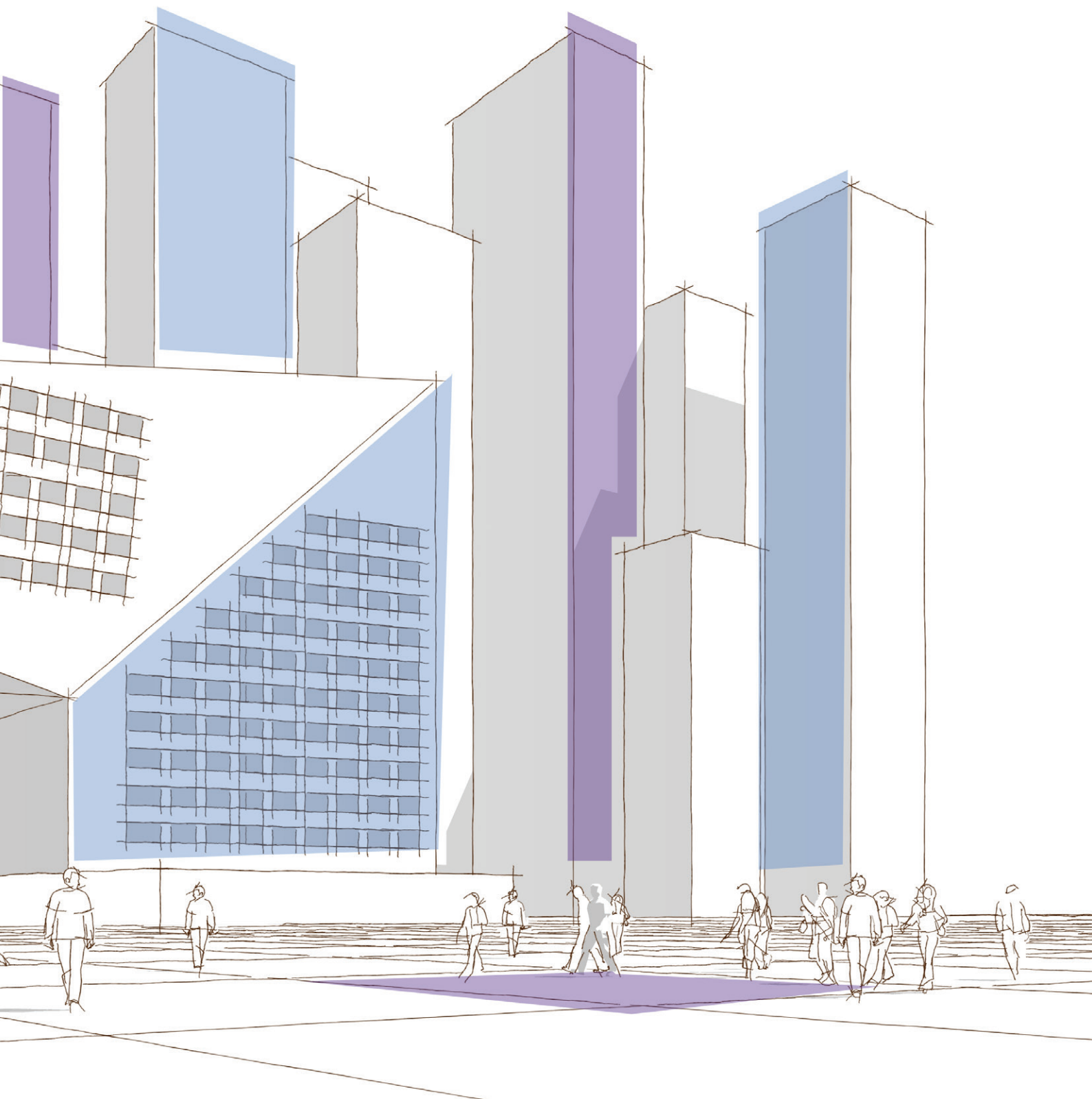


CITIES AND REGENERATION

Towards a new generation of urban centres



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“ We tried to come up with a master plan which will enable those buildings to be redeveloped but in essence the urban grid we envisaged to be around for 200 years. ”

Anna Strongman, Argent

Foreword

People spend time in town and city centres to meet and interact with others but the drivers for that interaction have changed. The changing shape of retail has dominated the agenda in recent years but that is only part of the picture. So what is the future for our urban centres? We want to play our part in defining a new, creative and optimistic future for our urban centres providing purpose and a backdrop for communities and businesses to thrive.

Flexibility and freedom are crucial to sustainable and successful places enabling them to respond to changing local needs. We need to create public and shared spaces to attract people to spend time there. And there are success stories we can learn from.

With any significant level of change to an area there is the risk of alienating the existing community which can fuel resistance to proposals. How can developers and local authorities engage with people more proactively and involve them in the regeneration process?

There are an increasing number of people at retirement age or above living longer, active and healthy lives. How can the built environment support them and help them to remain engaged with the communities in which they live? Historically retirement living or later living developments have been located away from urban centres – many developers and providers are now choosing to build in urban centres, providing life and economic activity. These organisations are challenging the existing stereotypes of what senior living and later living means.

Local government and local leadership are at the heart of urban centres but how has the role changed with resource cuts in recent years and what is the model for the future? How best can the powers and expertise of local authorities be harnessed to foster economic growth?

The future of our urban centres, both large and small, is a hot topic of discussion around the world. There has been lot of negativity around the changes in retail but nationally and indeed globally there is an opportunity to create better and more successful places; a new generation of urban centres.

The built environment which supports those centres is both a facilitator and an inhibitor of change – so how do investors and the real estate industry capitalise on this opportunity? We invite you to join our discussion looking at the role of our urban centres in our communities, how will towns interact with cities, towns with villages and what will bring the community to them.



Sara Bailey

Partner, Head of Real Estate
sbailey@trowers.com

Contributors and key themes

As part of an on-going theme around urban centres we are bringing together leaders from across the industry who are involved in curating, managing and delivering economically successful and sustainable places. Following roundtables held at MIPIM and the London Real Estate Forum we have pulled together some of the ideas and proposals that have been suggested for our urban centres.

Attendees

AECOM	Anagha Mujumdar-Potbhare – Associate Director
Argent	Anna Strongman – Managing Partner
Central	Patricia Brown – Director
Fletcher Priest Architects & Mayor’s Design Advocate	Dipa Joshi – Partner
Stacey Meadwell	Stacey Meadwell – Property Writer
Generali	Tina Paillet – Global Head of Projects & Technology
GLA	Darren Richards – Head of London Plan Team
Grosvenor	Alex Robinson – Director of Development, Strategic Land team
Homes England	Lucy Blasdale – Head of Land
HTA Design	Colin Ainger – Partner
London and Partners	Lucette Demets – Head of Urban
London Borough of Barking & Dagenham	Darren Rodwell – Leader
London Borough of Enfield	Mark Bradbury – Director of Property & Economy
Ministry of Housing Communities and Local Government	Rachel Fisher – Deputy Director of Regeneration & Infrastructure
Montagu Evans	Alan Harris – Partner
Old Oak and Park Royal Development Corporation	Eleanor Fawcett – Head of Design
Lucy Bullivant & Associates	Lucy Bullivant – Founder/Director
Sigma Capital	Duncan Sutherland – Regeneration Director
Stockport Council	Caroline Simpson – Corporate Director for Place
Swan Housing	Luke Riley – Project Director
Vinci UK Developments Limited	Graham Lambert – Managing Director
Walsall Council	Simon Tranter – Head of Regeneration & Development

Hosts

Trowers & Hamlins	Sara Bailey – Partner, Head of Real Estate
Trowers & Hamlins	Julien Allen – Partner
Trowers & Hamlins	Andy Barnard – Partner
Trowers & Hamlins	Suzanne Benson – Partner
Trowers & Hamlins	Adrian Leavey – Partner

“You have to start with retaining and amplifying the local character and the sense local identity.”

Eleanor Fawcett, Old Oak and Park Royal Development Corporation



People not property

A theme of the London Real Estate Forum this year was “people not property” and it is a theme which challenges as much as it resonates with those involved in large scale development. People live, work and travel into and around urban centres and creating a successful environment requires a delicate balance of these factors as well as encouraging new people to the area.

This has been very successful at King’s Cross where Anna Strongman, Partner at Argent, kept in mind the masterplan to build public spaces around an urban grid: “I think that element of amenity in the public realm is critical to success.”

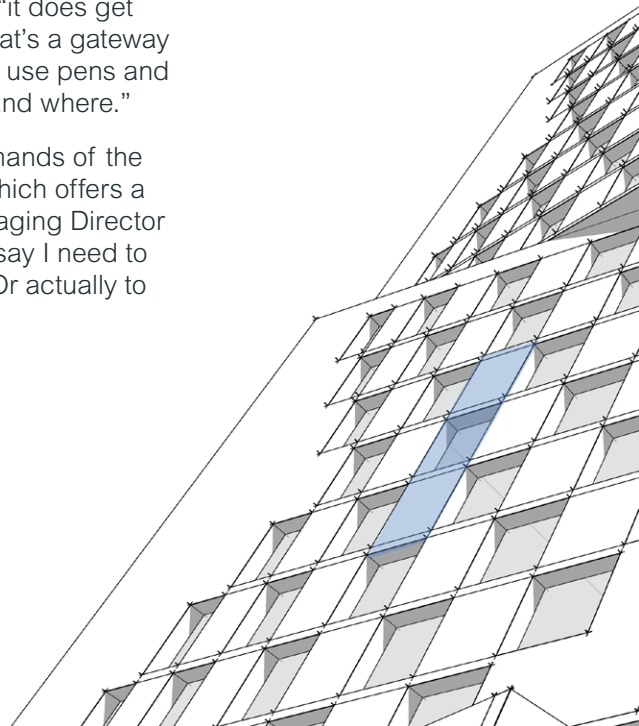
Eleanor Fawcett, Head of Design at Old Oak and Park Royal Development Corporation points to good design having the ability to introduce elements that can enhance the area for local residents and businesses. Conversations need to happen early on in the process as they determine the “whole strategy about local benefits or socio-economic improvements.”

“ultimately all of the conversations, all of the investment, all of the processes, all of the engagement, good or bad does result in bricks and mortar and physical place.”

She offers further insights from her previous role at Lee Valley. Successful masterplanning should amplify the local character and identity. “Even when an area is completely transforming, you have to start with retaining and amplifying the local character and the sense of local identity.” Failing to do so can create an environment that does not cater to the needs of its inhabitants.

But in order to achieve this, clear and honest engagement with the community is essential from the outset. In the London Borough of Barking & Dagenham, Leader Darren Rodwell places “the community’s vision ahead of the vision of developers or builders.” This is by no means without its own challenges. Anagha Mujumdar-Potbhare, Associate Director of Design and Planning at AECOM says “it does get quite chaotic but it’s great because at least it is a conversation, also that’s a gateway to get people on board so we have had workshops where you actually use pens and paper and really ask people to get in there and tell us what you want and where.”

This does not mean that developers need to accommodate all the demands of the local community. Instead, it should be ongoing and honest dialogue which offers a realistic account of what is feasible, points out Graham Lambert, Managing Director at Vinci UK Developments Limited: “What they want is for someone to say I need to take that away and I will come back to you and then they actually do. Or actually to say that’s not going to work.”



Engaging residents does not just include those who live there but also those who work there or are attracted to visit from afar. People are attracted to urban centres for the role that community plays and the interactions with other people.

“What the estates want to do and what we really need to get right before this is (and it’s the theme of this conference) is the curation of space for people,”

says Mark Bradbury, Director of Property and Economy at the London Borough of Enfield.

But how do we create spaces where people are happy to be in? He continues by adding that although “cutting the grass and making sure it looks pretty is really important, making sure that you’ve got the right mix of uses and the right mix of events, I think is the real challenge. Frankly I think there’s still too much focus on the property side of it and not the people side.”

Sara Bailey, Head of Real Estate at Trowers & Hamlins agrees that a correct mix of uses is a key way to “increase dwell time in an urban centre and to create places people want to be in.” This includes retail, leisure, residential, workspaces as well as suitable spaces to just be without having to spend money.

This curated use of space is not formula driven. “One place just wants local community shopping including the optician, the chemist, next to the doctor’s surgery. Somewhere else it’s workspaces because there’s a history of people trying to set up businesses,” suggests Luke Riley, Project Director at Swan Housing. “It’s really important to have that conversation at all levels so that the local people, the stakeholders, the neighbours” are included as the development will impact on everyone, he continues.

Bringing together the views and ambitions and harnessing the potential of those diverse groups can be challenging but ultimately it’s inherent to the identity of an area and vital to creating a real and sustainable future.



Towards a new generation of urban centres

Retail as a vehicle for town and city regeneration has dominated thinking and planning strategy for far too long but shops are only a part of the urban narrative.

This was the starting point for our MIPIM roundtable discussion about creating the next generation of urban centres.

In fact, the consensus was that retail is just one cylinder in the engine that will drive vibrancy in the future. A mixture of uses is important but so is looking beyond commerce to services and public space; giving people lots of different reasons to visit.

Rachel Fisher, Deputy Director of Regeneration at the Ministry of Housing, Communities and Local Government gave Chicago as an example of how the use and purpose of urban centres can be misunderstood.

When Chicago's services were digitised, the local authority couldn't understand why people would continue visiting City Hall to pay local taxes, parking fees and for other services. "For a lot of people who were no longer working it was a reason to go out, to go into the city centre," she said.

Stockport council is looking at the provision of services as part of its town centre strategy. It bought the Merseyway shopping centre out of receivership and is planning to repurpose empty units for services such as a library and drop-in health centre.

Typically, services in the town had been segregated but Caroline Simpson, Corporate Director for Place, said:

“It is about harnessing why people visit places and services are a big part of that.”

Libraries or rather what they represent are a key to the new thinking about urban centres; they offer free space where people can dwell, as well as services such as a computer access and printing.

A key point raised was how it is important to let go of the idea that it is all about getting people to spend. Rather it is about creating places people feel comfortable just to wander and sit – any spending is incidental.

Patricia Brown, Director, Central worked on Legible London to help people navigate the capital on foot, it was predicated on giving people the confidence and permission to wander:

“We still haven't got the invitation right to give people permission to be in a place without an activity.”

Sara Bailey, Partner and Head of Real Estate at Trowers & Hamlin pointed to a pilot project in Edinburgh where space had been created that enabled people to sit or work without necessarily having to buy a coffee.

“ For me the future is being relevant and being more relevant than perhaps some town centres and cities are at the moment. ”

Relevance, it was suggested, is best curated through consultation and community engagement and that means seeking diverse opinions. If you only talk to one group within a community you end up with an environment that is only relevant to one group.

Vibrancy comes from people visiting and using urban centres at different times and on different days which means engaging with all ages within the community as well as different user groups.

There is no one-size fits all solution, each town and city is different and requires a bespoke solution – again why consultation is so important.

The panel at MIPIM believed value and success should not to be measured purely on real estate values but also on the social value of the place and that is for all sections of the community. The negative side of gentrification is alienation – for a place to work it needs to feel familiar and relevant to a diverse group.

Of course, there is a cost to providing free space and services.

Duncan Sutherland, Regeneration Director at Sigma Capital was involved in setting up Coventry’s first town centre management (TCM) mechanism which put services such as parking and events under TCM control. It provided an income with which to fund stewardship and services.

Business improvement districts (BIDs) are another option for leveraging funding from the private sector and some are very successful but there is a danger that the focus can be too narrow.

Sutherland said there is an argument for breaking the traditional funding models and harnessing land values more effectively. He suggested ground rents may be an option, developing a vehicle which owns the freeholds whether it is for retail, residential or other uses and harnessing that income.

Similar vehicles are already in practice, he cited Ancoats in Manchester as an example.

“The North West Regional Development Agency, at the time, took the brave step to put a blanket compulsory purchase order (CPO) over the whole area and when I bought my flat in Ancoats, I paid a ground rent to a sort of trust which was running and managing the area as well as building the apartments.”

The path to creating the next generation of urban centres is not straightforward but this change in thinking and approach should lead to vibrant, inclusive, economically and socially successful towns and city centres.



Investor viewpoint

Public realm and measuring social value

Tina Paillet, Global Head of Projects & Technology – Generali

One Fen Court, when Generali Real Estate took it on, was seven low rise buildings past their prime. This was before the development of the Walkie Talkie, the Scalpel and the Cheesegrater but looking at the area now you'd be hard pushed to imagine what it was like 15-years-ago. We didn't just replace a series of 'lived in' blocks with a single, modern 424,000 sq ft building, we transformed the public realm, the value of which we've only learned over time.

There was a historic, narrow passageway the City of London wanted us to keep so, with Eric Parry Architects, we turned it into something special. We created a generous walkway which leads to a courtyard with a huge ceiling-mounted LED screen and soundscape art installation. And on the roof, we created a publicly accessible – and free – garden complete with 80 mature wisterias, pergola and water feature. It is one of the largest roof gardens in London. Despite being only 15-storeys high and nestling among a cluster of towers, the 20,000 sq ft garden takes advantage of the protected views towards Tower Bridge. Its 360-degree vista includes the river to the south and Canary Wharf to the east.

We've created a quiet place, away from the hubbub of the city and it has proved a huge success, not just as a place for workers to take a break or eat lunch but also in attracting tourists. And that is a big part of the wider value it brings. Initially, the roof garden and public realm were a trade-off to secure planning permission for a much denser development. The City's planners

didn't want people in the neighbouring cluster of towers looking down on ugly rooftops. Roof gardens are expensive to build, it's a huge engineering challenge and given a choice, would we have done it on our own? Probably not. You ask: 'What is the benefit to us?'

We subsequently managed to secure a pre-let to M&G Investments for about 80% of the building and one of the things that attracted them to our building was the prospect of a fabulous roof garden. Not only would it be something they could use but it was going to make One Fen Court a landmark building. The pre-let was a great way for us to de-risk the development so, in hindsight, the roof garden was a win-win.

You also can't ignore the social value of such an asset – even though you can't put an actual figure on it. The improved public realm has made the neighbourhood more agreeable generally but it has also helped attract tourists to the area. More visitors reinforce an image of the City as open, inviting and vibrant and this, in turn, makes it more attractive to workers which is important for businesses trying to recruit.

We've come full circle, the City is returning to a place that is more live-work-play. That's where you are creating value, you are helping future-proof the City.

In developing One Fen Court, we've learned a huge amount and in future projects, I'd probably go even further with the public realm. It's been massively successful beyond what we had initially thought.



Developer viewpoint



Lessons in creating future urban centres

Anna Strongman, Managing Partner – Argent

It's over 10 years since we took vacant possession of the 67 acres at King's Cross and we have learned a lot about urban regeneration in that time – and continue to learn as the city evolves around us.

We always wanted King's Cross to be a mixed-used scheme – workspace, residential, education and a variety of food, drink and retail offer. Activity at ground level brings vibrancy throughout the day and supports the sense of place. King's Cross needed to feel like a genuine part of the city, not a gated community or campus and over time we have learned what has worked.

Public squares, parks and streets makeup 40% of the masterplan and form a fixed grid around which plots have been developed out. The idea is that the public realm will stand the test of time while buildings may evolve around that grid. The public space is a catalyst bringing people together, providing a high-quality environment that is clean, safe and inclusive, where London's diverse populous can exist side by side. Diversity and inclusivity help build a degree of social capital within urban centres.

Events can create a shared experience and as many as possible at King's Cross are free. They are designed to appeal to a wide variety of people but it is always about the quality of the experience, not the numbers. The ground floor uses are an extension of the public space and we are learning more and more about what customers want.

Quality food and drink offer are key but we've also learnt the importance of services, everything from health and beauty to tattoo artists. We've seen a growth in demand for niche leisure – our latest deal is to a TRX studio. The retail story is quite challenging in some areas but there is still demand for shops and increasingly they are very closely linked with online shopping. The most successful retailers are those who can work across several different channels including physical stores.

For our new developments at Brent Cross and Tottenham, we are already thinking about creating public realm or community infrastructure alongside commercial uses. We are thinking about the mix that will help generate the heart of the place. At Brent Cross, which will include 7,000 homes and 25,000 jobs, we are looking at how we can incorporate sport, health and well-being, food and culture – all lessons learned from King's Cross. Our development in Tottenham is smaller – 1,036 homes, retail, offices and civic space – but has quite a lot of ground-floor uses and a new square that will compliment the transport links provided by the bus and tube station.

London changes quickly which is why we continue to learn. Consumers are very aware and there is a desire for something new as well as something familiar, so trying to balance those different wants is something we are constantly thinking about. Seeing town centres as the heart of the community is absolutely critical and it isn't necessarily about commercial uses, it's about creating opportunities to bring people together.



London borough viewpoint



Creating a sense of place

Mark Bradbury, Director of Property and Economy – Enfield Council

Our town centres are bellwethers for how we feel about where we live; the vibrancy or vacancy reflecting changing demands and also the relationship with the communities they serve. Regeneration strategies are changing to reflect this and the relationship between the public and private sector needs to change with it. The traditional model of town centre development is broken. Attracting the best covenant and securing the highest rent is what has led to identikit towns that no longer work, particularly in the face of a changing society and competition from online retail.

Regeneration is now about creating a place, not just buildings and there are some great examples of developers, who understand this. The process must start with community engagement, however cuts to public-sector budgets over the past decade had reduced the resources available to communicate and engage. We are now investing again to address this.

Last year Enfield Council was given a small amount of money from Central Government to help create cleaner town centres. We took to social media and to the streets to find out what important to people. We realised these conversations needed to happen regularly to rebuild relationships and engage people in what they want from their town centre. We found the mix of uses needs to be more nuanced reflecting local demographics, heritage and ethnicity.

A sense of place stems from having an individual

connection. There will be common ground between urban centres – but a local offer can help create a connection and a buzz. And having a point of difference also makes an urban centre more attractive to a wider audience. Planning that stipulates commercial uses as part of large-scale residential hasn't always created vibrancy. On some developments, the value of ground floor retail space has been effectively written off by developers as planning gain, resulting in desolate ground floors.

Local authorities are savvier now and more prepared to be risk-takers. At Meridian Water, Enfield Council's £6 billion, 10,000 home regeneration project for example, if we sell plots we want to get the ground floor space back as part of the deal. As a local authority, we can take a more holistic approach, be more pragmatic about lower rents and meanwhile use because our investment model is different.

We are looking for active rather than passive investors who also take a long-term view, creating sustainable value. Our relationship with the private sector is about real partnerships. We are no longer looking for someone to take the risk away and do it for us. We are moving away from the idea of planners as application processors and property people as estate managers. We are building a team of place shapers. The emphasis is now on people, public realm and permission to dwell rather than buildings. To deliver, you need people with that experience and knowledge. And, you need a different relationship with communities and a new dynamic between the public and private sectors.



Town council viewpoint



Becoming the healthiest town in Britain

Simon Tranter, Head of Regeneration & Development – Walsall Council

Last year Walsall was ranked the second most unhealthy high street in the country in research by the Royal Society for Public Health. It wasn't a high point for the town and demonstrates the challenges we face but equally, it has been a galvanising point behind which we can focus on the regeneration of the town centre

Our ambition is for Walsall to be the healthiest town in Britain, not just healthy people but having a healthy economy and environment. We might never get there but we'll give it a very good go, building on the £0.5 billion that has already been invested in the last few years.

Walsall's town centre isn't just challenged by retail closures but by development viability. Land contamination from the area's industrial past pushes up development costs and end values aren't high enough. When a one-bedroom flat sells for £100,000 and you need £150,000 to make a viable scheme then as a public sector you have to use all the tools available to facilitate development.

In the past we've put land into development at zero value, undertaken direct development and bought the town's shopping centre which will play a key role in the town's regeneration. And we'll continue to explore different ways we can maximise the value of our own assets and facilitate development.

We've asked developers and investors what would help and they said 'certainty of planning', so we've drawn up an area action plan, site allocation document and in July we had our town centre masterplan approved.

But viability isn't the only challenge we face, we need to take with us the hearts and minds of the community, create a place people want to visit and are proud of. When you look at regeneration projects across the country success is driven by communities being at the heart, if they are not, it is soulless.

When we canvassed people about what they thought of Walsall, the message that came back was safety, security and cleanliness. The irony is that in having to reduce our spending because of budget cuts, we've cut back on what people value most. It has also meant cutting back on things such as community art projects and Christmas events which might be soft interventions but, we've realised, are critical for connecting with local people.

On the back of the masterplan being approved, we are putting money into events to help bring people back into the town centre and use it as an opportunity to engage more widely about what people want.

The town has a lot going for it and we need to remind people about that, harness its strengths and make the most of the assets we have. The Queen's handbags are made in Walsall and we have a leather museum, a gallery, a Victorian arboretum and the canal gives the town centre a waterfront.

There is a job to do not only to enhance the public realm but generate pride in the town and as we move forward regeneration will be a balance of market-led and community-led decisions.





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