

KEEP A LEVEL HEAD

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August is supposed to be silly season when nothing much happens. Politicians and the City's finest flee en masse to their holiday retreats and the newspapers are crammed full of the kind of stories that are barely good enough to wrap fish and chips.

So what is going on? Riots; more than £62bn wiped off the FTSE 100 in a single day; wild warnings of global economic Armageddon.

It is as if Jack's ham-fisted giant has been wakened from slumber to discover his beloved golden harp has been swiped before meeting his death in a heap at the bottom of the beanstalk.

We all know Jack's giants who fell victim to the 2008 credit crunch; those who thought summer would never end and failed to protect themselves against a raft of scenarios, remote or otherwise, running headlong into disaster.

The big problem has been lack of real leadership and indecisiveness at European level and lack of US resolve.

But within good and within bad lie opportunities for those with both brains and nerves of steel to think them through. Deutsche Bank recently urged clients to expect a compelling buying opportunity for real estate stocks once the euro became sufficiently in danger for Germany to take radical action, forcing effective fiscal union within the eurozone.

A report by LaSalle Investment Management at the halfway stage in 2011 identified "very specific nodes of opportunity" in the UK "through property tied to infrastructure improvements (Crossrail), shortage of office space in some central London sub-markets, and a general play toward 'manufacturing core'".

It said resolving issues in partially-leased assets or assets needing refurbishment was especially attractive across Western Europe, given the relative strength of capital market demand for fully-let attractive properties.

One of the key events this summer has been the unveiling of the draft National Planning Policy Framework which has won widespread backing from the property industry and could be just what developers need.

Land Securities' chief executive Francis Salway described it as "refreshing" while Chris Grigg, chief executive of British Land particularly welcomed the presumption in favour of sustainable development.

The framework, out to consultation, consolidates thousands of pages of planning policy into a single 52-page document designed to expedite the planning process and establish a clear policy in favour of development and economic growth.

It is crucial ministers keep their nerve and do not cave in to the noisy lobbies, such as the National Trust and the Campaign to Protect Rural England, protesting about the presumption in favour of sustainable development.

Headlines such as 'Britain risks becoming giant building site' are sensationalist and have no bearing on the truth.

Retail guru Mary Portas will shortly deliver her verdict on the British high street and therein lies a huge opportunity as long as she delivers a tough line and the government acts on her findings.

Meanwhile, beacons of hope lie ahead: next year's Olympic Games will be a huge boost to the economy no matter what the detractors say. Memories of the riots will hopefully have faded and Britain will be basking in the feel-good factor as long as we are not found wanting on our transport infrastructure – a potential Achilles heel.

The Olympics will be like a Ferrari showroom, a showcase of what Britain does best – a magnet for the potential investors of tomorrow.

Cash will continue to pour into London for top quality retail assets and prime homes.

And once the real recovery starts, the rest of the country will feel the benefits. For the recession never ended....we are just into its new phase.

Recovery will come soon enough if we learn the lessons.

And those who keep a level head will emerge the other side in good shape to make a killing.