

Regulation damages the property market

PEMBERTON  GREENISH

Pemberton Greenish hosted an Oxford Union style debate on Tuesday, 5 May 2009 in the Council Chamber of the Law Society's Hall to discuss the motion "Regulation damages the property market".

The debate was well attended by a variety of property professionals including bankers, industrialists, London landed estates, regulatory bodies and estate agents.

The debate was chaired by PG's senior partner, Damian Greenish. Ed Mead, a director of Douglas & Gordon with over 30 years experience of the property market, proposed the motion, seconded by Lord Blyth of Rowington, a leading industrialist, who was elected vice chairman of Middlebrook Pharmaceuticals Inc in October 2008, and who had from July 2000 to June 2008 been chairman of Diageo Plc., the world's leading premium drinks business. Opposing the motion was the journalist Mira Bar Hillel, who writes regularly for the Evening Standard on property, planning and leaseholders'

rights issues and has done so since 1982. Mira has had an entry in Who's Who since 1996, when her first campaign on behalf of victims of rogue landlords resulted in the law being changed in favour of leaseholders. Mira was seconded by Gillian Charlesworth, the director of External Affairs for RICS who is responsible for the policy and public affairs teams in the UK and Brussels.

The key points made by each were:

Mira Bar Hillel called for the introduction of a redress system to regulate lettings agents. Currently no such system exists. She highlighted the belated success of the redress scheme introduced for sales agents last year, and noted that she is already receiving

much less correspondence and fewer approaches about rogue sales agents.

Ed Mead called for the creation of one unifying body to truly represent the whole of the estate agent industry and introduce licensing to raise professional standards.

Lord Blyth spoke positively about the regulation of commercial property, praising the clarity and simplicity which allows the market to function properly. However, he felt that the residential property market was in need of simplification due to the existing regulation being unnecessarily complex and patchwork.

Gillian Charlesworth spoke about the RICS mantra 'regulate to de-regulate'. Whilst she felt that regulation does not have to be bad, she felt that





currently there were too many rules and regulatory bodies for property professionals resulting in confusion and lack of consistency.

There then followed questions for the speakers from the floor. The result was a lively and insightful discussion regarding a broad range of issues affecting the property market, with particular reference to regulation in the current economic climate.

What became clear was that in terms of regulation, "property" is not a single homogenous whole. Each sector of the property market – commercial, residential and agricultural – has its own particular issues, requires different levels and types of regulation, and what might have been beneficial to one sector has been detrimental to another.

It was also clear that a distinction has to be made between on the one hand regulation of the market itself and on the other the regulation of those operating in it.

One common thread to emerge was that helpful regulation had generally involved consultation with the industry and unhelpful regulation didn't and was generally introduced for short-term solution or political motivations.

A poll conducted before the debate revealed that 70% of the audience felt that regulation does damage the property market. The further poll at the close of proceedings showed an even split.

PG wishes to thank the guest speakers, and all those who attended in the audience for making the debate a success and a very thought provoking evening. Given the positive feedback it is planned this debating format will become an annual PG fixture.



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