

THE OXFORDREPORT

Expert commentary on the Oxfordshire property market

SPRING 2020



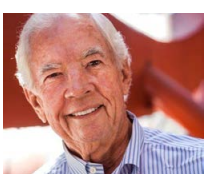
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How the business parks surrounding Oxford are expanding and providing new work opportunities

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Mullin - Back on track?

Clear road for £200m museum

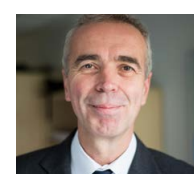
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DISCUSS. ENGAGE. NETWORK. BE PART OF THE DEBATE.

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The Oxford Report



Written and published by the team behind the free and independent weekly newsletter **Thames Tap**, the Oxford Report is a quarterly journal which will be sent by post to the Top 500 property decision makers influencing the Oxfordshire property market and in due course made available to the Thames Tap subscriber list of 7,500-plus.

Drawing upon the exclusive and original contents gathered from our events, such as the Oxford Social and the OxPropFest conference, over the past few years, we are able to comment on the Oxfordshire property market and begin to get a grasp of the development pipeline.

Our belief is that readers want to have a medium which explores some of the issues affecting the Oxfordshire property market in more detail. By investing in a paper format, we think sponsors and advertisers will have a platform which is enriching and interesting.

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Growing clean & green

The Oxfordshire Energy Strategy will set out an ambitious framework to enable the county to be at the forefront of energy innovation to foster clean growth.

Senior business bosses from across Oxfordshire gathered in Bicester on November 5 as a new and ambitious energy strategy for the county, with the ability to create a 'stand-out' low-carbon economy, was officially launched.

The Oxfordshire Energy Strategy will help to support the county play its part in addressing climate change, challenging the county to commit to reducing emissions by 50 per cent (compared with 2008 levels) by 2030 and set a pathway to achieve zero carbon growth by 2050, or sooner.

It also aims to secure a smart, modern, clean energy infrastructure and responds to the Government's 'clean growth' grand challenge, recognising 'the major opportunities and need' to move to cleaner economic growth through low-carbon technologies and the efficient use of resources.

Alongside key partners working within the county's low-carbon sector, the Oxfordshire Energy Strategy was launched by the Oxfordshire Local Enterprise Partnership (OxLEP) at the recently-opened Eco Centre at Elmsbrook in Bicester – itself, a building designed to be eco-friendly and sustainable with aspirations to be the first non-domestic building in the UK to achieve 'Passivhaus Plus', a rigorous standard for energy efficiency, developed by the Passivhaus Institute in Germany.

It's hoped the Oxfordshire Energy Strategy can provide the building blocks for a stand-out, low-carbon sector too.

Currently – the county's low-carbon sector already makes a significant contribution to Oxfordshire's overall economy, generating £1.15bn a year (around seven per cent of Oxfordshire's overall GVA).

The strategy suggests that it can help to spearhead a further £1.35bn annually to the local economy through the low carbon sector, potentially leading to over 11,000 new jobs by 2030.

In doing so, it would also mean the county will deliver emission reduction targets in-line with local and national expectations, meaning the strategy will play a key part in addressing climate change too.

Nigel Tipple – Chief Executive of OxLEP – said: "Oxfordshire champions and welcomes 'world-class' innovation in clean growth, backing sustainability in



OxLEP's Director of Strategy and Programmes, Ahmed Goga, speaking at the launch event.

the process. The Oxfordshire Energy

Strategy will build on the county's commitment to embrace innovation, placing it as a pioneer in modern energy and clean growth technologies.

"It also provides a clear opportunity for collaboration and partnership working and seeks to harness, leverage and scale-up low carbon initiatives to have a more significant impact – not just locally – but nationally and internationally too and provides a platform to bring topclass skills for a zero-carbon future.

"The Oxfordshire Energy Strategy can help to inspire young people and create career pathways in the lowcarbon sector, as well as enhancing entrepreneurial attitudes."

OxLEP added that the Oxfordshire Energy Strategy will play an integral role in supporting the county's Local Industrial Strategy to meet its ambition too, aligning with its vision to position the county as a top-three global innovation ecosystem by 2040.

It also says that it 'recognises and prioritises local need', helping the county to harness innovation and technology, as well as supporting a better understanding of a cultural change to local energy.

OxLEP added that the Oxfordshire Energy Strategy can also help to create employment opportunities for people locally, as well as supporting greater access to new markets for Oxfordshire businesses.

Simon Potts, A2Dominion's Director of Strategic Land and Planning said: "A2Dominion are pleased to be supporting the Oxfordshire Energy Strategy launch. As a residential property group with a social purpose, we



are committed to delivering sustainable communities.

"At Elmsbrook, NW Bicester, A2Dominion are providing 393 affordable and private new homes on the first phase of the UK's only eco-town and the only true zero carbon development of its size."

Nigel Tipple – Chief Executive of OxLEP – said: "Clean energy offers communities and businesses real opportunity in Oxfordshire and the UK. The low-carbon economy has the potential to grow by 11 per cent, per year over the next decade to 2030, four times faster than the projected growth of the UK economy.

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The Oxfordshire Energy Strategy will demonstrate to the UK how we can consume energy more efficiently and harness it for future generations.

*Nigel Tipple –
Chief Executive of OxLEP*

Is motor museum back on track?

Entrepreneur who loves West Oxfordshire beauty spot is hoping his stunning £200m development is on the right path.

After a series of hold ups the proposed Cotswold Automotive Park [CAP] and Mullin Museum in the Cotswolds is on the road to becoming a reality.

The remarkable scheme to site a combination of rare, classic and futuristic cars and exhibits in a countryside setting, has faced a bumpy journey even after gaining a positive vote for planning permission from West Oxfordshire District Council in June 2019.

US entrepreneur and motor enthusiast, Peter Mullin, 79, wants to build the £200 million park on 63 hectares at Enstone Airfield. But since permission was granted the scheme, opposed by some influential neighbours, has twice been reported to the ministry for housing, communities and local government (MHCLG), requesting it to be called in.

On both occasions the MHCLG refused to call-in the project so formal permission is now expected from West Oxfordshire Council imminently. The project must then await the final hurdle, when a six-week window opens in which opponents could potentially

request a judicial review.

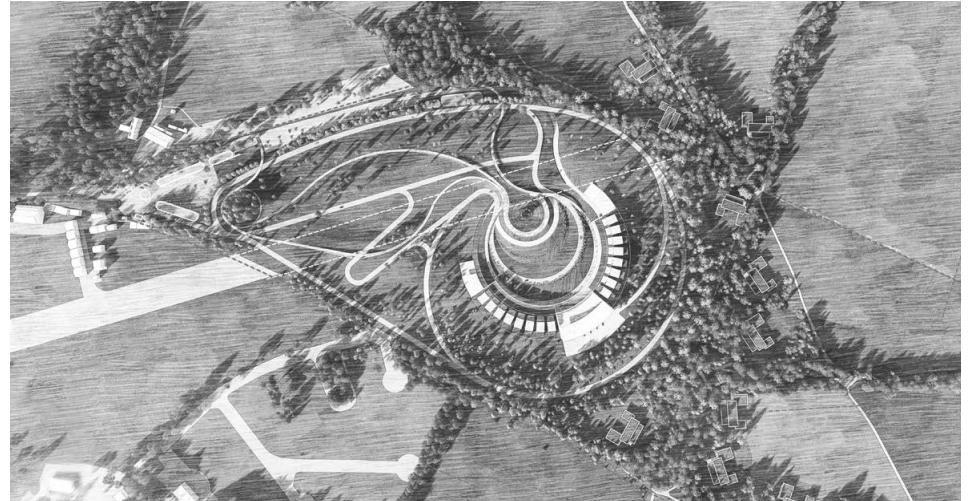
If the scheme passes that hurdle, only then it will go ahead.

Kieran Hedigan, long time friend of Mr Mullin and Project Director, first showed him the site in 2016. The US billionaire fell in love with the setting and wanted to create something for people from all over the world to enjoy. Mr Mullin has been disappointed by the problems the scheme faced through the planning process.

Mr Hedigan said: "If they had called it in, there would be a public enquiry and that would have killed the whole project."

The site, less than 70 miles from both London and Birmingham has been used for filming Top Gear and, as part of the proposed museum, the cars within the exhibitions will be exercised on tree-lined roads within the park.

Mr Hedigan said: "The majority of our visitors will be international, coming to London and then to West Oxfordshire to visit Blenheim (Palace) and Bicester Village. Then we think they also will come to us."



He said the Foster & Partners-designed museum will be paid for entirely from private funds and Mr Mullin intends that the museum be a not-for-profit organisation to ensure that the vehicles will be enjoyed for generations to come as an integral era in human history.

As well as vintage vehicles there will be exhibits by the likes of Google and Tesla.

There will also be 12 holiday lodges and 16 town houses on the site, the sale of which will help fund the project. The homes will be sold only

to car enthusiasts willing to bring their collections with them and make them available for public display.

Mr Hedigan said: "We've heard it said, it's just a housing estate for posh people. It's quite the opposite. It will be an extraordinary automotive park open to the public up to 300 days per year without any requirement for Government money and only possible through the personal generosity of Mr Mullin's legacy."

The Oxford pipeline

A round-up of some of the main projects proposed or under construction in the region



Oxford Tech Park

Hill Street Holdings is constructing a 101 room Premier Inn hotel and a 150 Beefeater restaurant on 22 acres at the Oxford Technology Park, opposite Oxford Airport to the north of the city. Advised by the chartered surveyors, Bidwells and Benedicts, the campus has capacity for 40,000 sq m (400,000 sq ft) of Grade A offices and high-tech buildings.



The Oxford Science Park

Construction will start in Autumn 2020 on the largest (15,600 sq m / 168,000 sq ft) speculative office and lab space in Oxfordshire. Designed by Perkins and Will and with consultants Studio DBM, Hoare Lea, Campbell Reith, Core 5, 3PM and Savills, the scheme will act as a catalyst for the re-opening Cowley Branch line and additional housing.



Oxford Business Park

Two buildings are planned. Building 3500 (18,000 sq ft) to start on site February 2020 and will be shell & core with exposed services and designed by Lyons Sleaman Hoare. The Tech Box will be a speculative (90,000 sq ft) high quality office space is designed by AJA Architects and is spread over three buildings, with access to R&D / production space.



Bicester Heritage

Bicester Motion and Buckingham Group have started construction of a £10.4m project to create eight new buildings ranging from 5,000 – 17,000 sq ft. To be completed in Q2 2020, the scheme is funded by Handlesbanken and is already 80 per cent pre-let to businesses from the historic automotive sector which is clustered at the site.

Why climate change is everyone's business

Veronica Reynolds, sustainable travel advisor at MEPC's Milton Park, explains how bringing data and people together can make a difference.

VERONICA REYNOLDS,
Sustainable Travel Advisor,
MEPC Milton Park



Never before has the climate emergency story been front and centre of people's minds across all generations.

Sustainability remains the buzz word and employees are demanding that companies act responsibly. But how do we, as landowners, managers and property professionals, make a difference? What action do we all need to take to grow but in a sustainable way? What part can we play to reduce global warming, air pollution and traffic congestion?

The Confederation of British Industry is calling for the government to improve transport infrastructure across the UK

and make commuting greener and more affordable for communities.

They recently polled 2,000 people and found that on average, employees lose 2.7 hours a week due to travel disruption and delays. This totals to 125 hours, or five days, over the course of a working year.

"Encountering delay and disruption far too often, employees up and down the UK want a cheaper, greener and more reliable commute," said Matthew Fell, chief UK policy director at the CBI.

And what about air pollution? According to the World Health Organisation's latest Global Ambient Air Quality Database, as many as nine out of 10 people globally breathe highly polluted air, and at least 30 UK towns and cities including Manchester, London and Swansea exceed pollution limits.

At Milton Park, we are taking action through data, insight and feedback.

Our recently published Vision 2040 has a clear goal which will see Milton Park grow sustainably and in a well-managed way from our current 9,000 employees across 250 businesses to reach 20,000 workers onsite by 2040 through:

- targeting 'net zero' carbon across transport and energy use
- reducing private vehicles onsite, replacing these with safe and sustainable alternatives including more bus services, better cycle infrastructure and the first trials of passenger-carrying autonomous vehicles
- playing a small part in assisting our customers to have found cures to life threatening diseases and sustainable solutions to reducing carbon emissions.

What are we doing to reach this vision?

Excitingly, the first autonomous vehicle trials in the UK are to be hosted at Milton Park following government funding into the trial project. Self-driving vehicles will be seen in and around the Park as we become a living lab for future transport.

But we are also planning investment in more traditional alternatives, including local bus services, technology to make car and bike sharing easier and cycling infrastructure projects, as well as more electric vehicle charging points. Milton Park recently acquired six electric bikes which have been added to its existing free dockless bike sharing scheme.

Close collaboration with Oxfordshire County and South and Vale local authorities is essential to realise our Vision. Milton Park is actively working in partnership with Oxfordshire County Council on several cycling projects, including a new bike light sensor trial

with 30 free new See Sense bike light sensors given out to cyclists, bringing people and technology together to help improve and prioritise cycle investment and journeys for people working on the Park and local community.

The bike lights not only help the cyclists to see but also harness data, detecting any road issue or poor route conditions that a cyclist faces, meaning that improvements can be made.

Data is at the heart of all we do. Our annual Travel Survey findings, together with data generated from our Vivacity Traffic Sensors, is helping to inform and target investment in sustainable travel and initiatives that since 2017 have collectively reduced the single occupancy vehicle mode share by six per cent.

Some of that change has come from people choosing to car share but in that same time period, there has been a significant increase in cycling from seven per cent to 11 per cent. The increasing cycling uptake is central to realising the 2040 Vision and reducing our carbon footprint.

Our behaviour change initiatives are heavily focussed on making cycling more appealing and attractive and include our Bike2Work breakfasts and Car Free Days.

With 35 per cent of our occupiers living within five miles of the Park and more housing coming forward, cycling has the potential to grow to be 25 per cent of all transport used to and from the Park.

The fundamental reason we are gathering data is to improve our community in a smart way, not just on the Park but as part of Science Vale UK and beyond and play our part in the global climate emergency. Bosses are demanding better, their employees are too and we owe it to the planet and future generations to take action now.

Join the Milton Park community

Contact us today to explore availability on Milton Park.

miltonpark.co.uk | 01235 865 555
enquiries@miltonpark.co.uk

- Excellent transport links
- Outstanding amenities
- Set within idyllic green space
- Regular networking and social events
- Dedicated onsite management team

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Spinout covenant strength: what floats the landlord's boat?

Increasing numbers of university spinouts are good news for landlords. Hugh Blaza asks how the property sector is adapting to this shift in the kind of occupier demand.

HUGH BLAZA
Consultant
UK Property Forums



In our last issue we looked at the extraordinary growth in spinout activity in the region and tracked how successful companies become established, grow and move on.

But to what extent is the property sector adjusting their traditional lettings criteria to this kind of occupier? Landlords have investors and both want to see a regular income stream to support their asset values and banking and other obligations. It was relatively easy before the spinout challenge came on the scene; tenants were expected to commit to lengthy lease terms, to demonstrate an established and successful trading record, failing which parent company guarantees or expensive rent deposits were required.

That's not to say the spinouts are starving in their garrets; funding is available and a spinout company with a good tale to tell and wallet bulging with early stage investment money will provide a degree of reassurance.

So how is it working in practice? We talked to a number of the main players in the innovation sector to see how they were responding and dealing with the challenge.

First, from the occupiers' point of view, they just want to plug and play. They don't have the time to wait for bespoke buildings or esoteric fitouts to be created for them. They don't have trading histories to satisfy traditional landlord tests and they don't have guarantors or cash which they can afford to deposit with their landlords against the risk of breaches of lease covenants.

For as long as there is a shortage of supply, some landlords can afford to wait until the tenants who can satisfy those traditional criteria come along – and they will do so. But for those who recognise that there is an attractive stream of occupiers, they will take a more relaxed view. "Demanding that occupiers meet the traditional tests is silly," says Pete Wilder, Property Director of Oxford Sciences Innovation (OSI). "But by the same token, landlords won't be offering lengthy rent – frees or agreeing to complex bespoke fitouts, particularly if that would leave them with an

expensive reinstatement to base spec if the occupier goes bust."

Rob Beaston, Business Space Partner at Bidwells, echoes this. "The innovators are starting to drive the market and the landlords who want to play (and not all of them do) are prepared to take a view based on an interrogation of the business plan rather than the occupier's history and profitability. There is enough demand to reassure landlords that if it doesn't work out for one spinout occupier, it won't be long before another one comes along. That trend is going to continue."

Jon Silversides, Partner in the Commercial Team of Carter Jonas, agrees that this is the trend, but says landlords will still try to find ways of de-risking the situation. Recent lettings of space on the Oxford Science Park to OSI (a respectable covenant in the traditional sense) albeit with flexible subletting provisions have achieved a kind of compromise, albeit at the cost of OSI getting more involved in the property market more than it would ideally wish.

When it comes to documenting the arrangements, Laura Gorman, Senior Associate at law firm Penningtons Manches Cooper, detects a shift in approach. "It all depends on the landlord," she says "but I expect we will see a greater use of 'true' licence arrangements in the future as the classic FRI lease is inappropriate for this kind of set-up and landlords begin to realise the value of providing space for the innovators."

Is this a brave new world we see emerging..? Time will tell.

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The innovators are starting to drive the market and the landlords who want to play are prepared to take a view based on an interrogation of the business plan rather than the occupier's history and profitability



Photo by Chensiyuan - <https://commons.wikimedia.org/w/index.php?curid=52257860>



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Modular construction in 2020: have we reached a tipping point?

**MORGAN
SINDALL**
CONSTRUCTION

The proposed rewards on offer for successfully harnessing modular construction were discussed at a recent roundtable event curated by Morgan Sindall Construction; a key partner on Oxford University's capital projects framework.

Held under Chatham House rules to encourage open discourse, participants also debated the factors currently holding offsite building back. The discussion opened with talk about the various logistical challenges and capacity issues that modular projects had to overcome.

One consultant said: "Working on residential schemes in London, we had issues securing the temporary road closures critical to delivery of the units.

"A three-month delay meant stock stuck in the factory, impacting other schemes depending on it."

Another added: "Manufacturers aren't geared up to cope with everything they're being asked to do. Delays and logistical problems drive the cost up, and the pricing element of offsite versus traditional is a fine line. To encourage customers to buy into it, we need to be driving cost down, not up."

Expanding on this, an attendee said: "Without proper coordination, timescales rarely match up. Factory-line scheduling rarely applies to real-world conditions in and around a site."

Echoing that point a consultant said: We've started to see manufacturers attempt to go direct to the customer offering a turn-key solution, but situations like you've highlighted are all too common. Some manufacturers are getting better, but project management and design management skills are critical. Main contractors have been doing that for years and it's not so easy for a manufacturer to put things right when they go wrong."

There were universal calls for more factories to be built. Few could see any reason why the trend of basing them predominantly in the North should change.

One expert said: "There's no issue with the majority of manufacturing being based up North. Transporting the units isn't costly. Commercial and industrial property is cheaper there too. Why not provide work to the industry in the North East where there are fewer projects on-site?

"It can also deal with some of the skills shortages down South by moving the work to the North."

One attendee raised an interesting point about potentially conflicting government agendas: "A potential issue with basing all of the factories in the North is hitting local spend KPIs. If the government wants the industry to continue to drive spend into supply chains within a tight radius of a site, while also pushing modular, which largely gets built in a pocket of the North, they'll have a bit of dilemma."

There was widespread agreement that education was one sector embracing offsite.

A consultant said: "The Department of Education and Education Funding Agency fund the majority of the education projects in the country. If you're paying, you can specify whatever you like. So they'll almost certainly mandate that their frameworks are used and offsite is prioritised."

While funding was one driver behind education's adoption of offsite methods, attendees also discussed the speed and logistical benefits as factors.

"We've delivered a school in 50 weeks from phone call to handover – so incredibly quick. And it needed to be because of the urgency of the brief. That was only possible due to using modular construction."

Another at the table echoed the logistical benefits: "We had a situation where a 1FE school was due to be delivered within the summer holiday period. It was doable – just – with offsite: 12 weeks on site but all the modules pre-delivered during a six week period.

"As schools expand, the ability to build on additional modular elements with comparative ease is also going to be a real strength."

The discussion closed with a focus on the potential for modular to help the industry address its sustainability challenges: "A big driver for councils is zero carbon by 2030. If modular can help deliver that, it could be a big selling point. But early engagement to assess the impact that a zero-carbon

commitment will have on the entire scheme is crucial," said one attendee.

Everyone agreed embodied carbon was going to become a much bigger focus for the industry. One expert noted: "Our carbon footprint during the build process is rightly going to come under more scrutiny. With modular, once you're actually on site, emissions traffic is dramatically reduced. It's all done offsite in one factory. There's no

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We've delivered a school in 50 weeks from phone call to handover – so incredibly quick. And it needed to be because of the urgency of the brief. That was only possible due to using modular construction.

For a copy of the full, unabridged whitepaper based on this discussion, please contact Crissie Gizzi at Morgan Sindall Construction Crissie.Gizzi@morgansindall.com M: 07970 755490

Around the table:

- | | |
|---|---|
| 1. James York – Morgan Sindall Construction | 8. Oliver Bannister – Ridge & Partners |
| 2. Liz Clutterbrook – Oxford County Council | 9. Rob Webb – Briggs & Forrester |
| 3. Richard Valentine-Selsey – Savills (research division) | 10. Gary Souch – Gleeds |
| 4. Fran Cox – Lungfish Architects | 11. Paul Mills – Solid Structures |
| 5. Kevin Kerr – Morgan Sindall Construction | 12. Natasha Brammer – Oxford County Council |
| 6. Crissie Gizzi – Morgan Sindall Construction | 13. Jonathan Daly – Influential PR |
| 7. James Stone – RPS | |



Planning the River of Life II

A remarkable residential development is going on in South Oxfordshire - one designed for insects, birds, fish and numerous other inhabitants of ponds, water channels and wetlands.



**HUW MELLOR, PARTNER,
Planning & Development,
Carter Jonas Oxford**



Often the planning process has to find a balance between differing priorities. Developments are measured against political issues, policy and social concerns. In our role as planners and development advisors, we evaluate these issues as well as quality and cost, enlivenment and tranquillity, and security and accessibility. Whilst these matters compete in levels of importance, they do not always conflict. Some of the most positive developments are those that are never discussed - so successful are they in fitting in with people's everyday lives, seamlessly supporting the regular ebb and flow of our requirements.

That said, if looking for evidence that planning can play a vital support role and have a positive impact on the community then the work Carter Jonas is involved in with Earth Trust should be considered. This incredible environmental learning charity is the proud guardian of 500 hectares of farmland, woodland, and wetland on the bank of the River Thames. It champions accessible, natural green spaces with a mission to allow everyone to engage with our environment through the exceptional landscapes the charity looks after.

Carter Jonas is providing planning expertise for the delivery of the charity's River of Life II project, which will create new wetland habitats along the River Thames and River Thame. It's a great honour to be associated with

this scheme, one that has the potential to benefit us all. River of Life II will involve creating new wetland areas to improve the natural landscape and promote biodiversity. These physical works require planning permission and our team is responsible for preparing the Supporting Planning Statements, checking and submitting the necessary planning application documents and engaging with South Oxfordshire District Council.

The Earth Trust has partnered with local landowners Church Farm Partnership and The Hurst Water Meadow Trust, with new water ecosystems proposed at three locations in South Oxfordshire: Long Wittenham, Little Wittenham and Dorchester-on-Thames. The new habitats will include 16 ponds and seven backwater channels plus wet woodland, which will connect to the River Thames to provide a refuge for fish.

River of Life II will incorporate the Earth Trust's Clifton Meadow on the south bank of the River Thames, Church Farm north of Days Lock and Overy Mead on the banks of the River Thame. The proposed wetlands are in an Area of Outstanding Natural Beauty, so will be sympathetic to their surrounds while creating much-needed habitat for insects, birds, fish and other wildlife.

Little Wittenham Wood is home to one of the United Kingdom's most significant populations of great crested newts and has been designated a Site of Special Scientific Interest and Special Area of Conservation. Several new ponds will be created in the wood to strengthen the population and provide a haven for other amphibians affected by climate change.

“

It's a great honour to be associated with this scheme, one that has the potential to benefit us all.

River of Life II is an important project at a time when the environment is high in the public conscience. If the team is successful, the wetland habitat created will look like it has always been a permanent part of the landscape, within 10 years.

In October 2019, residents were invited to public consultation events across four local village locations, to find out more about the project. Many attendees voiced their love of these places, and the wildlife found in them. Feedback received from the consultations provided valuable information and help us work with the community to further shape plans to protect the river and surrounding countryside.

Full planning applications for the projects were submitted at the end of last year and are now progressing through a 13-week determination period. Having worked closely with the Earth Trust in the past, we look forward to helping the organisation advance this ambitious project. Separately, as an additional benefit, I hope our work with the charity will help inspire a new generation of planners and enable people to see the benefits of the planning system in action.



Almost 100 industry professionals attended the launch of the Oxfordshire Property Awards at Oxford Business Park on January 24.

The event at the striking new Oxford Works co-working and meeting area, offered the chance for Hannah Smart, director of Edge Urban Design, to explain this year's competition.

She said: "We are looking for people who stand out and projects that stand out - to celebrate the best of Oxfordshire."

Entries were considered by judges on Friday, February 28.



Around 45 delegates attended the February 13 Oxford Social where MIPIM topped the agenda.

The breakfast event, hosted by Knights plc at the firm's Botley offices, gave key figures in the county a chance to highlight its strengths ahead of MIPIM Cannes.

Peter de Soissons, sales director for MIPIM, illustrated the power of the brand which last year attracted 26,800 visitors from 100 countries, representing over 10,000 companies, making MIPIM the largest event of its kind.

The next Oxford Social event will be OxPropFest on April 2 (see next page).

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We are looking for people and projects that stand out - to celebrate the best of Oxfordshire

We believe success will breed success

The £4bn joint venture between the University of Oxford and Legal & General made national news. Oxford Report went straight to the key players who made it happen.

HUGH BLAZA
Consultant
UK Property Forums



In conversation with Hugh Blaza, Dr David Prout, the University of Oxford's Pro-Vice Chancellor for Planning and Resources, describes how the new joint venture struck with insurance giant Legal & General will deliver the 5 – year strategy agreed in October 2018.

That strategy identified a vision for the University in addition to the investment in academic facilities, the cost of which is being covered largely by the bond which was taken out last year. The University has committed itself to tackling diversity issues and to providing more affordable accommodation both for its graduates and the University's staff, where recruitment and retention are impediments to growth.

There is also a commitment to providing more spinout space to take advantage of the commercial opportunities of academics and the University being facilitated by the likes of OSI.

The common theme which emerged in considering the challenge of the strategy was that there was an income stream attached to the projects. That enabled the University to go out to the private sector to see if anyone was prepared to invest the capital funding in exchange for a long – term income stream.

Combine the delivery of that income stream with a stable partner which has a readily available land supply, a AAA rating and a fantastic brand, a seemingly insatiable demand for graduate and

staff accommodation and a need for spinout space. Then the need for capital funding and an expertise in property development and you have an extremely attractive proposition for the right person. Extend a warm welcome to the University's new partner, Legal & General.

"From the outset, we were sure that there was every likelihood that an investor could be found which was willing to take a long view of the returns," says Dr Prout. "L&G and the University are extraordinarily well – suited. Both are successful institutions; they have a big stake in British life; the University for its education and L&G for its millions of pensioners. Both are committed to tackling climate change. The tie-up will enable us to do more things and more quickly than we'd otherwise have been able."

The partnership has already formed a wholly owned company, Oxford University Development Limited. The plan is for OUD to work with sites from the University, secure planning permission for their development and then spin them out to special purpose vehicles wholly – owned by L&G.

Whilst he believes joint ventures with colleges may in time be viable, Dr Prout says that the partnership's initial plans are to use the L&G capital (up to £4bn over 10 years) to develop seven existing projects: Begbroke for housing and the expansion of the Science Park, Osney Mead for graduate accommodation and scientific research facilities and three sites (Court Place Gardens, Wellington Square and Ewart Place) for graduate accommodation. There is also the possibility of an expansion



of the Bodleian book storage facility in Swindon.

Discussions with Oxford City and Cherwell District Councils have already started, but Dr Prout is under no illusion about the work needed to get the projects off the ground. Indeed, he likens it to the launching of a space rocket: "If you think about the huge amount of energy required to get the thing into orbit. But once there...this is an opportunity for us to do things much sooner than we would otherwise have been able."

So how does he see Oxford in 10 years' time? "Very similar, but hopefully better served," he says. "We will have more graduate accommodation, more affordable housing for our staff and our science parks will be under way, at the least. We're an incredibly successful organisation and success will breed success. We both aspire to a long relationship over many decades."

A challenge & an opportunity



The boss of the company driving the £4 billion joint venture between Oxford University and

Legal & General (L&G) sees both an enormous challenge and an incredible opportunity.

Rachel Dickie, interim chief executive of Oxford University Development Limited (OUD), the company set up to provide homes, labs and offices to accommodate the university's students, staff and spin outs, has begun recruiting the permanent team to lead the venture.

During 2020, members of the team will be appointed including a new permanent chief executive.

They aim to deliver three key elements of the university's strategic plan – graduate housing, affordable staff housing and innovation districts. Ms Dickie said: "To help Oxford University maintain its global position, there are parts of the eco system that need to be addressed to support it better."

"The partnership between Oxford University and L&G will provide more homes for students and staff, as well as commercial space – investing in science parks and office space, to allow existing businesses to grow in Oxford and attract new ones."

Ms Dickie said the values of Oxford University and L&G are aligned. Both invest long term.

"Oxford is a small place geographically but it generates a large share of the UK's GDP. It's about how you harness that growth in a sustainable way. To continue to grow, the city needs more investment into infrastructure, homes and commercial space."

Growth occurs, she said, when large and small businesses interact. "Through the creation of innovation districts, we will be able to accommodate start-ups through to large businesses, located alongside university departments."

OUD's first projects are graduate accommodation and expanding an existing science park.

She added: "It's an enormous challenge but an incredible opportunity on multiple levels if we can get this right."

Meet the people transforming the county at OxPropFest 20

You can meet key figures involved in this project, including Rachel Dickie and Begbroke Science Park director, Alistair Cory, at OxPropFest on April 2.

The day starts with walks in the morning; one exploring Keble College and another around The Street@Graven Hill.

Talks in the afternoon; The Power of Partnership, Landing The Arc,

Transformative Technologies and Visit Oxfordshire, will offer information and debate around these fascinating themes before an evening of awards and music.

Tickets are still available for the walks and talks.

Visit <https://ukpropertyforums.com/oxpropfest/>

