

## NEWSLETTER –APRIL 2013

### Website News!

Firstly, we have a new website! [www.crela.org.uk](http://www.crela.org.uk) was launched in April and we would encourage you to take the link now to our exciting new layout. This includes details of our latest seminar programme and will gradually become a more interactive website to assist members. As always, this is your association and we would welcome any feedback whatsoever with a view to trying to improve the service to our members and specific thanks go to Simon Schipper for his efforts in bringing this essential project to completion. We look forward to receiving your comments. Otherwise expect to see a number of additions appearing on the website over the coming weeks.

### 2013

CRELA's 2013 seminar and event programme kicked off on 31 January 2013 with a talk on sustainability provided by Martyn McCarthy, Director of Business Operations and Sustainability at Aberdeen Asset Management plc ("AAM"). Sustainability and environmental impact are going to feature regularly in the future.

As third party asset managers, AAM's firm belief is that whilst environmentally friendly buildings make perfect sense, new buildings are only a small proportion of the current building stock and so to have any real impact on the environment, there must be beneficial management and improvement of existing buildings. It is actual use of a property that really makes a difference to energy consumption, CO<sub>2</sub> emissions and ultimately the environment so there needs to be mutual co-operation between landlords and those who work or live within the properties themselves to have a positive effect on reducing environmental impact. In Martyn's view, the thinking behind some Government initiatives on the environment are not joined up or, at worse, not thought through.

Making assets "more sustainable" could, in Martyn's view, be seen as a way of mitigating the risk of obsolescence of such properties through energy inefficiency and as lawyers for both landlords and tenants, we are to be encouraged to appreciate what an asset manager is trying to accomplish by embracing drafting to achieve this without spending lots of time wrangling over cumbersome and complex lease clauses. Whilst many lawyers have been slow to embrace green lease drafting and have been naturally cautious and nervous of its impact, this does seem to be slowly changing.

Martyn explained that the AAM model for beneficial management and improvement derives benefit through reduced operating costs and greater tenant satisfaction, increasing marketability and so reduces obsolescence whilst delivering increased market value. Whilst there is anecdotal evidence that buildings with greater environmental sustainability command a higher rent, or a "green premium" in the current weak (for landlords) market, the reality was that there was actually no green premium at present as landlords continue to focus on reducing voids at almost any cost.

We are therefore to expect further changes under the CRC Scheme and EPC's in future years which, coupled with the "green lease" clauses, should be unobjectionable. Tenant's lawyers should not simply strike out every clause that mentions sustainability concepts as a matter of course but, rather, examine each carefully and consider its effect. That said, there may be good reason for short term tenants to resist the idea of contributing (via the service charge) to expensive and long term capital projects. No doubt we as lawyers will become tasked with finding compromise solutions with the need to draft accordingly.

### **Next Upcoming Event**

On Thursday 25 April (tomorrow!), Taryn Nixon, Chief Executive of Museum of London Archaeology (MOLA) will present a talk entitled "Your Path, Our Future – Archaeology and Development in the City of London".

With archaeology having long been a material consideration in the UK planning process and often seen as a significant development risk, cost and delay, Taryn will discuss the latest thinking around archaeology in the planning and construction process. She will provide an insight on the extraordinary results from MOLA's current excavations at the site of the Roman Temple of Mithras in the City of London and this is likely to prove fascinating.

Members are encouraged to invite surveyors, developers and investors as guests along to the Museum of London and the event will attract one CPD point. Please visit the website for timings and registration arrangements.

We are in the process of finalising our seminar programme for the rest of the year and details will be posted on the website shortly.

### **Membership**

Have you paid your annual membership fees for the current year? If not, your £25 renewal should be sent please to Tim Power at TPS ([booking@tpsnofolk.co.uk](mailto:booking@tpsnofolk.co.uk)).

The Committee continues to work hard and is focused on expanding membership numbers, at the same time, striving to improve the variety and content of seminars and presentations and also promoting the Association beyond London throughout the regions in the UK. They have ensured there has been a huge variety in the seminars and discussions held to date covering all kinds of economic, development and legal based themes but would welcome suggestions, queries, recommendations or requests from all members to fill the diary for the forthcoming 12 months. Please direct any suggestions to the personnel on the website who will be only too delighted to do what they can to assist you. This is your Association and so we want to hear from you to make sure we represent your needs and wishes.

New members are also very welcome. Please see CRELA website at [www.crela.org.uk](http://www.crela.org.uk) for details.

**CRELA Committee**  
**APRIL 2013**