Transformational Regeneration Areas – David Fletcher (GHA) 2 March 2011
• Agreed joint strategic priorities between GCC, GHA, and Scottish Government represented in SHIP and LHS

• Programme approach to delivery across 8 sites

• Shadow TRA Board established December 2009; working towards formal SPV in 2011

• First three demonstration areas identified - Maryhill, Laurieston and Gallowgate

• Scottish Government – disposals clawback agreement (Activation Agreements signed for demonstration areas)

• Local Delivery Groups established – now meeting regularly
• Formed in December 2009 – partnership with members from Scottish Government, GCC and GHA

• Agreed key work-streams
  – Establishment of formal company for programme delivery: Special Purpose Vehicle
  – Preparation of Business Plan across the whole TRA Programme and reappraisal of market in light of changed economic conditions
  – Activation of three Demonstration TRA sites (Gallowgate, Maryhill, Laurieston:
    • Testing of approaches to delivery
    • Activation Agreements
    • Disposals Clawback
    • Establishment of Local Delivery Groups
Transformational Regeneration Areas

The Botany – 35 units
Area

• Mono tenure estate with some Right to Buy and diverse range of GHA stock located within two separate and distinct areas

• “the Valley” - located adjacent to Maryhill Locks development zone on the Forth and Clyde Canal – is the main focus of new build development, located close to the west end

• GHA stock subject to Second Stage Transfer to Maryhill Housing Association
Area

- Excellent location close to City Centre and adjacent to successful Crown Street regeneration project.
- Concentration of poor quality, low demand MSF properties.
- GHA low rise tenemental core stock at Eglinton Court/Cavendish Place.
- GHA stock subject to Second Stage Transfer to New Gorbals Housing Association.
Transformational Regeneration Areas

Gallowgate TRA

-Core Stock
-Demolition or Disposal
-Demolished
-Other

Meters

0 15 30 45 60 90 120 150

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Transformational Regeneration Areas
Transformational Regeneration Areas

Core Stock

Demolition or Disposal

Demolished

Concierge Station

New Build site
Area

- Significant development opportunities along Gallowgate Corridor
- Good transport links to city centre and beyond – East End Regeneration Route and M74 extension
- Adjacent to Forge Retail Park and with access to Duke Street
- Local Development Strategy in place
- Located close to Commonwealth Games village and facilities and Celtic FC
Shawbridge TRA

- Core Stock
- Demolition or Disposal
- Demolished

Transformational Regeneration Areas
Area

- Concentration of unpopular MSFs and low-rise properties
- Surrounded by high value private sector market; set between Shawlands and Pollok Country Park and close to Silverburn and M77
- Strong public transport links to City Centre and beyond
- Identified lack of supply of affordable family housing
Area

- Well located for access to jobs and amenities
- Close to M74 extension with potential for further improved transport links
- Strategic clearance and demolitions underway will result in further development opportunities
- Sits within the Clyde Gateway Urban Regeneration Company (URC)
Transformational Regeneration Areas

Red Road / Barmulloch TRA

- Core Stock
- Demolition or Disposal
- Demolished
**Area**

- Area dominated by dense layout of MSF blocks and area of failing post war tenements in Barmulloch
- TRA surrounded by an area of mixed tenure, relatively popular housing that is mainly social rent or right to buy
- Notoriety of Red Rd MSFs adds to area’s stigma
Area

- Good transport links to City Centre and beyond although limited access into the site
- Large concentration of MSFs and low rise with associated demand issues
- Dominated single tenure accommodation
- High profile negative media image
- Significant greenspace
Transformational Regeneration Areas

The Botany – 35 units

East Govan / Ibrox TRA

- Core Stock
- Demolition or Disposal
- Demolished

Transformational Regeneration Areas
**Area**
- Large TRA with variety of uses and physical characteristics
- Strong location in terms of transport links, adjacent to M8 and two subway stations; close to Braehead and Hillington and sitting on Clyde Waterfront Regeneration Route
- Three sets of poorly performing MSFs
- Mixed housing and industrial land uses together with high levels of derelict land
- Small businesses providing local employment opportunities
- South Glasgow Hospital Campus
• TRA Business Plan procured in summer 2010
• Consultant team led by Deloitte with property market appraisal by Ryden
• Key purpose to re-appraise the financial model and deliverability of the TRA programme in light of economic and market changes since 2007
• Reported to TRA Shadow Board in January 2011
• Developer capacity to engage diminished by recession, but now stabilising
• Residential value within the TRA sites has not dropped dramatically since 2008 (albeit from a low base).
• Polarisation of market demand for residential sites:
  – lower density of residential development,
  – expectation that residential units will sell more slowly,
  – developers seeking to complete only 25-30 units per annum on any given site.
• Recommends that partners promote multi-developer delivery.
• Should result in faster and higher quality mixed development and would represent the preferred approach for developers
• Lack of funding has resulted in there being virtually no speculative commercial development and therefore demand has not pushed into regeneration areas.
• Baseline financial model shows TRA programme delivery producing significant deficit
• Recommendation that partners seek to offset deficit by early disposal of commercial sites and investment in site preparation
• Applies a “regeneration premium” to property values
• Recommends ongoing delivery of Demonstration TRAs and taking forward Shawbridge and North Toryglen next – the most commercially viable
• Concludes that three TRA sites can be delivered with a positive financial return – Laurieston, Maryhill and Shawbridge
At its formation in Dec 2009, the Shadow Board instructed partners to work towards the formation of a formal SPV.

Heads of Terms have now been agreed, the SPV proposed to have the following key features:

• A company limited by guarantee with charitable status;
• A formal structure providing strategic direction and coordination of the overall programme;
• A clear structure for programme delivery at a local level;
• The role of Lead Partner and relationship with development partners;
• Establishment of clear principles for the SPV, including process for surpluses.
• Agreement of the TRA Business Plan;
• Consideration by partners of funding options;
• Ongoing delivery of Demonstration TRA’s;
• Activation of subsequent TRA’s;
• Confirmation from Scottish Government of participation in the formal SPV (post May elections);
• Agreement of legals to establish the SPV