

PRESIDENTS ANNUAL REPORT

Accentuate the positive

Amidst the gloom and doom, some very promising developments are afoot in Bristol, says outgoing President Andrew Batchelor. All we need now is more support from the banks...

WHILE THE MARKET reports in this year's newsletter hardly spell out a sparkling 12 months of activity, neither do they indicate a city with intractable underlying problems. Quite the reverse in fact: while Bristol will never be immune to the global and national economic climate, we do have a lot of the fundamentals in place.

For starters, we are not over-reliant on any one sector or on Government departments. Neither do we have the overhang of new space we experienced in the last recession – office, industrial or retail. Yes, there are serious concerns about the volume of second hand offices, with no saviour in sight as we experienced in the late 90s when student accommodation specialist Unite came to the rescue. Some imaginative changes of use may well be the only answer here

B8 activity has also been stimulated by movement within the retail sector, with Severnside continuing to attract big names.

We have two major shopping centres that are full or close to capacity.

The shortage of supply of new housing is also stimulating the rental market.

What we are not seeing is a great deal of activity: a glance at all the stats show that although we are generally up on last year, we are still well below five and 10 year averages. Everyone is having to work much harder to get deals over the line – and those deals are much smaller than usual.

So how can we turn this around? Some things we can control, and I'm delighted to report that the last year has arguably been the busiest ever for the BPAA and its hard working committee, and inside you'll read more about a series of initiatives designed to stimulate the local economy.

The Temple Quarter project, led by Mike Henry and Simon Price and with the BPAA one of its supporters, is a really focussed attempt to put the City front of stage for corporates and Government departments seeking to relocate. We have not, as a city, fared well in this regard compared to other regional centres in the last few decades – in part a reflection of the marketing commitment of our city and sub-region. The cooperative project with the City Council has proven to be just that – very co-operative – and we are hopeful this will generate some important outcomes in 2011 and beyond.

Our residential agents have worked together in a highly united way to take control of their own destiny when it comes to promoting property for sale and rent. Residential agents are (historically) a fiercely competitive breed, but as a co-ordinated body they have created Bristol Property Live, which will be to the benefit of them all, as well as providing the people of Bristol with a better way to search for a new home.

This April we are supporting an important conference that will bring Bristol's best business minds together to ask the question: how do we turn our city's undoubted promise into a bright new future?

In these, and a host of other less conspicuous ways, we are demonstrating that the property sector – especially when it works together – can stimulate the economy, create jobs and generate wealth.

Of course the sector that is generally associated with this vital function is the financial one. And that brings me to the fundamental requirement for greater business activity that we currently lack: lending.

I will leave the banker bashing to other commentators, and yes, we all understand the need for them to improve their balance sheets. But it is increasingly obvious that a lack of commitment from the banks is holding us all back. While it is generally a positive factor not to have an oversupply of new stock in a depressed market, we are now in a situation where it is almost impossible to get anything out of the ground. The reluctance of the financial sector to lend is also continuing to depress the residential market.

The demise of SWRDA has blown another chill wind down everyone's necks: look at the strategic sites that they have made happen in the last decade or so and ask yourself: how many of these would now be developed and occupied without their support?

So if we are to kick start our economy we are now going to have to rely even more heavily on private money... backed by the banks. But this simply isn't happening. Another outcome of this is that some developers with land banks are sitting tightly on their assets, afraid of crystallising their values because of what this will do to their books. So that too is depressing activity.

Certainly many of the planning consents in place may well have to be revised to take account of the new realities and our discussions with the City's planners demonstrate that they do understand this.

Those of us who went through the last recession will vouch for the fact that – even in the toughest times - banks would still be prepared to provide backing: without this, how can we hope to work and trade our way out of the recession?

But I won't close on a gloomy note. Too many good things are happening for that. And my fervent belief is that we are well placed to take advantage of the upturn... as and when it happens. So I will end instead with a warm welcome to my successor, Jayne Rixon, our first lady president and so a truly historic moment. I'm sure Jayne will bring a new flavour and approach to our work as we face up to the challenges of 2011.