

<b>Committee(s)</b>	<b>Dated:</b>
Policy & Resources Committee	19/05/2016
Planning & Transportation Committee	24/05/2016
Property Investment Board	25/05/2016
<b>Subject:</b> Marché International des Professionnels d'Immobilier (MIPIIM property conference) 2016 / 2017	<b>Public</b>
<b>Report of:</b> The City Surveyor	<b>For Decision</b>
<b>Report author:</b> Simon McGinn, City Property Advisory Team (CPAT)	

### Summary

This report informs your Committees of the City of London Corporation's activities at the MIPIIM property exhibition in March 2016, and seeks approval for City of London Corporation attendance at MIPIIM 2017.

The cost of representation at MIPIIM 2016 was above the originally approved budget (£87,500), totalling £89,398 which was as a consequence of expanding the attending Member team by an additional person.

Key activities from MIPIIM include (summary):

- 24 meetings with high level representatives of property companies and stakeholders active in the Square Mile.
- The public launch of an important piece of property research.
- Three successful City-hosted dinners with high-level guests.
- Involvement in two panel sessions by the Chairman of Policy & Resources, plus a keynote speech at a breakfast hosted by the London Chamber of Commerce and Crofton.
- Promotion of the City's existing and future building stock.
- Promotion of the City as a place to invest and base a business.

### Recommendation(s)

- That this report on MIPIIM 2016 is received.
- That the additional cost of attending MIPIIM 2016 be noted
- That the Policy & Resources and Planning & Transportation Committees, and the Property Investment Board, decide that the City of London Corporation should attend MIPIIM 2017 with a total budget not exceeding £95,000.

### Main Report

#### Background

1. In Apr/May 2015, approval was given for the City of London Corporation's attendance at MIPIIM (Marché International des Professionnels d'Immobilier) 2016 in Cannes at a cost not exceeding £87,500 to be met from existing budgets. Subsequent to the report going to Committee, it was decided that it would be useful for the Deputy Chairman of the Planning & Transportation Committee to also attend, the cost of which was covered by the Department of the Built

Environment's local risk budget. Provision of £20,000 came from the City Surveyor's Department (Property Investment Board), £7,500 from the Department of the Built Environment (Planning and Transportation Committee), £5,000 from Public Relations (Policy & Resources Committee), and the remaining £55,000 from the City Property Advisory Team's (CPAT) local risk budget. The research launched at MIPIM was jointly commissioned with the City Property Association and separately funded as part of the Economic Development Office's Research Programme.

2. MIPIM is widely recognised as the world's leading and most influential event for the Property Industry. It is a global marketplace that offers the opportunity to connect with key players in the industry, from investors to end-users and local government to international corporations. This year, 24,000 delegates attended from over 80 countries (up from 21,400 in 2015).
3. The focus of The City of London Corporation's attendance centred on four main areas of activity:
  - a) Exhibition attendance – this includes supporting the City Corporation's part of the larger London exhibition.
  - b) City Corporation seminar where themes of significance for the City of London are developed and debated.
  - c) Hosting high-level events for specially invited key individuals (3 City dinners, and a Seminar for senior guests and delegates), and 24 private meetings over 2 days with developers, investors, and other stakeholders.
  - d) Involvement in two panel sessions and a keynote speech (Chairman of Policy & Resources).
4. City of London Corporation representatives attending MIPIM included four Members (the Chairman of the Policy & Resources Committee, the Chairman and Deputy Chairman of the Planning and Transportation Committee and the Chairman of the Property Investment Board), in addition to the City Surveyor, the Director of the Built Environment, the Chief Planner & Development Director, and the Investment Property Director. The senior team was supported by three representatives from the City Property Advisory Team and one PR officer.

### **Headline messages received**

5. Planning:
  - Speed of response to issues/consultations needs to be accelerated.
  - Archaeological costs and processes need to be reviewed as this pushes the overall costs onto developers.
  - Developers should be encouraged to use the new City Centre to meet Members to get an overview of the broader impact on the City.
  - S237 Rights of Light – need to ensure basic process is understood especially by foreign investors. Pre-application meetings giving more information to aid development would help.
6. Housing:
  - A standard tariff would be beneficial rather than local variations to determine the amount of contributions towards affordable provision

- Adequate resourcing of both local authorities to deliver the necessary permissions and the market generally to provide the necessary skills to deliver housing capacity
- The Greenbelt could provide some expansion space for housing
- An appropriate volume of housing delivery will in itself provide sufficient affordable accommodation on the back of consented schemes
- Mixed use buildings are of value – young graduates want to live near where they work.

#### 7. Occupiers:

- New occupiers should be invited to CoL events e.g. Amazon. CoL's hospitality process/policy needs to be assessed

#### 8. Research / Seminar

- The City must maintain its cost competitiveness
- There is a growing shortage of space between 300 and 1,000 sq m that must be countered
- The perception of the City must be addressed
- Digital infrastructure must be improved

#### **City Corporation events and speeches:**

9. The City Property Advisory Team organised a seminar entitled "*Clusters & Connectivity: the City as a place for SMEs*", based on a piece of research undertaken from Ramidus as part of the Economic Development Office research programme, and jointly commissioned by the City Property Association (See Appendix 1 for Executive Summary). Over 150 delegates attended the session chaired by the Chairman of the Policy and Resources Committee. The report was an opportunity to highlight the significant role SMEs play in driving job growth in the City, and how the number of small firms there has grown rapidly in recent years. The presentation examined the ecology of the City's SME community, and its drivers, working practices and locational requirements. It also looked at how SMEs view the City as a business location, and the value they place on different features such as public realm and amenities. The session also considered some of the policy implications for the City Corporation and others, as well as some key property trends affecting SMEs such as the growth in serviced office accommodation.
10. The Chairman of Policy & Resources Committee took part in two panel sessions – the first organised by Estates Gazette called *Start-Up London: a safe investment or too tricky to touch?* The Chairman also sat on a panel as part of a GLA "Housing in London" seminar. There was a consistency of agreement across 4 key housing areas:
  - A standard tariff would be beneficial rather than local variations to determine the amount of affordable provision
  - Adequate resourcing of both local authorities to deliver the necessary permissions and the market generally to provide the necessary skills to deliver housing capacity
  - The Greenbelt should provide some expansion space for housing
  - An appropriate volume of housing delivery will in itself provide sufficient affordable accommodation on the back of consented schemes

11. Corporation Members hosted a dinner for seven high level guests, comprising senior representatives including from British Land, Lipton Rogers Developments, (AXA and the British Property Federation).
12. Additionally, following on from last year's success, two extra dinners were also held – one focusing on housing and one on planning.
13. The Chairman of Policy also welcomed guests at a lunch held in association with the City Corporation (hosted by the City Property Association & London Chamber of Commerce).

**Meetings:**

14. Programmed meetings were held with 24 developers, investors and agents, over a 48 hour period, offering the chance to focus on significant issues, foster new relationships, and cement existing relationships and alliances. The meetings provided an opportunity to receive updates and explore issues that are pertinent to delivery of their schemes. In addition to this there were a number of un-programmed meetings relating to commercially sensitive inquiries that MIPIM provides an opportunity to discuss.

**Media coverage:**

15. The City Corporation's attendance at MIPIM secured coverage in CityAM and Property Week, which interviewed Mark Boleat and Annie Hampson respectively before the event. There was strong positive social media activity around the City of London Corporation's events at MIPIM. In particular, supportive tweets from the audience at the Estates Gazette panel which the Chairman of Policy participated in, and high levels of social media activity around the City of London Seminar - several tweets said it was the best seminar they had attended all week. Some members of the media expressed an interest in updates on planning permissions and planning committee businesses.

**MIPIM 2017 expenditure**

**Financial & Risk Implications**

16. The cost of representation at MIPIM 2016 was on budget at £89,398. This was £1,898 more than the initial approved budget due to the Deputy Chairman of Planning & Transportation accompanying the outgoing Chairman of the Committee.. The additional cost was funded by the Department of the Built Environment's local risk budget. Expenditure for the event was as follows:

Exhibition cost	£59,477
Travel / transfers / accommodation	£19,477
Seminar	£5,674
Hospitality and subsistence	£4,770
Total	£89,398

17. The benefits of attending MIPIM are set out above and it is considered appropriate that the City of London should have a similar presence at MIPIM 2017. The team to attend MIPIM should include a similar delegation of Members

as 2016, including representatives of the Policy & Resources Committee, Planning and Transportation Committee and Property Investment Board. It is proposed that Members be accompanied by the same Officer team that attended MIPIM in 2016

18. It is expected that the cost of attending MIPIM in 2017 will be higher than the original approved budget for attending in 2016 (£87,500) as on this occasion the Deputy Chairman of Policy & Resources is likely to be accompanying the outgoing Chairman and as, on first examination, the costs of return flights to attend the event appear to have risen significantly from £250 per person to £700 per person. The precise budget is not clear as there may be further variations in the travel costs and fluctuations in exchange rates. The final cost will be no greater than £95,000 with the division being as set out in Para 1 and any additional increase in cost will be divided between the City Surveyors Department and the Department of Built Environment (maximum increase of £7,500 to be shared).

## **Conclusion**

19. MIPIM 2016 provided the City Corporation with an excellent opportunity to showcase the City's attributes as a place to live, work and invest. MIPIM is still the premier event of its kind, and it is felt that there is no real alternative to MIPIM at which the City Corporation's City of London message would be as effectively disseminated, given the predominance of senior and influential property professionals attending MIPIM, and the amount of press attention that it receives. It is also felt that the City Corporation's attendance is a key factor in promoting the Square Mile in the face of increasing competition from other centres and countries, and underpinning confidence in London as the leading global financial centre.
20. MIPIM 2017 takes place from 14<sup>th</sup>-17<sup>th</sup> March and will, it is reasonable to assume, provide similar opportunities as experienced at MIPIM 2016. The Policy & Resources Committee, Planning and Transportation Committee, and the Property Investment Board are now asked to decide if the City of London Corporation should attend MIPIM 2017 with contributions as previously identified in Para 18 above.

## **Contact:**

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## Appendix 1 – Executive Summary of joint City of London and CPA research

### *Clusters & Connectivity: the City as a place for SMEs (Mar 2016)*

Companies that employ fewer than 250 workers form the vast majority of businesses in the Square Mile, and are crucial to its position as one of the country's most successful and diverse business centres. Though perceptions of the City often focus on its large corporations, it contains over 16,000 small- and medium-sized enterprises (SMEs), which form a unique business ecology. This report examines the benefits SMEs gain from being in the City and what more can be done to make it a place where they can thrive.

As part of the research, SMEs based in the City were surveyed and face to face interviews with representatives of the property supply chain were carried out. The findings suggest that SMEs are attracted to the City by several factors, including: its dense business cluster, which offers ready access to suppliers and clients; its historically rich urban environment and diverse office stock, and the sense of prestige attached to the location. The City is also well regarded for the competitive price of its office space.

The report finds that the City's population of SMEs spans a wide range of sectors. As well as obvious strengths in Finance and related industries, there is good representation in Professional Services; Insurance; Admin and Support; Wholesale, Retail and Consumer, as well as Technology, Media and Telecommunications (TMT).

The report also finds that SMEs are widely distributed across the Square Mile, and that they play a significant role in influencing the shape of the urban form. The City's financial core, where many of its large corporations are based, is the centre of gravity for SMEs in the sector, but many of those in other industries are scattered more widely.

Notably, many SMEs in the TMT sector are clustered in parts of the Square Mile adjacent to Shoreditch, Clerkenwell and Farringdon. This has led to parts of the City acquiring a look and feel similar to these tech hubs, characterised by small and serviced offices in historic, formerly industrial, buildings. Indeed, a particularly interesting finding of the report is that many respondents perceived the City to extend beyond its actual boundaries to encompass these areas immediately to the north.

In order to consolidate and build on its success as a location for SMEs, this report makes four main recommendations:

- **The City must maintain its cost competitiveness.** Whilst the City's office stock is good value compared to other parts of Central London, the research indicates that the factor most likely to drive SMEs out of the City is increasing cost. If actions are taken to keep prices competitive, this would serve to encourage resident SMEs to remain and may bolster the City's attractiveness.
- **There is a growing shortage of space between 300 and 1,000 sq m that must be countered.** The increasing scarcity of this space may become a deterrent to SMEs that would otherwise have considered locating to the City. Boosting its availability would address this emerging challenge.
- **The perception of the City must be addressed.** Impressions of the City as corporate and finance-dominated may deter some SMEs, in particular if they associate this with high cost. Promoting the area beyond the core where a more fluid landscape accommodates a diverse range of enterprises could improve the image of the City as a location for SMEs.
- **Digital infrastructure must be improved.** The City's businesses depend on high quality, high speed connectivity but do not always receive a consistently good service. Efforts are underway to address this, and must be continued.