

# insight

MOTION CONSULTANTS

WINTER 2011

## Capital investment

**Duncan Walker of Helical Bar explores the challenges faced in UK investment and development in the current stormy economic climate.**

Good investment decisions are difficult at the best of times, but in recent months the FTSE 100 has suffered swings of almost 10 percent. In a period of such turmoil making decisions whether or not to deploy significant capital is virtually impossible if one has a short term view. Fortunately property is a long term game and investment decisions are made over three to five years or longer. We must all hope that in the medium to long term there is a degree of stability, if not positive growth.

According to Duncan the issues that investors and developers are facing are broad: "How to price and how to fund assets? Will the bank be there with the debt or will the bank be there at all? Will it be possible to get planning permission and how long will it take? If I build, will there be an occupational market? If I buy, will the tenants remain solvent? What is the exit yield in five years?"

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### Inside

- ▶ World class retail development unlocked by Crossrail station
- ▶ Bold transport planning initiatives for marketable schemes
- ▶ More floor space without increased traffic and parking

## Accelerating access to growth



**The Government is being urged to address the mis-match**

**between Whitehall aspirations and policy on the ground within some local authorities. Motion is campaigning to speed up clients' development schemes by outlawing planning practices which impede economic growth.**

Managing Director Steve Gosling personally raised the issue with the then Secretary of State for Transport, Philip Hammond MP. The new Transport Secretary's support has specifically been sought for a review of the practices and policies followed by local authorities under Section 278 of the Highways Act.

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## Phil Bell

What you see is what you get

### Why get up for work in the morning?

**PB** To work hard for our clients so that the business grows in size and reputation. When I get to work, it is business and personal success that drives me to achieve.

### What are your four defining qualities?

**PB** Attention to detail, high expectations, determination and a personable approach. My objective is to see each piece of work delivered to the highest quality with the best all-round results.

### How would you describe Motion?

**PB** We work hard and play hard. We believe in teamwork, within Motion and on clients' projects. We take the time to recruit exactly the right people for the business, based on the type of work we do and the way we interact with clients.

### Why do clients come back?

**PB** Clients rely on our ability to find workable solutions. Our accessibility and responsiveness makes Motion an invaluable part of a project team. What you see is what you get - experienced, commercial advice that works.



# Maximising value **against the odds**

**Early objections from the Highway Authority have been overcome to gain planning permission for a multi-occupier scheme in one of the most congested parts of Farnborough. The extension and refurbishment programme will enable the Wilky Group to maximise the opportunity and value of a former Wickes store.**

Baseline studies were conducted by Motion, saving the client from having to fund an onerous traffic modelling exercise. Steve Wild, Managing Director of Wilky Property Developments explains, "The key challenges were planning policy and traffic constraints. The team helped us secure consent for floor space significantly greater than the area anticipated at the feasibility stage."

Steve Parsons at Motion continues, "We pinned down trip rates with the Highway Authority at an early stage and were able to demonstrate that the site's potential could be maximised without any detriment to the local road network." The redevelopment will offer 6,500 square metres of floor space and construction will commence in 2012.

## Earlier returns from refurbishments

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Duncan Walker believes the current planning system is costly and bureaucratic. Major reform is needed, if more development is to be promoted. "Some local authorities have an infrastructure in place to respond to developers, although still demanding the extraordinary jigsaw of reports and hoop jumping. Others remain woefully bad at encouraging development and investment into their communities."

Where is the hope? "London is a truly global city, which attracts huge flows of international capital into real estate," Duncan asserts. It is politically stable and economically fairly robust, compared to some other European countries. Investment in the wider business community continues to support occupational demand. A robust capital market and continued letting activity will keep driving investment and development. Elsewhere in the UK, it is very difficult to make schemes viable against the rental pressures and lack of funding in the market.



*"Going forward, expect to see a tendency towards refurbishments. These eliminate planning risk, require less capital and provide earlier returns than redevelopments. During the next couple of years, development will be the territory of the most solvent players in the very best locations."*



# A BRIDGE too far

**To achieve their commercial objectives, development schemes should pay due regard to sustainable modes of travel and inclusion of all sections of the community, according to Motion Director Phil Bell. He cites a recent planning appeal decision to underline the potential complexity of arguments about safety, access and reliance on the motor car.**

Earlier this year, a large Public Inquiry upheld Wealden District Council's refusal of an application for 520 houses on an allocated residential site to the north-west of Polegate. Phil Bell describes the crux of the case: "The original allocation was on the basis that the Highways Agency had intended to reroute the A27 around the site. But, in the meantime the road scheme had been shelved." The developer had no choice but to link to the rest of Polegate by a pair of footbridges, claiming they would only be temporary until the A27 was rerouted. With specialist professional help from Motion, it was successfully demonstrated that footbridges were not appropriate.



## New access 'delights' all

**A new access road was the key to redevelopment of a former Turkish Delight factory in Thetford by Location 3 Properties. The scheme provided 26,500 square feet of DIY retail space, and an outdoor project centre of around 5,000 square feet.**

The access route off London Road was a major improvement to the site, compared to the previous entrance through an industrial estate to the rear. The Motion team helped get agreement for the new route and thereafter secure planning consent for the development. The design resulted in no loss of the protected contorted pine trees on the site boundary.

Alan Gibbons, Director at Location 3 Properties maintains, "Motion's consultants are authoritative and get results and they have good contacts within the highway authorities. Their transport assessment for the Thetford site demonstrated that there would be no significant increase in traffic flows. It showed that visitors could access the proposed new store safely and efficiently."



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# Balancing competing needs

**One million square feet of warehousing space at Thrapston, Northamptonshire is currently being marketed on a site previously used as a storage facility for up to 14,000 cars. According to Mark Day of Mulberry Developments, "Motion helped balance the competing requirements of the planning authority with the need to offer an attractive scheme to potential future occupants. We were not obliged to make any contributions or carry out significant work to the road junctions."**

Motion carried out transport assessments for the outline planning application for the B1 and B8 warehouse scheme. The considerable level of previous traffic to and from the site was a key factor. It was successfully argued that future intended use would not have a significant additional impact on the local road network. In the transport statement, Motion was able to address residents' concerns about potential HGV traffic using villages as rat runs. The developer was not required to limit the future site occupier to a particular HGV route.

## Transforming land into valuable assets

Mark continues: *"There were two important areas where Motion was able to add further value. The team negotiated provision of a bus for the site, helping to improve its sustainability. They agreed with the highways department a flexible arrangement which makes provision for either financial contributions from us, or for future occupiers to fund their own bus service. Secondly, Motion developed a travel plan for the site, with targets for car usage reduction. The financial penalty is very proportionate - sufficient to encourage, but without imposing an unnecessary burden."*

Mark Day concludes: *"As developers, our role is to transform land into valuable commercial, residential and retail assets. We are under pressure from planning authorities to submit all-encompassing travel plans demonstrating bold initiatives. But the challenge is to still be able to sell the site and pass these obligations on to the future occupier. We are constantly trying to balance the competing needs to satisfy the planning requirements but at the same time remain competitive."*



## Removing obstacles to economic growth

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Design Services head Richard Bettridge asserts, *"We've asked that highway authorities identify and eliminate uncompetitive practices. Our aim is to encourage the removal of the obstacles to economic growth and job creation in local communities. We would also welcome a more consistent approach to planning protocols."*

In some cases, a developer is forced to make the choice between compliance with anti-competitive policies established by the highway authority, or face the adverse commercial consequences of non cooperation. Progress on this issue would contribute to the earlier creation of additional jobs and trade within local economies.







**Hanover Square in the heart of London's West End will be transformed by a 1.3 acre development around the eastern ticket hall of Crossrail's Bond Street station. The scheme delivers 205,000 square feet of world class retail and office space, and six luxury apartments.**

Great Portland Estates Plc was granted detailed planning consent in May 2011. Motion assisted with the pre-planning negotiations with Westminster City Council. They satisfied the Council's requirements regarding traffic generation during construction, residential parking and the management of deliveries to, and refuse from, the completed scheme.

David Farries, Development Manager at GPE comments, *"We ended up with the perfect solution. The Council agreed to a shared loading bay for all deliveries, designed to cope with any potential backlog. The proposal takes into consideration the very narrow neighbouring streets and will ease congestion in Hanover Square."*

### **Consent for ambitious and complex scheme**

While the immediate surroundings are predominantly retail and commercial, the approach roads go through more residential areas. David explains, *"It was quite an achievement to gain consent for such an ambitious and complex scheme. A number of constraints had to be overcome - listed buildings, traffic congestion, luxury shopping and, most significantly, a new railway station."*

Motion undertook an extensive study of on-street parking and servicing in the surrounding area. Associate Pete Sturgeon says, *"The proposed combination of service yard and street network servicing will keep congestion to a minimum during peak times whilst making efficient use of the ground floor area on the site. A major consideration was the safety of pedestrians, especially with an increased footfall around the new station."*

## **Motorway marketing**

**Planning consent has been gained for a fixed billboard advertisement adjacent to the elevated section of the M4 motorway at Brentford. The application on the landmark West London clock tower was approved on behalf of data storage giant EMC.**

Motion negotiated a balanced deal which met the client's requirements and satisfied concerns about driver distraction.

According to Motion's Stuart Davies, *"Our study reported on research into the impact of roadside advertising on driver behaviour. It took into account accident rates, speeds, road design standards and existing signs."*



# Transport challenge helps children's charity

Transport challenges were once again overcome by Motion during a 55 mile kayaking voyage along the River Thames from Reading to Teddington. The arduous paddle, which took place during the hottest October weekend on record, has brought the total raised to more than £8,000 for Great Ormond Street Hospital.

Representatives from eight companies took part in the Thames kayaking event. The expedition was conceived and organised by Steve Gosling, together with Tim Waring of Indigo Planning and Matthew Allchurch of MAA Architects.

Donations for the kayaking challenge can be made at [www.justgiving.com/Indigo-Motion-MAA](http://www.justgiving.com/Indigo-Motion-MAA)



## More competitive with mezzanine

**Landowners are adding value to retail units by using mezzanines to increase gross floor area. But according to Motion Director Stuart Davies, store extensions do not necessarily lead to a pro rata increase in traffic generation or parking demand.**

Additional floor space over 200 square metres requires planning permission and consideration of the transport impact, although such applications rarely result in a need for extensive road capacity assessments. Stuart argues that *"predominantly local highway authorities need assurance that any increase in demand for customer car parking can be accommodated"*. However, there are some locations, particularly at retail parks offering supermarkets, where there are congestion issues to be overcome. Highway authorities take the opportunity to secure more cycle parking to meet current standards and to stipulate the development of travel plans for staff. Stuart observes, *"This is particularly the case with mezzanine applications in London Boroughs. Travel planning and car reduction remain top of the agenda in the capital."*



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### Ask Motion



If you would value a preliminary discussion about the transport, traffic or

infrastructure issues associated with a potential development project, why not give us a call on 01483 531300?

[www.motion-uk.co.uk](http://www.motion-uk.co.uk)