

# THE GENERAL ELECTION – WHAT DOES IT MEAN FOR REAL ESTATE?

Industry leaders join *BE News* and sponsors James Andrew International and New West End Company to explore what the future might hold under a new government



## THE PANEL

**Sanmi Adegoke**, chief executive, Rehoboth Property

**Peter Allinson**, chief executive, Davitt Jones Bould

**David Brooks Wilson**, chairman and chief executive, Noble Wilson

**Dee Corsi**, chief executive, New West End Company

**Kat Hanna**, co-managing director, Avison Young

**Alexander Jan**, chair, Central District Alliance

**Vivienne King**, founder and managing director, Impactful Places

**Erin McDonald**, director, London retail, Colliers

**Steve Norris**, former MP and chairman, Soho Estates

**Helen Pickstock**, executive director, real estate, Coutts

**Mark Robinson**, co-founder and chair, Ellandi, and chair, High Street Task Force

**Andrew Soning**, director, James Andrew International

**Harvey Soning**, chairman, James Andrew International

**Professor Tony Travers**, professor in practice, department of government, LSE

**Jace Tyrrell**, chief executive, Opportunity London

**Paul Williams**, chairman, New West End Company, and chief executive, Derwent London

**Chair: Liz Hamson**, editor-in-chief, *BE News*



This year will see the UK hold a general election to determine whether the Conservatives will win a historic fifth term or Labour will march into 10 Downing Street.

Whoever gets the keys to the famous shiny black door has their work cut out, as the country is dogged with high inflation and economic and political woes, against a backdrop of a world grappling with international conflicts and an ever-growing concern over climate change.

Earlier this month, leaders from across the built environment gathered at a roundtable lunch discussion – held by *BE News* and sponsored by James Andrew International,

this year celebrating its 50th anniversary, and New West End Company – to explore the likely outcome of the general election and the ramifications for real estate in London and across the UK.

Participants were asked to compare and contrast Labour and Tory policies, assess whether real estate would rise up the political agenda again post-election and identify the pressing industry issues that need addressing.

But the first – and burning – issue discussed at the roundtable, moderated by *BE News* editor-in-chief Liz Hamson, was when the general election was likely to happen, and if it was nailed on that Labour would win.

Most of the panel agreed the election would take place later in the year, with several,

including LSE professor Tony Travers and Noble Wilson's David Brooks Wilson, landing specifically on Thursday 14 November, nine days after the US presidential elections.

"[Rishi Sunak] won't go in December, because it's the wrong time of year, and January is leaving it too late," said Brooks Wilson.

The November date "was not so late as to look desperate", added Travers, and would mean Sunak makes it over the two-year milestone as premier, "which would be an achievement". He said it would be a Labour government, but with a smaller majority than others have predicted.

Vivienne King of Impactful Places agreed with the 14 November date, and said Labour would get a majority of anywhere between 50 and 150 – "but probably the larger end".

## 'No easy solutions'

According to former Tory MP Steve Norris, whoever the incoming government will be, "there are no easy solutions to the politics they have inherited". He added: "Governments have sell-by dates... This government has been in for 14 years. It's tired, it's fighting itself, it really needs to go. I'm not changing affiliation, but it needs time to go back and think again 'what kind of party are we?'"

"No political party has ever won five elections on the trot. But the worst outcome for the country would be a hung parliament."

With Labour having its own well-documented problems, the group was



Dee Corsi



Sanmi Adegoke



Kat Hanna



Steve Norris



***We all know we need more housing, and affordable homes, but at some stage there must be a relaxation of planning***

*Paul Williams*



**Vivienne King**



**David Brooks Wilson**



**Professor Tony Travers**



**Paul Williams**

asked whether the party would come in and stay in, to which Norris said: "There's a possibility, even with a majority of 100 to 150 seats his [Labour leader Sir Keir Starmer's] will be a one-term parliament."

Travers added: "The bar has been set so low that they don't have to deliver anything – they are not going to be popular for very long."

Given the political chaos, and the stuttering economic recovery, real estate has disappeared from the political radar, but the room debated how long that would last, and whether, once the election is done, if issues like housing would rise back up the agenda.

### **No unified voice**

The problem, said Brooks Wilson, is who speaks on behalf of the industry: "We've seen the CBI [Confederation of British Industry] lose its way. The IOD [Institute of Directors] doesn't do it, RICS is in turmoil, the BPF [British Property Federation] maybe, but there isn't a unified voice that's putting the case against a lot of the nonsense we've seen with [housing secretary Michael] Gove

in planning, to get it resolved. There needs to be one voice."

Asked whether there could be some meaningful policy changes with Labour, Jace Tyrrell of Opportunity London said that for the international investment community, "what they want to see at local government level is consistency, and the risk on planning [solved]".

The conversation then moved on to Labour's October party conference pledge to "build 1.5 million homes to save the dream of home ownership".

"We all know we need more housing, and affordable homes, but at some stage there must be a relaxation of planning," said Derwent's Paul Williams.

Avison Young's Kat Hanna called it a "game of chicken", adding: "Politicians think the market will correct, people will readjust and it'll be OK. Developers on the other hand are saying 'we're sitting and waiting'. So it's stalemate. I haven't seen where Labour has said how these 1.5 million homes are going to be delivered."

Rehoboth Property's Sanmi Adegoke said he was in support of a Labour government in

terms of building affordable homes, but adds that the term 'affordable' needs to be "something that we understand".

Mark Robinson of Ellandi added: "We are talking about 'affordable housing', but let's be honest: it's not truly affordable – it's just slightly cheaper. It doesn't solve affordability or the provision of social housing, which perhaps needs a local and national government solution."

The Central District Alliance's Alexander Jan argued that the Right to Buy scheme did more to help create mixed communities than any other single policy: "The crucial point is that if local authorities were allowed to retain the proceeds, then what's the problem? The problem is the Treasury [taking] all the money, most of the time."

## Evolution of retail

Turning to retail, the spotlight was shone on Regent Street and Oxford Street, their relation to each other and what's needed to revive the fortunes of the latter.

New West End Company's Dee Corsi highlighted Oxford Street's evolution: "It's been changing for many years, and we're fortunate now that [companies] like Ikea are showing a commitment, which is a talking point. It's not just 1.8km of traditional retail anymore. [People] want to come for more, [for the experiences]. It's a day trip. It's about visiting with friends and families."

The difference between Oxford Street and



Mark Robinson



Alexander Jan



Jace Tyrrell



Helen Pickstock

Regent Street, added Corsi, is that Regent Street has one owner: The Crown Estate. "This means it can curate, look at things longer term and take that long-term view, especially following the pandemic. But [Oxford Street is] coming out the other side, and it's coming out stronger. We're working with Westminster City Council on the public realm because that has to harmonise with the investment happening inside the buildings, which do contain retail but also hospitality, leisure and, importantly, offices above them."

When asked about the much-maligned

candy stores, Corsi said: "They were a temporary fixture."

Opinions were then gauged on the outlook for offices, given working practices have changed. "My policy at Derwent is: if you want to work from home, you can on a Sunday," said Williams. "Most of our portfolio are back four days a week. I think Fridays are always going to be more difficult to get people in."

Everything is cyclical, according to Brooks Wilson. "Four or five years ago, pre-Covid, the best yield was offices; suddenly it was logistics," he explained. "But offices



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Peter Allinson



Erin McDonald

will come back – the quality offices.”

Finally, participants were asked when the market was likely to recover, what the single biggest opportunity for real estate in the next 12 months would be and what they would put at the top of their wish lists from the next government.

“London has already started a recovery – it has shown better signs than the rest of the country,” said Tyrrell, adding that AI is an opportunity.

Meanwhile, James Andrew International’s Andrew Soning’s wish was a resolution to VAT: “The whole ecosystem that revolves around [VAT] has just been completely ignored, which is something I don’t understand. As for the market recovery, I thought it was going to be around now, but hopefully it will be in 12 months as interest rates have got to start coming down quickly. I can’t see that happening in the short term.”

Addressing the question of recovery,

James Andrew International’s Harvey Soning said that for any new government, the honeymoon period would start from November and would remain until next summer, with interest rates coming down slightly and confidence returning.

“The big point for me is that once the new government settles down, in autumn next year, there will be a huge surge of foreign interest, a wall of money coming in, both in property investment and corporate purchases, among others,” he said,

Peter Allinson of Davitt Jones Bould said his hope for the rest of 2024 and the start of 2025 was for the government to sort out the building sector: “There are a lot of rubbish legislations, causing uncertainty, and no one knows exactly what they are doing. Added to that is the ongoing liabilities that were unintended. It’s a mess, with people still in properties clad with combustible materials.”

Some type of reintroduction of tax-free



***Tax-free shopping wouldn’t just benefit some shops on Bond Street but is a UK-wide issue***

*Erin McDonald*

shopping would be on the wish list for Erin McDonald of Colliers, “to try and bring back that missing spend, but also put multiple jobs that are in the UK back on that map”. She added that she hoped the public would “get the truth behind the headlines: that this wouldn’t just benefit some shops on Bond Street but is a UK-wide issue.”

Ending the discussion, Jan said the big opportunity is to reset the UK’s relationship with Europe, “whatever that means”. □



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