

Developer contributions and the recession

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8 September 2009

Public perspective

- Short term drive for housing numbers
- With HCA subsidy for affordable units
- Long term shortage of capital
- Changes to affordable housing finance
- Improving land market

Policy changes

- End of structure plans
- Phasing out of tariffs
- Preparation for CIL
- Tough policy on appeal (eg Knockhall Road, Greenhithe)
- Existing s106s unaffected

Community Infrastructure Levy

- Regulations April 2010
- Rapid introduction by LAs subject to up to date plan
- Flat charge per sq metre on most development
- Affordable housing, on site and (most) roads unaffected

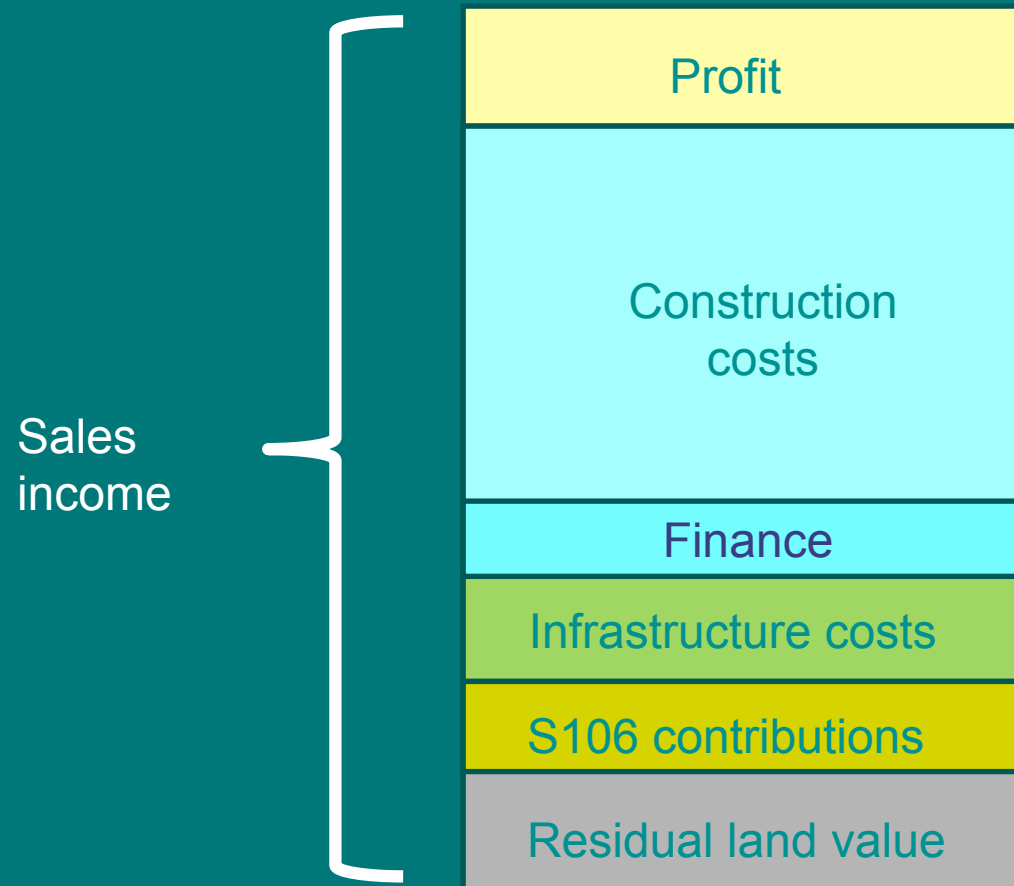
Developers' objectives

- Job preservation (less likely now)
- Selling land with consent (less likely now)
- Banking a consent
- Starting a marginal scheme

Financial Perspective

- Large housebuilders re-financed
- Large commercial developers re-capitalised
- No new money
- But banks won't pull the plug

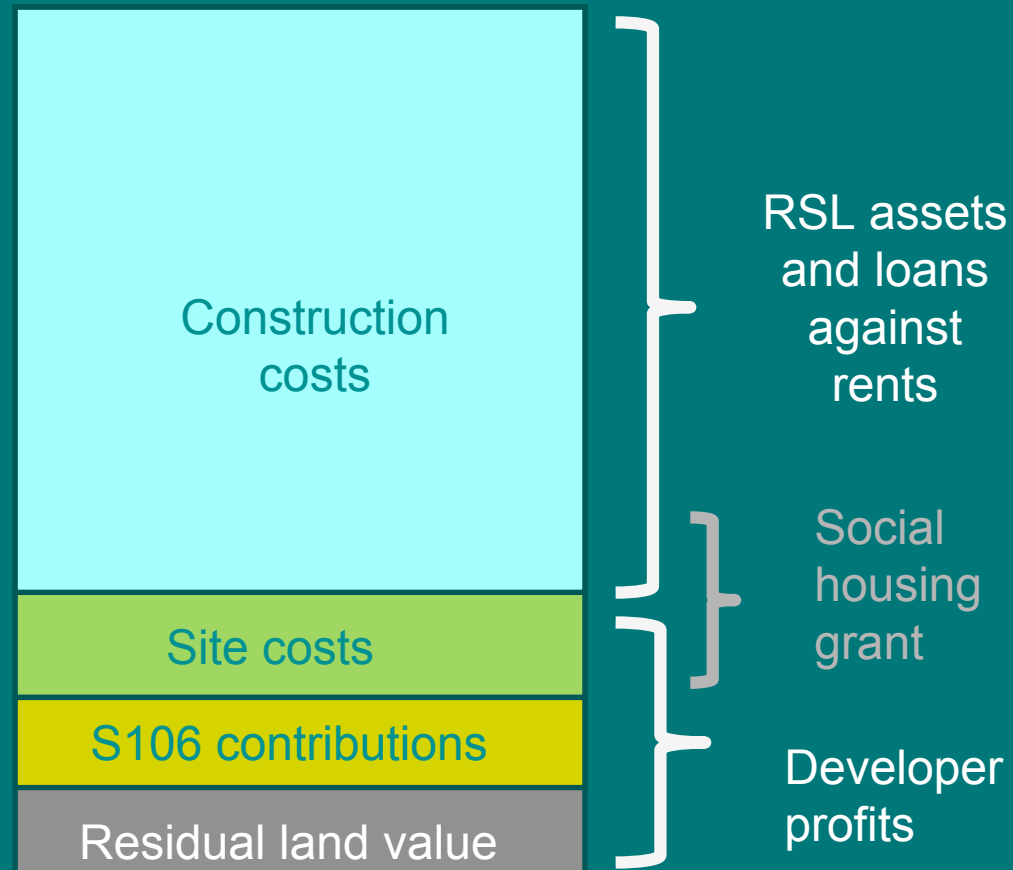
How development works



Land Values

- Values (usually) written down already
- Usual to buy land in phases subject to profit share
- Ask to see contracts, check Land Registry or company annual reports.

Social rented housing model



Affordable housing

- Close liaison with HCA & housing dept needed
- Short term grants available – but beware of subsidising other aspects of development
- Consider cascades and land banking
- Rethink pepper-potting

Single conversation

- National Affordable Housing Programme
- Regeneration
- Housing Market Renewal
- Growth Fund
- Thames Gateway
- Kick Start etc

Design issues

- Bigger unit sizes
- Car parking
- SUDS
- Sustainable Code levels
- Micro-generation

Issues on large sites

- Redefining trigger points
- Using pay-as-you-go for contributions
- Obtaining security for future obligations
- Achieving critical mass on first phase
- Using community trusts for maintenance

Rethinking site allocations

- Away from high rise, high density
- Away from front-loaded infrastructure
- Towards smaller sites
- Towards publicly owned sites
- Towards a deliverable five year supply
- Whether you like it or not!