

PROPERTY INVESTMENT BOARD

Wednesday, 18 July 2018

Minutes of the meeting of the Property Investment Board held at Guildhall, EC2
on Wednesday, 18 July 2018 at 8.30 am

Present

Members:

Deputy Tom Sleight (Chairman)
Deputy Alastair Moss (Deputy Chairman)
Chris Boden
Sir Mark Boleat
Alderman Alison Gowman
Christopher Hayward
Andrien Meyers
Deputy Philip Woodhouse
Stuart Corbyn
Tony Joyce
David Shaw OBE

Officers:

John James	- Chamberlain's Department
Alan Bennetts	- Comptroller & City Solicitor's Department
Ola Obadara	- City Surveyor's Department
Nicholas Gill	- City Surveyor's Department
Andrew Cross	- City Surveyor's Department
Tom Leathart	- City Surveyor's Department
Neil Robbie	- City Surveyor's Department
John Cater	- Town Clerk's Department
Philip Everett	- Town Clerk's Department
James Giffard-Taylor	- City Surveyor's Department
Sarah Trillwood	- City Surveyor's Department

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Michael Hudson, Dhruv Patel OBE and David Brooks Wilson.

2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA

Alderman Gowman declared a non-pecuniary interest in ITEM 13 as a Governor of the Museum of London.

Christopher Hayward took no part in the discussions in ITEM 10 because of the potential non-pecuniary conflict he has as Chairman of the Planning & Transportation Committee - which would be considering a new planning

application for 1 Leadenhall. Alastair Moss confirmed he would not be voting on the application as a Member of the Planning & Transportation Committee but would be considering the new lease terms as a Member of PIB.

3. **MINUTES**

Alderman Gowman stated she remained concerned about traffic damage to Tower Bridge. The City Surveyor agreed to look into governance issues and raise with the Department of Built Environment.

RESOLVED – That the public minutes of the meeting held on 13 June 2018 be approved.

4. **ECONOMIC AND PROPERTY MARKET PRESENTATION BY KEVIN MCCAULEY CBRE**

Kevin McCauley, Executive Director, Head of London Research at CBRE delivered a presentation on the London office market.

Members posed several questions to Mr McCauley:

What was the outlook for rent free periods?

Rent Free periods were increasing, it was not uncommon to see 10-year leases including a 21-24 month rent free period.

What are the medium-term challenges?

- Keeping up with demand in light of a decrease in available debt finance, availability of viable locations in Central London and more stringent environment for approvals of planning consent
- Infrastructure being developed by competitors (particularly around transport and housing), the key competitors were Dublin, Amsterdam and Frankfurt
- Brexit – specifically, the impact of services being outside the future EU-UK trade agreement, currently CBRE were seeing a slow drip feed of international corporations relocating some staff or choosing not to expand in London as Brexit headwinds were increasing up to March 2019. Interestingly, Fintech was continuing to grow in London. Canary Wharf was at the sharp end of any retrenchment by traditional Financial Services firms in the UK

Will the City's employer demographic change?

Too early to say in terms of big trends, all companies are looking at more flexibility of office space

Members and officers thanked Mr McCauley for his excellent presentation.

5. **MIPIM PROPERTY CONFERENCE 2018/2019**

Members considered a Joint Report of the City Surveyor and the Director of the Built Environment.

Members queried whether the funding for the City's future engagement at MPIM needed to be reviewed so BHE took less of the strain. The City Surveyor would return to the Board in the autumn with his thoughts on how PIB's share of the MPIM budget should be split between the three Funds.

Members were of the view that measuring the broad tangible outcomes from MPIM was generally difficult to define, however, The City Surveyor pointed to several examples of commercial lettings sealed at MPIM and other introductions made.

One Member suggested that this year's event went well with much more of a co-ordinated approach and a better media presence, pointing to the launch of the joint City/CPA report and highlighting the very valuable work the Co-opted Members of PIB undertook on behalf of the Board.

Members requested that the Chief Planning Officer does not attend future events - this was because there was a tendency for the event to be used for pre-application discussions and the focus of the event should be more strategic.

The Chairman requested that the diversity of the Corporation's team should be more of a factor when considering which Members/Officers attend next year's event.

RESOLVED – that Members approved the following:

- I. That this report on MPIM 2018 is received
- II. That the additional cost of attending MPIM 2018 be noted
- III. That the Policy & Resources, Planning & Transportation Committees, and the Property Investment Board, approve that the City of London Corporation should attend MPIM 2019 with a total budget of £94,000.

6. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD

There were no questions.

7. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT

There was no other business.

8. EXCLUSION OF THE PUBLIC

RESOLVED – That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Local Government Act.

9. NON-PUBLIC MINUTES

RESOLVED – That the non-public minutes of the meeting held on 13th June be approved.

10. LEADENHALL MARKET PRESENTATION

Members received a presentation from the City Surveyor concerning Leadenhall Market.

11. **CITY FUND, CITY'S ESTATE & BRIDGE HOUSE ESTATES - QUARTERLY DELEGATED AUTHORITIES UPDATE - 1ST APRIL 2018 TO 30TH JUNE 2018**
Members received a Report of the City Surveyor concerning the Quarterly Delegated Authorities Update - 1st April 2018 to 30th June 2018.
12. **CITY FUND, CITY'S ESTATE & BRIDGE HOUSE ESTATES: VACANT ACCOMMODATION UPDATE AS AT 1ST JUNE 2018**
Members received a Report of the City Surveyor concerning Vacant Accommodation as at 1st June 2018.
13. **MUSEUM OF LONDON RELOCATION - PROJECT UPDATE**
Members received a Report of the City Surveyor concerning the Museum of London relocation.
14. **CITY SURVEYOR REVENUE OUTTURN REPORT 2017-18**
Members received a Report of the City Surveyor concerning the Revenue Outturn for 2017-18.
15. **MSCI ANNUAL PERFORMANCE**
Members received a Report of the City Surveyor concerning the results from the MSCI of the performance of the City Fund, City's Estate and Bridge House Estates Property Investment Portfolios.
16. **ACTIONS BETWEEN MEETINGS**
Members received a Report of the Town Clerk concerning the recent approvals undertaken under delegated authority and/or urgency procedures.
17. **DELEGATIONS SOUGHT DURING THE SUMMER RECESS**
Members received a Report of the City Surveyor concerning delegations sought during the summer recess period.
18. **CITY'S ESTATE - LETTING STRATEGY FOR COMMERCIAL OFFICES AT SMITHFIELD MARKET ACKNOWLEDGING THE STRATEGIC REVIEW OF THE CITY'S WHOLESALE MARKETS**
Members received a Report of the City Surveyor concerning the letting strategy for commercial offices at Smithfield Market.
19. **CITY'S ESTATE (SPE) - NICHOLLS & CLARKE SITE - VARIATION TO EXISTING OPTION AGREEMENT FOR LONG LEASE REDEVELOPMENT**
Members considered a Report of the City Surveyor concerning the Nicholls & Clarke site.
20. **CITY'S ESTATE - LETTING REPORT AMENDMENT TO THE PROPOSED LEASE: PART GROUND & BASEMENT, 55 CHARTERHOUSE STREET, LONDON, EC1M 6HA - REVERSIONARY LEASE**
Members considered a Report of the City Surveyor concerning 55 Charterhouse Street.

21. **CITY'S ESTATE - NEW BROAD STREET HOUSE - 35-41 NEW BROAD STREET & 81-89 OLD BROAD STREET (RENT REVIEW AS AT 25 SEPTEMBER 2015)**
Members considered a Report of the City Surveyor concerning New Broad Street House.
22. **CITY FUND - LEASE RE-GEAR OF 23-25 LEADENHALL MARKET, LONDON, EC3V**
Members considered a Report of the City Surveyor concerning 23-25 Leadenhall Market.
23. **CITY FUND - ARREARS WRITE OFF**
Members considered a Joint report of the Comptroller and the City Solicitor and the City Surveyor.
24. **CITY FUND - 65 & 65A BASINGHALL STREET – FUTURE OPPORTUNITIES**
Members received a Report of the City Surveyor concerning 65 & 65a Basinghall Street.
25. **BRIDGE HOUSE ESTATES - 181 QUEEN VICTORIA STREET - MAJOR REFURBISHMENT AND RENOVATION**
Members considered a Report of the City Surveyor concerning 181 Queen Victoria Street.
26. **BRIDGE HOUSE ESTATES - 64/65 LONDON WALL - ROOF RE-COVERING AND REPLACEMENT**
Members considered a Report of the City Surveyor concerning 64 & 65 London Wall.
27. **BRIDGE HOUSE ESTATES AND CITY FUND - GLA ROADS - PROGRESS UPDATE WITH TRANSPORT FOR LONDON**
Members received a Report of the City Surveyor concerning the GLA Roads dispute with Transport for London.
28. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE BOARD**
There were no questions.
29. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE BOARD AGREES SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**
There was no other business.

The meeting ended at 10.08 am

Chairman

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