



TMS-DD-103 PR24 WINEP EC  
supporting evidence - land costs and  
location of interventions

## Storm Overflows Programme Response – land costs and location of interventions

### Overview

In the Draft Determination assessment, Ofwat has raised significant concerns on the cost efficiency of our green solutions, in particular around land costs and location of required land (central London or in the wider region).

In this document we provide evidence of the positive benefits provided by green solutions, above that of traditional grey solutions.

### Thames Water argument and supporting evidence

The cost of land in the wider region we serve, and in particular in all catchments we are proposing green solutions (see list below), is significantly higher than the cost of land in other areas of the country.

The assessment below is based on HM Government publicly available data from the Valuation Office Agency, available at <https://www.gov.uk/government/collections/land-value-estimates>

Albeit the most recent published data was last updated on 2019, it clearly demonstrates a significantly higher cost of land in London and the South East region we serve. The data shows significant differences of land costs, which can be observed for Residential, Commercial, Commercial out of town and Industrial use. Although it is less likely we would need to consider residential land use in central London, its costs are also significantly different across the country, and up to 20 times higher in London than the cheapest alternative area. For the delivery of the solutions, it is more likely we would need to consider land used for Industrial, commercial and commercial out of town purposes, which – also excluding London – see significantly higher costs in comparison to nearly the whole country.

*Table 1 – Cost of land comparison by region (£ per m<sup>2</sup>)*

Country view						
	TW Area		Non TW Area			
Area	London	South East	North	Midlands	South West	East
Residential	£3,555.14	£539.37	£121.54	£157.41	£248.04	£293.83
Industrial	£508.33	£162.82	£42.74	£55.62	£68.69	£63.53
Commercial	£19,947.26	£1,381.03	£452.75	£475.44	£647.18	£1,787.48
Commercial - out of town	£0.00	£289.19	£47.74	£77.17	£93.70	£200.26

In summary, the cost of land in the region served by Thames Water is significantly higher than regions served by most other water companies.

Table 2 – Summary of cost of land comparison (£ per m<sup>2</sup>)

Summary Table			
Area	TW Area	Non TW Area (Low)	Non TW Area (High)
Residential	£1,724.14	£121.54	£293.83
Industrial	£508.33	£42.74	£63.53
Commercial	£1,381.03	£452.75	£1,787.48
Commercial - out of town	£289.19	£47.74	£200.26

Table 3 - List of sites we are proposing sustainable drainage / attenuation in the network, i.e. green solutions

ANDOVERSFORD STW	HAMSTEAD MARSHALL STW
BAMPTON STW	HANWELL STW
BARKWAY STW	HOLMWOOD STW
BENSON STW	HORTON-CUM-STUDLEY STW
BENTLEY STW	LITTLE COMPTON STW
BLEDINGTON STW	LITTLE HALLINGBURY STW
BLETCHINGDON STW	MARKYATE STW
BODDINGTON STW	NORTH WEALD STW
BRICKENDON STW	SOUTH LEIGH STW
Bucklebury (Briff Lane) STW	STANDLAKE STW
BURGHFIELD STW	STEWKLEY STW
CHADLINGTON STW	STONE STW
CHAPEL ROW (BERKS) STW	TAKELEY STW
CHARLBURY STW	THERFIELD STW
CHARLTON-ON-OTMOOR STW	THEYDON BOIS STW
CHINNOR STW	THORNWOOD STW
COMBE STW	WADDESDON STW
COMPTON (BERKS) STW	WESTON (HERTS) STW
CRONDALL STW	WHEATLEY STW
CUDDINGTON STW	WHITWELL STW
EAST GRAFTON STW	WILLINGALE STW
EAST SHEFFORD STW	WINGRAVE STW
EYDON STW	ABBESS RODING STW
FYFIELD (WILTS) STW	CROPREDY STW
GERRARDS CROSS STW	CASSINGTON STW
GRENDON UNDERWOOD STW	SELBORNE STW
HAMPSTEAD NORREYS STW	WINTERBOURNE STW