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Editorial

2018 is the fifth year that I have led the production of the annual CULS magazine, and now more than ever, I am impressed by the depth in quality of articles submitted and the sheer breadth of professional fields covered across the CULS alumni network. In 2017 we asked all CULS members to think about their fields of expertise and to contribute articles in relation to three different areas; namely, residential property, property cycles, and capital markets. This thematic approach was very well received by the readership, and for this reason we have repeated the approach for the 2018 edition, with a focus this time on the following themes and sectors:

Prop Tech (or Property Tech) may be regarded as a collective term to define technologically innovative products or new business models for the property market, and is a component part of a wider digital transformation in the industry. Yet, how should investors and landlords be reacting? What does Social Leadership & Responsibility in property look like for those who have made it integral to their business model and outlook? Entrepreneurship is the lifeblood of innovation and forward motion; yet, what does it take to step out and start up? How is the development and building industry progressing in its approach to Environmental Sustainability and Climate Change? Our authors respond with a series of fascinating answers to these questions, from the front line of business.

The UK property industry has become familiar with a number of headlines in 2017/2018. UK Industrial remains a net beneficiary of the structural transformation set in motion by the growth in online retail and e-commerce. Regardless of the outcome of Brexit, it remains on the buy-list of investors as rents grow and yields harden. UK Purpose-Built Student Accommodation continues to see positive rental growth despite a high level of development activity and pipeline across the UK. Build to Rent (BTR) / Private Rented Sector (PRS) is an emerging growth sector in the UK property market driven by housing under-supply, house price inflation, and therefore a lack of affordable ‘built-for-sale’ housing stock. And finally, the outlook for UK Retail increasingly divides opinion on whether it poses a threat or opportunity. As you turn the pages, I hope you enjoy the rigorous analysis and thoughtful personal reflection provided by our CULS members.

I am confident that there will be at least one or more pieces in this collection of 60+ articles that you will be able to learn and benefit from and whose authors you will wish to seek out at a future CULS event. It goes without saying that the production of this magazine would not be possible without our sponsors. I am delighted to announce that Knight Frank, Bidwells, Howard Group and Birketts are supporting the production of the 2018 CULS magazine. We are most grateful for their support!

Looking ahead to 2018/2019, we will continue to periodically make selected articles from the magazine available to a wider digital audience via the CULS website and CULS LinkedIn, in order to encourage ongoing discussion. If you have suggestions for future content, wish to be involved with CULS in any way, require more information about the CULS Forums, or wish to sponsor CULS, then please visit www.culandsoc.com or contact us on info@culandsoc.com. We look forward to hearing from you.

Finally, on behalf of the CULS Committee and all CULS members, special thanks go to Dominic Reilly (CULS President) and Ali Young (Society Secretary) for their tremendous efforts in driving and coordinating such an active and varied 2017/2018 CULS programme. I wish to also thank Dr. Sue Chadwick and Martha Grekos for their help in reviewing the many drafts of this magazine. And on a personal note, I have recently relocated my family from London to Cambridge to take on the role as ‘Group Director - Property’ for the Howard Group, with overall responsibility to the Board for the Group’s property activities, so if you are feeling somewhat nostalgic for your alma mater and happen to pass through town, do please get in touch!

Both the Cambridge University Land Society and the Silver Street Group have LinkedIn Groups for you to join. The groups are a good way to stay informed and to share your news and views. (Please add Cambridge to your profile to allow the group managers to confirm your group membership.)
I think it fair to observe that as an alumni group the Cambridge University Land Society punches well above its weight. Our 1000 members have enjoyed 22 events this year including: a day's visit to Hatfield House; the Alastair Ross-Goobey Lecture given by Roger Madelin; our annual Careers Fair which attracts a greater number of potential employers and is very well attended by Cambridge students; the Market Trends seminar; the Denman Lecture hosted in Cambridge and given by Professor Tony Venables; a presentation of the St John's College Master Plan; a fascinating introduction to the possible future of real estate in a talk given at Brown Rudnick entitled “Blockchain in Real Estate, The Tokenisation of Real Assets”; a Conversation with Mike Brearley and Tours of Wimbledon AELTC, Canada Water hosted by British Land, Wembley Park hosted by Quintain; and Borough Food Market.

Our social events have included our annual London dinner at the Oxford and Cambridge Club where Oliver Shah and Simon Cook debated the motion “It's good to Tweet” and which enlisted much passion and emotion amongst the audience, our annual Cambridge dinner at the Farmer’s Park hosted by Quintain; and Borough Food Market.

The Whitehall Group has continued to very successfully host more than 20 lunches and dinners for its members and guests and we are very grateful to our speakers who have recently included Professor Sir David Nutt from Imperial College, Willem Buiter Chief Economist at Citigroup, Douglas Flint CBE former group chairman of HSBC Holdings, Elmar Brock member of the European Parliament and Lord Wilson former Governor of Hong Kong, while similarly influential and eminent speakers are lined up for events towards the end of this year and the beginning of next year. The discussions are always fascinating and insightful and much enjoyed by the membership of the Whitehall Group and their guests. Should you be interested in joining the group please do contact either myself or the chair of the group, Colm Lauder.

I mentioned that we now have a membership of 1000, and it was particularly rewarding to receive a new cohort of membership from the Faculty of Architecture following a careers day which the Society hosted in Cambridge. We are seeking to broaden our membership, and while we rely upon the Department of Land Economy and remain a firm supporter of all its activities, we are encouraging members from other faculties in the University where a graduate has a professional interest in real estate. We are also aware that our younger members are not necessarily following a career like I did in real estate consultancy, and given the breadth of what the Department teaches we must be aware of a parallel need to broaden the scope and content of the events that we put on.

A considerable proportion of students at the University come from overseas and this presents a challenge for us in putting on events that are relevant and can be enjoyed by graduates of the University once they return to their overseas home. We particularly have a considerable number of students from the Far East and from the United States of America, and I'm pleased to say that we are planning to launch a Far Eastern chapter of CULS which I hope those existing members of the Society who live in the Far East will support and enjoy.

My job as President is made very easy because of the support and activities of each and every member of the CULS Committee. I try to thank them as much as I possibly can both at our events and individually, but can I take this opportunity to record my gratitude on behalf of the membership to each member of the Committee. Special thanks this year go to Lauren Fendick and Sophie Pickering who worked very hard in ensuring our compliance with GDPR and making the necessary communications with our membership. There was a lot of hard work on their part. Erik Ruane continues to look after the Society's finances extremely diligently and I'm pleased to report that the Society is in good financial health and we plan to keep it that way. Our membership responded positively to last year's increase in annual membership fees and this has helped us keep ahead of our increasing costs given the growing number of events that we put on. Can I make a request that all members ensure that they have updated their bank standing orders to the new level of membership fees at £75 per annum. If you have not you can expect a call from us to chase you up.

I'm very pleased to say that Ian Marcus, who is an active member of the Society and who will be known to very many of you, has joined the committee this year with the intention that he takes over as President from me in July.

We continue to receive fantastic sponsorship from companies and organisations that support us both financially and by hosting the events that we put on. You will see that this year’s magazine is kindly sponsored by Knight Frank, Bidwells, Howard Group and Birketts and I'm pleased to report that the cost of maintaining and improving our website is met by continued sponsorship from Europa Capital, Orchard Street and Tushman Speyer. A very big thank you to our sponsors which allows us to confidently predict that we will meet our overheads, and that any surpluses that we generate can be used for the benefit of our members, the University and other causes related to the University.

Can I reserve my biggest thank-you for Ali Young and Fiona Jones. Ali does so much work as our society secretary, she is involved in all of our events from their initial planning through to their final presentation, and none of what we achieve can be done without her. Likewise Fiona is the secretary for the Whitehall group and she has an equally challenging job in organising the Group's lunches and dinners and helping us attract a number of high-level and influential speakers which she does excellently.

I would like to share with you a happy long-awaited coincidence which I only discovered earlier this year. Professor Ian Hodge at the Department of Land Economy was appointed a lecturer in 1983 under the Walter Gilbey Trust. The trust was endowed in 1896 and it has been previously held by JA Venn (son of the creator of the Venn diagram and
APEC Forum Report

The Architecture Planning Engineering and Construction (APEC) Forum was set up in 2013 and aims to support both the Department of Land Economy and the Faculty of Architecture, the latter particularly needing help with outside teaching by practicing architects. CULS through the APEC Forum is now engaging successfully with the Faculty of Architecture.

Members of the APEC Forum Committee during the past year: Brian Waters (co-Chair), Rod McAllister (co-Chair), Martin Thompson (Scribe), Mike Adams, Dr Sue Chadwick, Melville Haggard, Catherine Jenkins, James Lai, Flora Macleod, Sasha Njagulj, Dr Kevin Stone, Mike Adams, Dr Sue Chadwick, Melville Haggard, Catherine Jenkins, James Lai, Flora MacLeod, Sasha Njagulj, Dr Kevin Stone, Fred Pihlrow (stepped down), Yair Ginor (on sabbatical).

New Members: Melville Haggard Past (2015) Master of the Clothworkers’ Company. Although not an Architect or Engineer – he is a Banker – his roles at the Clothworkers’ Company have given him exposure to the professions because of the Company’s extensive property portfolio. Amongst other positions, he is the Chair of the Investment Committee of the London Waste and Recycling Board. Dr Kevin Stone is a senior lecturer at Brighton University and a Director at Pell Frischmann where he specialises in geotechnical matters. Invited: Rebecca Clutten: Rebecca is a barrister [Francis Taylor Building].

Thanks go to committee hosts Lipton Rogers and Bidwells and recent event host-sponsors Dentons, Allies & Morrison, Grimshaw and Borough Market.

CULS sponsored the ArcSoc (architect students society) summer show in Shoreditch and their catalogue this year for the same amount as last year – £2500. This led to over 60 new members immediately joining CULS and taking membership over the 1000 mark. (A little coercion by James Lai may explain this). A stronger relationship with the faculty is developing.

Another delightful discovery was made by Ali Young last month who has been contacting our members with whom we have lost touch. She spoke with Robert Hepworth who at the age of 98 years is our oldest member. Robert graduated in 1941, got his MA in 1946 after the end of the Second World War. He tells us that he was one of 4 students, and one of his recollections was to see the first demonstration of artificial insemination up at the University Farm, with dummy cows!

I’m looking forward to my last year of Presidency, and very much hoping that I can report in the same happy vein to you in next year’s magazine. Our events can only be successful with your support so can I encourage you to continue to attend as many events as possible, and I in turn hope that we can put on a broad range of activities to appeal to our ever larger and wider membership.

Thank you and best wishes to you all.

RECENT EVENTS

JANUARY 2018

Presentation of the St John’s College Masterplan on 30 January at Allies and Morrison (thanks to Johnian Brian, comments the Scribe) was very well received. Mark Wells (St John’s Domestic Bursar) and Paul Appleton (A and M Partner) were good speakers, and included interesting insights on current pressures of student life.

There were about 40 attendees including a bursar from another college!

FEBRUARY 2018

Tunnel Vision (Crossrail / Elizabeth Line) at Grimshaw (thanks to Rod) was also a most informative experience – but how could it fail to be with a strong set of speakers who were highly placed in the delivery team for the largest ever construction project in Europe.

There were about 50 attendees.

MARCH 2018

The Department of Architecture Careers Day on 5 March in Queens’ College (not at the Department because of a national university staff strike over pensions) was considered to have been hugely successful – “extraordinary” was one epithet on the day, so the Department was grateful for APEC’s pivotal role (congratulations to James and Brian.) 14 major architectural firms gave 5-minute presentations to the students (and each other!); these included Foster + Partners, Gensler, HOK, BDP, Rogers Stirk Harbour. One really positive spin-off was that, as at 11 March, 69 architecture students/graduates/staff had signed up to CULS.

The joint annual event with the National Planning Forum, London Planning & Development Forum and Association of Consultant Architects took place on Tuesday 20 March at Dentons. With keynote by the Government Chief Planning Officer and an impressive lineup of contributors it went well. It was well attended including a number of...
the current Architecture and Land Economy students who had recently joined CULS.

JUNE 2018

Food City on Thursday 28 June at Borough Market looked at the logistics of feeding and watering the city's population.

SPEAKERS WERE: Ben Rogers of the Centre for London, writer and policy thinker, with a particular focus on cities, citizenship, social capital, public service reform and the built environment. Kate Hofman, CEO and co-founder of GrowUp Urban Farms which produces sustainable fresh fish, salads and herbs in cities using a combination of aquaponic and vertical growing technologies and Donald Hyslop, Chair of Borough Market who works as the head of regeneration and community partnerships at TATE. His work involves building new audiences for the museum, often in marginalised and excluded communities. He is also Chair of Better Bankside, the business-led regeneration body for SE1. Carolyn Steel, architect, lecturer and writer who has combined architectural practice with teaching and research into the relationship between food and cities, running design studios at the LSE, London Metropolitan University and at the Cambridge University School of Architecture. Jules Pipe CBE, Deputy Mayor for London working on major regeneration projects across the capital, providing young people with skills for their future careers, ensuring London's infrastructure needs are delivered to benefit all Londoners, and leading on revising the London Plan. (Invited) Nicholas Saphir, formerly active in commercial food, farming and rural affairs, including chairing several governmental and industry organisations, Nicholas is currently the Executive Chairman of OMSCo (the UK Organic Milk Suppliers Co-operative) and Coressence Ltd

PIEPLINE:

- Judge Business School and its new extension was contemplated as an APEC organised event for the 2018-AGM-day but surplanted by the excellent Fitzwilliam Museum tour it may be one for next year.
- Oxford Cambridge rail link and the plans for an arc of new towns en route: a presentation and debate with the plan’s authors.
- NW Cambridge revisited.
- Procurement post-Grenfell: talk by Prof David Mosey of King's College London, looking at procurement in the current climate of the construction industry’s lost confidence following the Grenfell tragedy and Carillion collapse. Joint event with the Association of Consultant Architects which published the PPC2000 and FAC1 ‘partnering’ contracts authored by Prof. Mosey.
- Planning the Future: an event that links demographic changes and future developments in technology such as drones, driverless cars, AI, robots, and in-place ageing with the potential changes to planning, regulating, financing and building new developments.
- WELL Certification of Buildings

The characteristics of successful APEC events:

There was a significant debate on what makes for a successful APEC event. The broad conclusions seemed to be that: The core-CULS membership was not greatly attracted to events without obvious networking opportunities – eg the Spring 2018 Food City event would not have been for those who were primarily networkers so was deferred in the face of poor advance ticket sales – also, events with a CPD-flavour often proved to be of minority interest. Relatively awkward to-get-to events (basically anywhere outside the City or West End) haven’t drawn crowds.

APEC’s nostalgia events have sparked interest (eg Churchill Revisited on 1 May 2014 – and perhaps the St John’s Masterplan presentation on 30 January 2018 could also be counted as an example) but they were likely to be very few and far between because they were difficult to think up in the first place; and they were typically highly complex (eg Churchill Revisited was a re-run of the 1959 Design Contest which was conceived by Rod to be part of the college's marking of its 50th anniversary), and requiring of much effort to carry off in a way that did justice to the subject as opposed to embarrassingly falling flat due to under-preparation.

SPONSORSHIP

Our cunning plan has been to establish the new(ish) forum over three years or so and then to seek sponsors for each year’s programme. I think we have done the first bit and are now inviting sponsors to step forward. We have been fortunate in having all our events hosted and sponsored so that they more than break even but are keen to generate additional funds to support teaching, faculty and students at the school of architecture and the department of land economy. We can deliver at least three powerful events each year. Please be in touch!
BUILDING THE FUTURE.

Creating long-term value.
The main event for our Forum this year was a visit to Hever Castle in Kent on Friday 7th September. While later on in this update I will touch on the inescapable “B” word, it was not modern day politics but rather a splendid mash up of global wealth trends and the fantastic venue, with all its Tudor (and more modern) heritage, that kept Members engaged.

Our visit commenced with a welcome by Peter Guthrie who kindly stood in for his father, John Guthrie, one of our very own Members who was disappointed not to join us for the day. The Guthrie family run Broadland Properties Ltd and I recall with glee the moment John Guthrie kindly offered his company’s 12th Century double-moated Castle, as an option for one of our Society’s humble Rural Forum expeditions. Not was Hever Castle the childhood home of Queen Anne Boleyn, it was once owned by William Waldorf Astor (the wealthiest person on the planet when he acquired the Castle) and it now contains a fine collection of Tudor artwork.

Following our welcome, we commenced a tour of the Castle while it was closed to the Public. Our guide, whilst it later emerged he had loyalties to “the other place”, was fantastic at bringing the Castle and its previous residents to the forefront of our imagination.
A talk followed, given by Duncan Leslie, (Chief Executive at the Castle) who very generously delved into the photographic archives and his own memory to show Members the evolution of the Castle. Members were fascinated to hear of how it has fared under the previous and current owner’s custodianship. Learning from Duncan about the present-day operation of the Castle and the challenges he has faced in respect of past/future developments added great value to our visit.

Andrew Shirley, Knight Frank’s editor of the Wealth Report and Rural Report, then presented some research on the latest UK land market trends and global wealth movements, together Knight Frank’s Luxury Investment Index. Knowledge of asset values was highlighted when few, if any, Members were able to correctly guess that a small antique Chinese bowl recently sold for more than a >2,000 acre estate in England. A resplendent lunch followed, and the day was rounded off by a guided tour of the extensive gardens, with cake and tea for afters.

Our special thanks must go to our hosts, John Guthrie, Peter Guthrie, Broadland Properties Ltd, Duncan Leslie and the whole team at Hever who looked after us throughout the day. I would also like to thank Knight Frank for kindly sponsoring and Andrew Shirley for his insightful and well-received presentation.

**For more information about Hever Castle, I encourage you to visit their website:** www.hevercastle.co.uk/visit/hever-castle/

**Brexit – Like it or loaf it, we still need to eat**

It seems hardly believable to me that a year has gone by since my last contribution to this Magazine; in that year we have seen emerging Government policy in relation to the rural economy evolve yet again. What is worth noting, is the Government has now made legislative time for the Agriculture Bill, which was unveiled last month – brilliantly timed for the same day that one of the largest portfolios of agricultural land was launched in the UK (by virtue of the sale of Strutt & Parker Farms Ltd - with a reported guide price IRO £200m).

Rewinding to September 2017, at the Forum’s visit to Hatfield House, Members may recall hearing from Ross Murray, the then President of the Country Land and Business Association (CLA), commenting on the likelihood that direct farming subsidies would likely be abolished despite such support payments being critical to the current viability of such a large proportion of farming businesses.

Fast forward to today and the joint lobbying of the CLA, National Farmers Union (NFU), Tenant Farmers’ Association (TFA) and Central Association of Agricultural Valuers (CAAV), amongst others, has resulted in more clarity on the likely time horizon for the abolition of direct support payments as detailed in the Agriculture Bill – rumored as likely to sail through Parliament early next year (before “B” day, 29 March 2019). In the short-medium term, it seems almost inevitable that regardless of whether there is a “Deal” or “No-Deal” Brexit, a soft landing over the next 8+ years in respect of support payments will be provided to farmers.

All this does not necessarily mean an easy ride for our farmers; the time-limited grant of support payments will increasingly be geared towards those farmers who provide public goods, very different from the regime today. I have heard many farmers express concern about the prospect of labour shortages; how will food get from farm to plate if tens of thousands of EU nationals are ineligible to work in the many vital areas of the food supply chain that they are working in today? Farmer’s also face the worry of post-Brexit trading arrangements and increased tariffs, so a modicum of confidence over the short-term continuation of direct subsidy payments is welcome by most. Surely UK businesses in other sectors of our economy will be looking enviously on at such pre and post-Brexit policy guidance?

For Members with an interest in the Agriculture Bill, I encourage you to review it and engage with the consultations being undertaken this Autumn/Winter. I hope to see as many of you in 2019 at events where we will undoubtedly be touching on the future of UK agriculture in light of new legislation by way of the Agriculture Act, as well as Brexit.

For those interested in finding our more about the Rural Property Forum, hosting an event or helping this Forum’s Committee, please do get in touch with me directly.

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James Shepherd MA (Cantab) MRICS
Rural Asset Manager, Knight Frank LLP
Chairman, CLA Rural Property Forum Magdalen (2006-2009)
The Whitehall Group

The Whitehall Group, which was set up four years ago by Douglas Blausten, is the policy discussion forum of CULS and is open to Cambridge alumni and those who are connected with the University of Cambridge. The group is jointly-Chaired by Colm Lauder and James Lai, who along with the steering committee, organize a range of diverse events for members and guests. It has over 30 members covering a wide range of degree disciplines.

The Whitehall Group holds about 20 events a year, mostly in London. These are lunches, dinners and the Whitehall Lecture. It is open to all members of CULS and other Cambridge graduates working in relevant fields. Membership is sponsorship based and members are able to alternate with non-Cambridge colleagues and invite guests when capacity allows.

Since its creation it has served over 920 meals and had approximately 1,100 people register for the seven lectures so far. All the lectures are published and are available online via the website. The lecture given by Professor Chris Ham, CBE Chief Executive of the King’s Fund in December 2015 on ‘The Future of the NHS’ has been extensively quoted and viewed, featuring on twitter and other social media through the King’s Fund.

In May last year we held the inaugural UK Economy Dinner Debate with a panel of esteemed economists and commentators joining members and former speakers to debate the fast-evolving dynamics of the UK economy after last year’s Brexit vote. We intend to continue this debate into 2019. In addition, the group is embarking on a major new series of events from October this year to examine Healthcare policy in the UK, pertinent given the 70th anniversary year for the NHS in 2018.

We have an active Steering Committee – Colm Lauder, Goodbody (Chairman); James Lai, CallisonRTKL (Vice Chairman); Angus Fell, Park Housing Ltd; Lauren Fendick, Taylor Wessing; Emma Fletcher, SmithsonHill.

Planned forthcoming events
2018/19 include:

Dinner
Thursday, 8th November, 2018
Professor Paul Cheshire, Emeritus Professor of Economic Geography at LSE and a SERC researcher
‘Unaffordable home, empty houses and longer commutes: some unintended consequences of restrictive planning’?

Lunch
Tuesday, 20th November, 2018
Rupert Younger, Co-Founder and Global Managing Partner, Finsbury / Founder Director, Oxford Centre for Corporate Reputation
Subject: Activist Manifesto – title TBC

Lunch
Tuesday, 27th November, 2018
Ian Ellis, Chairman, NHS Property Service Ltd.
Subject: TBC

Evening Drinks Party Event
Thursday, 31st January, 2019

Lunch
Tuesday, 5th February, 2019
Rt. Hon. Stephen Dorrell, Chairman, NHS Confederation
Subject: TBC

Lunch
Thursday, 14th February, 2018
Dr Robin Goodchild, International Director, La Salle Investment Management
Subject: ‘Real Estate Market Cycles – when is the next crash coming?’

If you would like further information on the Whitehall Group please contact Fiona Jones, Group Secretary (fionajones.wg@culandsoc.co.uk)
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Silver Street Group

The Silver Street Group (“SSG”) is a group for younger members of the Cambridge University Land Society (“CULS”) which provides a unique social and professional networking forum for those who have graduated from Cambridge University in the last fifteen years. We host a series of popular events and career development opportunities for those embarking upon a career in property bringing together students and recent graduates with industry leaders and providing support and guidance on how to make it in the property world.

The SSG committee comprises Sophie Pickering (Chair), Ian Currie, Tat-Kei Lo, Hugh Sancroft-Baker, Sally Monson, Alan Crampton and Jamie Young who have helped organise a series of well attended events this year including the Autumn Wine Tasting Event held at Ashurst LLP; the CULS Careers in Property Fair (which the SSG continues to support); a number of informal drinks events in Mayfair; a Co-Working Offices panel event hosted by British Land and our Annual Dinner at the Farmer’s Club.

Autumn Wine Tasting Event
Ashurst LLP sponsored the Autumn Wine Tasting Event which was led by WanderCurtis wine buffs Adam Wander and Kiran Curtis. Attendees took part in a highly enjoyable and unique wine tasting with a competitive twist. The event throws together guests to test their taste buds, general knowledge and creative skills in a series of challenges and allows guests to get to know one another whilst sharing in their love of wine and property. The next Wine Tasting Event will be held at Frederick’s restaurant in Angel and we look forward to seeing you all there.

Christmas Drinks
Christmas drinks were held at Fino’s wine bar in Mayfair and the event was really well attended including by our counterparts at the equivalent society in Oxford and there was plenty of discussion and celebration over the busy year we all had. We look forward to welcoming you at our Christmas drinks event this year.

Co-working Offices Panel
Co-working offices have been increasingly popular of late, with WeWork rolling across London, Regus launching a product of its own (Spaces), and landlords and private equity firms joining the competition. The SSG was delighted to present the Co-Working Offices Panel in April 2018. The breakfast event brought together occupiers, agents and landlords and discussed the opportunities and challenges from the rise of co-working.

At the panel, we highlighted the occupational trends that underpin the demand for co-working space, including the increasing amount of SMEs in London, adaptation of a more flexible office setting and a more mobile workforce. We also debated the trade-offs of investing in co-working offices compared to traditional offices. There was keen interest from the floor with various questions raised from the long term sustainability of the sector to valuation challenges. With the skilful moderation of the chair and SSG committee member Jamie Young, the event concluded on time to allow everyone to head back to work and impress their colleagues with knowledge of the latest trends in co-working sector.

We would like to thank the panellists for their time and insights – James Lowery (Co-Head of Storey, British Land), John Vaughan (MD Co-Lease, Instant Group), Phil Irons (CEO, Regus Property Investors) and Roger Madelin CBE (Head of Canada Water,
British Land; Honorary Vice-President, CULS), and to British Land for kindly hosting and sponsoring the event.

**Annual Dinner**

We changed the location of our Annual Dinner this year and were thrilled to invite members to The Farmer's Club at Number 3, Whitehall Court. The evening kicked off with a champagne reception on the terrace overlooking the River Thames and ended in the Club bar which has been witness to property and farming debate for decades. Cobalt Recruitment, GreenOak Real Estate and Ashurst LLP kindly sponsored the evening as we celebrated another year of fantastic events and the introduction of new members to the Silver Street Group.

The dinner was concluded with a few words of thanks from Sophie Pickering and a thought provoking speech from Dominic Reilly who talked about the Society and reminded us all of the importance of work life balance in today's unpredictable and fast-paced business world. We thank Dominic for all of his encouragement and continued guidance over the past year and we are so pleased that Dominic will serve a third year as President of the Society.

**Key events to come**

**Varsity Rugby Match** We invite members of the Silver Street Group to join us at the Varsity Rugby Match on Thursday 6 December 2018 to celebrate the end of the year and to (hopefully) see the light blues beat the dark blues.

**Panel Event** We are organising another panel event to take place in early 2019. Further details to follow.

**Wine Tasting Event** Our next wine tasting event will be held at Frederick's restaurant in Angel in 2019.
CULS Golf Society

In September the CULS Golf Club enjoyed its annual society day, returning to Burhill Golf Club for the third consecutive year. A fine lunch was followed by 18 holes on the New Course, with the weather once again set fair.

On a day where experience largely triumphed over youth, John Symes-Thompson (Pembroke, 1977) won the overall prize with a very respectable 35 stableford points, narrowly beating out CULS President Dominic Reilly (Gonville & Caius, 1975) on the 18th hole. Dominic consoled himself by taking home the three-putt title, amid stiff competition.

Hannah Durden (New Hall, 2003) once again won the Ladies Plate, with Rob Seabrook (Magdalene, 1987) taking both the longest drive and nearest the pin titles.

Earlier in the season, the annual match between the combined might of CULS / Jesus Old Boys and Fitzwilliam took place in June at Harpenden Golf Club. With the match ending in a tie, CULS retains the trophy and we look forward to a re-match in the New Year. On the day, CULS’ David Williams (Fitzwilliam, 1975) took longest drive honours with a 3-wood, his mighty effort sailing past everyone else’s drive.

In 2019 the Society will once again be running the two annual events, with the potential for a tour to Paris should sufficient numbers express interest. Anyone looking to play, or to hear more details on CULS golf generally, can get in touch with David Mortimer at david.mortimer@icglongbow.com

David Mortimer
Head of Senior Debt, ICG-Longbow Robinson (1998)
I have always credited my fascination with property – both the buildings and the places they occupy – with my first major role in the Ministry of Defence, as one of the assistant directors in what we called the Defence Lands secretariat. The challenges were fascinating – a major public inquiry over the redevelopment of RAF Stornoway to meet what was then a very real Soviet threat; the closure of Gibraltar dockyard and the transfer of much of the land to the national government; and a battle with the membership of the National Trust to get them to lease us land for a nuclear-proof (and very deep) bunker at High Wycombe to name just a few.

But the role also brought me into contact with an organisation called the Property Services Agency (PSA), then a part of the Department of the Environment, which had been set up in 1972 to provide and manage the Government's property and buildings. My own little bit of the PSA – something called ‘Surveying Services’ – was fine and indeed the surveyors and land agents there taught me a huge amount about landlord and tenant matters, planning, and land purchase and disposals.

But as a whole the PSA, with its focus on construction projects, was a deeply unpopular organisation and attracted huge opprobrium from its client departments for the apparent inefficiency with which it handled its construction projects which were frequently late and over budget.

It was probably as a result of this earlier experience that I have always credited my fascination with property – both the buildings and the places they occupy – with my first major role in the Ministry of Defence, as one of the assistant directors in what we called the Defence Lands secretariat. The challenges were fascinating – a major public inquiry over the redevelopment of RAF Stornoway to meet what was then a very real Soviet threat; the closure of Gibraltar dockyard and the transfer of much of the land to the national government; and a battle with the membership of the National Trust to get them to lease us land for a nuclear-proof (and very deep) bunker at High Wycombe to name just a few.
was just a tad sceptical when I heard that the Government Property Unit (now the Office of Government Property) – which is the part of the Cabinet Office responsible for overall estates policy for Government – was contemplating a new approach to property asset management. This would bring together the bulk of the Government’s property holdings into one central body where they would be professionally asset managed and leased back to occupying departments. But I also hugely enjoyed the irony of subsequently being asked to apply for and then eventually winning the role of chair of this organisation – which has now become the Government Property Agency (GPA).

The GPA was very much the brainchild of Sir John Kingman, then Permanent Secretary at the Treasury, and John Manzoni, Chief Executive of the Civil Service, a relatively newly created post aimed at bringing new management disciplines into the workings of Government. And the idea did actually make a lot of sense since Government Departments need to be able to focus on discharging their primary responsibilities for the conduct of Government, not worrying about whether their building lease is coming up for renewal or whether the lifts are working. In addition, the requirements of Government for people and space are probably changing more rapidly now than at any time over the last century and it makes no sense for single departments to be locked into their own often long-term property deals; what they need is the flexibility to come and go as policy requirements dictate and for somebody else to be worrying about how to provide, fill or dispose of the buildings.

The GPA concept also has a significant role to play in modernising the way the civil service works. I learned some years ago when we were rationalising QinetiQ’s estate how important the provision of the right sort of modern accommodation is in the way people work – a point often lost on management theorists. The GPA will be a significant factor in creating a civil service that is faster, more agile and more responsive and it will be able to do this through the provision of modern, fit for purpose, flexible accommodation with excellent IT and security which is highly inter-changeable for the wide range of government organisations that occupy the civil estate.

So where have we got to in delivering this lofty ambition? Well, it certainly hasn’t been plain sailing. Not surprisingly, there has been some resistance from potential client departments who remember the ill-fated PSA and some more recent and not particularly successful experiments with centrally provided Government services. The scale of the earlier ambition has also been somewhat reduced since it was realised quite early on that flexible asset management can only really be applied to relatively standard ‘vanilla’ assets such as offices; assets such
prisons are, on the whole, not likely to be susceptible to flexible occupation by a range of different users!

But since we launched formally on 1 April 2018, we have been making great strides in building our portfolio of assets. We now have under management all of the property of the Cabinet Office and the Department for Business, Energy and Industrial Strategy - some £148 million in all - and we are well on our way to realising our strategic objectives of a portfolio of some £1 billion and over 1,000 individual properties by 2021 with overall savings of between £1.4 billion and £2.4 billion by 2028. We have assembled an impressive team of property specialists who are focussing on building client relationships with our existing and future departmental customers – and they have already delivered two multi-occupied new Government buildings – one at 10 South Colonnade in Canary Wharf and the other at Windsor House in Victoria Street, the latter providing vital accommodation for the civil servants involved in Brexit negotiations.

We have also worked closely with HMRC to ensure that their own relocation programme, necessitated by the end of the Mapeley PFI, has led to the acquisition of buildings that will form the core of a network of ‘Hub’ buildings for flexible Government occupation in the future. And we are planning the second phase of this Hubs programme to allow the consolidation of a plethora of Government offices in a range of locations into GPA managed fit for purpose new facilities that will deliver on our objective of supporting a modernised civil service – and also produce savings of £2.5 billion over the next 20 years.

There is still a lot to do – bringing on board more clients departments, streamlining the approach to security and IT, looking at how facilities management can be improved, working on further rationalisation plans, particularly in and around Whitehall, so that Government only occupies the minimum amount of accommodation needed to deliver its core objectives.

At the end of the day, however, we will be measured on whether we are able to provide a better service than our client departments could have managed themselves and at a lower overall cost to Government. We are ambitious in terms of the savings we can achieve and the quality of service we can deliver but we are not carrying out the range of construction functions in which the PSA engaged and so are not going to be drawn into making the same mistakes. The GPA is a project which I believe will succeed and will deliver great benefit to the quality and cost-effectiveness of Government. And the greatest sign of our success will be when no one ever mentions the PSA and when the only three letter acronym used will be ‘GPA’ - where the ‘G’ stands for ‘Great’.
Going nuts over productivity?

Underpinning the desire of nations to grow more prosperous is an essential ingredient: an ever increasing rise in the productivity of their human workforce. The industrial revolution in the UK and then in Europe; early and mid 20th Century USA modern industrialisation; post war reconstruction in Germany and Japan and the Chinese economic and structural reforms of the past few decades have been examples of turbo charged productivity and prosperity gains (notwithstanding the parallel inequalities which are beyond the scope of this article!)
ache, in some companies around a quarter of days absent are recorded as 'stress related'. Mental illness may in most instances be too strong a description but mental health issues are by some observers considered to be a sleeping giant of a problem and more importantly an issue that can be tackled successfully. Improvements in mental health could provide a good quick win in productivity for employers and of course have other positive societal benefits.

If you read the next few questions in the affirmative, you are in a lucky minority:

• Do you feel able to concentrate well at work?
• Do you feel that you have the mental space and time to think in an innovative way?
• Do you feel healthy?
• Do you feel stimulated and fulfilled mentally from work and from your out of work life?
• Do you feel valued and appreciated?
• Are you supported and encouraged?
• Do you feel part of a community?

Many companies and businesses are working hard on various initiatives to improve the ‘health and wellbeing’ of their workforce's and property companies can help by delivering healthier and smarter buildings.

Can a company like British Land do more to help? We own and manage several major mixed use ‘campus estates’ in Central London and at Canada Water we are proposing a whole new urban centre. A new town in central London, with up to 30,000 people working, learning, living, visiting and hopefully enjoying just being there.

Gov.UK states; ‘emerging evidence suggests an association between being physically active and academic attainment and attention’. Well I never! So that is why kids at school since schools first existed have been required to stop ‘proper’ lessons a few times a day and run around. Universities also stop academic studies on Wednesday afternoons. Why? We all know why; it is because to learn and to concentrate you need a break and physical activity is a good thing to do in that break.

Do employers and successive governments suffer from some kind of collective amnesia once formal education is over? Why do we think that after the age of 22 we can work, work and work without relief? Before I move on to telling you about the initiative that British Land is going to introduce at Canada Water (and maybe roll out elsewhere), I am going to digress a little. Towards the end of August I was with a local councillor discussing kids and sport and health; he put up a slide that stated: (wait for it) ‘The average school age child spends on average less time outside each day than the average high security prisoner’

This was from a survey that Persil, the washing powder, did recently as part of their drive to get kids outside and presumably to get their clothes dirty! However scientific and comprehensive this survey was, it certainly stopped me in my tracks. I wondered how adults would compare?

At Canada Water we have 53 acres of land to develop and that land connects directly into another 120 acres of woodland, park and major dock edge. We will not only provide high quality routes and joyous public spaces within our 53 acres, we will upgrade and connect our routes and spaces with the wider area. We are hopeful that the quality of these routes will encourage people to, as they say in Italian to ‘fare una passeggiata’.

Going for a walk is a lovely thing to do. Walking with family, with friends and ones you love (or might want to love) maybe even up and over some of the buildings may even make Canada Water the most romantic place to be in London.

The mixed use nature of the new urban centre we are creating should enable young, old, workers, students and all to use the new routes and spaces, but how might we encourage the people to socially interact? Social connections and a feeling of being a valued part of a community is one of the key foundations of good mental health.

So at Canada Water every Wednesday at 1600hrs we are going to ring a bell (maybe a real bell) and because we will know and manage all of the mix of uses we will offer opportunities for social interaction. Sport, reading with the local kids, visiting the elderly, taking them out shopping or for a tandem tricycle ride, helping with the local charities, offering services through a Time Bank, volunteering with local wildlife management etc. We will not be Orwellian but managing the process of facilitating such opportunities for social interaction and for ‘downing tools’ for a few hours a week may, just help to make us all feel more connected and subsequently productive. There is of course no reason why existing local communities cannot do similar things but an opportunity like Canada Water might just be able to lead the way.
How should real estate investors and landlords be reacting to technology and innovation?

It is clear that real estate is starting to undergo a tech-induced structural shift. Whether it’s the explosion of VC investment in the real estate vertical, the growing number of unicorns, Big Tech making moves into the built environment, or the transportation and connectivity revolutions forecast to take place over the next decade - all signs point to an unprecedented level of change driven by technological innovation.

Real estate is likely in the first innings of a breakthrough five to ten-year transformative period. Call it digital transformation, technological disruption or another label – by 2030, real estate, as both an industry and as an asset class, will look very different than it does today.

Real estate is a long value chain and innovation is spread across all of it. For real estate investors and institutional landlords, in the broad arena of ‘PropTech’ there is plenty to find interesting, but much that is not directly relevant. The challenge is to filter through the noise and find the key trends and innovators that are driving change in areas that are directly applicable to an investor’s core objectives. From a ‘front line’ perspective, confusion amongst real estate investors and landlords is currently one of the main barriers for PropTech companies, as they realise that real estate is, in fact, more real than ever. In light of market uncertainty, investors are keen to see clear return on investment to justify spending, which can sometimes be challenging with PropTech solutions that might have ‘soft’ benefits such as productivity.

Technological innovation can be a wide-ranging and somewhat all-encompassing topic, so it is helpful to have a framework to organise different trends into. One way of doing this is to look at the lifecycle of making an investment which, excluding development, can be broadly bucketed into three stages: research, transaction and asset management. Within these stages, some themes are more relevant than others.

Research

Under Research there are two major themes to pay attention to.

First, exogenous technological developments such as the transportation revolution led by autonomous technologies. Transport accessibility is one of the most important factors for real estate - the popular mantra of ‘location, location, location’ can often be translated to its connectivity index. If there is a revolution in transport therefore, real estate will notice and have to react. Although driverless cars themselves may not make a significant impact on the way people move through cities until 2030, because real estate as an asset class typically has long hold periods, often 8-10 years, we have to start considering these trends today.

So how to embrace this uncertainty in underwriting? One way is to stress test assets under different scenarios, which provides a way of quantifying their flexibility in the face of potential change, and can help to better understand overall portfolio resilience.

An obvious example of this is to understand the alternative use of a car parking space. Although car parks will certainly not be obsolete for the immediate future, car parking ratios will change and finding productive alternative uses for that space will become increasingly important.

Second, the application of Big Data & A1 can help to improve asset selection, underwriting and asset strategy. There is still a lot of noise but leveraging alternative data sources is becoming increasingly accessible. One example of how this is being approached is through the collection and analysis of very large datasets such as mobile phone geolocation data or credit card data. Once these datasets are anonymised and made GDPR compliant, they can be analysed using advanced data science to (for instance) provide insights such as footfall, dwell, catchment, consumer preferences, etc, for retail schemes. However, the application of such data sets are still nascent and there remain concerns about eventual consumer backlash and/or greater regulatory burden.

Another approach that is increasingly being taken is to leverage cities’ open data initiatives to get a
better understanding of how different areas and submarkets within the city are evolving. For example, it is possible to use indicators like street art concentrations and data sets like taxi pick-ups/drop-offs to predict up-and-coming NYC neighbourhoods in New York, which uncovers correlations with real estate outperformance?

Transaction

There are two main themes under the banner of Transaction

First, Real Estate FinTech. Crowdfunding models and the blockchain are yet to fully take-off but offer the promise of changing some of the core characteristics of real estate as an asset class if they live up to their full potential. If they succeed in enabling the fractionalisation of ownership, whereby participation in the economics individual assets can be offered to non-institutional investors, conventional perceptions of the differences between public and private markets will be challenged. Real estate would become a more liquid and transparent asset class with lower transaction costs and a broader range of participating investors. Taken to the nth degree, this has the potential to threaten the traditional role of real estate in a typical investment portfolio as a diversifier from equities and fixed income. In addition, for emerging markets with less mature systems of land rights, blockchain could become a key enabler in both economic development and promoting real estate investment.

Second, there has been a wave of innovation in operating models such as co-working and co-living. Although many of these have still to prove they can weather a real estate cycle, the volume of venture capital backing these new concepts is very substantial. In some form, they are here to stay. As with any emerging area, the development and adoption of such operating models present both opportunities and threats to investors and landlords. Many of these are visible at the asset-level: whereas previously a lease to a serviced office group might be seen as a negative compromise on covenant, today co-working operators are more likely than ever to be welcomed, partly because of the community and amenity that they can provide to the wider tenant base. At the macro level, the success of these new concepts has shown that consumers are ultimately willing to pay for both user experience and flexibility, two qualities that purely technology firms have long been focused on. This also means that real estate as an asset class is becoming more operational, as previously B2B sectors like offices are having to reshape themselves towards being B2C. Across sectors, these changes are challenging convention in areas like lease structures, valuation methodologies and where the value creation ultimately occurs (OpCo vs PropCo).

Asset management

Asset management is a broad theme that generally relates to the ongoing operation and management of a building. There has been a rapid increase in the range of technology-driven asset management solutions, though the core principles broadly remain the same - to improve the quality of the asset or to reduce costs. Many of the technological solutions in this area (though not all) fall under the bracket of the Internet of Things, which will be further supercharged by the advent of 5G in the next 3-5 years.

To date, adoption of digital technology in this space has been most prevalent in the areas of energy management, predominantly because this is traditionally one of the easier metrics to measure in a building and there is a more straightforward return on investment calculation. As sensor technology and data analysis capabilities advance, however, investors and landlords are increasingly able to develop insight around broader factors like space utilisation, allowing them to maximise the tenant experience from the available space and ensure its efficient and productive use.

In its relative infancy, but billed to become a huge value generator in buildings is the use of technology to actively improve the productivity and enjoyment of the tenants and visitors within. Tenant expectations are definitely rising and landlords will increasingly be able (and, indeed, expected) to differentiate and achieve a premium for their stock by demonstrating the positive human impact of inhabiting the space, in diverse areas from lighting, air quality and wellbeing credentials, to digitally-enabled amenities, community-building, and eventually even factors like a sense of purpose or belonging. The positive impact of such initiatives will become increasingly measurable, as feedback from end-users becomes much more granular and nuanced than the traditional annual satisfaction survey (e.g. direct and ‘live’ feedback via mobile, the adoption of hospitality metrics such as Net Promoter Score, etc.).

Within the next decade, living and working in a ‘smart’ building will likely be considered normal and, as seen in the digitisation of countless other industries, this will drive a gap between the winners that can adapt and the losers who see their product become commoditised.

A building sensor produced by Disruptive Technologies, to illustrate how small this tech is becoming.
PropTech Musings

In the first phase of my career, working for the London Stock Exchange who at the time had a significant interest in FTSE (it has since acquired the full share capital), I covered real estate and technology stocks. Back then, it was exceedingly difficult to track real estate performance passively as an asset class, as it was bundled under “Financials”. It wasn’t until 2016 that S&P and MSCI - the inventors of the Global Industry Classification Standard (GIGS) - disassociated real estate from Financials to create a new sector. The move was historic, creating the first new sector since the inception of GIGS in 1999.

There is no doubt the real estate industry has transformed since then. It has certainly grown - CBRE calculated that the global stock of invesitible real estate amounted to $27.5 trillion at the end of 2015, where reports put a total market cap of $1 trillion in 1999 – and ownership has changed significantly too. Knight Frank’s Wealth Report charts this evolution demonstrating how only a few decades ago the industry in Europe was dominated by institutional capital, how since the global financial crises private equity and sovereign wealth moved in to take advantage of a dislocation in real estate prices, and how but for the foreseeaable future investment will be dominated by high net worth individuals and family offices. Family offices alone accounted for $1.8 trillion of AUM in 2016 according to FINTRX.

Classification and Transformation

There are factors in motion, exogenous to real estate, which is bringing about another evolution: technological creep has begun to have a real impact in an historically atavistic industry. Yet, the industry is still cautious to embrace the full potential of technology and still attempts to muddle through (in spite of some recent survey's indicating otherwise). The traditional players made money investing by traditional means, so pay lip service to this change, but are reluctant to make the necessary adaptations. Even market commentators struggle to distinguish between Property Technology (eponymously PropTech) businesses and space-as-a-service outfits. There are 260 private companies globally valued in excess of a $1 billion market cap, however industry stalwarts don’t quite know where to position real estate backed businesses.

This is somewhat reminiscent of the GIGS system pre-2016. Back in 2014 for example, when a very large co-working business attempted to launch in the UK, they projected themselves as a tech business encapsulated by a community App they proudly exhibited. But their gargantuan cost base and the rent commitments they were recently compelled to disclose showed that it is a real estate business first, and a tech business second. One of the largest listed landlords in the UK, who after disparaging co-working practices, recently and very publicly launched a brand of their own for the provision of co-working facilities. However the ‘landing page’ on their website simply gives a number to call if tenants want to discuss a tour or licensing some space. This inconsistent approach reinforces the conventional players lack of conviction or wherewithal to make substantive changes.

The distinguishing features between co-working providers - who may use technology to manage their businesses - and PropTech, is axiomatic. Transformative technologies (PropTech) should allow for effective data collection and interpretation, lower frictional costs of trading, price discovery and so on, yet co-working – which would allow for the better utilisation of space - is something that planning use classes in the UK have failed to recognise as a concession to the new economy. At a presentation recently on PropTech, a recruiter recently piped up saying that he just attended a number of panel events across different industries, all of whom were equally getting to grips with the disruptive effects of technology. This is by no means solely a real estate challenge, but if even the categorisation is difficult, the challenges associated to it surely more so.

Artificial Intelligence

Stakeholders in the industry are gradually attuning to this changing landscape. Cushman & Wakefield only recently published a report entitled “Will Robots Take Over CRE”. Automation advances will challenge 14% of human roles, which could affect about 13 million people in the United States. Not an insignificant number and what follows is very subjective, but those who have dispassionately observed the advances in AI more generally, can’t help but be amazed by the advances of machine learning. Testament to this is Mark O’Connell’s book on “To Be a Machine”, who makes a strong case for the Transhumanist movement. It is clear that whilst PropTech is making superficial progress, we haven’t quite made the technological advances necessary
to accommodate it yet. Businesses are focussed on making incremental changes or creating platform solutions, rather than focussing on the technology underpinning PropTech businesses. Whilst advancing, the industry is still inimical to FinTech some years ago. AI, until very recently an underappreciated phenomenon (not least from an ethical perspective) could add $15tn a year to the global economy by 2030 — more than the current output of China and India combined. While previous technological revolutions had not led to mass unemployment, despite gloomy predictions at the time, there is no guarantee that AI would follow that historical precedent. It could be reasonably argued however, that in construction technologies, where more than $1 billion was invested in global construction technology start-ups in the first half of 2018, is a relatively low-tech part of the industry where genuine technological expertise is being applied to upgrade it.

**Investment landscape**

Investment into PropTech is also becoming more diverse: from retail investors (crowdfunders), to family offices (hedgers), venture capitalists (sharks), agents (bridges), REITS (insincere) and owners (recalcitrants). Investors could thus be grouped into Partners (VC, family offices), Bridges (REITS, Agent community) and End Users (the hoi polloi). Consequently, the remarkable emergence of investors exclusively devoted to bankrolling real estate start-ups have made seed valuations disconcertingly high, making raising capital for these businesses in the future more difficult as follow-on investors balk at previous valuations. VC influence has made entrepreneurs focus on top line revenue growth above all else. With the surfeit of capital, entrepreneurs should choose their Partners wisely. This entropy will cause challenges in the future, not least in the evolution of how PropTech entrepreneurs execute on building their businesses during a market downturn, and the real test will come in how investors who have supported them, react to it.

The challenges in PropTech aren’t dissimilar to other industries, and it is a fascinating time to be engaged in it. I sometimes think however, that the excitement surrounding PropTech and the impending advantages it fosters are disguising what the traditionalists smell is imminent; a decline in asset values. But having spoken recently with a distressed debt focussed PropTech business, I am encouraged that PropTech has a part to play in the next market cycle as well, which I think rather than stymie its growth, will accelerate it irrevocably.
Land registration and blockchain

Blockchain was originally conceived for cryptocurrencies but has a far wider application in areas which similarly need to be protected from corruption, human interference or human error. And that’s where land registration comes in. Katherine Lang, a senior professional support lawyer in the real estate and construction group at Taylor Wessing LLP, has explored the possibility of a blockchain-based land registration system (as published in Download).

What is blockchain?

Blockchain is a digital network. It allows digital information to be distributed (on the “distributed ledger”), but not copied. The same information is held across a network of computers – meaning that it isn’t stored in one location. This means that the information is less vulnerable to corruption or to human interference or error. Every computer on the network has to accept every new addition of a new piece of information (or “block”) to the chain.

The benefits of blockchain in terms of secure asset tracking are clear so it’s no surprise that it is being considered as a possible solution to some of the issues with the current land registration system in England and Wales.

Application of blockchain to land registries

How is land transferred?

It is worth a quick recap of how land is transferred. This varies across jurisdictions, but the principles are broadly the same.

Imagine that a seller is marketing their property in England or Wales. The prospective buyer looks at the seller’s title to that property, as well as at other publicly available information and its physical survey, to carry out its due diligence and ascertain whether the property is indeed worth buying at that price.

The solicitors acting for the buyer and seller negotiate a contract to buy that property, and complete a Land Registry form of transfer, which will transfer the title to that property.

On exchange of contracts, the buyer and seller sign and date the contract, and the deposit is paid. On completion, the buyer and seller sign and date the Land Registry form of transfer and the full purchase price is transferred. At this point, beneficial title passes to the buyer, but legal title to the property remains with the seller.

The buyer’s solicitor must then register the Land Registry form of transfer at the Land Registry. When the registration is completed, the buyer’s name is entered onto the register of title to the property, and the seller’s name is removed. The buyer is now the registered proprietor, and holds the legal and beneficial interest to the property.

Problems with land registration in England and Wales

Although the registration documents can now be submitted to the Land Registry via an online portal, registration itself is not automated, but is carried out by a team of people at the relevant Land Registry office.

This is a tried and tested formula, but it is not without its problems. These include:

• Time delays – it is taking an increasingly long time for the Land Registry to complete title registrations.

There can be a gap between completion and registration (the registration gap) of several months. During this period, legal problems can arise: for example, what if a landlord’s notice needs to be served to break a lease where the property has recently been sold? Does the seller of the property (who is still the legal owner) have to serve the notice, or does the buyer of the property? The buyer may be justifiably surprised to hear that it is the seller/previous owner, as legal owner, who has to serve the notice (unless appropriate provision has been made in the sale contract). If the buyer/new owner serves the notice, the break will not be effective.

• Fraud – there have been instances of imposters posing as the seller of a property. If an imposter successfully poses as the owner of a property, and sells it, then that imposter may receive the full purchase price at completion and abscond with the funds. There have been cases where both the seller’s and buyer’s solicitors were unaware of the fraud until identified by the Land Registry as part of a spot check exercise.

• Human error – with increasingly tight budgets, the Land Registry is trying to achieve more, often with fewer people. Updates to the title register are made manually and the accuracy of updates relies on the experience and attention to detail of individual people. This means, the register is becoming more vulnerable to human error.

Blockchain – a solution?

Could these problems be solved by a blockchain-based land registration system? Yes, in part:

• Time delays – changes to the information contained on the distributed ledger are almost instant. There would no longer be a registration gap of weeks or months. Equally, blockchain technology could enable title to the property to be transferred to the buyer immediately funds are received into the seller’s solicitor’s account.

• Fraud – each transaction on the blockchain is made by a party with a “private key”, which is a digital signature and provides mathematical proof that the transaction has come from the owner of that key. Would this stop fraudsters posing as the real
owners of property? Perhaps not at this stage. But, if law firms’ client due diligence and customer verification were undertaken using the blockchain in the future, this would add an important layer of security to property transactions.

- Human error – transactions on the blockchain are significantly less vulnerable to human error. Each change to the information on the ledger is continually examined by millions of computers on the network – each computer has to accept every change.

What next for the Land Registry?
The Land Registry has identified electronic conveyancing as a priority. It is piloting a notional “digital street”, where it is exploring new digital technologies and how these would work in practice. On 1 May 2018, the Land Registry said: “We should be ambitious. We should be bold. Technological change will only continue to accelerate. It’s important that we become an organisation that can respond to that change, and make best use of it.”

On 24 July 2018, the Law Commission for England and Wales published its long-awaited report on the reform of the Land Registration Act 2002. This report places significant weight on electronic conveyancing. Although the original Land Registration Act 2002 provides the legal framework for electronic conveyancing, and the Land Registration Rules 2003, have been amended to allow execution of documents with digital signatures, the newly-recommended reforms pull back from this ambitious starting point. The Commission recommends that there should be a new power in the Land Registration Act 2002, to make electronic conveyancing mandatory, without also requiring simultaneous completion and registration of dispositions.

This is because the Law Commission considers that, at the moment, digital platforms are not able to provide satisfactorily for simultaneous completion and registration. It recommends that the legislation remain flexible, to enable the use of electronic conveyancing as technology develops.

The future?
Digital signatures were used for the first time in exchanging contracts for the sale of a residential property on 6 April 2017, and some heralded this as the start of electronic conveyancing. But it is clear that there is a long way to go. In this transaction, it was simply the case that the sale contract was signed by an e-signing process. The rest of the transaction proceeded as normal.

On 5 April 2018, the first digitally-signed mortgage was entered into the Land Register – a re-mortgage of a house in Rotherhithe, London. This was done using the “Sign your mortgage deed” service, which enables parties to sign the mortgage deed online. To use this process, the parties verify their identity using gov.uk Verify, which is a secure means of proving identity online.

It is tempting to think that these transactions herald the dawn of a new age of blockchain-based conveyancing in the UK, but neither used blockchain technology at all. The contracts were not smart contracts, but standard contracts that were electronically signed.

The Law Commission appears to have little confidence that adequate systems will be put in place any time soon to facilitate fully blockchain-based land registration in the UK in the short to medium term.

We’re not quite there yet
Although there are clearly identified problems with land registration in England and Wales, and blockchain-based land registration offers solutions to some of these, practical implementation of a blockchain-based land registry is still some way off.

It is, however, encouraging that the government and law reform bodies are looking at electronic conveyancing and blockchain as a means of addressing these issues, and taking (very) small steps towards this.

Once blockchain-based land registration is introduced, there are myriad benefits for investors in property. It has the potential to increase liquidity, mitigate risk, and reduce costs, all of which would make property investment an even more attractive prospect. In England and Wales, at least, we still have some time to wait before these benefits are realised.

What are other countries doing?
The adoption of blockchain for land registration in the Ukraine, Georgia and Sweden has been widely reported.

Additionally, in the developing world, where there is currently no existing system of land registration, there are clear arguments for introducing blockchain-based land registries:
- In some countries, the lack of reliable evidence of property ownership presents significant problems. For example, it has been reported that following the 2010 earthquake in Haiti, recovery efforts face major problems to this day, because the ownership of large areas of land cannot be identified.
- A project is currently underway to establish a blockchain-based land registry on the Etherium blockchain in the city of Panchkula, in the state of Haryana in India. If this works, it will provide valuable evidence to recommend the wider introduction of similar registries.

There are also clear arguments in countries where land registration has evolved recently, and in a piecemeal basis, and where there are extensive funds and appetite for innovation: The Dubai Land Department has announced that it is using a blockchain system which records all real estate contracts, including lease registrations, and links them to the Dubai Electricity and Water Authority, the telecommunications system, and various property-related bills. This also incorporates personal tenant databases, including identity cards and residency visas, and allows payments to be made electronically. Dubai intends to be the first government in the world to apply all transactions through blockchain by 2020.
Growth in the purpose built student accommodation (PBSA) sector has grabbed the headlines in recent years, with investors lining up to take advantage of shortages of existing accommodation in key university towns and cities and a number of domestic and international funds jostling to snap up portfolios offering attractive medium-term returns. New entries to the market include international funds such as Brookfield’s acquisition of the Enigma portfolio, as well as significant interest being shown from Far Eastern investors, reflecting a consensus that student bedspaces are a reliable asset. However, this has the impact of increasing competitiveness within the sector. As PBSA matures and rental yields reduce, the profile of investors will change from the short/medium term, to the medium/long term. As such investors can no longer rely on development and initial margins for profits. Longer term asset management strategies now need to be considered.

As the PBSA market matures, investors continue to look for new asset classes. The next in line is Build to Rent (BTR). This shares much in common with PBSA, but offers a more sophisticated product and service. However, the same constraints around maximising the longer term opportunity exist. Therefore the same types of longer terms asset management strategies will still need to be considered, and so much of what follows applies to both BTR as much as PBSA.

One avenue for improving returns is in the practice of effective and strategic lifecycle management across assets and portfolios. When discussing projects with PBSA fund managers, it’s clear that detailed work has gone into market due diligence, detailed rental assumptions and their operating costs, but not into lifecycle. In many respects the field remains neglected, resting on assumptions, codified anecdotes and fragile models. There are also practical constraints on how effective these plans can be. Very often these shortcomings are interlinked, creating fundamentally weak plans which often go awry. This means higher costs than planned.

Lifecycle: The Missing Piece of the PBSA Jigsaw

Prop Tech Innovation in the Student Accommodation Sector
So what is meant by the term “Lifecycle”?
The term refers to planned preventative maintenance of the asset, particularly fabric and services. In its purest sense, this does not include wider costs such as reactive maintenance and optimised procurement, however leveraging computing power and the networked data behind it can also make inroads into these areas. Lifecycle costs, expressed as an annualised figure, should only represent a small percentage of rental income. However these costs are extremely uneven or ‘lumpy’, accentuated by packaging planned works into optimised bundles (e.g. carrying out decoration at the same time as replacing kitchen fittings to prevent duplication of effort). These lumpy costs can have a heavy impact on that year’s bottom line, particularly for longer concessions. When poor plans lead to higher costs, this effect is amplified.

It’s worth looking at some examples to get a feel for the problem. The most common is a fixed assumption of the maintenance cost per bed, irrespective of the length of concession (normally around £200 per bed per annum). Yet maintenance costs increase with time, and a concession of 20 years will have significantly higher costs than one with a concession length of 10 years. When combined with an assumption on the ratio of bedspace to communal space (i.e. yield to non-yield) consideration may not include the provision of additional amenities to make the scheme competitive in the first instance, yet this non-yield space will increase the cost per bed. Other examples include an assumption that postponing replacements for as long as possible represent savings, while neglecting the associated maintenance costs and the risk of significant early failure, which may have a knock-on effect to occupancy rate and student satisfaction. It may represent a saving, however it just as easily may represent unnecessary risk. As the boom in new student accommodation schemes matures, many of these factors will become increasingly prominent.

When the specifics of a project are assessed, tailored lifecycle strategy can be adopted. This gives 4 main benefits:
1. A truer understanding of the costs of ownership. A well devised plan should represent only a small percentage of the rental income per bed when averaged out. However a poor plan on a long concession can lead to costs per bed approaching 10% of income.
2. Thorough sensitivity analysis to outline the significant risks onsite in any given strategy.
3. Assessment of the relative risks and rewards to hit a sweet spot based on proactive and informed decision-making.
4. Maximised investment through informed disposal timing.
An example is in considering concession length. For a 10 year concession, where the natural inclination may be to defer works to save money, deferring works from year 5 to year 6 or 7 serves only to increase maintenance costs without achieving savings. It also increases the risks of early failure (and consequently harming occupancy rates). Equally optimising a plan to the concession end can deliver considerable savings – in our experience working with PBSA asset managers a concession run to avoid major replacements can enjoy lifecycle savings of as much as 60% (see the final year cost spike in the attached graphic).

There are significant barriers to good practice.
To optimise a lifecycle plan, a manager should have granular data from the scheme so that their model is exact. Most tools, such as the BCIS lifecycle planner, are based on an average per square metre calculation. This will give higher costs over time but won’t reflect the fact there’s a bar and cinema area on the ground floor to keep occupancy rates up. Nor will it give any kind of flexibility to enable strategic decision-making, as it only offers costs as a rate over time. A granular model on any conventional platform significantly increases the work required while adding inflexibility. Moreover this type of model will be unique to that scheme, reflecting the specific layout, contents and risk profile of that operator. There is an interplay between altering replacement frequency, changing risk values, and exploring different concession timeframes. Exploring a range of scenarios requires the recalculation of all of these variables. This is made more complex though the initial and subsequent rationalising of works into optimised plans. The interplay of these factors is shown in the attached infographic, which aligns planned bundles of works, costs per bed and risk profiles for a low and high risk plan.1 Market growth, competition and labour intensive repetitive tasks make cost management in PBSA ripe for innovation. Eversfield has identified these barriers and responded with data-driven software which replicates the specifics of a project, as well as offering the ability to aggregate data to a portfolio level. The intent was to provide a tool to equip decision makers with all of the information they needed in an easy-to-access format and structure. Handling data through a dedicated service allows better insight into the underlying structure and patterns of the data, enabling the optimisation of management plans for both the scheme and the operator. This also lends itself to procurement support, day to day asset management and risk assessment. In an increasingly saturated space like student accommodation, strategic lifecycle management will become ever-more important.

1 As a generic example, a 400 bed scheme with a 95% occupancy rate for 40 weeks a year, charging £200 p/w with anticipated lifecycle costs of £200 bed p/a would be looking at 2.5% of the rental income covering lifecycle costs.
2 The raw data is from a fabricated generic demonstration model PBSA, covering 400 beds and 10,000 M2 made up of typical contents captured in real projects.
MassivPassiv: The benefits and challenges of applying Passivhaus to Purpose Built Student Accommodation

ArchitecturePLB has a long history of sustainable design. It is part of our DNA and we take a ‘long life, loose fit, low energy’ approach to all of our buildings, whether there is a specific sustainable agenda or not. In 1991 we used an EU Thermie’ grant to test natural ventilation strategies on a school in Jersey (Haute Vallee) and in 1993, Grove Road School in Hounslow won Sustainable Building of the Year.

In the 2000s, the evaluation of sustainability became more structured and the practice trained our architects in BREEAM, Ecohomes and then Code for Sustainable Homes. While it often led to ‘tick box’ frustrations, the loss of the Code has left a vacuum in sustainable housing standards that the building regulations are yet to fill.

Having designed a ‘Passivhaus’ accredited home for a private client in 2013, it became clear that the principles of a fabric-first, comfort-based, climate-led design approach aligned with our own. Since then we have therefore sought to inform all our projects with input from our in-house Passivhaus Designer, Paul Phasey.

The Problem.

In recent years ArchitecturePLB has worked on a large number of schemes for Purpose Built Student Accommodation (PBSA). Over 9000 rooms have been designed, with 6000 completed and the remaining 3000 either going through planning or under construction. While the projects are generally successful in townscape terms, we have been frustrated by a consistent performance gap, primarily in terms of overheating. This is not just our own experience but is widely evident across the sector and tends to result from a minimum-compliance approach to the different Building Regulations in isolation, combined with inconsistencies between design and delivery. With some rooms regularly exceeding overheating limits (28˚C for 1% of the time for a BREEAM Excellent Building), we therefore asked ourselves “Would a Passivhaus solution help?”

So what is Passivhaus?

Passivhaus (PH) is an energy standard that focusses on achieving excellent comfort levels for a building’s occupants. Although personal perception varies, the principles taken for comfort are: a consistent internal temperature; lack of draughts; good levels of fresh air and minimal overheating. These are achieved by very close attention to detail at the design stage and the ratification of work on site to ensure that the building performs as intended. The aim is to achieve a balance between heat gains and losses, such that the energy required for heating (or cooling in hot climates) is minimal. Originally a domestic standard developed in Germany in 1991, it is now recognized across central and northern Europe and has been applied to all building types and climatic zones.

Achieving PH starts at concept stage. While in theory any design is possible, a simple form with good solar orientation will generate efficiencies later on. These can be enhanced further by grouping dwellings, for example in a terrace or
block of flats, thereby minimizing the ‘envelope’ (the area of external walls, roofs and floors) through which heat is lost. This approach leads to a lower Form to Heat Loss Factor (FHLF - the ratio of the heat loss area - the envelope - to the heated floor area of the building). As you reduce the FHLF, you also reduce the need for additional thermal insulation (see fig 1).

In detail, the key components of a Passivhaus solution are:

• Triple glazed windows – thermally superior to double glazed windows, not cold to the touch internally and avoiding any risk of condensation.
• Excellent insulation levels – installed with precision: gaps over 3mm wide are not allowed.
• Stringent airtightness (air leakage through the building’s envelope – ensures that heat does not escape in an uncontrolled way. Also tends to result in a well-built, robust building.
• Mechanical ventilation with heat recovery (MVHR) – provides fresh air far in excess of UK Building Regulations, while recycling heat from the outgoing air.
• Reduction of ‘thermal bridges’ – areas such as the junction between two construction elements which are difficult to insulate. With high insulation levels, the importance of these routes for heat loss is amplified.

There are a number of misconceptions about Passivhaus buildings, the most common being that occupants can’t open the windows. This is fundamentally untrue and, in contrast, cooling by opening windows (either during the night or daytime) is essential in reducing overheating. Secondly, the name Passivhaus implies that it is just for dwellings. Again, this is not the case and the standard has been successfully applied to schools, university buildings, swimming pools and offices. Most importantly though is the question of whether the standard works. For nearly 30 years, Passivhaus buildings have been built throughout central Europe and many years of monitoring have shown that they have been consistently proven to perform in line with predictions (see fig 2).

Why Student Accommodation?

The problem of the performance gap, particularly in terms of overheating, is becoming a significant issue for providers. We are aware, for example, of cases where universities have had to compensate students for periods when rooms fail to meet acceptable levels of comfort. Although Passivhaus can never eliminate overheating, it can reduce it to manageable levels.

PBSA buildings are generally large, relatively simple forms with repetitive details. They therefore tend to have an excellent FHLF which, combined with high internal heat gains, means that they should need little, if any, additional thermal insulation. They are also a long-term investment for their owners or funders. While PH may increase the initial construction costs, the additional investment can pay dividends through the life of the building, from low heating bills to reduced maintenance and fewer complaints. For an operator charging rent inclusive of bills, this may mean greater returns. For a university, it can also significantly contribute to CO2 reduction targets.
What are the challenges and potential benefits?

To test the application of Passivhaus to PBSA, ArchitecturePLB has retrospectively applied its principles to a non-PH built example, our Stapleton House scheme on Holloway Road (see fig 3). Completed in 2016 to a BREEAM ‘Excellent’ rating, the hypothesis suggests that the scale of the building should generate an excellent Form to Heat Loss Factor and therefore ‘easy wins’ in achieving Passivhaus standards and benefits. This has been borne out by our modelling (see fig 4), which reveals very favourable results and a FHLF of 0.8. For the key components of Passivhaus on a building of this scale (see fig 5), this means that:

• Insulation – the efficient form factor results in near-building regulations level of insulation, therefore there is no cost increase or higher land take from thicker external walls.

• MVHR – already in use at Stapleton House, the cluster arrangement of student rooms with a shared kitchen suggests a decentralised system, keeping duct sizes small and domestic in nature. The good FHLF will also allow greater flexibility in specification, meaning that cost-effective and readily available units can be used. The additional acoustic and air quality benefits should also not be ignored.

• Airtightness – this would be unchanged by the good FHLF. However, the simple form of the building means that the most challenging junctions, at ground and roof levels, are minimised. Combined with repetitive detailing, this means that the target should be achievable, although attention to detail and construction quality will remain crucial. A possible solution may be an off-site unitised solution which brings wall panels to site factory-finished including windows and internal finishes.

• Thermal bridging – taller buildings require that the façade is effectively hung from the structure and thermal detailing would therefore need to be carefully considered. Student housing typically has no balconies however, thus avoiding a key weakness of conventional housing projects. Again, the good FHLF will compensate to some degree for less than ideal detailing.

• Windows – probably the most challenging aspect from a design point of view, and for Passivhaus generally. Larger windows are often preferred for aesthetic reasons but can contribute significantly to overheating or heat losses, depending on orientation. Triple glazing is also expensive, though in this instance would be highly repetitive. Again, the excellent FHLF would provide some flexibility in terms of achieving the requisite performance. The window

Figure 4 – Energy Modelling with Design PH. Used to establish the FHLF and to test design and massing ideas. The modelling shows a FHLF of 0.86 and a Heat Load (Qh) of 8 kWh/m²/yr, the upper limit for PH is 15 kWh/m²/yr.

Figure 5 – Section highlighting the key components of a PH in the context of Stapleton House.
design is probably the key factor and would need to be considered from first principles, including the size of the windows, their orientation and external shading, either from building-mounted ‘brise-soleil’ or from neighbouring buildings or trees.

In addition to these issues, the internal heat gains from occupants and the hot water distribution system (that can act like a radiator inside the building) would need careful consideration. There are also savings to be had however. In this example no heating system would be required and the renewables provision, required through the planning system, would be significantly reduced or even eliminated.

The final challenge is with regard to budget as there is a likely increase in capital cost for Passivhaus. In 2017, Gleeds reported this as an 11-22% uplift, with a payback after 13 years, although this was already 5% less than in 2012. However, Wolverhampton’s Wilkinson Primary school recently achieved Passivhaus standards at zero extra cost and Exeter City Council is now delivering PH dwellings within normal budget costs. Furthermore, these figures do not consider the installation and running costs associated with retrofitted cooling, nor do they account for increasing energy costs.

Conclusion

ArchitecturePLB believes that there is a fundamental compatibility between PBSA and Passivhaus. The rigor and attention to detail required through the design and construction processes will result in a higher quality building and therefore a more secure investment, while also giving designers the tools to avoid some of the unexpected consequences of less sophisticated modelling. Although unusually hot weather, such as this year’s summer heat wave, will always result in high internal temperatures, problematic overheating would be minimized, and thus students’ perception and experience enhanced.

We must not however lose sight of the impact of a building on its physical, social and historic context, and on its contribution to successful placemaking (see fig 6). To achieve a high-quality design, optimal PH solutions may need to be tempered, using enhanced construction technologies to offset non PH-ideal design features. In contrast, good PH design may itself result in visual interest and richness, for example through the use of deep reveals, overhangs or other shading devices.

Good architecture always responds positively to the challenge of balancing the competing demands placed on a building, including urban design, environmental performance and functional requirements. Our challenge is to negotiate and reconcile these demands to create not just good, but intelligent architecture.
Investing in Build to What?

Build to Rent (BTR) / Private Rented Sector

In the realm of residential investment, many acronyms and jargon terms are used to explain the different sub-markets. The diagram below illustrates the breakdown between the different sub-markets within the residential market. Here we will focus on the Private Rented Sector (PRS) and specifically the umbrella term ‘Build to Rent (BtR)’, which encompasses Multifamily, Single Family and Permitted Development as the various sub-markets.

Residential Market Overview

The definition ‘Multifamily’ is a classification that describes blocks of apartments designed specifically to rent. In contrast, ‘Single Family’ are individual houses designed specifically to rent to individual households. Permitted development are blocks which have been converted from an alternative use class to be privately rented.

Historically in the UK, private renting was the mainstream tenure until post-WWII. Large blocks of rental flats were developed in cities around the UK (particularly in London) after 1918, many of which were bought and managed by companies. Rent regulations were enforced after the war and as a result rental investment were uneconomic and buildings were gradually broken up and sold as individual units. As a result, PRS declined during the mid-20th century until the deregulation of rents and tenancies in the 1988 Housing Act and the 1996 introduction of Buy to Let mortgages for small investors provided the conditions for the sub-market to grow. In 1991, PRS accounted for 9% of UK households while today it accounts for 22%.

Housing Crisis

The Private Rented Sector has accelerated due to the ongoing housing crisis in the UK which in turn has spurred growth in student housing and Buy to Let (BtL). The housing crisis has been spearheaded by three primary factors which create a shortage of affordable homes in the UK:

- persistent undersupply of housing
- increased demand for housing arising from demographic changes
- house price inflation outstripping wages

An estimated 300,000 homes are required to be built to sustain the demand for the country, but as of 2017, merely 216,000 dwellings were constructed, leaving a deficit for the following year to fulfil. These issues are significantly amplified in London, where Savills research has identified a supply-demand gap of over 26,000 homes in 2017 alone.

Looking closely at the factors, supply is squeezed by the growth in foreign investment. Savills research showed international purchased homes in prime London (central London and Canary Wharf) increased from 23% to 40% in 2005-2014. Supply is also tightened by the increase in BtL homes with one million new buy-to-let mortgages created...
from 1997-2007 due to AST deregulation and additional 2.5 million buy-to-let properties by 2009; half of BtL’s were in London and South East England. Planning policies have also contributed to the undersupply of housing. An example of this is that planning councils are reluctant to build on green belt areas and the NPPF attach great importance to its protection which hinders development. Finally, demographic changes are also playing a part in the housing crisis, with London’s population expected to reach nine million by 2020. A decrease in out-migration, small household sizes and an increase in single dwellings have further intensified the problem.

The house price to earnings ratio (HPE) is at an all-time high, with the median London wage of £34,000 vs a median house price of £472,000. The resulting HPE of 13.86 demonstrates the severe cost of ownership. Even with a 20% house price decline, the median wage would need to rise 42% to return the HPE ratio to its 2002 level.

Why is BtR Attractive for Investors?

Over the last 20 years, student housing and multifamily dwellings have already blossomed and matured into a key sector of the US residential market. The performance has given institutional investors familiarity with the asset class which has resulted in the increase interest in the UK as well. Investors are also witnessing favourable returns available from purpose-built assets, especially when compared with traditional sectors.

While evidence of professional, large scale investment in built residential assets is largely limited to a handful of mature portfolios which are owned by large landed estates and are illiquid in nature, this narrow band of assets has averaged a competitive 8.25% annual return over the last 15 years.
In the UK, these returns have until now largely been driven by capital growth (63% of the annual return), though this is likely to now shift to a higher emphasis from investors on income yield. As such, the required premium deliverable over the risk-free rate will attract increased scrutiny. In fact, an average net income yield in 2017 of 2.75% on mature portfolios delivered a premium of 156bps over gilts. This compares to periods before 2010 where 10 year gilt rates actually exceeded net income yields and all of the return came from capital growth. The challenge or opportunity for residential property will therefore be whether it can maintain or even increase this premium as the risk-free rate rises.

Planning policies in the UK have also made BtR attractive for prospective investors. There has been cross-party support in Parliament with various policy measures to encourage expansion of the sector. There has been £53 billion made available across all housing support programmes; included in this is Homes England £44 billion funding mandate across all tenures which will have increasing influence in the BtR sector. BtR was given a boost in the Housing White Paper recently suggesting that local planning authorities will have to plan proactively for BtR where there is an identifiable need. The main proposed measures place emphasis on BtR through planning policy, encourage affordable private rent (sometimes referred to as Discounted Market Rent, DMR) and offer family-friendly tenancy of three years or more to tenants who require one.

### BtR Supply

BtR is still a young sector in the UK, with much to change over the coming years. The Build-to-Rent sector now boasts 117,893 homes complete, under construction and in planning across the UK with local authorities and developers identifying strategic sites that can deliver a combined total of 17,578 new build-to-rent homes. These figures have increased by 30% in the past year. When looking specifically at the number of completed build-to-rent homes, the total has increased by 45%, growing from 14,371 to 20,863, in the same period. This figure is even higher for the number of build-to-rent homes under construction, which has increased by 47%. Currently the demand in the PRS massively exceeds supply. The gap between supply and demand stands at over 800,000 homes, around 170,000 of which are in London, the rest spread across the UK.

As an indication of growth, the last year has seen the amount of operational multifamily stock increase by 45%, while 2.7 billion of multifamily assets has been traded, a 23% increase over 2016. With large demands for BtR, there are developers and investors who have picked up on the growth of the sector. The biggest owners of built-to-rent stock include Get Living, Sigma Capital, L&Q and M&G Real Estate. Quintain’s Wembley Park development stands out, with its pipeline of 8,054 residential units.

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Demand is high but economies of scale is crucial in optimising asset performance. In mainstream PRS, there are typical amenity requirements which BtR should fulfill including, amongst others, free high-speed WiFi in all flats, residents’ app for paying rent, managing tenancy and reporting maintenance issues, 24-hour on-site concierge and security which also includes secure post, parcel and grocery delivery and storage. Investors able to keep these operating costs under control and spread them over a wider unit base, will likely be the outperformers. Asset selection and location will be essential to this process.
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Private Rented Sector Investment & Development in Birmingham

After 40 years of commercial activity in Birmingham, my main focus has switched to the alternative sectors of out of town drive thru investments but especially Private Rented Sector (“PRS”) funding. I am fortunate enough to be acting on three current PRS funding opportunities in Birmingham comprising 157 units, 152 units and nearly 400 units.

As a result of seeking institutional finance, I am now aware as to the reality behind the news headlines.

To my knowledge, in Birmingham there have been no actual transactions on built and let stock and all have been funding transactions. The drivers for this are, besides the SDLT benefits as land is a low percentage of the GDV, opportunity for institutions to get what they need. These are the correct sized rooms, the correct letting mix and amenity areas such as gyms, interaction space, community events etc. not normally provided in build for sale. Modus are also looking at substantial rooftop development on their scheme in Broad Street. In fact this is being replicated in new office developments.

Whilst there have been a lot of hyped deals relatively few have attracted institutional funding. So far Rockspring (now Patrizia also acting as a developer), Long Harbour, LaSalle, Legal & General, Grainger and 1 or 2 overseas funds have been purchasers plus another one or two which will be announced before this article is published. This does total in excess of 1,200 units with a significant number to follow in the pipeline.

I have recently been marketing a circa 400 unit scheme where the overall development value is circa £100m and whilst there is much reported activity by institutions in moving out of London to seek better value, it is a much more limited market for values in excess of £50m. The “sweet spot” is certainly between 150 – 200 units. The majority of this demand is from UK based funds but with an increasing international influence with money from Canada and USA as well as Netherlands and Germany where there are mature and sophisticated multi-family housing investment markets. Capitalised rental values (remembering that these are after deductions of 25% or more from the gross income) are still below vacant possession values. In Birmingham, this probably equates to vacant possession values of in excess of £350 per sq ft whilst PRS values have been nearer £300 per sq ft. Both these figures have moved up possibly by £50 per sq ft. This is relevant as the RICS guidance note on PRS valuation suggest using vacant possession value as a checker.

The significant aspect that I have learnt is that design is crucial and it is an evolving market.

As mentioned before valuation is the capitalisation of net income so design and management are crucial in driving the gross income in terms of letting mix, reducing turnover and reducing costs for example efficient cores, security specification of finishes. It is the landlord who pays for this. Perhaps the nearest equivalent sector would be to student purpose built accommodation of over five years ago. Generally, funds prefer new build; permitted development rights product is difficult as units are quite often not normally provided in new build; permitted development rights of over five years ago. Generally, funds prefer new build; permitted development rights product is difficult as units are quite often

It is accepted that yields have hardened down to the low 4% levels and there is still significant interest with a number of institutions having failed to secure their first purchase which should keep yields at these levels.

At the moment there seems to be no prospect of over supply but then the property market does have a habit of building in cycles.
The Midlands and Scotland continues to see land and house price growth

During Q2 2018, greenfield land values grew most strongly in the Midlands and Scotland. Greenfield land values in the East (East Midlands and East of England), West (West Midlands and South West) and Scotland increased 1.6%, 0.9% and 2.0% respectively. House price growth was also strong. In the East Midlands, West Midlands and Scotland, house prices grew 1.5%, 1.3% and 1.3% respectively, compared with 0.9% nationally.

More builders in the Midlands

Growth in the Midlands has been driven, in part, by more demand in this region from housebuilders. With increased growth in this region, demand for land is expected to be maintained. Berkeley have created a new brand in the West Midlands, called St Joseph, and are actively seeking land for development in Birmingham, Solihull, Warwickshire and Stratford-Upon-Avon. Crest Nicholson have also been growing their presence in the region. The new Crest Nicholson Midlands division set up last year, has acquired seven sites to date and is expected to complete its first homes this year. Miller also opened a West Midlands region in 2017 and with the growth of the region are planning to increase completions nationally by 48% to 4,000 per year.

Scottish growth

In the past year, house prices in Scotland have risen by 5%, making it the strongest performing part of the UK. This, in turn, has supported land price growth. The highest annual house price increase was in Edinburgh and Midlothian – with growth of more than 10% in the year to March 2018. In Aberdeen, the land market is showing the first signs of growth since 2014 as sentiment becomes increasingly positive.

Increasing land supply

In Q2 2018, land values in the UK increased by 0.8% for greenfield sites but have remained flat for urban land. Although there is growth in parts of the Midlands and Scotland, land values have stayed relatively constant across much of the country. This is partly a result of a continued increase in the supply of permissioned land. In 2017 391,320 new homes were granted planning permission in Britain according to the HBF Housing Pipeline report, a 20% increase on 2016. Whilst some housebuilders are reducing their land pipelines and continuing to buy land selectively, others continue to expand significantly and need land to do so. In Taylor Wimpey’s new strategy they plan to reduce the length of their pipeline of land to 4-4.5 years. Barratt aims to maintain a 4.5-year pipeline on an expanding delivery programme. Housing associations compete for land.

Demand for land is not just from the housebuilders. Housing associations (HAs) are planning to build increasing numbers of homes with less reliance on Section 106 and therefore they require more land. The top 50 HAs expect to increase completions by 50% over the next five years from 35,000 to 53,000 homes per year. In order to achieve this they will need to secure an additional 138,000 lots. 4,000 lots are needed to deliver the homes expected in the next year and a further 27,000 to 37,000 plots per year over the next four years.

Homes England have also announced the first wave of strategic partnership deals with eight HAs to deliver an additional 14,280 affordable homes by March 2022. A funding package of £590m over the period has been announced to support the partnerships with EMH group, Great Places, Home Group, Hyde, L&Q, Matrix Partnership, Places for People, and Sovereign / Liverty. As part of the agreement, the eight partners have committed to delivering 23,500 additional homes across all tenures. This reinforces their need for land to be able to meet this commitment.

HAs are not only looking in the short term to satisfy their need for land but are also turning to strategic land (that without planning permission) to take a longer term stake in their land pipelines. In our survey of HAs for this year, we found 26% of those who didn’t own strategic land were looking to acquire this type of land in 2018, double that of last year (see The Savills Housing Sector Survey 2018). Some 35% currently own strategic land, the same as last year.

Government land released

In its Land Development and Disposal Plan, Homes England has listed the sites it intends to bring to the market in the next year. Of these, 127 of the 221 sites are suitable for residential development. Some 29% of these
sites have outline or detailed planning permission, 30% are not yet allocated or proposed to be allocated in a Local Plan.

**Letwin Review**

The draft analysis of the Letwin Review concludes that build-out rates on very large sites are limited by the homogeneity of product. It calls for more variety in product type and tenure to deliver homes more quickly. In large part, this means delivering more affordable homes and those for rent as well as for sale.

The Build to Rent sector is growing, supported by institutional investment. The sector now has 125,000 units in the pipeline, 22,400 of which are complete. London is no longer the primary focus, there are now 21,600 Build to Rent units under construction in the regions compared with 15,900 in London.

In order to fund the affordable homes needed with grant, we calculate that at least £7 billion is required each year (see Savills Spotlight 2017: Investing to solve the housing crisis). The Homes England deals with housing associations (a funding package of £590 million) are a positive step towards filling this gap.
“They flee from me that sometime did me seek”: is the 2018 Framework the beginning of the end for Neighbourhood Plans?

On 24th July 2018, the Government published the new National Planning Policy Framework ("the Framework"), which was introduced as "fundamental to strengthening communities and to delivering the homes communities need". This article considers whether the Framework also signals the resurgence of strategic policy – 8 years and 18 days after Regional Spatial Strategies were “abolished” - and the parallel demise of neighbourhood plans.

“Thanked be fortune it hath been otherwise”: the 2012 Framework and the shift towards localism

In 2010, the newly elected Coalition Government accused the existing suite of planning policy documents of being unwieldy and creating an incoherent policy position. In their place, they presented a draft National Planning Policy Framework. The Foreword to the 2011 draft announced that issues with the current policy system would be addressed by “dismantling the unaccountable regional apparatus and introducing neighbourhood planning” and one of its stated objectives was the proposal “to put unprecedented power in the hands of communities to shape the places in which they live”.

By the time the 2012 Framework was adopted, both of these changes were already in place.

On 6th July 2010 Eric Pickles, then the Secretary of State for the Department of Communities and Local Government, announced that the Government planned to revoke Regional Strategies with a view to returning decision-making powers on housing and planning to local councils and making the planning system “simpler, more efficient... firmly rooted in the local community”. The validity of the decision was confirmed in subsequent case law and formally enacted in section 109 of the Localism Act 2011. The same Act introduced a new community-based layer of planning policy where local areas would propose and promote their own Neighbourhood Development Plans.

Neighbourhood plans were described by Mr Pickles as a “triumph for democracy over bureaucracy” but Friends of the Earth were concerned that neighbourhood plans would produce a planning postcode lottery while some academics went further, prophesying “an uneven geography of representation in favour of the better educated, well-off and more vocal social groups”. Even the Chief Executive of the British Property Federation expressed concerns about how easily neighbourhood plans would interrelate with the existing plan system.

Neighbourhood planning has indeed proved more problematic in practice than in theory. The changes were implemented in a piecemeal fashion, and tweaked through subsequent legislation, leading one Judge to comment that they could aptly be described as a “statutory thicket”. They have been a consistently disruptive element of the already complicated decision-making process generating significant case law on a number of different issues, with most cases resolved in favour of the neighbourhood plan. Neighbourhood plans have proliferated in areas of relative affluence where
there is a community with the necessary time and resources available, raising questions as to their equity where such resources are scarce. As Teresa Pearce MP pointed out in the debate on the Neighbourhood Planning Bill: “costs can exceed the moneys that the council receives neighbourhood planning must be open to all, and disadvantaged communities need to be able to participate.”

In spite of these issues, the number of neighbourhood plans has increased exponentially - the most recent edition of the “Notes on neighbourhood planning” announced the 500th referendum in favour of adoption of such a document. Until relatively recently, the Government has also continued to promote this element of the planning system: on 30th January 2018 the then housing minister Dominic Raab stated that “We will continue to protect neighbourhood plans in national policy”. However, in this case political rhetoric has not been supported by political reality.

“A strange fashion of forsaking”: the 2018 Framework and a return to strategic planning

In December 2015 the Government began a consultation on the revision of the 2012 Framework. This consultation document stated that the existing Framework reinforced the “central role of local and neighbourhood plans in the planning system”, did not mention the word strategic at all and proposed no substantial changes to the neighbourhood plan system.

In March 2018 the Government began a further consultation on the Framework. It contained a new paragraph 14 confirming the status of a neighbourhood in meeting housing supply needs, confirming the Written Ministerial Statement in December 2016, “to provide additional certainty for neighbourhood plans in certain circumstances”. It also introduced the concept of ‘strategic’ policies and the need for these policies to be “distinguished clearly”. The consultation closed on 10th May 2018. On 24th July 2018 the final version of the Framework was formally adopted. It contained a raft of subtle changes, not included in the original consultation document, that suggest a fundamental shift in the planning policy superstructure away from local in favour of strategic, even regional, plan policy making.

There is a new definition of “Non-Strategic policies” defined as “Policies contained in a neighbourhood plan, or those policies in a plan that are not strategic policies”. In addition, paragraph 18 refers to neighbourhood plans that contain “just non-strategic policies”. This clearly demotes all neighbourhood plan policies to the ‘second tier’ of the new policy hierarchy. Paragraph 30 then goes on to say that “Once a neighbourhood plan has been brought into force, the policies it contains take precedence over existing non-strategic policies in a local plan covering the neighbourhood area, where they are in conflict.” This suggests that, however recently they were adopted, neighbourhood plan policies will not have such automatic precedence over any strategic policy. The definition of “Strategic Policies” remains unchanged as: “Policies and strategic site allocations which address strategic priorities in line with the requirements of section 19 (1B-E) of the Planning and Compulsory Purchase Act 2004”. However:

• The term ‘strategic plan’ is replaced with a reference to ‘strategic policies” in paragraph 11, 60, 73, 117, 135, 136, 138, and 156;
• Paragraphs 25-27, 65 and 67 replace references to ‘plan making’ authorities with ‘strategic policy making authorities’.

Strategic policies are moreover defined with reference to section 19 of the Planning and Compulsory Purchase Act 2004, that in turn allows London Borough Councils, Mayoral development corporations, and local authorities within Combined Authority Areas to have strategic policies that are not part of their development plan documents. It cannot be entirely coincidental that the Combined Authorities (Spatial Development Strategy) Regulations 2018 were laid before Parliament just before the new Framework was published and came into force just afterwards. These regulations allow the mayoral combined authorities of Greater Manchester, Liverpool City Region and the West of England to produce and amend spatial development strategies, mirroring the powers that the Mayor of London already has to produce and amend the London Plan.

“All is turned”

Neither the principle nor the substance of most of these changes formed part of either consultation, but the Government’s position seems clear. The new Framework introduces a two-tier hierarchy of policies: strategic and non-strategic. Strategic policies may be contained in either a development plan or a spatial development strategy made by combined authorities and mayoral combined authorities. The National Planning Policy Guidance still states that “A neighbourhood plan attains the same legal status as the Local Plan once it has been approved at a referendum.” but such plans are now in fact doomed to occupy a permanent state of permanent relegation in the second tier of this new planning policy hierarchy.

1 HCWS 924 July 2018 Col 75WS
2 “They flee from me that sometime did me seek” (1535) Thomas Wyatt
4 Cala Homes (South) Ltd v Secretary of State for Communities & Local Government (Rev 1) [2011] EWCH 97 (Admin) (07 February 2011) URL: www.bailii.org/ew/cases/EWCH/Admin/2011/97.html
5 Cala Homes (South) Ltd v Secretary of State for Communities and Local Government & Anor [2010] EWCH 2866 (Admin) (10 November 2010) URL: www.bailii.org/ew/cases/EWCH/Admin/2010/2866.html
6 Simin Davoudi & Paul Cowie ‘Are English Neighbourhood forums democratically legitimate?’ Planning Theory and Practice vol 1 no. 4 562
7 BPF Press Release, Property industry welcomes publication of Localism Bill, 13 December 2010
8 Friends of the Earth Press Release, Localism Bill fails vital green test, 13 December 2010
9 Simin Davoudi & Paul Cowie Are English Neighbourhood forums democratically legitimate?’ Planning Theory and Practice Vol 1 No. 4 562
11 Westminster Hall debate “town and village Plans” 30 January 2018 column 338
12 In December 2015 the Government began a consultation on the revision of the 2012 Framework. This consultation document stated that the existing Framework reinforced the “central role of local and neighbourhood plans in the planning system”, did not mention the word strategic at all and proposed no substantial changes to the neighbourhood plan system.
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15 Neither the principle nor the substance of most of these changes formed part of either consultation, but the Government’s position seems clear. The new Framework introduces a two-tier hierarchy of policies: strategic and non-strategic. Strategic policies may be contained in either a development plan or a spatial development strategy made by combined authorities and mayoral combined authorities. The National Planning Policy Guidance still states that “A neighbourhood plan attains the same legal status as the Local Plan once it has been approved at a referendum.” but such plans are now in fact doomed to occupy a permanent state of permanent relegation in the second tier of this new planning policy hierarchy.
Regeneration is not a dirty word – improving housing doesn’t always have to end with gentrification

Gentrification is a divisive and tainted term. The phrase was coined by Ruth Glass in 1964 while studying the movement of people in Islington, London. She described how many urban areas of London had changed, as ordinary run-down mews and terraced housing were turned into housing for the rich. A key part of her findings was noting that “once this process of ‘gentrification’ starts in a district it goes on rapidly until all or most of the original working class occupiers are displaced and the whole social character of the district is changed”.

Projects that aim to deliver better quality housing have been maligned by accusations of ‘social cleansing’ as original owner occupiers get displaced. But regeneration does not have to mean driving existing residents out of their homes. Quite the opposite.

Regeneration is not just knocking down homes and rebuilding them but providing a better place to live, with more green space, leisure facilities, and increased safety - and part of the challenge is communicating that to residents. Regeneration has become the buzz word of politicians and professionals in the property and construction industries in more recent years. Regeneration is the attempt to address industrial and manufacturing decline by both improving the physical structure and the economy of those areas. When comparing gentrification to the process of regeneration one realises how closely related they are. Broadly speaking, gentrification differs due to its association with the displacement of people, but they both attempt to make areas better, whether that is physically, environmentally, socially, economically, educationally etc.

While it is clear that regeneration and gentrification are similar, the drivers for regeneration must be geared towards benefiting the existing communities. They are the very people who we build for. It is about building on the existing strengths of the area and addressing the issues that people live with. Our social mission is all about building homes and making places and about having aspirations. The buildings and places we develop must do more than simply provide a roof over somebody's head. It is not just about building better quality houses. It is not just about what you live in; it is about how you socialise with your neighbours and having access to great communal facilities and open spaces and transport links.

The question is whether, through initiatives in equitable development, we can create communities that bring mixed incomes, mixed race and mixed age back together. Creating places with diverse cultures and incomes and a vibrant local character is good for everyone — including developers. In the long run, you create more value. There is no doubt that rising housing costs as a result of regeneration can cause problems for existing residents, who can feel they are being priced out of their communities, but it is essential we remember that investment in development is a sign of belief in a neighbourhood. We are now seeing an increasing number of developers shifting their focus from simply delivering a project to “place making”, providing a mix of uses and creating sustainable development. Regeneration therefore has more to offer local communities than they may at first believe.

The idea of uprooting families and dispersing people who have built up a community and support networks goes against...
what most people believe in. But by introducing an increased variety of homes for sale and for rent we create a more balanced community and increase opportunities for existing residents who, for example, may wish to buy their own home. Similarly, we need to ensure that buyers are not priced out of the market when it comes to some of the more highly sought after locations. As one executive director of a social housing provider said, “Everyone has potential. Sadly, some are trapped in apathetic environments that inhibit this.”

Planning policy is all about balancing competing interests and how investment should be managed for the betterment of all and geared towards existing communities. Section 106 contributions and even community infrastructure levy all go towards community infrastructure such as education, transport, heath facilities, creation of open spaces etc. New or improved schools and doctors’ surgeries and other facilities that encourage community cohesion come forward, which local communities truly need. Socio-economic benefits are felt by all, as more job opportunities for example are created.

Regeneration of our estates is going to become a more urgent task as mid-century urban fabric needs upgrading to build homes fit to live in. It could also go some way to solving the housing crisis: a report by Savills last year found that by regenerating and densifying housing estates, an additional 360,000 homes could be built in London alone. Savills has estimated that 64,000 new homes need to built in the capital every year just to meet demand. To do this, working with private companies is crucial. The law brings forward regeneration schemes as it allows for public/private partnerships, joint ventures, contractual development agreements etc even though there will always be a balancing act between the wish lists of the contracting authority as land owner, the contracting authority as planning authority and the developer. Ultimately financial viability will always be a deciding factor. The public procurement process to appoint a developer is a long and costly one for all involved. What parties need to do is build in sufficient flex from the outset to allow projects to evolve as viable schemes whilst simultaneously protecting the community to ensure that the “place,” which is ultimately created, is for the benefit of all. It will also be interesting to see how many local councils borrow money to build more homes given the Government’s recent announcement to lift the borrowing cap on local councils.

But in order for the law and policy to be successful, the key ingredients to making regeneration an all-round success is early communication, meaningful consultation and true collaboration among the existing community and stakeholders, understanding and listening to the existing community, a balanced approach to wish lists and a tailored approach rather than ‘one size fits all’.

It is about sustainable regeneration, not opportunistic gentrification. Regeneration is not simply a sugar-coated euphemism for gentrification with all the negative connotations of that term excised.

It is about developing outward-facing schemes where bottom-up community involvement is as important as top-down investment strategy. It’s about leveraging localism to create a feedback loop with the local economy to ensure the future of the development. Only by doing this can shareholder/developer requirements be aligned with social need. The task of regeneration requires “softer skills” of communication and empathy.
Landlords beware the Ides of March!

As someone who has spent most of his professional career trying to improve the conditions in which people live I been involved in literally thousands of litigation cases, often as a single jointly appointed expert in civil claims of Landlord & Tenant disputes for Disrepair as well as criminal cases involving claims over housing conditions alleging prejudicial to health and a statutory nuisance.

One of the areas in civil cases where Landlords could not be prosecuted was where for example was caused by the design of the property or where there was no proven Disrepair.

The legislation governing disrepair is mainly governed by section 11 of the Landlord & Tenant Act 1985, which states and I quote; (1) In a lease to which this section applies (as to which, see sections 13 and 14) there is implied a covenant by the lessor—

(a) To keep in repair the structure and exterior of the dwelling-house (including drains, gutters and external pipes),

(b) to keep in repair and proper working order the installations in the dwelling-house for the supply of water, gas and electricity and for sanitation (including basins, sinks, baths and sanitary conveniences, but not other fixtures, fittings and appliances for making use of the supply of water, gas or electricity), and

(c) To keep in repair and proper working order the installations in the dwelling-house for space heating and heating water.

What this law does not cover are problems arising from poor design or where there is in effect nothing broken or defective.

Looking closer at these two main aspects, firstly design, and specifically the early no fines concrete buildings developed in the late 1940’s and constructed through to the 1970’s. These were structures using pressed concrete without sand or fine aggregates original developed by George Wimpey & Co. As time has passed buildings are prone to greater heat loss and cracking and many have been external cladded to act as both a rain screen and improve the thermal resistivity of the walls to lower heat loss from inside. However, in many of these unimproved buildings, tenants also complain of mould and condensation damp internally and the difficulty in affording the heating bills, and indeed some of the home conditions we have witnessed over the years are truly appalling and prejudicial to health.

However, with these types of original construction, provided they are defect free no matter how poor they may be in terms of thermal efficiency, Landlords could not be found in breach of their repairing obligations under section 11. Similarly, if a property was built without any damp proof course to the walls or damp proof membrane to the solid floor as could be the case in older buildings, especially those built before 1875 and for example, due to changes in the local water table, they begin to suffer from rising damp, created simply by natural occurrences. In such cases Landlords could offer a defence to a claim for Disrepair brought by a tenant under section 11.

Now all of this is about to change. The new Homes (fitness for human habitation) Bill introduced by MP Karen Buck would challenge such a defence due to the overriding consideration of whether in such circumstances the property was fit for human habitation. I would predict that this will open the legal flood gates and that future judgements will result in orders for Landlords to make all necessary improvements and to address any shortfall in design matters to ensure that the occupied dwelling is fit for human habitation. The impact is likely to result in a huge increase in expenditure for Landlords.

Prior to the introduction of this new Bill, it was in effect possible to let a tumble down damp house where the building was not suffering from Disrepair within the meaning of section 11 or any breech in the Landlords Duty of Care under section 4 of the Defective Premises Act 1972.

The new Bill has already gone through its third reading and is predicted to become Law during the time this article is published. It will be a major game changer for Landlords and tenants alike. Once the Bill has been passed Landlords will no longer be able to defend poor or inadequate housing conditions by entering a defence under design or because of the original construction. The introduction of this new Bill will have a potential major impact on Landlords meagre repairs and maintenance budgets and their capex or major works budgets.

The new Bill places an onerous duty upon Landlords to ensure that the home being let is fit for human habitation from the outset of the tenancy. If by Expert opinion it is found that the building falls foul of what has always been a criminal matter under the Housing Health & Safety Rating Scheme (Housing Act 2004) and the Environmental Health Act 1990 and in particular sections 79-82. Now the fit for human habitation becomes an amendment to the Civil Law under the Landlord & Tenant Act 1985.

According to the 2015/2016 English Housing survey, the number of properties with a Category 1 hazard under the Housing Health and Safety Rating System (HHSRS), which is defined as a “serious and immediate risk to a person’s health and safety” are:

• Social: 244,122
• Private: 794,600
The Bill rejuvenates an existing clause under section 8 in the Landlord and Tenant Act 1985, requiring rented homes to be "fit for human habitation" from the commencement of the tenancy and for this to be maintained throughout. A duty to ensure rented properties are fit for human habitation was created as long ago as 1885 by the Housing of the Working Classes Act, and carried forward in subsequent relevant legislation.

However clause 8 has remained inactive, as legal action could only be brought if rent levels were below £80 per year in London and £52 per year elsewhere. These rent levels were set back in the 1950's and remained unchanged. The amendments being put forward are likely to either substantially increase the rent levels or remove the rent cap altogether.

The Bill now incorporates the 29 hazards outlined in the Housing Health and Safety Rating System (HHSRS) and adds them to the 9 original fitness categories. This has updated the Bill from the 1985 version, and ensures that we avoid duplication of enforcement standards in the rented sector.

The big change that will have the most impact for Landlords contained under the new 'fitness standard' includes issues not currently covered by a landlord's legal repair responsibilities (outlined in section 11 of the Landlord & Tenant Act 1985), such as rodent infestations, insect attack, damp caused by design failures; e.g. thermally inefficient walls and lack of adequate ventilation, rather than from the much narrower definition of disrepair contained under section 11.

The Bill enables tenants the vehicle by which to take effective action themselves, if they rent a property in poor condition as well as the established definitions of being in Disrepair, and the landlord fails to undertake the necessary remediation and routine maintenance.

Actions under the new Bill are available to both private and public tenants alike. Currently tenants do not have the means to enforce property standards themselves. The Bill gives tenants the right to take their landlord to court where the property is not fit - they will be able to apply directly to the Court for an injunction to compel a landlord to carry out works, or for damages (compensation) for the landlord's failure to keep the property in good repair. Some tenants will be able to apply directly to the court using their own evidence, such as photos of severe mould or hazards.

The tragedy of Grenfell Tower was not only the most horrendous example of what can happen when reported unsafe conditions go unaddressed, but it highlighted how easily tenant's views are simply ignored.

Residents repeatedly raised concerns over safety most of which fell on deaf ears. This resulted in little or nothing being done to address the expressed concerns that so many had. But this scenario is fairly typical, in my experience of the lack of a voice, the lack of a proper and considered response that many tenants experience across the UK.

My reading of the Bill indicates that it may not go far enough at the moment to cover the common areas of tower blocks, where many of the residents of Grenfell are understood to have expressed their concerns over such items as the stairwell areas, fire doors or lack of them, sprinkler system etc.

Whilst it would quite incorrect to second guess the outcome of the enquiry led by Sir Martin Moore-Bick into the dreadful Grenfell tragedy. My feeling is that it will highlight systemic failure and make recommendations for a new approach; new ways of working and above all will no doubt influence what should be covered under the new bill.

For the Bill to have fully applied in the case of Grenfell, it will need to be extended to apply to all common parts (e.g. stairwells) and the structure of the building. This would enable residents to compel their landlord to make repairs to the many parts of the building that often get overlooked.

Therefore the new Bill would need to be extended to cover common parts and in doing so, will at least put into place the necessary tools to give essential empowerment to people that gives them a voice to be heard and a mechanism by which they can bring landlords to account before the problems identified lead to serious accident and fatality.
WORKING AS AN ARCHITECT EXPERT WITNESS

Over the last 30 years I have been involved with work as an architect expert witness dealing with land disputes, planning, construction disputes and building defects. I wouldn’t drop my design work and go over to the dark side completely – indeed I consider it very important that an expert should also be an active designer – but a different view of the architectural world with plenty of intellectual cut and thrust brings a welcome touch of variety.

All aspects of this work have their specific challenges and complexities, but work on cases involving construction defects can be particularly involved and even hazardous. On one occasion, returning from a site in Somerset, I was almost arrested when a police officer spotted what she thought was a consignment of heroin in my bag – it was actually a sample of failed render which I needed for testing – and in another case involving major repairs to an occupied block of flats I found that my site visits were being logged by the police because one of the tiniest flats was being used as a brothel! Happily, I came through these and other incidents unscathed.

My first involvement with such work was in the 1980s when the practice I was with then was instructed by a Housing Association to investigate two seriously defective developments in Barnet. This was in the days when we still built large numbers of houses and flats in the UK. We set up a client Association comprising an architect, an engineer and a QS, having set up our Association, were swamped by approvals for 30 or more projects in a very short space of time. The schemes were moreover intricately designed, increasing the density of dwellings on constrained sites but, at the same time, generating great numbers of complex detailing and construction problems.

As the schemes were finished and occupied, it became clear that they were riddled with serious defects, often with the same problems rearing their heads in several different developments where incorrect details had been passed from one contract to the next. A drawing for one particularly poor parapet detail had been passed from one team to another with a hasty note added: ‘We’ve had a lot of problems with this; hope you have better luck.’ Nor were the problems confined to those caused by incorrect and inadequate detailing; poor construction and lax site inspection were also major contributory factors.

Once the, often numerous, problems affecting each development are identified the next essential is an understanding of ‘building pathology’. The huge damp marks on the ceiling of a flat may result from a roof failure, from interstitial condensation, from the builders’ failure to connect the bath in the flat above or from the empty scotch bottle bridging the cavity of the external wall. The huge cracks in the brickwork may be caused by clay heave distorting the foundations where a large tree has been removed, by the lack of movement joints or by the failure to ensure that balconies are adequately fixed back to the main building structure. Only when the problem has been understood can you begin to identify the party to blame and the possible remedy.

A completely different aspect of work as an architect expert is that involving property disputes and one intriguing case on which I advised
involved the potential diminution of value in a very large London site which might result if a new rail line were to be routed across it. The process was to design two versions of a scheme, both taking into account some particularly complex constraints, one with the rail line in place and one without, so that two versions of a site valuation could be prepared. The catch of course was that the whole process had to be robust in the face of cross examination.

The whole byzantine process, taken to a considerable level of detail, resulted in construction of the new line going ahead but interestingly, more than ten years later, the site itself remains undeveloped.

The 80s were certainly a difficult time for the profession and initially it worried me to be pursuing other hard-pressed architects. Mandatory fee scales had recently gone but there was no possibility of practicing as a limited company, judgements were pushing liability ever further into the future and Housing Corporation policy was to pursue architects in all cases. PI insurance premiums shot up to reach 10% or more of turnover.

In the first case I mentioned, however, my worries about acting against a brother architect were laid to rest when it became clear that he had recently been living at Her Majesty’s pleasure for fraud and perjury. Looking at the matter more generally, it can never be right if a few architects take to cutting corners, however difficult the circumstances, so identifying those whose work is negligent has to benefit the profession in the long term. Often such negligence results from obvious causes - persistent failure to resource the work adequately and the use of junior staff without checking their work for instance – but there is also a particularly architectural failure where the client’s best interests are swept aside as the architect single mindedly pursues his or her vision of ‘their’ building.

I have acted in a case recently where, as part of his brilliant design concept for a house, an architect drew up an entirely bespoke window system with very large sliding and pivot doors, instead of selecting a tried and tested manufacturer’s system. Great care was lavished on the details, large numbers of drawings were produced, and the finished windows look very fine. The unfortunate reality though is that the windows were hugely expensive, the long lead in times contributed to massive delays, they do not keep the rain out, suffer from serious cold bridging, do not provide properly for ventilation and worst of all the doors are so enormously heavy that it usually needs two people to open them.

This is difficult territory because I consider it essential (as I said before) that experts should also be involved in normal architectural practice and in that part of my life I spend a lot of time and effort resisting attempts by clients, quantity surveyors and others, to ‘dumb down’ my designs. I think it is entirely right that architects should push against the limits to create exciting new buildings, but at the end of the day a piece of concept design which has gone completely off the rails is as much a defect as the more mundane workmanship problems of bridged cavities and leaking parapets.

The case continues...

The Growth of Green Infrastructure

The incorporation of green infrastructure in development projects is rising in popularity, not least because of the commitments made by the Government to tackle climate change and reduce greenhouse gas (GHG) emissions.

Green infrastructure has the potential to aid in reducing the UK’s GHG emissions and therefore, in this article we look at just what green infrastructure is, the policy background, and the incentives for the development industry to innovate and invest in green infrastructure.

What is green infrastructure?

Green infrastructure aids in combatting some of the impacts of climate change, it can improve air and water quality, store carbon, have a cooling effect and reduce carbon emissions from the energy used to heat and cool homes and businesses. Green infrastructure encompasses a wide range of natural and built environments, from parks and woodlands, to green living roofs and terraces, green living walls and residential gardens.

Policy basis/background

In an effort to tackle climate change, the Government has committed to reducing the UK’s GHG emissions from 1990 levels by at least 80% by 2050. It has released plans and strategies to assist in achieving this aim and to encourage sustainable growth.

On 11 January 2018 the Government published the UK’s 25 Year Environment Plan which sets out the goals for improving the natural environment and moving to a low carbon economy. The Plan provides information on how the Government will work with communities and businesses to achieve these goals. The Plan sits alongside two other sister Government strategies: the Industrial Strategy and the Clean Growth Strategy.

The Clean Growth Strategy sets out proposals for the long term decarbonisation of the UK economy and re-confirms the UK Government’s commitment to environmentally sustainable growth. The Industrial Strategy seeks to set out how UK industry can maximise the advantages of the UK and global transition to low carbon economies.

One of the aims of the Clean Growth Strategy is to reduce the emissions...
created by heating UK homes and businesses, this is reported as accounting for almost a third of UK GHG emissions. Higher quality, more energy efficient buildings are healthier places to live and work, and have the advantage of reducing emissions and heating bills. The Industrial Strategy aims to mobilise and stimulate the private sector to innovate and invest in energy efficient and healthy buildings.

As an example, the Industrial Strategy’s “transforming construction” programme aims to transform the construction industry to make buildings more affordable, efficient, safer and healthier. To do this, the Government will invest up to £170 million, matched by £250 million from industry, to create new building processes and techniques. The Government seeks to incentivise greater private investment in household and commercial building energy efficiency and support innovation in what it calls low carbon infrastructure. This, together with the recent ban on leasing private buildings with an energy performance certificate rating less than E, illustrates the Government’s commitment to supporting adaptation to climate change and green growth, and should encourage innovation and investment in green (or low carbon) infrastructure. This will lead to more efficient, healthier and environmentally friendly buildings with lower embodied and operational carbon emissions.

The 25 Year Environment Plan states that the Government will ensure that all policies, programmes and investment decisions take into account the possible extent of climate change this century, further suggesting that innovation and investment in such things as green infrastructure is set to grow.

The case for green infrastructure

The UK Green Building Council, a registered charity representing the construction and property industry and advocating a sustainable built environment, has identified a number of opportunities that establish a business and investment case for green infrastructure. These can be looked at as incentives for industry to innovate and invest. The most notable ones are as follows:

- Planning – planning permission could be refused or delayed if green infrastructure is not incorporated appropriately. Conversely, green infrastructure could help an application to be looked upon favourably, for example if the development, the subject of the application, looks to reduce building carbon emissions and combat urban heat island effects.
- Construction – it can be more cost efficient to work with the landscape and habitats than to replace them with hard engineered systems. This can also reduce emissions caused during construction by working with rather than against the natural environment.
- Operation – green living walls, roofs and courtyards can reduce the temperature of a building reducing the cost of air conditioning and carbon emissions output and protect the structure from the effects of heat, again reducing a building’s energy use, running costs and emissions.

Another body representing land and property professionals, the Royal Institution of Chartered Surveyors, has released a professional statement stating that its members must assess both the operational and the embodied carbon emissions over the whole lifecycle of a real estate asset so that the best combined opportunities for reducing lifetime emissions can be identified. The objective of this statement is the mitigation of carbon emissions and climate change impacts in the built environment. It aims to promote long term thinking past project practical completion, and it is hoped that this statement will encourage and incentivise developers, property professionals and their clients to pursue reductions in building carbon emissions. Ways to pursue this could include considering green infrastructure early in the building design process, investing in new green infrastructure practices, and incorporating green infrastructure into residential, commercial and public development schemes. There are also broader assessments such as the Building Research Establishment Environmental Assessment Method (BREEAM) sustainability assessment for buildings. This assessment tool stimulates developers and property professionals into addressing building sustainability which ultimately encourages the incorporation of green infrastructure into building design. The use of BREEAM for any development project has the environmental benefit of reduced embodied and operational carbon impacts and increased building energy efficiency. BREEAM encourages greener practices, innovation in energy management and the uptake and use of green infrastructure in development. This has the ultimate effect of aiding in the reduction of carbon emissions created by heating and cooling homes and businesses.

Public interest also plays a part in driving the development of green infrastructure in the property sector. For example, the WELL Building Standard can be attributed at least in part to public demand and people’s desire to live and work in environmentally friendly buildings that promote health and wellbeing. The Standard is aligned with the aims and objectives of green infrastructure, and plays an important part in encouraging the public’s interest in green buildings and environmentally conscious building practices such as green infrastructure. Ultimately, the WELL Building Standard like BREEAM, provides an incentive for the industry to develop buildings that have lower carbon emissions.

Concluding Comments

The development and building industry is being encouraged and incentivised to innovate and invest in energy efficient and health buildings, and this will encourage the uptake and growth of green infrastructure in development projects. Incentives are coming from both the Government under its policies and strategies, and industry itself through professional bodies and development standards. The growth of green infrastructure will ultimately aid in the Government reaching its GHG emissions reduction targets, and assist the UK in adapting to the challenges presented by climate change and its transition to a low carbon future.

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6. [www.breexam.com](http://www.breexam.com)
7. [www.wellcertified.com/about-iwbi](http://www.wellcertified.com/about-iwbi)
Time to Act

According to an unspoken, but seemingly well-established rule, sustainability articles tend to begin with a proof-of-concept. Statistics are given on humankind’s disastrous impacts on planetary resources and systems, sometimes combined with a brief history of sustainability going back to Club of Rome or even further to the Malthusian trap. I would like to believe that in 2018, there is no further need for this. Overpopulation, climate change, biodiversity crisis and run-away air, sea and ground pollution are facts. The time for the debate is over, and the time to act is now.

Climate Change Presents Financial Risks

Very much in this spirit, the finance ministers of the G20 wanted to find ways to for organisations to provide better information about climate change risks and opportunities, and tasked the Financial Stability Board (FSB) with taking action. The FSB is asked to ensure that the global financial markets operate effectively and for the benefit of the society. Realising this mission is dependent on effectively addressing climate change risk, it formed the Task Force for Climate-related Financial Disclosure (TCFD) in 2015.

Generally speaking, climate change actions will fall either in the mitigation or adaptation category. The former seeks to minimise the effects of climate change; mostly by reducing the emissions of greenhouse gasses, such as carbon dioxide. Adaptation measures focus on dealing with the projected consequences of climate change which vary depending on the applied scenario. Both climate change mitigation and adaptation address climate change risks.

The TCFD recommendations have, since their publication in June 2017, seen widening support from the institutional investors’ community. This is no surprise, as they are intended to enable organisations to provide decision-useful, granular and forward-looking information on the financial impacts of climate change. The decision in question can be taken by the organisation itself, putting in place actions to protect itself or its products from the risks, or grasping the opportunities for a competitive advantage. However, it is also very likely to be an investment decision based on the assessment of climate-related impacts on the particular asset class. Assets seen as bearing too much risk can become un-investable, or stranded. Currently these terms are currently mostly linked to fossil fuels, especially coal, but it would be naive to consider this to be the limit of possible climate change impact on asset investability.

S&P Global Ratings found that real estate has one of the lowest numbers of environmental and climate references in key credit factor articles, and that their impact is neither as direct nor high as in other industries, most notably oil and gas. The real estate sector has thus so far evaded ratings change, but this does not mean that climate change risks for built environment are not real or significant. S&P further identifies the TCFD-defined risks and opportunities in relation to their influence on rating changes, with physical impacts and policy and legal by far most impactful. These two risks are further examined in greater detail below.

Physical Risks

TCFD defines physical risks resulting from climate change as acute occurrences, typically extreme weather events such as floods, and longer-term chronic changes such as an increase in average temperature. For the built environment, these risks can result in a range of undesirable effects, from direct damage or increased maintenance and operational costs to asset obsolescence and even destruction.

Last year, the Committee on Climate Change (CCC) published their comprehensive UK Climate Change Risk Assessment Evidence Report which includes an assessment of risks specific to the built environment.

They highlight the five most critical physical risks with overheating of buildings, compounded by the urban heat island effect, taking the prime position. Given that the UK has just endured one of the hottest summers on record, and already sees around 2,000 heat-related deaths each year, it is of little surprise that the CCC marks this risk as one requiring urgent action. The scale of the problem is immense. Traditional British architecture is not been designed to deal with high temperatures for prolonged periods of time. In fact, overheating is still not a primary concern. Newly constructed homes must comply with Building Regulations requiring high levels of airtightness, which could even exacerbate the problem. There are no policies at all dealing with the necessary adaptation of the existing buildings to chronically higher temperatures. The Institute for Public Policy Research recently published a report on fuel poverty, concluding that the UK government is already set to fail on its 2030 target to achieve the energy efficiency of Energy Performance Certificate rating (EPC) of C for such homes. There are some 2.5 million fuel-poor households in England alone. Cooling all these homes with mechanical air-conditioning systems is likely to bring costs of £1 billion by 2050, and so is unlikely to be a practical or even possible solution.

The flood risk is, in comparison, more understood and recognised. The CCC expects that the risk will increase to see the flood-related damages rise to £16 billion by 2080s from the existing £1.3 billion. Long-term flood risk maps plotting effects from rivers, the sea, surface water and groundwater flooding, supplemented by more precise custom flood risk assessments have long guided the development of both prevention measures such as sustainable urban drainage systems (SUDS) and regulatory environment including planning permission conditions for developments. Despite these efforts, Flood Re, founded to subsidise insurance for at-risk homes warns that some properties remain effectively uninsurable because of the high risk of flooding. The high cost of insurance is due to hit these households particularly severely after Flood Re’s scheduled wind-down in 2039. As ever, the risk of climate change effects will worst hit the poorest areas of the country, which can ill afford the costs.
Transition Risks

The second most impactful climate-related risk identified by S&P is the ever-evolving legal and regulatory environment, encompassing both climate change mitigation and adaptation. Minimum Energy Efficiency Standards (MEES), targeting the former, are the latest example of regulatory changes’ impacts on real estate. It is now unlawful to enter a new lease on a commercial or residential property with an EPC rating lower than E, a factor which can and have strongly influenced investment decisions and has driven wide implementation of performance-improvement measures across the existing building stock.

Regulation aimed at climate change mitigation is likely to become even more stringent. This is necessary to achieve even the current Nationally Determined Contributions (NDC) submitted by countries worldwide as part of the historic Paris Agreement, even though they still fall cumulatively short of the proclaimed target to keep the planet’s average temperature within 2°C of pre-industrial levels. The UK has submitted its own NDCs building further on the leadership position it assumed with the Climate Change Act adopted in 2008. Achieving these will require even more efforts, even as the UK has already cut carbon emissions by more than a third since 1990.

The European Parliament approved the revised Energy Performance of Buildings Directive in April this year requiring the member states to transpose the new elements into national law within 20 months. The measures include the use of information and communication technology (ICT) to improve the performance of buildings, the introduction of smart readiness indicators as well as the rollout of e-mobility infrastructure. Fuel - or energy - poverty is equally a concern on the continent and the measures seek to combat it through an extensive long-term strategy for renovation of the existing building stock.

It is unclear how these rules will be translated into national regulations. The way EPBD’s first iteration has been rolled out across the Union shows an uneven transposition and even less consistent implementation. For the U.K., BREXIT adds another layer of uncertainty as the current negotiations at the time of writing don’t seem to offer any guidance on regulatory alignment. Nevertheless, the standards for environmentally efficient buildings, be they new build or existing stock operation can be expected to continue to rise.

Finally, the legal risk related to climate change includes litigation brought by various claimants, including property owners and state bodies seeking redress for the failure of companies and organisations to mitigate or adapt to the effects of climate change or make an adequate disclosure. And with this, we come full circle.

An Increasingly Important Framework for Action

Considering the significance of the financial risks presented by climate change and the wide adoption of TCFD by immense investors such as Blackrock and Citigroup, it is no surprise to see immediate effects across the board. TCFD recommendations have already been embedded into widely used voluntary assessments including the CDP and Principles for Responsible Investment.

All of the “Big Four” professional services companies have both endorsed the guidelines and offer services to organisations looking to adopt the framework. With this level of engagement and pressure, the TCFD recommendations are rapidly becoming an expectation for corporations which are committed to sustainability.

The TCFD recommendations will rapidly move from the voluntary space to a regulatory requirement. The upcoming revision of Non-Financial Reporting Directive in 2019 will see the integration of TCFD recommendations, as already indicated by the European Commissions’ Guidelines on disclosure of non-financial information published in 2017 and further in the Financing a Sustainable Economy report of the High-Level Expert Group on Sustainable Finance. The high-quality disclosure of climate-change related risks and opportunities will soon become a regulatory requirement itself and, hopefully, an integral part of every business’ operation.

The time to act is now, and the TCFD recommendations are a very good place to start.
encourage those who receive Direct Payments to redirect Direct Payments to other areas. This will not only help the owners of land, which benefits from Direct Payments, but also support the transition period, will be ‘delinked’ from the current requirements to farm land. This will enable the owners of land, which benefits from Direct Payments, to redirect Direct Payments to other areas. This will not only encourage those who receive Direct Payments to think about where they would like to invest it, but it will also raise the quandary, with some farmers, as to whether 2021 would be an appropriate moment to retire as the Direct Payments could be absorbed into a private pension.

The Government is also considering whether it will give farmers the option to take a one-off lump sum payment instead of annual payments. If implemented, it may incentivise retirement and put succession planning at the forefront of some farmers’ minds – particularly whilst Agricultural Property Relief from IHT remains available. For those farmers with no obvious successor, this could incentivise sale as the proceeds could be combined with the one off payment and added to a private pension.

With this in mind, it is possible that a large volume of farm land could start to enter the market from 2021. Defra has suggested this will provide opportunity for those wishing to enter the farming industry. In practice, this is more likely to provide opportunities for those wanting to expand existing holdings and to invest in land, whether for agriculture or strategic benefits.

### Opportunity

An interesting outcome of the Bill is the proposal that the Direct Payments, made in the transition period, will be ‘delinked’ from the current requirements to farm land. This will enable the owners of land, which benefits from Direct Payments, to redirect Direct Payments to other areas. This will not only encourage those who receive Direct Payments to consider what public goods they offer new opportunities for, but also to shape up or ship out’. That is to ignore the opportunities, but justly acknowledges that there remains available. ELMS will offer new opportunities for funding and farmers should consider what public goods they might be able to offer.

**Preparation for the future**

Farmers should now be considering whether their farming businesses are prepared for post-Brexit Britain. Important considerations are whether their business structures are appropriate for a future where there may be reduced levels of subsidy available. ELMS will bring an end to the current arrangement of free movement of persons from the EU into the UK. This is a concern to farmers, particularly in the fruit and vegetable sector, as the farming industry currently hires over 100,000 seasonal workers per annum.

To help alleviate farmers’ concerns, the Government announced, on 6 September 2018, a two-year migrant worker pilot scheme to allow fruit and vegetable farmers to employ 2,500 migrant workers for seasonal work for up to 6 months per year. It seems unlikely, however, that this will be sufficient labour to meet the current demand. Farmers are, indeed, already reporting shortages in migrant labour as traditional European agricultural workers choose to work in other countries due to the weakness of the pound.

What will happen to the UK’s agricultural trade, post-Brexit, is also unclear - especially after the Salzburg summit on 21 September 2018. The trading relationship with the EU will form a key part of any deal, if a deal can be reached. If there is a ‘no deal’ Brexit, however, agricultural trade will likely see disruption as the UK will be deemed as a ‘third country’ in the eyes of the post-Brexit EU. This could cause severe issues to the export of agricultural goods to the EU, in particular livestock and perishable goods such as soft fruits and vegetables.

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**People and Trade**

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Retail, under threat or an opportunity?

Retail is something that everyone can identify with, from a new pair of shoes, to a coffee on the go, to the basket of groceries for the week or more likely, that “top-up shop” on the way home. This will explain why everyone has a view on it. Irrespective of budget or geography, we are all consumers and we all buy a range of products from a variety of retailers throughout the week, and retail inside the M25 is quite different to the real retail landscape across the regions.

Retail is not linear; it is not as simple “prime” or “secondary”, terms used in the yester years of the retail real estate sector. Retail is a highly dynamic sector comprising a multitude of sub-sectors and channels, from discount to luxury, fashion to health & beauty, or in-store to online. Retail is a hugely multi-faceted sector, one that employs some 3 million people in the UK and boasts some of the most innovative and successful companies. In 2017, one third of all consumer spend went through retail and total UK retail sales in the same year totalled some £327 billion. Notably £281 billion of that was in-store or via click & collect. In short, the retail sector plays a very important role in the overall shape of the UK economy.

If you read the newspaper headlines however, you could be forgiven for thinking retail is on its knees, but this is simply not the case. Retail today is very different to the retail of even five years ago, it is changing and those brands that are not adapting fast enough to this change are doing the wider sector a disservice as their dated business models dominate media headlines. The spotlight is narrow, for there are a wealth of retailers performing well and moreover expanding, but these stories don’t make for quite as juicy a news headline.

At NewRiver, we own, manage and develop £1.4 billion of community and convenience led retail and leisure assets spanning some 8 million sq ft of space up and down the UK. Our portfolio includes 35 community-focused shopping centres, 21 convenience-led retail parks and over 600 local pubs. The unifying investment case for each of our hand-selected assets is
that they are convenience and community focused assets that serve the weekly needs of the UK family household. Since NewRiver’s inception in 2009 to the FTSE 250 company we are today, the focus of our business model has remained consistent - specialising in discount, convenience and community focused retail and leisure in the UK, which in turn translates to being well-positioned and resilient to the wider economic headwinds.

This sub-sector can be further defined as non-discretionary items that we require, not just desire. Irrespective of the economic landscape, consumers continue to require items from their weekly household shopping list, and with the absence of real wage growth, dwindling consumer confidence and increased interest rates, consumers are increasingly focused on value for money. This is a clear reason why this sub-sector is performing very well, for the discount sector is expected to see double-digit growth of 36%, and indeed this might surprise some readers, that is ahead of the 33% online growth forecast. Our portfolio has an occupancy level of 95% and includes successful and expanding operators from Primark to Home Bargains or B&M and moreover the discount grocers, Aldi and Lidl and we continue to provide further space for them. Of note, B&M just opened their 9th store in the NewRiver estate at our retail park in Beverley, East Riding of Yorkshire, and we have just handed over a 40,000 sq ft new store to Primark at our shopping centre in Hastings, re-activating the unit once occupied by a retailer which met its demise because it did not evolve to the changing market, BHS.

The Amazon empire continues to grow and there continues to be much innovation in tech and digital, but the online retail market is proving to be increasingly challenging and expensive for operators, placing a great deal of pressure on operational margins as online operators attempt to make deliveries and fulfilment work to the ever-ambitious expectations of the consumer. It is no coincidence that the successful and expanding retailers I list above have actively rejected online sales models. Value and discount operators tend to concentrate their efforts on physical stores because they recognise the vast challenges to sustaining operational profitability via online sales.

The retail sector in all its dynamism, requires retailers to evolve and adapt so as retailers seek smaller stores in more conveniently located places, it is only natural that the role of the department store must evolve or disappear. To physically move shoppers vertically through six floors of retail is a tall order in an age when we are increasingly time poor. Indeed, it was interesting to read that the long-applauded darling of the retail sector, John Lewis, reported a 99% decline in profits, by contrast to Morrisons and Co-Op who reported increased profits and periods of consecutive growth.

Retail also plays an important role in the function of the town centre as a whole and it is important that landlords work together with the local authorities to masterplan a thriving and sustainable town centre for the future by ensuring there are a range of services and social facilities adjacent to retail hubs to create a civic hub that caters for an ageing population and a millennial generation for whom car ownership (and house ownership for that matter!) is a pipe dream. Being able to access important medical facilities for example, in the same shopping trip and as your weekly grocery shop, is critical and this is something we are pleased to be developing a concerted strategy on with a number of the local authorities that we work with, which includes over 60 different Councils across England, Scotland, Wales and Northern Ireland.

To conclude, the retail sector is alive and well, and presents a range of opportunities that will make a genuinely positive impact for the long-term health of the UK economy. Brexit or no Brexit, you just need to ensure you’re focusing the light in the right spot.
Is Online Retail a Threat or Opportunity to Bricks and Mortar Retail?

Clicks vs Bricks

High street retailers have undergone a torrid time over the last few years and indications are that this is set to continue. Store closures, job losses and administrations are regular occurrences and whilst they make for sensationalist headlines, and illustrate that this is a changing market. At the same time, online retailers and online sales have been booming.

Online retail, and the widespread adoption of the smartphone, has changed where we shop, how we shop and our expectations of the process itself. However, is it all bad news for bricks and mortar, or is the changing world an opportunity to improve and develop the retail real estate sector?

Online Retail Threat

Every week seems to bring another headline of an ailing high street favourite. Discount retailer Poundworld, electronics firm Maplin, toy retailer Toys R Us and department store House of Fraser are just some of the recent retailers who have gone into administration, putting hundreds of stores and thousands of jobs at risk. As shown on the graph below, the UK's high streets suffered 5,855 store closures in 2017, as traditional retailers have been impacted by the rise of internet shopping. In 2017, an average of 11 stores a day opened, while 16 a day closed.

Opening and closures of multiple retailer units, 2013–2017 (Source: PwC)

Whilst there is a net loss of physical stores in the UK, year on year, online sales are rising. According to BDO's High Street Sales Tracker, online sales in the UK in December 2017 were up 21.4% on December 2016. Research firm Forrester expects Europe's online retail market to be worth €378bn a year by 2021, with the UK, France and Germany accounting for 69%. In the UK alone, online shopping could account for almost a fifth of total retail sales by 2021.

The internet age and growth of social media
has brought about the opportunities for different types of retail and the figures seem to suggest that these technological opportunities are threatening the high street. Social media and user-generated content has meant that brands now can reach millions of consumers in an instant, for free. Goods you didn’t even know existed or wanted flash before your eyes and with a few clicks they’re yours! This is a world away from heading to the shops to search out something you specifically need, and spending hours doing so in packed town centres with tempers fraying. Consumers enjoy the flexibility and ease of online shopping and the huge time saving they can bring about. Generous returns policies and quick delivery times often make online shopping a much easier and more stress free experience than heading down to the shops. Offices often permit personal online deliveries to be delivered and distributed to employees, and self service Amazon lockers are becoming readily available, thereby taking away the necessity of waiting at home for a delivery.

Major online retailers continue to seek ways to make online shopping even easier. Both Amazon and Google, for example, have partnered with retailers to offer voice-controlled shopping, with their virtual assistants (Amazon’s Alexa and Google Home) being able to order for consumers and set up repeat subscriptions. In the online fashion sector, ASOS has applied visual search technology to enable consumers to photograph an item of clothing they like and then search for similar items stocked by ASOS. This is a fast changing space and we’ve not seen the end, as new and innovative online retailing ideas continue to be developed.

However, is it the future, or is there space for the “real” shopping experience as well?

**Online Retail Opportunity**

If you think that bricks and mortar are on the way out, take note that online sales are in fact still a long way off dominating
the shopping scene: online retailing accounted for about 17% of total retail sales in September 2017, according to the Office for National Statistics. The trend is increasing, but bricks and mortar still dominate. It is thought that 90% of retail still involves a physical store. However, traditional retailers cannot afford to rest on their laurels.

There are lots of frustrating aspects of the in-store experience, such as unhelpful staff and endless check-out queues, which are putting consumers off hitting the high-street. However, as online retailing spurs competition, it is an opportunity to enhance what consumers have always enjoyed about in-store experiences such as the joy of discovery, atmosphere, scent and tangible interaction. This ensures that physical stores continue to serve as a crucial touchpoint in purchases.

Instead, what we are seeing is a need for retailers to adopt omnichannel shopping; a seamless online and offline experience as the new industry standard for consumers. This strengthens customer engagement and brand interaction, as well as creating a strong element of convenience for shoppers.

Consumers represent all ends of the spectrum; from the millennials who use their phones for the majority of their consumer journey and prefer an in-store pickup to save time, to the affluent lady who needs to try on that expensive Chanel dress before purchasing, or the family who look forward to the seasonal experience of visiting Harrods or Hamleys each year for presents. To attract these consumer groups, and everything in between, it is essential for retailers to provide convenience via their online platform, but also a memorable brand experience in-store. A new word “consutainment” is being coined - the integration of ultra-convenience, consumption, and entertainment.

There are many, and growing, examples of retailers that have adapted to “consutain” the modern clientele. These include pet-friendly stores (grab a puppuccino at Starbucks whilst you are out shopping in other pet friendly stores), customer-controlled music options and greater personalisation. For example, one of Nike’s latest in-store innovations allows you to customise a shoe in store and pick it up within an hour. This gives consumers a sense of individualism from purchasing something not mass produced, but at the same time provides an impetus to visit Nike’s physical store.

Even Amazon, hailed as one of the ultimate online retailers, is turning to bricks and mortar in the US (and surely to follow globally) and starting to open stores.

In the UK luxury market, Matches Fashion is another example of an online retailer turning to bricks and mortar. They maintain a couple of showrooms in London so consumers can touch and experience the products, and have access to helpful and knowledgeable staff. Their sales aren’t reliant on in-store purchases, but the showrooms enhance the online presence.

So it seems that there is a future for bricks and mortar but only the most innovative and adaptable will survive. Retail is evolving faster than ever and customer expectations are higher than ever before, but fortunately for retailers and consumers, technology is aiding the transition to retail future that looks different, but hopefully to the benefit of all.

On a personal note, I still prefer a stroll around the shops on a Saturday with friends, sharing the experience trying on and touching the products, and stopping for a cup of tea or a G & T (depending on the time of day!) on the way. For me it’s much better than making purchases in your pyjamas in front of a computer. Given that we are land economists, let’s hope that other consumers agree.
Logistics – The Evolution from Fringe to Forefront

The logistics sector has been a shining light in the real estate world over recent years and Eastdil Secured has been right at the heart of it. Headlines were made in July 2017 when CIC, the Chinese sovereign wealth fund, made a monumental move into the logistics market by closing the largest ever private real estate trade through the purchase of Blackstone’s Logicor platform for €12.5 billion. Logistics has continued to gain momentum since this historic trade but what is driving this demand? What have the big trades been? Is there more to come?

The strength of the logistics sector is demand driven by both the occupational and investment markets. The surge in demand has been caused by increasing online penetration, the growth in E-Commerce, reconfigurations of more traditional distribution chains and the increasing importance of urban logistics to meet the quick delivery times demanded by today’s consumer.

Transaction volumes in Europe have reached new summits. The rolling twelve month European transaction volume has been over €42.0 billion for the past three quarters when previously it had yet to climb above €35.0 billion, according to RCA. Despite there being a number of industry consolidating deals including the Logicor trade, it feels we are in a new era of logistics activity.

From a capital markets perspective, the appetite for “sheds” has never been stronger as the asset class has emerged from a somewhat fringe product type into a segment of the property world that all institutional investors view as critical to a well-balanced portfolio. Further, logistics assets are increasingly seen as a natural hedge against retail exposure given the struggles of that sector, which in large part can be attributed to the rapid growth of competition from E-Commerce. Eastdil Secured has led deals where capital from all around the globe is keen to invest in the European logistics market. For example, Eastdil sold P3 to Singapore’s GIC in December.
2016 for €2.4 billion and the Gramercy Europe Portfolio to France’s AXA IM in July 2017 for over €1 billion. Rising demand and a shortage of investable stock means further yield compression is forecasted over the coming years, with prime European yields forecast to make the optimally significant move to inside 5.0%.

Currently, the UK and Germany are the most expensive countries from a yield perspective at 4.4% and 4.5% respectively. This trend is forecast to continue over the coming five years with the greatest sharpening of yields anticipated to be in the Nordics, moving from 5.8% to 5.3%. The best logistics properties still represent a yield discount to core stabilised office properties and in a world that is starved of yield, this phenomenon is a big draw for global investors. Figure 1 below illustrates the prime yields across the major European markets.

Eastdil Secured has raised a significant quantum of logistics financing over recent years including placing €1.75 billion of debt on the Gazeley portfolio for GLP in December 2017. It is clear that there is deep liquidity at highly competitive rates in the debt market. The combination of (i) swap rates remaining at low levels for an ongoing period across Europe and the UK and (ii) lenders competitively chasing logistics exposure has caused all in rates to be at highly attractive levels for owners, allowing investors to push equity pricing and drive yields down further.

When it comes to the occupational market, prime rents are at the record levels and are anticipated to grow further across all major European markets. The growing rents and low vacancy rates are causing developers to add to supply, although speculative development remains relatively muted and constraints on development exist given restrictive planning regimes along with the sheer amount of land required to build modern logistics assets. According to PMA, in the UK and Ireland there was over 59 million square feet of completions and an impressive 67 million square feet in Germany over 2015 to 2017. The substantial increase in demand can be attributed largely to online penetration and the considerable growth in E-Commerce, which is increasingly growing market share at the expense of bricks and mortar retail. It is no secret that the retail sector has suffered lately with Company Voluntary Arrangements (“CVAs”) being actioned across the UK as retailers fall into insolvency. Household names including House of Fraser, New Look and Homebase have all actioned or are intending to launch a CVA putting great strain on retail landlords. The movement away from the High Street and toward E-Commerce has resulted in a need for logistics properties.

As can be seen in Figure 3, the United Kingdom leads the way on the share of total volume of sales from E-Commerce, representing 18.1% of retail sales in 2018, significantly above its EU counterparts. Germany follows in second place with 9.4%, just over half the UK total. Despite being the leader in this field, the UK is anticipated to continue growing at a greater rate than the other select economies with all economies growing their E-Commerce sales volumes at a decreasing rate, as seen in Figure 4, albeit of a larger base. According to the Centre for Retail Research the compounded annual growth rate of Pan-European E-Commerce sales over 2015-2021 is 9.8%, significantly above the physical sales growth of 2.4%.

The European market has seen increased importance of “Urban Logistics”, the
The final stage in the distribution chain of delivery of goods to consumers living in urban areas. The properties have central locations that provide near access to urban residents. These assets are becoming increasingly important as consumers become more demanding for shorter delivery times. Urban residents account for the largest share of internet users, E-Shoppers and online purchasers and the ratio of urban to rural populations is expected to move further to urban over time. Growing urban populations and further online penetration increases the parcel volume, anticipated to increase 69% in Europe over the period 2016-2021. The larger volume of parcels directly correlates to a requirement for space in urban locations, also referred to as last mile logistics, which keeps the occupational and investment markets thriving. The largest challenge for this area of the sector is where new supply will come from. Issues arise from competing uses (notably with the housing crisis major cities are suffering), urban congestion and environmental considerations. However, as rents rise, previously unthinkable conversions of B Shopping Malls, bulky goods retail, and car parks into logistics is now garnering a great amount of investor attention.

Going forward, the logistics market is on firm footing with significant tailwinds and thus far investor sentiment and occupational performance has not been hindered by political events or related uncertainty.

Eastdil Secured is proud to have hired nine analysts from the University of Cambridge over the last four years and all have the opportunity to work on some of the most interesting and important logistics transactions across Europe.
somewhat to my surprise, since it was no part of my ‘Life Plan’, I found myself appointed Chairman of the Cumbria Local Enterprise Partnership in July at about the same time as the Government announced it was going to increase their importance in the development of Socio-Economic Policy in England and in the delivery of public money across the country.

They are public private partnerships originally conceived, and in my view not properly thought through, by the Coalition Government in 2011. Part of the problem seems to me, as someone who has worked both as a chairman of a small Footsie Company (Carrs), as an MEP and a junior Minister in the House of Lords is that the business world and the political world do not really understand each other.

The rationale behind the LEPs was that private sector energy and entrepreneurialism would be harnessed in the public interest within what is essentially a public sector framework. However, since the two, frequently, are unhappy bedfellows they have not been an unqualified success everywhere, although some have real achievements to their name. I fear Cumbria has not been one of those. Tensions and friction have bubbled up from time to time and the hoped for introduction of private sector skills and expertise into the delivery of public policy has not been universally achieved.
In my view one of the difficulties is that neither side necessarily sees the point of the other, and so good businesses don’t ‘get’ the public sector and vice versa. In order for this approach to work, success in business is not by itself a sufficient qualification. Rather an understanding of business needs to be coupled with an appreciation of public administration, and while an understanding of business more or less by definition entails some first-hand experience, it does not follow businessmen per se are always the right answer. For some reason Central Government seems mesmerised by businesses when it should, in my view, be focussing on a real understanding of what business does and how it relates to the Economy more widely and Society as a whole.

A further problem, which may be exacerbated in the dawning era when LEPs are going, we are told, to play a bigger role, is the tension between localism and centralisation, which is as old as time. The framework within which LEPs sit and are intended to work is intended to give them discretion and at least some flexibility in their modus operandi. However, the more important the Government perceives them, and wishes them, to be the more it will wish, prescriptively, to manage the way they operate.

One of the more interesting aspects of the Theresa May Conservative Government is its avowed wish to have an Industrial Strategy, as such, which has been out of fashion for some time. The new Industrial Strategy, which will be complemented by a Local Industrial Strategy in each LEP area is a socio-economic plan, not either a land use one or an industrial plan per se, but clearly it will impact significantly on both sectors. In addition, interestingly, there are themes such as contributing to the sustainable development of the locality and putting money back into the Community which has generated it. This is moving away from Adam Smith’s Invisible Hand, towards something more akin to the Post War West German ideas surrounding the Social Market. There is a certain irony that a conservative government is advocating an approach akin to continental Christian democracy, at the same time as it becomes ever more atavistically nationalist.

The tensions and inconsistencies and incompatibilities I have touched on are more or less universal. It will be interesting to see how this most recent effort to deal with them proceeds, and whether my term chairing the Cumbria LEP will be for me a period of exciting challenge or frustration.
C o-working, shared serviced office space, Workspace, WeWork, and The White Collar Factory. What might these have in common with a set of guidelines 1500 years old? The “Rule of St. Benedict”, written in around 530AD, remains astonishingly relevant for all organisations, not just religious ones. It emphasises Work, Community, Hospitality and underpinning all this is Prayer. It, also for those with ears to hear” has much to say about effective leadership. The fact that it has stood the test of time and has spawned many books such as the recent “Doing business with Benedict” is testament to a wisdom that can appeal to people of all faiths and none. It has allowed countless generations to understand both enterprise and the Gospel.

The Rule is a manual of instruction with short chapters that underpin the life of the Benedictine monastic order. Today 1400 communities of Benedictine and Cistercian men and women live under this rule plus innumerable lay persons.

The two key attributes to the Rule are flexibility and balance. St. Benedict learnt the hard way. He wanted to be a hermit but such was his draw that people were attracted to him and wanted to live alongside him. What could be worse for a hermit! So austere did he become, that those around him tried to poison him. After his escape, Benedict became a man of humility, prayer and an appreciation of the need for flexibility. He accepted the call to be a monk and a leader.

In April I attended a real estate conference organised by Peel Hunt which included visits to co-working properties. How different to inspections of office blocks on 25 year leases that I used to undertake as a Savills graduate trainee in the late 1970s. And what a buzzy atmosphere: excellent coffee and food, small cellular (monastic) work stations for the Fintech executives – all of which made me reflect on St Benedict.

The co-working office places great emphasis on Reception with staff trained in the art of welcome. St. Benedict was wise to this too. Chapter 66, “Doorkeeper of the Monastery” sets out the eternal skills of a good receptionist. “The person will need a room near the entrance so that visitors will always find someone to greet them.” He continues “As soon as anyone knocks or calls out, the doorkeeper replies: “Thanks be to God” or “Your blessing please.” Then with all the gentleness that comes from utter piety, the doorkeeper will provide a prompt answer with the warmth of love.”

St. Benedict wrote “The monastery should, if possible, be so constructed that within it all necessities are contained and various crafts may be practised.” Reflecting this co-working properties provide a range of services to ease the working day, including concierge facilities, excellent coffee and food, a bar, a gym and in the case of Derwent London’s White Collar Factory, a rooftop running track.

Landlords set out to help enterprise flourish and build community in the gathering areas and more formally. Club Workspace offers “like-minded business people (to meet) in an atmosphere designed for ideas to grow into long term successful business models.”

St. Benedict believed in the importance of enterprise. “Idleness is the enemy of the soul. Therefore, all the community should have specified periods of manual labour as well as for prayerful reading.”

In addition to flexibility, another hallmark of the Rule is not straightjacketing people. Regarding food (Chapter 39), Benedict writes “Two kinds of food are to be provided to allow for personal weakness. In this way, those who may not be able to eat one kind of food may partake of the other.” And regarding drink he continues, most famously: “Each of us has a special gift from God, one this and another that” (1 Corinthians 7.7). It is therefore, with some uneasiness, that we specify the amount of food and drink for other. However, with due regard for the infirmities of the sick, we believe that half a bottle of wine a day is sufficient for each. But those to whom God gives strength to abstain must know that they will earn their own reward.”

New patterns of working and of leases have become a feature of the office market since the Millennium. The recognition of the need for flexibility of tenure and the growth of a more entrepreneurial culture is, perhaps, a response to the aftermath of the 2008 banking crisis. Landlords have learnt that alignment with the needs of tenants is of benefit to both sides. All of which mirrors one commentator on Benedict: “The Rule not only brings people together, but somehow enables them to stay together.”

1 Doing business with Benedict –Continuum 2002
Financial and commercial property markets can be said to be continuing in rude health in many respects. Is it all really healthy?

Certainly secure income – taken to mean affordable rents let to financially secure occupiers – remains priced at record low levels of yield (high prices). However if you step away from that combination of virtuous features, everything is very unpredictable.

The very best assets, or the sectors in highest fashion, often do not produce the best value for investors, usually because they are sufficiently obvious that investors overpay for them. Therefore growth is muted.

However we are now in a market which has no pricing confidence at levels below the obviously prime, or fashionable. That means there is an opportunity for those with the funding, and the skill to sort the wheat from the chaff.

I believe value can still be found in investment terms, but I know (from experience this year) how hard it can be to find it. There is no shortage of money seeking investment. Some is still international, but quite a lot still comes from UK sources, including retail investors, via institutional funds.

Commentators have been calling the end of the current bull markets in the developed world, for some years. There are good Brexit related reasons to fear for GDP growth in the short term, and good reason to heed the high street retailer turmoil. Falling sterling, and trade tariffs also suggest volatility on a wide scale, but at the moment the markets still go on.

So much to enjoy and so much to fear. So let’s stick to simple things. I believe that if an investor owns commercial property that is fit for purpose, and which can be offered to tenants at a price that is affordable, in a location that is good for its market, then the long term future is bright. Therefore it is also valid to buy such assets, where one or more of those halcyon features not quite in place – and because of the perceived defects - market pricing may, for once, be on your side. But to buy such assets needs a vision to put right the defect(s), and time (financially speaking) to do so.

In a market that is so focussed on the best, there can be value off-piste. I think we are slowly entering a market where stock selection, and risk pricing might have a field day. All that is needed is a loss of investor confidence on a wider basis, and thereby some sell off in the sector. Be ready for it.

When we, at Orchard Street Investment Management, agreed our first special situations project with a major sovereign wealth fund, we took more than a year to settle documentation, and having done so, we did not draw on the fund for 18 months, but then we got to 2009, and our investor was in the right place at the right time.

We made multiple offers for property in December 2008, and none were accepted, but a lot of them came back to us in the early part of 2009. That timing allowed us to invest about 40% of the Fund in early 2009. It was a window in the market for which our investor had waited patiently for more than two years. It lasted no more than 9-12 months as prices bounced significantly. It all needs patience as well as skill, and some luck!

So much to enjoy, and so much to fear.

Chris Bartram
Founder and past Chairman of Orchard Street Investment Management LLP
Downing (1968-1972)
The workplace as we know it is changing with an ever-increasing focus on wellbeing and amenity. Our select panel evaluates what is needed in the commercial real estate sector to create competitive advantage amidst a climate of change...

The 2018 Deloitte Building the Future report into predictions for the real estate industry provided a valuable starting point for the recent Howard Group roundtable, highlighting key topics for discussion.

Deloitte’s Assistant Director Chris Robinson, a Cambridge Land Economy graduate, co-authored the report. Along with colleague Richard Maung, he joined a panel of industry experts to gain further perspectives on the trends the firm has identified.

As a regional developer, investor and commercial landlord, Howard Group is focused on the future and welcomed the opportunity to bring leading minds to the table to share insight. With the group’s most ambitious development Unity Campus at Sawston underway, the theme of innovation and disruption is one that is firmly on CEO Nicholas Bewes’ agenda as the group prepares the family-owned business for the next generation.

As occupiers’ needs evolve to respond to trends such as co-working and the impact of technology as a catalyst for agile working, office space is particularly exposed. “The question we need to ask is whether this will result in reduced or reshaped footprints?” began Nicholas. “And do we understand...
how to anticipate Millennials as leaders making significant strategic decisions?”

Responding, Bidwells’ Will Heigham shared insight from the firm’s recent Trumpington HQ redesign. “We’ve actually grown in terms of staff but in a team of eight, for example, we’ll only have four desks,” he explained. “Similarly, instead of ten meeting rooms, we now have five.”

Will, who heads up the Office Agency division, is also seeing this trend in the market with occupiers taking a much more efficient approach to procuring space. “It’s a dynamic that’s going to make the take-up of office space less, because organisations will look far more carefully than the traditional ‘1 person per 100 sq ft’ formula,” he advised.

Bidwells knows from its own experience that this rings true, having conducted a workplace study that revealed out of 250 people based at the Cambridge office, there were on

**OCCUPIERS ARE TAKING A MUCH MORE EFFICIENT APPROACH TO PROCURING SPACE**
average only 100 in the office at any one time. “Having some form of science behind it to say we don’t need that many permanent fixed desks challenged what we always used to do, which was incredibly backward. It was quite a change for some people, but for the younger generations it wasn’t.”

INFORMALITY AND AMENITY TOP OF THE AGENDA
One of the key cultural drivers behind how space is used is a desire for informal areas to work in. “Modern buildings are trading at a premium, with amenity space becoming more valuable, but it must also represent a strong investment for shareholders and earn its keep,” said Howard Group’s Development Director William Jewson, with the conversation moving to CB1’s 50/60 Station Road site where Brookgate is developing 156,000 sq ft of Grade A office space on behalf of Aviva Investors Real Estate. “It’s a good example of this,” agreed Will Heigham. “Aviva has now incorporated the adjacent retail unit and has doubled the reception space to add a café.”

Despite an efficiency drive, the reimagined workplace remains a valuable asset when it comes to talent acquisition and retention, with the modern Employer Value Proposition (EVP) very much incorporating the physical environment. Charles Staveley, Partner at Mills & Reeve, explained how his firm involved people of all ages from across the business to inform the redesign of the Norwich premises three years ago. “They had complete input into the refurbishment and it’s a completely agile environment,” he said.

With innovation, creativity and collaboration buzzwords for a Millennial audience, sufficient physical space is needed to deliver on this promise and future skyscrapers are more likely to be full of imaginative areas to encourage these behaviours rather than formal meeting rooms.

Jason Matthews, Director of Estate Strategy at the University of Cambridge, is also an advocate for change. With much of the University’s vast portfolio designed historically for a specific purpose it’s not an easy task. “Our footprint is so big but it has to change in terms of what it offers. Everything is up for grabs. We need to design for the future but creating change takes time.”

LESSEDIVISION BETWEEN HOME AND WORK
David Lewis, Partner at the London office of NBBJ architects, which has designed the concept for Howard Group’s groundbreaking space, The Works at Unity Campus, believes this trend is indicative of a bigger shift. “Social change impacts buildings,” he explained. “In the 1930s, Le Corbusier said the modern movement would never work in Britain because when he looked at our little houses and gardens, he realised our private lives dominated our public lives. What’s happened now is a complete social turnaround – how we integrate with other people has become more important.”

Co-working organisations such as WeWork provide all the practicalities with the addition of a sense of community, something clearly embodied in its strapline ‘Create a world where people work to make a life, not just a living’. Prioritising end user needs
An abundance of natural light, social space and a more homely feel is part of the WeWork concept.

WHAT PRICE CAN YOU PUT ON PRODUCTIVITY?

Cost per person/day as a useful metric

| SALARY | £300 |
| RENT   | £30  |
| UTILITIES | £3 |

It’s hard to directly measure productivity but with wellbeing and employee happiness taking centre stage when it comes to aligning with Millennial values, organisations are switching on to a different way of valuing office space. "This will improve culture and productivity beyond recognition," says Tim Harvey-Samuel, Bursar at Corpus Christi College. "There’s a much better chance of being a disruptor when you encourage that sort of mingling. This culture feels very real and durable now.”

WE NEED TO DESIGN FOR THE FUTURE, BUT CREATING CHANGE TAKES TIME

and incorporating the most attractive aspects of co-working culture is the smart move, according to David.

Recommending this approach to Howard Group’s Director of Portfolio Development, Colin Brown, NBBJ designed the masterplan for The Works. “They explained that our likely occupiers and their employees work very differently to us. They are happy to put in longer hours, but want work to feel more like home,” said Colin. “It has been designed intentionally to be like this, giving organisations the opportunity to have their own area but also creating shared amenity space. Although the tenant floorplate might not be smaller, we’re offering a whole lot more to an occupier.”

Deloitte’s Chris Robinson has also seen the success of collaborative buildings firsthand. “What was initially something for startups or incubator space now has large corporates getting on the bandwagon with space increasingly being used as a release valve because headcount plans are uncertain and flexibility is helpful.”

Richard Dickinson, One Nucleus’ Head of Member Services, is also seeing larger occupiers in the biotech sector adopt creative ways of working, impacting space requirements. “Abcam is a great example of how things have changed – one to one meetings will be done walking around the science park.”

The conclusion from the lively discussion? The workplace is no longer just a place for work and the real estate industry is ready to be disrupted.

*source Deloitte

*Image © WeWork
Shaping Places and Public Trust

On 12 June 2018, Craig McWilliam, Chief Executive, Grosvenor Britain & Ireland, gave a keynote speech to the London Real Estate Forum

Grosvenor is a British, privately-owned property business, in 60 cities and 10 countries across the world. With the capital’s growth - and the pressure it is putting on our communities, infrastructure and quality of life - we want our estate in Mayfair and Belgravia in the West End to be more active, more open and more integrated: a more popular place, working harder for the capital.

And we have plans for one of London’s great new neighbourhoods in Bermondsey hosting 1,300 rental and discounted rental homes; alongside a pipeline of 9,000 homes in new neighbourhoods across the south east.

London’s success is our success, and as long-term investors, we see the chance to invest as an enormous opportunity, as well as an obligation.

And of course the entire real estate sector has delivered fantastic places across London as the capital’s population has grown in the last 20 years: successful commercial districts hosting new jobs and opportunities; and mixed urban neighbourhoods with new homes.

But it’s also true to say that the benefits of these places are rarely associated with the actions of developers. In fact, developers are often perceived to be the problem rather than part of the solution.

The space and places for new jobs, homes, schools, parks and public spaces - the infrastructure and amenities that allow communities to thrive - they’re too often judged by a poor quality public debate about development.

That debate prevents a discussion of the choices and trade-offs to be made.

Of course we’re in the hands of policy and decision makers - the local planning authorities, the Mayor, the regulators - and ultimately, public opinion. And like all businesses, we face the growing call to demonstrate and explain our value to society.

The truth is, at Grosvenor, like many property companies, we have failed to tell our story in clear enough ways. We have historically failed to describe how development is valuable both in financial terms and to society.

So we’ll need consistently and openly to explain our purpose and our point of view. And we’ll need to do more to meet the public’s aspirations for the local benefits of private investment.

Public trust in the planning process and the intentions of the real estate industry is deteriorating. Creating and managing great places is complex. Clearly we need developers to make profits and their developments to deliver social benefit. And like much in life, achieving both requires difficult choices and trade-offs to be made.

Those trade-offs have to be explored and better understood - what the Resolution Foundation recently called the need to ‘animate the debate’.

We know for example that we need more homes, particularly in the capital, and that it will be a challenge. Local councils face budget cuts and caps on their ability to borrow to deliver homes. Land is scarce. Private developers are willing to invest, but only at a rate of return that justifies the risks they bear.

And because there is no single solution to the housing shortage, complexity makes simple assertions attractive - with a stand-off between communities, developers and the public sector. We have a binary debate instead of pragmatism, honesty and creativity from all sides.

So what’s the way forward?

A starting point is public sector leadership to cut through that binary debate. We need to see greater confidence created by leadership and stable policy to encourage private sector investment at scale.

And the industry needs to play a leading role.

• How can we be more transparent, so that the choices being made and the outcomes being achieved are understood by all?
• How can we achieve deeper collaboration with the public sector to speed up the delivery of benefits locally?
• How can we better explain our purpose and point of view and grow trust with our communities?

I think we have an enormous, positive opportunity to recast these conversations together - and with it to recast the approach to creating and managing great places.

We stand ready to play our part.

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We have plans for one of London’s great new neighbourhoods in Bermondsey hosting 1,300 rental and discounted rental homes.
Honour Chapman CBE was a Partner and fellow International Director at JLL who died suddenly in 2009. She was an inspiration to me and many others resulting in a group of her friends and colleagues setting up a fitting memorial for her. This has taken the form of a series of lectures given by senior women who have shaped London. This lecture – the fifth in the series was the first one where we challenged the whole question of diversity in a cities context. For those not aware of Honour’s contribution she was the first female partner of what was then Jones Lang Wootton and she pioneered the application of modern business research into the commercial property industry creating investment performance measurement tools and techniques which are now wholly adopted by the industry. Honour fully understood the relationship between transport infrastructure and regeneration and was instrumental in the decision to take the Jubilee Line extension across the river from Canary Wharf to Greenwich and North to Stratford by so doing opening up and creating a whole new business and residential district for London. In 1990 the London World City report was published which indicated that London was lacking a free fast effective service for overseas companies to set up in London and it was a review of this report by Professor Greg Clark 5 years ago that started the whole series of lectures off.

Following that report it was exactly 25 years ago that Honor was commissioned to do a detailed study into the case for setting up an inward investment agency for London - London First Centre as it became in 1994, then Think London which is now part of London and Partners which continues to promote London on the world stage.

At the Memorial Lecture in July Dame Vivian Hunt delivered the lecture entitled “How inclusive leadership leads to inclusive growth.” Dame Vivian is the Managing Partner of McKinsey in the UK and Ireland and was made a Dame in the 2018 New Year’s honours list and was named as the most influential black woman in Britain and one of the 30 most influential people in the City of London. Dame Vivian currently serves on the London Mayors Business Council, chairs the CBI London Council and is on the board of both Business in the Community and British American Business.

Dame Vivian has carried out extensive work which ties diversity to strong financial performance and delivered a compelling lecture which discussed why diversity and inclusivity is the right thing to do both socially and economically. Dame Vivian told the audience: “If, as a city, we remake our organizations to be diverse and inclusive, imagine the value we could realise. Preparing for cultural, technological, and economic change over the coming decades means building and scaling a city to be inclusive."

For over 15 years, McKinsey has been an advocate of greater gender, ethnic, and cultural diversity in the workplace and their research shows that inclusiveness is a powerful driver of growth. McKinsey have published several reports: Why diversity matters, Power of parity, Delivering through diversity and Women in the Workplace which offer clear evidence that both intrinsic and acquired diversity present significant opportunities for the economy and companies alike.

Dame Vivian highlighted five crucial characteristics that underpin inclusive growth:

1. Committed and diverse leadership team: Inclusive growth starts with a compelling CEO vision, for which managers are held accountable. Lip service simply does not work. It is also very clear that companies with diverse profiles across their leadership team see the most positive results.

2. Understanding why diversity adds value: It’s vital to understand how diversity adds value to your company, sector, or city. Diversity isn’t just about representation and seeing many faces around the table. It’s about explicitly linking diversity to organisational priorities.

3. Policies and practices: Inclusive environments can only thrive if they recognise that diversity is business-critical, not an ancillary social engagement programme. Leadership teams must establish, uphold and monitor policies to nurture everyone’s unique skills and ways of thinking.

4. Respectful and inclusive culture: Everyone needs to feel welcome and inspired by their colleagues. While culture is intangible and easy to ignore, it often keeps talent from reaching its potential.

5. Clear and measurable targets linked to outcomes: Leaders need to define the data which tells them how diverse and inclusive they are today and then track progress against known goals.

Dame Vivian concluded by saying: ‘as organisations and as cities, we can no longer view diversity as optional window dressing. In 2018, the most successful companies do many things well and all use diversity as a source of competitive differentiation.’

The lecture was followed by a thought-provoking panel discussion moderated by Robert Gordon Clark, Chairman and Partner of London Communications Agency. He was joined by an impressive line-up of three of the previous four lecturers to discuss London’s global position: Judith Mayhew Jonas DBE, Special Advisor to Tishman Speyer and European Trustee of Urban Land Institute; Alison Nimmo CBE, Chief Executive, The Crown Estate and Annie Hampson OBE, Chief Planning Officer & Development Director, The City of London.

I had the real pleasure in hosting the event which was also supported by London & Partners, and the Department of Land Economy and Hughes Hall at University of Cambridge.

Katie Kopiec
International Director
JLL
Inclusive leadership: Creating the right team environment to deliver the best results for your clients

Looking back at starting work in London in the early 1980s, the market was local, dominated by UK institutions and property companies. You could meet most of the larger investors in two days in London and one day in Edinburgh. Today, capital comes from all over the world. Globalisation has been the driving economic theme of the past three decades. In the fast-moving property industry, a diverse workforce is a key competitive advantage. A diverse team adapts to different cultures, attracts broader talent, enhances employee satisfaction and ultimately improves decision making, strengthens client relationships and enhances delivery. That said, simply having a diverse team is not enough.

The challenge is to learn how to leverage diversity to create a unified and inclusive culture. This cannot be achieved by simply implementing HR policies, it derives from the mindset of the leadership. To deliver high performance, leaders must create an environment that develops a deeper understanding of the talents, backgrounds and perspectives of all employees and embrace diversity to strengthen the team.

The Leader of the past

When I started my career as a trainee at the surveying firm Richard Ellis it was a uniquely parochial market dominated by what is known as transactional leadership. You were trained and shaped to follow and obey the instructions of
partners, who were almost exclusively male. Respect was based on formal authority and a “know your place” responsibility. The bosses drove around in Aston Martins and were perceived as gods in the industry. There were very few women involved in executive positions; the culture was strong, regimented and all male, with plenty of ‘work hard, play hard’ attitude. There was a lot of cigar smoke in the office!

There were positives and negatives about this leadership style. On the positive side, as long as you did what you were told, worked hard and were loyal, you did well. There was no need to apply any particular creativity to succeed. It was also quite fun, as long as you were robust, to work with dynamic characters and the odd maverick!

On the negative side, it was dogmatic and, as a junior, you felt you made little contribution to the growth or aspirations of the company since that was controlled by the partners. Big businesses were typically made up of small incentivised groups with senior people at the top who needed to achieve people’s buy-in at the team level. You had to trust your leader as, after all, he would be your sponsor for your career progression. Personality and team fit were all important: if your face didn’t fit, your prospects were limited.
Modern businesses embrace continuous improvement and change

That has all changed. Leaders in traditional teams, with no emphasis on inclusivity or diversity, fail to develop the ability to be culturally agile. A modern leader needs to be adaptable and flexible to effectively navigate, communicate and motivate a diverse team and, as in sport, develop their diverse skills to blend with and complement each other to strengthen the whole team.

Developing an inclusive environment starts with leaders having an open attitude, self-awareness and a desire to embrace continuous improvement and change. Inclusive leadership develops by fostering a common purpose, common goals and healthy relationships and structures that underpin success. As a competitive group we are trained to appreciate that there will be disagreements and those disagreements create healthy debate enabling us to come together to support a collective and inclusive way forward. You embrace your weaknesses and play to your strengths... as if you were playing sport!

Inclusivity and creative conflict breeds true innovation

‘For good ideas and true innovation, you need human interaction, conflict, argument and debate’; Margaret Heffernan (International businesswoman and author and lecturer at School of Management, University of Bath)

I believe this concept is a vital component of a successful inclusive environment in which everyone’s voice should be heard and valued. As a leader, you need to learn how to manage creative conflict to enable teams to come together for lively discussions and brainstorming sessions. Whilst there may be disagreement, it actively invites divergent thoughts, opinions and/or experiences into the conversation and broadens the array of ideas. Insights, inventions and innovations hardly ever come about when we are feeling satisfied and comfortable.

A non-diversified team typically agrees with each other as personality and background is too uniform. Whilst this creates harmony, the team rarely challenges itself or works outside of its comfort zone. Disruption is now aligned to innovation; challenging the established is exciting and risky but is an essential part of progress.

Our current team at APAM is known for its relentless commitment to delivering superior returns and creating value through its hands-on, energetic asset management approach. We recognise that its success is driven by the quality of people that we employ. Staff development is a key factor of employee retention, helping with the effectiveness of

In April, Simon Cooke, completed a South African Off-Road challenge through Zimbabwe and Botswana in support of the Atlas Foundation. Atlas provides food, medicine and educational support and materials, whilst also instilling the values of rugby, such as friendship and teamwork to disadvantaged communities. Visiting 3 African countries in 4 days and travelling 500 miles by Land Rover, the trip raised an exceptional £100,000 for the foundation.
day-to-day work and ensuring that people have the ability to lead and make a real impact within the firm.

Incentivisation is a core component but creating an inclusive environment is equally important. If people feel included, they breed loyalty and make the firm a better place to work. By de-emphasising hierarchy, you notice an energising effect with the team having a real incentive to positively force change and a willingness to go the extra mile.

Creating an inclusive environment

To create this environment, we focus on developing a team where people's skills complement each other so that we do not have clones in terms of personality and styles.

When we recruit, we don’t simply look at qualifications and grades, we focus on the person - it is a combination of skills and personality that brings the best results.

Our 40 plus employees fall into 13 of the 16 Myers Briggs (an introspective self-report questionnaire with the purpose of indicating differing psychological preferences in how people perceive the world around them and make decisions) personality groups. This was not deliberate, it was the result of recognising diversity, not just in terms of gender or nationality, but most importantly in personality.

Key factors that have built this culture are the working styles of our management team, the open-plan office in which people of all levels work together, the open-ended job descriptions, the freedom to volunteer ideas, ask questions and progress in the organisation, together with the absence of an individual reward-based system. This leadership style creates a culture that inspires creativity, discretionary labour, and a sense of wellbeing and loyalty.

“A real leader uses every issue, no matter how serious or sensitive, to ensure that at the end of the debate we should emerge stronger and more united than before” Nelson Mandela

We endorse this proactive approach to leadership and engagement through our ‘APAM Beyond Numbers’ programme which is designed to bring our values of leadership, trust and passion to life. Our initiative enhances career development and wellbeing by encouraging a culture of continual learning and innovation. As part of this programme we invite guest speakers, such as endurance athletes and charity representatives, to give inspirational talks to provide employees with a fresh perspective and to inspire them. A motivational speaker is a great way to boost morale and invite new ideas and productivity.

Diversity… And culture… the way forward

The best leaders get the best results from ‘creative conflict’ and to achieve this, you need to bring in people at every level who feel empowered to communicate diverse views and challenge embedded processes and culture. The balance between extracting the best from creative conflict and the organisation becoming divided is a fine one. Great leaders tread this fine line skilfully and inclusively. They constantly adjust their own views to align with the views that create change. The days of dogmatism and cigar smoke have long gone!

Great leaders embrace change. Managers who resist anything that might threaten or question their position aren’t leaders.

“Diversity and independence are important because the best collective decisions are the product of disagreement and contest, not consensus or compromise.” James Surowiecki, author of The Wisdom of Crowds and finance writer for the New Yorker.
Dubai: The opportunities in a dynamic real estate market

The property market in Dubai is as cyclical as it gets: no different to any other mature gateway city property market. Current discussions abound on the state of the market and where it is heading with pricing based on the existing demand and its clasp on the existing and future supply of all property asset classes. Before we dive into the details of the property market, it is important to understand some of the key fundamentals underpinning the broad property sector.

Market Transparency and Stimulus

Dubai has retained its position as the most transparent real estate market in the region where based on the JLL Global Real Estate Transparency Index it is ranked 40 out of 100 markets. The government recognizes the importance of continuous improvement of transparency.

To support and reduce costs for property ownership, the government has announced a reduction of the Dubai Municipality real estate fee by 50% and other related government fees have been frozen for 3 years, hotel sales fees have been reduced from 10% to 7%, educational school fees have been frozen for 1 year and the 4% penalty for late property registration has been waived.

Existing regulations have also been relaxed to allow 100% foreign ownership in businesses located outside FreeZone jurisdictions and to allow both On-Shore and Off-Shore business licensing within the Free Zone areas. This did not exist before. This bodes well for both occupier and investor confidence for prime office space across Dubai.

To create a better environment to attract and retain talent the recent announcement of a 10 year residency visa for a number of expatriate professional categories will result in greater confidence and certainty for professionals. This is expected to have a positive knock on effect for rental and purchase of all types of residential asset classes over the medium term. This coupled with the recent announcement to create 5 year conditional visas for retirees over 55 years of age to allow them to remain in the UAE will give further impetus to the residential and retail markets.

All of these measures illustrate how the government acts swiftly and decisively to create the right stimulus and to avoid any stagnation in the attractiveness of Dubai as an investment destination.

Smart City Initiatives and Free Zone Economic Clusters

Over 300 global ICT businesses are operating in Dubai and the city continues to embrace technological innovation through its Smart Dubai initiatives to create a safe and seamless...
experience for its residents as well as the international travelers that arrive at its various ports of call. The Smart Dubai initiative is supported by a tiered partnership framework, enabling government, private-sector and institutional partnerships to encourage engagement and collaboration. Smart Dubai aims to introduce strategic initiatives and develop partnerships to contribute to its Smart Economy, Smart Living, Smart Governance, Smart Environment, Smart People and Smart Mobility dimensions. The Smart City initiatives are catalysts driving innovation in the existing free zone economic clusters and this has promoted the creation of digital clusters within these free zones.

**Expo 2020 and District 2020**

The development of the city is continuously being enhanced with public infrastructure. The Dubai Metro has opened up new development conurbations. One of the most important developments in the new development corridor is the Expo 2020 destination which will host the Expo event in October 2020 and thereafter be transformed into District 2020. This new development has a well thought legacy plan which will offer a new alternative for integrated living and working in the Dubai South “aerotropolis” which encompasses an international airport. Multinational corporations are taking an interest in this new destination and Siemens and Accenture have made a commitment to establish global hubs here.

**Current Trends**

The property market is maturing and is seeing a rebalancing across the various asset classes. The growing middle class is driving a change in the residential market where we are seeing property developers making a move to the middle – a move to develop more affordable residential accommodation. The majority of this budget friendly accommodation are apartment developments where developers have provided purchase payment plans that extend beyond the handover of the properties. This development cycle is seeing a strong supply pipeline and coupled with plateauing demand this is resulting in rentals decreasing faster than capital values. Further declines are expected to the end of 2018. The commercial office market is also seeing an increased supply of new space and this is proving to be a boon for commercial end users and occupiers where they are seeing an increased choice. Developers and landlords are enticing prospective tenants with competitive rents as well as incentives that range from rent free periods to landlord fit out capital contributions. Downward pressure on rents is expected to continue in the short term to the end of 2018. The retail property market has seen new incoming supply largely from neighbourhood retail centers. Market rents for new leases in both regional and super-regional centers continue to decline over the past quarter. Increasing vacancies are another indication of the continued softening of the retail market. In the hospitality sector, hotels continued to see Average Daily Rates decrease by 4% with Revenue Per Available Room declining at a steeper rate of 8%. Average occupancy rates are at an admirable 81% ahead of all the other markets in the region. Dubai has fortified its destination qualities with the development of themed attractions and the enhancement of the beach resort offerings as well as a stronger foot print for the MICE industry. Globally Dubai has been performing as one of the 10 strongest hotel markets.
What it’s really like to leave your job to start a business: 11 things to consider before you take the plunge!

In an age where being an entrepreneur is seen as glamorous and exciting, and is part of the life goals for so many of us, the idea of handing in your notice and following your dreams can be tempting.

But it can be hard to know if, and when, you should quit your job to run your own venture, specially if that venture is in property, at a time when the market is hardly booming, or if your job is well-paid, respectable and/or (at least sometimes) enjoyable.

I left a great job, team and company in the City less than 2 years ago, to run the property investment and development company I had co-founded shortly before. The market we were focusing on promptly dried up, and has since changed quite dramatically, which has meant shifting our business model.

But we have achieved a lot, including developing 60+ units of housing worth £8m+, and acquiring £5m more for our investors, with a pipeline of a further £4m, without any seed funding.

It has been a rollercoaster ride. For me, it has absolutely been worth giving it a go, but it’s not for everyone. I’m often asked, by people of all ages and backgrounds, whether I would recommend leaving a job to run a business, and when the right time is. There really is no right answer: everyone’s circumstances and goals are different.

But if you’re considering leaving your job, there are some realities worth considering before you dive in. These are as relevant if you’re 22 and sick of your boss already, or, like 38% of first time founders, over 40 and looking to start afresh on your own terms.

1 It’s hard work, but often more rewarding

Running your own venture will most likely be harder work, with more responsibility. But it can also be more rewarding - not just financially, but in the sense of satisfaction that comes from knowing that successes or wins are down to you!

More than 70% of workers are dissatisfied with their career, and a major determinant of job dissatisfaction is the absence of a sense of achievement and impact in the workplace. With no layers of management to satisfy, this is rarely an issue in a small, rapidly growing business!

2 It’s risky, and you have to have an appetite for that

There is not much shielding you from external factors or risks which are beyond your control. This can affect everything from your ability to pay your own mortgage, to getting hit by unanticipated legal challenges.

There are countless ‘unknown unknowns’. You have to be comfortable with high levels of uncertainty, and constantly seek to identify, minimise, mitigate and manage risks, whether related to political and economic confidence (e.g. Brexit) or suppliers going bust.

3 Cash flow and liquidity are key, but especially hard to get right

Cash flow and liquidity are key, but hard to get right first time. From setting fee levels, to managing order books and payment terms, whilst...
There's several reasons for this - from the statistics suggest that the majority of founders take a pay cut in the first few years (especially if they were doing well financially before). And it often doesn't matter. There's several reasons for this - from combining business expenses with life expenses, to playing the long game. Rarely does an opportunity offer huge returns in year 1, sustainable business growth and substantial upside potential, in the real world. And there's no shame in taking a real pay cut to follow your dreams, if you need to!

6 It's a constant learning curve, and you have to love and learn from the challenges
Running a business is a constant, and challenging, learning curve. As a business owner, you have to be prepared to be out of your comfort zone most of the time, with no guarantee of 'success'. You need to have a lot of energy and be ready to take on the many challenges, from mundane (often!) to glamorous (less so). A 'growth mindset' is key. This means working hard, being dedicated, and appreciating learning experiences, even when they come from failures and problems. You also have to strive for growth constantly: opportunities for 'coasting' are rare.

7 The problems keep coming
All businesses face issues, this is inevitable and normal. You have to deal with and take responsibility for all manner of problems, no matter what their origin is, or whose 'fault' they are. You can always learn from errors, and failures, and have to accept that they are part of the package.

8 There's no room for perfectionism
You have to be flexible, self-aware, and honest with yourself, and to accept that you won't be perfect first time. If you wait till the market, your product or your team is perfect, it will probably be too late. It makes more sense to move, the review progress and pause, pivot and persevere with specifics, once you have some feedback from the market. If you're used to being right first time, this can feel like quite an adjustment! Further, the market and regulations shift, so what worked yesterday might not tomorrow. This has been particularly evident in the property market over recent years. You may have to swallow your pride and shift your model several times to keep up.

9 It doesn't matter what people think
Some people will love you and what you do, others might not. If you worry too much what everyone thinks, it can be hard to sleep at night, or act on your ideas. You'll never please everyone, all of the time, and that is fine!

10 It can be lonely; you need support
Even with a great team, product and client base, starting and running a business can be lonely! It's important to have the right support around you, whether a business partner or a mentor, and to focus on maintaining a strong and positive mindset.

11 It's a rollercoaster, and you won't be in control all the time
Running a business can feel like a rollercoaster ride: exciting and scary; up one minute, and looping round faster than your eyes can follow, the next. If you can take energy from the highs, lows and learning curve, rather than feeling defeated or terrified when issues arise, and if decide you love the thrill, you won't want the ride to stop!

In conclusion
Having left the comfort of a City job, to run my own venture (well, a few), I can confirm: the realities are far from the media-led vision of glamour and success. But it's certainly been worth trying, for me.

Over the years, I've spoken to many with entrepreneurial dreams, which they wish they could explore further. My view is: if you still have a genuine desire to run your own business, it's always better to try and risk failure, than to live with regret.

Ultimately, you'll never know 'what if' unless you try!
Digitally created impression of the Wimbledon Master Plan 2020 showing an aerial view of the Grounds in Championships mode from the south west. The covered courts on Somerset Road, Wimbledon Park Golf Course and Wimbledon Park are also visible.

Credit: aeLtC/virtual viewing Ltd.
Celebrating heritage and innovation – the All England Club’s long-term vision for The Championships

For two weeks each year, The All England Lawn Tennis Club proudly hosts the world’s most celebrated tennis tournament, The Championships, Wimbledon. First staged in 1877, The Championships is renowned for its traditions and history: grass court tennis played in all white clothing in the setting of a beautiful English garden.

The enormous scale of The Championships surprises many. Nearly 500,000 spectators are welcomed through the gates each year. More than 6,000 staff are deployed across every aspect of the organisation: from chair and line umpires to ball boys and girls, to groundstaff and stewards. Competing for a prize money pool of £34m are 650 of the world’s elite tennis players. As Europe’s largest single annual sporting catering operation, there were 190,900 portions of strawberries and cream served in 2018. And finally, in addition to delivering significant economic benefit at both local and national level, the AELTC donates the surplus from each Championships (more than £30m in 2017) to the Lawn Tennis Association, which funds tennis development at all levels in Great Britain.

While respect for the heritage of The Championships is paramount, the AELTC combines this with a commitment to innovation and improvement, which is key to ensuring Wimbledon continues in its endeavour to be at the pinnacle of the sport. Our counterparts at the other three Grand Slam tournaments – the Australian Open in Melbourne, Roland-Garros in Paris, and US Open in New York – have all unveiled ambitious plans for expanding and enhancing their sites and facilities in recent years. For the AELTC, the Wimbledon Master Plan sets out our vision for the future for the Club, its Grounds and facilities. Through sustained investment, our plan is to elevate the experience for all our guests, whether they are spectators queuing overnight for Centre Court tickets, or world-class tennis players travelling from overseas to compete.

The current focus of the Wimbledon Master Plan is the three-year redevelopment of No.1 Court, the second largest stadium at The Championships. The No.1 Court Project includes the construction of a retractable roof; the replacement of all seats inside the stadium and increasing the number to nearer 12,000 seats; a new two-level public concessions plaza and improvement of the experience on Aorangi Terrace, fondly known as “The Hill”; a new hospitality level and a substantial expansion of the back of house logistics areas. A central consideration of the No.1 Court redesign was to ensure the right shape of roof opening was created to maximise the natural light levels on the court to support the growth of the grass, while also trying to give a curved feel to the stadium to reflect the historic circular design of the old No.1 Court. We had a number of challenges to overcome during the design process, not least reinforcing the stadium to support the eleven 100 tonne trusses that will form the structure of the retractable roof and underpinning the building with additional piles and super columns, so it can bear the final load of 13,000

Computer generated image of an aerial view of the roof on No.1 Court on a rainy day. To be completed by May 2019. At The All England Lawn Tennis Club, Wimbledon. Credit: AELTC/KSS Design Group Ltd.

tonnes of additional material that will be added during the three-year build.

Our other key design challenge was developing mechanical systems and central plant to dehumidify and ventilate the seating bowl to create the appropriate conditions for both spectators and players while meeting tight acoustic criteria and without causing unusual air movements that could affect the tennis ball movement.

In order to de-risk this large and complex build, we developed a programme based on three sequential construction projects. We undertook a two-stage procurement process that initially identified all the risks and which of those would be held by the main contractor. This exercise allowed the main contractors to price the risk, understand and commit to a construction programme, and propose a team suitable for the project. Sir Robert McAlpine was the successful contractor, with creative logistics and temporary works design.

As part of de-risking the design, a 3D Revit model with cloud point surveys was used to help coordinate the future design within the existing building, allowing Sir Robert McAlpine to price the works with their sub-contractors and to provide us with a fixed price under a JCT design and build contract.

We are often asked why it has taken so long to put a roof on No.1 Court? The answer lies not just in the complexity of the build (far more complex than the Centre Court roof, which was completed in 2009 over the same three-year timeframe), but also the number of business imperatives that must be taken into consideration. The annual cycle of hosting The Championships reduces our building timeframe to eight months a year. There are probably few building projects that are required to shut down and transform into a Wimbledon-standard public sports facility twice during a three-year build. We face a challenge in ensuring none of the building works impact or damage the preparation and care of the grass courts, a natural living surface that requires daily maintenance year-round.

Furthermore, the AELTC is located within a residential neighbourhood, which certainly adds to the event’s charm, but also comes with very tight restrictions on the number of hours and days that building works may take place in order to be respectful of those living adjacent to the Club’s Grounds. It would be fair to say handling complexities such as these have added considerably to the usual timeframe for a project of this magnitude.

The No.1 Court Project remains on track for completion ahead of the No.1 Court Celebration Event, scheduled to be held on 19 May next year. The addition of this second retractable roof will effectively weather-proof The Championships, with two-thirds of the Grounds capacity able to watch tennis regardless of the weather.
conditions, and the enhanced facilities will provide a truly world-class experience for all our guests.

And so, with this significant milestone reached, what is next for the Wimbledon Master Plan? Returning to the theme of continual improvement, we have several more major building works in the pipeline. Most significant among them is the Somerset Road Project, for which enabling works have already commenced. Six clay courts will be relocated to unlock the southern part of the Grounds for future development, and the construction of an underground car park will provide a new hub for The Championships’ courtesy car operation and an enhanced arrival experience for our competitors.

Looking further ahead, the AELTC owns the adjacent Wimbledon Park Golf Club, which is currently under lease until 2041. We have made an offer to the Golf Club regarding the early surrender of this lease, which, should it be accepted, would provide an ideal opportunity to inform the next stage of the Wimbledon Master Plan. One of the priorities would be to bring The Championships Qualifying Competition – currently held at the nearby Bank of England Sports Club in Roehampton – within the Club’s Grounds.

Guided by the Wimbledon Master Plan, we are committed to sustained investment and a desire to continually improve our guest experience in order to maintain the position of The Championships as the world’s premier tennis tournament.

Editor’s Note: Robert Deatker and Stuart Smith very generously arranged a private tour of the AELTC on a lovely summer’s afternoon before the start of this year’s Championships. It is hoped we might repeat the event following the completion of the No.1 Court Project.
Reading the Tea Leaves for Real Estate

The world is awash with rumours and hypotheses about fiscal tightening and its profound impact on global capital markets. The basic premise goes something along these lines: interest rates have been kept so low by Central Banks for so long by quantitative easing in various guises around the world, with the withdrawal of these measures interest rates will rocket sky high. As far as real estate is concerned this will make property very much less valuable, creating a downward spiral with forced selling dragging down prices as much as higher cost of versatile capital creating a higher opportunity cost for holding down clunky property.

Part of the reason that this seems such a natural and correct hypothesis is that real estate has had an extraordinary good run of the market over the last 10 years since the Global Financial Crash (GFC). Therefore, secular mean reversion as well as the impact of the digital sector would suggest a ‘comeuppance’ for the sector.

I believe that this characterisation whilst containing elements of truth reaches a wholly wrong conclusion. Of course it is true that higher interest rates adversely effects capital values; of course the digital sector will change how real estate works; of course parts of the real estate market might need some short term correction. But to take these small assertions and make out of this a simple projection about the future value of real estate is to make a mistake.

First, let me deal with Quantitative Easing (QE). It is important to remember that at its heart QE is a symptom not a cause of the GFC. The collective wisdom of central policy makers presented with the very real situation in 2008, a primed and schooled as they are in the causes of the Great Depression of 1929, was to try to do whatever they could to avert a cascading failure. One of the tools that they had at their disposal was to increase the quantity of money available to financial institutions. This they did with alacrity.

But QE in of itself does not create economic activity, and so this in of itself does not create a real demand for money. However, this demand for money (at pre-2008 levels) from the real economy has not returned, the supply of money from passive investors has only increased. The biggest contributing factor to this mega-trend is the ageing population of the world. What is often as presented as Japanese stupidity, conservatism or ineptitude resulting in what ignorant commentators call ‘the lost decade’ in Japan is only just beginning on a Global scale.

What is happening on a global scale is that the preponderance of the world is saving more than it is spending. This is happening for demographic reasons and at an accelerating pace. This is creating a global hunt for yielding assets. This is bidding down the ‘yield’ of passive income in all asset classes. Real Estate is thus not only a prime target, but a double target for this capital: first on the basis that real estate is bond-like with residual value, secondly on the basis that real estate using a lot of capital so benefits from the general weight of capital looking to deploy. In summary the results of the extraction of QE (and of higher interest rates) is amply counter-balanced by the global preponderance to save (and at lower interest rates).

Secondly, I would like to move onto the impact of the digital sector on real estate. Real estate is fashioned by and serves the economy. Anything that affects how the economy operates, therefore, has a profound effect on real estate. To my mind however, the digital revolution has exposed flaws in the how the physical world actually changed the nature of human engagement. Of course it is as obvious as can be that if you don’t have to pay say 20% VAT on turnover; you don’t need to pay rent and rates of say another 20% on turnover; if you employ a decent number of people locally which is say another 20% on turnover, than it is easy to compete on price for the remaining 40% turnover whether the service is digital or not.

This is not driven by fundamental economic activity but by arbitrary, unjust and inappropriate fiscal rules. The answer should not be to ‘level’ the playing field between digital and bricks but rather to ask the question why is government discouraging by taxing an economic activity at all? Whilst I can understand why councils are entitled to expect households to contribute to public services in their area – I simply do not understand why businesses that employ people, that represent the very essence of community, should. For the relatively small tax burden old-style experience on businesses in the UK? Why not just rid of property rates (and the extraordinary benefit it hands global businesses), why not just rid of property rates on businesses in the UK?

Even with this tax burden old-style experience led shopping, centralised office-based working or indeed the manufacturing / fulfilment / distribution centres will never disappear in the wake of the digital revolution. There may be more volatility as values bounce around due to needs having to be met very quickly, or pre-specified real estate not responding well to current needs, but in the end real estate always catches up with anything that the changing economy is doing.

In summary, commercial real estate has not necessarily had its day in the sun. With judicious selection of assets and responding well to the needs of occupiers there is a great chance to benefit from the secular shift towards a lower growth environment with concomitant low interest rates. This is a reality with which Japan has long lived. There is a good chance that we are following in their footsteps now.
Property Finance, Super Models and Pure Genius: A 30 year look back on a real estate financing business

It all started in 1988 around a kitchen table. Dominic Reilly and I were testing out different names for our new company. The vogue was to choose predatory and colourful birds or else London and somewhere else. To this day the question of who came up with Kingfisher remains a mystery. We started in November and 6 months later Woolworths changed its name to Kingfisher too. The only cause for concern was a press comment that a Kingfisher “is a fat little bird, seldom venturing from its perch except to grab its next meal swimming by” – obviously not us. We nearly chose Toucan, which back in those days was the logo of Guinness. We missed a trick there; several years later they changed their strap line to Pure Genius – if only! On the front page of our brochure was a photo of a B & Q store we had financed (B & Q being ultimately owned by Kingfisher). Potential clients took one look and told us they knew our group already! Even before our first anniversary a firm of stockbrokers rang us and insisted that a sale of our business within 12 months of setting up was not to be.

Our first offices were in trendy Covent Garden, two small rooms at the top of a PR agency. One room had a plaque recording the agency’s history, and the other was given over to the design and layout of our first brochure, which was sent to potential clients by bike. Alas, we missed a trick there; several years later they changed their strap line to Pure Genius – if only! On the front page of our brochure was a photo of a B & Q store we had financed (B & Q being ultimately owned by Kingfisher). Potential clients took one look and told us they knew our group already! Even before our first anniversary a firm of stockbrokers rang us and insisted that a sale of our business within 12 months of setting up was not to be. Our first offices were in trendy Covent Garden, two small rooms at the top of a PR agency. One room had a plaque recording the agency’s history, and the other was given over to the design and layout of our first brochure, which was sent to potential clients by bike. Alas, we missed a trick there; several years later they changed their strap line to Pure Genius – if only! On the front page of our brochure was a photo of a B & Q store we had financed (B & Q being ultimately owned by Kingfisher). Potential clients took one look and told us they knew our group already! Even before our first anniversary a firm of stockbrokers rang us and insisted that a sale of our business within 12 months of setting up was not to be. Our first offices were in trendy Covent Garden, two small rooms at the top of a PR agency. One room had a plaque recording the agency’s history, and the other was given over to the design and layout of our first brochure, which was sent to potential clients by bike. Alas, we missed a trick there; several years later they changed their strap line to Pure Genius – if only! On the front page of our brochure was a photo of a B & Q store we had financed (B & Q being ultimately owned by Kingfisher). Potential clients took one look and told us they knew our group already!

An early friend of the business recently sent me our first newsletter. It was a review of our first 3 years. It referred to three pre-let office developments in the north where we raised more than 100% of costs on long term gilt linked mortgages with no LTV covenants. A minimum drawdown at practical completion was underpinned by a derivative – and this was before the Great Financial Crash; except these three financings did not get into trouble. There was significant rental growth and the borrower even managed to refinance without penalty creating a further surplus. We talked about sale and leasebacks which left reversions with lessees and were structured as off balance sheet. We had sold Enterprise Zone investments and drawn on money from the leasing market to finance properties rich in Capital Allowances. Almost all of our work was development focussed. Interest rates had been nudging upwards from 16% in 1989. It was not until 1993 that interest rates first fell below 7%, below average property yields. 1993 was when commercial real estate investment mortgages took off and was the first wave the company rode. We continued financing the unusual alongside the conventional; 5 Private Finance Initiative pathfinders including a railway station, police station (including dog kennels), hospital, educational building and one of the first residential transfers from a local authority to a housing association. The conventional included development finance for a distribution warehouse valued at 11% when the facility agreement was signed on the day the first Gulf War broke out and then sold 3 times within 12 months, the final time at a yield of 7%. Helping new companies with their early projects was another feature of our work back then. We arranged finance for the first development of Mark Glatman’s Akeler Developments comprising speculative light industrial units on Team Valley Business Park. After completion one occupier took out the reinforced concrete floor of his unit and installed a swimming pool – perhaps a hybrid of conventional and unusual.

The second wave we rode was a fund management business operating collective investment schemes which ultimately became 80% of our turnover. When limited partnership ownership structures became popular, there were few regulated operators willing to take on an outsourced role and we were one of the first into the market. Kingfisher Property lasted 30 years and was sold earlier this year to Crestbridge, whereupon it was renamed. We now offer not only property finance but also multi-jurisdictional regulatory, accounting and administrative services. We moved office to combine with their existing London operation, as a result of which the average age has halved and we listen to music from the Noughties while we work.

Looking back over 30 years, what I have enjoyed most is the diversity of an innovative real estate market and the rich variety of characters who drive it. Change seems to happen at an ever faster speed; how people occupy offices, the impact of ecommerce, the emergence of debt funds and so on. What a privilege to be part of it! If there has been a frustration it has only been minor; the number of people believing my nephew, with whom I work, when he tells them I am his grandfather.
As outlined in the APEC Forum report, on June 28, 2018, Borough Market in conjunction with CULS hosted the “Food City” event, featuring a panel discussion about “How has food production, distribution, storage, preparation, consumption, waste and culture changed London’s built environment? How has London changed food? What does the future hold?” Borough Market cooperates with local charity Plan Zheroes to prevent food waste.

**Sustainable solutions to food waste**

How London based charity Plan Zheroes redistributes surplus food to people in need

Have you ever wondered what your local bakery or café does with its lovely leftover loaves and pastries at the end of the day, or what your supermarket does with the slightly bruised pears that no one wants to buy? Most of it lands in the bin. UK food businesses waste 3 million tonnes of food per year. At the same time, there are an estimated 8.4 million people in the country who are food insecure. This ranges from people who are worrying about whether they will have enough money to buy food to around 4 million people who are experiencing real hunger. This is in the 6th largest economy in the world.

Luckily there are several charities working tirelessly to rescue good quality edible food from businesses and get it to people who need it. One such charity is Plan Zheroes-The Zero Food Waste Heroes. Founded in 2009 by Lotti Henley, who experienced hunger first hand as a refugee at the end of the second World War, Plan Zheroes is a registered charity that provides innovative solutions in surplus food redistribution.

Plan Zheroes have run weekly volunteer led collections of surplus food at Borough Market since 2014. Every Wednesday and Saturday, several food waste hero volunteers visit traders in the market at the close of the day and collect any surplus produce. They sort it and weigh it and then 5-10 charities come to the market to collect it. Volunteers also make deliveries using an electric cargo bike. Through this project, charities supporting vulnerable groups such as the homeless and the elderly have access to 300-400 kg each week of fresh fruit and veg, artisan bread, gourmet cheese, meat and dairy - ideal products to provide their beneficiaries with nutritious meals.

The logistics around getting food from businesses to charities can be complicated. Food businesses may have surplus food later in the day when the charities are closed. Charities have different requirements in terms of the types of food they need or can use. For example, food banks rely on non-perishable items whereas a day centre for homeless people may be looking for for fresh fruit and veg and a hostel prepared foods.

In order to simplify these logistical issues, Plan Zheroes partnered with IT consultancy Keytree and designed a food donation platform (planzheroes.org). Launched in 2015, the platform is a type of social network where food donors and charities can easily find and connect with each other via a map function. When businesses have surplus food they post their donation on the platform. Charities in their community are notified by email and
can claim the donation via the platform. Charities can also contact Plan Zheroes volunteers in their area if they need help collecting the food.

The food donation platform is used by a wide variety of London businesses - from Nando’s restaurants to food manufacturers and wholesalers to local bakeries, including several branches of Gail’s. Plan Zheroes also helps redistribute food from the Emirates Stadium in partnership with catering company Delaware North and works with London City Airport to redistribute items confiscated at the airport such as unopened bottled drinks or jars of jam over 100ml. Last year the charity nearly trebled the amount of food redistributed via the platform. To date, over 50,000 kg – the equivalent of 120,000 meals – has been redistributed via the online platform.

For businesses, the platform is an easy way for them to donate their food to charity. Plan Zheroes has legal agreements in place which govern the safe handling and liability of the food donations. For charities, the food helps them to improve the quality and/or quantity of meals they serve. It also allows them to redirect precious funds they spend on food to frontline services such as support for housing or mental health issues.

Our work is all about connecting diverse groups – businesses, charities and volunteers - and building communities of people who are passionate about making sure that good quality food gets to people who need it rather than ending up as waste.

Plan Zheroes and Borough Market recently celebrated reaching the milestone of 100,000 meals provided to charity. Following on the success of the project at Borough Market, Plan Zheroes launched surplus food collections at five other markets in London last year.

However, Plan Zheroes is a small charity with just two paid staff and 50 volunteers but has ambitious plans. They are currently seeking funds to help them scale up their food donation platform throughout the UK.

Visit us at www.planzheroes.org or follow us on social media @planzheroes for further information on our work.

1 Source: WRAP, Quantification of food surplus and waste in manufacture and retail-summary, May 2016.
A pre-lunch reverie earlier this summer. The unusually relentless English sun blocked by a slightly stooped figure in an aging Jesus 1st May Boat blazer.

‘Of course! A pleasure.’

My fellow guest had matriculated shortly after the Second World War, reading Mathematics and then Surveying. A career with a global engineering partnership started, he recounted with barely suppressed remembered excitement, a year in the south of Sudan, surveying for the ill-fated Jonglei Canal.

We had a most unexpected and entertaining lunch. I couldn’t help reflecting that there must have been precious few members of Stewards on that day who had even heard of this project, let alone seen it. My wife, Judith, and I had passed by the Canal’s opening works on our way south from Khartoum to Juba as a part of our extended around-the-world honeymoon in 1978-79.

That story started with Geography, a short dalliance with the Chinese, and then Land Economy with Donald Denman and the Silver Street mob. Professor Denman and Henry West – and many others – had provided introductions and recommendations for us to all and sundry involved in land tenure and its administration in Egypt, Sudan, Kenya, India, Nepal, Malaysia, Thailand and Hong Kong. Nine eye-opening and often jaw-sagging months followed to see what land tenure was all about around the world to help decide whether this was what we wanted to commit to.

We were sent out by the then Overseas Development Administration to Fiji. We lived in Fiji for three years in total; the first of these years was spent working with the Native Land Trust Board which administers four-fifths of the country’s land area. Then, at the start of the 1980s, everybody advised that working on land in the developing world was dead as a dodo so I returned and spent a couple of years in property investment based in the City. Subsequently we spent the second spell in Fiji – two more years – at the University of the South Pacific helping set up the new land economy degree that Donald Denman and Ben Acquaye had been instrumental in securing international support and resources for.

After that second spell in Fiji, I spent almost a decade sustained by a lecturing post at Cirencester, coupled with researching and writing for the Economist Intelligence Unit in London as their Pacific Region political and economic analyst. After 1990, my time was increasingly taken up with consultancy work. Following the collapse of socialism around the world, a small group of like-minded individuals set up a group of niche consultancy companies; initially in the UK, and subsequently in the US and in the Netherlands, specialising in advising the World Bank, the EU, the UK and other governments on land tenure and administration in development.

By the time I was approached in 2000 to move across to lead the UN Food and Agriculture Organization’s Land Tenure Service, these companies were involved in the design and supervision of hundreds of millions of dollars of development investments covering many countries, including almost all of the World Bank financed initiatives in land administration around the world.

FAO, as one of the largest technical agencies of the UN, has probably inevitably been the subject of substantial and, sadly, sometimes perhaps justified criticisms of its leadership, efficiency and effectiveness. Despite these vicissitudes, it is widely acknowledged as an essential part of the international global governance architecture with its responsibilities for developing important technical initiatives and for overseeing fundamental global agreements in its area of competence. FAO has always been involved in land tenure; indeed, one of its very first professional appointees in 1945 was the first Land Tenure Officer, another Brit, Sir Bernard Binns. As with all major conflicts, the Second World War saw all sorts of tenure challenges thrown up as the fought-over countries and their peoples returned to peace.

During the period 2000-16, the Organization’s tenure team expanded considerably from a much reduced base. It built its partnerships with key Bretton Woods, UN, bilateral, multilateral, civil society and private sector organisations. Among the most challenging, enjoyable and exciting of the many involvements during these years were supporting technical supervision of one of the largest valuation programmes in history (around 140 million properties - the World Bank financed Russian Cadastral Project) and the China Land Policy support - again in partnership with the World Bank - addressing rural land take-up, registration and compensation in the context of extremely rapid urban expansion. The outcomes of this latter work contributed to the widely acclaimed 2007 Property Law in China which was the landmark first recognition of
household contracting rights as property rights. This led FAO on to supporting the government of China in financing, design and implementation of the country’s first rural land registration pilot which, in due course, was selected as the model for the registration of the new property rights in land of the country’s more than 200 million farming households.

The most exciting part of the tenure team’s responsibilities culminated in 2012, after more than four years of global consultation, development and negotiation, in securing the world’s endorsement of the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests. Recognised by FAO as one of its ten greatest achievements in its first 7 decades of existence, this global process was led through the Committee on World Food Security by the tenure team. The implementation of these ground-breaking guidelines by all governments forms a part of the basis for the framework and targets of the UN System’s Sustainable Development Goals (2015-30) and is requested at the highest levels by the UN General Assembly, the G7/8 and the G20 as well as many civil society and private sector organisations.

For myself, work in more than 50 countries since Silver Street has included activities in all of the continents save Antarctica. There have been many fun things to do, many very challenging and not a few quite surprising. But perhaps one of the most enjoyable and enviable of these was the Jones Lang Wootton Travelling Scholarship in 1988-89. The trustees generously enabled one lucky person a year to travel around the world and research a topica area relevant to land. It is a past pleasure that I have the honour to share with our own venerable current President of CULS – although in my case after the presentation at the Royal Institution some of the less reverent members of the audience were heard to say that they thought my particular research seemed an extremely good way of getting someone else to pay for a global survey of beaches in desirable and remote locations. Too many pictures! The subject: The leasing and licensing of coastal and marine resources.

Sometimes I reflect why land? There has been a long established family fondness for the land – and for travelling. My great- great- great-grandfather established a firm of surveyors in the West Country in 1830 – Ward & Chowen – only taken over last year by Stags. Two of my brothers also qualified as Chartered Surveyors. Since early times many others in the family travelled abroad, both in government service and in business.

I suppose, however, that the particularities of my direction come down to the inspiration and challenge of Donald Denman and Henry West, to whose shades most grateful thanks, and the wish to do something a little different in a field where people – actually the large majority of people in the world – are critically dependent upon their access to land and where their rights are ill-defined and very often unprotected.

But most of all, it was all possible because of the freedom granted by a wonderful and enthusiastic wife and family; to share the dream that you might sometimes be given the opportunity to do something that needs doing – and that that something might sometimes help make a difference.

The author would like to thank the copyright holder, FAO, for kind permission to use the photographs.

Editor’s Note: Paul Munro Faure will be delivering this year’s Denman Lecture in Cambridge on Tuesday 20th November 2018. Details can be found on CULS website.
The Mysteries of being a Non-Executive Director

Just over a year ago I took up a non-executive director role. I was very lucky to have a supportive employer who sees merit in its employees gaining a wider insight of board positions. I am a NED of one of the largest G15 housing associations; Notting Hill Genesis. Notting Hill Genesis works in the community, providing homes for lower-income households. It is one of the largest housing associations in London and the south-east, providing homes for around 170,000 people in some 55,000 properties across the capital and a further 9,000 in the Home Counties and East Anglia. It was formed in April 2018 from Notting Hill Housing and Genesis Housing Association. Below I give a feel of some of the things I have been involved in as a NED, some reflections, and what I have learned and enjoyed most about the role.

I joined the regulated housing industry at an interesting time to say the least. Not only is the provision of housing at the forefront of every political party along with the perennial debate about rent control, but the last 18 months has seen the horrendous tragedy or Grenfell and questions over service providers like Carillion has also touched the sector. These issues alongside many other many others really make you very aware that the role of a NED is serious and not one that should be accepted lightly.

One might assume that the first year of a NED appointment would be about:

• getting to know an organisation and its people including fellow board members,
• how is the organisation run,
• getting very familiar with its assets, financing and governance
• quickly assimilating and knowing the regulatory framework under which the sector is governed

However, as a NED, some reflections, and what I have learned or what has been reinforced to me from my experiences:

• understanding how things are done and what are the key issues that face the organisation
• attending shareholders meetings and the AGM; and
• attending the various committees one is appointed to; I sit on the Board, the Development and Assets Committee, the Nominations Committee and the Remuneration Committee.

At interview, typically one is advised a NED will require a time commitment of 10-20 days, but may be more in the first year as you get familiar with things. From my experience, double what you are told and brace yourself for Board Packs of 200 pages!

I have had a fascinating 18 months in which I have gone through all the above and also a merger. The merger was a fascinating process as it genuinely was a coming together of two like-minded entities but where there were shareholders to convince about the benefits, as well as bankers and bond holders and a host of integration and cultural issues to face into. As a relatively new NED, I also had new board member relationships to establish, and to think about the remuneration policies for a new team and in amongst the mix, recruit a new board member as one NED had done 9 years of service and so needed to retire for best practice governance reasons.

It’s been a busy, challenging, fascinating and enjoyable year. So, what have I learned or what has been reinforced to me from my experiences:

• NED roles should not be accepted lightly and carry real responsibility and you are accountable to a host of people; shareholders, regulators and employees.
• By definition a NED is non-executive, but it is a constant challenge of constantly thinking about what are the big issues and how do you ensure you stick to strategic things and don’t interfere with the day to day running of the company whilst also balancing your liabilities of being a director of a regulated entity.

A successful board is one where there is a high degree of respect, transparency and regard for every Board member, and everybody recognises the value that others brings to the table. This ensures you avoid a defensive culture.

• Getting familiar with how an organisation does things when one is not an executive is really hard and takes time and commitment.
• Don’t ever be afraid to question and feel like you are being a fool.
• The bigger a meeting, the more important it is that agendas are carefully considered and objectives for the meeting are well defined before the meeting; chairmen play a vital role here.
• How much I value succinct papers! In my opinion, this is for executives to grasp to really enable a Board to have the time to add value to the process.
• Networking remains a vital component of one’s remit.

Would I do it again? Definitely! I have learned so much about the sector, governance, people and tactics that I used in my day job. I have also met some amazing people particularly those who work on the ground serving residents every day, and I believe I have genuinely made some new friends with fellow board members. But, I would ask more questions now before I accepted another role, and would reinforce what many have said to me in the past; only do a NED role if it’s something you are passionate about.
“Factfulness” Reasons to be Cheerful

I would recommend that a standard text for all students at the Department of Land Economy should be a book published earlier this year and which I read with fascination called Factfulness written by Hans Rosling with the support of his son and daughter-in-law. I spoke at our dinner in Caius College after our AGM, and used as my text some of the insights raised by the book to encourage others to enjoy and be educated by its contents. I received several comments after the dinner and thought it worthwhile to encourage other members to read the book. Politically the World is in a depressing place with looming BREXIT and the politics of President Trump, and I would like to think that the long global view presented by this book will add a smile, some cheer and optimism to our view of the state of the world.

The book’s premise is to set out 10 chapters why we are wrong about the world and why things are better than we think. Using simple but graphic illustrations of data largely drawn from the United Nations and which relate to relative global wealth and the longevity of the world’s population, I certainly found myself correcting the preconceptions I had about the well-being of the world. There is a very graphic and convincing illustration of this on the authors website at www.gapminder.org which charts global wealth against human lifespans from 1800 to 2018. This shows that on all measures the increase in wealth and longevity is not confined to my preconceptions centring on the Western World and Developed Nations. A snapshot from 2015 is shown below illustrating the number of countries which enjoy both relatively high levels of income and longer lifespan.

The book tests the reader’s preconceptions and on almost all counts, surveys undertaken by the authors prove that we have an instinctive reaction to view the answers to a number of questions regarding the world more pessimistically than the actuality of the hard facts. The thesis is then made that we make poor decisions based upon our incorrect perceptions and the lack of good data needed to make a better decision.

By way of example consider the question how did the number of deaths per year from natural disasters change over the last hundred years? A: more than doubled – B: remained about the same - C: decreased to less than half. Consider your answer before you read on.

The number includes all fatalities from floods, earthquakes, storms, droughts, wildfires, and extreme temperatures and I bet you like me gave an answer of A or B. In fact the number of deaths from acts of nature has dropped far below half in the last hundred years and is now just 25% of what it was 100 years ago, despite the fact that the human population has increased by 5 billion people over the same period!

If this “Factfulness” both challenges and interests you then do read the book as I did, which might lead you to the conclusion that “when we have a fact-based worldview we can see that the world is not as bad as it seems and we can see what we have to do to keep making it better”, the author’s closing words not mine.

Professor Franz Fuerst has now set me the task to read Steven Pinker’s tome “The Better Angels of our Nature” a history of violence and humanity, which at 841 pages will take considerably more of my attention, but given that Bill Gates referred to “Factfulness” as one of the most important books he has ever read and similarly endorses Stephen Pinker’s book as one of the most inspiring books he has ever read, I expect to be that much more educated in a couple of months’ time.

Dominic Reilly
CULs President
Gonville and Caius (1975 -1978)
One aspect of property that makes it endlessly fascinating is that so many disciplines relate to the understanding of its intricacies and, sometimes, its eccentricities. One area involves the probing of the psychological relationships between people, and land and buildings. Every few years I attend a conference put on by ‘IAPS’, the International Association - People-Environment Studies. Most of those in attendance are academic psychologists, but there is a sprinkling of other disciplines and even some people working at the coal-face of property development and management.

This year’s conference was in Rome, in early July, and was formally entitled ‘Transitions to Sustainability, Lifestyle Changes and Human Wellbeing: Cultural, Environmental and Political Challenges’. Not surprisingly, this inclusivity meant that there was something for everyone. For the practitioner, such conferences provide an opportunity to keep in touch with the academic world, including any emerging ideas or perceptions, and current thoughts.

At a previous IAPS conference in Sweden, I was involved in a group discussion on why so much good research has so little impact. I became aware, at that session, that I was the only person there who had ever built anything. Accordingly, at the 2018 conference, I gave a short introduction to the barriers to the transfer of information between the academic and the practitioner, noting that each party carried some of the blame. The great part about doing a presentation at such a conference is that it forces you to dig into an area, and deal with wonderful material that might not be on your usual reading list.

Some talks dealt with long-standing themes, in particular those considering the aesthetics of buildings and urban spaces, and, this year, multicultural aspects were frequently examined, with one session including contributions from people from Japan, Turkey and Brazil. A longer keynote talk, by Terry Hartig of Uppsala University, considered current and past ideas about restorative environments - something that should be of interest to anyone who has faced personal or business stress. Some fascinating explorations by academics from the University of Surrey and Columbia University focused on the various aspects and functioning of privacy in the workplace and beyond - and that resulted in a short, but intense, question and answer session.

As with so many conferences, IAPS can only give a quick overview of the wealth of information and insights under development. It is up to the individual attendee to follow up anything they find interesting. As is so typical of our time, sustainability is a big part of many of the presentations: the presentations I found most interesting related human perceptions and beliefs to behaviours, both individual and collective - and how they are manifested in the physical environment. People can be illogical in their beliefs and behaviour, and it is always a delight when some researcher encounters quirky behaviour among experimental subjects. The global origins of the presenters keep findings interesting - we often get used to how environments work in the developed west, so need to give some thought to other parts of the world where beliefs, perceptions and traditions may be very different.

My favourite conferences allow ample time to encounter other conference participants - and it is best when they are supplied with ample food and drink. This one did it well, on two terraces at each end of a sunny landscaped courtyard. Experiences and research initiatives are compared, and the practitioners (unfortunately not enough of them) progress from cluster to cluster looking for insights that might help them create better buildings and cities.

Indulging in Conferences: IAPS 2018
The International Opera Awards

Harry Hyman
Founder, International Opera Awards
Managing Director, Nexus Group
Christ’s (1975-1979)

The International Opera Awards had its genesis in 2012. As a lifelong devotee of opera, I was frustrated by the sense that this wonderful and multifaceted art form was hiding its light under bushel. Inspired by the industry awards ceremonies already hosted by my company Investor Publishing, I set out – with my daughter Sarah – to establish the “Oscars of Opera”.

It was an ambitious aim, but we were lucky from the outset to enjoy the support of Opera magazine, which you might describe as the opera world’s answer to Wisden, founded more than sixty years ago and still the leading publication on the subject. John Allison, Opera’s indefatigable editor, acts as the chair of our jury: an international panel of expert opera critics and administrators.

The task the jury faces is a daunting one. They must whittle down thousands of nominations, submitted via our website by opera lovers around the world, to shortlists of just six or eight candidates. Our 21 award categories include Singer of the Year, Opera Company of the Year and the annual Lifetime Achievement Award. Awards for Young Singer and Newcomer recognise emerging talent, and we also give special awards for Philanthropy, Leadership in Opera, and Education and Outreach initiatives.

Winners are chosen by secret ballot, and announced at our annual red-carpet ceremony. From an awards dinner in its early years, the Awards has grown into a fully-fledged theatre show, with performances by some of opera’s greatest names alongside the award presentations themselves.

Over the years, we’ve been thrilled to have star singers such as Lawrence Brownlee, Aleksandra Kurzak, Anita Rachvelishvili, Bryan Hymel and Stuart Skelton perform on our stage, among many others. Gerald Finley, Dame Anne Evans, Susan Bullock, John Copley and Danielle de Niese have been among our guest presenters, and it’s been a particular honour to welcome the winners of our Lifetime Achievement Award – including legendary artists like Teresa Berganza, Brigitte Fassbaender and Renata Scotto. Operatic royalty, all of them.

From the outset, the aim of the awards was not only to raise the profile of opera, and reward the success of its best and brightest, but above all to raise funds to support the next generation of operatic talent. To this end, in tandem with the Awards themselves, I established the Opera Awards Foundation.

Now, in its sixth year, the Foundation has given out over £200,000 in bursaries to talented singers, directors, conductors, ensembles and other operatic artists around the world. Unlike many charities supporting musicians, the Opera Awards Foundation places no restriction on age, nationality or career stage of its applicants.

This flexibility means that we can support artists often excluded from other funding opportunities – such as those making the tricky transition from full-time study to a freelance career; singers whose maturing voices develop in new directions; and non-EU residents whose study costs in the UK are often considerable.

Recently, after one of our awards ceremonies, I was particularly moved to speak with one of our early bursary recipients, a young conductor based in Germany. The funding she’d received from the Foundation had, she said, quite literally changed her life, enabling her to pursue a career which she otherwise would never have been able to afford. Now her diary is filling up with engagements, and we’re delighted to have played our part in that.

Similarly, I’m proud to see the names of so many bursary recipients popping up at opera houses throughout the UK and around the world. This year alone has seen Opera Awards Foundation artists perform at the Royal Opera House, English National Opera, Glyndebourne, Paris Opera, Zürich Opera and the...
Metropolitan Opera, to name just a few, and many have been signed up by prestigious young artist programmes.

One stage on which I’m always especially pleased to see our bursary recipients is our own. As well as presenting them intimate recitals and masterclasses throughout the year, we’re always keen to showcase Opera Awards Foundation artists at the ceremony itself.

This year, as well as two massed chorus numbers from our artists, one of our very first bursary recipients – the wonderful Australian soprano Sky Ingram – even made a surprise star turn. When illness forced the originally scheduled soloist to withdraw just an hour before the show, Sky stepped heroically into the breach, performing with tenor Toby Spence in a duet from Bernstein’s Candide which she’d never sung before that evening. It was a triumphant moment, and testament to the calibre of talent which the Foundation has been fortunate to support.

Opera is not only an expensive vocation to undertake, it’s one which requires immense emotional fortitude from those who pursue it. From students making their first forays into the profession, to established artists performing on the world stage, the persistence and passion which opera brings out in its practitioners never fails to inspire.

As I write, applications for our next intake of bursary recipients are once again open, and the team is already gearing up for the 2019 Awards ceremony. It’s heartening to see how far we’ve come in a relatively short time. Opera is no museum piece – it is a vibrant and important part of our cultural lives – and it’s our privilege, through both the Awards and the Foundation, to play a part in ensuring that it remains in the limelight, where it belongs.

For more information about the Opera Awards, please visit www.operaawards.org
Update from the Head of the Department of Land Economy: 2017-2018

I spoke last year of a difficult year in the Department: at the risk of being accused of eternal pessimism, 2017-2018 proved to be equally challenging! Teaching was disrupted by serious staff illness and then, at the end of the Lent term, by the industrial action around proposed changes to pension rights. In practice, the actual impacts were fairly minor, bar a couple of Tripos papers. However, with much greater pressure on students to achieve high degrees (allied to the fee levels for both undergraduates and postgraduates and the growing “client” relationship I spoke of last year), these events cause great anxiety and stress and increased demands on both academic and administrative staff. I’m really proud of how all the team worked to minimise the impact the events had on our student cohort, whichever side they stood of the debate.

Pensions and remuneration are very much critical issues for us – given University pay levels and the cost of housing in the area, recruitment is challenging and turnover of staff seems inevitable. We have experienced considerable churn amongst the administrative staff this year which is never helpful. Of academic staff, we were delighted to welcome two new lecturers to the Department: Dr Johan Larsson and Dr Özge Öner, both from the Jönköping International Business School in Sweden (my umlaut insertion skills have increased dramatically). Both have research skills in regional, urban and spatial economics and in the role of entrepreneurship in urban development. They will add new strengths in the economics areas previously covered by Prof John McCombie and support the real estate team, Özer’s position supported by the Cambridge Real Estate Research Centre.

We are also currently recruiting for a new position, a lectureship in Chinese Urban Development. This post has been generously funded by Dr Justin Chiu and the Pecan Trust and will greatly add to our strengths in this key area. The donation has, in part, come from the substantial efforts by the Department to develop and strengthen our networks in Asian and to keep touch with our Asian-based alumni in those markets – with both CULS and CLEAB playing a role in supporting those efforts. Given funding pressures in the University, the Department is really only able to grow and strengthen its resource base through such external funding activities.

The next major UK universities research evaluation, the Research Excellence Framework, is looming and our submission (in 2020) will once again be joint with the Department of Architecture. Our side is led by Professor Andreas Kontoleon and indications are that we, once again, look strongly placed, with high level international research publications across all our areas of activity, in real estate, urban and regional economics, land use policy, environmental policy, planning and law, an excellence funding record and, as appropriate for a policy-focussed department, strong evidence of real external impact from our work. If we have an Achilles’ heel, other than the sheer diversity of our work, it might lie in our ability to fund doctoral students, but we have continued to attract very bright graduates beginning their academic career with us.

Student recruitment remains strong with no clear evidence of a Brexit effect. For 2018-2019, we expect a new Tripos entry of 58 students and around 100 full-time MPhil students (just over half for the Real Estate Finance programme, with Environmental Policy and Planning, Growth and Regeneration sharing the remainder). In both undergraduate and postgraduate recruitment, we saw an increase in applications (against the trend for social sciences in Cambridge), with 5% more postgrad applicants. As ever the postgrads come from all around the world and bring very strong academic credentials and, often, good relevant work experience.

We have also just welcomed a new cohort of nineteen students on the part-time MSt in Real Estate. The MSt has been a tremendous success, providing a Cambridge degree programme for those with more substantial working experience that allows them to benefit from our expertise and to share experience in group settings. The first cohort is just reaching graduation and have produced strong results – and a strong group bond too. Tribute should be paid to Nick Mansley, the executive director of the Real Estate Research Centre for his leadership of the MSt

and to Gillian Barclay, the Centre’s administrator who, sadly for us, has just been poached for a more senior position at the Institute of Continuing Education, who helped steer the programme through the University’s Byzantine approval processes.

On the building front, last year I reported glacial progress and, to some extent, this has seemed like the snout of the glacier has been in retreat, with the threat of “value engineering exercises”. The main achievement appears to be the new name for the project: Pleiades: my brief research suggests that this is a star cluster 444 light years away, which doesn’t sound promising. Nonetheless, we remain on track for a new purpose-built accommodation on the New Museums site, with the upper floors dedicated to Land Economy above lecture and library space, and are RIBA Stage Three in design. This does represent a tremendous opportunity for us, both to move out of the inadequate space in Silver Street (whatever its romantic memories) and to “relaunch” the Department and its programmes. We have already had potential major success in fund-raising for the new site and will be making every effort to reap the benefits of the move when it eventually happens.

As last year, I would like to finish by thanking all those CULS members who have contributed to the Department’s work over the last year and helped us to maintain the Land Economy family from newly arriving Freshers to senior partners of major funds and professions. We really do appreciate the efforts that are made amidst heavy work pressures, whether it is through mentoring, the careers fair, events open to our students, seminars and lectures or help with site visits and case material. It really enriches what we can offer our students and helps to create the special degree programmes that characterise Land Economy – thank you.
Real Estate Research Centre Update

The real estate research centre continues to be very active with academic research, a number of projects for industry and initiatives to encourage dialogue between academia, industry and the public sector. One of these latter initiatives is the Future Cities Programme supported by London property company Capital and Counties Properties PLC (Capco) which includes a conference and an annual grant for eight postgraduate students from across the university to conduct bespoke research on issues shaping future cities and related policy. The third Future Cities Conference took place on 12th July at Jesus College bringing together around 100 researchers, developers/investors and policymakers interested in the challenges and opportunities for cities with a focus this year on successful cities of the future.

Professor Chris Webster from Hong Kong gave an entertaining talk about operational and strategic issues in integrating technology into cities and the built environment – e.g. how do we actually get technology to be useful! This included a particular focus on health and wellbeing – including mental health and obesity issues. This was followed up by further insights on city success in the face of technological change from Professor Calvin Jones – highlighting the interaction (and in some cases lack of interaction) between innovative companies and dynamic cities - and Rick Robinson, leader of digital property and cites business at Arup. There was a lively discussion about transport infrastructure with the BBC's Matthew Gwyther including both former student Emma Fletcher and a current real estate masters student Joanna Rowelle of Arup. Nick Falk gave an entertaining introduction to a panel (which included Dame Kate Barker) discussion on successful housing delivery. Professor Colin Lizieri contributed an investment perspective on how fragmented ownership of cities, particularly with increased international investment, could potentially reduce the ability for cities to solve issues cohesively.

The presentations by Cambridge PhD students (from eight different departments) gave a fascinating perspective on issues affecting cities – with early Anatolian settlements giving insights into dense co-living and co-working space and a range of presentations focused on housing solutions (1) land value capture, (2) engineered solutions, (3/4) housing and inclusion in the city – a legal/rights perspective. Research on social cohesion in neighbourhoods, mapping coastal flooding risk and spectrum security issues was also highlighted. Further details of the content of the sessions is available through the Future Cities page on the Department's website.

The part-time Masters in Real Estate

Our first cohort of Real Estate have now completed their Masters course, making it through their dissertations whilst working full-time. We look forward to meeting up with them again in November for their graduation. Our third cohort of 19 mature students from around the world (Australia, China, Canada, HK, Japan, Switzerland, Czech Republic amongst other countries) have recently started. One of the great things about the programme is the interaction amongst the students giving them the chance to talk about their experiences on projects, with investments/deals etc. Another highlight is the input from leading practitioners and interesting site visits. Over the past year visits to Grainger and some of their properties with Helen Gordon, Earls Court and Covent Garden (Capco), Kings Cross (Argent Related), 22 Bishopsgate (Axa), Trinity Leeds (Land Securities), Workspace properties with Chris Pieroni and WeWork have been some of the highlights whilst industry speakers have included Madeleine Cosgrave (GIC), Lars Dahl (Norges), Jenny Buck (Tesco), Roger Orf (Apollo). We continue to very much welcome support from CULS members with presentations, cases and site visits. We are also keen to get as many good applicants as possible – so think if there are people in your organisations that would like to have a deeper and broader understanding of the real estate industry and build their technical and leadership skills. Please encourage them to apply.

Currency Risk Management

One of our industry research projects released over the past year was our investigation of industry practice in managing currency risk. The report highlighted how changes in exchange rates – which can be volatile and unpredictable – can dominate the real estate returns investors are seeking from their non-domestic investments. The study highlighted that some managers show a bias away from managing currency risk where hedging is thought to be costly and currency management may be used selectively to boost returns as much as to control risk. Around four-fifths of managers and investors surveyed, hedge some or all of their currency risk and around 70% of these have a formal currency hedging policy but, even where clear procedures are in place, exceptions may be made. Forward contracts are favoured for their simplicity and flexibility and are the most common hedging instrument but swaps, options and local leverage are all used extensively. The report raised the concern that with currency hedging frequently a treasury function rather than one undertaken jointly by central and real estate teams, that currency risk is not fully appreciated in making investment decisions. The research concludes that the approach the real estate investor or manager adopts to manage currency risk should be highly focused on their circumstances.
The Role of the Not-for-Profit Housing Sector in Addressing The Affordable Housing Challenge

An International Symposium was held at St Edmund’s College in Cambridge on 10th September 2018, which was co-sponsored by two of UK’s leading Housing Associations: L&Q and Clarion Housing Group. The event also formed part of the European Network for Housing Research’s 30-year anniversary celebrations and received a donation from UK’s Collaborative Centre for Housing Evidence.

Following the launch of the Future Shape of the Sector Commission report ‘Building homes, Building Trust’ (June 2018), this symposium brought together eighty international academics, industry leaders and policy makers from eleven different countries to carry forward the Commission’s work, share latest findings and inform thinking around the future directions in not-for-profit housing, neighbourhood development, governance and finance. This major impact event was global in outlook, with the aim of developing a cross-cultural exchange and an on-going research agenda to support the sector in addressing the housing challenges facing today and those of future generations.

The main conference was held in St Edmund’s Garden Room, with Lord Andrew Turnbull (Chair of the Future Shape of the Sector Commission) and Professor Peter Boelhouwer (Chair of the European Network for Housing Research) welcoming the delegates and setting out the purpose of the day. Clare Miller (Director of Governance and Compliance, Clarion Housing Group) followed, outlining the aims of the Commission and its key messages, which were timed to influence the UK Government’s ‘Social Housing’ Green paper, published this summer. Clare stressed how the sector is under pressure to double output per annum and ensure a good majority of the homes are genuinely affordable tenure. To do this, the sector needs more partnerships, joint working and better access to affordable land. Clare concluded that academic research plays a critical role in this endeavour, particularly in reflecting on how housing and land markets operate, the financial, or regulatory constraints on the sector and the unintended consequences of following particular courses of action.

Marina Alcalde-Irisson (Deputy CEO, Paris Habitat) and Professor Vincent Gruis (Delft University of Technology) followed by highlighting the common challenges facing the Not for Profit Housing sectors in France and the Netherlands, respectively, stressing the acute affordable housing backlogs and funding systems that are equally under pressure. Marina concluded, reflecting on the way in which the ELAN Law being discussed in Parliament is likely to result in a major reorganisation of the French Not for Profit Housing sector, with businesses facing pressures to merge and sell off assets. Vincent in turn offered insights into why the Dutch Parliamentary Inquiry into the sector in 2014 came about and reflected on the resultant path that the sector has had to take, curbing in particular its non-core social housing activities.

Both speakers offered salient lessons for the English sector, particularly in relation to how government regulatory changes, including housing benefits cuts, rent cuts affect the sector and its ability to fund and scale up affordable housing output. These comparative issues were teased out in a lively question and answer session.

The following three speakers, Professor David Mullins (University of Birmingham), Dr Gerard Van Bortel (Delft University of Technology) and Paddy Gray (University of Ulster and Board member of Wheatley Group) all provided thought provoking presentations on how international academic research

Specialists vs Generalists

An interesting question for those investing in real estate funds is whether they should use country and sector specialists or use funds with a broader multi-country and multi-sector focus. We have been undertaking a study to explore the performance of different types of funds to see if this is statistically different. Do specialists deliver better investment performance? The findings of this study for INREV will be released soon.

Long Term Sustainable Value

We have started work on a major study for the Investment Property Forum, with Bank of England involvement, on different approaches to assessing sustainable or fundamental value in real estate and the extent to which other measures are also useful for identifying when the risk of a significant drop in real estate values is high. It is a challenging project both conceptually and technically but if we can produce some useful guidance for the property lending community and regulators then it could have a valuable and substantial impact.
can support the Not for profit housing sector, reflecting on the benefits of comparative and longitudinal research which critically analyses how the sector manages conflicting commercial and social goals, and how to retain a social purpose through on-going resident and community engagement. Each of the speakers made links to research methods, theoretical contributions to debates and the importance of on-going learning exchange between practitioners and academics. David particularly stressed how hybridity is a key concept to understanding the sector response to state funding withdrawal, and how the reliance on market sales provides a means to cross subsidise social housing output. Yet he warned that this form of hybridity may require rebalancing, with community influence restored post-Grenfell. He concluded highlighting the value of international knowledge sharing. Gerard continued this theme, providing illustrations of the way academics facilitate action learning and support dissemination of best practice internationally, whilst retaining their role as a ‘critical friend’. He offered examples from G Van Bortel et al (2018) Affordable Housing Governance and Finance, which is a truly co-produced book, including chapters from 12 countries and contributions from over 30 academics and practitioners. Paddy equally stressed the importance of evidence-based research for businesses, and drew on the way that Wheatley Group translates research findings into informing new products, improving management and targeting resources more appropriately in response to customers’ needs. He finished by stressing how the UK Collaborative Centre for Housing Evidence 5-year Programme is intended to support the sector through the creation of knowledge exchange hubs.

In the afternoon, the delegates were split into small working groups consisting of practitioners and academics from an array of countries, each tasked with discussing a series of questions that were derived from the Future Shape of the Sector Commission Report. Austen Reid (Clarion Housing Group) and Dr Julie Lawson (RMIT) facilitated Group A ‘Delivering in the market’; Joost Nieuwenhuijzen (European Federation for Living) and Professor Alex March facilitated Group B ‘Strategic direction, structure and governance’; Anne Chapman (Golding Homes) and Kath Scalon (LSE) facilitated Group C ‘Place making and regeneration’, Helen Wilson (Clarion Housing Group) and Dr Tony Manzi facilitated Group D ‘Social purpose and brand trust’ and Mike Ward (Campbell Tickell) and Dr Elanor Warwick (Clarion Housing Group) facilitated Group E ‘Delivering high quality services through digital technology’. Each group focused their discussion not just on the key challenges that the sector faces in relation to their theme but also on how to resolve them and ways to share and disseminate best practice, with the facilitators each providing four action points in the feedback session later in the day.

The penultimate panel session was Chaired by Professor Hal Pawson (University NSW) which was tasked with considering how to strengthen the capacity of the Not for Profit Housing sector in other countries. The key challenges including housing affordability deteriorating rapidly, land prices escalating, inter-generational inequalities, ageing population, in-work poverty are equally acute in these countries yet the Not for Profit housing sector is comparatively smaller and different organisations lack capacity to respond to the affordable housing challenge. After outlining the key difficulties that the sector faces in scaling up in Australia, Hal introduced the five panellists. Dr Moserrat Parjeja-Eastaway (University of Barcelona) provided an illuminating account of the challenges that the sector faces in Spain. Dr Chiara Rizzica (Fondazione Housing Sociale) raised capacity issues facing the sector in Italy. Dr Jaana Nevalainen (Ministry Advisor) addressed concerns in Finland. Dr Rob Wiener (California Coalition for Rural Housing and University of California, Davis) discussed the challenges in the USA. Whilst the panellists focused on capacity constraints that are organisationally specific including limited resources and skill shortages, they also stressed that political capacity is equally critical. The lack of political leadership, policy uncertainty and change in effect undermine efforts to strengthen the sector within each country. The panellists then summarised key ways to build sector capacity, particularly through strengthening industry links with private finance and the development sector, with many of them offering innovative examples of best practice that are transferable elsewhere.

The final panel session chaired by Lord Turnbull included panellists Aubrey Adams (Chair of L&Q), Ben Pluijmers (Chair of European Federation for Living) and Joroen Van der Veer (Amsterdam Federation for Housing Associations) who summed up what they had gained from sharing international experiences and how to take the working groups’ action points forward into practice. What was clear in this final discussion was that all the delegates were keen to carry forward the connections made and the momentum created throughout the day. Dr Nicky Morrison (University of Cambridge) closed the conference by setting out the next steps – and yes – bringing every one together had been a huge task but fully worth it, seeing every one’s can-do attitude, commitment to the sector and tackling the affordable housing challenge. She finished by thanking in particular Aubrey Adams (CULS committee member) who had encouraged her to organise the event and Ali Young (CULS secretary) who had helped it come to fruition. Particular thanks also went to her bright young PhD student Yiru Jia for all her help and who also represents the future generation of researchers tasked with continuing finding housing solutions. The conference was followed by a four-course candle lit dinner served in St Edmund's College's Dining Hall, with the Master of the College, Matthew Bullock who participated in the whole event, inviting everyone to reflect and capitalise upon these vital international connections made as they continue their work. Professor Peter Boelhouwer responded, thanking St Edmund's College for hosting the event and it truly made a 30-year anniversary celebration of European Network for Housing Research too.
Sclerotic historic cities? Dynamic powerhouses!

This is an extended summary of:

Strolling along Amsterdam’s historic Herengracht canal, one easily feels like a time traveller: Don’t the proud merchant homes look like those on Berkenheyde’s 17th century oil paintings? Seemingly, little has changed since then, but in a recent research paper, David Geltner (MIT), Piet Eichholtz (Maastricht) and I investigate how much Amsterdam has evolved over the last two centuries – and whether we can build empirical models that can predict which homes were most likely to be redeveloped to fit modern needs.

Amsterdam is well-suited to analyse whether historic European cities are still fit for contemporary residents’ and businesses’ needs: Many of its buildings have survived time and several wars relatively unscathed. Also, we can consult excellent records on the built environment and on the social fabric of Amsterdam, reaching back centuries.

In our paper, we turn the lens on land: In historic city centres, where many existing lots are too small for optimal modern uses, redevelopment of buildings often involves an assembly of lots, creating coordination problems between owners and causing substantial transaction costs. The land assembly problem has been studied quite extensively, both theoretically and empirically. However, existing studies analyse single lots instead of lots in combination. Yet land assembly involves the combination of two or more lots. It is therefore likely that not only the characteristics of individual parcels (“What would owners give up?”) are relevant, but also the joint characteristics (“What could be there if lots were merged?”) of the relevant lots, which determine the possible results of the assembly.

We look at the micro urban form of Amsterdam at three far-removed moments in time: 1832, 1860 and 2015. In doing this, we make three main contributions to the urban economics literature.

First, we analyse the redevelopment of urban lots jointly with their neighbours, explicitly considering the coordination problems this entails.

Second, we explore the very long-run dynamics of urban (re)development at the lot level, which is important for understanding the micro-forces that shape cities. The urban landscape at any point in time is a legacy of development decisions taken over the decades and centuries before. In effect, we investigate whether land owners in the distant past already – implicitly or explicitly – incorporated seemingly modern concepts like highest and best use in their decision making concerning redevelopment.

Third, we not only study the characteristics of lots and dwellings, but also of the people owning and occupying them. When lot owners have matching social characteristics, this possibly reduces coordination costs between these owners, and could make it easier for them to combine their lots if that would make economic sense. Conversely, when owners are also the occupiers of dwellings, joint redevelopment may become costlier, since it necessarily creates moving costs. This would reduce the likelihood of assembly. To our knowledge, owner and occupier characteristics of individual lots have not yet been studied when analysing land assembly issues.

The empirical analysis in the paper starts with the 1832 cross section of lots in the historic city, i.e. all lots located within Amsterdam’s famous half-moon shaped centre, which effectively made up the complete city at that time. We estimate a model that predicts the land assembly that occurred between
This model is based on structural variables, pertaining to the physical characteristics of lots and buildings, and social variables, i.e. characteristics of lot owners and/or occupiers.

First, the data shows a striking amount of redevelopment: About three quarters of all lots had their boundaries redrawn between 1832 and 2014. While façades remained in place, the buildings behind them have been adapted again and again. Amsterdam might look old from a canal cruise boat but it is far from being a sclerotic remnant of past times.

We find that much of the land assembly that has occurred in the last 183 years can be predicted, and that land owners rationally contemplated “highest and best use” long before it was ever part of the professional real estate lexicon. Quite intuitively, small lots and lots with suboptimal shapes are more likely to get redeveloped.

Not only the physical characteristics of the lots, but also the social characteristics of their owners and occupiers in 1832 turn out to be predictive for the likelihood of assembly, although the social characteristics tend to have explanatory power largely for the 1832-1860 period only. Social ties between owners, for example by sharing a joint religion or profession, likely reduce coordination costs for joint lot development, and therefore also increase the odds of redevelopment. Our results imply that it is important to take account of social characteristics of lot owners besides just the physical characteristics of the lots.

Some of the model’s salient variables underscore the relevance of real option theory in our understanding of redevelopment, though a comprehensive and rigorous test of real option theory is beyond the scope of the present paper.

Probably the most important finding of this paper is that land assembly should preferably be studied by analysing both individual and combined inner-city lots. This is in line with how urban redevelopment actually takes place, and our results show that this approach is warranted by the data.
Cambridge Centre for Housing and Planning Research

Cambridge Centre for Housing and Planning Research, led by Acting Director Dr Gemma Burgess, continues to work with a broad range of partners and funders to produce research aimed to impact upon policy and practice, both in the UK and overseas.

The UK is currently experiencing a chronic undersupply of housing and there is demand for innovative and affordable models of housing design and production. As part of the Government’s response to the current crisis, the Centre for Digital Built Britain (CDBB) has been established to deliver a smart digital economy for infrastructure and construction for the future and transform the UK construction industry’s approach to the way we plan, build, maintain and use our social and economic infrastructure. Led by Professor Andy Neely, Pro-Vice Chancellor: Enterprise and Business Relations, the CDBB is developing a ‘research bridgehead’ between its programme and the UK research community. Our mini project1 for the CDBB earlier this year looked at the uptake of digital tools in the UK house building sector; a ‘state of the nation’ report provided a definitive picture of the current state of play in terms of the use of Building Information Modelling (BIM), highlighting the need for a greater awareness of the advantages of using BIM throughout the UK house building sector.

As part of the ‘research bridgehead,’ we are leading the CDBB’s Digital Built Britain Housing Network. The first meeting of the network in July 2018 saw 27 academics, practitioners and policy makers coming together to discuss key research questions facing UK plc. The Network identified key areas for research including: the operation, maintenance, through-life management and governance of housing stock; housing an ageing population; the role of digital technologies and data in the planning system for the delivery of housing; and the scope for and impact of off-site production on housing affordability. The evidence generated by the Network2 will scope out a research programme designed to meet the needs of UK plc in delivering housing in a digital built Britain.

In February 2018, the CCHPR team was joined by Dr Sónia Alves, a Marie Skłodowska-Curie Fellow. Sónia’s two year research programme, funded by the European Union’s Horizon 2020 research and innovation programme and known colloquially as ‘PLANAFFHO’, will look at how land use planning contributes to the provision of affordable housing for people on low income as well as how this has promoted a mix of housing tenures in three European cities: London, Lisbon and Copenhagen.

The research will focus on investigating planning and housing activities in the three cities, notably how they seek to address problems of housing shortage, affordability, and segregation of housing tenures. The research aims to provide practical knowledge and innovative advice to decision-makers on what can be done regarding these huge societal challenges. A further aim of the research, underpinning and informing the former, is to make a contribution to the theoretical and methodological advancement of international comparative research on housing and land-use planning. The research will involve visits to planning departments and non-profit housing associations in Copenhagen, Lisbon and London, aiming to contribute to a mutual exchange of knowledge. During the visits, Dr Alves will collect data and conduct fieldwork, and with a background in Geography, spatial planning and sociology, she will analyse the data through the lens of spatial and social scrutiny.

CIL and Section 106: evaluating the evidence

The Ministry of Housing, Communities and Local Government (MHCLG) commissioned research on the incidence, value and delivery of Section 106 planning obligations and the Community Infrastructure Levy (CIL) in England. This was a collaborative CCHPR project led by the University of Liverpool. The work was commissioned by MHCLG in order to update the evidence on the value and incidence of planning obligations, explore the relationship between CIL and section 106, investigate the negotiation processes involved with section 106 and explore the monitoring and transparency of developer contributions. The work built on and enhanced four previous studies commissioned by MHCLG covering 2003-04, 2004-05, 2006-07 and 2011-12.

The study found that there has been an increase in the aggregate value of planning obligations agreed and CIL levied since 2011/12, up 61% from £3.7bn to £6.0bn in 2016/17 (50% after adjusting for inflation)3. Despite the introduction of CIL in 2010, our survey results clearly illustrate that the majority of the value of developer contributions in England comes from negotiated S106 agreements (85%). There has been significant growth in the value of affordable housing in both absolute terms and as a proportion of the total value of planning obligations agreed and CIL levied since 2011/12.

Affordable housing contributions have grown as a proportion of total planning obligations, from 53% in 2007/8 and 62% in 2011/12 to 68% in 2016/17. There are, however, significant regional variations in the value of affordable housing obligations.

Where CIL has been adopted, the value of levies has been significant, with £907m levied in aggregate during 2016/17. Our findings point to CIL proving most effective on small, uncomplicated sites in areas of high demand. Outside these high demand contexts, there remains a strong residual preference for S106. A large part of this is related to the site-specific association between development and the planning obligation agreed to make it acceptable. When considered
The decision to leave the European Union presents a unique opportunity to take our own approach to the governance of rural land. For decades we have railed against the injustices, inadequacies, inefficiency and environmental harm arising from the Common Agricultural Policy (CAP). Now we can design our very own approach. Many have said that this is the best opportunity for a fresh start since 1947, but at that time we had the benefit of thinking by the Scott and other committees who had planned for policy to be implemented after the War was over. This time we simply have the foresight of a government that instructed civil servants not to plan for Brexit. So a clean slate?

The opportunity

I have been arguing that we don’t need an agricultural policy; we need a British Ecosystem Services Policy (BESP). We should step back from a preoccupation with a single sector and think about the best uses for rural land. Food production is vital, but in a crowded countryside it has to work alongside the delivery of many other services: wildlife conservation, landscape enhancement, carbon storage, water gathering, flood protection, public access, and more. These services collectively are characterised as ecosystem services. Food production as a ‘provisioning service’ reveals its value through markets. Flood regulation as a ‘regulating service’ or outdoor recreation as a ‘cultural service’ are not exchanged in markets. There is some scope for creating new markets for ecosystem services and some interesting developments on the ground. Water companies in particular have begun to pay some landholders for improvements in water quality and there are opportunities for markets for flood protection or carbon storage. But the public good characteristics of these services challenges the development of private markets. The core element of a BESP is a scheme for public procurement. This parallels the current government advocacy for ‘public money for public goods’. But there is largely silence from government as to how this is to be arranged.

A BESP would set up procurement schemes at national and local levels. A national procurement scheme would buy ecosystem services of national significance: wildlife conservation actions to meet Aichi commitments under the Convention on Biological Diversity, carbon sequestration to meet our nationally determined contributions under the Paris Climate Agreement; landscape standards in National Parks. Local procurement would be more responsive to local interests to protect landscapes or secure public access. It would also fill in the gaps left by the national scheme, joining up and creating larger scale areas. Wherever possible, procurement would be through competitive processes, would pay by results and would promote collective action. Funding could be extended to support intermediary organisations that can facilitate the delivery of valued services or to enable the development of partnerships amongst stakeholders. Contracts for the delivery of ecosystem services could be set up over longer periods of time or could be used for land purchase to secure benefits into the future. Landholders would be empowered to develop portfolios of contracts to deliver bundles of ecosystem services.

The prospects

But what are the chances of such an approach being implemented? There are two types of response to the BESP proposal. One that it is obvious. It goes without saying that a future land policy should be something like this. The other is that it is too difficult and too different from what we have had before. It does indeed require the development of new sorts of institutions and this takes imagination, time, resources and government capacity. All of these are in short supply amidst the confusion of the Brexit negotiations.

We still have little idea about what the world will be like after Brexit. The
New environmental land management system will be the cornerstone of our agricultural policy in England. But the scale of this new system remains uncertain.

Will we open our borders to free and open trade as some advocate? The government’s comment in ‘Health and Harmony’ that “We will adopt a trade approach which promotes industry innovation and lower prices for consumers. But we also need to adopt a trade approach that allows sufficient time for the industry to prepare” is not reassuring for farmers’ incomes. The UK food market must be one of the most attractive opportunities for potential trading partners, especially the United States. The current position is that the UK will not compromise food standards. But if we drop out of the EU with no deal, it will be hard to resist accepting US standards in a desperate bid to secure some sort of compensation for reduced access to EU products. Even with an EU deal, there will be very large political capital riding on being seen to secure new trade deals with non-EU countries.

In the new world of UK agricultural policy, the contest for resources for agriculture will not be among EU member states to share out a relatively secure agricultural budget, it will be against lobbyists demanding more for health, defence, education and social care. How farming will fare in this contest is not clear. The House of Commons Environment, Food and Rural Affairs Committee recently expressed concern that “there have been minimal discussions between Defra and the Treasury over the future funding of the new agricultural policy”. And presumably the Treasury holds the purse strings. So farming seems to be facing a clear loss of direct payments for an uncertain gain from an enlarged environmental scheme, with a good chance of receiving lower prices for its products. It may be that Defra is betting on the “huge opportunity for UK agriculture to improve its competitiveness” to solve the problem. Initially the prospect for a bold new approach to rural policy had seemed possible. In July 2017, Michael Gove, Secretary of State for Environment Food and Rural Affairs, in a speech at the WWF set out a vision for the natural environment: “ultimately the air we breathe, the water we drink, the food we eat and the energy which powers our planet is going to deliver multiple ecosystem services. But somehow that vision and ambition seems to have become bogged down in the politics, economics and bureaucracy of Brexit. And it is not necessarily a bag that is going to deliver multiple ecosystem services.

Government has signalled in the ‘Health and Harmony’ [sic] White Paper that, in England at least, direct subsidies paid under the CAP will be phased out over an agricultural transition period. This is a significant change because currently across all types of farm, on average 61% of farm business income came from direct payments in 2014/15 to 16/17. Against this, there is the government pledge to provide public money for the delivery of public goods. A new environmental land management system will be the cornerstone of our agricultural policy in England. But the scale of this new system remains uncertain.

Payment Vehicles and Contingent Valuation Studies:
The Impact of Tax Reallocation on Global Climate Change Efforts

Despite early scepticism, Climate Change has slowly but surely risen to become a key issue on both the international and national level. In the 2017 Pew Research Survey, Climate Change was named one of the top threats facing the modern world. This corresponds with a recent uptake in national efforts to combat Climate Change, such as the UK’s Climate Change Act 2008. While necessary, there has been a growing recognition that these state-level efforts are insufficient given the scale of the problem. This culminated in the signing of the Paris Climate Agreement (“the Agreement”) in 2015. The Agreement, which aims to limit the increase of average global temperatures to “well below 2°C” above pre-industrial levels, was signed by 195 member states of the United Nations Framework Convention on Climate Change (UNFCCC).

Yet, given our history of failed international environmental agreements like the Kyoto Protocol, it remains to be seen whether the early optimism surrounding the Agreement will indeed translate into meaningful results. This propensity for failure, coupled with the relative lack of research into international environmental agreements and the severe and possibly irreversible consequences that would arise from the failure of another agreement, make it imperative that more research is concentrated on improving our chances of success. Since public opinion often directly directs public policy (Burstein, 2003), the key to the long-term success of international environmental agreements could well lie in crafting domestic policies that are better-received by the public. It was thus imperative that the research be conducted in a manner that directly engaged the average taxpayer.

To provide a more in-depth analysis on the subject matter, this study focusses on only one aspect of the Agreement,

the Green Climate Fund (GCF), a fund that relies on contributions from member states and the private sector to support developing countries in their bid to mitigate and adapt to Climate Change. This was chosen because unlike more intangible aspects of the Agreement, the GCF involved a tangible, monetary aspect that could be easily understood by survey respondents. For example, as of September 2017, the UK had pledged an average of £15 per citizen in contributions to the GCF. The amount respondents indicated they were willing to contribute to the GCF could also serve as a proxy for the value placed by individuals on environmental preservation. Given the underlying goal of the study to contribute to the success of international climate agreements, it was essential to focus on factors that had a larger impact on the more practical aspects of implementing such policies. Consequently, the study elected to isolate and evaluate the effects of payment vehicles (PV), the institutional means by which Willingness To Pay (WTP) values are elicited in survey-based valuation methods, in hopes of identifying which PV elicited a greater WTP. Although there are many different types of PVs, the PVs used in this study were Special Taxes (ST), referring to an additional tax levied on the household, and Tax Reallocation (TR), where funding is instead reallocated from an existing expenditure such that the overall amount of taxes paid by each household does not change.

The aims of the study were thus two-fold: Firstly, to value individual’s WTP for contributions to the GCF under different PVs, namely special taxes (ST) and tax reallocation (TR), and under different TR scenarios. Next, the data gathered would then be extrapolated to form recommendations that could help states garner more domestic support for participation in international agreements.

Methodology:

The study was conducted via an original online survey where four hundred randomly selected British Taxpayers were asked to respond to a series of questions that first assessed their pre-existing attitudes towards the environment, then evaluated their WTP under both PV scenarios. While all respondents received the same ST scenario, they were then randomly sorted into four equally-sized treatment groups, each of which faced a different TR scenario (Figure 1) to assess if factors such as the source from which funding was reallocated from or being given a choice as to where the funding would come from would affect WTP.

Results:

Based on the data collected in the survey, the study found that PV had a varied effect on WTP, depending on the respondents considered. This result was consistent throughout a wide range of statistical tests, and despite the addition of various control factors. As seen in Figure 2, when the whole sample was considered, mean WTP was greater under TR than ST. However, when we isolated the responses of those who had indicated that the environment itself was valuable, the impact of PV was found to be reversed. Based on the responses collated, this trend may stem from the fact that those who valued the environment positively also believed that other government expenditures used in the study, such as the NHS or education were equally important and thus, could not have their funding compromised.

The study also found that in the TR scenario, neither the source of funding nor providing respondents with the ability to choose where the funds were reallocated from were significant factors able to influence the individual’s WTP. This suggests that one’s WTP is much more dependent on intrinsic factors such as one’s attitude towards the environment rather than on external factors such as where funds are reallocated from.

Viewed together, these results suggest that the extent to which WTP can be influenced by policy design may be rather limited. Furthermore, since there was no PV that led to a universally higher WTP, this suggests that it is not possible to produce a set of recommendations that can be uniformly applied at the state level, much less internationally, where we can expect the variation in preferences and intrinsic motivation to be even greater.

Despite the conclusions of this study, it has nonetheless contributed to the existing field of literature in several ways. Firstly, as one of the first studies attempting to link WTP analysis to the success of international agreements, it shows the dearth of research concerning how to fund international climate change efforts in a manner more palatable to the public. Next, the study is also pioneering in its introduction of the factor of choice to TR analysis. Finally, the study was also able to extend existing literature about the significance of source in TR scenarios to the context of the UK and affirmed the insignificance of source despite the introduction of sources that differed from that used in the existing literature. Efforts to improve the effectiveness of international climate agreements should also continue despite the challenges, given that the consequences of failing to combat Climate Change are severe and possibly irreversible.

Editor’s Note: Ruthanne was supported in her dissertation with a grant from CULS to cover the cost of her online survey.
Realising how we Brits love being lectured by Americans, I thought I might give CULS readers an update on what I have been doing since retiring from Land Economy two years ago. For various reasons, I and my family migrated back to the US, settling in San Diego, California, just a few miles from the property development project of Donald Trump (a cynic would call it a wall). I describe the example I consider here in more detail in my recent book *Creating the Wrong Environment: How reasonable habits of thought get in the way of effective environmental policies - and how to fix them*. The book builds on 40+ years of teaching, research and advising around the world, examining how we create damaging environmental policies when otherwise laudable principles are poorly applied.

The example comes from helping Southern California make a transition from a power supply operated by investor owned utilities (IOUs) to one operated by communities. This is called Community Choice Energy, and I became involved at the request of Santa Barbara County Council, who describe CCE as a programme where “one or more cities or counties create a locally-controlled public agency that is responsible for purchasing or producing the electricity for local homes and businesses.”

This appears to be a good idea, but progress has been slow as municipalities consider whether it is feasible. Concern has been expressed that the price of power may go up significantly (not likely) and that municipalities are not as skilled as utilities in maintaining energy supplies (certainly true). CCE is working successfully in other parts of California, so there is no reason it cannot be brought to the SoCal area, at least in principle. The Councils are already halfway there, voting in 2017 to enact a target of 100% renewable energy by 2030, up from the current 30%.

California has been steadfast in following the scientific evidence underlying ambitious carbon reduction efforts. These ambitions are under threat at the national level under Trump, and so the state has focused increasingly on forming alliances with other states and nations for whom policy remains evidence-based, including with the UK and Japan, the two other countries in which my wife and I live each year. If California is to take such a position, it must lead by example, so it is instructive to see where the state stands in the league table of emissions. Consider first energy-related carbon dioxide emissions by state. This appears to be a good idea, but progress has been slow as municipalities consider whether it is feasible. Concern has been expressed that the price of power may go up significantly (not likely) and that municipalities are not as skilled as utilities in maintaining energy supplies (certainly true). CCE is working successfully in other parts of California, so there is no reason it cannot be brought to the SoCal area, at least in principle. The Councils are already halfway there, voting in 2017 to enact a target of 100% renewable energy by 2030, up from the current 30%.

California's standing now improves appreciably, up to third lowest per capita emissions, with slightly above 9 tons of carbon dioxide per person per year. The trend is towards reductions, with a 25% decrease since 2000, again almost leading the nation in climate action. Carbon intensity of the economy also shows California in the top 5 states, with a value of 170 metric tons of carbon dioxide per million USD of GDP. By contrast, the national average for the US is 339.
How does California compare globally? The annual per capita emissions of 9 is lower than the UK and most of the EU nations (France is lower due to the use of nuclear power). This is in part because California has invested so strongly in renewable energy, especially solar, with a carbon intensity of the state grid (carbon released per unit of energy produced) that is 20% lower than in the UK and 40% lower than the US average. The carbon intensity of the state economy (carbon released per unit of GDP) is similarly low, both nationally and compared to the UK. This has been accomplished while maintaining a strong economy with almost twice the GDP growth rate as in the UK.

The SoCal region is therefore well positioned to achieve CCE. To assess the potential of CCE in Santa Barbara County, a feasibility study was conducted. A key part of the study was the estimate of uptake rate, or percentage of the local population who would opt to join the scheme once it is in place. The higher the percentage joining, the lower the rates due to economies of scale. The authors used a system of pledges from community members, in which people pledge publically to use the CCE power rather than IOU power once the former is up and going.

This seems a good way to predict the eventual uptake rate. However, as I explore in the book, pledges are a potential dead end for effective environmental policies. The assumption is that people are on a conveyor belt that moves them inevitably from awareness to pledge to action. Experience however shows that people only have a fixed amount of moral energy they will put towards environmental solutions. A pledge to act makes them feel good, so that moral energy is dispersed. Too often, pledges remain merely that, and do not translate into actions. As St Bernard said a thousand years ago Hell is filled with good intentions and desires. That is why the chapter in my book exploring this topic is called Stop Me Before I Pledge Again.

The success of CCE in SoCal will depend critically on what percentage of people who make pledges take that next, critical step to choosing the local energy supplier once the investment has been made. My role has been to design a process to move them along the conveyor belt, based on lessons learned from my projects in the UK, EU, Abu Dhabi, India and Japan. We need about 50% of the pledges turned into consumer actions if CCE is to provide power at rates better than the power from the state grid. Fingers crossed.
In the immediate aftermath of the Brexit vote, one of the perhaps surprising developments was the bringing into sharp focus of the role of the judiciary in our wider political system in the public consciousness. Not only was the spectre of the Court of Justice of the European Union one which loomed large over the debates leading up to the referendum, but the litigation instigated by Gina Miller in which she challenged the legality of leaving the Union prompted headlines in the press labelling judges as “enemies of the people”. In short, the judiciary were presented as being the antithesis of democratic decision-making. In a way hitherto unimaginable in the UK, we saw the personalities of the judges being examined in detail, along with their political leanings. Previous debates have seen criticisms of the judiciary for a lack of diversity, for too legalistic an approach to contentious issues, and for a certain homogeneity of values, but never before have the attacks been so personal. Indeed, the very role which the judiciary has to play within our wider democratic system was cast under the popular microscope and, in the eyes of many, found wanting.

The consequences of this shift in the relationship between judges and the people are still being understood, but academic lawyers have long examined the appropriate role of the judges within our wider constitutional set up. From the writings of Dicey, who praised the English judiciary for its robustness and independence, to the more recent debates surrounding the degree to which judges should attempt to capture the intended meaning of Parliamentary legislation or whether they should show fidelity to the actual words expressed in legislation, these debates form a core part of the study of constitutional law. Indeed, the first year Land Economists are encouraged to think about these issues in their Public Law paper, and are given the skills to engage with judicial reasoning as part of their methods training. We seek in providing them with these skills to ensure a rich and nuanced appreciation of the variety of pressures resting on judicial shoulders, and of the different techniques which the judiciary can employ in solving legal problems.

On a personal level, however, these questions – how should judges decide, and what are appropriate considerations for judges to take into account – form a central part of my current research. For me, this question is particularly important and challenging in relation to environmental law thanks to the complex relationship which exists in that area between scientific information, discretion at local authority and Environment Agency level, a comparative imbalance of resources following the pressures of austerity, and the intensely political nature of many of the decisions to be reached. For this reason, I have spent the last few years exploring the role of the judiciary in environmental law and I currently writing a book on the subject along with my colleague, Dr Ole Pedersen, at the University of Newcastle. The avenues required to be explored in making these assessments have been fascinating and sometimes surprising.

In typical land economy fashion, however, and perhaps unsurprisingly, these questions have also revealed themselves to reach beyond legal study and legal philosophy. For this reason, I have recently been collaborating with a former Land Economy PhD student – now at Reading University – Dr Edward Shepherd, on the topic of ideology amongst the judiciary. Ideology, we explain, is the term used to explain groupings of solutions to intractable political problems – where there is no clear or definitive answer to be reached. Many questions which we ask of our judges are of this type, and yet in Court the one thing which must occur is a winner/loser answer. Edward and I explore how such tensions are and should be resolved in the context of planning law.

In addition to reaching without the legal disciplinary boundaries, my research this year has also required me to reach beyond the borders of the UK. Together with the Harold Samuel Chair of Law and Environmental Policy, Jorge E Viñuales, I have recently completed the manuscript for the forthcoming Oxford Handbook of Comparative Environmental Law. In this substantial work, we bring together around fifty leading environmental law academics from across the globe, to explore not only the general framework of environmental protection in a number of countries across all the continents, but also consider cross-cutting sectoral regulations and solutions to global problems – such as polluted sites and nature conservation – in a very wide variety of jurisdictions. This is the first work of such a scale yet attempted in environmental law scholarship, and it has been a long time in the making. Indeed, by the time the work is finally in print, I will have had two children since commencing this book!

Finally, and to wrap up in relation to a previous contribution I made to this journal in 2014, the Law Commission has last month published its recommendations for how the Land Registration Act 2002 should be changed to solve a number of the problems which have emerged in its operation since its coming into force in October 2003. Professor Martin Dixon, a fellow land economy lawyer, and myself, were members of the academic panel assisting on the production of this report, and are extensively cited within its text. Time will tell whether the suggested Bill makes it onto the statute book, but if it does it is gratifying to know that the Department of Land Economy has been so instrumental in reaching this final outcome, even if, as is inevitable, it is perhaps fair to say that we do not necessarily agree with all of the Law Commission’s findings.

Overall then, this has been a busy year, and the next academic year promises to be hugely exciting. I have two new PhD students starting, and my current PhD student will have his viva in October. It is heartening to know in this respect that the research culture within the Department is strong at all levels, and that this feeds down into our taught graduate and undergraduate programmes. With only a few weeks of summer left, we are all now looking forward to what the new term will bring.
During October 2015 the Government required most retailers in England to charge at least 5 pence for a plastic carrier bag. Prior to this intervention, the regulation of plastic bag use in England was undertaken on a voluntary basis with most retailers handing out plastic bags free of charge.

Soon after this charge came into force there was a sharp reduction in plastic bag use. While this result highlights the ability of economic instruments to deal with environmental problems, it also provided an opportunity to answer an important question concerning legal compliance.

Why do we sit stationary at red lights in the middle of the night? Is this because we feel an internalised obligation to observe society's laws, or is it because we fear the possibility of a traffic infraction for running a red? Or, is it some combination of the two?

The answer to this question is very important for policy-making because it indicates the extent to which it is possible for law to have its own-effect: citizens adopting the law of the land as their self-enforced behaviour.

With my colleagues, Luca Panzone from Newcastle University and Tim Swanson from the Graduate Institute, we addressed the question by undertaking a staged survey contemporaneous with the adoption of a plastic bag charge in England in 2015. The expressed purpose of the charge was aimed at “eliminating the unnecessary use of this item.”

The survey asked English consumers: a) how many plastic bags they used; and b) how much they were motivated to reduce the number of plastic bags they used – on three separate occasions just before, just after and seven weeks following the adoption of the plastic bag charge.

By analysing how the answers changed over time as compared to plastic bag usage in neighbouring jurisdictions (Wales, N. Ireland, Scotland), it was possible to separate out between the self-reported “own-effect” of England's plastic bag law, and the remainder of its effect attributable to the size of the charge.

We found that there was a clear and distinct impact of the law's adoption by individuals; initially, about eight per cent of the impact was driven by law's own-effect, and after seven weeks this declined to about five per cent of the total effect of the charge.

So – the letter of the law is to some extent taken on-board by society, and enforced against ourselves to give it effect, but the vast majority of law's effect is probably driven by the potential for a penalty.

The extent to which laws have an own-effect will depend upon the society and on the context concerned – probably the laws of a credible, competent and communicative government will have much greater direct effect than those from others.

In any event, it is clear that we do in fact sometimes make ourselves sit at red lights in society, even if there is little or no prospect of any penalty otherwise. Our research has recently been accepted for publication in the Journal of Legal Studies titled Follow the Leader? Testing for the Internalization of Law.
Getting it and getting straight to it. That's the point. We're not here to waste time - yours or ours. We're here to listen intelligently and sympathetically to your issues, then get down to business straightaway. We'll use our expertise and experience to cut through complexity, giving you the plain-speaking clarity you need. No hedging. No grass growing under our feet. And definitely no beating around the bush.
Are the lights on? Switch on!

This is a call to all readers to invite and encourage new members to join CULS.

We are keen to grow our CULS membership across the UK as well as internationally.

And now that we have your attention, please also update your personal and payment details online www.culandsoc.com
The CULS Property Careers Fair is the only dedicated property careers fair at Cambridge and it continues to be well received by students and employers. This year we were pleased to welcome over 20 employers and 150 students to the Guildhall. As well as the typical crowd - largely land economists and a sprinkling of representatives from other degree subjects - we also made it onto the itinerary of a group of visiting Harvard MBA students.

As always, it was a pleasure to see many CULS members taking part in the fair, representing their companies and promoting careers in the sector more generally. With so many avenues open to Cambridge graduates, raising the profile of the wide range of careers opportunities in property and related fields is a key priority for CULS. The sector has so much to offer – we are passionate about highlighting its merits to the next generation.
We remain keen to encourage a broad range of employers to the fair. We would particularly encourage firms with international vacancies and those with opportunities suitable for candidates from the MPhil in Planning, Growth and Regeneration course to get in touch.

Jon Zehner, Global Co-Head of Client Capital at LaSalle Investment Management and CLEAB chair, provided a short and informative talk, which was very well received by the students. A successful evening concluded with drinks and networking.

I hope that many of you will be able to join us for the next CULS Property Careers Fair in November. In the meanwhile, please do not hesitate to contact me with any queries or ideas relating to the role that CULS can play in developing careers at lsherwin@deloitte.co.uk.

Finally, thank you again to our sponsors and the many companies making donations to the society to support the careers fair, it is very much appreciated.

2017 Attendees

- Bidwells
- BlackRock
- BNP Paribas
- British Land
- Cambridge Matrics
- Cambridge University Careers Service
- Cambridge University Land Society
- Capita
- Carter Jonas
- CBRE
- Colliers International
- Cushman & Wakefield
- Deloitte
- Eastdil Secured
- Gerald Eve
- GIC
- GVA
- JLL
- Knight Frank
- LaSalle
- Savills
- TH Real Estate
- Wells Fargo

Join us at the CULS Property Careers Fair 2018

Thursday 2nd November
4-6pm milkround followed by drinks and networking

The Guildhall
Market Square
Cambridge

Contact lsherwin@deloitte.co.uk to book a stand
# CULS Committee

<table>
<thead>
<tr>
<th>CULS Committee Members</th>
<th>CULS Position</th>
<th>Company</th>
<th>Position</th>
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</thead>
<tbody>
<tr>
<td>Dominic Reilly</td>
<td>President</td>
<td>Howard Group</td>
<td>Non-Executive Director</td>
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<tr>
<td>John Symes-Thompson</td>
<td>Immediate Past President</td>
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<tr>
<td>Aubrey Adams</td>
<td>Vice President</td>
<td>L&amp;Q Housing Association</td>
<td>Chairman</td>
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<tr>
<td>Peter Bennett</td>
<td>Vice President</td>
<td>City of London Corporation</td>
<td>Chief Surveyor</td>
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<tr>
<td>Lauren Fendick</td>
<td>Honorary Secretary</td>
<td>Taylor Wessing</td>
<td>Senior Associate</td>
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<tr>
<td>Erik Ruane</td>
<td>Honorary Treasurer</td>
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<tr>
<td>Werner Baumker</td>
<td>Honorary Press Secretary</td>
<td>Howard Group</td>
<td>Group Director - Property</td>
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<tr>
<td>Roddy Houston</td>
<td>Committee Member</td>
<td>Government Property Agency</td>
<td>Deputy Director</td>
</tr>
<tr>
<td>Louise Sherwin</td>
<td>Honorary Careers Officer</td>
<td>Deloitte</td>
<td>Director</td>
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<tr>
<td>Paul Clark</td>
<td>Honorary Members Officer</td>
<td>GL Hearn</td>
<td>Consultant</td>
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<tr>
<td>James Taylor</td>
<td>Honorary Member for the Regions</td>
<td>Adapt Real Estate</td>
<td>Founding Partner</td>
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<tr>
<td>Martha Grekos</td>
<td>Committee Member</td>
<td>MGLC</td>
<td>Director</td>
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<tr>
<td>Colin Lizziere</td>
<td>Committee Member</td>
<td>Department of Land Economy</td>
<td>Head of Department</td>
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<tr>
<td>James Lai</td>
<td>Committee Member</td>
<td>CallisonRTKL</td>
<td>Associate Director</td>
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<tr>
<td>Colm Lauder</td>
<td>Committee Member</td>
<td>Goodbody</td>
<td>Senior Real Estate Analyst</td>
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<tr>
<td>Noel Manns</td>
<td>Committee Member</td>
<td>CULS Real Estate Finance Forum</td>
<td>Chairman</td>
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<tr>
<td>Ian Marcus</td>
<td>Committee Member</td>
<td>Ian Marcus Consultants</td>
<td>Director</td>
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<tr>
<td>Rod McAllister</td>
<td>Committee Member</td>
<td>McAllister ADF</td>
<td>Director</td>
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<tr>
<td>Sophie Pickering</td>
<td>Committee Member</td>
<td>Ashurst</td>
<td>Associate Solicitor</td>
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<tr>
<td>James Shepherd</td>
<td>Committee Member</td>
<td>Knight Frank LLP</td>
<td>Associate, Rural Consultancy</td>
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<tr>
<td>Brian Waters</td>
<td>Committee Member</td>
<td>BWCP</td>
<td>Principal</td>
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<tr>
<th>Honorary Vice Presidents</th>
<th>CULS Position</th>
<th>Company</th>
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<tbody>
<tr>
<td>Dame Kate Barker CBE</td>
<td>Honorary Vice President</td>
<td>Carter Jonas</td>
<td>British Economist</td>
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<tr>
<td>Douglas Blausten</td>
<td>Honorary Vice President</td>
<td>Retired</td>
<td>Consultant</td>
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<td>Stuart Corbyn</td>
<td>Honorary Vice President</td>
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<tr>
<td>Professor Sir Malcolm Grant CBE</td>
<td>Honorary Vice President</td>
<td>NHS England</td>
<td>Chairman</td>
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<tr>
<td>Spencer de Gray CBE</td>
<td>Honorary Vice President</td>
<td>Foster &amp; Co</td>
<td>Co Head of Design</td>
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<tr>
<td>Ian Henderson CBE</td>
<td>Honorary Vice President</td>
<td>Circle Property Plc</td>
<td>Chairman</td>
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<tr>
<td>Roger Madelin CBE</td>
<td>Honorary Vice President</td>
<td>British Property Plc</td>
<td>Head of Canada Water Development</td>
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<tr>
<td>Jeremy Newsum</td>
<td>Honorary Vice President</td>
<td>Grosvener Group</td>
<td>Trustee</td>
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<tr>
<td>Liz Peace CBE</td>
<td>Honorary Vice President</td>
<td>Adveris - Property, Politics and the Built Environment</td>
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<tr>
<td>Peter Pereira-Gray</td>
<td>Honorary Vice President</td>
<td>The Welcome Trust</td>
<td>Chief Executive</td>
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<tr>
<td>Mark Preston</td>
<td>Honorary Vice President</td>
<td>Grosvener Group</td>
<td>Chief Executive, and Executive Trustee</td>
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## CULS Student Prizes

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<tr>
<td><strong>Undergraduate</strong></td>
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<tr>
<td>The Noel Dean Prize for best overall performance in Part II (3rd year TRIPPOS)</td>
<td>CULS £750</td>
<td>Sixiang Xu</td>
<td>Leo Kirby</td>
<td>Aleksandra Pedraszewska, Newnham</td>
<td>Samuel Porter</td>
<td>Lucy Merrill/ Dana Poon</td>
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</tr>
<tr>
<td>The Gordon Cameron Memorial Prize for best performance in Paper 7 (Regional Economics and Policy)</td>
<td>CULS £500</td>
<td>Ms Luting Chen</td>
<td>Joseph Strange</td>
<td>Arshad Balwa, Homerton</td>
<td>Gabriela Stoimenova</td>
<td>Patricia Behling</td>
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<tr>
<td>The Mike Turner Prize for best performance in Paper 15 (Advanced techniques in finance and investment for real estate)</td>
<td>CULS £500</td>
<td>Sixiang Xu</td>
<td>Rebecca Daniels</td>
<td>Aleksandra Pedraszewska, Newnham</td>
<td>Beatrice Chan</td>
<td>Rohan Choudhuri</td>
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<tr>
<td>The Jeffrey Switzer Prize for best performance in Paper 14 (Planning Policy and Practice)</td>
<td>CULS £500</td>
<td>Stephanie Richards</td>
<td>Richard Alty</td>
<td>Zachary Freud, Fitzwilliam</td>
<td>Harry Lewis, Sarah Galley, Shilpita Matthews</td>
<td>Kevin Li</td>
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<tr>
<td>The CULS Prize for best overall performance in Part 1B</td>
<td>CULS £500</td>
<td>-</td>
<td>-</td>
<td>Ayrton Chillon Selwyn</td>
<td>Ariane Dupas</td>
<td>Patricia Behling</td>
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<tr>
<td>The Nigel Allington Prize for Best overall performance in Paper one</td>
<td>CULS £250</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>Patricia Behling</td>
<td>Anna Kelsall</td>
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<tr>
<td><strong>Postgraduate: MPhil Real Estate Finance</strong></td>
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<tr>
<td>The Douglas Blausten Award for the best performance in the Real Estate Finance MPhil dissertation.</td>
<td>CULS £500</td>
<td>Adam Isaacs</td>
<td>Florian Unbehauen</td>
<td>Miss Quanzhi Yang Queen's College</td>
<td>Maximilian Exler</td>
<td>Nathan Bruhl, Fitzwilliam College</td>
<td></td>
</tr>
<tr>
<td>The Alistair Ross-Goobey Award for best performance in the Real Estate Finance MPhil</td>
<td>CULS £750</td>
<td>Lucas Endl</td>
<td>Florian Unbehauen</td>
<td>Mr Luke Duckworth, St Edmund’s College</td>
<td>Philip Latham</td>
<td>Callum Dron, Jesus College</td>
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## Upcoming CULS Events

Please book tickets online (www.culandsoc.com) or contact the Society Secretary, Ali Young (01638 507843, info@culandsoc.com).

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Event</th>
<th>Venue</th>
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</thead>
<tbody>
<tr>
<td>Thursday 1st November 2018</td>
<td>4pm – 7pm</td>
<td>Annual Careers in Property Fair</td>
<td>c/o The Guildhall, Market Square, Cambridge CB2 3QJ</td>
</tr>
<tr>
<td>Thursday 8th November 2018</td>
<td>6.30pm for 7pm</td>
<td>Dinner with Professor Paul Cheshire: ‘Unaffordable home, empty houses and longer commutes: some unintended consequences of restrictive planning?’</td>
<td>c/o The Savile Club, 69 Brook Street, London W1K</td>
</tr>
<tr>
<td>Tuesday 20th November 2018</td>
<td>12.30pm for 1pm</td>
<td>Lunch with Rupert Younger, Co-Founder and Global Managing Partner, Finsbury/ Founder Director, Oxford Centre for Corporate Reputation. ‘Active Manifesto’</td>
<td>c/o The Savile Club, 69 Brook Street, London W1K</td>
</tr>
<tr>
<td>Tuesday 20th November 2018</td>
<td>5.30pm for 6pm</td>
<td>The Denman Lecture given by Paul Munro-Faure</td>
<td>c/o The Savile Club, 69 Brook Street, London W1K</td>
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<tr>
<td>‘Tenure in the Twenty-First Century.’</td>
<td></td>
<td>c/o Room 9, Mill Lane Lecture Rooms, Mill Lane, Cambridge CB2 1RX</td>
<td>c/o The Savile Club, 69 Brook Street, London W1K</td>
</tr>
<tr>
<td>Tuesday 22nd November 2018</td>
<td>7.45am – 9.30am</td>
<td>Market Trends 2018. ‘Deal or no Deal: Prospects for Property under Brexit.’</td>
<td>c/o BDO, 55 Baker Street, London W1U 7EU</td>
</tr>
<tr>
<td>Tuesday 27th November 2018</td>
<td>12.30pm for 1pm</td>
<td>Lunch with Ian Ellis, Chairman, NHS Property Service Ltd</td>
<td>c/o Carter Jonas, One Chapel Place, London W1G 0BG</td>
</tr>
<tr>
<td>Tuesday 27th November 2018</td>
<td>5.30pm for 6pm</td>
<td>‘Procurement post Grenfell and Carillion.’ Given by Professor David Mosey PhD, Kings College London</td>
<td>c/o Trowers &amp; Hamlins</td>
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<tr>
<td>3 Bunhill Row, London EC1Y 8YZ</td>
<td></td>
<td>‘Procurement post Grenfell and Carillion.’ Given by Professor David Mosey PhD, Kings College London</td>
<td>3 Bunhill Row, London EC1Y 8YZ</td>
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<tr>
<td>Thursday 31st January 2019</td>
<td>Evening tbc</td>
<td>Whitehall Group Drinks</td>
<td>Venue tbc</td>
</tr>
<tr>
<td>Tuesday 5th February 2019</td>
<td>9am – 11am</td>
<td>Tour of Regents Place with British Land</td>
<td>Meeting point tbc</td>
</tr>
<tr>
<td>Tuesday 5th February 2019</td>
<td>12.30pm for 1pm</td>
<td>Lunch with Rt. Hon. Stephen Dorrell, Chairman, NHS Confederation</td>
<td>c/o Carter Jonas, One Chapel Place, London W1G 0BG</td>
</tr>
<tr>
<td>Thursday 7th February 2019</td>
<td>9am – 11am</td>
<td>Tour of Regents Place with British Land</td>
<td>Meeting point tbc</td>
</tr>
<tr>
<td>Tuesday 6th March 2019</td>
<td>6pm</td>
<td>Tour of The Bloomberg Building</td>
<td>c/o 3 Queen Victoria Street, London EC4N 4TQ</td>
</tr>
<tr>
<td>Tuesday 19th March 2019</td>
<td>1.30pm for 2pm</td>
<td>CULS/National Planning Forum Update</td>
<td>c/o Dentons UK &amp; Middle East LLP, One Fleet Place, London EC4M 7RA</td>
</tr>
<tr>
<td>Wednesday 27th March 2019</td>
<td>7.00pm for 7.30pm</td>
<td>CULS London Dinner</td>
<td>c/o Oxford &amp; Cambridge Club, 71-77 Pall Mall, London SW1y 5HD</td>
</tr>
<tr>
<td>Tuesday 9th July 2019</td>
<td>4pm – 10.30pm</td>
<td>AGM and Annual Dinner</td>
<td>c/o St John’s College, Cambridge CB2 1TP</td>
</tr>
</tbody>
</table>
The Cambridge University Land Society would like to thank the following for their generous support in 2017–2018: