

The Real eState with Peter Bill

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In his latest column for Maples Teesdale, Peter Bill, author of Planet Property and former editor of Estates Gazette, shares his thoughts on the Panama Papers and some of the latest London towers.



Which Panama hat to wear?

What stance should the leaders of the commercial real estate sector take on the revelations in the Panama Papers? Forget the legalities, ignore the technicalities, concentrate on the moralities. OK, not easy. But nor can the sensation of a great big bucket of tar being poured over the reputation of an entire industry and other legitimate investors because a few shady folk buy real estate in the UK. I put this “what stance?” question to one such leader a couple of days after the storm broke. After a good deal of chin-stroking came this: “If I were running the RICS or British Property Federation, I’d convene a meeting of influential members. Then ask them to decide on one of two actions: Come out strongly against the ‘bad-apples’ who pay lip service to the money laundering regulations and offer full cooperation to the authorities on closing loopholes; or maintain an undignified silence.” By the time you read this, you may have an answer.

A tale of two new towers

A fresh income stream for property consultants has sprung in the City of London. Actually, more of a trickle. The March application for a 1000-foot skyscraper at 1, Undershaft asks those who wish to grasp the impact on the planet of replacing the 23-storey Aviva tower with another of 73 floors to pay for the privilege.

The three volume Environmental Statement produced by planning consultants DP9 is yours for £600. Send cheques to DP9 at 100 Pall Mall. Once done, “further electronic copies can be purchased at a cost of £5 as long as stocks last,” says the Corporation Web site. Hurry hurry, before the hard disc crashes, or someone corrects the sentence.

DP9 boss Malcolm Kerr and eight others broke away from Montagu Evans in 2004. The 57-year-old Scot does not need the extra cash from publishing. The firm is working on the two most prominent additions to the City skyline likely to build in the next 10 years. As well as 1, Undershaft, DP9 is advising on the 900-foot tall 22, Bishopsgate.

The rival towers sit no more than the arc of two tower cranes apart - and within yards of the Cheesegrater. Undershaft contains nearly 1m sq. ft. of space, designed by architect Eric Parry. The development is backed by Singaporean palm oil magnate Kuok Hong Khoon. An unknown quantity. Odds of this tower being built? About even.

The odds of the rival being built are higher. The entire cost of 22, Bishopsgate is being paid for by AXA. No mortgage. The mastermind behind 62-storey tower is Sir Stuart Lipton. The architect is Lee Polisano of PLP Architects. With the help of DP9 the team got permission in December to stack 1.4m sq. ft over 62 floors.

An extraordinary feat of design, given the site was to be home of to the defunct Pinnacle, which contained a mere 1 million sq. ft. of rentable space. Extraordinary too, because 1, Undershaft has 11 more floors than 22 Bishopsgate - yet contains 400 000 sq. ft less space. An end value of £1000 per square foot means every rentable square inch matters.

Rights of light disputes plague City towers. Neighbours: “give us money or we’ll bring work to a halt with an injunction under rights of light laws.” Developers: “Oh yea, we’ll get the City to remove your rights under Section 237 provisions of the 1990 Town and Country Planning Act.” At 22, Bishopsgate the City has decided to side with Sir Stuart.

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Who knows when work will start on either? But imagine both 1, Undershaft and 22, Bishopsgate go ahead together. Long before they are finished the pair will be marketing 2.4m sq. ft. of space worth about £2.4 billion when filled. To help imagine the magnitude of the task, we're talking twice space of the Walkie Talkie and Cheesegrater combined.

Peter Bill

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