

November 2008

Dear Colleague,

The Unintended Consequences of Land Use Issues

In early November the San Diego Union Tribune reported on a community battle over the expansion of a private high school. Neighbors who have peacefully coexisted with the campus for decades are now up in arms about the proposed reconstruction. In referencing how this battle has rallied the neighbors together, one woman stated, "That's been the overwhelmingly positive thing coming out of this bad situation. . .we now know everybody in the neighborhood. We kind of lived in isolation before."

This is a prime example of what Snow Properties refers to as one of the **"Land Use Laws of Unintended Consequences."** Case in point. . .

. . . **Galvanizing the Opposition.** Don't assume that community participation and input will result in approval. Instead, you may find that your project unites strangers with opposing agendas. Before you entered the scene, they didn't even know one another.

Let's be clear. Snow Properties supports community planning. Dee Snow was privileged to work alongside and learn from leading pioneers in community planning three decades ago. Nevertheless, managing the entitlement process is not for sissies. One encounters landmines, sinkholes, ambushes, and yes – a veritable swamp of unintended consequences.

Some additional examples of *Land Use Laws of Unintended Consequences* are:

Elevating a Minor Detail into a Potentially Deal-Breaking, Nefarious Factoid. Making a determination that removing information from a report because it is not applicable may have the unintended consequence of causing the information to become widely known, often misstated, and elevated to a place of importance. Recently a client insisted that certain provisions in a document did not apply. He was correct. But it took months to reestablish the truth.

Land Use Law and Land Planning. By its very implementation, it produces unintended consequences. Build a road for new development and others in the area using congested roadways switch to the new roadway. The result is one more congested roadway.

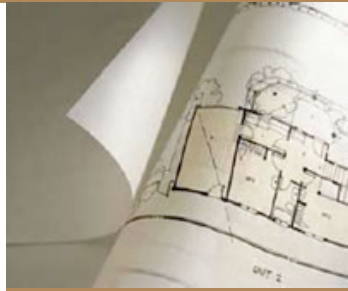
Sensitivity to Density. Senate Bill 375 encourages more compact urban development in order to reduce driving - a major greenhouse gas source. Under AB 375 cities that build inward and upward would get transportation funding while those that sprawl would not. In neighborhoods that are currently less dense, residents strongly oppose this type of development. Increased density can impact and potentially alter a community's character. So the unintended consequence for increased density is community activism and legal challenges that cause lengthy and costly delays.

Next month we will continue with a few more examples from our "Unintended Consequences" list.

Forward this message to a friend or colleague.

Snow Properties provides project management services to developers, financial institutions, owners and managers of real property assets in Southern California. Its expertise spans three decades and all stages of real estate development.

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"Wait and See" Dominates Year-End Perspective

Our colleague at the Concord Group, Robert McFarland, M.I.R.M., recently shared some of his company's research expertise with us.

"With respect to the Southern California Housing Market, the Fourth Quarter of 2008 appears to be experiencing a "wait and see" pattern among many developers, investors, lenders, and consumers; as they try and sort out a future direction for next year. The main factors or variables under observation have included: the recent Presidential election, SB 375, the curtailment in water supply to Southern California next year, job growth/job security, and when construction financing will be available again.

Nine out of ten developers and investors that I talk to weekly have indicated that they will be looking to purchase land over the course of next year: because they believe most submarkets will bottom out before the end of 2009; and they want to begin construction sometime in 2010, in order to catch the earliest rebound in market conditions."

Robert can be reached via [email](#) and (949) 717-6450. [Visit his web site.](#)

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