

## Predictions and Resolutions 2019

Thursday 17 January 2019, Turner & Townsend, One New Change, London EC4

**Moderator:** Steve Norris, partner, Incendium

**Speakers:** Paul Hardy, Brexit director, DLA Piper

Thomas Erseus, chief real estate officer and head of real estate,  
Ericsson

Liz Troni, Head of EMEA Research and Insight, Cushman & Wakefield

Winding up the AGM, the first item on the agenda, new Chapter president Sam Pickering thanked Turner & Townsend for hosting this the first event of 2019, attended by 110 members and guests. He also thanked outgoing president James Crisp for all the hard work he had put in throughout 2018 and promised to continue the expansion of the Chapter, aiming to get away from the usual CRE topics and to engage more closely with occupiers, running breakfasts and dinners by invitation only. 2019 seems threatening on multiple fronts, so he welcomed Christina Sigliano as vice president and president elect. Finally, he noted the next Young Leader event (bowling on 7 February) and the UK Chapter Summer Ball on 20 June.

Steve Norris as moderator then launched the main event - the annual Predictions and Resolutions - by asking participants just who had made a new year's resolution? Not that many it seemed, and fewer still had actually kept them! As for predictions he thought that equally difficult - who would have predicted 30 years ago the internet, smart phones or a black or even and orange president? Introducing the three speakers he explained that Liz Troni would give us the world view, Thomas Erseus the occupiers' perspective, and Paul Hardy an update on Brexit.



So, first off, Liz Troni, who, as head of research for Cushman and Wakefield with a global view, told us that as she already has three passports (British, US and Italian) she is set up

for any eventuality whatever. For her resolutions she had decided to follow Dilbert and 'do whatever makes you feel less absurd' and she has five predictions: that Brexit related corporate relocations will be hundreds not thousands, that corporate decisions will be delayed until summer 2019, that retail 'can't buy a break', that Tottenham's new ground will not be ready this season, and that president Trump will suffer a disastrous year. 'Ignore the noise' she told us, 'there might well be a bounce before Christmas'.

Next up Thomas Erseus, head of real estate for Ericsson, noted that massive change is ongoing in his industry. Fierce competition needs extreme cost efficiency and that while real estate is one of the enablers for productivity in both clients and employees it needs, he said, to be very actively managed. With 800 leases worldwide, the company needs a location strategy that takes a long view while also retaining flexibility. He quoted Montreal where the workforce had been reduced from 1200 to 800 but is now again on the increase. Having signed up to the Paris agreement on climate change, one resolution is to reduce the company's carbon footprint by travelling less and using smart communications more. 2019 will be a year of shift, he predicted, so he will be focussing on cost, and concentrating on putting the end-user experience first to provide a good working environment.

Finally, Paul Hardy, Brexit director at DLA Piper, whose 25 years as a lawyer includes five years at the EU Commission in Brussels and eight years as senior EU legal adviser in the UK Parliament. He outlined the current Brexit possibilities facing the government, noting however, while businesses are reviewing and preparing contingency plans, many are deferring action until they see that they absolutely have to. 'Moving personnel', he said, 'is the hardest thing'. Working through the numbers required for a definitive vote in the House of Commons, he pointed out that the key issue over the next few weeks is what the Labour party will do. 'Constructive ambiguity' he said, 'has served them well so far'. His predicted possible results are that 'No Deal' has a 30% chance, Mrs May's deal a 40% chance, and a second referendum a 30% chance of succeeding. 'Politics' he said, 'have taken over' - there is no apparent industrial strategy and he is not optimistic, concluding that we are living in the 'most uncertain and dangerous environment for decades'.

Conducting the Q&A session, Mr Norris elicited the information that the Swedes cannot understand what we in the UK are up to, that a tax cut in the US currently would be irresponsible, and that mental health and wellness is rising up the political agenda. Further questions from the floor concerned the sort of questions to be asked in a second referendum, the development of the China/US relationship, smart buildings and the outsourcing of IT services, the complexity of Brexit and the nature of the key actors, and whether Brexit is a sign of stagnation?

Summing up, he concluded that the year ahead looks very uncertain and predicted that Article 50 will be extended. On which optimistic note the session was brought to a close and we continued to a networking breakfast and then off to our respective assignments, through a brilliantly sunny but freezing cold morning. What does that tell us?

Alison Sutherland  
January 2019