A patient approach to creating communities
We would like to thank those that have taken the time to be interviewed for this report.

What are modern, successful Community Developments and what can we learn from them as we seek to create better places?

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“Placemaking at scale used to be the preserve of the Landed Estates and Government, but as we’ve increasingly seen in the last 15 to 20 years from pioneer places like Poundbury and Derwenthorpe, the lessons have been learned, and a model is there to be adapted to smaller sites.”

CHARLES ANDERSON
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COMMUNITY DEVELOPMENT

A deliberate focus on beautiful development, designed to promote, social, cultural, health and economic benefits for its residents. These are places that people can call home because they respond to their needs and aspirations. They create communities that will last centuries, focusing on not only those who move there now but on generations to come.

These developments are defined by detailed designs, created collaboratively with local stakeholders, that guide the process from start to finish. Multiple players build out parts of the Community Development under a unified masterplan with clear and firm conditions to which they all agree to follow.

The areas these developments enhance are:

- **Community life**
  These are communities that generate a sense of belonging, inclusion and cohesion. They are designed in a way that people can easily meet and interact, share experiences and find ways of maintaining their values flexibly so the community can evolve as needs and aspirations change.

- **Physical and mental wellbeing**
  Developments are designed and maintained in an accessible way to support the daily routines of people, promoting new forms of physical activity and social interactions. They reinforce the connections people have with nature and with each other.

- **Proximity with nature**
  Attractive open spaces are prioritised, with nature and the surrounding ecosystem embedded in every part of the development, which ensures support for biodiversity, recreational activities and social inclusion.

- **Respect for local architectural techniques and materials**
  There is an understanding of the context, history and the cultural characteristics of a site, integrating the development into the existing community in a harmonious way.
THE OTHER
HOUSING CRISIS:
ONE OF QUALITY
Through history, there have been recurring themes around what people consider to be a good place to live and grow: proximity to nature; being part of an active community; a place surrounded by natural beauty or the daily hustle and bustle of a city; a place that promotes wellbeing. It’s a place that creates a community whose members will grapple with important, existential concerns, but at the same time will enjoy a drink together at the nearest pub.

But where can you buy a house like that in the UK today? For many, it’s not a question they can afford to ask. For them, the question actually is: where can we buy a house, full stop?

The recent report by the Homeowners Alliance\(^1\) shows that 87% of adults cannot get on the housing ladder, 85% find difficulties saving for a deposit and 82% consider high house prices an important issue. For 84% of renting families in the UK new build homes are not affordable, even with the Help to Buy scheme.\(^2\)

Since the 2008 financial crisis, homeownership as a percentage of all tenure has fallen more in the UK than in any other European country. However, the expectation of eventually becoming a homeowner has not dropped.\(^3\) People want to continue owning at least one property because they believe it entails long-term financial and non-financial benefits.\(^4\)

Despite the ambition to own a home, 70% of under-35s believe the dream of homeownership has practically died.\(^5\)

Even where the homeownership dream becomes a reality, problems quickly arise. For a country that has prided itself on being a property-owning democracy, that first step into a new home should be a positive moment to aspire to. In the last few years, however, more people have found themselves with a new house that still needs to be completed or, even worse, needs to be rebuilt. According to Shelter,\(^6\) 51% of new homeowners said they have suffered problems with their new properties, including failures with the utilities, complications with the state of construction and barely finished fittings. According to the Homeowners Alliance,\(^7\) 45% of new-build homeowners are dissatisfied with the snagging process and 63% of UK adults are worried about the quality of their homes.

Homeownership in the UK is, therefore, plagued with problems relating to expectations. People have an idea of what a home should be, and then reality diminishes those aspirations, highlighting the difficulties of buying a home and dealing with other emerging problems after the purchase.

The UK finds itself in a housing crisis – that much is clear from the above statistics – but that crisis is about more than just supply and demand; it’s a crisis of quality and of homes that don’t reflect a changing society.
A changing society

By mid-2017, there were approximately 66 million people living in the UK – more than ever before – and, with projections showing constant growth, the population is expected to hit 73 million by 2041.8

Meanwhile, the concept of family has progressively and inexorably transformed. Figures show that the traditional nuclear family is in decline. People are living longer, and, compared with their parents and grandparents, women and men in the UK are getting married and having children later. Couples who are married or in civil partnerships are still the most common type of family, but the number of cohabiting couples has doubled from 1.5 million to 3.3 million over the last two decades. The number of young adults (20–34) that live with their parents has increased by 21% since 1996, totalling 6.6 million.9

In the UK in 2016, most households comprised two people (35%); the second-largest group consisted of those homes with just one person (28%), followed by families with four people or more (21%). Only 16% of families comprised three people.10

As a country we live longer than ever before. With an ageing population comes additional challenges such as increased adult social care requirements and isolation among the elderly. But loneliness isn’t unique to the elderly, 5% of adults in the UK have reported that they ‘often’ or ‘always’ feel lonely, but, more strikingly, 16-24-year-olds are more likely to feel lonely ‘often’ or ‘always’ than any other age group.11

These shifting trends mean that the old way of doing things will no longer cut it. In the last 100 years of British history, there has been a tendency to answer the need of housing by simply boosting supply. This tendency required massive state support and policies that enabled industrialised mass production of towns, villages and the re-development of large parts of cities.12

The government’s current target of 300,000 new homes a year and policies such as Help to Buy are simply the latest example of that tendency, adopting a simple solution to a complex problem.

But one of the greatest aspirations of people (a nice place and community to call home) is not best resolved with a mass one-size-fits-all solution for every site. At the macro level it’s resolved with time, thought and long-term commitment that recognises how complex the need is and tackles it accordingly.

For an increasingly sophisticated population, the home and its surrounding area are not simply ‘a machine to live in’, as Le Corbusier would say, but a space that people want to be part of to grow, to innovate in and ultimately to be happy in. It is not, then, a question of how to find a way for people to acquire a housing unit. It’s about people finding a place that they can call home: a great quality house in an environmentally friendly community, rather than just another accumulation of concrete boxes or steel frames. For the generations to come (especially those who will look for new homes in the next 10-20 years), those raised on choice and with an environmental consciousness, this won’t be enough.

TEN HOUSING CONCERNS TRENDING AMONG UK ADULTS

<table>
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<th>Year</th>
<th>2014</th>
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<td>68%</td>
<td>70%</td>
<td>65%</td>
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<td>Quality of homes</td>
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<td>62%</td>
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Source: Homeowners Alliance, 2019

PERCENTAGE OF HOUSEHOLD SIZE

- 1Person
- 2People
- 3People
- 4 or more people

A short history of British urbanism

It can be said that a golden thread running through the whole history of urban planning and housing in the UK has been, and is, about the quest to deliver places where a person doesn’t just simply live or survive but live well and thrive.

The 19th century

In the 19th century – the golden age of industrialisation – there were those who sought an alternative to the problems of pollution and the rejection of nature, the perceived loss of community and insufficient or overcrowded housing. A diverse group of people like Sir Ebenezer Howard, William Morris, Raymond Unwin, Joseph Rowntree and Barry Parker came up with the idea of a new kind of urban community. It would be a place where inhabitants lived near their jobs, in touch with nature and within walking distance of any facility or social activity that took place. Mixed uses, walkable and pedestrianised places and an overwhelming presence of the natural environment defined these urban communities.

This was the garden city as it was envisaged in 1898 by Sir Ebenezer Howard. A new urban environment would be born out of co-operation between different stakeholders and would include the following:

- Long term stewardship of assets.
- Affordable housing, mixed tenure and diversity of housing.
- Beautifully designed communities and homes.
- Easy commuting distance to a raft of job opportunities.
- An attractive array of cultural and social activities within walkable neighbourhoods.
- Well-designed and highly biodiverse green public spaces.
- Strong support for communities and their inhabitants to grow their own food.

All these new communities would bet on the initiative and co-operation of their inhabitants who, in turn, would be in contact with other related communities through a public transport network – a municipal or district train.

The 20th century

The ideas set out above would arise again and again throughout the 20th century because certain underlying problems did not have a single or definitive solution. This continued after the Second World War with planners devising new types of peripheral urban development, such as Milton Keynes, as an alternative to the overpopulated and polluted city of London.

This city was planned as an economic development centre connected by a network of motorways and railways to other similar centres. The top-down urban design of the welfare state and centralised planning were complemented by the enthusiastic participation of local organisations and residents. Planners with grassroots organisations and historic neighbours decided the location of housing, sources of work and places for leisure.

The design of Milton Keynes included low rise and low-density districts alongside extensive green space and two parks within two existing valleys that have lagoons that control the risk of flooding. Additionally, almost anticipating the change of its own industrial origins, the urban plan embraced a flexible design, facilitating future land reuse and infill to meet changing community needs.

Despite the struggles along the way, Milton Keynes does reflect a time when architects and urbanists experimented with new techniques, visions and materials. Some may have failed, but they represented a continuation of 19th century values, adding their own innovative ways of solving age-old questions: the importance of green areas, flexible spaces to allow the fulfilment of future and unpredicted needs alongside a top-down approach toward planning with a strong emphasis on public participation.

But efforts to create great developments founded on good placemaking haven’t been relegated to a romantic, post-war memory. There are currently many Community Developments flourishing throughout England: Derwenthorpe, York; Nansledan, Newquay; Stamford, Lincolnshire; Poundbury, Dorchester; and Woodstock, Oxford to name a few. These examples are successors to the ambitions pioneered by Howard, Morris, Rowntree and others: human scale and a mix of uses.

“Housebuilders manufacture houses not places.”

LORD TAYLOR OF GOSS MOOR
A key word for the remainder of this report will be ‘patient’. It’s not typically a word associated with real estate development, but to achieve placemaking of the calibre that can truly be a successor to Howard et al, it’s critically important.
A patient approach to Community Developments means:

01 Taking a long-term view at the outset of a project.
02 Accepting a deferred approach to financial returns, which can lead to greater long-term returns.
03 Measuring the success of developments through a social and environmental lens.
04 Prioritising the design and placemaking of a scheme through a masterplan and design codes.
05 Placing greater emphasis on community and local authority engagement.
06 Re-thinking the business-as-usual approach to social housing, streets, retail, green spaces and social infrastructure.
07 Putting in place a stewardship model to maintain the on-going quality of the place.

While those able to take a long-term view and deliver the patient approach to placemaking often have landed estates, institutions and charitable trusts, the basic principles are universal. However, the examples below also highlight the necessity of long-term funding streams such as pension funds, which landowners and site promoters more generally need to consider. The following cases reflect many of these characteristics, each with a different focus depending on its original motivations.
A long term perspective

"Poundbury functions as a community in its own right, rather than an urban extension. It functions like the vision of the garden cities or like the ‘villages’ of London or indeed the villages of the new towns, where neighbourhoods were designed with their own shops, churches and church halls" says Lord Taylor of Goss Moor.

The first development that once again refocused English urbanism on those 18th century garden city ideals was Poundbury, located on the border of Dorchester in County Dorset. In 1988 West Dorset Council decided to allocate a new housing development on a 400-acre site, owned by the Duchy of Cornwall, to extend the original core of the town.

That was the starting point for a co-operative exchange between the Council and HRH The Prince of Wales, who already had, back in the 80s, a strong opinion about the post-war architecture and image of the town. To develop the urban masterplan for the area, architect Leon Krier was appointed with the challenge of integrating two urban pieces: the place that had historically been Dorchester and the place that would be the future Poundbury. This plan was achieved in a co-design process with the local neighbours and inspired by the vernacular architecture of the South West of England. The masterplan divided the site into four distinct quarters, each corresponding to a phase of development. The first phase started in October 1993. More than 30 years later, by 2025, Poundbury is expected to add about a quarter to Dorchester’s population – roughly 5,000 people.

By 2018, there were 1,410 completed homes, with 33% affordable housing, and a population of around 4,500. At first, the project was criticised, disregarded as snobbish, patriarchal and even feudal. But soon the English urban and architecture establishment found value in Poundbury’s core ideas: dense mixed-use walkable neighbourhoods, tenure-blind affordable housing spread throughout the scheme, the necessity to return to human scale, the belief that current forms of construction were invasive and that it was time to rethink things in an environmentally friendly way.

Commissioned by: Duchy of Cornwall
Masterplan by: Leon Krier
Buildings shown designed by: George Saumarez Smith at ADAM Architecture and various design architects
Developed by: CG Fry, Morrish Homes and Zero C
Number of housing units projected: 2,700 (projected)
Region: South West
Area: 400 acres
Starting construction date: 1993
Population (2019): 3,800
Beyond its aspirational goals, Poundbury also adds serious economic value to the area. According to Poundbury’s economic impact report in 2018: “Once the development is complete, around 2025, the development phase alone will have added on average about £238 million GVA to the local economy and provided almost 5,000 person-years of employment.”

Thus far, the development of Poundbury has seen an increase of almost £98m per annum to GVA in the region, creating 1,600 full-time equivalent jobs. HRH The Prince of Wales and his team achieved this through detailed planning during each part of the development process, always considering the community, its characteristics and its needs and staying true to a vision.

There was a vision behind Poundbury for an integrated business model that constantly tried to integrate different stakeholders from the area into a larger value chain. That vision urged developers, SMEs, architecture studios and construction firms to promote social and economic changes in every stage of the process. As Ben Murphy, Estate Director for the Duchy of Cornwall, says: “I wanted to work with developers who would pay a fair price for the land and commit to achieving socio-economic objectives.”

This approach can be measured by the success of creating businesses around the Community Development. As of 2017, 185 businesses have been created in Poundbury, employing 2,340 people. Significantly, the town was able to support the entrepreneurship of its newcomers: 50% of those businesses were launched from Poundbury itself, many of them small independent artisan shops, delis, and boutiques.

While measuring the full effects of a new development takes time, some of its most distinctive features stand out immediately. The strength of the positive influence of Poundbury for local people and places has encouraged others to do the same, spreading recognition of the importance of values like sustainability to places like Derwenthorpe near York.
“There is a class of projects beginning to emerge, which is making the case for a patient approach to achieving great placemaking.”

GAIL MAYHEW
PRINCIPAL, SMART GROWTH ASSOCIATES
DERWENTHORPE
YORK, YORKSHIRE

In 2011, The Joseph Rowntree Foundation, as part of many other residential developments, started to build a Community Development—planned and developed as a socially and environmentally sustainable community to meet 21st century needs—called Derwenthorpe. It sits on a 21.7-hectare site, which will eventually include 540 homes.

Derwenthorpe was created as an extension of York, with strong connectivity, public services and transport infrastructure for future residents. Planners designed a mixed-use urban area, which would be delivered with eco-friendly construction techniques and would include schools, nurseries, surgeries, supermarkets, a library, a post office, and a health club. It would also include walking and cycle paths as a conscious alternative to driving.

This multi award-winning Community Development is focused on delivering sustainability from different angles:

- **Low-carbon homes**
- **Encouraging environmentally conscious habits and behaviours among residents**
- **Promoting inclusion through a tenure-blind model, a mix of tenures and by promoting engagement in the community through social media.**

All these people are supported by the Derwenthorpe Residents’ Association, set up by The Joseph Rowntree Housing Trust to represent their needs. Thanks to the growing ease of measuring the environmental impact of residents and their homes, the impact of Derwenthorpe, a space purposely developed with environmental consciousness, is obvious.

For example, average individual carbon footprints are 13.66 tonnes of carbon dioxide in Derwenthorpe, compared with 16.24 tonnes from other low-carbon communities and new developments, such as Lancaster Cohousing, Ashton Hayes in Cheshire and BedZED in London.

This was achieved by designing homes with high levels of insulation/airtightness; water restrictors; low-energy fittings; mechanical ventilation systems and heating from a communal heating facility powered by a combination of biomass and natural gas.16

An interesting feature of this development is the change in people’s sustainability habits and food consumption. A community garden and pop-up shop for organic bread, fruits and vegetables has been set up.17 All residents recycle, and many more use the kitchen recycling bins than they previously would have. Encouraging small behavioural changes in this way will, it is hoped, empower people to help in the battle against waste.18
With a mix of tenures and by avoiding clustering residents by demographic, Derwenthorpe has consciously brought older residents in contact with young families, couples with single people and renters with owners.
NANSLEDAN
NEWQUAY, CORNWALL

Commissioned by:
Duchy of Cornwall

Masterplan by: ADAM Urbanism,
Leon Krier, Colum Mulhern,
The Prince’s Foundation

Buildings shown designed by:
Hugh Petter at ADAM Architecture
and other architects

Developed by: CG Fry & Son,
Morrish Builders and Wainhomes

Number of housing units projected:
174 (completed) 4000 (projected)

Region: South West
Area: 540 Acres
Starting construction date: 2014
Population (2019): 400 (estimated)

Another Community Development initiative from the Duchy of Cornwall, Nansledan, develops many of the positive principles upon which Poundbury is founded. It marks the next stage in the evolution of the Duchy’s community engagement approach.

Emerging as an urban extension of Newquay, Nansledan is a 218-hectare development that builds on and evolves the vernacular architectural patterns of Cornwall with plans to create 4,000 new homes.

Understanding the needs of the local community in Newquay started with engagement with different stakeholders in the area: “For more than six years we had monthly meetings with the Local Planning Authority,” Nick Pollock, Head of Planning for the Duchy of Cornwall, says.

Nansledan’s designers knew full well that people want more than just four walls and a roof and that they have a clear idea of what they want for their community. They also know their own history and the defining features of their natural environment. This is reflected in details ranging from the Cornish street names to the use of local materials for construction.
A key foundation for the Nansledan development was its ‘Pattern Book’. The idea behind the book was to provide a framework for each step in the development, from the design to the planning process and construction. Equally important was its role as a conversation starter with local stakeholders and indeed was an organic document responding to these local stakeholders. “This Pattern Book became the central point around which people began working together with us to design and develop the plan. The Pattern Book allowed the historical neighbours to see their own home town from a perspective that they have not seen before, but importantly they could still recognise it as theirs,” says Hugh Petter of ADAM Architecture, masterplanner and coordinating architect for the Nansledan development.

PATTERN BOOK
As a tangible product, generally promoted by the developers, it should provide essential information to different parties about the design characteristics of the place where the Community Development will take shape: typology of the buildings, typical local architectural styles and urban spaces. It should focus on the new development area and its potential for urban growth. It should reinforce the areas existing successful qualities, while inviting a transformation of negative ones. It should set out the basis for the addition of housing, shops, industrial units, places for worship and other facilities. All these features should be framed under an umbrella of sustainability.

Key characteristics of the community development
- Enquiry By Design
- Commitment to use locally sourced materials
- Traditional construction methods combined to produce energy-efficient buildings
Nonetheless, Nansledan is already proving to be a huge success from a pricing perspective, commanding a 20% premium over new builds in other parts of Newquay, while providing 30% affordable housing. This is a wider theme we see where genuine placemaking happens. Research from the Prince’s Foundation shows that for Community Developments in Cornwall (not specifically Nansledan or Poundbury), the improvement on sales prices on a well-designed scheme over a standard scheme are on average between 20% – 25% (though the increase in price will not necessarily benefit the landowner or the developer and could fall to other parts of the value chain).

So far 1,500 of the 4,000 new homes have planning permission, and about 200 have been built.20 It also found that, taking into account additional build costs, houses built in areas of genuine placemaking commanded a price premium of 9% (for four-bed homes) to 18% (for three-bed terraces) over similar houses in other areas, resulting in an enhanced margin of £10,000–£20,000 per market plot.21 According to some studies, the values per hectare are higher in these types of developments in contrast with the typical suburban residential developments. The value of the first properties being built is retained, and those cases show little erosion compared with new properties. And even more, these developments have shown a more resilient structure against the fluctuation of the real estate market.22

The same research also highlights that resale values on one well designed unspecified site in Cornwall was achieving an average price growth of 18% over two to three years compared with 3% on a scheme outside a Community Development in the same area of Cornwall. Because of the collaborative and patient approach advocated by the landowner and the development team its planned size has grown from 400 to 4,000 homes. There is also a commitment to one job per household and to spend as much money on the local economy as possible.
A new breed of good placemaking
The patient approach to creating communities

Since 2013, a Community Development near one of England’s most famous Elizabethan houses and home of the Cecil family, Burghley House, has built 70 new homes, including affordable ones.

The motivations behind generating positive outcomes from a Community Development vary. In some cases, the development is focused on the environment, others in wellbeing and, in this particular case, on preserving local heritage and reinforcing existing social, cultural and charitable activities.

Burghley has remained a family home with deep roots with the local community. The family has historically been involved in charitable activities for the people of Stamford, which in many cases are funded by the economic resources generated by the Estate. Such is the case of the Lady Dorothy Cecil’s Charity, established in 1605 to provide financial assistance for education for those who live in the area. Another example is the Burghley House Preservation Trust Limited, created in 1969 to propagate historic and aesthetic education with special emphasis on the preservation of a building with national importance – Burghley House.

Given its long history of social involvement and its emphasis on maintaining this important Elizabethan heritage site, the Burghley Estate is building new homes as an additional income stream that matches its spirit and raison d’être. Of the first 70 homes, the initial 24 delivered were affordable ones, and the first tenants were locals. The development also included the erection of a new local football stadium with 1,500 seats, a training pitch, and a clubhouse. In order to promote a greater mix of uses, the design also includes function rooms and office space.

What is clear in this Community Development and the Estate’s future plans is that, far from being a Downton Abbey reincarnation in Stamford, the estate pursues openness with the local community, preserving their mutual vernacular characteristics. Moreover, the trust, as a charitable entity, provides services to older people, people with disabilities and children.

Commissioned by:
The Burghley House Preservation Trust

Masterplan by:
Hugh Petter at ADAM Architecture and Morris Homes Ltd

Buildings shown designed by:
Hugh Petter at ADAM Architecture and Morris Homes Ltd

Developed by: Morris Homes Ltd

Number of housing units projected: 70 (completed)

Region: East Midlands

Starting construction date: 2013

Population (2019): 121 (estimated)
Located where the world’s first transatlantic phone call took place, Aviva and Urban&Civic’s 1,168 acre development in Houlton will deliver more than 6,200 homes over the next 20 years. Given its magnitude, it has to include and fund all the facilities and public services required for a self-sustaining community, including three primary schools, a GP surgery, a secondary school, a new district centre as well as community facilities and open spaces. There is an adventure play park, a restaurant and a visitor centre.

It is adopting principles essential to good placemaking. Following the strategic lines established by the local plan, each development on the site has its own design code approved by the investors, developers and local authority. As the Senior Director from Aviva Investors, Lynn Smith, remarks: “Getting planning consent is intrinsic to what we do, but we don’t want to end up with rows and rows of houses; it doesn’t work and it doesn’t create place. There is a direct correlation between good place and value.”

After obtaining planning permission, the Community Development started to build the first homes in 2017, so far completing 214. Interestingly, the developers have, on average, sold those properties at 16.8% below their target price in the three completed areas. In the most recently completed location, the figure is 24% below their target. In other words, across those 214 homes, they have only sold 34 above the target price. If that pattern continues, it will take four years for the development to see any returns, and only after that will the project be financially balanced. That might sound counterintuitive, but those behind the project expected it and, in fact, have made that patient approach one of their objectives.

“Our returns match our pension commitment for that particular fund, so we will get 8 – 9% growth over the piece. The first 10 years, generally speaking, on a site of this size there is no return because of the cost of delivering the infrastructure and the community facilities. However, in Houlton we are about to go cash positive after four to six years which is very good going,” Lynn Smith says.
Putting in place a stewardship model to maintain the on-going quality of the place

Situated on the outskirts of Oxford, the Blenheim Estate has been administering land sites and residential and commercial properties for over 300 years. The soul and anchor of the estate is Blenheim Palace, birthplace of Winston Churchill and the only residence of its kind that uses the term ‘palace’ without being a Royal or Church asset.

Most recently, the estate has started work on the 300-home Park View development with its partner Pye Homes. Although the first phase, scheduled to complete in 2021, focuses on homes of up to five beds for sale and rent, later phases will include affordable homes for rent and shared ownership in partnership with Oxfordshire District Council.

Given the estate’s illustrious past and its position as a unique example of British Baroque, there is a concentrated effort to preserve its legacy. Misfortunes and economic fluctuations over hundreds of years created the need to form a dedicated team to manage all the Blenheim assets. That team now oversees so many diverse activities that its economic impact tops £100m per year.

Between 2016 and 2018, its investment in construction and property developments totalled £13.5m. For the estate, however, that investment goes beyond its desire to maintain the site. When it announced the Park View development, it cited ‘Landowner Legacy’ – the idea that landowners have a social and economic responsibility to their communities – as a major driving force behind the scheme.
Re-thinking the business-as-usual approach

Close to one of the most innovative, dynamic and productive places in Europe today, a new Community Development is planned just 19 miles from Cambridge.

On an historic airfield that played a key role in the Second World War, Crest Nicholson has planning permission for 4,500 new homes and 10 acres of employment land. Inspired by the garden city movement, this emerging ‘garden village’ aspires to deliver a low-carbon, smart, sustainable development. Because of the magnitude, the designers have planned retail floorspace and community uses, primary and secondary schools, elderly accommodation and green spaces.

Interestingly, the developer behind the project is ENGIE, the sustainable energy services & regeneration provider. As an investor, producer & developer, ENGIE’s business model enables it to take a long-term view and adopt the more patient approach to development. ENGIE can provide a ‘plug and play’ style model for house builders, which involves fully serviced plots, thereby cutting out the capital-intensive work so housebuilders, small and medium size builders, care operators, leisure and retailers, who can concentrate on building quality of their specific endeavor.

In addition, ENGIE will put the infrastructure in place to be the energy supplier once residents have moved in, which gives them an additional revenue stream.
The golden thread that connects our new breed of great places as exemplified by previous section is the role of great design. These are not places that have been designed as ‘dormitory towns’ for people just to sleep in before getting up and commuting into a city centre or neighbouring town to work. They are places that have been designed for people to live, work, learn and play: places that can be economically, socially and environmentally sustainable.

Good design should enhance streets, green spaces, parks, infrastructure and homes. It should appreciate how features such as trees, street furniture, the position of street lighting, electric charging points and the accessibility of retail and residential all play a fundamental role in the formation of the community. That community, in turn, will eventually become the long-term custodians of place and design.

But good design also adds value by expanding the economic possibilities in an area in a way that’s beneficial to both society and the environment.

Good urban design adds economic value by:23

1. Responding to occupier demand.
2. Helping deliver more lettable area (higher densities).
3. Reducing management, maintenance, energy and security costs.
4. Contributing to more contented and productive workforces.
5. Supporting the ‘life-giving’ mixed-use elements in developments.
6. Differentiating places and raising their prestige.
7. Opening up investment opportunities, raising confidence in development opportunities and attracting grant monies.
8. Reducing the cost to the public purse by rectifying urban design mistakes.

Good design adds social and environmental value by:

1. Creating well-connected, inclusive and accessible new places.
2. Delivering mixed-use environments with a broad range of facilities and amenities available to all.
3. Delivering development sensitive to its context.
4. Enhancing the sense of safety and security within and beyond developments.
5. Returning inaccessible or run-down areas and amenities to beneficial public use.
7. Creating more energy-efficient and less polluting development.
8. Revitalising urban heritage.
“10 YEARS FROM NOW I DON’T WANT TO SEE A BUNCH OF HOUSING ESTATES IN THE COUNTRYSIDE WHICH ARE PREDICATED AGAINST PEOPLE COMMUTING INTO LONDON. I WANT TO SEE PLACES THAT ARE SUSTAINABLE COMMUNITIES.”

LORD TAYLOR OF GOSS MOOR
A place that engenders civic pride also has many ingredients that will support the physical and mental wellbeing of its residents. These ingredients are diverse and involve every aspect of a development. Well-designed places should also prioritise a mixture of uses which are positioned across a Community Development as opposed to creating separate zones for business, retail and housing.24 Most people will pay more for a well-connected property away from too much noise, pollution and one-way streets that is also within walking distance of greenery and local amenities. Significantly, using traditional features like pedestrianised areas, two-way streets and locally-referenced vernacular architecture can also trigger higher values and command an aggregate price premium.25

The key to promoting a socially diverse community is designing developments that allow for ‘housing of choice’. Residents’ levels of satisfaction increase where the design of houses has considered people’s different needs, as it does in Derwenthorpe. In this case, 66% of the residents were ‘very satisfied’ with their homes – above the national average of 59%. Many studies have proven that mixed-tenure communities facilitate social interactions without invading the privacy of residents. In a changing society, these models ensure integration among varied populations that would usually have different lifestyles, household sizes, ages or ethnic profiles.26

Good placemaking can also be seen as a vehicle to support social mobility. All too often affordable housing is treated as an inferior to market rate units, a fact reflected in design, positioning and specifications. Many of the Community Developments in this report, however, stand out because affordable housing is completely integrated with private housing, making it impossible to distinguish which one is which. Having achieved more than 30% affordable housing and embracing truly socially mixed communities, Derwenthorpe was recognised as the ‘Best Affordable Development’ by Inside Housing in 2017.26

The existence of affordable housing is a key part of the economic motivation for the Community Development model. A strong argument in favour of mixed tenure is that there is no evidence that mixed tenure negatively affects house prices or the rhythm of selling properties. In fact, Charles Dugdale, partner at Knight Frank, uses the Blenheim Estate as an example of the importance of social housing in a developer’s business model: “Blenheim intends to hold onto all of their social housing and they predict they will receive a gross yield close to 10% and a 8% net yield, with minimal to no void, and because they are good quality homes they will last for 100 – 200 years. We will solve the so-called housing crisis when affordable housing is an institutionally accepted investment class that generates an attractive development yield. Blenheim is showing us how.”

Housing

People value the internal connectivity that comes from smaller blocks and easy pedestrian access to commercial buildings.26 Most people will pay more for a well-connected property away from too much noise, pollution and one-way streets that is also within walking distance of greenery and local amenities. Significantly, using traditional features like pedestrianised areas, two-way streets and locally-referenced vernacular architecture can also trigger higher values and command an aggregate price premium.25

As property and regeneration consultant Gail Mayhew, Principal at Smart Growth Associates points out: “In delivering stewardship-led, whole place developments we can be much more efficient in how we deploy our assets and resources. This must be sensitive to context and location. If we are successful we will change the fortunes of places, making them more attractive and competitive. High quality placemaking will enable us to deliver on numbers by stimulating demand; and deliver on affordability through more effective use of land and infrastructure, and by helping change people’s life chances through building in new employment and business opportunities. But this is a medium to long term activity, requiring a specific set of skills and needs to be backed by long term funding.
Green spaces

Green spaces and trees – besides helping the environment by providing natural relief against flooding, soil erosion, water pollution and by absorbing CO2 – provide physical and mental health benefits to the community. They are not afterthoughts or window dressing for Community Developments.

Historically, there have been consistent studies about the benefits of meaningful green space and trees on mental health. Including them in your design ranks highly on the Design Council’s list of things urban planners and architects should implement to improve people’s wellbeing.

Nansledan has led an evolutionary leap (or perhaps a renaissance) in the provision and use of green spaces. Alongside the will to promote a landscape that respects Cornish native flora – reflected in the design codes – the project has a ‘food strategy’ in order to encourage people to think about local food, how it’s grown and what individual households can do to contribute to growing more. As opposed to developing public squares with ornamental trees, they have embraced community kitchen gardens and orchards and planted ‘edible streets’ so outside front doors the community have access to food they can use.

Sticky streets

It’s a common mistake to think of streets in a new development as a place just for cars. People use streets for many reasons: to reach a particular place, for leisure, to meet others and to linger and take in the view. Designed well, the street is the place where commercial, cultural and social interactions happen. It’s crucial, therefore, to create streets that facilitate a diverse set of activities and dynamics that will ease economic, environmental and social changes over time.

In order to promote vitality, a well-designed street requires a sensible approach to enhance the many roles that take place there. In the UK, more people are walking more of the time. Pedestrians need continuous and unobstructed paths, appropriately lit spaces, inviting building facades, shaded places to rest and walk and wayfinding signs for a safe and comfortable street experience. Mobility is similarly a key challenge, and a street must be adaptable enough to accommodate all the different ways people and vehicles use it.

In a phenomenon known as a ‘sticky street’, streets in locations such as Poundbury and Nansledan are consciously designed to attract people, creating a place that goes far beyond just a passable area; they become a public space that invites people to stay. In these places, much of the area’s character is centred on the traditional, almost chaotic streets that twist and turn around the town. They simultaneously slow traffic, making it walkable, and draw attention to the architecture around those who wander down these streets.

“It’s about bringing good, sensible street design to the party with good movement planning and putting the pedestrian and cyclist first rather than the car, which seems to have been the norm for many decades now” says Andrew Cameron, director of Andrew Cameron & Associates and author of the Government’s ‘Manual for Streets’.

FREQUENCY OF WALKS OF 20 MINUTES OF MORE (AGED 2+), ENGLAND, 2002 TO 2018

Source: National Travel Survey, 2019
Retail

But in a time when local government is promoting pedestrianisation, high street shops are dying. This is partly because the way we shop is changing, and this change is explained by factors like the explosion of e-commerce, customers’ need for new retail experiences and a desire to seek out new and independent brands. Successful retailers, understanding the changes in user behaviour, have adapted by providing activities around their main commercial use. Examples include coffee shops within bookstores or nail salons in fashion boutiques. Opening up spaces for out-of-hours uses such as a yoga studio or cultural events enables retailers to create a relationship with their customers around their main commercial use. Examples include user behaviour, have adapted by providing activities like a slide from their bedrooms into a swimming pool, but instead the number one request from the children was to be able to walk to the new school.

The importance of good schools is too often considered to be a burden. This is rejected by Aviva’s Lynn Smith, who witnessed a sharp uplift in sales figures on the Houlton development following the release of a positive Ofsted report on a pre-opening inspection of a school coming to the development. “I would challenge anyone who would say that the provision of schooling does not influence your sales levels,” Smith says. Given fast changes in technology, urban space needs to anticipate new infrastructure requirements.

Schools

It is not only the design of public spaces and infrastructure that makes a place great; social services and facilities such as a good school also play a pivotal role. Gail Mayhew argues that if there is one single thing you can do to make your scheme successful it’s including a good school. The positioning of schools in the community development is also key. At a public consultation for the Sherford Community Development, Nick Tubbs and his team met with local children to learn what they wanted out of the development. They had expected to hear a range of wild ideas like a slide from their bedrooms into a swimming pool, but instead the number one request from the children was to be able to walk to the new school.

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Future proofing

Take the example of electric vehicles (EVs), which will change the way we live and the way we move around our towns and cities. Streets and houses need to adapt to those changes in order to facilitate future mobility, and that’s far from straightforward.

EVs can recharge at multiple locations and in many ways. Depending on the urban context, planners need to decide whether to choose public provision, private provision or both. They also need to consider the infrastructure needed to deliver that electricity: alternative current (AC) charging, direct current fast charging (DCFC) or wireless charging. Most of the time, these projects require underground works, making baseline studies absolutely crucial.

We are now experiencing changes that will require an urgent update to infrastructure design such as a steady and constant growth of the registration of alternatively fuelled vehicles. There was a large increase in Q1 2019 and the vast majority of this growth is explained by hybrid electric cars (64%).

The same applies for electric scooters and bicycles, forecast growth for which is positive. “Electric bikes and electric scooters are only going to increase in use,” says Cameron. “They are opening up or reopening up cycling to new generations and older generations, people who couldn’t ride a bike or didn’t ride a bike because they didn’t have the energy.”

This highlights a broader point: a key factor in creating resilience in a Community Development is building in flexibility. Depending on preliminary baseline studies, flexibility should be different from space to space. Flexible urban design of public spaces (and, equally, their uses) enables the promotion of sustainable development based on the guarantee that any kind of social interaction will be able to take place anytime, anywhere in that same spot. Flexibility should be enabled through minimal regulation and easy reconfiguration of a space.

This flexibility, which is also seen in the open-plan movement, manifests a kind of informalisation where the line between public–private and formal-informal has blurred. It also applies to the interior design of homes, where open-plan layouts, combining living rooms and kitchens, are now a common feature. Hierarchies have dissolved, promoting accessibility for all kinds of people and an increase of multifunctional spaces.
ORGANISING GREAT PLACEMAKING: LEGAL STRUCTURES
At the outset of a Community Development project, it is essential to give due thought to the legal structuring that will underpin the various stages of the scheme, from design evolution through construction through to the ongoing estate management. It is the legal documentation, imposing binding contractual obligations on the various parties, that will ultimately ensure that construction and subsequent maintenance and improvements are carried out to the desired standards and, crucially, that such standards are maintained.

The legal documents create the structure which embodies and preserves the original spirit that motivated the design and construction of the development from a social, environmental and design point of view. They also set out the mechanism to deliver the financial returns according to the commercial agreement made between the parties.
There are two principal phases that are governed by these legal structures:

**Design and construction phase**

The legal structures established at this stage set down the Project Principles and Common Aspirations / and supported by a Pattern Book or Design Code that the landowners and developers will have agreed are to govern the future evolution and delivery of the scheme. Typically a Development Agreement will be entered into at this stage, and the way that agreement operates can vary according to chosen structure.

**Post-construction process and estate management period**

In order to ensure that the standards of design and build achieved at the construction phase are maintained to the requisite standard, a workable model will need to be put in place for the ongoing management of the place that has been created. Later in this report, we explore how this might be achieved.

“If you make development decisions with a much longer time horizon in mind then you achieve much better outcomes for communities.”

CHARLES DUGDALE
PARTNER, KNIGHT FRANK
Achieving Community Developments with great standards, like the places explored in the previous chapters, comes from the recognition of local particularities and a long-term horizon of community involvement. Good design requires landowners, house builders, the community, local authorities and architects to work collaboratively to take a case-specific approach to what the urban environment needs to thrive. This invariably means it takes longer, and is likely to entail a slower return on investment.

For a volume housebuilder who is responsible to its shareholders (with quarterly reporting and an aggressive capital return requirement) delivering developments of this type might not be viable with its current way of working. Therefore, the problem we need to face in the development of places is the tension between the time required to build something of real social and economic value and the desire and need to build quickly.

The future large-scale Community Developments that will take up the baton from the likes of Poundbury and Derwenthorpe are likely to be spearheaded by long-term landowners.

Most landowners prefer to involve a development partner or partners. The choice of partner is vital to the success of the scheme. The developer needs to respect and buy into the landowner’s values.

Specialist tax advice should be sought as the legal structures required to give landowners control over construction standards are more likely to result in trading income (and so income tax) arising than is the case in straight sales.

Collaboration is the key to successful placemaking. Many consider the Enquiry by Design public consultation process to be the usual way to go about the participatory process in a development.

Once the developers of a large site earn the trust of the community through taking time to listen to their concerns and finding ways to tune the development in response to local needs, the local area will more likely accept and welcome the vision laid out in the planning application.

Community Developments can benefit the local economy during the construction phase of the project where the development uses local sourced materials and skills.

An important factor to establish at the outset of a Community Development project is related to the ongoing management of the area. It is the establishment of an effective management regime that secures a lasting and positive legacy.
They will have an interest in the long-term performance of the community and act as natural custodians – in partnership with planning authorities – of good quality development.

We say ‘in partnership’ because landowners large and small cannot simply do what they want with their land; it’s necessary for them to work closely with the local planning authority. Even in cases where the landowner is the local authority, it needs to consider the local development plan and whether a particular place is suitable for achieving the goals of that plan. Although several of those interviewed for this report between November and December of 2019 mentioned that more local authorities are asking how they can replicate the success of Community Developments, against a backdrop of housing targets and budget cuts, it will take a visionary local authority to pursue a patient approach to community development.
Choosing your developer

Some landowners will be prepared to promote and develop land themselves. They will retain full control and take all the upside of the development if successful. On the other hand, the landowner takes all the risk. They may not have the necessary expertise and the costs can be considerable. There is a good chance the landowner will need to borrow money from a bank and some larger landowners may be able to seek a private placement (an arrangement typically with an insurance company or pension fund). Most landowners prefer to involve a development partner or partners. The choice of partner is vital to the success of the scheme. The developer needs to respect and buy into the landowner’s values.

Modelling

Before embarking on a planning application, the landowner will need to project future costs and returns and consider the impact on these of involving a development partner. Most landowners will need specialist help in modelling alternative financial and development structures.

Legal structuring

If the landowner carries out the development without help from a development partner, it will need to put in place the necessary funding arrangements and appoint certain professionals such as architects to help bring the scheme forward.

Where there is a development partner, careful thought will need to be given to the most appropriate legal structure to preserve the integrity of the build and protect the landowner’s interests.

A model that is often used is the grant of a ‘build licence’ to developers. The majority of the Poundbury Estate has been constructed pursuant to build licences granted to the various developers. Under the build licence, the landowner retains the title to the site up to the point of sale of the houses once built. The developer has wide-reaching rights to develop, market and sell dwellings. The landowner has the key right to certify that dwellings and indeed public realm have been completed to the requisite design and standard. Depending on the financial agreement, the sale proceeds for each house are split between the landowner and the developer in agreed proportions. By retaining title to the land, the landowner is able to exercise a high degree of control over design and construction standards.

Some developers and funders struggle with the build licence structure – largely on account of the absence of land interest - and insist on purchasing the freehold up front, often in phases. Whilst linking the phasing of sales to delivery of the scheme can help the landowner ensure that design standards are delivered, there are greater challenges in ensuring control once legal title to the land has passed. Principally, the landowner loses the effective sanction whereby the developer is not entitled to direct the transfer a dwelling to a purchaser if there is a breach of design standards.

A workable hybrid is the development lease. Here, an agreement will be entered into which provides for the grant of a lease to the developer once certain conditions (perhaps linked to planning or funding) have been met. The lease will govern how the development is undertaken and incorporate provisions to ensure that the relevant design standards are adhered to. As the development is built out, the lease falls away and the units are sold to end buyers. The grant of the lease gives the developer a proprietary interest in the land which affords the developer greater influence and is often required by its funders. From the landowner’s perspective, the disposals only occur once works have been satisfactorily completed and so the landowner also retains a degree of control through a conventional landlord and tenant structure.

Most landowners prefer to involve a development partner or partners. The choice of partner is vital to the success of the scheme. The developer needs to respect and buy into the landowner’s values.
Generally speaking, land is held as a capital investment and so any gains are subject to capital gains tax (for individuals) or corporation tax (for companies).

However, development profits are treated as trading income for tax purposes. This can have significant consequences for individual or trustee landowners as they will become liable to income tax and so, generally, a higher tax rate. It is also an issue for charities as a charity is only permitted to carry out limited non-primary purpose trading without being subject to tax on the resulting profit. Charities can therefore become liable to pay tax on development profits.

Profits can be taxed as trading income (rather than as capital sale proceeds) after the relevant party has formed an intention to develop the land. This is partly a subjective test, and there is no universal rule, but typically the line would be crossed once development work begins. So, for example, the laying of infrastructure is treated as trading.

Specialist tax advice should be sought as the legal structures required to give landowners control over construction standards are more likely to result in trading income (and so income tax) arising than is the case in straight sales.

There are potential VAT, inheritance tax and stamp duty land tax traps too and so specialist tax advice should be sought. Tax suspension provisions may be appropriate in longer term agreements where there are concerns over net receipts if tax rates reach a particular point.
The patient approach to creating communities

The co-design process will include the following stages:

a. Baseline studies:
This is the basis for analysing the topography, the urban and architectural landscape and other physical characteristics of a site, the adjoining settlement and hinterland. Baseline studies form the informational frame that will help contextualise the masterplan.

b. Principles that will drive the community development:
Here, the developers begin a process to identify and prioritise the values and goals that drive the Community Development. These principles may change over time, especially once engagement with the local community starts, but they guide the whole project and inform the main goals and objectives of that place.

c. Pattern Book:
Development of a Pattern Book and/or Design Code is crucial to support the masterplan. This is a tangible product, generally promoted by the developers, which should provide essential information about the design of the place where the Community Development will take shape. It explains the character of the architecture of local buildings and urban spaces, typical styles, materials and details seen in the area and the potential for future urban spaces. It should focus on the new development area and its potential for urban growth. It should explain what works and doesn’t work in an area, inviting a transformation of those negative patterns and reinforcing the positive ones. It should be the basis on which the development starts, but they guide the whole project and inform the main goals and objectives of that place.

d. Participatory process: the backbone of Enquiry by Design:
This is the on-site co-design and planning workshop that involves the participation of local stakeholders and organisations. The participatory process should start from this step but it’s ideally a never-ending process where people engage and commit to adopting and maintaining certain patterns and community goals. It should feed the planning process and establish the foundations of stewardship – another major theme in good placemaking that we will return to later.

e. Design and community code:
A design and community code provides covenant control to maintain the vision of a development and the quality of the public realm. The code presents strict rules for the site’s architecture, street patterns or landscaping. It might also provide guidelines or regulations around things like advertisements on the street.

The participatory process should continue throughout the construction of the Community Development, drawing in opinions from all relevant stakeholders (even those with limited connection to the scheme), highlighting new suggestions, solutions and alternative ideas in regards to the management of the construction. It will act as a catalyst in bringing further engagement to boost the economic and social development of the area.

With the goal of good placemaking in mind, developers can use the code to promote improved design quality, sustainability and a better, more organised process in general. But the main purpose of a code is to boost confidence in those involved in the process and certainty in the main indispensable features of the Community Development. It increases restrictions in planning but in a way that gives homeowner comfort that the vision they buy into will be sustained and that everyone living in the community signs up to the code.

Although writing a code isn’t common in the UK today, historically it was widely used on old urban estates in London, Bath, Edinburgh and other cities, many of which are now conservation areas. It is also often used in developments in continental Europe and the Americas. Where it has been used in the UK, studies have shown that having a code has been an effective way to meet the aspirations of a particular development. Some studies have related good quality design (which feature design codes) with positive economic impacts: an uplift in property values; a reduction in vacancy; more viable scenarios to promote investments and extended regeneration benefits; the reduction of public expenditure and general costs of living; and a much higher local tax rate.
“The more you can listen helps ensure everybody contributes to the plans and leads to better quality outcomes. Listening to local people helps you understand their needs and motivations, and the political pressures that sit behind this. Over 25 years in, we are still engaging the people of Poundbury to guide projects like The Great Field.”

BEN MURPHY
DUCHY OF CORNWALL

Meaningful and ongoing communication has been a key feature of successful Community Developments. But, as the Duchy of Cornwall’s Ben Murphy says: “The more you can listen helps ensure everybody contributes to the plans and leads to better quality outcomes. Listening to local people helps you understand their needs and motivations, and the political pressures that sit behind this. Over 25 years in, we are still engaging the people of Poundbury to guide projects like The Great Field.” That level of engagement has built trust and reputations, which help when taking forward new projects.

It is fundamental to demonstrate consistency through the years, to show a coherent commitment, and, like any important relationships in life, “building a rapport stems from regular conversation, and you earn trust based on your actions in response to those conversations,” Ben Murphy adds.

You need to go beyond just talking and show your concern for their community. “It is a case of including them in meetings and leading them through the process at every stage,” says David Pennell, Estate Director at Burghley.

This communication process is part of a bigger engagement approach with the community. Once the developers of a large site earn the trust of the community through taking time to listen to their concerns and finding ways to tune the development in response to local needs, the local area will more likely accept and welcome the vision laid out in the planning application. Moreover, these previous participatory processes with the community help reinforce the legitimacy of the developers from the perspective of the local authority.
Community Developments can benefit the local economy during the construction phase of the project as in the example of Nansledan where the consortium agreement between the Duchy and its developer partners required the latter to invest in the local economy whenever possible. They used slate and granite from local quarries, ensuring not only that the vernacular architecture was in keeping with the surroundings, but that work was kept local. In fact, because the Duchy had a long-term planning horizon, it negotiated a 40-year contract with the quarry, which ensured the long-term security of the quarry and its workers.

When selecting house builders to work on the Burghley Estate Community Development, David Pennell favours working with SMEs, in part to support the growth of the SME housebuilder sector.

The patient approach to creating communities

The patient approach can also be highly effective in cases where there is a skills shortage in the building and construction industry. Research from the Federation of Master Builders highlighted that in 2018 68% of small and medium companies struggled to hire bricklayer and 43% struggled to hire carpenters. If Community Development stakeholders agree to encourage vernacular or sustainable architecture using local materials such as cob, adobe or timber frames, one of the most valuable things these kinds of Community Developments can do is teach the next generation of construction workers.

When it comes to ensuring that house builders deliver the product to the right level of quality, the key is collaboration.

“If you’re going to advocate great placemaking, you have to give people who may not have had significant experience in this field, as much help as you can” says Nigel Ingram, Development Director at LIFEstyle by ENGIE. In this sense, Community Developments are innovating in many aspects: from design guides and codes to construction techniques mixing new technologies and traditional skills. “You have to support companies-whatever their size but particularly SME’s who have missed out on the ’development boom’ to learn how to implement the new type of homes” Ingram adds.

“In many cases, that support should be reflected in the provision of serviced sites ready for housebuilders to ‘plug and play’, accelerating the construction process.” According to Ingram, “in the case of Derwenthorpe, the support and collaboration for the housebuilders implied the provision of Design Guides and Design Codes and demonstration homes for commercial teaching purposes.”
Achieving and maintaining places: the patient approach

07

An important factor to establish at the outset of a Community Development project is related to the ongoing management of the area. “How the Community Development will be managed and maintained is one of the first things that needs to be worked out during the early design and layout process,” argues David Merrick, Director of Development at Savills.

While the design and build stages are critical, it is the establishment of an effective management regime that secures a lasting and positive legacy. One size does not fit all and there are many ways to implement this. Central to the approach will be the extent to which landowners wish to be involved with daily management and whether they have the resources, both human and financial, to play such a role. The use of management companies has been prevalent but there are different approaches.

At Poundbury, every plot owner joins a management company and agrees to be bound by certain standards. A set of Estate Regulations will need to be imposed and these will include the obligation to abide by the Design and Community Code. The rights to vary the Code and to grant consents for building alterations and works under it are all important and careful consideration must be given as to the person or entity who is to exercise these rights. Any dilution of the Code or consents under it will undermine estate standards – long-term consistent and responsible stewardship is fundamental.

One of the main goals of any Community Development is to transform the residents into true custodians of the public realm, and the basis for good stewardship should be built during the participatory process.

The first residents – even the newcomers in the region – would have bought their houses because they were attracted to the principles and aspirations of that community. There should, therefore, be a group of residents inherently motivated to maintain the place. Developers and landowners should make the most of this group, collaborating with them to maintain the area, in conjunction with a top-down style of management.

By this point in the process, when residents arrive, that top-down view would have already been used extensively. The design and community codes provided a foundation, offering a framework for the protection of the original design. There might have been other legal obligations linking the estate and its commercial units with specific obligations and responsibilities, while local authorities might have imposed planning agreements and local development orders under local planning legislation.

A place that’s well designed with the involvement of neighbours and residents throughout the process leads to a common consciousness, with stakeholders becoming “natural custodians or stewards” of the Community Development, to borrow a phrase from Knight Frank’s Charles Dugdale. That helps guarantee the legacy of that development.

In the projects mentioned in this report, we can see how stewardship has evolved from an initial design code by the landowner or developer to something more communal. In the case of Derwenthorpe, the Derwenthorpe Residents Association was set up with the support of The Joseph Rowntree Housing Trust. It has an elected governing team in charge of promoting ‘harmonious community’ through the continuous improvement of the area and through the organisation of leisure activities. In other words, rather than reduce the process of administration to those who own the land, stewardship should involve everybody.

The majority of those interviewed for this report take the potential burden of upkeep and maintenance of the Community Development (with the exception of road maintenance) away from the local authority. Some Community Developments have selected a stewardship model whereby residents contribute a small monthly fee. Aviva on the other hand put the obligation on the house builder, which pays into a fund within the development. The Land Trust then looks after and maintains the site, acting as custodians for all the parks, public realm and infrastructure. In addition, deeds and covenants are put in place to ensure that green spaces such as parks and football pitches cannot be built on in the future.

Stewardship
CHALLENGES TO BE ADDRESSED
The examples in this report have been developed under, and learned lessons from, existing frameworks (legal, financial etc). As such, we make a number of recommendations for reform. At both a national and local level, government has a pivotal role to play in ensuring that foundations are in place to develop more Community Developments of the kind that we have featured in this report. We will now summarise a series of key recommendations that have been discussed with those interviewed for this report.
1. Local authority engagement

“We have a bizarre process where we invite people to come forward with sites and we only look at those, whilst in fact the local authority should be proactively deciding where they want to put these places,” says Lord Taylor of Goss Moor.

The selection of sites depends on the availability of land. Most of the time that means these projects rely too much on landowners and the opportunities they see in selling their land. As in Poundbury, Nansledan and countless other places, the local planning authorities make a call for sites, and landowners are invited to promote a residential development.

But there’s a fundamental problem. The kind of land suitable for residential developments, particularly at scale, is scarce and, therefore, expensive. Some have commented that the system creates a series of incentives, encouraging a quick sale of the land by the owner to a housebuilder that will work quickly, but this is more likely to deliver a business-as-usual development.

Nick Tubbs, the founder of Redtree development which worked on the Sherford Community Development also believes that too often local authorities look at developing communities on our worst land and, in fact, we should be looking at building on better sites: “If you build a beautiful product in a beautiful place you can add value to the product and the environment. Local authorities instead choose the path of least resistance and dump houses in our worst places such as next door to a motorway.”

Local authorities should be more proactive in looking for suitable sites for development and lead the conversation.

2. Financial possibilities

In order to enable more Community Developments, Charles Dugdale from Knight Frank advocates launching a patient capital fund. “If a landowner goes to Homes England to get a house building fund it may be offered a 4%+ bank margin because it has a relatively weak covenant strength, whereas a volume housebuilder might be offered 1%,” he says. “This creates an incentive for the landowner to sell to the volume housebuilder. Perhaps more consistency could be created by an infrastructure investment fund that provides finance to projects at consistent bank margins where those projects meet certain criteria.”

3. The challenge of tax

There are a number of tax-related challenges that can disincentivise a patient approach to Community Developments and instead incentivise large landowners to sell land in advance to earn quick capital income. Particular difficulties can arise where multiple landowners wish to collaborate and bring their land forward for development together, as is often required for large scale and longer-term developments.

Some specific challenges that need to be addressed are:

1. The disparity between the lower tax rates afforded to capital gains at 10% and 20% versus the higher rates of income tax at up to 45%; undertaking a Community Development can therefore result in higher income tax charges without careful tax planning (see part 3 of chapter 5).

2. Whilst taxes on capital gains produced by the sale of land for commercial or business purposes may be deferred in some cases this is not typically possible for any income profits that might arise from a Community Development.

3. In developments of large sites such as those present in this report, paying taxes might come extremely early when the intention to carry out the development is formalised particularly if the landowners’ tax planning requires a transfer of their land into a new company or other special purpose vehicle.

4. In situations where there have been high initial costs, and it is still possible to sell the land in phases, there could be substantial lag between when the loans are obtained, tax is payable and receipts eventually arise from the development construction. That lag between when tax costs are incurred and when funds are received can affect the financial viability of the project.

5. In cases where multiple landowners intend to equalize and share in the land sale proceeds, the same proceeds can be taxed more than once without a bespoke tax structure.

6. There is no universal formula to resolve all these tax challenges, meaning that there is no guarantee that they can all be overcome in all cases and, even where a solution is appropriate, landowners are likely to incur significant time and cost in putting bespoke arrangements in place and obtaining the specialist advice required.
“If you make the choice to deliver great placemaking, you commit yourself to an uphill battle, head down into the wind which will require courage, investment and increased risk. Above all it requires passion and patience. If you are prepared for that journey then, based on my wide experience, the ultimate rewards in the form of legacy, civic pride, and value, in all its forms, are attainable. It’s not easy both because you are challenging the conventional system and to begin with people find it hard to believe that your approach is so fundamentally different.”

TIMOTHY GRAY
DIRECTOR, CASCAPEDIA CONSULTING
4. Planning process

If the government is to ensure that in reaching its housing targets we do not sacrifice quality for quantity then local planning departments need to be resourced accordingly. The general consensus from our interviewees is that the planning process takes too long and is too expensive, which discourages many from undertaking the patient approach.

The perceived vagueness of most planning policies may be another contributor to this problem. Despite the best of intentions, it has been said that most planning officers tend to impose their own interpretations on policy, which might change depending on their mood, the timing or even the individual looking at a specific application.54

Planning seems to be under continuous reform with changes to the system and policy at national and local level a constant feature and driver of costs. It’s common practice, then, for developers to divide the cost of planning, which in turn could entail additional complications in the planning process and in the relationships between partnered developers. “We will speculate anything from £1m – £2.5m to achieve planning consent. We normally split the cost with someone else,” says Lynn Smith at Aviva.

One possible starting point in cutting costs and time spent in the planning process, it was suggested, is using existing data to inform new projects. “Planning requires new costly technical reports – transport studies, soil studies, ecology studies etc – even where baseline data already exists. We need planning requirements to be proportionate to the risk and the available data, whilst also putting in place systems to collate data that will save costs in the future,” says Knight Frank’s Dugdale.

Another option to reduce costs and time spent would be greater use of Local Development Orders, granted by the Local Authority. These could be targeted at those developers who have demonstrated a genuine commitment to good placemaking such as by upholding the principles upon which a scheme is founded and could reduce time and cost involved in planning while encouraging a patient approach.

5. Infrastructure

One of the reasons these developments are often situated next to an urban core is because it facilitates the quick arrival of infrastructure (transport, sewage, electricity, etc.).

But putting in the correct infrastructure takes time and is the most significant cost to large-scale development projects. Community Developments also carry the burden of supplying infrastructure on their own piece of land and in other parts of the local area. This often happens because local governments see these Community Developments as an opportunity to cross-subsidise other strategic infrastructure needs. In order to reach completion, these developments need to solve the lack of local infrastructure as well as fund their own new infrastructure.

Without a proper baseline study of the needs of the local area, there is a risk of the planning authority compelling the developer to build facilities or infrastructure that won’t be necessary in the short or long-term.

For a true win-win solution, it’s necessary that both parties share similar burdens, rather than relying exclusively on the developers.

The apparent solution to the above issues was the Community Infrastructure Levy (CIL). CIL is a planning charge, which has not been universally adopted in England, introduced by the Planning Act 2008, as a tool for local authorities in England to help fund infrastructure that supports the development of local areas. But local governments do not always have a clear idea of how to prioritise spending additional income, and, therefore, the needs of these Community Developments are often postponed. In the end, the tax and the cross-subsidy strategies to deliver basic infrastructure in those communities end up dis-incentivising developers and landlords from investing in these kinds of projects. It is crucial for those who want to invest to have more clarity about the delivery of infrastructure planned in the area.
Amid these changes, official government policy has been to usher in a period of mass housing construction to deliver 300,000 new homes a year by the mid-2020s. We have seen many failed examples where the goal was to build quickly a vast number of houses ultimately only leaving behind poorly designed, soulless dormitory towns.

This report has sought to illustrate the art of the possible when taking a patient approach to development. The examples that we have featured in this report take design principles that have echoes of the past and innovatively adapt them to our current needs. Matching beauty with economic, environmental and social success, these Community Developments are a blueprint for how to approach development across the UK. The principles are not just relevant for large residential schemes, they can be adapted to schemes smaller than 50 houses too.

This report summarises the patient approach to development as:

1. Taking a long-term view at the outset of a project.
2. Accepting a deferred approach to financial returns, which can lead to greater long-term returns.
3. Measuring the success of developments through a social and environmental lens (as well as return on capital or profit).
4. Prioritising the design and placemaking of a scheme through a masterplan and design codes.
5. Placing greater emphasis on community and local authority engagement.
6. Re-thinking the business-as-usual approach to social housing, streets, retail, green spaces and social infrastructure.
7. Putting in place a stewardship model to maintain the on-going quality of the place.

As Ben Bolgar, Senior Director at the Princes Foundation, advocates the sector needs to keep sharing the learnings and best practice from schemes such as Poundbury and Nansledan to encourage more landowners to do the same. “What is needed is an informal network of all those involved: landowners, agents, contractors, architects, urban planners, lawyers and everybody who’s done it. We need that group to come together and to share success stories. We need to create an open source culture so that others can learn how to achieve great placemaking.”

As we settle into a new decade there are reasons to be optimistic, and some positive steps towards the promotion of good placemaking can be seen as is the case of the £8 million cash boost for environmental assessments and the use of design techniques in new garden towns and villages. In addition, the National Design Guide and the recently presented Building Better, Building Beautiful report will further support the case for taking the patient approach.

Poundbury, Nansledan, Derwenthorpe and other projects included in this report, have presented what is possible when the built environment sector prioritises creating communities not just building houses. The next step is to ensure that in 20 years’ time we have a new breed of great places to learn from.

WE LIVE ON THE CUSP OF A NEW ERA: WE ARE MORE AWARE OF OUR IMPACT ON THE ENVIRONMENT AND THE IMPORTANCE OF PHYSICAL AND MENTAL WELLBEING. SOCIETY AND FAMILY HAVE CHANGED, AND SO HAVE OUR EXPECTATIONS ABOUT HOUSING AND THE KIND OF COMMUNITY WE WANT TO LIVE IN.
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5. Figure 5 “Retail and facilities at Poundbury”. Courtesy of Knight Frank.
6. Figure 6 “Frequency of walks of 20 minutes of more (aged 2+), England, 2002 to 2016”. Department for Transport statistics, from the National Travel Survey; 2019.
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