

Editor's comment:

Another week, another anti-growth missive from government: this time a poorly drafted clause in the community infrastructure levy that could cost hundreds of millions of pounds.

Perhaps we should have some sympathy for what was presumably human error. After all, even the North Korean Olympic women's football team returned to the pitch after being introduced under the South Korean flag this week.

The government already estimates that CIL, intended to be charged on new floorspace, will cost developers £6.3bn over the next 10 years. However, an empty building clause risks bringing existing floorspace into the regime and burdening the property industry with hundreds of millions of pounds in extra tax (p31).

To avoid incurring a charge for the entire floorspace of a redevelopment, part of the existing space must have been in continuous use for six of the previous 12 months to grant of planning permission. However, the economic climate and the planning regime count against assembling sites for redevelopment in such a narrow time frame.

Government is said to be sympathetic and will seek to lengthen that time frame. It needs to. And it needs to ensure that future policy is free of such ambiguity. After all, it has previous form here: last month ministers were urged to close a loophole that could hit hundreds of approved London projects with a Crossrail levy despite assurances they would be exempt.

The British Property Federation's Peter Cosmatatos told an *EG* web seminar this week (p50): "Government departments are really struggling: they haven't got the resources to cope with the policy announcements ministers are making."

He wasn't talking specifically of CIL, but he might as well have been.

■ Capital Shopping Centres can expect to be under the spotlight for the next few months after posting weaker than expected half-year results this week. Like-for-like net rental income fell as rent increases were offset by the effect of tenant failures.

Analysts at JP Morgan contrasted the group with Hammerson,



which delivered a 3.3% increase in rental income over the same period.

Peel Hunt cut its EPS forecast. "Better than the IPD average, but weaker than its REIT peers," was the view of Jefferies' Mike Prew.

What price the innermost thoughts of CSC's deputy chairman, and the driving force behind the Peel Group, John Whittaker?

■ Our markets editor Noella Pio Kivlehan travelled to Sydney earlier this month to talk to Westfield joint CEO Steven Lowy (p46). Encouragingly, Lowy talks of the need for resolution in the company's battle with Hammerson over the future of Croydon's town centre. Unsurprisingly, he has no comment to make

on the notion that the best solution would be for the two companies to work together. Intriguingly, the firm, he says, sees opportunity in crisis-riddled old Europe and less so in India and the Middle East.

Despite the interview, there is still something mysterious and unpredictable about Westfield. Reading it, Churchill's view of Russia sprang to mind: "A riddle, wrapped in a mystery, inside an enigma."

■ Should tax be a moral issue? Now there's a debate. My view is that tax is first and foremost a legal issue. But go to the limit of the letter of the law and, yes, it becomes, in part, a moral issue – how far is too far when it comes to avoidance? Our Big Question this week shows how widely views on this matter vary (p42).

One in five of you said the property industry doesn't pay enough tax, but half believe it pays more than other industries. Two-thirds, meanwhile, believe a government crackdown on avoidance won't work.

Contradictory, yes. But with even David Cameron, Boris Johnson and Nick Clegg all admitting to having paid tradesmen cash-in-hand - hours after a Treasury minister said the practice was "morally wrong" – I think that's forgivable.

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