



Sir Stuart Lipton

Property Beyond Profit

The Case of the Enlightened Developer

By James Alexander

Sir Stuart Lipton is an unusual man. Chief Executive of Stanhope plc¹, Chairman of the Commission for Architecture and the Built Environment (CABE), Honorary Fellow of the RIBA, Governor of Imperial College and board member of the Royal Opera House, he has one of the most impressive profiles in the fields of property and architecture. Yet what marks him out, as James Alexander discovers, is not so much his profile but his passions.

Sir Stuart Lipton began his career in property development during the sixties, heralding his arrival on the main stage with the founding of Stanhope Properties plc in 1983. Once he had rescued the Stanhope name from the clutches of British Land in 1995, Sir Stuart was able to practice an unusually enlightened approach in his chosen marketplace. Since that time, Stanhope plc has received no less than 60 awards for architecture and design excellence.

Originally appointed as the Chair of CABE in 1999, Sir Stuart was re-appointed by Tessa Jowell in 2003 with a tenure running to 2005. Formed to champion architecture in England and to promote high standards in the design of buildings and the built environment generally, CABE has achieved much and is held in high regard. Not only has the work of its Design

Review and Enabling Committees resulted in numerous examples of good new architecture in all parts of England, but more generally (and perhaps more important) it has succeeded in raising the public profile of architecture. Sir Stuart Lipton is now regarded as the government's architecture 'tsar'.

So what is it that makes both Stanhope and CABE so successful? How can a voracious property developer both make money and drive up design standards, when traditional property economics would suggest that these two objectives are in conflict?

The principal reason is that Sir Stuart cares. He has long had a passion for the design of good buildings and the spaces around them. What is more, he has not been shy of criticising government planning policy. And this is what makes the difference. He is now in a position to orchestrate change, both by what he does and by influencing what others do.

When speaking about these matters it is clear that his views are deeply held and well thought through. We shouldn't develop out of a 'politically correct necessity to do so, but rather do what is right'. And once there is a decision to build we should build well and for the future. 'Let's take a leaf out of the French book. They look at the lifetime costs associated with a development and are prepared to fund projects for the long-term if they are really going to make a difference.'



Chiswick Park

And here Sir Stuart elaborates with some energy. 'Doing things right is important. We should be prepared to help the causes that in turn help other causes. This is what will lift communities and grow civic pride.' In almost the same breath he cites the Urbis development in Manchester as an example of how we fail as a nation to get things right. And in turn he references the Crafts Council as an organisation that should be supported by virtue of what it does: teaching us about design, and the skills that support it, across the board.

Passion and Place

In a swift change of tack the conversation moves from the roles of traditional skills, architecture and design to a subject that is clearly close to his heart: place-making.

Sir Stuart looks out of his office window across St James's Square and offers a quick vignette about place-making in the 17th century. 'Four hundred years ago this place was nothing but marshland. Yet with some foresight, some taste and an appreciation of the simple things in life – a park, some nice, but not magnificent, buildings – we have a rather special place that has stood the test of time.'

It is clear that place-making is important not only to Sir Stuart, but also to Stanhope. The opening page of the corporate web site proclaims:

'Stanhope produce places that inspire, stimulate and transform the way people think, perform and behave. Buildings that are not merely places for work but places in their own right. This has become distilled into Stanhope's Peoplebuilding core philosophy. Peoplebuilding sums up the company's approach and symbolises the Stanhope difference.'

This is powerful stuff. The stuff of differentiation.

Sir Stuart goes on to criticise the UK's ability to create and maintain public spaces and argues that it is because of such shortcomings that we also fail to address many other difficulties. He particularly cites crime and social problems. He urges the government to look to the creation of high quality civic space and associated public realm as a step towards the social integration and breakdown of barriers

more often achieved on the continent. 'Without high quality civic spaces we are all doomed,' he adds rather dramatically.

I question who should be responsible for such investment and how, traditionally, this hasn't been an area of interest for the developer. He argues that some developers do see the value. That they take the longer view. Yet at the same time Sir Stuart acknowledges, in the absence of a universally altruistic development fraternity, there is a huge role for the government in educating the property industry and developers in particular. (Cue CABE).

The conversation keeps returning to the question of quality. Sir Stuart has a burning desire to see that if we do something, we should be doing it 'right'. Investing for the future and understanding what the implications of this are. This means

developing a better grasp of lifetime costing and the need to account for it early on in the development process. And this, of course, chimes with his stance in criticising the government policy on PFI schemes: 'urban disasters' characterised by 'meanness' and 'designed in isolation from their function and on a tight budget' so that they will ultimately 'fail to meet the changing demands of future generations'. It is a stance that many might agree with, but few care to express so publicly and so vigorously.

Once again Sir Stuart is able to differentiate himself and Stanhope from the crowd, by putting his money where his mouth is. Occupier needs and efficient, cheaper building



St James's Square



Chiswick Park

methods are at the forefront of Stanhope's thinking. The company aims to reduce its building costs and completion times by up to 25 per cent. On the issue of residential accommodation, he argues that artificially high building costs in Britain, the result of a lack of competition, are forcing people to live in poorer quality accommodation than is necessary. 'Comfortable and practical housing should be achievable for everyone, not just the elite.'

And before the subject is quite finished he has moved on. Now, the issue for discussion is 'in town or out of town?'

Once again his view is clear and precise. 'Why build out of town? It creates traffic problems, clogs up our environment and is delivered at the expense of investment in our towns and cities.' But even in urban areas it is clear that there is much that needs doing to meet the severe standards set by Sir Stuart: 'Take the Hackney Empire. An oasis in a complete desert!' Here Sir Stuart appears to strain at the thought of

what might have been. Of the need to take a holistic view. Perhaps, even, of a government that never quite completes the task.

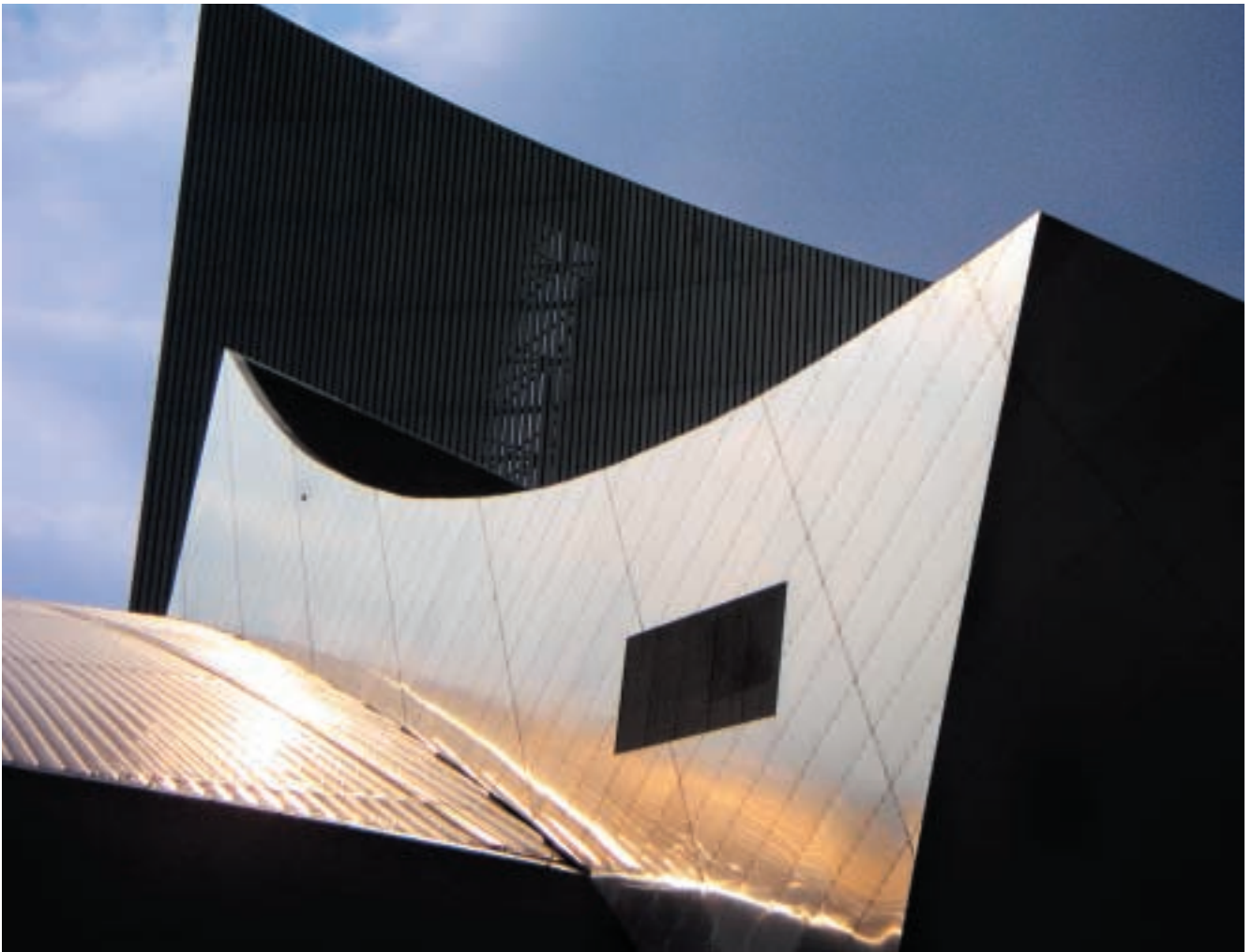
Landmarks and Living

He talks fondly of the work of the Heritage Lottery Fund, of the Arts Council and even the Millennium Fund, using words such as 'caring' and 'diverse'. But it is clear that he feels there is more that needs to be done. 'Who is the Solomon?' he asks. I silently question whether he is talking about a lack of an ability to make good decisions or the lack of mighty temples. Or worse, too many temples conceived with too little wisdom.

Sir Stuart is clearly a believer in the ability of landmark buildings to make a difference, when done properly. And, once again, he speaks with the experience of leading a company that has worked tirelessly in the sector, with successes such as the Royal Opera House, Tate Modern and Sadlers Wells to its name. Previously he has cited the Imperial War Museum North, Peckham Library and



Broadgate

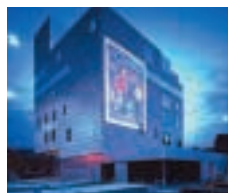


Imperial War Museum North

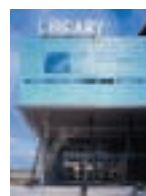
Walsall Art Gallery as examples of success and although he might want to revise some of these opinions in March 2004, one gets his drift. Success is about the complete picture, and that comes only after effort and attention to detail: 'The creation of high quality public spaces is every bit as much part of this process as good building design'. Yet again, this is a sentiment that resonates through the company website:

'Communities need focus. A place where people meet. Where people socialise. Where people interact. Where people unwind. Places where people feel they belong.'

At this point he is eager to identify the role that the commercial sector can, and should, play. He refers to the role of the More London development on London's south bank and its ability to roll in the rejuvenation of the Unicorn Theatre, as a good example of sustainable regeneration through



◀ Images from top: Walsall Art Gallery, Tate Modern and Peckham Library



commercial partnership.

There is a call in his discourse for the degree of focus that will allow completion of so much that has been begun. Sustainability comes across as a watchword. And whilst he doesn't say it in so many words, it is clear that the idea of legacy is something that is of critical import to him. This is ironic, since the organisations about which we have been talking have used (and abused) the word with such gay abandon, yet more often than not have been left with egg on the face. Perhaps the government should have let Stanhope administer the Lottery monies. Now there's a thought.

More seriously, there are shades of Sir Peter Hall in this other knight's view: the way he speaks about the passage of time, what it tells us and how we should learn. Buildings, and the built environment, will be around long after we are dead and gone, after all. What messages are we passing on to future generations?

As if conscious of London's somewhat dominant role in the discussion, Sir Stuart moves on to Birmingham and Manchester, to the vision and authority of council leaders like Sir Albert Bore and Richard Leese. Intriguingly, there is no mention of the equally important and powerful CEOs behind both organisations. Rather, this is recognition of the role and authority bestowed, and respected, from the grass roots. Authority that really can make a difference, and has been seen to do so. Authority that is able to unite the interests of investors and developers with the support of communities.



Tate Modern

One senses that, having seen the future, Sir Stuart is frustrated at the UK's inability to move towards it. Whilst through his efforts with Stanhope and CABE he is able to drive through some of the necessary changes of attitude and reform it is clear that none of it can come soon enough. He makes strong reference to Paris and Florence. Places we can look at and learn from. To Berlin and Potsdamer Platz, and a new regime that has built for a future decades away. The Lipton mantra is about getting things done: 'We must do more than just aspire to quality'.

And then, as the discussion draws to a close he says something that gives an indication of the scale of the task: 'This is all wedded to the British psyche. An English disease. A fear of failure'.

And of course he is absolutely right. Until we can look up from the numbers and break from current conventions, we will never move forward. Place-making in the UK too often avoids the innovative, avant-garde or imaginative; it is rooted in the comfort of copper-bottomed certainty, industry standard ROI demands, and belt and braces masterplanning. The property equivalent of 'never getting sacked for buying IBM'. Sometimes one wonders if it is truly place-making at all, or just about building.

Yet, on balance, perhaps there is something to look forward to. To start with, these issues are all being discussed, debated and exercised. And with Sir Stuart Lipton leading the charge, uniquely placed as government agent and private sector developer, perhaps it is only a matter of time before the whole thing 'tips' and such an enlightened approach becomes the norm, and not the exception.

1 www.stanhopeplc.com

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Guggenheim, Bilbao

Another of Sir Stuart's anxieties bubbles to the surface. 'Getting things right is all about leadership. That is where we seem, so often, to be lacking. We need public servants able to make the difference, assemble funding, resolve conflict and bring it all together. That's what delivered Bilbao the Guggenheim and its success and, equally, what has done so much for Manchester.'

Building by Numbers?

He goes on to discuss a particularly British problem, an inability to get people thinking for the long term. 'The political system doesn't allow it and nor do the property and investment opinion-makers:'



Manchester

The outspoken speaks

A selection of quotes from Sir Stuart Lipton

I find it hard to think of many examples of public spaces created during the past 50 years which have the same feel-good factor [as St James's Square]. We are the fourth-wealthiest nation in the world, and yet we have chosen for a long time to dress ourselves in rags.

... When St James's Square was laid out, do you think there were auditors at hand to work out the "net present value" of the birdsong and the opportunity cost of the space given over to trees?

March 11, 2003, speech at the ICA, London

Over the last 10 years, the planning system and the retail industry have worked in tandem to direct retail investment back into our towns and city centres. The key is the quality of the environment. The challenge is to build in quality, putting the aspiration, pride and respect back into communities that have had the stuffing knocked out of them.

June 11, 2003, speech at No.11 Downing Street

Many house-builders seem to labour under the myth that good design is costly and time consuming. They think it will eat into their profit margins. Having worked in the property industry for the last 40 years I know this to be a fallacy. Invest in good design at the outset and you will not only produce houses with character and vitality, there will also be social and environment benefits for occupier and visitors alike, and greater profits for the developer. I know this because I have witnessed the great leaps in efficiency and quality of office space over this period.

March 03, 2003, The Daily Telegraph

The lifetime costs of a building are represented by a simple formula: for every £1 spent on construction, £5 is likely to be spent on maintenance and £200 on staffing costs.

If PFI is to work for staff then we need to find a way to make the private sector care about the 200 as well as the 5 and the 1. Personnel costs are 60-80% of total costs. The PFI contractor often has no interest in making the building more efficient for staff, which would allow them to do their jobs more efficiently.

The public client is also partly responsible. All too often they fail to demand the necessary design quality, staff and users suffer as a result.

September 19, 2002, speech at the Unison Conference

Does design really matter? Of course it does.

Nottingham University compared three health projects before and after they were redesigned and found clear benefits to patient health and the efficiency of medical resourcing due to good design.

... We know that good design in schools increases educational standards and reduces truancy and vandalism.

September 19, 2002, speech at the Unison Conference

The last three decades have been characterised by a shameful lack of investment in our public buildings. What little investment there was often resulted in ugly buildings that were costly to maintain and ill suited to the needs of staff, users and the wider community.

This Government has recognised the fact that 21st century services cannot be delivered in 19th century buildings, and has triggered the largest public building programme for a generation. CABE applauds this investment and welcomes the opportunities it presents. However, the current push to meet delivery targets at any cost means that we are once again in danger of repeating the all too familiar mistakes of the 1960's.

July 12, 2002, Local Government Chronicle