

Maximising Value Through Strategic Land Promotion

Your land is an important asset, whether you have undeveloped farmland, a country estate, large garden, grazing land and paddocks or defunct rural business land.

Land is the key ingredient in the building of new homes, and one of the most common questions is 'How much is my land worth?'

The question, however, should be *'How much could my land be worth with planning permission?'*

As housing demand increases, so do the opportunities for landowners to offer up land (including Green Belt sites) for potential residential development. This means your land could be more valuable than you expect!

The uplift in land value between agricultural land and land with planning permission can be significant, however obtaining planning permission for a site can be extremely expensive and time consuming, with no guarantee of success. It is never too early to start thinking about whether your land has development potential, and putting together a land promotion strategy for your land.

A Challenging Process

There are no guarantees when bring a site forward through the planning system for new homes, which is where a land promoter such as Catesby Estates are able to assist as your strategic land promotion partner. A land promoter uses its in-house expertise and financial resources to fund the land promotion so as a landowner you don't have to.

Following receipt of a satisfactory planning permission, your appointed land promoter will prepare a detailed marketing strategy for the disposal of the land and this will be agreed with the landowner as part of the partnership approach prior to the land being openly marketed to interested parties.

Both parties have a common interest to work as a partnership and achieve the best price that can be achieved in the open market. The land promoter's financial return is wholly dependent on a successful sale of the site with planning permission.

The land promoter is therefore incentivised to maximise value through the process and use their experience and knowledge of the current market conditions to partner with the purchasing party who is best placed to deliver on their promises.

Promotion Agreement versus Option Agreement

Promotion agreements are a partnership between a landowner and a land promoter, with the land promoter taking on the risk and costs of obtaining planning permission. Following a successful planning consent being obtained, the property is then marketed to housebuilders securing the highest possible financial return.

Throughout the partnership, the landowner retains legal ownership of the promotion site and can continue to farm and manage the land or property as is required as long as the activity does not impact on future development costs.

Option agreements are historically the housebuilders preferred way to secure control of strategic land for the future. Under an option structure, there can be a conflict of interest between the landowner and housebuilder when determining the value of the land. However, a landowner and land promoter's interests are aligned, with both parties wanting to maximise land value and the promoter is not being distracted by the development of houses.

Could your land have development potential?
Find out more about land promotion:

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