

# Property life



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A big night at Billingsgate, p83

## EG eye

### Housing corpse

Apologies to those who thought the story suggesting the Housing Corporation faces a bleak future was a little off-pitch (*EG*, 18 February, p29).

But we did think that those who have a part of the £33bn in outstanding loans to housing associations might like to know that what they thought was a Housing Corporation covenant did not in fact exist: a fact that had not been published anywhere before.

Emergency legislation is to be introduced to correct the problem that has had lenders threatening to raise interest rates by up to 100 basis points.

But we have been told on good authority that the suggestion made by *EG* that the corporation might find itself broken up and most of its functions absorbed by English Partnerships was not that wide of the mark.

We suggested that this was an option being looked at by the Office of the Deputy Prime Minister. Here is far worse news: the Treasury has crunched the numbers and has reached a similar view.

### Singing for their supper

CB Richard Ellis's pitch last month to advise Credit Suisse First Boston on the sale of its Canary Wharf property has been described as "a bit like Eurovision" after the firm was given points by a panel of judges and thus made it to a second round of pitches.

CB Richard Ellis ultimately beat off competition from BH2, Cashman & Wakefield Healey

& Baker, Knight Frank and Jones Lang LaSalle.

But the finalists were surprised to see one of the judges had also been bumped. CSFB adviser Robin Broadhurst was deemed to have had a conflict with one of the remaining parties. He was, after all, JLL's chairman from 1993 to 1997.

### Shooting from the HIP

A prize for the most self-serving announcement so far in 2006: a newly formed outfit called the Association of Home Information Pack Providers has attacked the growing number of estate agents who fear HIPs will disrupt the market.

"Arrant nonsense," says AHIPP, which represents around 30 companies hoping to make a fortune when the use of HIPs becomes compulsory next summer.

Arrogant self-interest, more like. Try page 79 for a less self-interested view.

### Grave-y train?

As the investment market heats up, all types of property have been studied for their hidden value – from petrol stations to car showrooms to garden centres.

But worryingly, there have been bids for a somewhat, ahem, drier investment.

Docklands specialist Cherryman has been asked by none other than the East London Cemetery Company to advise it on its property holdings. The company, which owns the 32-acre cemetery in Plaistow, E13, has received approaches from investors who had noticed that the value of its land was higher than the value

of the operating company. No doubt the value is reduced by certain long-term tenants.

### Dome devours another £5m

The Millennium Dome, as most people still refer to the Greenwich landmark despite last year's efforts to rebrand it as the O2 Bubble, just can't seem to shake the perception that it is, in fact, a money-pit.

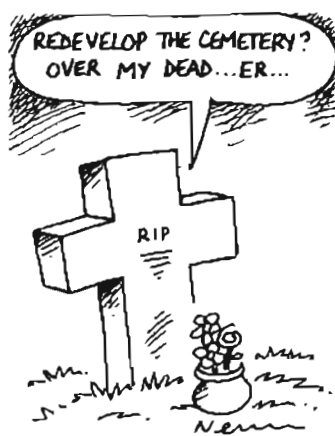
For instance, in September last year, Philip Anschutz, the US billionaire who owns Anschutz Entertainment Group, the company behind the Dome's revamp, decided on a whim that the interior of the scheme should be, of all things, art deco.

Unfortunately, the Anschutz team had already spent several months, not to mention a whole pile of cash, on plans for a futuristic neon-light fest. The cost of this "re-imagining"? A whopping £5m.

### Sweeney Toad

At the IPD's results launch on Tuesday, Hermes director of investment strategy, Fiona Sweeney, befuddled delegates with a rather curious metaphor.

In front of hundreds at



London's Mermaid Centre, she declared "frogs are reptiles", before rehashing a folksy parable about the cold-blooded critters not knowing they're being boiled alive if they're placed in cold water that is gently heated.

Not knowing whether Sweeney was talking about investment, the global economy or the state of the Indonesian rainforest, we decided to investigate, in the hope that the relevance of this tale to the industry might be revealed.

We found that, first, frogs are not reptiles, but amphibians (although both reptiles and amphibians are grouped as herptiles, apparently).

Second, there is no scientific evidence to support the story. According to the University of Oklahoma's Department of Zoology, which is something of a specialist in attempted herpetile-boiling, the frogs always jump out.

However, we did come across a website listing "ideas for after-dinner speeches", which informs us that the frog-boiling anecdote is "a somewhat overused parable about the dangers of imperceptible changes leading to catastrophic loss".

### Pearl comes out of his shell

Those who know David Pearl (p74) might like to know that the property millionaire bought more than one expensive suit at Savile Row tailor Richard James. As Pearl was so pleased with his new daywear, the man normally seen at cocktail parties in jeans and trainers decided to buy an evening suit as well. Well, what's another £3,100 to complete one's new image?

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