



# SHAPING OUR POST-COVID WORLD



## Our changing cities – rethinking urban space

# 1

This report is the first of a new series of thought leadership papers Mace is producing to help chart a course for success in a post-Covid world.

Across the series, we will be addressing a number of the biggest challenges and opportunities in the built environment, construction and infrastructure sectors as the world looks to emerge from the damaging effects of the pandemic.

## Our changing cities

For decades, the global urban population has grown rapidly. Around 56% of people now live in urban areas<sup>i</sup> – that's nearly 4.4 billion inhabitants – while a 2018 study by the United Nations forecast that this figure is set to rise to 68% by 2050. This huge movement of people means an increased requirement for the construction of millions and millions of urban homes. Meanwhile, housebuilding productivity has grown at a comparatively sluggish rate. Globally, construction sector labour-productivity growth averaged just 1% a year over the past two decades, compared to 3.6% for manufacturing.

Surveys<sup>ii,iii</sup> have suggested that the pandemic could lead to significant portions of remote workers moving out of urban centres; a by-product of which could be a reduction of pressure on house prices and creating more favourable market conditions for those most in need.

However, the impact of this switch shouldn't be over-estimated. The proportion of jobs that can be carried out entirely remotely is lower than you might imagine – 37% according to one US study<sup>iv</sup> – and any movement of people is unlikely to be towards undesirable areas with lots of available housing stock.

That study, by academics at University of Chicago's Booth School of Business, also highlighted that the jobs best suited to going remote were well-paid, white-collar occupations in big cities, while those in industries like agriculture and hospitality were much harder to switch.

Indeed, the reality is that many people whose work can be done entirely remotely already have more flexibility on where they can live – they are far more likely to be working in better paid professional work. Rents may begin to drop, but it shouldn't be underestimated the extent to which the pandemic has disrupted the incomes of the poorest and those in less stable employment.

And so, while there is likely to be a degree of migration away from cities as a result of the working from home trend, this will not be

56% of people now live in urban areas A 2018 study by the United Nations precited this figure is set to rise to...

↑ **68%**  
by 2050



A study by academics at University of Chicago's Booth School of Business found that only up to...

**37%**



of jobs in the US could be done from home

possible for the urban masses, especially those with lower incomes. As such, we need to rethink our urban spaces to ensure they cater for the needs of their communities, allowing them not only to feel safe but to strive for a better future in the place they call home.

In this report we consider how urban spaces need to respond to the shifting requirements of society, offering a set of recommendations influenced by the lessons learned during the pandemic.

## 2

### The lure of the bright lights

We must also consider that the workplace is not the only thing drawing people into the world's towns and cities. We are social creatures, and urban centres, especially large cities, offer unparalleled access to places, activities and experiences that we can enjoy with others. Furthermore, the diversity of their people is what makes cities unique, exciting and interesting. That alone serves as a significant pull factor, bringing more people in and making the social offer even more compelling.

While many large cities are well connected to outlying areas by comprehensive transport networks, surveys have shown<sup>v</sup> that people commonly choose to live in city centres because of the proximity to restaurants, leisure and cultural facilities. The fact they can occupy all people of all ages and backgrounds is one of their greatest draws.

For now, the social offering in many countries is severely hindered. Even when the first national lockdown in England was lifted, spectators still were not able to attend live sports or the theatre, and the ongoing risk of further waves of infection and associated disruption continues, as has been shown by the latest lockdown measures across the UK. Indeed, it is estimated that the UK hospitality sector has lost over 25,000 premises since March, while ONS data<sup>vi</sup> shows that job losses in the accommodation and food services industries are the highest over the year to July to September 2020.

It goes without saying that the impact of local and national lockdowns on hospitality, leisure, arts and cultural services has been devastating; across the world we've witnessed businesses shutting down and people losing their jobs. Even so, despite the challenging times that many have faced, there are some glimmers of positivity that we mustn't ignore.

We've seen urban spaces, and the behaviours within them, completely change as society has adapted to the needs of a socially distanced world. There are some real success stories emerging, with pedestrianisation of roads and acquisition of footways to make way for al fresco dining revitalising some urban centres as they emerged from lockdown. The hospitality sector has, by and large, responded well to the opportunity, purchasing the equipment needed to facilitate comfortable and safe outdoor dining. In London, there are plenty of examples of businesses being saved from closure as a result of such measures.

What's more, when we enter into the coveted post-Covid world, these possibilities will remain and offer an additional layer of opportunity on top of what was previously considered business as usual. With hopes for an effective vaccine in the coming months looking promising, our appetite for socialising and access to the best social venues and eateries may return sooner than we expect. It is the towns and cities across the world that will offer all of that and more and, without becoming complacent and only when it is truly safe to do so, must prepare for their busiest period ever.

## 3

### Adapting the existing urban environment

The way we interact with the entire urban environment has already changed and will continue to do so. Our relationships with whole areas of cities, such as the CBD, are different; we view specific streets in an entirely new way (think back to the al fresco dining example); we cherish local green spaces more than ever; and there is a general tendency to view places with a consideration for how they could fit into and function in a socially distanced world.

The way local authorities plan and use public space must draw on these factors and sit at the heart of the urban environment's adaptation.

We have seen local facilities, such as town halls and leisure centres, undergo a range of

impressive and important evolutions during 2020. Some have been turned into Covid-19 testing centres, while others have been filled to the brim with food and other essentials destined for care packages sent out to society's most vulnerable.

We can draw parallels to the awe-inspiring NHS Nightingale Hospitals in the UK, which saw the rapid transformation of exhibition venues, retail units, leisure centres, universities and business parks into contingency intensive care units.

Looking forwards, what is clear – not least because of the stark reality of further waves of mass infection and mutated or new viruses – is that we need processes and supply chains in

place to quickly make the adaptations needed. This approach must be governed by a holistic strategy, which considers the entire urban area, along with the distribution of the population and specific localised needs. Local authorities must mandate that public spaces remain multi-purpose, with a continued functional flexibility. Whether it's pedestrianising streets and car parks to create space for markets and eateries, turning the local library into a food distribution centre, or placing a city's homeless population in self-contained and secure hotel rooms over the Christmas period (rather than open plan dormitories), the public must have confidence that their spaces are safe during and after public health crises.

Longer term, an acceptance of adaptable spaces will endure and so local government

strategies need to consider this. The distribution of adaptable spaces, whether indoors or outside needs to be even and addressed in the context of both physical and mental health to ensure all communities feel supported and safe.

As we return to normality, we will also begin to see more adaptation of privately-owned assets and spaces. We're already witnessing this, with the likes of John Lewis – a leading British department store – announcing that it will be turning a large portion of its flagship store into office space as it seeks to recover from the financial impacts of the pandemic. As the reality of a different future becomes clearer, we will see this trend across all forms of real estate, with a recognition that the whole of society will never use space in the same way again.

## 4

### A move towards safe, clean and convenient urban centres

The concept of the '15-minute city' isn't new, but it has been brought to the fore as urban centres look to respond to the coronavirus pandemic. It's a model that requires a break away from traditional urban planning principles, which split up the city into distinct parts and, instead, provides every resident with everything they need – including employment, shopping, leisure, entertainment, education and healthcare – within a fifteen-minute walk or bicycle ride. Crucially, this must be accompanied by provision of a range of housing, which caters to different needs and budgets across society.

It's an approach summed up by its leading proponent, Carlos Moreno, who said<sup>vii</sup>

*"At its heart is the concept of mixing urban social functions to create a vibrant vicinity."*

With society embracing the positives of the pandemic (we've had to in order to cope), it's not unreasonable to suggest that a preference for stronger and more defined localised urban environments, within larger urban centres, will remain. A study of four Danish cities found that neighbourhoods that offered a mix of amenities seemed more popular during lockdown and reopening<sup>viii</sup> adding further weight to the importance of vibrancy and variety.

A positive by-product of localised urban environments is a reduction in car use, which in turn improves local air quality; something which surveys highlighted as being a welcome change during the peak of lockdown.<sup>ix</sup>

Delivering this concept will take time but will benefit from an embracement of adapting existing space to meet new needs. This is most pronounced in the context of the workplace. Many people will be covered by the emergence of new shops, public facilities and cafes, but those with office-based jobs, who may be working from home more often, will still need collaborative space will not disappear completely. Companies need to rethink their estates strategies and open their eyes to co-working arrangements across a range of smaller satellite sites.



#### 15-minute city

gives residents access to everything they could need within a 15 minute radius of their home.



# 5

## Building back better

It is clear that our towns and cities will never be the same and, as so many sectors, industries and organisations are doing, urban areas must seek out the opportunities to improve and build back better.

In the UK, the government has committed to addressing many of the challenges that impede prosperity in urban centres, setting out a vision in its National Infrastructure Strategy that seeks to tackle the complex cocktail of problems that hold back growth and productivity. The paper notes that poor infrastructure and facilities often exacerbate socioeconomic barriers, such as unemployment and social deprivation. With this it is clear that, for our towns and cities to reach their potential, we must create places for people to flourish both at work and at home.

In writing this report, we've identified three critical elements that, although not the solution on their own, can feed into the wider narrative and enable urban areas across the world to rebuild in a way that meets the needs of their populations.

### Repurpose and regenerate existing urban infrastructure

With our homes and local neighbourhoods becoming the place to work, rest and play, the continued notion of splitting up an urban area into distinct functional parts makes less sense. The shift to working from home will present an opportunity to diversify homogenous zones, such as the central business district, by reviewing how buildings and infrastructure are used. Appetite, ease, and the sense in doing so will vary from place to place and within individual urban areas, but a need to solve the housing shortage could mean that areas once reserved for office blocks and the super wealthy could play home to the urban masses in the future.

While there may be variation in appetite with regards to repurposing swathes of urban environment, regeneration of existing assets should have broader appeal. In a recent report<sup>x</sup>, the Construction Leadership Council (CLC) argued that the government's ambitions for levelling-up, improving social cohesion and accelerating Net Zero could be ramped up if alternative and/or additional financing capability is made available for local regeneration. The report, to which Mace was a contributor, points out that regeneration schemes in the past have largely focused on redevelopment, rather than the revitalisation of a local area. This approach neglects social, environmental and economic

outcomes that could potentially deliver on longer-term government ambitions, and certainly support the existing urban communities in a more appropriate way.

### Adaptability at the heart of modern urban centres

Repurposing existing urban assets into something more appropriate is one thing, but this pandemic has shown the need to remain flexible and able to adapt quickly. There is no doubt the private sector must play its part in achieving this – not least in times when an entire nation must come together for the greater good – but local government organisations hold the keys to success.

Public spaces such as parks, roads and libraries must no longer be viewed in such a binary manner. They have served roles never previously considered and, in many cases, will continue to do so even in normal times. Whether it's through buildings, spaces or local policies being reviewed or retrofitted, or the creation of new facilities or local rules that are rooted in the changes brought about by the pandemic, it is clear that a more adaptable urban environment will not only enhance resilience in the face of future challenges, but offer an opportunity to improve everyday urban life.

### Put emphasis on placemaking

Creating neighbourhoods that have a vitality is essential to the success of our urban spaces, not least in the areas that are more deprived. Taking a placemaking approach considers things from a people-centric perspective, identifying and understanding their daily needs.

Every consideration should influence the next in order to create an environment that supports local people and provides for a happier and healthier life. It's an approach closely aligned to the concept of the '15-minute city' and the seemingly growing appetite for a more localised urban living experience, as well as the government's National Infrastructure Strategy vision to create 'greener and more beautiful places, with cleaner air, more green spaces, green buses, more cycling, low carbon and energy efficient homes, and better high streets for UK towns'.<sup>xi</sup>

The creation of any new urban space, or the revitalisation of an existing one, needs to take a placemaking approach in order to provide urban populations with the best opportunities in life. The government can help by offering policy

interventions and financial support to unlock placemaking investment for areas where new housing is being delivered.

The government has made progressive steps in establishing the National Infrastructure Bank, with many reacting positively to the notion of a state-backed lender, capable of offering reasonable borrowing rates. However, the government needs to be more ambitious and work closely with local government and industry to effectively leverage the money and deliver infrastructure interventions that make a real difference to the places that need them most.

Drawing again on the recent work by the Construction Leadership Council, the report puts forwards the case for a £10 billion, low-interest 'Greener Regeneration Investment Fund' as a way of addressing this challenge. Critically, the fund would be administered to favour whole places over specific assets, long-term goals over short ones, holistic social betterment rather than capital gains and less prosperous locations over those that are already successful.

## References

- i. <https://www.un.org/development/desa/en/news/population/2018-revision-of-world-urbanization-prospects.html>
- ii. <https://www.satelliteinternet.com/resources/wfh-internet-survey/>
- iii. <https://www.upwork.com/press/releases/economist-report-remote-workers-on-the-move>
- iv. [https://bfi.uchicago.edu/wp-content/uploads/BFI\\_White-Paper\\_Dingel\\_Neiman\\_3.2020.pdf](https://bfi.uchicago.edu/wp-content/uploads/BFI_White-Paper_Dingel_Neiman_3.2020.pdf)
- v. <https://www.centreforcities.org/publication/urban-demographics-2/>
- vi. <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/employmentintheuk/november2020>
- vii. <https://www.bloomberg.com/news/features/2020-11-12/paris-s-15-minute-city-could-be-coming-to-an-urban-area-near-you#:~:text=The%2015%2DMinute%20City%E2%80%94No,minutes%20of%20their%20front%20doors.>
- viii. [https://covid19.gehlpeople.com/files/report\\_phase2.pdf](https://covid19.gehlpeople.com/files/report_phase2.pdf)
- ix. <https://www.thersa.org/press/releases/2019/brits-see-cleaner-air-stronger-social-bonds-and-changing-food-habits-amid-lockdown>
- x. <https://www.constructionleadershipcouncil.co.uk/wp-content/uploads/2020/10/CLC-Greener-Regeneration-Investment-Fund-report.pdf>
- xi. [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/938049/NIS\\_final\\_web\\_single\\_page.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/938049/NIS_final_web_single_page.pdf)