

Right place, right time

INTERVIEW WITH XU WEIPING

CHAIRMAN, ABP



XU WEIPING is the Chairman and founder of ABP, a forward-thinking Chinese property development company with projects in Beijing, Qingdao, Shenyang and Southern Yangtze. In May 2013, ABP signed a development agreement with the Greater London Authority to invest £1 billion to build the 4.7 million square feet site at London's Royal Albert Dock into the capital's next financial district: the first Asian Business Port in Europe, and the company's first overseas venture.

Sir Terry Farrell, Architect and Founder, Terry Farrell & Partners, Eric Pickles, Secretary of State for Communities & Local Government and Xu Weiping, Chairman of ABP

What first attracted to you the UK, east London and the Royal Albert Dock as an investment opportunity?

When I first came to east London seven years ago it seemed a desolate place; there was only one building on the Royal Albert Dock site, and I was told that the developer at that time had deserted the place because they were unable to continue with their project. But I saw the potential. I could see there was a very well developed transport system here, with the Docklands Light Railway (DLR) and London City Airport, and that Crossrail would arrive in just a few years. I looked into the future and saw there was much value here; that was the reason why I decided to come to Royal Albert Dock.

How would you describe your experience of dealing with the local and regional authorities on the project so far?

Around that time I started to have discussions with the London Development Agency. I found them very professional, and although they had many rules and regulations to follow they were always practical and down to earth, and responsive to investors like me.

You have described your business model for the Asian Business Port project as a "real estate revolution". How does it differ from other development schemes?

I am saying that that there will be a revolution in real estate here for a number of reasons.

Two centuries ago the United Kingdom created the world's first industrial revolution, and this transformed the UK economy. At that time China had a rural economy and we were a long way off from creating an industrial economy. However, over the last three decades the Chinese Economy has developed rapidly, while the last two financial crises have dealt the UK and Europe a severe blow. China's experience has been very different, which is why ABP is now able to be one of the leaders of the new wave of Chinese investment coming to Europe.

The UK approach to real estate has been very traditional, with much of it concentrated on city centres. The problem with city centre development is that becomes a victim of its own success, with commercial development crowding out residential space, constricting the flow of transport and thereby increasing pollution. It



also does not allow room for expansion. I believe that Royal Albert Dock represents a departure from this traditional model. We are putting a lot of emphasis on people and the quality of life they will have, as well as on the purely financial cost of the development.

London already has two highly successful financial districts in the City and Canary Wharf. What competitive advantages can you offer to tempt local firms to jump ship?

We are different. Ours is the only development specialising in headquarters buildings for companies from Asia and Europe. Together with Canary Wharf and the City we will make London a truly global business city. We have many advantages, we are next to London City Airport and so business executives at Royal Albert Dock can be in Europe in less than an hour and back at their desks in London the same day. Certainly, the cost of our location and our operating costs will be much lower than the City of London or Canary Wharf.

There is a neat historical symmetry in siting an Asian Business Port in a district that was once home to London's original Chinatown. What arguments are you using to attract Chinese and other Asian companies to sign up, and what has been the reaction so far?

Chinese business leaders take a long-term view, so they can see the clear advantages of Royal Albert Dock compared to other locations. When they establish their headquarters here, they will not just be their

UK headquarters but their European headquarters, and they can see how our development will give them strong commercial advantages, not least in terms of its air transport links.

We recently held a business conference at Royal Albert Dock with business leaders from Europe and China; several hundred people attended and they showed great enthusiasm for our project. Our concern is that we may not have enough offices for all of them!

What kinds of companies are you actively targeting, and how will the site be tailored to meet their needs?

We want to attract high-quality businesses from China, from the rest of Asia and Europe across a range of sectors, including high tech, science, innovation technologies, finance, etc. But our development will also have a strong emphasis on culture, art and leisure for those business people working here. We will create a great environment in which to do business. More than that, our development is very open, and local people will be able to stroll along the waterfront and enjoy the landscaped areas and public squares.

How do you intend to finance the project?

Regarding funding, not one penny will come from government or State-owned organisations. Thirty per cent of the financing will come from our own investment and the remainder from banks and private investors. We have plenty of funding to complete the project. 

ABP has ambitious plans to ride the wave of new investment flowing into Europe from the East



Xu Weiping, Chairman of ABP (front left) and Mayor of London, Boris Johnson (front right) sign the £1bn Royal Albert Dock development agreement at City Hall, London, 29 May 2013. Also present are Communities Secretary Eric Pickles and China's Ambassador Liu Xiaoming