UK Developers Losing £300,000 a Day Due to Rigid BNG Approach – AiDash

As industry grapples with financial challenges driven by high interest rates, developers must use savings from new technology to continue to deliver housing

LONDON, UNITED KINGDOM, May 20, 2024 /EINPresswire.com/ -- Amid the rush to meet regulatory demands, UK developers' rigid approach to achieve biodiversity net gain (BNG) mandates is proving costly. Leading climate tech SaaS company AiDash have calculated that relying on traditional approaches to BNG is costing UK developers over £300,000 a day and has already cost £12 million since regulations came into effect on 12th February this year.

With over 150,000 BNG project applications expected to be submitted annually, the potential additional costs are substantial: over £5 million for small sites and nearly £1 million for standard sites in total every month. If developers continue to rely on traditional and outdated BNG approaches, these costs will rise, potentially reaching a staggering £62 million by the end of the year.

These calculations have been made by looking at the cost of assessing developments, consolidating results and creating a BNG plan per small and standard metric project using traditional methods, such as ground based ecological surveys and lower resolution mapping tools, versus adopting satellite and AI technology, and then the average number of standard and small project applications in the UK.

Unnecessary additional costs will be even greater when taking into account other financial risks related to BNG. Traditional approaches can result in errors that lead to delays and rejections including failure to provide BNG baselines or BNG plans, providing inaccurate BNG baselines and plans, or an assumption that BNG credits will be readily available to meet BNG mandates. The risk of these mistakes is exacerbated by the 40% shortfall of qualified ecologists in the UK to meet the demands of BNG, and pressurised timelines due to new regulations now in place.

For example, many mid-small developers are underestimating the level of change required, submitting planning applications without a biodiversity baseline or BNG plan. This oversight can cause significant delays in the application process for developers, ranging from 8 weeks to months at a time. Furthermore, it can render an application, which has already incurred significant costs, incapable of generating a 10% net gain without the purchase of costly BNG credits.

Another example is failing to provide accurate biodiversity baselines. Discrepancies between the area of each habitat or incorrect classification within the same habitat category can dramatically change the value of BNG on a site. Incorrect baselines can result in application rejections, even if the plan meets 10% net gain. This is because 10% gain calculated from an incorrect baseline may not represent a true 10% gain. Such rejections can lead to delays of months or more, and in extreme cases, can put the entire project at risk.

While opting for off-site credits may seem convenient, another costly error lies in assuming that BNG credits will be readily available and financially feasible. There are limits to where credits can be purchased; the development must be in near proximity and must gain approval from the Local Planning Authority. And while the base price in the original legislation was proposed to be £20,000 per credit, the latest guidance from Defra lists the lowest cost of credits at £42,000 and the highest at £650,000, depending on habitat rarity. These credits are deliberately expensive, intended to serve as a last resort to encourage biodiversity to be improved on site and developers should strive to maximize on-site BNG.

However, innovative new technologies are now available to UK developers that utilize AI and satellite imagery to ensure accurate and reliable habitat mapping, assessing large areas quickly and efficiently, and producing compliant BNG plans aligning with the new BNG framework. This technology is not only more affordable than existing methods, but also more accurate when used in collaboration with a skilled ecologist and much faster, turning weeks of work into days.

"There is no doubt that BNG is critical for the UK environment - the clock is ticking for us to reverse decades of intense biodiversity degradation. However, UK developers are facing huge unnecessary additional costs due to reliance on rigid and outdated approaches to BNG," said Shashin Mishra, VP of EMEA at AiDash.

"It is time for a shift in approach, integrating AI and satellite technology as tools to complement and enhance the vital work of skilled ecologists. As the industry still grapples with high interest rates and recent setbacks in housebuilding – PMI readings in April were the lowest since January – it's clear that developers must embrace new technologies to unlock significant savings and ensure the continued and successful delivery of new developments and BNG."

BNGAI by AiDash is a leading-edge software solution that uses AI and satellite technology to swiftly and accurately assess sites, ensuring compliance with BNG requirements. Since launching, over 75 of the top 150 developers in the UK have already signed up for the software to streamline BNG applications.

AiDash will be attending UKREiiF 21st – 23rd May 2024. Join them at the BNGAI by AiDash Pavilion in the new Dockside Zone.

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About AiDash:

AiDash is an AI-first vertical SaaS company on a mission to transform operations, maintenance, and sustainability in industries with geographically distributed assets by using satellites and AI at scale. With access to a continual, near real-time stream of critical data, utilities, energy, mining, and other core industries can make more informed decisions and build optimized long-term plans, all while reducing costs, improving reliability, and achieving sustainability goals. To learn more about how AiDash is helping core industries become more resilient, efficient, and sustainable, visit www.aidash.com or www.bng.ai.

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