

Big interview: the entrepreneur building on Edinburgh's glorious history

28 July 2017 | By [Samuel Horti](#)

Being a developer in a historic city is never easy. When that city is Edinburgh, where the planning system has a reputation for being particularly laborious, things are even tougher – especially when you have an interest in complex, listed assets.



An aerial picture of The Registers, St Andrew Square

“How many regional developers can say they’d go through a planning process of two to three years before even starting on site?” asks Chris Stewart, owner of Chris Stewart Group. “You’re three years in – add three or four years on for the build programme and it can take five to eight years to deliver an asset.”

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It is a high-pressure business at times, but Stewart thrives on it. **His company has both serviced apartments and hotel businesses**, but it is best known for its handling of heritage assets.

Its approach can be seen at The Registers in Edinburgh, where 42 St Andrew Square – a 1940s building – is being incorporated into a scheme that will deliver 61,000 sq ft of office space, 5,000 sq ft of restaurants and bars and 50 serviced apartments.

So at a time of uncertainty in Scotland, what is the secret to Stewart’s success?

Stewart insists his company is not a heritage specialist and that its expertise is primarily in “reimagining” spaces. “We’re great fans of contemporary design and contemporary architecture,” he says. “Heritage is just a context we’ve got to work within. We need to have a contemporary use and output for the building.”

Retaining heritage

Chris Stewart Group is careful to retain the heritage of each building it redevelops by keeping as much of the exterior intact as possible while creating an interior that is fit for modern purposes. Photos of the buildings’ pasts are hung on the walls and rooms are renamed to reflect their histories.

For example, its Courtyard by Marriott hotel development in Edinburgh incorporates three townhouses, one of which was the home of Robert Stevenson, grandfather of novelist Robert Louis Stevenson.



Chris Stewart

“He was a pre-eminent lighthouse engineer – the first guy to work out how to build lighthouses in the middle of the sea,” says Stewart. “So we’ve embraced that theme. We’ve worked with the Northern Lighthouse Board and we’ve changed the Marriott brand standard artwork to [incorporate] his old engineering drawings. But it’s a contemporary, up-to-date hotel.”

He makes it sound easy when it’s anything but. Stewart blames perennial problems with the planning system largely on central government funding cuts, which have left local authorities strapped for cash.

However, he hopes the situation will improve now that local authorities have been allowed to increase their planning fees.

“We welcome that if there’s a significant increase in resource,” he says. “No serious developer wants to sit in a two-year planning process. We want to see the resource applied and the people paid the appropriate wages.”

Changes will “take time”, but he believes there is an appetite within all UK cities to improve the process. “It’s not as if heritage buildings aren’t being developed or bought – it’s just taking longer to get things done,” he says.

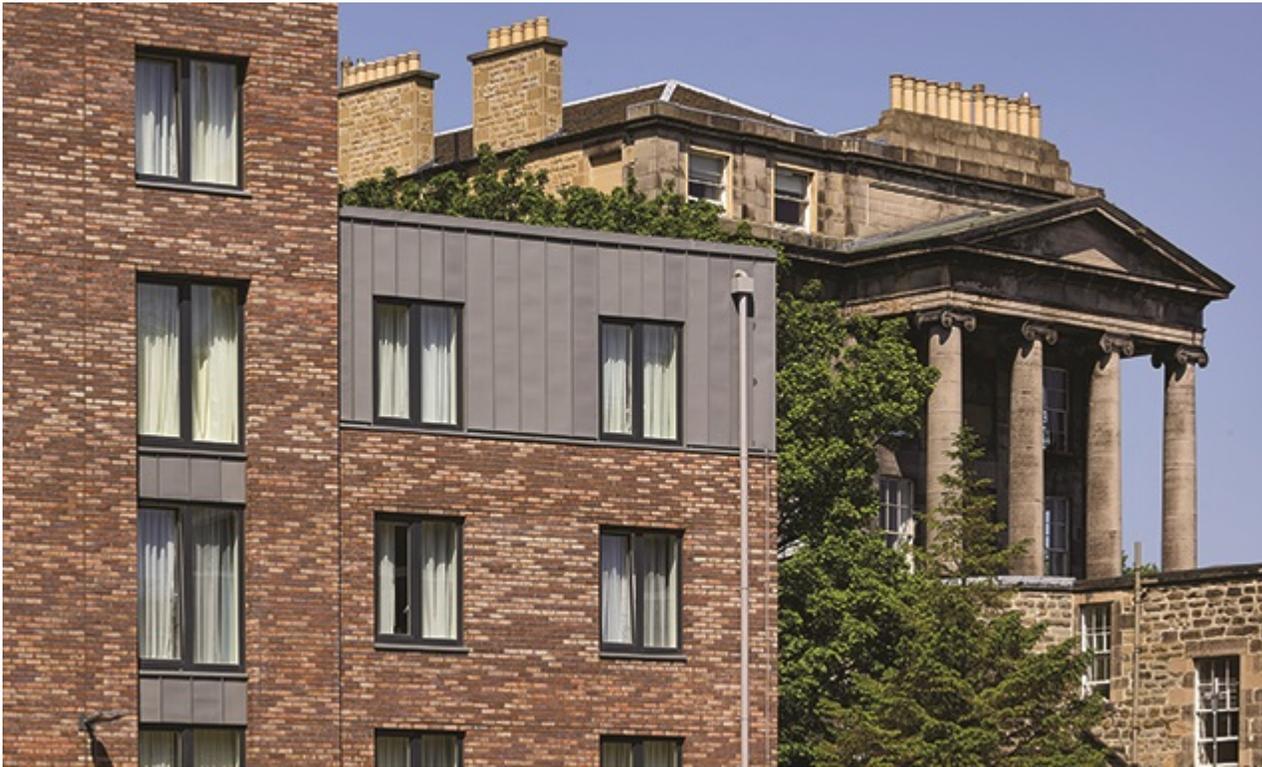
The modern extension at the rear of the Courtyard by Marriott

Perhaps a bigger issue than planning is land values. Redeveloping listed buildings can be expensive and outside places like Edinburgh and London – where Stewart says he’s targeting future acquisitions – it’s hard to make the end uses stack up.

“How can you reimagine those assets if you don’t have the values at the back end to support them?” he asks. “There are dozens of examples of buildings either at risk or with no viable use relative to values.”

Developers often accept a loss on heritage buildings, subsidising that by developing new, profitable schemes on the same sites or elsewhere. Stewart gives an example: “On our site on George Street in Glasgow there are two listed buildings [in need of redevelopment] as well as need for significant new-build on the balance of the site.

That new-build element is very much needed to offset the heritage.”



Add Brexit – as well as the inflationary impact on

construction costs – and these challenges make it difficult for many developers to engage in heritage development.

Limited resources

Stewart feels that just as the knowledge base has shrunk in planning departments, so it has among developers. There just aren't enough people in the market willing and able to regenerate old buildings, he contends.

“There is not enough scale of opportunity for people to take on the resource that they need to be able to have,” he says. “They need that in-house knowledge to properly deal with it. Each [asset] has its own particular issues, its own history, its own challenges, and I just question whether there's enough depth in the market to provide the answers.”

Greenside, a new office building within a 30-year-old shell in Blenheim Place, Edinburgh

However, Stewart's business would seem to have those answers. It not only has the in-house expertise to regenerate complex sites, it is also structured to take a long-term view, holding and managing its assets to generate a stable income stream.

“Sometimes the market can throw up lots of parties that are keen to transact but once it gets to the detail they realise they aren't set up to do it,” he says. “It's taken a long time to get our business to a place where it's set up to deal with those challenges.”

Still only 41, Stewart has achieved an awful lot. As well as starting and building a successful business in a tough sector, he's a former chair of the Scottish Property Federation – and now vice-chair – **and chairs the Scottish Real Estate Forum**. Does he ever wish he had taken a slightly easier route – one that doesn't involve working with complicated assets?

“No,” he says. “My interest is not in turning assets. We don't flip stuff. It's about having the confidence in our balance sheet to build long-term value in prime locations rather than going in and out of something in a short period of time. And it's an interesting business – we're never bored, we're always doing something interesting and we work with great material. There are always frustrations with the process but we expect those and know how to deal with them.”

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