

CHAPTER TEN

Repurposing and regenerating old assets



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Why

The UK has many existing assets that are not fit for purpose and rather than building anew, we should take a good look of what we already have.



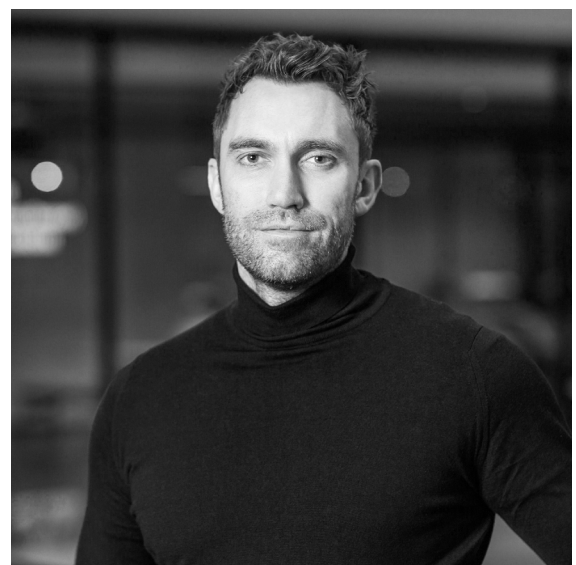
The failing

It is often cheaper to build anew than repurpose existing assets and we make little to no concessions to developers who try to re-use what we have already.

Policy recommendations

- I. PDR+ for brownfield and transport hubs: Permitted development rights for selected brownfield sites, and a presumption in favour of high-density development for new homes and commercial space adjacent to centrally-located urban and urban-fringe rail stations, where pre-agreed criteria are met around density, use and design standards. Local authorities to get central government funding for public services such as schools, hospitals, GPs to support increases in population
 - Remove the barriers to bringing forward more brownfield land: local authorities should be in a position to generate an Employment Infrastructure funding option similar to the HIF to support this.
 - Review green belt and brownfield along the Arc: add some brownfield to green belt, and take away green sites that have actually been built on (1 : 1) – create more homogenous and effective lungs around cities and towns.

Author



Steven Charlton
Managing Director, Perkins and Will

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Steven Charlton,
Managing Director,
Perkins and Will

Brownfield vs. greenfield

Along the Arc in particular, but around many UK cities, urban space is at a premium and the cost of wholesale redevelopment is restrictive. For science and technology companies, many of whom are start-ups, rent is too high in central locations.

Brownfield and existing land could go some way to creating cheap and readily available space for the new economy, without suffering the delays in planning that many initiatives suffer. However, it is more expensive to develop, whether due to contamination, location, or just the costs of conversion. This has a knock-on effect on the lease return and can put the rental rate at an unaccessible price for start-ups and smaller businesses.

However, with the right encouragement, it could provide almost all the space needed for the new knowledge economy – and we need to create the adaptive structure that will allow the quick and simple repurposing of old buildings and land for modern employment needs.

Barriers to use

There are three key barriers that we need to address.

An old asset might not be where you want to develop – and much of the 'low hanging fruit' has already been developed. Despite a desire to repurpose buildings, they are often in locations poorly served by infrastructure.

As a result, the requirement for redevelopment is beyond only the building, and encompasses the wider area. Some developments have the centre of gravity to achieve this, but others cannot afford to wait years for an area to grow around their investment.

Physical structural issues: Some building ages work for certain things and not for others. Science and tech is a good example of where buildings from the 1970s are typically the hardest to adapt, due to issues with ventilation, low floor to ceiling heights and the inflexibility of space.

Scale: Brownfield redevelopment is expensive and hard work, and too few developers have the scale to take on large brownfield sites, or the financial resources to work in areas that could take years to bring forward.

Actions

These barriers are restrictive but not insurmountable. They relate predominantly to infrastructure and funding issues, which local authorities, the government, and different approaches to development in general can address.

- **Analyse tipping points on brownfield land:** Rather than just identifying brownfield land, we should be identifying when potential returns can outstrip remediation costs on sites, by taking a wide view of the opportunity and potential costs as part of a wider redevelopment. We should cross-reference this with locations which are connected by public transport and focus on bringing them forward for redevelopment.
- **Use both old and new ideas:** Adopting new technology can provide significant opportunities for repurposing, including sustainable building materials and pre-fabricated construction, but these should be coupled with practical time-tested techniques such as robust buildings dimensions, streets, and block sizes.
- **Embed Metrics:** Learning from the data of building systems will allow more flexible management of costs for companies looking to afford space, as over time, itemisation of everything from electricity use to management and parking.
- **Use the planning system:** We should identify existing areas that are ripe for redevelopment and allow flexible

planning classes – permitting a mixture of residential, office and light industrial but with minimum allocations for each – to adapt for demand and permitting one development type to subsidise another in the process

- **Permitting demolition when necessary:** One of the main complaints with permitted development was keeping old offices in use when they should have been demolished. Later changes – to allow demolition providing the existing massing was maintained – were never implemented, but could have been far more practical.
- **Empowering authorities:** Authorities should be in a position to generate an Employment Infrastructure funding option similar to the HIF to support development, and use partnerships with the private sector to de-risk land.

Avoiding the same problems in future

Above all, when we redevelop now we avoid the same problems in the future.

While we do not know what tech or industry will need in 10 years' time, we must nevertheless include a future proofing approach that includes evaluation of the resilience and building sustainability from the outset – to avoid potential short sightedness in new built elements.

We should be cognisant that buildings repurposed now, may ultimately be repurposed again or multiple times throughout their lifespan.

Location	<1 year	<1 year %	1-2 years	1-2 years %	2-3 years	2-3 years %	3 years >	3 years > %	Total vacancies	Total vacancies %	Number of live units	Total Units
Cambridge	17	2.9%	21	3.6%	6	1.0%	9	1.5%	53	9.0%	535	588
Oxford	23	4.2%	22	4.0%	8	1.5%	6	1.1%	59	10.7%	490	549
Milton Keynes	19	4.4%	10	2.3%	5	1.2%	12	2.8%	46	10.7%	384	430

Source: Local Data Company



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Contributor

Robert Evans
CEO, King's Cross, Argent

How to do large scale regeneration: lessons learned from King's Cross

What were the largest obstacles in the master planning and delivery of King's Cross?

First, the sheer size and complexity of the site. As a result, expectations had built up over many years; and there had been many false dawns. Second, we had to navigate the outline planning and early heritage applications through the planning system. It was vital that we built a level of trust, confidence and consensus with Camden Council, the GLA and other key stakeholders such as English Heritage, to help enable a high-quality, local, positive decision. And third, the financial crisis made funding the early phases of infrastructure and building work – never easy at the best of times – even more complicated.

How did you order the development? What came first?

We organised the master plan specifically to not assume or rely on a particular sequence or phasing. We learned that from our work on Brindleyplace in Birmingham, which was an early mixed-use, city-centre project and is still seen as a model of successful urban regeneration. We did, of course, have a phasing in mind for the King's Cross scheme, and published an implementation plan. Inevitably, it didn't turn out that way! The final scheme, now emerging, is richer, more layered and more eclectic than that plan. It already exceeds what many people hoped or envisaged.

We started with realigning Pancras Road, in time for the opening of St Pancras International and then moved on to delivering new premises for Central Saint Martins

and the University of the Arts (CSM/UAL) in the Granary complex, along with the infrastructure required to make that happen, such as our energy centre. The first housing delivered was affordable housing along York Way. The first offices along King's Boulevard and around Pancras Square came a little later.

What particular considerations were there to take into account for the phasing?

Funding. In 2007 we had a huge site, with outline planning permission and various heritage consents, and a certain amount of equity. But we didn't have enough equity to deliver even a portion of the infrastructure, clean-up, utilities and site preparation required to deliver serviced plots, let alone the sums required for new buildings. And it was not a good time to be talking to banks about borrowing money.

We therefore focused on unlocking early deals, and thereafter investing in infrastructure which would deliver plots that we could bring forward at sensible lending ratios. We did not contemplate selling land to other developers and potentially undermining the coherence of the overall scheme. What we did do, however, was a number of long-leasehold deals with organisations – CSM/UAL, Google UK, Camden Council – that had an occupational interest in the site, and who we believed would bring something very positive to the Estate. The proceeds from those long-leasehold deals were recycled into funding for further infrastructure, servicing additional plots and enabling us to bring forward more buildings.

The original development partnership was with LCR and DHL, and one of our LCR colleagues referred to the early days as "a miserable hand-to-mouth existence". We later dropped the "miserable". We are now fortunate enough to have the firepower to make different choices, in part because of the financial discipline we deployed in the early years, keeping one eye on the cash flow and the other on long-term value generation.

Did you experience issues with planning?

In the early days, yes. It took many years to get the first permissions. Then a local group sought to challenge the main Camden Council decision in the High Court through judicial review. Islington Council then turned down an application for the small part of the project in their borough, leading to a public local inquiry on "the Triangle Site" part of the scheme.

How did you engage the local community?

We engaged in a comprehensive pre-application consultation and engagement process between 2001 and 2004.

We sought to set out and build consensus around clear development principles, tell the story of the site conditions and policy context, test out potential priorities and ideas and show how the proposals that emerged, related back to what people told us.

10,000 copies of our 'framework' documents were made available, and we made it our mission to have a full dialogue

Current status of the units closed from August 2016 to August 2019

Current Status	Cambridge	Milton Keynes	Oxford	Grand Total	% Cambridge	%Milton Keynes	% Oxford
Reoccupied by retailer	87	97	107	291	57%	47%	50%
Still vacant	54	36	67	157	36%	17%	31%
Demolished Property	3	40	34	77	2%	19%	16%
Merged into one unit	2	14	3	19	1%	7%	1%
Split into multiple units	3	12	1	16	2%	6%	0%
Converted to Office	3	8	3	14	2%	4%	1%
Converted to Residential	0	0	1	1	0%	0%	0%

Source: Local Data Company

All 3 locations combined

Category	Openings
Fashion & General Clothing	112
Cafes & Fast Food	66
Restaurants	53
Hairdressing, Health & Beauty	40
Chemists, Toiletries & Health	31

Cambridge

Category	Openings
Cafes & Fast Food	21
Restaurants	20
Fashion & General Clothing	17
Hairdressing, Health & Beauty	10
Non-Retail	7

Milton Keynes

Category	Openings
Fashion & General Clothing	39
Cafes & Fast Food	19
Hairdressing, Health & Beauty	13
Employment & Post Offices	13
Chemists, Toiletries & Health	10

Oxford

Category	Openings
Fashion & General Clothing	56
Cafes & Fast Food	26
Restaurants	24
Hairdressing, Health & Beauty	17
Bars, Pubs & Clubs	16

Source: Local Data Company

with local communities and groups, using innovative (for the early 00s!) methods and techniques to encourage people to respond, such as vox pops, workshops and 'mind map' exercises. By mid-2003, we had received over 110,000 words of comment, criticism and encouragement in responses. We had also talked with, presented and listened to over 4,000 people, including

representatives of over 150 local community and business organisations. It was a really deep and successful process of dialogue, and while some were highly critical in their responses, many more were supportive of the framework proposals and ideas, while also raising queries or highlighting areas where they felt the proposals could go further.

What were the main lessons from your engagement with the community and local authorities?

Unfortunately, even the above wasn't enough to forestall objections (and a legal challenge) later on in the process! Ultimately, the big lesson was the need to be realistic about the boundaries and limitations of public consultation and engagement, no matter how extensive the process. There were real benefits from the efforts we made to consult the local community – we got strong local buy-in on a nationally significant project, all the while supporting plan-led, local decision-making. But there is no evidence that it saved any time or prevented objections holding things up later in the process. There are always those who will push their objections to the last, whatever efforts you make to achieve a broad consensus.

What is the biggest success in delivering the scheme?

The quality and continuity of the public realm and overall sense of place, both during the week but crucially at the weekend, too. King's Cross definitely has its own vibe and it's a joy to see it continue to develop, with new openings such as Coal Drops Yard, adding further richness to the scheme.

What lessons from the project can be applied to modern mass regeneration schemes?

Of course every site is different, but there are perhaps some themes. King's Cross has been designed, planned, and delivered comprehensively, keeping the land together within a singular overarching investment structure, and broadly sticking to the original master plan. The developer has taken a long-term view, and sought to

optimise long-term value, while carefully managing the cash flow along the way. We have truly cared about design and the integrity of the place: each phase has built upon the last. To my mind, those are some of the reasons the finished areas work so well.

Nido, King's Cross – First Base / Blackstone

One of the earliest stages of the redevelopment of King's Cross saw the former Natwest Office, no longer fit for purpose, converted to student accommodation.

"It was the first development in King's Cross at the time," says First Base's Barry Jessup, "and it needed something very bold."

"While Blackstone had a consent on it, the end result could have been better."

"The design solution was to strip the building back to its frame and cantilever it out by an additional 1 meter all around the tower, completely transforming it and allowing Blackstone to create the product they wanted to create."

Jessup says a lot of permitted development is ordinary and low cost, with little long-term consideration for the development.

"When you are repurposing buildings it's not about just taking what you have got, but enhancing it to get big gains. Taking what you have got and building on it a little to create a high quality product."

The end result was a scheme of 800 student units that also included affordable and open market sale housing, offices and food and beverage offers. It was one of the first schemes in the capital to provide on site amenities.