

A PALSIED land market is the single major obstacle to the renewal of any community. Change should be ever-present in a healthy society. People need to move for domestic reasons; employers relocate or expand their activities in response to new demands from consumers; recreational activities are transformed by new tastes.

Little of this can happen if the owners of land are content with the role of legalised squatters (until it suits them to use or sell their assets). And that is the principle reason for urban dereliction.

Britain's government under Premier Margaret Thatcher believed that it had the solution to this problem when it created Urban Development Corporations. These UDCs were given draconian powers to compulsorily purchase both publicly and privately-owned land, so that it could be reallocated to others who would use it. But the citizens of the London boroughs of Tower Hamlets, Newham and Southwark have decided that the experiment – measured in terms of benefits going to the local people – is a failure. And the people on the Isle of Dogs, in one corner of the 5,500 acres covered by the London Dockland Development Corporation (LDDC) held a conference to say so.

Who, then, has pocketed the benefits of a vigorous process of governmental interference with other people's property rights? And does the UDC model offer a generalised solution to the problems confronting local governments in urban areas throughout the world?

BATTLING Member of Parliament Mildred Gordon, who represents the Bow and Poplar constituency, had no doubt that the LDDC brought many benefits to her locality.

Unfortunately, she said, those benefits went primarily to land speculators. She likened the LDDC's action to what happened with the 18th century enclosures, when the peasants were dispossessed of their land. "It's our fight to see that it doesn't happen to our local community, because the LDDC and their speculator friends think that the local people are sitting on valuable land and are in the way." In her view, gains to local people have been "pathetic, minimal."

Mrs Gordon grew up in the Highway, on the north-west corner of the Isle of Dogs which is bounded on three sides by the River Thames. "Even on an MP's wage I couldn't afford to move back, so what about the children living here, and people who were moved out during the war and would like to move back? They don't have a chance." Mrs Gordon also branded the LDDC "a dictatorship. We want it disbanded and democratic powers returned to the local authorities and to the community." THE PROBLEM with Mrs Gordon's suggestion is that local authorities and public agencies that owned vast tracts of land were as guilty as private land speculators, when it came to squatting on valuable land in strategic locations. They would either not sell their land, or they demanded unrealistically high prices. *That is why the Conservative Government created the UDCs – to get action.*

The defence of the LDDC was left to Jonathan Matthews, a Liberal councillor from the borough of Tower Hamlets. He sits on the board as a council representative: the Labour-dominated Newham and Southwark councils decided not to participate (yet they complain about the LDDC taking decisions in secret).

He frankly agreed that the LDDC, as a QUANGO (quasi non-governmental organisation) held sweeping powers which enabled it to get results quickly. And it financed its schemes out of enhanced land values.

When the LDDC was established in 1981, land values were £30,000 an acre in Beckton; £50,000 an acre in Docklands. The area was run-

Shattered dreams of the folk in Dockland

INSITE reports



DEFENSIVE: Jonathan Matthews. Inset: Mildred Gordon

down; there was a net loss of population, and high unemployment.

As a result of the action prompted by the LDDC, large firms, including many national newspapers, have relocated in the area. Warehouses have been converted into yuppie apartments, and abandoned docks are being transformed into marinas.

Consequently, average land values are £1m an acre, says Cllr. Matthews. By compulsorily acquiring land and reselling it, the LDDC had "realised assets from land values, to generate extra money which can be used on public sector needs."

- £400-500m will be spent on the new railway linking Docklands with the City;
- £200m is being spent on new roads; and
- £200-300m is being devoted to making land ready for re-development.

"This is at no cost to the Exchequer," Cllr. Matthews pointed out triumphantly to a hostile audience of local activists who resent the intervention of an authority which is popularly considered to be in the pockets of the big developers.

ON THE FACE of it, then, the UDC model is an effective way of unlocking valuable natural assets. But what's on the bottom line?

The LDDC currently owns 873 acres, plus 425 acres of water. It has acquired and resold 678 acres for housing, industry, commerce and open spaces. This means that the owners of the other 3,524 acres of land within the LDDC's area have benefited from an increase in values without having contributed anything to the conditions that led to the boom.

If we assume that the average price in 1981 was £40,000 an acre, this residual land was then worth about £140m. Today, if we conservatively take £500,000 as the average value (top bucks are only paid for sites near the water's edge) the value of this land has gone up to more than £1,750m.

This phenomenal increase in value has been entirely due to the com-

munity's decision to sell the land. Unfortunately, the LDDC owns

Mrs Thatcher's derelict cities succeed? Isn't the City, and with its Sheffield is not London.

The hearts of a who can believe problem of those

These are the • An instrument very nature is mo constant, small healthy commun

The finance the value of land taken to rehabili

Equity requ should be captu achieve this is t reformed proper moving in the residential propo

So the Yuppie they will capitali Meanwhile, the grow longer, for Mrs Thatcher authority.