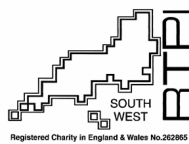


RTPI SW Conference

# Delivering Housing in a Fragile Market – Housing and Development Economics



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SWHI

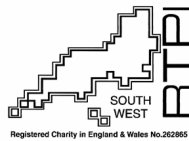


**RICS**



# Land ownership and supply

- Green/brown field ownerships and speculative options
- Public assets
- Influences on development rates
- The impact of plan commitment
- The impact of regulations
- The impact of community resistance or support



# Development Economics

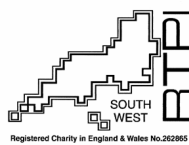


- Risk and return
- Difference between land speculator, developer/trader and investor returns – RoC and IRR
- The impact of gearing: borrowing/cash ratio and share price
- Housing mix
- Basis of decision to proceed – planning, building
- More than 1 developer
- RSL economics – grant/investment, borrowing, rents, internal resources, management returns
- Impact of planning delay – interest, time limited option, application costs
- Credit for mortgages incl. Shared ownership
- Tax



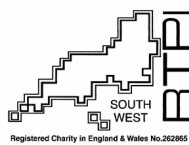
# Impact of Plans

- Evidence base: needs/market – affordable, market, 2<sup>nd</sup> home, B2Let
- “Community” approved – LAs and localism
- Aligned public stakeholders and utilities
- Public investment programme, capital, asset and revenue
- Consequent planning contribution framework – deriving from the development/for the community
- Assessing the competition and timing of development
- Variable market conditions over plan period – timing of contribution



# Impact of Dev. Management

- Pre-application resolution – compliance, multi agency decisions and contributions, design and sustainability, viability, community ownership, councillor position
- Media and communications – website progress reports
- Application, conditions and agreements
- Workload, skills distribution and Management Agreements
- Time to decision issue

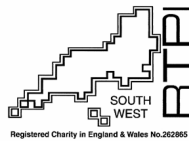


**RICS**



# Issues

- Change in government – regional housing targets, strategic planning arrangements
- Capacity of local planning authorities – completion of LDFs, capacity to consent sustainable communities, negotiate agreements
- Viability and land value after refinancing
- Availability of public investment
- Private house building market and mortgages
- Impact of limited supply on house prices
- Housing demands of the SW Economy



# Beneficial economic impact of planning

- “Certainty” and risk appraisal
- NIMBYism to YIMBYism
- LPA/Councillor reputation
- Land and infrastructure supply for economic recovery – a catalyst?
- Phasing contributions to ease viability
- Return of mortgages
- Resident expectations – energy efficiency, anticipating climate change, services for existing and emerging communities
- Re-stating the case for planning

