

MAUNDER TAYLOR

Chartered Surveyors • Estate Agents • Managing Agents

1320 High Road, London N20 9HP
Fax: 020 8446 7086

MT EVENT 2018

We live in a world of rapid change: big name companies going bankrupt, extreme turmoil in the financial markets and others. But our buildings are designed to last at least for decades if not for centuries. The occupation and use of each building will change much during its lifetime, the services which make the building useful will change and the title or ownership will also change.

In 2002, the then Government tried to introduce Commonhold to replace Leasehold. It didn't work. The present Government now proposes to dust off the Commonhold Act and have another go at it. In the meantime, they want to eliminate all ground rents on new leases, stop the abusive ground rents which double every 10 years and bring in a standard term for residential leases of 999 years. To put that into context, if King William I had granted a 999-year lease on the first building he came across after landing at Hastings in 1066, it would still have 47 years unexpired.

As business migrates out of the fixed office, past the Hot Desk, and on to the mobile phone, laptop and the Cloud, office buildings are changing use or being demolished just as the old industrial buildings of the post-War era have already gone in many places. Likewise, retailers are having to adapt to click and collect or be replaced by the Amazon delivery van, the Ocado delivery van, and other delivery vans, which are now being blamed for causing considerable traffic congestion in our towns and cities, where you live in smaller houses than where your parents used to live, the garden for many is a burden to maintain rather than the point of your recreation and for those who do not spend hours on their living room sofa there is the fitness centre, the entertainment complex, a wide choice of restaurants or take-away premises and home is where you sleep and function, whatever your function happens to be.

But behind all this is an army of service providers. Buildings have to be managed, maintained, refurbished, relet, bought and sold, and form the basis of a gigantic investment market which is bigger than the aggregate value of all the stocks and shares on the Stock Exchange.

We have recently heard Countrywide Estate Agents and Foxtons both report substantial reductions in sales volume and profits last year, Purple Brick says that

www.maudertaylor.co.uk

B R Maunder Taylor FRICS, MAE • N B Maunder Taylor BSc (Hons), FRICS
M H Maunder Taylor MSc, FIRPM, AssocRICS

Associates: S E Maunder Taylor MIRPM, AssocRICS • B A Ewen MNAEA • J D Mellor DipSurv Pract



it leads the way to the internet selling of your home but there are some doubters of the claims it makes and if those claims were true where are all their sale boards? All these sales methods look to be rapidly overtaken, as with many other business forms, by Blockchain. This is a technology that is incredibly interesting and could be transformational but there is a lot of hype around it.

No longer will we be discussing the pros and cons of whether or not to install a Smart Meter in our home, the Land Registry would have to give over to Smart registration, there will be Smart contracts in the construction industry which will speed up the organisation of labour and materials on site, waste off site, valuation certificates and payments from client down to sub-contractor. Stockholm-based Chromaway is among the most advanced Blockchain companies in developing a practical application for the technology within the property sector.

In Rotterdam, Netherlands, Cambridge Innovation Centre and Deloitte are developing the first real estate Blockchain application to record lease agreements, which also monitor rental payments and management costs so that, if a potential buyer wants to see how the investment actually performed over recent years rather than how it should perform, the information is digitally available, factual, accurate, and a lot of risk is removed.

Bitcoins may have an appalling reputation but Blockchain has in mind the tokenisation of real estate-backed "initial coin offerings". It wants to change property investment from an illiquid risk which cannot be easily divided into one which is both liquid and divisible.

But, back to delivery vans and traffic. Most of us who claim to be forward-thinkers either already have a hybrid/electric car or see the prospect of it in the not too distant future. Our city planners are way out in front of us. You cannot have failed but to have noticed that many city centre buildings are now built without car parking facilities. Barnet House, that great big office building at the corner of High Road and Totteridge Lane Whetstone has a planning application in for conversion to 230 flats with 140 parking spaces of which 20 will be for hire cars. The intention is that most occupiers will use public transport for most of their daily functions and will book out one of the hire cars when they intend to go away for a trip. They will drive that car themselves. General Motors are already testing their porotype driverless cars, the Chevrolet Bolt on the streets of Detroit, Scottsdale in Arizona and San Francisco. Go

there, take pictures, review the pictures and you will see other types of driverless vehicles in the background. The Chevrolet Bolt is not on its own.

And how will they work: think of Uber without a dodgy driver. You pay a monthly subscription for all your travel needs which, rather like your monthly subscription to your Smart phone has different levels of cost and delivery. On your Smart phone you order a journey just like on Uber, you are told when the nearest available driverless car will arrive, you drop the children off at school, you get dropped off at the station for your train into the city centre, your Smart phone will show where, exactly, the first available driverless train is at the moment and how long you will have to wait, when you will arrive where a driverless car will collect you and deliver you to your final destination.

Have any of you actually calculated how much it costs you to own a car which you drive for only a fraction of the day and otherwise leave it parked in an expensive car park or on your front drive, or on the side of the road? There is a huge amount of financial loss in an underused expensive asset. Many of us chide the rich about their ego trip in their latest sports car or limo, but when you think about it, are we really any different or is it just that our ego isn't quite as big as their ego?

Then there is the small matter of what difference this could make to the built environment.

The 2016 report by the architects Farrells "Making Better Places: Autonomous Vehicles and Future Opportunities" suggests this could free up thousands of hectares in urban areas both in terms of reduced parking provision and road space requirements. That could free up land that could be put to better use, which at a time of urbanisation, could prove to be transformational.

Will it happen? Will the public lose their love affair with driving? Will Top Gear and Jeremy Clarkson become irrelevant?

Towards the end of the 1800s, some wit observed that if the use of horse-drawn carriages increased at the then present rate, it would not be long before London was covered in a continuous carpet of horse manure.

We are already at the point where we are talking about poisoning the air we breathe with noxious emissions and now it seems that our roads will be carpeted with a solid blockage of delivery vans as more of us order on line.

BMW, Volvo, Mercedes Benz and Volkswagen are already developing autonomous or semi-autonomous vehicles. Modelling exercises have been conducted in Lisbon and Helsinki both of which found that integrating a fleet of driverless vehicles into the city's public transport system could make 90% of conventional cars redundant.

Back in the pioneering days of new towns in this country, the ideas were about landscaping, keeping out through traffic, and peaceful surroundings. Today, the concept of a new town begins below ground not just for drains and services but for supplies to homes and business premises, all waste removal and all transport of goods, some transport of people. Then you can build the new town on top where people can walk, cycle or call a driverless car.

On your way out, have a quick look at the car park of this hotel, imagine a small pick-up area where driverless cars will pick up and drop off visitors, and what the owners of this hotel could do with all the unused car park land that will then be redundant.

Then think of the M25, airport car parks, and London. Then think of all the cities of the world.

Efficient use of transportation. All paid for, called up and effected from your own personal Smart phone.

Just one small problem. You want to go home... and you can't find your Smart phone!

BRMT

6 February 2018