

# The Future of Cities Post Covid

Summary Report



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This event was held on the afternoon of 4th June. The event comprised two moderated panel sessions with approximately seven presenters and discussants in each panel. Names of the participants are listed at the end of this report. This is a high-level summary of the discussion.

## **The critical role of technology in a post-Covid world**

More than ever, high quality digital connectivity is essential for working, educating, entertaining, shopping and communicating. Cities have, historically, been the greatest focus for providing digital connectivity, but the decentralising effect of Covid-19 is increasingly drawing the focus towards reliable, high-speed digital connectivity across all locations, including rural. The mechanism of transmission of Covid-19 has stimulated interest in areas such as new materials and robotic automation linked to infection control. Technologies that make construction and building operations cheaper, faster and easier are gaining traction and, if matched with increase in investment, have the potential to yield dramatic improvements in relatively short timescales. Technology can play a very significant role in improving the performance of cities at multiple levels of scale – from one person’s experience of a building, up to enabling the entire city to perform more efficiently. Defining what constitutes a ‘smart city’ remains nebulous, but it generally means taking advantage of technologies such as Big Data, the Internet of Things and Artificial Intelligence to enhance efficiency, safety and the overall city experience. In the future, this has the potential to significantly alter the way we design and operate our cities, maximising their value and mitigating the negative externalities that they create (e.g. pollution, waste, congestion, affordability).

## **The future density of cities was questioned**

High density ‘compact cities’ do not now look as attractive as they did before the pandemic, but we are not able to say for certain what will happen in existing dense city cores. History shows us that things can quite quickly revert, especially as the ‘clock speed’ of significant city change is slow, at around 40 years. If there is a long-term shift in the density of cities, then investors will need to reconsider their real estate investment strategies. For example, if there is a move towards more diffused and spatially separated real estate that integrates high levels of public space and green space, there will need to be enhanced collaboration and partnership between the public and the private sectors.

## **Transport and city planning were highlighted as key pressure points**

The mass use of the private car is undesirable for many reasons (pollution, climate change, congestion), but the alternative of mass public transport is now highly problematic given the need for social distancing. Whilst there is clear advocacy of the use of active transport (walking/cycling), this clearly limits range. If the mode of transport shifts from the private car and mass public transport to more individual and active forms, this would encourage the development of more local hubs and the rise of ‘villages’ within cities - similar to the concept of the ‘15 minute city’ that has been

recently discussed in Paris. In short, as modes of transport become more diffuse, cities are likely to become more polycentric over time. In line with this, existing approaches to city planning (especially in countries such as the UK), will also need to be re-evaluated, as there is greater need for a planning approach that prioritises creating places with a high quality of lived experience. In particular, the UK needs to reinvent the way it approaches suburbs and mid-density urban neighbourhoods, in the same way that recent years have seen it reinvent urban living.

## **Cities should aim to be fair and sustainable**

Existing inequalities within cities may get worse as those that have the means to change their way of living and working do so, leaving those who provided services to high-earners and their organisations with lower demand for their skills. Biological inequality is also a major factor in cities, as is currently being highlighted by the covid-19 pandemic. As cities come out of this crisis, there is the opportunity to improve outcomes through changes in policy and an increase in capital targeting positive social impact. From an environmental perspective, cities will increasingly have to focus on being resilient to climate shocks. There is growing demand to understand the physical risks that climate change poses to real estate assets, as well as a heightened emphasis of the energy intensity and carbon footprint of buildings. This is also driving greater awareness of the practices and principles of the circular economy, a theme which will continue to gain momentum coming out of the crisis.

## **The internet has given consumers of real estate more choice**

The digital world has given consumers new options to work, live and play, providing physical space with greater competition. With consumers now having more choice than ever, real estate's value proposition must focus more on the quality of services provided through real estate rather than just the bricks and mortar. This will ultimately shape the way that real estate valuations are calculated and the metrics on which real estate is assessed. Cities and real estate have always had to adapt to stay relevant and the sector is likely to be more stable in the long term than it may appear in the middle of a crisis. However, at a time of structural change, real estate that does not align with consumer and occupier demands and is not able to adapt will feel pain. As a result of this structural change, the recovery may see a larger gap emerge between winners and losers than in previous years. Repurposing real estate and the shift towards mixed use is likely to be heightened in the coming years, particularly in the retail sector. Yet the challenge is not just in retail - all sectors (and particularly offices) will need to make sure that they continue to evolve and innovate in order to maintain their relevance.

## **Event participants:**

Andrew Edkins, UCL

Michael Batty, UCL

Alice Breheny, Nuveen Real Estate

Abigail Dean, Nuveen Real Estate

Jack Sibley, Nuveen Real Estate

Mark Allnutt, Greystar

Michela Hancock, Greystar

Kyle McFadden, Greystar

David Rudlin, URBED

Roelof Opperman, Fifth Wall

Dror Poleg, Rethinking Real Estate

Sarah O'Carroll, Ellen MacArthur Foundation

Nick Robb, Department for Business, Energy & Industrial Strategy, UK Government

Josh Artus, Centric

Dr Tuomo Kuosa, Futures Platform

Andrew Curry, School of International Futures

Richard Boyd, Arup

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