



*tunein*

# Timely project delivery in the residential sector



**From client-driven expectations to planning issues and a future filled with smart homes and a more varied living typography, the residential sector faces specific challenges with regards to timely project delivery.**



# More risks, more challenges

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Challenges will arise during a project's procurement phase as a consequence of what has occurred before it; during the design and planning stages compounded by widening industry skills and knowledge gap set to deliver the construction works, not to mention an alphabet of building regulations.

- Rishi Rai, Associate at Concert -

The building industry is familiar with typical risks and challenges to deliver projects. This includes knowing as much as you possibly can at the pre-contract stage, by having a clear brief and translating that into a strategy, ascertaining how and when to best bring specialists on board to assist in the creation of a program that manages key milestones that include land acquisition, planning, developed design, procurement and construction.

There are, however, specific challenges relating to the residential sector. Rishi Rai goes on to say “The feasibility and land bid stage is the first important phase of a residential project, setting expectations for a project that is difficult to migrate from and still achieve the original goals.

The next key stage is planning and the development of the scheme design to ensure the scheme remains viable and the client can proceed, with a robust programme and greater certainty over forecast cost”.





The handover stage for residential projects can be more complex, compared to projects in other sectors. If there's a scheme comprising of hundreds of units, that equates to hundreds of conveyancers working on behalf of hundreds of house buyers for whom this is the largest individual purchase they will ever make in their lives.

Getting timely delivery of homes right is important to all. Few other sectors come under quite so much political scrutiny in terms of project delivery.

The government at the time, in 2017, set a target of 300,000 new homes to be delivered per year by the mid-2020s. According to figures from late last year released by the Ministry of Housing, Communities and Local Government, more than 240,000 properties were added to England's housing stock in 2018/2019 so there is some way to go to meet that future target. It is, however, a significant improvement on the 2012/13 figure of just over 124,000 homes and the last five years has seen over a million homes added to housing stock.





# Different priorities from differing types of clients

By their very nature, “speculative residential developments are”, says Chris Patrick of Concert, “driven by delivery in a specific period of time for the market.” The issue comes when milestones aren’t necessarily driven by the project programme or natural sequence of activities, but by the financial milestones of the business behind the development, typically that organisation’s half year results.

“You end up with an aspiration to deliver a project or a certain number of units through sectional handover at a point in time. It doesn’t necessarily align to the project programme,” says Colin Park, an Associate at Concert. Pre-planning ahead and creating a degree of contingency with the front end of the program can mitigate this to some degree.

“With the public sector”, Chris Patrick continues, “The need remains constant and it’s less about financial delivery but providing housing numbers as soon as practically possible. Public bodies or the planning authorities themselves, have ambitions and targets to make, which may or may not be aligned to the goals and ambitions of the people delivering the project.”

Residential mixed use schemes have their challenges too, blending construction and occupier access arrangements through the site, due to the client’s genuine desire for early release of other uses for occupation, income stream and placemaking, together with the often sequentially phased contribution of sales of the residential elements of the project, all while the project is in construction and phased handover.





A close-up photograph of architectural blueprints spread out on a surface. Several rolled-up blueprints are visible, some with technical drawings of buildings and structures. A bright orange pencil lies diagonally across the bottom left of the frame. In the background, a pair of compasses and a ruler are partially visible, suggesting a drafting or design environment.

# Problems with the planning process

The planning process came second only to a lack of available and viable land in a survey by the Federation of Master Builders' (FMB) in its October 2019 Housing Survey, which questioned small and medium-sized (SME) house builders in England about what the major barriers were to increasing their output of new homes, both currently and looking ahead over the next three years. Of the 154 responses, 'inadequate resourcing of planning departments was rated as the most significant cause of delays in the planning application process for the fourth consecutive year. Anecdotal evidence suggests that planning authorities are taking anything up to four weeks to register a planning application in certain London boroughs, with planning submissions taking up to a year in the making and fewer people with less experience in local authorities dealing with them.

Says Colin Park, "When granting planning permission, it may vary from months to, in some cases, several years; how do you negotiate that part of the program when you're not in full control over the elements?" The situation isn't necessarily getting any better with statistics from construction industry data providers Glenigan showing that in the year to September 2019, 365,200 homes received planning permission, 3% fewer than the previous year.



# New build vs conversion of existing properties

Statistics from the government for the period 2018/19 show of the 240,000 properties delivered, the majority were new builds but there were still nearly 30,000 homes that were created through a change of use. Of these around 12,000 of the 30,000 new homes were from office to residential building conversions. Chris Patrick, says, “Public bodies like the GLA, Transport for London (TfL) or fire authorities are seeking to diversify their assets and in doing so provide solutions for housing in perhaps more urban areas where they are needed”.

“Whether public or private development, converting an existing building has different or possibly just more problems than constructing a new building” says Concert Associate Rishi Rai. “Building conversions come with added time and cost challenges including; reorganisation of floorplates and layouts, structural works, changes to ceiling heights, building regulation related upgrades and enhancements as well as capturing the client’s aspirations for the scheme.

Factor in extensive alteration of the existing mechanical, electrical and public health systems, adaptations and limitations with regards to Listed status buildings and there are many factors which may affect the extent of approvals required and need for these to be considered at very early planning stages to maintain a robust and realistic programme.

All of which could affect the timely delivery of the project if these matters are not managed at the right stage of the project with a clear strategy to de-risk and design or develop ‘best value’ solutions”.

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# Future impacts of the timely delivery of residential projects

How people live and their attitudes to ownership throughout their lives is changing in global cities such as London, Manchester and Birmingham according to the 2019 Cushman and Wakefield 'Residential Future of Demand' report. It says that people will experience several different living typologies in their lifetimes from living with parents and student accommodation to co-living, build to rent, home ownership, later life communities which could be rent or ownership and assisted living.

Where this impacts project delivery is how these newer typologies are classed in terms of planning and whether, as they become more prevalent and better understood by local authorities, they come under closer scrutiny in terms of space standards or the preponderance of one type over another in a particular area and the impact of propensity on local communities.



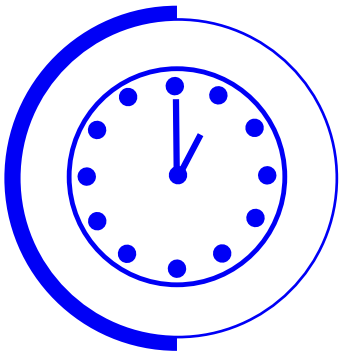
While currently sustainability may be less of a consideration than, say, ease of maintenance, nearby schools or parking in terms of potential occupier interest, maybe this will rise higher on the agenda as those buying or indeed renting become more aware of the environmental impact of the construction industry - just as the ramifications to the planet of frequent flying or eating meat have become more on the public's mind.

Incorporating smart technology from the outset of a residential project, as opposed to the homeowner having to retrofit elements like sophisticated home security, remote control of heating and lighting together with home audio technology is not only logistically easier at the outset of construction but could justify a developer's more premium price tag and it could save the end user energy costs in the longer term. But again, these have to be factored into the delivery plan from the get-go.



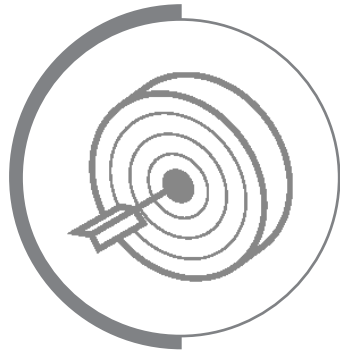
# A tailored, considered approach to residential delivery

Timely project delivery in the residential sector, often means taking a considered and tailored approach to programme planning, capturing:



## **TIME ALLOWANCE**

Appropriate time allowance is made, early in the project, to establish through optioneering, a project's fullest opportunity is realised and a clear brief is set



## **KEY CLIENT GOALS**

Key client goals are identified including the impact on design and handover strategies to provide phased handovers to benefit cashflow or periodic targets



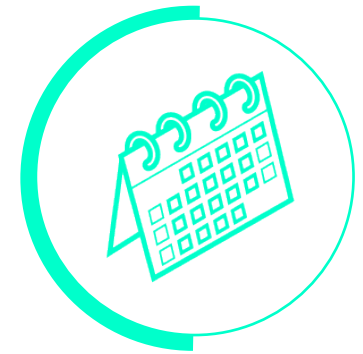
## **KEY PLANNING**

Key planning aspirations are identified early, captured and managed to provide an informed passage through the planning system



## **TIME ALLOWANCE**

Due allowance of time is made to consider a building's refurbishment or conversion to better understand the existing building and how to best integrate its new use



## **KEY MILESTONES**

Providing time to take stock and review the design and merits of a project at key milestones during a residential project to close out decisions, check on options and move productively forward

# Contact



**Colin Park**  
Associate

Colin has over 30 years' experience of managing the design process, consultant and contractor procurement, including OJEC, and on site construction. He has a wide range of experience across a number of different sectors including residential, commercial and care homes.

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**[colin.park@weareconcert.com](mailto:colin.park@weareconcert.com)**  
020 7799 1151



**Rishi Rai**  
Associate

Rishi is an associate with over 16 years' experience in the construction industry. He has held senior roles in several consultancies and real estate organisations, overseeing a number of complex, high value projects.

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**[rishi.raai@weareconcert.com](mailto:rishi.raai@weareconcert.com)**  
020 7799 1100



# Contributor

## Helen Parton

### Journalist

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Helen Parton is an architecture and interiors journalist with over 15 years' experience, who specialises in writing about how design can make people happier and more productive at work. She edited workplace design magazine OnOffice for three years from 2015-2018, garnering the title multiple award nominations in national journalism awards, as well as spearheading many commercial collaborations. Prior to that, in 2011, she co-authored a book by Thames and Hudson called Total Office Design. She is currently a freelance editorial consultant, writing for titles such as Blueprint, OnOffice and The Developer.



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# Thank You

Union House  
182-194 Union Street  
London SE1 0LH

t: +44 (0)20 7799 1100  
f: +44 (0)20 7799 1101

[london@weareconcert.com](mailto:london@weareconcert.com)

London & Manchester



[@weareconcert](https://www.instagram.com/weareconcert)

