Investment thesis

Sebastian Winter · Integral Development Partners · Version 1.0, November 2026

Some of the goods and services a city or region depends on can be financed on their own, as projects or as businesses. Others cannot, although many of them support critical services supplied at higher levels, such as health and care, food supply and flood management (Annex B1). Where these are supplied at all, it is by firms that combine them with goods or services that have a clearer commercial case and benefit from them. In such a firm the activity with the clearer commercial case trades better because of the one it sustains, and the thesis calls that combination a *complement*. Where one activity simply pays for another, the combination is *cross-subsidy*, and the thesis does not apply. These firms typically hold land and buildings and run several activities as one business, so capital can assess them only as a whole. The capital that reaches them is designed either for a business underwritten as a whole or for a single asset (Annex B2).

This thesis holds that investment in these firms can be made more effective in two ways.

The first is capital mobilisation. When each activity can be assessed on its own, equity can be invested in it on the logic that suits it, whether venture, private equity or strategic. The land and buildings can be financed separately from the trading, and other forms of finance follow more easily.

The second is firm performance. Each activity can concentrate on what it is for when it has its own management and accounts. Those sit under a board that is separate from management and accountable for how the activities work together and for the firm's relationships with its area and partners.

Since the provision is supplied by the firm, it improves as the firm does. In development finance terms, the two claims are the thesis's additionality, financial in the first case and non-financial in the second, and both rest on the complementarity between the firm's activities.

The claims are made for the firm, its capital and its setting taken together. Improving one alone may help, but only all three together test the claims. The thesis is therefore applied deal by deal, to a particular firm or within a particular setting, most often when the firm's governance is changing. It is shown to be wrong where the firm, its capital and its setting all meet the parameters and neither capital mobilisation nor firm performance improves.

Scope

For the claims to be tested, the firm and its setting must each meet certain conditions. The conditions on capital follow from the approach.

The firm. It can trade commercially and return capital to investors, and any part that cannot do so is separable. It runs three or more complementary activities, each at a scale of provision able to carry its own management. Its size follows from the scale of what it provides, at the level of a city or region. It is viable in three senses: financially, sustaining itself on its own basis; commercially, its work standing up in its market; and developmentally, supplying goods and services its setting depends on and would otherwise lack. The firm's governance is changing, or needs to, most often at succession. Ownership changes only where the change of governance requires it. Where governance is already separate from management, parts of the thesis may still help.

The setting. Existing infrastructure and access to markets are enough for the firm to be viable without prohibitive up-front cost, yet what it provides is not already supplied there. The edges of cities, and land left over by former industrial or infrastructure use, typically strike this balance.

Approach

Separation. In such a firm, the change begins with separation. Each activity becomes a business unit with its own management and accounts once it can carry that management. The holding company becomes the firm's long-term governance entity. It holds the land and buildings, which the units pay to use, and its interests in the units. Those interests need not all be ownership (Annex D2). A board separate from management is formed as the units are separated, and owners appoint it and hold it to account.

Capital. Separation is what allows capital to be matched. Investment is anchored in equity, and each unit can take equity on the venture, private equity or strategic logic that suits it, from any type of investor (Annex D3). Asset finance goes to the holding company, operating finance to the units, and transition capital to the change itself. Capital in the holding company is long-term, while equity in a unit can be realised without the firm losing what holds it together. Public income is contracted for a defined service, and value comes from governance and operations.

The change. The change is carried by two streams run together: the deal, which assembles the parties, capital and terms, and the transition, which reorganises the firm. A sponsor chairs the board. An operator joins as chief executive before the deal is committed, and leads the transition. Public, private and civil society partners are engaged from the start, and governance is settled first.

How the thesis is tested

These conditions on the firm, its capital and its setting are the parameters of the thesis, and the technical annex sets them out with a test for each. The thesis is tested by a deal in which every parameter holds. It is falsified if, in such a deal, neither capital mobilisation nor firm performance improves. Where an earlier attempt has failed, the first question is which parameter did not hold. Each of the main risks is the failure of a particular parameter (Annex E4).

Where these firms are most commonly found

The thesis applies across sectors. Firms that meet its parameters are expected most commonly in agribusiness, manufacturing, retail and hospitality, and tourism, where these meet sustainability and regeneration, innovation and technology, or culture and the arts.

The definitions, evidence, parameters and risk matrix are in the technical annex. This thesis describes an approach. It is not an offer of, or invitation to make, any investment.

Technical annex

Supporting the investment thesis · Version 1.0, November 2026

CONTENTS

A Definitions 6

B Rationale 8
B1 What the provision supports 8
B2 How capital reaches this provision 8
B3 The firms exist and are recognised 10
B4 Capital mobilisation 10
B5 Firm performance 12
B6 Why the firm is the unit of decision 12

C Scope 13
C1 The firm 13
C2 The setting 14
C3 Governance change 15

D Approach 16
D1 Separating holding from operating 16
D2 Forms of interest 17
D3 Equity logics 18
D4 Capital types 18
D5 Pool sizes 19
D6 The deal and the transition 20
D7 Operators, sponsors and partners 21
D8 Alternatives 22
D9 Governance and accountability 22

E Testing 23
E1 Parameters 23
E2 Checklist 23
E3 Measures of the claims 24
E4 Risk matrix 24
E5 How many firms meet the parameters 26

F Where these firms are most commonly found 27
F1 Sectors and themes 27
F2 Country notes 28

G Policy and subsidy context 29

This technical annex supports the investment thesis and follows its order. Each annex can be read on its own and takes the same form:

- a statement of what it supports in the thesis;
- the evidence, with its source beside it;
- brief notes.

Sources are cited by organisation and document, with a year where the document carries one, so that each can be found by search. Figures are taken from published sources, and arithmetic is marked as such. In the evidence tables, the first column gives the annex's reading and the evidence column gives what the source publishes; connections drawn between cases are the annex's own. Each fact is evidenced once, in the annex where it does most work, and recalled elsewhere by cross-reference. Material that depends on a particular policy or subsidy is kept in Annex G and is not used as evidence.

How cases are used. The annex draws on firms and schemes from mid-market businesses to large multi-use developments. None of them applies the thesis in full. They are used for what they show: complementarity between activities, partial separation of holding from operating, and the ways such firms and schemes fail. Full separation is claimed only where it is documented. Where a case is a *setting*

(many parties in a place) rather than a *firm*, or is public or non-profit and so shows structure rather than return to investors, it is labelled.

Annex	Supports in the thesis
A. Definitions	The whole thesis
B. Rationale	The opening: the provision, the firms, the routes for capital and the two claims
C. Scope	Scope
D. Approach	Approach
E. Testing	How the thesis is tested
F. Where these firms are most commonly found	Where these firms are most commonly found
G. Policy and subsidy context	Context only

ANNEX A

Definitions

Supports: the whole thesis.

	Term	Definition
A1	Provision at the level of a city or region	Goods, places, services, activities and events supplied within a city or region for its own people, where neither the market nor public bodies otherwise supply them at that level. The definition describes where and for whom the provision is supplied, and makes no claim about its worth. Whether a provision matters is judged in the area, by those who use and pay for it and by the public bodies and civil society organisations that choose to work with the firm supplying it. It may extend into public provision, in partnership with public bodies, and sits alongside it. It may be supplied by a mid-market firm or by a large multi-use scheme.
A2	Complement	A firm's activities form a complement where the activity with the clearer commercial case trades better because of the one it sustains. The test is the direction of benefit: would the clearer commercial activity trade as well without the provision it sustains?
A3	Cross-subsidy	One activity simply pays for another. Under cross-subsidy, the provision is the first thing cut when margins tighten. The thesis does not apply.
A4	Single-purpose asset	An asset with one function and a defined revenue or public payment, which can be financed as a project in its own right, such as a bulk water plant selling to a utility under a take-or-pay concession (D8). Outside the thesis.
A5	Legibility	The degree to which each party dealing with the firm can see the part relevant to it: investors, lenders, grant funders, public bodies, clients and the community. A bundled firm is legible only as a whole, while a separated firm is legible unit by unit.
A6	Governance	Corporate governance is the system by which a firm is directed and controlled (Cadbury, 1992). As used here, it explicitly takes account of the firm's setting and partnerships. It is consistent with the G20/OECD Principles of Corporate Governance, the UK Corporate Governance Code and the UK Stewardship Code. Owners appoint the board and hold it to account, and the board holds the firm to its purpose in its area as well as to its financial performance.
A7	Viability	A triad taken from development finance, where an investment may be assessed on all three. *Financial:* the firm sustains itself on its own basis. *Commercial:* its work stands up in its market, or in whatever its equivalent is. *Developmental:* it supplies goods and services its setting depends on and would otherwise lack.
A8	Judgement of level	Whether a city or region is the right level for a provision is a situated judgement, made when assessing a particular firm. It weighs the system the provision belongs to, where the knowledge and assets sit, the scale that sustains it, where accountability can be held, and what is supplied at other levels. The thesis takes no general view on which provision belongs at which level.
A9	Equity logics	The three standard ways of underwriting equity are *venture* (on growth potential), *private equity* (on cash flow and operational improvement) and *strategic* or corporate (on fit with the investor's own business). They are logics: a family office, foundation, fund or corporate can invest on any of them.
A10	Holding company	The firm's long-term governance entity. It holds the land and buildings, and its interests in the units, which may be ownership, a joint holding or a contractual arrangement (D2).
A11	Unit	An activity with its own management and accounts. An activity becomes a unit when it can carry its own management.
A12	Parameters	The capital, business and setting conditions that must all hold for the claims to be tested (E1).
A13	Deal by deal	The thesis is applied one deal at a time, to a particular firm or within a particular setting, because only a deal can bring all the parameters together.

	Term	Definition
A14	Situations	The thesis applies most often where a firm's governance is changing, or needs to: at founder or family succession, at the separation of an activity from a larger organisation, at the redevelopment of land left over by former industrial or infrastructure use, or at the formation of a firm around an identified need. Ownership changes only where the change of governance requires it.
A15	Full and partial application	The thesis applies in full where the firm's governance is not yet separate from its management. Where it already is, parts of the thesis may still help the firm, its setting or its raising of capital. Partial application does not test the claims.
A16	End-state	What the long horizon works towards: the firm sustains its provision through its own trading and contracted income, under its own governance, without depending on any individual. Its non-commercial provision is sustained by the complement and by support it can receive openly in its own right once separated (C1). The horizon is bounded by this end-state, and it sits in the governance; ownership may change along the way.
A17	Subsidy	Support given on terms other than a fair price for what is received. The commercial units take none: they trade on their own terms and pay a fair price for the provision they benefit from. The non-commercial provision may take grants, philanthropic funding and public support openly, in its own right, alongside what the commercial units pay it (C1).

Notes. Parts of A1 are recognised under other names, each drawing the boundary differently:

- *social infrastructure* usually refers to civic and communal places;
- *the foundational economy* includes utilities and public services at every level;
- *critical national infrastructure* is defined by national security and economic continuity.

Ideal and practice. The definitions and parameters are stated as ideals. In a working firm it is often unclear at the time which activity is which, or how far a parameter is met, and decisions are made and acted on day to day. Fit with the parameters is usually clearer in retrospect. Assessment against them is therefore a judgement, recorded with its reasons (E2) and revisited as the firm develops, so that departures are visible and answerable.

ANNEX B

Rationale

Supports: the opening of the thesis. It covers what the provision supports, how capital currently reaches it, that the firms exist, and the evidence for the two claims.

B1 What the provision supports

Provision at the level of a city or region supports critical infrastructure and services supplied at higher levels. These supporting effects are real but hard to measure, and the evidence for them is uneven. That makes them difficult to fund through public provision, which needs outcomes it can specify and verify. Supplied commercially, through the complement, they are sustained by trading, and public bodies can pay for the defined part that is properly theirs.

Service supported	Evidence	Geography	Source
Health and care	GPs referred about 1.3 million people to social prescribing in 2023. More than 3,300 link workers connect patients to local activities such as exercise, volunteering, arts and culture, and befriending	England	National Academy for Social Prescribing, study of five years of social prescribing growth
Food security	Domestic production supplied 62% of all food and 75% of food that can be grown in the UK (2023)	UK	Defra, *United Kingdom Food Security Report 2024*, theme 2: UK food supply sources
Flood risk	Natural flood management "can reduce flood risk, by slowing, storing and filtering water", mainly for smaller floods in small to medium catchments, and "complements rather than replaces traditional engineering"	England	Environment Agency, *Working with Natural Processes*: one-page summaries
Resilience in shocks	During COVID lockdowns, many public libraries operated as contact centres for health and social care services	UK	Bennett Institute for Public Policy, Cambridge, *Townscapes*: the value of infrastructure (2020)
Public realm and connection	In Bilbao, the regeneration company invested in the river, the public realm and rail connections around the city's new buildings, funded largely from land sales (D1) (*setting; public*)	Spain	Inter-American Development Bank, Sustainable Cities blog, on Bilbao Ría 2000

B2 How capital reaches this provision

Demand at this level is paid for by households, visitors, businesses and public bodies, and supplied by public bodies, community organisations and private enterprises. Across UK and EU policy and development finance, capital reaches it by a few routes. In none of them is the subject a trading firm whose combination of activities is itself the provision.

Route	Typical instruments	How the firm appears
Municipalities and public programmes	Grants; procurement; sub-sovereign lending	As a supplier or grantee
Community and social economy organisations	Grants; community shares; social investment	As an alternative ownership form
Business finance	Bank lending; equity; credit lines and funds through intermediaries	As a business, underwritten as a whole
Public–private partnerships	Contracts around a single asset or service	As a contractor
Development finance facilities	Project development, long-term debt and guarantees from separate entities along a project's life cycle	As a project, or a portfolio of projects

Underwriting a business as a whole prices its mix of activities as one blended risk. It cannot see the complement, and so cannot price the dependence of one activity on another. Underwriting a single asset sees one part and none of the rest. The same limits appear at the scale of a city system or a regional corridor.

Reading	Evidence	Geography	Source
Municipalities are rarely creditworthy	About 4% of the 500 largest cities in developing countries are creditworthy in international markets, and about 20% in local markets	Developing countries	World Bank, feature on financing sustainable cities and creditworthiness (October 2013)
A city system funded from one revenue line must fit its cost to that line	Bogotá's bus rapid transit runs without operating subsidy, so private operators recover their costs from fares (*setting; public–private*)	Colombia	Global Platform for Sustainable Cities, TransMilenio bus rapid transit case study
A support vehicle for a corridor does not deploy	Tanzania's Southern Agricultural Growth Corridor set up a catalytic trust fund for matching grants to agribusinesses partnering with smallholders. The government requested cancellation of the World Bank project in December 2018, and no matching grants had been awarded under it (*setting*)	Tanzania	The Citizen, report on the government's cancellation of the SAGCOT scheme

B3 The firms exist and are recognised

Reading	Evidence	Geography	Source
Diversified farms	72% of farm businesses have diversified; 50% let buildings and 27% have solar. Tourism, catering, and sport and recreation each appear on 7–13% of the 99,900 holdings	England	Defra, *Farm Accounts in England*, chapter 5: diversification
Historic houses and estates	Most historic houses and gardens open to the public in the UK are independently owned; Historic Houses' members welcome over 19 million visits a year	UK	Historic Houses, "What we believe"
Garden centres	About 2,300, in a fragmented market where the ten largest brands hold 8%	UK	Savills, research on the UK garden centre market
Waqf land	Only about 12% of Malaysia's waqf land, some 3,500 hectares, has been developed (2023)	Malaysia	New Straits Times, on waqf land development (July 2023)
Large mixed-use estates	King's Cross Central, a 67-acre mixed-use estate, is owned by a single limited partnership and managed as one estate	UK	IPE Real Assets, on AustralianSuper's investment in King's Cross (2015)
Park management companies	A company jointly governed by the Rwanda Development Board and African Parks has managed Akagera National Park since 2010, combining conservation, tourism and community programmes (*non-profit partner*)	Rwanda	African Parks, Akagera National Park
Farmer-owned processing groups	KTDA Holdings is owned by 54 tea companies running about 65 factories, supplied by about 562,000 smallholders, with subsidiaries in management services, trading, packing, power and microfinance	Kenya	IFC, KTDA small hydro project disclosure; KTDA, subsidiaries
Bundled rural services	SELCO combines solar systems, doorstep servicing and doorstep financing through rural banks	India	Business Standard, "Lighting up rural India" (2011)

Notes. Arithmetic, indicative: the UK population of firms combining several operating activities is in the low thousands to around fifteen thousand. Fewer meet every parameter. Large multi-use schemes are fewer still, but each carries provision at the scale of a city or region on its own.

B4 Capital mobilisation

A bundled firm can be underwritten only on its combined result, because no single equity logic (A9) fits activities with different profiles. Separation makes each part visible to the capital that suits it. The evidence comes from firms and schemes of every size.

Reading	Evidence	Geography	Source
Separation makes value visible	Across corporate spin-offs from 1965 to 1988, spin-offs, their parents, and the two combined all earned significantly positive abnormal returns	US	Cusatis, Miles and Woolridge, "Restructuring through spinoffs: the stock market evidence", *Journal of Financial Economics* (1993)
Large companies separate property from operations	Marriott split into a property company (now Host Hotels & Resorts) and a management company (Marriott International) in 1993	US	Host Hotels & Resorts, company history

Reading	Evidence	Geography	Source
Long-term capital enters at holding level	AustralianSuper took a 25% stake in the King's Cross partnership in 2015 and now owns about 70%; the government sold its stake for £371m in 2016. Debt has been raised by subsidiaries of the partnership	UK	IPE Real Assets, interview with Paul Clark of AustralianSuper; HM Government, sale of the King's Cross development stake (2016); IREI, Nuveen Real Estate and DekaBank financing for the King's Cross Central partnership
A separated activity takes its own finance	KTDA's power subsidiary develops small hydro plants owned by regional power companies held by the factories, financed by an IFC-led syndicated loan of Ksh 5.5bn with FMO, backed by a group guarantee	Kenya	FMO, project disclosure 45122; IFC, KTDA small hydro project disclosure
One activity makes another bankable	Rural banks had declined to finance solar systems partly because no one serviced them; once SELCO's service centres were in place, banks financed around three-quarters or more of its customers	India	University of Massachusetts Lowell, notes on SELCO and Harish Hande; Business Standard (2011)
A separate issuer can carry better credit	Acorn's green bond for student housing, with a 50% local-currency guarantee from GuarantCo, was rated one notch above Kenya's sovereign rating	Kenya	PIDG and GuarantCo, Acorn Holdings green bond (2019)
Grant and project finance sit side by side	A project financing of 60 rural mini-grid sites was combined with a results-based grant facility run by the Rural Energy Agency	Tanzania	Africa Energy, on CrossBoundary and PowerGen's 60 mini-grids in Tanzania
Trading businesses are valued and lent against on their own trading	Pubs and restaurants are valued on trading performance to the RICS Red Book standard	UK	Eddisons, trade-related valuations for pubs and restaurants
Mixed use narrows the lender pool	Mixed-use and part-commercial property is among the hardest to mortgage, with lower valuations and fewer lenders	UK	Legal & General Mortgage Club, "Unmortgageable: the property types catching brokers out in 2026"
Bundled accounts can hide a loss-making activity	For 12% of diversified farms, diversification income exceeds 100% of farm business income	England	Defra, *Farm Accounts in England*, chapter 5: diversification
Capital is organised by asset class	Social impact investment is divided into social property, lending to charities and social enterprises, impact venture and outcomes partnerships; community businesses draw 2% of income from social investment	UK	Better Society Capital, *2024 market sizing*; Power to Change, *Community Business Market Report 2024*
Charitable funding follows purpose	Charitable funds may confer personal benefit only where it is incidental to the charitable purpose	England and Wales	Charity Commission, *Public benefit: the public benefit requirement* (PB1)
Public relief follows use	80% business rates relief, which councils may raise to 100%, applies to property occupied by a charity and used wholly or mainly for charitable purposes	England	Local Government Finance Act 1988; council charitable relief policies, such as Islington's and Norwich's

Notes. The last two rows are UK instances of a general pattern: charitable and public regimes distinguish activity by purpose and use, so the annex expects bundled activities to fall outside both. The King's Cross, KTDA, SELCO and Acorn rows show capital reaching a separated or clearly bounded part of a larger whole; none of those cases separates all its activities.

B5 Firm performance

Reading	Evidence	Geography	Source
Management drives productivity	Management practices explain more than 20% of productivity variation across 35,000 plants, and a quarter to a third of productivity gaps between and within countries	US; international	London School of Economics, research impact case study: improving productivity through better management practices (2021)
Founder-descendant firms are managed worst	Firms owned and managed by founders' descendants have the lowest management scores	International	London School of Economics (2021), as above
Legal separation is not economic separation	The Eden Project is owned by a charitable trust, operated by a wholly owned trading company, with the site lease held in a further subsidiary. It has restructured repeatedly, beginning with about 70 job losses and £2m of cost cuts in 2013 after a fall in visitors (*non-profit*)	UK	Charity Commission, register of charities entry for the Eden Trust; ITV News, Eden Project job losses (January 2013); Cornish Times, Eden Project job cuts

Notes. The annex reads the binding constraint, in each geography studied, as management and organisation rather than the availability of capital (D5, F2). It reads Eden as showing that a holding and operating structure on paper does not by itself give each activity its own management and accounts.

B6 Why the firm is the unit of decision

The thesis takes the market as the default for provision. Where provision depends on a complement, the firm is where the decisions that sustain it are made. It is where market capital meets the provision, where the dependence between activities is managed, and where accountability for both can be held. Public bodies and civil society remain partners, and the judgement of level (A8) is made case by case. The firm is therefore one way of extending what the market can provide, at the point where whole-business and single-asset underwriting stop (B2). Where the subject is a setting with many parties, such as a regeneration area or a corridor, the thesis applies to the firms within it rather than to the setting as a whole.

ANNEX C

Scope

Supports: Scope. It gives the evidence for the conditions on the firm and its setting, and for governance change.

C1 The firm

Condition	Evidence	Source
Commercial capacity	Legal forms vary by country, so the test is capacity, with any restricted part separable. In England, community businesses are mostly asset-locked or non-share forms, which restrict both trading for return and the return of capital	Power to Change, *Community Business Market Report 2024*
Three or more activities	The annex reads the strongest cases as those that combine several activities, and the weakest as pairings. Kenya's 167 wildlife conservancies cover about 11% of its land and largely pair tourism with conservation; many could not pay their land leases when tourism collapsed during COVID. At larger scale, Akagera National Park has reached self-financing on the same pairing, but with tourism providing 97% of its revenue in 2024 the concentration remains	Kenya Wildlife Conservancies Association, status of wildlife conservancies in Kenya; InfoNile, on Kenyan conservancies unable to pay leases (2021); African Parks, Akagera National Park
Scale of provision	An activity becomes a unit when it can carry its own management (A11). The firm's size follows from the scale of what it provides, at the level of a city or region, with three or more activities each able to carry its own management. That implies firms of at least mid-market size, and the thesis applies equally to large multi-use schemes where the parameters hold. Smaller firms are where most cases are found; larger schemes are where the logic is most often needed and least often applied (E4). Scale is set by provision, not headcount, since the same provision can be delivered with more or fewer people	–
Viability	In the three senses defined in A7	–

Notes. With three or more activities, no single one carries the rest, and demand that depends on visitors is balanced by demand that does not.

Non-commercial provision. Any activity that cannot trade for a return is separable and ring-fenced. It can take one of three forms:

- held within the holding company;
- run as its own unit;
- carried under contract by the commercial units that benefit from it.

Its income comes from two directions. The commercial units pay a fair price for the benefit they receive from it, under the mechanisms in D2; that payment is trading, not subsidy. Separately, it can take support suited to it, openly and on terms each funder can verify: grants and philanthropic funding, programme-related investment, charitable status where the unit is eligible, community shares, and public income contracted for a defined service. Together these give it a cash flow of its own. Bundled, it can reach none of these cleanly (B4), and any support it receives blurs the commercial picture. Which forms of support suit which provision is to be explored deal by deal.

Two cases show parts of this in practice, each within a single non-profit:

Case	What is funded commercially	What is funded openly as provision	Source
Imec (*non-profit*)	Contract research, 82% of revenue in 2015; over 200 spin-offs, with a separate venture fund of over €400m	Basic funding from the Flemish government, about 12% of revenue in 2015, for longer-term strategic research	Interreg Europe, good practice: imec state-of-the-art infrastructure for nano-electronics; imec, history
One Acre Fund (*non-profit*)	Farmer repayments covering roughly three-quarters of field operating costs	Research, pilots, government relations and similar costs, which it treats as appropriate for charitable funding	One Acre Fund, *Driving Financial Sustainability* (2023)

Justifying it. Spending with no direct return, but needed to reach the end-state, is tested in each deal on four questions:

Test	Applied to the firm
What benefit is bought?	The provision, and what it supports (B1)
Why won't the market provide it?	It has no commercial case on its own at that level (A1)
Who carries the exposure?	The holding company and its owners, the commercial units through the complement, and any funder of the separated unit, each to a stated extent
When does the support end?	At the end-state (A16), or when the provision is no longer needed (E3)

C2 The setting

The thesis applies where existing infrastructure and market access are enough for the firm to be viable without prohibitive up-front cost, but where what it provides is not already supplied. Two kinds of land typically strike this balance: the edges of cities, and land left over by former industrial and infrastructure use. In each geography studied, the annex finds three features together:

- land available for operations;
- a catchment large enough to serve;
- a gap in responsibility, where no single public body or market actor takes full responsibility for what the area lacks.

Geography	Evidence	Source
UK	"Left behind" wards are concentrated in housing estates on the outskirts of big towns and cities	OCSI, *Left behind? Understanding communities on the edge* (2019)
UK	King's Cross: 67 acres of former railway land behind two main-line stations, redeveloped after an earlier scheme was abandoned in the 1990–92 recession	Financial Times, on how King's Cross was developed
Spain	Bilbao: former port, shipbuilding and freight land along the river, recovered by a public company created in 1992 for that purpose (*setting; public*)	Bilbao Ría 2000, company history
Malaysia	Expansion around Kuala Lumpur has taken farmland on the edges of Selangor since the 1970s	Yusof, research on urban expansion in Selangor, Australian National University
Indonesia	Farmland covered 53% of Greater Jakarta in 2012, mostly on its edges	*Regional Environmental Change* (2018), on farmland in Greater Jakarta
Kenya	The counties around Nairobi are urbanising fast under discretionary planning	University College London, research on peri-urban Nairobi
Rwanda	Urban growth is taking arable land around Kigali and secondary cities	The East African, on food security and urbanisation in Rwanda

C3 Governance change

The thesis applies in full where a firm's governance is changing, or needs to (A14, A15). The gap is common.

Reading	Evidence	Geography	Source
Few documented succession plans	13% of family businesses had a robust, documented plan; 46% had none (2018)	Malaysia	The Edge Malaysia, on succession planning in family-run companies
Resistance to handover	43% of next-generation leaders cite resistance from senior leaders (29% globally)	Indonesia	PwC Indonesia, family business survey (2025)
Ageing holders	40% of farm holders are over 65, and 5% are under 35	England	Defra, *Farming evidence pack*: key statistics

ANNEX D

Approach

Supports: Approach. It sets out separation, the forms in which units are held, the capital, the deal and the transition, and the routes the thesis differs from.

D1 Separating holding from operating

The form recurs wherever land or core assets cannot easily change hands but operation can take outside capital, from single farms to city districts.

Precedent	Holding	Operating	Source
Terre de Liens (France)	A land company and foundation hold over 8,000 hectares	More than 300 farming projects on lease	EU CAP Network, Terre de Liens initiative (2024)
The National Trust (UK)	Conservation land and buildings held for the long term	Visitors, retail, catering and holiday lets: £321m of £766.2m income in 2024/25	Museums Association, on the National Trust's annual results (November 2025)
King's Cross (UK)	A single limited partnership holds the 67-acre estate, managed as one, with one developer and asset manager	Occupiers and operators of individual buildings	IPE Real Assets (2015), as in B3
Bilbao Ría 2000 (Spain) (*public*)	Public shareholders transfer land; the company prepares it, sells plots and reinvests the gains in public realm, rail and poorer districts. About 90% of investment came from land sales and about 10% from EU funds	Private developers and the operators of buildings, including the Guggenheim	Inter-American Development Bank, Sustainable Cities blog; *MAS Context*, Bilbao issue, on Bilbao Metrópoli-30, Bilbao Ría 2000 and the Bilbao Bizkaia Water Consortium
Akagera National Park (Rwanda) (*public; non-profit partner*)	The state owns the park; a jointly governed management company runs it under a 20-year mandate	Tourism operations, including a lodge run by a separate safari company	African Parks, Akagera National Park; ATTA, on Magashi camp (2020)
TransMilenio (Colombia) (*public-private*)	A public company holds the busways and stations, funded from a fuel surcharge and local revenue	Private consortia own the buses and operate under concession	Global Platform for Sustainable Cities, TransMilenio case study
KTDA (Kenya)	A holding company owned by the factory companies	Subsidiaries for management, trading, packing, power and finance; hydro plants held by regional power companies owned by the factories	KTDA, subsidiaries; FMO, project disclosure 45122
Marriott (1993)	Property company	Management and franchising company	Host Hotels & Resorts, company history
Regionalwert AG (Germany)	Citizen shareholders	Independent regional farms, processors and retailers	Shareable, on Regionalwert AG

Notes. Each precedent separates holding from operating; none separates every activity into a unit under a board accountable for how they work together. In the annex's reading, Bilbao Ría 2000 comes closest to the holding company's role in funding provision from the value its land creates, as a public body.

D2 Forms of interest

The holding company keeps the units in relation through governance, agreements and ownership, so equity in a unit can be realised without the firm breaking apart.

Form	What the holding company holds	Typical use	Example
Wholly owned subsidiary	All the shares	Units central to the firm	KTDA's power company
Joint venture	Shares alongside a partner	Units shared with a local or strategic partner	Akagera's management company, jointly governed by the state body and African Parks
Lease or licence	The asset, while the operator holds the business	Another party operates on the firm's land or buildings	Viva Farms subleases plots and equipment to new farmers on land it leases from the Port of Skagit
Management agreement or concession	A contract for operation	Expertise sits outside the firm	KTDA's management company runs the factories under agreements; TransMilenio's bus operators run under concession
Incubation	A unit developed within the firm before separation	Activities not yet able to carry their own management	Viva Farms' incubator, which trains farmers before they lease land
Spin-out	A residual stake or a contractual relationship	Units that grow beyond the firm, or are realised	Imec's spin-offs, backed by its separate venture fund

Paying for the complement after separation. Once units have their own management, accounts and possibly investors, the dependence that creates the value comes under pressure: unit managers optimise their own results, prices between units are contested, and a unit may be sold to a buyer with no interest in the rest. KTDA shows the pressure in practice: its management fee, 2.5% of factory sales, was contested by government in the reforms that followed the Tea Act 2020, and was later cut to 1.5% (The Standard, on KTDA's concerns over the new Tea Act; Food Business Middle East & Africa, on KTDA's management fee cut). The complement therefore has to be paid for by a mechanism suited to the deal (E1), set on terms the units accept and reviewed openly. The usual mechanisms are:

Mechanism	How it works
Charges for shared assets and services	Units pay the holding company for land, buildings and shared services at agreed rates
Agreements between units	Pricing or revenue sharing where one unit's trade depends on another's provision
Licences	Rights to brand, access or land, granted on terms that carry obligations to the rest of the firm
Reserved matters	Decisions that affect other units, such as pricing between units or a change of use, require the board's approval
Conditions on sale	Pre-emption rights, and obligations that pass with a unit when it is sold

How ownership is chosen. The thesis is silent on ownership form. The test is symmetric: whichever arrangement delivers most effectively for those served, at a cost the firm can carry, whether private, joint, community, public or contractual. No form is presumed.

D3 Equity logics

The anchoring equity in the holding company is long-term. Units can take equity on any of the three logics (A9).

Logic	Underwrites	Suits a unit that	Usual realisation
Venture	Growth potential	Can scale beyond its present market	Sale or later round
Private equity	Cash flow and operational improvement	Trades steadily and can be run better or consolidated	Sale, refinancing or dividends
Strategic (corporate)	Fit with the investor's own business	Supplies, distributes or extends another firm's business	Continuing holding, or acquisition by the partner

How the logic is read. Which logic suits a unit can be read from how it sells and is deployed: the length of its sales cycle; whether deployment is light, complicated but repeatable, or complex and uncertain each time; and who holds the customer relationship. The capital already backing comparable businesses is a second reading.

Notes. At King's Cross, long-term pension capital came in at the level of the whole estate (B4). At Imec, venture capital comes in at the level of individual spin-offs through a separate fund (C1). Each shows one logic placed at the level that suits it.

D4 Capital types

Asset finance goes to the holding company, operating finance to the units, and transition capital to the change itself. Grant and philanthropic funding go to the non-commercial provision.

Family	Types	Fits
Equity	Owner and sponsor equity; patient or evergreen equity; fund equity; community shares	Holding company (long-term); units (any logic)
Hybrid	Quasi-equity and mezzanine; revenue participation; vendor finance and deferred consideration	Growing units; the transition
Debt	Senior debt secured on land and property; term loans against trading; asset finance; working capital; social loans; bonds	Holding company (secured); units (trading)
Grant and philanthropic	Restricted, core and recoverable grants; programme-related investment; results-based grants	The non-commercial provision
Islamic finance	Ijara; musharaka and mudaraba; sukuk; waqf	Holding company (ijara, sukuk, waqf); units (partnership finance)

Development finance already organises its capital this way along a project's life:

Precedent	What it shows	Source
Private Infrastructure Development Group	Separate entities for each stage: technical assistance, project development and equity, long-term debt, and local-currency guarantees	PIDG, presentation to the FCDO–ADB Connect conference (2026)
Tanzanian mini-grids	A results-based grant sat beside project finance in the same transaction (B4)	Africa Energy, as in B4

Notes.

- *Transition capital* funds the change of governance and, where relevant, ownership: the handover, the separation of the activities and the forming of the board. It is an established category; Canada's BDC Capital, for example, runs a Growth & Transition Capital line for change-of-ownership transactions, including family succession (BDC Capital, Growth & Transition Capital). It is usually built from vendor finance, hybrid capital or patient equity. Because "transition finance" is also used for climate and energy transition, the term is qualified on first use.
- *Bonds:* the Financial Conduct Authority restricts the mass-marketing to retail investors of speculative illiquid securities, but exempts companies raising funds for their own commercial or industrial activities, products funding a single UK income-generating property, and regularly traded listed bonds (FCA, confirmation of the ban on mass-marketing speculative mini-bonds). Whether a bond can be offered to the public can therefore depend on which part of the firm issues it.
- *Public income and subsidy:* public income from public bodies as customers, under contract, is trading income to a unit. Subsidy to the commercial units is excluded; grants and public support for the non-commercial provision are not (A17, C1).
- *The long horizon* sits in the governance and is bounded by the end-state (A16).

D5 Pool sizes

Pool	Size	Geography	Source
Bank lending to agriculture	£18.83bn outstanding (March 2026), up almost 10% in a year	UK	Bank of England lending data, reported by Farmers Weekly (2026)
Social impact investment	£11.2bn (2024), of which social property is the largest part	UK	Better Society Capital, *2024 market sizing*
Grants from trusts, foundations and donor-advised funds	Over £10bn (2024–25): £8.4bn from trusts and foundations and £2.4bn from donor-advised funds	UK	UKGrantmaking, Funders Together, reported by Civil Society (June 2026)
Single family offices	Over US$4.67 trillion (2025), 52% in Europe, the Middle East and Africa	Worldwide	Mondo Visione, on the global single family office market (2025)
Impact investing	US$1.571 trillion under management (2024)	Worldwide	Global Impact Investing Network, market sizing (2024)
Islamic financial services	About US$3.88 trillion (2024), asset-backed by design	Worldwide	Islamic Financial Services Board, *Islamic Financial Services Industry Stability Report 2025*
Private capital	US$4.1 billion across nearly 500 deals (2021–25); Kenya 61% of deal volume and 87% of deal value in 2025	East Africa	African Private Capital Association, *2025 East Africa Private Capital Activity Report*
Impact capital	55% of Southeast Asian private impact capital (2020–22)	Indonesia	Intellecap (2023), reported by The Jakarta Post (June 2024)

D6 The deal and the transition

Stage	The deal	The transition
Origination	The firm is found off-market	The firm is understood: its activities, its relationships and what the founders hold
Engagement and diligence	Partners are engaged; diligence is carried out	The operator joins and takes the lead; unit managers are identified
Agreed terms	Terms are agreed and the transactions set	The founders' roles are settled; the transition plan is agreed; transition capital is sized
Completion	The transactions complete	The board is formed; the activities are separated into units; the holding company is set up
Long-term holding	Interests are held for the long term	The units trade on their own terms; relationships are carried across; the board holds the firm to its purpose

Notes.

- The streams meet at four points:
  - the operator joins during engagement, before diligence is complete;
  - the founders' roles are settled before terms are agreed;
  - the board is formed at completion;
  - transition capital is raised in the deal and funds the transition.
- No deal is committed without an operator in place and a credible transition.
- Deal forms are acquisition, partnership, operating lease, carve-out, new formation on land already held, and redevelopment of land pooled by its owners. Outside the UK and EU, land or ownership often cannot change hands, so the forms other than acquisition are common.
- At large scale the sequence takes longer but follows the same order. At King's Cross an earlier scheme was abandoned in the 1990–92 recession; the scheme that went ahead was held by a single landowning partnership with one developer and asset manager, and long-term pension capital came in from 2015 (C2, B4). In Bilbao, public landowners pooled land in one company before any plots were sold (Bilbao Ría 2000, company history).

D7 Operators, sponsors and partners

Reading	Evidence	Geography	Source
Outside managers face an information gap	Across over 9 million company-years from 1995 to 2010, management buy-ins had a higher failure rate than management buy-outs, a result that holds after controlling for leverage. Higher leverage was associated with failure for all firms	UK	Wright and Wilson, Enterprise Research Centre Research Paper 8 (2013)
Successors with outside experience do better	In about 2,400 family-firm chief executive successions (2005–2016), family successors with outside work experience improved profitability, performing about as well as unrelated professional chief executives; those who had only worked inside the family firm stagnated or declined	Norway	Kustec, Østergaard and Sasson, "Leave the family firm before you lead it", European Corporate Governance Institute blog
A pool of operators exists	681 search funds formed in the US and Canada since 1984, and 320 international funds in 40 countries, with the UK third by number of first-time funds over the past decade	US, Canada, international	Stanford Graduate School of Business, *2024 Search Fund Study*; IESE Business School, on the global growth of search funds
The sponsor role is established	Over 500 independent sponsors active	Europe	Addleshaw Goddard, *Independent Sponsor Deal Terms Survey 2025*
Specialist operators take on large public assets	African Parks took on Akagera with the Rwanda Development Board in 2010; the park covered its operating costs from its own revenue for the first time in 2025	Rwanda	African Parks, Akagera National Park

Notes. The partners are:

- *public bodies*, as planning authority, commissioner, landholder or co-funder, paying for a defined service;
- *civil society,* communities, trustees and associations, which hold land and relationships, and where the question of who benefits is tested;
- *commercial organisations,* operators, suppliers, lenders, investors, and strategic partners in units.

D8 Alternatives

Route	What it does	How the thesis differs	Source
Trade sale	Values the firm as a whole	Separation lets each unit be valued on its own terms	–
Private equity roll-up	Consolidates units under one owner and debt	Separates units under a board, with long-term capital in the holding company. When Wyevale's 145 garden centres were sold off in 2018–19, over 90% kept trading under other owners, which the annex reads as the value having been in the units	Savills, as in B3
Employee ownership trust	Changes ownership	Doesn't separate the activities or form a board distinct from management	Employee Ownership Association, growth strategy update (August 2026)
Community ownership	Acquires buildings and assets	Doesn't organise a multi-activity firm	–
Steward-ownership and asset locks	Restrict title	Prevent capital being returned, so rule out the deal unless the restricted part is separable	–
Public–private partnership	Contracts for a single asset or service, such as Kigali's bulk water plant: a 27-year concession in which a private subsidiary sells treated water to the national utility under a take-or-pay agreement	Concerns the whole firm, with public payment for a defined part	WaterWorld, on the Kigali bulk water supply project; Cities Climate Finance Leadership Alliance, case study of the Kigali bulk water risk guarantee

D9 Governance and accountability

How accountability works is set firm by firm and deal by deal. Four principles hold in each:

- **Authority, resources and accountability sit together.** For each unit, whoever holds the discretion also controls the resources and answers for the result. Where that is unclear, the structure needs changing. TransMilenio shows the cost of splitting them: its private operators own the buses but have no say in route design, scheduling or the response to demand peaks (World Bank, Transport blog, on TransMilenio's overcrowding).
- **Judgements are held by named people.** Decisions that cannot be reduced to a measure are made by accountable people, principally the board, and recorded with their reasons.
- **Appointment and removal follow the line of accountability.** Owners appoint the board and can remove it; the board appoints management and can remove it. Directors owe their duties to the company, with regard to its stakeholders and its area (A6).
- **Conflicts are declared.** Where the sponsor also invests in, advises or chairs the firm, those interests are declared and managed, with independent directors and advisers as the deal requires.

The form these take, including how performance is reviewed and how removal works, is set in each proposal.

ANNEX E

Testing

Supports: How the thesis is tested. It gives the parameters, a checklist, measures for the claims and a risk matrix. It can be used from a firm or from a setting, and either route arrives at the same test.

E1 Parameters

Group	Parameter	Test
Capital	Equity-anchored	Can equity be invested in the holding company and in each unit on a logic that suits it?
Capital	Long-term holding	Is the capital in the holding company long-term?
Capital	No subsidy to the commercial units	Do the commercial units trade without subsidy, paying a fair price for the provision they benefit from, with any grant or public support going openly to the provision in its own right?
Business	Commercial capacity	Can the firm trade commercially and return capital to investors, and is any part that can't do so separable?
Business	Complementary activities	Are there three or more activities, and does each clearer commercial activity trade better because of the provision it sustains?
Business	Scale of provision	Is each activity at a scale of provision able to carry its own management?
Business	Viability	Is the firm financially, commercially and developmentally viable as a whole?
Business	Governance	Will a board separate from management be in place once the change is made?
Business	Complement after separation	Can the complement be paid for after separation, by a mechanism suited to the deal (D2)? A deal with no such mechanism falls outside the thesis
Setting	Demand not already supplied	Is there demand at the level of the city or region that is not already supplied?
Setting	Infrastructure and market access	Are existing infrastructure and market access enough to avoid prohibitive up-front cost?
Setting	Partners	Are public bodies and civil society willing to work with the firm?

E2 Checklist

Assessment: Met / Partly met / Not met / Not applicable.

Question	Reference	Assessment	Notes
Is the firm's governance changing, or does it need to?	A14		
Is the firm's governance already separate from its management (partial application only)?	A15		
Can each activity be separated into a unit with its own management and accounts?	D1		
Can the land and buildings sit in a holding company that the units pay to use?	D1		
How will the holding company hold each unit?	D2		
Which equity logic suits each unit?	D3		
Is asset finance placed in the holding company, operating finance in the units, transition capital in the change, and grant funding in the non-commercial provision?	D4		

Question	Reference	Assessment	Notes
Is an operator in place before commitment?	D6; D7		
Are the founders' roles settled before terms are agreed?	D6		
Will relationships with customers, staff, suppliers and community be carried across?	D6		
Is the transition sequenced and funded?	D6		
Are the sponsor's conflicts declared and managed, with independent directors and advisers as required?	D9		
Once the transition is complete, can the firm continue without any one individual, the sponsor and operator included?	A16		
Does benefit reach beyond those who hold the land?	D7; E4		
How will the complement be paid for after separation, and on what terms will the units accept it?	D2		
Does any activity with no direct return meet the four tests?	C1		
For each unit, do discretion, resources and accountability sit with the same person?	D9		
Each test in E1	E1		

E3 Measures of the claims

Each claim needs a measure taken before and after the change. The measures for a particular deal are set in its proposal.

Claim	Indicative measures
Capital mobilisation	Number and types of capital provider engaged; equity raised at unit level; cost and tenor of finance; time taken to raise it
Firm performance	Unit-level margins and returns on assets; productivity; management practice scores

- **Comparison.** Improvement is measured against what a conventional succession or sale of a comparable firm would have achieved.
- **Attribution.** Where possible, improvement is attributed separately to the separation and the complement, and to the change of governance. Units can be compared with each other and with the firm's record before separation.
- **The bar.** At first the test is whether either claim improves at all. As evidence accumulates across deals, the bar rises.
- **Continuing or stopping.**
  - *Leading indicators:* unit trading against plan, payments between units, and capital raised against plan.
  - *Failsafes:* set in each proposal.
  - *Continuation* is justified while the provision is still needed and the parameters still hold; money already spent is no reason to continue. The board makes that judgement and records its reasons.

E4 Risk matrix

Each risk is the failure of a parameter. Specific responses are settled in each proposal, as is the tax treatment of separation. Large schemes show the same risks as smaller firms, often more visibly.

Risk	Evidence	Parameter at risk	Source
Fragmentation	Units separated without governance above them tend to break apart (the annex's reading; no case cited)	Governance	–
Provision thinned to protect trading	At King's Cross the developer proposed cutting the affordable housing share from 43% to nearer 33%	No subsidy to the commercial units; complement after separation	Financial Times, on how King's Cross was developed
Trading weaker than claimed	The Eden Project has restructured repeatedly since 2013, after falls in visitor income (B5)	Viability	As in B5
Price between holding and units contested	KTDA's management fee was contested by government and later cut, and KTDA went to court over the reforms (D2)	Complement after separation; governance	Business Daily, on a factory rejecting KTDA's lawyers in the reforms suit
Concentration	One activity carries the rest: see the Kenyan conservancies and Akagera (C1)	Complementary activities	As in C1
Partners fail to commit	Tanzania's agricultural corridor missed its target of 25 large plantations by 2015, and its matching-grant fund was cancelled without awarding grants (B2) (*setting*)	Partners	Future Agricultures, on SAGCOT; The Citizen, as in B2
Planning	Some councils reject nearly half of applications, and decisions can take years; green belt covers 12.5% of England	Partners; infrastructure and market access	Country Land and Business Association analysis, reported by FarmingUK; Ministry of Housing, Communities and Local Government, *Local Authority Green Belt Statistics for England 2024–25*
Distribution of benefit	In Tanzania's corridor, land contestation between investors and smallholders unravelled the plan for large estates. Around Akagera, wildlife leaving the park damages crops and livestock	Governance; partners	Sulle, Aga Khan University (2020); AllAfrica, on crop damage around Akagera (June 2026)
Authority split from resources	TransMilenio's operators own the buses but have no say over scheduling (D9)	Governance	As in D9
Key-person dependence, voluntary cooperation and liquidity	Regionalwert AG relied heavily on its managing director, its partner firms cooperated only voluntarily, and it had paid no dividend by 2016; investors exit by cancelling restricted shares	Governance; equity-anchored; long-term holding	Böhm and Funcke, working paper on Regionalwert AG, University of Freiburg (2017)
Operator availability	Buy-ins by outside managers fail at higher rates than buy-outs (D7)	Governance	As in D7
Performance dip during the transition	In Danish firms, appointing a family chief executive rather than an unrelated one reduced operating return on assets by at least four percentage points	Viability	Bennedsen and others, "Inside the family firm: the role of families in succession decisions and performance", *Quarterly Journal of Economics* (2007)
Market timing	An earlier King's Cross scheme was abandoned in the 1990–92 recession (C2)	Viability; long-term holding	As in C2

Risk	Evidence	Parameter at risk	Source
Competing land use	75% of major residential appeals on grey belt land (18 of 24) were allowed between 12 December 2024 and 28 February 2026, which the annex reads as raising the incentive to sell land at the edges of cities for housing	Long-term holding	Marrons research, reported by Greater Birmingham Chambers of Commerce (2026)
Cost of holding land and buildings	Historic houses spend about £160,000 a year each on repairs and maintenance, and the sector's repair backlog has doubled to about £2bn	Viability	Historic Houses report, reported by the Museums Association (November 2025)

Notes. None of the schemes cited here was structured on the thesis. The claim is not that separation would have prevented each outcome, but that each outcome is the failure of a parameter the thesis tests for.

E5 How many firms meet the parameters

The segments in B3 suggest a UK population of firms combining several operating activities in the low thousands to around fifteen thousand (arithmetic, indicative). Those meeting every parameter will be a small fraction of that, which is consistent with applying the thesis deal by deal. The number can be estimated by filtering the segments in turn:

Step	Filter	Data
1	Three or more operating activities	Farm diversification surveys; membership data for historic houses and estates; company records showing several activity codes
2	Provision at the level of a city or region	Turnover and catchment
3	Commercial capacity	Companies limited by shares, or with separable restricted parts
4	Governance changing or needing to	Age of directors and holders; succession indicators
5	Setting	Location at the edges of cities or on former industrial and infrastructure land, from planning and land-use data

The same steps apply in other countries, using their own registers and surveys. Large multi-use schemes are identified separately, through planning and regeneration pipelines rather than company registers.

ANNEX F

Where these firms are most commonly found

Supports: Where these firms are most commonly found. It shows where the sectors and themes intersect, and gives notes on the five countries studied.

F1 Sectors and themes

The kinds of provision the thesis concerns arise where four commercial sectors meet three themes. The cells are indicative.

	Sustainability and regeneration	Innovation and technology	Culture and the arts
Agribusiness	Conservation and land management	Applied agricultural technology	Food heritage and rural crafts
Manufacturing	Repair, reuse and materials	Technology firms	Making and craft
Retail and hospitality	Local food supply	New retail and service models	Venues and events
Tourism	Access to nature	Visitor experience and access	Heritage and culture

Notes. At larger scale the same intersections appear in combination: urban regeneration combines retail and hospitality with culture and the arts (King's Cross, Bilbao); park management combines tourism with conservation (Akagera); farmer-owned processing combines agribusiness with energy (KTDA).

F2 Country notes

Country	Ownership and land	Capital	Typical firms	Source
United Kingdom	Ownership is open, and acquisition is the main deal form; planning is the main constraint (E4)	Asset capital is plentiful, and long-term pension capital will hold large estates (B4, D5)	Founder- and family-owned multi-activity firms at the edges of cities: estates, farms with operational diversification, garden centres; large mixed-use estates on former industrial and railway land	B3; C2
Malaysia	Foreign shareholding in agriculture capped at 70%; 30% Bumiputera equity in distributive trade and domestic projects. Separating activities into units lets each meet its own rules	Waqf land cannot change hands but needs operating income: the thesis without an acquisition (B3)	Agrotourism, which brings income diversification and preserves heritage but is held back by gaps in skills and infrastructure	ASEAN Briefing, on Malaysia's Bumiputera equity rules; Universiti Utara Malaysia, journal article on agrotourism
Indonesia	In 106 business lines, foreign or large investors enter only in partnership with cooperatives or small firms; freehold reserved for citizens	Indonesia takes most of Southeast Asia's private impact capital (D5)	Family firms at the handover of authority on the edges of Greater Jakarta and secondary cities	ASEAN Briefing, on Indonesia's Omnibus Law and the Positive Investment List
Kenya	Non-citizens hold only leasehold of up to 99 years; agricultural land generally closed to foreign-owned private companies. Separating land holding from operation fits these rules	Kenya takes most East African private capital (D5); development finance reaches separated activities at asset level (KTDA Power, Acorn) (B4)	Enterprises linked to conservancies, provided income is diversified and benefit widely held (C1, E4); farmer-owned processing groups (KTDA)	Embassy of Kenya, Washington, *Can foreigners own property in Kenya?*
Rwanda	Investment leases of up to 99 years; land rights carry obligations to use the land	Lending to small firms runs mainly through the Development Bank of Rwanda and regional development finance institutions; infrastructure has been tendered as single-asset concessions (D8)	Enterprises linked to tourism, which reached a record Rwf 1.9 trillion in 2024 (about 9.8% of GDP), structured with the state and communities, as at Akagera (D1)	The New Times, on foreigners' rights to land under the new land law; AllAfrica, on Rwanda's tourism revenue (August 2025)

ANNEX G

Policy and subsidy context

Supports: context only. The thesis holds only where the commercial units trade without subsidy. Support for the non-commercial provision is part of the approach (A17, C1), but no policy listed here is evidence that the thesis works.

Each item is classed as one of three kinds:

- *tailwind,* which makes deals more likely or better timed;
- *dependency,* which is a risk if relied on;
- *policy gap,* where the absence of policy is part of the case.

Item	Class	Note	Source
Urban fringe and green belt	Policy gap	Green belt works mainly by restriction; the fringe has been treated as a boundary to hold	Scott and others, "Unlocking peri-urban planning potential through a landscape lens", University of Salford
Grey belt (England, since December 2024)	Tailwind, with a risk	Green belt land that is previously developed or does not strongly contribute to certain green belt purposes. Development there is not inappropriate where there is demonstrable unmet need, the location is sustainable and the "golden rules" are met. May ease changes of use, but raises the incentive to sell for housing (E4)	Ministry of Housing, Communities and Local Government, *National Planning Policy Framework* (December 2024)
Biodiversity net gain (England)	Dependency	A 10% gain secured for at least 30 years; the market exists only because of the regulation	Withers, "Biodiversity net gain: two years later"
Agricultural and business property relief (UK)	Tailwind	From April 2026, 100% relief up to £2.5m and 50% above, transferable between spouses	Saffery, on the planned cap on APR and BPR raised to £2.5m
Employee ownership trust relief (UK)	Tailwind	Capital gains tax relief cut from 100% to 50% from November 2025, weakening a rival route	Charles Russell Speechlys, on the reduction of capital gains tax relief on employee ownership trusts in the 2025 Budget
Community asset funds (UK)	Dependency	Community Ownership Fund closed in 2024; £61m Pride in Place Community Right to Buy Fund announced June 2026	UK Government announcement (June 2026), reported by Vinetur
Care farm income (UK)	Dependency	Comes mainly through public commissioning	Thrive, on care farming
Community energy and agrivoltaics (UK)	Dependency	Income depends on energy policy and grid access	Community Energy England, *State of the Sector 2025*
EU structural funds in regeneration	Tailwind	About 10% of Bilbao Ría 2000's investment came from EU funds, the rest from land sales (D1)	As in D1
Tea sector regulation (Kenya)	Dependency	The Tea Act 2020 reformed factory governance and the terms between KTDA and its factories (D2)	The Standard, on KTDA's concerns over the new Tea Act
Green bond framework (Kenya)	Tailwind	A programme bringing together the bankers' association, the stock exchange and development partners prepared the market before Kenya's first green bond in 2019	FSD Africa, on Kenya's green bond programme

Item	Class	Note	Source
Tourism revenue sharing (Rwanda)	Dependency	At least 10% of gorilla-tracking revenue goes to surrounding communities by law; Akagera contributes 10% of its income to the national scheme	AllAfrica (August 2025), as in F2; African Parks, Akagera National Park
Waqf-featured funds (Malaysia)	Tailwind	Securities Commission framework allows waqf allocations within managed funds	Asia Asset, "Reimagining Islamic social finance through capital markets"

Integral Development Partners Ltd
Registered in England & Wales, Company No. 16150579
Registered Office: C/O Vantage Accounting, 1 Cedar Office Park, Cobham Road, Wimborne, United Kingdom, BH21 7SB
integraldevelopment.co.uk

This thesis describes an approach. It is not an offer of, or invitation to make, any investment. IDP does not solicit investment or advise investors. Where any activity requires financial services authorisation, it is undertaken only once authorised, or with and through authorised partners.

© 2026 Integral Development Partners. All rights reserved.