



12: The value of space – why places matter more than architecture

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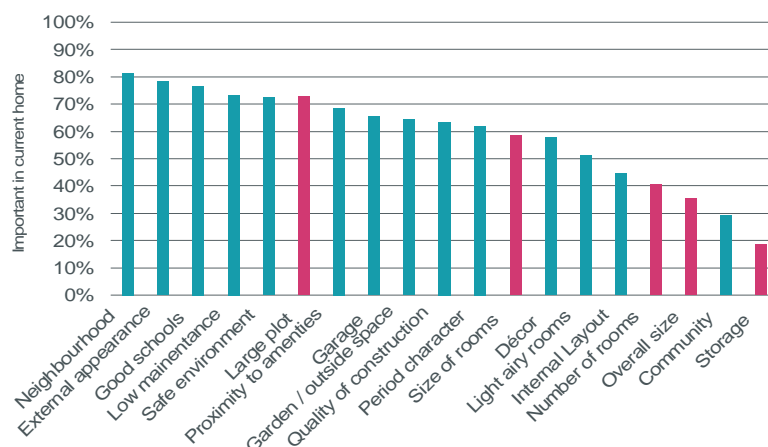
I thought I would put up a provocative title as I was at the RIBA a few years ago and the subject was the interface between architecture and planning. One of the comments made was that there were too many bl**ly geographers trying to tell architects what to do; well I am one of those bl**ly geographers, this is my chance!

What I am going to do is take the whole space issue outside of the home, but I hope to show that we are still talking about homes in the sense of neighbourhood.

I am going to be talking about a whole range of research that we have been looking at in recent years, under the heading of what we call “place-making research”. I come at it very much from the market point of view, but also in the belief that markets do to some extent reflect other human endeavour and desires. I am going to be talking about the value of layout and some work we have been doing with Space Syntax on that. We are going to be talking about the importance of content and then looking at density in a slightly different way. I will then try to draw it all together to see what the implications of a combination of these things are.

I wanted to kick off with a piece of attitudinal research that we did about a year ago, looking at a representative sample of UK households. What we asked in this particular question was what is important to you about your current home. What we wanted to uncover is what really matters to people in their housing. The results of this research are shown in illustration 1.

People want place ...



Source: Savills Research

The pink bars are those features that have to do with size, particularly size of rooms, layout of rooms and the size of the building. What I want to draw out of this is that in terms of what is important and of value to people, the factors that the industry tends to think drive values are actually relatively unimportant (although we do have to acknowledge some relationship between size and price).

You can see the importance of neighbourhood on the chart. In this case, neighbourhood appears to be a concept linked to things like quality of schools, proximity to open space and local amenities, and which is distinct – highly distinct – from community, which comes right down at the bottom of this league table. It appears that what is important to people are things that add value rather than generate price. That is a particularly important issue with markets as they are now - the emphasis in the industry has to go towards adding value. What scores very highly are not issues of property, it is not about what goes on within four walls, it is about what goes on around those four walls and that is where my talk concentrates.

... so spatial organisation appears to have value implications

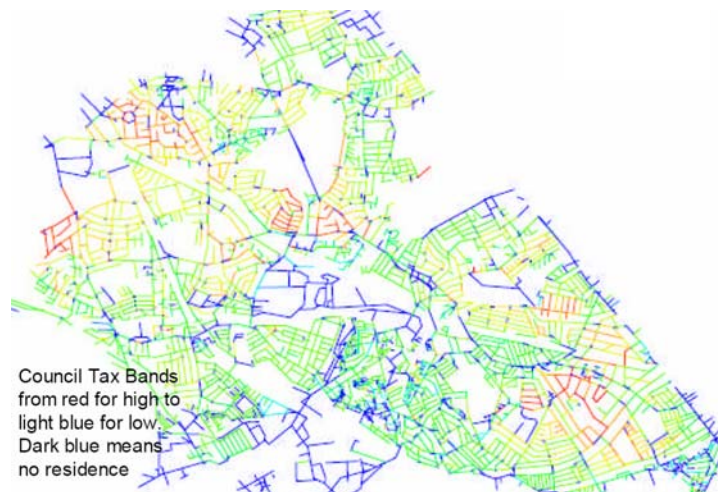
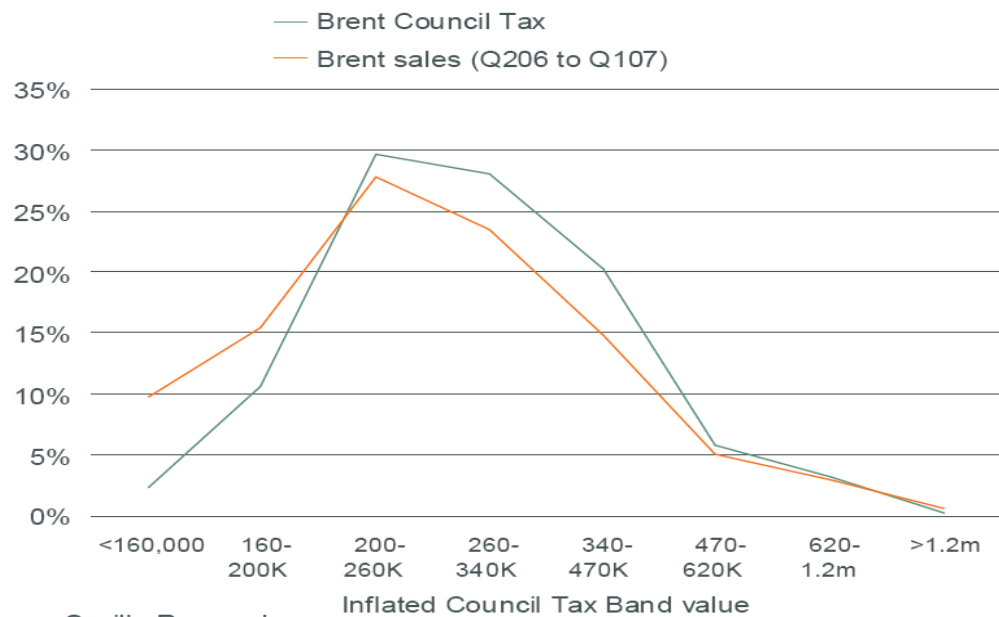


Illustration 2: Values derived from council tax bands

There are spatial implications to these preferences. Illustration 2 is a disguised borough of London, and it shows quite simply, values derived from council tax bands. It shows that by just looking at a map of values like that you would start to think there is some kind of relationship between spatial layout and value. There seems to be clusters of high value (shown in red) and clusters of low value (shown in the light blue). It is exactly this that we have been looking at as part of the Urban Buzz programme with Space Syntax – this is all work done with Space Syntax. We have looked at the variables that create value (illustration 3), and there are some that are given such as property size where positive correlations were found – not surprisingly over a whole borough there tends to be a trend with large properties being more valuable than smaller ones. There are also positive and negative impacts of density, global clustering, local clustering and indeed the age of the property. In summary these were the results:

- residential
property size and immediate density do determine value but the 'geometry' of streets has a significant impact
- local spatial clustering decreases value
- global spatial clustering means higher value
- permeability and connectedness means higher value
- age is a positive, but relatively weak – older means marginally higher value

What the graph in illustration 3 shows is, quite simply, that council tax bands are a good proxy for open market value – I will not labour the point.



Source: Savills Research

Illustration 3: Brent council bands compared to sales

Let us start with global integration. This is basically about how 'reachable' at a macro level different streets are. This is demonstrated in illustration 4 where the redder the streets are the more connected they are with every other street in Britain and the colder or the bluer they are, the less connected. Basically what you have got in blues are cul-de-sacs with only one or two dwellings and what you have got with red are very highly integrated routes through to other places, in fact every other place in the UK. There is a startlingly positive correlation shown in the graph between value and the integration of routes, and this really goes right against what most people in the industry will tell you. The fact is – and we are talking residential property values here – on some of what usually turn out to be the busier routes - we find the highest value properties. It is the prominent streets that lend value. The only thing I would say is that the very busiest routes tend to have commercial properties on them and not residential, so you may find if you were to look very specifically at the residential on those streets there could be a dip in value – the very highly integrated routes might have a dip in value – but otherwise the busier the street, the more connected the street, the higher the value.

Global Integration adds value ...

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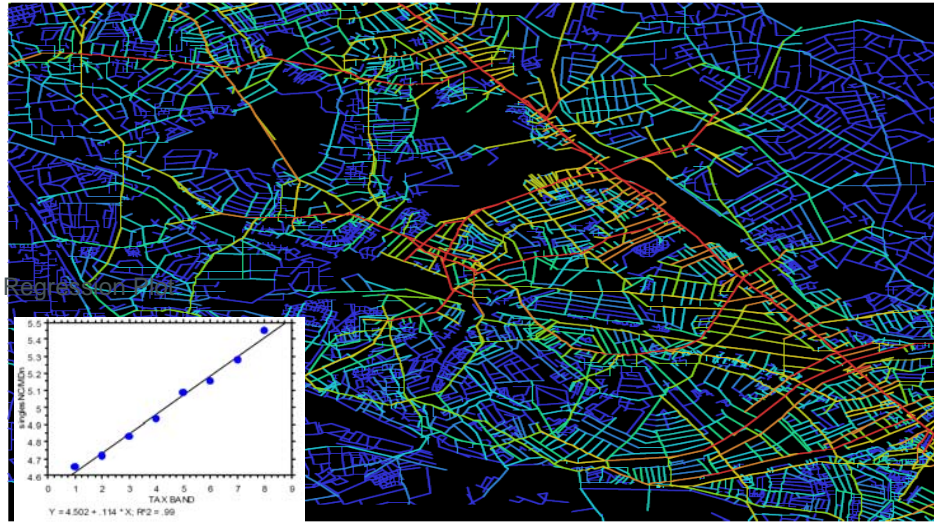


Illustration 4: global integration

In planning and masterplanning in recent years the idea of a five minute walk time in determining neighbourhood centres has become a Holy Grail. In this respect, this work actually is quite alarming because when we look, not at global integration, but at very local area integration, we see a different pattern of value. What the hot spots show in illustration 5 are local, neighbourhood areas. These are the most connected local areas - they are very well connected but only to small distances. In fact what you are looking at here are the 'ped sheds' or walking distances of which the planners have become so fond, but what we find is that there is a negative value correlation. These places that are locally very integrated, for example, with a little parade of shops forming the focus of local neighbourhoods, have lower residential values. You can start to see straight away that if you are looking as a retailer at these areas that they do not correlate to those big, globally integrated streets. Therefore, their catchment areas are going to be small and you can probably expect low retail values, but what we are finding is that they also have lower residential values. This goes right against all the conventional thinking that your local neighbourhood, contained spaces and so forth, will give a higher value and I think we really do need to pay attention to this.

...but local spatial clustering decreases value
(Integration to Movement Measure: 300m range)

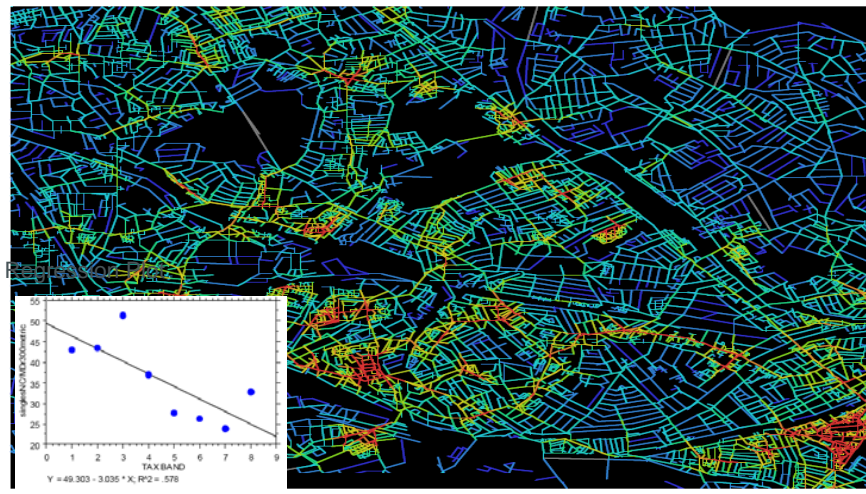


Illustration 5: integration to movement

In this case you do not actually see a case where a locally integrated centre correlates with a globally integrated one, but the ones that work best in other places and provide the highest value are local centres that are actually on the globally integrated routes – you can almost think of it as a ‘string of pearls’. If you have got a major route through, a string of neighbourhood centres, that seems to work very well, but there are some really important lessons from this work for master planners and local designers because it is going to have, certainly in the medium to long term, a major impact on residential property values.

Finally, there is very clear evidence from this particular analysis that permeability, the choice of routes through a place, adds value (illustration 6). Again, this goes away from the conventional house builder thinking that cul-de-sacs are the most valuable locations for residential property, so we have got some really strong evidence here for, in some cases, a very different approach to layout and master planning.



**Permeability adds value
(Choice or Through Movement Measure)**

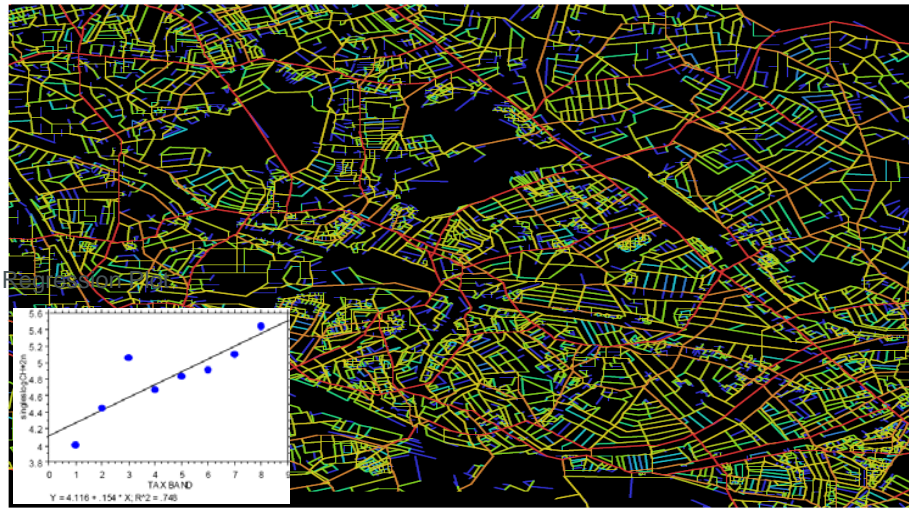


Illustration 6: permeability

That then is the relationship between global and local and various different types of layout. The next question is about content, and we have been doing quite a lot of work on this. There is a danger, once you find some empirical evidence of layout adding value, to then ignore other strands, but what we are doing here is pulling together all the elements of place, and content is a very important one. We have been considering the chap in illustration 7 for quite a few years now and what the role of this type of property is. What you might consider here is what I call ‘neighbourhood retail’ and ‘fine grain commercial’ property, and I want to emphasise the importance of this because it has a major impact, certainly on some of the density issues that you have been looking at earlier today.



Illustration 7: retail and fine grain commercial

If we look at real places – and we do this a lot now – the big question for many of our clients on large strategic sites is “what on earth should I put there”? When you look at real places, you find they contain an awful lot of stuff that does not feature in any kind of planning use class and certainly no institutional investor classes. So when we present the sorts of results shown in illustration 8 – and this one is lifted from a typical client report – it gives our developer clients a real headache because they wonder who on earth they are going to offload this type of real estate to. You yourselves will recognise a lot of this stuff, if you live in an area that is older than 50 or 100 years, as being part of your daily life. One of the things we are finding is that if you land a few thousand households in any place they will automatically give rise to a demand for a whole range of goods and services and so on, and they are accommodated in a wide variety of usually highly flexible accommodation – little niche spaces that have been there for a period of time. I think the danger with the way we are designing new places now is that we just do not design in this sort of thing. And, consequently of course, people have to get in their cars and drive to the places where these things are. To give you an example, we always find a huge number of jobbing builders with little builder’s yards dotted all over the place and they run their businesses out of them. Milton Keynes (in common with many other new settlements) does not contain any.

| PROPERTY TYPES | | |
|------------------------------------|---------------------------------|-------------------------------|
| Retail-high street | Business Premises | Community |
| Antique shops and storage | Builders yard/materials depot | Classrooms |
| Banking hall/fronted office | Fronted office | Club house |
| Boutiques/clothes shop | Fronted office & car park | Hall/meeting place |
| Green grocers/grocers/deli | Fronted office and parking | Nursing/care/residential home |
| Shop | Heavy manufacturing unit | Police Station |
| Shop with storage | Kitchen, storage & micro office | Primary School |
| Shop with workshop | Light manufacturing unit | Secondary School |
| Stall/barrow/kiosk | Micro office | Town hall offices |
| Retail-non high street | Office | Hospitality |
| Car showroom | Office & garage/parking | Guest house/hostel |
| Petrol station | Office & workshop/storage | Hotel/Motel/Inn |
| Showroom & workshop | Office and Storage | Pub/bar |
| Showroom and storage | Garage | Restaurant |
| Niche | Refrigerated Warehouse | Small restaurant/café |
| Accommodation in a hospital/clinic | Small office | |
| Laboratory | Storage & office | |
| Laboratory & office | Studio | |
| Library/storage/gallery | Studio & office | |
| Funeral parlour | Transport depot/garage | |
| Gallery | Warehouse | |
| Surgery/treatment/consulting room | Warehouse & car park | |
| Leisure | Workshop | |
| Amusement park | Workshop & storage | |
| Sports facility/court/gym | Warehouse & small office | |
| Sports stadium | | |

Illustration 8: property types

So what we are beginning to find is that there is a real complexity as soon as you get outside the four walls of a house and start considering space, layout and content. This does have important implications and I would now like to jump to a macro level analysis, looking at density in the way you probably have not seen it before. What we are looking at in illustration 9 is density measured as dwellings per hectare and what we are measuring here is whole urban areas, every single urban area in the UK and the number of dwellings in it. The median which is the line going from top to bottom, is about ten dwellings per hectare. The most dense urban area in the UK is the Royal Borough of Kensington and Chelsea at 69 units per hectare. These are very, very different sorts of figures than those you have come across if you look at individual sites with 30 per hectare or 200 or 13000 if you look at Hong Kong. That is because real places contained a lot of buildings and spaces other than residential units. In

Kensington and Chelsea there are quite a few parks taking up a lot of hectareage, there are pubs, restaurants, cafes, workplaces, garages, everything that you can think of.

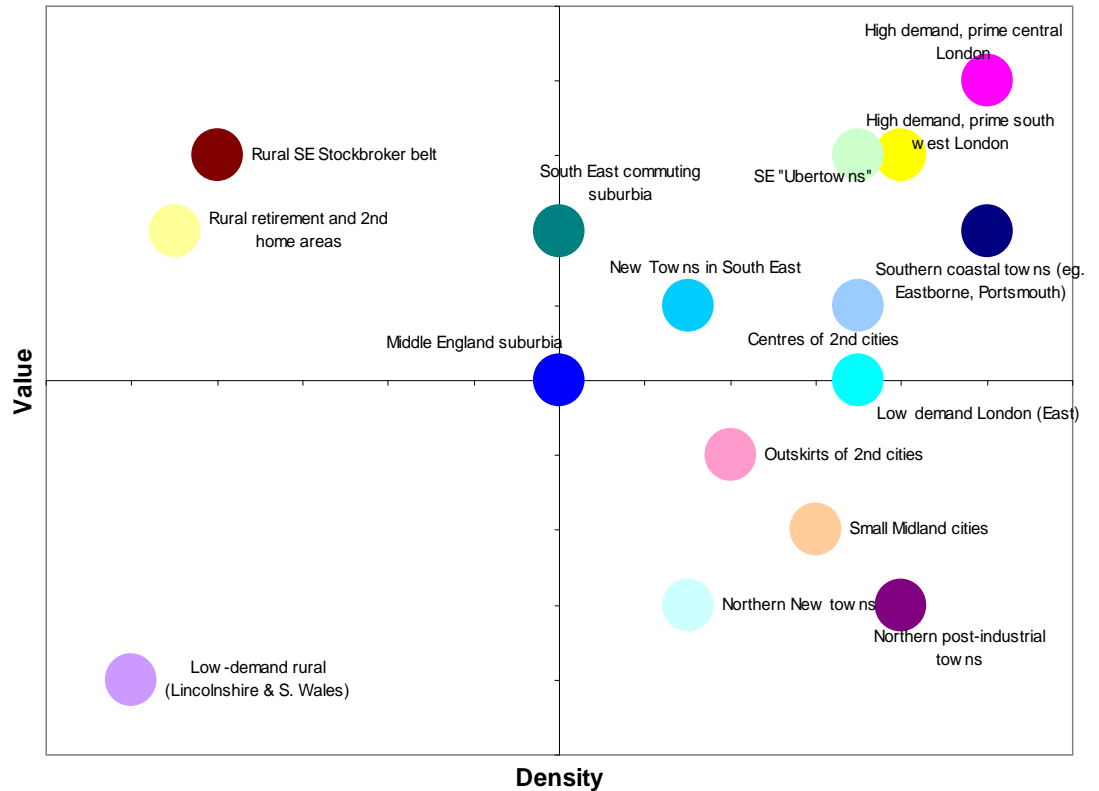


Illustration 9: density

I think, most importantly, if you map this against average residential values, as we have here, you can see that there is absolutely no straight line correlation between gross densities and values. In fact, some of the highest value properties – and this is per property – are found in the most dense or intensely used pieces of land – it is the most intensely used pieces of land that yield the highest value

You can see that we have tried to cluster and characterise each urban area and there are very clear clusters of different areas and property with different characteristics. For the property industry this is an incredibly important chart because again conventional house-builders will tend to think that if they can build large properties at low densities they will achieve the highest value. Well, they will per property but per hectare of land they would do a lot better to be building what we call here the South East Über Towns –places like Oxford, Cambridge, Guildford and Winchester. We have seen them rise enormously in value over the last 10 to 15 years with rising demand for real places. These are places where you do not have to jump in your car to go and meet your daily needs and where there is high quality housing nearby. They are approaching the value of the south west London suburbs and there are some really important lessons to be learned from real life analysis where clearly the content and density and layout all combine to produce value. I would argue this value is not just about monetary value, the monetary value very definitely reflects some kind of perceived social value on the part of occupiers and buyers.

Going a little further, we have also looked at new developments that have displayed some of the characteristics of the sort of layouts I have just talked about. This includes the permeability, the walkability, the connectivity, the content, the mixed use as well as a variety of housing types. Work we did a while back with the Prince's Foundation, EP and various others showed very definitely, and I think very importantly, that there is some kind of relationship between what you might call the 'geometry, content and intensity' of new places, and value. In combination, it does make for higher value. In all of the three cases that we studied, they were yielding much higher gross development values per hectare than equivalent, homogeneous, standard developments and even, in some cases, than historic parts of the same town. So what we are beginning to show is that there is a real commercial driver here, that density, content, intensity and layout does add value.

In another context, looking at regeneration projects, we have found that existing residential properties around regeneration areas showed much higher value growth than the equivalent properties outside the influence of the regeneration. So quite clearly what we do in terms of development does have some major impacts on value. There are some commercial drivers here to be captured, but I think also there is a lot to be understood about what is driving this sort of value.

In conclusion then what we are saying – and there are many changes afoot in the industry but I do not have time to go into them – is that when we are thinking about property there is a lesson to be learned from ecology. What we are arguing is that in ecology there is a notion of a 'climatic climax' which is an optimum vegetation and an optimum ecology based on physical conditions. So, given the geology, the climate and so forth across most of Britain, it is mature oak woodland that prevails. This means that, over time, scrubland like that on the left (illustration 10) will become mature woodland. This is a kind of optimum state if you like, and I think we need to start thinking about places in exactly the same way.

In ecology: Climatic Climax



From this:

to this:



Illustration 10: climactic climax

Very often I see clients struggling with large strategic sites because they are starting from today's position in terms of what is viable in terms of the standard occupiers, standard planning use policies and standard institutional investors. What we are

saying is that there is, if you like, is a ‘place climax’. Illustration 11 shows Ebbsfleet on the left – currently a chalk quarry and a station in north Kent and the theory is that it could become an optimum urban environment, a very highly complex combination of the elements I have described in this talk – and many others. On the right is Oxford. I am not necessarily suggesting that we could build Oxford in north Kent, but I am trying to give you some idea here of the way we are thinking that new settlements could go.

There are physical and locational conditions on this site and other types of characteristics of location that we think can give an optimum use that is probably a lot more intense than we have been used to building in the past - certainly for 100 years or so. It is a complex combination of those features that I have been talking about – the layout, the content and the intensity of use and mix of uses.

In Urbanism: Place Climax?



From this:



to this:



Illustration 11: Ebbsfleet and Oxford

What I suppose I am urging a room full of people primarily concerned with architecture and buildings to think about therefore is not just the buildings but the space between them and the way those buildings will adapt over time and eventually evolve, like the best of old places, into something that is very complex but also very highly valued by ordinary people.