

Our Crumbling Tenements

A new approach for the 21st century



Glasgow and West of Scotland
Forum of Housing Associations

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Glasgow and West of Scotland Forum of Housing Associations

We thank our members for providing the information used in this report through our members' survey and interviews. Throughout the report there are short case studies and photographs highlighting some of the work being carried out by members to improve sub-standard tenements. These are included as examples of a variety of approaches by our members to try to deal with an issue that is having a growing impact on housing standards and the attractiveness of communities. If you want to find out more please contact:

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Credits for uncaptioned photographs:

Front cover and Introduction - Unimproved tenements in Paisley

Rear cover - Before and after of Brucefield Park, Lochfield Park HA

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TC Young are delighted to sponsor this publication and add our support to the efforts of our clients in their attempts to improve the tenemental housing stock in Glasgow and the west of Scotland.

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team specialising in the delivery of legal work to the Scottish housing sector. Every member of our team has extensive expertise in working for housing associations and a deep understanding of the particular requirements of the sector.

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Introduction

Community Controlled Housing Associations (CCHAs) have a long history of carrying out comprehensive tenement improvement, supported by councils and the housing agencies the three Housing Corporation, Scottish Homes and Communities Scotland. From the 1970s through to the end of the 20th century their work brought life and a new sense of identity to tenement areas in Glasgow and towns throughout the west of Scotland.

The tenement is a fantastic, but complex, building form. It can provide a very long life, but it needs all the owners to agree to regular upkeep of the whole building. If any individual part is not well maintained, it has an impact on the whole structure. This needs good management, ongoing maintenance and the planned replacement of parts that reach the end of their life. Building standards also change over the years (for example in relation to energy efficiency), so some improvements are also required. This

naturally costs money and needs all the owners to fund their share of the repairs and improvements to the common parts.

And when money is not spent for a long time, the fabric falls into disrepair - leading to a far greater expense than would have been required if ongoing maintenance had been undertaken.

This is why CCHAs have had such an important role from the 1970s onwards. A large number of tenement properties were sadly neglected and needed substantial investment (from local and central government) to bring them back up to a decent standard. This used an approach known as Comprehensive Tenement Improvement (CTI), where grants were available both to CCHAs to buy and improve the flats and to owners who wished to upgrade their property. This led to the improvement of tens of thousands of tenement flats. These were predominantly in inner city areas, but also in peripheral estates.



Introduction

Since the start of the 21st century, this work has ground to a halt. This is not because the work is finished (far from it), but because of a series of changes. These include:

- **lack of financial support for private owners, particularly for improvements;**
- **a changed grant system from the Scottish Government, which made CTI almost impossible;**
- **a new law introducing Housing Renewal Areas rather than Housing Action Areas, with the (relatively) new Housing Renewal Areas never having been used in Glasgow and the west of Scotland;**



- **a greater focus on new provision than on maintaining and making the best of the existing stock;**
- **a growth in property values, which often led to owners being ‘property rich but income poor’;**
- **an increasingly complex ownership pattern with a rapid increase in the number of private landlords;**
- **a reluctance from owners including private landlords to take a long term view and invest in their properties, not least because the returns in terms of market value would take some time to materialise; and**
- **a lack of effective management of many tenements – and a lack of priority for the local authority to take enforcement action (in part because repair grants have been under severe pressure).**

We estimate that there are over 12,500 sub-standard pre-1914 tenement flats and 5,000 sub-standard post-1924 tenement flats in or adjacent to the areas covered by our members. And our members tell us that these numbers are growing as a lack of maintenance of some tenement closes leads to long term problems with features like crumbling stonework and lack of maintenance of roofs and gutters causing new problems.

If nothing is done, it really will feel that we have gone full circle back to the 1960s for some tenements. And yet, despite the difficulties there have been a small number of recent schemes which have brought tenement flats back to a decent standard.

This report sets out our view of the scale of the problems and the main reasons for these. And it suggests a number of ways that we might be able to take action in the short and medium term to tackle the problem.



The Scale of the Problem

It is important to note that in gathering information from GWSF members we used the phrase 'sub-standard' tenements. This is a broad description of tenements which, in an ideal world, would be subject to Comprehensive Tenement Improvement (or similar). There could be many reasons for this, including poor structural condition, lacking basic amenities or having severe long term management and/or maintenance problems affecting the fabric of the building.

There are sub-standard tenements in all the local authority areas where our members work. There are particular concentrations in Glasgow and Renfrewshire. In Glasgow, the City Council estimates that there are about 7,000 tenement flats which are below the tolerable standard. This is 8% of the total number and is based on a 2010 condition survey.

In Renfrewshire, the Council has estimated that there are about 1,200 properties (mainly pre-1914 tenement flats) that did not meet the tolerable standard. This is based on their most recent survey, in 2002.

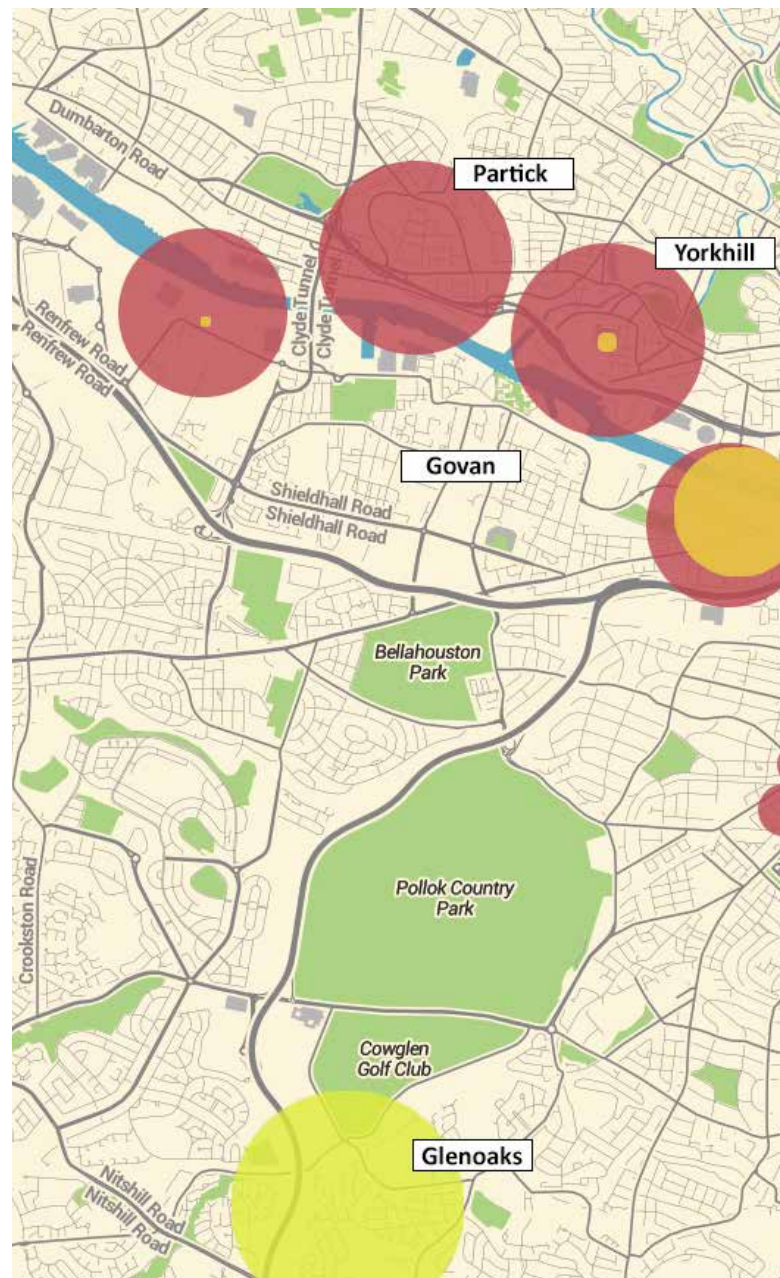
We received 37 detailed responses from our members to a questionnaire about the scale of sub standard tenement flats in their areas. Of the responding associations, almost 60% were able to identify sub-standard tenements within, or close to, their area of operation. These associations identified 7,354 sub-standard pre-1914 tenement flats and 2,893 sub-standard post-1924 tenement flats. This makes a total of 10,247 sub-standard tenement flats.

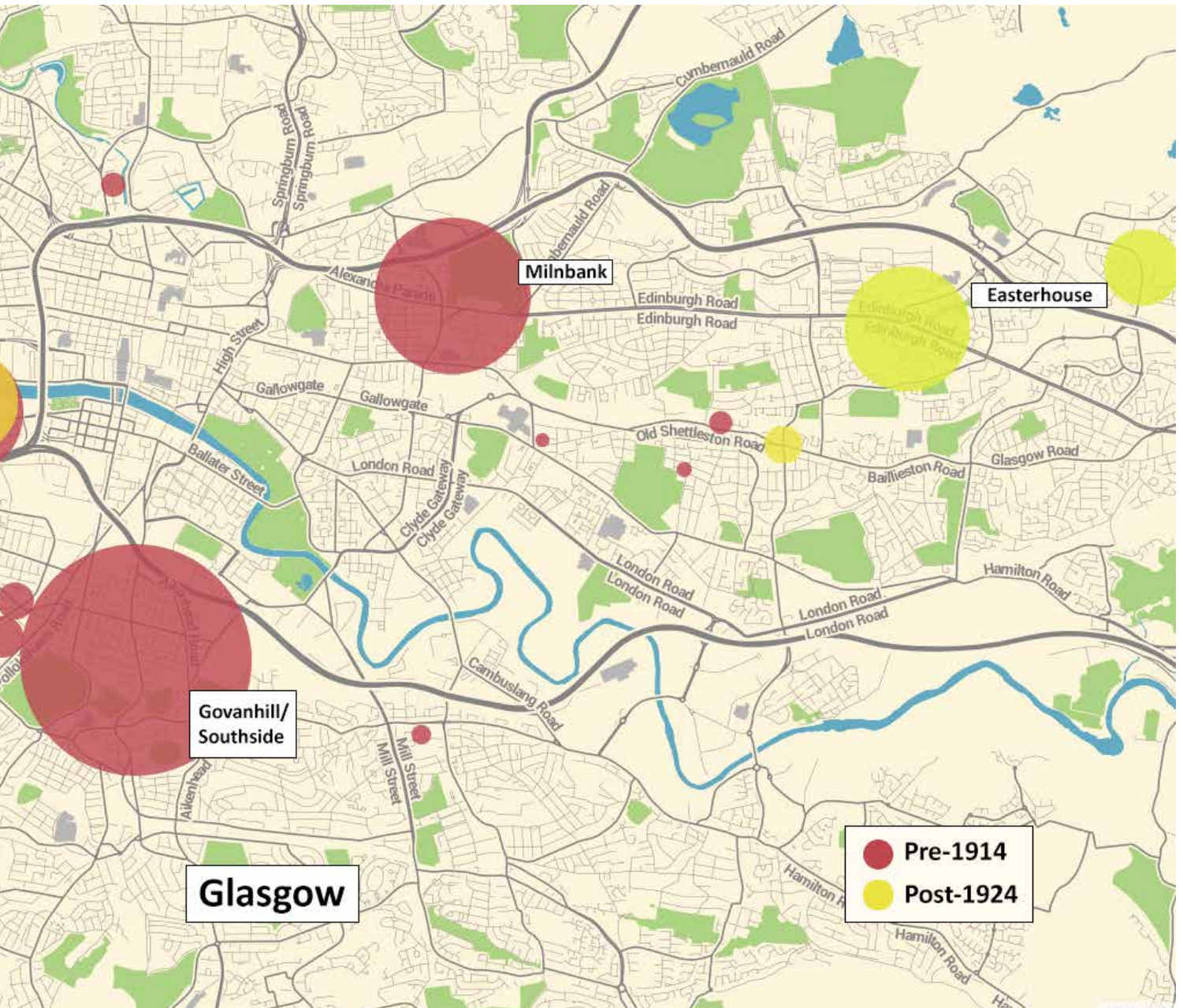
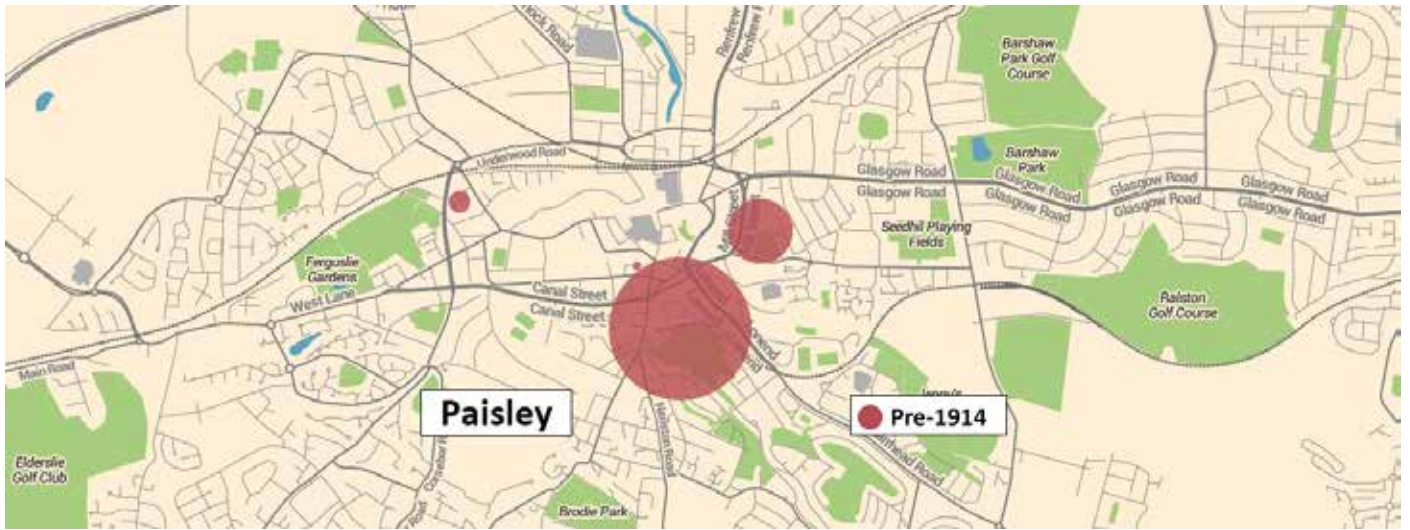
If we assume (reasonably) that the responding associations are broadly representative of the total membership, this suggests that there are over 17,500 sub-standard flats in or close to the areas

of operation of CCHAs. Of these, about 12,700 are pre-1914 tenements and about 5,000 are post-1924 tenements.

In most cases, CCHAs have no ownership interest in these sub-standard flats, and when they do, it is almost always a minority interest.

The maps (of Glasgow and Paisley) indicate the broad distribution and scale of the sub-standard tenement flats identified by those responding to our survey.





The Reasons for the Growing Problem

We asked our members what they thought were the three main reasons for properties falling below standard. The three most commonly mentioned reasons were:

- Lack of routine and cyclical maintenance of the building (75% of responses).
- Lack of interest from owners (50% of responses).
- Lack of management of the building (42% of responses).

These issues are clearly interlinked. Housing associations found that owners were very often unwilling or unable to invest money into maintaining their properties. Some owners had bought under Right to Buy and may not have realised the costs associated with maintaining the common parts of tenements. Owners are often 'property rich but income poor'. Some may have negative equity. And the required investment in their property may not lead to an early equivalent increase in property value.

There has also been a rapid growth in the size of the private rented sector. Renfrewshire Council noted a growth of 50% in the rented stock since 2004 (to 7% of the total). While Glasgow recorded a 115% increase in the size of the private rented sector (to 17% of the total stock) between the 2001 and 2011 Censuses. Our members report that it is often difficult to engage private landlords in discussions about the management and maintenance of the common fabric of the tenements in which they own flats. One local authority interviewee said '... the private sector, including former Right to Buy properties, is now a major time bomb'.

Housing associations, where they have any ownership, are almost always minority owners within these tenements, so are often cautious about committing

expenditure without the agreement of the majority of owners.

Statutory powers may not always be used as this could require councils to spend scarce resources – and there is no support to owners for improvement work.

There may be no agreed process for factoring the property and no rational maintenance plan – and many private landlords are unwilling to invest in the long term future of tenements. It is very unusual for owners to set aside funds for future major repair or component replacement, meaning that funds are not available when they are required.

The constant deterioration of the poorly managed and maintained section of the tenement stock not only has an impact on the tenements immediately affected, but on a much wider area. At its worst it can make the areas concerned feel less attractive, less safe and more isolated places to live.

For this reason 47% of the associations surveyed had considered taking action to improve the standards and the ongoing management and maintenance of tenement buildings. But 53% had not considered taking action for two main reasons – it was unlikely to stack up financially (55% of responses) and they were unlikely to be able to acquire properties (36%).

Of the 47% that had considered taking action, most had not been able to do so. The main reasons for this were:

- Ownership issues (56%).
- Not a priority for local authority (44%).
- The current financial regime is not appropriate for CTI (33%).

Only nine of the responding CCHAs have undertaken CTI in the last 10 years – and these have generally been 'one-off' projects. There is some frustration for

associations that a series of changes to grant regimes and ownership patterns has meant that their work to eradicate sub-standard tenement housing located in or adjacent to their area has not been able to be completed.

Two examples demonstrate the difficulties in carrying out Comprehensive Tenement Improvement in recent years. One scheme (in Queens Cross) is complete – but the other (in Paisley) is still being discussed by the housing association, the Council and the Scottish Government to find a way forward.

In 2012, Queens Cross Housing Association undertook the improvement of 44 vacant flats in Ancroft Street and Nansen Street. These vacant tenements were previously earmarked for demolition but now provide 44 affordable homes – 28 for social rent and 16 sold through

Improvement for Sale. This was the final stage of a major redevelopment of the Garscube area. The association was successful in obtaining £1.7 million grant funding through the Scottish Government’s Innovation and Investment Fund. The backcourts were also improved to provide a greener and more welcoming outlook. Despite the welcome support from the Scottish Government and Glasgow City Council, there remained key issues in ensuring that all the flats met residents’ expectations (both flat and room sizes); delivering energy efficiency to a level expected in new buildings; and dealing with problems of water penetration through stonework. The project won the Herald Property Award 2013 for best affordable apartment and a commendation for best regeneration project.



Before and after improvement, Ancroft Street/ Nansen Street, Queens Cross Housing Association

The Reasons for the Growing Problem

In Paisley, five closes in Orchard Street and Causeyside Street were part of a wider strategy to undertake comprehensive improvements to the poor quality tenement stock in and adjacent to Paisley Town Centre (part of which is a conservation area). A design team for the project was appointed by Paisley South Housing Association in October 2007. A feasibility study including Orchard Street was completed in 2008. The association owns just one of the 54 flats involved.



Awaiting improvement, flats in Orchard Street, Paisley

However, the Association withdrew from the project in October 2011 because they believed that the project was not feasible due to significant changes in the funding regime for Comprehensive Tenement Improvement. In April 2013, discussions were resumed with Renfrewshire Council, with the Council underwriting development costs because of the strategic importance of Orchard Street. By November 2014, there was agreement about the levels of funding that both the Scottish Government and Renfrewshire Council would commit.

In January 2015, the Association considered the funding package and has come to the conclusion that the scheme is too risky to take forward under the proposed financial arrangements. They are concerned that:

- the subsidy level from the Scottish Government is based on new build schemes and does not take account of the complexity and 'unknowns' involved in tenement improvement;
- subsidy levels are reducing year on year;
- it is difficult to estimate the number and cost of acquisitions; and
- some owners would be unlikely to agree to participate.

All parties still hope that a solution can be found which would allow the Association to proceed. But, in the meantime, the condition of the properties continues to worsen.

Milnbank Housing Association

Milnbank HA has identified over 800 sub-standard pre-1914 flats adjacent to their current stock. Their experience is that many of these tenements could be brought up to an acceptable standard for modest levels of grant to support home owners carry out essential repairs. So far the Association has been asked to take over factoring by more than 300 owners in 34 tenements where the Association has no ownership.

The Association insists on the properties being brought up to their 'Factoring Standard'. The common repairs required are normally in the region of £10,000 per flat. Glasgow City Council Development and Regeneration Services (DRS) have been providing a financial contribution to owners (through their 'Stitch in Time' programme) and the Association assumes the factoring role with an agreed maintenance plan as part of the service. This can be a slow process, but the Association has empirical evidence that the scheme works and stops property falling into disrepair. They feel that this preventative work should be a key

part of the local strategy – although there are some tenements that require substantial investment and will need a CTI programme being re-introduced in some locations.

CCHAs are well placed to get involved in this work. It should be noted that Milnbank HA through its factoring subsidiary has made a conscious decision to increase its property management activity. The rationale behind this is the detrimental impact private sector property falling into disrepair would have on the Association's neighbouring stock.



Milnbank common closes, before and after factoring agreement



Govanhill Housing Association

For some time, partners in the Govanhill Partnership have identified 13 tenement blocks in south west Govanhill as a priority for action. In December 2013, Glasgow City Council officers were instructed to develop an implementation strategy following negotiations with the Scottish Government and Govanhill Housing Association. The key outcomes included:

- promoting a sustainable tenure balance;
- stabilisation of problematic groups of tenement blocks by addressing overcrowding and poor condition;
- introducing a programme of preventative maintenance by promoting factoring services and maintenance plans; and
- reduction and eventual elimination of poor landlord practice.

An early action programme focuses on an initial four tenement blocks containing 579 properties. The Scottish Government has committed £4.3 million between 2014 and 2017 to cover Govanhill HA's acquisition costs, and the costs of internal improvement and external repair works to be carried out by the Association to bring the flats back to a lettable standard. Over



Poorly maintained housing and environmental problems in the area covered by Govanhill's early action programme.

this period a further £3 million has been earmarked from the Council's Affordable Housing Programme. In addition, the Council has earmarked £2 million Private Sector Housing Grant.

Property management is key to the long term future of the tenement properties, so the aim is to minimise the number of non-factored closes within two years. The Association will take on the factoring of tenements where majority ownership can be achieved. Where a majority cannot be achieved the Council will offer support through maintenance plans or its Missing Shares Initiative.

Southside Housing Association

Southside HA was one of a number of CCHAs which were allocated funding during 2014/15 by Glasgow City Council to purchase strategically located tenement flats. In the case of Southside, this will allow them to acquire over 40 flats. The aim is to consolidate the Association's ownership in blocks where they hold a minority interest. This will allow the Association to have greater control over effective management and maintenance of these closes. The initiative relies on

owners being willing to sell – but it offers the opportunity of the Association being able to 'protect' future standards in these tenements.

Although the scheme is intended as a one-off opportunity, a modest resource to allow future strategic purchases would help give CCHAs the opportunity to improve management and maintenance in key tenements in their area – and allow their existing tenants to benefit from a planned maintenance programme.

Lochfield Park Housing Association

Brucefield Park is an area of 216 privately owned former council flats in Easterhouse. The properties had been sold in the 1980s by Glasgow City Council through the “Homesteading” initiative as a means of increasing home ownership into the area.

Initially the scheme was very popular providing low cost homes for ownership. However, priority changes meant that Brucefield Park was left to its own devices with no proper factoring or estate management. Brucefield Park changed from a relatively desirable part of the area to the least desirable.

Sale values in Brucefield declined to a point where some properties were essentially abandoned and others were purchased at extremely low values (some as low as £1,000) by the private rented sector, which has a 50% presence in the area. The poor standard of management delivered by many of these landlords increased the spiral of decline in the area and created increasing problems of crime and anti-social behaviour.

Lochfield Park HA was able to take action in 2010 with the introduction of the Scottish Government’s Universal Home Insulation Scheme and increased funding available through the Community Energy Saving Programme (CESP). This led to a project funded by the Scottish Government and Glasgow City Council and managed by the Association which transformed the area and improved the lives of those living there.

Works included new roofs, downpipes and gutters; over cladding with insulated render system; new double glazed windows and energy efficient central heating systems; new front and back close doors and significant environmental improvements. It also began to tackle the 50 or so empty homes.



Brucefield Park before and after improvement, Lochfield Park Housing Association

So far 23 empty homes have been identified, acquired and renovated by Lochfield Park HA and let under Scottish Secure Tenancies. Private sector landlords are now engaging with the Council and the Association on factoring and estate management. And house values in the area have improved significantly as a direct result of the Empty Homes Initiative and associated works.

A Way Forward for the 21st Century

It is important to bear in mind that there is a wide range of sub-standard tenements. Some are slipping into substantial disrepair as a result of lack of management and maintenance and may be turned around by innovative work by CCHAs and relatively modest levels of support from councils or the Scottish Government. At the other end of the spectrum are tenements which require comprehensive improvement, with the risk that they may require to be demolished if appropriate solutions and funding cannot be found.

This suggests that there should be a move away from a 'one-size fits all' approach to repairing and improving sub-standard tenements. For those with less severe problems some solutions would be:

- sharing learning about the initiatives that are being undertaken by CCHAs with councils and the Scottish Government just now (such as the approaches highlighted in the previous section);
- an appropriate priority being given by the Scottish Government and councils to sustaining the supply of housing by interventions of different scales in sub-standard tenements - this should take account of the local heritage and the impact of neglect on the wider community;
- working towards clear and enforceable legal responsibilities for all owners in tenements to share maintenance costs, coupled with greater use of long term investment plans to allow funds to be built up over time to meet major component replacement (such as roof renewal and stone repairs);
- support from councils to underwrite the costs of missing shares, where a small number of owners are preventing majority agreement to carry out repairs;
- improved access to information and advice for owners, including private landlords;

- availability - probably through a national scheme - of equity loans for owners, where repayment is not required until sale of the property; and
- a joined up approach to funding for repairs and funding for energy efficiency improvements.

Additionally, for tenements with potentially terminal problems there is an urgent need for a strategic programme including:

- a (relatively modest) fund from the Scottish Government's housing budget to be ring-fenced for more intensive CTI schemes - and an appropriate assessment mechanism and cost yardsticks, based on the fact that these schemes are more complex than new provision and that contractors now have less experience of the flexibility required for this work;
- appropriate financial support in these cases from councils for repair and improvement for private owners and for environmental works; and
- a review of the legislation on Housing Renewal Areas to make it fit for purpose and to ensure that there are legal remedies to halt the rapid decline in tenement buildings where private owners are not meeting their responsibilities to carry out repairs and component replacement to the common parts of tenements.



Backcourt before and after Ancroft Street/ Nansen Street, Queens Cross Housing Association



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