

WHAT CAN PLANNERS DO ABOUT HARDCORE LAND VACANCY?

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Abstract

Property developers and investors have been at the forefront of urban regeneration in the UK since the 1980s. This has produced an emphasis on prime office space, luxury apartments, shopping centres and leisure attractions, which has been widely criticised on social equity grounds. But there has been only limited interrogation of the failure of property-led regeneration to deliver on the development it promises or on whether it represents good value for public money. Nottingham Eastside is one such example of market failure, where over a 25 year period, property developers and investors have come and gone, none of four masterplans have been implemented, decontamination and infrastructure provision has never been completed, and most of the land is still vacant. By reconstructing the story of Nottingham Eastside and evaluating its experience against Jessop's strategic-relational approach, this paper asks whether it is now time to create an alternative place-based model of urban development, drawing on best practice from continental Europe.

Keywords

Property-led urban regeneration, hardcore land vacancy, place-based urban development

1. INTRODUCTION

Walk ten minutes from the busy shopping streets of central Nottingham, and you will come across over 10 hectares of urban wasteland. This is Nottingham Eastside, once a thriving hub of industrial activity, but characterised now by waste ground, rough grassland, leftover concrete foundation slabs, and decaying fire-damaged buildings. Significantly, much of the site has been vacant since the late 1980s, when former occupiers began to depart. Since then, four major masterplans have been published for its redevelopment. None have been implemented, although the scattering of small office blocks, a budget hotel and a media centre on the western edge of Eastside bears testimony to the modest progress made on one of those plans.

The purpose of this paper is twofold. First, it is to explain why such a large area close to the centre one of England's eight 'core' cities and the principal business centre of the East Midlands has remained largely vacant for so long, despite significant policy efforts and substantial public resources devoted to securing its redevelopment. Although development on the ground has been limited, the current condition of the land cannot be attributed (as might be the case in some other countries) to policy neglect or disinterest. Instead, the story is one of frustration as a series of developers and investors have come and gone, with the public sector left largely reacting to events, rather than taking charge of them. These events set the scene for the second purpose of the paper, which is to provide a reflective critique on the market failings of that particular response to deindustrialisation and decay known as property-led urban regeneration, which came to dominate policy thinking in the UK from the 1980s onwards. This prompts the paper to consider whether an alternative approach to major urban redevelopment might be more productive and, over time, generate better returns for the public purse.

The next section of the paper explores the concept of property-led regeneration, connecting it to what is known about the critical success factors that may need to be present if hardcore urban vacancy is to be overcome. This highlights the theoretically contentious relationship between structure and agency in urban redevelopment. Here the paper introduces the strategic-relational approach favoured by Jessop, which is later used to help explain the particular course of events taken at Eastside.

Against this broad context, the third section of the paper summarises the Eastside story, concentrating on the years between 1990 and 2015. It documents key events and turning points, and traces those responsible for important decisions and actions. The style in this section is deliberately factual, both to contain its length and to provide a clear basis for subsequent evaluation in the section that follows. The research method employed to build up the case study was akin to much historical research, with a heavy reliance on documentary analysis, but with the benefit of interviews with key actors. These were used to expand and cross-check material, and wherever possible achieve triangulation.¹

Section 4 of the paper seeks to evaluate what happened at Eastside and, from this, to open up broader debate on how best to achieve such large-scale urban redevelopment. Applying a strategic-relational approach, the section acknowledges that Eastside was never an easy site to redevelop and considers how different strategies deployed by different actors in their attempts to ‘break through’ structural constraints, achieved varying results. The final section of the paper summarises the main findings of the research and considers its implications. While recognising the particularities of the Eastside story, it seeks to draw out lessons that may have broader applicability in helping to chart an alternative policy direction to property-led urban regeneration.

2. PROPERTY-LED URBAN REGENERATION AND HARDCORE VACANCY

As part of the entrepreneurial turn in urban governance, ‘property-led urban regeneration’ (PLUR) became the primary thrust of UK urban policy in 1980s (Healey, 1991). Although property development had often formed part of previous renewal strategies (Turok, 1992), PLUR represented a significant shift in the power relations, products and funding of urban regeneration. Whereas in the past, the private sector was seen as subservient to the planning strategies of the public sector, PLUR overturned that balance of power with planning strategies, at least for major redevelopment areas, coming to reflect the priorities of the private development industry. In some places, this was facilitated by the creation of urban development corporations, enterprise zones, and other measures that bypassed the jurisdiction of elected local planning authorities, but in others, planning authorities themselves enthusiastically adopted the new agenda.

The immediate result of such changing power relations was to fundamentally alter regeneration products. Prime office space, luxury apartments, shopping centres and leisure attractions, facilities, for instance, began to appear in places long considered ‘off-pitch’ by most private-sector developers. To achieve financial return and ensure market appeal, PLUR needed to operate, at least initially, at a large enough scale to create entirely new locations that could be branded as quite separate from their poorer surroundings. This is why PLUR often focused on grandiose or flagship projects (Loftman and Nevin, 1995), creating high value uses in what had previously been low value areas. Market-making on this scale was not simply a private-sector responsibility but became a core component of planning strategies. Indeed, despite political rhetoric, the public sector provided much of the baseline funding for PLUR through land assembly, decontamination, new infrastructure and direct development subsidies. Those who championed PLUR argued that such redirection of public funding was justified by the extent of private funding it subsequently levered into regeneration areas.

Nevertheless, PLUR was widely criticised as socially divisive (Imrie and Thomas, 1993), directing scarce public resources towards the urban rich rather than the urban poor and creating up-market environments intended for incomers, rather than the workplaces and decent homes needed by local people. Although some suggest that PLUR reached its heyday in the UK during the early 1990s, and was replaced by more community-based approaches to regeneration, others argue that its fundamental tenets became entrenched within broader regeneration policy and are still very much alive today (Dillon and Fanning, 2015). There has certainly been strong evidence that PLUR is widely practised internationally, for example in Ireland (McGuirk, 2000), across Europe (Carbonaro and D’Arcy, 1993), in Chile (López-Morales, (2013), and even in China (He and Wu, 2005).

The literature around PLUR is resplendent with case studies and critiques of schemes that were eventually built, but there is remarkably little written on projects that failed and were never implemented. Property market conditions are too often taken for granted in PLUR evaluations (D'Arcy & Keogh, 1999), which means that studies tend to focus on the implications of PLUR for social equity, important as these are, but not directly on the efficiency and effectiveness of PLUR itself. This is where the Nottingham experience, reported in this paper, provides an important new contribution to the literature. As it shows, understanding the management and distribution of development risk between the public and private sectors is crucial in assessing whether PLUR represents good value for public money.

In this context, PLUR can be contrasted with the European experience of place-based regeneration (Hall, 2014), discussed later in the paper, in which municipalities contain risk by acting as direct place-promoters. This rarely happens in the same way in the UK, with the result according to Falk (2011: 38) that “numerous masterplans are often produced for the same site and yet little happens on the ground (over 70 masterplans have been produced for the Royal Docks in London for example).” It has been argued that PLUR is a response to the embedded failure of urban property markets (Jones, 1996) in which “Low demand, dereliction, and risk in development costs prevented new construction” (Larkin and Wilcox, 2011: 3). In the case of land that has been vacant or derelict for more than nine years, it is officially defined as having fallen into semi-permanent or ‘hardcore’ vacancy (English Partnerships, 2003).

The significance of hardcore vacancy is twofold. First, the overall amount can be expected to be disproportionately weighted towards problematic sites requiring, for example, expensive decontamination. Second, the very fact that hardcore land has remained vacant for so long normally means that it has survived the demand pressures from at least one development boom. In 2001, some 16,523 hectares of all vacant or derelict land in England, representing around 25% of the total, was estimated to be hardcore vacant (English Partnerships, 2003). By 2014, unofficial estimates suggested this total had increased to 17,740 hectares, a 7% rise on the 2001 figure (CPRE, 2014).

Whether PLUR can provide an effective market response to hardcore vacancy will depend on its ability to generate what Dixon *et al.*, (2011) call seven ‘critical success factors’ that enable long-term barriers to redevelopment to be overcome. From their comparative study of 10 hardcore sites in Manchester and Osaka, they consider these to be strong local property markets, developers able to exploit recession by purchasing land cheaply, long-term vision capable of spanning market cycles, strong brands often established through flagship projects, strong partnerships between the public and private sectors, achieving large-scale development, and prioritising infrastructure. The Nottingham experience reported in this paper explores whether the converse of these factors helps account for continued hardcore land vacancy.

The ‘critical success factors’ identified by Dixon *et al.*, (2011) sought to link economic and property market change to the strategies of key stakeholders. If we wish to know whether PLUR is likely to resolve or perpetuate hardcore urban vacancy, it is indeed important to understand how structure and agency are constituted in each specific context and by what means they interact with each other. Applying Giddens’ (1984) theory of structuration, Healey and Barratt (1990) suggest that although actors define and pursue their strategies, interests and actions in the context of a structural framework, structure itself is established, re-established or replaced as the resources, rules and ideas by which it is constituted are deployed, acknowledged, challenged and potentially transformed through agency behaviour. However, one of the most prominent critics of this conceptualisation (Ball, 1998), claims that agency behaviour cannot produce significant structural change, and argues that it is conceptually problematic to offer structural explanations of the existence and roles of agencies.

The strategic relational approach developed by Jessop (1996, 2001 and 2007) helps to resolve such criticisms through a more nuanced understanding of the relationship between structure and agency which avoids any theoretical separation between the two. Jessop attributes the weakness of Giddens’ structuration approach to its concentration either on structure while temporarily ignoring agency or on

agency while temporarily ignoring structure. He describes this as the ‘bracketing’ of “structure and agency in a rather mechanical fashion” (Jessop, 2001: 1223) producing what he calls a ‘dualism masquerading as a duality’.

Jessop’s response is to “to examine structure in relation to action and action in relation to structure, rather than bracketing one of them” (Jessop 2001: 1223). What this means in practice is that the same element of structure may have different impacts on different actors at the same time, or on the same actors at different times. In short “a given structure may privilege some actors, some identities, some strategies, some spatial and temporal horizons, some actions over others” (Jessop 2001: 1223) while, crucially, those actors who realise this through their ‘strategic-context analysis’ and ‘feel for the game’ will adopt strategies and tactics that enable them to take advantage of ‘conjunctural moments’. These comprise those structural elements that can be modified by a particular actor pursuing a particular strategy at a particular time and contrast with ‘structural moments’ that cannot be so modified. Of course “the self-same element can operate as a structural constraint for one agent (or set of agents) and as a conjunctural opportunity liable to transformation by another agent (or set of agents). It also implies that a short-term structural constraint for a given agent (or set of agents) could become a conjunctural opportunity over a longer time horizon or even within the same time horizon if there is shift in strategy” (Jessop 2007: 42).

Instead of a ‘dualism masquerading as a duality’, Jessop claims to have reached a ‘dialectical duality’ in which structure has been transformed into ‘structurally inscribed strategic selectivity’ and agency into ‘strategically calculated structurally orientated action’. Despite their theoretical relevance, few attempts have been made to test and apply Jessop’s ideas to planning and development. The Nottingham experience of changing actor strategies pursued over 25 years within a dynamic and complex structural context, as recounted in the next section, provides a valuable opportunity to attempt this in the subsequent section.

3. NOTTINGHAM EASTSIDE: A CASE STUDY

Nottingham Eastside is a 13.9 hectare redevelopment area, located immediately to the south-east of the city centre of Nottingham. By 2015, much of Eastside had lain vacant for at least 25 years, although some 2.8 hectares on its western edge have been redeveloped in recent decades. As shown on Figure 1, Eastside comprises three main parts; namely Boots Island to the north (Site A), Boots Warehouse in the centre (Site B) and the former railways lands to the south (Site C). The Eastside story is best recounted in five acts, each of which is summarised below.

Act 1: Deindustrialisation, dereliction and departure (Pre-1990)

By the 1980s, the pharmaceutical giant Boots had occupied A & B as its main manufacturing hub for almost a century, while C had been in railway use for even longer. However, during that decade, Boots decided gradually to decant its central Nottingham operations to a modern campus in the west of the city. To the south, the once-busy rail-based activities fell into decline and then disuse. The prospect of significant redevelopment potential on A & C (Site B remained in operational use as a major warehouse for Boots until around 2005) seemed inhibited only by numerous decaying buildings and extensive contamination left behind from decades of heavy industrial use. To accelerate the redevelopment process, in the late 1980s Nottingham City Council threatened to take compulsory purchase action against both Boots and the then nationalised British Rail. It also published planning briefs for A & C, setting out redevelopment options, albeit in quite generalised terms. The council’s prime objective was to secure new employment, through the development of new offices and light industry. More ambitious plans, however, were soon tabled by the landowners.

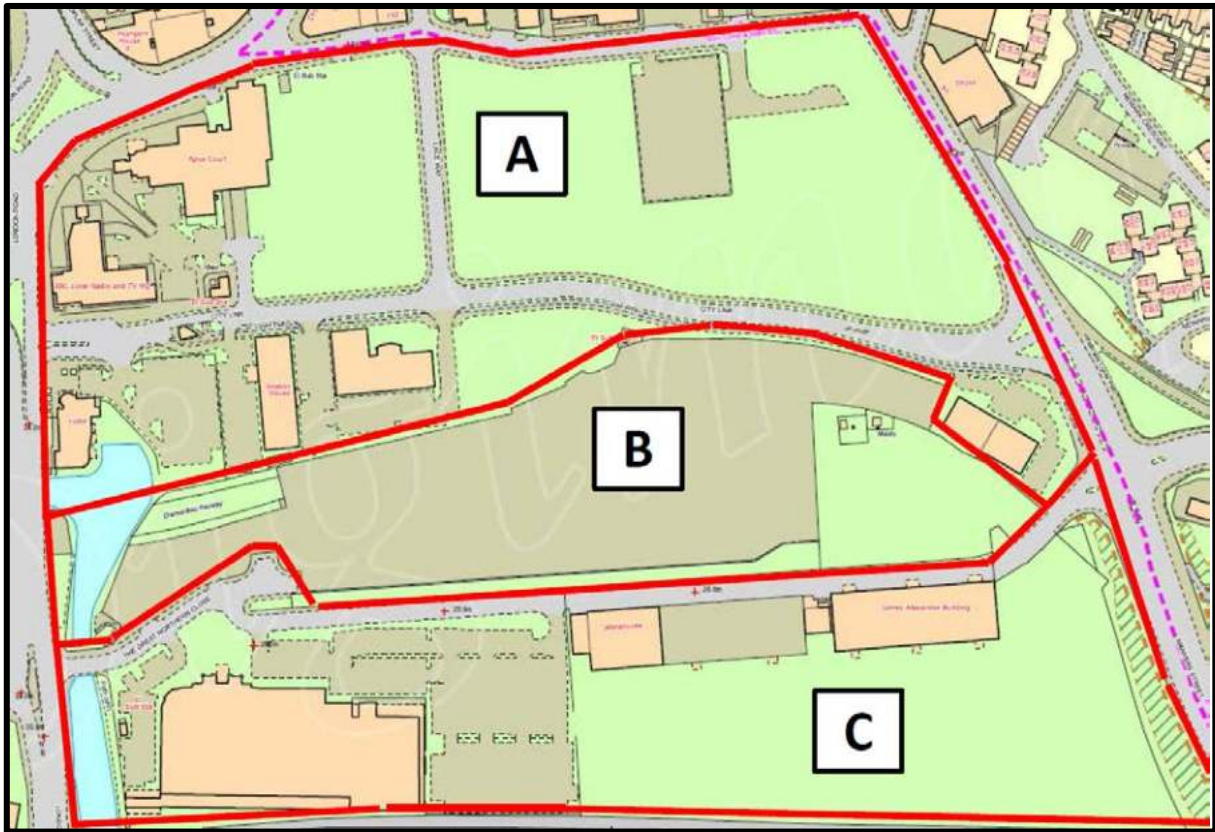


Figure 1: The three component parts of Eastside

Act 2: Piecemeal property-led redevelopment (1990-98)

In early 1990, Boots announced proposals for a massive commercial redevelopment of Site A, including 57,000 m² of speculative offices, a ‘World Trade Centre’ of 13,500 m², an upmarket hotel of 10,300 m², along with luxury apartments, shops, canal marina and 1,100 parking spaces (see Figure 2). This was the first of four major masterplans produced for the site. At an estimated development cost of £150 million, it was said to offer the prospect of 2,500 new jobs for the city. Not to be outdone, in late 1990, British Rail then announced its own plans for comprehensive commercial, retail and residential development on Site C. But had such longstanding industrial landowners really turned into real estate developers? Looking back some 25 years later, one regeneration expert long associated with the area was quite dismissive of the Boots proposal, commenting that “This was all part of a strategy to create some hype and excitement about the site prior to selling it ... The notion of having a World Trade Centre was a bit fanciful but it got lots of coverage in the press. Lots of people got excited about it and then the City probably overpaid for it.”

While this view may well be correct, the interview conducted earlier with Boots Properties in 1997 revealed another important motive – the desire to access funding from ‘City Challenge’, the high-profile regeneration competition launched in 1991 by the then Environment Secretary, Michael Heseltine. Nottingham City Council had successfully bid for £37.5 million ‘City Challenge’ monies over five years to regenerate the deprived inner city neighbourhoods of St Ann’s and Sneinton, in which Eastside is located. But once it turned out that the council was unwilling to hand any of the cash to subsidise the Boots scheme, a land sale was agreed, with the council buying Site A from Boots for £2 million in 1994. By this time, the Island site had been designated as a City Challenge ‘flagship project’ and almost £6 million of public money was allocated for clearance and decontamination work, which subsequently took place between 1995 and 1997. Moreover, even before the land purchase from Boots was finalised, a well-regarded local developer, Simons of Lincoln (partnered by Gulliver Development Property Unit

On the rest of the site, the agreement with Simons remained dependent on obtaining planning permissions and securing occupiers via pre-lets. Ironically then, Simons' first proposal for a cinema and leisure complex was withdrawn after it was 'called in' for a decision by the Secretary of State, while its second proposal for car showrooms and a 'drive-thru' restaurant was again withdrawn, this time after the council threatened to refuse it. Simons did manage to turn the former station and adjacent land into a health club, but after that, its agreement to take on rest of the site lapsed. The council was then left holding a significant chunk of the former railway land without any immediate prospect of development, while subsequently seeing the adjacent listed warehouse it had previously sold to the antiques dealer go up in flames, with the shell soon falling into decay.

By 1997, when City Challenge ended, substantial public funding had generated only limited piecemeal development at Eastside and certainly nothing to match the ambition of the 'World Trade Centre' proposed by Boots at the start of the decade. Disappointing as this was to Nottingham's civic leaders, it was time to take stock and consider what alternative strategy might be pursued.

Act 3: Emergence of greater ambition (1999-2002)

The turn of the millennium produced limited on-site change at Eastside. Gulliver Development Property Unit Trust, which assumed had responsibility for Site A after the exit of its partner Simons, was itself taken over by a series of property investment trusts, which then presided over the development of three 'campus-style' office blocks and a Premier Inn Hotel on the western edge of the site. Meanwhile, on the vacant former railway lands to the south, not even the hint of any development was evident. But with the election of a New Labour Government in 1997, the institutional landscape for urban regeneration and economic development in cities such as Nottingham changed markedly. The East Midlands Regional Development Agency was established (one of nine RDAs covering the whole of England) and the role of English Partnerships (the Government's own urban regeneration agency) was much expanded. These two bodies came together with the council and private-sector interests in the city to set up Nottingham Regeneration Limited (NRL), as a non-for-profit urban regeneration company. NRL's focus was "on physical regeneration though spreading the benefits more widely. The company commissions masterplan and regeneration studies and then seeks appropriate partners. They are developer of last resort" (URBED 2002: 33).

NRL was immediately asked by the council to prioritise plans for Boots Island and the wider area within which it sits. As a result, it commissioned a new Eastside Masterplan (the third in our series) from a team led by Latham Architects. This was published in 2002. It covered both the 13.9 hectares of the Eastside site itself and another 42 hectares of fringe city centre neighbourhoods to the north. Although termed a masterplan, it was no architectural blueprint of the kind produced earlier by Boots, but rather an informal development framework intended "to help deliver a vibrant, sustainable, high density and mixed-use urban area in line with national, regional and local policy" (Latham Architects, 2002: 1).

Turning specifically to the 13.9 hectare Eastside site, the Latham report (2002, para 7.2.7) concluded that office development had "faltered in market terms" and that it represented the "wrong product ... in this location." Extending the canal basin into the very heart of the site would, it was argued, create the opportunity for higher-value and higher-density commercial, and especially, residential development. The report recognised that as well as private-sector contributions, further public-sector support would be needed to deliver this vision. Since its publication fortuitously coincided with an improving national economy and a rapid upturn in real estate development, the report did not go unnoticed outside Nottingham. Very soon, London-based property developers "came into town, promising to do wonderful things and putting money behind it... They commissioned a crack team and spent proper consultancy money" (Nottingham-based regeneration expert). The fortunes of Eastside were about to experience quite radical change.

Act 4: Grandiose property-led visioning (2003-09)

These new entrants to Nottingham were Eastside and City Developments (ECD), a joint-venture development company specifically formed in June 2003 with the intent of promoting one of the biggest single developments ever to take place in Nottingham. ECD was a partnership between Barclays Bank, Laing O'Rourke (one of the UK largest construction companies) and a relatively small firm of project managers and development consultants, called Roxylight. Its public face in Nottingham and beyond was Nigel Brunskill, Roxylight's Managing Director. Up to 2005, ECD spent what Brunskill later described as "tens of million" "painstakingly" assembling the whole of the Eastside site from 15 different landowners. He described this as "the most complicated land assembly I have ever been involved with" (quoted in Cunningham, 2009).

The main purchases were that of Site A from ING Real Estate Management (successors to Simons and Gullivers), Site B from Boots (which finally closed its major warehouse and last operational use on the site in 2005) and Site C from Nottingham City Council and the local antiques dealer who had previously bought the two nineteenth century warehouses from the council. What is remarkable about land assembly of such a scale is that it was undertaken in a relatively short timescale entirely by the private sector and without any threat of compulsory purchase. For the first time, it brought the whole of the Eastside site into single ownership, opening up the real possibility that it could be planned and developed as a single integrated project.



Figure 3: The Hopkins Masterplan

When ECD's masterplan for the whole Eastside was unveiled in 2004 (the fourth in our series: see Figure 3), the scale of ambition for the site was quite staggering. Masterplanned by the international architectural practice of Hopkins Associates, the proposed 270,000m² comprehensive mixed-use redevelopment included 131,000m² of prime office space, 123,000m² of luxury apartments, almost

12,000m² of shops, bars and restaurants and 4,000m² of leisure space, all centred around a major new public space and a new canal basin, first envisaged in the Latham Report. The estimated total development cost was £900 million.

It took four years of detailed negotiations with the council before planning permission was eventually granted and accompanying legal agreements signed. However, by that stage, the Global Financial Crisis (GFC) had produced rapid downturn in investment property values, bringing the long development boom of the 2000s to an end. At around the same time, ECD sold its interest in Eastside to the specially created Guernsey-based investment vehicle called Heathcote Holdings (HH). The reason, according to Nigel Brunskill was that “A project of this size and geographical importance requires substantial equity investment, and the Guernsey structure has the ability to achieve this ... Overseas investors, family funds and sovereign wealth funds would expect and often demand ownership through a non-UK entity” (quoted in Cunningham, 2009). HH retained Brunskill as project manager, but the funding required to commence the development never materialised.

It could be argued that, by taking four years to grant planning consent, Nottingham City Council ironically saved ECD and subsequently HH from what might well have been financial disaster had their development commenced in the period immediately before the GFC. Looking back, those interviewed in 2014 and 2015 were firmly of the view that the Hopkins masterplan was just too large and ambitious for a provincial city such as Nottingham. In retrospect, the Chief Executive of Nottingham Regeneration Limited thought that everyone had been “seduced by glorious images of docklands-like development, with a massive amounts of apartments centred around public squares and fancy fountains etc. etc. They were all very seductive.” This view was shared by another Nottingham-based regeneration expert who considered that even the council had been “swept up in the hubris of the moment” trying to re-create Kings Cross, London in central Nottingham. He added the proposal “was driven by a London developer who was a bit disconnected from the provincial world ... They didn’t understand the dynamics of the (local) market.” In the end, Nottingham Eastside was no further forward in 2009 than it had been in 1999. Indeed, as one interviewee poignantly suggested, the site had once again been left standing at the altar.

Act 5: Hard reality dawns (2010-15)

Despite the demise of the Hopkins masterplan, Heathcote Holdings had one last card to play. Even in the post-GFC recession, the main UK supermarkets continued to expand their store numbers, with Tesco taking prime market position. So in 2010, HH linked up with Tesco to make a joint planning application for an 11,800m² superstore on part of Site A, which would have been one of the largest such developments in the UK. This time, the number of jobs promised by the developers was smaller than before, at only 300 to 500. Yet, it soon became clear that this proposal faced fierce opposition from the council, owing to its perceived negative impact on retail activity in the city centre. The application was therefore withdrawn in 2011, possibly to avoid a formal planning refusal. Ironically, within three years, Tesco itself ran into financial difficulties and made a strategic decision to slim down, rather than expand its estate portfolio, casting doubt on whether the Nottingham store would ever have been built, even if planning permission had been granted. For Heathcote, the end result of this failed venture with Tesco was to undermine any support it may still have had from NRL and the council, making relationships, according to the NRL’s Chief Executive “quite confrontational” and “unpleasant” at the end. In his view, the Guernsey-based company was by then perceived as being “very absentee landlordish” and without any long-term investment interest in the city.

By 2012, the council had agreed a new ‘City Deal’ with central government in which the wider Eastside area was designated as a new Creative Quarter for the city and support was promised for “the redevelopment of Nottingham’s prime Eastside Island regeneration site.” But with still no proposals coming forward from Heathcote, the council eventually lost patience in December 2014, and resolved to take control of the site itself, either through voluntary acquisition or compulsory purchase. Justifying this decision, Councillor Jon Collins, the Leader of Nottingham City Council said “We have done all we can to encourage and support the site owners to progress with the site’s redevelopment but after

years of inaction from them, we have no confidence they have any intention of doing so” (quoted in Nottingham Post, 2014). Ironically, some 20 years earlier, the same Councillor Collins, at that time Chair of the City Challenge Board, had commended the council’s decision to sell Site A to Simons of Lincoln on the basis that the number of jobs then promised were “realistic predictions if you look at the balance of the development” (quoted in Bell, 2013).



Figure 4: Nottingham Eastside 2014

Perhaps anticipating the council’s move, in October 2014, Heathcote Holdings placed the entire 13.9 hectare site on the market through the international property agents, Savills, seeking expressions of interest from potential purchasers. At the time of writing, it is not known whether any deal has been agreed either with the council or another party, but Eastside remains much as it has been for the last 25 years – an urban wasteland (see Figure 4). That’s not to suggest it is wholly unused. Instead, it seems to function well as a location for informal recreation, since “People use it as a running circuit, or commuters who cut through from the station to Sneinton - there’s also a lot of dog walkers, cyclists, people who picnic there - there’s lots of people using it in lots of different ways” (Griffin, 2013). It has even been informally ‘twinning’ with another area of wasteland in Indonesia. But, despite some limited redevelopment on its western edge, none of the plans of the last 25 years have produced any substantial transformation in how most of Eastside appears to, and is used by, the people of Nottingham. In the next section, we seek to discover the deeper reasons why it remains vacant after all these years.

4. EVALUATION

This section seeks to apply Jessop’s strategic-relational approach to understand what really happened at Eastside and to evaluate why a property-led approach failed to transform the area. The section has a twofold focus on both the differential impact of structure upon actors and the differential response of actors to structure. Three main structural elements are identified: locational and site-specific constraints, economic and property market cycles, and the broader policy context. All three made development difficult, although the impact of this varied between actors and over time. Elsewhere, PLUR has delivered major redevelopment in the face of challenging structural circumstances. Why then at Nottingham did no single actor or combination of actors succeed in breaking through the site’s inherent structural difficulties?

Locationally, although close to the centre of Nottingham, the site is separated from the commercial and retail hub of the city by major arterial roads and it is only on the fringe of the city centre. It is generally bordered by relatively low-value uses, consistent with its location within a broader regeneration area. Decades of heavy industrial activity meant Eastside was highly contaminated and, within the site itself, deficient in modern roads and sewers. Ownership was fragmented at the start, and became ever more so before ECD eventually pieced it together.

At the start of the 1990s, the council saw this as classic ‘employment generating’ land, by which it seems to have meant industrial workshops, with some office activities on the edge. This would have provided only limited financial reward for the departing industrial owners, Boots and British Rail. To raise land value expectations and secure significant exit payments from the council, they ‘reimagined’ the location as one suitable for significant PLUR. This early 1990s vision of major mixed-use redevelopment radically changed structural perceptions of what might be achieved at Eastside, but it did not make actual redevelopment any easier. The conjunctural moment created and exploited by Boots and British Rail allowed them to depart without even paying for the contamination they had created, while leaving other actors to grapple with the consequences. No-one was subsequently able to overcome the locational and site-specific disadvantages of Eastside, apart from at the western edge closest to the city centre. As argued below, to do so would have more required more effective institutional arrangements for the management of risk in the development process.

Broader economic and property market cycles provide the second structural element which served to open up and close down opportunities to act. Developers who can successfully ‘read’ this structural element and act accordingly by starting development early in a cycle will normally be expected to outperform those who start late. Although Eastside saw its existing uses wind down in the 1980s, the site missed the development boom of that decade and emerged as a real redevelopment opportunity only in the midst of the recession in the early 1990s. Even by 1994, it was still not a fortuitous economic moment for Simons to launch its masterplan and when the company withdrew in 1988, this was because it felt that local market conditions were still “going badly by this stage.” Yet, within two years, the long development upturn that lasted until the onset of the GFC in 2008 had begun. Why did no-one take advantage of this upturn to commence major redevelopment at Eastside?

Again, the answer lies in the deficient institutional arrangements at Eastside. PLUR normally requires lengthy preparations to be made over several years. In 1998, it fell to NRL to pick up the pieces and chart a new direction for the site but as an urban regeneration company, rather than an urban development corporation, it had no control over planning policy and never gained ownership control of the site. Its Eastside masterplan, published in 2002, transformed the structural perception of the site’s potential with cleverly created visions of high-value commercial and residential development, but was not directly linked to any means of implementation. But it helped create the conjunctural moment that ECD’s Hopkins masterplan, produced in 2004, sought to exploit. By then, the development upturn of the 2000s was well underway. ECD’s late arrival was exacerbated by the four years it took the council to grant consent for the Hopkins masterplan. Whether the plan would have succeeded if it had been tabled in 2000, gained early planning permission, and started on site in 2002 will never be known and, in many ways, is irrelevant. This is because PLUR, especially when deployed at such a large-scale as

Eastside, creates very significant development risks which cannot easily be managed by individual actors operating alone within a single development cycle and which lessen their ability to challenge and transform difficult structural conditions. The conclusions of the paper highlight alternative ways to manage major urban redevelopment which it is argued can help developers of large sites more easily handle the ups and downs of economic and property market cycles.

The broader policy context, which provides the third structural elements, reinforced site-specific and broader economic constraints. After a decade of neoliberalism, by the 1990s local planning authorities were no longer expected to drive or deliver change, but merely to regulate it. The rapid increase in unemployment experienced during the 1980s also meant that councils were easily swayed by any promises made about future job creation, whether reliable or not. PLUR offered the chance to capture a greater share of central government funding for development projects at a time when mainstream budgets were under severe strain. Early experience from Canary Wharf in London, Salford Quays in Manchester and elsewhere had indicated the apparent potential of ambitious PLUR projects, making other localities keen to attract such up-market development. At the same time, disempowerment and institutional fragmentation increasingly encouraged local authorities to share city leadership with the private sector through relatively short-term programmes such as City Challenge. Although Eastside benefited from almost £6 million of City Challenge money spent on decontamination and infrastructure, this limited subsidy seems not to have been able radically to transform the fortunes of the site

From a private-sector perspective, almost all the uncertainties of planning regulation remained at Eastside. There was much planning controversy, for example, over Simons' various designs on Site A and the company eventually withdrew two major proposals for Site C after planning refusals seemed imminent (despite having already agreed to buy the land from the council). ECD appears to have underestimated the time it would take to secure planning permission for the Hopkins masterplan, while later on Heathcote Holdings badly misunderstood the policy context, even though it recognised the market potential of the supermarket boom.

There is little sense that the council ever wished or even knew how to drive development forward at Eastside. It provided no long term vision for the site and seemed indifferent between the cost minimisation strategy pursued by Simons and the value maximisation strategy favoured by ECD. Published planning documents offered no clear or consistent sense of what the council wanted to achieve but appear to have served merely as a baseline for negotiations. Indeed, the council mainly reacted to proposals from others, not really appreciating local market conditions or its own ability to shape them. Crucially, when it might have taken overall control of the site after those initial purchases from Boots and British Rail, the council appears to have wanted to divest itself of direct ownership responsibility as soon as possible.

Even if its role was intended to be that of mere development facilitation, it seems not to have fulfilled this with any vigour, still less to have challenged and transformed the structural context. Apart from the scattering of development on the western edge of the site, it now has little to show for the £9.6 million spent on land acquisition, decontamination and infrastructure, not to mention all the administrative costs incurred over many years. Although its authority was never usurped by an urban development corporation (as happened elsewhere with other PLUR projects), its largely reactive role created a vacuum in local place leadership which the private sector struggled to fulfil.

In summary, no single actor or combination of actors ever adopted strategies and tactics capable of breaking through the structural constraints at Eastside. It could be said that ECD came closest to this with the Hopkins masterplan, but the view emerged from those interviewed for the research that this proposal was too late, too ambitious and never likely to secure the massive amount of development funding it would have required. Indeed, by unduly raising expectations, in terms of both value and product, ECD's property-led regeneration proposal might well have impeded other less ambitious proposals coming forward.

Of the ‘Critical Success Factors’ identified by Dixon et al. (2011), only three were actually present at Eastside, and then only partially. The scale of site was certainly large. While substantial monies were spent prioritising infrastructure that enabled some development to go ahead on the western edges, infrastructure provision and decontamination work has yet to start on the former railways land to the south. Although strong markets were experienced during the 2000s, by the time this was widely appreciated, it was too late to promote the Hopkins masterplan. Conversely, Eastside lacked strong partnerships, a strong brand and any real long-term vision, while land assembly, even in the recession, proved expensive not cheap. As this suggests, ‘Critical Failure Factors’ are recognisable from the converse of those identified by Dixon et al. (2011). In the final section, drawing on European experience of similar sites, the paper thus argues that there is thus much to be learnt from events at Eastside on how best to promote major urban redevelopment at sites of this type.

5. CONCLUSIONS

Some 25 years after much of Nottingham Eastside first fell vacant, it remains a major potential redevelopment site close to the centre of one of England’s core cities. Its experience offers some insights for similar kind of sites in similar kinds of cities, but the conclusions presented here should not be over-interpreted as necessarily applicable in all circumstances. For despite powerful criticism of PLUR on social equity grounds, it has indeed delivered substantial urban reconstruction in other locations. What this paper argues is that even that should not be taken for granted and that, in particular circumstances, PLUR may be as much an ineffective and inefficient means to deliver major urban change as an inequitable one.

At Nottingham, these circumstances derived from the financial risk posed by three elements of the structural framework identified in the previous section. While the economic and property market cycles provided relatively short windows of opportunity within which development could take place, the particular locational and site-specific characteristics of the site demanded long-term commitment extending beyond a single development cycle. Ironically, the policy context offered no such commitment from the public sector, but instead assumed that the private sector would lead the development of the site over the long-term. At times, there was even no integrated commitment to the site over the short-term, as evident when Simons was encouraged by the council’s estates committee to pursue plans for car showrooms and a drive-thru restaurant on Site C, to which the planning committee then took exception.

Specific risks consequently faced by private-sector developers included first, the cost and extent of decontamination, second, the means and timescale for recovery of any infrastructure expenditure, and third, the distinct possibility that development of any scale could not be completed and occupied before the next cyclical downturn. On Site A, the first two of these risks were reduced, but not eliminated, by public subsidy. Simons, for example, claimed the east-west link road it built across the site had detracted from its ability to invest in new office development. Sites B and C received no public similar subsidy, and still remain to be treated for contamination and equipped with infrastructure. The third risk proved to be the major reason why ECD was unable to finance the Hopkins masterplan. As the Nottingham experience demonstrates, when such risks are divided up between development actors, rather than shared among them, it becomes very difficult for any single actor to create that ‘breakthrough moment’ when a difficult structural context is challenge and transformed, enabling development to move ahead.

There is now much evidence from across continental Europe that a locally-led and place-based approach to regeneration can be equally if not more effective than a property-led one (Hall, 2014). Place-based approaches emphasise the importance of creating new urban quarters, with high quality design and public realm, which are well connected and ‘knitted in’ to the existing urban fabric, rather than standing apart from it. Masterplans prioritise place creation and infrastructure provision and normally provide the basis for packaging up large development sites into much smaller parcels which can then each be built out by different developers, thus reducing any individual developer’s exposure to risk. As phased land sales take place over time according to a parcel map, infrastructure investment is gradually

recouped, with the expectation that later parcels will be worth more than earlier ones, reflecting development that has already taken place.

Crucially, this place-based model requires someone to take on the leadership role of ‘place promoter’ (Adams and Tiesdell, 2013), providing what Leinberger (2007) calls the ‘patient equity’ for long-term investment. While there are some good examples of individual landowners or private development consortia acting as place promoter, in most of the classic continental cases such as Hamburg in Germany, IJburg in the Netherlands and Hammarby-Sjöstad in Sweden, a powerful public agency or empowered municipality has fulfilled this role. According to Hall (2014: 35) the single most important conclusion from his study of urban development across Europe was the need for “Strong city planning departments (or city agencies) with real planning powers and a willingness to take a positive lead, particularly in developing overall master plans as a framework for development or regeneration of specific areas.”

Until the 1980s, the UK was well used to this type of model. But with the privatisation of urban development widely promoted since then, local authorities have mostly lost the capacity to drive forward development of their areas. The purpose of this paper is not to argue that the property-led approach is always ineffective, even if it may inequitable. In favourable circumstances, it has clearly regenerated parts of many British cities. But in Nottingham, opportunities to transform a difficult structural context were missed, primarily as a result of uncoordinated actor behaviour. Property developers and investors came and went, four masterplans were produced but never really implemented, decontamination and infrastructure provision was partial and most of the land is still vacant after all these years. Perhaps most ironically, the City Council is now trying to buy back, possibly by compulsory purchase, the very land it sold to the private sector all those years ago.

None of this can be defended on grounds of economic efficiency, still less on those of social equity. In places such as Nottingham, is it not therefore time to create an alternative place-based model of urban development, drawing on best practice from continental Europe, in which the risks and rewards of major urban transformation are more effectively assigned and shared between the public and private sectors?

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¹ Documents of particular significance included planning records, company records, and material published in the property press, local newspapers or online. Some of the interviews had been conducted earlier for research undertaken in the late 1990s (Adams *et al.*, 2001) and it was fortunate to be able to revisit what key actors had said at that time. These earlier interviews were supplemented by four more conducted in 2014-15, one with Nottingham City Council, a second with Nottingham Regeneration Limited, a third with a locally-based independent regeneration expert whose familiarity with Eastside goes back to the mid-1990s, and the fourth with one of the private-sector developers involved in Eastside.