



Cambridge University  
Land Society

# magazine

SUMMER 2015



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The Cambridge University Land Society  
would like to thank the following  
for their generous support in 2014–2015



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## Editorial

Welcome to another bumper edition of the CULS Magazine, packed with Forum updates, event summaries, member stories, and news from across the property industry.

The magazine comprises a diverse collection of articles to match all property interests – ranging from insightful career reflections filled with words of wisdom to Whitehall Lectures on current policy discussion, from thought leadership pieces focussed on specific sub-sectors to highlights of the latest academic research and publications from the Department of Land Economy, from personal and professional member updates to Society updates on the new CULS website (culandsoc.com). I wish to thank each contributor and author for making this 2015 edition possible. I trust you too will find it a fascinating read - I have tried to make sure there is something for everyone!

On behalf of all CULS members, special thanks also go to John Symes-Thompson our CULS President, Dominic Reilly our Senior Vice President and CULS Treasurer, and Ali Young our Society Secretary, for a memorable 2014/2015.

If you wish to follow up on any particular article in this CULS Magazine, if you have ideas for the 2016 edition, or if you wish be involved in any way with CULS, please do not hesitate to contact us by email or phone [info@culandsoc.com](mailto:info@culandsoc.com) 01638 507843. We look forward to hearing from you.

### Werner Baumker

CULS Hon. Press Secretary  
Operations Director, Co-Mission



Design: iStudio21 >07766 989775

## New CULS Website

Visit our new CULS website at [www.culandsoc.com](http://www.culandsoc.com) You can log-in to update or amend your personal member details, buy events tickets online, read about the latest events, and much much more!

## Send us your news for the CULS Magazine

The CULS Magazine features personal and professional updates of its members to strengthen their ties to the CULS community. We would love to hear from you. Do please send your news, stories, letters, updates and photos to [info@culandsoc.com](mailto:info@culandsoc.com)



**Are you "LinkedIn"?** If so, are you aware that both CULS 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. Simply search for "Cambridge University Land Society" and both groups will be listed for you to join. Please ensure that you mention Cambridge on your profile to allow the group managers to confirm your membership.

# President's Report

John Symes-Thompson  
Pembroke, 1977–1980



It has been both fun and an honour to be the President of your Society over the last year. We have been busy with changes to our website and management systems which hopefully will serve us well in coming years. Our finances are in a strong position and we have a wonderfully strong committee. We are still offering a very high standard of events through our different forums and have given continued support both to the Land Economy Department and to the students who are our future members.

I am afraid that you are going to have to put up with me for another year as President but I am delighted to confirm that Dominic Reilly has accepted the role starting from next July. He is currently our Senior Vice President, and Treasurer, and will be working closely with me in the coming months.

Looking back over the last twelve months we have had great fun as a society and my personal favorite moments included the two Thames river trips – one up river to Battersea Power Station and the other to the East past the Dome, Greenwich and out to the Thames Barrier both showing the amazing growth of riverside residential development in the last few years – and also the popular inaugural London dinner which we held in the Oxford & Cambridge Club.

You will all have other memories and your own favorite events.

Perhaps the least successful of my ventures was taking a group of senior CULS and other property types to Twickenham for the Varsity match courtesy of my employers

CBRE. The company and private box were great but it was a shame we witnessed Cambridge's worst defeat in many years!

For the Society as a whole I think the main highlights this year were:

- The flagship Whitehall lectures by Lord Deighton and Dame Kate Barker
- Our Real Estate Finance forum's "Paul Clark of the Crown Estate, in conversation with Noel Manns"
- The brilliant Denman Lecture in Cambridge by Dame Fiona Reynolds
- Our CEO talk recently given by Alex Jeffrey of M&G

There were others of great distinction and I would like to praise both Hannah Durden for organizing the special event on "How to Solve the Housing Shortage" with Shelter and the APEC forum for their forum event "The Politics of Planning" which both addressed very serious issues. However, the main plaudits must go to Douglas Blausten and his team for building the Cambridge Whitehall Group in to such an influential and important element of CULS. Membership of CWG has grown dramatically and is the source of strong

**I have also been very impressed by the growing contribution of the younger members on the CULS Committee and the strength of our Silver Street Group**

regular income for the Society and keeps our Society very much in the spotlight.

One of our core events is still the Careers Fair and this goes from strength to strength for which many thanks to Louise Sherwin. The Careers Fair in October 2014 was our 50th and biggest to date with 32 stands and approximately 140 students attending. I feel this really makes a difference to our industry recruitment and also to our Society's reputation within Cambridge.

I have also been very impressed by the growing contribution of the younger members on the CULS Committee and the strength of our Silver Street Group lead so well by Colm Lauder and Francesca Levercus. I was really sorry to have missed their dinner this year and will not do so in 2016!

In terms of operational improvements and changes we have delivered a number of new initiatives:

- The new CULS website is giving us a much needed upgrade to our payments and membership management systems, a better way to book events and the chance to communicate via a modern web based routes.
- The CULS logo has been adopted across our branded output and we now conform to the latest University of Cambridge guidance.
- We have worked to refresh many of the main forums with new and active members. We still have work to do in relation to the Rural forum but otherwise I am happy we are on a good course.

## Senior Vice President's Report

**Dominic Reilly**  
**CULS Senior Vice President**  
**CULS Honorary Treasurer**  
**Gonville and Caius College, 1975 -1978**

- We have renewed the sponsorship agreement with Franz Fuerst in the Land economy Department and are working up a web page on our site for him to showcase his research output for our benefit.
- We have offered, and Dame Kate Barker has accepted, a position as Honorary Vice President of the Society.

What do we have on the agenda for 2015/2016? Clearly to continue providing great networking and social events for our members, but also to work out how to best use our growing financial resources – if you want to participate in either of these areas please join a forum or speak to one of the committee members. More specifically we need to find a new Treasurer, ensure we help the Silver Street Group celebrate their 10th anniversary, and I personally want to win the CULS GOLF cup!

Finally, could I please offer my thanks to all those who have contributed so much this year in the various committees and forums but especially Ali Young, the Society Secretary, Dominic Reilly, the Treasurer, Lauren Fendick, our Honorary Secretary and Roddy Houston the immediate Past President, without whom my job would have been impossible. It has also been very helpful that David Garforth-Bles has taken over as Chair of the Past President's Council and that David Mortimer is taking over as Golf Captain following Hannah Durden's tenure. Many thanks to you all!

If I behave myself this year and am elected to President in succession to John Symes Thompson, I will be following in his introduction to CULS, in that my first involvement with the Society was on the golf course in the annual match between CULS and the BSc club comprising golfing graduates from Reading University. That match is no longer, but the CULS golf tradition remains strong with an annual gathering at Royal Wimbledon Golf Club and a match against Fitzwilliam College whose captain is a past president of CULS in Colin Dunkerly. Whilst I hope to continue presiding over a very active and successful Society as referred to in John's previous note, my love of all sporting activities will encourage me to find other members of the Society prepared to promote and organise a gathering of tennis players, snooker, squash or maybe even the more refined sport of real tennis, volunteers please make yourself known.

On a more serious note, and for those members that don't know me, I am a graduate of Caius College 1975 -1978, and qualified as a chartered surveyor with Weatherall Green and Smith, now BNP Paribas. I then pursued a career in property investment and finance with King & Company followed by JMW and set up Kingfisher Property Finance with another CULS member, William Maunder-Taylor, which we successfully and happily ran together for 18 years. I then rejoined the partnership of King Sturge which subsequently merged with JLL in 2011. My career was unusual in that I rejoined the same company on more than one occasion, but given the recent number of mergers of surveying practices I am probably not alone in that respect. I retired from JLL in 2014 and have since been working as a non-executive and consultant to the Howard Group in Cambridge, the Ashtenne Industrial Fund and Marick Capital. Given my semi-retired/plural/serial status, I'm able to devote plenty of time to CULS and intend to continue to do so in the next few years.



The role I have enjoyed as Treasurer to your Society in the last two years has involved me in all aspects of the Society's activities and through which I've got to know all the committee members. I certainly don't want to rock the boat, and my main intention is to ensure the healthy state the Society finds itself in, continues over many years and long after my involvement on the committee.

Like every society we do represent a good cross-section of Cambridge graduates who are now active in the property world. However, our activities are understandably more focused on London and perhaps on commercial real estate at the expense of residential and rural sectors. I do hope that we can introduce a number of special events to fill that gap, so please if you are one of those members who agrees with me, please support these events as and when we try them out.

The Society is in good financial health and in my last year as CULS Hon. Treasurer we intend to find ways in which the cash raised through our events and sponsorship, over and above that used to meet our costs, is put to worthwhile use on behalf of our members, to the Department of Land Economy and the University. If there are members out there who feel there are avenues that we could support please do contact me or any member of the Committee.

More from me in the next edition of the CULS Annual Magazine.

# Rural Property Forum

I am excited to have been passed the baton of chairmanship for this Forum from James Pavey. After a slight pause, some newer CULS Members with a rural interest and enthusiasm have grouped together and are leading the Forum forward; hopefully with the involvement of as many of you as possible! I am delighted to introduce the newest Committee Members below – more detailed biographies for each are on the Rural Forum section of the new CULS Website ([www.culandsoc.com](http://www.culandsoc.com)).

Our vision is to extend the Forum's reach to all those CULS Members, young, old and everyone in-between, with a rural interest – whether it be through professional involvement with the countryside, an upbringing in the greener parts of our world, a curiosity about what opportunities (in the widest sense) exist with rural property, or all of the above.

The Committee are planning a London event to be held before the end of this year, and we hope this will be as accessible as possible to those of you who have rural sympathies but may not see green fields out of your window in the morning. Our London event will be counterbalanced with a rural adventure in spring/summer 2016. Event details will be confirmed later this year but if you are anxious not to miss out, or have any suggestions or ideas, please do contact me on the email address above.

Thank you sincerely to James Pavey (outgoing Chairman) and all those Members, contacts and sponsors who have supported the Rural Forum and its activities in previous years. As a Forum we are privileged to retain James, as well as past and current serving CULS Presidents, on the Committee.

The Rural Property Forum is not the newest of CULS Forums but one which I have learned many Members have an affinity with. The Committee and I look forward to meeting as many of you as possible in the coming months.

**James Shepherd,**  
Knight Frank LLP, Rural Consultancy.  
[james.shepherd@knightfrank.com](mailto:james.shepherd@knightfrank.com)

## New Committee Members



### **James Shepherd**

James graduated from Magdalene in 2009, having read Land Economy as a mature student. He then joined Bidwells and completed his training there as a rural surveyor in St. Albans. James is now based in Bishop's Stortford as a rural consultant at Knight Frank. Before university, he spent time living in the Pyrenees, enthusiastically consuming local cheese and participating in winter sports. James fuels his new found addictions by returning to France as much as time permits.





### **Florence Wolfe**

After studying History at Christ's College, Flo worked in Dubai before returning to the UK and completing an MSc in Rural Estate Management at The Royal Agricultural College. After a period with Smiths Gore in Kent, Flo was fortunate enough to join The Household of the Prince of Wales and Duchess of Cornwall based at Clarence House, where she has been since spring 2015. Flo is also a sheep steward at the Kent County Show and is particularly fond of Jacobs.



### **Tom Verrill**

Tom graduated from Jesus College in 2008 with a degree in law. He spent four years with international solicitors Ashurst in London before moving out to Suffolk to join Birketts in Ipswich. Tom now specialises in agricultural property law and all that encompasses. Tom lives in a small village in rural Suffolk and enjoys shooting, skiing and just about any other sport he can find time for.



### **Thomas Lockton**

After graduating from Peterhouse in 2006 with a degree in Natural Sciences, Tom took an MSc in Rural Estate Management at The Royal Agricultural College before joining Smiths Gore in 2007. After a period seconded to The Crown Estate Windsor, he joined the rural valuations and investment team of Smiths Gore in London, which merged with Savills in June 2015. Tom divides his time between London, Devon, and Suffolk and has a penchant for wellies and mud.

# The Cambridge Whitehall Group

The Cambridge Whitehall Group came into existence in October 2014 to provide a high level influential policy discussion group for members of the Society and Cambridge alumni and for other involved with the University. It runs about 25 business lunches and dinners a year and also a distinguished Lecture series, The Whitehall Lectures, on public policy issues. The Lectures are published as an occasional series. Membership is by annual subscription.

In its first nine months of operation, its statistics prove interesting and indicate a real interest for members in something with a wider offering:

## First nine months

- 24 members (with 4 further members starting in August)
- 18 lunches and dinners
- 10 lunches or dinners sponsored
- 320 attendances
- 43 guests
- 3 Lectures followed by Receptions
- All Lectures fully sponsored
- 400 registrations
- Three Published lectures
- Website live and now being developed
- 4 Honorary Distinguished Members – Rt Hon Lord Howard; Lord Hennessy; Sir Anthony Brenton; Gideon Rachman
- A formal Group Secretary on a part time basis, Fiona Jones, is now well ensconced



Douglas Blausten,  
Cambridge Whitehall Group, Chairman

## List of Members

Company	Name	Business Title
Ashurst LLP	Gerald Kelly	Partner - Head of Real Estate Private Equity
Brydell Partners	Charlie Desmond	Partner
CBRE	Mark Creamer	Head of EMEA Valuation Services
Commercial Estates Group	Andy Woods	Investment Director
Cushman & Wakefield	Michael Creamer	Global Client Relationships Corporate Occupier Services
Cyril Leonard	Douglas Blausten	Senior Partner
Defence Infrastructure Organisation	Roddy Houston	Research Estate Strategy Lead
Europa Capital	Erik Ruane	Partner
Grosvenor	Craig McWilliam	Executive Director
Heritage Futures Partnership Ltd (C/O 5th Studio)	Oliver Smith	Managing Director
Howard Group of Companies	Dominic Reilly	Director
Kingfisher Properties	William Maunder Taylor	Director
Lipton Rodgers	Yair Ginor	Director
Market Tech Holdings	Mark Alper	Director
Meridiam Infrastructure	Julia Prescott	Chief Strategy officer
Nexus Central Management Services Limited	Harry Hyman	Managing Director
PIB Group	Nigel Salisbury	Head of Real Estate
Rockspring Property Investment Management	Robert Gilchrist	Managing Director
Royal Bank of Scotland	Phil Nash	Corporate Director, RBS Corporate Banking, Real Estate Finance
Taylor Wessing	Peter Jackson	Partner
Telereal Services Ltd	Graham Edwards	Chief Operating Officer
Telereal Trillium	Adam Dakin	Joint Managing Director
Tishman Speyer	Dan Nicholson	Managing Director
Winckworth Sherwood	John Hiscock	Partner

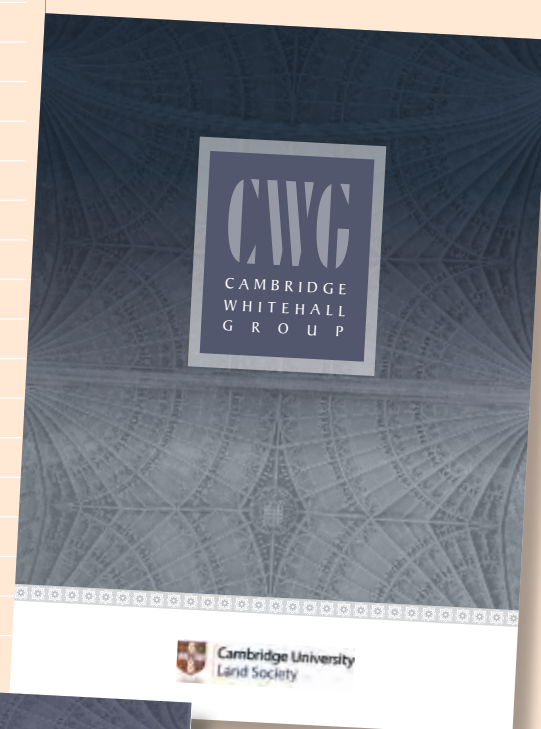
## List of Guests

### Companies represented by Guests of Members

Aviva Investors	Cabinet Office
Prospect Magazine	Reform
Frogmore Estates	British Land
The FCO	Prudential
Camden Market Holding Group	Tosca Fund
Institute of Conservation	English Heritage
C & I Associates	Virtus Holdco Ltd
Addenbrooke's NHS Trust	M3 Capital Partners
Defence Infrastructure Organisation	Farrer & Co
Smiths Group plc	Unilever plc
Round Hill Capital	RW Advisory Partners
RevCap	AXA
Augusta Westland	Chatham House
The Turkish Embassy	Weybourne Partners
House of Commons	London School of Economics
Grainger plc	Ecclesiastical Group
MSCI	Hutton Collins
DFS Group	Bank of London and the Middle East
Canada Life	Tomis Investments
C Hoare and Co	Jones Lang LaSalle
Linklaters	FTI Consulting
Deloitte	Downing LLP
BWCP	Maple Teesdale LLP
Simons Group	Hutton Collins
Havelock Europa plc	Morgan Advanced Materials plc
Parker Bromley Energy	Tower Transit Operations Ltd

After the summer break, the speakers already committed include Sir David Nicholson (ex CEO, NHS England), Lord Turner (Adair Turner), Peter Sutherland (Goldman Sachs), Dr Ian Black (Guardian Middle East Editor); Bronwen Maddox (Editor, Prospect Magazine), Professor Chris Ham, CBE (Whitehall lecturer), CEO, The Kings Fund, David Smith (Economics Editor, Sunday Times). This is part of a very full 2015/2016 programme.

CULS members and Cambridge alumni are very welcome to join the Group with membership rates starting at £ 1,750 p.a. for CULS members.



Whitehall Lecture given by  
Dame Kate Barker CBE, 30th April 2015:



Kate Barker is a Senior Adviser to Credit Suisse. She is also a non-executive director of Electra Private Equity plc, Taylor Wimpey plc and the Yorkshire Building Society.

How will we house our children?

# The Future of UK Housing Policy

Imagine the scene in April 2003, in a large panelled office at the Bank of England. It's a tranquil period for monetary policy, so I am enjoying a peaceful afternoon with the economic data when the phone rings. A senior Treasury official asks if I would lead a review of UK housing supply, as there are concerns that the volatile UK housing market is one of the impediments to our joining the euro. In a state of blissful ignorance both about planning and about working with government, I agree.

Three months later two pennies have dropped. The first is that this is a very complex and fraught problem. The second is that the Treasury are not just expecting me to support a set of pre-cooked policy recommendations: alarmingly, they are genuinely hoping for fresh ideas. Even then, it did not occur to me that 12 years later the topic of housing supply would remain so pressing, nor that I would still be obsessed by it. To declare my interests at the start, I am now on the boards of both a major homebuilder and of the second-biggest building society.

My starting point today is to point out that what good might look like in the housing market is far from a settled question. And it's not discussed sufficiently. There are unresolved policy questions at the national level, while at the local level disputes about development play out in a context where opposition is often fostered by a lack of understanding about the overall housing market.

Similarly, after the financial crisis, changes to mortgage regulation are deliberately

making access to home-ownership harder for those just on the fringes of affordability – while governments annually announce yet another package to support first-time buyers. The next government needs to act more radically and more coherently. The party manifestos all speak warm words on housing – but demonstrate little appreciation of what underpinning policies would really measure up to the challenge we face.

## WHAT WOULD GOOD LOOK LIKE?

What do we want from the housing market? We could perhaps at least agree that all should have access to a decent home at a price they can afford. Beyond that there is much scope for argument. Here are a few considerations which the weary policy-makers and planners have to weigh up:

- How much space should a household have a basic entitlement to? The bedroom tax has brought this to the fore.
- How far should location preferences be accommodated? Just because you were brought up in a rural area should you be entitled to live there as an adult? Should social housing be discouraged in expensive parts of cities?
- Do we want to allow cities to grow because they bring benefits of a deep labour market and other agglomeration economies? Or are large cities messy, so we should build new towns that can be well-designed from the start?
- Where are the places we really don't want to build? Obviously national

parks, AONBs and SSIs. But there is less agreement on all of the green belt, and on whether some towns and villages should be preserved as they are.

- Is having a high rate of homeownership important?

There are plenty more – and I'm not going to attempt tonight even to touch on most of them. In a glaring omission I am not going to discuss social housing at all. But at the start it's good to recall that real places lie below the abstraction of national supply targets, and to acknowledge that it is impossible for us all to get what we want. As technology, industries and indeed life style preferences change, the historic housing stock is never going to be of the right type and in the right place. New build, at less than 1% of the stock each year, can't possibly compensate.

But if we can't make the housing supply perfect, we can make it better. The EU suggests that households paying more than 40% of their disposable income on housing suffer from housing stress. In 2012 the UK had 7.4% of households in housing stress overall, rising to 23% among those in the Private Rented Sector. And of course those in housing stress tend to be among the poorest.

In this talk I plan to cover: what has changed since the housing supply review; what is the evidence today about the housing supply problem; and how far is this any due to problems with how we plan, especially at local level? Lastly, I will put forward a few policy proposals and make

a few comments on the policies emerging prior to the election. Frankly, some are too depressing to comment on. Just for clarity - the data and comment mainly relates only to England, as planning is a devolved matter.

### **DID THE HOUSING SUPPLY REVIEW CHANGE ANYTHING?**

Recently, there have been frequent references to a housing crisis. This quote seems to sum up what is meant. 'The high level of house prices means that the proportion of the population who can afford to buy out of income a house which is in good condition...is probably as low as at any period in Britain's history.'<sup>1</sup>

Some of you might rightly suspect that this is the old trick of quoting from a different period. And it is of course from one of Sir Peter Hall's many great books – and dates back to 1973. There are two reasons for citing it – one is that it provides the opportunity for me to pay tribute to Peter, who sadly died last year, and who was an incredibly generous and wise adviser to the work I carried out on planning. The second is that this book set out 40 years ago most of the issues we are wrestling with today. We could see this as bad news; it suggests housing is an intractable problem. Or good news – in that while experts think the housing market has been failing for 40 years, the outcome is that the vast majority of people are decently housed today.

It's frequently suggested that my supply review was a failure, since after the financial crisis new supply has consistently hovered around post-war lows. In fact the review did trigger some worthwhile policy changes, but these were undermined by the huge impacts of the crisis, sadly unforeseen. However, it is true that governments have not really grappled with the two big questions posed back to it by the review – about environmental impacts and about regional economic balance.

It did however contribute to a change in the public discourse about housing supply – now it's much more a commonplace to say that we don't build enough houses. That shift in public opinion enabled the Labour Government to introduce changes in the mid 2000's which aimed to ensure planning was more sensitive to market demand. Also funding for housing-related infrastructure and for building new social homes was increased - in the years following the publication of the review,



the rate of new build social rent supply in England increased by more than 10,000 homes a year.

Under the coalition, planning was reformed again with the introduction of the National Planning Policy Framework. Apart from the greater weight this places on allowing development which could be regarded as sustainable (an over-used word whose precise meaning is by no means clear) this puts more pressure on planning authorities to have up-to-date plans. Importantly the NPPF also aimed at a simpler planning environment, sweeping away unnecessarily prescriptive national policies.

Alongside these significant steps forwards, there have also been less eye-catching improvements in detailed administration, following reviews of the planning process and of non-planning consents. The recent move towards deemed consents for some conditions is a further positive. It's clearly a good thing to enable developers to get on sites more quickly. If there is less wasteful administration and more certainty about timing, the cost of development falls and there should (at least in theory) be more funds available to support related local infrastructure.

But while these moves to less regulation are helpful, they should not be mistaken

for solutions. Faster planning and faster building techniques would just bring forward at best may be half a year's supply. But without a much greater flow of permissions, the rate of supply would then revert to its previous level.

### **THE FINANCIAL CRISIS AND THE HOUSING MARKET**

Despite these policy changes, the financial crisis hit housing supply hard. The sharp cutback in bank lending and rising unemployment brought about a fall in effective demand and a decline in house prices. Developers were forced to write down their landbanks, and many smaller firms were swept out of business for lack of finance. Both Labour and the coalition took steps to support supply, the most successful perhaps being the new build 'Help to Buy' introduced in the 2013 Budget.

As yet, in part due to the shrinkage of the industry, the rate of new supply has not recovered much. Since 2008, annual completions in England, using the most usually-cited data source, have been around 120,000 a year, down from 150,000 in the previous decade. ONS projections for the number of new households wishing to form each year, based on prior trends, have been persistently above 200,000. On the face of it this suggests that in the

<sup>1</sup> Hall, P Gracey, H Drewett, R and Thomas, R (1973) *The Containment of Urban England* George Allen and Unwin

past six years we've undersupplied by over half a million dwellings, and even before the crisis many argued that there had been an extended period of undersupply. Yet we don't see obvious evidence of widespread homelessness. Nor have social housing waiting lists risen notably.

Why? There are explanations for how much of this 90,000 annual shortfall has been accommodated. First, there is an alternative series for completions data which is believed to be more accurate, but is published with a lag. On this basis about 20,000 more dwellings are built each year. There's been success in reducing the number of long-term empty homes, down about 20,000 a year. In addition, household formation is clearly endogenous; households don't form if there's nowhere to do it. So there are an estimated 90,000 more young people each year living at home. Maybe they'd have otherwise shared in threes – so that's 30,000 households not appearing. This doesn't quite fill the 90,000 gap – but it does suggest how families adapt.

An economist would be expected to point out that demand for housing reflects not just how many people there are, but also how much income they have. Looking at recent trends in the market, house prices picked up in the second half of 2013 as the mortgage market eased due to the Funding for Lending scheme and Help to Buy. But during 2014 the pace of house price inflation reduced, and the volume of transactions declined a little. This suggests a release of pent-up demand, which then petered out quite quickly. Part of the reason will be the tightening of credit availability following the introduction of the mortgage market review in April 2014, and the subsequent modest restrictions on lending criteria announced by the Financial Policy Committee.

But a far bigger part of the story will reflect the persistent weakness of incomes in the wake of the financial crisis. In 2007, on the basis of prior trends, we expected GDP per head now to be around 15% higher than it has turned out. That is a massive change, which will also have affected the ability of households to form.

### WHAT RATE OF SUPPLY IS NEEDED IN THE FUTURE?

Does this mean we shouldn't worry about pushing supply up? Well, fewer empty homes are welcome, but it would be better

if young people were more able to move to seek work. And surely we don't want to run a Stalinist system where we try to fit just some right number of people into the right number of houses. So let's distinguish housing 'need' from housing 'demand'. Housing need should be reserved for households who can't afford to meet the cost of shelter. Housing demand is different – it's also driven by incomes (as we get richer, we want more space) and importantly by expectations of future house prices. There is a belief in England that house prices will continue to rise faster than incomes due to undersupply. So those who can afford it, for the young nowadays those fortunate enough to have help from parents, have an incentive to buy as much space as possible. As a result, there are worries about housing supply, while the 2011 Census suggested that over 8 million households in England and Wales, around one in three, had 2 or more spare bedrooms.

At the other end of the scale, there are 1.1 million households who are over-crowded, generally in the rented sector. Undersupply of property works in the interest of those who own it. It will always leave a group who are struggling – prior to the financial crisis this was often households in the early years of their mortgage. Now that the Mortgage Market Review has tightened affordability criteria for borrowers, the pain is felt more by those left in private renting. Some of the cost also falls on taxpayers as £20 billion plus housing benefit will inevitably rise. Our present housing market thus underscores inequality, and will inevitably year by year increase the cost of housing poorer people decently.

### FUNDAMENTAL QUESTIONS LEFT UNANSWERED

If we increased supply dramatically, these issues would be largely resolved. Yet one of the issues raised in the 2004 review was that policymakers needed to weigh up the trade-off between more home building and the environmental costs. Some work to consider the question of the environmental costs of higher levels of further development in the South-East was then carried out on the Government's behalf, but I've never found any subsequent reference to it.

This study<sup>2</sup> tackled just the right question, which is: what are the costs of housing a

growing population more generously? Population growth itself seems to be little affected by inadequate housing supply. To put this another way, population growth in an area of strong demand may not depend just on new supply. If there is no new supply, the outcome is likely to be a combination of splitting the existing stock into smaller units and a larger average household size – ie the stock will be used more intensively.

If the concern is about pressure on public services – health, education and transport – then what matters most is not the number of housing units, but the number of people. It's not houses that go to school or catch buses – infrastructure spend needs to respond to people, not houses. There are costs involved in expanding the housing stock and the space within it relative to a given population: loss of green space and agricultural land; damage to biodiversity; the use of the building materials; and some increase in energy, water and waste per head. These costs matter, but the general conclusion of the environmental study was that they are not large. The main concern was the potential for stress on water resources in the south-east, already one of the most densely-populated regions in the EU.

The latest UK ONS population projections are for growth of 0.6% a year over the next 25 years. This cumulates to a more scary-sounding 16% over the period for England, and even more for faster-growing regions: 20% over the 25 years in the East of England. This growth rate is only slightly faster than that experienced in the UK between 1981 and 2011. But in numbers of people, the gap is bigger. 6.8 million more for the UK over the thirty years to 2011, 9.6 million more for the 25 years to 2037. If you will allow me a Nigel Farage moment, 4.2 million of the latter is expected to come from net migration. For England alone over the next ten years the projection is 3.8 million – or (here I sound like the CPRE) more than three Birminghams. These numbers will surely affect how parts of England feel and look. We cannot however simply wish the people away. It's often argued that there is too much stress on over-crowding, given that only 10.6% of England is currently built-up (and that includes gardens and parks). Largely I agree with this – but we also need to consider the social costs around congestion and a loss of a sense of tranquillity.

One response might be to really invest



in regional rebalancing, despite the history of failed attempts to achieve this. This would tackle worries about an unbearably crowded south-east and enable more use of brownfield land and so lower the environmental costs. Before rushing to this conclusion, it is worth noting that the North-West is also quite densely populated, and anyone who believes there is no congestion in 'the North' hasn't spent as much time on the M62 as I have. In addition, the cost of public subsidy (better known as higher taxes) and possibly lower economic growth would also need to be considered. And to re-iterate in a slightly different form a point I have already made – if the southeast nevertheless continued to be more economically vibrant – the outcome of not building houses there would simply be an increased density of population in the same housing stock. For a policy aimed at redistributing economic activity around England to succeed, far more than housing would have to change. It won't flow just simply from HS2 or renaming Manchester as an economic powerhouse.

So in the short-term we probably still need to build a lot in the south, and this is going to generate local opposition. How much should we aim at? The latest ONS trend projections of household formation over the next 25 years is 210,000 a year in England, by the way already more than 40,000 a year lower than the high water mark of these projections just ahead of the crisis.

These projections assume household size falls from 2.36 to 2.21 persons. This would be a change of trend – as household size, which fell steadily from 4.3 in 1911 to 2.4 in 1991, has thereafter been little changed. If we assumed an unchanged household size, this would require just 140,000 dwellings a year in England.

But I doubt this would be enough. The income elastic demand pressures would not be met, and so all the inequalities and tensions already apparent in the housing market would worsen. Economic projections need to be factored in. The UK is still experiencing unusually slow productivity growth, and it remains uncertain whether the post-war trend of around 2% a year per employed person is going to reassert itself. I hope we will move back to that. In that case, house prices in England would probably only be kept in line with the likely annual increase of about 4% in incomes if the rate of new supply averages rather more than the 210,000 household projection. This is a big challenge. In the past 20 years, a 210,000 increase in the housing stock (completions plus conversions) has been achieved in just two years - 2007 and 2008.

#### LOCAL PLANS AND LOCAL VIEWS

It seems increasingly unrealistic that the 200,000 plus new supply can be tackled by relying on what is decided at local level. Under the Labour government, regional bodies established the housing numbers

required – a lengthy process marked by the production of many long consultants' documents. These numbers were then dispersed among the local authorities. A major advantage of this system was that it enabled spatial planning over an area large enough to consider infrastructure provision and biodiversity worries properly. It would also, had any of the regional bodies been brave enough to tackle this question, have supported the development of large new settlements. A major disadvantage was the resentment of local areas for the numbers handed down to them.

The coalition government's move to localism was justified as part of 'a substantial and lasting shift in power away from central government and towards local people'<sup>3</sup>. However, hard on the heels of the Localism Act, came the National Planning Policy Framework making it very evident that local decisions would be taken within a structure that effectively limited the freedom of local areas to push down their housing numbers. Planning inspectors now review the methodology of local plans and throw them back if the housing numbers are judged too low. Meanwhile, developers are using the opportunity to bring land forward where there is no up-to-date plan in the absence of the ability to demonstrate, on an annual basis, a deliverable five year land supply. Many communities feel that the words in the Localism act ring pretty hollow.

<sup>3</sup> Department of Communities and Local Government (2011) A plain English guide to the Localism Act November

## FORECASTING LOCAL HOUSING DEMAND

I would contend that the new development landscape is also made to seem foolish by the pretty silly idea that housing requirements could sensibly be forecast on a local authority basis. Recent official guidance seeks to keep some realism about what should be attempted here, and specifically discourages the use of primary research such as surveys of the community. It's suggested this is because of disproportionate cost – although the more compelling argument is surely that they are unlikely to be of any value. The guidance suggests the use of the household projections produced by CLG, adjusted, if a case can be made, by an allowance for past underprovision or recent large scale provision or by economic projections for income and employment.

This apparently simple approach has not unfortunately prevented the production of many quite substantial documents. These convey the impression that local authorities believe their plans will only be taken seriously if they weigh a great deal. I am not arguing for a casual approach which fails to look for appropriate evidence, but against an approach which pretends to spurious accuracy – as the opening sentence of the CLG guidance says: 'Establishing future need for housing is not an exact science'. That would be a perfect sentence if only it referred to demand and not need.

Planning decisions place weight on how far a local area is keeping supply in line with the housing numbers in the plan. Yet it's reasonable to ask why these supply projections should play such a significant role. It is understandable that a local area, either a housing market area or a wider spatial span, should have some idea of the future population change, and roughly where they will best go, in order to plan the provision of infrastructure and public services. But if there are landowners willing to sell more land than this plan implies, developers wanting to build the sites out, and no compelling reasons why the sites brought forward are in some sense unsustainable – why do we think we should not respond to this demand?

There are very good reasons why some places are judged unsuitable for housing: especially the key environmental and landscape designations. There is a presumption in favour of open country

which rules against development of isolated dwellings. But beyond this it is harder to understand why the housing numbers in plans are more often more seen as a ceiling than as a floor.

There are two generally advanced rationales. One is concern about further depopulation of some of the older industrial areas – but that would be better met by positive policies towards those areas, as already hinted. The other is that in the growth areas the change in population would be too rapid for the infrastructure. But again, if we do not build more homes in the growth areas, one outcome may simply be that the housing stock which is already there becomes more densely-populated, and pressure on public services increase. This change would of course be 'unplanned'. It should not be surprising (except perhaps to some planners) to find that people do not always live where they have been directed.

## HOW CAN WE PUSH SUPPLY UP?

All the three major parties talk about housing a lot in their manifestos. The Conservatives do not commit themselves to any particular target, but Labour aim for 200,000 a year by 2020 and the LibDems for 300,000 at I think an unspecified date. But none suggest convincing mechanisms for reaching higher output targets. Indeed, the manifestos and later policy proposals are littered with suggestions at best marginal. The 'use it or lose it' approach to planning permissions from Labour will have a small effect at best, and may make matters worse if developers are more cautious about seeking permissions for large sites. Meanwhile the Conservatives proposal, for 40,000 starter homes each year on brownfield sites which would otherwise be used for commercial development, depends both on identifying enough such sites, and is financed by releasing developers from infrastructure contributions – when this infrastructure is badly needed.

Local opposition is the Achilles heel of the 'new garden cities' which float around in the political discourse. The opposition to Labour's eco-towns is a clear warning of what to expect when actual locations are identified. Local authorities are only likely to support them if the quid pro quo is a lower housing target for the rest of the area – which will reduce the scope of new towns to be additional to present plans. It is also pretty

unlikely that they will attain much scale in five years – even if work to find sites starts the day after the election it would be surprising if building began for another three years at an optimistic best. Further, the build rate for Milton Keynes averaged just 2,500 a year. Even if that were doubled, there would need to be ten locations to get 50,000 dwellings.

New towns also require radical action on land to acquire at prices low enough to fund infrastructure. But there is other land where prices could be lowered. There could be a much more aggressive attitude to developing surplus public sector land. Use of this land, defined broadly across all parts of the sector, is a policy which is frequently announced but the outcomes so far seems to have been lacklustre, though good data here is very hard to find.

There are reasons for this. Treasury rules on value for money, and on how far departments can retain proceeds, don't encourage the release of surplus land. Public sector organisations are always concerned that at some future time more space will be needed, and will then be hard to finance. In other words, the public sector often behaves very much like a private landowner. Some wider considerations of the social and economic value of releasing this land more quickly, not least the effect on other landowners of seeing more active competition, should relax the focus on cash receipts. These sites are much more promising for short-term supply – filling a gap until the new towns get underway.

More willing land sales however need to be coupled with more willing planning permissions. There's a huge temptation to say planning should be moved away from local authorities for large sites. In the past I've resisted that. But now I do consider that there should be a return to sub-regional planning, designed around functional housing markets, rather than all decisions being pushed down to individual local authorities. This would allow better debates about infrastructure, new settlements, and environmental considerations – such as flooding risk and bio-diversity. And this tier could consider large sites, recognising that local authorities may be the wrong spatial level to take these decisions. It is familiar to argue that the costs of new housing are short term and local – while the benefits are wider spread and long-term – even the New Homes Bonus for local authorities has not been sufficient to get the incentives right.

In addition, there should be a move further away from household projections and more towards looking at land and house prices, and local economies, in taking decisions on how much development to allow. There is a fundamental conflict between the notion of planning and the reality of an uncertain future of economic and social changes. Today planning is struggling to cope with the rapid changes in the way we shop. We need to allow plans to be responsive, and to be conditional on events – so that they can flex when their assumptions about the future seem to be going awry – another point made 40 years ago by Peter Hall.

### ALTERNATIVE POLICIES

The history of policy failure suggests that even quite big reforms may struggle to get new supply to an adequate level. The alternative way to try to tackle the inequalities of housing would be to limit demand, by seeking to tax the unearned gains from house prices more effectively. House price rises (and falls) in large part reflect the amenity value of the land, including local economic conditions. Notoriously, the householder does little to earn increased prices – yet of all the aspects of our lives it is the one which politicians are most anxious not to tax. All parties are reluctant to revalue property for council tax, and the Conservatives are proposing special exemption for homes from inheritance tax. These policies serve to increase the investment motive for owning extra housing space, and the desire to prevent nearby development which might reduce house values. There are two main plausible candidates for tax reform. One way in which this could be done would be a more effective council tax- more frequent revaluations, no single person discount, and higher bands to tax expensive homes more appropriately. Objections here include the administrative costs of frequent revaluation, and also to work well for this purpose, council tax would need to be less tied to local services. The changes would bear heavily on those with low incomes and expensive houses – much the objection now being made to the mansion tax. But if we really want to use housing space more effectively, why do the cliché of ‘little old ladies rattling around in big houses’ have more right to this space than young families? It might be better to support their moving to homes more suited to older people – though I want to stress I’m not a fan of ghettos of the elderly.

Or capital gains tax on principal residences – rolled up through a lifetime and charged at the point of final sale. Unless it is rolled up, capital gains tax has the disadvantage of penalising mobility. But this is complex, wouldn’t encourage those in large houses to downsize, and would have to start from today’s prices to avoid triggering a house price fall which would be very damaging for lenders.

So tax is also not an easy way forward. The way in which taxes become capitalised into prices probably requires more analysis than I have given it. However, it is surely truly bizarre that gains on business assets are taxed more than those on housing, and that there is a light tax regime for something that the planning system implies is regarded as environmentally damaging.

### CONCLUSIONS

In conclusion, I have sought to argue that we are not building enough homes, and that this bears heavily on an increasingly large proportion of households. An active programme of new towns and large urban extensions is needed – and the recent Wolfson prize essays on this topic set out a rich set of ideas for how this could be done. In addition there is much scope for better use of public land.

Recent planning reforms are welcome, but need further development to move to a sub-regional rather than local level, and there should be less obsession with attempts at precise forecasting. Planning should judge itself by wider outcomes than the delivery of its own plan. However, it is unfortunately true that the costs and benefits of planning decisions, in economic and social terms, are often very hard to discern.

Perhaps surprisingly, one issue I have raised this evening is whether some of the bigger numbers set out as targets for housebuilding are appropriate. It could be argued that they are not, if we are really troubled by the environmental implications and prepared to see future generations living, on average, in less space per person than we have today. However, it is equally clear that without tax reform this smaller space would be shared more and more unequally – if we decide to huddle up rather than build more it should not be the less well-off who do all the huddling. So I would like tax reform – but it is political fantasy.

Development is necessarily political. But sadly the policy proposals put forward to aid

the housing crisis too often seem to ignore the economics of the market. Housing policy also struggles from a lack of coherence across the public sector – the aims of CLG, Treasury, DWP and the Financial Policy Committee at the Bank of England can seem at odds with each other. The worst aspect of politicians’ pronouncements however is that they are rarely prepared to admit that for housing there are no effective solutions that are also easy and populist.

Over the decade since the housing supply review, there have been many changes in planning regulations and administration. These were mostly positive and are now helping to support some recovery in new supply from its lows after the financial crisis. But there has been a significant step backwards with an effective retreat in much of the country from planning at a scale wider than an individual local authority.

The main political parties all talk of more housing supply in their manifestos, but none are fully convincing. Those advocating new towns and settlements fight shy of identifying locations as these would immediately carry political risk. At the local level, planning outcomes are working too much against the market. The Conservatives are seeking to tackle this by managing down price for their Starter Homes initiative, and Labour have suggested using rent controls. These measures attempt to counteract the outcomes of the planning system by further market intervention. They are not without merit, but are far better at winning today’s headlines than at tackling the fundamental problem.

The housing system today is unfairly weighted towards those already owning a home, or lucky enough to inherit funds from property ownership. The next Government needs to act radically and coherently. Either there must be a determined effort to bring more land into development (both by using public land in the wider public interest and by tackling local opposition where it has no real substance), or there should be higher taxation on the rising property prices which benefit home-owners but are of course unearned. In practice both of these may be needed, but both will be highly unpopular.

Existing home-owners should recognise the stark truth that if they insist on keeping new development away from them, and on keeping all the profits from higher prices, we will not be able to house our children in a fair manner, and in some cases perhaps they will not be housed at all.

Whitehall Lecture given by  
Lord Deighton KBE, 29 January 2015:

## Infrastructure in the 21st Century From the Olympics to High Speed Rail & beyond



As you might know, after a career spent in finance, I helped London deliver the 2012 Olympic and Paralympic Games.

It was a huge logistical task. We were working to hard deadlines; we needed to secure political consensus; and managing a project involving hundreds of thousands of people coming together had both its charms and its challenges.

Britain proved it can deliver. We now want to build on that success.

My job in Government is to inject private sector experience into the public sector; to prioritise infrastructure investment; and to put it centre stage in our plan for economic recovery.

### The opportunity

Infrastructure investment is a key driver of national prosperity. Having the right transport, communications and energy systems allows people and businesses to increase their own productivity and the country's overall rate of growth.

Infrastructure products also create significant demand stimulus during planning, construction and maintenance, generating skilled jobs and opportunities up and down the country.

And infrastructure can help rebalance the economy by unlocking economic potential in the regions. This is not just through creating regional job opportunities; it's about giving regions the infrastructure they need to help them prosper.

Michael Heseltine and Jim O'Neill have done huge amounts of work in this area. Michael Heseltine's review on infrastructure, "No Stone Unturned", set out how we can unleash the potential of

local economies. And Jim O'Neill, chair of the City Growth Commission, has been thinking the unthinkable about how we can drive growth in our northern cities by boosting connectivity.

If the northern economy grows in line with the rest of the UK over the next 18 years (2013-2030), then, compared to previous 18 years, that would be worth an additional £44bn in real terms to the economy of the North.

The UK has a great infrastructure tradition. The great 19th century civil engineers – Telford, Brunel, Stephenson, Bazalgette – built infrastructure which is still in use today. They thought about what the country would need fifty years down the line, and further ahead still. So my ambition is to put in place a new Victorian Age – one where growth and productivity is fuelled by our investment in infrastructure.

### The challenge

The really big, game-changing infrastructure decisions this country takes are seriously hard to get right. Major projects cost a lot. There are fierce debates over where they should be built. Their financing and design often requires innovation, which implies a higher level of risk. And they take a very long time from inception to opening: the lifespans of Crossrail (1974 – 2018) or HS2 (2009-2033) are significantly longer than the five year political cycle.

That means that a significant chunk of the work on infrastructure projects isn't physical at all: it's about securing agreement and building consensus in politics and society more broadly.

And unfortunately in the past this short-term thinking has led to a stop-start approach to infrastructure. This has shaken confidence and hampered investment. We've been held back by it.

A stop-start approach creates delay, cost increases, and a lack of confidence throughout the supply chain. We need consistent political commitment – as we had in the Olympics, won under a Labour Government, and a Labour Mayor; delivered under the Coalition Government and a Conservative Mayor.

To address this challenge, we adopted a strategy across three themes: set a long-term plan, get the funding in place to deliver it, then transform how you make it happen.

### The Plan

Setting a long-term plan might seem obvious. The reality is we didn't have one in 2010. So the National Infrastructure Plan [NIP] is an innovation – and a transformational one.

It is a comprehensive, integrated, cross sector plan setting out our key priorities, first published in 2010 and, importantly, refreshed, refined and improved every year since. It sets a coherent vision for economic infrastructure in the UK, and includes delivery plans to 2020.

And it is both a bottom-up and a top-down plan. This is because we must empower our sectors and regions – but we must also ensure coherence. Capturing the value of the interdependencies between our sectors ensures that our national infrastructure is greater than the sum of its parts.

The other fundamental point is that infrastructure planning and investment decisions have to go beyond political cycles.

All of the publicly funded elements represent a firm, specific Government commitment, giving clarity to investors and the supply chain, and developed with industry through the NIP strategic investment forum, bringing in the expertise of our key stakeholders.

The latest iteration of the NIP, which we launched in December last year, contains planned investment work with over £460bn of public and private investment in communications, energy, floods, science and research, transport, waste and water.

### The Money

The first stage, then, was to set out our plan. But the right funding and finance is essential to making it work.

We are really good with money. It is where we are – and should be – leading the world. Back in 2010, our first priority as a Government was to get public finances under control – because that would give us the fiscal capacity to fund our projects.

We prioritised capital investment and, crucially, provided long-term settlements for Government departments and agencies, to 2020-21. Previously, funding was handed out on an annual basis. Long-term settlements provide long-term funding certainty, gives the supply chain confidence in the future, and allows us to unlock efficiencies.

We set out our long-term settlements at Spending Round 2013. At Autumn Statement 2014, we specified which projects those settlements would be spent on. And the sums are considerable.

In 2014 we set out clear and fully-funded delivery plans for the next Parliament:

- £15bn investment on the strategic road network as part of a new Road Investment Strategy which will include undertaking over 100 major schemes to 2020-21, including transformational projects for the A303 and A1 north of Newcastle (delivered by the Highways Agency).
- A £2.3bn programme of flood investment, investing in over 1,400 schemes to protect at least 300,000 homes; underpinned by a detailed pipeline of individual schemes including at Oxford, Lowestoft,



Terry Morgan, CBE, Chairman, Crossrail and Lord Deighton, KBE, Commercial Secretary, HM Treasury

Yalding, River Thames and the Humber (delivered by the Environment Agency).

- A £38bn Network Rail delivery programme – including the electrification of key lines, as well as commitments to transformational projects such as Crossrail, phase 1 of which is due to complete in 2018, and HS2, phase 1 of which is due to start construction in 2017.
- Digital infrastructure support to ensure that 95% of premises have access to superfast broadband by 2017.
- Science infrastructure investment, including a new polar research ship and Met Office supercomputer.

21 per cent of this pipeline is public investment; 14 per cent is public/private; and 65 per cent is wholly private.

The UK has long been a pioneer in attracting private investment. Our public-private partnership market is over 20 years old, the most mature in the world. And it's fair to say that we have learnt several important lessons about how to do – and how not to do – private investment over those years.

We are able to fund our energy, water and waste sectors privately, and do so efficiently, precisely because of our proven strength in this sector. We are number 1 for attracting investment worldwide, according to Nabarro LLP.

We have many competitive advantages: stability, clear property rights, a world-class regulatory system, transparent policy development, strong markets, and top lawyers and academics on our doorstep.

In energy – one of our largest infrastructure sectors – we have introduced significant reforms to the electricity market. We've concluded the first four-year ahead Capacity Market auction, with a much lower clearing price than expected. And

our legally-binding Contracts for Difference (CfDs) are supporting investment in low-carbon energy generation, with the first auction currently underway.

The UK Guarantees Scheme guarantees up to £40bn for big-ticket projects, including the Northern Line extension, Mersey Gateway Bridge, Ineos Grangemouth Ethane Import and Storage Facilities, Speyside CHP Plant and the University of Northampton.

We have set up the Green Investment Bank, the world's first investment bank for transition to a green economy, investing £1.4bn in over 35 projects.

And through the insurers' infrastructure investment forum, six major insurers have committed £25bn of investment in the next 5 years.

I'm proud that we have attracted £18bn of large scale equity investments since 2010 – all from overseas, all for UK infrastructure.

Manchester is a great example. We've created the conditions that have attracted hundreds of millions of pounds of inward investment from the United Arab Emirates: Etihad Stadium, a major housing scheme, university accommodation and a new graphene centre.

These sorts of projects can really be transformational. But we also need to ensure we're delivering them properly.

### Delivery, delivery, delivery!

When I was appointed to the Government, the Prime Minister gave me three priorities: delivery, delivery, delivery.

This is an area where we have traditionally not been strong for a number of reasons. Our 2010 review of the cost of infrastructure noted the "need for a greater focus on the early stages of projects".

Historically, we've also not been great

at getting our infrastructure projects built quickly. Though I can claim an exception here: the Olympic Park in Stratford went from bid book vision to reality in just seven years!

In 2011, we set out “Top 40” priority infrastructure investments – to monitor and support progress in delivery. Specific challenges and cross-cutting issues are tackled at cabinet sub-committee level, which means that ministers across Whitehall are closely monitoring progress and working together to address challenges.

We’ve improved the commercial capability of key infrastructure departments (the Department for Transport, the Department for Energy and Climate Change, the Department for Food, Environment and Rural Affairs, and the Department for Culture, Media and Sports) through infrastructure capacity plans. These put in place specialist units with the commercial expertise that central Government has sometimes lacked. And we’ve attached particular priority to putting in place the right leadership in key delivery bodies.

We’ve taken major steps to improve and streamline the planning system – speeding up the judicial review process through a new dedicated Planning Court, slimming down planning policy and guidance, and promoting sustainable development.

And though I can’t pre-empt Budget 2015, I can confirm that it will publish proposals to make compulsory planning order processes clearer, fairer and faster.

Government can only do so much on its own. There are areas Government cannot reach. There are areas Government should not try to reach. And there are areas where we can only gain results through working with industry.

We did this in our 2010 Infrastructure Cost Review, which generated £3bn of savings in construction costs. And we are continuing work through the Infrastructure Client Group of industry leaders.

There are two areas we are focusing on. First, embedding reforms across Government, particularly at the inception stage of projects. Working in partnership with industry, we have established a project initiation routemap, which sets out best practice in getting projects underway.

Second, using our pipeline of projects to identify key skills that are required, and targeting government schemes at those

skills to make sure that we have access to them. The HS2 college is a case in point, as are upcoming colleges on shale and nuclear. In January, we heard the good news that Crossrail exceeded its target of 400 apprentices.

### The Results

The result of our strategy is that we have in place strong, stable plans for the short and medium term; and we are delivering on those.

We have over 2,500 significant major projects completed since 2010, including 55 major road and local transport projects, over 500 flood defence schemes and access to superfast broadband to over 1.5m premises.

We have megaprojects – Crossrail, Hinkley Point C, HS2, and the Thames Tideway Tunnel, to name a few – all on track and on budget.

We are building the Northern Powerhouse to be an economic counterweight to London, by connecting our great Northern cities and helping them reach their growth potential.

We are using infrastructure investment to drive home-building in a much more cohesive manner, as we did in Battersea, Barking, Bicester, Brent Cross – and even places which don’t begin with B, such as Ebbsfleet.

We have seen progress made on making national-level decisions such as airport capacity in the South East.

We are devolving decision-making and empowering local leaders, through the 39 LEPs throughout England and through City Deals. Not least in Cambridge: the Cambridge City Deal will see a £1 billion investment in the Greater Cambridge area.

And we’re going even further, with the Greater Cambridge and Greater Peterborough LEP seeing a share of a further £1bn allocation from the Local Growth Fund across the country, announced on 29 January.

We’re opening up corridors to the South West and the North East, where for decades the quality of the road network held back productivity.

And the statistic I’m most proud of is that over 60% of the projects and programmes are now in construction or part of an active programme – compared to less than half in 2013.

### The Future

Although we’re delivering, we cannot be complacent. Totemic projects remain a huge challenge to deliver on time, on budget, and to the benefit of all.

As I mentioned at the start, the great Victorian engineers thought of infrastructure in terms of generations – not just the next five years. So, as well as continuing to develop and refine the NIP, we need to start thinking about the infrastructure needs of the mid-21st century.

I see several long term challenges facing us. First, meeting the long term rise in the UK’s population. Second, making the most of the opportunities new technology will offer us. And third, an increased obligation to develop resilience to climate change.

Alongside that, we need to continue improving our delivery – and make best practice standard procedure. That will involve tying infrastructure in much more closely with the broader Government agenda.

Meeting these challenges will require building consensus. Bringing in external input – both from industry and from academia – will be critical. We did it when developing the National Infrastructure Plan, and we will do so again.

I’m pleased to note that Cambridge Centre for Smart Infrastructure and Construction, and the associated Centre for Doctoral Training in ‘Future Infrastructure and the Built Environment’, will be training more than 50 PhD students to deliver research addressing the key challenges in exactly this area, and commercialising that research to deliver new and innovative products to the infrastructure industry.

One of the hardest areas will be making sure that infrastructure planning and investment decisions go beyond political cycles. Achieving the right outcomes is much more important than creating new processes. I’m not fussed about using “heavy Government machinery”; what matters is machinery on the ground.

Above all we have to be ambitious. The Victorians looked far beyond the next few years, which is why we’re still using their infrastructure today.

We’re catching up on the lost decades. We’re looking forward to the 2020s.

Let’s now start looking at what we want to have delivered twenty, thirty, and even forty years from now.

Thank you.

# Estates Gazette press coverage

## Let's think like the Victorians and plan, fund and build the infrastructure we need for the long term

**T**he UK has a great infrastructure tradition. The great 19th century civil engineers thought about what the country would need 50 years ahead and further. So my ambition is to put in place a new Victorian age, where growth and productivity is fuelled by infrastructure investment.

The game-changing infrastructure decisions this country takes are hard to get right. Major projects cost a lot, are fiercely debated and their financing and design often require innovation, which implies risk. And they take a long time: the lifespans of Crossrail (1974-2018) and HS2 (2009-2033) are much longer than the five-year political cycle.

In the past, short-term thinking has led to a stop-start approach, shaking confidence and hampering investment. We need consistent political commitment.

The National Infrastructure Plan is a comprehensive, integrated plan setting out key priorities. It was first published in 2010, has been improved every year since, and includes delivery plans to 2020.

All of the publicly funded elements represent a specific government commitment, giving clarity to investors and the supply chain, and are

### MINISTERIAL VIEW

**Lord Deighton**

**Commercial  
secretary to the  
Treasury**



**Short-term thinking has led to a stop-start approach, shaking confidence and hampering investment. We need consistent political commitment**

developed with industry.

The latest NIP, launched in December, contains planned work with £460bn of public and private investment in communications, energy, floods, science and research, transport, waste and water.

The right funding and finance is essential. We in the Treasury provided long-term settlements for departments and agencies to 2020-21. Last year, we specified which projects those settlements would be spent on, including £15bn on the strategic road network, £2.3bn on flood defences and a £38bn Network Rail delivery programme. Some 21% of this pipeline is public investment, 14% is public/private, and 65% is wholly private.

The UK is a pioneer in private investment and we have learned important lessons about how to do, and how not to do, private investment.

The UK Guarantees Scheme guarantees up to £40bn for big-ticket projects, including the Northern Line extension, Mersey Gateway Bridge and the University of Northampton.

We have set up the Green Investment Bank, investing £1.4bn in more than 35 projects. And through the insurers' infrastructure investment forum, six insurers have committed £25bn over five years. And we have attracted £18bn of large-scale equity investments since 2010 – all from overseas.

Delivery is an area where we have traditionally not been strong. Our 2010 review of the cost of infrastructure noted the "need for a greater focus on the early stages of projects". We have also not been great at getting our infrastructure projects built quickly. Though I can claim an exception here: the Olympic Park went from vision to reality in seven years.

In 2011, we set out "top 40" priority infrastructure investments – to monitor and support progress in delivery. Ministers across Whitehall are closely monitoring progress and working together to

address challenges. We have improved the commercial capability of key infrastructure departments, focused on putting the right leadership in key delivery bodies, and taken steps to improve the planning system. We also intend to make compulsory planning orders clearer, fairer and faster.

We have completed more than 2,500 major projects since 2010, and mega-projects such as Crossrail and HS2 are on track and on budget.

We are building the Northern Powerhouse, using infrastructure investment to drive home-building and devolving decision-making and empowering local leaders.

And more than 60% of the projects are now under construction or part of an active programme – compared with less than half in 2013.

Planning and investment decisions must go beyond political cycles. The Victorians looked far beyond the next few years – it is why we are still using their infrastructure today.

*Lord Deighton KBE spoke at the Whitehall Lecture Series, organised by the Cambridge University Land Society, on 29 January. The next lecture, featuring Kate Barker CBE, will be on 30 April. For details visit [www.culandsoc.com](http://www.culandsoc.com)*

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Guests from across the property world enjoying the champagne reception before dinner.



SSG Committee members Rob Flint, Anna Harper, Colm Lauder, Francesca Leverkus and Lizzie Cullum.

# Silver Street Group

A brilliant year of sell-out Silver Street Group events for current Land Economy students and recent alumni; and

A new committee for the Silver Street Group with the following elected members: Francesca Leverkus (Topland, Co-Chair of SSG), Colm Lauder (IPD, Co-chair of SSG) Sophie Pickering (Ashurst LLP), Anna Harper (Deloitte), Lizzie Cullum (Savills), Robert Flint (Winkworth Sherwood), Jack Brewster (Grosvenor), Ian Currie (Grosvenor), Xuan Luo (CBRE), Helena Casement (University of Cambridge) Jack Philipsborn (University of Cambridge) and Monica Wong (University of Cambridge)

The Silver Street Group caters to current students and recent alumni – members of the Cambridge University Land Society who graduated in the last fifteen years. It hosts popular events and career development opportunities for those embarking on a career in property, or with a passion for the world of real estate.

In 2014/2015, events included:

- The SSG Annual Dinner, a sell-out event at the Savile Club for 100 current and recent Cambridge alumni and guests, sponsored by Cobalt Recruitment and Winkworth Sherwood;
- Halloween Wine Tasting, a sell-out networking and wine tasting for 30 recent alumni hosted at and sponsored by Ashurst LLP;
- "Starting Up" – a talk by property entrepreneur Will Davies, of the Glassworks Gym and the Varsity Hotel, Cambridge hosted by Ashurst LLP;
- SSG Summer Drinks, a popular and laid back networking event held at Piccolino in Exchange Square, the City sponsored by Cobalt and Savills;
- CULS Annual Careers In Property Fair, the key property careers event of the year at Cambridge, including networking and careers talks with current Cambridge students and around 30 employers from across property and related fields.



## Ashurst





The SSG Annual Dinner in the Savile Club's elegant Ballroom.

## Annual Dinner

Anna Harper (MA Cantab)  
Consultant, Deloitte  
Director, Landmark Projects London  
Silver Street Group Committee Member

The 9th Annual Silver Street Group (SSG) Dinner, held on 27th May at the Savile Club in Mayfair, was a brilliant example of what SSG stands for: celebrating in style the success and optimism of current Land Economists and recent alumni, and providing an opportunity for engagement with leaders and future leaders in the world of real estate.

The event was kindly sponsored by Cobalt Recruitment and Winkworth Sherwood, with strong support from several other major names in the property industry. It brought together guests from across the property world, including surveyors, solicitors, investment managers and consultants, for a champagne reception and three course meal in the beautiful surroundings of the Savile Club, St James's.

Attendees included representatives from Cobalt, Grosvenor, RevCap, Cyril Leonard, Winkworth Sherwood, and Deloitte, as well as esteemed members of the CLEAB and CULS boards.

After the delicious three course meal in the Savile's elegant ballroom came a short address from SSG Committee leads Colm Lauder and Francesca Leverkus, and Douglas Blausten, Senior Partner at Cyril Leonard. This was followed by a raffle, which included prizes such as sushi making, chocolate afternoon tea, and wine tasting. The evening continued into the small hours in the Savile Club bar, with further drinks, debate and networking.

The Silver Street Group looks forward to the opportunity to celebrate the 10th anniversary of this highly successful and popular event next year!

## Wine Tasting Challenge

The second Halloween Wine Tasting Challenge was held at Ashurst LLP on 20 November 2014 bringing together 40 Cantabs to share their passion for property and wine. The event was hosted by WanderCurtis Wine and required the teams to test their taste buds, general knowledge and creative skills in a series of challenges. The event was very interactive, prompting light-hearted discussion about food and wine pairing and also allowing guests an opportunity to get to know one another and learn more about SSG. It was a thoroughly enjoyable evening for wine novices and wine experts alike and an informal and relaxed environment in which to break down barriers and foster relationships with fellow alumni.

Sophie Pickering (MA Cantab)  
Associate Solicitor at Ashurst LLP  
Silver Street Group Committee Member and Careers Officer



# Starting Up

— a talk by property entrepreneur Will Davies

**Sophie Pickering (MA Cantab)**  
Associate Solicitor at Ashurst LLP  
Silver Street Group Committee  
Member and Careers Officer

We were very pleased to welcome Will Davies at Ashurst LLP on 19 February 2015.

Will talked us through the highs and lows of his career, including his brainchild to convert the 18th century glass-blowing factory on the banks of the River Cam to the popular Glassworks Gym which opened in 2000 (together with business partner Tariq Mahmood whom he met at Cambridge); the neighbouring River Bar restaurant which opened in August 2001; and the Varsity Hotel and Spa which opened in July 2010 with its amazing views across Cambridge from the unique rooftop bar.

Will started out with no property experience, no financial backing and no contacts in the industry and it was fascinating to learn from his experiences and hear about the banking and building hurdles he came up against. I still don't quite believe he got his proposals through planning but he assured us that his determination and transparency with the planning committee helped him succeed.

Following the talk Will joined the SSG members and guests in the partners' dining room at Ashurst LLP for drinks, canapés and networking. We look forward to seeing Will again next year for our proposed panel event "How to succeed in the Property World".





Lauren Fendick  
Senior Associate, Taylor Wessing



# River Thames Boat Trip: Review of developments on the East of the Thames

It was a beautiful evening complete with BBQ and personal tour guide, The Asia Pacific Forum would like to thank Taylor Wessing LLP, who kindly sponsored this event and invites members of CULS to look out for future events organised by the Forum.



James Lai, RTKL (acting Chair of the Asia Pacific Forum).

The CULS Asia-Pacific Forum is based in London and has been established with the aim of promoting inward investment into the UK from Asia-Pacific investors and to act as a network for CULS members to gain information, contacts and expertise in relation to the Asia-Pacific real estate market.

For its first event, the Asia Pacific Forum welcomed nearly 50 CULS members aboard the Edwardian on a glorious summer evening on 11th June 2015

The party sailed down the River Thames, heading East to catch a glimpse of developments funded by Asian corporations including Convoys Wharf, funded by



Hutchison Whampoa and the Royal Albert Dock, funded by Advanced Business Park. Detail on each development is included below. Whilst these developments were still holes in the ground, it was exciting to see the landscape as it is now and to imagine how these areas will change in the near future and is a clear example of Asian investment in London (see the London China Deal Map opposite).



# Convoys Wharf



**At 40 acres, Convoys Wharf is the single largest development site in the borough of Lewisham.**

The redevelopment of the site has the potential to provide public access to a major part of the borough's riverfront for the first time in centuries. It would also make a major contribution to meeting Deptford's need for new homes, jobs and amenities.

Plans submitted by Convoys Properties Limited in spring 2013 for the comprehensive redevelopment of the site include:

- up to approximately 3,500 new homes (over 500 of which would be affordable)
- space allocated for shops, restaurants, cafes
- space allocated for a hotel

- public open spaces
- public transport improvements including a river bus service and new/diverted bus routes
- around 1,800 car parking spaces
- renovation of the Olympia Building, a Grade II listed warehouse
- three tall buildings (two at 38 storeys and one at 48 storeys).

In March 2014, the Mayor of London resolved to grant outline planning approval for Convoys Wharf.

funded by **Hutchison Whampoa**



# Royal Albert Dock

In 2013, ABP acquired sole private ownership of the 35-acre estate through a Development Agreement with the Greater London Authority.

ABP will revitalise this once celebrated trade centre, creating an outstanding business district combining commercial, residential, e-tail and leisure, and bringing two listed buildings back to life.

## THE MASTERPLAN - PHASE ONE

- 1.4 million sq ft (GA) in total

- 35 buildings, plus the restoration of two listed buildings
- 28 terraced office buildings, available to purchase on a long leasehold basis, ranging from 16,700– 28,250 sq ft (GIA)
- One large 156,500 sq ft (GIA) building
- Two signature office buildings of 107,000 sq ft

funded by Advanced Business Park (ABP)

- (GIA), suitable as the “flagship” HQ premises
- Approximately 50,000 sq ft of ground floor
- retail and leisure space
- A Commercial Service Centre that will house the site’s energy provision, parking and estate management services
- High street and Central Square
- Construction due to commence in 2015
- Completion of first buildings in 2017
- Completion of Phase One in 2018



# APEC Forum gets into its stride

Now in its second full year the Architecture, Planning, Engineering & Construction Forum has covered the 'P' for Planning in its acronym.

The APEC committee is:

Brian Waters, BWCP, Chairman  
Rod McAllister, Vice-Chairman  
Martin Thompson, Supreme Court, Scribe  
Mike Adams, Adams IPL,  
Yair Ginor, Lipton Rogers Developments LLP,  
Fred Pilbrow, Pilbrow & Partners,  
Sara Basamera,  
James Lai, RTKL architects.

Our first event was titled 'The Politics of Planning', and was a well attended afternoon event hosted by Dentons with hospitality also by Development Securities. This was the first of an annual joint event with the National Planning Forum. A full report is included next to in this magazine, as well as in the Planning in London magazine.

A follow-up event titled 'Workspace 2' is in the works, and is to be hosted by Second Home near Brick Lane, probably late January 2016. It will cover new working environments, the sharing economy, live/work and working from home and from public spaces.

Also in preparation is an event on 'Feeding the City', looking at the logistics, alternative ideas such as urban farms, as well as the issues arising from feeding thousands of people in a building

surrounded by others as the city densifies, intensifies, and issues arising from the increasing need to operate cities for 24 hours despite the resistance of residents to night-time servicing.

Sponsors for these and other events, or for the APEC Forum itself, are invited to get in touch please.

APEC Forum aims to support both the Department of Land Economy and the Faculty of Architecture. The latter particularly need help with outside teaching by practising architects. Its launch event was an elegant and stimulating presentation in the council chamber of City Hall by Spencer de Grey, Foster + Partners' joint Head Of Design, who is also a Visiting Professor at the Faculty and was in my tutorial group under the late Sir Colin St John Wilson, architect of the British Library.



# The politics of planning

The following journal article is reproduced with kind permission from 'Planning in London', the journal of the London Planning & Development Forum.

The first open meeting of the National Planning Forum held with the Cambridge University Land Society and LP&DF took place on Thursday 26th February sponsored by Development Securities plc and Dentons. Drummond Robson reports the event in his usual thorough manner.

**Brian Waters** on behalf of Cambridge University Land Society and National Planning Forum (CULS and NPF) welcomed the delegates and thanked Dentons as hosts to the discussion. Brian introduced the topic of The politics of Planning, recognising that this arouses strong opinions. In introducing this contentious subject he referred to a comment by Nick Boles that "there should be a presumption against interference".

**Paul Finch** (Editorial Director Architects' Journal and Architectural Review and Former Chairman of CABE) asked the meeting to consider how planning and politics mix. He followed the Chairman's introduction with a comment from Ian Duncan Smith at a conference in Brussels when he was quoted as saying that he was "losing the will to live" This was not greeted by anything other than a muted reaction since his comment was translated that IDS was terminally ill.

"Politics, and of course politicians, create the context in which most of you here today undertake your occupation, of trying to improve or indeed invent, places where communities can flourish.

Politicians are all in favour of this: they are forever telling us about the importance to society of place, community, localism, housing, schools, hospitals and cultural buildings.

Unfortunately, some appear to suffer from that most convenient of political conditions: amnesia.

One day the Prime minister is pledged to keeping Heathrow at its present size, with a Transport secretary upholding that policy. The next Sir Howard Davies is telling us to expand it.

Out goes the old policy, out goes Justine



Cambridge University  
Land Society



## The Politics of Planning

Thursday 26th February 2015  
1.30pm for 2.00pm  
followed by drinks at 6.00pm  
sponsored by Development  
Securities plc and Dentons

Kindly hosted by:  
Dentons UKMEA LLP  
One Fleet Place  
London EC4M 7RA

**DENTONS**

Planning and politics don't mix happily but planning has been rising in the political agenda: the housing crisis, infrastructure planning, permitted development rights... This first open meeting of the National Planning Forum will explore this relationship and look at manifesto propositions which might be wished on the next government.

The planned programme is attached. Contributors include

*Julian Barwick, Emma Cariaga, Max Farrell, Paul Finch, Vincent Goodstadt, Kate Henderson, Dan Lewis, Lee Mallett, Simon Marsh, Liz Peace, Roy Pinnock, Sean Spiers, Finn Williams*

Greening. Airport decision delayed, which will no doubt be blamed on the planning system before too long.

The Prime Minister, until quite recently, habitually pledged to protect the Green Belt. Then one day he said it was vital to build on it -- to give young people a chance to jump onto the housing ladder.

Mr Cameron keeps making speeches in which he claims that planning is stifling growth, without offering any evidence. George Osborne makes announcements about planning in his budget statements, trying to reinforce the point. But when push comes to shove, it is not tinkering with planning that matters: it is big picture politics, hence the Devo Mancs initiative involving super-authorities and elected mayors, which sound awfully like John Prescott's regional assembly

model.

Meanwhile ministers responsible for the National Planning Policy Framework have ingeniously re-worked the concept of localism and green belt protection. Instead of communities deciding what they want on their patch, localism really means deciding where they would prefer inevitable development to go. This bit of green belt, or that bit of green belt?

All this, of course, is based on the fallacy that we have a land shortage, particularly in London. The truth is we could house all London's anticipated future population growth in the bottom half of the Lower Lea Valley, or around the Royal Docks, if we put our minds to it, and set pro-active planners to work.

The housing shortage in the South-east, being real enough, requires blame. And the politicians >>

have accused housebuilders, the planning system, land shortage, building regulations, the Code for Sustainable Homes and anything else they can think of as being responsible for our current predicament.

What they will not acknowledge is the abandonment by the political class of the old mantra 'predict and provide'. Instead, they started predicting and not providing; then they stopped predicting, the last Labour government pretending that mass uncontrolled immigration and pitifully low housing starts were not really happening.

When reality struck, the answer was simple: kick poor people out of the capital and send them to depopulated northern cities like Hull. Council tenants are an embarrassment to both Conservatives and Labour alike. Whatever the Lib Dems say about them one can assume them to be, how can one put this, malleable.

Meanwhile, as they underwrite the mortgages of those poor folk who can afford to borrow £600,000, national and indeed local politicians continue to tax housebuilders till the pips squeak. In London if you propose to build more than a handful of homes you will get hit by the Community Infrastructure Levy; then the mayor's special levy for Crossrail (how on earth did we manage to build the Underground system?); then Section 106 contributions; and then you have to make up to 40 per cent of your units 'affordable'. What does that make the other 60 per cent?

If we applied these policies to bakers, we would soon have a bread shortage. And which bits of these policies are about planning, as opposed to revenue-raising?

The question of betterment has dogged planning since 1947 because it is a political issue, not one about planning. Veering wildly from subsidy to penalty, politicians have imposed on the planning



MVMNT Greenwich

system their own fears and desires, which have little to do with professional protocols or analysis. From the Community Land Act to as-of-right planning permissions, each half-generation of politicians brings its own ignorance and prejudice to bear on planning, as though planning were the same as delivery, or that planning as an activity stops growth – it doesn't, any more than it delivers it.

The 400,000 French people living in the capital make London the sixth biggest French city. There's growth for you. Half have arrived in the last decade, and are not sleeping on the streets. No wonder we have a housing shortage. Incidentally if we built out London to Haussmann densities, we could accommodate 35 million people in la Londres.

Let me conclude by citing the most surreal comment from a tribune of the people on planning ideas in the past year. Brandon Lewis, housing and planning minister, was asked his view of the winner of the Wolfson Prize, Urbed. Their proposal concerned a way of expanding historic towns so they could double their population without wrecking the character of the existing.

Mr Lewis had no time for any of this fantastical stuff, even though the Government's planning agenda is supposed to be about growth. Since the ideas were not government policy they would not be adopted.

Mr Lewis had his own answer to housing shortage and urban growth: bungalows. That is what the country needs, not fancy urban apartments, and he has seen many very nice bungalows in his Yarmouth constituency.

Learning from Great Yarmouth, ladies and gentlemen, with Brandon Lewis MP the Robert Venturi de nos jours.

Politicians may think they are saddled with the planning system. In reality it is exactly the other way round."

#### The first group of speakers addressed PLANNING AND THE MARKET

**Julian Barwick** (Director, Development Securities PLC). Julian Barwick spoke of commercial and office development policy. He considered the recent planning legacy in the run up to the forthcoming election. He thought it included a bad bout of Localism; planning by colouring in. He cited the case of Flintshire who had been obliged to say that 'provided we don't ask for costs we will not turn up at the inquiry.'

He asked whether developers were happy with present planning policy. Broadly yes. Now the Chief Executive comes along to meetings to see if we are serious, by which he is asking whether we will create more jobs. His test of a good town centre is whether it lifts the spirit – e.g. Hammersmith – since it lifts the standards of our own land. There was a Transport for London site adjoining with a sign saying 'please do not urinate on the rubbish' which needed pointing out until the rubbish was removed.

Responding to the general debate offices or residential Julian Barwick considered that this was a matter of market equilibrium. So at present there are few offices being built. In two comparative appraisals both offices and residential offer the same answer in value terms.

**Sean Spiers** (Chief Executive of the Campaign to Protect Rural England).

Sean Spiers was invited to speak on land use, green belt and rural development policy, but he chose not to speak about the Green Belt, although



Hammersmith Grove. Occupied by UKTV Media Limited, by Development Securities PLC

would be willing to answer questions on it. He contrasted the approach of Nick Boles with that of the present – more willing to listen – Minister Brandon Lewis, current Minister of State for Housing and Planning. At the beginning of this government's term planning was, he said, the solution, using the instrument of muscular localism. This has not proved to be the case. Instead it is a largely developer led system. He considered that the emphasis on brownfield land should be greater (80% target) and that Strategic Land Availability Assessment was flawed.

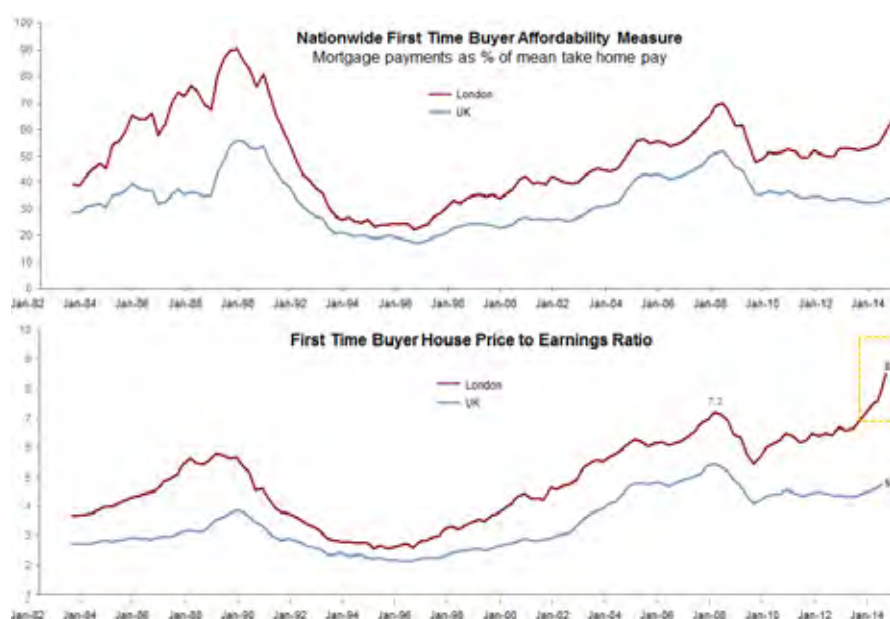
Planning is not holding back the supply of housing, as some such as The Policy Exchange may claim but rather market forces and the tax system, as expressed by Dame Kate Barker. Sean Spiers thought that there is a growing acceptance of the need for affordable housing in rural areas but there is too great an insistence on market housing and the generally accepted policy ceilings (under ten) for affordable provision. Where sensitively planned Sean Spiers considered schemes likely to be accepted. He praised the imagination of affordable housing suppliers for their inventiveness in achieving viable schemes.

*[Note from the author: This is not my experience where the resistance to building a highly imaginative scheme of 54 affordable housings and no market housing at a village edge was opposed with vehemence on a simple no change is welcome ticket].*

Sean Spiers considered there is no appetite for Planning Reform although there does need to be a proper land use strategy for England. In 1947 the proposed planning solutions worked for all but this is no longer the case.

**Emma Cariaga** (Residential Development Director, British Land)

Emma Cariaga said she had given quite a lot of thought to what she wished to say. She emphasised that her talk would be more about housing



UK REGIONAL HOUSE PRICE GROWTH COMPARISON

Source: Cushman & Wakefield. Based on Nationwide house price data as of September 2014

than planning. (Her presentation was entitled The Problem with Housing). The present housing price growth numbers are dysfunctional – as indicated below. There is a vast difference in different housing markets throughout the UK. The price recovery since 2007 is far greater where supply is constrained. Mortgage payments compared with take home pay are such that in London on average the mortgage represents 60% of take home pay.

Housing completions today are at c.110,000 units vs. 220,000 New Households, according to Annual data. DCLG and ONS (2011-based population projections).

As to 2015 election manifestos it is clear there is no consensus as to the scale of the housing need nor any clear solutions.

Emma concluded:

- Case for increase in supply of housing is clear

- Short-term uncertainty creates risk for the market
- Plea for cross party consensus to create a stable housing market
- Uncertainty around election time and paralysis in supply could mean a further dip for the worse after a period of uncertainty.

*[This view is echoed by LSE London and British Government who are saying "Housing presents a range of challenges for whichever party wins the next election. Everyone agrees there is a shortage of homes (to rent or to buy) as well as an affordability crisis in many parts of the country, and yet housing completions are at historically low levels. Experts have listed a number of reasons for the... • lack of new investment including the planning process, the lack of available land, a shortage of finance, restrictions on building on the Green Belt, the influence of overseas buyers, and indeed cut-backs in government grant. Additionally, increasing regulation is making it harder for households who would traditionally have been able to become owner-occupiers to do so. Increasing numbers of families—especially in London—are paying high rents for poor quality and insecure accommodation.*

*Consequently, policies to increase investment and standards in the private rented sector are under discussion, as are ways to improve access to mortgage funding and low cost homeownership. But housing is also a macro-economic issue – housing costs affect competitiveness; over-emphasis on housing investment might limit more productive sectors; and mortgage debt is seen as a source of macro instability. This even*



*will examine the key challenges facing the parties as they struggle to create more homes, to give households better choices, and to reduce volatility in the housing market and the economy as a whole.”]*

**Liz Peace** (recently Chief Executive of the British Property Federation and past chairman of NPF) led the ensuing discussion as moderator of the speakers as a panel. Roy Pinnock of Denton’s joined the panel. Liz Peace began by drawing attention to the apparent contradiction between Julian Barwick’s and Sean Spears’ contentment with the planning system but not housing delivery. Sean Spears said that he was not opposed to development but that too much weight was being given to brownfield first. It is more important to build sustainably. In spite of the long fight over NPPF one aspect that is not working is the duty to co-operate between local authorities. Instead more emphasis should be given to trusting local people.

Emma Cariaga commented that with the wide discrepancy between supply and demand for housing local authorities have had many policy changes inflicted on them and are only just getting to grips with the changes, notably on Localism. We are expecting our housing problems to be solved by planning. It will not be.

Roy Pinnock drew attention to both macro and micro scale planning and yet at national election times we concentrate on micro issues. The absence of a regional tier of government, decisions on delivery – where the jobs, the housing and infrastructure should go. There is no incentive to allocate land. If he were Secretary of State he would not change the system apart from the Finance Act 2008 and replace the present methods of allocating land with a zoning system.

From the floor John Walker (Director of Planning at Westminster) made a plea for more



resources to implement what he described as the best system in the world.

Emma Cariaga said she had sympathy for Councillors in Council who were subjected to elections of a third of their number annually such that no-one ever can take the long term view.

Mike Hayes (Secretary of NPF) cited the case of Dorothy Thornhill, elected mayor of Watford who had a vision of the town which she sought to realise. He wanted to see greater idealism in planning.

Rosemarie MacQueen former Director of Westminster and now representing the London Forum said that never mind the 300,000 homes proposed by the Liberal Democrats homes for a million people were needed. Much of the existing stock would be needed to solve the housing shortage. She referred to the LSE’s Social State Project and “beds in sheds”. She asked whether, if development is to be concentrated near stations it should be for housing or jobs. Politicians will need to make difficult decisions.

Tom Ball did not believe the true need for new homes is recognised as was the case in the 1960’s

when the aim was 4-500,000/year. It was met in considerable part by the National Building Agency. Supply should be spread out over a wider area of the country rather than being concentrated in London.

Fred Pilbrow (not listed as attending) thought that planning is highly efficient and effective. It was not well done in the 60’s and we have since learned some lessons. Development imposes local costs such as CIL and section 106 costs.

Duncan Bowie (University of Westminster) drew attention to the gap between planning objectives and implementation. The housing capacity study of the GLA assumes higher densities than are being realised and we are not providing the housing numbers or for the affordable housing need. Private investment needs to be managed. Central government should make use of cpo powers at existing use value to improve housing affordability. Mechanisms are needed to increase in social resnting and a property tax is needed.

Sean Spiers was against building in the Green Belt. He thought that building in the Green Belt around Oxford would be wrong and preferred the URBED ideas of building urban extensions. He concurred with Duncan Bowie saying that at Milton Keynes the cost of the land was originally 1% of the built form, it is now worth 40%.

Emma Cariaga said that as a society we all have a responsibility not to let the current housing crisis continue. The market cannot do it on its own and cross party consensus on the issue is key to sorting the problem.

The Chairman thanked the speakers before a short break.

#### MY MOST WANTED MANIFESTO COMMITMENT

**Lee Mallett** chaired the second session, as well as speaking on the topic.

Lee first introduced **Finn Williams**, who was speaking on his own behalf rather than in a professional capacity as Chief Executive of the NOVUS

**Conservatives**

First-time buyers in England under the age of 40 would be able to buy a house at 20% below the market rate, with 100,000 starter homes to be built for them

**Labour**

Build 200,000 houses a year by 2020, including new towns and garden cities

Cap rent increases in the private sector and scrap letting fees to estate agents

Greater powers for councils to reduce the number of empty homes

**Liberal Democrats**

Build 300,000 houses a year, with up to five new garden cities in Cambridgeshire, Bedfordshire, Buckinghamshire, and Oxfordshire

**UKIP**

Protect greenbelt land by incentivising the building of affordable homes on brownfield sites

Establish a UK Brownfield Agency to hand out grants, tax breaks, and low interest loans

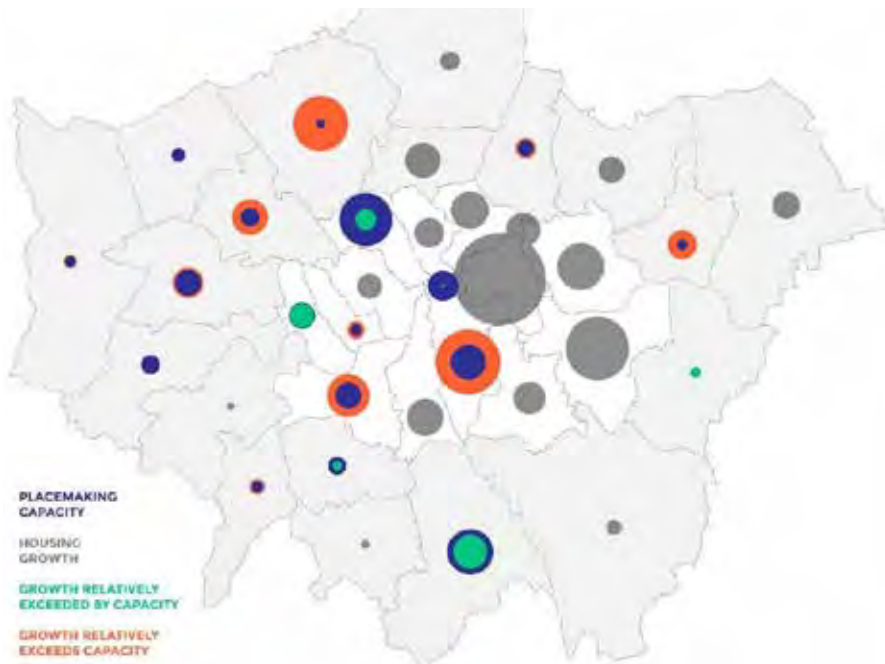
Major planning decisions to be ratified by local referendum

**Greens**

Abolish right to buy. Give councils the power to borrow money to build houses

Introduce a rent cap. Set up a living rent commission to work out how to bring rents back in line with incomes

Build 500,000 social rented homes by 2020, paid for by scrapping the buy-to-let mortgage interest tax allowance



think tank. Finn Williams wished to promote the importance of bureaucracy – described in the flyer as “handing Councils the powers to deliver”.

“I want to talk about something deeply unpopular with the outgoing government: Bureaucracy. In other words the importance of public planners in delivering truly sustainable development.

I trained as an architect, but back in 2008 I chose to work for the public sector. I still remember, at my induction session at Croydon Council, the person next to me asked where I’d been working before. I said I’d been working for an architect Rotterdam, and I could tell they were thinking “well, you can’t be a very good architect if you’ve ended up at Croydon.” Then they asked where I’d commuted in from, and I said Hackney. They looked at me with pity, as if to say “poor you, you couldn’t even get a job at Hackney Council.”

That stuck with me. Why should public service be seen as a last resort? We put plaques up for architects and build monuments for our politicians, but very rarely our public servants. This is one exception: the monument to the unknown



The unknown bureaucrat by Magnús Tómasson

bureaucrat by Magnús Tómasson. And of course, it’s in a Nordic country; Iceland. I’m interested in how public service in the UK has gone from being a source of pride to a punchline. And what effect that’s having on our built environment.

Nearly all of my colleagues at Croydon had chosen to work for the public sector for all the right reasons. We were lucky enough to have the conditions under the leadership of Jon Rouse, Emma Peters and Mike Kiely to build an extraordinarily talented team there. But too often that civic energy, ambition, and creativity has nowhere to go. It’s suffocated by hierarchies, ground down by processes, discouraged by risk aversion.

Of course the current government’s planner bashing hasn’t helped. Branding planners ‘enemies of enterprise’ is the surest way of deterring anyone enterprising from working in a planning department. If the next government turns that on its head and tells us planning can be visionary and proactive, we might just get a planning system that delivers growth.

Over the last five years the National debate about planning reform has tended to be dominated by those with private interests. Or worse still, think tanks who have no understanding of what actually happens on the ground. So when the Planning Officers Society invited me to help start a group for the next generation of public sector planners, I was interested in turning that dynamic on its head.

NOVUS is a thinktank run exclusively by public sector planners – you have to have .gov.uk at the end of your email to join us. We now have over 110 members from across England, who meet regularly not to talk shop, but to collaboratively draft

papers on what we call the elephants in the room of the planning establishment. Issues like Council housing and Local democracy, which we will be issuing papers on in the next couple of months. Our first paper is our manifesto, which I want to read to you now.

#### PLANNERS AND PROUD

We have chosen to work for the public to make a real difference. This is our chorus calling for a bolder future for public planning.

#### WE WORK FOR YOU

We believe in making the fairest decisions for all, not the most profitable decisions for a few.

#### EXCLUSIVELY PUBLIC

We want the public sector to attract the best talent. We want working for the public sector to be seen as a privilege. That’s why only public servants can join NOVUS.

#### GROUNDLED IDEAS

We have our ears to the ground. Our thinking is based on experience of the way things really are – not a theoretical ideal of the way things ought to be.

#### NO WAFFLE, NO JARGON

We write for the public not the profession, and we say what we need to say, no more. Each document we produce will be a paper – literally one A4 piece of paper.

#### A VISIBLE DIFFERENCE

Our greatest achievements are as much about what doesn’t happen as what does. We will make our successes seen.

#### BUREAUCRACY CAN BE BEAUTIFUL

Bureaucracy done badly is a barrier. But done well it is the foundation of fairness. We want to reclaim bureaucracy as a positive force for equality.

#### PLANNING IS A CREATIVE INDUSTRY

Denying that planning can be creative will deny us of creative planners. We believe that planning is about more than saying yes or no.

#### PEOPLE MAKE CITIES

Public planning only works when the public plan. We believe in giving citizens the knowledge and tools to shape their environment.

#### BIGGER HERE, LONGER NOW

Sustainable decisions aren’t made right here, right now. Our idea of here needs to be bigger than the red line on a plan. Our sense of now needs to be longer than the next quarterly report. The public sector is a rare breed of institution that can think and act sustainably.

If NOVUS is a collective of the best young planners working in (and against) the system. Then my initiative Public Service, which I am developing on the back of the Farrell Review, is about attracting a new generation of talented planners into the public sector.

It might sound hypocritical, but I left Croydon

to join the GLA in 2013 because I wanted to help build the capacity of local authorities. One of the first pieces of research I carried out was a survey of placeshaping capacity. I won't go into the details, but this mapping shows a crude measure of capacity for the boroughs who responded. When you compare it with their forecast growth in the FALP you can see where the growth is relatively exceeded by capacity (green). Or the other way round (red).

The point is that resources are distributed unevenly. Both geographically, and over time.

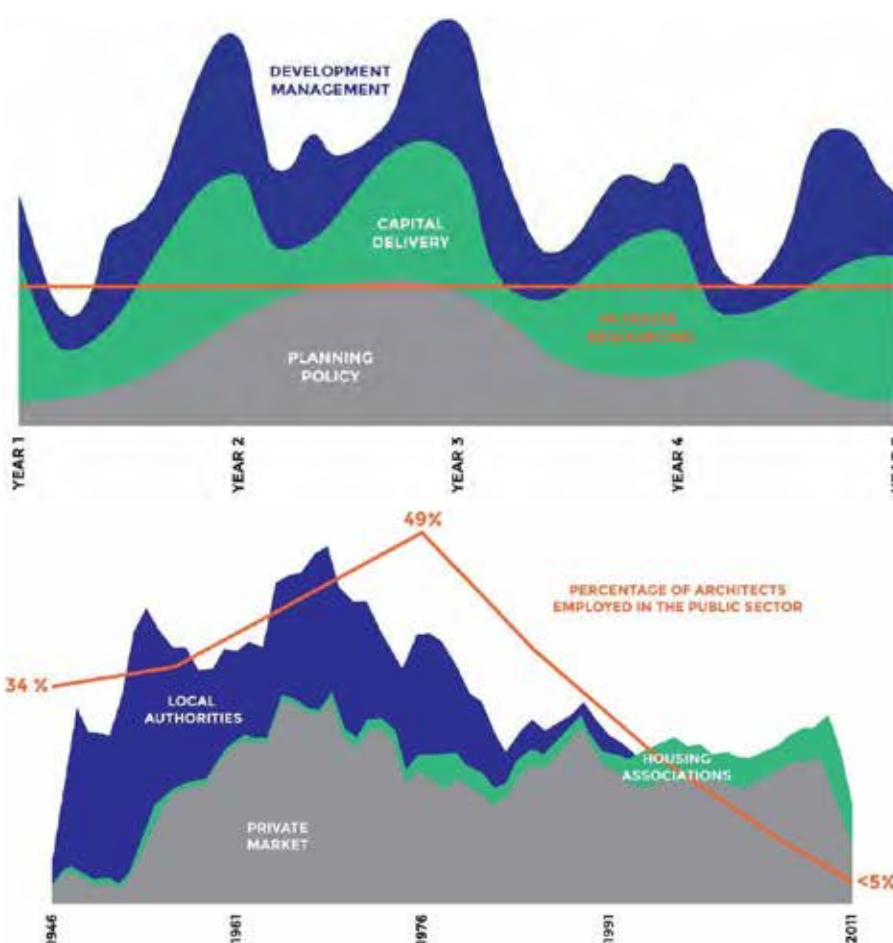
Take a planning department's workload over a typical electoral cycle. There are peaks in policy workload for production of a local plan. There are peaks in capital delivery workload at financial year end. And there are peaks in development management workload in relation to the market. In a climate of increasing austerity, we resource for the troughs, meaning we increasingly rely on the private sector for the peaks, through commissioning or agencies, at greater long-term expense and ultimately a loss of local knowledge.

Public Service subverts the very successful model of a private agency for public good. It would be a new social enterprise to embed talented young placemaking professionals within public authorities and develop the public sector's capacity for proactive planning. The initiative would be to the built environment what Teach First is to education, and Frontline is to social services - an opportunity to work for the public good on your own terms. It would build a national pool of skills and expertise to support the more efficient sharing of skills and knowledge; and create a new generation of public servants who are the opposite of enemies of enterprise.

Perhaps most importantly given the current political agenda, Public Service would grow the public sector's capacity to deliver homes. This is a familiar diagram showing post-war housing delivery by sector. Overlaying the percentage of architects working in the public sector shows how delivery relates to capacity - albeit one particular measure of capacity. This diagram makes it fairly obvious that to meet current housing need the question is not if the public sector intervenes, but how.

NOVUS believes that Councils need to start building housing again. Mixed tenures, not all social housing. Fine grained small plots, not large estates. But the public sector needs to relearn how to deliver. It's a bit like exercising muscles you haven't used for a long time - it's painful at first.

Public Service would be a flexible and affordable way of quickly rebuilding that capacity. In turn, the opportunity to deliver is the best possible way of attracting the most talented people into the public sector. The ultimate aim would be to



mirror that diagram of housing delivery - this is my most wanted manifesto commitment.

**Kate Henderson** (Chief Executive Town and Country Planning Association).

Kate Henderson's topic was "The reinvention of social town planning" under the title Planning is Good for Britain".

Founded on utopian ideals and redistributing resources planning has delivered millions of schemes of development - not vast areas of sprawling ribbon development but a diverse mix of uses. Regrettably the system is under threat of deregulation producing a demoralised system that is not working. There is no National or Regional governmental Tier. National planning policy has lost any sense of local planning. It cannot be right that sea level rises have been calculated on the East Coast by each of 30 separate local authorities rather than a single agreed measure.

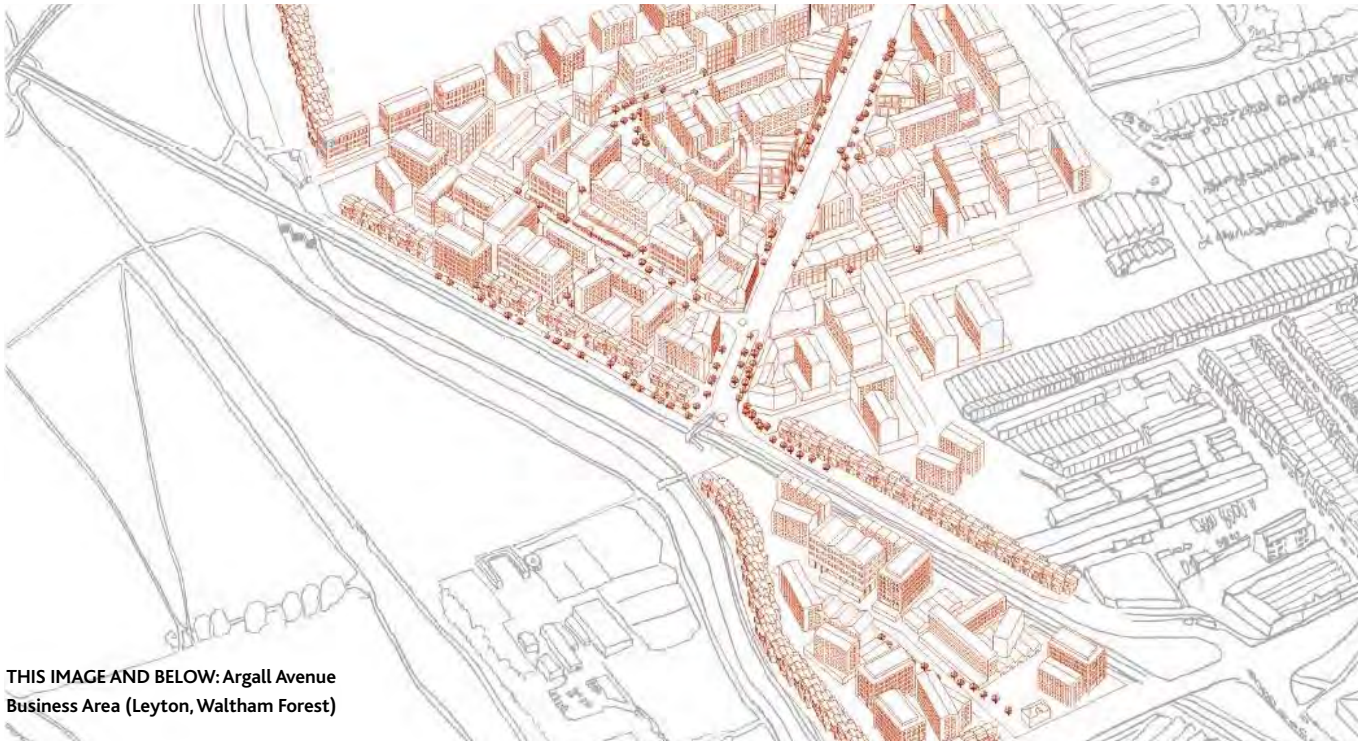
Legal challenges to local plans are at higher levels than ever and the impact of greater permitted development rights is facilitating uncontrolled development. Changes from offices to housing are happening without anything on space standards. There has just been a 69% increase in annual prop-

erty to volume housebuilder Bovis Homes [and sales rise by almost a thousand to 3,635 during the year]. There needs to be a return to principled planning - a return to UK Sustainable Strategy as in 1995. Garden City policy needs to be reassessed. It should be at a comprehensive National level, rather than as local increments. The New Towns Act got on with the job. The principles of self financing and land value uplift for the benefit of the community were essential to New Town success.

Combined authority initiatives are being promoted in local government following Conservative and Labour stated intentions to devolve responsibility and resources to local government in the next parliament, with combined authorities expected to be the main beneficiaries. So far Manchester is the only one that is operational. Current National Infrastructure planning does not determine what should go where, which in the interests of building consensus and for the good of Britain it should.

**Vincent Goodstadt**. Past President of the Royal Town Planning Institute and Vice President TCPA.

Vincent Goodstadt's presentation complements that of Kate Henderson. Planning is a polit-



THIS IMAGE AND BELOW: Argall Avenue Business Area (Leyton, Waltham Forest)

ical football. From the 2010 manifesto the Conservatives have delivered on it – on the system itself, the process and housing policy. There has been no fundamental change to the system but there is a need to reconcile national and local objectives. Tinkering and tweaking of the process under the banner of simplification has in fact made extra bureaucratic burdens. Housing policy has not been achieved with a widening gap between aspiration and achievement. Vincent Goodstadt advocated a change in procedures. He referred to a 10 point plan from the RTPI. It needs to be recognised as a societal issue that there is a direct correlation between increase and unaffordability. Unresolved and the housing crisis will only get worse. He advocated that within 1 year the incoming administration should determine the how, where and what to solve the present housing problems within a generation. There needs to be greater co-ordination between departments, including transport delivery. At present this appears akin to herding cats. To solve this, like cats around the milk there need to be incentives to make this happen. Funds are needed to link to a spatial strategy which can be achieved under existing legislation.

**Lee Mallett** (Editor City Planning, Westminster Planning, Joint Editor Planning in London).

Lee Mallett's topic was "Restoring the Vision Thing - Research by Design". He invited local authorities with the resources to think more creatively about where their areas of growth should be. He contrasted the growth in population and density between 2001 and 2011 in Islington and Waltham Forest (see table ABOVE). From this he



Islington		Waltham Forest	
14.86 sq km		38.78 sq km	
Population			
2001	2011	2001	2011
179,400	206,100	158,998	258,200
Density pph			
120	139	41	67
Increase 2001-2011			
14%		60%	

concluded that there is no need to build in the Green Belt since there is plenty of capacity within London itself.

It is easier to increase densities in WF in outer London where for good historical reasons it starts just 1/3rd of the Islington density by using – green- garden space than the higher cost of – brown- land building in Inner London Islington. This sounds like a defence of complex architecture against more repetitive volume housebuilding.

To support his thesis Lee considered growth associated with Argall Avenue Business Area (Leyton, Waltham Forest) and the Olympic Park in Hackney Wick – asking where is it going next?

He noted that the Argall Avenue disparity between industrial and residential values is considerable. (industrial £1,500/m<sup>2</sup> and £5,000/m<sup>2</sup> residential from which a new scheme could emerge with a more flexible attitude to mixed uses as has been built into the London Legacy mixed use brief associated with the Olympic Park in Hackney. In Argall Avenue the segregation of uses can be overcome and is the opportunity to create new frontages, and capture value by being less prescriptive and working with local landowners. He considered that flood plain issues were not a problem.

Lee Mallett drew the inferences from this that we should

- Bring back Planning
- Stop thinking development control is 'planning'
- Use design to find ideas
- Work In partnership
- Spend Money on Planning

**Dan Lewis** (Chief Executive of the Economic Policy Centre and Policy Adviser to the Institute of Directors). "The incoming government should establish an independent "Infrastructure Value Index".

Dan Lewis addressed the audience in a personal capacity.

#### Matching Infrastructure to Austerity: The case for a value index

- Defining & Scoping Infrastructure
- Defining: 1) Social (Hospitals, Schools) & 2) UK National Infrastructure Plan: Roads, railways, Ports, Energy, Telecoms, Flood Defences, Waste, Intellectual Capital & Water (also local amenities & Airports)
- Spending? £45 bn in 2013 or £375 bn by 2020 (Questionable)
- Focus? £340 bn on Energy (215) & Transport (Value for Money?)
- Private Sector Delivery? 85%
- Who owns it? 60% Private Sector (Armitt Review). Infrastructure spend – N.B. logarithmic scale.

#### UK Infrastructure "Challenges"



- A poor world ranking: 28/144 versus 8/144 for economic competitiveness (WEF)
- Fast growing population: 70m by 2030
- Govt. stimuli – time lag 6-24 months, tendering, procurement, planning, EIAs
- Tracking opportunity costs – hard to measure silent & invisible victims
- Being realistic about the multiplier effect - buying, hiring, producing and unsustainable lumpy distribution of capital expenditure

#### Infrastructure Policy Environment

- Usually a wish list of construction, engineering and Blue Chip Consultancy Industries

Mantra of spending is always good and adds value

- But how do we know that?

#### Economic Policy Environment

- Austerity will be prolonged Fiscal surplus not until 2019

Recovery to 2007 national debt levels in 2030

- Assumes no recession or negative black swans
- No time to bury head in the sand

#### Infrastructure Policy – A new opportunity

We should always think about ... (but don't)  
Capex smooth or lumpy?

- Create additional consumer choice? Crowd out existing infrastructure? Promote capital deepening?
- An additional asset? What are the on-costs?

#### Infrastructure Value Index – 8 Key Metrics

- Stage 1: Capital

How much, what price & how much on physical objects?

- Stage 2: Labour

How much is being spent on labour of total project cost and where's it coming from?

- Stage 3: Uncertainty & Complexity

Is it First of a Kind? how many subsystems, risks of execution?

Infrastructure Value Index – 8 Key Metrics

- Stage 4: Supply Chain Gains

Potential technical, skills and growth in UK suppliers?

- Stage 5: Soft landing handover

i.e. not turnkey – extended and thorough handover with training, docs etc.? Infrastructure Value Index – 8 Key Metrics

- Stage 6: Whole life costs

Typically 6 times capital costs of project

- Stage 7: Networked value extension

What are the claimed benefits outside of the project?

- Stage 8: Endogenous Revenue Potential

When will HS2 Breakeven / achieve operating profit?

#### Conclusion

The National Infrastructure Commission could be held to account with a Public Index and less easily seduced by biggest, fastest type projects because with resources so tight trade-offs need to be made.



#### Lee Mallett invited brief comments on this presentation.

John Walker (Westminster) commented that we are now victims of our own success. Vincent Goodstadt said that we have to deliver committed infrastructure, notably Crossrail which raises the question of a Londoncentric investment focus when the problem should be solved elsewhere.

Following a short break there was a panel

review involving **Simon Marsh** Head of Planning Policy at the RSPB, Dan Lewis, **Max Farrell** of Farrells and **Roy Pinnock**, planning associate at Dentons.

The panel was invited to give their points of view on what their manifestos would contain. Max Farrell considering the theme of pro active planning – at macro and micro levels - thought there was a cultural problem and that the starting point is quite different in shape, form, and density that can be found for example in Paris.

He saw the future as led more by the public than politicians, using neighbourhood forums for example, so that the process of brokering engagement can result in big things from small ones. Opportunities for creative planning are greater in Dartford than Ebbsfleet and one should start from the former.

Simon Marsh said that he had worked on the NPPF. He had heard nothing on nature from any of the speakers apart from references to dead parrots and ostriches putting their heads in sand. He was concerned that 60 per cent of species are in decline and considered that the most important topic is Climate Change. He wanted to see how the public would engage in this. He advocated the view of the Green Alliance on Infrastructure Planning that there needs to be

A national strategic plan, supported by a new civil society advisory council Spatial planning carried out at city and county level, informed by local public dialogues about infrastructure.

A new body to be an impartial facilitator of public engagement. He also advocated the proposals by Sir John Randall for a new Nature and Wellbeing Act...to be the first generation to leave the natural environment of England in a better state than it inherited.

Vincent Goodstadt from the floor said the key

priority of a new government is housing. The starting commitment is to 200,000 per year. However he criticised the Sir Michael Lyons Housing review for not going far enough

Roy Pinnock said that the original social aspect of planning had been overshadowed by legislation. He commended the work of TCPA's Hugh Elliott at the Oxford Conference. Neighbourhood plans have more teeth but legislation is not the issue here. The real problem is to overcome often disgusting design. Visions should come out of participatory engagement leading to greater trust between participants in development.

Max Farrell emphasised the importance of participation rather than consultation – engagement when there is no design to start with rather than after a plan has been prepared. In this way people become part of the process.

**Robin Rogers** (Partner RTSC Peel) spoke from the floor in support of Roy Pinnock saying that if there is already a good design it is easier to support for more. He has had the experience of preparing a scheme which became a race to be committed in advance of a neighbourhood plan. Neighbourhood plans depend on the quality of the volunteers and the quality of the primary data available (demographics etc).

Graeme Bell (Board Member, Planning for Rotherham) Former Lancashire County Planning Officer said that his manifesto would fill the vacuum at the top with a spatial national structure plan which would also encourage bottom up planning. Get communities to come together to discuss what to do: Schools, hospitals, trains, police etc. A new difficult issue is how to combine social care with the NHS.

#### Paul Finch was asked to sum up the meeting.

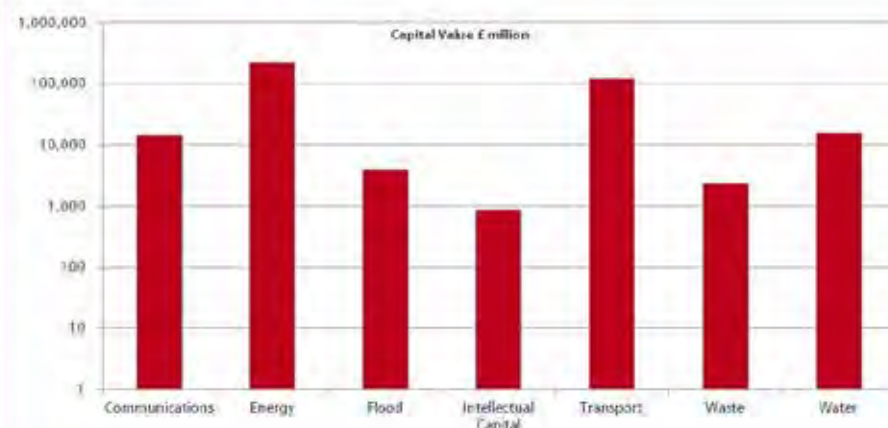
He began by considering whether we should depend on or be free of Planning. He was reminded of the occasion when Eisenhower sent Vice President Nixon to Ghana. Nixon asked some how it was to be free at last. The respondent replied – I don't know. I'm from Alabama.

With Mel Webber he asked who profits, who decides, who pays. Following the money of quite a big clue. The problem is so many different groups. It is most unlikely that they will use Planning is being asked to solve both macro and micro scale problems. It is unsurprisingly very difficult and akin to the grain of sand in the Prince's pillow. We are entering a new era of "Devo Maastricht" and now "Devo Lancs".

Great places and the environment are generally achieved by large bodies, not by democracy.

What the planning system does is to stop things from being built, but then what...? If Ebbsfleet is the answer, what is the question? ■

Chart 2.A: Pipeline value by sector



Source: HM Treasury Major Infrastructure Tracking Unit

# The growth challenge for historic towns and cities

*"Nothing changes more than a protected building."*

I.R., Delft Monumentenzorg  
(Delft Heritage Agency)

Interviewed by Foster + Partners on 21 August 2014



Spencer de Grey CBE RA, Head of Design at Foster + Partners.

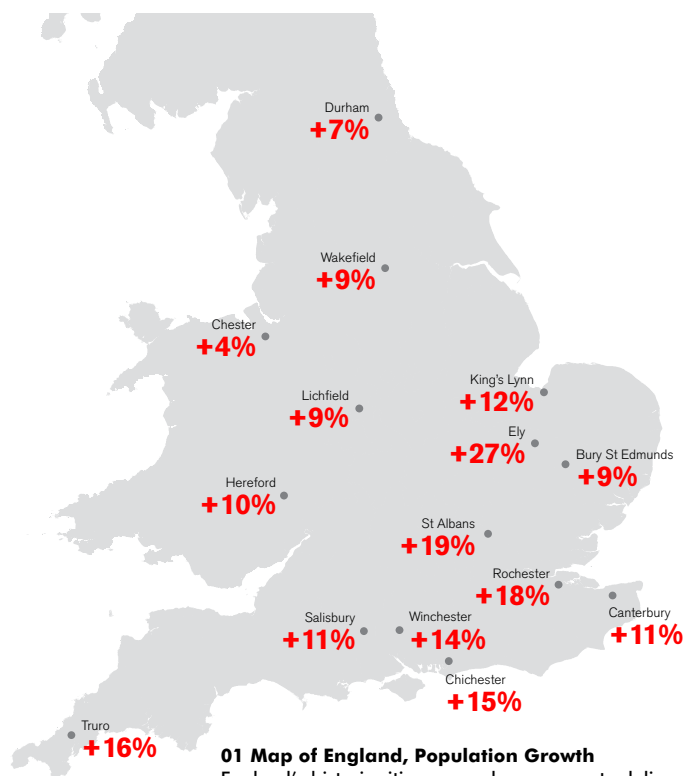
Our smaller historic towns and cities are in danger of losing their character and beauty. Often thriving as communities, and certainly one of the glories of English life, the demands of urban expansion to meet growing housing targets threaten their much admired, intrinsic value. The amount of urban and developed land has grown by 5.4% across the country between 2000 and 2010, such is the pace of growth. The Office for National Statistics' studies have shown that between 2011 and 2031, England needs to build 243,000 new dwellings every year, but in 2013, only 110,000 were built throughout the country. Thus urban growth is set to accelerate and we need to find ways to preserve the unique heritage of historic cities and towns whilst helping to address the considerable growth in our national population. Divided between the desire to protect and the need

to expand, we should integrate the need for new homes with the regeneration and conservation of the historic environment.

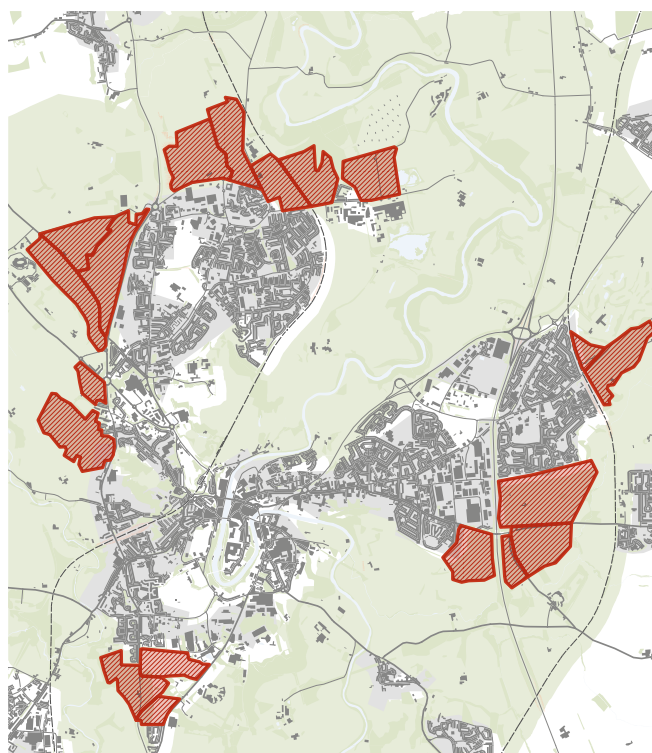
Foster+Partners were asked to work with English Heritage to examine this topic. Whilst carrying out our research on the pressures of delivering new homes in smaller towns and cities, we identified a number of issues which have had a negative effect in places such as Durham, Ely, Chichester and Lichfield. Often there ambitious expansion is planned on green belt land for the sake of ill-defined economic return; or conversely, housing demand remains unmatched leading to a crisis of affordability. Elsewhere, excessive protective attitudes and a convenience-driven, developer approach result in a blanket ban on new development in city centres, pushing development onto greenfield sites and creating standardised,

monolithic 'islands', disconnected from the rest of the town; alternatively there are occasions where a lack of vision and commitment from local authorities leads to stalemate and eventual urban decay.

These cities clearly express a contradiction between urban growth and heritage. Views on growth vary from it being seen as an opportunity for economic development to a destructive force affecting the city's integrity; and heritage as a nuisance holding back a city or a treasure to be preserved at all costs. The problem is not a simple quantitative provision of housing. Not only must we provide the right amount



**01 Map of England, Population Growth**  
England's historic cities are under pressure to deliver new homes. Population projections, 2012-2032  
Office for National Statistics



**02 Map of Durham, Greenfield Expansion**  
Durham's planned urban growth: this map corresponds to the County Durham Plan.  
Based on the County Durham Plan, 2014



### 03 Map of Delft, Historic 1652

Delft's dense core city in the 17th century "Blaeu's Toonneel der Steden", (Dutch city maps, Edited by Willem and Joan Blaeu), 1652. [https://upload.wikimedia.org/wikipedia/commons/a/ae/Blaeu\\_1652\\_-\\_Delft.jpg](https://upload.wikimedia.org/wikipedia/commons/a/ae/Blaeu_1652_-_Delft.jpg)



### 04 Map of Delft, Buildings Construction Date

Delft's historic town centre today: a rich mix of historic buildings in red, and newer constructions, in blue.

CitySDK / Waag Society  
<http://code.waag.org/buildings/>

of houses, we must also plan them in the right places, schedule them at the right pace, build them to the right quality and ensure that they are affordable.

## Learning from Europe

More than assessing the failures of planning measures that have already been implemented, it is now time to discuss new approaches for our historic towns and cities. Valuable lessons can be learned from best practices in European cities dealing with similar problems of reconciliation between heritage and growth. For one, we must explore options that provide housing where the old and new sit alongside each other: by developing inner city, smaller sites for housing, heritage can be regenerated and general design standards are enhanced.

The city of Delft, sitting in one of the densest urban areas in Europe, has little room to grow and its historic core is characterised by a dense coexistence of old and new buildings. This approach is best illustrated by the heritage agency slogan 'Delft: creating history': heritage protection is based on redefining historic buildings, enabling sensible transformation and focusing public subsidies to ensure that these buildings are constantly used and

protected from decay. Delft accommodates a large part of its rising population within its historic core, a dense and attractive neighbourhood of 12,000 people, where over 40% of the building stock is pre-1906 – and where just as many buildings were built since 1980.

While providing new dwellings within city boundaries can successfully keep historic city centres lively and attractive, it is sometimes not enough to accommodate a fast rising population. When the city must grow outwards, good public transport connections can ensure that new developments are well integrated. In Sweden, the city of Lund is developing a 'knowledge axis': a linear urban expansion along a tram line, linking the city centre to the new Science Village Scandinavia. Interestingly, what would otherwise be another autonomous, mono-functional district separated from the existing city, the Science Village is being fully integrated with the historic core through a development corridor that will define Lund's growth in the coming years. The historic centre and Science Village work as two catalytic nodes within a larger urban plan, regenerating the urban areas around them. The new 5km-long tram line supports the whole development and provides the basic transport infrastructure for up to 40,000 expected residents and workers. This example provides important lessons on how a well-connected new city expansion can be planned using public transport, linking it to the historic city, and also on

using large-scale development as a catalyst to regenerate a wider area.

The large-scale masterplanning of Lund is a strong vision for the city's future, but small interventions at a policy level can also have dramatic effects on a city's development strategy. The historic German city of Tübingen is an exemplar of the private building cooperative model, in which groups of families, single people or small companies get together to develop a building according to their own vision. They are granted an option on a piece of public land which they can buy once the cooperative has been set up and the city authorities have approved their concept. Housing provided by this model can cost 15-20% less than buying from a developer and tends to reach high resale prices, making it attractive for local banks. The sense of identity in neighbourhoods increases, as communities develop their own bespoke 'piece of land' and feel empowered as participants in urban development. Finally, it creates a broader social mix, with respect to income, age and education.

Rejuvenating historic cities necessitates changes in policy – and in attitude. The city of Bayonne in France has been concerned for a long time with modernising heritage buildings, thus avoiding 'museumification'. Being more than a showcase for tourism implies keeping the historic core lively, liveable, healthy and accessible to all. Historic centres often lose such qualities due to the decay of the built fabric that is not renewed to meet current demands for

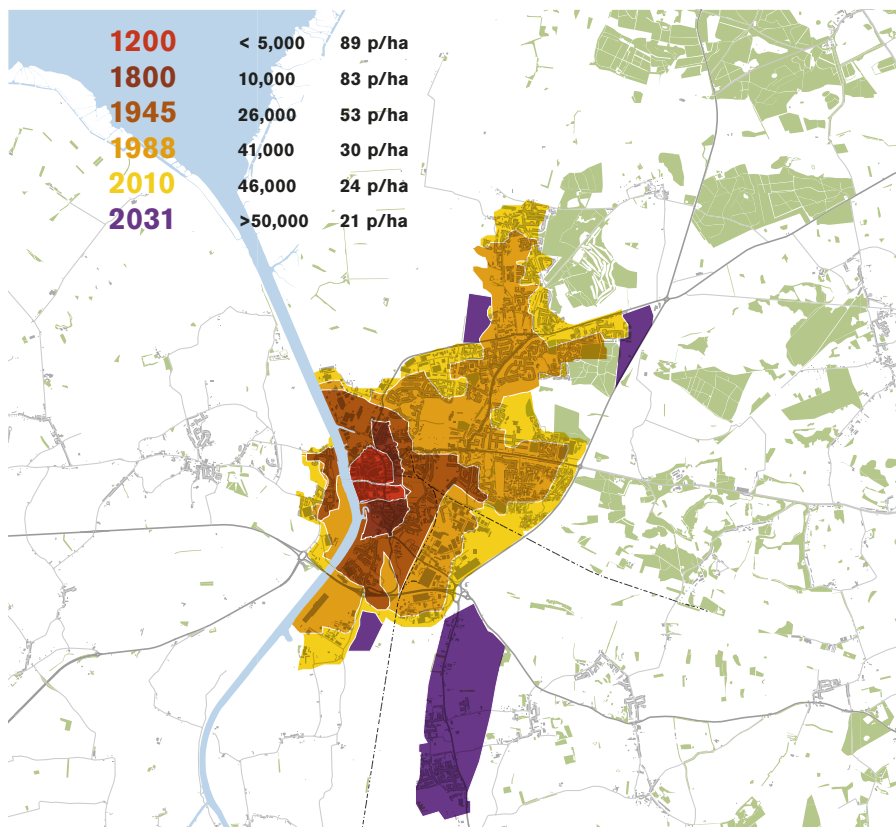


### 05 Map of Lund, Science Village Corridor

Organising growth by transport corridors: Lund's tramway efficiently connects the new Science Village to the historic core city.

Science Village

<http://www.lund.se/Global/F%C3%B6rvaltnings/Stadsbyggnadskontoret/Brunnsh%C3%B6g/pdf-filer/>



#### 06 Map of Kings Lynn, Expansion

Population and density of King's Lynn urban area: the town expanded outwards at increasingly low densities, making it more dependent on the car.

Based on historic maps and on the King's Lynn Local Plan



comfort, accessibility and energy efficiency. To address these issues, in 2009 Bayonne put together a network of nine European historic cities and developed the LINKS project (Low-tech INherited from the old european city as a Key for performance and Sustainability). The project argues that historic centres are the eco-quarters of the future – efficient and compact urban forms with short distances between different functions, social diversity and communal life. But they can continue to be so only if they are allowed to modernise their building fabric to preserve their desirability and the quality of life of their inhabitants.

#### King's Lynn – a city on the cusp

King's Lynn, in Norfolk, is a historic town currently facing the challenges of urban growth. We believe that it is at a stage where a sensitive masterplan for the area can completely revitalise the historic core of the city, while upgrading its infrastructure to meet the demands of the future. [06]

Based on our research, we identified three strategies as to how King's Lynn could address some of these challenges. The first investigates issues of urban quality and liveability in the town centre. This could be enhanced by liberating smaller plots of land, namely existing surface car parks, through the construction of a few sensitively designed three-storey parking structures. These plots could then be developed for housing. The repair of the urban fabric and the resulting densification of these areas would build upon the attractiveness of living in the historic centre and avoid expansion on virgin land outside the city. Not only would this save money on extended infrastructure but also rejuvenate the demography and expand the consumer basis of local retail. In short, it could be an exemplar project for a more sustainable lifestyle, where the development of smaller plots create a rich mix in the urban fabric.

The second strategy would be to integrate more challenging areas around the town, such as the 'big-box' retail park south of Gaywood with the city, by turning them into compact, distinctive, accessible and mixed-use neighbourhoods. The extensive, unoccupied areas of in-between spaces and parking could be used to accommodate new housing and workplaces. The existing retail areas would

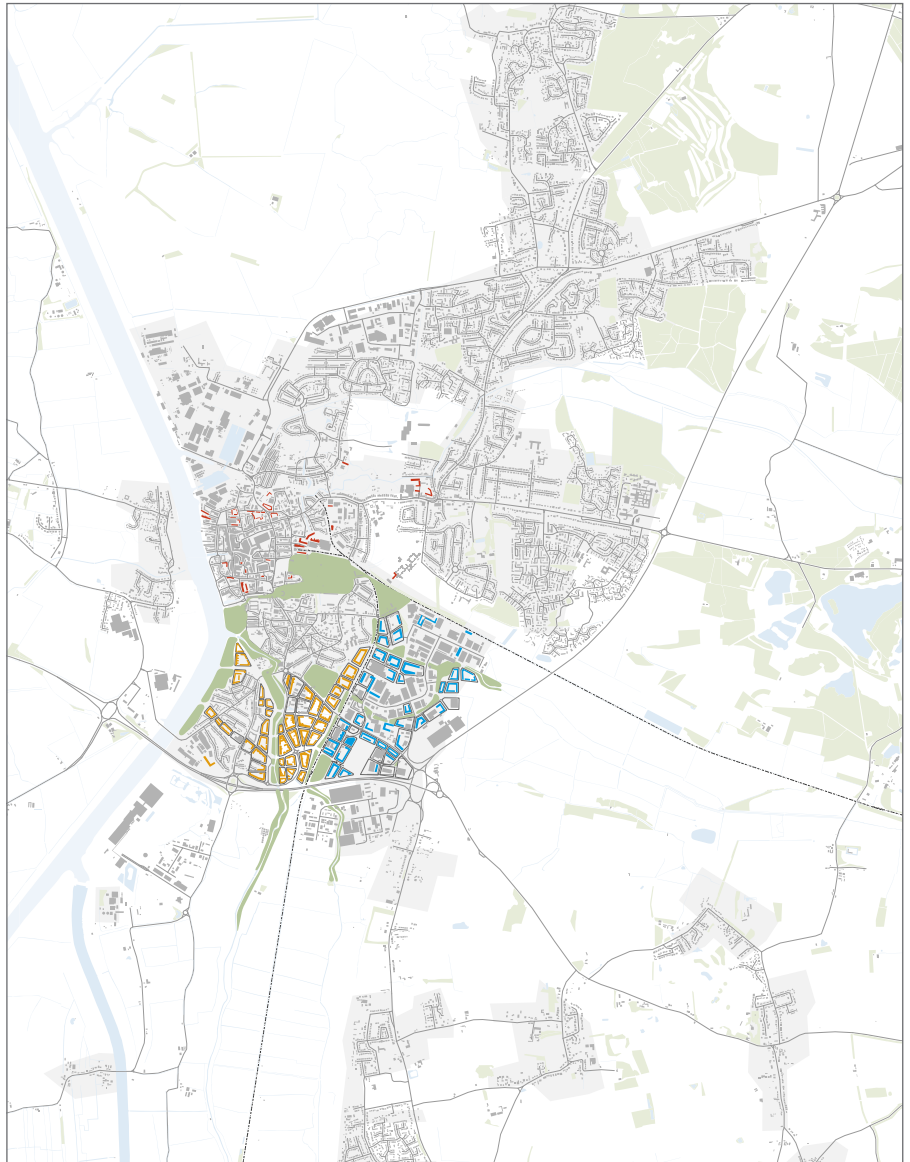
#### 07 Kings Lynn Parking Redevelopment

Repairing the town's urban fabric by developing residential buildings on former parking sites.

also profit with more customers living nearby, particularly those who cannot use their car to go shopping. What is now a 'no man's land' of leftover spaces and informal at-grade parking between units, could be turned into a distinctive new type of urban neighbourhood, with middle-density collective housing, additional workplaces and services, human-scale streets and high-quality public spaces and landscaping.

Finally, we propose to re-connect King's Lynn as an entity. As discussed earlier, the urban fabric of King's Lynn is characterised by a compact, multifunctional and architecturally diverse historic core immediately surrounded by suburban, low-density residential expansion, which now accommodates most of the town's population and represents most of its urban footprint. The proposal is therefore to work on the densification and socio-economic diversification of the existing 20th century expansion around the core, to be converted into vibrant urban areas. This will create compactness and urban continuity, with spaces for retail and office programmes and diversification of housing types, with organised streets and circulation accurately related to need. A more balanced gradient of building densities can be achieved from the centre to the periphery, which would help reduce the jarring contrasts presently visible. It will also create more desirable neighbourhoods, making them distinctive places for a changing demography that is developing a renewed interest in living within our historic urban centres. By enacting such strategies, King's Lynn can achieve twice the number of dwellings to be built between 2001-2026 within its current city boundary, which also reduces development on greenfield sites by half.

It is evident that there is an urgent need for a positive strategy to creatively approach heritage protection. The inevitability of urban expansion creates a potentially rich setting for growth strategies that work with, rather than against, heritage protection, allowing historic cities to lead the way to more harmonious growth. We must rally against the notion of heritage protection and urban growth as forces in opposition and instead show that they can be directed towards the renovation and enhancement of the historic environment, raising the standards of development, both in new and existing urban settings. Carefully planned urban growth can help create better



historic cities - cities that preserve their unique qualities and provide their growing population with new and exciting places to live, work and play.

This article is based on a report prepared in 2015 by Foster + Partners, in conjunction with English Heritage, for the Kenwood House Group under the chairmanship of Lord March

#### **08 Kings Lynn, Proposal**

Exceeding the demand for new dwellings without expanding the town: proposing accommodation for 8,500 people through infills on car parks in the city centre, consolidated urban development in the current commercial area, and a new connected mixed use neighbourhood.

# 35 Years of Construction & Development

## **Economic cycles.**

1980/81, 1990/92, 2001/02, 2008/10  
'Is it different this time'? Not all economists are right but it is worth listening to some on a frequent basis. If you listen to 3 you will no doubt get 3 different views but at least if you make the effort to listen, you may better consider risk.

## **Starting work in a downturn can have benefits.**

Leaving University in 1981 in the depth of a recession had certain advantages. In 1982 and then in 1983, my immediate boss and then my new more senior boss were made redundant. They were not replaced!

In 1985 I joined a developer that had big ambitions. In December 1986 they went bust but as a result I met Michael and Peter Freeman the founders of Argent.

## **The best laid plans.**

Argent started in 1981 as Argent Productions (TV production) and Argent Estates. By 1982 Michael and Peter gave up on the TV Production business and Argent continued as a development business.

1982 to 1986 was a period of learning about property, site finding, planning, finance, Joint Ventures and occasionally delivery. I joined Michael and Peter in January 1987.

My delivery experience was soon put to the test on projects in Luton, Enfield, Redhill, Slough, West Drayton, Covent Garden, Radlett, Slough (again) and Enfield (again). The Argent team expanded.

I was made a director at Argent in 1989...just as the market crashed (again). Reducing exposure and cash flow was the main item on the Board agenda for the next 12 months.

## **If you don't change, change will be forced upon you.**

A £10m equity investment from Warburg Pincus turned Argent overnight from a trading property developer into a property investor. Phew! Argent began to acquire high yielding well let property and by 1997 (cutting a long story and a public listing short) had built up a portfolio of c£350m.

## **Developers at heart.**

'I would like to develop a whole new piece of city and a major new settlement'

before I retire, said Peter Freeman to Roger Madelin in 1988 when driving back from Micheldever (a small village in mid Hampshire) having just been shown the door after a presentation to the land owners about ideas for a major new settlement. Lesson one in development.....own or at least control the land before you spout out ideas as to how to increase its value! In 1988, King's Cross was making property headlines as British Rail Properties was going through the selection process to choose a development partner. One day, we might do something like that we said to each other.

In 1993 we had our chance, Brindleyplace, '17 acres of contaminated waste land somewhere to the west of Birmingham city centre'. It had planning for 1.6m sq. ft. of mainly offices. Maybe this was our new piece of city?

## **Break the rules if you think that they are wrong but you had better be right!**

Private residential in an inner city? Who would want to live there? We and one other firm thought that a fair few people might like to.

King's Cross, London



In 1994 Crosby Homes, a division of Berkeley started to build 143 canal side town houses and apartments at Brindleyplace. They sold off plan (unheard of in 1994) and the rest of the past 2 decades of the renaissance of urban living is history.

Restaurants and shops on the ground floor of Grade A offices? Why not? If designed to be operated and serviced properly with restrictions on user and assignment, then why not?

### **People go where people are.**

Cities are about connections and people are explorers and inquisitive. If you make a good connection and have something good at the end, people will make the journey and then stay. Others will follow. Building the main public space in the heart of the 17 acres of Brindleyplace (see attached image) as part of the first phase certainly provided interest for the inquisitive who made the journey.

### **67 acres of land between and to the north of King's Cross and St. Pancras Stations. An amazing opportunity.**

In 1999, (after the high speed rail route into London was revised and previous plans for the development of the railway

lands at King's Cross were consigned to history) Argent was selected as the development partner. After over 4 years of learning, listening and thinking we submitted what was then the UK's largest planning application. The first major phase of the development commenced in October 2008 just as the financial crisis was at its peak!

### **A whole new piece of city.**

King's Cross was going to be more mixed than Brindleyplace, like other successful areas of major city centres. The documents included with the planning application, especially The Implementation Strategy set out what we intended to do. The King's Cross web site allows all of these documents to be viewed and downloaded. The web site also provides a full update of the project which now has 85% of the public spaces and infrastructure completed. Over half the buildings are completed, underway or about to start.

### **Buildings come and go but the streets and squares are likely to stay for hundreds of years.**

Our 20 new streets and 10 new public spaces (square and parks) and our attitude to its management would be key to the success of King's Cross.

### **Children are our future... and the best generators of value.**

We put children as the priority for all of the public realm at King's Cross. Incidental play throughout and some formal play areas. If families with children wanted to come to King's Cross that would send a very clear message to all other visitors and occupiers that the area is clean and safe. Families will return, dwell times will be longer and spending will be more!

Please go and see Brindley Place and King's Cross. Feedback welcome and no kids required!



**Roger Madelin CBE, FRIBA**  
Director at Argent 1989/97, CEO/  
Joint CEO of Argent Group PLC  
1997/2012, Partner 2012/2015.  
Aston University, 1977-1981, BSc  
Hons Building.



Brindley Place, Birmingham

# Entrepreneure

The world is changing quickly. As well as change itself the impact of change is felt immediately and directly through the media. The financial system acts as a lightning conductor in taking money to the safest haven. Technological change is bringing the death of distance as ideas and money move instantaneously. It is also bringing the collapsing of time as competitive reactions become ever faster. As in nature the sharks have to keep swimming or they die.

However the basics of business and competition have not changed. Charles Darwin, a Cambridge graduate, was right. The fittest survive.

In his famous book *The Naked Ape* which compares humans to animals the author Desmond Morris demonstrates the importance of our evolutionary origins. He describes how for millions of years life was really tough as we were living in caves. He says that "we needed to stay alert, to look out for the main chance and to seize upon any opportunity we could find". This is unwittingly a remarkably good description

of a creative entrepreneur. As it is a basic result of human evolution, creative and entrepreneurial drives can be found across the globe.

In a watery analogy, the management writer Robert Heller stated that swimming with the tide, and landing on whatever shore it chooses, is a legitimate strategy. For some it may achieve excellent results with relatively little pain. They may well do better than the heroic navigator who heads off hard for his own choice of destination. That entrepreneur takes more chances, which include the possibility of drowning on route. On the other hand, if the destination has been well chosen, and if he reaches the promised land, the explorer may well find returns that are denied to the bureaucrats.

Entrepreneurs think the unthinkable. The factor which differentiates them from other people is that they actually then go out and do it. We should remember that most of the major advances have been made by small entrepreneurial companies, not the existing giants. Railway businesses did not invent

the aircraft industry. IBM did not invent the Internet.

Entrepreneurship is exciting. There is the potential for huge emotional and financial rewards. The future is however uncertain. None of us can know whether an idea will work as success also requires a good management team, finance, a marketing message and a method of distribution. Witnessing companies growing quickly is like watching a rocket blast off. There are those that blow up on launch, others make it part of the way before being destroyed, and some make it to their destination.

I have been involved in a number of entrepreneurial activities since going to Cambridge and to the Wharton Business School at the University of Pennsylvania to do my MBA. I then spent a dozen years at Cadbury Schweppes and by 1985 I was Group Planning Director. The company resolved to sell its businesses which were not in confectionery or soft drinks. I was responsible for organising this and we firstly sold off three Jeyes businesses and all went to management buyouts. Much larger was

# urship

the UK, Irish and French food business. In conjunction with the bankers Kleinwort Benson we talked to a large number of potential acquirers but because of the spread of products (Typhoo tea, Kenco coffee, Chivers marmalade, Marvel milk, Smash potato and many others) none of the usual players was interested. The CEO, Dominic Cadbury, then approached a major European investor who he knew but the offer that resulted was unsatisfactory.

After that meeting I went back to my office and decided to ask for Dominic's agreement that I could try to organise a management buyout. After he had consulted some other directors this was agreed. We ended up buying the business for £97 million and sold it a few years later for £310 million.

One result of this was that I was able to become the key benefactor of the Judge Business School which celebrates its 25th Anniversary this year. It has become an integral focus of the 1,500 companies in "silicon fen" as entrepreneurial Cambridge is known. We have had a Centre for

Entrepreneurial Learning for the past 10 years and a few years ago we founded Accelerate Cambridge which is an incubator for start-ups. These activities have now all been brought together and we have recently announced that the Duke of York has agreed to become the Patron. A ceremony for this is taking place during July.

I am currently the Foundation Master for the Guild of Entrepreneurs of the City of London which was approved by the Court of Aldermen last summer. Our motto is Dare, Create, Succeed. The definition of Entrepreneur is "someone who has invested their own time and money in the development of a successful business". We have entrepreneurs from a wide range of sectors and have a series of networking events, seminars and more formal dinners, the last of which was in Mansion House.

Theodore Roosevelt said "The only man who never makes a mistake is the man who never does anything". Similarly Mark Twain opined: "Twenty years from now you will be more disappointed by the things you didn't



do than by the ones that you did do. So throw off the bowlines, sail away from the safe harbour. Catch the trade winds in your sails. Explore. Dream. Discover".

Just in case you think your own organisation is really succeeding then remember the old saying. When everything is going well then something has been overlooked.

We all know that life is not a dress rehearsal. We only get one chance to have a life so we should all make as much of it as we can. So I hope that each of you will go for your own destiny as well as you are able.

**Sir Paul Judge**  
Alderman of the City of London.  
Trinity College, 1968-1971

# It's a serial life!

Having been employed almost continuously, barring two brief periods of maternity leave, for 40 years, I wasn't sure how I was going to react to my retirement from the BPF in December 2014, nor indeed was I sure how much of a portfolio life I actually wanted.

Now, six months on, I find myself almost as busy as when I was in full time employment with a considerable portfolio of non-executive, advisory and charitable roles. So is this serial life all it's cut out to be and what advice would I offer to others about to embark down a similar path.

The first worry as you walk out of the full time job that has sustained you for a number of years is whether anybody will actually want you as a non-executive, consultant or adviser. The danger is that you are then so grateful when the phone rings that you take everything, on the basis that you can't believe anything better will come along. This has to be resisted and the best way of doing that is to set very strict criteria about what you actually want to do, how many, and what sort of thing etc. Of course, I didn't do this. In fact, my only real criterion was that the subject matter had to interest me – but then I found out I was interested in so many things that before long I had more than enough roles to keep me going for the next 20 years. So I am not a particularly good example of the careful, cautious serialist.

One thing I would recommend, however, is to start exploring possibilities before you leave full time employment since you will never again be as well positioned to access you contacts. But beware the companies who want you just because of your address book and the ability to find new business. You have not worked your guts out for 40 years just to become a door to door salesman!

The next challenge is getting the mix of roles right. There is a lot to be said for having a variety of roles – proper grown up non execs, for both plc and private companies, advisory/consultancy activities and some charities as well. I know plc NEDs have come in for much criticism in the past – differing, so the old joke goes, only from a supermarket trolley in not having a mind of their own – but that's not how things work now and there is real responsibility for scrutiny, for protecting shareholder interests and for helping the management to think

above the day to day grind of running the business. When there is a crisis, NEDs do really have to step up to the plate!

Advisory roles are different – and of course far less regulated than the formal Non-Executive Director (NED) positions. But they are useful since, subject to the requirements of the employer, they can be fitted around the tyranny of formal plc Board meetings and also offer more opportunity to roll up one's sleeves and get stuck into a business.

And then there are charities – from which the aspiring serialist will receive masses of requests. Charities of course offer a chance to put something back into society. But a word of caution – they will almost inevitably consume more time than you think and they have a natural propensity to go wrong. One of the best way of avoiding that is to make sure the charity has a really effective Chief Executive – in two of mine I was able to participate in that selection and we have ended up with top drawer people in whom the Trustees can have complete faith!

The next big challenge is actually adapting to not being an executive – which can come as a shock if you've been used to running the show for the last 20 years. It is crucial, therefore, to set yourself very strict rules for what you are going to do and how you are going to behave. I like to think I learned pretty quickly how to do the strategic, monitoring, advisory stuff, perhaps because having looked after the NEDs in my QinetiQ days I knew exactly what not to do and how to be a critical friend to the company without becoming a complete pain. And there are distinct advantages to not having direct organisational responsibility, like being encouraged to opine without having to take on the implementation oneself. Mr Peace says I have found my natural calling – but then I am not sure he meant that as a compliment!

Of course, it is strange not having one fixed office. It's good not to feel you have to be in first in the morning or the last to leave in the evening in order to set a good example; you no longer have to worry about whether the heating or the lifts are working or whether two particular members of staff have fallen out with each other; and you don't have to go through the annual challenge of pay and bonus reviews. But I do miss the camaraderie of my old team,

the personal trials and tribulations, their successes and failures, and the whacky office challenges such as Fantasy Football and the Grand National sweepstake.

And the biggest disadvantage of all – losing your office and IT support system. For an IT Luddite like me, the challenge of having to unscramble my own IT problems was horrifying. The secret is to find an IT expert, preferably a local spotty youth who loves nothing better than sorting out your problems with a sort of pained 'how could you have possibly not known that' air. The diary is the other challenge, especially if you have had a wonderful PA who never let anything slip. But I genuinely am not sure it is a good idea to contract out this function to a commercial PA service: I am sure I would spend more time telling him or her what I want than sorting it out myself. Which is what I do – and there have only been a few major screw-ups! And as for the office, I am now a genuine nomad with temporary homes in at least five different locations. It's not too bad and the RAC Club is a useful refuge in between meetings – with the added option of fitting in a Pilates class!

On the whole, though, serial life is good. I am glad I took the plunge when I did since it was time for a younger, fresh pair of eyes at the BPF and I needed new challenges. My fascinating mix of non-exec and advisory roles allows me to indulge my passion for construction, the built environment, places, people, PR and history. Yes – it's probably a bit too busy and I still haven't embarked on the various learning I wanted to do – a new language, botanical drawing, Jacobean revenge tragedy – but that will sort itself out over the next few years as roles come and go and the portfolio is adjusted. And I thoroughly enjoy the flexibility – when I have a spare afternoon I simply go shopping or go home! Serial life is a great half way house to that eventual final retirement – but

just remember that non-execs and advisers are exactly what it says on the can. And get used to walking away after the big strategy day, not staying around to take a personal hand in implementing the new grand design!



**Liz Peace CBE**

Non-Executive Director at Morgan Sindall, Redrow and Howard de Walden, Adviser to a range of others, and Chairman of LandAid and the Curzon URC University of London, Royal Holloway College, 1971-1974, BA Hons History.

# The sheer educative value of Silver Street and Land Economy

When I joined the Department of Land Economy in 1991 as the new Professor of Land Economy, it was a culture shock. I was relatively young, a New Zealand colonial, and new to the mysterious ways of Cambridge administration, the interaction with colleges, and the deep layers of history in which everything seemed to be wrapped.

But what I really liked was the interdisciplinarity of the department. I'd been a law professor previously at UCL, but my approach to my specialism in planning and environmental law was not confined to black letter law. I found it exciting and challenging to be alongside colleagues who were experts in economics, econometrics, finance, accounting, geography, valuation and so on. It was an environment that had a great influence on the other lawyers in the department as well.

As university departments go, Land Economy had all the usual strengths and weaknesses – dedicated teaching, sometimes chaotic organisation, a distinct tendency to eccentricity and some engaging jealousies and robust arguments amongst colleagues. The hopeless configuration of the Silver Street houses, and the choice of many academic staff to work primarily from their college offices, made it difficult to develop any sense of community. Only with the arrival of email in the mid-1990s did we start to get some effective internal communication. But there was also a lot of fun and the family sense that can come from being a small department – it was even possible to hold the annual garden party for the whole department in the garden of our home in Grange Road.

The Department's reputation in those days within Cambridge was dominantly as the provider of outstanding players in the university's rowing and rugby teams, who were admitted by certain colleges through the affiliated student route – a quasi-graduate programme. Many were great students as well as athletes; many were not. It took some time to displace the practice and to develop Land Economy's reputation as a serious disciplinary area within the University – in fact, its principal interdisciplinary tripos within the arts, humanities and social sciences. That

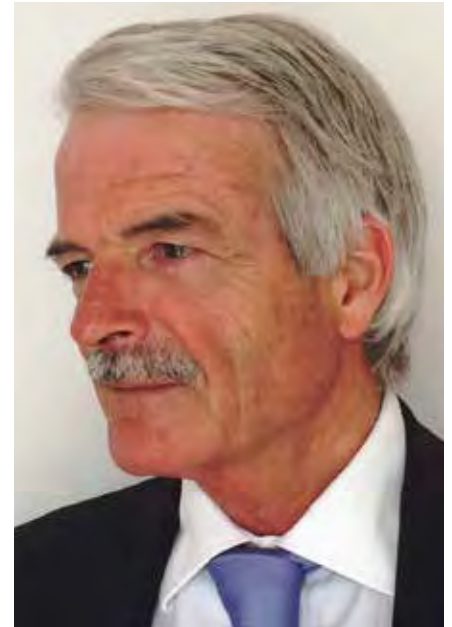
reputation was reinforced by consistently strong scores in all the external reviews of our teaching and research. All of this was true to the vision of the founding father of Land Economy, Professor Donald Denman, who remained a warm and active supporter and friend until his death.

Through the 1990s numbers of applications from strong candidates started to grow, and colleges found them to be not only academically strong but even thoroughly agreeable undergraduate members.

I had 12 great years in the department, but found myself increasingly tied up in university issues, first as a member of the General Board, then in 2001 as Pro Vice Chancellor. The university was still moving away from the old model – in which the Master of a college would also serve as vice chancellor on a part-time basis, changing every two years – to appointing (from 1993) a full-time vice chancellor for up to 7 years at a time. It took many years for the new model of leadership to settle in and to supplant the old model where the university had in effect been run largely by its senior civil servants. The new vice-chancellor was not to be – nor is yet – given the powers of a chief executive. It was a step forward in many ways, but frustrating and difficult in that leadership had to be primarily through chairmanship of committees rather than taking decisions and being held accountable for them.

Things were different at UCL when I appointed to return there in 2003 as its head (known as president and provost). It was possible to get to grips with some difficult problems, to devise and implement strategies, to take risks and to develop a strong senior team. We had advantages that Cambridge lacked – being in London, obviously, but also having much less of a prima donna complex among leading academics, and the self-discipline that comes from having less money. Over the coming 10 years we grew significantly, and soon overtook even Cambridge in competitively-earned research income.

For me, the UCL role was quite simply the best job in higher education in Europe, if not the world, and my 10 years passed quickly. But then I was persuaded – with



**Professor Sir Malcolm Grant CBE**  
Chairman, NHS England

trepidation – to become the founding chairman of NHS England. For the first time in its 65 year history, parliament transferred the operational oversight of the NHS to an independent board. It's a non-executive role, but it's not a straightforward job. The NHS has a measure of complexity to dwarf anything I encountered even in land economy or UCL, constantly in the media spotlight and a political environment that is often partisan and unforgiving.

Opinion polls regularly show that the NHS is the institution most highly valued and trusted by the English public – ahead even of the monarchy, the BBC, the police and the church. But success in healthcare creates its own problems. With a fast ageing population, demand for services across the developed world grows at a pace that outstrips the growth in GDP and hence the capacity of nations and individuals to pay for it. New technologies in medicines, devices and data will transform healthcare over the next decade, and one of our biggest challenges is to ensure we lead this transformation in such ways as to constantly reduce costs and improve quality.

Working across Whitehall and Westminster has taught me that administrative complexity, dirty politics and internal strife are by no means confined to Cambridge. But it was a pretty good training ground. And I am constantly reminded what a privilege it is to be entrusted with this job in such an important public institution.

# Work and Travel in Saudi Arabia



**Andras Kapuvári**  
Jesus College, 2011 - 2014

Having studied Land Economy at Jesus College for three years, I came down from Cambridge last summer and decided to take a gap year before I plunge into life and a career in the “real world”. My last year was full of great adventures, meeting fantastic people, travelling a great deal and exploring new cultures; but the most rewarding aspect of my year, which I believe is worth sharing, was the time I spent in the Kingdom of Saudi Arabia.

I was lucky enough to land on my first project in Saudi Arabia with BTO Management Consulting AG, a Berlin-based boutique firm with professional expertise in Smart City projects, which often recruits fresh Cambridge graduates to work on one-off consulting projects. This is a fantastic opportunity to gain hands-on experience, take responsibility and challenge yourself in a professional business environment. While working on the transition of Tadawul, the Saudi stock exchange, I experienced the cultural diversity, historic heritage of the country as well as the beauty of sunset in the seemingly

endless Arabian Desert while enjoying barbeques with my new friends. Honestly, I never thought that skills acquired at Silver Street would be sought for in the field of strategy consulting and that a few Tripos lecture notes would prove to be so useful for this quite accidental project in Saudi.

As a Land Economy graduate being quite confused by the seemingly chaotic design of the built environment, I somehow always ended up driving dinner conversations with architects, brokers, investors, consultants and all kinds of expats to real estate, and was eager to learn about this exciting market. Now I would like to share my experience and give you an insight into a few interesting trends in the capital and real estate markets in Saudi Arabia.

While construction and megaprojects are booming in Saudi Arabia, 2015 has been a politically and economically turbulent time for the country. The death of Saudi King Abdullah bin Abdulaziz in January, the ongoing armed conflicts of the Middle East (especially the current fight against Huthi Yemen) as well as the effects of dropping oil prices has all had a substantial impact on the economy, making headlines worldwide.

That being said, I was really surprised to find out that the Saudi government is building the largest botanic garden in the world in the middle of the Arabian Desert, and a new megacity from scratch; the King Abdullah Economic City or “cake” (KAEC,) which is anticipated to cost about £70bn and designed to take up 70 square miles – roughly the size of Glasgow. In Mecca, the world’s largest hotel is being planned, containing 12 separate 44-storey towers, 10,000 rooms, 70 restaurants, and rooftop helipads. The whole mixed-use development scheme costs about £2.25bn

and will look like a fortress in the middle of the desert.

These are strikingly huge projects but before I could meditate on this issue I ran into a rather interesting example of the built environment during one of my evening walks from the hotel to explore Riyadh (picture inset). As I learnt this valuable plot of land in the downtown had remained undeveloped for two years and I started wondering what could have gone wrong; the tingling sensation of discovering something new on your own was just like getting the next interesting essay question at the Land Economy Department – I should add here that this sensation and enthusiasm always faded by Week 5.



Property investors have acquired land in large quantities in the Kingdom in the hope of capital gains and hence the lots of vacant lands in urban areas which cause difficulties and tensions amidst the rapidly increasing population. A few weeks into my time in Riyadh, I was confronted by headlines quoting the Custodian of the Two Holy Mosques King Salman who decided to impose a tax on vacant land



in the Kingdom in a bid to encourage development, and reduce speculative demand. The introduction of the land tax resulted in decline in both average price per sqm and the number of transactions; the real estate sector index went down by about 9% the day after the announcement of the tax. At the same time, on the commercial side demand for hotels has been strong in Riyadh partly due to the increasing number of foreign business and government visas but office and retail markets have been stagnant, with no demand to absorb new supply coming from government-backed mega development projects. For example, the new business district, about 900 000 sqm of office space at the size of Canary Wharf, is being developed without enough quality tenants being able to fill the 42 empty towers. Capital markets have been traditionally inward-looking, difficult for new players to enter the market and this is where our project in the Saudi stock exchange becomes interesting.

The Capital Market Authority of the Kingdom announced in 2014 that the

Saudi stock market will be “open to eligible foreign financial institutions to invest in listed shares during the first half of 2015, with God’s permission” which is undoubtedly the most interesting event this year regarding the economy of the whole region. Opening the market up is part of the collective effort of Saudi government and businesses to diversify the economy beyond the oil industry; a £130bn spending plan to boost non-energy industries was also announced this year. Tadawul market is the largest in the Middle East at £320bn plus - about three times the size of the Dubai market – and the second largest exchange closed off from foreign investment in the world after China.

In Saudi real estate markets, the lower prices, along with increased liquidity that is expected from the slow opening of the Saudi capital markets may bring about the entry of new players, more residential development and hence higher affordability for the rapidly increasing population of Riyadh, which could also have a positive impact on commercial real estate in the long-run.

Working on the corporate performance management system for the exchange, organising workshops and then going for dinners with high level officials from different sectors in the country as part of my job have been thoroughly enjoyable, but understanding the current state of the built environment and the opportunities for real estate in the country while working on a non-related project was, in fact, the most amazing part of my experience - an opportunity to benefit from the multi-disciplinary skills developed at the Land Economy Department.



## Reflecting on a career in property



**Aubrey Adams**  
Chairman (designate)  
St John’s College, 1967 - 1970

I regard myself as something of an accidental “property person” and despite rejoicing in my election two years ago as a Fellow of the Royal Institution of Chartered Surveyors very much recognise that as a jack of all trades I am certainly not a full master of real estate.

When I graduated from Cambridge at the tender age of 20, I was not sure what I wanted to do other than move on from the academic world and travel. International banking seemed (naively) to offer this but after a few months with an American bank in the City I realised that any office life is

pretty mundane. I then followed the advice I now pass on to others and set about getting a professional qualification in my case as a Chartered Accountant with Price Waterhouse (now PwC). During my training (then called Articles) I was lucky enough to be part of a team that worked on Jimmy Goldsmith’s many deals which was much more interesting than the standard auditing jobs that most of us spent our time on.

I realised that pure accountancy/auditing was not really for me, so after qualifying I moved over to the management consultancy arm of Price Waterhouse and was involved in some diverse assignments including trying to put financial systems in to a massive sugar plantation in the Sudan and creating a budgeting system for a UN Agency in Geneva. I am not sure that either of these projects eventually achieved their aims.

I always believed that what I really wanted to do long term was to run a business rather than be a consultant and so the opportunity in 1978 of becoming Finance Director of Peachey Property Corp PLC not only achieved that goal but also brought me into the world of real estate.

The big challenge was that Peachey is what is now called “distressed” - there had been serious misappropriation of funds, a DTI investigation and the former Chairman shot himself on the Day of Atonement! The new Managing Director and I set about cleaning up the business, appointing a new team and then rebuilding the portfolio. It is a testament to the resilience of real estate that, despite years of neglect and poor management, it is possible to retrieve value with hard work and good professional surveyors. Eventually all this attracted the attention of a large Dutch REIT keen to expand into the UK market and Wereldhave successfully bid for the Company in 1989. I stayed on to ensure a smooth handover but was looking to move on in the sector – I had now been hooked by the property world.

Savills had incorporated and floated in 1988 and were looking to appoint a Managing Director to run the business alongside the Chairman. I joined in 1990 and was immediately faced with the challenge of a market slump and a business which retained a lot of the old partnership

characteristics. Inevitably there was a lot of re-organisation and reduction in staff numbers to right size the business for the tough market. I became Chief Executive in 1991 and we started to build the business from a medium scale UK player with its roots in rural practice to a major international group. This was achieved through a mixture of tight financial management and always aiming to be the best (not necessarily the biggest) in chosen markets. We initiated an all-staff bonus scheme based on performance which was decried by some (as being unprofessional) and then copied by many; this helped in both recruiting and retaining the very best people. As a public company, we also had the financial muscle to buy other businesses and this was crucial in achieving our international expansion strategy; the acquisition of Hong Kong based FPD was transformational and made Savills the leader in the Greater China market.

After 17 years (far too long according to management textbooks!) I retired in 2008 and took on a number of non-executive director roles including British Land and chairing Max Property; I count myself fortunate to be able to carry on working with some of the best people in the sector. More recently I have just completed a three year stint at RBS giving strategic advice on properties managed by the restructuring division. In April, I joined the Board of L&Q (a leading Housing Association) as Chairman (designate).

My involvement with CULS came via membership of what is now the Cambridge Land Economy Advisory Board (CLEAB). Although not an alumnus of the Department of Land Economy, I am an enthusiastic supporter both of its research and the quality of the courses provided. I owe a huge debt to the education I was lucky enough to receive at Cambridge and as an expression of my gratitude I have supported the Centre for Real Estate Research and have also endowed a teaching fellowship in Land Economy at my old College (St. Johns).

My career in property has been somewhat atypical but as I look back I reflect on the friendliness and sociability of all those I have worked with, particularly compared with other professions. It is no accident that CULS is the most active of the Cambridge alumni groups and indeed is held up as a model to others by the Vice Chancellor; long may it continue!



# My winding road

Land Economy proved to be an auspicious beginning. There were about 12 of us, more than half of whom had rural estate management ambitions. The rest of us were aimed at London to engage with the commercial property world. Both seemed to me to be very large places with few maps that made sense to me. But the lateral thinking, and breadth of knowledge I had acquired stood me in good stead to wind a path through the maze.

Feeling my way through two surveying firms, I found myself acting for an investing institution where people doing much the same as me, earned more, and seemed to take all the decisions. Perfect! Later I got that job, as an assistant at Equitable Life, and later, as Property Investment Manager at Scottish Amicable, based in Glasgow.

In due course the lure of higher earnings in London necessitated a move back to the capital, initially as a salaried Partner at Jones Lang Wootton (JLL as known today, but before the Woottons sold out to the Lasalles), and later as a Proprietor of that firm. The core brief was the same - to build an investment management unit as pension fund clients came to outsource that skill base. We did that, and had c£3bn equity under management by 1995 when I left. It was the biggest operation of its kind in London. I had built that unit, and been Managing Partner of the London firm of JLW for four years when I left, and felt that new pastures beckoned.

I joined Haslemere, a Dutch owned former UK quoted company, as CEO, with a brief to grow and rationalise that business for its Dutch shareholders. With a small team we did that, re-quoted the Company in 1999 on the AEX, and built the balance sheet from £500m to £1.5bn by 2002, by various corporate takeovers and a series of Bond issues.

However, there was a mismatch between location and aspirations of our mainly Dutch shareholders, and a property business in UK (now called Haslemere NV). The shareholders accepted a bid from a group of major investors, and management was called on to liquidate assets to repay the bidders £1bn of bid debt that they had employed. We did that, and I moved on again.

The Railway Industry Pension Scheme had been attracted to us at JLW Fund Management, and has remained the most loyal supporter of my professional life. I had also advised them throughout my time at Haslemere and when I left that company, they asked if I would set up a new firm to handle their property investment. We did that, and they remain a major client of that new firm, known as Orchard Street Investment Management LLP, to this day.

I hope and believe that I have left Orchard Street in good health, and with a strong management team, running c£4.5bn assets, for 6 major institutional clients.

During my wanderings, I have enjoyed being President of the British Property Federation, a Trustee of the IPF Educational Trust, and am still Chairman of the EMDF Fund, which partly supports the Department of Land Economy. I have also been Chairman of the Bank of England Property Forum, a Crown Estate Commissioner, and am currently a Director of Land Securities Group Plc.

I haven't quite hung up my boots, but they travel less far these days. However, as a Cambridge resident, Silver Street remains in range!

I hope you all have as much fun as I have in your various careers.

**Chris Bartram**  
Downing College, 1968-1972

# Being Master of a Livery Company



**Christopher Robinson**  
 Estates Surveyor & Press Officer to Canterbury Cathedral  
 As of October 2015, Strategic Property Director for the Diocese of Canterbury.  
 Past President of CULS, and past Hon Secretary  
 Magdalene College, 1980-1982

Christopher Robinson was Master of the Worshipful Company of Cutlers, one of the Livery Companies of the City of London, in 2013-14. He explains a little about what is involved in being Master of a Livery Company.

## What is a Livery Company?

Many of 110 Livery Companies of the City of London developed from medieval guilds which were a mixture of quality control supervisors, restrictive practice organisations, and friendly societies. During the 20th and the 21st centuries, several new Liveries have been created, including of course the Chartered Surveyors' Company, which was founded in 1977; for more information, go to [www.surveyorslivery.org.uk](http://www.surveyorslivery.org.uk). Many other companies, such as the Paviers', the Farmers', and the Constructors' Companies, have connexions with the property industry; while others, for example the Carpenters', the Plaisterers', and the Tylers and Bricklayers', have links to particular building trades. Livery Companies today spend most of their time in charitable activities (particularly education and support for the Armed Services), while also contributing to the pageantry of the City of London, and improving fellowship amongst members.

Last year, the various Livery Companies gave nearly £50 million to various good causes. More information about all of the diverse Companies may be found at the [www.liverycompanies.com](http://www.liverycompanies.com) database.

Incidentally, there are also Livery Companies in many other British cities; in Glasgow, York, Bristol, Sheffield, Shrewsbury, and Richmond in North Yorkshire to name just a few.

## What does the Master of a Livery Company do?

Each Company normally has three levels of membership: Freeman, Liverymen, and Court Assistants (some also have Apprentice). (The term Freeman and Liveryman is gender neutral). The Master (or Prime Warden or Upper Bailiff – for nothing in the City is simple) is chosen from among the members of the Court, which is the body that runs the Company. Each Master is assisted by a number of Wardens, usually two but some Companies have as many as four. The Master represents the

Company to external bodies and acts as the chief executive within the Company but only for one year (except with the Bowyers, whose Masters serve two years). One thing I quickly discovered during my year in office is how different the various Companies are; there is no such thing as a typical Livery Company.

The Master will sit on virtually every committee within a Company. So, for those Companies that still have a close involvement with their area of expertise, such as the Goldsmiths or the Spectacle Makers, they may well be concerned with regulating quality and possibly even setting exams; many doctors still take exams set by the Apothecaries' Society of London. Fortunately, I was not asked to test the fitness or otherwise of any surgical scalpels!

A Master will visit many outside bodies with which his or her Company is connected. During my year as Master, I went to several school prize-givings, and also to a degree ceremony of City University (whose predecessor, the Northampton Institute, was created by several of the Livery Companies, including the Cutlers'). I visited HMS Enterprise, a naval survey ship with which we are linked. I also went to a drill night at C Detachment, 256



Members of the band and drums of the Schmiden Guild of Zurich, wearing their traditional costume.

Field Hospital in Kingston, and joined B Company, the London Regiment, when they were training in deepest Norfolk. We invited Air Cadets from 291 City of Westminster and Chelsea Air Cadets to the Lord Mayor's Show in November; and on the same day, we hosted the prize winner of the Army's Corps of Drums competition and donated the prize, a drummers' sword that was presented to the prize winner by the new Lord Mayor, Fiona Woolf, outside Mansion House. Apart from August, which was a quiet month, there were probably three events a week on average; so, in round terms, I was expected to be on parade about 140 times during the year. I was also astonished at how many cheques had to be signed; it is not just armies that march on their stomachs...

#### What were the highlights of my year as Master?

It is such a privilege being Master of a Company, meeting all sorts of people, that it is a bit invidious to highlight certain events. That said, meeting a family with

a terminally ill son that we sponsored for a weekend at Disneyland, courtesy of the Hackney Carriage Drivers', was very special (there's more about their wonderful annual weekend to Disneyland at [www.magicaltaxitour.com](http://www.magicaltaxitour.com)). Seeing the Chelsea Pensioners on parade at the Governor's Review was also very moving; the weather was atrocious but the pensioners kept their place, unlike many of the spectators... Parading around Zurich at night as part of the Sechseläuten celebrations, behind a first class band and drummers as a guest of the Schmiden (the Guild of smiths and doctors in Zurich) was unforgettable. Watching the ancient ceremony of the Quit Rents in the Royal Courts of Justice (featuring medieval horse shoes, as well as tally sticks – don't ask) was splendid, as was chatting with many of the scholars that we were supporting in diverse studies – including undergraduates from Corpus Christi, Jesus, and Queens' colleges. I was sorry that I did not get to any of the hospices to whom we give cutlery but that will be another time.

Do I miss it? Yes, as I had a wonderful team at Cutlers' Hall who kept me on the straight and narrow. Even so, after six months in office when I had to buy a new DJ, I knew that the writing was on the wall. By the end of my year, I took it for granted that everyone should call me 'Master', laugh at all of my jokes, and listen to my ramblings at committee meetings: it was time to hand on the baton. But if you get the chance to become Master of a Livery Company for a year, seize it with both hands! It is a wonderful experience, and a fascinating part of our heritage.

**Note from Editor: Please make a note of the forthcoming CULS London Dinner, Thursday 7th April 2016, 7.15pm at the Worshipful Company of Grocers. Please see the section on "Upcoming CULS Events" towards the end of the magazine.**



Michael O'Sullivan Photography

Welcoming the Lord Mayor Fiona Woolf to Cutlers' Hall.



Clarence House

Discussing the sword of the last Duke of Cambridge with the current Duke of Cambridge.



Members of the Cutlers' Company on board HMS Enterprise near Plymouth with the Master looking completely at sea.

# Whole Life Sustainability - The Book

We are all familiar with apocalyptic forecasts. They simply abound - in fact studying them is an academic discipline in itself. Recently, in a typical waiting room, I encountered a typical magazine (actually one of the more respectable ones), dating from 1975. The feature predicted worldwide starvation, social collapse, and widespread warfare as the poor nations (including India and China), seeking resources, attacked the wealthier nations. All of this was to happen before the end of the twentieth century, and considerable data was included to support the prediction. Only, it didn't happen: the world seems to be a better place now than it was in 1975 - not perfect, but still here. The issues may have changed over the past forty years, but the overall message has not - we are all doomed unless extraordinary steps are taken.

The problem is that in our businesses, we are forced to make decisions about buildings, and buildings are very peculiar creatures - they often have long lives, and as time passes they may serve different people or organisations with different expectations. They are subject to ongoing maintenance and refurbishment. They are not mere machines, but are, at least in part, objects of esteem - so exposed to changing fashions. Often, we are spending investor or client money, not our own, and serious legal and moral responsibilities come with that.

After facing quandaries concerning a few real building projects, it became apparent to me that while there is often the expectation that somehow a project will be 'sustainable', there is often little insight on how to achieve a reasonable balance between environmental, social-cultural and economic dimensions. On more than one occasion I have seen wonderful energy-

**Ian Ellingham, MPhil, PhD, FRAIC**  
**St. Edmunds College**  
**MPhil (Land Economy) 1993-1994,**  
**PhD (Architecture) 1998-2002**

saving features incorporated into a building, only to be ripped out a few years later when the building use changed, more advanced technologies appeared, or the product or system simply did not work in the specific application. Better insights are in order.

In the aftermath of several research projects - largely relating to various

aspects of sustainability, it seemed in order to offer some practical thoughts to the decision-making practitioner. Not to preach any particular message about sustainability, but to help in the realisation of whatever a project team's objectives might be, point out possible pitfalls and offer approaches.

There are two important things to remember: one is that one must remain even-handed to achieve optimum decisions - balancing a variety of criteria so a selection can be made from a set of possibilities. To

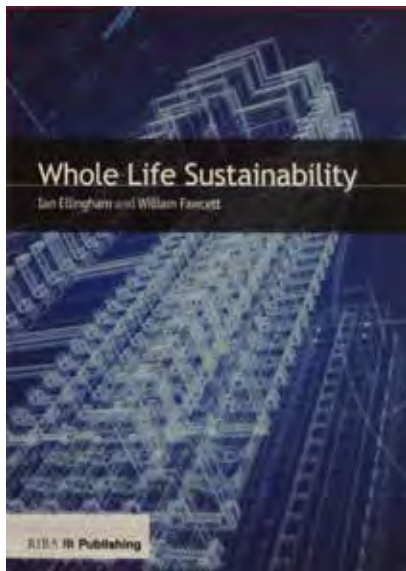
go on a mission simply 'to save the planet' without analysis, almost inevitably implies overinvestment - paying too much to achieve outcomes that are too small, too unlikely, or too distant to be worthwhile - relative to some other set of solution possibilities. The other is simply to beware - there are a multitude of ways the making of good decisions can be compromised.

Fortunately, we don't have to invent entirely new methods to help make decisions, many are concepts and tools we learned in the Department of Land Economy. However, their application to the complex decisions we are often making, combined with the inevitably incomplete and suspect information we so often work with, means we have to be careful, insightful, creative, and even suspicious when using them on

real-world problems. For example, we all learned about discounting - a fundamental tool when making decisions when the future is important, but many organisations are actually using wrong discount rates for their property decisions.

So, what does the book offer? It works its way through questions of sustainability - what it might be and how it might be achieved. After all, if you do not have a firm grasp of your goals, it is highly unlikely you will achieve them. To graduates of Land Economy the book is both a review of concepts, a look at how they might be applied, and how things might go wrong. One trap results from what is offered to us through marketing, as sustainability is one of the big hooks now being used in selling products, services and ideas. Context is important - a proper decision depends upon exactly where and how something is being implemented. Obvious perhaps, but I have on a number of occasions seen very sophisticated equipment installed in situations where the resources to maintain it were not present, or the returns (on any form of measure) were too low to ever justify it. One area that graduates of Land Economy from some years ago may not be familiar with is the complex field of real options, and a practical introduction is included. Even thinking about the real options terrain can help - it becomes clear that all decisions do not have to be made in the present: after all, people in the future will have more information and likely better tools, and will probably be able to select from better technologies. Ultimately, we can all fall victim to the vagaries of human behaviour - both those of the individual and how we work in groups, so one chapter deals with some of the behavioural factors that can lead to sub-optimal decisions.

We intended the book to be an easy-to-understand romp through decision-making when sustainability is one of the objectives. The book publisher decided to use a quotation on the back cover: "...good decision-making tools are a key element in achieving sustainability. Without such tools, decision-makers are essentially reduced to throwing collections of possible solutions at a problem, and hoping something might stick."



**Ellingham, Ian and Fawcett, William (2013)**  
**Whole Life Sustainability, London: RIBA Publishing.**

# Devolution and Revolution

There can hardly be anyone in the country who will not appreciate, at least to some extent, that we are in a period of political turbulence, if not actual political and constitutional change. In a country which does not have a written constitution political evolution is taking place all the time, but this is different. In a few years' time the UK may be quite different from now. How might this affect land and land use?

There are, obviously, two big issues. First, will the UK remain in the EU, and secondly will the United Kingdom remain united? Just to complicate the picture the two may be inextricably interconnected. Further in thinking about this I am focussing on the relationship between England and Scotland, although there are also clear implications for Wales and Northern Ireland and very possibly in respect of Devolution within

England itself. This makes it even more complicated.

There are four possible basic permutations. The UK remains in the EU, the UK leaves the EU, England leaves the EU and Scotland remains, and England remains in the EU and Scotland leaves. The last is probably purely hypothetical, but if the UK as a whole were to vote to leave the EU it is likely that may well precipitate another effort from Scotland to leave the UK.

Now it seems to me that the administrative/governmental structure of the UK has been essentially that of a unitary state resting on top of a legal/constitutional structure established in 1707 which in contemporary terms might be described as federal. This may be part of the difficulty.


As those, like me, who did the Comparative Land Tenure option in the Land Economy

tripos will recall the system of Scots land law is very different from England's and the two have run in parallel without too much difficulty, not least because the legislative and political context within which both have been set is UK wide.

This has begun to change with Devolution and is likely to diverge further. Anyone who has followed the progress within Scotland on the debate about Rural Land Reform can have no doubt about this.

There are very strong echoes of Ireland's experience here, and the Scots political approach to land, and in particular rural land, is very different from that in England. Furthermore now that approach is able to develop in its own way, much, no doubt, to the chagrin of many landowners, it is causing huge uncertainty.

Clearly all this will, in general, be



First Minister of Scotland and leader of the Scottish National Party Nicola Sturgeon campaigns in South Queensferry on April 28, 2015, a town on the western outskirts of Edinburgh, and stopped at a promenade with the spectacular Forth bridges in the distance.

unaffected by EU membership since land tenure is not an EU competence.

This is not necessarily the case with a whole range of other political phenomena which in one way or another affect those who use land. After all one of the main criticisms of the EU is that the system promotes 'competence creep' which takes its impact way beyond the Single Market which was, so it is argued, its original rationale. Setting aside whether this is right or not, Banking Law, Environmental Law, and Health and Safety to name but three owe a considerable amount to the EU. Were the UK or part of it to leave what would happen next? And how would any subsequent Treaty arrangements play in this respect, and what might be the role of Mutual Recognition? It is all unclear and inherently engenders huge uncertainty. A lot of evidence points towards non EU European countries trading with the Single Market having to adhere to its rules more or less completely. This raises a number of quite interesting points, with serious implications.

Now the nature of the human condition is that uncertainty is everywhere, but these particular current political issues engender substantial uncertainty over a very wide range of matters, considerably further than has been the norm in the recent past.

How long is all this uncertainty likely to last? The conventional wisdom is trying to contend that a referendum will put the matter to bed. I doubt it. After all the 1975 Referendum on EU Membership has clearly failed in that respect, and Scotland's Referendum of last year has if anything been less successful. That being the case will a referendum on EU membership before the end of 2017 finally settle the matter? It will for those who win, but I doubt it for those who do not. The whole matter seems a bit like Jacobitism in Eighteenth Century Britain. The topic only ceased to be toxic, to use a current phrase, when the public got bored of the matter. It was that and not battles won and lost which determined the outcome.

All this suggests we may be in for uncertainty and all that that entails for some time to come.

**Lord Richard Inglewood**  
Hutton-in-the-Forest  
Trinity College, 1969 - 1973



**Jim Fiddes**  
Gonville and Caius College,  
1961-1964

Jim worked in London and Sydney, but spent most of his career with Ryden, the well-known firm of Scottish Chartered Surveyors, becoming Senior Partner from 1989-99, after which he continued as an independent property Consultant until retirement in 2011.

## Nostalgia - Can it be life threatening?

Recently in reflective mood I recalled a favourite saying of Patrick Geddes, pioneer urban planner and sociologist (whose writings were well-known to Jeffrey Switzer) that I have found increasingly attractive.

"So beyond working and playing comes remembering, in some ways the happiest of all."

With this in mind I was delighted to be asked a few weeks ago to attend an anniversary party celebrating 50 years of Richard Ellis (CBRE) in Scotland. Over 300 past employees had been invited which shows the significant effect that this eminent firm may have had on so many commercial surveyors in Scotland over the last 5 decades.

I must have been about the oldest, as I came up from their Gracechurch Street office in the City, my first post-Cambridge position, to assist the partner selected to open their Scottish office in Glasgow.

Richard Ellis had taken a floor of the newly-built Trafalgar House on the corner of Hope Street and Waterloo Street and made great play of the fact that this was the first £1 per sqft building in Glasgow; the letting agents, Jones Lang Wootton, were equally delighted at bringing off this 'coup'.

It was a very interesting and educational two years, working for a small team in this long-established firm. Pension fund investment in commercial property was then at an early stage particularly in Scotland but Richard Ellis already acted for several.

This ensured immediate popularity among owners, developers and entrepreneurs and a lot of time was spent extracting the 'wheat from the chaff'.

I commuted from Edinburgh for most of the time and enjoyed convivial morning travel on the 8 o'clock out of Edinburgh with coffee and rolls arriving in Glasgow around 9. It took a comfortable hour in those days and now there is much talk of a bullet train halving the travel time. This seems unnecessary bearing in mind it takes fully two hours to acclimatise to the respective cities. Certainly with a bullet train the eminent senior stock broker who travelled with us would have had to rush the gin and tonics he invariably consumed before setting his bowler hat firmly on his head and sallying forth to meet the rigours of the day.

And on the subject of bowler hats – in my pre-Cambridge job in 1959 with Richard Ellis in Fenchurch Street they were the order of the day and this callow youth trotted after the Senior Partner in his 'derby'.

Last month in Glasgow our hosts had taken considerable trouble in producing an interesting and amusing archive of documents and photographs and I was pleased to produce a copy of the 1959 letter I received offering to take me as pupil on the valuation side at £2 per week or alternatively I could be articled. Eschewing my Corinthian instincts I went for the money.

It seems like only yesterday!



# Happy Buildings = Happy

At Tishman Speyer we pride ourselves on the lengths to which we will go to ensure that all of our staff are kept happy and healthy – not only for their own safety and wellbeing, but also so that, since they are kind enough to spend half of their waking hours from Monday to Friday in our business, they will enjoy coming to work - and are thus productive.

In an effort to ensure on a global basis that all Tishman Speyer staff are healthy, happy and well, we recently held our first global Health & Wellness Day. In London, this consisted of working with Andrew Stead (Matric. Magdalene 1991), a well-being and resilience coach ([www.your-daily-bread.co.uk](http://www.your-daily-bread.co.uk)), who has studied the human mind in detail and who has deep knowledge of what makes us tick. The sessions consisted of a talk on resilience, followed by workshops on matters ranging from how to conduct relaxing breathing techniques; right up to how to maintain a positive frame of mind - both of which are difficult to remember to do when in the midst of an exceedingly complex transaction!

Another obvious aspect of how people's happiness can be improved is through their physical environment. We are currently engaging with a specialist consultant who interprets your values as a business and how you wish to work as colleagues in a healthy and happy way, and translates these into a physical manifestation for the business to occupy. When executed, this will ensure that we are putting into practice the values to which we subscribe – a truly 'Happy Building'.

For a developer, ensuring that you produce 'Happy Buildings' and thus have

happy tenants is much more difficult as you have no exact information about who will lease or buy your product. Hopefully, experience and sound advice will indicate a range of potential customers; however occupiers in London are increasingly more footloose and will move from market to market for the right building. As a result, it is difficult to know where to pitch the areas of the building over which you as developer will have design input and then ongoing control once the office floors have been let, such as the reception and common parts.

This is a great challenge for Tishman Speyer in our mission to produce 'Happy Buildings' – and for our current scheme in Victoria, which is Verde SW1 ([www.verdesw1.com](http://www.verdesw1.com)), we have thought long

about who our target audience will be - the 'old school' Victoria tenant such as government or energy businesses, or the new fashion occupiers such as Tom Ford, Burberry, Jimmy Choo and Armani – and worked hard to make sure we incorporate what will make all of these businesses happy.

Not only does the developer have to try to appeal to the relevant types of occupier, but they also have to consider the changing requirements of the generations. For example, millennials are far more likely to cycle or walk to work than Generation X, who seemed unfazed by a life committed to commuting, and thus for whom public transport is important. As a result, Tishman Speyer has pitched the building to appeal





# People = Happy Business

to a wide variety of potential occupants. Luckily for us, the developable envelope has a staggered roof, and this gives us the opportunity to introduce over 20,000 sq. ft of terraces to the upper floors. In the dark old days, these would have remained unused, as employees would have felt that they would have been viewed as idle had they lingered in such spaces. However businesses are now far more aware of the benefits of their staff being well and happy – and what could make them happier than having their lunch on a huge terrace overlooking the gardens of Buckingham Palace, the alternative being sitting in a dingy staff canteen? Young staff now feel free to sit out and enjoy such facilities, and to hold informal meetings in such spaces,

rather than sit munching a sandwich chained to their desk or meeting with colleagues in a small windowless room.

We have all witnessed the growth of cycling in London - during the period from 2000 to 2012, the number of daily journeys made by bicycle in Greater London doubled to 580,000. This has become a major factor in the design of new buildings. Not only does cycling make you fitter, as you can exercise without locking yourself in a gym like a laboratory rat, but you also feel happier as you have not had to endure the Tube or an overcrowded bus. We therefore took the decision to include a dedicated cycle ramp to the cycle parking and shower/changing facilities in the basement, having first removed all of the

car parking from the building in order to accommodate this. We will have a total of 440 bicycle parking spaces in the building and these will fill quickly as people continue to realise that cycling to work is an easy way to increase your health and happiness. Happy staff, once again...

How do you make a building's reception happy? Gone is the concept of the silent cathedral-like space with a surly receptionist whose reading or surfing you have interrupted, sulking behind a huge screen. In comes the concept of a shared space with a bespoke coffee bar and flower shop, and a smiley greeting with the data for your entry input into an appropriately-sized tablet. We are also installing floor to ceiling glazing throughout the entire building – light and views keep the mind happy and stimulated.

Tishman Speyer hope that the terraces, cycling facilities, abundant light and welcoming reception in Verde SW1 will ensure that the staff of our customers who will lease this building are happy, healthy and productive. Tishman Speyer know that is our duty as a developer not only to meet and exceed all of the requisite statutory obligations - but also to provide spaces where businesses can thrive. Here's to Happy Buildings!

**Dan Nicholson**  
Managing Director, Head of UK  
Tishman Speyer

Note from the Editor: Tishman Speyer (together with Europa Capital and OrchardStreet) is a financial sponsor of CULS new website ([www.culandsoc.com](http://www.culandsoc.com)). We are most grateful for their support.



# “This house believes that Real Estate is the driver of wealth inequality and market Instability”

**Robert Peto spoke at the ‘Marshall Society – CUREFIS’ Debate held on 11th March, opposing the motion.**

On March 11th this year I joined Professor Colin Lizieri in Cambridge in opposing the motion that “This House believes that Real Estate is a driver of wealth inequality and market Instability”. We were against Professors Bob Colenutt and Michele Baddely. The battle ground was a joint meeting of the Marshall Society and the Cambridge University Real Estate Finance and Investment Society (CUREFIS).

Before the commencement of the debate a poll was taken which showed that a substantial majority of the attendees supported the motion.

In opening the debate Prof Colenutt put forward a number of statistics regarding growing wealth inequality. For example he mentioned that the top 5% of the global population had taken 44% of the increase in world income since the early 1990s. He also referred to the Knight Frank Wealth Report 2015. There are of course many other supporting statistics regarding wealth inequality. There is the Oxfam research report which included the observation that “the world’s richest 85 people could fit into one London bus and their wealth is equivalent to that owned by the world’s poorest half, all 3.5 billion of them”. There is also a 2013 study undertaken by the Growing Inequalities Impacts (GINI) project which concluded that housing played an important role in determining the relationship between parental wealth and children’s educational outcomes, as well as their labour market outcomes in adulthood. Prof Colenutt’s conclusion was that, in the UK, real estate was the principal factor in creating and maintaining the British Class divide.

In the light of this, the proposers concentrated their arguments on the UK housing market and the fact that those that owned houses had benefited considerably from the rise in prices to the dis-benefit of renters. They put forward a number of reasons for this, the principal ones being the lack of capital taxes on unearned increases

in property values, the shortage of housing, the problems with the planning system and the consolidation of the housebuilding sector with a vested interest in restricting new supply to support house prices and land values.

They also referred to the role of property in exacerbating the financial cycle leading to the GFC with the resultant collapse in economic growth, and in many cases contraction in economic activity with attendant increases in human misery as unemployment rose and income declined in real terms.

Colin Lizieri and I had little difficulty in agreeing with most of the proponents’ views on the causes of house price inflation and some of their proposals for remedying the situation. However we expressed the view that (1) in respect of house price inflation they were looking at the results of policy failures in a domestic political context and in addition completely missing the main geo political macro factors for wealth inequality, and (2) in relation to market volatility, they again missed the point by looking at property as the cause of this, rather than a conduit for excessive market liquidity brought about by lax monetary

policy combined with an over-arching failure of financial regulators to police and manage the banking system.

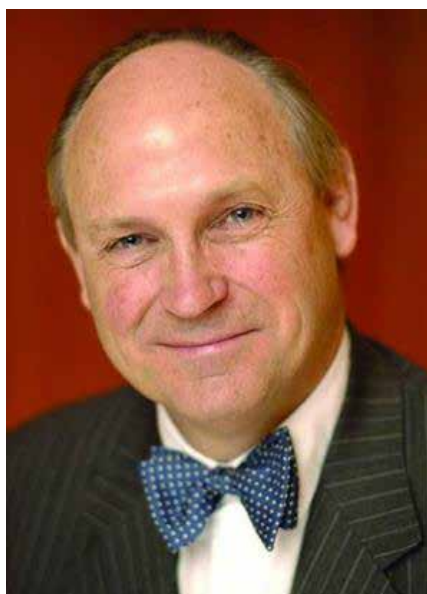
In attacking the motion I concentrated on the overarching global drivers for inequality and Professor Lizieri concentrated on the vital role that real estate played as a diversifier in balanced portfolios to enhance the long term risk adjusted return of pension funds and institutions for the benefit of all those who are saving for retirement.

It is believed that real estate including land, constitutes about 70% of the world’s store of wealth. One would therefore expect that the Forbes list of billionaires and the UK Sunday Times Rich list would have a very significant proportion of its members that made their fortunes through developing or acquiring real estate. However this is not the case. Consider the following:

1. Of the 1826 billionaires in the Forbes 2015 list only 10% have made their fortunes through real estate.
2. Of the 268 newcomers to the billionaires club only 12% made their money in real estate and 80% of these were from the new markets in India and China where there has been a focus on development of infrastructure including new commercial and residential buildings.
3. Not one of the top twenty of the newcomers is real estate related.
4. Of the 46 billionaires who are under 40 only two owe their wealth to real estate and both of those were through inheritance.
5. As might be expected, in the UK the numbers are higher with 17% of the Sunday Times Rich List 2015 owing their wealth to real estate, 65% of which (only 11% of the total) made their money from real estate rather than inheriting it.

Why does real estate make up such a small proportion of the rich lists?

To me the reason is clear. Inequality of both wealth and income has been caused by globalisation in both the capital/financial and trade markets by way of the reduction of trade barriers across the world over the last 30 years, and the development of the



**Robert Peto MA (Cantab) FRICS**  
Chairman, DTZ Investment  
Management Ltd  
RICS Past President

internet leading to a communication and business structure revolution.

By allowing China into the global market, with its low wage economy, without a floating Renminbi, meant that the best we could hope for in the West was a static living standard as our industries were decimated because of the high costs of production. It is now well understood that the standard of living of the average working family in both the USA and the UK has fallen in real terms for some years. The pressure will continue until the costs of production in the emerging economies rise and/or we increase trade tariffs.

The rise in the internet and the development of web sites has enabled direct consumer to producer relationships

to be created with the resultant rise of the freelance self-employed who are willing to be flexible with their goods and services AND their prices. Sadly, on average (according to the Resolution Foundation) the self-employed earn on average 40% less than their salaried counterparts.

On the other hand those people who have invented new goods and services are not confined to the domestic arena. Their wealth creation possibilities are now global with the result that those who were multi-millionaires in the past in their domestic markets are now the billionaires in the global market.

This period of change is not dissimilar to the experiences of the late nineteenth century when the telegraph (the

communication revolution of its day), the steamship, refrigeration and the opening up of new low cost markets dealt a harsh blow to UK manufacturing and agriculture with consequences for the British working mans' standard of living.

At the end of the debate a final vote was taken on the motion. The result was a 180 degree turn about and the motion was soundly defeated.

What this tells me is that the real estate industry has not even begun to improve its image with well-argued facts. We continue to remain the evil ones in the eyes of the public, academia, politicians and the media and we should all do our best to dispel this myth.

## A perspective on the Market for Debt secured on UK Commercial Property.

# The Gherkin and the De Montfort Survey

**Dominic Reilly**  
CULS Senior Vice President  
CULS Honorary Treasurer  
Gonville and Caius College,  
1975 -1978

In last year's CULS magazine I wrote an article predicting a healthy and profitable market for debt secured on UK commercial property in the next two years, but with a concern that a return to health in the market might ultimately lead to another downturn fuelled by excessive lending. We can again look at the data reported in this years De Montfort University survey but also review the sobering story of the ownership and financing of the Gherkin over the period of the Global Financial Crisis.

The Gherkin was first developed by Swiss Re and subsequently sold on a partial sale and leaseback to a joint venture between a German fund and Evans Randall. The purchase was partially financed by a £396m loan provided by syndicate of five banks. Swiss Re who occupy half of the building, paid their rent in Swiss francs which encouraged the new owners to denominate half the loan in Swiss francs and the remainder in Sterling.



Added to this the borrowers entered into an interest hedge on their liability to pay interest. Three factors ultimately conspired to move the loan to value ratio from its initial 63% to in excess of 100%. The investment dropped in value in response

to the real estate market crash created by the Global Financial Crisis. As interest rates dropped an additional liability was created in respect of the interest hedge, but worst of all the liability to repay 50% of the loan in Swiss francs increased as

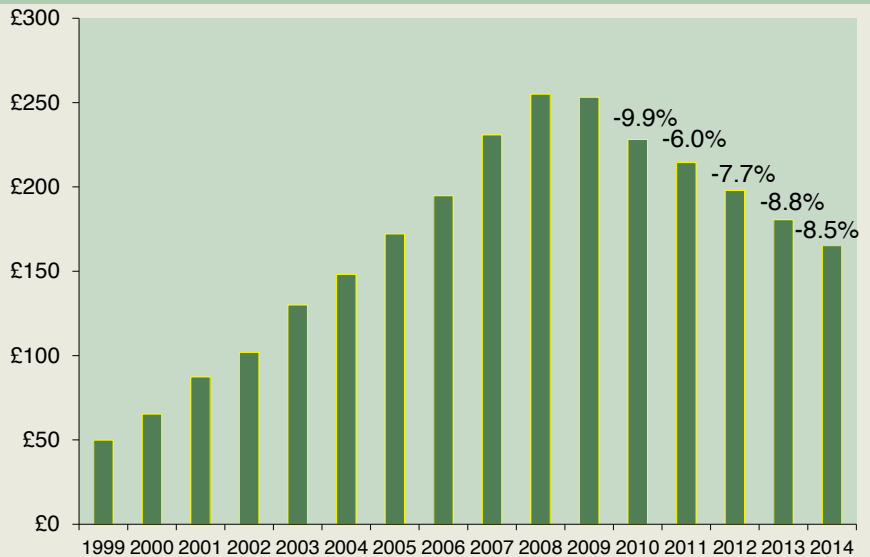
the Swiss franc significantly appreciated against Sterling. As a result the building was placed in administrative receivership for two years and was sold in December 2014 to the Safra family in Brazil. It was reported that they paid £725 million for the investment and subsequently refinanced the purchase with a club of three banks, two of whom came from Japan, which I believe represents the most significant Japanese financing in UK real estate since the late 1980s.

In contrast the De Montfort survey reports continuing deleveraging of the UK real estate market and a significant reduction in the legacy problems which the banks have been dealing with in the last five years. The table below illustrates the deleveraging that has been occurring since 2009 from a peak in excess of £250 billion of loans outstanding to the UK commercial property market to a figure in the order of £160 billion.

The next table illustrates how through the deleveraging process and with the accompanying improvement in capital values, loans with a loan to value in excess of 70% and 100% have reduced from 24% to 14% and 23% to 9% respectively as a proportion of total loans outstanding in the UK commercial property market.

Almost all those lenders who were active in the first part of the millennium leading up to the global financial crisis have now returned to becoming active lenders, alongside a new generation of lenders from Life Insurance Companies and Debt Funds. Witness the return of the Japanese lender on the Gherkin. Borrowers have plenty of choice and apart from development, lenders are willing to lend in all sectors accompanied by a drop in debt pricing and an increase in the loan to value ratios at which they are willing to lend. The debt market can be viewed as being currently well-balanced and the amount of lending is sustainable when taken in the light of data from the De Montfort survey. Competitive pressures amongst the lenders will initially favour borrowers, but time will tell whether the market has learned from the undoing of several years of positive returns caused by unsustainable lending, which might in turn lead to several years of negative returns.

APPROXIMATE AMOUNT OF DEBT (£bn) SECURED BY UK COMMERCIAL PROPERTY REPORTED TO RESEARCH



THE UK COMMERCIAL PROPERTY LENDING MARKET 2014

CURRENT LTV RATIOS BY PROPORTION AND VALUE OF OUTSTANDING DEBT

	2012 Year-end	2013 Year-end	2014 Year-end
% proportion and value of INVESTMENT book size			
LTV less than 70%	53% (£93bn)	63% (£99bn)	76.7% (£107bn)
LTV between 71% and 100%	24% (£42bn)	18% (£28bn)	14.3% (£20bn)
LTV greater than 101%	23% (£41bn)	19% (£31bn)	9% (£12bn)

THE UK COMMERCIAL PROPERTY LENDING MARKET 2014



# Getting consent for major infrastructure projects - five years on

I am a recent recruit to CULS and I work as a solicitor specialising in the planning and consenting of 'economic' infrastructure. Should you ever want to build an airport, motorway or power station, here's how you would go about doing it.

A new regime for speeding up planning consent for the country's largest infrastructure projects was introduced in 2010. Here is what it involves and how it is getting on after five years.

Towards the end of its administration, the 1997-2010 Labour government introduced what became the Planning Act 2008, which created a new and exclusive regime for granting consent for nationally significant infrastructure projects that sat outside the conventional town and country planning system.

This had been prompted by several high-profile delays for much-needed infrastructure, Heathrow Terminal 5 being the most-used example. That took seven years from application to decision and included a four-year public inquiry.

The new regime was to speed the process up at every stage:

- arguments about need were taken out of consideration of individual applications and decided in advance through a series of 'National Policy Statements';
- compulsory consultation was introduced to ensure that applications were in better shape when they were made;
- several consents were able to be combined in a single 'one stop shop' application;
- public inquiries were replaced by a few short hearings and a lot of written material;
- fixed timescales for examining and deciding applications were introduced; and
- ministerial decision-making was removed altogether and replaced by an independent Infrastructure Planning Commission.

For the first time, projects of many different types - wind farms, airports, power stations, motorways, sewage plants, hazardous waste projects to name but a few - above specified size thresholds - would use the same process. As an example, anything that will generate more than 50MW onshore by whatever means must use the regime (and it's a criminal offence not to).

So what happened when the regime was 'switched on' on 1 March 2010 and the five years since then?

There was a slow start - and a rush of applications in the week before 1 March to avoid using the new regime - but it has settled down since then, averaging about one application per month. Not many, but these are the largest projects in the country, or nearly the largest - very large government projects like HS2 continue to be authorised via their own Acts of Parliament.

The National Policy Statements underpinning the expression of need for infrastructure were slow in coming - the first wasn't finalised ('designated') until July 2011 - but there are now ten in place.

The 2010-15 coalition government didn't like the IPC and abolished it, returning decision-making to ministers, but otherwise left the regime without any significant changes, although making a few smaller operational tweaks over time. The new government's only proposed change so far is to remove onshore wind farms from the regime.

At the time of writing, 38 out of 39 applications to have come out the other end have been given consent, including Hinkley Point C nuclear power station, the Thames Tideway Tunnel 'supersewer', a host of giant offshore windfarms and new dual carriageways from Northumberland to Cornwall. The promoters of the only project to be refused - for a gas storage project in Lancashire - successfully overturned the refusal in the High Court and it is now being reconsidered, so arguably the regime has a

100% success rate so far.

It is far from a rubber-stamping exercise, though, and has had many ups and downs. When an application is made, PINS have 28 days to decide whether it is good enough to accept for examination, and five applications haven't got that far, ironically making it a more difficult hurdle to overcome than the main consent at the end.

A couple of projects have been held up in Parliament following consent due to specially protected land being affected, although the types of land triggering this process have since been reduced. Six have been challenged in the courts - none has been derailed that way but all have been delayed, sometimes by more than a year.

The regime was extended to several types of non-infrastructure project in December 2013 as an optional alternative, and now covers leisure facilities, large commercial and industrial projects and mineral extraction. Housing and fracking are specifically excluded, but the new government may change its mind if there continue to be problems with getting such developments off the ground.

So far only one project - the London Paramount entertainment resort proposed for north Kent - has chosen to use the regime, but others may follow once it becomes more familiar outside infrastructure. Although designed for large infrastructure projects, it does have some advantages to commercial developers such as direct compulsory purchase powers and predictable timescales.

So despite some teething problems, the regime is now firmly established and here to stay. The first projects to come through it are now in operation, perhaps in a shorter time than they would otherwise have taken - so far, so good.

**Angus Walker**  
Partner and Head of Infrastructure  
Planning, Bircham Dyson Bell LLP  
Christ's College, 1979-1983

# Green Belt:

**Martha Grekos**  
Partner and London Head of Planning  
and Infrastructure, Irwin Mitchell

A consensus exists within London that more homes must be built though views differ about how. Priority should be placed on re-developing brownfield land but such re-development is often a complex, slow and costly process. It is unrealistic to think that this alone will meet the scale of London's housing need. More land is needed for house building.

The Green Belt within London includes some valuable wildlife sites and areas that are important for recreation. However, the Green Belt is not intended to be an environmental or amenity designation, and it also includes lots of poor quality land with no public access. A sensible review could continue to protect what is good about the Green Belt, while releasing a small proportion which is close to existing or future transport nodes, that is of poor environmental or civic value and could better serve London's needs by supporting sustainable, high-quality, well-designed residential development that incorporates truly accessible green space so as to help meet the need for homes for London's rapidly-growing population.

## Green Belt boundary review

The National Planning Policy Framework (NPPF) makes provision for changes to the Green Belt. It is possible for a local planning authority to conduct a review of the Green Belt land and consider redefining boundaries which add or take away Green Belt in order to meet local planning requirements (see para 83 of the NPPF). However, a Green Belt review should only happen in "exceptional circumstances" and this concept is further elaborated in



paragraph 82 of the NPPF as being "for example when planning for larger scale development such as new settlement or major urban extensions".

The previous Government encouraged local planning authorities to use existing laws to review and tailor the extent of the Green Belt in their local areas. As an incentive to use these powers, the previous Government said that local planning authorities who review Green Belt land in their local plans will have their local plan examination process prioritised (House of Commons debates, September 2012). The Campaign to Protect Rural England (CPRE) criticised this policy for relaxing protection of the Green Belt land as it went directly against the Government's assurance that it would maintain protection for the Green Belt and that the Green Belt's boundaries should only be changed exceptionally.

In January 2013, Cheshire East Council had proposed swapping part of its Green Belt for new settlements and creating new swathes of Green Belt elsewhere in the borough in its draft local plan. Cheshire East's local plan, published for consultation that month, aimed to deliver 27,000 homes

and 20,000 new jobs by 2030. Further, in 2014, it was reported that a planning inspector had told Reigate and Banstead Borough Council that it must release Green Belt land if it is to adopt its local plan. The Reigate and Banstead plan proposed building at least 6,900 new homes up to 2027, with up to 1,400 homes on two Green Belt urban extensions.

Following these reports, the then Planning Minister Nick Boles wrote to Sir Michael Pitt, Chief Executive of the Planning Inspectorate, in March 2014 to emphasise that it was for the local planning authority to review its Green Belt land as part of its local plan process and should not be for the Planning Inspectorate to recommend at examination stage.

In the letter sent on 3rd March 2014, Nick Boles said he was "disturbed" by the inspector's use of language in the Reigate and Banstead Borough Council core strategy examination report as the inspector's language "invited misinterpretation of government policy and misunderstanding about the local authority's role in drawing up policies in the draft plan". He went on to say that "The [National Planning Policy] Framework makes clear that a green belt boundary may be altered only in exceptional circumstances" and that "it must always be transparently clear" in inspectors' reports that, if authorities review and adjust green belt boundaries, it was their choice to do so. The Secretary of State would consider intervening in local plans, he added, if they are adopted where an inspector has recommended a green belt review not supported by the local authority.

Days later, Sir Michael Pitt replied to Nick Boles saying that the Planning Inspectorate has "taken steps to reduce the risk of misleading coverage in the media about inspectors' reports and to ensure that reports and other relevant documents are carefully worded". He said where there are any modifications relating to green belt boundaries, reports would make it

# has the time come for the belt to be loosened?



clear that it is “the council itself that has chosen this path”. Sir Michael Pitt added that: “I understand that the wording of the Reigate and Banstead report, and not its approach to and reasoning on green belt considerations, is at the heart of your concerns.” But Sir Michael Pitt said that inspectors wanted “confirmation that in local plan examinations they should continue to question local planning authorities to determine the extent to which they have followed [NPPF] guidance” relating to meeting their objectively assessed housing needs and to green belt boundaries.

In his reply, Nick Boles confirmed that his letter of 3 March “set out concerns over the inspector’s use of language which invited misinterpretation of government policy”, and did not indicate a change of policy. He added: “Inspectors in local plan examinations should continue to determine whether local planning authorities have followed the [NPPF] in seeking to meet the objectively assessed development needs of their area.” Nick Boles said that he “would strongly encourage continued momentum on local plan examinations”.

## A review of recent case law

At the plan-making level, the amount of litigation has been concentrated but remains a significant issue that local planning authorities must pay close regard by informed reference to the relevant national policy wording.

*R (Hunston Properties Ltd) v SSCLG and St Albans City and District Council* [2013] EWHC 2678 (5 September 2013) [2013] EWCA Civ 1610 (12 December 2013)

The case turned on two points contained in paragraph 47 of the NPPF. The NPPF advises local authorities to “boost significantly the supply of housing” by making sure the local plan meets housing need in their area including - where consistent with other policies in the NPPF - the identification of key sites critical to the delivery of housing strategy. Local authorities should also update annually their “supply” of specific deliverable sites, in order to provide five years’ worth of

housing (plus a buffer of five per cent).

Hunston had applied for outline planning permission in relation to 116 dwellings on a Green Belt site and had argued that very special circumstances justified the development because, among other things, the Local Plan was out-of-date and the Council had not identified a 5 year supply of deliverable housing to meet full, objectively assessed, housing needs. Permission was refused by the council, principally on the basis that the site was in the Metropolitan Green Belt. Hunston appealed, but the Inspector dismissed the appeal. Hunston then challenged that dismissal, and succeeded in the High Court as it upheld Hunston’s appeal and quashed the refusal of permission. The Council challenged the decision of the High Court in the Court of Appeal.

St Albans is almost entirely surrounded by green belt; there is very little undeveloped land which could be identified as a key site in the terms of the NPPF. In addition, there is a “policy vacuum in terms of the housing delivery target” - partly because there is no up to date local plan, but also because the Regional Spatial Plan for the East of England (the East of England Plan) has been revoked.

The Inspector at the planning appeal found herself in a difficult position. She was faced with a Green Belt site, where “very special circumstances” are required by the NPPF to justify inappropriate development. Decision-makers in these circumstances have to determine whether those “very special circumstances” outweigh the contribution which the site makes for Green Belt purposes. The ultimate decision will turn on a number of factors, including the shortfall in the housing supply, the scale of that shortfall, and also the context of the shortfall (including issues such as planning constraints on development).

When reaching her decision, the Inspector had no housing targets on which to form her view of the “very special

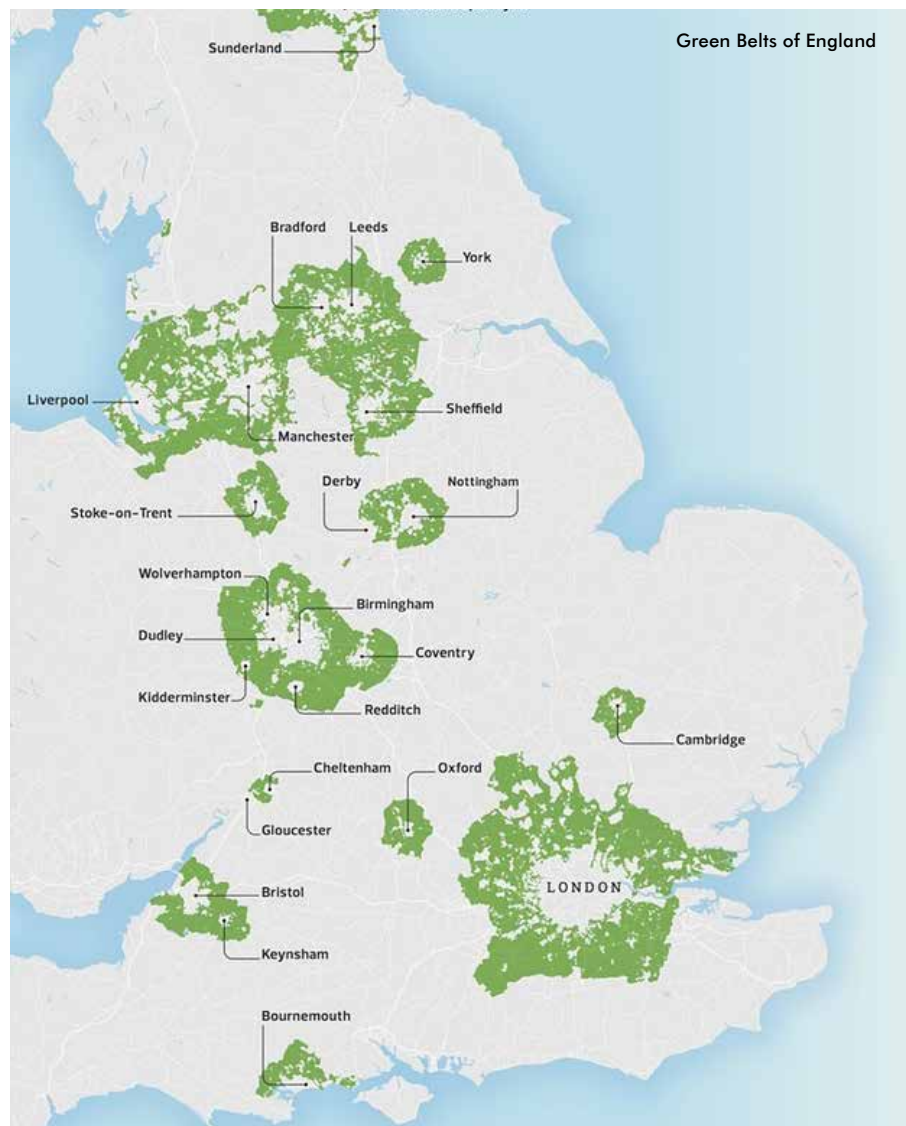
circumstances". The inspector heard the Council's evidence on housing need, which took into account the restraints on available sites for development. That figure was 360 units per annum - as set out in the revoked East of England Plan.

On behalf of Hunston at the Court of Appeal, it was argued that the Council's appeal was misconceived, confusing the NPPF's guidance on "plan-making" with that on "decision-taking", and illegitimately sought to require an Inspector at a local planning inquiry to undertake a quasi plan-making assessment in circumstances where there was no up-to-date Development Plan. Such an approach was contrary to paragraph 47 of the NPPF, the first bullet of which applied to plan-making only, which was subject to the statutory protections of the Examination in Public and compliance with the requirement of soundness.

The Court of Appeal found that the Inspector had erred in using a quantified figure, which departed from para 47 of the NPPF, for the Council's five year housing requirement. The Court of Appeal held that, in the absence of a current Local Plan, the Inspector should have found that there was a shortfall in housing land supply. Further, the Court of Appeal found that there may be nothing special (let alone "very special") about a shortfall in a district with very little undeveloped land outside the Green Belt. That would be a matter of planning judgment for the decision-maker. But, quite aside of this issue, there was an error in the Inspector's decision, which would therefore be quashed. The council's appeal was dismissed.

#### Lord Justice Keene said:

"Where this inspector went wrong was to use a quantified figure for the five year housing requirement which departed from the approach in the Framework, especially paragraph 47. On the figures before her, she was obliged (in the absence of a local plan figure) to find that there was a shortfall in housing land supply. However, decision-makers in her position, faced with their difficult task, have to determine whether very special circumstances have been shown which outweigh the contribution of the site in question to the purposes of the Green Belt. The ultimate decision may well turn on a number of factors, as I have indicated, including the scale of the shortfall but also the context in which that shortfall



is to be seen, a context which may include the extent of important planning constraints in the district as a whole. There may be nothing special, and certainly nothing "very special" about a shortfall in a district which has very little undeveloped land outside the Green Belt. But ultimately that is a matter of planning judgment for the decision-maker."

Hunston offers critical lessons for decision makers determining housing schemes in light of planning constraints, where an up-to-date plan, or for that matter definitive evidence on housing needs is lacking.

In determining "objectively assessed needs", the specific role of the qualification "as far as is consistent with the policies in this NPPF" is directed at the plan making process. It does not qualify or reduce, as the Inspector wrongly assumed, the housing need itself but the extent to which the local plan might be able to meet the housing need in light of constraints. The Inspector had erred in adopting a constrained figure

for housing need. She ought to have found a shortfall in the expected housing land supply below objectively assessed needs. A shortfall in housing land supply will not automatically demonstrate "very special circumstances" justifying development in the Green Belt, but the scale of the shortfall might, depending on the degree of weight and significance afforded to it. Broader district wide constraints may mean a shortfall in housing land supply is inevitable, therefore, of limited weight in development control decisions. Essentially, broader district wide constraints, as well as site specific considerations, could be factored into the overall planning judgement.

Hunston confirms that a local plan could legitimately fall short of meeting objectively assessed needs due to the extensive constraints in the area (not simply the site itself) without the shortfall amounting to "very special circumstances". This does not obviate, but demands, an up-to-date

plan. In a development control scenario, having established the correct level of objective need, the weight to be attached to the scale of any shortfalls in supply and the wider planning context are likely to be determinative of whether “very special circumstances” exist.

*Gallagher Estates Ltd v Solihull MBC* [2014] EWHC 1283 (30 April 2014) [2014] EWCA Civ 1610 (25 November 2014)

The Claimants’ sites in the Tidbury Green area of Solihull were placed into the Green Belt by the Solihull Local Plan adopted on the 3 December 2013. They challenged the Plan on three grounds, namely that (i) it was not supported by an objectively assessed figure for housing need, within the meaning of NPPF, (ii) the Council had failed in its duty to cooperate, and (iii) the Council adopted a plan without regard to the proper test for revising Green Belt boundaries.

The Plan proposed a housing provision over the period 2006-28 of 11,000 dwellings. That figure was derived from the 2009 revisions of the now-revoked West Midlands Regional Spatial Strategy, and in the context of PPS3. The Council contended that, albeit the Plan had not identified a figure for “objectively assessed need”, there was no requirement to identify such a figure. The RSS-derived housing figure had taken into account evidence of housing need as well as constraining policy factors. There had been no significant change in demographic trends or policy. In consequence, the Council claimed that the requirements of the NPPF were satisfied.

The claim succeeded in the High Court before Hickinbottom J. The Council appealed against that decision. The Council’s appeal was dismissed.

The leading judgment in the Court of Appeal was given by Laws LJ, who held that although there are aspects of the NPPF which reflect earlier planning policy, “there are also significant changes”. Those changes include the requirement in NPPF paragraph 47 to “boost” housing supply “significantly”, and the formulation in NPPF paragraph 47 “to ensure that their Local Plan meets the full, objectively assessed needs...”.

#### **Laws LJ held that:**

“The NPPF indeed effected a radical change. It consisted in the two-step approach which paragraph 47 enjoined. The previous policy’s methodology was essentially the striking of a balance. By

contrast paragraph 47 required the OAN [objectively assessed need] to be made first, and to be given effect in the Local Plan save only to the extent that that would be inconsistent with other NPPF policies. [...] The two-step approach is by no means barren or technical. It means that housing need is clearly and cleanly ascertained. And as the judge said at paragraph 94, “[h]ere, numbers matter; because the larger the need, the more pressure will or might be applied to [impinge] on other inconsistent policies”.

The Court held that the Inspector and the Council had failed to identify a figure for the objective assessment of housing need as a separate and prior exercise, and that was an error of law.

In addition, Laws LJ dismissed the Inspector’s reasons for returning the Respondents’ sites to the Green Belt, saying that:

**“The fact that a particular site within a council’s area happens not to be suitable for housing development cannot be said without more to constitute an exceptional circumstance, justifying an alteration of the Green Belt by the allocation to it of the site in question.”**

The relevant parts of the Plan were remitted to the council for re-consideration.

The Court held that the policy change brought about by the NPPF is “radical”. It cannot be met simply by transposing the approach under previous policy – balancing need, demand and other questions of policy. Para 47 of the NPPF requires plan-makers to take a discrete step which was not required under PPS3: the express identification of a figure for full objectively assessed housing need. In taking that first step, Laws LJ endorsed Hickinbottom J’s comment that earlier figures from regional strategies can form a relevant starting point, but must be regarded with “extreme caution”. The Court of Appeal also confirmed that Sir David Keene’s interpretation of paragraph 47 of the NPPF in *Hunston* (i.e. “the needs assessment, objectively arrived at, is not affected in advance of the production of the Local Plan, which will then set the requirement

figure”) applies to plan-making as well as to decision-taking.

Councils should therefore think very carefully before preparing local plans which rely on pre-NPPF housing figures. The requirements of the NPPF cannot be met by transposing the PPS3 approach, because the NPPF requires plan-makers to take the preliminary step of identifying the objectively assessed housing need. While earlier figures from regional strategies can form a relevant starting point, they must be regarded with “extreme caution”.

*R (on the application of IM Properties) v Lichfield District Council* [2014] EWHC 2440 (18 July 2014) [2015] 2077 (Admin) (20 July 2015)

The Lichfield District Local Plan was submitted for examination in March 2013. In 3 September 2013, following hearings in June-July 2013, the Examining Inspector, Robert Yuille MSc DipTP MRTPI, recommended Main Modifications to find a site or sites for an additional 900 houses. Following extensive further Sustainability Appraisal and Green Belt assessment work, the Council recommended Main Modifications requiring the release from the Green Belt of two sites to the south of the city of Lichfield, owned by Taylor Wimpey (UK) Ltd and Persimmon Homes Ltd respectively. Following decisions of the Economic and Development (Overview and Scrutiny) Committee and Cabinet, the Council voted to approve the proposed Main Modifications on 28 January 2014.

The Claimant, the promoter of a site to the north of Lichfield, challenged that decision by judicial review in March 2014. The grounds included: (1) Misunderstanding of the approach to revisions to the Green Belt as a matter of law; (2) Unfair process in dealing with the Claimant’s land; (3) Predetermination. In defence to the claim, the Defendant Council and both Interested Parties submitted that the challenge was jurisdictionally barred by section 113(2) of the Planning and Compulsory Purchase Act 2004 (PCPA).

In the High Court Mrs Justice Patterson held that the Claimant’s challenge was subject to the jurisdictional ouster in section 113(2) of the PCPA but still went on to provide a fully reasoned decision as to why the claim would have been dismissed in

any event. Permission was then refused on the papers by Sullivan LJ.

The Local Plan examination recommenced before Inspector Yuille in October 2014. The Inspector recommended the Plan be adopted with the Main Modifications in January 2015.

The Claimant then sought to challenge that adoption by way of a section 113 PCPA challenge. At the same time, it applied for an interim injunction to suspend the plan. Following various interim stages, a full-day hearing was held before Mr Justice Holgate solely in respect of the injunction: [2015] EWHC 1982 (Admin) (22 April 2015). The judge dismissed the application, also awarding the Interested Parties their costs.

The section 113 challenge was brought on a number of separate grounds, including that the Inspector's application of the "exceptional circumstances" test for the removal of land from the Green Belt and the extent of changes that were capable of comprising Main Modifications.

However, Mr Justice Cranston rejected all of the company's complaints. The judge rules that the inspector had rightly asked himself whether there were "exceptional circumstances" justifying incursions into the town's Green Belt. The judge added that it is fundamental that courts do not interfere with the proper exercise of an inspector's "planning judgment".

*R (on the application of) v Central Bedfordshire Council & Ors* [2014] EWHC 4325 (Admin) (4 December 2014) [2015] EWCA Civ 537 (6 May 2015)

In 2011, Luton Borough Council and Central Bedfordshire Council had co-operated on a draft joint core strategy under the previous regional spatial strategies planning regime. Central Bedfordshire subsequently granted outline permission for a major development on 262 ha of open fields between Luton and a major link road, subject to an affordable housing quota. Luton Council brought judicial review proceedings out of concern that the amount of affordable housing agreed was too low.

Luton Council claimed that its neighbour had failed to take into account paragraph 83 of the NPPF, which requires exceptional circumstances to be shown before a proposal to alter the boundaries of a green belt in a local plan is allowed. It also

asserted that Central Bedfordshire failed to take into account and apply paragraph 216 of the NPPF, requiring attention to be given to unresolved objections to the draft development strategy.

It alleged that committee members had been misdirected by an officers' report stating that adoption of relevant parts of the development strategy allocating development to the chosen site was inevitable, and that the other council failed to give proper consideration to whether there were alternative sites.

The Court of Appeal rejected the appellant's challenges. In its view, paragraph 83 did not lay down a presumption or create a requirement that green belt boundaries had first to be altered via the local plan before development might take place. It held that paragraphs 87 and 88 of the NPPF plainly contemplate the possibility that development might be permitted on land in the green belt without the need to change its boundaries in the local plan, provided very special circumstances existed.



Giving the only reasoned judgment of the court Lord Justice Sales said this:

"... paras 87-88 of the NPPF provide guidance regarding the approach to be adopted if there is a proposal for development of an area within the Green Belt set out in a local plan: "very special circumstances" have to be shown. This is a stricter test than that in para 83 in respect of changing the boundaries of the Green Belt in the local plan. Paragraph 83 does not lay down a presumption or create a requirement that the boundaries of the Green Belt must first be altered via the process for changing a local plan before development may take place on the area in question. Paragraphs 87-88 plainly contemplate that development may be permitted on land within the Green Belt, without the need to change its boundaries in the local plan, provided "very special

circumstances" exist. Nor does para 83 somehow create a presumption that the boundaries of the Green Belt must first be altered by changes to the local plan ... before permission for development can be given, in a case where (as here) there is a parallel proposal to alter the boundaries of the Green Belt set out in the local plan ... there is nothing in para 83 (read in the context of the entirety of section 9 of the NPPF) to prevent a planning authority from proceeding to consider and grant planning permission for development on the land in question while it remains in the designated Green Belt, provided the stringent "very special circumstances" test is satisfied."

There remains a glimmer of hope for developers and landowners, but for the time being at least new housing sites in the Green Belt are likely to remain very much the exception rather than the rule. Some local authorities, however, are heavily constrained by Green Belt and reviews of Green Belt boundaries are highly charged politically.

The current arrangements for strategic planning through local plans established by the Duty to Co-operate in the Localism Act 2011 and the soundness tests in the NPPF are relevant to the consideration of the Green Belt. The level of housing which a local plan needs to provide for is determined in part by whether there is an "unmet requirement" from a neighbouring authority (NPPF, paragraph 182). More generally it is said that "local planning authorities should work collaboratively with other bodies to ensure that strategic priorities across local boundaries are properly co-ordinated and clearly reflected in individual Local Plans (NPPF, paragraph 179). Green Belt is a strategic policy and hence a strategic issue in the terms of the Duty to Co-operate, and so areas of the Green Belt should be assessed by local authorities collectively. Significantly Green Belt surrounding an urban area may fall into different administrative areas. Does a neighbouring authority's non Green Belt land prevail over local Green Belt? In the absence of Regional Strategies (which were a means of addressing and making decisions about these issues), some authorities are working together to resolve such matters.

The Duty to Co-operate cannot on its own always overcome these issues and in order to deliver the quantity of new homes required it is likely that some erosion of the Green Belt will be needed.

## Conclusion

Development should not be seen as something “awkward” or that disorder would take place if we built on the Green Belt – there are checks in place and those are evident in the NPPF. It would seem that increasing pressure will come to bear on non-designated countryside, often that which surrounds villages. This rather begs the question, isn’t Green Belt land surrounding a town or city more likely to be in a sustainable location (access to employment centres, access to public transport, etc) than undesignated countryside surrounding a village? There should be selective building on the least attractive and lowest amenity parts of the Green Belt. Not only are they close to cities where people want to live but only a tiny fraction of their vast extent would solve the

crisis of housing, housing land and housing affordability for generations to come.

The London of today is a very different place to the city that existed sixty years ago when the Green Belt, as we know it, started to take shape. Back then, this girdle, designed to constrain the capital’s physical growth, surrounded a city that was only just starting to emerge from the hardships of the Second World War and whose population was falling. Fast forward 60 years to London in 2015 and we find a global city with a vibrant, diverse and growing economy that attracts more foreign investment than any other. London’s population is growing rapidly and is at 8.6 million people today, just above the previous historic peak in the pre-war 1939 census, and set to hit 11 million by 2050. London is, however, failing to build the number of homes needed to house this growing population

and to support its economic potential.

The Green Belt arouses strong passions, but the debates around it are about something still larger, which is the ability of a country to act together in a shared endeavour or to subdivide into competing interests. The fact that it is named in the singular, although there are many green belts, indicates its status as an idea, even an ideal, as well as a place. It is part of English, if not British, national identity, protected by the shade of William Blake. The London Society commissioned research which says that we “need to move away from the idea that the countryside is a sacrosanct patchwork of medieval hedgerows” and towards the recognitions of “housing as a need to be met in locations with appropriate environmental capacity”. It is no longer good enough to insist that the Green belt must, at all costs, never change.

# Improving tenure:

## FAO and the 2012 CFS Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the context of National Food Security (VGGT).

At their summit meeting on 7-8 June in Schloss Elmau, Germany, the G7 leaders reaffirmed, for the fourth year in a row, their support for the implementation of the Voluntary Guidelines on the Responsible Governance of Tenure, stating that “the responsible governance of tenure of land is crucial for socially equitable agricultural development and for attracting investment” and that they will continue their support of partner countries in their implementation.

The Voluntary Guidelines are the ground-breaking first global ‘soft law’ on tenure and were officially endorsed by the Rome-based Committee on World Food Security on 11 May 2012. Since then implementation has been encouraged by G7/8, G20, Rio+20, United Nations General Assembly, Francophone Assembly of Parliamentarians and many others.

### What are they?

- a global consensus on internationally accepted principles and standards for responsible practices in governance of

tenure – recognising and respecting people’s legitimate tenure rights.

- a tool to improve governance of tenure for the benefit of all, in particular vulnerable and marginalised people; with the goals of food security and progressive realisation of the right to adequate food, sustainable development and environmental protection.
- not legally binding, nor replacing existing national or international laws, commitments, treaties or agreements. They do not limit or undermine any legal obligations which States may have under international law.
- an essential mechanism in the fight against hunger and malnutrition.

### What do they do?

- provide a framework that States can use when developing their own strategies, policies, legislation, programmes and activities.
- allow governments, civil society, the



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Food and Agriculture  
Organization of the  
United Nations



Exhibit 1: Increase in awareness of the importance the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT)

private sector and citizens to judge whether their proposed actions and the actions of others constitute acceptable practices.

- seek to improve the policy, legal and organisational frameworks regulating the range of tenure rights that exist over these resources.

Since 2012 there has been an extraordinary increase in awareness of the importance and the potential for the Voluntary Guidelines to make a real difference through responsible governance of tenure (see exhibit 1). They have 'gone viral', with astonishing take-up across all stakeholder groups reflecting a shared commitment to their development and application (see exhibit 2). Many civil society organisations, including ActionAid, Caritas, Oxfam and others are now

focussing their efforts using the Voluntary Guidelines to assist people to safeguard their tenure rights. The private sector is taking up the challenge as a part of social responsibility, with global brands, including the Coca-Cola Company, PepsiCo, Nestlé and Cargill, using the Voluntary Guidelines as an integral part of their corporate policies. Academia is also increasingly cooperating in detailed technical guides in specific areas to support implementation, and using this suite of knowledge and e-learning materials to support student learning.

The Voluntary Guidelines have fundamentally changed the discourse and landscape on tenure rights at global, regional and country levels.

They are changing global level strategies by escalating recognition of the fundamental, cross-cutting importance of tenure in addressing many developmental, environmental and other issues. The Voluntary Guidelines principles are an



VGGT 2015 March newsletter is available online.

element in considerations of the post-2015 development agenda and discussion of the sustainable development indicators and are a reference point in climate change discussions.



Exhibit 2: astonishing take-up across all stakeholder of VGGT

Exhibit 3:

### Government of Sierra Leone takes leadership in the implementation of the Voluntary Guidelines

In May 2015, the Government of Sierra Leone through its relevant line-ministries took the leadership in the implementation of the Voluntary Guidelines at country level. The new Inter-ministerial Task Force consisting of four key ministries, chaired by the Minister of Agriculture, is supportive and committed to seeing the incorporation of the Voluntary Guidelines principles into relevant legislation currently under review, including the Fisheries Bill, Land Policy, Forestry Bill, the General Registration Act Caps 255 and 256, and will ensure coordination, ownership and transfer of knowledge and skills related to the Voluntary Guidelines among all relevant stakeholders. The Voluntary Guidelines principles served as a reference during the final consultations on the draft National Land Policy on 11 May.

The Voluntary Guidelines implementation process in the country has been made possible thanks to technical support from FAO and financial support from Germany.

Exhibit 4:

**The Global Donor Working Group on Land**

The map displays land and resource governance programmes from bilateral and multilateral donors as well as development agencies. Currently the database has information on **561 projects in 126 countries** with a total value of USD **4.7 billion**.

For more information visit:  
<http://landgov.donorplatform.org>



Because the Voluntary Guidelines present a neutral framework agreed by all parties, they are enabling very diverse stakeholders in countries to have conversations that have not been possible before, and to work together on what – as land economists always, and now clearly many, many others, agree – is one of the most fundamental and challenging of all development issues.

### What is so exciting about Voluntary Guidelines' implementation?

Real changes are happening on the ground drawing directly on the Voluntary Guidelines. States are taking up the Voluntary Guidelines. Donors are supporting states in the implementation of the Voluntary Guidelines. Countries are using the Voluntary Guidelines for guidance (see exhibit 3). The government of Guatemala, for example, recently passed a new Land Policy, into which the Voluntary Guidelines were integrated. In other examples, Sierra Leone is championing the Voluntary Guidelines in their reviews of legislation; government policy makers and other stakeholders in several countries of the Western Balkans are planning to increase gender equality in access to land based on the Voluntary Guidelines.

The international community, through the Voluntary Guidelines-inspired Global Donor Working Group on Land, is progressively sharing information, transparently and openly, which is enabling improvement of donor coordination in support of implementation of the Voluntary Guidelines (see exhibit 4 above).

### What still needs to be addressed?

Important steps have been made but it is a long road ahead. The work so far is just a start in recognising and respecting people's tenure rights and in creating appropriate administration systems that will enable these to be realised. More awareness is needed especially at the country level. More capacities are required at all levels and across all groups. More country-based work, drawing on more and stronger partnerships, is at the root of making changes happen; and more monitoring

will be essential to be sure of what is being achieved. FAO and many others see great opportunities for moving forward, by further strengthening partnerships with and between governments, civil society organisations, the private sector – and, of course, academia – sharing experiences across countries and making available the technical guides, e-learning and other materials more and more widely to encourage greater implementation of the Voluntary Guidelines on the ground (see exhibit 5).



Exhibit 5:

### New video: "Open Tenure: A means to empower communities"

A new video shows Open Tenure, new technology and software developed under FAO's Voluntary Guidelines programme, being used by a community forestry group in northwest Cambodia to collect information on their tenure rights. Open Tenure empowers communities and individual citizens to map and record tenure claims and contributes to safeguarding their security of tenure. It uses hand-held tablets, open source software and a community server.

Watch the video online: [www.youtube.com/watch?v=qe2vJpGwBjA](http://www.youtube.com/watch?v=qe2vJpGwBjA)

# Building homes we

We are constantly hearing from sources of all kind that we are not building enough homes in England to meet the need of a growing population. In the year to Q1 2015 140,500 homes were started in England (according to the DCLG), 41% below the number needed according to the TCPA (240,000). In order to increase the supply of new homes, we need a wider range of type of developer and more residential development land bought forward in the right places.

## Permissions and starts

Following the introduction of the NPPF, and with the improving economic circumstances, planning consents for new homes have been increasing over the last three years. In 2014, full permission was granted for 196,000 new homes in England, 20,000 more than 2013 (Glenigans). Although the number of permissions is increasing, they are not high enough in the areas of greatest housing need and where it is viable to build.

Outside of London, by region, the East of England requires the highest number of additional consents. In 2014 it had the highest shortfall in planning consents with only 47% of permissions granted (16,334 homes) compared to need (30,600 homes). The North West, by contrast, has enough permissions compared to need but only half the number of consented homes were started in 2014. Being a lower value area it is likely that a number of sites are

stalled due to viability. Analysis of stalled sites on Glenigans shows that 58% are in areas where values are below £200 per square foot.

This is one reason why new home starts have not increased at the same rate as planning consents. The number of homes started is currently 31% below the number of homes given planning consent. A second reason is the increased number of large sites in the planning system taking a longer time to build out. Thirdly, growth in starts may also have slowed due to the constrained mortgage market and fears over the withdrawal of Help to Buy after the election.

In order to increase the number of homes built in England and progress towards meeting housing need, we need more land bought forward in viable areas where need is greatest.

## Private housebuilders

The private housebuilders currently build the majority of the new homes in England, 86% of all starts in the year to Q1 2015 (115,400). They have been increasing their output over the last six years and are set to continue expanding. Savills estimate that they have the potential to increase to 150,000 per annum by 2020 if barriers to expansion are removed.

Since its introduction in April 2013 the Help to Buy Equity Loan has been particularly significant in the expansion of the private housebuilding industry. Among

many of the largest housebuilders an average of 32% of sales are supported by Help to Buy. 30,146 sales of new homes in England were supported by the scheme in the year to March 2015, an annual rate which Savills expect to be maintained for the next five years now that it has been confirmed to 2020.

Typically, housebuilders plan to deliver controlled growth in the next five years, maintaining or expanding their operating margins of 15-20% over the cycle providing returns to shareholders and improving their return on capital employed. Planning delays are considered a major constraint by 63% of housebuilders (HBF Survey Q1 2015) and are likely to continue to remain a constraint when local authority planning departments are reduced due to public spending cuts. Additionally, the cost and availability of materials and labour have been considerable constraints over the past two years, although all have eased in the last quarter as manufacturing has increased. Labour availability remains the biggest constraint with bricklayers and joiners particularly in demand.

## Alternative developers

By broadening the market to a wider mix of developers and organisations commissioning housing there is a greater capacity for more homes to be built. Our analysis shows that housing associations and local authorities have the potential to start building 45,000 new homes in

# the need



Dr Lucy Greenwood  
Savills Residential Research  
New Hall, 2005

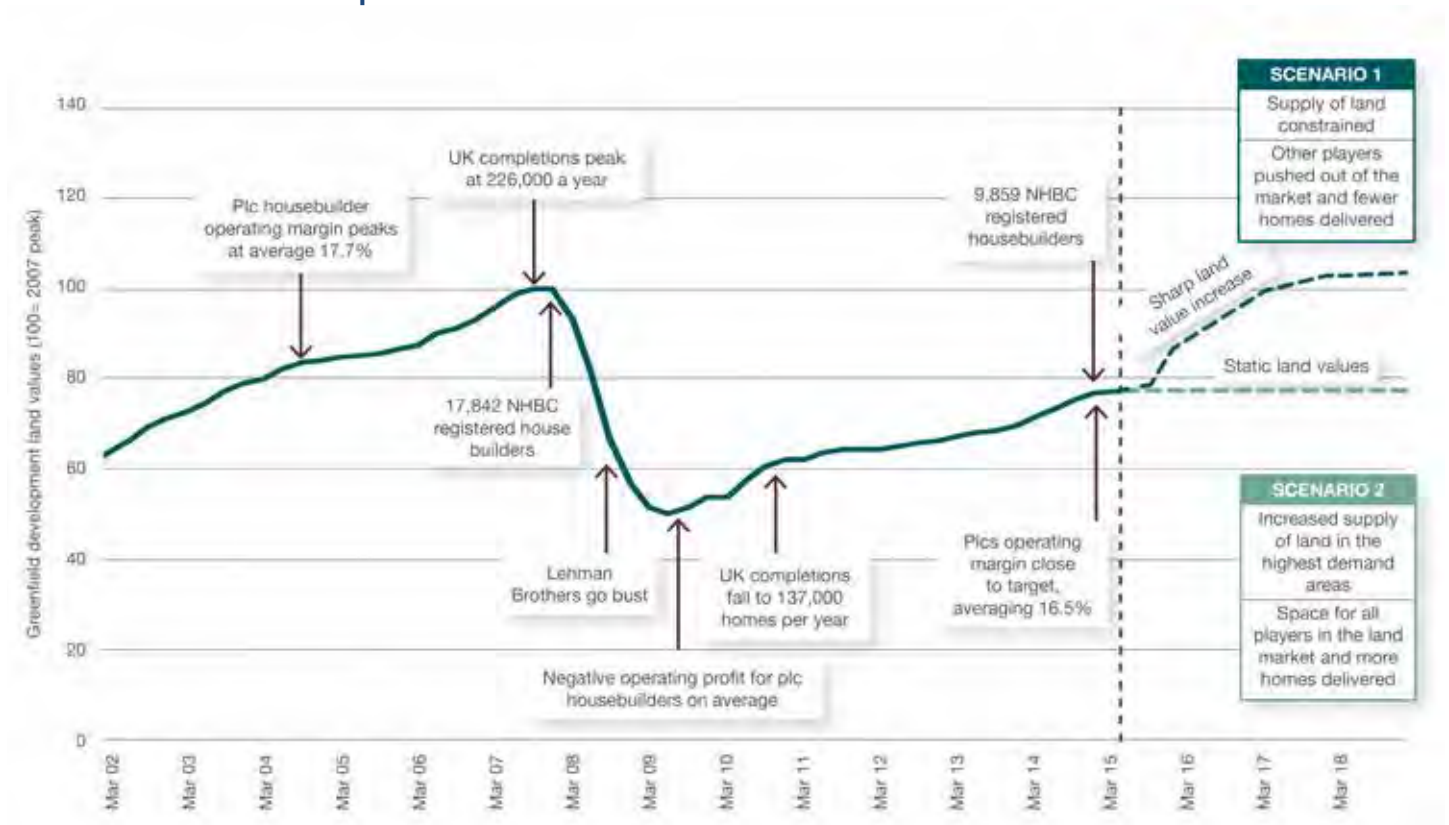
England by 2020. The expansion of the purpose built private rented sector could boost housing delivery further. Savills estimate that 10,000 new homes could be added by institutionally-funded PRS under the right conditions.

## The importance of land supply

Greenfield and urban development land values are currently still below their 2007 peak levels. A more selective approach taken by major housebuilders in recent quarters means that land value growth has slowed following a period of stronger

risers. However, the additional potential demand for development land that we are projecting, already seen in parts of the South East, will inevitably lead to higher land values unless more supply is made available in the right places.

## Greenfield development land values



# Thought Leadership:



**James Shepherd**  
Associate, Knight Frank, Rural Consultancy, Home  
Counties and East Anglia  
Magdalene College, 2006 - 2009

In addition to glossy property-specific brochures, the real estate sector has long put research reports and indices at the heart of its communication strategy.

This kind of intellectual, data-driven approach, particularly when it emanates from a dedicated and independent research team, helps to promote the expertise of the firms involved, and adds a certain authority to back-up the sentiment-based commentary traditionally provided by agents and consultants.

Numbers, especially those that are easy to understand and relate to – farmland has increased in value by almost 200% over the past 10 years, for example - also help to generate a huge amount of press coverage.

But during my career I've noticed that despite the undoubted success of this kind of communication, a more nuanced concept that appeals to a wider audience is becoming more prevalent.

Without wanting to slip too much into marketing-speak I would describe this evolving approach as "enhanced thought leadership".

A number of firms across the sector produce some excellent publications based, whether knowingly or not, on this kind of approach, but the tangible benefits of its effective use were really highlighted to me when I joined Knight Frank's Rural Consultancy team earlier this year.

Although the Knight Frank business produces a wide range of well-respected property market indices, The Wealth Report (fast becoming a flagship publication for the business) is actually relatively property light.

The Wealth Report is published annually and covers a wide spectrum of topics, moving from macro global economic issues to the attitudes of Ultra-High-Net-Worth-Individuals (UHNWIs) towards their businesses, wealth, investment decisions, property and overall lifestyles.

These themes include a detailed analysis of wealth trends, in particular the changing

numbers of UHNWIs (those with a net worth over \$30m excluding their primary residence) at a global, regional, country and even city level.

Also featured are the results of one of the largest surveys of UHNWI's advisors undertaken on a regular basis. This examines the attitudes of the advisors' clients towards property, investments and other wealth issues. In addition, the report includes the results of the Knight Frank Luxury Investment Index (KFLII), which tracks the changing value of 10 investments of passion, including art, classic cars and wine.

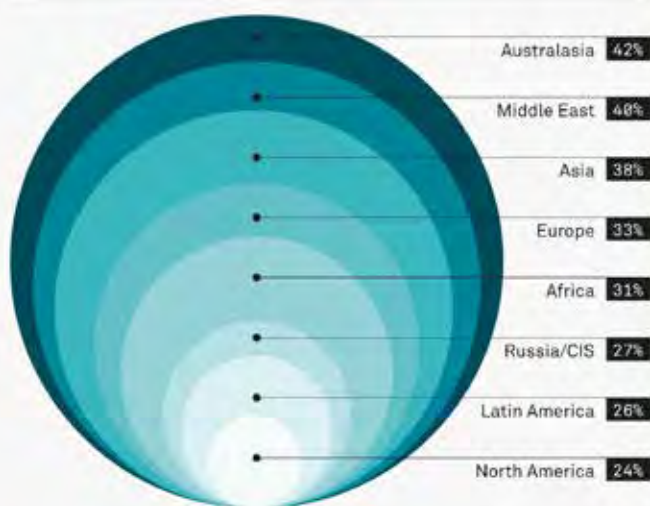
Now in its ninth edition, the influence of the report, which is distributed to UHNWIs and their advisors, has been growing steadily. This year it was launched in almost 30 different locations around the world, often in partnership with a local or regional private bank.

As a Land Economist (fortunate to have been permitted to read the University's best Tripos as a mature student at Magdalene 2006/09) at a relatively early stage in my career, I have been fascinated to learn how well such a magazine-like publication is shaping a global property consultancy and its attitude to marketing and research. I asked the report's editor Andrew Shirley what the value is to Knight Frank in talking about these non-property related topics.

His view is that enhanced thought leadership publications like The Wealth Report achieve results on a number of levels.

In terms of clients and their advisors, they highlight that Knight Frank understands not just the property needs of clients, but also

Allocation to property in UHNWI investment portfolios



How is the allocation changing?



# The Evolution of Marketing and Research in the Real Estate Sector

the issues that affect their businesses and lifestyles. This helps to build an on-going relationship in a way that isn't just about constantly plugging our services, and appeals to people who aren't necessarily interested in performance data.

And while, as I said earlier, the report is relatively property light, all the themes discussed will in some shape or form influence high-end residential or investment property markets. Such reports are also generally not service-line specific meaning they offer greater value because they can be utilised as a business generation tool by far more of the company than service-line brochures and sector-specific research.

Once publications, such as The Wealth Report, have become established, they also provide a great way to build relationships with professional partners who want to be associated with their thought-leadership content.

It also works exceptionally hard as a PR tool and the wide range of content takes it out of the property pages and into the wider media. The results of KFLII, for example, are reported in the luxury and investment sections of leading newspapers, which builds brand awareness with potential clients.

Enhanced thought leadership, however, has a wider role beyond generating new business and helping to build professional partnerships. I believe it is becoming an increasingly important tool for recruitment and staff retention.

The market for the best talent, at both graduate level and further up the career ladder, is becoming increasingly competitive, and the ability for a firm to set itself apart from its competitors by innovating and demonstrating it sees the bigger picture of enhanced thought leadership, can be compelling.

The Rural Report, another thoughtful magazine produced by Knight Frank, which I hope to contribute to in the near future, was a real draw for me when considering a role with the firm. Clearly, the more quality tools employers give their staff to help them generate new business, the better.

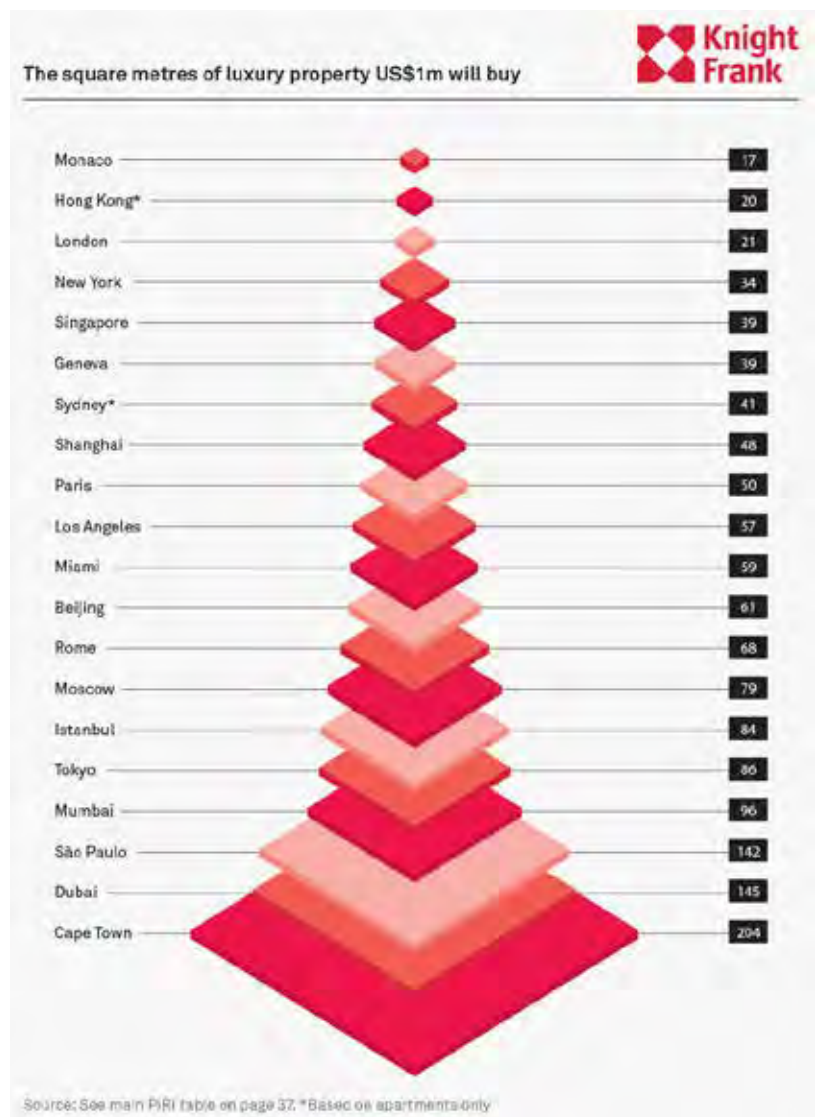
Of course, enhanced thought leadership doesn't write itself, or necessarily come cheap in terms of design.

While it is possible to "buy" it in using paid-for contributions from journalists or expert commentators, I feel it is at its most authoritative when the majority is home-grown. It is no coincidence

that much of Knight Frank's research team has a journalistic background, including Farmers Weekly, Estates Gazette and even The Times newspaper.

From my experience, consultants who embrace thought leadership by investing in well-designed and intelligent, not necessarily glossy, content that people want to read and find useful will benefit from an especially powerful tool to develop their business with.

The Knight Frank Wealth Report is available online at [www.knightfrank.com/wealthreport](http://www.knightfrank.com/wealthreport)



## What do real estate professionals and the author of the Hitchhiker's Guide to the Galaxy have in common?

Answer: They both enjoy making predictions, albeit with varying degrees of success!

Douglas Adams' most famous piece of work was the Hitchhiker's Guide to the Galaxy, originally a radio comedy broadcast on BBC Radio 4 in 1978 and subsequently a series of books published between 1979 and 1992. It was in this piece of work that Adams predicted the dawn of the ebook. Stand in a tube on London's underground at rush hour to observe the rise and rise of the ebook in recent years.

In 1990, he wrote and appeared in a fantasy documentary predicting the future of television. As he proclaims the TV a "waste of technology" and takes it to the dump to throwaway, by chance he meets Tom Baker, who introduces himself as a software agent:

"I have the honour to provide instant access to every piece of information stored digitally anywhere in the world. Any picture or film, any sound, any book, any statistic, any fact."

Sound a little like Google?

Adams is not alone in making predictions. In 1900, an American civil engineer called John Elfreth Watkins wrote a piece published on page eight of an American womens' magazine, Ladies' Home Journal, entitled What May Happen in the Next Hundred Years?

Watkins predicted that "photographs would reproduce all of nature's colours" and "be telegraphed from any distance". Similar to your smart phone or modern digital camera? With accuracy, he postulated that Americans would be taller by one to two inches. Try walking through a doorway of a house built one hundred years ago and you may have to crouch under the doorframe!

Watkins also considered that by 2000, there would be no C, X or Q in our everyday alphabet. They will be "abandoned because unnecessary". It turns out he also got a few predictions wrong!

In the spirit of Adams and Watson, real estate professionals also value the power of predictions. Forecasting is an important role in any investor's strategy. What direction are rents moving? When will the

Bank of England raise interest rates? Will oil prices stay low?

Deloitte publishes an annual UK Real Estate Predictions Report. Selected predictions from last year's report include:

### 1 The emergence of Taiwanese investors in UK real estate

Following significant and increasing inflows from China and the Middle East, the next new entrant to the UK market was Taiwanese insurance companies, which were permitted to invest in real estate outside Taiwan in mid 2013.

### 2 Real estate would step up as a key tool in the battle for talent in the workplace

While the importance of the physical workplace has been clear to many employers for years, 2014 saw an increasing number look closely at how well their real estate, location and technology strategies support their crucial talent agendas.

### 3 E-fulfilment would drive a sharp increase in retailers' demand for urban logistics

For retailers competing for online market share, a key differentiator is how quickly and efficiently they can get their products to customers. As the delivery promise becomes more important and, at the same time, increasingly complicated, real estate strategies are changing fast.

And what about 2015? Predictions include:

### 1 A year of increased M&A activity in the UK's real estate and construction sector

There is a growing volume of global capital chasing UK real estate assets. Given the high level of competition, some investors are struggling to spend cash quickly and efficiently. The purchase of an existing portfolio of assets, such as a listed property company or REIT is one potential solution.



### 2 The rise of the Serviced Office

Serviced office space demonstrates a real understanding of today's employees, who place increasing value on the ability to work flexibly in a variety of ways and locations. With increasing support for self-employed and start-up businesses, the customer base for serviced offices continues to grow.



Michael Griffith  
Assistant Manager, Deloitte Real Estate Consulting Team  
Queens College, 2009-2012

### 3 Real estate remains key to the government's deficit reduction plans

The government's property and land holdings remain large, with a c.93.6 million sq ft estate valued at c.£348 billion. The government plans to reduce the size of its estate, with an additional £5 billion of property sales expected by 2020. This has the potential to create some interesting purchasing opportunities.

Predictions and forecasts will continue to be central to the mindset of investors in many industries. I look forward to reflecting on whether the 2015 predictions share the accuracy of those made by Watkins and Adams!

## Update from the Department of Land Economy

2014-15 has been a busy but rewarding academic year in the Department of Land Economy, and as the acting Head of Department I am pleased to be able to share some of our news with our alumni around the world.

The Department recently participated in the 2014 Research Excellence Framework, the government's latest review of research quality in Higher Education institutions. After making a joint submission with the Department of Architecture to the Architecture, Built Environment and Planning category, we were delighted to hear that over 50% of our overall combined research was rated as "World Leading" (4\*), with a further 38% rated "Internationally Excellent" (3\*), placing our GPA above the University of Cambridge average and considerably above the national average. Our overall research environment and the impact of our submissions in terms of reach and significance were rated particularly highly, with 100% of both being classed as "World Leading" or "Internationally Excellent". When measured by impact, 68% of the submission was classed as 4\* and 32% as 3\*, while the overall research environment achieved 75% at 4\* and 25% at 3\*. There are many ways of interpreting or ranking these results (and different versions have appeared in the press), but on all measures nationally we were in the top 3 and top in many. We received a specific commendation from the University. These excellent results are testimony to the high quality of research being carried out within the Department. Thank you very much to all staff involved in the REF 2014, particularly to Professor Colin Lizieri who oversaw the submission process.

This academic year has also brought the Department of Land Economy's quinquennial Learning and Teaching Review, during which our undergraduate, postgraduate and research programmes were reviewed and evaluated. The preliminary feedback was generally very positive, with panellists highlighting the enthusiasm and dedication of staff and students and the quality of our teaching.

We have had plenty of good news this year in terms of staff. After advertising for two new University Lectureships, we are pleased to announce that Dr Shaun Larcom will shortly be joining the Department as Lecturer in Environmental Economics and

Policy, while Dr Emma Lees will take up the role of Lecturer in Environmental and Property Law – congratulations to both. On the administrative side, in May we welcomed our new Administrative Officer, Samantha Howes, who joined our Department after Marina Ballard moved on to pastures new in the Faculty of English. We all wish both of them the best of luck in their new roles and thank Marina for all she has done for us.

2015 has also brought success for a number of Department members in the University's latest senior academic and researcher promotions rounds, and I would like to extend my warmest congratulations to Andreas Kontoleon and David Howarth, who will both be taking up their posts as Professors from October, and to Ben Lang, who has been promoted to Principal Research Associate.

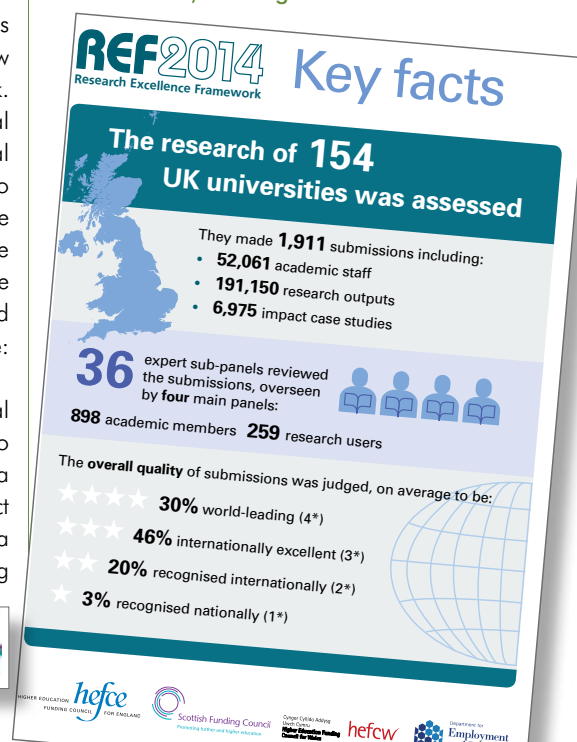
In 2015, two new research centres were established within the Department of Land Economy: the Centre for Environment, Energy and Natural Resource Governance (C-EENRG) and the Cambridge Centre for Property Law (CCPL). C-EENRG takes an innovative approach to questions relating to the environment, energy and natural resources, concentrating on the role of law and governance as a technology to bring, guide and manage environment-drive societal transformations. It aims to work collaboratively with other research centres and groups worldwide, including with the Department of Land Economy's Cambridge Centre for Climate Change Mitigation Research (4CMR), and its staff have already begun work within a number of research clusters. More information on C-EENRG's aims and projects can be found on its new website: [www.ceedrg.landecon.cam.ac.uk](http://www.ceedrg.landecon.cam.ac.uk). CCPL focuses on research in the law of real property and its social and environmental impact. It is the only Centre in the UK to concentrate specifically in property and one of its aims is to encourage post-graduate research to provide the scholars of the future. More information on CCP aims and projects can be found on its new website: [www.ccpl.landecon.cam.ac.uk](http://www.ccpl.landecon.cam.ac.uk)

The outdated Departmental accommodation in Silver Street continues to be a concern, and plans to relocate as a result of the Mill Lane development project are now firm. This will ultimately be a positive step as the building is a constraining

factor in the development and progress of the Department and its research centres, but in the short term we are concerned that our research and teaching activities should not be negatively impacted by the relocation. In particular, we are keen to ensure that Departmental facilities are not spread out over multiple sites during the process and that the Department can move en bloc to its new building. Consultations with staff, students and the University of Cambridge Estate Management team will be ongoing throughout the next academic year.

In sum, the Department has enjoyed another highly successful year thanks to the hard work and dedication of our staff, students and partner organisations. Our research centres have secured a number of important contracts and grants, our researchers continue to engage directly with policy makers and managers, and employment prospects for our graduating students continue to be the strongest across the University. There has also been a notable increase in applications for our undergraduate programme, and we are currently busy preparing for what may be the largest intake of first year students in the Department's history. None of this would be possible without the engagement and support of CULS and our alumni – thank you very much for all of your contributions, and we look forward to working closely with you in the future.

**Martin Dixon**  
Head of Department  
Professor of the Law of Real Property  
Fellow of Queens' College  
Director of the Cambridge Centre for Property Law  
Co-ordinator, Undergraduate Admissions



# CULS and Land Economy Undergraduates

Helena Casemen  
Jack Philipsborn  
Monica Wong



As current undergraduate students reading Land Economy, it is a great pleasure for us to be writing about how CULS has benefitted us this year. We would firstly like to take this opportunity to thank everyone involved in this extraordinary society.

In terms of our involvement, we all sit on the Cambridge University Land Society's Silver Street Group (SSG) committee. The current committee decided to invite students to sit on its board for the first time earlier this year and we have since enjoyed working as part of a team to develop a sponsorship package as well as promoting events to students in Cambridge. With many Land Economy students interning in London this summer, the SSG summer drinks event is also eagerly anticipated. We are also hoping to set up a work-shadowing scheme for students and member, so watch this space!

The very existence of CULS played a significant part in attracting us to apply for Land Economy at Cambridge and has not disappointed. The society offers a real feel for what our future careers could hold and the many talks, networking events and articles in the annual CULS magazine highlight the breadth and depth of opportunities in the property world.

One of the most beneficial events CULS provides for us is the annual Careers in Property Fair. The event this year was held in The Guildhall in Cambridge in October (see the article later covered in this magazine). Over 30 firms attended, offering insights into careers in surveying,

planning, investment, development, finance, consulting and law. There was also plenty of corporate stash, of course, to ensure that our stationary requirements were met for the year ahead! For first year students, this event was an exciting taster of the various paths ahead whilst for second and third years this was a great opportunity to ask for advice on securing internships and graduate jobs. Undoubtedly, this event plays a major role in contributing to the high employment statistics that Land Economy is able to offer.

CULS also provides talks in Cambridge which are extremely beneficial for students, either sparking interests in new fields or building upon existing ones, including for example the Whitehall Lectures given by Lord Deighton KBE in January and Dame Kate Barker CBE in April, or the Denman Lecture given by Dame Fiona Reynolds in February. The students are very thankful for being afforded the opportunity to access talks by industry experts, all organised and brought to Cambridge by CULS.

Following their conference in October, CLEAB hosted a dinner for current second and third years in February. Students had the opportunity to meet some of the most influential players in the global property market. It was a fantastic evening and all the students were left inspired, receiving invaluable career advice as well as the added bonus of a free meal!

Ultimately we are not just here for a degree but an experience shared with like-minded people from around the world. We truly believe that no other course in Cambridge is as close knit as Land Economy, providing a platform for relationships that will last a lifetime. We hope that our cohort will be able to continue the success of CULS as we join after graduating.

Land Economists at the Summer SSG Drinks event



Clare Land Economists at CLEAB dinner in February 2015.

# Finance and valuation as drivers of green economic transitions in Abu Dhabi

Prof Douglas Crawford-Brown  
Director, Cambridge Centre for Climate Change Mitigation Research (4CMR)  
Department of Land Economy

Cities and nations are re-assessing the sustainability of their operations. 4CMR has recently been engaged with Abu Dhabi in considering how to make the transition to a green (or at least greener) economy. Abu Dhabi has assessed where it stands today with respect to economic growth, energy, water, biodiversity, waste, transport and social development. It understands where it wants to be in 2030 with respect to these measures of sustainability, building on the Environment 2030 Vision developed in part through collaborations with 4CMR staff. It, along with the United Arab Emirates generally, has an ambitious set of policies intended to make that transition a reality and to light the way for green transitions in other economies around the world.

Abu Dhabi has also realised the scale of the challenge in converting policies into action, as was clear at the recent National Roundtable on Financing and Investing in the Green Economy in Dubai at which we were invited to give the keynote address. Their Ministries have found it difficult to translate green policies into practical, on-the-ground changes in the economy. This is not for lack of ambition or vision. The difficulty is caused instead by the very large challenge of maintaining the benefits the current economy brings to citizens while moving towards a new economy that uses its natural resources more productively, produces fewer environmental problems and improves quality of life. The same challenges face thousands of cities worldwide.

The challenges arise in part because past investments (for example in energy) have locked cities onto a pathway that is carbon intensive, and so continuing on that path is often the lowest cost option. There are challenges around mobilising collective action, as it is crucial to have the public and private sectors, organisations and citizens rowing together towards the vision of 2030. It requires technological innovation and an economy rooted in the

process of innovation. Solutions require developing finance and procurement processes that place sustainability on the same level of importance as return on investment. Until these and other obstacles are removed, there will be an understandable tendency for financiers and investors in all cities, including Abu Dhabi, to fall back on business-as-usual, and with it unsustainable practices.

To help them and other cities or nations make the green economic transition so sorely needed, 4CMR, Land Economy and the Cambridge Institute for Sustainability Leadership (CISL) have begun an ambitious programme to understand how the finance and investment sectors can be mobilised to provide the capital needed. The suite of projects is considering how innovative technologies, business practices, policies, laws, finance and institutions can support that transition. The first project is sponsored by the CISL Investment Leaders Group. Working with the Centre for Risk Studies in the Judge Business School, 4CMR is producing a global map of the impacts of climate change on key economic sectors and assets (e.g. buildings, manufacturing) now and in the future.

By quantifying these impacts at regional scale (e.g. in places such as South America and Southeast Asia) the investment strategy team in a firm can begin to re-assess their asset portfolios, asking which regions and which sectors or asset classes are least vulnerable to the potential impacts of climate change and other environmental stresses such as water availability. Through such studies, environmental sustainability becomes part of the calculus of investment decisions by reflecting the long-term value of assets in terms that are more complex than the question: what would I receive if I sold this asset today and the buyer knew nothing about future vulnerabilities?

Bringing about the green

transition, however, requires finance. And so 4CMR and CISL have been working with PwC and the National Bank of Abu Dhabi on the report 'Financing the Future of Energy' (see the link provided at the website: [www.4cmr.group.cam.ac.uk](http://www.4cmr.group.cam.ac.uk)). That report uses global data to demonstrate four key messages or pillars:

- The scale of green investment opportunity is large, being 10s of billions of USD per year in the GCC region alone and as much as a trillion USD per year globally.
- Renewable energy technologies that can realise these opportunities are proven, cost-effective and available today. Did you know that 50% of new power generation capacity was from renewables in the past 5 years, and that this has remained robust against dropping oil prices?
- Investors and developers see a global stage for projects. That stage is the West-East Corridor for NBAD, stretching from western Africa to eastern Asia, which includes most of the world's fastest growing cities.
- Realising this opportunity will require unprecedented collaboration between policymakers and financial institutions. This was the core concern for attendees at the National Roundtable.

Combining advanced energy-economy-environment modelling, analysis of climate impacts, development of innovative finance options, and engaging with real-world decisions in Abu Dhabi, 4CMR,

Land Economy and CISL are lighting the path forward to a green economic transition.

To learn more about these and related projects, contact Doug Crawford-Brown at 4CMR ([djc77@cam.ac.uk](mailto:djc77@cam.ac.uk)).



# Sustainability benefits property performance



Dr Franz Fuerst  
CULS Fellow  
Reader in Real Estate Finance and  
Housing  
Course Director MPhil Real Estate  
Finance  
Director of Studies and Fellow  
Commoner at Trinity Hall

Since the last edition of the CULS Magazine, I have been able to contribute to a number of exciting research projects in the sustainable real estate arena. This article highlights the results of three papers that were published in peer-reviewed journals or are currently under review.

The first study examines the link between financial and environmental performance of REITs. This is an important topic as previous studies have established links between sustainability and improved cash flow at the building level, but this analysis widens the lens to the level of institutional investors. Analysing a sample of REITs from North America, Asia and Europe for the 2011-14 time period along with the ratings obtained from the Global Real

Estate Sustainability Benchmark (GRESB), the study seeks to answer a number of key research questions: Does sustainability performance translate in to higher returns on assets (ROA), returns on equity (ROE), and higher stock performance (total returns, alphas, and betas)? Further, are specific GRESB indicators or dimensions of sustainability such as Implementation & Measurement, more predictive of financial performance than less tangible aspects such as Management & Policy?

The findings of the econometric panel data analysis show clearly that a higher sustainability ranking in the annual GRESB REIT survey correlates to superior financial performance. Both the returns on assets and returns on equity of REITs with high

GRESB scores outperform their peers. Adjusted for risk, there is a significant link between portfolio sustainability indicators and REIT stock market performance. The analysis shows that outperformance is largely driven by a REIT's performance in the Implementation & Measurement dimensions. Hence, the study establishes for the first time that investing in sustainability pays off for investors in REITs, enhancing operational performance and lowering risk exposure and volatility.

However, it is not all good news. Despite the fact that investing in sustainability makes good business sense, there remains significant room for improvement in the sustainability performance of the vast majority of REITs. While many REITs upped their sustainability game in recent years, the median score of rated real estate companies in 2014 was still only 58 out of 100, underlining the vast untapped potential for further optimisation of most REITs' sustainability practices. The most innovative green REITs demonstrate impressively what can be achieved with a dedicated effort to 'go all out for green'. This strategy does not only yield higher returns but is also a matter of staying relevant and competitive in a rapidly changing market environment.

For real estate assets to maintain their competitive positioning, it is critical that their owners invest in measures that improve their sustainability.

The second study investigates whether energy performance ratings, as measured by mandatory Energy Performance Certificates (EPCs), are reflected in the sale prices of residential properties. This is the





first large-scale empirical study of this topic in England involving 333,095 dwellings sold at least twice in the period from 1995 to 2012.

Applying hedonic regression and an augmented repeat sales regression, my co-authors from the University of Reading and myself found a positive relationship between the energy efficiency rating of a dwelling and the transaction price per square metre. Perhaps surprisingly, the price effects of superior energy performance tend to be higher for terraced dwellings and flats compared to detached and semi-detached dwellings. The evidence is less clear-cut for rates of house price growth but remains supportive of a positive association.

Overall, the results of this study suggest that energy efficiency labels have a measurable and significant impact on house prices in England. The academic paper based on this study was published in one of the top field journals, *Energy Economics*, in early 2015.

While the housing market is of obvious importance because of its sheer size, the commercial market also deserves attention as it is arguably more efficient and 'rational' than the housing market so should be more accessible to the 'green value' proposition

and perhaps make the transition more quickly. To this aim, I investigated with Jorn van de Wetering from Reading University whether offices in the UK that obtained an environmental label command price premiums when compared to non-labelled offices.

The de facto standard for sustainability in the UK is the Building Research Establishment Environmental Assessment Method (BREEAM). BREEAM is a building quality indicator that investigates a range of environmental criteria, awards credits based on the degree to which these criteria are represented in a building and then awards a rating based on the total number of credits that have been achieved. This research investigates the effect of BREEAM ratings on observed contract rents in the UK and as such provides a potentially stronger empirical test of the hypothesis than previous appraisal-based studies. Using a control sample of non-BREEAM-rated office buildings throughout the UK, we analysed 19,509 commercial office lease transactions and found that a significant premium exists for BREEAM-certified office buildings. The results also indicate that the premium shows variations during the study period and that premiums vary depending

on the year of construction and certification. We also found that office buildings in 'walkable' locations (as measured by the now famous WalkScore) command a rental premium over more car-dependent locations. This study was published in the *Journal of Property Research*.

Apart from these and other research studies which have kept me busy for most of my out-of-term research periods, there have also been a number of goings-on in the Department's manifold teaching activities. Due to Colin's sabbatical, I was asked to act as Course Director for the MPhil in Real Estate Finance. This new role involves a number of interesting and diverse tasks such as liaising with students to make sure that everything runs smoothly, coordinating teaching with my Departmental colleagues and reaching out to industry practitioners on a number of issues where the real estate course interfaces with the world beyond the dreamy spires of our University. As is usually the case, it was a steep learning curve and I had to call on Colin's help during his well-earned sabbatical on more than one occasion but I am definitely looking forward to the months ahead after this settling-in period.

# Real Estate Research and a new Real Estate Masters course

The last year has been a really interesting one for me as we've made great progress with a number of initiatives in the Department.

## Part-Time Real Estate Masters

A major development in the Department I have been working on this year is a new two year part-time Masters course. The course will enable students to obtain a Masters degree whilst continuing their professional careers. It is aimed at experienced professionals and those identified as future leaders in the real estate industry and combines academic rigour with significant industry input from senior figures in the real estate world. The course aims to equip participants with a broader knowledge of all aspects of the real estate industry, to provide insight into a range of long-term themes and strategic issues in the market, as well as to develop a range of research, technical, broader management, and leadership skills.

The course delivery and assessment is designed for a part-time programme with people continuing in employment. There are no exams and three residential blocks of two weeks and two blocks of one week. Assessment is through dissertation, other written assessment and case study exercises and whilst designed to be flexible the combination of the intensity of the residential weeks, the significant research work and reading required mean that it will be a challenging course with the high standards you would expect of a Cambridge Masters.

The course follows a structure that takes students through the various dimensions of real estate in a broad global context including investment, development, asset management and real estate businesses/securities. We are planning to explore a number of themes through the course that are shaping the future of real estate and cities including:

- Globalisation and its implications
- Risk management and mitigation

- Sustainability and resilience
- Technological change

The course is set for its first intake in September 2016 and we are in the process of finalising the prospectus. We hope the programme will appeal to those with several years of professional experience who want to study and undertake research to strengthen their position to take on leadership roles in the real estate industry.

## Real Estate Research Centre Update

At the end of 2013 we set up the Real Estate Research Centre to act as a focus for real estate research in Cambridge, to help us deliver applied real estate research that is innovative, multidisciplinary and industry-relevant and to play a co-ordinating role between the research needs of the real estate industry and the University.

After our first full year up and running it feels like we are making steady progress. We have undertaken a number of research projects including the IPF project on "What is Property for Investment Purposes?" presented in February 2015 and an update of "Who Owns the City" which was presented to the European Real Estate Society conference in June 2015. We have had support from a number of sources and a swathe of academic research papers are in progress based around our main research areas:

- the economic analysis of real estate investment, and modelling of global real estate capital flows and prices;
- the role and performance of real assets in investment portfolios, and the interaction of real asset and credit markets;
- the role of real estate in urban development and urban competitiveness;
- behavioural influences in real estate markets; and
- the impact of social, political, environmental and technological change on real estate markets



Nick Mansley  
Executive Director, Real Estate  
Research Centre

Over the next year our plan is to build further partnership and similar arrangements and to secure other sources of research funding to grow the centre and Department's activities and influence in real estate related research.

## Partnership with British Land

A particular highlight for the centre over the past year has been the establishment of a partnership with British Land encompassing general support for our research, consultancy support to British Land and the design and delivery of a leadership programme. As British Land describes this last element:

"The leadership development programme capitalises on our common commitment to improving the built environment and thought leadership, by bringing together the world class talent, research and international networks of the University with the internal talent within British Land."

This partnership enables us to work closely with the management team at BL on practical decisions and issues.

## Engagement with industry

As well as the activities we're undertaking on a personal level and through industry networks there has been a significant increase in our engagement with industry through events. The Cambridge Real Estate Research club met in October last year and we will be holding another event this October. This brings the heads of research from institutional investors and brokers together to discuss a range of research topics.

We also hold an annual round table discussion event for Sovereign Wealth Funds and other long-term investors with senior representatives from organisations like Norges (Norway), GIC (Singapore), PGGM (the Dutch Pension Fund), Canada Pension Plan and Australia's Future Fund

joining similar investors based in the UK. The most recent event considered a number of topics include risks and value in the current market, the de-carbonisation agenda, the development of new sensing, tracking and modeling technologies and their implications and resilience to catastrophes such as earthquakes, hurricanes and floods.

### Other activities

Outside the University my other interests and activities have been going well. I have been appointed to the role of Chair of the Lord Chancellor's Strategic Investment Board and also as industry adviser to the Official Solicitor and Public Trustee. These roles are about providing oversight and governance of investment strategy and external managers and draw on my multi-asset and multi-manager experience. I am also serving as a trustee of a local charity supporting those with learning disabilities.

The Hansteen fund I was a non-exec director of has been successfully sold



Attendees at the long-term investor event.

leaving the investors very happy but me looking for a new non-exec role!

I have also been enjoying teaching on the MBA/MFin programme and on economics and strategy/governance in the Judge Business School and the Institute for Manufacturing.

Beyond work, I continue to punish my body with triathlons and duathlons. Having joined a new age group I had hoped this would massively improve my chances of age group success but there are lots of middle aged blokes trying to be super fit! I did manage to win my age

group in a half ironman triathlon and have really enjoyed representing GB in the European championships at both standard distance and long distance duathlon in which I came 5th and 7th respectively. The standard distance race in Madrid took place in cold torrential rain and on a course with 42 roundabouts so lots of people crashed and lots got hypothermia but I think the conditions suited me! I am currently recovering from some injuries from being knocked off my bike last month but I am looking forward to the World championships in Switzerland in September.

## The benefits of the Land Economy Network within the University and beyond

As I'm approaching the end of my first year as a Lecturer at the Department of Land Economy, I would like to reflect on the value of the Land Economy network within the University and beyond, and how this support can be taken forward for the continued future benefit of the subject.

What kinds of activities are enabled through the support for Land Economy within the University and beyond? Support for Land Economy helps us create valuable and memorable learning experiences for our students.

Shortly after taking up my post at the Department and the fellowship at St John's, I have had the opportunity to accompany a team of Land Economy students who have taken part in an international real estate case study competition in New York. In this event, they competed against undergraduates from other top universities from around the world in trying to solve a real-life investment problem. Most importantly, this experience would not have been possible without the generous support from the Land Economy network across the Department and the Colleges.

St John's, Selwyn and Homerton Colleges all contributed students to the six-strong

team, which took part in the 2014 Cornell Real Estate Case Competition earlier this month.

Run by the Cornell University Centre for Real Estate and Finance, the annual contest invites students from around the world to put the concepts and theories that they have studied to the test as they compete for a prize worth \$22,000.

It is sponsored by a number of leading Real Estate firms, who provide the judging panel

and devise an investment problem based on a real-world case. The teams are given five days to analyse the transaction and present their recommendations. They are judged not only on the final recommendation that they make, but on their approach to the problem, their presentation, and their ability to handle the judges' questions.

Last year's challenge invited the contestants to assess a redevelopment opportunity for an office building in the San Francisco Bay area. The team was asked to determine the best use for the site, work out how to negotiate the contract with a development partner and establish how best to finance the investment.

For our students the competition was a unique chance to test and demonstrate their knowledge in a real-world setting. At the same time, it also gave them an opportunity to see first-hand some of the development challenges that face professionals working in New York City, a major centre for urban planning and regeneration. Part of the trip involved a visit to the site of the new World Trade Centre.

One student commented: "The case was great for creating a situation which required us to combine elements of the course and



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further our knowledge to come up with the best solution. It was also good to gain some exposure to the US market and to learn about their terminology and methods.”

Another said: “The trip is something I will remember for a long time. The opportunity to go to New York City and actually do something meaningful, to work up to a tight deadline on Wall Street and make it by the skin of our teeth – I am very grateful for having had this opportunity.”

This experience has been particularly valuable for our students because of the different level of learning experience that it provided. It provided the students with a chance to test their analytical training against the real-world scenario with which they were presented, and to come to terms with the complementary skills that they will need when they leave Cambridge and compete for jobs in the global marketplace.

In Land Economy we are in a very fortunate position thanks to the highly supportive network of the Cambridge University Land Society. Networks such as CULS provide the financial support that is required to create the Cambridge Experience for our Land Economy students, but they also make a valuable contribution more widely.

We train our students to tackle pressing tasks in Economics, Law, Environmental Policy and Urban Planning. These are the very same tasks on which our Alumni have been working, in their various roles throughout their successful careers. In fact, our alumni are currently creating the legacy and shaping the tasks that our students will take over when they enter the profession.

Therefore, I am delighted to see the extent to which our alumni are already an active part of our students’ training and transition into the professional world. This support and guidance is crucial in helping our students make the best possible contribution to addressing the complex business, financial and environmental challenges that we face today. Our alumni can contribute by being an employer, a sponsor of our research and teaching activities, or just an active part of our community where they share their considerable experience. Especially the mentoring programme provides huge value to our students, and I would like to end by thanking those alumni who are already serving as mentors for our students, and encourage others to consider becoming a mentor as a personal way of giving back to Land Economy.

# Natural resource management in Melanesia

Dr Shaun Larcom  
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Department of Land Economy



In some countries ownership over a given piece of land (or natural resource) is rarely contested. However, in many others there are multiple claims of ownership over the same piece of land. This outcome can arise due to legal pluralism: a phenomenon that can broadly be described as the coexistence of two or more legal systems in the same place and which derive their authority from different sources.

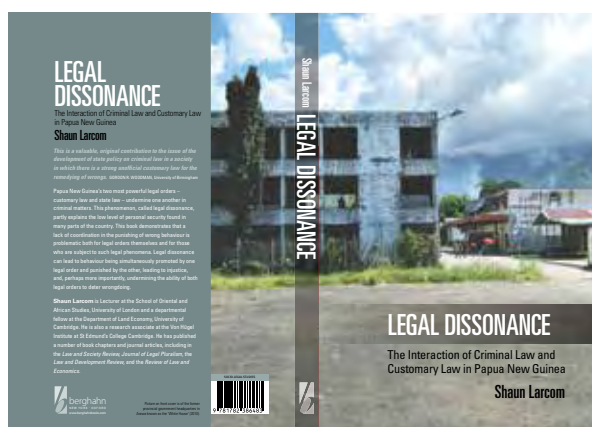
One such place where legal pluralism is evident is Melanesia (a region within the South Pacific Ocean that includes Papua New Guinea, the Solomon Islands, New Caledonia and Vanuatu). Blessed with unusually abundant natural resources, including large deposits of copper, gold, natural gas and trees (including some of the most biological diverse forests on earth), much of Melanesia has a formal property rights regime and an informal (customary) property rights regime. This situation has come about due to colonisation, where colonial legal transplants were overlaid on pre-existing customary systems. While the state has gone to extraordinary efforts to accommodate customary land title, the customary principle of inalienability often results multiple ownership claims over land and natural resources that can lead to property rights contests. For instance, while one generation of customary landholders may sell their land under freehold, subsequent generations may dispute the earlier generation’s authority to sell their land and forcefully reoccupy it.

In this context I am embarking on a research project that aims to map the different types of precolonial institutions in the Solomon Islands with natural resource management outcomes using econometric analysis. While the Solomon Islands forests are vast, approximately 2.2 million hectares, they are experiencing rapid deforestation which is posing a significant risk to the planet’s biodiversity stocks, not to mention large increases in greenhouse gas emissions.

As is commonly the case throughout Melanesia, the Solomon Islands has both a limited state regulatory system (in terms of geographic reach, capacity and legitimacy) and also a vibrant non-state regulatory system. These two factors create difficulties in terms of regulating the forestry industry in a way that mitigates loss of biodiversity. For instance, they mean that schemes such as REDD+ may be ineffective because there are cases in Melanesia where customary landowners have accepted funds for both carbon sequestration and logging (for the same piece of land). However, legal pluralism also creates creative opportunities for regulation, for example through building upon existing customary norms about stewardship of the forests and reciprocal obligations between land and communities.

It is hoped that this research agenda will lead to a detailed understanding of the causes of deforestation, the effectiveness of state and non-state regulation in protecting forests, and the importance of forests for rural livelihoods in the Solomon Islands. Understanding these

factors is also inextricably linked to reducing poverty in the Solomon Islands. At its most fundamental level, deforestation provides a major source of income for the entire nation (especially in rural areas). However, such rapid deforestation cannot continue, and will start to affect other sources of income including small scale



agriculture and fisheries. While many hold out the possibility of payment of ecosystem services schemes as the answer (e.g. REDD+), the existence of legal pluralism in Melanesia means that it is unclear what donors are buying – and perhaps they are merely buying pieces of paper. It is hoped that this research will help Solomon Islanders to solve the problems that they face in terms of deforestation, biodiversity destruction, and rural poverty; while also enabling donors to make a meaningful contribution to these problems.

This latest research project builds on my doctoral thesis, which analysed the interaction of customary and state criminal law in Melanesia's largest state, Papua New Guinea. My thesis has recently been published by Berghahn Books (see book cover inset). The title of the book is *Legal Dissonance*, and the aim of the book

is to explain the low level of personal security found in many parts of the country. The book demonstrates that a lack of coordination in the punishing of wrong behaviour is both problematic for the criminal law and custom and for those who are subject to such legal phenomena. In the book I demonstrate how Legal dissonance can lead to behaviour being simultaneously promoted by custom and punished by the state criminal law (and vice versa), leading to injustice, and, perhaps more importantly, undermining the ability of both legal orders to deter crime and wrongdoing. One intriguing result from my research in Melanesia is that the strength of custom does not seem to be losing its importance with time. Indeed, there is some evidence that it may be growing in relative strength to that of the state.

## Entrepreneurial practices by academics at research-intensive vs. teaching-led universities



**Dr Maria Abreu**  
University Lecturer in Land Economy  
Fellow, Pembroke College

In recent years there has been an increasing pressure on universities to deliver on their "third mission", that is, to engage in activities that promote economic growth and social prosperity. In the UK context,

the government has actively encouraged universities to engage with business and industry in order to facilitate economic growth (BIS, 2013). However, the focus has been mostly on how research-led universities can promote economic competitiveness, which is consistent with a view of the university as provider of technological knowledge, critical for innovation and economic growth. The academic discourse on this topic also tends to focus on tangible, easy to quantify, knowledge transfer mechanisms such as patenting, licensing and knowledge-intensive spinouts. These are normally associated with the commercialisation activities of research-intensive universities, with few effects being reported in the context of less research-intensive institutions.

Nevertheless, there is a small but growing literature indicating that the less research-intensive universities (often referred to as "teaching-led") may play an important role in promoting technology clusters. This is mainly due to their engagement in regional capacity building and networking, rather than on "pushing" innovations via the formal knowledge commercialisation routes. This technology cluster facilitator role is normally associated with broader, less formal, activities and commitments that contribute to the entrepreneurial environment, but remain largely overlooked by the literature.

In a recent study co-authored with Dr Vadim Grinevich (University of Southampton) I analyse the role of both research-intensive and teaching-led universities as contributors to innovation and entrepreneurship. Our study explores a more complex configuration than that typically assumed, and we consider a range

of entrepreneurial roles along different geographical scales (local, regional, national and international). Understanding multi-level differences in entrepreneurial engagement, and the internal and contextual factors behind them, leads to a more nuanced view of the entrepreneurial university, and its role in the development of entrepreneurial ecosystems.

When analysing the entrepreneurial university, we go beyond the conventional set of patent-based and spin-out activities. Following Lester (2005), we distinguish between "people based" activities (personnel exchange with external businesses/charities, employee training), "problem solving" activities (contract research, consultancy services, informal advice), and "public space" activities that facilitate external access to knowledge (hosting conferences, networking, joint curriculum design, sharing of physical facilities).

Based on the insights from institutional theory, we conceptualise the differences in the extent and scope of entrepreneurial activities as a function of differences in the characteristics and values of individual academics, and their behavioural responses to normative expectations and regulations within their disciplines and institutions. Our analysis is based on a unique survey of UK academics conducted over 2008/2009, which provides micro-data on over 22,000 academics in the sciences, social sciences, arts and humanities, and covering all higher education institutions in the UK. This is complemented using institution-level data from a variety of sources.

Our results indicate that the proportion of academics engaged in "people based" and "public space" activities is significantly higher in the teaching-led universities, while, as expected, a significantly higher proportion of academics from the research intensive universities engage in "problem solving" activities, particularly in more formal activities based on patents and formal research contracts. The results of our decomposition analysis indicate that these differences in the rates of engagement are not due to differences in the characteristics of the academics based at different institutions (the "endowments"), but rather in how these characteristics translate into outcomes at different institutions (the "coefficients" or "behavioural responses").

Our analysis shows that teaching-led universities are an integral part of innovation and entrepreneurship ecosystems, alongside research-intensive institutions. They are characterised by strong entrepreneurial cultures embedded in the diverse entrepreneurial practices of their academics. Nearly all the forms of entrepreneurial activity covered in the study (with the exception of patent-based activities) are dominated by the teaching-led universities, with particularly high rates of engagement with local and regional partners. Our findings suggest

that government policy on entrepreneurship and innovation should pay more attention to the strengths of teaching-led institutions, particularly when the focus is on stimulating local and regional economies.

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## Selling the environment: The potentials and pitfalls of payments for ecosystem services



Ian Hodge  
Professor of Rural  
Economy

Rural land is under increasing pressures to deliver a range of services. Beyond the obvious capacity to produce conventional marketed commodities there are demands for land for renewable energy production, flood mitigation, carbon storage, biodiversity conservation, public access and landscapes. At the same time there are arguments that, notwithstanding easing commodity prices, food production needs to increase while the environmental impacts of farming should be reduced. Hence the drive towards the, arguably oxymoronic, sustainable intensification.

This debate is increasingly being framed in terms of ecosystems services. The environment is a source of a mix of private and public goods whose supply depends to a great extent on the way in which the land is used and managed. Markets create a direct incentive for the delivery of private goods, but should landholders be paid to supply public goods too? Payments for Ecosystems Services (PES) have very quickly become a focus for efforts to protect carbon and biodiversity in tropical forests and attention is turning towards potential opportunities in the UK.

In principle, Payments for Ecosystems involve a voluntary transaction, where a well-defined ecosystem service is 'bought' by (at least one) service buyer from (at least one) service provider if the provider meets conditions required for supply. We thus need a clearly measurable service with an identifiable supplier and potential purchaser. Various examples have been suggested or piloted. South West Water provides funds to farmers in the Fowey

catchment for them to reduce pollution, thereby reducing its own need for expenditure on water treatment works. A Peatland Code has been developed under which sponsors can pay land managers for peatland restoration projects that will store carbon over the very long term. Funding draws primarily on private Corporate Social Responsibility contributions. In the Pumlumon project in the Cambrian Mountains, land owners are paid to change their landscape management in order to sequester carbon, store flood water and enhance biodiversity. Funding is provided by charities and government. A scheme has been developed in Hull where the City Council would pay for green infrastructure to reduce flood risk.

Few of these schemes match the PES ideal. This is not surprising; the aim after all is to generate private provision of public goods. But they point to a wider opportunities. There are clearly potential beneficiaries and potential suppliers. There are gains to be had from trade but markets do not arise spontaneously. The gap between the parties is essentially institutional. There will often be multiple beneficiaries who need to be persuaded to work as a partnership. There are roles for intermediary organisations to convene potential participants, build trust and establish a framework for engagement. In the South West Water example, the Westcountry Rivers Trust has played an important role. There will often need to be independent verification to confirm that the services have been delivered as agreed. Government needs to be supportive both as an intermediary and as a funder.

Regulations may need to be more flexible. Agri-environment funds may could be used to seed schemes and lever in support from private beneficiaries. This is an area in which more research is required.

Payments for Ecosystems Services raise the possibilities for landowners to secure new income streams. It is possible to envisage that some areas of land would have the potential to generate multiple enhanced ecosystems services. Land made available for flood relief, could at the same time be used to sequester carbon and to provide habitat for biodiversity. But not all actions by landowners to protect the environment deserve payment. Landowners have duties and responsibilities too. Payment should only be for actions that go beyond the standards that are required in law. This is an issue that requires more consistent treatment; landowners should not be paid for reducing dis-services. What are the duties of peatland owners to protect the carbon held in the land or can they allow it to degenerate and then expect a payment for it to be restored? We should also be wary about the wider consequences of introducing markets. Do they crowd out positive land stewardship? If my neighbour gets a payment for maintaining a high environmental standard, why should I do it just because I regard it as the right thing to do?

This is an issue that raises questions in law, economics, ecology and planning. We need to work on the design and implementation of institutional arrangements and to learn lesson from the experience that is generated in the field.

Denman Lecture given by Dame Fiona Reynolds

# The Case for Beauty

One of the goals of the CULS 50:50 fundraising campaign for the Department was to reinstate the Denman Lecture. In November 2014, thanks to generous support from Savills and The Howard Foundation, we did just that.

The Denman lecture series was established in 1979, and named after Donald Denman, the founder of Land Economy (as a department and discipline). It has hosted over leading academics from around the world, speaking on topics across the built and natural environment, economics and planning. Speakers have included Patsy Healey OBE FBA, Kym Anderson, David Pearce OBE, Sir Kenneth Alexander FRSE, and David Harvey FBA. Past lecture manuscripts are archived in the University Library, and are all available through the Department of Land Economy website.

The 2014 lecture was delivered by Dame Fiona Reynolds, currently Master of Emmanuel College, and Director General of the National Trust from 2001-12. Dame Fiona is also a non-executive director of the BBC and Wessex Water, has held the position of Director of the Women's Unit in the Cabinet Office, and held Directorships of the Campaign to Protect Rural England and Council for National Parks.

The lecture was hosted in Clare College, Riley Auditorium, with members of CULS, the Department and broader University in the audience. It was followed by a reception, where the quantities of red and white were more generous than the hardened CULS members of students could make real progress on. Finally the evening was closed with an exquisite dinner in the Saltmarsh Rooms overlooking the central

court of Kings College. This was attended by the speaker, sponsors guests and Department Members, to round out some of the loose ends from the lecture and move onto different discussions.

For those who missed the 2014 lecture, a full high-quality video with slides is available on the Department of Land Economy website.

We will be announcing details of the 2015 lecture in due course, and really hope you can make it up to Cambridge for another fantastic evening.

## A Brief Summary of the 2014 Denman Lecture: "The Case for Beauty"

Dame Fiona argues that in our current society which is increasingly driven by instant gratification, and in the current political climate of economic primacy, we are losing sight of "beauty" – both in the natural and human landscape.

Yet at two very different times in the past, beauty formed a central part of Britain's growth and development. Firstly at the height of the industrial revolution and empire, the link between beauty and wellbeing was clearly recognised, as implemented by social home developer Octavia Hill, and expressed in the 1908 Planning Bill. Further the need to control urbanisation was also recognised, as manifest in the foundation of the National Trust and the birth of the planning system. Secondly in the aftermath of The Second World War, the creation of the Green Belts, implementation of the 1947 Town and Country Planning Act and 1949 National Parks and Access to the Countryside Act, all formed part of an integrated approach to post-war reconstruction.

Dame Fiona argues we can reinstate beauty into society, and proposed three solutions. Firstly to replace GDP with wellbeing as a measure of progress. Secondly to build integrated places to connect us to the resources we use – food, water, our jobs and homes. And thirdly to



change the role of the individual in society from consumer to citizen.

## Excerpts from Dame Fiona Reynolds speech "The Case for Beauty"

### My Purpose

"Today we stand in the midst of a triple bind: we are facing climate change and its likely irreversible consequences with an astonishing insouciance and lack of urgency. In the meantime we are using resources as if we had three planets to depend on, not one; and we are placing at risk the biodiversity and cultural history that not only gives us our sense of identity and meaning, but on which our future depends. Because we can't live without them.

My case tonight is that an approach that embraces beauty will help us find solutions to these problems and help us build a more sustainable future.

What do I mean by beauty? Well, landscape beauty is at the heart of what I'm talking about, but it goes much deeper than that. Beauty in our surroundings and the search for inner happiness through aesthetics and cultural definition has been with us for as long as humans have had the capacity to express ourselves, from the cave paintings of central France to the majesty of Stonehenge.

Twice before beauty has been seriously on the agenda, and twice before it has slipped off. The first time was in the late nineteenth century when beauty shaped the response

to the devastating social and environmental consequences of industrialisation; the second at the end of the Second World War when there was a conscious embracing of beauty within the integrated post war reconstruction programme."

### The 19th Century

"Led by Gilpin, the picturesque movement took hold, combining notions of the sublime and the beautiful, and Britain's man-made and largely farmed landscape began to be valued in its own right. Uvedale Price's *Essay on the Picturesque, As Compared With The Sublime and The Beautiful* viewed the countryside as a work of art. He revelled in the qualities of the local, quirky and particular – rutted cart tracks, vernacular buildings, ancient oaks with their gnarled and knotted surfaces and twisted roots.

And this idea resonated, particularly as continental travel became restricted during the French Revolution and Napoleonic Wars, and the English ruling classes began to discover Britain. In the process the Englishman's *Arcadia* was born, captured in the words and emotions of the Romantic poets.

Wordsworth, in *Lines* written above Tintern Abbey in 1798, idealises nature and its spiritual importance:

**'... to recognise - in nature and the language of the sense - the anchor of my purest thoughts, the nurse - the guide, the guardian of my heart, and soul - of all my moral being'.**

In 1810 Wordsworth wrote the first *Guide to the Lake District* which rapidly became the standard work on the visual qualities of the Lake District. It marked a shift from the romantic appreciation of landscape to a sense of responsibility and concern about its future. And it marked the beginning of the first campaign for beauty."

### Post-Second World War

"As the Second World War drew to a close the coalition was determined that as much effort should be put into planning the peace as winning the war. And it was the post-war Attlee Cabinet that implemented a post war reconstruction plan that they were determined should be for the benefit

of the country as a whole and all members of society.

And so the plan was an integrated one, and beauty was at the heart of it, alongside other objectives. Along with the universal right to education (1944) and the introduction of the National Health Service (1946) came a powerful set of tools which – in effect – nationalised the nation's entitlement to beauty. The 1947 Town and Country Planning Act extended planning to the whole countryside; and the introduced National Parks, the nature protection system and established a right of public access to the countryside along defined rights of way.

This was not just a list of legislation but a carefully constructed package designed to meet the nation's needs in a rounded way, based on the principle that all land economists would recognise, the fundamental importance of land as a resource that needs to be managed for public benefit."

### The Reality Today

"From 1945 onwards farming and farmland were transformed - there was a huge increase in productivity, and food became much cheaper and more widely accessible, but there was also a huge loss of beauty in the form of landscape features and biodiversity: 97% of hay meadows were lost between 1945 and 1984; 27% of heather moorland between 1947 and 1980; a net loss of 21% of hedgerows between 1984 and 1990 alone.

Particularly since the recession of 2008, the consensus that the planning system aims to achieve balance between the need for development, society and protecting the environment has been repeatedly challenged by Government, most notably in the row over the draft National Planning Policy Framework in my last year at the National Trust. You will remember that we won that round, but the pressures have not gone away.

And even where we were sure that

**"Once again the beauty that is theoretically protected by the planning system is far from secure"**

development was happening in the right place we have not always implemented it beautifully...

Nor have we been guided by beauty in the small yet vital decisions that are made on a daily basis. Today beauty is as often lost by the steady, insidious erosion of the spirit of a place as by the bulldozer... through changes which homogenise and flatten distinctiveness, and iron

out the wrinkles and crinkles of difference and character, leaving in their place dull, ubiquitous sameness or horrible clutter.

Today politicians compete to out-do each other on the economy and only reluctantly acknowledge the case for beauty. They do not seem to accept, as Octavia Hill did, that we cannot live by material values alone; or as their post-war predecessors did, that we need beauty as much as we need economics and progress."

### The Future

"We know that the pursuit of material values alone doesn't make us happy and doesn't make us well. Indeed, after decades of improved quality of life some of the progress made in the 20th century is beginning to unravel: we are beginning to project poorer health and shortening life spans, and that today's young people are going to be

less well off than their parents. Conditions such as rickets, obesity and mental health problems are becoming more prevalent.

So we need to act, and I believe the idea of beauty can help us generate a positive vision of the future that embraces our wider needs and aspirations."

The full version of the manuscript will be available in UK copyright libraries in 2016.



Joseph Poore  
MPhil Land Economy  
Downing, 2006-2010

# New website – [www.culandsoc.com](http://www.culandsoc.com)

**Dominic Reilly**  
**CULS Senior Vice President**  
**CULS Honorary Treasurer**  
**Gonville and Caius College, 1975 -1978**



Members of our society will be aware that we have a new website. Our old website, which was probably our first, was outdated and lacked modern functionality. The website has been designed so that it is visible on computers tablets and mobile phones. The committee hopes that members appreciate the benefits of our new website in several respects.

The site was designed to have a contemporary feel which is easy to navigate in terms of finding detail on the society's activities. Pages are dedicated to the individual forums within the society and there is a link to a dedicated website for the Cambridge Whitehall group. There is a News section which is dedicated to news involving either the society or its members, and we encourage any members to submit to the society's secretary any newsworthy item which they would like to be published

on the website. The society is actively involved in helping its members in their career development and there is a dedicated section on careers with a link to our annual careers fair.

Members can login to access that part of the site which is restricted and which contains member's personal details. This is a very important part of the site and allows the secretary and the committee to keep in regular touch with our members while members can update any change to their personal details. If you have not already done so please log onto the website and check that your details are up-to-date or amend or add them as you would like.

We have also changed the collection of the annual subscriptions, so members can now either pay by standing order or by credit card through the website. If you pay by standing order your subscription will be collected automatically. Otherwise you will receive an email upon renewal requesting you to make payment through the website, and please can we encourage you to respond to this email promptly, if not you will receive a series of reminders. There has historically been a record of late and nonpayers which we are trying to eliminate, as it takes a great deal of administrative time on the part of the Secretary and Treasurer.

The largest part of the site is dedicated to our Events. Details of all forthcoming events are advertised on the website and these events can now only be booked directly through the website. Booking is extremely

simple, single and multiple tickets can be purchased and payment is taken directly via credit or debit card, and upon booking you will be sent confirmation of your registration for the event and you will receive a VAT receipt for the payment you have made.

We have had positive feedback to our new website, but please do provide any further feedback, whether positive or negative, to our secretary or a member of the committee, so that we can continue to improve communication amongst our members and make the website an active part at the heart of our society.

My thanks go to Werner Baumker, Ali Young, Lauren Fendick and our President, John Symes-Thompson all of whom contributed to the design and presentation of our new website. I would also like to thank our three financial sponsors, Europa Capital, Tishman Speyer, and OrchardStreet. We were extremely fortunate to find an excellent web designer, Chameleon, in Cambridge and our thanks to them for the patience they showed as we incorporated the changes into the initial designs for our new website.



TISHMAN SPEYER

## CULS Membership – A numbers game

**Paul Clark MPhil (Cantab) MRTPI MRICS, CULS Hon Membership Secretary** [Paul.clark3@capita.co.uk](mailto:Paul.clark3@capita.co.uk)

As another cohort of graduates emerge from the 'Cambridge bubble' and enter the world of work or further study, the Society once again has an opportunity to swell its ranks for both the benefit of itself and, we hope, prospective members. Over the course of the past year, the Society Secretary has been through the membership list and has I am told "weeded out the deadwood" – which I understand to be the non-payers and the untraceable. Given that you are in receipt of this 2015 publication it stands to reason that you were not one of these poor lost souls. This process has brought in to stark relief the fact that there is a growing number of eligible members at large that are missing out on the considerable benefits of membership.

It's a standing joke amongst my colleagues that many of my clients and more productive contacts can be traced to 'THE Land Society'. For me, the social and professional value of my membership far outweighs the fee and I would hope you feel the same way.

As I've said before, if every one of the membership could identify one eligible person - and get them to sign up - the membership fees alone will fully meet the operational costs of the Society. This would leave us as members to focus entirely on the programme in support of the good causes we support.

I urge to you to think about who might be languishing out there in glorious ignorance of how enriched their lives may become. Do please ask the question of your friends and contacts and if they aren't already on board, to direct them to [www.culandsoc.com](http://www.culandsoc.com) or even our LinkedIn Group (where they will find more than 450 members waiting to extoll the virtues of CULS).

## 50th CULS Property Careers Fair

### Celebrating the role of CULS in providing students with pathways into property

**CULS Property Careers Fair 28th October 2014 - sponsored by CLEAB, Deloitte Real Estate, Mills & Reeve, RTKL and Savills.**



**Louise Sherwin**  
Honorary Careers Officer

It was our pleasure to host the 50th property careers fair this year. Wishing to mark the occasion, we supplemented our regular 'milk-round' format with an inspirational talk from CULS member Ian Marcus, followed by drinks and canapés at the Guildhall on Market Square. It was a lively and successful evening, with great feedback from students and employers alike.

Acknowledging that we have continued to benefit from market conditions, the event has continued to expand. We saw an increase in students and employers attending, leading to another record breaking year in terms of participation numbers. A particularly welcome addition was the representation of architecture practices for the first time, encouraged through the APEC forum. This is a reflection of our wider strategy to use the fair to showcase the breadth of exciting opportunities available and to sell the merits of careers in our sector over others that are more heavily promoted at the university.

Ian Marcus gave an excellent talk, which I am sure was thought provoking to those still studying and others well into their careers. Speaking from his wealth

of experience in investment banking, he stressed the importance of new entrants being able to bridge the worlds of property and capital markets, as well as taking a global perspective. Having worked through several market cycles, his observations on the importance of "timing, timing, timing" as opposed to the mantra of "location, location, location" were also particularly memorable.

The 50th anniversary of the careers fair is an opportune moment to reflect on the significant role that CULS plays in this space. Comparable events at the university are largely organised by the careers service, rather than alumni societies. Adding CULS members to the mix brings distinct advantages. One of the most important is the enhanced quality of conversations and connections made on the day by having stands manned by alumni. This helps to build instant rapport with students and facilitates an honest discussion around career options, alongside the promotion of specific employment and internship opportunities.

This year's event was organised by a group of CULS members alongside the

Honorary Careers Officer and Society Secretary. Particular credit is due to Sophie Pickering and Lizzie Cullum for their instrumental role in making the event a success. I would also thank the many wider CULS members that attended, including several in leadership positions within the industry, who took the time to share their wisdom and encouragement with the next generation.

I look forward to seeing many members again on 27th October, 2015, for the next CULS Property Careers Fair. In the meanwhile, please do not hesitate to contact me further with any queries or ideas relating to careers.



**Date for your diary****51st CULS Property Careers Fair**

Tuesday 27th October 2015, 4-6pm  
milkround, followed by drinks and  
networking  
The Guildhall, Market Square,  
Cambridge CB2 3QJ

For further information, please contact:  
Ali Young or Louise Sherwin (Honorary  
Careers Officer).

**List of Companies at the 2014  
'Property Careers Fair'**

Deloitte Real Estate – Sponsor  
Mills & Reeve – Sponsor  
RTKL – Sponsor  
Savills – Sponsor

Ashurst  
Bidwells - Architectural Services  
Bidwells – Property  
Cambridge Matrics  
Cambridge University Careers Service  
Cambridge University Land Society  
Capital and Counties  
Carter Jonas  
CBRE  
Colliers  
CULS – APEC Forum (Architecture, Planning,  
Engineering & Construction)  
Cushman and Wakefield  
Department of Architecture  
Development Securities  
DTZ  
Eastdil Secured  
Gardiner & Theobald  
Gerald Eve  
GIC  
Grainger  
Green Oak Real Estate  
Grosvenor  
GVA  
Jones Lang LaSalle  
Knight Frank  
LaSalle Investment Management  
Lend Lease  
Smiths Gore – Architectural Services  
Smiths Gore – Property  
Strutt & Parker

**CULS in the Regions**

**James Taylor**  
**Founding Partner, ADAPT Real Estate**  
**Honorary CULS Committee Member**  
**for the Regions**  
**Robinson College, 1995 - 1999**

I write this in the hope that other like-minded people may recognise a Call to Arms and respond with ideas, guidance and inspiration.

Like many, I am not based in London. Having grown up on a farm and sat on a bus for hours each day to get to school I hated the idea of commuting, and at the age of 21 I side-stepped the inevitable consequences of a graduate surveyor's wage and offices in the West End in favour of Bristol – living and working in the Georgian elegance of Clifton, with just a 10 minute walk between first flat and first office.

The charms of the South West have held me here ever since, and as such I am well aware that CULS members located outside London see the fewest benefits of the Society, which inevitably holds the majority of events in the capital. Regional membership levels are poor and it is recognised that these will be limited without regional events and benefits. I am keen to avoid CULS being purely London-centric, but having explored various ideas, I now need assistance and ideas from others.

A quick consideration of the membership lists shows that effective CULS membership in the UK but outside of London is about 200, spread across the country. Whilst there are a handful of commercially based operators in the various core cities outside London, there is in no way a critical mass in any one location. It is therefore very hard to see how a dedicated event in a regional location can be anticipated to be successful, as it will require the vast majority of members to travel, and therefore offers little difference to the existing offer in London.

For obvious reasons there is a far greater regional membership in rural practice and estate management. Therefore if a dedicated event is to be targeted outside London and the South East then it should probably be in the rural sphere, and again considering the membership list my initial thoughts would be that North Yorkshire/ North Lincolnshire offers the greatest opportunity. As this is outside both my

knowledge and geographical base I would welcome ideas and assistance.

To assist the more commercial and residential market focused members, I believe that there are routes that can be pursued. First, please let CULS know should you be planning to attend regionally hosted events run by other organisations such as RICS, IPF, BPF and Estates Gazette. CULS can then try to identify groups of interested parties, arrange common meetings and even (potentially) negotiate discounts.

Secondly, I will be aiming to identify recent academic output from the Department of Land Economy that may be of interest and suitable for promotion on a regional basis. This will hopefully lead to an ability to engage on platforms being run by others as interesting, well presented research is usually worthy of a slot at an industry conference.

Finally, should any members have a proactive desire to co-ordinate an event on a topic, please do let me know. From experience, having tried to identify sufficient depth of membership in both Bristol and Manchester to merit a local gathering, this is difficult. However, a specialist topic could generate sufficient demand and maybe even pull some members out of London; for example a session based in, say, Birmingham on, say, the emerging regional PRS (Private Rented Sector) market, may be worth exploring.

All ideas and energies are most welcome. Please contact me on [james@adaptrealestate.co.uk](mailto:james@adaptrealestate.co.uk).



# Golf

The Annual Match against Fitz Old Boys took place in June 2014 at Essendon Golf Club which brought the series to 1-1. There was some epic match play with the large majority going down to the final hole. CULS capitulated on their first round win to hand it to Fitz Old Boys who went on to retain the trophy with a more emphatic (more than half a point!) win at Temple Golf Club this year.

The Annual Golf Day 2014 at Royal Wimbledon was hotly contested with Jonny 'Chuffers' Ufton coming good along with a sublime round by Lloyd Davies and Charles Dorin making up the team prize.

It seems that everyone is coming back for more this September 2015 and it is good to see plenty of new faces swelling our numbers. Having seen our regular attendees grow from 6 to 16 over the last 5 years I was delighted to hand over the organisation to David Mortimer of Santander this year who is ably taking on the mantle and delivering what he recently coined the 5th Major of 2015. We'll see if the standard of golf lives up to his high expectations..."

**Hannah Durden**  
**Berwick Hill**



## CULS student prizes

	Awarded By	Amount	2013-2014	2014-2015
<b>Undergraduate</b>				
The Noel Dean Prize for best overall performance in Part II (3rd year TRIPOS)	CULS	£750	Sixiang Xu	Leo Kirby
The Gordon Cameron Memorial Prize for best performance in Paper 7 (Regional Economics and Policy)	CULS	£500	Ms Luting Chen	Joseph Strange
The Mike Turner Prize for best performance in Paper 15 (Advanced techniques in finance and investment for real estate)	CULS	£500	Sixiang Xu	Rebecca Daniels
The Jeffrey Switzer Prize for best performance in Paper 14 (Planning Policy and Practice)	CULS	£250	Stephanie Richards	Richard Alty
<b>Postgraduate: MPhil Real Estate Finance</b>				
The Douglas Blausten Award for the best performance in the Real Estate Finance MPhil dissertation.	CULS	£500	Adam Isaacs	(yet to be awarded)
The Alistair Ross-Goobey Award for best performance in the Real Estate Finance MPhil	CULS	£750	Lucas Endl	(yet to be awarded)

# CULS London Dinner 2015

Lauren Fendick  
Senior Associate, Taylor Wessing

This year saw the launch of the “CULS London Dinner”, which was held at the Oxford and Cambridge Club in February. The inaugural event was a sell-out with over 60 members in attendance and included a champagne reception, a 3 course dinner in the Marlborough Room with an amusing speech from Noel Manns (Principal, Europa Capital LLP) and also featured a highly talented magician!

We hope to grow this event year on year so that as many members can meet for a fun evening reminiscent of college formal dinners. We are pleased to announce that the 2016 London CULS Dinner will be held at the prestigious Grocers’ Hall in Princes Street next door to the Bank of England on 7 April. It promises to be an exceptional evening hosted by our President John Symes-Thompson who is a Liveryman of the Grocers’ Company. Please keep an eye out on our website for ticket details ([www.culandsoc.com/events/culs-london-dinner-2/](http://www.culandsoc.com/events/culs-london-dinner-2/))



## Upcoming CULS Events

Please book tickets online ([www.culandsoc.com](http://www.culandsoc.com)) or contact the Society Secretary, Ali Young (01638 507843, [info@culandsoc.com](mailto:info@culandsoc.com)).

Thursday 17th September 2015 6.00pm	Silver Street Group - An insight into the Kings Cross Development – a site visit with Argent	Argent, 4 Stable Street, London N1C 4AB
Thursday 1st October 2015 7.45am – 9.30am	Real Estate Finance Forum - The Story of M7	Lazard & Co Ltd., 50 Stratton Street, London W1J 8LL
Wednesday 21st October 2015 6.30pm	Real Estate Finance Forum - Points of View from the Next Generation	c/o Brown Rudnick, 8 Clifford Street, London W1S 2LQ
Tuesday 27th October 2015 4.00pm - 6.00pm	Annual Careers in Property Fair	The Guildhall, Market Place, Cambridge CB3 9AJ
Thursday 22nd October 2015 7.00pm – 9.30pm	Silver Street Group Autumn Wine Challenge	Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2DA
Thursday 12th November 2015 7.45am – 9.30am	Commercial Property Forum - Market Trends 2015	BDO, 55 Baker Street, London W1U 7EU
Friday 13th November 2015 6.00pm for 6.30pm	The Denman Lecture given by François Bourguignon	The Riley Theatre, Clare College, Cambridge CB3 9AJ TBC
Wednesday 9th December 2015 5.30pm for 6.00pm	Whitehall Lecture given by Professor Chris Ham CBE	The Lecture Hall, Arup, 8 Fitzroy Street, London W1T 4BJ
Thursday 17th December 2015 6.30pm	Silver Street Group Christmas Drinks	c/o Oxford & Cambridge Club, 71-77 Pall Mall, London SW1Y 5HD
Thursday 7th April 2016 7.15pm for 8.00pm	CULS London Dinner	Worshipful Company of Grocers, Grocers' Hall, Princes Street, London EC2R 8AD

# CULS Team

CULS Committee Members			
	CULS Position	Company	Position
John Symes-Thompson	President	CBRE	Senior Director
Aubrey Adams	Vice President	Royal Bank of Scotland	Head of Property in Restructuring Group
Peter Bennett (Vice President)	Vice President	City of London Corporation	Chief Surveyor
Lauren Fendick	Honorary Secretary	Taylor Wessing	Senior Associate
Dominic Reilly	Honorary Treasurer	Howard Ventures	Non-Executive Director
Werner Baumker	Honorary Press Secretary	Co-Mission	Operations Director
Roddy Houston	Immediate Past President	Defence Infrastructure Organisation	Estate Strategy Lead (Reserve Forces & Cadets),
Louise Sherwin	Honorary Careers Officer	Deloitte	Director
Paul Clark	Honorary Members Officer	Capita Property	Head of Development
Douglas Blausten	Chairman, Cambridge Whitehall Group	Cyril Leonard	Senior Partner
James Taylor	Honorary Member for the Regions	Adapt Real Estate	Founding Partner
Martin Dixon	Committee Member	Department of Land Economy	Acting Head
James Lai	Committee Member	RTKL	Architect
Colm Lauder	Committee Member	MSCI	Senior Associate
Francesca Leverkus	Committee Member	Acquisitions Manager	Topland
Noel Manns	Committee Member	Europa Capital Partners LLP	Principal
Rod McAllister	Committee Member	McAllister ADF	Director
Brian Waters	Committee Member	BWCP	Principal
Honorary Vice Presidents			
	CULS Position	Company	Position
Dame Kate Barker CBE	Honorary Vice President	Taylor Wimpey PLC	Non Executive Director
Stuart Corbyn	Honorary Vice President	Retired	
Professor Sir Malcolm Grant CBE	Honorary Vice President	NHS England	Chairman
Spencer de Gray CBE	Honorary Vice President	Foster & Co	Co Head of Design
Ian Henderson CBE	Honorary Vice President	Capital and Counties	Non Executive Deputy Chairman
Sir Paul Judge	Honorary Vice President		Alderman of The City of London
Roger Madelin CBE	Honorary Vice President	Argent LLP	Partner
Jeremy Newsum	Honorary Vice President	Grosvenor Estate	Executive Trustee
Liz Peace CBE	Honorary Vice President		Adviser - Property, Politics and the Built Environment'
Peter Pereira-Gray	Honorary Vice President	The Wellcome Trust	Chief Executive
Mark Preston	Honorary Vice President	Grosvenor Group	Chief Executive

