Spring 2014

Panorama - London Olympics Site Redevelopment

James Hagy  
*New York Law School, james.hagy@nyls.edu*

Dmitriy Ishimbayev  
*New York Law School, Dmitriy.Ishimbayev@law.nyls.edu*

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The 2012 London Olympics are over, yet the work is just beginning. Solicitor Linda Fletcher of the London office of law firm Pinsent Masons talked with Dmitriy Ishimbayev and Professor James Hagy about the 18-year project to redevelop and repurpose the Olympics venue for the longer term as a major, sustainable, mixed-use community in east London.

RTP: You bring a diverse background to your work. Tell us a little bit about your career.

Linda: I come from a background of business, plus real estate and environmental law, which has been a really great combination from a practice perspective. I concentrated initially on real estate law. Then I had a role as an in-house lawyer at a Swedish paper and packaging company that produced recycled packaging boxes and paper. I realized that I needed to understand environmental law, as this was very important to the business. So I became a self-taught environmental lawyer. From then on, I have given both real estate and environment advice to a broad range of clients, and it has meant my practice has been very broad. I’ve been lucky to be exposed to some very interesting projects along the way, ranging from more traditional contaminated land work to the more recent green sustainability genre, which has led to my involvement in the Olympic Park regeneration scheme.

RTP: How did you become involved in the London Olympics site redevelopment?

Linda: Pinsent Masons has a very large planning and environment team. We won the work to advise the Olympic planning authority on approving the planning permission for the Games themselves, which involved substantial remediation work and design for the Games and the stadia. So the involvement here at Pinsent Masons has been since 2005. I arrived here when we were looking at the transformation phase, the bumping out of those works to form a legacy scheme for the next 18 years, the regeneration of that area of London. As you can imagine it’s an enormous scheme.

RTP: Did your firm anticipate from the outset becoming involved in the later transformation phase?

Linda: Yes, although we had to win the work. There are very strict procurement laws for local government authorities to make sure they’re getting the best rates for the service they need. So they go out to tender, involving three, four, or five firms.

RTP: The site is generally six or seven miles northeast of central London. We’ve seen it referenced as in or near Stratford, in or near Newham, in the Lee Valley, in the E15 postal district, north of the docklands. Is each of these correct?

Linda: They are all correct. Stratford is the town that exists there, with the historical Stratford town on one side of the tube line [London’s Underground rail transport] and the development on the other side. Newham is one of the boroughs. But they are all within the Lee Valley. The area where this development has taken place is as big as Hyde Park, which is about 350 football [soccer] pitches large. It’s an enormous site and covers five different existing London boroughs.

RTP: The overall site redevelopment is anticipated to occur over an extended period of perhaps 18 or 20 years. Is that because it is such a large site to be absorbed into the market?

Linda: Yes. The site is divided up into different phases, which will be brought forward in stages. This also brings cash flow to the project. The first phase, we call it PDZ6, has quite a lot of the housing.

RTP: How is the land that comprises the site owned?
Linda: Originally, the land would have been owned by all sorts of different people: residents and businesses. Some of the area was vacant. Whether through negotiated acquisition or compulsory purchase, the English equivalent of eminent domain, the site would have been acquired gradually to enable the development of the site for the Olympic Games.

RTP: Technically, who is your client?

Linda: During the acquisition and development of the site for the Olympic Games, a separately created authority was given planning power. They have just now transferred those planning powers to a new Mayoral authority that’s been established, called the London Legacy Development Corporation.

So that is now our client—originally it was the planning decision team of the Olympic Delivery Authority—and they are now drafting a local plan for that corporation area. You’re going to have the London plan, that Mayoral Corporation’s plan, and the borough plans underneath it.

RTP: So today the freehold and the buildings are owned by one of the five boroughs depending on where it is, or by this overarching corporate authority?

Linda: The Park is owned by the London Legacy Development Corporation, which is a public-sector not-for-profit company established, as mentioned already, by the Mayor of London.

RTP: The funding for this transformation phase is largely private?

Linda: Yes. The Corporation itself is a not-for-profit organization. Another entity, The Olympic Development Authority, was responsible for the delivery of the Olympic buildings and infrastructure for the Games. That funding came from a variety of sources, including from our National Lottery fund.

RTP: The figures we see for the Olympics site development do not include the cost of regional public infrastructure such as the Docklands Light Rail extension and new Crossrail train, or the London power tunnels?

Linda: That’s right. The Crossrail link is one of the largest current infrastructure transport projects in London. Every new development scheme within central London makes a contribution to future infrastructure projects like these through a rating levy, what Americans would think of as a special assessment as a component of the annual tax on real property. Future owners at the Olympic site will be responsible for rates for these projects, too.

RTP: The area had been industrial. Perhaps for that reason, it was also one of the parts of London most heavily bombed in World War Two?

Linda: That is true, it was bombed. And there had been old industrial uses on the site, and waste land, so it did have to be remediated. Parts of the Lee Valley were contaminated as a result of previous industrial use. The waterways were dirty and they had to be cleaned up. Although there are obviously people living within those boroughs, the particular area where this development is taking place had seen a decline in population over many years. The goal was for the Olympic Games to generate excitement and to create interest in living there. From a residential perspective, it is a very easily accessible area. It is literally 12 minutes on the tube line from central London.

RTP: Our understanding is that in England, planning applications (what we would think of as the zoning process) can be “called in,” a process under which the national government elects to take over from the local authority when the project is viewed as being sufficiently important. Did that happen here?

Linda: It wasn’t called in. But there was significant consultation with both the London boroughs and the public. Basically, under our system here, you have to look at the National Planning Policy Framework, the London Plan, and then the local plan. In this case we had five local borough plans. You have to make sure what you are delivering is compliant. If one plan has a higher requirement than another plan, then you’re going to have to comply with the higher standard.

The London plan is generally more stringent than the five borough plans. The London plan was introduced and revised by Boris Johnson, the current Mayor of London, and it has a lot of different sections. I have to say it almost sleeps under my pillow and has yellow stickers all over it.

RTP: There is perceived to be a serious shortage of residential housing in greater metropolitan London?

Linda: There seem to be lots of different views, but we do have a shortage of housing in London. In fact, a change has been introduced under what is called “permitted development,” whereby you can convert offices to residential without planning permission, both in London and elsewhere in England. I think we’re short of the right type of housing. The demographic requirements are changing and the existing housing stock we have isn’t filling the demand that exists.

What we call “affordable housing,” residential units within the reach of people who might not otherwise be able to find a home within their incomes, is another focus of the government planning process. The problem for a developer/home builder is the price they’re going to get for those units, which means their profit level is lower. But all of our planning policy requires a certain percentage of affordable housing to be provided. Sometimes the developer sells these housing units to individual purchasers, or alternatively to a “social landlord” who acquires the properties and lets them [leases them] to residents who need this type of assistance.

RTP: We understand that part of the future housing stock is going to come from conversion of the Olympic dorms?

Linda: Yes. They are going to have to make changes to enable these to become full residential units, because they obviously were designed as short-term accommodations during the Olympic Games. I don’t know how affordable housing will be addressed there. Again, it goes back to financial viability, the cost of transforming those units.

RTP: You take a view of sustainability that goes well beyond the protection of the environment. In addition to residential use, what do you see as important to the area’s successful revitalization?

Linda: We need people to remain interested and engaged in this part of London long after it is forgotten as a place where the London Olympics once were. The redevelopment of the Olympic Park is mixed use. In addition to...
housing, there are hotels, shops, businesses, schools, health centers. There is a realization that sustainability, however one defines it—economic, social, lifestyle, environmental—starts with designing a viable community and not creating neighborhoods at completely different income levels, as might have happened in the past.

**RTP:** How does this approach translate in environmental terms?

**Linda:** To provide efficient energy and efficient water use, what the United Kingdom and the European Union want to encourage is the construction of community energy district heating systems. Those only work if you’ve got the right type of uses within the vicinity calling on that supply. If you just had homes, demand might be low during the day. If you just had offices, then they’re not going to be using it sufficiently in the evenings.

That’s a very simplistic explanation, but you can easily see that a mixed use enables a district heating network to be well used and to make the investment in those systems viable. Within the Olympic Park, there are requirements that the buildings within the various phases are able to be connected to the newly constructed bio mass combined CHP energy center.

**RTP:** What is a biomass CHP plant?

**Linda:** CHP stands for combined heat and power, what is being provided as the output of the power plant. Biomass indicates the fuel source, rural or urban organic waste, which helps reduce emissions.

Similarly, there is a study underway to provide nonpotable water for some business and residential uses. Harvested rainwater could be used for toilets, as one example, instead of potable water. Potable water use levels in London are very high, the highest in the U.K., at 150 litres per person per day. The goal would be to reduce that to 105, or even 80, litres per person per day.

**RTP:** This requires the building to have separate potable and nonpotable water distribution systems?

**Linda:** Yes.

**RTP:** How are these goals and requirements reflected in the redevelopment process?

**Linda:** One of my roles was to make sure that developers and purchasers within the legacy Olympic site are required by the planning obligation document to participate in achieving these goals, for example by connecting up to the electricity supply, looking at ways to reduce water consumption, or designing the new buildings to a standard that will be zero carbon by a certain date. Any waste that is produced in the development process should be managed and kept to a minimum.

Redevelopment work, both removal of temporary Olympic Games structures and new construction activity, also needs not to interfere with the prior site remediation, for example any engineered barrier used as part of the original remediation. There can be very strict protocols in building out the new development.

These provisions are typically reflected in a so-called Section 106 agreement, which is a reference to a section of the Town and Country Planning Act 1990, a national law in England under which the local planning authority can enter into an agreement with the developer that establishes conditions and requirements as part of obtaining planning permission. The bid documents for the individual phases of the overall site will include the Section 106 agreement requirements. So the contractors or developers who bid need to take those obligations into account in tendering their bids for the individual phases.

**RTP:** You have an ongoing role once redevelopment begins?

**Linda:** Yes. When the buildings are being constructed, we check that they’re complying with the planning requirements. Is the developer delivering what is required by the planning document? The planning authority may come to us if they’re concerned that things aren’t being done properly.

Some of the planning conditions will relate, for example, to the use of energy or to waste disposal within both the houses and the offices. There will be smart meters in all the buildings. There will be marketing materials and an advice center to show people how to use their appliances efficiently.

Our focus is compliance with planning and sustainability, so we won’t be dealing with the land acquisition or the leases. But we do draft specific wording to be put in leases, for example to cover energy efficiency and for the parties to work together to make sure they operate the building in an energy-efficient manner.

**RTP:** Are you involved with the repurposing of the Olympic Stadium?

**Linda:** I am, helping on the sustainability and energy aspects. The stadium is remaining, but it’s going to be slightly altered. There was a recent announcement that the West Ham football club, that is a soccer club, will be making the Olympic Stadium its new venue.

There had been talk about making the stands smaller around the football pitch, for example by eliminating the running track that encircles it from its Olympics design. But London has also been successful in getting the Commonwealth Games and also the Paralympics Games. I think they will therefore retain the running track until at least after the 2017 World Athletic Championship. That may mean we’ll have another application for change to the stadium at that point. But the stadium has been built with flexibility in mind, and the transformation has carried this on, for example with the use of retractable seats to allow it to continue as a multipurpose venue.

One interesting aspect is the plan to keep the roof open despite the English weather, and to make the roof larger to reduce problems with rain. This means more water will collect on the roof and then drain off into the concrete areas, requiring additional thought in the design and water runoff and surface water flood concerns. I also understand they may put some glass around the side of the stadium, where there are just metal structures now. It is a simple design from the outside but the overall visual impact is striking.

**RTP:** What about the other buildings?

**Linda:** The aquatic center will remain. They will take the two sides off, so it will be reduced in size, but still with two very large swimming pools. The Copper Box is staying, that hosted handball during the Olympic Games, but will be changed to a flexible seating arrangement for a range of different sports.
The press center, which is an enormous area, is going to be a commercial office building after the Games. It will eventually be offered to private investors for acquisition through a bid process.

The Orbit, the iconic spire that was as visible in televised coverage as it is in real life when you visit the site, will remain as a tourist attraction with lovely views across London, much like the London Eye. It’s also art!

**RTP:** Art with, as we understand it, restrooms at the top! [Laughter]

**Linda:** In fact, yes.

**RTP:** We have read that temporary buildings for the Olympics were designed to be reused or recycled?

**Linda:** The project aim was zero waste to landfill from construction. Some of the buildings were always temporary—not in the way that you and I would think, but so that they can be taken down and put up elsewhere. One example is the McDonald’s building, which I thought was extraordinary although they call it a temporary building.

**RTP:** The McDonald’s building was used during the Olympics as a food vending concession?

**Linda:** Yes. It’s a pretty big structure, but it is designed so you put it up for an event, take it down, and take it somewhere else to another event. It’s quite exceptional.

**RTP:** How do the objectives of the plan intersect with the realities of attracting commercial development and private investment?

**Linda:** When you are discussing the planning proposal with the applicant, that is the developer, and they say, “We’ll offer you this in relation to a sustainability standard for a new home,” you will say, “Actually if you look at the London Plan, you need to deliver this in relation to carbon reduction savings” and then discuss how that’s going to be delivered. But behind all of that is the need for financial viability. To be successful, the projects have to attract bidders, and the winning developers have got to make money. So you have to measure what is going to be delivered in the end and also make sure it does get built out. That is particularly so with this scheme, which will be implemented over 18 years. You need to make sure you’re not creating obstacles which will put off developers down the line coming in to build the houses, or the schools, or the leisure facilities.

**RTP:** It helps that London is one of the most vibrant metropolitan areas in the world? And maybe there’s something unique about Olympics sites, in the sense that they’re so visible both locally and globally? The expectations may be uniquely high?

**Linda:** Exactly. In Olympic cities around the world, some have been successful and some haven’t. Eighteen years is a long time. The London project has been phased quite carefully to look at which parts need to be built out first to maintain that interest and to build an almost unstoppable desire to complete the whole project.

**RTP:** On that note, what advice would you give to Sochi or Rio as they imagine their Olympics venues after their Games in 2014 and 2016?

**Linda:** Patience. You can be quite visionary, trying to achieve things that may not initially seem possible, through sensible discussions and compromise. There can be a lot of talk, and you may come away thinking, “Well, what did we agree?”

**RTP:** What has surprised you the most in your work to date on this project?

**Linda:** You never stop learning. You think you’ve worked on all schemes you possibly could have, and then you work on something completely different and you learn new ways of negotiating, promoting sustainability agendas.

The thing that I’ve found most interesting is the real passion of all the people I’ve met—not just our own team, but the teams at the local authorities, the teams at the various consultants, engineers, environmental consultants, and at the planning authority, as well as the applicant. The desire to deliver was incredible to see. People get really carried away. They want to be part of it.

I’ve done other regeneration schemes on a much smaller scale, and you don’t necessarily have such a collaborative approach. Yes, at one level we’re trying to get as much as we can from the applicants developing the scheme, and they’re trying to make sure it’s viable for when they have to go out to tender. But the passion that people feel for the whole project has been very exciting.

**Postscript:** Since our interview, permission was granted by the London Legacy Development Corporation in January 2014 for work on the first phase of construction of Chobham Manor, the first new community to be built in the Queen Elizabeth Olympic Park. It is to be built as a joint venture between Taylor Wimpey, an English homebuilder, and London housing association L&Q. The first phase is designed for 259 homes consisting of houses and one- to five-bedroom apartments in addition to retail, play areas, and communal gardens. Chobham Manor is anticipated to have up to 850 homes at completion, a significant part of the wider master plan that contemplates up to 6,800 new homes at the Queen Elizabeth Olympic Park site. Some 28 percent of homes in the Chobham Manor development are to be affordable homes. Chief Executive of the London Legacy Development Corporation Dennis Hone envisions the project to become “a new heart for east London.”

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**Dmitriy Ishimbayev** studies at New York Law School, where he is a candidate for the Juris Doctorate degree in 2014. He concentrates his study on real estate law and is a student member of The Rooftops Project team. He also works as a law clerk with a Manhattan law firm. Prior to law school, he was a project manager in the construction industry. He received his Bachelor’s degree in Business Management and Finance from the City University of New York.
James Hagy is Distinguished Adjunct Professor of Law at New York Law School. He also founded and directs The Rooftops Project at New York Law School’s Center for Real Estate Studies. More information about The Rooftops Project and Professor Hagy may be found at www.nyls.edu/rooftops.

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