Major Projects: Crossrail 1

• Drives development
  – Total planning applications
  – Recognition of Crossrail in applications and PR
  – Improves viability

• Changes roles of places
  – Accessibility to jobs
  – Visibility and brand/image

• Station area “can opener”
  – Station renewal
  – Air-rights development
  – Station area masterplans
Major Projects: Crossrail 2

- South West – North East
- Relieves congested routes /terminal stations
- Risk of “meltdown” by 2030’s
- 270,000 daily capacity
- Affluent suburbs, central city and deprived communities
- Existing Rights of Way
- New central tunnel
- £28bn / $42bn
- Target opening 2032
Major Projects: Crossrail 2

- Crowding levels in 2031 without Crossrail 2
Major Projects: Crossrail 2

Other Crossrail 2 Factors

• Transportation capacity
• Routing and stations
• Costs
• Impacts and Benefits
  – Real estate values
  – Development levies
  – Property taxes
  – Transaction taxes
  – Land use change
Major Projects: Crossrail 2

Potential Crossrail 2 Impacts

• Market Benefits
  – Value of existing real estate
  – Value of potential real estate
  – Development capacity

• Fiscal Benefits
  – Development levies
  – Transaction taxes (Title tax)
    ➔ Existing estate
    ➔ Future real estate
  – Property tax increases

• Regeneration
Major Projects: Crossrail 2

Crossrail 2 Potential Impacts: Development Focus

• Central London
  – Enable next generation of office – constrained by transit capacity
Major Projects: Crossrail 2

Crossrail 2 Potential Impacts: Development Focus

- Upper Lea Valley
  - Next growth area after the 2012 Olympics
  - Residential and economic revitalization goal
Major Projects: Crossrail 2

Crossrail 2 Potential Impact: Development Focus

- Outer London Economic Development
  - Revitalisation of inner suburb downtowns (Wimbledon)
Major Projects: Crossrail 2

Crossrail 2 Potential Impact: Development Focus

- Outer London Economic Development
  - Remaking infrastructure land and air rights
Major Projects: HS2 Euston Station

- New high-speed, inter-city
- Up to 250 mph
- Reduced travel times
- System capacity relief
- Existing and new rights of way
- £30bn+ / $45bn potential cost
- National project – initially pitched in economic terms
- Costs and economic impact challenged
Major Projects: HS2 Euston Station

- London Terminus at Euston
Major Projects: HS2 Euston Station

- London Terminus at Euston
- National and commuter rail station
- Tube interchange
- Tired station at capacity

- Addition of 6 HS2 platforms
- Potential for comprehensive station redevelopment
- Potential air-rights development
- Wider revitalization
Major Projects: HS2 Euston Station

- London Terminus at Euston
- National and commuter rail station
- Tube interchange
- Tired station at capacity

- Addition of 6 HS2 platforms
- Potential for comprehensive station redevelopment
- Potential air-rights development
- Wider revitalization
Major Projects: HS2 Euston Station

• Economic Case
  – Mainstream corporate office
  – Knowledge economy
  – Life sciences cluster
  – Residential

• Air-rights deck cost
• Financial gap and timing issue
• Challenge for private sector
• Government funding needed
## Major Projects: HS2 Euston Station

- **Summarising Costs and Benefits**

### Fiscal Benefits and Contributions

<table>
<thead>
<tr>
<th>Business Rates</th>
<th>£1,200m</th>
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<tbody>
<tr>
<td>Stamp Duty Land Tax</td>
<td>£120m</td>
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<tr>
<td>Council Tax</td>
<td>£90m</td>
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<tr>
<td>MCIL</td>
<td>£21m</td>
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<tr>
<td>BCIL</td>
<td>£25m</td>
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</tbody>
</table>

### Value

<table>
<thead>
<tr>
<th>Potential Overall Development Value</th>
<th>£3,000m</th>
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</thead>
<tbody>
<tr>
<td>Housing Units</td>
<td>2,200</td>
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<tr>
<td>Commercial Floorspace</td>
<td>325,000SQM</td>
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<tr>
<td>Jobs</td>
<td>16,000</td>
</tr>
</tbody>
</table>
Major Projects: HS2 Euston Station

- Challenge: Timing of Returns

![Graph showing potential site receipts, development contributions, tax receipts, and total land, contribution, and tax impact over time from 2025 to 2060.](image-url)
Major Projects: HS2 Euston Station

- Risks of a Missed Opportunity
  - Lower growth
  - Weaker economic and fiscal benefits
  - Unresolved social issues
  - Limited value growth
  - Delayed development
  - Ad hoc developments
  - Fragmented station facilities
  - Missing a growth location
  - A fragmented and underperforming place
Making a Complete Case for Transit

- Transit Performance Indicators
  - Frequency
  - Capacity
  - Travel to work times
  - Jobs within 1 hour commute
Making a Complete Case for Transit

• Economic Indicators
  – Jobs and sectors
  – Gross Value Added

• Development Indicators
  – Land – Hectares/Acres
  – Housing units
  – Commercial floorspace
  – Community infrastructure

• Real Estate Value Growth
  – Existing homes and comm sqft
  – Development land
  – Proposed new development
  – Viability / feasibility thresholds
Making a Complete Case for Transit

- Fiscal Impact
  - Development levies
  - Property taxes
    - Residential
    - Commercial
  - Title taxes
    - First sale
    - Subsequent sales
- Development Rights and Land Sales

![Graph showing potential site receipts, development contributions, tax receipts, and total land, contribution, and tax impact.](image)
Making a Complete Case for Transit

• Spatial and Renewal Impacts
  – Station footprints and air-rights
  – Public realm
  – Downtown revitalisation
  – Community commercial hub revitalization
  – Former industrial site re-use
  – Former institution site re-use
  – Public housing redevelopment
  – Large scale land use change
Making a Complete Case for Transit

• Placemaking
  – Station design as signal
    ➤ Downtown
    ➤ Neighborhood
    ➤ Growth zone
  – Station setting and public realm
  – Transit interchanges
  – Wider public realm
Transit as Investment Driver

• Investment forces decisions
  – Accelerating long term trends

• Challenges place roles
  – Economic and jobs proposition
  – New residential pressure

• Intensifies focus
  – Density pressure
Transit as Investment Driver

Vacant Land
Former industrial, logistics, utilities

Under-utilised Sites
Surface parking, yards, low occupancy industrial

Obsolete Stock
Retail strips, low density residential

Public Transit Investment

Regional economic fundamentals
Market strength and rising demand

Supportive policy & political context
Coordinated public/private investment

Unlocks full development potential / transit capacity
Unlocks development sites by increasing demand
Capacity and connectivity enhance values
Higher densities enhance land viability
Efficient land use replaces obsolete frameworks

Regional economic fundamentals
Market strength and rising demand
Maximising Investment Opportunities

• Enabling policy and Zoning
  – Creating conditions for change
  – Positive context

• Existing place
  – Physical framework
  – Community fabric
  – Economic assets

• Market factors and trends
  – Other value drivers
  – Competition

• Response to timing
  – Short and long term impacts