Crossrail is among the most significant infrastructure projects ever undertaken in the UK. From improving journey times across London, to easing congestion and offering better connections, Crossrail will change the way people travel around the capital.

Building the new railway involves constructing 21km of twin-bore tunnels, constructing eight new stations in central London and Docklands and upgrading many existing stations. Stretching from Maidenhead and Heathrow in the west, across to Shenfield and Abbey Wood in the east, the new railway covers 118 km of track. Crossrail services are due to commence in 2018.

Crossrail’s vision is for the project to play an active and broad role in moving London forward. As well as delivering a world-class railway that fast-tracks the progress of London, Crossrail will drive progress and leave a lasting legacy in many different ways. These include skills, employment, public art and procurement of materials, equipment and services from across the United Kingdom. But perhaps the most immediate and tangible benefits that Crossrail will unlock include:

- The creation of new stations and additional rail capacity;
- Enhancing stations and their surrounding urban environments; originating new over-site development opportunities above stations;
- Helping generate and focus development and investment activity along the route; and
- Supporting the future economic growth of the UK, helping to maintain London’s status as a global city.

Crossrail is more than a new rail link, it will be the catalyst for regeneration in key locations and a driver of London’s economic growth, in particular from a property perspective.

Crossrail’s property impact

Key findings of this study covering the period 2012-2021 are:

- Crossrail is already having an impact on investment decisions. At many locations Crossrail will be influential in supporting and accelerating new development.
- Crossrail could help create additional residential and commercial value of as much as £5.5bn along the route between 2012 and 2021.
- Crossrail will support the delivery of more than 57,000 new homes and 3.25 million square metres of commercial office space that have been identified for development within 1 kilometre of stations along the route.
- Commercial office values around Crossrail stations in central London will increase due to Crossrail over the next decade, with an uplift of 10 per cent in capital value above a rising baseline projection.
- There will be significant increases in residential capital values immediately around stations in central London of some 25 per cent and in the suburbs of some 20 per cent (again above the rising baseline projection in the period).
- Urban realm improvements and the development of new schemes above Crossrail stations will act as a highly visible and beneficial driver for further development activity, the intensification of use and in several areas, such as Farringdon, significant change. Crossrail will have a transformative effect on the property market and development activity over time.

Land Securities, one of the UK’s leading property developers considers that “Crossrail will have a positive effect in the long-term. It has already changed our views on development investment and property acquisitions in areas along the route. Crossrail is already referred to and used within marketing material and in occupier queries. It will reinforce London as a place to invest, which has got be good.”
Crossrail has the potential to support new growth of a transformative nature in locations that have been constrained by transport accessibility and have seen lower levels of new development and floorspace in recent years.
Executive Summary

Approach
The study is based on the following approach:

- Reviewing previous rail and property impact studies to fully understand the link between additional transport capacity and the associated growth in property values and development activity;
- Establishing clear “Zones of Influence” around each Crossrail station to show the varying impact on commercial and residential values dependent on walking time from the station;
- Selecting appropriate property market indicators to create a baseline value growth forecast for individual stations, local authority areas and line section averages for the central section (Paddington to Canary Wharf), the west section (Maidenhead to Acton Main Line) and the east section (Custom House to Abbey Wood and Stratford to Shenfield);
- Identifying the additional impact factors that will be reflected in the property value uplift attributable to Crossrail by location and market sector in the ten year period 2012 – 2021;
- Applying the value uplift factors to the known development pipeline and potentially available land within the zones of influence in order to estimate the total additional value and potential development activity that Crossrail will help unlock.

Driving Forces
A distinct driving force behind Crossrail’s ability to support development activity and property market values is investment in the extent, configuration and quality of public space immediately around each station.

All of the developers interviewed as part of this study consider this to be a critical requirement in maximising the benefits of Crossrail. Crossrail’s substantial investment in the wider public realm around each station is seen as vital.

Taken together, the new stations, the development above the stations and the planned urban realm improvements have the potential to re-define Crossrail’s stations as being the centres of the communities they serve: attractive places with entertainment, public art, restaurants and public spaces. Places to spend time in and not just to pass through.

Derwent London have concluded that “environmental enhancements of the public realm are a trigger for new development activity when supported by improved accessibility by Crossrail”.

Another critical issue highlighted by developers is the necessity for local authority planning policy and decision-making to create a conducive environment that encourages the development activity Crossrail has the potential to stimulate.

Commercial and Residential Sectors
Crossrail will, for the first time, produce a direct connection between all of London’s main business centres, linking Heathrow with Paddington, the West End, the City and Canary Wharf. The improvements in journey times, the quality of passenger experience and the frequency of rail service provided will have significant impacts on London’s economic performance and new residential and commercial investment through a transformational effect on key locations along the route.

A major ancillary benefit of Crossrail is the opportunity for combined impacts with other infrastructure and development projects. This will provide additional economic benefits as the agglomeration effects of having significant economic drivers located near one another is likely to produce higher overall outputs. This will be visible at, for example, Stratford where Crossrail will interface with High Speed 1 or Custom House where the new station will form part of the wider regeneration of the Royal Docks.

Given the strength of existing central London office groupings, Crossrail is unlikely to create new markets or major locations of new demand in its own right. But it will be instrumental in reinforcing and growing office clusters and supporting occupier demand in established office locations. Maintaining values in high value areas can be as important as increasing them in other more modestly priced locations.
A distinct driving force affecting Crossrail’s ability to support development activity and property market values will be investment in the quality and availability of public space immediately around each station.

Outside the central section, Crossrail is likely to have a limited impact in terms of generating additional demand for office space. However, there is a selected group of locations where the wider, contextual changes and strong public sector investment and policy impetus may combine with Crossrail to create a significant change. These locations include Stratford, Custom House and Brentwood.

Turning to the retail sector, there is already pressure on traditional bricks and mortar based retailers from online shopping. This pressure is not only driven by price and range, but also by service and expertise. High quality total retail, entertainment and leisure environments are now sought out by consumers and perhaps most critically by the retail occupiers that underpin development. Crossrail will present both an opportunity and a challenge to many retail locations by increasing access to new shopping centres and central London. Active management of outer London town centres along the Crossrail route will be required.

The unique economic characteristics and global position of London and the south east will continue strongly to influence the market for residential properties. While values in the London residential market did fall during the 2008 recession, prices have, in general, continued to rise in recent years at a higher rate than the rest of the UK. The influx of highly skilled, well paid workers from overseas will continue to drive price rises, particularly in prime and super prime residential markets. Outer London boroughs and areas beyond to the west and east are more dependent on domestic economic confidence, brownfield land capacity and transport accessibility. Crossrail stations where there are likely to be distinct or large scale impacts on the residential property market include:

- Bond Street;
- Tottenham Court Road;
- Farringdon;
- Whitechapel;
- Slough;
- Hayes & Harlington;
- Southall;
- Canary Wharf;
- Custom House; and
- Woolwich.

**Places to Watch**

With a headline additional effect on value of some £5.5 billion for the period 2012 – 2021 as well as supporting or influencing the delivery of more than 57,000 new homes and 3.25 million square metres of commercial floor space within 1km of stations along the route, Crossrail has the potential to have a transformative impact on the property market in key locations. These can be categorised as:

- Creating change – where a substantial change in current development quantities and types of land use can be expected.
- Reinforcing directions – where support is given to active, in-progress development programmes which reflect changing property values;
- Limited impact – where little change to the current development context can be expected.

Based on this approach and a synthesis of the analysis, it is possible to identify the following matrix of “places to watch”:

<table>
<thead>
<tr>
<th>Creating change</th>
<th>Reinforcing directions</th>
<th>Limited impact</th>
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<tbody>
<tr>
<td>Ealing Broadway</td>
<td>Slough</td>
<td>Southall</td>
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<td>Canary Wharf</td>
<td>Tottenham Court Road</td>
<td>Whitechapel</td>
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<td>Maidenhead</td>
<td>Hayes &amp; Harlington</td>
<td>Heathrow Airport</td>
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<tr>
<td>Bond Street</td>
<td>Paddington</td>
<td>Liverpool Street</td>
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<td>Central</td>
<td>West</td>
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</tbody>
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| Stratford | Ilford | Brentwood | Seven Kings |
| Goodmayes |
| Chadwell Heath | Harold Wood | Forest Gate | Maryland |
| Gidea Park | Manor Park |
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Central Section – Paddington to Canary Wharf

New, dedicated Crossrail stations along with over-site development projects, represent a truly transformational change in the level and quality of access and interchange through the heart of central London.

Direct connections to central London from the west and east, removing the need to interchange between National Rail, tube or bus will provide a catalyst for property development activity.

The following station locations are identified as having the greatest potential to become key property development locations with significant potential for change:

- Canary Wharf – providing the new levels of transport accessibility needed to unlock additional commercial and residential capacity, as well as providing access to the wider Isle of Dogs;
- Tottenham Court Road – capitalising on the transformation of the dated appearance of the area, the consolidation of land ownerships and the ability to intensify and re-use sites for commercial retail, office and residential uses;
- Whitechapel – a new station, improved accessibility and the availability of large potential development sites will support new activity; and
- Farringdon – increased accessibility and the ability to interchange directly with Thameslink will open up new commercial office and related mixed use opportunities including residential development.

West Section – Maidenhead to Acton Main Line

Crossrail’s significant investment in stations as well as the improved journey times and supportive planning policies promoting residential, retail and office growth will support development and regeneration initiatives.

The effect will be greatest for residential development. Inner zones of influence, of up to 500 metres around the station and often in close proximity to existing town centres, are likely to see new and enhanced retail and leisure provision as part of mixed-use schemes.

There are clear, available development sites and areas of under-used land in and around many of the stations, offering developers opportunities to bring forward appropriate schemes.

Retail development opportunities will be mostly focused on defined town centres as part of mixed-use schemes under current planning policies.

Development locations where the greatest market activity and potential for significant property change may be supported by Crossrail are:

- Eding Broadway – supporting established plans for re-development around the station and along the Uxbridge Road towards West Eding;
- Slough – serving the established Heart of Slough regeneration programme and identified development sites for town centre, residential and office replacement; and
- Southall – linking the district centre and local residential areas to central London and advancing development opportunities in the town centre and Southall Gas Works as a major brownfield opportunity.
East Section – Custom House to Abbey Wood and Stratford to Shenfield

The effect on journey times, the ability to make direct journeys into the heart of central London and the significant benefits in terms of route interchange will drive development market interest and activity in Crossrail’s eastern section.

This potential is likely to be focused primarily on new residential development, due to continued long-term demand for new housing in east London, Brentwood and Shenfield. There will also be improved accessibility and travel times to employment centres.

Development locations where the greatest market activity and potential for significant property change will be supported by Crossrail are:

- Custom House – with its supply of significant development opportunity sites, proximity to ExCel, London City Airport, the Siemens demonstration facility and the University of East London will see Crossrail support, accelerate and enhance the wider investment programme for the Royal Docks;

- Woolwich – transformational change in the immediate station area and more widely in the town centre due to Crossrail and the journey improvements offered;

- Abbey Wood – a transformational change, particularly for new residential development as the new station opens up employment opportunities, services and facilities elsewhere along the Crossrail route.

Collectively these ‘places to watch’ are where Crossrail can be expected to lift values and therefore enable, support and advance delivery of housing and commercial schemes. Many of these locations have been identified as priority development locations by central and London government, as well as local authorities across the south east.

Crossrail will boost the economies of London, the wider south east and, by extension, the UK. In many locations it will advance longstanding visions for growth and change.