CoreNet Global UK Chapter - AGM & Breakfast Meeting - January 2016

Predictions and Resolutions 2016

Wednesday 13 January 2016, Howard Kennedy, No 1 London Bridge, London SE1

Moderator: James Maddock, Cushman & Wakefield, UK Chapter President
Speakers: Kaela Fenn-Smith, Head of Commercial Land Securities
Will Monaghan, Director Real Estate and Workplace Solutions, Willis Towers Watson
George Roberts, Head of Client Strategy, Cushman & Wakefield

On a gleaming early January morning, over 90 of us met in Howard Kennedy's London Bridge offices with its marvellous views: up and down river, and across to the City. The CoreNet Global UK Chapter members and friends were gathered for the traditional January Predictions and Resolutions Breakfast Briefing which followed immediately after the AGM.

UK president **James Maddock** introduced and described the speakers, carefully chosen to represent the developer, the occupier and the agent. He then confused everyone by asking them to 'perform' their duties in reverse order. So on to this year's attempts at crystal ball gazing.

George Roberts, was first off, as the representative of the agency community. He has three predictions, the first of which is that 2016 will be the 'year of the doughnut', illustrated by a particularly pretty iced pink doughnut covered in sparkly bits. This he said represented an increasing interest in the periphery of London due to the steeply lower rent and rate costs in places such as Croydon, Brent Cross and Silver Town. And occupiers are not just looking at the outer boroughs of London but further afield to Manchester and Leeds, Edinburgh and Glasgow. Secondly he predicted a step change in the flexible office market: with new entrants co-working and the rise of the club type workspace as opposed to the traditional serviced office. Thirdly, he has noted a changing demand in the type of work space occupiers require. For instance - 'the elephant and the flea': large companies want to be near tech hubs; there's an increasing desire for 'experiential' office space; there's an acceleration of activity based working; and, finally, there's the re-emergence of the public sector. As to his resolutions - experience tells and he's keeping those close to his chest.

Next for the Landlord - **Kaela Fenn-Smith** who outlined for us how Land Securities sees the immediate future. Noting the all-time high costs of acquiring sites and construction she told us that Land Sec is calling a halt for now on speculative building: any new buildings will have at least an element of pre-let. Then 'our buildings', she said 'are engineered for talent'. And the company is concentrating on 'placemaking' - with an emphasis on outdoor space: restaurants and public squares featuring strongly. Working with consultants, they see business principles shifting and are looking at where the digital part sits with traditional roots. Technology is transforming the way we work and infrastructure is critical: technology and talent are merging, design is evolving and we are on the cusp of reshaping and redesigning the way we use property. Buildings are being designed from the inside out and soon the best buildings will be a computer with a roof.

Finally, for the occupier, **Will Monaghan**, billed originally as 'Director, Global Real Estate Willis' is now responsible, as of 5 January 2016, for the global real estate and workplace solutions of the very newly merged Willis Towers Watson. 'Mergers', he declared, 'are great for real estate, with the challenges of integration'. However in three to five years he sees substantial windfalls in cost-savings even though the 'shadow head-count' use of consultants will continue to grow. As to world economies - Portugal, Ireland and Spain, though not so much Greece, are on the up, while the BRICS nations are stalling. He believes the UK's EU referendum will finally be a 'non-issue' and predicts that Donald Trump will not win the US election. Meanwhile the war for talent will continue with CRE heavily involved, echoing the idea that good design draws talent, though location will always win in the end. His resolutions? Getting his data in order, hitting 25% of his five year integration plan, and bringing a little more structure and process into his working life.

James then took back the microphone, reminding us of his last year's predictions, only one of which came true: that smello vision would happen (it didn't), that one of the four home nations would get to the final of the Rugby World Cup (nope) and that a major cyber event would cause a run on the banks (well, yes). Encouraged, his predictions for 2016 are: Boris bike lanes will be abolished (no one uses them outside rush hour), Britain will remain in the EU, and technology will be the driver of a major terrorist attack.

After this last, rather downbeat prediction we launched into the Q&A. Will Wembley really attract top talent (business rather than football)? What is the attraction of 'villages'? What about the costs of private residential property and commuting? Do people really want to work from home? What about the accounting rule changes? What about Brexit (again)?

This was James's last throw as President and he took the opportunity to thank our sponsors and all those who work to make Chapter events the success they are, before finally dismissing us to face the rest of the day.

Happy New Year to all our readers!