***Member blog:* Are mixed-use schemes the answer to a successful development?**

*A development scheme will be critiqued on the pace and return on its investment as well as adoption by its communities and of its immediate environment. Mixed-use schemes can turn the scales from an unviable vision into a more attractive return, and create a more diverse and balanced landscape, says Emily Cockle.*

Exactly how a new hotel, school, business hub or care home will be funded and delivered can be a massive headache for both the public and private sector as a stand-alone interest.

Piecing together different possibilities and appeals not only provides cross-subsidy, but also potentially a higher value to the scheme and the ability to share and grow supporting infrastructure. Previously underdeveloped sites, including brownfield and in-fill, can attract more accelerated support and investment if there is a more compelling case on the table.

Delivering homes is the bread and butter for residential developers, however developing offices, industrial units and hotels is not. Commercial developers may not take a direct interest in residential development, but do developers always appreciate the value of different interests and in turn seek cohesion?

Both champions of housing and commercial development will strongly advocate why housing or employment should be the priority ask, often used as a competitive tool in property discourse to gain some advantage over the other. If the desire to secure an employment scheme is not attracting interest or investment, can new market housing be the answer to securing some of this needed commercial space?

Bold plans for a new landscaped business park could surely also provide for a new care home, hotel, leisure and housing. So is the public and private sector genuinely planning shared infrastructure in developments that have multi-generational and multi-user appeal?

A larger development scheme with outline planning consent for a range of uses may be developed in parcels through different specialisms, or through a more holistic arrangement. A masterplan will tie together the overall vision and opportunity for a development, village, town or city, yet are we achieving full value in linking different parcels and sites? Developers will respond to tenders and cherry pick a team to cover the range of requirements for the delivery of a scheme, but are they currently able to influence the land usage not only for their appointed site, but also for a wider radius?

More strategic thought is now being applied to assist site viability of stuck sites by combining the ‘lemons’ and the ‘cherries’ to support not only cross-subsidy, but also stronger investment interest and use of redundant land.

Yet what do we understand about consumer demand for development: are developers and planners really listening to how we want to shape our environments for now and for our future? A rapid digitalisation of our economy and how we balance work and living demands is driving location choices and more specifically, demand for mixed-use development. Households and businesses are seeking an increasing level of accessibility, with supporting infrastructure for a multi-task environment. Will mixed-use developments be pushed higher up the Christmas list in order for planners and the property industry to take more notice?

In terms of financing schemes, there are some equity providers or investors who are prepared to play the patience game with longer term investments and to accept a significant deficit in their investment before seeing any returns. When a shorter lending period is agreed, quicker returns anticipated on capital outlay can cause a funding gap. This gap tends to be more exaggerated in single use schemes, where developers are battling to balance scale to satisfy investment interest and viability, without diluting the local market with the dominance of one use class over another. Mixed-use schemes can better satisfy the demands of modern living, and also reduce risk and cash flow pressures through diversification and increased funding options.

Regeneration is a long-term game before its inherent value can be appreciated. Not only are mixed-use schemes more interesting for an area, they can prevent the build up of supply crisis for certain uses in the future, such as homes for an older demographic. Scaling up through joining up land and sites will help to attract a wider investment audience and wet the appetite of investors seeking more fruitful returns.

**Emily Cockle is Regeneration and Development Manager at Hampshire County Council and a member of the IED**