

UNCERTAIN POLITICAL TIMES have made for less-than-ideal market conditions for the commercial property sector recently, but while business confidence remains muted, there is no shortage of bold and creative developments intended to send out the 'business as usual' message.

Last year was one of caution for many in the property development sector, with political uncertainty playing a big part in determining – or rather, stalling – decisions. The outlook for 2017 carries many of the same unknowns, but despite this, confidence is slowly building once again, and several

projects around the world are helping to make the case for optimism among developers, architects and investors alike.

The past 12 to 18 months have been challenging for property investors. If there's one thing the market needs to prosper, it is certainty – or at the very least, a sense of relative stability. But at home and abroad predictability is one thing that 2016 most definitely did not deliver. With global political shifts aplenty, financial markets have been lacking the confidence that is conducive to prosperity, and with no-one knowing how the political landscape is likely to play out in the

long, medium or short term, it has made for uncomfortable times.

With several major elections upcoming in 2017, increased political uncertainty clearly has the potential to further impact on the Eurozone's fragile economic recovery. Yet it may also create opportunities for agile investors. Sentiment in the UK property market is expected to remain volatile while Brexit is being negotiated, and in some of the weaker sub-markets pricing could come under renewed pressure. A series of elections in the Netherlands, Germany and France later this year may also potentially have a short-term

cooling effect in these countries. The European Central Bank has kept rates on hold at zero per cent and has prolonged its programme of quantitative easing. Though return expectations on property are being scaled down, real estate remains an attractive value proposition. Capital deployment will continue, although some equity bound to the UK may be targeted at other markets.

In France, Switzerland and Germany, where government-bond yields are trending low to negative, the pressure to invest is being exacerbated, with heightened capital flows expected throughout this year. In 2016, the

Property prospects in the UK are likely to be tempered with uncertainty around Brexit and the great unknown of Donald Trump's presidency

investment market lost momentum. European investment volumes were at least 20 per cent below the exceptional levels of 2015. Property consultancy Knight Frank's forecast is that investment activity this year will stabilise at 2016 volumes. It says that a prolonged low-interest rate environment will foster further yield compression, although the rate of compression will slow.

As rising capital requirements will place banks under pressure to meet lending volumes, global investors will be on the quest for safe assets providing reliable income streams.

Amid the uncertainty, however, there >

CASE STUDY

7 CLARGES STREET, LONDON, UK – BRITISH LAND

A new office building a stone's throw from London's Green Park with 4,600 sq m of space, 7 Clarges Street was developed by British Land and designed by Squire and Partners. Finished with Portland stone and quintessentially British details, the building completed construction in summer 2016 and aims to blend the traditions of Mayfair architecture with contemporary design.

An illuminated projecting canopy marks the entrance to the building, referencing historic covered entrances at nearby Claridge's and Burlington Arcade. Glazed openings at street level offer views into the office reception area, designed as a gallery space in which bespoke commissioned artworks are displayed.

The building rises six storeys, with the uppermost levels incorporating private terraces affording views across neighbouring Green Park and beyond to Buckingham Palace and the Houses of Parliament. These private office floors are flooded with natural light that flows into the column-free spaces through floor-to-ceiling windows. The design of the windows incorporates a subtle reference to the DAKS House Check, a pattern first introduced in 1976 and associated with fine British tailoring.

Within the reception area, stand-out design features include a bespoke desk commissioned from creative studio Based Upon, presented as a fragmented mass of bronze that on closer inspection reveals inlaid patterns made from leaves collected from Green Park.

Located on the lower ground floor are 55 bicycle spaces and 36 lockers for folding bicycles, with 12 showers, finished to the style of a Mayfair Club, available throughout the building. There are also five car parking spaces on the lower ground floor, complete with charging points for electric cars.

Nigel Webb, head of development at British Land, says: 'The result of innovative construction techniques, a highly collaborative project team,



and a design response that focuses on a bespoke workspace, which promotes wellness and supports a healthy, active lifestyle, 7 Clarges Street sets a new benchmark for commercial space in Mayfair.

'British Land committed to working with architects Squire and Partners to craft a building that was intrinsically "Mayfair", speaking to the traditional architecture of the area and the strength of its creative heritage, while providing flexible spaces to meet the needs of an evolving occupier market.'

He adds: 'It was important for us to work collaboratively with a design practice that had an intrinsic

understanding of the local area, and we found this in Squire and Partners, which has handled the project with commendable passion and attention to detail, both through the external architecture and curation of the interior design.'

Tim Gledstone of Squire and Partners says: 'From the outset of 7 Clarges Street, high-level conversations were held between British Land and Squire and Partners to envision a workplace that challenged established conventions of standardised office developments, offering a distinct identity, exemplary facilities and an intrinsically Mayfair

character. As part of the wider Clarges Street development being created by British Land with Squire and Partners, this collaborative approach brought together various sectors to create a complementary mix of uses including residential, workplace, retail and restaurant.

'Designs for the workspace were inspired by Mayfair elegance with a clubhouse feel and strong street presence, providing facilities to enhance the experience for building users. The facade offers a contemporary tailored response to the established streetscape, using Portland stone with crisp

bronze anodised framed windows.'

Gledstone adds that the interior design was distilled into four themes: British fashion and tailoring, Mayfair elegance, Green Park and nature, and Mayfair Club. These were woven into the scheme that includes a reception gallery featuring commissioned artworks, crafted joinery, bespoke furniture and lighting pieces, and hand-finished interior elements. Office units have access to spa-quality cycle/changing facilities and roof terraces with views to Green Park.

britishland.com/squireandpartners.com

