

<b>Committee(s):</b>	<b>Date(s):</b>
Policy & Resources Committee	08 May 2014
Planning & Transportation Committee	20 May 2014
Property Investment Board	21 May 2014
<b>Subject:</b> Marché International des Professionnels d'Immobilier (MIPIM property conference) 2014	<b>Public</b>
<b>Report of:</b> The City Surveyor	<b>For decision</b>

### Summary

1. This report informs your Committees of the City of London Corporation's activities at the MIPIM property exhibition in March 2014, and seeks approval for City of London Corporation attendance at MIPIM 2015.
2. The City Corporation's attendees at MIPIM 2014 included the Chairman of Policy & Resources Committee, the Chairman of Planning & Transportation Committee and the Deputy Chairman of the Property Investment Board.
3. The cost of representation at MIPIM 2014 was slightly above the approved budget due to it being decided that it would be beneficial to include the Investment Property Director as part of the team given the large number of current schemes in the market where the City Corporation has a property interest. This cost was covered from local risk budgets.
4. Key activities from MIPIM include (summary):
  - 17 meetings with high level representatives of property companies active in the Square Mile.
  - The public launch of an important piece of property research commissioned jointly with the City Property Association to support the City's program at MIPIM.
  - A successful City-hosted dinner with 7 high-level guests.
  - A key-note speech by the Chairman of Policy & Resources
  - 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 MIPIM 2014 is received.
- That the Policy & Resources and Planning & Transportation Committees, and the Property Investment Board, decide that the City of London Corporation should attend MIPIM 2015 with a total budget not exceeding £87,500.

## Main Report

### Background

1. In May 2013, approval was given for the City of London Corporation's attendance at MIPIM (Marché International des Professionnels d'Immobilier) 2014 in Cannes, 11<sup>th</sup>-14<sup>th</sup> March, at a cost not exceeding £85,000 to be met from existing budgets. Provision of £17,500 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 remainder from the City Property Advisory Team's (CPAT) local risk budget.
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.
3. This was the City of London Corporation's twenty-first attendance at MIPIM and was organised by the City Property Advisory Team (CPAT).
4. City of London Corporation attendance was based on the following objectives:
  - Marketing the City and its fringes as the world's leading international financial and business services centre. Providing support for City constituents at MIPIM.
  - Demonstrating to our existing occupiers the commitment of the City Corporation to the commercial development of the City and its fringes.
  - Promoting the City Corporation's role as facilitator and enabler for inward investment, inner City regeneration and economic development research.
  - Developing the City Corporation's contacts and alliances both within the City and overseas.
  - Promoting the City's property stock as being relevant and available for the needs of City type occupiers.
5. Attendance at MIPIM 2014 was higher than 2013, with approximately 21,000 delegates from 93 countries (up from 79 in 2013 – an 18% increase which shows the renewed dynamism of the industry). The City Corporation delegation found that senior executives from the property industry were very much in attendance and keen to capitalise on the opportunity to do business.
6. 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, focused on Central London.
  - 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 (a City dinner and Seminar for senior guests and delegates), and 19 private meetings with over 2 days with developers, investors and occupiers.

- d) Keynote Speech on the London Stand (Policy & Resources Chairman).
7. City of London Corporation representatives attending MIPIM included three Members (the Chairman of the Policy & Resources Committee, the Chairman of the Planning and Transportation Committee and the Deputy 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.

## **Key activities & achievements**

### ***Meetings:***

8. Programmed meetings were held with 17 developers and investors together with two major occupiers over a 48 hour period, offering the chance to focus on significant issues, foster new relationships, and cement existing relationships and alliances.

Companies met included (with development schemes in brackets):

- Helical Bar (Mitre Square, St Bartholomew Square)
- British Land (The Leadenhall Building, 5 Broadgate, Blossom Street, 100 Liverpool St, 1 Finsbury Avenue)
- Exemplar (London Fruit and Wool Exchange)
- Beltane Asset Management (24 King William St, 31-33 Lime St, 77 Queen Victoria Street, 108 Cannon Street)
- CarVal Investors/Quadrant (Carmelite Riverside, Moorgate Exchange, 100 Cheapside)
- Greycoat/CORE/Generali (120 Fenchurch Street)
- MEC UK Ltd (Riverplate House, 6-8 Bishopsgate/150 Leadenhall Street)
- Orion Capital Managers (100 Cheapside, Carmelite Riverside)
- AXA (6 Bevis Marks)
- Blackstone (1 America Square, 20 Old Bailey, Devonshire Square)
- Henderson Global Investors (Smithfield General Market & Annexes, 40 Leadenhall St, 27-33 Artillery Lane, Charterhouse Place)
- Pembroke Real Estate (2-6 Cannon St, 10 Finsbury Square)
- Redevco (120 Moorgate)
- Teachers TIAA CREF (60-70 St Mary's Axe)
- Stanhope (Bloomberg HQ, 8-10 Moorgate, 64-74 Mark Lane, Angel Court Tower)

The meetings provided an opportunity to receive updates and explore issues that are pertinent to delivery of the schemes. It also provided an opportunity to introduce the new structure in the Department of the Built Environment Development Division that is headed up by Annie Hampson, who attended MIPIM for the first time.

In addition to this there were a number of unprogrammed meetings relating to commercially sensitive inquiries that MIPIM provides an opportunity to discuss. One

of the meetings included an introduction to a major Canadian pension fund that is seeking to develop a significant portfolio in Central London.

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

9. The City Property Advisory Team organised a seminar entitled “City Offices – getting the balance right”, based on a piece of research by DTZ and JLL, commissioned by CPAT and the City Property Association. The report brought together findings from two recent studies by the City Corporation: *Taking Stock*, about the Square Mile’s property offer, and *Firm Migration*, which looks at the movement of firms in and out of the City over the last decade. The seminar was an opportunity to discuss some key aspects of the City property market, including supply and demand for offices, the changing nature of occupiers, and the challenges and opportunities presented by the growth of London. The seminar was chaired by the Chairman of Policy & Resources, with a panel of experts contributing: Robert Samuel of British Land, Mark Ridley of Stanhope, and Ian Mulcahey of Gensler. Over 150 delegates attended the seminar. The session began with a presentation by report authors, Jon Neale of JLL and Richard Yorke of DTZ, on the findings of the research. Each panel member was then asked to comment on the findings, based on their experience. This was followed by a Q&A session, which brought out a number of interesting issues to follow-up, including the importance of place-making and public realm, the cost of housing in London, and the changing nature of occupiers in the City.
10. The Chairman of Policy & Resources Committee gave a key-note address to the London Stand in front of the City model and afterwards took part in a panel session organised by Estates Gazette and GVA. Other panellists were Stephen Brown (GVA), Juliette Morgan (Tech City Investment Organisation), and Colin Stanbridge (London Chamber of Commerce). The Chairman emphasised the City’s position as the leading business centre in the world, open to all businesses whatever their size. The debate focussed around Small & Medium-sized Enterprises (SMEs), and how their property and other needs are being met by the industry. The importance of flexible, short-term space and excellent Wi-Fi was emphasised, as well as an attractive environment and facilities such as bicycle spaces. The Corporation was openly praised by other panellists for the support it provides and its achievements in making the Square Mile attractive to occupiers.
11. Corporation Members hosted a dinner for seven high level guests, comprising senior representatives from British Land, Pembroke Real Estate, Blackstone, Goldman Sachs, Generali, Teachers (TIAA CREF) and the Greater London Authority.

***The London Stand - promotion of the City’s existing and future building stock and of the City as a place to invest and base a business:***

12. The London Stand is located in a prominent area of the Palais des Festivals complex, alongside that of Paris. Over 4,000 delegates attended from the UK, and more than 900 delegates were registered with the London Stand (many more businesses and delegates with a London connection were not specifically registered to the Stand) and the City Corporation was one of the principal

exhibitors.

13. The 1:500 City of London Model from the City Marketing Suite was again the central focus of the London Stand. The Model helped the City Corporation to achieve a very high profile and attracted much attention from delegates throughout the exhibition. A broad range of literature and research material produced by the Corporation complemented the City Model and was much in demand.
14. The City stand - with two meeting rooms, reception and a screen showing the City of London's investment property projects/interests - was in a central position within the main London Stand, directly opposite the City model. The City stand was again a major draw for City stakeholders who developed their own contact programmes around the City Model. City officers manning the reception talked to many MIPIM delegates who came to ask questions and pick up City of London research reports and other literature. Useful contacts were made in this way over the four days. Stand events during the exhibition allowed delegates to pre-plan peak networking opportunities
15. A number of other London boroughs/areas and the GLA were represented within the London pavilion, including Westminster, Ealing, Hounslow, White City and East London (as a collective). Some UK cities and regions also had large stands or exhibition areas of their own, independent of the London Stand, such as Manchester, Liverpool, Birmingham and Leeds. Given the range of other London boroughs and cities in attendance, for the City Corporation not to be represented would mean that a key part of the London property offer would not be promoted.

***Media coverage:***

16. The City Corporation's attendance at MIPIM secured coverage in blogs by the Policy Chairman for Estates Gazette. He was also interviewed by The Financial Times. Research on the City office market also secured coverage in The Times, Property Week, City AM, CoStar and London Loves Business. The City of London Corporation and Policy Chairman Twitter accounts were used to promote the visit and seminar (including the research).

***Networking opportunities:***

17. The opportunities to network at MIPIM were extensive, both within the exhibition itself and at other events organised as part of the programme. Events provided an opportunity to discuss key issues and allowed Corporation delegates to further promote the City itself, and continue the Corporation's work in attracting and supporting investors, developers and occupiers. Networking opportunities attended included events by RICS, Gerald Eve, London First, JLL, Berwin Leighton Paisner, Linklaters, Stanhope, BNP Paribas and Strutt & Parker.

## **Outcomes from MIPIM 2014**

18. At meetings with developers Members and Senior Officers were able to progress key issues relating to current planning applications and properties held in the City Corporation's investment portfolio.
19. A range of other relevant issues for CoL to consider also came up, including the continuing changing profile of occupiers in the City, with publishing firms, educational institutions, and technology companies taking significant amounts of space in the last year. The competition from other centres such as Kings Cross was discussed, and the need for the City to continue its strategy of place-making and investment in high quality public realm. Research completed in March this year highlights the importance of firm migration, with the City benefitting from firms moving in. Rights of Light and the issue of residential development continue to be topics for debate, and the cost of living in London generally was raised as part of the debate on the growth of the capital.
20. The high demand for invitations to attend the City seminar was a clear demonstration of the value of the City Corporation attending MIPIM.
21. CoL's promotion of the City as a place to invest and base a business generated enquiries from both developers and occupiers, which were followed up on the team's return to the UK.
22. The dinner, speech and seminar were designed to develop key high level relationships whilst further promoting the City and encouraging an informed dialogue on key issues affecting the future development of the City.
23. The City model forms the centrepiece of the London Stand and is a valuable tool for promoting the City in a focussed way, showcasing the developments of the future in the context of the City's existing stock. Members of the team use the model as a focal point for meeting with high level dignitaries and property professionals from the UK and a number of other EU countries. In addition it was a focus for discussion with inward investors and occupiers to discuss opportunities and provide some background about the Square Mile as a business location.

## MIPIM 2014 Expenditure

24. Authorised funding for MIPIM 2014 was £85,000. Expenditure for the event was as follows:

	(£)
a. Exhibition	
City model, stand with meeting rooms and reception, (11 delegate passes included), transportation of model, literature to and from MIPIM	58,275
b. Travel & Transfers, accommodation, and subsistence	22,255
c. Seminar – room hire; technical support & equipment hire, printing	4,300
d. Hospitality	<u>2,625</u>
Total Expenditure	<b>87,455</b>

25. Expenditure came in £2,455 over the budget of £85,000. This was due to it being decided that it would be beneficial to include the Investment Property Director as part of the team given the large number of current schemes in the market where the City Corporation has a property interest. The additional cost of £2,455 was met from local risk budgets. Unlike last year where a £4,500 saving was achieved on budget, there were no special early bird offers on flights.

## Current Position

26. This report has set out for your Committees the wide range of activities and considerable achievements of MIPIM 2014, and has given details of the amount spent by the City Corporation in attending. Members are asked to agree to take a delegation to MIPIM 2015.

27. 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 2015. The team to attend MIPIM should include a similar delegation of Members as 2014, 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 2014. The aim for the attendance will remain those objectives set out in Para 4 above.

28. The Committees are asked to decide if the City of London Corporation should attend MIPIM 2015 with a budget not exceeding £87,500 (assuming the same number of delegates as this year). Should costs or circumstances change for any reason, a report will be brought to your committee in November with further recommendations.

### **Financial & Risk Implications**

29. It is expected that the cost of attending MIPIM in 2015 will be similar to that in 2014, and will not exceed £87,500. Contributions will be sought from departments/Committees on the same basis as for 2014: £20,000 from the City Surveyor's Department (Property Investment Board), £7,500 from the Department of the Built Environment (Planning and Transportation Committee) and £5,000 from Public Relations (Policy & Resources Committee), and the shortfall from the City Property Advisory Team's (CPAT) local risk budget. Should costs or circumstances change for any reason, a report will be brought to your committees in November with further recommendations.

### **Strategic Implications**

30. The City of London Corporation's attendance and activities at MIPIM fall under three Community Strategy Themes:

Theme 1 - 'is competitive and promotes opportunity'

Theme 3 – 'protects, promotes and enhances our environment'

Theme 4 – 'is vibrant and culturally rich'

It is also relevant to the following in the Corporate Plan:

#### Strategic Aims:

- To support and promote the City as the world leader in international finance and business services

- To provide modern, efficient and high quality local services and policing within the Square Mile for workers, residents and visitors with a view to delivering sustainable outcomes



### Key Policy Priorities:

KPPI – Supporting and promoting the international and domestic financial and business sector

KPP3 – engaging with London and national government on key issues of concern to our communities..

### **Conclusion**

32. MIPIM 2014 provided the City of London Corporation with an excellent opportunity to showcase London'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.
33. MIPIM 2015 takes place from 10<sup>th</sup>-13<sup>th</sup> March and will, it is reasonable to assume, provide similar opportunities as experienced at MIPIM 2014. 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 2015 with the delegation outlined in para 27 above.

### **Contact:**

*Nancy Pound | [nancy.pound@cityoflondon.gov.uk](mailto:nancy.pound@cityoflondon.gov.uk) | 020 7332 3493*

**Images from the London Stand:**

