The research relating to the Paceville Master Plan - Malta in September 2016, prepared by Mott MacDonald on Malta’s Prime Coastal Location has been reviewed by the team of Wood & Apples BV from the Netherlands.

Wood & Apple develops, reviews and provides advice in the field of real estate and urban planning, regional development in the areas of concept development. We specialize in the field of heritage, (re) development and sustainability.

Wood & Apples work on behalf of investment companies such as StenaLine (Scandinavia), Lone Star Funds (USA), Ocean Capital (Ireland), Faraig CV (NL) and for the Dutch Government and Municipalities, such as Eindhoven, Breda, Den Bosch, Tilburg and Nijmegen.

We work for the province of North Brabant, a province with 2.5 million inhabitants. We have worked with the various stakeholders to develop plans for these cities, industrial areas, residential developments, mixed-use environments, hotels, and the redevelopment of heritage. We have gained international expertise and insights through our work in projects in Turkey, Indonesia, the USA, Belgium and Slovakia to date.

**Summary of our review:**

In general, we conclude that the report is extensive and contains much detail, a qualitative and thorough report which developed several serious options and is presented for Malta’s Prime Coastal Location.

The report can be understood as subjective, leaving options and implementations little space for further investigation or actions that should be made at later stage. The report contains indeed the basic principles with focus on result and conclusion rather than keeping a broad perspective at this stage.

The market segmentation is unclear leaving questions open like what audience does Malta need, what are their expectations and needs. How will Malta address a new business that delivers value to the island, to its inhabitants and to the history. How can Malta maintain the local community and give them what is needed? And lastly what are the driving forces of Malta, that will further develop the island to include culture, infrastructure and environment.
This report will highlight opportunity to improve final decision making on implementation by highlighting elements focused on DNA, heritage, concept vision, branding, market segmentation, stakeholders, urban planning, local property ownership and finally the beach as asset.

**DNA**
To promote diversity the plan needs to include a well described DNA of Malta, that includes the long-term vision of the culture and merits. The DNA is the base of the report and should be stated well for any future actions or implementations. It will affect and facilitate Malta’s decisions for future (property) development.

**Heritage**
A vital element to maintaining the long-term value of the island, is to establish which areas and buildings are and should remain authentic? These should be included in any report that touches on island development. Protecting your heritage is also a reason to drive tourism. Paceville will have significant impact on the heritage and infrastructure.

**Concept Vision**
A great effort has been made to suggest on what can be implemented. However, the goal setting is unclear. What is the long-term vision for the customer, stakeholder and visitor? As an example, take the 5star hotels, is the plan to upgrade the island’s tourism, and what is that based on. Data is missing to create and entire vision rather than starting with just elements. We will come back in the hospitality segment of the review.

**Malta Branding**
The report needs to focus on Malta as a brand. Besides identifying, highlighting and protecting heritage it needs to define the emotions and connections that need to be communicated for further development. This can be done by conceptualizing all mayor elements of the island. The sum of all parts, will drive all parts with guaranteed success to deliver the ultimate Maltese objectives.

**Market segmentation**
To enable ultimate success for the venture as well as the community and the island, a thorough analysis of market segment needs to lead any future development. This in its turn must be in line with the vision of the island. Once the right mix of people and potential new visitors have been established the concept can be established. A link is missing between a clear market segment and the realization of the new location Paceville.
The report shows good intentions on how Paceville will impact this client base, for example also exploring the infrastructure. However, conclusions can only be made as part of the concept development process, to understand what is possible and what’s not.

**Stakeholder involvement & value optimization**

The basis of the report is based on assumptions which may be used in further efforts to eliminate or deeper investigation into possible solutions. At this the roles and responsibilities of the stakeholders should be well defined. Note that this report should not be a result of initial agreement of direction and opportunity as mentioned earlier. We are not convinced all stakeholders have set common objectives based on facts. Value should be created that goes beyond economic or political value but mainly social value. The use of Social Value should be the driver or long term optimization of success for Malta, the Maltese heritage and community.

An example of such a project is the city of Eindhoven, this also deployed in the area Strijp S (where the municipality is in a PPP) structure has bought the old PHILIPS factories and has established a strategy including vision, ambition, and social value which has become a highly successful new area development. In very short time this area has become as important for the Netherlands, Germany, Belgium and France as the new Silicon Valley.

**Spatial development**

A vision goes beyond the spatial task, infrastructure, sustainability ambition etc. The vision must be fed, or constructed from an island wide perspective. A recommendation is therefore to work this into a more holistic approach.

And that starts with the creation of the ambition for Malta, the snap and naming the DNA of Malta, plotting a layout plan for Malta and identify where and how some parts are important. If it turns out that the proposal for example leads to developing an iconic skyline to serve the island and the local community best, it should be followed by the implementation plan.

Area development and spatial planning is the art of combining functions, disciplines, parties, people, cashflows and interests with the aim of holistic development of an area to benefit all stakeholders.

Co-operative partnership (between government and commercial developers), a Dutch example of development-partnership, helps focusing on creating shared interest, focusing on a shared vision and ambition and realizing the vision in this area. Being successful in creating shared interest creates greater long-term profit for all stakeholders considering National, Regional and Suburban perspectives.
The Netherlands has a long and proven strategy in the successful development of these types of areas. There are many examples where market and government work together to determine and align on clearly laid out goals, deadlines and process agreements.

Development of the final Masterplan taking into consideration perspectives of all stakeholders as mentioned above provides the basis for successful creation of long-term transformation. When planning, programming and creating the business-case, concerned parties make an internal inventory of risks and earn potentials. With this approach, it is possible to assign these risks and earn potentials. This gives parties a solid base to offer market based prices to land and property owners. (i.e. residual land values), based on a long-term masterplan with national, regional and inner-city interest.

Additional Dutch example:
I.e. Developers and government work with planning performance agreements. These agreements contain performance-agreements about products, performances, terms and specific qualities.
On this basis, the masterplan can be developed, which contributes to the creation of economic or social added value for the medium and long term. This takes into consideration creation of employment for the entire region.

Together with the masterplan, which contains all the existing properties and lands, from all the stakeholders, the individual financial feasibility of the project/s can be calculated. With a shared vision on national, regional and inner-city vision, it makes land reclamation more efficient. And facilitates the opportunity for owners to be compensated with market based prices based on the right financial business plans which we believe must be considered in this plan as well.
If necessary, this then provides a solid framework for expropriation based on National, Regional and inner-city interest. All decisions are supported and aligned with the overall Masterplan and a solid business strategy and plan which should be developed in conjunction with the Masterplan. (with a possible phased development).

Property of locals
A development like this often has consequences for residents with property. Looking for the right form of compensation. That may be, by allowing them to be part of the development. This can be done also by paying an honest, residual land prices for land and buildings. But to optimize the right mix of tourism and local communities, we recommend to collaborate and integrate their work and ideas. The local community will serve tourism well, when development is agreed and understood.
**Beach as asset**

The beach is clearly highly significant for further development of the area. This is also most likely one of the key objectives of Malta in attracting tourism as well as serving the local community. The basic principle is that Malta’s prime beach location is redeveloped, which leads this to be the starting point of the report. Beach facilitates a social environment, rest, sports, a specific traveler whilst driving revenues through beach clubs and restaurants, which are a great source for Malta. The size of the beach, whether that involves regaining land like Dubai, will also be an important factual source for the number of tourists or locals, and infrastructure needed.

**Tourism**

With the increasing amount of flights coming into Malta there is need to establish what is the type of tourist that Malta needs, referring to market segmentation. There is opportunity to yield existing business levels as well as ensuring, based on data, the right tourist chooses to visit Malta. This will impact further development of communities and projects, as well as restaurants & hotels and other hospitality developments.

Should there queries on the above I am very happy to provide further clarification as necessary.

Kind Regards
WOOD&APPLES b.v.

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