

FRESH Alumni London Studytrip 2001

COMPANY VISIT REPORTS

Drivers Jonas

By Kees Wassenaar

Our first visits to the central London office of Drivers Jonas, was immediately one of my favorites. It was a very warm welcome at Drivers Jonas, a friendly atmosphere and a quick overview of the London office market. Philip Parnell (Investment and Valuation) Stephen Peers (Agency) and Ben Coles (West End Consultancy) held presentations with a focus on the London property markets, it specialties and the tremendous development of office space in the centre of London and at Canary Warf. Mister Nigel Grice was our host during the meeting, and we could fire away our questions!

Who they are

Drivers Jonas, founded at 1725, is one of the UK's largest independent property consultants, offering brokerage together with advice and consultancy, with networks in Europe and North America. Approximately 350 people work at their UK offices.

Drivers Jonas is active with following business units:

1. Valuation
2. Investment
3. Facility Management
4. Management
5. Agency
6. Project management
7. Planning
8. Development
9. Construction and Maintenance
10. Finance

London facts

London consists of 9 million people, four airports and contributes over 20% to the Gross Domestic Product. The capital city has 4 mayor Office centers:

Location	Available office space	Rent per annum / m2
West end	320.000 m2	€ 1.550,--
Mid town	92.000m2	€ 830,--
The City	372.000 m2	€ 1.150,--
Canary Warf/Docklands	75.000m2	€ 830,--

DJ and the Future

DJ introduced to us their Groundbreaker.Net, an award winning business to business, interactive commercial property advice website aimed at those involved with buying, selling, running and managing commercial property and real estate. DJ participates in this B2B medium. We were all invited to sniff around at this site, and interact with DJ about it.

DJ's to be complimented with their outstanding presentation to FRESH Alumni!

Canary Wharf

By Christiaan Swen

10 minutes outside London, the Reichmann Brothers (in cooperation with The City of London) have developed what can be called the biggest real estate project of the last decade.

Canary Wharf is planned on a grand scale, yet with meticulous attention to detail. The estate extends to over 86 acres and is so called because when in use as a dock, many of the imports were from the Canary Islands (Canary Wharf is also called 'The Docklands'). Approximately 5.8 million net square feet of office and retail space has been constructed to date with a further 4.4 million square feet under construction. The first tenants moved into Canary Wharf in August 1991. Now, 100% of the existing space is leased with 35,000 people working here. The first phase of the development comprises ten office buildings, a retail centre, conference and banqueting centre, a Docklands Light Railway station, landscaped grounds and five car parks (in addition to car parking below the office buildings). The tallest tower at Canary Wharf (One Canada Square) has 50 floors and is 800 feet (244 metres) high. It is the tallest building in Britain.

We have visited this tower, One Canada Square, where we got a presentation about the project from the marketing office. In there we were exposed to a 2,5 million Pound (4 million Euros!) scale model of the complex. The model was taller than the most of us.

When looking down on the buildings outside the One Canada Square Tower we could see that there was grass growing on top of the roofs of other (lower) buildings. The developers have added this detail to improve the view of the occupants of the taller buildings.

In the beginning of the Eighties the Canadian Reichmann Brothers have made a fortune in the New York real estate market with their investment firm Olympia & York. When they wanted to go to Europe they bought the Canary Wharf Development Project (then called Olympia & York Canary Wharf Ltd), at that time only a concept of a 10 million square feet office complex. In the beginning of the nineties, the London real estate market suffered a big crisis and the project almost went bankrupt. Paul Reichmann and his brother liquidated the project and were able to buy the project back with a consortium of investors.

At this moment Canary Wharf is owned by a consortium of international property investors led by Mr Paul Reichmann and including HRH Prince Al Waleed bin Talal bin Abdulaziz al Saud, CNA Financial Corp, which is 83% owned by Loews Corporation, Franklin Mutual Series Fund and affiliates of Republic New York Corporation. Canary Wharf Group plc is a publicly listed company on the London Stock Exchange. Subsequent to the listing, the Group was admitted to the FT-SE 250 list of quoted companies.

Broadgate

By Michiel Koppen

After our visit at Canary Wharf we went to Broadgate. Broadgate is an office development project of 4 million square feet and started in 1985. The development is situated around Liverpool station and therefore became an attractive location for a lot of companies. At this moment a lot of financial companies like Lehmann Brothers, ABN AMRO and Warburch UBS are settled here.

At Broadgate we met Paul Burgess (projectmanager of British Land). He gave us an overview of the total development site. Afterwards he guided us through Broadgate and showed us an office building, built over the railway tracks. The middle frame of the skeleton of this building was round shaped like the railway terminals of Liverpool Station in its early days. The ground level was a public area and was the rooftop of the tunnel.

Phase 13 (201 Bishopsgate) was under construction. The difficulty with this building is the ground floor. Underneath this ground floor railway tracks of Liverpool station will be build. Only to build the ground floor will take 18 till 22 months. The architect of this building is Skidmore Owings & Merrill who also designed the Sears Tower at Chicago CBS.

In the middle of Broadgate an enormous arena is located. This arena was also under construction to sharpen the position of this location within the Broadgate project. New shops and restaurants were added to meet the requirements of today's working class.

Broadgate isn't a competitor of Canary Warf. Canary Warf may have a lower rent level (minus 20 pounds compared to Broadgate) - only 3 renters adapted 1 million square feet. That isn't possible at Broadgate. In this way Canary Warf keeps big companies in London which attracts smaller companies who like to settle in Broadgate. Besides this also the railway station underneath Broadgate and the location in the middle of the city are big advantages.

Blue Water : Innovative and exciting shopping today

By Arjan Moes

The last day of FRESH alumni's study tour started with a journey to Europe's largest shopping center, Blue Water. After the train ride we took the Blue water bus (5 minutes drive) to the El Dorado of retail. When we arrived on the Sunday morning 10.30, shops were still closed and we carried our huge piles of luggage through an urban shopping center. It must have been very wondering for the view people who were already there. We finally found the location of the management and we were invited by Collin Wilding (management) and given a presentation, while enjoying coffee or tea.

The presentation gave us a good idea about this huge project. After six years of construction, the Blue Water shopping center was opened in March 1999. From that day, the world's largest shopping center is located east from London in the Kent region. In Great Britain are eight of these urban shopping centers located, but Blue Water can claim that they are the biggest. Over 330 shops and restaurants and three leisure villages provide guests with a unique experience. Kings Road, Regent Street and Covent Garden come to Kent. Blue Water is jointly owned by two major UK institutions, Lend Lease Europe Ltd and the Lend Lease Retail Partnership. The Partnership was launched in 1999 and has provided a number of institutional investors the opportunity to invest in Blue Water through the acquisition of shares in the Partnership. Our presence at Blue Water even attracted two Australian guys from the institutional investor who owns the place. Well, as a matter effect they just were there when we got our presentation and they liked to join us. But anyway, who doesn't want to join FRESH Alumni?

After the presentation we went into the crowded (11.30) shopping center. Collin told us about the architecture and branches. The branching of Blue Water is a story of its own. The shops are conveniently located within three malls, each with a different focus:

- The Guildhall offers the discerning shopper an exclusive selection of classic and high fashion retail, lifestyle stores and gourmet restaurants and cafes.

- The Rose Gallery has a family focus, with major high street retailers, children's wear, toy shops, adventure play area and family restaurants.

- The Thames Walk recreates the excitement of shopping in the West End, with high street fashions, cafés, bars and entertainment designed to appeal to young, fashion-conscious shoppers.

To satisfy the change in customer migration needs the management of Blue Water wants to renew the supply of the branches continuously. They offer this within 240 acres and over 300 shops and restaurants plus a 13-screen multiplex cinema. Many foreign retailers have started their United Kingdom pilot store in Blue Water. To gain new retail formulas is one of the wishes of the management. Since the center opened over 500 retailers changed units in Blue Water. The rent prices are an average £ 700 per square ft.

The anchors in the center are located on every corner of a triangle (which you see when you have got a Blue Water grid). The three anchors are House of Fraser, John Lewis and Marks & Spencer (who has actually stopped all of his businesses in the Netherlands).

After our tour, I went out to see how the parking area was. It was enormous. Free parking is sure one of the big advantages of Blue Water, an issue some local government authorities in the Netherlands will never understand. On Saturdays and Sundays there are 150.000 up to 170.000 visitors daily. The highest average expenditure from consumers is on those days and in the evenings. Shall this all be one-stop shopping?