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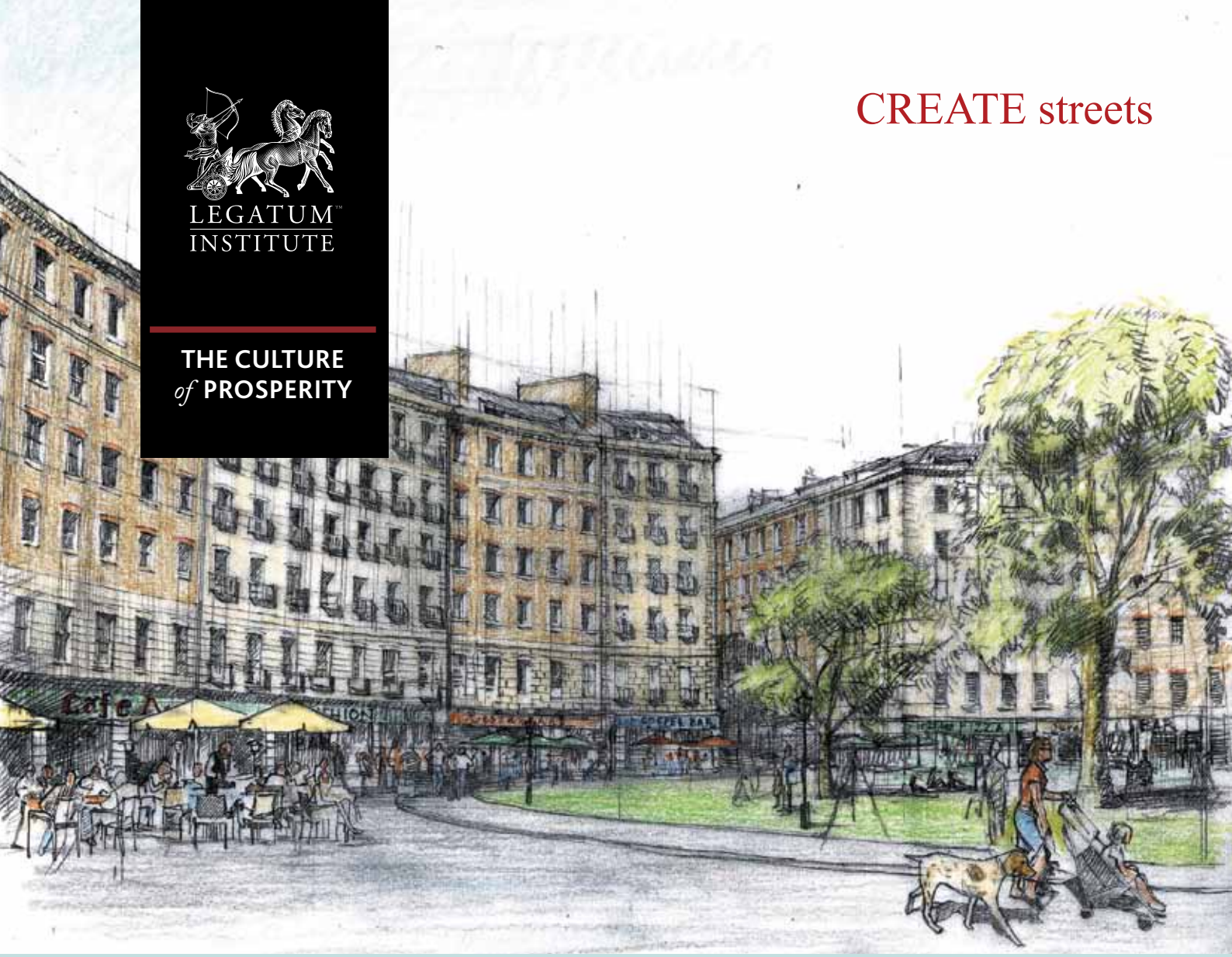
CREATE streets



ARCHITECTURE OF PROSPERITY | SEPTEMBER 2014

Mount Pleasant Circus and Fleet Valley Gardens

A case study of how streets are more popular, more prosperous and a better investment

by Nicholas Boys Smith, Paul Murrain, David Taylor, and Francis Terry

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ACKNOWLEDGMENTS

Without the professionalism and generosity of the expert team at Create Streets and Space Syntax, who put the initial proposal together, the Mount Pleasant Circus proposal would not exist. Paul Murrain, David Taylor, Francis Terry, John Moss, Edward Staite, Nigel Franklin (from calfordseaden), and (from Space Syntax) Tim Stonor all gave their time freely and without any expectation of payment or reward in any way. Several others advised us very materially but wish to remain anonymous. We thank them all. This publication would not exist without the expert guidance and generous support of the Legatum Institute, above all all Sian Hansen, Executive Director, Hywel Williams, Senior Adviser, Cristina Odone, Director of Communications, and Harriet Maltby, Economic and Government Policy Researcher, who improved the text immeasurably. John Moss, Nigel Franklin, Edward Staite, and James Wildblood have all helped splendidly with the research, analysis, or drafting for this report. Sammir Lingawi also kindly permitted us to cite his research. But above all we should thank the residents of the Mount Pleasant neighbourhood and the members of the Mount Pleasant Association (Mike Franks, Graeme Weston and Edward Denison) for asking us to work with them to plan a better future for their streets. Alexandra Steed deserves special thanks for her artwork, as does everyone who helped run the survey of residents' views.

We are indebted to Latis Homes Limited whose generosity made funding this project possible.

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Create Streets is a social enterprise encouraging the creation of more urban homes with terraced streets rather than complex multi-storey buildings. Our core work as a Research Institute underpins all our activities.

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A BRIEF HISTORY OF MOUNT PLEASANT

Mount Pleasant sits on rising ground, straddling the Boroughs of Islington and Camden, about half a mile northwest of the City of London.

Initially open fields running down to the banks of the River Fleet, it became a dumping ground for rubbish generated by the expanding city in the late seventeenth century with a mound of refuse building up over the next 100 years.

Despite the rubbish, the discovery just to the north of the Cold Bath Spring in 1697 turned the whole area into a bathing place renowned for the medicinal properties of the notoriously cold water. It was from this that the site assumed an alternative name 'Coldbath Fields'.

In 1794 the rubbish mound was partly flattened to make space for the infamous Clerkenwell Gaol. Coldbath Fields Prison, as it became known, housed up to 1,500 prisoners who were subjected to silence, beatings, and hard labour that ultimately led to a Government inquiry. As the prison closed in 1877, the area was being markedly shaped by new development, such as the digging of the Metropolitan Line. Since the late nineteenth century the impenetrable site has served as a major Royal Mail sorting office with a large open air car park for Royal Mail staff and vehicles alongside.

The prison walls are now gone and the cool waters of the Spring and passing River Fleet confined beneath ground. However, as this report shows, the future of the site is in danger of replicating its chequered past and compounding centuries of neglect. We could build another fortress to cut out its neighbours, or we could have the courage to be bolder and invite the community back into a green and pleasant place. Only this would be a fitting homage to the ancient River Fleet alongside whose banks the initial Mount Pleasant grew.

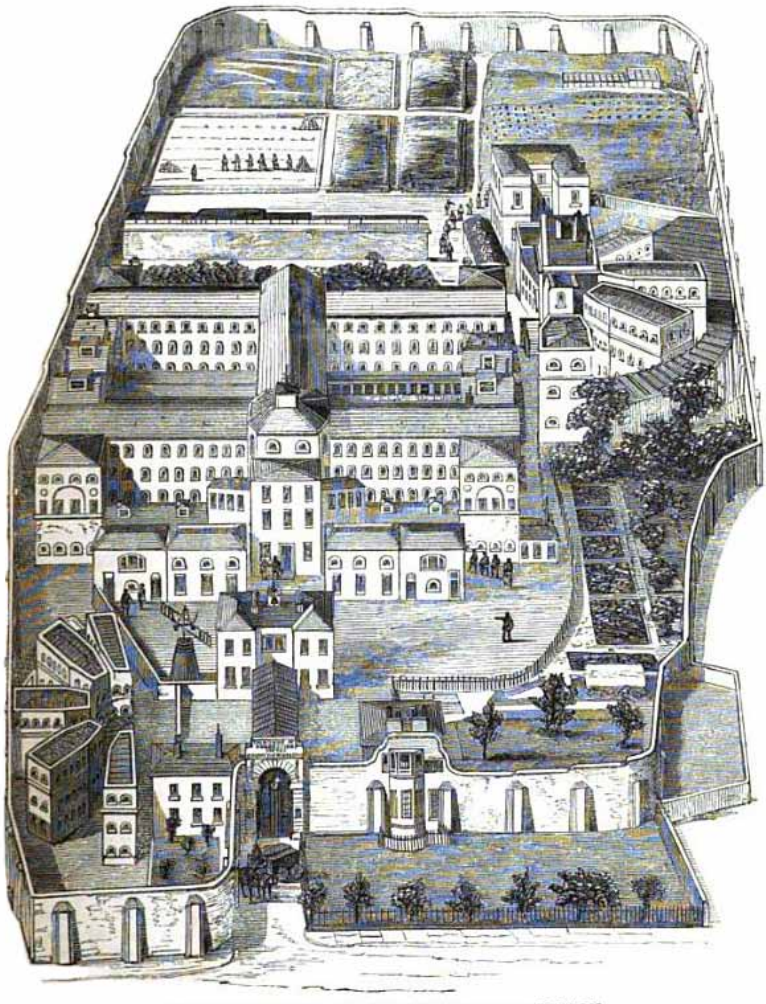


Figure i - Coldbath Fields Prison[1]

MOUNT PLEASANT CIRCUS AND FLEET VALLEY GARDENS

INTRODUCTION

What should a city look like? Anyone who cares about the quality of civic life needs to strike a balance between private domain and public space, and allow for the needs dictated by population density and economic circumstances. Archaeological sites and historic records all demonstrate however the ubiquity of the street as an essential feature of city life. The streets that wind across the urban landscape have evolved from earlier and unplanned lanes while the ones that are straight follow the grid of an urban plan. But in both its forms it is the street which brings the city's inhabitants together.

Create Streets' research paper is a response to the planned redevelopment of the Mount Pleasant site in Clerkenwell, one of the very few large open spaces left in central London. As it notes, London is facing a momentous challenge. The Victorian city became a metropolis that was positively Babylonian in its international allure but the mid-twentieth century saw a decline in the rate of London's population growth. A dizzying resumption of economic growth from the 1990s onwards, together with a remorseless internationalisation of London's appeal, has led to a population boom. By the end of this decade there may well be some nine million Londoners and the response of construction companies and planning authorities can now be seen across the urban skyline. London is fast becoming a city of towers since high rise apartment blocks offer the developers a reasonably fast return on their investment.

This particular solution need not be the only one. In exploring the alternative, Create Streets is both eloquent and pragmatic. In the context of the Mount Pleasant site it advocates a street-based development which combines economic profitability with a commitment to the social values that typify the integrated and varied urban scene. The insights presented in these pages emerged from Create Streets' founding director Nicholas Boys Smith's contributions to the Legatum Institute's Architecture of Prosperity programme, a series of lectures and seminars that seeks to bring a greater focus to our understanding of the sense of place. All who care about London and the civilised urban space can now acclaim his practical vision for the truly prosperous city of the early twenty-first century.

Hywel Williams

Senior Adviser, Legatum Institute

EXECUTIVE SUMMARY

- **The context: London is booming.** Its population is soon set to exceed nine million, but where will everyone live? Rise in rental and purchase prices show how great is the demand compared with supply. This shortfall together with both the consistent unpopularity of most recent developments and the bitter, protracted, and expensive arguments which accompany their construction all point to the need to improve the way in which local democracy, land markets, planning, and the investment and development industries interact.
- **Streets are both popular and practical.** A consistent and large majority in the UK prefer to live for most of their lives in conventional streets rather than large multi-storey buildings. Controlling for socio-economic status most people are happier, less stressed, are less likely to be victims of crime, and find it easier to bring up children and to behave more sociably to their neighbours in conventional streets rather than large multi-storey buildings. Other things being equal, the market value per sq foot and per hectare of conventionally designed streets goes up faster than large multi-storey buildings which also have far higher running costs, particularly as they age. The life time costs of large buildings are far higher per square foot and they tend to be pulled down more quickly.
- **But we are not building streets.** The highly complex corpus of planning, building, and housing regulations make building high density conventional streets in an urban context commercially challenging by constraining supply, pushing up land values astronomically, and rendering conventional streets less spatially and economically efficient.
- **Mount Pleasant: a short term approach that responds rationally to the current situation at the expense of the right long term answer.** The current Royal Mail proposals for the Mount Pleasant site exemplify the problem facing London. We do not believe that the current plans maximise connectivity, sustainability, or long term value for the Royal Mail Group or the taxpayer. The proposals are also very unpopular with the local community. Only nine percent of comments received in the public consultation supported the scheme. Delivering only 12 percent affordable housing has also been politically very controversial leading to rejection by both local councils. The proposals are, however, a rational response to the current situation of high land values and a planning system that incentivises large buildings and public open space over private open space. They are also a rational approach over a very short investment horizon as opposed to a forty year approach to value-maximisation.
- **Mount Pleasant Circus and Fleet Valley Gardens.** Working with and for the local community, we have developed an indicative alternative scheme which we are confident would be worth much more to Royal Mail in the long term as well as representing a better deal for the taxpayer.

- **Streets permitting more development and better connections to the local neighbourhood.** This scheme actually increases the Royal Mail's proposed density (from 681 units to at least 730) and does so in a way that would generate better connectivity and greater value. The influential public space analysts, Space Syntax, have analysed the proposals and found that our designs create pedestrian routes that are 75 percent more accessible than the Royal Mail's scheme. Our scheme also puts green spaces where the community wants and would value them and takes account of key local features such as the presence of a primary school.
- **A dramatically more popular development.** The reaction to this scheme from the local community has been ubiquitously and passionately positive. In a survey of 258 local residents our scheme was preferred by 99 percent of respondents. Comments made during a public meeting included: "it's just great"; "it's inspirational"; "wow"; "the whole of London could fight for Mount Pleasant Circus"; "it's great"; "I'm delighted to see the curves"; "it's very British".
- **The need for patient not impatient capital.** The proposals for Mount Pleasant exemplify how working with residents leads to better and more popular development which can be economically rational whilst also aligned with better social outcomes and long-term value-generation for land owners. This is the right approach for London and for Londoners. It is also an approach that optimises the returns to patient capital not short term investment seeking to game the constrained supply of the current planning system. Our analysis indicates that Mount Pleasant Circus would be worth between 17 to 34 percent more than the Royal Mail's development over 40 years. This is partly due to its higher connectivity and use of conventional streets which typically go up in value faster. This might represent up to £280m lost value to Royal Mail Group or £84m to the taxpayer as 33% shareholder in Royal Mail. Alternatively this additional value could readily be used to finance additional social housing.

THE CONTEXT

LONDON REBORN

London is booming. It has re-discovered its role as a global city at the heart of a mercantile world economy. This was a role partially forgotten for much of the last hundred years and one which it has arguably not played since the twin disasters of World War I and protectionism ended the international capitalism of the nineteenth century. This time, however, the financial nexus which Londoners help build and service spins faster. The distance between hub and spoke, between the commodities traders in Lombard Street and the commodity producers in Kenya or Malaysia, has been collapsed by technology. It is not just that internet and plane are faster than telegraph and steamer. The quantity and quality of data that can now be transmitted around the world is also exponentially greater and richer.

Table i - Percentage increase in house prices 2009-13 and 2010-13 [2]

REGION	% PRICE CHANGE SINCE	
	2009	2010
London	27%	11%
South East	11%	-1%
UK	11%	0%
East	11%	-1%
South West	4%	-4%
Scotland	4%	-2%
East Midlands	3%	-4%
West Midlands	3%	-5%
Wales	2%	-2%
North West	0%	-5%
North East	-2%	-4%
Yorkshire and the Humber	-2%	-6%
Northern Ireland	-27%	-19%

But with triumph comes that other twin imposter, disaster. Or at any rate a real threat to the city's long term physical viability. For, despite all the luxuries of broadband technology, service and IT industries people still want to cluster in cities.[3] Fewer people are choosing to leave London and (far) more people are coming into it. In consequence, the population of London is mushrooming. After a systemic decline in London's population of nearly two million between 1939 and the late 1980s, London's population is en route to exceed nine million for the first time ever within just a few years.[4] Cockney or plutocrat, Somali or Scot, newly-arrived or never-left, where will they all live? House price increases from 2009 and 2010 to 2013 (Table i) show how great is the demand in London (and with it the South East) and how detached the management of London has arguably become from much of the rest of the UK.

The answer is clearly to build more, but where and how? Building 'out' is hard due to the greenbelt and not politically easy. And much 'brownfield' has very poor transport links or infrastructure. The answer that is currently being taken therefore is to build big, to maximise the potential units on any given site no matter how unpopular locally. Something very profound is therefore happening to London. Never have we built at such scale, height, and density before. We have caught architectural elephantiasis.

Create Streets' survey of publicly available information on 18 separate current, planned, or recent large redevelopments and regenerations shows that, where data is available, the average increase in density is 170 percent.[5] An analysis of nineteen regeneration and redevelopment sites shows that the typical increase in height is around 227 percent with only one redevelopment (the Packington in Islington) having a final maximum height of fewer than 10 storeys. Similarly, New London Architecture (NLA) has calculated that 236 towers of at least 20 storeys are either under construction or being planned, of which three-quarters are residential. [6] More have been approved since that analysis was published.

This maximising every site approach is not proving universally popular. Local pressure groups are germinating to fight proposed tower blocks, normally with the support of their local press. [7] At a London-wide level 2014 Evening Standard headlines have read "London's new towers 'creating a Gotham City skyline'", "Mayor urged to stop rise of 'monster towers' that threaten historic skyline", and "Luxury tower blocks 'squeeze out Londoners as prices boom'." [8]

A recent MORI survey in London is imperfect as it excluded all those aged over 64 (a group less likely to support tower block living) and included those between 16 and 18 (a group more likely to support tower block living). [9] Despite this surprising bias in a poll that was then claimed to represent the views of London adults the results were still clear cut. Only 27 percent of those polled would be 'happy living in a tall building.' In contrast 56 percent would not be happy. The desire not to live in a tall building was also more strongly held. 29 percent felt strongly about not living in a tower block. Only ten percent felt strongly about wanting to live in one. [10]

The consequent debate encompasses well known participants in the British design 'discussion' (such as English Heritage and the Prince's Foundation) but also new organisations and voices. Create Streets was launched in 2013 to campaign for more housing in terraced streets of flats and houses. Peter Rees, former chief planner for the City of London, has complained about "this rambling rubbish of residential towers across London". [11] NLA ran an exhibition on the subject in April 2014, the same month The *Observer* and the *Architects' Journal* launched the Skyline campaign against the "untrammelled rash" of skyscrapers being built in London. Public supporters included Alan Bennett, Griff Rhys Jones, and Kevin McCloud. The *Observer* architecture critic, Rowan Moore, who is one of the campaign's leaders said: "Those with power and responsibility—the Communities Secretary and his ministers, the Mayor, and

the boroughs—must wake up to the risk of irreversible harm that London is facing, and take effective action." [12] UNESCO has also expressed serious concern about the visual impact of current proposals on the Palace of Westminster, Westminster Abbey, and Saint Margaret's Church. They have urged the UK Government not to implement proposals for Nine Elms Regeneration Development Market Towers, Vauxhall Cross, Vauxhall Island Site, or Elizabeth House (near Waterloo) in their current form.

Underpinning the London debate (from almost every angle) are multiple concerns about the effectiveness of the UK planning system. On one side, think tanks such as Policy Exchange and academics such as Paul Cheshire argue stridently for loosening the development controls that have had such a disastrous impact on land values and for reform of the greenbelt [13]. Professor Cheshire wrote recently:

> "Greenbelts combine the qualities of sacred cows and juggernauts. To question their benignly green and fair credentials is to invite abuse: yet the unstoppable damage they do to societal fairness, housing affordability, the economic efficiency of our cities, even the environment, is devastating…
>
> "When examined with fresh eyes, it was obvious to all that the emperor had no clothes; greenbelts are equally naked. We do need to maintain green areas within reach of people; intelligently-selected green wedges around our cities could be valuable. But that would still leave more land in our greenbelts ideal for housing than we would need for generations to come. Taking a 1km ring inside the M25 would yield enough land for more than a generation of building at current London rates, and would represent a tenth of one percent of England's surface." [14]

On the other side, the Skyline campaign is calling for a skyline commission to examine London's future profile. UNESCO is also worried about the UK planning process itself. Minutes of decisions adopted at a July 2014 UNESCO meeting recorded that UNESCO "also notes with serious concern that there are no legal obstacles for granting final permission for the development" of Elizabeth House, a 132,000 sq m, 29 storey proposal adjacent to Waterloo Station. [15]

No one argues that London does not need to grow, but how should it grow? What form of political direction should be exercised over that growth? How has a planning process, apparently under democratic control, led to such unpopular and unsuccessful developments?

THE PECULIARITIES OF THE UK PLANNING SYSTEM

Although there had been some earlier attempts, the current land use planning and development control system derives from the Town and Country Planning Act 1947. This established a system with two key components:

- The nationalisation of development rights; and
- The submission of all development to a series of regional plans.

The nationalisation of developments was effected by a 100 percent 'Betterment Levy' to be charged on any rise in land value consequent on private developments. The regional plans were intended to form a key part of the national direction of the economy. This national economic direction had several spatial

and planning elements including encouraging people to move to the North and preventing 1930s style ribbon development via greenbelts and new towns. Specifically in cities, planners intended to reduce densities, create new open spaces, segregate different zones for living or working, and improve the circulation of traffic. To their credit, 1940s planners did not hide the extent of their ambitions or their implications. One contributor to a 1944 conference on planning explained:

> "Planning means control. You have got to put people out, tell them where to live and if someone wants to build a factory, you have got to tell them 'nothing doing in Tottenham. You must build a factory in so-and-so'….Russia, Germany and Italy all had planned systems." [16]

In reality, the post-war state simply had insufficient resources to monopolise all development and the Betterment Levy was abolished in the 1950s. However, an approach in which all developments needed to be approved by local planners and were subsumed to regional plans persisted and even strengthened over time. The Planning and Compensation Act 1991 specifically required that a local authority's development plan be a "significant factor" in what might or might not be permitted. In short, by 1997 and after 18 years of market-based reforms, the development control system remained arguably the most significant commanding height of the economy still demonstrably within the government's purlieu. In 1999, an influential report by the McKinsey Global Institute argued that planning constraints were one of the most important brakes on British economic growth.[17] Since then governments of all political hues have attempted to loosen the constraints of the planning system. [18] However, with a brutal irony, they have largely done so not by ripping up the development control system but by increasing the targets and pressure from the centre to build–in short by centralising the nature of government intervention not reversing it. The pressure on communities to build has not proved locally popular. Changes to national planning policy guidance were watered down following resistance. The Secretary of State, Eric Pickles, was cheered heartily at the 2013 Conservative Conference when he promised to protect greenbelts. And, perhaps most revealingly, the requirement of an additional 12,000 homes for Tendring Council was one of the key examples cited of the failure to embed localism made by Douglas Carswell on his defection to UKIP from the Conservative Party in August 2014. [19]

To be fair, some recent changes to the planning system have tended in the opposite direction. Neighbourhood planning has given those communities able to mobilise potentially more sway over what does or does not get built. And modest pots of government money have supported this.

Nevertheless, from an international perspective, the UK planning system remains curiously interventionist, nearly always denying landowners development rights without formal consent. Probably the British near monopoly public sector provision of health care is the only equivalent area where the UK polity is equivalently 'left wing'.

For example, in the US, the zoning approach constrains what types of use, size, or (occasionally) design is permissible in different states, counties, cities, or towns. However, and critically, if a development is within these constraints then no specific challenge is normally possible. Landowners have the right to develop. They just have to obey the prescriptive local zoning requirements so that their impact on neighbours or other residents is in some way regulated. [20] This is the opposite of the situation in the UK where landowners have no right to develop until it is specifically granted. [21]

In case the US approach seems peculiar it is worth stressing that this approach of unfettered development rights within a locally determined code is the international norm. For example, planning

control in Paris is also far less focused on development control and far more focused on quality control than in the UK.[22] In order to regulate development, every commune or group of communes in France is required to have a Local Urban Plan *(Plan Local d'Urbanisme)*. This Local Urban Plan contains much that in the UK we would call a detailed design code. Put simply, and explained through a range of height, positioning, and angle-restraints, the Paris code insists that new buildings should look like Paris. When a building project, or proposal for change of use, conforms to the regulatory part of the Local Urban Plan it is approved—that is to say the building permit *(permis de construire)* is granted by the planning department of the Mayor's office. Neighbours then have only two months to contest the legality of the building permit, but they may do so only on the basis of non-conformity to the Local Urban Plan rules. [23]

Put differently, as in the US, if developers and builders follow to the letter the Local Urban Plan the difficulty, complexity, and cost of achieving development in Paris is very modest compared to the UK or to London. Germany also respects clearly the right to develop, subject to conditions set out by regional or local government. It is in their constitution. Article 14 of the German Basic Law states that, "Property and the right of inheritance shall be guaranteed." For purposes of development this means that landowners are entitled to build on their property as long as there is no explicit rule against it. And if a proposed building fits into the local plan, permission has to be granted. As Professor Michael Hauth (an expert on German planning law) put it, "The freedom to build is a part of the constitutionally guaranteed definition of property and ensures the right to build on one's plot of land and to use or realise it. The right to build is therefore not assigned or granted to the property owner by the public law." [24]

We are not suggesting that Parisian or American approaches can or should be imported wholesale into Britain. Nor are we saying that great errors are not made in other countries. They clearly are. However, by starting from a position that landowners cannot develop without specific permission, the UK is taking an opposite, and more economically interventionist, approach than most other nations. Countries as historically and ideologically contrasting as the US, Germany, and France all instead start with the presumption that a landowner may develop without challenge as long as they fit within a local plan on land use or design.

WHY IT IS HARD TO BUILD HIGH DENSITY STREETS IN LONDON

Promoting large developments in London is difficult and, above all, expensive. The approach of maximising density on any given site often leads to slow, confrontational, and unpopular development. By maximising the number of units on a relatively small number of sites and by imposing a top-down model, we minimise the number of sites that get developed or regenerated.

For example, current estate regeneration projects are carried out mostly in partnership with commercial developers (as indeed are most large development projects in London). They typically have several common features. To start with they normally need rapid returns from the early sale of many units. This is for a range of reasons. Firstly, land values are very high, driven by constrained supply of sites. Secondly, there is an increasing expectation that very high densities will be permissible which in itself drives up values further. Thirdly, a cumbersome and lengthy planning process pushes up costs even more. So does a strong demand both from domestic and international investors, eager to buy in to what they see (certainly wrongly) as a one-way bet on capital values.

The best way for commercial partners (who are mostly cash-flow businesses, quite reasonably looking to maximise short-term profit from sales) to cope with the high land and rental values and meet their investors requirements is to build big and build high.

Even when land is not being bought, Council and Housing Association land owners typically require private sector support to fund and manage redevelopment. Replacement homes must be funded from private sector sales and the cost of development finance (typically seven to eight percent) and the profit targets of investors (typically 20 percent in a fairly short time frame) then require the same high, fairly quick, returns.

It is even hard for public bodies to dodge this dilemma. Local authorities and other public bodies are required to secure 'best value' when disposing of assets and land under the Local Government Act 1999. The best value test requires maximised immediate value. 'Best value' is also demanded when existing housing is being redeveloped. In the primary legislation 'best value' was deliberately defined broadly to permit local and specific variation:

> "A best value authority must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness." [25]

Given the range of individual circumstances it is not unreasonable that the concept of 'best value' has been left open to local interpretation. The problem is that without hard and fast rules have meant that local authorities and public bodies have typically found it safest to focus on higher initial land value (and thus much quicker cash returns) over long-term (but ultimately higher) investment returns accruing over time via a co-investment. This is despite the fact that several government studies make it clear that consideration may be given to the wider benefits of regeneration. [26]

Coupled with a 'viability assessment' in the planning process which accepts the price paid for land as an admissible development cost, this allows developers to argue that because they paid so much for the land, their proposed schemes can only be viable with less policy-compliant levels of affordable housing. As developer 'A' secures consent for 40 percent provision, then developer 'B' thinks they can achieve 35 percent and so on. The result is developers increasing bids for land in the hope of securing more development and planning authorities accepting higher levels of development than their policies might justify, in order to maximise the number of homes developed.

Then, density targets and design rules in the London Plan and the London Housing Design Guide make it hard to build conventional high density normal streets.

- Super-high density targets in central and urban areas make it hard to achieve planning agreement to build conventional terraced houses and low-rise flats (these can be high density but cannot achieve the top end of some the density 'bands' sometimes demanded).
- The ban on recycling open space between buildings into private gardens makes it is very hard to redevelop estates into streets.
- Requiring lifts in all apartment buildings makes it more expensive to recreate the typology typical of many dense, street-based areas of London with apartments on a number of floors off one staircase. This also incentivises higher building as the cost of lifts does not increase substantially as more floors are added, once the initial cost is incurred.

- Rules against staircases being too narrow or too steep make it harder to build the conventional tall but thin London terraced houses.
- A requirement that ten percent of homes be fully wheelchair accessible and for all homes to be built to 'Lifetime Home' standards biases the system in favour of large, partially off-road, blocks.
- A dislike for on-street parking biases the planning system against conventional terraces and streets.
- Heavy requirements for bike storage, make it much harder to build terraced flats and conventional terraced homes.
- Heavy requirements for bathrooms on storeys with bedrooms make it harder to build the conventionally tall but thin modest London terraced homes.
- Requiring 'weather protection' over front doors adds yet more cost to terraced streets with multiple entrances.

A range of rules on windows and room heights also make it harder to build houses which obey the classical rules of proportion and 'fit in' with historic neighbourhoods. [27]

In short, the highly complex corpus of planning, building, and housing regulations make building high density conventional streets in London commercially very hard by constraining supply, pushing up land values astronomically, and rendering conventional streets less spatially and economically efficient. London is in danger of eating its own tail. Its popularity as a place to live and work is not just making houses inaccessible to many, it is making the city a worse to place to live and bring up children.

2. MOUNT PLEASANT

ONE OF CENTRAL LONDON'S LAST LARGE OPEN SPACES

The Mount Pleasant site is perhaps unique in central London in its scale, potential, and sensitivity.

Firstly, it is large at 4.8 hectares. [28] Secondly, it has enormous potential. There is probably no other site in central London which has never had streets running through it. Since the area was first developed 250 years ago, the Mount Pleasant site has hosted a series of large single functions: rubbish tip, then prison, then sorting office. Finally, it straddles multiple borders and impacts a series of unique and historic neighbourhoods. Part of it is in a conservation area (Rosebery Avenue). It is adjacent to four others (Bloomsbury, Clerkenwell Green, Hatton Garden and New River). It straddles many borders: between Clerkenwell Ward in Islington and Holborn and Covent Garden Ward in Camden; between a largely residential area to the north and a largely commercial one to the South; between the high ground to the North and the low ground to the South East. This gradient is in part due to the ancient River Fleet whose course the site also bridges and straddles. The River itself, long since channelled and boxed in, runs below Phoenix Place.

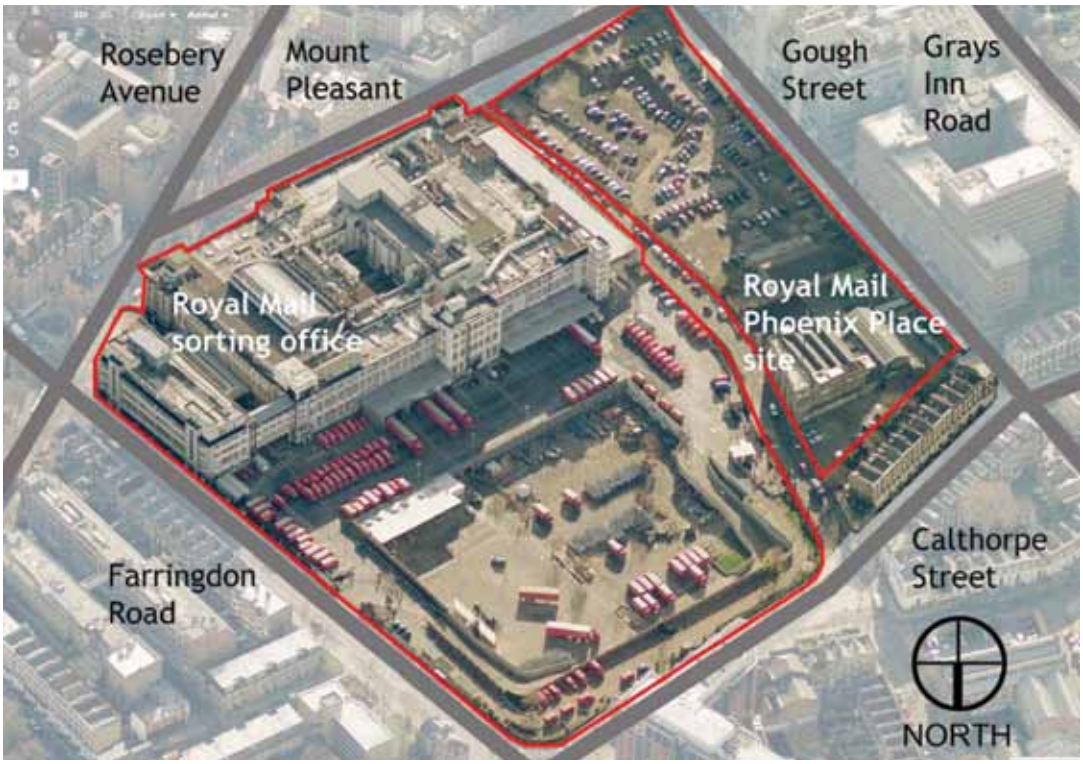


Figure ii – The Mount Pleasant site, reproduced with kind permission of Islington Council

The surrounding area is characterised by many radial routes following the construction of New River Head into London in 1613. As the Supplementary Planning Document (SPD) issued jointly by Camden and Islington Councils in 2012 recognises, the site therefore acts as a break on local and wider connectivity. There is a "lack of integration with the adjoining neighbourhood" and a "lack of connections through the site". In recognition of this, the SPD quite rightly calls for improved integration and the creation of a new, mixed use neighbourhood with "vibrant" streets. [29]

What is the local neighbourhood into which Mount Pleasant is meant to integrate? To the East, North and North West it is largely residential with some fine streets, squares and circuses of mainly early nineteenth century housing. To the immediate South is the Royal Mail sorting office and to the West are the backs of large office blocks on Grays Inn Road. A locally disliked hotel faces the North East corner of the site. With the exception of the Royal Mail sorting office, the hotel and the office blocks nearly all surrounding buildings are four storeys or below.

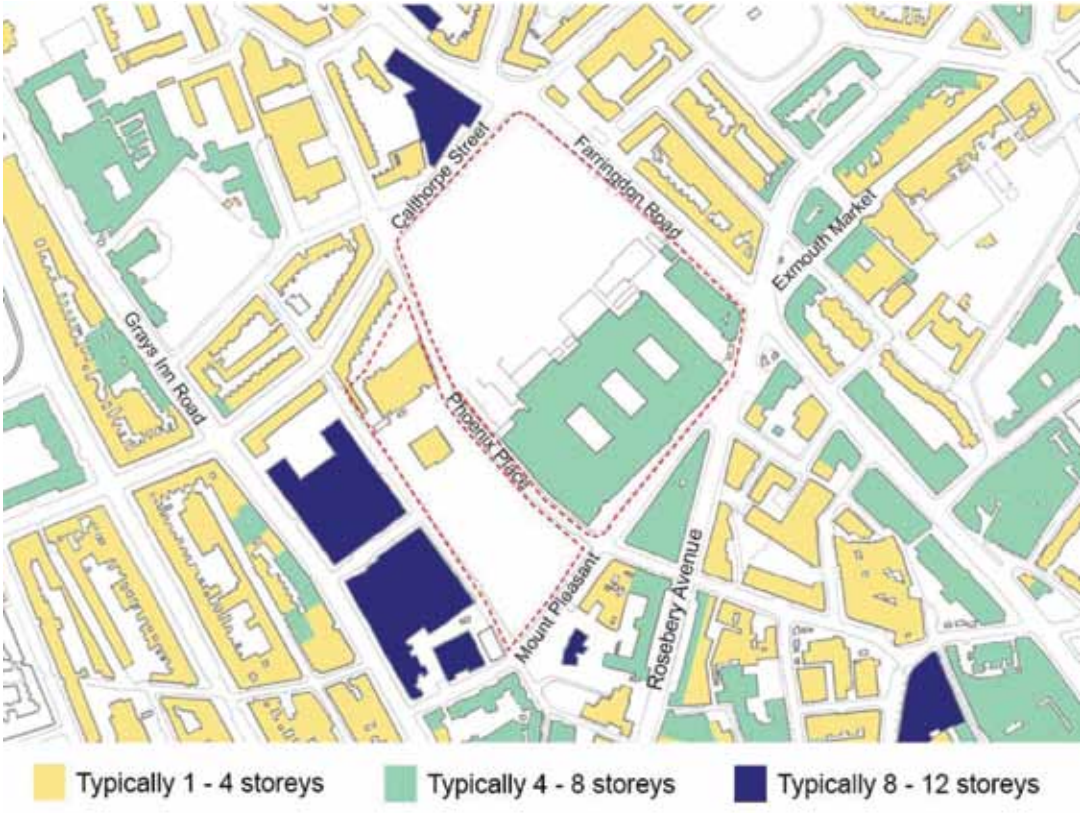


Figure iii – Existing building heights, reproduced with kind permission of Islington Council

Figure iv – Percy Circus, © Nigel Cox [30]

THE CURRENT PROPOSALS

On 21 January, 2014, the Mayor of London directed that he would act as the local planning authority for the purpose of the planning application referred to as the Mount Pleasant Sorting Office. His decision is expected in October 2014. [31]

The current planning application is for a total Gross Internal Area (GIA) of 83,249 sq m including 681 residential units. This is mainly arranged in series of large buildings around open spaces of varying sizes. This approach is a very rational one in a system that promotes short term value optimisation, large buildings, and public open space over private open space.

We were not given permission by the Royal Mail Group to include the plans and illustrations of their scheme in this report.

REACTION TO THE CURRENT PROPOSALS

The Royal Mail proposals have proved (to put it as neutrally as possible) consistently and deeply controversial with the diverse local communities surrounding the site. In the comments left in feedback forms at the March 2013 public exhibition there were over eight times as many specific concerns expressed as there were expressions of support with the proposed scheme (150 to 18). [32] The main specific concern expressed (on 66 percent of responses) was the height and density of the proposal. The widespread opposition to the scheme has been widely covered in the national, London and local press. *(Guardian, Telegraph, Evening Standard, Camden New Journal, Islington Tribune, Islington Gazette.)* Collapsing local political support for the proposals was reflected when the Camden Development Control Committee and the Islington Planning Committee unanimously rejected the planning application in February and March 2014 respectively. The proposal received 103 objections. The issue has also reached parliament with a question asked to the Prime Minister on 29 January, 2014, to which he responded that he "would be happy to look at the site". In addition, a range of local amenity groups have come together to form the Mount Pleasant Association (MPA) in 2012. [33] They are currently starting the process of creating a Neighbourhood Plan which it can be confidently expected will be deeply opposed to the current proposals.

Professionals are not that impressed either. One planner said to us privately, "the proposals are certainly very very far from perfect." A well known developer commented, "it's a very bad proposal. Why is it so bad?" [34]

In our judgement the main drivers of this lack of support are:

- **A difficult economic and planning framework.** To be fair to the planners and architects, as explored in chapter one, they were working within a framework that makes building the type of finely grained street beloved by most Londoners very hard to do.
- **The wrong starting point.** It appears an early decision has been made to parcel the site into four so that a large portion is retained for operations and car parking and the remainder delivered in phases (very difficult on a site with this density). This decision seems to have come from a pragmatic view on the future operation of the sorting office without the creative input of a development partner or indeed the community. We believe that if a developer, with a view to financial value, and the local community for social value had been involved in that early decision a very different (and more valuable) scheme would have been the result.
- **An insufficiently strategic, connected, or London-wide approach to the site.** The master-planning for the site has been broken into four portions, each designed by a separate architectural firm. This has resulted in a fragmented and inward-facing scheme that many locals have described as a 'fortress', rather than one that seizes the opportunity to increase connectivity across London by improving north-south or east-west connectivity hampered for centuries by various historic and topographic conditions. One outcome is that this scheme does not seize on the opportunity to link the strategically important regeneration sites of Kings Cross and Farringdon Crossrail via a 'soft' route that approximately follows the valley of the former River Fleet and provides a quieter alternative to the bustle of the Grays Inn Road and Farringdon Road thereby significantly reducing the perceived distance between these major sites.

- **A failure successfully to engage with the local community and some consequent disconnects between local neighbourhood and master-planners.** For example based on a meeting with the local community, architects, and landscape experts working in key roles on the scheme appear to have been unaware of the Christopher Hatton Primary School to the southwest of the site. This has led to the positioning of a 15 storey tower block opposite the school that has caused consternation among teachers, parents, and children. Planners were also unaware of important developments taking place opposite the site on the east of Farringdon Road. This has led to a treatment of the Farringdon / Calthorpe Road intersection which some in the community regard as "profoundly insensitive".
- **A 'blocks in space' proposal which is not statistically aligned with the urban form most people most like (conventional streets).**

3. MOUNT PLEASANT CIRCUS AND FLEET VALLEY GARDENS

A PROPOSAL BUILT WITH AND FOR THE LOCAL COMMUNITY

During the last nine months many community groups across London have reached out to Create Streets asking for support due to their very strong concern about proposed development in their communities. One of these has been the Mount Pleasant Association (MPA).

During April, May, and June 2014 a team from Create Streets held a series of meetings with the MPA. This team was comprised of Nicholas Boys Smith, Paul Murrain (urban designer), Francis Terry (architect), and David Taylor (engineer). [35] In addition we have been supported by Professor Tim Stonor and his firm Space Syntax, the experienced quantity surveyor, Nigel Franklin of calfordseaden, and a surveyor expert in daylight availability. We also benefited from the professional experience of several members of the local community, including Mike Franks the chairman of the MPA who has over 50 years' experience of development planning and economic development and Dr Edward Denison, the Secretary of the MPA, who is a writer and academic specialising in architecture and the built environment.

We have walked the site at length and read the planning applications to Islington and Camden Councils, DP9's correspondence with the GLA, some of the media coverage of the issue, and the papers summarising local opposition to the scheme. The main concerns that were expressed to us by the local community included:

- A strong dislike of the high and long buildings on north and east sides of the site, making it feel, we were told, "like a fortress that aggressively turns its back on the surrounding urban environment";
- A desire for an improved east / west link across the site, ideally via a six way junction at Farringdon Road & Calthorpe Rd with a new street heading south west;
- A passionate community dislike of the 15 storey height of the proposals at the South of Gough Street opposite the local primary school;
- A lack of conviction in the proposed 'garden' on the west of Farringdon Road. It is regarded by the community as of no value and in the wrong place between two existing junctions at the two very busy traffic junctions at the corners of the site on Farringdon Road. We note that it is certainly difficult to provide safe crossing here, not to mention being immediately next to the proposed deliveries entrance with (we understand) a planned 3,000 vehicle movements a day; and
- A preference for better sited and higher-functioning green space, possibly running along Phoenix Place which is currently public land and locally felt to be a "difficult rat run".

We then worked up with members of the local community at a very high level two alternative schemes. Both these schemes were designed to:

- Meet the desires of the local community;
- Match the proposed GIA of the current scheme;

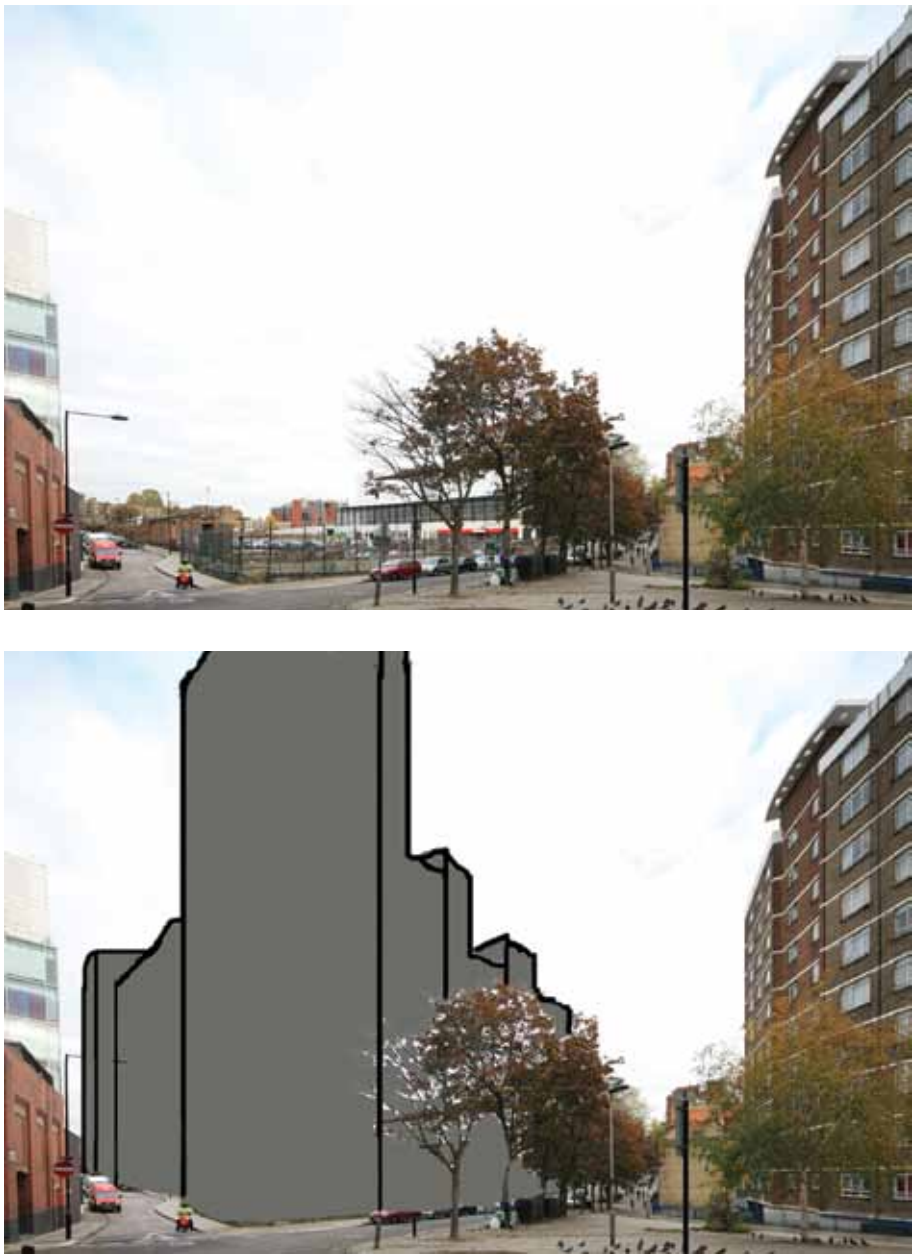


Figure v – The façade the current Royal Mail proposals present to parents coming out of the local primary school compared with the status quo, © Edward Denison 2013

- Resolve our strategic concerns about the current proposal; and
- Be correlated with good social outcomes for inhabitants and superlative value appreciation.

At a public meeting on 7 May, 2014, these proposals were unanimously supported by the local community with the majority support being for Option A, Mount Pleasant Circus and Fleet Valley Gardens.

THE PROPOSAL

This high level proposal:

- Is designed around a destination (Mount Pleasant Circus) 50m in diameter at the centre of the site to draw people into the site;
- Takes advantage of the valley of the historic River Fleet running down Phoenix Place to create a historically informed and spatially logical green urban link (Fleet Valley Gardens);
- Has a network of streets radiating out from the circus to create connectivity from northeast to southwest and from northwest to southeast;
- Takes advantage of the public space immediately to the southwest near to Christopher Hatton Primary school;
- Makes the junction at Farringdon Road and Calthorpe Street more attractive; and
- Has a range of heights from four storeys up to nine storeys, with most of the site being developed in a form and typology equivalent to areas such as Notting Hill or parts of Kensington.

We are firmly of the view that if the current redevelopment had been grounded in an understanding of the need to mend the urban fabric both of the place itself and the surrounding neighbourhoods, then a project very similar to that proposed here would have emerged. It is this that makes London such a great city; the rich connectivity and street-based urbanism that is threatened not only at Mount Pleasant but in so many redevelopment projects across the city. Sadly the current response to Mount Pleasant is all too familiar in London today.

Figure vi - Mount Pleasant Circus and Fleet Valley Gardens map, © Paul Murrain 2014

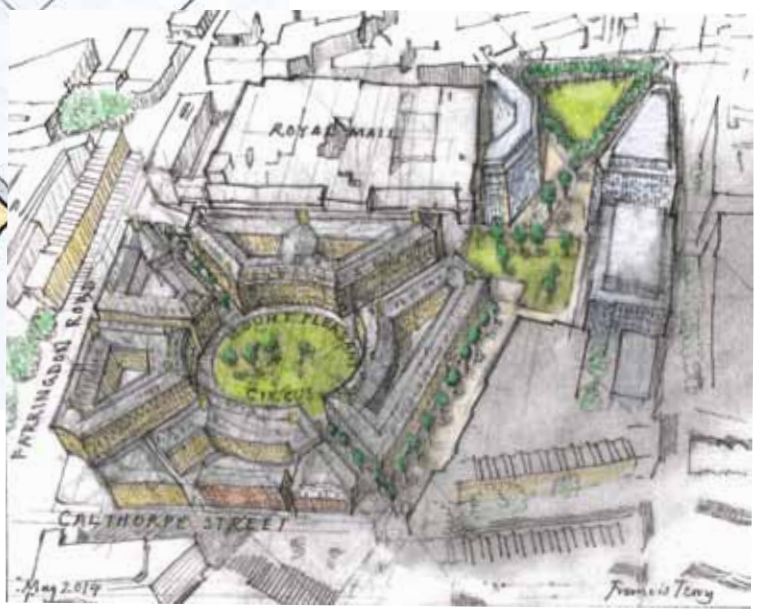


Figure vii - Mount Pleasant Circus and Fleet Valley Gardens overview © Francis Terry 2014

Figure viii - Mount Pleasant Circus, street view © Francis Terry 2014

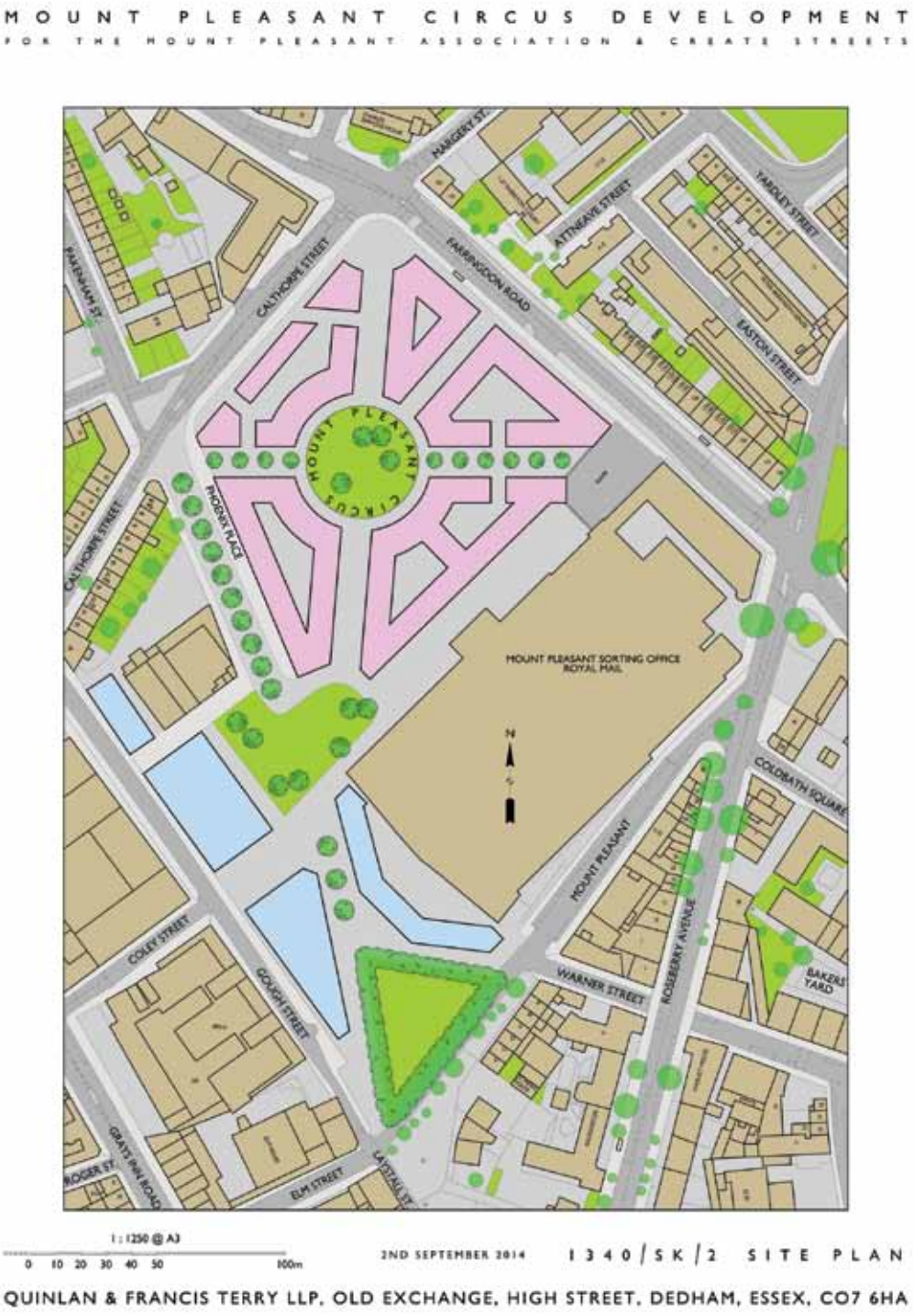


Figure ix – Mount Pleasant Circus site plan, © Quinlan and Francis Terry LLP 2014

A POTENTIALLY DELIVERABLE SCHEME

Clearly this is a summary design at this stage. More viability work would have to be done. That we accept. So far, to the best of our knowledge, the only major additional complexity of our scheme over the current proposals is the need for a stronger and better quality roof over the ongoing RMG operations immediately to the North of the Mount Pleasant Sorting Office. Our suggested approach is the normal one in London. There may be other additional complexities of which we are unaware. Nevertheless, any additional cost of our scheme needs to be considered as part of the overall viability for the site and would, we believe, be more than compensated for by the additional value our scheme would generate.

Clearly the way a development like this is phased and delivered is fundamental to its economic success. It appears an early decision has been made to parcel the site into four so that a large portion is retained for operations and car parking and the remainder delivered in phases (very difficult on a site with this density). This decision seems to have come from a pragmatic view on the future operation of the sorting office without the creative input of a development partner or indeed the community. We believe that if a developer, with a view to financial value and the local community for social value were involved in that early decision a scheme on the lines of the one we have produced would result.

In addition our scheme would require the exit for lorries onto Farringdon Road to be moved a little to the south. One of the homeowners whose house would directly face the new exit was present at our consultation. Despite the impact on his home he strongly supported the Mount Pleasant Circus scheme due to the dramatically improved overall quality of the scheme.

Given the dense street-based nature of our proposals, one issue that has concerned us is compliance with best practice guidance on daylight. We therefore obtained an analysis from a surveyor with particular expertise in daylight analysis. His firm has modelled the site for us and our proposals. They have confirmed that some careful work would be required to get daylight access right in the courtyards and on the ground floors but also that, with the right analysis and creativity, the scheme could be made to work.

TWO PROPOSALS COMPARED

If we compare both proposals to the initial design objectives set out in the two councils' SPD we see how differently they perform. These advantages will be explored in more detail in the following chapters.

Table ii – Schemes compared to local Councils' stated objectives

PUBLIC OBJECTIVE	RMG SCHEME	MOUNT PLEASANT CIRCUS
1 Create a new neighbourhood	• Most people would not regard a series of high rise blocks as a neighbourhood	• Series of radial streets round a signature Mount Pleasant Circus and Fleet Valley Gardens
2. Integrate new neighbourhood into local area	• Low connectivity (Spatial Accessibility Score of 153) • Residents complain of 'fortress' approach of encircling high rise buildings	• High connectivity (Spatial Accessibility Score of 265)
3. Open site with improved connections East West	• At best one new East West connection	• At least three new East West connections
4. Create mixed use neighbourhood	• Planning for three land uses	• Planning for four land uses
5. Provide vibrant streetscape	• No new fully functioning streets	• Seven new fully functioning streets [36]
6. Create public open spaces for local people	• Two main open space are either (a) for residents only or (b) blocked off by A201	• Two main open spaces are (a) a defining fulcrum for the whole area or (b) act as a key north south route for the entire neighbourhood
7. Integrate new neighbourhood with retained sorting office	• Sorting office is covered by meadow for visual amenity of residents of one block only	• Sorting office is covered by streets and buildings thus benefiting wider community
8. Enhance four corners of site	• Very aggressive treatment of corners with high buildings (e.g. 15 storey building facing primary school), and no increased connectivity	• Use of NE and SW corners particularly to 'draw' people into the site via diagonal connections and access to open space

4. A BETTER CONNECTED APPROACH WITH BETTER USE OF GREEN SPACE

The scheme treats the development as a whole rather than as four separate and disjointed inward-looking portions. It possesses routes that cross the site diagonally, offering abundant opportunities for new and exciting intersections at the heart of the site with the purpose of drawing people into and across the development and connecting it more efficiently to both the immediate and wider urban landscape. This reflects the regeneration and renaissance of places such as King's Cross, Angel, Farringdon, and Smithfield rather than turning the site's back on its surroundings. This is not just exponentially more popular with the local community. Analysis performed for us by Space Syntax has also shown that it is highly likely to be correlated with high value to the developer and higher value appreciation over time.

Professor Bill Hillier, at University College London, and the firm Space Syntax have over many years studied the correlation between the arrangement of street networks with movement patterns, space use, crime levels, and land value. [37] They have developed a measure for 'spatial accessibility' of individual street segments. This is an algorithmic measure of how each segment connects into the overall network of streets in the city. It measures how likely it is that a person will pass down a particular street when travelling from one place to another and how easy it is to get into that street from the surrounding area. The number of ways in which a street interconnects with the rest of the city and the nature of links to other streets are critical. Higher connectivity creates a cascade of good things. In central London, 80 percent of shops are located in the 20 percent most spatially accessible streets. People create shops where they know people will come. Space Syntax have found that this creates measurable value. The most accessible streets are the most expensive. A correlation between spatial accessibility and rateable value per square metre finds a correlation of 88 percent. Research in the US has corroborated these findings.[38]

Space Syntax's analysis of the Mount Pleasant Circus and Fleet Valley Gardens proposal (Option A in the graphic below) demonstrates conclusively that it is far better connected than the current plans, with a score of 265 not 153. In short, our scheme is 75 percent more accessible than the Royal Mail's scheme. This will correlate with greater footfall and greater value. The use of a well connected central circus also picks up the historical local pattern of radial roots at locations such as Percy Circus (figure iv) or several of the junctions on Rosebery Avenue.

Existing

Spatial Accessibility Score
0
Metres of High Local Spatial Accessibility

Option A

Spatial Accessibility Score
265
Metres of High Local Spatial Accessibility

RMG Proposals

Spatial Accessibility Score
153
Metres of High Local Spatial Accessibility

Figure x – Spatial Accessibility Comparison by Space Syntax

The green space in the current proposals is sub-optimally positioned. It faces the busy Farringdon Road next to the location from which 3,000 Royal Mail lorries a day will be entering the street. The originally proposed pedestrian access across the Farringdon Road has also now been dropped. We have not found any support for the idea as the backbone of the present scheme. By contrast our schemes offer a park/piazza at the south end of the present Camden site. This takes advantage of an existing parcel of potential green space to give much needed open space to this 'backlands' comprising high-rise and high-density residences, offices and a primary school. It also allows us to create a historically informed and spatially logical green urban link (Fleet Valley Gardens) taking advantage of the valley of the historic River Fleet running down Phoenix Place.

The response to the proposed circular green space in Mount Pleasant Circus particularly has also been overwhelmingly positive. One local resident commented in our public meeting: "it's truly inspirational."[39]

5. A MORE POPULAR APPROACH

PEOPLE PREFER STREETS

In poll after poll it is clear that most British people (and most people around the world) would rather live in houses in streets than flats and would almost always avoid tower blocks. In the most recent national survey, in December 2013, 80 percent of respondents wanted to live in a house and six percent in a flat in a modest building with fewer than ten units in it. Only three percent wanted to live in a building with more than ten units in it. [40]

In 2012 YouGov ran some focus groups on living in skyscrapers. They found that most people would not want to live in a skyscraper due to their desire to go for a walk, their desire to have a garden, or their concerns of being trapped if the lift broke down. As one participant put it: "Too impersonal and large. They're not a home really, they're more for offices etc. Also they're too high, I wouldn't want to live that far off the ground. Also there'd [be] no gardens or anything so not really child friendly." [41]

Their surveys are consistent with surveys done in the last decade. One 2001 MORI survey found that only two percent of 1,018 British respondents said they wanted to live in a 'modern loft style apartment.' Zero percent (not a single person) wanted to live in a 'tower block flat'. In contrast, 89 percent wanted to live in a house in a street. In another MORI national survey, 67 percent did not want new tower blocks put up for living accommodation. Even if they were not personally forced to live in them, people clearly oppose new high-rise towers. [42] In a third survey MORI survey in 2005, less than one percent wanted to live in any sort of high rise apartment at all. [43]

The same view emerges strongly from every survey in any decade. Mid-twentieth century Mass Observation Surveys reported consistently that people did not want to live in flats. A British government survey of housing in London, Liverpool, and Leeds in the late 1960s found that over two-thirds of families with children in multi-storey estates wanted to move into a house.[44] In 1967 the GLC found that 75 percent of their applicants preferred a house with a garden and one academic concluded in 1981 that "very substantial majorities of residents in high flats would prefer to live in houses according to all the studies asking about housing preferences." [45] Over 80 percent of residents of one of the iconic British multi-storey housing developments, Robin Hood Gardens, wanted them pulled down in 2007. [46]

In the UK and abroad, people in tower blocks and very large buildings are the least happy with their homes. In seven controlled comparative surveys of people living in multi-storey and in low-rise housing, the people in high-rise blocks were the least satisfied, even if their social and economic status was identical. In the first survey, British flat dwellers complained more about privacy, isolation, loneliness, and noise. In the second survey, an American comparison of otherwise equal college students randomly assigned to high or low-rise buildings, those in low-rise buildings were more satisfied. A nationwide Canadian survey found satisfaction highest among those in houses and lowest among those in high-rises. In a New York comparison of randomly assigned social tenants those in high-rise buildings were less satisfied with their building than those in low-rise buildings. The same was true of a survey of moderate-income households where high-rises were found to be less satisfactory than terraced houses or low-rise flats. In a sixth study, the taller the building, the lower the residents' satisfaction even when

several possible influences (education, income, age) were taken into account. [47] Finally, a 2009 Indian study of 512 randomly selected families found a starkly 'unfavourable' perception of the housing environment by the residents of high-rise buildings.[48]

PEOPLE IN MOUNT PLEASANT PREFER STREETS

The community living near Mount Pleasant agree. At a public meeting on 7 May, 2014, there was strong and unanimous support for our proposals. Thirty five people personally attended our meeting with 31 directly leaving comments or feeding into our consultation process during the course of the next few days. Attendees and the various constituent parts of the Mount Pleasant Association have in turn shared images or emails with several hundred further local residents, again with ubiquitous reported support for our approach.

One hundred percent of all comments we have received have been positive. (In contrast to nine percent of comments in favour of the current scheme in the official consultation exercise). Option A (as set out here in a slightly amended form) was more popular than Option B (which was similar though with no Circus and a larger garden following Phoenix Place.)

Comments made during the meeting included: "It's just great"; "It's inspirational"; "wow"; "the whole of London could fight for Mount Pleasant Circus"; "it's great"; "I'm delighted to see the curves"; "it's very British."

A complete and unedited list of comments made in writing are attached in Appendix 2. To date, we have received no critical comments from residents of any kind whatsoever either verbally or in writing.

Table iii – local preferences from MPA Survey, 2014

LOCATION	PREFERENCES		TOTAL	% SUPPORT, MPC
	MPC	RMG		
Calthorpe St/ Wren St	49	0	49	100%
Charles Rowan House	22	1	23	96%
Christopher Hatton parents	58	2	60	97%
Churston Mansions	16	0	16	100%
Exmouth Market shopkeepers and staff	41	0	41	100%
Granville Street	4	0	4	100%
Holsworthy Street	30	0	30	100%
Laystall Court	18	0	18	100%
Margery Street Estate	17	0	17	100%
Total	**255**	**3**	**258**	**99%**

The Mount Pleasant Association questioned 258 residents over 16 days between 28 June and 13 July, 2014. This is a sufficient sample for an immediate local population in the thousands. The survey outlined the different number of homes in each proposal and then set out contrasting aerial views, plans, views from Gough Street, images of the urban realm, and Space Syntax analysis. Our findings, broken down by street is in Table iii.

At our public meeting and talking to some residents over the last couple of months some key themes emerge as to why they prefer Mount Pleasant Circus and Fleet Valley Gardens over the Royal Mail proposals. These can be summarised as;

1. A stronger sense of place

> "It will help to give a sense of community that this whole stranded area badly needs." Ann Winchester, local resident.
>
> "It is so refreshing to have this alternative vision for what is a huge site in central London, with intelligent design and a focus on quality housing, rather than the shoddy second-rate package currently on offer from Royal Mail." Julian Fulbrook, Cabinet Member for Housing, Camden
>
> "Stupendous, here is new architecture which reflects the London urban character in the area and gives us some good green space." Resident at 7 May public meeting
>
> "I want my neighbourhood to contain places that are resonant and useful to our community—rather than dumbed-down non-places dreamed up on computer screens and imposed by developers. I want the history and spirit of my area to be revealed and added to—not obliterated and ignored." Maisie Rowe, local resident.

2. A liking for the less 'fortress-like' nature of the scheme, especially at the corners

> "It…is no longer a fortress. I urge all involved in the future of this site to think of the benefits of these plans and reject the deficits of the RMG's universally hated plans." Resident at 7 May public meeting
>
> "A vast improvement on the RMG proposals. The open corners around the outside make the area much more inviting and engaging with the wider community." Resident at 7 May public meeting
>
> "The radial access of both schemes makes the new proposals 'belong' to the community." Resident at 7 May public meeting

3. Preferring the positioning of the open space

> "Islington needs well-designed green space. Your design provides for that. Good luck!" Meg Howarth, local resident and community activist
>
> "A logical 'green' pathway which will encourage residents and visitors to enjoy the environment rather than just trying to get through or past it. It is a viable opportunity to make real improvements to the area." Resident at 7 May public meeting

4. Preferring lack of high rise

> "I fully support the Create Streets alternative scheme….development that is on a human scale, and responds to the traditional London layout of the area with its green squares and terraces." Jonathan Avis, local resident.
>
> "Buildings no more than 6-8 storeys high would be good." Resident at 7 May public meeting
>
> "The height of the buildings is of great importance and should not exceed eight storeys." Resident at 7 May public meeting

5. A strong liking for Mount Pleasant Circus

> "It's important to support ideas like the Circus which continues that sense of civic dignity and social porosity. It adds to London's historic mix." Oliver Bennett, local resident.
>
> "I instantly loved the Circus design." Resident at 7 May public meeting
>
> "The circus is elegant, enriching the whole area and breaking up a continuous run from one end to the other. This is impressive, well done!" Resident at 7 May public meeting
>
> "The Mount Peasant Circus proposal is inspiring. The cross-roads through a round park will intrigue and entertain users. It is playful." Resident at 7 May public meeting

6. A preference for the more traditional design approach

> "The new plan is fit for human beings: it works in every practical way and it has charm and dignity." Angela Barrett, local resident.
>
> "Good sensitive design." Resident at 7 May public meeting
>
> "The frontages attest to a more nuanced and far less hostile response to the locale, while keeping to density targets." Resident at 7 May public meeting

7. An appreciation that the proposal has been created with the local community

> "Thank you so much for supporting the local community." Resident at 7 May public meeting
>
> "Profound thanks to all who have given freely of their time and expertise to develop these plan." Resident at 7 May public meeting

At heart, of course, this is not surprising. The planning and design process was done both for and with members of the local community whose hopes, and fears, likes and dislikes have, at least in part, been accurately reflected in the drafting process.

6. LIKELY TO BETTER CORRELATE WITH GOOD SOCIAL OUTCOMES

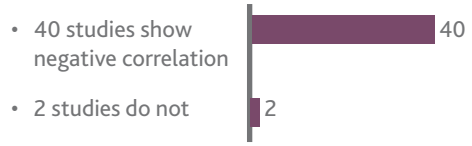
A REVIEW OF THE EXISTING EVIDENCE

The evidence suggests that living in large multi-storey living is correlated with less good social outcomes even when you adjust for socio-economic circumstances. The vast majority of controlled studies show that the residents of high-rise blocks suffer from more strain and mental health difficulties than those in low-rise buildings, even when socio-economic status is identical. [49]

Streets are good for you...

Create Streets: evidence from controlled studies, 1962-2007

Summary of studies examining height or size & some aspect of wellbeing or contentment



Anti-social behaviour (UK, 1981)

	High rise	Houses
• Litter	86%	20%
• Faeces	7.5%	0%
• Urine	44%	0.1%
• Graffiti	76%	1.2%
• Vandalism	39%	1.9%

Children

- UK study (1977): children in high rise suffered more behavioural problems (control on gender & economic status)
- US study (1982): boys in 14 vs 3 storeys had more hyperactivity & hostility (not girls)
- Japanese study: dressing, helping, lavatory usage all slower to develop in high-rise children

"People's dislike of living in big or tall buildings is deeply rational. The vast majority of controlled studies show that the residents of large multi-storey blocks suffer from more strain and mental health difficulties than those in low-rise buildings, even when socio-economic status is identical." *Create Streets, 2013*

Source: Create Streets

To cite just a few examples, a 1978 study of working-class and lower middle class residents of the Bronx in New York found 'vast differences' between those living in high-rise and low-rise buildings. Those in high-rise had less social support, a lower sense of control over their lives, and felt more crowded than their sociologically identical neighbours in low-rise buildings.[50] UK researchers have found that mothers in flats are more depressed and lonely, that rates of mental illness rose with floor levels, that psychological symptoms increased in high-rise buildings, and that those moving out of high-rise became happier and less depressed. A study that controlled carefully for age, education, and occupational level found that husbands (though not wives) in flats rather than small houses had a greater incidence of psychiatric illness, that fathers had worse relationships with their children (hitting them more often), and that marital discord was higher. [51]

The same appears to be even truer for children. Most studies have found clear correlations between high-rise living and childhood behavioural problems, again even when socio-economic status is comparable. No study has found high-rise living beneficial to children. One matched 99 pre-school children on gender and economic well-being and found that children in high-rises suffered from more behavioural problems [52]. In another boys (but not girls) who lived in fourteen versus three storey buildings were rated by teachers as having more problems such as hyperactivity and hostility [53]. Other studies have found children in high-rises suffering from more bedwetting and temper tantrums and that the best predictor of juvenile delinquency was not population density but living in blocks of flats as opposed to houses. One Japanese study found that the development of many skills such as dressing, helping and learning to use the lavatory was slower. [54]

The data would appear to suggest three key reasons for these observed differences. Firstly, the difficulties that multi-storey buildings pose for those bringing up children. It appears to be much harder to bring up children in large blocks of flats, particularly high-rise ones. Several studies show that children go outside less when they live in high-rises and that they spend more time playing alone or in restricted play. This is not without consequences. For example, one controlled study, compared mothers of under fives in the Newcastle estate of Cruddas Park. Sixty two percent of mothers living on the sixth floor or above reported difficulties with the 'play, health [or] personality' of their children. Fifty three percent of mothers in high rise below the sixth floor reported issues. However only three percent of mothers in houses reported issues. [55] Many other studies corroborate this.

Secondly, although none of us are controlled by our environment, the atomising and dehumanizing size of multi storey buildings appear to makes it harder for some of us to form relationships or behave well to our neighbours. As Winston Churchill put it (admittedly in a very different context), "We shape our buildings, and afterwards our buildings shape us." [56] At least eight separate studies from around the world show that high-rise residents have fewer genuine friendships with their neighbours than low-rise residents. In one Israeli study, women who lived on high floors knew more neighbours but those on lower floors had closer relations with those that they knew. Those with garden flats had three times as many friends in the building as those on high floors. In another study, residents of low-rise buildings had 50 percent more local friends than residents of high-rise buildings. Two other studies found that social relations were poorer for high-rise residents. [57] In two 1970s studies, stamped addressed envelopes without a return address were placed on hallway floors in college halls of residence that were 22-25, 4-7 and 2-4 storeys high. Letters were mailed in inverse proportion to building height in both studies. Donations were also sought of milk cartons for an art project. The fewest donations per capita were received in high-rise blocks. Interviews of student residents in these and one other Israeli study also

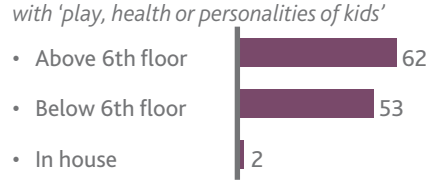
reported that social support and involvement declined with height within buildings. A comparison between those in high-rise flats and garden flats found that those in garden flats had a significantly greater sense of 'community' and a greater sense of 'membership'. [58] This evidence corroborates the recollections of many residents of neighbourhoods bulldozed to build estates that the local sense of 'community' never recovered. As one Deptford resident recalled, "'once they started pulling everything down, it all died." [59]

Streets are better for children & community, bad for criminals

Create Streets: evidence from controlled studies, 1976-2007

1. Makes bringing up children harder

Mothers on Cruddas Park estate reporting issues with 'play, health or personalities of kids'

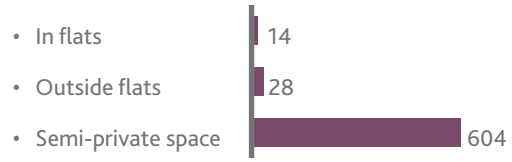


2. Inhuman scale discourages behaving well to your neighbours

- In two studies of US students in high, medium, low-rise halls, stamped addressed envelopes returned & donations made inverse ratio to height
- Israeli study: less 'social support' & 'involvement'
- Third study: less 'community' & 'membership'

3. Increases the ease of crime

1975 comparison of crime in high vs. low rise estates



Source: Gittus, Gifford, Newman, Create Streets

Finally, multi-storey buildings can create myriad opportunities for crime due to their hard to police semi-private corridors, walkways, and multiple escape routes. These offer a plethora spaces which are hard (or at any rate expensive) to survey and which offer multiple escape routes. Streets with windows and doors looking out onto them are open to easy public view. If they have bay windows, if houses are near the street (as in old fashioned terraced housing), or if doors are raised above ground level they are also particularly easily policed by residents simply looking out of their front windows or standing by their front doors. Committing a robbery outside a house on a street is possible, but it does mean exposing yourself, and there are likely to be witnesses. By contrast, one famous US study found that for a sociologically similar neighbourhood, while crime was only 14 percent greater within flats themselves, it was 604 percent greater in the interior public spaces of high-rises compared to low-rise. [60]

In some large multi-storey developments it has proved possible to 'design out' anonymous but easily accessible spaces. Following on from studies in the 1970s and 1980s, remedial work was done on many multi-storey estates. Entrances were given keypads and buzzers. Connecting walkways between blocks were dynamited. Extra doors were built to restrict the number of dwellings per entrance. Where budgets permitted, CCTV and even a concierge were introduced. These changes were intended to reduce anonymity, increase the level of surveillance, and reduce alternative escape routes. Many of these changes have had a positive impact, particularly where it has proved possible to provide full time surveillance or in some tower blocks where it is easier to control access. However, improvements are expensive and limited. Where this has worked, such as Trellick Tower, there has usually also been a socio-economic shift to more affluent professionals, often without children. Such groups can bear the higher costs that multi-storey living needs in order to work. Further, building multi-storey blocks only to lobotomise the scale and space which is their defining feature seems a little perverse and certainly expensive. One study by the Centre for Housing and Planning Research at Cambridge University described them as "resource intensive, both in capital expenditure and in ongoing revenue expenditure." [61] Houses and streets provide the same features without the need for the paraphernalia of buzzers, a salaried concierge, and monitored CCTV. As the American writer Jane Jacobs put it pithily: "this is something everyone already knows: A well-used street is apt to be a safe street." [62]

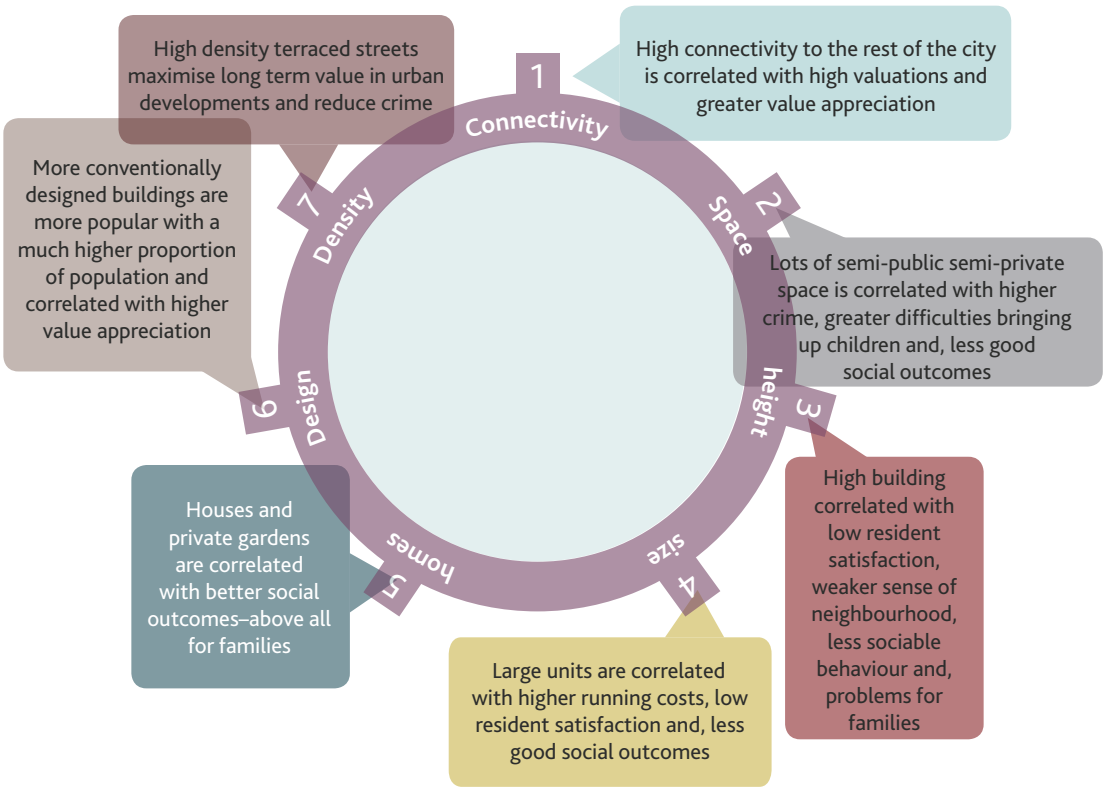
AN ANALYSIS OF MOUNT PLEASANT CIRCUS

Create Streets has devised a tool, StreetScore, to try to correlate developments with:

- Resident satisfaction;
- Good social outcomes; and
- Better long term value appreciation & economic returns.

These comparisons are based on Create Streets' published research. [63] We are starting to use this tool with developers, investors, landowners, and public bodies to help them understand rapidly and more rigorously than hitherto possible what specific elements of urban typology, scale, connectivity, and design are correlated with good social and long term economic outcomes. [64] All relevant correlations take account of socio-economic status. This analysis cannot predict but it can permit us to say to what degree, other things being equal, the built form of a development is likely to be correlated with satisfied residents, below average crime, strong neighbourhoods, and above-average value appreciation over time.

StreetScore



These elements correlated with good outcomes can be summarised under the following headings which we've termed the **Street Score:**

- High **connectivity** to the rest of the city;
- Minimal unsafe or wasted semi-public **space;**
- Few buildings above around eight stories of **height;**
- As high a proportion as possible of **houses** not flats (commensurate with appropriate density);
- Few buildings of great **size;**
- High **density** (but not too high) streets; and
- A preference for conventional **design.**

Detailed drivers—normally good...

All of these factors are correlated in nearly all research with a) resident satisfaction, b) good social outcomes or c) good long term value appreciation. (Correlations take account of socio-economic status)

	NORMALLY GOOD
1. Connectivity	• Few turns to shops & transport • Multiple connections to city • Easy to walk in, into, and from
2. Space	• Minimal internal & external semi-private space
3. Height	• Fewer than 6-8 storeys for nearly all residential buildings • No children in high rise
4. Size	• Fewer than 10 units in apartment blocks • No very large buildings nearby
5. Homes	• Presence of private gardens (or secure, overlooked communal) • Minimal children in flats • Homes in conventional streets • As many houses as possible vs. flats
6. Design	• Conventional design of buildings • Absence of external concrete or too much aggressively novel design
7. Density	• High (but not uber-high) density streets of houses & flats • Terraced buildings • Inwardly-secure conventional urban blocks

Source: Create Streets Research

As an illustration of how different street typologies 'score' we have run two completely different parts of London through StreetScore's scoring mechanism.[65] Firstly, Pimlico is a high density network of streets of tall terraced houses and vertically accessed flats. Built in the middle of the nineteenth century it would be near impossible to build today, falling foul of a large number of housing and building regulations. [66] The 'score' of Pimlico when run through the StreetScore tool was 75 percent. This indicates very high correlation with resident satisfaction, good social outcomes, and high value appreciation. The main areas of low scores were the high proportion of flats, the lack of private gardens and the presence of children in flats. It should be noted that Pimlico has around 35 percent of its residents in social housing. [67]

Secondly, the Aylesbury Estate in Southwark is a 1960s and 70s estate of large slab bocks in open space. Only 50 of 2,579 units are houses. It is quite low density (115 units per hectare). Despite £56.2m spent on improvements (~£21,000 per flat), the estate is still zoned to be demolished and has poor scores on nearly all wealth, health, welfare, and attainment metrics. Its Streetscore was 19 percent. This indicates very low correlation with resident satisfaction, good social outcomes and high value appreciation in the long term even taking account of social-economic status of residents.

StreetScore–in flight examples

Pimlico, Westminster

- Mix of flats in terraced streets & houses
- Dense flatted six storey buildings
- Traditional streets. No space wasted
- Est. density of 173 units/hectare*
- Create Streets score of 75%
- This indicates very high correlation with resident satisfaction, good social outcomes and high value appreciation
- Main areas of low scores are high proportion of flats, lack of private gardens and presence of children in flats

Aylesbury Estate, Southwark

- All flats in very large slab blocks apart from 50 houses
- Density 115 dwellings per hectare (346 rooms per hectare)
- Despite £56.2m spent on improvements (£21,000 per flat), site still to be demolished
- Poor scores on nearly all wealth, health, welfare and attainment metrics
- Create Streets score of 19%
- This indicates very low correlation with resident satisfaction, good social outcomes and high value appreciation

* please note this is a provisional score based on imperfect data

Source: Create Streets

Similarly, we cannot at present run a fully complete comparison of the two proposed schemes for Mount Pleasant. Some of the necessary internal details are only very partially complete for Mount Pleasant Circus and not fully available for the Royal Mail scheme. Nevertheless we can tentatively run a comparison. The results are set out on the next page.

Table iv - Mount Pleasant provisional StreetScores for Royal Mail scheme (RMG) and Mount Pleasant Circus Scheme (MPC)

COMPONENT	RMG	MPC	COMMENTS & COMPARISONS
1. Connectivity	54%	96%	Circus with radiating roads and using site corners for access results in massively greater connectivity on MPC proposals [68]
2. Space	27%	57%	Both schemes pulled down by reliance on internal semi-public space due to reliance on flats. MPC scheme has less unstructured public space requiring management
3. Height	4%	36%	Height of RMG scheme dramatically too high for neighbourhood. MPC scheme at 7 storeys is also higher than ideal but more manageably so
4. Size	0%	50%	Maximum and average number of units in RMG scheme too high for most people. Number of units in MPC on high side but more manageably so
5. Homes	0%	10%	Lack of any houses and likely presence of children in flats pulls down both schemes. Greater of use of private communal space in MPC scheme
6. Design	40%	100%	Design of most of MPC scheme likely to be more popular with more people over longer time
7. Density	49%	63%	Density compared to area is on the high side but acceptable
Total	22%	54%	High number of flats, height and massing pulls down both schemes. MPC is relatively less impacted and also scores on public space, private space and design

The scores of both proposals are pulled down by their reliance on large numbers of flats and their greater height and massing than surrounding residential neighbourhood. The MPA Mount Pleasant Circus scheme suffers far less as its massing is relatively more modest. It also wins on significantly better connectivity, better use of public space, greater private space (within blocks), and a design that is likely to prove more popular over time.

To reemphasise, at this stage in the design process, and with the resources available to us, too great an emphasis should not be put on these findings. Many aspects of the Mount Pleasant Circus scheme remain tentative. Nevertheless, and in line with Space Syntax's analysis and our local opinion survey, our analysis does indicate that Mount Pleasant Circus is likely to be better correlated with resident satisfaction, good social outcomes, and better long term value appreciation, and economic returns.

7. UNDERSTANDING THE LINKS BETWEEN VALUE, PLACE, AND FORM: A NASCENT REVOLUTION?

If large multi-storey buildings are typically less popular as places and less good for residents, why are they built. Why do conventional streets not rule? One reason (as we saw in chapter 1) is that planning can make it hard to build conventional high density streets. Another standard answer is economics. Big buildings are worth more than smaller ones. So capitalists build bigger ones. Will Self put the point pungently recently:

> "Rising land values mean developers can realise more money by demolishing existing buildings and erecting bigger ones on the same footprint. Indeed, the logic of capital accumulation means that they have to demolish the old and build the new, simply to make more money for investors." [69]

In fact the reality is more complex. Where the supply of land for housing is so constrained and the level of planning risk so high due to an unpredictable planning system, the highest risk-adjusted short term returns certainly can come from maximising density. In areas of central London it is now very hard to justify financially anything other than maximising volume. However, in most of London, let alone most of the UK, the longer term picture is more nuanced.

THE ECONOMICS OF POST-WAR CONSTRUCTION

By 1975 around 1.5 million British homes in streets, squares and alleys (about ten percent of the total stock) had been demolished. Their replacement was, in large part, a generation of large blocks in space.[70] By 1979 at least 4,500 tower blocks had been built, usually erasing all trace of the streetscape which had preceded them. However, this generation of post-war multi storey housing was only possible due to public subsidy. The Conservatives' Housing Subsidy Act 1956 provided higher subsidies the higher the building. Flats of four, five, and six storeys obtained much larger government subsidies. And above six storeys the subsidy rose by a fixed amount for each additional floor. A flat on a four storey block received £20, a flat in a six storey block received £38, 2.3 times the subsidy paid on a house. Increasing by £1.15 each floor, this multiple over a normal house rose to three for a flat at fifteen storeys and 3.4 for one at twenty storeys. [71] High rise utopias were not just fashionable in Hampstead. They were paid for by Whitehall.

However, according to the main academic study of British mass housing, it took on average 1.33 times as long to build a flat in a block as it did to build a single house.[72] This translated into higher costs. During the 1960s the building cost per square foot was between 1.65 and 1.80 times as great for a multi-storey flat as for a house. The cost per dwelling was between 1.57 and 1.33 times as great for a multi-storey flat as a house. This was despite the fact that houses were generally larger and had desirable private gardens.

This numbers may seem rather dry but they are quietly astonishing. Despite the official subsidies for building high which led to a huge surge in building unpopular high-rise and slab-block estates, it remained significantly and consistently cheaper during the post war high-rise boom to build houses in streets. The whole policy was built upon a lie. One academic has estimated how many extra homes

could have been built with all the money that was needlessly frittered away in building multi-storey blocks. He concluded that 'between 1960 and 1973 … 293,400 houses could have been built for £753 million, a housing gain of 78,000 dwellings.' [73] We would have had both more and better homes.

HIGHER CONSTRUCTION COSTS

Despite some changes in construction methods since the high-rise building boom of the post-war period, there has been no significant change in relative construction costs. It is still much more expensive to build high-rise developments. In one 2005 study a series of interviews with market professionals was undertaken to update these figures. They revealed that the typical build cost rose from between £1,200 to £1,800 per square metre for a building of five storeys to between £2,100 to £2,700 per square metre for a building of fifty storeys. [74]

The greater cost challenges of building high normally more than compensate for the economies of scale of building big. A ten-storey building is ten percent more expensive to build than a five-storey building per square metre. A fifty-storey building is 60 percent more expensive per square metre. The cost rises are greatest between 20 and 40 storeys. The leading literature on construction planning states boldly that "the construction costs of tall structures are greater than those of low-rise buildings offering a similar amount of accommodation." Three other studies (none of which give detailed figures) estimate that construction costs per square metre start rising beyond five to six, three to four or two storeys respectively.[75] Houses, however, are always found to be the cheapest form of dwelling to build per square metre.

It is clear why high storey buildings are inevitably more expensive. First of all, constructing large and tall buildings is logistically more complex. There are more safety requirements. Huge cranes need to be on site. Temporary lifts need building. Workers need rest facilities at high levels to reduce travel time. All this costs money. Secondly, the buildings themselves are more complicated and demanding. Foundations must be deeper. Superstructures must bear more weight and resist more wind. Even the façade must be stronger. Thirdly, there are a limited number of engineers, companies, and individuals who have the necessary expertise. This relative lack of competition pushes up prices. Fourth, the cost, volume, and complexity of the service infrastructure also increases as buildings become higher. Fire fighting equipment and the speed, power, and number of lifts required all push up costs.

As buildings get taller their 'efficiency ratio' also decreases. 'Efficiency ratio' is a measure of the net size of the building over the gross size of the building (what can be sold or let over what needs to be built). Lifts and communal halls need to be built, but are not an increase in habitable space. The same academic survey of professionals cited above on costs found that a standard 'efficiency ratio' of about 85 percent for a five storey building reduced to between 70 and 75 percent at 50 storeys. The 'efficiency ratio' for a house is of course 100 percent. You sell or rent the whole thing. Finally, if the unforeseen happens, a standard 'low-rise' housing development can normally be stopped half way. That final street is just not built. It is not possible to part finish a large or high building. There is consequently greater financial risk involved in the whole project. Investors therefore require greater returns to justify this risk. In 2005 this was around 30 percent return on investment for high-rise as opposed to about 15 percent for medium-rise. [76]

MULTI-STOREY HOUSING IS MUCH MORE EXPENSIVE TO MAINTAIN

Not only are multi-storey buildings more expensive to build, they are also far more expensive to run. This is clear from several studies over thirty years. By 1964 high-rise schemes were already costing 53 percent more to maintain than low-rise schemes. By the mid 1970s, as labour costs rose and as the buildings aged, this cost differential had increased to 100 percent.[77] In 1980 the architect Walter Segal calculated the cost of planning, building and maintaining a flat in an average tower block was (depending on circumstances) 50 to 100 percent more than the equivalent cost for a house.[78] Very recent research on the renaissance of high-density, medium, or high-rise buildings for social tenants strongly corroborates this and shows how these extra costs can be pushed onto tenants. A 2012 study by the Cambridge Centre for Housing and Planning Research found that nearly 95 percent of new-build flats (as opposed to 62 percent of new-build houses) had service charges and that service charges for flats were both higher and rising as densities increased. During the three years from 2005 to 2008 the percentage of flats with service charges over £10 per week rose from 40 percent to 58 percent. Ironically, they concluded that despite the preference of most tenants for a house not a flat, flats often cost tenants more to rent than houses due to the high charges.[79] Quantity surveyors and registered social landlords typically model far greater, and rising, costs per square metre for large buildings than for smaller ones.

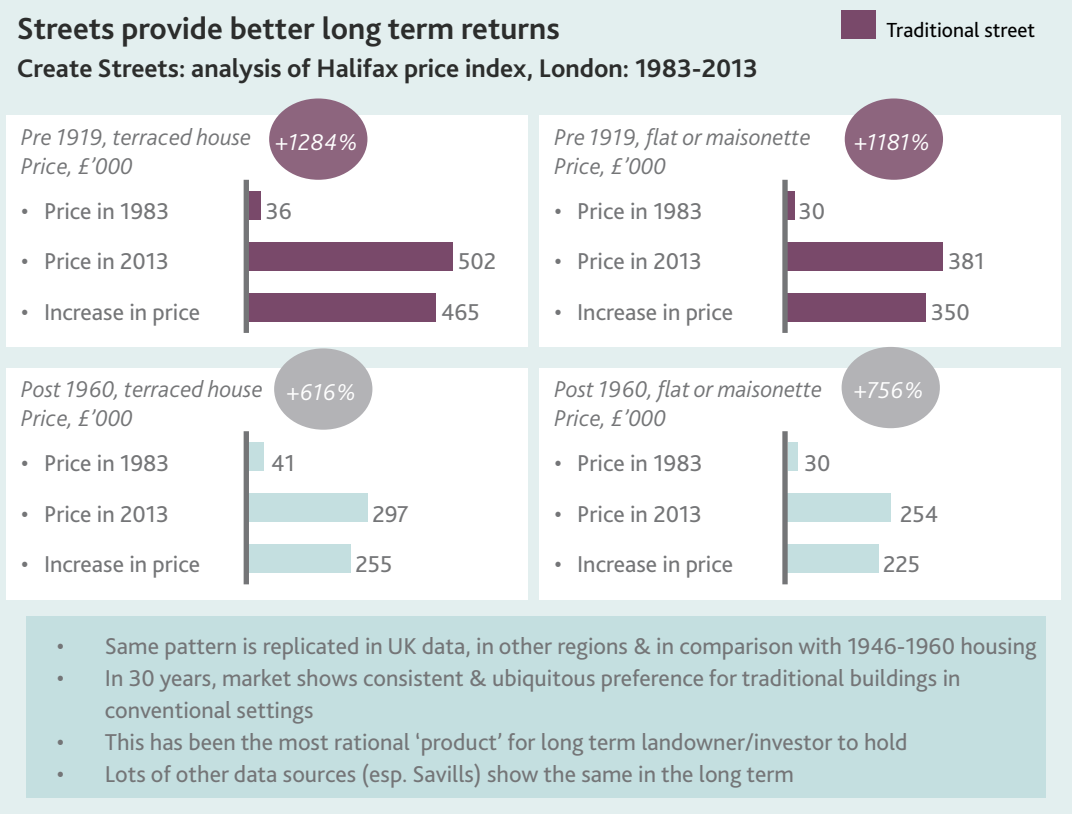
This cost differential is for several largely unavoidable reasons. Firstly, there are more communal areas (corridors, stairwells etc) that need to be maintained. This costs money and by definition cannot be done free as DIY by owner-occupiers. It must be paid for. Secondly, flats are harder to service. Many of the operations on a house performed by a relatively low-cost handyman with a toolbox or a ladder (mending a pipe, cleaning a window, painting a window-frame etc) will require a skilled and expensive engineer in a block of flats (mending a lift, repairing an unexpected problem on the tenth floor etc).

Multiple storey housing does not just cost more to maintain physically, it costs more to maintain socially as well. The high income apartments that function well do so because money is ploughed into protecting them through human presence. Most non-social high-rise housing in Manhattan, for example, has doormen and resident superintendents. The same is true of many of the recent high-end apartment developments in central London. High annual service charges pay for this, but most people cannot afford such charges. Whatever combination of entry-phones, CCTV, barriers, or concierge is required costs money. The former must be monitored and repaired. The latter needs to be salaried by the landlord. Self-evidently, if these costs are not met then the cost of maintaining the buildings will mushroom as common areas are mistreated by a small minority.

BETTER LONG TERM RETURNS

If large buildings are so much more expensive to build and maintain, why are they built at all? The answer is land values and the time value of money. When land is expensive enough (as it is in central London primarily but not entirely due to planning constrictions) then build costs become far less economically relevant. If you can sell a central London flat for £2million why build ten of them if you can build 30? The actual construction cost verges on a rounding error. And the long term maintenance costs are irrelevant to a developer who intends to sell.

For long term investors however, in all but the most central and expensive areas, the economics can change as different types of place evolve in value over time. Data from the Halifax, Savills, University College, London, Space Syntax, and the Brookings Institute all indicate that, quite apart from the social benefit, the long term returns from high-density 'normal' and well-connected terraced streets of houses and medium-rise flats can be fantastic. Data from the Halifax, for example, show that 'traditional' pre-1919 homes in a 'conventional' street format in London have risen by 1284 percent in price since 1983. [80] Their more modern contemporaries have risen by half as much.



Source: Halifax UK Price Index

Savills research has also shown how three conventional high-density street-based developments generate 32 percent more value per hectare and nine percent more value per developed square foot than the type of more complex less 'conventional' development which is still so common. [81]

Table v – Savills Research for Prince's Foundation

	MARKET VALUE PER HECTARE, £M			% UPLIFT OF SUSTAINABLE URBANISM FROM	
	'Sustainable urbanism'	'Standard urbanism'	'Old urbanism'	'Standard urbanism'	'Old urbanism'
Buckinghamshire	9.64	6.63	6.6	45%	46%
Dorset	7.07	5.97	7.51	18%	-6%
Scotland	8.03	6.19	7.96	30%	1%
Average	8.25	6.26	7.36	32%	12%

	PRICE PER SQUARE FOOT, £			% UPLIFT OF SUSTAINABLE URBANISM FROM	
	'Sustainable urbanism'	'Standard urbanism'	'Old urbanism'	'Standard urbanism'	'Old urbanism'
Buckinghamshire	296	279	235	6%	26%
Dorset	319	272	222	17%	44%
Scotland	175	171	164	2%	7%
Average	263	241	207	9%	27%

Other Savills research shows how parts of London which are well-connected and in the form of high-density terraced streets and squares are more valuable per square foot developed, other things being equal, than areas which are not. [82] As we have already seen, the profoundly important research by Space Syntax also shows how the most valuable streets are the best connected ones. There is an 88 percent correlation between spatial accessibility and rateable value per square metre. [83] Research by the Brookings Institute corroborates this in the US. In 2012 they published a study that compared 201 places by their 'walkability' which is worth citing at length. They found that:

- **Places with higher walkability perform better commercially.** A place with good walkability, on average, commands $8.88/sq. ft. per year more in office rents and $6.92/sq. ft. per year higher retail rents, and generates 80 percent more in retail sales as compared to the place with fair walkability holding household income levels constant.
- **Places with higher walkability have higher housing values.** For example, a place with good walkability, on average, commands $301.76 per month more in residential rents and has for-sale residential property values of $81.54/sq. ft. more relative to the place with fair walkability, holding household income levels constant.

In short, if landowners want to build developments that are likely to prove busy, valuable per square metre, popular, and relatively crime-free they should create streets that are not sequestrated from but plugged into the rest of the city. But they should not create unpoliceable permeability where routes are hidden from friendly eyes. In practice this means more terraced houses and fewer detached ones.

It means streets that link into arterial roads not turn their back on them. It means fewer and longer streets not more and smaller ones. It means straightish streets and open grids that bend and mould to the land and orientate sensibly to local destinations. It means gentle crescents and squares not enclaves, staircases, overhead walkways, and cul-de-sacs.

Create Streets' own research on a generic site in South London corroborates some of these findings. [84] So did our analysis for a Registered Social Landlord of a specific site in South London. This showed how proper place-making street-based regeneration of an estate in South London could generate highly attractive returns over time. Finally, and controlling for other factors, older buildings are also slightly more valuable. [85] This is presumably due to the preference that a strong majority of people have for more conventional building styles. (In the three most recent surveys, three percent, 4.5 percent, and 20 percent demonstrated a preference for modern housing designs over more traditional designs). [86]

SO WHY AREN'T WE BUILDING STREETS?

However, these higher returns typically take longer to materialise. The additional premium that streets can generate over time seems to be a simple function of the fact that people like them more and are prepared to pay more to buy or rent places to live in them. But this does not happen overnight for new builds. A place cannot be manufactured. It can only emerge over time as the right complex combination of neighbours, shops, and other services are attracted to a neighbourhood. A strong 'sense of place' is valuable but it takes a while to become apparent. Nor is a strong sense of place an easy item to put on a balance sheet or confidently predict in a discounted cash flow. This means that even long term investors can often prefer the simplicity and predictability of a large single-use building rather than the complexity of building a great place. A large building might have a higher cost of funding than a small building but it is better understood than building streets of which most investors have literally no experience. One recent study summarised the problem well:

> "The high costs of regeneration are at the beginning of the project, and due to the long construction programs, the final product and the financial returns do not come until much further into the future. This issue of timing presents poorly with investors' discounting methodologies…mixed use is difficult to finance because institutional investors, the primary source of long term funding in regeneration projects, prefer to invest in a single-use property asset rather than a mixture of uses. Ninety six percent of the respondents in the [Investment Property Forum] report said that mixed use was more complicated and, because it was not a single asset, they could not pool it together into a portfolio and sell on the secondary market to other investors In addition, many of the institutional investors could not invest in mixed use because it violated financial covenants that their organization often has which prevent them from having more than 25 percent residential in their portfolios." [87]

Other research corroborates this. In a survey of 23 property financiers, conventional high density streets were seen as too risky, as little-understood. Investors did not object to the concept of financing streets so long as it showed the appropriate returns. However, these financiers believed that due to the complexities created by mixed use and density these developments were less measurable and predictable and thus riskier than conventional single-use, often large building developments. [88]

THE 'BIG DATA' REVOLUTION IN UNDERSTANDING PLACE?

However, by not being able to measure or understand these risks, investors are letting down their customers. In an informal survey carried out by Create Streets of six RSLs and institutional investors not one had even attempted to model or understand how different types of built form evolve in value over time. But doing so is getting easier and easier thanks to the 'big data' revolution currently underway. Thanks to the internet and to advances in computing technology, it is getting easier and easier both to access huge quantities of data and to crunch every available parameter looking for correlations. But so far in the UK only one firm (Space Syntax), a few academics, and Create Streets have evinced much interest in the issue. This must change.

For as the data on the long term differences in value generation from different building types becomes clearer there is now an important opportunity for providers of patient capital to better understand how, by building popular places, they can better serve their investors. We call on investors and landowners to put more focus on understanding better the value of place and how it fructifies and builds over time. By putting the people 'back into' their models, by accounting for human preference, they will be behaving both morally correctly and rationally.

8. DIFFERENT ECONOMIC SCENARIOS FOR MOUNT PLEASANT

In order to estimate how all these themes might pan out over time, we have created a high level 40 year economic model for possible cash flows from the two proposals. In doing so, we do not pretend that we have all the necessary data to permit anything even approaching certainty. We are certainly not trying formally to 'value' either proposal. These numbers can only be indicative. However, we have been conservative in modelling our numbers and modelled an economic strategy based on rental, not sale, values that serves to 'deaden' the impact of value distinctions. If anything we believe we have flattered the Royal Mail scheme in comparison.

The first question to ask is how Royal Mail are valuing the site. This is not publically known. However in a letter to a Select Committee, and citing public sources, the Secretary of State for Business, Innovation and Skills, Vince Cable, has implied that the site's Residual Land Value (i.e. the value of the land less developer's profit the costs of building, financing and obtaining planning) is about £160m.[89] Some analysts have implied this is too low. Equity analysts have reputedly put the site's Gross Development Valuations (i.e. the total sale value not taking account of one off or ongoing costs) as high as £1bn. This seems a little high.

After a high level comparison we have concluded that both the Royal Mail scheme and the Mount Pleasant Circus proposals could probably be built with broadly similar below ground arrangements. Whilst the Mount Pleasant Circus scheme requires a more complex engineering solution to accommodate the operational needs of the Mount Pleasant Sorting Office, we would expect the overall construction cost, despite the Mount Pleasant Circus scheme being larger, to be comparable. This is because there would be no very tall buildings in the Mount Pleasant Circus scheme which are disproportionately expensive. A wider range of contractors would also be able to construct our buildings allowing them to be built faster as multiple buildings can be constructed at the same time.

We estimate that our scheme provides at least eight percent more net internal area of development (possibly up to 16 percent more), because the buildings are inherently more efficient. Despite the greater number of front doors, lifts and stairwells in our proposal, these serve fewer apartments, so can have smaller lifts, narrower stairs and less general circulation space. Whilst there would be a higher cost of providing these common areas, the lower buildings and simpler construction methods which could be used, result in lower overall cost in use than taller buildings, with complicated structures, cladding, and building systems.

The net result is that in the Calthorpe Street (Islington) portion of the site, we can provide 497 units as opposed to 336 units. With an increase of 36 percent in net lettable residential area. This is mainly due to the presence of several high density typically urban streets leading up the circus. These achieve efficiency levels comfortably above 85 percent, which compares very favourably with the efficiency ratio of the Royal Mail Group scheme for this part of the site which is only 77 percent. For modelling purposes, we have extrapolated the efficiency ratio of the Phoenix Place part of the site from these figures, again providing higher efficiency than the RMG scheme which achieves only 74 percent.

For ease of comparison we have assumed that the entire development is either socially rented or privately rented in perpetuity. For the model, we have adopted current, not inflated rental values, based on properties currently being offered in the local market. To maintain a valid comparison, we have assumed all the affordable homes would be rented at the appropriate Local Housing Allowance rates based on the unit size by bedroom. Of course in reality much would be sold but the timing of sales and the swings of the property market are material and almost impossible to model. Rental income flows are more stable and, if not predictable, at least less unpredictable. We have therefore modelled how these rental values might increase over time and then valued these cash-flows. We have assumed identical maintenance costs. We have run three scenarios;

- a base case where the value of both proposals increases at the same rate;
- a 'best guess' case where the value of the design and connectivity differential reaches five percent after 20 years; and
- a 'stretch' case where the value of the design and connectivity differential reaches 15 percent after 20 years.

Based on some of the increases in value modelled due to higher connectivity and better 'urbanism' modelled by Space Syntax and Savills, we do not believe this is unconservative. Two of the three scenarios straddle the nine percent value premium per square foot that previous research has associated with sustainable urbanism developments.[90] Create Streets' analysis of Halifax price survey data in the UK as a whole and in every region implies that this 'best guess' scenario is, if anything, fairly modest. If you like it is the numerical expression of the starkly different response from the local community to the two schemes.

We initially ran our numbers for the same amount of social housing. We then ran them with 25 additional units and with 40 additional units.

Table vi, % uplift in Net Present Value over 40 years of rental cash-flows

	SAME NUMBER OF SOCIAL UNITS	+25 SOCIAL UNITS	+40 SOCIAL UNITS
No uplift	+17%	+13%	+10%
5% uplift	+22%	+17%	+13%
15% uplift	+34%	+29%	+25%

We have deliberately set out our findings as percentage differentials rather than absolute numbers as our analysis is not and cannot be a formal valuation. They are based on a series of very material (though we believe reasonable) assumptions about future asset values and income yields. They do have a high margin of error but are, we are confident, more than directionally correct.

Nevertheless, if price data, historic trends and research elsewhere were to prove a reasonable guide to the future here than the Royal Mail Group is potentially walking away from over 30 percent of long term value. And the local community is certainly losing the opportunity of having a built urban form which could encompass more social housing.

We have no idea what value the Royal Mail is putting on the development. Nor do we know what their long term asset strategy is. Do they intend just to sell on the site 100 percent as fast as possible? Or do they aim to maintain a long term interest in the site? If they merely intend to sell the site and take no long term interest in its value then, even using Vince Cable's rather low imputed figure of around £160m, they are losing up to £50m of value. This represents a £15m loss to the taxpayers as 33 percent shareholder in Royal Mail. However, the overall scheme is losing far more value than that and so would Royal Mail be if they intend to take a proper long term economic exposure to the value of the site. Using our top end figures, which are shy of the £1bn value supposedly put on the scheme by at least one analyst, the lost value is more like £280m or £84m to the taxpayer as 33 percent shareholder. With, we believe, comparable build costs, this is real lost value not just lost income.

Taking a different approach this value could easily be used to build, manage, and maintain another 40 units of social housing in the overall scheme and probably rather more (though too many would start to impact the value of the overall scheme). The decision for how this additional value could be deployed would not be one for us for but for Royal Mail or local politicians. But the fact that there is likely to be additional value which can benefit some combination of taxpayers, shareholders, and local residents shows how important issues of design, connectivity, and urban form can be. By taking the wrong approach across London and by working in a framework that optimises large spaces and large buildings against streets and more modest, conventionally-conceived buildings, we are not building the London that most people want. We are not even building the form that generates the best long-term returns.

CONCLUSION

The highly-complex corpus of planning, building, and housing regulations make building high density conventional streets in London very hard commercially by constraining supply, pushing up land values astronomically, and rendering conventional streets less spatially and economically efficient.

The current Royal Mail proposals for the Mount Pleasant site exemplify the problem facing London. Though no doubt put together by well-intentioned and very expert professionals, the constraints of the brief, the value inherent in the land, and the need for fairly fast returns means that a short term approach has had to be taken. We do not believe that the current plans maximise connectivity, sustainability, or long term value for the Royal Mail Group or the taxpayer. The proposals are also very unpopular with the local community. Delivering only 12 percent affordable housing has also been politically very controversial leading to rejection by both local councils. The proposals are, however, a rational response to the current situation of high land values and a planning system that incentivises large buildings and monolithic public open space over private open space.

Create Streets has argued elsewhere for changes to specific housing and building regulations and for a strategic programme of estate regeneration done in deep and genuine consultation with local residents. Such estate regeneration should preserve existing levels of social housing.

The Mount Pleasant site also exemplifies how a wise alliance of patient capital, empowered local democracy and real community engagement could lead to better outcomes for investors, residents, neighbours, and for London itself. We call on investors and landowners to put more focus on understanding better the value of place and how it fructifies and builds over time. We also urge them to think of residents not as a nuisance to be consulted but as allies to be empowered. This would encourage more development and more popular development. All of London, and all Londoners, would benefit.

APPENDIX 1: MOUNT PLEASANT CIRCUS TEAM

Nicholas Boys Smith was a political advisor and strategy consultant at McKinsey & Co. before becoming a director at Lloyds Banking Group. He is a Consultant Director of the think tank Reform, a Board member of the Swan Foundation, and a Commissioner at the Centre for Social Justice. He is the founding director of Create Streets.

Paul Murrain is a leading urban designer with 30 years' global experience. He has been a Senior Lecturer at the Joint Centre for Urban Design in Oxford, Visiting Professor at the at the University of Greenwich, and Senior Design Director at the Prince's Foundation for the Built Environment. Paul introduced the Enquiry by Design process to the UK and was a member of the Deputy Prime Minister's Design Coding Advisory Panel. One of the many sites where he has led the master-planning is the 18 hectare brownfield Melrose Arch site in Johannesburg, South Africa. With an overall GIA of 330,000 sq m, this was the first South African development for over 60 years to create interconnected streets with a tree-lined boulevard, a main street and two urban squares. Despite a very moderate physical location within the city, the site that Paul helped design increased in value significantly above market trend (R1.3b to R4.5b in 6 yrs, 254%) and is "widely regarded as one of SA's most profitable real estate assets" (Business Day). The site now commands the highest rentals in South Africa (R175/m² to R210/m²) vs.~R140/m² for previous highest value site, Waterfront (which enjoys a prime situation unlike Melrose Arch).

David Taylor is an Engineer with over 30 years' experience in the design and construction of streets and urban places. He is passionate about how engineering can contribute to urbanism. He directs The Urban Engineering Studio with a portfolio of work across the UK and Europe. He was responsible for Urban Engineering associated to Crossrail and Thameslink at Farringdon. He is currently working on projects associated to the Olympic legacy and major developments in London, Bristol, and Oxford. He is a founding member of the Academy of Urbanism and a visiting lecturer on urban engineering at Cambridge University. He frequently writes on engineering and has authored many articles and design guides related to urban design.

Francis Terry is a partner in the firm Quinlan and Francis Terry Architects LLP who specialise in new build classical architecture. The office was established by Raymond Erith in 1928, making it the oldest existing practice of classical architects. Educated at Cambridge University, Francis worked in Washington for Allan Greenburg Architects in 1992 before joining the practice in 1994. He has worked on several large commercial and retail projects in London including Baker Street, Kendall Place, and George Street and 264-267 Tottenham Court Road. He regularly exhibits architectural drawings at the Royal Academy and was the winner of the Worshipful Company of Architects Prize for Architectural Drawing in 2002.

Also a member of the team (though not present at meetings) has been **Nigel Franklin** who is a Managing Partner at calfordseaden. Nigel has over 35 years' experience at the forefront of procurement and cost management. With a wide experience of housing, education, health and commercial buildings, he is highly respected by clients, fellow professionals and contractors.

Professor **Tim Stonor** is the managing director of Space Syntax who have also advised on our proposal. Tim Stonor is an architect and urban planner who has devoted his career to the analysis and design of human behaviour patterns: the ways in which people move, interact, and transact in buildings and urban places. He is an internationally recognised expert in the design of spatial layouts and, in particular, the role of space in the generation of social, economic, and environmental value. The firm Space Syntax have made a unique contribution to the field of urban planning and design by identifying fundamental links between spatial layout and the social, economic, and environmental performance of places.

APPENDIX 2: COMPLETE AND UNEDITED VERBATIM PUBLIC COMMENTS

COMMENTS LEFT AT PUBLIC MEETING ON 7 MAY 2014

I welcome these creative and beautiful plans. Option B is my preferred. Maybe we could include a small circus as well?

I think scheme A is truly inspirational.

The Mount Peasant Circus proposal is inspiring. The cross-roads through a round park will intrigue and entertain users—it is playful. The fact that there are an equal number of sqm in this scheme by comparison with the RM scheme is a convincing argument for this excellent alternative. I'm all for it. P.S. I very much like lower buildings.

I strongly support Option B plan. Could we add a small 'circus' as well? Both Option A & Option B are excellent though.

The original plan us banal and uninspiring. The alternatives are both preferable. My preference of the two is for the "Circus" with its focal point and a way of leading through the building to opposite the entrance to Attneave Street which leads to Wilmington Square—a logical 'green' pathway which will encourage residents and visitors to enjoy the environment rather than just trying to get through or past it. It is a viable opportunity to make real improvements to the area and it would be a great pity were it to be wasted in the name of merely making some money.

I prefer Option A (or, rather, the use of a circus—so this could be incorporated into 'B' if possible). Whatever results, the minimization of traffic/vehicular access is paramount for me. Thanks for all the hard work.

I like both scheme with a preference for Option B—more accessible green space and quite liked the straight lines—but a lot to be said for the circle and would support either scheme.

I think Option A (circus) is EXCELLENT. More power to your elbow.

A huge improvement—would support the development of scheme A. If we get approval would be interested in the detail. Not a great fan of classical architecture. Hope the architecture reflects the style of the environment.

I like Option A & B significantly more than the current proposal. My priorities would be to maximize social housing, maximize green space (linear park in B and small circus would be great), ensure scheme integrates well with all the communities around it (Option A seems to do that better) and ensure that existing residential blocks are not overshadowed. I'd like the site to have plenty of natural surveillance', but not too much heavy traffic flow. Thank you so much for supporting the local community.

Excellent! Onwards and upwards! Good concept. B) I prefer Option A—the circus. C) roads round the circus to be mixture of vehicular and pedestrian. D) Need to make sure figures add up—that you can sell it to development money bods as getting same profits. E) Good sensitive design. F) Don't like scheme B. I was never keen on the linear park (goes in wrong direction to open up park).

I think the two radial schemes are a step up from the existing scheme because one of them offers a delightful green space which relieves Granville Square. The radial access of both schemes makes the new proposals 'belong' to the community.

Option B far better reflects the (awkward) geometry of the polymorphous site—I think it feels more appropriate, urban and connective.

I prefer the scheme with the circus but am happy to accept Option B with its linear park. Attention should be focused on the function for its valuable space i.e. residential, retail, recreational, riparian or educational.

Option B is a clean and porous solution. Does it meet the density requirements? Impressed by both, however. Proves how wrong initial plans were.

Really good ideas. I'd favour a combo of A & B—that is, the circle of A with a bit more green walk as in B. If possible!! Congratulations and huge thank to you!!

Both proposed schemes are a vast improvement on the RMG plan. In particular, the overall layout now makes sense of the site, in terms of pedestrian routes. I personally prefer Option A, which I think has a stronger identity, and a more consolidated green space. Great work so far!

I prefer Option A, but both options are a vast improvement on the RMG proposals. The open corners around the outside make the area much more inviting and engaging with the wider community. The circus is elegant, enriching the whole area and breaking up a continuous run from one end to the other. This is impressive, well done!

Both potential alternatives schemes presented are a vast improvement on previous RMG plans: they are more consistent with the local area as well as providing equal numbers of units. The circus or the Phoenix Place linear park connect the scheme with the neighbourhood, the diagonal routes through are much more functional in connecting existing routes and the elevations more sensitively arranged to blend with existing housing. The prospect of this kind of development makes me feel positive about this contribution to the locality, so I wholeheartedly support it.

I fully endorse the designs, which at last treat this contentious site with some sensitivity and respect. I like both designs—if pushed, I favour the 'circus' plan, which evokes the glories of Arnold Circus in Shoreditch as well as other older plans such as Edinburgh New Town. The green 'soft' landscape is now destinational (in both plans) rather than planted circulation space. The frontages attest to a more nuanced and far less hostile response to the locale, while keeping to density targets. It (in both plans) is no longer a fortress. I urge all involved in the future of this site to think of the benefits of these plans and reject the deficits of the RMG's universally hated plans.

I prefer Option B. I like the idea of making a rat run difficult as this Option has more green space and planting. As well as the layout the height of the buildings is very impressive. The style should be sympathetic to the period buildings in the surrounding area.

Both new proposals are a great improvement on the existing proposal. The height of the buildings is of great importance and should not exceed eight storeys.

I favour something along the lines of Option A which gives a harmonious centrepiece to the whole area.

Appears to be a better idea than the existing plans submitted by Post Office.

Option A is inspirational. Vast improvement. The fortress like exclusive design is replaced by something elegant and of appropriate scale which pulls the surroundings buildings in.

I prefer Option A with the circus. I would prefer this alternative plan. As much green as possible and less possibilities for traffic. Thank you to those who worked on the scheme!

First, congratulations to the team! Second, Option A is at first sight the most attractive but I can see the linear park argument for B. Does the issue of the strengthening platform differ between the two? This might be important in swaying the argument.

Both alternative proposals are a massive improvement over the developer's proposals. Option A is stupendous – here is new architecture which reflects the London urban character in the area and gives us some good green space.

We welcome these two new greener schemes at the Royal Mail site.

I instantly loved the Circus design, not the other one so much, but the circus was exactly what I had in mind and I think that looks very good.

I really like Option A (Mount Pleasant Circus). It is responsive to the site and surrounding area. It provides a good mix of access plus green space, and a 'circus' is a great way of providing a sense of community and openness. Buildings no more than 6-8 storeys high would be good. Profound thanks to all who have given freely of their time and expertise to develop these plans.

OTHER COMMENTS RECEIVED FROM LOCAL RESIDENTS

'I fully support the Create Streets alternative scheme. I live right next to the Mount Pleasant site, and the Create Streets scheme would create an open, accessible development that is on a human scale, and responds to the traditional London layout of the area with its green squares and terraces.

The alternative proposal by Create Streets pays attention to the local community, and seeks to create an integrated new community on the site, as opposed to the RMG scheme which promotes high-density, high-rise luxury flats that are not sympathetic to the surrounding area either architecturally or socially. I would like to lend my wholehearted support to the Create Streets scheme.' Jonathan Avis, local resident.

'The new plan is fit for human beings: it works in every practical way and it has charm and dignity.' Angela Barrett, local resident.

'London may be a piecemeal city, but its great strength is its openness. The 18th and 19th-century squares, streets and terraces, for which it is renowned, usually co-exist well with the better-built housing estates, commercial warehouses and offices. That's why I think it's important to support ideas like the Circus which continues that sense of civic dignity and social porosity. It adds to London's historic mix.' Oliver Bennett, local resident.

'The Mount Pleasant Association was a product of the outdated approach to planning by the Royal Mail Group and its consultants who have systematically excluded the local community and other stakeholders from meaningfully engaging in the development of this major central-London site. Create Streets have been exemplary in the way they have listened to the community and responded with a better alternative. The Mount Pleasant Circus and Fleet Valley Gardens embodies their intelligent approach—offering a scheme that comes from the community and delivers more of everything that all stakeholders (including RMG) want, including a better economic investment.' Dr Edward Denison, Bartlett School of Architecture, MPA Secretary and local resident.

'It is so refreshing to have this alternative vision for what is a huge site in Central London, with intelligent design and a focus on quality housing, rather than the shoddy second-rate package currently on offer from Royal Mail.' Julian Fulbrook, Cabinet Member for Housing, Camden

'Islington needs well-designed green space. Your design provides for that. Good luck!' Meg Howarth, local resident and campaigner

'I want to be able to enjoy London streets that have character and connectivity—rather than long thin holes in the city that go now nowhere. I want my neighbourhood to contain places that are resonant and useful to our community—rather than dumbed-down non-places dreamed up on computer screens and imposed by developers. I want the history and spirit of my area to be revealed and added to—not obliterated and ignored. And I want the authorities that hold the destiny of our city in their hands to listen and respond to the real needs and aspirations of my community—rather than insult and over-rule us.' Maisie Rowe, local resident.

'We are local residents and I work from home. We totally approve of the alternative Mount Pleasant Circus and Fleet Valley Gardens scheme. When walking to any of the stations—Euston; St Pancras or King Cross to avoid traffic, we always walk through the parks: St Andrew's Gardens; St George's Gardens and Argyle Square Gardens. The new plans will allow better connectivity and make our walking in the area more pleasant.' Margaret Williams, local resident.

'Greener and more open, better for people and the schools it will help to give a sense of community that this whole stranded area badly needs.' Ann Winchester, local resident.

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978-1-907409-66-0

SEPTEMBER 2014