

Major Housing Development

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Corporate Project Officer

Borough Council of
**King's Lynn &
West Norfolk**



How to scheme developed

- A political reaction to the economic collapse
- The brief: Do something that would make a difference
- We asked the market (developers, financial institutions and property advisers) how we could get developers interested
- What would the scale of the proposal need to be?



The Procurement Route

- EU Compliant – Negotiated Route
- Variant bids considered
- Bidder Day
- ITT Stage 1
- ITT Stage 2
- Preferred bidder clarifications
- Contract Award

Aims of the scheme

- Build an estimated 587 housing units, of which 87 (15%) will be affordable units
- Initial view included 200 private rental properties
- Achieve a significant delivery of housing over a 4-5 year period
- Obtain a commercial return for the Council over the longer term
- Create economic activity in the local area
- Create apprenticeships in West Norfolk



Legal structure

Lovell paid as contractor for scheme design, a fee for selling and marketing properties

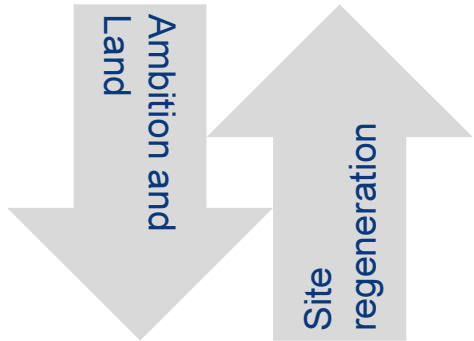


Marsh Lane

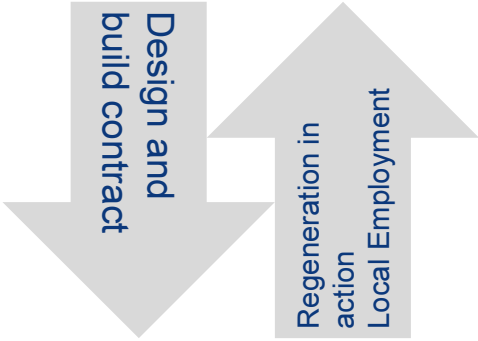
- King's Lynn council take 90% of the profit on property sales at a set price, with Lovell taking the remaining 10%
- Any profit above the agreed price is split 50/50



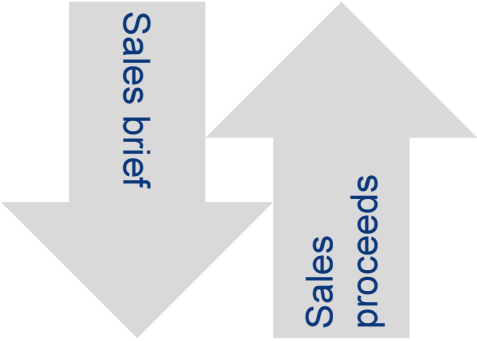
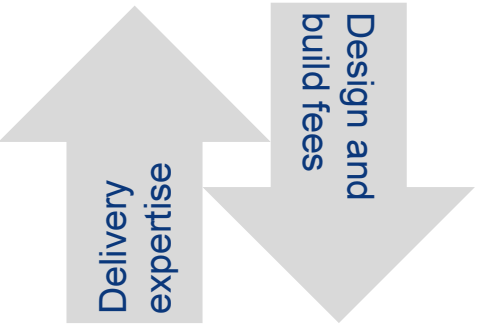
King's Lynn and West Norfolk Borough Council



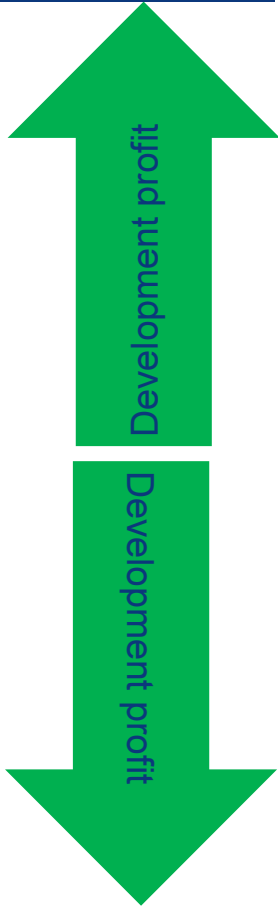
- Development**
- £50m business case
 - Optimise layout
 - Secure planning



- Delivery**
- Discharge planning
 - Discharge consents
 - Build c400 homes



- Sales**
- Marketing expertise
 - Sales experience
 - Customer journey to completion

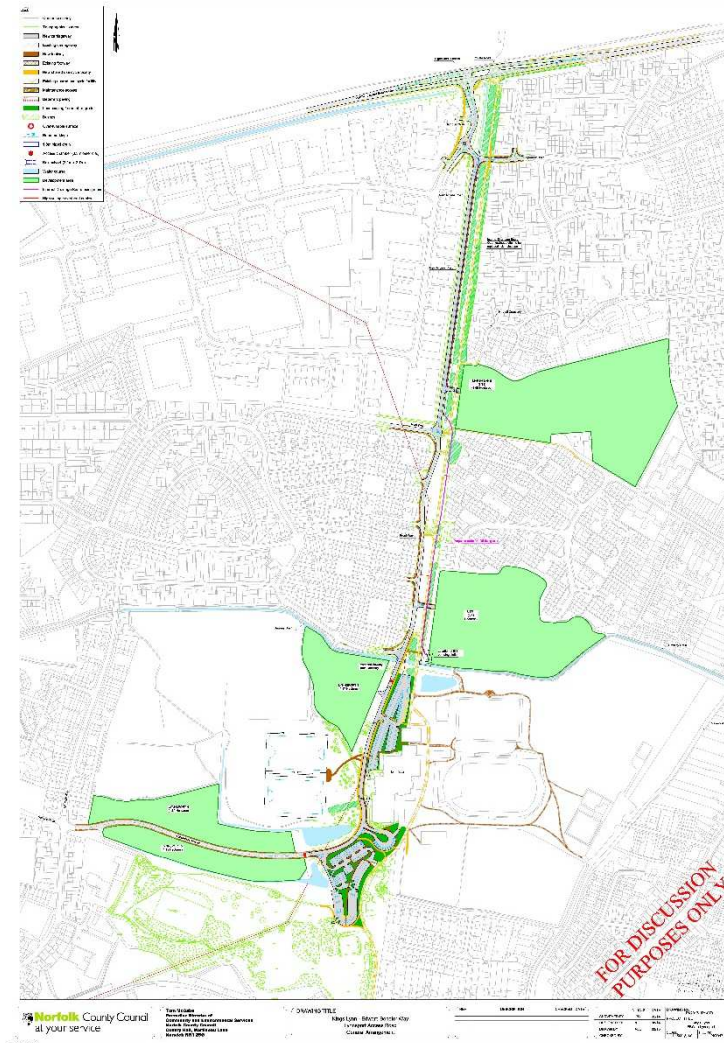


Lovell Partnership Housing

Stages	Phase bid appraisal	Finances
Immediately prior to planning submission	Phase initial appraisal	First viability test
After planning approval	Adjusted phase initial appraisal	Fixes profit for 90/10 profit share and 50/50 excess super profit
Phase conditions satisfied - immediately pre start on site	Phase commencement appraisal	Further viability test and basis for JCT
After phase complete	Phase completion appraisal	Actual outturn

Plans

- Five different sites:
- Marsh Lane
- Lynnsport 1
- Lynnsport 3
- Lynnsport 4 & 5



Marsh Lane



	Open Market	Affordable
1 bed apartment	0	8
2 bed house	31	6
3 bed house	52	6
4 bed house	27	0
Total	110	20



Aerial views – Marsh Lane



Lynnsport 1



	Open Market	Affordable
2 bed house	15	9
3 bed house	36	3
4 bed house	19	0
Total	70	12



Lynnsport 3



	Open Market	Affordable
2 bed house	19	4
3 bed house	26	4
4 bed house	1	0
Total	46	8



Lynnsport 4 & 5



	Open Market	Affordable
2 bed house	16	9
3 bed house	49	4
4 bed house	8	0
2 bed bungalow	3	0
Total	76	13



Aerial views – Lynnsport 4 & 5



Why work in partnership? - A King's Lynn Perspective

- Partnership arrangements
- Joint decision-making
- Immediate raising of issues
- Resolving things quickly
- Understanding reasons for doing it
- Sharing of risk and reward
- Open and honest dialogue
- Using Private Sector expertise



Why work in partnership? –A Lovell Perspective

- Forge long standing relationships
- Social outputs
- Peaks and troughs (keep quality and momentum going)
- Replicable across different areas
- Margin sacrifice due to long standing certainty of work



Future benefits of partnership working

- Modular
- Expanded programme
- Having sold houses before – understanding of the issues outsourced to another company



What does the future hold?

- Other sites currently being considered and reviewed
- Confirmed - Nar Valley Park phase 4 - 100 units
- Confirmed - Hunstanton sites 60 units
- Return to PRS ?

Any Questions ?