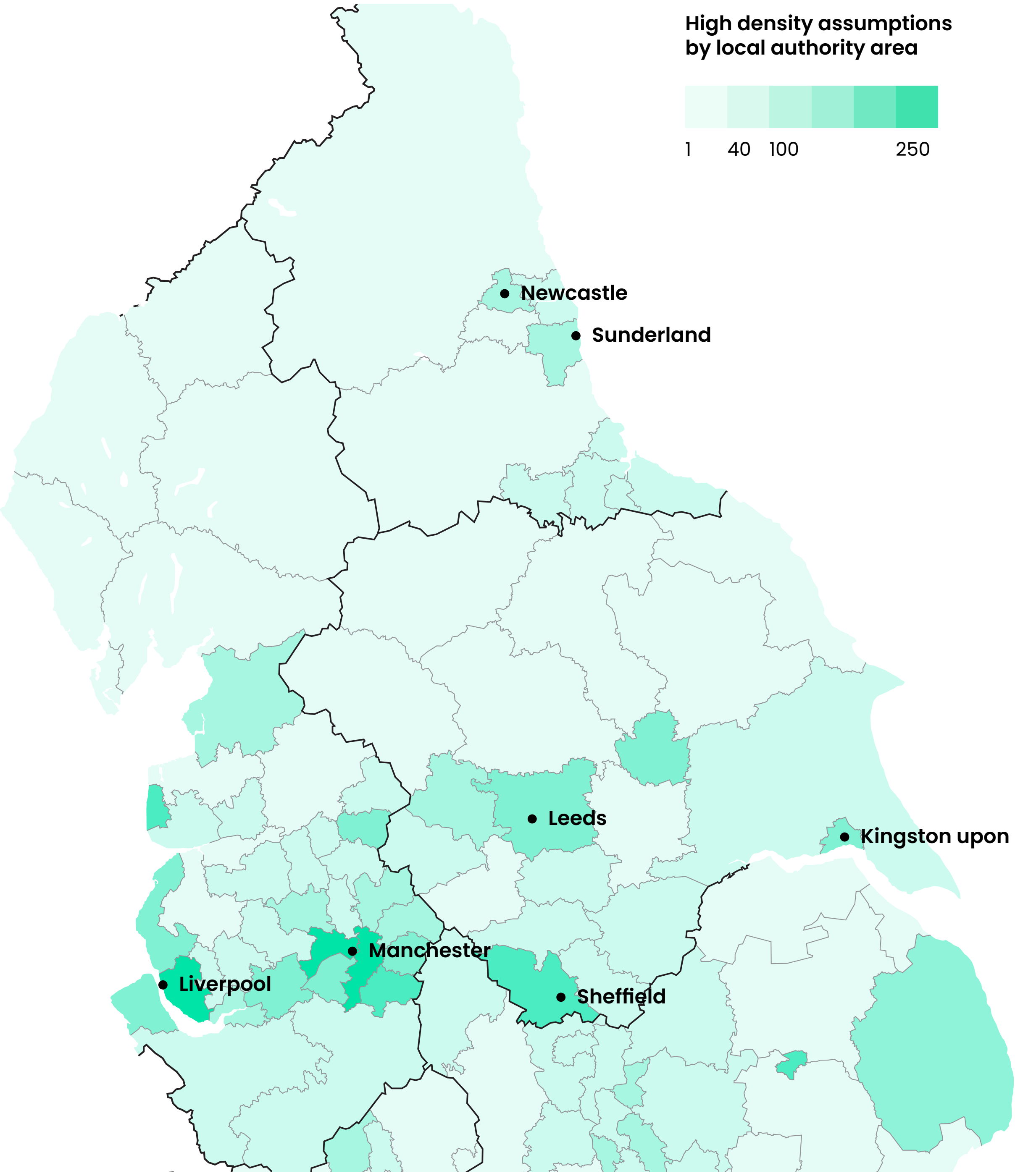


Densification potential in the North

National housing, planning and regeneration policy treats densification as a near-universal goal, presuming that higher density development is both desirable and deliverable across all areas. Across the North, however, the picture is more varied. Drawing on MHCLG residential land value data, northern housing markets fall into three distinct categories. This data uses ten years of market data to estimate residential land values for each local authority area at different density scenarios, including a high density scenario calibrated to what each market could realistically deliver. Where the high density scenario for an area sits below 80 dwellings per hectare, flatted or high-rise development has not been viable or prevalent in that market over the last decade. Above that threshold, the market has shown it can support it.

The first category of areas comprises the North's strongest urban markets, where high-density development at 100 dwellings per hectare or above is viable and being delivered, shown as the deepest green areas in the map below. This group is small, comprising Manchester, Salford, Sheffield, Stockport and Liverpool, but these markets are where densification is genuinely working as a delivery strategy. Policy and funding frameworks should be designed to facilitate and build on this progress.

The second group of markets consists of areas building at lower densities but showing potential for higher density development, with high density scenarios between 70 and 100 dwellings per hectare. These include Leeds, Newcastle, Tameside, Sefton, Wirral



and others. In some of these markets, however, higher density does not necessarily produce higher viability.

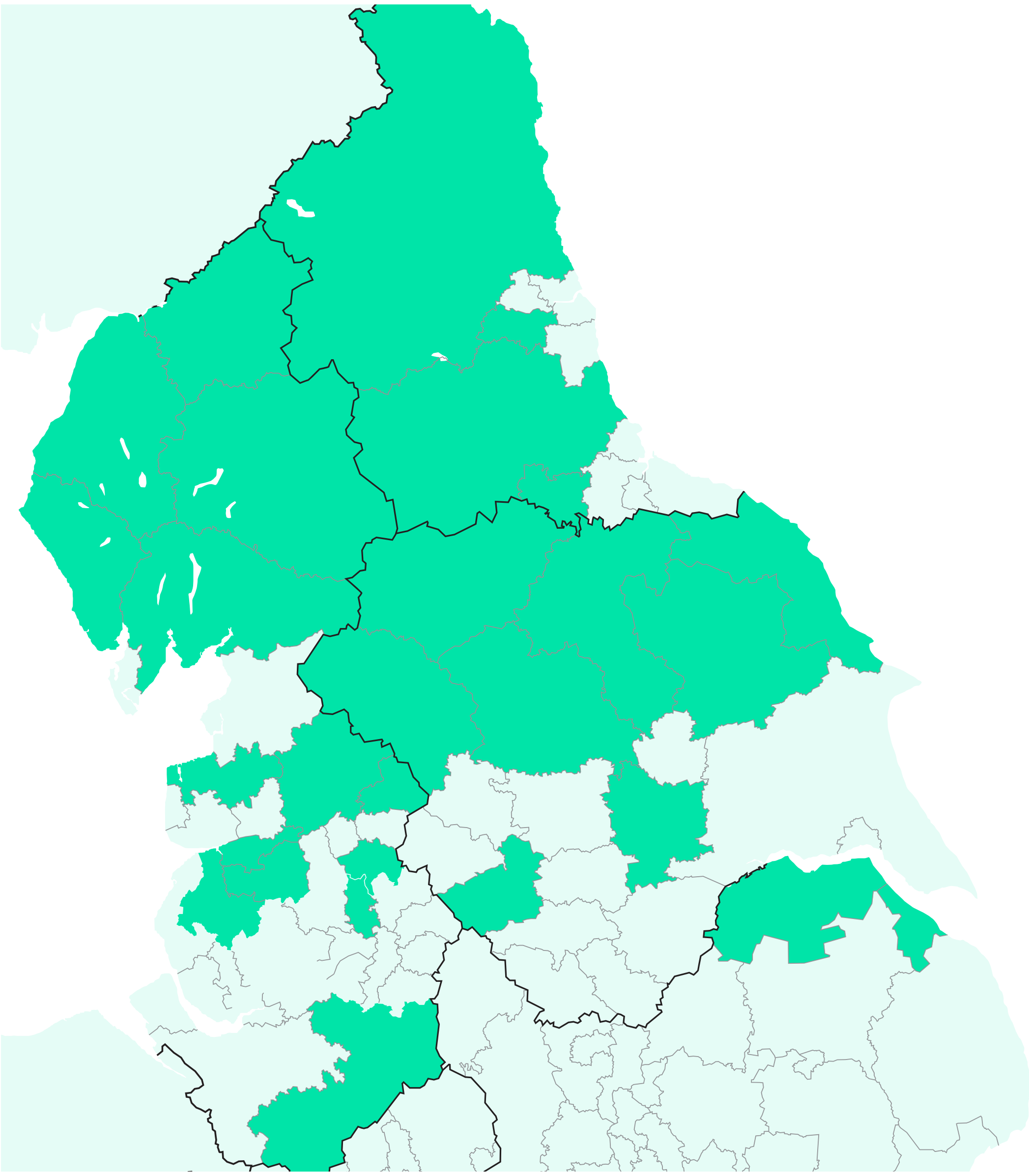
The MHCLG land value data illustrates this through a comparison between Leeds and Manchester at the point each market crosses 80 dwellings per hectare (the threshold at which flatted or high-rise development becomes the primary typology). In Manchester, crossing that threshold increases residual land value from £6.41 million per hectare to £10.48 million at the median market point, an uplift of £4.07 million, or 63%. In Leeds, the same transition produces the opposite result: residual land value falls from £5.18 million to £2.72 million, a reduction of £2.46 million, or 47%.

At the 25th percentile of the market – a useful proxy for where affordable housebuilding takes place – the contrast is equally stark, with the typology switch generating a 93% uplift in Manchester, and a 70% fall in Leeds. This difference in outcomes reflects the different market conditions. In Manchester, development values are sufficient to absorb the higher build costs associated with delivering high-rise development, whereas in Leeds this is not currently the case. Higher density development is achievable in these markets but requires targeted public intervention to support scheme viability. With the right support, these are the markets where densification can deliver at scale, in the sustainable, well-connected locations the Government has identified as a priority.

Higher and lower densities in Manchester and Leeds

Crossing the 80 dw/ha threshold increases land value in Manchester by 63 per cent. In Leeds, the same transition reduces it by 47 per cent.

Areas in the North where 'high' density scenario remains at 40 dw/ha or lower



Source: Office for National Statistics (Boundaries), Simple maps (Points)

The third group of markets comprises 19 local authority areas in the North where market data suggests that even a 'high-density' scenario produces densities of 40 dwellings per hectare or below, including Bury, Kirklees, Cumberland, County Durham, North Yorkshire, Darlington and others. The case for densification as a delivery strategy in these places is weak. The market is not delivering high density housing, and data suggests that there is limited if any potential to significantly increase density.

Many of these areas nonetheless contain communities with acute regeneration need, with declining town centres and ageing housing stock that is no longer fit for purpose. Applying the same density expectations to these areas as to the North's strongest urban markets risks blocking delivery entirely, by making the only viable forms of development ineligible for support. These communities need a policy and funding framework designed for the conditions that prevail in them.

In practice, that means recognising that like-for-like or near like-for-like replacement at existing densities, alongside wider regeneration, is frequently the most appropriate and deliverable response, and that the value of such schemes should be measured by the housing quality, sustainability and community benefit they deliver, rather than solely by the net number of homes they add.

Densification should be prioritised and supported where markets can sustain it, but it cannot substitute for renewal and replacement in areas where they cannot. A place-sensitive approach to density, supporting and accelerating high-density development where markets can sustain it, unlocking potential in areas that need targeted support, and recognising the limits of densification in the North's weakest markets, is the only framework capable of delivering across the full range of northern places. It is also the foundation on which a dedicated regeneration funding programme must be built, calibrated to local conditions through the place-specific knowledge of mayors, strategic authorities, councils and local partners, rather than applying a single set of assumptions to places with fundamentally different realities. By allowing additionality to be demonstrated across an entire devolved programme, Government can enable weaker markets to benefit from regeneration investment while still ensuring that programmes provide additionality and value for money across a strategic authority area.

The opportunity of devolution

One of the persistent weaknesses of previous regeneration programmes was the absence of a regional governance tier capable of aligning housing investment with wider economic strategy. The Regional Development Agencies previously attempted to play this role but were constrained by limited fiscal autonomy and a narrow range of powers. Their abolition in 2012, alongside reductions in local authority funding, meant that subsequent regeneration programmes operated in relative isolation from the transport investments, skills programmes and economic development strategies that could have amplified their impact.

The expansion of devolution and establishment of strategic authorities across the North has fundamentally changed this picture. For the first time, elected mayors have meaningful control over a range of policy levers, across transport, skills, economic development, planning and, increasingly, housing and regeneration, that can be aligned to deliver a coherent, place-based growth strategy.

FOR THE FIRST TIME, ELECTED MAYORS HAVE MEANINGFUL CONTROL OVER A RANGE OF POLICY LEVERS, ACROSS TRANSPORT, SKILLS, ECONOMIC DEVELOPMENT, PLANNING AND, INCREASINGLY, HOUSING AND REGENERATION, THAT CAN BE ALIGNED TO DELIVER A COHERENT, PLACE-BASED GROWTH STRATEGY.

Integrated Settlements give mayors the flexibility to direct funding across these areas in response to local need, rather than being constrained by the siloed funding streams and national eligibility criteria that have historically limited area-based programmes. Spatial Development Strategies provide a further opportunity, enabling regeneration to be planned at the scale of functional economic areas, and aligned to wider investments across transport, housing and other areas.

Devolution does, however, remain uneven with strategic authorities having access to different levels of power and funding. Capacity also varies significantly between areas, and the institutional infrastructure required to deliver complex, long-term regeneration programmes is still being built, but the direction of travel is clear. The institutional architecture now exists, or is being put in place, to tailor delivery to local circumstances and align housing-led regeneration with regional economic strategies, transport investment, skills programmes and wider public service reform in ways that simply were not possible under earlier, more fragmented, governance arrangements.

Alongside this, a group of emergent regional housing partnerships is becoming a practical model of collaboration across the North. By bringing together affordable housing providers across each strategic authority area and acting as a clear channel for engagement with strategic authorities and Homes England, these partnerships are pooling expertise and developing new ways to collaborate on shared challenges, including coordinated property investment, common standards for new-build homes, shared pipelines, joint procurement and land disposal programmes. In the future, they offer a genuine opportunity to go further: de-risking complex schemes, sharing best practice and moving beyond isolated projects towards coordinated place-based regeneration approaches that cement housing's role within wider regional priorities.

A future programme of housing-led regeneration, designed to work with and through this emerging architecture, has the potential to deliver in places, at a scale, and with a degree of strategic alignment, that previous programmes could not.

SCALE AND NATURE OF THE REGENERATION CHALLENGE

Scale and nature of the regeneration challenge

The scale of the regeneration challenge facing the North is growing and is not currently being addressed at anything close to the pace or scale required. Across the three regeneration challenges, there is the potential to unlock and accelerate more than 500,000 good quality homes across the North. This section sets out what is known about the extent of that challenge, drawing on our own engagement with the housing sector and the best available data.

Social homes in need of regeneration

Across the North, a significant proportion of the social housing built in the twentieth century is now approaching, or has exceeded, its anticipated lifespan. From extensive engagement with the North's housing sector, across the Renew Call for Evidence and previous research, we estimate that between 6-8% of the social housing stock in the North will be in need of regeneration within the next ten years. This equates to between 84,000 and 112,000 social homes.

FROM EXTENSIVE ENGAGEMENT WITH THE NORTH'S HOUSING SECTOR, ACROSS THE RENEW CALL FOR EVIDENCE AND PREVIOUS RESEARCH, WE ESTIMATE THAT BETWEEN 6-8% OF THE SOCIAL HOUSING STOCK IN THE NORTH WILL BE IN NEED OF REGENERATION WITHIN THE NEXT TEN YEARS. THIS EQUATES TO BETWEEN 84,000 AND 112,000 SOCIAL HOMES.

This aligns with previous work carried out by Homes for the North and Savills, which estimated that approximately 100,000 social homes in the North would require demolition, replacement or major investment works in the same time period and thereby identified as in need of regeneration.[5]

Without intervention, the number of homes crossing the threshold into regeneration need will continue to grow as stock ages further, and the scale of the challenge relative to current delivery rates is stark. At the rate at which social homes are currently being demolished, and assuming no further deterioration of the existing stock, it would take between 88 and 118 years to address the current backlog.

Specific stock typologies with significant regeneration need

Within the overall picture of regeneration need, certain stock typologies present particular challenges that require attention.

Large Panel System and tower blocks

Tower blocks represent the single most acute and pressing element of the challenge, particularly the remaining Large Panel System (LPS) blocks. Built quickly in the post-war decades, much of this stock is now approaching or exceeding its original design life. The post-Grenfell regulatory environment has, entirely understandably, introduced significant new building and fire safety requirements for high-rise residential buildings, but has also increased the cost of maintaining and remediating high-rise stock to a level that is increasingly unsustainable for many northern providers.

For many tower blocks in the North, rental income does not meaningfully exceed current maintenance costs. A block generating little or no surplus does not have the capacity to absorb sudden capital investment requirements from its existing revenue stream. Instead, that funding must come from reserves, additional borrowing, or by reducing expenditure on other areas such as development.

Evidence submitted to our Call for Evidence includes examples where the cost of bringing tower blocks into compliance exceed £10 million per block, a cost that neither rental income nor provider balance sheets can absorb. The financial case for continued investment in many high-rise blocks is becoming increasingly difficult to sustain, and without intervention, the trajectory for much of this stock is demolition without replacement.

Yet redevelopment is equally difficult. Demolition alone costs in the region of £3 million per block, equivalent to approximately £40,000 per unit, and replacing a tower block in weaker northern markets almost always means reducing density. This means grant funding is rarely if ever available to make a replacement scheme viable. Existing residents must also be rehoused throughout, presenting additional financial and logistical challenges. Providers are therefore left in a catch-22 situation: they cannot afford to upgrade these blocks to modern standards but cannot access the funding required to replace them.

Pre-1919 housing

Pre-1919 housing represents a further and distinct challenge, one that is a problem of archetype combined with tenure. In much of the North, pre-1919 stock commands a premium in private ownership. Where pre-1919 stock sits within the social rented sector, however, and in concentrations of poor-quality private rented housing, the picture is fundamentally different. High maintenance costs, low northern rents and solid-wall construction that makes energy efficiency retrofit technically complex and expensive, creates a regeneration challenge that current policy is not equipped to address.

Unlike in post-1920s cavity wall properties, where insulation can be injected into a pre-existing void at relatively low cost and disruption, solid-wall homes have no cavity. Insulation must instead be applied either internally, requiring rooms to be stripped and replastered, and permanently reducing living space, or externally, involving scaffolding, the application of expensive render and, in many cases, planning consent. Data from the Social Housing Decarbonisation Fund (SHDF) and the Warm Homes: Social Housing Fund, demonstrates what this means in practice. As the table below shows, external wall insulation has consistently cost around seven times as much to install as cavity wall insulation. With lower northern rents and property values, it is incredibly hard for providers to deliver this level of expenditure to properties, while maintaining their financial viability.

Post-war social housing estates

Post-war social housing estates, particularly those built to Radburn, 'Streets in the Sky' or similar design philosophies of the 1960s and 1970s, present challenges that combine problematic design with problematic stock. These layouts, which separated pedestrian and vehicle access and oriented homes away from the street, have in many cases created estates with poor natural surveillance, limited defensible space and persistent problems with anti-social behaviour and crime. Many have already been 'De-Radburned', but examples in need of regeneration remain across the North.

Where design challenges are intensified by the condition of system-build or cost-driven specifications that have created ongoing maintenance issues, addressing either in isolation is rarely sufficient. Comprehensive regeneration, simultaneously remodelling layouts, improving public realm and investing in or replacing the homes themselves, is frequently the only viable response.

Non-traditional construction

Non-traditional construction represents a further and distinct regeneration challenge across the North. The term covers a wide range of property archetypes built using methods and materials that differ from conventional construction techniques, including the system-built homes of the 1950s, 1960s and 1970s, pre-fabricated concrete properties, steel-framed housing and other bespoke construction approaches developed during periods of rapid post-war housebuilding.

Analysis of a 1997 dataset covering 46 northern local authorities identifies 93 distinct non-traditional housing archetypes, covering more than 60,000 homes.[8] While some of these homes will have been demolished, the data is still useful to demonstrate the composition of non-traditional housing in the North, including the most common archetypes. One third of archetypes are found in only one local authority area, making them a highly localised challenge, while eight archetypes are each found in more than 10 local authority areas, suggesting that they are the most widespread, and the largest contributors to this issue today. These are:

- Airey
- Wimpey No Fines
- Unity
- BISF
- Tarran
- Orlit
- Hawthorn Leslie
- Trusteel

These properties present unique maintenance challenges that are technically complex and disproportionately expensive. Their structural characteristics make modern energy efficiency standards difficult to achieve, and the specialist skills required to maintain them mean ongoing investment is consistently more costly than for conventionally built homes. For a significant proportion of this stock, replacement rather than refurbishment is the only viable long-term option.

Total costs per install for cavity and solid wall insulation systems through the Social Housing Decarbonisation and Warm Homes: Social Housing Funds[6,7]

Wave	Cavity wall	Internal solid wall	External solid wall	External Wall to Cavity Wall ratio
Wave 1	£2,700	£7,500	£19,200	7.1x
Wave 2.1	£3,300	£8,700	£22,800	6.9x
Wave 2.2	£3,400	£4,900	£25,200	7.4x
Wave 3	N/A	N/A	£31,732	N/A

Brownfield regeneration

Scale and distribution of brownfield land in the North
Brownfield land across the North presents a significant regeneration opportunity, with previous NHC analysis of local authority brownfield land registers identifying capacity for at least 320,000 homes, with a geographic breakdown available in the table and map below.

The opportunity ranges across a wide spectrum of site types. At one end, small infill sites, including former garage courts, vacant plots, and other pockets of underutilised land within established neighbourhoods, which are often already served by existing infrastructure and can deliver modest but locally significant additions to supply. At the other end, major strategic sites on former industrial and manufacturing land, redundant retail complexes and disused transport infrastructure have the potential to both deliver thousands of new homes and reshape the economic and physical geography of the towns and cities in which they sit. They are, however, among the most complex development challenges in the country, typically requiring significant upfront investment in remediation, infrastructure and masterplanning, long lead-in times, and sustained public sector commitment across timescales that can extend to decades.

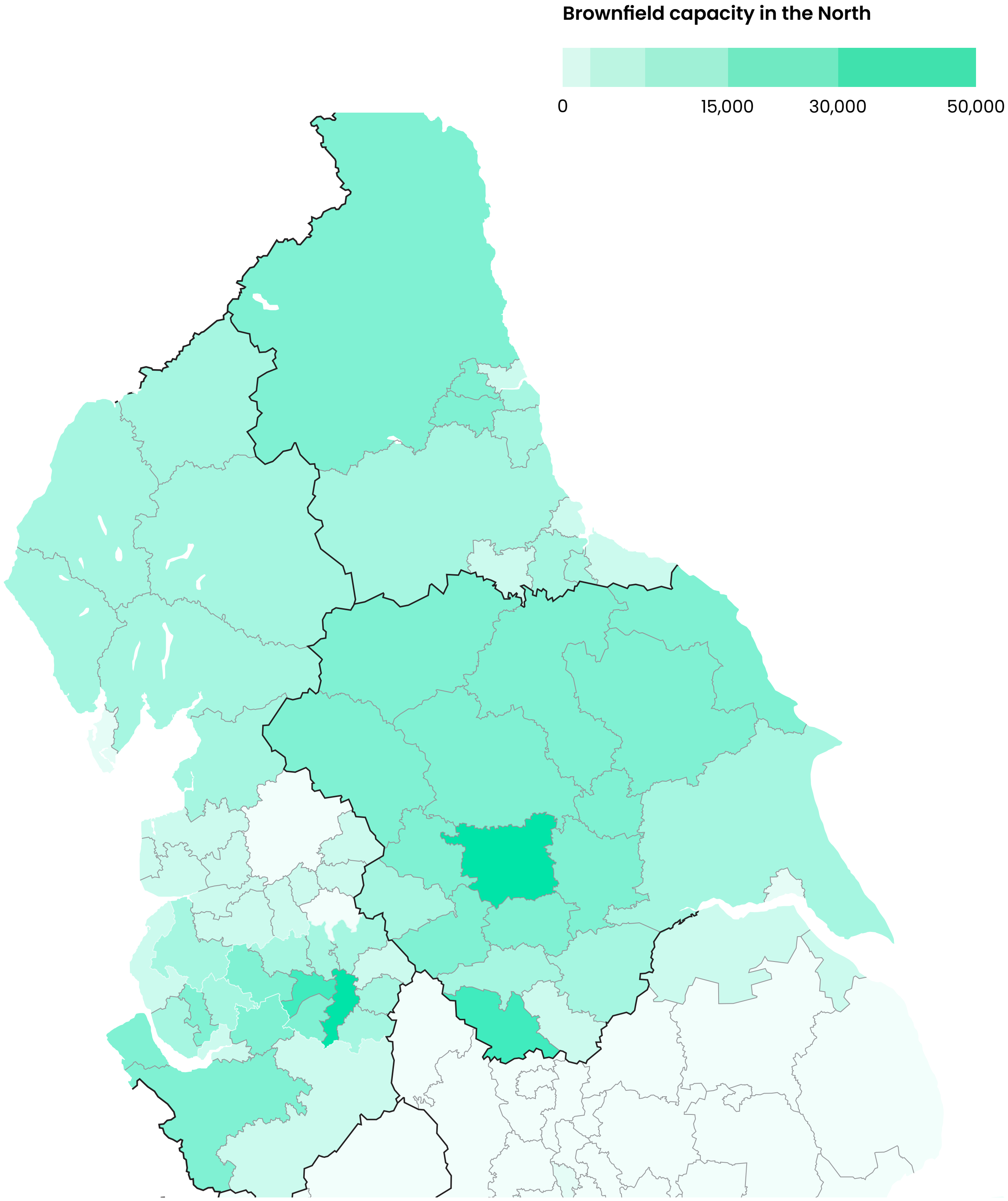
The brownfield opportunity
Despite the viability challenges, brownfield land in the North represents a significant and distinctive opportunity. Industrial land in the North is significantly cheaper than elsewhere, averaging £522,000 per hectare compared to £1.3 million per hectare in the rest of England excluding London. This means that the same public investment acquires substantially more land and unlocks more development capacity. For example, the same £10 million delivers capacity for approximately 2,115 homes in Newcastle and just 183 in Milton Keynes.

Once factoring in remediation and infrastructure costs, this advantage would narrow in practice, particularly in the most heavily contaminated sites in the North, but the underlying differences in land values still means that public investment can acquire more land and unlock more development capacity in parts of the North than equivalent spending in higher-value markets.

Because industrial land values are low, the uplift generated when that land is brought into residential use is comparatively strong. Across the North, the average uplift from industrial to residential use is 4.85 times, close to the national average of 5.15 times, and a significantly narrower gap than the equivalent comparison on residential versus agricultural land values, where the North's lower house prices and the relatively consistent value of agricultural land produce a much wider divergence from national figures. As the chart below shows, in a number of northern cities the uplift is even more pronounced, with Newcastle recording the largest uplift from industrial to residential use of any built-up area in the country.

Authority area	Identified brownfield land (hectares)	Capacity for homes
Greater Manchester	1,431	117,201
North East	1,036	29,380
West Yorkshire	878	55,189
South Yorkshire	491	27,609
York & North Yorkshire	425	13,623
Hull & East Yorkshire	138	5,174
Liverpool City Region	566	24,651
Lancashire	555	14,170
Tees Valley	225	8,984
Cheshire and Warrington	466	17,012
Cumbria	181	4,792
North	6,489	320,782

Where public investment is required to remediate and de-risk brownfield sites, the North's lower land costs mean that each pound of public money unlocks proportionally more land than equivalent investment in higher-value markets. At a time when the Government has committed to delivering 1.5 million new homes and identified housing delivery as a central driver of economic growth, the North's brownfield land represents a significant and underutilised opportunity.



Source: Office for National Statistics (Boundaries), Simple maps (Points)

Multiple uplift in land value from industrial to residential use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Urban centre regeneration

Across the North, bringing new homes into town and city centres, alongside the wider regeneration of the built environment and public realm, has emerged as one of the most consistent and widely shared priorities for housing and regeneration investment. Throughout our engagement on Renew, almost every local or strategic authority identified this as a priority for their housing and regeneration work. This is backed up by the fact that when given the opportunity to identify their regional strategic priorities for the delivery of the Social and Affordable Homes Programme, all five Established Mayoral Strategic Authorities in the North identified town centres specifically as areas to focus housing and regeneration efforts.[9]

All of the North's major towns and cities now have major housing-led regeneration programmes either in train or in detailed planning stages. The schemes set out in the table across, which captures only those with concrete, published plans and is not intended to be exhaustive, have identified capacity for just over 100,000 new homes, a figure that is likely to significantly understate the true pipeline. They include Manchester Victoria North, Leeds South Bank, York Central, Newcastle Forth Yards, Liverpool North, and Neepsend and Furnace Hill in Sheffield, among others across the region. As urban centre regeneration takes place almost entirely on previously developed land, there will inevitably be overlap between these urban centre regeneration schemes and the identified brownfield capacity across the North's local authorities.

The case for urban centre regeneration rests on several converging pressures. The retail-led model that defined town and city centres for much of the twentieth century has entered a period of structural and, in many cases, terminal decline, leaving significant quantities of vacant or underutilised commercial floorspace, including former department stores, shopping centres, offices and surface car parks that no longer serve their original purpose.

Bringing residential uses into these locations addresses multiple objectives simultaneously. It contributes directly to housing supply in well-connected locations, generates the footfall that struggling town centre economies need to remain viable, and can catalyse wider investment and confidence in places that have experienced sustained decline. Higher-density, mixed-use development also makes more efficient use of scarce land, reduces pressure on greenfield sites, and can generate the agglomeration benefits that drive productivity and growth. In the North, town and city centre regeneration is as much an economic growth strategy as it is a housing one.

While the scale of ambition is relatively consistent across the North, the ability to deliver is not. In the largest cities, momentum is building and the question is less whether regeneration will happen than how quickly. In smaller towns and cities, viability gaps are wider, markets are thinner, and schemes that are technically feasible remain financially undeliverable without greater public support. The policy and funding framework has not kept pace with local ambition, and too many schemes remain stalled or moving far more slowly than the need demands. With the right framework in place, these schemes can be delivered in full, delivery can be accelerated, and further schemes not yet at the point of quantified ambition can be brought into the pipeline.

Major urban regeneration schemes by number of homes by strategic authority area

Strategic authority area	Scheme	Number of homes
Greater Manchester	Manchester Victoria North	15,000
	Stockport Mayoral Development Corporation	8,000
	Salford Crescent	3,000
	Trafford Waters	3,000
	Manchester Waters	2,600
	Oldham Town Centre	2,000
	Wythenshawe Town Centre	2,000
	Manchester, Mayfield	1,500
	Bury, Prestwich Village	250
	Subtotal	**37,350**
Liverpool City Region	Liverpool North	17,500
	Wirral Waters	13,500
	St Helens town centre	65
	Subtotal	**31,065**
North East	Newcastle Forth Yards	2,500
	Gateshead Quays	1,600
	Sunderland Riverside	1,000
	Subtotal	**5,100**
Tees Valley	Middlesbrough Middlehaven	3,400
	Hartlepool Development Corporation	1,300
	Stockton Municipal Quarter	400
	Subtotal	**5,100**
Hull and East Yorkshire	Hull East Bank	850
South Yorkshire	Sheffield, Furnace Hill & Neepsend	1,200
	Doncaster Waterfront	300
	Subtotal	**1,500**
West Yorkshire	Leeds South Bank	13,000
	Bradford City Village	1,000
	Wakefield Cathedral Quarter	1,000
	Subtotal	**15,000**
York and North Yorkshire	York Central	2,500
Cumbria	Barrow Marina Village	**1,350**
Cheshire and Warrington	Warrington town centre	**240**
Total		**100,053**

The three regeneration typologies set out in this section represent a challenge of enormous scale and complexity, requiring a policy and funding framework designed around the specific economics and geography of the North. The following sections examine the context for delivery, the barriers that stand in the way, and the policy programme needed to address them.

REGENERATION INCREASES THE VIABILITY OF HOUSING PROVIDERS TO DELIVER NEW SUPPLY

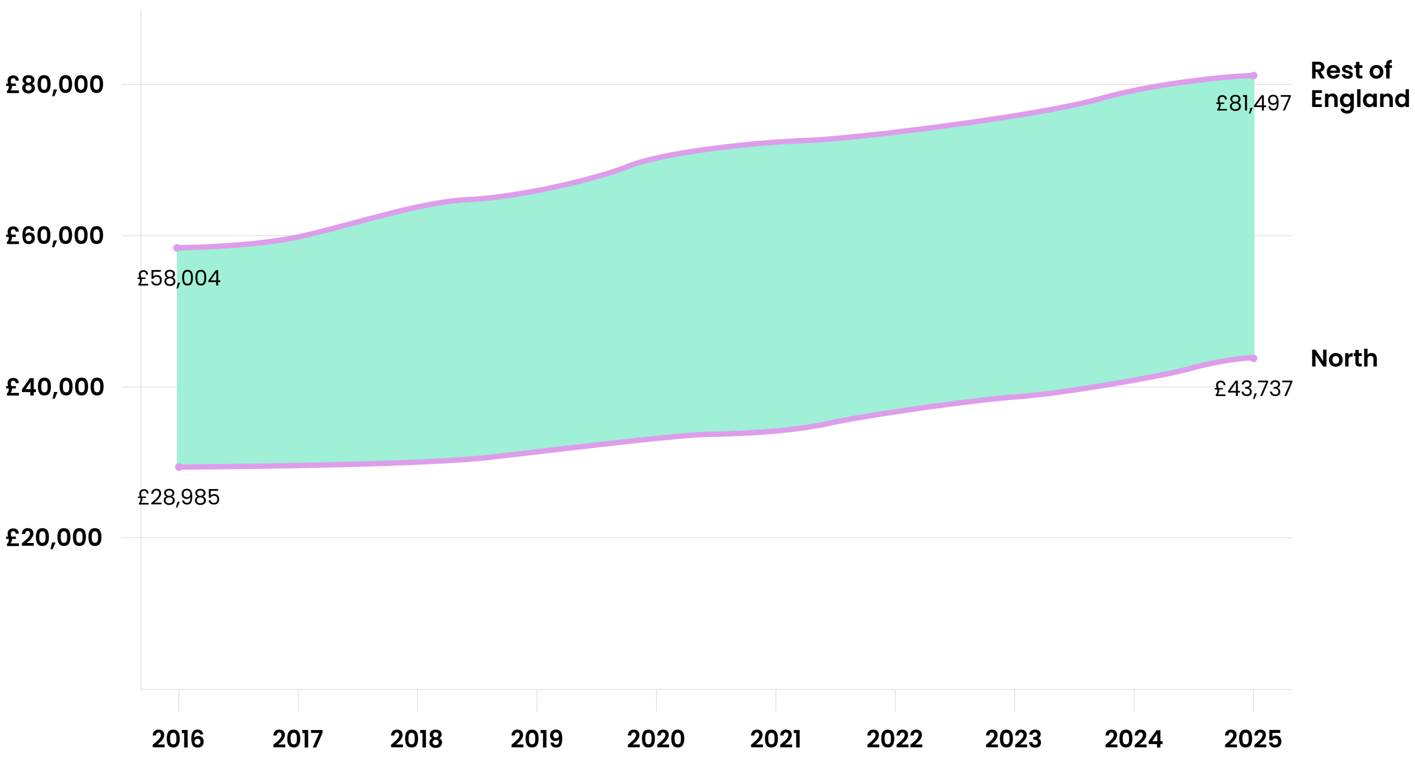
Regeneration increases the viability of housing providers to deliver new supply

The financial viability of the North's existing social housing stock is under increasing pressure, strengthening the case for regeneration. The existing funding framework cannot support the scale of investment required to maintain and improve significant portions of the stock, while simultaneously constraining the resources providers have available to commit to regeneration. Registered providers and local authorities are already making decisions about which homes have no viable long-term future in the sector. Addressing these financial pressures would free up balance sheet capacity for northern providers to regenerate non-viable stock and expand new social housing supply.

A challenging financial position for social housing providers in the North

The starting point when understanding the financial position of affordable housing providers in the North is the relative value of the North's social housing stock. In the North, the average book value of a social home is £43,737, per the Regulator of Social Housing's most recent data, just 54% of the national figure of £81,497. In cash terms, this gap has grown from £29,019 to £37,760 per unit since 2016, an increase of 30%.

Average book value of social housing property (2015/16 - 202425)

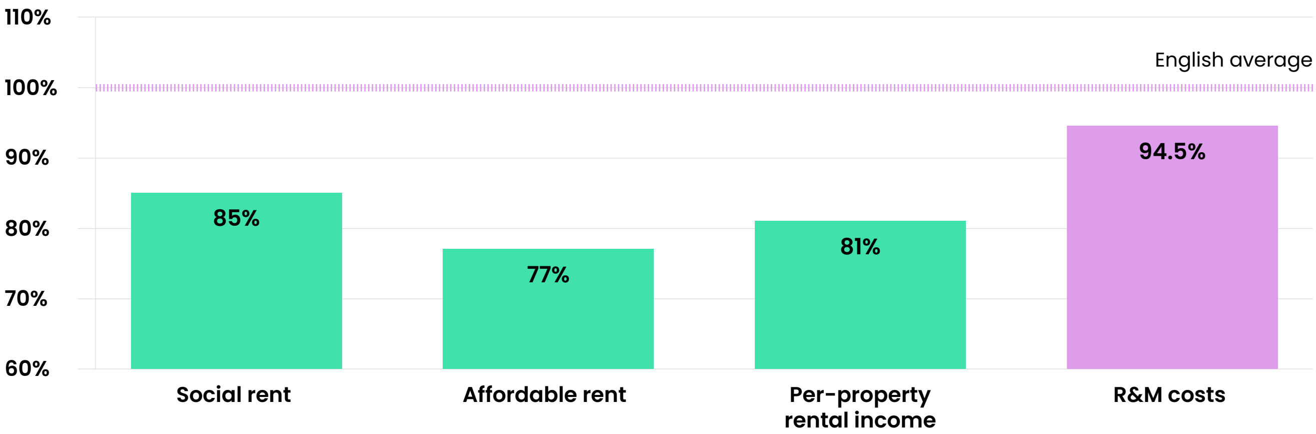


Social and affordable housing providers in the North also generate lower levels of rental income than elsewhere. Social rent levels in the North are 85% of the national average, while for affordable rent the figure falls to 77%. The costs of running homes, however, do not fall proportionally. Per-property repairs and maintenance spend in the North sits at 95% of the English average, reflecting the reality that while rents vary significantly by region, the costs of delivering an effective repairs and maintenance service do not.

Since 2015/16, repairs and maintenance spend has increased at more than double the rate of rent growth for both housing associations and local authorities, influenced by increasing repairs and maintenance requirements and restrictive rent policy, including a four year rent cut. This means that the structural squeeze on provider finances has worsened significantly over the past decade. The result is that repairs and maintenance now absorb 37% of rental income in the North, compared to a national average of 31%.[10]

Lower rents, similar costs - the North's stock maintenance challenge

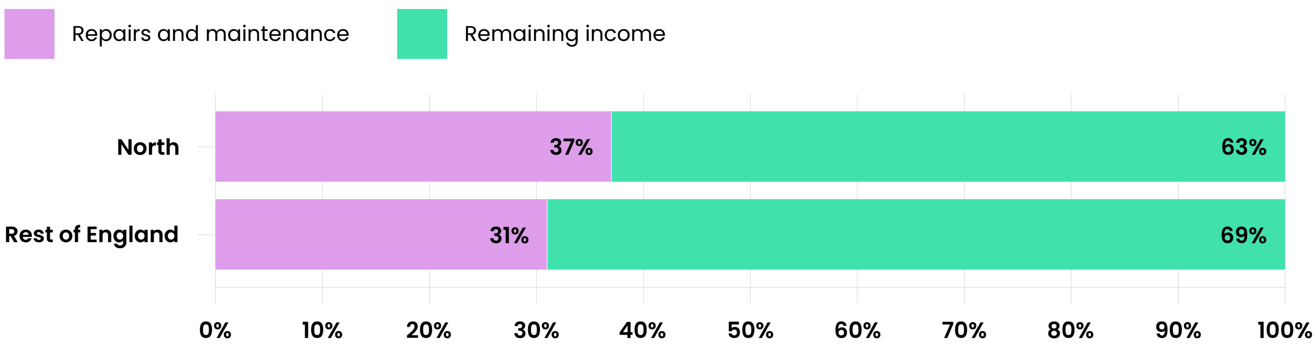
The North has lower rents but similar repairs and maintenance costs to the English average



The North's rental income and repairs and maintenance expenditure as a % of the English average

Repairs and maintenance spend as a % of income

The North's low rents and high repair and maintenance costs leave less money for other investments



The condition of the stock – homes approaching the end of their life

These financial pressures are worsened by the condition of the stock itself. As mentioned in the previous section, a significant proportion of the social housing stock across the North was built in the post-war decades, and much of it is now approaching, or has exceeded, its intended life.

In the North, 26.8% of all dwellings were built between 1945 and 1972 – slightly over the English average of 25.7%. The pre-1919 stock tells a similar story, with 21.5% of dwellings predating the First World War against a national average of 20.1%. More locally, there are acute geographic concentrations of ageing stock. In Pendle, Hyndburn, Burnley, Rossendale, Blackburn, Calderdale, and parts of both Westmorland & Furness and North Yorkshire, more than a third of homes were built before 1919. Our analysis identified between 84,000 and 112,000 social homes in the North in need of regeneration and approaching the end of their serviceable life in the next ten years.[11] Previous NHC research has identified that approximately 25,500 social homes in the North are at risk of potentially becoming non-compliant with regulatory requirements between now and 2030, reflecting the most comprehensive and up-to-date assessment of the scale of the issue of end-of-life stock within this parliament.[12]

PREVIOUS NHC RESEARCH HAS IDENTIFIED THAT APPROXIMATELY 25,500 SOCIAL HOMES IN THE NORTH ARE AT RISK OF POTENTIALLY BECOMING NON-COMPLIANT WITH REGULATORY REQUIREMENTS BETWEEN NOW AND 2030

Across the social housing sector, the repair and maintenance demand associated with existing stock has grown significantly in recent years. For housing associations based in the North, repairs and maintenance expenditure has increased by 97% since 2019 from £1.25 billion to £2.46 billion.[13] This follows the same trend as the national picture but at a slightly steeper trajectory, with national expenditure increasing by 85% to £10 billion in 2025.[14]

For providers in the North, where ageing stock is most concentrated and rental income is lower, the financial burden this generates is particularly acute.

The drag on balance sheets and new development capacity

The financial pressures described above threaten the viability of individual homes, but the consequences extend well beyond the stock directly affected. They act as a structural drag on registered providers' capacity to invest in new development across the North.

Providers' ability to develop new homes depends on their financial headroom: the surplus generated from existing operations, their borrowing capacity, and the strength of their balance sheets. In the North, all three are constrained by the combination of lower rents, lower asset values and higher relative maintenance costs, as described above. The structural squeeze that absorbs a greater proportion of northern rental income in repairs and maintenance leaves correspondingly less funds available for investment in new supply or regeneration activity.

The same structural weakness of northern providers, outlined above, also contribute to reducing providers' borrowing capacity. Providers borrow against their assets, and lower asset values in the North mean a smaller borrowing base from which to finance development. In markets where asset values are static or declining, the capacity to leverage the balance sheet in support of new development is fundamentally constrained, representing a structural disadvantage that limits the scale of what Northern housing associations can do without grant support.

Ageing stock with costly maintenance requirements makes this issue worse still. Every pound committed to maintaining homes approaching the end of their useful life is a pound unavailable for new development. As maintenance liabilities grow with the age and condition of the stock, the proportion of income available for investment shrinks. As previously mentioned, evidence submitted to this inquiry includes examples where compliance costs on a single tower block exceed £10 million. At the northern average provider contribution, excluding grant, of £150,000 per new affordable home, that figure represents 67 new homes that cannot be built elsewhere.

The financial rationale for continued investment in the most problematic stock deteriorates over time, making the problem worse. Providers must invest heavily to maintain ageing homes and meet regulatory requirements, but that investment does not meaningfully increase its value, while rental income remains the same. A tower block or collection of homes that has absorbed millions in compliance costs is not worth more than it was before. At best, that investment has bought time and made the asset viable for a few more years, while its liabilities continue to grow. Asset values remain static or continue to decline as stock ages, constraining the borrowing base against which providers can finance new development. The result is a treadmill where providers must make significant, recurring capital investments simply to stand still, with no corresponding increase in asset value, revenue or borrowing capacity, and a shrinking pool of resources available for new investment with each passing year.

Regeneration investment that enables providers to replace or comprehensively renew their most problematic homes directly addresses this dynamic. It reduces long-term maintenance liabilities, strengthens balance sheets, and restores the financial headroom that providers need to invest in new supply.

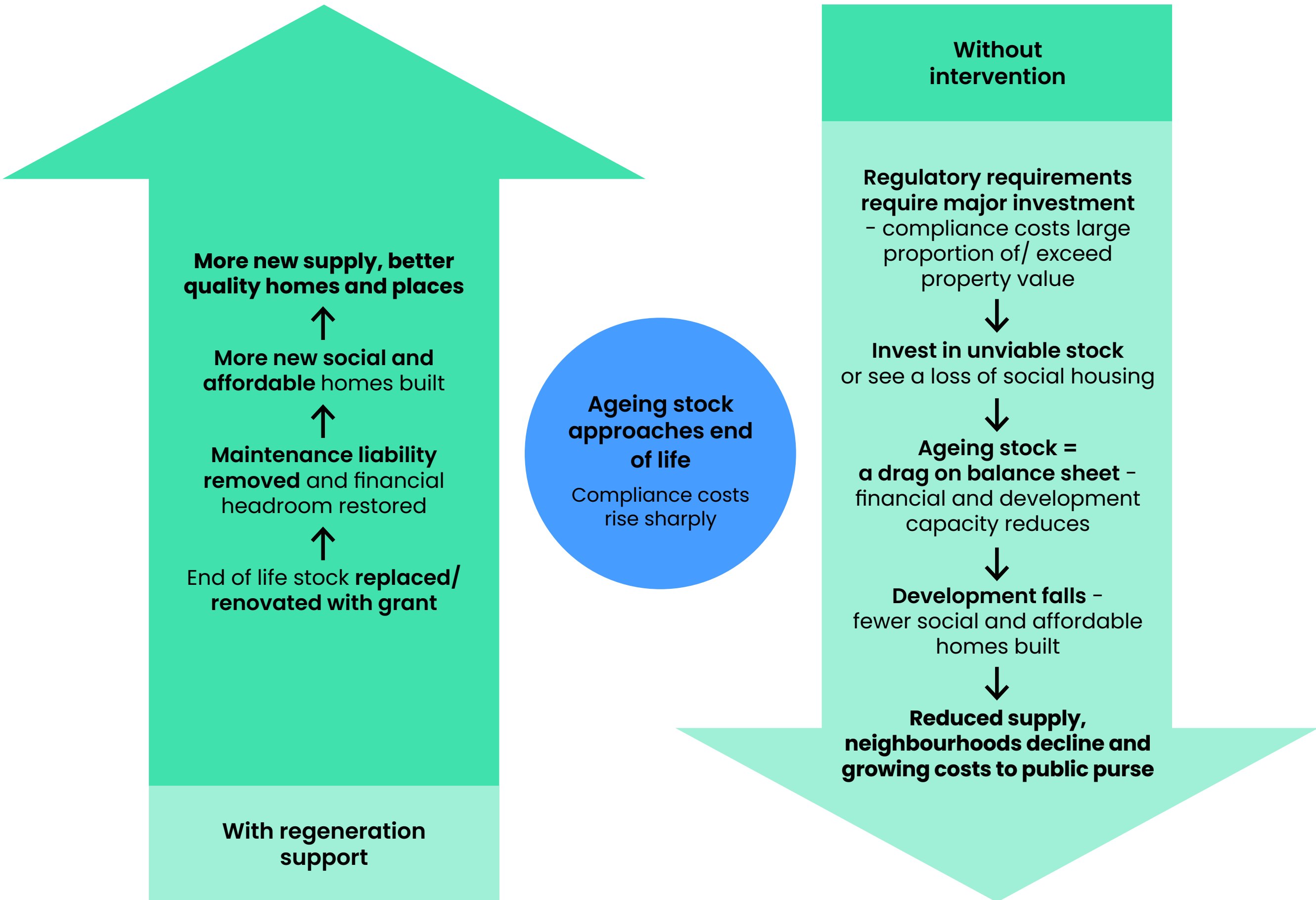
Without action, however, as stock ages further and the cumulative weight of new regulatory requirements increase, this position is likely to deteriorate rather than improve, making the case for early intervention through regeneration investment more urgent.

The Government has committed to delivering 1.5 million new homes and the biggest boost to social and affordable housebuilding in a generation and has identified housing delivery as a driver of economic growth. Social housing providers across the North are already ramping up delivery and want to go further. A sustained programme of investment in the renewal and replacement of end-of-life stock will enable them to do so, freeing up capacity currently absorbed by the financial drag of ageing stock and restoring the headroom needed to build more of the homes the North needs. Without it, the sector's ability to contribute to national housebuilding ambitions will continue to be constrained, while the communities that depend on social housing risk losing social and affordable homes at a time when they are desperately needed.

SOCIAL HOUSING PROVIDERS ACROSS THE NORTH ARE ALREADY RAMPING UP DELIVERY AND WANT TO GO FURTHER.

A SUSTAINED PROGRAMME OF INVESTMENT IN THE RENEWAL AND REPLACEMENT OF END-OF LIFE STOCK WILL ENABLE THEM TO DO SO, FREEING UP CAPACITY CURRENTLY ABSORBED BY THE FINANCIAL DRAG OF AGEING STOCK AND RESTORING THE HEADROOM NEEDED TO BUILD MORE OF THE HOMES THE NORTH NEEDS.

The case for early intervention: end-of-life stock and the regeneration dividend



The cumulative impact of regulatory change
Looking ahead, this challenge will intensify further. The new Decent Homes Standard and Minimum Energy Efficiency Standards will impose substantial new investment requirements, alongside other recent regulatory change, such as the introduction of Awaab's Law and heightened building and fire safety requirements. The cumulative impact of these requirements must be considered together rather than in isolation. Individually, each has been introduced for entirely understandable reasons, and will deliver significant benefits for residents. Together, however, they represent a substantial and simultaneous increase in required investment, beyond what some of the oldest and most problematic stock can viably sustain.

For many of the oldest homes, and the types of homes with highest regeneration need, the cost of meeting these standards is likely to be prohibitive. This will accelerate the point at which continued investment becomes financially untenable and drive more stock towards non-viability. It is important to understand why this leads providers to considering disposal or demolition without replacement, rather than simply deferring work on the homes. Registered providers are not free to indefinitely retain stock that is not financially viable. Lenders require providers to demonstrate that their business plans are sustainable and that their assets are capable of supporting the borrowing secured against them. The Regulator of Social Housing similarly expects providers to maintain financial viability and to have credible plans for their stock. Where homes are consuming resource at a rate that cannot be justified, lender covenants and regulatory expectations create pressure to act. Demolition without replacement or disposal is therefore often the rational, and in some cases, the only available response to a set of financial and regulatory pressures that the current policy framework leaves providers no meaningful alternative to addressing.

For providers, the loss of social housing stock is a position of absolute last resort, and one they would seek to avoid in almost all circumstances, for obvious reasons. The North faces an acute and worsening shortage of affordable housing, with demand for social rented homes far outstripping supply. Against that backdrop, the loss of any affordable home to another tenure represents a serious and difficult to reverse step, and providers do not believe it can be justified except where every alternative has been exhausted. Reflecting the seriousness with which providers approach these decisions, disposal is subject to established internal processes and governance arrangements, including detailed options appraisals, financial and social impact assessments, board-level consideration and, in many cases, engagement with local authorities and other partners before any decision is taken. These are not decisions taken lightly or quickly, and the rigour of the process reflects the weight of the responsibility providers feel towards it.

Regardless, without adequate regeneration funding to support providers through this transition to new regulatory requirements, the unintended consequence risks being an acceleration of disposals, or demolition without replacement, and a net reduction in the social housing stock in the communities that need it most. This is an end point that we wish to avoid wherever possible.

With a sustained programme of regeneration investment, however, the trajectory can look very different. Replacing end-of-life stock removes an unsustainable maintenance liability, strengthens provider balance sheets and frees resources that ageing homes are currently absorbing, rebuilding the financial platform from which the development of more new homes becomes possible. For residents, it means better homes in revitalised communities and a reversal of local decline. Regeneration, done well and at scale, does not compete with new supply, but enables it, while simultaneously transforming the places and communities that need investment most.

WHAT SUCCESSFUL REGENERATION LOOKS LIKE AND DEPENDS ON

What successful regeneration looks like and depends on

Our engagement with the housing and regeneration sectors, alongside evidence from both successful and unsuccessful regeneration programmes, points to four preconditions that must be in place for housing-led regeneration to succeed.

These are:

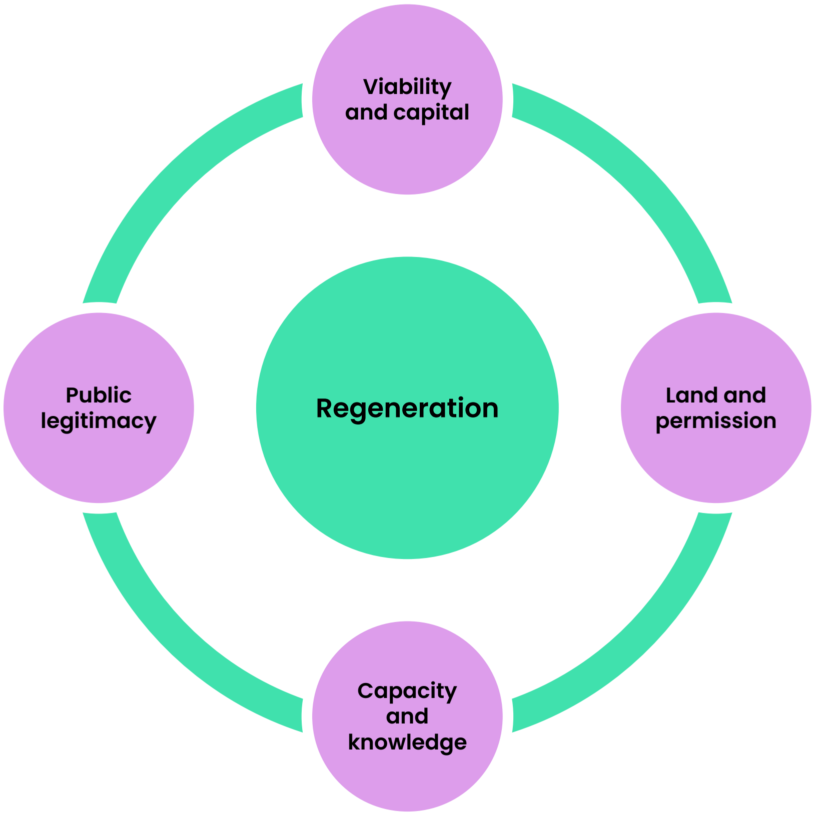
- **A viable scheme with the capital secured to deliver it** – Regeneration proposals must be underpinned by an economic case that covers the full costs of delivery through a combination of sales and rental income and public subsidy to bridge any viability gap. Success depends on having both public and private capital fully secured from the outset, within a framework robust enough to survive market fluctuations without stalling.
- **Control over developable land and planning permission** – Delivery depends on having full control of the land required paired with planning certainty, whether secured permissions or an agreed future vision for an area, to de-risk the project for partners and ensure that schemes can progress as quickly as possible.
- **Capacity and knowledge to deliver across public and private sectors** - Regeneration is a specialist discipline demanding sustained expertise across masterplanning, viability, land assembly, community engagement and programme management, over timescales that can extend to decades. That expertise must exist within the organisations leading delivery, within the local authorities and other bodies supporting it, and within the supply chain responsible for construction. Where capacity is thin or knowledge has been lost, as it has across much of the North following years of reduced funding and programme instability, delivery suffers at every stage.
- **Public legitimacy from residents and local leaders** – Regeneration cannot succeed without the support of the people and places it is designed to serve. At its heart, this requires a shared vision for a place which is informed and owned by residents who live there, civic leaders who represent them and the organisations responsible for delivering change. It is important to acknowledge that regeneration has not always been done well in this respect. Previous programmes have, at times, proceeded without sufficient engagement with residents, leading to a sense that change was being imposed rather than co-designed, and contributing to a legacy of mistrust that some communities still hold towards regeneration today. Schemes that proceed without genuine resident buy-in are vulnerable to delay, opposition and reputational damage that can stall delivery for years.

Equally, regeneration that lacks consistent backing from local political leadership will struggle to maintain the long-term commitment that complex programmes require. Stable, aligned civic leadership across political cycles also enables schemes to weather the market fluctuations and economic shocks that are inevitable over the timescales regeneration takes to deliver, providing the continuity of vision that allows long-term programmes to survive periods of disruption rather than stalling or collapsing.

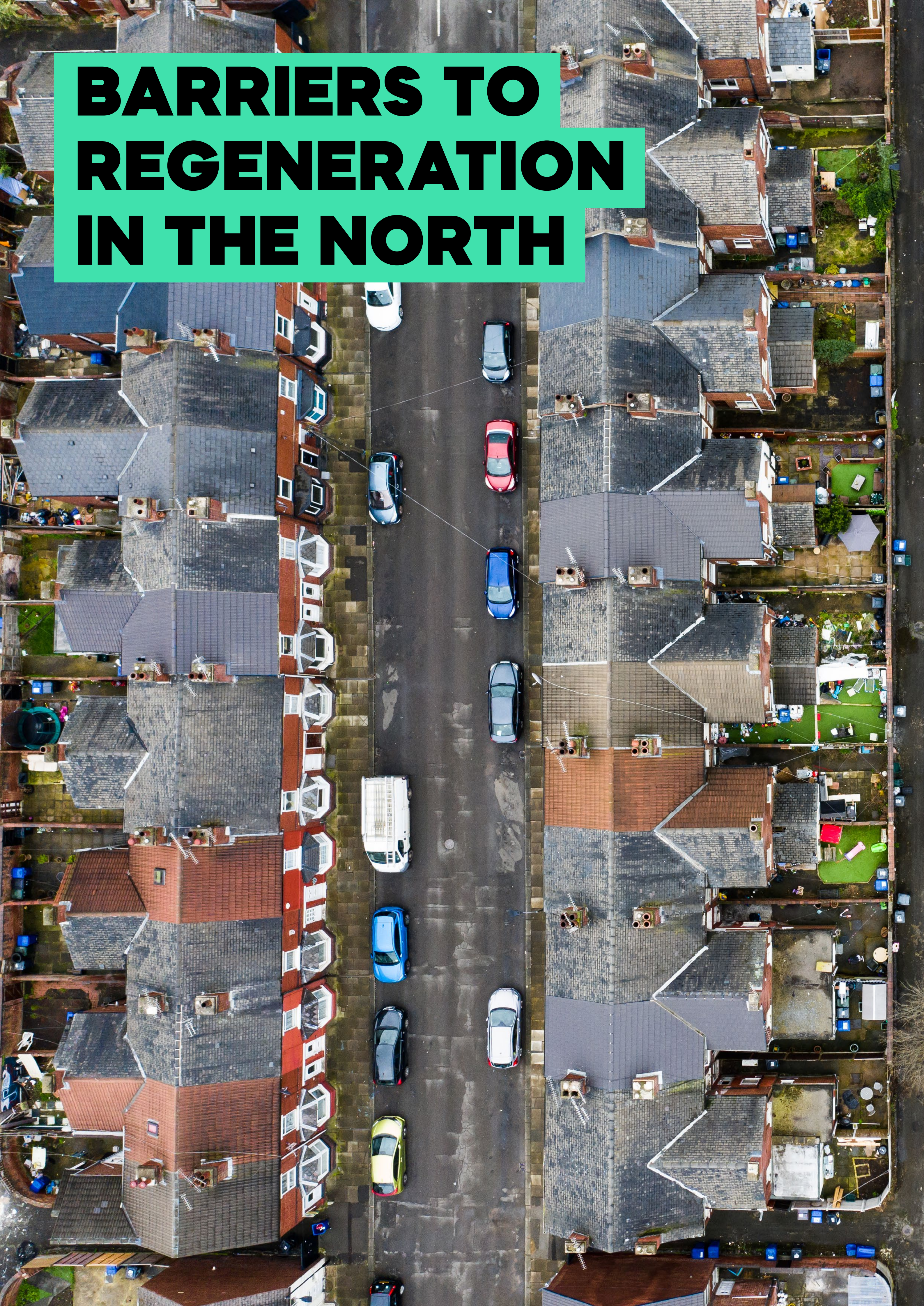
The most successful regeneration efforts have been those where residents are treated as genuine partners, where lessons from previous shortcomings have been actively applied, and where support from civic leadership has been clear and consistent. Embedding these conditions in future regeneration programmes will require more than good intentions. Agreed standards for resident engagement and oversight, with the structure and accountability to make them meaningful in practice, are essential to ensure these principles are consistently delivered. Without them, even well-funded and technically sound schemes can falter. With them, the most challenging regeneration ambitions become deliverable.

Of these four preconditions for regeneration success, our engagement has identified significant barriers to delivery within the first three. The subsequent barriers section of this report will go through them in turn. The fourth precondition, public legitimacy from residents and local leaders, is partly covered in this report's recommendations, but will be subject to a dedicated programme of work in the next phase of Renew.

The four preconditions of successful housing-led regeneration



BARRIERS TO REGENERATION IN THE NORTH



Barriers to regeneration in the North

The case for housing-led regeneration in the North is clear, as is the scale of need. What stands in the way is a set of persistent, structural barriers that have emerged consistently throughout our engagement with the sector.

- First, the fundamental economics of development in the North and an acute viability crisis cutting across all three regeneration typologies.
- Second, the practical challenges of assembling and preparing land for development, in areas of fragmented and multi-tenure ownership.
- Third, the delays and cost burdens imposed by the planning system on schemes that can least afford them.
- And finally, the design of funding programmes and the focus of Government, which have historically been short-term and overwhelmingly oriented towards new supply, with little sustained consideration given to the distinct challenges regeneration in the North presents.

Taken together, they explain why, despite the scale of need and the genuine ambition of the organisations closest to it, delivery has fallen far short of what communities across the North require.

The North's structural viability gap

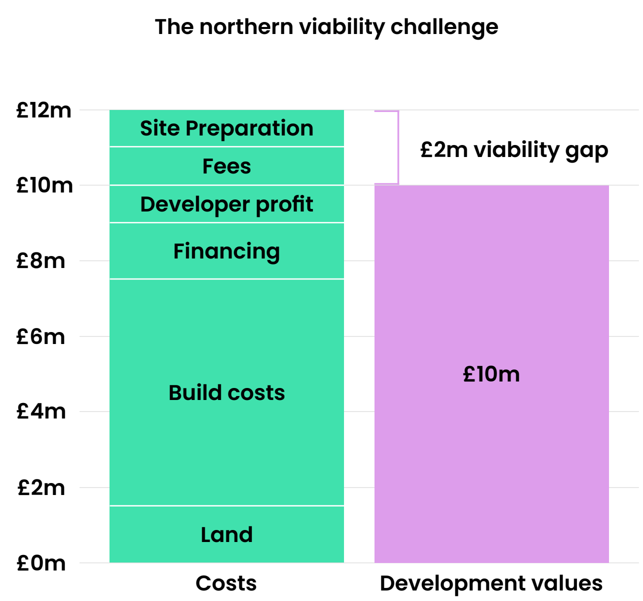
The fundamental barrier to housing-led regeneration in the North, across all three regeneration challenges, is not a shortage of ambition or need, it is viability. In too many of the places where regeneration is most needed, the economics of development do not stack up without significant public subsidy, especially given the high costs associated with delivering regeneration and in the current environment of significant build cost inflation.

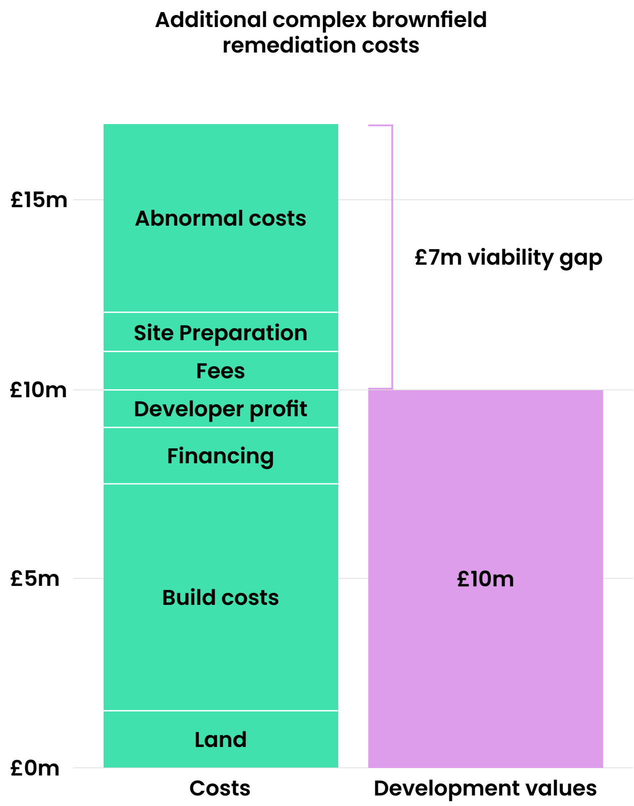
THE FUNDAMENTAL BARRIER TO HOUSING LED REGENERATION IN THE NORTH, ACROSS ALL THREE REGENERATION CHALLENGES, IS NOT A SHORTAGE OF AMBITION OR NEED, IT IS VIABILITY.

At its simplest, the viability of any development scheme is determined by the relationship between the value created by the development, including sales income, rental income, land receipts and commercial income, and the costs required to deliver it. Schemes that are financially viable generate development values greater than the costs required to deliver them, including build costs, land acquisition, professional fees, site assembly, financing costs and developer return. In much of the North, this calculation produces a deficit, or 'viability gap', that public subsidy is required to fill for development to proceed.

In the example below, the total cost of delivering a scheme is £12 million while the completed development value is only £10 million. The scheme is therefore unviable by £2 million.

When costs are higher than development values, the viability gap means a scheme cannot progress





This means there is no commercial incentive for the private sector to proceed with the development. Indeed, doing so would result in a financial loss. The role of the public sector, where it wishes regeneration to happen, is therefore to bridge this viability gap through grant funding or other forms of intervention. Importantly, this also demonstrates how public investment leverages substantially larger volumes of private capital. In this example, a public intervention of £2 million enables £10 million of private investment to proceed. Without private sector participation, the public sector would effectively need to bear almost the entire cost of development itself.

The viability challenge becomes more severe once abnormal costs are considered. These are the additional costs required to make development possible and are particularly high on brownfield and former industrial land. They include demolition, remediation, flood mitigation, infrastructure provision or complex site assembly. For example, if the £12 million, scheme described above also required £5 million of remediation works, the total viability gap increases to £7 million. Without substantial public funding, the scheme will not progress. Remediation costs vary significantly and are highly site-specific, depending on the contamination potential of the land's previous use, the proposed end use for the land, and the proximity to groundwater. The table below sets out indicative benchmarks for the North of England. Even on the least contaminated sites, costs run to tens of thousands of pounds per hectare. For flatted development on a typical former industrial site, remediation costs alone are likely to range from £400,000 to £1.5 million per hectare. This rises to over £2 million per hectare when building homes with private gardens on the most contaminated land.

The economics of brownfield development are particularly unforgiving in this respect. Remediation costs are relatively fixed regardless of location, while the residential values that must absorb them are not. The same remediation bill that is manageable on a site in Reading or Cambridge can render a scheme entirely unviable in Hartlepool or Burnley because the development values vary so much between the different areas.

These issues matter profoundly across the North, because the market fundamentals are generally weaker than elsewhere in the country. Average new build house prices in the North are 23% lower than the English average and 40% lower than the South East.[16] Private rents follow a very similar pattern, with the northern average 40% lower than the English average, and 39% lower than the South East.[17] This means that housebuilding development in the North will, on average, deliver significantly less income than elsewhere in the country, meaning that there is less ability to absorb costs associated with remediating and preparing land for development, while maintaining the scheme's viability.

Land remediation costs: indicative benchmarks for the North of England (2025 prices, £000s per hectare)[15]

		Previous use			
		Category A – small scale industrial sites	Category B – garages, workshops, railway lines, sewage works etc	Category C – metal workings, scrap yards, shipyards, rail depots, small power stations, small gasworks etc.	Category D – major gasworks, steelworks, large chemical works, large power stations, fuel refineries
	Negligible to low water risk				
Proposed end use	Employment and commercial	£58 - 150	£208 - 416	£294 - 680	£351 - 755
	Flats/apartments	£58 - 150	£236 - 502	£294 - 738	£351 – 853
	Houses with gardens	£87 - 236	£294 - 738	£351 - 853	£386 - 975
	Moderate to high water risk				
	Employment and commercial	£145 - 288	£294 - 738	£589 – 1,419	£623 – 1,419
	Flats/apartments	£150 - 294	£416 – 1,061	£559 – 1,505	£623 – 1,419
	Houses with gardens	£208 - 473	£473 – 1,211	£623 – 1,685	£825 – 2,036

Average new house prices and private rents by region

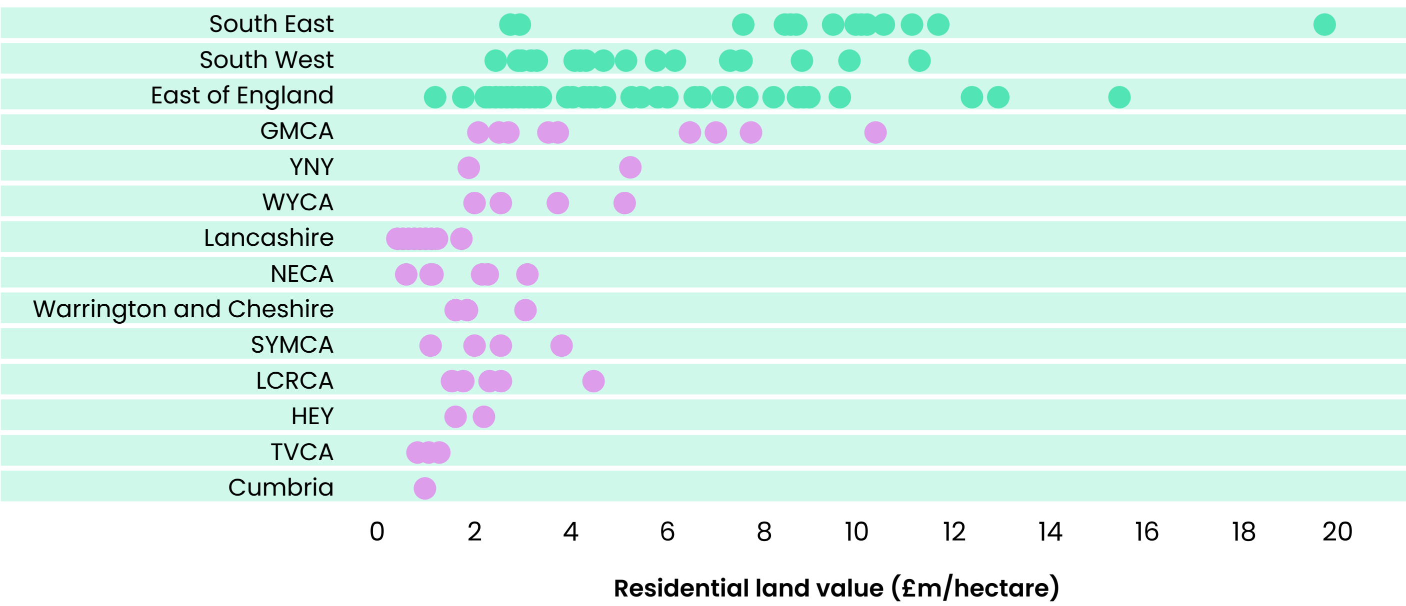
Region	New build average house price	% difference to English average	Average private rent	% difference to English average
North East	£290,932	23%	£772	46%
North West	£279,668	26%	£947	34%
Yorkshire & Humber	£304,012	20%	£852	41%
North	£291,537	23%	£857	40%
South East	£484,982	-28%	£1,411	2%
England	£378,633	-	£1,434	-

Residential land values tell a similar story to a more granular level. The table below shows residential land values in every local authority area in the North, the South East, South West and East of England. Across England excluding London, the average residential land value is £4.29 million per hectare, with the single most valuable local authority having land values of £19.78 million per hectare (Brighton).[18] In the North, the average residential land value is £2.34 million per hectare, 46% lower than the English average. While parts of Greater Manchester compare relatively well with stronger markets elsewhere in the country, many northern housing markets record exceptionally low land values. Cumberland is the only local authority in the country where housing development is assessed as unviable at the median point of the market, even assuming 100% market housing.

The picture becomes even starker at the 25th percentile of the market – a useful proxy for the section of the market where affordable housebuilding takes place. At this level, six local authorities become entirely unviable for residential development, again assuming 100% market tenure. Five of these authorities – Cumberland, Wyre, Blackburn, Burnley and Blackpool – are in the North.

Viability is a systemic constraint shaping the prospects of regeneration across much of the North, rather than a marginal issue affecting isolated schemes. In many northern towns and cities, development values are fundamentally incapable of supporting the costs of delivery, particularly on brownfield and former industrial land. The consequence is that places with the greatest regeneration need are often those least able to attract development without public intervention.

Residential land values at 50th percentile of the market (2023 land values)



Residential land values (£/hectare) by strategic authority/region (medium density and 50th percentile of housing market)

Geography	Average land value	Range
Greater Manchester	**£4.92m**	**£2.07m** (Wigan) to **£10.48m** (Manchester)
Liverpool City Region	**£2.44m**	**£1.75m** (Sefton) to **£4.48m** (Liverpool)
West Yorkshire	**£3.06m**	**£1.98m** (Calderdale) to **£5.18m** (Leeds)
South Yorkshire	**£2.38m**	**£1.9m** (Doncaster) to **£3.86m** (Sheffield)
York & North Yorkshire	**£3.65m**	**£1.96m** (North Yorkshire) to **£5.33m** (York)
Hull and East Yorkshire	**£1.9m**	**£1.67m** (Hull) to **£2.13m** (East Riding of Yorkshire)
North East	**£1.79m**	**£750,000** (County Durham) to **£3.02m** (Newcastle)
Tees Valley	**£1.1m**	**£810,000** (Darlington) to **£1.26m** (Stockton on Tees)
Lancashire	**£1.26m**	**£360,000** (Burnley) to **£3.12m** (Lancaster)
Warrington and Cheshire	**£2.20m**	**£1.74m** (Cheshire East) to **£2.91m** (Warrington)
Cumbria	**£940,000**	£0/unviable (Cumberland) to **£940,000** (Westmorland & Furness)
South East	**£6.67m**	**£2.64m** (Dover) **£19.78m** (Brighton)
South West	**£4.89m**	**£2.46m** (Forest of Dean) to **£11.45m** (Bristol)
East of England	**£5.16m**	**£1.4m** (Fenland) to **£15.23m** (Cambridge)
England excluding London	**£4.30m**	**£360,000** (Burnley) to **£19.78m** (Brighton)

This creates a profound challenge for national policy. Regeneration funding frameworks that assume development viability can be restored through marginal reductions in cost, cheaper lending or limited grant intervention fail to reflect the structural nature of northern housing markets. Where values remain persistently below costs, regeneration will not happen at scale without flexible, long-term public investment capable of bridging the true viability gap.

This is particularly acute in smaller northern towns and city centres, where the cross-subsidy model that typically makes mixed-use regeneration viable – market housing sales and commercial income offsetting the more challenging elements of a scheme – is constrained by weaker underlying values across the board. Unlike in other cities, including the larger urban areas in the North, and especially in London, where some cross-subsidy is achievable, smaller centres frequently cannot generate the returns that would make schemes self-financing even in part.

Put simply, the market alone cannot deliver housing-led regeneration in large parts of the North because the underlying economics do not work. Until policy fully recognises this reality, many of the places most in need of renewal will continue to struggle to attract investment and development at the scale required.

The structural viability gap has been deepened further in recent years, following a sustained spike in costs since 2020 and the introduction of new regulatory requirements, adding costs to new development. The ONS housing construction output price index rose by approximately 35% between May 2019 and December 2025, and the Home Builders Federation estimates that the average cost to build a home has increased by £76,000, or 26%, between 2020 and 2026.[19,20] This has been driven by a 40% increase in materials, and a 23% increase in labour costs. High-rise development has been impacted to an even greater extent by these changes, with the per-property development costs increasing by an estimated £98,000 over the same period, presenting specific additional challenges for city and town centre densification regeneration projects.

Financing costs have risen in parallel, with the 20 year Public Works Loans Board (PWLB) rate more than doubling since 2019, from 2.68% to 6.57% as of May 2026.[21] Borrowing costs for housing associations have moved in the same direction, remaining elevated for longer than originally anticipated, and having a negative impact on scheme viability.

Where house prices and rents are high, rising costs can often be absorbed through higher sales receipts or existing scheme surpluses. In weaker northern markets, however, this is not a realistic option, and rising costs threaten scheme viability to a greater extent. Across much of the North, schemes that previously had some headroom have lost it, and grant funding rates set when costs were lower no longer cover the gap that schemes now face. Throughout Renew, practitioners have reported that regeneration plans have stalled, or will need to be scaled back, because of deteriorating viability and the fact that the numbers no longer work.

Site assembly and Compulsory Purchase Order – a complex challenge and rarely used solution

Assembling the land required to bring a regeneration scheme forward is, in many of the places where regeneration is most needed, one of the most significant barriers to delivery. Major regeneration schemes typically require control of multiple sites in multiple ownerships, often in configurations that have evolved over decades of piecemeal development and change of use. In town and city centres, sites may include redundant commercial properties held by multiple owners, public realm held by different parts of the state, and residential properties held by a mix of social landlords, owner-occupiers and private landlords. On former industrial sites, ownership may be split between current and former operators that are difficult to trace. In estate regeneration contexts, Right to Buy leaseholders, private renters and, in many cases, absentee landlords, add further complexity. Where Right to Buy leaseholders are present, acquisition, even through compulsory purchase, requires compensation at market value. Even in low-value northern markets the cumulative cost of acquiring leasehold properties across a scheme can add a significant cost burden before a single new home is built.

Across all three typologies, the practical work of identifying owners, making contact, negotiating terms and completing transactions is time-consuming, expensive and uncertain, and it falls before any development activity can begin. Where voluntary agreement cannot be reached with land or property owners, whether because owners cannot be traced, will not engage or will not accept reasonable terms, the scheme cannot proceed without recourse to compulsory acquisition.

Compulsory purchase order (CPO) powers exist precisely to resolve the land assembly challenges described above, providing local authorities and other 'acquiring bodies', such as Mayoral Development Corporations, with a legal mechanism for assembling land where voluntary agreement cannot be reached. In practice, however, CPO is significantly underused as a regeneration tool.

The process is lengthy, expensive and legally complex, requiring substantial upfront resource at a time when local authority capacity is already stretched. The risk of legal challenge and the associated costs act as a further deterrent, particularly for smaller authorities with limited legal and financial resource. For many organisations, the rational response is to avoid CPO altogether, accepting a slower and more piecemeal approach to assembly rather than committing to a process with front-loaded costs and uncertain outcomes.

Since 2020, only 21 compulsory purchase orders across the North of England have been confirmed through the Secretary of State's decision process, delivered by just 13 local authorities. Based on the available evidence, more than three quarters of northern local authorities have not delivered a single CPO through the formal confirmation process in that period.[22]

The concentration of confirmed CPOs in a small number of authorities points to a structural capacity problem rather than a lack of need. Bradford, Blackburn with Darwen and Calderdale account for a disproportionate share of northern CPO activity since 2020, suggesting that CPO use reflects institutional knowledge and political familiarity with the process as much as it reflects the underlying demand for land assembly. Authorities that have not used CPO powers recently are less likely to have the in-house legal expertise, the project management capacity or the political confidence to initiate proceedings, and the longer that gap persists, the harder it becomes to close.

This matters not only because CPO is sometimes the only viable route to assembly, but because the credibility of the threat of CPO is itself a critical tool in negotiation. Strong CPO powers and capacity should enable faster land assembly, at lower cost, whether the CPO powers are applied or not. Where landowners believe that a local authority has the capacity and political will to pursue compulsory purchase, voluntary agreement becomes significantly more likely. Across much of the North, that threat is decreasingly credible, giving landowners little incentive to engage constructively or accept reasonable offers. The result is that the weakness of CPO leads to further delay and cost at every stage of the assembly process, even in cases where CPO powers would not actually be applied.

Compulsory purchase and 'hope value'

Related to this is the problem of 'hope value'. Current legislation requires that landowners whose land or property are acquired by compulsory purchase are compensated at market value, including any uplift attributable to the prospect of future development, even where the realistic prospect of that development exists only because public resources are being committed to the area. This can make land and property acquisition much more expensive, as the price paid reflects not what land and property is worth in its current state, but what it might be worth following redevelopment or in an alternative use. For regeneration schemes, where viability is already challenging and where public subsidy must stretch across a wide range of costs, the additional burden of inflated acquisition costs can threaten the deliverability of schemes entirely.

The Levelling Up and Regeneration Act (LURA) 2023 introduced provisions allowing local authorities to apply for Section 14A directions to disapply hope value in specific circumstances, where schemes were deemed to be providing a public benefit. This includes schemes that will provide new social and affordable housing. This was a meaningful and welcome reform in principle. In practice, Section 14A directions have been little used. This is because the guidance on how to navigate them remains limited and the local capacity issues, set out above, limit the ability of authorities to evidence and defend the additional case. The result is that a significant new tool created by legislation is not being used to its potential.

The Government could widen access to and use of Section 14A directions, by publishing clearer guidance, which would explicitly lay out where the Government believes hope value should be disapplied, and the types of evidence required to successfully demonstrate this. Worked examples, which could set an example and quasi-precedent for other authorities, would be especially helpful here.

Furthermore, the guidance could provide significantly more clarity on the role of disapplying hope value in mixed-use development, where social or affordable housing provision is being delivered alongside wider private development, through joint-ventures or other mixed-funding arrangements. The current framework treats the disapplication of hope value as justified primarily where the public benefit of a scheme is clear-cut, such as where compulsory purchase is being used to deliver entirely social and public benefits. In mixed-use schemes, where some benefit flows to private actors as well as to the public, the case for disapplying hope value can be seen as weaker, as it could be seen as effectively subsidising private profit. In practice, however, mixed-use regeneration schemes can deliver significant public benefit, including social and affordable homes, wider placemaking benefits and the unlocking of a key brownfield or town centre site which would otherwise remain undeveloped.

Guidance in this area could be clearer and more supportive of authorities pursuing Section 14A directions for mixed-use schemes where the wider public interest is clear. In city and town centres, where mixed-use development with accompanying affordable housing provision, is one of the key regeneration challenges and most realistic models for delivery, better enabling cost-effective land acquisition by disapplying hope value would enable more schemes to come forward.

Infrastructure – a resource and time intensive challenge

Even where land can be successfully assembled, regeneration schemes frequently cannot proceed without significant investment in new or upgraded infrastructure, including new roads, bridges, utilities connections and more. The costs and timescales associated with delivering that infrastructure are a substantial barrier in their own right, and one that is routinely underestimated in programme planning and funding design.

For example, York Central is one of the most commercially attractive major regeneration schemes currently being delivered in the North, adjacent to a high-value historic city centre and incorporating a substantial amount of land owned by Network Rail.


BAY TREE DRIVE

The scheme will have had more than £135 million of public investment in enabling infrastructure and will have been in development for more than eight years since the initial planning applications, before any residential or commercial development begins.[23] That funding has been needed to unlock access to the site and prepare the land for redevelopment, including utilities and transport connections such as new bridges, all while working around existing highways and rail infrastructure. The scheme illustrates the scale of upfront investment and time often required to bring forward complex urban regeneration sites, particularly where significant infrastructure and enabling works are required before development can proceed, even in one of the strongest residential markets in the North.

Infrastructure delivery for regeneration schemes involves navigating a fragmented landscape of network operators, statutory undertakers such as utility providers, highways authorities, and other interested parties, each operating to their own investment cycles and commercial priorities. There is no single mechanism through which a regeneration scheme can secure the infrastructure commitments it needs within the timescales that delivery requires, and no obligation on any of these bodies to treat regeneration need as a priority. The result is that infrastructure, which should be an enabler of regeneration, too often becomes a source of delay, cost and programme risk that falls disproportionately on the schemes and markets least able to absorb it.

Taken together, the costs of preparing land and buildings for development represent a significant financial and administrative burden that falls before a single new home is built or a commercial unit is let. Site investigation, demolition, remediation, heritage conversion, infrastructure connection and enabling works of all kinds must be funded upfront, at the point of greatest uncertainty and before any development value has been created. In weak northern markets, where development value is limited even at completion, this pre-development cost burden is particularly acute.

Planning – a source of cost, delay and uncertainty

The planning system is one of the most significant sources of cost, delay and uncertainty in the delivery of housing-led regeneration. Its impact is felt across all three regeneration types, but it falls with particular force on the schemes that can least afford it: those in weak northern markets where viability is already marginal and where the carrying costs of delay directly erode the financial case for delivery.

Regeneration schemes are, by their nature, complex planning propositions. They are typically large in scale, phased over extended timescales, and involve a mix of uses, tenures and built forms. A single regeneration programme may require multiple planning applications across different phases, each needing its own environmental impact assessment, transport assessment, viability appraisal and supporting documents. The cumulative cost of preparing and submitting these applications is substantial, and it falls before any development value is created. In higher-value markets, these costs can be absorbed as part of the overall development economics, as previously laid out. In northern regeneration contexts, they represent an additional burden on schemes that are frequently already dependent on public subsidy to proceed.

The time taken to secure planning permission brings with it negative financial impacts. Delays in the planning process, whether arising from the complexity of the application, the capacity of the local planning authority, requests for additional information or the need to address objections, extend programme timescales and increase financing costs on assembled land. For regeneration schemes operating on multi-year delivery programmes, even modest delays at the planning stage can have a material impact on overall scheme viability. The problem is heightened for phased schemes, where uncertainty about the outcome of future planning applications makes it difficult to commit to the full programme of investment at the outset, limiting the ability to plan, and deliver efficiently.

Planning uncertainty is a particularly significant risk for regeneration. Unlike straightforward residential development on allocated land, regeneration schemes frequently involve contested sites, complex heritage considerations, competing land uses and communities with strongly held views about what should happen to their neighbourhood. The risk that a planning application will be refused, delayed or approved subject to onerous conditions, after significant resource has already been committed to its preparation, is a real one, and it is a risk that falls disproportionately on the public and social sector organisations that lead most regeneration activity. Where that risk is judged too high, organisations will not commit the resource required to bring a scheme forward, contributing further to the thinning of the regeneration pipeline described in more detail later.

Planning uncertainty also makes attracting private capital harder. Investors and lenders price risk, and a scheme whose planning outcome is uncertain is a less attractive proposition than one with a clear and credible path to delivery. At the margin, planning uncertainty can be the difference between a scheme that can access private finance and one that cannot, increasing dependence on public subsidy and reducing the leverage that public investment can achieve.

Local authority planning capacity is a critical limiting factor. Planning departments across the North have faced sustained and disproportionate reductions in resource over the past decade, and many are operating with significantly fewer qualified planners than they were a decade ago. Between 2010/11 and

2024/25, local authority expenditure on building control, development control and planning policy fell by 51% in the North, compared to 43% across England.[24] The consequences are felt in slower decision-making, reduced capacity for pre-application engagement, and a greater reliance on external consultants whose involvement adds cost and reduces the continuity of relationship that complex regeneration schemes require.

The Government has rightly identified planning reform as a priority, and the reforms to the National Planning Policy Framework (NPPF) represent a significant effort to accelerate housing delivery. However, these reforms have been primarily oriented toward increasing new housing supply, particularly on allocated and greenfield sites, and have not substantially addressed the specific planning challenges facing regeneration. The NPPF's emphasis on housing delivery metrics and plan-making timescales does not translate readily into a more permissive or efficient environment for the complexity that regeneration requires. A planning system calibrated to drive supply alone will not, without further reform, reliably serve the regeneration agenda.

The absence of meaningful devolved authority over planning priorities has historically been a particular gap. The Mayoral Strategic Authorities across the North have consistently identified housing-led regeneration as a priority for their areas, with every established MSA in the North naming town and city centre regeneration in their strategic priorities for the Social and Affordable Homes Programme. Yet within the planning framework, mayors have had no meaningful mechanism to ensure that planning policy and decision-making across their geographies gives weight to these regeneration priorities. Schemes that deliver on regional regeneration objectives compete on equal terms with schemes that do not, and decisions are taken without recognition of the strategic priority that mayoral authorities have identified. The development and implementation of Spatial Development Strategies, alongside wider efforts to increase planning capacity and expertise, is a key opportunity to change this.

EVERY ESTABLISHED MSA IN THE NORTH HAS IDENTIFIED TOWN AND CITY CENTRE REGENERATION IN THEIR STRATEGIC PRIORITIES FOR THE SOCIAL AND AFFORDABLE HOMES PROGRAMME. YET MAYORS HAVE HAD NO MEANINGFUL MECHANISM TO ENSURE THAT PLANNING POLICY AND DECISION MAKING GIVES WEIGHT TO THEIR REGENERATION PRIORITIES.

Capacity and knowledge – an in-house skills gap

The capacity challenge facing regeneration extends well beyond planning departments. In addition to the 51% reduction in spending on building control, development control and planning policy across the North, spending on 'housing strategy, advice and enabling', has fallen by 71% since 2010/11, compared to 55% across England. The technical expertise required to lead complex regeneration programmes at scale has been hollowed out across much of the North.

These skills are not interchangeable with general housing management or planning functions and cannot be rebuilt overnight. A generation of regeneration professionals, whose expertise was built through programmes that no longer exist, has retired or moved on, without the institutional knowledge being replaced. The result is a structural skills gap which will not resolve itself without deliberate investment.

The consequences of this are that schemes either do not go ahead, or they proceed with heavy reliance on external consultants, adding further costs. Consultancy engagement is not inherently problematic, but it is a poor substitute for retained in-house expertise on programmes that run for years, benefit from deep local knowledge and depend on continuity of relationships with communities, landowners and delivery partners.

Strategic authorities represent a genuine opportunity to address this at a regional level, providing a tier of capacity and technical expertise that individual local authorities cannot sustain alone. Several are beginning to develop that function, but capacity varies between authorities and remains limited relative to the scale of need. Realising the potential of strategic authorities as regeneration enablers will require dedicated resource that most do not yet have.

Rebuilding capacity across the sector will require a sustained effort drawing together local authorities, registered providers, the private sector, strategic authorities, universities and more to develop the next generation of regeneration practitioners through formal training, knowledge transfer and practical delivery experience on live programmes.

Homes England's role in delivering regeneration in the North

Homes England sits at the centre of the Government's housing and regeneration delivery architecture. Its powers, control of funds, accumulated expertise and operational relationships give it capabilities that cannot be replicated elsewhere, with a critical role across land assembly, master developer functions, programme management and the financial structuring of complex schemes.

The agency is currently in a period of significant change. The move back to a regional model of working, including the recruitment of new Regional Directors covering all of the North, creates the foundation for a closer working relationship with Mayoral Strategic Authorities and local partners, and the potential for funding decisions and programmes to be more aligned to local priorities. The establishment of the National Housing Bank as a new subsidiary represents further significant change, designed to accelerate new housing supply and attract private investment.

These very welcome changes are still bedding in, and it is too early to assess their full impact. Practitioner evidence to Renew does, however, point to a number of challenges that the agency will need to address if it is to realise its full potential for the most complex regeneration schemes. Firstly, the regionalisation of relationships has not yet been matched by an equivalent devolution of funding decisions, leaving regional teams well-placed to understand local need, but insufficiently empowered to act on it.

Regeneration practitioners responding to our Call for Evidence have also reported how engaging with the agency has in the past become a source of delay rather than efficient, expert support that provides substantial value to partners and schemes. Evidence submitted to this inquiry points to a pattern that has worsened in recent years: complicated internal processes, difficulty in reaching the right person at the right level of authority, and numerous additional layers of governance that duplicate work or add delay. Funding agreements requiring sign-off at senior or ministerial level within MHCLG, alongside Homes England's own governance arrangements, introduce further delays. The case for ministerial sign-off is particularly weak where Mayoral Strategic Authorities have already identified and prioritised sites through their Spatial Development Strategies, Strategic Place Partnerships or Local Growth Plans.

A consistent message from practitioners is that these issues make delivery slower, more difficult and more expensive, and that it was not as difficult to access support previously. The 2024 Public Bodies Review of Homes England concluded that the relationship between the agency and MHCLG should be more arm's length, that MHCLG should rely to a greater extent on the Homes England board to hold the executive to account, and work more closely with devolved bodies such as strategic authorities.[25] The evidence gathered through Renew suggests that the agency is still moving towards that goal.

A related systemic barrier is the fragmentation of how Homes England engages with applicants. Organisations bringing forward regeneration projects often have to navigate multiple funding streams with separate approval processes simultaneously, placing a disproportionate burden on those least able to absorb it. The combination of devolution, the new regional operating model and the National Housing Bank's blended product offer is precisely the kind of architecture that can address this. Devolution gives Mayoral Strategic Authorities the framework to align housing, regeneration and wider investment, including the National Housing Delivery Fund, around a shared set of priorities. The regional operating model provides a single point of contact within Homes England that can engage with that framework consistently over the long term and put the agency's expertise in structuring complex financing arrangements to best use. The National Housing Bank's blended product offer brings together debt, equity, guarantees and other financial products within a single coherent suite, removing the need to assemble these from separate programmes with separate processes.

Underpinning this architecture, strong and trusted relationships between Homes England, Mayoral Strategic Authorities, local authorities and registered providers are central to making it work in practice. Where partners can engage with empowered Homes England representatives who understand their context, maintain consistency over the life of complex schemes, and align different funding streams without each requiring separate negotiation, those working on regeneration can focus on delivery.

The prize for fully embedding the new model of working will be significant: schemes that move faster, pipelines that develop with greater confidence, and more delivery achieved with the same level of public funding.

Policy and funding focus – net additionality, risk appetite and horizons

The dominant policy response to England's housing crisis has focused heavily on increasing net supply, and this remains a legitimate response to a clear structural problem. England has fewer homes per capita than almost any comparable country, and the resulting gap between supply and demand has fuelled acute affordability pressures across much of the country. For much of the past decade, net additions became the headline metric against which housing investment was consistently assessed. Throughout this inquiry, however, we have heard how a strictly interpreted focus on net additionality can act as a structural barrier to regeneration, particularly in the North's lower-value markets where ageing and obsolete stock represents the most pressing issue.

THROUGHOUT THIS INQUIRY, HOWEVER, WE HAVE HEARD HOW A STRICTLY INTERPRETED FOCUS ON NET ADDITIONALITY CAN ACT AS A SYSTEMIC BARRIER TO REGENERATION, PARTICULARLY IN THE NORTH'S LOWER-VALUE MARKETS WHERE AGEING AND OBSOLETE STOCK REPRESENTS THE MOST PRESSING ISSUE.

In these areas, a narrow application of net additionality has historically created a direct disincentive to replace housing that is no longer fit for purpose, with demolitions counted purely as negative metrics regardless of the underlying rationale or the wider regeneration value of what was being delivered.

Significant progress has been made through recent changes to the Social and Affordable Homes Programme (SAHP). The expanded definition of additionality, recognising the value of removing moribund stock, allowing additionality to be demonstrated across a portfolio of sites, on adjacent land, through additional bedrooms, and through unlocked business plan capacity, is welcome and important. These changes begin to reflect the necessity of regeneration as a route to increasing supply. For this progress to be meaningful, however, the flexibilities will need to be fully embedded in practice from the outset of the Programme, with consistent application across funding decisions and clear visibility for partners on how they will be applied. The risk otherwise is that welcome reform on paper does not translate into schemes that replace homes no longer fit for purpose.

Furthermore, the Social and Affordable Homes Programme is fundamentally a programme with the primary aim of delivering new supply and calibrated to do so. There will always be a limit to the extent of support that it can provide for regeneration. Therefore, a bespoke funding solution to support place-based regeneration, and all of the activity that entails, would allow this to be delivered while the SAHP continues to primarily focus on delivering the new social and affordable homes the country needs.

This shift also needs to be matched across the wider government performance framework. Homes England's most recent Strategic Plan contains no specific performance indicators for the replacement and renewal of ageing stock, or for the funding of major regeneration schemes. Without these, there is a risk that the agency continues to focus primarily on the volume of new supply, with much of the complex and essential work of regeneration sitting outside the core measures of success. Embedding regeneration into the way Homes England, MHCLG and other delivery agencies define and measure success is the next step in ensuring that the welcome shifts within the SAHP are matched by aligned incentives across the wider system.

The direction of travel is correct. What is needed now is consistent application in practice, and a wider framework that treats the renewal of homes and places as a core component of delivering on the Government's housing ambitions, rather than a secondary activity.

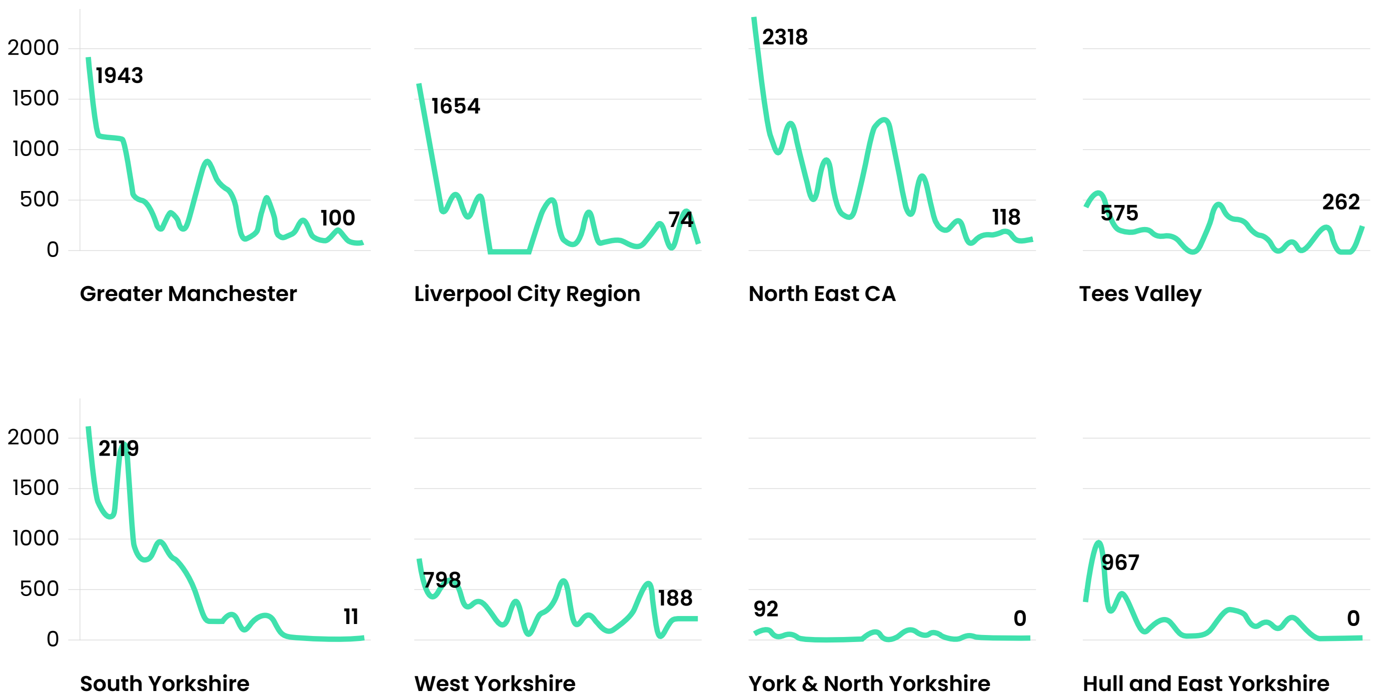
The collapse in renewal and replacement activity in the North

The cumulative effect of the focus on densification and net-additionality, and sustained underinvestment in physical regeneration is that the North has largely ceased removing homes that have reached the end of their useful life. This is historically anomalous.

Social housing demolitions across the North peaked at 10,203 in 2001/02 and stood at 6,109 in 2004/05, reflecting the height of Housing Market Renewal (HMR), before falling to 948 by 2024/25 – a decline of 91% from the peak. Within individual strategic authority areas the drop is starker still: South Yorkshire demolished 2,119 social homes in 2001/02 and just 11 in 2024/25, a fall of 99%. Greater Manchester, Liverpool City Region and the North East have each seen demolitions fall by more than 90% from their respective peaks.[26] The chart below shows this trajectory from 2001/02 by strategic authority area across the North.

The near-complete collapse in activity since HMR reflects the absence of any equivalent programme, rather than the resolution of any underlying need. In recent years, the North has lacked any instrument capable of addressing the question that low-value northern markets require: what happens to ageing or obsolete housing where it is not financially viable to redevelop, retrofit or regenerate without substantial public support?

Social housing demolitions by strategic authority area - 2001/2 to 2024-25



Social housing demolitions peak vs 2024/25 by combined authority areas

Geography	Peak year	Peak	2024-25	Change (%)
Greater Manchester	2001/2	1,943	100	-95%
Liverpool City Region	2001/2	1,654	74	-96%
North East CA	2001/2	2,318	118	-95%
South Yorkshire	2001/2	2,119	11	-99%
Tees Valley	2002/3	575	262	-54%
West Yorkshire	2001/2	798	188	-76%
York & North Yorkshire	2001/2	162	0	-100%
Hull and East Yorkshire	2002/3	967	0	-100%
North	2001/2	10,203	948	-91%
England	2001/2	19,225	3,119	-95%

The new supply agenda does not fully answer this question, because its tools assume market conditions that do not exist in the places where the problem is most acute. It is also important to recognise that notwithstanding legitimate criticism of the programme, Housing Market Renewal delivered a net-addition of new homes across the entire programme, demonstrating how new supply and comprehensive regeneration do not need to run counter to one another.[27]

The consequence of this is a growing backlog of properties that are reaching the end of their serviceable life, generating increasing maintenance liabilities, and in the weakest markets actively suppressing surrounding values to a level that makes any form of private-led renewal unviable.

This is not an argument for returning to the approach of HMR, but the contrast with current demolition rates illustrates how little of the North's ageing social housing stock is now being removed and replaced. At current rates and assuming no further property degradation, it would take between 88 and 118 years to replace the backlog of homes in regeneration need.

The problem is not only that insufficient resource is directed at renewal and replacement, but that the policy framework does not currently recognise renewal and replacement as a distinct activity requiring distinct instruments. Until the distinction is made between the supply challenge in higher-demand markets and the stock quality and viability challenge in low-demand northern markets, the latter will continue to be addressed through programmes designed for the former, with a predictably limited effect.

The case studies below show two examples of regeneration schemes in similar markets in County Durham, one successful and one unable to progress. These examples both show the impacts of the strict focus on net-additionality on the ability of regeneration to receive the support it needs to progress.

AT CURRENT RATES AND ASSUMING NO FURTHER PROPERTY DEGRADATION, IT WOULD TAKE BETWEEN 88 AND 118 YEARS TO REPLACE THE BACKLOG OF HOMES IN REGENERATION NEED.

CASE STUDY

WESTERN ESTATE,
NEWTON AYCLIFFE
WHY COMMUNITY INVESTMENT ALONE CANNOT DELIVER LASTING CHANGE

Regeneration typology:

• Estate regeneration and neighbourhood renewal

Context

The Western Estate in Newton Aycliffe highlights both the value and limits of community-focused intervention where large-scale physical regeneration is absent. Built in 1969 as part of Newton Aycliffe New Town, the estate comprises 514 two- and three-bedroomed homes. This limited housing mix restricts options for older residents, vulnerable households and larger families.

The estate has been identified as a 'left behind neighbourhood', with 87.9% of residents living within the 20% most deprived areas nationally. Data highlights high levels of child poverty, benefit dependency, poor health and life expectancy five years below the national average. Housing stock is ageing and inefficient, the estate layout contributes to safety concerns, and inconsistent conditions across tenures undermine progress. Anti-social behaviour (ASB) and demand are worsening, reflecting wider economic pressures and criminal activity.

Project Overview

In 2018, Livin completed an options appraisal which concluded that phased demolition and rebuild offered the most sustainable long-term solution. However, while residents were engaged, support was closely balanced and no viable funding route existed for land assembly, private ownership buy-outs, and recovery of existing use value. Physical regeneration was therefore paused.

Since then, Livin and partners have concentrated over £1 million on sustaining the estate, including ASB interventions, tenancy support, environmental improvements and wider support. These efforts have helped stabilise conditions and prevent further deterioration. The underlying drivers of decline remain, however, and residents increasingly recognise that physical regeneration is required to deliver lasting change.

Livin has developed a proposal for 60 new energy-efficient homes for social rent as the first phase of wider renewal. The scheme would diversify housing choice, reduce fuel poverty, improve safety and environmental quality, and create a platform for long-term regeneration, following further consultation.

Issues to be resolved

Despite strong partnerships and community engagement, the scheme is not viable under current funding rules. The Social and Affordable Homes Programme does not fund land acquisition, home loss payments or recovery of existing use value, leaving a funding gap of around £122,000 per property that cannot be bridged locally.

FACTORS SUPPORTING DELIVERY

Leadership and oversight

Livin has led a long-term place-based approach, involving sustained partnership working, focused on community safety, tenancy support, environmental improvements, and improving socio-economic conditions.

Funding and finance

Despite significant local investment, the scheme remains unviable with a funding gap of approximately £122,000 per property.

Engagement and accountability

Full proposals would be subject to significant further community and partner consultation to redevelop a site within the estate.

Capacity and knowledge

Regeneration would build on the coordinated local interventions across housing, community safety and socio-economic support already being undertaken.

Planning, land and site assembly

Regeneration has been constrained by complex tenure patterns, private ownership buy-outs and a lack of funding for costs associated for land acquisition and demolition.

OUTCOMES

Housing and supply

Proposals for 60 new energy-efficient social rented homes would diversify housing choice and modernise the estate, forming an initial phase of wider renewal.

Economic growth

The scheme would diversity housing choice, reduce fuel poverty, improve safety and environmental quality, and create a platform for long-term improvement.

Sustainability

The proposed regeneration would reduce fuel poverty through new energy-efficient homes.

People and place

While investment has prevented further decline, the estate shows that long-term improvements to safety, wellbeing and neighbourhood confidence require physical regeneration alongside community support.

CASE STUDY

JUBILEE FIELDS, SHILDON
PHYSICAL REGENERATION
TRANSFORMING HOUSING DEMAND, NEIGHBOURHOOD CONFIDENCE AND WELLBEING.

Regeneration typology
• Estate regeneration

Context

Jubilee Fields Estate in Shildon demonstrates the impact housing-led regeneration can achieve when physical investment is combined with strong community partnership and long-term commitment.

Following the closure of the British Rail Wagon Works in 1986, Shildon experienced significant socio-economic decline. By the early 2010s, Jubilee Fields had become one of Livin's poorest-performing estates, with low demand, high anti-social behaviour (ASB), deteriorating estate conditions and poor resident feedback.

The estate falls within the top 10% most deprived IMD areas nationally, with high levels of child poverty, worklessness and poor health outcomes.

Prior to regeneration, some homes attracted as few as two bids, reflecting the estate's poor reputation and low demand. Residents also raised concerns about outdated homes, unsafe layouts and environmental conditions.

Project Overview

Recognising that minor repairs would not reverse decline, Livin developed a comprehensive housing-led regeneration programme co-developed with residents.

A flagship element was The Courts regeneration scheme, part of the wider Jubilee Fields placemaking programme. Livin invested £6.9 million to redesign and retrofit 94 homes, supported by Homes England funding, alongside road and public realm improvements.

Unpopular one-bedroom flats were converted into larger accessible family homes, while eight properties were demolished to improve layouts, parking, gardens and safer routes. Homes were retrofitted to high energy efficiency standards, increasing EPC rating from C to high B or A and reducing household energy bills by up to £630 per year.

Key issues that were resolved

Key barriers included entrenched deprivation, low demand, estate design contributing to ASB, and limited grant support for estate regeneration.

Homes England funding criteria at the time only supported housing conversions, requiring Livin to self-fund £6.9 million of the £7 million regeneration cost. Despite delivering strong outcomes for the Jubilee Fields Estate, this level of organisational risk is not sustainable at scale.

FACTORS SUPPORTING DELIVERY

Leadership and oversight

Livin led the regeneration programme, combining estate renewal with wider placemaking and long-term community investment.

Funding and finance

Livin invested £6.9 million of a total £7million regeneration cost to redesign and retrofit 94 homes, with only the remaining £100,000 from Homes England funding. Livin secured over £400,000 in matched funding between 2023 and 2025 for wider community and employment projects.

Engagement and accountability

Residents shaped the programme through stakeholder groups, influencing layouts, safety measures and local priorities.

Capacity and knowledge

The programme combined housing conversion and retrofit, estate redesign, employment support and community investment to deliver wider social outcomes alongside physical regeneration, drawing on the skills and expertise of numerous teams and organisations built up over time.

Planning, land and site assembly

Selective demolition and estate redesign improved layouts, accessibility, parking, public realm and safer movement routes across the estate.

OUTCOMES

Housing and supply

The scheme improved 94 homes, creating larger and more accessible family housing. Demand for these refurbished homes was greatly increased from the previous estate.

Economic growth

The programme supported 51 residents into full-time employment and enabled 81 tenants to access £218,000 in financial benefits.

Sustainability
Retrofit works significantly improved energy efficiency and reduced household energy costs.

People and place
Physical regeneration ran alongside intensive community co development. Residents participated in and shaped key decisions through stakeholder groups, influencing layout, safety measures and local priorities.

The regeneration delivered a 59.7% reduction in police-reported ASB, increased community centre use by 25%, improved resident satisfaction to over 87%, and transformed housing demand from two bids per property to more than 140.


Images courtesy of Livin

Risk appetite, appraisal horizons and the long-term case for regeneration

Beyond the structural misalignment between funding programmes and regeneration need, practitioners across the North consistently identify a further set of barriers in how funding and finance products are designed and assessed. Government-backed finance products do provide extensive support for regeneration, including some of the most impactful mixed-use city centre schemes funded through programmes such as the English Cities Fund. In the weaker markets of the North, however, these funding avenues can be inaccessible for reasons that have less to do with the quality of schemes, or the depth of need, than with the assumptions built into how schemes are assessed.

The first of these is risk appetite. Regeneration in weak markets is inherently higher risk than new build in stronger ones. Site assembly is difficult or uncertain and the market conditions that schemes depend on are more fragile. Where the expected return is lower or the risk of overrun and delay is higher, the terms on which finance is available, if at all, will reflect that. Regeneration schemes in low-value markets are highly unlikely to meet their financing requirements privately, or not at a price that maintains scheme viability. In fact, if a scheme could reliably deliver a commercial rate of return, providers would simply borrow from commercial lenders instead.

This leaves the public sector as the only realistic source of the capital needed to kickstart regeneration in the North's weakest markets, taking on risk that other investors are unable to. Public finance products designed to support regeneration must therefore accept a higher level of risk than those calibrated to conventional housing delivery. In practice, however, risk thresholds and return expectations on existing products are frequently set at levels that reflect the assumption of stronger markets, leaving the organisations best placed to deliver regeneration in the weakest markets unable to access the support that is theoretically available to them.

The second is the time horizon over which benefits are expected to accrue and repayments fall due. Regeneration programmes in the North's weakest markets operate over timescales of multiple decades that are incompatible with the repayment profiles of most available finance products. Where a scheme requires sustained public commitment over multiple phases before the financial and social benefits of investment begin to materialise, short-term loan products or funding cycles that require repayment within a few years will not serve it.

The third is the way schemes are appraised. Standard development appraisal is a snapshot: it assesses viability at the point of completion, comparing costs with development value generated at handover. This is a reasonable framework for conventional housing development, where the economics of a scheme are largely settled at the point at which homes are sold or let. It is poorly suited to multi-phase regeneration, where the transformation of a place is cumulative and self-reinforcing, where the value created by phase one changes the conditions in which phase two is delivered, across a programme that may span two or three decades.

The consequence is that every phase must stand alone on its own economics, assessed against current or near-term market conditions rather than those the programme itself will create. This produces a systematic bias toward the smallest viability gap and the strongest schemes, which is precisely the opposite of what a regeneration programme designed to serve weaker markets should deliver. Phase one may require a high level of grant. Phase three, delivered into a transformed neighbourhood, may require far less. But that case cannot be made within a completion-point framework, because the future transformation it depends on has not yet happened and cannot be quantified with the certainty conventional appraisal demands.

What regeneration in the North's weakest markets requires, in short, is patient capital: finance committed over the timescales on which place-based transformation actually occurs, with risk appetite calibrated to the markets it is designed to serve, and assessed in a way that captures the value created across the full life of a programme rather than just at the next completion point.

WHAT REGENERATION IN THE NORTH'S WEAKEST MARKETS REQUIRES, IN SHORT, IS PATIENT CAPITAL: FINANCE COMMITTED OVER THE TIMESCALES ON WHICH PLACE-BASED TRANSFORMATION ACTUALLY OCCURS, WITH RISK APPETITE CALIBRATED TO THE MARKETS IT IS DESIGNED TO SERVE, AND ASSESSED IN A WAY THAT CAPTURES THE VALUE CREATED ACROSS THE FULL LIFE OF A PROGRAMME RATHER THAN JUST AT THE NEXT COMPLETION POINT.

The recent work to incorporate Transformational Change and Place Based business cases into the Green Book is welcome and represents a meaningful step in the right direction, away from the historic narrow focus of a case-by-case Benefit-Cost Ratio (BCR). These changes will need to be fully embedded into funding decisions going forward, to ensure that changes in appraisal guidance lead to change on the ground. Moving forward, appraisal and funding decisions should be capable of reflecting the principle that upfront public investment changes an area's future market conditions, increasing land values and generating future revenue streams that can repay the initial capital.

In funding terms, patient capital means a willingness to commit to multi-phase programmes at the outset. This should not be viewed as a blank cheque, but as a clear commitment that gives providers, local authorities and wider investors the confidence to plan and invest across the full programme timeline. This could include structured review points, rather than funding cliff edges.

The National Housing Delivery Fund (NHDF) will provide valuable grant funding to support with the delivery of infrastructure and preparation of land for development, but it also fails to fully reflect the timescales associated with ambitious regeneration projects. As it currently stands, Established Mayoral Strategic Authorities have sight of funding levels until 2029/30 through their Integrated Settlements. This will enable smaller regeneration schemes to come forward and receive funding, but does not reflect the fact that complex brownfield and urban centre regeneration schemes operate on fundamentally different timescales.

As previous NHC research and the most recent Public Bodies Review of Homes England make clear, without long-term funding certainty, larger, more ambitious regeneration schemes simply cannot be progressed with confidence.[28,29] The result of this is that schemes are built out more slowly, or not progressed at all. This means, for example, that the number of town and city centre regeneration projects identified across the North, as part of this report, could well be larger, and those that have been identified could be built out more quickly if the National Housing Delivery Fund could provide certainty further into the future. Extending the programme to ten years would allow full alignment with the Social and Affordable Homes Programme, bringing together the grant funding programmes for preparing land and developing new social and affordable homes.

Funding uncertainty, risk and a thinning pipeline

The absence of long-term funding certainty actively transfers risk onto local authorities and registered providers who are least able to bear it. To make any progress on regeneration priorities, these organisations need to invest millions of pounds in pre-development activity – feasibility studies, masterplanning, community engagement, site investigation – without any assurance that the funding required to deliver the scheme will be available when they need it. The rational response is to limit pre-development investment to what is absolutely necessary and avoid committing resource to schemes whose funding prospects are uncertain. The consequence is a thinning pipeline and a growing gap between identified need and shovel-ready schemes.

The consequences of funding uncertainty are far from theoretical. In Rotherham, Middlesbrough and numerous other northern communities, the cessation of Housing Market Renewal funding halted progress almost immediately, leaving schemes part-complete, communities in limbo, and areas that stagnated at best or continued to decline at worst. In too many cases, it has taken years to begin rebuilding the momentum that was lost. Without the confidence that long-term commitment brings, the core economic case for regeneration investment, whereby early public intervention creates improved market conditions that require progressively less subsidy over time, cannot be robustly applied.

The Greater Manchester Good Growth Fund offers an early example of what a different approach looks like in practice. Investment is committed upfront and partially funded by the future uplift it generates through retained business rates, land value capture and Mayoral Community Infrastructure Levy (CIL), alongside grant funding through an integrated settlement and underpinned by devolved borrowing powers, all tied to a ten year local growth plan that sequences investment across a pipeline. It offers a model that devolution should make possible elsewhere.

The compounding effect of regeneration barriers

The barriers described in this section do not operate independently. They are deeply interconnected, and in the places where regeneration need is greatest, they compound one another in ways that make the cumulative challenge significantly greater than the sum of its parts.

Viability is the central thread. A scheme that is marginal but potentially deliverable can be tipped into non-viability by the cost of remediating a contaminated site, carrying costs of a delayed grid connection, the expense of a protracted planning process, or the upfront cost of fragmented land assembly. Each erodes the already narrow gap between costs and values that defines viability in northern markets, and several frequently occur simultaneously. The design of funding programmes and the assumptions built into appraisal frameworks make this more difficult still: a scheme that survives the viability, land assembly and planning gauntlet may still fail to access the finance it needs because risk thresholds, repayment profiles or appraisal methodologies are calibrated to stronger markets and shorter timescales than regeneration in the North requires.

Underpinning all of this is a capacity problem. The legal, financial and technical expertise required to navigate these barriers is substantial, and many of the organisations closest to regeneration need do not have it. The result is a set of barriers that, in combination, fall disproportionately on the places and organisations where regeneration need is greatest, intensifying the disadvantage faced by the communities that an effective regeneration programme should prioritise.

CASE STUDY

UNION VILLAGE, MIDDLESBROUGH
PARTNERSHIP WORKING UNLOCKING A MAJOR TOWN CENTRE BROWNFIELD REGENERATION OPPORTUNITY

Regeneration typology

- Brownfield regeneration

Context

Union Village is a development of 145 two, three and four-bedroom homes on a long vacant 3.5-hectare brownfield site in Gresham, a few minutes' walk from Middlesbrough town centre.

Gresham is one of England's most deprived neighbourhoods and has faced deep-rooted social challenges for decades. In 2005, Middlesbrough's elected Mayor unveiled a 15-year vision to replace the town's "older housing", underpinned by the government's Housing Market Renewal (HMR) programme. The council bought up hundreds of properties, relocated residents, and carried out demolitions across the area.

In 2010, the then government withdrew HMR funding. Plans were scaled back and demolitions halted in 2014. Around 600 Victorian terraced homes had been demolished but a lack of funding to regenerate brownfield sites left large areas vacant for years. The area became associated with crime, fly-tipping and anti-social behaviour.

Project overview

The site was unable to attract private developers due to the weak market conditions and the costs associated with developing in a town centre location. In response, Middlesbrough Council and Thirteen formed a partnership to unlock the strategic brownfield site and bring forward a housing-led regeneration scheme.

The development, named Union Village, delivers a mix of houses, apartments and bungalows. The scheme faced significant viability challenges linked to remediation, redevelopment costs and weak market conditions. Delivery was also delayed by the pandemic before construction began in 2021. The scheme completed in late 2025.

FACTORS SUPPORTING DELIVERY

Leadership and oversight

Union Village demonstrates the importance of long-term commitment and partnership working between Middlesbrough Council, Thirteen, Homes England and Tees Valley Combined Authority to unlock a stalled brownfield regeneration site.

Funding and finance

To make the scheme viable, the council disposed of the site to Thirteen on a 999-year lease. Thirteen invested £19million alongside £7.6million from Homes England's Affordable Homes Programme and £2.5million from Tees Valley Combined Authority's Brownfield Housing Fund.

Engagement and accountability

Extensive engagement and partnership building was undertaken with the community and public sector stakeholders. Thirteen created a Community Connector framework to gather information about neighbourhood assets and consult with residents. A series of locality plans spanning 2020-2025 were developed with the community to coordinate activity across Gresham and five neighbouring areas.

Thirteen also engaged the local voluntary, community and social enterprise sector, and monthly resident meetings, pre-tenancy expectations meetings and the Friends of Union Village group helped build early community cohesion.

Capacity and knowledge

The scheme was delivered through a long-term regeneration partnership between Middlesbrough Council and Thirteen, the largest housing provider in the area. Further capacity and funding was drawn from Homes England, the Tees Valley Combined Authority, and Esh Construction.

A Phase 2 scheme for Gresham is planned, led by Middlesbrough Development Corporation.

Planning, land and site assembly

The site had previously been acquired and cleared through the HMR programme but had stayed vacant between 2014 and 2021.

OUTCOMES

Housing and supply

Union Village delivers 145 new homes on previously vacant brownfield land and represents a major supply opportunity within a wider regeneration area.

Economic Growth
With contractor Esh, Thirteen developed a combined social value plan for Gresham and Grove Hill. The plan has so far delivered £4.9m social and local economic value including 10 local jobs and 511 apprenticeship weeks.

Sustainability
All 145 homes achieved an EPC rating of B. Thirteen installed additional insulation within the homes by increasing the required cavity size to 150mm, resulting in greater energy efficiency over above that by the required building regulations.

The scheme was developed with a desire to bring communities and neighbours together, providing residents with areas in which they can meet. It incorporates four communal gardens and three communal courtyards, with planting throughout.

People and place
The development is fully occupied. Secure communal gardens, allotments and resident-led activities are helping foster ownership and stewardship. Between 2020 and 2025, reports of crime fell by 64%, fly-tipping by 65% and anti-social behaviour by 83%.


Images courtesy of Thirteen Housing

THE NORTH'S PRIVATE RENTED SECTOR

The North's private rented sector

The quality and compliance issues in the private rented sector (PRS) are well established. The Renter's Rights Act has rightly aimed to improve the stability of private renting, but in the North, the PRS presents particular challenges, which cannot be solved by regulation alone. It simultaneously contains significant amounts of stock in urgent need of renewal, acts as a barrier to regenerating the areas in greatest need, and is a sector where public authorities have a wide range of tools, but limited reach.

Previous NHC work has also identified that in the North, a higher proportion of those living in poverty are currently living in the private rented sector than elsewhere.[30] The erosion of social housing provision, principally through the Right to Buy, has led to perverse outcomes where some of the most vulnerable people in the country are left with the insecure, poor quality and often unaffordable private rented sector as their only option for housing, leading to negative life outcomes and an ever-increasing welfare bill. Ultimately, many of these households would be better served by the security and improved quality of a new social home, further underlining the importance of the Government's new supply ambitions, and the need for social housing regeneration to further increase supply.

But where the PRS is the right solution, there remains substantial room for improvement to ensure that it offers a genuinely decent and stable home to those who live in it, and does not act as a barrier to wider regeneration.

This report identifies the PRS as a priority issue requiring its own dedicated solutions and commits to further substantive work in the next stages of Renew. What follows sets out the nature and scale of the challenge.

A tenure in need of renewal

Across significant parts of the North, concentrations of poor-quality private rented housing represent some of the worst housing conditions in the country. In the most affected areas, energy efficiency standards are extremely poor, Category 1 hazards under the Housing Health and Safety Rating System are widespread, and damp, mould and disrepair are routine features of everyday life for tenants. In all three northern regions both the rate of non-decency, and presence of damp in the private rental sector is more than double that in the social sector. More than 27% of Yorkshire & Humber's privately let homes currently fail to meet the Decent Homes Standard – the second highest in the country.[31] Just 43.7% of privately rented homes in the North have achieved an energy performance of EPC Band C or above, compared to 62.6% in the social sector.

The result of this sub-standard performance is poorer health outcomes, high energy bills and carbon emissions incompatible with net zero commitments. The worst-performing stock is also the stock where remediation is least financially viable. At the bottom end of the market, low property values mean landlords have neither the incentive nor, in many cases, the means to invest. Until the Decent Homes Standard is fully applied to the PRS in 2035, and Minimum Energy Efficiency Standards in 2030, tenants have little leverage to force improvements. In some neighbourhoods these conditions are systemic characteristics of the entire area rather than a select few homes, concentrated in the parts of the North where deprivation is most acute and housing options most constrained.

IN SOME NEIGHBOURHOODS THESE CONDITIONS ARE SYSTEMIC CHARACTERISTICS OF THE ENTIRE AREA RATHER THAN A SELECT FEW HOMES, CONCENTRATED IN THE PARTS OF THE NORTH WHERE DEPRIVATION IS MOST ACUTE AND HOUSING OPTIONS MOST CONSTRAINED.

Insecurity of tenure makes the problem of poor housing quality even worse. Tenants living in poor conditions have historically had limited ability to challenge landlords without risking eviction, creating a power imbalance that has allowed substandard conditions to persist. The Renters' Rights Act represents a significant step toward addressing this, removing no-fault evictions and strengthening tenants' ability to seek redress. Regulation can improve the security of tenure, and licensing can help prevent further decline, but they cannot fully regenerate homes or transform conditions where need is greatest.

A market in name only

In the weakest northern markets, the private rented sector has ceased to function as a market in any meaningful sense. Many owner occupiers and renters with alternative options have left, leaving behind a tenure of last resort populated almost entirely by households with no other option, with much of the market dependent on housing benefit. In the North alone, we estimate that more than 152,000 households are in receipt of public support for housing costs and living in non-decent homes (shown in the table across). This means that more than £1 billion of public money is being paid to private landlords each year, for properties that do not meet minimum quality standards.

IN THE NORTH ALONE, WE ESTIMATE THAT MORE THAN 152,000 HOUSEHOLDS ARE IN RECEIPT OF PUBLIC SUPPORT FOR HOUSING COSTS AND LIVING IN NON-DECENT HOMES (SHOWN IN THE TABLE BELOW). THIS MEANS THAT MORE THAN £1 BILLION OF PUBLIC MONEY IS BEING PAID TO PRIVATE LANDLORDS EACH YEAR, FOR PROPERTIES THAT DO NOT MEET MINIMUM QUALITY STANDARDS.

These subsidies go to landlords who have historically had limited obligation to maintain quality and have no long-term stake in the communities where their properties sit. Throughout our engagement with the housing sector, we have consistently heard about issues with absentee landlords who operate out-of-area with limited local knowledge, no financial incentive to maintain or improve their properties, and who are difficult for under-resourced local authorities to identify and hold to account. This dynamic is self-reinforcing: as the quality of the remaining stock and the wider area declines following landlord neglect, the market case for investment weakens further, accelerating decline and making voluntary improvement even less likely.

The Government has identified build to rent as its preferred vehicle for improving private rented housing quality and supply at the medium to upper end of the market, and there is a reasonable case where conditions support it. But build to rent does not reach the bottom end of the PRS, where problems are worst. In areas of greatest concern, values are low and rental income depends largely on Universal Credit or housing benefit, the conditions for viable build to rent do not exist. There is no government policy to regenerate concentrations of poor-quality PRS.

A barrier to regeneration

In multi-tenure areas, concentrated PRS ownership is a direct barrier to regeneration delivery as well as a source of homes in need of renewal themselves. Where a street or neighbourhood contains dozens of individual landlords, either uncontactable, or as is often the case in parts of the North, operating through opaque ownership structures, the land assembly challenge described elsewhere in this report becomes considerably more difficult.

Even in neighbourhoods with more social housing, Right to Buy has resulted in a significant transfer of social housing into the PRS. Since 1980/81, more than 611,000 social homes have been lost to the sector through the Right to Buy.[32] New Economics Foundation's analysis, based on Freedom of Information requests, suggests that 41% of all homes sold have ended up back in the PRS.[33] Applying this figure to the North results in more than a quarter of a million ex-social homes now being let privately, diluting the ability of social landlords to instigate change across a community. Unlike social landlords, private landlords have no institutional relationship with regeneration programmes, no obligation to engage and, in many cases, no economic incentive to do so. A property generating a rental income, however modest, is more valuable to an absent landlord than an offer at existing use value. The result is that the tenure fragmentation created by decades of private landlordism in the North's most deprived communities, and the impacts of the Right to Buy, is now a significant barrier to the physical renewal those communities need and a trend that needs reversing in the coming years.

Housing support for non-decent homes in the North's private rented sector

Region	PRS non-decency rate	Total housing support recipients in PRS (UC and HB)	Average weekly HB/UC housing element payment	Estimated total annual housing support spend in PRS	Estimated housing support recipients in non-decent PRS homes	Estimated total annual housing support spend in non-decent homes
North East	16.1%	87,861	£122.38	£559m	14,100	£94m
North West	32.3%	292,433	£128.57	£1.95bn	94,500	£631m
Yorkshire & Humber	25.4%	173,678	£131.17	£1.18bn	44,100	£295m
North	25.5%	553,972	£128.41	£3.70bn	152,700	£1.02bn

THE RESULT IS THAT THE TENURE FRAGMENTATION CREATED BY DECADES OF PRIVATE LANDLORDISM IN THE NORTH'S MOST DEPRIVED COMMUNITIES, AND THE IMPACTS OF THE RIGHT TO BUY, IS NOW A SIGNIFICANT BARRIER TO THE PHYSICAL RENEWAL THOSE COMMUNITIES NEED AND A TREND THAT NEEDS REVERSING IN THE COMING YEARS.

Further, local authorities and partners delivering regeneration, including housing associations, frequently lack the comprehensive data on private landlord ownership that would allow them to identify and engage with all relevant parties in a regeneration area. The forthcoming Private Rented Sector Database should begin to address this once implemented, provided all relevant parties delivering regeneration can access it, but the absence of reliable ownership data remains a significant practical barrier to land assembly in mixed-tenure areas today.

The tools available and their limits

Local and strategic authorities have access to a wide range of interventions in the private rented sector, and some are using them effectively:

- Once implemented, the Renters' Rights Act's new landlord database will provide the foundational data which enables effective enforcement
- Selective licensing schemes allow authorities to require landlords in designated areas to meet minimum management standards as a condition of letting
- Additional licensing provides similar levers specifically for Houses of Multiple Occupation (HMOs)
- Responsive enforcement and proactive inspection and prosecution can drive up standards where it is resourced adequately, including through the provision of improvement or prohibition orders
- Repairs in default powers allow authorities to carry out works and recover costs from landlords who fail to act
- Empty Dwelling Management Orders (EDMOs) provide a mechanism for bringing long-term vacant properties back into use.
- Civil penalties and rent repayment orders, including the recovery of housing benefit paid to non-compliant landlords, can make non-compliance costly
- And finally, where routine enforcement has failed or where landlords cannot be engaged, landlord banning orders, management orders to take over property management, and compulsory purchase orders act as a stronger last resort of action

The challenge is not the absence of tools but the capacity and knowledge to deploy them at scale. Enforcement teams in the authorities serving areas of greatest PRS need are almost universally under-resourced relative to the scale of the task. A third of local authorities operate with just 2 to 5 enforcement staff, and 26 authorities report that they have between 0 and 1 full time staff working on housing enforcement.[34] More than 60% of councils identify a lack of capacity as the primary barrier to tackling hazards like damp and mould. Expenditure on local authority housing enforcement since 2010 has increased by 35% in the North, reflecting the increased use of selective licensing, but NHC local authority members have been consistent in their view throughout this inquiry that they do not have the capacity or capability to fully deliver on the Renters' Rights Act as it stands.[35] To deliver meaningful change for private renters in the North, this will need to change.

The £18.2 million allocated to councils in 2025/26 to support preparations for the implementation of the Renters' Rights Act is a welcome step, but distributed across hundreds of local authorities it amounts to a modest increment for most, and far short of what would be required to establish the specialist teams, systems and proactive enforcement programmes that the North's most affected areas require. Capacity funding for PRS enforcement, including through the new burdens funding for the Renters' Rights Act, will need to be substantially larger, sustained and targeted at the authorities facing the most acute challenges if it is to make a meaningful difference.

What good looks like and how to scale it

Unlike the social housing sector, the bottom end of the North's PRS has no equivalent of a registered provider with a substantial balance sheet, regulatory framework and long-term stake in communities. This absence of institutional stakeholders is a fundamental characteristic of the tenure, and any serious policy on regeneration must grapple with it directly.

Across the North, organisations are emerging that go some way to filling this gap. Community-led housing groups, ethical letting agencies, tenant support organisations and other social enterprises are demonstrating that it is possible to provide good quality, secure, affordable accommodation in the PRS, and to do so in a way that builds community stability rather than undermining it. What makes these models distinctive is that they operate with an explicit social mission prioritising the interests of tenants and communities above short-term financial returns and maintain a long-term presence in the communities they serve. They provide the institutional anchor parts of the North's PRS lacks: a body with local knowledge, community relationships and a genuine stake in the neighbourhood's future.

In practice, however, organisations such as East Marsh United in Lincolnshire and Redcar's Ethical Lettings Agency tend to be precariously funded and operating at a fraction of the scale required. Government should look seriously at how to fund and support their growth. This could include capital and revenue funding to scale up, and where necessary, regulatory recognition or wider support to allow them to access capital from alternative routes. Renew will explore this area further in the next phase of the inquiry.

A POLICY FRAMEWORK TO DELIVER HOUSING-LED REGENERATION IN THE NORTH

A policy framework to deliver housing-led regeneration in the North

The previous sections have set out the scale of the regeneration challenge in the North, the barriers to delivery, and the limits of the current policy programme. Increasing regeneration delivery requires a coherent framework designed for northern market conditions and resourced at a scale commensurate with the challenge.

The proposals that follow are organised around six pillars:

1 FUNDING AND FINANCE

addressing the structural viability gap that impacts the North and the absence of a dedicated, long-term regeneration funding programme.

2 LEADERSHIP AND OVERSIGHT

establishing the national commitment, institutional architecture and local empowerment needed to sustain delivery.

3 PLANNING, LAND AND SITE ASSEMBLY

giving public bodies the tools and capacity to assemble land and bring sites forward at pace and scale.

4 CAPACITY AND KNOWLEDGE

rebuilding the specialist expertise that sustained regeneration programmes require.

5 ENGAGEMENT AND ACCOUNTABILITY

ensuring regeneration builds trust, is accountable to communities, and delivers lasting benefit for existing residents.

6 DELIVERING FOR THE PRIVATE RENTAL SECTOR

tackling poor conditions, removing a key barrier to regeneration and ensuring value for public money.

Funding and finance

The viability gap in the North is structural rather than cyclical, and closing it requires a financial architecture purpose-built for regeneration. The existing policy framework provides no dedicated funding stream for the renewal and replacement of existing stock, and no single instrument is designed to support the full breadth of activity that regeneration involves. Without this, the North's most complex schemes will continue to stall, its end-of-life stock will continue to drain provider balance sheets, and the pipeline of delivery-ready schemes will continue to thin.

The National Housing Delivery Fund currently delivers valuable grant funding for infrastructure and land, but its current four year timetable means that the most complex, and potentially transformative regeneration schemes, cannot progress with confidence. Extending this out to ten years would better reflect the timelines associated with regeneration.

Delivering a successful regeneration programme in the North will also require finance tools that provide patient capital over the long term, with risk appetite and appraisal frameworks tailored to northern housing market conditions.

Community regeneration programmes such as Pride in Place are delivering real benefit in the areas they cover, but significant gaps remain: many neighbourhoods with acute regeneration need have yet to be included, and housing providers, who hold deep local knowledge and long-standing community relationships, are not consistently embedded in governance and delivery.

The right framework, combining a dedicated grant programme, a regeneration finance facility through the National Housing Bank, a genuinely long-term infrastructure and enabling fund, and strengthened community regeneration funding would unlock hundreds of thousands of new homes across the north, while freeing providers to build more of the social and affordable homes the North desperately needs, and transforming communities in need of investment.

Recomendations

Funding and Finance – long-term, flexible funding to deliver regeneration at scale

A new Place-based Regeneration Fund, to last until at least 2036, in line with the Social and Affordable Homes Programme and implementation date for the new Decent Homes Standard. This should be:

- Devolved to Established Mayoral Strategic Authorities as part of their Integrated Settlements so they can align funding decisions to wider priorities and local need
- Flexible enough so it can support interventions across the broad range of activity that regeneration requires including the acquisition of properties, refurbishment of existing stock, replacement of homes that are beyond economic repair, and the plugging of viability gaps that prevent schemes from proceeding
- Accompanied by an updated outcomes framework for Established Mayoral Strategic Authorities that embeds regeneration targets alongside existing housing supply commitments
- Subject to additionality requirements measured across the programme as a whole rather than scheme by scheme, demonstrated through a combination of:
  - new homes delivered
  - moribund stock removed
  - registered provider's business plan capacity unlocked
  - wider place-based benefits of regeneration, and
  - densification of existing sites where appropriate and viable
- Up to 20% of funding should be able to be converted to revenue and used for pre-development work, resident engagement and post-intervention stewardship

A new dedicated regeneration finance facility delivered via the National Housing Bank, which:

- Adapts existing National Housing Bank finance products including subsidised loans, equity and guarantees for large strategic regeneration sites specifically
- Adopts a regeneration-specific appraisal framework that captures the full social and economic case for regeneration, with specific risk-appetite and rate of return expectations rather than the same assumptions as for purely new-supply programmes
- Operates on a genuinely long-term investment horizon, recognising the timescales that complex regeneration requires
- Includes equity vehicles that can provide patient capital, taking long-term positions in regeneration schemes, built on assumptions of future uplift in land and property values as schemes mature, learning lessons from the Greater Manchester Good Growth Fund
- Blends seamlessly with grant programmes, other National Housing Bank products, and with other sources of public and private capital

Extended National Housing Delivery Fund so it becomes a ten year funding programme, aligned to the Social and Affordable Homes Programme and the proposed place-based regeneration grant programme, so it can support the development of the most complex regeneration schemes

Expanded Pride in Place programme, with:

- Greater local authority input into the identification of specific areas within their boundaries
- A greater explicit role for housing providers within governance and delivery

Leadership and oversight

Successful housing-led regeneration requires sustained political and institutional commitment. Regeneration has not, in recent memory, been treated as a sustained national priority, and the consequences of that are clear across the North. There is no dedicated lead at the heart of Government, devolution across the North remains uneven and incomplete, the cumulative impact of regulation on providers' capacity has not been fully assessed, and regeneration is not measured or reported in a way that secures it as a priority alongside new supply.

Completing the devolution settlement, appointing dedicated leadership at the heart of Government, and embedding regeneration in how Homes England, the Regulator of Social Housing and Mayoral Strategic Authorities define and report on success would together create the institutional conditions, and provide the underpinning data, that the challenge demands.

Recommendations

Leadership and Oversight – a national framework to support local delivery

Appoint a dedicated Minister for Regeneration who:

- Works across MHCLG and Cabinet Office – directing cross-departmental work across housing, transport, net zero, health, culture, justice, education and skills, across the three regeneration typologies
- Acts as the accountable figure within central government for regeneration delivery, including:
  - Ensuring all relevant funding programmes actively support regeneration objectives
  - Driving the full embedding of reforms to the Green Book and MHCLG appraisal guidance, working with HM Treasury to monitor whether guidance changes are leading to changes in funding decisions
- Establishes a regular regeneration forum with Mayors, MHCLG senior officials with regeneration responsibilities and regional directors of Homes England
- Regular reporting back to Parliament on progress, including the Housing, Communities and Local Government Select Committee

Complete devolution across the North, accelerating all areas to Established Mayoral Strategic Authority level as quickly as possible. This will ensure that:

- All areas have access to the most impactful tools to deliver regeneration, including Mayoral Development Corporations, Spatial Development Strategies, Mayoral Development Orders and Compulsory Purchase Order powers
- Those planning, delivering and funding regeneration programmes across the North can assume consistent powers, governance arrangements and strategic capability in every area

Complete a comprehensive assessment of end-of-life housing stock in the North in partnership with the Regulator of Social Housing, local authorities and the wider housing sector. This should:

- Establish a consistent definition of end-of-life stock and quantify the scale of need by stock archetype, tenure and geography
- Review the cumulative impact of current and emerging regulatory requirements, including the Decent Homes Standard and Minimum Energy Efficiency Standards, on the financial viability of the most problematic stock

Measure what matters – expand key performance measures and data collection across Government to ensure regeneration is viewed as a priority alongside new supply, including:

- Targets for Homes England for major regenerations schemes funded and, on the renewal, and replacement of end-of-life stock
- The Regulator of Social Housing to collect and publish more information on the long-term financial viability of social housing stock
- Following the establishment of dedicated regeneration funding streams within Integrated Settlements, Established Mayoral Strategic Authority outcomes frameworks expanded to include targets on stock renewal and replacement

Capacity and knowledge

The expertise required to deliver complex, multi-phase regeneration programmes has been hollowed out across local government and the wider housing sector over the past fifteen years. Specialist roles have disappeared, institutional memory has been lost, and the knowledge required to lead land assembly, navigate viability, manage resident engagement programmes and sustain delivery is now concentrated in a small number of organisations. Where this does not stop regeneration from taking place at all, authorities are increasingly reliant on consultants, adding costs and reducing the continuity of relationships that complex regeneration benefits from.

New capital funding programmes alone will not resolve this, and without the capacity to deploy it, the powers and resources proposed across this report cannot be effectively used. Rebuilding that capacity requires sustained investment in the regeneration functions of strategic and local authorities, and a national vehicle for restoring the wider knowledge base that fragmented programmes and years of underinvestment have eroded.

Recommendations

Capacity and Knowledge – rebuilding the expertise regeneration depends

Provide capacity funding for Strategic and Local Authorities to increase housing strategy, planning and regeneration capacity and skills

Establish a new National Centre for Regeneration:

- Based in the North as a new subsidiary or core function of Homes England
- Leads learning and development for regeneration, working with Homes England, strategic authorities, local authorities, the private sector, wider housing sector and universities to rebuild sector-wide knowledge and capacity
- Facilitates and leads programmes of placements and knowledge exchange between local government, industry and academia
- Shares resources and best practice across the sector, including design codes, common estate design issues, lessons from past regeneration programmes in the UK and internationally
- Delivers and funds research programmes on regeneration, including programme evaluation and 'do nothing' cost analysis
- Supports innovation in new technologies and approaches to regeneration, including the role of Modern Methods of Construction

Planning, land and site assembly

Assembling land for regeneration and securing planning permission are persistent barriers to regeneration, and the public bodies leading delivery too often lack the knowledge, capacity and confidence to make full use of the tools available to them.

Compulsory purchase powers exist already but are rarely used, because the process is slow, expensive and legally complex, and the credibility of the threat has eroded to the point where it no longer functions as an effective backstop to negotiation. Section 14A directions, allowing for the removal of hope value from compensation calculations, have not yet been used in practice and, as a result, have not had the effect on supporting regeneration viability and delivery they were intended to. Mayors, despite identifying regeneration as a strategic priority, do not currently have a mechanism to ensure that planning decisions across their geography give weight to it as such.

Reforms to compulsory purchase, clearer guidance on Section 14A directions and hope value, and a statutory presumption in favour of regeneration schemes within Spatial Development Strategies, building on recent changes for brownfield development, would together accelerate land assembly, reduce planning risk and get priority regeneration schemes moving faster.

Recommendations

Planning, land and site assembly – enabling regeneration at pace

Make better use of Compulsory Purchase powers:

- **Extend to Established Mayoral Strategic Authorities the power for the mayor to confirm Compulsory Purchase Orders (CPOs) on identified regeneration schemes within their area,** with the Secretary of State retaining the power to call in orders, including where a scheme is of wider than local significance, or where a potential conflict of interests could arise.
- Issue clearer national guidance on the use of Section 14A directions to remove hope value from compensation calculations where regeneration schemes deliver affordable housing and wider regeneration benefits. This should include worked examples of what evidence is deemed sufficient, where Section 14A directions are deemed appropriate and a clearer government position on the role of Section 14A within mixed-use regeneration schemes
- Ensure that CPO powers function as a credible backstop to negotiation, supported by the capacity funding and National Centre for Regeneration recommendations set out above. This will mean that landowners are incentivised to voluntarily engage and reach agreement earlier, and local authorities and MSAs will have the expertise and resource needed to use powers effectively, and in accordance with relevant human rights legislation, where negotiation fails.

Enable mayors to support regeneration in Spatial Development Strategies, through a statutory presumption in favour of regeneration schemes, on identified sites and where proposals meet defined criteria. This could include supporting regional priorities, such as the replacement of ageing housing stock, brownfield regeneration, estate regeneration and densification

Engagement and accountability

Regeneration is a long-term process involving significant disruption to existing residents, and its legitimacy rests on the trust and consent of the communities it is intended to serve. The history of estate renewal includes programmes which have, at times, proceeded without genuine resident involvement, leaving residents feeling that regeneration was something being done to them rather than with them, and left concerns around rehousing and the potential loss of social rent homes unaddressed. This has damaged public confidence in regeneration and made it more difficult to deliver.

Establishing a clear and enforceable set of standards covering resident oversight, social rent replacement, rehousing guarantees and transparent reporting would provide the accountability framework that regeneration has historically lacked and create the foundation of trust on which ambitious programmes depend. The detailed design of these standards is work Renew will take forward in the next phase, in partnership with the sector and with residents.

Recommendations

Engagement and Accountability – building trust with residents

Establish an agreed set of expectations, standards and rights for regeneration schemes with the sector and tenants, covering:

- Resident oversight, scrutiny and consultation on regeneration
- Social rent replacement wherever possible
- Rehousing guarantees as conditions of funding wherever possible
- Reporting on the success of guarantees, decanting and rehousing

Delivering in the North's private rented sector

The North's private rented sector is simultaneously a source of some of the worst housing conditions in the country and a significant barrier to land assembly in areas of regeneration need. Private landlords in the North also receive more than £1 billion of public funding through housing benefit or the housing element of Universal Credit each year for homes that do not meet minimum standards of quality. Public money is being paid to these landlords without the conditions on quality and management that public investment in almost any other area would attract.

Local authorities have extensive powers to address poor conditions but lack the capacity to deploy them at scale, and the Renters' Rights Act will only deliver the change it is designed to achieve if enforcement resource is substantially increased. Alongside enforcement, the absence of institutional landlords with a long-term stake in northern regeneration areas is a structural gap that community-led and ethical lettings models are beginning to fill, but at nowhere near the scale required. Those leading land assembly in regeneration areas are also operating largely blind. Without access to reliable data on who owns and manages certain privately let properties within a scheme boundary, engaging the full population of private landlords whose properties fall within scope is often impossible.

Strengthening conditionality on both the grants paid to private landlords and the housing benefit they receive, building enforcement capacity, supporting alternative landlord models and giving regeneration delivery partners access to the forthcoming private rented sector database would together begin to address a tenure that has for too long been treated as beyond the reach of the policy framework that governs the rest of the housing system.

Recommendations

The Private Rented Sector – improving standards and public value for money

Provide multi-year capacity funding – including through the next round of the New Burdens funding for the Renters' Rights Act – to enable strategic and local authorities to scale up monitoring and enforcement activity, make best use of existing powers and maximise the impact of the Act. Funding should:

- Be structured as a multi-year uplift that supports the progressive build-up of enforcement capacity
- Enable authorities, once capacity is established, to transition to a self-funding model in which licensing and registration fees, civil penalties and rent repayment orders meet the ongoing costs of enforcement activity

Pilot the introduction of conditionality on the payment of public funds to private landlords, to improve housing quality and ensure value for public money. This would involve two distinct mechanisms:

- **Housing benefit conditionality:** MHCLG, DWP and Mayoral Strategic Authorities to jointly design a framework linking housing benefit and Universal Credit housing element payments to minimum standards on property condition, Renters' Rights Act compliance and management practice, including through targeted enforcement. This should be piloted initially in a small number of local authority areas where PRS quality challenges are most acute, drawing on selective licensing frameworks and the new private rented sector database introduced by the Renters' Rights Act, before any decision on wider rollout is taken.
- **Grant conditionality:** Make the payment of public grants to private landlords, including the Warm Homes Local Grant and equivalent programmes, conditional on meeting specific housing quality and management standards.

Establish a programme to fund and scale community-led housing organisations operating in the North's private rented sector.

Provide regeneration delivery partners with access to the Private Rented Sector Database in designated regeneration areas so that local authorities, Mayoral Strategic Authorities, registered providers and other bodies leading land assembly can identify and engage with the full range of landlords whose properties fall within scheme boundaries.

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