

The Student Perspective



Welcome to the 6th 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

Spot light on South Bank Heats Up

The demolition of ITV's former headquarters on 2.5 acres along the South Bank has been green-lit after an 18-month review by the DLUHC. The office-led project will provide 850,000 sqft of office space, a 40,000 sqft centre for grassroots artists, retail outlets, and food and beverage services. The approval statement highlights the project's cultural contribution, creation of 4,000 jobs, £11m annual increase in business rates, and a £700m investment to uphold London's global standing.

Happy? Confused? Concerned? Me too. Controversy arises from the context of recent planning rejections, notably the M&S flagship store on Oxford Street, primarily due to heritage and sustainability concerns. The South Bank project's approval lacks mention of heritage, embodied carbon or Gove's preference for residential development on brownfield sites, leading to accusations of decision-making hypocrisy, particularly given Gove's admission of the project's aesthetic impact on the South Bank.

I expect Developer reactions to be mixed. Many will view this approval as a sign that large-scale demolitions remain feasible, correcting a possible overreaction to the M&S refusal (from myself included). Yet, concerns about the resulting delays, costs, and



To demolish or not to demolish. That is the question

uncertainties could deter investment. This decision introduces a new dynamic to London's real estate scene, underscoring how shifting economic and political factors can pivot our sector's focus from design, heritage, and sustainability to economic growth.

Biodiversity Net Gain (BNG)

The Biodiversity Net Gain (BNG) policy mandates that new minor developments in England must enhance biodiversity by at least 10% compared to the pre-development state. Minor developments are expected to follow suit in April 2024.

It offers three avenues for developers to fulfil their biodiversity obligations: onsite enhancements, offsite improvements via biodiversity units, or purchasing statutory biodiversity credits as a last resort.

However, the policy faces criticisms, including potential loss of green spaces, inadequacies in the biodiversity metric tool, and a "governance gap" in monitoring and enforcing improvements.

The north will attempt to catch up with the progress made in the south, with LPAs like Kingston having committed to 30% BNG prior to the policy's implementation.



Trends to watch

'Hotelification' While offices move to a quality focused design, some are quite literally being converted into hotels. BT Tower being the most notable example.

This is in line with the uptick in investment Q4 2023 following a long term drought following Covid-19.

Big News

Get Living verdict

Last month, the first-tier tribunal ruled that 'Get Living', the owners of the Stratford Olympic East Village, must pay £18mn towards rectifying fire safety defects. Notably, 'Get Living' didn't construct or retrofit the properties, highlighting their non-fault but responsible position. This decision is currently being appealed.

The Implications: This ruling could significantly impact the real estate sector, serving as a cautionary tale for investors and potentially intensifying existing issues of mistrust and lack of information sharing within the development industry. It sets a precedent that could lower the bar for what is deemed "just and equitable" in such tribunals, influencing future claims and liability allocations.

What It Means: For property professionals, the ruling highlights the importance of risk management and strategic adaptation. It poses challenges in stakeholder relations but also offers opportunities for reducing leaseholders' and property managers' risk exposure, necessitating informed, agile decision-making in a shifting real estate landscape.