The location of property: greenfield and brownfield development

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Suggested learning outcomes

After studying this chapter and discussing its contents you should be able to:

- Describe the factors which identify suitable locations for property development.
- Appraise the sustainability of such locations.
- Set out government policy relating to location-finding for sites.
- Provide a framework for the historical development of urban regeneration policy.
- Discuss current policy relating to urban regeneration in terms of its sustainability.

This chapter discusses the traditional concepts pertinent to location issues for property development, as well as considering approaches to locating developments which are more appropriate to the recent and continuing transition towards more sustainable land use patterns. This is because the issue of sustainable development as it relates to the location of property has recently come to mean an emphasis on urban regeneration which should be brought about by an 'urban renaissance' (Urban Task Force, 1999).

HEADLINES: BIG ISSUES AND IMPORTANT QUESTIONS

If you ask people in the property world what is the most important factor in determining value, the overwhelmingly common reply is 'location'. The reasons for this are principally:

- Economic advantage: the 'best' locations are those to where business customers and suppliers can most easily get.
- Proximity to goods, services and amenities.
- Transport: proximity to public transport nodes and road networks.

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- Environment: preferences for urban convenience or rural tranquility or a suburban combination of these.

It is important to remember that the nature and character of locations can change over time, sometimes quickly and dramatically. This underlines the need for developers and their advisers to remain abreast of marketplace changes by thorough and up-to-date market research. For example, the supply of developments can affect the demand for buildings, while changes in town planning policy, either at national or local levels, can affect this supply.

When attempting to find a suitable site for a new development developers and their advisers must therefore follow systematic site finding and site investigation procedures. These include consideration of site-specific matters as well as more 'strategic', policy-based issues. In recent years, government policy relating to property development has changed course quite significantly. Whereas in the past there was a laissez faire attitude towards property development, policy now positively promotes development of brownfield land whilst discouraging greenfield development. Furthermore, it is also encouraging developers and town planners to ensure that urban regeneration is achieved via an 'urban renaissance'. The importance of urban regeneration cannot be overstated, given that over 90% of the UK population lives in urban areas (DTLR, 2001). The essence of this policy means that there should be a greater move towards sustainable property development, which will be effected by:

- Reliance upon mixed use development becoming the norm for development proposals.
- Greater reliance on public transport rather than the road network.
- A mixture of tenure types in new developments (e.g. freehold and leasehold, private and social housing).
- High quality urban design, both in the sense of the public realm and of individual buildings.
- Promotion of 'green buildings' and remediation of polluted land.
- Economic regeneration of urban areas, combined with greater encouragement of urban living.

These will only be achieved if developers and town planners work in a public–private partnership. This might mean that developers have to alter their modus operandi, for example, by finding and developing sites which are reliant on public transport rather than car use. Town planners might find that they must increasingly adopt flexible attitudes to what constitutes appropriate development in order to approve financially viable development proposals.

The important questions that must be addressed are:

- How do developers determine where 'good locations' are for different property types?
  The traditional means of determining good locations for property development have stemmed from an understanding of theories such as 'central place theory'. There has been a gradual evolution of such early theories that has mirrored the changes that have taken place in society, including those

engendered by the market economy. Examples of this include the transition towards out-of-town retail developments that are largely reliant upon private car transport, the use of which stems from significant expansion of the 'car economy' in many countries.

- What is government policy concerning location issues and how has government policy evolved to encourage a move away from the traditional model towards ones which are more sustainable?
  Town planning policy has been particularly influential in the context of the location of property developments since the middle of the twentieth century. This initially reflected the need for environmental control of development in order to ensure, *inter alia*, a check upon unfettered development activity and 'betterment' of the public realm. Since the early 1990s, UK town planning policy has continued to influence property development in this respect, but it has turned its focus towards a more sustainable approach by seeking to ensure that development is concentrated upon formerly developed land and the regeneration of urban environments. This means that developers have had to change the ways in which they appraise sites for development, largely by placing greater emphasis upon brownfield development and the use of existing infrastructures, such as transport networks.

- How has urban policy with regard to regeneration evolved, and what is the current policy context for this?
  Urban policy measures used to tackle the decline of town and city centres have gone through a series of metamorphoses, involving shifts in focus on economic and fiscal measures, tactics to improve the health of populations, both enhancement and reduction of town planning powers, and improvement of the physical environment in strategic and *ad hoc* ways. Since the late 1990s, a new and consistent approach has been favoured which encourages the public and private sectors to agree and adopt a vision for the urban environment.

- What constitutes sustainable urban regeneration? How should developers respond to urban regeneration policy in terms of site finding?
  The main thrust of urban regeneration policy is based upon the principles of sustainable development, and attempts to encourage people to live in cities and halt migration from them. This means that policy measures and instruments are aimed at restoring the economies of urban areas (for example, by providing employment that is relevant for people living there), reviving communities in towns and cities (for example, by encouraging mixed communities in terms of age, ethnicity and wealth) and rejuvenating the physical environment (such as by demanding high quality urban design and respect for the public realm).

  In response to this policy initiative, developers will need to produce high quality, mixed use brownfield development which is less reliant upon transportation and demonstrates a greater respect for the needs of the community. For many developers, this means a change in their site finding and subsequent development activities, allowing them to grasp the opportunities that

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current urban regeneration policy could present, rather than to perceive it as a threat.

BACKGROUND

The historical reasons for the constant change in the built environment are perhaps obvious. Since settlements were first established, means of communication have changed and populations have become increasingly mobile. Urban theorists once explained locational influences upon places to live and to produce and sell goods and services with 'central place theory' and the development of complementary land uses (Christaller, 1933; Losch, 1938). More recently, it has been suggested that 'centrifugal forces for certain functions are replacing centripetal ones' (Ratcliffe & Stubbs, 1996, p. 10). This argument suggests that real estate developers respond to consumer demand by producing buildings in which to carry out the functions of day-to-day living, working and provision of goods and services.

In recent years, however, it is clear that this consumer-driven supply of property has been fettered to some extent by systems of land use planning and development control, more so in industrialised countries than elsewhere. In the UK, for example, a system of town and country planning has been in force at both national and local levels since the middle of the twentieth century. The planning system in the UK has more recently been reorganised to better achieve the principles of sustainable development. Unfortunately there are still only a few examples of property development which attempt to adhere to such principles. Traditional discussions about location issues pertinent to property development have espoused the need for proximity to, and reliance upon, private transportation networks and the benefits of development upon greenfield sites due to the difficulties of developing brownfield sites. It is now evident, however, that governmental policy directions in many industrialised countries are moving the discussion away from this sort of traditional standpoint towards a sustainable model.

PRACTICAL PROBLEMS AND SOLUTIONS, CURRENT APPROACHES, TECHNIQUES AND MODELS

The remainder of this chapter is divided into three parts. The first part takes in the traditional view of locations for development and considers how to undertake site finding investigations for different property types. The second part examines government policy relevant to this discussion and how this has evolved. The final part considers recent trends in seeking to place development within urban areas as part of a process of urban regeneration.

PART 1:   LOCATIONS AND SITE-FINDING FOR DEVELOPMENTS

It is important to remember that developers are continually engaged in a balancing act between risk and return. Risks occur throughout the real estate development process and particularly at the outset, because this is when major strategic decisions are made about the development scheme and when there are still many uncertainties. Returns, on the other hand, usually occur at the end of the development process in the form of profit. In order for developers to ensure that the outcome of this balancing act is a satisfactory financial reward, they must always be aware of the factors that influence the value of the completed scheme. Finding the best site for a development is arguably the most important factor; it is probably worth remembering the old adage that the three most important determinants of real estate value are location, location and location.

Part of the process of assessing the risk associated with a development scheme therefore occurs when locating a suitable site. This is more than merely finding a piece of land which is physically capable of having a building placed upon it. It involves knowledge of geographical, town planning, engineering, construction, environmental, social, political and economic issues. As Ratcliffe & Stubbs (1996) stress, in addition to knowledge of these issues and the risks associated with them, developers who understand the range of complexities involved in finding sites will possess good research, presentation and negotiation skills.

When considering the site-finding process in relation to property development, we must consider site-specific and strategic issues. We must also accept that having sound information is the key to success. This information will include financial indicators such as rents and yields, as well as many others, like a firm grasp of national and local planning policies. Throughout the site finding and investigation processes, developers will harness all of the knowledge they gain to determine the most financially attractive outcome.

Developers often confine themselves to undertaking projects of a certain type or within a certain geographical area. All development companies will, to a greater or lesser extent, have mission statements and business plans that set out the limits of their activities. Within this context, the location of their development projects will probably depend on a number of issues (Cadman & Topping, 1995, p. 29). These include

- The location of their headquarters. If these are far away from the project, the developer will need to establish a network of contacts within the local authority there, with local estate agents, and even consider a partnership with a local developer.
- The need to diversify their portfolio of projects. Risks may be spread and thereby reduced through diversification.
- The availability of development funding and finance. Lenders prefer what they consider to be 'prime' property (well constructed buildings with a high specification), good locations (the most popular) and tenants 'of good

covenant' (i.e. those least likely to default on lease terms and rental pay-ments). It is important to note that 'within and among funding institutions a preferential treatment exists towards certain situations in, around and between selected sites and facilities' and, therefore, that 'it is helpful to know the attitude and commitment of individual fund managers to particu-lar towns, areas and regions' (Ratcliffe & Stubbs, 1996, p. 319).

- The results of market research. This is the most crucial element, upon which the money to finance a development largely depends. Developers need to display economic and property market growth potential in the given location with evidence of factors such as current and future supply and demand.

Market information and market research

To maximise the profit achieved from a development it is essential that the developer considers market research data when undertaking site-finding exercises. Indicators of market supply and demand exist as rents, yields and capital values. Some of the factors that can influence these include the following:

- Larger buildings or sites, such as business parks, can be difficult to sell or let as a single unit because only large organisations can afford them. If there is little demand, that is, when few organisations are competing for a property, this will tend to depress the property's marketability and thus its value.
- Accessibility is an important factor in determining a building's value. Rents and capital values may be higher if it is more accessible.
- The specification of a building will obviously have an influence on its value. Investors might prefer newly constructed buildings as they pose less risk than an older building, in terms of obsolescence. Similarly, tenants might prefer a building that is likely to have more modern facilities, lower maintenance charges or be more energy efficient. Both of these factors will assist in enhancing the building's value. Other issues such as natural light, the building's grounds or parking facilities might also have an effect.

Analysing supply and demand is not necessarily easy or even possible with any great degree of certainty. It is true to say that some property advisers, such as estate agents, can over-inflate the state of the market (this is known as 'talking up the market'). Apart from assessing demand, analysing the future supply of property can be even more problematic, as planning policies (which heavily influence the future supply of property) change direction, both at national and local levels.

Usually, the literature available considers different types of development (e.g. commercial, retail, industrial and residential) separately. This part of the chapter emulates this approach. We then contrast this with a discussion of whether considering types of property development as separate entities is in fact a truly sustainable approach.

Investigating sites for different uses

Office properties

'Office properties' consist of those premises which are classified under the Use Classes Order[1] in classes A2 and B1. The former class contains uses such as 'professional services' that one would typically find in town centres and which members of the public might be expected to visit off the street, like firms of solicitors and accountants, estate agencies and post offices. The B1 class consists of offices and light industry, although the latter use could not be one which would affect the amenity of neighbouring occupiers.

In considering locations for office uses, we would traditionally have divided the sorts of locations as being either on business parks (usually out-of-town or edge of town) or in urban areas, i.e. within a town or city (see, for example, Cadman & Topping, 1995; Havard, 2002; Ratcliffe & Stubbs, 1996). As you will be able to determine from the discussion in this book relating to urban regeneration, the development of greenfield land for single-use schemes such as business parks is not encouraged by policy because it is not sustainable. The reasons for this are excellently portrayed in the following description of their characteristics:

> The basic concept of the business park is low-density development of relatively low-rise buildings in landscaped, pleasant environments. These locations are on the edge of major urban areas and need to have both good car access to the motorway network and extensive car parking. (Havard, 2002, p. 56)

In terms of issues over and above those common to all property development site investigations, developers of business parks need to ensure that the site is large enough to accommodate extensive areas of car parking and landscaping (in addition to providing for possible future expansion of the site). Given the car-reliant nature of this form of out-of-town development, site investigations also need to ensure that access to the site is adequate. It should be the case that this would also include access by public transport – for social and environmental reasons – but few commentators appear to place much emphasis on this. Lastly, the provision of amenities, such as shops and leisure facilities, should be checked, as potential occupiers of these often isolated properties consider them to be an added attraction when comparing out-of-town with in-town properties.

Of course, the developer of in-town office properties does not have to look as far from potential development sites for amenities, particularly if the proposed development follows the more sustainable vogue for incorporating a mixture of uses. It is increasingly common for office developments to include some retail and/or leisure type of development at ground floor level. Not only does this mean in-built amenity for the office space occupiers, but it also serves well as a means of diversifying away risks and is more than likely to make the scheme attractive to local planning authorities. Even if the new office development is not mixed use, it is often within or very near to the central business district (CBD) and its associated mixture of retail, leisure and, increasingly, residential properties. Wise office developers, in undertaking site investigations, will consider the needs of the

occupiers of the completed property in terms of their certain desire to work near retail and leisure facilities and even be within walking distance or a short journey of their homes.

Again, the traditional view (Cadman & Topping, 1995, p. 31) is that such properties' location must be influenced by the 'vital consideration' of road, rail and air communications. However, whilst it is acknowledged that 'proximity to good public transport is important for office locations in central areas', it has also been put forward that in the UK, 'in relation to office development in provincial towns and 'out-of-town' business or office parks, proximity to the national motorway network and airports is important. This has been demonstrated in the South East with the growth of towns along the motorways (M3, M4 and M25) and near London's airports (Heathrow and Gatwick)'.

The same authors contend that the locational choice of an office occupier is determined by such diverse factors as:

- Tradition
- Proximity to markets
- Staff availability
- Quality of housing
- Complementary businesses
- Provision of car parking
- Individual directors' preferences

Within this sector of users, we have seen in recent years a change in the working patterns of the workforce to a limited extent. In the early 1990s, the concepts of 'hot-desking' (i.e. where employees share desk space within offices, particularly if they may be out of their office for certain, long or frequent periods) and 'tele-working' (i.e. where employees work away from their employer's facilities, often at home and communicate with colleagues via web-based or telephone systems) were vaunted in certain circles as representing the future for many office-based employees. It is evident, however, that the demand for such working practices has reached a plateau. It is possible that technology will advance sufficiently in the coming years for such practices to become more feasible than they currently are. Given the parlous and over-crowded state of our transport networks, the popularity of out-of-town office working may increase, but whether or not it will become more popular with workers and employers is perhaps a moot point. If they do, it is probable that the result will be a continuing downsizing of office space requirements and, it has been suggested, a continuing decentralisation of them (Cadman & Topping, 1995).

Retail properties

Retail uses are those buildings that are designed to be used as shops under class A1 of the UCO 1987.[1] Again, we can divide the locations for A1 uses into two: out-of-town and city/town centre/village locations (which will collectively be referred to here as 'town centre' locations).

It would be true to say that the retail sector is the most analysed and moni-tored sector of all property sectors; the revenue generated by retailers is most heavily influenced by the location of their premises. This fact is not one which has only recently been recognised. Urban economists have studied the effects of retailing locations on urban form and socio-economic issues for some time and these historic analysis tools are still used today. In the early 1930s, Christaller proposed that there was a vertical hierarchical relationship from villages to towns to cities due to economic reliance. Inhabitants of the smallest settlement, i.e. a village, were reliant upon towns to provide some goods and services and then cities for other goods and services. What Christaller (1933) was postulating was the concept of the catchment area. Other economists have considered the location of retail premises and produced theories which still hold true today. We can see many examples of a hierarchical relationship between shopping uses where the most popular (and profitable) shops locate in the centre of towns and less used shops locate towards the periphery of the centre. The relationship between location and rents, which tend to be higher in the centre of the town, can be seen as being of vital relevance to the developer.

The nature of retailing has changed considerably in the UK since the 1960s. Havard (2002) highlights the principal changes, which he notes are fuelled by an increase in disposable incomes:

> - The rise of the 'national multiple', i.e. the consolidation of the number of retailers into fewer retail groups. This has led to such groups becoming very influential in determining the commercial success of retail locations.
> - The massive increase in influence of supermarkets. These stores have increased in size largely because of the increased range of products they offer. In the early 2000s, we are seeing further consolidation of this group of retailers, with international companies seeking to enter the UK market and domestic retailers seeking to buy out the competi-tion.
> - Because of the above factors, smaller retail companies are diminishing in number and influence.
> - Shopping is becoming increasingly 'decentralised'. Although 'the traditional town centre is still important to retailers . . . there has been a considerable gravitation to the edge of town. This has been caused by the development of out-of-town shopping centres and retail warehousing' (Havard, 2002, p. 58).
> - The increase in demand and supply for covered shopping centres and for leisure to be associated with retailing. An example of this is the Trafford Centre (Figure 1.1), near Manchester, a Regional Shopping Centre which attracts 465 000 visitors per year, most of whom make use of the 10 000 free car parking spaces (Peel Holdings, 2001).

Evidently, in recent years, town centre shopping provision has suffered due to the competition provided by out-of-town retail developments. Whereas in years gone by shoppers were content to have their needs met by a range of speciality and small retailing establishments, lifestyles have changed to the extent that, certainly for day-to-day requirements at least, consumers prefer to have such needs met by single retailers like supermarkets. Often, these new providers have chosen to locate outside of city or town centres at stand-alone

Figure 1.1   The Trafford Centre, Manchester (Paul Roach, Oxford Brookes University).

locations on arterial roads, with access provided by 'comfortable driving' conditions (i.e. at a controlled junction and with a petrol filling station at the exit) (Hawking, 1992). The reasons for this are many. It has been noted that:

> A major debate rages around the future of town centres and the impact upon them of out-of-town developments. Many town centres have experienced a decline in fortune over recent years, principally as a result of competition from out-of-town shopping facilities, but also as a result of such factors as an increase in car ownership. (Ratcliffe & Stubbs, 1996, p. 22)

The issue of out-of-town retailing is one that is hotly debated, particularly in the UK, but also in many other jurisdictions. Recent UK Government town planning policy has been drawn up to curtail its development and Planning Policy Guidance Note 6 (DoE, 1996) specifically states that developers need to apply a 'sequential test' in the site-finding process for retail developments. This means that in applying for planning permission, developers must demonstrate that they have considered the possibility of town centre locations before deciding upon out-of-town sites for their application schemes. Whatever the policy situation, developers will need to consider certain generic issues when attempting to find a site for retail use and these are discussed below.

It is evident from a review of the literature, as well as looking at the situation at first hand, that the impact of increased car use has had a most significant effect on retail development location. Cadman & Topping (1995) tell us that retail developments take place in a hierarchy of shopping locations from regional, to district to local centres and then superstores and retail warehouses. A development's position in the hierarchy depends upon its catchment population, which they

define as the size of the population within 10 to 20 minutes' drive time of the centre/store. Ringer (1989) includes within a list of the seven most important factors dictating the success of a shopping centre that access by private transport is vital. Furthermore, it has been suggested that for retail warehouses, location is the 'single most important factor' dictating success in terms of specification and design, as a 'catchment population of 70 000 within a minimum drive time of 20 minutes is seen as a minimum' (Ratcliffe & Stubbs, 1996, p. 375). The area within which the catchment population lives is analysed, therefore, in terms of the size and economic status of population within given drive times. On the other hand, it is suggested that within town centres, the most important factor regarding the location of retail premises is the pedestrian flow past the site. However, it should be noted that the most important generators of pedestrian flow have been regarded as car parks first and then public transport nodes, pedestrian crossings and magnet stores (Cadman & Topping, 1995).

In considering catchment areas and possible locations for a retail development, the developer will need first to consider four key issues:

- *Accessibility*: does the topography allow for new development; are adequate public transport links available to the shopper; is 'pedestrian flow' past the intended shop sufficient to generate trade; what is the relationship between the intended location, other centres and the shopping public?
- *Competition*: which are the direct competitors to the potential shop(s) and what share of trade might they take from it (them)?
- *Prosperity*: what is the current level of provision of retail use generally; what are the levels of income and retail expenditure in the area; is there a good proportion of multiple shops; how many refurbished shops are there locally?
- *Potential*: what are the population and employment trends locally; what is the attitude of the town planners to future retail development; are there any schemes in the development pipeline?

Armed with this sort of information, developers will be able to assess with a degree of certainty the quality and appropriateness of the catchment area in order to assess the suitability of a potential development site.

Industrial properties

Industrial uses are taken to be those which would be classified under either class B2 (General Industrial) or B8 (Storage and Distribution) of the UCO 1987. Whatever the type of industrial property, the traditional view is that they need to locate close to raw materials and markets and must have good access to major roads.

In this sector, sources of information are often confined to the public sector, although market information might best be gleaned from local property consultants. Local and regional authorities are very often seeking industrial employers in their localities and they can thus help the developer in providing a wealth of relevant information. What the industrial occupier will most often be concerned about, after the expense of the scheme itself perhaps, is whether or not there is a

readily available supply of labour. This information is available to local and regional authorities, but whether or not there are recently moved companies in the area will also give an indication of this. Other sources of information include central government departments, such as the Department of Trade and Industry. Other more local organisations which are usually willing to assist in the provision of information include Chambers of Commerce and, of increasing importance in the UK at least, Regional Development Agencies (Cadman & Topping, 1995; Ratcliffe & Stubbs, 1996).

As with other types of property development, the location of industrial space has, over recent years, moved away from city and town centre locations to out-of-town ones. This has been for a number of reasons. In the main, industrialists have chosen to locate in places where access to communication networks has been favourable. With the decline of rail freight systems coupled with the increased expense involved in their use, location in proximity to motorway networks has become of prime importance. Ratcliffe & Stubbs (1996, p. 444) suggest that quick and ready access to clients, markets, suppliers, labour and services is an 'absolute prerequisite to modern industry. Thus motorway linkage and high carparking standards are crucial'. They go further to explain that the 'push' away from town centres has been due to the levels of traffic congestion, increasing transportation and land costs and longer commutes for workforces. Furthermore, the 'pull' factors to out-of-town locations have included cost savings (in lower land prices), more pleasant environments, and adequacy of parking facilities and accessibility. However, it is noted that amenities, facilities for workforces, public transport links and shopping and recreation facilities are absent from such locations. It could be suggested that herein lies a problem for industrialists and their workforces when it comes to choosing locations for their installations. According to Adams *et al*. (1993), rational behaviourists suggest that the optimal industrial location is driven by profit maximisation. More recently, however, it has been seen that the pretence of optimal location has been abandoned in favour of personal preferences and uncertainties (e.g. owners' expectations and behaviour, costs of redevelopment and upheaval and planning controls). Thus, it is put forward that there is only ever a partial equilibrium in the market, where supply (which is controlled by the planning system) and demand (from the private sector) do not equate. It is, therefore, very difficult to apply competitive market analysis to the industrial land market.

Despite this view, we can see from other published research that there has been a shift away from town and city locations and why this is so. Debenham Tewson Research (1990) noted the willingness of users of industrial space in the mid 1980s to move to 'off-centre' locations. It was held that this was because of the related shift in populations and economic activity from major urban locations to smaller and rural ones. Furthermore, at that time, it was suggested that the ranking of economic prosperity of local labour market areas indicated that performance was strongest in smaller, recently industrialised districts. Most interestingly, however, the most important influences for the move to off-centre locations were given as motorway proximity **and** environmental quality, followed by access to markets, airports, the rest of the organisation, and staff

availability, attraction and skills all coming well ahead of the suitability of arrangements for public transport, leisure and housing for the workforce.

This view of trunk road proximity being at the forefront of requirements of users of various types of industrial space is again supported by earlier commentators. Williams (1982) and Taylor (1985) note that for high technology developments, motorway access is vital. More recently, Cadman & Topping (1995) suggest that warehousing must also have good motorway access. Clearly this is true in the UK (and probably most other industrialised countries), given that there is a lack of adequate public sector transport infrastructure.

In finding a site upon which to erect a building for industrial use, there are several more issues which will have to be considered, such as the necessary working area within the building (particularly its height), how many doors will be needed and whether internal offices will be necessary. Access to the site by large vehicles (whether they be rail or road) must also be considered.

Ratcliffe & Stubbs (1996) note that the following four factors are influential in determining good locations for industrial properties:

- *Communications*: motorway linkages and car parking being predominant.
- *Flexibility*: space to expand and reorganise working practices.
- *Environment*: pleasing external and internal appearances.
- *Design*: identifiable character and quality and low running costs.

Residential properties

Although there are a large number of small property development companies involved in residential development, by far the largest market share of development of new property is undertaken by the so-called 'volume house builders' who benefit from economies of scale. These organisations have come to realise that, in terms of a marketing strategy, their best chances of success lie in the concept of selling a 'lifestyle' rather than selling houses. This has important implications when they are attempting to find sites for their products and perhaps the key issue they will consider at this stage is whether or not the character of the neighbourhood is appropriate for the lifestyles of the people who are likely to buy their houses. For example, the developer will want to know about the levels of reported crime in the area, whether there are schools to which house purchasers would wish to send their children, whether there is an appropriate 'shopping offer' nearby and what sort of provision there is for leisure activities.

Site-finding activities are undertaken partly in-house by land buyers. These people spend a great deal of their time travelling within cities and towns and in the countryside looking for suitable sites on which to develop houses. Often, developers will be given details of potentially suitable land by estate agents or may find them in press advertising. Because large pieces of developable land rarely come onto the market, developers need to spend time in building up 'land banks' – i.e. land which may be developed at a later date. In building up a land bank, developers will usually take out 'options' to purchase land at a later date. These are contracts which bind the land owner, usually for a limited period

of time (say 5 to 10 years), to selling the land to the option holding developer at a given price (usually open market value) unless the developer decides not to buy the land. Taking out an option to buy land does not mean that developers are necessarily buying land at reduced prices but they are guaranteeing that they will have the first right to buy the land by edging out any competing purchasers. Land banks may consist of very large parcels of land and sites capable of taking only a handful of houses.

In determining where they will focus their attention when land banking, developers will consider current and future planning policies. Their knowledge of the development plan for an area should be detailed and they will certainly benefit from being involved in the forward planning process (i.e. by making representations about changes to development plan policy). Furthermore, good developers will maintain close links with the personnel in planning authorities and will discuss policy directions with them.

Despite a stable population in the UK, the nature of demand for household type has changed in recent years, with a significant growth (both actual and predicted) in the number of small or single person households and a drop in the amount of married couple housing, as depicted in Figure 1.2.

The recent history concerning the development of significant amounts of housing to satisfy the demand of an increasing population and number of households has been influenced by three main types of provision, infill develop-ment, new settlements and urban villages. Within their development planning activities, local planning authorities are required to maintain an adequate supply of land for housing development. The Government issues housing target figures, following consultation with local and county councils and regional planning bodies. These are hotly debated, particularly in the South East of England where pressures for housing are very high, but where councils often do not wish to see too much land taken for development.

Government policy in this area is set out principally in PPG3. An early version (DoE, 1992) of this policy statement stated that:

> The planning system must provide an adequate and continuous supply of land for housing, taking account of market demand and of government policies for the encouragement of home ownership and the provision of rented housing. It must also ensure that established environmental policies are maintained and enhanced. These policies, to which the Government is firmly committed, in-clude the continuing protection of the green belts, National Parks and Areas of Outstanding Natural Beauty, the conservation of natural habitats and the pro-tection of the countryside and the best and most versatile agricultural land, and the conservation and enhancement of the urban environment and built heritage.

More recently, an updated version of PPG3 (DETR, 2000a – see Part 2 below, p. 25) suggests that a 'sequential test' will be applied to planning applications, which will favour redevelopment of brownfield sites above that of greenfield sites. Furthermore, policy statements have suggested that in future, 60% of new housing development will have to occur on brownfield sites. Given the intention of PPG3 to see urban land reused for housing development, it could be held that
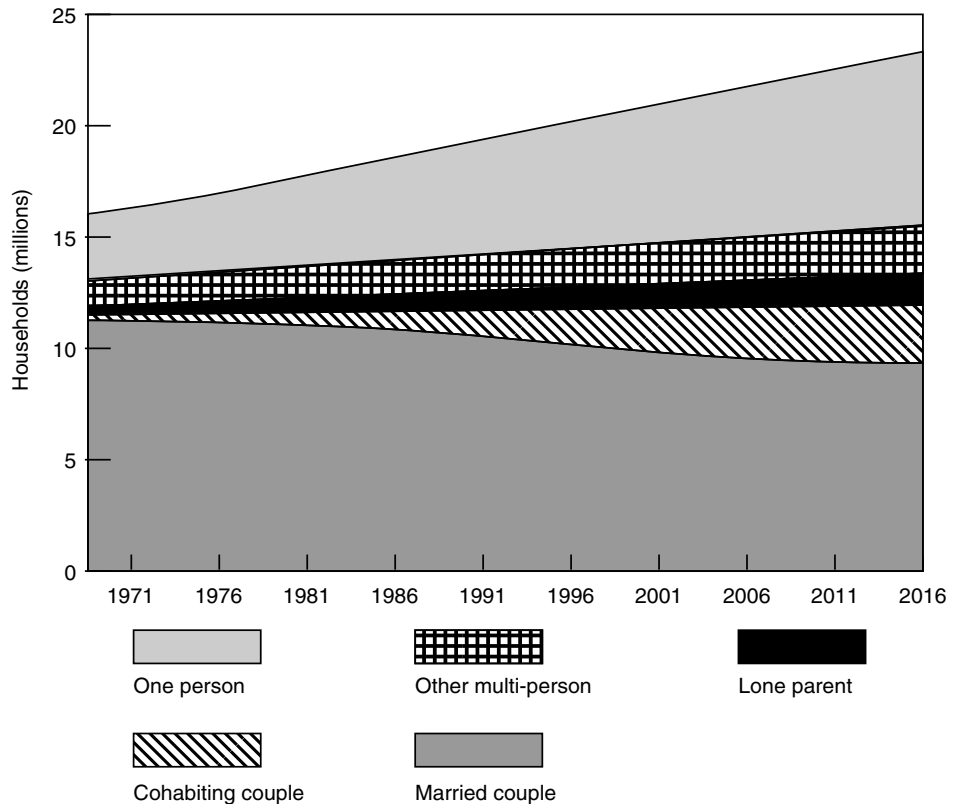
Figure 1.2   Number of households in England by household type (ODPM, 2003). Reproduced with kind permission of the publisher.

it is likely that we shall see more by way of infill and urban villages development than the continuance of large-scale new settlement type development.

Infilling consists of building new houses within the gaps between existing buildings and usually facing them onto the same road as the existing properties. There are principally three forms of infill development:

- 'Backland' development, where new properties are built in the back gardens of existing houses.
- 'Tandem' development, where a new house is constructed immediately behind another, sharing the existing access to the original property. The main difference between 'backland' and 'tandem' development is the proximity of the original and new houses and the sharing of the access.
- 'Houses to flats' development, where the original house(s) are demolished and rebuilt as flats or are converted at a higher density.

Such development clearly meets the current objectives of PPG3 of seeing densities being increased and urban land being reused. But, is it really sustainable, from the sense of residential amenity? Between the late 1960s and late 1980s, it has been noted that land values increased sevenfold (Cheshire, 1993), causing much

infilling as developers sought to cash in on increasing sale prices of new housing development. Similar sorts of price rises were experienced between 1998 and 2002, with similar effect. As Ratcliffe and Stubbs (1996) note, the character of many suburban areas changed significantly over a long period by way of greatly increased densities. A further benefit was the increase in supply of small-sized, low cost units.

New settlements v. urban villages

In the recent past, the main debate concerning the provision of large-scale residential development (i.e. the most significant 'land take' form of development) has centred upon whether this should be provided in new settlements or urban villages.

According to Ratcliffe & Stubbs (1996), debate has existed about whether to develop new settlements or to increase the density and/or size of existing residential areas for many years. Early planners, such as Ebenezer Howard, suggested large-scale, planned new settlements (or Garden Cities) as early as 1898. In the 25 years following World War II, 29 New Towns were designated to house the overspill population from Britain's major urban areas. In 1985, Consortium Developments Limited (CDL) was formed by an amalgamation of volume house builders to promote and present planning applications for new settlements. There were certain similarities between the rationales of Howard and those for the more recent proposals for new settlements, such as to generate settlements away from cramped conditions in existing towns. Many planners (Hall, 1989) endorsed the idea of CDL's approach, suggesting that new, balanced developments (i.e. having a mixture of uses, property sizes and types of tenure) away from high grade agricultural land and integrated with existing transport infrastructures would remove pressure from existing towns and villages and protect the countryside. However, CDL's applications never received the official approval needed, often having issues of environmental harm, traffic generation and visual impact being cited as the reasons for rejection. It could be suggested that greater co-operation between CDL and regional and local planners might have caused greater success. However, in these cases, there was often confusion between 'planning' and 'political' issues. The proposed developments were speculative and sponsored outside the development plan process. That they were opposed by vociferous NIMBY objections only furthered the cause to see them being rejected. Proponents of the new settlement concept are still encouraged by Government support for 'model' settlements to be developed. Although the issues are never absolutely clear cut, proponents of sustainable development fear that such settlements will become 'a new generation of commuter dormitory towns' (Blackman & Lipman, 2003). Campaigners who are keen to see the preservation of greenfield sites are right to continue to be concerned about this matter. In February 2003, the Government announced the launch of its 'Sustainable Communities Plan' (ODPM, 2003), which set out funding arrangements for urban regeneration, as well as plans for what one campaigning group termed 'massive greenfield sprawl' (CPRE, 2003, para. 2), but the Government preferred

to call the provision of hundreds of thousands of new houses a desire 'To accommodate the economic success of London and the wider South East and ensure that the international competitiveness of the region is sustained, for the benefit of the region and the whole country' (ODPM, 2003). In preparing its Sustainable Communities Plan, the Government undertook studies to assess the capacity for development activity and growth in Ashford in Kent, the region around Milton Keynes, Luton and Northampton and the 'M11 corridor' stretching from inner London to Cambridge. The CPRE states that:

> The studies assume new housing will be built at the higher densities which national planning guidance calls for (30–50 dwellings per hectare) rather than the lower densities currently prevailing (the current average is 25). . . . This gives a total, for all four growth areas, of between 482 000 to 556 000 homes on greenfields, covering between 12 530 and 14 730 hectares of countryside – equivalent to around 113 square kilometres or 44 square miles. This is in addition to all the other greenfield building continuing elsewhere in the South East and around England. And all this in the most crowded, congested, and highly pressured region in the country. (CPRE, 2003, para. 8)

Alternatives to new settlements are occasionally accused of being likely to result in 'town cramming'. Proponents of other forms of development aimed at meeting housing need, such as urban villages, on the other hand, present an argument which suggests that new settlements are more likely to result in a 'monoculture' of housing than a planned mixed use, mixed tenure and more sustainable development. The Urban Villages Forum was formed in 1989 as a reaction against typical post-war planning which was seen as promoting the zoning of land for separate uses that resulted in a wasteful use of resources, particularly in terms of transportation. Ratcliffe & Stubbs (1996, p. 491) suggest that 'what was needed was a revitalized form of housing and employment land use to bring life back to cities, and new large-scale housing proposals'. The key features of such urban villages are:

- Mixed-use buildings and areas comprising housing, small businesses, shops and social amenities (a sense of 'community' being an important element).
- Mixed ownership with rented and owner-occupied housing.
- High standards of urban design, particularly incorporating public open spaces.
- Populations of 3000 to 5000 people.
- Development suitable for the redevelopment of existing urban areas, but also possible for greenfield sites.

Proponents of the concept of urban villages (and any form of large-scale mixed-use development) are not without their detractors. As with most forms of large-scale development in a market economy, the momentum behind schemes rests principally with the financiers. Institutional investors have historically been blamed for a lack of support of mixed-use developments, it being argued that they are not in favour of risking investment in multi-use buildings which are

18   The location of property: greenfield and brownfield development

considered to be expensive to manage and may have lower future values than single-use ones. However, it is clear that planning policy runs contrary to such views and it is suggested that developers and financiers of housing development – and commercial property development – who adhere to the traditional view will lag behind and lose out to more adventurous ones. This is discussed further below, in Part 3 of this chapter, p. 30–33.

Investigating site-specific characteristics of potential development sites

Having considered the strategic issues pertaining to a potential development scheme, such as the economic suitability of the general location and the town planning policies relevant to the locality, developers need to consider site-specific issues. What should be at the top of the developer's mind at this stage is whether or not the selected site is physically and functionally capable of taking the proposed development.

Developers will commonly use a form of checklist when visiting a site in the first instance. Box 1.1 below is an edited extract of a site investigation checklist used by a developer. This shows the sort of level of detail that is required at an early stage in site investigation. Much of the information will be gleaned from a physical inspection of a potential development site and the remainder, such as legal information, can be gathered during a 'desktop' study following the physical inspection. The sort of information being gathered with the checklist in Box 1.1 is appropriate to most forms of development. This would be supplemented with additional information which would be required in order to assess site suitability for particular types of development (e.g. retail or residential).

Consideration of the contents of Box 1.1 would serve most developers well when undertaking a site-finding exercise. If developers were to approach their task from a sustainable property development perspective, they might wish to add supplementary headings and questions. As examples, the following issues could be investigated:

- *Highways*: can the local public transport infrastructure support the proposed development?
- *Parking*: how little parking can we provide on the site?
- *Drainage*: could a sustainable urban drainage system be provided? Could reed-bed drainage be viable?
- *Water*: is there a watercourse on or adjacent to the site and how could this be retained/enhanced?
- *Design*: what is the local vernacular and how could we complement this?
- *Habitats*: are there important or valuable habitats or flora on the site and how could these be retained/enhanced?

Many of these ideas would not need to mean significant additional expenditure or reduced profit. Indeed, some aspects of sustainable property development can either add to the value of completed schemes and/or assist planning authorities to see the benefits of a scheme. Furthermore, some of these ideas can add to the marketability of the scheme.

Environmental impact assessment

Some property developments, by virtue of their potential effects upon the wider environment, are required to be assessed in terms of their environmental impact before they are given permission to proceed. The formal process of environmental impact assessment (EIA) has been described as:

> a process by which information about the environmental effects of a project is collected, both by the developer and from other sources, and taken into account by the relevant decision-making body before a decision is given on whether the development should go ahead. (DoE, 1995)

EIAs were first systematically used in the USA in the early 1970s. The European Union established the legal framework for EIAs in 1985 (EU Directive 85/337/EEC) and the UK complied with the requirement to establish a national regulatory system for EIA in 1988 (Town and Country Planning (Assessment of Environmental Effects) Regulations 1988). These Regulations have been updated, the current ones being the Town and Country Planning (Environmental Impact Assessment) (England and Wales) Regulations 1999 (there are comparative Regulations in Scotland).

A schedule of the projects which are required to be subject to an EIA are set out in Schedules 1 and 2 of the 1999 Regulations. Schedule 1 projects are those which automatically require an EIA to be undertaken (e.g. power stations, waste disposal facilities, motorways and steel works) and are relatively few and far between. More common are projects listed in Schedule 2 of the 1999 Regulations (e.g. industrial estates and urban development of more than half a hectare in size), which will often require an EIA to be undertaken, but only if they meet certain criteria and thresholds, which are set out in Schedules 2 and 3. Further advice concerning the criteria, thresholds and implementation of EIA can be found in Circular 02/99: Environmental Impact Assessment (ODPM, 1999).

In essence, an EIA is an investigation to assess the environmental and socio-economic effects of a proposed development on the wider environment. These effects could be upon natural resources (e.g. soil, water, air quality, flora and fauna and landscape) or upon 'man made' resources (e.g. transport systems, cultural heritage, the economy and housing).

The process of EIA   In undertaking an EIA, developers are required first to understand whether an EIA is required. The process for determining this is known as screening and local planning authorities will screen development proposals upon request. Thereafter, there is a seven-stage process, which is set out in the 1999 Regulations. Glasson *et al*. (1999) and Morris & Therivel (2001) provide an excellent summary of the process (Figure 1.3).

The first two stages of the EIA process, scoping and baseline studies, provide the basis upon which the remainder of the EIA will be undertaken. Scoping should involve site visits and the use of checklists to identify the probable key impacts, potential mitigation measures and the likely assessment methods to be

Box 1.1   Extract from a site investigation checklist (Crawford, 2002).

Highways

- Who is the Highway Authority?
- Access – is this adequate or will alterations be necessary?
- Road widths – are on-site and access roads of adequate width or will alterations be necessary?
- Other highway considerations:
    —Specification – are road surfaces of appropriate quality?
    —*Ransom strip(s)* – does access to the site cross land in another ownership?

Drainage

- Who is the Drainage Authority?
- Are sewers to which the site connects public ones or will private authorisation be required?
- Existing pipe specifications – are these adequate for the proposed development?
- Spare capacity – is the drainage system adequate for the proposed development?
- Does the site drain by gravity or will pumping be required?
- Is there a storage facility for drainage (if so, what are the area and positions and will such area be allowed for open space purposes)?

Off-site requirements

- Is the sewer to be requisitioned?
- Is there a major sewer works or pumping station nearby and are they adequate for the proposed development?
- What is the condition of watercourses or existing ponds (and what is the depth)?
- Is any remedial treatment required to sewer system?

Soil investigation

- Does the vendor have a soil survey?
- Has an independent soil survey been carried out?
- What are the ground conditions (soil type, filled land)? What are the subsequent foundation recommendations?
- Is the site on a flood plain?
- Where is the water table in relation to the site?
- What are the existing or adjacent tree types and positions?
- Have contaminated land enquiries been carried out?
- Is any report available?

Services

- Is there existing availability of services or will diversions be necessary?
    —Gas
    —Telecoms/fibre-optic cables
    —Electricity
    —Water
    —Other infrastructure
- What are the likely costs of all of the above?

Planning

- Who is the Planning Authority?

- What is the status of the development plan?
- What is the planning history of the site?
- Is there existing planning permission (ref. and date)?
  —What for?
  —Are there any Section 106 planning agreements (existing/proposed)? What are their requirements?
  —Is a development brief available?
  —What were the requirements for phasing the development?
  —Is all the land on offer included within the planning permission?
  —Are there any special considerations attached to the planning permission (for example, special materials, conservation area, listed buildings, tree preservation orders)?
  —Is there any landscaping requirement?
  —Are there other land use requirements (for example, tree belt, noise barrier)?
- Has a meeting with the planning authority been arranged?
- Are any other planning reports available?

Legal

- Is the land registered or unregistered at the Land Registry?
- Does the contract for the purchase of the site have an attached plan?
- Do any other titles abut the site?
- Do the site's dimensions reconcile with Land Registry and planning permission site measurements?
- Does the site abut the public highway?
- Are there rights over drainage or services?
- Have rights of light been checked?
- Is there a party wall?
- Are there any restrictive covenants and does the proposed scheme comply with these?
- Will vacant possession be transferred upon completion of the purchase?
- Do the vendors approve of the proposed plan?
- Are there any tenancies or third party uses of the site?
- Can the site connect to existing public highways (including visibility splays) without crossing the land of a third party?

Site visit

- Do you have an Ordnance Survey plan?
- Has a full land survey and/or boundary survey been undertaken?
- Have the site boundaries been physically checked as being clearly defined?
- Are there any overhead lines, cables or pipe markers or inspection covers visible?
- Are there any encroachments, gates from the site into rear gardens, retaining walls, overlooking windows or private accesses affecting the site?
- Is the site occupied in any way (for example, garages, allotments)?
- Will the slope of the site warrant retaining walls between plots?
- What is the condition of existing trees and hedges?

employed. Conducting baseline studies involves both desktop and on-site studies and is crucial to undertaking an effective EIA. The third stage of the process, describing and evaluating the baseline conditions, sets out the value of key receptors of any potential impact and, importantly, whether there are any 'limitations in data accuracy and completeness' (Morris & Therivel, 2001, p. 6).
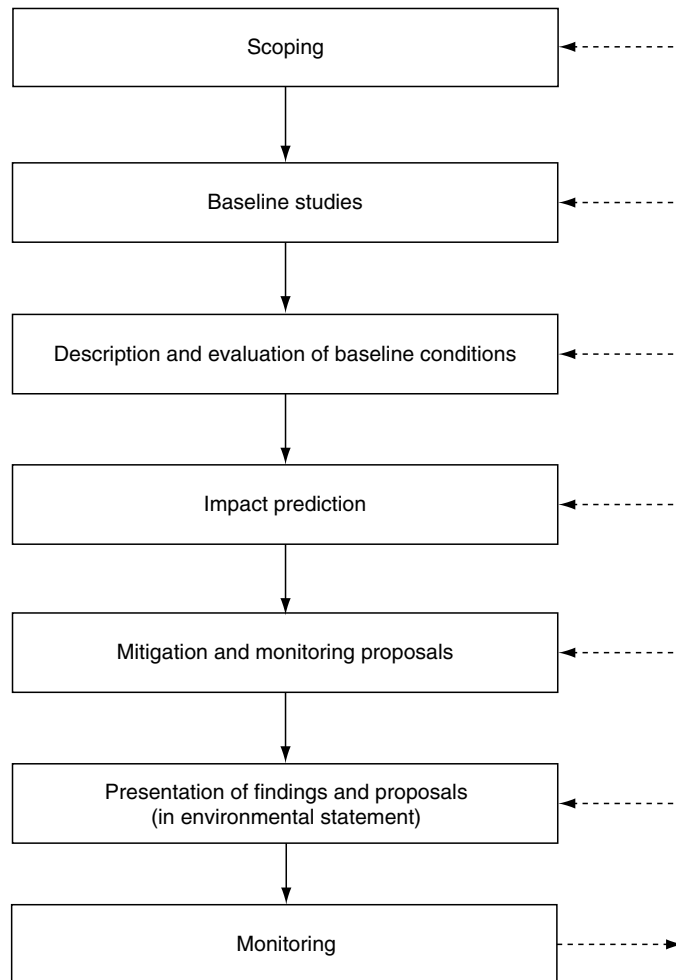
Figure 1.3   The process of EIA (from Morris & Therivel, 2001, p. 4, reproduced with permission).

Predicting impacts is, of course, the most fundamental aspect of the EIA process. It is important that the direct and indirect consequences of the proposed development are predicted, as are the cumulative impacts that are likely from the proposed and other developments. It is also important to note that impacts may be positive as well as negative and that they may be felt in the short, medium or long term. That any impact may be reversible is relevant to the next stage in the process – impact mitigation and monitoring proposals. Morris & Therivel (2001, p. 8) note, 'Mitigation measures aim to avoid, minimise, remedy or compensate for the predicted adverse impacts of the project' and then set out the sorts of measures that exist:

- Selecting alternative techniques and/or locations for the development.
- Modifying the methods and timing of development.
- Redesigning aspects of the development.

- Minimising operational aspects, e.g. polluting activities.
- Specific measures to minimise impacts, including off-site measures, e.g. alterations to highways.
- Compensating for losses, e.g. provision of new habitats.

The visible output of the EIA process is the 'Environmental Statement', as discussed below, which is produced in order to support a planning application and contains information about all of the previously set out steps in the EIA process. It need not include information on monitoring, the final phase of the process. This is partly due to the fact that monitoring is not strictly a requirement of the statutory EIA process. However, as Morris & Therivel (2002, p. 10) point out, 'lack of monitoring is a serious deficiency in current EIA practice'. Effective monitoring, which is necessary in order to attempt to achieve sustainable property development, should include:

- Baseline monitoring, e.g. a survey programme over time, usually relying on existing data, on the state of the environment prior to the development.
- Compliance monitoring.
- Impact and mitigation monitoring to assess the accuracy of impact prediction and the effectiveness of mitigation measures.

Methods of assessing environmental impact   It is interesting to note that the burden of undertaking the EIA falls upon the developer. Developers will therefore engage consultants to undertake the assessment, who will report to the developer rather than to the planning authority. This is not the case in some other countries, for example Canada, where the EIA is undertaken by independent environmental consultants selected from a panel of approved organisations and reporting is to the planning authority.

In the UK, the developers' consultants, who may be a firm of environmental consultants or a collection of specialists from different organisations, will possibly need to have specialisms in areas as diverse as ecology, soil science, geology, economics, transport, noise, archaeology, historic buildings and air quality. The project management skills needed to co-ordinate the personnel involved in a large scale EIA are tremendous, particularly given that the process's outcome, in the form of the Environmental Statement, must constitute a cogent assessment of the potential impact of a development, rather than a collection of studies by individual experts.

Environmental Statements

The required content of Environmental Statements (ESs), i.e. the information that needs to be presented, is set out in Schedule 4 of the 1999 Regulations and Annex C of Circular 02/99. The ES needs to be an integrated document and must be transparent in terms of setting out limitations caused by a lack of data. All ESs must include a non-technical summary which is comprehensible to non-experts.

Contaminated land

Any site being considered for development should be regarded as potentially contaminated. The importance of this cannot be overstated and every site investigation should reflect this. The issue of contaminated land is considered in some detail in Chapter 2 of this book and will thus not be discussed again here.

PART 2:   GOVERNMENT POLICY REGARDING LOCATION OF DEVELOPMENT

Box 1.2   Outline of key recent brownfield and greenfield policy developments

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1987

- *Our Common Inheritance* (a.k.a. 'Brundtland Report' (World Commission on Environ-ment and Development, 1987))
  —Suggests need to preserve the environment, reduce resource consumption, reduce world poverty – all within a neo-classical economic paradigm;
  —Defines 'sustainable development' as: Development that meets the needs of the present without affecting the ability of future generations to meet their own needs.

1990

- *This Common Inheritance*: UK Government response to *Our Common Inheritance*
  —Suggests need to protect environment and see economic growth.
- Town and Country Planning Act:
  —Development plans mandatory for the whole of the country;
  —Section 54A suggests that planning decisions should be made in accordance with development plan provisions and any other material considerations (e.g. PPGs).
- Environmental Protection Act:
  —Presents a framework for pollution control. Much debate and wrangling over s. 143 (never actually enacted) which proposed a register of sites subject to previous contam-inative uses.

1992

- Rio Earth Summit: UK (plus 140 or so other governments) signs up to 'sustainable development', including that of land resources. Government suggests planning system is the way to see sustainable development implemented.

1995

- Environment Act enshrines contaminated land policy in law, by inserting Part IIA into Environmental Protection Act 1990. This:
  —Defines 'contaminated land';
  —Enforces local authorities to inspect their areas for contamination;
  —Establishes a 'liability hierarchy' – polluters responsible first (in accordance with EU law), owners of land thereafter;
  —However, legal and financial wrangling means that the Contaminated Land Regula-tions only become effective in 2000/2001.

1999

- The 'Urban Task Force' reports (see below).
- Government produces a strategy for sustainable development: *A Better Quality of Life* (DETR, 1999). This:
  —Provides indicators for measuring sustainable development;
  —Encourages local initiative for sustainable development by promoting Local Agenda 21.

2000

- Contaminated Land (England) Regulations 2000.
- DETR Circular 02/2000 'Contaminated Land'.
Both of these documents set out how the legislation should be enforced and responded to by local authorities.
- Urban White Paper: *Our Towns and Cities: The Future – Delivering an Urban Renaissance* (see below, p. 28).

PPG1: general principles of the planning system

PPG1 (DETR, 2001) sets out the basic tenets of planning policy in England and Wales and as such guides both development plan policy-making and development control decision-making. Amongst the overriding concerns that the planning system needs to address, according to PPG1, is sustainable development. Principal amongst the ways in which planners and developers can assist the move towards sustainability is the encouragement and provision of mixed use development. Whilst PPG1 does not define this term, it does stress that 'mixed use can help create vitality and diversity and reduce the need to travel. It can be more sustainable than development consisting of single use.' The major motivation for this emphasis on mixed use is therefore that locating such developments in central locations with good access to public transport is likely to reduce dependency on the use of private transport. PPG1 charges local planning authorities with promoting mixed use development in specifically designated areas: 'Development plans should identify individual sites where development should incorporate a mixture of uses'.

PPG3: housing

PPG3 (DETR, 2000a) provides guidance for planners and developers on the provision of housing in England and Wales. PPG3 stresses the need for planners to promote the redevelopment of brownfield sites above that of greenfield sites and has instituted a 'sequential test' approach which needs to be followed when submitting and approving development applications (similar to that in PPG6 concerning retailing). It states that development plans should 'focus new housing development in areas where previously-developed land is available in preference to developing greenfield sites.' Furthermore, following the principle laid down in PPG1, PPG3 also makes significant reference to the role of mixed

use development in future housing provision. It is interesting to note that the authors of this most recent version of PPG3 have extended the scope and meaning of sustainable development to include social matters rather than just environmental ones. Whilst there is reference to the environmental objective of conserving greenfield sites through brownfield development, PPG3 also promotes the development of 'inclusive communities which offer a choice of housing and lifestyle'. In this sense, PPG3 attempts to underpin what much of the current government's policy making has sought to achieve – i.e. 'social inclusion'. PPG3 comments that the principle of good mixed use development 'does not accept that different types of housing and tenures make bad neighbours.'

PPG6: retailing and town centres

PPG6 (DoE, 1996) supports town centre initiatives, including active town centre management (TCM) and transport strategies. Local authorities need to judge retailing proposals on grounds of potential impact upon town centre 'vitality and viability'. The 'index of vitality' is based on the comparative study of various factors, such as (Ratcliffe & Stubbs, 1996, p. 381):

- Relative rental levels
- Vacancy and occupation levels
- Relative branch performance of major retailers
- Retail mix and level of retailer representation
- Presence of covered malls and speciality centres
- Presence of pedestrianisation schemes
- Relative access by public and private transport
- Ratio of carparking to retail floorspace
- 'Health' of secondary shopping areas
- Presence of TCM schemes
- Presence of other unique attractions (e.g. tourism and leisure)
- Size of local town and town centre employment base

Out-of-town developments are now only considered as acceptable if in-town congestion cannot be tackled in any other way. PPG6 requires the 'sequential test' approach to be adopted (as per PPG3 above), in that when submitting and approving development applications, it must be clear that town centre locations have been considered before edge-of-centre ones, which in turn must be considered before edge-of-town locations and so on until out-of-town locations are considered as a last resort. Regional Shopping Centres (RSCs – i.e. stand-alone shopping centres offering in excess of 100 000 square metres of retail provision) are only considered to be suitable if they are supported by development plan policy, if there is a sufficiently large population to be served by them and if adequate expenditure growth is likely. Furthermore, there now also needs to be proof that an adequate public transport infrastructure exists to support them (Ratcliffe & Stubbs, 1996).

PPG13: transport

PPG13 (DETR, 2000b) attempts to ensure that planners and developers square the circle between development and transport decision-making. Echoing the promotion of mixed use development in PPG1 and elsewhere, PPG13 calls upon decision-makers to consider the sustainability benefits that can be brought about through such a form of development. The focus of PPG13 is upon environmental benefits, principally through reduced atmospheric pollution, that should follow a reduction in developments which cause greater reliance upon private transport. As per PPG1 and 3, PPG13 recommends that highly accessible sites could be well utilised by having mixed use developments built upon them. The reason for this is that the office and retail elements of them are classed as travel intensive. PPG13 comments that: 'Mixed-use development can provide very significant benefits in terms of promoting vitality and diversity and as promoting walking as a primary mode of travel'.

In focusing upon the environmental aspects of transport, it is perhaps unfortunate that PPG13 misses a chance to set out the social and economic benefits which can result from better public transport and less reliance upon private transport.

PPG23: planning and pollution control

PPG23 (DoE, 1997) states that contamination is a 'material consideration' when planning applications are being determined. Given that this PPG ensures that the remediation of contaminated land is a benefit that can be derived from granting permissions, developers should be able to use this to their advantage in securing planning permissions on brownfield sites. PPG23 notes that local authorities may demand from developers the results of site investigation surveys, as well as guarantees that remediation has been undertaken which is consistent with the 'suitable for use' approach for reusing contaminated land (see Chapter 2 for more on this approach).

The Urban Task Force

The Urban Task Force report was published in 1999 (UTF, 1999), just over a year after the Task Force, which was chaired by the architect Lord Rogers of Riverside, was appointed by the Government. The report, *Towards an Urban Renaissance*, made several recommendations that were highly important in terms of their influence on subsequent Government policy. In essence, these were:

- *Recycling land and buildings*: it is important to limit the release of greenfield land, to reuse contaminated land and empty properties.
- *Improving the urban environment*: it is necessary to improve the quality of urban design, in part by increasing densities, improving public transport systems and creating 'Home Zones' (i.e. where there is a 'pedestrians first' policy).

- *Achieving excellence in leadership, participation and management*: 'positive planning' is needed which encourages the redevelopment of neglected areas. This can be facilitated by devolving detailed planning processes to the neighbourhood level, by ensuring a mix of tenures and incomes within neighbourhoods and by strengthening strategic management in local authorities.
- *Delivering regeneration*: Urban Priority Areas should be designated where decision-makers can streamline planning procedures, enable easier land acquisition and provide fiscal incentives for certain redevelopment initiatives. In order to achieve this, it will be necessary to place resources at the local level and make public expenditure at all levels of government focus on the urban renaissance.
- *Designing the urban environment*: a national urban design framework should be established, as well as demonstration projects which will assist designers, developers and the public to experience high quality urban design. At the local level, local authorities should produce a single 'public realm strategy', which establishes a framework for increased density of development and sets the context for area regeneration schemes, which should have 'integrated spatial masterplans'. At the site level, new housing should be rated in terms of its environmental characteristics and performance and its running costs.
- *Making the connections*: 'Home Zones' (see above) should include lower speed limits and traffic calming measures. These should be within the context of Local Transport Plans, which should have a statutory status and should include car-use reduction targets. At the national and local levels, there should be more effective regulation of bus service franchises and policy should be for a maximum of one car parking space per dwelling in urban areas.

Urban White Paper: Our Towns and Cities: The Future – Delivering an Urban Renaissance

The response by Government to the Urban Task Force report (UTF, 1999) and other influential research findings (DETR, 2000c) was an almost complete adoption of their recommendations. The Government produced a White Paper (ODPM, 2000) which set out the 'key steps' needed to make urban areas 'places for people':

- The design and quality of urban fabric must be good and 'right' for the place.
- All towns and cities should be able to create and share economic prosperity.
- Quality services that are needed should be available to all.
- People should be able to participate in developing their communities.

The Government has committed resources to assist the implementation of the Urban Renaissance. Furthermore, the Government has begun the process of facilitating the necessary changes in the planning system in a Green Paper (DTLR, 2001). It will be interesting to see how the policy initiatives for urban regeneration are played out. Their potential implications as far as determining good locations for property developments are discussed in Part 3.

PART 3: RECENT TRENDS IN DEVELOPMENT WITHIN CITY/TOWN CENTRES (AS ELEMENTS OF URBAN REGENERATION)

Urban regeneration: an introduction

Government policy concerning urban regeneration has gone through several metamorphoses. In the UK in the 1960s, policy was formulated which followed, to some extent, experiences in attempting to seek regeneration in the USA. At that time, the problem was seen as relating to the ghettos, inner city areas which had succumbed to significant economic and physical decay. Characteristically, such areas and their populations demonstrated high levels of unemployment, low levels of educational attainment, poor health and continually rising levels of crime. The 'Urban Programme', both in the USA and the UK, has, over the years, adopted different instruments and approaches in order to revitalise inner city areas. Initially, it was thought that the economic situation needed reversing in order to bring about the hoped-for benefits to the physical environment often associated with economic growth. To this end, the focus was initially on employment generation. Fiscal incentives were given to encourage employers to move to, or remain in, inner cities. With varying degrees of success, the policy focus later shifted towards improving the health of the inner city population. It was believed, rightly so, that a healthier population was likely to perform better both educationally and as a workforce and that targeted investment in health-care provision in such areas would later reap dividends.

Effective fiscal and healthcare provisions for inner city dwellers were (and still are) essential to stop the long-term spiral of decline evidenced by the vicious cycle of economic, societal and environmental deterioration. But, in the 1980s, such an interfering approach by a government was not politically fashionable. Whilst it is certainly not the case that the Conservative Government of the UK in the 1980s absolutely stopped such intrusive involvement in improving inner cities, it is true to say that it favoured an altogether different approach. Rather than using the controlling hand of government to organise inner cities, the proponents of Thatcherism preferred to trust the free market. Given that a quick bureaucratic solution to inner city decay had not been found, it was felt that the market, unfettered by the restrictive practices of the planning system, would have to be relied upon to solve the problems. To this end, the property market was let loose, in certain places, by being given what are known as 'planning freedoms'. Simplified Planning Zones (SPZs) and Development Corporations were examples of these. The theory was that improvement of the physical environment would cause investment in the area, jobs would follow and general prosperity thereafter. To supplement the freedom of property developers to disregard what were considered to be 'limiting' planning policies, fiscal freedoms (such as 'tax holidays') were granted to business occupiers of the newly developed environment.

There is still debate, much of it politically motivated, about the relative merits of the bureaucratic/democratic model versus the market model. It is certainly the case that market-led urban regeneration has caused hugely significant

change in the fabric of many urban areas, such as in London's Docklands. It is also true that many of the original residents of areas such as Docklands have not benefited directly from the changes, whereas developers and others have. Nor is it at all clear that the environmental changes have all been for the better. In terms of an assessment of the sustainability of the Thatcherite model of property-led urban regeneration, we would certainly have to weigh up the pros and cons of environmental enhancement and democratic deterioration. It is clear that property-led regeneration initiatives are not at the heart of the Urban Task Force's proposals for an urban renaissance and it is unclear, therefore, why the UK government should propose, in the Urban White Paper, the resurrection of the idea of zoning areas of deregulated planning control (in the form of Business Planning Zones (BPZs)) in 'deprived' areas. Critics of this proposal, which include the Commission for Architecture and the Built Environment (CABE), Campaign for the Protection of Rural England (CPRE) and the Royal Institution of Chartered Surveyors (RICS), suggest that BPZs would probably result in increased greenfield development, increased reliance on car use and a reduced likelihood of mixed use development. Such a policy could best be described as anti-sustainable.

Since the early 1990s, UK government policy on urban regeneration began to focus upon reusing derelict land and/or brownfield sites, which can be defined as 'any areas of land which have previously been the subject of a man-made or non-agricultural use type' (Syms, 1994, p. 63) or 'that which is or was occupied by a permanent structure (excluding agricultural or forestry buildings)' (DETR, 2000a, Annex C). More recently, the emphasis has been upon sustainable development of urban areas. To this end, government policy statements, such as PPGs and White Papers, have stressed the need to see mixed use development promoted and undertaken (see Part 2 above). Given that most urban land, certainly in inner city areas, is by definition brownfield land, policy has sought to promote mixed use development on brownfield sites within the planning system.

Mixed use developments

Mixed use development involves, as its name suggests, the development of a mixture of uses of buildings and land. This can mean that a number of single-use buildings are built on a site or that a building or buildings are occupied by different types of users. There has been much discussion on this type of development in the recent past and it has been heralded as an obvious contributor to sustainable urban development for a number of reasons. In particular, it is suggested that mixed use developments can encourage:

- Reduced reliance upon private transport
- Mixed tenure developments
- A 'dynamic' community
- Good aesthetics
- High quality urban design

Perceived problems with mixed use development

Traditionally, however, mixed use development has been resisted by a large number of developers and investors for a variety of reasons. Principal amongst these are that (RICS, 1992):

- Costs associated with this form of development are higher per square metre than single use developments. The reasons for this include expenditure required for health and safety reasons (e.g. to comply with fire regulations and means of escape from buildings which will need to be different for different users).
- Developers have traditionally been specialists in a type of construction. Whilst entering into joint ventures with developers of other types might solve this problem, this might well also bring with it procedural problems and greater uncertainty.
- The costs of managing a mixture of uses within a completed development scheme can be prohibitive, often as a result of differing lengths of leases and subsequent problems associated with the cost and timing of maintenance and refurbishment and multiple rent reviews.
- There has been a perception that certain occupiers of certain uses do not wish to be associated with other types of occupiers, such as office occupiers being co-located with what might be termed 'downmarket' shops.

As has been noted elsewhere, the involvement of the public sector in developing brownfield sites in order to regenerate an area is nearly always necessary. An example of this is the Gloucester Green development in Oxford. The local authority owned the site and was the driving force behind the initial stages of the scheme. It is argued that the key to the success of this scheme was that the site assembly from different interests and ownerships was reduced significantly and that public ownership of the development site meant that profit maximisation was not necessarily given primacy over social objectives associated with urban regeneration.

This example is not necessarily typical of the attempts to undertake the regeneration of an area with the development of a mixed use scheme, however. A number of problems associated with mixed use regeneration development have been identified (Rowley, 1996), in addition to those discussed above:

- Regeneration sites are very often outside what might be considered the 'prime pitch' for office and retail developments, thereby reducing their desirability to developers and investors.
- Often, sites proposed to be elements of regeneration schemes are small and do not offer economies of scale in their redevelopment.
- Sites which have previously consisted of housing use are often limited with regard to the ways in which they can be altered due to construction techniques employed.

- Mixed use schemes often rely upon small businesses to occupy space. Small businesses are often perceived to be financially vulnerable and therefore more risky than large businesses as occupiers.

Funding mixed use developments

Evidently, a problem exists with encouraging investors to consider involvement in many mixed use schemes. This is because 'The investing institutions include pension funds and life insurance companies, whose objective is to invest their contributors' premiums in safe, reliable investments' (Coupland *et al.*, 1997, p. 118). Such institutional investors are known to be 'risk averse' and are certainly very much 'risk aware'. Overexposure to property investments in the early 1990s saw many of their portfolio returns suffering during the economic downturn and the associated and spectacular property crash of that time (the expression 'once burnt, twice shy' comes to mind when considering their caution in becoming involved in apparently risky ventures in more recent times). This is why single use and, ideally, single tenanted, buildings in prime positions are attractive to them. An outcome of this situation is that in order to undertake these sorts of developments, developers need to find funding and finance from elsewhere. They tend to be loathe to expose much of their own money to a risky venture and banks tend to prefer to lend money against the development of existing or proven income streams, for which there are seemingly no limitations in terms of applications. Failing the opportunity to borrow from institutions or banks, developers would have to attempt to convince other lenders and/or commence a scheme in order to demonstrate its viability.

Planning issues and mixed use developments

Even if developers were able to source development funding and finance from a willing source to permit them to undertake mixed use development, there are significant systemic obstacles facing its achievement. An example is the lack of flexibility presented by development plans, which are often based upon historic land use patterns being continued in future land use suggestions. There is often, for example, a presumption in favour of 'employment generating' land uses within development plans in certain areas where there has been a history of manufacturing industry. The sub-text for such a policy is that, despite manufacturing uses no longer being economically viable in a given location, local authorities perceive a need to see the land returned to use which is labour intensive, rather than, say, combining a mixture of uses which may include housing or retail. Syms (1994) criticises such a lack of flexibility in decision-making and calls for each case to be treated upon its own merits.

Given the continuous updating of development plans and that this area of policy is developing rapidly, however, it could be the case that the flexibility that has been called for will become the norm. Recent government proposals for changes to the way in which forward development planning functions are undertaken, and its outputs are presented, represent a new departure for the planning

system. It is proposed in the Planning Green Paper (DTLR, 2001) that development planning should be undertaken at a national level (in a spatial planning strategy), at the regional level (by unelected regional assemblies) and at a local level (by District authorities). What would be effected by such change is a removal of the Structure Plan level of town planning, often undertaken by County Councils, and a greater emphasis on the production of Local Development Frameworks (LDFs) in place of Local Plans. It is proposed that the LDFs would be more flexible and locally relevant than the current provisions and would be required to be updated every five years rather than every ten as at present.

The requirement to see greater flexibility in the planning system is one which occurs often in the literature on sustainable urban development and regeneration. As noted above, recent thought in this area has recommended that trends in centralising economic and development planning be replaced with regional, more localised policy-making and implementation. The Urban Task Force (1999) argues that such decentralising of decision-making will facilitate more appropriate development. The Urban Task Force (UTF) recommendation that local authorities are given considerably more scope than they currently possess to make merit-based decisions for development proposals will assist that process more easily than at present. It should, the UTF argues, allow for more efficient land assembly and financial aid for necessary redevelopment. Each of these issues is considered in turn below.

Land assembly and partnerships between developers and local authorities

In addition to their important function as a planning authority, local authorities have another key facilitating role to play in successful urban regeneration – as partners with developers. Prior to the 1980s, local authorities were often actively involved in the regeneration of urban areas. As noted previously, the 1980s and 1990s saw an increasing role being taken by the private sector in regeneration and there was a decrease in influence of the public sector in development activity generally. Partnerships between developers and the local level public sector can take a variety of forms and the roles that local authorities can take can also vary. Ratcliffe and Stubbs (1996) set out the key areas where local authority involvement in the development process can mean the difference between the success and failure of development projects generally. The following are particularly pertinent in urban regeneration:

Planning allocation: development plan land allocation greatly influences development potential and value. A partnership approach can be adopted at this very early stage of the planning and development process through consultation and negotiation for the mutual benefit of developers (in seeing their sites become allocated for development) and local authorities (whose regeneration objectives can be met) alike.

Land assembly: compulsory purchase powers can be used, when necessary, to 'assemble' land from different ownerships into one parcel of developable land.

The need for this occurs because developers need to be able to dispose of a finished scheme without constraints affecting legal title, services, planning and access. An authority's use of compulsory purchase powers depends on the perceived need and political will for regeneration and creating, often, employment-generating land use. Land assembly also can be assisted by land reclamation, provision of buildings, infrastructure and services, relocation of tenants and the promotion of the locality as suitable for businesses to locate to. The amount of money authorities can spend on economic development by way of capital expenditure is restricted by their credit approval limit and assisted by additional funding from central government. Assistance by negotiation with private landowners in achieving a realistic price for elements of a site can be significant. However, the system of compulsory purchase takes much time, which is largely why Compulsory Purchase Orders (CPOs) have been little used since their heyday of the 1960s and 1970s. It is argued (Fulford, 1999) that the CPO system is 'antiquated, bureaucratic and costly' and this is probably why the use of CPOs 'has long been a last resort for many councils' (Gummer, 2002).

Compulsory Purchase, under the Local Government Planning and Land Act 1980, can be effected if:

- Land is suitable for and required to secure development, redevelopment and improvement;
- Land is necessary to be acquired for proper planning of an area.

The time-consuming aspect of the current compulsory purchase system stems from the fact that all interests in land (which may be hundreds in city centre regeneration schemes) need compensating. Public Inquiries are held, followed by potentially lengthy negotiations between the affected parties' valuers and the District Valuer or other independent valuer. 'Disturbance compensation' may be payable to occupiers who suffer loss due to relocation and loss of profit. Furthermore, criticism exists due to inadequate compensation usually being paid, particularly as it is based on existing, not new premises' value and the system for payment can be very drawn out.

The Government, in response to such criticisms, has introduced legislation to liberalise the compulsory purchase and compensation regimes. The Planning and Compulsory Purchase Bill 2002 aims:

'to speed up the planning system. The provisions introduce powers which allow for the reform and speeding up of the plans system and an increase in the predictability of planning decisions, the speeding up of the handling of major infrastructure projects and the need for simplified planning zones to be identified in the strategic plan for a region or in relation to Wales. The Bill also provides for a number of urgent reforms to make the handling of planning applications both by central government and local authorities quicker and more efficient.' (House of Commons, 2002)

Infrastructure provision: often, regeneration sites have suffered from a lack of recent renewal of suitable roads, sewers, open space, schools and other public

services. A lack of infrastructure will result in lower demand for developable sites. Whereas planning obligations (see below) may be used to provide for these on an ad hoc basis, there is an obvious need to prepare land for suitable redevelopment. Furthermore, by ensuring that adequate infrastructure is in place, local authorities are likely to see land values increased and, potentially, revenues also rising. Local authorities often approach retailers and other businesses for payment to enhance local infrastructure.

Business partnerships with developers: local authorities sometimes grant a long lease to developers, rather than selling the freehold of a development site, receiving a ground rent (sometimes linked to a scheme's performance) rather than a capital sum. Negotiations for the legal agreement between the two (or more) parties are often lengthy and are usually dependent upon finance being available for the developer. The social and financial objectives of authorities sometimes conflict and the internal resolution of these can take a very long time, which may frustrate the redevelopment scheme. To avoid delays, some authorities enter into limited partnerships with developers, which are regulated by law to ensure public accountability. These allow for quicker decision-making and risk-sharing.

Financial aid for necessary redevelopment

It is clear that the public and private sectors need to operate efficiently together in order to ensure effective regeneration. It is a commonly held view that public sector organisations, such as local authorities and regeneration agencies, need to 'pump prime' regeneration schemes with investment funding. Adair *et al.* (1998, p. 16) rightly point out that their responsibilities in bringing in private sector finance should go further and require 'the use of facilitating mechanisms such as pump priming, flexible administrative procedures, land assembly and disposal of sites on performance'. Without these and possibly other assistance from the public sector, private sector developers and investors are unlikely to bear the risks, which they perceive as significant, associated with regeneration schemes. The principal way in which developers and investors traditionally account for such risks is by requiring a financial premium on top of their usual returns. If a regeneration scheme is unlikely to deliver usual returns plus the premium, as is often the case, the gap between actual and required returns needs to be bridged – that is, gap funding is usually required to secure private sector finance. However, gap funding from European Union sources is unlikely to provide such a bridge in future:

> The ways in which public sector monies can be invested in regeneration have been heavily affected by the EC's state aid rules. In December 1999, the EC declared gap funding (which filled the gap between end-value and development costs in order to make development commercially viable) under the Partnership Investment Programme (PIP) constituted illegal state aid, and breached its Competition Directorate's rules on fair competition within the single market.

In summer 2001, the EC approved a suite of replacement schemes, providing new mechanisms for gap funding. The Regional Development Agencies (RDAs) are generally reluctant to use the new gap funding regime within their Single Pot allocations, favouring greater use of direct development and joint venturing. This requires greater initial funding, and involves longer delivery times – one factor being the need for additional skilled personnel, and hence a greater emphasis on training. (Anon, 2002b)

Arguably, it could be suggested that those considering investing in a regeneration scheme might accept a lower premium if they were to be guaranteed a given return on their investment, the risk of uncertainty being eliminated to some extent. Other means of reducing risks associated with regeneration must be found for the private sector to participate in it. From the developer/investor perspective, suggestions to do so include (KPMG, 1999):

- The removal of stamp duty on purchases of brownfield sites and schemes completed upon them. Interestingly, the Town and Country Planning Association (TCPA) suggests that stamp duty should go up (by 4%) at sites near transport hubs in order to fund future regeneration (Anon, 2002a).
- Delaying or deferring corporation tax payments for those developers involved in regeneration projects.
- Insurance cover to account for potential delays in completing and/or disposing of development schemes often associated with regeneration and brownfield redevelopment schemes.

Solutions to reduce the risk associated with suitable land not being used for regeneration schemes – i.e. what might be termed the risk to the 'public good' – include the imposition of a tax on 'vacant land'. This would have obvious implications for developers and others who undertake 'land banking' in the hope that land values will increase prior to its disposal or development. However, it should be pointed out that there are various potential problems associated with such a scheme. For example, the definition of 'vacant land' may, in certain circumstances, be unclear. Also, the suitability of certain sites for regeneration schemes might be an arguable point.

At a more site-specific level, fiscal measures can be used as incentives for the use of sites located in areas which may be part of regeneration schemes. Syms (1994) suggested that tax credits in respect of remediation costs would encourage and enable developers to become involved to a greater extent with brownfield site redevelopment. Since then, tax relief for this activity has been granted. Further than this, Syms also suggested that a tax upon greenfield development would act as another inducement to develop brownfield sites. The benefits associated with this proposal can at times seem obvious, but again, those who argue against this form of inhibition of greenfield development could suggest that circumstances pertinent to individual sites and situations might indicate that it is inappropriate. However, the proposition that brownfield redevelopment must be promoted and the importance of greenfield development demoted is if course endorsed by all supporters of urban renaissance and regeneration.

Taxation of inappropriate development might, therefore, be one of the best ways of securing this, as well as a means of local authorities raising revenue which might be ring-fenced for supporting regeneration efforts.

Regional Development Agencies

Regional Development Agencies (RDAs) are the latest in a line of organisations that have been established to promote regeneration in the UK. Although their main focus is on economic regeneration, they also undertaken many different activities that directly or indirectly assist in physical urban regeneration. The first RDA, the Welsh Development Agency, was established in 1976. Scottish Enterprise, another RDA, was set up in 1991. Their counterpart in Northern Ireland, Invest Northern Ireland, was established following the amalgamation of a number of different economic development organisations in 2002. In England, there are nine RDAs, all established in 1999 (except the London RDA, which was set up in 2000). The English RDAs are:

- Advantage West Midlands
- East Midlands Development Agency
- East of England Development Agency
- London Development Agency
- North West Development Agency
- One North East
- South East England Development Agency
- South West England Regional Development Agency
- Yorkshire Forward

The roles of RDAs have been set out succinctly (Anon, 2002b) as:

- 'Acquiring and assembling sites.
- Preparing sites for development by the private sector, such as through the remediation of brownfield sites and the provision of infrastructure.
- Entering into partnerships/joint ventures with the private sector, local authorities etc.
- Attracting relocating companies to their regions.
- Securing inward investment.
- Providing finance, loans, guarantees.
- Working with the local planning authority on a masterplan for the area.
- Assisting with the formulation of long-term strategic planning.
- Undertaking direct development.
- Carrying out the usual property management functions.

Regional development agencies are able to compulsorily acquire land but, unlike their predecessor urban development corporations, do not have any statutory planning powers. Instead, they operate within the usual planning system.

Whereas previous regeneration initiatives were predominantly property specific, the RDAs' roles extend to bringing about the long-term overall

economic growth of an area. This is achieved by the provision of support to new and existing businesses and the promotion of training and development initiatives for local communities and businesses.

RDAs also seek to build a strong brand to assist in dealings with businesses and the general public.'

Sources of public finance for regeneration

The most significant amounts of public money for regeneration schemes come essentially from or through two sources: RDAs and the European Union. RDAs have what is known as a 'Single Pot' of funding from government, in addition to the Single Regeneration Budget (SRB), which is being phased out. The European Union provides a European Regional Development Fund (ERDF), but this has only been guaranteed until 2006. The importance of the RDAs is therefore increasing in terms of their financial weight. Other sources of funding for regeneration include local authorities, non-governmental organisations (e.g. the Prince's Trust and the Peabody Foundation) and the National Lottery. The use of European Union money, which was for a long time a lifeline for many regeneration projects, is definitely on the wane, as discussed above.

Planning obligations

In terms of financial aid for redevelopment necessary to promote regeneration, local authorities are restricted in the manner in which they can use finance for the benefit of developments, particularly if those benefiting from the profits generated include private organisations. In order to derive public advantage from private developments, local authorities may, in certain circumstances, oblige developers to provide, for example, infrastructural benefits necessitated by the development itself. The system of planning obligations (or 'planning gain' as it has been dubbed by some) represents an occasionally significant means of funding the aims of regeneration and, for some authorities, the most significant means of raising funds to meet regeneration objectives. This system has been criticised by the UTF (Punter, 1999) for a number of reasons, as set out below.

Although developers face risks when taking on regeneration schemes it is also clear that local authorities, as promoters of them, face a certain amount of risk and uncertainty when seeking their implementation. Many developers, partly because of their desire to reduce risks and their attempts to increase returns from any development scheme, will seek to offer relatively little to a community by way of 'betterment'. Local authorities often seek to secure positive impacts resulting from developments by way of planning obligations, often through s.106 agreements. However, it is evident that this method of ensuring that the objectives of a local authority to regenerate an area is not ideal. The UTF report suggests that these are the principal obstructions within the planning obligations system:

- The use of s. 106 legal agreements takes too long, thereby slowing down the regeneration process.

- No matter how carefully local authorities' development plans are drafted, in meeting the stated primary objectives of a plan, developers are not required to meet secondary objectives which may have become of primary importance since the plan was written.
- The lack of a standardised way in which to secure developer contributions towards meeting local authority objectives means that authorities have to deal with each case as if from a new standpoint. This lack of consistency hinders both the decision-makers and developers.
- Planning obligations do not need to consider the viability of the scheme as a whole. This means that some authorities might seek to impose obligations which will prevent a scheme that might benefit an area from going ahead.

If the use of these obligations can act as an obstacle to regeneration, then what sort of alternatives can we consider? In the USA, the common form of securing 'betterment' from development activity is via means of impact fees, where these are standardised methods of calculating a financial gain which should be granted to local authorities. This is, in effect, a form of development tax of the sort which has been used in the UK in the past. There are critics of this method, however. Their principal objections relate to the fact that standardised methods of securing public benefits from private developments do not allow local authorities to reflect local needs in their requests for 'betterment'.

Another objection is that the use of negotiated s. 106 agreements on a case-by-case basis does not result in a transparent method of assessing needs against possible gains. This adds to the uncertainty borne by developers in any development activity, thereby increasing the risks associated with it.

POSSIBLE FUTURE DIRECTIONS

This chapter set out to describe traditional approaches to the consideration of locational issues pertinent to property development and then to explain why recent policy changes have come about and what the impact of these has been on the property development process. Whereas, traditionally, property developments have tended to be of the single use variety, produced by specialists in developing buildings of that use, we hope that you will have seen that mixed use developments offer a practical and sustainable alternative to these.

Of course, understanding the traditional view is still helpful in some contexts – we still need to know, for example, what sort of population is needed to support the provision of retail facilities and what sorts of obstacles lie in the path of engendering mixed use developments on a wider scale than is presently seen. However, we also need to appreciate that a more sustainable approach to property development must progress, for example by appreciating that a viable retail facility should not rely upon its catchment population using private transport, nor that funding institutions will always be sceptical of investing in mixed use schemes.

The change in focus of the planning system and development activity towards trying to engender an 'urban renaissance' has been fundamental. Since the early 1990s, when the aims of sustainable development became politically pertinent to town planning (and thus property development) in the UK, we have seen a significant move away from practices such as promotion of out-of-town green-field development towards the regeneration of brownfield urban locations. The Government has used a range of policy instruments, such as PPGs and fiscal and legislative tools, to enforce concepts such as 'sequential testing', brownfield development land allocation, remediation of contaminated land, land assembly and mixed use development. All of these, as discussed in this chapter, have a profound influence upon the ways in which developers and others consider the appropriate location of new property developments.

Notwithstanding this point, the UK Government is still attracted to the con-cept of large-scale greenfield development, particularly of residential properties. The announcement in February 2003 of the Sustainable Communities Plan (ODPM, 2003) is likely to mean a lot more greenfield development than in recent years and that 'The Government appears to be returning to the discredited ''predict-and-provide'' approach to planning for housing which Mr Prescott abandoned less than five years ago' (CPRE, 2003, para. 3). We shall need to see how this policy statement is delivered in practice. The CPRE (2003, para. 9) has urged the Government to ensure that the Sustainable Communities Plan meets quality of life objectives by:

- 'Taking full account of an area's environmental capacity to absorb new development when determining the scale and location of growth.
- Providing genuinely affordable housing to meet identified needs, not simply feeding speculative development of large, detached houses for sale.
- Making much better use of land – raising average housing densities well into the 30 to 50 dwellings per hectare range, and above – including by applying the new Density Direction across the country.
- Raising the Government's 60% brownfield housing target – which it has already exceeded eight years early – to at least 75%.
- Minimising the use of primary aggregates, water, energy and other natural resources in construction – in line with the objective of making better use of minerals and other natural resources ('getting more out of less') in the Government's Sustainable Development Strategy.
- Ensuring that new development mixes housing, jobs, shops and services together to reduce the need to travel, especially by car.
- Preventing new development from creating more dismal dormitory sprawl which just adds to congestion and pressure for new road building, severs communities and contributes to noise, air pollution and climate change.'

Good developers, i.e. ones which respond to the challenge of contributing towards an urban renaissance, will take up the opportunities which this funda-mental shift in development policy presents. They will, through investment in the resources and intellectual capital needed to respond to this new challenge, have to consider the following issues:

Changing perceptions about the quality of different locations: given the emphasis on using brownfield, urban sites for development, it is clear that the way in which land is valued will be different from the past. Land values will change as policy reduces the supply of greenfield sites and enhances the demand for urban sites. Many sites that are labelled as derelict need not be, particularly if local authorities designate and promote them as developable land. This would encourage owners of contaminated brownfield sites to instigate remedial and/or development activity.

In the short term, policies aimed at altering perceptions about locations in this way might mean developers beginning to change the ways in which they 'bank' land. Over the medium and longer terms, divestment of greenfield site holdings will be appropriate as the balance of land holdings shifts towards more of an emphasis upon a greater compactness of town centres and urban extensions (Jenks *et al.*, 1996).

Changing perceptions about the nature of the properties demanded: the UTF is clear about the nature of change required in order to meet future demand for property. Properties will have to comprise a far greater mixed use component, be more flexible (in terms of their layout and use) and be developed to greater densities. Within the residential context, properties will have to be smaller and allow people to use them as live–work units. The issue of car parking also needs to be carefully addressed, as PPG 3 has begun to do (DETR, 2000a). This may seem a tall order and too significant a change of culture for developers to bear. However, it should be borne in mind, for example, that mixed use development should comprise flexible space, which is able to adapt to market place changes and therefore be of a long term higher value.

Currently, most private sector (and increasingly public sector) housing is provided by volume house builders. They need to change the style of house they provide from suburban family houses to that which is appropriate for the massive majority of housing need that the UTF estimates will be taken up by single people in future.

All of these changes to the types of properties that will be increasingly demanded have an obvious connection to site-finding and appraisal – developers need to understand what it is they intend to build when they identify sites for their products.

Changing the way development sites and schemes are appraised: given the above, it is evident that the costs associated with development will be different in future. There will probably be more cost 'up-front' to be spent on market research, the design process (often due to public participation) and on construction itself (as the quality of buildings improves and developers increasingly contribute to a higher quality public realm). All of this may be used, indeed it is used, by detractors of recent urban regeneration policy to suggest that it will not work. This view is short sighted. Although costs will probably rise, at least in the short and medium terms, developers must also appreciate that many of the

policy changes represent positive opportunities. There will, for example, be less risk in securing planning permissions if extensive design consultation is undertaken. Furthermore, there is likely to be more revenue received by developers from increased densities and thoughtful designs.

In terms of policy implementation, we are beginning to see UTF proposals becoming accepted. For example, the concept of spatial masterplans (see Part 2 above) has been taken up in the Urban White Paper (ODPM, 2000). Furthermore, Local Planning Frameworks (LPFs), which have been proposed as a replacement for Local Plans, are intended to be relevant at the neighbourhood level (rather than district-wide), quicker to produce and derived from public involvement in decision-making. Other UTF proposals (e.g. for reforming planning obligations, increasing densities, mixed use development and appropriate car parking standards) also need a policy context in order to make them enforceable and comprehensible.

Changing the nature of the work of property professionals: traditionally, property professionals working in private practices have foregone the opportunity to work on regeneration projects unless on behalf of private or public sector clients who are prepared to pay for their services at normal rates of pay. An organisation based in Liverpool, Kensington New Deal for Communities (NDC), suggests that there is another way in which their help might be useful in 'kick-starting' regeneration projects (Box 1.3). The Chairman of Kensington NDC, Bishop James Jones, suggests that: 'While NDC is community-led, there is still a need for property professionals to get involved. They should try to find the time or money to make a difference.'

Box 1.3   How property professionals can help kick-start regeneration.

'Agents and surveyors can help with the large volume of valuation and acquisition work needed to demolish abandoned, poor-quality housing stock and transfer ownership to approved registered social landlords.

Developers and investors can match-fund NDC money to build homes, a school or an adult training centre. Kensington NDC alone needs to match its £62 m of NDC money with £180 m of other public- and private-sector funds to meet its targets.

Volunteer mentors from agencies and surveyors can help to start up businesses and find premises in untapped edge-of-city markets.

Property professionals can help to uncover profitable markets in deprived communities. How can the level of homeownership be improved, cheaply and efficiently? How can surplus, derelict shopfronts best be brought back into use on busy arterial roads?

Research assistance is needed by four pilot City Growth Strategies (CGSs) in Nottingham, Plymouth, St Helens and London to map inner-city business bases. Rather than focusing on social disadvantage, CGSs emphasise the economic advantages of locations, workforce availability and underserved retail markets. The aim is to encourage private-sector investment and help to develop plans for business growth.

Venture capital investors can back the government's forthcoming Community Development Venture Fund, which will provide finance for firms operating in disadvantaged areas.' (Unger, 2002, reproduced with permission)

It is clear that many potential regeneration schemes will not succeed until such a time as they are able, *inter alia*, to demonstrate their commercial viability in order to attract long-term funding and until they prioritise revamping of their environment. In order to achieve these, communities will need expert advice for which they are unlikely to be able to pay in the short term. Some people may think Bishop Jones' comment that professionals should 'find the time or money to make a difference' as being commercially unrealistic. However, it could be suggested that such professionals could 'speculate to accumulate', in that work as a loss-leader could later result in profitable consultancy once the regeneration project is up and running. Unger (2002) stresses that much of the £2 billion of Government funding set aside for NDC use (there are, at the time of writing, 39 NDCs) has not been spent because NDCs have not been able to demonstrate the financial sustainability of their proposals. Surely property professionals could enable the release of such funds, to their own and the communities' benefit as well as that of regeneration generally.

In terms of development practice, all of the above changes mean that:

- Accuracy and currency of market research information will be of paramount importance if competitive advantage is to be maintained.
- Different skills will have to be employed, by designers, market researchers and developers in the private sector, as will new approaches in some public sector agencies where a 'can do' attitude which fosters innovation will be required.
- Financial institutions will still have to be involved in funding development schemes but conservatism amongst financial institutions currently has a tendency to stifle innovation in development. If, for example, regeneration through mixed use development and the development of live–work units is to be possible, financiers will need to be convinced of the benefits of the way policy is changing before it can be put into practice on a wider scale than at present. Some financial institutions are making some progress in this respect. Prudential Property Investment Managers, for example, have a commitment to 'Socially Responsible Investment' (SRI). Apart from addressing a range of issues concerning their own performance in this respect, they also mention in their Environmental and Social Report 2002 that they will, *inter alia*:

  'promote increased awareness and debate in the wider property investment community about SRI and how it might be conceptualised for property investors. This will be done through the support of relevant research and by conference papers and publications'. (PruPIM, 2002, p. 36)

- Furthermore, PruPIM stress that as a major property owner, they have an obligation to 'help in the upgrading of UK [property] stock'. Apart from the benefit to the community, they stress that whilst investing about £100 million each year in refurbishing properties, the beneficiaries include themselves and their tenants.

There now exists a real opportunity for positive, beneficial change to our environment through sustainable property development. We shall have to

see whether it works or goes the way of previous regeneration policies, which we suggest have failed largely because the policies suffered from a lack of consideration of their full implications. The current policy regime has advantages over previous ones because it is based upon the concepts of sustainable development and the need to consider development projects and plans in terms of their environmental, social and economic implications. Fundamental to this is that sustainable property development requires support from private and public sectors, in the form of funding from both sectors and from effective partnerships rather than paying lip service to this sort of approach. The proposals set out by the Urban Task Force and in the Urban White Paper have the support of the public and private sectors, which should encourage us to believe in their probable effectiveness.

One of the potential obstacles to issues like urban regeneration, promotion of the redevelopment of brownfield sites and mixed use development is objection from those who fear that it might lead to 'town cramming'. What needs to be ensured is that 'town cramming' objectors are convinced of the benefits of such development over, say, new town developments. High density development does not necessarily mean town cramming and if local authorities engage with their populations, this message should be capable of being put across. Better still, demonstration projects should exemplify the issue.

We need to remember that the issue of location of property developments, including urban regeneration, is only a part of a wider picture. We must also consider site-specific issues relating to the redevelopment of land, particularly the beneficial reuse of contaminated land, as well as the design and procurement of environmentally sensitive buildings. These issues are considered in the following chapters.

LEARNING MATERIALS

Some questions and issues for discussion

(1) **Consider the reasons for selecting sites with a large amount of car parking when site finding for different property types**

- There has traditionally been a reliance on private transport when determining suitable locations for most property, though only since car ownership has been commonplace.
- The state of public transport provision is poor and apparently increasingly so.
- Working practices seem to dictate that car use at work is important, but we need to consider how necessary this is. Many occupiers are beginning to devise transport strategies to determine such need, partly because car parking space is not cheap.
- Government policy (e.g. in PPGs 3, 6 and 13) suggests that developers and planners should limit the provision of car parking spaces.

(2) What are the possible means of financing the 'urban renaissance'?

- There is a clear need for partnerships between the public and private sectors. In recent years, the Government has announced it will supply billions of pounds of investment in regeneration which it expects will attract far more private investment.
- Other ways that the public sector can assist with reducing costs of regeneration include site assembly.
- Taxation of greenfield development and Impact Fees (a form of development tax) have been suggested as means of revenue raising.
- The use of planning obligations continues and suggestions have been made by the UTF to change this system.

(3) What is the 'sequential test' and how should developers consider this when making planning applications?

- In making planning applications, developers must be aware of 'material considerations', including the provisions of the development plans and government guidance. Many development plans and PPGs (e.g. PPGs 3 and 6) indicate that the sequential test must be followed.
- In essence, the test involves developers proving that they have considered brownfield sites before greenfield ones. Furthermore, they should demonstrate that they have considered central locations, before moving away to edge of centre, then the edge of built-up areas, with out-of-town locations as a last resort.
- If this policy is relevant to an application, there is little point in submitting an application for greenfield development if a lack of brownfield availability cannot be demonstrated.

(4) How will the UTF proposals and those in the Urban White Paper promote environmental sustainability?

- In essence, the more compact an environment is, the fewer resources are required to build it and live and work in it.
- The issue of transport is vital, as high density towns and cities require less transport movement than low density ones. Proposals for Home Zones and mixed use developments are important here.
- The White Paper and UTF proposals stress the need for a high quality public realm, which includes the appropriate use and design of public spaces, as well as high quality design of buildings in terms of their aesthetics and functionality.
- Energy efficiency within the built environment is important and the White Paper and UTF state a need for more efficient buildings.

(5) What are the key environmental differences between urban villages and new settlements?

- Essentially, the key difference is that of brownfield versus greenfield development.

- Urban villages are likely to be more efficient in terms of transportation requirements, given that they usually rely on far higher density of development and mixed use buildings and sites.
- Other sustainable development issues (i.e. social and economic) are important too.

(6) **What are the advantages and disadvantages of mixed use development proposals over other forms?**

- Apart from allowing for the possibility of mixed tenure and balanced communities (which are important for socially sustainable reasons), environmental reasons are relevant here. Compactness and density of development and consequentially less need for transportation are key issues.
- It is important to understand the attitudes of investors towards mixed use development. Institutions tend not to favour these (largely due to alleged high running costs), whereas other investors, such as property companies, might.
- On the other hand, many planning authorities' attitudes are very favourable and planning permission might be easier to secure than for single use proposals.

Examples of media coverage of the issue of regeneration

(1) **In the following article from the *Estates Gazette*, John Gummer, a former Secretary of State for the Environment, berates an organisation that promotes the concept of new towns (which were discussed above).**

SAY NO TO GREENFIELD HOMES

The Joseph Rowntree Trust has a fine record of intervening to raise the quality of life for the poor and the disadvantaged. It therefore grieves me to have to belabour it regarding the latest report that calls for further extensive building in the countryside.

Rightly concerned at the decline in house building and the increasing number of people for whom decent housing seems beyond their grasp, Rowntree has come up with the outdated prescription of massive new greenfield developments designed to increase the supply in order to cut the price of homes. This contention plays well with many developers, the Town and Country Planning Association, and even some local authorities. It is nonetheless wholly wrong.

Our failure to get the building we need is not because we have refused permission on greenfield sites. It is because we have failed to facilitate building on already-used land. We are so institutionally hidebound and administratively inept that we are beginning to convince ourselves that only by indulging ourselves with the easy and environmentally destructive option of splurging on greenfield can we deliver the goods.

In fact, the opposite is the case. Yet more suburban estates, executive closes, and new designer settlements will betray the cities and besmirch the countryside.

From Gummer (2002b). Reproduced with kind permission of the publisher.

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(2) **Consider all sides of the above debate, as suggested by the Council for the Protection of Rural England (CPRE: www.cpre.org.uk), Town and**

Country Planning Association (TCPA: www.tcpa.org.uk) and the Urban Task Force (www.urban.odpm.gov.uk/whitepaper/taskforce/). What are the key issues put forward by each party? What are the benefits of each party's proposals? Consider the extent to which the arguments are 'clear cut' or more complex.

(3) The following article (Allen, 2002) sets out a number of interesting issues that relate to sustainable property development generally and to urban regeneration in particular.

FIRMS WITH A HEART GO AHEAD

Giving things back to the community and being aware of environmental and social issues can often pay dividends for firms. Lucy Allen looks at the trend towards corporate social responsibility.

You're a young, urban Londoner. Pounding your way around the capital's streets and its shops, you get tired of the same old scene. Street after street duplicates itself, with the same coffee shops, bars, and retail. So when Sunday rolls around, your favourite place to hang out is the old market.

Here you find some respite from the bustle of corporations vying for your attention. You meet friends, eat from an independent stall, buy some fresh organic vegetables and choose a shirt that has been handmade somewhere in Hackney. You go home feeling you have given something back, rather than boosted the coffers of corporations that you really don't trust.

So imagine how you feel when you hear that developers are planning to raze your market to the ground, and build more of the same big shiny city offer in its place.

These situations fuel the public perception that developers are only really interested in money. And such negative public perceptions are dangerous.

Public expectations are changing. The consumer is more sophisticated and people are becoming keener to scrutinise companies. It is no longer enough to donate to charities, as this is seen as paternalistic. The public want brands to give back.

People demand social responsibility

Paul Cornes, director of community investment at Prudential Property Investment Managers, explains: 'People are demanding that companies be socially responsible. It's the way of the world nowadays.'

So what used to be termed 'good business practice' has been re-branded. The new catch-phrase in global corporate public relations is 'corporate social responsibility', or CSR. It's a North American idea, spawned by global brands like Starbucks, which applies ethical ideals on environmental and social issues and incorporates them into business under the CSR umbrella.

Cornes believes he is the first director of CSR to be appointed within the property industry in this country. 'Having a CSR strategy has shone a headlight across all parts of our business, making us consider whether they are all socially responsible and whether our shareholders would find them acceptable,' he says.

CSR requires corporations to stop treating philanthropy as a separate issue from business by incorporating it into their business plans. Companies with CSR policies aim to analyse the impact of their business activities on their stakeholders and on the local and global environment. This might encompass human rights, workplace issues, the environment, marketplace issues or the community.

Continued

Emma Denne, corporate communications manager at Land Securities, explains what CSR means to her company. 'CSR is a framework within which we engage with the community and communicate our environmental and ethical policies as a corporate citizen,' she says. 'We see it as good business sense.'

The FTSE4Good index

Land Securities is 43rd in the FTSE4Good UK 50 index series for socially responsible investment (SRI). Prudential is 17th. Launched in July 2001, the FTSE4Good criteria covers environmental sustainability, the development of positive relationships with stakeholders, and universal human rights. Mark Makepeace, chief executive of the FTSE group, describes FTSE4Good as 'an investible financial tool that also sets attainable CSR standards for companies worldwide'. British Land is also involved in CSR, and has been listed in the FTSE4Good index since its inception.

Advocates of CSR believe that corporate codes of conduct should be an integral part of business planning, and that the vision of corporations should not be wholly defined by profit. For them, it is the public that gives a company the licence to prosper and, increasingly, this licence depends upon the contribution a company is making to society.

'Many think CSR is just about giving money to charity,' says Cornes. 'But most companies now try to link their corporate giving with their business objectives.'

The idea that businesses need to make money to prosper, but can also prosper by doing good, is not rocket science. Large corporations have often had elements of philanthropy. In the 19th century, the Lever factory at Port Sunlight provided quality housing for its workforce.

But what is new is the concept that shouting about the social good you are doing can improve your public image.

Starbucks now employs a senior vice-president of CSR to market its good works. Through emphasising its Fair Trade brand of coffee, Starbucks has always promoted an image of social responsibility.

So how can firms in the property industry give back to their communities? The social and environmental debates that immediately affect the property industry are well reported: concern over CO_2 emissions, urban regeneration, location – brownfield or greenfield – raw materials and use.

Publicly scrutinised policies

Yet with emphasis increasingly being placed on CSR, property companies could soon be required to develop policies or corporate codes of conduct on these issues that will have to be released into the public domain. There are many examples of property companies throughout the UK that are keen to sponsor charity events for good causes, local or global. The difference is that these good works are not yet part of many companies' business plans.

Few signs have emerged of any commercial property agents having completely come to terms with the concept of CSR. Both Jones Lang LaSalle and Knight Frank admit that they have all the elements of CSR in place in terms of values, but that they are not yet incorporated under the CSR banner. Quentin Langley, head of public relations at Knight Frank, says: 'Our values permeate every aspect of what the firm does. We don't go shouting about them, because they are what clients expect and what we deliver.'

A spokesperson for GVA Grimley says: 'It's something we can't comment on at the moment, because we haven't got anything in place. But we are looking seriously at it.' DTZ has the same message: 'We take CSR seriously, and it is something we are moving towards. We are not there yet, but we are committed to doing it,' says a spokesperson.

HSBC holdings, number two in the FTSE4good UK 50 index, obviously sees CSR as an integral part of its business. It recently announced that it is donating £35 million over five years to three environmental charities, including the World Wide Fund for Nature.

But is this really a publicity coup? Is CSR just a way of measuring social and environmental impact to create more transparency, or is it just more PR 'spin'?

Important part of branding

PruPIM's Cornes describes CSR as 'an increasingly important part of branding, which differentiates you from your competitor and enhances your reputation'. His colleague, Paul McNamara, adds: 'CSR is expected to be an essential way of doing business soon. If it is a form of branding, then everyone is going to be adopting it.'

But cynics believe that, because there is no legislation or auditing method yet that verifies that businesses are actually making a contribution to society, what companies are actually doing is exploiting ethical concerns for profit and good PR.

Others believe that CSR is another form of damage limitation, driven by concern over the negative consequences of avoiding the issue of reputation.

A CSR policy may protect against negative publicity for property companies. Those companies that focus on brownfield sites and encourage energy efficiency may be seen more positively and have a competitive advantage over those that do not.

But CSR could actually create a negative image for a company: in the same way that public relations disasters can drive away customers, shareholders and sometimes even employees, companies that act in an ill-judged manner in terms of CSR can find themselves in trouble (see below).

The bottom line is, just as your young urban Londoner trusts independent retailers at his local market more than those on the high street, customers may increasingly trust pressure groups more than corporations. Businesses who refuse to acknowledge this are not doing their shareholders any favours.

The CSR route: not risk free

By engaging with CSR, Starbucks opened itself up as a target for environmental and social pressure groups and anti-globalisation protesters, who have claimed that the company gives little to its farmers while generating huge profits. This arguably had a negative impact on the public perception of the company. Protesters damage the brand when they attack the firm, and adverse publicity can rapidly affect share values.

But ignoring the implications of CSR may turn out to be risky. The impact of campaigning groups on the reputation of corporations has been well documented. When the Monsanto genetically modified foods scandal erupted, consumers in the UK heard about it from Greenpeace, rather than from the food industry. This damaged the public view on GM foods to such an extent that it will be years – if ever – before UK consumers accept such food, despite the fact that GM foods are the norm in the US.

In the property sector, a bad reputation may have an impact on the price of buildings. CSR issues can also affect investment returns. Clients may begin to question property managers over whether their investments are being dealt with in a socially responsible manner, and whether this responsibility or lack of it will enhance their business.

From Allen (2002). Reproduced with kind permission of the publisher.

Exercises

- Obtain CSR reports and identify the key environmental and other sustainability issues within them (these are increasingly available on the internet).
- How do environmental issues fit within the CSR reports – do you think that they are given more or less emphasis than social or economic issues?
- Do CSR reports commit the organisations to specific environmental objectives? If so, do the objectives relate to existing buildings or development projects?
- What are the strengths and weaknesses of the CSR reports and what opportunities and threats do they present for the organisations that published them?

Resources

www.mallenbaker.net/csr/: a website containing many CSR related resources, including basic information concerning the advantages and disadvantages of CSR, news items, internet resources and publications.

www.csrcampaign.org/: a website produced by campaigners for CSR.

www.prudential.co.uk/prudentialplc/csr_home/: the CSR site for the financial institution, 'Prudential'.

www.pggm.nl/: the website for the Dutch financial institution, 'PGGM'.

www.boots-plc.com/: the website of the retailer, including its on-line CSR. Examines the influence of property, particularly the issues of location and transport.

NOTE

1   The Town and Country Planning (Use Classes) Order 1987. Note that this is due to be revised in 2003 (see: www.planning.odpm.gov.uk/consult/ucotup/01.htm).

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FURTHER RESOURCES: WEBSITES

www.urban.odpm.gov.uk/atoz/index.htm#uv   The website for the Office of the Deputy Prime Minister which indexes many useful policy-related websites, including Urban Task Force publications.

www.tcpa.org.uk/   The website for the Town and Country Planning Association, a campaigning group which seeks to promote sustainability in the built environment and promotes new settlements.

www.princes-foundation.org/   The website for the Princes Foundation: a campaigning group which seeks to promote sustainability in the built environment, including through the development of Urban Villages. It has a number of demonstration projects which are well worth examination.

www.cpre.org.uk/   The website for the Council for the Protection of Rural England: a campaigning group which seeks to promote sustainability in the built environment and promotes protection of greenfield land.

www.cabe.org.uk   The website for the Commission for Architecture and the Built Environment, which promotes high quality that prioritises the quality of the built environment through both public and private investment.

www.bura.org.uk/main/content.htm   The website for The British Urban Regeneration Association, which seeks to encourage and disseminate best practice in the regeneration sector.

www.hbf.co.uk/   The website for the House Builders Federation, the trade federation for private house builders in England and Wales that promotes the cause of developers.

www.rics-foundation.org/   The website for the RICS Foundation, which provides and sponsors research into land, property, construction and development. A significant focus is upon sustainable development.

www.regen.net/   The website for Regen.net – an information network for regeneration partnerships and a good source of information on regeneration good practice.