LandTech
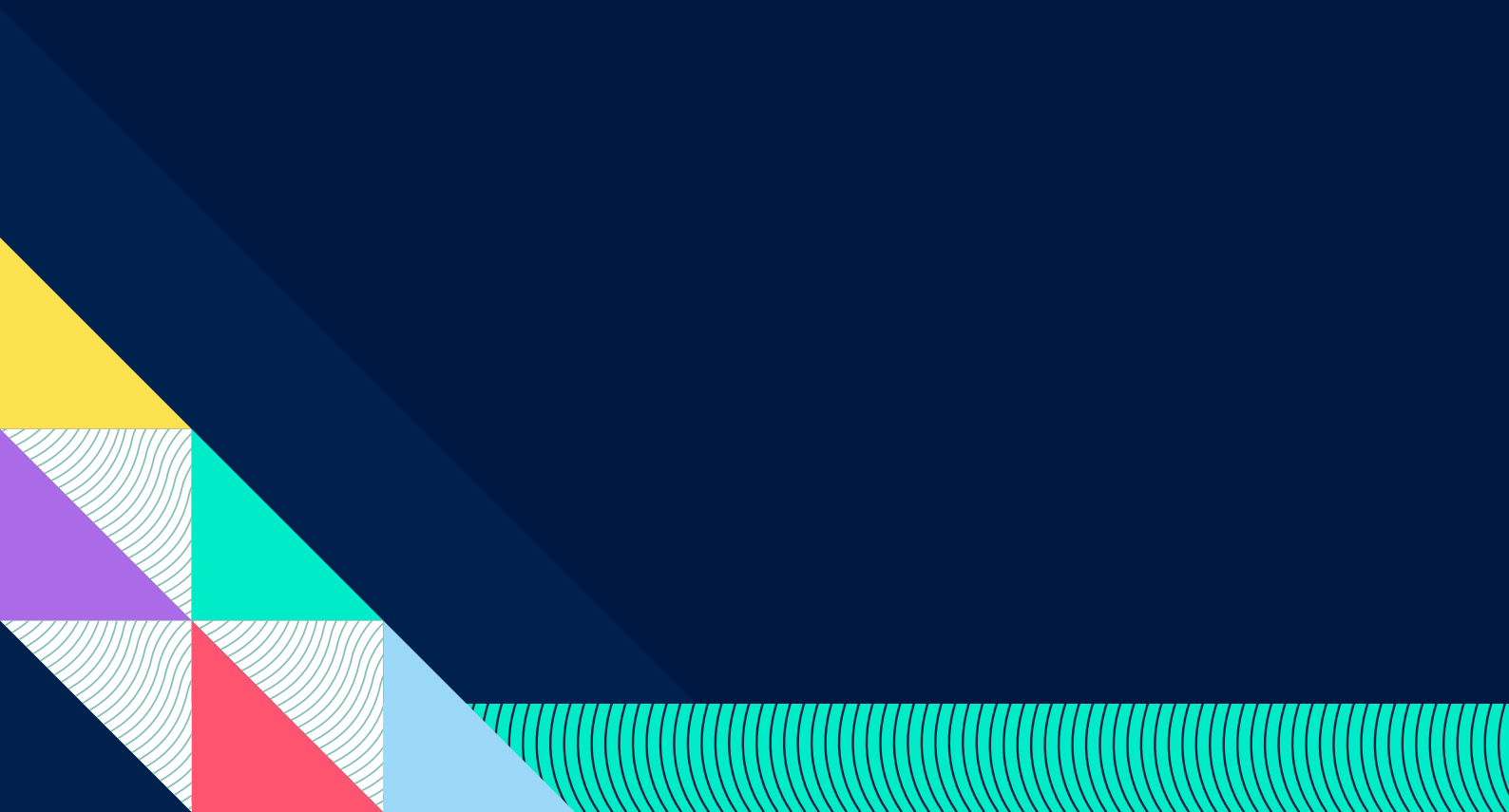
Identifying Opportunities:
Land Assemblies

Contents

Section 1

The low-down on land assemblies

Cutting out the competition

There are many project types a property developer can take on. Things like:

- **Buying a property for renovation**
- **Converting a site from one use class to another**
- **Bidding on an empty plot that's got planning permission**

These are the ways a lot of people get into developing. There's just one problem...

These are the ways a *lot* of people get into developing.

Many people trying these routes means more competition. More competition means higher prices. Higher prices mean lower margins...

Instead of going for these routes, savvy developers can make a lot of money by taking an opportunity that's less obvious, but hiding in plain sight — **land assemblies**.

What is a land assembly?

A land assembly simply involves grouping two or more individual parcels of land into a single site. This site is (hopefully) worth more than the sum of its parts — especially when built on.

Organising a land assembly project is by no means easy. And it's certainly not the get-rich-quick scheme it can sometimes be made out to be.

But, for developers who can make a land assembly happen, it can be a very profitable investment.

Who are land assemblies good for?

Land assemblies can be perfect for any size of developer. Whether you're collecting the land to build a single home or a hundred homes, the principle is the same.

For big developers, it could be multiple brownfield sites all merged into one huge development. But smaller developers can get in on the action too — and one common way is buying existing garden space.

> In the UK the average garden is around 14m². In fact, if you combined all the domestic gardens across the UK, it would cover an area roughly the same size as Somerset.
>
> Source: Horticultural Trades Association — Garden industry statistics
> 18th May 2020

So with land assemblies, it's possible to start small yet go as big as your ambition (and your funding) allows.

The advantages of land assemblies

1. There's less competition

As we saw, because a land assembly is slightly more complex than just buying an existing property, you won't have as many first-time buyers, upsizers, downsizers, investor landlords, wannabe developers and so on driving up prices.

After all, how many other people are looking to buy a part of someone's garden?

And since most of the deals you source will be off-market, even the people who know what a land assembly is are far less likely to have their eye on the same spot as you.

That cuts some stress, and can help with those healthier margins.

2. There's minimal disruption – for everyone

Because you're choosing where to form the land assembly, you can find an area where it's actually pretty simple for you.

You're approaching owners directly with the offer. You're handling all the complexities around planning etc. for them. And often they won't even need to move.

For the owners, it can be as simple as cashing a big cheque for a patch of land they're not even really using. Sure, there might be some slight disruption from the building works, but the tens of thousands of pounds in their bank account usually more than make up for that.

3. Planning is relatively simple (usually)

Each council is different but, generally speaking, getting planning approval for a land assembly is a pretty simple process.

The three key aspects to remember are:

• **Make sure you're planning the right use class for the area**
• **Design buildings that are in keeping with other nearby properties**
• **Include good access to the new properties**

If you're aiming for a resi build, most local authorities are desperate for new housing, so it should be a relatively simple process. And you can even look to see if other land assembly projects have been completed nearby to help your case.

4. It's perfect for more city-based developments

If you work in a big city (especially London), then you'll know that you don't really get unused land anymore. Pretty much every patch has been built on — after all, it's a far more efficient use of a valuable asset than just leaving it vacant.

But with a land assembly, you don't need unused land — you just need *under-used* land.

Finding a few adjacent patches that could be put to better use could be an opportunity no one else has spotted.

Then of course any plots that are still empty are likely to be smaller and unusual shapes (which is why they've been left alone). But the very thing that made them unappealing to bigger developers is exactly what can make them perfect for you to group together.

So land assemblies are an excellent play (and possibly the only play) for busy city centres.

The challenges of land assemblies

1. Land assemblies involve a lot of stakeholder management

By their nature, land assemblies involve a lot of people, like:

Sellers
You need to guide sellers through the process. You need to make sure they don't back out, or sell to someone else.

Of course, there are lots of things that you can't control, but having a good overview of everything (and contingencies in case things don't go according to plan) is essential.

Neighbours
You need to be wary of the "NIMBY neighbour" worrying how your plan will affect their property price.

And, occasionally, you might have the opposite problem — a neighbour who's so jealous that they haven't been offered thousands for part of their garden, that they try and snuff out the deal just out of spite.

Different local authorities handle these objections in different ways, but generally speaking if it's only a couple of complaints (and they are clearly driven by self-interest), they won't have any real impact on the application. It'll be assessed against policy, and if everything checks out it'll get the go ahead.

> Five or more objections though could mean that the application has to be dealt with at a committee, rather than through normal delegated powers.

If you've put forward a good application and considered everything, it should hopefully still get the green light. But it might take a little longer to get it.

Opportunists (and the danger of ransom strips)

Of course, everyone involved should receive a fair rate for their contributions, but you need to look out for people trying to unfairly profit from your efforts.

One common way is ransom strips – a small piece of land (maybe literally only 1m²) that has no real value in and of itself, but is vital to your plan. Someone sees the potential of an area for development, buys up a key piece, then waits for a developer to come knocking...

And, if it's not flagged early enough, you'll often have little choice but to pinch your nose and pay their price...

2. Land assemblies can often be a slow process

Lots of moving parts mean a greater chance of delays and problems.

There's finding the sites. Negotiating the deals. Applying for planning permission. Organising the build etc.

You could save time by completing fewer of the stages yourself, such as finding the site and getting planning permission, then selling it on to another developer to worry about the build.

But the reality is that every stage adds value. And if that extra money is going into someone's pocket, it may as well be yours.

The timescale is just the cost of doing business.

3. It can be hard to find the right opportunity

Spotting the right site can be incredibly tricky. It's not like you're looking for a single plot, so there are a lot of variables.

You need to:

- **Find several pieces of land all close together that are large enough for a project**
- **Check who the current owners are (and make sure another developer isn't already getting in on the action)**
- **Ensure your future project will have adequate access**
- **Check no other pending planning applications could impact the potential**

So in short, a land assembly can be a lot of work. But that's precisely what makes them so profitable — if you can make it happen.

And that's exactly what the next section of this guide is designed to help you with.

Section 2

The four steps to an effective land assembly

4 simple steps

A land assembly can be a big undertaking. But with a bit of planning and forethought, you can make your life a lot easier (and that big payday a lot more likely).

Instead of thinking of it as one big process, we've broken the whole thing down into four much-more-manageable steps.

Step
ONE

Finding a potential site

Finding suitable sites used to mean looking at maps or driving around hoping you bumped into an opportunity. Google Maps helped a bit, but it still wasn't great — you might spot potential sites, but you wouldn't know who owned them, or even where one plot ends and another begins.

Now of course, a solid piece of site-sourcing software (like oh, say, **LandInsight**) can make that whole process a lot easier.

So, how do you find a potential site?

Stay flexible on where you build
Different areas have different requirements. If you have a strict area in which you want to build, you're limiting your options and will have to take what you can get.

But expanding the scope of your search could turn up some surprising opportunities.

Step One: Finding a potential site

How housing targets can help

In an attempt to solve the housing crisis, all local authorities have targets for the number of houses they should be building. And some areas are doing better than others.

Those falling behind will face some pretty serious repercussions soon, and will be eager to green-light new projects to help avoid that. So if you're able to plan accordingly and target those areas most in need of new houses, your odds of getting planning approval could go up.
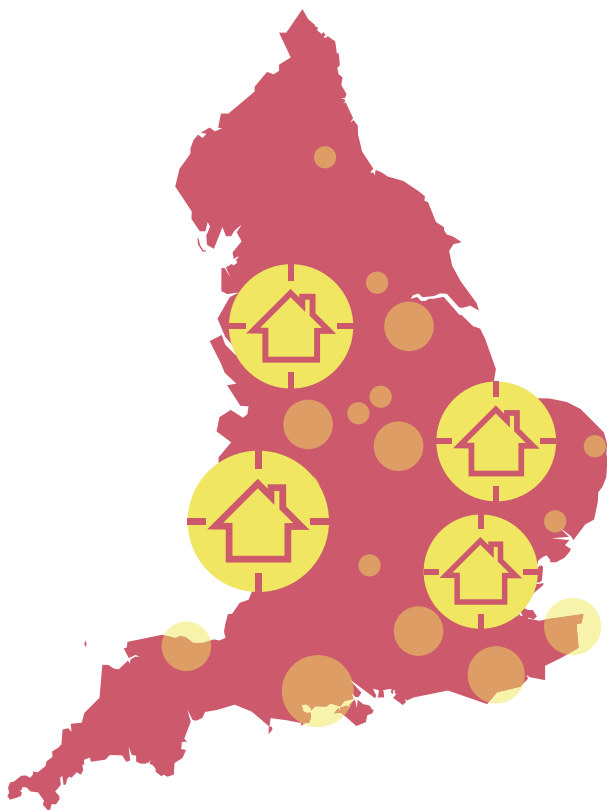
Check out our **HEATMAP** of housing targets to find the areas most in need of new properties.

Step One: Finding a potential site

Start from the site and work backwards
Instead of going in with a concrete plan – e.g. to build five detached properties with garages – your life will be easier if you start with the plot and decide what you could do with it. Stay flexible.

Look at areas containing similar properties to what you're hoping to build
For instance, if you're planning a resi development, then looking where existing houses are will make it easier to get the planning approved.

Simply look for empty space on a satellite image
There doesn't have to be any special art to it. Literally just look for a patch of undeveloped land that you could do something with.

Make sure your site will have access
You'll need a plan for how people will access your new development. Often this involves buying a full property to demolish and creating a road instead. Having a good understanding of how you intend to get access (and the costs involved) will save you tough questions later on.

Step
TWO

Evaluating those sites

Of course, a site that looks good on the map could have problems on closer inspection. Policy restrictions, other developers already working in the area — that sort of thing.

It's a waste to spend days, maybe even weeks, pursuing opportunities that won't go anywhere. It's much better to cut that evaluation time down to minutes instead — so you can discount the bad sites, and focus on the good ones.

Track policy restrictions early

There's no point dedicating time to a site that's in a flood zone, or planning some lovely new-builds only to realise it's a Protected area. Check these restrictions early and rule out any no-go areas.

Inspect the planning history for the site

Take some time to look into all planning applications (approved, denied or pending) for all sites within the land assembly so you can spot opportunities and red flags.

Step Two: Evaluating those sites

For instance, you might find that someone else has already tried (and failed) to do the very land assembly you were hoping for.

Or you might see that the home you were planning to use for access has just been granted planning for a two-storey extension, so the owner may not be so eager to sell.

Check other nearby planning applications too

It's not just the sites you're looking at that you need to check, but the wider area too. For instance, a 100-home development in the fields behind your planned purchase could really ruin that view you were hoping to offer.

Assess local values

Seeing what other properties have sold for nearby will help you avoid overpaying for a site.

But remember — cheaper isn't always better.

When comparing two seemingly-identical options, the cheaper may save you money in the short term, but it may also affect how much you can sell your finished properties for too. It's worth weighing up both sides before you make a decision.

Step
THREE

Contacting the owners

If everything checks out on a potential land assembly, you'll need to talk to the right people.

It's not enough to put a "to whom it may concern" letter through the door and hope for the best. You need a plan for approaching your would-be sellers. And that looks something like this:

Find the owner (not just the occupier)

Most resi properties in the UK are owner occupied, but by no means all are. And if you're looking at other property types too, the odds that the person there is the person you need to speak to get slimmer and slimmer.

You need to put in a little detective work to find the right person to talk to. It's by no means a huge challenge (and often lives on the Land Registry title documents if you pay out for them), but it can take time. Still, it's well worth the effort.

Step Three: Contacting the owners

Personalise the communication

A templated letter is rarely enough these days. After all, someone randomly promising you thousands of pounds for a patch of land can feel like a bit of a scam — it's not something that happens to most people every day.

Taking the time to give a bit more insight into who you are, why you're interested in *their* land specifically, similar things you've done nearby or anything else that can make the letter feel more personal, and less of a send-to-many mail merge can help to put people at ease, and pique their curiosity.

Keep an eye on when ownership changes

Sometimes you don't get the answer you want. It's annoying, but it happens.

However, people's situations change. Ownership changes. If you're in the know on when someone new owns the land you were looking at, you can react. After all, you might find that the new owners would be more than happy for you to knock a few thousand of their mortgage in exchange for a patch they have no emotional attachment to.

Worth an ask, right? But you can only ask if you keep an eye on it.

Step
FOUR

Managing the process

A lot of these steps so far may seem pretty standard for most development projects. But what really separates a land assembly out is the sheer complexity. Instead of one site, with one owner, you're looking at multiple sites, meaning multiple contacts, varied timelines etc.

That means you need an effective way to track what's progressing (and what isn't).

Have a system in place

It's not enough for everything to live in your head — there are simply too many components to effectively manage everything.

Paper can work. Spreadsheets are better. But the best way is to have all the information saved together, in one centrally-accessible location, so you can put it to good use, and share it with any colleagues and collaborators.

Step Four: Managing the process

Work from anywhere
Whatever you go for, make sure you can access it from anywhere. After all, you never know what's around the corner, or where you may have to work from.

Make sure it's secure
When it comes to your deals, security is paramount.

If a competitor found out where you're looking they can beat you to the punch. And even if they can't complete the whole deal, them buying a key part could mean they can charge you whatever they want and you'll have to pay (or give up on the project entirely).

So whatever system you choose, make sure it's secure.

Section 3

Finding land assemblies – the easier way

Finding land assemblies – the easier way

Land assemblies aren't for just anyone. They take time. Dedication. Determination. And, occasionally, a little bit of luck.

Land assemblies are never easy. But they can be *easier*.

Everything we just spelled out in those stages? **That can all be done quickly and easily through LandInsight.**

- **Finding a potential site**
  Find sites anywhere in England and Wales, see title boundaries, save whole land assemblies together rather than as separate sites, and get proactive alerts when things change.

- **Evaluating those sites**
  See policy maps, assess planning applications and access comparable data all in one place.

- **Contacting the owners**
  Examine public ownership information where available (and access Land Registry documents at cost in just a click), and even set up proactive ownership alerts so you get an email should things change.

- **Managing the process**
  Work on sites anywhere, from anywhere, tracking every stage of the process with our industry-leading security that keeps your business safe.

LandInsight can help you to find, assess, and close deals faster. And there's a whole lot else it can do too.

Want to see for yourself?

SPEAK WITH AN EXPERT

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