

Planning policy, sustainability and housebuilder practices: The move into (and out of?) the redevelopment of previously developed land

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Abstract

This paper explores the transformations of the housebuilding industry under the policy requirement to build on previously developed land (PDL). This requirement was a key lever in promoting the sustainable urban development agenda of UK governments from the early 1990s to 2010 and has survived albeit somewhat relaxed and permuted in the latest National Planning Policy Framework (NPPF). The paper therefore looks at the way in which the policy push towards densification and mixed use affected housebuilders' business strategy and practices and their ability to cope with the 2007 downturn of the housing market and its aftermath. It also points out the eventual feedback of some of these practices into planning policy.

Following the gradual shift of British urban policy focus towards sustainability which started in the early 1990s, new configurations of actors, new skills, strategies and approaches to managing risk emerged in property development and housebuilding. There were at least two ways in which housebuilders could have responded to the requirements of developing long term mixed use high density projects on PDL. One way was to develop new products and to employ practices and combinations of practices involving phasing, a flexible approach to planning applications and innovative production methods. Alternatively, they could approach PDL development as a temporary turn of policy or view mixed use high density schemes as a niche market to be explored without drastically overhauling the business model of the entire firm. These transformations of the UK housebuilding sector were unfolding during a long period of buoyancy in the housing market which came to an end in 2007. Very little is known both about how housebuilder strategies and production practices evolved during the boom years as well as about how these firms coped with the effects of the 2007 market downturn.

The paper draws on published data (company annual reports, government statistics) and primary material (stakeholder interviews, planning applications, unpublished project specific information) to explore two different approaches that two major housebuilders (the Berkeley Group and George Wimpey – now Taylor Wimpey) followed during the boom years in response to the changing requirements, risks and uncertainties embedded in the residential development process. The recent turmoil in the property markets acted as an 'acid test' to business models and practices and not all firms survived it. What is more, the UK government is now embedding some of those business practices into policy, thus completing one loop in a co-evolving feedback spiral between planning policy and business strategy.

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1. Introduction

The emergence of the sustainability agenda during the last three decades brought to the fore considerations of balancing economic growth with environmental and social concerns. One of the effects it had on urban policy in a UK context was a renewed attempt to bring development back into the cities, to promote compaction, mixed uses, urban living and sustainable communities. Almost 18 years ago, in 1995, the introduction of quantitative targets for the percentage of new dwellings to be built on previously developed land (PDL) marked the launch of a series of policy initiatives that affected the business environment in which the housebuilding sector is currently operating. Thus, the redevelopment of PDL became a major consideration for everyone engaged with the way the built environment is produced, consumed and experienced. In spite of the decision by the UK government to remove the quantitative policy targets attached to PDL redevelopment, the inextricable links between the sustainability agenda and land redevelopment means that the issue should remain topical, one way or another, for the foreseeable future. What is more, measures like the introduction of the pre-application consultation requirement as part of the Localism Act (UK Government, 2011) are reinforcing the diffusion amongst developers of business practices originally implemented by housebuilders who wanted to address the risks of large scale mixed use PDL redevelopment schemes.

The long term implications of the policy shifts described above should not be underestimated. The requirements for PDL redevelopment marked a turning of the policy tide away from 'anti-urbanism'/'decentrism' towards 'urbanism'/'centrism' and city 'compaction' (Breheny, 1996) and thus the beginning of an era of government policy promoting urban settlements with a wide social and land use mix in an effort to combine environmental, social and economic goals. Documents like the Urban Task Force (UTF) report (Urban Task Force, 1999) or the "Planning for the Communities of the Future" White Paper (DETR, 1998b) reflected the spirit of that time and proved very influential in setting the agenda and in structuring future debates and policy directions (see DETR, 2000a). The cautious reactions of several stakeholders to the effective abolition of the sequential approach and the 'brownfield test' in an interim version of the National Planning Policy Framework (NPPF) (DCLG, 2011) and the more positive reception of their restitution in a later version (DCLG, 2012) demonstrates how deeply embedded in policy discourse the densification approach has now become as part of the polysemantic sustainability discourse.

As will be examined in the following sections of this paper, this consistent policy turn, in part expressed through the promotion of land recycling and in part expressed through the densification and mixity imperatives, had significant consequences for the production of the built environment and even more so for housing

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