What has happened to the brandwagon?

UK real estate is ignoring its biggest asset, says **Susan Freeman**

MY FAVOURITE DEFINITION OF BRAND IS: 'THE MOST valuable real estate in the world; a corner of the consumer's mind.' If this is true, why has UK real estate been slower than other sectors to recognise the value of brand?

In the 1990s Harry Handelsman and John Hitchcox's Manhattan Loft Corporation and Tom Bloxham's Urban Splash made inner-city living sexy, creating value through recognisable lifestyle brands. The Candy brothers have now taken this to another level, creating, seemingly overnight, an ultra-luxury brand synonymous with wealth, modernity and top-range pricing.

'The Candys moved the London market, initially by £1,000 per sq ft, and now by many thousands of pounds per sq ft,' says Gary Hersham, managing director of Beauchamp Estates. 'These prices are mimicked in non-Candy units, but it is the Candys who have made these levels achievable.'

Changing the name of their Knightsbridge residential scheme from Bowater House to One Hyde Park must have added huge value alone. Now that the Candys are poised to move into their new cutting-edge nine-floor Westminster headquarters, their brand is to be extended into hotel design, luxury fashion and home furnishings. And, always on message, their new boat is aptly named *Catch Me If You Candy*.

BRAND VALUE

Property companies increasingly view brand as a value driver. Australian retail giant Westfield, which has 119 shopping centres worldwide, recently topped Brand Finance's global property brand index with a brand value of $1.1bn (£610m). While relatively low compared with heavily branded consumer products such as Coca-Cola, which has a stunning $65bn (£36bn) brand value, it is still very material.

The imminent opening of Westfield London in Hammersmith is expected to herald a new generation of UK shopping centres. The White City development will boast concierge services and valet parking modelled on the hospitality industry, and a tenant mix leavened with luxury brands and new names lured to the area by the developer's international reputation.

While Westfield London has been dubbed 'the Covent Garden of west London', Liberty International subsidiary Capital & Counties has exciting plans for rebranding Covent Garden itself. The company has recruited retail brand guru Beverley Churchill who, alongside Vittorio Radice, reinvented Selfridges as a global brand.

CapCo aims to reposition Covent Garden from tourist trap to a world-class retail and leisure destination for Londoners. The area will have a top-end boutique hotel, designer stores and high-class restaurants. Unlike Westfield, CapCo does not plan to attach its corporate branding to Covent Garden, which will remain a stand-alone destination and brand. The area's architectural heritage and its position at London's cultural heart give it an advantage.

Meanwhile, to the public, UK office developers remain largely undifferentiated: at best, industry rather than consumer brands. Historically, the institutional lease monopoly discouraged landlords from pursuing repeat tenant business, and they certainly saw little value in marketing to a wider audience. The flurry of branding activity in anticipation of UK REIT legislation and the need to court a new class of private investor has fizzled out.

Howard Morgan, managing director of real estate performance consultant Kingsley Lipsey Morgan, says developers are investing in brand building behind the scenes. Occupiers want management to ensure their building remains glossy, and increasingly choose to deal with developers they know and trust. In response, landlords are beginning to differentiate themselves in style, quality and approach.

With brand experts criticising real estate for lagging behind consumer marketing and still treating branding as a superficial exercise satisfied by merely attaching a logo, there must be scope for property companies to generate greater brand value.

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