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## Message from the Chair

Welcome to the latest edition of our quarterly newsletter.

It was a real pleasure to see so many of you at the SPR Summer Drinks and I hope you enjoyed the time to catch-up, meet new members and enjoy a cool drink at our exciting new venue. Big thanks to Real Capital Analytics once again for sponsoring the event. I was equally very happy to see a lot of excitement and fierce competition at the CoStar-sponsored SPR Pub Quiz and well done to JLL for winning the trophy in a nail-biting finale.

The committee also managed to organise a number of popular site-visits and seminar and I would like to thank everyone for their hard work and our sponsors for their generous support. Much of the work of the society is based on volunteers and your commitment is very much appreciated. Equally, a big thank you to all of you for being loyal members and for sharing your ideas and feedback.

Before you all take a well-deserved summer break, here are three things to look forward to after the summer: firstly, on Sep 3<sup>rd</sup> you'll be able to get straight back into the swing with our **"European Outlook Seminar"**, our joint event with the IPF. Secondly, the long-anticipated results of the **Salary Survey** will be published and thanks to everyone who took the time to participate. And lastly, in early Sep we expect to open the registration for this year's **Annual Dinner** at the RAC on Nov 14<sup>th</sup>!

Finally, with the submission date of 31<sup>st</sup> July 2019 fast approaching, don't forget to submit your papers for the SPR Research Prize.

Have a wonderful summer and kind regards,

Oliver Kummerfeldt,  
Chair

## CONFIRMED EVENTS

3 September 2019 – Joint SPR / IPF European Outlook Seminar

14 November 2019 – AGM & Annual Dinner

Please visit the website at [www.sprweb.com](http://www.sprweb.com) for further details.

## SOCIAL EVENTS

### Pub Quiz, The Tokenhouse, Moorgate – 22<sup>nd</sup> May 2019

Sponsored by:  CoStar

After a nail-biting tie-breaker, the 2019 SPR Pub Quiz was won by the team from JLL – otherwise known as *Nigel's Milkshake Brings all the Boys to the Yard*. Tying with the team from LaSalle on 73 points at the end of 'normal time', they came out on top after a tie-breaker question by giving a closer estimate of the length of the UK from north to south. In third place was the team from Schroders, on 70 points.

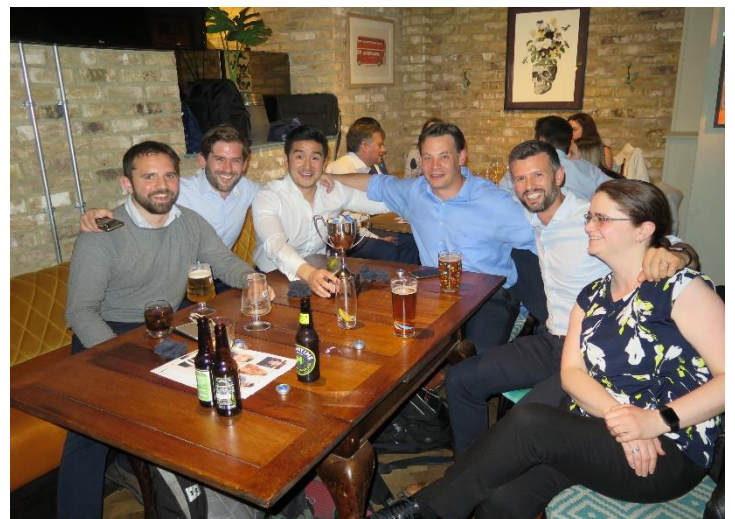


Cameron Ramsey accepted the coveted SPR trophy on behalf of *Nigel's Milkshake*, and shared a case of wine with his winning teammates Ben Russell, Carol Hodgson, James Norton,

Colin Chan and Ryan Loftus. In all 11 teams took part in the competition, with the bottom-placed (anonymous) group scoring a perfectly respectable 55 points

The 2019 quiz was held in a new venue – The Tokenhouse, Moorgate – and also included a number of other innovations this year. For example, among the eight rounds of questions there was a sensory round, where contestants were asked to name (e.g.) spices and the flavour of crisps, and another that drew on the UK Citizenship test. A new team of quizmasters/mistresses, Sandip Bhalsod, Lucy Greenwood and David Inskip, were responsible for drawing up the questions, taking over from Andrew Marston after his many years of stalwart service.

The event, which was generously sponsored by CoStar, featured a free bar and some much-needed brain-food half way through the quiz.





## Summer Drinks, Devonshire Terrace, 11<sup>th</sup> July 2019

Sponsored by: **REAL CAPITAL ANALYTICS**

This year the SPR Summer Drinks moved to a new location, Devonshire Square, in the heart of the City of London. This was the event's first move after more than ten years at Hay's Galleria on the South Bank.



The new location proved a big success, with an impressive turnout of more than a hundred SPR members, many of whom stayed late into the balmy July evening.

Members were kept refreshed by liberal quantities of wine, beer and canapés, kindly provided by Real Capital Analytics, who once again sponsored the event.









SITE VISITS

ICON Outlet at the O2, 21<sup>st</sup> May 2019

Kindly hosted by: **CBRE**

**Fiona Cohen**, Associate Director of CBRE, the managing agents, led 20 SPR members on a tour of ICON Outlet at The O2, a joint venture between AEG and Crosstree Real Estate Partners. The 210,000 sq ft premium urban outlet opened in October 2018 and aims to capitalise on The O2’s position as the world’s number one entertainment venue – the main arena hosts some 210 events a year, attracting as many as 20,000 people on each occasion, and there is also a 19-screen cinema and over 30 bars and restaurants. Cohen explained that the broad range of acts bring in a big shopper base, which is supplemented by those living and working in the Greenwich Peninsular development and also at Canary Wharf, just one stop along the Jubilee Line.

ICON Outlet girdles one side of The O2 dome on two levels, bringing shopping to the destination for the first time. Cohen indicated that the units nearer The O2 entrance are mainly devoted to premium brands, while there are more standard ‘accessible premium and high street’ retailers further into the project. Their leases, which generally run between 18 months and 5 years, comprise a base and turnover element, with the aim of providing a sustainable occupational model that shares risks fairly between the landlord and retailer. Since launching seven months ago, 81% of the retail space is now open, fitting out or under offer.



Cohen shared the JV partners’ expressed intention that the project will come to rank among the top three outlet centres in the UK, partly through a strong focus on marketing – provision for which is included as a specific item in the tenants’ service charge. Part of the message is that the retailers here have a highly current offer, particularly in fashion – brands include Calvin Klein, Ted Baker, Tommy Hilfinger, Brooks Brothers and Jack Wills.

In addition, Hotel Chocolat and Moleskine have also added to the retail mix, having opened their UK debut outlet stores at ICON. Currently dominated by fashion, the balance of the offer will change when Nike and Adidas open in the summer leading to a bigger emphasis on sports retail. F&B brands including by CHLOE and Hai Di Lao are also set to open in 2019.




Much of its potential success will depend on leveraging The O2’s existing events and destination footfall, which will help cement ICON Outlet in becoming a shopping destination in its own right, an area where the O2 network’s existing customer base should have a significant role to play. There are also some exciting new attractions lined up for ICON Outlet at The O2 including Showcase, a fashion events company which currently operates at their flagship store in Regent Street. Due to host their first sample sale event in June, Showcase broadens the outlet’s premium fashion appeal to its varying demographic.



Property researchers will be watching the progress of ICON Outlet with interest, not least because this is a unique concept that places outlet retail alongside a prime entertainment venue.

## Canada Water Development, 17<sup>th</sup> July 2019

Kindly hosted by: 

The Canada Water Development aims to transform a 53-acre area of former docklands into an urban centre for South-East London that will attract people from across the capital to work, study and shop.

The SPR visit began in dramatic style with a bird's eye view of the site from the top of a 25-storey residential tower at its centre. The breath-taking vistas of the City and Canary Wharf



highlighted just how close the development is to the heart of London – as **Roger Madelin**, Head of Canada Water at owners British Land, who led the tour explained, it is a mere 10-minute cycle ride from Bank station, while the existing tube/overground hub and the coming of Crossrail mean that it will also be extremely well connected.



Madelin set out his vision for this unique project, which will use water 'in all its forms' to create, in the words of a recently captivated FT journalist, 'the most romantic place in Britain.' To help make this happen, a globally renowned fountain designer has been signed up to build on the attractions of the existing Canada and Greenland Dock waterscapes with their abundant wildlife and cooling breezes. Madelin believes that this will be a place where visitors are enticed to sit, watch and walk, in the spirit of the Italian idea of passeggiata.

Besides the docks, a number of other existing structures are set to be integrated into the development, perhaps most notably the massive Printworks building, where the Daily Mail

once came off the presses. **Symon Bacon**, Project Director for the development, explained that this is now a venue for live music, DJ performances and video filming. These activities have raised the cultural profile of the area, something that British Land are looking to incorporate into the project. Later in the tour, SPR members were able to experience the cavernous scale of this structure from the inside and see that a number of creative start-ups have already begun to use a small part for office space.



However, these premises will be dwarfed by the amount of workspace planned for the whole project, which is scheduled for completion in about 12 years' time, assuming Southwark Council shortly gives its blessing to the plans as expected. In his presentation at the end of the tour, Madelin explained that as well as 2m square feet of offices, there could be as many as 3,000 new homes, housing 10,000 residents, and 1m square feet of retail and leisure, the latter taking the offer of the current Surrey Quays Shopping Centre to a completely new level. He did however stress that these are maximum areas which will allow for flexibility as the various phases are completed over time. Much will depend on the market climate and the partnership arrangements that can be established to take the project forward.

The visit really brought home the scale of the Canada Water project, which ultimately could potentially rival Kings Cross, whose development Madelin also led, during his previous role at Argent. The SPR would like to thank him, Symon Bacon and their colleagues **Georgina Weller** and **Joseph Bass** for organising the tour.



## TECHNICAL EVENTS

Seminar on SPR Prize-winning Research and the Changing Role of the Property Researcher, 15<sup>th</sup> May 2019

Kindly hosted by:



## The Sky's the Limit for Property Research

To judge by this seminar, these are exciting times for UK property research. The SPR Research Prizes were awarded for the first time at the end of 2018. The seminar showcased the two winning papers and then discussed the changing role of the property researcher.

The aim of the prizes is to encourage thought-leadership and to move the property research industry forward, and is particularly focused on the quality of data used and new thinking in the analysis. Given the ongoing national debate about how to boost the UK housing stock, it was fitting that both winning papers featured research on the residential sector.

The winners of the Open Prize were **Ian McGuinness** and **Robert Holden**, Knight Frank, with a piece entitled *Skyward*. This looked at the potential for building upward above existing residential property in London, using ground-breaking 3D geospatial analysis, based on digitised data from the Ordnance Survey, Land Registry and Historic England. This aim ties closely to the policy objective in London to use space more effectively.

Looking at gaps in the existing rooflines, the research discovered it would be possible to add the equivalent of eight skyscrapers' worth of additional residential space in the central London area. The authors evoked the power of this kind of 3D mapping-based analysis for decision making, particularly given its entirely objective and data-driven approach.

The supply of residential space was also the focus of the Under 30s Prize-winning research, entitled *Spotlight: Planning and housing delivery*. The winners, **Emily Williams** and **Hamish Simmie** of Savills, explained that this looked at how far UK local authorities had adopted new National Planning Policy Framework plans post-2012 and the likely implications for housing delivery. Although land supply has been improving across the country, the position is clearly very patchy, and many of those local authorities with lower levels of affordability have weak supply. One of the main conclusions was that housing policy needs to be better aligned with the realities of regional economy, so that new housing is provided where it's really needed.

The authors emphasised that being able to measure 'planning performance' at the local level is valuable for developers and investors in deciding which areas to target, as well as at the broader policy level.



The panel discussion on the changing role of the property researcher was chaired by **Tom Duncan** of Mayfair Capital, the SPR Vice Chair. **Victoria Ormond**, Knight Frank, stressed that in light of computing advances, property research is becoming more and more quants-based, and researchers need to be able to ask the right questions and interpret the results. **Owen King**, JLL echoed this, suggesting that there are not enough people with the right competences, particularly in interpreting statistics. There is a lot of talk about machine learning, but linear regressions are an early step along this road, and much of the wider industry has not yet grasped this concept. He also suggested that the qualities needed by a property researcher are similar to those of a good journalist – asking the right questions and building a narrative that others can understand and apply in the real world.

**Sandip Bhalsod**, Aviva Investors, the newest of the panellists to property research, highlighted the importance of making the best use of the imperfect data that exists in the real world – this is very different from the academic environment many young researchers come from. **Cleo Folkes**, Property Overview, emphasised the importance of researchers being able to see the big picture in a time of rapid market change and to pick out new trends that could lead to different strategies. Property researchers must keep on learning.

## Joint SPR/Cambridge University Land Society Seminar: Placemaking - Unlocking the Value of Retail – 13<sup>th</sup> June 2019

Kindly hosted by:



Cambridge University  
Land Society

### A Place for Retail

This joint SPR/CULS seminar entitled *Placemaking - Unlocking the Value of Retail* showed that although UK retail real estate may currently be making headlines for negative reasons, the sector can still have a highly important role to play in making places work and for the surrounding environment, local occupiers and other real estate interests.

Opening the seminar, **Seb Golding** presented research by Savills that showed a positive relationship between residential values and the nearby retail/leisure offer in local neighbourhoods across London. Interestingly, this relationship appeared to be stronger for districts closer to the centre of town.



The other speakers explored some illuminating examples of how these benefits could be created in development placemaking. **Katy Ghahremani** of Make Architects explained how the retail element of their mixed-use scheme at Rathbone Place, just north of Oxford Street, is much more about providing 'halo value' for the whole project than generating revenue in its own right. Following a completely different tack, their plan for a retail development in Cheng Du, China, is anchored by a hotel, with both uses benefitting from the heritage of the district.

**Roger Madelin**, Head of Canada Water Development at British Land, confirmed that retail could itself benefit from a holistic idea of place. Canada Water aims to build on the basis of the existing Surrey Quays Shopping Centre, which dates from the 1980s, to create an urban destination in its own right around the theme of water in all its forms. An important objective here is to maintain demand from the existing catchment while also attracting shoppers from a wider area of London.

Madelin also drew on his experience in developing Kings Cross in his previous role at Argent, stressing that the retail component, particularly within St Pancras Station, has played a major role in making this a successful business and residential location. Office rents at Kings Cross are now higher than in Victoria, partly due to the amenity value from the whole development enjoyed by workers. Madelin stressed the importance of diversity in all its senses for making places vibrant and attractive to visit.

**Jorge Beroiz** of Spanish architects Callison RTKL proposed that 'place' needs to have a cultural as well as a commercial rationale in order to entice people to visit and make them stay. Presenting the example of a scheme in Virginia, among others, he noted how the development vision is evolving from shopping centres to mixed use and on towards 'related use,' where the synergies between different activities are seen as integral to the project. Beroiz also provided a useful checklist of ten factors that he sees as fundamental to placemaking:

- Walkability
- Liveliness
- Inclusion of retail, food & beverage and other uses
- Connection with the local community
- Inclusive and welcoming
- Environmentally friendly
- Transport connectivity
- Memorable architecture
- Well proportioned 'negative space'
- Safety and security at all times

In the panel discussion that followed, moderated by **Lucy Greenwood** of Savills, it was recognised that placemaking is not an exact science. The time taken by the planning process often means that a vision can take years to put in place, while the speed of technological advance demands a high level of flexibility in the potential uses of any development. It was also noted that the idea of what makes an attractive place can vary significantly from country to country.

Although placemaking can clearly bring a lot of value, Madelin stressed that it should not be too precious or pretentious. It is possible to 'over-curate' a space, and developers would do well to remember that only 5% of the UK population earns more than £75,000. Ideals of diversity and inclusivity should reflect this.