

IN 100 YEARS WE'LL HAVE THE THAMES LINED WITH DERELICT TOWERS

The City of London's skyline has provoked many a controversy, but the man largely responsible for it – former planning chief Peter Rees – reckons Londoners should be worrying instead about the rising forest of new-build apartment blocks, which he predicts will be derelict within a century. **Elizabeth Hopkirk** reports

For 30 years it was Peter Rees' job to shape a vision for the City of London. As chief planning officer during one of its most significant periods of growth, he's arguably more responsible for the skyline in the Square Mile than any other individual.

Whatever you think of that increasingly busy skyline aesthetically, no one can deny that Rees' policy has been a commercial success for the City. With its tallest building to date topping out this month, developers are still queuing up to build offices there.

Rees has since moved on to academia, taking up a post as Professor of Places at UCL's Bartlett School of Planning in 2014, where he is applying his strategic vision to the rest of London. And what he conjures up in his crystal ball is rather bleak.

In a wide-ranging interview with *Building*, conducted on the balcony of a David Chipperfield office building in King's Cross with views across London and accompanied by construction noise from Google's rising headquarters, Rees talks about the commendable work being done in the capital, digital technology,

planning use classes – and why parliament should move to Ashby-de-la-Zouch.

But he also paints a sobering vision of the future facing UK cities, whose skylines he predicts will be marred by forests of derelict residential towers within a few decades.

'Safety deposit boxes in the sky'

Relishing his new life away from a desk, Rees teaches outside as much as he can. One of the first things he does with his urban design and city planning masters students at UCL is to take them on a Thames river cruise where he provides a commentary on what they can learn from this transect through the capital.

On this trip, he finds one thing unpleasantly unavoidable: the number of apartment blocks springing up all the way from Woolwich to Battersea. Most of the flats are being sold to investors on 125-year leases – a practice Rees ascribes to developers' interest in maximising short-term profits.

It is the way these homes have been translated into glass "safety deposit boxes in the sky" that he warns will cause us – or more likely our

descendants – huge problems in years to come.

Increasingly, the freeholds of these buildings are being sold on. In 2016, for instance, Berkeley disposed of its historical ground-rent portfolios, netting £51m and releasing itself from ongoing maintenance obligations.

The purchasers of both the freeholds and the leaseholds are unprepared for what's coming in terms of maintenance costs, Rees warns – although since Grenfell and Dame Judith Hackitt's recommendations on building regs and fire safety, more of them are probably beginning to ask questions. Only this month the government was forced to cough up £200m to fund the removal of unsafe cladding from private residential towers because the owners were dragging their heels and occupants were turning to lawyers in panic, unable to pay.

Rees says: "The lifespan of the component parts of the building are not considered and the freehold 'asset' is sold to an owner interested only in the capital 'trophy' and a modest income from ground rent."

He says electrical and mechanical systems are likely to need replacement after 25 years, as are the

gaskets in curtain wall glazing. Thermally sealed all-glass elevations will probably have a lifespan of up to 60 years. This is all factored into the cyclical renewal programmes of office towers, which are typically let on maximum 25-year leases.

But when major renovation work becomes due on the new breed of private residential towers, there is no mechanism for "reassembling" the development in order to facilitate this renewal work, short of compulsory purchase, he says.

'A Thames lined with derelict towers'

"The sinking funds [for repair and maintenance] set within apartment service charges do not cover these heavy refurbishment items and purchasers rarely have an insight into the liability which such works will impose," explains Rees. "If future refurbishment cycles cannot be funded by the apartment owners, their investments will become unsellable long before the expiry of their 125-year lease. In 80, 90, 100 years' time I fear we'll have the Thames lined with derelict towers."

He's not alone in his dystopian forecast. Louie Burns, managing director of the Leasehold Group, which acts for leaseholders, says it will become a "huge issue" across the country. "This will be the next big scandal in leasehold as there is no homogenised method of redevelopment," he predicts. "It is in the interest of freeholders, on aged buildings, to take the money paid by leaseholders for service charges but to carry out no work to maintain the building." Freeholders may even buy and board up flats allowing them to fall into disrepair, he says, adding: "Eventually the building will be in such a mess that they can move to compulsorily purchase the flats."

It's an analysis strongly contested by the developers. Steve Turner from the Home Builders Federation argues that modern blocks are built in such a way that major repairs can be carried out floor by floor without having to decant all the residents. And management companies that buy up the freeholds will ensure residents' fees cover these costs so that they don't become liable themselves, he says.

"The vast majority of properties are run by professional companies that take a long-term view of buildings," he insists. "It's in their interests to make sure the building runs effectively and is maintained for the length of its life."

Construction law specialist Sheena Sood, a partner at Beale & Company Solicitors, says Rees has a point but that it would all come down to the strength of individual leases. "I do think some of what's going on in terms of building these new flats and then getting them leased is quite a short-term approach by developers," she concedes.

But she places some hope in the architecture, saying: "Some of these towers are quite integral to the skyline now so I don't agree they will be left to go to waste. I think they will always have investors interested in making them part of their portfolio."

'It's bad land use'

Rees, however, won't be moved from his gloomy vision of "derelict uninhabitable hulks". He also identifies a more immediate problem with the residential investment boom. "At a time when London is short of land, it seems crazy to have wasted that much of central London land on a product which will not only be under-used but for which there will be no maintenance mechanism. It's bad land use," he says.

He doesn't blame the developers: they are like "children at a birthday party, eating until they are sick". When private residential is eight times more profitable than offices, it's a no-brainer. He reserves his precisely articulated ire for politicians of all stripes who have deliberately stigmatised renting and presided over a free-for-all. The solution in his eyes must therefore be political, but he derives some hope from the current build-to-rent explosion, so long as it is professionally managed.

"There's no doubt in my mind that the development sector is perfectly capable of and willing to provide the private rented accommodation that's so urgently needed in »



'It seems crazy to have wasted that much of central London' – Peter Rees in Pancras Square

» our urban areas,” he says. “There’s no reason at all – provided they have long-term interests in an income and a return on their assets rather than looking to make a quick buck – why they can’t be the right people to manage parts of our cities.”

Private developers might even do a better job than local authorities, he adds, pointing to London’s successful development from the 17th century onwards by private landowners – as well as cities like Vienna and Berlin where it’s still normal to rent long-term in the centre.

There are many more crimes that this son of the Welsh valleys lays at the feet of the “amateur political classes” who lord it over professionals from “their Islington dinner parties”.

The belief that planning gets in the way of development has allowed the system to be undermined to the point where London has no land use control, he says. The consequences include a host of offices converted into barely inhabitable flats.

‘Political gangrene’

He also accuses politicians of destroying building control and thereby laying the ground for tragedies like Grenfell. “Once you unbolt a system and allow the private sector to come up with alternatives, you end up with the worst of all worlds: parallel systems of certifying safety,” he says. “Then you are in a very dangerous position.”

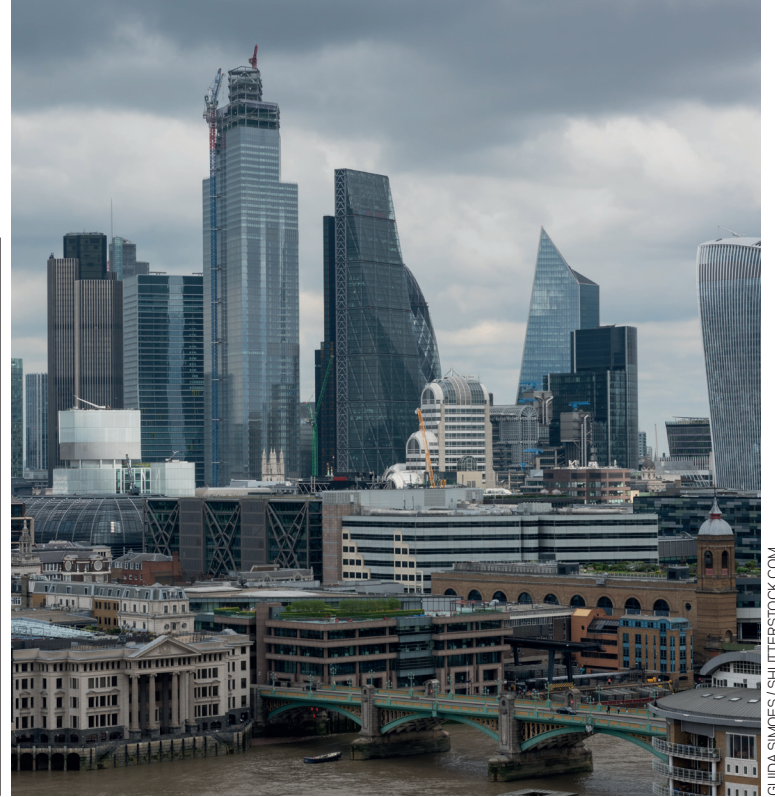
Rees wants a reinvigorated planning system, focusing on land use, and proposes a huge expansion of use classes, which he describes as “our only planning tool of any strength”. This would allow local authorities to distinguish between rental and sale homes, investment properties, starter homes, student and retirement housing – subtleties that are currently all bracketed together. Then councils could grant or refuse planning permission based on an assessment of the needs of the community.

For a moment he is dangerously close to optimism – but then the conversation turns to consumption and Westminster’s woeful response to the threat posed by climate change, and his mood sours again.

“I have no hope for anything that involves party politicians,” he says. “I believe that we’re suffering from political gangrene in this country and the only thing that gives me any hope is the collapse of the major parties.”

He’s a man with strong opinions. But the energy that powers his arguments also drives a highly social personality that belies the grumpy-old-man image. As we leave the building to take his picture in Argent’s Pancras Square (one of the best new spaces in London, he thinks) he runs into Bob Allies and Graham Morrison, founders of the eponymous architecture practice, and we stop for a chat. It is a serendipitous demonstration of his case that a good place is one where people want to linger and gossip.

The eastern cluster of the City of London – Peter Rees says he sees tall towers as ‘a last resort’ and that he ‘tried every possible other option’



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PETER REES ON ...

■ **Towers** “Tall buildings are a last resort. You should only build towers if you have no other option. They will always have some kind of negative impact on people and the environment [...] Throughout the first two decades of directing planning in the City, I tried every possible option other than towers for housing the offices required after the deregulation of financial services in the City of London in 1986. We tried 10-storey campus developments in places like Broadgate and Paternoster Square, which were enormously successful.”

■ **Big corporations** “Work patterns are changing dramatically. The days of the giant corporations are numbered: they are now the dinosaurs. We will see the major financial institutions splitting back into component parts within the next couple of decades and the future is much more the WeWork generation. Even the major companies are now renting their space in small pieces. Just as they are using the Cloud for storing data, we realise now that having one vault for all your people or all your information is probably not the most efficient way to do it.”

■ **Building nicknames** “22 Bishopsgate won’t get a nickname. It doesn’t say anything to me other than “this is a very big development”. Is it tall? It’s wide. It reminds me of [the catchphrase], ‘Never mind the quality, feel the width.’”

■ **Over-consumption** “The whole way we invest in activity, places and in property is focused towards consumption. It’s seen as something to bring us reward, and to hell with everyone else. Whether you are a shareholder in a company or a tourist crapping on London, I don’t see much difference. We are all consuming too much. We are all missing the point. There is only one solution and it’s a four-letter word: “less”. We have to travel less, eat less, consume less.”

■ **The risks of technology** “Digital technology is only as good as the data fed in by human beings. I’d rather analogue common sense was brought into play first and technology was used simply as a tool. If the computer says one thing is “better” than another in terms of economics or safety, there’s a risk you end up with a tragedy because you have relied entirely on technology.”

■ **The irrelevance of beauty** “The very idea of bringing beauty into the Scruton commission was the kiss of death. You can have a wonderful place with very little beauty, provided people have the activities and spaces they need. If you’re only allowed to use prefabricated components but build at the right scale around the right spaces and introduce the right land uses, you’ll have a vibrant place. When people arrive and start to gossip, you have a place. It’s exactly the same as a waterhole in the desert. It’s where news is exchanged. A pub in an alleyway in the City is no different from a waterhole in the Sahara. It underpins society by creating the place.”

■ **His greatest achievements** “The greatest achievements from my three decades in the City aren’t the fact we have a Gherkin, a Walkie Talkie and a Cheese grater – wonderful pieces of architecture though they are – but the fact that the pubs no longer close at 8.30 in the evening and there are now nightclubs open until 4am in the centre of the City of London.”

■ **Moving parliament to Ashby-de-la-Zouch** “Create an English parliament somewhere central – Ashby-de-la-Zouch to really annoy the French – and reinforce the other regional governments. Then reduce the UK government’s role to a travelling committee composed of nominees from the national parliaments whose role is limited to dealing with issues of strategic importance. Then find another use for the Houses of Parliament.”