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## **ID 1483 | URBAN REGENERATION AND ITS ROLE ON MARKET SUSTAINABILITY: A CASE STUDY OF MANCHESTER**

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### **1 INTRODUCTION**

The role of planning policies in the property market, particularly in regeneration, has been recognised as to shape, regulate and stimulate the market (Adams et al, 2010 & 2015; Jones, 2014). These scholars pointed out the lack of market indicators to evaluate the outcomes of planning and regeneration policies, which shows that the need for regeneration policies to engage with property market still remains neglected and there was little discussion on whether urban regeneration policies encouraged sustainable property markets as important economic institutions.

This paper intends to explore the impact of regeneration policies on the evolution of property market toward a more sustainable level against the conceptual framework with three evaluation indicators identified in this research including market maturity, competitiveness and resilience by looking at how Manchester has been transformed through its regeneration schemes over the past few decades with the effort of all stakeholders and particularly the Manchester City Council by interviewing the council's leaders and planning officers. Moreover, this paper looks at the feedback and opinions from the developers and planning consultants and the others who have experiences in working with the Manchester City Council for their development proposals to find out what made this city commercially successful and whether it really has profoundly regenerated the city through numerous property developments.

## 2 WHY MANCHESTER?

The rise of Manchester as the first industrial city in the world, and a successful one, witnessed the prosperity of the United Kingdom with other industrial cities through the industrial revolution. Not only did it claim its success from the industrial revolution; but also Manchester has some unique qualities as a city. Peck and Ward (2002, page 1) describe the special characteristics of Manchester as a city,

*“Manchester has always been a city of extremes, a city of hard edges. The City has a gritty vibrancy, even on its (many) rainy days. There is here a spirit of dogged independence, sometimes expressed in the form of arrogant exuberance, sometimes as downright indifference to what the rest of the world thinks. Mancunians will always tell you that it happened in Manchester first, though only rarely will you find them patiently attentive to the counter-arguments. The city has always been on a hurried path to (some kind of) improvement, and has little time for those who would put obstacles in the way or get distracted by temporary setbacks. Always a city on the move, it has been in an almost perpetual state of restructuring, right back to its early stirrings as the crucible of industrial capitalism. Talk of revolution, like the drizzle, is nearly always in the air.”*

After the Second World War, the effect of deindustrialisation process on this post-industrial city has been catastrophic. Job losses saw people move out of Manchester and the pace of population decline was alarming. By 2001, Manchester saw its population halve since 1931. From the late 1970s, the disparity between the London and the north opened up dramatically partly because governments ceased trying to spread economic growth more widely among cities (Martin, 1988; Rodriguez-Pose and Gill, 2005; Pike and Tomaney, 2009, page 20; Martin et al, 2015).

In this context, Manchester faced many difficult urban problems, such as high unemployment rate, empty mills and factories and a crisis of losing its residents over time in the 1970s (Young et al.). Manchester looked like a shrinking city with no hope and future at that time. However, since the 1980s Manchester has undergone a shift in governance and has developed a series of selling, marketing and branding strategies to reimage the city (Young et al., 2006). After 70 years of constant decline, the population data of the 2011 Census showed that Manchester has become the third fastest growing city in England and Wales, with an increase of 19% of its population (Manchester City Council, 2016). This impressive figure means that in the last 10 years Manchester has attracted more inhabitants than any other metropolitan area outside London (Ortiz-Moya, 2015). This city seems to have changed its fate and turned its fortune around.

In several literatures, the role of Manchester City Council (MCC) has been suggested to be quite significant and dominant for the transformation of Manchester (Cochrane et al., 1996, page 1327), particularly as an exemplar in physical regeneration from the 1990s (While et al., 2004, page 557). One of the tactics MCC used was to embrace the idea of entrepreneurialism. Manchester has become one of the most widely cited examples of entrepreneurial urbanism (Ward, 2003), which includes “urban development as the process of urban entrepreneurialism” (Harvey, 1989) and requires more state intervention most conveniently through regeneration initiatives. The general frame for Harvey’s account is the relation between capitalist development and the social and the physical landscapes of urbanization. Urbanization, Harvey argues, is “both product and condition of ongoing social processes of transformation” (Harvey, 1989a:3). Within this general context Harvey’s specific focus is the reorientation in attitudes to urban governance since 1970s in the advanced capitalist economies. Drawing on a range of diverse sources and observations Harvey argues that, in short, “the ‘managerial’ approach (to urban governance) so typical of the 1960s has steadily given way to initiatory and ‘entrepreneurial’ forms of action in the 1970s and 1980s’ (Harvey, 1989a:4).

The idea behind urban regeneration initiatives is to fix the mismatches between the post-industrial city and the necessities of the new service economy and, accordingly, cities need to improve their general conditions and recover their ‘sense of place’ (Ortiz-Moya, 2015). With this in mind, Manchester has been through several stages by undertaking flagship developments to construct iconic buildings with a high symbolic value that would transform the face of the city and re-brand its image for investment. A number of key events occurred to assist intentionally or unintentionally in this process of city transformation. Firstly, during the era of the Central Manchester Development Corporation (CMDC) between 1988 and 1996, the southern part of Manchester city centre was redeveloped, the public realm improved and office space increased. This coincided with a period of strong economic growth in Manchester during the 1990s.

The IRA Bomb in 1996 formed part of the drive to carry out the physical renewal that had been planned during the 1990s. Manchester Millennium Limited (MML), a public-private partnership (PPP) between the city council and local businesses was set up, to lead the post-bomb regeneration. According to the news report (BBC, 2006), MML attracted £83m of public sector funding, a combination of government and European money and £30m from the Millennium Commission for Urbis, the Exchange Square museum conceived as a showcase for inner-city life as well as a total of £500m of private sector cash was brought in between 1996 and 1999.

Following developments completed during this time, Manchester city centre now offers one of the largest office markets outside London. Swinney and Sivaev (2013) noted that the number of private sector jobs in Manchester city centre increased by 39 per cent between 1998 and 2008. The MCC committee report (2012) on the progress and impact of City Centre Regeneration initiatives on economic growth in the city centre stated that demand for office space was so high that there was a shortage of office space, with prices higher than regional and national averages.

Given many achievements accomplished by the effort of MCC, however, as Ortiz-Moya (2015) observed, Manchester is still suffering the problems derived from its shrinkage process hidden behind its recently achieved population growth. Deas and his colleagues (1999) also questioned that the tactics MCC employed over the years did not pursue more broadly-based goals for regeneration, for example, their strong emphasis on economic growth, almost at the expense of any consideration of wider distributional effects and the single-minded focus on securing property developments.

So far, property developments are deemed as a subject and tool for the delivery of regeneration initiatives promoted by the entrepreneur-like MCC as a means of state intervention. Since the late 1970s, the prevalence of neoliberalism has been evident in the urban policies of the UK governments, which is rooted in the belief of a free-market mechanism. Any state intervention would only be expected when there is evidence of market failure that only could be corrected by the power of the state. However, the movement of entrepreneurial urbanism emphasising on urban governance in the advanced capitalist economies, seems to move away from this belief and provides the governments with a justified ground to intervene in the market at a substantial scale under the name of regeneration. This peculiar phenomenon strikes one to explore the impact of regeneration policy on property market by looking at this interesting case, the city of Manchester.

### 3 THE CONCEPTUAL FRAMEWORK ON MARKET SUSTAINABILITY

Through reviewing the relevant literature, a conceptual framework is developed to explain the relationships between urban policies, regeneration initiatives, economic sustainable development and sustainable regeneration property markets. There are few essential elements identified to evaluate the level of market sustainability in property, involving the state of market maturity, resilience and competitiveness for long-term investment or economic competitiveness as illustrated in the following diagram. This conceptual framework provides a foundational structure for the research design of this paper. These three factors are discussed closely in relation to the context of economic sustainability in urban policy (Keogh and D'Arcy (1994); Adair et al.(1999); (Jones & Evans 2013); Martin (2012); Rogers (2012); (Adair et al.,

2002; Couch, 2003; Porter, 2005; Hutton, 2008; Tallon, 2010).

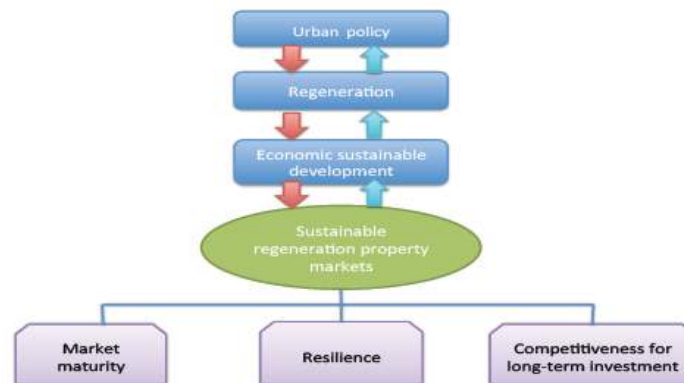


Table 1 Conceptual framework on sustainable regeneration property markets

As the concept of sustainability has been emphasised progressively, the UK government has also integrated the goal of sustainability into urban regeneration policies. The UK sustainable development policy in 2005 has called for ‘a sustainable, innovative and productive economy that delivers high levels of employment; and a just society that promotes social inclusion, sustainable communities and personal wellbeing’ (DETR, 2005, p. 16).

However, how can one dictate whether a market is sustainable or not? Which criteria or benchmark should one utilise? Is there any applicable assessment model or framework for the definition and implications? These are the questions, which this research intends to investigate. Economic aspects of sustainability are crucial for every inhabitant of the country (Zuleeg, 2010). According to Dárcy (2011), he contends that the operation of the real property market will have an inevitable impact on the ability of an urban region to exploit, maintain or create competitive advantage and thus its ability to generate high and sustainable economic growth relative to its competitors. In this context, this paper argues if a property market would

influence the level of competitiveness and sustainable economic growth, then it also could assume if the property market of a city or region which shows sufficient level of competitiveness and sustainable economic growth, would be deemed sustainable. The implications of the market sustainability include a market with capability of coping with property cycles (Jones and Watkins, 1996, p. 1132), which demonstrate a level of economic resilience.

Based on the literature review on market maturity, economic competitiveness and resilience, the definition of market sustainability in the property sector adopted in this paper is a property market that indicates its maturity via well established values and transactions; and a city or region which could prove to obtain sufficient level of economic competitiveness and resilience to deal with the economic cycles over time.

#### 4 MARKET MATURITY

Jones and Watkins (1996) conclude that the establishment of a sustainable market occurs when a market is created which 'evidently' meets the long-term needs and aspirations of consumers by comparing the targeted sub-market to the mature markets recognised by the market participants including the main investors, estate agents and the government registration agents. The market also needs to be viable in its own right to be regarded as being sustainable. As mentioned above, the implications of the market sustainability include a market with capability of coping with property cycles and properties as market products to have achieved such a level of acceptability that there is an active resale market as well as the evidence of institutional investors' involvement in trading properties in such a market (Jones and Watkins, 1996, p. 1132).

A robust investment structure can help create sustainable regeneration property markets, which are less susceptible to short term economic market cycles and which are attractive to private investors with longer-term investment horizons, most notably institutional investors (Parkinson et al. 2010 quoted in Haran et al. 2011). Following the rationale of the essential role played by institutional investors, one of the aims of this paper is to investigate how urban regeneration policies affect the property investment market with a focus upon the factors influencing the behaviour of the institutional investors on their decision-making process.

Research undertaken by Adair et al. (2005) indicates that once a regeneration area becomes established and rental growth is apparent, competition between investors is likely to reduce property yields. The findings of the study show that investment property in regeneration areas can outperform national and local benchmarks, which challenges the perception of lower investment returns in regeneration areas. The analysis also demonstrates that over a long-term period regeneration areas offer significant investment opportunities. Therefore, to collect the opinions on the level of trading activities from leading estate agents and developer are crucial to measure the level of market maturity in the designated areas.

These findings confirm that receiving high levels of public sector support and effective regeneration policies help the regeneration areas mature and create sustainable urban environments capable of meeting private sector investment goals (pp. 164-1645). They provide a logical reasoning to interview the councillors and planning officers of Manchester City Council.

Jones (2009, p. 2370) contends that the concept of market maturity has close parallels with the process of the development of a sustainable market in the context of regeneration where new land uses are introduced to a locality. Jones and Watkins (1996) claim that to achieve the state of market sustainability, a market should be sufficiently mature to overcome the downside effects of the property cycle with an active resale market being able to lock-in longer term institutional investment, which explains the importance of interviewing major institutional investors.

#### 5 ECONOMIC RESILIENCE

After the credit crunch, questions of regional resilience have gained importance when discussing regeneration. Within a conceptual framework of resilience, resilient cities are regarded as places that better cope with the shock of change to the wider economy and environment (Jones & Evans 2013) which indicates the quality of regional economic adaptability to changing circumstances (Hassink 2010). In this sense, not only firms and industries but also local and regional development policy, and in a broader sense the institutional environment of firms and industries, would affect the dynamism and adaptability of regional economies. A resilient region or city would have to keep altering the markets and local political structures to adapt to changing environmental conditions.

Most of the recent uses of the term in regional or urban applications refer to this idea of the ability of a local socio-economic system to recover from a shock or disruption. However, the various literatures suggest that

there are many different ways of interpreting resilience and it is necessary to grasp the essential concepts of resilience in different disciplines.

For example, Martin (2012) introduced a four-dimension model of regional resilience based on mainly three interpretations or uses of the term respectively called Engineering Resilience found in physical sciences; Ecological Resilience found in ecological sciences; Adaptive Resilience found in complex adaptive systems theory. He developed this four-dimension model as an attempt to provide a full meaning to the notion as a description of how regional economies respond to recessionary or other such shocks.

There are four contributors of defining resilience. The first is that of resistance, that is the vulnerability or sensitivity of a regional economy to disturbances and disruptions, such as recessions. The second is that of the speed and extent of recovery from such a disruption. Of interest here is whether the speed and extent of recovery are determined by the degree of resistance to the shock in the first place. The third aspect concerns the extent to which the regional economy undergoes structural re-orientation and what implications such re-orientation has for the region's output, jobs and incomes. The fourth dimension concerns the degree of renewal or resumption of the growth path that characterized the regional economy prior to the shock. In addition, these different aspects or dimensions of regional economic resilience may interact in different ways, to produce different outcomes of the sort illustrated stylistically.

Martin (2012) then argues that the regional performance of economic growth and the competitiveness can be key factors to examining the level of regional resistance to a recessionary downturn. He also emphasises how national policymakers respond to a major recessionary crisis can be quite crucial in influencing the economic resilience of different regions and localities. The specific policies adopted by the central government will condition the scope for and form of firm behaviour differently in different regions, especially according to the economic specialisms of those firms.

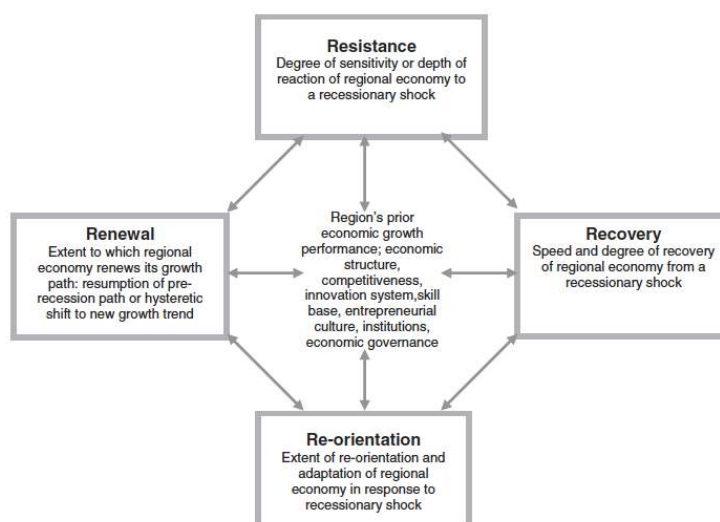


Table 2 Four dimensions of regional economic resilience to a recessionary shock (Martin, 2012)

New tensions have been created in the past decades under the prevalence of neo-liberal globalisation because its constant pressure to adopting changes and shifts for being universal is likely likewise rendered unstable (Harvey 1989 quoted in Rogers 2012, p. 101). Within a broader framework of neo-liberal governance reform, the reaction of governing authorities was to address urban regeneration, not only of the public spaces, streets and architectural forms of the physical city, but also to reimagine the city and manage the public and corporate perceptions of the city in a post-industrial global marketplace by embracing the strategy of entrepreneurial cities in pursuit of economic growth.

Urban transformations are regarded as the engines of economic growth since cities are the centres of production, consumption, innovation and accumulation of wealth (Musterd 2003 quoted in Rogers, 2012). These cities and towns that demonstrate evidence-based metrics of economic growth are used as case study models of successful regeneration.

In this sense, therefore, the concept of resilience is introduced to seek a solution to ease the tensions created by neo-liberal globalisation in pursuit of economic growth in urban policy.

## 6 ECONOMIC COMPETITIVENESS

Another issue on market sustainability is economic competitiveness for long-term investment since the social structuring of markets is generally in response to the problems of competition and exchange (Fligstein and Dauter 2007, pp.117) and cities seeking to stimulate economic growth have competed with one another to attract businesses (Jones and Evans 2011, pp. 68). D'Arcy and Keogh (1999) state that the property market will influence urban competitiveness directly and subsequently will affect the sustainability of its economic growth, through the provision of suitable accommodation for economic activity and indirectly through its cumulative contribution to the built environment (p. 917).

The competitive advantages of progressive cities facilitate capturing opportunities for development and attracting pioneering business while other cities are challenged in a competitive global economy. Regeneration and business strategies related to the property sector are two of the most significant tools that cities have employed to overcome physical, environmental, social and economic challenges and enhance competitive strength (Adair et al., 2002; Couch, 2003; Porter, 2005; Hutton, 2008; Tallon, 2010).

The principal forms, functions, and policy mechanisms of local and regional economic strategy in advanced western capitalist societies have undergone major changes during the last two decades. There have been major shifts in cities' roles as subjects, sites, and stakes in economic restructuring and securing structural competitiveness. These shifts are reflected in increased interest in, and emphasis on the entrepreneurial city at both regional and local levels. The distinctive feature of entrepreneurial cities is their self-image as being proactive in promoting the competitiveness of their respective economic spaces in the face of intensified international and regional competition.

Regeneration projects are commonly associated with gentrification processes, as one of the most significant economic outcomes of regeneration is the increase of real estate prices in the regenerated areas or its surroundings (Berényi and Szabó, 2009; Csanádi et al., 2011).

According to the European experience (Mora and Peña, 2010) two main types of regeneration operations can be distinguished. The first category shows that interventions in central areas such as historic or traditional neighbourhoods and resulting in gentrification processes or new activities and functional specialisation. These cases often involve private and public property developers becoming partners to overcome the economic and legal difficulties that are characteristic of such operations. Transfers of public resources to private operators often occur in these cases, and the ultimate users and owners are the beneficiaries of the operation. These operations frequently entail evictions, rising property values and processes of exclusion of the lowest-income population and of the least competitive activities.

The other type will see the interventions that coordinate various programmes and policies of social and housing improvements in so-called 'vulnerable' or 'deprived' areas. These can be considered as involving a 'standardisation' process, since their objective is to mitigate potential social conflicts and to reduce the distance that separates living conditions in the most deprived neighbourhoods from those of the middle or 'normal' range, especially in terms of housing, public space, education and transport. These operations attract little interest from property developers, and are usually carried out by public authorities. In these cases the demographic and social composition of the areas is usually maintained, contributing to stability and thus to the consolidation of a pre-stratified social space.

It clearly concerns the performance of economies and can at one level be equated with the trajectory of the economy in terms of variables such as value added, employment or incomes of the population. Parkinson and Boddy (2004, p. 1) contended that since the 1990s cities have been viewed as 'dynamos of the UK national economy, vital to the competitiveness of "UK plc"... Cities are now regarded as economic assets rather than urban liabilities reflected in the renewed investment in cities and growing attraction of urban life, both of which are vital to economic competitiveness (ODPM 2004b; 2006a).

Globalisation is one of the principal reasons behind the need for cities to compete, and the impact of globalisation on competitiveness is important in understanding urban change and regeneration strategies. In the age of global capital flows and globalisation, cities at the global level have to become ever more competitive to secure future growth and the regeneration of urban economies. To this end, cities seek to ensure competitive advantage over their regional, national, European and global counterparts.

This has implications for urban regeneration in terms of attracting business, residents and tourists to particular cities. Cities have to fight to secure competitive advantage through attracting international capital (see Hall 2006, pp. 82–84). Place and local context matter in terms of competitive strength, and some cities offer a better mix of attributes for business and business success than others (Begg 1999; 2002a; Boddy and Parkinson 2004; Buck et al. 2005).

Deas and Giordano (2002) put forward the ways in which competitive advantage might be measured. A distinction can be made between competitive assets linked to contextual factors, and competitive outcomes related to economic performance. However, these indicators suggested by Deas and Giordano (2002) do

not account for image factors and their impacts on place. Harvey (1989) further contended that the conditions that are important depend on the market in which a city is attempting to compete. Governance factors are seen as a key condition for enhancing city competitiveness. The 'organising capacity' or 'institutional capacity' of city regions is vital (van den Berg et al. 1997; van den Berg and Braun 1999). Competitive cities have the power to be able to anticipate, respond to and cope with changing intrametropolitan and extrametropolitan relations (van den Berg et al. 1997).

Business and the private sector more generally appear to gain from a competitive city through an advantageous business environment, whereas city authorities benefit from urban and economic regeneration stimulated by business growth. Evaluating the benefits of inter-city competition on local communities is more problematic, particularly if success bypasses excluded communities and neighbourhoods within entrepreneurial and 'competitive' cities.

## 7 RESEARCH METHOD

The aim of this section is to explain the issues surrounding the interview method used in this research. It is essential to outline the type of interview form deemed suitable and the analytical approach to analyse the interview data.

### 8 THE TYPE OF INTERVIEW FORM

This research includes the conduct of semi-structured interviews with open-ended questions. In order to find out how the city of Manchester has been transformed through its regeneration schemes over the past few decades, it is essential to look at what primary stakeholders in the city and particularly the Manchester City Council have done to deliver their vision for the city by interviewing the council's leaders and planning officers. It is equally important to know how the key market participants such as the developers, estate agents, institutional investors and planning consultants evaluate the outcomes of these regeneration schemes made to the city by listening to their views on what made this city commercially successful and whether the city really has been profoundly regenerated through numerous regeneration developments as well as its impact on the evolution of property market toward more sustainable level.

Following the rationale mentioned above, there have been nineteen interviews undertaken. These interviewees could be broadly categorized into two groups. The first group aims to focus on the work of the Manchester City Council in the effort to transform and regenerate the city for a better future. Therefore, these interviewees have the representatives including the political leaders and planning officers from the Manchester City Council as well as from other local authorities within Greater Manchester. Another group consists of the primary market players in the property industry such as the developers, estate agents, institutional investors and planning consultants, who offer their views from the standing point of the market forces to assess whether the market in Manchester proved to be regenerated successfully and sustainably after a substantial number of regeneration schemes and funding have been placed in Manchester since the 1980s.

The analytical framework of interview data interviews present one of the sensible methods in social science to gain information and understanding of social phenomena and attitudes (Walliman, 2006:131). These interviews are to investigate five sub-topics identified in this research aiming to find out how regeneration policies affect property market in Manchester by understanding the view of interviewees on the relationship between property markets and regeneration policies; how land use regulations influence property market development; implying market maturity, economic resilience and competitiveness on Manchester regeneration property market to assess its level of market sustainability; the role of local government in regeneration; the investment prospect of Manchester regeneration property market.

### 9 THE ANALYTICAL STRATEGIES

Given the nature of interview data, it seems to be appropriate to use qualitative thematic analysis to forming relevant themes, which reveal the attitudes of the interviewees and the phenomena they observed regarding the issues about regeneration policy and property market in Manchester.

After interviewing a few political leaders and planning officers of the Manchester City Council, several themes have been mentioned and emphasised in the interviews which are summarised as follows.

## 10 THE RESPONSES ON MARKET MATURITY

After interviewing the developers, estate agents and institutional investors, they seem to provide evidence that shows a healthy and steady volume of trading activities within regeneration property market in the central city of Manchester at the time of interviews undertaken between June 2016 and May 2017.

Several papers have discussed that investment in regeneration areas was believed to have certain disadvantages associated with the negative impression of high risk investment for prospective investors. However, among the interviewees, they claimed that the main concern for developers and investors is not about whether a development for a potential investment opportunity is located inside the regeneration area but the image of that city for its future growth in a long-term prospect.

Also, the reports prepared by the agents (could be local one or one that has local knowledge) will be the key information for institutional investors when they come to investment decisions in cities outside London. They, particularly institutional investors, rely on this information greatly if not entirely because in most cases, they are not familiar with that city and do not have enough knowledge about the local market.

From the feedback of the interviewees, they regard there to be no issue of regeneration stigma for Manchester which could be seen as a sign of market maturity because some of these investors, including several institutional investors, demonstrate the positive impression on the buildings located in regeneration areas of Manchester city centre and had invested in regeneration properties before or still keep the holding.

Another issue of investment in regeneration properties has been debated by some scholars on the greater performance of regeneration properties in terms of the growth of rental and capital values. One of the estate agents said in the interview that the greater growth in rental or capital values of regeneration properties could be down to the low initial prices below the average of the other properties in the area; this is not necessarily because it shows a stronger demand or better performance.

Also, he pointed out that a market to become mature is not definitely linked to the length of the market established. In some cases, a new market could operate and mature within a few years if there is a growing market as a whole and that city is booming and certain sub property markets within regeneration areas in Manchester have proved to be the case.

One developer suggested that the problem with valuing a regeneration property is the difficulty to find good comparative evidence in adjacent areas with similar specifications since there was no market before. He shared how his company came to overcome this problem. He said that before his company launches a development project in a regeneration area, they tend to construct a couple of houses first and then to see whether these houses could be sold quite easily. If they have been sold successfully, it proves that there is a demand for it and at the same time, we established the useful comparable.

## 11 THE RESPONSES ON ECONOMIC RESILIENCE

With regard to economic resilience, one of the leaders for Manchester City Council assures that they constantly follow up the latest updates on the market and economy. They are clearly aware of the effect of economic cycles on the market and bear this in mind when giving out the planning permissions accordingly. He exclaims that it is important to balance both sides of demand and supply to retain market resilience particularly within the economic downturn or financial crises. He also emphasises the willingness and proactive attitude that MCC holds to assist the companies and facilitate the market conditions when the city starts to experience any economic turmoil.

His statement has been supported by other interviewees with positive opinion towards the city council's endeavour to help the businesses when the economy looks difficult. These tactics include the city council would help with land assembling for any desirable developments and reach out to hear the voices of businesses for better policies and actions.

However, one of the developers points out a different view on the efficiency that city council grants the planning permissions. He believes that the city council could be more confident to reject the development proposals for over-supplied sub-markets for example, buy-to-let apartments. He thinks the go-ahead planning permissions for the city centre apartments show the fear and concern from the council for deterring the further investment if they reject these proposals.

In terms of regeneration property performance during the recession period after the credit crunch in 2008, one of the estate agents remarks that the regeneration properties struggle more than the non-regeneration properties. He thinks this is partly because the regeneration market seems relatively less well-established and demand could disappear faster than others when the economy is looking gloomy.

Moreover, the downward adjustment of property values in regeneration areas during the 2008 recession also proved to be greater than others.

Major events could change the political and economic agenda and stability of a country such as Brexit. Following the result of Brexit vote to leave the EU, the implications and impacts of the Brexit have not been testified but uncertainties have made by some of the interviewees very worried about the future prospective of Manchester, such as the council's leaders, developers and agents. However, even though they are not keen on the leave vote of Brexit, they still retain a certain degree of optimism for the resilient capacity of Manchester to weather this challenging situation.

## 12 THE RESPONSES ON ECONOMIC COMPETITIVENESS

Firstly, they stressed that the essence of having a clear and well-defined vision is one of the major elements to the success of regenerating Manchester into a modern and thriving city and regeneration schemes acted as an assistance vehicle which have been used wisely to deliver the objectives of the defined vision rather than being the centre of the strategic framework to transform the city for a better position in the global and regional competition.

The purpose of this vision in a broad sense is about aiming is to turn Manchester into an exciting city where people want to live and visit, which assists making their city image as a brand. This vision also includes a desire for securing a better future of the city by embracing the ideology of entrepreneurship since the 1980s moving away from the left-wing welfare state approach. One of the crucial reasons for the change of mind is to do with funding. Manchester City Council deems acquiring regeneration opportunities to be great chances to obtain public funding from the central government and the European Union. But they did not just stop there. They clearly pulled in private-sector partners to undertake the projects to regenerate the designated areas by offering a lot of assistance to assemble parcels of land and giving prospective developers clear instructions on what kind of developments are desirable in certain areas, which provides greater certainty for obtaining planning permissions.

Another essential element of the success of the city is the endeavour of the council to create an environment where investors feel their money will be safe since they believe Manchester looks promising for long-term economic growth and their investment will produce a good return. To achieve these, the council believes that the population of the city centre should grow; more jobs should be created; they need to attract more visitors and tourists. As a result, they have invested substantial amounts of money in art and cultural sectors such as art galleries, museums and theatres. They also invested heavily in infrastructure, particularly, the Manchester International Airport and Metro Link.

However, having a well-defined vision and strategies is not enough because they rely on long-term plans and consistency. The interviewees from Manchester City Council all believe with no doubt that the success of transforming the city has resulted in a strong leadership and a lengthy time of political stability within the council with dominance of the Labour Party. As one of the political leaders said, "We present ourselves 'Manchester Labour' we present ourselves a political party drawn from Manchester (and) it is all about Manchester... (Mancunians) they are wanting a party (putting) Manchester first".

They measure their success by presenting the figures that show the growth of population, the growth of economy, the growth of property value, the growth of jobs and the growth of inward investment in Manchester over these years. They believe that in general, the exercise of regeneration schemes has helped expand the property market and pushed up the demand and values. By assessing the performance of property market after several financial crises, such as the credit crisis in 2007 and 2008, they consider that the market shows resilience and competitiveness.

They see Manchester as a brand and promote "Manchester Brand" vigorously because they believe that if they could make the city image competitive it would then be able to sell the city brand to the world; people and investment would follow and inward investment is very significant to keep the economy of the city sustainable.

The efficiency of planning system affects the construction cycles in the property market. An inefficient planning system could prevent prospective developers from having new developments in an area with a fear that they would not be granted a planning permission. This factor will influence the competitiveness of the market.

With regard to the planning system, the interviewees who are developers were asked by the question on how efficient it is to obtain a planning permission from Manchester City Council and their experience working with MCC. One developer who is specialized in housing said that it depends on which local authority and their attitude towards the development proposed. In general, working with MCC has

been a good experience. They are quite approachable and it is clear at an early stage whether the development proposal looks favourable to MCC by speaking to them.

Another developer who had several primary regeneration projects in Manchester suggested that even though their experience working with MCC has been a good one because the council is quite efficient to react to a development proposal; but one rising concern is that they wish to attract as much inward investment as possible which comes with pressure not being able to decline or reject development proposals when the market is overheated.

There is one developer who has been constructing several mega developments in Spinningfield who claimed that they have a good relationship with MCC but they never found any major difficulty for obtaining a planning permission with other local authorities because they think if they got the best development proposal for an area, any local authority would love to accept their proposal.

However, a retail developer shared a different view by saying that the relationship with a local authority is the key to obtaining a planning permission successfully. They normally will work with local property firms who got connections with that local authority. However, in general, they consider that our planning system is not very efficient and the reform ideas suggested by the central government seem to be unworkable with the local plans and procedures.

When discussing about their view on the leadership of MCC, most of them agreed that the city council has got a strong leadership but one of them raised a concern about lacking diverse voices from other parties seeming to show one form of dictatorship. And he also doubted the style of entrepreneurship would fulfill the needs to tackle certain social issues such as a sharp increase of homeless people in the city centre.

In another sign of city competitiveness, some of the institutional investors claimed that they would choose Manchester first over other regional cities such as Liverpool or Sheffield because of its attractive city image and its competitive position to draw in businesses and inward investment.

### 13 CONCLUSIONS

This paper intends to explore the role of urban regeneration policies in establishing sustainable property market by looking at the case study of Manchester since the 1980s. A conceptual framework is constructed by adopting three primary elements relevant to market sustainability established through the literature review, including market maturity, economic resilience and competitiveness. The discussion of this paper mainly focuses on the findings found by the interviews with the political leaders and planning officers of Manchester City Council, developers, estate agents and institutional investors. By interviewing these key stakeholders, one intends to find out any impact of regeneration policies on property market for its economic sustainability measured against the conceptual framework of maturity, resilience and competitiveness.

As discussed before, the evidence of a mature market involves capability of coping with property cycles and properties as market products to have achieved such a level of acceptability that the market shows active buying and letting transaction and evidence of attracting institutional investors into the said area (Jones and Watkins, 1996).

After interviewing the developers, estate agents and institutional investors, they seem to provide evidence that shows a healthy and steady volume of trading activities within regeneration property market in the central city of Manchester at the time of interviews undertaken between June 2016 and May 2017. Several papers have discussed that investment in regeneration areas was believed to have certain disadvantages associated with the negative impression of high risk investment for prospective investors. However, among the interviewees, they claimed that the main concern for developers and investors is not about whether a development for a potential investment opportunity is located inside the regeneration area but the image of that city for its future growth in a long-term prospect.

Another aspect of market maturity discussed in this paper is to investigate how urban regeneration policies affect the property investment market with a focus upon the factors influencing the behaviour of the institutional investors on their decision-making process. From the interviews, there is no direct evidence to show that the overall regeneration policies have influenced the behaviour of institutional investors.

However, the finding of less resilient reaction to the financial crisis in 2007 in regeneration property market shows that the level of market maturity in regeneration areas is still weaker than the non-regeneration market. The reason could be the relatively volatile confidence of investors in the regeneration properties due to its shorter history of the transactions upon which investors will base their analyses.

In general, the finding of the interviews against the level of maturity in Manchester regeneration property market signals a mixed message. On the one hand, the rental and capital values of regeneration properties seem to be in line with the non-regeneration properties, which means it reaches the maturity level. On the other hand, its level of resilience to weather the financial crisis seems to be less robust than the non-regeneration market which makes it less mature. This very same point also is shared when discussing the level of economic resilience in the city.

Although the evidence suggests the regeneration market did worse during the recession period, the approach and effort of Manchester City Council to strengthen the level of economic resilience have received positive feedback. This seems to inject certainty and confidence into the investment environment and helps to stabilise the market.

Further concern on economic resilience is discussed widely among the interviewees coming from the leave vote of Brexit, which could de-stabilise the market due to unexpected and expected uncertainty and risks. As a whole, the finding indicates the multi-layered nature of economic resilience that requires the city and city's stakeholders to act co-operatively.

As discussed before, cities secure their economic competitiveness through attracting business, residents, tourists and inward investment. The findings indicate that Manchester as a city brand has successfully drawn in more business, residents, tourists and inward investment over the years. This could be considered a proof of gaining better economic competitiveness.

The aim of this paper is to explore the impact of regeneration policies on the evolution of property market toward a more sustainable level against the conceptual framework with three evaluation indicators identified in this research including market maturity, competitiveness and resilience in Manchester. To conclude the finding of this research, the three indicators have been useful to identify the features of regeneration property market against the measuring dimensions. The interview data shows that Manchester has reached maturity in terms of its property values but less mature and resilient when enduring the financial crisis.

The majority of interviewees confirm that the MCC plays a positive role to facilitate, assist and stimulate the regeneration market by promoting the entrepreneurial approach to businesses, developments and investment, which reinforces the economic competitiveness of the city.

As a whole, the evidence indicates that the regeneration policies have brought some positive impact on the economic sustainability of regeneration property market in Manchester since the 1980s. However, one should note that the limitations of this research could be found in certain degree of subjectivity in this conceptual framework and opinions shared in the interviews.

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## ID 1490 | CRITICAL DISTANCE IN URBAN PLANNING. WILL SMART, SUSTAINABLE AND RESILIENT NARRATIVES SAVE OUR CITIES? INSIGHTS FROM DELHI METROPOLITAN AREA

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**ABSTRACT:** New Delhi is the second largest megacity in the world with a population of 26 million inhabitants (United Nations, 2016). Its metropolitan area is under severe vulnerabilities due to the lack of control of planning instruments on urban transformations. Needs in housing, resources (water and energy), infrastructures, transports, public services (health and education) among others are definitely going beyond local and regional government response capacities (Kapuria, 2014). Planning efforts, policies and regulations seem to have been instrumentalized under distinct historical moments, namely colonization, state control over land and nowadays capitalism and globalization. This led to the advent of an unplanned urbanism, with its extreme consequences and risks. It is intended to establish this nexus by revisiting the key planning moments in Delhi along with its different socioeconomic, cultural and political frameworks across time. Finally, we draw conclusions on how contemporary urban development models such as 'sustainability', 'resilience', 'participated governance' or 'smart cities' are being framed, perceived and applied under the context of Delhi urban planning instruments, policies and research. It seems that these narratives are serving as means to achieve specific goals by different drivers and actors. The discourse of sustainability is used to sell gated urbanizations for higher income classes, situated in greened areas, far away from slums and pollution. Resilience and horizontal governance is pursued by the state as a mean to make citizens resistant and accountable to deal with city problems withdrawing public institutions from its own responsibility. Smart Cities Agenda is based on a huge investment on technologic