

# How to Appraise a Development Opportunity

From a planning perspective, the most important stage in considering a development opportunity is to fully appraise the current situation. At the most basic level, this will influence whether you should pursue a site for a particular land use at all. Beyond that, it will allow you to make better judgements about strategy, timescales and the potential return on investment.

The planning system can conspire to make the most straightforward development opportunities complex. With some time and patience, it is possible to address seemingly disproportionate information requirements and spurious objections. An appraisal must distinguish these from **issues of principle**, which are harder to overcome. A client may pursue a more difficult opportunity because of the potential rewards, but it is necessary to be realistic about the chances of success and to appreciate the need for creativity, time and attention to address any obstacles.

An appraisal should start with the policies in the **development plan**. For some proposals, the result might be black and white, as in the Green Belt where the scope for short-term development is very limited. Usually the picture will be more complex. A redundant factory in a residential area might have no policy protection on the proposals map. However, a borough-wide written policy often requires justification for the loss of such employment premises. This could consist of evidence of a lack of market interest or amenity problems caused by the existing use.

The expected abolition of regional policy means that emerging **Core Strategies** alone will be the basis of the development plan. **Site Allocations** documents will follow these and consider individual sites in accordance with the strategy. Looking at the timetables for these will point to opportunities for influencing the contents through consultation. Old policies remain in place until new ones are formally adopted and so clients will need to look at both during transitional periods.

**Supplementary Planning Documents** allegedly provide additional interpretation of existing policies, but in practise often introduce new restrictions or financial contributions through the back door. Worse still are **informal policies** adopted by Councils for 'development control purposes'. These would carry little weight at appeal, although they can cause delays or costs in trying to obtain planning permission at a local level. A thorough examination of the Council website usually reveals such documents, which show how it is important not to take local plan policies at face value.

Developers are more used to dealing with **site-specific issues**, but must guard against certain situations arising. A flood risk assessment is necessary for the development of any site above a hectare, even in an area with minimal risk. Few sites seem to be free of either habitats or foraging land for protected species, such as great crested newts or bats. When such surveys depend on the time of year, failing to foresee the need can delay a development timetable for many months. Other matters require the exercise of judgement, such as whether the usual standards for the spacing of dwellings designed for new housing estates should apply to an urban infill site.

You should investigate records of any previous planning decisions or appeals at an early stage. This **planning history** will help to clarify the existing lawful use and any restrictions on this. It will identify any permissions still capable of implementation, and reveal refusals that could seriously constrain future options (without an amendment to the proposals or a change in circumstances). The **lawful use**, together with the scope for this to intensify without planning permission, sets a benchmark for assessing alternative proposals. A typical example is to compare the existing number and type of traffic movements with what the new proposal might generate.

No two appraisals will be the same. The approach should depend on the likely end use and the scale of the proposal. To give one example, we often work for housebuilders for whom the **supply of housing** land is a critical consideration. Councils must maintain a five-year supply and any under or over provision affects whether and when a site can come forward. However, we always look closely at the figures. The size of the requirement might be subject to change in draft policies, or sites included in the supply may not be realistic when tested. For example, sites intended for apartments will produce fewer completions if developed for family housing instead due to current market conditions. Issues of land or floorspace supply are also particularly relevant to certain retail and employment proposals.

We recommend a **staged approach** to appraisals, so that the resources devoted to it are **proportionate** to a site's prospects. A brief appraisal is often sufficient to rule out an unsuitable site for an intended use, such as at a potential housing location that has a significant flood risk.

A thorough appraisal will always repay the initial effort. It will minimise delays and abortive costs and maximise the chances of achieving development potential. Contact Mosaic to let us know how we can help you with this.