

SIX PILLARS OF SUCCESS:



BUILDING
RESILIENT
PLACES

INTRO- DUCTION

While it is evident the ‘one-size-fits-all’ approach to place-making has more than had its day, what are the properties involved in creating places that thrive? According to research by P-THREE and CACI, the answer comes in a unique balance of six different purposes that connect the built environment to its community.



CACI

TOLGA NECAR
PRINCIPAL CONSULTANT

Our expertise at CACI is in understanding the ways that people interact with place, and our data shows that places typically draw their engagement from communities living within 15 minutes of their doorstep. This reliance on local audiences holds true across Retail, Residential and Service sectors.

But for all their reliance on local communities, our places are rarely optimised to facilitate this demand. With a legacy of rapid retail expansion, 52% of all retail destinations are over spaced today. Our community hubs are often undersupplied in the amenities and services that people need on a day-to-day basis. And we aren't building enough homes, in the right places, quickly enough.

Working alongside P-THREE, we have identified six property pillars that, when balanced, can rectify this; contributing to community and asset resilience by responding directly to the needs, wants and identities of the local audience.

At its core, property only has value and purpose insofar as it relates to people; what is an office without workers? A home without residents? Or a store without shoppers? Our data creates insights that help places connect deeply to the communities they serve. We explore how to create successful places that break the mould of Clone Town and strike the delicate balance of supply against demand for shared benefit.

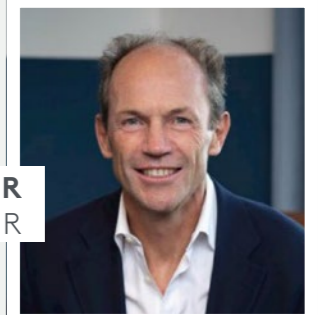
FOREWORD



P-THREE

PEOPLE . PLACES . PROPERTY

JUSTIN TAYLOR
CO-FOUNDER



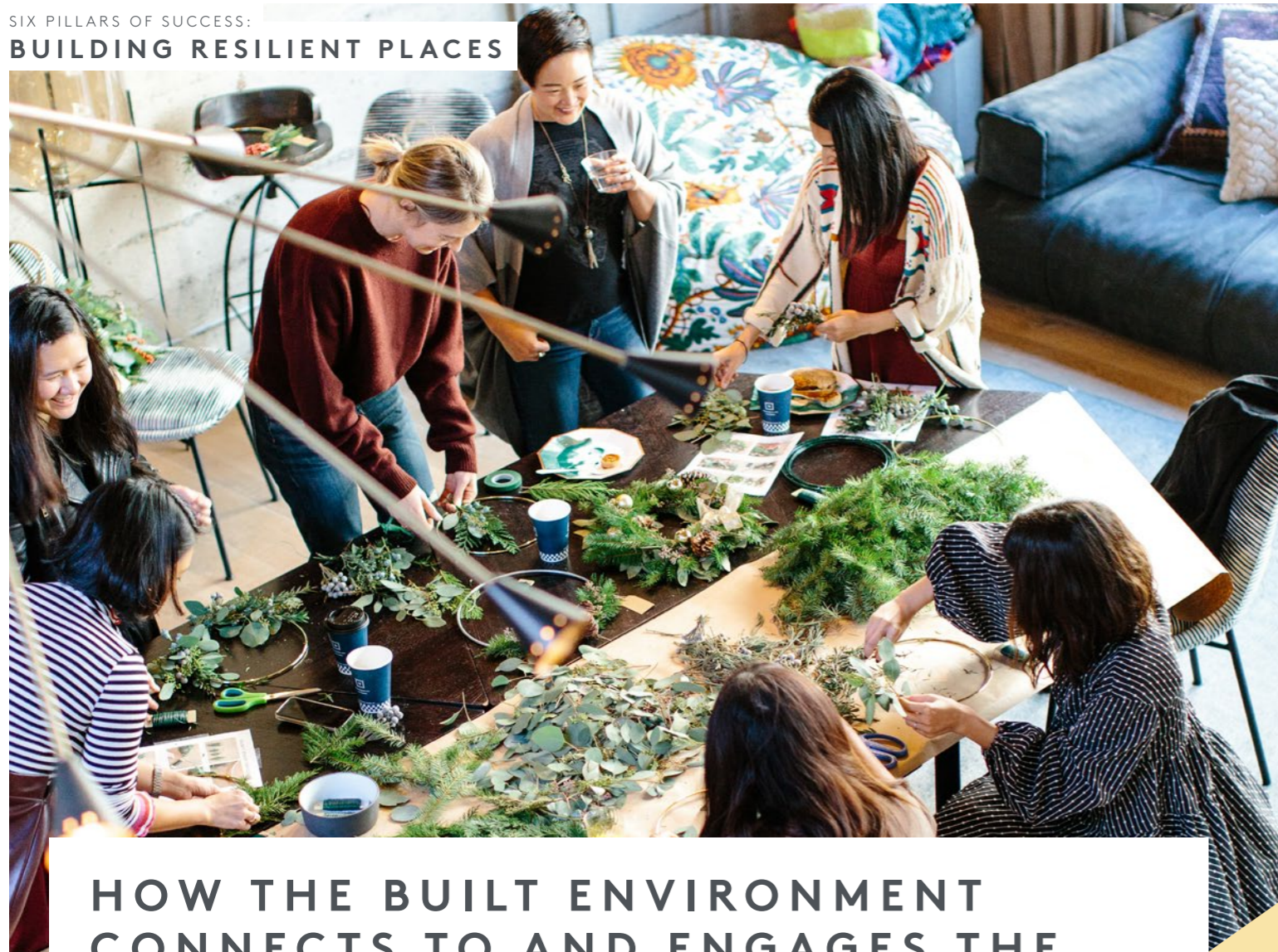
At P-THREE many of the projects we are currently working on with clients, arise from the need to unravel the oversupply of underperforming retail space. This is giving rise to a whole new cycle of exciting downtown mixed use development opportunities.

It has been evident for some time that the retail development boom over the last twenty plus years placed too much emphasis on a single use sector, namely retail to pump prime regeneration. This has also led in many cases to town centres losing their identity and purpose as well as losing connection with their communities. It is therefore vital as we look forward into the next development cycle that these issues are not repeated.

P-THREE and CACI share a common belief that everything we do in the built environment must start with a deep understanding of people. In this report, we examine the principles needed to help build long term resilience and balance into new development and places. We illustrate these principles through case studies which are either planned or under construction.

If we get this right the positive benefits are achievable to marry up commercial objectives with delivering engaged and sustainable communities for the long term. This has significant social and economic value.





HOW THE BUILT ENVIRONMENT CONNECTS TO AND ENGAGES THE LOCAL COMMUNITY MATTERS

CACI research shows that most locations draw their spend from within a 15-minute drive time.

This reiterates the importance of getting places right, a process that requires a detailed understanding of the shared wants, needs, beliefs and associations of the local population.

We call this the 15-minute community; they have their roots in 15-minute cities, an often-referenced urban planning principle that is rapidly gaining popularity. It describes how cities should be designed so that residents can reach all the services that they need for day-to-day life within a 15-minute walking distance. We believe that these principles are not confined just to the city, but should also apply to communities outside of cities, where private and public transport routes should be considered.

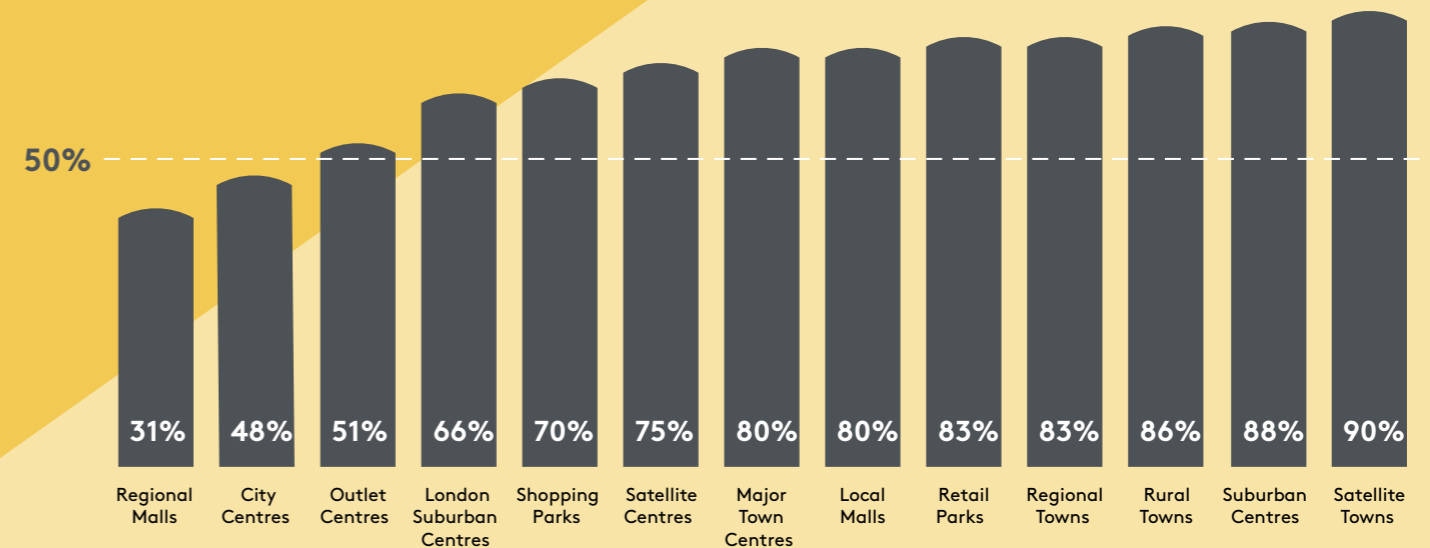
When viewed through the prism of a relationship with local communities, it is clear that there can be no one-size-fits-all approach to optimal place strategy. “Clone Towns” have been proven to fail.

Delivering Social Value is an important step to creating resilient places. But to deliver Social Value, we first need to acknowledge that the needs of each community are unique to their respective locality. Understanding what those needs are is essential to responding to them effectively. Unemployment levels, unaffordable housing, digital vulnerability and health insecurity are just some of the social needs that should be understood if places are to provide a targeted programme that enhances Social Value.

For places to truly engage their community, they also need to be authentic to the local identities of the area. This can be achieved through locally relevant leasing, activation that ties in with cultural events, or through the physical properties of the built environment itself.

Efforts to utilise existing historic assets will embrace and celebrate the area’s identity and reinforce the sense of permanence.

PROPORTION OF SPEND THAT ORIGINATES FROM WITHIN A 15 MINUTE TRAVEL TIME



In the context of the 15-minute community, our physical assets become more resilient the better they engage the local community:

01

Physical places only have value and purpose if they connect to people.

A resilient location is frequently used by a variety of people, at a variety of times, for a variety of missions. This creates a more enlivened place with more scope for crossover trips and fewer lost visits to competitor locations.

Output: Driving footfall.

02

Responding to geo-local wants and needs contributes to the overall health and resilience of your community, who in turn will be able to continue supporting the asset.

If you get your Social Value enhancement right, you will also create lasting economic value.

Output: Generating a virtuous cycle of Social Value and Economic Value

03

All parties rightly require Social Value demonstration of the net positive impact of their schemes to meet commitments, secure future investment and gain the necessary planning permission to progress and develop schemes.

Output: Meeting the ESG (Environmental, Social and Governance) commitments of all property stakeholders.

CASE STUDY

CREATING UNIQUE PLACES IN BIRMINGHAM

Within the next 10 years, the population of Birmingham is expected to grow by 46,000 to over 1.2m people. Coupled with the improved connectivity that HS2 will bring, it is no surprise that Birmingham is the subject of significant development interest.

To organise such significant population growth, the Birmingham Big City Plan splits Birmingham into smaller zones; the City Core with six surrounding “quarters”. In this way planning requirements in Birmingham should not just be thought of as development within one city, but rather development within a number of unique but interconnected neighbourhoods each with their own identities and needs.

Taking one of these quarters in isolation we can see how this works in practice. Digbeth sits to the east of the City Core, it is roughly 10 minutes walk to the city centre and well connected via tram. Like much of Birmingham, Digbeth’s roots are industrial, and it was once home to a number of large factories which diminished in relevance through the 20th century. But through regeneration projects these buildings are now finding new leases of life and the area is establishing itself as the new Cultural Quarter of Birmingham.

Of course there is housing, retail, leisure and amenities being delivered at scale in Digbeth, but the area is also becoming synonymous with creative industries; often drawn to the space and aesthetic of repurposed industrial buildings.

The clustering of multiple creative spaces like the Custard Factory and the soon to open Digbeth Loc. Studios is helping to reinforce an active community that will underpin the new homes.

The snowballing effect that positioning likeminded industries together can have is already seen through the emergence of community entrepreneurship in Digbeth, as street art adorned independent restaurants, cafés and bars nestle alongside workplaces to create a distinct destination within a larger city identity.

CASE STUDY

CHAMPIONING COMMUNITY ENTREPRENEURISM IN WHITECHAPEL

Whitechapel is unique. Its core catchment (from which 50% of engagement originates) is 44% South Asian, 44% Muslim and is home to the youngest population in London.

In this context it is essential that the mix in Whitechapel continues to reflect the nuances of the local population if it is to remain a vibrant community hub.

One way that Whitechapel achieves this is through community entrepreneurship; it is 3.5 times more reliant on independent retail than its class average, and having been built by the community, this retail mix is fundamentally aligned to the wants, needs and identities of the community. The provision centres around a substantial and well used market, balancing every day and specialist retail alongside a significant amount of F&B, services and amenities. Supporting the community with one of the largest

mosques in London. The restaurants opening hours align to Iftar during Ramadan and there is a strong offer for jewellery shops, materials shops and specialist food stores.

Retail in Whitechapel is therefore deeply intertwined with the community. Bridget Galloway, Town Centre Manager for Whitechapel works closely with these business owners, creating deeper connections and a positive dialogue between council and community to engage all stakeholders in the Whitechapel Vision. As Galloway puts it:

“When I’m talking to a business I’m also talking to the community”.



THE COM- MERCIAL MODEL NEEDS TO CHANGE



Unfortunately, many places are not currently set up to positively engage their 15-minute communities. The existing commercial model is not resilient enough to guarantee success in the future. Today, 52% of locations are over spaced in retail, meaning operators struggle to perform at sustainable levels at the best of times and are exposed to unexpected shocks at the worst of times.

Too many of our high streets and town centres are outdated, indistinguishable and overdependent on branded retail that responded to 1980s consumer trends. They have not adapted quickly enough to omnichannel shopping or to changing consumer patterns. Recent years have exposed just how precarious a position the over-expansion of retail has placed many locations in, and why we must rethink the use of place.

Without change, performance is expected to worsen. Currently, 38% of all comparison goods spend in the UK takes place online, a number that is expected to rise to 51% by 2030. Savills estimate that there is already 150m sqft of vacant retail space; 15% of all units. Even with conservative estimations of rental income, today's vacancy rate represents over £4bn of lost rent – imagine what that will look like when more than half of spend transacts online. Without change, place value will erode and schemes will become commercially untenable.

With such a clear direction of travel, it is essential that retail locations and stores evolve to become more than just a place to transact. A sustainable commercial future requires the form and function of places to be reimagined to better engage with and serve their community.

Physical retail does continue to be a core part of a balanced offer and will remain a vital ingredient of resilient places but places need the right amount of space, in the right location and priced appropriately to thrive. A net reduction in retail space will not necessarily mean lower values as improved performance of occupiers will flow through to increased demand and ultimately higher rents.

While the need for a change in direction applies to new developments designed from the ground up, it is also an essential consideration for the future of town centres and high streets that often make up the heartland of our communities. Underperformance has created an opportunity to reframe those spaces and their relationships with our communities, retrofitting resilience and future proofing commercial assets.

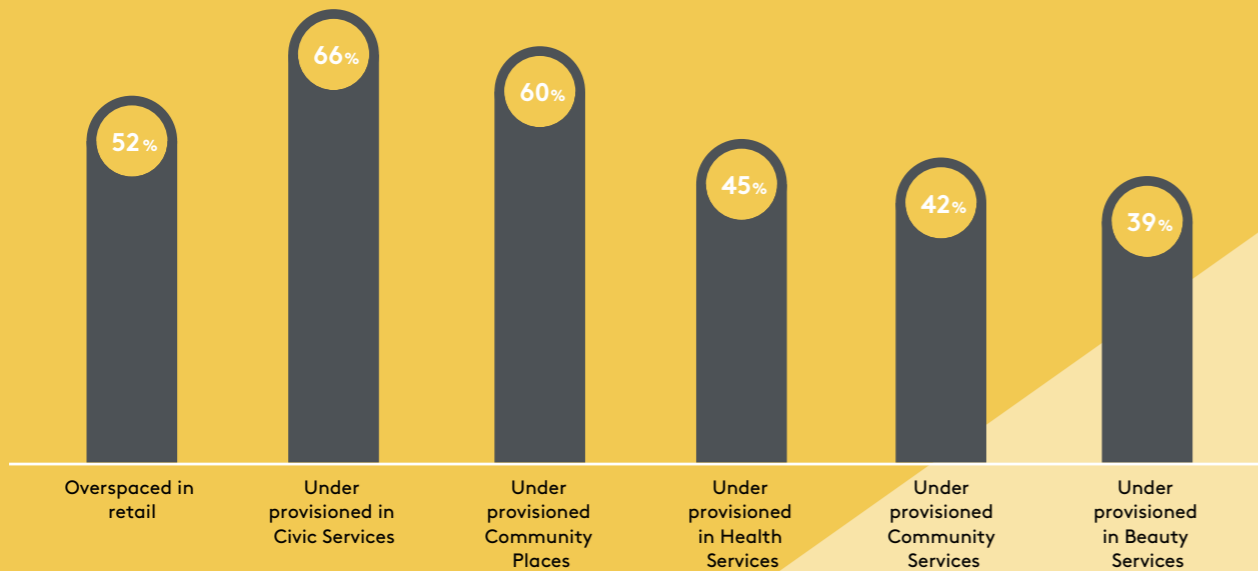
However, the fragmented nature of ownership on our high streets is a challenge that cannot be overlooked in this context. Establishing a coordinated strategy between community, council and corporate stakeholders is essential to positively affect change for mutual benefit. This collaboration can only be achieved through active partnership, discussion and objective appraisal of the available data.

How regeneration is funded will vary across the UK, reflecting the complex place ownership models in place. But complexity is not an insurmountable barrier; there are examples where public finances have been leveraged for improvement projects, where community entrepreneurship has acted as a catalyst for change, and where corporate investment into their own assets has provided positive spill-over benefits across the wider community. In all cases, collaboration across community, council and corporate parties should be encouraged to expedite the process and ensure that benefits are felt by all.

THE NEW MIX

Although 52% are over-spaced in retail, locations are often under-provisioned in important community services and amenities:

PROPORTION OF LOCATIONS THAT ARE OVER OR UNDER PROVISIONED IN EACH PROPERTY USE TYPE



What do we mean by Amenities and Services?

Civic Services: Job Centres, Council Services, Business Centres

Community Places: Libraries, Halls, Markets, Community Centres

Health Services: GP Surgeries, Pharmacies, Dentists, Opticians

Community Services: Dry Cleaners, Laundrettes, Vets, Financial Services, Post Offices

Beauty Services: Barbers, Salons, Nail Bars, Tanning Shops

Elephant and Castle is one example of an area actively addressing the balance between retail, services and the community through redevelopment. Including new public realm and the Southwark Heritage Centre and library, Elephant Park is providing much needed Community Places that sit alongside a refreshed retail and leisure provision which actively champions the local identity.

CASE STUDY



REBALANCING RETAIL AND COMMUNITY SPACES IN STOCKTON

Stockton On Tees has a strong industrial past, but now it is working hard to diversify its industrial heritage into emerging sectors like energy and the environment, life sciences and biotechnology, as well as manufacturing and engineering.

In a similar manner, Stockton town centre is to be transformed to have a sustainable retail offer that safeguards the High Street, creates new uses, attracts businesses and drives footfall.

The centre piece will be Stockton Waterfront, an urban park with open, flexible places for community and large scale events for people of all ages to enjoy; covering an area that is three times the size of Trafalgar Square.

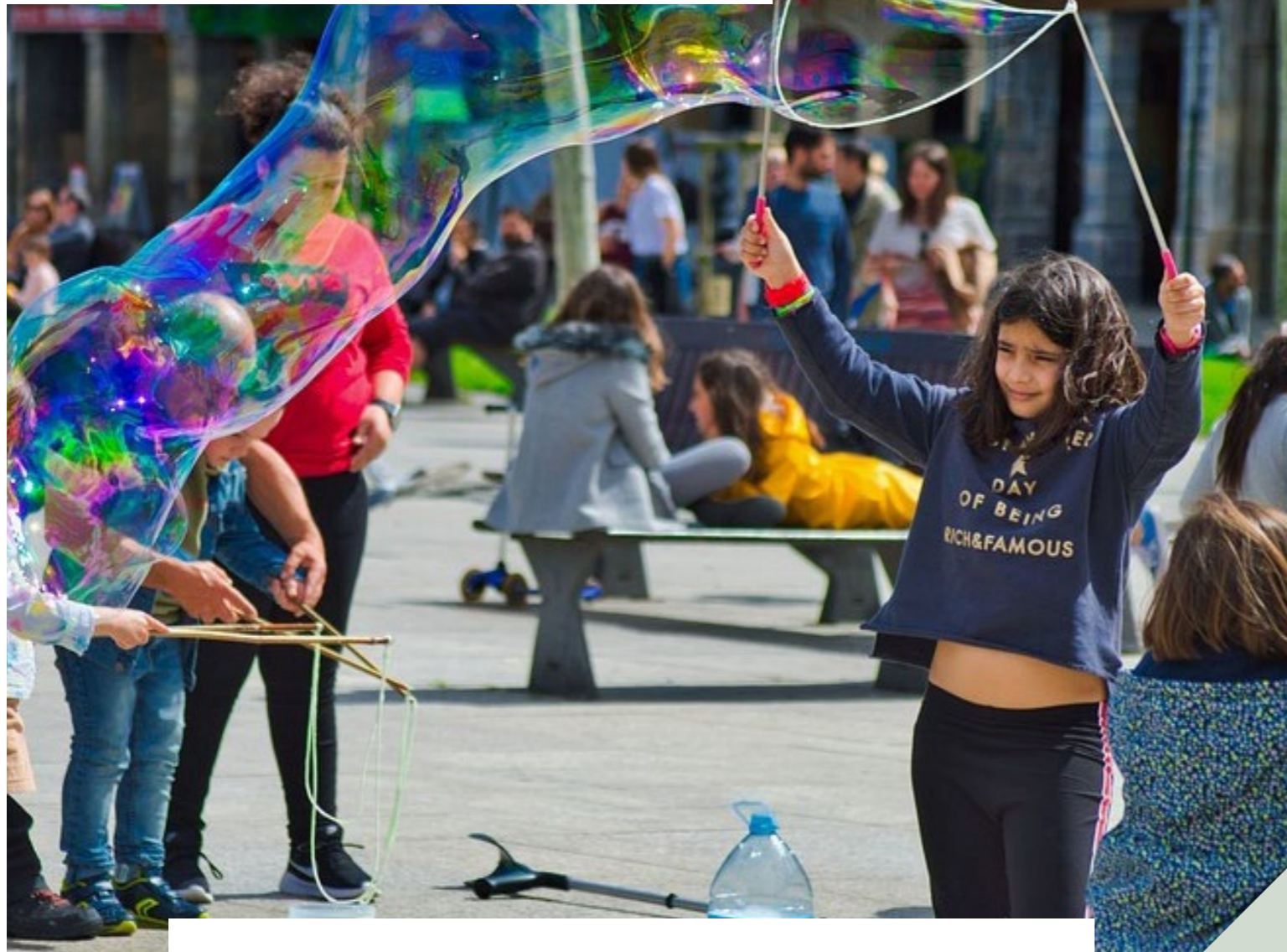
A riverside park with open spaces for families, market spaces and opportunities for cafes and kiosks are all part of these plans.

The major waterfront development includes the demolition of the Castlegate Shopping Centre and the Swallow Hotel. Surplus retail space will be taken out and the High Street will be opened up and connected to the river. People will be able to walk uninterrupted to the riverside from the High Street as these plans also include the narrowing and tunnelling of Riverside Road.

The Council are creating a more compact, sustainable retail core by focusing Stockton's main retail area into Wellington Square and the north section of the High Street. The main retail offer will be focussed on its 700-year old market and other parts of the town centre like Silver Street.

These changes will form an exciting future for Stockton and will create a unique attraction in the heart of the town centre.

HOW CAN THE BUILT ENVIRONMENT ENGAGE THE COMMUNITY, DELIVER SOCIAL VALUE AND REMAIN COMMERCIALLY VIABLE?



We have identified six property pillars that can contribute to community and asset resilience: **Retail, F&B & Leisure, Amenities/Services, Residential, Working and Placemaking & Sustainability.**

Resilience means that each element is considered in the unique context of the asset and its surroundings. Its presence is balanced against the available demand to create a long-term, sustainable commercial strategy.

PROPERTY PILLARS

01 Right sizing retail: Traditional occupiers still have a role to play, but retail needs to be rightsized and appropriately leased-- both in terms of the tenant line up and the nature of the stores. Community Retail on our high streets, when executed correctly, should look and feel quite different to the brand flagships in our city centres. Curating the right blend of national chains and independents can speak to and reflect local identities, especially given that 37% of the population actively seek out independents over chains.

02 Unique off-line experiences: These are uniquely offline experiences that cannot be replicated in-home. Beyond the event itself, great F&B and Leisure provision provides customers with halo benefits that contribute to an enlivened place-- longer dwell time, more varied footfall patterns and greater spend in return.

03 Community spaces to love: Looking beyond these more traditional commercial tenants, amenities and services can contribute to Social Value and actively drive community engagement. Optimising the relationship between supply and demand across amenities such as Civic Services, Social Services, Community

Services, Education Services, Health Services, and Beauty Services will allow commercial landlords to plug necessary gaps within the community and reinforce their social value. While these may not deliver the same levels of direct rental income that the more commercial elements do, footfall and Social Value benefits will recover some of the potential value lost in rent.

04 Support social cohesion through better residential design: A lack of suitable housing stock can significantly damage the health of a community, and the UK continues to fall behind its housebuilding target. Delivering appropriate residential will produce a positive impact on the community and provide long term value, income and footfall for the developer. When moving home, 50% of people move within two miles of their previous address, so residential units should closely align to the needs of the local community and offer the right types, tenures, sizes and price points to fill supply gaps.

05 Working near home: 29% of the UK population work in office jobs with the potential to work from home at least some of the time, with three office days per week being

the average. However, for all its convenience, our homes may not always make the best place to work. The notion of “working from home” may better translate into “working near home” instead. At the right price, 46% of office workers would consider taking a flexible desk in their local area. Understanding demand levels in your area could unlock the potential for coworking provision.

06 Creating great places: Driving footfall to a location requires a physical space that people really want to spend their time in. Not only does the place need to provide conveniently located and sought after shops, services and amenities, it must embody a public realm that encourages visitors to dwell and explore. It is not surprising that when people rate the physical environment 5/5, they spend 26% more than those who rate it 3/5. In addition to improving visitors' experiences, sustainably built places enhance the environment by encouraging biodiversity, carbon capture and creating greener spaces to spend time in. There is an increasing tendency towards greening urban environments where even small pockets of nature in unexpected places can have a significant impact.

Tolga Necar, Principal Consultant, explains:

Ultimately, getting the balance right between supply, demand and appropriate activation cements the future position of places within their locality by building mutual resilience and purpose beyond a place to transact in.

DE-MALLING IN STRETTFORD

CASE STUDY

Bruntwood and Trafford Council’s partnership has embarked on an ambitious plan to revitalise Stretford Mall, a project that promises to bring a wealth of benefits to the community. The collaboration kicked off with extensive consultations with the public and key stakeholders to create a mixed-use, multi-million pound masterplan that places people at the heart of the town.

The project’s first phase, starting in spring 2023, will see the restoration of Stretford’s historic King Street, transforming the shopping mall into a vibrant, open-air high street and town square.

The reconfigured town centre will feature pedestrianised streets, more greenery and open spaces, improved transport links, and a thriving high street.

The later phases of the project include the creation of up to 800 residential units, including affordable housing, in and around Stretford Town Centre and St Matthew’s Church.

The plan also proposes the creation of more green meeting areas, a public square, and open spaces. A green biodiversity corridor, including a new town square and park at the heart of the town centre, is also on the cards.

The revitalisation plan has a strong emphasis on supporting local businesses, with proposals to create a hub for small independents and the evening economy, complete with outdoor seating, eateries, and bar areas.

CONCLUSION: A BALANCED COMMUNITY

We build resilient places by connecting to communities. The outdated retail-first model of leasing to the highest bidder is no longer sustainable. Presently, longerterm success of places requires us to ask harder questions about our localities and our relationship with them. The 15-minute community tasks us to clearly define the purpose of each place and respond to the people that will engage with it.

Resilient places need resilient communities to serve and a resilient environment to operate in. Resilient places must therefore deliver positive Social Value enhancement that support community resilience and positive environmental contributions that support global, local and corporate environmental goals.

The traditional drivers of rent are still relevant; retail, leisure, F&B, residential and offices are all important commercial uses. However, resilience means that each use-case is rightsized, delicately balancing supply against demand across the scheme so that each operator can access the necessary levels of demand to perform sustainably.

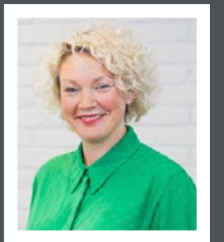
If we do this, the long-term benefits of a virtuous cycle are achievable. Tenants will be able to pay rent on time, every time. The local community will receive daily and weekly footfall when actively engaged with the scheme. A measurable positive impact on the surrounding community will deliver against corporate ESG commitments and the requirements of local authorities, and an enlivened space that is attractive to new tenants and grows asset value sustainably.



Andrea George, town centre & consumer brands director at Bruntwood, said:

The public’s feedback was instrumental in shaping the plan, with a vibrant high street being a key theme that emerged from the consultations.

The project promises to be a game-changer for Stretford, with a focus on creating a greener, healthier, and more connected town centre that meets the needs of the community. The plan aims to bring people together in green and open spaces, change traffic flows to improve safety, and connect the town centre with the canal waterfront. The revitalisation of Stretford Mall promises to be a shining example of what can be achieved when public and private sectors work together towards a common goal.





CASE STUDY

A BALANCED MIX THAT ENGAGES ITS LOCAL COMMUNITY - TRURO

Truro stands out as an example of a city where the provision is well balanced against the needs of the community today; and is actively considering how it remains such with ambitious growth plans. The Truro Town Investment Plan's stated 2030 vision reflects these aims:

“Truro will be a ‘Connected River City’ worthy of being Cornwall’s capital and fulfilling its potential as a modern economic, social, environmental and cultural capital for Truro residents and the wider Cornwall community”.

Its retail spacing levels are balanced today, and projections suggest that it will remain so even given the expected population growth over the coming decade. It is important to acknowledge the impact of Truro’s significant tourism trade, however, even in this context the retail mix remains appropriate for the local residential population as well as for tourists, balancing national brands alongside local independents and community entrepreneurs.

Housing affordability remains in line with national averages; Private Rents are typically 25% of earnings, and house prices are 6.9 times the average annual

earnings (below the national baseline of 7.4 times in built up areas). Both Public and Private investment into Truro is creating new employment opportunities across a range of industries and levels that will sustain the city’s growth plans. Similarly, Truro is well provisioned for Health services, Beauty Services, Civic Services, Community Services and Community Places. These aspects of the built environment combine to help its community thrive.

Developments such as the Pydar regeneration project further support this balance; not only improving the quality of stock and delivering against the housing needs of a growing community, but also providing new green spaces, improved active transport infrastructure, a new hub for creative industries and additional leisure services that will complement the existing city centre.



CON- CLUSION



This report – **Six Pillars of Success: Building Resilient Places** – evaluates what places typically provide against what consumers actually need and want, and has identified a disconnect.

The research found that consumer spend is increasingly coming from the 15-minute community; more than 75% of revenue emanates from the local population for eight out of 13 asset types, including major town centres, retail parks, and suburban centres. Yet 52% of locations are over spaced for retail and, with comparison goods spend online expected to exceed offline by 2030 (at 51%), there is a clear need for retail-led destinations to evolve, which the report has characterised as six pillars that will help places thrive:

- 01 Right sizing retail
- 02 Unique offline experiences
- 03 Community spaces to love
- 04 Supporting social cohesion through better residential design
- 05 Working near home
- 06 Creating great places

Delivering Social Value is an important step to creating resilient places. But to deliver Social Value, we first need to acknowledge that the needs of each community are unique to their respective locality. Understanding what those needs are is essential to responding to them effectively. For places to truly engage their community, they also need to be authentic to the local identities of the area. This can be achieved through locally relevant leasing, activation that ties in with cultural events, or through the physical properties of the built environment itself.

The commercial model needs to change as well. How regeneration is funded will vary across the UK, reflecting the complex place ownership models in place. But complexity is not an insurmountable barrier; there are examples where public finances have been leveraged for improvement projects, where community entrepreneurship has acted as a catalyst for change, and where corporate investment into their own assets has provided positive spill-over benefits across the wider community.

This report includes five case studies to illustrate in practice some of the issues highlighted as well as the solutions being applied to help create resilient places for the future.



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