2013 BUDGET COMMENTS

Chris Selway, Director at BNP Paribas Real Estate, who has 34 years’ experience in the property industry specialising in CPO and the rail sector, comments on the 2013 Budget:

“I welcome any increase in spending on infrastructure so the Chancellor’s promise to boost infrastructure spending by £3bn in 2015/16 is welcome news. However, with 550 projects identified in the 2012 update of the National Infrastructure Plan costing £330bn it’s less than 1% of the total needed.

Annual direct spending on infrastructure projects is £15-£20bn, so the extra money might at best cut the time to build them all from 17 years to 14.

Green energy projects account for nearly 2/3 of the infrastructure pipeline and they don’t impact on the need to regenerate town and district centres or open up land for housing development. Transport accounts for 1/3rd, with HS2 eating up around 40% of that – but the efficiencies sought in the first Infrastructure Cost Review envisages up to £1.5bn in annual cost savings – which off-sets 50% of the promised increase.

To boost the economy via construction and regeneration in our urban areas, infrastructure projects must be prioritised such that development land is opened up and brown-field sites which need drainage or access improvement to ensure viability are unfettered. Vast tracts of potential housing land remain dormant as the rising cost of good road access, bridges and drainage solutions are no longer off-set by pre-recession record land values.”

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About BNP Paribas Real Estate

BNP Paribas Real Estate, leading international real estate provider, offers to its clients a comprehensive range of services that span the entire real estate lifecycle: property development, transaction, consulting, valuation, property management and investment management. BNP Paribas Real Estate has local expertise on a global scale through its presence in 36 countries with more than 180 offices and 3,400 employees (16 wholly owned subsidiaries and 20 by its Alliance network, that represents today more than 3,000 people).

For more information: www.realestate.bnpparibas.com

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