

After the collapse in confidence during 2007/08, the housing market has stabilised and major housebuilders are back in the market to buy sites. Years of steadily increasing “planning gain” mean that many large sites are struggling to afford a combination of infrastructure and planning gain costs and may have difficulty getting off the drawing board.

Housebuilders are however actively looking for smaller “quick turn around” sites, where they can either start building straight away, or quickly secure a planning consent. Within the industry there is a clear



preference for sites in good locations where demand from home buyers remains strong. This trend favours development sites in villages and market towns with more urban locations still under pressure. Housebuilders are also demonstrating a desire to remove risk from the buying process and are looking at all aspects of their purchases in a greater level of detail (often as a requirement of their lenders). This can lead to delays in the transaction process and the more information that can be provided when the property is launched to the market, the swifter the ultimate transaction should be. While values are generally lower, sites can still generate a good return.

With a change of government there are likely to be some major effects on the development land market. Levels of taxation may increase and the industry eagerly awaits news on the new Government’s planning policies. In the Queens Speech, the Coalition Government set out an aim of returning decision-making powers on housing and planning to local councils by abolishing Regional Spatial Strategies. Many of us fear that “localism” will

actually emerge as “nimbyism” which could lead to a reduction in consents granted. However, experience tells us that changes in the system, almost always, produce opportunities for some, which should be grasped.

For advice on planning and development matters, please contact our Team of Alistair Brodie, Andrew Middleditch and Peter Moore.

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