

NEWS



US behemoth forms partnership for Euston station mega-project

Hudson Yards developer Related Companies forms partnership with Sydney & London for 35 acre scheme

BY DAVID HATCHER

The developer of America's largest-ever real estate project has formed a joint venture to redevelop London's Euston station in what would be its first UK project.

Related Companies – which is undertaking the \$20bn, 17m sq ft mixed-use Hudson Yards project in Manhattan, New York – has formed a partnership with Sydney & London, the owner of the Euston Estate.

The Euston Estate (above, inset) is made up of four prominent buildings at the front of the station: Grant Thornton House, One Euston Square, One Eversholt Street and the Podium. These total more than 300,000 sq ft and are fundamental to a wholesale redevelopment of the station.

The duo, known as the Euston Regeneration Partnership, has appointed Terry Farrell & Partners and Kohn Pedersen Fox Associates to

create a masterplan for a 35 acre project – just over half the size of Argent's King's Cross Central.

Kenneth Wong, chief operating officer and director of international development at Related, told *Property Week International* it had similarities to the New York project (above), which includes a subway extension.

"It's very comparable to Hudson Yards. The opportunity to connect different neighbourhoods within a city when you do an over-station development is critical to keep in mind.

"These schemes are not just hunks of concrete but can reconnect areas that have had transit holes separating them," said Wong.

Cardiff-based Sydney & London, which is owned by Michael Gross and run by chief executive Richard Anning, drew up a 4.2m sq ft mixed-use masterplan for a 12 acre project around Euston in 2008 before the proposal of High Speed 2 (HS2), but plans are now

being worked up for a development on a far greater scale.

A redevelopment of this size is supported by the government and HS2 Ltd – the company responsible for developing HS2 that is owned by the Department for Transport – but predicated on the delivery of HS2, which is due to operate out of Euston from 2026 to better connect London with Birmingham, and later with the north and Scotland.

Last week chancellor George Osborne threw his weight behind a full-scale redevelopment of Euston station when he was in Hong Kong, observing its new high-speed station in Kowloon.

"I'm thinking that maybe we should go for a really big redevelopment of Euston. There is a really big opportunity for jobs and for housing in the area. Let's face it, Euston is not one of the prettiest of the London stations," he said.

Any redevelopment would be subject to an open tendering process by HS2 Ltd, which is likely to begin early next year.

But the strategic importance of the Euston Estate to a successful redevelopment and the international status and financial clout of Related, which has a portfolio of more than \$15bn, will be significant factors.

Conversely, if HS2 Ltd opted to partner with another developer, it would have the option of undertaking a compulsory purchase of the Euston Estate, or if HS2 is scrapped, it is possible that a redevelopment could be undertaken without incorporating the estate.

In 2007 Network Rail, which, before the formation of HS2 Ltd, was responsible for any redevelopment, entered an exclusivity agreement with British Land to undertake a revamp, but in early 2012 the partnership was dropped.