

OBJ3/P6/A1-9

Transport and Works (Inquiries Procedure) Rules 2004
Proposed London Underground (Victoria Station Upgrade) Order

LAND SECURITIES PLC AND OTHERS (Objector No. 3)

APPENDICES 1 – 9 to PROOF of EVIDENCE of ROBERT FOURT of
GERALD EVE

OBJ3/P6/A1

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LAND SECURITIES PLC AND OTHERS (Objector No. 3)

ROBERT FOUNT - APPENDICES:

SCHEDULE OF EXAMPLES OF ROBERT FOUNT'S PROFESSIONAL
WORK

APPENDIX 1

ROBERT WILLIAM FOURT BSc (Hons) MSc MRICS

Some Examples of Professional Work

Client	Instruction
Minerva	Advice upon the financial viability of Park Place – a major two phase retail development in the centre of Croydon - and giving evidence at a CPO inquiry.
Private client	Financial viability advice on redevelopment of Swiss Centre, Leicester Square, London.
Royal Bank of Scotland	Advice upon the valuation and funding of major a portfolio of car parks through out the UK and associated redevelopment issues.
London Borough of Croydon	Advising on a range of valuation, development and feasibility matters in respect of the redevelopment of the Gateway site at East Croydon Station for a mixed-use scheme of predominantly residential and office uses. Providing evidence and giving assistance at inquiries for planning and compulsory purchase.
Unison	Advice on development viability of a headquarters building and associated development on Euston Road (under construction).
Fresh Wharf Estates	Valuation, funding, investment and development advice on pre-development and implementation of an industrial and residential scheme for a 17 acre Estate in East London, for a variety of uses.
Kings College	Valuation and development advice on London campus portfolio.
Carlsberg Tetley Brewing Limited	Advice on the redevelopment of a town centre brewery for a comprehensive mix of uses in Wrexham.
Marks & Spencer	Advice on the valuation on potential store redevelopment in connection with asset valuations.
Marks & Spencer	Advice on the valuation and development matters in respect HQ in central London.
London Borough of Lewisham	Advice upon the redevelopment and viability of a town centre site and major shopping centre.
London Development Agency	Advice on the valuation and funding of a comprehensive mixed use development in the London Borough of Greenwich.
London Development Agency	Advice on compulsory purchase and compensation of various sites for London 2012.
Grosvenor Estate	Valuations of various office properties in central London.
Consortium of Land Owners (including Tesco, 600 Group, Hepworth)	Comprehensive regenerative redevelopment scheme affecting over 100 acres of land in East Colchester including a major road scheme and associated infrastructure.
Peugeot Motor Company	Advice on valuation, development and acquisition of various dealerships in central London.
Private client	High Court evidence for a rights of light claim on edge of City of London.

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ROBERT FOURT - APPENDICES:

PRINCIPLES OF COMPENSATION

Appendix 2

Principles of compensation

1.1 This Appendix summarises the principles of compensation for compulsory purchase generally, and in particular as they relate to Land Securities' interests in Victoria, under the following headings:

- (i) Interests in land to be acquired
- (ii) Additional losses;
- (iii) Severance and injurious affection;
- (iv) Set off; and
- (v) Other matters.

1.2 The principles described form the basis for the compensation estimates set out in **Section 9**.

Interests in land to be acquired

1.3 The compensation for the freehold and other interests to be acquired will be the market value as defined in s.5 (2) Land Compensation Act 1961 ("Rule 2") at the valuation date, being either the date possession is taken or the date compensation is agreed or is determined by the Lands Tribunal (if earlier).

1.4 The valuation under Rule 2 is to be undertaken in accordance with a number of additional provisions, in particular including the following.

1.5 Section 6, LCA 1961: In summary the market value is to be assessed disregarding the carrying out, or the prospect, of any

development on other land acquired for the scheme for the purposes for which that other land is to be acquired, to the extent that the development would have been unlikely to have been carried out if that land were not - and were not proposed to be - acquired by the acquiring authority. Insofar as it relates to the TWAO, this means that the prospect of the VSU works being carried out on land other than that owned by Land Securities is to be disregarded, on the assumption that the implementation of VSU is dependent on the use of compulsory purchase powers.

- 1.6 Section 9, LCA 1961: This requires any depreciation in value to be disregarded where it is due to an indication having been given that the land is, or is likely to be, acquired by a body possessing compulsory purchase powers. The valuation of Land Securities' interests proposed to be acquired accordingly disregards any adverse impact on value due to the prospective acquisition of that land in accordance with the TWAO.

Planning Assumptions

- 1.7 Sections 14 to 16 of the Land Compensation Act 1961 provide for certain specified assumptions to be made as to planning permission for the purpose of assessing the value of the land acquired.
- 1.8 Section 14 (2) provides that any planning permission to be assumed in accordance with sections 14 to 16 is in addition to any planning permission actually in force.
- 1.9 Section 16 (1) provides: "If the relevant land or any part thereof (not being land subject to comprehensive development) consists or forms part of a site defined in the current development plan as the site of proposed development of a

description specified in relation thereto in the plan, it shall be assumed that planning permission would be granted for that development.”

- 1.10 Alternatively, section 15 (1) provides for an assumption that, if it has not already been granted, planning permission would be granted for development in accordance with the proposals of the acquiring authority. It can therefore be assumed that permission would be granted for development in accordance with LUL’s proposals.
- 1.11 These sections of the 1961 Act provide for assumptions that planning permission “would be granted” for the specified classes of development.
- 1.12 Whilst these assumptions in sections 14 to 16 of the 1961 Act as to permissions in addition to those actually in force need to be considered, I do not believe that they are of direct relevance or assistance in this case.
- 1.13 Compensation for the acquisition of new rights is assessed in the same way as for land taken.

Additional losses

- 1.14 In addition any losses due to the prospective compulsory purchase of the land proposed to be acquired but not reflected in the value of the interests are recoverable under s.5 (6) Land Compensation Act 1961.
- 1.15 In this case, any losses arising from Land Securities’ inability to maintain the levels of lettings and rents which could reasonably have been expected to have been achieved in the absence of the TWAO will be commensurable. These might

include:

- (i) Loss of rent due to tenants vacating early;
- (ii) Loss of rent due to the inability to re-let vacant property, or the need to offer reduced rents to achieve lettings; and
- (iii) Empty rates and other financial liabilities in respect of vacant property.

1.16 In this case, such losses will be compensatable only to the extent that similar losses would not have been incurred anyway due to the threat of Land Securities' VTI proposals.

Severance and injurious affection

1.17 This head of claim relates to any reduction in the market value of adjoining or adjacent land in the claimant's ownership but outside of the land to be acquired. The right to compensation derives from section 7 of the Compulsory Purchase Act 1965 which states that:

"regard shall be had not only to the value of the land to be purchased by the acquiring authority but also to the damage, if any, to be sustained by the owner of the land by reason of the severing of the land from the other land of the owner, or otherwise injuriously affecting the other land..."

1.18 Colette O'Shea, Nigel Earp and Hugh Bullock explain in their evidence that in the absence of the VSU Order, Land Securities could and would have undertaken comprehensive development, extending to those parts of the site of the proposed VTI development not included within the Order – i.e. the retained land.

1.19 The loss suffered and claimed for can be described under two main heads although to some extent the two may overlap in

this case:

- (i) Severance: damage to the value of the claimant's retained land due to the loss of the land taken. For example the reduction in the size of the claimant's land due to loss of the land taken may prevent a viable development or may result in a less dense and/or less efficient, and therefore pro rata more expensive to construct or less valuable, development on the retained land in isolation compared with what could have been achieved on that land as part of the original larger development.
- (ii) Injurious affection: any other damage to the value of the retained land due to the construction, presence and operation of the scheme for which the land taken was acquired. Section 44, Land Compensation Act 1973 provides that the compensation can reflect the impact of the whole of the works, not just the work carried out on the claimant's land taken.

Consequences for Land Securities – Severance

- 1.20 A consequence of the acquisition of the land to be taken for the Paid Area Link is that the area of land required for construction of Land Securities' proposed building 6a will be so substantially reduced in size that I believe it unlikely that the construction of any building on the retained part of the Application 3 land would be a realistic prospect.
- 1.21 The compensation would also include any diminution in the value of the retained land due to the acquisition of subsoil rights and consequent presence of underground tunnels and other works which may impede or delay development or, for

example, make the construction of foundations more expensive or protracted.

Consequences for Land Securities – Injurious affection

- 1.22 In this case a principal head of claim will be delay to the development of the retained land due to implementation of LUL's VSU proposals on the land taken and on other land.
- 1.23 A further head of claim for injurious affection will be damage to the value of Cardinal Place Shopping Centre arising in connection with "Plot 75" which comprises part of the paved area in front of the Centre. As Plot 75 is in the same ownership as the Centre, then the claim can include damage to the value of the Centre resulting from the taking of that land and the carrying out of the works in connection with VSU.
- 1.24 A claim in respect of Cardinal Place could reflect the following:
- (i) Disruption and interference due to the VSU construction work, which will precede and will be in addition to disruption due the construction of VTI; and
 - (ii) Delay in construction and completion of VTI, which will in turn delay the consequent benefits to Cardinal Place which would be expected to result from a significant increase in the number of office and other workers in the immediate locality.
- 1.25 Eland House is held within the same freehold title as Portland House and Cardinal Place and is also held with the land taken for the purposes of s.7 Compulsory Purchase Act 1965 and a claim can be made for any injurious affection for the impact of the scheme on Eland House.

- 1.26 In addition, damage to value resulting from the carrying out of 'Protective Works' will be compensatable. This has been addressed under the head of injurious affection as, although no interest in the properties is to be acquired, the TWAO reserves the right to enter and carry out works.
- 1.27 The power to carry out these works is contained in Article 14 of the TWAO and Article 14(7) provides that compensation will be paid for "any loss or damage arising...by reason of the exercise of those powers". This cannot be assessed until and unless any such work has been carried out.
- 1.28 Losses reflected in the value of the retained land but not compensatable under Article 14 (7) are compensatable under the statutory provisions of injurious affection.

Set off

- 1.29 Section 7 Land Compensation Act 1961 provides that a deduction is to be made, from the compensation which would otherwise be payable in respect of betterment, i.e. any increase in the value of "contiguous or adjacent" land owned by the claimant, where that increase is due to the exercise of the compulsory purchase powers and construction of the scheme for which the land is acquired. In this case therefore, any increase in the value of Land Securities' retained land due to the construction and completion of VSU would fail to be deducted from the compensation which would otherwise have been payable.

Other Matters

- 1.30 Reinvestment costs: Section 10A Land Compensation Act 1961 provides an additional entitlement to compensation

where an interest in land is compulsorily acquired from “a person who is not then in occupation of the land” – which would include an owner of investment property or a development site. The compensation is for *“incidental charges or expenses in acquiring, within the period of one year beginning with the date of entry, an interest in other land in the United Kingdom.”*

- 1.31 The intention is to compensate for the costs of acquiring other investment or development properties to replace the land acquired; there is however no requirement for the replacement to be a property of a similar type, the only constraint being that, although the legislation does not say so, the principle of ‘equivalence’ requires that compensation should not exceed the cost of acquiring replacement property or properties of equivalent value to that of the land acquired.
- 1.32 Surveyors’, solicitors’ and other fees: Claimants are entitled to recover, as part of the compensation, the reasonable costs incurred in connection with the preparation, negotiation and settlement of the claim – which would include surveyors’ fees. There is in addition an express entitlement (section 23, Compulsory Purchase Act 1965) to payment of the costs of deducing and verifying title to the land acquired, conveyancing etc.
- 1.33 Loss payments: Section 33 Land Compensation Act 1973 provides for a number of “loss payments” which are in addition to any compensation payable. The calculation of these can be complex, but so far as Land Securities’ freehold interests are concerned the payment would be 7.5% of the value of each clearly identifiable separate interest, subject to a maximum of £75,000 for each such interest.

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ROBERT FOURT - APPENDICES:

VALUATION METHODOLOGY

Appendix 3

Valuation methodology

- 1.1 There are two possible methods of valuation by which an opinion of the market value of the land can be arrived at under the separate heads of claim for land taken and severance and injurious affection as follows:
- (i) analysis and adjustment, as appropriate, of prices received for the sale of other broadly comparable sites;
or
 - (ii) valuations on a 'residual' basis – by which a value for the land is arrived at by deducting, from the estimated value of the completed development, the likely costs of development, including a developer's profit.
- 1.2 The Lands Tribunal has frequently expressed its preference for compensation for the value of development land to be assessed primarily by reference to market transactions, unless such evidence is itself unavailable or unreliable. Research and analysis has been undertaken of recent transactions which relate to development land and investment properties held for future development in Victoria. These transactions are shown at **Appendix 9 (OBJ3/P6/A9)**.
- 1.3 As the schedule of evidence in **Appendix 9 (OBJ3/P6/A9)** demonstrates, in this case there is relatively little comparable evidence available. Furthermore, whilst a degree of variation is to be expected, as the price paid in respect of any site reflects not only its potentialities but other factors as well, and ultimately represents a bargain between the buyer and the seller, when analysed by reference to the land area the available evidence shows significant variation. In light of this, whilst the comparable evidence provides a useful context

against which market value can be assessed, it is reasonable to have regard also to valuations undertaken on the residual basis, as any potential purchaser would also be likely to assess it. It is my opinion that the Lands Tribunal would also be likely to have regard not only to comparable evidence but also to residual valuations were this matter before them at this time, having regard to the nature and quality of the comparable evidence currently available.

- 1.4 Residual valuations are commonly used in development scenarios to evaluate land which is being acquired and therefore determine Market Value. In simple terms, a residual valuation is one in which the value of the completed development is assessed and from which development costs and an allowance for the developer's profit are deducted to arrive at a residual land value.
- 1.5 As the land value arising from residual valuations is highly sensitive to variations to the various costs and values adopted and for this reason it is appropriate to rely upon the professional expertise of other advisors in respect of planning and other costs.
- 1.6 It is appropriate also to have regard to market information and reports that reflect the market environment. These matters would inform the level of price which a hypothetical seller would be willing to accept, even though the price would, from the buyer's point of view, essentially be driven by the development appraisal.

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ROBERT FOURT - APPENDICES:

UNDERLYING ASSUMPTIONS MADE

Appendix 4

Underlying assumptions made

- 1.1 This Appendix reviews the underlying assumptions, which principally concern planning matters and the requirement for compulsory purchase powers to deliver VTI, that have been adopted for the purposes of undertaking the estimates of compensation.

- 1.2 These assumptions reflect Land Securities' confidence that delivery of VTI by redevelopment of the land included in the TWAO and of the retained land could be delivered, in the absence of the TWAO, within the planned timescale.

Implementation of VT11 and VT12

- 1.3 The compensation estimates have regard to the Victoria Area Planning Brief (VAPB) produced by Westminster City Council (WCC) and are based on two basic development scenarios: Victoria Transport Interchange 1 (VTI1); and Victoria Transport Interchange 2 (VTI2).

- 1.4 The TWAO provides for the compulsory purchase of Land Securities', and any remaining third party, interests in substantial areas of land within the site of Land Securities' proposed VTI1 and VTI2 developments. Accordingly, VSU in the form proposed will prevent the development of VTI1 and parts of VTI2 and delay the development of that part of VTI2 proposed to be undertaken on the retained land. The compensation estimates are however based on the impact only on VTI2.

Development of retained land

- 1.5 It is assumed that VSU in its current form will delay the commencement of any development on Land Securities' retained land for the reasons, and for the periods, explained by Tim Chapman, and summarised by Nigel Earp, in their evidence.

Land assembly

- 1.6 It is assumed that:
- (i) in the absence of the TWAO, by the valuation date the majority of those freehold and leasehold interests required for Land Securities' VT11 or VT12 developments would have been acquired by agreement;
 - (ii) as Colette O'Shea explains in her evidence, if the use of compulsory purchase powers were considered necessary in order to complete the land assembly there would be an expectation, in light of progress made to date in discussions between Land Securities, TfL (for VT11 which would be a joint venture) and Westminster City Council that the Council would agree to assist in site assembly through the use of its compulsory purchase powers; and
 - (iii) the risk of a compulsory purchase order not being confirmed, and of those powers not being able to be used without delaying Land Securities' proposals, is therefore not great. There is however a small risk that any Order may not be confirmed as submitted, or of

delays, which have been reflected in the valuation.

- 1.7 There is no statutory or non-statutory requirement that requires the value of land for compensation purposes to disregard the prospect of the value being enhanced by the use of compulsory purchase powers, to assist in enabling a development of that land to be undertaken.
- 1.8 There is therefore is no reason that the prospect of obtaining assistance from the use of CPO powers should be disregarded, which reflects the reality of Land Securities' position. Not to do so would arguably result in Land Securities not being properly compensated for their loss.

Planning permission for VT11 and VT12

- 1.9 It is assumed that, in the absence of the TWAO, planning permission would have been obtained for VT11 or VT12 and that it would be obtained in sufficient time for construction to have commenced in 2010.
- 1.10 Hugh Bullock's evidence provides a summary assessment of the VTi proposals against the current development plan and concludes that, as a matter of general principle, Land Securities' proposals accord with the general thrust of development plan policy.

Planning permission for development of retained land

- 1.11 It is assumed in respect of Land Securities' retained land that planning permission for Application 1 of VT12 will be granted so as to enable development to go ahead once the VSU work is completed, or completed to such an extent that the concerns and constraints set out by Tim Chapman in his evidence no

longer apply.

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ROBERT FOUNT - APPENDICES:

ALTERNATIVE ASSUMPTIONS BASED ON LAND SECURITIES'
PROPOSALS

Appendix 5

Alternative assumptions based on Land Securities' proposals

- 1.1 The assessment of the substantially reduced compensation likely to be claimed in the event that Land Securities' proposals for amendment to VSU were adopted or agreed is based on the following principal assumptions:
- (i) The land shown hatched green in the plans submitted as **Land Securities Core Document OBJ3/2/20** is reclassified and moved into Schedule 6 of the TWAO (Land of which temporary possession may be taken). The land shown blue in those plans is reclassified and moved into Schedule 7 (Land of which only subsoil more than 4.5m beneath the surface may be acquired);
 - (ii) Upon transfer of the land shown in pink on the plans submitted as **Land Securities Core Document OBJ3/2/20** (equating approximately to the land proposed to be developed under VT12 Application 2), LUL will immediately lease back the surface and airspace of those plots to Land Securities for a term of 135 years at a nominal rent; and
 - (iii) Planning permission for VT12, if it has become time-expired, would be renewed.
- 1.2 The rules of compensation and the various assumptions set out in this report and Appendices will be applied, so far as they are relevant, to the temporary occupation of land by LUL and the granting to Land Securities of a

135-year lease in place of a freehold interest.

1.3 It has further been assumed that the other proposed amendments and conditions to the Order that are to be proposed by Land Securities are adopted, being in summary that:

- (i) piling for building 6a will be constructed by LUL during the course of its works but at Land Securities' cost;
- (ii) the Northern Ticket Hall will be constructed to support the necessary loadings to allow buildings 7b and 7c to be delivered as planned;
- (iii) an agreement will be entered into to ensure that utilities are diverted once only; and
- (iv) an agreement will be entered into Land Securities in relation to construction logistics.

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ROBERT FOURT - APPENDICES:

COMMENTARY ON VALUATIONS

Appendix 6

Commentary on valuations

1.1 This Appendix sets out the make up of the compensation estimates and key financial assumptions. The heads of claim are considered under the following headings:

- (i) Value of land to be acquired;
- (ii) Losses due to prospective CPO;
 - (iii) Severance & Injurious Affection:
 - (a) Severance;
 - (b) Injurious Affection;
 - Delay to VT12 on retained land (from 2010);
 - Cardinal Place (s.44 LCA 1973);
 - Eland House (s.44 LCA 1973)
 - Acquisition of rights over land (Portland House);
- (iv) Set off; and
- (v) Other matters

Value of Land to be Acquired

1.2 Compensation for the value of the interests to be acquired can be calculated either by reference to the existing use value of the land to be taken, or alternatively by reference to the development value expected to be released if higher.

- 1.3 Development value released can be calculated either by reference to the land in isolation or apportioned having regard to the wider VTI scheme.
- 1.4 The higher of the resulting values of the two approaches derives from the residual development value of the land to be acquired as an apportionment of the value of the whole VTI site. In terms of the land to be taken this also extends to the Bressenden Place air rights in calculating the total value of Land Securities' interests. The result is that development value will exceed the book value and accordingly compensation under this head will equate to the development value.
- 1.5 This value is the same for VT11 & VT12 as both schemes are identical as regards proposed development of the land to be permanently acquired.

Losses due to prospective CPO

- 1.6 This relates to an estimate of loss of rent in respect of the land to be acquired. This loss is due to 'voids' (loss of rental income from properties vacated and not re-let) and the burden of empty rates and other costs of holding vacant property and results from the impact of "blight" due to the prospective compulsory acquisition. The compensation assessment represents the excess of such losses due to VSU over and above the likely impact of the prospect of VTI and reflects the greater degree of uncertainty lack of control over moving tenants, "managing" the blight etc associated with VSU, compared with the VTI development which is more certain.

Severance & injurious affection

- 1.7 Severance: This is the diminution in the value of the retained

land resulting from the fact that if the Order is confirmed as submitted, the construction of any building on the retained part of the Application 3 land is no longer a realistic prospect.

- 1.8 Injurious Affection: This is the holding cost for the whole of the retained land due to delay in being able to commence development, offset by the rental income potentially receivable (which will be likely to diminish over time) This includes the likely empty rates liability resulting from not being able to re-let during the period of delay. The total estimate at this stage excludes the value/holding costs for interests still to be acquired and is therefore likely to increase by the valuation date.
- 1.9 These holding costs plus the empty rates liability are broadly equivalent to the difference between the value of the retained land, disregarding the scheme, and the deferred value of the retained land (the latter reflecting the actual potentialities of that land) based on the conventional use of a 'present value' deferment.
- 1.10 The reason for this is that the cost of borrowing, or holding cost, would be reflected within the deferment rate adopted by a potential purchaser, and the rate adopted in respect of the estimate of holding costs is similar to that which it is considered a potential purchaser would be likely to adopt if the interest were offered for sale. The anticipated net income stream, taking into account liabilities likely to arise such as those for empty rates, would offset the reduction in the value of the land due to deferment of development, and should therefore be reflected in the valuation whichever basis is used.
- 1.11 Damage to the value of Cardinal Place is likely to reflect two factors: potential impact on rent levels from works to be carried

out on land comprising part of Cardinal Place and reflecting the impact of the entire VSU development work (Section 44, LCA 1973); and delayed substantial long term improvement in rental and capital values due to delay in obtaining the benefits of a substantially increased customer base from VTi.

- 1.12 Colette O'Shea refers in her evidence to the implications of the carrying out of the Protective Works. I am of the opinion that the prospect of potentially very disruptive work being carried out to Portland House would have an impact on the value of Land Securities' interest in the property at the valuation date over and above the impact due to the carrying out of the VSU works. I have included this element of loss in my assessment of compensation for injurious affection.

Set off

- 1.13 I consider that the statutory provisions regarding betterment are of no relevance in this instance.

Other matters

- 1.14 Reinvestment costs. The compensation would, strictly, be claimed in the light of the actual costs incurred in acquiring other land. A common practice however is for the compensation to be based on the deduction customarily made, in investment valuations, for purchaser's costs – which for a value of this magnitude would customarily be taken to be 5.7625% of the purchase price (made up of SDLT 4%, agents' fees 1% + VAT, and legal fees 0.5% +VAT.)
- 1.15 Fees. These would be claimed against evidence of the costs actually incurred – usually by way of copy invoices – and would be subject to the test of reasonableness.

1.16 Loss payments. These will be payable at 7.5% of the value of each clearly identifiable separate interest, subject to a maximum of £75,000 for each such interest.

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ROBERT FOURT - APPENDICES:

HEADS OF CLAIM FOR COMPENSATION

Victoria Station Upgrade Compensation Estimate: Land Securities

Heads of Claim for Compensation

	VTI - Two (Delay to 2014)	
	£	£
1 Value of Land to Be Acquired		
1.1 Interests to be aquired ¹	61,027,176	
<i>Sub - Total</i>		61,027,176
2 Losses due to prospective CPO²	5,156,924	
<i>Sub - Total</i>		5,156,924
3 Severance & Injurious Affection³		
3.1 Severance ⁴	7,930,000	
3.2 Injurious Affection ⁵		
3.2.1 Delay to VTI Two from 2010 ⁶	55,056,748	
3.2.2 Cardinal Place (S.44 LCA 1973) ^{7,8,9}	33,766,124	
3.2.3 Eland House (S.44 LCA 1973)	5,471,703	
3.2.4 Acquisition of rights over land (Portland Hse) ¹⁰	14,362,402	
<i>Sub - Total</i>		116,586,977
4 Set off¹¹		
4.1 Enhancement		-
<i>Sub - Total</i>		-
5 Total Claim for Compensation^{12,13}		£182,771,077

Notes

- 1 Market value of the land acquired, disregarding the scheme and disregarding the impact of the use, or prospective use, of compulsory purchase powers.
- 2 Losses due to the prospective CPO but not reflected in the value of the land (tenants vacating early; inability to relet; and empty rates etc).
- 3 Compensation for any reduction in the market value of adjoining or adjacent land in Land Securities' ownership outside the Order.

Severance: The reduction in the size of the site due to loss of the land taken results in a less
- 4 dense and/or less efficient development on the remaining land in isolation than could have been achieved on that land as part of the original larger development
- 5 Injurious affection: Development of the remaining land is delayed due to implementation of TfL's scheme on the land taken and on other land.
- 6 Does not include land and interests in the course of being acquired by Land Securities.
- 7 Damage to the value of Cardinal Place Shopping Centre. Plot 75 comprises part of the paved area in front of the Centre.
- 8 Disruption and interference due to the VSU construction work, which will precede and will be in addition to disruption due the construction of VTI
- 9 Delay in construction and completion of VTI which will in turn delay the consequent benefit to Cardinal Place.
- 10 Acquisition of rights over land (Portland House): Contingency for losses due to the prospect of intrusive Protective Works.

Deduct, from the compensation which would otherwise have been payable, the increase (if any) in
- 11 the value of any "contiguous or adjacent" land owned by the claimant where the increase is due to the exercise of the Order and construction of the scheme.
- 12 Values / Compensation levels above are subject to change and revision.
- 13 Excludes reinvestment costs and statutory loss payments.

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LS REQUESTED AMENDMENTS TO THE DRAFT ORDER:
COMPENSATION ESTIMATE AMENDMENT AND CONSEQUENTIAL
SAVINGS TO THE PUBLIC PURSE

**Victoria Station Upgrade
Compensation Estimate: Land Securities**

LS Requested Amendments to the Draft Order. Compensation Estimate Amendment & Consequential Savings to the Public Purse

	TWAO Confirmed		Requested Amendments to the Draft Order					Total (A to H) £	Comments
	A	B	C	D	E	F	G		
Total Compensation	182,771,077	182,771,077	182,771,077	182,771,077	182,771,077	182,771,077	182,771,077	182,771,077	Total Compensation if TWAO confirmed as currently proposed
Less									
Amended Claim		170,565,642	160,485,737	180,943,366	180,029,511	179,115,655	182,314,149	57,825,805	Remaining Claim if Order is amended for A to H
Saving to Public Purse	Nil	12,205,435	22,285,339	1,827,711	2,741,566	3,655,422	456,928	124,945,272	Total Saving to the Public Purse

Amendment Summary:

- A VTI 2 (Application 1) Should Remain Capable of Implementation in 2010;
- B No Need for Permanent Acquisition of all the Land in the Draft Order;
- C Requirement for a Grant of Lease at the Outset
- D Cooperation in Installing Piles (Building 6a - Application 3 of VTI 2);
- E Load-Bearing of Northern Ticker Hall (Buildings 7b and 7c - Application 2 of VTI2)
- F Cooperation in Diversification of Utilities;
- G Cooperation in Jointly Planning Construction Logistics

OBJ3/P6/A9

Transport and Works (Inquiries Procedure) Rules 2004
Proposed London Underground (Victoria Station Upgrade) Order

LAND SECURITIES PLC AND OTHERS (Objector No. 3)

ROBERT FOURT - APPENDICES:

COMPARABLE EVIDENCE

Victoria Station Upgrade Land Securities

Comparable Evidence

Building acquired for redevelopment

Address	Price £	Size	Price per acre £/acre	Acquisition date
Stockley House, 130 Wilton Road	71,400,000	0.081	881,481,481	21/05/2007
Ashdown House, Victoria Street	161,700,000	0.186	869,354,839	29/09/2006
Abford House, 15 Wilton Road	13,000,000	0.321	40,498,442	19/04/2006