

The Student Perspective



Welcome to the third edition of 'The Student Perspective', my name is Dan Sables. I am a Masters student of Real Estate at the Henley Business School, having studied Architecture at the University of Kent.

If, like me, you are beginning a career in Real Estate, I hope that this newsletter contains food for thought about the wider Real Estate context for interviews and conversations.

What I am following

Planning system on a knife's edge

Property developers and investors in the UK are keenly awaiting a Supreme Court decision with significant implications for the planning permission process, particularly concerning carbon lifecycle assessments. At the heart of this anticipation is a case involving onshore oil extraction in Surrey, first brought to court in June 2023. Its outcome may set a far-reaching precedent, influencing future planning decisions well beyond straightforward cases like oil extraction.

This potentially landmark ruling poses the prospect of introducing more complexities into an already intricate planning process. Amidst a heightened focus on Environmental, Social and Governance (ESG) performance within the built environment sector, critiques of current EPC regulations have amplified calls for more comprehensive environmental success measurements. Current metrics are criticized for their focus on a project's theoretical potential over its actual emissions impact.

Initiatives such as 'BREEAM in use' are addressing these concerns, offering guidance on improved asset management. The upcoming court decision is poised to have profound, possibly transformative effects on the planning system, warranting close attention from the industry.



Planning needs vs Market wants

In the UK, regions with low growth often exhibit similar patterns. Consider Salisbury, a region celebrated for its heritage and natural beauty. Despite its charm, Salisbury is facing challenges due to strict planning regulations. Beneath its idyllic exterior, there's an increase in housing prices and rents, alongside decreasing average incomes, a growing elderly population, and a surge in vacant holiday homes.

These issues primarily stem from a lack of new businesses, leading to stagnant wages and driving young professionals to seek opportunities elsewhere. Consequently, Salisbury's long-term outlook is concerning. Without strategic changes, market forces might continue to favour housing development for the older population, reinforcing this trend.

To address these challenges, fostering business growth and developing commercial spaces is crucial. This strategy highlights the need for a planning system in Salisbury that prioritizes long-term growth over short-term market appeasement, ensuring a balanced and prosperous future for the region.



Trends to watch

Life Science supply imbalance

As at the end of Q3 2023 there was a 1.9mn sqft short fall of supply.

Prime Prosper Due to its lack of reliance on debt funding, the Prime residential market has been one of the most resilient sectors in the UK.

Big News

Davos 2024

Davos 2024's 54th World Economic Forum brought together global leaders to address major modern issues, proposing strategies to harness opportunities and mitigate threats.

Key discussions revolved around AI's transformative impact, enhanced focus on sustainability, and bold steps towards net-zero for competitive advantage. These themes, while not directly linked to the Real Estate sector, are vital for students to understand their broader economic impact. The forum emphasized the need for quick adaptation and innovation in business, with CEOs who embrace these qualities outperforming others.

'Coopetition'—merging cooperation with competition—was suggested to boost sector growth through cross-border collaboration. Students should consider how these global trends could influence the technical and operational aspects of their future careers in Real Estate, underlining the importance of adaptability, foresight, and staying abreast of global economic and technological changes.