

Residential development in London – planning trends and issues



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Key issues

- Volatility in the market and the planning feedback loop
- Risks inherent in sites: community uses, employment areas, transitional locations, heritage assets
- “Too many compromises”: how design is increasing in importance, not decreasing
- Values, affordable housing and the role of the Mayor/GLA
- MHCLG – opportunities for flexibility?

Volatility and planning in London

- London is the greatest market opportunity for real estate investment in the UK. But what are the conditions for reasonable certainty of investment? – the rule of law, processes which are clear, assumptions which are relatively easy to make, risks identifiable
- *Westferry Printworks* – planning is political. For larger investments, the picture has been increasingly fractured (Grenfell; and see last year's *Kensington Forum* judicial review) The market's response?
- GLA affordable housing policy and the dynamic with the Boroughs – the 35% or 40% negotiation.
- Practical consequences – a well designed, viable scheme is quicker, surer

Risks inherent in London sites

- Existing community use: temptingly low-hanging fruit with a long, bitter after-taste: *Archway Methodist Church, Parkhurst Rd, Chelsea Police Station*
- Changes of use from employment: opportunity areas, 50% affordable, marketing issues in London
- Transitional areas – when is more height and density part of the expected backdrop, and when is it a jarring and harmful juxtaposition: *VIP Trading Estate SE7; Vauxhall Cross*
- Heritage: housing in the context of paragraph 196 NPPF

“Too many compromises”: design still central

- Basics of reasonable accommodation including external space increasingly non-negotiable – and should be with a scheme which may be called in or require consent via an appeal: *Love Lane SE18*; *Vauxhall Cross*; *Burgess Business Park* decisions.
- Risk management: architects with track record; viability appraisal/land deal with standards 80/90% fixed; how to approach the Design Review Panel; the importance of TVIA/presentation in the DAS
- The narrative of a scheme in a crowded and cynical space

Housing need - viability – AH – avoiding the loop

- Housing and affordable housing need – single housing market and significant weight – *Newcombe House*
- Whether the site is an EUV+ or AUV site needs to come before the interest is taken in the site. That question is a first round eliminator
- 35% - is it still the expressway to consent for larger schemes?
- Viability may point in different directions – loss of heritage asset; lower community use space; affordable housing: scope this out early
- What if the FVA shows the scheme to be undeliverable? What about CIL?
- Late Stage Review – down to details now, or can they be taken on – *Lewisham*.

MHCLG - responding to the Covid 19 challenge

- UCO and GPDO changes on the horizon – a single commercial class and a link through to residential PD
- How will Boroughs respond in terms of Article 4?
- What opportunities does it bring? Multi-phase developments – mixed use with residential designed-in as the next move; making the HLS picture more confused
- Alignment of schemes with MHCLG messaging – an additional string to the bow

Matters for further thought

- How to streamline the process of site appraisal for an inward investor (or indeed home-grown developer), bearing in mind the key challenges of inherent risks, design and viability/AH
- Who is best placed to prosper? Town centre mixed use developer/investors; multiple-site Borough strategies; sites with Plan B (and maybe C).

Thank you for listening

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