

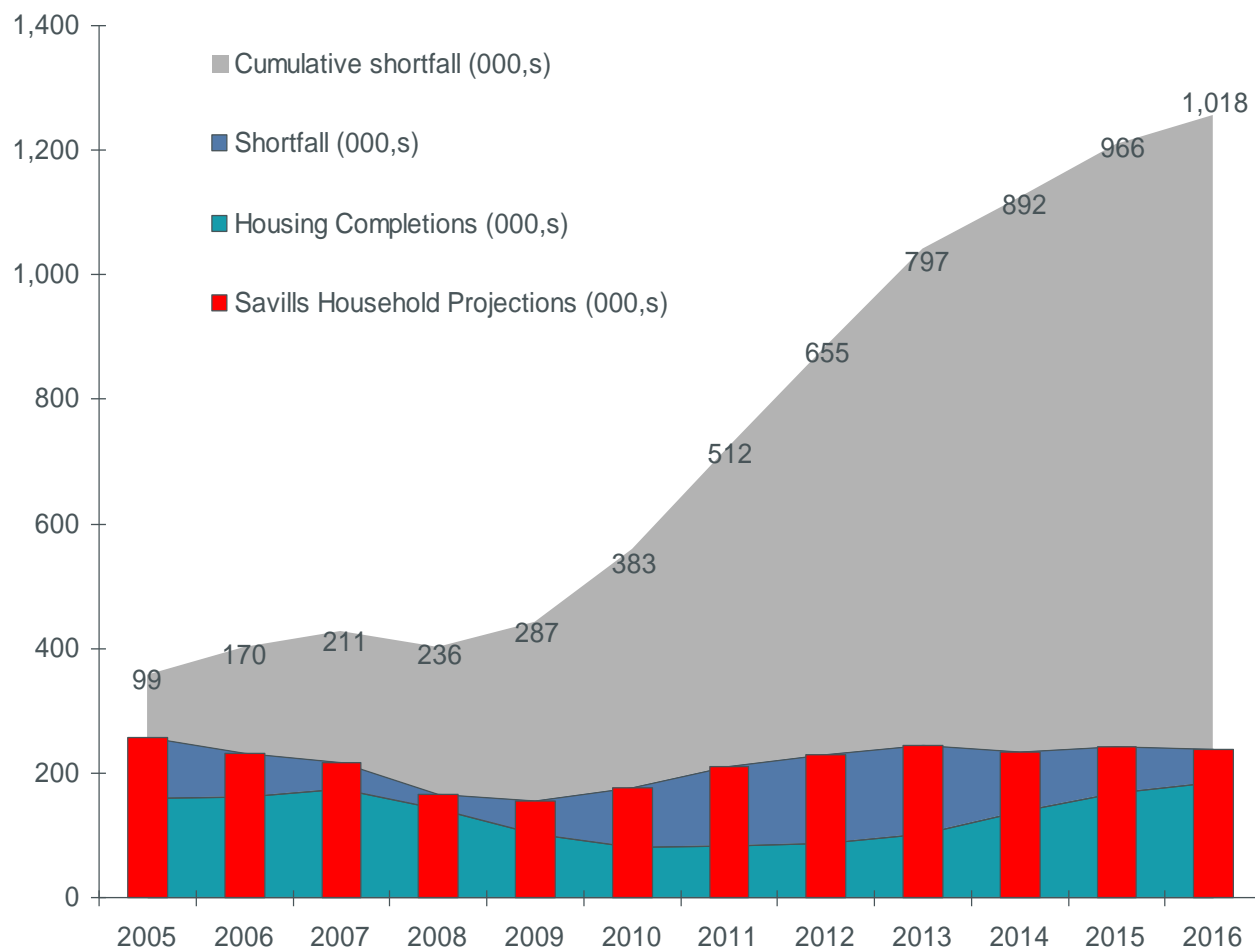
# The future for land development

## Challenges and changes

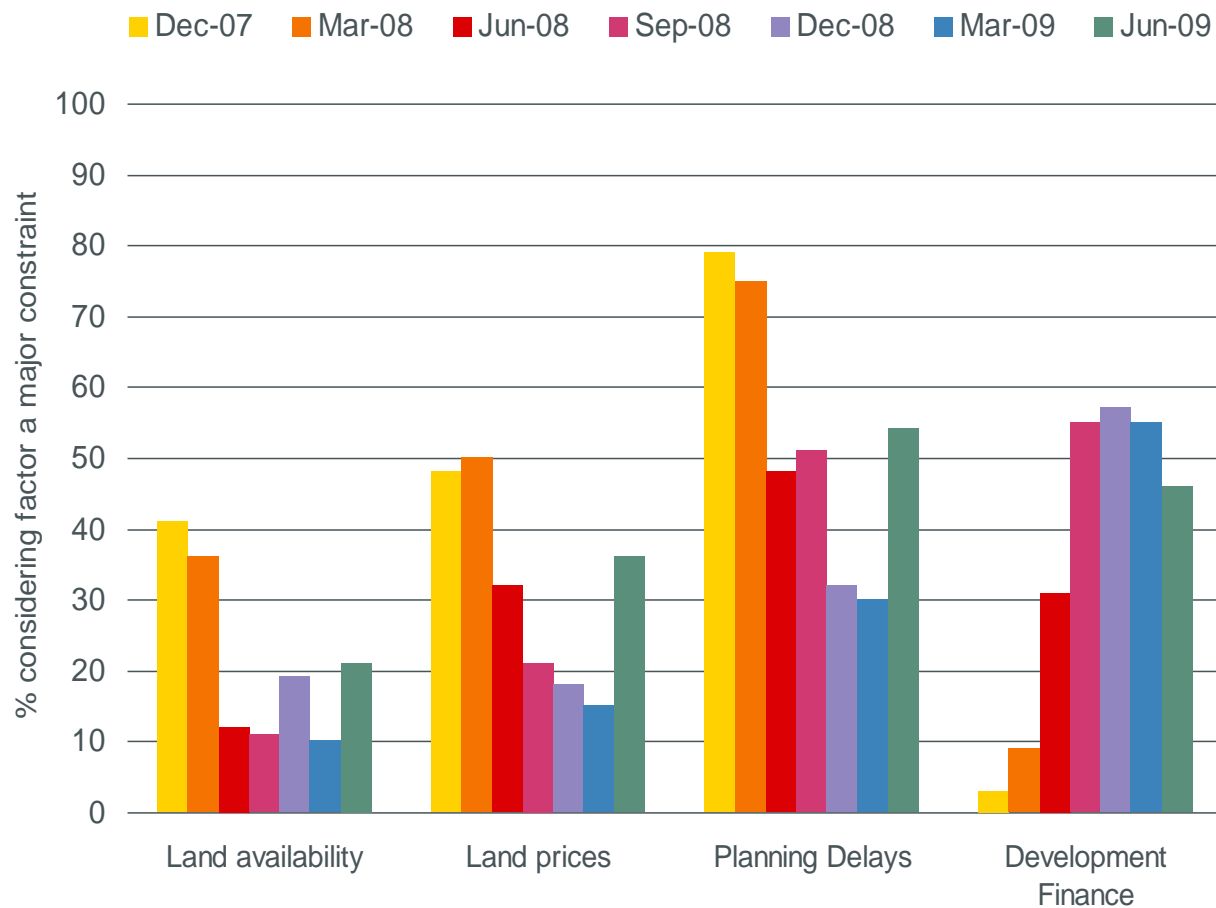
Yolande Barnes, Director - Residential Research

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supply is likely to remain the problem nationally

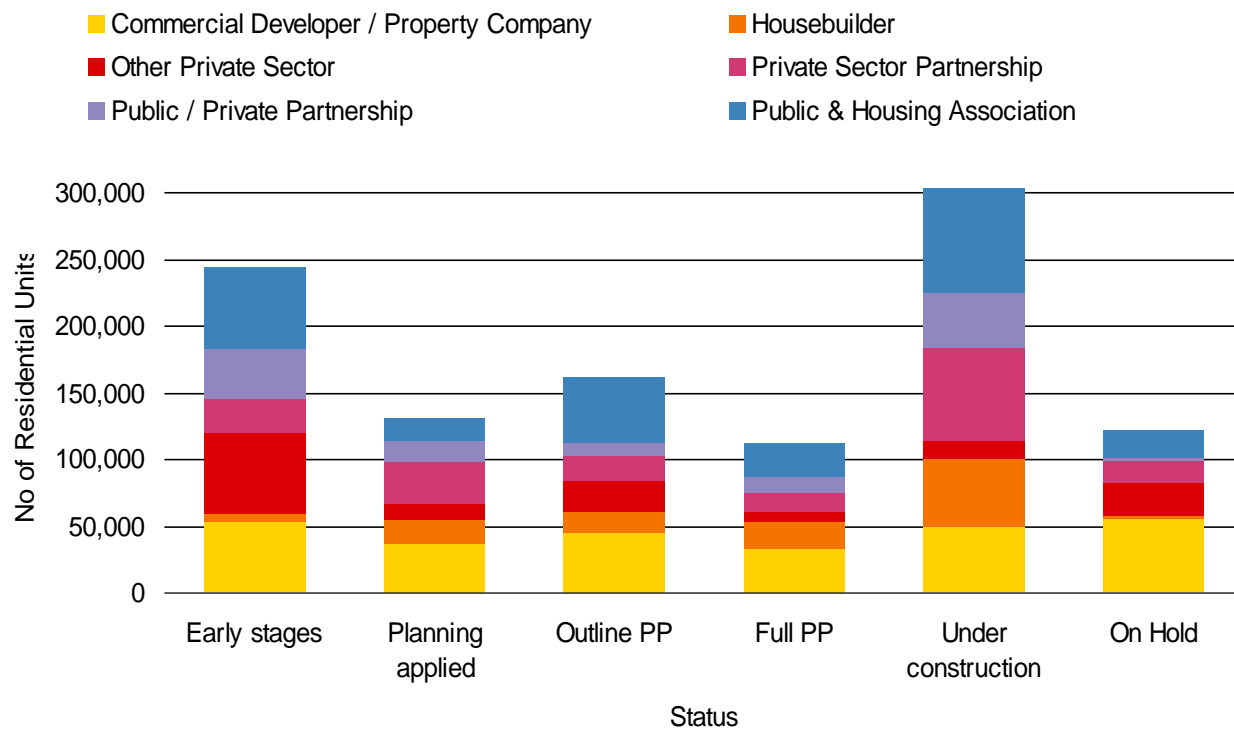


# development finance is still a major constraint on development



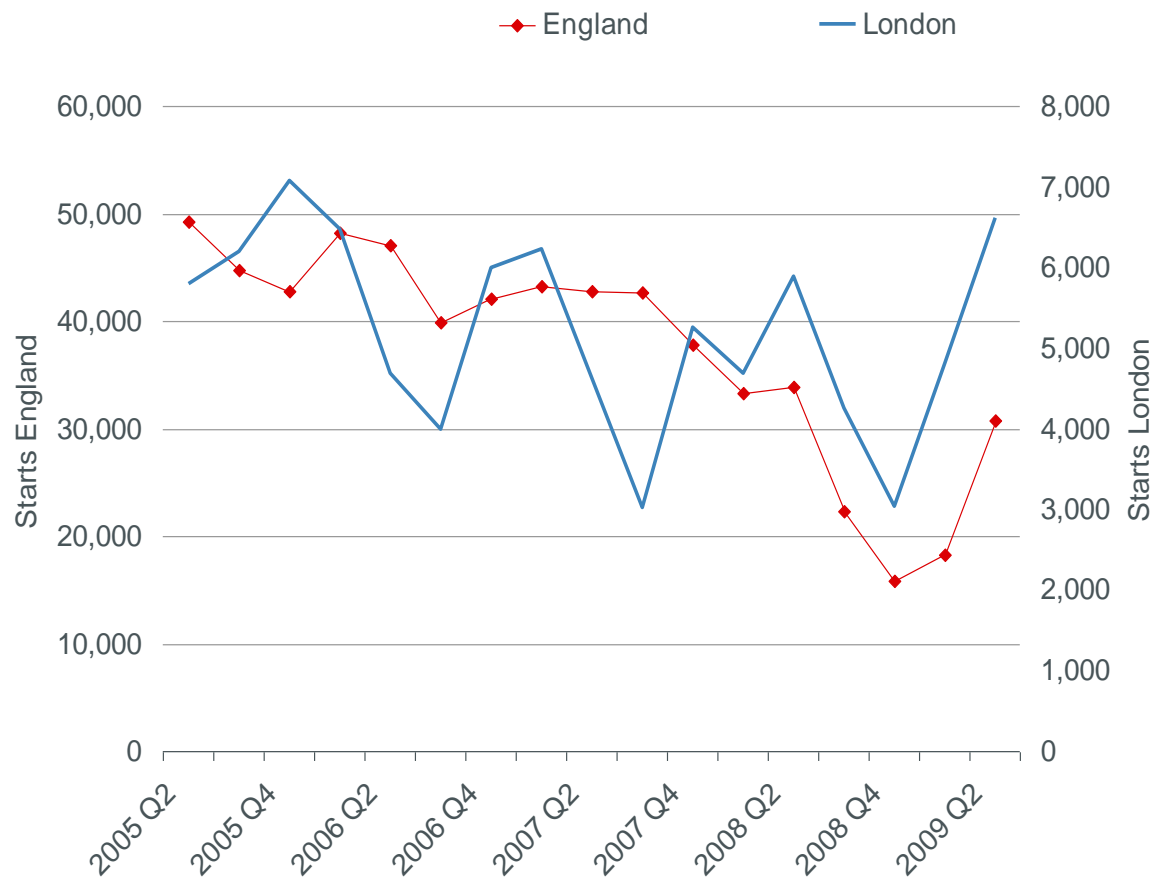
Source: HBF

... SO  
 alternative  
 players and  
 partnerships  
 are now  
 more  
 important



Source: Savills Research

# activity has bounced – in some markets

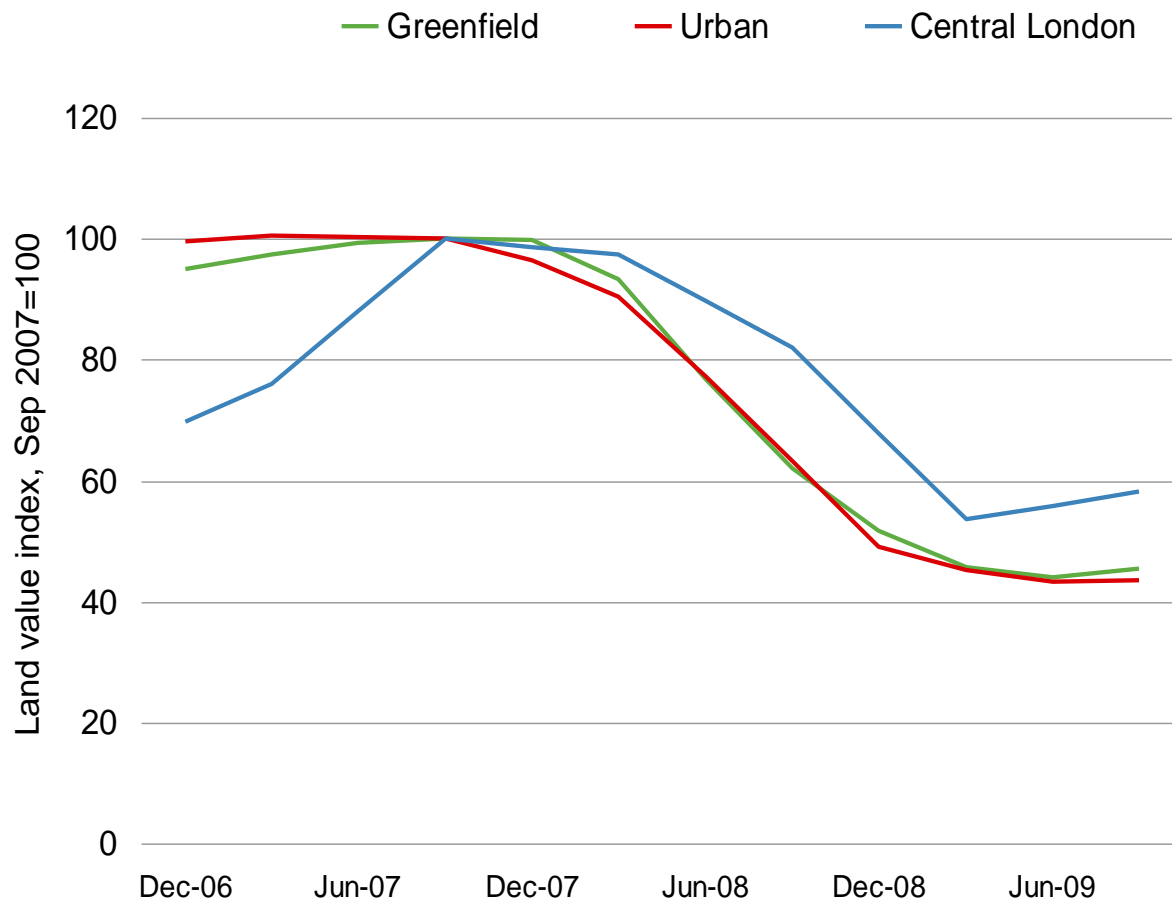


Source: CLG

**(and so we are seeing a modest land market bounce)**

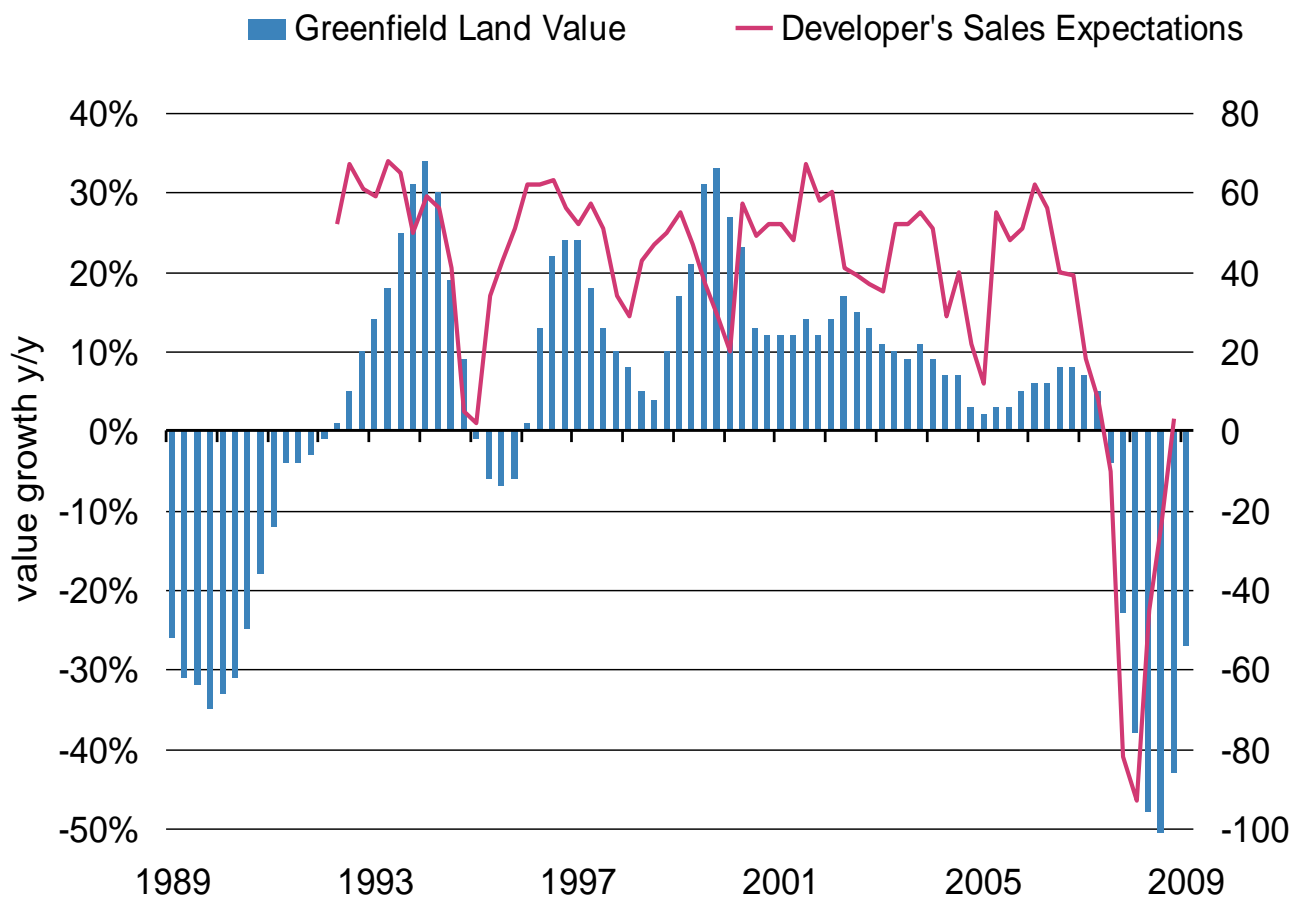
trading on smaller less risky sites

in higher value markets



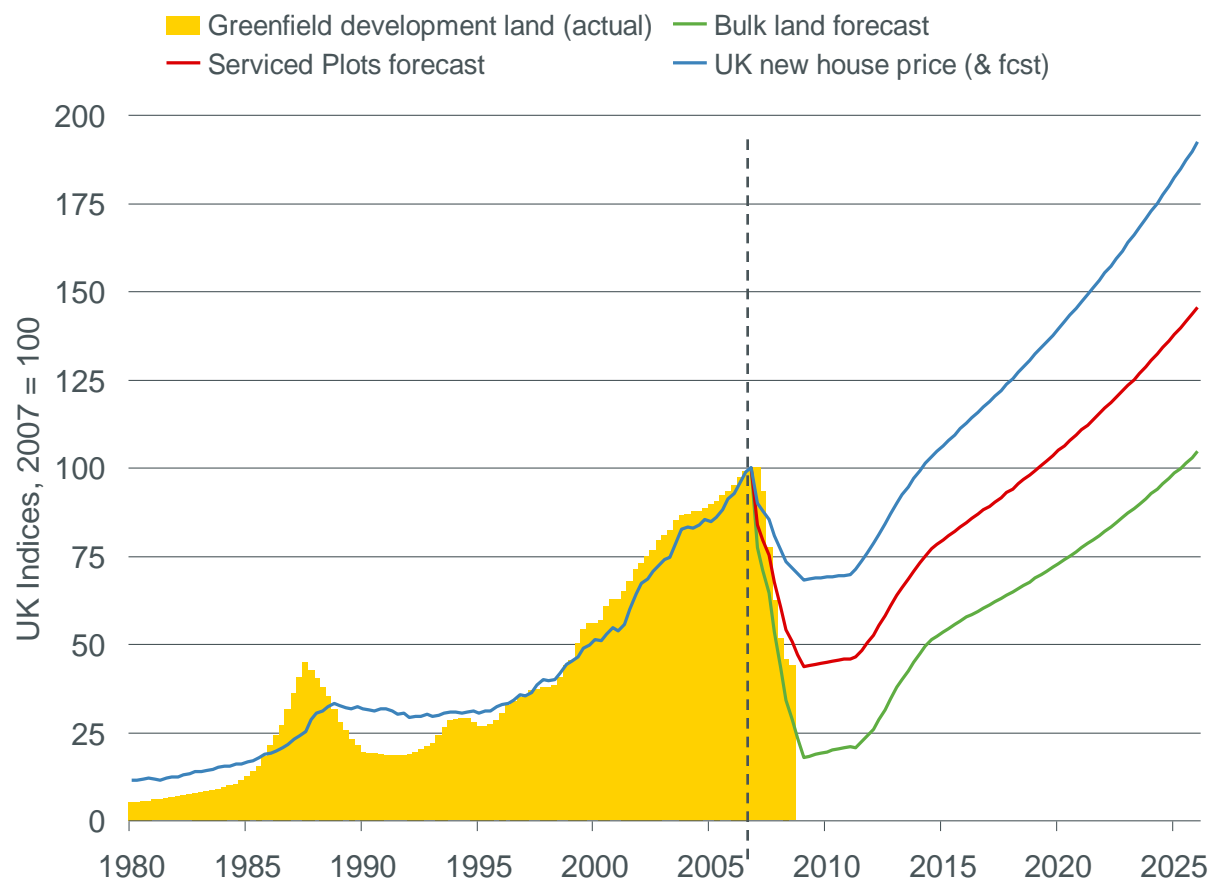
Source: Savills Research

**development  
land values  
have stopped  
falling...**



Source: Savills Research / HBF

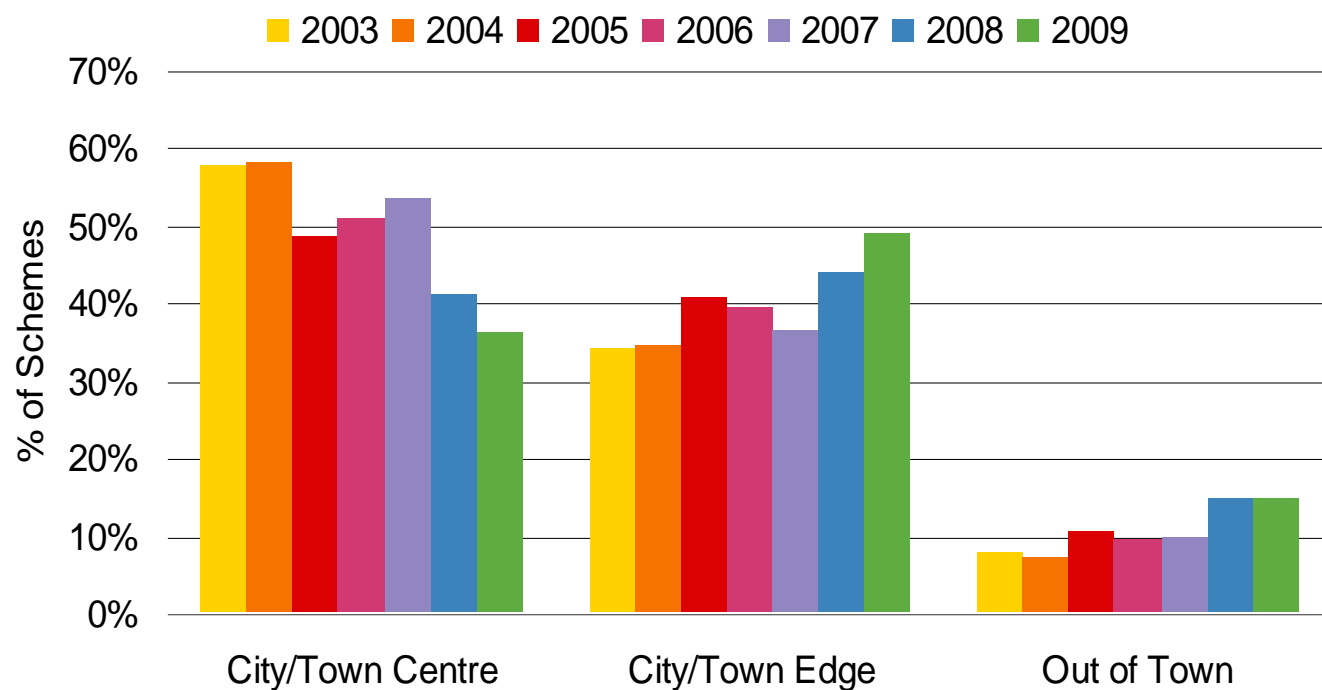
**... but many large sites will remain under water**



Source: Savills Research



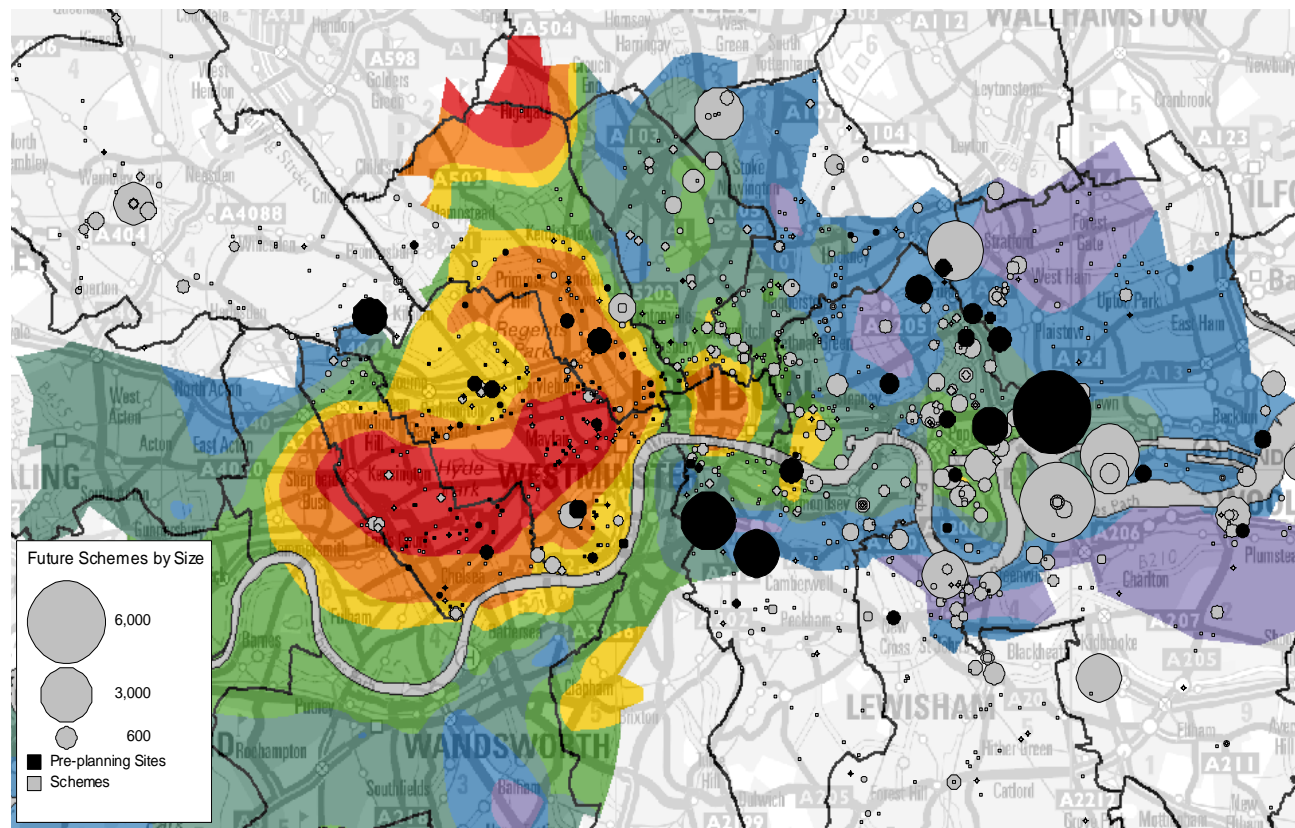
# the proportion of more difficult sites is growing



Source: Savills Research

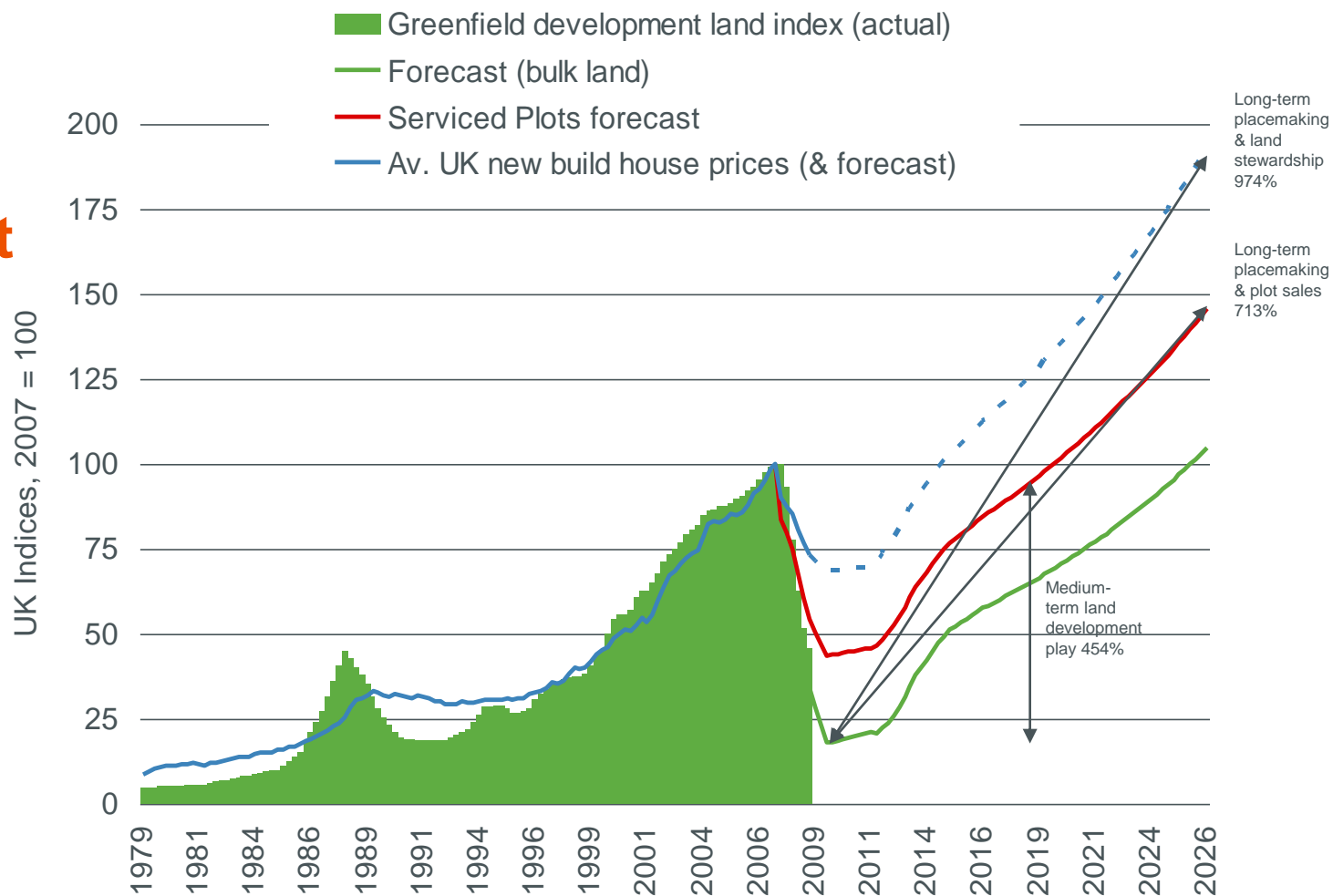
e.g. in London, pipeline is in large strategic schemes

51% of whole London pipeline is on sites of more than 500 units



Source: Savills (2007 pricing)/ Molior London

**the value uplifts from a new land development model should be compelling**



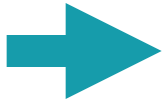
Source: Savills Research, Nationwide

but this would mean moving away from the linear model of development ...

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savills

Land  
ownership



Finance



Design,  
planning



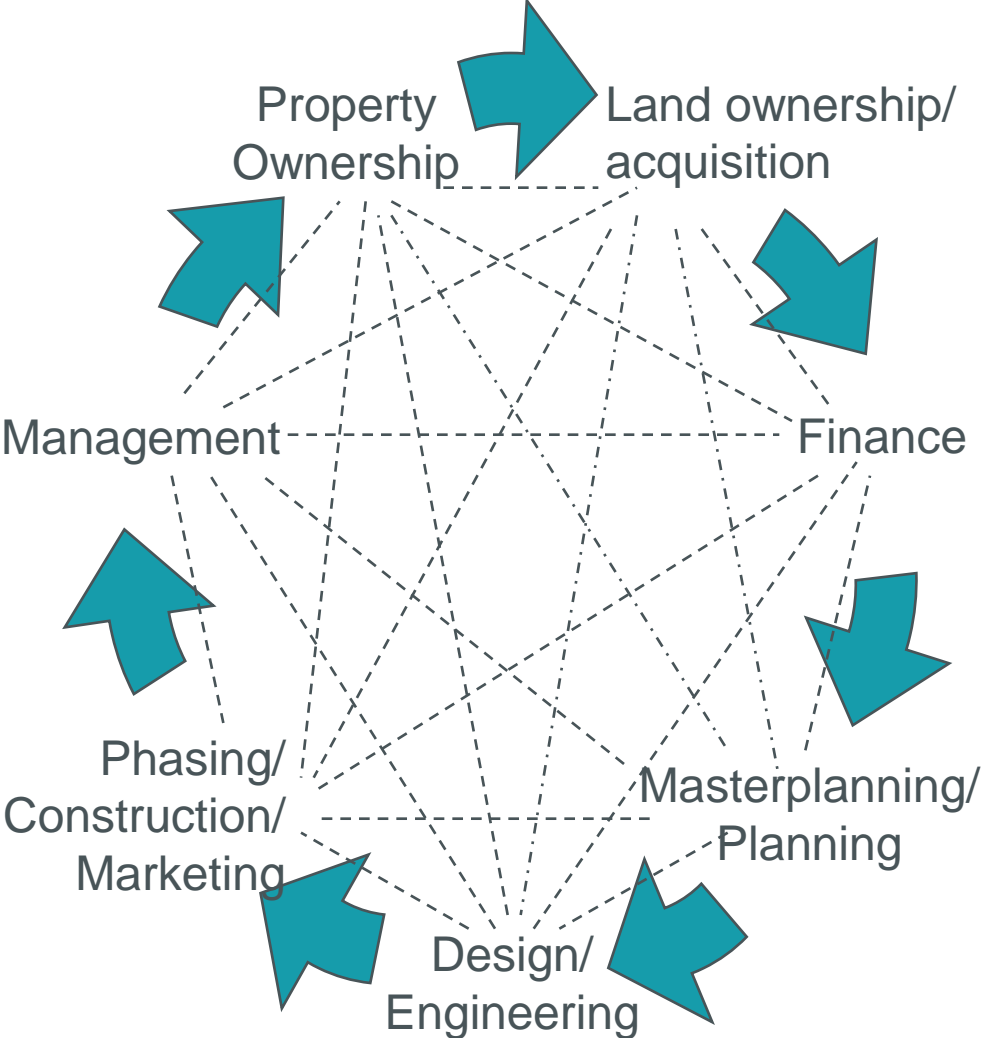
Construction,  
marketing



Property  
Ownership  
(Investor and  
occupier)

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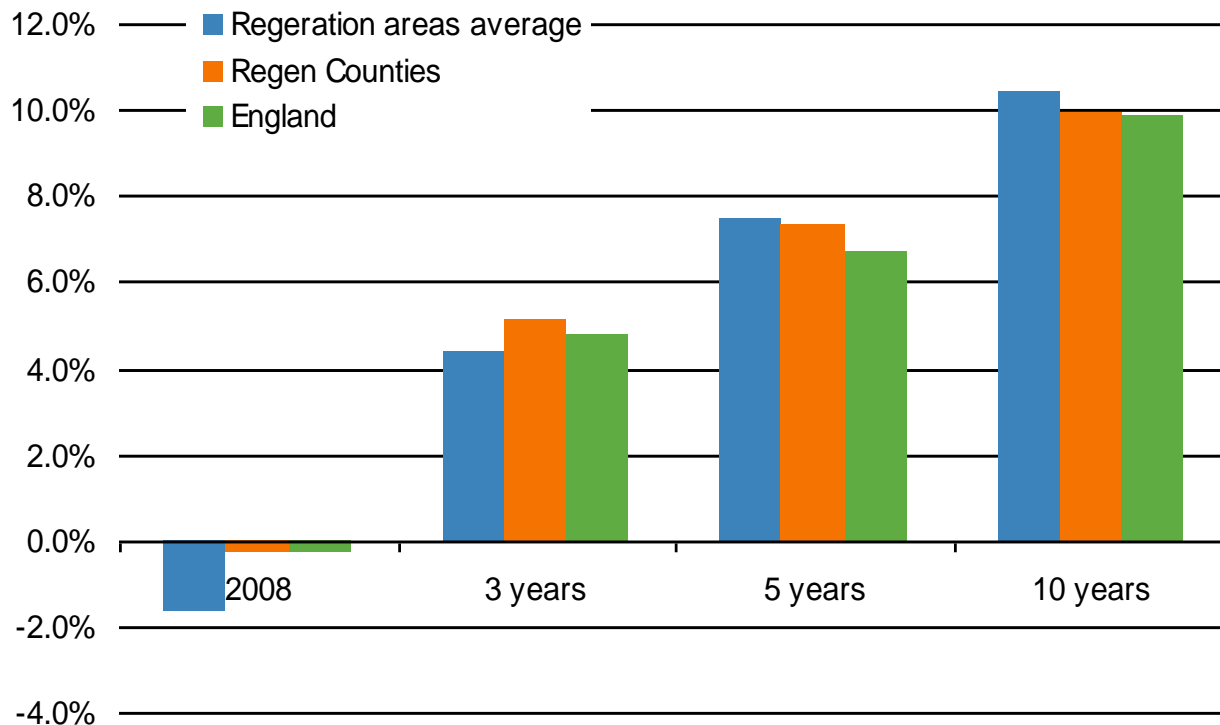
to one that deals with the barriers that are many and complex



**e.g.  
regeneration  
has wider value  
impacts ...**

existing  
owners benefit

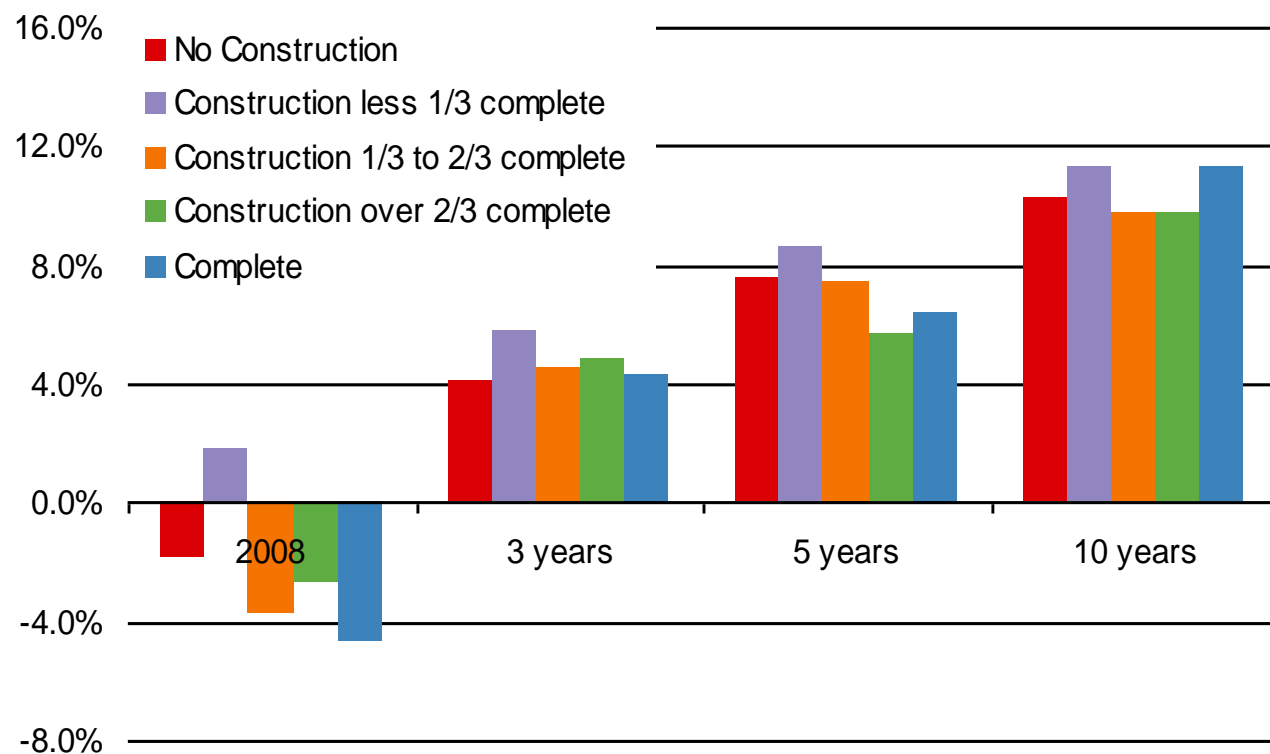
Residential property - capital growth



Source: Savills  
Research

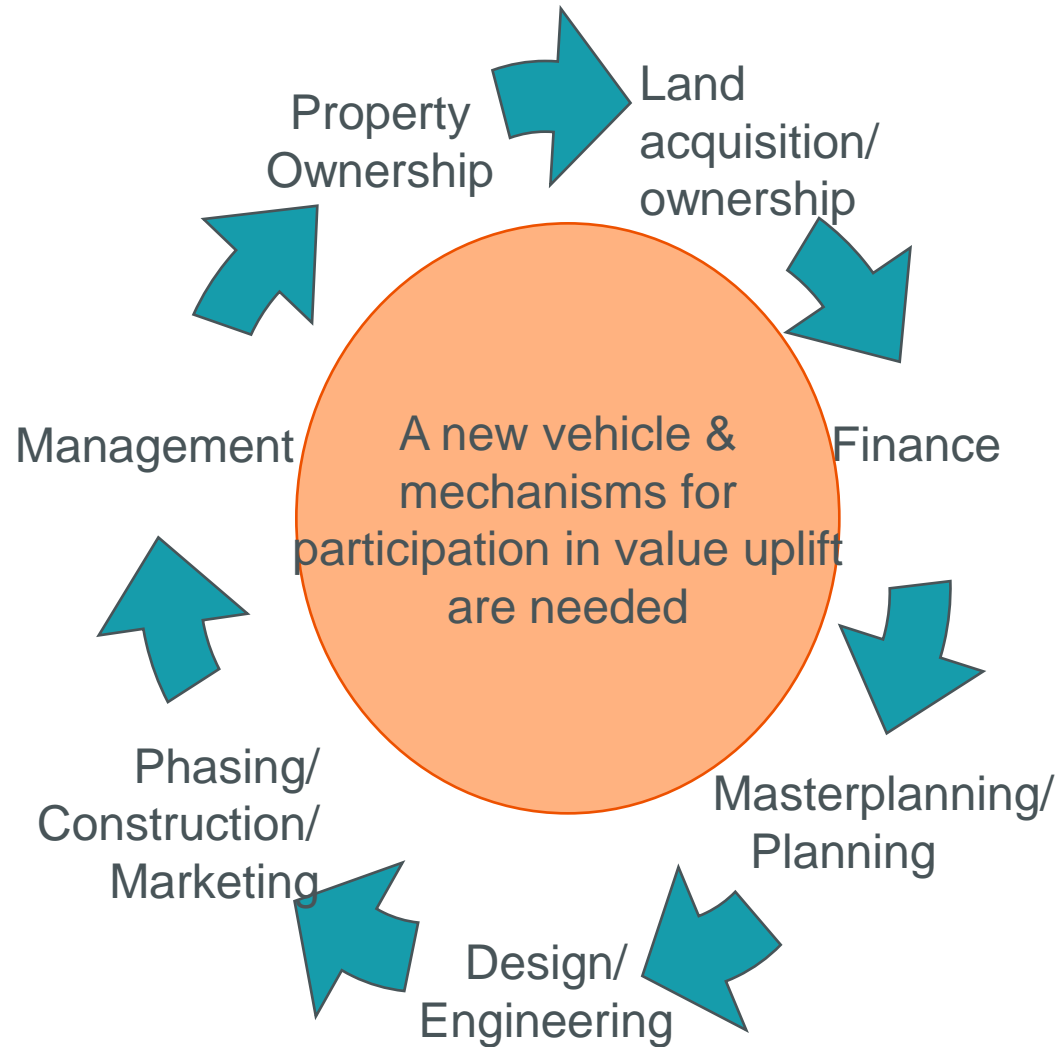
# ... which could/ should be captured

Residential property - capital growth



Source: Savills  
Research

# towards a new long term, market orientated, model





# how might the new vehicle look?

