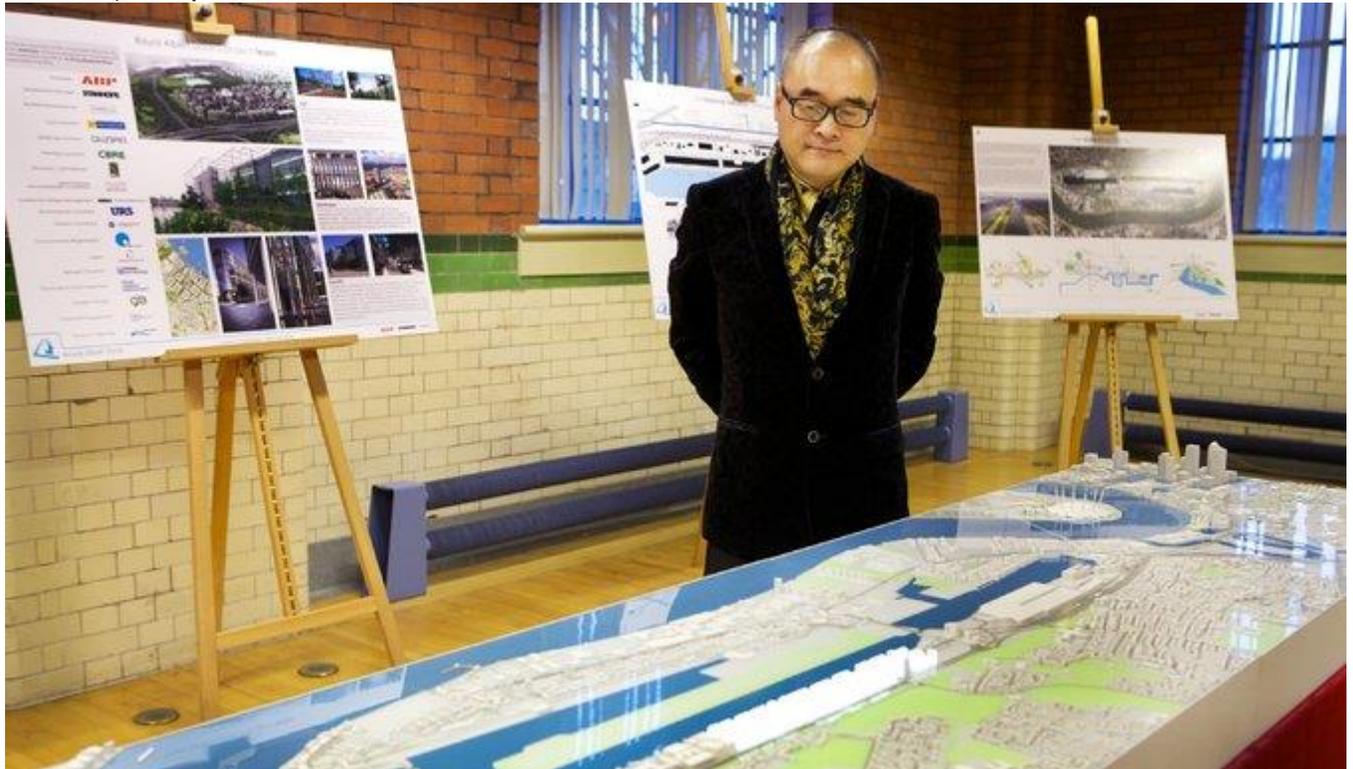


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Chinese Developer Envisions a Future for Abandoned London Docks

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Xu Weiping, with a model of the Royal Albert Dock plans. Hazel Thompson for The New York Times

LONDON — Known for ambitious plans in China for business parks the size of cities, Xu Weiping says he cannot wait to start work on his first project abroad: turning an abandoned London dock into Europe’s main hub for Chinese companies.

“I’m a man with a vision and the ability to turn my dream into reality,” said Mr. Xu, dressed in a yellow-and-white Versace shirt, a black velvet jacket and patent-leather shoes with gold buckles.

Mr. Xu last year agreed to invest \$1.6 billion to turn London’s derelict Royal Albert Dock back into a vibrant global trading hub. But instead of ships he is betting on Chinese companies that are seeking a foothold in Europe.

Mr. Xu said that more than 60 Chinese businesses, many already tenants of his empire in China, have signed up to take space in the development, about nine miles east of London's city center. Construction on what is planned as 4.5 million square feet of office space, to be done in phases through 2022, could start as soon as this summer.



Mr. Xu of Advanced Business Park, in gray suit, toured the Royal Albert Dock site in May. His plans call for redeveloping the site into a business center. Dan Kitwood/Getty Images

The plan has the backing of Mayor Boris Johnson, who welcomed the investment. Lying untouched since the dock closed in 1981, a hundred years after it was built for ships too big to dock farther up the Thames, the site is one of the largest undeveloped areas in London and has been a major headache for the city.

Despite the initial investment, questions remain as to whether the project will succeed. Other plans for the area have failed, and some officials question how many local jobs the Chinese investment will create. Alex Foshay, a partner at the real estate agency Knight Frank in London, said he did not think Mr. Xu would have any problem filling office space. Rising demand from tenants as Britain's economy recovers, combined with a backlog of planned developments, is pushing up rents and creating a shortage of supply, he said.

Standing on the Docklands Light Railway platform at the Royal Albert Dock station, it is hard to imagine that the windswept patches of grass, parking lots and concrete walkways below could one day be a bustling business center with restaurants, residences and a hotel.

The area benefits from a large waterfront, an advantage when attracting Chinese companies because of its importance in feng shui, which holds that water can help the flow of energy. It is also a 10-minute train ride to the Canary Wharf financial district.

Mr. Xu's business park is unlikely to face much opposition from neighbors, mainly because there are none. The existing residential developments are separated from the site by a busy highway, and many residents would welcome anything that would bring restaurants and stores to the area.

"It's wasteland now, so it can only get better," said Kelly Newsome, who has lived in the area for more than four years. "If the project will create jobs and inject money into the area, that would be very welcome."

Mayor Johnson has said that Mr. Xu's plan would eventually add 6 billion pounds, or about \$10 billion, to the British economy and turn what was once one of "the throbbing arteries of U.K. trade and commerce" into "a world-class international business district."

Mr. Xu said his company, Advanced Business Park, would provide 30 percent of the \$1.6 billion investment to construct offices and public and retailing spaces. The rest would come from investors, banks and the presale of office units. The government plans to sell Mr. Xu the 35 acres of the Royal Albert Dock, though the sale price was not disclosed. The development, being in what is now a derelict zone, is eligible for tax advantages.

But some of Mr. Johnson's critics have branded the project the latest example of what they see as his willingness to sell parts of London to the highest bidder too easily. Just west of the Royal Albert Dock, Mr. Johnson struck a sponsorship deal with the airline Emirates for a cable car across the Thames in 2012 and secured funds from Abu Dhabi for the ExCeL London conference center in 2008.

The Financial Times reported last year that questions were raised in China about the source of Mr. Xu's finances for his developments and his links to the Chinese government.

In an interview, Mr. Xu dismissed accusations of close government ties and said he made his money designing knitting machines and other appliances before setting up his real estate company.

Advanced Business Park owns a business complex in Beijing and has two similar projects under construction. An additional project in Hangzhou Bay, close to Shanghai, is planned to be the size of central London, including a green space the size of Hyde Park.

Mr. Xu's London plan is by far his smallest, but it comes with challenges. The airplanes taking off and landing at London City Airport just across the water interrupt any calm the waterfront might create. The council of the borough of Newham, which is in charge of the area, has imposed strict rules about a timetable for the construction and how many local jobs the project must create. Previous projects for the area, which included a floating village, failed because they fell afoul of local rules and ran short of developer financing.

Sitting in his temporary office in the Royal Albert Dock, in a former storage space designed to keep beef shipments from Argentina dry and cool, Mr. Xu seemed unfazed. Speaking through an interpreter, he said he was not worried about Britain's bureaucratic hoops to gain building permission. "There is more structure in the U.K. system," he said with a smile. "But the council of Newham is adapting to our speed."

Mr. Xu said his company expected to get planning permission in the coming months and to start construction of the business park this year.

Patricia Holland, a member of the Newham council, said Mr. Xu's planning application was getting a good reception. Newham, a relatively poor borough that has been struggling to reduce unemployment, said it expected the project to create 20,000 jobs and increase employment locally by 30 percent. Some residents have questioned whether the new Chinese neighbors will indeed seek to employ local staff members without Mandarin language skills.

But Ms. Holland also said residents were excited that the project would turn into "something that has more soul because people will care more about it, just like Canary Wharf."

Chinese companies that pledged to take offices in the Royal Albert Dock include the Eve Fashion Group, a male fashion brand; the China Water Group, a water and sewage treatment provider; and the Guangyao Oriental Group, a real estate development company.

Even if the project goes ahead as planned, such regenerations can take decades to be successful, said Michael Edwards, a senior lecturer at the Bartlett School of Planning of University College London.

Canary Wharf's initial developers went bankrupt in the commercial real estate collapse of the 1990s. It took decades and large sums of government investment to improve transportation links to attract the global businesses that now provide more than 100,000 jobs.

Mr. Xu said he was attracted to the Royal Albert Dock because it fit with his company's strategy of acquiring land just outside major city centers. As cities grow, the properties will eventually become part of them, he said. His hope is that Canary Wharf will eventually expand eastward and link up with the Royal Albert Dock.

But he said he was also attracted by the history of the site and the link the docks established between Europe and Asia. The Royal Albert Dock opened in 1880 and included warehouses and granaries that lined the quays, storing imported goods before they were delivered farther into London. The docks survived heavy bombing by the Germans during World War II but succumbed to transportation innovation when merchants started using larger container vessels that no longer entered the docks. The docks finally shut in 1981.

A history buff, Mr. Xu said he was seeking to revive the dock's importance. "In the 19th century, the docks were an important trading connection between Asia and the U.K., and it made a good contribution to the economy of Europe," he said. "There is a new, highly educated generation of Chinese people now, and through this generation we can bring together the cultures of the West and East."