



UNIBAIL-RODAMCO-WESTFIELD

The Group Chief Executive Officer

Cllr Tony Newman
Leader of Croydon Council
c/o Town Hall
Katharine Street
Croydon CR0 1NX
United-Kingdom

March 20th 2019

Dear Tony,

Thank you for your letter. It was good to meet with you a few months ago to discuss the development.

Our commitment to the Croydon project and to the regeneration of the town centre remains unchanged since our last meeting. This commitment was again reinforced in the publication of our 2018 financial results: Croydon is a flagship scheme for the company.

As you are aware, a number of major milestones on the Croydon project have been delivered over the past year including securing the commitment of the John Lewis Partnership to open a full range John Lewis & Partners department store with a Waitrose food store to anchor the scheme, alongside Marks & Spencer. Your administration also gave approval to implement the Compulsory Purchase Order. The site assembly is underway and notices were served on all affected parties in September 2018.

There remain, however, significant challenges as regards the UK economy and the political outlook in the near future. This is compounded by the deep structural changes currently facing retailers, as well as the increasing impact of business rates on the UK high street and shopping centre retail property. It is illustrated by the growing number of bankruptcies, CVAs and retailers announcing declining financial results, in addition to Continental European retailers suspending plans to expand into the UK because of uncertainty linked to Brexit.

Given this backdrop, it is our responsibility to review the scheme to ensure it responds to changing retailer requirements and is ready for the future. We recognise that Croydon has very strong potential with flagship destinations outperforming over the long term, and deserves the best configuration going forward. The team remains hard at work to bring the development forward.

I am very happy to meet with you to discuss the project along with representatives from Hammerson.

We will be in contact with your office to set this meeting up at the earliest opportunity.

Best regards,



Christophe Cuviller

CC:
David Atkins, Hammerson
Peter Cole, Hammerson
Olivier Bossard, Unibail-Rodamco-Westfield

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