

## Press Cutting

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# Q+A: First Base and Patron talk Milton Keynes as £190m scheme heads for planning

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Planning application due in May will bring 185,000 sq ft of offices and 280 build-to-rent flats to the centre of Milton Keynes



For some, the last six months would be less than ideal timing to work up a commercial-led development in the centre of a UK town. However for developer First Base and backer Patron Capital, the shifting sands of COVID-19 and lockdowns was an opportunity to create a scheme which more accurately reflects occupier needs.

In October, the joint venture revealed the £15m purchase of Saxon Court from Milton Keynes Council, with plans to retain the block as part of a wider £190m mixed-use scheme, delivering 185,000 sq ft of workspace and co-work provision, alongside 280 build-to-rent apartments, and a mix of retail, F&B, and public space.

With the appointment of Rogers Stirk Harbour + Partners to deliver the designs, the architect's practice's first office outside of London, the team is targeting 2021 to submit a planning application for the MK Gateway project.

*React News* spoke to First Base director Barry Jessup, and Patron Capital senior partner Kevin Cooke on working up a mixed-use development in the midst of lockdowns, the "regionalisation" of office requirements, and the symbiotic relationship between offices and residential.



Barry Jessup, First Base

### **Why did First Base team up with Patron Capital to bring forward MK Gateway?**

*Barry Jessup:* Patron Capital and First Base share a lot in terms of what our aspirations are for development and investment, but also on some of the softer sides as well. We worked together in previous lives, and now on two projects we have going on at the moment, one down in Brighton and one in MK, and in some ways they're similar in what they're trying to achieve. They're mixed-use, and we only do mixed-use schemes because we think it's what people want, it drives value, from residential to offices, and there will always be F&B and retail elements alongside. Retail is definitely not dead, it's just going through a transitory phase.

Mixed-use is important; how many people name mono-use destinations as their favourite places? It just doesn't happen. Nobody names a housing estate or an office block, it's the spaces in between the places that people love. So really our developments are as much about those spaces as the buildings themselves.

### **What are the particular strengths in the market which mean this scheme will work in Milton Keynes?**

*Jessup:* Milton Keynes is a fascinating town, and they'll achieve city status soon. They have the highest growth of any town in the UK. While Milton Keynes has its detractors, it has a massive amount of selling points, with great employers, a highly educated, skilled workforce, connectivity, you're on the Arc, and close proximity to London and Birmingham. If you dissect the city, it has an amazing amount of amenities in terms of parks and green spaces, snow domes, retail, so we wanted a site to take advantage of all of that, and be located in the city centre.



Kevin Cooke,  
Patron

### **What won the scheme for you in the eyes of the council?**

*Jessup:* The fact the site was owned by the council and its development arm made it really interesting to us. After bidding, what won it for us was our decision to retain the building on the site, that was a crucial thing from an environmental perspective. But equally, we needed to do something ambitious, and what we're proposing is just that. The building will feel and look like a brand new building, and is a Richard Rogers-designed building, the first office scheme Rogers has designed outside of London. Alongside we have a fantastic forward-thinking residential scheme, alongside F&B on the ground floor, new public realm etc.

*Kevin Cooke:* The council themselves were very forward looking and didn't want some residential, low value developer paying too much for the site, to the extent that the council meeting that approved the process specified they were not selecting on price, that was only 30% of the selection criteria. This meant First Base could concentrate on where they were adding value.

### **Why do you have such an emphasis on the offices in tandem with the residential?**

*Jessup:* The driver for us, and the overall trend across the market, is the long term placemaking aspect of these developments. Hopefully the history of people just developing out individual plots with no interest in what's happening around is moving into the past. We want to acquire large sites where we can control the environment. From a residential perspective, it's much easier to do that if you go down the build-to-rent route.



We also think there are a lot of living and working benefits that come from putting residential alongside offices. One of the challenges when attracting good staff is being able to give them good quality living accommodation straight away. On the flip side, if you're a resident and you have access to amenities often associated with a major employment scheme, that's a big benefit too, particularly in a COVID world. The development emphasis for this scheme has been developed off the back of the pandemic, and some of the trends that have been extenuated in this time.

**You've been in the pre-planning phase over the last few months, have your plans had to adapt and change as market pressures have changed, particularly when it comes to the office element?**

*Jessup:* There are short term trends and some long term trends. The long term trend that Patron and First Base fully buy into is the shift towards more regionalized employment centres. Milton Keynes is perfectly positioned for that, and there's already lots of major employers that do that in and around MK. We're seeing it accentuated by the pandemic, people don't want to travel as far to their everyday office.

*Cooke:* Equally, we don't really buy into working from home reducing the need for office space. Everyone we've spoken to in this process both of Brighton and Milton Keynes, and more widely across Europe, no one is saying "crumbs, we're going to halve our office space". They are saying: "We actually will have the same office space in different locations, and if we have it in different locations we may even end up with more office space". The cultural needs of businesses are very much aligned with people still having to get together.

**Did it change your view on unit sizes and what amenities to offer on the BTR side?**

*Jessup:* There's been some product changes, but again I think these are mostly trends that we're already seeing. I think there's a desire to have access to the outside. Increasingly people will enjoy having a working environment, outside of their own home, so not doing your job from your kitchen table, or even maybe from your second bedroom if you're lucky. So workspace you can access in your slippers, which I think it's pretty interesting.

**What's your timescales for planning applications, and then construction and completion?**

*Jessup:* We do a lot of work pre planning, because what we want to do is make sure that what we get consent for, we can actually build out. So rather than just submitting a pretty lightweight planning application, ours are very detailed. The planning applications should go in in May, and we'd hoped to get consent early autumn, and then be on site in 2022.

We're pushing that through as quickly as we can, because we want to deliver, when we're not here to trade planning etc, we want to deliver the product so it will appear in the market at a time when there will probably be more limited supply. There will also be a lot of demand because we will be well through the pandemic period. Office occupiers in particular are taking some time to work out what their space will look like and what their requirements are, and their requirements will be significant, but the physical manifestation of that will change. I think we'll hit the market at a time when there'll be high demand and pretty limited supply.

**Long term, will you be retaining ownership, and will you be bringing a build-to-rent partner on board?**

*Jessup:* We do two things. One is we ensure that the product and the development is designed to be successful long term, because it may well end up with a single long term owner. Now, we won't be the long term owner, but we set it up for that. It may be may well be that we bring a build-to-rent partner on board sooner rather than later, equally we're seeing a big shift in the investment market now, to where a lot of investors are looking to control estates. This would be a mixed-use estate, and if you look at a lot of the areas around the UK that have really succeeded over the last 20 years, they tend to be estates where a single owner has the ability to control the environment.