

# Society of Property Researchers

## Newsletter

February 2023



### In this issue:

#### Society News

Message from the Chair

#### AGM & Annual Dinner

SPR Annual General Meeting

SPR Annual Dinner

#### Social Events

SPR Wine Tasting

SPR Winter Drinks

#### Webinars/Seminars

SPR/IPF UK Property Outlook 2023

SPR Seminar: Life Sciences

### Upcoming events:

**23 February:** SPR Roundtable: Industrial and Logistics. Kindly hosted by Savills

**2 March:** SPR All Star Lanes Bowling. Kindly sponsored by CoStar

**14 March:** SPR Seminar: Grid Capacity. Kindly hosted by Knight Frank

**15 March:** SPR Site Visit: 40 Leadenhall

**26 April:** SPR Pub Quiz

Sign up for events [here](#)

Catch up on past recorded events [here](#)

*Reports written by Tim Horsey unless otherwise stated*

## Society News

### Message from the Chair

Dear Members,

Welcome to what will hopefully be another fantastic year for the SPR.

As we move on from a world of Covid restrictions and lockdowns, it has been great to see so much enthusiasm for the various in-person events that we hold. The Annual Dinner quickly sold out and had a waiting list of three full tables. Our wine tasting social was booked up within 30 minutes of Becci's email. Coffee & Conversation has grown, with over 100 members participating each quarter.

This reminds us of the SPR's value in providing us all with a network of researchers with whom we can build valuable relationships across the industry – in a way that can only happen via this organisation.

In view of this, the committee are focused on finding new and creative ways to bring us together. This has led to the new initiative we announced before Christmas – The SPR Roundtable. These events are smaller than our traditional seminars with 10 to 15 members gathering in a meeting room to discuss a particular topic over coffee and croissants. The first SPR Roundtable focused on the Metaverse and was highly successful, booking up quickly. We will hold a number of these events through the year, so please keep an eye out and act fast to secure your place!

In January we held our first winter drinks at the Williamsons Tavern in the City. We were pleased to see so many of you there, and apologies to those that were 'forced' to break dry January early. 'Dryish' or 'drier' January is always a more realistic goal in my experience! Please send any feedback on this event to Becci as we are keen to re-run this in 2024 and beyond in a way that appeals to our members.

We will, of course, continue to hold our popular socials across the year including bowling, the pub quiz and

summer drinks. We will also be hosting a treasure hunt during the summer – look out for more details in due course!

In addition, we will continue to hold regular seminars as a forum to increase industry knowledge relevant to our membership. We held the annual UK Outlook in January, and I am very much looking forward to upcoming seminars covering grid capacity, big data, greenwashing and the future of hotels in the coming months.

I'm pleased to say that we will also be bringing back site visits this year. You should shortly receive an email regarding a visit to 40 Leadenhall Street, and the Committee are currently working on several others for the rest of the year. Please do share any properties that would be of particular interest in this respect.

We will also be conducting the SPR Salary Survey for 2023. This is a very useful tool for the industry, providing genuine insight into pay structures across this very varied business. Please spend five minutes completing the survey when it is circulated, as your contribution will be greatly appreciated.

Finally, on behalf of the committee I would like to say a huge thank you for your engagement and participation so far. Please continue to send us feedback on the things you enjoy and those you didn't think worked as well. Also, if there are any topics or events you'd like us to explore, then please reach out to me or Becci any time. Your input is what shapes the SPR and has enabled it to achieve the success it has enjoyed to date.

I look forward to seeing you across the many SPR events in 2023.

**Alex Dunn**  
**SPR Chair**

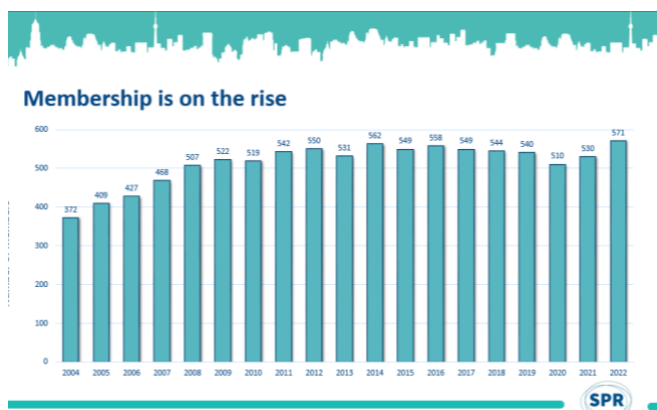
## AGM & Annual Dinner

**SPR 35<sup>th</sup> Annual General Meeting (Virtual)**  
10 November 2022

### *Building on Success*

*The SPR found itself in a strong financial position at the end of 2022 with record membership numbers and healthy advertising revenue through the year. Looking forward, new chair Alex Dunn set out plans to introduce 3 innovative events such as roundtable meetings for discussing current topics less formally than in seminars, as well as a London treasure hunt, and more regional events on the social side. Support for the membership will expand via a mentoring scheme for newer members and by developing closer relationships with universities. The SPR Fellowship for 2022 was awarded to Malcolm Frodsham.*

Opening the AGM, outgoing chair **Hamish Smith** explained that the meeting was once again being held online rather than face-to-face, on this occasion because of a Tube strike rather than the pandemic. He suggested that with dark clouds currently besetting the economy, this is a challenging climate for property researchers, but one in which they can add real value within organisations by following research convictions. This is also a time when the Society has an important role to play in encouraging high quality discussion and debate.



In his report on the Society's activities over the past year, Hamish recalled that a major objective had been to bring members together again after the pandemic. This had been achieved, despite considerable uncertainty about the potential impact of Omicron early in the year. Feedback on seminars and webinars had been positive, particularly the quality of the speakers, while there had also been some new social events including winter drinks and a photography walk, as well as the revival of the Golf Day after a few years' break. The SPR Research Course with its blend of high-level insights on the business and networking also proved successful.

The health of the Society was reflected in the growth of the membership to more than 570, its highest ever level, which was particularly gratifying in the difficult pandemic conditions. Further highlights of the SPR calendar are still to come, with the Annual Dinner and new events in the shape of a wine tasting and a roundtable discussion on the metaverse, the first in this new breakfast-time format. Hamish thanked the SPR committee for their hard work in organising a total of 21 seminar/webinar and social events during the year, together with the Coffee and Conversation and the Research Course. He also thanked MSCI RCA and Datscha, and Oxford Economics for sponsoring the Summer Drinks and the Annual Dinner.

In his final duty as this year's chair, Hamish announced the six papers that have been shortlisted for the SPR Research Prize, with both the Under-30 and Open categories again seeing a high calibre of entries, making the judges' task a particular challenge. The shortlists were:

Under-30 Prize:

*UK Housing Market Focus* – **Andrew Wishart**, Capital Economics

*The Determinants of UK self-storage rents* – **Daniel McKeagney**, Heitman

*New Homes: Remaining Competitive after Help to Buy* – **Sophie Tonge**, **Gaby Foord**, Savills

Open Prize:

*Suburban Build to Rent* – **Jacqui Daly, Richard Valentine-Selsey, Guy Whittaker**, Savills  
*Timber Construction: Truly Sustainable Real Estate*  
– **Tom Duncan, Alex Dunn**, Cromwell Property Group  
*The Affordability of Warehouse Rents* – **Kevin Mofid**, Savills

**Ben Russell** then presented the Society's accounts for the past year, indicating that the closing balance was set to be higher than expected, chiefly due to income from job adverts of more than £13k as against the budgeted figure of £5k, with some 30 adverts posted on the website through the year. Income from member subscriptions was also about £2k higher than budgeted while this year's Annual Dinner expenses were yet to be accounted for. Looking to the year ahead, Ben explained that the budget assumed some fall-off in subscriptions and advertising income, given the economic backdrop, while admin costs were anticipated to rise with inflation and the Annual Dinner was projected to be somewhat larger in scale, since demand had already exceeded capacity this year. There was also a special item of £3k included for growing engagement with universities. The overall outcome should be a loss of around £11k for the 2022-23 year, which would be consistent with the Society's intention of not making a profit over the longer term, even though the bank balance continues to look very healthy.

Next year's committee was then elected, with the outgoing members – **Zuhaib Butt, Tessa English, Siena Golan, Lucy Greenwood** and **Stephanie Lin** – thanked for their efforts. Lucy Greenwood was singled out for her contribution over seven years, including one as chair. The committee for 2022-23 will be:

- Alex Dunn**, Cromwell Property Group (Chair)
- Yi Wu**, Henley Business School (Vice Chair)
- Matt Soffair**, LGIM (Junior Vice Chair)
- Benjamin Russell**, Tristan Capital Partners (Hon. Treasurer)
- Shehryar Qazi** (Hon. Secretary)
- Charles Burton**, Oxford Economics
- Chris Dunn**, Colliers
- Cleo Folkes**, Cushman & Wakefield
- Pearl Gillum**, Savills
- Will Laing**, Savills
- David Inskip**, CBRE IM
- Rad Radev**, Carter Jonas
- Hamish Smith**, Savills IM
- Joanna Tano**, Columbia Threadneedle Real Estate Partners
- Mhairi Thomson**, Avison Young
- Michael Caira**, The Crown Estate (co-opted member)
- Lucy Palk**, Savills (co-opted member)
- Mark Stansfield**, CoStar (co-opted member)
- Amerita Vasseramo**, M&G Real Estate (co-opted member)

**Alex Dunn**, the incoming SPR chair, then set out plans for the year ahead. As Hamish had already mentioned, a key innovation will be to hold a number of roundtable events which should bridge the divide between technical and social aims, giving a particular boost to networking, while also hopefully making it easier to find hosting space in offices due to their relatively small scale. These meetings are not however intended to replace seminars and webinars, with the latter having proved particularly valuable in increasing the Society's accessibility to members located outside London. Seminars already planned for 2023 include the UK Outlook Meeting in January (jointly with the IPF) and others on life sciences and grid capacity.

## Proposed Officers of the Committee 2022-23



**Alex Dunn**  
Chair

Cromwell Property Group



**Yi Wu**  
Vice Chair

Henley Business School



**Matt Soffair**  
Junior Vice Chair

LGIM



**Benjamin Russell**  
Hon. Treasurer

Tristan Capital Partners



**Shehryar Qazi**  
Hon. Secretary





Aside from technical events, the Society also intends to expand support for members in the form of a mentoring scheme for newer entrants to the field and by developing a closer relationship with universities' real estate departments. Innovation is also set to continue in the area of social events, for example with the inclusion of a London treasure hunt and greater efforts to introduce regional networking events for those based outside the capital. In addition, now that lockdowns have been (hopefully) consigned to the past, it should be possible to revive site visits, which have always proved very popular.

In the final major item on the AGM agenda, Alex announced that this year's SPR Fellowship was being awarded to **Malcolm Frodsham**, founder of Real Estate Strategies and previously head of real estate research at Legal & General and IPD (now MSCI). Malcolm reflected that the Society had been an important presence during his 20+ years in the industry, and that he looked forward to developing the collaboration that had already begun on the Research Course and at other SPR events.

Alex closed the meeting by reminding members to keep putting forward their ideas on how the Society can evolve and improve in the future. And finally, he looked forward to seeing members at the Annual Dinner on 17 November.

## SPR Annual Dinner 2022

Royal Air Force Club, 128 Piccadilly, London, W1  
17 November 2022

After a two-year hiatus due to Covid-19, the SPR Annual Dinner returned. The 2022 event took place at the Royal Air Force Club in London's West End, the first time it had been held here. The venue serves men and women who hold, or have held, commissions in the RAF and the corridors display extensive works of aviation art and history and a collection of original Squadron Badges.

Following a buzzing welcome drinks in the Club's Churchill Bar, 112 SPR members sat down for dinner at 10 tables in the Sovereigns' Room, where a nice balance was struck between tables of individual members and company hosted tables with their invited guests. As it turned out, demand had been so high that some members had unfortunately been unable to secure places.



Outgoing committee chair **Hamish Smith** welcomed everyone to the dinner, before thanking members for their support over the year as face-to-face events returned to the Society's calendar, while also singling out previous chairs **Tom Duncan** and **Lucy Greenwood** for their success in keeping the Society running at a high level throughout the pandemic and introducing new meeting formats such as 'Coffee and Conversation' that allowed networking to continue online. He said that 'the easy thing would have been to sit back and do nothing, but they did a fantastic job, ensuring that the Society continued to provide a platform for discussion and knowledge sharing.' He also thanked Alex Dunn, **Joanna Tano** and **Becci Williamson** for their efforts in organising the Annual Dinner, and also Oxford Economics for once again generously sponsoring the event.



Incoming SPR chair **Alex Dunn** then took over, thanking the three previous chairs, who he said, 'had left the Society in a stronger position than pre-Covid.' The current challenging market conditions mean that property researchers' insights are particularly valuable and the SPR will continue to run events to bring people together for engagement and sharing of ideas. Alex encouraged members to tell the Committee what they like about the events held and what they would like to see in the future, including suggesting topics for the new format roundtable events that would soon be starting.

Following on from Alex, **George Armitage** of Oxford Economics introduced the charity benefitting from this year's raffle: the Harry's Hat Charity (<https://harryshat.org/>), which was founded by a real estate professional whose baby was found to have hydrocephalus, a brain condition that affects 1 in 777 children. The charity supports children with hydrocephalus, their families and their carers.

Between tasty courses of roasted harissa cauliflower, coq au vin and crème brûlée, two further announcements were made. Firstly, Hamish Smith announced the winners of the SPR Research Prizes: the Under-30s award went to **Daniel McKeegney** of Heitman for his paper titled 'The Determinants of UK self-storage rents', while the open category was won by **Kevin Mofid** of Savills for a paper on 'The Affordability of Warehouse Rents'. Unfortunately, Kevin was unable to attend the dinner, but the award was picked up on his behalf by colleague **Clare Bailey**. Later, the SPR Fellowship for 2022 was presented to **Malcolm Frodsham** in recognition of his innovative work in the field, formerly as head of real estate research at Legal & General and then at IPD, but more recently at his own company, RES.



At the end of the dinner came the much-anticipated raffle. The prizes, all of which had been generously donated by real estate firms, included a meal for two at The Shard, a £500 Mr and Mrs voucher, hampers, activity days, book tokens, chocolates, a case of wine and various bottles! It was commendable that the winners, drawn out of the hat by Charles Burton of Oxford Economics, handed back their prizes if they had already won one. The raffle raised an impressive £1,250. The evening was rounded off with more drinks in the Churchill Bar before members' carriages whisked them away into the night.

## Social Events

### SPR Wine Tasting

Cromwell Property Group, 7 Seymour Street, London W1

22 November 2022

How do you put a price on a bottle of wine? Apparently not on just whether you like the taste or not, although personal preference is important to what you might buy.



On Tuesday 22nd November 13 SPR members were taught an acronym which is widely used to assess a wine and when the elements making up the acronym harmonise together are considered to make a better-quality bottle of wine.

BLIC - which stands for Balance, Length, Intensity and Complexity.

Balance depends on how well the components of the wine blend together and whether they complement or overpower each other. Balance is influenced by the quality of the grape to begin with, the level of acidity, the level of alcohol (the heat you feel at the back of your throat after sipping), the amount of tannin (which dries out your mouth making you thirsty for more) if any in the wine, the amount of sugar (if any) and whether the components are well integrated into the wine carrying the flavour well.

The Length of a wine is measured by how long the taste remains in your mouth after you have taken a sip and swallowed the wine.

Intensity is characterised by the strength of the flavours, and whether multiple flavours can be easily distinguished from each other?

And finally, complexity. How many different flavours can you identify?

The SPR members tasted five glasses of wine; two whites, two reds and a sparkling wine, and were tasked with deciding which wine in each pair was of better quality and therefore likely to come with a higher price tag, using BLIC as the basis. The sparkling wine was discussed in isolation on its merits. Whilst the challenge strangely seemed to get harder as the evening went on, the members were largely able to apply what they'd been taught and identify the premium wine.

The two whites that featured were Condrieu, Cave Merlin 2019 and Yalumba Organic Viognier. The two reds were d'Arenberg Coppermine Road McLaren Vale Cabernet Sauvignon 2017 and Moss Brothers Moses Rock Cabernet Sauvignon. The sparkling was the Quartet Anderson Valley Brut, Roederer Estates NV.

This was the first in person wine tasting event held by the SPR and will likely not be the last. The event was held at Cromwell Property Group, and brilliantly run by SPR member Joanna Tano, and her husband Rob who holds a diploma in wine from the Wine & Spirit Education Trust (WSET, <https://www.wsetglobal.com/>) and is a qualified wine educator.

*Report by Alex Dunn*



## SPR Winter Drinks

Martha's Cellar, Williamson's Tavern, 1 Groveland Court, London, EC4  
26 January 2023



In the first SPR social event of 2023, some 50 members gathered for drinks and canapés at Martha's Cellar, close to St Paul's in the City of London. This was the first time the Society has held a post-Christmas drinks, and members clearly appreciated the chance to banish the January blues.



The free drinks that SPR provided kept going until the advertised end-time for the event (9pm), although a

number of hardy souls stayed on longer at the venue. With Thursdays now evidently the new Friday in the City, the event tapped seamlessly into the relaxed vibe that saw many of the surrounding pubs spilling onto the pavements.



As always with this kind of SPR event, there was a healthy mix of newer and more established members, and also the chance for some of those who had not been able to attend last year's over-subscribed Annual Dinner to have a good chat with Society colleagues.





## Webinars/Seminars

**SPR/IPF Webinar: The outlook for UK property 2023**  
Allen and Overy, 1 Bishops Square, London E1  
10 January 2023

---

### *Looking for silver linings*

*2023 could be the start of a cyclical upswing for real estate, suggested Martin Towns of M&G Real Estate, although he admitted a high degree of uncertainty around this possibility. This reflected a general wariness among the speakers to make bold predictions for the year, whether discussing the economy or any of the major investment sectors. But from a property viewpoint, there is at least the knowledge that UK values have been substantially downrated, which may lead investors to see opportunities in the market, particularly industrial and logistics, where the adjustment has been strongest. In her opening remarks, Sophie Van Oosterom of Schrodgers noted that investors still have significant 'dry powder' to allocate, while 'fear of missing out' could mean strong competition if a recovery takes hold.*

---



In what seemed like one of the most uncertain SPR/IPF UK outlook seminars in recent years, all the speakers followed the call of moderator **Sophie Van Oosterom** (Schrodgers) to find something positive at

what they agreed was a difficult moment for making investment decisions.

Painting the economic backdrop for the year ahead, **Melanie Baker** of Royal London Asset Management noted that there was now evidence that inflation – the



primary cause of the recessions taking hold globally – was starting to moderate, helped by lower energy and commodity prices, and easing supply chains. If this trend continues, it will take pressure off central banks to keep

raising interest rates and should strengthen the likelihood that the UK's recession will be shallow, as indicated by an expected fall in GDP of about one per cent over the year, according to her forecasts.

But Baker conceded that the consensus among forecasters of the UK economy was gloomy, due to the effects of weakening consumer confidence and spending, partly driven by rising mortgage costs, combined with government fiscal tightening and the possibility of growing unemployment. In addition, structural factors in the UK like climate mitigation costs, demographics and labour market constraints run the risk of embedding inflation for the longer term.

In a thought-provoking presentation, multi asset allocator **John Roe** of Legal & General Investment Management



characterised the year ahead as akin to a duckbill platypus, given that no-one is sure

exactly what kind of creature it might be – there is huge uncertainty for all asset classes. On the positive side, the warm winter may mean that climate change is helping reduce energy costs in Europe, although he quipped that we may end up getting fried later.

Looking across the asset classes, there could be advantages for real estate, given that equities and bonds have shown a strong positive correlation in the past year, potentially limiting their diversification potential, at least if this continues. Meanwhile

property fund valuations have now been adjusted downward, following a similar movement in the listed market some months earlier. However, he found it very difficult to predict how property markets will behave as 2023 progresses, and much will depend on the direction of market sentiment. The past year has shown how this can change very rapidly, and at certain points there could be advantages in going against market trends, since some repricing may not ultimately be justified by economic fundamentals.

**Martin Towns** of M&G Real Estate entitled his property-focused presentation ‘New Year, New Cycle?’, reflecting the possibility that the rapid price correction seen at the end of 2022 could encourage investors to find value and opportunity in the sector once again, particularly as the adjustment has been more dramatic in the UK than elsewhere in Europe. Write-downs had been strongest in the industrial market, where yields had previously risen most in the wake of rising bond yields. Here there could be the strongest potential for a rebound, given that occupational markets remain relatively strong.



For offices, there is much more of a bifurcation between good and poor-quality assets, and it could make sense to repurpose some of the latter if values fall much further. Private rented residential may be in the strongest position among the sectors as people increasingly choose to rent rather than buy their homes in light of rising mortgage rates. Thinking about property as a whole, Towns sees ESG as the hottest topic, with investors particularly focusing on the social element, where impact investing may be increasingly favoured as a way of ensuring a positive social gain from their investments.

In the panel discussion that followed, Van Oosterom asked if retail assets might see a dispersion of performance similar to offices. Towns said that retail

parks could continue to fare relatively well based on a strong income return, but the story is very different for shopping centres, where secondary assets might again require changing to other or perhaps a mix of uses, even if rents have stabilised post-pandemic in more favourable locations.

Thinking about real assets more generally, Roe was positive about their potential to access different economic drivers to other asset classes, but he also stressed the high cost of entry and the tendency for these markets only to reprice slowly, as had been seen in the recent downturn. This could lead to investors fearing entrapment in the ‘prisoner’s dilemma’ of only seeing the need to enter the market once activity had already dried up.

#### **SPR Seminar: Life Sciences**

Carter Jonas, One Chapel Place, London, W1  
9 February 2023

---

#### *Accelerated Evolution*

*Although UK life science real estate has come into the limelight through the course of the Covid pandemic, both panelists at this SPR seminar agreed that this niche in the property market has been around for a long time and has developed as a result of incremental rather than revolutionary change. However, recent innovation in gene therapies – which made a vital contribution to Covid vaccines – has given a significant boost to its growth.*

---

**Matt Lee** of Carter Jonas and **James Latham** of the Pioneer Group, speaking as panellists in the seminar, were bullish about prospects for real estate in the sector, notwithstanding the economic headwinds facing the UK. This is because the rapid growth of life science companies in recent years has not yet been accompanied by an equivalent expansion in the space available to them, while those companies with good products continue to attract investment.

So far, the overwhelming majority of life science activity has taken place within a ‘Golden Triangle’ encompassing London, Oxford and Cambridge, a fact emphasised by **Rad Radev** of Carter Jonas in his opening presentation. Around Oxford and Cambridge, life sciences accounted for almost half of total commercial space take up in 2021-22, a much higher share than for any other sector. The supply of space around Cambridge continues to be particularly tight, despite its having doubled between 2011 and 2023.



Lee and Latham stressed the importance of organisational clusters in the success of life science locations, with universities, healthcare trusts and private companies all playing a key role. This not only applies to the Golden Triangle, where Oxford and Cambridge represent two of the world’s top three life science universities, but also in emerging locations such as Manchester, Liverpool, Nottingham, Leeds, Newcastle, Glasgow, Edinburgh and Bristol/Bath. Lee suggested that there could also be a trend towards new locations that are more lifestyle-driven, for instance the south coast.

However, real estate investors need to be aware that life science clusters differ from place to place. For example, Lee noted that universities tend to have particular specialisms, which sometimes relate to varying disease profiles associated with regional demography. These differences can mean different property requirements, such as the wider range of space types in use around Cambridge and Oxford. He

proposed that developers are getting better at understanding the needs of life science occupiers and the way they are evolving – factors that include heavy power consumption, delivery and collection capabilities, and floor loadings and vibration absorption. Latham concurred, also stressing the recent move from the traditionally standard 50:50 laboratory/office split to something more like 70:30.

The panellists emphasised that the importance of clusters doesn’t just stem from synergies between the various players in life science activity, but also the size and quality of their labour forces. This allows talent to move easily between organisations. Indeed, emerging centres often struggle to retain the talent generated by their universities, which tends to gravitate toward the established clusters. But the panellists stressed that the UK as a whole does have the advantage of relatively low labour costs compared to international competitors.



The panellists agreed that the government’s ‘levelling up’ agenda should help speed up the development of the newer locations, although it was emphasised that this was not likely to be at the detriment of existing locations. One way that it could help might be through easing the planning process, for example along the lines of Manchester’s existing enterprise zone. Planning can add considerable time to the development process, given that these tend to be complex projects where there are a lot of competing interests to satisfy.



## Thank you to our event sponsors

2022 Annual Dinner, 17 November

SPR All Star Lanes bowling, 3 March and Pub Quiz, 26 April 2023



## Thank you to our event hosts

SPR Wine tasting, 22 November 2022

SPR Life Sciences Seminar, 9 February 2023



SPR Roundtable: Metaverse, 30 November 2022

SPR Logistics and Industrial roundtable, 23 February 2023



SPR/IPF UK Property Outlook Seminar, 10 January 2023

SPR Grid Capacity Seminar, 14 March 2023

