UKR forum
UK REGENERATION

Summary: 24 October 2013
Planet Property: Peter Bill in conversation with Paul Norman

Peter Bill was introduced by Paul Norman of CoStar as a journalist with an exquisite nose for a good story and as the best leader writer in the business.

On why Peter had decided to write a book, Peter said it was part vanity, part posterity. The story needed telling - Alastair Ross Goobey had written *'Bricks and Mortals'* in 1992. Peter left Estates Gazette in 2009 and his first title for the book, *Boom, Boom, Bang*, was not completely lost, as the three sections of the book are: Bang (2007- 2009); Boom (1997 – 2007); Money (the drivers; roles of banks and lenders).

There is a chapter for students – 'Planet Property', which dealt with who does what to whom and why; how people interact; politics; planning systems and tax. The rest of the book was about the players (the developers and agents); money; profits; market share growth; homes (new build and auction market); the great estates; and the aftermath (what was that all about then?).

In answer to the question – 'How much has been learned?' Peter said it would all happen again (the title of the last chapter) and that lessons were already being forgotten. Peter cited a very recent deal where he believed £15m had been overpaid for a luxury flat development in central London. There was a report from the Property Investment Board suggesting that banks should lend on long term value – not the current loan to value ratio – as a way of stopping it all happening again.

Peter shared a number of anecdotes and his observations on the property industry from his book. Stuart Lipton was still the most influential figure in property. More on Philip Green and the Candy brothers can be found in the book.

Peter's key observation was how long everything took. Lord Stevenson, formerly of the Smith Institute, explained to Peter there were five stages for policy to get onto the statute book: Yr 1- go away; Yr 2 – tell you why it doesn't work; Yr 3 – prepared to discuss with you; Yr 4 – they produce something you hate; Yr 5 – you get something.

Paul Norman asked what had changed about media relationships. Peter commented that it was the distribution rather than the content and that he had that morning picked up on twitter that the Grosvenor Estate had bought

12 acres in Bermondsey at the former Peek Frean biscuit factory from Workspace. What can you do to add value? He said that journalism is a slim industry with 10 public relations person to every journalist. They served their clients well – write, get it out as fast as you can; but it was hard now to get people to pay for news.

Peter had set out why he thought it would all happen again from the history we told in the shocking chapters on the banks; including the Allied Irish Bank and the Peter Cummings saga at HBOS. You could see why there was the need to borrow on sustainable values.

Writing the book was a much more rigorous process than a column and all the profiles in the book were checked by the individuals including Ian Henderson, Harry Hyams, Mike Strong and Nick Tomlinson. There were more heroes than villains in the book as most people really aren't evil; there is a common spirit amongst a convivial bunch of decent agents (with a few spivs and sharks) and developers.

It was difficult to educate politicians on how the property sector could work at its best: they were not in the jobs long enough; their attention was fleeting; and they were dancing to particular tunes. Gordon Brown thought that REIT's could help solve the housing problem but the policy was hijacked by the commercial property operators through the engagement with the BPF who made it work to their advantage. Lobbyists could win against a government that did not truly understand.

A number of comments from the panel outlined the belief that there was an intellectual capacity at the heart of the commercial sector, supported by their substantial financial resources; there is not the same capacity within the residential sector. There was a spectrum where politics and money were always short term and everything else was on the longer end.

The Great Estates were an exception; with Grosvenor Estate thinking 50 years ahead, meeting every 5 years to consider what will be the 50 year trend. The 12 acre investment in an inland site in Bermondsey was significant for a company that holds onto and looks after its estates for the long term.

Was it all about London and was London shifting? Peter said there were strange new names appearing, some odd buildings and some high yields. Who was buying, who was selling? Was the buyer wiser or the seller wiser? Use your own judgement but remember that Blackstone buy at the bottom.

For much more you can get the book from http://www.planet-property.net.