DOUGHNUT CITIES
THE ABANDONMENT OF CITY CENTRES?

FOREWORD

The COVID-19 pandemic has affected almost every aspect of life on the planet. This is especially true with regards to corporate workplaces, as organisations early on directed employees to work from home whenever possible. This has raised several questions of how city centre office spaces will change following the COVID-19 pandemic. Will we see a change towards more flexible offices? And how will this affect the city centre in general? Will retail be affected negatively? Will city living change, as more people seek towards the suburbs in search of more space?

These are just some of the questions that BLOXHUB’s Global Partners, along with two selected experts from the BLOXHUB community, sought to address and discuss during two roundtable sessions in early March.

The following Global Partner Insights paper contains the key points and take-aways from the two roundtables.
KEY TAKE-AWAYS

COVID-19 will change not only the way we work permanently, but also the way we live in and utilise city centres. These were the common predictions of the participants at the BLOXHUB Global Partner Roundtable on the topic of Doughnut Cities. The following is a summary of the key points made during the discussions.

KOEN BOGERS
Amsterdam

There was already a trend of working more from home, but COVID-19 has accelerated that. This will likely lead to companies needing less office space per employee; larger companies can have a central office in the city centre, and several smaller satellite offices in the suburbs and surrounding towns. Small and medium size companies will increasingly move to co-working spaces. City centres will hopefully then transform into areas that support both living, working and free time for the people within.

LAURA LYKKEGAARD
Cape Town

The traditional office, where each employee works from an assigned desk, will give way to offices where “ad hoc” and flexible space is more prevalent. An interesting trend to keep an eye on also, is how parking space in the city centre will be utilised in the future. An outcome of more employees working from home is less cars in the city. This will likely lead to underutilised parking spaces, which could potentially be turned into housing etc.

INCREASED FLEXIBILITY FROM MANAGEMENT

Participants in the two roundtables covered 9 different countries and markets, giving the discussions a global dimension. While effects will differ from country to country, all participants agreed that the COVID-19 pandemic will have a lasting impact on how and where we work. One particular point reiterated several times was, that we will likely see more flexibility from management towards employees and their work schedule. Many expect that employees are likely to continue working, to some extent, from home even after the pandemic.

MARIA BUDTZ
New York City

In New York, especially Midtown Manhatten, there are increasing amounts of office space being unutilised. Talks are happening with the aim of converting some of this into social housing. Furthermore, people increasingly expect that offices become drivers of collaboration and cooperation – something that is difficult digitally. These trends tell us that there is a pressing need to rethink and use buildings differently in the future.
There will be a greater focus on the entire space of the city centre in the future. It needs to support the lives of people from all classes and offer both working, living and shopping opportunities. Physical retail is hit hard by COVID-19 but long-term effects will differ from sector to sector. Supermarkets will likely be smaller in the future, as more people have groceries delivered: a trend that has been accelerated by COVID-19.

From a social point of view, many people feel a need to return to the office. However, management are providing employees with an increasing amount of freedom and flexibility with regards to their work, which will affect how much, and where, people work post COVID-19. We will likely see fewer big head office buildings and more smaller satellite offices instead. How this will affect life, mobility and retail in city centres will be interesting to follow.

The effects of COVID-19 have created a paradox in some cities such as Los Angeles, with city centre office buildings standing empty, as people work from home, while people are sleeping homeless next to them. This shows how important it is for us to consider how city centres actually support the livelihood and opportunities of people within them.

COVID-19 will likely have a lasting impact on how office spaces will look in the future. Real estate experts agree that there was already signs of traditional offices making way for more flexible office spaces, with the pandemic simply reinforcing and accelerating this trend. A recent report from JLL, a leading global commercial real estate services company, even goes so far as to expect that by the year 2030, 30% of all office space will be used flexibly.²

² JLL.com
COVID-19 has provided us with an interesting lens on how city centres actually support our daily lives on multiple levels. The pandemic has certainly bought along a number of short-term effects, but the most interesting aspects of the crisis are the more permanent transitions that will happen. Big head offices will likely break down, as the demand for flexibility and shared offices increase. We will also likely see facility management playing a much bigger and important role within corporate architecture in the future.

The long-term impact of COVID-19 on city centres will vary greatly from one city to another. Cities with many head offices, such as Toronto, will likely see more empty city centres compared to cities such as Vancouver. This will likely lead to head office buildings in the city being converted and repurposed to some extent, with more smaller offices in the suburbs, giving employees shorter commutes to work.

CITY CENTRE COMPARED TO SUBURB RETAIL

Research from the UK, utilising Google Mobility Reports, shows that while city centre retail in large cities such as London has been hit hard during the COVID-19 pandemic, retail in the suburbs have faced considerably less hardships. As corporate employees stay away from city centre offices, retailers there have lost a large part of their business. Conversely, retailers in the suburbs have seen visitor numbers recover faster than their city centre counterparts as people work from, and hence, shop closer to, their home.

The BLOXHUB Global Partners is network of high-level profiles located all over the world with one thing in common: the motivation to support our members and thereby help to create better, sustainable cities. The Global Partners are our foot on the ground. They ensure insights to urban challenges, potential partnerships and markets worldwide.

You can read more about BLOXHUB Global Partners at www.bloxhub.org or contact Martine Kildeby, Global Network Manager at BLOXHUB: mki@bloxhub.org