

An aerial night view of a city, likely London, with a strong blue color cast. The image shows a dense urban landscape with various buildings, including a prominent skyscraper in the upper left. In the foreground, there's a large, modern building with a curved, metallic facade and a large, white, dome-like structure. Below this, a multi-lane highway with several overpasses is visible. The overall scene is illuminated by city lights, creating a vibrant yet monochromatic blue palette.

*tunein*

# MIPIM 2018

*What conversation are  
you having?*

 Concert





**The great, the good and the not so good of the property world will be setting their sat navs for Cannes and descending on the French Riviera in the next few weeks.**

**More than a third as around 24,000 delegates and property professionals mingle and merge at the MIPIM conference. Deals are done, business relationships cemented, futures are mapped.**

This year its theme is 'Urbanisation' and delegates will gaze into their crystal balls to discuss what urban life will be like in 2030 and 2050.

2017 was another compelling year as we attempted to navigate significant choppy political and economic waters, both domestically and globally.

Concert will be represented this year by delegates from our London office. This edition will express our view on some of the key topics affecting our industry, including:



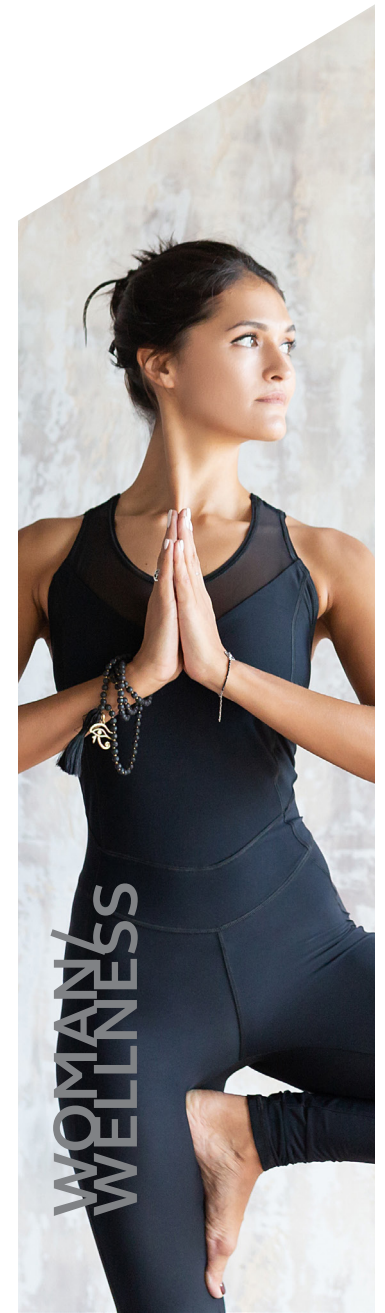
MEGACITIES



RISK



INNOVATION/TECHNOLOGY



WOMAN/ WELLNESS





# Mega cities

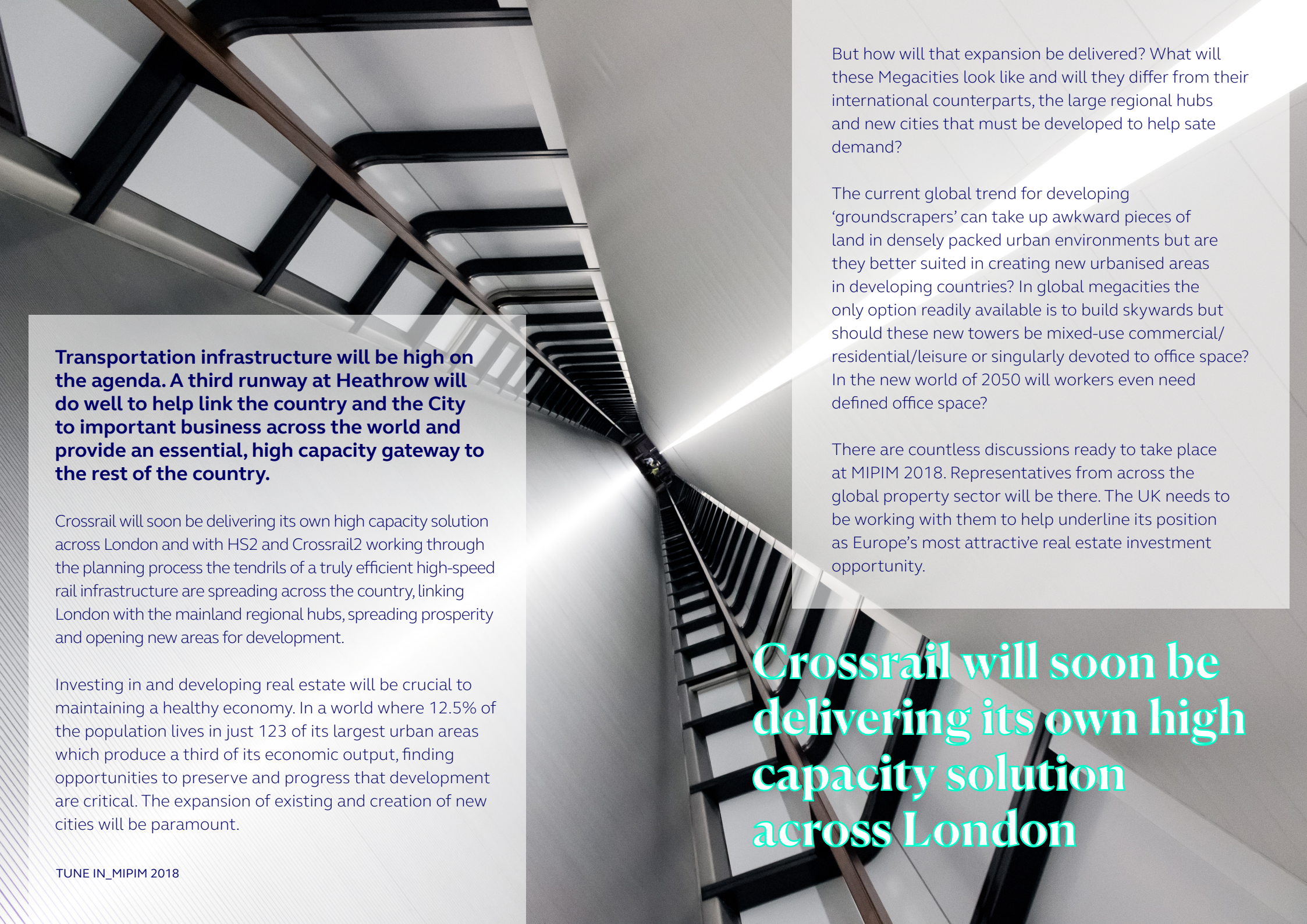
**Huge increases in populations are likely to become increasingly centred around highly urbanised ‘Megacities’ – of which London is currently Europe’s only example according to the definition by the New Scientist magazine – and ‘Large’ and ‘Midsize’ cities including Birmingham and Belfast, Cardiff and Coventry, Plymouth and Portsmouth, Manchester and Milton Keynes.**

The lecture theatres, conference rooms and corridors will be alive to the chatter of planners, architects, developers and project managers murmuring over the best strategies for building, developing and investing in cities in this globalised world.

By 2050 according to estimates, two-thirds of the world’s population will be living and working in urban areas. That will throw up tremendous challenges not only for developers focussed on residential projects but also those in providing commercial office accommodation, leisure, retail, as well as the support networks of transport and power, infrastructure, education and health.

What will urban life be like for those that live in these vast urban sprawls? Will Mega-commutes become the norm in the Megacity?





**Transportation infrastructure will be high on the agenda. A third runway at Heathrow will do well to help link the country and the City to important business across the world and provide an essential, high capacity gateway to the rest of the country.**

Crossrail will soon be delivering its own high capacity solution across London and with HS2 and Crossrail2 working through the planning process the tendrils of a truly efficient high-speed rail infrastructure are spreading across the country, linking London with the mainland regional hubs, spreading prosperity and opening new areas for development.

Investing in and developing real estate will be crucial to maintaining a healthy economy. In a world where 12.5% of the population lives in just 123 of its largest urban areas which produce a third of its economic output, finding opportunities to preserve and progress that development are critical. The expansion of existing and creation of new cities will be paramount.

TUNE IN\_MIPIM 2018

But how will that expansion be delivered? What will these Megacities look like and will they differ from their international counterparts, the large regional hubs and new cities that must be developed to help satiate demand?

The current global trend for developing 'groundscrapers' can take up awkward pieces of land in densely packed urban environments but are they better suited in creating new urbanised areas in developing countries? In global megacities the only option readily available is to build skywards but should these new towers be mixed-use commercial/residential/leisure or singularly devoted to office space? In the new world of 2050 will workers even need defined office space?

There are countless discussions ready to take place at MIPIM 2018. Representatives from across the global property sector will be there. The UK needs to be working with them to help underline its position as Europe's most attractive real estate investment opportunity.

**Crossrail will soon be delivering its own high capacity solution across London**





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**There are various levels of risk dotted throughout the property sector. It is a risk-laden business. From procurement through to development, project management and FM. Risk and its management is an integral part of the development jigsaw.**

For years the idea that companies could insulate themselves from the hazards of business by diversifying and spreading themselves across both public and private sectors was seen as the guiding star. Successful firms did that. The steady influx of fees from long-term management PFI contracts should iron out the fluctuating payment schedules of greater risk private sector deals.

And then Carillion. As the high-profile failure of the UK's largest construction and facilities management firm showed, sometimes there is no insulation from the freezing wind of financial failure.

Its PFI contracts were supposed to protect the business from the vagaries of the private sector construction. In many ways they did just that but were still not enough to prevent the biggest name in UK construction from sliding beneath the waves like a critically holed Titanic. Now the race is on to cherry-pick its best performing aspects.

The collapse of Carillion has left some of its clients picking up the pieces. The Ministry of Justice and Network Rail have both had to step in to ensure the continuity of service and across construction it is all too often the client that finds itself over exposed.

Innovation within the supply chain could and should offer a level of protection to all those within it. Contractors have for too long been calling for some level of payment reform and an end to the practice of retentions. Despite it offering the client some level of control all too often the system has been abused. Those further up the supply chain will withhold retention money beyond contractual standard, putting pressure on those SME's further down.



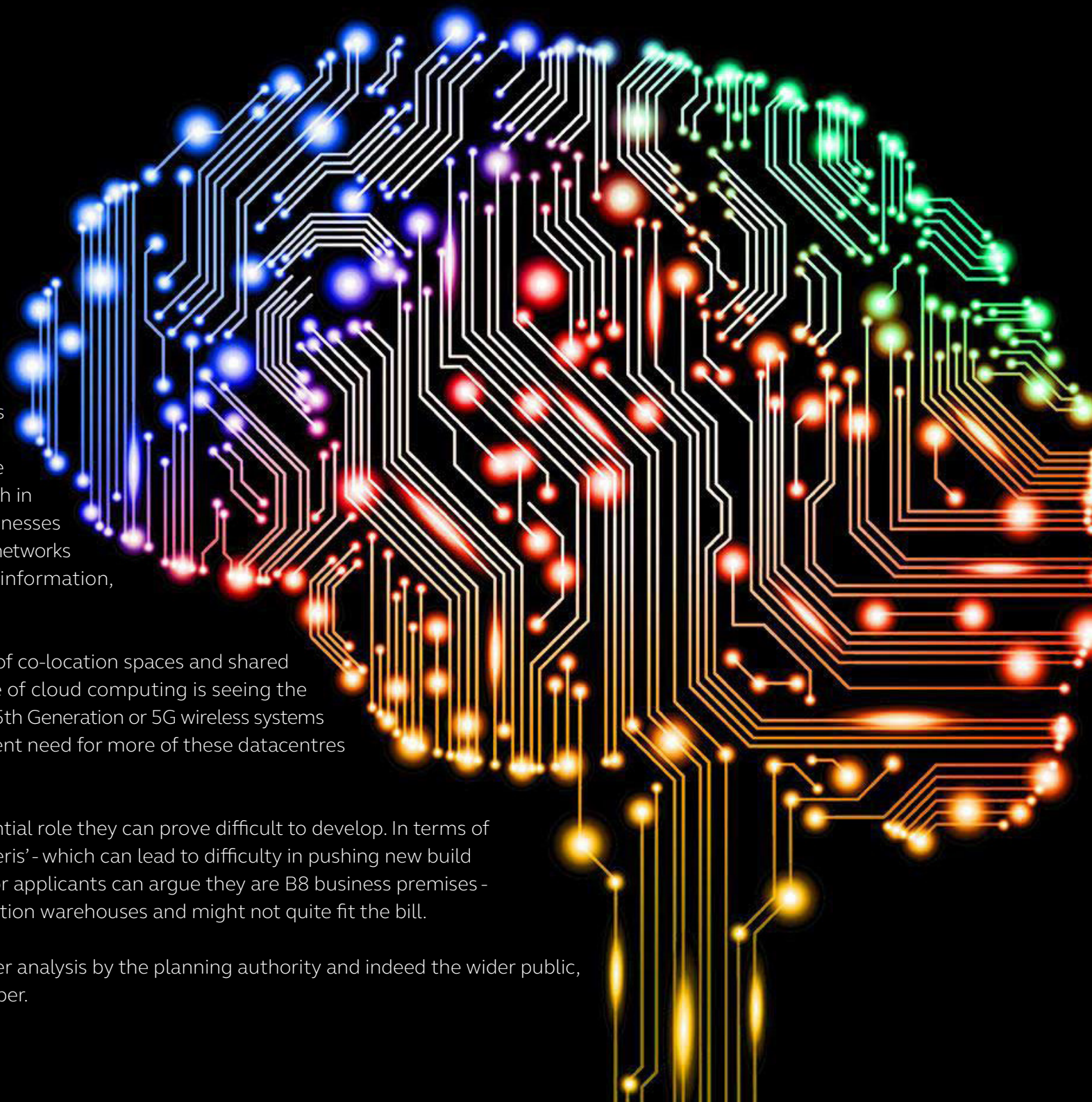
# Innovation and technology

The widespread availability of Information and its transfer has already had an enormous impact on society and the property sector has not escaped its influence. In the days of the dot.com boom there was near vertical growth in the everyday use of the internet by both businesses and individuals, there was a rush to install fibre networks in a bid to respond to the clamour for more information, more quickly.

The digital revolution saw the development of co-location spaces and shared datacentres but now the widespread uptake of cloud computing is seeing the need for single, outsourced datacentres. With 5th Generation or 5G wireless systems now being rolled out there is a real and present need for more of these datacentres to be developed.

Although these provide an increasingly essential role they can prove difficult to develop. In terms of planning they can be deemed to be 'Sui Generis' - which can lead to difficulty in pushing new build datacentres through the planning process - or applicants can argue they are B8 business premises - a category which covers storage and distribution warehouses and might not quite fit the bill.

Sui generis category projects attract a greater analysis by the planning authority and indeed the wider public, this can prove a sticking point for the developer.





**The procurement process across the construction and property industry puts the onus for purchasers of work on cost rather than value. Although government contracts and some private sector deals propose a split at tender prequalification between quality and cost the underlying focus is on delivering projects at lower cost rather than better value.**

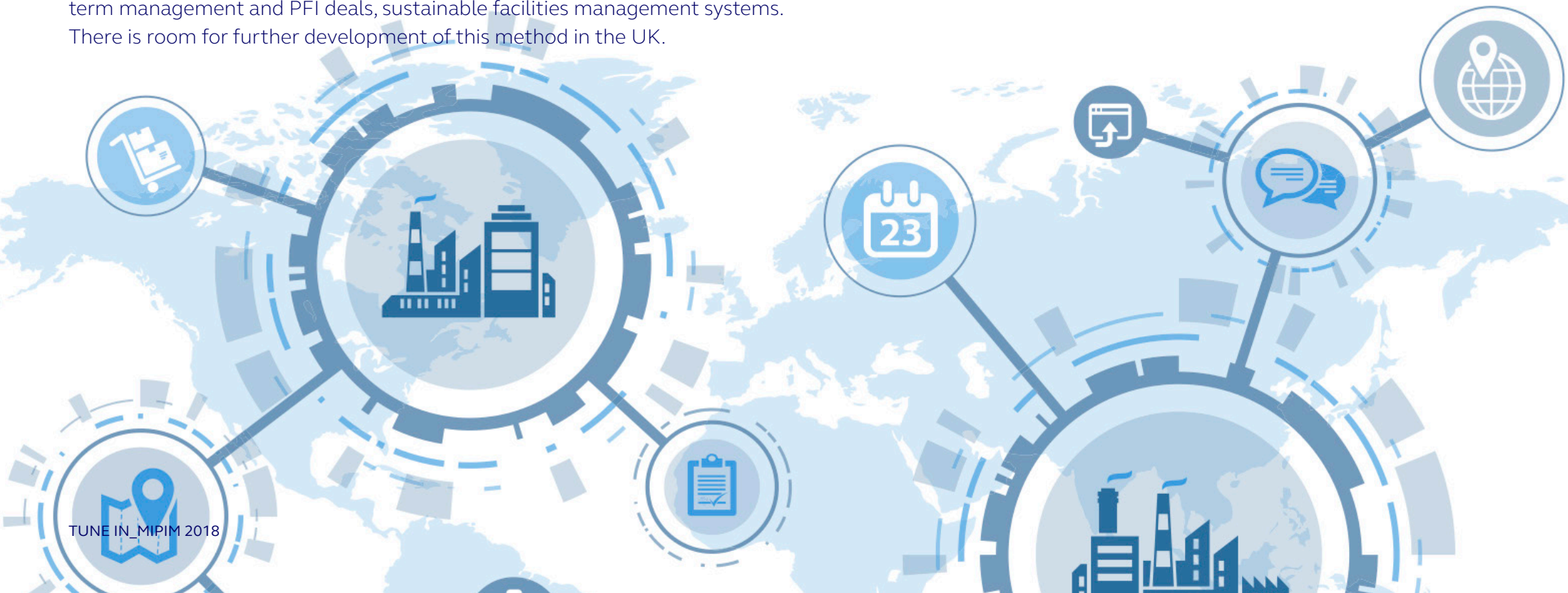
E-auctions underline this approach and are not the long-term solution to robust supply-chain partnerships that offer serious value for money.

But there are innovative measures that could be adopted throughout procurement and within the supply chain. It needs the will of the construction and property industries to unlock its potential. For example Greensill Capital works alongside public and private sector bodies, primarily in the United States, to deliver sustainable purchasing and importantly for those longer-term management and PFI deals, sustainable facilities management systems. There is room for further development of this method in the UK.

Supply chain financing can help realise the value of funds locked within the supply chain itself, enabling partners to finance from within and helping reduce higher cost fiscal support from elsewhere. The world of e-commerce and blockchain technology could offer more for the industry.

Placing all contractual requirements within smart contracts and financial triggers within the blockchain would see sub-contractors getting paid automatically and immediately. There would be no contractual fighting and an indisputable trail of proof showing clauses had been met.

But the construction and property sector is facing a historic shortage of skills at all levels. From trades to professionals there is a dearth of talent. It is vital that this addressed if the sector is to continue to be such a huge contributor to UK Plc. Without the steady flow of talent into the industry it will be a battle to maintain that position.





**The data those centres collect and disseminate is increasingly being used within the built environment.**

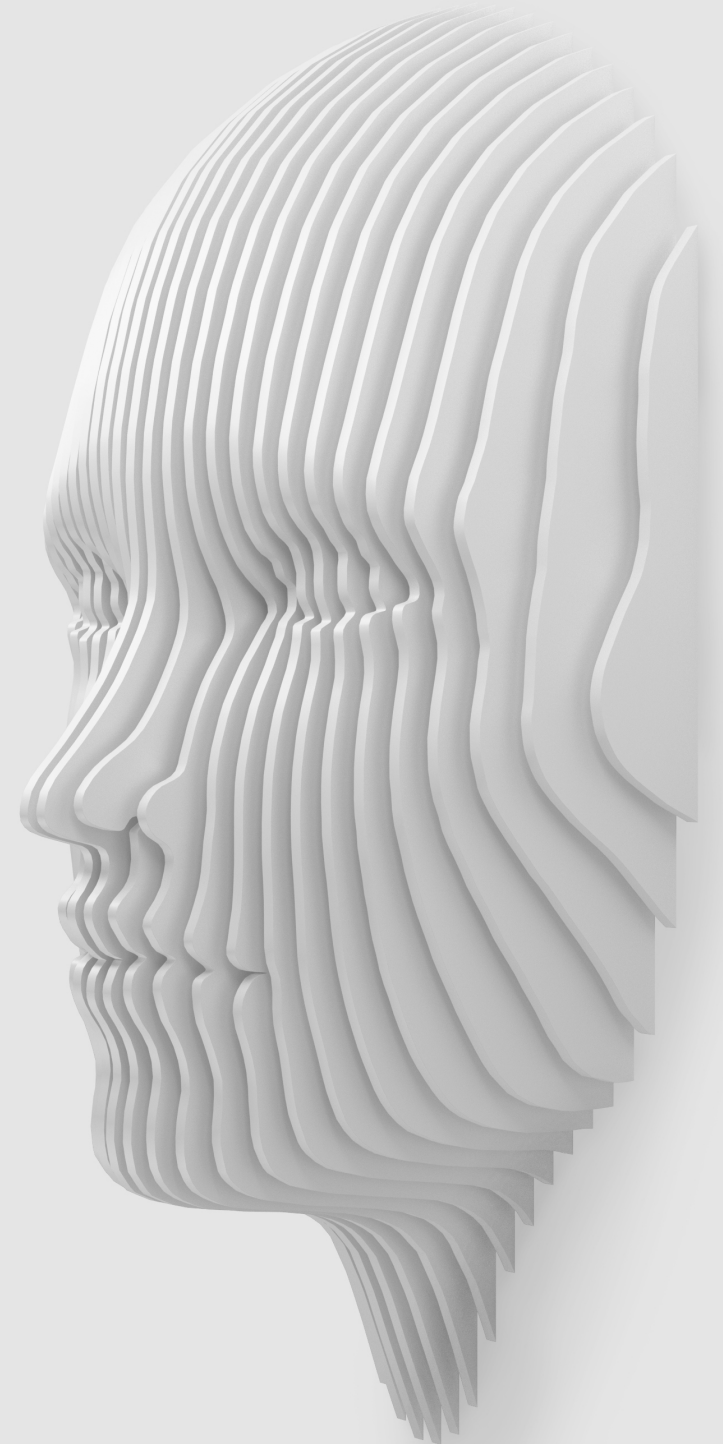
Smart Buildings have become the norm – certainly in the commercial world – and the next logical step is the development of ‘Smart Cities’ where data from the myriad devices connected to the network or Internet of Things (IoT), is used to manage its transport networks, power, water flow more efficiently. Integrating data from this new technology and utilising it to understand how cities and buildings are used could help improve the wellbeing of its citizens.

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## **Artificial Intelligence is seeping its way into the construction and property industries**

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Already Artificial Intelligence is seeping its way into the construction and property industries. Before long we could be living and working in buildings built by robots or managed by technologies that have been installed during the construction process.







Green building and sustainability go hand-in-hand with modular building techniques and the importance of BREEAM and LEED environmental certification for buildings remains high, particularly for prestige developments. Clients and end users recognise the operational benefits that high ranking LEED and BREEAM certified buildings can offer but it can be expensive to chase the very highest levels of sustainable development that these certification bodies recognise.

**But with Central Government pushing the adoption of modular or prefabricated buildings so developers are looking toward the manufacturing process as a means of streamlining the supply chain and speeding the delivery of new homes.**

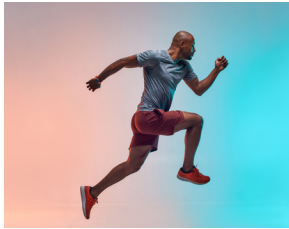
Berkeley Homes is to open a new manufacturing facility in Kent to produce as many as 1000 homes per year which will be lifted onto site in sections. Other developers that have launched similar modular home divisions including Legal and General and Urban Splash.



As competition for skilled staff increases from within and outside the property industry so does the importance of looking after employees. The focus on:



Health



Fitness



Wellbeing

shows no signs of abating and steps to help staff look after their health have become important markers to attract them. Subsidised gym membership, on-site facilities or fitness programs, weight management classes, medical screening, health education classes have all become part of the working dictionary.

Staff shouldn't feel compelled to take on any of these – but making sure they are aware of the health and wellness facts should be part of being a good 21<sup>st</sup> Century business. The property sector does have huge influence over the fabric of our built environment and how it affects us as users. Sick Building Syndrome was laughed at when first mooted but links to the materials used to construct and fit-out certain buildings as well as their level of air conditioning or ventilation have been made.

The responsible use of natural resources can also be influenced through the construction and property sector. Reduce, reuse, recycle is a mantra well worth applying to the built environment from the design stages through to completion and beyond. That will take some joined-up thinking but through the specification certain materials and products the industry can have a huge say not just on the health of those working or living within our buildings, but on the health of the environment as a whole.





# Women and wellness

Take a look around most offices and practices in the property and construction sector and the likelihood is that it will be dominated by one sex. With the exception of perhaps architecture where the ratio of male to female starts begins to reach some sort of parity, men are overrepresented in the sector. That domination can only be unhealthy for business.

MIPIM itself underlines the male/female split within property and construction. Estimates in the number of female attendees vary between 15-30%.

Whichever is closest it is considerably further away from a 50:50 ideal.







There are issues that contribute to the uneven balance between the sexes. At the basic level not enough is being done at the earliest stages of the career ladder – at school – to make female students see property and construction as an attractive career option.

They are put off by its negative perception and do not look in enough detail about the myriad of careers that are available within the industry. In many ways that holds true for male students too.

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Companies and industry bodies need to be more proactive in reaching those students, male and female, who might be interested in a career in the property business.

Contact needs to be made when students are making decisions over which subjects to study either at GCSE or A Level. Leave it much after these times and the chance has been missed.

Even so, where women have taken the plunge into the industry it is vital that more is done to keep them. Every year a swathe put their careers on standby to have children. Many of them do not return to the industry. Parenting is one of the most important jobs anyone could undertake and it must be made easier for those of either sex coming back into the sector after a career break. Job sharing, flexible working time, unpaid leave around school holiday or extra training to bring them back up to speed if technology has moved on. Those members of staff still have the same skillset they had before their break, a skillset that made them useful members of the team. They haven't lost that - in fact they've undoubtedly added an extra dimension to it - but why not help them as they readjust to the work environment?





# Contact



## **Rennie Dalrymple** Managing Director

Rennie is joint Managing Partner with a successful 24 year track record in the construction industry. He is responsible for overseeing the practices' projects, dealing with corporate and mission critical work.

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# Contributor

## Paul Thompson

### Journalist

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Paul Thompson is a freelance journalist who specialises in technical features on construction, property development, architecture, housing and infrastructure.

He is a graduate civil engineer with several years' post-graduate experience working for consultants, local authorities and contractors before turning his hand to journalism at the start of the new millennium.

He was technical features writer and materials editor at Construction News for eight years before leaving London and moving to Bristol in 2008.

Since then he has worked for many titles including New Civil Engineer, Ground Engineering, Construction News, Contract Journal, Building as well as local newspapers and technical websites.



*tunein*

# Thank You

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