

Residential & Development

Great Marlborough Estates on developing during lockdown

■ Co-founder Dean Clifford talks about the impact of the coronavirus pandemic on residential development

Emma Shone

Shortly after the UK entered lockdown, housing secretary Robert Jenrick advised people planning to move home to cancel their plans.

How big an impact the freeze will have on residential developers remains to be seen, but Great Marlborough Estates co-founder Dean Clifford argues that the advice was "extreme".

While the business recently won planning permission for its Vauxhall Cross Island scheme, many developments across the UK have stalled and the effects of the lockdown are likely to be felt for some time yet.

Clifford spoke to *Property Week* about the challenges facing the sector, what needs to be done to overcome them and how he thinks residential design will evolve as a result of Covid-19.

How has Covid-19 affected your ongoing projects?

Despite the disruption caused by Coronavirus, we recently secured approval from the Secretary of State for Vauxhall Cross Island, which will see two towers built [near the Thames in South West London] alongside new public realm that will help make the area more pedestrian-friendly and create a new district centre.

Construction activity has continued at Regent's Crescent, where building works are in their final stages, and we have

seen contractors working hard to ensure the health and safety of workers.

Before Covid-19 struck, we had sold a number of the homes at our Fitzrovia project, 38 Langham Street, where we've transformed a Georgian-era mansion block into a collection of modern apartments and we anticipate strong interest when the restrictions on housing market activity are lifted.

We continue to look for opportunities in the capital and remain confident in the long-term outlook for the London market.

What impact do you anticipate the outbreak having on sales in the long term?

Ultimately, the vast majority of people still aspire to own their own home and once normality returns we expect there will be a rebound in demand.

No doubt the disruption caused by coronavirus will see many put greater value on the security of homeownership.

What is the biggest challenge the business faces and how do you plan to overcome it?

The halt in sales and slowdown

in construction are undoubtedly the two biggest challenges. While the government's efforts to keep the planning system going by allowing virtual planning meetings are helpful, ultimately nothing beats face-to-face communication.

However we remain confident in the long-term prospects of London as one of the world's leading cities and best places to live and work.

Prime central London property remains an attractive investment and we expect a flight to prime as people look for quality assets supported by strong fundamentals.

Lockdown will have also made many realise the importance of home and we expect buyers will be more discerning going forward. As a developer, we have always placed a huge emphasis on high-quality design and that puts us in a strong position for when the housing market returns to life.

What do you think will be the biggest lesson the industry learns from this?

Many will have been pleasantly surprised by how well they have fared working remotely, but property is fundamentally a people business.

While we will see greater adoption

of virtual technology, there will also be a greater appreciation of in-person meetings.

How well do you think the government has worked to support the industry?

The decision to not close construction sites coupled with efforts to keep the planning system going have all been beneficial, as have measures to protect jobs and incomes.

However, the decision to try and shut down the housing market entirely, rather than encouraging people to postpone moving until a later date and allowing them to move ahead with purchases, feels extreme and may make recovery harder.

We also need to see a clear plan in place to support housing delivery and transactions post-lockdown. The government is reportedly in discussions to extend Help to Buy, but any extension needs to be coupled with reforms so the scheme supports only first-time buyers in genuine need of financial assistance and also promotes better design and build quality in house-building.

A stamp duty holiday has been proposed by many including RICS as a way to boost activity and no doubt it would give an initial boost to the sector.

The chancellor should also consider reversing the surcharge announced for overseas buyers in the last Budget, which threatens





Vauxhall Cross: mixed-use Zaha Hadid Architects-designed scheme will feature homes, a hotel, office and retail

to harm the London market especially, where international buyers help support new developments financially through off-plan sales.

Lastly, we need to see more investment in our planning system, so local planning departments are better resourced, and more investment in delivering more affordable housing to help take the pressure off the private sector.

What impact do you think the crisis will have on the wider housing market?

Housing delivery will be hit and buyer sentiment may also pose a challenge if consumers remain cautious about making any major financial or life decisions, so the government has an important role to play in reassuring the public.

What sort of impact could it have on residential design and placemaking, in London in particular?

Coronavirus will accelerate the hollowing out of physical retail, with retailers hit hard by lockdown and social distancing measures encouraging more people to use online shopping.

This will create an opportunity to repurpose retail space, particularly in town centres.

There will also be greater scrutiny of co-living and micro-living schemes driven by concerns over personal living space, although there will still be demand for these types of developments, especially in cities such as London where rents are high.

One key aspect of residential design that will be increasingly

in demand is private outdoor space. Whether this is a private garden, terrace or rooftop, the lockdown has shown that a private outdoor area, whatever the size, can make a real difference to a person's sense of wellbeing at home.

Other trends that have emerged from the government's lockdown include an increase in outdoor physical activities such as running and cycling.

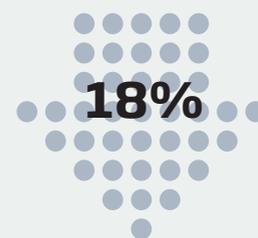
During the recovery period, we expect to see a shift in how people commute, opting for isolated forms of transport rather than the tube and buses.

This will feed into the design of new developments and wider place-making efforts, with a focus on pedestrianisation and cycle routes and it is something we are considering for our future schemes. ■

This week's vital stats

526,000

▲ Number that house transactions are expected to fall by across England and Wales this year (source: Knight Frank)



▲ Drop in income anticipated by GCP Student REIT for the 2019/20 academic year



▲ Year-on-year increase in house price growth in the UK last month, up from 3% in March (source: Nationwide HPI)

£120m

▲ GDV of a new retirement living scheme in Bedfordshire that L&G is set to build on a 12-acre site it bought last week



▲ Average monthly rental price of a UK home, an increase of 4% annually from £627 in 2015 (source: Ome)