

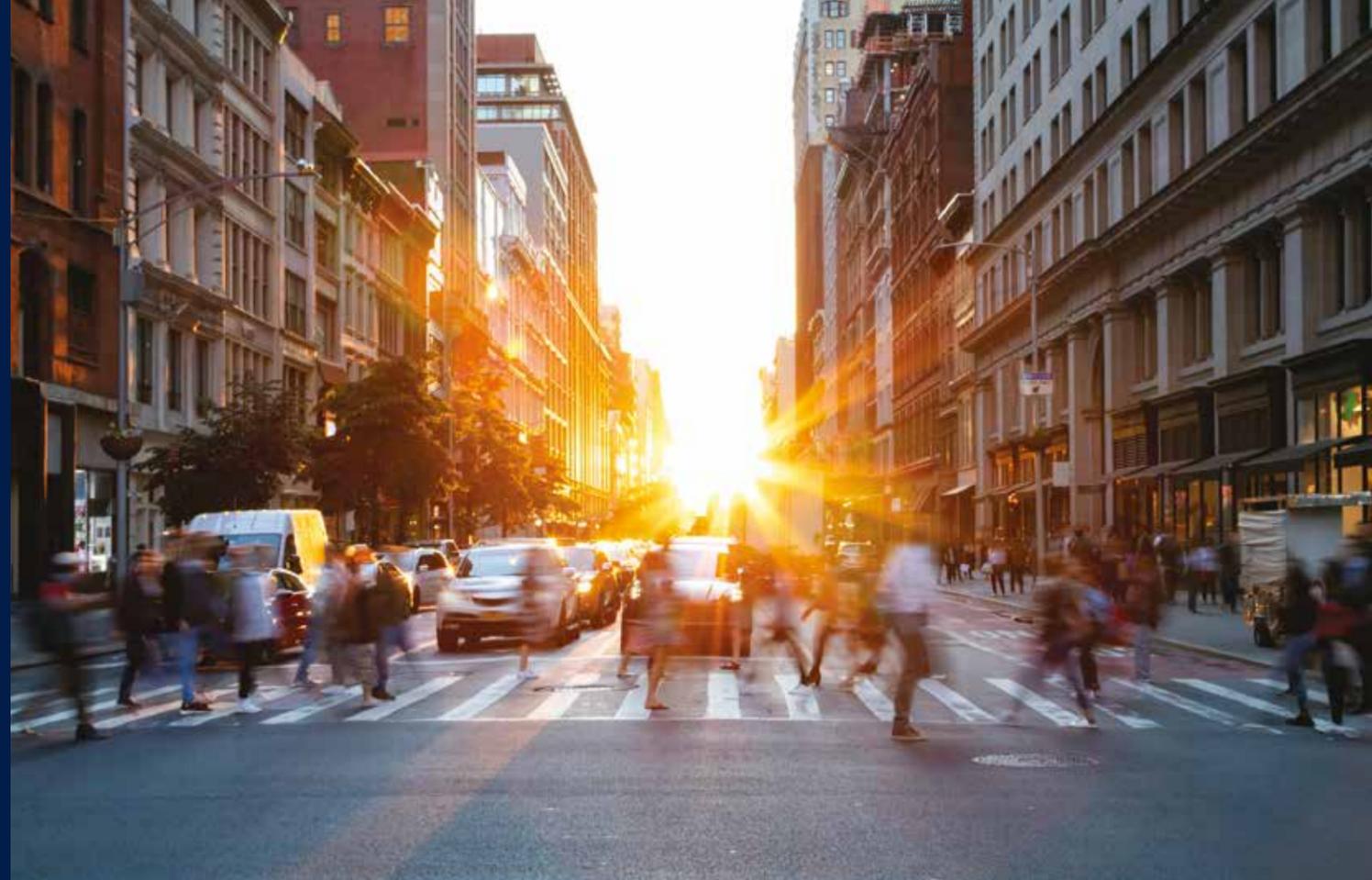


BIRMINGHAM CITY  
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# PLACEMAKING: PROCESSES AND PRACTICES

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In recent years, the concept of placemaking has enjoyed a great deal of attention across built environment disciplines, city authorities, property owners and between citizens. While there is no single, widely - accepted definition of placemaking, it is generally understood as a process of remaking – or making new – urban spaces to make them more attractive, distinctive, and to generate value.

### “PLACEMAKING AIMS TO MAKE BETTER PLACES”

To be more precise, placemaking aims to make better places. Yet, such a definition is problematic as many questions still remain open: how does placemaking take place and for whom? Who are the actors involved and what are the entailed related activities and goals? Moreover, how can elusive concepts like ‘attractiveness’, ‘worth’, ‘distinctiveness’, or ‘sense of place’, subject to so much interpretation, be translated into some kind of practice in contemporary cities?

### “MULTI-FACETED NATURE OF PLACEMAKING”

The following articles recognise the multi-faceted nature of placemaking and the fact that it can be driven by a variety of competing forces (physical, political, economic, social, environmental), agendas, and actors (public, private or communities) aiming to regenerating a space within an urban landscape. It also appreciates that at the core of placemaking processes and practices are long-established debates around different conceptualisations of what constitutes/defines a place. Although the authors often write of ‘towns’ and ‘cities’, we recognise that these concerns affect all forms and scales of physical development, from urban centres to suburbs and rural villages.

This report is targeted at property owners and managers, developers and designers, and city authorities. It summarises key issues and debates in order to demonstrate the range and interconnectedness of the problems we face in creating better places.

“PLACEMAKING NEEDS TO ENCOURAGE INCLUSIVITY WITHIN COMMUNITIES”

“PLACEMAKING ADDING SOCIAL VALUE TO EXISTING COMMUNITIES”



# PLACEMAKING – PROCESSES AND PRACTICES:

Associate Professor Silvia Gullino

Urban places are intended as physically open (that is, not bounded or physically limited), outward looking, adaptable, and socially inclusive environments. Most of all, places are considered as perpetually defined by the social processes that take place in/through/because of them, rather than considered static entities fixed in time. Hence places are never finished. As such, the making of places is as much about ongoing processes as about the 'final' outcomes.

Contemporary urban practices show that there is not one single way of approaching placemaking, and that failing to recognise such complexities would lead to simplistic solutions. Placemaking processes and practices are complex and operate in multiple ways. This includes a great variety of spatial scales (from large- to small-scale developments) and temporal scales (the pop-up shops over the designed stores), legal frameworks (from the formally approved developments to informal ones) and global/local approaches (top down strategies and bottom up tactics).

“THE MAKING OF PLACES IS AS MUCH ABOUT PROCESSES AS ABOUT THE 'FINAL' OUTCOMES”

Such a variety of options and configurations requires some reflection in order to identify some of the important, leading features of placemaking. This section highlights four fundamental and transformative factors/dimensions for placemaking in urban development processes, which relates to: a wider range of urban spaces, re-connecting places with the surrounding urban context, encouraging inclusivity in communities, enhancing publicness.

- i. Towns and cities can be considered as more than a series of spatially discrete spaces and buildings. They are kaleidoscopic environments defined by a variety of vital movements and rhythms. By considering cities and places as the outcome of people's movement, placemaking should take up another challenge by offering to reach for, and focus on, a much greater variety of spaces: not only focusing on the conventional 'in between buildings' (square, streets, green and open spaces), but also valuing spaces of movement, as fluid dimensions that run in between spaces of community, such as stations, streets, canals, streams and rivers.
- ii. When placemaking focuses on a specific local site, it should not be seen as operating in a discrete space failing to relate to the surrounding urban context. Places are defined by wider dynamics at city, regional, national and even global scales.

- iii. Within public and private partnerships, local communities should be part of urban transformation processes through their involvement in effective and long-lasting collaborative approaches, rather than just being the final users. Places should be designed with and for people, and should serve local communities not only specific urban developments. Such an inclusive approach would lead to a greater, and more broadly shared, sense of attachment and place.
- iv. Placemaking processes and practices should enhance a greater sense of publicness in urban spaces, in order to allow a diversity of people to feel attracted to them, even to be drawn into them, and to maximise their use and ensure their liveliness. Placemaking should have a civic role within urban transformations and add social value to existing communities. Places should be open and democratic, with their uniqueness deriving from any type of relations occurring in them.

In summary, the processes and practices offered by placemaking can create more attractive and unique places, well connected to the surrounding urban fabric and into which a great diversity of people feel naturally drawn.

# PLACEMAKING AND SHRINKING CITIES:

Associate Professor Claudia Carter



Growth, and specifically 'economic growth', has become a dominant focus in many countries, including the UK. Rapid urban expansion along with the emergence of mega cities and 24-hour cities are now familiar concepts. Past growth-oriented government policies have supported the interests of business and commerce; and large globally-operating industries and financial institutions have gained significant influence over national policy directions and local development decisions. Cities are seen as catalysts for economic growth in a region, acting as a hub for services provision, employment and nearby residential suburbs.

While 'enabling sustainable growth' is a widespread mantra and making cities sustainable a familiar policy goal, a critical investigation into the actual positive and negative impacts of the majority of economic development witnessed over the past 50 or so years exposes this as a nice-sounding rhetoric rather than reality. Or at least the actual benefits tend to be more sparse and divisive: the biggest benefits largely go to a few, creating 'profit' rather than wellbeing and also resulting in considerable cumulative 'externalities' which are increasingly hard to ignore, such as massive losses in biodiversity and widespread soil, air and water pollution all of which undermine human wellbeing and fundamental life functions.

## "PLACEMAKING MEANS USING EXISTING SPACES MORE EFFICIENTLY AND EFFECTIVELY"

Less well known, and hardly talked about in the UK, there have been counter economic models, movements and actions, such as 'degrowth', as development needs to focus more on 'health and wellbeing' of the wider population. Here the concept of 'sufficiency' becomes key. In the housing sector, for example, adopting a sufficiency lens would shift attention from new construction to using existing spaces more efficiently and effectively; however, sufficiency policy goals should positively contribute to social wellbeing and not lead to approving windowless small box rooms as suitable living or sleeping spaces.

How could we 'de-materialise' and achieve 'true' sustainable forms of placemaking? These can include quite radical but also many accepted and already re-emerging processes and provisions. For example, the introduction of in-between leases or longer-term low-cost/rent-free uses of vacant buildings and sites for more community oriented (and possibly not for profit) businesses in the high street and on high-vacancy industrial or semi-derelict sites; and encouraging more local enterprises that train and employ marginalised people, such as therapeutic gardening ventures which may be linked to small cafes and restaurants. Small local craft / product businesses and repair shops are cropping up again and some (big) firms are realising that producing fewer, but better and longer-lasting goods will be more economical and can still balance accounts. Locally fair and 'slow-produced' goods may become more expensive per item, reflecting 'actual' cost rather than what society has become used to on price tags; but by needing less and goods lasting longer, that approach is overall far superior ecologically and socially.

## "HOW CAN WE 'DE-MATERIALISE' AND ACHIEVE 'TRUE' SUSTAINABLE FORMS OF PLACEMAKING?"



## "TRANSITIONS AND TRANSFORMATIONS TAKE TIME; THEY REQUIRE POSITIVE COMMUNITY-ORIENTED PLACE-MAKING VISIONS AND SUPPORT"

Considerations of degrowth also apply to the form and extent of some towns and cities. This is sometimes labelled 'shrinking cities' and Detroit (USA) is probably the most famous example. It has also become a more common phenomenon in Europe; for example in Germany's states of Saarland, North Rhine-Westphalia and Lower Saxony. What to do with derelict buildings, ageing infrastructure and how to deal with the loss of conventional employers and jobs?

In response to high unemployment and outmigration of especially the younger generation, some cities have invested heavily in active transport provisions so that travelling is cheap and convenient for the majority of people. Other trends are to embed urban agriculture and urban forestry which increases basic food provisions and creates a healthier environment (especially for the Ruhr Valley which was an industrial hotspot with a legacy of polluted brownfield sites). Such transitions and transformations take time; they require visioning and support for a positive post-industrial and post-service orientated more self-sufficient, community-oriented place-making to maximise benefits. Urban living may eventually become sustainable.

# PLACEMAKING AND LEGAL FRAMEWORK:

Amanda Mundell LLM

There are many theories about what makes a “place” rather than a “development space”. Foremost is an appreciation of markets and legal frameworks within which these places are formed. Challenges include the supply of appropriate land, competing demands for that land, planning policy frameworks and processes that seek to deliver a quality structure.

## “PLACEMAKERS NEED AN APPRECIATION OF MARKETS AND FRAMEWORKS WITHIN WHICH THESE PLACES ARE FORMED”

Coupled to these specific aspects, a prerequisite should demonstrate a benefit to the local community alongside identifying positive effects on the environment. By creating a ‘place’ the value can generate a desired investment return. The success or failure of placemaking needs to be considered not only through the legal, social and environmental lens but also through its economic effects including measures of performance.

At the heart of the development process is the legal and policy framework within which development stakeholders operate. The legal framework underpins the different stages of a scheme: from land acquisition and the considerations at pre-construction feasibility phase through construction to disposal and the requisite ongoing estate management.

Within the development feasibility stage, developers in collaboration with planners, local communities, and landowners can seek to provide a strategy for an area by creating the places that people need and want to occupy. This proactive approach can create social and economic value.

In saying this, planning systems can restrict the ability of stakeholders at the forward planning stage as they can only review those sites that are actively put forward for development by landowners or their development partners. This is not only an issue facing the local planning authority as developers and communities experience similar issues.

## “PLANNING POLICY IS, BY ITS VERY NATURE, OPEN TO INTERPRETATION”

At the planning policy and planning application stages, local authorities should prioritise placemaking in the development of their area through:

- i. Appropriate evidence-based policies in the statutory development plan which fulfil the needs of their communities.
- ii. Requiring sufficient details on planning applications to enable the proper planning of an area, for example: submission of a masterplan for phased developments to ensure that a holistic view can be taken to facilitate creation of place and prevent piecemeal development.



- iii. Providing additional guidance to stakeholders outlining the vision and requirements for particular areas in documents such as area action plans, design guidance, gateway documents, green corridor requirements etc.
- iv. Placing an emphasis on meaningful community engagement.
- v. Ensuring that the vision for the development is not “watered-down” during the planning application process and that conditions attached to the planning consent are met.
- vi. Ensuring that a fair contribution is made from the development to enable the necessary infrastructure to support the development to be provided.

Planning policies in a placemaking context can be problematic as they are open to interpretation by stakeholders and includes planning officers. Potential ambiguities inevitably lead to challenges being instigated either through the planning appeals process or on a point of law through judicial review.

The planning process can however be a positive tool ensuring that a coherent vision for an area is put forward by the developer, and endorsed by the local planning authority by virtue of it granting of consent. This offers an opportunity for collaboration between the parties. Local planning authorities have powers to enforce the delivery of the development as approved and to rectify any breaches of planning control, ensuring that the vision of place is maintained.

## “THE QUALITY OF PLACE CAN BE MAINTAINED THROUGH THE USE OF LEGAL TOOLS TO PROVIDE A DEGREE OF CONTROL AND TO FOSTER A SENSE OF COMMUNITY”

The National Planning Policy Framework sees this ‘carrot and stick’ approach as important in ‘maintaining public confidence in the planning system’. During and following completion of a development, the local planning authorities, developers, landowners and the community can also ensure that the quality of place is maintained through the use of legal tools such as restrictive covenants, s.106 agreements and stewardship schemes to provide a degree of control after disposal and to foster a sense of community ownership.

In summary, considering the development process, it is essential to give due consideration to the legal framework that will surround the project from the initial stages of land acquisition through to disposal and beyond. It not only imposes restrictions on landowners, developers and the community about what development can take place but also creates the structure within which stakeholders can ensure that the needs of a community are established, that appropriate quality developments are brought forward to meet those needs and that the qualities of those developments are maintained for years to come.

# PLACEMAKING – CHANGE AND CONSERVATION:

Professor Peter J. Larkham

The urban landscape is a vital placemaking element as it provides the setting for our lives. This landscape, the physical form of a built-up area, is a series of features of various scales – from streets to plots, to the buildings standing on those plots, the architectural features making up those buildings, and the open spaces and vegetation on and around the plots and buildings.

Arranged in many patterns, the urban landscape shows different characteristics of countries, climates, cultures and periods. An English Georgian city looks very different to a twentieth-century garden city, even though that might use some aspects of Georgian architectural details (compare Bath and Hampstead Garden Suburb); and Georgian Cork looks more like Amsterdam, with much larger windows than Bath, because the trading patterns of that period brought both fashion and brick ballast from the Netherlands to Ireland.

Any place is, therefore, a mix of these features, depending on its dominant period of construction, and what has happened to it since then. Places are shaped by the ideals, fashions and aspirations – as well as the technologies and wealth – of the people and societies that first built them and then subsequently lived in, and adapted them.

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**“PLACES ARE SHAPED BY THE IDEALS, FASHIONS AND ASPIRATIONS AS WELL AS THE TECHNOLOGIES AND WEALTH”**

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More often a place may remain little-changed if subsequent generations value its qualities highly enough to keep them, or ‘conserve’ them. But all places change. The rate of change differs from time to time and place to place. Sometimes it is very rapid, even catastrophically so – sometimes after a genuine catastrophe such as fire, war or natural disaster.

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**“PLACES MAY REMAIN LITTLE-CHANGED IF SUBSEQUENT GENERATIONS VALUE ITS QUALITIES HIGHLY ENOUGH TO KEEP THEM, OR ‘CONSERVE’ THEM”**

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Often, though, there are long periods of very little, small-scale, changes – and so, for example, many of our cities have exactly the same buildings as when the place was laid out twenty, fifty or even a hundred years ago: but they may have been extended, fitted with heating, double glazing, air conditioning, and basements converted to car parking spaces.



**“WE CAN LEARN LESSONS FROM PAST URBAN LANDSCAPES AS WE MAKE NEW PLACES”**

Using the characteristics of urban landscapes we can study any place and identify these urban patterns, usually in terms of the ‘character’ and ‘appearance’ of the place. Every place had character, even if it is boring, monotonous, or ordinary. The regular grid streets of Victorian bye-law terrace housing are usually seen as monotonous, and inter-war speculative semi-detached suburbs as bland and boring. But, on close inspection, there are often architectural details varying from house to house, and their gardens and their walls, hedges or fences will usually differ. So instead of sweeping generalisations about the character of, for example, all inter-war suburbs, we could look at any one suburb and subdivide it into small-scale areas of similar, but different, character – this can help to generate place-identity, and even policies for managing or improving quality.

When analysis of urban landscape characteristics is linked to people’s preferences, or even to psychological characteristics, we can understand places even better. Narrow streets, lined with tall buildings, are seen as psychologically threatening by many people, especially if they are badly lit at night.

Different surface features, such as cobblestones, tarmac, paving slabs or stone slabs can identify places and help in wayfinding; but some uneven surfaces, however historic they might be, can be very difficult for some people, for example wheelchair users or those with impaired sight. Open spaces in a built-up city centre can be good locations for markets and events, but can funnel winds and rain, and become unpleasant. Underpasses and blind corners can hide potential attackers and become sites of fear and violence. Unobstructed views of major features can create interest and identity, but winding streets and partial views can create anticipation.

The urban environment can have significant effects on our health, both physical and mental. It can provide spaces for movement, exercise and enjoyment. Parks and other green open spaces are known to be beneficial in facilitating exercise, exposure to sunlight and promoting closeness to nature. Well-designed planting, including street trees, can reduce noise and particulate pollution, slow wind speeds, produce visual and olfactory stimulation, and contribute to biodiversity. This can be taken further with using space for food production, again providing exercise and mental stimulation together with some, albeit small, contributions to food security, healthy diets and sustainability.

Conserving valued aspects of urban form, from street layouts to individual structures, contributes to mental wellbeing in terms of stability, sense of place and place-identity, and familiarity: it is said that “familiarity breeds contentment”. Landmarks, whether prominent structures or small and familiar ones, facilitate navigation around complex and large urban environments.

Knowing all of these issues helps us to learn lessons from past urban landscapes as we make new places. We can identify what worked and why; what did not work and why; and, using our knowledge of today’s values, we can create better places. Even where societal and sustainability imperatives might force higher urban densities, better places would result from providing green and blue spaces, growing spaces, sufficient visual variety and landmarks to be characterful and memorable; and avoiding threatening spaces. But, although we might wish to design for the long term, we should provide flexible and adaptable buildings, spaces and places; for future generations may need different things.



# PLACEMAKING AND CONNECTIVITY:

Mike Grace, Research Fellow

Cities offer dynamic and continuously changing landscapes, even more so in the future, as the United Nations (2018) forecasts over 68 % of the world's population will be living in an urban context by 2050. The quality of life for and engagement of these urban citizens is a key concern for policy makers as they pursue local place-based initiatives to optimise the performance of cities and their sustainability credentials.

In the past, policy makers approaches have unfortunately created competing resourcing sectors; demands of public health, water, housing, economic growth, green infrastructure, biodiversity and climate change. These are often addressed within separate sectors and so they lead to 'silos' with policy misalignment with a consequence of inefficiency or even disintegration. An approach that adds value can be identified through the combination of new technologies and a potential new governance frameworks. This offers benefits to urban citizens beyond the current situation.

## “ENHANCING THE NATURAL ENVIRONMENT BY EMBEDDING AND EXPLOITING POTENTIAL OF DIGITAL SOLUTIONS”

This bold strategy builds on citizen engagement for enhancing the natural environment by embedding and exploiting the potential of digital solutions. Encouraging innovation through participatory governance can also help to inform the design for a more inclusive community-based distinctive environment, see Figure 1.

Figure 1  
Information and Communications Technology (ICT) within Urban Placemaking

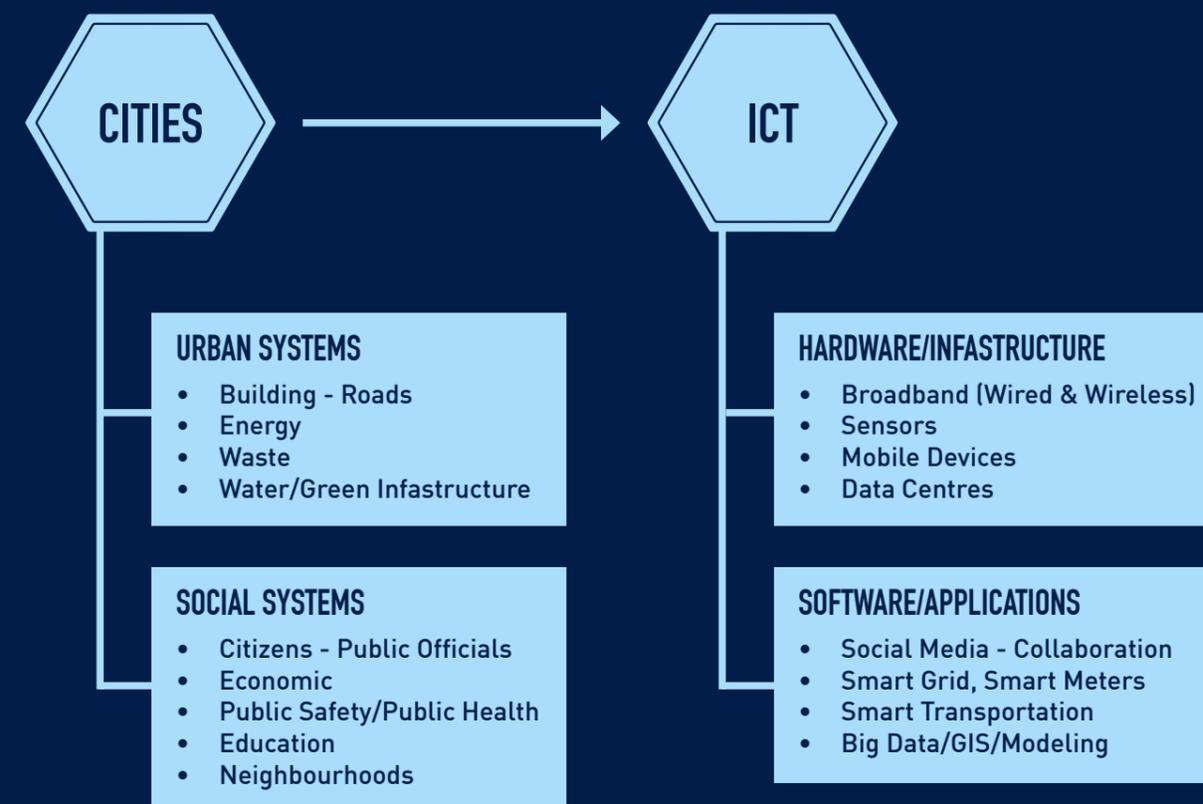


Figure 1 captures the core components that offer urban citizens a productive environment. A key for new technology is its connectivity role which evolved to include aspects of digital conservation. This is an umbrella term comprising five dimensions: data on nature, data on people, data integration and analysis, communication and experience and participatory governance. These dimensions offer possibilities in the provision of more automated, better and more effective capture of data and monitoring of the environment.

## “THE RISE OF ‘BIG DATA’ WILL INCREASE THE SCOPE AND REACH OF ANALYSIS FOR MANAGEMENT PURPOSES AND TO INCREASE PARTICIPATION”

The increased flows of data and information on people and place through the mining of social networks will provide greater insights into environmental perceptions while embedded sensors and the Internet of Things can help our understanding of the use of the environment and resources. For both nature and people, the rise of 'big data' will increase the scope and reach of analysis for environmental management purposes. There is significant scope for social media and IT to improve communications and participatory governance, leading to behavioural change.

Applied digital techniques to dynamic central urban locations can offer a 'green index' connecting buildings with their surroundings, combining public perceptions of landscape with new data handling capabilities. At a city systems level, making 'technoecology' relevant to an increasingly urbanised population living in cities that aspire to be smart is crucial.

The connectivity of space can help deliver this on a systemic basis and spatially, considers the location and the city as a whole. It integrates smart and natural solutions to respond to political challenges for living, learning, working and recreational activity.

By developing a common vision, regulators, local authorities and communities can share the evidence and access to technology to help overcome issues of ownership and inclusion.

This can allow citizens and experts access to and jointly visualise data in the advent of new citizen engagement platforms for local governance. IT can replace the dependency on administrations as a vehicle for collective action and may expand the viability of, and capacity for citizen co-production. Here the importance of developing models for integrating layers of city systems becomes important, especially if business processes are to be transformed and integrated. Initially this can be captured in the following areas:

## A CONNECTIVITY SPACE

This space is where people, digital technology and nature connect across each other and places to improve performance. It is the space between smart urban strategies and social-ecological systems thinking for the 'whole-city'; where grey and green infrastructure evolves into 'silver green' through the combination of smart and natural (or biophilic) city solutions to generate multiple benefits.

## A VISIONARY SPACE

This space reflects the idea to have a clear and bold vision for the kind of liveable city we need. Here we need to move away from economic, social or environmental silos to re-imagining city spaces within exciting new co-produced visions. Using interactive technology is key here to engage and excite people and communities in making choices and decisions for their city.

## A PLACE-MAKING AND PLACE-KEEPING SPACE

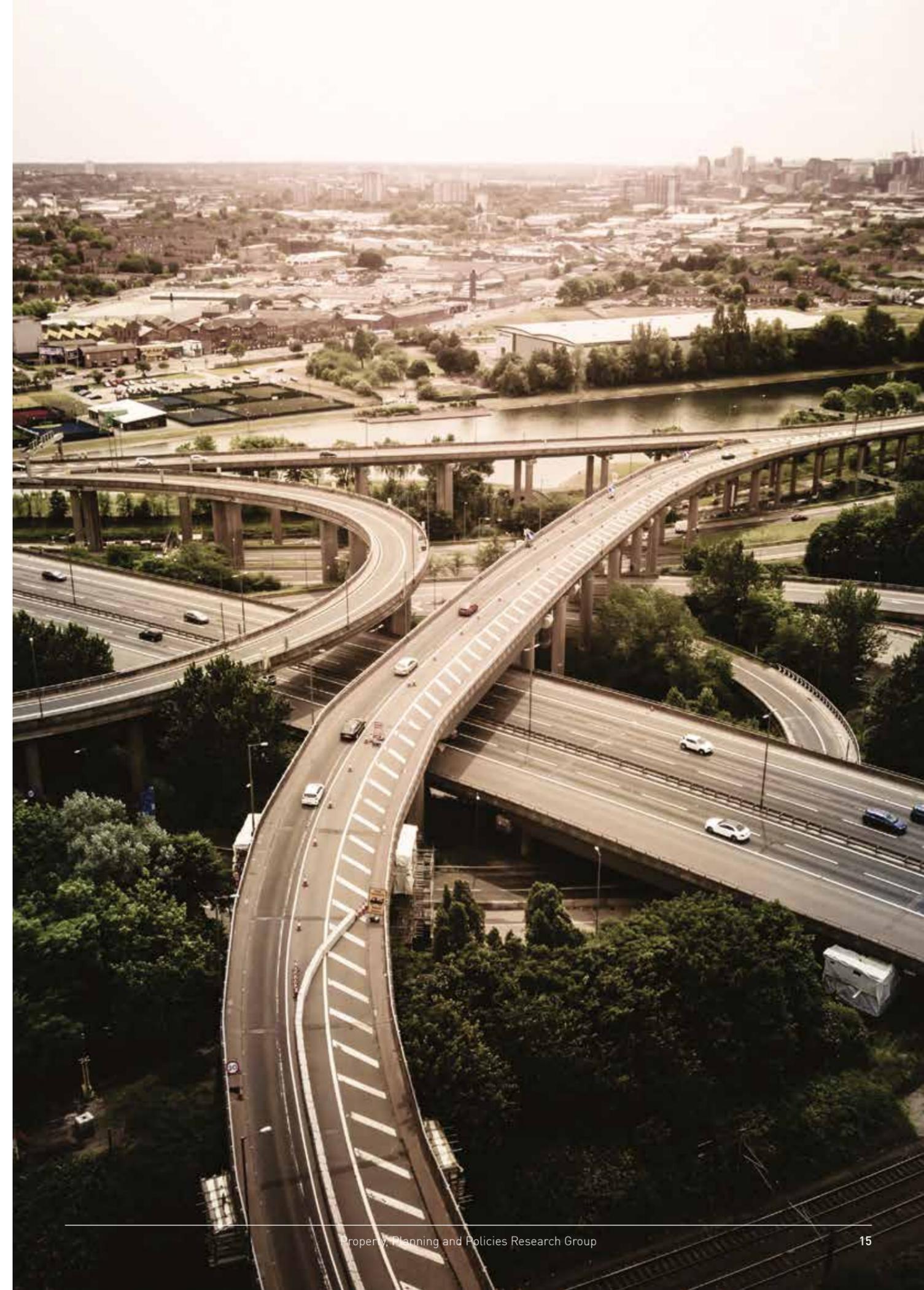
This space reflects where living, learning, working and recreating functions are combined as part of integrated smarter natural solutions. It responds to political and environmental challenges by championing silver green infrastructure and driven by the increasing body of evidence that supports the value of natural capital for people, business and the economy of the city. Crucially it does not pit green and grey infrastructure against each other.

## A SMART CITIZEN-LED SPACE

This space is where citizens are able to access and resource the necessary data to help them make decisions about how they live their lives and where they can themselves influence change through using and interacting with said data in real time. Thus this becomes a participatory social learning space where the flow of information is two-way; between people and city managers and planners. Communities will be empowered through new evidence about their place being made available in different, smarter and more accessible ways. Through a better understanding of technical processes, citizens can directly engage with service providers and suggest innovations, helping to integrate policy and delivery and potentially leading to better service re-design.

## A MONITORING SPACE

This space is where ICT and smart applications are used to measure, track and monitor progress of the vision and other characterisation metrics. There is a need to establish baselines and identify the indicators for the Smart-Natural interface e.g. the health and economic benefits that accrue from co-designed and community managed spaces. This is essential if the interface is to have traction and help identify accountabilities for the delivery of more integrated and better services and benefits for people and that, in turn, can help justify investment.





# PLACEMAKING AND BUILDING ENERGY EFFICIENCY:

Dr Timothy Lee

Placemaking is the collective imagining and reinvention of places where communities live, work and play, strengthening the connection between people and the places they share. Fundamental to good places is sustainability – if places cannot support people, nature and wider earth systems to support each other to flourish, then they become untenable.

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**“TECHNOLOGICAL SOLUTIONS ARE THERE TO PRODUCE BUILDINGS AND PLACES THAT ARE HIGHLY ENERGY EFFICIENT AND ZERO CARBON; THIS ALONE IS INSUFFICIENT”**

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Technological solutions are there to produce buildings and places that are highly energy efficient and zero carbon in use, but we have to go beyond what is technically possible and consider the wider sustainability agenda and the interaction between economic, environmental and social sustainability. We are starting to understand some of the barriers to technology adoption (for example, the landlord improves the building but the tenant benefits from lower costs) and we now need to establish the evidence for those barriers and identify how they might be overcome.

Government policies are having some impact on energy efficiency and buildings but cannot be the only driver as they may not come to fruition. For example, in the 2000s there was a government commitment that new structures would be zero carbon by 2016, which did not happen, although building regulations for new build properties has improved standards to some degree. However, the vast majority of us in everyday life work and live in existing buildings, which have been impacted only minimally by such changes.

Having said that, we do now have a minimum energy efficiency requirement for residential lettings and commercial leases, which is having some impact in taking the very worst-performing buildings out of use, but to achieve much more significant reductions we need to be considering the landlord-tenant relationship in much more detail. This takes us back to the overlap between the economic, environmental and social pillars of sustainability.

At the commercial level, increasing energy efficiency has numerous benefits for the occupants: reduces running costs – taking secondary space, particularly to improved thermal comfort and indoor air quality, which can lead to improved occupier health and a reduction in sick leave. However, the challenge remains with commercial leases that it is the landlord in many instances bears the responsibility for the improvements but there is currently very little evidence that they can command a higher premium for the more energy efficient structures, and so there is no financial incentive for the landlord to make improvements. This is currently driven by past supply-demand imbalance where there is such a shortage of supply that energy efficiency is barely a consideration for prospective tenants who will just take the first property of a suitable size in their required location, almost completely irrespective of other factors.

We are now seeing the green shoots of change in the prime commercial space as evidence is beginning to accumulate that the more energy efficient property can command a higher rent. In some sectors – most obviously retail – in some locations there is currently oversupply and therefore the landlords need to try harder to make their properties more attractive to tenants, and the reduced running costs from a more energy efficient property are one way for a landlord to make their property stand out. However, that is more for the traditional fully repairing and insuring (FRI) lease where the landlord takes their rent and the tenant is responsible for just about everything else including their running costs and even building maintenance.

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**“WE NEED TO CONSIDER THE LANDLORD-TENANT RELATIONSHIP IN MUCH MORE DETAIL IN THE CREATION OF BETTER PLACES”**

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We are seeing, particularly in the office market, a move away from the traditional FRI lease to more serviced accommodation and flexible spaces where the landlord-tenant relationship is much more of a service provider-customer relationship. In this case the running costs are very much borne by the landlord and therefore they have an interest in improving the energy efficiency of their stock to reduce the running costs that are one of the main expenses that will affect their bottom line.

Overall, we can see that in the commercial sector there is more capacity for landlord-tenant relationships to drive energy efficiency; and one of the challenges is to provide landlords with suitable evidence to give them confidence in making the move to provide sustainable spaces and then to develop tools to help landlords in determining how best to enhance their buildings. In this sector as the supply-demand relationship changes, landlords will increasingly make sustainability a selling point to create additional value. This sector needs much more research to determine what approaches might be used to help enhance the quality of commercial property assets.

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**“THERE IS A CHALLENGE TO PROVIDE LANDLORDS WITH SUITABLE EVIDENCE TO GIVE THEM CONFIDENCE IN MAKING THE MOVE TO PROVIDE SUSTAINABLE SPACES”**

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Drawing such concerns about landlord-tenant relations, finance and energy efficiency into the remit of placemaking will help the process of placemaking be more widely accepted, and will ensure that new places are better quality, better managed, more energy and financially-efficient places in which to live and work.

# PLACEMAKING FOR SUSTAINABILITY AND ENERGY:

Dr Beck Collins



As the sustainability agenda is developing in response to the increased challenges of climate change, we are seeing it is becoming more and more part of our everyday lives. There is now greater concern about extreme weather, waste and plastics recycling, energy efficient transport: however, what are the consequences on the places in which we work and live?

Currently places are not resilient, given the climate crisis and broader environmental concerns, and this needs to be addressed. Geographic patterns of living and working require many people to travel long distances for work, often in motorised individual transport, which leads to carbon and particulate matter emissions. Buildings are often of poor quality, being energy inefficient and not conducive to health and wellbeing.

Local neighbourhoods suffer as major centres of work and retail are increasingly located either out of town, edge of town, or in hubs (be they city centre or otherwise). They can become 'dormitory neighbourhoods', unable to support a diversity of small local businesses.

**“LOCAL NEIGHBOURHOODS SUFFER AS MAJOR CENTRES OF WORK AND RETAIL ARE LOCATED AT EDGE OR OUT OF TOWN AND HUB LOCATIONS”**

COVID-19 has added to this challenge, and is symptomatic of it, coming as it does from interspecies disease transmission in the context of an unsustainable and environmentally and socially damaging global food system. However it (and the wider climate challenges mentioned above) raises interesting challenges for local placemaking. Co-working spaces are an interesting response to this local challenge.

Increasingly, people are working from home as part of overall more 'covid secure' working patterns, and in response to the need to cut carbon emissions. More flexible ways of working are needed to address these twin challenges and reduce unnecessary travel. Co-working spaces, located at the neighbourhood scale and within easy walking/cycling distance from many homes, can allow for the need for social interaction during the working week, and maintain smaller, localised 'bubbles' to reduce the risk of virus transmission, while reducing carbon intensive travel.

All buildings in sustainable places need to be good quality and environmentally sustainable. Such buildings can lead to increased productivity and the good health of staff, and a number of standards exist to assess the sustainability of buildings, and to drive up standards – such as BREEAM, LEED, Living Building and the WELL standard. Nascent evidence suggests that the value of these accredited buildings is higher.

**“LOCALISED COWORKING SPACES CAN HELP PEOPLE CAN BUILD CONNECTIONS WITH THEIR LOCAL COMMUNITY”**

Localised co-working spaces can help people can build connections with their local community, while travelling to work spaces locally (using active travel), rather than travelling to city centres or office parks, is also important for reducing carbon emissions, air pollution, and building a sense of place. This can also help to build a sense of place in local neighbourhoods, as more people are in the neighbourhood throughout the day, and therefore more able to contribute to the hyper-local economy. This contributes a sense of 'bustle' to local neighbourhoods, increasing their vibrancy and moving away from the phenomenon of dormitory neighbourhoods.

**“RETROFITTING EXISTING BUILDINGS TO MAKE THEM ENERGY EFFICIENT PROVIDES BETTER PLACES IN WHICH TO LIVE AND WORK”**

Sustainability can also make a further important contribution to the economic elements of placemaking. The recession caused by COVID-19 only makes more urgent the ongoing calls for a green new deal. Calls to redirect the economy towards low carbon ends have been strengthening for a decade, and are supported by mainstream financial organisations (IMF etc). Such a transition of the economy can provide jobs, ideally in more local places, to deal with the challenges of unemployment and climate change that we now face. For instance, the UK housing stock is among the most poorly insulated in Europe, and the UK has higher levels of External Wall Insulation (EWI) than Scandinavia, where winters are cooler. Poor energy efficiency is not limited to domestic buildings, although recent legislation seeks to tackle the most inefficient commercial stock. Retrofitting existing buildings to make them energy efficient provides better places in which to live and work and also creates jobs in the low carbon construction sector. This was the premise of the Green Deal (launched in 2013), and although the execution of this initiative was problematic, the principle was, and remains, sound.



*Moseley Community Development Trust, home to 'Moseley Exchange', a co-working space in a vibrant South Birmingham neighbourhood.*

“THE KNOWLEDGE ECONOMY PROVIDES AN ADDITIONAL LAYER WHICH IS GUIDING OCCUPIER DEMAND”

# PLACEMAKING — FINDING VALUE:

Professor David Higgins and Peter Wood

As placemaking is rapidly changing the urban landscape, the way in which we view real estate value needs to adapt to meet evolving community demands, where people create places where they want to actually live, play and work. Increasingly, space in the city is linked to younger generations and the knowledge (gig) economy where shifting lifestyles and ‘open all hours’ irregular work schedules will be the new normal. This interconnection is shaping current and future city office markets which look beyond the traditional space, financial and lease demands to flexible operating platforms. Owners and investors need to understand the new avenues to create real estate value and seek opportunities to reap commercial rewards far beyond the historical landlord and tenant arrangements.

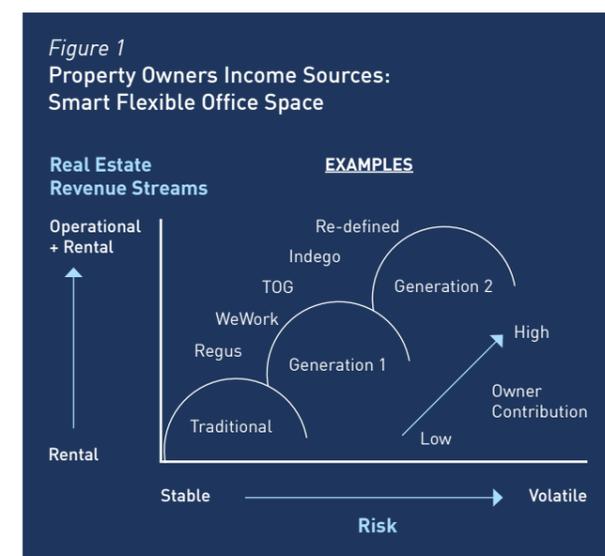
While space, property and capital markets have been the traditional real estate drivers, the knowledge economy provides an additional layer which is guiding occupier demand. The key elements cover digital connectivity, increased globalisation, environmental concerns and strategic resources alongside post-COVID-19 recognition of disaster preparedness.

These megatrends are changing the working environment by improving individuals’ work experience (productivity) and creating new workplace settings. As technology redefines the workplace, younger generations are changing the traditional work contract: the nomadic multitask workforce can move seamlessly between organisations, building a freelancing career on entrepreneurship and their interests. Being digital natives, they will take up remote and flexible working practices and increasingly able to work anywhere, causing organisations to reconsider their real estate strategy around more flexible options.

To attract and retain the young knowledge workforce, the modern office setting is becoming more inviting and informal. New workplaces are designed to break down boundaries, to facilitate socialising and sharing knowledge with a focus on occupier experience and wellbeing. Ergonomic desks, meeting and social space offer a creative comfortable work environment where the smart office starts to become your sixth sense, as a personal assistant to support you in your daily activities.

## “PROPERTY OWNERS NEED TO BUY INTO THE FUTURE BUSINESS MODELS AND MARKET DYNAMICS OF THE KNOWLEDGE WORKFORCE”

In this environment, property owners need to achieve attractive commercial returns. The convention of providing distance between themselves and tenants with long term ‘let and forget’ full repairing and insuring (FRI) leases are being consigned to history, as the occupiers are looking for smart offices offering flexible terms, customer management and service provisions. The imbalance has created opportunities for intermediates to offer operating models where a serviced office/coworking operator takes a long-term conventional lease in a building and then offers flexible smart office space – generation 1 (Regus and WeWork) model. In the COVID-19 era, a generation 2 model is emerging, whereby the flexible operators can no longer accept the risk transfer, with revenue share models coming to the fore. Beyond this, landlords – or should we say customer service providers – are now realising that they themselves can capture this margin and ‘white label’ facilitators are rapidly evolving (Re-defined, Indego etc), see Figure 1.



In various forms, the intermediates’ offer may provide attractive returns in buoyant markets, although less so in a depressed market, where flexible smart leases provide low security of income at the operational and ownership level with increased likelihood of default risk.

In short, with flexible smart leases, property owners will hold long-term assets with short-term liabilities; essentially they need to become more than rent collectors with a move to a strategic and human focussed property asset management strategy, and so achieve maximum returns on the space they let. As has been used in the Hotels market for some time, a cashflow approach with appropriate stress testing needs to be employed to allow a more holistic and representative valuation.

Beyond the physical bricks and mortar structure, property owners need to buy into the future business models and market dynamics of the knowledge workforce, by integrating the physical space with services and technology offering to create an enhance customer experience. This creates a massive shift in the property owner’s business model where value is created by the offering rather than the location. To determine value, rather than reviewing the building’s covenants and weighted average lease expiry (WALE) profile, futures performance measures will look at on-demand facilities with key indicators covering, footfall, short-term occupancy rates, service charges and hospitality revenues. In moving the income stream sources generated by real estate towards customer services, real estate values would need to reflect the changing risk profile. Initially, this suggests higher yields to embrace the increased uncertainty, with projections based on business valuation principles, which looks at an estimate of the economic value in the form of a going concern. This would place greater emphasis on asset utilisation, efficiency and occupier retention. In simple terms, using a cashflow approach monetising these diverse income streams would generate a higher margin, and a higher yield would be applied.

## “THERE WILL BE GREATER EMPHASIS ON ASSET UTILISATION, EFFICIENCY AND OCCUPIER RETENTION”

Driven by shifting demographics and digital connectivity, owners and investors can no longer be the passive supplier of real estate. The hard property asset operational model will be replaced with engagement and flexibility as to create new streams of revenue. The property owner will have no choice but to evolve their offering to meet the rapid changing requirements of the clients. A paradigm shift is occurring, where customers’ on-demand experiences will be the focus for the flexible workplace providers.



# PROPERTY, PLANNING AND POLICIES RESEARCH GROUP

## AREAS OF FURTHER INVESTIGATION

Writing the articles has identified more questions that need to be considered and form the platform for future research. Below is a list of questions in no particular order that are linked to using placemaking ideas to create better living and working places for all.

Members of the Property, Planning and Policies research group will be pleased to discuss these ideas and questions further with readers as we look to build a body of knowledge in this emerging research area.

### PLACEMAKING QUESTIONS

- Do we need to pay more attention to the placemaking processes rather than outcomes?
- How do we value spaces of movement and the dynamics between spaces?
- How can communities be collaborators in placemaking and not just users of places?
- How can we understand the social value of places?
- How can benefits resulting from placemaking processes/projects be shared across different communities?
- What are the carbon-neutral policy considerations?
- How do we ensure the delivery of Environmental, Social and Governance (ESG) innovations?
- How can we effectively remake blue and green infrastructure?
- How can we create better connections with nature?

- How do we sustain natural capital and the benefits that arise?
- What are the drivers of energy efficiency?
- What new measures for sustainable and energy efficient building performance can be offered?
- How can we better explain markets and economic frameworks which form places?
- How do we connect inter-generational ideas, fashions and aspirations?
- How do we break barriers to movement and access in order to navigate complex places?
- How is the sustainability agenda relevant to buildings and landlords-tenants relationships?
- How can we create a sense of place for the growing freelancing knowledge workforce?
- How can we find value in smart leases?
- What are the reasons for owners and tenants to invest in sustainable places?
- What are the proptech catalysts: smart buildings, shared economy and digital technology?
- How can we better understand the evolving [property] community demands?
- How do we identify customer on-demand experiences and respond to them?
- What are the placemaking implications of valuing and governance of big data?
- What are the placemaking implications of digital connectivity, resources and training?
- How do we discover value in complex places?

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COMMUNITY PLACE  
CHANGE GROWTH PROVISIONS  
BECOME DEVELOPMENT WILL INFRASTRUCTURE  
MAKING PROCESS TRANSPORT  
PLACE AREA CAN COMMUNITY  
SPACE ENVIRONMENT PLANNING  
POLICY LOCAL ECONOMIC  
BUSINESSES POLICIES DEVELOPMENTS  
URBAN PROVISIONS  
PLACEMAKING HIGH  
PEOPLE SUSTAINABLE  
CITIES CONSTRUCTION  
SITES