Evolving cities |
What will green cities look like?

How the pandemic, remote working and sustainability are reshaping our cities: unlocking the funding, development and construction opportunities

Introduction

Our towns and cities are at the forefront of the drive to create a more sustainable economy. City centres have traditionally been hubs of activity, full of retail shops, offices and places to eat and drink. The Covid-19 pandemic and resulting lockdowns have changed this dramatically and have seen many businesses shift to remote working. This has created a large reduction in footfall and activity in cities, but the long term effects could be even more significant.

The pandemic has led many of us to make significant changes to the way we work, socialise and spend our free time. It will be fascinating to see which of these changes lead to permanent shifts in behaviour. Covid-19 could be accelerating several important social trends, the most obvious being the shift towards online retail. But with many of us working more flexibly, travelling less, supporting local businesses and utilising local green spaces, the pandemic may be helping to speed up the greening of our towns and cities too.

Sustainability is one of the most prominent social issues of our time, and consumers, businesses and governments are all addressing the issue in a range of ways. Flexible working, downsized offices and retail spaces and higher levels of support for local businesses are likely to be important aspects of creating more sustainable cities.

This report will look at the role that green finance and planning are having on trends in development and construction, and their effects on how we use the spaces and buildings that make up our cities.

You can watch our **webinar** and **topic introductions** on our **Evolving Cities web page.**

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A view into our green future?

2020 saw large portions of the global population go into lockdown, which changed the nature of everyday life for many overnight. Numerous news stories at the time highlighted the effects that this temporary drop in economic activity had on the environment. Pollution cleared over Chinese cities, Mount Everest became visible from Kathmandu and wild goats briefly reclaimed the Welsh town of Llandudno. These reports highlighted the huge effects that modern towns and cities have on the environment, but also provided potential signposts to a more sustainable future.

The changes people and businesses have had to make due to the pandemic could drive long term changes in the makeup of city centres. The challenge of creating more sustainable cities is complex, but it is widely acknowledged that reducing traffic-based pollution and repositioning older buildings to make them more sustainable are two major priorities.

Businesses are realising the benefits of remote working and will be looking to adopt more flexible office solutions. At the same time, the drop in footfall is leading retailers to look at reducing their physical footprints while enhancing their online presence. However, with city centres largely empty, local and independent businesses have seen a boost from the larger number of consumers staying at home.

With the issue of sustainability at the forefront of public consciousness, there is a growing acceptance that our traditional concepts of cities are going to have to change. Achieving this will require large scale shifts in many established industries and processes, as a ‘sustainable revolution’ does not only come down to technology and renewable energy, but also changes in finance, planning, development, construction and the way we use our city centres. A new low carbon economy is impossible without all of these factors working in unison.

In this report, we look at the role green finance, planning, and development and construction trends can play in making our cities more sustainable. Together they can transform the way we live, work and socialise in the cities and towns we call home.

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Green finance

Creating sustainable cities will require a large amount of funding. This simple yet inescapable truth highlights the central importance of green finance. According to the UK Climate Change Committee, meeting the UK's net zero target will cost around 1-2% of GDP each year. The majority of this funding will need to come from businesses, making the goal of attracting private finance for decarbonisation vital for creating more sustainable cities.

An adapting industry

There is a growing consensus in the banking industry that it needs to adapt in order to meet the challenges of funding the large scale greening of cities, but also to best seize the huge opportunities it presents. The **Financial Stability Board Task Force on Climate-related Financial Disclosures (TCFD)** is an example of a market-driven initiative that is having a real impact on the way green markets and the transition to a low-carbon economy can be funded. The TCFD brings together some of the biggest players in the global financial industry to promote more informed investment, credit, and insurance underwriting decisions through a better understanding of climate-related risks.

The Partnership for Carbon Accounting Financials (PCAF) is another industry-led initiative that is enabling progress towards the goals set out in the Paris Agreement. As banks represent most of the available capital globally, any effective transition of a low carbon future is impossible without their input.

The need to mobilise the financial industry is reflected in the UK government's **2019 Green Finance Strategy**. The strategy has three objectives: 'greening finance', 'financing green' and 'capturing the opportunity'.

Several green finance options are becoming available for businesses, developers and construction companies. Green loans are classed as such where there is a green purpose for the loan itself (including a use of proceeds requirement) and, as a result, the lender is able to offer advantageous financing terms. Green loans can be used for a huge array of different projects, including to fund renewable energy projects, to purchase a green building with a particularly good BREEAM rating, or to retro-fit their current building to improve energy efficiency.

Sustainability-linked loans work differently, by linking reductions in the loan's interest rate to the achievement of predetermined environmental performance targets. A sustainability linked loan may look at the output and input of a head office to see if there are, for example, reductions in water usage, increases in the percentage of waste that is being recycled, decreases in percentage of waste to landfill etc. These need to be measureable, ambitious goals that are achievable for a borrower and performance against these goals can be linked to a preferential margin by the lender.

The government has also established funds with matched private and public investment such as the Clean Growth Fund, which focuses on innovative clean technologies. Social impact bonds could also be increasingly used to fund sustainable projects across the UK.

"We need to recognise that transition does not look the same, or mean the same actions, for different companies. A repertoire of diverse strategies and financial instruments are required."

James Vaccaro, CEO of RE:Pattern

Directing funding effectively

Green finance and investment is a rapidly evolving area, with new innovations, policies and regulations expected in the next 12–24 months. However, in order to develop green finance solutions which are fit for purpose, we need to define what exactly we mean by ‘green’ and ‘sustainable’.

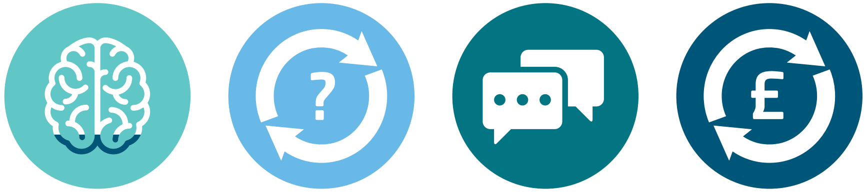
This is where the UK taxonomy comes into play. The EU taxonomy establishes a system of classification for sustainable activities based on six environmental objectives (i) climate change mitigation; (ii) climate change adaption; (iii) sustainable protection of water and marine resources; (iv) transitioning to a circular economy; (v) pollution prevention; and (vi) the protection and restoration of biodiversity and ecosystems. The classification therein allows climate targets to be implementable and enables economic activities to be properly designated. These accurate labels permits the expansion of green finance and reduces greenwashing concerns. If we look to the future of business, some of the changes that have resulted from the pandemic may continue, such as reduction in travel in relation to business travel, holidays and commuting. If there is a positive impact on the carbon footprint of a business due to these changes, companies are able to take advantage of a reduction in margin using the mechanics of sustainability linked loans.

It is worth noting that in November 2020 the UK announced that it will implement a green taxonomy. It makes sense that it will be based on the metrics and thresholds set out by the EU Taxonomy mentioned above. The EU invested large amounts of resources in creating a scientific approach to transitioning to a low carbon economy, including the ways that public and private finance should be used.

Preparing the market

There has been a huge increase in requests for green and sustainability linked loans. It seems that green finance is the direction of travel within the financial sector but what remains to be seen is whether the wider market is ready to take advantage of the opportunities.

In a recent survey, we asked senior decision makers what their experience has been with green loans or sustainability-linked loans:



65%	28%	7%	0%
have little knowledge about them currently	**have never heard of them**	**have discussed them with a lender**	**have taken out a green or sustainability-linked loan**

This result is indicative of the nascent nature of green finance, however momentum is gathering as the topic is explored in more depth and more products are developed and launched to market. More businesses are embedding ESG principles in working practices which opens up opportunity for them to benefit from sustainability linked loans.

The evolution of our cities is causing businesses to look at the space they need and location preference, which could lead to an increase in building conversion and change of use. This redevelopment provides an opportunity to integrate sustainability; overhauling and retrofitting energy inefficient buildings. However, green and sustainability-linked loans may currently be seen as a secondary consideration (or benefit), particularly on substantial developments where higher cost interventions are not compensated by the discount to the margin. But if government policy implemented a financial mechanism to support retro-fits then this could balance out the savings versus cost investment against the really important element – the sustainability agenda.

In addition, private and social housing providers are starting to look at how they can access green finance in respect to funding future developments. This may be a driver for the development of ‘eco homes’ and an increase in sustainable construction practices; it will be increasing to watch the interplay as the market matures.

Planning

The pandemic has shown that moving to remote working and reducing office space and business-related travel does not have to pose a risk to businesses. The continued growth of online transactions is also giving businesses ways to reduce their physical footprints and make their processes more efficient.

But creating truly sustainable cities is about more than planning for resilience and reducing emissions. It is also about creating comfortable environments for people to live and work in and helping them to connect in a more diverse set of ways.

Done well, the greening of our cities has the potential to increase health and wellbeing while also reducing negative environmental impact. As the global population continues to grow and life expectancy increases, sustainability solutions need to be built around the needs of people as well as environmental factors.

We asked professionals what they would like to see more of in city centres:

37%	27%	24%	17%	49%
green space	leisure use in buildings	innovative use of space (such as urban farming)	housing for families and older generations	all of the above

If city centres are going to become greener spaces, the way they are used is going to have to change considerably. Currently, even while lockdown renders the offices and shops largely empty, city centres tend to act as commuter and business hubs. They are places that you travel into from elsewhere to go to work, meet friends or do some shopping. But with businesses downsizing their offices and retailers cutting back on physical store space, there is the potential for large swathes of existing building space to become empty in the next few years. These spaces could be used for a range of different purposes.

Driving change through planning

A permitted development right, which permits change of use from office to residential, has been in place for some time.

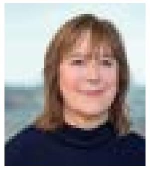
In September 2020, a new use class (Class E) was introduced. Class E is a new broad use class which combines commercial, business and restaurant type uses, allowing flexible changes between these uses to be made without the need for planning permission.

And late last year, the government launched a consultation on a proposed permitted development right for a change of use from Class E to Class C3 (which is residential). The consultation closed on 28 January 2021 and the government response is awaited. In the consultation, it was proposed that the new permitted development right would come into force on 1 August 2021 – in England only, Class E does not apply in Wales. Student accommodation, retirement living and new co-living schemes have been cited as schemes that could revitalise otherwise vacant city centre properties. However, whether or not they fall within Class C3 will depend on the nature of the scheme. For example, a retirement scheme may in fact fall under Class C2 rather than C3 depending on the extent to which care is included in the scheme. Whereas the concept of co-living – which is aimed at young professionals who may want the flexibility of rented accommodation and quality shared spaces – could be a C3 development.

There is also the question of student accommodation. Smaller schemes which entail a house with multiple occupation of up to six residents – or a small HMO – fall into Class C4, and many local planning authorities consider large scale, purpose built student accommodation as sui generis, which would not benefit from this proposed permitted development right.

So while the proposed change could be a positive step on the journey to evolving our cities, it is underpinned by some complicated nuances and each proposed scheme will need to be looked at carefully. It is also worth remembering that, whilst the proposed permitted development right is light touch compared to a normal planning application and could pave the way to changing the mix of use within our cities, safeguards in relation to noise pollution, for example, will be part of the process.

However, as retailers are already reducing floor space as they look to focus on commodifying the increase in on-line shopping, this proposed change may be welcomed by some. Retailers may look to have smaller physical presences – either centrally or in urban hubs – where they can showcase their new products or seasonal trends. We may see some traditional brand names providing hospitality experiences at a local high street level as they look to capitalise on the trend of people staying closer to home, or even the creation of new spaces which offer virtual brand experiences. Residential development has been encouraged in traditional city centres in recent years and this is likely to accelerate that trend.



"Co-living and other models can provide housing where it may not otherwise have been available."

Katherine Evans, Head of Planning and Environment, TLT

However, if we are going to create sustainable cities as part of the evolution, then consideration also needs to be given to the infrastructure which supports low carbon living.

Creating sustainable infrastructure

Green infrastructure is a broad term that encompasses conventional open spaces like parks and woodlands, but also things like public transport, electric vehicle charging infrastructure (EVCI), and localised renewable energy solutions. Alongside the need to increase the deployment of EVCI to meet the UK's 2030 electrification goal, people will need further encouragement to use their cars less. As different types of car ownership models such as car-sharing increase, access to green public transport will also become more important.

'Greener city centres have the potential to create a more sustainable economy as well as happier, healthier and more connected communities.'

This infrastructure can contribute to sustainability in several ways. The more obvious of these is through reducing pollution and making it easier for homes and businesses to use more renewable forms of energy. But increased green spaces and woodland will also help to capture more carbon and provide more spaces for communities. Greener city centres have the potential to create a more sustainable economy as well as happier, healthier and more connected communities.

Sustainability as a planning mandate

In the UK is it already a fundamental principle of planning policy that sustainable development is taken into account in any development proposal. Planning authorities, through the use of planning agreements in the UK together with community infrastructure levy in England and Wales, can fund or require the developer to implement measures that promote sustainable development. This could include, for example, implementation of wide landscape management plans for public open space that also promote biodiversity, sustainable drainage, or sustainable travel plans including promotion of public transport through the issuing of travel cards or funding new bus routes.

While the current planning system looks to mitigate against negative impacts of development, achieving biodiversity net gain is not yet in the hands of the planner, in part due to the delayed Environment Bill. However, other tools for ensuring biodiversity are also emerging. Certain environmental issues have led to the use of new financial instruments to achieve environmental benefits. A good example of this in England relates to the phosphate and nitrogen impacts on water and marine environments. A system of credits has been created that enables companies to offset the increase in phosphate and nitrate outputs that will result from new housing, mixed use or other developments by creating habitat that mitigates those impacts – for example, converting agricultural land to new natural habitat.

While these schemes are largely in their infancy, they are likely to become more prevalent in response to pressure to release residential developments in areas such as Somerset, Hampshire and Herefordshire.

Creating environments that people can thrive in

Many city centres are already some way to becoming mixed-use experiences, having moved away from being traditional retail or office only spaces, but to bring people back to our cities in greater numbers we need to accelerate this trend. Recent (and upcoming) changes in planning have an opportunity to support this – and could led to a considerable uplift in new and re-developments encompassing residential on the upper levels and user-led experiences on the ground floor.

By developing innovative cities that have greener buildings and amenity-rich complexes, we can bring people back into our cities, though they will come for the experience rather than as traditional consumers.

Trends in development

While planning and finance are necessary for embedding sustainability targets into projects, the way new developments and retro-fits are designed also plays an essential role in greening our evolving cities. But what trends are driving new development and retro-fitting as we evolve our cities?

While many businesses are looking to downsize their office space there is still going to be a high demand for quality sustainable offices both in traditional city centre locations, and in urban conurbations as employers look to create interactive hubs for their staff.

As office, retail and leisure requirements change, our city centres will diversify, creating communities rather than neighbourhoods dominated by one use. Concepts such as urban later living and co-living will be part of this mix alongside more affordable housing, build to rent schemes, and potentially more dedicated student accommodation.

We are also likely to see the development of well-connected smaller regional centres and even suburban markets becoming more viable.

"Our city centres will diversify, creating more mixed communities rather than neighbourhoods dominated by one use."

Simon Peacock, Head of South & Wales and Project Management UK Regions, JLL

Opening up our city centres

City centres that have traditionally been dominated by retail and office space are not necessarily equipped to support high-density residential living. They may lack green spaces, and access to certain amenities may be more difficult. If developers are going to be able to position themselves to take advantage of the opportunities presented by changing use within our city centres, then they need to become feasible places for people to live in.

While many city centres already have some percentage of residential space, primarily they are the preserve of retailers, pubs and restaurants, office workers, students and young professionals. Significant redevelopment could add families, retirement occupiers and others to this mix.

It's likely that residents will want to live in the middle of a buzzing and vibrant mix of independent bars, cafes, restaurants and coffee shops surrounded by open public spaces, rather than in among high street retail brands. So how do we create city centres that feel like lived-in communities?

An important element will be the requirement for greener transport and inclusive infrastructure, good connectivity and accessibility. Having a greater range of occupiers sharing one location is likely to change the kinds of businesses that find success in city centres, as high street retailers are replaced with a range of leisure experience businesses, such as gyms, indoor golf courses, cycle tracks and other activities such as escape rooms and virtual reality experiences.

The growth of online retail and city living will also drive an increase in the creation of last mile distribution centres. At the moment, distribution centres are mainly located in peripheral industrial zones but as opportunities open up they will move closer to city centres, and potentially offer a more environmentally-friendly delivery option. For example, Amazon has recently secured a number of spaces in a car park in the City of London to operate a 'light touch' last mile logistics hub. This will allow for parcels to be delivered to the surrounding area by cargo bike instead of the existing van delivery service, and will remove up to 85 vehicles off the roads each day.

Co-living, a passing trend or here to stay?

Feelings of isolation have had a negative impact on many young professionals working from home during the pandemic. Co-living schemes could provide an alternative, offering a smart development solution to re-purposing buildings which wouldn't otherwise fit easily into the residential mould.

With co-living schemes providing tenants with their own bedroom and bathroom combined with communal areas such lounges, kitchens, dining areas or workspace, there is an obvious benefit to the developer. They can provide higher quality accommodation and shared facilities while the lower overall number of kitchens or lounges, for example, will increase the scheme's capacity as they have gained more space for bedrooms.

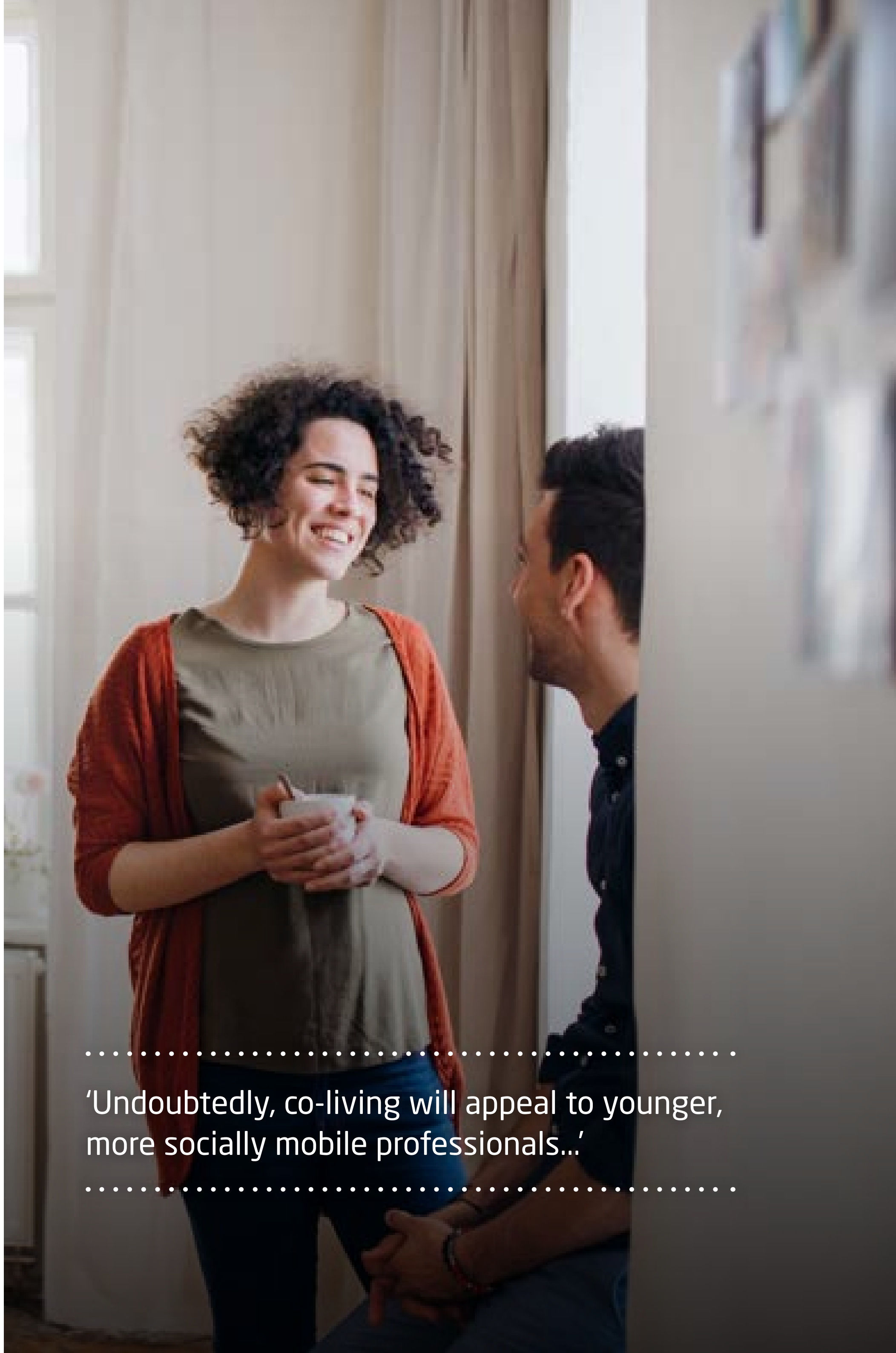
Undoubtedly, co-living will appeal to younger, more socially mobile professionals, with that portion of the population gravitating more naturally toward city centres and seeking amenities on their doorstep, or even in the building itself. Previously those kinds of locations would have been prohibitively expensive, but co-living offers an affordable alternative - with reduction in their own space comes a reduction in rent.

The co-living concept could also be adapted for student accommodation, and we're already seeing movement in this direction with student wellbeing considerations being placed at the forefront of many newly delivered schemes.

This question is whether co-living is just the purview of young professionals and students, or if the concept could also offer a very different kind of urban later living experience.

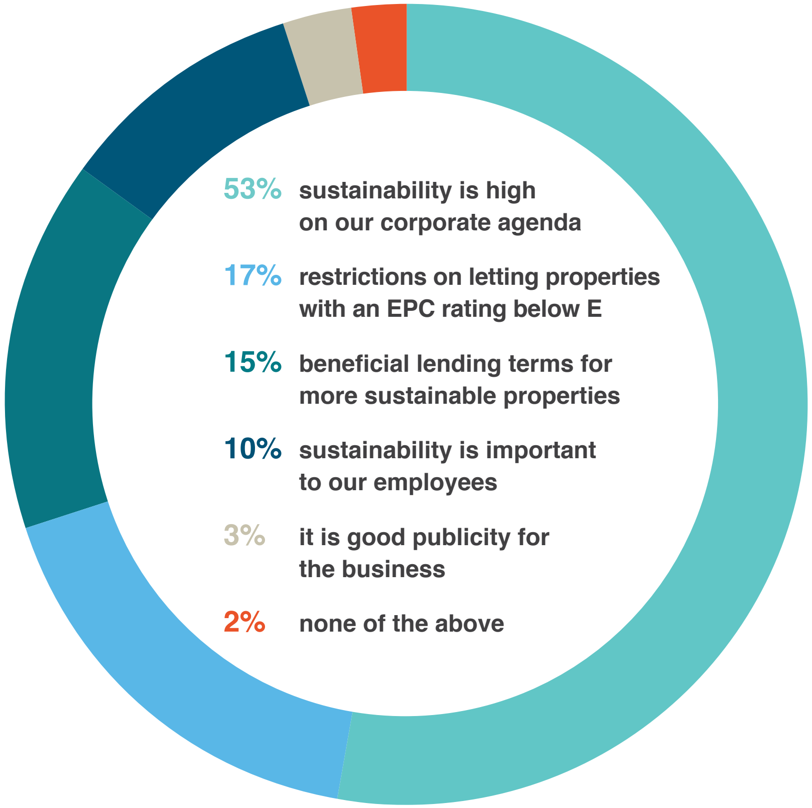
Sustainable development

The challenge of creating more sustainable buildings is being met with a dazzling array of creative, ingenious and striking solutions. This kind of big thinking is necessary to meet the scale of the challenge when it comes to reducing the environmental impact of our cities, especially when repurposing existing buildings in areas of historical significance, or areas that contain buildings of varying ages, quality and uses. Repositioning these buildings offers an economic opportunity, both through making them more sustainable and bringing them back to life as mixed-use developments, higher quality offices, co-living, later living or other uses.



'Undoubtedly, co-living will appeal to younger, more socially mobile professionals...'

But as our cities evolve is it the economic opportunity or the sustainable benefit which is going to drive future development? In a recent survey, we asked property owners and occupiers what key drivers are encouraging them to improve the carbon footprint of their properties:



This is a true reflection of the wider market, where sustainably is being embedded at the core of businesses and that is being reflected in their assets, their supply chains and their operational strategy.

The market is reacting positively to the drive for sustainable development. Architects and developers are pioneering the use of new material and design features to create more sustainable energy use while also prioritising increased natural light and airflow, and there are a growing number of successful projects beginning to transform spaces across the country.

One Embankment Place in the heart of London, for example, famously uses a system that converts recycled vegetable waste into a fuel that is used for heating as well as power. When the Citicape House hotel is completed in 2024, it will feature a 40,000 sq-ft green wall exterior that will produce up to six tonnes of oxygen every year, while locking in carbon and regulating the temperature of the building.

However, to date these projects have tended to be carried out in isolation with a narrow focus on technical and design aspects. The wider impacts and context of the building within its local environment are often secondary concerns because they are much harder to quantify. If these kinds of redevelopments are going to begin happening at scale, then there will need to be strategic thinking at a higher level to ensure that city centres remain coherent and accessible for the residents they want to attract.

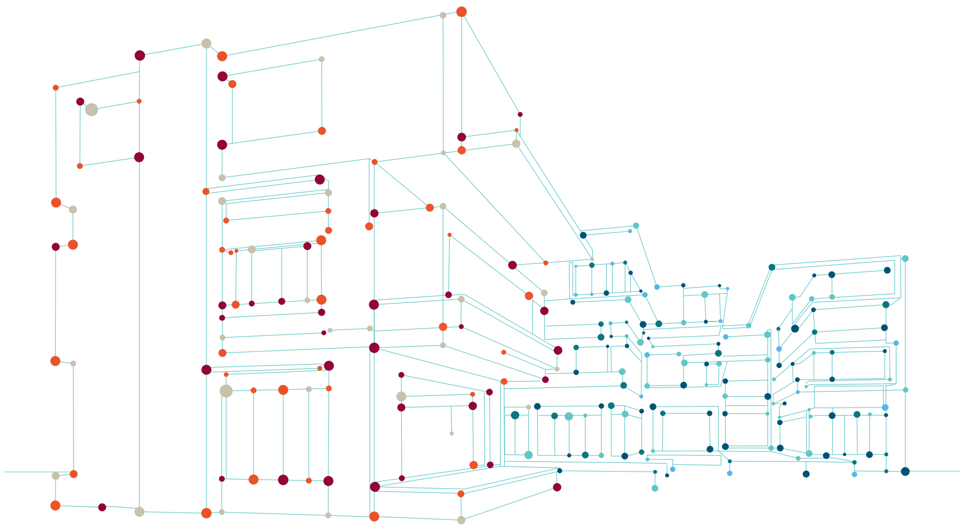
Investable development

The remaining piece of the puzzle is the investor appetite needed to fund both developments and repurposing of existing buildings. Is moving away from traditional development models going to appeal to investors?

There is a precedent for creating investment in new markets. The student market, for example, is a model which went from a standing start to the creation of a significant and healthy investment market in its own right, and this demonstrates the scope for other similar alternative residential investment models to do the same.

We are already seeing this this happen in the private rented sector. Following in the footsteps of the early adopter cities such as London, Manchester and Liverpool, schemes are being developed in most major cities. In addition, as the perception shifts away from the retired generation owning their own flats, part of this might be the development of private rented later living schemes – particularly in city centre locations which offer the benefit of having local amenities and access to urban communities. This type of investor interest aligns with the development trends which will drive our evolving cities.

Another important consideration is that as ESG-based investment becomes more common place, investors will be looking to schemes which build sustainability into the design of the assets from the outset. It will be important that these schemes incorporate green measures which provide demonstrable value to investors through innovations such as adaptable technology or green solutions that provide cost savings or provide efficiencies throughout the building's life. Therefore, it is likely that ESG investment will drive sustainable development schemes and in turn the greening of our cities.



What does this mean for the construction industry?

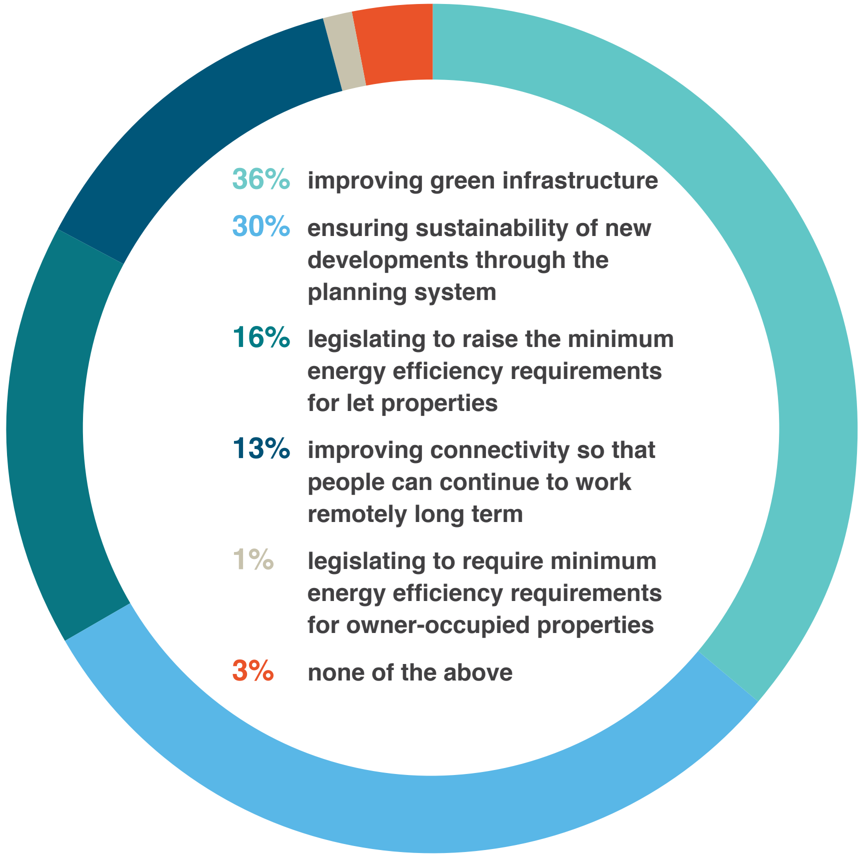
With a mix of new developments as well as a growing number of projects aiming to reposition existing buildings, the construction industry will play an important role in the greening of our cities. But where do the opportunities lie for the construction industry?

Continued spend in healthcare could drive the development of new social care facilities, and a reinvigorated hospital sector is likely to drive, or continue to drive, new development.

In addition, the repositioning of older buildings will drive opportunities for the construction industry – greening buildings and bringing them back to life with an alternative use such as higher quality offices, co-living or later living offers significant pipeline of work throughout the redevelopment cycle. The need for purpose built student accommodation will continue to be strong.

Underpinning both new development and repositioning will be the continued trend for green construction specifications, which is being driven by sustainability and green infrastructure as top drivers for evolving our cities.

Indeed, this is reflected in a recent survey where we asked professionals what the priorities should be for making our cities and towns more sustainable:



The construction industry has already reacted to this trend by adopting more environmentally responsible practices, however as green specifications become the required industry standard for all buildings - new and existing – an increase in knowledge of green specifications, how best to implement them and the role they play in repurposing existing buildings will be needed more than ever.

"The demands on the construction industry to deliver new and retrofitted sustainable buildings and ensure they achieve real energy performance improvements is going to require upskilling and innovation, but will present a considerable opportunity for those willing to invest."

Simon Peacock, Head of South & Wales and Project Management UK Regions, JLL

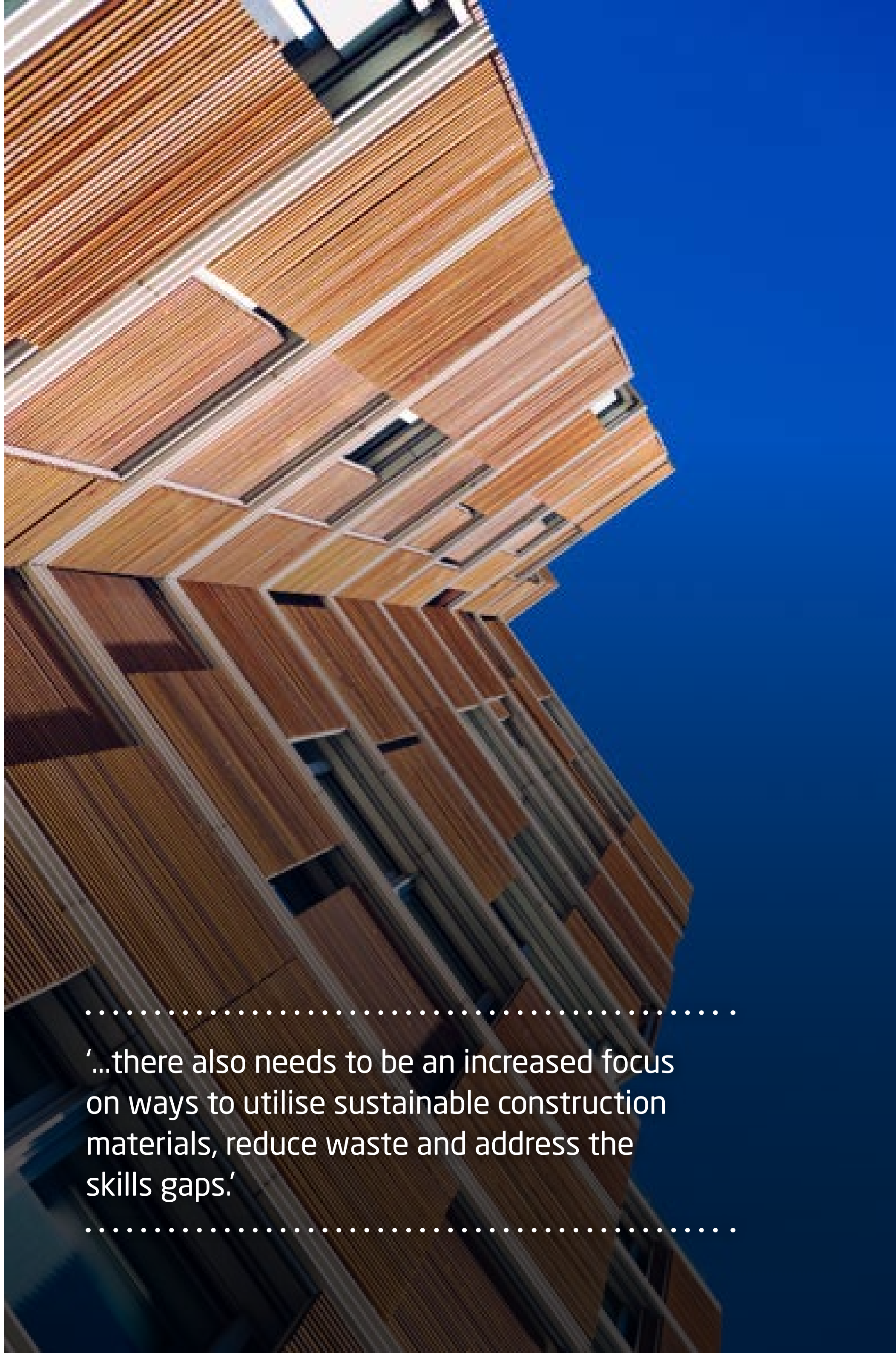
Driving innovation

Innovation needs to be a two way street. The client can drive innovation by building a pipeline of work which delivers project-on-project improvements and moves the emphasis away from a requirement to just deliver low-cost construction.

The construction industry itself also needs to continue to invest in developing modern and sustainable methods of construction. While there has been a significant increase in R&D capital investment in recent years, there also needs to be an increased focus on ways to utilise sustainable construction materials, reduce waste and address the skills gaps.

However, all of this needs to be done while the industry is grappling with traditionally low margins, increasing complexity around competition, supply chain constraints, low productivity, and a somewhat uncertain work pipeline. Balancing profitability with proactive management of process and operations is without a doubt a key challenge facing the modern construction sector.

Is the solution to look to trends such as modular construction - which is already mooted as a game-changer for the house-building sector - as a way to address some of these issues?



Modular construction - a sustainable innovation?

Modular construction or off-site construction processes are becoming increasingly common in the UK, creating a possible path towards increased sustainability for the industry. It involves creating prefabricated sections that are constructed in an off-site facility before being transported and constructed on-site. As well as making the process more sustainable, modular construction has several other commercial benefits such as addressing some of the issues relating to waste and skills that are currently challenging construction companies.

Modular buildings are manufactured in controlled industrial environments, meaning that they arrive on-site ready to go. This even includes being pre-fitted with electrics, plumbing, heating, doors and windows. This makes the actual construction process much quicker, but also means that costs and waste can be controlled much more closely.

However, the downside - and a potential reason for the relatively slow uptake - is the fact that modular construction requires huge upfront investment to put modular factories into operation and ensure that they have a sufficient manufacturing capacity. Lack of local skilled labour and supply chains may also be hampering up-take – this method comes with a need for a stable and skilled workforce that is permanently located in the construction facility.

Does the industry need to be more optimistic about the role modular could play in sustainable construction? Do the advantages outweigh the set-up costs? Modular construction is more predictable, safer and unaffected by things like weather or varied workforces. Reductions in transport, centralised resourcing to ensure use of sustainably sourced materials at large, increases in recycling rates and reductions in waste all reduce carbon emissions, also help companies meet their sustainability targets.

In addition, developing homes that are made of units that are easy to assemble means they are also easy to deconstruct – which could mean more widespread recycling of materials and a potential for disassembling of those units for re-use.

It would seem, therefore, that the challenges are surmountable and the success that modular construction has had in bringing large volumes of houses to the market - designed with energy efficiency at its heart - makes it an attractive proposition. In addition, with the industry looking to modular construction as a way to support the repurposing of some retail and leisure spaces, this could provide a sustainable alternative to future development and redevelopment.

Greening supply chains

Traditionally supply chains have been to some extent fragmented and difficult to manage but they are critical links with connect an organisation’s inputs to its outputs.

Increasing environmental and socioeconomic costs and the pressure to use eco-friendly products in construction is leading many businesses to look at supply chain sustainability, particularly because sustainable supply chains can also mean profitable supply chains.

In order to move away from the traditional, linear supply chain management model (which can feature complex supply chains that are not tied back to the business operation) the sector needs to create successful, sustainable supply chains which are underpinned by collaboration and a deep understanding of both the business’ supply chain requirements and its operations.

While each organisation needs to find its own optimum model, the key principles of transparency, fairness and collaboration could be used as a practical compass for developing strategies which will create a sustainable supply chain.

Sustainable alliances

Supporting both innovation and greening supply chains is a shift towards soft alliances between the client and the construction firm(s). Developing a pipeline of work and then partnering with one or two construction firms to deliver that work, can overcome capacity issues while still providing competitive pricing. Maybe more importantly given the sustainability agenda, it also enables both parties to build in project-on-project improvements which provide a way of transitioning from traditional to new, innovative (but incremental) and modern construction methods.

This type of collaborative partnership moves the onus away from the construction industry to continuously create prototypes for each new development or retrofit. Instead the contractual structure and relationship transfers from project to project, driving benefits and success across the pipeline.

Sustainable alliances, particularly where integrated both downstream and upstream also introduces a low carbon economy which supports the developer and occupiers sustainable living objectives without placing all of the emphasis on one party.

Conclusion: what's next for our cities?

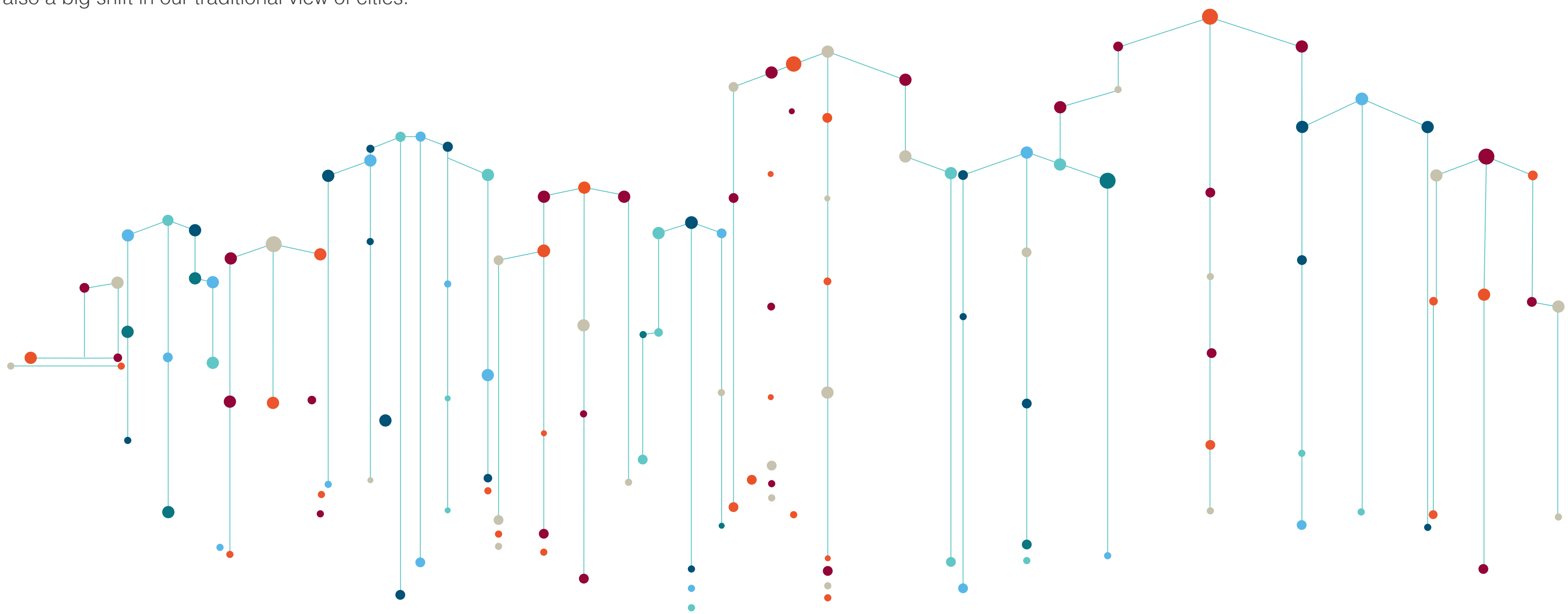
The world is changing. It is an inescapable and uncomfortable fact that modern human societies are having a detrimental impact on the planet. But there are also opportunities, both to reimagine the places that the majority of the global population call home and to kickstart a new period of economic growth and innovation. Despite the economic disruption caused by Covid-19, the UK seems to be moving towards creating a greener infrastructure as technology, public opinion and government policy continue to evolve.

The concept of 'walking cities' could become one that we are all familiar with. The idea is that through better alignment of spatial and transport planning, people will have all the services, amenities, facilities and spaces they need within a relatively short walk or cycle ride. This means less reliance on cars but also a big shift in our traditional view of cities.

The pandemic has shown that this change is actually not as far-fetched as it might first appear. Throughout 2020, people have shown that they want to feel connected to their local area and their neighbours. They want to support small and independent businesses that operate close to their homes. In many ways this has provided a glimpse into a possible future of 'walking cities' – where cities become more like collections of local hubs.

However, becoming more sustainable requires more than simply reducing the number of car journeys we all take. In this report, we have seen how green finance and continued innovations in planning, development and construction are essential for promoting more sustainable approaches to development and re-development.

But in order to truly evolve our cities we need to capitalise on a growing global consensus between the scientific community, policymakers, businesses and individuals to create a strong bond and shared purpose across the whole economic system. Only by working collaboratively can we ensure that our cities evolve to be fit for purpose, and offer accessible and connected communities for the diverse demographic of people that will live, work and play in them in the future.



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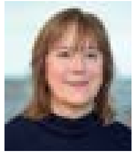

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