

Network Rail Property Development: Open for Business

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Foreword

Unlocking Development on Railway Owned Land



David Biggs
Managing Director,
Network Rail Property

The development of stations and surrounding land delivers clear benefits to passengers, businesses and local communities by unlocking housing supply, attracting new businesses, creating jobs and helping stimulate the wider regeneration of town centres.

To see those benefits we need to look no further than King's Cross – once a down at heel location and now a major destination in its own right. Or Manchester Victoria where investment has transformed the once tired and outdated station into a positive gateway to the North.

That is why the development of stations and railway land has been a key focus for Network Rail Property for more than a decade, and remains a commitment going forward.

And we have some notable successes under our belt. Our first ever multi-site joint venture vehicle – Solum Regeneration – is already delivering award winning mixed-used schemes around stations in London and the South East with many more sites in our pipeline. Another example is our partnership with Ballymore which is delivering 198 new homes on land around West Hampstead station, in addition to creating a new town square with retail and office space.

These are just a few examples of our will and ambition to modernise our rail estate for societal benefit whilst maintaining the safe operation of the railway. However, just as important is the income these commercial activities generate that is then reinvested in the railway for the benefit of millions of passengers. During the last Control Period (2009-14) we generated £1.4 billion through commercial property activities – that's the equivalent of funding the redevelopment of Birmingham New Street, King's Cross, and upgrading hundreds of miles of track, combined.

But population growth, increased urbanisation and the national shortage of housing has brought the need to ramp up the development of under-used railway land into sharp focus. Towns and cities need to provide a good choice of housing, places to work and a broad range of jobs and community amenities. Against this backdrop, we have an increasingly important role to play.

With 2,537 stations across Britain and 55,000 hectares of railway land, we have assets which could provide significant opportunities for development to help meet the challenges of the day.

We adopt a masterplanning approach to placemaking to meet the needs of rail passengers and local communities to create accessible developments.

And we have big ambitions and big ideas for how we can, working with the right development partners, capture even greater value from the rail estate and release land faster for a greater volume of homes. Whether through over-site developments, the creation of station quarters or supporting the development of garden villages, we are coming up with solutions that will help address the nation's issues.

And we are already making good on our commitments. We recently announced how we will release land to deliver 12,000 new homes by 2020. We are also working on a number of large scale development schemes to help support the creation of new, thriving centres of community and commerce, including our partnership with York City Council, the National Railway Museum and the Homes and Communities Agency at York station.

By continuing to work collaboratively with businesses, local authorities and other public sector bodies, and by attracting more private sector investment and working in partnership with developers, we will be able to free up previously operational land for much-needed development.



CGI image of Paddington Lawn concourse

Contents

01	An Overview: Our Role in Supporting the Development of Railway Owned Land	6
02	Modernising the Rail Estate to Accommodate Growth in Towns and Cities	10
03	Releasing Railway Land for New Housing	18
04	A Partnership Approach to Modernising our Estate	26
05	Looking Ahead, Being Ambitious	32



King's Cross masterplan around the station

01

An Overview

Our Role in Supporting
the Development of
Railway Owned Land



An Overview

Our Role in Supporting the Development of Railway Owned Land

We are the commercial property division of Network Rail, providing high-quality professional property expertise that reduces industry costs, improves the passenger experience and creates great places for people, businesses and communities.

We play an important role in helping to fund the Railway Upgrade Plan for the benefit of passengers by generating income from our property and land assets.

What we do

We release surplus operational railway land to support the delivery of new homes and commercial developments

Our developments open up many opportunities, particularly unlocking land for housing. In the last year alone, we have released enough land to build 1,700 homes, and we are now ramping up these activities and releasing even more sites to support the Government's house-building programme.

To date, we have identified almost 200 sites that will help support the delivery of 12,000 new homes by 2020. And we are always searching for new ways to accelerate the delivery of sites and make them shovel-ready for housebuilders and developers.

We have the expertise to harness station investment as a catalyst for wider regeneration

Our local transport hubs are complex, ever-changing organisms and railway stations, like airport terminals, have become modern gateways to our towns and cities. Our larger stations are becoming destinations in their own right; places where people meet over drinks or a meal, do a bit of shopping or do business.

At Network Rail Property, our role is to make sure the 2,537 stations we own continue to excite and inspire, create a positive first impression of a town or city, and encourage developer interest and private sector investment in station quarters.

Take Manchester Piccadilly Station.

Investment in the station quarter transformed the once dark and outdated station in a generally neglected area of the city into a major focus for high value office and hotel development, seen by many as an attractive investment proposition.

As well as improving the environment at places like the Manchester Piccadilly Quarter, we create development sites on railway land and work in partnership with developers and local authorities to deliver housing or mixed-use schemes to regenerate local areas and help stimulate wider economic development.

We generate income to reinvest and create a better, safer railway for a better Britain

Network Rail Property is one of the country's largest landlords for small businesses. We have over 16 million sq ft of commercial space across 7,200 premises – 4,000 of which are railway arches.

Network Rail owns 2,537 stations and manages 18 of the largest in England, Scotland and Wales, including 510,000 sq ft of prime retail space. This is occupied by some 480 different retail units and frequented by 850 million people every year.

We plan and lead the delivery of major development schemes, unlocking billions of pounds of development value. Between now and 2020, we will raise over £200 million from developments across 250 sites around the country.

The capital raised by actively managing our property portfolio is used to invest in Britain's railways and deliver improved services for the 1.69 billion passengers who use them every year.

We enter into partnerships to leverage private sector and third party investment in the railway

Railway land is a public asset and as such it is vital that we look for ways to attract private investment into the rail network, creating value from mixed-use schemes which generate funds that provide station improvements for the travelling public.



Network Rail's £27 million investment in Manchester Piccadilly station in 2000 has helped attract additional inward investment to the area and unlock wider regeneration benefits

NORRIE COURTS
STATIONS DIRECTOR,
NETWORK RAIL PROPERTY



We do this through joint venture vehicles on single or multi-site developments with long-term potential, or through partnerships with developers, local authorities or private landowners to maximise the development opportunities of sites around the safety critical operational rail network. The partnering approach we adopt is seen as key to enabling development on and around railway land.

The need to find new sources of funding to drive station-led developments, however, has never been more important. Demand for rail is set to double by 2036 putting increased pressures on capacity, and this, coupled with pressure on the public purse, means we must find new ways to create finance to support vital rail and station enhancements projects.

That is why we are undertaking an important piece of work to assess better management models for stations to improve station environments and deliver a better customer experience, while considering the potential to raise third party capital to help fund improvements.

We delight our customers by putting them at the heart of everything we do

Whoever is using our stations and whenever they use them, we want their experiences to be as positive as possible. We want the journey from station entrance to train door to be seamless and safe, and the sense of arrival and departure to say all the right things.

When planning station developments, we have to consider the growing and changing demographics of our customer base. Ever more people, young and old, are gravitating towards urban lifestyles and expect stations to be accessible and provide good quality amenities and a strong sense of place.

Passenger needs and expectations at stations have also changed with the digital age, meaning people want to interact with spaces and access information much more readily and easily than they have in the past.

Stations, therefore, need to keep pace to meet the changing and growing demands of our customer base. We make sure that we always put our customers at the heart of our station planning and design to deliver the best possible experience for them all.

£1.4 billion
reinvested in the railways
between 2009 and 2014



We own
2,537 
stations across Britain

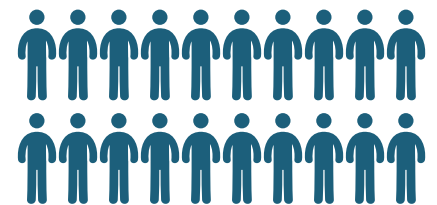


Solum Regeneration's scheme in Epsom

Network Rail
manages

18
of the largest
stations...

850m



people use them
every year

1.69 billion
passengers use Britain's railways every year 

200 sites for 12,000 new homes by
2020





GRAND CENTRAL

02

Modernising the Rail Estate to Accommodate Growth in Towns and Cities



Modernising the Rail Estate to Accommodate Growth in Towns and Cities

The UK population is set to grow by 10 million over the next 25 years and in the same period, rail passenger numbers are expected to double. Furthermore, greater numbers of people are gravitating towards urban lifestyles, such that by 2030 93% of the UK population will live in cities.

Over the last five years, we've overseen billions of pounds of investment in Britain, and today we have over 250 sites in the development pipeline from London to Leeds, Cardiff to Glasgow.

We continue to work with the private and public sector to create value from those sites, to generate funding to support rail improvements for the travelling public and enable the delivery of new homes and commercial developments which create thousands of jobs and boost Britain's economy.

And we create this value by adopting the art of place-making and working in partnership with developers and local authorities to establish visionary station masterplans that help transform stations and land around stations into major destinations for passengers and visitors alike. Through the work we do, we help enhance a station's connectivity with other neighbourhoods and open up towns and cities to support wider economic development and growth.

Strong population and city growth, combined with changing demographics, will put even greater pressures on infrastructure, such as housing and transport.

It is crucial therefore, that we continue to plan and lead the delivery of major station improvements, housing and commercial developments to keep pace with the changing and growing demands of society, attract people, businesses and investors to the area, and support wider economic growth.



Major Government funded station schemes such as Birmingham New Street and King's Cross stations provide opportunities for wider local regeneration and present significant partnership opportunities for the private sector.

DAVID BIGGS
MANAGING DIRECTOR,
NETWORK RAIL PROPERTY



Manchester Victoria station

Here are some examples

Catalysts for urban regeneration.

Investing in station quarters can support sustainable growth by helping to accommodate increasing travel demand. They can be particularly effective in supporting high density development in the station vicinity but can also enable a town or city as a whole to grow in a sustainable way over the long term.

“ King’s Cross station has undergone an amazing transformation into a first class railway station and destination for retail, leisure and business. From the outset, our approach has been to create a high quality environment and brand mix that positions King’s Cross as a hub of convenience for travellers as well as people who live and work nearby.

HAMISH KIERNAN
COMMERCIAL DIRECTOR OF RETAIL,
NETWORK RAIL.

King’s Cross – Supporting the Growth of a New Piece of London

At 67 acres, King’s Cross is the largest urban regeneration project in Europe, and by 2022, more than 63 million passengers are expected to pass through the combined King’s Cross–St Pancras interchange.

Network Rail’s transformation of King’s Cross station has created a transport hub ready to accommodate the unprecedented numbers taking to the railways and has been a catalyst for the wider development of the area, which has attracted £2.2 billion of private investment.

A bright and spacious new Western Concourse – the largest single-span structure in Europe – was delivered in time to welcome the world for the London 2012 Olympics.

In addition, new entrances, underground ticket halls, escalators and more than 300 metres of passageways have made the customer journey and interchange between different lines and services much more straightforward. The final phase of the redevelopment was the creation of a 75,000 sq ft square in front of the station paved in York stone, bringing the grandness of Europe’s city railway stations to the heart of London.

The King’s Cross project turned a historic Victorian station into a stunning piece of contemporary architecture, providing modern facilities for visitors and unlocking further development opportunities. What was once an underused industrial wasteland is being transformed into a new part of the city to house 50 new buildings, 2,000 new homes, 20 new streets and 10 new public squares. King’s Cross is now a desirable area to live and work and a must see destination.



King's Cross station

Stations as destinations in their own right.

Stations can offer a range of facilities that cater not only for passengers but also serve the wider community. For larger stations in particular, the concept of a station as a destination in its own right, offering a variety of high quality retail and leisure opportunities, is increasingly common.



Birmingham New Street station

“The station redevelopment has been a key project for the city, stimulating economic growth and regeneration and, with the added creation of Grand Central; it has provided one of the best-connected retail spaces in the country. This is sure to have a catalytic effect on further regeneration of the city centre and attracting businesses to Birmingham.

SIR ALBERT BORE
LEADER OF BIRMINGHAM CITY
COUNCIL

Birmingham New Street – Creating a World Class Transport, Shopping and Community Hub

After five years and £750 million of investment, Network Rail has transformed a dated and dark station into a stunning destination at the heart of Birmingham city centre. Birmingham New Street is the busiest station outside London and the busiest interchange in the UK. Reopened to the public in September 2015, the station now boasts a passenger concourse five times the size of the original station – and that of London Euston's.

Above the concourse is the new 450,000 sq ft Grand Central shopping centre complex and to the south of the station – one of the largest John Lewis department stores in the UK. Together, they have created more than 1,000 jobs and are expected to attract more than 50 million visitors a year.

The redevelopment of the station has also transformed the way the city functions, dramatically increasing permeability through the site, and has acted as a catalyst for £2 billion of regeneration to the south of the city centre, including the Southern Gateway major development opportunity. This, along with the planned Birmingham Curzon HS2 Masterplan, will be one of the biggest urban regeneration schemes in the UK.

Stations as contemporary gateways.

Stations are a key point of arrival or departure and the quality of the station environment forms part of peoples' overall perceptions of a town or city. A high quality, well-designed station can improve the image of the location it serves, making it more attractive as a place to live, work and invest.



Manchester Victoria – Creating a Positive Gateway to the City

Network Rail has invested £44 million to transform Manchester's second largest mainline station into a modern and exciting gateway to the city. Manchester Victoria is at the heart of the £1 billion of infrastructure investment which will stimulate economic growth by delivering more train services and passengers each year.

A fully refurbished concourse provides a major retail, food and entertainment centre for passengers, workers and residents.

A new roof links the concourse with the original Grade II listed station buildings and a new bridge links the station with the adjoining arena to provide better access for train, tram and arena customers.

The redevelopment of Manchester Victoria has provided a major catalyst for wider regeneration in the city. Network Rail is working in partnership with Muse Developments to bring forward 520 new homes as part of a £185 million mixed-use development on the 2.5-acre site next to the station. The proposed development will feature a 150,000 sq ft office scheme and two new residential buildings, and will generate income to be reinvested back into the railway.

“ Positive partnerships are fundamental when unlocking land to benefit local communities. We are working with Network Rail to bring forward sites which we believe will act as the catalyst for wider regeneration in our area providing homes, jobs and economic growth.

SIR HOWARD BERNSTEIN
CHIEF EXECUTIVE,
MANCHESTER CITY COUNCIL

Providing connectivity and capacity for growth.

The key purpose of a station is to provide access to the rail network. Providing station connectivity and capacity that supports future demand can have a direct impact on the level of residential and employment growth a city can sustain.

Bristol Temple Meads – A Masterplan to Support City Centre Expansion

Over nine million passengers use Bristol Temple Meads each year, making it one of the busiest and fastest growing rail interchanges on the Western route. The station is located right at the heart of the Bristol Temple Meads Quarter Enterprise Zone, designed to maximise the development opportunity of the significant amount of brownfield land around the station and to make the station part of the rapidly expanding city centre.

Network Rail has come together with Bristol City Council, West of England Local Enterprise Partnership, the Homes and Communities

Agency and Historic England with a shared vision to transform Bristol Temple Meads to cater for growing passenger demand and to support the development of the Enterprise Zone as an ideal location for investment.

Plans for the station include station capacity improvements to deliver a significantly enhanced passenger experience; a new eastern station entrance to ease congestion and provide a convenient link across and around Temple Quarter; a light and airy subway extension under the existing forecourt to relieve congestion and provide a welcoming environment and improve retail opportunities for local businesses; and reinstating the Digby Wyatt shed and two disused platforms in order to support more train services. Subject to funding the works are expected to be completed by 2024.

“A redeveloped Temple Meads is crucial to the success of Bristol’s Enterprise Zone and to the city and region as a whole. At the moment, the station suffers with congestion, overcrowding and does not give the best possible welcome to the city. It’s vital we all work together to ensure we are able to get a flagship station that is fit for purpose and able to meet all of our needs.

GEORGE FERGUSON
FORMER MAYOR OF BRISTOL

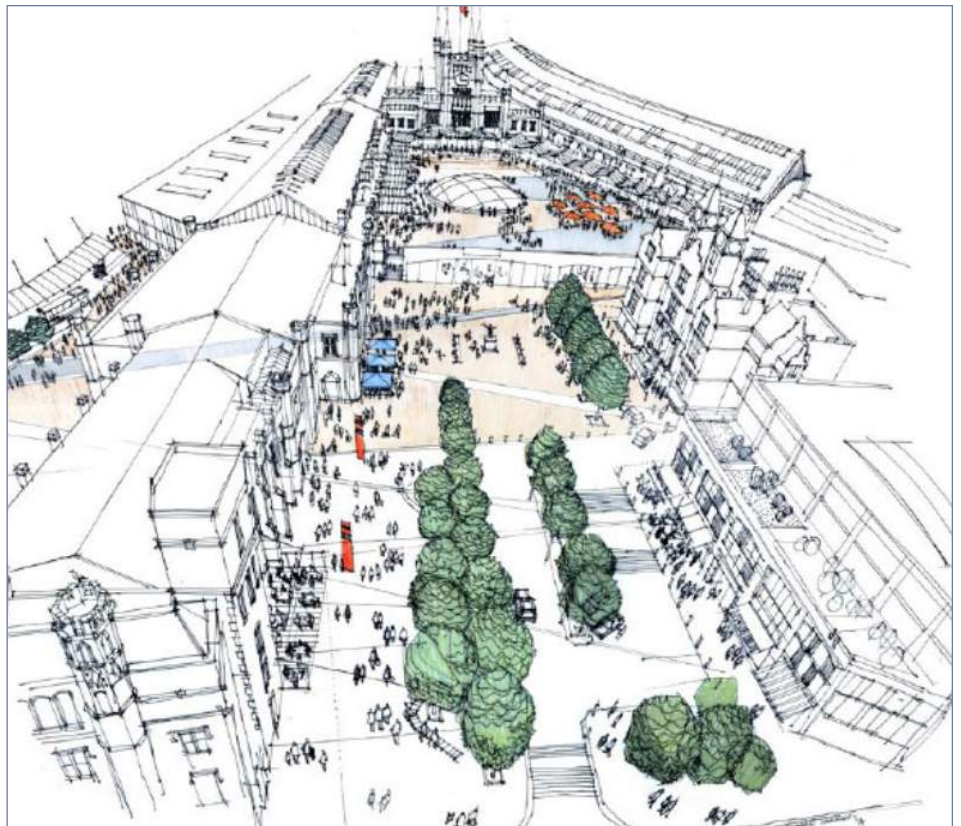


Illustration of a possible future Bristol Temple Meads station quarter



Wakefield Westgate station

By freeing up a disused railway goods yard and by working with the neighbouring land owners of the former Express Dairy site, we have unlocked the development potential to deliver high quality regeneration.

This, combined with delivering a new station, is changing the face of Wakefield.

Wakefield – Creating a new station quarter on derelict railway land in the North

Central to our approach was to support a comprehensive masterplan for the Westgate 'Key Development Area', one of the most important City Centre development sites in the region. Joining forces with Wakefield Metropolitan District Council we were able to attract the English Cities Fund, a partnership between developers Muse, Legal and General and the Homes and Communities Agency, to pursue significant development opportunities.

The first phase of development, completed in 2010, created a new commercial quarter in Wakefield's city centre, with 90,000 sq ft of offices, retail and leisure space, 66 apartments and a £9 million investment in infrastructure and public realm.

This included a £1 million contribution to support the delivery of a brand new station, the remainder of which was funded through Network Rail investment. Developers also delivered a new 1,451 space multi storey car park immediately adjacent to the railway station.

The second phase, 'Wakefield One', a five-storey office building for Wakefield Council adjacent to the Grade 1 listed County Hall, was completed in 2011.

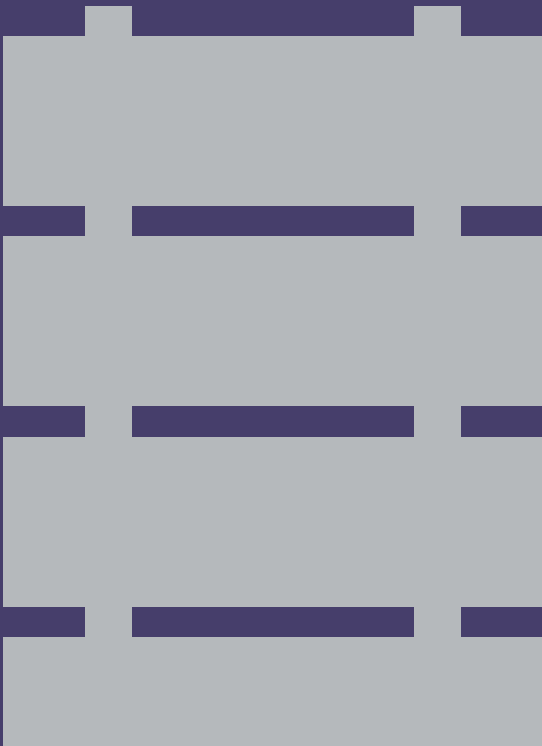
“ The face of Wakefield is changing and the Merchant Gate scheme is one of the key regeneration developments driving this transformation. This scheme marks a change in the look and feel of the city centre, and what Wakefield can offer to residents, businesses and visitors.

CLLR PETER BOX
LEADER OF WAKEFIELD COUNCIL



03

Releasing Railway Land for New Housing



Releasing Railway Land for New Housing

Our Role in Supporting the Government's Housing Targets

Network Rail Property has identified almost 200 sites across the UK as development opportunities to free up land for 12,000 new homes by 2020.

We have been unlocking land for development for over a decade through partnership working with the public and private sectors. Now more than ever, the need to deliver homes is paramount. 25,000 new homes a year are necessary to address the national housing shortage, exacerbated by the rapidly rising UK population. This means that unlocking the potential of under-used railway land is essential in order to succeed in delivering much-needed homes for Britain.

Network Rail Property can make a real difference. We are supporting the Government in its drive to release public sector land for housing. We have a plan to deliver land for 5,000 homes in London, 3,600 homes in Manchester and the North, 1,700 homes in the Midlands and the East of England and 1,400 homes in the South of England.

The challenge is to deliver four times the number of homes in the current Control Period (2015-2020) as in the last and to accelerate the release of land to be able to make this happen as quickly as possible. To achieve this quantum leap, we need to be bold and think imaginatively.

Traditionally, our role has been to maximise the long-term value of our assets and create income to reinvest in the railway. This remains our overarching goal but releasing land for housing has also become a primary objective. We have an experienced team to drive this forward.

We are working closely with the Homes and Communities Agency, London Land Commission, local authorities and developers to deliver this ambitious programme. The initiative is already underway with the 20 largest sites offering the potential to deliver over 5,000 new homes.

And as our plans progress, we will continue to review our assets to make sure we are maximising the opportunities to deliver housing through over-site development and wider regeneration, whilst generating income to reinvest in the railways.

Here are some examples where we are working with partners to deliver much-needed new homes and to create new districts for growing urban communities.



Manchester Victoria station redevelopment

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The railway stands as a backbone of the UK economy. Unlocking railway land for redevelopment, investing in stations and infrastructure, can and does transform large swathes of our towns and cities and boost local and regional economies.

DAVID BIGGS
MANAGING DIRECTOR,
NETWORK RAIL PROPERTY

”

Network Rail supported the delivery of land for over



1,700

homes during its last investment period (2009-2014) and land for

3,400

new homes has already been delivered in the current investment period (2015-2020)



The proposed York Central masterplan

York Central – A Masterplan to Create a New Urban District in the Heart of the City

Masterplanning is an important approach to revitalising stations, forging new connections to nearby destinations and supporting the creation of new urban communities.

Network Rail is working in partnership with York City Council, the National Railway Museum and the Homes and Communities Agency to deliver a masterplan for York Central, capable of providing up to 2,500 homes, 120,000 sq m of office, leisure and retail space and 7,000 new jobs for the city centre.

The 178-acre site has been designated both an Enterprise Zone and a Housing Zone, with the latter having the potential to accelerate the development of up to around 1,100 homes. The size of York Central, combined with fantastic transport connections and proximity to the attractions of York city

centre, offers the opportunity to create a regionally significant, high quality mixed-use development in a highly sustainable location.

Part of the plans include developing York station to provide an integrated and welcoming entrance and a high quality link between the city centre, York Central and the National Railway Museum. Improved journey times, a better retail offer and concourse and an enhanced pedestrian environment outside the station, will transform the area into a gateway location.

The partnership is currently progressing investment for the delivery of the development. Works are planned to start in 2017 and given the scale of the site, are expected to take 15 to 20 years to complete. The redevelopment of York Central will create a new urban district and help sustain the continued growth and success of the city.

“The redevelopment of York Central represents a once in a lifetime opportunity to deliver major growth in York. This will enable us to attract high value jobs, deliver new and much needed sustainable homes and create world-class public spaces which will help define the future for our city. We will also reduce the pressure to build on York’s Greenbelt.”

COUNCILLOR CHRIS STEWARD
LEADER OF YORK CITY COUNCIL

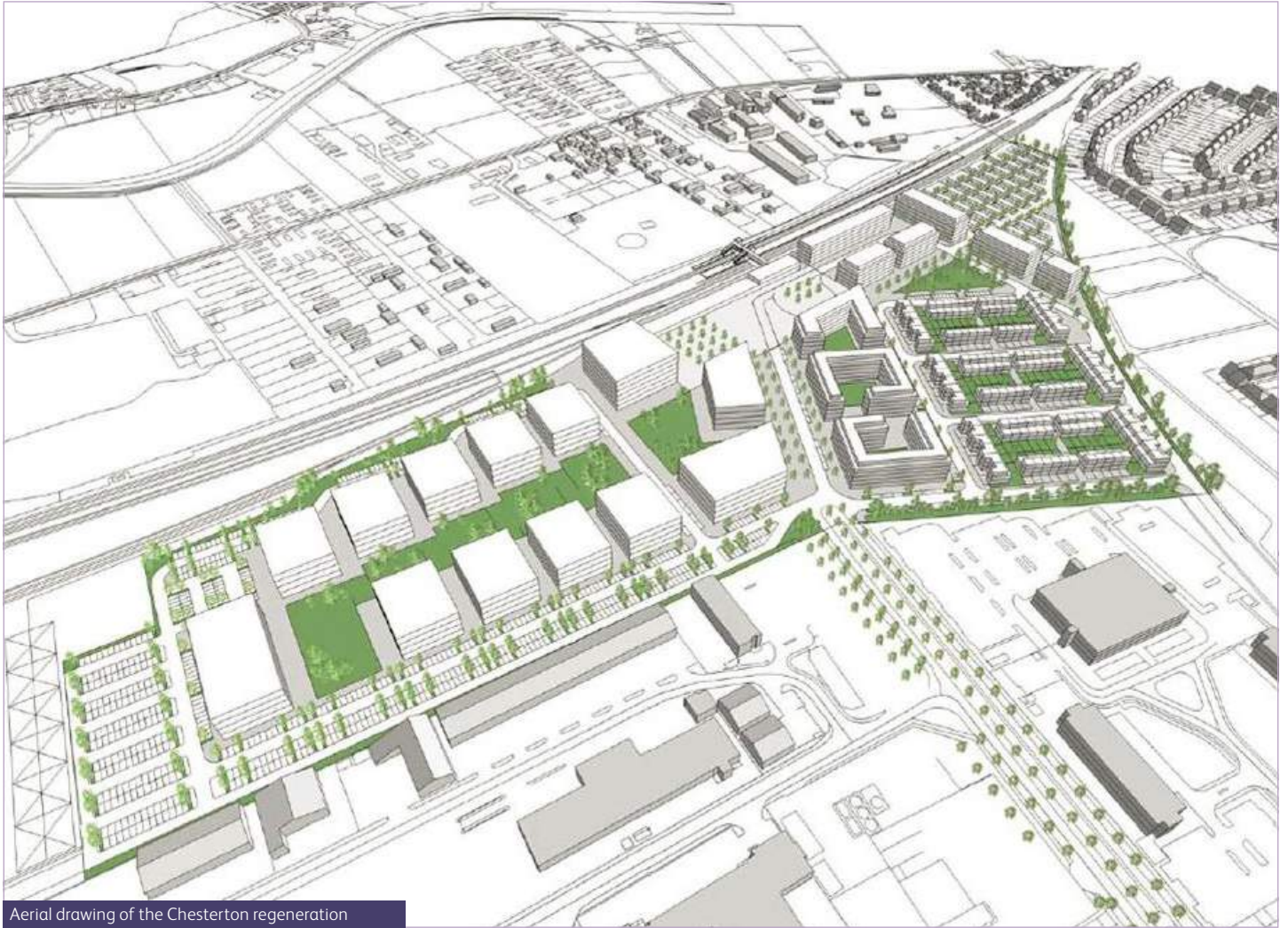
York is one of three local authorities, also including Taunton and Swindon, to have come forward with vanguard proposals to spearhead a new ‘Rail Estate Regeneration’ initiative and have each identified railway sites that could be pooled to deliver housing and other locally-led regeneration.

We are currently working with the Department for Communities and Local Government, the Department for Transport and the Homes and Communities Agency to identify 20-25 station related residential schemes to deliver homes for the UK. Our role will be to support local authorities to deliver the schemes across our property and routes divisions.

A scheme capable of providing up to

2,500
homes





Aerial drawing of the Chesterton regeneration

“The opening of Cambridge North marks the start of our plans to transform journeys for passengers in Cambridgeshire and maximise growth for the wider region. We are committed to making journeys across this region quicker and easier, as soon as possible. The new station is already contributing to that. East West Rail is at the heart of that transformation and can be a critical part of our plans to make this region the UK’s own Silicon Valley, a world renowned centre for science and innovation.”

CHRIS GRAYLING
SECRETARY OF STATE FOR TRANSPORT,
MP

Chesterton – A New Station Acting as a Catalyst for Wider Regeneration

New station openings, like transport improvements, can act as a catalyst for development and regeneration, including additional housebuilding.

Network Rail working in partnership with Brookgate will deliver up to 800 new homes on the former Chesterton railway sidings in Cambridge.

The new £50 million Cambridge North station opened in 2017, serving Cambridge Science Park and the suburb of Chesterton.

The completed station has three platforms, parking for 450 vehicles and 1,000 cycles, and solar panels which provide up to 10 per cent of the station’s power.

The station will handle 3,000 passenger journeys a day and will encourage new businesses to the area as well as aiding the expansion of existing ones, helping to create additional employment opportunities.

The ongoing regeneration plans, known as CB4, will create a major mixed-use development, including housing, offices, retail and community use, alongside the new rail station and transport interchange, providing links to routes for cyclists, pedestrians and bus users.

CB4 development will deliver up to

800  **new homes**



Manchester Embankment West next to Victoria station

Manchester Embankment West – Unlocking Land Next to a Station to Support the Development of a Vibrant Station Quarter

Station quarters are becoming increasingly important as spaces that can generate new culture and communities, largely in response to urbanisation, and Network Rail frees up land around stations to support these developments.

Manchester Embankment West is a good example of this. Salford City Council, Network Rail and ASK Property Developments Ltd. have jointly developed a framework for the regeneration of the area known as 'Greengate' on the site of the old Manchester Exchange railway station in Salford.

The vision is to transform Greengate into a vibrant mixed-use centre by creating more than three million sq ft of residential, retail and commercial space.

As part of the regeneration, Network Rail is working with Select Property Group and Ask Real Estate to deliver 694 homes at Embankment West. Designed for a social generation who favour renting in the city centre and living with friends, the development, which will operate under Select's Affinity Living brand, will feature large lounge areas open to the public as well as entertainment and co-working spaces for residents, a gym, external landscaped areas and a roof garden.

The scheme, which will sit alongside the commercial development at 101 Embankment, will fundamentally transform the outlook from Manchester Cathedral over the site and complement the adjoining new developments, including Network Rail's £44 million redevelopment of Manchester Victoria station. The project is due to be completed in 2019.

694 new homes 
will be delivered

“ With such a prominent location within this important regeneration initiative, Affinity Living residents will undoubtedly benefit from the vibrancy of this area as it continues to develop and evolve.

MARK STOTT
CHIEF EXECUTIVE,
SELECT PROPERTY GROUP



A CGI of the project

Queen Mary University – Commercial Development delivering improvements to the Rail Network

The property team also look for opportunities around other parts of the network beyond stations.

In some cases we will carry out our own enabling works to prepare a site for development, and as part of this we always look for opportunities to improve the surrounding rail network for our passengers at the same time.

The development of land adjacent to Queen Mary University in Mile End is a perfect case in point.

We worked in partnership with Scape Student Living to demolish a redundant railway viaduct and prepare disused railway sidings to unlock major development potential adjacent to the Queen Mary University Campus.

Our team led on the enabling works to make the site ready for development, including constructing a piled wall and demolishing the railway viaduct. Once complete, we handed the site over to the developers to build the new student accommodation and associated facilities.

The project supported the University's need to provide additional student accommodation, delivering 412 new rooms as well as state of the art sports facilities and much-needed storage space.

The funds generated through this scheme have enabled us to make important improvements to the adjacent track by creating new maintenance access points and enabling vehicle access to the railway, saving railway maintenance costs well in excess of £100,000 per year.



After

Enabling works complete allowing construction to commence



Before

Demolition of the redundant viaduct

Multi-site Developments

A New Approach to Speed up the Release of Land for Housing

We are working on an additional approach to land disposal, based on grouping together sites to accelerate the delivery of land to support housing.

Sites 
bundled
into packages with
the potential to
deliver **3,000**
  **new homes**
      

We have identified a portfolio of sites, collated into development packages, which have the potential to deliver over 3,000 homes and generate in the region of £50 million.

Portfolio disposals could deliver the following benefits:

- Accelerate delivery through the earlier introduction of developer resources and skills to sites;
- Provide value for money by having a purchaser/developer drive the planning and development process;
- Reduce costs by passing some of our current cost obligations to the purchaser/developer;
- Achieve greater certainty by consolidating and advancing the disposal of sites in a single transaction; and
- Minimise risk through a greater understanding of the requirements and processes of working within the rail environment.

The first development package we have earmarked to come forward includes Leyton, Silwood Street, Edenbridge Town, Apollo Business Park and Bickley.



Wyvil Road in Vauxhall

04

A Partnership Approach to Modernising our Estate



A Partnership Approach to Modernising our Estate

Developing on our sites – whether for housing, retail or office buildings – is challenging and complex – not least because they are located on and around the operational railway.

We are increasingly looking at ways to bring in external funding to ensure previously operational land can be freed up for development. To this end, we will continue to innovate with our partners and deliver for the passengers, businesses and communities we serve.

Joint Venture Vehicles

Joint ventures are formed to attract private investment in to the rail network. They are ideal vehicles for creating value from mixed-use developments that generate funds that we can then reinvest into the railway.

We enter into 50/50 joint ventures with leading developers on single and multi-site developments.

We are currently working with leading developers Capco on Solum Regeneration – the first ever multi-site joint venture vehicle established in 2008 (initially with Kier) to drive station-led developments in London and the South East.

We also work with BLOC across a number of sites for the Blocwork joint venture and with Ballymore, Bruntwood and Muse on single-site developments.

“ At Walthamstow we are delivering 148 homes, a new hotel and retail space.

STUART KIRKWOOD
DIRECTOR OF DEVELOPMENT,
NETWORK RAIL PROPERTY

“ We are looking for developers with a good track record who are capable of delivering sites of scale within the railway environment.

STEVE PEGGS
HEAD OF DEVELOPMENT,
NETWORK RAIL PROPERTY

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Adopting a ‘one size fits all’ approach to the delivery of development schemes across our sites is therefore not an option. Instead, we put in place wide-ranging delivery vehicles and partnership models to make sure we get full value for money that can be reinvested into the railway for the benefit of passengers. In some instances, joint ventures on single or multi-site developments work best. In other cases, we might consider selling sites in their entirety or working with local authorities and private land owners to build schemes.

We prioritise direct developments, joint ventures and partnerships over land disposals to ensure we maximise value and deliver real improvements, such as enabling the delivery of new homes and the creation of jobs.

Because of the complex nature of our sites, we look for developers with a good track record who are capable of delivering sites of scale within the railway environment.



Solum Regeneration's scheme in Walthamstow

Solum Regeneration – Driving Station-led Development in London and the South East

Solum Regeneration is a £500 million joint venture established in 2008 between Network Rail and Kier with the aim of delivering up to 1,900 homes, retail and office space around 10 railway stations in London and the South East.

Through this equal 50/50 partnership, brownfield sites at Epsom, Guildford, Maidstone East, Twickenham and Walthamstow were identified to deliver new homes and support improvements to the adjacent Network Rail stations, in turn acting as catalysts for sustainable regeneration for these important town centre sites.

So far, three mixed-use developments have been completed at Walthamstow Central, Christchurch and Epsom, delivering new homes in addition to retail space and public realm improvements. The funds generated by the schemes have provided enhancements to the station environments for the benefit of our customers.

While Kier will continue to take forward the remaining seven sites, Capco, which purchased Kier's stake in Solum in 2015, is currently exploring opportunities for future redevelopments on and around railway station sites, including Clapham Junction.

“ Our development with Kier at Epsom has funded significant station improvements and delivered over 120 new homes.

STUART KIRKWOOD
DIRECTOR OF DEVELOPMENT,
NETWORK RAIL PROPERTY



Solum Regeneration's scheme in Epsom



Ballymore's West Hampstead scheme

“ Development opportunities of this scale are very rare in West Hampstead.

STUART KIRKWOOD
DIRECTOR OF DEVELOPMENT,
NETWORK RAIL PROPERTY

West Hampstead – Unlocking a Prime Development Site in the Capital

Network Rail and Ballymore Group owned adjacent parcels of land around West Hampstead station and saw an opportunity to maximise the development potential from the combined sites in this prime London location.

In 2013, Network Rail and Ballymore formed a 50/50 joint venture to deliver 198 new homes, of which 45 are social housing units, in addition to creating a new town square with a convenience store and around 3,500 sq ft of other retail and office space. The scheme is now complete.

Combining sites to deliver large scale developments

There are circumstances when combining Network Rail owned land with neighbouring or adjacent local authority or privately owned land can help support much larger scale masterplanned development, leading to the delivery of a greater number of homes, the creation of more jobs and higher quality office space.

Birmingham New Street was delivered in partnership with Birmingham City Council and we are currently working on projects with York City Council, Manchester City Council and Swindon and Taunton Councils.

“ This isn’t just about stations, there’s a network out there. We’re doing deals with developers on land away from stations as well.

NIGEL ESCOTT
DIRECTOR, PROPERTY,
NETWORK RAIL PROPERTY

Wyvil Road – Releasing Land to Make a Neighbouring Development Site Viable

Network Rail owned a site immediately next to one owned by private developers, K2 Property, which on its own had limited potential for development.

By releasing our land and combining it with the adjacent site, we were able to support the delivery of a much larger development scheme than would otherwise have been the case. Working in partnership with the developers, we supported the delivery of a 37-storey building that will provide almost 300 new homes and significant new retail, employment and amenity space, including a new sky garden. The site is located within the London Borough of Lambeth and within the Vauxhall Nine Elms Battersea Opportunity Area where it will make up a cluster of high-rise buildings.

The Nine Elms area itself is undergoing an exciting regeneration. New municipal improvements, including two embassies and several development projects are already underway or planned in the coming years.

Notable schemes include the already iconic Battersea Power Station and Aykon Nine Elms, an exclusive partnership with Versace Home.

Other planned improvements include an extension of the Northern Line, which will create two new Underground stations right on the Nine Elms doorstep.



Wyvil Road in Vauxhall

A Successful Development Partner in Network Rail Property

Working in partnership with Network Rail Property presents developers, investors, businesses and local authorities with exceptional development opportunities, often in prime locations in towns and cities across the country.

Developing on land around rail infrastructure is not easy but we have an experienced team that knows how to help our partners realise the regeneration potential of the land, including working with developers and local authorities to secure planning consents.

“ It’s not easy to develop around rail infrastructure. What Network Rail Property brings is the ability to unlock the land in and around the railway, and to deal with the operational interface with Network Rail.

NIGEL ESCOTT
DIRECTOR, PROPERTY,
NETWORK RAIL PROPERTY



Illustration of development potential above Euston station

05

Looking Ahead,
Being Ambitious



Looking Ahead, Being Ambitious

As the nation's population grows and urban living becomes more attractive, the search for sites for development becomes increasingly important.

We are taking an active role in looking at how we can bring forward sites for development in new ways, how we can use the growth in the railway to support regeneration schemes and explore how we can bring in more investment from the private sector to turn these visions into reality.

We are also seeking to enhance our asset protection approach, so that we can continue to encourage and enable third party investment and revenue generation from land sales or development partnerships for both residential and commercial purposes.

Our aim is to make appropriate changes to the current asset protection arrangements for sale of development sites to enhance engagement with developers and ensure consistent, transparent and high performing asset protection services. We want to achieve this without importing unmanageable or unacceptable cost and risk to Network Rail.

We are looking to work with partners who can match our ambition to get important developments firmly on track.

Here are some of the new ways in which we see ourselves delivering for the future.

1. Over-site development to support large scale regeneration

Decking over rail assets, whilst technically challenging and with higher development costs than other city site developments, is an ambitious solution we are currently exploring.

Over-station developments are not new. They have in fact been done all over the world, including London. One Embankment Place is perhaps one of the better known examples of this, where a major commercial office block has been built above Charing Cross station. Similarly, over to North West London, new homes have been built above Wembley Central station.

Creating value from these types of developments is potentially significant, in terms of delivering much-needed homes in bustling cities and creating vibrant new communities, and in terms of generating sustainable funds which we can reinvest in to the railway.

And of course, we are also looking at over-railway schemes where appropriate. Working with Capco and Transport for London, we are currently involved in a scheme at Earls Court which will provide one of the largest regeneration opportunities in Central London, with the capacity to deliver 7,500 new homes and 10,000 new jobs.

“

Now is the time for an ambitious and innovative solution at Clapham Junction. Our Joint Venture with Network Rail could improve the station in a way that has never been seen before and deliver wide-reaching benefits to London and the UK.

GARY YARDLEY
MANAGING DIRECTOR
AND CHIEF INVESTMENT OFFICER,
CAPCO

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Illustration of development potential above Clapham Junction station

The Government is currently consulting on changes to the National Planning Policy Framework (NPPF) to increase the density of residential development around commuter hubs. This type of approach would certainly be consistent with a wider aspiration to make best use of land in suitable locations.

Clapham Junction – A Masterplan for a Remodelled Station and New Neighbourhood

Clapham Junction is the busiest railway interchange in the UK with over 2,000 trains passing through each day. It needs significant remodelling to cope with a growing customer base and the planned arrival of Crossrail 2. By 2031, Clapham Junction will no longer be able to cope with passenger demand.

Through Solum Regeneration – our joint venture vehicle with Capco – we are looking at the potential of redeveloping Clapham Junction to create a modern station, able to cope with future demand and ready to accommodate Crossrail 2. The project could revitalise the town centre, deliver connectivity to its surroundings, and support the wider regeneration within the Clapham Junction to Battersea Riverside Housing Zone.

We are exploring the idea of decking over the station to provide a platform for new enabling development. This would allow us to maximise the space, improving access and circulation, creating opportunities for retail within the station and supporting the delivery of the Housing Zone. The project is still at an early stage but if progressed, we could deliver a new station and create new space for housing in central London.

**Clapham Junction
station regeneration
could give rise to an
over-site development
opportunity of**

57 acres



Early proposals for the new Clapham Junction station



Capco Clapham Junction masterplan



Illustration of potential development of Euston station

2. New development opportunities from the growth of railways

With a number of new railway lines either currently being delivered or proposed, a number of stations across the country will be transformed to accommodate the increasing numbers of passengers who will pass through their doors. As illustrated through the redevelopments of King's Cross and Birmingham New Street stations, investment in stations provide a catalyst for wider regeneration. Knowing where there is capacity and space on our rail routes is vital, and by identifying these areas we can work with our partners to target new places for development.

With the Elizabeth Line due to open in 2018, the first London to Birmingham phase of HS2 currently going through Parliament and Crossrail 2 in the pipeline, wider development will inevitably follow these major new transport schemes.

Whether it's freeing up land in Old Oak Common that will support the creation of a 'new Canary Wharf in the West', or capitalising on the opportunities at Euston station as part of the HS2 programme, we are always actively looking at ways to maximise the development potential of our assets for the benefit of communities.

Euston station – The Next King's Cross?

The sixth busiest railway station in the UK and London's first intercity station, Euston station serves more than 40 million passengers a year – double the design capacity of the current station which was built in 1968.

Plans to bring high speed rail to Euston station will see passenger numbers more than double and this growth creates an opportunity to transform the station into a mega railway hub providing enhanced connectivity from London to the Midlands, the North and Scotland. It will also unlock the potential at the site of one of the capital's greatest regeneration opportunities; creating new jobs, investment and growth.

To help raise the profile of Euston and create a place where people will want to live, work, play and invest in requires a place-making approach. Like King's Cross, there will be a need to transform Euston into a major destination in its own right, capable of enhancing and supporting the community it serves.

Under current plans, the provision of underpinning support structures will allow a range of uses above the station, delivering the flexibility for a future decision on the wider redevelopment and regeneration of the area.

“ Just a stone's throw away, we have seen how the stations at King's Cross and St. Pancras have transformed the surrounding areas into vibrant and thriving locations. We must replicate and build on that commercial and architectural success. Now is the time for Euston to catch up with its neighbours to meet the requirements of the 21st century and beyond.

SIMON KIRBY
HS2 LTD CHIEF EXECUTIVE

3. Supporting the delivery of new garden cities

We believe Network Rail Property can play a role in helping to support the delivery of garden villages, town and cities through the provision of new rail infrastructure.

Again, we need to understand the capacity that exists in our villages, town and cities to target areas for development which will benefit local communities, the railway and the economy.

Garden villages, town and cities can be a sustainable way of meeting local housing need, providing employment opportunities, accessible green space and high quality public realm, and ultimately deliver great places for great communities.

In its' prospectus 'Locally-led Garden Villages, Towns and Cities' (2016)] the Government has called on local authorities to bring forward sites for standalone new settlements that they could support with funding, advice and possible additional planning freedoms. It wants to approve 12 villages of fewer than 10,000 homes and a rolling programme of garden towns and cities.

As new proposals for new settlements come forward, it will be important to ensure that infrastructure needs are met and therefore we will work with the Government and local authorities to identify areas suitable for new stations and to deliver these.

We are already in discussions about how we can support the Verney Junction Garden Village in Aylesbury which could accommodate up to 6,700 new homes centred on a former railway station which used to be part of the route connecting Oxford to Cambridge.

We are currently exploring the feasibility and funding arrangements to deliver a new railway station in order to provide better connectivity to the scheme which also proposes new schools, social and community facilities and retail to serve local needs.

We will continue to work with local authorities, key stakeholders, the Homes and Communities Agency and the Department for Communities and Local Government to support this initiative.



Example of another garden city at Ebbsfleet



London Bridge station concourse

DISABLED

Open for Business

While Network Rail's first priority is the safe and efficient operation of the railway, we want to make it much easier to do business with us.

That is why, as a property team, we are supporting our operational colleagues to adopt a new 'Customer Charter' with performance criteria.

This will ensure that we:



Treat developers as customers and improve our service experience.



Speed up the land acquisition process for developers and investors.



Restrict circumstances where asset protection fees will be required up front.



Tailoring mechanisms to cover liability.

Our Experienced Team



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