

Index

- Accountability issues, in international PPPs, 232–233
2004 Act, 14
Agreements, *See also* Equalisation agreements
types of, 215–216
Akintoye A, 77
Allen, Grahame, 70
Approved plans, 176
Area-based approach, Dublin development, 113
Assessing options, property development appraisal, 58–59
- Bachrach P, 10
Balance sheet gearing, 144
Baratz MS, 10
Barry, Norman, 4
Behaviourism, 8
regime theory/theorists, 9–12
Bidding process in land development appraisal, 56
Bids analysis
in land purchase partnerships, 201–203
from local authority's viewpoint, 201–203
Bing L, 77
Blair, Tony, 22, 24, 26, 28
Bond issue, 144
Bretton Woods system, 20–21, 70
Brief role in site purchase partnerships, 187–188
Broadbent J, 76, 83
Building area, 177–178
- Buildings, life cycles in
property development implications, 46–49
demand in development in, 47
development cycle stagnation, 48–49
development cycles individual buildings, 48
obsolescence, 47
planning control, 51
planning regulations, 47
redevelopment, 47
Bureaucratic behaviour, 87
- Capital requirements of property development appraisal, 55
Capitalised sale, 158–159
and leaseback, 149
Central area redevelopment
power relationships with, 15–18
Centralisation of power by government, 14–15
development plan, 14
2004 Act, 14
2004 Planning and Compulsory Purchase Act, 14
1990 Town and Country Planning Act, 14
agenda shaping, 14
Lukes' conception, 14
Regional Spatial Strategies and the London Plan, 14
Clarke, Kenneth, 66
Claw back, 208–209
site purchase partnerships, 184
'Clone town', 17

- Cole GDH, 3, 4
 Commercial development sector, urban environment, 37
 Commercial/industrial development, Dublin, 122
 Commercial mortgage, 149
 Community power theories, 14
 Community-based regimes, 13
 Companies
 Companies Act 1989, 221
 government and private companies, 31–32
 government policy
 in macro sense, 31
 in micro sense, 31
 Compulsory purchase legislation, Dublin, 105–106
 Conditional contracts, site purchase partnerships, 183–184
 Construction industry and expansion (CIE), 108
 Conventional project and PFI project, comparison, 97
 Content, in land purchase partnerships, 188
 Contracts, in land purchase partnerships, 209–212
 Convertible loan stock (CLS), 174
 Corporate finance, 144, 148
 Corporations, 19–22
 Credit guarantee finance (CGF), 83
 Crouch, Colin, 18
 Custom House Docks, 113–114, 119, 126
- Dahl RA, 6–8
 Debentures, 166–168
 Debt finance, 144
 lender's risk avoidance ratios, 145–148
 long-term mortgage, 145
 Debt structure, funding property partnerships, 172–173
 Decision making, property development appraisal, 35, 53–64
 Default by mortgagor, 169–170
 Development agreement, in land purchase partnerships, 189–196, 210–212
 Development appraisal decision, in property development, 53–54
 Development cost, 177
 drawdown, 178–180
 Development partnerships and landowners, 182–224, *See also under* Landowners
- Discounted cash flow (DCF) analysis, 60–61
 Disposal documents, in land purchase partnerships, 189–203
 bids analysis from local authority's viewpoint, 201–203
 conventional ground rent calculation, 193
 development agreement, 189–196, 210–212
 ground lease will, 189–196
 ground rent with premium, 193–201
 partnership scheme involving developer, 192
 procedures for agreeing the pre-let, 191
 Documents, in land purchase partnerships, 209–212, *See also* Disposal documents
 Dowding K, 5, 9
 Draft underlease, 155
 Dublin, urban development experience, PPSs
 in, 104–141
 in 2008/2009, 129–141
 affordability cap, 134
 assessment and procurement process, 134–135
 future trends in, 137–141
 implementation issues, 135–137
 PPPS experience to date, 133–135
 preliminary appraisal, 134
 process auditor, 135
 public sector benchmark (PSB), 134
 recent trends in, 137–141
 value for money comparison, 134
 Beaumont Hospital car park in Dublin, 108
 compulsory purchase legislation, 105–106
 fiscal incentives in, 109
 from urban regeneration to PPP, 107–108
 Henry Street, 108
 housing programmes, 104–105
 inner-city decline in, 109
 local government and, 105
 Phase 1: 1986–1994, 111–118
 area-based approach, 113
 city council-/corporation-owned land sale, 113
 Custom House Docks, 113–114
 returning residential population to central Dublin, 117–118
 Phase 2: 1994–1998, 118–120
 changing economic context, 118–120

- Phase 3: 1998–2007/2008, 120–123
 1998 Urban Renewal Guidelines, 121
 commercial/industrial development, 122
 residential development owner occupiers, 122
 Urban Renewal 2000, 121
 Phase 4: 2008–onwards, 123–129
 emerging issues, 124–125
 future projects, 127–129
 individual property development incentives analysis, 125–127
 slum clearance measures, 104–105
 subsidisation of development activity, 110
 Dunleavy P, 4, 6–7, 9, 13
- Economic background and future trends, 240–246
 private debt, 244–245
 property rental value growth forecasts, 241
 property total return forecasts, 241
 property yield, 243
 sub-prime markets, 245
- Economic and Monetary Union (EMU), 119
- Elitism/Elite theory, 6
 oligarchy (elitist) versus polyarchy (pluralist), 8
 pluralist challenge to, 7
- Elliott, Larry, 84
- Entrenched institutional arrangement theory, 27
- Estimated rental value (ERV), 108
- Equalisation agreements, in land purchase partnerships, 214–215
 formulating methods, 215
- Equity, 143, 144–145
 bond issue, 144
 debt finance, 144
- European Economic Community (EEC), 68
- European Monetary System (EMS), 28
- Facilities management (FM) phase, 73
- Fielding, Steven, 25
- Finance and development process, 44–46,
See also Loans
 forward sale, 45
 investment finance, 44
 leaseback, 46
 mezzanine finance, 46
 project finance, 44
 sale, 46
 short-term project finance, 44
- Foreign direct investment (FDI), 19–20, 28, 31
- Forward sale, 45, 149, 171–172
- Funding property partnerships, 143–181,
See also Corporate finance; Debt finance; Equity; Loans; Project finance
 capitalised sale, 158–159
 charge to interest, 175–176
 convertible loan stock (CLS), 174
 debentures, 166–168
 debt structure, 172–173
 default by mortgagor, 169–170
 development funding, 164
 forward sale, 171–172
 funding structure, 164–165
 interest rate hedging techniques, 173–174
 leasebacks, 158–159
 lender's risk avoidance ratios, 145–148
 letting policy, 156–158
 limited partnerships, 175
 mortgages, 166–168
 profit erosion with priority yield documentation, 176–180
 profit erosion with priority yield, 159–163
 profit sharing leases, documentation for, 155
 profit sharing mortgages, 168–169
 property unit trusts, 174
 real estate investment trusts (REITs), 175
 rent-sharing leases, 151–152
 return, 165–166
 rights issues, 148–149
 timing, 164
 unsecured loan stock, 174
 yield, 165–166
- Gaffney D, 76, 78
- Gamble, Andrew, 28
- Gearing, 144
 high gearing problem, 207–208
- General Agreement on Tariffs and Trade (GATT), 30
- General development process (GDP), 20–22, 25, 37, 70, 106–107, 226–227
- Global forces influence on public sector power, 2–5

- Globalisation, 19–22
 investment flows, 20
 in trade, 20
- Government policy, 22–24
 development, 24–28
 entrenched institutional arrangement theory, 27
 1971 Industrial Relations Act, 25
 1946 National Health Service Act, 24
 New Towns Act 1946, 24
 1947 Town and Country Planning Act, 24
- Ground lease will, in land purchase partnerships, 189–196
- Ground rent calculation, 193
- Gross domestic product (GDP), 20–22, 25–26, 37–38, 70, 106–107, 226–227, 231
- Gross development value (GDV), 59, 63, 128, 192, 197
- Guarantor, 176–177
- Harding A, 6
 Heald, David, 75
 Hebson G, 87
 Held, David, 3, 18
 Hirst P, 19–21
 Hobbes T, 5
 Hood, Christopher, 27
 ‘Hollowed out’ state, 18–19
 Housing programmes, Dublin, 104–105
 Hunter F, 7, 10
 Hyperpluralism, 8
- 1971 Industrial Relations Act, 25
 Imbroscio, David, 12–13
 Instrumental regime, 11
 Institutionalised public–private partnerships (IPPP)
 guidance on, 236
 risk transfer, 236–238
- Integrated Area Plans (IAP), in Dublin urban development, 121–122
- Interest rate hedging techniques, 173–174
 bonds and junk bonds, 174
 caps, 173
 collars, 173
 drop locks, 174
 floors, 173
 swaps, 173
- International Financial Services Centre (IFSC) in Dublin, 113–116
- International trends in PPPs, 225–238
 accountability issues, 232–233
 Chile, 231
 in EU countries, 229–230
 evolving PPP programmes, 225–228
 institutionalized public–private partnerships, setting guidance, 236
 international debate on PPPs, issues in, 228
 national and international accountability, 235
 in non-EU countries, 232
 outside Europe, 231
 political accountability, 233–235
 PPP use, 228–232
 risk transfer, 236–238
 United Kingdom, 231
- International Monetary Fund (IMF), 70
- Investments in urban environment, 39–40
 advantages of, 40
 demand, 38–39
 disadvantages with incorrect investment, 40
 long-term investment capital, 39
 management, 40
 security of, 39
 standard investment, 39
- Ireland, urban regeneration policy in, 107–111, 125–131, *See also* Dublin
 ‘J curve effect’, 21
- Joint ventures, in land purchase partnerships, 219
 joint-venture company, management of, 220–221
 rights in, 221–222
 simple joint venture, 220
 subsidiary companies, 220
 syndicated funding package, 222–224
 termination, 221–222
- Joint-venture/finance agreement, 155
- Judge, David, 7
 Junior debt, 164
 Justification for PFI, 69–72
- Kalecki, Michael, 27
 Kay, John, 4
 Kerr, Derek, 70

- Keynesian model, 21
orthodoxy, 25
- Landowners, development partnerships and,
182–224, *See also* Disposal
documents; Joint ventures;
Refurbishments
agreement, 187
bidding, 185
claw back, 184
conditional contracts, 183–184
content, 188
contracts, 209–212
crystallising Section 106 costs,
218–219
deals with landowners, 216–218
increasing development density,
216–218
development brief, 187–188
documents, 209–212
equalisation agreements, 214–215
expressions of interest, 185
ground lease on local authority owned
site, disposal of, 186
local authorities, partnerships with,
184–185
options, 183
overage, 184
overage/lease and leaseback, 212–214
process in, 185–186
site purchase methods, 182–183
Land-use planning system, urban
environment, 36
1929 Law of Property Act (LPA), 169–170
Leach, Graham, 78, 84–85
Lease, 155
in land purchase partnerships, 212–214
advantages, 214
development agreement, 213
disadvantages, 214
Leasebacks, 46, 149–150, 158–159
Letting policy, funding property
partnerships, 156–158
major refurbishment or redevelopment,
158
rent under the lease, 157–158
underletting of part or whole, 157
Loans
criteria, 44–45
standard mortgage-type loan, 45
Life cycles, buildings, *See under* Buildings
Limited partnerships (LPs), 175
Local authorities partnerships in land
purchase, 184–185
Local Improvement Finance Trust (LIFT), 2
Local statist regimes, 13
Locke, John, 5
London Inter Bank Offered Rate (LIBOR),
241
Long-term investment capital, 39
Lowe, Michelle, 16
Lukes, Stephen, 14

MacLaran A, 17
Marshall Plan, 30
Martin HP, 29, 30
Management during lease term, 156
Maximum short-term finance, 177
McGuirk P, 17
Mezzanine funding, 46, 164
Miles, David, 242
Minimum Lending Rate (MLR), 241
Minton A, 17
Mixed-use development, 108
'Modern state', 18
Modern state
characteristics, 18
mechanism features, 2
Monbiot G, 18, 29–30
Monetary Policy Committee (MPC), 25
Monitoring surveyors, 178
Mortgages, 166–168
Mossberger K, 11–13
Mullen F, 110

National Development Finance Agency
(NDFA), 132
1946 National Health Service Act, 24
National Audit office (NAO), 72
National treasury Management agency
(NTMA), 132
Nature of public and private sectors
partnership, 1–2
New Economics Foundation (NEF), 17
Neoliberalism, 18
Net present value (NPV) approach, 60–61
Newly industrialising countries (NICs), 22
New Towns Act 1946, 24

Occupier demand, Urban environment,
38–39
O'Leary P, 4, 6–7, 9, 13
Ohmae K, 19

- Options, in site purchase partnerships, 183
 Organic regime, 11
 Outline business case (OBC), 68
 Overage, in land purchase partnerships,
 184, 208, 212–214
 advantages, 214
 development agreement, 213
 disadvantages, 214
- 'Partnership working', 82
 Petty bourgeois regimes, 13
 Pierson C, 2, 18
 2004 Planning and Compulsory Purchase
 Act, 14
 Pluralism/Pluralists, 7–9, 13
 hyperpluralism, 8
 regime theorists and, 10
 in urban context, 8
 Poggi G, 3, 19
 Political accountability, in international
 PPPs, 233–235
 Pollock AM, 76, 78
 Positivists, 8
 Power, *See also under* Centralisation of
 power; State
 of private sector and state, 5–14
 power over, 6
 power to, 6
 social and business power, 6
 types of, 6
 relationships with central area
 redevelopment, 15–18
 long-term funder, 15
 short-term funder, 15
 WestQuay scheme, 16–17
 Practical completion, 178
 'Pre-emptive power', 10–11
 Private debt, 244–245
 Private finance initiative (PFI), 66–107
 client incentive weighting, 86
 conventional project and PFI project,
 comparison, 97
 design of PFI facilities, 83–86
 financing of PFI projects, 72–74
 facilities management (FM) phase, 73
 procurement in, 74–75
 value for money in, 74–75
 incentive for government in, 70
 justification for, 69–72
 policy responses, 77–83
 procurement in, 74–75
 project changes, 86–87
 public sector ethos, 87–88
 accountability, 87
 bureaucratic behaviour, 87
 loyalty, 87
 motivation, 87
 public interest, 87
 risk structure for PFI project, 81
 Profit erosion with priority yield
 documentation, 149, 176–180
 approved plans, 176
 building area, 177–178
 development cost drawdown, 178–180
 development cost, 177
 guarantor, 176–177
 maximum short-term finance, 177
 monitoring surveyors, 178
 practical completion, 178
 settlement date, 178
 Profit sharing leases, documentation for, 155
 draft underlease, 155
 joint-venture/finance agreement, 155
 lease, 155
 Profit sharing mortgages, 168–169
 Project finance, 144
 categories, 149–150
 capitalised sale and leaseback, 149
 commercial mortgage, 149
 forward sale or forward commitment,
 149
 profit erosion with priority yield, 149
 sale and leaseback, 149, 150
 Property development appraisal techniques,
 partnership negotiations using,
 53–64
 assessing options, 58–59
 bidding process in land development, 56
 capital requirements of, 55
 construction cost, 63
 cost of finance, 63
 development decision, 53–54
 residual approach, 53–54
 development timing, 63
 inputs in, 62–64
 long-term management, 57
 to profit prediction, 59
 rental income, 63
 risk taking, 55
 sensitivity analysis, 59–62
 Property development process, 35–52, *See*
also Buildings
 partnerships in, 35
 property market, 36–42
 public policy choices in, 49–52

- supply of urban built space, 36–42, *See also* Urban environment
- Property partnerships
 - state activities in, 3–5
 - state and private organisations
 - relationship in, 4
- Property rental value growth forecasts, 241
- Property total return forecasts, 241
- Property unit trusts, 174
- Public Accounts Committee (PAC), 227
- Public capital spending (PCS), 66
- Public goods, characteristics, 1
- Public sector benchmark (PSB), 134
- Public sector, 2–5, *See also* State
 - public sector borrowing requirement (PSBR), 70
- Quasi Autonomous Non-Governmental Organisations (QUANGOs), 2, 68
- Ratcliffe J, 60
- Real estate investment trusts (REITs), 175
- Refurbishments, in land purchase
 - partnerships, 203–208
 - claw back, 208
 - high gearing problem, 207–208
 - overage, 208
 - overall appraisal, 205–207
- Regime theory/theorists, 9–12
 - behaviourist approach, 13
 - community-based regimes, 13
 - critics of, 12
 - discrete research base of, 11
 - instrumental regime, 11
 - local statist regimes, 13
 - organic regime, 11
 - petty bourgeois regimes, 13
 - regime theorists and pluralists, 10
 - symbolic regime, 11
- Regional Spatial Strategies and the London Plan, 14
- Rent-sharing leases, 151–152
 - rental payments to landlord, timing, 156
 - responsibilities, 155–156
 - reverse leaseback, 151, 154–155
 - risks, 155–156
 - side-by-side leaseback, 151, 153–154
 - terms, 155–156
 - top slice leaseback, 151, 152
- Residential development, Dublin, 122
 - returning residential population, 117–118
- Residual approach, property development appraisal, 53–54
- Retail Price Index (RPI), 82
- Return, funding property partnerships, 165–166
- Reverse leaseback, 151, 154–155
- Reverse sale, 154–155
- Ricardo, David, 29
- Risk and value for money, 75–77
- Risk structure for PFI project, 81
- Risk transfer, in international PPPs, 236–238
- Sale in development process, 46
- Schumann H, 29, 30
- Scitovsky T, 31
- Sensitivity analysis, property development appraisal, 59–62
 - discounted cash flow (DCF) analysis, 60
 - NPV approach, 60–61
- Settlement date, 178
- Short-term project finance, 44
- Shutt H, 22, 29
- Side-by-side leaseback, 151, 153–154
- Simple joint venture, 220
- Site purchase methods, 182–183
- Sloman J, 20
- Slum clearance measures, Dublin, 104–105
- Social and business power, 6
 - economic considerations, 56
- Special purpose vehicle (SPV), 85
- Standard investment, 39
- Standard mortgage-type loan, 45
- State, 19–22, *See also* Modern state
 - as a form of centralized power, 3
 - definition, 2
 - exercise of state power, 28–31
 - over society, 28
 - over WTO, 30
 - in private sector regulation, 4
 - in property partnerships, 3–5
 - in public goods taxation, 4
 - and private sector, 18–19
 - principle of consent, 3
 - in terms of functions, 3
 - in terms of goals or by consequences, 3
- Stoker G 11–13
- Stone, Clarence, 9–11
- Sub-prime markets, 245
- Subsidiary companies, 220
- Symbolic regime, 11
- Syndicated funding package, 222–224

- Tawney RH, 24
 Territoriality, 18
 Thain, Colin, 26
 Thompson P, 19–21
 Top slice leaseback, 151, 152
 1990 Town and Country Planning Act, 14
 1947 Town and Country Planning Act, 24
- UK Public Sector Borrowing Requirement (PSBR), 21
 Unsecured loan stock, 174
 Urban development experience of Dublin, 104–141, *See also under* Dublin
 Urban environment, property role in, 36–42
 commercial development sector, 37
 construction activity, demand for, 38
 investment demand, 38–39
 investment in, 39–40, *See also*
 Investments
 investor risk in, 41
 labour force, 36
 land-use planning system, 36
 market for, 38–39
 modern industrial and services economy, 36
 occupier demand, 38–39
- property prices and supply–demand relationships, 42–43
 public policy and governance issues, 36
 supply of urban built space, 42–44
 urban management and planning system, 37
 urban renewal policies, 46
 valuation monitoring, 40
 1998 Urban Renewal Guidelines, Dublin, 121
- Value for money (VFM) in PFI projects, 74–75, 80
 risk and, 75–77
- Wickham-Jones M, 22
 Weber, Max, 2
 Weiss, Linda, 19
 WestQuay scheme, 17
 Williams B, 60
 World Trade Organisation (WTO), 22, 29–30
- Yield, funding property partnerships, 165–166