



# Land Value Capture

Presentation to Railfuture

Date 26<sup>th</sup> October 2024



# Agenda

1. E-Rail team and vision
2. LVC general overview
3. E-Rail LVC Method
4. Northumberland Line
5. Challenges we experience



# Our Team, Business Vision



## Providing funds for public transport projects

We secure and deliver private sector money raised from land value capture which contributes significant funds ranging from 20% to 70% of the capital cost towards the building of new public transport infrastructure.

[Learn More](#)

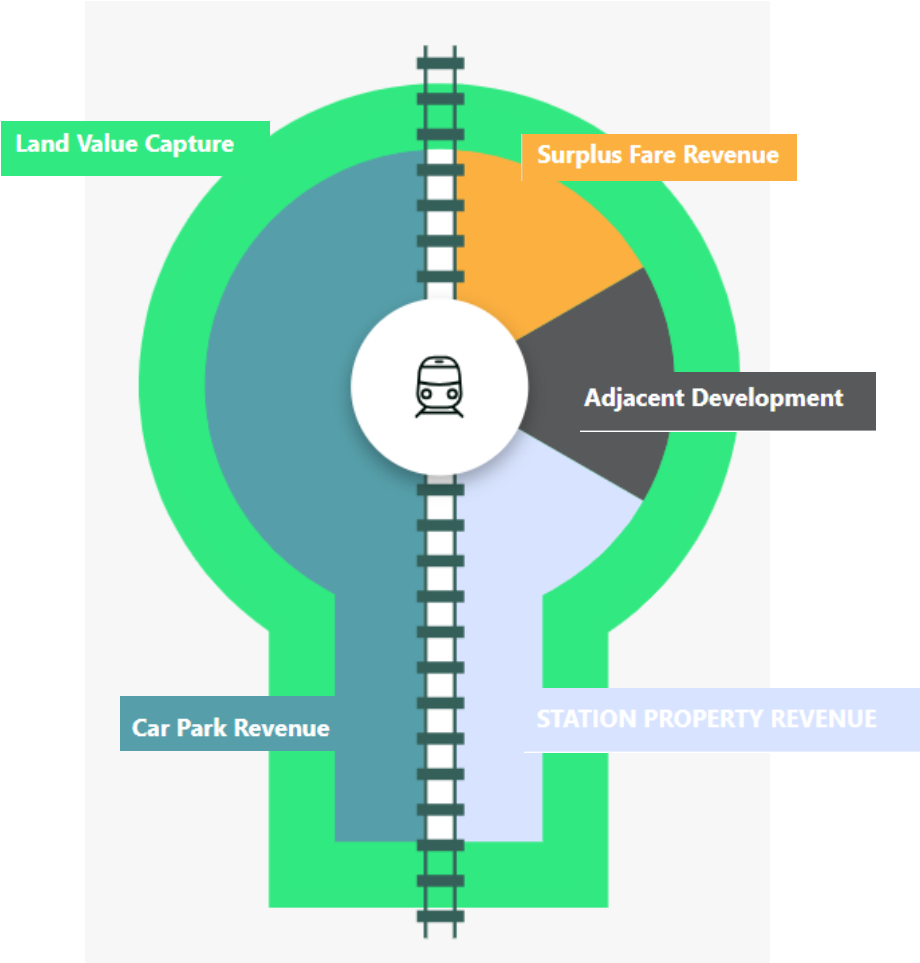
### Our Vision

Our wish is to see the E-Rail methodology effectively utilised on all new or existing line reopening rail projects in the UK.

The public purse is needed to plan and build necessary infrastructure connecting our towns and cities, whilst citizens benefit from the tax pounds being invested in this way, some benefit should be shared with the public from those who are lucky enough to own land in the affected places. At E-rail we feel that such unearned windfalls can be equitably distributed by hypothecating the proceeds to the rail project only. This helps to reduce the cost to the state and also enables some projects to happen in the first place.

## Directors

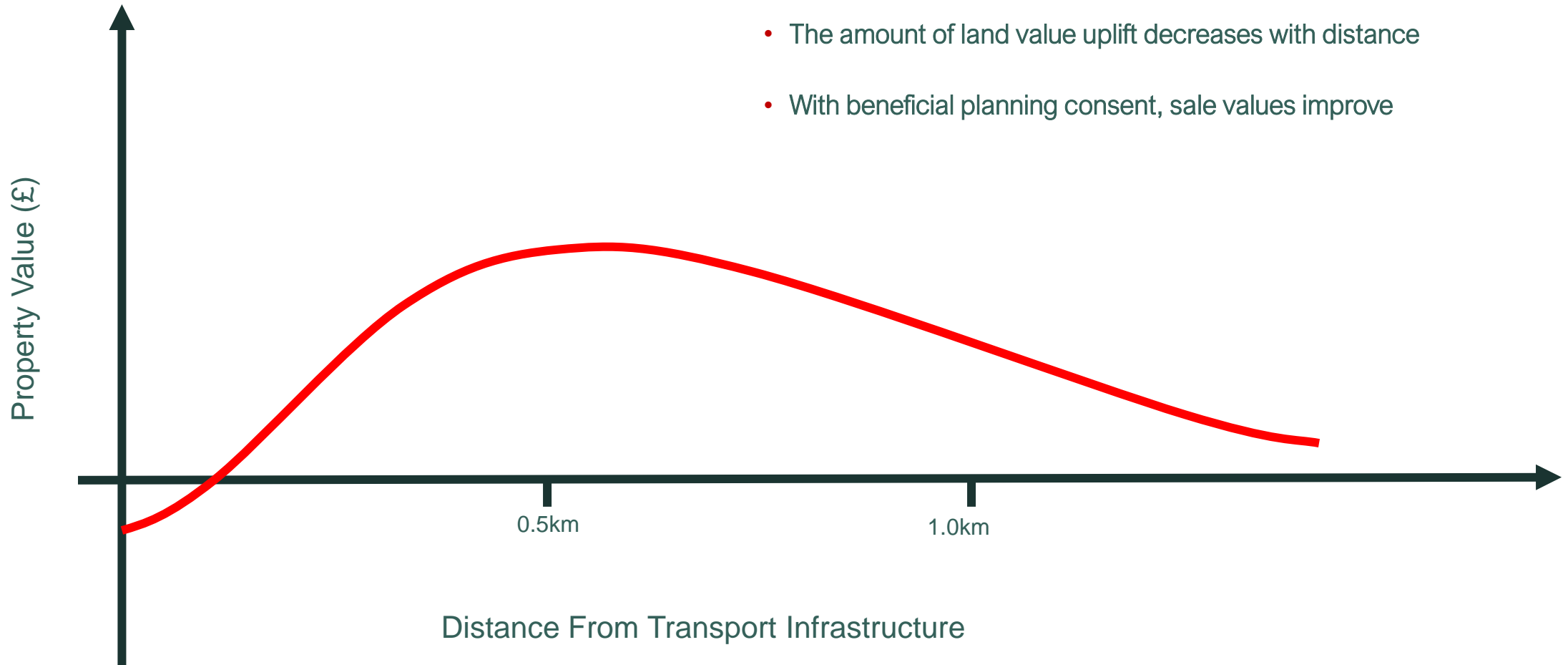
John McGregor	George Hazel	Ian Walters	Simon Dormer	Tony Cahill	Roy Lauder
Property	Transport	Strategy	Property	Strategy	International



E-Rail Compliments SLC Wider Group Expertise to Fund Projects

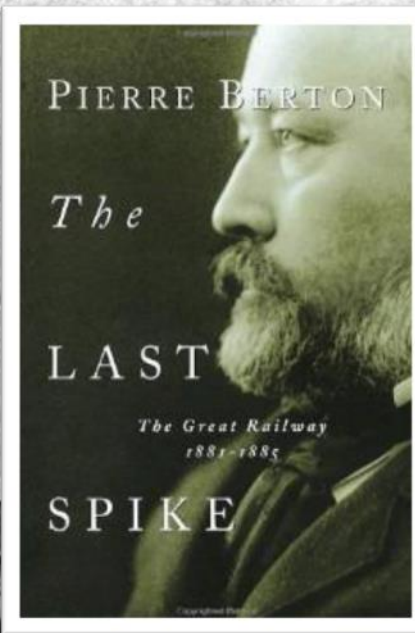
# Land value increases around stations

- The impacts are more evident within 1km proximity to the station
- The amount of land value uplift decreases with distance
- With beneficial planning consent, sale values improve





## Trans Canada Railroad



## Metropolitan line London



**Land Value Capture concept is  
not new - but our model is!**



# The LVC General Spectrum

Low Value Capture

Transport Promoter Passive / no land control

High Value Capture

Transport Promoter Active / some land control



Community  
Infrastructure  
Levy  
(c. 1%-4%)



Section 106  
Contribution  
Agreements  
(c. 1%-8%)



Transport Promoter  
Land Ownership &  
Sale (no development)  
(c. 15%-20%)



E-Rail LVC  
Method  
(c. 50% uplift)



Transport Promoter  
Shared JV with  
Private Developer  
(variable - dependent  
on commercial deal)



Transport Promoter  
Land Ownership &  
Development  
(100% uplift)



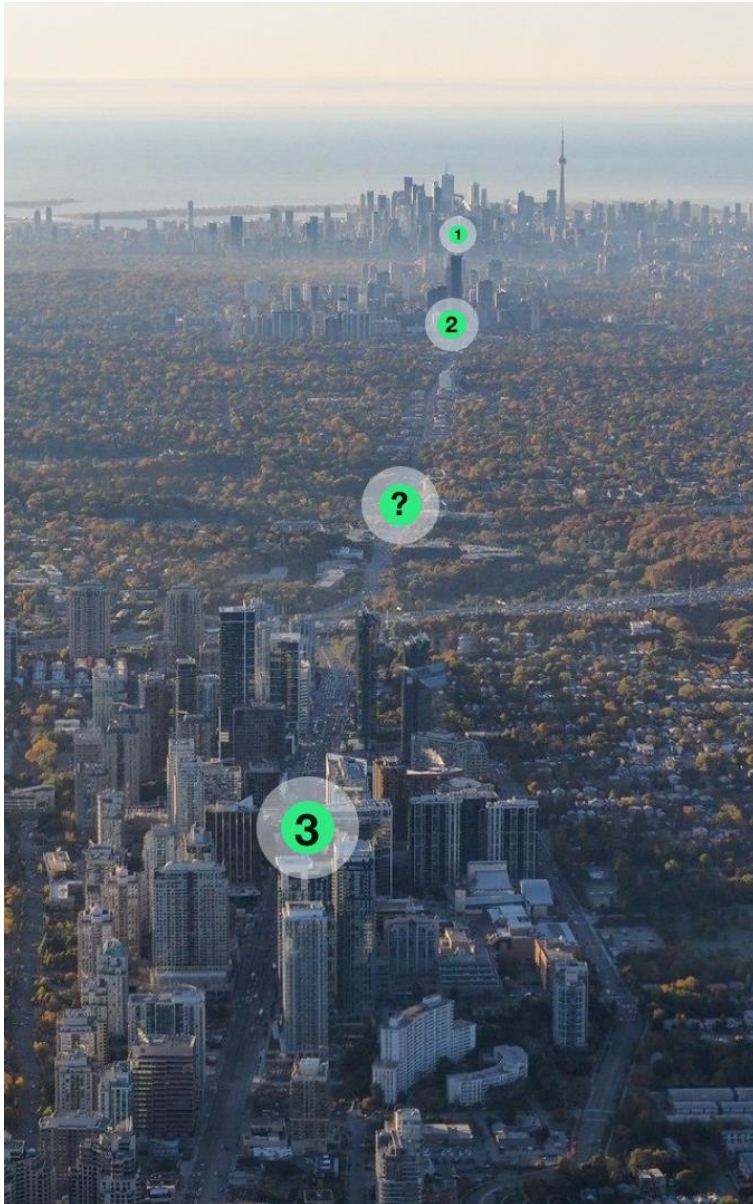
# Recent and Ongoing Work

- Completed 16 LVC surveys on projects across the UK since Northumberland Line
- Surveyed over a 150 miles of new or reopened rail lines
- Projects could deliver over 50 new railway stations.
- The 16 studies indicate over £800m in LVC contributions could be raised

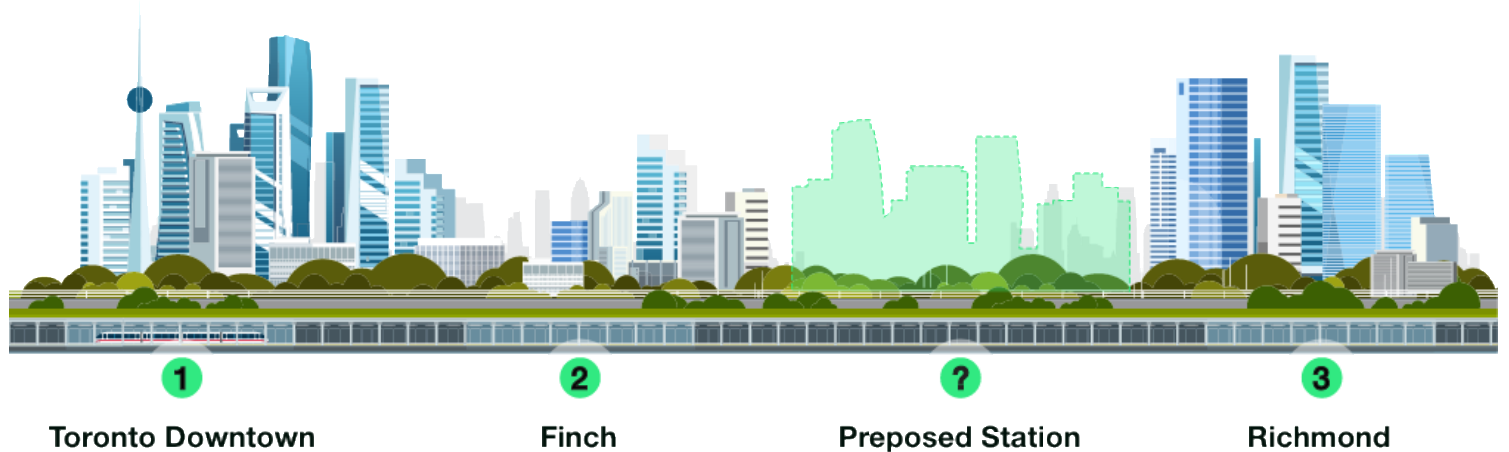




# How stations impact the land around them



- The picture shows how development can be influenced by transport.
- New development takes place at locations close to public transport access
- Visible clusters of development occur at the metro stations.
- Scale of development dependent upon planning policy
- Supports sustainable communities, thereby reducing congestion, pollution and accidents.





# E-Rail Land Value Capture Methodology

	Stage	Property activities
1.	Outline Survey	<ul style="list-style-type: none"><li>• Initial survey &amp; identification of sites around potential stations</li><li>• Consider transport network &amp; station accessibility constraints</li><li>• Initial LVC contribution assessment</li></ul>
2.	Detailed Survey	<ul style="list-style-type: none"><li>• Detailed land survey and referencing exercise</li><li>• Refined LVC contribution assessment</li></ul>
3.	Implementation	<ul style="list-style-type: none"><li>• Confirm Contribution Agreement delivery strategy</li><li>• Legal briefing and Fund setup</li><li>• Complete client governance</li><li>• Roll out of Contribution Agreements on identified sites</li><li>• Final full raise estimate</li></ul>
4.	Post Implementation Support	<ul style="list-style-type: none"><li>• Post implementation comms between landowners, planning officers and project team</li><li>• Update LVC schedule based on landowner planning progress</li></ul>

# Contribution Agreements (CA)

This is NOT a TAX; it is a sharing of the wealth created and therefore landowners and developers have shown themselves willing to co-operate.

- Each CA is tailored to individual property and owner
- Landowners, private and public can participate
- The contribution is only made where a positive increase in market value is achieved
- Payment becomes due when both transport project is delivered, and planning consent has been granted
- The CA is time controlled – typically 5 – 20 years depending on the anticipated project delivery timeframes



# Summary & Key Points

- No new legislation required
- Start process early as possible to maximise LVC funding
- The impact can be included and helps the business case
- Liaise with officials in planning, transport, finance, economic development through each stage
- E-Rail enters into CA's on all agreed sites with the landowners
- Seen as a partnership between public and private sectors
- Promoter always retains control
- Funds are released as value created



# Development Opportunities at New Railway Stations

Evidence clearly shows that where new stations are built, development will occur, not necessarily straight away but planning pressure and sustainability will prompt land use to change.

This happened at Worcestershire Parkway although the zoning did not plan for it.

The emerging South Worcestershire Joint Local Plan has proposed an allocation of 5,000 new homes to be delivered up to 2040, with a further 5,000 homes in the next plan.





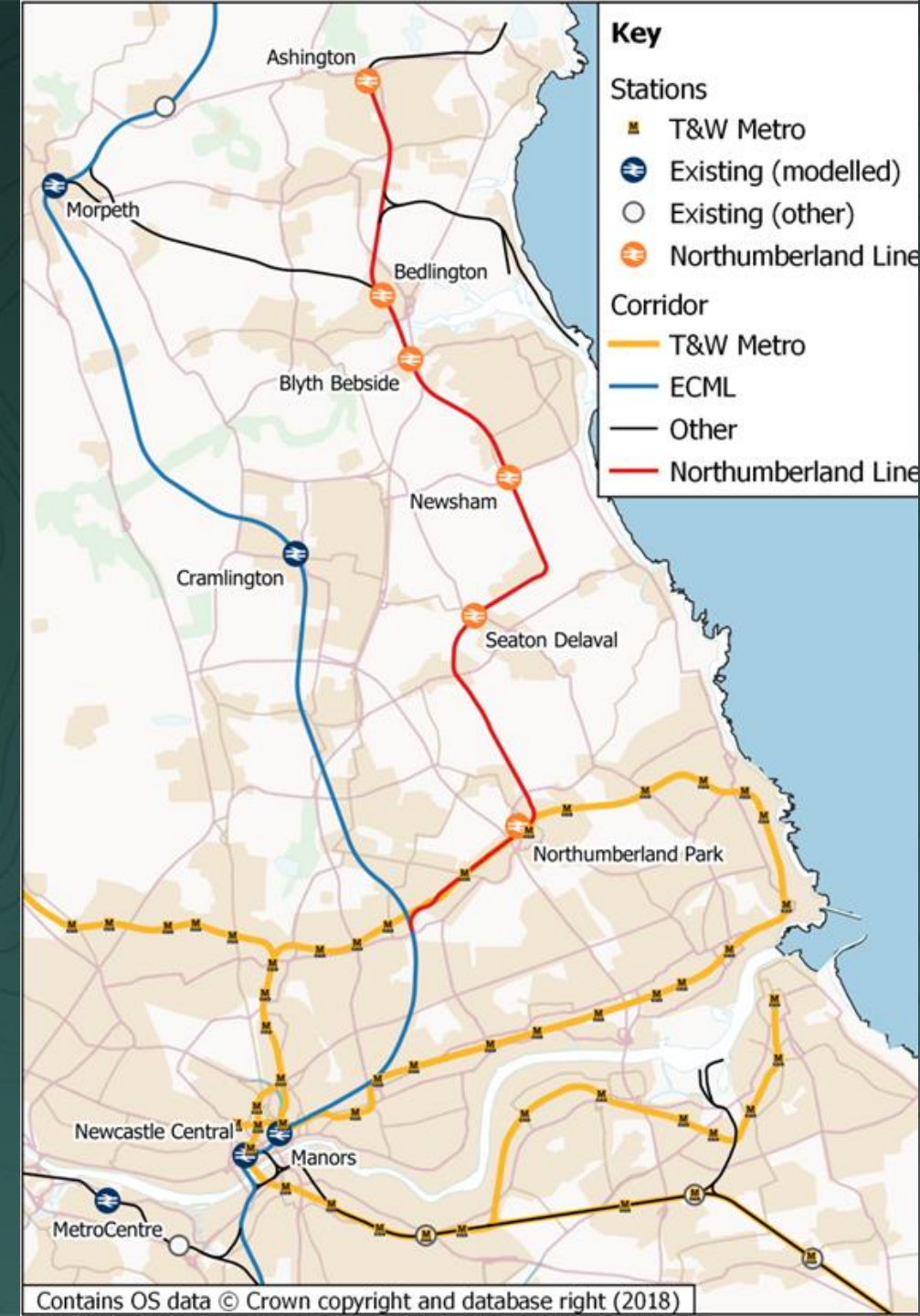
# Northumberland Line Project

## 5 New stations

- Seaton Delaval, South Newsham, Bebside, Bedlington, Ashington

## E Rail Involvement

- E-Rail instructed by Northumberland CC in 2017 to explore the fund raising opportunities as part of the proposed re-opening of the Ashington-Blyth-Tyne rail route
- Contribution Agreements executed with landowners on 21 sites
- Value expectation exceeds initial predictions
- About 50% of the increase in land value will be collected from participating landowners that have entered into CA's



# Challenges we experience

- Disconnected transport and planning strategies, particularly for 2 tier local governance systems
- Lack of scheme visibility and promotion, particularly at early stage of project when E-Rail gets involved
- Pre-existing landowner / developer option arrangements can extend process







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