



Development Delivery

Creating a market attractive development proposition

Carter Jonas

Development Delivery

Introduction

- Attractions of Working with a Public Sector Partner
- Negatives of Working with a Public Sector Partner
- Steps that Public Sector Landowner should take – First Principles
- Delivery Options
- Procurement processes

Development Delivery

Attractions of Working with a Public Sector Partner

- Public Sector Covenant
- Partnership Working
- Political understanding/influence
- Funding Access
- Land Assembly – CPO



Development Delivery

Negatives of Working with a Public Sector Partner

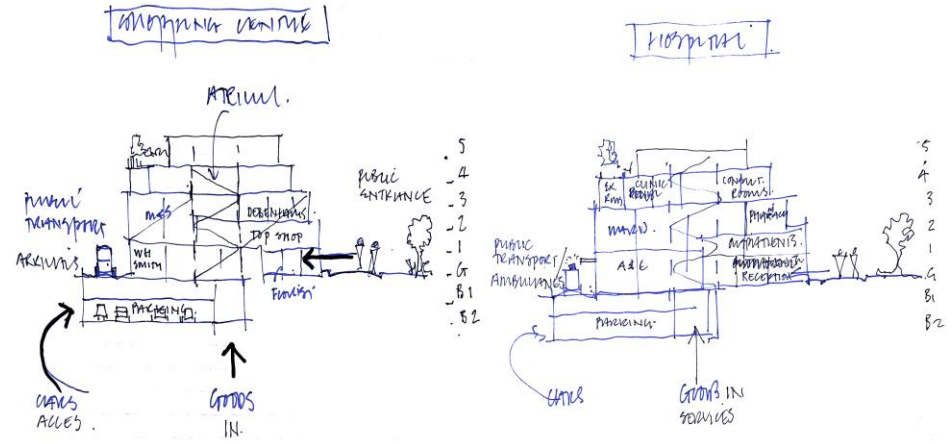
- Bureaucracy
- Uncommercial
- Politically influenced
- Inflexible
- Resource limitations



Development Delivery

First Principles

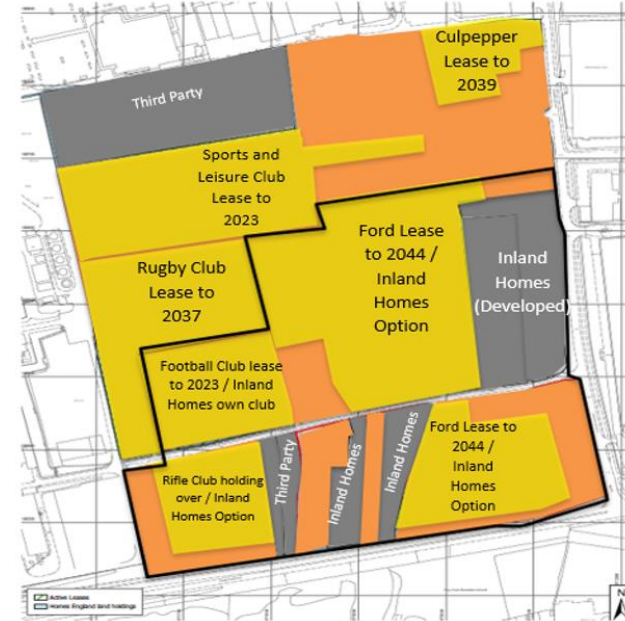
- **Proof of Concept**
 - Initial feasibility
 - Development opportunity
 - Development constraints
 - Development capacity
 - Financial viability



Development Delivery

First Principles

- Proof of Concept
- **Land ownership/title**
 - Site boundaries
 - Registered/unregistered land
 - Leasehold/occupational interests
 - Covenants/restrictions
 - Rights granted/reserved
 - Indemnity insurances



Development Delivery

First Principles

- Proof of Concept
- Land ownership/title
- **Surveys**
 - Topographical
 - Ground conditions
 - Utilities
 - Environmental/ecology



Development Delivery

First Principles




- Proof of Concept
- Land ownership/title
- Surveys
- **Planning**
 - Planning appraisal
 - Pre-app
 - Outline or full consent

Layout

The proposals have been developed on the basis of the existing site constraints including TPO's, respecting the conservation area & existing heritage assets of the site and their settings.

Primary access points will remain from London Road to the southern boundary so that the frontage & the existing buildings are unaffected, the layout of accommodation is as indicated in drawing P0952-RHP-ZZ-ZZ-DR-A-1200 Proposed Site Layout:

- Existing entrances from London Road retained & used to access whole of the site, possibility of a new access from Rheims Court to be explored further - subject to Highways consultation
- Existing large Victorian townhouses of Oldroyd (no.55) & Plender (no.56) are retained & enhanced by the removal of unwanted & poor modern adaptations
- Brick garden walling forming historic plot boundaries are retained
- Trees of value & significance retained
- A mix of dwelling types proposed with the larger scale properties located appropriately to respect heritage assets & adjacent context
- All houses would achieve on-plot parking
- Landscaped zones are retained to offer garden amenity areas to flats within the retained buildings of no.'s 55 & 56
- All new houses would be designed to meet Approved Document M4(2) for accessibility

	2B4P Dwelling Houses	8	Proposed Dwellings No 55 - Oldroyd		
	3B5P Dwelling Houses	10	1B1P Dwelling Flats	1	
	4B6P Dwelling Houses	9	2B2P Dwelling Flats	2	
			2B4P Dwelling Flats	2	
			Total	5 units	
	Total	27 units			
	Proposed Dwellings - Coach House		Proposed Dwellings No 56 - Plender		
	2B4P Dwelling Houses	1	1B1P Dwelling Flats	1	
	Total	1 units	1B2P Dwelling Flats	5	
			2B4P Dwelling Flats	1	
			Total	7 units	

9



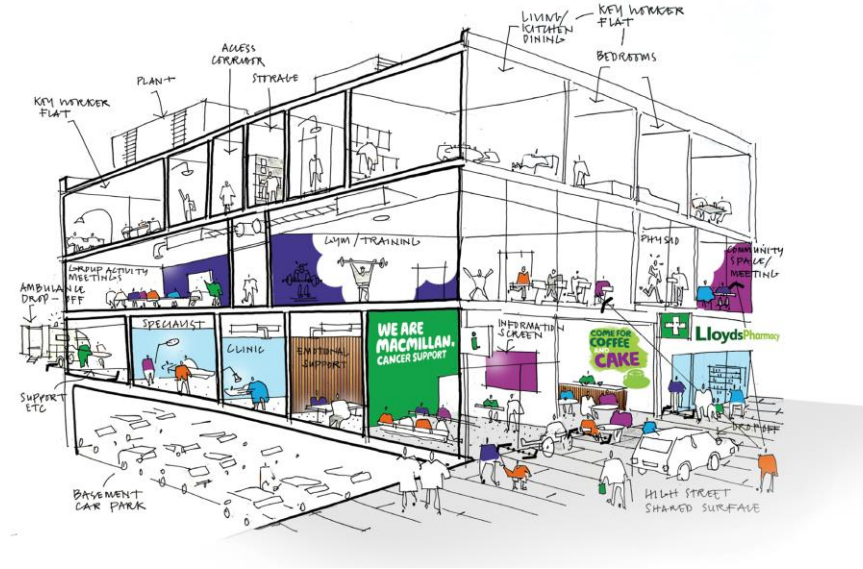
Proposed Site Layout

r h partnership architects

Development Delivery

First Principles

- Proof of Concept
- Land ownership/title
- Surveys
- Planning
- **Public sector requirements**
 - Specification
 - Timing
 - Wider scheme requirements



Development Delivery

First Principles

- Proof of Concept
- Land ownership/title
- Surveys
- Planning
- Public sector requirements
- **Viability/funding**
 - Updated Viability
 - Plan to address any funding gap

http://www.finmodelbuilder.com

	USD	2016F	2017F	2018F	2019F	2020F
New Model						
Income Statement						
Revenue		24 156,00	26 499,00	28 908,00	31 317,00	33 818,40
<i>Revenue growth</i>			10%	9%	8%	8%
Rooms		18 300,00	20 075,00	21 900,00	23 725,00	25 620,00
Food and Beverage		3 660,00	4 015,00	4 380,00	4 745,00	5 124,00
Telecommunications		1 830,00	2 007,50	2 190,00	2 372,50	2 562,00
Other Income		366,00	401,50	438,00	474,50	512,40
COGS		18 153,60	19 914,40	21 724,80	23 535,20	25 415,04
<i>Direct costs</i>		18 153,60	19 914,40	21 724,80	23 535,20	25 415,04
Rooms		9 150,00	10 037,50	10 950,00	11 862,50	12 810,00
Food and Beverage		1 464,00	1 606,00	1 752,00	1 898,00	2 049,60
Telecommunications		7 320,00	8 030,00	8 760,00	9 490,00	10 248,00
Other Income		219,60	240,90	262,80	284,70	307,44

Development Delivery

First Principles

- Proof of Concept
- Land ownership/title
- Surveys
- Planning
- Public sector requirements
- Viability/funding
- **Soft Market Testing**
 - Market appetite
 - Market feedback



Development Delivery Options

Direct Delivery

- Public sector landowner takes responsibility for all aspects of the development
 - Design
 - Planning
 - Implementation
 - Funding
- Procures build through a contractor



Development Delivery Options

Direct Delivery

Pros	Cons
Complete control <ul style="list-style-type: none">• Design• Content• Programme• Finance	Retain all financial risk
Greater scope for innovation	Resource and expertise
All profits retained	Less established supply chain
	Less commercially successful outcomes

Development Delivery Options

Development Agreement

- Contractual agreement with private sector developer to deliver the project
- Conditional on site assembly, planning, funding etc
- Plans/specifications appended to contract
- Some flexibility within agreed parameters
- Base land price payable, with overage
- Priority profit to developer

GREATER LONDON AUTHORITY

St Ann's Hospital site

London Development Panel 2

Invitation to Tender

Ref: GLA 81453



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TfL Group Procurement manages the GLA's procurement function, which includes undertaking procurement exercises and providing tender information on behalf of the GLA.

Development Delivery Options

Development Agreement

Pros	Cons
Competitive procurement	Public Works Contract procurement
Commercial resource & expertise	Can be lengthy, expensive and complex
High degree of contractual control	Conditionality can lead to uncertainty, delay and renegotiation
Financial risk passed to developer	Financial pressures can lead to quality dilution

Development Delivery Options

Joint Venture

- A risk sharing partnership
- Can be contractual or corporate
- Costs, revenues and profit shared equally
- Works to an agreed Business Plan
- Overseen by a JV Board
- Private sector partner acts as Development Manager



SCARBOROUGH BOROUGH COUNCIL

Borough of Scarborough Better Homes JV Partnership

Descriptive Document

Development Delivery Options

Joint Venture

Pros	Cons
Makes use of private sector expertise	High initial set up costs and complex documentation
Share equally in profit and risk	Not insulated from losses
Collaborative decision making	Deadlock can lead to lack of progress
Can be used over portfolio of sites	Partners' interests may become misaligned

Development Delivery Options

Which approach should be used?

- Needs to be considered in context of what you are trying to achieve
- Is it financial?
- Is it delivering social/community outputs?
- What is your appetite for risk?
- What is availability of funding?
- Expertise/capacity of in-house resource
- Politics



Development Delivery

Procurement

- Formerly referred to as OJEU procurement
- Public Contract Regulations 2015
- Procurement Bill 2024
- Generally required where Works, or Services to be provided under obligation
 - Works Contracts - £5,336,937 plus VAT
- Various process
 - Open Procedure
 - Restricted Procedure
 - Competitive Dialogue
 - Competitive Procedure with Negotiation
 - Concession Contract
- Not specifically designed for property development



Development Delivery

Procurement

- Many structures to avoid procurement have been tested
- E.g. Land Sale Structure
 - No positive obligation to build
 - But right to repurchase or penalty if they do not
- These have largely been closed down in legal proceedings
- Procurement should not be off-putting to the market
- Essential to be able to demonstrate a robust process with clear timetables
- Political support essential



Carter Jonas

Simply better property advice