

Mega-events, Urban Transformation, Displacement and Replacement

A case study of employment and housing in
London's 2012 Olympic site, 2005-2022

State of the Legacy Conference September 12th, 2022

*Dr. Penny Bernstock
Professor Juliet Davis*

Introduction

- There is a substantial literature linking megaevents with displacement/ dispossession.
- However, much of this literature focusses on the period in which cities prepare to host megaevents.
- Moreover, the literature tends to focus on housing displacement, with a much more limited focus on employment and where employment is considered this is dealt with separately. Here we offer an analysis that demonstrates the complex interaction between displacement and housing and employment.
- Taking London 2012 as a case study, the aim of this paper is to offer a longitudinal analysis that sets the consequences of displacement in a longer timeframe (2005-2022).
- We utilise the concepts of displacement and replacement to consider changing land use both before and after the games.
- We draw on and develop Marcuse's (1985a) theoretical framework for analysing displacement that identifies four forms (all of which can have physical and economic dimensions), here focusing on three of these forms - **direct displacement, indirect exclusionary displacement and displacement pressures** - and we also consider '**anti-displacement**' strategies.

Mega-Events and displacement

- There is a burgeoning literature that either implicitly or explicitly utilises Harvey's (2003) concept of 'accumulation by dispossession', as an explanatory framework for mega-displacement in cities such as Rio and Beijing, used to contribute to and facilitate the spatial restructuring of the city (Brownhill et. al, 2013; Shin & Li, 2013; Gaffney 2015; Freeman & Burgos, 2017).
- The mega-event literature tends to focus on what Marcuse (1985) terms 'direct displacement,' with the State acting as the key agent in this.
- Paradoxically, the utilisation of a mega event may simultaneously result in displacement whilst providing the opportunity to draw global attention to this and promote counter narratives that emphasise social justice and 'rights to the city' (Ivester, 2017; Boykoff, 2017).



State-led, direct displacement –

- Compulsory purchase by the London Development Agency enabling a process of direct displacement
- Existing land use is associated with London's past and connected to high levels of deprivation.
- Issues of planning/development – disorder, fragmentation, lack of amenities, low density, pollution and contamination – an urban edgeland (Davis, 2016).
- Image - an impediment to change – leading to the stigmatisation of existing housing and industry and a **'blank slate'** approach to development (Raco and Tunney, 2019).
- And yet, displacement is bound up with a narrative of transforming local prospects and addressing social exclusion – thereby connecting the nature of jobs in the area to levels of deprivation in local neighbourhoods – a link between housing and employment established.
- Displacement, hence, presented as benevolent/good for existing users of the site, enabling wider legacy benefits – better jobs, more homes - to follow for the wider population.



Source: Marion Davies

*“The **general** character of the Lower Lea valley is one of **environmental, economic and social degradation.**”*
CPO Inspector's Report, 2005



Source: London 2012

The 'People's games' – Regeneration for all –

- London committed itself to multiple legacies in its Candidate File for the 2012 Games.
- However, the opportunity to utilise a mega event and deliver a lasting legacy for 'deprived' East London communities was central to the bid - "The Regeneration Games"(LOCOG, 2005).
- A range of inclusive metaphors were utilised connecting regeneration with the needs of **local** communities.
- There were very clear commitments about levels of affordable housing, training and jobs from early on.



“The regeneration of an area for the entire benefit of everyone that lives there” (Ken Livingstone)

Housing on the site in 2005/6

- **Housing Cooperative** offering 450 low- cost tenancies in a mix of purpose- built flats, bungalows and houses. Was the second Largest in Europe, targeted at single people in housing need.
- 15 **traveller families** at Clays Lane, Newham who had lived there since 1972.
- 20 **traveller families** at Waterden Road, Hackney who had lived there since 1993.



“In my consideration of the objections to Clays Lane Estate, the overt sense of community and values that many put on their homes and their surroundings is foremost in my mind. Their loss will be a substantial one, however, I find the anticipated benefits and the catalytic effects of the Olympic games to be a more significant one.”



Themes/issues and concerns – Clays Lane Residents and Travellers

Clays Lane Residents

- Failure to secure a Cooperative option for residents despite around a third of residents expressing an interest in this.
- Accelerated process due to time constraints that impacted on choices and anxiety, affecting residents and travellers alike.
- Most residents rehoused within in East London in Social housing.

If I was skint or emotionally down there was always someone there. When my X died I got a letter from the management committee offering support that is a good example of how the place worked.”

Newham Travellers

- Rehoused to a playground that they did not want to move to.

“”Not only does it destroy valuable community, sport and recreational facilities. It places them in in a totally inappropriate position..In a boxed site surrounded by high walls and two busy roads in what can only be described as a ghetto” (LBN,2005)

Hackney Travellers

- Relocated to three sites and had to split into three groups.

“You felt funny picking and choosing. You had to separate from families you had been with for years.”

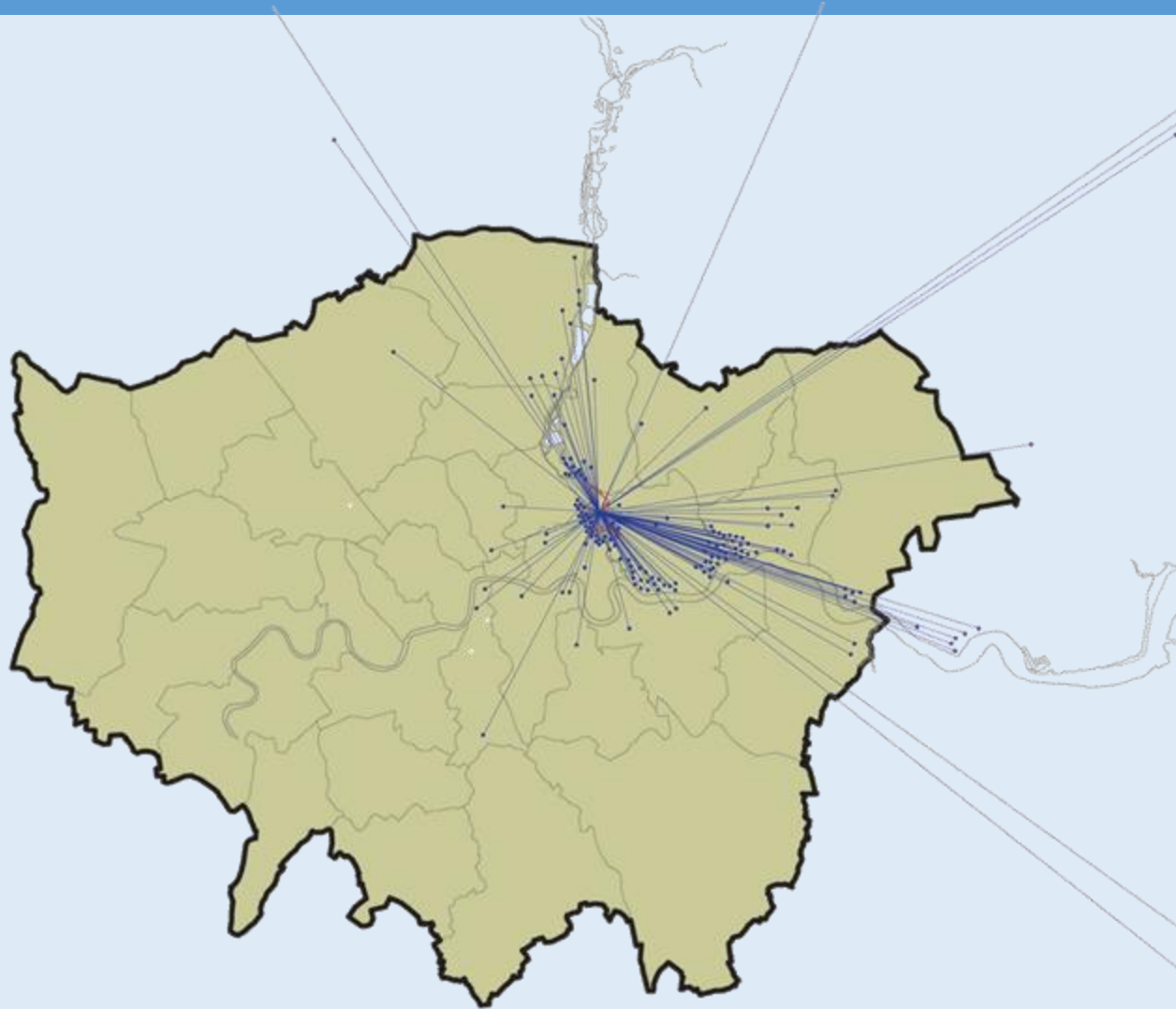
- They were involved in the design of their new homes but felt they had become more like 'settled communities. On replacement sites'
- Source: Bernstock, 2014

Employment on the site in 2005/6

- 286 businesses, mostly SMEs – 5300 jobs.
- Not all were industries as in ‘manufacturing’
- They were highly diverse, including creative industries, foods, clothing, waste management.
- They operated out of a range of industrial buildings from 19th to early 21st century.
- There was relatively little vacancy, rents were low, there were quite a number of old firms (even going back to the 19th century) and many firms reported that they were thriving (Interviews, 2007-2015)
- A historic link with housing, working class community and manufacturing skills around the site.



2008 – The displacement of employment



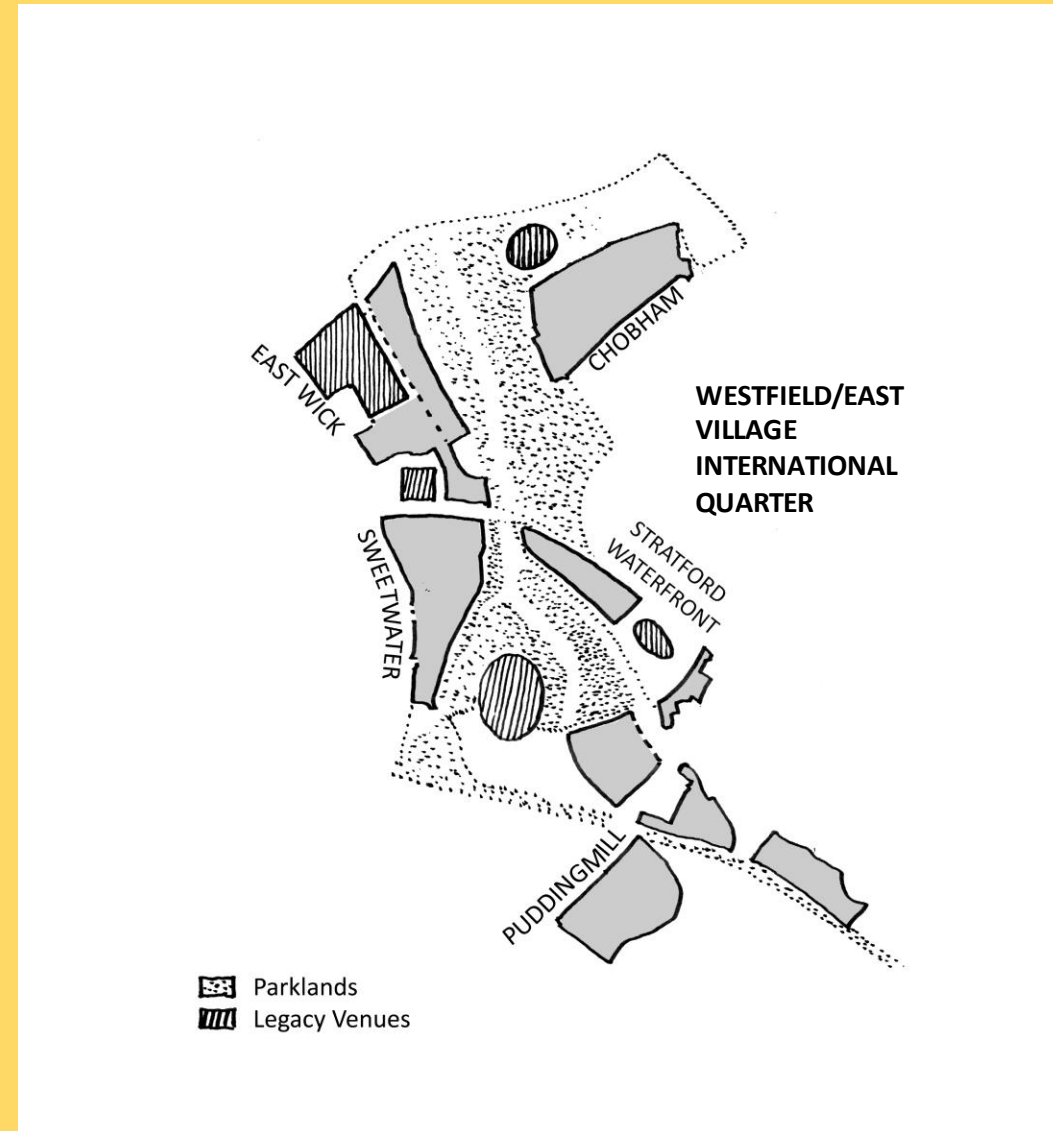
Interviews with 18 firms, 2015; follow-up photography with 11 firms, 2015)

Issues

- Displacement as planning - 'Strategic' v 'non strategic' uses
- 12% firms closed by 2008
- Closures disproportionate across industry sizes, types, tenures and ages
- The rapid timeframe of the CPO

"I couldn't understand how some operation like that could leave a smaller company like ourselves to just move and expect us to be able to pay, according to the 'Compensation Code' which is: spend the money first [...]
But, from my point of view, how can I incur the costs if I don't have the money to physically incur the cost? And so it was like a chicken and egg thing, right throughout, and it started getting very, very, very difficult." – **Bilmerton Wigs, 2010, Interview**

Wave II – Exclusionary Displacement through Replacement





Housing schemes on the park	Number of units	Number and percentage of Market Units	Number and Percentage of affordable units	Number and Percentage of Quasi affordable Units	Number and percentage of Genuinely affordable Units
East Village(when complete)	4250	2863(67%)	1427(33%)	704(16%) (49% of AH)	723(17%) (51% of AH)
First four neighbour-hoods	3301	2170(66%)	1131(34%)	533(16%) (47% of AH)	600(18%) (53% of AH)
Total across LLDC Area 2012-2022	11380	6092(72%)	3288(29%)	1746(15%) (54% of AH)	1542(14%) (46% of AH)

New Housing on the Park

Source: LLDC Annual Monitoring Report 2020/2021

Replacement Housing at Chobham Manor - Exclusionary Displacement by design

- 859 Units – Taylor Wimpey and L and Q – Private public partnership –
- 553(65%) Market Housing:
- 35% (303) Affordable
- 171 Social and Affordable Rent – 56% of AH – 20% of total scheme and 132 Intermediate (56% of AH) (15% of total scheme)

98 Shared ownership (11% of total scheme and 33% of affordable housing) 34 LLR (4% of AH)



Source: Income Data LLDC annual Monitoring report 2020-2021
income requirement L and Q website

Borough	Mean Household Income	Upper Quartile household Income	Income requirement for Shared Ownership Housing at Chobham Manor
Newham	£36,584	£48,780	58k 1 bed and 69k 2 bedroom
Tower Hamlets	£41,104	£53,349	

Who lives in Chobham Manor? Interviews with ten purchasers in 2019



“One of my neighbours lives abroad, they use it as a pied-a-terre in London when they come. Lots of investment properties, lots of people have bought the properties and leave them vacant...One is renting as an Airbnb..there are lots of families.”

The interviews revealed a range of drivers for moving to the area.

There was evidence of ‘Pioneer Gentrifiers’ who may have had a former public sector background with a strong commitment to community and neighbourhood and progressive values.

There were two types of ‘Investment driven gentrifiers’

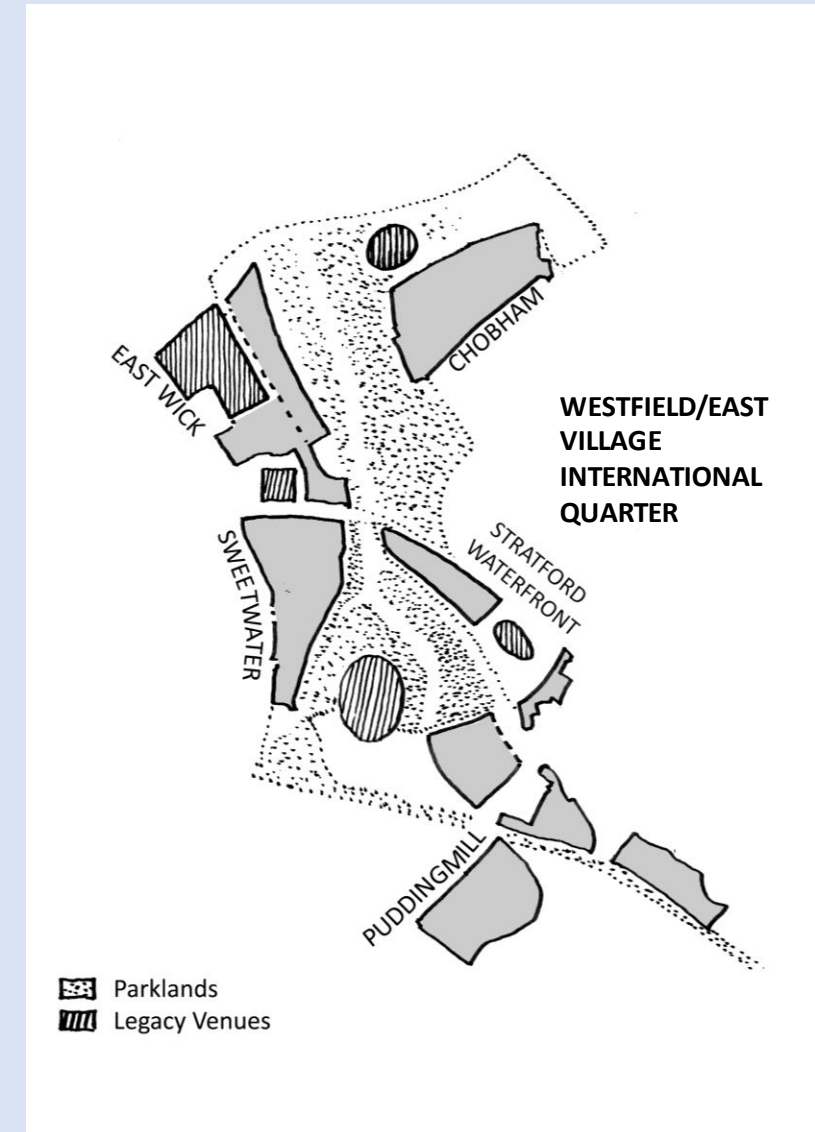
-Those who had researched the market and identified the potential to capitalise on investment in the area and the potential uplift in land values

Those using their property as a safety deposit box, leaving it empty or using it as a *Pied-à-Terre* or *Airbnb* - Essentially then reflecting housing as an 'asset class' (Aalbers, 2019)

Residents living at Chobham Manor were different to residents living in surrounding legacy areas, they had substantially higher incomes (in excess of £100k) and had moved to Chobham Manor from other parts of London, the South-East and beyond.

Replacing Employment uses: Exclusionary displacement by planning

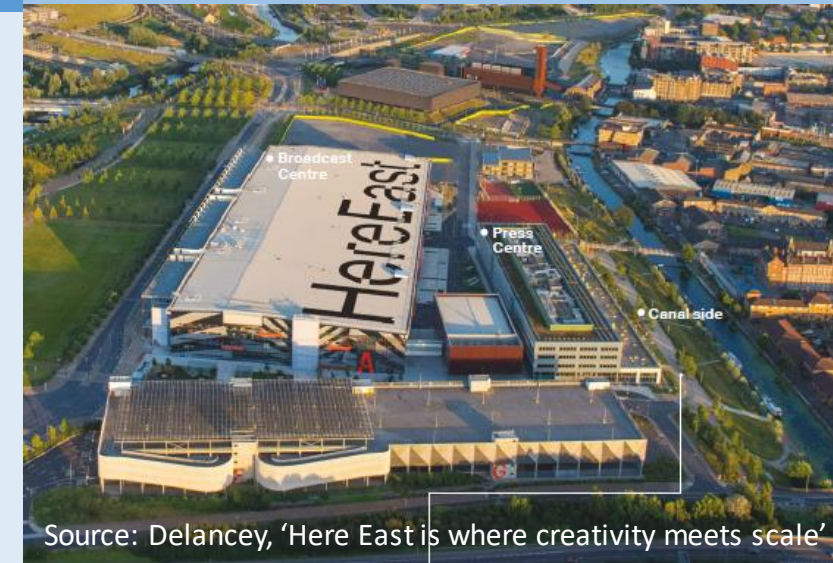
- Key goals of LLDC-led planning strategy regarding employment (the *Legacy Communities Scheme (2012)* and the *Local Plan (2014)*):
 - Increasing the number of end-use jobs – 8,165 estimated directly created on the Park by 2030 (by comparison to 5,300 in 2005) and up to 36,200 in neighbouring Westfield and International Quarter (also see Vadiati, 2020).
 - Diversification of jobs through land use planning – from predominantly industrial in 2005 to a mix of industry, office, retail industry, office, retail, leisure, arts/entertainment and education.
- The promotion of white-collar jobs and higher-value employment uses as a distinctively, workspace-related form of gentrification, often resulting in direct and indirect forms of small business displacement (eg Ferm, 2016).
- We see this as potential ‘exclusionary displacement’ by planning – a reorientation of employment land use towards professionals/ elites, the new residents of ‘mixed communities.’



Replacement Employment: Exclusionary displacement by commercial strategy?

- Here East - a new employment area built amid the remnants of the International Media Broadcast Centre constructed for the 2012 Games.
- **The site** – acquired under lease in 2013 from London Legacy Development Corporation by iCity, a joint venture between property investment/ asset management firm Delancey and tech firm Infinity SBC.
- **The buildings** - subject to a £100 million publicly-funded conversion (on top of £195 million) in 2014 designed by Hawkins Brown Architects.
- ...Urban regeneration as a form of asset management – as long-term ‘patient’ value generation, as a process whereby ‘rigorous financial discipline’ (Delancey, 2018) is seen as the key to deliver regeneration goods such as local jobs and recoup upfront public investment, while generating attractive profits for major global firms/ investors – arrangements bear the hallmarks of analyses of 5th wave gentrification (Aalbers, 2019).

A case study of Here East



Source: Delancey, 'Here East is where creativity meets scale'



- The site is a 'Strategic Industrial Location.' Historically, this designation has protected industrial land values, rents and uses.
- Here East rents:** 42.50/ square foot/ annum typically for space in the Press Centre and Broadcast Centre. This compares with £10/ sq/ fit in 2005 average and is close to the average for Grade A office space in East London (£49.50 – Carter Jonas, 2018). Industrial locations elsewhere in East London more commonly attract rents of £10.50–13 sq ft/ annum (Carter Jonas, 2018) – exclusionary displacement by cost.
- Affordable workspace:** Here East is bound by a 'Section 106 agreement' with the LLDC to deliver 'a minimum of 1000 square metres (10,763.9 sq ft)' of affordable workspace. This is just **0.89% of the net lettable area** of the development as a whole and, given that 'affordability' means 75% of 'historic market rent' (Deloitte, 2015) it is not particularly affordable or effective as an 'anti-displacement strategy'.
- The mix of tenants is curated to produce a desired 'ecosystem' (Here East interview, 2019). Rent free periods are given to some as are slightly lower rental deals in order to achieve it. One result is that, while immediate demand for affordable workspace and industrial space in East London remains unmet, thousands of square metres of space lie empty, not claimed – patient capital as exclusionary management.

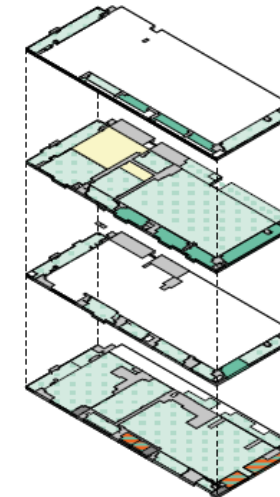
A case study of Here East

Broadcast Centre
661,000 sq ft

Available office & studio space:
4,649– 118,576 sq ft

- Creative office and studio space
- Exposed systems throughout
- Communal meeting pods
- Break-out spaces
- Balconies/terraces
- Cycle hubs and shower facilities
- Views over the Olympic Park

- Available:
- Office
 - Studio
 - Office / Retail
 - Let or Under offer



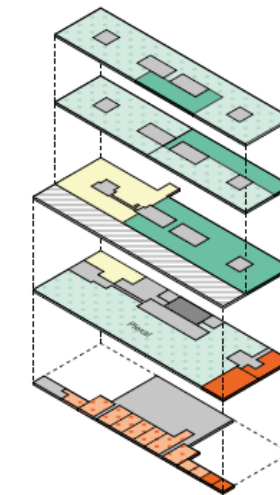
Floor	Unit	sqft
02	11	13,459
	10	8,956
	09	11,697
	08	9,441
	S4	30,220
01	05	4,618
G	06	6,836
	05	4,618
	02	5,098

Press Centre
227,200 sq ft

Available office space:
Up to 51,704 sq ft

- Highly specified Grade A flexible offices
- Spectacular terrace on first floor
- Home to the Innovation Centre
- Cycle hubs and shower facilities
- Views out to Hackney Wick and the Lee Canal

- Available:
- Office
 - Retail
 - Theatre Reception / Foyer
 - Terrace
 - Office: Let or Under offer
 - Retail: Let or Under offer



Floor	Unit	sqft
03	01	8,950
02	01	11,456
	01	33,266
01	02	19,783
	01	33,266
G	04	5,245
	Retail	8,510
LG	Retail	1,675

Plexal the 68,000 sq ft Innovation Centre on the ground floor of the Press Centre will provide a dedicated mini-city environment servicing technology start-ups & SME's, as well as corporate innovation teams requiring less than 4,000 sq ft.
connect@plexal.com +44 (0) 203 146 4966

Property agents

- | | | | |
|--|---|--|--|
| James Heyworth-Dunne
james.heyworth-dunne@cushwake.com
+44 (0)20 3296 4283 | Emma Stratton
emma.stratton@cushwake.com
+44 (0)20 3296 4281 | Richard Howard
richard.howard@cushwake.com
+44 (0)20 7152 5497 | Tom Wildash
tom.wildash@cushwake.com
+44 (0)20 7152 5618 |
| Nick Codling
nick.codling@knightfrank.com
+44 (0)20 7861 1274 | Angus Goswell
angus.goswell@knightfrank.com
+44 (0)20 7861 5150 | Abby Brown
abby.brown@knightfrank.com
+44 (0)20 7861 1306 | |

Accelerating indirect (secondary) displacement in the legacy boroughs – displacement pressure

- The literature on mega events indicate that both rents and house prices increase in host cities contributing to displacement pressures
- There is substantial evidence of displacement pressures impacting the legacy boroughs as a result of rising house prices, lack of affordable housing and welfare reform.
- Since 2012 house and rental prices have increased substantially with two of the Legacy boroughs (Newham and Waltham Forest) experiencing the highest price rises in London (Zoopla, 2019)
- Homelessness and housing need are increasing and there are high numbers of households living in temporary accommodation and placed out of borough, with Legacy borough comprising 1/8 of London boroughs and a quarter of households placed out of borough (TELCO, 2020)
- Research with local communities has indicated that displacement is having a huge impact on local communities (TELCO, 2020)



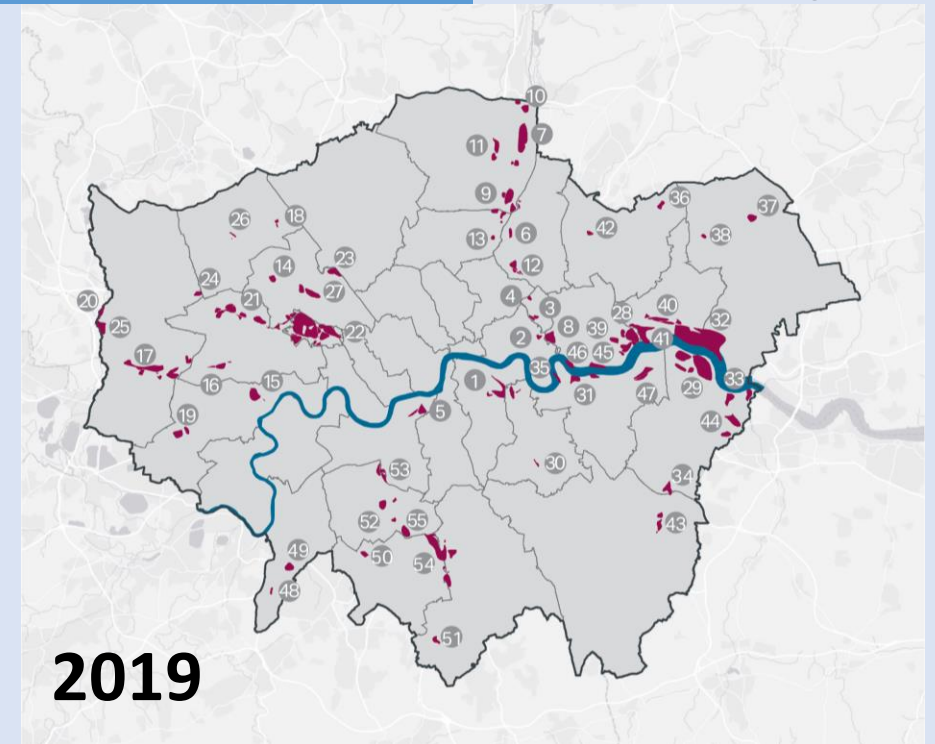
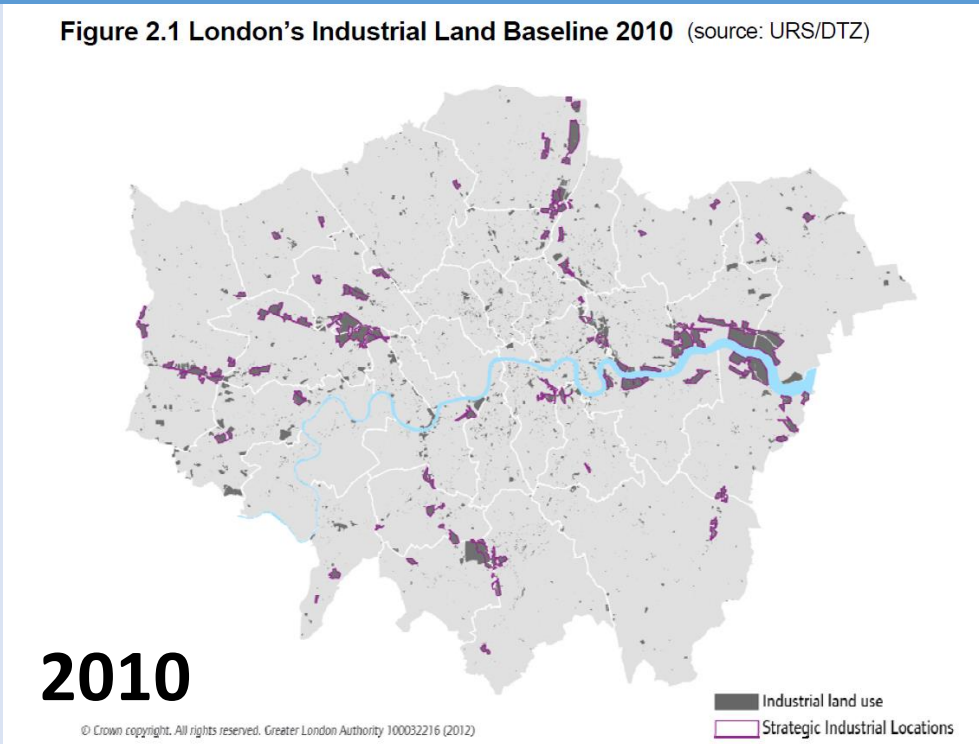
The ongoing direct and indirect, exclusionary displacement of industry

Strategic Industrial Locations

● Strategic Industrial Locations (SIL)

Source: GLA Planning

Figure 2.1 London's Industrial Land Baseline 2010 (source: URS/DTZ)



- Emphasis in the London Plan through the last twenty years has been placed on the continued reduction of industrial land.
- Two main dynamics arise from this: indirect 'displacement pressure' owing to rising rents and 'direct displacement' through planning for 'post-industrial' land uses – typically residential/mixed use – and the physical contraction of affordable workspace.
- In response, the draft London Plan (2019) states that: *'Strategic Industrial Locations (identified in Figure and Table 6.3) should be managed proactively through a plan-led process to sustain them as London's main reservoirs of industrial, logistics and related capacity for uses that support the functioning of London's economy.'* **Policy E5 Strategic Industrial Locations (SIL)**

Not the legacy promised and the emergence of anti-displacement activities

- It is increasingly evident that plans and policies developed since 2008 onwards have enabled a process of exclusionary displacement.
- Dissatisfaction with legacy and the paucity of benefits for local communities has manifested within the GLA and borough councils.
- TELCO and other community organisations have highlighted the gap between legacy promises and legacy realities, around both housing and employment.
- A change in leadership at City Hall and within the LLDC has resulted in an increased emphasis on delivering on legacy promises.
- Affordable housing has been increased on three neighbourhoods
- There is an increased focus on delivering genuinely affordable housing rather than shared ownership housing
- There is an increased focus on maximising developer contributions to affordable housing



Anti-displacement through employment opportunities?

- Numerous strategies have emerged in relation to employment that might broadly be terms 'anti-displacement' strategies (Marcuse, 1985b, Ferm, 2016).
- These include strategies related to education and affordable workspace being pursued by the LLDC through planning and development, e.g. temporary use project Clarnico Quay + Trampery on the Gantry at Here East.
- They also include strategies pursued or supported by corporate tenants in order to fulfil the terms of Section 106 agreements or development partnership agreements with the LLDC. Examples:
 - "Create Jobs", "Flip side" and "STEP" – programmes to get young people who face labour market disadvantages into work.
 - direct work with schools via East Education working group, partnerships with local authority employment support teams, etc.
 - Good Growth Hub

Issues:

- Drops in the ocean – the above programmes facilitate a handful of placements and training opportunities; affordable workspace a fraction of the total.
- Schools have the potential to create wider opportunity, but so long as children that would most benefit attend/ are able to stay in the area.
- Top-down/ concessionary?
- As one interviewee put it *"We hear a lot about opportunities created by firms moving in. But there's been a lot of displacement..."*



Overall Conclusions

This paper has offered insights into placement and replacement on London's QEOP. We have demonstrated that a range of policies and policy assumptions cutting across housing and employment have reorientated land uses away from working class/low-income communities towards professional/middle class groups who have the requisite level of skills to compete for highly competitive jobs and afford the mainly market and quasi-affordable housing.

We have utilised a Marcusian framework to illustrate the various manifestations of displacement on London's QEOP, along-with the key drivers and its dynamic nature.

The hosting of a mega event in London has enabled a process of socio-spatial restructuring that reflects continuity rather than change with other host cities.

There is evidence of a renewed commitment to deliver a legacy for local communities in the form of what we have described as 'anti-displacement' activities. However, without a substantial reorientation of policy this is likely to have only limited impact on delivering on those original legacy promises.