Tunnel vision: part two

■ Our forecast of the year continues with 16 pages of comment from experts spanning the property industry

In the second part of our 2021 preview, more leading figures share their hopes and expectations for 2021. For longer versions of these comments, including resolutions, as well as a selection of video forecasts, go to PropertyWeek.com.

ADAM GOLDIN
Head of UK, CC Land

The post-Covid fallout, macro-economics and geo-political situation will all be important factors for property in 2021. However, for me, the key ingredient is always sentiment.

There is a hope and desire that the current suffering doesn't become a scourge on society for the next decade and beyond. I expect the vaccine to take some time to roll out and that the return to normality will be more organic. I am also confident that, in spite of the buzz around working from home, the move away from the office will not be a long-term structural change.

Cynics will point to CC Land's large office portfolio to suggest this is a far from an independent view. However, speaking to friends and occupiers, most want to be back working in a first-class business community, benefiting from all the amenity and vibrancy these mass collaborations bring.

GEETA NANDA OBE
CEO, Metropolitan Thames Valley

I hope all the challenges of 2020 mean it is a year where we all renew our efforts to make a difference and bring some joy back to people's lives. Key to this will be kick-starting recovery.

Delivering affordable homes to rent and buy has to be at the heart of this. Building more social housing can play a powerful role in supporting the supply chain and unlocking developments. We also must build more homes for those people who got us through the pandemic, as well as those who need the safety net a good quality, secure and affordable home can provide.

The new Affordable Homes Programme and planning White Paper are key opportunities to push forward on meeting the challenges of the housing crisis. I hope to see the housing market stabilise, with international investment making a return. We will focus on our role across communities supporting people impacted by the pandemic and pushing forward with building new homes. Personally, I can't wait to get back to the office, to support my local coffee shops and to make the most of going on holiday when we can.

ROSS BLAIR
Senior MD and country head, Hines UK

I think 2021 will be the year we really see the impact of the past 12 months unfold, putting downward pressure on rents in most sectors, excluding industrial. I expect there to be more repurposing, brought about by further falls in value in the hardest-hit sectors, and a continued flow of new capital into residential.

I expect the tone of the great office debate to become more positive as occupiers announce that offices remain very much part of their future strategy, but on a more flexible basis for staff. I believe corporate culture is really important though and that will necessitate a fixed base.

ALISTAIR ELLIOTT
Senior partner and group chairman, Knight Frank

My number one wish is that our towns, cities, communities and workplaces are allowed to get 'back to work'. This must be the year of recovery.

With light at the end of the tunnel and Brexit done, we must engage with our industry bodies and the government to highlight the UK's huge potential to those operating in the global market.

In terms of markets, retail will be repurposed and strengthened. Logistics will continue to build. Hotels, food and beverage will recover. Offices will re-establish their footing. With demographics and work patterns supporting their growth, we also expect a strong year for student property, residential, PRS, senior living, healthcare, data centres, studios and automotive.

From a Knight Frank perspective, our push towards better balance and embracing all things ESG will make greater strides. With a return to normality, we are reminded of the huge value of engagement with family, friends and colleagues.

MANISH CHANDE
Senior partner, Clearbell

Like most of us, I hope the virus can be brought under control and the vaccine will enable our lives to return to some degree of normality – including getting our Clearbell team back together. I'm optimistic that we will begin to see some green shoots economically.

Looking to the property market, we would like to see pricing for more challenged assets come down and stabilise to provide investment opportunities. For stabilised assets, a return to value growth would be welcome.

Finally, it is crucial that the government listens to the property industry and policy starts to take a more balanced view, particularly in relation to the rent moratorium and other restrictions. It is important that the government recognises that continuing to support zombie companies is not a good or sustainable strategy. Policy needs to rebalance to support property owners, with the recognition that property is the bedrock of a number of pension funds – and therefore pensioners' income.

NEIL SINCLAIR
Chief executive, Palace Capital

I hope we will see a stronger economic recovery than the pundits expect; the UK is constantly underrated. The real estate sector is amazingly resilient and has many talented people, so once the vaccine begins to get rolled out at scale, I anticipate that we will see recovery in those sectors that have been somewhat left behind.

At Palace Capital, we are already seeing a recovery in the leisure sector, with a number of units under offer, where only a few months ago we had no interest at all. Several restaurant operators are starting to take advantage by leasing units vacated often through a CVA.

Interest in the regions, particularly the North, is increasing and once the government announces a major office move in that direction, it can only accelerate.

The demise of the office has also been greatly exaggerated and while we see more flexible working, there will be a gradual return to the office. Working from home for a prolonged period has led to a decline in productivity.

Logistics will continue to be in demand but with yields tightening investors may look for alternatives. Finally, I expect to see more transactions in the listed sector, either through private equity acquisitions or consolidation.

Lynda Shillaw

Manish Chande

Geeta Nanda

Alistair Elliott

LYNDA SHILLAW
Chief executive, Harworth Group

More than anything, my wish for 2021 is for a safe vaccine to be delivered across the UK to allow some degree of normality to return. The industry has dealt with the pandemic admirably, but I worry about the long-term effect it will have on communities and mental health.

The big social challenges of our age have become more pressing as a result of Covid-19. Increasing the supply of new housing, raising skills levels at all ages to improve productivity and decarbonising our environment all need a greater focus from government and industry.

We are also keen for the government to deliver on the promises of its Comprehensive Spending Review on its National Home Building Fund and much-vaunted £4bn levelling-up fund. Progress here will be an effective yardstick for the government's ambition to rebalance the economy.

Harworth's ambition remains as before – to create great places for people to live and work across the North and Midlands. The way we will do this will evolve, however, in line with what people want and in planning for the future.

This will include a greater focus on building active and public travel into our masterplans and major developments to support wellness and decarbonisation, while also bringing forward light and heavy rail uses on sites such as the former Ironbridge Power Station, in line with our strategy to re-use as many former industrial assets on our sites as possible. Finally, I am keen to diversify the housing tenure range across our sites to further accelerate build-out rates and play an even more important role in supporting the delivery of the national 300,000 homes per year target.

SIMON PRICHARD
Senior partner, Gerald Eve

Leisure's 2020 famine could become a feast when we finally start to make up for lost time. I also expect climate change, the high street and housing affordability to rise up the agenda.

Real estate is central to addressing these challenges, as well as the wider recovery, and the sector's entrepreneurial spirit will see it adapt and succeed, whatever 2021 throws at us. This optimism is tempered by the hard times ahead, as we deal with the end of the pandemic and a new relationship with the EU. We must all hope the opportunities touted by the Brexit campaign come to fruition and it is Christmas pudding not humble pie being eaten this time next year.

This year will be all about dealing with the pandemic's long-term fallout, and eyes will turn to those who "did the right thing" during the dark days of spring and early summer. Those that acted with integrity and in good faith, putting the needs of clients and society above their own, will be best-placed to succeed.

ELLIOTT SPARSIS
Head of UK, Convene

Amid the debate around the future of the office, the strongest argument to emerge is that the future will be hybrid. In 2021, we will start to see what that means in practice.

The emergence of new workplace dynamics will feature hybrid workdays, inclusive flexible office structures composed of redefined headquarters, various global meeting and collaboration spaces, and the continuation and improvement of remote workspaces.

Some interesting new workplace strategies are already emerging, with corporates envisaging a future where their workforce is more geographically distributed. This will result in a complete shift in the urban landscape, with talent moving away from city centres, thanks to more personal freedom over when and where work is completed.

Headquarters and regional hubs will be much smaller and focused on engagement and building trust. They will be designed completely differently and focus on teamwork over individual work and higher end experiences and amenities. In short, they will need to be even more of a destination than they were already striving for pre-Covid.

HUGO LLEWELYN
CEO, Newcore Capital Management

My hope is that the UK will wake up to the egregious structuring tactics that some online retailers have used to reduce their UK corporation tax bills and boycott them in favour of more sustainable models.

I expect parts of the high street to have a renaissance of independent traders, as landlords are likely to be prepared to accept low base rents rather than the empty rates bill, so we might see the return of butchers, fishmongers, bakers and grocers selling local product, although that doesn't fill department stores.

Affordable housing levels will continue to suffer as developers take edge-of-city land through planning for industrial (now at higher residual values) rather than residential uses.

The social infrastructure sectors in which »


Melanie Leech


Alice Lamb


Barry Jessup


Marc Vlessing


Ted Schama

Newcore specialises should continue to gain popularity in the mainstream, given their robust performance through the Covid shutdown.

Finally, I expect more business leaders – often with 25 years or so of their own business careers left – to realise that this also ties in with the time left to save the planet and rebalance society, and so to refocus their own efforts on those critical goals.

PAUL ARENSON
CEO, Stenprop

The pandemic has accelerated certain trends while entirely disrupting others, in some cases permanently. The large volumes of capital that might have chased office or leisure assets are now likely to be redirected to sectors offering near-term secure income and capital growth potential.

While we can all agree that the office has a future in corporate portfolios, our remote working experience has taught us that we may not need as much space as previously imagined.

Corporate travel to view assets and close deals will also be minimised given the efficiency of technological solutions that connect remote workforces. It is likely that workplace strategies will no longer revolve around all our employees being based in a central location and office portfolios will need to be adjusted accordingly.

The industrial sector offers resilient income and increasing ecommerce penetration continues to drive warehouse demand, with the pandemic accelerating the changing consumer behaviour underpinning this trend. The undersupply of prime last-mile facilities and land for additional warehouse development will continue to drive rental growth across the UK.

ALICE LAMB
Deputy chief executive, LandAid

LandAid sits between real estate and the charities we fund, and as Covid hit we began to see the effects on real estate – and on the most vulnerable in our society. LandAid works to end youth homelessness, but unfortunately Covid has only exacerbated this critical issue.

Pre-Covid, it was estimated that around 103,000 young people find themselves homeless each year. Now, with the decimation of hospitality and retail, young people are finding even fewer employment opportunities with thousands more struggling to pay rent, heat their homes and even feed themselves.

Sofa surfing, a dangerous and difficult option even before Covid, has become practically impossible, meaning many more young people are now find themselves on the streets.

In this dangerous climate, LandAid's focus on providing safe, secure, and affordable homes has become even more vital. Through our Emergency Fund and other virtual campaigns and events, the industry has shown its commitment to its charity. We, and the young people we support, couldn't be more thankful.

JAMES RAVEN
CEO, Arlington

Last year was a divisive and brutal one. It is no surprise that these factors have exaggerated the impact of property and risk fundamentals on individual asset choices and accelerated some already evident trends.

I believe the vast depth of capital and a low, risk-free return environment means 2021 will bring continued growth in last-mile delivery logistics, while assets that attract specialist innovation or life science customers will become a premium asset class in their own right, given the income resilience and the direction of UK plc, as we strive towards a low carbon, knowledge based economy.

Last year taught us that the UK cannot be so reliant on global trade, travel and just-in-time delivery, and we need to structure our economy around a greater degree of self-reliance, like it or not. The oft-debated WFH threat will lead to more flexibility for some, but things will be far more like they used to be than many would have you believe. The biggest impact will be on commuting patterns and choice, but humans enjoy interacting and sharing a kindred purpose with other humans – not screens.

MELANIE LEECH
Chief executive, British Property Federation

Our industry had to absorb significant losses last year, supporting sectors such as hospitality at the sharp end of this pandemic, and I look forward to when people can return to town centres to meet friends and family.

With a return to stability, the commercial property sector will be able to play its role in investing in our town centres and supporting UK recovery.

I expect the BPF will be incredibly busy, demonstrating how real estate underpins the social and economic fabric of this country, and working with government on key issues for our sector's future – including planning reform and the review of our commercial landlord and tenant legislation.

We must ensure these two fundamental policy frameworks within which our sector operates enable our shared goals to the benefit of property owners, and the pensions and savings we represent, and our customers, both the businesses that occupy our buildings and the communities we're invested in.

TED SCHAMA
Managing director, Shelley Sandzer

We're in the eye of the storm and unlike other crises, where hospitality is last to fall and first to recover, this time it's the polar opposite.

I hope for continuation of genius in hospitality, furthering the sector's hard work of 2020. From DIY boxes a la Patty & Bun and Pizza Pilgrims, to finish-at-home meals from the likes of The Palomar, to added dimensions – my local pub is the perfect example, with its own wine shop – operators and landlords have adapted, so I have faith this will be enough of a head start, until stability returns and workers, shoppers, and international tourists come back in force.

I expect to see further operator and landlord casualties, but emerging from the rubble are turbo-charged next-gen hospitality brands. I also expect landlords will remain forward-thinking, pushing boundaries to make deals more viable for existing and prospective tenants.

Major issues that linger are unlikely to be resolved; the re-introduction of rates is my greatest concern, a frankly unfair hurdle for the industry. I sincerely hope a sales tax is considered, to replace this archaic model.

BARRY JESSUP
Director, First Base

My biggest hope is that last year's obsession with knee-jerk short-termism can be replaced by some genuine investment in future growth. We need to stop trying to prop up failing businesses and focus on supporting growth sectors and start-ups. The furlough scheme had some merit, but also resulted in many unviable businesses getting a stay of execution.

In contrast, start-ups and the self-employed have received precious little help and this will inevitably suppress their growth. We need to pump prime businesses in the growth sectors, and one of the few benefits of Brexit is that the UK will be able to unashamedly do this.

The same applies to the high street. The misguided policy of providing blanket rental relief to retailers has resulted in many failing businesses boosting their cash balances at the expense of property investors, many of them pensioners or local governments.

I hope these policies will be reversed in 2021, focusing on business rate windows or discounts for smaller high street users, and a centralised investment bank to support their bounce-back. Prospects for the high street can improve, but not by focusing on the past.

SADIE MORGAN
Founding director and chair, Quality of Life Foundation

Covid has been a nightmare, but it has shown us all how important our homes and communities are to our wellbeing and highlighted the huge inequalities in our society.

I hope we can build on this understanding to make people's wellbeing more central to our work, with more well-designed, affordable homes in locations that are sustainable, providing better access to both local services and green space and a greater sense of identity and belonging.

I expect this agenda will be put under pressure by the focus on "build, build, build" at any cost, but I see positive signs everywhere: from active neighbourhood WhatsApp groups to shifts in culture at government agencies and even volume housebuilders taking note. So I'll focus on those for now.

MARC VLESSING
Chief executive, Pocket Living

Last year was an incredibly challenging one for all of us. We are delighted that we managed to keep going and welcome first-time buyers to new affordable homes in Haringey and Ealing. Some 40% of our purchasers are key workers so we know first hand the difference it has made to them to be able to get their own home during the pandemic.

This year we will complete developments in Barking, Croydon and Redbridge and start new ones in Barnet and Waltham Forest, and hopefully Greenwich and Harrow. Planning remains a critical challenge for small developers and small sites.

We need a more proportionate planning system that does not expect the same from a small site for 50 homes as one for 500 or 5,000. The cost, complexity and time taken in planning is a major reason why small developers deliver just 10% of new homes.

Research we commissioned from Lichfields found that small sites in London are taking 60 weeks on average to get planning permission; five times the statutory deadline. Greater positivity, pragmatism and proportionality in planning will result in the social, environmental and economic benefits that the country needs.

ROBERT WHITTON
Founder/CEO, Impact Capital Group

A housing market slowdown is inevitable, but my outlook is not as bleak as the macro economic conditions might make it seem. In line with the government's Green Recovery Plan, we see an opportunity to unleash real innovation by continuing to restructure our sector. As a consequence of the pandemic, the need to survive will push us to implement changes we've been putting off for years.

This will include many worthwhile enhancements for the sector, such as the increase of MMC-specific frameworks in housing delivery. While the sector's innovations to date have been focused on improved processes, systems, safety, and delivery, what comes next could be the ultimate disrupter.

The government is relying on us – individual businesses – to be the innovators in supporting their green plans. It is our responsibility as a sector to play our part, and I suspect the momentum behind sustainable housing is going to build over next year as we target net zero by 2050.

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DAVID WORKMAN
Senior partner, Workman

Despite the many obvious challenges for the sector in 2020, investors and developers remained laser-focused on the needs of their customers. ESG commitments, from net zero targets and the healthy buildings movement to creating social value in local communities became more, not less, important.

They have been pushed to the top of the agenda by occupiers and investors throughout the pandemic. This has been reflected in our own evolution as we've developed our services even more rapidly to focus on what our clients require to futureproof their businesses.

The drive for greater occupier experience and customer service in real estate, the application of tech to deliver this and the need to repurpose existing assets are all prominent themes that have shaped the services we deliver. With more change to come, we in the property industry share a responsibility to ensure that change is for the better.

PHILIP GADSDEN
Managing partner, Orchard Street Investment Management

I must admit I thought 2020 would be better than 2019. I'm now convinced 2021 will be better than 2020, and surely with the US election behind us, Brexit done and a vaccine (or three) being rolled out, that must be true.

Established trends in our market have been accelerated by Covid. That said, a large majority of our retail spend is still in a physical shop and convenience-led retail works for many retailers. So maybe 2021 will be the year that some retail property bounces back.

Zoom is not a substitute for office-based collaboration, but with working from home now such a valid option, I suspect the best city-centre office locations will be fine, but I'm not convinced about secondary centres and office parks. Warehousing space seems highly likely to remain popular – and expensive.

My biggest hope is that Covid has changed our awareness of climate change; lockdown has reminded us what unpolluted skies look like and brought renewed focus to those of us responsible for the built environment. I hope this continues for the sake of future generations.

ALEX MCCULLOCH
Director, CACI

In the first two weeks of the pandemic, we saw consumer behaviour accelerate by five years.


Angelica Donati


Yuichiro Shioda


Eugene Marchese

This led to a step-change in online spending; collective wellness – a greater community focus, increased loyalty to local, independent brands, a growing self-awareness on how our choices impact the environment, sustainability and each other; and a huge shift towards working from home. These changes are here to stay and will completely transform how we live our lives in 2021.

Many of these developments should have positive long-term outcomes, with stronger communities, better work/life balance and an ethical ethos running through consumers and brands. By the end of 2021, we will have a landscape that bears little resemblance to that with which we ended 2019.

Some things about this year just gone we will never want to repeat, but from the trash-can fire of 2020 we should be able to salvage a new, more sustainable reality that sees innovation rewarded, spaces evolve to better reflect their uses and communities revitalised.

At the heart of all of this is data. Many businesses have the data, but do not recognise the value accurate implementation of it can have. This will be the year that good businesses harness that information and move forward at the same pace as their customers. Perhaps for them, those sunlit uplands do await.

ANGELICA DONATI
Chief executive, Donati Immobiliare Group

My hope is that 2021 will be a better year for the world than 2020. My expectation is that not much will change, unfortunately, at least not in the first half of the year.

That said, as governments ramp up public sector investment to stimulate economies, the construction industry will benefit from a strong boost that will carry on into 2022 and beyond. I think we can look forward to the sector's rebirth.

Real estate will have a patchier performance: while the appeal of real assets for investors is at an all-time high (and this will remain true) all asset classes are not equal and logistics, income-bearing residential and flexible office will come out on top. Tech and sustainability will also be clear winners as companies across asset classes are increasingly aware that they need to innovate to stay ahead of the game.

DAVID TURNER
Founding partner, Brunswick Property Partners

I am genuinely excited about 2021. My positive outlook stems from Akoya, our new London neighbourhood sustainable workplace venture,


Ros Morgan


David Ainsworth

which we launched in 2020. We wouldn't typically coincide launching a new venture with a pandemic, but Akoya is not a typical venture.

The pandemic has caused significant damage at a personal, company and country level. But Covid has highlighted that the daily commute to Central London on packed public transport is unsustainable in every respect. We did not predict the pandemic, but we had identified the move towards localism and Londoners' desire to rebalance their home/working lives, something we witnessed at our Queens Park estate.

I expect Covid to accelerate the move towards localism and a more sustainable approach to the way we live and work. Sustainability is at the heart of Akoya, where we work in genuine partnership with local SMEs, communities and authorities to create truly balanced workplace environments. My intention is to roll out the strategy across London to demonstrate Akoya is a venture of its time.

YUICHIRO SHIODA

Managing director and CEO, Mitsubishi Estate London

The last 12 months have been enormously challenging, but in time we will come to see 2020 as a year when we came together to overcome an unprecedented danger, and ensure we are better prepared to address future risks.

The speed with which vaccines have been produced is an amazing scientific achievement, and the prospect of normality returning as they are rolled out is hugely exciting.

The UK and world economies have been changed forever, but there is cause for much optimism about the recovery – not least in the opportunities to rebuild 'green', with sustainability and net-zero carbon targets at the forefront of growth. We expect these factors to be increasingly important in how the market evaluates schemes.

It has been strange to see London so empty this year, but people will return to the city centre and office life to embrace the social, leisure and productivity benefits it offers. London remains one of the world's great commercial centres, and our confidence in its future has only increased.

There will be significant opportunities for high-quality properties that are well-located and have the best welfare protections in place.

DAVID AINSWORTH

Chief executive, CO-RE

A year ago I predicted more surprises, and we certainly got them. Markets reflect our emotions and we had the full range last year.

Cities and offices have been tested further than ever before and have come back fighting, and there is a deeper sense from investors, developers and occupiers that this pandemic will pass and the next generation of offices will be extraordinary. The pandemic has reinforced the importance of offices to the long term prosperity of companies and the work/life balance of their employees.

ROS MORGAN

CEO, Heart of London Business Alliance

With the widespread distribution of the vaccine, my hope is that the government will offer a clear roadmap out of this crisis and visitors and office workers will return to the city. Above all, I hope that central London's cultural sector is able to survive this crisis.

To do this, it will need immediate help and investment from the government to ensure that jobs are maintained and institutions kept afloat, and the sector will need further specific support measures when the government allows large-scale gatherings once more.

Our experience over the summer showed us that footfall will not return instantly even when restrictions are lifted and businesses will need continued support to play a role in helping drive London and the UK's economic recovery. If businesses get the support they need, central London will flourish once again, with the West End's unique mixture of businesses fulfilling London's role as a global city.

I also hope we will be able to keep London competitive with a global tourism campaign, provide further business rates relief and longer-term reform, and re-examine the government's position on tax free shopping. When London succeeds, so does the rest of the UK.

EUGENE MARCHESE

Co-founder and director, Guild Living

The combination of Covid-19 and poor care home environments had tragic impacts on our older generations during 2020. But I believe that in 2021, the government will begin to impose the legislative changes required for local authorities to ensure they are adequately planning to meet older people' needs.

Even before Covid-19, change was on the horizon. Over the next five years, the number of private senior living rental properties is forecast to increase by 160% to more than 13,000 by 2024. Although these are positive steps, we must up the ante to keep up with the pace at which Britain's older generation is growing, with the number of people aged 75 and over set to reach 1.8 million in the next decade.

The pandemic means more people approaching later life are assessing their future housing and potential care needs – a change in mindset that will accelerate retirement housing demand. This, coupled with a long-overdue shake-up of the planning system, means 2021 could herald a revolution in Britain's attitude towards ageing and retirement living.

NADAV LIVNI

Managing director, Hillview Real Estate

Having achieved around 98% rent collection in 2020 in our regional office-focused portfolio, I remain a firm believer in the central role offices will continue to play as the beating heart of corporate life – even as other parts of corporate activity continue to evolve.

I am excited that we can play a role in shaping the 'new normal', as companies embrace those positive lessons learned from the WFH experience, resulting in increased productivity and flexibility for employees to have more control over where and how they do their work and how they contribute to the green initiative through new (and healthier) ways of commuting to more convenient office locations.

My optimism about occupational demand for offices is also based on the tremendous »

« resilience I have seen from companies in traditional and high-growth sectors making the quantum leap enabled by Covid opportunities, including life sciences, med-tech, fintech, online delivery of goods and adaptive supply chains. I am optimistic 2021 will prove a pivotal year for the continuing investment of Hillview Partners Property Fund III.

ADRIAN BARLOW

National head of real estate, Irwin Mitchell

It will be interesting to see where any pent-up investment appetite will be directed by investors and funders. There will be lasting changes to many sectors, with an increased emphasis on digitisation, health and wellbeing.

The government's planned review of commercial landlord and tenant legislation may help to reinvigorate our high streets.

The entire lifecycle of housing will remain a focus; the proposed permitted development right from Class E uses to residential could lead to a different town centre model, anchored by housing. As the Environment Bill heads back to debate and the Planning White Paper starts its journey, both could give us a very different regulatory system.

The adaptations of the past year will continue to make us more innovative and receptive to the use of technology, less afraid of disruption and more empathetic in our dealings with others.

ROB WILKINSON

European CEO, AEW

The overriding hope has to be that vaccinations will work and we get the pandemic under control. With a more stable geopolitical environment and Brexit deal, 2021 might well turn out to be a strong year for UK real estate.

The pandemic presented significant challenges to retail and hospitality which, for retail, accelerated pre-existing trends.

We need a wholesale change of approach and mind-set to our city centres and high streets. These trends will lead to some of the most dramatic changes to real estate's physical footprint in our urban landscapes.

This has started to unfold already but will gain pace in 2021 as retail re-prices to a level where massive redevelopment of retail-led schemes can take place. We need to shift our industry's culture from focusing on the physical aspects of real estate to offering a service and amenities to customers.

This will lead to the emergence of wider mixed-use schemes incorporating residential, leisure, retail and office space.

JOHN WEBBER

Head of business rates, Colliers International

My hope is that the chancellor announces a six-months rates holiday (from 1 April to 30 September) for retail, hospitality and offices, enabling these sectors and businesses time to recover from the impact of the pandemic.

I would also like to see: the Valuation Office Agency (VOA) agree to large scale Covid-19 material change reductions in all affected sectors (backdated to March 2020); the government announce a reduction in the uniform business rate to 30p from 2022; the VOA given £50m to increase its IT capabilities and recruits graduates struggling to find jobs following a 12 month break in recruitment by the private sector; and Billing Authorities and the VOA create a digital solution that means all the information on billing and valuation can be found in one place and paper bills are consigned to history.

My expectation is? Let's try be positive and say all of the above.

RICK DE BLABY

CEO, Get Living

I'm confident that 2021 will bring people back to work, to shop and to all our treasured social settings, allowing our town and city centres to recapture their vibrancy.

From an industry perspective, 2021 will see further maturation of build-to-rent as an asset class, as more institutional investors seek to increase their exposure to the sector as a result of its attractiveness and resilience during the pandemic. Operationally, we will see the resident proposition enhance 'experience' in all its forms, as community, home working, safety and ambient wellbeing become valued benefits.

ESG considerations will become even more mainstream. Greater adoption of new construction methods will be an economic imperative. My big hope is that 2021 will not be plagued by new infection spikes, repeated restrictions and imposed regulation. We all need to rebuild the considerable national wealth that has been destroyed and create a better, healthier, happier place for the younger generation and their futures.

SASCHA LEWIN

CEO and founder, W.RE

There is a role for the office, but the way we work will change. Over the past decade we have witnessed significant changes in the London commercial property industry. Sustainability has taken a front-row seat and mixed-use schemes are becoming the city's lifeblood.

The pandemic has accelerated these trends and it is encouraging to see policy makers and developers working together to react to the changing needs by rejuvenating the high street as part of the post pandemic economic recovery and setting challenging decarbonisation goals.

This year will be a defining one for the office. We will see offices shift from being the only place of work to just one, albeit major, element of the ecosystem of locations we will work from. Better design will lead the way in this revolution. Long rows of desks lining a floor will not be the accepted norm in the future.

However, the office will remain a central place for people to connect, learn and grow for both customers and colleagues. It will still bind teams together in a common endeavour and a shared culture, creating friendships that often form an integral part of an individual's social infrastructure. The future office will be greener, brighter and more fun. I predict the 2020s to be one of the most innovative and exciting periods in London's development.

MATT SLADE

Retail director, Quintain

The way we live, work, shop and play has changed. Covid didn't just accelerate trends – it poured concrete into the moulds. This is our challenge just as much as it is our opportunity.

One thing I expect we'll hear much more about this year is localism. While 2020 was the year we spent a lot more time in our neighbourhoods, 2021 will be the year we actually choose to. We'll hear more about the 15-minute city; or, as we at Wembley Park call it, 'Doorstep Living'. We've been working to create a vibrant ground floor for the tens of thousands of people who will live at Wembley Park – and the millions who live nearby, with everything you could want or need right outside your front door, from a meal at the likes of Pasta Remoli to the premium fashion brands of London Designer Outlet.

London has always been a city of satellites that is more a collection of villages, towns and high streets than an urban jungle. That will still be the case, and destinations with that local flavour and clear identity will be the ones that thrive – and attract people from down the road.

CRISTINA GARCIA-PERI

Partner, Azora Capital

I believe the next 12 to 18 months will offer some of the best windows of opportunity for investing across real estate. We will see unique assets come to the market in the hardest-hit sectors and few buyers with the experience and the conviction to be able to underwrite them. I also expect that corporations, needing to raise liquidity, will dispose of real estate, opening up unexpected opportunities for great sale-and-leaseback transactions.

Azora strongly believes that leisure spending and patterns will come back strongly, albeit with some changes in behaviour that were already surfacing but have been accelerated.

And at the other end of the spectrum, we also expect a stronger appetite for resilient assets, namely rented residential in all its forms, becoming even more tightly priced but still offering attractive risk-return profiles.

Cristina Garcia-Peri

Enrico Sanna

Abigail Dean

Rick de Blaby

ENRICO SANNA

CEO and co-founder, Fora

With the vaccine being rolled out this month, we are looking forward to a gradual return to normality and I'm confident that 2021 will be the rebound year.

While uncertainty has permeated almost every sector, we have also seen an acceleration of many workplace trends already taking root prior to Covid. This has put an emphasis on the need for companies to adapt and change, and flexibility will be central to this.

A major area of transformation has been how and where people work. Working from home was a necessity for most of last year, but it is not the long-term solution. For companies to thrive, employees need to return to the workplace safely, coming together to drive collaboration, culture and creativity.

Concurrently, landlords and operators must increase engagement with their customers, delivering a standard of product that exceeds what has been done in the past.

Employees and their respective organisations will mandate a workspace that offers an exceptional experience but also demonstrates a clear commitment to sustainability and social welfare. The wellness of our shared workforces is more important than ever, both mentally and physically.

ABIGAIL DEAN

Global head of sustainability, Nuveen Real Estate

The pandemic has highlighted issues of societal inequality and the role real estate plays in this. The automation of work, rising isolation and changes to urbanisation have all come to the fore as trends having a great impact on the way we live and work.

Although many real estate firms have made good commitments and strong starts to their ESG journeys, the past year has shown that as an industry, we should also focus on how to create a positive impact on society and my hope for 2021 is that the industry makes this a focus. By placing more emphasis on the social aspects of ESG, the industry can help improve the overall health and wellbeing of individuals, families and communities that we work within.

ROB BOWER

Managing partner, Montagu Evans

This year will be a milestone one for Montagu Evans as we celebrate our 100-year anniversary in new headquarters with clients, friends and everyone in the partnership. We demonstrated the impact of our new brand in 2020, keeping people and places at the heart of our business through a tough year for everyone.

Now we're looking ahead with a focus on the next generation – from graduates to young entrepreneurs – extending our commitment to legacy, partnership and people. The challenges facing high streets and retail will be on many of our agendas in 2021, looking creatively at how to unlock value and rethink how we design towns and cities in the next 10-plus years.

Public and private partnerships will be even more important and we're seeing some great examples coming through already from our teams. I'm never far from my roots in valuation either, and am convinced of the need to rethink this aspect of the market – from speed of response and sector-based judgements to more on social value. It's time for change.

STEVE COULSON

CEO, Kitt

While the classic nine-to-five work routine might be no more, 2021 will see new office hybrids appear. Previously only seen on a smaller scale, this could become the norm as companies look to create a culture that allows some to be in the office while others stay at home.

We saw this happen towards the end of 2020, with desk density dropping 20% as many requested fewer desks across more square footage. A good office just isn't good enough anymore; it needs to be worth leaving home for. While most companies have altered their space to comply with new safety and social distancing measures, companies need to create an office space that reflects their culture and core values, »

« blurring the lines between home and office.

To stay ahead, landlords must shake up their offering to meet these new expectations, showing spaces as a blank canvas, and partnering with a managed office operator who can showcase and deliver the highest standards as we all aim to help people back into towns and cities across the country.

JEFF HOBBY

CEO, Dunmoore

Covid has accelerated trends that support trade counters and suburban offices, where the bulk of our portfolio is invested. Delivery and click-and-collect were extremely strong last year and will continue to be so this year.

Trade counter operators such as Screwfix and Toolstation will benefit from the prime minister's "build, build, build" message and homeowners spending more on their own homes rather than moving.

In the office sector, we have seen green shoots for smaller suites offering a self-contained, bespoke product; this has been a combination of people leaving serviced offices and/or downsizing to a higher-quality product.

Taking the focus away from London and into the regions is not a bad thing. I see opportunities for our business. Our speciality is repurposing space, and I think there will be scope for this in the office sector and, potentially, in the high street.

My biggest concern is not Brexit – I don't think it will have a huge impact on the property market – but bank finance being in shorter supply.

MIKE PEGLER

Head of UK, Kennedy Wilson Europe

The trends that the pandemic has exacerbated are not about to reverse. Even after such a strong 2020, I expect industrial assets to outperform again, particularly in urban locations where it is that much harder to add new supply, with occupational trends remaining positive and more capital focusing on the space.

Occupiers will look to strike a balance between the benefits and limitations of WFH. Corporates are likely to be cautious to make long-term commitments to new space requirements. I expect take-up to be modest but improve as we go through the year, with suburban/out of town locations that offer good amenity and connectivity outperforming.

As the pandemic recedes, we are going to see a lot of real estate in need of a new purpose and that will create an opportunity for active and innovative investors. PRS has a role to play in much-needed housing demand in all markets and can play a significant role as property is repurposed.

RUI INÀCIO

Deputy CEO, Stoneweg

I hope that once the world opens up again the recovery will be swift, limiting the impact of the virus on our investments that are due to mature in the next 12 months.

Last year was an exciting one for Stoneweg. In December, we opened a London office and made two senior appointments, including a new head of business development, as we look to support our growing business. I hope these structures we have put in place will help us springboard into the new year, enabling us to attract new capital while enhancing our services to existing investors.

We will also look to expand our bridging loans offering to meet the need for alternative financing. Traditional lenders are being more restrictive, so this is an area where we are looking to grow. We look to expand into new markets such as the UK and Portugal, as well as increase our presence in hospitality, retail and last-mile logistics.

KENNETH MACKENZIE

CEO, Target Fund Managers

Caring for seniors is higher profile now than it has been for generations. While 70 years ago, the NHS was creating geriatric wards (almost all now closed) to provide care for the frail and elderly, 2020 helped to focus the public mind on this most virtuous of vocations provided by hundreds of small family businesses.

The care home sector employs hundreds of thousands of people, providing stable, noble careers caring for ever greater numbers of our seniors. Their devotion to duty in 2020 was humbling.

These care settings are wonderful training grounds for young people to learn about working with a loving, caring attitude, learning from those with a long life behind them, and the frailty and the joy of life. The devotion and calling of these staff and their leaders has often been exemplary.

Fund managers in 2021 will increasingly have to heed the call and join the mission we have been on for 11 years: providing fit-for-purpose real estate in social care, and providing these care heroes with the appropriate settings, in care homes with en-suite wet room bedrooms. Only 26% of the beds in the sector have these facilities at present.

MARTIN ROBERTS,

Principal and co-founder, Addington Capital

My hope is that the vaccines work and by mid-year we return to some sort of normality. The big question is whether we just snap back into our old ways or whether the pandemic will bring major changes to how we go about our lives and the ways we do business and interact.

I expect the pandemic to leave some profound damage to the economy, but there will also be changes for good: a stronger sense of community, a reset sense of perspective and a greater level of resilience in our healthcare and supply chain systems.

In the second half of 2021, as Covid and Brexit leave centre stage, the government will focus on growth in jobs and housing. It could have a positive impact on housing supply if it first turns back the growing politicisation of private housing – an increasing risk for BTR investors – and second, sets up a framework in planning and funding, to allow the delivery of affordable housing by those that can and want to deliver it.

Continuing to impose ever-growing obligation on the unwilling just clogs the system and frustrates the level of building we so badly need.

ANGUS HENDERSON

Head of business development, BMO Real Estate Partners

Rates of activity across the real estate world will vary greatly depending on the underlying use. Trends that had long been at play have gone through a significant acceleration brought on by the pandemic.

The very welcome accepted rise of ESG into a key and mainstream focus for investors and managers, along with a focus on sustainability of income and real estate as a service, will remain at the forefront of investors', customers' and managers' minds.

BRIAN WELSH

CEO, Nido Student

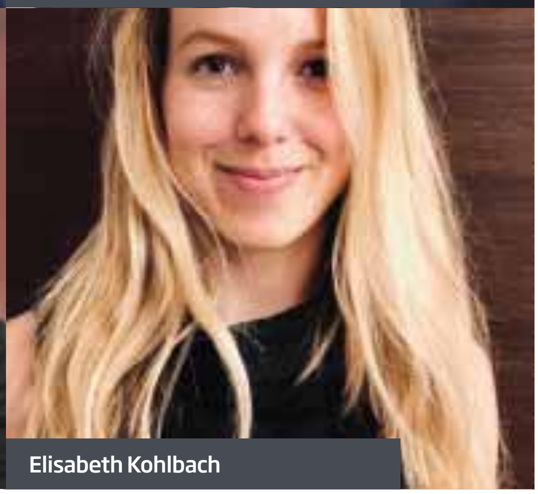
The purpose-built student housing (PBSA) sector has remained remarkably resilient through the pandemic and everything is pointing towards it continuing as a stable, long-term investment. However, the normal cycle will be disrupted due to universities blending starts and flexibility shown to international students in particular, who form a significant weighting within the private PBSA sector.

We cannot discount the impact of further Covid-19 restrictions and lockdowns. But for now, yields remain consistent and


Eugene Tavyev


Angus Henderson


Martin Roberts


Elisabeth Kohlbach

valuations are holding steady.

CBRE predicts that around £1bn of PBSA deals are on the table in the UK alone. We predict a return to business as usual from September 2021, as the sector catches up, students get to grips with the new normal and the results and placement timetables get back on track.

ELISABETH KOHLBACH

Co-founder, Skwire

Tech will become even more prominent in the resi-rental space in 2021, building on the growth we saw last year.

In a market that is more competitive than ever, investors increasingly require the tools to make highly targeted, well-calculated investments at a hyper-localised level – and this demand will only be met by embracing tech-driven approaches. AI and data-driven solutions, in particular, will continue to unlock the potential of the PRS.

With the BTR sector alone unable to meet demand for new homes, tech-led approaches to maximise use of existing stock can help identify investment opportunities at pace and scale, empowering investors to tailor their portfolios to evolving priorities. Sustainability, for example, will continue to rise up the agenda as we hopefully emerge from the pandemic.

Keeping abreast of tenants' expectations will be vital for PRS owners to differentiate their offerings in an increasingly competitive space, and tech will feature high on tenants' list of must-haves in 2021. Investors should act soon to enhance the profitability of their portfolios.

EUGENE TAVYEV

Founder, Spacepool

The pandemic has prompted many of us to adopt healthier habits and I hope this trend will continue. The government's £2bn cycling infrastructure fund will make this transition easier. So will the move towards local offices we've observed over the past six months.

Working from home has been challenging for many from a mental health perspective and we have seen growing demand for day office passes, which are great for those who want to work from an office near home.

The office as a concept is not going anywhere, but I expect a shift towards working near home, now that we know what it's like to live commute-free.

ADAM CUNNINGTON

CEO, Public Sector Plc

With more than 200 world leaders arriving in the UK for the UN's climate change summit 2021, our biggest collective hope must be that nations agree greater commitments and allocation of resources to reduce carbon emissions.

To deliver net zero carbon, we need more councils and combined authorities to follow the lead of Greater Manchester, Bristol, and Nottingham and make firm commitments on becoming net zero carbon areas and decarbonising buildings.

Having decided to invest in developing net zero carbon modular homes, we know this is not easy, but it is a challenge we must rise to. It is concerning that it was delayed last year but we should retain hope the English devolution white paper puts more power back into the hands of local decision-makers to help them lead the economic recovery and level up the regions.

Covid-19 has changed us all and presented a once-in-a-lifetime opportunity to change how we work and lead to more consumer spending and investment in local town centres. I dearly hope we remember the lessons of Covid-19 and grasp the opportunity to improve our town centres, work-life balance and workplace productivity, and reduce our carbon footprint.

ANDREW SHEPHERD

Managing director, TopHat

A year of living and working at home will translate into an increased focus on the quality of our living spaces in 2021, with customers placing greater value on good-sized living spaces, natural light, and homes that can comfortably be used for work.

The construction industry faces a capacity and a skills gap to meet the government's aspirations to build 300,000 homes a year. Meeting this challenge will require local authorities to resume the vital role they played in delivering new homes decades ago.

It will also require the creation of more high-quality construction jobs. Around half of all construction workers are nearing retirement age and too few younger people choose to work on building sites. Off-site manufacturing can help meet this challenge, offering more tech-enabled, stable jobs in a fixed location.

In the run-up to COP26, the quality of our environment will become a key theme. The government is moving ahead with ambitious climate change targets, which modular housing, with its precision engineered airtight construction, can already meet. The government should be bold when setting »

« energy efficiency targets for new homes, and must also start to mandate higher standards on the whole-life carbon cost of new development.

STEVEN CHARLTON
Managing director, Perkins & Will

Last year was a challenging one and was transformative for many sectors, including us specialists in architecture and interior design. There has been speculation around the need for a physical office, with companies like Twitter going remote permanently.

However, the office still plays an essential role for many businesses. We anticipate that offices will become hubs for socialising with colleagues, training and collaborating on projects and activities requiring spontaneity or fast-thinking.

Companies will be looking to restructure how they work and operate, whether downsizing to support smaller numbers of employees coming into the office or redesigning to implement more social and collaborative spaces.

In weaker office markets, there will be opportunities to help solve issues the country faces by repurposing offices into mixed-use developments or labs. Our towns and cities are in need of more centrally-based housing and facilities which support healthcare. Now is the time to get creative and rethink the purpose of existing buildings.

SAMANTHA KEMPE
CIO, IMMO

Much has been written about digital acceleration in the property sector over the past 12 months, often as a means of weathering the worst of the pandemic and for assisting in building back better in the coming months.

While the residential property market has in many ways led on digitalisation, particularly on the sales and lettings side, its usage on the investment side has lagged behind. However, this is set to change. IMMO Capital is leading the breakthrough in technologies such as AI and machine learning to generate data and insight, allowing for smarter investment decisions, the identification of more attractive locations, and generating the ability to deploy capital faster and at scale.

These innovations are unlocking the potential for high-performing single-family residential portfolios, which are already growing in popularity, particularly in the US. A data-led approach can drive efficiencies through every stage of sourcing, underwriting and acquiring portfolios, as well as aggregating a huge wealth of data that can be used to unlock further value for investors.

As with any time of economic uncertainty, a lack of transparency can impact confidence and while investors are chasing yield, they are also chasing stability. Quality data helps to solve this conundrum, with better-informed decision making and risk management helping investors take bolder steps when it comes to newer, alternative asset classes.

ANDREW ROUGHAN
Managing Director, Plexal

We are excited about the level of transformation 2021 presents, not least in the future of work category. I expect this will lead to a significant re-alignment of commercial real estate as the economy recovers and people reconsider what the office means to their organisation, their customers and their culture.

I expect to see a move away from densely populated city districts to more polycentric urban landscapes. Many people have appreciated the flexibility of working from home, but others have struggled with working from their kitchen tables all year.

We can expect increased demand for flexible workspaces closer to where people live and I hope this will create more established and thriving local communities with improved professional capacity.

Over the five years that follow the pandemic, even the look and feel of an office will become different. It must be about collaboration and facilitation, networking and engagement, rather than simply a place to convene.

HARRY FENNER
Chief executive, Navana Property Group

Unlike the naysayers of our sector, I'm not bracing myself for a huge tumble. I'm raring to go and excited to build on some of the changes accelerated by the pandemic.

How can we adapt to new ways of working? What will the meteoric rise in e-commerce mean for retail? These are the issues investors and developers are grappling with, and there are opportunities in the solutions.

For hospitality, I hope we'll see meaningful change to the standard fixed-lease model, which has shown itself to be unsustainable in times of economic flux. Adopting the Continental variable rent model would provide greater resilience to businesses that are vital in creating and sustaining vibrant places.

Mixed-use estates of the future will look very different to the way they did 12 months ago and proactive management of these spaces is more important than ever to maximise value for asset owners and meet changing consumer needs.

NIALL GAFFNEY
Chief executive, IPUT

As we entered 2020, we had already begun to examine the importance of placemaking for the future of the office, our communities and our cities. That research took on new meaning with the onset of Covid-19 and has strengthened our view that we need to carefully think through the work environment to ensure we maintain attractive and vibrant places within our cities.

While remote working taught us many lessons in 2020, it exposed the importance of social and cultural engagement among our workforce. While we now know that people can technically work from home, our 'Making Place' research report identified the economic, social and cultural reasons why they shouldn't.

We think developers, planners and occupiers will need to recalibrate the relationship between workers, the office and the local community. Workplace-making will become progressively evident in office development.

This year is likely to be another year of adjustment as economies and companies deal with the aftermath of 2020. We are cautiously optimistic and believe our primary exposure to offices and logistics positions us well to perform in 2021 and beyond.

STEPHEN OAKENFULL
Chief executive, RDI REIT

Despite the socioeconomic impact of Covid-19 and the polarisation of political agendas, last year was also a year that brought out the best in many people. There was greater appreciation for key workers, greater urgency around climate change and major achievements in medical science, providing hope that the worst of the pandemic will be behind us soon.

My optimistic view for 2021 is that recent shocks have accelerated desperately needed changes across the industry. The prominence of ESG has continued to rise despite the distractions of the past year. In addition to commitments from governments and corporates, I expect individuals will begin to force the pace of change through positive ESG choices as consumers.

The structural impact on the retail sector has been painful for many but has opened the door for redevelopment opportunities in a post-Covid economy. In the office market, owners of real estate will need to develop a far greater understanding of corporate real estate strategies and what functions and services will attract employees back into the office.

I hope London reaffirms its position as a leading global city by backing emerging sectors including technology, media and science.


Samantha Kempe


Julia Wilkinson


Dan Silverman


Andrew Roughan


Stephen Oakenfull

JULIA WILKINSON
Restaurant director, Shaftesbury

Collaboration will be key in 2021, particularly between operators and landlords, but also with our local authorities and the wider community. Shaftesbury's position is very much that we and our tenants are dependent on one another. That means listening, understanding one another's perspectives and businesses, and working together to find practical solutions.

The next few months will continue to be tough and some big issues beyond the pandemic need to be addressed, such as the timing of the withdrawal of the business rates waiver and potential rating reforms, VAT and the end of the furlough system.

There are also plenty of positives and reasons to be optimistic. Consumers will always want to socialise with one another, be it in households or mixed groups, and they also want to support the hospitality industry and their favourite local venues.

There will also be new opportunities for creative operators to launch new concepts or expand existing ones. The smartest operators have adapted to deal with the challenges of the here and now, and are now turning their attention to the what next.

Growing certainty over vaccines is combining with an acknowledgement that while consumer behaviour has changed, our desire to socialise, eat and drink out remains undiminished.

DAN SILVERMAN
Co-CEO, Spacemade

Just when it felt like building owners were finally grasping the nettle in providing more flexibility for customers, 2020 pushed that process so much further.

This year, the trend of office ownership shifting from what was once a bond-like investment into what is more akin to creating an operational and service-based business, will continue. As in the hotel sector, brand, operational excellence, customer reviews and profitability will play an increasing role in an asset's value.

Building owners have begun to think about tenants as customers with business needs, but they must go one step further and anticipate the day-to-day needs of individuals within these businesses. Flexibility and choice have never been more important. Not only will businesses want increasingly flexible terms, excellent amenities and turnkey space, they will also want access to multiple locations and a variety of spaces for employees to work from.

Last year all but killed off flexible operators leasing buildings, so it is our view that we will see major changes to the leased operator model. Building owners will decide whether to build operational businesses themselves, which for all but the biggest will be unviable, or otherwise buy in the operational services.

GAVIN NEILAN
Founding partner, Deutsche Finance International

We were all pleased to wave goodbye to 2020, but let's also not forget it provided countless examples of heroism, kindness and resilience. My hope for 2021 is that with the rollout of the vaccine, we will be able to again enjoy a family holiday, a meal with friends or just a hug.

I expect the economic legacy of the crisis will be a longer cycle of lower growth, inflation and interest rates as we manage a heavier debt »

« burden and face similar structural challenges that existed before the pandemic.

That said, I hope a gradual end to lockdowns will not only bring our society immense relief and happiness, but also unleash pent-up demand to help our economy recover. I also hope the rapid technology adoption seen in the crisis, linked to the acceleration of various trends, will become an inflexion point for tech-enabled productivity growth.

I expect real estate to become a more operational asset class, ESG will retain centre stage and, as an investor, uncertainty and risk aversion, as well as profound changes to certain types of real estate, will allow us to utilise our experience and resources to solve problems and unlock opportunities.

ARNAUD PLAT

Senior partner, Invel

We are optimistic about the future of the tourism and hospitality industry and think it will recover faster than some predict, as the fundamentals that underpin demand remain unchanged.

Put simply, the desire to go on holiday has not gone away, but hoteliers will need to meet new expectations in terms of safety. While ESG has been gaining increasing prominence over recent years, it will now be firmly on the agenda for investors and we expect a sharp uptick in demand for the repositioning of older assets into accredited and sustainable buildings.

CONRAD DAVIES

Head of urban dynamics, Osborne Clarke

The UK will be at the centre of global climate change discussions when COP26 kicks off in November. Ahead of the event, an increasing number of countries have announced how they plan to meet net zero goals.

Responding to the carbon challenge will continue to be a top priority for the global real estate sector as it looks to reduce emissions from the built environment.

Investors are demanding more visible sustainability across the lifecycle of assets – from sourcing of materials, development, and operation and management. While office and retail occupiers are gradually shifting towards sustainability, there is huge demand from students and young professionals who are highly motivated by climate change and want to live in energy-efficient and environmentally friendly properties.

There are encouraging signs of adoption of cleaner construction practices and methods, retrofitting buildings, new scheme and mobility options, infrastructure design, investing in renewable energy and use of data-driven technologies. But legal considerations will be important this year and beyond as businesses will increasingly be held accountable by new climate-reporting regulations.

MARK BUDDLE

Partner and head of residential development, Bidwells

While the housing market's performance is usually intertwined with the wider economy, 2020 was somewhat of an anomaly; house prices continued to rise while the UK economy shrank at a pace not seen in the last 65 years.

Economic recovery this year will be based on building homes and government will continue supporting the sector to deliver on its 'build, build, build' ambitions, but it will want to see green housebuilding principles at the heart of everything the sector does. Government is likely to change its focus from Help-to-Buy type support to directing financial support at those building and buying green homes.

We also are likely to see increased support for SME housebuilders. By investing here, government can have a significant impact on housing numbers by opening up a significant new market. Small or medium sized businesses could significantly scale up their operations to have a big impact on numbers while also being motivated to innovate and deliver high-quality homes in sustainable developments.

At Bidwells, we expect momentum to carry through into 2021. In the past year, we've acted on behalf of clients to secure enough parcels of land to deliver up to 20,000 new homes. At an average house price of £250,000, that equates to a GDV of between £4bn and £5bn – astronomical figures, given the double-dip recession we're in.

NICK MOLDON

Senior VP and head of UK and Germany, Pembroke

Even as workspace trends evolve, we are confident that grade A City of London office space will retain its long-term value.

We expect to see a flight to quality as occupiers favour well-located, smart-enabled spaces designed to enhance productivity and employee engagement, regardless of the changing working patterns.

From our experience in cities across the globe, an urban workforce will continue to be drawn to amenity-rich spaces that offer best-in-class health and wellbeing facilities, and these will fast become the minimum requirement in economic powerhouse locations such as the City.

Businesses will prioritise partnerships with landlords that offer true responsiveness and agility. This will be ever more critical at a time when businesses are reviewing their working practices and adapting to the new needs of the workforce. In a low-touch world, where occupiers seek ease of access and range of facilities, it will be the long-term impact of "high touch" customer service that will add value.

TOM APPLETON

Chairman and co-founder, Rocket Properties

I hope the new direction we're taking Rocket Properties in, turning our attention to net carbon zero buildings, is not just a positive change environmentally, but also a big draw for commercial tenants. We'll be further progressing our net carbon zero building in Old Street, which will deliver over 150,000 sq ft of office space and 300 hotel bedrooms.

Contrary to some media reports, we don't see 2021 as marking the death of the office. While increased flexibility can only be a good thing, having a space for colleagues to meet and collaborate remains pivotal to business, and offices will continue to be the place much of this happens.

The Tech City area around Old Street has also become well established as a desirable place to live in recent years and we expect this upward momentum to continue, especially for developments like The Atlas Building that provide for buyer priorities such as outside space and flexible layouts.

MATT BIRD

Head of UK, Cromwell Property Group

As we enter 2021 and new trading relationships, we must remember that the UK is home to amazing companies and people at the forefront of global innovation, creativeness and adaptability. The UK will continue to thrive by providing goods and services that customers and the rest of the world wants.

One of the major lessons Covid-19 has taught us is that disruption is something we must embrace and even in uncertainty there will also be opportunities for investors with the right skillset and outlook.

The office will be redefined as a place of culture, collaboration, creativity and connection and sectors such as tech, creative industries and life sciences will continue to flourish.

In 2020, we remembered how to listen. Reduced travel has meant more time to


Tom Appleton


Axel Boutrolle


Robert Sloss


Lynne Lister

engage with our customers, colleagues and stakeholders. It is vital that we continue these discussions, especially around ESG, diversity and inclusion, and implement the lessons without delay.

ROBERT SLOSS

Chief executive, HUB

This year will see the continued growth of the BTR sector, but its value is much broader than mere investment returns. BTR can be the renewal catalyst for city centres struggling for purpose following the collapse of traditional retail. The social value of bringing people and vibrancy back to city centres cannot be overstated, but the provision of residential buildings alone can only do so much.

For example, our recent planning permission for 2,000 homes in Digbeth, Birmingham, includes extensive ground-floor creative workshops, to deliver diversity and animation to a regenerating area, rather than waiting for standard retail tenants that may never arrive. If, as predicted, Covid results in more flexible work patterns, renewed neighbourhoods must offer a strong live-work solution and imaginative, interactive ground floors are essential to that.

LYNNE LISTER

Managing director, X-Press Legal Services

My hope is that the housing sector stabilises again after Covid-19 and Brexit. The arrival of a vaccine will be a big boost to the economy and I hope this will leverage a return to the UK housing sector being 'open for business' again.

We've urged home seekers to take advantage of the Stamp Duty Land Tax holiday before it ends on 31 March 2021 and given how busy we were towards the end of 2020, it looks like many have listened. I hope that as people have had to spend more time in their own homes last year that big decisions about whether they stay and renovate or consider moving as part of their retirement plan will come into play and the housing sector will continue to develop.

I expect the housing sector to slow down in the early part of this year as the economy recovers and we adjust to the new Brexit conditions. House prices may remain stable or drop slightly during this period. However, this is good news for homeowners in that mortgage rates may stay low for longer.

Economic uncertainty brought about Brexit could make early rate rises more likely.

AXEL BOUTROLLE

Managing director, Linkcity

I hope the volume of market activity seen in Q4 2020 continues with the successful rollout of a vaccine in the UK. For Linkcity, in 2021, we will focus on identifying new opportunities and developing existing partnerships to deliver more places for people to live, study and work.

I expect the residential, mixed-use, regeneration and student accommodation sectors to remain strong. The fundamentals are there and 2021 should see a bounce back in student accommodation, with students eager to join higher education and fully participate in the on-campus university experience.

Continuing growth can also be expected in the residential market. While Brexit has become a secondary concern in a post Covid-19 recovery context, it might present more of a challenge in 2021. But an international group like Bouygues is well-equipped to deal with logistic and cross-border sourcing issues for labour and materials.

CHRISTIAN JAMISON

Managing partner, Valor Real Estate Partners

My biggest hope is to see the back of Covid, with mass vaccinations leading to herd immunity, the end of social restrictions and the opening up of travel. My second biggest hope is to see Tottenham Hotspur win the league for the first time in 60 years!

I would also welcome UK political discourse finally moving on from Brexit. It will also be interesting to see the changes in US foreign policy under a Biden administration and how that impacts a post-Brexit UK.

For real estate, the weight of money flowing in is unlikely to show any respite as investor allocations to the sector continue to rise. I expect logistics to maintain its strong performance, with tenant demand supported by e-commerce growth and post-covid economic recovery. Specifically, urban, in-fill logistics should remain the part of the market where the supply-demand imbalance is most acute and where I expect we will see the strongest rental growth in 2021.

MATTHEW PULLEN

CEO, APO Group

This year feels set to be a seminal one for the UK residential sector. For 10 years it's felt »

« like we were on the brink of UK multi-family housing taking off in a big way, but it's proved to be more evolution than revolution so far.

This time feels different though, and it's Covid-19 that's tipping the scales. Before the pandemic, appetite for real estate from global institutional investors had already hit a seven-year high.

Then the first lockdown put a spotlight on the substantial differences in resilience of real estate sectors, and the early figures really were stark: 95%-plus residential rent collection but less than 50% for commercial.

No surprise then that we've seen a wave of increased allocations to residential real estate, but it has been extraordinary to see the extent to which overseas capital targeted the UK last year, despite Brexit uncertainty: there was almost seven times the quantum of cross-border capital invested in UK multi-family than US multi-family housing in Q2 2020.

So, I expect 2021 to offer us huge potential for growth. The key to capitalising on it will be marrying investors with developers and residents to make the sector work for all three.

Ben Derbyshire

Sven Topel

Sue Shepherd

Francesca Brady

JOHNNIE WILKINSON
CEO, Greenman Investments

Grocery is an anomaly in the retail sector, having had a strong run during the pandemic.

The Greenman Group specialises in acquiring and operating real estate investment funds focused on European grocery retail and we plan to use what we learned during the stress of the past year to better understand and enhance the vital role bricks and mortar stores can play in future grocery and essential retail operating models. The difficulties that many large grocers have faced attempting to make online delivery profitable, as well as to scale the model to meet demand, have been brought into sharp resolution by the pandemic.

The model that is emerging combines physical and digital assets in various configurations, depending on the catchment areas, cultural differences in consumer behaviour and variance in regulation.

BEN DERBYSHIRE
Chair, HTA Design

I have just sent to the publishers the first draft of a book for students and young professionals who plan and design housing, written during the pandemic, which has ruthlessly exposed the weaknesses of our housing system, heightened by long periods of enforced isolation. So this is not a bad moment to reflect on the future.

My focus in the book on wellbeing and a fair allocation of scarce resources reinforces our sense that the industry falls short of the collective effort needed to overcome the linked challenges of climate change, public health and the collapse of the biosphere.

At HTA, we are really excited by the results that can be achieved with a truly creative collaboration of all our professional disciplines; environmental engineering, planning, landscape design, communication design, as well as architecture. More of that in 2021, please.

SVEN TOPEL
CEO, Brookgate

The UK's science and tech ecosystem shot to prominence in 2020 as incredible breakthroughs were made in response to the pandemic, from Oxford's development of a Covid vaccine to Microsoft and NHS Digital introducing new applications to Teams to support medical staff dealing with the virus.

Government rightly sees the science and technology sector as a key area that can deliver high GDP growth, hence its plans to provide almost £15bn for R&D in 2021.

The private sector is equally enthusiastic, resulting in large-scale venture capital flowing into science and tech companies.

Bidwells forecasts that the 'Oxford-Cambridge Arc' will represent almost 11% of UK GVA by 2050, up from 6% today, equivalent to £100bn a year. Accordingly, a number of new science and tech property platforms for both UK and overseas capital are focusing on the British core markets of London, Oxford and Cambridge and the real estate market in these areas is maturing fast.

We forecast large scale capital will continue to flow into the market in 2021 for existing assets and new developments. In our own core market, Cambridge, we expect to see robust demand and continued rental growth.

JAMES EDWARDS
Director, Evans Randall Investors

In the rush to draw a line under 2020, we must not forget what we have learned over the past 10 months of huge political, social and economic change and make a collective resolution to build on the many innovative ideas, sparked or accelerated by the pandemic that seek to make our sector more responsible and sustainable.

The themes of decarbonisation and electrification fit into these categories and are an increasing focus of our outlook for 2021 and beyond. Covid-19 has unquestionably changed the office environment, but it has also highlighted its importance.

London's long-term positives continue to endure and drawing a line under Brexit will bring a greater certainty that all investors will appreciate.

FRANCESCA BRADY

CEO, AirRated

Offices will be competing this year with what is, for many people, their favourite place: home. There's an element of control that comes with our homes that is lost in the office, so I believe in 2021, people will demand more of offices, and will need to gain confidence that they're working in spaces that are as healthy, safe and productive as their homes.

Secondly, I think 2021 will see buildings becoming healthier – but not at the expense of sustainability. While there is often a surprising disconnect between these two things, it is possible to prioritise sustainability while also creating healthy spaces, but we all need to commit to it.

Last year, the public became more informed about air quality, but that has come at a devastating cost: between Covid-19 and wildfires, our learning curve has been a steep one. However, I think that people will continue to become more empowered and informed about air quality. As occupier expectation changes, this will put pressure on developers for healthier buildings; it is a very positive cycle.

GUY WINDSOR-LEWIS

CEO and founder, Locale

After the screwball year that was 2020 I hope for a calmer, more settled 2021, especially as a vaccine is now in place, allowing for a return to some sense of normality for our staff, business and the economy.

The 'death of the office' has left the workforce feeling more uprooted than necessary, and we must recognise the positive role it plays in our lives.

I hope we return to separate workspaces, albeit on a more flexible basis, as there are so many benefits: from fostering a social culture and improved work relationships, which lead to healthier mental wellbeing. We can host all the Zoom quizzes we like, but there is no substitute for in-person collaboration.

With the acceleration of tech adoption since March, and as we gain clarity on the Covid guidelines, I suspect we will see increased demand from firms seeking digital solutions to meet the new workplace requirements and provide a safe, social and seamless experience for their occupants.

MICHAEL GRANT

COO, Metrikus

Last year taught us lots of things, not least that we are all fantastic banana bread bakers. Another realisation seems to be – finally – that smart buildings don't need a million gadgets to actually be smart. More and more buildings are adopting smart technology, and will continue to do so into 2021.

I have two predictions off the back of this. As more buildings become smarter and more data becomes available, occupiers will want to know more about the air quality, capacity and occupancy of spaces they live and work in. With greater understanding about air quality also comes demand for it to be better, for it to be monitored better and for helpful actions to be taken off the back of that data.

Landlords will need to be more proactive than ever to provide smart building solutions to tenants. Smart buildings offer a competitive advantage, and can help landlords lease faster and charge a premium for their spaces.

ESG continues to grow in importance. However, companies can't truly show their commitments to this without monitoring their water and energy usage, and indoor air quality, and using that data meaningfully.

DARREN WILLIAMSON

National head of real estate, Freeths

A safe medical and stable political environment at some point in 2021 would be a definite hope. I expect that things on that front will level out in early summer and the F&B and tourism industry will go crazy – expect to pay double on your flights by June.

Sheds will continue to do well and retail will continue to struggle. Offices we be in the middle, and I for one can't wait to get back to the office.

A further hope is that Freeths remain as resilient as a business. March '20 was a shock to us all, but after an initial difficult six months we have gained some ground back, won Litigation Firm of the Year and are again busy helping clients do deals.

My final hope is that the curiosity with proptech continues and the climate and diversity agenda grow. And no doubt we all hope we will get to go on holiday this year too.

DAVID GREENBAUM

CFO, CPI Property Group

I hope that the global financing and capital markets remain robust, and current liquidity conditions continue. I expect highly accommodative European monetary policy to continue to support asset values, including good-quality income generating real estate.

Over time, I expect people will be surprised how much they missed the office, and that they will return enthusiastically. I am tired of Zoom! Building business connections and relationships has been difficult. Lastly, I expect business and leisure travel to recover: it can't get much worse than 2020!

SUE SHEPHERD

General manager, London Designer Outlet

If 2020 was the year the property sector began, seriously, to talk about the relationship between landlord and tenant, I hope 2021 will be the year a culture of collaboration becomes the norm – such as that which is embedded at London Designer Outlet.

A high street where landlords and tenants are partners, sharing both risk and reward, will help create more prosperous destinations that better serve and delight our guests.

One thing I hope to see is more landlords and brands implementing turnover-based solutions. While you might think turnover-based rents are a new thing, they are part-and-parcel of how we do business at London Designer Outlet and always have been.

In fact, they've been so successful, they've been rolled out across retail and leisure operators in Wembley Park, Quintain's multi-billion bound transformation of the North West London neighbourhood.

Bricks-and-mortar retail absolutely has a future. That future is in stronger partnerships between landlords, asset managers like Realm, and our brand partners. The best guarantor of that future will be collaboration, for every party's benefit – not least our guests.

These predictions have been edited at the editor's discretion. A selection of video forecasts and edited versions of these forecasts, including New Year's resolutions, are available to read online at PropertyWeek.com