

# Middlehaven urban pioneers



DISCUSSION DRAFT

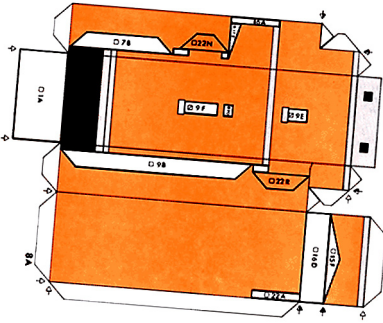


The Greater Middlehaven Partnership believes that now is the right time to consider the potential for both business and residential Custom Build development.

This draft discussion document is the first opportunity for the Greater Middlehaven Partnership to test this market and to meet a cross section of those individuals, companies and organisations interested in the concept of Urban Pioneers. It sets out some of the ways in which the Homes and Communities Agency and Middlesbrough Council (the Greater Middlehaven Partnership) can facilitate future Custom Build development. This potential support follows the typical stages of development around accessing the necessary finance, identifying the preferred sites or buildings for development, work on the technical design, commissioning and construction, and finally by considering long-term ownership and management options.

The Urban Initiatives 'Middlehaven Extended Area Framework' is a masterplan document for the dockland area, the central industrial area and St Hilda's, which is going to Middlesbrough Council for approval in September/October 2012. The document is comprised of a strategic framework and a design code. The former identifies the broad level, density and types of anticipated development within Middlehaven, with the latter detailing finishes for hard and soft surfaces, including public realm. The preferred location of an urban park is also noted, as well as potential sites for Urban Pioneer development located both sides of Cleveland Street.

The Homes and Communities Agency is currently progressing with the creation of the Middlehaven Park to create the correct setting for future Urban Pioneer development.



# finance

Individuals and pioneering enterprises may have the ability to access the necessary funding for development and the Greater Middlehaven Partnership will consider the use of a development plot or property as security against a pioneer's own mortgage.

A number of national banks and local building societies have existing mortgage products designed specifically for custom-build developments that are suitable.

For individual properties, Middlesbrough Council can provide financial support in the form of a low rate bridging loan to help make property ownership affordable and accessible.

The Homes and Communities Agency also has a revolving loan fund that may be accessed for larger scale custom-build developments undertaken by Charities, Limited Companies, Community Land Trusts and Registered Providers. £30m of funding has been made available by the Government in order to provide short-term project finance to help unlock group custom build schemes. The aim of the fund is to stimulate the growth of the Custom Build Homes market by attracting more commercial lenders and investors to this market, and to support multi-unit projects with the objective of bringing forward sufficient numbers of successful schemes to demonstrate to commercial funders that the lending model is a viable and sustainable business which can be taken forward by industry, without public funding support, when the fund closes on 31 March 2015. This fund can be used to cover eligible costs such as site preparation costs; construction of supporting infrastructure and the connection of utilities; construction costs and professional fees related to the project following the granting of planning permission.

There is also a range of funding mechanisms that are more suitable for collective or community-led development where consideration can be made in the finances for broader social benefits, such as helping to provide affordable accommodation, renewable energy or local employment.



# land buildings

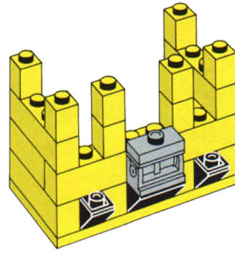
The development plots on offer are typically 15m by 30m. The rationale behind this format relates to the replication of the traditional grid system in Middlehaven. This means that future developments can use the existing infrastructure and utilize what already exists on site. There is potential for the plots to be combined for each pioneering individual or enterprise or subdivided to create a variety of different sizes suitable for a choice of individuals, households, live / work premises, business space through to co-housing and community-led development proposals.

You could get a prime street frontage or an adaptable dual-aspect corner plot to suit your requirements. You could even seek an orientation for a plot that can support passive energy principles. All plots will be serviced with easy connections to mains water and energy networks. The exact location would be subject to discussions around the level of demand, the proposed use and your requirements.

Consideration is that within the first phase of the urban pioneers programme, plots would be available with a 'deferred payment' basis for a period of time to be agreed, with the Greater Middlehaven Partnership accepting a second charge on the land and subject to a timescale for undertaking development and a minimum length of occupation. This means you will be able to use the value of the land as security for your own loan. The Greater Middlehaven Partnership would seek to recover its land value either on future sale or at some agreed time in the future. If you are a larger organisation and interested in a commercial development site greater than 5 units for identified tenants or end-users then there are custom-build loans suitable for supporting your development.

This approach to the use of public assets is designed to attract people and companies with a commitment to Middlehaven, avoid short-term speculation in values, get things going on site and build momentum around the idea of custom-build.

# technical support



**The Greater Middlehaven Partnership will consider the appointment of a specialist project manager to provide technical support throughout the design and construction stages for all of the prospective first stage urban pioneers. This may be for a minimal cost, discounted rate or could potentially be means tested but with the intention of providing momentum with the delivery of the urban pioneers proposals.**

**The role of the project manager would be to ensure your design meets all of the necessary legal requirements and can be built within the constraints of your own timescale and budget to meet the quality and sustainability standards. They may also be able to undertake negotiations and dealings with the statutory planning process, including making the formal planning and building regulation applications. Where possible, the project manager could seek benefits in cost, speed and quality through the procurement and construction process.**

**Any assistance offered would not be compulsory but for the design and construction stages of your project it could include support/advice for architectural design detailed design (although Urban Pioneers would be expected to meet their own detailed design fees), and specifications of materials, energy and sustainability, procurement of contractors for some or all of the proposed development and then acting as the clerk of works for you on-site.**



The Homes and Communities Agency currently looks after a number of properties and much of the dock area, including 90% of the land within the former Central Industrial Area in Middlehaven from Cleveland Street to Dock Street. In looking after these assets they currently seek a contribution from other developers through a service charge to maintain the 'common public areas'.

It is expected that future developers and urban pioneers would share reasonable costs for the maintenance of shared common space and the public realm. The long term interest could be passed to a management company which may be a commercial company, a not-for-profit social enterprise or a Community Land Trust / Development Trust that is able to provide a similar level of management services through the effective use of local service charge and direct in-kind contributions.

There is the potential for a local management company to take long-term control and responsibility for other shared infrastructure, energy and community facilities throughout Middlehaven.

# next steps

The Greater Middlehaven Partnership recognises the need to establish momentum around Custom Build development on the site.

To begin the process we will be reporting to the Greater Middlehaven Project Board and we will ensure your views and ideas are represented. The Partnership will circulate the final report and provide a single point of contact for Custom-Build work within Middlehaven who will be available for discussions regarding ongoing project ideas and involvement.

We will stay in contact and identify all the support we can for the early stages in development that could contribute towards producing your initial sketch designs, understanding costs and the technical feasibility.

You will also be one of the first to get the revised Custom Build prospectus being used to promote and market the development. This is expected to set out the offer regarding the sites available, the extent of any support package and invite you, as an individual, a business or an organisation to register a more formal expression of interest in the site.

Studio **UrbanArea**<sup>LLP</sup>  
on behalf of the Greater Middlehaven Partnership

  
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