APPENDIX 13: DELIVERY STRATEGY

INTRODUCTION

This report sets out the strategy for the delivery of the Purley Way Masterplan. To achieve this, the report identifies the scale of the ambition for the area in terms of the amount of development and supporting infrastructure proposed to be delivered over the masterplan period. A number of private and public sector funding opportunities to pay for the achievement of the ambition are then identified, before viability and phasing at a more detailed level are set out. This includes opportunities for precursor projects and for longer term place management. Finally, the roles and responsibilities for different stakeholder groups in delivering the masterplan are set out.

1. DELIVERY OBJECTIVES

1.1 Overall Scale and Mix of Development

The ambition of the Purley Way Masterplan is to deliver the following scale and mix of development across the total study area. Development will be clustered around four proposed local and neighbourhood centres: Valley Park, Waddon Marsh, Five Ways and Waddon Way.

+ 7,474 HOMES
NEW HOMES

+ 65,150 SQM
NEW RETAIL, LEISURE AND COMMUNITY USES

+ 42,703 SQM
NEW EMPLOYMENT USES

+ 2,580 SQM
NEW EDUCATIONAL USES

+ 4,133 SQM
NEW HEALTHCARE USES

1.2 Supporting Infrastructure

Development of the strategic sites will need to be supported by a series of infrastructure additions and improvements as outlined below.

Improvements to Public Transport

Including tram, rail and bus connections as well as active travel routes and transport nodes, will be vital in supporting the growth of the emerging local and neighbourhood centres. Public transport improvement options include the following:

- Waddon Station upgrade to enhance rail services and metroisation
- Tram extension along the Purley Way to Purley and Coulsdon
- Facilitating enhanced tram capacity on the Wimbledon branch
- New rapid bus service along the Purley Way comprising super stops and priority lanes
- Enhancement of existing bus operations along the Purley Way corridor
- Highways improvements to Lombard Roundabout, Commerce Way/ Drury Lane, Mill Lane/ Waddon Way and Five Ways junction
- New walking and cyclist crossings along the Purley Way

- Cycle route upgrades

Transport infrastructure need and costs have been estimated for the masterplan area. The initial cost estimates suggest a range from £220 million to £453 million. The lower figures, Scenario 1, is based on a package of measures including public transport improvements that are based on an upgrade of the existing tram line to support higher service frequency, plus a bus-based solution for the Purley Way corridor (creation of a rapid bus corridor along Purley Way with bus priority measures and limited stopping service etc). The upper figure, Scenario 2, is based on a tram extension along Purley Way, instead of a rapid bus corridor.

The scale of the cost of the transport infrastructure in either scenario is such that it cannot be borne entirely by development within the Purley Way area. Projects may require match funding from Transport for London (e.g. bus and tram schemes), significant contributions from Croydon Council's Capital Programme, or majority funding from the Department for Transport/ Network Rail. There is also potential for developers to deliver, or part fund, projects such as cycling and walking infrastructure schemes through Section 106 (S106) obligations and Community Infrastructure Levy (CIL) contributions.

A trip generation exercise was also undertaken to calculate the net uplift in trips by mode (public transport, walking and cycling). Estimates of the trips generated by the proposed development sites indicate that public transport demand from the Purley Way area alone would not be sufficient to support delivery of public transport infrastructure investment on the scale of a tram extension or similar. In light of this, it is not considered feasible to impose a Grampian condition for provision of such infrastructure. An alternative and more realistic approach could be to have a voluntary planning agreement to contribute to the development of a transport solution for delivery in the later phases of the masterplan. This approach is being used for the DLR extension to Thamesmead where, similar to the Purley Way, there is currently insufficient public transport provision to support the highest levels of growth that the area could otherwise accommodate. The primary landowner, Peabody, has partnered with Lendlease to take forward a masterplan for the area to demonstrate what could be built if the DLR came forward. It is entirely voluntary and not based on a formal planning agreement/requirement. It is to cover project development costs – not capital – but there is a clear need for new public transport to support viability, and therefore it is envisaged that the work being funded via the agreement can be used to support funding bids for capital works from infrastructure funding pots.

Smart Cities and Digital Infrastructure

Incorporating Smart Cities and Digital Infrastructure to make networks and services as efficient as possible. Opportunities include:

- Shared mobility – such as, provision of Car Club spaces and introduction of on-demand transport services
- Electrification of vehicle fleet – provision of electric charging points in major developments and on-street
- Mobility Hubs – building upon existing transport nodes/ developing new nodes at the local and neighbourhood centres
- Connected and Autonomous Vehicles – ensure developments can adapt to future demand
- Logistics and deliveries – automation, use of drones, cycle freight
- Smart Waste management – integration of smart bins and waste management systems

Social and Community Infrastructure

The potential uplift in housing and population across the masterplan area will place pressure on existing social and community infrastructure and will generate demand for additional facilities. The broad implications based on the capacity testing and phasing assumptions are outlined below:

Healthcare – Based on the Council's adopted benchmark ratio of 1 GP per 1,800 people[1]the expected growth is likely to generate the need for an additional 6.5-9.7 Full Time Equivalent (FTE) GPs. It is therefore proposed to make a provision for two health hubs of about 1,200sqm each, to cater for around 12 FTE GPs in total. The hubs have been proposed in the emerging local centres of Waddon Marsh and Five Ways.

It is assumed in the Council's Development Infrastructure Funding Study (DIFS) that 100% of the cost of facilities will be met by S106/CIL. While in the past, a portion of the cost has been borne by the NHS, this does not reflect the current funding climate. Additionally, the Council's Regulation 123 list (a list indicating infrastructure that may be CIL funded or required under a S106 agreement) includes provision of health care facilities.

Schools – The expected additional housing and population growth is likely to result in between 730 and 1,090 additional Primary-aged children over the plan period (0 in the short-term, 170-260 in the medium-term and a further 540-830 in the long-term). In terms of school places, there is very little additional demand in the short term and 3 to 5 Forms of Entry in the medium and long terms. These additional school places could be accommodated within existing/expanded schools in Croydon. Depending on actual levels of growth, there may be the need for additional primary school places in the area in the long term. The expected level of demand for secondary school places should be capable of being absorbed by existing schools.

Schools are now provided by the Department for Education through their Free Schools programme. We have therefore assumed that mainstream funding will account for the majority of funding for additional school places within existing/expanded schools (DIFS, 2019). The Council receives about £8 million annually from CIL income from development; they have advised that approximately 25% is allocated to education.

Other community facilities – Additional facilities include, but are not limited to, places of worship, youth centres, libraries and community halls, and will generally be directed to the new neighbourhood and local centres. According to 'Shaping Neighbourhoods – A Guide for Health, Sustainability and Vitality' the catchment population required to sustain one community centre is around 4,000 people. With an anticipated population uplift of between 11,210 and 14,970 over the plan period, there will be need for approximately three to four additional community facilities. The specific need will depend on existing local plan provision and capacity, as well as eventual phasing of the masterplan.

Community facilities are identified within the Council's regulation 123 list; the DIFS therefore suggests CIL contributions (or S106) should fund these facilities. Similarly, it is considered that funding for leisure and sport facilities will come from direct development costs and S106 contributions.

[1] Draft 5 Purley Way Local Plan Chapter Section 1.34

1.3 Overall Time Period

The intention of the masterplan is to deliver the mix of development and infrastructure outlined in sections 1.1 and 1.2 over approximately a 20 year period.

1.4 Covid-19

Covid-19 is having a significant effect on the delivery of regeneration projects in the UK. The Property Market Assessment Section of the Purley Way Masterplan sets out the potential commercial property market implications of Covid-19 for the Purley Way area. Whilst there are opportunities to be grasped that could benefit Purley Way in the future, challenges presented by Covid-19 for the delivery of the masterplan include:

- An uncertain macroeconomic picture, often impacting on private sector investment decisions – the immediate impacts of Covid-19 include a division in the performance of sectors which has been reflected in investor confidence. Logistics, life sciences and data centres have emerged as clear winners, whilst retail and hospitality have faced significant disruption.
- Increased pressure on public sector resources.

These issues have informed our thinking on a delivery strategy for the Purley Way Masterplan to reflect the following factors:

- Whilst the past year has presented significant uncertainty, enhancements to the area have continued, highlighting the strength of the location. Recent investments include the expansion of the Wing Yip store, Amazon signing a pre-let agreement for a distribution centre on the former Toys 'R' Us store and the redevelopment of the former John Lewis site into a mixed-use scheme.
- The programme for delivery of the Purley Way Masterplan is a long-term one and will span different economic and property market cycles which are likely to include more favourable economic conditions that those existing at present.
- A combination of public and private sector resources will be required to deliver the vision for Purley Way.
- The masterplan sets a clear direction for change on Purley Way but allows for significant flexibility in how it is interpreted at a site specific level – this is important as it will help landowners and developers to respond to evolving market conditions.

2. FUNDING

The funding for achieving the delivery objectives will need to be met from a number of sources across the public and private sectors. Sources of funding that are currently available as well as those that could be introduced in the future over the period of masterplan delivery are set out below.

2.1 Private Sector Funding

The direction set by the Purley Way Masterplan for the future of the area is designed to encourage private sector investment in the area. The masterplan is intended to incentivise landowners to bring forward land for development, with sites being earmarked for short, medium and longer term delivery. This development will be driven by occupier demand from businesses wanting to locate into the area or expand their existing premises and demand for housing. Investor and developer finance will then be required in order to fund new development.

In addition, housebuilders and developers delivering new development on the Purley Way will be expected to contribute planning obligations towards the funding of associated infrastructure. These will include:

- Section 106 – contributions negotiated between applicants for planning permission and LB Croydon as local planning authority, reflecting existing planning policy and designed to balance the impact of new development on the local community and infrastructure.
- Community Infrastructure Levy (CIL) – a charge levied by LB Croydon as local planning authority on certain types of new development to generate funding to help pay for infrastructure, facilities and services such as schools. LB Croydon is currently reviewing its CIL charging schedule.
- Mayoral CIL – a charge set by the Mayor of London on certain types of development across London to generate funding to pay for Crossrail 1 (the Elizabeth Line) and Crossrail 2.

These sources of funding may be modified in the future. As part of the White Paper "Planning for the Future" (August 2020), the Government is proposing to replace Section 106 and CIL with an Infrastructure Levy – a nationally set, value-based flat rate charge to fund infrastructure through capturing a greater share of the uplift in land values following planning consent.

For the purpose of the masterplan development appraisals, planning obligations have been applied as a cost to the developer. The costs are outlined in Table 1 and are based on present day assumptions.

Table 1: Planning obligations applied in masterplan development appraisals

	Mayoral CIL2	Croydon Council CIL	Croydon Council S106
Residential dwelling houses (C3)	£25/m2 net additional private residential GIA	£175.02/m2 net additional private residential GIA	£2,500 per private residential unit
Use Class E and Employment	£25/m2 net additional non-residential GIA	£175.02/m2 net additional non-residential GIA	£10/m2 on non-residential floorspace

2.2 Other Funding Mechanisms & Sources

Beyond contributions from development, other potential funding sources are available. These include funding opportunities from public sector bodies beyond LB Croydon. The role for the Council is to grasp opportunities to work with public sector partners and use the Purley Way Masterplan to help develop the business cases to successfully leverage funding sources including:

- Mainstream public sector funding sources to contribute towards infrastructure such as education, health, emergency services and transport (through TfL and Network Rail) and other infrastructure providers
- Central Government funding opportunities - examples include:
    - **Community Ownership Fund** – Announced in the 2021 Spring Budget and due to launch in June 2021, the £150 million Fund will allow communities across the UK to invest to protect local assets. Community groups will be able to bid for up to £250,000, with up to £1 million available in exceptional cases for sports grounds at risk.
    - **Levelling-up Fund** – The £4.8 billion Fund will invest in infrastructure that improves everyday life across the UK, including regenerating town centres and high streets, upgrading local transport, and investing in cultural and heritage assets. Applications for investment from the first round of funding need to be submitted by 18th June 2021.
    - **Build Back Better** is the government's plans to support economic growth through significant investment in infrastructure, skills and innovation. Projects including the UK Infrastructure Bank have been trailed, but it is not yet clear how future projects will emerge.
    - **Getting Building Fund** – London received £22 million from Government in August 2020 for the delivery of shovel-ready infrastructure projects, agreed with mayors and Local Enterprise Partnerships to boost economic growth, and fuel local recovery and jobs.
    - **Mayor's Air Quality Fund (MAQF)** is a £22 million fund over 10 years to support projects by London boroughs to improve air quality. The fund is currently closed for applications and will reopen again in Autumn 2021 (for projects of three years' duration).
    - **New Homes Bonus (NHB)** is a grant paid by Central Government to Local Councils, for six years based on the incremental council tax receipts. However, this was created because Central Government cut funding previously allocated to Local Authorities in the Housing and Planning Delivery Grant and Local Authorities formula grant. The aim of the NHB was to encourage local authorities to grant planning permissions for the building of new houses in return for additional revenue. Local authorities are not obliged to use the Bonus funding for housing development. Local Authorities now have the flexibility on how to spend the grant and it doesn't necessarily have to be on infrastructure. It was reported in early 2020 that the Government was seeking to reform the NHB.
    - **Homes for Londoners Land Fund:**

      Established in December 2017, **The Mayor's Land Fund** is intended to enable the GLA to be more interventionist in its approach to London's land market. The purpose of the initial £250 million is to buy and prepare land for new and affordable housing. The GLA is currently exploring the potential to expand the Fund by seeking additional funding from investment and institutional partners.

      An additional £486 million was secured from MHCLG in December 2018 to help unlock and accelerate housing delivery through land assembly, infrastructure investment and provision of gap funding to support the delivery of 8,000 housing completions in London by 2030. It can be used for housing delivery directly commissioned by the Homes for Londoners team or in partnership with external Housing Providers and landowners. This funding is comprised of three elements:

        - **Accelerated Construction Fund (ACF)**
        - **Small Sites Fund (SSF)**
        - **Land Assembly Fund (LAF)**

      As of December 2020, 55% of the total £736 million Land Fund investment programme has been invested. Applications to access funding are currently open. Proposals that demonstrate a return on investment and/or ability to deliver housing starts by March 2022 will be prioritised, however given the long-term nature of the Purley Way Masterplan, the GLA's view is that the LAF will prove to be the most appropriate source of funding through the Land Fund.
    - **National Home Building Fund** – Announced in the Spending Review 2020 was a £7.1 billion package to build more homes across the UK over the next 4 years. £2.2 billion will be allocated to SMEs and innovative housebuilders to support new housing in areas where it is needed most. An additional £100 million of grant funding in 2021-2022 will be allocated to unlocking brownfield land and supporting house building on land that may be less attractive such as ex-industrial sites.
    - **The Mayor of London's Energy Efficiency Fund (MEEF)** – Seeks to address market failures in London's low carbon sector by providing finance to enable, accelerate or enhance viable low carbon projects. MEEF can fund up to 100% of the capital cost of a project or part fund large scale regeneration projects which have low carbon credentials. MEEF is actively welcoming financing enquiries from prospective project sponsors. The grant funding is expected to be available until 2040.
    - **Housing Infrastructure Fund (HIF)** – potential future rounds of HIF could be introduced by the Government – significant funding has been provided by Government over recent years in the form of capital grants to provide infrastructure to unlock strategic housing growth opportunities.
- Other funding sources:
    - **Heritage at Risk** – Historic England's grants are primarily for urgent repairs or work required to prevent loss or damage to heritage features of listed buildings and scheduled monuments at risk. Grants are offered on a continuous rolling programme, with decision expected within six months. Assets within the masterplan boundary that are listed on Historic England's Risk Register, and are therefore well

positioned to receive the grant, are Old Tithe Barn and the former lodge to Croydon Airport Terminal.

Considering that many pieces of infrastructure required to achieve the objectives for Purley Way will not be needed for many years, we expect that many changes will be made to funding streams and policies in the intervening period. Some of the more innovative mechanisms that could be applied to Purley Way in the future include:

- Stamp Duty capture is a relatively new funding proposal which would allow revenues from Stamp Duty Land Tax (SDLT) to be collected for a specified period of time in a certain location. Ringfencing SDLT has been identified by groups such as London First as an alternative means for pooling funds to capture value uplifts accruing to development. Currently, these funds are pooled with HMRC and therefore it is difficult for local authorities to create a direct mechanism to share in the growth that would come from SDLT receipts based on infrastructure upgrades. Longer term, it could be on the agenda to see local authorities be able to retain all or part of the increase in SDLT receipts which can be attributed to their own direct investment.
- Business rate retention, Enterprise Zones & Tax Incremental Financing (TIF). Capturing some or all of business rates generated within a defined area is an increasingly common means of funding new infrastructure. Aspects of these initiatives have been examined elsewhere by the Council as part of the Growth Zone proposals for Central Croydon. This has been done successfully (in terms of part funding total infrastructure costs) in London whereby in 2010 TfL and the Mayor of London introduced a 2p direct levy on non-domestic properties with a rateable value over £55,000 to help pay for Crossrail. A major focus with the various models for retaining business rates is Enterprise Zones - geographical areas with a range of incentives to help to build or grow businesses, including simplified planning and tax relief. Currently, Enterprise Zones have a commercial focus rather than being aimed at improving housing supply. Gaining classification as an Enterprise Zone can help fund infrastructure projects as changes to business rates generated by firms locating in the defined zone are retained and reinvested in local economic growth for a period of typically 25 years. Typically, through the use of TIF, municipalities divert future property tax revenue increases from a defined area of district towards an economic development project or public improvement project. The Northern Line extension to Battersea, for example, is being funded by public sector borrowing but repaid through a business rates retention mechanism alongside funding sources such as CIL. The key test for such mechanisms regards the ability of any initial public sector lending to be paid back through CIL, S106 or growth in business rates.
- The Planning White Paper (August 2020) also identified that the Government is looking to allow local authorities to borrow against future projected Infrastructure Levy revenues. As with the other funding opportunities identified that require up-front public sector borrowing, careful analysis of the potential future projected income streams and risks would need to be undertaken before funding commitments could be made.

3. OPPORTUNITY SITES

3.1 Summary of Site Viability

In order to assess the viability of the opportunity sites identified in the masterplan, we have carried out development appraisals of the proposed scale and mix of development on a selection of representative sites. The detail is set out in our Purley Way Masterplan Development Appraisals report (November 2020), whilst this section sets out a summary of the results of the appraisals and the potential implications for delivery.

In terms of phasing the sites that comprise the wider local and neighbourhood centres, the assumption is that each individual site is treated separately in the development appraisals. This is because the individual sites are under different landownerships, so it cannot be assumed that a centre would come forward in neatly phased parcels.

The viability figures presented in Table 3 relate to the version of the site capacity provided on 20th October 2020. The Indicative Viability column in Table 3 sets out the Residual Land Value that has been calculated. Whilst this study has not addressed Existing Use Value (EUV), it should be noted that – in order to be incentivised to bring land forward for development – landowners will be seeking to achieve Existing Use Value plus a premium.

Benchmark Land Values have been identified as follows in Croydon Local Plan Review Whole Plan Viability Study (2020). Residual Land Values would need to exceed these in order to incentivise landowners to take the risk to bring sites forward for development.

Table 2: Benchmark Land Values

Property Type	Average £ per acre
Industrial	£3,045,749
Office	£1,919,541
Supermarket	£3,903,086
Alternative (F1)	£281,793
Residential	£83,154 (average £ per private unit)

Table 3: Summary of site viability

Sites	Residential (units) & Commercial (sqft NIA)	Indicative Viability	Summary of factors driving the RLV (ticks identify beneficial factors, crosses indicate adverse factors)
Valley Park Sites 314 and 334	Private: 664 Intermediate: 95 Social Rent: 222 Total residential: 981 Use Class E: 41,059 Employment: 100,384 Total commercial: 141,443	-£15,331,874	✓ Low commercial planning obligations as net loss of use class E and employment floorspace ✓ Smaller demolition cost, meaning less capital required in early stages of the scheme which reduces finance costs ✓ Weak residential element: reduced residential sales values reflecting the lower PTAL rating ✓ Intermediate housing values have been reduced from £341psf to £300psf ✓ High planning obligations for private residential mean this portion of the scheme is hindered from contributing to the overall viability of the site ✓ Podium parking – substantial cost which we can't generate a value from
Waddon Marsh Sites 125, 332, EE, 349, 316 and Mill Lane Trading Estate	Private: 881 Intermediate: 126 Social Rent: 295 Total residential: 1,302 Use Class E: 88,229 Employment: 193,786 Total commercial: 282,015	£244,869	✓ Strong private residential on the east side of the Purley Way ✓ Low commercial planning obligations as net loss of use class E and employment floorspace ✓ No podium parking ✓ Large amount of high revenue generating commercial elements × Intermediate housing values have been reduced from £374psf and £341psf to £300psf × Weaker private residential values on the west side of the Purley Way × High planning obligations for private residential mean this portion of the scheme is hindered from contributing to the overall viability of the site × Large demolition costs, meaning more capital required in early stages of the scheme which increases finance costs
Five Ways Sites 25, HH, Old Tithe South, AA and 350	Private: 836 Intermediate: 120 Social Rent: 279 Total residential: 1,235 Use Class E: 100,291 Employment: 1,499 Total commercial: 101,790	-£5,295,009	✓ Strong private residential values ✓ Smaller demolition cost, meaning less capital required in early stages of the scheme which reduces finance costs ✓ Low commercial planning obligations as net loss of use class E and employment floorspace ✓ Intermediate housing values have been reduced from £374psf to £300psf ✓ High planning obligations for private residential mean this portion of the scheme is hindered from contributing to the overall viability of the site ✓ Podium parking – substantial cost which we can't generate a value from
Waddon Way Sites BB, 11, CC and DD	Private: 653 Intermediate: 93 Social Rent: 219 Total residential: 965 Use Class E: 53,022 Total commercial: 53,022	-£26,506,825	✓ Smaller demolition cost, meaning less capital required in early stages of the scheme which reduces finance costs ✓ Low commercial planning obligations as net loss of use class E and employment floorspace ✓ Weak residential element: reduced residential sales values reflecting the lower PTAL rating ✓ Intermediate housing values have been reduced from £341psf to £300psf ✓ High planning obligations for private residential mean this portion of the scheme is hindered from contributing to the overall viability of the site ✓ Podium parking – substantial cost which we can't generate a value from

The implications of the above findings in terms of viability will be an influence on the delivery and phasing of the masterplan sites. This is explored in the following sub-sections.

3.2 Delivery

For such a large and complex study area with no single entity controlling the levers that influence delivery, it is inevitable that the implementation of the masterplan will take place through a variety of approaches that will vary according to site-specific factors such as land ownership and approaches taken to address scheme viability. Generally, we expect the following approaches to be taken:

- Sites where policy-compliant development is currently viable – these will typically be taken forward by the private sector, with development meeting planning policy objectives and providing landowners and developers with sufficient returns to justify them taking on development risk.
- Sites where policy compliant development is currently unviable – routes to delivery here are likely to fall under the following categories:
    - Negotiation between developers and the LPA around planning policies to achieve a sufficiently viable scheme with a degree of compromise on planning policy compliance.

- Public sector intervention takes place in order to assist in addressing viability gaps. Section 2.2 sets out a range of public sector funding and delivery mechanisms that could be used in these circumstances.Delivery happens at a later stage in the overall phasing for Purley Way, for example:
    - When market conditions have improved to assist scheme viability.
    - When the beneficial effects of earlier phases of development, infrastructure investment and enhancements to the quality of the area have established momentum and confidence in the area and benefitted values to assist scheme viability The Future of Destination Retail report commissioned by the Council in 2020 highlighted the potential for investment in the public realm, green and blue infrastructure and sustainable and active travel infrastructure to enhance the viability of schemes. More specifically, research by University College London[2] found that improvements to the quality of the publicly owned and managed areas of London's high streets and town centres can return substantial benefits to the surrounding properties, including:
        - An uplift in office rental values equivalent to an 'additional' 4% per annum.
        - A larger uplift in retail rental values equivalent to an 'additional' 7.5% per annum.
        - A strongly related decline in retail vacancy leading to a sizeable 17% per annum difference in vacancy rates between improved and unimproved street environments.
        - A growth in leisure uses and a greater resilience in the improved streets of traditional and comparison retail.
        - An almost negligible impact on residential values.

Landowner aspirations are also a key factor influencing delivery. We have engaged with a range of landowners as part of the masterplanning processs for their assets. These conversations have helped inform and justify the phasing and deliverability of sites presented in Section 3.5.

3.3 Public Sector Intervention Opportunities

In addition to the funding sources set out in Section 2 above, intervention by the public sector can also help to assist viability through a range of mechanisms, including:

- **Policy** – for example, the Council's planning policies in the forthcoming Local Plan should help to incentivise landowners and developers and give them the clarity and certainty that is required to come forward with viable schemes
- **Land acquisition and site assembly** – the framework set by the masterplan is intended to incentivise private sector developers and landowners to assemble land where required to bring forward development. This can be achieved by acquiring land through private treaty. There could also be a role for land acquisition by the public sector which can assist the deliverability of schemes in two ways:
    - Enabling the assembly of land for development projects to proceed - there is an opportunity to achieve this for the public sector through acquiring land through negotiation but backed by the potential to use compulsory purchase orders (CPO) should they be required, backed by the appropriate power and appropriate policies (e.g. such as those in the Local Plan)
    - Capturing value - most of the funding methods considered in this section for funding infrastructure rely on the planning system or other statutory mechanisms (be they fiscal or related to some sort of tax on land). Funding methods which are derived from taxes on land (such as CIL) are all pre-emptively set prior to development and in this respect, there is typically an inclination to be cautious in order to ensure that development is not stymied by the rates applied. This can have the impact that not all possible contributions (relating to the improvement on existing land values) are realised and individual developers and landowners are able to capture a greater degree of uplift than the parties which have funded the infrastructure. One response to this issue is to consider the selective purchase of land assets within the study area by the public sector. This would allow the public sector (as land owner) to seek to fully capture the potential value uplift from development. This could clearly require a significant initial outlay even for small elements of the study area. This would not necessarily involve the public sector in direct property development risk as it could sell the land on long leases (e.g. through development agreements) but with either a long term revenue stream (linked to the profitability of individual developments) or overage arrangements. Being a land owner as opposed to a planning authority/ government body gives significantly more control to the public sector so that it can maximise the receipts from the sites. The flipside of this is that it will obviously be subject to an element of property market risk whilst the land purchase price will involve negotiation and potentially paying more than the benchmark land value (in a policy sense) depending on wider market appetite/ considerations.
- **Direct public sector intervention in delivery** - recent years have seen the public sector take increasingly proactive roles in helping to deliver development in accordance with their broader policy objectives. There are a wide range of options open for LBC and other public sector partners to take in Purley Way, and in order to determine the optimal approaches, a full business case and risk assessment of the potential options would need to be undertaken. This will need to take place in the context of the current review of LBC's capital funding programmes and revenue budgets. In advance of this assessment, potential options for the Council, together with their pros and cons, are set out below.

[2] Street Appeal: The value of street improvements (UCL, 2021)

Table 4: Direct public sector intervention options

	Disposal	Contractual partnership	Joint venture	Direct delivery
Key characteristics	LBC could enable development by securing an appropriate planning permission then disposing of sites under its ownership on the open market, leaving subsequent purchasers to bring forward proposals.	LBC could procure a development partner, with delivery arrangements governed by a development agreement between the parties.	LBC could procure a partner and establish a common enterprise JVCo in which they share returns and risks. This sharing would be controlled through the shareholders agreements.	LBC could implement schemes themselves by appointing a development manager & contractor rather than a developer to deliver the scheme. LBC could retain freehold of land and take ownership of the completed properties which could then be leased.
Pros	• Relatively cheap (costs of planning and disposal) • Sale and capital receipt could be achieved quickly	• Tried and tested approach, well understood by the market • No separate entity created • Clear delineation of objectives, roles and responsibilities.	• Establishment of distinct entity encourages focus on shared business plan and objectives • Easier branding and marketing • JV Co can enter into contracts in own right if required • Flexibility and durability to address changing market circumstances	• High level of control for LBC • Development profit (but also risk) would sit with LBC and could either be retained or folded back into the scheme to deliver greater outcomes • Assets would be retained by LBC who could therefore potentially benefit from both revenue streams and capital growth • Exiting framework agreements could be utilised.
Cons	• LBC loses influence and control over development on their land beyond planning • Does not necessarily optimise value • Implications for revenue/income stream from the existing properties	• Potential lack of flexibility and ability to manage change requiring, as we have seen, deeds of variations to account for/deal with market conditions. • Lack of a separate identity, making dealing with third parties more complex in that reference has to be "made back" to the Development Agreement and cascaded through.	• Relatively complex and costly to establish • Parties will need to consider the majority of issues pertinent to the contractual partnership route as elements which would in that route form part of a development agreement will need to form part of the Shareholders Agreement • Potentially exposes LBC to different types and levels of (commercial) risk • Potential concern of insufficient accountability to parent organisations • Council would need to understand its role as members/officers who take on the role as directors of the JV will be liable as directors and there are potential conflicts of interests between their duties to the Council and to the JV. • Dilution of the Council's "independence" in that should JV be in breach, the Council may need to consider how it deals with itself as shareholder in the JV being in breach	• LBC would need to provide capital funding for the scheme to be delivered. • LBC would be exposed to commercial risk rather than this being passed on to a developer. • The absence of a developer would mean the scheme is less likely to maximise its commercial potential, as the developer's skill set is absent.
Case study	• A wide range of public sector bodies including TfL and the NHS are disposing of interests in land to generate funding and enable delivery. These can be larger opportunities or smaller sites that are often easier to bring forward. For example, NHS Estates disposed of a vacant health clinic in Brixton after securing planning consent and marketing the site for residential development.	• LB Southwark and British Land are taking forward the regeneration of Canada Water through a development agreement mechanism which will see a major mixed-use scheme including 3,000 homes, enhanced public realm, retail, employment and community facilities (a new leisure centre) being developed.	• The English Cities Fund is a JV comprising Homes England, Legal & General and the developer Muse. In Canning Town, the JV partnered with LB Newham to deliver a multi-phased regeneration scheme which includes residential, retail and leisure components.	• LB Barking & Dagenham has established its own property company – Be First – to act as developer, planner and construction manager on sites across the Borough. The company's portfolio includes residential and mixed use schemes. Surplus returns are ploughed back into the Council to fund service delivery.

3.4 Phasing Assumptions

Capacity testing identified the potential to accommodate 7,474 additional homes in the Purley Way Masterplan study area over the plan period. This housing is expected to be delivered over the following phases:

- Short-term: 0-2,000 homes

  Sites should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years. These include sites already under construction, sites with extant planning permission or sites allocated in the Local Plan as short-term (assuming evidence that supported this still stands).

- Medium-term: 2,000-4,000 homes

  Sites should be in a suitable location for housing development with a reasonable prospect that they will be available and could be viably developed at the point envisaged. These include sites where adopted Local Plan anticipates delivery post-2026, where positive intelligence from landowners has been received, sites with active pre-application discussions and sites strategically located adjacent to short-term sites.

- Long-term: +4,000 homes

  Sites should be in a suitable location for housing development with a reasonable prospect that they will be available and could be viably developed at the point envisaged. These include sites where adopted Local Plan anticipates delivery post-2026 and no earlier and newly proposed site allocations.

The degree of certainty over the level of growth diminishes over the short, medium and long-term. Growth in the short-term is 'deliverable' and relatively certain, whilst growth in the medium and long term is 'developable' and has less certainty.

3.5 Phasing and Deliverability of the Sites

The proposed 7,474 homes will be focused in the new Neighbourhood and Local Centres and their environs as follows:

- Valley Park Local Centre: 2,338 homes
- Waddon Marsh Local Centre: 2,618 homes
- Five Ways Local Centre: 1,528 homes
- Waddon Way Neighbourhood Centre: 990 homes

Valley Park

	Site	Number of Residential Units
Short-term	A: IKON, Lombard Roundabout 348: Homebase & Matalan Stores, 60-66 Purley Way	707
Medium-term		0
Long-term	314: Valley Park (B&Q/Units A-G) Hesterman Way 334: Valley Leisure Park, Hesterman Way 8: Motor Village Croydon, 121 Canterbury Road	1,631
		2,338

The completion of Site A in late 2019 and the pre-application on Site 348 demonstrate their suitability as short-term allocations.

Sites 314 and 334 have been assumed as long-term allocations, informed by a combination of early impressions from landowners, existing site constraints and results of the indicative viability study, which demonstrated a currently unviable proposition. Improvements in market conditions (for example due to an improved macroeconomic environment and/or enhanced property values in the area encouraged by the momentum established by the successful delivery of early phases of the Masterplan) could help to address this position over the longer term. Confidence regarding the delivery of improved public transport infrastructure will also help. Funding sources such as the National Home Building Fund, LAF and potential future rounds of HIF could help unlock housing at Valley Park though the provision of infrastructure, such as a rapid bus corridor, or helping to fund site assembly.

Waddon Marsh

	Site	Number of Residential Units
Short-term	D: Shackleton House, 209 Purley Way 355: Decathlon, 2 Trafalgar Way 125: Sainsbury's Trafalgar Way	961
Medium-term	332: Superstores, Drury Crescent 351: Furniture Village, 222 Purley Way EE: Sofology, 226 Purley Way 349: Harveys Furnishing Group, 230-250 Purley Way 316: PC World (currently Fabb Sofas & Next Home), 2 Trojan Way FF: Currys PC World, 12 Trojan Way 48: 294-330 Purley Way (John Lewis)	1,657
Long-term		0
		2,618

Waddon Marsh is comprised of sites assumed to come forward in the short and medium-term phases. Site D is expected to complete in 2021, delivering 131 new homes. Discussions between the freeholders of Site 355 and 125, suggest there is potential scope for redevelopment of the two sites based on the assumption that the combination of the separate parts into a residential-led mixed-use scheme is greater than the sum of the individual sites. The higher private residential sales values commanded on the east side of the Purley Way, owing to the adjacent tram stop and superior environs, should make the sites deliverable by the market and therefore considered priority sites.

The medium-term sites are all located on the west side of the Purley Way where viability is comparatively challenged, owing to a lower PTAL rating which increases the need for podium parking – which carries a non-revenue generating cost – and lower private residential sales values. Whilst the successful delivery of Sites D, 355 and 125 in the short-term will help establish momentum and interest in the area and assist with making longer term sites more viable, an uplift in values may not be enough to assume the market will deliver sites on the west side. These sites could therefore be an early priority for targeted public sector grant funding, such as through the sources identified earlier in this report. An opportunity for public sector intervention to bring sites forward more quickly could be the former John Lewis site where there is interest from the private sector to collaborate.

Five Ways

	Site	Number of Residential Units
Short-term	16a: Heath Clark (Housing site), rear of Stafford Road	126

Medium-term	16: Heath Clark, Stafford Road AA: 550 & 550a Purley Way	111
Long-term	110: Old Waddon Goods Yard, Purley Way 25: Morrisons Supermarket, 500 Purley Way HH: Five Ways Triangle 350: Wing Yip, 544 Purley Way	1,291
		1,528

Site 16a gained full planning permission in May 2020 for 126 residential units, demonstrating suitability as a short-term allocation. Similarly, positive discussions are ongoing with the landowners for Site 16 and Site AA, suggesting their suitability as medium-term allocations.

The viability study incorporated majority long-term sites (25, HH, 350 and AA) and demonstrated a marginally unviable proposition, suggesting some refinement of the concepts and value engineering could bring them forward in the medium to long-term. To enable this to happen, landowner owner discussions would need to be facilitated, as at present, no contact has been made with the owners of the long-term sites. Given the sites are under a variety of ownerships, we suggest LAF grant funding could assist in assembling the sites and unlocking them for development.

We understand (check with WMT) the transformation of the Fiveways Junction was put on hold by TfL in July 2020 following revisions to the budget amid the Covid-19 pandemic. Work was expected to begin late 2021/early 2022 and there has been no update from TfL on when these plans will resume. Given the uncertainty around timescales, whilst improvements to public realm, accessibility and noise pollution will make Five Ways a more attractive place to live and work and should help to enhance viability we cannot attribute a specific uplift in values to the upgrades.

Waddon Way

	Site	Number of Residential Units
Short-term	11: Croydon Garden Centre, 89 Waddon Way	177
Medium-term		0
Long-term	BB: Hilton Hotel CC: Colonnades DD: South Croydon Ambulance Station & Youth Centre, 619 Purley Way	813
		990

Our appraisals show a significantly unviable proposition at Waddon Way, indicating its suitability to be predominantly phased in the long-term (Site 11 has received a pre-app, hence it's allocation in the short-term).

Given the Colonnades and the Youth Centre are under public sector ownership, there is potential for them to come forward as a comprehensive scheme. However, we understand that the Colonnades remains an income-generating asset for the Council and as such this income would need to be replicated by any redevelopment scheme. There is potentially more flexibility regarding the Youth Centre coming forward more quickly, subject to any reprovision of community facilities being made.

Summary

A key principle behind the phasing strategy is to include the more viable sites in early phases of development, given that delivery of these sites will assist in establishing a sense of momentum behind the vision for the Purley Way area, increase occupier demand and developer confidence and – by raising the quality of development in the area – help to increase values in the area which will assist in making the more challenging sites more deliverable in the medium and longer term. Ideally this should be coupled with improvements to transport infrastructure and the quality of the environment and public realm. Examples of locations in London where such a phased approach has helped to plan for and deliver development include:

The Old Kent Road Corridor

Synopsis:

The Old Kent Road corridor, where environmental improvements and transport improvements will take place, alongside early phases of development to enhance the quality of development achievable in the area, linked to a longer term vision with the potential for more significant transport investment to further boost deliverability.

The Area Action Plan:

The Plan includes 20,000 new homes, 10,000 new jobs, 3 new tube stations as part of the Bakerloo Line extension (BLE), improvements to the Old Kent Road itself, as well as a new college, new school places, a health centre, parks, shops and a sports centre. Note that current proposals for the BLE are on hold amid the Covid-19 pandemic, with Southwark Council recently putting forward an alternative proposal for a tram network, akin to Croydon's Tramlink. A key part of the Plan is the commitment to the Climate Change Emergency through the delivery of net zero carbon development by 2030. Development in the area will be car free and walking and cycling will be promoted as superior modes of transport.

Consultation of the Plan re-ran between December 2020 and May 2021 to take into account the council's refocused priorities from the pandemic.

High-level Delivery Strategy:

- Prior to the announcement affecting the deliverability of the BLE, the intention of the Plan was to use CIL payments generated by the early phases of development to help fund the cost of the BLE.
- To speed up the delivery of new homes, where the developer meets the 40% affordable housing requirement, a financial viability appraisal will not be required to be submitted with the planning application.
- In order to deliver school accommodation, the council has purchased the secondary school site on Sandgate Street. They have explored initial options for the delivery of a new school however this will be kept under review with respect to the demand for school places in the future. The new four court indoor sports hall on the Ruby Triangle site would be managed and operated by the council and would operate as a shared facility for the new school on Sandgate Street.

- Two new youth facilities are also proposed on council owned land at Frensham Street and the Tustin Estate where revenue and capital funding will be provided by developer contributions. At Ruby Triangle the developer is funding the delivery of the indoor sports hall. To ensure social regeneration benefits all ages, all development will be expected to contribute to youth facilities or programmes.

A13 Corridor

Synopsis:

A long term growth corridor in East London. This area has seen profile-raising initiatives such as sustained public art programmes and improved transport infrastructure be used to enable site delivery and enhance the image of the area to an extent where game-changing developments such as the Eastbrook Film Studios are to take place.

Project Aims:

The London Borough of Barking and Dagenham started commissioning artists in 1996 to create artworks for the centre of Barking as part of the regeneration of the town and to enhance access to underused sites that formed part of the wider Thames Gateway development. The project showed that involving communities in regeneration plans, through art projects, can help the public have a far more positive relationship to the upheaval and change.

The council has over recent years played a role in taking over the previously underused sites for development including promotion for uses such as the Eastbrook Film Studios through its outsourced regeneration and development company, BeFirst. Funds were raised on an ongoing basis through S106 Agreements during negotiations for successive transport and housing schemes. Other key sources of funding included the former Office of the Deputy Prime Minister, London Thames Gateway Riverside Partnership and London Thames Gateway Urban Development Corporation.

3.6 Precursor Projects

In advance of site development taking place, precursor projects can assist viability and delivery by enhancing the image of an area, enhancing the quality of the local environment and creating a sense of momentum and confidence. As such, a series of precursor projects have been identified across the four strategic centres within the masterplan study area. The proposed projects are summarised below and range from meanwhile uses to more permanent uses. The ambition of the projects is to elevate the profile of the development opportunities and establish momentum for the regeneration of specific sites and the wider study area.

330 Purley Way

Three integrated projects on the site of the former John Lewis at Home unit, utilising the car park, interior and service yard and its connection to Waddon Ponds.

Project 1: Lewis Park

The first project will utilise the car park to create an urban playscape including seating, ground markings and other active infrastructure. An active transport hub with on-site resources will provide maintenance, repairing and upskilling, alongside additional community programmes.

Project 2: Meanwhile Use

The second proposal is to temporarily allow the occupation of the former John Lewis unit for meanwhile uses, focusing on R&D and creative activities. Programmes and initiatives will centre around active transport, public health and employment.

Project 3: Purley Oasis

The third proposal is a community-led greening initiative that connects the site of the Waddon Ponds to 330 Purley Way.

Sainsbury's Car Park and Valley Park

Project: Parklets and Recreation

Combines the typology of market stalls and upcycled parklets in order to utilise the public realm for hosting events, market stalls and other community focused opportunities.

Gasholders, Enterprise Close

Project: MAIA Artist Hotel

A hospitality space proposed in the SIL and run by artists, seeks to support the local creative community by retaining value generated through hospitality to re-invest in locally focused, community initiatives.

Purley Wayfinders Crossings

Locations: Purley Way Lido, Wandle Park Nature, Ikea Towers, Croydon Airport & Waddon Marsh, Five Ways

Ground art installations that celebrates local heritage whilst encouraging participation in the future identify and character of the study area.

3.7 Aspirational Precursor Projects

The introduction of these proposed projects can have many advantages for a site, including generating footfall, creating a 'buzz' and acting as soft marketing for future plans. All of this can be particularly beneficial when aiming to create a new destination. Outlined below are a series of aspirational case studies, which demonstrate how previously redundant spaces can be transformed into important community spaces and advance regeneration projects. Such ideas could be opportunities for meanwhile uses for sites in the Masterplan area. Funding sources have included both the private and public sectors.

Project: Pop Brixton, London

Pop Brixton is a temporary project in repurposed shipping containers on a Council-owned brownfield site. It provides approximately 50 local independent businesses including F&B operators, retailers and social enterprises. The project was delivered in 2015 by a partnership between Lambeth Council and Makeshift, a company that specialises in repurposing underused urban spaces. The land is leased to Makeshift rent free, with a profit split of 50:50 with Lambeth Council in place. There were plans to develop the site in 2020, however, a successful planning application from Makeshift enabled the extension of the lease from 2019 to 2024. The project delivers a range of social and economic benefits to local businesses and residents. In 2017, an independent evaluation of the project reported the following:

- Total footfall of over 1.6 million

- 47 businesses/ organisations on-site supporting nearly 200 FTE jobs
- 50% of the businesses on-site are start-ups; 14 have gone on to establish new locations elsewhere
- Strong local impact: nearly three quarters of businesses are owned by Lambeth residents, three quarters of employees are local, the average tenant purchases 41% of goods locally
- Nearly 5,800 volunteer hours generated by the Community Investment Scheme that requires each tenant to volunteer at least 1 hour per week
- A programme of schools/youth outreach

Project: The Printworks, London

The Printworks forms part of the area covered by British Land's Canada Water masterplan. Southwark Council leased the 14.5 acre site – previously used as a newspaper printing plant – to British Land in 2017 who transformed the unit into a 120,000sqft event space, hosting a wide range of live music events, conferences and exhibitions. This meanwhile period is helping British Land to formulate the site's role in its longer term plans for Canada Water. However, its popularity as a music venue is both establishing Canada Water as a cultural destination and increasing the likelihood that the site will remain as a permanent arts and entertainment venue.

Project: Easthampstead Works, Bracknell

The former offices for Bracknell Forest Council – which the Council had planned to demolish – were leased to This is Projekt in December 2018 and have been re-imagined as a space where local entrepreneurs can set up their businesses. Occupiers include a gym, painting workshop, early years nursery and hairdresser. Whilst the Council benefited from not having to pay costs associated with an empty building, the tenants and community also benefited from having a space where start-ups can innovate, establish and collaborate.

Project: PLACE/ Ladywell, London

PLACE/ Ladywell is a temporary housing and community space funded by Lewisham Council. The scheme opened in 2016 on the site of the former Ladywell Leisure Centre, whilst long-term plans are determined. The upper floors provided temporary housing for registered homeless families in little over six months, helping the council to meet an existing shortfall in both high quality temporary and two-bed accommodation whilst they develop permeant new-build and estate regeneration programmes across the borough. The ground floor offers retail, office and co-working space for local start-ups, alongside a community café and event space. This was in response to an initial consultation period, where a third of local residents said they felt the area lacked a creative presence. The temporary structure of the building means it can be re-deployed up to five times over a 60 year period. Although the council plans to relocate the scheme after 5 years on site, they see it as just the start of their long-term plan. "We don't want the temporary use to be something that happens and then ends when the regeneration happens, we want it to be the start of the regeneration" (Osama Shoush, project manager).

Summary

Precursor projects have a positive impact on an area in terms of enhancing image, increasing investor and developer confidence and establishing places as a destination for visitors. When delivered successfully, precursor projects can also enhance the viability of future developments in the area. However, quantifying that impact at this stage – when the precursor projects are conceptual, rather than worked-up and defined in full detail – is challenging, as it is highly dependent on the location and type of temporary use.

3.8 Place Management

The most successful regeneration projects consider longer term stewardship arrangements from an early stage. This is because – in order for the success of regeneration project delivery to be sustained – ongoing stewardship arrangements need to be put in place. These arrangements should cover a wide range of issues ideally including maintenance of the quality of the local environment, safety and security and marketing and promotion of the area. Town centre management and Business Improvement District mechanisms have proven to be successful models to deliver such functions in a range of other employment and town centre areas. It is considered that these could be useful mechanisms to test for all or part of the Purley Way area in the future, building on the progress made by the Purley Way Forum as the voice of businesses in the area.

3.9 Stakeholder Roles and Responsibilities

Beyond the Council, there are a number of other stakeholders who could have roles and responsibilities in relation to delivering the Purley Way Masterplan. These include:

- The Greater London Authority (GLA)
- Transport for London
- Utilities providers
- Coast 2 Capital Local Economic Partnership
- Croydon Health Services NHS Trust
- The Purley Way Forum
- Landowners
- Developers
- Local businesses and residents

Many of these organisations are represented on the Croydon Sustainable Economic Renewal Board which was set up during the Summer of 2020 to take a cross-disciplinary approach to fostering and supporting an economic renewal from Covid-19 that results in a more equal, inclusive and environmentally sustainable local economy.

Engagement with many stakeholders has taken place through the production of the Purley Way Masterplan. Whilst this delivery strategy is not intended to be definitive in committing stakeholders to specific actions, roles and responsibilities for these bodies in delivering the Purley Way Masterplan can be summarised as follows.

Table 5: Stakeholder roles and responsibilities

	Main Roles and Responsibilities					
Stakeholder	Policy setting	Project design evolution beneath the PW Masterplan	Project delivery	Project funding	Lobbying on behalf of Purley Way	Project and place stewardship role
LB Croydon	X	X	X	X	X	X
GLA	X	X	X	X		
TFL	X	X	X	X		X
Utilities providers	X	X	X	X		X
C2C LEP	X	X	X	X		
Croydon Health Services NHS Trust	X	X	X	X		
Purley Way Forum	X	X		X	X	X
Landowners	X	X	X	X		X
Developers	X	X	X	X		X
Local businesses and residents	X	X	X			X

Novel Coronavirus (COVID-19)

The outbreak of the novel coronavirus (COVID-19), declared by the World Health Organisation as a "global pandemic" on the 11th March 2020, has impacted global financial markets. Market activity is being impacted in many sectors.

As at the date of this report, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform viability, pricing and related recommendations and advice. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep under frequent review the advice contained in this report.

Disclaimer

This report is confidential to Croydon Council, We Made That and the wider consultant team. It includes commercially confidential information and it is recommended that it is not distributed to any third party. In the event that it is distributed to any party, C&W accepts no liability to such third parties.

No part of this report constitutes a formal valuation in accordance with the RICS Professional Standards ("PS"), RICS Global Valuation Practice Statements ("VPS"), RICS Global Valuation Practice Guidance – Applications ("VPGAs") and United Kingdom Valuation Standards ("UKVS") contained within the RICS Valuation - Professional Standards 2014, (the "Red Book").

In our development appraisals a series of assumptions on costs and values have been made. In using the results of the analysis, it should be realised that there is a degree of risk and uncertainty in attempting to predict future events. Consequently, the appraisal results are provided on the following express basis:

The development appraisals have not been externally audited and the information in the appraisals has not been verified, and whilst it has been prepared in good faith by C&W, it does not purport to be comprehensive. Any projections, estimates and opinions involve significant elements of subjective judgement. No representation is made, nor warranty given, by C&W as to the accuracy or completeness of the information contained within the appraisals and no liability in respect of their contents is accepted by C&W or any of its directors, employees, agents or advisers.

The development appraisals are forward looking and by their nature are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results to differ materially from those expressed or implied in these forward looking appraisals. The appraisals should therefore not be relied on as a promise or representation as to the future.