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02 March 2017

Dear Mayor Sadiq Khan,

New Draft London Plan

Thank you for allowing Landsec the opportunity to participate in the New London Plan consultation. We look forward to continuing these discussions and trust that we will be kept abreast of the evolution of the Plan.

Landsec is a FTSE 100 company and the largest Real Estate Investment Trust (REIT) in the UK based on equity market capitalisation with a commercial property portfolio worth £14.4 billion. Our assets in London are home to over 900 businesses and support employment for 58,700 people, creating economic output of £3.9bn every year. Business rates from our customers contribute £89m in the CAZ and a further £22m in Greater London.

We have an established track record as one of the foremost property developers in the UK and London, where we own 6.5 million sq ft of office/retail floorspace within the CAZ, and over 1 million sq ft on prime London sites extending to over 35 acres outside of the CAZ in locations such as Lewisham, Shepherds Bush, West Hampstead and Finchley. Our development activity over the past decade in London has created £4.4bn of economic output, supporting 76,200 jobs in construction.

General Summary

Landsec supports the aspirations and objectives of the plan to deliver the “Good Growth” that London needs. The Plan explains the scale of the challenge that London faces and sets ambitious targets in response, not least in terms of requiring 66,000 new residential homes pa and 140,000 sq m increase per annum in commercial floorspace in the CAZ. Property owners and investors such as Landsec are key delivery partners for this and we are keen to continue to work with the Mayor to ensure that London gets the quantum and quality of development and investment required.

Landsec is a long-term investor in London and believes in working in partnership with the local authorities and local communities in which we are based. In submitting these representations our intention therefore is to help ensure the Plan provides the appropriate framework for successful collaboration so that we can all work together to achieve the goals of the Plan.



We have reviewed and would strongly endorse the content of the London First, British Property Federation (BPF), and the CPA/WPA (Alliance) representations. We have sought not to duplicate below all the detail contained within those representations, but to summarise our general thoughts and to bring to your attention some matters that we feel to be of importance.

Accumulative Impact

We ask that the Mayor reconsider the cumulative impact upon new development of the additional requirements that the emerging Plan proposes. We have worked with the BPF, Alliance and London First to review the viability impact of the Plan. This has resulted in a detailed review of the viability impact which has demonstrated the cumulative effects of the proposed policies to be considerable and that a substantial proportion of the development typologies assessed would not be commercially viable.

The Plan must respond to a very wide range of issues and it is inevitable that there will be competing demands and priorities for limited resources. Our concern however is that if all policy requirements were to be insisted on, a proposed development could be impractical in design terms and / or commercially unviable. We agree for example with the concern of the Alliance that for proposals in the CAZ it will not be possible to be “policy compliant” in respect of all the detailed non-strategic policies, which will significantly challenge viability.

We therefore endorse the following amendments proposed in the plan by the Alliance:

- It should set out a clear hierarchy of priorities. It is essential that the Plan makes choices and provides direction. It is not sufficient for the Plan to simply set out a wide range of policy objectives which, individually, may be laudable but which are likely to be, collectively, unachievable in their entirety;
- It should allow for policies to be applied flexibly, to take account of the circumstances of each case, the complexity and variety of the Greater London market, and changing circumstances over the plan’s life; and
- It should clearly state in Policies GG4 and GG5, in respect of housing and commercial development respectively, that the plan’s objective is to encourage and enable the development and growth that London needs, not to restrain it.

Chapter 1: Planning London’s Future (Good Growth Policies)

As stated above, we welcome and endorse the draft Plan’s Good Growth policies. Our goal at Landsec is to provide the right space to help businesses to grow and people to thrive. This would not be possible without working in close collaboration with the communities and local authorities in which we work and invest.

Landsec is proud that its development activity in the past decade in London has created £4.4bn of economic output, supporting 76,200 jobs in construction. Our Community Engagement Programme, that targets those who are furthest from the job market (such as the homeless, long term unemployed and ex-offenders) has helped over 1,000 people get back into work. Our Nova development in Victoria alone has created a totally new destination in London, providing 18 restaurants, over 300 homes and half a million sq ft of office accommodation, creating 3,900 job opportunities and £302m of economic activity.



GG6 – Increasing efficiency and resilience: Landsec support the aspiration of the policy and agrees that all developments need to help contribute to a more environmentally sustainable future. However, the draft Plan is currently lacking important details in defining what is meant by “zero carbon” to ensure that the desired outcome is achieved. At present the policy is too reliant on Carbon Off Set payments and doesn’t clearly state how we can achieve the Zero Carbon we are aiming for. The London First representations provide a detailed and robust response in this area and we ask that you consider the amendments they have proposed. We provide further detail on this below under our comments in relation to Chapter 9.

Chapter 2: Spatial Development Patterns

We support the general principles and approach of Policies SD1 – SD10. The majority of our London investment is in the CAZ. Our recent development activity there has delivered over 3.5m million sq ft of new commercial floorspace and the business rates from our customers contributes £89m. We would therefore like to highlight and strongly endorse the representations of the Alliance in respect of SD4 (The Central Activities Zone) and SD5 (Offices, other strategic functions and residential developments in the CAZ).

The Central Activities Zone is the heart of London and contains much that defines London as a World City. It is of national and international importance and its continued success should therefore be clearly and unambiguously supported by the London Plan. Accordingly, we welcome the reference to “**supporting and enhancing**” the CAZ’s office function in Policy SD4(B).

We suggest that an additional strategic policy relating to the CAZ is introduced to reflect this importance. This could split – and then strengthen – the support for the CAZ currently contained within SD4(A) and (B) from the other more detailed considerations relating to CAZ development set out in SD4(C)-(N).

This additional policy, before SD4 should read:

“The CAZ is vital to the wellbeing of London as a whole. The continued growth and success of London’s Central Activities Zone will be supported. Development that supports the growth of the CAZ should be encouraged, not restrained.

The unique international, national and London-wide roles of the CAZ, based on an agglomeration and rich mix of strategic functions as well as local uses, should be promoted and enhanced.

The nationally and internationally significant office functions of the CAZ should be supported and enhanced by all stakeholders, including the intensification and provision of sufficient space to meet demand. The City of London will continue to be promoted as the world’s leading international financial and business centre.”

Figure 2.16 sets out a replacement CAZ Diagram. This marks a significant change to the equivalent diagram within the existing Plan. The definition of the Victoria Opportunity Area should be extended along Victoria Street to include those sites on the street that have not yet come forward for development and to align with the up-to-date definition in the City of Westminster’s Local Plan.

It is important that the definition of the West End properly reflect the wide diversity of uses found within it. The West End is described by the key diagram as a collection of ‘Arts, culture and entertainment’ uses. This ignores the other key aspects of the West End:



- An office location. The West End accommodates 120,000 business and over 650,000 employees in a business environment of unparalleled diversity and creativity. It produced £51bn of GVA in 2014 (greater than the City of London).
- A retail location. The West End contains one of London's two International Centres, attracting national and international visitors as well as supporting the area's resident and working population. It also contains clusters of specialist retail uses.
- A tourist and leisure destination. It accommodates many of London's key tourist attractions, including Buckingham Palace, the Houses of Parliament, Covent Garden and Theatreland.
- A centre for education. The West End is home to a number of world leading institutions.

We agree therefore with the Alliance's suggestion that, rather than being defined as a Specialist Cluster alongside other more specialist areas; the West End be identified in a similar way to the City of London, with a section of explanatory text that explains the range and diversity of uses within it, including those uses listed above as well as arts, culture and entertainment. It is essential that the definition of the West End is not based solely upon its role in arts, culture and entertainment.

We also support the removal of mixed use policy at a strategic level.

In respect of offices specifically, SD5(l) should be strengthened to clearly set out that the use of off-site contributions, land use swaps and land use credits will be acceptable as a method of satisfying local mixed-use policies where they are applied. Meeting mixed use requirements through off-site provision, either as part of a land use swap, or through an estate or portfolio approach, is often the most efficient way of minimising the effect of mixed use policies on the deliverability of commercial development whilst maximising the yield/return of residential accommodation provided.

We therefore endorse the Alliance proposal that that Policy SD5(l) is amended as follows:

Local approaches to mixed use development of offices with housing should ~~take into account the potential to use~~ permit the use of land use swaps, credits and off-site contributions to sustain strategically-important clusters of commercial activities such as those in the City of London, other parts of the commercial core of the CAZ and the Northern Isle of Dogs.

Chapter 3: Design

We agree with the objective to ensure good design is achieved on all developments. Like the Mayor, we want to ensure that the development London needs is delivered to the highest quality. As stated above however under the heading Accumulative Impact, we believe there are however some instances where the Plan needs to be clear on its priorities, so that developers, LPA's and Mayor can successfully collaborate with each other and local communities to deliver the development that London needs. The danger of not providing this clarity is that proposals will get delayed or "stuck" in a planning process that doesn't enable adequate resolution when site constraints result in a stalemate between competing policy requirements.

We believe the Alliance, BPF and London First representations provide some helpful proposals to improve the Plan in this area and request that the draft Plan be amended accordingly. We list below a few of these suggested amendments:



Policy D1. We suggest that the policy wording is revised to ensure that it is clear that requirements to respect local context cannot be applied to prevent the capacity of sites from being optimised.

D2, Part H, 4: we believe it is not relevant, nor appropriate for the plan to suggest the use of “architect retention clauses in legal agreements” and respectfully ask that this text be deleted from the Policy

D4 and Table 3.1: We suggest that the space and amenity standards be recognised as “guidance” rather than being prescriptive. A blanket policy for minimum space standards is not able to recognise the diversity of locations and constraints across London, nor allow developers to tailor schemes designed to cater for specific local needs and demand.

D6 part C, Density and PTAL: We believe it would be helpful if this policy could refer to policy D6 A2 which acknowledges that other forms of sustainable transport can also be considered by LPA's when considering proposals that increase densities (i.e. not just PTAL). Para 3.6.5 offers some clarification regarding 'active modes'. Policy H1 2c also implies wider discretion. Great clarity and consistency on this point would be helpful and promote innovation to deliver greater numbers of new homes.

D8 Tall Buildings: We support the intention of this policy to ensure that proposals for tall buildings are assessed robustly. However, we agree with the representations of London First and the Alliance who are concerned that the Plan doesn't afford sufficient safeguards in this area against LPA's setting too conservative policies on height that would constrain optimised densities and an area's development potential. London First have suggested some helpful amendments to the Policy that we ask are reflected in an amendment to the draft London Plan, such as providing specific guidance for appropriate locations for tall buildings (such as town centres, transport nodes and OAs) and setting benchmarks for what could constitute a tall building rather than leaving this to individual boroughs.

Sunlight and daylight can often constitute an unnecessary constraint on the optimisation of site capacity, especially within Central London. The BRE Guidelines generally used often do not lead to sites being optimised and are not always well-suited to city centre locations. The Alliance proposals in respect of this area are particularly helpful and we ask that they be given full consideration and reflected in an amendment to the Plan.

Chapter 4 – Housing

We welcome the Plan's aspirations for facilitating a step change in the delivery of homes for London. The increase in target numbers however is significant increase from historic rates of delivery. Landsec is a significant owner of land in London which may be capable of providing new homes, and has a successful track record of delivering mixed use schemes in London such as our Nova scheme in Victoria. Our representations below are intended to help ensure the Plan can meet these ambitious targets.

H1 Increasing Housing Supply: we support this policy although suggest that it should state the overriding importance of encouraging, rather than restraining, housing supply. This is implicit within the policy title (“Increasing Housing Supply”) but not expressed within policy. Part 2 b: The encouragement to bring forward development on low density sites, not simply those with high PTAL is welcomed.

4.1.4 – The diversification of tenure types and encouragement of modern methods of construction is also welcomed. We believe the diversification of tenure types is a key requirement to enable a sustainable increase in housing delivery rates.



H5 Delivering Affordable Housing: We recognise and support the need for more affordable homes and note that 50% is an ambitious target. To be delivered it requires not just an increase in central government funding and public-sector housing delivery, but also the Mayor and LPA's collaborating with developers and adopting a flexible approach to affordable tenures to encourage the delivery of the highest number of affordable homes.

H5 Part B: Offsite and cross borough Affordable Housing provision: Whilst we understand the preference for on-site Affordable Housing provision, in practice this is very restrictive and does not always maximise the delivery and quality of additional housing, particularly in central boroughs and tightly constrained urban areas. We support the Mayor's aspiration to increase the overall supply of housing and affordable homes and therefore encourage the Mayor to be far more flexible about offsite provision and its location where it can be demonstrated that mixed and balanced communities can be maintained. The Mayor and GLA should use its London wide oversight to permit the delivery of Affordable Housing offsite and across different boroughs, especially where this will result in the delivery of more homes. We encourage you therefore to consider the amendments proposed to Policy H5(B) by the BPF, the Alliance and London First.

H5: Affordable Housing Credits (AHC): we also believe that land use swaps and affordable housing credits may also be constructively used to meet affordable housing policy. The current system delays the delivery of Affordable Housing until "need" can be met by an affordable housing generating development. An AHC system would enable sites that have been identified for affordable housing to be delivered as soon as possible, with the units created offset against a scheme that is better suited to meeting an affordable housing requirement. Landsec did this very successfully in Westminster with a scheme called Wilton Plaza (WP). WP delivered 74 affordable housing units, 68 of which were granted the status of an AHC and were completed in May 2009. 25 units were allocated to our Wellington House development that completed in October 2012, and the remaining 43 were allocated in 2014 to Arundel Great Court (a scheme that is still yet to be fully constructed). Compared to the normal process for delivering affordable housing, the AHC mechanism enabled 25 units to be delivered 3.5 years early and arguably the remaining 43 would still not have been delivered. There have been other instances where we have found a site capable of delivering offsite affordable housing but been unable to do so because we are not yet able to deliver the scheme that generates the requirement. However, if we had the benefit of AHC we could proceed with its delivery knowing that we could offset the costs against (1) the generating scheme if it is undertaken; (2) another scheme in our portfolio; or (3) via a third party that has also generated the need for Affordable Housing.

We think it would therefore be a very positive addition for Policy H5 to promote Affordable Housing Credit schemes where appropriate, as it would help enable the early delivery of Affordable Housing in London.

H6 Threshold Approach: BPF, London First and the Alliance present some very helpful comments and suggestions in respect of Policy H6. In particular we would like to bring to your attention the following:

- that the threshold level for the use of the Fast Track Route should be either the local affordable housing target, or 35%, whichever is the lower, to relate to the central London context where the maximum reasonable level has been established at between 25% and 35%.
- the GLA need the flexibility to review upwards or downwards the threshold subject to the quantity and quality of housing that has been delivered. The final paragraph of H6 Part B should be amended by replacing the word "increased" with "amended".
- the amendments proposed by London First in respect of H6, Part C to ensure the threshold achieves the desired effect of increasing the quantity of affordable housing that is delivered.



- as per our response to the GLA's Affordable Housing SPG, we remain concerned about the unintended consequences of the review mechanisms set out Policy H6 Part C. We believe it will add another tier of uncertainty to the development process and imbalance the risk/reward assessment by limiting the upside performance, whilst amplifying downside risk. Review mechanisms can play a role in large complex multi-phase schemes which may be developed over several economic cycles - in these cases affordable housing provision for far off phases can be hard to establish at the time of planning so reviews may be warranted. However, the policy as currently drafted allows it to be required from potentially all developments. Getting projects on site is an incredibly complex process. Work-streams such as the detailed design process, securing funding, procuring construction contracts, agreeing letting terms on any commercial elements of mixed use schemes, could all be undermined by review mechanisms. A near end of development review is also impractical as costs are not known when 75% of units are sold or at 3 months before PC (e.g. a final account with a contractor can take a year or more to finalise).

H7 Tenure mix: The Plan is very prescriptive in terms of tenure, which may have a negative impact on the quantum and quality of affordable homes produced. The clarification at 4.7.12 that tenure split is a "starting point for negotiation" where the viability test is not met is helpful. We believe however the Plan should be less prescriptive to enable the Mayor and LPA's to respond appropriately to local need and on a site by site basis. London First have proposed some helpful amendments to the Plan in this area that we ask you to consider.

Policy H13 Build to Rent: We welcome the Mayor's recognition of the importance of Build to Rent homes (BTR) but like the BPF and London First we are concerned with the draft Plan adopting the same 35% affordable housing threshold as build for sale. We encourage the GLA to consult with the BTR sector in an open book manner to establish a suitable lower threshold for BTR developments, that will enable it to be viable, compete fairly for land and help deliver the quantum of new homes required.

Chapter 5: Social Infrastructure

Landsec broadly supports the Plan in respect of Chapter 5, Social Infrastructure.

Chapter 6: Economy

E1 Offices: We strongly support this policy and the recognition of the importance of offices as part of the CAZ. We do however query the suitability of part G, which refers to lower cost and affordable workspaces.

E2 Low Cost business space and E3 Affordable Workspace: we understand what the plan is trying to achieve in both areas, but agree strongly with the representations made by BPF, the Alliance and London First in this area. We believe the policies could have the unintended consequence of limiting the supply of land to deliver regeneration and new commercial floorspace.

E9 Part E: We do not think it is appropriate for the London Plan to promote the concept of "affordable units" within retail policy and ask that this reference be deleted. There is no evidence base that it is needed. It has not been defined or costed and therefore it is unclear how this policy will be implemented by LPAs nor how it can be accommodated by development proposals going forward.



Chapter 7: Heritage and Culture

We welcome the addition of a chapter and policies on Heritage and Culture in the Plan and aside from the representations below, support the principles proposed.

HC1: we welcome the recognition of the need to consider the benefits of development to economic viability, accessibility and environmental quality when preparing development strategies (Policy HC1).

Paragraph 7.3.6 we agree with the Alliance that it is not appropriate for Local Views to be afforded the same degree of importance as Strategic Views.

Chapter 8: Green Infrastructure and Natural Environment

We generally support the London Plan's intentions to improve London's green infrastructure and support most of the policies proposed in the plan.

G5: Urban Greening: We support the intention of the policy to increase the volume of urban greening in development. However, the proposed UGF of 0.3 could negatively impact the quality of design and amenity for certain developments. We have tested the policy against a number of our commercial schemes in the CAZ and we don't believe any of them could realistically achieve the target score of 0.3. Taking an example from our development pipeline, a 2,900m² site currently undergoing application in Southwark would need to increase green roof or planted area provision from 370m² to 1110m² to meet the UGF threshold of 0.3. This would decrease both the roof space available for amenity access, and walkable public realm at ground level, which would have negative impact on the usability and hence occupant experience of the development proposed. We recommend the threshold is reduced to 0.15 for commercial-led and 0.20 for residential-led schemes, with the 0.3 or 0.4 factors retained respectively as target ratings. This would allow schemes to integrate green spaces in a sensitive way, whilst retaining useable and walkable areas. In addition, we propose the weighting allocated to provision of climbing green walls planted in soil could be increased to 1 to encourage better use of natural growing vertical planting in meeting the desired threshold. Where there are particular constraints such as conservation areas or listed buildings a target score of 0.1 should be applied.

Chapter 9 Sustainable Infrastructure

We support most of the environmental and sustainability objectives of the London Plan. However, we feel that in some areas the Plan lacks clarity and policy could be better defined to help ensure the desired outcome is achieved.

SI1 Improving Air Quality: We support the principle of this policy and recognise the need to improve air quality in London. However, we require further clarification as to how 'Air Quality Positive' would be achieved. In addition, we recommend that clearer guidance is offered to developers on possible solutions to meet the energy efficiency targets stated in Policy SI2 given CHP is currently the preferred route for most schemes as it delivers cleaner than grid electricity and low carbon heat but does potentially impact on local air quality.



S12 Minimising greenhouse gas emissions: We support the aspiration for London to become a zero-carbon city by 2050 and the policy intent to create energy efficient buildings in operation. We believe that the focus of the policy should be to target carbon neutral building operation, using energy efficient heating and cooling systems such as ground or air source heat pumps and with all the energy consumed provided from REGO backed renewable energy sources or offset using an auditable and transparent methodology. We believe that all reasonable measures should be taken to reduce the energy consumption and carbon emissions during the construction process. However, in our view the energy consumed in construction should not be included in the targets set for building operational energy and carbon emissions. In contrast to energy used in construction for operational energy use there is more data to rely on and investment can be made in technologies that will operate throughout the life of the building. We would recommend that the definition of the greenhouse gas emission policy should be amended to read as follows:

“A. Major development should be net zero-carbon *in operation*. This means reducing carbon dioxide emissions from ~~construction and~~ operation, and minimising both annual and peak energy demand in accordance with the following energy hierarchy:

1. Be lean: use less energy and manage demand during ~~construction and~~ operation.
2. Be clean: exploit local energy resources (such as secondary heat) and supply energy efficiently and cleanly. Development in Heat Network Priority Areas should follow the heating hierarchy in Policy SI3 Energy infrastructure.
3. Be green: generate, store and use renewable energy on-site. *Electricity should be provided from REGO (Renewable Energy Guarantees Origin) backed renewable energy sources.*”

We believe it will be important to provide clarity on the definition of zero carbon (or carbon neutral in operation) and that this should be aligned with the definitions and standards used internationally by other world cities.

Great steps have been made to improve the energy efficiency of buildings in response to increasingly challenging Building Regulations and London Plan policies but with the current level of technology choices and the challenges of working in an intensive urban environment it will not always be possible to achieve the proposed targets from on-site measures alone. This will then trigger the carbon offset payment mechanism.

The combination of a zero-carbon target and an increased carbon cost per tonne will result in much higher payments being demanded. We are concerned about the potential negative impact on development viability arising from the potential level of payments to the carbon offset funds and would refer you to case study examples included in the Alliance response. If the draft Plan is not amended to provide the clarity on how the targets can be achieved and to reduce potential costs arising from the payment, this policy will have a significant impact on viability and will come at the expense of other important Plan objectives such as affordable housing and overall housing numbers.

9.2.7: We recommend that where schemes are unable to meet the desired energy efficiency measures in accordance with improvement over Part L, offsetting be allowed off-site elsewhere in the developer’s portfolio, through investment in other carbon saving or energy efficiency projects. Where the developer has no such project available, alternatives should be sought in the relevant borough to allow the developer to invest the offsetting fund in a tangible and local alternative.

9.2.10: Minimum requirements of energy strategies: The Plan goes into a lot of detail prescribing the content of an energy strategy (listing items from a-l) that we do not think is appropriate for a strategic



planning document. The Plan should set out the objectives and aspirations in terms of energy, but leave the content to be determined on a site by site basis and in accordance with latest technology and practice. The detailed specification requirements are also better managed via building regulations, rather than as part of the planning process. We therefore suggest the text in this part of the plan be amended so it clear that it is guidance rather than a mandatory requirement.

S13 Energy Infrastructure: We support the intent to provide energy efficient masterplans for major developments and to reduce the reliance on fossil fuels for heating. In keeping with the overall policy objective, we would recommend that major developments in Heat Priority Areas should also establish the most effective energy supply option for heating systems rather than be required to adopt a solution from a limited set of alternatives based on a prescribed hierarchy. The adoption of a communal heating system connected to a local network or centralised energy centre may not in all cases provide the most energy effective outcome. Following a rigid approach as described in the policy may drive unintended outcomes. It currently prioritises reliance on an ESCO dominated unregulated heat utility sector with limited price control and a conservative approach to the use of new technology. We would recommend that the list of options should be viewed as guidance rather than mandatory requirements and be subject to feasibility and viability tests, this will allow a greater level of flexibility to respond to grid decarbonisation and encourage new design thinking and innovation in this area.

S16 Digital Connectivity Infrastructure: We welcome the Mayor's initiative to work with providers, developers, councils and Government to achieve greater digital connectivity. We have led on the use of universal connection chambers to simplify the installation of network connections into major developments. We have supported the City of London initiative to create a standard wayleave agreement and actively encourage service providers to pre-provision our new buildings with high speed internet facilities. We would be pleased to work closely with the Mayor's team to share best practice and we fully support the policy aim of securing world class digital connectivity for residents and businesses in London.

Chapter 10 – transport

As per the BPF response, we welcome the draft Plan's commitment to providing a strategic approach to transport and making the most efficient use of land and existing public transport provision. It is important that development takes into consideration existing transport infrastructure and integrates this into its plans to ensure that growth is sustainable and impacts on local communities are mitigated. We also broadly support the shift away from car use, but the GLA need to ensure efficient alternatives are put in place to give Londoners real choice over using their cars. Public transport such as the tube and the bus network require continued investment and there needs to be a continued focus on road safety and improving street environments to encourage more cycling and walking.

T3 Transport capacity, connectivity and safeguarding: Landsec supports the transport initiatives and associated policies listed in the Plan to help ensure we invest in and provide the transport infrastructure required to keep London moving.

T5 Part B – we would like to suggest that cycle infrastructure, beyond what can be accommodated on site, should be identified and covered under CIL as planned infrastructure, rather than funded via a further commuted sum as currently proposed in the draft Plan.

T6 Paragraph I: whilst we understand the Plan's objective to reduce London's use of the car, we think that this policy may block sites that could otherwise be brought forward for regeneration and/or delivery



of new homes. Car parking has an important role to play in London to provide access for differing needs and purposes. As currently drafted the policy may prevent regeneration on car park sites where existing parking needs to be retained (e.g. to maintain public amenity or for contractual or economic reasons), but can be incorporated within a new development. The policy could therefore be amended to make exceptions for regeneration on or over commercial/ town centre car park sites which can be redeveloped whilst maintaining parking amenity. There should also be recognition of design that considers the ability to repurpose parking spaces over time - so as not to hold up important regeneration projects on car park sites.

London Plan Viability Study

We believe it is commendable that an area wide viability review of the draft Plan policies has been undertaken to test the Plan's robustness and its ability to deliver sites across London. We have however similar concerns to those raised by London First in terms of the adequacy of the evidence base, methodology used and outputs arising in the viability study. Our principle concerns can be summarised as follows

- Limited evidence base: As we understand it, there were only 32 case studies undertaken, with only 3 office typology studies of 7,500 sq m and above. We consider this inadequate for assessing development that is likely to come forward during the Plan period in the CAZ.
- So far as the Central Band is concerned, we consider the supporting evidence and subsequent analysis in the study does not demonstrate the complexities of undertaking development in the CAZ.
- Benchmark land values: we believe this is both lacking in depth and quality of evidence and significantly underestimates site values in the CAZ (Central Band). As we understand it there are no examples from within the CAZ, Hammersmith and Fulham, Royal Borough of Kensington and Chelsea or Hackney. Only 10 of the 35 examples are described as being from within Inner London and 43% of the evidence is provided from only two outer London boroughs: Hounslow and Waltham Forest. 60% of London boroughs have no land evidence within the study. In other words, there appears to be no evidence to support the low, medium and high benchmark land values adopted in the Central Band.
- Analysis of developer returns: the report states this is calculated as between 15-20% of GDV and looks to breakdown the return according to an evaluation of respective risk. There is no evidence to support this disaggregation and we do not recognise this analysis of return which is not reflective of RICS guidance nor best practice.
- Use of Three Dragons Model: this is not used in the market because we understand it to be very limited, particularly in the context of commercial (non-residential) schemes, and to have a number of in-built deficiencies that make its conclusions unreliable
- The cumulative impact of several policies is not adequately evaluated in the Study.
- We believe there is no recognition of on-site costs such as decontamination, demolition, building above and over infrastructure such as utilities or underground railway lines.
- No downside sensitivity has been undertaken to test how robust the Plan's policies are in the event of a change in market circumstance or reflecting the market cycle. With forecasts of lower economic growth, interest rate rises, cost inflation and Brexit on the horizon it would have seemed sensible to test some downside scenarios.

Conclusion

In summary we support the ambitions and targets set within the draft Plan to deliver the homes, commercial floorspace and Good Growth that London requires. We want to work in successful



collaboration with the Mayor, LPAs and local communities to deliver these targets. The comments and amendments we have listed above and which are contained within the BPF, London First and Alliance representations are all intended to help improve the draft Plan so that we can all work together to achieve these ambitious objectives.

We look forward to seeing how the Plan develops and being involved in the next stages of consultation.

Yours sincerely,

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