
HOMES UK 2019

HEALTH AND WELLBEING IN OUR HOMES AND TOWNS

AECOM PRESENTATION – RICHARD GREEN

27 NOVEMBER 2019



CONTEXT

HEALTH AND WELLBEING IN OUR HOMES AND TOWNS

... "the economic health and wellbeing of our communities, both homes and towns, is fundamentally associated with the **place** and the way in which people interact with those places".

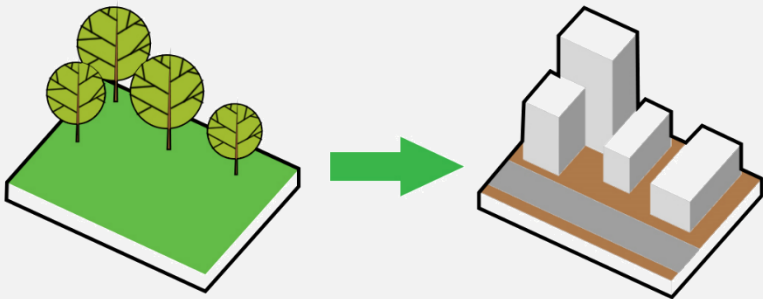


CHALLENGES:

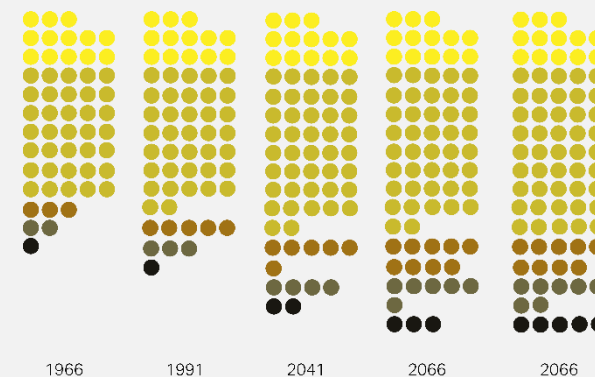
HEALTH AND WELLBEING IN OUR HOMES AND TOWNS

Sustainable solutions:

- / **Growth:** brownfield over greenfield
- / **Carbon challenge:** national and local agendas
- / **Densification:** review and retro-fit of existing stock

**Demographics:**

- / **Aging Population:** UK population steadily getting older, this trend is expected to extend into the future
- / **Changing needs:** instant recognition and move away from core family unit
- / **Social Infrastructure:** core services required in easy access of where people are living

**27%**Will be over 65
by 2066

CHALLENGES:

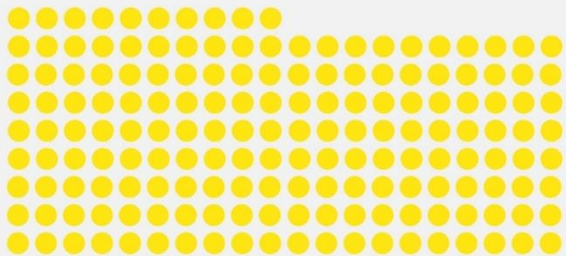
HEALTH AND WELLBEING IN OUR HOMES AND TOWNS

High Street Decline:

/ Growth: not maintained the same levels of growth of pre 2007/8

/ Competition: discounting and online alternatives

/ Anchor stores: too much retail space to sustain

**1,700**

1,700 chain shops
closed in 2017

Technology:

/ Online growth: reduction in growth of retail units

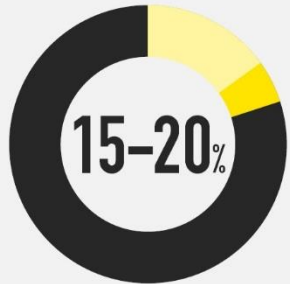
/ Buying habits: retail units as showrooms (Google and Amazon Go)

**2007/8**Target **400** stores**2018**Target **150** stores

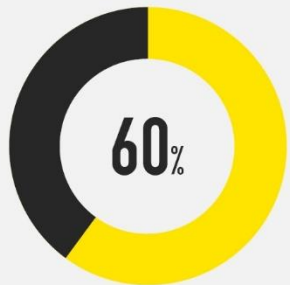
OPPORTUNITIES: MAKING OUR HOMES AND TOWNS WORK BETTER TOGETHER

PLACEMAKING

Creating a sense of place is vital to the future of our communities: creating destinations for people to engage and socialise



World Bank planning standards recommend devoting 15-20 per cent of land in cities to public open space



Where key developments include parks, gardens and squares, including Kings Cross and its centrepiece Granary Square, house prices rose by 60 per cent between 2011 and 2016

Considerations

Population + people

- Match the development intentions with that of the city as a whole: contributing and balancing the existing and future city ambitions

Attract and retain

- People are the life blood of places – deliver spaces and places which can attract and retain people through permanent and temporary structure (Altrincham hospital example or pop-up event spaces)

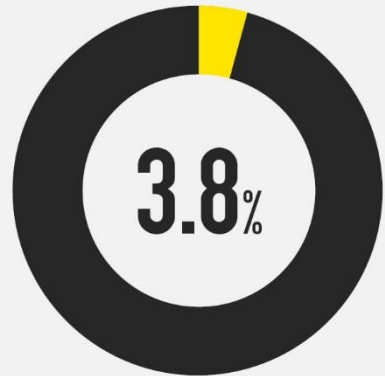
Future Proof

- Anticipate future trends in retail spend and population growth; provide places that respond to people's needs

Benefits

- / **Pride**
- / **Engagement**
- / **Footfall**
- / **Increased spend**
- / **Diversification (City Offer)**
- / **Demand**
- / **Evolving spaces**
- / **Sustainability**

Reinvigorating existing locations with a diversity of uses which attracts a greater footfall



Retail sales in November 2018 grew by only 3.8 per cent year on year

Considerations

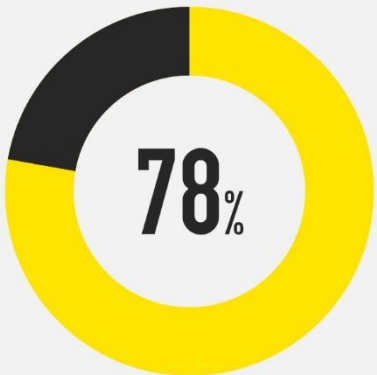
Creating retail and social hubs with accessibility and flexibility to meet changing needs and requirements

- **Demographics:** match the changes in this to future assets and mix
- **Spending habits:** with increased spending power what is the draw to millennials?
- **Space:** flexibility and adaptability for smaller tenants: rightsizing retail
- **Lease structures:** flexibility to meet tenant requirements

Benefits

- Social contribution to the town or city
- Assets stay relevant and less void space
- No dependence on a single anchor to attract other tenants

Adapting existing building voids to deliver 'experience places' that are enhanced by technology



78 per cent of Millennials preferred to spend money on an experience than goods

Considerations

Adaptability

- Services and energy requirements
- Leasing arrangements

Cost effective

- Low cost revitalisation of a location of existing interest

Resilience

- Technological requirements
- Technology driven flexible venues capture real time data

Benefits

- Engaging place for all generations
- Active space day and night with associated revenue generation
- Advertising revenue generation, greater digital presence and data capture
- Creating footfall for retail

OPPORTUNITIES: MAKING OUR HOMES AND TOWNS WORK BETTER TOGETHER

RESIDENTIAL INTENSIFICATION

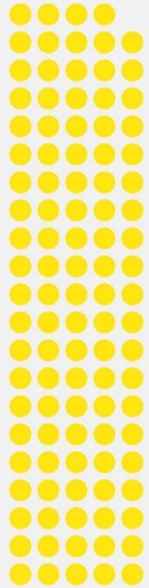
Sustainable, high-quality development that deliver longer term returns – such as BTR

BTR UK PIPELINE



2016

66,000
homes



2018

140,000
homes

Considerations

Location, Location, Location

- Close proximity of good transport links
- Good employment statistics and local economic performance affect affordability
- Customer focused to ensure demand

Operational Model and Lifecycle Costings

- BTR costing is different to traditional for-sale residential
- Understand difference between fixed and operation running costs to gain maximum value from investment
- Economies of scale with a target minimum of 250 to 350 homes

Flexibility

- BTR is a long term asset so leasing and design should enable flexibility
- Maintaining the opportunity to respond to changing market demands and appetites for 10-20 years will deliver long term returns

Speed to Market

- Ability to deliver homes for rent at scale and speed
- Not limited by open market sales absorption
- The sooner it's built the sooner income can be generated

Benefits

- Potential for long term inflationary protected income
- Momentum building within the sector and sub markets appearing
- Counter cyclical investment
- Starting to increasingly attracting institutional investment as sector matures
- Ability to unlock potential for mixed use development

SUCCESSFUL PLACEMAKING: *three examples of northern communities that are adapting to change through new placemaking*



**Altrincham, England's
Great British High Street
2018 Winner**



**Huddersfield: Kirklees Council
10 Year Regeneration and
Investment Framework**



Warrington: ...”an inclusive 25year growth strategy enabling local people to participate in and enjoy the benefits growth will bring”

AECOM

Imagine it.
Delivered.