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The Prince's Foundation for the Built Environment

“Sustainable mixed use vs
the housebuilders’ model”

James Hulme, Director of
Public Affairs

Our Mission

The Prince's Foundation for the Built Environment is an educational charity founded by HRH The Prince of Wales to improve the quality of people's lives by teaching and practising timeless *and ecological* ways of *planning, designing* and building. We are one of 25 charities for which the Prince of Wales is President, together we comprise the largest multi-cause charitable enterprise in the United Kingdom.

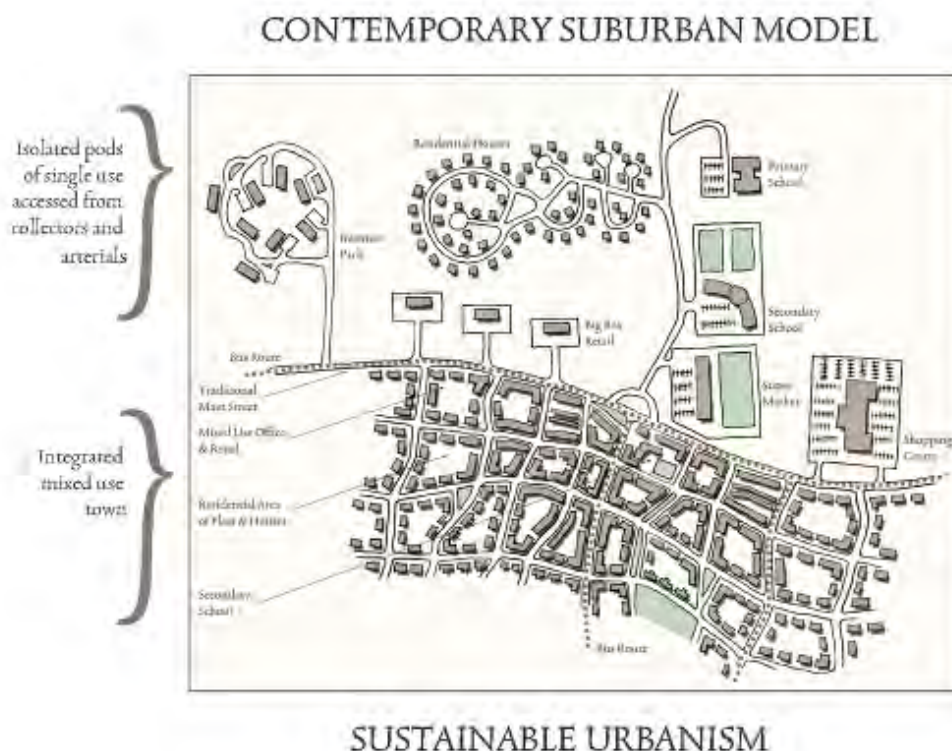


Planning for density, resilience and risk reduction



Tewkesbury July 2007 – Source: The Telegraph

Principles of Sustainable Places



- Walkable neighbourhoods are the core of the sustainable city; daily needs within a 5 minute walk;
- A legible network of connected streets accommodates vehicles and pedestrians;
- Neighbourhoods are both mixed use and mixed income;
- Urban places are framed by architecture that celebrates local history, climate, ecology, and building tradition and materials.

Our Tools; Enquiry by Design, Pattern Books and Codes

Design Briefs for Key Intervention Sites C1: CULTURAL QUARTER



Key Observations

- Identify the key aspects of the site's cultural fabric
- Assess the site's potential for cultural regeneration
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Plan



Existing



Proposed



Design Brief

Category	Design Brief	Design Brief	Design Brief
Context	Identify the key aspects of the site's cultural fabric	Assess the site's potential for cultural regeneration	Identify the key aspects of the site's cultural fabric
Form	Assess the site's potential for cultural regeneration	Identify the key aspects of the site's cultural fabric	Assess the site's potential for cultural regeneration
Structure	Identify the key aspects of the site's cultural fabric	Assess the site's potential for cultural regeneration	Identify the key aspects of the site's cultural fabric
Use	Assess the site's potential for cultural regeneration	Identify the key aspects of the site's cultural fabric	Assess the site's potential for cultural regeneration



Previous projects ; Upton



- 1000 home mixed use extension to Northampton, with English Partnerships, incorporating sustainability, mixed income housing, commercial uses and design codes
- Original master plan developed through an Enquiry by Design. Delivery by EP

Before and After



Current projects; Sherford Urban Extension



- 5000 home mixed use extension to Plymouth developed by Red Tree LLP as promoter/ investor. Incorporates mixed use centres, a high street, guided bus link, three schools, mixed income housing, commercial uses
- Developed through an Enquiry by Design and delivered through land assembly and successive phasing within design codes, coordinated by Red Tree.

Value Study



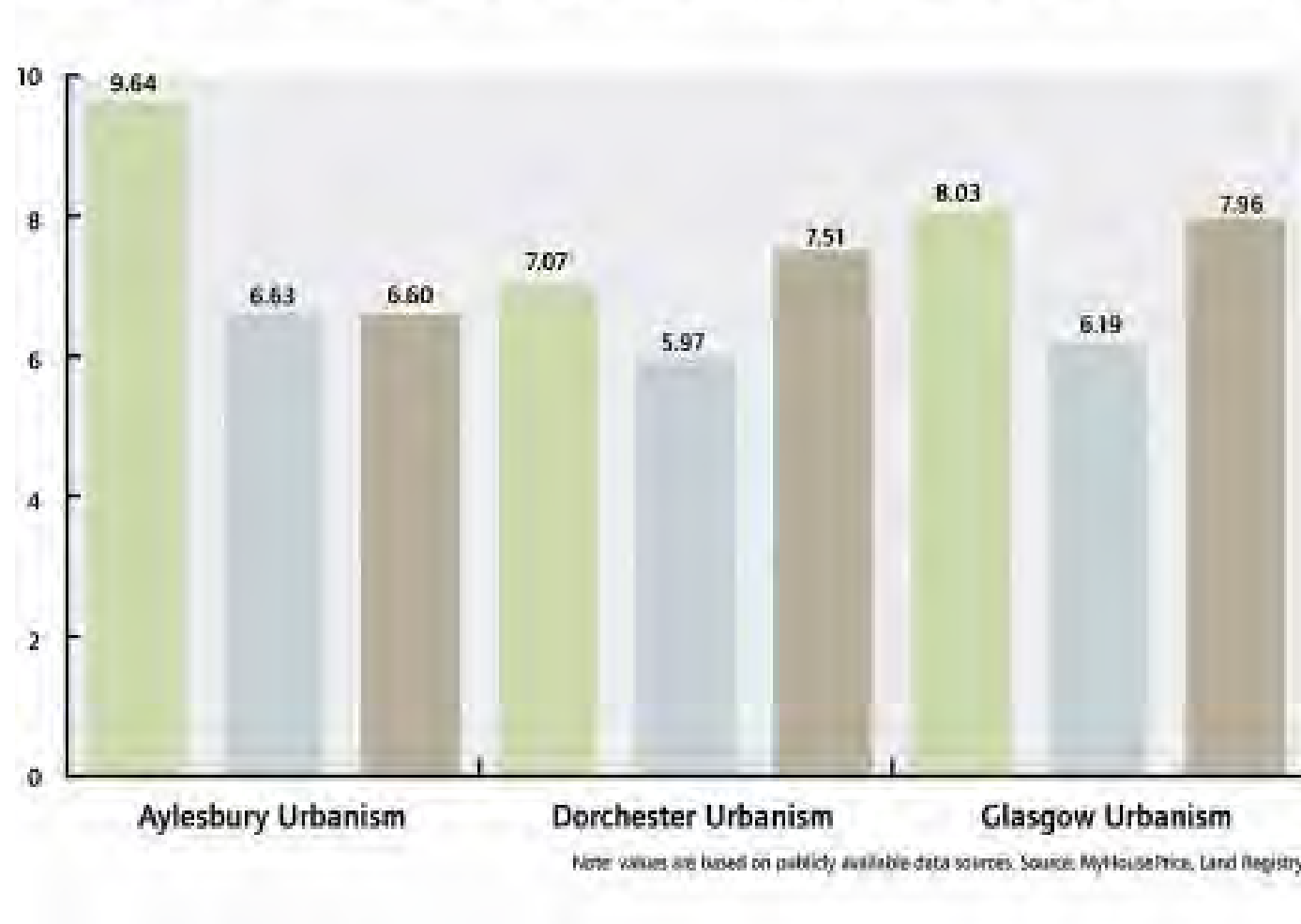
The market value of sustainable urbanism in three locations tested against the standard developer product in the local area.

Exemplars were –
Poundbury, Dorchester
Fairford Leys, Buckinghamshire
Crown Street, Glasgow

All displayed a market premium when their current value analysed by Savills Residential Research

Value Study

Total Market Value of Buildings per Hectare of Built Residential Land (Value £m)



Questions arising from the study

- To whom does value accrue and when?
- Can value be captured by the conventional developer/ housebuilder?
- Is a new land assembly model required?
- What is the rate of return?
- What are the equity implications?
- Who leads?
- Are there other fiscal or legal implications – eg Capital Gains Tax, Leasehold Enfranchisement

Detailing a 'business model' for sustainable urbanism

- How should land be procured and assessed?
- What timeframe would be required?
- What decisions need to be made?
- What guarantees and agreements are required (with public and/or private sectors)?
- How should contractors and other experts be procured?
- How would land be optioned/sold and under what covenants?
How might land to equity swaps be encouraged?
- What valuation method should be applied?
- How will the community infrastructure element be funded? How will this affect CIL arrangements?
- How will homes actually be built and sold?
- Would the emergence of a substantial 'built to let' sector help raise absorption rates (as well as assisting tenure diversity)?
- What are the arrangements for long-term management?
- How will profit be realised and when?

A new delivery model – common features

- All current exemplars posit a different delivery model
- Costs frontloaded but not necessarily more expensive
- Residual calculated by Savills in VSU considerable, covering extra costs as required
- Single or conjoined promoter/developer function
- Planning certainty as well as enhanced values part of the “sell”
- A contractor role for existing housebuilders through tendered lots
- Incremental phasing of 60-80 units controls quality, supported by design codes or other mechanism
- Retained ownership of retail/commercial

A review of current delivery practice by mixed use developers offering a business model for sustainable urbanism is currently being completed by the Prince's Foundation and Knight Frank for publication in September 2009