

**Re-using Listed Buildings through
Conversion:
a process mapping approach**

by

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**CONTAINS
PULLOUTS**

To my 'little one' who made the
completion of this thesis possible....

ABSTRACT

Re-use is the fundamental means of sustaining and thus conserving modest architectural heritage (Grade II listed buildings). Currently, it remains a marginal activity within property development as the direct agents perceive the re-use process to be more complex, construction and project costs to be higher, and the project duration to be longer than new built projects. As a result, the risk of vacancy and obsolescence in architectural heritage increases.

The author asserts that understanding the *actual* dynamics of the process, and identifying the factors that increase the chances of overcoming challenges associated with re-use, and thus achieving a successful outcome, would be instrumental in firstly evaluating the validity of the above perceptions, which are widely published in the related literature, and then proposing a 'good practice re-use process' that can be adopted to similar projects. Hence, agents would become equipped with the know-how of carrying out re-use projects. Eventually, re-use would move towards the centre of the property development domain, and subsequently our capacity for sustaining architectural heritage would have increased.

Therefore, this thesis focuses on the process of re-using listed buildings. It adopts a process mapping approach in a case study context. The development processes of three re-use projects in London are mapped. The process mapping approach adopted is novel to the property development sector. Its novelty lies in two areas. Firstly, it maps the *actual* processes instead of proposing a normative process protocol. Secondly, it devises a methodological approach, which is both flexible enough to allow data 'speak for itself', and systematic enough to allow for rigorous and consistent analysis of rich and extensive qualitative data. Comparative analysis of the maps follow process mapping. Here, the aim is to assess process performances and project outcomes. Then a 'good practice guide for re-use process' is proposed. This is based on the findings of the comparative analysis.

The research has shown that the re-use process is complex, but it is still possible to achieve success if the development team is competent in managing complexity, flexible and responsive, and adopts a holistic project perspective. Even if the development teams do not have these attributes, they can successfully complete a re-use project if the market is buoyant. The buoyancy of the market can thus counter-balance the direct agents' reluctance to get involved and increase the opportunities of re-using listed buildings. The challenge is to establish and sustain the attributes the development team needs to possess to achieve success in the development/construction industry where short-termism still overrides. Until this is achieved, re-use is likely to continue to be a marginal activity dominated by a small number of development teams with expertise in the field at locations and times of market depression.

Key words: adaptive re-use, process, mapping, complexity.

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CHAPTER 1 INTRODUCTION

*'... it is again no question of expediency or feeling whether we shall preserve the buildings of past times or not. We have no right whatever to touch them. They are not ours. They belong partly to those who built them, and partly to all the generations of mankind who are to follow us..... What we have ourselves built, we are at liberty to throw down; but what other men gave their strength and wealth and life to accomplish, their right over [it] does not pass away with their death: still less is the right to the use of what they have left vested in us only'.
John Ruskin, Seven Lamps of Architecture ([1880] 1989: 197)*

*'It is fundamental to the Government's policies for environmental stewardship that there should be effective protection for all aspects of the historic environment. The physical survivors of our past are to be valued and protected for their own sake, as a central part of our cultural heritage and our sense of national identity...'
Quoted in paragraph 1.1., PPG 15, DoE (1994a).*

1.1. The Context

The 1990s have seen an increase in the conversion of redundant buildings in inner city areas in the UK in general, and in particular in England. The fundamental reasons behind this increase include the economic restructuring of the early 1980s that succeeded the recession of the 1970s, technological developments that influenced the pace and means of data transfer, social transformations reflected in the demographic structure and an increased concern for environmental issues. As well as influencing the property development sector directly through increased demand for conversions, these factors were also influential on the Government's focusing on conversion as an alternative means of accommodating substantial growth in spatial demand (mainly residential), thus encouraging conversions through policy statements.

These factors triggered an increase in the re-use of listed buildings¹ by the private sector. This was a major shift from the situation in the late-1980s when the majority of re-use projects were undertaken by agents 'who [had] little or no direct experience of property development' (DoE, 1987b: 6). The successful schemes in the UK and the North American, specifically in New York, experience of 'loft living' (Zukin, 1984) were instrumental in revealing the buoyant market potential for listed building conversions, resulting in a propensity to get involved in re-use schemes among direct agents² who had not hitherto shown an interest in such schemes.

Although they were influential in a steady increase in the re-use activity over the past two decades, these developments did not bring a long-term, viable solution to the problem of re-using listed buildings. Neither were they instrumental in expanding to a wider group the market confidence that a limited number of developers had gained. Both statutory bodies and

¹ See Section 3.4, page 43 for the definition of 'adaptive re-use'.

² See Section 3.4.2, page 46 for the definitions of direct and indirect agents.

developers share responsibility for failing to use this opportunity to establish a new framework to solve the problems associated with re-using listed buildings. The statutory bodies tried to solve long-standing problems and to overcome widespread prejudices against the re-use process and themselves by introducing temporary solutions (such as development corporations) instead of dealing with the actual causes of the problem, which lie in the statutory framework and complexity of the conversion process. In contrast, most developers adopted an opportunistic attitude by trying to exploit the contemporary market and then moving on to other markets or areas. As a result, the relationship between the two realms with which re-using modest listed buildings is associated, i.e. architectural conservation and property development and management, have remained separate. Their interface has been confined to the planning procedure, resulting in a high potential of conflict throughout the process.

As a result, most developers still regard re-use of listed buildings to be an unfavourable venture when compared to other types of development; hence, vacancy and dereliction of listed buildings continue to constitute problems for which the statutory bodies strive to find solutions. If schemes like Shad Thames³ in London are considered, it is possible to argue that conditions have started to change and re-use has become a favourable activity. However, it should be noted that this is a seemingly established market, confined to areas where development pressure is high or where the market forecast is such that demand will increase in the near future. This leads to a geographical disparity in the number of re-used listed buildings, resolving the problem only in certain areas. Reluctance towards re-use schemes continues to the detriment of listed buildings in areas with low market demand.

The discordance becomes even more problematic as the presumption in favour of conservation of *all* buildings of architectural or historic interest, which was seeded at the end of the nineteenth century in the writings of interested intellectuals such as Ruskin, has now become well-established, as the latter quote at the beginning of this introduction shows. This presumption does not make any concessions to the periodical or geographical variance of market conditions except to acknowledge the difficulty of finding a use for listed buildings in economically disadvantaged areas.

Conversely, there is clear evidence that market demand increases the chances of a non-monumental (Grade II) listed building being re-used and thus, conserved. This is because the upkeep and adaptation of a Grade II listed building depends on the availability of private sector funding, which is dependent on the utility a building would yield.

³ Shad Thames spans west and east of Tower Bridge on the south bank of River Thames in London. The area became available for a major re-use project as warehouses in the area gradually became vacant (and some obsolete) by the *caesurae* of warehouse use in the early 1970s. A scheme was developed by a development consortium to convert the existing buildings on site to high-quality mixed-use spaces including residential, shopping and offices. The development started in 1985 and lasted until the mid-1990s. Although the consortium faced financial problems and went into receivership during the development process, the area had become well-established, with property prices comparable to the north of the Thames, by the end of the 1990s and it is now a highly sought after area by the people working in the City, specifically for their residential requirements.

Facts and figures in the recently updated Buildings at Risk Register⁴ (English Heritage, 2002) provide evidence for the lack of public funding and its inadequacy in overcoming the wide-scope, large-scale problems of conserving the built environment, and the resultant dependence on private sector investment. According to Kennedy (2002), 'the cost of restoring everything on the Register is estimated to be £400 million'. Given that English Heritage can afford to spend £5million on conservation grants annually, it would take 80 years to rescue all buildings at risk in England. This is provided that no building is added to the register in the meantime. Entries and removals from the 2002 Register show that the number of entries exceeded the number of removals by 20. This suggests that the number of buildings at risk will remain constant in the future unless funding levels are increased dramatically, and thus the problem of under-funding will continue.

It can be argued that grants available from Heritage Lottery Fund (HLF) can help resolve the problem. During the 2000-2001, HLF spent £188.7 million in grant aid (HLF, 2001). Only 30% (£56.61 million) of the total grant is spent on historic buildings and sites. Even if all grants available for listed buildings are channelled towards the rescue of listed buildings at risk, the rescue operation for buildings currently included in the list would take seven years to complete.

Given that both English Heritage and HLF grants have to be 'matched' by the recipient and the buildings at risk represent only a small part of the problem, it becomes apparent that private sector investment is necessary for the conservation of architectural heritage. As a result, the presumption in favour of *purist conservation* becomes artificial, thus problematic, especially in economically disadvantaged areas. Therefore, there is still the need to devise means of promoting re-use.

1.2. Significance of re-use in conserving built heritage

Buildings *facilitate* their occupants to perform an array of activities. They need to fulfil their users' spatial, servicing, environmental and operational requirements in order to continue facilitating these activities and thus need to be occupied. As a result, occupation of a building is associated with the utility it yields to its occupants through use. The utility gained from the use of buildings which have a higher symbolic value than use value can be more abstract than simply fulfilling the spatial requirements of its users. The sense of (community) pride such buildings provide is an example of such abstract utility.

The array of uses and/or the user requirements (demand characteristics) change throughout the building life-cycle. The extent to which a building fulfils its user requirements throughout its life-cycle is defined here as building performance. Building performance steadily decreases throughout the life of buildings. The decline starts almost as soon as the building is occupied

⁴ English Heritage has compiled an annual 'Buildings at Risk Register' since 1990. The Register is intended as a means to monitor the condition of listed buildings and identify the ones which are 'at risk from neglect and decay, or vulnerable to becoming so' (English Heritage, 1999b: III). The list is compiled only for Grade I and Grade II* listed buildings in all regions except Greater London.

due to rapid changes in user requirements (CIRIA, 1994: 6). At the point where the building starts under-performing, it needs to be adapted to keep the building performance at levels acceptable to its current user requirements if the current occupants are to continue occupying the building. If this is not the case, then it need to be adapted for change of use for potential future occupants.

Unless this adaptation takes place and thus the buildings continue to be occupied, the buildings carry the risk of obsolescence and subsequent decay and neglect. This is evident in English Heritage's criteria for inclusion in the Buildings at Risk Register. Table 1.1 shows the criteria and six possible building use capability, occupancy and condition scenarios. In all scenarios where buildings are unoccupied, the buildings are registered as being 'at risk' independent of their condition and beneficial use capability (Scenario 4). This suggests that occupancy is a factor in safeguarding architectural heritage. Given the above arguments which assert that buildings are occupied if they yield utility to their occupants through use, re-using a listed building becomes a key factor in its conservation.

Refurbishment for change of use (adaptive re-use) is particularly necessary to avoid obsolescence of Grade II (non-monumental) listed buildings, the original use of which has become obsolete. The fundamental reasons behind this necessity are:

- the wide gap between contemporary spatial requirements and the ones the building was constructed to fulfil, resulting in very low performance levels;
- lack of maintenance leading to high levels of deterioration in original building materials.

These leave the buildings in a poor or very bad condition which are unfavourable for occupancy, and thus the use value of the buildings decrease. This results in the obsolescence of listed buildings in economically disadvantaged areas and development pressure on listed buildings in buoyant areas. In the absence of planning controls, demolition would be the eventual outcome in both cases. As can be seen from scenarios 1 and 2, such buildings are 'at risk' from neglect and decay because listing eliminates the possibility of replacing the building.

Scenario	Beneficial use capability	Occupancy	Condition	Registered as
1	incapable	vacant partly occupied about to be vacated as a result of functional redundancy	very bad poor	AT RISK
2	capable	vacant partly occupied about to be vacated as a result of functional redundancy	very bad poor	AT RISK
3	incapable	vacant partly occupied about to be vacated as a result of functional redundancy	fair condition	AT RISK
4	capable	vacant partly occupied about to be vacated as a result of functional redundancy	fair condition	AT RISK
5	incapable	occupied	fair condition, but lacking management arrangements	VULNERABLE
6	capable	occupied	poor	VULNERABLE

Table 1.1. Criteria for Inclusion In The Buildings at Risk Register

Current planning law explicitly states the presumption against demolition of any listed building. For example, Planning Policy Guidance Note 15 (PPG 15) states that 'the Secretaries of State would not expect consent for demolition to be given simply because redevelopment is economically more attractive to the developer than repair and re-use of a historic building' (paragraph 3.17). If these buildings are to be instrumental in 'enhancing the familiar and cherished local scene' rather than becoming eye-sores due to lack of maintenance and resultant obsolescence, then there is the need to promote the re-use of listed buildings. Re-use of listed buildings can only be promoted if it can be shown that there is the potential to overcome challenges associated with re-use.

1.3. The challenges of re-use

This thesis argues that project, process and building associated challenges in re-using listed buildings lie behind the problems currently encountered in this type of development. One of the important problems is the reluctance direct agents of change show in getting involved in re-use

schemes. The thesis carries the argument further by asserting that challenges associated with re-use stem from:

- the statutory framework that is based on the presumption in favour of conservation;
- inconsistency and subjectivity associated with the planning process and related decisions;
- uncertainty associated with the building condition; and
- complexity of, and risks associated with, re-use projects.

Despite these challenges, conditions could not have been more favourable for re-use activity since the late 1980s in the UK. Given the challenges of planning for the substantial growth (mainly residential) in spatial demand within the urban context, public opinion in favour of architectural and environmental conservations, and government support, the forecast is that re-use activity will continue. Central locations of most listed buildings in the urban environment, coupled with an increasing trend of living in city centres, provide further supportive evidence that re-use of listed buildings will become much more common than at present. This is an immense opportunity, utilisation of which can assist greatly in the creation of favourable conditions for the conservation of listed buildings by transforming the ever-expanding architectural heritage from an under-used stock to a sustainable resource. This transformation can only be accomplished by re-establishing re-use as a routine activity in the construction industry.

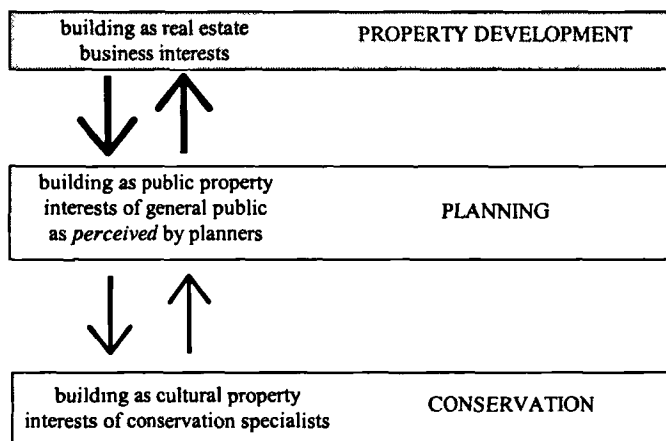


Figure 1.1. Inherent conflict

It can be argued that making necessary changes in the statutory framework is the means to this re-establishment as it would contribute to the reduction of challenges associated with the process. Although this would make an immense contribution, such changes would not be sufficient on their own. This is because the inherent conflict between development control and planning

will continue as it would in any other development project. Despite being less intensive, the potential for conflict would still be higher than a mainstream conversion project in the likely event of the continuation of the marginalisation of heritage issues through the conflicting development control mechanism they are subject to (Figure 1.1).

Furthermore, the complexity of any one project and the high risks associated with it will continue to nurture the direct agents' reluctance in getting involved, independent of changes to the statutory framework. The project will remain *inter alia* complex as the number of issues that need to be taken into consideration will remain high. This is because individual agents involved in the process will sustain an interest in different characteristics of the buildings, i.e. 'cultural

property' and 'real estate', and the project, i.e. profitability, and public benefit. The number of agents involved will remain high contributing to further complication of the project and management of the process.

In addition to the above stated complexities that emanate from the specific characteristics of listed buildings, re-use/conversion projects are distinguished by being more complex than new build projects due to their project and team-specific characteristics. The project specific characteristics that increase complexity can be listed as:

- uncertainty associated with building conditions; and thus, project duration and cost;
- high risks that result from the above uncertainty;
- requirement for both higher flexibility in timing, cost and functionality of end-product; and allowances for reiterations/recursions between different stages in order to handle high levels of uncertainty.

Team specific characteristics include involvement of a high number of professionals operating in a project environment and the necessity of their early collaboration.

Understanding the challenges that stem from the statutory framework should be complemented by understanding those that stem from the project characteristics. This will enhance the understanding of the re-use process, which will assist in the identification of factors that would enhance process performance and project output. In the context of this research, these factors will be used as the basis of proposing a good practice re-use process. As the proposed good practice process is tested and refined through subsequent research, it will increase the chances of success in this thorny area of property development, helping to reduce the reluctance of direct agents to get involved.

1.4. Research Focus

This research focuses on gaining a detailed understanding of the process of re-using Grade II (non-monumental) listed buildings in Central London. This section concentrates on the justification of the research focus in terms of the choice of:

- process mapping as a means to understand the process;
- Grade II listed buildings as the study population;
- Central London as the research location.

Hunt (1996: 2) defines a business process as 'a series of steps designed to produce a product or service'. It is possible to rely on 'the documentation and examination of the input-output of the process' in an attempt to analyse business processes. However, this leaves out the analysis of process through which the inputs are transformed to outputs. Given that "between every input and output there is a process" and that business improvements remain partial if the process is not analysed and understood, it becomes specifically important to concentrate on the structured analysis of that process. (Hunt, 1996)

Structured analysis of the process facilitates its detailed understanding. Mapping the process as a conglomeration of its components is one approach to process analysis which has been

'proven [to be a] methodology for identifying current "As-is" businesses and can be used to provide a "To-be road map" ' (Hunt, 1996: 1). Also, the mapping approach has the potential to avoid over-simplifying this complex system. This approach is adopted for the purposes of the research.

The components of a re-use process are argued to be: the direct and indirect agents involved, the activities they undertake, and the issues they take into consideration in making their decisions (Figure 1.2). The components of the process are pre-conditioned by contextual forces, which create or obliterate favourable conditions for certain types of development at certain locations. Fisher (1999: 221) defines these forces as the *structure* within which any given project is contained. Process components are inextricably linked with each other through the building throughout this development process. They also interact with the structure within which they are contained. These characteristics make the property development process a complex system to study.

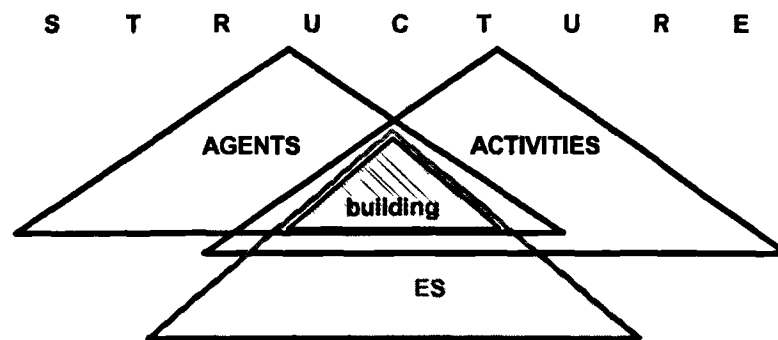


Figure 1.2. The Re-use Process

Given the above definition of the re-use process and process mapping, the main areas of this study are:

- identification of the agents involved, and capturing a description of the process as perceived by them;
- identification of the issues they take into consideration during the process. The issues include incentives for individual agents to get involved and the economic, social, cultural, technological, political and environmental factors that are contained in the structure; and
- mapping the process by bringing together this information.

Having identified the main research areas and justified the choice of process mapping as the general research strategy, the focus of this section shifts to the justification of the sampling decisions that have been taken. These decisions specifically relate to choosing non-monumental listed buildings in Central London as the sampling population.

As stated in Section 1.2(see page 3) the risk of obsolescence and subsequent dilapidation is higher within the context of Grade II (non-monumental) listed buildings because currently the private sector which seeks return on its investments *enables* their conservation and retention. Consequently, the buildings have to present economic utility for agents who provide funding and; spatial, operational and associated utilities for their occupants. Under these circumstances,

adaptive re-use is the absolute pre-requisite for the conservation of Grade II listed buildings specifically in the short-to-medium term. Although adaptive re-use will continue to enable the conservation of Grade II listed buildings in the long-term, making the essential changes to the listing mechanism will also help to ease the problem of obsolescence and dilapidation in these buildings.

Adoption of rigorous and consistent listing criteria which consider the long-term implications of enforcing the retention of buildings of modest architectural and historic significance is the most important one of these changes. Such criteria *should* include the adaptability of these buildings for contemporary uses as well as their heritage value. This will allow the *filtering* of the buildings during the listing process and thus ensure that listing does not become an unrealistic enforcement for the retention of a building⁵. After all, 'any city can afford only a few unemployed buildings'⁶.

Moreover, 91.7% of listed buildings are listed Grade II (National Monuments Record- NMR)⁷. Thus, under-use of Grade II listed buildings would create larger scale problems associated with obsolescence and dilapidation in the built environment, as well as being highly un-sustainable. Because of these issues, increasing the re-use opportunity of Grade II listed buildings should be given priority. Therefore, this research focuses on these buildings.

The reasons behind the choice of Central London are:

- the number of listed buildings; and
- the frequency of re-use projects.

Greater London Authority (GLA) estimates that there are 37,000 listed buildings in London (GLA, 2002) and NMR states that there are 370,000 listed buildings in England. According to these figures, 10% of all listed buildings in England are in London. This makes London the city with the highest ratio of listed buildings per unit area in England, and thus a suitable area to study the research phenomena. Furthermore, the frequency of re-use projects is also high in London, mainly because of the buoyant property market. Given the arguments in Section 1.1 (see page 1), which asserted that there is the need to promote re-use in economically disadvantaged areas where the property market is by definition depressed, the decision to sample from London cases can be regarded as a contradiction. However, the need to study the phenomena in its context in an exploratory research such as this one requires the research to be carried out in a geographical area where there is an adequate number and variety of cases to sample from. The choice of London is justified on these grounds.

⁵ Here, it should be iterated that although establishing rigorous listing criteria is considered to be an important achievement in enabling conservation, it is not the focus of this thesis.

⁶ I am thankful to Prof Bev Nutt for the discussions which helped to enrich the theoretical framework of this thesis. This line was quoted during these discussions.

⁷ NMR is gradually making listed buildings database available on-line through the Images of England Programme (IoE). Information on the total number of listed buildings and their grades in England was taken from IoE web-site (<http://www.imagesofengland.org.uk>).

1.5. The Research Questions & Working Propositions

Given the main areas of study and the definition of re-use process within the context of this research, the research questions the author seeks to answer are:

1. What comprises the process of re-using listed buildings?
 - Who are the agents involved?
What activities do the agents undertake?
 - Which issues do they take into consideration in performing these activities?
2. How are the components of the process, i.e. agents, activities, issues, related to each other? What are the relationships between these components?
3. How complex are re-use projects? Does project complexity vary throughout the process? What influences project complexity?
4. What influences process performance and project outcome?

The working propositions, based on the above questions are:

- Agents who are not normally involved in a development process, e.g. conservation officers, will be involved.
- It is expected that the agents will undertake activities which they consider necessary in order to carry out the development. Probably, it will not be possible to have a definitive list of activities due to divergent project characteristics.
- The agents will take a wide range of social, technological, economic, environmental and political issues into consideration.
- Components of the process will be inextricably linked to each other.
- The projects will be complex.
- Listed building control will have a strong bearing on the process. It may also influence the project complexity.
- It is probable that there will be local differences, even inconsistencies, in the 'interpretation' of national listing building control strategy by the local authorities.
- Uncertainty associated with the process and the end-product is likely to have an influence on project complexity.
- Because of the uncertainty, risks associated with the projects will be high. This might influence project complexity.
- It is likely that the direct agents will assess the project and its outcome against the 'golden triangle': cost of development, duration of project and quality of the product.
- Indirect agents will pay due cognisance to their 'perceptions' of the quality of the outcome.

1.6. The structure of the thesis

Chapter 2 reviews the evolution of the conservation movement in order to provide a background to the current situation in the field of architectural conservation with specific reference to re-use. This is followed in Chapter 3 by the placing of re-use within the realm of property development and management, and the life-cycle of a building.

Chapter 4 concentrates on the challenges and opportunities associated with the re-use process. The fundamental aim of this chapter is to identify the re-use specific components of a

development process. The analytical framework that is adopted to analyse the pilot study data, which is reported in Chapter 5 is based on these components.

The pilot case study in Chapter 5 reports results of a live re-use project on the conversion of the Duke of York's Headquarters to a mixed-use development. The pilot study was undertaken to identify the agents involved in the project, and to capture their understanding of the re-use process through the description of the activities undertaken and the uncovering of the issues considered while undertaking these activities, including the ones related to conservation of the listed buildings. Furthermore, the case study was instrumental in identifying the requirement of the methodological approach for this research to yield rigorous results and the criteria for selecting appropriate analytical tools.

Chapter 6 is an overview of the research methods, strategies and tactics. The methodological approach adopted in this thesis is detailed in Chapter 7. Chapters 8, 9 and 10 report the findings of the case studies analysed using the devised methodology. The first case study is located on King's Road, and it is the conversion of former King's College buildings to residential use. The second case is also the conversion of an institutional building, the former Thames Water Headquarters on Rosebury Avenue, Clerkenwell, to residential use. Conversion of a Georgian terrace to flats constitutes the last case study, which is located in Southwark. A comparison of the results drawn from the case studies is carried out in Chapter 11. This chapter concludes with a 'good practice process guide' for re-use projects. Chapter 12 draws general conclusions from the findings of this research and makes recommendations for further research.

This research will interest a range of individuals and organisations, including practitioners in the construction industry and in the field of conservation (specifically the regulatory bodies), researchers in the qualitative domain and students of property development related disciplines. Two different groups in the construction industry will find this research of interest. The first one comprises individuals and organisations who have already accumulated experience in re-use projects. They will find the work useful in revealing the actual reasons behind problems encountered during the process and this will facilitate the possibility of planning to eliminate these reasons in future projects. Furthermore, the generalisations that can be drawn from a small sample of projects will be of interest as this will contrast with the construction professionals' perception of each project being exclusively *unique*. The second group in the construction industry are individuals and organisations that are willing to get involved in this type of project, but refrain from doing so due to perceived complexities: the research will help them to familiarise themselves with the process prior to getting involved. The research will offer a better understanding for the conservation practitioner of the issues that underline the direct agents' decisions associated with the development. Identification of the factors that enhance the re-use process and the project outcome will be of value for both direct and indirect agents as it will pave the way to the naming of improvement areas to increase chances of success in the future. Researchers will find the use of NUD*IST and Decision Explorer to map the re-use

process novel. Like the inexperienced practitioners in the field, students will find the text useful as an introduction to this type of development activity.

CHAPTER 2 The Ideological Context: Evolution of the conservation movement

'When William Blake called [mill towns] dark and satanic, nobody could have forecast how the passage of history would treat them. But yesterday three of the great mill complexes that were to turn the country into the cradle of the Industrial Revolution and to change the life of the British working man forever were named as World Heritage Sites by Unesco.'

(The Daily Telegraph, 15 December 2001, p.15)

2.1. Introduction

Scholars agree that the seeds of the conservation movement were laid in Italy during the Roman Era (Antiquity) (Erder, 1985: 72; Lowenthal, 1985:41). Since then, different societies have attempted to respond to the questions of 'why to conserve?' (justifications), 'what to conserve?' (definitions, perceptions) and 'how to conserve?' (legislation, conservation methods). These attempts were characterised by dichotomies and equivocation.

The transformation of (architectural) conservation from an ideal to a professional practice from Antiquity to the present is integral to understanding our current attitude towards architectural heritage. However, the nineteenth century is different from the other periods because it saw the distinction between the conservation of the artefact, the building and advances in integrating architectural heritage to urban planning. Moreover, systematic efforts to conserve heritage stock emerged during this century (Delafons, 1997; Ross, 1996; Lowenthal et.al, 1981).

The current mechanism of architectural conservation, specifically the present legislative system, has its roots in the nineteenth century. Therefore, this chapter concentrates on the evolution of the conservation movement from the nineteenth century onwards. It starts with a very brief overview of the significant pre-nineteenth century developments which had a principal influence on the contemporary discourse of architectural heritage. The developments after the nineteenth century are divided into the following phases:

- nineteenth century;
- early twentieth century: pre- Second World War;
- the Second World War- 1960s;
- 1960s- 1980s; and
- 1980s-present.

The geographical focus of this overview is on Western Europe during the first two phases because developments in Western Europe paved the way towards 'the modern care for ancient monuments and buildings' (Harvey, 1972: 157). The fundamental reasons behind Europe's pioneering activity in the field were developments like the Industrial Revolution, which increased

the pace of change so dramatically that societies felt the need to adhere to their past more strongly.

The review concentrates on developments in Britain after the Second World War as developments such as the declaration of the Athens Charter had helped to elevate the conservation discourse to the international level. Thus, a common set of goals for individual countries had already been established by the early 1930s. As a result, the differences between different countries remained at a judicial level in the years to come. Judicial differences are not central to the fundamental argument of this chapter. Therefore, the review concentrates on developments in Britain, which the author believes are representative of developments in other Western European countries.

2.2. From Antiquity to the nineteenth century

The conservation concept has its roots in mankind's psychological need to associate himself with his forefathers to establish a sense of identity through 'knowing the past'. Lowenthal (1985) identifies memory, history and relics as 'sources' through which mankind 'knows' his past. Ancient Romans were no exception. Built heritage was among these sources. These buildings not only reflected the tradition and history of the past (Lowenthal et.al, 1981:17), but were also symbols of religion and power (Erder, 1985). Sustaining their symbolic value was of the utmost importance because they would 'remind the spectator of the power of the governors' (Jukilehto, 1999: 4). As long as their symbolic value was sustained, partial or wholesale renewal of built heritage was legitimate. Until the mid-fourteenth century, partial or wholesale renewal of built heritage was legitimate as long as symbolic value of the buildings was sustained (see Table 2.1).

Towards the middle of the fourteenth century, the realisation of the past's distinctiveness from the present resulted in '[the] self-conscious concern about the rival merits of old and new' (Lowenthal, 1985: 75). The *artefact* became *valuable* as it encapsulated the past achievement. Thus, the material itself as well as its symbolic value was to be conserved and appreciated from the mid-fourteenth century onwards. The value associated with the material itself gradually increased throughout the next four centuries, peaking in the eighteenth century.

The fifteenth century saw the beginnings of value attribution to existing works of architecture through the writings of prominent architects such as Alberti. Alberti objected to the 'extravagant obeisance to antiquity' in the production of new works of art and architecture which had dominated the early Renaissance (Lowenthal, 1985: 77). He also emphasised the importance of a profound understanding of them in the creation of new art and, thus the significance of the architectural quality, historic and educational value of these buildings (Jokilehto, 1999). Hence, the building as an *artefact* and an *edifice* was important for him.

	Why conserve?	What to conserve?	How to conserve?
Antiquity	Psychological need to associate with the past	Symbolic value Educational value ('knowing through the past')	Sustain symbolic value
4 th to mid-14 th centuries	Glorify Christianity	Symbolic value	Re-use constituents of old buildings to build 'glorious' buildings Appreciate & appropriate with Classicism
mid-14 th to late-14 th century	Concern about rival merits of the past (FIRST TIME) Past had reached the ideal	Artefact	Obeisance to Antiquity ⁸
	Surpass past achievement	Educational value	Learn from the past in order to improve on it
15 th century	Architectural quality, historic and educational value of buildings	Monument as artefact / edifice	Use existing buildings as an inspiration contemporary development
16 th century	Glorify Christianity	Symbolic value	Destruct & build new, re-use materials
	Architectural quality, historic and educational value of buildings	'Monumenta' ⁹ as artefact / edifice	Protection of 'monumenta'
17 th century	Glorify the existing buildings	Symbolic value	Use remains as sources of inspiration for arts and architecture Obeisance to Antiquity
	Concern about rival merits of the past Past had reached the ideal	Artefact	Obeisance to Antiquity
18 th century	Appreciation of Classical achievement	Artefact (given the highest value ever)	Collect original works of art Regulate export Study the artefacts by systematic & critical recording

⁸ This obeisance reached to such an extent that exact replication was legitimate as it was done in order to achieve the idealism antiquity had reached.

⁹ Monumenta stands for inscriptions, memorials or monuments (Jokilehto, 1999: 33).

	Why conserve?		What to conserve?	How to conserve?	
19 th century	Past is different than present	artefacts	Tangible artefacts disappearing fast	Artefact	Control & legislate
	Past is crucial to people's sense of identity	buildings	Glorify former style of buildings	Style of monuments	Restore
			Buildings have artistic & documentary value	All existing buildings & alterations throughout the building life cycle	Inventory Preserve by employing appropriate methods
	Tangible remnants of the past are disappearing fast	cityscape	Glorify, beautify & sanitise the city	Monuments	Use monumental buildings as inspiration for planning Destruct 'unhealthy slums'
20 th century	Reason is blurred, but psychological need to create a sense of identity is the prime reason		All edifices of the past at all scales	Control & legislate Preserve / conserve by employing appropriate methods	

Table 2.1. Evolution of the Conservation Movement

The value of the artefact reached its highest level during the eighteenth century. The systematic and critical survey of the ancient artefact ('knowing') that reached perfection was considered to be the means for the then contemporary artists to achieve similar perfection (Jokilehto, 1999: 49, 63; Lowenthal, 1985: 252). Hence, disinterment and recording of the antiquities became important. As a result, the Grand Tours started at first to Italy, and then to the Eastern Mediterranean.

The most significant impact of the tours to Italy was the emergence of the *Picturesque* movement in England. The *Picturesque* valued existing buildings because of their harmonious relationship within their context (Hunter, 1996: 4). Thus, the idea of place and its historic associations emerged as new concepts in appreciating the past.

This culminated in the political appropriation of conservation in France. Existing works of art and architecture, which became monuments of history, science and art were regarded as the cultural heritage of a nation, with a role to play in educating the disadvantaged masses by providing them with a sense of belonging and place. Conservation of this heritage was considered to be a national responsibility (Jokilehto, 1999: 69). However, a selective approach dominated the identification of what to conserve due to the political appropriation of conservation. Anything that was associated with the nobility and the King were stripped off.

Romanticism emerged as a reaction to the Age of Reason and its absolutism as the eighteenth century came to a close. The ideas of Romanticism contributed to the extension of the French

heritage protection to existing buildings of lesser importance. With the influence of Romanticism, a heightened nostalgia towards the past emerged. This resulted not only in the appreciation of medieval buildings but also a reaction against the neglect that many religious buildings had been subject to, especially in Britain (Hunter, 1996: 6). This is the fundamental reason behind the restoration of existing churches in Gothic style, a style which was now considered supreme, in the nineteenth century. These restorations stripped the religious buildings of their later additions. France and some Germanic countries followed Britain's footsteps in restoring their religious buildings to the glory of the Gothic. It should be noted that these restorations did not go without criticism from the likes of Ruskin and Morris.

2.3. Nineteenth Century

The systematic efforts to conserve architectural heritage which emerged during this century were the result of the wider social and cultural changes in society in individual countries. Such changes led to 'a three-fold awareness of the past: that it was unlike the present, that it [was] crucial to [people's] sense of identity, and that its tangible remnants [were] rapidly disappearing' (Lowenthal, et al, 1981:17). The awareness that tangible remnants were disappearing prompted the need to devise means to protect the remaining remnants of the past under the guise of "restoration". Legislation was considered to be an adequate provision and the conservation movement of the nineteenth century was dominated by attempts to establish legislation in Western European countries.

Countries like Italy, Sweden and France passed decrees that ordered the protection of antiquities, regulated their export, punished people who vandalised them and attempted to avoid the demolition of antique structures as early as the sixteenth century. It could, therefore, be argued that endeavours to legislate existing works of art and architecture started long before the nineteenth century. However, these decrees only entitled the administrators to be *reactive* against destruction. They did not include measures to actively promote preservation of cultural heritage. The first law regarding *active* measures to be taken by the administrative bodies for the protection of cultural heritage came from France in 1785

Despite pioneering the establishment of the law, France had failed to pioneer the activation of this law due to the unrest caused by the French Revolution. Therefore, the law passed by Louis X, Grand Duke of Hesse-Darmstadt (now Germany) in 1818 is now acclaimed as the pioneer of conservation legislation in Western Europe as it also included implementation measures (Brown, 1905; Harvey, 1972; Jokilehto, 1999). This law not only gave the responsibility of conserving cultural heritage to public bodies, but also immediately prompted the compiling of an inventory. The inventory was to classify monuments. This was to be followed by surveying the most distinguished of the monuments and advise on their preservation. Public authorities were responsible for consenting to the demolition and alteration of monuments included in this inventory. This formed a precedence for other European countries and by the mid- 1830s similar legislation was in place in most countries.

Italy is one of these countries. The former Italian legislation was revised in a law passed in 1820. The aim was to organise the administration of works of art and architecture, achieve a unity in the way they were handled, and enforce existing legislation for the protection of cultural property¹⁰ more efficiently. It also included special measures for the export of works of art and antiquarian objects. In addition to this, the Papal administration supported new excavations in an attempt to discover new antiquities to replace the ones lost to France as well as sending artists to Paris in order to recover some of the treasures.

Apart from the passage of laws, which were based on the 1818 decree, in other European countries, there was not much legislative activity until the late nineteenth century. The decades following the 1820s were characterised by debates on the ways to handle monuments and the extent of their alteration (Jokilehto, 1999: 149).

The decrees and the laws during this period show that the notion of safeguarding these buildings had already been established by the mid-nineteenth century. In most cases, attempts to safeguard monuments resulted in either extensive and unskilful alterations or neglect, which lead to extensive decay. So, the debate was not one of whether to conserve or not, but one of the extent and nature of adequate alterations to conserve. The fundamental question was whether to restore the building to its former style or to conserve it by keeping the later alterations. Supporters of both methods aimed at the conservation and protection of these buildings (Hunter, 1996).

The supporters of restoration included Viollet-le-Duc in France and G. Gilbert Scott in Britain. They argued that the buildings should be 'scientifically' restored in a way, which will strengthen the building and commemorate its original style (Erder, 1986). This required a very thorough understanding of the building; however, it led to the destruction of later additions to a building.

Nineteenth century supporters of conservation, on the other hand, stated that the buildings should be preserved without stripping them of their later additions. They focused on the artistic and documentary values of the buildings as they were reflected in the original materials. John Ruskin, who was the leading figure of this school, argued that, independent of the period, all original features in these buildings were worthy of conservation as they were the features that distinguished these buildings as 'valuable'. Therefore, the original materials and features should be at the core of the attention (Hunter, 1996; Jokilehto, 1999).

In France, these debates were followed by the destruction of architectural heritage in the name of *beautification* and *sanitation*. For example, in Paris the destruction was caused by the implementation of Haussmann's plans, which were commissioned by Napoleon Bonaparte during the second half of the nineteenth century (Kostof, 1991; Hall, 1999: 719). These plans constituted opening large boulevards in the city and clearing the vicinity of monuments in order

¹⁰ In Italy, attempts to introduce legislation to protect artefacts and avoid their exportation to other countries date back to the early seventeenth century. They were followed by four new pieces of legislation during the first half of the eighteenth century.

to glorify them, which led to the destruction of medieval structures and some less important monuments.

By this time, the impact of the Industrial Revolution was reflected in the economy in Britain and European countries like France, leading to social and political changes in these countries (Urban Task Force, 1999:26). The pace of change had significantly increased by the advances of the Industrial Revolution. This brought a change in the norm of dealing with changes to functional requirements, which until then had been to adapt and reuse purely utilitarian buildings and/or their components to new uses when they ceased to fulfil the requirements of their original function.

In Britain, there were three fundamental reasons behind this change. The first was the relative ease and speed of construction. The second was the abundance of building materials. The last, and most important was the wealth brought by the Industrial Revolution, which provided the financial surplus that could be used for building activity (Beales, 1967; Harvey, 1972; Fisher, 1992). These changes led to an environment where discarding what was present became the norm to provide the necessary buildings for the quickly expanding population of Britain. Hence, it became more usual to demolish and build new (Cantacuzino, 1989: 8). Victorian Britain was 'earnestly reanimating' the features of its past even when it was replacing the old with the new, because change 'radically sundered the present from even the recent past ... [and this] triggered a reactionary nostalgia', while the destruction of existing buildings in order to provide the much needed accommodation continued (Lowenthal, 1985: 96).

Morris' (1887) condemnation of 'stylistic restoration' and the destruction of medieval quarters in urbanising the cities to accommodate the immigrants in the *industrialised* cities can be interpreted as a reflection of this 'reactionary nostalgia' (Saint, 1996). Morris founded the Society for the Protection of Ancient Buildings (SPAB) in 1877 with a handful of early founders including Sir John Lubbock, who introduced the National Monuments Preservation Bill to Parliament in 1873 (Hunter, 1996: 22). Morris' battle in favour of conservation and his condemnation of restoration remained confined to his reactions, sometimes ungrounded, against G. Gilbert Scott's proposals for church restorations. His basic contribution to the conservation debate was to try to establish the holistic approach to buildings with a view to commemorate all of their constituents, irrespective of style and period, to continue the debate in favour of authentic material, and to emphasise the importance of maintenance (Jokilehto, 1999: 185).

The establishment of SPAB, which can be interpreted as the beginning of organised civic reaction, was contemporary with attempts to restrict the rights of the private owners in the interests of conservation in Italy (1872) and England (1873) by passing the necessary legislation. These were prompted by individual members of Parliament, such as Sir John Lubbock, who had an interest in conservation matters. These attempts failed to materialise into laws due to the strong opposition they received from other members of Parliament, who themselves owned such property (Brown, 1905). The main thrust of the opponents' arguments

was that such restrictions were 'an insult to the spirit and enterprise of private citizens who inherited these ancient monuments' (Delafons, 1997: 25).

Here, it is important to note that Britain lagged half a century behind developments in Continental Europe in establishing the required legislation (Brown, 1905). Countries in Continental Europe had established an administrative system to handle their architectural heritage during the first half of the nineteenth century. Despite taking the lead in establishing the principles of a conservative attitude towards existing works of art and architecture through the concept of *Picturesque* at the end of the eighteenth century, Britain failed to incorporate this discourse into her legislative system by setting up the necessary administrative system. Saint (1996) argues that this was due to Britain's 'historical reputation for fetishising the rights of private ownership'. This argument finds support in the reactions against the Bills proposed to legislate heritage matters.

The first attempt to take some Government action for the protection of architectural heritage in England came from the First Commissioner of Works in 1869. He asked for a list of 'Historical Tombs or Monuments existing in Cathedrals, Churches and other Public Places and buildings' to be compiled (Delafons, 1997:23). The Church objected to this strongly, probably because it considered the compilation of the list as a threat to ecclesiastical exemption. There was no progress until 1873, when Sir John Lubbock introduced his National Monuments Preservation Bill.

This Bill proposed a schedule of monuments that would exclude inhabited houses and ecclesiastical buildings, as well as any remains that were on private land; hence, the Bill applied to archaeological sites. Furthermore, it proposed to equip the, yet to be established, National Monuments Commission with the authority to take 'power of restraint' after notifying the owner of sites and buildings on the list and, under circumstances of insistence not to make necessary repairs by the owners, to compulsorily purchase the property under consideration. This meant that alterations to the site and/or building would be subject to the Commission's approval. These proposals met with strong objection in Parliament as they were regarded as constraints to owners' rights (Delafons, 1997).

Mainly as a result of these objections, it took nine years for the Bill to be passed as an Act. The 1882 Act stripped the Commission of the 'power of restraint'. The State, however, 'could purchase an ancient monument and maintain it if the owner agreed; or, at the owner's instigation, could take it into "guardianship"'. The significance of the Act was that 'it was the first time that the national government was obliged to acknowledge any responsibility for conservation' (Delafons, 1997:25). Furthermore, it marked the beginning of 'scheduling monuments' in Britain (Saint, 1996: 116). The Act aimed to protect monuments from destruction, but the government did not have any responsibility to take further action to preserve such monuments.

Similarly, in Italy there was an attempt to extend to the compulsory purchase and control powers administrative bodies had on national monuments to the whole country in 1872 (Brown,

1905: 132). This was led by some Italian States and was strongly objected to. The main thrust of the objectors' arguments was the restriction these powers would bring on the private owners' rights. It was only in 1902 that a law regarding the conservation of national monuments was passed in Italy (Jokilehto, 1999: 198).

In this respect, the law passed in 1887 in France, which was fundamentally influenced by the 1818 decree passed in Germany, warrants mention. This law was pioneering in the sense that it restricted private ownership rights in the interests of the public by giving the state the right to schedule a building and then take it under official protection. It established the administrative principles of conservation and defined the role of different administrative bodies, some of which had long been established¹¹. It should be noted that it also stripped the local administrators of the power of decision-making by transferring such powers to central government. The main shortcoming of this law was its lack of addressing issues related to archaeological sites (Brown, 1905).

Developments in the nineteenth century shifted the focus of the conservation movement to establishing legislation to safeguard architectural heritage because Western society associated itself with its material heritage through these developments (Lowenthal, 1985: 385). The material heritage that man so fondly associated himself with was under constant threat as the pace of change increased so dramatically that he could experience the change within his lifetime. Therefore, he was urged to 'conserve' what was left of his past. Legislation was considered as a means to achieve this aim; hence, it became the medium through which the conservation movement evolved through the twentieth century.

2.4. The Early Twentieth century: Pre-Second World War

The Historic Monuments Act of 1913 laid the foundations of contemporary heritage legislation in France. This Act introduced the listing of cultural heritage values in two categories: 'classification' and 'inclusion in the supplementary inventory of historic monuments'. It also gave the power to supervise proposed works to 'classified buildings'. 'A right of easement was established on buildings, private or public, within sight of a monument' (Erder, 1986: 143). This right was later defined as within 500 meters of a monument. With this Act, official organisations were given partial responsibility for the care of cultural heritage. As a result, the National Treasury of Historic Monuments was established in 1914. The main function of this organisation was to administer the funds allocated by the Government.

The first extensive revision of the principles set out by the Papal administration was made in 1902 in Italy (Brown, 1905:133). This Act was further revised in 1904. These Acts gave the administrative bodies the power to control new building activities within the vicinity of

¹¹ Commission des Monuments Historiques was established in 1837 in France. However, it did not have the power to take the necessary precautions for safeguarding cultural heritage. With the 1887 law, they were given the power to inventory monuments, identify the necessary repairs and supervise the works (Erder, 1986: 160).

monumental buildings as well as any change that would affect the appearance of these buildings. The law also categorised antiquities as moveable and immovable.

A number of laws were passed before the Second World War in Italy. The most important was the Act of 1939. Contemporary heritage legislation in Italy is based on this Act (Pickard, 2001). The law defined the 'things' that were under protection. As this definition refers to 'things' to be protected, it remains loose. This loose definition was the fundamental short-coming of this Act. By this Act, the registration of cultural heritage started in Italy. It also gave the Ministry of Education the power to control works on items registered as cultural heritage.

In the meantime, there were attempts to introduce conservation phenomena into town planning legislation in Britain. The Town and Country Planning Acts of 1909, 1923 and 1932 are the Acts that refer to conservation (Delafons, 1997). Although the attempt to integrate conservation principles and legislation with the town planning agenda was significant in its own right, it did not materialise into anything more than including 'objects of historical or natural interest' among its list of 'matters to be dealt with in more detail by the General Provisions prescribed by the Local Government Board' in the 1909 Act; and introducing the idea of conserving whole areas as well as individual buildings and ordering the preparation of town planning schemes with a view to protecting special architectural, historic or artistic interest in the 1923 Act.

This cannot be interpreted as the contemporary planning movement's ('Modern Planning Movement') failure to achieve its objectives. It was a predictable outcome given the early twentieth century planning movement's 'mission', which was largely based on the developments that occurred at the end of the nineteenth century.

The 'Modern Planning Movement' emerged at the end of the nineteenth century. This movement was different from 'ancient or classical or Renaissance town planning', which was largely concerned with aesthetics and was an outgrowth of architecture' (Hall, 1995:15). Improving the living standards of the lower-income urban population by providing them with adequate houses was the core 'mission' of modern planning (Cullingworth et al., 1997: 14). As a result, the physical aspects of new development areas were at the core of the planner's agenda. There was a general consensus that the solution to the physical problems of an area would eventually bring solutions to its social and economic problems.

Thus, it is not surprising to observe that until the 1932 Act was passed the main thrust of town planning remained as design schemes for new development areas that would deliver housing with the required sanitary conditions, amenity and convenience for their residents. With the exception of the 1923 Act, existing buildings and areas remained out of the scope of town planning during this early period (Cullingworth et al, 1997).

The sea change came with the Town and Country Planning Act of 1932. This Act included developed land in the realm of town planning. This not only marked the beginnings of the town planning attitude as we understand it today, but 'pulled [buildings of architectural and historic interest] administratively into "town and country planning" ' (Saint, 1996: 118). It obliged the

Ministry of Health to consult the Commission of Works for planning schemes that proposed the demolition of such buildings (Delafons, 1997). Furthermore, it introduced building preservation orders and extended the compulsory purchase power of statutory bodies to inhabited buildings, which had not been included in the previous legislation¹². This resulted in an undeclared distinction between monuments and other buildings of architectural and historic importance and thus a lack of regard between planning and the way ancient monuments were handled.

At first glance, it seems that the Acts passed between 1909 and 1932 gave the local authorities the power to plan and control development in their constituency by preparing schemes. However, the high compensation costs that would have resulted from exercising development control prevented the local authorities from devising implementation measures (Saint, 1996: 121). This meant that local authorities had little influence on the type and location of developments (Cullingworth et al, 1997: 17).

This resulted in the overcrowding of certain locations such as London and a lack of development in locations such as Wales. As a result, the government was confronted with a large-scale problem associated with the social and economic aspects of planning and development. At the beginning of the Second World War the extent of the problem prompted the Government to take a closer look at it and to consider whether planning on a larger scale could be the solution to the problem (Ravetz, 1980).

Given these conditions, it is understandable that conservation related issues featured as an ancillary to the wider planning issues until long after the war. In this respect, the Athens Charter is significant as it concentrated specifically on the conservation issues.

2.4.1. Athens Charter: an intermediary document

The fundamental aim of the Athens Charter (1931) was to introduce innovative thinking in terms of trying to integrate architectural heritage into its wider context. Due to its distinguishable characteristics within this period, this section will conclude with a brief review of the Athens Charter.

Until 1931, when the Athens Charter was declared, attempts to address issues of architectural heritage and conservation remained confined to the national arenas of individual countries. Therefore, the Athens Charter contributed to the conservation debate not only by inspiring innovative ways of dealing with architectural heritage but also by elevating the debate from the national level to the international.

¹² The Ancient Monuments Acts and the Town Planning Acts were the two types of legislation that were in force at the time. As the latter were solely concerned with new development areas, any statement relating to existing buildings could have been included in the Ancient Monuments Acts.

Contextually, the Athens Charter (1931)¹³ stands between the conservation theory of the late nineteenth century and the Venice Charter of 1964. It states that 'architectural assets must be protected, whether found in isolated buildings or in urban aggregations' (article 65). The justification for this statement is that 'architectural assets' form part of human heritage and their owners have a duty to make sure that these assets are passed onto the following generations. This argument is very similar to Ruskin's and Morris' statements about 'our duty' to pass the cultural heritage we inherit to the following generations with 'minimum intervention'.

The Charter continues with statements about 'identification' of what is to be protected and the circumstances under which this would be done (articles 66, 67 respectively) (Erder, 1986:219). Article 66 makes it explicit that it is not possible to preserve *all* 'common' works of art and architecture that have come down to us. It continues by stating that such works should be selectively preserved for their documentary value. The basic criterion of selection is their effect on the *functionality* of the city. Article 67 further elaborates the selection criteria for preservation. It explicitly states that 'under no circumstances should the cult of the picturesque and the historical take precedence over the healthfulness of the dwelling'.

Therefore, it can be stated that the Athens Charter considers historic buildings as a means to achieve the beautification and modernisation of cities and thus comes close to the fifteenth century Italian ideals of preservation, which were later to be adopted by the French. What is new is trying to optimise the goals of conservation and modernisation in favour of heritage buildings. In terms of what to conserve, the Athens Charter accepts the need to be selective. Hence, it does not put a blanket cover over *all* historic buildings as the Venice Charter does.

By the time the Charter was published, a general consensus in favour of conservation had been established within individual European countries. This Charter provided a framework within which individual countries could work to further secure the future of their architectural heritage by elevating the debate to the international level; thus, it established a common set of goals for individual countries. As a result, the differences between individual countries in terms of their attitude towards their architectural heritage in the years to come were judicial rather than philosophical. Judicial differences are not central to the fundamental argument of this Chapter.

2.5. The Second World War- 1960s

The only Town and County Planning Act that was passed during the War was the 1944 Act. The urgent need to find solutions to social and economic problems that had started before the War and which were accentuated by the War did not leave enough room for the conservation cause. Thus, the Act mainly concentrated on post-war reconstruction.

¹³ This Charter was published by the Assembly of the League of Nations and formally communicates the recommendations of the 1931 conference held in Athens by the International Museums Office. It is not to be confused with the Athens Charter of the International Congress of Modern Architecture, which was held in 1933.

The concession the 1944 Act made to the conservation cause was to introduce the case for listing historic buildings. Contrary to the popular consensus among the scholars, Saint (1996: 120) argues that the 1944 Act was the 'key piece of legislation for the establishment of listing in the modern sense' rather than the 1947 Act. It also obliges owners of buildings who are willing to either extensively alter or demolish a listed building to notify the local authority. However, owners are not obliged to obtain the local authority's permission to carry out such works.

The actual reasons behind the introduction of a list¹⁴ is worthy of attention because the list was not introduced purely for the cause of conservation. It is widely reported in the literature that the bombing during Second World War left most of urban areas in Britain in a state of despair. Many built environment professionals saw this as an opportunity to construct 'the new Britain where health, wealth and work for all' was provided (Ross, 1996: 21). The list was a useful guide that would assist the responsible bodies and their staff in identifying what needed to be salvaged from the clearance programmes to allow for the much needed reconstruction after the War.

The Government saw the need for extensive rebuilding as an opportunity not only to solve problems associated with the localisation of industries that had started to become problematic shortly before the war, but also to deliver the ideal urban solution (Cullingworth, 1997). These targets were too extensive to be achieved within the confines of the 1944 Act. The Government needed to extend its planning agenda to the national level and to take a more proactive approach than it did previously. Therefore, there was a proposal to revise the Act.

The 1947 Act provided the means to achieve the above objectives. The most fundamental change this Act brought to the planning system was the introduction of development control to most of the land (Davies, 1988: 127). The Act also abolished the compensation local authorities had to pay when they refused a development proposal. Owners would be paid compensation 'once and for all' and this would be the land's value under existing use in July 1948, when the Act was to come into force, not its development value (Wood, 1949). In addition to this, 'when the land was sold privately on the market [or developed to achieve higher values], the state exacted a 100 percent levy on the rise in value' (Ravetz, 1980: 65). This can be considered as a return the Government would get for the public expenditure in areas that had increased their development potential; thus, value. This tax was later to be abolished by the Conservative Government that came to power in 1951.

Transforming the powers of the Minister to compile lists of buildings of special architectural and historic interest to a statutory duty was one of the conservation-specific provisions of the Act (Ross, 1996: 22). In addition to this, the owners of listed buildings were stripped of their right to

¹⁴ This list is not to be confused with the inventory the Royal Commission on Historic Monuments (RCHM) had been preparing since its establishment in 1908. RCHM was responsible for investigating and publishing monuments that could eventually be scheduled. This was a mammoth task and proceeded very slowly. The list that had been compiled by the National Buildings Record (NBR) set up in 1941 served a much more utilitarian purpose. Its aim was to document buildings under war-time danger. This was the list that was to be used as a planning tool.

receive compensation upon listing of their property, as they no longer owned development rights of the property (Saint, 1996: 129). Furthermore, the Act introduced stricter controls upon listed buildings. These buildings could neither be demolished nor extensively altered without giving notice to the local authority. The fundamental difference between this provision and the one introduced by the 1944 Act was that the owners were now obliged to give the local authority two months during which they could serve a building preservation order. Once the Minister confirmed this, the owners were obliged to get consent from the local authority.

There was a 'policy' gap between the 1947 Act and the 1960s in terms of architectural conservation (Delafons, 1997:77). This is mainly because listing, which emerged as an 'aide-memoire' to planning, was considered adequate to safeguard individual buildings. However, listing fell far short of fulfilling this role, mainly as a result of the lengthy process it was going to take to complete; and the debates on how comprehensive the list should be drew planning and listing apart (Saint, 1996: 132).

The only Act that was passed during this period was the 1953 Historic Buildings and Ancient Monuments Act, which was prompted by a report on the destruction of country houses. This was the first time provisions for the conservation of buildings were stated in an act that made specific reference to buildings. The Act made grants available for the repair and upkeep of historic buildings and established the Historic Buildings Councils for England, Wales and Scotland to administer these grants (Mandler, 1996: 106 (in Hunter); Ross, 1996: 25).

2.6. 1960s-1980s: the physical expansion

By the late 1950s, the adverse impacts of wholesale urban clearance schemes of the post-war years became apparent. The assertion of 'Modernist urban design orthodoxy' in reconstructing destroyed cities led to alienation of the old from the new (Kostof, 1992:263). This resulted in both a public reaction to the contemporary planning attitudes, which were considered to be out of proportion to the human scale; and the emergence of debates on the characteristics of *good* urban space and the means to deliver it. Public reaction materialised in the many civic societies established in different parts of Britain campaigning for the conservation cause, while debates on good design brought new dimensions to urban planning.

An important development was the acceptance of the need to consider implementation while making the plan. This stemmed from a rationale which accepted that factors other than the planner's control should be in place in order to have the opportunity to implement what has been planned (Cullingworth et. al, 1997). This shift in thinking increased the attention paid to public opinion in making plans and development control. The establishment of organisations like the Civic Trust provided the opportunity to achieve this.

Duncan Sandys established the Civic Trust in 1957. 'Its priorities were: first, to encourage the creation of quality and architecture in planning; secondly, to preserve buildings of distinction and historic interest; thirdly, to encourage the creation or improvement of features of beauty or interest' (Andreae, 1996: 138). It can be said that the Civic Trust was a pioneer in campaigning

for urban design, which established itself as a discipline at the beginning of the 1990s; and it became an integral part of debates on how to achieve best practice in conservation areas during the last decade of the twentieth century.

By the late 1960s, these objections to large scale development schemes found public support because the negative impact of wholesale urban development schemes both in the inner cities and green-field sites had by then become explicit (Hall, 1995:15). This was influential in shifting the planning focus from post-war reconstruction to a more area-based approach.

Neither the British public nor the concerned parties in the British Government were alone in campaigning to extend the scope of conservation. The most obvious repercussion of similar attitudes in other European countries was a heightened interest among the international community towards architectural heritage. This interest was to be reflected in the high number of international meetings and the subsequently declared charters from the mid-1960s onwards. These meetings and documents concentrated on the definitions of architectural heritage with little emphasis given to the practicalities of conservation.¹⁵

Within the international context, the Venice Charter (1964) was the most important achievement of the conservation movement in the 1960s. The Venice Charter was the starting point for the physical expansion in what is regarded as heritage. The physical expansion of the Venice Charter resulted in a quantitative increase in terms of what was attributed heritage value.

Although the Charter states that 'more modest works of art' as well as 'monuments' are part of heritage (Article 1) (Erder, 1986:221), the prime concern is still the monumental building and its documentary value. The fundamental contribution of the charter is the establishment of a contextual approach to monuments. It clearly states the importance of the monument's setting in its conservation (Article 6). This argument is further detailed in Article 7, which states the significance of a monument's constituents. While the Charter paid attention to the 'historic monument', 'the concept ... was extended to cover historic urban and rural areas' (Jokilehto, 1999: 289).

Specific attention paid to individual buildings is reflected by the emphasis on methods of *restoration* and establishing conservation as a 'science'. Six out of a total of sixteen articles are associated with these methods. The articles also dwell on the circumstances under which certain conservation methods should be adopted.

Another significant achievement of the Charter was the introduction into the heritage realm of the concept of use. Although there are references to the 'use' of historic buildings in the Athens Charter, the Venice Charter was the first document which gives full reference to the importance of 'use' in conserving buildings. In Article 5, it states that the 'conservation of monuments is always facilitated by making use of them for some socially useful purpose. Such use is therefore

¹⁵ For a chronological list of charters and a comparative analysis of contents of these charters refer to Bell (1997)

desirable but it must not change the layout or decoration of the building. It is within these limits only that modifications demanded by a change of function should be envisaged and may be permitted'.

Although the Charter accepts the desirability of use, it stresses that modifications should not change the 'layout or decoration of the building'. This stems from the consideration of historic buildings as historic records. Here, the charter comes close to other international documents in which the concept of 'use' is always coupled with concepts of 'retention' and 'integrity' of the building and its components. This is an indication that the destination 'use' would be confined to characteristics of the building. In this context, the building's values are of prime importance and 'use' is just a means to ensure the building is retained. In cases where extensive alterations are required, the idea is to look for another use, which will be less detrimental to the building.

Similar to the Venice Charter's inclusion of historic urban and rural areas in the concept of 'historic monument', the view that measures should be taken to safeguard areas of architectural and historic significance was gaining precedence in Britain. It was Sandys himself who took the view that the listing of individual monuments was not enough to safeguard heritage (Andreae, 1996: 139). The town centre redevelopment schemes, led by the private sector in the aftermath of post-war reconstruction¹⁶, which in many cases included the demolition of some historic buildings, prompted Sandys to take a position along the lines of area conservation. He introduced a Private Member's Bill. At the same time, the Government had taken an initiative by commissioning individual reports¹⁷ on four historic centres with a view to devise means of avoiding destruction in historic town centres (Ross, 1996: 28). In 1967 Sandys' Bill became the Civic Amenities Act that introduced conservation areas and gave local authorities the power to designate them. This was the first time local authorities were given undelegated powers to make decisions concerning their area.

The significance of this Act lies in the credit it gave to the role of planning in order to achieve conservationist goals. It also acknowledged the fact that there was an inherent 'conflict between the old and the new' (Delafons, 1997). The solution it proposed for resolving this conflict was to 'plan preservation'. Thus, it can be stated that the Act was the first attempt towards establishing means of integrated conservation. It should be noted that it remained as the only attempt to integrate the planning and conservation agendas until the 1990s (Pickard, 2001).

The Civic Amenities Act was to be followed by the 1968 Town and Country Planning Act, which 'reminded' local authorities that 'the number of listed buildings was limited and that there should be a presumption in favour of preservation except where a strong case could be made out for

¹⁶ The late 1950s was almost characterised by redevelopment schemes that proposed the demolition of buildings like the Covent Garden Market. The Civic Trust objected strongly and managed to stop the implementation of some of these projects. Lack of a holistic attitude towards the composition of historic areas was considered to be the main reason behind these problems. For an extensive account of the proposals and actions against them, see the Civic Trust (1960).

¹⁷ Individual reports were prepared for Bath, Chester, Chichester and York. For details, see Buchanan (1968), Insall (1968), Burrows (1968) and Esher (1968).

demolition'; hence, getting listed building consent from local authorities to alter buildings of architectural and historic significance became obligatory (Andreae, 1996: 141). It is interesting to note that the exact statement was to feature first in Circular 8/87 (DoE, 1987) and then again in Planning Policy Guidance 15 (PPG 15) of 1994, which cancelled circular 8/87. Spot-listing and conservation area advisory committees (CAACs), which paved the way towards more active public participation, were other important innovations of the 1968 Act (Ross, 1996: 31).

During the early 1970s, there were two pieces of legislation which complemented the 1968 Act. The first was the 1971 Town and Country Planning Act. It gave the local authorities the power to serve repair notices to owners of listed buildings who failed to safeguard such buildings and to compulsorily purchase the buildings or carry out urgent repairs where the persistence of owners became chronic. The second one was the 1972 (Amendment) Act, which made funds and grants available for conservation schemes not only on buildings but also in conservation areas. Furthermore, the Act made necessary provisions for controlling the demolition of unlisted buildings in conservation areas. These were similar to the initial demolition control of listed buildings; they obliged the owner to notify the local authority without the obligation to get consent for demolition. This was amended by the 1974 Act and demolition became subject to consent from the local authority (Delafons, 1997).

The mid-1970s saw an increasing public awareness of architectural heritage. This increasing interest was due to a growing awareness of the loss of heritage buildings, which was brought to public attention through the activities of civic organisations like SAVE (Ross, 1996: 70; Andreae, 1996: 142-147). In this respect, the prevalent thinking of the general public converged with that of previous generations as:

‘the force behind the support for conservation [was] not based on the need for sustainability or the economic virtue of resources but [in the fact that] historic conservation express[ed] a profound sense of unease about the future and a sense of loss of what [was] perceived as being destroyed’ (Thomas, 1996:3).

As a result of this increase in public interest, integrated conservation¹⁶ became the established ideal (Allison, 1987: 16).

The mid-1970s was marked on an international scale by the 1975 European Architectural Heritage Year (EAHY). Duncan Sandys, who was a leading figure of the conservation movement in Britain, was the Chairman of the International Organising Committee (Ross, 1996: 36). The UK Committee concentrated its efforts on working on conservation areas, and launching a revolving fund for the restoration of historic buildings and environmental education. Outcomes of EAHY in Britain included increased public awareness, an Architectural Heritage Fund and successfully implemented conservation area schemes. On the international scale,

¹⁶ Integrated conservation aims at conserving the social context of listed buildings and conservation areas as well as their character. It is recognised as the third step in the evolution of the conservation movement after the establishment of the need to conserve individual buildings and then areas.

acceptance of re-use as a means to safeguard the ever-expanding heritage was one of its most significant outcomes.

From the above, it can be stated that conservation activities concentrated on listing the stock between the post-war years and the late 1970s. The only exception to this were the activities of civic societies, which aimed to increase public awareness and establish a better system of handling architectural heritage (which again concentrated on extending the controls over heritage) and the debates during and around EAHY (Dobby, 1978: 98-113). Debates relating to more practical issues were confined to working on better methods of conserving individual buildings.

2.7. 1980s - Present

Economic decline during the 1970s resulted in the decline of heavy industries. This was inevitably coupled by a decline in the urban environments that were supported by these industries. In the meantime, new industries like the service industry flourished (Bianchini et al, 1993). However, the spatial choice of these industries lead to geographical disparities between locations that managed to attract the 'new industries' and the ones that failed to do this (Brindley et al, 1996). As a result, problems associated with the industrial decline in urban centres became apparent during the 1980s (Pearce, 1994: 90).

The Conservative Government that came to Office in 1979 gave precedence to economic problems associated with this change. It suggested that development was necessary in order to enhance the economic conditions which would help resolve the social problems. In this respect, their line of thinking was very similar to that of the Government in office before the Second World War. This resulted in deregulation in many Government controlled areas, including planning (Thomas, 1997: 224). As a result of this deregulation, market forces, which also had Government support in the form of subsidies, started leading the planning agenda (Healey, 1990b: 94; Hugill, 1998: 54).

With a view to '*lift the burden*' (Cmnd 9571, 1985) on business and enterprise, the government issued circulars that aimed at increasing the efficiency and effectiveness of the planning system by making it easier to understand and more operational. The fundamental aim behind these changes was to 'facilitate much needed development and strike the right balance between development and the interests of conservation'¹⁹. While the Government deregulated development controls on urban brown-field sites (most of them industrial) by introducing schemes like enterprise zones²⁰, it tightened the controls on conservation areas and listed buildings (Pearce, 1991: 299).

¹⁹ Adapted from Article 3 of Cmnd 9571 (1985). This is the second circular the Conservative Government issued. The first one, issued in 1980, is along the same lines.

²⁰ The deregulation of planning in the early 1980s is well documented in the literature. For an extensive account see Home (1991), Ravetz (1980) and Rydin et al (1996).

The establishment of the Historic Buildings and Monuments Commission (England) (English Heritage - EH) in 1983 is one of the most significant changes this government introduced. This commission was to be a *quango* with a responsibility to increase 'the commercial performance of the ancient monuments'. Transferring this responsibility from the State to a *quango* would also mean a contribution to the government's plan to reduce the number of civil servants, as staff at the Directorate of Ancient Monuments and Historic Buildings would be transferred to this new establishment; thus, they could cease to be employed by the State (Delafons, 1997).

This attempt, which seemed to be based purely on Conservative Political dogma, was actually presented in a way that almost suggested that the Government was withdrawing from its heritage related responsibility. Because of this, the proposal immediately attracted a fierce response from organisations and individuals actively involved in the conservation of architectural heritage.

The Government attempted to address this objection in its final proposal the following year. Through the discussions, the opposition came to think that an independent agency with specific responsibility might have better means to lobby in favour of conservation and set out the means of achieving the conservationist aims; hence, their support of the establishment of this new agency. As a result, EH was established by the 1983 National Heritage Act to commence its responsibilities as of April 1984. As it took on the responsibilities of the Historic Buildings Council (England), the Commission did not have any decision-making powers except grant allocations. It also became one of the advisors to the Secretary of State.

Despite the Government attempts to establish EH as an organisation responsible for the upkeep of ancient monuments, EH transformed itself into a conservation lobby with strong relationships with other conservation bodies within the first few years of its establishment. As a result, its involvement with listed buildings increased. The consequent risk of this increased involvement would have been the perceived conflict between conservation and planning as planning powers were still with the Government through the DoE. Therefore, EH 'noted the setting up of a planning branch' in its 1986-87 annual report (Delafons, 1997: 145). Consequently, EH was invited to give evidence on historic buildings and ancient monuments in the Parliamentary Enquiry of 1986-87, the first of its kind since the Enquiry of 1948 (*ibid*:149).

Although the report of this enquiry opened with a sentence that accepted the significance of historic buildings and ancient monuments in terms of the 'personality of this country', it continued with statements related to its potential of 'eventually paying its own way' as a major tourist attraction. Hence, it was suggested that government funding should be increased until this was achieved. As the Government stated in its response to this report that it did not intend to make changes in heritage administration and control, the report failed to make much of a difference in terms of practice.

Consolidation of heritage related legislation into Planning (Listed Buildings and Conservation Areas) Act 1990 was the move that addressed EH's concerns about the separation of conservation and planning. Although the Act did not bring much innovative legislation, this was

the first time heritage legislation became an individual document detached from a town and country planning act. It is difficult to assess the advantages or otherwise of this consolidation. It can well be interpreted as another action that resulted in the marginalisation of heritage issues by separating them from the wider context of planning.

Similarly, it is not possible to state that the establishment of the Department of National Heritage (DoNH) in 1992 was to the benefit of architectural heritage. The responsibility for planning and conservation was divided between two government bodies, the Department of Environment (DoE) and the DoNH. Planning responsibilities remained with the DoE, whereas the DoNH was given the power of scheduling monuments and listing buildings as well as the responsibility to sponsor EH. Division of responsibilities between two government departments is an indication that little progress has been made in integrating planning and conservation at the turn of the twenty-first century compared to the turn of the twentieth century.

The next significant change of the 1990s was the publication of Planning Policy Guidance 15: Planning and the Historic Environment in 1994. This guidance note has close associations with the Venice Charter as it states that 'physical survivors of our past are to be valued and protected for their own sake, as a part of our cultural heritage and our sense of national identity'. It continues, stating that:

'the best use will very often be the use for which the building was originally designed, and the continuation or reinstatement of that use should certainly be the first option when the future of a building is considered. But not all uses will now be viable or even necessarily appropriate: the nature of uses can change over time, so that in some cases the original use may now be less compatible with the building than an alternative. ... Policies for development and listed building controls should recognise the need for flexibility where new uses have to be considered to secure a building's survival' (DoE, 1994a: paragraph 3.10)

Even the single paragraph quoted above is full of the dilemmas that architectural conservation is facing and the potential conflicts any decision-maker is prone to. This mainly stems from the government's reluctance to radically alter and thus uncomfortably disturb the balance that has supposedly been achieved between conservation and development. The above paragraph opens with a discourse that is very closely related to that of the Venice Charter. Having acknowledged the need to change, it continues with a concession towards 'flexibility'. However, 'compatibility of the use with the building' is of utmost importance. Although compatibility of destination use is important in the context of listed buildings, it does not only mean compatibility with the inherent values of a building. Such a perspective is bound to remain biased towards the historic significance of the site and the buildings. Because of these, this document is biased towards conservation and thus fails to introduce the objective framework to judge re-development proposals within the context of listed buildings.

PPG 15 can be interpreted as the Government's response to the need to refocus planning and conservation matters as aids to regeneration. Economic restructuring of the 1980s, which led to the decline of heavy industries and the flourishing of the service sector, was influential in shifting the focus to regeneration in the 1990s (Hall, 1995: 15, Roberts, 1998: 88). This restructuring left many inner city areas that were once occupied by heavy industry vacant. In addition to physical problems like obsolescence and dereliction that were related to vacancy, social problems

emerged as the society that had been supported by these industries found the majority of its members unemployed.

It also became evident that deregulation of planning could not be sustained within either the urban or the rural context (Cullingworth et al, 1997: 33), because it had, by then, been realised that the market-led regeneration schemes remained piecemeal and were far from having an overall impact on the cities. This realisation was further accentuated by the strong environmental movement, which brought about a sea change in the way the public thought about the way they lived.

This was a development in favour of architectural heritage. It increased the demand for inner city areas, most of which have a high concentration of listed buildings and conservation areas. From the mid-1990s onwards, regeneration of these areas became a government priority with a view to deliver better cities for citizens. The Government's initial response was to encourage local authorities to take an active part in the regeneration schemes by establishing partnerships with the private sector. The City Challenge and then the Single Regeneration Budget (SRB) was introduced as a framework for these partnerships. The fundamental difference between the schemes under these programmes and the former market-led schemes was the consideration of the social and economic impacts of these schemes as well as their role in enhancing the physical environment. The Government and EH published/commissioned many reports and studies on the issue. These will be considered in the next Chapter.

2.8. Evolution of Re-Use Practice

The above review has shown how re-use became a distinct activity in the provision of space after the Industrial Revolution. Only since then has it become more usual to demolish and build new (Cantacuzino, 1989: 8). The norm was to adapt buildings to new uses or to use the material salvaged from them in constructing new buildings when they ceased to accommodate their original function before the Industrial Revolution. Difficulty and expense of producing and transporting the building materials was the main reason behind this. The Industrial Revolution marked a significant shift in the production of the built environment, transforming re-use from being the common means of production of needed space to a specific one.

The re-use of listed buildings as a means to sustain and retain them emerged in the conservationist's agenda much later than the Industrial Revolution. In the mid-1960s, it became apparent that conserving modest buildings was only possible through their re-use. The Venice Charter (1964) is a reflection of this realisation. Although there were references to 'the use' of listed buildings in the Athens Charter, the Venice Charter was the first document that fully referred to the importance of 'use' in conserving listed buildings. However, the precedence of the desire to retain the integrity of the building and its components is evident in Article 5 which specifically referred to the issue of re-use (Section 2.6, page 26). Retention of building integrity remains as the principal ideal behind any reference to re-use in the majority of the international

charters, guidelines and national planning policies related to conservation. It can thus be stated that the emergence of re-use practice had its roots in the desire to retain relics of the past.

2.9. Concluding Remarks

'The past' becomes 'foreign' as change becomes 'familiar, contemporary and rapid'. Once societies come to realise how foreign the past has become, they embrace their past and develop a nostalgia in search of the past, for 'the past is where they find comfort with the familiar old in contrast to the unfamiliar new' (Lowenthal, 1985). This nostalgia is reflected in Man's desire to protect relics of the past from Romans to the present day.

While this nostalgia towards the past has remained the same through millennia, what it attempted to protect has extended through the succession of centuries. As time went by, our forefathers' present became our past. We nostalgically embraced our past, broadening the scope of what we regarded as heritage. As the scope broadened we extended the scope of our controls (legislation) without reflecting much on its consequences. This resulted in the contemporary over-protective paradigm in conservation legislation, which is based on the antiquarian pre-occupation with preserving the *material* and the nineteenth century legislative approach of *reacting against destruction*. This pre-occupation does not pay much attention to the promotion of new life for useful fabrics (Markus, 1979: 98).

The emergence of the idea of re-use as a means to conservation in the second half of the twentieth century supports the argument of antiquarian pre-occupation with preservation because this belatedness is an indication of regarding the buildings as museum objects that could be preserved even if they can no longer yield utility. Although conservation through re-use was a very innovative idea, its reflection on national and international subject-specific documents reveal the continuing impact of the antiquarian pre-occupation. This is evident in the fact that references to re-use have remained focused on the retention of the buildings' 'architectural integrity' by emphasising the importance of continuing the building's original use as it would only require the least intervention for adaptation to contemporary requirements.

This pre-occupation can become an impediment to change and a barrier to implementation as it pre-supposes the retention of all listed buildings and their architectural integrity independent of their potential to deliver utility to their users. As stated in Chapter 1, it is not possible to retain buildings that do not perform well in delivering utility without *imposing* the decision to retain them on the owner or developer of the building. Under these circumstances, conserving this stock becomes 'artificial' as it strives to work against the market forces that always exist (Warren, 1983: 44, in Sevckenko, 1983). This results in the direct agents' reluctance to get involved in re-use schemes as their presumption is that the conservation framework gives no concession to conditions of the private sector.

This presumption accentuates the equivocalness and strengthens the dichotomies associated with conservation within the context of listed buildings as it constrains their chances of being re-used and thus retained. It can be argued that equivocalness and dichotomies are not a new

phenomena in conservation, and progress has been achieved despite their presence. However, a closer analysis of factors that nurture their presence shows that equivocalness and dichotomies can result in substantial problems in conserving the stock.

Equivocalness and dichotomies stem from two fundamental sources. The first is the dependence of the conservation movement on individuals, who took a personal interest in the cause, reflected their subjective perceptions of threats to architectural heritage, and prompted an action to stop them. Therefore, solutions have always been shaped by that individual's personal interest. Consequently, the solutions have been equivocal leading to variable attitudes towards architectural heritage at different times. In recent decades, for example, funds allocated for architectural conservation have fluctuated as a result of the political tides. The second factor is the dual-character of architectural heritage, as property and as artefact. The dichotomy between these characteristics has always preconditioned the future of listed buildings, sometimes leading to conflicts between agents who take an interest in the building as property and as artefact.

This chapter has reviewed the consequences of taking an interest in the building as an artefact. The following chapter will consider the dynamics of taking an interest in a listed building as property. It will thus review the forces that act upon the development process in general and the re-use process in particular. The aim of this revision is to place re-use in the context of property development.

CHAPTER 3 The Implementation Context

'Clearly the pattern of buildings results from the interplay of a myriad of public and private decisions, choices, proposals and enterprises. Laws which control the size and shape of buildings, to provide light and air to their neighbours; the processes of the land market; the desirability of some buildings and areas over others because of social notions, all affect profoundly the ever changing pattern of buildings in a city.'

Cowan, P. (1966: 337)

3.1. Introduction: balancing the demand & supply

The preceding chapter covered the contextual relationship between re-use and the conservation movement. This chapter aims at locating re-use within the context of property development and management. Thus, the relationship between the re-use activity and the two realms (Section 1.1) with which it is associated will have been identified by the end of this chapter.

The processes through which the built environment is produced and managed are complex. They comprise of property and infrastructure development in order to balance the demand for space and facilities and the supply of building stock and development land (Healey, 1991: 221). Building on green-field sites, replacing the redundant stock with new buildings and adapting and re-using under-utilised/vacant stock are alternative ways to finding this balance.

Intricacies underline the choice between these alternatives because it cannot be made in isolation. The property and infrastructure development and management processes are associated with planning and development regulations (Healey, 1998: 211), property supply and demand characteristics. All these factors influence the choice between the above development alternatives at two levels: macro and micro. At the macro level, political/regulatory, social, technological, economic and environmental factors set the context within which development takes place and influence the characteristics of property demand and supply. At the micro level the development and building control mechanisms, the spatial requirements of the building's occupants (demand characteristics) and the building condition and performance (supply characteristics) have an impact on the choice of the alternative.

Therefore, this chapter starts with an overview of the macro level influences of the regulatory context, and the supply and demand characteristics on the re-use activity. Here, the aim is to identify the opportunities they offer and the challenges they create for the re-use activity as an alternative way of producing and managing property. A discussion about the future of the re-use activity based on the macro level influences follows this. Then, the dimensions of the re-use process are described. The chapter concludes with the micro level influences on the re-use activity.

Due to the specificity of re-use projects and the limited literature on the process of re-using listed buildings, it was anticipated that professionals with experience on re-use projects would be a useful source of information to complement the literature. Therefore, the decision to interview selected professionals was taken. Information gathered from them together with the literature review on re-use are the main datasources of this chapter and the next one.

3.2. Macro Level Influences: the Structure

The macro-level framework which influences development related decisions and which contains the dimensions of a development process, e.g. activities, issues, is termed as structure in this thesis. One of the definitions of 'structure' in the Oxford Dictionary of English is 'the mutual relation of the constituent parts or elements of a whole as determining its peculiar nature or character'. Here it is important to note that this is the definition of 'structure' that is adopted here, not its construction-specific definition.

The structure comprises of 'the contextual forces which give rise to certain development types in particular locations' (Fisher, 1999: 221). These forces are political, economic, social, technological and environmental. The structure within which development takes place is shaped by the complex inter-relationships between these factors. These inter-relationships are reflected on the planning mechanism (the regulatory context) and the property market demand. The following sections overview the macro level regulatory context, recent changes in property demand and the problems these resulted in in the existing built stock.

3.2.1. The Role & Transformation of the Regulatory Context

The Government influences the production and management of the built environment in two ways. Firstly, it shapes the business environment by its economic and social policies. These create favourable or unfavourable conditions for development (Sim, 1982: 18). Despite remaining peripheral for the individual development process, this particular role of the Government is the key to promoting and sustaining the institutional capacity of the development industry to deliver developments in specific urban areas and to ensure that quality issues in development are addressed (Healey, 1998: 212). Secondly, the central and local governments plan the built environment and control the development process in collaboration with each other. The central and local governments are much more directly related to the development process through this role.

Traditionally, 'the role of planning was typically conceived of as a strategy to constrain private development activity, not for its own sake, but to achieve public interest purposes' (Healey, 1998: 213). Planning and development control mechanism and guidelines were shaped around avoiding undesirable outcomes in order to achieve *what the planners determined* to be of benefit to the general public. This is still the fundamental thrust of planning and development control and it 'counterpoises' the planning system to the market despite the deregulation attempts during the 1980s (Healey, 1998: 213). Although they did not change the focus of the

regulatory context, these attempts resulted in a shift from development on green-field sites to regeneration and re-use of the brown-field sites and existing buildings.

The Government's contemporary focus on regeneration and re-use can be traced back to the late 1970s when adverse impacts of the 1960s wholesale urban development schemes both in the inner cities and on green-field sites became explicit (Hall, 1995:15). As a result, focus of urban planning had gradually shifted from post-war reconstruction and creation of new towns to regeneration and conservation between the late-1970s and late-1980s (Urban Task Force, 1999:191).

Regeneration of deprived urban areas gained further precedence in the 1980s. This was a consequence of the economic restructuring of the 1980s, which led to the decline of heavy industries and flourishing of the service sector, leaving many inner city areas that were once occupied by the heavy industry vacant or under-utilised (Hall, 1995: 15; Roberts, 1998: 88). The physical consequence of building vacancy and under-utilisation was obsolescence and dereliction. In addition, social problems emerged as sections of the society, which had been supported by these industries, found the majority of its members unemployed. The Government considered the economic regeneration of such areas to be a solution to the physical and social problems (Cullingworth et.al, 2000). 'Lifting the burden on development' was the Government's response to regenerating the economy (Cmnd 9571, 1985).

This resulted in deregulation in many Government controlled areas including planning (Thomas, 1997: 224). Deregulation did not change the definition of development, which still remains the same as the one that was introduced by the Town and Country Planning Act 1947. Deregulation came in the form of exempting certain areas from development control by transforming them into, for example, Enterprise Zones and Simplified Planning Zones (Home, 1991: 295). Local authorities could only influence development in these areas by preparing a general framework for development (see Erickson et.al, 1986 and Home, 1991 for an extensive account of development control in these areas). Deregulation was a consequence of the neo-liberal philosophies which led the public sector to pull back from an active role in producing built space and facilities. The consequence of this change was the reliance on collaboration with the market players (Healey, 1998: 213). As a result, market forces started leading the planning agenda (Healey, 1990b: 94; Hugill, 1998: 54).

By the 1990s, it became evident that deregulation of planning could not be sustained within either the urban or the rural context (Cullingworth et al, 1997: 33) as the authorities came to realise that the market-led regeneration schemes did not have an overall impact on the cities because they remained piecemeal. The property market slump in the early 1990s and the simultaneous rise of the environmental movement which seeded the virtues of sustainable life styles also contributed to this realisation.

This led to 'the re-assertion of a more strategic approach to the regulation of development through the land use planning system' (Healey, 1998: 221). Within the more regulated context, the Government's response to environmental concerns was to encourage local authorities to

take active part in regeneration schemes by establishing partnerships with the private sector. Thus, much of the initial investment responsibility in deprived areas returned to the public sector once again. City Challenge and then Single Regeneration Budget (SRB) were introduced as frameworks for these partnerships. These schemes for urban regeneration were complemented by other schemes specifically geared to conservation areas and listed buildings such as Conservation Area Partnership Schemes (CAPS) and Heritage Economic Regeneration Schemes (HERS). The fundamental difference between the schemes under these programmes and the former market-led schemes was the consideration of social and economic impacts of these schemes as well as their role in enhancing the physical environment.

The 1992 Earth Summit in Rio de Janeiro and subsequent publication of Agenda 21 signifies how the environmental agenda influenced attitudes towards planning (Llyod-Jones, 1998: 32, in Greed & Roberts). As a result of this influence, discussions on how to sustain the environment focused on:

- concentrating development on the readily developed land, viz. brown-field sites, and thus, avoiding further erosion of the natural environment, which is a sustainable resource;
- converging development and amenities in order to reduce travel distances so that more sustainable modes of transport could be adequate; and
- designing environmentally friendly buildings with reduced levels of energy consumption.

These discussions resulted in the recent attempts to reduce development on the green belt and concentrating development on brown field sites.

Within the context of concentrating development on readily developed sites, previously developed land and its re-use became the focus of Government attention. Re-using previously developed land incorporated re-using existing buildings in urban environments through conversions (DETR, 1998). Revised versions of PPG 1, PPG 6, PPG 7, PPG 12 and PPG 13 include statements which reflect this phenomena (Carmona, 1998: 45). This phenomena is also evident in advisory documents such as Quality in Town and Country (DoE, 1994) and in John Gummer's, Secretary of State for the Environment, speech on 12 December 1994 (DoE, 1994c).

The Urban White Paper published in November 2000 characterises the Government's current attitude towards concentrating development in urban areas. This document lists 'encouraging people to remain in, and move back into [England's] major towns and cities, both for the benefit of [England's] urban areas and to relieve the pressure on the countryside' as one of the challenges the Government faces in planning the built environment (DETR, 2000b: 7). This statement alone is enough to show that the Government trend of concentrated development on previously developed land, which started in the mid-1990s, is ongoing. This suggests that the development activity is likely to concentrate on the 'conversion' of existing land and buildings rather than re-development of green-field sites despite a downturn in the office conversion in London (Marsh, et.al, 1998). This is already evident in the construction output statistics and the

increasing conversion activity in buildings that have outlived their original function (Heath, 2000: 26) (see Section 3.3, page 42).

3.2.2. Demand Characteristics

Economic, technological and social changes also affect the built environment by changing the demand characteristics for built space and facilities (Kincaid, 2002; Cowan, 1966). Over the past two decades, these resulted in high levels of vacancy and under-utilisation of certain building types such as offices and an increase in the demand for certain types of space, e.g. small household units.

Fraser (1993) states that 'the property market and the economy are *interdependent*'. The economic condition influences property development in two different ways (RICS, 1994). The first is through its impact on the availability and cost of project finance. The second is through its influence on spatial demand. This latter type of influence is the focus of this section. At times of heightened economic activity spatial demand increases and the increase in demand triggers new projects in areas where the economy is most buoyant.

The relationship between the economic condition, market demand and extent of property development activity is a complex one. The fundamental reason behind this is the time-lag between the will to develop the land which is triggered by the booming economy and the time when developed space is available on the market. As this time-lag is long, developments which start during the upturn of the building cycle can be difficult to dispose of if they come on the market during the downturn. The office property slump of the early 1990s is an example of this phenomena. Substantial research has been done on the relationship between the condition of economy and the amount of development activity (Ball, 1994; Ball, 1996; Ellison, 1998; RICS, 1994). They will not be revised here as the aim is not to understand the intricacies of this relationship. The author will suffice it to state that the development activity is likely to increase during buoyant economic cycles.

Technological developments also influence market demand by affecting the way people live. Such effects usually become evident in the short-term. For example, developments in Information Technology (IT) resulted first in a change in the internal design and structure of office space, creating an office development boom in the 1980s. By the mid-1990s, further advances in IT changed working patterns leading to a decrease in the amount of office space needed, creating a slump for office property and a potential boom in its conversion to other uses.

Changes in society have a direct influence on the type and amount of spatial demand. These changes are reflected in the way people live, work and spend their leisure time (see Halsey, 1994 and McIntosh, 1997 for an extensive account of recent changes in society), and this affects their spatial choice criteria.

The recent decrease in household size, diversification of household types and the resultant diversification of demand exemplify the influence of social changes on market demand for

property. Recent social changes resulted in the need to provide 3.8 million households over a twenty-five year period between 1996 and 2021²¹ (DETR, 1999). Continuing increase in life expectancy and the decrease in household sizes which is reflected in the doubling of single person households from 6% in 1971 to 12% in 2001 (Matheson et al., 2002: 39) are the fundamental reasons behind this increase.

The concurrence of the increase in the demand for smaller household units and the decrease in the demand for concentrated office space in prime locations, which was mainly due to technological advances, created an opportunity for converting vacant office space to residential accommodation. If the fact that most of the recently converted office space was built during the office boom of 1980s is considered, the transience of spatial demand becomes explicit (Marsh et.al, 1998; Maytorena Sanchez, forthcoming).

In addition, social conditions in an area render the type and extent of development that takes place, as development is considered to be a solution to social problems such as unemployment. Canary Wharf development in the London Docklands is an example. One of the fundamental justifications behind the Canary Wharf Development was that it would create jobs for the unemployed by boosting the private sector confidence in the area and thus attracting private sector investment (Jeffrey et al., 2000: 94).

The recent trend to migrate back to the inner city areas, which in part was a consequence of the recent inner city regeneration schemes that improved conditions in such areas, suggests that it will be feasible to try and contain the demand for new households in urban areas. The Urban Task Force (1999: 35) states that ' the degree to which the trend [of migrating to inner cities] can be both sustained and encouraged is critical, but is heavily dependent on how we respond to future housing demands'. '[Therefore,] the projected increase of 3.8 million households [is] an opportunity to revitalise our towns and cities'. Given the concentration of existing stock in urban areas it can be projected that revitalising the towns and cities will trigger the conversion and re-use activity.

3.2.3. Supply Characteristics

'The [recent] changes in the demand side characteristics resulted in a number of supply-side problems' (Kincaid, 2002: 9). Kincaid (2002) lists these problems as:

- vacancy and under-utilisation of stock, specifically office stock;
- redundancy of specialised building types;
- reductions in the asset value of the building stock;
- under-provision in sectors such as residential;
- premature obsolescence;
- physical constraints imposed by building systems of the 1970s and 1980s; and

²¹ DTLR Housing Statistics accessed again in March 2002 showed that this forecast remained unchanged over the three years between March 1999, when this forecast was first made, and March 2002.

- dereliction in inner city areas.

Adaptive re-use of buildings offers the solution to these problems given the rate at which the existing stock is replaced. The recent changes in the regulatory context is an indication that the Government also considers the re-use of existing buildings as a means of solving these problems associated with the existing stock. The Government's attitude coupled with the recent trend of moving back to the inner city areas provides opportunities for re-use activity to further flourish.

3.3. Extent of Current Re-use Activity

DETR (1987b) states that only 1.5% of the UK's existing building stock is demolished and replaced by new buildings every year. This indicates that the UK's building stock would have been completely replaced only towards the end of the twenty-first century had the demolition of all buildings been possible. More recently, Urban Task Force predicted that 'more than 90% of the urban buildings and infrastructure that will exist in 30 years' time, has already been built' (Urban Task Force, 1999). These assertions point to the fact that the demand for space and facilities will mainly be provided by adapting existing buildings in the future.

This has already become evident in the steady increase of refurbishment activity since the 1970s. Changes in the regulatory context, and the demand and supply characteristics influenced this increase. 'The refurbishment market has grown substantially within the last thirty years. In terms of output, it has increased from 22.46% in 1970 to 42.32% of the total UK construction output in 1996.' (Egbu, 1997: 338, Egbu, 1999: 29). The refurbishment (repair and maintenance) represented approximately 46% of the total construction output in 1999 (DETR, 2000).

The adaptive re-use activity lies within the refurbishment output. The planning application databases were considered to be a valuable source to refine the construction output data further and identify the exact extent of re-use activity in Central London. However, this could not be accomplished. There were two reasons for this. Firstly, only one of the local authorities consulted in Central London had an electronic database of planning applications. Secondly, there was inconsistency in the way different local authorities classified the planning applications. Therefore, the commentary on the extent of re-use activity had to be confined to the observation that the refurbishment activity in the UK has been increasing since the 1970s and that this increase was likely to continue because of the recent changes in the macro level influences which have been reviewed above.

As well as an increase in the overall refurbishment activity, it is likely that the private sector's involvement in the refurbishment activity will increase. This is mainly because the public sector involvement in property development has been steadily decreasing since the 1980s. DTI Construction Statistics shows that public sector contribution to all construction output was 29.33% in 1990 falling to 24.66% in 2000. The fall is much more dramatic in housing provision. Housing provision figures are potentially more relevant to re-use given that 'much of the current

[housing] stock reflects over 100 years of house-building' (Matheson et al., 2002: 164) and most of the non-residential stock is converted to residential use. DTLR Housing Statistics shows that public sector involvement in new house-building fell from 4.57% in 1990/91 to 0.18% in 2000/01.

In addition, the funding available for the upkeep of modest listed buildings has been decreasing since the post-war years because the post-war expansion in the quantity of listed buildings was not coupled with an increase in the amount of funding available for the conservation of these buildings. Thus, the amount of funding available diminished significantly in real terms. The situation has further deteriorated as the public sector has gradually been withdrawing from the development sector since the 1980s. As a result, private sector investment became the principal source of investment for the conservation of modest listed buildings. These show that the private sector will play a central role in adaptive re-use of vacant listed buildings. Thus, the thesis concentrates on how the private sector perceives and manages the re-use process.

However, it might still be necessary to encourage private sector involvement by creating a market for conversion property through the initial investment and involvement of the public sector in cases where there is no precedence for conversion activity (Healey, 1998). Development in the London Docklands is a classic example of the need for initial public sector investment in opening an area for development and attracting private sector investment. Although a number of companies have gone bankrupt in the process, the PPP in the Docklands area has created a favourable environment for development as continuing development and increasing property prices show. Government focus on rehabilitation and refurbishment in recent years has also helped the creation of a market for conversion property and thus contributed to the increase in the extent of the refurbishment activity (Jones, et. al., 1996).

3.4. The Re-use Process: definitions

By definition, re-using listed buildings is a development activity. The Town and Country Planning Act 1990 defines development as: 'the carrying out of building, engineering, mining or other operations on, in, over or under land, or the making of any material change in the use of any buildings or other land' (Greenwood, 1992: viii). The development process is 'the process by which development agencies, together or on their own, seek to secure their social and

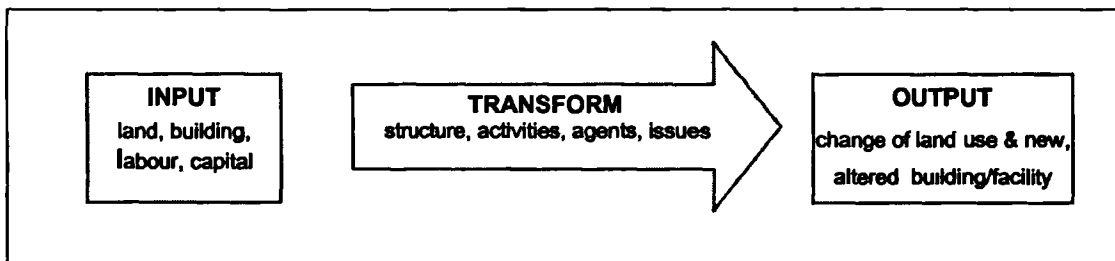


Figure 3.1. Development Process: input & output

economic objectives by the improvement of land and the construction or refurbishment of buildings for occupation by themselves or others' (Byrne, 1996: 3). 'Adaptive re-use is a

development process by which structurally sound older buildings are developed for economically viable new uses' (Woodcock, 1988: 49). These definitions are adopted for the purposes of this research.

References to the development process in literature draw an analogy between the property development process and the manufacturing process 'that involves the combination of various inputs in order to achieve an output or product' (Cadman, 2000: 2). Healey (1992) identifies the inputs as land, labour and capital. The output is the change of land use and/or a new or an altered building (Figure 3.1).

At a very basic level, this analogy holds true; however, it becomes problematic when the system is considered in a holistic manner. The fundamental reasons behind this are:

- the uncertainty associated with product characteristics throughout the process, but especially during the early stages; and
- the high variance of product characteristics in different projects, which emanates from the high variance of external factors that influence both the process and the product characteristics, e.g. local market demand, and unitary development plan

in property development. These call for a reiterative process during which the product is shaped through revisions of product development (design) in order to take the external influences into consideration. Hence, the relatively linear procedure in manufacturing does not apply to property development.

Having acknowledged the relevance of the manufacturing process analogy at the general level and problems inherent in it when it is used as a basis for detailed analysis, this section continues by arguing that the reiterative process during which inputs are transformed to an output is of significant importance in property development. In addition, this transformation takes place over a much more prolonged time frame than the manufacturing process. The complex relationships between the process components, the inputs and outputs, and the time component are important. Therefore, the task of studying the re-use process comprises defining its components and identifying the relationships between them. Understanding whether (if so how) the relationships change over time is an integral part of understanding the process.

The literature review on development process and its models (for example Cadman et al., 1978 & 2000, Barrett et al., 1978; DoE, 1987) showed that any attempt to describe sequence of events in the development process remained extremely generic, simplistic and selective. This was necessary in order to keep the models, which would otherwise become extremely complex, simple and relevant for a range of development types (Gore et al, 1991: 705). Thus, the models ignored the temporal and spatial variance of the development process in general and the re-use process in particular. Furthermore, the models by definition are sequential. This hindered the possibility of depiction and analysis of the iterative nature of the re-use process.

Moreover, the construct on process models which have recently been developed as a response to the Egan (1994) and Latham (1998) Reports' '[which ca ed] for productivity improvements' were normative and tended to edge towards developing protocols to achieve best practice in the

construction industry (Sarshar et al., 2001: 241). Developing protocols without analysing current processes is problematic because 'unless current processes are fully understood, then it is difficult to generate a route map from where we are to where we might want to be in the future' (Winch et al., 2001: 528).

The above stated reasons underlined the decision *not* to *describe* the sequence in a generic re-use process prior to carrying out the case studies and to devise a methodological approach that would enable the decomposition of the process to its dimensions as well as the depiction and analysis of the relationships between these dimensions. Therefore, the description of the re-use process is confined to the generic dimensions of the re-use process in the context of this chapter.

Generic components of the re-use process which have already been identified in the Introduction to this thesis (Figure 1.2) are:

- activities (events);
- agents;
- issues; and
- the site/building (Fisher, 1999; Guy, et. al. 2000).

3.4.1. Activities

Activities in a development process comprise actions undertaken and decisions made to create opportunities, evaluate options and choose the most viable option; the necessary agreements, contingency arrangements and contracts to implement this chosen option. The activities are 'influenced by the structure and they involve the interaction of one or more actors' (Fisher, 1999: 226). There is a wide range of activities that take place within the duration of a development process. It is not possible to present an exhaustive list of these. Thus, activities considered in this section are a representative sample and it is highly likely that there will be differences in the list from one project to the other.

Activities in a typical development process are:

- identification of development opportunity and its cost, market appraisal;
- land assembly;
- project development- including design and costing, planning application(s);
- financing;
- implementation;
- marketing and disposing of the site.

Despite the general view that these events follow a certain sequence, it is more likely that some of them take place simultaneously. Although some events listed above are pre-requisites for each other, it is not possible to prescribe a sequence. The only sequencing that can be taken as a default is that works on site should be preceded by planning permission. The sub-activities of these events and the agents who undertake them are detailed in the literature (see for example

Cadman, 2000). They will not be described here as any such definition has to remain on the general level in order to be relevant to all development types.

3.4.2. Agents

Key agents who are involved in the re-use process can broadly be divided into two groups: direct and indirect agents. Direct agents are 'directly involved in changes in that they initiate, design and implement development'. Indirect agents '[exercise] external, less direct influence, mainly through the statutory system of development control' (Larkham, 1996: 134).

Nutt (1997) divides the agents involved in a re-use process into five groups: developer group, producer group, marketing group, investor group, regulator group and user group. Given their potential influence on the development process through the planning consultation mechanism, the interest groups should also be added to the list of agents involved in the re-use process. Table 3.1 lists the agents involved in the re-use process. It is based on Larkham's (1996) and Nutt's definitions and categories.

DIRECT AGENTS OF RE-USE	developer group	those who undertake some or all of the investor, producer and marketing roles
	producer group	those who design, specify, cost and execute refurbishment projects
	marketing group	those who find users for buildings and buildings for users
	investor group	those who arrange capital to fund refurbishment projects and purchase buildings
INDIRECT AGENTS OF RE-USE	regulator group	those who ensure compliance with statutory requirements (related departments of central/local government, English Heritage)
	user group	owners, facilities managers and individual users of the building
	interest groups	general public, residents in the area, amenity societies & pressure groups

Table 3.1. Agents in the Re-use Process

Like the activities, it is not possible to provide an exhaustive list of agents who would be involved in different projects because an agents' involvement is dependent on a number of factors ranging from the developer's anticipation of process and project requirements to the characteristics of the building/site. For example, a developer might involve a planning consultant if he anticipates a difficult planning process in a project. On the other hand, he might manage the planning process himself where he sees his experience is adequate to attaining planning permission within a reasonable time-scale, such that financial viability of the scheme is not jeopardised as a result of programme delays emanating from delays in the planning process.

Detailed identification of the roles different agents play will not be carried out within the context of this chapter as any such attempt would remain speculative if it does not depend on empirical case data due to the high variance involved in individual projects. Here, it is enough to note that agents can take up additional roles alongside their default roles, eventually performing multiple roles through different stages of the process. For reasons that have already been explained, commentary on agent roles is left at this general level.

3.4.3. Issues

Developers, who are supported by a range of other professionals in the development team, are the 'prime motivator' in a development scheme (Sim, 1982: 89; Millington, 2000: 53). Despite this, the developers do not have a free-hand in maximising their benefit from the development, because their proposals for development on particular sites are evaluated in response to the government's request for proposals (Fainstein, 1994: 251), which is informed by the structure.

Figure 3.2 is an abstract depiction of the relationship between elements of the structure. As depicted in this figure, the wider structure of the economy, society and culture have an influence

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Figure 3.2. Model of Planning in Institutional Structure of Society

Source: Hall, et al. (1973: 101)

on shaping the relationships between individual agents and this influence is reflected in agents' development strategies (Soares de Magalhaes, 1996: 80) and the issues they consider to implement these strategies. However, these influences do not prescribe a rigid framework. The flexibility of the relationships between elements of the structure enables the agents to contribute to the shaping of this framework through devising means of achieving their objectives. Agents' incentives and their perception of how they can achieve their objectives thus identify the issues considered during the re-use process. The interviews carried out with professionals and the literature review indicated that the issues that are likely to be taken into consideration can be divided into five groups. These are detailed in Table 3.2.

economic	market demand project cost cost of financing the project
political	development control legislation
physical	building characteristics end-product characteristics site characteristics former building alterations
locational	area characteristics
project	project duration project risk & opportunity project constraints

Table 3.2. Issues in the Re-use Process

The interviews also indicated that the divergence issues and their varying significance for different agent groups can potentially result in tension and conflict between agents, supporting the findings of the literature review (Hall, et.al, 1973: 101). Easement of tension and resolution of conflict might require changes during the development process, e.g. revision of the design to accommodate incentives from the planning authority. It is for this particular reason that identifying the incentives of individual agents to get involved in the project and the inter-relationship between them is an integral part of understanding the property development process.

It can be argued that the potential of conflict between direct and indirect agents has been reduced as a result of the deregulation of the planning system in the 1980s that shifted the emphasis from social welfare protection to balancing this with business needs (Home, 1991: 292). The planning policies of the late 1980s which- promoted property development as a means of achieving urban regeneration also contributed to the reduction of conflict (Solesbury, 1990: 186).

Despite the above developments, property development and its control can be at odds with each other resulting in conflicts between direct and indirect agents. There are two fundamental reasons behind the persistence of conflict with specific reference to architectural heritage. Firstly, de-regulation tightened the control 'in areas where Conservatives wished to protect amenity, notably in the countryside, Green Belts and conservation areas' (Home, 1991: 292). Secondly, the planning and development sector values improved economic performance because it is a means to solve other problems, i.e. social, in an environment, while the development sector is interested in economic performance as a means to maximise profit. It can therefore be stated that the two sectors consider economic performance from different perspectives.

Direct and indirect agents' incentives for conserving buildings reveal that there is potential for this conflict to continue. Dobby (1978) divides the potential conflict areas into two: pro- and anti-conservation arguments and identifies their motivations.

Pro-conservation arguments, which tend to come from indirect agents, concentrate on a building's historic values, the higher quality of its artistic design; and its potential in establishing identity, fulfilling associational and psychological needs of the society (see Section 2.2). Latham (2000) further elaborates the justification of conserving buildings by stating that older buildings have an economic and functional value in addition to their historic and architectural value; and psychological significance for society. In economic terms, re-use is said to be a cheaper alternative to new build and a catalyst for economic regeneration. Functionally existing buildings are considered to inherit the potential to fulfil stipulations of alternative uses such as leisure. Conservationist justifications for the re-use of listed buildings oversee the wider aspects of re-using buildings such as the life-expectancy of buildings and their use value. Thus, they remain at a very simplistic level.

Anti-conservation arguments, which are mostly put forward by direct agents, state that conservation prohibits change, progress, and natural growth by imposing more distortions upon the market situation, which can reduce profitability for the sake of public interest and lead to social injustice. Commentators in the second group go even further by stating that conservation is the action of the middle-to-upper income groups in the society imposed on the lower income group at the cost of the latter. Although these arguments are no longer explicitly articulated, they underlie the disinclination of direct agents for the conventional wisdom in conserving architectural heritage.

This section has clearly shown that the issues which underlie the decisions made, and the activities performed by individual agents are spread widely. At this point it is sufficient to acknowledge the potential divergence of the issues that are likely to underline decisions taken, and the activities performed in any development project, and focus on the micro level influences on the re-use process.

3.5. Micro Level Influences

3.5.1. Development Control

The Listed Building and Conservation Areas Act 1990 states that 'no person shall execute or cause to be executed any works for the demolition of a listed building or for its alteration or extension [internally or externally]²² in any manner in which would affect its character as a building of special architectural or historic interest, unless the works are authorised'. Owners of listed buildings who are willing to alter the building in any of the above stated ways should apply

²² Article 3.1. of PPG15 specifically states that 'controls apply to all works, both external and internal, that would affect a building's special interest whether or not the particular feature concerned is specifically mentioned in the list description'.

to the local planning authority for a Listed Building Consent (LBC). The applicants are obliged to 'justify their proposals' under article 3.4. by showing 'why works which would affect the character of a listed building are desirable or necessary'.

The Government advises local planning authorities to make staff time available for pre-application negotiations, especially in large scale, sensitive schemes, before the formal LBC application is submitted, although they are not part of the statutory planning procedure. Article 2.11 of PPG 15 states that 'the Secretary of State attaches particular importance to [applicant's] early consultation with the local authority on proposals which would affect historic sites and structures'. The fundamental reason behind this advice is the anticipation that 'there is likely to be much more scope for refinement and revision of proposals if consultation takes place before intentions become firm and timescales inflexible' (PPG 15). It should be noted that the decision to make staff time available for pre-application negotiations remains with the local planning authority. Caseload at the time of decision making, sensitivity and size of the scheme are fundamental parameters in making this decision.

Once submitted, the application is considered by the local authority to decide whether to grant LBC or not. It should be noted that the decision-making power lies with English Heritage or the Secretary of State for the Environment for buildings of outstanding national interest (normally Grade I and II* listed buildings) nationwide and all listed buildings in London. If the listed building for which consent is sought falls into this category, local authorities must notify English Heritage or Secretary of State to see whether they are 'minded to give consent'.

English Heritage should be notified about LBC applications affecting Grade I and II* listed buildings nationwide. In London, the obligation to notify English Heritage extends to Grade II listed buildings; thus, London boroughs should notify EH of all LBC applications they receive. On receiving the application, EH must notify the Secretary of State so that he can consider 'calling in the case'. If The Secretary of State does not call in the application, then EH has to decide whether to authorise the borough to make the final decision about the application. The extent and type of works proposed play a prominent role in making this decision. Where proposed works are not substantial and/or potentially controversial, EH authorises the local authority to determine the case. It should be noted that it has been common practice for EH to delegate their responsibility to give consent to relevant London boroughs for proposals for minor alterations and extensions to listed buildings since 1993²³ (English Heritage, 2001). The fundamental aim behind adopting this strategy is to cut out the notification process statutorily required; thus, speeding up the planning process.

LBC applications to carry out works on a Grade I or II* building should be referred to the Secretary of State as well as EH outside London. In addition to these applications, the Secretary of State should be notified about applications for substantial demolition of Grade II

²³ 'The Secretaries of State for Environment and National Heritage agreed that EH should devolve more responsibility to the relevant London Boroughs in decision making in 1993' (Pickard, 1996: 80).

buildings. The Secretary of State considers whether to 'call in' the application. At this stage, the Secretary of State seeks English Heritage advice on whether he should intervene. Intervention means that the case is called in for the Secretary of State's decision, usually after a public inquiry. If he does not intervene, the right to decide stays with the local planning authority.

LBC applications have to be complemented with a planning application if proposed works are categorised as development under Town and Country Planning Act 1990 (see Section 3.4., p. 43). Article 2.13 of PPG 15 states that 'it is generally preferable for both the applicant and the planning authority if related applications for planning permission and for listed building consent are considered concurrently', so that the decision whether to grant planning permission has a 'special regard to the desirability of preserving the building or its setting or any features of architectural or historic interest which it possesses' as directed by the 1990 Act.

In addition to notifying EH or the Secretary of State, the local planning authorities should also notify members of the public by publishing the particulars of an application in a local newspaper, displaying notices on or near the land and sending letters to residents living in the close vicinity. The local authority should make information supporting the application, e.g. drawings, plans, photographs, and the application itself, available for public inspection. Members of the public and relevant amenity societies have twenty-one days within which to send their opinion about the proposal after the application is publicised. The local authority or relevant body making the decision should take any representations relating to the application into consideration while they are determining the application.

After receiving the application and notifying the necessary organisations, local planning and conservation officers prepare a report on the proposal by taking the following criteria into consideration:

- the importance of the building;
- its intrinsic architectural and historic interest and rarity;
- the particular features of the building which justify its inclusion in the list;
- the building's setting and its contribution to the local scene;
- the extent to which the proposed works would bring substantial benefits to the community.

The report outlines the proposal, the case background and representations from the public. It also includes the officers' recommendations about the final decision. This report is submitted to the Planning and Conservation Committee, which is comprised of the local councillors and which has the ultimate decision-making power on the application. Besides this report, any representations from organisations like EH and amenity societies are forwarded to the Committee so that they can make an informed decision about the case. If the Committee decides to grant planning and listed building consents, then a Section 106 Agreement²⁴ is

²⁴ Section 106 Agreements are legally binding concerning issues like phasing of development, making public services available within certain time-tables, and securing developer's financial contributions to the

signed between the applicant and the local authority. A Section 106 Agreement is legally binding. '[It] enables development proposals to be handled in a more positive manner than through the essentially negative mechanism of development control' (Greed, 1996: 63). Once Section 106 Agreement is signed, the construction works on site can proceed.

However, the applicants might have to make subsequent planning applications if the planning consent and listed building consents have conditions attached to them. These conditions are usually related to further detailing of design, like submitting material samples for finishes for approval by the local planning authority, conditions and timing of occupying the buildings when construction works are complete, and timing the implementation of certain aspects of the scheme, e.g. landscaping so that holistic implementation of the scheme is guaranteed. Subsequent applications must be made to discharge these conditions before implementation can proceed on site.

3.5.2. Building Control

All material changes to buildings are subject to building control regulations in order to ensure 'the health and safety of people in and around buildings'. This is achieved 'by providing functional requirements for building design and construction. In addition, the Regulations promote energy efficiency in buildings and contribute to meeting the needs of disabled people' (DoE, 1984). Until recently, the developer group needed to seek approval for compliance with these regulations only if the works they proposed affected structural safety, fire safety, and access for disabled people. The recent amendments to the Part L of the Building Regulations seek to improve energy performance of all buildings including existing buildings. Thus, now most modifications to a building should comply with the building regulations (English Heritage, 2002b). The local authority building control department and approved building control inspectors are authorised to give this approval.

Compliance with the building control regulations can pose a dilemma in listed buildings because of the specific architectural and historic characteristics of these buildings (Pickard, 1996). The recent amendments to the building regulations as well as the 1991 amendments '[recognize] the need to conserve the special characteristics of historic buildings' (English Heritage, 2002: 10). Therefore, the developer group can expect a certain level of flexibility in compliance with the building regulations in re-using listed buildings. Even so, it is necessary to adopt a flexible and sophisticated design approach in order to be able to achieve the minimum level of compliance with building regulations such that the occupants' and users' health and safety are not jeopardized. Negotiations between the architect, the conservation officer and the building control officers provide the means to agree on how the building control compliance problem can be overcome in re-using listed buildings.

provision/upgrading of the infrastructure, which the local authority has to carry out to make the site 'serviceable'.

3.5.3. Meeting the Changing Demand Characteristics

The future has become highly unpredictable beyond the three-to-five year period because of the increase in the pace of change (Nutt, 1997: 113). This unpredictability also applies to changes in the micro level demand side characteristics. Thus, buildings gradually start becoming obsolete soon after they are built or converted because their performance levels in their

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Figure 3.3. Asset Performance Over Initial Design Life

Source: CIRIA, 1994:6

destination use for their intended occupants start falling. There are different forms of obsolescence. It can be rental, condition, building, tenant (or functional) and community (Sim, 1982: 12). When buildings become obsolete in any of these forms, they carry the risk of becoming under-utilised or vacant. Action has to be taken to solve the obsolescence problem and thus give the building a new lease of life or replace it.

Because of their 'considerable life-expectancy' and 'place fixity', buildings can be used as a resource (Bryson, 1997: 1440). Nutt (1997: 114) argues that the transience of the demand side characteristics lead to a shift in the means of supplying space and facilities from procuring new buildings to the adaptive re-use of existing buildings. This is a move towards using buildings as a resource and points to the fact that the property development and management strategy has started to revert back to the re-use of buildings which was the usual practice until the Industrial Revolution (Cantacuzino, 1989:8). Therefore, the relatively easy strategy of disposing of the building by demolition at the instance they become obsolete is no longer considered to be the only solution to the problem of property obsolescence.

Thus, the building life-cycle is characterised by a series of transformations and adaptations in order to fulfil the changing demand requirements. These can take the form of maintenance, repair and refurbishment depending on the width of the gap between the supply side

characteristics of the building and the demand side characteristics. Figure 3.3 and Figure 3.4 depict the decreasing structural and functional performance levels and the alterations to improve them throughout the life-cycle of the building.

The red line in Figure 3.4 refers to the point in time when the building becomes obsolete for its owners/occupants requirements. Owners/users identify the development alternative that best

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Figure 3.4. Functional Degeneration

Source: Cowan, 1963: 68

suits them at this point. The options at this stage of the building life-cycle are given in Figure 3.5. The focus of this thesis lies at the bottom of this figure, i.e. the decision to market the site/buildings and the building transformation which takes place thereof. In this respect, the commencement of the adaptive re-use process is identified as the time when the users'/owners' realise that the building became obsolete in one form or another and start considering the options to solve this problem. The re-use process is considered to be complete when the building is occupied by its next generation of occupants. This duration is indicated with the red line in Figure 3.3.

It is evident from this figure that this process is short when compared to the complete building life-cycle. However, the dynamics of this process are important as the building cannot find a new lease of life unless this process takes place. Therefore, this thesis focuses on this

particular section of the building life-cycle leaving the rest of the building life-cycle out of its scope.

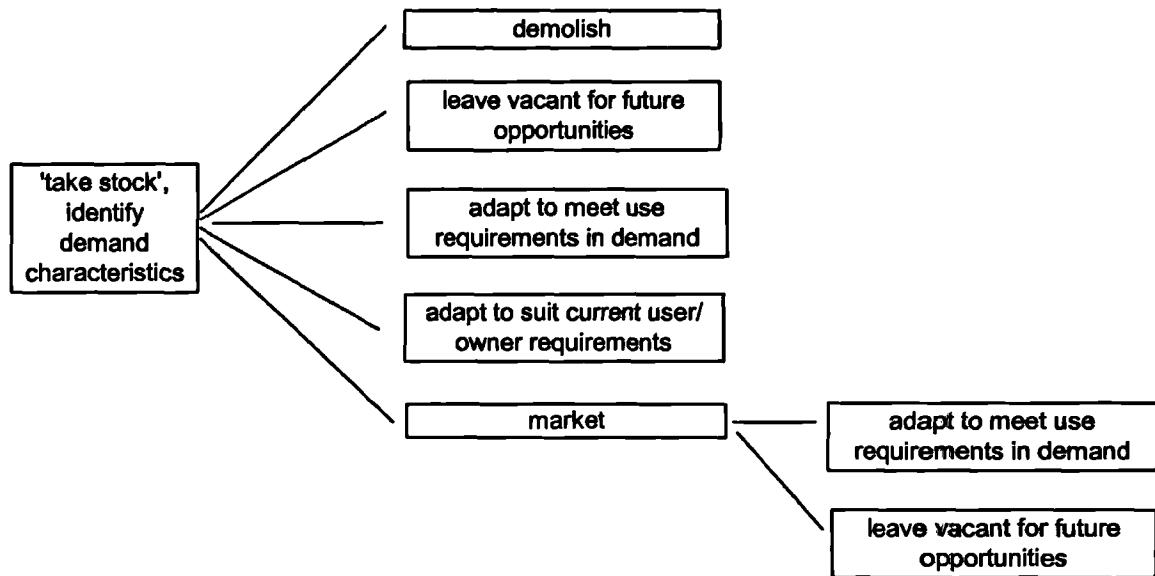


Figure 3.5. Development Options

3.5.4. Supply Characteristics

Building characteristics are diverse. Every existing building inherits a different set of structural, constructional, spatial, environmental, servicing, financial and operational characteristics and a sub-set of factors under these characteristic groups. Nutt et al. (1997) identifies which of these characteristics and factors are significant for adaptive re-use. These characteristics, which are divided into three groups, are listed in Table 3.3.

The significance of individual characteristics and factors will change from one project to the other. Therefore, they have to be considered on a case by case basis. The development control mechanism with specific reference to listed buildings and the conservation ideal reviewed in the previous chapter indicate that the 'character' of the existing building is likely to take precedence over other supply characteristics for the regulator group, specifically the conservation officer and the historic buildings inspector of English Heritage. On the other hand, the developer group will have to consider all these characteristics in developing their proposals.

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Table 3.3. Significant Supply Characteristics for Adaptive Re-use

Source: Nutt et al. (1997)

3.6. Concluding Remarks

The review of the influences on the re-use process showed that the developments during the 1990s have created favourable conditions for re-use as a development type. The literature review (specifically Llewelyn Davies et al., 2000; DETR, 1998; CIRIA, 1994) and interview data revealed that the following factors contributed to the recent increase in conversion/re-use activity:

- interaction between the market for original and destination uses;
- presence of market demand for conversion property;
- technological and social changes that decreases the demand for original uses; thus, renders buildings surplus for their original use;
- willingness of property developers to get involved in conversion schemes (adaptability of building as a function of its characteristics and market strength)

giving indications about the anticipated value of product are fundamental parameters in making the decision to get involved);

- market values rendering certain locations more favourable for conversion than others;
- presence of former schemes completed successfully by pioneering developers;
- attitude of local authority to conversion schemes (especially from commercial/industrial to residential leading to job losses);
- public funding ('pump funding' as termed by Joyce Bridges of Government Office for London) available through partnership schemes;
- buoyant economy;
- public opinion in favour of conservation;
- the possibility of achieving higher densities in conversion than new built; and
- testing of conservation legislation through public enquires which gave judicial support to conservation law; thus, decreased the chances of appeal against it.

It can also be argued that these factors can hinder the re-use of listed buildings in areas where they are not present. This is a valid argument. However, ensuring that these factors are present in areas where there is a high concentration of listed buildings would increase the chances of a new lease of life for these buildings. In this respect, these factors are useful in identifying potential areas of improvement to create more favourable conditions for adaptive re-use.

This chapter has also shown that the recent political/regulatory, social, technological, economic and environmental *changes* created these opportunities. On the other hand, the review of the micro level influences indicated that the development group can be confronted with challenges during the re-use process. Moreover, Chapter 2 argued that the antiquarian pre-occupation with preservation can become an impediment to the re-use of listed buildings as it is preconditioned *against change*. It can thus be more difficult to exploit the re-use opportunities in the context of listed buildings. The following chapter concentrates on the consequences of this condition with specific reference to the potential challenges that need overcoming during the re-use process.

CHAPTER 4 Linking Ideology and Implementation: dynamics of adaptive re-use

'It is not sufficient that preservationists and other activists "desire" that the building be saved. That desire has to come from a broad segment of users of real estate in the market place. And this cannot be in metaphysical abstract. It has to be expressed with a chequebook.'

Rypkema, quoted in Oc, et. al, 1996: 17

4.1. Introduction

The previous chapter concluded that the opportunities for refurbishment and re-use which emanated from the changes in the macro level forces may not be easily exploited within the context of listed buildings because of the specific characteristics of the re-use projects and the process. Re-use projects and processes are distinguished from mainstream adaptive re-use projects for three basic reasons. Firstly, over-emphasising the virtues of a building as an artefact by listing it results in equivocalness and dichotomies associated with the values of the building and the extent to which these can be altered. As a result, a disparity emerges between the perceptions of and expectations from a building as an artefact and as property. Secondly, the gap between the supply and demand characteristics is much wider in listed buildings mainly due to the time-lag between when the building was constructed and the present. Therefore, finding the balance between demand and supply characteristics might require extensive alterations to the building which are not usually favoured by the indirect agents. Thirdly, the reasons behind the direct and indirect agents' involvement in re-using listed buildings are contradictory. Because of these reasons the re-use process is characterised by a constant tension between the forces of *change* and *retention*. This tension is in addition to complexities inherent in the refurbishment process of which re-use is a sub-category.

This chapter aims at identifying the specific characteristics of re-using a listed building. It starts with the comparison of new built and refurbishment/re-use projects in order to reveal the differences between these types of development. It then focuses on the tension between change and retention so that the challenges which it results in can be specified. Based on these discussions, specific dimensions of the re-use process will be identified at the end of this chapter. The pilot study will be founded on these dimensions.

4.2. Development Types: new build & refurbishment/conversion/re-use

The comparison of the different development types had to remain at the more generic level of a comparison between a new build project and a refurbishment project rather than the more

specific one between the re-use of a listed and an un-listed building. This was a consequence of the limited literature.

The literature review on the characteristics of different development types has shown that research has been done on the comparison of new build projects and refurbishment projects (for example Highfield, 2000; Egbu et al., 1998; Marsh et al., 1998; Egbu, 1997; Young et al., 1996). However, no literature on the comparison of the process of re-using listed and un-listed buildings could be located.

Moreover, it was not possible for the author to make this comparison as references to adaptive (re)use of listed buildings did not offer an insight to the process. These references can be divided into three broad groups:

1. references which locate the emergence of the idea of conservation through (re)use within the context of the history and theory of architectural conservation (Jokilehto, 2000);
2. references which are an extensive account of the legal constraints and implications of adapting a listed building to new uses (Delafons, 1997; Pickard, 1996);
3. case monographs that dwell on the before and after stories of selected buildings, and/or building types (Moore, 1998; Larkham, 1996; Stratton, 2000).

It is possible to find insights to the dimensions of a re-use process in the case monographs. However, these insights are confined to the building type, viz. industrial buildings, and/or an area, e.g. the Midlands (Ball 1999), that the monographs focus on. Moreover, these studies concentrate on the mechanics of the process and its management. Thus, the 'softer' issues, e.g. perceptions of agents, which the interviews suggested to be significant have not been captured in these studies. Lastly, most of these studies do not dwell on the relationships between dimensions of the process. It can therefore be stated that dimensions of the development process and the relationships between these dimensions in the context of re-using listed buildings have yet to be studied.

Egbu et al. (1998: 316) state that 'refurbishment is generally accepted to be of higher [uncertainty and] risk, and more complex²⁵ than new build, and needs greater co-ordination'. In addition, the project programme and costing, and team assembly should be managed such that specific characteristics of a refurbishment project can be addressed. The differences between refurbishment and new build are mainly a consequence of the nature of work in the refurbishment of non-listed buildings. The gap between the characteristics of new build and re-

²⁵ There are a variety of definitions of complexity used by practitioners in property development and construction. It is not the purpose of this section to go into the details of defining project complexity. A literal definition of the word is enough to convey the idea of complexity as it is used in the context of this thesis. The Oxford Dictionary of English defines 'complex' as 'that consisting of parts or elements united or connected together'. The definition also includes references to the intricacy of the way these parts or elements are united, and the difficulty of understanding these relationships. All these references are also adopted.

use projects is much more pronounced due to the specific planning controls listed buildings are subject to.

All development projects contain a certain degree of uncertainty thus risk. Generic reasons behind risk and uncertainty in property development are well reported in the literature (Byrne, 1996; Millington, 2000). Therefore, uncertainty factors and the consequent risks specifically associated with refurbishment and re-use projects will be considered here.

The first and most important factor that increases uncertainty in refurbishment projects is the possibility of discovering unforeseen conditions at almost any point in the development period and the difficulty of data location on the asset (CIRIA, 1994). Because of the relatively long period during which unforeseen conditions can be discovered, cost of refurbishment projects are more uncertain than those of new build.

The degree of uncertainty further escalates in listed building re-use projects as a consequence of the conditions of planning permission and listed building consents. Considerable delays and cost increases can occur as a result of these because the majority oblige the use of specialist construction, maintenance and repair methods compatible with the building characteristics, which can be expensive and time-consuming to procure. Furthermore, information on the precise cost and availability of such specialist works are not readily obtainable. In addition, some of the conditions may require subsequent planning applications to be made. These can result in unexpected programme delays and cost increases. This points to the fact that uncertainty associated with the permissible extent of development, which is confined to the acquisition stage of the process in other types of development (Byrne, 1996: 4), continues throughout the process in re-use.

Involvement of a higher number of agents and the need to take a higher number of issues into consideration increases the complexity of the process. For example, the architectural, structural and historic characteristics of an existing building, which have a direct influence on the suitability of property for conversion (Llewelyn-Davies, et al; 2000: 10), are a significant input to the design of the scheme. Therefore, there is 'the need to focus the approach of design on detection and analysis' (CIRIA, 1994) so that these characteristics can be incorporated in design.

The most significant difference between a listed building re-use project and new build project in terms of the project programme is the potentially prolonged planning process, which is said to emanate from the involvement of English Heritage (EH). This applies to all Grade 2 listed buildings in London. This brings in another set of interactions between agents and another agent with incentives similar to (but not necessarily the same as) the local authority's, further adding to the complexity of the project.

Furthermore, there is the need to make time available for early discussions with the statutory bodies. This is another characteristic of re-use project, which might have an impact on the project programme. The objectives of the local authority outlined in their Unitary Development

Plans (UDPs) and the planning briefs for major development sites and those of EH should be accommodated in the design of the scheme for they determine the extent and type of alterations that would be granted consent. They are only outlined in the above stated documents, they are subject to the interpretation of planning officers and historic building inspectors. The guidance notes state that it is advisable to have pre-application discussions with statutory bodies to avoid non-starts. Time to have such discussions needs to be built in the project programme.

The cost of conversion and anticipated value of the end-product are fundamental inputs in assessing the viability of a building for conversion. There is a critical balance between them in the re-use of listed buildings. The cost of a project can be higher than new build due to the necessity of employing special methods of construction. Conversely, the value of the end-product can be lower than new build projects specifically for end-uses that require standard spatial arrangements, e.g. retail. However, the period characteristics and uniqueness of the building can enhance the end-value. Thus, there is the need to integrate the impact of building characteristics both on cost and value at the earlier stages of the process. This may prove to be difficult due to scarcity of information, e.g. cost of specialist construction methods, delays in obtaining materials and lack of experience of quantity surveyors, whose methods are probably geared to appraising new building projects. This difficulty can be further accentuated by the prejudices of the agents involved, who can underestimate the opportunity of achieving higher end-product values and overestimate the cost of conversion. The results of research recently carried out by the British Property Foundation provide supportive evidence for this argument (Freer et al., 1999). The 'cost of conversion relative to redevelopment' ranked as the second most important barrier to conversion to residential use after 'unsuitability of buildings'. Such prejudices can result in unapprised decisions to avoid re-use/refurbishment projects.

Team assembly is another dimension of the re-use process, which should be handled in a different way from new build to ensure that team members have adequate knowledge of re-use projects and they are involved at the earlier stages of the process to allow for longer lead-time into the project (CIRIA, 1994: 3). The downside of involving team members early is the increased cost of professional fees unless agents are engaged subject to planning consent. Another factor that increases the cost of professional fees is the need to employ senior professionals, because managing the risk and complexity of a refurbishment project requires a higher level of involvement and supervision from senior members of the project team (Egbu, 1997: 343).

The above review has shown that there are minor differences between new build and conversion projects in general terms, i.e. dimensions of process. However, there are indications that soft issues, such as agent competence, timing of different activities, and statutory controls, can be of significant importance in achieving success in a re-use project. Therefore, the research design should accommodate the need to understand the soft issues associated with the process as well as its components and the relationships between the components. Two

sections following this one concentrate on development and construction process models to ascertain whether any such research model has already been developed.

4.3. Listed Building as property and as artefact: the tension

Listed buildings have a dual character both as cultural property (artefact) and as real estate (Thomas, 1996). In effect, all buildings except purely utilitarian ones, e.g. warehouses and sheds, inherit this dual character. However, the duality is more pronounced in listed buildings, because listing accredits cultural properties as more important than real estate properties of a building. Individual (groups of) agents recognise different characteristics of a building and values attributed to these characteristics as being more important than others. Which building characteristics gains precedence over others depend on the primary incentives of agents that are reflected in their project objectives. The interviewees generally acknowledged that there was a gulf between these objectives and asserted that this gulf was a natural outcome of the difference between wider scope, political ambitions and ambitions of individual agents. Therefore, the gulf is usually between the indirect agents' incentive to retain and enhance cultural properties of the building and the direct agents' incentive to capitalise on real estate properties of the buildings. Thus, it is important to consider both different characteristics of a listed building and how these characteristics are perceived by individual agents in order to understand the dynamics of a re-use process.

In addition to the partial accreditation of cultural and real estate properties, listing leads to discrepancy between values attributed to different characteristics of a building and generic values of agents. Pultar (2000: 163-164) categorises values attributed to a building and details individual values in each category in a non-exhaustive list (Figure 4.2, 4.2, 4.3). These values are divided into three broad categories: socio-cultural values, percepto-cognitional values and technical values. Although it is a rather out-dated approach to understanding a building and the forces that act upon it, values attributed to a building and their categorisation is useful in identifying the potential gap between the agents' perception of a listed building.

Architectural and historic characteristics of a listed building are attributed values that are among the socio-cultural and percepto-cognitional values. Technical values of a building are fundamentally associated with the building's characteristics as real estate and its performance in use.

The priority ranking of these values for individual agents depends on their incentives to get involved in the development process. Central and local governments, as primary indirect agents, aim at enhancing the built environment for general public benefit. As it has already been stated, the primary incentive behind involvement of direct agents in a development

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Figure 4.2. Technical Values

Source: Pultar, 2000

Figure 4.1. Socio-cultural values

Source: Pultar, 2000

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Figure 4.3. Percepto-cognitive Values

Source: Pultar, 2000

process is profitability of the proposal under consideration (Millington, 2000:158). Therefore, socio-cultural and percepto-cognitive values are the prime values of the building for the indirect agents, while direct agents pay attention to its technical values. Direct agents aim at enhancing technical values of a building so that its use performance is acceptable to the occupant. They utilise the percepto-cognitive and socio-cultural values of a building as a means to increase market value of the building.

The development control mechanism and the development proposal are the means through which indirect and direct agents manifest their intent. Individual agents operate these means, so that building values they consider to be of primary importance for the development are enhanced when the development is complete. Hence, development control and the proposal are biased towards the values that agents prioritize. This attitude became evident during the interviews. For example, the conservation officer interviewed at the London Borough of Tower Hamlets stated that they bid for a CAPS²⁶ on the A11 corridor in order to 'protect it from destruction' and 'insensitive development'.

Listing, as an integral part of development control in buildings of historic and architectural interest, is a recognition of the superiority of socio-cultural and percepto-cognitive values to the technical ones. The fundamental incentive in listing is to retain and enhance these values. It therefore imposes restraints on the extent of development constraining the owner's/developer's options to manage it (Lichfield, 1988: 201). Direct agents interviewed referred to this limitation as the fundamental reason behind a developer's reluctance in getting involved in re-use projects.

Furthermore, listing might detriment the use value of a building, which is a constituent of its real estate property, in favour of its cultural value. This accreditation inherits conflict, because the primary value of a building derives from its use not its cultural value, except in monumental buildings constructed for symbolic purposes instead of utilitarian ones (see Lichfield (1988) chapters 8 & 10 for an elaboration). It can therefore be stated that re-using listed buildings is more challenging than other types of conversion projects as it requires overcoming challenges such as resolving the conflict between different values attributed to a building in addition to other factors that are inherent in refurbishment projects.

4.3.1. Impact of Listing on Development Cost & End-product Value

Having acknowledged the constraints of listing, direct agents respond to the development control mechanism with a development proposal, which is founded on the interaction between their perception of property demand, the performance of a building in fulfilling stipulations of anticipated spatial demand, the cost of development and the anticipated value of the scheme

²⁶ HERS stand for Heritage Economic Regeneration Schemes. It is funding mechanism similar to CAPS and funding comes from Heritage Lottery Fund.

(Lichfield, 1988). Cost of development and anticipated value of the end-product are the fundamental parameters in appraising the proposal (Millington, 2000: 14). This is why it is important to identify in what ways listing affects these parameters.

The sum of site purchase costs, building costs, professional fees and expenses, costs of disposal, holding costs and any other cost associated with a particular proposal gives the total cost of development (Cadman, 2000; Millington, 2000). Among these, listing is most likely to have an impact on site purchase costs, building costs and professional fees.

'It is a generally accepted principle of property market economics that the market value of a site (including any buildings on it) is determined by the present value of expected net future income from the building's use, or the capital value of the cleared site' (Scanlon, et.al, 1994: 3). As clearing the site is ruled out by listing, the market value of the buildings depend on the expected future income from the uses the building can accommodate. The local authority determines these uses and the extent of permissible development. Therefore, listing affects the market value of the building. Evidence from both the literature review and the interviews point to the fact that the impact of listing on market value is a function of:

- demand and supply relationship in the area;
- adaptive capacity of the building (its efficiency and flexibility in destination use) as determined by its original function, fabric and spatial layout; and
- the efficiency and flexibility required by the destination use (Lichfield, 1988; Scanlon, 1994) and,
- attitude of local authority to altering buildings²⁷.

Table 4.1 shows consequences of the inter-relationship between these variables in the resultant market values. It is not intended as an exhaustive list of all probabilities. Only five of the possible scenarios are presented in this table in order to show how demand-supply relation, adaptive capacity of the building, destination use requirements and the local authority attitude influence the market value of the building. Although all these factors have an influence on the market value of the building, it is evident from scenarios 2, 4 and 5 that the demand-supply relationship and from scenario 3 that adaptive capacity of the building influence the market value of the buildings.

Scenario 1 offers an opportunity for the developers, because they can expect to increase their profit margins as purchase costs of such listed buildings can be lower than un-listed buildings in the area (Llewelyn-Davies, 2000: 127). Furthermore, listed property in buoyant areas can attract higher sales values if the destination use proposed does not require very specific provisions (Lichfield, 1988:72). Under these circumstances the challenges associated with re-use projects

²⁷ Conservation officers from local authorities stated that the extent of control they impose on building owners/developers depends on the age, character and condition of the building; and the source of investment. They confirmed that they had a much more stringent control over alterations to buildings which receive grant aid.

are counter-balanced by higher levels of profits, creating an incentive for the developers to get involved.

SCENARIO	1	2	3	4	5
Demand-supply relation	Demand > supply	Demand > supply	Demand > supply	Demand < supply	Demand < supply
Adaptive capacity of building	high	high	low	high	high
Destination use requirements	non-specific	specific	non-specific	specific	non-specific
Local authority attitude	allows required changes	does not allow req. changes	allows required changes	allows required changes	does not allow required changes
IMPACT	market value is not affected	market value affected moderately	market value affected extensively	market value affected extensively	market value affected extensively

Table 4.1. Influence of Listing on Market Value (based on Scanlon, et. al,1994)

On the other hand, there is a higher risk of listed building obsolescence in non-vibrant areas, almost independent of the building's adaptability potential (scenarios 4 & 5). Market value of all buildings tend to be lower in such areas reflecting the absence/scarcity of demand (Scanlon, 1994). This results in reluctance among developers to get involved in re-use projects in these locations as demand levels critically constrain the market potential for the end-product. The solution to this problem requires active involvement of indirect agents, especially central and local governments, in the development process to create a market demand by providing the initial funding to regenerate the area.

Market value of a building is also dependent on its marketability which is a function of its anticipated performance in use and the size of demand. Indirect agents' reluctance to change may jeopardize building performance in destination use. Furthermore, listing may constrain the development options by narrowing the consumer market. Limited consumer market does not necessarily mean lower market values. If manipulated in the right manner, the unique characteristics of a listed building and the rarity of the building can be used as a means to enhance the value of end-product within the limited market.

In addition to its impact on the market value of the building, listing has an inflammatory impact on building costs in some cases. This is a consequence of the sophisticated conservation techniques required, which are more costly and less readily available than standard methods of construction. Scarcity of traditional materials and craftsmen are the two fundamental reasons behind potentially higher cost of such specialist works. In cases where these result in extensive programme delays, scarcity of traditional materials and craftsmen increase the cost of financing the project.

Evidence from the interviews have shown that agents, such as Royal Palaces Agency, who heavily depend on traditional construction techniques and materials, overcome the above difficulties by educating craftsmen in-house and sustaining their relationship with suppliers of specialist materials over a long period of time. However, such measures do not suit the

individual construction company as adopting a similar strategy would increase their overhead costs. This is undesirable in an environment where construction companies strive to keep their overhead costs low. Un-viability of adopting such strategies becomes even more explicit when the low frequency and high specificity of traditional materials and craftsmen requirements are considered.

Furthermore, the cost of professional fees can be higher in re-use projects. There are two fundamental reasons behind this. The first is that the potential need to commission additional consultants in order to address listed building issues. For example, local authorities might require that developers commission architectural historians who would not be involved in other types of development to carry out research on the historic background of the buildings and the site. The second one is the longer lead times required for refurbishment projects. The cost associated with professional fees would be higher if the developer chooses to incorporate a longer lead time into the process, and thus commission professionals earlier and for a longer period than they would in other types of projects. Although adoption of this attitude necessitates more investment at a stage when risks are high, it facilitates the reduction of uncertainty, thus risk, in the subsequent stages.

Value Added Tax (VAT) should also be considered in association with the cost of works on listed buildings. There is a series of complex rules that govern the VAT rates in listed buildings (see Richards, 1996: 200-202; HM Customs Excise (1997)). Although 'alterations' to a listed building which is designed as a dwelling (or will be so on completion of the work) is zero-rated, it is highly likely that all works carried out in a re-use project would be subject to VAT as 'incidental alterations', viz. alterations carried out in connection with or subordinate to repair and maintenance work. Therefore, ambiguity is involved in identifying the work-packages, which are eligible for zero-rate. Usually, a high percentage of the work-packages are subject to VAT, potentially increasing the cost of re-use projects.

Finally, it should be noted that the relationship between cost and value is more important than the individual cost and value of the scheme. All interviewees accepted the significance of quality and the long-term value of the product independent of the timing of the disposal and thus duration for which they kept the product in their possession. It can hence be concluded that direct agents are no longer concerned about reducing the cost to an absolute minimum as they were in the 1960s. Cost increases are contained within the proposal provided that they enhance the end-product value. This change mainly came with the Government initiative of sustaining and enhancing the quality of the built environment. John Gummer, former Secretary of State for the Environment, took the lead in Government by publishing a document titled *Quality in Town and Country* (DoE, 1994b).

4.4. Balancing the Supply & Demand

Utilisation of a resource is dependent on its interaction with demand. Therefore, a successful interaction between listed buildings as a resource and the contemporary spatial demand should be in place if they are to be used. In the absence of such interaction, listed buildings are bound to become 'isolated from the natural economic, functional and social life-cycles identified for buildings in general' (Larkham, 1992: 155; see Chapter 8, in Lichfield (1988) for an elaboration). This isolation results in obsolescence and dilapidation, which is undesirable from a conservationist/protective point of view as well as from an economic one where the fundamental aim is effective utilisation of resources.

Adapting the buildings to suit contemporary demand is a solution to the problem of isolation within the context of listed buildings. This requires *changes* to the buildings which is not always in accordance with the indirect agents' desire to make use of listed buildings in ensuring *continuity* in the built environment. This section concentrates on the concepts of continuity and change with respect to the society and the individual building in order to identify how these interact.

4.4.1. Continuity & Change

The environment which societies live in is moulded, transformed and reshaped by the long process of human history and cultural evolution (Halsey, 1994:5). Social, economic and technological changes are also influential in this transformation, in which both continuity and change play a part. Cultural, social, economic and technological changes result in pressure to change the environment. Making these changes does not result in disturbances as they are counter-balanced by continuity in a society's traditions. This continuity creates a sense of belonging and identity, which facilitates a smooth transition from one condition to another in an otherwise 'kaleidoscopic and chaotic environment'²⁸.

This also applies to the built environment, which is an integral and significant part of the environment in which the society lives. Within the built environment, 'continuity may be understood as the use of existing structures and elements, incorporating minor transformations to adapt them to new activities and styles of life. [In contrast,] change may be interpreted as the process of modification of urban structures to the extent of major transformations or substitution of the elements in order to meet the same social requirements' (Zancheti et. al, 1997: 39).

Sustaining *material* continuity within the built environment and avoiding extensive changes to it is the ideal of the conservation movement. The fundamental and often referred to justification is that continuity contributes to the creation of a sense of identity within society while extensive

²⁸ Quoted in an interview with Jack Anderson. This is the underlying justification behind the pro-conservation assertions, in the very early days of the emergence of the idea of protecting relics of the past. Here, it should be noted that this argument has been counterbalanced with the claim that a protective attitude towards our past is an obstacle in the way of development.

changes create 'a sense of loss' (Fielden, 1982; Lichfield, 1988; DoNH, 1996; DETR, 2000b; DCMS, 2001). Therefore, 'the support for conservation is not based on the need for sustainability or the economic virtue of re-use of resources, but rather on the profound sense of unease about the future and a sense of loss of what is perceived as being destroyed' (Thomas, 1996: 3). This explains the dominance in the conservation discourse of the ideal of retaining buildings as they are found resulting in the mummification of buildings.

The perseverance of indirect agents in justifying the need to conserve buildings with the continuity argument is in conflict with the urban system. Allison (1987: 16) states that the ideal of conservation is 'hopelessly, even incoherently optimistic' as 'urban areas consist of immensely complex systems of relationships between people[s needs and choices] and buildings'. Equilibrium models of the development process assert that this relationship is contained in the development process whereby the people's need for space (demand) triggers property development for the production of space (supply) (Healey, 1991). Sometimes, this relationship is reversed and demand is created through the marketing of a particular 'supply'. The relationship between demand and supply is also under the influence of the wider political, social, economic and cultural factors that shape the structure within which the development takes place.

Finding the balance between demand and supply in listed buildings involves contradiction. This contradiction stems from the gap between people's contemporary needs and choices; and characteristics of the existing building. Closing this gap necessitates changes to the building. On the other hand, the conservation ideal, which finds its strongest manifestation in politics of conservation, aims at reducing these changes to a minimum. It is in this relation between the need for change triggered by demand and the ideal to minimise change triggered by the conservation movement that the contradiction lies. Therefore, there is the need to find a balance between continuity as an ideal of the conservation movement and change as a characteristic of the contemporary society if the buildings are to be occupied, and thus fulfil their primary function. This need was acknowledged by both direct and indirect agents who were interviewed.

Hasol (1995) defines a building as 'a structure, which is constructed to be lived in or to house certain functions'. It should be noted that this is an utilitarian definition that may not hold right for monumental buildings, which are out of the scope of this study. Abiding by the above definition, the primary function of an utilitarian building can be identified as fulfilling a spatial requirement. Unless a building together with all its components performs well in fulfilling the specific spatial requirement asserted by its occupant, it carries the risk of vacancy and obsolescence. Vacancy and obsolescence are not desirable in an environment where the presumption is in favour of conservation and retention of a building's special characteristics. Keeping the performance level of buildings within acceptable limits is the means to ensure that a building performs its primary function. This also reduces the risk of vacancy and obsolescence considerably. As stated in Chapter 3, building performance starts to decline almost as soon as the building is constructed (Sim, 1982: 14). This results in the need for maintenance, repair and refurbishment in order to

keep performance levels within the acceptable margin. By definition maintenance, repair and refurbishment result in changes to the building fabric. Here lies the contradiction between the desire to achieve continuity by reducing changes to the fabric to a minimum and the nature of a building that requires constant changes in order to sustain an acceptable performance level.

This contradiction is further accentuated in listed buildings as levels of performance in such buildings are by definition close to the minimum performance level acceptable or even below it. Low level of performance in listed buildings is a natural consequence of their original purpose of construction and their age. Like all other buildings, listed buildings were built to fulfil a spatial demand that was contemporary to their time of construction. Because of changes and transformations in the society there is bound to be a gap between architectural and spatial characteristics of listed buildings and the contemporary demand, resulting in architectural and spatial under-performance. Usually, building materials' performance have already dropped below the performance level of the building by the time the need to adapt the buildings emerges. The building materials' life-span can be shorter than the function of a building. Hence, listed buildings are under higher threat of vacancy in the short-term and of obsolescence in cases of prolonged vacancy, unless their architectural, spatial and material performance can be improved so that they are compatible with contemporary demand.

Around 7% of all listed buildings in London are 'at risk from neglect and decay, or vulnerable to becoming so' (English Heritage, 1999b). These are buildings in urgent need of intervention if they are to be sustained. Occupancy and building condition are the two criteria in deciding whether or not to include a building in the 'at risk' register. Therefore, these figures can be used as an indication of the willingness to re-use listed buildings. Given the criteria to be included in the buildings at risk register, it can be stated that potentially a higher number of listed buildings are under the threat of vacancy²⁹, because only buildings which are under severe threat of structural, functional obsolescence are included in this register.

An increased under-utilisation trend, which is similar to that has been experienced in the office stock in the early 1990s, is evident in listed buildings that used to accommodate institutional uses such as education and office uses. Because of the buildings' shortcomings in fulfilling their spatial requirements, the users are relocating their facilities to other buildings. The cost of managing listed property and high land values are also influential in this. As a result, buildings become available for adaptive re-use, which has a high potential of giving an extended lease of life to these buildings. However, due attention has to be paid to make sure that buildings are not altered beyond recognition, the alterations are sympathetic to the building characteristics and fabric, and they are distinguishable from the original.

It should be noted that these changes are not anymore solely informed by advances in the society in which the individual lives. As a result of developments in communication and

²⁹ It is not possible to identify actual rates of vacancy in listed buildings as local authorities are no longer monitoring the occupancy and condition of the buildings due to lack of funding.

transport, changes in different geographies have global impacts. Thus, spatial choices and preferences of individuals are globalised and standardised. This further accentuates the difficulty of achieving continuity within the traditional built environment, which typically has a local character that might be in great disparity with the globalised spatial demand.

4.5. Driving forces of adaptive re-use

Different agents involved in a re-use scheme are driven by different incentives. The conservationist's drivers of re-use are: archaeological, aesthetic, economic, functional, and psychological (Latham, 2000: 3). As indirect agents on the whole develop a conservative attitude towards re-use, their incentives in re-using a listed building are the same as the conservationist's. On the other hand, the primary incentive behind involvement of direct agents in any development process is the profitability of the proposal under consideration (Millington, 2000:158).

The incentives for indirect agents are strongly associated with the 'conventional wisdom' of conserving heritage outlined in Chapter 2. The archaeological incentive manifests itself in the desire to ensure by adaptive re-use the survival of a building which has lost its original function. Aesthetic drivers of re-use are based on the argument that older buildings are more aesthetically appealing than new ones and that their retention contributes to the 'character and identity of the locale', the 'community pride' and the 'quality of the environment' (DoE, 1994a & b). The psychological driver behind re-use is also associated with sustaining the individual's sense of identity through sustaining the 'character and identity of locale'. The economic driver of the conservationists, and hence the indirect agents, is that an economic benefit can be driven from heritage by using it for tourism and leisure purposes. This is complemented by the assertion that re-use is cheaper, quicker and more energy efficient than new build. In addition, re-use is said to contribute to economic development by providing jobs as it is a labour-intensive undertaking. It is argued that non-commercial uses such as community centres can be introduced to prime locations through re-using listed buildings, as the market would have rendered these buildings un-viable for commercial development. (Larkham, 2000)

These drivers are quite different from that of the direct agents', whose main incentive is to make profit out of a project. The profitability of the scheme is determined by the relationship between net development value (NDV) and development costs (NDC). NDV is a function of the rental/sales value and the investment yield. NDC is the sum of the purchase cost (land price), building/refurbishment cost, professional fees, cost of financing and marketing the scheme. It should be noted that the overall profitability of the portfolio can supersede the profitability of the individual scheme if the listed property under consideration is part of a portfolio.

The drivers of direct and indirect agents are in competition with each other, nurturing the direct agents' reluctance to get involved in re-use projects. This potentially increases the level of vacancy and obsolescence in listed buildings (Figure 4.4). The re-use of listed buildings has yet to be established as a mainstream development activity. Furthermore, it is at the owner's

discretion to make the ultimate decision about using the building unless the building deteriorates so badly that the local authority serves the owner a Compulsory Purchase Order (CPO). English Heritage notes that there is a problem related to the attitude of the owners in 21% of the entries in the buildings at risk register, which suggests that the owner's make the ultimate decisions with regards to the listed buildings.

Recent accounts of extensive deterioration of Grade I listed buildings such as Apethorpe Hall in Northamptonshire shows that owner's attitude continue to underline the future of these buildings. Moreover, statutory bodies use their power of CPO only when the building condition deteriorates so badly that the building becomes under the threat of collapse.³⁰

An overview of the recommendations by the Urban Task Force to the Government provides supportive evidence for the argument that re-use remains as a marginal activity in the development sector. Item 81 of the recommendations state that '[the Government should] introduce measures to encourage the restoration and use of historic buildings left empty by their owners. These should include revised planning guidance (PPG 15), the inclusion of heritage issues in regional economic strategies, a review of building regulations and an end to the business rate exemptions on empty listed buildings' (DETR, 2000b). As argued in Chapter 1, understanding the dynamics of the re-use process would also encourage the agents to get involved. In this context, whole effort of this thesis is to overcome the challenge of Item 81.

English Heritage commissioned a review of the historic environment to a steering group of specialists. Results of this review and recommendations of the Steering Group were published

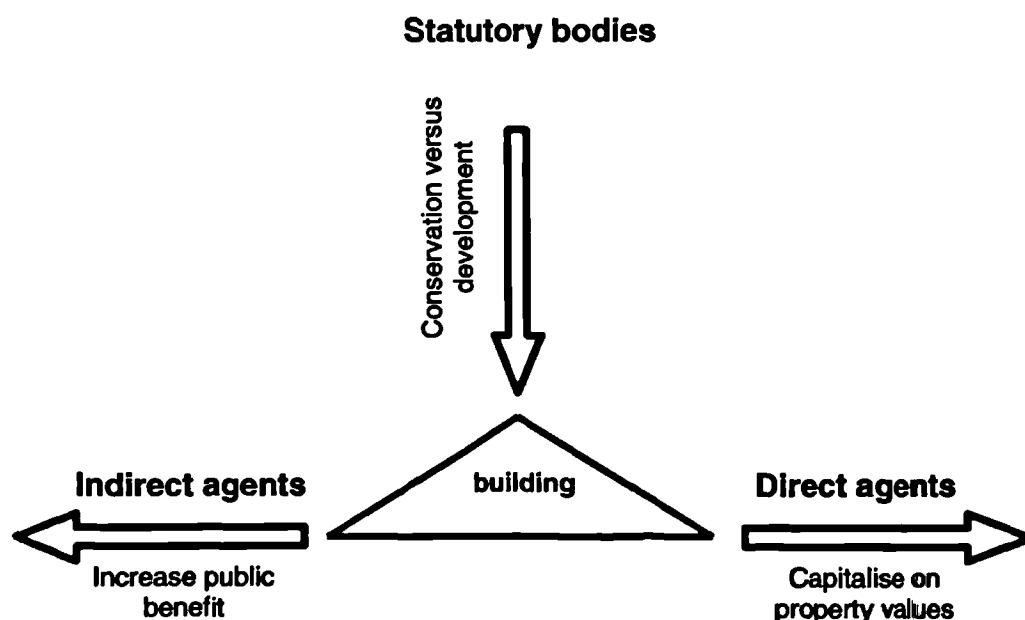


Figure 4.4. Agents & incentives

³⁰ See the 28 June 2002 issues of The Times, The Daily Telegraph & Press Notice issued by Tessa Blackstone (Art Minister) on 27 June 2002 for an extensive account of the problems in Apethorpe Hall and the reasons behind them. This is just one of many examples.

in *Power of Place* in 2000 (English Heritage, 2000). As the document aspired to cover all aspects of heritage, recommendations on for action in terms of re-using listed buildings is limited. However, the limited recommendations are in line with the ones put forward by the Urban Task Force and concentrated on the integration of the planning system with a view to facilitate the consideration of conservation issues alongside wider planning matters.

The Government's response to the Urban Task Force recommendations specifically associated with the historic environment is outlined in 'The Historic Environment: a force for our future' (DCMS, 2001) and the recent Planning Green Paper (DTLR, 2001). Analysis of the contents of the DCMS document reveals that the Government's drivers in sustaining and protecting the historic environment juxtapose with those of the indirect agents. This document opens with a statement that 'the historic environment is more than just a matter of material remains. It is central to how we see ourselves and to our identity as individuals, communities and as a nation', and continues by stating that 'the value of this rich legacy [historic environment] as a magnet for tourists is massive in economic terms'. The only section in the whole document where the private sector is mentioned is Section 4.22, which concentrates on improving the partnership with the private sector to increase private sector sponsorship. All through the document, the government is portrayed as *the* custodian of the historic environment.

Thus, it is fair to assert that there is no innovative thinking associated with making efficient use of the stock except acknowledging:

- the need for the government's and affiliated organisations, e.g. English Heritage's, leadership in sustaining and protecting the historic environment;
- the need for regular monitoring of the historic environment, and
- the complexity and inefficiency of development control.

The Planning Green Paper (DTLR, 2001) states that all Planning Policy Guidance Notes (PPGs) will be revised as part of the reform in the planning system. Along with other PPGs, PPG 15 is given priority in being revised. This shows that the Government acknowledges the inefficiency of the system of conserving the built heritage and shows some willingness to change the system for the better. Given the Government's drivers in conserving built heritage, the hope of an introduction of a truly efficient system, even after the revisions are complete is small.

It can be stated that the government pays lip-service to proposals to integrate the historic environment with the wider planning and development agenda outlined by the Urban Task Force in *Towards an Urban Renaissance* and by EH in *Power of Place* (English Heritage, 2000) by only acknowledging the need to integrate the development controls in a 'single regime', while still remaining 'committed to the policy principles set out in [PPG 15 and 16]' and places listing 'at the heart of the well developed framework for identifying and protecting the physical remains of our past'. (DCMS, 2001: 33-34) Adoption of this attitude does not facilitate the narrowing of the gap between drivers of the direct and indirect agents, leaving enough room for conflicts that would result in low performance in sustaining and protecting architectural heritage.

4.6. Dynamics of Re-use: conclusive remarks

The above review has shown that the process of re-using listed buildings comprises the same generic dimensions with other types of development activity. However, there are specific dimensions of a re-use project. The most influential of these is the amount of control exerted on listed buildings through development control legislation.

Listing 'introduces an artificial aspect by working against the market forces that always exist' by prioritising the percepto-cognitional and socio-cultural values (that cannot easily be attributed market values) over technical values that are readily recognised by the market (Warren in Sevckenko, 1983: 44). This artificiality results in challenges that should be overcome if the aim is to succeed in making efficient use of heritage stock. The challenges have now become more difficult to overcome, because artificiality of listing has been increasing since the beginning of the twentieth century when it first started. This is because 'the market' has become the usual and superior form of resource allocation during the past century (Thomas, 1996:30). Under these circumstances, there is a high risk of re-use activity becoming even more marginalised within the domain of property development, depriving the conservation-specific agents from achieving their goals.

The means to avoiding this is to resolve the inherent conflict between the adaptation of historic urban environments and the changing conditions that prescribe certain forms of intervention; and integrating the historic environments to the growing urban environments (Warren in Sevckenko, 1983). Recent increase in conversion activity point to the fact that these conflicts have increasingly been resolved through individual processes. However, the risk of marginalisation continues to be present unless the dynamics of resolving these conflicts are studied and reported so that they can be adopted in other project contexts. Therefore, inherent conflicts in a re-use project, the way they are perceived by individual agents and the mechanisms through which they are resolved should be incorporated to this research.

Generic dimensions of a development project are identified as: activities, issues and agents for the purposes of this thesis. These dimensions are located in Level 1 of the Index Tree (see Figure 4.5). Sub-categories of these dimensions are given in Levels 2 and 3. Thus, dimensions located towards the left of the Index Tree are generic, while the ones towards the right become more specific. Given this, Level 3 dimensions are project-specific.

The literature review and interviews reported in this chapter and the preceding chapter provided a sound basis for further specifying the dimensions of the re-use process. These dimensions and the hierarchical relationships between them are given in Figure 4.5. Boxes, which are rendered blue, depict dimensions that were cited in general development process literature, while boxes, which are rendered pink, are dimensions that were cited in refurbishment/re-use literature. This framework is not conclusive at this stage as it is

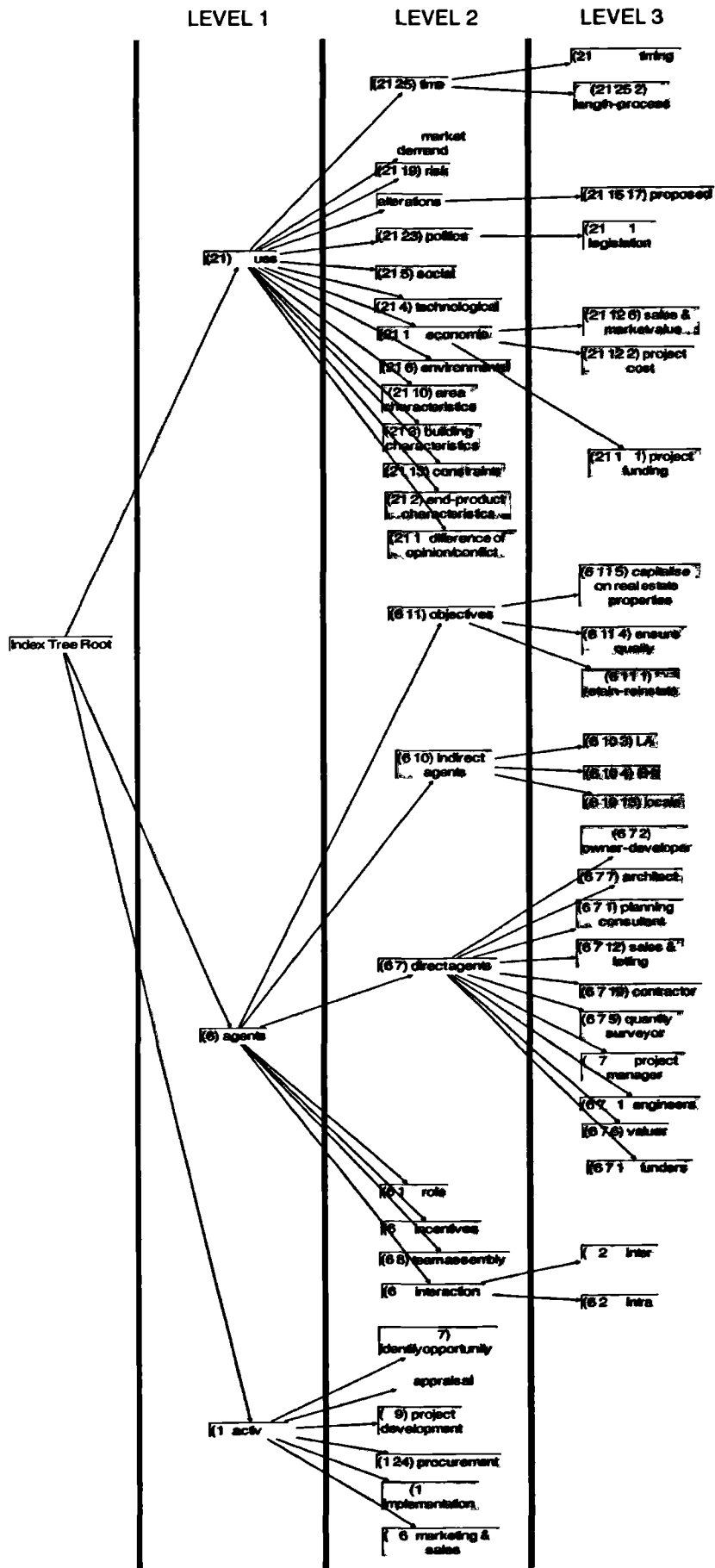


Figure 4.5. Dimensions of Adaptive Re-use

anticipated that there will be additions to these dimensions and thus the template will evolve throughout the field study and data analysis.

At this stage, the template is extensive. This shows that re-use projects are complex. It is also evident from the template that these projects share a lot with mainstream development projects because the majority of first and second level dimensions were found in the general development literature. In this respect, the difference between mainstream development projects and re-use projects does not lie in their varying dimensions and degrees of complexity, but the way these need to be addressed.

The next chapter reports the findings of the pilot study structured around the research questions (see Chapter 1). It was conducted to understand how these dimensions related to the project context. The template in Figure 4.5 will be used as the basis of topic guide for the semi-structured interviews with agents involved and the analysis of pilot study data.

CHAPTER 5 Duke of York's Project (DoY): Pilot Study

Trouble awaits those unwary souls who believe that research flows smoothly and naturally from questions to answers via a well organised data collection system'.

Hodgson and Rollnick (1989), quoted in Robson (1993: 302)

5.1. Introduction

The literature review reported in the preceding chapters facilitated the identification of individual dimensions of a development process and the generic differences between new-built and re-use projects. However, it has not been possible to identify which areas/dimensions this research should focus on in order to achieve its objectives. Therefore, the decision to carry out a pilot study has been taken to analyse a real life re-use project in a case study context. It is believed that this pilot study will be instrumental in identifying the areas/dimensions that need focusing on in carrying out subsequent field-work.

Moreover, the nature of this research question argues that understanding the individual dimensions on their own does not facilitate the understanding of the process. Relationships between individual dimensions should be studied if the process is to be understood. Hence, this pilot study is an exploration of a live project to develop a strategy that will enable identification of how different dimensions of the development process are related to each other. This will give the author the possibility of specifying the factors that governed the way the process was shaped.

Following on from Healey's model, which was outlined in Chapter 3, this pilot study concentrates on:

- 'mapping the development process by describing the events and identifying the agents involved;
- identifying the incentives of individual agents and the issues they have taken into consideration 'in order to identify what governed the way [the process was shaped]' (Healey, 1992:36).

The redevelopment of the Duke of York's (DoY) Headquarters, in the Royal Borough of Kensington and Chelsea (RBK&C), Central London was chosen as the subject of this case study. Its relevance, relative ease of data access and willingness of key agents to contribute to this research were the fundamental reasons behind this choice.

Case study data was collected through semi-structured interviews with key agents involved in the process³¹. Case file documentation held by RBK&C was another data source that not only complemented interview data but also facilitated its triangulation and verification.

³¹ Refer to the fold-out list on page 99 for a list of interviewees and name abbreviations used in this chapter.

5.2. The Site

The site is flanked by King's Road to the north, Cheltenham Terrace to the west, and Turk's Row to the south. It shares its eastern border with the backs of the terraced houses on Lower Sloane Street (Figure 5.1).

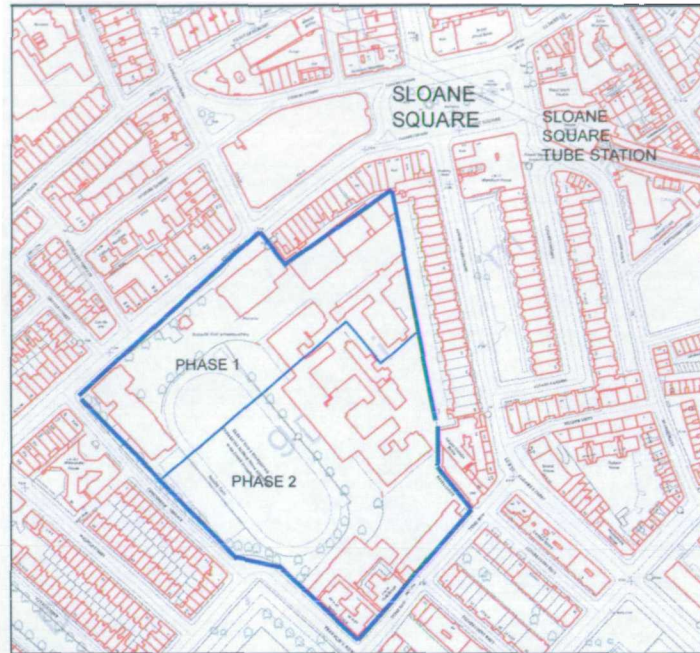


Figure 5.1. Duke of York's Site Map
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The whole site is within the Royal Hospital Conservation Area. There are three listed buildings on site: the Headquarters Building (Grade II*), the Chapel (Grade II*), and the Cavalry House (Grade II) (see Figure 5.2). All the listed buildings on site date back to the early nineteenth and mid-nineteenth century respectively.

Until the mid-nineteenth century, the Cadogan family owned the site. At the time, the site housed a mansion at its southern end with gardens running up to the King's Road. The mansion was used as the family home of the Cadogan family. Lord Cadogan rented the grounds of the Chelsea Mansion in 1801 to the Military. Construction of the Royal Military Asylum for the children of soldiers of the regular army started the same year. The present Headquarters (HQ) Building dates back to this period. The Crown bought the grounds of the Mansion in 1849 from the Cadogan Family.

The Asylum occupied the site until 1909, when they vacated the premises. During its occupancy by the Asylum, the site had been constantly re-modelled to fulfil the changing needs of the Asylum and new functions introduced to the site. Building works associated with re-modelling the site introduced the Chapel and the Cavalry House in 1823-24 and 1855 respectively. The latest addition of the nineteenth century is Block D (Leighton House) in 1861. This phase of works was related to the widening of King's Road and demolition of the northern flank wall in

order to enable this. Cadogan Hall, which was used as a gymnasium, is the first edifice of the last century (1901-2).

Between 1909 and the present the buildings have been occupied by the Territorial Army Volunteer Reserve (TAVR). Consequently, it came under the Ministry of Defence (MoD) ownership. Additions by TAVR include the chapel extension and, Block A and B, which were built in 1934 and 1953 respectively.

The HQ building was subject to a major restoration work in 1978. This was followed by an extensive refurbishment of other buildings on site at the beginning of the 1990s. The works included extensive alterations to the HQ building, the Chapel and its extension, Block D and Cavalry House. In the mid-1990s, the refurbishment programme was suspended due to substantial reduction of funding from the MoD. Shortly after these cuts, the MoD decided to dispose of the site.

Image removed due to third party copyright

Figure 5.2. Listed Buildings on Site & Open Space
© Paul Davis and Partners

5.3. The Project Time-line

Figure 5.3 is a detailed time-line which is based on the interviewees' description of the project process which can be found in Appendix 1. It also depicts the commencement and duration of individual agents' involvement. The process is divided into five stages according to the type of activities undertaken and the level of detailing the project has achieved. These chronological stages are the basis of the project description (see Appendix 1) and data analysis which is reported in the following section.

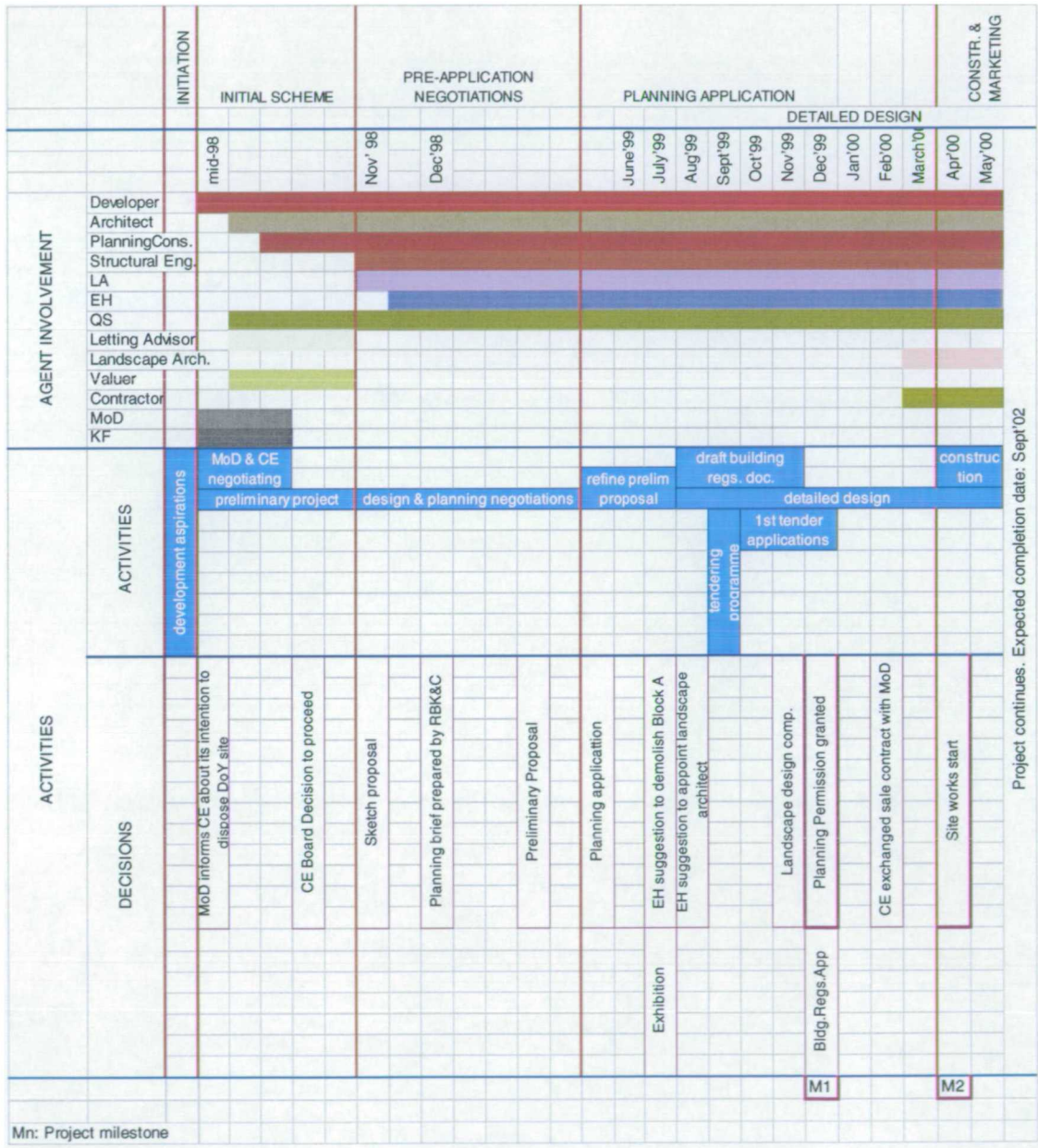


Figure 5.3. Project Time-line

The project was initiated in mid-1998. After the development of a sketch proposal and negotiations with the local authority and EH, the planning application was made in June 1999. It took six months for the planning application to be processed and necessary permissions were

given in December 1999. Works on site started in April 2000. The target completion time for the first phase of the project is September 2002.

The first phase will deliver a mixed-use scheme of offices, shops and an open space on the north-west corner of the site. The open space is regarded as one of the most significant contributions of the project to Chelsea (**Figure 5.4**).

Image removed due to third party copyright

Figure 5.4. Artist Impression of DoY Square & Block A after Completion
© Paul Davis and Partners

5.4. Analysis

The fundamental aim of the data analysis is to understand the relationships between the three fundamental dimensions of the re-use process, namely agents, activities and issues. This analysis concentrates on two relationships:

- activities and issues; and
- agent attributes and issues.

The relationship between agents and activities, which is the last possible relationship between the process dimensions, is excluded from the analysis. This is because this relationship is largely contained in the definitions of their specific roles in this project, which was outlined in Appendix 1. Moreover, the agents involved performed their standard roles which are widely reported in the literature.

5.4.1. Analysis Strategy

This section details the strategy adopted to analyse qualitative data collected during the field study. A mainstream approach to qualitative data analysis is adopted here (see Section 6.7.1, page 110 for an account of qualitative research methods and qualitative data analysis). Thus, the first step of data analysis in this pilot study was coding the interview data. Then a comparative analysis of the data based on this coding scheme was carried out in order to refine/further detail the coding scheme and categorise the data.

Adopting a systematic and objective strategy in coding, comparing and categorising data is necessary in order to achieve a satisfactory level of rigour in exploratory studies such as this one. Despite an ongoing debate on the suitability of using software packages in qualitative data analysis, there is a consensus among social scientists that software packages facilitate a more systematic and rigorous analytical process than the narrative-based case study approach (see Section 6.7.1.1, page 112 for a discussion on the use of software packages in qualitative data analysis).

New-generation software packages, e.g. Non-numerical Unstructured Data Indexing Searching and Theorising (NUD*IST), ATLAS/ti, support a flexible coding and indexing system, which can then be exported to software packages that can develop contextual network systems, e.g. Inspiration, Decision Explorer. Therefore, new generation software packages facilitate the researcher with increased power for analysing the relationships between data components in a way that was not possible by using conventional data analysis strategies such as 'cut-and-paste'. Seale (2000: 155) adds speed at handling large volumes of data, improvement of rigour, and development of consistent coding schemes as other advantages. It can thus be stated that the advantages of using appropriate software outweigh the perceived disadvantages. Hence, a qualitative data analysis software package (NUD*IST) was used to assist data management and analysis in this pilot study.

In order to avoid biasing the data towards the researcher's perceptions of the re-use process and its dimensions, a predetermined coding scheme was avoided. The only codes that were included in the coding framework before data analysis started were the three fundamental dimensions of the development process, i.e. agents, issues and activities, and possible sub-dimensions that had been identified during the literature review (see Figure 4.5, page 75). In NUD*IST terminology these codes are termed as nodes and each node is part of an Index Tree that encompasses all nodes used for coding (Figure 5.5). This Index Tree is an expansion of the dimensions identified through the literature review, which were

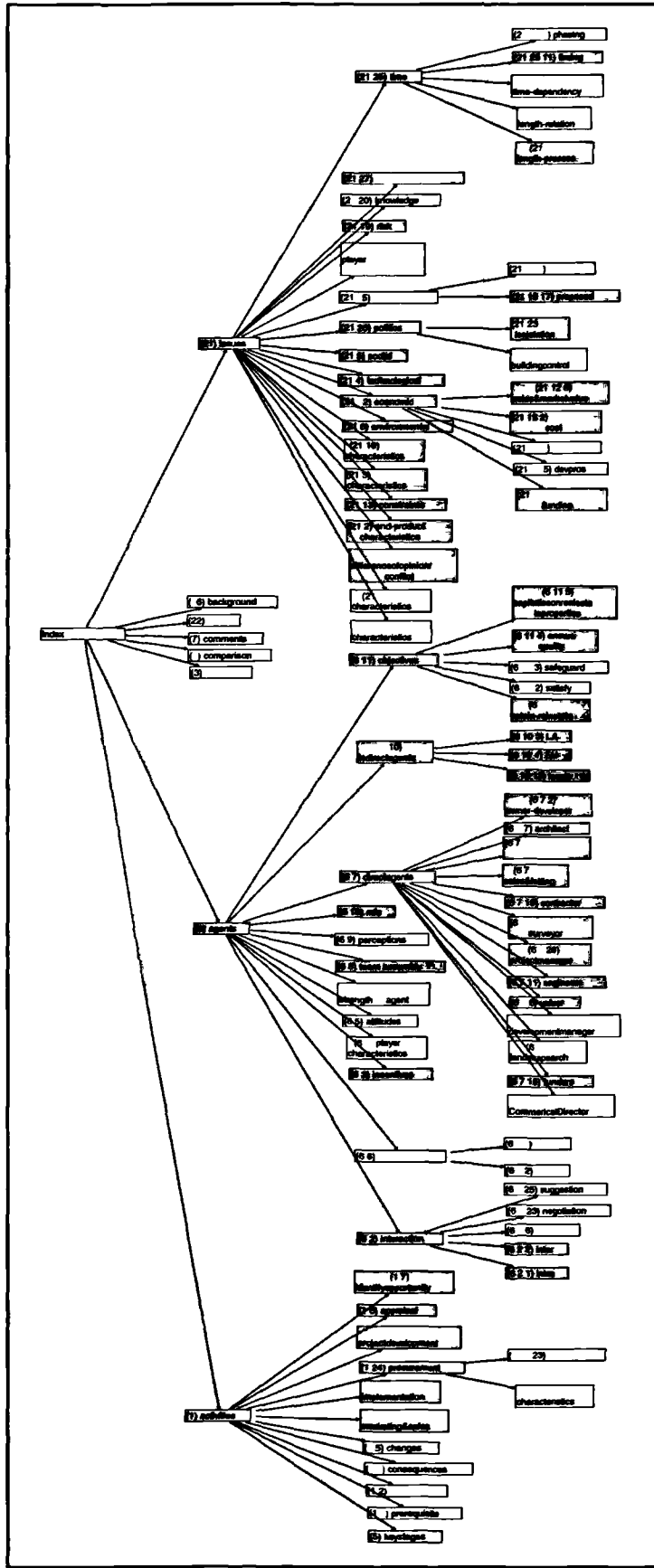


Figure 5.5. DoY Emergent Index Tree

detailed at the end of the previous chapter. New coding categories (nodes)³² were added to the base Index Tree as coding progressed and specific issues related to the DoY project emerged. Hence, additional categories *emerged* from the data while it was being coded. It can thus be stated that the coding scheme was grounded on empirical data rather than being *imposed* on the data.

Node search, which is a set of tools to identify relationships between two or more nodes, was used to analyse the coded data. Matrix analysis was carried out on data coded at issues, activities and agents nodes in order to draw a general picture of the factors that governed the way the process was shaped. Firstly, a matrix analysis on issues and activities was made. Here the aim was to identify which issues underlined the activities. Then another matrix analysis was carried out to identify the relationship between these issues and the agent attributes.

The matrix tool makes node searches on the relationship between the child-nodes of two parent-nodes³³. The results of the matrix analysis, which can be exported as a table, shows whether data has been coded in any possible combination between the child-nodes. There is also an option to export the results such that the number of text units coded at relevant intersection cells are shown.

Table 5.1 is a matrix table. It shows part of the results of the matrix analysis between 'direct agents' and 'issues' nodes. Only part of the results are shown here in order to keep the table simple. Direct agents are listed in the first column, while the issues are listed in the second row. Numbers in the cells refer to the number of text units coded at both nodes listed in the first column and the second row. The magnitude of numbers displayed in the table indicates the significance or otherwise of particular relationships. The top three cells where the highest number of text units was coded at both nodes are shaded. Such relationships, e.g. the architect's comments on end-product characteristics, are the ones which are analysed further.

AGENTS	ISSUES			
	Difference of opinion between agents	End-product characteristics	Building characteristics	Project characteristics
Owner-developer	35	22	31	5
Planning Consultant	7	10	11	1
Architect	22	80	54	13
Quantity Surveyor	0	59	17	37
Valuer	3	29	22	10

Table 5.1. Agents & Issues Matrix

It should be noted that the matrix analysis was not done in order to *quantify* the data, but to identify which relationships were significant and thus worthy of further analysis. After identifying the relationships to analyse further, text units which refer to these relationships were retrieved by using the analysis tools available, i.e. intersection, overlap. The retrieved text units were

³² The nodes, which are not rendered in colour, are the nodes that emerged during the analysis of DoY case study data.

³³ All first level nodes in Figure 5.5 are parent nodes, e.g. issues, activities. All nodes under these nodes are termed as child-nodes in NUD*IST.

coded at new nodes which were named in a meaningful way to refer to the type of analysis and the nodes on which it was carried out, e.g. architect – building characteristics intersect. Then, the focus of the analysis shifted to these newly created nodes. Through the content analysis of the new nodes, it was possible to identify the influence of these particular relationships on the process and its individual dimensions.

5.5. Results

5.5.1. Issues & Activities

Table 5.2 shows the results of matrix analysis carried out on child-nodes of issues and activities. The issues are listed in descending order according to the total number of times they were referred to while the respondents were giving an account of the activities they have undertaken. This data is shown in the last column of the table. The ranking shows that time-related issues and economic issues were most frequently referred to. Therefore, it can be stated that they had more influence in governing the process than issues that ranked lower. These issues were followed by end-product characteristics, politics and project characteristics.

ISSUES	ACTIVITIES								total
	prerequisite	decisions	consequences	changes	marketing& sales	development appraisal	project development	procurement	
Time	6	4	14	2	1	0	36	8	71
Economic	7	5	13	0	0	7	10	3	45
End-product characteristics	0	7	12	4	0	0	16	0	39
Politics	3	3	8	1	0	0	13	0	28
Project characteristics	0	0	4	0	0	0	4	18	26
Building characteristics	0	4	11	0	0	0	8	1	24
Knowledge	0	2	1	0	0	1	12	0	16
Market demand	0	1	7	0	1	0	0	0	9
Differences of opinion between agents	0	1	0	1	1	2	3	0	8
Alterations	0	0	7	0	0	0	1	0	8
Risk	1	0	0	0	0	0	0	6	7
Player-building choice criteria	0	1	3	0	0	0	2	0	6
Constraints	0	1	4	0	0	0	0	0	5
Site characteristics	0	0	0	0	0	0	1	0	1
Area characteristics	0	0	1	0	0	0	0	0	1

Table 5.2. Matrix: activities & issues

5.5.1.1. Time-related issues

The above matrix shows that respondents referred to time-related issues most frequently when they were giving an account of the project development, consequences of some undertakings and the procurement strategy they have adopted. Therefore, the analysis will focus on these

nodes. Before moving onto this next level of analysis, text units coded under both 'time' and 'project development' nodes will be examined. This is because more than twice as many text units are coded under this pair of nodes in process in comparison to the text units coded under both 'time' and 'consequences' nodes, which has the second highest number of text units.

In a way the excessively high frequency of coding at the intersection of 'time' and 'project development' nodes can be regarded as normal because any project development activity would take some time to complete. However, further exploration of these nodes shows that there is more to this relationship than length of time.

The results of the matrix analysis on these two nodes are displayed in Table 5.3. It is evident from this table that timing of activities and length of process were on the agents' agenda when they were discussing the activities related to project development. This indicates that strategic timing of the activities such that the project could be completed within the set time-scale was an important consideration during the development process. The time it would take to complete these activities followed the timing of the activities. Content analysis of the intersection of these nodes shows that respondents were particularly concerned about the timing and length of the planning related activities.

ACTIVITY	TIME		
	phasing	length of process	timing of activities
Project development	2	12	22

Table 5.3. Project development & Time

Table 5.4 shows the relationships between the 'project development', 'consequences' and 'procurement' nodes and child-nodes of 'time' node. The results displayed in the table show that the significant relationships were:

- the timing of project development related activities,
- the length of performing them, and
- the consequences of activity durations on the process.

ACTIVITIES	TIME				
	phasing	length of process	Length of professional relation	time-dependency	timing of activities
project development	2	12	0	0	22
consequences	0	19	2	3	4
procurement	0	7	0	0	2

Table 5.4 Matrix: time issues & top-3 activities

Analysis of data coded both at 'timing of activities' and 'project development' nodes shows that only the developer, the architects and the planning consultants referred to issues related to timing. Respondents' comments about timing were confined to the significance of strategically timing the activities associated with the planning process. The developer slightly diverged from the rest of the agents by stating that the timing of the commencement of marketing was another significant timing issue. Furthermore, the planning process emerged as the only activity direct agents focused on when they were commenting on the length of undertaking activities associated with this project. Based on this finding and the results in Table 5.3 it can be stated that direct agents perceived the statutory planning process as the most time-sensitive activity of this development process.

Despite acknowledging the time-sensitivity of the planning process and potential delays associated with it, there was a consensus among direct agents that the planning process was completed 'remarkably quickly' given the size and sensitivity of the proposal³⁴. This was evident in the text units coded at both 'project development' and 'length of process' nodes. Data coded both at consequences and process length nodes shows that the fundamental reasons behind completing the planning process quickly were:

- the strategic timing of involving local residents, which facilitated the incorporation of residents' aspirations on this development into the proposal;
- starting the pre-application negotiations early on in the process; thus, advancing RBK&C's and EH's involvement;
- adopting a 'realistic' development strategy, which eliminated unfruitful negotiations on unrealisable proposals, and;
- the former rapport between the local authority and the developer that gave RBK&C the confidence that CE would come up with a satisfactory proposal.

All the above factors are highly agent specific. In other words, these factors were rooted in the agents' experience in and perceptions of the area, their perceptions of the indirect agents; and the dynamics of the development process. Therefore, it can be stated that completion of the initial planning process, viz. getting the overall consent for development, 'remarkably quickly'

³⁴ The architects, the planning consultants and the quantity surveyor all mentioned that the planning process was completed 'remarkably quickly'.

was greatly facilitated by the involvement of these particular agents. This is a significant finding as it shows that the involvement of particular agents assists the successful completion of a re-use project as much as the factors that were listed in Section 4.5, page 71).

Delaying marketing the scheme until late in the construction process was another strategic timing related decision the developer took. The developer's financial strength enabled him to adhere to this plan. As the development was funded by the development company's own resources and used borrowings just to cover acquisition and development works, the developer was not under cash-flow pressure to start paying the interest; hence, were able to market the scheme later.

Postponing the commencement of marketing was advantageous in that the developer could achieve higher values at the time the scheme was nearing completion as he retained the flexibility to adjust any market demand changes that might occur during the course of the project. However, this was a very risky decision as the general expectation at the time of taking this decision was that there would be a slowdown in the rate of growth in property demand (CIB/GVA, Winter 1999-2000: 8). The slow down in property demand was reflected in the very low percentage (5%) of retail companies surveyed expecting an increase in their property holdings during Winter 2000-2001(CIB/GVA, Winter 2000-2001: 4). By summer 2001, 'the retail sector has re-emerged as the most active sector, with a balance of 8%of companies which have increased property holdings over [the first half of 2001]. However, this [was] the lowest figure for the retail sector since 1998. These facts provide evidence for the risk CE took by delaying the marketing. How these changes actually affected the DoY scheme was uncertain as marketing had not started at the time of the field study.

Choice of procurement route and its potential impacts on the programme were the only other activities respondents referred to when they were commenting on issues related to the length of the process. Analysis of data coded both at consequences and economic nodes shows that the high cost of acquiring the site was the main reason behind the developer's choice of design-and-build contracting, a different type of contract from traditional contracting which he usually adopts. This choice was informed by the need to start works on site as quickly as possible to shorten the length of the process. Completing the development in a short time scale would reduce interest costs of borrowings that were used to cover acquisition costs.

Meeting the programme deadlines would only be possible if design information flow and statutory planning process to discharge conditions of the consents were managed such that necessary information and consents were ready by the time works on site were due to commence. In order to achieve this, changes to the scheme had to be limited to changes that were necessary to achieve a build-able design after works on site commenced. As works on site had just commenced at the time of field study, CE's and their consultants' competence in managing the disclosure of conditions could not be assessed.

The magnitude of risks the developer took to shorten the development process signifies the importance of delivering the project in a shorter time-scale for the developer. The developer

took the risk of losing all his investment in the cost of designing the scheme by juxtaposing the detailed design of the scheme with statutory planning. The fundamental motive behind this was to be able to commence site works very soon after the planning permission was granted. It can be argued that their former professional rapport with the local authority gave CE the advantage of accurately predicting that they would eventually be granted planning consent.

From the above it appears as if only direct agents referred to time-related issues. Although they were not concerned about the length of process, indirect agents also referred to time related issues during the interviews conducted with them. These references were confined to the timing of the pre-application negotiations and the phasing of the development which they strongly objected to. Indirect agents asserted that early commencement of the pre-application negotiations was advantageous as it facilitated their early involvement in the project; hence, eliminating possible conflict further along the process as well as enabling working together towards delivering a high quality product. Indirect agents' references to phasing of the development were confined to the risks associated with the partial implementation and improvement of the site that could subsequently jeopardise the quality of the built environment. Therefore, it can be argued that time related issues were not a consideration for indirect agents as long as quality of design or retention/enhancement of specific characteristics of the site were not jeopardised.

5.5.1.2. Economic Issues

Table 5.5 is the result of the matrix analysis carried out on 'consequences', 'project development', 'prerequisite' and 'appraisal' nodes, four nodes that had the highest number of references to 'economic' issues'. As can be seen from the table, 'project cost' and 'development prospect' of the site influenced the process most.

TOP- 4 ACTIVITES	ECONOMIC ISSUES				
	project funding	project cost	returns	development prospect	sales&market value
consequences	0	3	0	2	0
project development	0	2	2	5	1
prerequisite	0	4	0	1	2
appraisal	0	8	3	4	2
total	0	17	5	12	6

Table 5.5. Matrix: economic issues & top-3 activities

Analysis of data coded both at 'project development' and 'development prospect' nodes shows that identifying the development prospect of the site was one of the important undertakings at the earlier stages of the process. This was necessary not only to appraise the development potential before the decision to get involved in the scheme was made, but also to identify a sales price for the site. The latter necessity was a consequence of not putting the site on the open market, which would have given MoD the opportunity to start negotiations with an asking

price. Data coded under 'consequences' and 'development prospect' nodes show that the development prospect of the site was influenced by listed aspects of the buildings and former alterations that the buildings have undergone. There was consensus among respondents that extensive alterations to listed buildings during TA occupation meant that the indirect agents had a more relaxed attitude towards further altering the buildings. Thus, the development prospect of listed buildings were higher than it would have otherwise been as they had been extensively altered prior to this scheme.

Precision in identifying the development prospect of the site was important as it was a prerequisite to identifying the sales price as the content analysis of the only text unit coded both at 'prerequisite' and 'development prospect' nodes shows. This prompted the instruction of the planning consultants and the architects at the very early stages of the process, and the instruction of the cost and development consultants shortly after this. One of the most important consequences of this was that CE started committing resources in professional fees from the very early stages of the process.

References to 'project development' and 'project cost' describe the activities relevant agents undertook in identifying the cost of project and value of the scheme. From this information it is apparent that relevant consultants relied heavily on comparing this scheme with other schemes in costing and valuing at early stages of the process when precise information about the end-product was not readily available; thus, initial costing and valuing relied on presumptions as they would in any other project. As costing continued throughout the development process, presumptions were replaced by factual information on design specifications; hence, the cost of building became factual as the process progressed. However, valuation of the scheme remained as a presumption until at least the time of data collection, because the valuer's involvement in the scheme ceased shortly after giving an initial estimate. The fundamental problem associated with this was that valuation depended on the assumption that listed buildings on site would perform worse in use, specifically retail, than a new building, and; thus, its market potential would be limited. This meant that units in listed buildings were valued lower than other units. It is probable that this might have biased the development team towards a more cost-conscious attitude in proposals for listed buildings.

Analysis of data coded at 'project cost' and 'consequences' nodes reveal that the cost of the scheme influenced the process in two instances. The first one was whenever the cost of building a certain proposal was considered to be excessive. This re-activated loops between design, costing and, if necessary, planning activities in order to alter design such that building costs could be brought down. The second instance was the timing of exchanging contracts. As stated above, the cost of the project was high mainly due to the high cost of acquiring the site. Because of this, site purchase was subject to getting planning permission as committing such a substantial resource to a site without planning consent would have been too risky.

This is evident in the text-units coded under 'project cost' and 'prerequisite' nodes simultaneously. Further analysis of these text units reveals supportive evidence for the

significance of particular agent involvement in achieving a successful outcome (see Section 5.5.1.1). The planning consultant argued that the developer's preparedness to commit resources, which were substantial given the high project cost, early on in the process was a prerequisite for the rapid completion of the planning process. He furthered this argument by stating that the developer's knowledge of the local political dynamics was the fundamental reason behind his preparedness to commit resources early.

5.5.1.3. End Product Characteristics

Data coded at 'project development' and 'end-product characteristics' nodes indicate that the most prominent influence characteristics of the end-product had on the process was substantial design changes in Block A after the planning application, Cadogan Hall after getting the planning consent and the Left Wing soon after starting detailed design. It should be noted that changes in designing Block A and the Cadogan Hall took place quite late in the process when a considerable amount of time and money had already been invested in designing a scheme for these buildings.

Exploration of the text units coded under 'consequences', 'decisions' and 'end-product characteristics' nodes show that these changes were made as the initial design solutions were not considered to be satisfactory in terms of not only their functionality, but also their quality. Given that these initial design solutions strongly adhered to RBK&C's design objectives set out in the planning brief for the site, it can be stated that these changes were a consequence of adopting a design strategy without considering its subsequent implications on the quality of design and the functionality of the end-product, simply because it was in-line with the local authority's design objectives.

The retention of the north-western facade of Block A was favoured by the borough. CE and PDP adopted this as their strategy in designing Block A, because satisfying the borough was CE's most prominent objective (see Table 5.6). Given CE's commitment to addressing RBK&C's perceived objectives on the site, adhering to RBK&C's proposal to retain the front facade of Block A until the borough explicitly encouraged redevelopment of this building, was the rational choice for the developer and the architect. This commitment was despite the fact that both CE and PDP anticipated that re-development of Block A would yield a higher quality design and ensure quality, the achievement of which was an important objective for CE.

AGENTS	AGENT OBJECTIVES			
	Retain-reinstate architectural features	Satisfy other agents	Safeguard architectural characteristics	Ensure end-product quality
planning consultant	2	1	2	0
owner-developer	7	13	2	8
local authority	13	8	4	0
English Heritage	7	7	3	17
Quantity surveyor	0	6	2	8
Valuer	1	0	0	0
Architect	13	11	0	2

Table 5.6. Matrix: agents & objectives

It can be argued that while being advantageous in terms of avoiding conflicts with the local authority, unapprised commitment to addressing local authority's development objectives resulted in a waste of time and effort and lead to compromises in design quality. Furthermore, the change in RBK&C's view on retaining Block A's north-western façade after the planning application has been made, shows that the borough did not consider how this would influence the design quality when they decided to ask for the retention of this facade. It seems more probable that the decision to keep a 1950s mock Georgian facade was a consequence of the borough-wide commitment to 'minimal change', which stems from the assumption that change would necessarily be for the worse, rather than any clear justification that this facade contributed to the quality of the built environment in the area.

On the other hand, it was the architect's idea to keep Cadogan Hall in its entirety, because retaining existing buildings was a priority for them (see Table 5.6). However, they were aware of the fact that they could only fulfil their aspirations to retain buildings as long as the subsequent design solution satisfied the developer's needs. This was not the case for the emergent design solution in Cadogan Hall. Given the close working relationship between the architect and the developer, and the developer's heavy involvement in the design of the scheme, it is difficult to understand why inadequacy of the design solution in fulfilling the developer's needs could only be recognised after the planning consent was granted. It can be stated that this was a critical failure on behalf of both the architect and the developer as radically changing the design strategy and proposing to demolish most of Cadogan Hall necessitated putting in a completely new planning application, which carried a high risk of refusal given RBK&C's reluctance to give consent for the demolition of buildings in conservation areas.

5.5.1.4. Politics & Activities

It is evident from Table 5.2 (see p. 85) that the most significant relationships in this context are the ones between:

- 'politics' and 'project development'; and
- 'politics' and 'consequences'.

Text units coded at 'politics' and 'project development' nodes reveal that dynamics of (local) planning politics influenced the following aspects of 'project development':

- the timing of the activities related to the planning process;
- the presence of iterations between design changes and planning; and
- the development prospect of the site.

As stated in Section 5.5.1.1, direct agents were particularly sensitive about the duration of the planning process. This was also evident in the exploration of the text units coded at 'politics' and 'consequences' nodes. Direct agents' knowledge of the (local) political dynamics of development control enabled them to appropriately time these activities.

Direct agents, specifically the architects, were less competent in avoiding the preventable iterations between design changes and the planning process. Consequences of this have already been outlined in Section 5.5.1.3 (see p.91). However, some iterations during the process were inevitable as information on the actual building characteristics and condition became available. Given the inevitability of iterations throughout the process, it would have been much wiser had the direct agents tried to identify the condition of those parts of the buildings which would have had a strong bearing on their design strategy, e.g. the foundations. Such a move would have given them the opportunity not to make 'material' changes to the design later on in the process, and thus avoid subsequent planning applications, which are required for any 'material' change to listed buildings.

RBK&C is renowned for its reluctance to allow changes in the built environment and this attitude is reflected in their planning policies which are geared to minimal change in the borough. The borough's attitude to change consequently determines the development prospects of sites within the borough. The direct agents', specifically the developer's, awareness of this was clearly evident in the text units coded at 'politics' and 'development prospect' of the site.

Text units coded at the 'politics' and 'consequences' nodes simultaneously show that wider issues of planning and development control influenced this development process. The respondents stated that particularly the MoD's exemption from development control and the changes in the housing policies of the Government, i.e. 1993 Leasehold Reform, Housing and Urban Development Act, had an impact on this development. The first set of issues had a direct influence on this development as they informed the extent of permissible alterations the current development team could carry out. On the other hand, the influence of the second set of planning related issues were less direct as they informed CE's company strategy of disposing of its residential property holdings, while increasing retail property holdings through acquisition or conversion.

5.5.1.5. Project Characteristics & Activities

Table 5.2 shows that the most significant relationship is between 'project characteristics' and 'procurement' related activities. CE adopted a different contractual arrangement in this project than it does in other projects. Usually, CE procures a project by traditional competitive

tendering, while they decided to procure this project through a design-and-build contract. Text units coded at these nodes show that project characteristics, e.g. project size, project programme, uncertainty associated with product definition and the process, were influential in changing the contractual arrangements.

Turner et al. (2001: 458) argue that 'selection of the contract type is determined by uncertainty in the definition of the project's product and of the process to deliver it'. They further this argument by stating that cost plus contracts based on an alliance arrangement are more adequate for governing projects where both the product and the process are uncertain, while fixed price design-and-build contracts are best suited to projects in which there is a high level of certainty about the product and a low level of certainty about the process.

Given the above arguments, and the high uncertainty associated with both the process and the product in re-use projects and the developer's willingness to keep his options flexible until quite late in the design process, it can be stated that the choice of the design-and-build contract was an ill-informed one. As the construction had just started at the time of the field-survey, it was not possible to judge the choice of contract at the time of the field survey.

5.5.1.6. Building Characteristics & Activities

Data coded under 'building characteristics', 'project development' and 'consequences' nodes show that building characteristics governed the way the process was shaped. Firstly, they resulted in reiterations between design, costing and planning activities. Secondly, the direct agents decided to phase the development on site such that works on the majority of listed buildings on site would start after the completion of the first phase, giving the developer the opportunity to fund works on listed buildings by using income generated from the first phase.

Scarcity of information on building characteristics, the uncertainty this imposes on a project and the reiterations which are a result of the increased information on building characteristics emerged as characteristics of this project from the analysis of data on building characteristics and activities. These characteristics have already been acknowledged as a specific characteristic of refurbishment projects in the literature. In this respect, the level of uncertainty associated with building characteristics was higher than it would have otherwise been, because agents' site access was restricted as a result of the high security measures resulting from the MoD occupancy. Given that most of the significant decisions associated with the development were made at a stage when uncertainty associated with building condition was high, the developer was running the risk of unprecedented cost increases and programme delays as and when information on building condition became available.

When data coded at 'building characteristics' and 'consequences' nodes was analysed, it became apparent that two types of influences the building characteristics had on the project were important for the direct agents. The first was their influence on the extent of permissible alterations. The second was the potential influence of listed characteristics of the buildings on the marketability of the end-product.

In actual fact, both these influences were to the advantage of the direct agents in this project. It has already been mentioned that the extent of permissible alterations was greater due to the radical alterations that had taken place prior to this project. Here, it should be noted that the architects had to try hard to convince the local authority that the listed buildings had been radically altered and that there was not much left to 'retain'. This supports the findings of the literature review on the indirect agents' bias against change in listed buildings. The listed aspects of the buildings were an advantage in marketing them as there was an established and buoyant market for 'period property' – even for retail use which is thought to be best accommodated in purpose-built units. This supports the view that the location of a listed building has more influence on its market value than the specific requirements of its destination use.

5.6.2. Issues & Agent Attributes

Table 5.7 shows the results of matrix analysis on issues that influenced the process most and the agent attributes.

INFLUENTIAL ISSUES	AGENT ATTRIBUTES								totals
	Agent characteristics	Agent incentives	Agent's economic strength	Agent's attitudes	Team assembly	Agent perceptions	Agent's development objectives	Agent's role	
Time	6	2	1	3	2	21	2	3	40
End-product characteristics	9	4	0	28	0	56	0	3	100
Economic	10	3	1	14	1	28	8	10	75
Project characteristics	3	0	0	0	1	18	0	0	22
Building characteristics	2	0	0	16	0	28	0	4	50
totals	30	9	2	61	4	151	10	20	

Table 5.7. Matrix: agent attributes & issues

The most significant point to note is the relationship between agent perceptions, their attitudes towards listed buildings and their re-use; and the issues that had a strong bearing on the process. These are the agent attributes that were most frequently referred to in conjunction with the significant issues. Given that perceptions and attitudes are subjective, it can be argued that a high level of subjectivity was involved in this development process.

Table 5.8 shows the issues agents referred to when they were referring to their perceptions about this development and their attitudes towards it. It is apparent that direct and indirect agents consider different issues to be of importance. For example, building characteristics is the only key issue indirect agents referred to while all but one of the direct agents considered the development prospect of the site to be of importance for them. However, building characteristics were among the key issues that the architect, the developer and the valuer referred to. This shows that there was common ground on which direct and indirect agents could base their

negotiations and this was advantageous in achieving a consensus on the type and extent of development without false starts during the negotiation process.

ISSUES	INDIRECT AGENTS		DIRECT AGENTS				
	Local Authority	English Heritage	Planning Consultant	Valuer	Architect	Developer	Quantity Surveyor
Key Issues	(Retention of) building characteristics political issues	Building characteristics	Market value development prospect	Development prospect building characteristics	Development prospect building characteristics	Development prospect building characteristics cost timing	Site characteristics cost project characteristics
Secondary Issues	Difference of opinion	Difference of opinion political issues	Proposed alterations political issues	Player's building choice criteria political issues	Area characteristics political issues difference of opinion	Area characteristics political issues differences of opinion player's choice of building criteria	Political issues

Table 5.8. Perceptions & attitudes: Issues

When Table 5.7 is examined further, it becomes apparent that end-product characteristics is the issue that was most strongly associated with agent attributes. Analysis of data coded at end-product and perception nodes shows that the end-product was shaped in such a way that the product would be one that individual agents *perceive* to be satisfactory in terms of its quality and functionality; hence, marketability. By definition, these perceptions depend on how agents sense the world around them. Therefore, where agents had different opinions on characteristics of the end-product that could satisfactorily fulfil their criteria, the possibility of disagreements emerging was high. Although there were incidences where agents had different views about the end product in this project, this cannot be regarded as a project burdened by conflicts between agents. The aspects of the end-product on which agents did not agree with each other are listed in Table 5.9.

Disagreement	Between	Reason
Retention of Block A facade	English Heritage-RBK&C	Quality of emergent design unsatisfactory
Pavement & security provisions in public open space, Left Wing canopy design	English Heritage, RBK&C - architect, developer	Quality of emergent design unsatisfactory
Cadogan Hall design	Architect- developer	Low marketability due to unsatisfactory performance in use
Left Wing ground floor retail use	Developer-development consultant	Low marketability due to unsatisfactory performance in use

Table 5.9. Disagreements on end-product

If the reasons behind these conflicts are considered, then a clear difference between the criteria against which direct and indirect agents evaluated the end-product becomes evident. Direct agents based their evaluation of the end-product on marketability of the product, whereas the main thrust of indirect agents' evaluation was its quality. However, this does not mean that

quality was not a consideration for direct agents. As can be seen from Table 5.6, ensuring end product quality ranked high among the developer's objectives. It can thus be stated that direct agents were trying to find the right balance between marketability and product quality in shaping the end-product.

When the coherence among all agents' objectives behind developing this site is considered, it becomes obvious that the differences of opinion about how the end-product should be shaped did not stem from the difference of attitudes towards the environment, because all agents were willing to arrive at a solution to enhance quality. The differences stemmed from the divergence in their interpretation of how this goal could be achieved. This once again reveals that there was a high level of subjectivity involved in developing this site.

The developer's decisiveness and the influence of his perceptions about the development prospect becomes clear if the way the above stated differences of opinion were overcome is considered. In all cases the developer made the final decision on the design strategy to be adopted and the characteristics of the end-product he required. The end-product specifications he defined for Cadogan Hall and the Left Wing disregarded the architect's and the valuer's proposals, who by the nature of their business were supposedly better placed to identify the best solution for these particular problems. This shows that CE is different from mainstream construction clients who usually remain external to the design process.

In addition to agent perceptions and attributes, there were other issues that had an impact on the end-product. Analysis of the relationships between end-product characteristics and other issues shows that end-product characteristics were strongly associated with economic issues (specifically development prospect of the site and cost of scheme), building characteristics and market demand. Analysis of data coded in these nodes reveals that building characteristics and the resultant constraints on alterations determined characteristics of end-product to a large extent. Direct agents then tried to 'fine-tune' the end-product so that financial viability of the scheme was guaranteed. Finding the right balance between demand and supply was of significant importance in achieving this. Prominence of the area and scarcity of retail space on offer in the area, which increased the demand for new retail space, were advantageous in counterbalancing the possible negative impacts that re-using the buildings would have on the value of end-product.

5.6. Conclusive Remarks

There were two fundamental outcomes of this pilot study. Firstly, the findings verified that refurbishment projects have specific characteristics, which prompt the adoption of a development strategy that would allow their appropriate handling. Secondly, the pilot study exercise facilitated a more detailed understanding of both individual dimensions of the development process and the relationships between these dimensions.

The above review showed that issues related to time, end-product characteristics, economic issues and building characteristics influenced the process. These issues governed:

- the way statutory planning process was managed,
- the choice of the procurement route,
- timing of marketing and,
- advancing the commissioning of consultants by the developer.

Overall, findings of the case study confirmed that refurbishment is more complex than other types of development. Project complexity was a consequence of:

- the interdependence of individual stages of the process and issues taken into consideration;
- the involvement of a higher number of agents with relatively divergent agendas and objectives;
- the potential conflict between individual agents because of the above;
- the reiterations needed to overcome conflicts and/or incorporate discoveries into design;
- the subjectivity associated with agents' decisions.

Although successful in the achievements stated above, the pilot case study is not conclusive in answering the research question. Further investigation is needed to develop a methodological approach that will allow the complexity and range of issues to be considered objectively. Before further fieldwork is considered, the following chapter reviews the research methods and tools in order to develop a methodological framework which is suitable to answer the research questions identified.

Agents

Cadogan Estates (CE) (Developers)

Stuart Corbyn (SC)

Paul Davis and Partners (PDP) (Architects)

Philip Vernon (PV)

Gerald Eve (GE) (Planning Consultants)

Hugh Bullock (HB)

Trevor Patrick Partnership (TTP) (Quantity Surveyors)

Trevor Patrick (TP)

Insignia Richard Ellis Limited (IRE) (Valuers)

Mike Lawrence (ML)

Royal Borough of Kensington & Chelsea (LA)

Conservation Officer (name cannot be disclosed)

English Heritage (EH)

Two Historic Building Inspectors (names cannot be disclosed)

CHAPTER 6 Research Methodology

6.1. Introduction

This chapter aims at identifying and describing the research methodology which was implemented to investigate the problem identified (see Figure 1, Chapter 1). It starts with a discussion of the methodological implications of the pilot case study. This is followed by a brief commentary on qualitative and quantitative research methods so that the choice of qualitative approach to research can be justified. It then focuses on the overall research strategy, the site and population selection, the data collection methods, the data management and analysis strategies. In this respect, this chapter adopts Marshall's (1999:55) strategy in selecting and ordering the topics to be addressed in describing the research methodology.

6.2. Methodological Implications of the Pilot Case Study

Understanding project complexity requires the decomposition of the project system to its components and analysing the relationships between these (Austin et al, 2002: 191). The template that emerged through the literature review, which was used as the basis of coding in NUD*IST, provided an adequate and sound framework for coding the data and thus decomposing the system. However, it did not provide the necessary framework to analyse the relationships between these components. Node search tools in NUD*IST showed that there was a contextual relationship between certain dimensions of the process and that these dimensions were highly interdependent. It was not possible to identify either the type, e.g. causal, or the strength of these relationships, as the built in Index Tree in NUD*IST facilitates *only* the depiction of hierarchical relationships between higher and lower level nodes. Moreover, NUD*IST did not facilitate the depiction of reiterations, which are a noteworthy characteristic of this type of development.

The author has already argued that the development process is a complex system and it is highly probable that its individual dimensions are interdependent. Thus, the relationships between individual dimensions of the process are as important as the dimensions themselves. As stated above, coding in NUD*IST facilitates the identification of the dimensions and the hierarchical relationships between them. Built-in analysis tools, specifically matrix analysis, enable the identification of the significant relationships between pairs of nodes. However, standard approach to qualitative data analysis aided by NUD*IST does not facilitate either the analysis of non-hierarchical relationships or the rigorous *identification* of important dimensions. Furthermore, relying on the matrix analysis, which is based on the count of the number of times text units were coded at pairs of nodes to identify the significance of relationships, can be misleading as the results of these analyses show the frequency of the coding rather than the context of the text-units. There is consensus among qualitative researchers that using tools such as NUD*IST in *quantifying* qualitative data should be avoided wherever possible (Robinson, 1998: 428).

The latter problem can be overcome by refining the coding by using the results of the matrix analysis as the basis of further analysis, as was done in the pilot case study. Implementing this refinement in NUD*IST would solve the problem associated with frequency counting in making sense of the interview data. However, selection of the relationships to analyse further would still rely on the frequency of coding and this might mislead further analysis.

6.3. The Genre: quantitative/qualitative

Different research methods are suited to different research problems. Using different research methods for different types of research is a relatively recent phenomenon in science. Until the 1950s, quantitative methods were considered to be the one and only means of scientific research both for confirmatory and exploratory research. However, the discourse on research methods has evolved since the 1950s to explore qualitative methods as a valid scientific approach.

Denzin (1994) identifies five stages through which research discourse has reached this state. According to Denzin, these stages are: the traditional (1900-1950), the modernist or golden age (1950-1970), blurred genres (1970-1986), the crisis of representation (1986-1990) and post-modern or present moments (1990-present). 'Interpretative and qualitative perspectives made their presence felt from the golden age onwards' (Denzin, 1994.2). They were established as an alternative to quantitative methods by the end of the 1960s.

Seminal work of Glaser and Strauss (1967) on Grounded Theory is considered as one of the cornerstones of this era. 'It was developed for the purpose of studying social phenomena from the perspective of social interactionism, [which] 'is a theory about human behaviour; an approach to the study of human conduct and human group life' (Eaves, 2001: 655). This work mainly resulted from the authors' realisation that there was a need to develop a systematic approach to understanding the complexity and dynamism of the research phenomena in this natural setting and the shortcomings of quantitative analysis in achieving this. Contributions of works such as this one contributed to the establishment of qualitative methods as a valid research strategy by the end of the 1960s (Eaves, 2001).

Since the mid-1970s, discussing the advantages and disadvantages of both methods has been on the social scientist's agenda. Through these developments social science research has experienced a significant shift from its *absolute* and *unquestionable* dependence on quantitative methods to acknowledging the capabilities of qualitative research in contributing to scientific knowledge. Despite this shift, the debate on accountability of qualitative methods still goes on, specifically in research domains which qualitative methods have entered relatively recently, e.g. construction management research (see Seymour et.al (1997) & Wing et.al (1998) for an elaboration).

There is an extensive literature on quantitative and qualitative methods and their comparative overview (see Robinson, 1998, Robson, 1993, and Bryman, 1988). A review of this literature provides an insight into the characteristics of these approaches. Apart from the data type, viz.

numerical and non-numerical, and the analytical tools they use, the basic difference between the two methods is the ordering of the stages of research, i.e. hypothesising, data collection and analysis. These stages are strictly sequential in quantitative methods. On the other hand, there are reiterations between these stages in qualitative research.

Research that is conducted by using quantitative methods typically commences with the statement of a null hypothesis. This hypothesis is then tested by an analysis of data collected. The data and analysis methods used are usually numerical. In the end, the theory is either confirmed or modifications to it are proposed.

Qualitative methods are 'hypothesis generating' methods (Robson, 1993:19). Although stages similar to those in quantitative methods are also part of qualitative research, the process of conducting the research cannot be divided into strictly sequential compartments. Different stages of research are not prerequisites to one another. For example, data collection and analysis can be carried out simultaneously. A hypothesis is generated through reiterations between these stages.

It is widely agreed that qualitative methods are 'best used for problems requiring depth of insight and understanding' (Robinson, 1998: 409). Qualitative research is not about *measuring* attitudes, behaviour and making *statistical* comparisons, but it is about *exploring, understanding and explaining* the range and diversity in attitudes. Thus, 'qualitative research involves:

- seeing through the eyes of or taking the subject's perspective;
- describing the detail of a setting from the perspective of participants;
- understanding actions and meanings in their social context;
- emphasising time and processes;
- favouring open and relatively unstructured research designs;
- an approach in which the formulation and testing of concepts and theories proceeds in conjunction with data collection.' (Hakim, 1987:26)

Marshall (1999:57) states that qualitative research is a very powerful method for 'research that delves in depth into complexities and processes; research on little-known phenomena or innovative systems; research that seeks to explore where and why policy and local knowledge are at odds; research on informal and unstructured linkages and processes in organisations; research on real, as opposed to stated, organisational goals; research that cannot be done experimentally for practical or ethical reasons; research for which relative variables have yet to be identified.'

Robson (1993: 40-45) states that the researcher should seek answers to a series of questions in choosing the particular research strategy to adapt. One of the first questions to be answered is about the nature of the problem under investigation, namely, exploratory and descriptive, or explanatory and confirmative, because the fundamental determinant of the methodological approach that will be adapted, viz. quantitative and qualitative, is the nature of the problem under investigation (Robinson 1998). Any research can either aim at *confirming* a hypothesis stated at the beginning of the research process or at *exploring* the research area (Denzin and

Lincoln, 1994). Qualitative methods are most suitable to the former, whereas the latter type of research is best conducted by quantitative methods.

The nature of research is informed by the amount of knowledge that has already been accumulated in the subject area. The literature review reported in the preceding chapters has shown that the amount of knowledge and research on the process of re-using listed buildings is very limited. This classifies this research as exploratory/intuitive. Therefore, it will adopt qualitative research as its methodological approach.

The particular reasons for favouring qualitative methods can be summarised as:

- scarcity of information available as to the generalities of the subject area;
- the need to understand the process of retaining buildings of historic significance and value, which comprises agents, activities and issues, in order to make an objective evaluation of the current situation and suggestions for a less problematic practice in future.

6.4. Overall Strategy

'Strategy refers to the general broad orientation taken in addressing research questions' (Robson, 1993:36). Experiments, surveys and case studies are the three main research strategies. As in choosing the research approach, choice of strategy is informed by the nature of the research phenomena. The degree of control the researcher has over the events and the chronology of events to focus on, i.e. past or present, are other factors that need to be taken into consideration in selecting the research strategy.

This study adapts case study approach as its overall strategy. 'Case study is a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence.' (Robson, 1993: 52). There are four fundamental advantages of using case studies for this research. The first one is 'the ability to retain a holistic and meaningful view of real-life events. The second one is the possibility of in-depth analysis looking at a multiplicity of causal links. Thirdly, case studies are particularly relevant to 'how' and 'why' type questions, explanatory investigations and research into operation[al] links which need to be traced over time. Fourthly, a more sympathetic approach [is offered] getting inside the process, or the minds of actors or individuals, as "discovering" explanations'. (Punter, 1989, quoted in Larkham, 1996: 167)

6.5. Site & Population Selection

Firstly, it should be decided whether the study is to be conducted in an urban or a rural setting. If urban, it should be followed by the choice of the particular city the study is to be conducted in. Given that the aim is to study the problem in an area where it is most likely to be concentrated geographically and where its density is likely to be high, this decision is based on an overview of the geographical distribution of listed buildings in the UK.

The concentration of listed buildings is higher in urban areas in England than in rural areas. 77% of listed buildings in England are in urban areas (English Heritage, 1992:13). Thus, this

study was conducted in an urban context. London was chosen as the geographical focus of the research as it has the highest concentration of listed buildings in the whole country. According to LPAC (1995: 12), 8% (35,000 out of 450,000) of the listed buildings in England are in London. Thus, the population of this research became listed buildings in London which had been converted between 1995 and 1999 or were being converted at the time of study (2000). The time-scale of the study was limited to these five years in order to be able to capture the most recent trends in re-using listed buildings.

Unfortunately, there is no database of listed buildings that have been re-used to sample the cases from. Research agencies like the London Research Centre and Applied Property Research mainly compile data with a view to capturing the characteristics of particular trends in the property market. Listed building conversions are also included in these databases. However, this information is partial as only conversions that fall under the category for which the database is compiled are included. Therefore, there was the need to find an alternative database on listed building conversions to sample from.

It seemed probable that such a database could be compiled from planning registers of each London borough though this could only be done if boroughs compiled and categorised information consistently. The City of Westminster and Royal Borough of Kensington and Chelsea (RBK&C) were chosen to test the viability of attempting to compile a re-use database. These two boroughs were chosen as they are similar in that they not only have the highest heritage case-load in London, but are also the most affluent ones of the Inner London Boroughs. Therefore, they were the boroughs that were more likely to have adopted a consistent approach to compiling planning application registers.

This review showed that planning application data was not consistent even in these boroughs. The planning application register is computerised in RBK&C and is open to the public. However, a public access register in City of Westminster had not yet been computerised. Furthermore, listed building consent applications are not classified according to the type and extent of alterations proposed. In addition to this, definitions of different types of alterations are ambiguous, which reduces the chances of consistency in categorising the cases according to the type of alteration. Therefore, the decision to sample from Inner London boroughs and identify the actual cases by taking expert, viz. conservation officer, advice was taken.

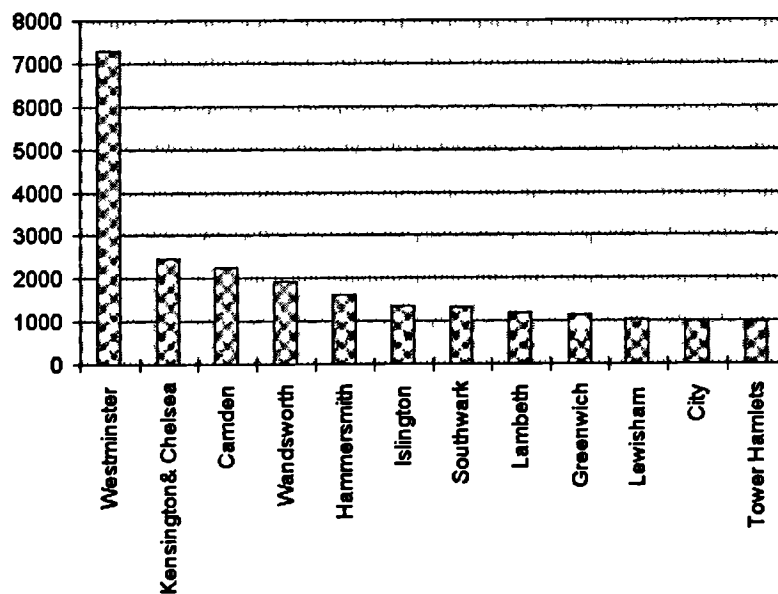
The planning applications database compiled by DETR was used to determine the heritage caseload of Inner London boroughs and categorise the boroughs according to their heritage caseload. DETR compiles the number of planning applications at national, regional and local planning authority levels on a quarterly basis. It includes information on the number of applications individual boroughs received, grants consented and refusals given. Data is classified according to the type of development proposed, e.g. major development, minor development, change of use, or listed building consent. Decisions on any listed building consent application are categorised under separate sections as listed building consents and refusals in this database.

The number of planning applications made to London boroughs during the five-year period July 1994-July 1999 was used as the database. The aim was to determine a sampling period such that selected cases would either be recently completed or at the construction stage at the time of completion. July 1999 was the latest quarter data that was available in January 2000 when this data was requested. Therefore, the sampling period was determined as the five-year period going back from July 1999.

6.5.1. Heritage Caseload

The heritage caseload of individual boroughs was determined by comparing the number of LBC applications with the total number of all planning applications. This comparison can be done on an annual basis. The alternative was to compare the arithmetic mean of the number of applications over the five-year period during which data has been compiled. An overview of the number of applications received by individual boroughs showed that the total number did not fluctuate between consecutive years. Hence, the five-year mean of the total number of planning applications and listed building consent applications was used in identifying heritage caseload of individual boroughs.

The average number of planning applications individual boroughs received in one year varied significantly from one borough to another. Graph 6.1 shows the average number of applications per borough.

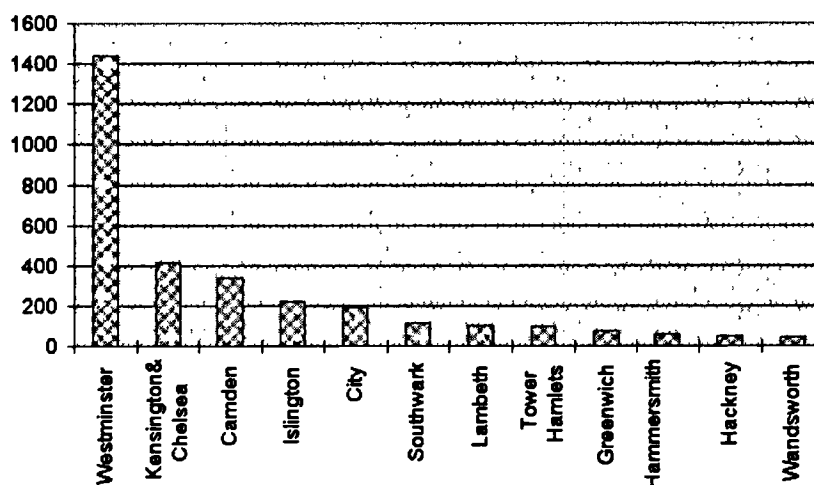


Graph 6.1. Total Number of Planning Applications

The number of applications the City of Westminster received over this period was significantly higher than the number of applications any other Inner London Borough received. Over these five years, the average number of applications Westminster received was 7291. The Royal Borough of Kensington and Chelsea received the second highest number of applications (2461 applications on average). Graph 6.1. is an indication of general building related activities taking place in Inner London.

6.5.1.1. LBC Applications

Except for the London Borough of Lewisham, the number of LBC applications Inner London Boroughs received increased over the five-year period under consideration. The increase was between 2-77%. It should be noted that this was the cumulative increase over the past five years; thus, the number of applications may fall from one year to another in different boroughs. The number of LBC applications decreased during one or two periods for which data was collected in the ten boroughs except for the City of London, Camden and the City of Westminster. Therefore, the overall trend does not mean that all boroughs received an increasing number of applications over this period. Graph 6.2 shows the average number of LBC applications Inner London Boroughs received over the past five years. They range from 35 to 416, with the exception of the City of Westminster, which received more than three times as many applications as RBK&C, which received the second highest number of applications.



Graph 6.2. Total Number of Listed Building Consent Applications

Table 6.1 and Table 6.2 show the interest in development intention as expressed by LBC applications as a percentage of the total planning applications and of the total number of listed buildings in the area respectively. Figures in Table 6.1 reflect the extent of development carried out on listed buildings, while Table 6.2 shows the extent to which development opportunity in the context of listed buildings is taken up by direct agents. Boroughs are divided into three groups in both tables.

It can be argued that the high number of listed buildings in a borough would simply result in a high number of LBC applications, thus a high percentage in Table 6.1. A comparison of the results in Table 6.1 with the total number of listed buildings in individual boroughs shows that this is not necessarily the case. This confirmed that comparison of LBC application with the total number of planning applications did not reflect how much the present opportunity was taken up by developers. Therefore, the ranking in Table 6.2, which shows the relationship between the number of listed buildings (possible number of applications) and number of actual applications that were made (opportunities taken up), was used as the basis for choosing three boroughs to study in detail.

Area	LBC as % of T1
Westminster	21
City	19
Kensington & Chelsea	18
Islington	18
Camden	17
Tower Hamlets	11
Lambeth	9
Southwark	9
Greenwich	7
Hackney	6
Hammersmith	4
Lewisham	4
Wandsworth	2

Table 6.1. LBC applications as a percentage of total planning applications

Area Name	LBC appl./#LBC %
Westminster	38
Kensington & Chelsea	37
City	32
Hammersmith	27
Islington	23
Camden	23
Wandsworth	16
Greenwich	14
Southwark	14
Lewisham	12
Tower Hamlets	11
Lambeth	11
Hackney	9

Table 6.2. LBC applications as a percentage of total number of listed buildings

The boroughs chosen for detailed field study were: the Royal Borough of Kensington and Chelsea, the London Borough of Islington, and the London Borough of Southwark. These three boroughs were in the medium range within the groups they belong to. This was an intentional choice to avoid peculiarities, which may be present in the extreme cases, i.e. first and last boroughs in each group. The willingness of conservation officers to participate in the research was another factor that influenced the choice of these particular boroughs as the focus of the study.

As stated above, the choice of actual case studies was informed by the conservation officers in each borough. Semi-structured interviews were conducted with conservation officers in selected boroughs in order to gain a general understanding of the boroughs' attitudes towards re-use as well as identifying potential cases to study. The conservation officers interviewed were requested to give up to five examples from recently completed large-scale re-use projects. Then, case files of these projects were reviewed. There were two objectives in reviewing the case files. The first was the identification of the agents involved in these projects so that they could be contacted with a request for an interview. Here, priority was given to the developers and getting them to agree to contribute to the study, as this would greatly assist and encourage the

involvement and contribution of other agents. Furthermore, the developer would be helpful in completing the list of agents to be interviewed and thus assist the identification of respondents in order to get a full and broad account of the process. The second objective was to review the project life-cycle so that the researcher became acquainted with the project and the important events. Such acquaintance would then allow the probing of appropriate questions in order to uncover the main topics in the topic guide.

The success of case studies which rely on individuals for data collection is directly related to the willingness of the majority of the respondents to contribute to research. Therefore, the projects for which the highest number of agent agreements to contribute were received were chosen as the case studies. Conversion of:

- former King's College property on 552 King's Road in the Royal Borough of Kensington and Chelsea;
- former Thames Water Board Headquarters (New River Head- NRH) on Rosebery Avenue in the London Borough of Islington,
- Georgian terrace of houses (Anchor Terrace) on Southwark Bridge Road in the London Borough of Southwark were eventually chosen as case studies.

It can be argued that the choice of case studies from among completed projects biased the research towards the 'success stories' and thus eliminated the chances of identifying the failure reasons. The difficulty of accessing data, which is a consequence of the agents' unwillingness to contribute to research, in abandoned projects was the fundamental reason behind the decision to select cases from completed cases.

The difficulty of accessing data in abandoned projects materialised during the field study. The possibility of studying such a project emerged in the context of one case study as former owner of the site embarked on developing the Anchor Terrace Site before selling it on to Holybrook, the developer who carried out the development. However, the attempt to persuade the former set of agents, specifically the developer, involved in the project to contribute to research failed.

6.6. Tactics

'Tactics [are] the specific methods of investigation' (Robson, 1993: 36). Tactics yield the necessary data to explore the research phenomena. Participant observation, interviews and questionnaires are tactics that are most frequently used in research (see Robinson (1998: 411) and Marshall (1999: 105) for a detailed account on data collection methods). Factors that influence the choice of research strategy also influence the choice of tactics to be used to collect data.

The tactics that were adopted for this research were: interviews, and analysis of case file documentation. This research aims at capturing data on the whole duration of the development process. Thus, it focuses on past or past/present events. This combination, the relatively long duration of a mainstream development process and the locational/structural transience of the project team, which would be observed to collect data, ruled out participant observation as a means to collect data. Questionnaires could not be used either as there was not enough

background knowledge that could be used as a basis to prepare the questionnaires. Therefore, data was mainly collected through in-depth interviews. Interview data was complemented and verified by the analysis of case file documentation held by the boroughs. Thus, agents involved in the development process and case documentation available both from the local authority archives and the agent organisations were the fundamental data sources for this research.

There were three possibilities in interviewing: conducting structured, semi-structured and unstructured interviews. 'Structured interviewing refers to a situation in which an interviewer asks each respondent a series of pre-established questions with a limited set of response categories' (Fontana, 1994: 363-65). In semi-structured interviews, 'the exact wording and sequence of questions are determined in advance' (Hughes, 1996: 169). Unstructured interviews consist of open-ended questions, which aim at exploring the research field. Unstructured interviews best served the purposes of this research. There were two reasons behind this. The first one was the absence of adequate information on variables to conduct structured interviews. The second one was the flexibility offered by this type of interview, which increases the chance of its relating to individuals and circumstances thus capturing real-life data.

Direct and indirect agents involved in the development process of selected cases were interviewed. The number of agents involved in a development process is large. The time and resource constraints on this research did not allow for interviewing all agents involved in the process. Furthermore, it was anticipated that additional interviews would not necessarily add further contextual or informative value. Therefore, the criteria in sampling from the agents for interviews was to make sure that agents who would normally be expected to have the most significant influence on shaping the process and the end-product, namely the developer, the architect, and planning consultants (if any), would definitely be interviewed. 'Snowball sampling' (Robson, 1993: 142) was adopted to identify other respondents during the first interview, which was conducted with the developer in most cases. The fundamental criteria in selecting the other respondents was also the respondent's potential influence on the project, which was strongly associated with characteristics of the site and buildings. For example, the structural engineer was interviewed in only one project because he had a substantial influence in shaping the process and the design as there were strict restrictions on site excavation because of archaeological remains on site.

Supportive documentation for this research were the files kept for specific projects by the local authorities; unitary development plans (UDP) and planning guidelines published by individual boroughs; reports of feasibility studies and reports which were commissioned by the owner/developer (if present). This data complemented data gathered during the interviews. In addition, it was useful in verifying interview data.

6.7. Data Management & Analysis Methods

It was anticipated that the data collected through the field survey would be extensive, rich, diverse and 'messy'. In this respect, adopting a repeatable and consistent approach to analysis was very important in order to achieve the desired level of rigour in research. The following section concentrates on analysis strategies in qualitative research and tools that are available to aid data analysis to address the multi-faceted research problem. This was the basis of devising the analytical strategy for the research.

6.7.1. Qualitative Data Analysis

The attraction of qualitative data stems from its 'undeniability' and 'reality'. It inherits the potential of becoming a 'nuisance'³⁵ in data analysis, unless a systematic data analysis strategy is adopted by the researcher (Robson, 1996). Systematic data analysis gains further significance in research that is being carried out by a novice researcher. However, researchers using qualitative methods do not agree on the necessity of systematic data analysis. There remain researchers who argue that qualitative research should remain as 'art' rather than 'science'; hence, the employment of systematic analysis techniques is not necessary (Robson, 1996: 372-73).

Having pointed out the presence of a counter-argument to the use of systematic analysis techniques, this section focuses on the systematic analysis techniques that can potentially be used for the purposes of this research as the author is in favour of adopting a suitable one in the analysis of research data. Adoption of a systematic analysis technique was necessary in order to achieve an acceptable level of rigour and consistency in analysing the complex, rich and potentially messy data that the author expected to collect during the field study.

Broadly, qualitative data analysis strategies can be divided into two: analytical induction and grounded theory. The aim in analytical induction is to test the validity of theoretical presumptions (Robson, 1990; Yin, 1993). Research that adopts Grounded Theory as its analysis strategy does not start with theoretical presumptions. On the contrary, prescribed analytical frameworks are avoided, so that the emergent theory is 'grounded' in the data itself. Emergent theory is a product of the iterative and recursive process of collecting data, analysing it and theorising from the analysis (Bryman, 2001: 390). Systematic gathering and analysis of data is of prime importance if research design adopts Grounded Theory as its analytical strategy. Grounded Theory is most suitable for *exploring* the research problem. As stated above, this research is an exploratory one; hence, data analysis was based on Grounded Theory.

Figure 6.1 shows the relationships between fundamental components of qualitative data analysis based on Grounded Theory: data reduction, pattern building and theorising. As can be

³⁵ According to Miles (1979), the difficulty of systemising the analysis renders qualitative data as an 'attractive nuisance' (Bryman, 2001: 388).

seen from the figure, the process is iterative, progressive and recursive (Seidel, 1998: 2). Data is reduced by coding it according to the emergent themes. Comparison of these themes is the basis of pattern building. As the data analysis process progresses, the codes and patterns become more refined and focused providing the basis to theorise on.

Coding entails dividing the data into components of analysis units and allocating labels (codes) to these units. Concepts are the outcomes of coding. Individual codes *emerge* from the data in

Image removed due to third party copyright

Figure 6.1. Grounded-theory-based qualitative data analysis
(reproduced from Bryman, 2001, Miles, 1994, Seidel, 1998)

Grounded Theory instead of trying to fit the data into a preconceived coding framework. Avoiding the use of a preconceived coding framework is of utmost importance in exploratory studies, where knowledge of potential coding structures is minimal. It is possible to start coding with a very general coding framework comprising a small number of items and expand the framework while data is being analysed. Supporting coding with a data management tool, which facilitates the adaptation of the coding framework during the coding process, is useful as it provides the researcher with an adequate level of flexibility.

Pattern coding elevates the analysis to a higher level of conceptualisation. '[It] is a way of grouping [individual codes] into a smaller number of sets, themes or constructs' (Miles & Huberman, 1994: 69). Thus, concepts, which are associated with the same dimension of the research problem, are combined. This helps the researcher to start developing an understanding of the relationships between different dimensions of the research phenomena and the overall significance of individual dimensions in relation to the subject of the

investigation. Pattern coding facilitates focusing subsequent data collection on key dimensions. Furthermore, emergent patterns can be tested during the data collection on different informants.

Theorising is the outcome of data analysis. Although it is the final stage in analysing qualitative data, it is not achieved through a linear process, but a recursive one. A theory/hypothesis emerges from the constant recursions between the two stages cited above. Ideas emerging during these iterations should be documented in memos so that they can be used as tools of 'sense-making' at the end of analysis process and complement the theory building exercise.

The previous chapter reported findings of the pilot study which adopted Grounded Theory as its analytical strategy. The shortcomings of this approach and the need to complement it with another strategy have already been detailed in Chapter 5. The following sections review the debate on the use of computer software packages as an aid to grounded-theory-based data analysis and other grounded-theory-based approaches to qualitative data analysis in order to choose the complementary approach to be used in the research.

6.7.1.1. Qualitative Data Analysis Software

There is an ever-expanding body of literature on the use of software in qualitative data analysis. Its subject of concern can broadly be divided into two: the adequacy of using software in qualitative data analysis (Richards & Richards, 1991; Holbrook et.al., 1996; Lee et.al, 1996; Kelle, 1997 and Silverman, 2000) and the specification of software packages readily available in the market as an aid to selecting adequate software for the purposes of different research designs (Weitzman, et.al, 1995; Barry, 1998).

Some social researchers are reluctant to use computer software for qualitative data analysis. Their reluctance can be justified under certain circumstances. If computer software is used merely for *quantifying* qualitative data, i.e. counting the number of times a term occurs, or textual level operations, i.e. code-and-retrieve, then they can compromise the flexibility and richness offered by manual analysis. Computer software initially developed for qualitative data analysis mainly performed the above stated functions; hence, the abundance of arguments against the use of software in the early 1990s when first generation analysis software became available.

The decision to assist the data analysis with a software package has already been justified in the previous chapter (see Section 5.4.1, page 82). It is now necessary to select the package(s) that are suitable for the purposes of this research.

This research aims at exploring both the issues involved in and the process through which different players interact. Therefore, the expected outcome of the data analysis was two-faceted: (1) *identification* of the agents involved, activities performed and issues taken into consideration during the process; and (2) a *map* of the process that brings together data associated with individual dimensions of the process so that their relationships can be investigated. The first task could be fulfilled by decomposing data into these dimensions and coding their different aspects. The second task necessitated mapping and analysing the

contextual relationships between these components. Hence, the chosen package(s) should have been powerful in code-and-retrieve, theory building, and mapping contextual network systems. How the identification of agents was achieved has already been outlined in Section 6.5. The pilot study reported the use of NUD*IST as a data analysis tool to aid decomposition of the development process to its dimensions, as well as the need to complement NUD*IST with an analysis tool that would facilitate the mapping of the process and relationships between its dimensions.

Weitzman et.al. (1995) states that the stronger a software package is in code-and-retrieve and theory building, the less strong it is in building contextual network systems. This applies to all the computer assisted qualitative data analysis (CAQDAS) tools which were available in the market at the time of software selection for this research. ATLAS/ti is the only available software that combines code-and-retrieve facilities with building networks. The fundamental drawback of using ATLAS/ti is that its strength in both coding-and-retrieving and building contextual network systems is jeopardised by supporting both in a single software package. Therefore, using a hybrid of two software packages has the potential of being a more powerful tool for data analysis. Hence, the most powerful software packages from the code-based theory and network builders groups are chosen as the tools of data analysis for this research.

ATLAS/ti and NUD*IST are the two pioneering software packages within the code-based theory builder category. As Barry states, 'the choice between the two is not clear cut' (Barry, 1998:3). ATLAS/ti is more like a hypertext package that allows the user to create links between data. NUD*IST performs a more text oriented data analysis and display. It is a powerful tool in coding and searching data, as well as producing tables for coded data. Therefore, NUD*IST was used in coding the data gathered through the unstructured interviews, hence decomposing the process into its dimensions.

Understanding/mapping the process is much more complex. It requires a methodological approach that allows the depiction and analysis of relationships between dimensions decomposed in NUD*IST. The pilot study has shown that chronological description of the case (*story-telling*) and the subsequent analysis of the data in NUD*IST does not facilitate detailed analysis of the complexity of the process and the relationships between its individual dimensions, despite hinting at the complexity of the process. Hence, there is still the need to identify whether any such tool that would fulfil the stipulations of this research has been developed.

6.7.1.2. Process Mapping

Process models and mapping tools specifically designed in the Construction Industry were revised. This revision has shown that these models have fundamental shortcomings in mapping the development process based on the encounters of individual agents. Therefore, the focus of this section will be on process mapping tools, which have been designed to capture generic business processes, instead of specific models developed for the construction industry.

These tools can be divided into two broad categories: 'flowcharters' and 'simulators'. Flowcharters are tools that facilitate the visualisation of a process and its dimensions, while simulators have the additional capability of analysing the processes that have already been mapped by using the flowchart interface of these packages. IDEF0, Visio, Flow Charter, Flow Charting PDQ and SmartDraw are among the flowcharters. Simulators include Business Process Generator, BP Win, Process Charter, Process Model, Simprocess and Integrated Modelling Framework³⁶.

The aim of this review was to identify whether any of the packages available in the market were suitable to support data analysis such that a better understanding of the development process could be achieved. The capacity of the software packages in supporting process analysis and its visualisation were the two criterion on which this review was based. As a result, only simulators, which support both visualisation and analysis, were considered in detail.

Simulators have been developed to assist business organisations to map and analyse their processes in order to identify how the process can be re-engineered to increase efficiency and efficacy. The packages support a simple and straightforward flowchart interface for process mapping. Different dimensions of the process, i.e. activities, resources, and the relationships between them are defined during the mapping exercise. This framework becomes the basis of simulation. Identification of simulation criteria precedes the actual simulation. The simulation criteria are custom-defined by the organisation depending on their business needs. They range from performance measures like cycle time and service/product quality to financial measures like cost. Once these criteria have been identified, the simulation can be run. Reports on how the mapped process performed according to the user-identified simulations measures are the outcome of simulation. These reports help the user identify areas that are potentially problematic in fulfilling business performance criteria. They are thus the basis of process re-engineering. As soon as problems are defined, alternative proposals to enhance performance can be developed by the organisation. The original map can be edited to accommodate alternative proposals. Then each alternative is analysed to evaluate its performance with reference to the simulation criteria. This facilitates the comparison of alternatives and choosing the one which suits the organisation best.

As can be seen from the brief review above, simulation packages have been specifically developed to improve on repeatable processes such as manufacturing. In these terms, they are 'more suitable for operational processes rather than strategic processes. They lack the ability to model complex processes like the product introduction process' (Bal, 1998: 352).

³⁶ Further information on individual packages can be found on their web-sites. BP Win: www.logicworks.com; Process Charter: www.scitor.com; Process Model: www.processmodel.com; Simprocess: www.caci.com; Integrated Modelling Framework: www.kbsi.com. Also, see Bal (1998) for a brief comparative review of these packages.

It can thus be stated that these packages are not capable of analysing the data in a way that would have facilitated an increased understanding of the re-use process because characteristics of the re-use process and the processes these packages have been developed for are fundamentally different from each other. First of all, property development is a process that involves both strategic, e.g. concept design, and operational, e.g. construction, processes; therefore, it can be defined as a hybrid process. The packages reviewed above facilitate analysis of operational processes but they fall short of analysing strategic processes as their simulation criteria is quantitative and it is difficult, if not impossible, to quantify performance *during* strategic processes. Secondly, complexity is the most critical aspect of a re-use process but the above packages cannot model complex processes. Thirdly, detailed understanding of the process, which is a prerequisite to map if the above tools are to be used, has yet to be acquired through the data collection and analysis phases of this research. Hence, process simulation tools readily available in the market can only be used once a better understanding of the re-use process is achieved but they do not support *exploration* of the research phenomena. Fourthly, 'process mapping tools are limited to mapping sequential, and reciprocal [processes]-iterative [processes] remain too unstructured to be captured by such techniques' (Winch, 2002).

6.7.1.3. Cognitive Mapping

Given the objectives of this research, cognitive mapping could have been a suitable tool for process analysis and its eventual mapping. Cognitive mapping, which is an integral part of Strategic Options Development Analysis (SODA)³⁷, has been used to assist problem solving in Operational Research (OR) by enabling the user to structure, analyse and make sense of the accounts of problems³⁸. It is used to fulfil a number of tasks including 'structuring messy or complex data for problem solving' (Ackermann, 1992: 1). Cognitive mapping facilitates the depiction of the system as a set of concepts and links between these concepts. Further categorisation of concepts and links is also possible if deemed necessary by research design.

There are parallels between Grounded Theory and cognitive mapping. Both symbolic interactionism-the basis of Grounded Theory- and Kelly's Theory of Personal Constructs- basis of cognitive mapping- are founded on the premise that 'human beings act toward things on the basis of the meanings that the things have for them' (Blumer, 1969, quoted in Eaves, 2001: 656). Both of these theories aim at understanding these meanings by systematically analysing data gathered in real-life contexts through coding and categorising this data. Therefore, the

³⁷ SODA emerged as a response to the need to introduce a qualitative dimension to OR so that unstructured, messy aspects of the problems could be dealt with. This need emerged partly as a consequence of the realisation that OR practitioners must take account of the 'soft issues', e.g. social and political, associated with the problem domain. For an extensive account of SODA and evolution of OR in the UK see Eden (1989) and Ranyard (1995) respectively.

³⁸ In this context, cognitive mapping has been widely applied to understanding human cognition processes in decision-making. For an extensive account of how cognitive mapping developed and its use in decision-making research see Edkins (1997), Eden, et. al (1992), Eden (1989) and Eden (1988).

above discussion on grounded-theory-based qualitative data analysis applies to cognitive mapping as well.

Although strategic problem identification and solution is the area in which cognitive mapping has been extensively applied in the business world (Edkins, 1997), the technique can also be applied in other research domains in the business environment that are not necessarily associated with its psychological/cognitive aspect. Laukkanen (1998) states that comparative causal (cognitive) mapping could be a more powerful analysis technique than text-based analysis for the following research phenomena:

- 'a social and physical system, mechanism or process, some real domain;
- a person's or group's knowledge or beliefs relative to such a system or about a real domain;
- the patterns of natural communication or discourse, emanating from a set of actors, relative to a real system or the actor's beliefs about it' (Laukkanen, 1998: 169).

Key dimensions of the target phenomena and research context and situation should be considered in assessing the adequacy of cognitive mapping as an analytical tool in addition to the aforementioned issues that were considered in choosing the research strategy and tactics.

Key dimensions of the target phenomena should be considered to assess the suitability of using 'cognitive mapping metaphor', which is strongly related to the correspondence between key dimensions of the process and the possibility of representing these dimensions by using cognitive mapping. The re-use process is a complex system and the researcher's aim is to 'understand and analyse [its] underlying mechanism and structure'. As stated above, agents' accounts of the re-use process were the main data-source of this research; hence, the research aims at exploring the process through the agents' phenomenological beliefs' ('knowledge and beliefs') of the system as well as the (causal) relationships between its dimensions. These are the key dimensions of this research problem which can be represented by cognitive mapping. (Laukkanen, 1998: 169-172)

Laukkanen (1998) states that cognitive mapping is specifically relevant to a research domain which is extensive, comprises several issues and/or persons; and in which the researcher focuses on the subjective and causal dimensions of data. These juxtapose with the characteristics of the research problem under investigation. The research problem under investigation involves a high number of dimensions (issues). Data on these dimensions is actually the subjective perceptions of several people (agents) involved in the process. Furthermore, the literature review and pilot study both indicated that individual dimensions of the process were highly interdependent (causality). Thus, the research context and situation is suitable for the adoption of cognitive mapping as the analysis tool for this research.

Decision Explorer (DE) and CMAP2³⁹ are two software packages that support the building and analysis of cognitive maps. DE is commercially available while CMAP2 is freely available from its author. The fundamental assumption in both packages is that cognitive maps can be decomposed into concepts (causal units in CMAP2) and the links between these units. Although the majority of links tend to be causal, depiction of links other than causal, e.g. connotative, is supported by both packages. CMAP2 is a database-orientated programme, while DE is a graphic-orientated package. Thus, raw maps and the results of analysis carried on these maps are displayed in databases in CMAP2, while DE facilitates the graphical display of maps and the analysis results. This is the fundamental difference between the two packages. Furthermore, the amount of information these packages can handle is different. As it is a commercially available package, DE can support a much larger volume of data than CMAP2.

DE was used in building and analysing cognitive maps in this research. There were three fundamental reasons behind this. The first was DE's capability of displaying the maps and the analysis results graphically. The second was the amount of data DE can handle. The third was the anticipated user support provided by the distributors of DE.

Data gathered during the pilot study indicated that the field study would yield large volumes of data. Moreover, analysis of this data showed that there was high interdependence between data components (concepts). Achieving the rigour and consistency in building cognitive maps, which was of the utmost importance for the analysis to yield valid results from this kind of data required checking the emergent model against raw data. This task would be difficult to perform in a database-orientated software package where the links between concepts are not apparent or visible in the model. Graphic capacity of the selected software was also important in representing the results graphically, which is an important step towards drawing conclusions (Miles & Huberman, 1994: 11).

Theoretically, map size in DE is unlimited. Although the researcher was aware of the inverse relationship between map size and level of comprehension, it was preferred not to limit the amount of data that could be analysed by choosing a software that had a low data handling capacity in a research project the field study of which was likely to yield large volumes of data. This was specifically important in order to be able to maintain the richness of data, and hence depicting the process in its full complexity, without having to make premature generalisations due to capacity weaknesses inherent in the software package chosen.

User support provided by the distributors was important as the researcher was new to both cognitive mapping and software packages that support it. Introductory events and training programmes provided by the distributors of DE were instrumental in finalising the choice of the software package to support the mapping objective of the research.

³⁹ See <http://www.banxia.com> and <http://www.uku.fi/laitokset/yrit/cmap.html> for detailed information on DE and CMAP2 respectively.

As a result, NUD*IST and DE were used in combination in analysing the data that was collected during the field survey. NUD*IST was used to code the interview data. Subsequently, interviews were mapped in DE to analyse the relationships.

It should be noted that this approach diverged from the mainstream use of NUD*IST and DE in combination. In the mainstream approach, the Index Tree which emerges from NUD*IST coding is exported to DE. DE interprets each node in the Index Tree as a concept and the hierarchical relationships between these nodes as links between these concepts. In this research, however, raw data coded under each node was retrieved and manually logged into DE during the mapping exercise which is detailed below. This approach, which is explain in detail in the next chapter, was chosen in order to avoid the constraint of depicting and analysing the hierarchical relationships only (see Section 6.2).

CHAPTER 7 Application of the Research Methodology

7.1. Introduction

This chapter concentrates on the application of the methodological approach, which was outlined in the previous chapter. It details the data collection and analysis approaches as they were applied within the context of this research.

7.2. Data Collection & Preparation for Analysis

The choice of 552 King's Road Project, NRH Project and Anchor Terrace Project as the three case studies has already been detailed in Section 6.5.1. This section also referred to the case files, which are held by the respective local authorities, as the additional data-sources. The choice of unstructured interviews as the tactics for data collection has been justified in Section 6.6.

While the case studies and tactics for data collection were being identified, a topic guide for the interviews was prepared. The topic guide included the introductory and closing comments, and three generic topics which were related to the interviewee's employer, the interviewee's and his/her employer's involvement in the project and the dimensions of the development process (see Table 7.1).

Here, it should be noted that the topic guide and the questions listed on it were used as a check-list during the interviews. The questions were not posed verbatim in each interview. The researcher steered the respondent towards the topics listed in the guide during the interview by asking the relevant questions. Hence, a semi-structured interview technique was used.

While the design of the case study was being finalised, potential interviewees were contacted in order to schedule the interviews. Priority was given to scheduling the interview with the developer because s/he was considered to be the key person who could assist the identification of a representative data-sample through 'snow-ball sampling' (see Section 6.6).

The scheduled interviews were conducted in the interviewees' offices in the majority of the cases. All but one of the respondents agreed that the interview could be tape recorded. Comprehensive notes were taken during the only interview which could not be recorded. These notes were then typed and they were treated as the transcription of this interview, albeit cautiously.

<p>Introductory Comments</p> <ul style="list-style-type: none"> • Introduce the research, its aims and objectives. • Ensure the respondent that the information s/he will be giving will be used for research purposes only. • Ask for permission to record the interview. <p>TOPIC 1: Information about the interviewee & the company</p> <ul style="list-style-type: none"> • Interviewee's role in the company • Company's general activities • The services the company provides • The sectors in which the company specialises (if any) <p>TOPIC 2 : The interviewee's & his/her employer's involvement in the project</p> <ul style="list-style-type: none"> • How did the interviewee/employer get involved in the project? • Why did the interviewee/ employer get involved? • What role did the interviewee/ employer play in this project? <p>TOPIC 3: The project process & its dimensions</p> <ul style="list-style-type: none"> • General description of the process • Which activities did the interviewee perceive to be the most significant & most difficult to accomplish? • Which stages did the interviewee perceive to be the key ones? • Which issues did the interviewee/ project team take into consideration in deciding to re-use the building & during the key stages of the process? <p>Closing Comments</p> <ul style="list-style-type: none"> • Thank the interviewee for taking part in the research • Ask whether there is anything else the interviewee would like to add regarding the process of re-using listed buildings in general and re-using this(these) building(s) in particular.

Table 7.1. The Interview Topic Guide

The recorded interviews were transcribed verbatim. Due attention was paid to transcribe the interviews soon after they were conducted in order to ensure that the transcription was completed when the interview was still 'fresh' in the researcher's mind.

During the transcription process, the data gathered in each interview was *triangulated*⁴⁰ by using other *sources*, i.e. interviewees involved in the same project, and *tactics*, i.e. archival research in the planning departments of local authorities. In cases where data gathered from different sources conflicted with each other, interviewees were contacted again in order to corroborate the data. This process facilitated the validation of empirical data. As a result, the

⁴⁰ See Denzin (1988) for an extensive of account of the use of *triangulation* in social sciences.

risk of mistaking the interviewee's *perception* of the process for the *actual* process was minimised. Once the data triangulation was complete, the transcriptions were saved as text files in the specific electronic format which would enable NUD*IST to recognise the individual text units (see below).

The data which is to be imported into NUD*IST should be in ASCII text format. It is also necessary to decide on the size of the *text units*⁴¹ before data is imported. A text unit can be a paragraph, a sentence or a line of the transcribed data. Each *hard carriage return* in the document refers to the end of a text unit. Each sentence was determined to be a text unit for the purposes of this research. Thus, a *hard carriage return* was introduced at the end of each sentence in the transcription document.

NUD*IST also allows for the introduction of headers at the beginning of each document. Each line which starts with an asterisk (*) becomes part of the header. This is a useful facility for labelling each document before it is imported. The headings also appear when the data is retrieved by using the built-in analysis tools in NUD*IST and this allows the researcher to make an interviewee-based analysis as well as a code-based analysis.

Each transcribed interview was prepared for importing into NUD*IST according to the above requirements. Once this was done, each document was imported. Thus, the interview data became ready for coding in NUD*IST and further analysis thereafter.

7.3. Data Analysis

The decision to use NUD*IST and DE as data analysis tools had already been taken by this stage. Sections 5.4.1 and 6.7.1 identify the issues which underpin the use of software packages for data analysis and the ones which justify the choice of the specific software packages, i.e. NUD*IST and DE, respectively. The key issues are repeated below:

- the need to be systematic and objective in handling the extensive, content rich data which would be collected during the case study;
- the need to be consistent in coding;
- the opportunity of analysing the relationships between data components rigorously;
- the increased speed at handling the large volume of data;
- the opportunity of adopting a flexible coding framework which would evolve as the analysis progressed;
- increased transparency between raw data and the eventual maps produced.

⁴¹ *Text units* are the minimum 'codeable' *chunks* in NUD*IST,

As stated in Section 6.7.1, coding is the first step in qualitative data analysis. Codes were allocated to individual text units according to the dimension of the development process they were associated with (Figure 7.1). The use of a predetermined coding template was avoided in order to make sure that the emergent coding scheme was *grounded* in the empirical data (see Section 5.4, for a detailed account of the coding scheme). Coding also facilitated to filter parts of the interview which were not directly related to the development process under investigation. Such data was coded under the first level codes, e.g. background, comments, which were specifically created to receive such data (see Figure 5.5).

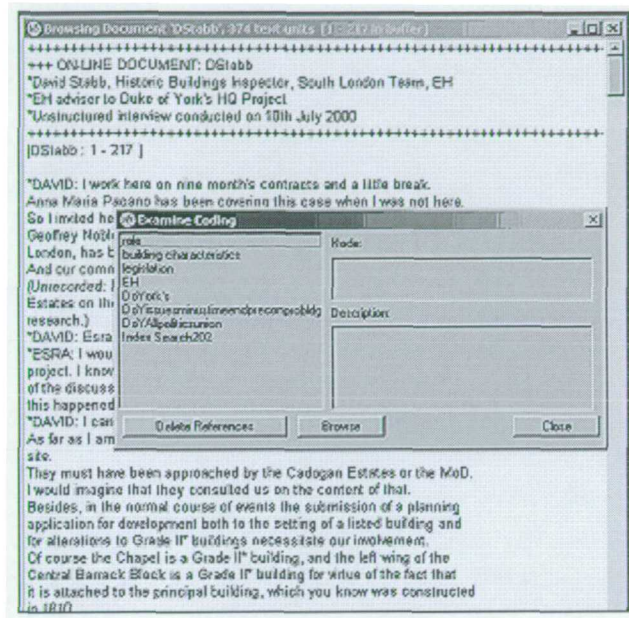


Figure 7.1. NUD*IST screen showing text & coding

The dimensions of the re-use process, i.e. agents, issues and activities, became the basis of 'pattern-coding' in NUD*IST. Sub-dimensions were added to these as the coding progressed. Each time a new theme, which could not be coded under the codes that had been created so far, emerged a new code was introduced. Due attention was paid to avoid excessive coding at this stage.

Here, it should be noted that data from completed interviews was being coded while other interviews were being conducted. Thus, data collection and analysis were simultaneous. This meant that there were iterations between data collection and analysis, as well as the data analysis process itself. Through this iterative process it was possible to explore themes which emerged from the analysis during the remaining interviews. It was also possible to refine the coding scheme as the analysis progressed. The Index Tree which emerged from the coding process is shown in Figure 5.5.

The coded data can be stored under two different areas in NUD*IST's *Index System*. These areas are: *Free Nodes* and *Index Tree*. This built-in classification was very useful for this study because it facilitated the coding of data by interviewee role and by dimension under two distinct groups. Free nodes were used to code the data by the interviewee (agents). Data on

dimensions of the development process was coded under index nodes. As a result, it was possible to combine information given by agents who played the same role, e.g. architects, in each project.

The memo tool in NUD*IST was extensively used to note any pattern or relationship that 'struck' the researcher during data analysis. These notes were then used when the case study chapters were being written up.

7.3.1.1.1. Building The Maps

The next step of data analysis was map building in DE and the subsequent analysis of the maps. 'Live-mapping' during data collection, viz. interview, is considered as the best alternative to cognitive mapping as it gives the respondent the opportunity to verify the map, and thus 'own' the map. However, 'live-mapping' can be substituted by post-interview mapping from interview transcripts in cases where it is not the most feasible option. Due to the lack of the researcher's live-mapping experience and her willingness to map the project process by combining the agents' cognition of the process rather than mapping each respondent's cognition of the process individually, live-mapping was not considered to be feasible for the purposes of this research. It was therefore decided that the maps would be built after all data on one case study was coded in NUD*IST. Through coding it was possible to merge the interviewees' responses under emergent themes.

Whichever mapping strategy is adopted, the first step in building a cognitive map is to separate the data into distinct phrases (concepts). The concepts refer to a single idea associated with the research phenomena. Categorising the concepts into different types, e.g. goals, strategic directions and potential options, is necessary in order to build up the hierarchy of the map. However, it is often difficult to do this at the beginning as concepts fit into these categories as mapping progresses.

Once all interviews were coded, data under each node (segments of interviews that refer to that specific node) was retrieved. These segments of interview transcriptions were mapped in DE. Each text unit in NUD*IST became a concept in DE. Thus, natural language terms used by respondents became the concepts. The respondents' assertions as to the relationships between different activities and issues became the links between these concepts. In cases where respondents were referring to the same aspect of the development process, their views were summarised by the researcher in order to avoid repetitive concepts that did not add value to the contextual quality of the maps, and thus enlarged the maps unnecessarily. Coding in NUD*IST was of extreme use in these cases because it enabled the researcher to maintain data transparency between the raw interview data and the summarised concepts in DE. This was facilitated by the memo card feature in DE. The reference numbers of the text units from which particular concepts were summarised were noted on memo cards (Figure 7.2). It became possible to address the concern about interpretative bias in merging responses because the legitimacy of the summarised concepts could be evaluated by referring to the respondents' original comments.

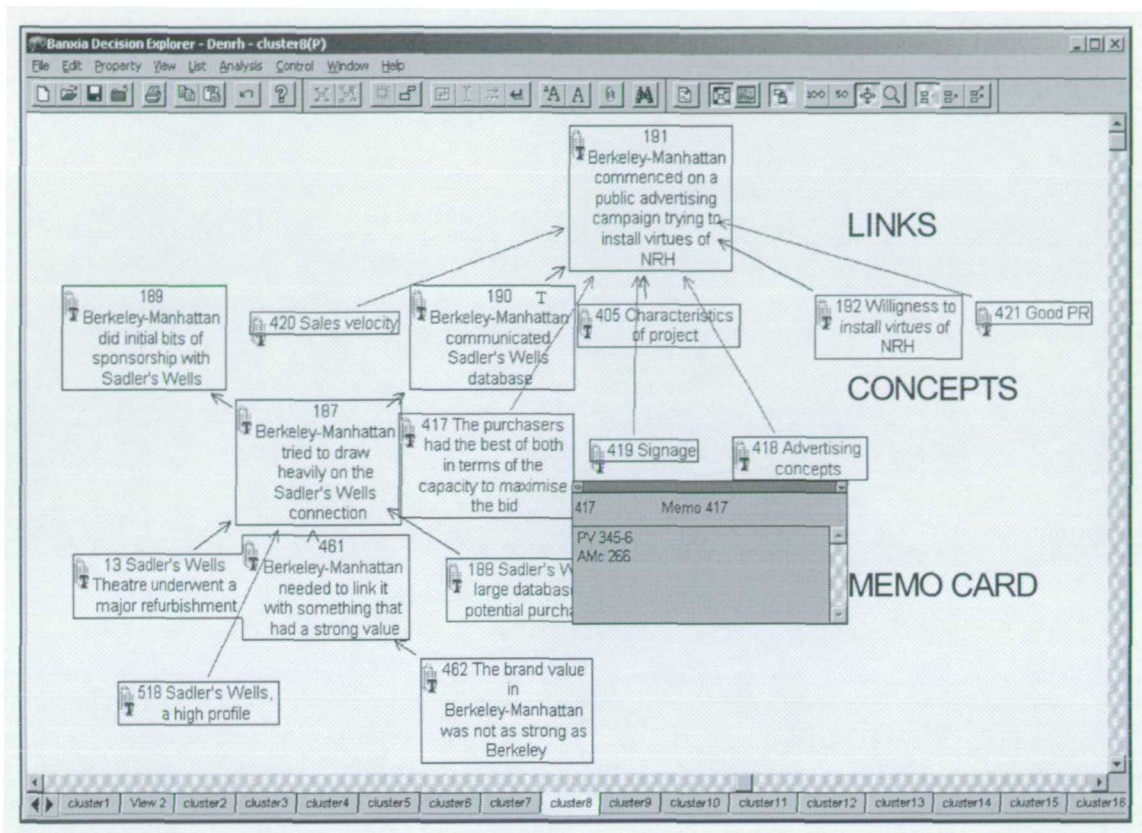


Figure 7.2. DE Map: concepts, links & memo card

Another benefit of NUD*IST coding was the possibility of assigning concepts to sets and styles while maps were being created. *Sets* and *styles* are two means of categorising concepts. Sets are a way of categorising concepts in whatever way suits the analyst. Styles are the text attributes that can be assigned to concepts so that they are categorically displayed on the screen. Thus, both sets and styles have a function very similar to that of individual codes in NUD*IST. They are means of making a refined analysis in Decision Explorer as the analysis can be confined to certain sets and styles.

The Index Tree exported from NUD*IST was used in assigning concepts to relevant *sets* and *styles* during mapping. Codes in the first level of the Index Tree were represented by styles, whereas sets were created to stand for each node in the second and third level of the Index Tree. The number of styles is limited to twenty in Decision Explorer. Therefore, the level which included the least number of codes, the first level in this case, was represented by styles, and levels with higher number of groups were represented by sets. Thus, coding in NUD*IST was transformed to DE enabling the researcher to accentuate the analysis strength offered by index search tools in NUD*IST with analysis tools in DE.

7.3.1.2. Analysing the Maps

Once a case study was completely mapped in DE, the map was checked for correctness. Checking the ratio between the number of concepts and links, making sure that there were no concepts that were not linked to any other concept ('orphan concepts') in the map, and verifying

the end of a line of argument ('head concept') and the beginning of a line of argument ('tail concept') were the means of checking the map for correctness.

This was followed by the analysis of the map. *Cluster* and *connect* tools were used to overview the model. Firstly, a *cluster* analysis was carried out on the whole map. *Cluster* analysis is 'based on the similarity of links between concepts [and it is useful in splitting] a large model into related sections' (Banxia, 1999: 126). The analysis finds groups of closely linked concepts and places these in one cluster the contents of which are saved under separate sets. Hence, concepts that are included in the same cluster are strongly associated. Figure 7.3 shows an emergent cluster in 552 King's Road Project. Concepts which are in brown font are the issues, while concepts which are in blue font are the activities.

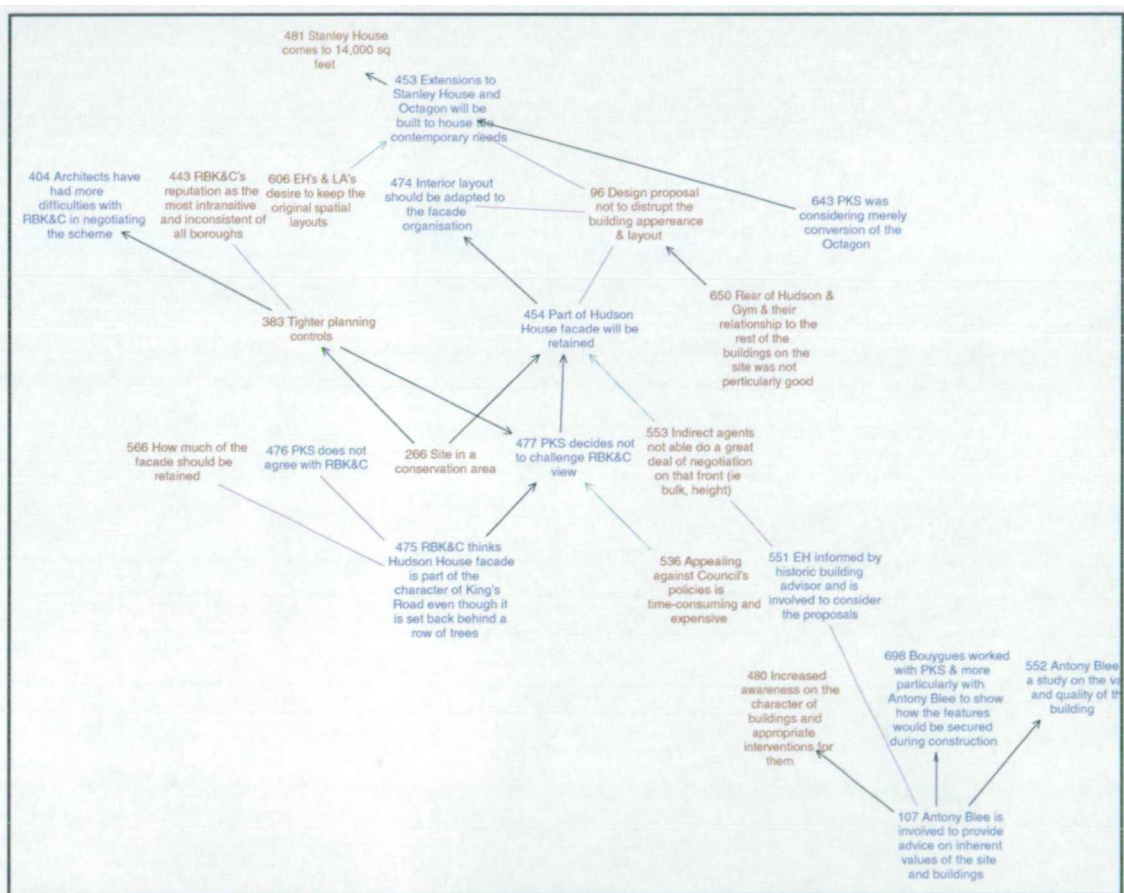


Figure 7.3. An Emergent Cluster in 552 King's Road Project

Content analysis was carried out on the emergent clusters. After the content analysis, each cluster was named in order to reflect the key activities and issues it entailed. The content analysis also enabled the division of the development process into sub-stages and allocation of different clusters to these stages according to the timing of the key activities in each cluster.

Links between emergent clusters were identified through *Connect* analysis. *Connect* command lists all concepts in a user specified set (emergent clusters in this case) that are inwardly or outwardly connected to concepts in another cluster which has also been specified by the user. Every possible combination between clusters was analysed by using the *Connect* tool. Results of the *connect* analysis were logged onto a matrix, which is shown in Figure 7.4. Once this

analysis was complete, it became possible to grade link strengths between individual clusters. This was very useful in identifying both the interdependencies between different dimensions of the process and the strength of these dimensions as they related to each other (Banxia, 1999).

Allocation of clusters to the sub-stages of the process and the identification of the links between these meant that a map of each sub-stage could be drawn based on the clusters and the links. These maps facilitated the comparison of complexity between sub-stages. Once all case studies were completed, sub-stage complexity could be compared across the cases.

	Cl 1	Cl 2	Cl 3	Cl 4	Cl 5	Cl 6	Cl 7	Cl 8	Cl 9	Cl 10	Cl 11	Cl 12	Cl 13	Cl 14	Cl 15	Cl 16	Cl 17	Cl 18	Cl 19	Cl 20	Cl 21	Cl 22
Cl 1	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2
Cl 2	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0
Cl 3	0	0	0	0	0	5	5	0	3	0	1	1	0	0	0	0	0	0	0	1	0	0
Cl 4	0	0	0	0	3	0	1	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0
Cl 5	0	0	0	0	0	1	1	0	3	0	1	1	0	0	2	0	0	2	0	0	1	0
Cl 6	0	0	0	1	3	0	1	0	2	0	0	1	0	0	0	0	0	2	0	0	1	2
Cl 7	0	0	0	1	1	1	0	0	3	0	1	2	0	0	0	0	0	1	0	1	3	1
Cl 8	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0
Cl 9	0	0	1	1	2	1	2	0	0	1	3	0	0	0	1	0	0	1	1	0	0	4
Cl 10	0	0	0	1	0	0	0	2	1	0	0	1	0	0	0	0	0	0	0	1	0	0
Cl 11	0	0	0	1	3	0	1	0	1	0	0	4	0	0	3	0	0	1	0	0	2	0
Cl 12	0	0	0	1	1	0	2	0	0	0	1	0	0	0	0	0	0	0	0	3	2	0
Cl 13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cl 14	0	0	0	1	0	1	3	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0
Cl 15	0	0	1	0	8	1	2	0	0	0	5	3	0	1	0	0	0	3	0	1	1	8
Cl 16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cl 17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cl 18	0	0	1	0	3	0	2	0	1	0	2	1	0	1	5	0	0	0	0	0	0	6
Cl 19	0	0	0	0	0	1	0	0	0	0	2	0	0	0	0	0	0	0	0	2	3	0
Cl 20	0	0	0	0	0	2	0	0	0	0	3	2	0	0	0	0	0	0	0	0	1	0
Cl 21	0	0	1	0	1	0	1	0	0	0	3	2	0	0	0	0	0	0	2	1	0	1
Cl 22	0	1	0	0	10	1	1	1	1	1	2	1	0	0	3	0	0	1	0	0	2	0

Figure 7.4. An Emergent Matrix

The overall analysis of the process was followed by *central* and *domain* analyses carried out on each cluster. *Central* and *Domain* are two built-in tools that analyse the number of links in and out of a concept. There is a subtle difference between domain and centrality analysis. *Domain* analysis concentrates on the immediate links in and out of a concept, whereas '*Centrality* analysis looks at the influence a concept has in the wider context of the map by considering how many levels of the map a concept "reaches" '. Thus, *Domain* analysis identifies the local key concepts, while centrality analysis identifies global key concepts. Carrying out both analyses enables the researcher to identify key concepts at both local and global levels. (Banxia, 1999)

The aim of doing *central* and *domain* analyses was to identify the key concepts that were highly elaborated by the interviewees. The number of links around a concept indicates whether a concept has been highly elaborated or not. This proposition follows the assumption that 'people talk a lot about what they see as important'.

After the sub-stage maps were drawn and key concepts were identified, each case study was written-up. The case study write-ups were confined to the key activities and issues, and the above average links between the clusters. This was instrumental in avoiding excessive detail, and focusing the analysis on key concepts. Results and conclusions were drawn from the case study write-ups.

7.4. Methodological Potential

Process mapping has become an established means of improving the efficiency and efficacy of businesses over the last decade (Hunt, 1996; Winch, 2002). The methodology outlined above assists the mapping of a real-life re-use project process. It facilitates a detailed understanding of project complexity and interdependencies between individual dimensions of the project process. Thus, it can assist the improvement of efficacy and efficiency of the refurbishment process by highlighting stages, activities and issues that should be given attention.

There are three particular advantages to using this approach over the standard approach to qualitative data analysis. The first is the possibility of making data-based generalisations about the process and its dimensions. It is important to note that these generalisations can be made without having to over-simplify the respondents' cognition of the process before the data has been rigorously and systematically analysed. The second is the opportunity to identify the relationships and interdependencies between different dimensions of the process objectively and rigorously. This is an improvement over studies that have already been reported in the literature which remain indicative of project complexity in refurbishment. Third, it enables the researcher to maintain a holistic view of the process whilst providing the opportunity to focus on its individual dimensions.

The next three chapters report findings of case studies that were conducted by using the methodological approach outlined above. They provide the reader with an opportunity to judge the relevance of the arguments related to the strength of this approach over standard qualitative analysis.

CHAPTER 8 552 KING'S ROAD PROJECT

8.1. INTRODUCTION

The subject of this case study is the conversion of former King's College Site (552 King's Road) to a residential complex. The site, which lies close to the western end of King's Road, is within the boundaries of the Royal Borough of Kensington and Chelsea (RBK&C). It is flanked by an unused railway line to the west, by Hortensia Road to the east and by Fulham Road and King's Road to the north and south respectively (**Figure 8.1**). The site is 7,5 acres.

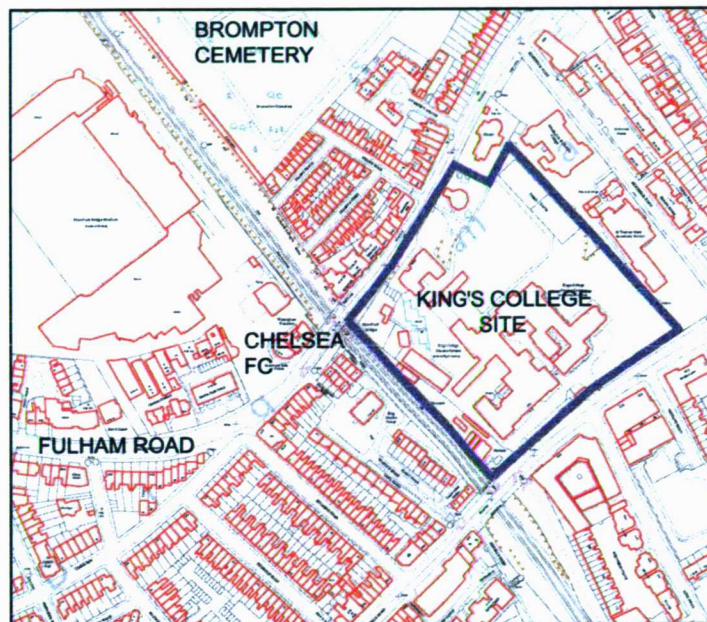


Figure 8.1. King's College Site Map
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There are three listed buildings on the site, which was designated a conservation area in 1989. These are: Stanley House, Coleridge Building and the Octagon. Stanley House is listed Grade II*; Coleridge Building and the Octagon are listed Grade II (**Figure 8.2**).

The present Stanley House, which replaces an earlier building built during the reign of Queen Elisabeth 1st, was built at the end of the seventeenth century. It was used for residential purposes until 1840, when it was sold to the National Society for the Education of the Poor. Other listed buildings were constructed after the College of St Mark (later St Mark and St John) was established on this site during the mid-nineteenth century.

Buildings were added between 1906 and the mid-1920s. These were built to fulfil the spatial requirements of the College of St Mark. Among these additions are the Hudson Building and Clark House, which were built in 1910 and 1920s respectively. Neither of these buildings are listed. Buildings continued to be added after the Second World War by the construction of new

buildings. All of these later additions were utilitarian buildings with very little architectural merit, jeopardising the character of both the site layout and the listed buildings.

The site was occupied by the College of St Martin and John until the 1970s. They were then re-located to Plymouth as Greater London Council (GLC) wanted to buy the land in order to make way for a junction as part of a very elaborate road system. The site laid vacant for the next decade as the motorway proposal was abandoned. The GLC put the site on the market for sale in 1979.

At the time Chelsea College was looking for ways of consolidating its scattered academic premises. 552 King's Road site offered an opportunity. Hence, the site was bought by Chelsea College in 1980. Chelsea College moved to the premises after necessary refurbishment of buildings.

King's College London became the owner of the site after its merger with Chelsea and Queen Elisabeth Colleges in 1985, as part of an initiative to rationalise universities within London. 552 King's Road Site continued to serve King's College's educational purposes with three other sites in the close vicinity until the early 1990s.

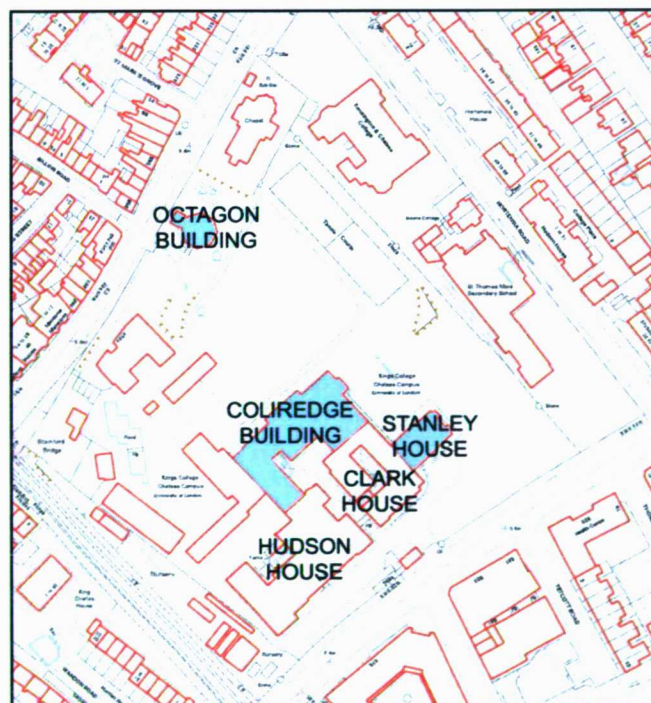


Figure 8.2. **Listed Buildings on Site**
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This project is part of a larger PFI deal between King's College and European Land. Therefore, it is contained within a much larger time-scale which includes the negotiations on the PFI deal between parties. They started in January 1996 and were completed in January 1997, when European Land was chosen as the preferred bidder. The PFI contract was eventually signed in

December 1997. As a result, European Land started assembling a development team to evaluate the development potential on the 552 King's Road Site. It can thus be stated that this project was initiated in December 1997. Construction works started in November 1999. The plan was to have completed construction works within the first half of 2002. The project was to yield a total of 308 residential units.

8.2. Agents⁴²

Data was collected by interviewing agents and reviewing the case files kept by RBK&C. Twelve interviews were conducted with the agents involved in this project. Names of interviewees are cited in the below list.

King's College (KC) (Former owner of the site)

William Slade (WS)

European Land (formally 552 King's Road Limited, as subsidiary of EL) (EL) (Developers)

Howard Wright (HW)

Paskin Kyriakides Sands Architects (PKS) (Architects)

Selwyn Lowe (SL)

Montagu Evans (ME) (Planning Consultants)

Bob Woodman (BW)

Gardiner & Theobald (GT) (Quantity Surveyors)

Melvin Wall (MW)

Hamptons International (HI) (Development Consultants and Sales Agents)

Jonathan Seal (JS)

Northacre (NA) (Development Managers & Architectural Auditors)

John Hunter (JH), Klas Nilsson (KN)

Bouygues UK (Contractors)

Ian Gunter (IG)

Royal Borough of Kensington & Chelsea (LA)

Paul Kelsey (PK) (Planning Officer), David McDonald (DMc) (Conservation Officer)

English Heritage (EH)

Dorian Crone (DC) (currently of Building Conservation Centre Trust)

⁴² Please see the list of name abbreviations and the legend for link strengths on page 159. The list can be unfolded to aid the reading process.

8.3. Analysis

Analysis of the model was carried out by applying the analytical approach outlined in Chapter 6 (see Section 6.7.1 and Section 7.3, pages 110 & 121 respectively). The project time-line was also analysed in terms of the activities undertaken and the key decision/action points. From the content analysis of the clusters and the time-line, it became evident that there were five separate stages of this development process. The chronological order of these stages was used as the template for reporting this case study. This chronological approach to structuring the case studies was applied in all case studies.

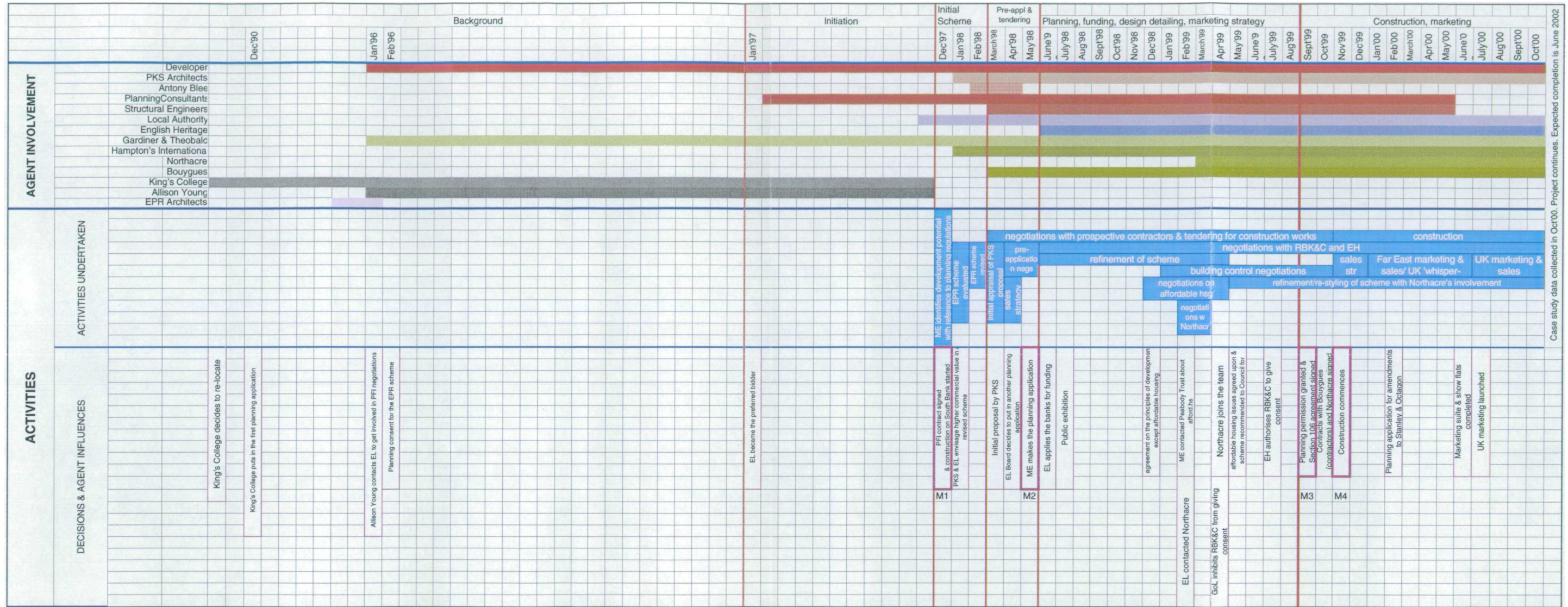
Thirty-one clusters emerged from the cluster analysis of the model (see Table 8.2 for a list of the clusters). Sizes of these clusters varied from two to forty-seven concepts. Content analysis showed that small sized clusters included information on the project details or external factors, which did not have an overarching influence on the process (see Table 8.2). The fact that none of the smaller clusters are linked to any other cluster in the model supports this argument (see Table 8.1). These clusters were excluded from the phasing of the process, but they were considered while reporting the relevant stage. The remaining clusters were grouped under seven sub-sections that refer to different stages of the development process, which are very similar to the ones cited in RIBA Plan of Works (RIBA, 2001) (see Table 8.3 for stages and their durations). This section reports results of the analysis under each stage. It is based on the clusters that constitute the stages and the relationships between the clusters. A short description of each stage, with particular reference to the key elements of each constituent cluster identified through centrality and domain analyses and the above average links between these clusters, is an integral part of this analysis. Overall, the aim of the analysis is to identify how individual clusters influenced others and the whole process of re-developing the site.

	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24	Q25	Q26	Q27	Q28	Q29	Q30	Q31				
Q1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
Q2	0	0	2	0	1	1	0	0	0	0	0	0	0	0	1	0	0	0	1	1	0	0	0	0	0	0	1	0	0	0	2				
Q3	0	2	0	0	1	1	0	0	0	0	0	0	0	0	2	0	0	0	1	1	0	0	0	0	1	0	0	0	0	0	1				
Q4	0	2	1	0	5	2	0	0	0	0	0	0	0	0	0	0	2	0	0	3	0	0	0	0	0	0	2	1	0	0	2				
Q5	0	0	2	2	0	2	0	0	0	0	0	0	0	0	2	0	0	0	0	2	0	0	0	0	1	0	3	1	0	0	3	0			
Q6	0	1	0	3	2	0	0	0	0	0	0	0	0	0	4	0	4	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0			
Q7	0	0	2	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	2	1			
Q8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Q9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Q10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Q11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Q12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Q13	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	2	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Q14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Q15	0	2	2	2	4	3	0	0	0	0	0	1	0	0	0	1	1	1	0	0	0	1	0	0	0	0	0	3	1	0	0	4	0		
Q16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Q17	0	0	0	0	2	1	1	0	0	0	0	0	0	0	3	0	0	1	0	0	0	0	0	0	0	0	0	0	1	0	0	1	0		
Q18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Q19	0	4	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0	0	0	0		
Q20	0	5	2	0	2	0	0	0	0	0	0	0	0	0	3	0	0	2	0	0	0	0	0	0	5	0	1	0	0	0	1	0			
Q21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Q22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Q23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Q24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Q25	0	3	1	2	2	1	0	0	0	0	0	0	0	0	1	0	0	0	3	5	0	0	0	0	0	0	4	0	0	0	2	1	0		
Q26	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Q27	0	3	1	3	2	0	0	0	0	0	0	0	0	0	3	0	0	0	0	3	0	0	0	0	2	0	0	0	0	2	1	0	1	1	
Q28	0	0	0	5	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0	0	0	1	1	0	0	0	
Q29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Q30	0	0	0	0	2	0	1	0	0	0	0	0	0	0	5	0	2	0	0	0	0	0	0	0	2	0	2	1	0	0	0	0	0	0	0
Q31	0	6	0	6	4	2	1	0	0	0	0	0	0	0	1	0	0	0	1	1	0	0	0	5	0	5	0	0	0	0	0	0	0	0	0

Table 8.1. 552 King's Road Project Matrix Showing Strength of Links between Clusters

Cluster 1	Funding of the scheme
Cluster 2	Planning application & subsequent negotiations
Cluster 3	Design revisions
Cluster 4	Issues and activities which facilitated value increase
Cluster 5	PKS' revision of EPR scheme & costing
Cluster 6	Sales/marketing strategy & associated flat layout revisions
Cluster 7	Planning consent & construction contract
Cluster 8	Chelsea College's relocation to 552 King's Road Site (2 concepts)
Cluster 9	Announcement of PFI by Government (2 concepts)
Cluster 10	King's College's attempt to get planning permission for the site (2 concepts)
Cluster 11	London Underground projects influencing 552 King's Road Project (2 concepts)
Cluster 12	PFI Deal
Cluster 13	King's College's decision to relocate
Cluster 14	Pre-marketing demand for Stanley House
Cluster 15	Drivers behind ME's, HI's, NA's involvement & their roles
Cluster 16	NA's involvement: background
Cluster 17	PFI deal: background
Cluster 18	EL's & Bouygues' involvement
Cluster 19	Negotiations on alterations to existing buildings
Cluster 20	Consent for EPR scheme & initiation of present scheme
Cluster 21	South-Bank Site planning consent & identification of specifications
Cluster 22	Instructions for changes during construction process (3 concepts)
Cluster 23	HI's marketing advantages (3 concepts)
Cluster 24	Market condition in the Far East (4 concepts)
Cluster 25	Factors influencing design objectives for listed buildings
Cluster 26	Lack of knowledge transfer between members of staff at LA & EH (3 concepts)
Cluster 27	Factors facilitating an unproblematic decision-making process
Cluster 28	Completion of end-product design
Cluster 29	Provision of affordable housing off-site (5 concepts)
Cluster 30	Team assembly
Cluster 31	Influence of building's listed aspects on design objectives for listed buildings

Table 8.2. List of Clusters



Case study data collected in Oct'00. Project continues. Expected completion is June 2002

Table 7.3. 552 King's Road Project Time-Line

8.3.1. Initiation

8.3.1.1. PFI Deal

552 King's Road Project was part of a PFI project (see Appendix 2 for a background). Hence, EL's interest in (re)developing the site did not stem from the site's own merits. 552 King's Road Site was one of the four sites that would become surplus to King's College's requirements when they relocated. Therefore, EL was obliged to purchase this site. Within this context, completion and closure of the PFI deal were closely related to the initiation of the (re)development process in the King's Road Site.

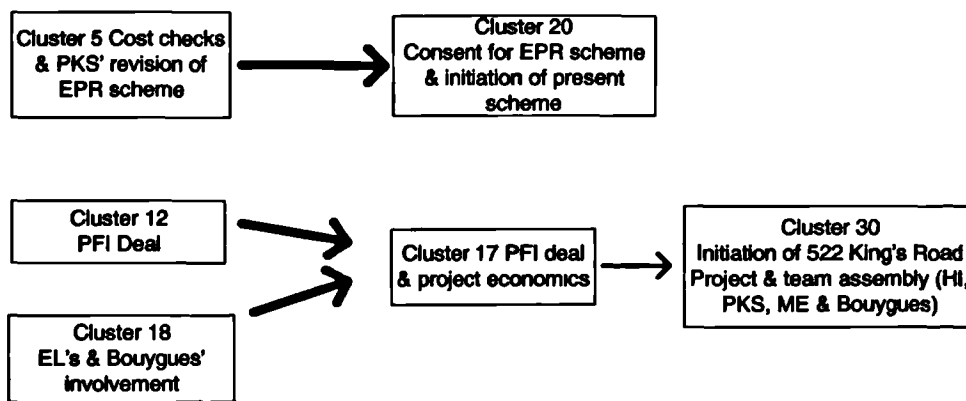


Figure 8.3. Process Map: PFI Deal

EL instructed Mace Project Managers and GT to join the PFI consortium after deciding to put in a PFI bid (Cluster 18, see Figure 8.3). The development team embarked on preparing the bid for the South Bank development to the standards and specifications identified in King's College's brief. The purchase price for the four surplus sites in Chelsea as well as their development potential were the fundamental inputs to the PFI bid. Costing and valuation of the scheme by GT was the basis of a general indication of the development potential of the site (link from Cluster 5 to Cluster 20).

Bids from different development consortiums were then evaluated by King's College, who short-listed the bidders. EL was one of the short-listed bidders. Preparation of detailed proposals for the scheme and the legal documentation by the bidders followed. This necessitated the involvement of a high number of people (link from Cluster 18 to Cluster 17). Eventually, EL was chosen to be the preferred bidder in early 1997 (link from Cluster 18 to Cluster 17).

EL then became obliged to buy the surplus King's Road Sites from King's College (link from Cluster 17 to Cluster 30). Hence, EL embarked on identifying the development opportunities on the surplus sites with particular reference to the planning regulations, while detailing the proposals for the South Bank development. In order to do this, EL needed services of a planning consultant, hence the instruction of Montagu Evans (ME) as planning consultants

(Cluster 30). Prior to this ME was part of another consortium bidding for the same scheme. ME embarked on planning negotiations for the South Bank Development with London Boroughs of Lambeth and Southwark and for the 552 King's Road re-development with RBK&C.

Meanwhile, Howard Wright, then of Mace, invited Bouygues UK to prepare a two-stage bid for the construction works on the South Bank site alongside three other contractors (Cluster 18). Instead of a two stage bid, Bouygues UK gave a fixed price; hence, a firm price commitment at an earlier stage. Bouygues was chosen as the contractor for the South Bank development at the end of this bidding process.

Eventually, a deal, which was acceptable by both EL and King's College, emerged (link from Cluster 12 to Cluster 17). King's College had a share of the profit from the development of the surplus sites according to this deal. Parties signed the PFI contract in December 1997 (Cluster 17). The fundamental condition of the contract was that EL was obliged not only to buy the surplus sites in Chelsea at a pre-determined price but also to construct new facilities for King's College in the South Bank at an agreed, guaranteed maximum price (link from Cluster 17 to Cluster 30). EL was to purchase 552 King's Road Site on signing the PFI contract and the other three sites on delivery of South Bank development. The contract was dealt with in two separate transactions: one for the purchase of 552 King's Road Site and the other for the construction and refurbishment of South Bank facilities. Construction on the South Bank Site started in January 1998 and King's College relocated to their new premises in Summer 1999.

8.3.1.2. 552 King's Road

Once an agreement between the private and the public sector partners of the PFI had been reached, EL initiated the (re)development process for King's Road Site. EL started assembling a team of consultants in order to identify the development potential of the site and carry out the initial appraisal. Having accepted EL's offer to get involved in the 552 King's Road development, GT (link from Cluster 30 to Cluster 5, see Figure 8.4) and ME (link from Cluster 30 to Cluster 15) joined the 552 King's Road development team as cost estimators and planning consultants respectively. ME took the lead in negotiating planning matters with the indirect agents (link from Cluster 15 to Cluster 2 and link from Cluster 15 to Cluster 27). EL instructed PKS as architects (link from Cluster 30 to Cluster 17), Hamptons International (HI) as development advisors (link from Cluster 30 to Cluster 15), Antony Blee as architectural history consultants (link from Cluster 30 to Cluster 25). Indirect agents considered the involvement of Antony Blee to be a sign of the attention the developer paid to the architectural and historical sensitivity of the site (link from Cluster 25 to Cluster 27). It should be noted that the anticipated reputation their involvement in this scheme would yield (link from Cluster 15 to Cluster 5) and the anticipated profitability of the scheme (link from Cluster 17 to both Cluster 5 and Cluster 15) were among the reasons behind the instructed agents' decision to get involved with this scheme.

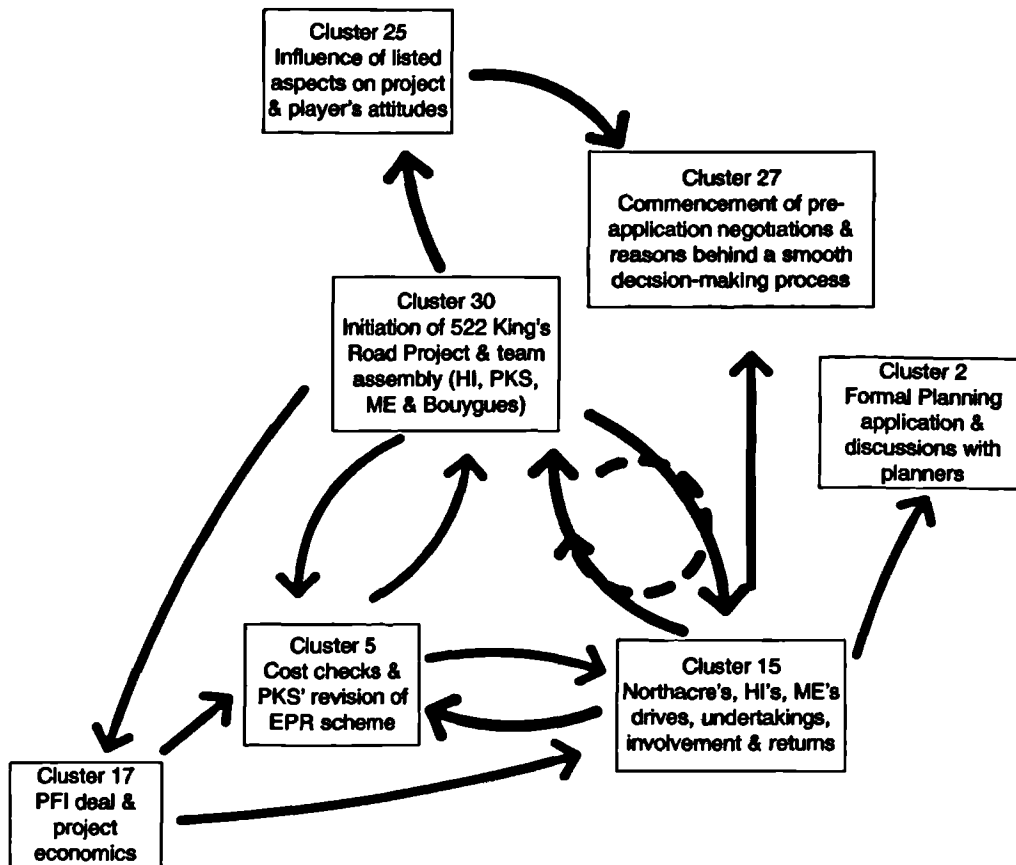


Figure 8.4. Process Map: Initiation

Consultancy work was not tendered in order to make sure that agents that would deliver a high quality service were involved in the project (loop between Cluster 15 and Cluster 30). Thus, EL instructed agents from among agents with whom they had a former professional rapport. One of the most significant outcomes of choosing agents who would definitely deliver a high quality service was that the professional fees were quite high (link from Cluster 15 to Cluster 5).

Once the development team had been assembled, the agents embarked on appraising the cost and value of the EPR scheme (link from Cluster 5 to Cluster 30). ME's views on the possibility of increasing the scheme density based on RBK&C's planning strategy was the essence of the value appraisal. GT costed the scheme in order to identify an outline cost for the scheme. The cost and value appraisal was the fundamental input in deciding whether to implement the EPR scheme or develop a new scheme (link from Cluster 15 to Cluster 27). The presence of a scheme with planning consent was one of the factors which increased EL's confidence in the 552 King's Road Scheme (Cluster 20). Implementing the EPR scheme; hence, avoiding a potentially lengthy and controversial planning process, was one of EL's options. Cost checks carried out by GT on the EPR scheme (link from Cluster 5 to Cluster 15) and ME's views on the

possibility of increasing the density of the EPR scheme revealed that the financial viability of the EPR scheme could have been increased. This view was taken to EL Board of Directors and Shareholders for discussion. The Board took the same view and decided to revise the scheme (Cluster 17). EL Board's decision required a new full planning application to be made.

8.3.2. Initial Scheme

Following the Board's decision, PKS embarked on revising the EPR scheme (link from Cluster 17 to Cluster 5, see Figure 8.5). Objectives of this revision were to:

- distribute flats such that the majority of them enjoyed the views of the open space;
- provide a mixture of uses that respected the residents in the area and eliminated the need for difficult provisions such as car-parking for a restaurant;
- avoid historic revivalism and eclecticism in the design of new buildings.

This revision revealed the areas PKS had major concerns about. These were:

- the impact of destination uses and the required alterations to accommodate these uses on spatial layouts of buildings;
- impact of destination uses on the residents' amenity
- design of new buildings as pastiche.

EPR scheme was a mixed use scheme that converted Stanley House and Clark Building to offices, Coleridge Building to flats and the Octagon Building to a restaurant. PKS had reservations on the destination uses in listed buildings because the resultant spatial layouts and

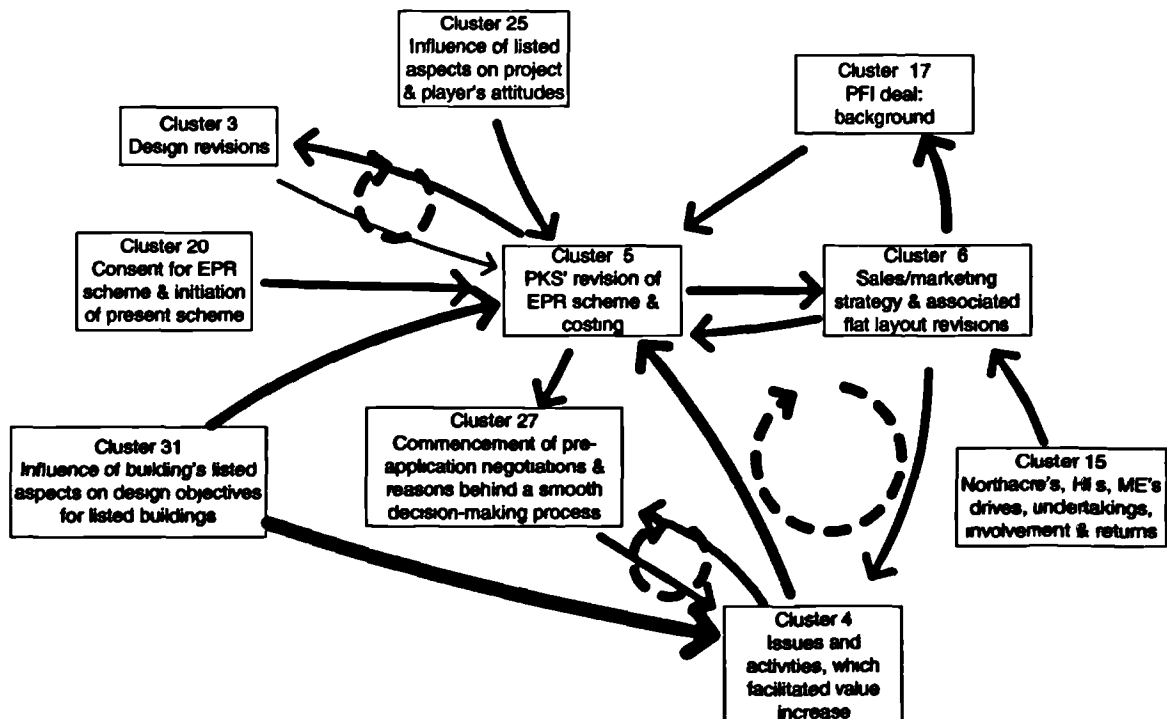


Figure 8.5. Process Map: Initial Scheme

the extent of alterations needed were not 'in keeping' with the architectural character of the listed buildings. PKS preferred residential uses in listed buildings as the necessary alterations would be much more sympathetic to their spatial layout. On the whole, PKS tried to avoid dividing up the listed buildings as they were willing to retain the existing architectural characteristics of the listed buildings or re-instating them where appropriate and necessary (link from Cluster 31 to Cluster 4). During the pre-application negotiations, it became apparent that PKS' design objectives as reflected in the proposed destination uses and the strategy for altering the buildings to accommodate these uses, were in-line with the indirect agents' design objectives (link from Cluster 27 to Cluster 4), and this contributed to an unproblematic decision-making process (link from Cluster 4 to Cluster 27).

The impact of the destination uses proposed in the EPR scheme on the site ambiance accentuated PKS's reservations (link from Cluster 4 to Cluster 5). Creating a calm, collegiate environment was one of PKS's objectives in designing this scheme. The restaurant use in the Octagon building was not only considered to jeopardise this objective, but also necessitated some difficult provisions such as the service areas to be provided within the building and the user facilities such as the car-parking within the site.

New buildings in the EPR scheme were designed in an eclectic manner. EPR's proposal for the design of the new buildings was regarded as 'pastiche' by PKS, who favoured a more explicit approach to the design of new buildings. Furthermore, PKS thought it would be possible to enhance the scheme by increasing the number of flats that could enjoy the open space by repositioning the new buildings.

Revision of the EPR scheme yielded 'the initial design solutions [sketch proposal] in the form of A3 plans and ratio of built/lettable&saleable areas'⁴³. Increased awareness of the character of the existing buildings and appropriate alterations to them which were facilitated by the involvement of Antony Blee (link from Cluster 25 to Cluster 5), were important in shaping the sketch proposal (link from Cluster 31 to Cluster 5). The sketch proposal was a complete residential development in which Stanley House and Octagon Building were converted to single family dwellings, Coleridge Building was divided vertically into houses, and new buildings were constructed at the western and northern sides of the site to accommodate flats.

The sketch proposal became the basis of an initial cost appraisal by GT (Cluster 5). The issues which were taken into consideration in checking the cost of the scheme were:

- anticipated length of the project;
- cost of alterations;
- physical characteristics of the building,
- architectural characteristics of the site (link from Cluster 20 to Cluster 5),
- extent of alterations likely to be allowed;

⁴³ Quoted in the interview with Selwyn Lowe.

- extent of alterations likely to be required due to building condition.

Costing took a long time as GT needed to compile cost information on works on listed buildings as they had not been involved in similar schemes prior to this one. Thus, GT lacked the relevant cost database (link from Cluster 6 to Cluster 5), which included cost information on the specialist works on the listed buildings on site (link from Cluster 31 to Cluster 5).

In the meantime, HI carried out a preliminary market appraisal on the sketch proposal (link from Cluster 5 to Cluster 6). HI's next undertaking was to check the proposed schedule (link from Cluster 15 to Cluster 6). Here, the aim was to see whether the types of units that would be necessary to ensure the suitability of the proposed end-product to the market were included in the accommodation schedule (link from Cluster 6 to Cluster 17). JS's knowledge of the market and demand profile, which he accumulated through his long and continuous involvement in residential schemes in RBK&C, and his knowledge of the prevailing trends were the fundamental inputs to this appraisal (link from Cluster 6 to Cluster 17). HI did not find the match between the proposal and the anticipated market adequate (link from Cluster 6 to Cluster 5) thus proposed:

- an increase in the flat specifications (link from Cluster 6 to Cluster 4); and
- changes in the unit locations and overall unit schedule (link from Cluster 5 to Cluster 3).

This necessitated PKS's revising the design in order to accommodate changes proposed by HI (link from Cluster 4 to Cluster 5). These revisions marked the initiation of the loop between Cluster 5 and Cluster 3, which was repeated until the proposal was found to be satisfactory in terms of its cost and marketability (link from Cluster 6 to Cluster 5).

As a result, the design moved to a more detailed level and the scheme was presented to EL Boards of Directors and Shareholders for the final approval to proceed with a new planning application. The Boards gave approvals to proceed with the project (link from Cluster 5 to Cluster 27) and thus the development team embarked on planning negotiations.

8.3.3. Pre-application Negotiations & Tendering

Following the Government advise to hold pre-application negotiations, which are not statutorily required (see Section 3.5.1), RBK&C made staff time available for pre-application negotiations on the 552 King's Road Project. Negotiations between direct and indirect agents started in April 1998 (link from Cluster 15 to Cluster 27, see Figure 8.6). Pre-application negotiations on 552 King's Road Site were followed by the commencement of the planning process for the other surplus sites (link from Cluster 27 to Cluster 15).

Direct agents started the pre-application negotiations as they were willing to identify the borough's objectives about this development, hence the type of scheme which would have the highest likelihood of getting planning permission early on in the process. This attitude towards the planning process was mainly informed by the direct agents' awareness of the significance of both the tighter development control, and the significance of the convergence of the direct and indirect agents' objectives in reducing the potential of conflicts during the planning process. Tighter development control was a consequence of the presence of listed buildings on site (link

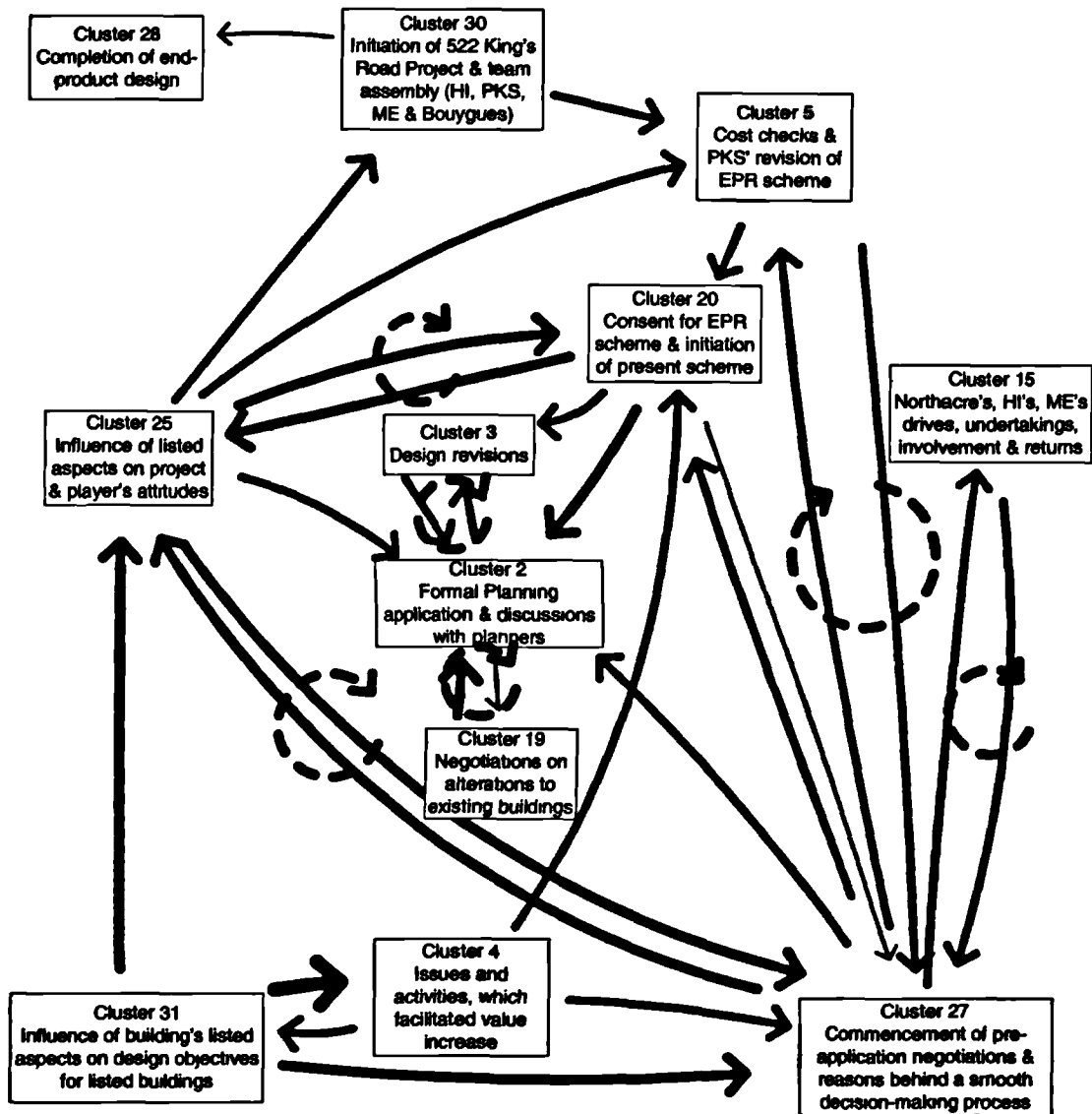


Figure 8.6. Process Map: Design Detailing & Tendering⁴⁴

⁴⁴ There are two process maps for this stage.

from Cluster 31 to Cluster 25 and link from Cluster 31 to Cluster 27), and it was imposed by the planning system and executed by RBK&C and EH in shaping the proposal (link from Cluster 25 to Cluster 2). Awareness of the implications of development control on the proposal was facilitated by ME's good understanding of the local and national planning policies (link from Cluster 30 to Cluster 28). The presence of tighter development control meant that changes that were likely to be allowed would be limited (link from Cluster 25 to Cluster 5) and this could eventually jeopardise the end product quality; thus, direct agents had to 'look at things much more carefully (link from Cluster 5 to Cluster 15 and from Cluster 27 to Cluster 15). Introduction of ME to the development team was also informed by this need (link from Cluster 25 to Cluster 30 to Cluster 5).

By holding pre-application negotiations, the direct agents could consider the implications of development control on the development while appraising the development potential. Also, they could ensure that predictions made in the development appraisal were realistic (loop between Cluster 5 to Cluster 27). This could not have been done just by working on the documentation—such as the UDP, which outlines the principals of development control, as they indicate the overall intention of the local authority. Pre-application negotiations enabled the direct agents to identify the possible constraints RBK&C would impose on this particular site given the condition of the existing buildings (link from Cluster 27 to Cluster 2).

RBK&C got involved in the scheme and started preparing the planning brief for the other surplus sites once pre-application negotiations started (link from Cluster 27 to Cluster 20). They informed EH about the proposal and historic buildings inspector (DC) got involved in the pre-application negotiations (loop between Cluster 20 to Cluster 25).

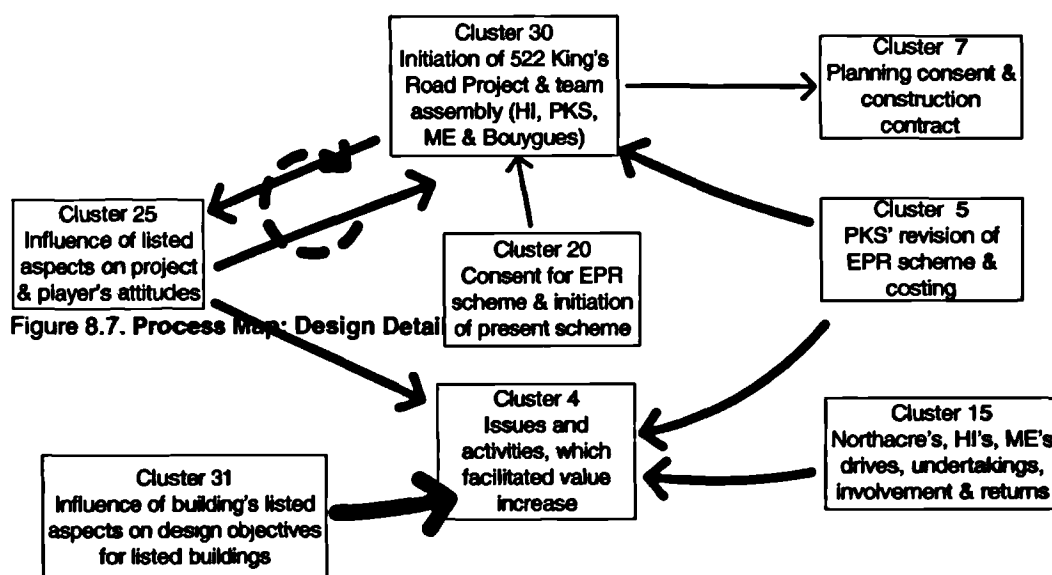
The EPR scheme on which the current proposals were largely based provided common ground to start the pre-application negotiations (link from Cluster 20 to Cluster 27). This common ground meant that principles on positioning of the new buildings on the site, and the height and bulk of the new buildings had already been established (loop between Cluster 20 to Cluster 25) the only exception being the location of new buildings, which EH tried to keep away from listed buildings (link from Cluster 4 to Cluster 20). Therefore, indirect agents concentrated on the details of dealing with listed building and historic aspects of the site (loop between Cluster 25 and Cluster 27) so that the proposals would not disrupt the appearance and layout of the existing buildings (loop between Cluster 20 and Cluster 25).

Former alterations determined the extent of the indirect agents' persistence in retaining/reinstating elements of the buildings which were regarded as being of architectural and/or historical significance (link from Cluster 4 to Cluster 20). Building condition was another influence on the extent of retention/reinstatement (link from Cluster 5 to Cluster 20). Existing buildings on site had been radically altered while the site was used for educational purposes (link from Cluster 31 to Cluster 4). As a result, the chances of indirect agents demanding extensive reinstatement of original features where buildings had been radically altered or the building condition had deteriorated badly, were limited.

On the whole, convergence of agents' objectives was instrumental in facilitating an unproblematic decision-making process (link from Cluster 4 to Cluster 27). However, the planning process was not free of conflicts and differences of opinion on the scheme. These became apparent during the pre-application negotiations. They were:

- design objectives (link from Cluster 20 to Cluster 3);
- destination use of Octagon Building (link from Cluster 20 to Cluster 3);
- public access to the site (link from Cluster 20 to Cluster 2 to Cluster 3);
- provision of affordable housing on site (link from Cluster 20 to Cluster 2).

The potentially contentious issues associated with design objectives and public access to the site became the focus of discussions between direct and indirect agents. The loop between Cluster 2 and Cluster 3 depicts these discussions. Although it took much longer to agree on all issues associated with the design objectives and public access, direct and indirect agents reached a principal agreement on the way of dealing with those issues at the end of the pre-application negotiations, which lasted two months (loop between Cluster 2 and Cluster 19).



Agents agreed that a conservation approach would be adopted in handling the facades of existing buildings and parts of their interior which have not lost their architectural characteristics as a result of former excessive alterations (link from Cluster 4 to Cluster 31). Issues on affordable housing were still outstanding at this stage. Negotiations on the affordable housing issue continued for another year, until May 1999. The planning consultant and planning officer at RBK&C took the lead in these negotiations.

PKS continued detailing the scheme during the pre-application negotiations. Once PKS got engaged in negotiations on the sketch proposal with indirect agents, they embarked on working on block plans (Cluster 5). This exercise yielded more detailed information about the volume of building and ratio of retention/new build. GT used this information to detail the cost plan. This information was also an input to the discussions with the conservation officer and EH, which

concentrated on the relationship between the proposed new blocks and the open space (link from Cluster 5 to Cluster 4 and link from Cluster 25 to Cluster 4 respectively, see Figure 8.7). Listed aspects of the buildings were also considered as part of these discussions (link from Cluster 31 to Cluster 4). In some instances these discussions resulted in reallocation of blocks on the site. This was facilitated by the purchase of a strip of land from RBK&C. The estate Agency Department of ME was involved in negotiations of this purchase and finalising the purchase deal (link from Cluster 15 to Cluster 4). PKS stated that this move improved the relationships between new buildings and listed buildings, which in return increased the site value.

Pre-application negotiations were simultaneous with the commencement of tendering (loop between Cluster 25 and Cluster 30). Once the pre-application negotiations commenced, EL started negotiating with prospective contractors (link from Cluster 20 to Cluster 30). Bouygues were asked to look at a number of options and start pricing the options at this stage (link from Cluster 5 to Cluster 30). Bouygues were interested in getting involved in 552 King's Road Project hence they started pricing various options (link from Cluster 30 to Cluster 7). Involvement of the contractors at this early stage of the development process is worthy of noting mainly because of its impact on the later stages of the process.

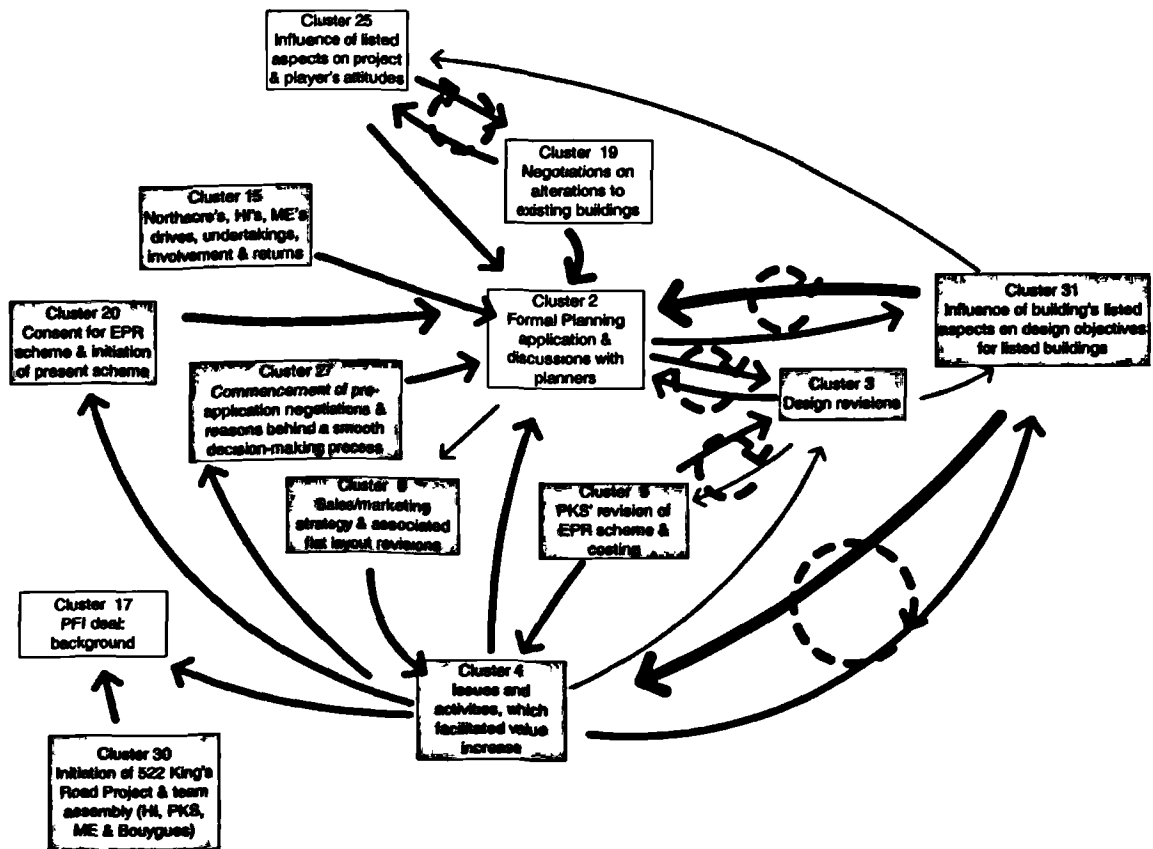
8.3.4. Planning & Funding Applications, and Detailed Design

Whilst the negotiations on planning and conservation issues were ongoing, ME, on behalf of EL, made the planning application in May 1998 (Cluster 2) as an agreement on the principals of re-developing the site had been achieved between the direct and indirect agents (link from Cluster 27 to Cluster 2). At the same time, PKS contacted the building control officers in order to discuss how building control requirements could have been met. The applicants held a public exhibition in the Octagon Building in June 1998, shortly after the planning application, so that the residents and the Councillors were informed about the proposal. In the meantime, EL embarked on securing a loan to fund the project.

As the Banks were anxious to secure the loan and the interest on it, EL had the major task of gaining their confidence on the 'profitability' and 'deliver-ability' of the scheme as well as the achievability of regular cash-flow. The development appraisal and the marketing strategy were closely associated with the profitability of the scheme and regularity of cash flow. Considering the marketing strategy in the context of both the cash-flow and the profitability of the scheme is worth noting as it shows the direct agents' awareness of the influence of marketing strategy on the development yield from the site (link from Cluster 6 to Cluster 17, see Figure 8.5). EL started considering the marketing strategy with HI once the formal planning application was made (link from Cluster 2 to Cluster 6). At the same time, the development appraisal was being continuously updated according to new design information. Cost and value of the scheme were the two inputs to the development appraisal presented to the banks. The Valuation Department in ME was involved briefly to value the scheme (link from Cluster 15 to Cluster 2, see Figure 8.8).

Because of its anticipated impact on the development yield, identification of the marketing strategy went hand-in-hand with the refinement of the scheme (link from Cluster 30 to Cluster 17). The link from Cluster 6 to Cluster 4 to Cluster 3 depicts the revision of flat locations and layouts, subsequent re-allocation of flat types on the site, e.g. one bedroom flats along the railway line, and changes to design. These were an integral part of identifying the marketing strategy. Some of these changes had to be discussed with the planners as they were material changes (link from Cluster 4 to Cluster 2). The treatment of existing elevations is an example. The loop between Cluster 2 and Cluster 3 depicts these negotiations. Cost and value implications of these changes which resulted from these negotiations were assessed through the loop between Cluster 3 and Cluster 5. This process was repeated until a layout and schedule acceptable to the developer, development and cost consultants, and the architect was produced (link from Cluster 5 to Cluster 4).

Figure 8.8. Process Map: Design detailing & Planning application⁴⁵



In addition to the above changes, which were prompted by the direct agents with a view to enhance the value of the scheme, changes to the scheme became necessary in order to accommodate objectives of RBK&C'S different departments such as the Traffic Control Department. This was an expected outcome because the Development Control Department was statutorily obliged to consult other departments within the borough in order to get their

⁴⁵ There are three process maps for this stage. The clusters that were common in these maps are rendered blue.

views on the scheme after receiving the planning application (link from Cluster 2 to Cluster 3). These consultations once again initiated the loop between Cluster 2 and Cluster 3. Approval of the proposal by all interested departments was achieved through these loops. This approval gave the planning officers the confidence in terms of design quality and the planning gain scenarios (link from Cluster 3 to Cluster 2).

Concurrently, the architects, planning and, specifically, conservation officers at RBK&C continued the discussions on the design principles of existing buildings and public access to the open space in order to find a solution that satisfied both direct and indirect agents. Links from Cluster 19 to Cluster 2 and from Cluster 20 to Cluster 2 identify the exact topics of discussion with regards to design objectives. These were:

- the extent of demolition of the Gym and Hudson Buildings' facades;
- wholesale demolition versus facade retention of Clark Building;
- the exact extent of alterations on Coleridge Building.

The fundamental reason behind the emergence of the above issues as a matter of discussion was that PKS proposed the rebuilding of the facades of Hudson, Clark and Gym Buildings in contemporary style and demolishing the structurally unstable parts of Coleridge Building facade. This proposal was different from the EPR scheme, which proposed re-building these facades in replica. During the discussions, RBK&C's and EH's view became that facades of these buildings should be retained as they were 'good' buildings (link from Cluster 19 to Cluster 25). Also, retaining these facades was a means to ensuring that the scheme would not disrupt the appearance of listed buildings (link from Cluster 25 to Cluster 19). This attitude was largely shaped by RBK&C's preconceived wish to retain anything 'historic' (link from Cluster 31 to Cluster 2). On the contrary, PKS urged that facades of both buildings should be replaced so that a design solution that does not disrupt the architectural integrity of listed buildings, specifically Stanley House (link from Cluster 19 to Cluster 25), and resolves problems associated with the instability of Coleridge Building facade, can be implemented. The solution to the problems associated with the design objectives was to retain half of Gym Building's facade and part replace Clark Building facade. ME's advice to PKS on taking RBK&C's and EH's view on board was instrumental in resolving this matter.

In addition to these issues, internal alterations to Stanley House and the Octagon Building became a subject of negotiations between the architects and the conservation officer. The loop between Cluster 2 and Cluster 31 depicts these discussions and the eventual decision that residential use would be the most suitable use for Stanley House and the Octagon Building in terms of the internal alterations. Architects and planners agreed that extensions to both buildings would be built to house provisions that a potential purchaser would expect to find in a similar property, e.g. swimming pool, gym, and that detailing of these extensions would be discussed before they were implemented (link from Cluster 25 to Cluster 2).

It is interesting to note that arguments RBK&C and PKS put forward to justify the conflicting views they have taken on altering the existing buildings, specifically on Clark and Gym Building

facades, are quite similar to each other. RBK&C's main thrust in evaluating the design proposal which resulted in these negotiations was to make sure that proposals do not disrupt the building appearance and layout (link from Cluster 25 to Cluster 19). Requesting the retention of Clark and Gym Buildings' facades was based on this objective. On the other hand, PKS had a very similar objective in making their proposals. The link from Cluster 31 to Cluster 25 depicts the influence of their claimed willingness to retain and reinstate architectural characteristics of existing buildings. For example, their argument in proposing demolition of Clark Building was that 'Clark Building was built crudely onto the south-eastern (King's Road) façade of Stanley House'.

Another issue associated with the handling of existing buildings on site was the destination use of Octagon Building. RBK&C was more inclined to accommodate a public use in the Octagon Building (link from Cluster 3 to Cluster 31). This intention was informed by the location of the Octagon Building on the site (link from Cluster 4 to Cluster 31) and the former use of the building, which was educational. This view was taken on board by the developers and their consultants, who investigated the possibility of accommodating a social use in this building and discussed the possibilities with planners (link from Cluster 31 to Cluster 2). Eventually, RBK&C was convinced that it was not possible to accommodate a social use in the Octagon Building (link from Cluster 2 to Cluster 31). Economic issues, such as the building's market value which would exceed the budget of any occupant of the building in social use, were the fundamental reasons behind abandoning social uses in the Octagon Building.

Both EH and RBK&C had reservations on public access to the open space (link from Cluster 25 to Cluster 2). This was mainly because of the history of public access to the site. Residents living near the site had access to the open space when it was used by King's College. However, this was not a public right of way. Despite this, RBK&C tried to ensure that public access to the site continued. They saw this as a means to protect residents' rights living nearby (link from Cluster 4 to Cluster 20). Protection of residents' rights has always been very instrumental in shaping the policies set out in the Unitary Development Plan (UDP) and planning briefs at RBK&C (link from Cluster 4 to Cluster 27). On the contrary, the developer wanted to limit access to the site further (link from Cluster 4 to Cluster 2) as the extent of public access would be 'unacceptable' by future residents (link from Cluster 31 to Cluster 4). The direct agents' anticipation that public access to the open space would degrade the value of the scheme, hence sales values, in the face of prospective buyers, was the fundamental reason behind direct agents' objective to limit public access to the site (link from Cluster 4 to Cluster 17). Thus, the developer disagreed with RBK&C and EH on this issue (link from Cluster 20 to Cluster 2). As a result, open space became a particular concern for the conservation officer who insisted on public access across the site (from north to south), in assessing the impact of the proposals on the character of the conservation area. The conservation officer was 'over-ruled' by Councillors, who eventually reached an agreement with the developer's planning consultants whereby the public had partial access to the site.

In the meantime, EL's negotiations with the banks to secure a loan had advanced to such an extent that one of the banks provisionally agreed to lend EL money. The condition of the loan was to involve Northacre as the Bank was keen to guarantee the delivery of the scheme at a

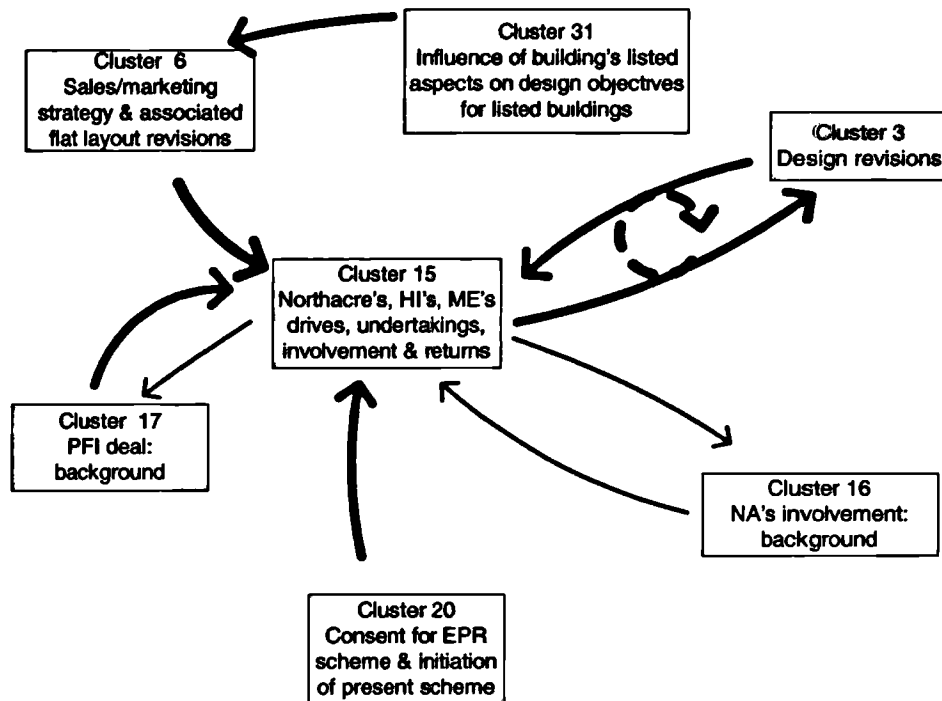


Figure 8.9. Process Map: Northacre's Involvement & Design Detailing

premium market value and thus the repayment of the loan. The Bank considered Northacre to have a clear advantage over both EL and PKS in delivering schemes of this size and complexity in RBK&C because of Northacre's track record (link from Cluster 15 to Cluster 16, see Figure 8.9). Given the small number of organisations that have experience in delivering this type of development in RBK&C and the organisational capacity to manage the complex issues associated with such development sites, Northacre's track record gained even more significance for 552 King's Road Project (link from Cluster 20 to Cluster 15). Therefore, EL started negotiations with Northacre in February 1999 in order to involve them in the scheme as development managers (link from Cluster 16 to Cluster 15).

There are also allegations that it was not EL's intention to get involved in the implementation of any of the surplus King's College Sites. They were inclined to sell on the sites after securing a planning consent and thus achieve higher sales values. However, EL was said to have failed to achieve this in 552 King's Road Site due to the very high asking price for the site. Therefore, they had to implement the scheme, which necessitated getting a loan and the subsequent involvement of Northacre. It was not possible to verify this allegation as the issue was considered to be of strategic sensitivity.

Six weeks after starting the negotiations, Northacre and EL agreed on the general aspects of the contractual arrangements and they went into a legal mode. Parties signed a contract in October 1999. The driving factors behind Northacre's involvement were:

- the project's contribution to the company profile;
- profitability of the scheme (link from Cluster 15 to Cluster 17); and
- architectural characteristics of the site (link from Cluster 20 to Cluster 15).

Even before the contract was signed, Northacre had been immersed in the scheme checking the specifications and unit layouts. Hence, Northacre was actively involved in the refining and marketing of the scheme as of March 1999, when they went into legal mode to agree the terms of the contract. This marked the caesurae of HI's involvement as development consultants and the commencement of HI's role as estate agents.

Northacre's first undertaking was to grade the units according to their anticipated end-value and review the sub-division of the buildings in order to ensure the scheme's saleability. A proper match between the end-product and the purchaser profile was considered as the means to achieve this (link from Cluster 6 to Cluster 15). Ensuring the saleability of the scheme was necessary as there were listed buildings on site which not only constrained the market demand but also focused the purchaser profile to a particular niche, viz. middle-to-upper range of the owner occupied residential market (link from Cluster 31 to Cluster 6). Fundamental inputs to Northacre's sub-division revisions were:

- cost of project;
- purchaser profile (link from Cluster 6 to Cluster 15);
- profitability of the scheme (link from Cluster 17 to Cluster 15);
- buildability of the scheme (link from Cluster 3 to Cluster 15);
- improvement of views from flats.

After these revisions Northacre proposed some changes so that the scheme's market potential and thus overall value would be enhanced (loop between Cluster 15 to Cluster 3). These revisions prompted the loops between Cluster 3 and Cluster 5, whereby the cost and value implications of these changes were evaluated; and Cluster 3 and Cluster 2, whereby the planning implications of the changes were discussed with the LA and EH (see Figure 8.8).

The eventual outcome of the design and cost revisions that took place through the above detailed loops was the finalised end-product design (link from Cluster 4 to Cluster 28, link from Cluster 15 to Cluster 28, link from Cluster 5 to Cluster 28, see Figure 8.10). Examination of the link from Cluster 28 to Cluster 4 shows that this design delivered:

- an increase in the density of the scheme and amount of saleable residential space;
- changes in the massing of buildings to make the new buildings more harmonious with the existing buildings in terms of scale, height, bulk;
- improvement in the spatial relationship between listed buildings and new buildings;
- more efficient use of open space.

It can thus be stated that both the design revision process lead by PKS and HI initially and by Northacre afterwards increased the overall value of the scheme (link from Cluster 4 to Cluster 6 and link from Cluster 15 to Cluster 6 and link from Cluster 27 to Cluster 4 and the link from Cluster 31 to Cluster 4 show that there were other factors, which also contributed to the enhancement of the scheme value. These factors were:

- the developers' willingness to invest money in the planning process;
- the attention direct agents paid to detailing;
- higher aesthetic quality facilitated by the listed aspects of the buildings;
- providing single family units in Stanley House and Octagon Building.

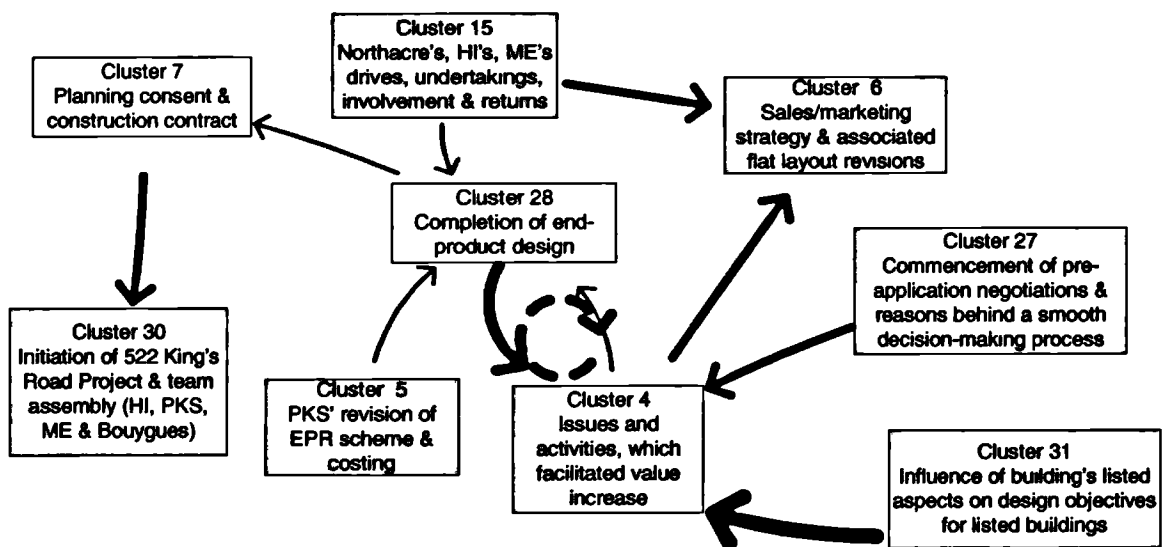


Figure 8.10. Process Map: Design Detailing & Outcomes

While the planning application was being processed and the scheme was being detailed, ME concentrated on negotiations over affordable housing (Cluster 29). These negotiations took place between December 1998 and May 1999, when an agreement on the matter had been reached. The fundamental reason behind these lengthy negotiations was RBK&C 's insistence on provision of affordable housing on site and the developer's insistence on providing it off-site. There were justifiable reasons behind both parties' insistence on the execution of their objectives. Direct agents were concerned that affordable housing units on site would reduce the site value. In addition, maintenance costs were not considered to be affordable for prospective occupants of these units. Lastly, applicants did not consider provision of affordable housing in a refurbishment scheme appropriate due to high costs of conversion. On the other hand, the LA was keen that the developers provided affordable housing units as this had become the common practice of providing social housing since the mid-1980s, when the LAs started gradually abandoning developing social housing

themselves. Their justification for insisting on the provision of affordable housing on site was that the land value in the borough was very high, land for development was scarce, and therefore it would be difficult for EL to find an alternative site for affordable housing.

An agreement on the affordable housing issue was achieved when the borough accepted the provision of units off-site. The prospect of achieving more units of affordable housing drove this decision. Eventually, parties agreed that the developers would provide 130 units off site and make £5,000,000 commuted payment to the LA. Thus, the planning officers made a recommendation to the Councillors to give planning consent for the scheme. In the meantime, the Secretary of State for Environment served the Council with an Article 4⁴⁶, which barred the Council from granting consent until he considered the provision of affordable housing on the grounds of its sufficiency. This caused three months' delay in granting the permission (Cluster 7). Eventually, RBK&C gave consent to the proposal in September 1999. Subsequently, the Section 106 agreement was signed between the applicants and the LA.

Section 106 condition on affordable housing was that the developer should secure the land and planning permission for affordable housing and then transfer these to a Regulated Social Landlord (RSL) for implementation. EL, with great assistance from ME, found and purchased the land for affordable housing. During the data collection period, the planning application had been made and the project was in the process of refinement.

It should be noted that Cluster 29, which depicts the negotiations on affordable housing matters, is not linked to any other cluster. This is an indication that these matters were dealt with quite separately from other issues and activities. The only, but significant, influence they had on the development process was the three month delay in getting the planning consent. Absence of links into and out of Cluster 29 also indicates that the applicants and their planning consultants were confident in persuading the LA to provide affordable housing off site as PKS was detailing the scheme with this anticipation while the planning consultants were negotiating the matter with the LA.

By the time planning application had been granted, EL and Bouygues had agreed on the majority of the conditions of the construction contract and the contract drawings. A design-and-build contract was signed between EL and Bouygues UK in October 1999 (link from Cluster 28 to Cluster 7). Bouygues undersigned a fixed price for the construction costs and thus a high level of risk at a time when there remained a lot of uncertainty associated with the actual building condition. However, this does not point to the fact that the contractor adopted an unappraised attitude towards risk as they had already considered the potential constraints on

⁴⁶ Under Section 77 of Town and Country Planning Act, 'the Secretary of State has the power to call in an application for his own determination. This takes away the responsibility for deciding the application from the London Borough, transferring it to the Secretary of State' (<http://www.go-london.gov.uk/planning/callinpolicy.htm>). In order to do this, Government Office for London (GOL) serves an Article 4 to the borough.

construction, risks associated with the construction and the projected inflation prior to undersigning the fixed price (link from Cluster 7 to Cluster 30) and identified the construction price in the light of these issues. Bouygues' willingness to enter the UK market as a French contractor was regarded as the fundamental reason behind this risk taking behaviour.

8.3.5. Construction & Marketing

Upon signature of the construction contract EL novated PKS to the contractors with the responsibility to discharge conditions of the planning and listed building consents with the LA. This resulted in EL's need for another organisation to audit the design-and-build process (link from Cluster 7 to Cluster 3, see Figure 8.11). Hence, Northacre started performing as architectural auditors on behalf of EL to approve implementation drawings during the design-and-build process.

The arrangement was that Bouygues and PKS had to agree the implementation drawings with Northacre. The architect's and contractor's interpretation of both the contract and the contract drawings were sent to the architectural auditors for approval. If the architectural auditors did not find the drawings satisfactory, they were sent back to the contractors to be revised by the architects (Cluster 3). This loop was repeated until an agreement was reached between Northacre and the contractor on the implementation drawings. The fundamental aim of this exercise was to make sure that the project was implemented in accordance with the contract drawings, which were agreed prior to the construction contract (link from Cluster 7 to Cluster 3).

It should be noted that the loops that have been completed to produce the implementation drawings based on the contract drawings is not depicted in the relevant figure here as the loop is contained within one cluster (see Appendix 2 for the map of Cluster 3, which shows the loop). Because of the nature of cluster analysis (see Section 6.6.1.4 for an extensive account)

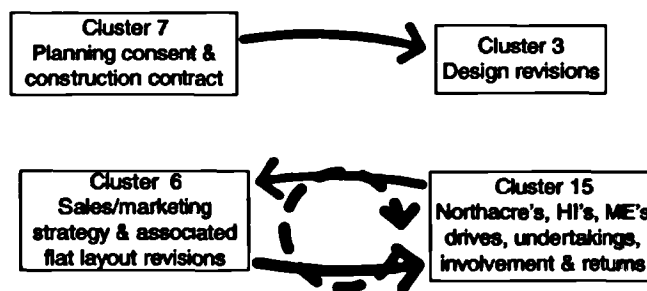


Figure 8.11. Process Map: Construction & Marketing

emergence of the loop through which implementation drawings were produced in one cluster can be interpreted as an indication of the integration of the agents and activities associated with the preparation of implementation drawings. This integration was influential in simplifying the construction process despite the surfacing of major problems such as the collapse of part of a retained façade.

Very soon after the contract was signed, construction works began on site. The first phase of works included demolition of the post WWII additions to the site, excavation works and establishment of a sales office in the front garden of Stanley House.

Phasing of the construction works was closely related to the marketing strategy adapted. HI did not want to start marketing the scheme before the marketing suite and the show flats were ready despite EL's willingness to advance the commencement of marketing (link from Cluster 6 to Cluster 15). This does not mean however that no marketing was undertaken until these works were complete. HI decided to start UK marketing as a passive campaign and transform it into an active campaign nearer the completion of the sales suite (link from Cluster 6 to Cluster 15). HI's aim was to sell thirty units during the passive campaign such that there would be an established demand for 552 King's before active marketing began. According to HI, thirty sales through a passive campaign could only be achieved by fixing the prices of these units. Therefore, they asked EL to fix the prices on these units and EL accepted this (link from Cluster 15 to Cluster 6).

While the first phase of construction works were being undertaken, 'investment type' units were marketed and the majority of them were sold via exhibitions in Hong Kong and Singapore in early 2000. The UK marketing was launched in July 2000. It is estimated that the works on site will be completed within the first half of 2002.

8.4. Results

8.4.1. Process

Although division of the process into different stages suggest sequentiality, the process was not sequential. On the contrary, the process was iterative as the re-occurring loops indicated. Progression from one stage to another marked further evolution and detailing of the scheme. In other words, activities were repeated in different stages and/or they were completed over a number of stages. The main difference between the stages was the level of the scheme's detailing and the agents involved.

The high number of clusters that resulted from the cluster analysis seemed to be an indication of the fragmentation of the process at the first instance. However, it was possible to categorise these clusters under five stages after a content analysis was carried out on the clusters. Furthermore, analysis of the relationships between clusters showed that they were interdependent. Therefore, it is not possible to state that this process was highly fragmented. In this respect, the emergence of a high number of clusters is an indication of the variety of issues and activities.

The loops that occurred during the development process shows that re-use process is an iterative one. This specifically applies to the pre-application negotiations, design detailing and planning application stages. These are also more complex than other stages. Because of the high complexity, achieving the objectives of these stages required a high level of commitment

from all parties involved. Given that there still was a considerable level of uncertainty associated with the implementation of the scheme during these stages, the required level of commitment could only be secured as the developer took the risks and continued to employ consultants during these stages.

By taking these risks, the developer had the opportunity to refine the scheme, and make necessary tendering arrangements such that construction works could start as soon as the Section 106 agreement was signed. Consequently, commencement of marketing and sales could be advanced. This in return facilitated an earlier cash-flow. Also, the construction stage became simpler as a result of the continuous agent involvement during the preceding stages even if some complex construction methods had to be employed. As a result, delays to the construction programme became unlikely⁴⁷.

8.4.2. Activities

Analysis of the 'out-of' links from the clusters has shown that key activities of the process, which had the strongest bearing on the overall process, were:

- consent for EPR scheme and initiation of the existing scheme (Cluster 20);
- value engineering exercise (Cluster 4);
- PKS' revision of EPR scheme, which yielded the initial scheme (Cluster 5).

Consent given to the EPR scheme was important as it provided a general framework for the direct agents to base their proposals on. Presence of a framework, which had the consensus of the local authority and EH, gave direct agents a clear advantage in completing the project in a shorter time-scale and reduced the need for consultancy input that would have been required to go through the planning process from scratch. Here it should be repeated that King's College spent five years in planning negotiations prior to the EPR scheme. Had EL anticipated the need to spend a similar amount of time to establish the planning principles, it would have been reluctant to get involved. This shows that planning history of the site influences the developer's willingness to get involved.

Even if the current proposal was based on an existing framework, the design solution was by no means set in concrete. The design was constantly revised not only to accommodate the changes required by the indirect agents but also to utilise all opportunities to enhance the overall value of the scheme. As stated above, this was one of the key activities. Revisions and the loops through which they took place indicate that the process was dynamic and evolutionary.

Although all agents had their share in proposing changes to the scheme, changes proposed by Northacre were considered to be the key ones in enhancing the overall value of the scheme. This is significant given that Northacre got involved in the scheme a year after the planning

⁴⁷ It was not possible to identify whether there were any delays as the construction was still ongoing during the field study.

application was made. It can thus be stated that the scheme continued to evolve while the planning application was being processed. Therefore, the planning application did not mark the finalisation of the scheme design. This is unlike mainstream development projects, where the design is by and large completed at the end of the planning process. It is also contrary to RIBA's suggestion that the project brief and the design should be frozen at the end of the detailed proposal⁴⁸ and final proposal stages respectively (RIBA, 2001). Given the value increase design changes resulted in, it can be argued that these suggestions do not apply to re-use projects. Moreover, late changes can improve the project outcome as long as they are managed competently to avoid excessive cost increase without a value increment and programme delays.

Some of the design changes required new planning applications. Pursuing these changes despite the necessity to go through a potentially lengthy and contentious planning process indicates the significance of value for the direct agents. Any opportunity to enhance overall value was taken up despite the potential problems, and delays associated with getting planning consent for changes. The possibility of enhancing value through changes also shows that it is possible to manipulate the existing buildings and design such that the development yield is maximised.

PKS' revision of the EPR scheme ranked as the third key activity in this development process. The drive behind this revision was to increase the development yield by adopting a more commercial approach. Adoption of a more commercial approach to development was not simply an exercise of reducing cost. It was an attempt to exploit the development potential of the site such that quality and thus value of the end-product was enhanced. In many instances this resulted in cost increase. It can therefore be stated that revision of the EPR scheme was a more subtle attempt to enhance value rather than a crude one to reduce cost in order to increase the profit margin.

Here it is important to repeat that the character of the existing buildings was an important input to the initial revision of the EPR scheme. By collaborating with the architectural historian, the architects were able to trade on the unique characteristics of the listed buildings such as the Stanley House and thus deliver an end-product with a premium sales value.

8.4.3. Agents

The most significant aspect of this project in terms of the agents is the involvement of an architectural historian (Antony Blee) and architectural auditors (Northacre). Involvement of these agents was informed by the specific characteristics of this project. The developer's awareness of the importance of involving these agents and his readiness to invest more money by

⁴⁸ RIBA Plan of Works states that the development team should have received the necessary planning consents during the detailed proposal stage. In this respect, the end of the planning and detailed design stage in this project juxtaposes with the end of the detailed proposal stage of the RIBA Plan of Works.

employing a higher number of agents gave him clear advantages in the planning process and exploiting the development potential of the buildings.

Within the same context, the Bank's insistence to involve an agent (Northacre), who has a track record of delivery of similar schemes in RBK&C, shows the significance of local knowledge, experience and acquaintance in delivering re-use projects. As there is extensive room for interpretation in the indirect agents' decisions (see Section 4.2, page 58), the decisions are bound to be subjective. Local knowledge, experience and acquaintance is advantageous in estimating the decisions that are likely to be made and thus making proposals that are likely to be supported by the indirect agents.

Also, timing of the involvement of the contractor is quite unique. A contractor was appointed during the pre-application negotiations and thus the contractor had a long time at their disposal to plan the construction works. As a result, the development team had the advantage of starting the construction works on site as soon as the planning permission was granted. Furthermore, the indirect agents considered the involvement of the contractor at this rather early stage to be a sign of the attention the developer paid to the sensitivity of the site. Therefore, the indirect agents had a more sympathetic attitude towards the proposals. The contractor's continuous involvement was instrumental in simplifying the construction process.

Professional competence of the agents involved was another important issue. It gave the development team the opportunity to respond to the changes promptly and efficiently. A certain level of flexibility was retained to accommodate changes in the property market and enhance value of the scheme until very late in the process. As the project progressed, certainty became an important issue in order to be able to adhere to the project programme. Within this context, the agents' professional competence in dealing with changes and making the finalised design information available as and when necessary and thus reducing uncertainty associated with the product gained further significance.

8.4.4. Issues

The key issues that emerged at different stages of the process are displayed in Table 8.4. As can be seen from the table, a wide range of issues became the subject of consideration throughout the development process. The most significant aspect of this table is the drop in the number of key issues after the commencement of the construction, which is a clear indication that the construction process was largely unproblematic.

It can be argued that this was a natural outcome of having agreed on the contract drawings prior to the construction process. Given that this is common practice in development projects and that agreeing on construction drawings does not necessarily result in a drop in the number of issues taken into consideration during the construction process, it becomes obvious that there should have been other factors behind the unproblematic construction phase. Comparison of the tendering strategy adopted here with the usual strategy of tendering construction works reveals the two different aspects of the tendering strategy:

- the involvement of the contractor in the design process; and
- the expenditure of a considerably long time on construction planning.

It can thus be stated that these aspects were instrumental in simplifying the construction process.

Overall, the key issues taken into consideration during this development were:

- profitability;
- site characteristics;
- building characteristics;
- project constraints;
- planning history of the site;
- (addressing) statutory bodies' objectives;
- project benefits to direct agents; and
- cost.

The list is in descending order of centrality. Top ranking of 'profitability' provides evidence for the prominence of the direct agents and their project incentives in shaping the proposal and the process. However, the presence of issues such as (addressing) statutory bodies' objectives and, site and building characteristics on the list and their high ranking show that the direct agents were not blindly focused on their own issues, particularly that of making profit out of the scheme. On the contrary, they were aware of the indirect agents' issues as well as being

552 King's Road	Issues	PFI Deal	Initiation	Initial Scheme	Pre-application	Design & Planning	Construction & Marketing	Centrality
ECONOMIC	Profitability (1)	✓	✓	✓	✓	✓		1
	Value (5)	✓	✓	✓	✓	✓		
	Cost (6)		✓	✓	✓	✓	✓	8
MARKETING	Suitability of product to market/ market condition (2)	✓	✓	✓	✓	✓	✓	
	Marketing strategy (4)	✓	✓	✓	✓	✓	✓	
	Public access (3)			✓	✓	✓		
POLITICS	(Addressing) statutory bodies' objectives (14)		✓	✓	✓	✓		6
	Affordable housing (27)				✓	✓		
	Planning history					✓		5
AGENTS	Expertise (7)	✓	✓	✓	✓	✓	✓	
	Knowledge of national/local planning system (10)	✓	✓	✓	✓	✓		
	Former professional rapport with other team members (12)		✓	✓	✓	✓	✓	
	Developer's objectives (19)		✓	✓	✓	✓		
	Uncertainty (8)				✓	✓	✓	
PROJECT	Risk transfer (30)				✓	✓	✓	
	Design (quality/criteria) (9)	✓	✓	✓	✓	✓		
	Benefits to indirect players (16)		✓	✓	✓	✓		
	Benefits to direct players (17)		✓	✓	✓	✓	✓	7
	Constraints (20)		✓	✓	✓	✓		
	Buildability (23)			✓	✓	✓	✓	4
	Monitoring (24)						✓	
	Level of information available (29)		✓	✓				
	Project size (33)		✓	✓				
	Site characteristics (15)	✓	✓	✓	✓	✓	✓	2
BUILDING/SITE CHARACTERIST ICS	Building characteristics (18)			✓	✓	✓	✓	3
	Building condition (21)		✓	✓	✓	✓		
END-PRODUCT TIME	Characteristics of end-product (26)				✓	✓	✓	
	Length of process (22)		✓	✓	✓	✓	✓	

Table 7.4. Key Issues

prepared to take these issues into consideration. This is the most significant aspect of this development process, which significantly increased chances of delivering a successful outcome.

In the first instance it comes as a surprise that project cost was the lowest ranking key issue in this development process as it could be interpreted to be an indication that cost was not an important issue. When the direct agents' attitude towards value and cost is considered, it becomes obvious that this was not the case and cost ranked low among the key issues as it was always considered in relation to the overall value of the scheme. Thus, profitability of the scheme, which was a function of its cost and value, was the key determinant of the financial viability of the scheme and it ranked as the most important issue overall.

8.5. Conclusions

It can be stated that 552 King's Road Project was successful because the direct agents could transform the project constraints, which were mainly a consequence of the presence of listed buildings, to an enhanced market value through a relatively unproblematic development process. The fundamental factors that facilitated this were:

- direct agents' awareness of the issues that were likely to be involved in the process;
- local knowledge, expertise and acquaintance of direct agents.

This shows the importance and significance of intangible factors in achieving success in re-use projects.

Furthermore, this case showed that there is not a 'recipe' for converting listed buildings to other uses. The key to success is to develop an understanding of issues that are likely to be involved in this type of development and to be responsive to any others that emerge during the development process. Within this respect, adopting a flexible yet adequately managed project approach, which requires the involvement of competent agents, is significantly instrumental in achieving success.

Agents

King's College (KC) (Former owner of the site)

William Slade (WS)

European Land (formally 552 King's Road Limited, as subsidiary of EL) (EL) (Developers)

Howard Wright (HW)

Paskin Kyriakides Sands Architects (PKS) (Architects)

Selwyn Lowe (SL)

Montagu Evans (ME) (Planning Consultants)

Bob Woodman (BW)

Gardiner & Theobald (GT) (Quantity Surveyors)

Melvin Wall (MW)

Hamptons International (HI) (Development Consultants and Sales Agents)

Jonathan Seal (JS)

Northacre (NA) (Development Managers & Architectural Auditors)

John Hunter (JH), Klas Nilsson (KN)

Bouygues UK (Contractors)

Ian Gunter (IG)

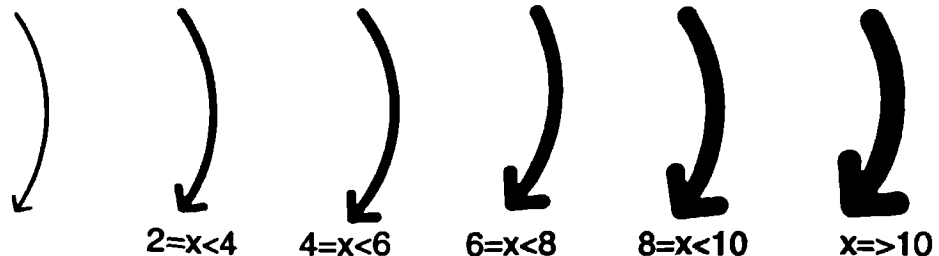
Royal Borough of Kensington & Chelsea (LA)

Paul Kelsey (PK) (Planning Officer), David McDonald (DMc) (Conservation Officer)

English Heritage (EH)

Dorian Crone (DC) (currently of Building Conservation Centre Trust)

LINK STRENGTHS MATRICE



CHAPTER 9 New River Head Project

9.1. Introduction

The subject of this case study is the conversion of the former Thames Water Headquarters Building on Rosebery Avenue to flats. The site lies within the boundaries of the London Borough of Islington. It is flanked by Rosebery Avenue to the east, Hardwick Street to the south, Amwell Street to the west and Mydelton Passage to the north. It is known as the New River Head Site (NRH) (**Figure 9.1**).

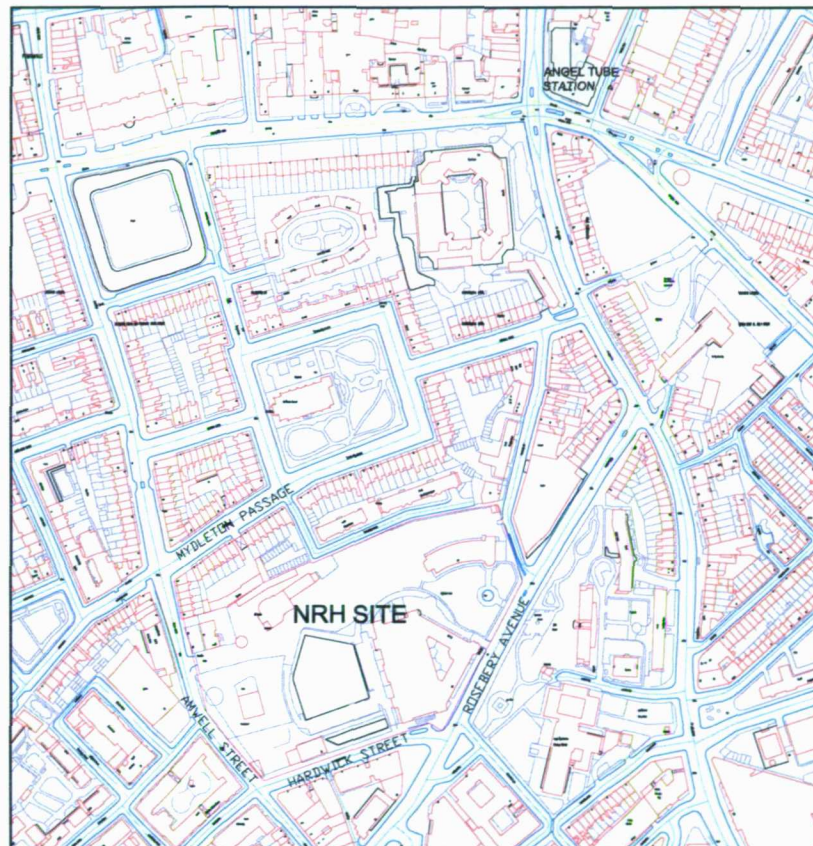


Figure 9.1. NRH Site Map

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Original buildings on the site date back to the seventeenth century when the site was used as the residence of the New River Company's principal officer. This residence was enlarged in the late seventeenth century when the Oak Room was introduced. Until the early twentieth century the site continued to be used as a residence. The Metropolitan Water Board decided to erect the Headquarters Building, the conversion of which is the subject of this case study, in 1914 (see **Figure 9.2**). Construction of the Headquarters Building was completed in 1919. The new building incorporated a number of architectural elements from the former building. The Oak Room, which remains intact with its carved wood panelling on the ground floor, a number of plaster ceilings, and some chimney pieces are examples of such elements.

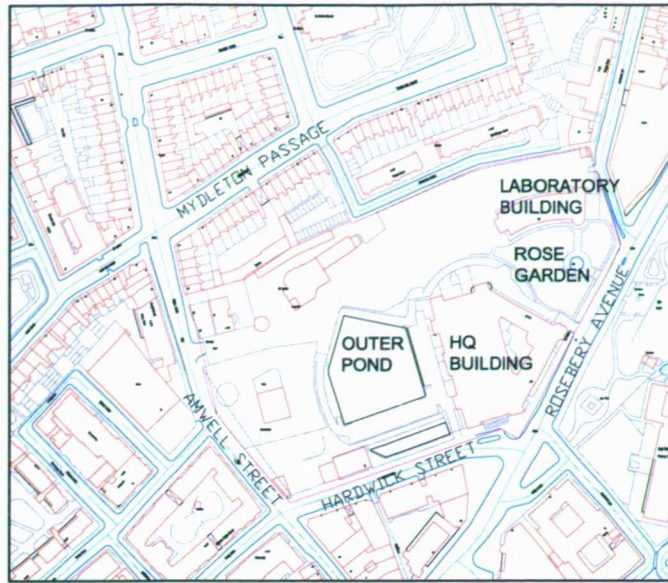


Figure 9.2. **Buildings on Site**
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The whole site was used by Thames Water (TW) until the late 1980s when it relocated to Reading. Hence, TW vacated the buildings on site gradually. This gave way to the re-development of the whole NRH site which still continues. The Main Headquarters (HQ) Building was the first building on site to be vacated.

Andrew de Candle, the then property management consultant to Thames Water, introduced the HQ Building to Harry Handelsman (HH) of Manhattan Loft Corporation (ML) in August 1994. Purchase negotiations between parties resulted in an agreement on the purchase price in October 1994.

Thus, the NRH project was initiated in August 1994. Construction works on site commenced in July 1996 and were completed in January 1998, three months later than they were initially planned. The project yielded 124 flats. Construction works were phased in order to allow for occupation of the units as they were completed. Thus, parts of the building were occupied as early as Winter 1997. All the units were sold by the time construction works were completed on site. The whole building had been occupied by Spring 1998.

9.2. Agents⁴⁹

As stated in Chapter 5, the agents are the main data-source of this thesis. Eleven interviews were conducted with the agents involved in this project. Names of interviewees are cited below under the organisations' names.

Thames Water (TW) (Former Owners)

Berkeley Homes (BH) (Developers)

Peter Nesbitt (PN), Paul Vallone (PV), Sue Callaghan (SC), Glyn Hopping (GH)

Manhattan Loft Corporation (ML) (Developers)

Harry Handelsman (HH), Angus Boag (AB)

Berkeley Manhattan (BM) (Joint Venture (JV) set up by Berkeley Homes & Manhattan Loft)

Leslie Clark (LC) (Quantity Surveyors)

Brian Grey (BG)

Broadway Malyan (BMal) (Architects)

Alan McCulloch (AMc)

CZWG Architects (Concept designers)

John Savage Associates (Structural engineers)

Knight Frank (Estate agents)

London Borough of Islington (LA)

Alec Foreshaw (AF)

English Heritage (EH)

Paddy Pugh (PP)

Costains (Contractors)

Charles Siberry (CS)

⁴⁹ Please see the list of name abbreviations and the legend for link strengths on page 191. The list can be unfolded to aid the reading process.

9.3. Analysis

The analytical approach to the case studies has already been identified in Chapter 6, Chapter 7 and has been detailed in the previous chapter (see Sections 6.7.1, 7.3 and 8.3 respectively). The cluster analysis yielded twenty-two clusters (see Table 9.1 for a list of clusters and Table 9.2 for link strengths). Content analysis of the emergent clusters shows that they can be grouped under different stages of the development process. The analysis will be reported under these stages (see Table 9.3 for the project time-line and the stages).

Table 9.1. List of Clusters

Cluster 1	Planning for Real Exercise
Cluster 2	TW's decision to relocate
Cluster 3	Purchase negotiations between TW & ML
Cluster 4	Costing
Cluster 5	Negotiations & design review
Cluster 6	Negotiations & deal between BH & ML
Cluster 7	Costing & tendering (including BG's views on working with existing buildings)
Cluster 8	Sales promotion (strategy)
Cluster 9	Identification of flat layouts and specifications
Cluster 10	Sales promotion (launch)
Cluster 11	Design revisions
Cluster 12	Cost increase
Cluster 13	Purchaser dissatisfaction
Cluster 14	Inadequate design detailing prior to tendering
Cluster 15	Conflicts between agents
Cluster 16	Continuing development on NRH site
Cluster 17	Attempt to satisfy purchasers
Cluster 18	Influence of building characteristics on end-product
Cluster 19	Construction works
Cluster 20	Post-completion
Cluster 21	Problems associated with construction
Cluster 22	Project objectives & negotiations on contentious issues

	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22
Q1	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2
Q2	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0
Q3	0	0	0	0	0	5	5	0	3	0	1	1	0	0	0	0	0	0	0	1	0	0
Q4	0	0	0	0	3	0	1	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0
Q5	0	0	0	0	0	1	1	0	3	0	1	1	0	0	2	0	0	2	0	0	1	0
Q6	0	0	0	1	3	0	1	0	2	0	0	1	0	0	0	0	0	2	0	0	1	2
Q7	0	0	0	1	1	1	0	0	3	0	1	2	0	0	0	0	0	1	0	1	3	1
Q8	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0
Q9	0	0	1	1	2	1	2	0	0	1	3	0	0	0	1	0	0	1	1	0	0	4
Q10	0	0	0	1	0	0	0	2	1	0	0	1	0	0	0	0	0	0	0	1	0	0
Q11	0	0	0	1	3	0	1	0	1	0	0	4	0	0	3	0	0	1	0	0	2	0
Q12	0	0	0	1	1	0	2	0	0	0	1	0	0	0	0	0	0	0	0	3	2	0
Q13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Q14	0	0	0	1	0	1	3	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0
Q15	0	0	1	0	8	1	2	0	0	0	5	3	0	1	0	0	0	3	0	1	1	8
Q16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Q17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Q18	0	0	1	0	3	0	2	0	1	0	2	1	0	1	5	0	0	0	0	0	0	6
Q19	0	0	0	0	0	1	0	0	0	0	2	0	0	0	0	0	0	0	0	2	3	0
Q20	0	0	0	0	0	2	0	0	0	0	3	2	0	0	0	0	0	0	0	0	1	0
Q21	0	0	1	0	1	0	1	0	0	0	3	2	0	0	0	0	0	0	2	1	0	1
Q22	0	1	0	0	10	1	1	1	1	1	2	1	0	0	3	0	0	1	0	0	2	0

Table 9.2. NRH Project: Matrix showing number of links between clusters

First, each stage is described. Description of individual stages concentrates on the key elements of clusters, viz. activities and issues, that constitute each stage and the above-average links between the clusters. Key elements of each cluster are identified through centrality and domain analyses. The matrix shows the links between individual clusters and the strength of these links (Table 9.2). The average link strength is 1,93. Therefore, the analysis of relationships between clusters is confined to the links which are equal to or higher than two, and the loops of which these links are part. The overall aim of the analysis is to identify how individual clusters influenced others and the whole process of re-developing the HQ Building.

9.3.1. Project Initiation

9.3.1.1. Planning for Real

The prospect of New River Head Site becoming available for re-development had already become apparent in the late 1980s (Cluster 2, see Figure 9.3). This prompted TW not only to get involved in negotiations with the LA, and EH, but also to collaborate with Ove Arup Associates in order to identify the principles of development on the site and to develop a strategy for the disposal of the buildings (link from Cluster 2 to Cluster 18). TW involved the LA and EH at this rather early stage of the development as the building was listed (link from Cluster 15 to Cluster 18).

By the time Thames Water approached the LA, the LA had already prepared a planning brief for the site (Cluster 18). The brief had identified parts of the building and its fabric which were deemed to be worthy of retention by the LA (link from Cluster 18 to Cluster 22). One of the main statements of this brief was to establish public access to the Rose Garden. This was based on the LA's willingness to retain site characteristics (link from Cluster 18 to Cluster 5). Extensive discussions between direct and indirect agents took place to establish principles of public access to the site during the planning process (link from Cluster 5 to Cluster 18) mainly because the developer argued against providing public access to the site.

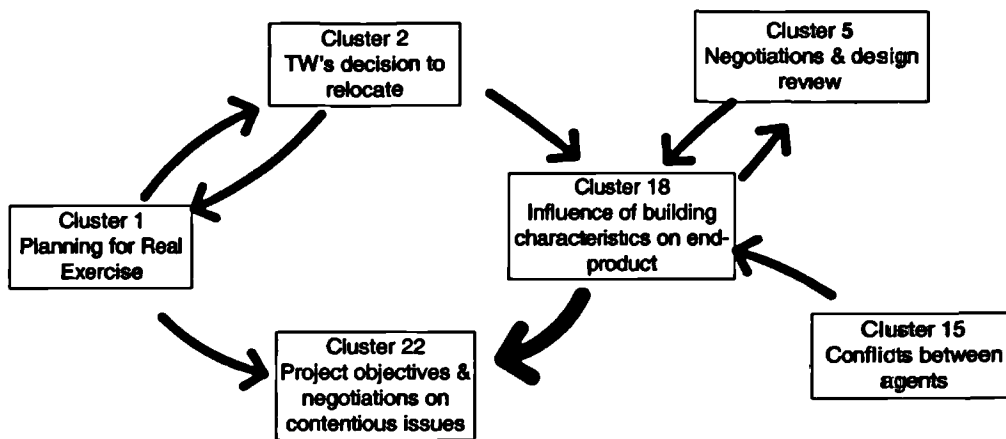


Figure 9.3. Process Map: Planning for Real Exercise

TW's decision to relocate coincided with Sadler's Wells Theatre's decision to expand and re-develop, which was mainly informed by the contemporary Director's willingness to upgrade the theatre to West End standards (Cluster 1). The NRH site which was next to the theatre was a suitable location. Therefore, TW and Sadler's Wells Theatre collaborated and funded a Planning for Real Exercise. Here, the fundamental aim was to determine the development opportunity the site provided for Sadler's Wells Theatre (link from Cluster 1 to Cluster 2). Alternatives considered during this exercise were re-development of the HQ Building behind its retained facade and its wholesale re-development for a mixture of leisure and office uses (link from Cluster 2 to Cluster 1).

Concurrently, the HQ Building was listed Grade II during the re-surveying of Islington. This ruled out wholesale demolition of the building. Therefore, it became 'almost impossible' to accommodate the Director's ambition to upgrade Sadler's Wells to the standards of a West End Theatre. Mainly because of this, the participants to the Planning for Real Exercise decided that the Theatre should be developed on its own site and the HQ Building should be converted to

residential use. This decision marked the commencement of re-development of the NRH site which still continues today (link from Cluster 1 to Cluster 22).

The link from Cluster 1 to Cluster 22 also shows that the down-turn of the office boom in the early 1990s influenced the decision to convert buildings on site to residential accommodation. In

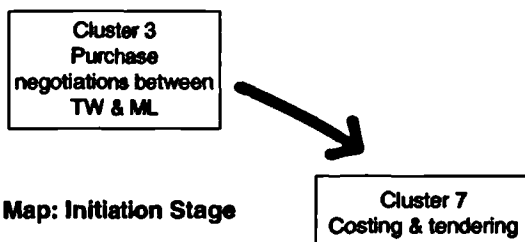


Figure 9.4. Process Map: Initiation Stage

addition to the market condition, the building characteristics were also influential in dismissing office use as a destination use (link from Cluster 18 to Cluster 22). The advantage of converting the HQ Building to residential use was that the planners were also content with this as it gave them the possibility of avoiding problems associated with vacant office space, which were a consequence of downturn in the office market (link from Cluster 18 to Cluster 22).

9.3.1.2. Initiation of the Current Project

Once it was decided that the HQ Building was to be converted, TW started looking for potential purchasers for the HQ Building through their property management consultant, Andrew de Candle. Among other prospective developers, they approached ML, the then young company that had just started to be renowned for its 'avant-garde' developments. Andrew de Candle introduced the HQ Building to HH of ML. After the first site visit, HH decided to buy the building. 'The development opportunity the building provided', 'beauty of the building', 'purchase price' and the buoyant market were the issues that influenced his decision to buy the building at the outset. As a result, purchase negotiations between ML and TW started (Cluster 3, see Figure 9.4). These negotiations resulted in an agreement on the purchase price. Hence, parties signed a contract⁵⁰.

Centrality analysis of Cluster 3 which depicts the purchase negotiations, shows that overall cost of the project was the key issue ML took into consideration during purchase negotiations. Then, ML engaged itself in identifying the 'type of product'. 'Building characteristics', 'ML's anticipation of the local market' and 'gut feeling'⁵¹ of ML's Chairman and Development Director, were issues that influenced the type of product⁵². The type of end-product became the basis of the

⁵⁰ Although AB & HH of ML stated that they 'bought' the site, it is more likely that they signed a conditional contract subject to planning and listed building consent. PN of BH referred to the 'conditional contract' in a letter he wrote to the borough during the negotiations on affordable housing that took place after the planning application was made.

⁵¹ Respondents agreed that the 'gut feeling' developed as a result of having gained experience in similar projects in London (link from Cluster 7 to Cluster 12).

⁵² Quoted in the interviews with HH and AB of Manhattan Loft.

architect's briefing. CZWG Architects were instructed by ML to develop a conceptual design for the building in November 1994. ML instructed CZWG because:

- they had 'former professional rapport';
- CZGW had experience in residential schemes and listed building conversions;
- ML considered CZWG to be competent in conceptual design.

CZWG completed the conceptual design within a month. Following this, ML engaged Leslie Clark and Partners (LC) as quantity surveyors to cost the CZWG scheme (link from Cluster 3 to

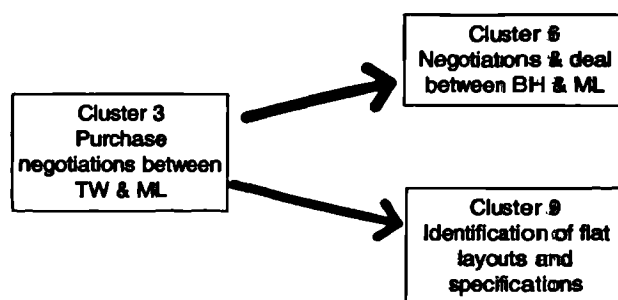


Figure 9.5. Process Map: JV Negotiations

Cluster 7). 'Former professional rapport' was also influential in LC's involvement. LC cost the scheme based on the concept design that outlined the number of units and spatial division of the HQ Building.

9.3.1.3. JV Negotiations

Once information on the indicative cost of the scheme became available, ML started to search for a joint venture (JV) partner to carry out the project together (link from Cluster 3 to Cluster 6, see Figure 9.5). The link from Cluster 3 to Cluster 6 depicts the reasons behind ML's decision to search for a JV partner. The reasons were:

- ML's reservations about tying up most of their capital in one project ;
- TW's reservations about ML's capacity to deliver a product of this size.

ML contacted Berkeley Homes (BH) through an agent (Cluster 6). As well as the agent's advice, one of BH's Board Director's rapport with TW Estates Department staff affected the choice of BH as a possible JV partner (link from Cluster 3 to Cluster 9). As a result, negotiations between ML and BH started.

'Profitability' and 'value of end-product' are the two most central concepts in Cluster 6 which depicts the JV negotiations between ML and BH. Centrality of these issues points to the fact that they were largely influential in shaping the deal between BH and ML. It should be noted that at this stage assumptions on 'profitability' and 'value of end-product' were based on 'CZWG's conceptual design.

BH decided to enter into a JV partnership with ML after these negotiations. Berkeley-Manhattan (BM) was set up as a subsidiary of BH. BM signed a performance agreement with TW (link from

Cluster 3 to Cluster 6). A guideline cost and project duration were identified in this agreement. Hence, BM became committed to a cost figure and project duration from this point onwards. It can thus be stated that the deal between TW and the developers was struck with this agreement rather than the preceding purchase price agreement between TW and ML even though AB and HH of ML regarded their deal with TW to be complete prior to approaching BH. The strong link between Clusters 3 and 6 provides evidence for the significance of BM's subsequent deal with TW.

9.3.2. Emergence of Initial Scheme

BH's involvement resulted in some changes both to the development team and the concept design as BH was the JV partner with the higher financial share. The first of such changes was the introduction of Broadway Malyan (BMal) to the development team as the second team of architects alongside CZWG (link from Cluster 6 to Cluster 5, see Figure 9.6). The reasons behind BMal's introduction were:

- BH's 'confidence in [BMal]'s capacity to deliver a project of this size' and 'to respond and stretch their limits';
- 'BMal's familiarity with quality and space standards of Berkeley's medium-to-upper range apartments' (link from Cluster 3 to Cluster 6).

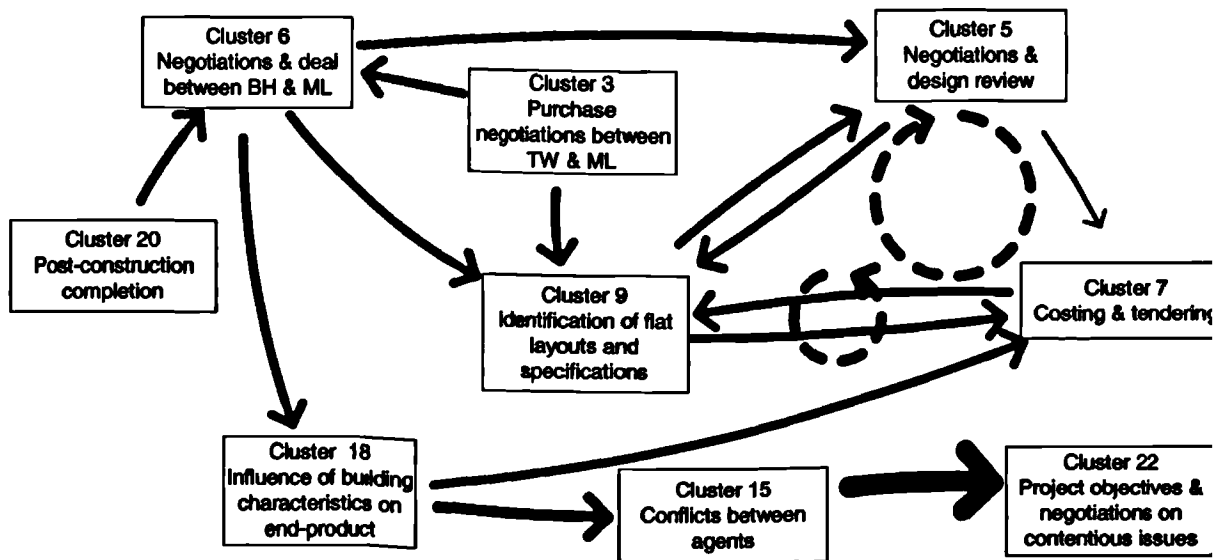


Figure 9.6. Process Map: Initial Scheme

BH briefed BMal to revise the CZWG scheme and design a draft scheme for medium-end of the residential market⁵³ (link from Cluster 6 to Cluster 5). Here, it is important to note that the specification for the medium-end of the residential market created problems in terms of

⁵³ AMc of BMal regarded this as a negative input to the end-product because the market had risen before the scheme was launched and BM could achieve 'luxury prices' for the flats. Having specified and designed the flats for the medium end of the market caused some purchaser dissatisfaction in the end.

purchaser satisfaction as BM managed to achieve sales values that were equivalent to the luxury-end of the residential market (link from Cluster 6 to Cluster 9). BMal revised the CZWG concept design with particular reference to compliance with the building regulations, e.g. fire escape, space standards, and flat premiums that could be achieved at different locations in the building, e.g. penthouses at roof level (link from Cluster 6 to Cluster 18). The obligation to put in a detailed planning application because of listing and the anticipated difficulty of complying with conventional building regulations in the HQ Building, were the issues that influenced the decision to give precedence to complying with building regulations (link from Cluster 15 to Cluster 22). The difficulty of complying with building regulations was a consequence of the site and building characteristics (link from Cluster 18 to Cluster 15).

However, the precedence of building regulations aspects of design did not rule out concentrating on flat layouts and specifications. BMal was also working on designing an acceptable layout and specification of flats (link from Cluster 5 to Cluster 9). Eventually BMal issued BM with a proposal and a schedule of accommodation (link from Cluster 5 to Cluster 7). BM revised BMal's proposals. Building characteristics was an input to this revision (link from Cluster 18 to Cluster 7). BH then issued BMal with requests for changes to the proposal in the light of both their review, which was fundamentally based on BM's judgement about suitability of the product to the local market and cost information provided by LC (link from Cluster 3 to Cluster 9). The loop between Cluster 5, 7 and 9 depicts the reiterations through which the layout and specification changes and subsequent design revisions took place. The loop between Cluster 7 and Cluster 9 is a depiction of the revision of BMal's proposals after first being costed by LC and then being considered by BH in terms of compliance with their perception of potential purchaser aspirations. This loop had been repeated until an acceptable layout and specification of flats was agreed; thus, a preliminary scheme was agreed between the client and the architects (link from Cluster 7 to Cluster 9). Another outcome of this stage was the budget for fitting out the building, which included an allocated specification budget for each flat.

9.3.3. Pre-Application Negotiations

After designing a preliminary scheme BMal approached the London Borough of Islington and English Heritage in January 1995 (link from Cluster 9 to Cluster 5, see Figure 9.7). Upon being approached by the architects, the Development Control Department became involved in the scheme. They also involved the Building Control Department in negotiations on the conversion of the HQ Building. The Building Control Department was involved at this stage because the design team needed to have agreed on a building regulations compliance strategy with the LA before the planning application was made (link from Cluster 15 to Cluster 22).

Some contentious issues arose between the applicants and planners. This was despite the developer's assertion that the scheme was sympathetic to the building characteristics. According to BM, they had already taken the listed aspects of the building (link from Cluster 15 to Cluster 7); existing features of the building and fabric that would be deemed to be important into consideration in designing the scheme (link from Cluster 22 to Cluster 5). The links from

Cluster 5 to Cluster 15 and 18 depict the emergence of the contentious issues, which can be listed as:

- the incorporation of affordable housing on the site;
- the retention of the most historic parts of the site, viz. revetment walls, the Oak Room;
- the retention of the listed building and the removal of the architectural elements that had been added over the years⁵⁴;
- public access to the Rose Garden.

Further examination of these links reveals that emergence of the contentious issues was mainly due to the LA's willingness to:

- retain spatial integrity and characteristics of the site and the listed building; and
- achieve planning gain from development, e.g. integrate affordable housing on the site.

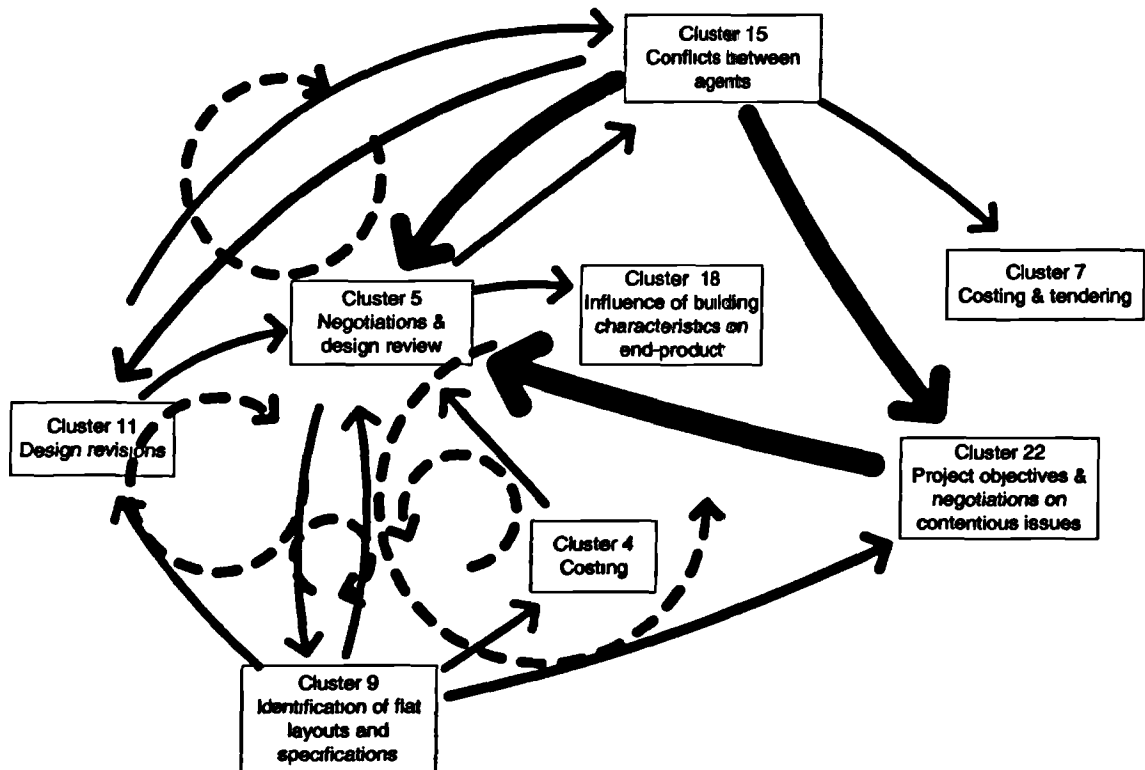


Figure 9.7. Process Map: Pre-application Negotiations

The loop between Clusters 5 & 9 shows that the applicants did not consider some of conservation officer's criticism and concerns justifiable with specific reference to the retention of site and building characteristics. It is thus evident that the majority of the initial conflicts

⁵⁴ As stated by Peter Nesbitt of BH during the interview.

stemmed from the discrepancy between the direct and indirect agents' views on the retention of the building's listed elements. Direct agents stated that these constrained the development options (link from Cluster 15 to Cluster 22). The discrepancy resulted in prolonged negotiations between direct and indirect agents and further design changes (link from Cluster 22 to Cluster 5).

The loop between Cluster 5 & Cluster 9 & Cluster 11 depicts the negotiations through which an agreement on these issues has been achieved. An agreement on the issues could only be achieved by changing the proposals in such a way that they would accommodate all agents' objectives (link from Cluster 15 to Cluster 11). It should be noted that PN and AB 'took the lead' in dealing with the contentious issues and agreeing on a building control strategy⁵⁵.

In addition to the conflicts that arose between the applicants and the LA, there were conflicts between the Conservation Officer and the Building Control Officer (Cluster 15). Here, it is important to note that these officers are staff who work for the Planning & Development Control and Building Control Departments of the same local authority.

The reasons behind the conflicts between the LA officers were:

- conventional building regulations which are devised to address health and safety issues in new buildings;
- EH's and the local authority conservation department's desire to retain the spatial integrity and original characteristics of the building;
- listed aspects of the building; and
- building control officer's knowledge and awareness of the historic aspects of the NRH Site.

These conflicts were resolved by negotiations between parties. These negotiations are depicted by the loop between Cluster 15, Cluster 5, Cluster 9 and Cluster 11. The process of agreeing on the treatment of the open spaces on the ground floor is a typical example of the conflict between different departments of the LA and how they were resolved. The HQ Building has grand open spaces on the ground floor and a number of grand rooms on the upper floors as well as the Grade II* Oak Room. Both the LA and EH desired to retain the spatial integrity of the building; hence, keep the open spaces and the grand rooms intact. This was contradictory to the Building Control Officer's desire to compartment the building into different fire zones, especially on the ground floor level; and thus provide a means of escape he regarded satisfactory (Cluster 11). As a result of this contradiction, BM found itself having to 'improvise, invent means of addressing problems related to building control'⁵⁶ (Cluster 15).

As building regulations negotiations progressed, Berkeley-Manhattan embarked on negotiations on affordable housing (link from Cluster 22 to Cluster 5). In a letter to the Planning Department of the LA in February 1995 PN of BH stated that they had recently discovered the requirement

⁵⁵ PN stated that 'nobody [other than the developer] could better assess the balance between the impact of the technical solution to the contentious issues on the value of the flats'.

⁵⁶ The fire shutter between the Revenue Hall and the Ledger Hall is an example of such 'inventions'.

for affordable housing in UDP and argued that Policy H17⁵⁷ was 'inappropriate' and 'was likely to significantly compromise the quality of conversion works and bring the whole future of this building into question'. This marked the commencement of lengthy discussions between the developers and the local authority on this contentious issue. As BM were 'trying hard' to avoid any dealing with affordable housing including commuted payment towards Islington's Affordable Housing Scheme, it took a long time to resolve this issue. PN of BH and AB of ML took the lead during these negotiations. Eventually, BM agreed a payment to the LA for affordable housing in December 1995.

The loop between Cluster 22, Cluster 5 and Cluster 9 depicts the negotiations and agreement on affordable housing issues. It should be noted that the applicants strove to trade on the fact that they were bringing a building that had been empty for three years back to use in arguing against provision of affordable housing on site.

In the meantime, a building control strategy was agreed in principle. The links between Cluster 11, Cluster 5 and Cluster 9 show how parties reached this agreement, which gave Broadway Malyan and BM the assurance that they could achieve the number and sizes of units outlined in the draft scheme. By this time, the draft scheme had evolved in order to accommodate the principles of the building control strategy; hence, the building was divided into six different compartments and special design solutions which complied with the fire standards were found.

Costing of the scheme became more detailed during the pre-application negotiations. This was facilitated by the availability of the budget for fitting out a flat (link from Cluster 9 to Cluster 4). If the cost of implementing the proposals exceeded the budget, then the design was revised in order to bring the cost down (link from Cluster 4 to 5). Loop between Clusters 9, 4 and 5 depicts the reiterations between costing and design changes.

9.3.4. Planning Application

After LA, EH and BM agreed on a principle building control strategy and a preliminary design, BMal made the planning application in April 1995 (link from Cluster 9 to Cluster 22, see Figure 9.8). Direct agents continued to argue against providing affordable housing or making commuted payment to the council after the planning application was made.

The letter BH issued to the council a week after the application provides evidence. This letter mentions the high cost of refurbishing the communal areas and states that BH would go to appeal unless an agreement on the affordable housing issue was reached (Cluster 22). This was followed by another letter stating that BH advised their consultants not to proceed further with the scheme until the parties agreed on the affordable housing issue. Although the respondents did not dwell on the negotiations to resolve the affordable housing issue, the intensity and length of these discussions are evident from the letters that were found in the

⁵⁷This policy is on affordable housing. It outlines the number and size of affordable housing any development should include according to the size of the scheme.

planning file and the time it took to complete the submission. It took more than seven months to complete the submission mainly because BH insisted on no provision for affordable housing until after the Development Control Sub-Committee meeting in Islington, which took place in August 1995.

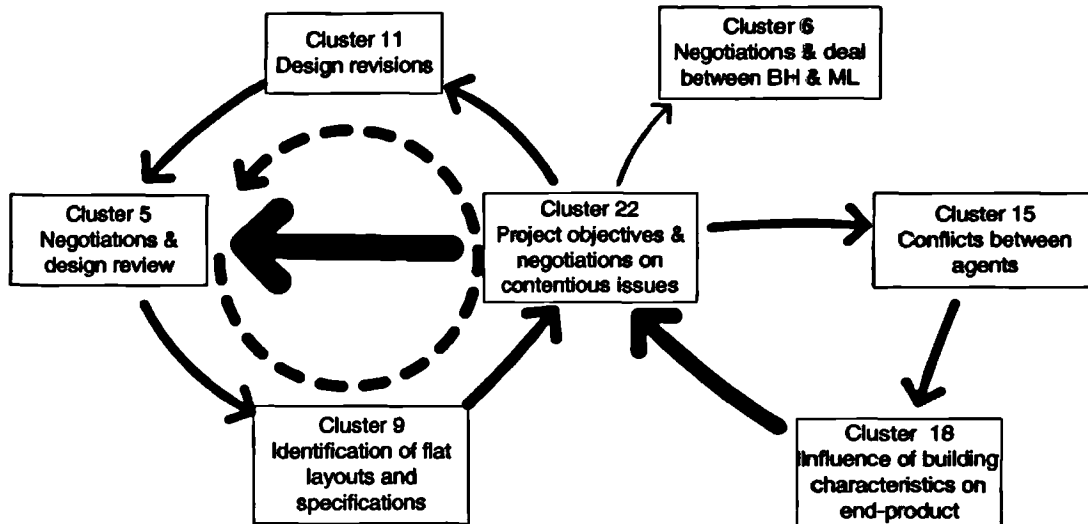


Figure 9.8. Process Map: Planning Application

In the meantime, the proposal went to London Advisory Committee (LAC) in EH in June 1995. The Committee had reservations on the roof extensions. It stated that the views of St Paul's should be checked and the Oak Room should be open to public. In order to eliminate EH's reservations on the scheme, the architects made changes to the scheme design (link from Cluster 22 to Cluster 11). Reduction in the size of accommodation at penthouse level in 'excess of 50%⁵⁸ was one of the most significant changes made at this stage. BM later (in August 1995) argued that this reduction resulted in a £750,000 reduction in revenue and this made commuted payment for affordable housing inapplicable. It should be noted that this reduction was required by both EH and the LA as former proposals for penthouses were deemed not to be in keeping with the listed building characteristics (link from Cluster 15 to Cluster 18).

The proposal went to the Development Control Sub-Committee in Islington in August 1995. The Committee concentrated on the affordable housing issue and stated that the applicant should pay the equivalent of 30 units of affordable housing to Islington in order to get planning permission for the scheme. Furthermore, the Committee Report observed that the cost/return

⁵⁸ Quoted in BM's letter of 2 August 1995 to the LA.

schedule submitted by the applicant was 'speculative' as it allocated very high costs due to listing and high professional fees⁵⁹.

The negotiation loop between Clusters 22, Cluster 11, Cluster 5 and Cluster 9 was repeated in order to agree on the reserve matters such as affordable housing. Eventually, the listed building consent was given in September 1995 (Cluster 22). However, the signature of the Section 106 agreement was delayed until January 1996 as agreement on affordable housing could not be achieved until mid-December 1995. An agreement on affordable housing was achieved only because BM accepted having to make a commuted payment of £ 300,000 for affordable housing. The five months' gap between the listed building consent and signature of the Section 106 Agreement is quite excessive when compared to similar projects where this gap does not usually exceed one month.

The link from Cluster 22 to Cluster 5, the strongest one in the whole model, indicates that the issues in Cluster 22 were influential in shaping the design of this scheme. 'Existing features of the building' and the desire to achieve a 'unique' end-product are the two most central concepts of this cluster. Development constraints and large public areas were other issues that ranked high in the centrality analysis. Therefore, these were at the core of the negotiations throughout the planning process. Direct agents agreed that building characteristics enabled them to yield a unique end product, which eventually achieved sales values higher than they anticipated at the beginning of the development process (link from Cluster 18 to Cluster 22 to Cluster 6). The link from Cluster 22 to Cluster 15 depicts that existing features of the building, anticipated difficulty of complying with building regulations and indirect agents' desire to retain listed aspects of the building, were a direct input to both the scheme design and the way process was shaped.

9.3.5. Detailed Design & Tendering

The Section 106 agreement gave 'team members a lot more confidence to push on'⁶⁰ (link from Cluster 22 to Cluster 10, see Figure 9.9). Thus, they concentrated on tendering (link from Cluster 10 to Cluster 12), construction and promotion (link from Cluster 22 to Cluster 10) and detailed design (link from Cluster 10 to Cluster 4). PV of BH became involved with the value-engineering of the scheme (Cluster 10); hence, revised the flat layouts in order to enhance their value (link from Cluster 6 to Cluster 9). It should be repeated that the cost plan which identified the cost of the scheme and value of the end-product, had already been signed off by the JV partners during the planning process (Cluster 12). This meant that premium sales values and cost limits had already been set prior to the commencement of design detailing.

⁵⁹ BH identified the cost of project as £ 16,897,000 and the profit as £1, 402,839 in a cost/return schedule they submitted to the borough in May 1995.

⁶⁰ Quoted in the interview with Brian Grey.

BMal was instructed to continue detailing the design (Cluster 4). BM waited until they got consent to instruct architects to commence detailed design instead of detailing the design simultaneously with the planning process (link from Cluster 14 to Cluster 7). This was because the scheme was associated with high risks until the Section 106 agreement was signed. Under such high risks, BM did not want to spend money on professional fees.

Once the team embarked on detailed design, a more detailed survey of the building was commissioned in order to overcome the problems associated with inadequate survey information, which had resulted in difficulties in providing the required professional services for both BMal (Cluster 14) and LC (link from Cluster 14 to Cluster 4) during the previous stages of the process. Lack of adequate information further accentuated the difficulty of working with an existing building. As more information became available and the design progressed, costing became more detailed and refined as well. Further detailing of design also lead to changes to the scheme that was given consent. Hence, the loop between Clusters 9, Cluster 5 and Cluster 11, which depicts the requests for changes, negotiations on these requests, amendment of the scheme to accommodate the outcomes of these negotiations, was initiated once again.

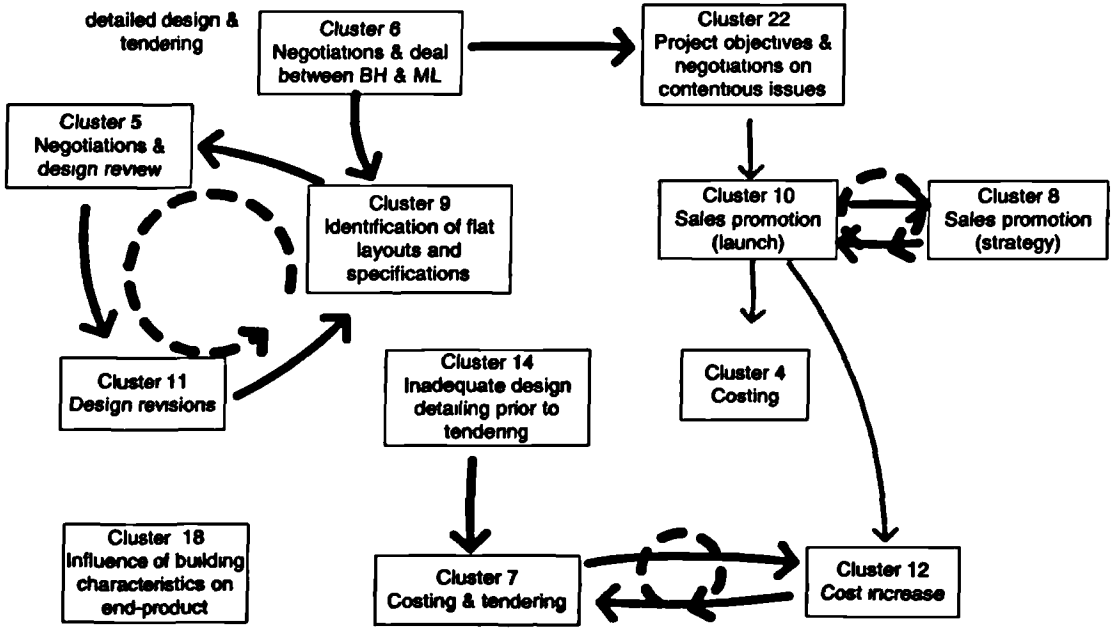


Figure 9.9. Process Map: Design Detailing

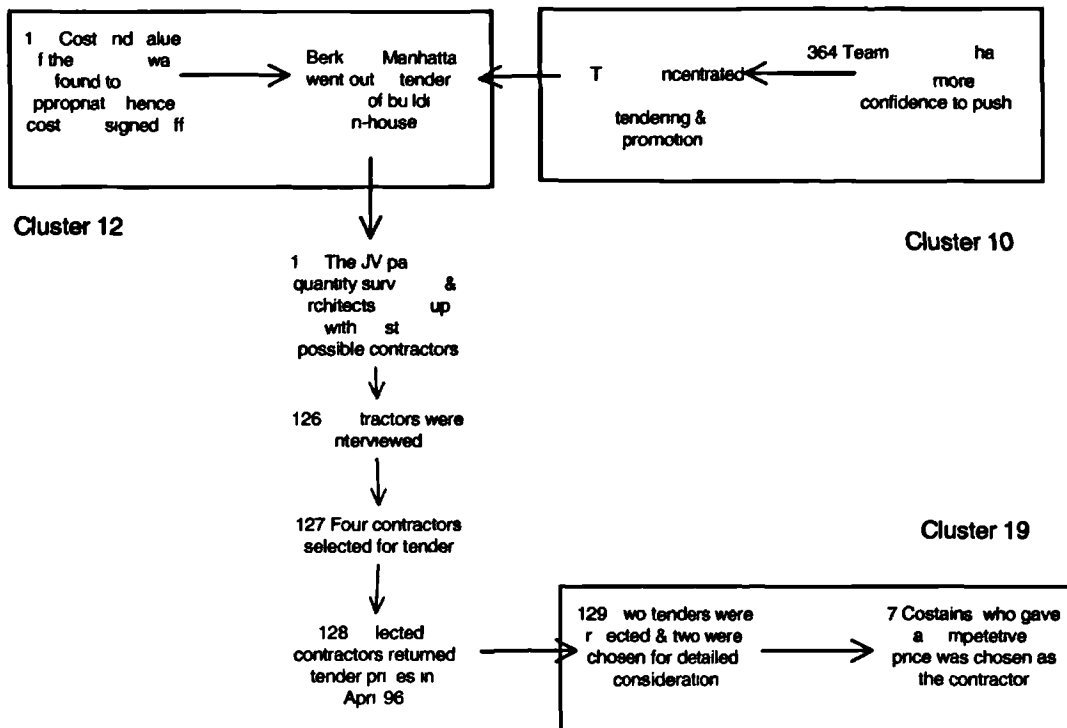


Figure 9.10. Tendering Chain of Argument

While carrying out the detailed design, BMal contributed to the tendering stage by proposing candidate contractors. Despite a contribution from the architects and JV partners, most of the tendering activities were undertaken by LC (link from Cluster 7 to Cluster 12). Staff constraints within BH was the fundamental reason behind the decision to put the construction out to tender instead of implementing the scheme in-house (Cluster 12).

LC had to provide very detailed information to tenderers as well as having to make a detailed description of BM's objectives related to design and construction of the scheme. These were necessary because BM had already decided to allow for occupancy of parts of the building where construction works were complete, while construction works continued in other parts of the building. Therefore, the construction process should have been managed such that a calm and safe environment for the residents was provided on a construction site (link from Cluster 18 to Cluster 7). Inadequate detailing of design until tender stage⁶¹ and high risks associated with construction were stated as other issues which created the need to provide detailed information to tenderers. As a result, LC spent a long time putting the construction particulars together (link from Cluster 12 to Cluster 7).

The tendering stage is depicted with a linear path from Cluster 10 to Cluster 12 to Cluster 19 (see Figure 9.10). However, there is no direct link from Cluster 12 to Cluster 19 depicting the commencement of the tendering process and the eventual choice of the contractor respectively

⁶¹ The problems associated with not having started detailed design until tendering stage were reported by the architect. Cluster 14 gives a detailed account of this.

because the intermediate concepts which depict the selection of the contractor are not in any of the emergent clusters. This shows that the links between these intermediate concepts and Cluster 19 are not strong enough to make these concepts part of any cluster. This is an indication of the fact that the tendering process was handled and managed separately from the detailed design of the scheme. This was a consequence of the developer's choice to follow a mainstream tendering process. This meant that candidate contractors, which were chosen by interviews from among contractors recommended by team members, were briefed about the scheme and they were expected to return tender prices. Ultimately, Costains, the firm which optimised tender price and management quality, was chosen as the main contractor.

When BM went out to tender (Cluster 12), the design of the scheme had not been detailed enough to clear the planning conditions. Furthermore, applicants and the Building Control Department in the LA had not yet signed a formal agreement on compliance with building regulations, despite having agreed on a principle building regulations strategy. As a result of these factors, risks associated with construction were still high at the tendering stage. In order to pass all the risks on to the contractor BM would have to pay a premium that would have been excessive. Therefore, BM decided to pass some of the risks on to the contractor and retain some of them such as agreeing the planning consent conditions. Thus, GH of BH (Land Director) got involved in the scheme to agree on the outstanding conditions.

Initial stages of product promotion (Cluster 10) were consequent with the tendering stage. BM's aim was to be in a position to start promoting the scheme soon after the construction works on site were complete. Therefore, James Longley was appointed to construct the sales suite and show flats as soon as the team embarked on tendering. At the time, the architects were preparing the working drawings for the show flats. Having completed the show flats before works on the HQ Building started was beneficial for two reasons. Firstly, it enabled marketing to start as soon as construction works on the HQ Building started and thus advanced cash flow. Secondly, it gave BM the chance to 'test' the flat specifications against purchaser aspirations.

Even if concentrating on the design of show flats was advantageous for the marketing of the scheme, it constrained the architects in terms of the time that was available for detailing the design in the HQ Building. The architects considered this to be a problem specifically as there was the need to pay due attention to the detail because of the characteristics of the building.

Preparation of the adequate marketing brochure and identification of the sales promotion strategy were the two most important undertakings associated with the sales launch. These were accomplished prior to launching the scheme (link from Cluster 8 to Cluster 10). Establishing the virtues of the NRH project through an advertising campaign prior to the launching the scheme was an important part of the sales strategy (link from Cluster 10 to Cluster 8). Thus, BM commenced a public advertising campaign two months before launching the scheme. They 'drew heavily on the Sadler's Wells connection during this campaign (Cluster 8).

Some of the decisions taken regarding the sales strategy influenced the construction programme. For example, PV of BH decided to complete Revenue Hall first so that it could be used as a 'mission statement' as prospective buyers made their way from the sales suite to the show flats. It should also be noted that use of Revenue Hall as means of branding the whole development as one with unique and distinctive characteristics was also informed by the fact that these communal spaces were not suitable for conversion to apartments (link from Cluster 6 to Cluster 22).

9.3.6. Construction & Marketing

Signature of the JCT 81 contract marked a significant change in BM's role in this project. As soon as they signed a contract with Costains, BM 'did a complete hand-over to Costains and thus started acting purely as the client (Cluster 19, see Figure 8.11). As a result, their role transformed to managing the contract. This meant that BM had less control over the construction works. Hence, BM needed to monitor the works closely. Therefore, SC, the then Commercial Manager of BH, got involved in monitoring the construction works with LC in order to ensure that the programme and construction standards were being adhered to.

With the contract, BMal was novated to the contractor (Cluster 19) and BMal started producing working drawings for the contractor. It was only at this point during the process that BMal had the chance of getting involved in the 'proper detailing' of the scheme. As it had already been stated, BMal asserted that suspending detailing the scheme during the planning process and postponing detailing the scheme until after the show flats were designed caused problems (link from Cluster 14 to Cluster 7, see Figure 9.9).

It is important to note that Costains was originally given two weeks for planing and procuring the construction works. Upon Costains' request they were given an additional two weeks. Thus, the construction works were planned and procured within a calendar month and works on site commenced in July 1996.

Active promotion of the scheme started soon after the commencement of the construction works (Cluster 10). By this time, BM had communicated with Sadler's Wells database and had spent two months in advertising to 'install the virtues of NRH'. Also, the construction of the sales suite and refurbishment of the Revenue Hall had been completed. Prior to launching the scheme Knight Frank had been appointed as the sales agents. As construction works were still underway, the flats were sold off-plan. The sales suite and the brochure were the prospective buyers' main sources of information about the flats. BM encountered problems with purchasers as a result of depending on the sales brochure rather than the actual units in providing sales information during later stages of the construction process (link from Cluster 10 to 20). This was also because they were having to make changes to the specifications identified in the sales brochure as and when some additional information on the building condition and characteristics, which had not been anticipated beforehand, became available (link from Cluster 20 to Cluster

11). Some changes meant that BM could not provide what had already been specified in the sales brochure.

Shortly after construction works commenced, it became evident that there would be problems associated with the construction works (link from Cluster 19 to Cluster 21) and that the contractor would not be able to keep the programme deadlines (link from Cluster 19 to Cluster 20). Examination of links from Cluster 21 to Cluster 19, from Cluster 7 to Cluster 21 and from Cluster 12 to Cluster 21 shows that the reasons behind the problems associated with the construction works were:

- use of design-and-build contract to procure the building works;
- competitive tender price;
- contractors' lack of experience in working with existing buildings;
- different structural systems in the building;
- difficulty of providing contemporary service provisions due to constraints of working in an existing building envelope.

Consequently, BM became concerned about the quality of construction and thus, involved JR of BH as clerk of works on site (link from Cluster 19 to Cluster 21). JR's responsibility was to monitor the construction programme as well as to comment on Costains' proposals for the

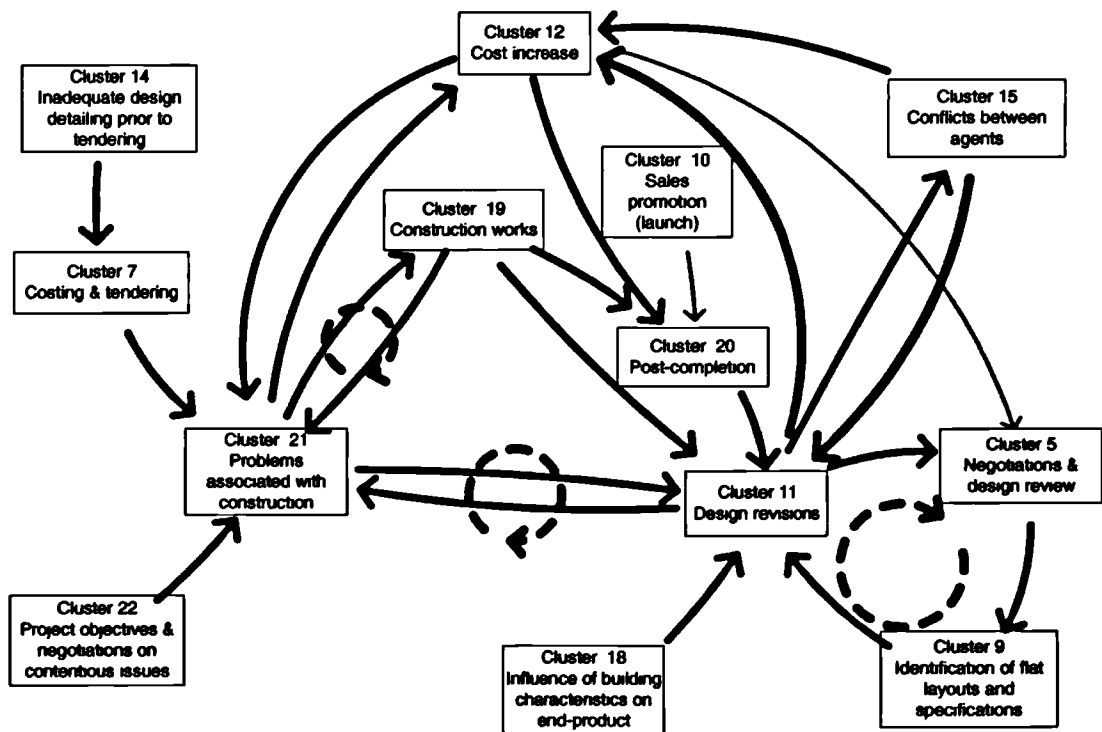


Figure 9.11. Process Map: Construction & Marketing

construction works in terms of suitability, quality and timing (Cluster 19). Construction works could proceed only after JR approved the contractor's proposals (link from Cluster 19 to Cluster 20).

Because of the problems encountered during construction, BMal and BM had to work closely with the contractor. The time they were having to spend detailing the design was more than BMal anticipated prior to the commencement of construction works. Exceeding the time BMal allocated for detailed design was detrimental for BMal's profit margin because they had undersigned a fixed price contract with BM when they first got involved in the scheme (link from Cluster 20 to Cluster 6, see Figure 9.6). This resulted in a reluctance to spend time in excess of their allocation on BMal's behalf. Thus, friction between the contractor and the architects occurred during the construction stage.

Due to their lack of experience in listed building projects, Costains thought that they could make substantial internal changes to the proposals that got consent (link from Cluster 22 to Cluster 21) hence the differences between the approved drawings and the implementation. Indirect agents stated that such 'insensible' changes made the construction process a difficult one (loop between Cluster 11 to Cluster 21). As the LA and EH became aware of these differences, they required that the works should be done according to the approved scheme (Cluster 11). This further complicated the construction process (link from Cluster 22 to Cluster 21), and resulted in more cost increase and some additional construction work, which inevitably resulted in delays in the construction programme (link from Cluster 11 to 12). The architect, the quantity surveyor and commercial director in BH agreed that the contractor's failure in allowing enough time to carry out some specialist works which were required as the building was listed (link from Cluster 15 to Cluster 12) in their work programme was another factor that resulted in delays (link from Cluster 12 to Cluster 20).

Reasons behind the increase in construction cost is worthy of further attention given BH's cost-conscious behaviour. As stated above, the cost of construction was higher than anticipated at the beginning (Cluster 12). The contractor's lack of experience in residential refurbishment projects, emergence of unforeseen construction works, and the need for sophisticated and non-standard works, were regarded as the fundamental reasons behind the cost increase (Cluster 12).

Moreover, changes to the scheme had to be made as conditions of the planning consent were being agreed and the building control aspects of the design were being finalised. The link from Cluster 15 to Cluster 11 shows that these changes were informed by increased information on building condition and its characteristics. Some of these changes were simply related to public bodies' 'changing their minds'⁶² that resulted in further conflicts between Building Control and conservation people (Cluster 11). The loop between Cluster 9, Cluster 11 and Cluster 5 were

⁶² Quoted in the interview with Sue Callaghan.

repeated to resolve these conflicts and find a design solution, which was deemed to be satisfactory by both direct and indirect agents.

As the building control strategy had only been informally agreed and conditions of the listed building consent had to be agreed prior to implementation, BM still had to deal with these conflicts and resolve them. In some cases resolutions necessitated high-cost design solutions and in some radical changes to the end-product. Although undesirable, the first type of resolutions did not create subsequent problems. On the other hand, radical changes led to some conflicts between the purchasers and BM (Cluster 13). The purchasers had paid for particular specifications as outlined in the sales brochure. In some instances, it was not possible to implement the proposals because public bodies 'changed their minds'. In one instance this resulted in a court case between BM and a purchaser⁶³.

In addition to changes required by public bodies, BM wanted to make major and/or minor changes to the design after construction works started (link from Cluster 19 to Cluster 11). There were three fundamental reasons behind these changes:

- opportunity to enhance the end-product which had been skipped over during former stages (link from Cluster 12 to Cluster 5);
- requests from purchasers to make changes in the flats they bought (links from Cluster 9 and Cluster 21 to Cluster 11); and
- increased information on the building features and condition (link from Cluster 18 to 11).

Increased information became available only at this stage because the building had not been surveyed earlier on. Adequate information on the building condition and features became available as the building was being opened-up (link from Cluster 14 to Cluster 7 and link from Cluster 19 to Cluster 11). This information was an input to developing the design solutions that would satisfy the Building Control officers (link from Cluster 11 to Cluster 15).

Major changes to the scheme led to design revisions by BMal. The revisions were then discussed with the planners (link from Cluster 12 to 5). Disagreement between the applicant and planners led to further revisions and negotiations until an agreement was reached; hence the repetition of the loop between Cluster 9, Cluster 5 and Cluster 11.

It proved difficult to get Costains to follow BM's instructions for minor changes, especially when they were not in a position to claim additional payment (link from Cluster 20 to Cluster 11). In such instances, Costains claimed late instructions (Cluster 11). JR had been very influential in facilitating BM to force Costains to implement the instructions for minor changes as he could argue against Costains' claim that these were late instructions because Costains was actually

⁶³ At the earlier stages, BM proposed to use Revenue Hall as a 'winter garden'. Building Control Officers agreed on the proposal. Therefore, Revenue Hall was featured as a 'winter garden' in the sales brochure. When it came to formal agreement on the building control issues, the officer did not allow any furniture or obstruction in the Revenue Hall as it was the escape route. Hence, BM had to leave the Revenue Hall intact. Subsequently, BM was taken to court by one of the purchasers for not complying with the specifications outlined in the sales brochure.

lagging behind the construction programme (link from Cluster 20 to Cluster 11). BM had the opportunity to do this only because they had a member of staff who monitored the construction process closely on site. On the other hand, Costains were quite willing to undertake major changes. This was mainly because they could claim additional cost for such changes.

Overall, the construction cost was higher than Costains undersigned in the contract (link from Cluster 11 to 12). The main causes of the cost increase were:

- difficulty encountered in providing contemporary services;
- requirement of sophisticated and non-standard methods of construction, working and testing;
- the contractor's failure to adequately programme and cost for these specialist works (Cluster 12);
- additional construction work caused by contractors non-adherence to the approved details.

Construction works on site were completed three months after they were scheduled. The complicated construction process was full of conflict. The two links from commencement of construction works (Cluster 19) to completion of works on site (Cluster 20) are through two concepts (Concepts 387 & 563)⁶⁴ which relate to BM's anticipation of a problematic construction process soon after works commenced on site and their decision to place JR on site. Hence, these made it possible to complete the works on site, albeit with delays.

Upon completion, Costains submitted a huge claim for delay. LC rejected this claim (Cluster 20). Costains argued that they had encountered consequential loss due to unforeseen cost increases during the construction works (link from Cluster 21 to Cluster 12). Monitoring of issue certificates at each stage was useful in rejecting the claim. Long negotiations took place between LC and Costains senior management to settle the consequential loss problem. However, it had not been possible to agree on the final cost before Chief Executives of both BH and Costains became involved.

By the time construction was completed, all flats were sold at prices higher than BM initially anticipated. Hence, all agents regarded the scheme as a 'successful' one. Cluster 20 shows the issues that direct agents considered to be influential in project success. These were:

- developer's willingness to spend money and take public bodies' recommendations on board;
- the professional team's understanding of how to achieve the balance between conservation and change, and the need to yield an 'adequate product' for the market.

9.3.7. Project Gain

All direct agents, except BMal, regarded the project as a successful mainly because they could make a profit out of the scheme. In addition to profit, the benefit of being involved in this scheme

⁶⁴ See Cluster 20, Appendix 4.

was that the project was a 'learning curve' for almost all agents (link from Cluster 20 to Cluster 12). This was of particular relevance to BMal and BH. The knowledge and experience they gathered through this process 'gave them confidence to be involved in similar schemes'. In addition to this, the professional rapport that developed between individual agents led to their collaboration in subsequent projects. However, no more than two agents were involved in subsequent schemes.

For BH and TW the project had benefits other than the above. After the HQ Building project was completed, BH and TW entered into a formal JV partnership whereby they could re-develop TW's vacant property. This JV partnership took the form of a company (St James Homes) which is a subsidiary of BH.

9.4. Results

9.4.1. Process

The fact that analysis of the model yielded twenty-two clusters could be interpreted as an indication of the fragmentation of the process. However, the links between these clusters provides evidence for the fact that the clusters are highly interdependent. The clusters blend together to construct stages of the development process. Hence, the process is a conglomeration of interdependent stages that influenced one another.

The process is a reiterative one as the presence of loops and the repetition of them a number of times during the process indicate. The loops provided some flexibility and dynamism to the design of the scheme and a bit of lee-way to the client to shape the product according to the changing market trends. In this respect, it contributed positively to the outcome. However, retaining flexibility in scheme design became disadvantageous as the agents were working within the confines of a system where decisions depended on subjective judgements of agents involved. Furthermore, there was no culture of formal undersigning of agreements on matters which were open to interpretation, e.g. compliance with building regulations. Therefore, risks associated with changes to the project remained high until late into the process. Under these circumstances agents' (specifically the architect's and the contractor's) competence and experience in responding to changes gained significant importance.

9.4.2. Activities

The analysis has shown that key activities of the process were:

- resolution of conflicts between agents and subsequent planning consent (Cluster 15);
- negotiations on contentious issues (Cluster 22); and
- identification of flat layouts (Cluster 9).

Activities in the first two clusters were strongly related to each other as the loop between Cluster 15 and Cluster 22 which depict these activities indicate. Contentious issues were mostly associated with the planning gain and indirect agents' desire to retain/reinstate aspects of the

site/building which they considered to be historically and architecturally significant. Within this context, conditions of providing affordable housing and the schedule of architectural elements to be retained became the focus of these negotiations. Agreeing on contentious issues was important as it was a prerequisite to the signature of the Section 106 agreement which enables the developer to start implementing the project. It is interesting to note that listed building consent for the project which was preceded by an agreement on the schedule of items to be retained, was given three months prior to the planning consent and the subsequent signature of the Section 106 agreement. Therefore, it can be concluded that the wider planning aspects of the project was more contentious than the conservation issues.

The analysis indicates that the contentions associated with planning gain scenarios were a consequence of the developer's pre-conditioned approach to planning gain. Prominence of wider planning issues is significant because issues associated with the treatment of the listed aspects of the building would be expected to be prominent due to the building's listing.

Outcomes of Cluster 9 which depicts the identification of flat layouts were:

- commencement of pre-application negotiations;
- planning application; and
- budget for fitting out a flat.

The first two outcomes depict the commencement of stages related to the planning process. It can thus be stated that evolution of the flat layouts marked the move from one stage to another in the planning process.

As stated above, the identification of flat layouts influenced the overall process. Although this was important, its significance lies in the agreement on the budget for fitting out the flats even before the pre-application negotiations. Such an early commitment to project cost in this type of project pre-conditioned the developer⁶⁵ against any additional cost associated with planning gain scenarios, e.g. affordable housing, or the scheme design changes to treat listed building characteristics appropriately, e.g. reduction of penthouse sizes. Such changes which can significantly alter financial viability are almost mainstream encounters in a re-use project. Signing off the cost schedule before achieving a preliminary agreement with the borough on such potentially contentious issues signifies the developer's lack of experience in this type of project.

The early commitment to project cost becomes evident when the loops depicting the refinement of the scheme are considered. The scheme was refined through the loops between clusters which depict the scheme design, costing and negotiations between agents. It should be noted that clusters which depict costing of the scheme were part of these loops only until the end of the planning process when the JV partners signed off the cost schedule. Consequently, re-iterations were only between the scheme design and negotiations after this stage.

⁶⁵ In this context the term developer is confined to BH as they were the JV partner making these decisions.

9.4.3. Agents

Former professional rapport between the commissioning and commissioned agents was the most significant criteria in assembling the team. This facilitated a working environment where agents were readily aware of each others' objectives resulting in a healthy working environment. Despite its advantages, depending heavily on agents with whom the commissioning agents had worked prior to this project, became disadvantageous in cases such as planning process, construction, where the agent's experience in this type of project was more important than the former professional rapport.

The scheme was refined and implemented through a series of interactions between different agents. There were further interactions between staff at different levels of the organisational hierarchy in individual organisations. Hence, respective individuals from individual organisations interacted with each other. Therefore, the competence of agents at each level of the cascade both within and across the organisations was very important as competence of individuals at one level did not necessarily mean that individuals at other levels were equally competent. Former professional rapport between agents had a positive input to the outcome because agents were familiar with the organisations and their objectives.

Because of the need to make changes to the project, agents' competence and experience in responding to changes was of significant importance. This condition was of specific relevance to the architects and the contractors because they were the agents who were faced with changes more frequently than any other agent as most of the changes took place during the construction process. Despite this, experience in refurbishment did not feature among the choice criteria of either the architect or the developer.

Agents' roles evolved and transformed throughout the process although at the outset their roles seemed to remain unchanged from one stage to the other. Design, costing and planning negotiations are a good example of this. Although these activities took place throughout the process, their nature changed and evolved. Undertakings of BMal at initial stages were significantly different from those after the JCT 81 contract. Furthermore, most of the agents involved in the process had multi-roles. For example, LC carried out costing of the scheme as well as contributing to tendering and monitoring the construction works. This is contrary to the single role definitions that can be found in literature.

It can be argued that the developer's stubbornness in arguing against the contributions to the planning gain scenarios, e.g. commuted payment for affordable housing and public access to the Rose Garden, complicated the negotiations between the direct and indirect agents. As this was the first time the developers were working with this LA, it was critical for them to present themselves as a developer who paid attention to the community benefit delivered by the project. By failing to achieve this, BM lost the chance of developing a healthy relationship with the LA from which they could have largely benefited during this project and the subsequent ones they attempted to carry out in the vicinity of this site.

9.4.4. Issues

Table 9.4 shows the key issues which influenced this development process. This table shows that a wide range of issues became a subject of concern during the initiation stage and they remained so as the project progressed. The issues, which were not a key consideration during the initiation process but emerged as the project continued, were:

- marketing strategy;
- uncertainty;
- level of available information;
- timing of actions.

Emergence of the last three points which are strongly associated with a re-use project as key issues during later stages of the process is linked to the developer's lack of experience in this type of projects.

Ranking in the last column of the table shows the results of the centrality analysis of the issues in the whole model. This ranking which is in descending order is an indication of the influence the issues had on the overall process. It can thus be stated that 'addressing statutory bodies' objectives' was the most influential issue on the whole process. This is also evident in the strength of the links that depicts this influence. Cluster 22 depicts the acknowledgement of the need to address statutory bodies' objectives with the project objectives. This cluster has the highest cumulative number of 'into' and 'outof' links. This provides complementary evidence to the fact that addressing statutory bodies' objectives was a significant issue in this project.

Direct agents' project objectives had to be contained within the indirect agents (specifically statutory bodies') objectives, which were not necessarily commercially orientated. This led to conflicts on a number of issues. Examination of the three strongest links in the model, namely link from Cluster 22 to Cluster 5, link from Cluster 15 to Cluster 5 and link from Cluster 15 to Cluster 22 (see Table 9.2), shows that direct agents were aware of this necessity and the restraints it could potentially impose on the development. This is also evident in the emergence of 'addressing statutory bodies' objectives' as a key issue in all stages of the process, except the initiation and JV negotiations stages (see Table 9.4). This awareness should have facilitated a development process during which conflicts were resolved in shorter time-scales. However, this was not the case for this project as the developer was not readily willing to accommodate indirect agents' objectives as his attitude in dealing with the planning gain scenarios indicates.

The second most central thus highly influential issue is the building characteristics including listed aspects of the building. Listed aspects of the building, which are an important input to the development process, to a large extent were regarded as a burden at the beginning of the process when the product was defined. Due to their lack of experience in listed building projects, the developers did not realise the potential inherent in trading on the listed aspects of the buildings until they eventually achieved higher sales values than they had anticipated. Being aware of this fact could have assisted them through the planning process as they could have

NRH	Issues	PFI Deal	Initiation	Initial Scheme	Pre-application	Design & Planning	Construction & Marketing	Centrality	PFI Deal
ECONOMIC	Profitability (1)		✓					✓	6
	Value (5)		✓	✓	✓	✓	✓	✓	3
	Cost (6)	✓	✓	✓	✓	✓	✓	✓	4
MARKETING	Suitability of product to market/ market condition (2)	✓	✓	✓	✓	✓	✓		
	Marketing strategy (4)								
POLITICS	Public access (3)		✓	✓	✓	✓	✓		
	(Addressing) statutory bodies' objectives (14)		✓	✓	✓	✓	✓		1
	Expertise (7)		✓	✓	✓	✓	✓		
AGENTS	Knowledge of national/local planning system (10)		✓	✓	✓	✓	✓		
	Knowledge of local market (11)	✓	✓						
	Former professional rapport with other team members (12)	✓	✓				✓	✓	
	Developer's objectives (19)			✓		✓	✓		
	Uncertainty (8)			✓		✓	✓		
PROJECT	Design (quality/criteria) (9)	✓	✓	✓	✓	✓	✓		
	Constraints (20)		✓	✓	✓	✓	✓		5
	Level of information available (29)			✓	✓	✓	✓		
	Problems associated with construction (31)						✓		7
	Site characteristics (15)		✓	✓	✓	✓	✓	✓	
BUILDING/SITE CHARACTERISTICS	Building characteristics (18)		✓	✓	✓	✓	✓	✓	2,8
	Characteristics of end-product (26)	✓	✓	✓	✓	✓	✓		
END-PRODUCT TIME	Length of process (22)		✓	✓	✓	✓	✓		
	Timing of actions (28)		✓	✓	✓	✓	✓		9

Table 8.4. NRH Key Issues

been more perceptive to the affordable housing requirement even if it increased the project cost by about 20% and made it almost impossible to comply with the cost schedule.

Surprisingly, cost of the scheme is the third most influential issue on the overall model followed by value of the scheme. In the first instance this appears to contradict the consensus that economic issues, specifically cost and value of the scheme as a determinant of the profit range, are the most important issues in a development process. They were still the most influential issues in direct agents' decisions to get involved in the scheme and shaping of the scheme. This ranking points to the fact that these had to be contained within the statutory bodies' objectives, which focus on the celebration of listed building characteristics.

9.5. Conclusions

Conversion of the HQ Building to flats was a successful project. This is justified as the flats achieved sales values higher than the ones anticipated by the developer at the beginning of the process and all agents, except the architects, made a profit out of this scheme. Success did not come without problems to tackle however. Reasons behind these problems, which have already been extensively noted, indicate that key aspects of this development process which should have been acknowledged and managed by the development team were:

- complex and reiterative nature of the process stemming from the need to address a wide-range of issues and the involvement of a high number of agents with divergent and sometimes conflicting objectives;
- the need to acknowledge and manage uncertainty involved in the project;
- the significance of agents' experience in listed building/refurbishment projects in streamlining the process such that unnecessary delays are avoided;
- the need to have an appropriately defined agent selection criteria which acknowledges and accommodates the specific characteristics of a re-use process, e.g. significance of agents' competence at all levels from senior management to site supervision;
- inescapability of making contributions to planning gain scenarios such that public amenity/benefit is enhanced.

Acknowledgement and management of these aspects by the development team, specifically the developer, would have yielded a much less complicated process. It is highly probable that the project could have been completed six months earlier under these circumstances.

The indirect agents had different views on the quality of the scheme which was the only success criteria they considered as other criteria, i.e. time and cost, was irrelevant for them. The conservation officer was clearly dissatisfied with the project. Alterations to the building scale and the treatment of the architectural elements were the fundamental reasons behind his discontentment. On the contrary, the scheme appealed to the historic buildings inspector at EH who was particularly satisfied with the fact that the building was given a new lease of life.

These different views show that there is a high level of subjectivity involved in assessing the quality of a re-use project. On the whole, quality is difficult to define and measure in any building. It becomes even more difficult to measure as the degree of subjectivity increases.

AGENTS

Thames Water (TW) (Former Owners)

Berkeley Homes (BH) (Developers)

Peter Nesbitt (PN), Paul Vallone (PV), Sue Callaghan (SC), Glyn Hopping (GH)

Manhattan Loft Corporation (ML) (Developers)

Harry Handelsman (HH), Angus Boag (AB)

Berkeley Manhattan (BM) (Joint Venture (JV) set up by Berkeley Homes & Manhattan Loft)

Leslie Clark (LC) (Quantity Surveyors)

Brian Grey (BG)

Broadway Malyan (BMaI) (Architects)

Alan McCulloch (AMc)

CZWG Architects (Concept designers)

John Savage Associates (Structural engineers)

Knight Frank (Estate agents)

London Borough of Islington (LA)

Alec Foreshaw (AF)

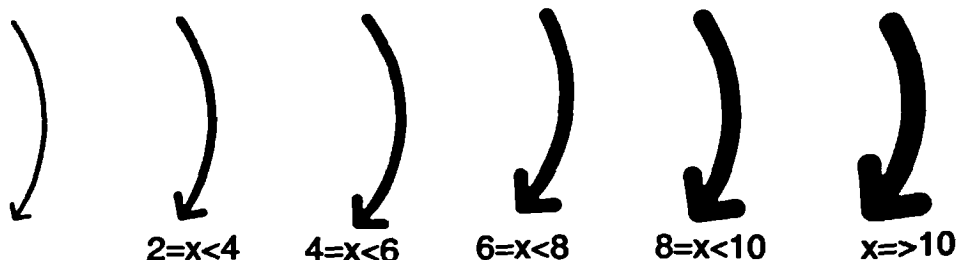
English Heritage (EH)

Paddy Pugh (PP)

Costains (Contractors)

Charles Siberry (CS)

LINK STRENGTHS MATRICE



CHAPTER 10 ANCHOR TERRACE PROJECT

10.1. Introduction

The subject of this case study is the conversion of eight Grade II listed Georgian Terrace houses to flats (Anchor Terrace) and the development of the land behind the terrace to accommodate flats (The Globe Apartments). The site lies within the borders of the London Borough of Southwark. It is close to London Bridge Station and the River Thames (Figure 10.1). It is flanked by Southwark Bridge Road to the west, Park Street to the north and Porter Street to the east. The site is in Thrale Street Conservation Area.

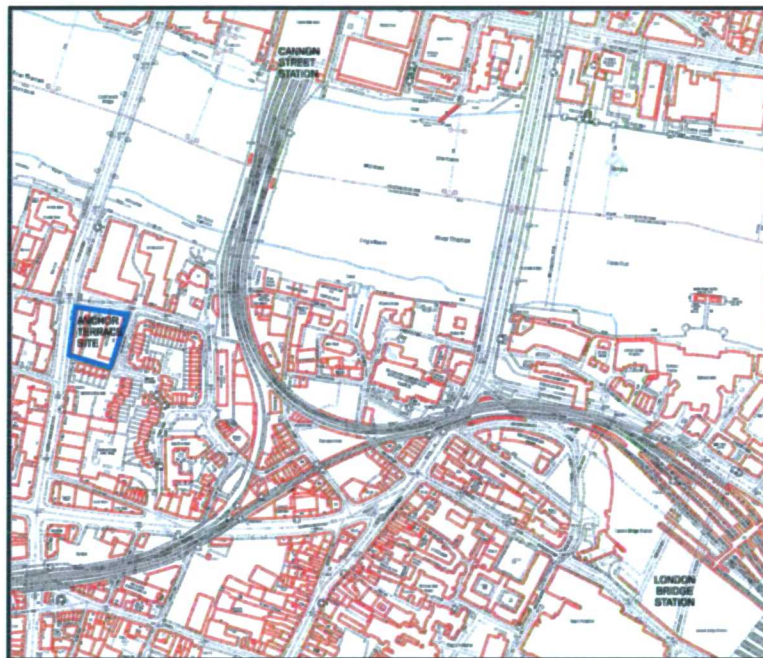


Figure 10.1. Anchor Terrace Site & its Context
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As well as being in a conservation area, the site is designated as a Scheduled Ancient Monument (SAM) because of the remains of the sixteenth century Globe Theatre. These remains lie partly under Anchor Terrace and mostly under the land between the terrace and the Globe Apartments (Figure 10.2).

Buildings on the site evolved through the eighteenth century, eventually to 'become part of the Courage empire'⁶⁶. Courage operated a brewery on the site until the 1970s when the brewery was closed. After this, Courage continued to use the buildings on site as offices. As the buildings were getting slightly dilapidated due to lack of maintenance, Courage decided to re-

⁶⁶ Quoted from the interview conducted with Paul Calvakuresi of English Heritage

locate their facilities and sell the site. With the prospect of increasing the site value, they embarked on negotiations with London Borough of Southwark and English Heritage on the development potential of the site. In the meantime, the buildings were used first as offices and then as a stage set by the BBC. The terrace building had been vacant for sometime when it was purchased by Hanson Property Limited in early 1995.

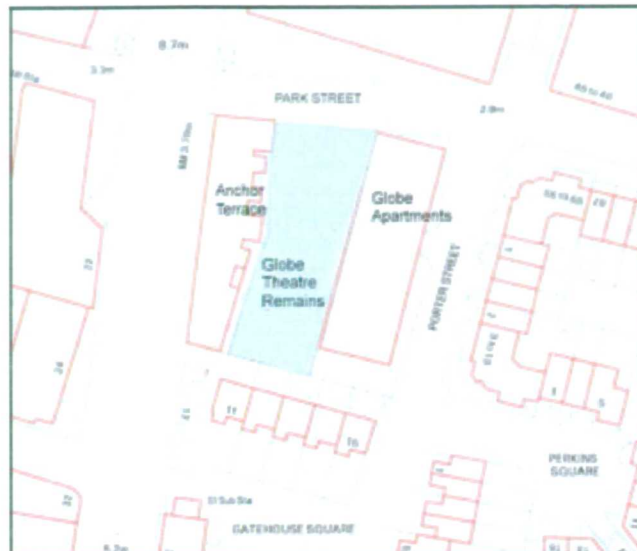


Figure 10.2. Anchor Terrace & Globe Theatre Remains

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Hanson Property Limited embarked on negotiations with the statutory bodies in April 1995. Their aim was to identify the development potential of the site. Hanson Property's proposal was considered to be 'too commercial' by the statutory bodies. Hence, parties could not arrive at a consensus on the proposals to re-develop the site. Meanwhile, Holybrook Limited bought the site from Hanson Properties.

The project, which is the focus of this case study, started in Spring 1996. Construction works on site were completed in early 1998 and the terrace was occupied in early 1998. It consisted of a mixture of one and two bedroom flats; 29 in Anchor Terrace and 39 in Globe Apartments. Average sales price for two bedroom flats was £200,000 in the terrace building. Flats in the terrace were valued at £300,000-350,000 in Spring 2001.

Refurbishment of the terrace and development of the Globe Apartments were handled in two phases. Phasing of the development was informed by the developer's desire to advance cash in-flow by selling the units in the Globe Apartments, some of which were 'investment type' units, in the Far East before the refurbishment works commenced. First, development of the Globe Apartments was completed. Refurbishment of the terrace started in October 1997, nine months after the construction of Globe Apartments had started.

10.2. Agents⁶⁷

Data was collected by interviewing agents and reviewing the case files kept by the LA. Seven interviews were conducted with the agents involved in this project. Names of interviewees are cited below under the organisations' name.

Hanson Property (HP) (Former Owner)

Holybrook Limited (HB) (Developers)

Kevin Parsons (KP)

John Hunter Chartered Surveyor & Planning Consultant (Planning Consultant)

John Hunter (JH)

MGB Architects (MGB) (Architect)

Kevin Gerring (KG)

Douglas Rose & Partners (DR) (Structural engineers)

Paul Chandler (PChan)

Duncan Allen (Estate agents)

William Allen (WA)

London Borough of Southwark (LA)

Kevin Murphy (KM)

English Heritage (EH)

Paul Calvakuresi (PC)

Department of National Heritage (DoNH)

Museum of London (MoL)

Amenity Societies (e.g. Globe Theatre)

⁶⁷ Please see the list of name abbreviations and the legend for link strengths on page 217. The list can be unfolded to aid the reading process.

10.3. Analysis

Analysis of the model was carried out by applying the analytical approach outlined in Chapter 5. The cluster analysis carried out on the model divided the model into twenty-three clusters (see Table 10.1). Sizes of these clusters varied from two to fifty-one concepts.

Table 10.1. List of Clusters

Cluster 1	Nature of planning control: length of process, lack of control during construction
Cluster 2	Planning process: application, committee
Cluster 3	Initial scheme & project costing
Cluster 4	Decision to buy the site, instruction of consultants
Cluster 5	Design considerations on re-using the Terrace
Cluster 6	Negotiations between parties & detailing of design
Cluster 7	Ground investigations, NHBC approval & commencement of ground works
Cluster 8	Discussions between MGB & sub-contractors on flat furnishings
Cluster 9	Meeting between LA, Hanson Properties & Holybrook
Cluster 10	Hanson's negotiations, Holybrook's initial contact with EH, MoL & benefits from project
Cluster 11	Committee reservations, subsequent planning & listed building consent
Cluster 12	Amenity societies' attempt to buy the site
Cluster 13	Tilt at the back
Cluster 14	Design activities undertaken to address site & building characteristics
Cluster 15	SAM consent & some ground investigations
Cluster 16	DR's involvement in refurbishment
Cluster 17	Commencement of refurbishment & marketing
Cluster 18	Issues related to retention of features
Cluster 19	Holybrook's interest on site, cost & returns considerations
Cluster 20	Corrige's attempt to identify development potential on site
Cluster 21	Completion of sales
Cluster 22	Activities undertaken to address advantages & disadvantages of originality, individuality & character of building/end-product
Cluster 23	Negotiations on conversion

Content analysis showed that small sized clusters included very detailed aspects of the process, which were almost too trivial to consider within the project (see Table 10.2). The triviality of these clusters was evident in the fact that none of them were linked to any other cluster in the model. These clusters were excluded from the analysis. The remaining clusters were grouped under seven sub-sections that refer to different stages of the development process, which are very similar to the ones cited in RIBA Plan of Works (RIBA, 2001) (see Table 10.3). This section reports results of the analysis under each stage by taking the emergent clusters and the relationships between them as a basis. A short description of each stage, with particular reference to the key elements of each constituent cluster identified through centrality and domain analyses and the above average links between these clusters⁶⁸, is an integral part of this analysis. Overall, the aim of this analysis is to identify how individual clusters influenced others and the whole process of re-developing the site in general and refurbishing the terrace in particular.

	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23
C1	0	0	0	1	0	0	1	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0
C2	1	0	0	1	0	1	0	0	0	0	1	0	0	2	0	0	0	1	0	0	0	0	0
C3	0	0	0	0	3	1	0	0	0	0	0	0	0	1	0	0	0	1	3	0	0	0	0
C4	0	1	0	0	2	1	0	0	0	1	0	0	0	2	0	0	1	0	0	0	0	0	0
C5	0	0	2	1	0	0	1	0	0	3	0	0	0	1	0	0	1	4	1	0	0	4	2
C6	0	2	0	0	0	0	2	0	0	0	0	0	0	1	1	0	0	0	0	0	0	3	0
C7	0	0	1	0	1	1	0	0	0	0	0	0	0	1	0	0	2	0	1	0	0	0	0
C8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C10	0	0	0	2	2	0	0	0	0	0	0	0	0	1	0	0	0	0	2	0	0	0	0
C11	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0
C12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C14	0	0	1	7	3	2	0	0	0	1	0	0	0	0	2	0	0	0	0	1	0	2	0
C15	0	1	1	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	0	1	2	0
C18	1	0	1	0	2	3	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	2	0
C19	0	0	1	3	0	0	0	0	0	1	1	0	0	0	0	0	2	0	0	0	0	0	0
C20	0	0	0	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	1	0
C21	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
C22	0	0	1	2	0	2	0	0	0	0	0	0	0	0	0	0	1	1	1	0	0	0	2
C23	0	0	0	0	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table 10.2. Anchor Terrace Project: Matrix Showing the Strength of Links between Clusters

⁶⁸ As can be seen in the matrix (see Table 10.2), the clusters are highly interdependent, viz. the majority of clusters are linked to one another. In order to avoid excessive detail, the reporting of this case study concentrates only on the links which are stronger than the average link strength, which is 1.60. Links that are weaker than the average are commented on only if they are part of a loop between the clusters and when they are the only link between subsequent stages.

10.3.1. Project Initiation

The project was initiated by KP's, of Holybrook, interest in developing the vacant site at the back of the terrace building during a casual visit to the area (Cluster 19). This was in September 1995. At the beginning, Holybrook had no intention of refurbishing the terrace buildings. KP's attention was first drawn to the vacant land behind the site (Concept 111). The Land Registry search he did showed that Hanson Properties Limited⁶⁹ owned the vacant land and the terrace; hence, refurbishment of the terrace became a material concern for the developer.

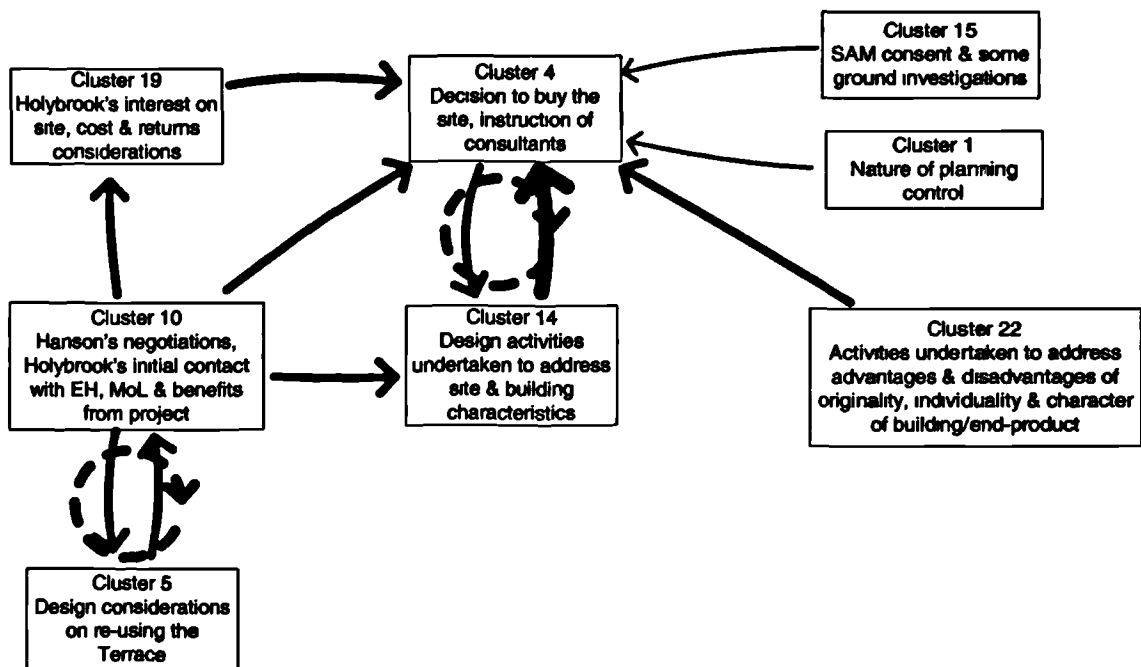


Figure 10.3. Initiation Stage Map

Anticipated profitability of the scheme was the fundamental reason behind Holybrook's interest in the site as a 'speculative property developer', who had carried out developments in the Southwark area since the late-1980s. Through these developments Holybrook accumulated a

⁶⁹ Hanson Properties Limited bought the site in 1988. Negotiations on office development on site took place between Hanson, LA and EH throughout 1988-89. Negotiations during 1988 concentrated on the archaeological implications of development on the site. From mid-1989 onwards negotiations concentrated on the proposal, which was considered to be 'too commercial'. During 1989, the Museum of London carried out archaeological investigations on site. The case file was not active during 1990. In January 1991, Hanson Properties commissioned a survey of the terrace. It was not possible to find any documentation between early 1991 and April 1995, when Hanson initiated another series of negotiations with the LA and EH. It is most probable that Hanson Properties suspended their intention to develop the site between 1991-1995.

solid background on local market demand, and politics of planning and development control in the area. The significance of profitability for Holybrook is also evident in the fact that profitability of the scheme ranked as the most central concept in the centrality analysis. Holybrook's confidence in the potential market demand was another factor which increased their willingness to get involved in the scheme.

The potentially 'high cost' of the project, which is the third most central concept in Cluster 19, was considered alongside the above issues. The need to 'hire intelligent people who know what they are doing' and the cost of archaeological investigation that had already started on the site and subsequently became one of the conditions of the planning consent, were the reasons why the project cost was high. Although it was a potential drawback and was taken into consideration during the early days, high cost of the scheme did not curtail Holybrook's interest in the site. This was due to the anticipation that the project would be fairly easy and straightforward to manage after site works.

Other factors that influenced Holybrook's willingness to develop the site were: LA's willingness to support 'enabling development' at the back of the terrace and projects, such as the Jubilee Line Extension and regeneration of the Bank Side, which would potentially transform the area to an attractive residential location the City employees.

After he developed an interest in the site and negotiated purchase conditions with Hanson Property initially, KP decided not to carry on further. Although the developer was unwilling to give the precise reasons behind his decision not to buy the site, listed aspects of the terrace, SAM status of the site and consequent restraints these imposed on developing the site emerged as possible reasons behind this decision. Almost a year later, KP became interested in the site for a second time. There are indications that this interest was a result of the commencement of the Millennium Projects such as the Jubilee Line Extension and the Bankside Regeneration. Holybrook then approached Hanson Properties again; hence the link from Cluster 19 to Cluster 4 (see Figure 10.3). By this time, Hanson had started negotiating with other parties that were interested in buying the site. Therefore, Holybrook were given only two weeks to make their decision about the site purchase. This prompted KP to contact PChan of DR to give advice on the structural safety of the terrace and on the possibility of constructing a new building on the existing foundations on the site (link from Cluster 14 to Cluster 4). In the meantime, Holybrook approached PC and AB of EH with a view to identifying whether or not they would support the scheme (link from Cluster 1 to Cluster 4), because they were 'aware of the need to get key people's support first'⁷⁰.

At the end of the two weeks they were given by Hanson, Holybrook decided to buy the site and exchanged an unconditional contract. The outcomes of Holybrook's initial contact with EH was influential in the purchase decision (link from Cluster 14 to Cluster 4). This is also evident in the link from Cluster 10 to Cluster 19. Another factor, which influenced the purchase decision, was

⁷⁰ Quoted in the interview conducted with KP.

the advice given by Douglas Rose on the number of storeys that could be built on the existing foundations (link from Cluster 4 to Cluster 14).

After their initial contact with EH, 'it became apparent that Holybrook had the support of EH' and that they could 'make a viable scheme out of the site'⁷¹. This increased Holybrook's confidence in the scheme (link from Cluster 10 to Cluster 4).

EH had an explicit preference in favour of the Holybrook Scheme because they considered this scheme to be an improvement on the previously negotiated Hanson Scheme. The link from Cluster 5 to Cluster 10 shows this. This preference was further accentuated by the fact that EH wanted to see a scheme implemented on the site as the terrace remained vacant for a while and material problems had already become evident (link from Cluster 10 to Cluster 5). Therefore, the statutory bodies were willing to avoid further delays in implementing a scheme on this site (Cluster 20).

In addition to EH's support, 'presence of an obvious market' was a factor that increased Holybrook's confidence in the financial viability of the scheme. Characteristics of the building and the end-product were reasons behind the readily available market (link from Cluster 22 to Cluster 4). Despite increasing the market potential, characteristics of the building constrained the possibility of 'achieving maximum development on site'⁷².

Holybrook's confidence⁷³ in the scheme was one of the three factors that influenced their decision to buy the site. Anticipated viability of the scheme and DR's advice on the structural issues (link from Cluster 15 to Cluster 4) were the second and third factors respectively.

After deciding to buy the site, Holybrook exchanged contracts with Hanson Property. This had two influences on the team assembly and roles of agents. First, Douglas Rose solely concentrated on the new building (link from Cluster 4 to Cluster 14). Secondly, the architects and planning consultants were introduced to the development team. Holybrook instructed JT and MGB architects to become involved in the scheme. It is important to note that Holybrook involves planning consultants in a scheme only if they anticipate that they will be confronted with issues that they do not have specific experience in handling these hence the necessary level of detailed knowledge about these issues.

JT's role was to facilitate the planning process, whereas MGB was involved in designing the scheme-both the new building and the conversion- and to lead the planning process. At this stage, DR's involvement changed from an advisor's one to a structural engineer's one. It is important to note that DR's input was mainly confined to the new building until refurbishment works started (link from Cluster 4 to 14). It should be noted that all the consultants that had

⁷¹ Quoted in the interview conducted with KP.

⁷² Quoted in the interview conducted with KG.

⁷³ KP stated that they had confidence in the scheme because they had a 'feeling of what exactly was going to happen' and were able to anticipate 'the likely local issues to be raised during the planning process'.

been instructed up until this stage indicated that the 'former professional rapport' they had had with Holybrook was the reason why they had been instructed.

Holybrook determined the timing of the consultants' instruction and contacted the statutory bodies. The link from Cluster 14 to Cluster 4, which is the strongest link in the whole model, shows that the site and building characteristics influenced the timing of contacting respective consultants; hence, shaping the process.

DR's involvement 'earlier than usual' is an example of this influence. Holybrook was concerned about the project, because excavations on site were limited due to the SAM status of the site and that the structural condition of the terrace did not seem sound⁷⁴. Therefore, they involved DR even before they purchased the site.

In addition to agents instructed by Holybrook, other agents became involved in the development of the scheme. Their involvement was prompted by the interest they had on the site because of the site characteristics (link from Cluster 10 to Cluster 14). The International Shakespeare Globe Centre Limited (ISGC) and amenity societies that were campaigning for a much more archaeology orientated scheme are examples of such agents. They had reservations about the Holybrook scheme as they claimed that this scheme did not pay due respect to the archaeological significance of the site, despite Holybrook's willingness and co-operation in ensuring that the remains were safeguarded and the site was properly commemorated.

10.3.2. Initial Scheme & Project Costing

After being instructed by Holybrook, MGB Architects started working on 'the best way of creating 1-2 bedroom flats using as many existing walls as possible' in the terrace (link from Cluster 4 to Cluster 5, see Figure 10.4). Messiness of the rear elevation, building characteristics, the need to work within an existing envelope, the need to sub-divide rooms in order to achieve proportional integrity within the units and location of spaces within the building were the fundamental issues the architect took into consideration in designing the initial scheme. As a result, the architects had to retain as many historic features as possible while converting the terrace to flats. The loop between Cluster 5 and Cluster 18 shows that this need was informed by Holybrook's willingness to keep the original features.

Centrality analysis of Cluster 5 shows that the need to retain existing features and the extent of former alterations were the most important inputs to the initial design. These were associated with site and building characteristics (link from Cluster 14 to Cluster 5). The link indicates that building and site characteristics influenced initial design considerations. Centrality analysis of Cluster 14 ranked 'listed aspects of the building' and 'excavations on site were constrained' as

⁷⁴ Back elevation of the terrace had considerably tilted into the back of the site; therefore, Holybrook were anxious about the structural soundness of the terrace building. After investigations on the structure, DR stated that the tilt occurred either shortly after the building was built or during the construction of the current Southwark Bridge and that the structure had stabilised itself; thus, there was no prospect of it tilting further (Cluster 13).

the first and second most central concepts respectively. Therefore, it can be stated that 'listed aspects' and the 'SAM' status of the site were the characteristics that had the highest bearing on design considerations.

SAM status of the site brought considerable constraints to the project. The most prominent of those was the restriction on excavations on site; hence, the prohibition of putting in new foundations (link from Cluster 2 to Cluster 14). As a result, the new building had to be built on the existing foundations. Therefore, DR's first undertaking was to identify the type and structural condition of the existing foundations and determine whether they could be used to support the new building at the back of the terrace. (link from Cluster 14 to 15). They advised Holybrook that the new building could be constructed on the existing brewery foundations based on the findings of these investigations. These findings identified the massing of the new building to a great extent (link from Cluster 7 to Cluster 3). It can thus be stated that the structural engineer had an unusually significant input into the initial design.

There was a consensus among the agents that the listed building issues were more 'straightforward' than issues associated with constructing a five-storey building on existing foundations. Therefore, direct agents focused more on the design aspects of the new building. In addition to their assumption of the relative ease of refurbishing the terrace, 'flexibility' offered to the applicants in altering the terrace building (link from Cluster 5 to Cluster 18) was the fundamental reason behind the above consensus. As the building had been altered extensively and some of the architectural elements had been removed prior to this scheme, statutory bodies, especially English Heritage, did not 'insist on retaining the plan form in places where it had been altered; provided that what remained was kept' (Concept 210, see Cluster 5 in Appendix 5).

MGB's proposals were refined and changed through discussions between the developer and the architects. Here the aim was to find the most feasible way of incorporating the developer's objectives into the initial design. The discussions between the developer and the architect are depicted by the loop between Cluster 5 and Cluster 3. The link from Cluster 3 to Cluster 5 depicts the accommodation of the developer's objectives, such as avoiding further excavation of the site and achieving premium sales values, to the initial design.

MGB designed a sketch scheme taking the above design issues into consideration. They then presented the scheme to Holybrook (link from Cluster 5 to Cluster 3). KG of MGB discussed the design approach they took and the number/size of units with KP of Holybrook. Height and bulk of the new building; and the car-park provision were other issues that parties discussed. The design of the new building and car-park were restrained by the limitations on excavating the site; hence, reliance on the existing foundations. It was also in Holybrook's interest to avoid excavating the site further as this could potentially lead to Holybrook's liability to pay for subsequent excavations and conservation of the finds should anything be found during the excavations.

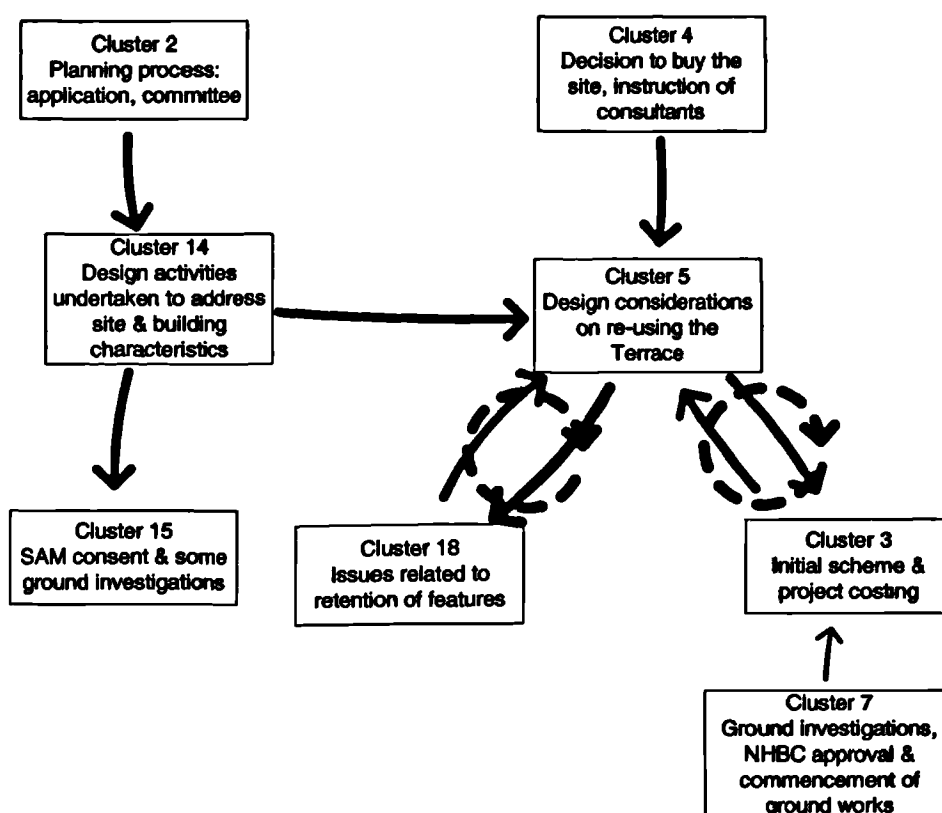


Figure 10.4. Initial Scheme Stage Map

Holybrook commented on the sketch scheme with a view to see how 'the mutual aim of retaining architectural features and designing a viable scheme could be achieved'. Cost of project and anticipated sales value of units were the two factors Holybrook took into consideration whilst commenting on the scheme.

As stated above, the loop between Clusters 3 & 5 depicts the reiterations in the design process that were a usual component of the design process. The process started with a number of objectives and issues to be taken into consideration in designing the scheme. These were identified by the developer and constrained by the statutory bodies' willingness to allow changes on the terrace in particular and on the site in general. These have already been outlined in the

preceding sections. During the design phase, feasibility and applicability of these objectives and issues were reviewed through discussions between the architect and the developer. The eventual outcome of these reiterations was the scheme, which counter-balanced the design objectives and the possibility of implementing them.

10.3.3. Pre-application Negotiations & Ground Investigations

Once a scheme that satisfied Holybrook emerged, Holybrook, with JT and MGB, approached the case officer in LA for his comments on the actual scheme (link from Cluster 3 to Cluster 6, see Figure 10.5). These negotiations carried on from the initial contact Holybrook had with statutory bodies prior to buying the site as the link from Cluster 4 to Cluster 6 depicts. The process of negotiating with the statutory bodies was an 'uncomplicated' one, because what was proposed by Holybrook in terms of the new built and the conversion of the terrace was similar to what the LA would have liked developed on the site (link from Cluster 3 to Cluster 19).

The loop between Cluster 18 to Cluster 5 depicts the negotiations through which features that were worthy of retention were identified. Link from Cluster 5 to Cluster 18 shows that 'extent of former alterations' (Cluster 5) was an important input into the negotiations between applicants and statutory bodies and thus the identification of features to be retained.

The extent of intervention applicants would have been allowed to carry out was also closely related to the extent of former alterations. However, this did not pose many constraints on the applicants, because the plan form of the interior had been extensively altered as a result of the former alterations. During the earlier negotiations with EH, it had been established that the statutory bodies were more open to alterations to the plan form in parts where it had been altered extensively (link from Cluster 14 to Cluster 5).

The trade-off for Holybrook was to reinstate the plan form and replicas of original features where there was evidence of the original form and features. Therefore, Holybrook had to remove some of the later additions and reinstate some architectural elements that had been removed by former alterations, e.g. reinstating some of the front doors although they would not be used as doors anymore (link from Cluster 14 to Cluster 6).

Both Holybrook and the statutory bodies were willing to retain as many features as possible (Cluster 18). Therefore, almost all original elements that survived were included in the schedule; hence, building characteristics had an effect on what was included in the schedule as well as former alterations.

In addition to the above, material problems that occurred during the period the building was vacant were taken into consideration in preparing the schedule of features (link from Cluster 10 to Cluster 5). Architectural elements that had deteriorated beyond repair were excluded from the schedule, even if they were original.

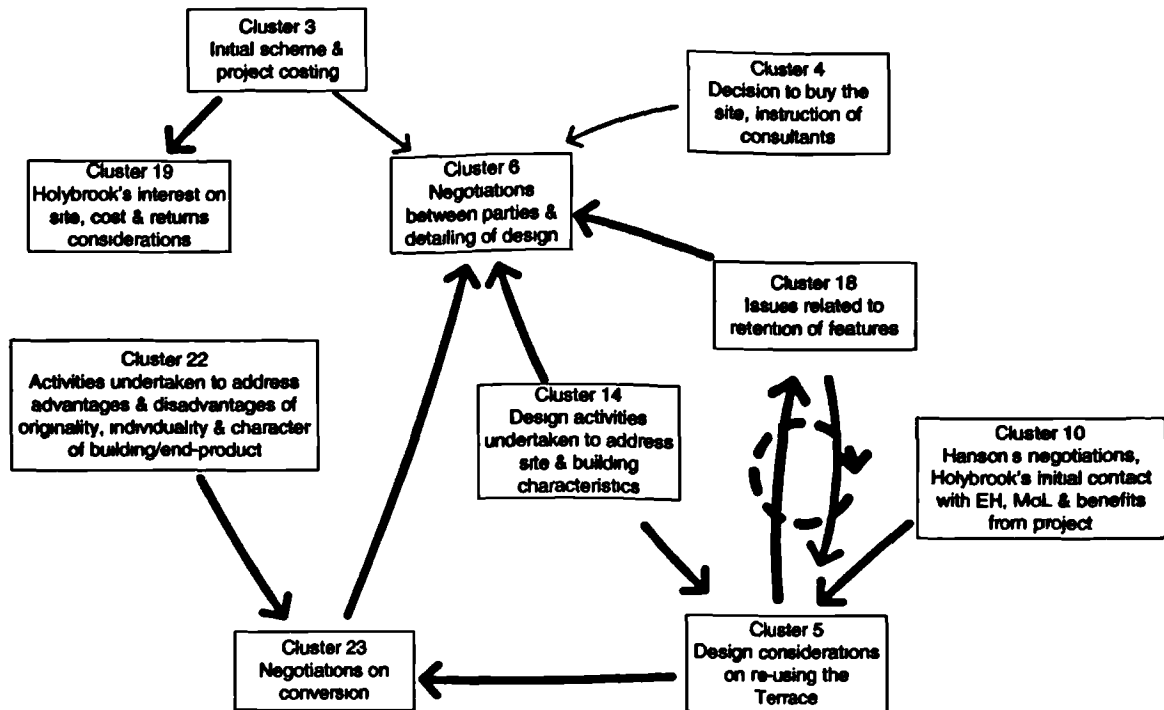


Figure 10.5. Pre-application Stage Map

As it had already been established that there would not be extensive excavations on the site and, EH and LA considered the height and bulk of the new building only slightly more than what they would have preferred, negotiations at this stage concentrated on the detailing of converting the terrace (link from Cluster 23 to Cluster 6). Negotiations concentrated on the following issues:

- the retention and reinstatement of features, e.g. treatment of stucco decoration (link from Cluster 18 to Cluster 6),
- the design objectives with particular reference to the handling of former alterations, e.g. the strategy to adopt in handling the rear extensions and later additions of fenestration (link from Cluster 5 to Cluster 23) and,
- the alterations to building form (link from Cluster 22 to Cluster 23).

Through negotiations with the statutory bodies and collaboration of the structural engineer, the architect and the developer, a scheme, on which all parties agreed, emerged. The balance between the rationalisation Holybrook got in terms of the plan layout of the building to make the scheme commercially viable, and the enhancement Holybrook delivered in terms of the architectural characteristics of the building, were instrumental in agreeing to the scheme. The convergence of different agents' objectives was also influential.

10.3.4. Planning & SAM Applications & Consents

Once this scheme emerged, KP put in the planning and SAM applications in October 1996 (link from Cluster 6 to Cluster 2, see Figure 10.6). Holybrook needed to put in a planning, a conservation area and a listed building consent, and a scheduled ancient monument consent application hence, the 'planning process was a bit complicated'⁷⁵. There was no question that SAM and planning, listed building consent and conservation area consent applications were to be made separately to the DoNH and the local authority respectively. Holybrook had to decide how the combination of applications to the LA, viz. planning, listed building consent and conservation area consent applications, were to be made. Holybrook had the options of putting in the applications to the LA for the Globe Apartments and Anchor Terrace separately or putting in all the applications to LA as a single application. Timing became an important issue at this stage mainly because of the complicated process of getting the necessary consents. Holybrook's willingness to get all the consents at the same time and avoid parts of the scheme being refused and parts accepted were other factors, which contributed to the significance of timing. Therefore, Holybrook decided to put in planning, listed building and conservation area consent applications as a single application. This move prevented the LA from accepting parts of the application they welcomed, viz. refurbishment of the terrace, and to refuse parts they had reservations on, viz. new building at the back. At the same time, Holybrook applied to the Department of National Heritage (DoNH) for a SAM consent.

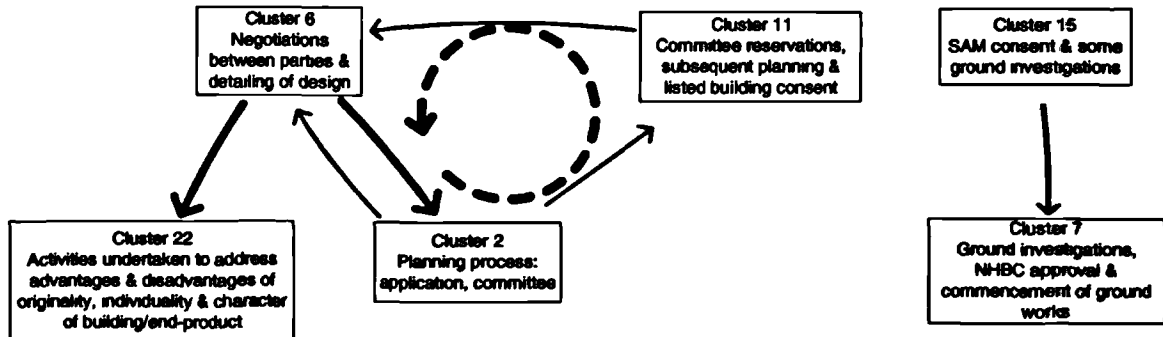


Figure 10.6. Planning Application Stage Map

These applications marked the introduction of JB of DoNH (link from Cluster 2 to Cluster 6) and KM's formal involvement in the scheme as well as a reduction in MGB's involvement with the scheme. Reduction in MGB's involvement was mainly because of Holybrook's reluctance to invest money in the detailing of a scheme that had not yet had the assurance of planning permission. As a result, Holybrook decided to suspend detailed design while applications were being processed.

After receiving the planning application, Development Control & Planning Department of the LA assessed it and recommended that the Committee approve the application. The Committee

⁷⁵ Quoted in the interview conducted with Kevin Parsons.

issued its reservations on the scheme after their meeting in October (link from Cluster 2 to 11). These were mainly associated with the new building. There were also reservations raised by amenity societies, like the Globe Theatre, about the commemoration of archaeological remains on site.

While these issues were being negotiated between the applicants and the LA (loop between Cluster 11, Cluster 6 and Cluster 2), DoHN issued Holybrook with a SAM Consent in mid-November 1996 (Cluster 15). Therefore, not only did the Committee lose the opportunity to postpone making their decision until DoNH's determination, but also the amenity societies lost the opportunity to argue their cases for a more archaeologically orientated scheme.

The scheme was once again referred to the Committee in January 1997. The Committee granted planning, conservation area and listed building consents within a week of being referred to the scheme (link from Cluster 2 to Cluster 11). This gave Holybrook the re-assurance that the scheme could be implemented. As a result, Holybrook decided they could embark on detailing the design (link from Cluster 11 to Cluster 6). They then brought together consultants in order to discuss the design and detailing of the scheme (link from Cluster 6 to Cluster 22). After this, JT's role diminished to a minimum.

Having got the SAM consent DR could start ground investigations (link from Cluster 15 to Cluster 7). They embarked on the investigations soon after getting the planning consent. As a result of the site investigations DR established that the new building can be constructed on the existing foundations (link from Cluster 15 to Cluster 7). This supported DR's initial view about the possibility of supporting the new building on existing foundations (link from Cluster 7 to Cluster 3, see Figure 10.4).

Although Holybrook had to deal with the reservations the Committee had about the proposals for the new building which delayed granting of the consent for a couple of months, KP stated that getting the planning consent was 'relatively easy'. This was because of the statutory bodies' willingness to see the site re-used.

10.3.5. Design Detailing & Building Regulations

Through the collaboration of the developer, the architect, the structural engineer and the M&E consultants, the scheme was detailed to 1/50 scale (link from Cluster 6 to Cluster 22, see Figure 10.7). The loop between Cluster 6 & Cluster 22 depicts the discussions between direct agents and statutory bodies during design detailing. The loop shows that treatment of the back wall and the retention of architectural elements remained as a matter of consideration throughout the design detailing exercise. Service provisions were another important consideration at this stage mainly because of the anticipation that they would be difficult to provide. The need to work within the existing envelope (link from Cluster 5 to Cluster 22), characteristics of the building and individuality of each unit proposed were the factors that led to this difficulty. Holybrook played an active role in finding resolutions to service provision problems. This was because of the need to strike a balance between the most feasible solution in terms of services and characteristics of the end-product, as the most feasible solution in terms of services which could lead to a decrease in sales values in certain instances. Holybrook's knowledge of the characteristics of the end-product that would be in local demand and the impact of service provisions on sales values were inputs in deciding which service provisions would be implemented.

Once the design was detailed down to 1/50 scale, the drawings were submitted to NHBC (link from Cluster 22 to Cluster 6, see Figure 10.7). This was done shortly after the planning application and before the design was further detailed as 'the main thing that would affect the design of the terrace was the fire escape provisions' (Concept 515, see Cluster 6, Appendix 5). Furthermore, it could have been difficult to get NHBC approval as the developer was 'going out of the convention by building on existing foundations' (Concept 356, see Cluster 7, Appendix 5) and the existing means of escape, especially staircases, were not adequate to comply with the fire regulations (Concept 368, see Cluster 7, Appendix 5). Failure or delays in getting the NHBC

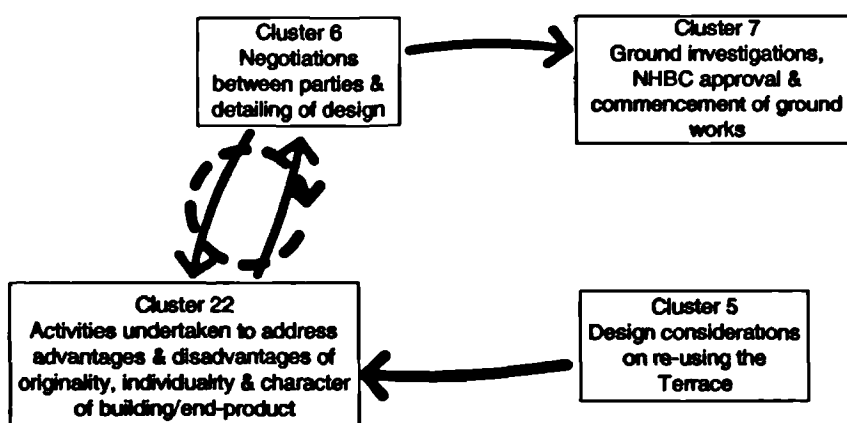


Figure 10.7. Design Detailing Stage Map

consent would have prevented Holybrook from implementing the scheme or delayed start of site works respectively. Therefore, it was desirable to get NHBC's views in advance.

There was a need to justify the stability of the terrace (Concept 250, see Cluster 16, Appendix 5). DR had started making the necessary arrangements to get the piles tested in order to verify whether existing foundations could be used to support the new building as soon as the planning, listed building and conservation area consents were granted. In the meantime, MGB continued detailing the design and introduced new staircases to comply with fire regulations. As both potentially problematic issues had been resolved, NHBC gave approval to the scheme (link from Cluster 6 to Cluster 7). It should be noted that PChan of DR referred to his 'former professional rapport' with NHBC staff and the 'trust EH had in DR' as factors that facilitated constructive discussions both in terms of building regulations and ground investigations.

10.3.6. Construction, Marketing & Sales

Once they received NHBC approval, Holybrook started ground works and constructing the new building on the existing foundations (Cluster 7). The construction works were sub-contracted and sub-contractors were supervised by two in-house foremen.

Commencement of construction works marked the transformation in KP's role from being actively involved in shaping the scheme to making sure that the planning conditions were dealt with. PChan's involvement with the site continued as they resumed the health and safety co-ordination.

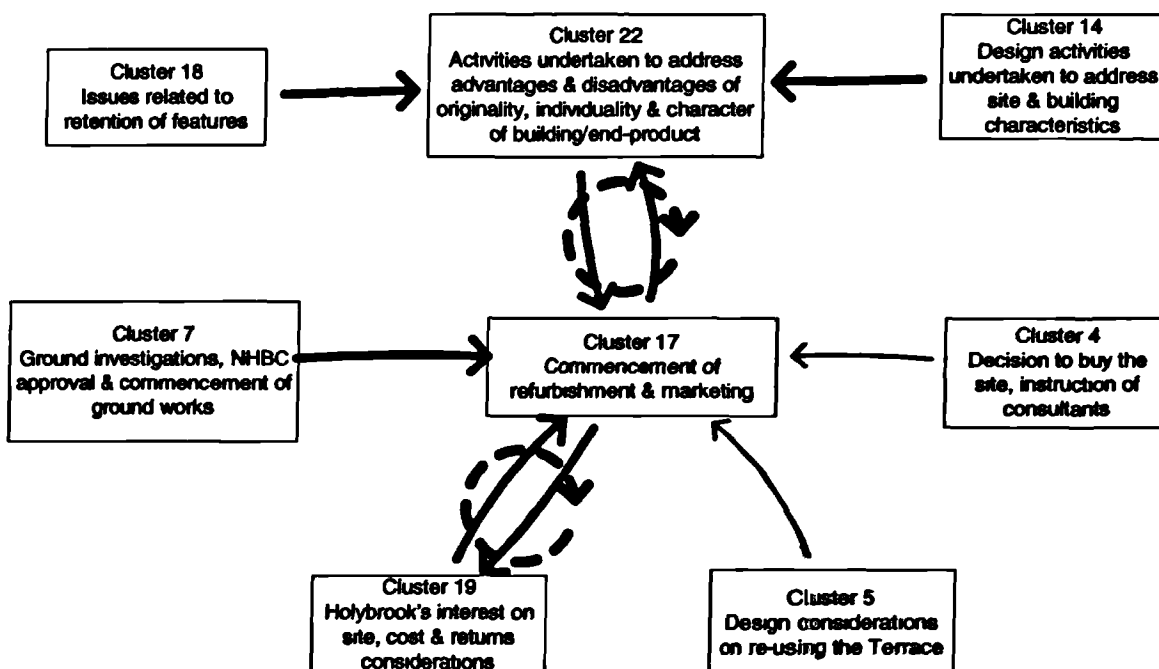


Figure 10.8. Construction, Marketing & Sales Stage Map

After selling some of the units in the new block off-plan in Hong Kong, Holybrook started refurbishment works on the terrace (link from Cluster 7 to Cluster 17, Figure 10.8). Holybrook preferred to start refurbishment after works on the new block had advanced and some of the units in this building were sold. This enabled them to 'financially secure some part of the building'.

As the terrace was being 'opened-up', Holybrook and their consultants realised that the material and structural composition of the terrace was different from what had formerly been anticipated by the relevant agents. This resulted in changes throughout the process. The fundamental consequence of these changes was that the process became difficult to programme. This necessitated the involvement of competent professionals to deal with it (link from Cluster 17 to Cluster 19). KP stated that the project was more expensive than a mainstream development as a result of these changes. Eventual complication of the construction process was contrary to KP's initial anticipation that the whole project would be uncomplicated thus easy to manage once it had been planned (link from Cluster 19 to Cluster 17). This can be interpreted as a natural outcome of his lack of experience in this type of project given that Anchor Terrace 'was the first listed building Holybrook had ever dealt with'⁷⁶.

Holybrook's willingness to increase the number of units by dividing the terrace further is an example of the above stated changes (link from Cluster 5 to Cluster 17). The reason behind this is the realisation that the rooms were grander than Holybrook had anticipated at the beginning. Eventually, Holybrook decided not to increase the number of units, but to increase the number of bedrooms in flats where rooms could be divided further.

Although there had been changes to the design as the refurbishment process proceeded, the respondents did not refer to repetition of design, costing and planning related activities. This is also apparent from the absence of links between clusters related to design and planning.

Commencement of refurbishment works marked a change in PChan's and KG's involvement. During the refurbishment, PChan and KG were involved at a much lower level. Their involvement was mostly related to the discovery of unexpected features within the existing building and structure; and changes necessitated by this discovery.

Holybrook instructed DA as estate agents shortly after the refurbishment had started (link from Cluster 4 to Cluster 17); hence DA embarked on the marketing of the scheme. Former professional rapport and Holybrook's satisfaction with DA during the sales of Globe Apartments were the reasons behind DA's instruction.

Completion of the show flats was a priority in order to be able to start marketing and sales soon after works associated with refurbishment commenced. However, before the show flat was completed people had already developed an interest in the terrace building. This interest developed during the sales of the new block (link from Cluster 17 to Cluster 22). WA stated that

⁷⁶ Quoted in the interview with KP of Holybrook.

the fundamental reasons behind this interest was the uniqueness of the terrace within the area, where the majority of heritage buildings are warehouses, and listed aspects of the terrace (link from Cluster 18 to Cluster 22). In addition to this, the area had already become attractive as a residential location to a certain purchaser profile, upper-middle income group working in the City. The influence of the characteristics of the end-product and location of the building on the readiness of the market demand is also evident from the loop between Cluster 17 and Cluster 22.

DA continued to market the property during the refurbishment process by press and site advertising; and by contacting their own list of potential purchasers. Listed aspects of the terrace was an important input into the advertising campaign (link from Cluster 14 to Cluster 22). This link also shows that listed aspects were influential in determining the purchaser profile of the terrace.

Sales started on the launch day and continued alongside refurbishment works. All the flats were sold before the refurbishment works were completed although the sale of the last five flats took longer than other flats as the market declined before Christmas 1997. DA's efforts in making sure that potential purchasers signed contracts within the three weeks' allowance they had was instrumental in completing the sales before the completion of the project.

Works on site were completed; hence, flats were occupied in early 1998. The project delivered a 'landmark' building in the area and facilitated better recognition of the Globe Theatre remains. Flats in the terrace are still eagerly sought after as is evident from the re-sales DA continues to carry out.

10.3.7. Project Gain⁷⁷

All direct agents stated that this was a 'successful' project although it was not necessarily a profitable project for all agents involved. PChan of DR stated that the project was not profitable for them. The only respondent who mentioned clear profits out of the scheme was the developer himself (link from Cluster 10 to Cluster 19, see Figure 10.9). Job satisfaction and achievement, portfolio enhancement, good relationships with the developer and the experience gained

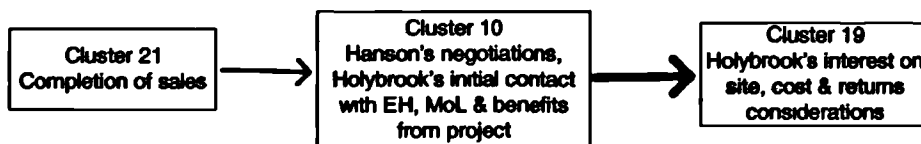


Figure 10.9. Project Gain

⁷⁷ All interviewees were probed about what they thought this project yielded to their organisation in addition to profit. This project is quite different from the other case studies in that interviewees elaborated quite extensively and went beyond the profit-reputation paradigm, which is common in all cases.

through the process were mentioned among the benefits the organisations and professionals involved gained from the project (link from Cluster 21 to Cluster 10). Although all respondents had dealt with refurbishment projects before, certain aspects of this project was a first-time encounter for most of the respondents. For example, the developer had not dealt with listed buildings before. Likewise, the architect had not been involved in a project that included a listed building of this size prior to this project.

10.4. Results

10.4.1. Process

The interesting point about this case study is that changes, which were a consequence of increased information on the 'unknowns' associated with the terrace as it was being opened up, to the building characteristics and condition did not activate design-costing-planning loops as they did in the former case studies. This might be due to the fact that these changes were minimal and they did not necessitate activation of these loops.

Hence, the development process of this project does not appear to be cyclical. In this respect, this case diverges from the former cases, where cyclical nature of the design-costing-planning was evident. The factors that might have influenced the more sequential appearance of the development process are:

- the limited number and extent of changes to the project after the planning permission was granted;
- absence of the value engineering exercise, which usually takes place during construction works;
- prominence of the developer in identifying the flat layouts and characteristics of the end-product;
- the relatively small scale of the building;
- similarity of the original layout to the proposed flat layouts, except for further vertical division.

It must be noted that there were also attempts to change the design as the developer anticipated the possibility of increasing his returns from this project after refurbishment works started. However, he decided not to pursue large scale changes as these would have activated the planning process again. This can be interpreted as the developer's wish to avoid going through the planning procedures after consent was given to the scheme.

10.4.2. Activities

The key activities of this development were:

- the activities undertaken to address site and building characteristics;
- design considerations on re-using the terrace;
- activities undertaken to address advantages and disadvantages of originality, individuality and characteristics of the end-product.

The purchase decision is an example of an activity undertaken to address the site and building characteristics. The significance of this decision is that it was largely influenced by the structural engineer's advice and the anticipated support of EH for the scheme. This is a unique approach to a speculative purchase decision. It was largely informed by KP's desire to eliminate the major risks associated with the development, e.g. not being given consent for any development on the site. Such risks stemmed from the sensitivity of the site.

The decision to buy the site was a very speculative one. Despite the high speculation sounding like a 'recipe' for failure in achieving a financially viable scheme, it eventually became an advantage rather than a disadvantage for Holybrook. This was because Holybrook was investing in an area that was 'beginning to come up' as a result of the larger scale projects in the area. Furthermore, there was not much competition as a vibrant property market had not been established in Southwark at the time the Anchor Terrace development was undertaken. Lack of competition was due to the reluctance of developers to get involved in projects in the area despite the anticipation that property values would rise. In addition, the site was at a prime location, which would have high demand, when such projects as the Jubilee Line Extension were completed.

Although design considerations on re-using the Terrace emerged as a key activity in the development process, to Holybrook re-use potential of the terrace was not as apparent as the development potential of the vacant land behind. This is evident from the fact that Holybrook initially embarked on developing the land behind the Terrace. Holybrook was involved in the refurbishment of the terrace only because it was jointly owned with the vacant land behind and refurbishment 'enabled' the development of this land. Although its re-use potential was not explicitly apparent at the beginning, the sales values DA could achieve during the sales and the ready market for the refurbished flats are indications of the advantages of re-using a listed building.

The significance of design considerations on re-using the Terrace is that it gave confidence to EH that Holybrook had a sympathetic approach to the listed buildings. Furthermore, direct and indirect agents achieved a consensus on the principals of re-using the Terrace early on in the process. This gave Holybrook a clear advantage during the very contentious planning process.

However, the presence of common ground between direct and indirect agents does not point to the fact that the negotiations were free of divergent views about how the terrace should be refurbished. It should also be stated that this divergence was almost exclusively confined to the way architectural characteristics of the terrace would be retained and/or reinstated.

The outcomes of activities undertaken to address the advantages and disadvantages of originality, individuality and characteristics of the end-product were:

- the readily available market for selling the units;
- the commencement of negotiations with indirect agents;
- embarking on the building regulations negotiations with NHBC.

These outcomes point to the fact that the direct agents had to adopt a management and development strategy that would accommodate the consequences of working with an existing building. It can be argued that this necessity complicated the development process further. Although further complication that working with an existing building brought to the development process has to be acknowledged, it also has to be stated that the existing building facilitated the advantage of a readily available market. It can therefore be stated that working within the confines of an existing building has advantages as well as disadvantages.

Originality, individuality and character of the building and the resultant end-product facilitated a readily available market demand for the units. Therefore, it was worth putting in the effort and finances in refurbishing the terrace despite the difficulty and complexity of the development process and constraints of working within the existing building envelope.

10.4.3. Agents

KP's interest in developing the site at the back of Anchor Terrace was the fundamental driving force behind initiating this project. This interest was driven by economic factors as the high centrality of concepts related to 'profitability' and 'cost of project' shows. However, EH's anticipated support marked the decision to get involved. This is an indication of KP's awareness of the politics of planning, which is the ultimate determinant of whether the project can yield the profit anticipated by the developer.

KP's ability to anticipate and JT's knowledge of the likely issues to be involved and dynamics of the local planning politics were also influential in identifying how the process would be planned and managed. Because of the site and building characteristics, different issues were likely to be involved in this process. Anticipating these in advance; hence, planning and taking the next step correctly, was advantageous in avoiding unnecessary delays in getting the required permissions and lengthy, unproductive negotiations. The handling of consent applications is an example of such advantages Holybrook gained. By putting in a single application to the LA, Holybrook minimised the risk of jeopardising the financial viability of the scheme. This was facilitated by KP's and JT's knowledge of the planning system and potential effect of subjective decisions on getting necessary consents.

Being aware of the design objectives statutory bodies would have had about the terrace building and adopting them in their design considerations was also advantageous for Holybrook. Having started the negotiations on common ground with statutory bodies was considered to be a benefit, especially by EH as it was regarded as an indication that the developer was 'prepared to work with EH'. The loop between Cluster 3 and Cluster 5 indicates how parties involved worked around the design of the terrace building on the basis of this common ground.

Although KP was highly capable of anticipating the issues that would likely emerge during the development process, he was nevertheless inexperienced in re-using listed buildings. KP's lack of experience in listed building projects is evident in his anticipation of the level of complexity inherent in this project. At the beginning of the development process, KP was aware of the fact

that this development was different from the mainstream development projects in that it was difficult to plan as 'unknowns' were high. He was also conscious of the need to hire competent people who would be able to deal with these. However, he anticipated that the project would become easier to manage once it had been planned. This proved not to be the case once construction works on the Terrace started and the difficulty and complexity of working on a listed building materialised. Having commissioned competent professionals assisted greatly in making sure that these did not hinder the process as these issues could be dealt with accurately.

In addition to its financial benefits, the project was a learning curve for the direct agents. They gathered experience in dealing with SAM and listed buildings. This was a unique experience for all the direct agents as they had neither been involved in listed building projects at all nor projects of this scale prior to this scheme. Therefore, the experience they gained through this process provided the agents with a new area of expertise.

Roles and involvement of agents changed throughout the process. The developer was very instrumental in timing the agents' involvement and their roles. Characteristics of the building and site influenced the developer's decision with respect to the involvement of different agents.

The low profile involvement LA had in terms of Anchor Terrace is worthy of noting. As stated above, EH's support was critical in Holybrook's decision to purchase the site. Hence, Holybrook contacted EH before they contacted the LA. KM stated that he was formally involved after the planning application was made although he had been to 'a couple of meetings with the applicants and EH' beforehand. Therefore, EH played a more prominent role than the LA, especially at the earlier stages of the process. JT stated that this was common among the LA's where staff were not very competent; hence, they tended to 'hide behind' EH.

Former professional rapport between the developer and his consultants was the fundamental reason behind the consultants' instructions. It facilitated a much more flexible negotiation ground between the consultants and the statutory bodies. As a result, it was possible to negotiate feasible solutions to issues related to the site and refurbishment without strictly adhering to the regulations. It should be noted that professionals' experience and competence were important in avoiding a negotiation process where representatives of statutory bodies constantly 'hide behind the books' hence, unproductively insist on complete adherence to the regulations.

Former professional rapport between PChan and representative of NHBC was particularly advantageous in dealing with the building regulations issues as the developer was 'going out of the convention' in terms of the new built and the fire escape provisions in Anchor Terrace. Had the statutory bodies not been prepared to 'interpret' the regulations, it would not have been possible to comply with the building regulations.

10.4.4. Issues

Key issues that influenced this development process were:

- **building characteristics;**
- **former alterations to site and buildings;**
- **characteristics of end-product;**
- **constraints to development;**
- **site characteristics;**
- **suitability of product to market;**
- **former professional rapport between agents (see Table 10.4).**

The most striking aspect of the above list is the absence of any economic issue, including profitability of the project, which was the fundamental drive behind Holybrook's interest in this development. It seems probable that this was a consequence of the speculative aspect of this development. As the decision to buy the site was highly speculative, the anticipated profit margins were wide.

Issues on the list provides further evidence of the fact that site and building characteristics largely influenced the process and the product.

Although SAM status of the site and having a Grade II listed building on the site affected the development process, they did not have as high a bearing on the end-product as they had on the former two case studies. Analysis of the process models of the former cases provided evidence about the direct influence of building characteristics on the end-product. This is also true for this case as well. However, the site and building characteristics were mentioned within the context of their influence on how the development process was handled, not on the end-product itself.

Anchor Terrace	Issues	PFI Deal	Initiation	Initial Scheme	Pre-application	Design & Planning	Construction & Marketing	Centrality
ECONOMIC	Profitability (1)	✓						
	Value (5)		✓					
	Cost (6)	✓	✓	✓	✓	✓	✓	✓
MARKETING	Suitability of product to market/ market condition (2)		✓	✓	✓	✓	✓	✓
	Marketing strategy (4)						✓	
	(Addressing) statutory bodies' objectives (14)	✓	✓	✓	✓	✓	✓	
AGENTS	Expertise (7)			✓			✓	
	Knowledge of national/local planning system (10)	✓	✓		✓		✓	
	Knowledge of local market (11)						✓	
	Former professional rapport with other team members (12)	✓						✓
	Former professional rapport with statutory bodies (13)							✓
	Developer's objectives (19)	✓	✓				✓	
	Uncertainty (8)						✓	
PROJECT	Design (quality/criteria) (9)		✓	✓				
	Benefits to indirect players (16)	✓						
	Benefits to direct players (17)	✓						
	Constraints (20)	✓	✓	✓	✓		✓	✓
	Problems associated with construction (31)						✓	
	Site characteristics (15)	✓		✓		✓		✓
BUILDING/SITE CHARACTERISTICS	Building characteristics (18)	✓	✓	✓	✓	✓	✓	✓
	Building condition (21)		✓		✓	✓	✓	
	Former alterations (25)		✓	✓		✓	✓	✓
END-PRODUCT	Characteristics of end-product (26)			✓	✓	✓	✓	✓
	Length of process (22)				✓	✓		
	Timing of actions (28)	✓			✓	✓		

Table 9.4. Anchor Terrace Project Key Issues

10.5. Conclusions

The Anchor Terrace project was a successful project as it could be completed without programme delay and the units were completely sold soon after the construction works were completed. There were four factors that were critical in achieving a successful outcome.

These were:

- direct agents' knowledge of local issues;
- professional competence of direct agents, which enabled them to streamline the development process thus avoiding unnecessary delays (specifically in planning);
- taking a realistic approach and incorporating indirect agents' objectives into the initial development appraisal.

This project showed the importance of not only the professional competence but also the attitudes of agents involved in the process. The evidence for this argument is the fact that Hanson Property failed to agree on a development solution for the site with the LA, while Holybrook Limited could deliver a commercially successful scheme, which was also supported by EH and LA. In these two cases, all variables except the direct agents are the same. Direct agents' views about the best development option are inevitably pre-conditioned by their own perception, which is by definition subjective. It can therefore be stated that subjectivity was another key factor that influenced the success of this scheme.

As a result, it can be stated that the development of Globe Apartments and refurbishment of Anchor terrace was very much the result of KP's vision for the site and the area. He was very instrumental in determining how this development was to be handled and what was to be developed on the site. His and JT's former professional rapport with both EH and LA gave them the confidence in getting the planning consent. Having worked in the area prior to this project, KP was familiar not only with local demand but also with local politics of planning and development control, hence he had the advantage of being able to anticipate issues likely to be raised in advance and plan accordingly. Because of his knowledge of local politics of planning and development control he was aware of the need to give-and-take in order to achieve an agreement with the statutory bodies on the principles of development on site.

Having adequately identified the areas where the statutory bodies would definitely not give-in, e.g. excavation on site, and the areas where they could be persuaded to compromise, e.g. carrying out extensive alterations in extensively altered areas of the Terrace, the development team took the opportunity to counter-balance the higher cost and risk of carrying out the absolute recommendations of statutory bodies. For example, the LA demanded that the Globe Apartments were built on existing foundations and the development team fulfilled this demand despite the high cost of implementing it. Higher sales values which acted as a counter-balance to such increased costs, were achieved in the Terrace by refurbishing it so that the retention of

architectural elements did not result in awkward spatial arrangement in the units. This was facilitated by the LA's preparedness to allow extensive alterations in those parts of the building which had been radically altered. The speculative nature of development and rising property values in the area was another factor that enabled the developer to have a higher margin in the give-and-take negotiations. As his profit was not marginal, he was prepared to invest more in the development process and work with the statutory bodies in implementing their absolute requirements.

Although it is necessary to acknowledge the influence of KP's professional competence on the outcome, KP's competence was not the only factor that influenced the project success. External factors such as the execution of the Millennium Project were greatly influential on the project success as they created a market for the end-product this project yielded.

Agents

Hanson Property (HP) (Former Owner)

Holybrook Limited (HB) (Developers)

Kevin Parsons (KP)

John Hunter Chartered Surveyor & Planning Consultant (Planning Consultant)

John Hunter (JH)

MGB Architects (MGB) (Architect)

Kevin Gerring (KG)

Douglas Rose & Partners (DR) (Structural engineers)

Paul Chandler (PChan)

Duncan Allen (Estate agents)

William Allen (WA)

London Borough of Southwark (LA)

Kevin Murphy (KM)

English Heritage (EH)

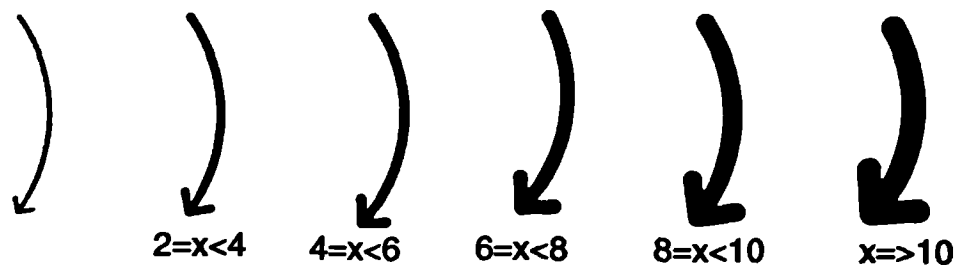
Paul Calvakuresi (PC)

Department of National Heritage (DoNH)

Museum of London (MoL)

Amenity Societies (e.g. Globe Theatre)

LINK STRENGTHS MATRICE



CHAPTER 11 COMPARATIVE RESULTS

11.1. Introduction

The preceding three chapters reported the findings of individual case studies. The case studies facilitated the detailed understanding of the development process of each project. Thus, the first aim of this research has been achieved on an individual case basis, however a synthesis is necessary. As it has already been stated in the Introduction to this thesis (see Section 1.4), the other aim of this research is to propose a 'good practice' process that can be applicable to other re-use projects. Hence, a proposed generic development process for re-using listed buildings is the ambition for this research. It is anticipated that the 'good practice' process would greatly encourage the developers' to get involved in such projects, eventually creating more opportunity for listed buildings to be re-used.

In order to outline a 'good practice' process (see Appendix 6), this chapter will concentrate on the comparative analysis of processes and outcomes of individual cases. Firstly, the project processes, which have been analysed stage by stage within the context of individual case studies, will be compared to corresponding stages across the cases. Within this context, the influence of the stage under consideration on other stages of the same process will also be assessed. The outcome of this comparison will be a 'process evaluation matrix', which ranks individual stages according to their contribution to a successful outcome. This matrix will be used as the basis for the 'good practice' process. Then the project outcomes in all cases will be evaluated from the perspective of the developer and the statutory bodies, namely the local authority and EH. Evaluation of the outcomes is confined to these two agents as analysis of individual cases showed that they are the key decision-makers (see Sections 8.4, 9.4, 10.4 for evidence of this).

Comparison and evaluation of project processes and outcomes simultaneously in assessing project success is a move towards the 'more sophisticated definition' of project success identified by Winch (2002)⁷⁸. The author believes the approach adopted for comparing the results of the case studies which complements the evaluation of the project process with that of the outcome, is a contribution to the existing body of knowledge, despite the lack of absolute precision in attributing quantitative values to the evaluation criteria and the qualitative nature of the evaluation.

⁷⁸ Winch states that 'the conventional approach to project success' in relation to 'the time/cost/quality project performance model... is a rather limited notion'. He suggests that the 'more sophisticated definition of project success' should incorporate product and process integrity.

11.2. Comparison of Project Processes

11.2.1. Comparison Criteria

It emerged from the case study analysis that complexity is the most significant attribute of the re-use process. The factors that determined the level of complexity of any one stage were the number of:

- agents involved in each stage;
- activities they have undertaken;
- issues agents have taken into consideration;
- reiterations that occurred in each stage (depicted by the loops).

It was at the key decision-makers' discretion to determine the number of agents involved and the activities they were to undertake at each stage. Here, it should be noted that the developer was the main decision-maker and other agents, including the local authority and English Heritage, could influence the developer by advising the involvement of additional agents (see for example Planning Application and Design Detailing section, Appendix 1, for the influence of English Heritage on the involvement of landscape architects in the DoY Project). It can therefore be stated that the agents, specifically the developers determine the level of project complexity during individual stages, although the overall project complexity is determined by the issues that need to be considered. The variety and number of issues are mainly influenced by the site and building characteristics and the local authority's development objectives for the particular site, which are informed by their attitude towards change in the borough.

The comparison of the processes will start by the evaluation of factors that determined the complexity of individual stages, e.g. number of agents involved at any one stage. This will be followed by a comparison of the agent-driven factors, i.e. activities and issues, that influenced project complexity in each project. Comparison of processes will be concluded by considering the possibility and necessity of manipulating the complexity factors such that the overall process performance could have been enhanced. Here, the focus will be on the agent-driven influences on complexity.

11.2.2. The Matrices

The stage maps, which were used in reporting the case studies, were helpful in revealing the relevant complexities of individual stages in each project. The maps show the clusters and the links between them which are rendered according to their strength. Thus, the maps exclude the rich data on the type and variety of activities and issues which were represented in the case study descriptions. This data is critical for a sophisticated comparison of the cases that goes beyond a commentary on their varying degrees of complexity because it allows for the identification of:

- the dominant activities and issues in each stage;
- the inputs to/influences on the dominant activities and issues;
- the type of activities/issues between which the loops take place.

Thus, the comparison of cases which is confined to their varying degrees of complexity when the comparison is based on the maps can be complemented by a comparison of the underlining activities/issues at each stage. Hence, it becomes possible to distinguish the reasons behind the different complexity levels in each project at different stages.

Therefore, the stage maps are transformed into matrices that allow for the depiction of the type of activities and issues. The first step in transforming the stage maps to the matrices is to group the clusters according to the underlining activities and issues they represent. The emergent groups are listed in the column and row with blue borders (see Figure 11.1)⁷⁹. First the activity-based clusters are listed in chronological order. The list continues with the issue-based clusters. The list is not the same for each project. The underlining activities and issues that were not common to all cases were also included in the matrices of the relevant cases in order not to impose generalisations on the data. For example, clusters that specifically refer to issues and activities related to ground investigations emerged only in the Anchor Terrace Project due to the archaeological sensitivity of the site and 'ground investigations' was included as an additional category in the corresponding matrices.

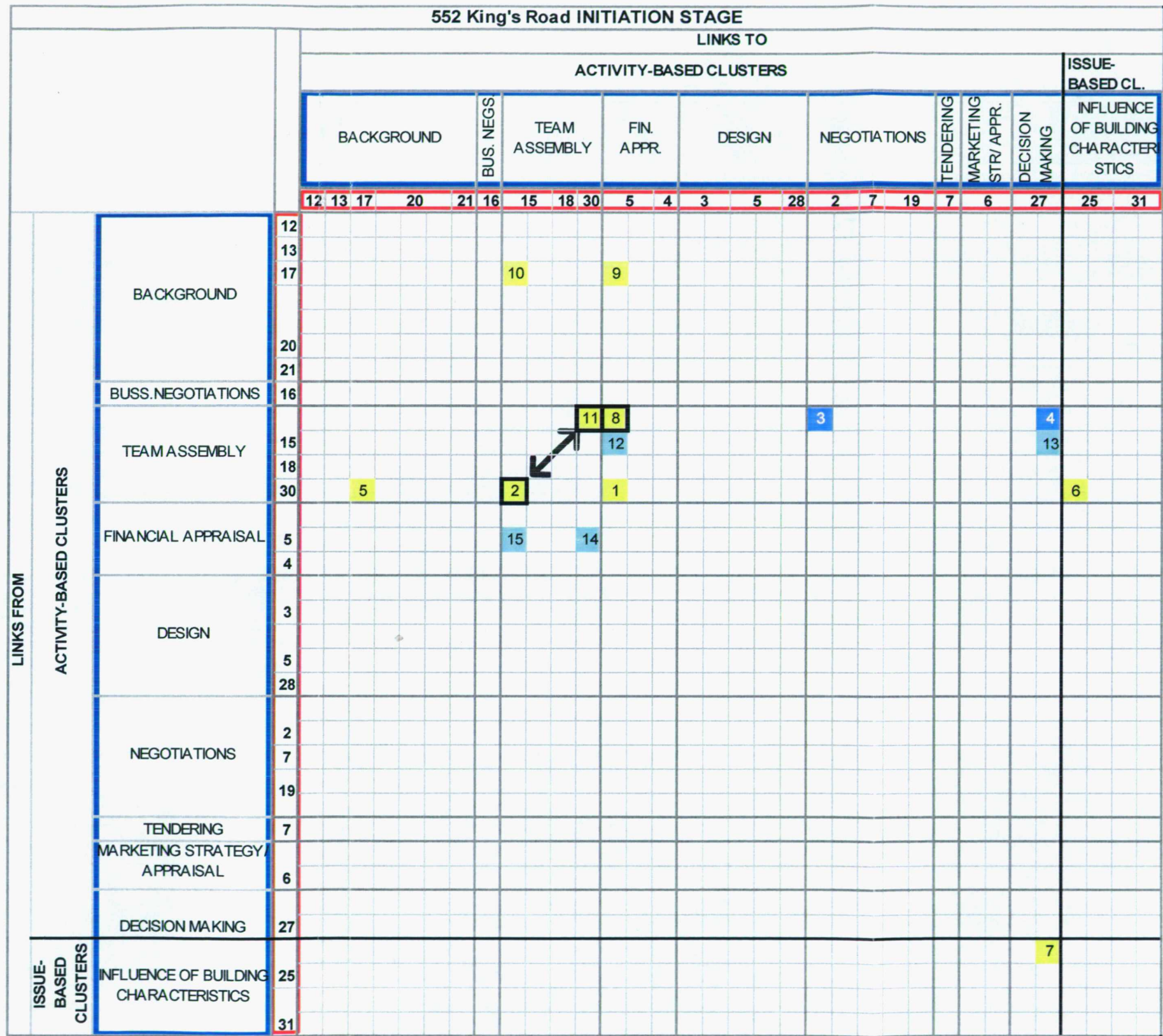
The numbers in the column and row with red borders refer to the cluster numbers. If the link between two clusters depict more than one type of activity, then these clusters are allocated more than one column or row in the matrix. Cluster 15 is an example. The link from Cluster 15 to Cluster 5 represents activities related to both team assembly and financial appraisal. In order to be able to depict this, Cluster 15 is allocated two columns and rows.

Each colour rendered cell in the matrix depicts a link from its corresponding cluster in the column to the corresponding one in the row. The colour pattern of the cell represents the type of activity or issue a particular link corresponds to, while the black borders indicate that the link was stronger than the average link strength. Numbers in the colour-coded cells refer to the chronological order in which these links were mentioned during the case study reporting.

As can be seen from Figure 11.1 there are quite a few blank cells in the matrix. This was a consequence of using the same matrix template for each stage matrix, so that stage matrices can be compared according to their complexity and the types of activities that underlined each stage.

Chronological ordering helps to identify whether there is an iteration, and thus a loop, between the clusters. Complementing the chronological information with the graphic representation of the links in the stage maps is necessary because the presence of links to and from a pair of clusters or links that complete a loop between more than two clusters does

⁷⁹ Please fold out the figure on the following page for ease of comprehension.



- all legend
- : team assembly
 - : financial appraisal
 - : design
 - : negotiations
 - : market appraisal
 - : strategy
 - : influence of bldg. ch
 - : contentious issues
 - : amenity society involvement
 - : ground investigations
 - : building regulations
 - : construction
 - : tendering
 - : construction complexity
 - : information
- : link strength higher than average
- : planning application

Figure 11.1. Example Stage Matrix

not mean that iterations took place between these clusters. The relationship between clusters 15 and 5 is an example. There is a link from Cluster 15 to Cluster 5 and box 12 depicts this link. Box 15 depicts the link from Cluster 5 to Cluster 15. Had the chronological ordering of the links been disregarded, this relationship would have been interpreted as a loop. However, this relationship does not depict an iteration between these clusters. Therefore, the chronological ordering of links and the type of activities are taken into account in identifying the loops. The links which immediately follow each other chronologically, and/or represent the same type of activity, form loops. The loops are represented by double arrow-headed lines in the matrices. Such a relationship is shown between boxes 2 and 11 in Figure 11.1 and it corresponds to the loop between Clusters 15 and 30 in the initiation stage map of the King's Road Project (Figure 8.4).

11.2.3. The Processes

An overview of the time-lines drawn for individual cases shows that there is a common pattern to the chronological evolution of the projects. The following stages were common to all projects:

- initiation;
- emergence of the initial scheme;
- pre-application negotiations;
- planning application;
- detailed design (and tendering);
- construction, marketing and sales.

All projects followed the above sequence from inception to completion. 552 King's Road Project differed slightly from other cases in that planning application and detailed design were undertaken simultaneously. Hence, the stages in the King's Road Project were:

- initiation;
- emergence of the initial scheme;
- pre-application negotiations;
- planning application and detailed design;
- construction, marketing and sales.

In this project, tendering spanned across two stages, from pre-application negotiations to planning application and detailed design.

The presence of a stage whereby the developers held pre-application negotiations with the local authorities is worthy of noting. Pre-application negotiations are not statutorily required. The Government advises, however, that local authorities make staff time available for pre-application negotiations for large-scale, sensitive projects. It can thus be argued that holding pre-application negotiations with the applicants is an indication that both the local authorities and the applicants considered these projects to be sensitive and hence warrant investment of time and money in these negotiations.

Moreover, pre-application negotiations are not included among the stages in the development process models, while the planning stage is featured as another hurdle the developer will need to surmount' in order to be able to implement the project (Greed, 1996: 38). Thus, the development process models tend to oversee the influence of development control on the evolution of the scheme. Apart from the pre-application negotiation and the planning application stages, stages that emerged from the case analysis conformed with the project stages cited in the RIBA Plan of Works (RIBA, 2001). It should however be noted that the final proposal stage was contained within the design detailing stage, while the interviewees regarded production information, tender documentation and tender action as a single stage, which they termed as 'tendering'. All these can be interpreted as an indication that the chronology of the re-use process *is* generic.

11.2.3.1. Initiation

Figure 11.2 shows the initiation stages of each project. It is apparent from this figure that initiation stages of individual cases had varying degrees of complexity. King's Road is the most complex one of all projects, with Anchor Terrace showing similar levels. New River Head is remarkably straightforward in comparison.

The matrix representations of the initiation stage maps are shown in Figure 11.3. The matrices, the project time-lines and the tables displaying the key issues show that the number of agents involved at this stage, the variety of activities they have undertaken and the number of issues that influenced these activities were the main reasons behind the variant complexity of initiation stages across the case studies. Having made this observation, it is important to identify the circumstances that resulted in the variance of these factors in each project.

From its matrix (Figure 11.3) it is evident that the developers were only concerned with the financial issues during the business negotiations for purchasing the NRH Site. Locations of the links on the relevant matrix and types of activities reveal that team assembly and business negotiations were the core activities for King's Road and Anchor Terrace Projects. In this respect, NRH Project resembles a typical speculative development project where the fundamental concern was the financial issues. Although these were also the first consideration in the other projects, the range of activities which span the whole breadth of the matrices indicate that from the beginning the development teams adopted a more holistic approach to project development in the King's Road and Anchor Terrace Projects.

Evidence from the cases suggests that the developers' attitude towards project development was informed by their risk behaviours, which in turn determined the variety of activities and issues. The least number of activities was undertaken in the NRH Project, the purchase decision of which was the riskiest one. Developers of the other projects wanted to assess the project risks before deciding whether to take them. Consequently, stage maps of these projects became more complex. It can therefore be stated that the process has a high level of complexity at the beginning if the developer is willing to analyse and assess the risk

associated with site/building purchase. Evidence from the Anchor Terrace case study indicates that the level of project complexity at this stage is related to the sensitivity of the site, and thus the extent of risk analysis that needs to be carried out. A more comprehensive risk analysis - with input from a wide range of agents on a wide range of issues - has to be carried out if the site is sensitive historically and architecturally, eventually increasing the complexity of this stage.

The key issues under consideration in the King's Road and Anchor Terrace Projects were:

- the developer's knowledge of local/national planning system
- addressing statutory bodies' objectives;
- benefits to indirect agents;
- project constraints;
- site characteristics; and
- anticipated length of the project.

These informed the development teams' decision to start negotiations with the statutory bodies, which were the fundamental means of collecting information for project risk assessment. None of these issues emerged among the key issues of the NRH project at this stage. As a result, it is possible to argue that the decision to approaching the statutory bodies at this early stage of the development was informed by the above issues but specifically the developers' awareness that the development control mechanism could impose constraints on the project programme and the design.

Holding the negotiations with statutory bodies at this stage had clear advantages at the next stage of the development process, viz. pre-application negotiations. These negotiations facilitated the subsequent pre-application negotiations to be completed in relatively shorter time-spans in 552 King's Road and Anchor Terrace Projects than the NRH Project. Furthermore, this attitude provided a certain level of certainty about the extent of permissible development on site. These advantages could have been counter-balanced had negotiations with the statutory bodies at this stage prolonged the project programme. Time-scales of the projects reveal that the initiation stage was completed within similar time scales in all projects and thus the negotiations did not prolong the programme.

Given the above, the developer's decision to buy the NRH site is the riskiest of all the purchase/involvement decisions as the decision to buy the building was taken by the Chairman of ML only because he 'liked the building' and had a 'gut feeling' about the building's potential to allow for a viable scheme. The main thrust of his decisions was that the building encompassed characteristics that would facilitate a product that would have market demand on completion. This is evident in the presence of 'suitability of product to market/market condition' among the few key issues considered during the initiation stage of this project. The development potential he anticipated could well have been nullified had he not been granted planning permission and uncertainty associated with the planning permission was very high as the developer did not approach the local authority until after he

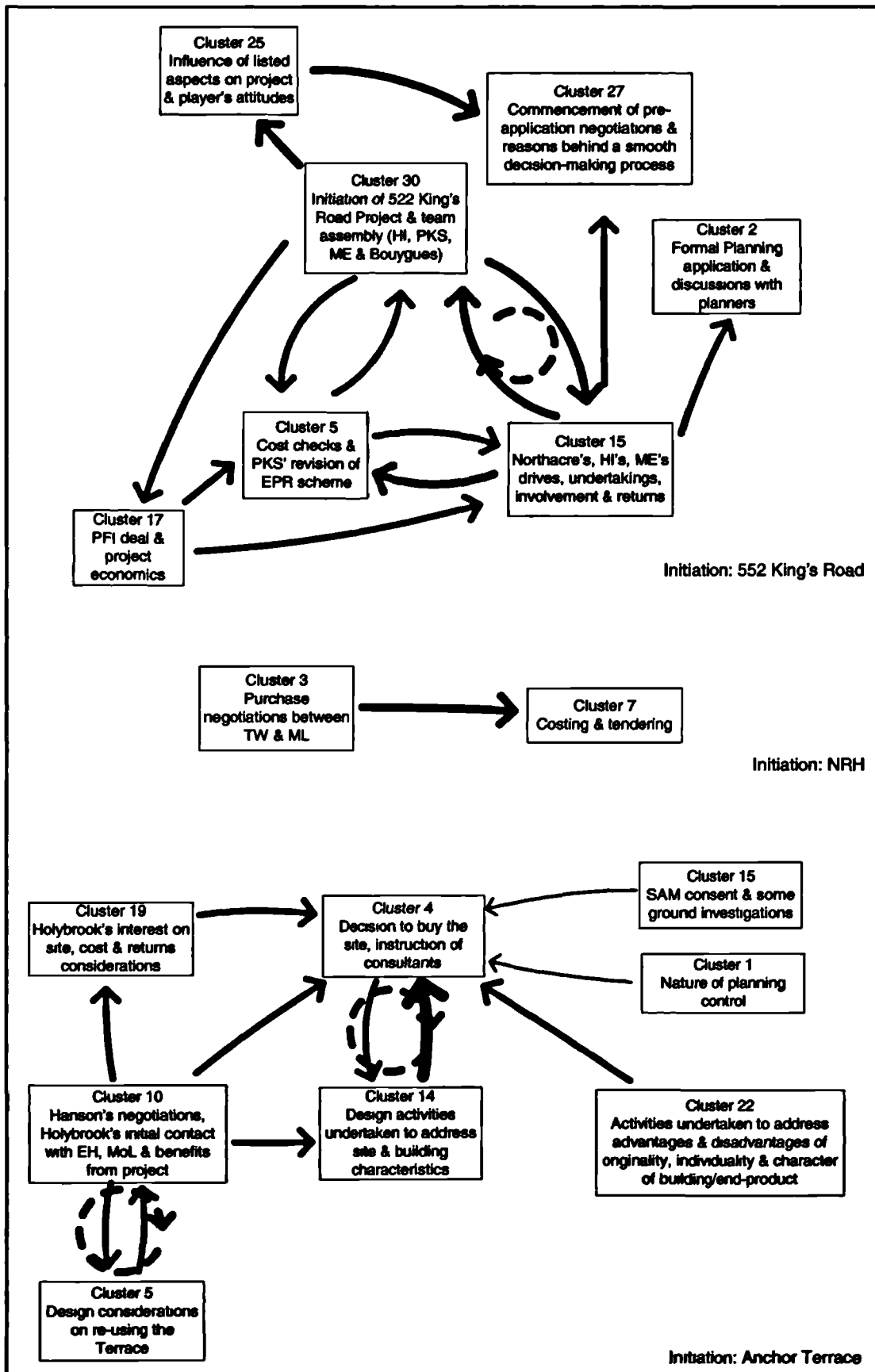


Figure 11.2. Process Maps: Initiation Stage

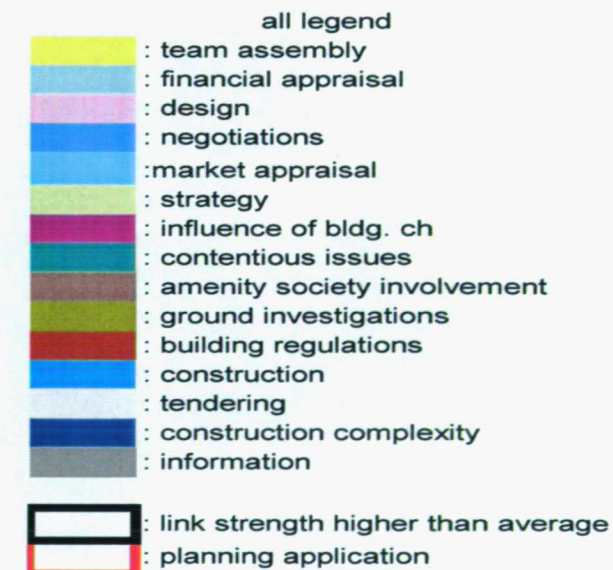
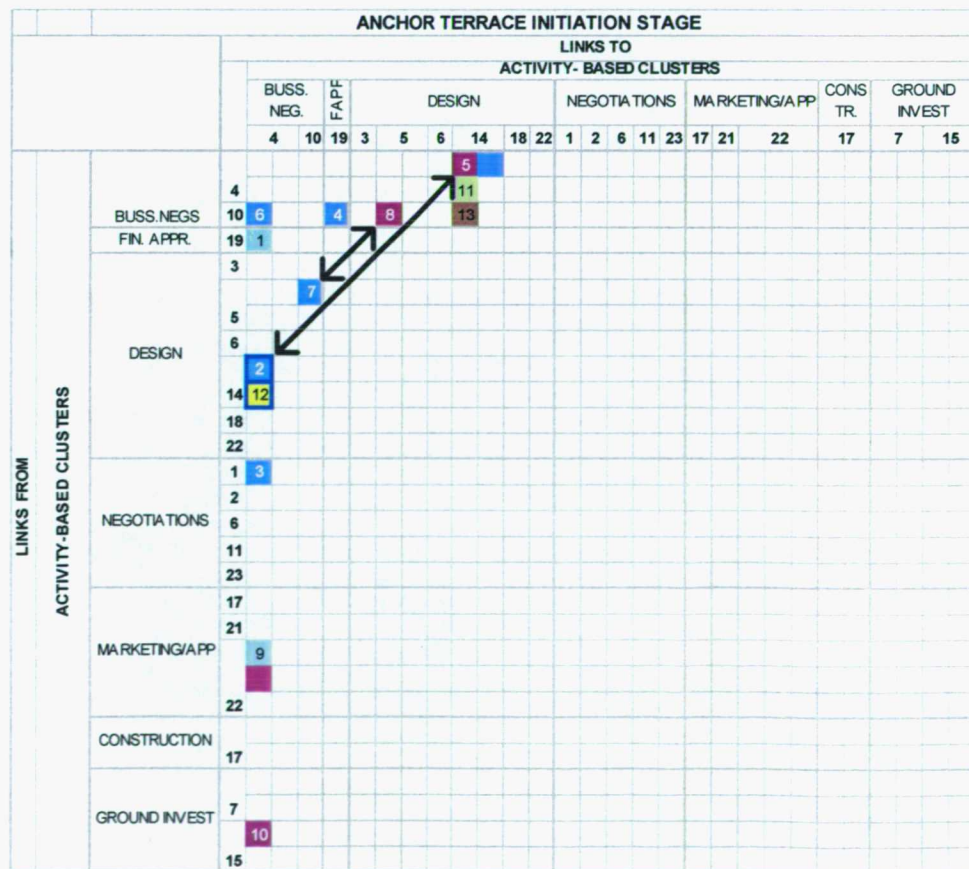
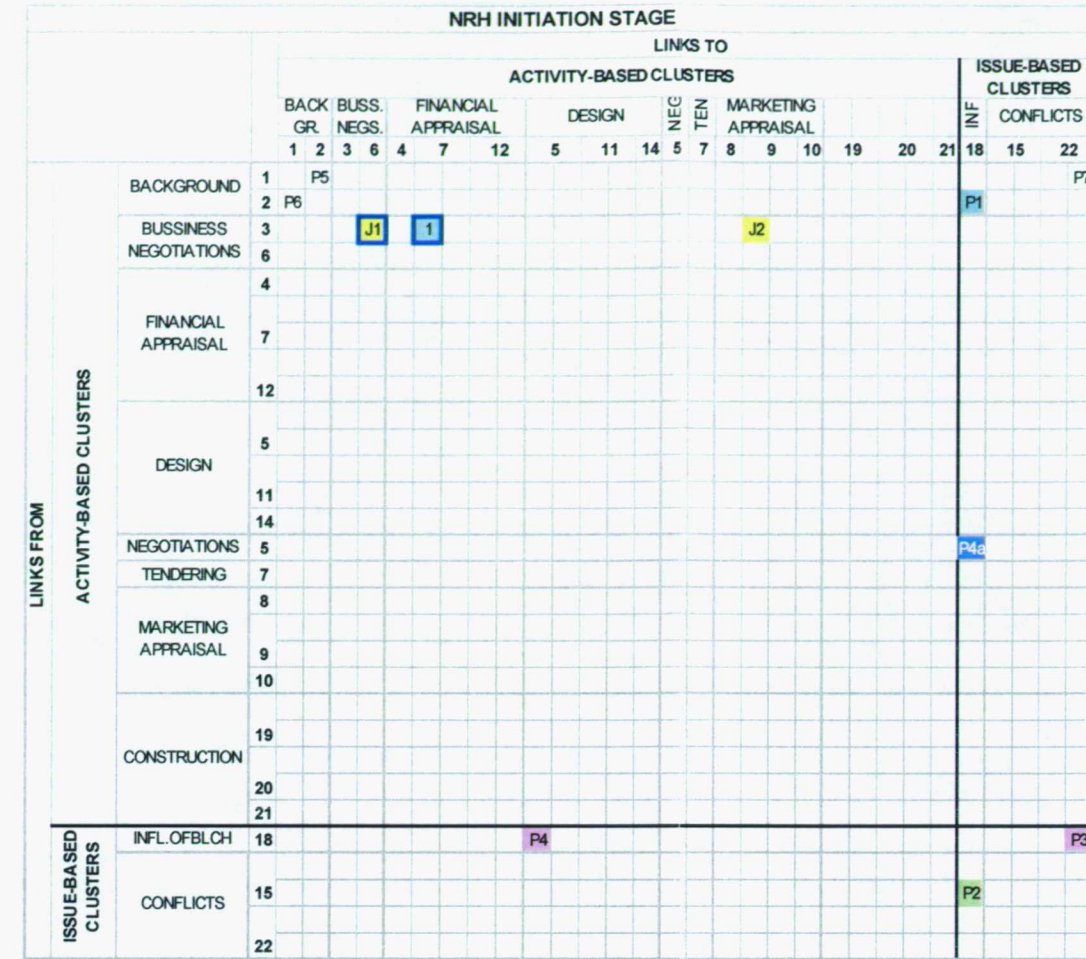
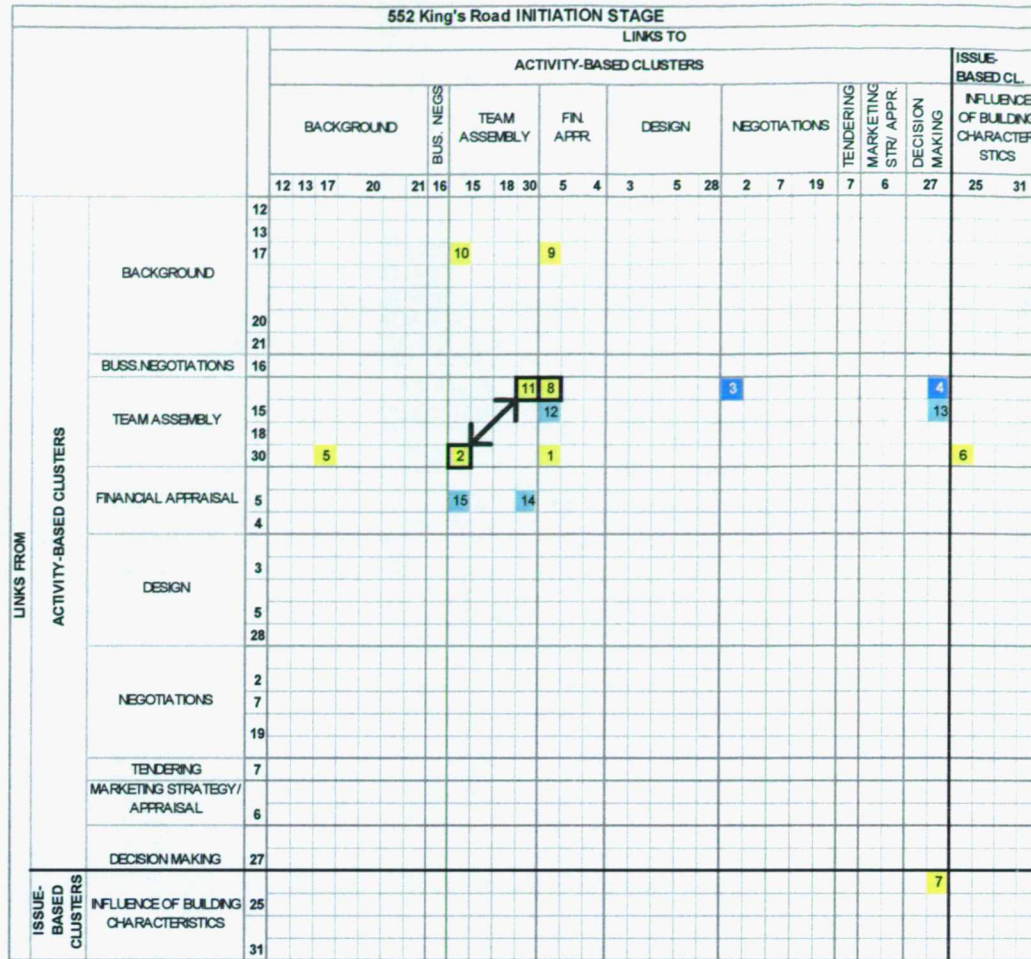


Figure 11.3. Initiation Stage Matrices

purchased the site. Furthermore, it was probable that the developer over-estimated the end-product value because his assumptions on the extent of permissible development had not been judged against the national/local planning guidelines at this stage. As a result, there was a higher risk of conflicts emerging in the NRH Project than in the other projects.

11.2.3.2. Emergence of Initial Scheme

Stage maps depicting the emergence of the initial scheme show that the complexity ranking of the projects changed at this stage (see **Figure 11.4**). 552 King's Road Project remains the most complex of all the cases. NRH project is the second most complex. As the projects progressed from the initiation stage to this stage, these two projects became more complex. Conversely, Anchor Terrace Project, which is the least complex at this stage, became less complex than it was during the previous stage.

The tremendous increase in the complexity of the NRH Project from the previous stage to this one is worthy of further exploration. Developers of this project embarked on project development only at this stage. As soon as this happened, the project complexity became similar to that of other projects, the developers of which had already been engaged in project development. This indicates that project development entails unavoidable complexity.

The NRH Project ranked second in terms of its complexity but took the longest to yield an initial scheme. Prolonged stage duration was not a consequence of the project size or process complexity because the King's Road Project, the largest and the most complex project, was completed in a shorter time-scale than the NRH Project. The most probable explanation of this is the introduction of a JV partner, which necessitated the revision of the concept design and resulted in the introduction of another team of architects to the development team.

Stage matrices (**Figure 11.5**) show that the activities concentrated around:

- design and financial appraisal in King's Road Project;
- marketing appraisal in NRH Project; and
- design in Anchor Terrace Project.

Key activities in the King's Road Project were influenced by the market appraisal and the building characteristics. Business negotiations associated with the JV partnership and the financial appraisal influenced the key activities in NRH Project. All influences and key activities were confined to scheme design in Anchor Terrace.

NRH Project differs from the other two projects because of the dominance of marketing appraisal. It is unusual for marketing appraisal to govern this stage. This could have emanated from the riskiness of the purchase decision, and the profit-focused attitude of the new JV partner – as evidenced by the type of activities between which the loops took place. It is not possible to justify this attitude given that the architects had already anticipated the possibility of conflicts arising between the direct and indirect agents in terms of the building

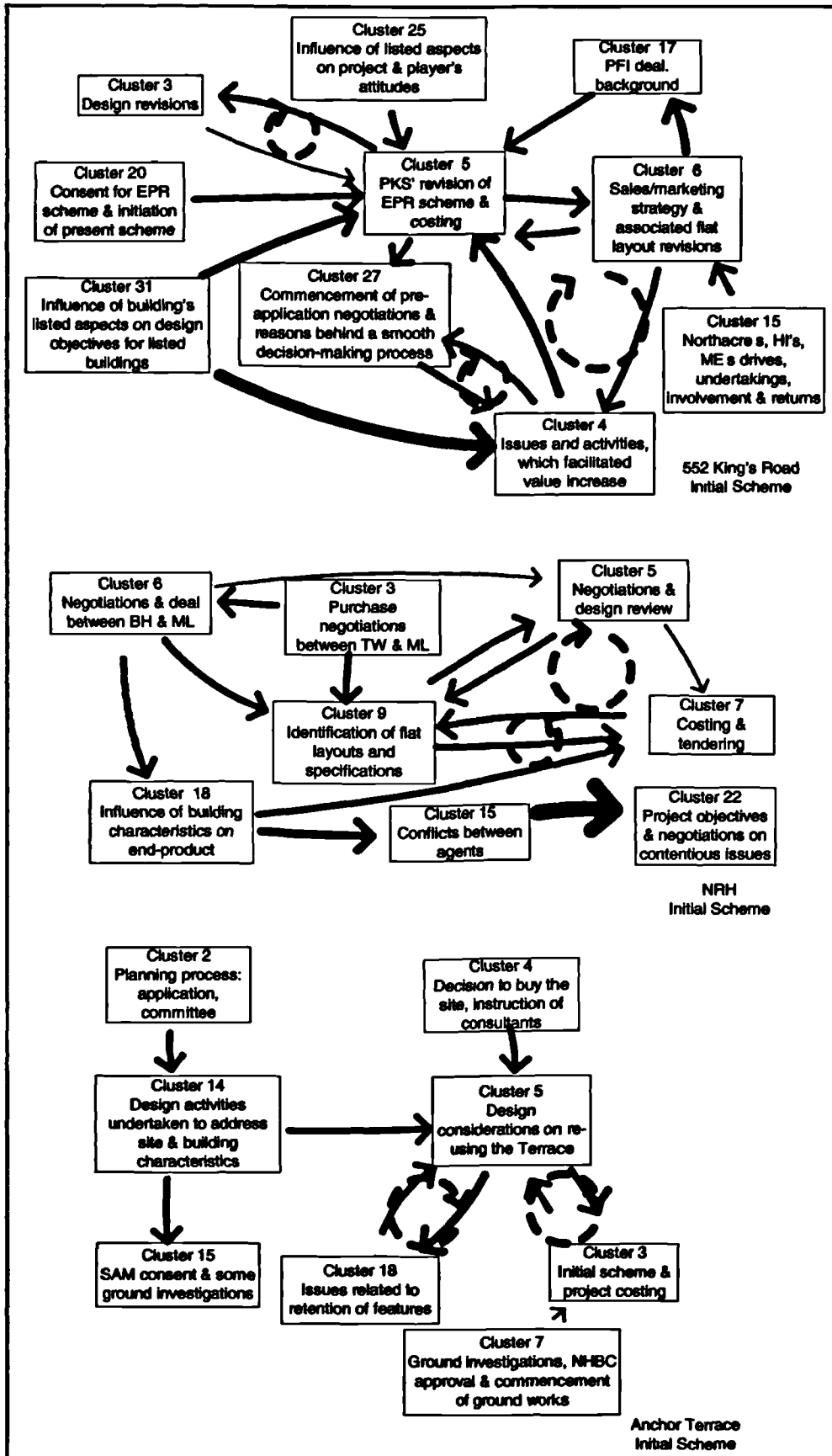


Figure 11.4. Process Maps: Emergence of Initial Scheme

design. The developer's attitude during the next two stages suggest that focusing on the market appraisal, despite anticipating problems related to design was a consequence of the developer's confidence in manipulating the planning process to achieve the outcome they perceived as having a high market value. Clearly, this is an attitude which underestimates the role design can play in producing the desired outcome. Both King's Road and Anchor Terrace Projects resembled a mainstream development project given that they both comprised a strong design element.

It is important to note that some binding decisions, which were associated with the end-product specifications, were taken at this stage so that the end-product would be suitable for the market. In the King's Road Project, the influence of the development consultant on such decisions facilitated the achievement of higher sales values for the units. Higher sales values were also achieved in the NRH Project, elevating the units to the high end of the residential market. This resulted in problems associated with purchaser satisfaction during the sales as the developer made the strategic decision to target the medium-end of the residential market at this stage. This shows the importance of decisions made at this stage. It can thus be argued that involving the agents, who would be marketing and selling the units later on in the project, can provide the developer with the possibility of increasing sales values without jeopardising purchaser satisfaction resulting from inadequate specification.

11.2.3.3. Pre-application Negotiations

The emergence of pre-application negotiations as a separate stage of the development process is significant in two aspects. Firstly, the Government only advises local authorities to have pre-application negotiations with direct agents in sensitive and large-scale projects. Secondly, the RIBA Plan of Works does not refer to any planning related activity until the detailed design proposal stage (Stage D). In this respect, approaching the statutory bodies during the outline proposal stage in order to identify their opinions on the project is a sign of the direct agents' understanding of the re-use process and the significance of development control in shaping a re-use project.

Developers started pre-application negotiations four months after they purchased the site in NRH and two months in Anchor Terrace. Pre-application negotiations commenced three months after EL signed the PFI contract and embarked on 552 King's Road Project. This was the first time the statutory bodies were aware of the developers' intention to re-use the HQ Building in the NRH Project. On the other projects the developers had already approached the statutory bodies. As a result, the timing of the statutory bodies' involvement was the latest in the NRH Project. An overview of the project time-lines shows that pre-application negotiations took longest in this project. This indicates that delays in approaching the statutory bodies can prolong the project programme.

Figure 11.6.a. and Figure 10.6.b show the maps of this stage in each case. All projects became more complex than they were during the previous stage. NRH is the only project

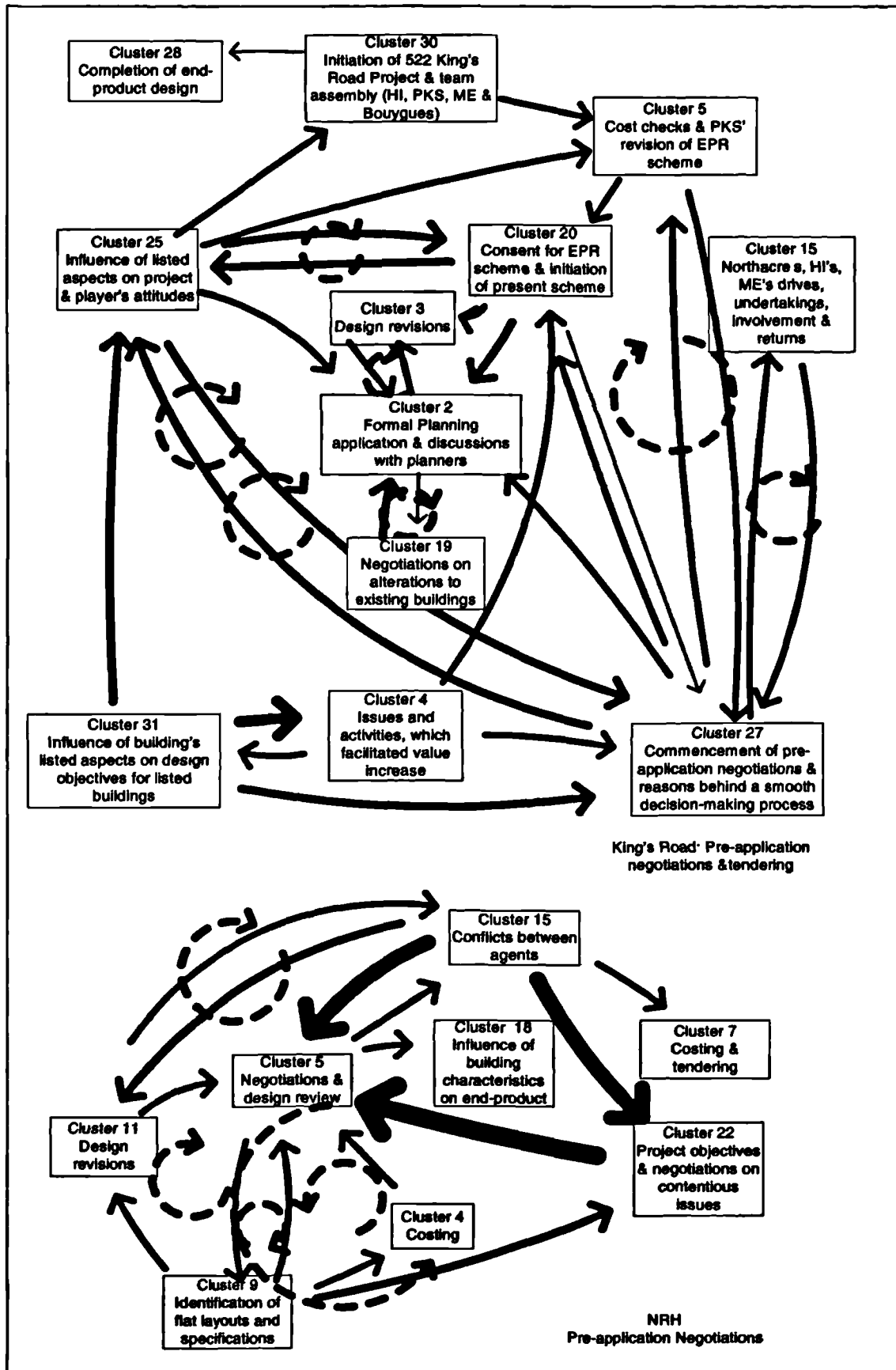


Figure 11.6.a. Process Maps: Pre-application Negotiations Stages (King's Road & NRH)

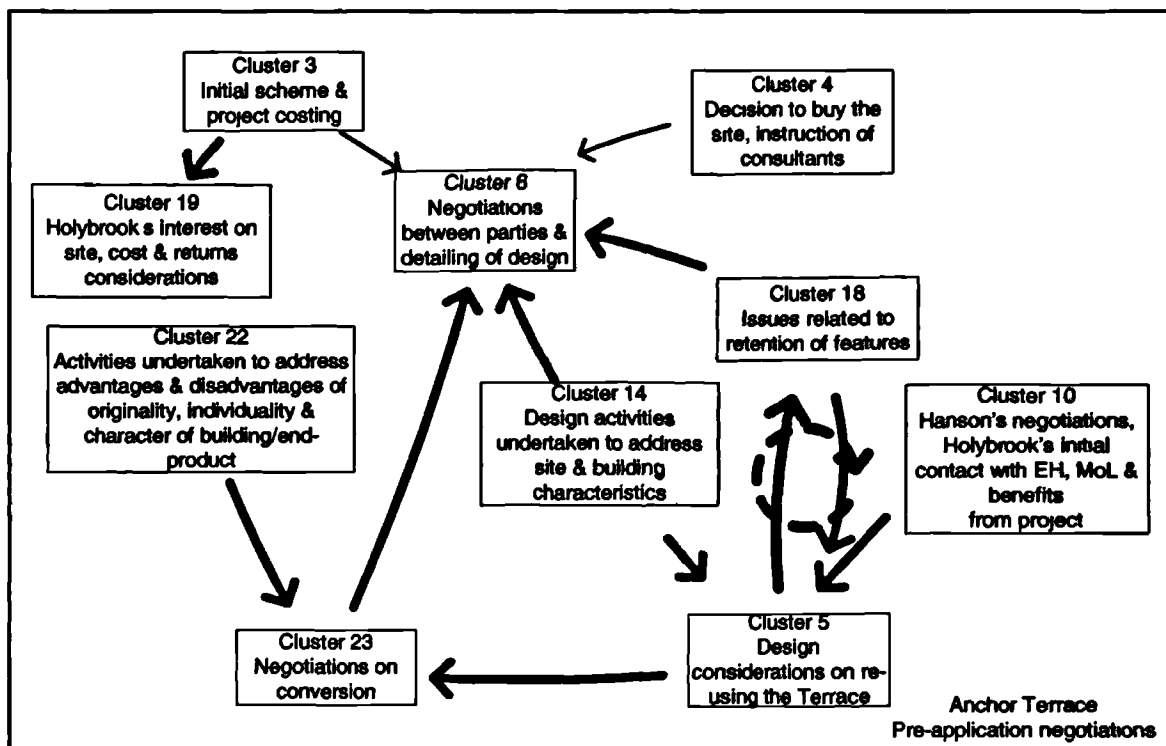
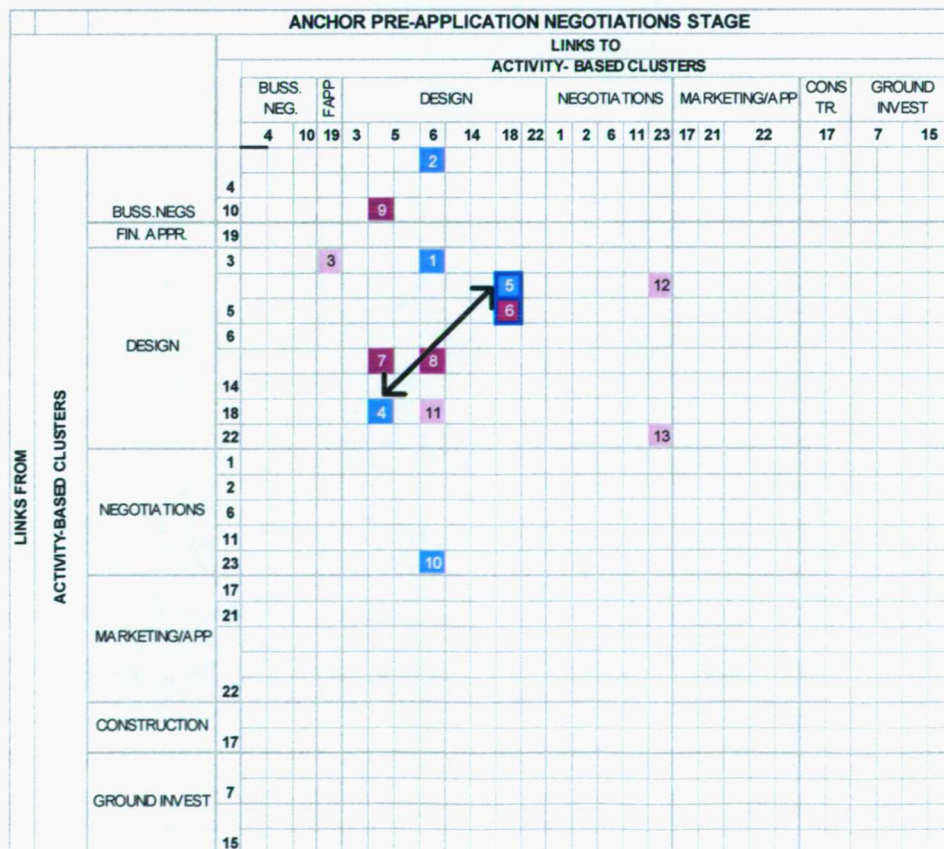
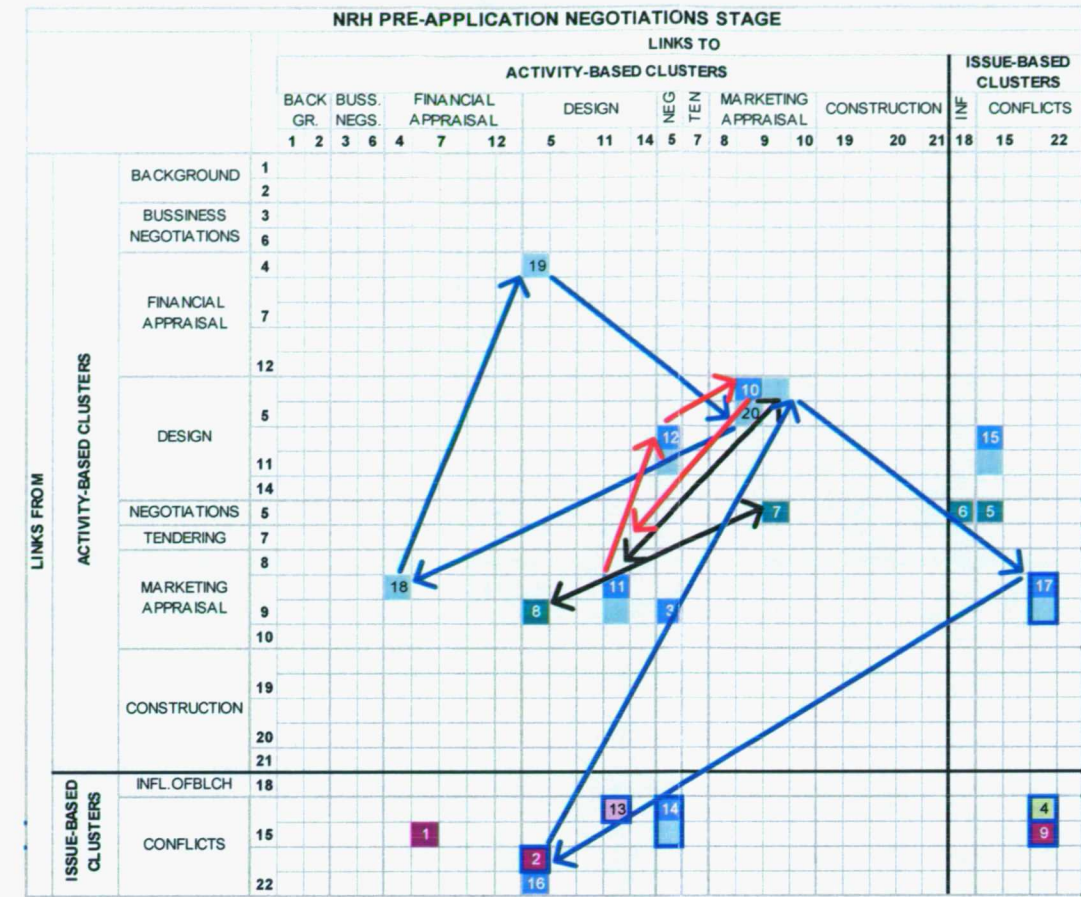
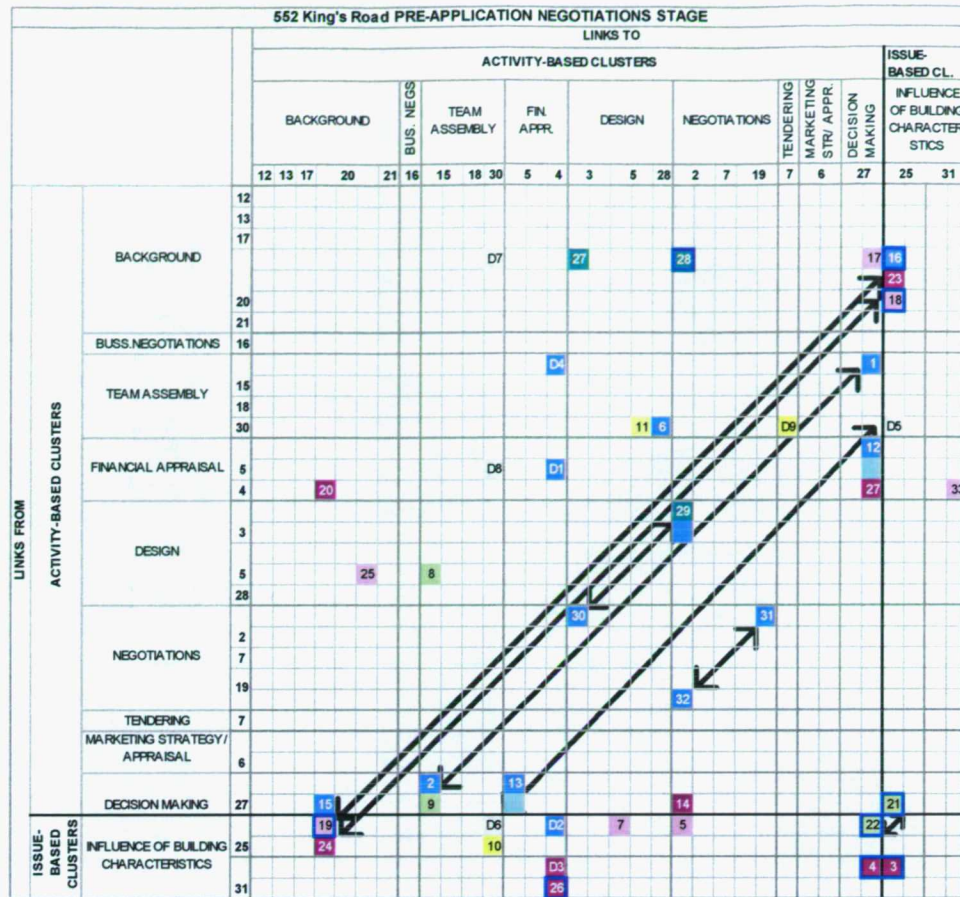


Figure 11.6.b. Process Maps: Pre-application Negotiations Stages (Anchor Terrace)

where new agents were introduced to the project. These agents were the local authority and English Heritage. In other projects, no new agents became involved at this stage. An overview of the key issues that were taken into consideration at this stage show this consistency also applies to the key issues (see Table 8.4 and Table 10.4 for key issues in each case study). This leaves changes in the variety of the activities as the only reason behind the increased complexity of the pre-application negotiation stage.

The process matrices provides evidence for this argument (see Figure 11.7). New activities were introduced to all projects at this stage. Negotiations became part of all projects and made up the highest proportion of activities in each case. Thus, the dominance of negotiations at any one stage can increase its complexity.

In addition to the introduction of new activities, the presence of a higher number of loops in the King's Road and NRH projects contributed to the relative complexity of the processes in these projects. The majority of these loops were formed by links depicting the negotiations and continuous financial appraisal of the projects. This is an indication of the iterative nature of the negotiations with the statutory bodies and their potential impact on the financial viability of the schemes. In each project there was one loop, which was comprised of the links depicting negotiations and resolution of contentious issues. This is the first time contentious issues emerged in the life-cycles of both projects. Thus, it is apparent that the contentious



- all legend
- : team assembly
 - : financial appraisal
 - : design
 - : negotiations
 - : market appraisal
 - : strategy
 - : influence of bldg. ch
 - : contentious issues
 - : amenity society involvement
 - : ground investigations
 - : building regulations
 - : construction
 - : tendering
 - : construction complexity
 - : information
- link strength higher than average
 planning application

Figure 11.7. Pre-application Negotiations Matrices

issues, which can potentially lead to the abandonment of a project, do not occur until pre-application negotiations commence and agents reveal their project objectives. These contentions can only be resolved through negotiations between parties and these can take a long time to complete.

Therefore, it is advisable that direct agents advance the commencement of pre-application negotiations as much as possible and buy themselves time to resolve the contentious issues.

The matrices also show that the key activities of this stage were:

attempts to resolve conflicts, design and market appraisal in NRH; and
design in Anchor Terrace.

All activities in the King's Road Project had similar frequencies and they varied across the range of the different types.

For the first time design became a key activity at this stage in the NRH Project. This provides further evidence to the aforementioned assertion that the role of design in achieving the desired outcome had been underestimated. Interestingly, design was part of the loop which depicted the resolution of some of the conflicts. Therefore, it is possible to argue that it would have been possible to avoid some of the conflicts and thus reduce the complexity of this stage, had the design been more integrated into the former stages of the NRH Project.

Even if design was one of the key activities of this stage, the cost-conscious attitude of the developer continued. The loops in the NRH Project were formed only of links depicting the financial appraisal, negotiations and resolution of the contentious issues. This is an indication of the cost-conscious attitude of the developer and specifically of his willingness not to exceed the fitting out budget, which was an outcome of the previous stage. The adverse impacts of such an early commitment to cost were considered in the relevant section (see Section 8.4). In this respect, the NRH project stands out from the other two projects as one that adopts a traditional cost control attitude, which resulted in programme delays. Some of these could have been avoided had the developer been less conscious of cost and more open to make some design changes even if they would have increased the cost. This is a fundamental deficiency of the developer and it continued to adversely influence the subsequent stages. It can be argued that the King's Road Project was similar to the NRH Project in that design related links were not part of the loops through which pre-application negotiations took place. However, the absence of design related links from the loops in the King's Road Project was fundamentally informed by the presence of a prior planning consent for developing this site, which identified the principles of design for any development on site. In this respect, current developers of the King's Road Site benefited from the former planning application and avoided lengthy reiterations in establishing these principles.

The most significant aspect of this stage is that the iterative nature of the re-use process becomes explicit for the first time. Although loops occurred in the previous stages, this was the first stage where a high number of loops were present in the NRH and King's Road

Projects. Anchor Terrace is fundamentally different from other cases in this respect. Only one loop occurs in this project and this is between design related activities and it depicts the design changes to the proposal. The absence of financial appraisal related activities from the loop does not point to the fact that the cost was not a consideration. The small scale of revisions, the developer's readiness to accept the changes and his direct involvement in the detailing of the scheme hence making the decisions himself are the most likely explanations of the absence of cost associated links from the only loop that was present at this stage.

11.2.3.4. Planning Application

In all cases the planning application was preceded by an agreement on the general principles of the scheme, which emerged through the pre-application negotiations. The only exception was affordable housing, which remained outstanding in the King's and NRH projects. The fundamental difference between the projects after the planning application was that the developers of NRH and Anchor Terrace Projects instructed their consultants to suspend design detailing until planning permission was granted. In the King's Road Project, however, the developer decided to continue with the design detailing while the local authority processed the planning application.

The relative complexity of the stage maps of individual cases shows that project complexity at this stage could have been influenced by the decision to suspend/proceed with design (see Figure 11.8). Both NRH and Anchor Terrace Projects became less complex than they were during the pre-application negotiations stage once the planning application was made. On the other hand, King's Road Project was more complex during the planning application stage than it was in the previous one. Naturally, continuing the design detailing meant that a higher number of agents were involved in the King's Road Project than the other projects, contributing to the increase in the level of complexity.

The number of loops in each project reflects the complexity of stage maps. There was only one loop in the NRH and Anchor Terrace Projects, whereas there were nine loops in the King's Road Project. The type of activities between which the loops took place once again provides evidence for the significance of the developers' objectives in shaping the development process.

Because of the cost-conscious and market-orientated attitude of the developer in the NRH Project, negotiations with the statutory bodies initiated a loop between the conflicts that arose during the negotiations, further negotiations on scheme design and market appraisal of the proposed changes (see Figure 11.9). By deciding to suspend the detailing of design, the developers prevented themselves from achieving a better quality scheme, which could have been more satisfactory for the occupants and the statutory bodies. Delaying the detailed design did not leave enough time for refining the scheme adequately and thus jeopardised the quality of the outcome. Furthermore, the developers concentrated on the financial impact of

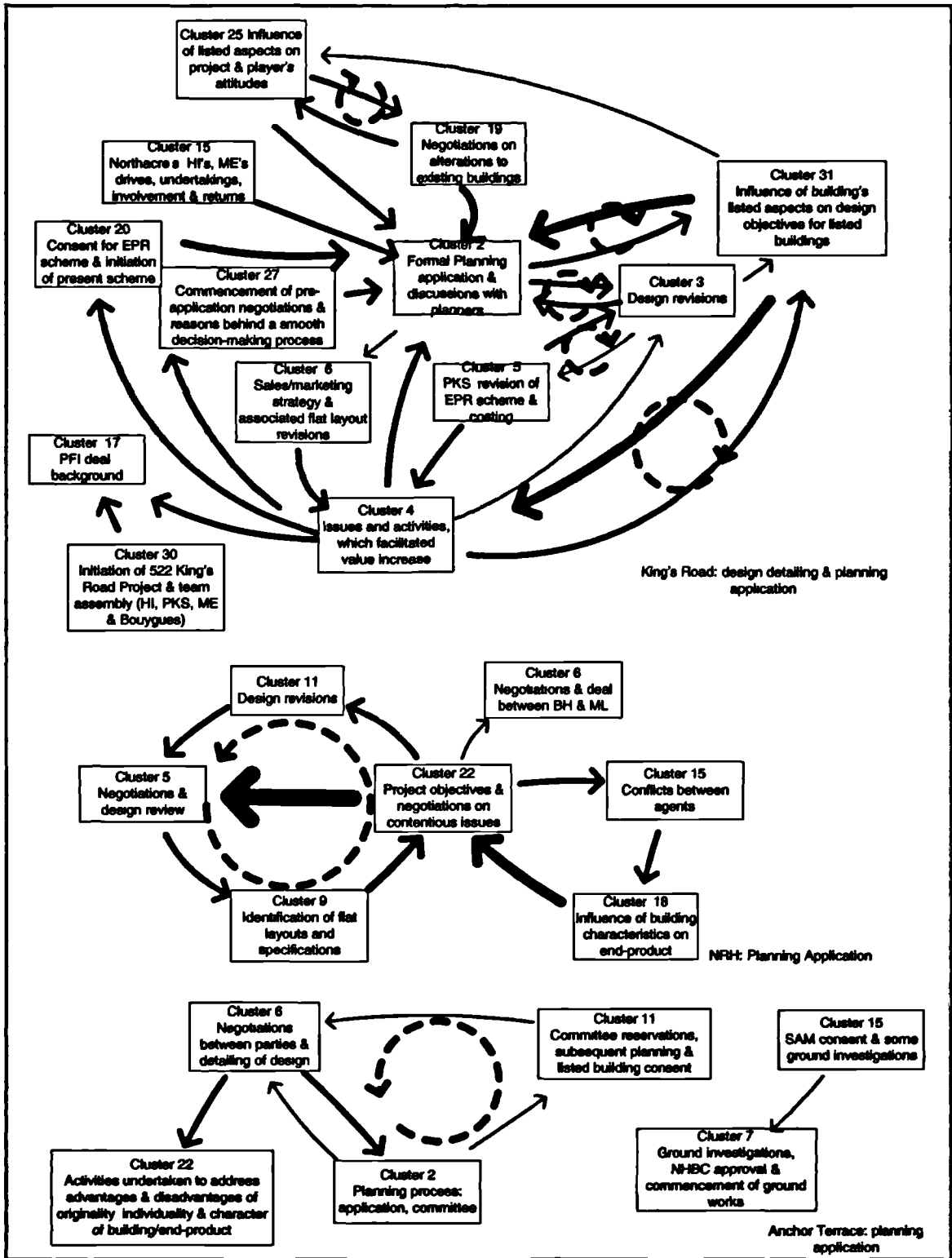


Figure 11.8. Process Maps: planning application stages

the changes required by the statutory bodies. As they suspended the design activities, they were deprived of the opportunity to counter-balance the financial loss, which they claimed to be a consequence of the statutory bodies' requirements. They could have counter-balanced the financial loss by designing the units in areas of the building which could have been altered more radically such that values of the units in these areas would have been increased. In this respect, the developers trapped themselves into negotiation dead-ends by suspending the design of the scheme at this stage. This is evident in the concentration of activities around clusters related to the emergence and resolution of conflicts.

Advantages of continuing detailing the scheme were evident in the King's Road scheme. In this scheme, the loops took place between:

- activities associated with negotiations with statutory bodies;
- financial appraisal related activities;
- design and financial appraisal of the scheme;
- negotiations with specific reference to building characteristics;
- design and negotiations;
- financial appraisal and marketing; and
- design implications of the building characteristics.

It should be noted that PKS architects were heavily involved in the negotiations with the statutory bodies and thus they were able to make design changes such that the quality of the scheme was not jeopardised. The financial impact of these changes was considered through the loops between design and financial appraisal; and marketing and financial appraisal. This shows that changes were considered not only in terms of cost and marketing implications, but also their impact on the design quality of the scheme. The clustering of activities around negotiations, design and financial appraisal provides evidence for this argument.

The variety of activities also influenced the complexity of the project. The King's Road Project had the highest variance of activities from design to identification of the marketing strategy. In effect, the focus on the marketing strategy, which was present since the very beginning of the project, continued during this stage.

Despite its complexity, the planning application for the 552 King's Road Project was completed within the shortest time scale (see Table 11.1). Given the intricacy of the building characteristics and the potential variance of the agents' incentives emanating from the high number of agents involved, this is a considerable achievement and it was largely facilitated by the competence of the direct agents involved. The presence of a planning consent for a similar scheme on the site also contributed to the shortening of the planning process.

	552 King's Road	NRH	Anchor Terrace
Planning process duration	Overall size: 7.5 acres 2 months/acre 0.05 month/unit	Overall size: 2.5 acres 2.83 months/acre 0.07 month/unit	Overall size: 0.75 acre 5.33 months/acre 0.06 month/unit

Table 11.1. Planning Process Duration

The good practice in managing the planning process in the Anchor Terrace Project should also be acknowledged, even if the planning process took much longer than other projects. The developer's and his planning consultant's knowledge of the planning system gave them an advantage over both the amenity societies and the local planning committee in strategically timing the applications.

As can be seen from Table 11.1, the time spent between the planning application and granting of the consent varied between the cases. The duration was a function of the width of the gap between the proposal and the solution perceived to be ideal by the statutory bodies, and the scale of the project. It should be noted that the variation is despite the similarity of the timing of starting the pre-application negotiations and the time spent for having these negotiations.

11.2.3.5. Detailed Design & Tender

Timing of the commencement of design detailing was a function of the developer's attitude to risk in each project. The developers of NRH and Anchor Terrace were not willing to invest more money in the project prior to getting the relevant consents. This was because there were still high risks associated with the implementation of the projects until the planning consent was granted. There were additional risks associated with the SAM consent in the Anchor Terrace Project. Planning risks also applied to the 552 King's Road Project. The risks were even higher in this context as the Article 4 RBK&C was served while processing the application shows (see Section 8.3.4). Despite high risks, the developer continued to employ his consultants and carry on with detailing of the design. Taking this risk was well worth as it allowed the developer to start the construction immediately after being given consent.

This stage was more complex than the preceding stages in the King's Road and NRH projects, whereas it became less complex in the Anchor Terrace Project. Figure 11.10 shows the design detailing maps for each project. It is evident that design detailing of the King's Road Project was the most complex one. NRH is the second most complex of the projects and the Anchor Terrace Project is the least complex one. The number of agents involved, the divergence of activities undertaken, the number of issues considered and the number of loops are directly proportional with the map complexity.

Complexity of the King's Road Project was partly caused by the involvement of a new agent (Northacre) at the Bank's request in order to secure the loan. Northacre's involvement, the subsequent changes their involvement resulted in and the loops these changes initiated contributed to the high complexity of this project. In this respect, Northacre's involvement can be interpreted as a disadvantage. However, analysis of the outcomes of their involvement shows that Northacre's involvement was advantageous as the value engineering exercise they carried out significantly increased the overall value of the scheme.

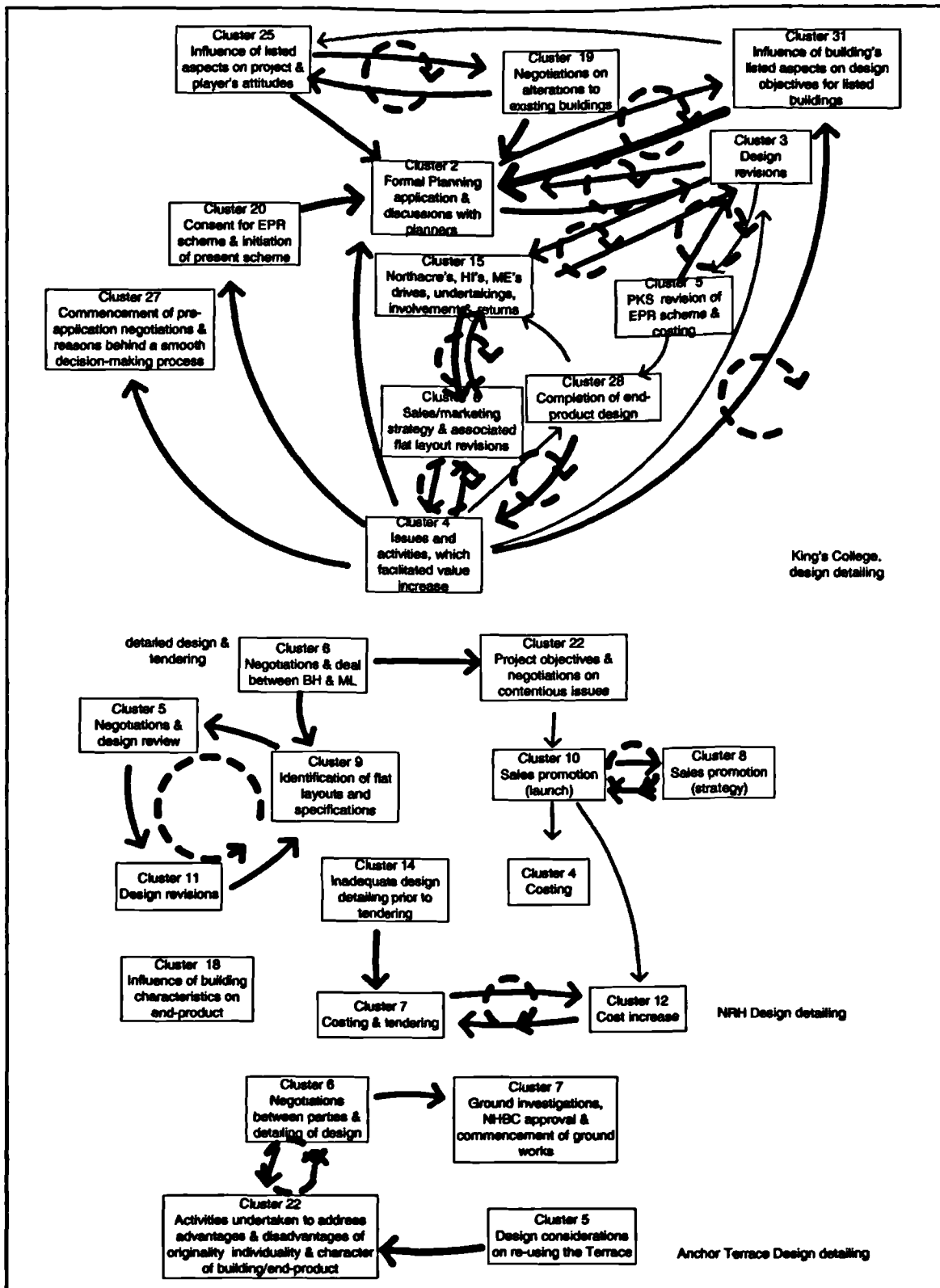


Figure 11.10. Process Maps: design detailing stages

	552 King's Road	NRH	Anchor Terrace
Design detailing process duration	2 months/acre 0.05 month/unit	2.12 months/acre 0.07 month/unit	10.67 months/acre 0.12 month/unit

Table 11.2. Design Detailing Process Duration

Table 11.2 shows the design detailing process duration for each project. For the Anchor Terrace Project the process is the least complex, but the design detailing took the longest to complete. It can therefore be stated that a complex process does not necessarily prolong the stage duration.

Figure 11.11 shows the matrices reproduced from the stage maps. The emergent loops with specific reference to design detailing in King's Road Project can be divided into two broad groups as:

- loops that depict the refinement of the design principles for existing buildings, which took place between the architects and conservation officer; and
- loops that depict the consideration of the financial implications of the design changes resulting from the above negotiations, which took place between the architect, the developer and the cost consultant.

In addition to these, there were loops that emanated from the business negotiations to involve Northacre and the activities they undertook after becoming part of the development team. The latter type of loops took place between clusters depicting:

- design and financial appraisal;
- marketing and financial appraisal; and
- influence of building characteristics and financial appraisal.

The emergence of financial appraisal in all the loops except one can be interpreted as an indication that the development team became more market/cost conscious by Northacre's involvement and thus adopted a similar approach to the developer of NRH Project. Although it is true that financial and marketing implications of the decisions gained precedence with Northacre's involvement, it cannot be stated that the project centred around financial issues as it did in the NRH Project. The dominance of negotiations, design and influence of building characteristics during this stage shows that the King's Road Project development team adopted a much more holistic approach to the financial and marketing aspects of the scheme.

The three loops, which emerged in the NRH stage map, depict:

- design detailing, which took place between architects, conservation officer and developer;
- tendering, which took place between the prospective contractors, cost consultants and developers; and
- marketing, which was considered within the JV.

The design detailing loop included negotiations with statutory bodies, design changes that were a consequence of these negotiations and the evaluation of marketing implications of

these changes. However, the links that form this loop depict activities associated with financial appraisal only. This finding and the dominance of financial and marketing appraisal activities once again shows the significance of cost in this development. The developer, as the ultimate decision-maker, was the only agent who was involved in all of the activities. Thus, the design detailing stage in NRH was a conglomeration of concurrent activities and only the developer had an overall view of all the activities.

Two loops emerged in the Anchor Terrace Project. These involved the negotiations by the local authority and the NHBC over the design aspects of refurbishment and the building regulations compliance in both the new block and the Terrace. The architects took the lead in the negotiations with the local authority, while the structural engineers led the building regulations discussions. The developer was ultimately involved in both loops to make the final decision about the changes. In this respect, the Anchor Terrace Project was similar to the NRH Project as it constituted two separately led loops during this stage.

Separate handling of individual activities during a stage can be helpful in avoiding lengthy delays in making the decisions to progress. However, coordinating the decisions and their influence on other activities undertaken during a stage, is critical in projects such as re-use projects where activities are interdependent. As a result, it is important to consider the consequences of the separate handling of different activities in the NRH and Anchor Terrace Projects. This can only be achieved by evaluating the construction stage, which proceeded the design detailing in all projects, and the influence separate handling of activities had on the construction stage.

Finally, the direct agents in the King's Road Project were proactive in that they adopted their design strategy to take up emerging market opportunities. On the other hand, the direct agents in both the NRH and Anchor Terrace projects were reactive. In the first project, agents made design changes to the proposal even if such changes necessitated new planning applications. The opportunity to enhance the scheme's value was the fundamental drive behind such changes. In the other two projects, however, only design changes that were necessary to fulfil the statutory bodies' requirements were made. Thus, the developers in the latter two projects deprived themselves from the value engineering exercises.

11.2.3.6. Construction, Marketing & Sales

Maps of individual cases depicting the construction, marketing and sales associated activities are shown in Figure 11.12. From this figure it is evident that this stage was the least complex in the King's Road Project. Anchor Terrace Project ranked the second in terms of its complexity, while the NRH was the most complex.

An overview of the time-lines of the projects and the matrix reproduction of the stage maps shows that the complexity of this stage was higher in projects where there was a higher variance in the types of activities undertaken. The number of agents involved at this stage was indirectly proportional to the complexity of the process at this stage. The highest number of agents was involved in the King's Road Project, which was the least complex one. The number of issues undertaken at this stage did not influence process complexity either. The same number of issues was considered in the King's Road and Anchor Terrace Projects, which had different levels of complexity. It can thus be stated that the number of activities undertaken at this stage was the factor that determined the level of complexity in each project.

As a result, it is important to understand why the number of activities undertaken in each project varied in order to understand the relative complexity of Anchor Terrace and NRH Projects.

The common aspect of timing of the activities in these projects is the deferral of design detailing until after the planning consent. The projects diverged from each other in terms of their handling of the design detailing. Comparison of the time spent in design detailing (see Table 11.2) and time spent prior to construction and during construction (see Table 11.3) in the NRH and Anchor Terrace projects shows that the duration of this last stage of development was shorter if longer time was spent in design detailing and thus there was a longer lead time into the construction stage. Obvious consequences of reduced lead times to construction were:

- the deferment of activities - including the design detailing- that were not a prerequisite to the commencement of construction works;
- deferring marketing and sales of the scheme to the absolute last minute.

	552 King's Road	NRH	Anchor Terrace
Time spent prior to construction	4.13 months/acre 0.10 month/unit	8.13 months/acre 0.19 month/unit	22.67 months/acre 0.25 month/unit
Construction duration	4.53 months/acre 0.11 month/unit	7.2 months/acre 0.15 month/unit	6.67 months/acre 0.07 month/unit
Construction duration as a % of project duration	52 %	44 %	23 %

Table 11.3. Project Duration versus Construction Duration

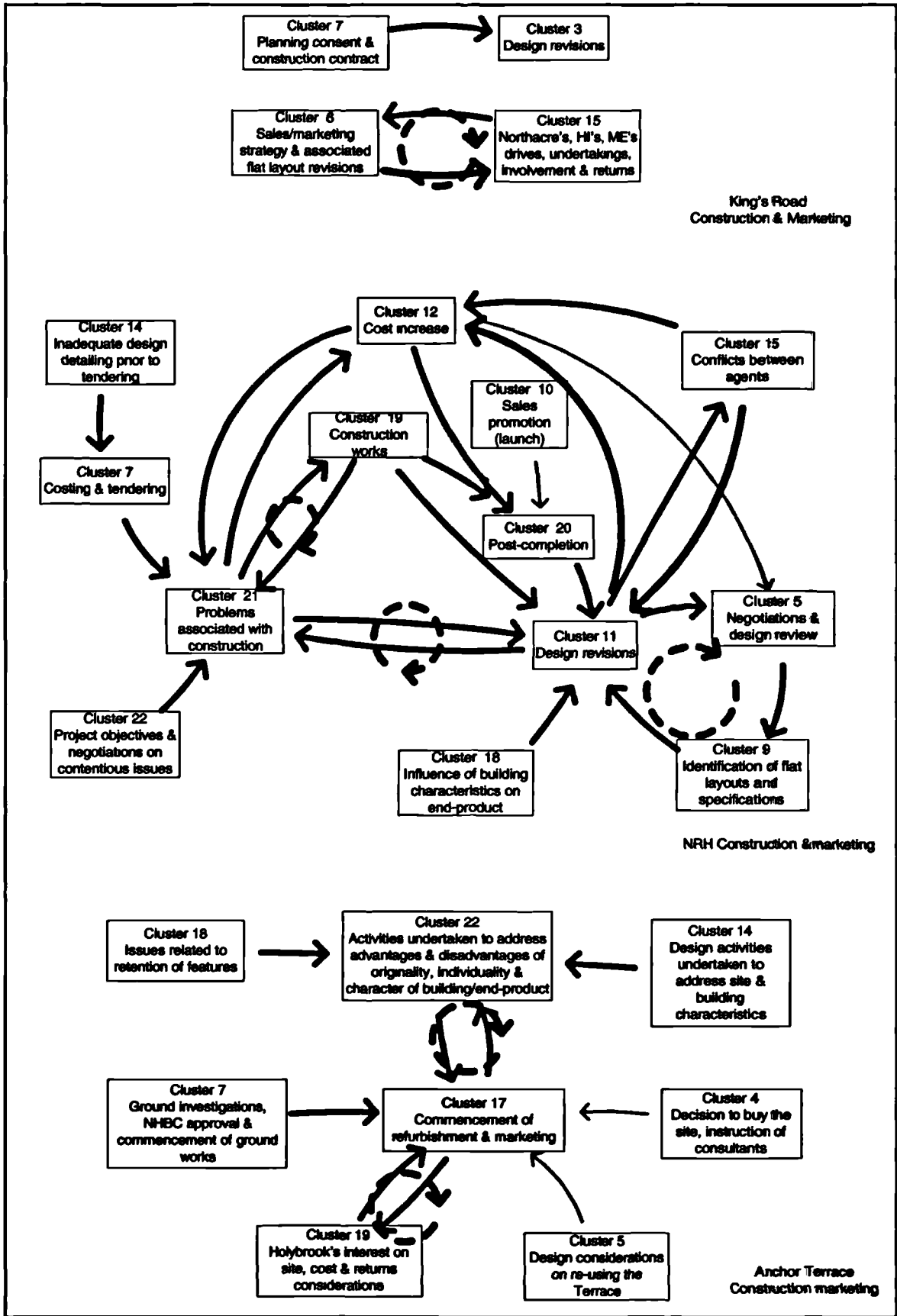


Figure 11.12. Process Maps: construction & marketing stages

This was the fundamental reason behind the excessive complexity of the construction process in the NRH Project.

Here, the argument is not about freezing the design at the end of the design detailing and avoiding any design changes once construction works starts, as recommended in the RIBA Plan of Works (RIBA, 2001). This is not possible because of the nature of re-use projects, where information on the actual building characteristics and condition only becomes available once the construction works start and design changes can be necessary in the light of this information. The argument is about the importance of acknowledging the necessity of further detailing the project proposal, which was submitted with the planning application, up to an adequate level prior to the commencement of construction works. Evidence from the NRH case study has shown that this is specifically important in re-use projects, where the project complexity is higher due to the variable characteristics of the building at different locations, resulting in the need to pay due attention to design detailing.

Analysis of the links that constitute the loops and the clusters between which these loops occurred shows that the loops were associated with the marketing of the scheme, specifically market demand, in the King's Road and Anchor Terrace Projects (see Figure 11.13). The developer's comments on the unexpected complexity of the construction phase emerged as the second loop in Anchor Terrace Project. In the NRH project however the loops depict:

- the negotiations, design changes and market appraisal of the revised scheme;
- emergence of problems associated with construction and the resolution of these problems.

It can thus be stated that the King's Road and Anchor Terrace Projects gained an advantage over the NRH Project by investing in design detailing of the buildings prior to the commencement of construction works, as this allowed the development teams to consider the current market condition and alter the scheme to take up the opportunities the current market trends and demand offered. Although this was done in the NRH Project as well, it was done to a much lesser extent as the emphasis had to remain on adequately designing the scheme and overcoming the problems associated with the construction process. This is evident in the dominance of the design and construction activities.

11.3. Significant Attributes of the Re-use Process

From the above analysis it can be concluded that the most significant attribute of the re-use process is its complexity. The number of agents actively involved, the variety of activities undertaken, and the number of issues taken into consideration influenced the level of complexity of individual stages in each case study. These factors were mainly driven by:

- the developer's attitude towards risk;
- the developer's awareness of the issues that were likely to be involved;
- building and site characteristics;
- the LA's attitude to change.

Only one of these factors, the building and site characteristics, can objectively be measured. Even so, the literature review, the pilot study and the case studies revealed that the agents' *perceptions* of the site and buildings characteristics played a significant role in identifying the characteristics of sites and buildings that are of architectural and historic significance and thus worthy of conservation. Therefore, there was a high level of subjectivity involved in re-use projects and that subjectivity played an important role in determining the eventual complexity of the process.

The second important aspect of the re-use process was the sequencing of stages. All projects followed a general sequence of stages which were similar to the ones outlined in the RIBA Plan of Works (RIBA, 2001). However, the nature of activities undertaken during individual stages and the time-scales within which these stages were completed varied from one project to the other. The analysis has shown that site and building characteristics followed by the developer's attitude towards risk were the most influential issues in identifying the type of activities undertaken at different stages.

Emergence of pre-application negotiations and planning application as individual stages in the development process is worthy of noting. The RIBA Plan of Works identifies the planning procedure as one of the work items under the detailed proposal stage. On the other hand, pre-application negotiations and processing of the planning application emerged as separate stages in all case studies. This indicates the significance of planning associated activities in the re-use process.

The third attribute of the re-use process is that it is both iterative and evolutionary. The loops that were clearly evident in the maps of individual stages provide evidence for the iterations that have taken place in individual stages. Continuous repetition of certain activities, most notably costing-design revisions-planning negotiations, at different stages proves that the product evolved throughout the development process.

The fourth notable aspect of the process is the significance and importance of stages prior to the formal planning application in shaping the end product. A review of key activities across cases provides evidence for the significance of earlier stages in the development process. In the King's Road case the key activities were exclusively associated with the initial scheme design, whereas they were associated with negotiations to agree on the principal design objectives with the planning authorities in NRH and Anchor Terrace projects. All these activities took place during the earlier stages of the development processes, in the build up to the planning application.

11.4. Project Outcomes

11.4.1. Evaluation Criteria

Project cost, project duration and quality of the end-product are the most commonly used criteria for evaluating the construction output. Commentators agree that these criteria alone are insufficient in evaluating project outcomes (Winch, 2001 and Gardiner et.al., 2000). Gardiner et.al. (2000) specifically argues that using only these three criteria, which he terms as the 'golden triangle', to evaluate project outcomes does not reflect the impact of budget and plan changes on the Net Present Value (NPV) of the outcome (Net Development Value (NDV) for property). According to Gardiner et al., NPV is the ultimate determinant of project success and should therefore be among the outcome evaluation criteria.

This is a valid argument as any change to the scheme can significantly influence the NDV of property in an environment where market conditions are volatile and transient. In addition to this, using the 'golden triangle' can be problematic as it is not always possible to access commercially sensitive cost data, which was also the case for this study. Therefore, agents' perceptions on the profitability⁸⁰ of the projects will be used as the criterion to judge the economic performance of the projects.

It was not possible to access data on planned project programmes. A summary project timeline which shows the actual duration for each stage and thus the overall project, was drawn out from the interview data. Under these circumstances, it was not possible to evaluate the projects in terms of their specific performance with regards to the expected and actual project durations, except in one case for which the interviewees reported delays in construction programme. The non-reporting of programme delays in the other two case studies has been interpreted as an indication that two of the three cases were completed within the planned time-scale or at least without extensive delays.

Although adhering to the project programme is an important achievement for yielding a successful outcome, the key in project programming is to reduce the funding costs by advancing the in-cash flow. This is achieved by starting sales as early as possible. Therefore, a comparison of the time-scales between the first major financial commitment to the project, which is typically the site purchase, and the commencement of sales will be made in order to evaluate project success in terms of time.

The difficulty of defining quality of an outcome has already been acknowledged by commentators. Similarly, it has not been possible to make a definitive description of the project outcome quality in the context of this research. Here, the term 'quality' refers to the

⁸⁰ Profitability reflects the NDV of a development project. Unless the NDV is higher than the total development cost, the product would not be a profitable one. Therefore, profitability was used as a reflection of the NDV of the project.

fulfilment of the agents' project expectations and the evaluation depends on the agents' commentary on this particular issue.

As stated in the Introduction to this chapter, project outcomes are to be evaluated from the perspective of the developer, the local authority and English Heritage as the key decision-makers. Although all of the success criteria apply to the success evaluation of the developer, the case study evidence has shown that the other key decision-makers are particularly concerned about the quality dimension of the project outcome. As a result, the cost and time dimensions of the project outcome were evaluated from the perspective of the developer only, while its quality dimension was evaluated from both the developer's and the statutory bodies' perspective.

11.4.2. Evaluation

Developers of all case studies reported that profits were made out of each scheme. In the NRH and Anchor Terrace Projects the realised profits were marginally higher than those the developers anticipated at the beginning of the process. It should be noted that both sites were bought at relatively low prices at a time when local property prices were on an upturn trend and the units came on the market when the property prices had recovered from the property slump of the late 1980s⁸¹. Thus, it is highly probable that the increased profit margins are a consequence of the upswing in the property market. On the other hand, the increased profit margin in the King's Road Project was largely facilitated by the value engineering exercise led by the development managers and architectural auditors, both of whom had previous expertise of similar development projects in the area. It is important to state that the uniqueness of the building, its branding and the marketing strategy were at the core of this value engineering exercise.

As a result, all projects were financially successful. Profitability of the projects was dependent on the market condition like any development project. In addition to the market condition, uniqueness of the building and its branding enabled the direct agents to *create* a specific demand for the units and manipulate this demand by adopting a marketing strategy such that the demand would remain higher than the supply at the earlier stages of the sales campaign, resulting in an increase in both subsequent demand for units and the sales values. The developers have the opportunity to manipulate the market for listed build'ngs as the product is unique and in short supply.

As stated above, there were no reported delays to the project programme, except the NRH project. In this project, the reported delay was during the construction process, which was completed three months after the planned date. In this respect, it can be stated that King's

⁸¹ Parties exchanged purchase contracts in September 1994 and the NRH units came on the market in July 1996. The corresponding times in Anchor Terrace Project were July 1996 and November 1997.

Road and Anchor Terrace Projects were successful in complying with the project programme, while the NRH project failed this.

Table 11.4 shows the average duration spent between the site purchase and the commencement of sales for each project. Given the values in this table and their performance in complying with the project programmes, it is evident that King's Road Project was the most successful one of the three projects in terms of project duration and shortening the investment period.

	King's Road	NRH	Anchor Terrace
Duration from site purchase to commencement of sales	0.08 month/unit	0.17 month/unit	0.24 month/unit

Table 11.4. Purchase to Sales Duration

All developers were conscious that the end-product was of appropriate quality for the targeted end of the residential property market. Identifying the target market end correctly, adequately specifying for this market and monitoring the construction works so that the delivered end-product complied with the specifications, were the means to ensure that the developers were delivered the expected product, and thus satisfied with its quality. Therefore, the developers' and their consultants' performances in fulfilling these were included among the criteria to evaluate the quality of the outcome from the developers' perspective. These criteria were accompanied by the contractor's competence in delivering the specified product.

Within this context, there is a clear distinction between the NRH Project and the other case studies. As developers of this site specified the units for the medium end of the market and achieved sales values at the high end of the market, they had problems with purchaser satisfaction at the end of the project. Furthermore, they failed to monitor the construction works in terms of quality, despite paying due attention to monitoring the cost and construction programme. The developer's incompetence in programming and implementing construction works such that consequences of working within an existing building could be dealt with, further jeopardised the quality of the scheme. This resulted in a situation whereby the local authority officers were not satisfied with the quality of works implemented on site and in some instances required re-doing of the works. Despite these problems and the presence of some 'oddly-shaped' spaces within some units, which the developer regarded as jeopardising the quality of the end-product, the developer in the NRH project stated that overall they were satisfied with the end-product. Here, it should be noted that their interpretation of quality satisfaction was closely associated with the sales values they could achieve. No problems associated with quality were reported in either of the other projects. The quality of these projects was found to be satisfactory both by the developers and the occupiers.

The local authority's dissatisfaction in the NRH project was evident in the interview with the conservation officer, who defined the extensions at the penthouse level as 'rabbit hatches on the roof' and stated that 'they really spoil the image and form of the building'⁸². On the other hand, the historic buildings inspector at EH described the project as a 'good scheme' which was 'satisfactory' in terms of its detailing. EH was satisfied with the quality of the end-product in the Anchor Terrace Project as they managed to negotiate and persuade the developer to retain existing features and reinstate the altered features. The conservation officer considered the King's Road scheme as an improvement over the existing condition and characteristics of the buildings and the site, with the exception of the open space provision. According to him, limitation of public access to the site could have resulted in the 'ghettoisation' of the site. Historic buildings inspector at EH stated that the listed buildings were treated in a 'satisfactory' manner in the King's Road Project. It can thus be stated that both the King's Road and Anchor Terrace Projects were found to be satisfactory in terms of the resultant quality of the scheme. Once again NRH Project diverges from these projects by being considered satisfactory by the historic inspector and totally 'unsatisfactory' by the conservation officer.

Overall, the outcomes of King's Road and Anchor Terrace Projects were successful in that they performed well against the profitability, time and quality criteria. Despite being profitable, the outcome of NRH Project cannot be regarded as a complete success because of delays to the programme and the low level of local authority satisfaction.

11.5. Process Evaluation

11.5.1. Evaluation Criteria

Stages of the re-use process in each project were evaluated based on the criteria adopted from Maylor (2001). Maylor argues that reducing the time, iterations and cost of completing the process are the means to improve production processes. He furthers his argument by stating that integration of agents and concurrent engineering aids the reduction of time, iterations and cost.

The cost component of Maylor's criteria was excluded as it was not possible to obtain cost data on the case studies. Stage duration (months) per acre was used as the unit of comparison for the time component of the evaluation criteria so that project sizes were also taken into account in assessing the time performance in each project. The fundamental modification was made to the iteration dimension of Maylor's criteria.

The literature review pointed to the fact that refurbishment projects, of which re-use projects are a sub-category, are more complex and that there is a high potential for iterations to take place, increasing the complexity of the projects. Thus, reiterations are contained within the

⁸² Quoted in the interview with case conservation officer at the London Borough of Islington.

complexity of the re-use projects. Because of this, the iteration dimension of Maylor's criteria was assessed within the context of project complexity for the purposes of this research.

As agent integration at individual stages and the concurrence of activities during individual stages are influential in improving processes, these were included in the evaluation criteria. Agent involvement at individual stages was determined by adding the time (months) each agent spent during a particular stage and dividing this with the total duration of the stage in order to identify the average number of agents involved. A similar approach was adopted in identifying the concurrence of activities per stage. The average number of activities concurrently carried out at each stage was calculated by dividing the total amount of time spent in performing different activities in each stage by its duration. Once these values were determined, they were categorised according to the range of emergent values. These grades were used as the basis of the process evaluation matrix.

11.5.2. Process Evaluation Matrix

The process evaluation matrix was produced by evaluating individual stages in each case against the criteria identified by the adoption of Maylor's criteria. In the matrix, each criteria was attributed a value from 1 to 3. Here, the assumption was that a stage which was:

- completed in the shortest time with no reported delays;
- facilitated the highest agent integration and concurrence;
- followed by a stage with similar complexity

represented good practice. Following from this assumption, the items that fulfilled the above criteria were scored at 3 points, while others were scored at 1 and 2 points according to their proximity and remoteness from the above assumption. Scores for each criterion item were added in order to evaluate individual stages of each project.

Table 11.5 shows the process evaluation matrix. High scores on the matrix indicate proximity to good practice. The highest scoring project in each stage is indicated by a red box.

		Initiation	Initial Scheme	Pre-application	Planning application	Design detailing	Construction & Marketing	total
552 King's Road	time	1	3	3	3	3	3	13/15
	integration	2	3	3	3	3	3	14/15
	concurrence	3	2	3	3	3	2	13/15
	complication next stage	2	2	3	3	3	3	13/15
	total	8	10	12	12	12	11	53/60
NRH	time	3	2	1	1	3	1	11/18
	integration	1	1	1	1	2	1	7/18
	concurrence	1	1	3	1	1	3	10/18
	complication next stage	2	2	2	3	2	1	12/18
	total	7	6	7	6	8	6	40/72
Anchor Terrace	time	1	1	1	1	1	1	6/18
	integration	3	3	2	2	1	2	13/18
	concurrence	1	3	3	3	3	1	14/18
	complication next stage	3	3	3	3	3	2	17/18
	total	8	10	9	9	8	6	50/72

Table 11.5. Process Evaluation Matrix

It is evident from the figure that the King's Road Project was closest to the good practice criteria the author has identified. All its stages achieved the highest scores among the case studies. This project was followed by Anchor Terrace Project the first two stages of which achieved scores as high as the King's Road Project. It is important to note that these results match the results of the project outcome evaluation. Thus, the King's Road and Anchor Terrace Projects performed better in terms of both their product and process integrity.

11.6. Epilogue

This chapter comparatively analysed the project processes and outcomes of the three case studies. It is now possible to make suggestions as to how the process of re-using listed buildings could be improved. These suggestions are based on the product and process integrity performance of the case studies. The next chapter is devoted to the suggestions for process improvement, the generalisations on the re-use process and its management. It also covers the evaluation of the methodological approach.

CHAPTER 12 Conclusions & Recommendations

12.1. INTRODUCTION

This chapter concludes the quest to enhance the understanding of the re-use process of listed buildings by mapping it. The research provides answers to the research questions, which will be re-visited in Section 12.2.

This chapter is divided into five sections. First, research questions and propositions are discussed in the light of the findings. Second, research outcomes are reviewed. Third, general conclusions on the process of re-using listed buildings, its management and the methodological approach are drawn. Fourth, areas for further research are specified and recommendations for promoting re-use are made. Fifth, the benefit and value of the research for the different groups of audiences are discussed.

12.2. Research Questions & Propositions Re-visited

The research questions and propositions have been identified at the end of Chapter 1 (see Section 1.5). The research has verified all the propositions and some complementary issues emerged from the analysis. This section considers, at a very generic level, the research findings and the outcomes in the light of the questions and propositions. The research findings are reviewed in more detail throughout this chapter.

The first research question relates to the components of the re-use process. These have been identified in the context of individual case studies. Here, general remarks will be made.

A wide range of agents, who may not be involved in other types of projects, are involved in re-use projects. The developers determine which professionals are going to be involved depending on their perception of the issues that are likely to arise during the process. Local authorities have also suggested certain agents to be involved in order to ensure that the product quality is high.

These agents undertake a wide range of activities. Ascertaining a comprehensive list of activities is neither desirable nor possible due to the divergence of project characteristics and agent perceptions. Because of these divergences, key activities vary from project to project. However, there are commonalities between the key issues. The key issues are associated with project constraints, site and building characteristics, project economics (e.g. profit, cost, value) and politics of development control, i.e. addressing the statutory bodies' objectives.

These components are inextricably linked to each other and these relationships make re-use projects complex. Influences behind complexity are not only associated with the listed building issues, despite the assertions in the literature. Project duration, level of agent integration, concurrence of activities and influence on the complexity of the following stages are all important for process performance and quality of the product. However, certain factors

become critical at different stages of the process, e.g. time becomes a critical issue after the planning consent is given.

12.3. Review of the Research Outcomes

There are three discrete outcomes of this thesis: description of the process and analysis of its components, the stage maps and matrices. A critical review of these will be made in this section.

Throughout this thesis, the processes of three re-use projects in Central London have been mapped and described in detail. This is significant as it is the first time the re-use process has been analysed in such detail. Six separate stages, which are common in all projects, are identified by the analysis of the process maps (see Section 11.2.3). The process descriptions, which follows a chronological structure, have revealed that each project process is unique despite following a generic sequence of stages.

However, the process descriptions have some shortcomings. They do not facilitate the systematic comparison of the cases on their own. In addition, the sequencing of the re-use process which emerged from the case descriptions and content analysis is quite similar to the sequencing of the RIBA Plan of Works. Emergence of the pre-application and planning stages as discrete stages in the re-use process is an exception.

Process maps of each stage have shown the varying degrees of complexity at each stage (see Section 8.3, Section 9.3 and Section 10.3). Map analysis has also facilitated the identification of the key activities and issues in each stage (see Sections 8.4.2, 8.4.4, Sections 9.4.2, 9.4.4 and Sections 10.4.2, 10.4.4).

Although the varying degrees of complexity has become explicit through the comparative analysis of the stage maps, the maps exclude the rich data on the type and variety of activities and issues which are represented in the case study descriptions. Without this rich data on types of activities and issues, it is not possible to identify the reasons behind varying degrees of complexity. This is the fundamental reason behind complementing the stage maps with matrices in the comparative analysis chapter (Chapter 11).

Reasons behind varying degrees of complexity, the agents defining these and the critical factors to improve the process performance have been identified through the comparative analysis of the case studies which was reported in Sections 11.2.3.1 to 11.2.3.6. The main limitation of the comparative analysis is that it is relative between the cases studied. Without the generic benchmarks for process and product performance in the re-use context, relative comparison was the only alternative. Therefore, comparisons remained at the very generic level. The comparisons are valuable as a first attempt to assess the process and product performance in re-use.

The comparative analysis enabled the author to make suggestions for process improvement in the re-use context (see Appendix 6). This is novel in that it proposes a means to improve

the project process and thus the end-product rather than just the end-product. It is hence a first step on the way to complementing the product improvement approaches, towards which the 'innovation efforts in the [construction] industry are disproportionately orientated', with suggestions on process improvement (Winch, 1998: 269). However, these guidelines are based on the three case studies conducted in this research. They are therefore limited by the perceptions, experience of the agents involved in these particular projects, and these perceptions, experiences may or may not be representative of a larger sample.

12.4. Conclusions

This section draws conclusions from the case study evidence. It thus reveals the contribution of this research to the existing body of knowledge on the re-use of listed buildings. This thesis' contribution to knowledge can be divided into two broad areas: subject-specific and method-specific. The subject-specific contribution relates to the characteristics of the re-use process, influences on its complexity and its management, and the property and artefact value attributed to the buildings by the direct and indirect agents respectively. Therefore, the conclusions are discussed under these headings.

12.4.1. The Re-use Process: characteristics & influences

The re-use process has been found to be complex. Strong influence of the development control on the process has also been shown. The key stages of the process, i.e. pre-application, planning application and construction, have been identified.

The case study evidence suggests that, apart from the significance of development control, listing has varying degrees of influence on the project processes. The extent of the impact listing has on the re-use process seems to be:

- directly proportional to the age of the building or parts of it;
- indirectly proportional to the extent of former alterations the building has undergone.

In cases where listing has been found to impact upon the project process, the following issues have been found to characterise the re-use process:

- Direct and indirect agents who would not be involved in refurbishment projects are involved in re-use projects;
- It is necessary to make a full planning application and thus invest in design fees prior to getting the planning permission if a listed building is involved;
- It is necessary to retain architecturally and historically significant aspects of the listed buildings, even if their retention poses challenging design, construction solutions. There is a subsequent need to find *innovative* design solutions;
- It is necessary to employ specialist workforce, use traditional building materials and employ traditional building techniques in (parts of) the listed buildings;
- It may be necessary to adopt a distinctive marketing strategy in order to be able to market the 'unconventional' spatial layout of the end-product(s).

In addition, the influences on project complexity have been named. These influences are significant because they reveal additional influences to those widely published. The refurbishment literature assert that the possibility of making discoveries throughout the development process and the involvement of additional indirect agents, e.g. conservation officers and English Heritage, increase the project complexity. This research shows that:

- the transience of the market demand; and
- issues related to the boarder planning strategies, e.g. affordable housing, also influence project complexity.

In this respect, it is not possible to argue that the complexity of the re-use processes mainly emanate from the listing of the building. It might be possible that refurbishment of unlisted buildings is as complex as the re-use of listed buildings.

Table 12.1 shows the influences on project complexity and the agents who control these issues. Given that the sub-stage complexity is determined by the number of agents involved and the activities undertaken, the developer group can control the sub-stage complexity. However, they have very limited control on the overall project complexity which is mainly driven by the site and building characteristics, and local authority's attitude to change. As a result, managing the complexity of the re-use process is the key to success.

number of :	determined by:
agents involved in each stage	the developer group
activities agents have undertaken	the developer group
issues agents have taken into consideration	site & building characteristics; local authority's attitude to change
reiterations that occurred in each stage	the gap between the developer groups' & the statutory bodies' objectives

Table 12.1. Influences on Project Complexity & the Controlling Agents

Further exploration of the reasons behind the varying degrees of complexity of individual stages shows that the developer's attributes, specifically his attitude towards risk, define the level of complexity at each stage. If the developers were risk loving the process began simply and gradually became more complex. If the developers were willing to make a detailed risk assessment at the beginning of the project, the projects started off complex and maintained similar levels of complexity throughout the subsequent stages. There is case study evidence that developers who adopted the latter attitude, performed better according to the process evaluation criteria (see Section 11.5.1). This suggests are relationship between holistic risk analysis and project success.

Given the difficulty of forecasting the extent, duration or cost of the works involved in re-use projects, holistic risk analysis gains even more significance. It is important for the developer group to adopt an objective risk identification and management strategy.

As proposed at the end of Chapter 1, the case studies provided evidence on the strong influence of the development control mechanism on the re-use process. This is apparent in the identification of 'pre-application negotiations' and 'planning application' as two separate stages through the analysis of field data. This is where the re-use process described in this thesis diverges from the generic process descriptions that can be found in literature (see Section 11.2.3). Adopting an analytical approach that 'allowed the data to speak for itself' rather than imposing a prescribed framework on sequencing the process, helped to show that development control is an integral part of project development in re-use rather than just an approval/refusal mechanism as is usually portrayed in the literature.

Overall, the 'added value' of process mapping to the re-use of listed buildings lies in the following areas:

- Process mapping 'demystifies' the project complexity for both direct and indirect agents. This is achieved by revealing how complexity varies at different stages, identifying the key stages and stages for which complexity is critical, and the influences on project complexity.
- Identification of influences on project complexity reveals the impact of the developer group's risk behaviour on project complexity.
- Identification of the critical success factors for each stage has shown that extended project duration, specifically prior to the planning consent, does not necessarily lead to unsuccessful projects (Table 11.5). This contradicts the direct agents' prejudice that longer project duration is a barrier to re-using listed buildings.
- Identification of the critical success factors for each stage also enables the developer group to allocate resources strategically to improve performance against the critical factors during the appropriate stages.
- Identification of the activities between which reiterations took place shows that the re-iterations help to resolve disputes. Therefore, complexity management in the re-use context is different than that in the new built context. It is not wise to aim at reducing the iterations in the re-use context, as proposed by some researchers for managing complexity in the new built context (see for example Sarshar et al., 2000). It is necessary to manage the reiterations such that they do not lead to excessive complication of the following stages.

12.4.2. Managing Complexity & Achieving Success

Evidence from the case studies has shown that high levels of complexity during a stage *do not* lead to lower process performance or lower quality outcome. There is one exception: the 'construction and marketing' stage (see Table 12.2).

The development team can still achieve success through the complex re-use process provided that it has the right attributes. In addition, the project complexity should be managed such that it does not peak during the construction phase. This finding can be instrumental in reducing the direct agents' reluctance to get involved in re-use projects, which emanates from the complexity of the process.

It is important to note that reducing the number of iterations is not a viable strategy to manage the complexity of re-use projects. The iterations are instrumental in resolving the disputes

which are likely to arise both within the project team and between the direct and indirect agents.

Based on the case study findings, the following attributes of development team are found to be critical for the successful completion of the project:

- competence in managing complex projects under uncertain conditions;
- flexibility and responsiveness; and
- holistic project perspective facilitating the consideration of opportunities and risks.

Flexibility and responsiveness of the project team underline its competence in managing complexity. A flexible approach to the project comprises the ability to achieve the project objectives by carrying out work differently through the use of the same facilities and resources. It enables the development team to *respond* to the changing project circumstances and thus incorporate the required changes into the project. Furthermore, flexibility facilitates the exploitation of the opportunities which may emerge during the course of the project (Zhang et al., 2000: 496). In this respect, flexibility aids the transformation of risks to opportunities. In addition, risks which can potentially emanate from the stringent planning control can also be addressed by being open to negotiations on the proposal.

The case study findings suggest that the development team's risk identification capability depend on their perceptions of risk, expertise in re-use projects, and knowledge of the dynamics of local planning and development control issues. There is evidence that the developers who concentrate their development activity in a borough identify the risks and opportunities more accurately.

	Initiation	Initial Scheme	Pre-application	Planning application	Design detailing	Construction & Marketing	overall
time			✓	✓	✓	✓	
integration	✓	✓	✓	✓	✓	✓	✓
concurrency		✓		✓			✓
complication next stage			✓			✓	✓

Table 12.2. Critical Factors for Process Performance

In addition to the three key attributes of the development team, integration of agents into the project early on and sustaining this throughout the process, emerge as a critical factor which influenced process performance and quality of the project outcome (see Table 12.2). Agent integration is followed by time which becomes a critical factor once the pre-application negotiations start. The number of stages during which both integration and time are critical for success suggest that the timeliness of the project and the 'quality' of the outcome should be balanced in order to achieve success⁸³. This finding confirms the assertions on the importance of allowing longer lead times into the project and employing members of the development team early on (Highfield, 2000; Egbu et al., 1998; and CIRIA, 1994).

⁸³ See Section 11.4.1 for a discussion the definition of 'quality' within the context of this research.

The conclusions on factors which are critical for process performance rely solely on the Process Evaluation Matrix (see Section 11.5.2). At its current level of sophistication it remains as an indicative tool the direct agents can use to evaluate the process performance once the projects are completed. In this respect, the evaluation matrix can contribute to learning from project experience, and thus increases the chances of managing the following projects better. However, it does not facilitate performance measurement during the live process.

Identification of a benchmark for each of the four critical factors per stage would allow for the use of the process evaluation matrix to measure performance in live projects. Then, the matrix would aid project monitoring and revision of the project strategy. Thus, it is recommended to carry out research to identify the key performance indicators (KPIs) for each stage of the process and set-up a benchmark against which these indicators can be measured. It should however be noted that this is an immense task because of the potential variance of individual projects.

Overall, agent integration, undertaking activities concurrently and avoiding fluctuations in the complexity of consecutive stages are critical for process performance and project outcome. These necessitate the developer being prepared to invest in agents' fees for the project duration which can be longer than refurbishing unlisted buildings.

Given the above arguments on managing complexity and risks associated with re-use, it is possible to suggest that financially strong, un-bureaucratic developers are more likely to succeed in re-use projects. Risks for entrepreneurial developers are even higher. This is because they tend to speculate more by undertaking projects in 'up and coming' areas mainly due to lower capital costs. Thus, entrepreneurial developers have to be more competent in managing complexity than the more established ones.

12.4.3. Listed Building as Artefact versus Listed Building as Property

Valuing the building as an artefact and as property have been argued to be the fundamental source of disputes in the re-use context (see Section 4.3). The case study evidence confirmed that the direct and indirect agents regarded the buildings as property and as artefacts respectively, even if they have become more receptive of each others' values through the process. This section discusses the findings from this perspective.

The artefact value became important for the direct agents only in so far as they increased the sales values, enhanced the companies' image and profile. In this respect, the direct agents did not consider re-use to be any different from other development type. 'The profit motive powered the whole development process, not whether a development [was] good or useful' (Greed, 1996: 39).

The indirect agents adopted a more property orientated attitude in cases where buildings had been radically altered prior to the scheme or the buildings had deteriorated badly as they remained vacant for a long time. This suggests that the indirect agents' relinquish and adopt a more property orientated approach if this is the only means to protect what is left of the

artefact value of the building. The author argues that this condition emanates from the listing building legislation which was inspired by *conserving* what is left of the destruction of WWII rather than ensuring that listed buildings are effectively protected (see Chapter 2).

Despite the divergent values of direct and indirect agents, the project processes were not necessarily undermined by tensions between direct and indirect agents. Case study evidence suggests that the two most probable reasons behind the lack of disputes are:

- The buoyancy of the market between 1995-2000 when the projects were undertaken; and
- The culture change in the local authorities which made them more open to conversion schemes.

Given the above conclusions, it is clear that including a building in the statutory list does not mean that the artefact value of these buildings will gain precedence over their property value. The projects remain to be speculative. The main thrust of deciding whether to re-use a building is the profitability of the scheme. In this respect, the market value of the destination use determines the "optimum viable use", not the fact that PPG15 advises that the original use of a building is kept because it 'will very often be the best use' (DoE, 1994a).

Even if the profitability of the scheme is the dominant influence on the involvement decision, the developers might decide to consider factors which are associated with the artefact value of the building as well. The developers' attitudes towards risk and their awareness of the dynamics of the re-use process, specifically the development control dimension, determine which additional factors they would investigate prior to making their involvement decisions.

12.4.4. Methodological Implications & Potential

The research process has been analogous to the Grounded Theory approach. It has thus been characterised by iterations between data collection, analysis and conclusion drawing. These iterations resulted in the propositions for further research which are detailed in Section 12.5.

Adoption of a case study strategy has facilitated the study of three re-use projects in their 'completeness' from 'alternative perspectives' (Yin, 1993: 148-9). It has been possible both to *describe* the project processes and to *explain* the relationships between different dimensions of the process.

Nevertheless, the case study approach imposes certain limitations. The *in* very nature does not allow for arriving at grand generalisations from case studies. Case studies are a small step toward grand generalisations (Campbell, 1975). Therefore, the generalisations in this thesis should be considered as a step toward enhancing our understanding of the re-use process and its complexity, not as all-embracing assertions on the re-use of listed buildings. The guidelines given in Appendix 6 should also be considered with these limitations in mind.

The analytical approach which combined NUD*IST and Decision Explorer enables mapping of the process as a conglomeration of its individual dimensions and the relationships between

these dimensions without premature generalisations. It thus provides an alternative to the process protocols which are normative. The analytical approach has also greatly assisted the iterations between data collection and analysis as they have increased the speed of handling the large volume of data, improved rigour and facilitated consistent coding across the interviews and case studies.

This has proved the analytical approach to be strong. There are five reasons for this. First, all interviewees' perceptions of the process are combined through coding in NUD*IST and the combined data is used to map the process. Thus, a truly holistic map of the process rather than the individual's perception of the process is created. Second, there is no need to prescribe a framework to analyse the data. Despite the lack of such a framework, a scientifically accepted level of rigour can be achieved in data analysis. This allows the cases to be compared objectively and generalisations to be made from a small number of case studies. Third, it is possible to vary the data analysis between the general and the detailed levels as well as the holistic and the individual perspectives. Fourth, the relationships between process dimensions can be captured and analysed. As a result, it is possible to depict the different levels of process complexity which stems from the variations in detail. Last, combining the two packages enables detailed content analysis of the data.

However, the experience throughout this research has shown that the use of software packages should be approached very cautiously because they can impose limitations on the research project, e.g. concentration on only one aspect of the methodology (see below), as much as they can offer opportunities.

Its developers assert that NUD*IST is akin to 'Grounded Theory' approach (Richards and Richards, 1995 & 1991). It would thus be expected that NUD*IST would facilitate data reduction ('coding'), theorising ('theoretical coding') and 'capture of the process analytically' (Strauss and Corbin, 1995). However, it has proved to be difficult to undertake the last two activities only by using NUD*IST. Hence, NUD*IST had to be complemented with DE. This shows the importance of the critical review of the qualitative data analysis software by the researchers, specifically novice ones. It is vital that the researchers *fully* understand the important aspects of the methodology they are using, and thus avoid being overpowered by the analysis tools they have chosen.

It has been experienced during the pilot study that it is important to avoid excessive coding, mistaking coding and mapping for data analysis, and 'quantification' of qualitative data as much as possible. Without the conceptualisation of the *meaning* of the codes and the relationships between these, the individual codes and maps have very little value. Furthermore, the simultaneous occurrence of different codes in one text unit or the frequency of coding can only be taken as an *indication* of the importance of these codes. It is necessary to explore these codes further before concluding that they are significant. This can be done by adopting other analysis strategies, e.g. content analysis.

In addition to the more 'conceptual' risks, which have been outlined above, the use of software packages poses other problems and difficulties. First of all, coding the interview data and model building takes a long time to complete. This is a serious consideration for any future researcher. Second, Decision Explorer does not facilitate the adequate representation of the process maps. It is necessary to draw the maps from scratch in Visio. Furthermore, the richness inherent in the process maps in terms of the type of activities and issues cannot be represented on the stage maps, hence the use of matrices in Chapter 11.

Overall, the methodological approach used in this thesis facilitates the achievement of the research goals set out in Chapter 1. There is the opportunity to develop the method further as an alternative to process protocols in aiding process improvement in the property development and construction industries.

12.5. Recommendations

12.5.1. Emergent Propositions & Recommendations for Further Research

The propositions and recommendations for further research can be divided into two distinct groups. The first group deals with the bias and limitations case study might have imposed on the results. Having adopted Grounded Theory as the methodological approach, the research yielded some propositions. The second group of recommendations are based on these propositions.

This method has to be applied to:

- the process of converting unlisted buildings in London;
- the process of converting listed and unlisted buildings outside London, specifically in economically deprived areas;
- re-use projects which have been abandoned by the developer group.

This will help to test the findings of this research and attenuate the bias which might have arisen from only studying successful cases in Central London. Application of this method on the above stated cases will also help to highlight the distinct characteristics of the re-use process, and the similarities/differences between the refurbishment of unlisted buildings and re-use of listed buildings.

Based on the findings of this research, the following propositions can be made. These offer opportunities to enhance our understanding of the re-use process and make more specific suggestions as to how the process performance and product can be improved.

1. Pre-application, planning application and construction stages of the re-use process has been found to be significant. Other re-use projects and refurbishment of unlisted buildings should be studied to verify the relevance of this finding.

2. If the above stages are found to be significant in other cases, then these stages should be studied in further detail in order to identify the definitive success factors for these stages, and to develop a benchmark for these factors.
3. Different management strategies need to be adopted for the management of complexity in the re-use projects. Case study evidence suggests that the reiterations facilitate the successful completion of the re-use projects, even if they cause delays and increase cost. It is therefore important to establish how the complex interactions, reiterations can be managed in a re-use project. The burgeoning literature on complexity theory can be a useful source.
4. Case study evidence suggests that there is a relationship between holistic risk analysis and project success. In addition, there are implications that the development team's risk identification capability depend on their perceptions of risk, expertise in re-use projects and, knowledge of the dynamics of local planning and development control issues. Identifying the relationships between the above dimensions of risk, project success and the developer groups' attributes can facilitate the establishment of a risk analysis and management strategy for re-use projects.
5. Certain developer group attributes have been shown to contribute to project success (see Section 12.4.2). Recent research suggests that knowledge management (KM), advocating learning from experience can help to enhance such attributes. It also draws attention to the difficulty of promoting these initiatives in an industry which is characterised by the adversarial nature of its contracts, high time pressure and low profit margins. Considering the possibility of improving the success-critical attributes by advocating KM and learning from experience in the re-use context would be of value to the developer group.
6. The significance of experience in *local* re-use projects has also been shown. This suggests that localised developers, which tend to be small and medium enterprises, have better chances of success in re-use projects. This proposition can be verified by examining the organisational structure of organisations involved in re-use projects.
7. Wider local planning policies, e.g. provisions for planning gain through affordable housing, public access, have been shown to contribute to project complexity. It is therefore advisable to study the influence of such policies on the re-use projects as well as the influence of conservation policies.
8. It is likely that there will be less tension between the direct and indirect agents at times of market boom. Also, the indirect agents seem to be more inclined to accept extensive alterations if the building has already been altered extensively, reducing the tension between the parties. The number of abandoned re-use projects at different parts of the property cycle can give an indication of the plausibility of these propositions.

9. The developers' desire to increase their profit margins, the transience of the demand characteristics and the fixity of the supply characteristics render conventional wisdom of conserving buildings inapplicable in the contemporary property development context. Therefore, it is strongly advised that the indirect agents consider how the supply-demand characteristics can be addressed within the context of the planning framework, which ought to be simplified in the very near future.
10. Research experience has pointed to the limitations of the software packages used in this study. The interface between NUD*IST and Decision Explorer should be further developed in order to allow for a higher level automation in transferring data from NUD*IST to Decision Explorer. This will help to reduce the amount of resources that need to be allocated for data transfer.
11. Using software packages for qualitative data analysis does not bring miraculous solutions to the problems researchers are likely to face in data analysis. Studying the opportunities and limitations imposed by qualitative data analysis software packages in the market can assist the researchers to become more realistic in their expectations from the software packages. This study should include the practitioners' perspective in addition to that of the manufacturers of these packages as the experience from this research suggests that there is a gap between what the software packages *claim* to facilitate and what they *do* facilitate.

12.5.2. Lessons for Indirect Agents

Recommendations for the direct agents, which have been made throughout the last Chapter and in Appendix 6, are considered to have the potential to assist the achievement of one of the aims of this research, i.e. reducing the direct agents' reluctance in undertaking re-use projects. The following recommendations are intended to complement those that have already been made. They are specifically intended for the indirect agents.

As the proclaimed 'advocates' of the historic built environment, indirect agents have an important role to play in the conservation of Grade II listed buildings. However, they currently remain *reactive* to the developer groups' proposals. This section concentrates on some recommendations which would assist to increase the frequency of re-use projects.

The emphasis direct agents put on the short-term financial viability of the scheme makes the longer-term cost savings to be achieved from re-using a listed building irrelevant. Given the difficulty of *persuading* the direct agents to take a longer-term view on the projects which they are developing and their defining role in initiating and enabling the re-use of Grade II listed buildings, economic incentives remain to be the most instrumental mechanisms the Government can use in promoting the re-use of listed buildings. Reducing the VAT rates for repair and maintenance works and making 'pump funding' available for initial regeneration of the deprived areas are two examples of such incentives. Simplification of the planning

framework and making a revision of listed building specific planning guidelines, e.g. PPG 15, would also aid the promotion of re-use activity.

In addition to these project-scale promotion possibilities, it is advisable that the Government continues to encourage the re-use of listed buildings as a catalyst in regenerating the run-down areas. Reports such as the *Power of Place* (English Heritage, 2000) and *Catalytic Conversion* (SAVE, 1998) have shown that this can only be achieved under the active partnership of the local authority, the residents, the amenity societies and the private sector. Therefore, re-use can become a catalyst for regeneration as long as the local authorities adopt a more *proactive* approach to conservation of architectural heritage than they do currently.

The factors which encouraged the direct agents to get involved in re-use schemes and their definitive role in deciding whether a building will be re-used or not, suggests that unless there are supply-side advantages from which the development team can benefit, the re-use activity will remain speculative. This renders the 'conventional wisdom' in promoting re-use as almost irrelevant for direct agents. Making a realistic assessment of the supply-side advantages and disadvantages of re-use, e.g. costs in use, and the means of making the advantages relevant for the direct agents, would help to assess whether the insistence on retaining a large number of Grade II listed buildings is realistic and achievable.

Direct and indirect financial implications of re-using a listed building such as the project cost and duration are not among the considerations of the indirect agents. This remains to be the case even when the developers threaten to abandon the scheme as fulfilling the indirect agents' archaeological and aesthetic objectives makes the scheme arguably unviable. It is interesting to note that this applies to boroughs with an established market for conversion property. Hence, the indirect agents' adamantness to focus on the archaeological and aesthetic virtues of the buildings even if the developments are speculative, is partly facilitated by the strong and buoyant conversion property market in the boroughs. This is because a buoyant market gives the indirect agents the confidence that other developers will be willing to take on the scheme if the scheme was abandoned.

Archaeological and aesthetic objectives of the indirect agents can become an impediment to re-use at times and areas of market deprivation. It is therefore advisable that the indirect agents make a *realistic* assessment of these objectives. Ideally, this assessment should be made at the time of listing and reviewed when the listed building consent application is made. However, it is not feasible to establish nationally consistent criteria for assessment at the time of listing due to the divergent characteristics and condition of the buildings. Thus, the local authorities are better placed to make this assessment by taking the *actual* building condition into consideration at the *beginning* of the project. In these terms, activating the abandoned quinquennial listed building monitors is suggested. These monitors would enable the local authorities to up-date their knowledge on the condition of individual buildings

12.6. Value of Research for its Audience

Direct agents with re-use experience, and the inexperienced ones who are willing to get involved in re-use schemes, indirect agents, specifically the regulatory bodies, researchers in the qualitative domain and students in the construction related disciplines were identified as the audience of this thesis (Section 1.6). For its first audience group the research yielded a tool which they can utilise in monitoring and reviewing their processes albeit the need for further development, automation and sophistication. This is important as it allows the project organisations to segregate the re-use process which has notoriously been known for its overall complexity. Segregation helps to isolate stages and/or areas of particular complexity in the process and take the necessary precautions either to simplify these or manage complexity such that the process performance and project output quality are not jeopardised. In this respect, it is also useful for the novice development team and the student as it points out the most critical aspects of the process and as well as the key activities and issues.

Researchers will find the adoption of content analysis and cognitive mapping tools to process mapping innovative. This enables the capture and analysis of the inter-relationships between the different dimensions of any subject without imposing a premature framework in order to achieve consistency and rigour in data analysis. This is the fundamental aspect of the methodological approach other researchers can benefit from.

Unfortunately, the research outcomes that would be of interest to the indirect agents are slightly more dispiriting. Apart from the positive contribution of the negotiations between direct and indirect agents to the process performance and the project outcome, the findings have suggested that the indirect agents can hinder the development process by being preconditioned *against* development. Their need to change the way they perceive and manage architectural heritage fundamentally became explicit throughout the study. Also, it is advisable that indirect agents start developing strategies as to how the re-use of listed buildings can be promoted at times of a market slump as well as taking more initiative in re-using listed buildings because of the dominance of market forces in making the decisions related to re-use.

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Appendix 1
DoY Case Study
Project Process

Project Process: DoY Case Study

Agents

This section starts with a short description of direct agent organisations and their roles. Description of indirect agents is not made here as their organisational structures and responsibilities, which were outlined in Section 3.4.2, are identified by the Central Government and remain consistent within similar administrative units.

Cadogan Estates (CE)

Cadogan Estates is a major land-owner in Chelsea. Its property portfolio is valued at around one billion pounds and brings CE £30 million gross rental income annually. Because of the land ownership reform the company has started disposing of its residential property and reinvesting in commercial property in Chelsea. The incentive behind CE's involvement in this scheme is the prospect of promoting their non-residential property in the vicinity of the site by using this development as a flag-ship. Completion of the DoY Project would turn the eastern end of King's Road into a primary shopping precinct to complement the 'twin jewels of the Cadogan crown: Sloane Square and Sloane Street'⁶⁴ and consequently enliven retail activity in Sloane Square.

Paul Davis and Partners (PDP)

PDP is an architectural practice which was established in 1994. The practice 'concentrates and focuses on long-term central London projects for key clients'⁶⁵. The practice has evolved through the past eight years to diversify the type of projects they are involved in. Conservation work and high quality residential projects, which formed the core business of PDP in the early days of its establishment, are now complemented by a wide range of projects including mixed use developments such as the DoY Project.

The practice has a very building and context orientated approach to design. Finding the balance between the building characteristics and end-user requirements through analysis and client interaction are the fundamental strategies the practice adopts to commend characteristics of location and the building.

Although the practice undertakes new design projects both in central London and abroad, the majority of projects PDP is involved in are refurbishment, re-use, restoration and conservation of existing buildings. This focus on working with existing buildings is also reflected in the experience of members of staff. All staff who are directly involved in design have experience in conservation and refurbishment schemes specifically in Central London.

⁶⁴ Quoted in the company information booklet.

⁶⁵ Quoted in PDP web-site (www.pauldavisandpartners.com)

DoY project is one of the nine projects PDP was commissioned by CE. It is the largest one of these projects in terms of both size and contract value. Two partners and an associate were involved in the DoY Project. The involvement of the partner, who originally lead this project, has diminished as the project became more detailed. He was gradually replaced by the other partner, then a recent member of staff at PDP, as team leader. The associate was in charge of design development and co-ordination of the project.

Gerald Eve (GE)

GE is a firm of chartered surveyors and property consultants located in London. The company provides services across a wide range of property related issues including surveying, development consultancy, planning and property investment. They provided planning consultancy services for CE in the Duke of York's project. It should be noted that GE and CE had worked together prior to this project.

The senior town planning partner of the firm, was heavily involved in this project. He described GE's role in this project as: 'getting the project through planning process as practically as possible and understanding the legal issues, and in effect creating value, getting planning permission for that.'⁸⁶ Sensitivity of the site meant that demonstrating the compliance of CE's proposal with RBK&C's policies and the potential of the proposal to facilitate the implementation of these policies was an integral part of GE's role.

Trevor Patrick Partnership (TPP)

TTP is a firm of quantity surveyors. They provided mainstream quantity surveying services for CE; thus, their fundamental responsibility was to compute the construction cost for the proposals throughout the development process.

TTP had been acting as quantity surveyors on all CE's major schemes in Kensington and Chelsea prior to this scheme. As a result, they were acquainted with the standards CE wanted to achieve in the DoY project.

Insignia Richard Ellis Limited (IRE)

IRE is a large firm of commercial property advisers. They also have a wide spectrum of services ranging from space leasing and acquisition to asset management. At the time of field survey (June 2000), they had provided a valuation service for CE in the DoY project. There was a possibility that they would be appointed during the marketing stage of the project had CE chosen to do so.

The main thrust of RE's involvement was to estimate the value of the end-product. This estimation, with the cost estimation provided by TTP, was used as the basis for appraising the financial viability of the scheme.

⁸⁶ Quoted in the interview conducted with the senior town planning partner of GE.

Process Description

Former Attempts to Re-develop the Site

The MoD had already considered disposing of parts of the site before the mid-1990s. In 1986, they put Block A on the market for a 125 year lease as they needed to raise money for the upkeep of the site. Alongside other developers, Cadogan Estates (CE) was interested in developing the site at the time. CE's other land-holdings in the close vicinity of the site and its former ownership of the site (until 1840) were the two fundamental reasons behind this interest.

CE proposed that the MoD develop a retail scheme in a joint venture (JV) arrangement with them instead of MoD leasing Block A. According to CE, such a scheme would have 'created something that would give greater value to the site'⁸⁷. Thus, it can be stated that CE's preference of a joint venture arrangement emanated from their willingness to maximise value of the site. Maximising the value of the site was important for CE because of its knock-on effects on the value of property in close vicinity to Block A. Most of this property was under CE's ownership.

The MoD refused this proposal and Block A remained on the market. The following property market downturn in the early 1990s resulted in the withdrawal of the initial offers by other developers for the lease. There were subsequent offers which were also withdrawn. As a result, the whole of the Duke of York's (DoY) Site remained under MoD ownership until early 2000, when CE purchased the northern end of the site.

Between 1990 and 2000, both CE and other property developers sustained an interest in the site. Scarcity of development sites, anticipated demand for retail development along King's Road, and the high probability of MoD disposing of the site⁸⁸ were the fundamental reasons behind the developers' sustained interest on the site. In addition to these market driven reasons influencing all interested parties, CE's continuing interest in the site was driven by a number of additional organisation-specific factors. The most significant one of these was the site's location in relation to CE's other land holdings in the close vicinity of the site. As any intervention in this site would have a knock-on effect on the value of property in its close vicinity, CE kept a close watch on the site.

Initiation

MoD informed CE in mid-1998 about their intention to dispose of the whole of the DoY Site. They were not willing to put the site on the open market. Their priority was to see whether CE would be able to come up with a scheme that would create value, because they were confident

⁸⁷ Quoted in the interview conducted with Chief Executive of CE.

⁸⁸ MoD needed to rationalise its land holdings in Central London due to its changing role in Defence. There was an anticipation that MoD would give priority to the disposal of sites with highest land values when the rationalisation plan was activated. DoY Site was among the sites with high land value as it was located in a desirable location in Central London, where there were not many alternative development sites.

in CE's capacity to manage and deliver a scheme of this size and sensitivity within the time-scale they set. CE had eighteen months after the start of the purchase negotiations to get planning consent, to which CE's purchase of the site was conditional. As a result, negotiations on conditions of purchase started between MoD and CE.

CE's intention was to phase the development and transform the King's Road end of the site (northern end) to a mixed use scheme of offices and retail units in Phase 1 and work on the southern end of the site in Phase 2 (see Figure 5.1). MoD, on the other hand, wanted to dispose of the whole site as partial disposal carried the risk of 'cherry picking' those parts of the site with higher development potential, such as the northern end. Therefore, the possibility of phasing the disposal of buildings became a fundamental and important issue during the sketch design phase.

Initial Scheme

Both CE and MoD collaborated with other consultants in order to appraise development potential of the site, while they were negotiating conditions of purchase and site disposal. The fundamental objective of this appraisal was to assess development yield, which was important in determining the sales price for the site. MoD used Knight Frank Associates to forecast the end-value of the site and assess CE's purchase offer in the light of this. CE worked closely with PDP and GE to determine the extent and type of permissible development, which would have greatly influenced the site value. A master plan for the site emerged from this collaboration.

At the time he was approached by MoD, the Chief Executive of CE had already germinated initial ideas on how to release potential out of this site by combining it with the Estates' neighbouring land-holdings. These ideas were informed by his perception of the physical characteristics and functionality of the end-product that prospective occupants would demand. His perceptions totally depended on his professional expertise in property market and development in Chelsea.

Shortly after starting negotiations with MoD, CE instructed PDP as architects. PDP's role at this stage was to contribute to the preparation of the master plan. Advising CE on the extent of alteration they could carry out on the whole site was an integral part of PDP's role. PDP concentrated their efforts of initial design on the buildings that CE considered to be essential for financial viability of the scheme. This was because which buildings would become available for development was still uncertain as discussions on the possibility of phasing the disposal of buildings with MoD were ongoing at this stage.

As well as PDP, CE instructed GE as planning consultants. GE's responsibility was to deal with the legal and planning specific issues in preparing the master plan. GE was instrumental in identifying potential areas of change. National and local planning guidelines were the two fundamental inputs to this. The possibility of adding more buildings to the site and changing the external appearance of listed buildings had already been barred by the Unitary Development Plan (UDP) guidelines. Therefore, the assumption at this stage was that any proposal that

RBK&C would accept should be based on the keeping the existing building mass on site and retaining the listed facades. This strategy was adopted as it would assist demonstrating to RBK&C that CE's proposal was in line with their policies and facilitated the implementation of these policies. Although the strategy was to keep changes to the building fabric to a minimum, changes to original land-uses were proposed.

The master plan was largely shaped by:

- political issues associated with development that were identified in the national, regional and local policies;
- technical aspects of the planning and development process;
- CE's initial ideas about the scheme.

Destination land-uses were identified by taking the built fabric and relationships of the proposed uses with other land-uses in the vicinity into consideration. The liaison between CE and GE germinated a strategy to manage the planning process such that CE's immediate and long term objectives could be achieved, while RBK&C's planning objectives could be addressed. The emergent master plan was based on this strategy.

Contribution of senior members of staff from the development company, the architects and the planning consultants to the master plan is important to note. At this stage, Chief Executive of CE, the founding partner of PDP and the senior town planning partner of GE were heavily involved in defining the master plan strategy.

Once the master plan emerged, CE, with PDP and GE approached RBK&C to establish their views about the proposal at this stage. Former professional rapport between these individuals and senior members of development control staff at RBK&C gave the indirect agents the chance of judging RBK&C's objectives accurately for this particular development. MoD were also involved in the discussions with the Council in order to make sure that there was a consensus between CE and RBK&C in terms of the proposals as the purchase was subject to getting planning consent.

Upon being approached by CE, RBK&C started preparing a planning brief for this development. They also requested a historical research to be carried out by CE or their consultants. In the meantime, RBK&C proposed that the Government list some of the un-listed buildings on site, such as Blocks D and E, and Cadogan Hall, through EH.

While negotiations with RBK&C were ongoing, CE started assembling a team of consultants to transform the master plan into an initial scheme. The consultants instructed by CE at this stage were: quantity surveyors (TP), development consultants and property valuers (IRE), and structural engineers (Adams Kara). It should be noted that CE had former professional rapport with all the consultants they instructed at this stage. In addition to these team members, an architectural historian was employed by PDP in order to prepare a report on the architectural history of the site as requested by RBK&C.

Financial implications of alternative proposals were considered by development consultants, property valuers and quantity surveyors. The proposals were evaluated in terms of their suitability to the anticipated market. The value of the finished product was estimated based on this judgement. The quantity surveyor computed a gross construction cost for the alternative proposals. Product value and project cost were the fundamental inputs to the financial appraisal.

The sketch design emerged through a process that comprised of a series of iterations and recursions between design and costing. Enhancing the scheme or avoiding potential conflicts with statutory bodies were the fundamental incentives behind recommending changes. Every revision of the proposal initiated a loop whereby the impact of changes on the overall scheme was evaluated by relevant consultants. An initial proposal for re-development of the site emerged through this process.

By the time an initial design emerged, purchase negotiations between CE and MoD had also advanced enough to give CE enough confidence about the site purchase. MoD and CE had agreed on a purchase price and an annual rental price for the southern site. CE is liable to pay MoD the balance between the agreed purchase price and the rental cost over the rental period when TA evacuates the buildings on the southern end of the site. TAVR can evacuate the southern end of the site anytime subject to giving CE 12 months' notice

CE & MoD had also reached a principle agreement on the phased disposal of the site by this stage as it became apparent that MoD could secure CE's purchase of the whole site by a legal agreement. The arrangement was that the TAVR would continue to occupy the buildings to be developed in Phase 2 until at least 2003.

Pre-application Negotiations

As stated in Chapter 2, pre-application negotiations are not part of the statutory planning procedure. However, RBK&C, as a borough with one of the highest caseloads in England (only second to City of Westminster), is willing to follow the Government guidance on having pre-application negotiations with applicants as long as the case officers are not overwhelmed with such requests. As MoD was only negotiating with CE, requests for pre-application negotiations for this site would only come from CE. Thus, RBK&C could make time available for extensive pre-application negotiations on this scheme.

The planning consultants, on behalf of CE, initiated the pre-application negotiations as soon as the initial scheme emerged in early 1999. RBK&C, in return, consulted English Heritage (EH) on their views about this proposal. RBK&C and EH's involvement at this stage was in the form of expressing their views about the proposal with reference to objectives and guidelines set out in the planning documents such as PPG15, UDP, planning brief for the site, case law, high court decisions and ministerial dealings.

The applicants spent six months negotiating with RBK&C and EH prior to making the planning application (see Figure 5.3). During these negotiations, members of the professional team

worked with RBK&C and EH in refining and elaborating the initial scheme, which closely adhered to the planning brief RBK&C prepared for the site. The fundamental topics of negotiation were:

- land uses and their disposition on site;
- building extensions deemed necessary by the developer and his consultants to ensure financial viability.

Proposed uses and extensions were judged against the planning regulations and anticipated market demand. Physical characteristics of the buildings, their carrying capacity and the extent of former alterations were other criteria destination uses were judged against.

For example, a book-shop was considered as the destination use for the first floor of Left Wing building at the beginning. This decision was taken as the architects thought that the building layout lent itself to an 'anchor retail use', such as a bookshop. At that stage the consultants had not visited the site; thus, they were not aware of the structural characteristics of the building. The initial scheme had been developed from existing drawings of the site and buildings provided by MoD. Agents involved in the project visited the site for the first time once the pre-application negotiations started. As consultants gathered information on the actual building condition through these site visits, necessary alterations to achieve the required floor loading capacity to house the originally proposed book-shop use on the first floor of the Left Wing were identified. It thus became apparent that it was going to be 'too complicated to upgrade the floors to make [Left Wing] suitable for [required loading for bookshop use]'⁸⁹.

At the end of this stage, all parties had principally agreed on the proposal in terms of alterations to existing buildings, positioning and size of building extensions; and destination uses. There were outstanding issues on which parties had not agreed prior to the conclusion of pre-application negotiations. These were:

- phasing of the development;
- retention of King's Road (north-western) facade of Block A;
- retention of security railings.

Statutory bodies did not regard phasing of development as an ideal solution. Unless CE undersigned an obligation to implement Phase 2, phased implementation of the project carried the risk of only the northern part of the site being developed. This part had only two of the listed buildings and lent itself to a more viable scheme than the southern part, where the Grade II* HQ Building was located. Therefore, RBK&C and EH were reluctant to accept phased development of the site.

The second outstanding issue was the retention of the north-western façade of Block A. As RBK&C ruled out wholesale redevelopment of Block A when MoD applied for a planning consent in 1990, the planning guidelines set out in January 1999 stated that the borough's

⁸⁹ Quoted in the interview conducted with the partner in PDP.

intention was to see Block A redeveloped behind the retained north-western facade. PDP adopted this guideline in designing the initial scheme.

Once the scheme design emerged, it became apparent that a 'satisfactory' design solution behind the retained facade of Block A was unachievable. Having got the EH 'recommendation' to consider re-development of Block A, the architects discarded their former proposal for Block A and started designing a replacement building. Although the architects had long anticipated that the emergent design behind a retained facade would be of low quality, they did not consider complete redevelopment of Block A Site until RBK&C stated their support for redevelopment in order to investigate the possibility of enhancing the environmental quality.

Retention of railings which form the site boundary and separates the DoY site from the King's Road remained outstanding as the MoD considered their retention vital for site security. On the other hand, EH proposed their removal to 'open-up the site'. The parties were still negotiating a solution to this conflict at the time of the field study (May- June 2000).

During the course of pre-application negotiations, applicants and statutory bodies agreed on the extent and type of development to take place on site in principle; thus, the proposal got more detailed and refined. This consensus marked the end of pre-application negotiations as CE decided to enter into the formal planning process.

Planning Application & Design Detailing

CE decided to start the formal planning process despite the presence of a number of outstanding issues associated with the scheme design as the planning application would facilitate the discussion of preliminary design with a wider audience including the general public. As a result, GE, on behalf of CE, made the planning and listed building consent applications in June 1999 (see Figure 5.3). The application was for 'redevelopment of part of the site to include provision for retail (Class A1), offices (Class A2 and B1), food and drink (Class A3), non-residential institutions (Class D1) and residential use (Class C3) and landscaping proposals, including demolition and redevelopment of Block A to provide accommodation on basement, ground and three upper floors for Class A1 use on basement and part ground floor, Class A2 use on part first floor and Class B1 use on part ground, part first, second and third floors and including new vehicular access.'⁹⁰

This stage lasted until late December 1999, when CE was granted the planning and listed building consents for the scheme (see Figure 5.3). The most significant undertakings of this stage were:

- the refinement of the scheme design through negotiations with public and statutory bodies,
- the evaluation of the impact of design changes on the viability of the scheme;
- the commissioning of the landscape architects;

⁹⁰ Quoted in the Planning and Conservation Records database at RBK&C.

- the commencement of the tendering process; and
- the initiation of the negotiations with building control officers.

As well as opening up the discussion on the proposal to a wider audience, the planning application formalised EH's involvement. Once they received the request for a formal consultation on the scheme from RBK&C, historic buildings inspector at EH reported the scheme to their London Planning Advisory Committee (LPAC). LPAC discussed the proposal during their meeting in July 1999. LPAC formally put forward EH's concerns about the scheme design after their committee meeting. LPAC report suggested that 're-development plans for the site should contemplate the total demolition of Block A'⁹¹ and advised CE to take on board landscape architects to design the open space. Furthermore, EH strongly discouraged 'the cherry picking of the key retail sites of the whole site if the long-term maintenance of the remainder of the buildings on site was not going to be safeguarded'⁹². Avoiding the risk of partial implementation was the fundamental incentive behind EH's objection to phasing the development on site. However, implementation of Phase 2 was guaranteed as it was later included among the conditions of the Section 106 agreement.

In addition to the consultation with EH, RBK&C initiated the public consultation, which they are statutorily obliged to carry out upon receiving formal planning application. Public consultation letters were sent out in late July 1999. Despite the sensitivity of residents living near the site, there were not many objections to the development proposal. Only 38 objections were received in response to 1060 letters sent for public consultation (RBK&C, 1999). Residents in the vicinity were particularly concerned about:

- the increased traffic and noise that they considered to be an inevitable consequence of the scheme;
- the parking provision for users of the new scheme;
- the retail and servicing hours;
- sustaining the privacy of their property and security provision in the area.

In addition to these key concerns, residents raised their concerns about the design quality.

CE complemented the public consultation carried out by RBK&C with a public exhibition close to the DoY site. The exhibition took place in July 1999. Moreover, they initiated informal discussions with residents of Cheltenham Terrace and Lower Sloane Street about the proposals. These extra-procedural public consultation exercises were undertaken, because CE was aware of the public opinion on development in the area. The general public view in Kensington & Chelsea is biased against development; hence, the majority of development proposals are unwelcome at the outset. CE's aim was to avoid the possible adverse impact of this attitude on their proposal by making sure that the public was directly informed about the true nature of proposals. CE was keen to inform residents directly particularly because 'all the

⁹¹ Quoted in the minutes of LPAC meeting 30 July 1999.

⁹² Quoted in the interview conducted with the historic buildings inspector at EH.

rumour [about the nature of development would be] much more dramatic than the facts ever [were]⁹³. PDP and GE were actively involved in the exhibition and discussions with residents by making staff available to respond to the residents' enquiries.

Consultations with EH and the public resulted in changes to the design of the scheme. Through the process of adapting the initial design to accommodate these changes, the scheme became more detailed and refined. Negotiations and correspondence between direct and indirect agents were the means through which the changed proposals were conveyed to other members of the professional team.

The most significant change to the scheme was related to the extent of demolition of un-listed buildings on site. There were other minor changes such as the destination use of Queripel Building (see Figure 5.2). This building was to house a museum and a bank in the initial scheme. In the revised scheme, the destination uses for this building were changed to include a museum and a post office.

Overall, changes to the scheme were informed by:

- the responses of EH, RBK&C and residents;
- the information on condition of buildings on site (accumulated through site visits, research on architectural history of the site);
- the schedule of architectural and historic characteristics that are worthy of retention;
- the 'functionality' of emergent spaces; and
- the anticipated changes in market demand.

Changes to scheme design prompted revisits to design, costing activities and planning negotiations. These took place at two levels between two different sets of agents. The first was between direct agents, i.e. the developer and his consultants. The cost and planning implications of design changes were appraised at this level. These revisits, which had taken place at all stages since the initial scheme, were repeated until viability of the proposed change was first appraised by the relevant consultant and approved by the developer. The second level of recursions took place between the developer and/or his representatives to the local authority, namely, the architects and the planning consultants; and the statutory bodies. Mainly planning implications of design changes were considered at this level. If these changes were considered to be 'material', a subsequent planning application had to be put in. Revisits at this level were also repeated until a consensus about the changes was achieved between direct and indirect agents.

After receiving EH's suggestion to employ a landscape architect, CE short-listed a number of landscape architects and launched a competition for the design of the square in Autumn 1999. Meanwhile, they approached professionals in order to form a jury to judge the proposals from different landscape architects and select one of them. It is significant that one of the architects CE approached as a prospective member of this jury was also a member of LPAC to EH.

⁹³ Quoted in the interview conducted with the Chief Executive of CE.

Elisabeth Banks Associates were appointed as the landscape architects for the scheme after this competition. They presented CE with an outline landscape design in January 2000. This scheme was then presented to RBK&C and EH for discussions.

Another important activity undertaken during this stage was the submission of the building regulations (Part B&M) application by the architects. This formalised the informal negotiations with building control officers of RBK&C that had already been initiated by PDP. As soon as they started detailed design in August 1999, PDP embarked on preparing the draft building regulations document. With this document at hand, the architects started negotiations with the building control officers at RBK&C. An agreement on how building regulations would be fulfilled was achieved between building control officers and PDP through these negotiations. This agreement was followed by the formal application to get necessary building control consents.

In addition to detailing the design and negotiating the building regulations aspects of the project with RBK&C, PDP was involved in the tendering process at this stage. The tendering programme was prepared in September. First stage construction works were tendered between October and December 1999.

This stage of the development process came to an end by the granting of planning and listed building consents. As it would be the case in a development of this size and sensitivity, both consents had conditions the majority of which were associated with detailed design of the scheme. In addition to these, there were conditions associated with the timing of retail occupation and business operation including opening hours.

Conditions attached to the planning permission were set out with a view to ensure that RBK&C had complete control over the detailed design of the scheme and access to the site. Furthermore, articles addressing the concerns raised by residents during the public consultation period were included in the planning conditions. It should be noted that the borough did not adopt residents' concerns literally, but altered them as they saw 'fit' and 'reasonable' for development in the area.

Subsequently, the Section 106 agreement was signed between RBK&C and CE. The majority of conditions of the planning consent were included in the Section 106 agreement in order to take their fulfilment under legal guarantee. It is important to note that implementation of Phase 2 was guaranteed under the Section 106 agreement as, among others, CE committed to the following obligations to:

- submit a planning application for Phase 2 within two years of implementing Phase 1;
- notify the council within 14 days of obtaining vacant possession of 'Site A [Phase 2] and/or Site B [Phase 1] to that effect';
- implement the planning permission for Phase 2 within 12 months of obtaining vacant possession of the site.

Construction & Marketing

Granting of the planning and listed building consents reduced the risks associated with the implementation of the scheme. Furthermore, it brought the re-assurance that MoD would be able to dispose of the site as CE would now commit resources to buy the site.

Having received the planning consent also meant that the risks associated with the planning related aspects of the development were minimised. However, these risks were not nullified, because of the conditions of the planning consent. These conditions had to be discharged by making fresh planning and/or listed building consent applications. Each application had to be handled according to the statutory regulations, which meant that the procedure of getting approval for these applications was exactly the same as getting consent for a completely different site or scheme. Hence, the borough had not only to forward each application for discharging the conditions to EH, but also had to carry out a public consultation for each application. Within this context, the developer carried the risk of being denied consent for an application and/or delays in construction in case the planning process took longer than anticipated.

Despite the continuing risks, CE and MoD exchanged contracts after the consent was granted. Apart from the professional fees they had paid up to this point, this was CE's first substantial financial commitment to this project. CE financed the project by their borrowings which were long-term fixed interest money over a five-year period. Meanwhile, they started selling quite a substantial part of their residential land-holdings in the area because of the leasehold and franchise agreement⁹⁴. Thus, they created the possibility of channelling the income generated from such sales to the payment of borrowings at the end of the five-year period.

Laing was appointed as the main contractor in January 2000 and the parties signed a design-and-build contract. Laing spent the four months between its appointment and April 2000 - the planned start of construction works- programming the construction works and making the necessary arrangements so that works on site could commence according to the work programme. Starting the opening up works on listed buildings, which were inspected by RBK&C and EH, is an example of these arrangements.

As the developer chose to follow the design-and-build route, construction works and detailed design continued simultaneously until works on site were completed. At the time of data collection, it was estimated that works on site would have been finished by April 2002. The period between April-September 2002 was designated to 'tenant fitting'. The targeted opening time for the scheme was September 2002.

⁹⁴ The 1993 Leasehold Reform, Housing and Urban Development Act (informally known as leasehold enfranchisement legislation) was introduced in order to give leasehold owners of flats more control over their property. The Act brought two fundamental provisions to owners of leasehold property. The first was 'the right of *collective enfranchisement* [which] allowed tenants to buy, as a group, the freehold of their property' (Cole et al, 2000: 598). The second was the entitlement of leaseholders who had occupied their property as their sole or principal home to lease renewal in order to avoid the difficulty of securing mortgage on property as the lease period diminished and the property value fell.

Had the developer decided to pre-let the units, marketing of the scheme would have started during this phase. However, the developer chose not to start marketing until Autumn 2000. This choice was a consequence of CE's willingness to retain the advantage of a flexible design strategy that would enable design changes to be made as and when more information on building condition and characteristics, as well as the recent market demand forecasts, became available. In addition to this, there was the possibility of achieving higher profit margins by marketing the property late, as schemes nearing completion tend to attract higher sales and rental values.

Delaying the marketing until later in the construction process did not point to the fact that no action was taken in approaching potential occupants before the construction had well advanced. As a developer with land-holdings in the close vicinity, CE wanted to explore the possibility of relocating the banking use from Sloane Square to the first floor of Left Wing. The fundamental incentive behind this was to introduce more activity into Sloane Square and optimise the land-uses within the Estate. As a result, CE approached the banks in Sloane Square to enquire whether they would be willing to re-locate to this 'less-valuable' part of the estate in early 2000. At the time of data collection, a conclusion on this had still not been achieved. Thus, the architect had to continue keeping the options open and the scheme design flexible, specifically for the first floor of the Left Wing, despite having well advanced into the detailed design of the scheme.

A rather unexpected development that took place at this stage was the extensive design changes to proposals for Cadogan Hall. These were mainly a consequence of realising that the design proposal for Cadogan Hall would not fulfil the prospective end-user's requirements. PDP's initial intention was to retain most of Cadogan Hall. Consultation with the structural engineers showed that retention of Cadogan Hall would require extensive underpinning; therefore, the architects decided to demolish 2/3 of it and build it in replica. One of the most important consequences of this was the need to put in a separate planning application for this change. The application was submitted in January 2000 and the permission was granted in March 2000.

This stage was still ongoing at the time of data collection (May-June 2000). The architects had designed the basement areas and piling so that construction work in these areas could be carried out while the architects were finalising the detailed design of the upper levels.

Appendix 2
552 King's Road Project
PFI Deal

552 King's Road: PFI Deal

The 552 King's Road project was part of a Private Finance Initiative (PFI) deal between King's College and EL. This deal delivered the new King's College Building in the South Bank of London. The PFI deal was the outcome of a seven year long process during which King's College was trying to establish the best way of relocating to another building on the South Bank and discharging the sites it occupied within the RBK&C. The decision to re-locate was an outcome of King's College's merger with Chelsea and Queen Elisabeth Colleges. Rationalisation of the geographically scattered property holdings of the three colleges was one of the objectives of this merger. Changing nature of research and an increasing need to be competent in research facilities underlined King's College's need to consolidate geographically. Hence, King's College decided to relocate in the late 1980s (Cluster 13).

In the early 1990s, King's College was considering how the re-location would be handled in terms of the refurbishment and construction of new premises and the sale of surplus sites in Chelsea. At the time, King's College's ambition was to persuade the banks and prospective developers to sign a single deal whereby the developer would buy King's College's surplus sites and build/refurbish the South Bank campus in return (link from Cluster 13 to Cluster 17). Although this was a deal similar to the PFI mechanism the Government was to launch in 1992, at the time neither the banks nor the developers were interested in a high cost venture between the public and private sector as there was no precedence for it.

In the meantime, King's College re-located its facilities from the 552 Site and bought the South Bank Site in 1990. South Bank provided a good opportunity for relocation, because of its vicinity to King's College buildings on the Strand.

Subsequently, King's College put in a planning application for 552 King's Road Site in December 1990. This application 'came as a surprise'⁹⁵ to RBK&C because they had not been aware of King's College's intention to relocate. The proposal was to convert listed buildings on site and construct new buildings to make way for a mixed used scheme. The fundamental reason behind this application was King's College's desire to increase the prospective purchaser's confidence on the development prospect of the site; hence, the sale price. EPR Architects were instructed to design the scheme. RBK&C considered the scheme 'unsatisfactory' because of the amount of office space proposed and targeting of the upper-end of the owner-occupied residential market. This application was refused consent in January 1993 after negotiations between parties.

King's College made a subsequent planning application in October 1995. After long negotiations with the borough, King's College was granted planning permission for change of use in listed buildings and construction of new buildings on site in February 1996 (Cluster 20). This scheme was also designed by EPR architects.

⁹⁵ Quoted in the interview with DMc.

The above application was processed concurrently with another application for the same site. When it became apparent that King's College was going to re-locate, the Education and Libraries Department of RBK&C and the local amenity societies initiated a move to keep the site in educational use. Hence, a planning application to provide a secondary and primary school and residential units was made August 1995. The borough needed to buy the site in order to be able to implement this proposal. Therefore, RBK&C was holding purchase negotiations with King's College. The borough could not afford the asking price. Thus, the idea of continuing educational use on the site was abandoned in the mid-1990s.

The property market had collapsed in the early 1990s. 552 King's Road Site, the then only vacant site among the four surplus sites, was saleable only at a price that was far lower than its actual market value. Hence, King's College had to continue financing the purchase of the South Bank property as well as the maintenance of the existing buildings on this site.

Concurrently, the Government introduced policies on health services and facilities in London. This was followed by the Thomas Report which recommended the closure of some beds within the London teaching hospitals in order to rationalise the services. It thus became necessary to rationalise the dental and medical education facilities in London. This reinforced consolidation negotiations between King's College, St Thomas's and Guys medical teaching facilities, which the College and Hospitals had initiated before the publication of the Thomas Report. Upon the recommendations of the Thomas report, the Government invited King's College and St Thomas's and Guys Hospital to make proposals for rationalising their educational and health care facilities (Cluster 13).

After long negotiations on the numerous options of developing the South Bank Site, a brief which was acceptable by King's College and the hospital trusts was prepared (link from Cluster 13 to Cluster 12). Meanwhile, the Government launched the PFI programme in November 1992. So, the type of deal that King's College wanted to achieve since they decided to relocate had now gained Government backing and thus the banks' confidence.

King's College PFI was advertised in the European Journal in 1995 (Cluster 13). Then, Allison Young, development advisors to King's College, approached European Land (EL) to bid for the PFI among other developers. EL took an interest in the project and formed a consortium to prepare the bid (link from Cluster 13 to Cluster 18). Fundamental reasons behind EL's interest in this development were:

- anticipated profit margins;
- size of sites and transaction;
- rarity of development sites with architectural quality becoming available in RBK&C (link from Cluster 20 to Cluster 18);
- architectural characteristics of the surplus sites (link from Cluster 20 to Cluster 18).

EL's intention to prepare a PFI deal marked the initiation of the project, which is the focus of this research.

Appendix 3
552 King's Road Project
Cluster Maps

Cluster 1- Funding of the Scheme

26 'They [the Banks] are coming quite cold with their own set of advisers and expect to see what the outcome of the project is going to be

25 'The people [players] have really come to take a bit of attention

27 European land tries to weave the Bank's objectives into the final picture

24 *Need to find money for construction work*

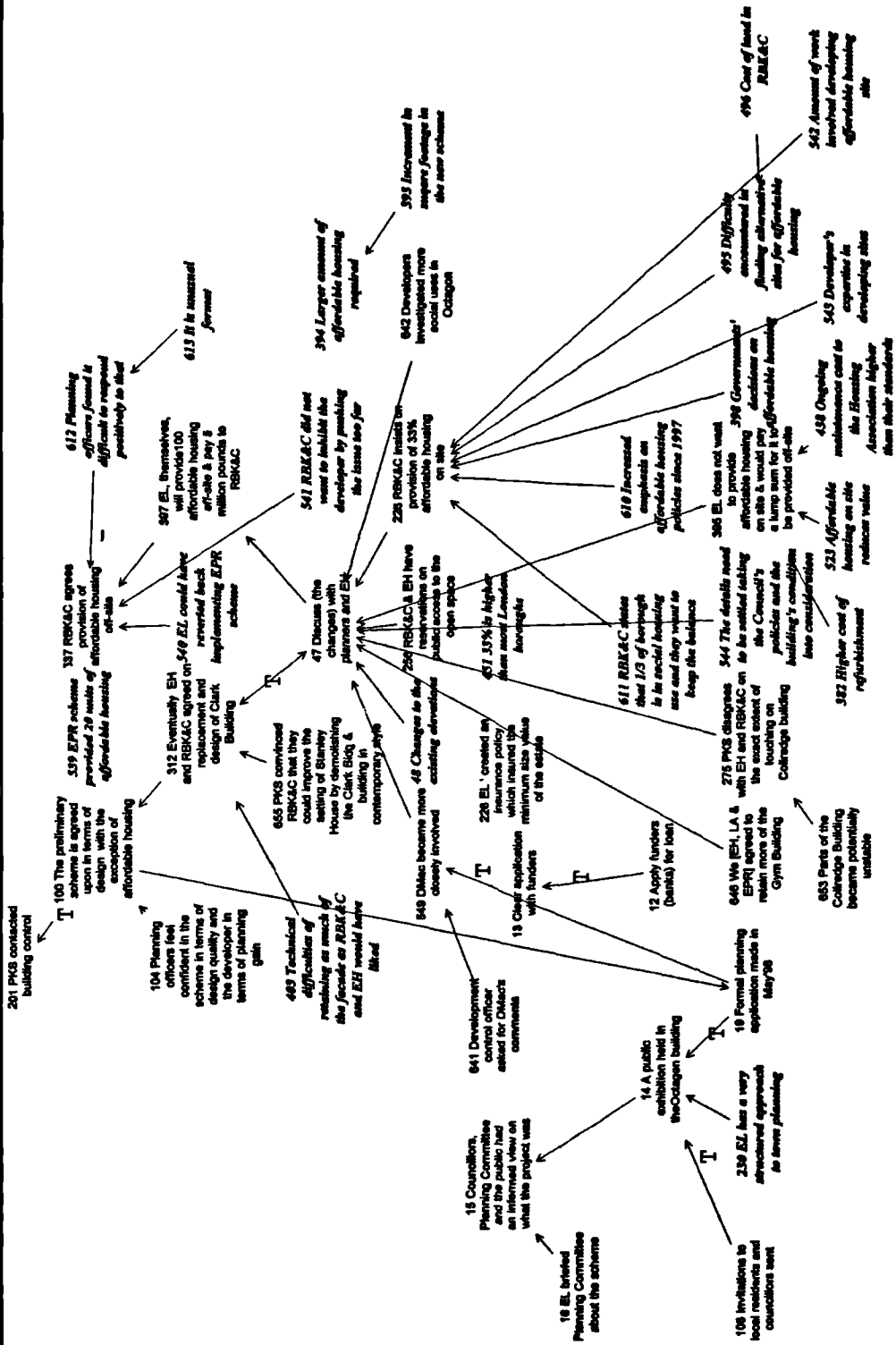
issues process

Banxia Decision Explorer

Bartlett

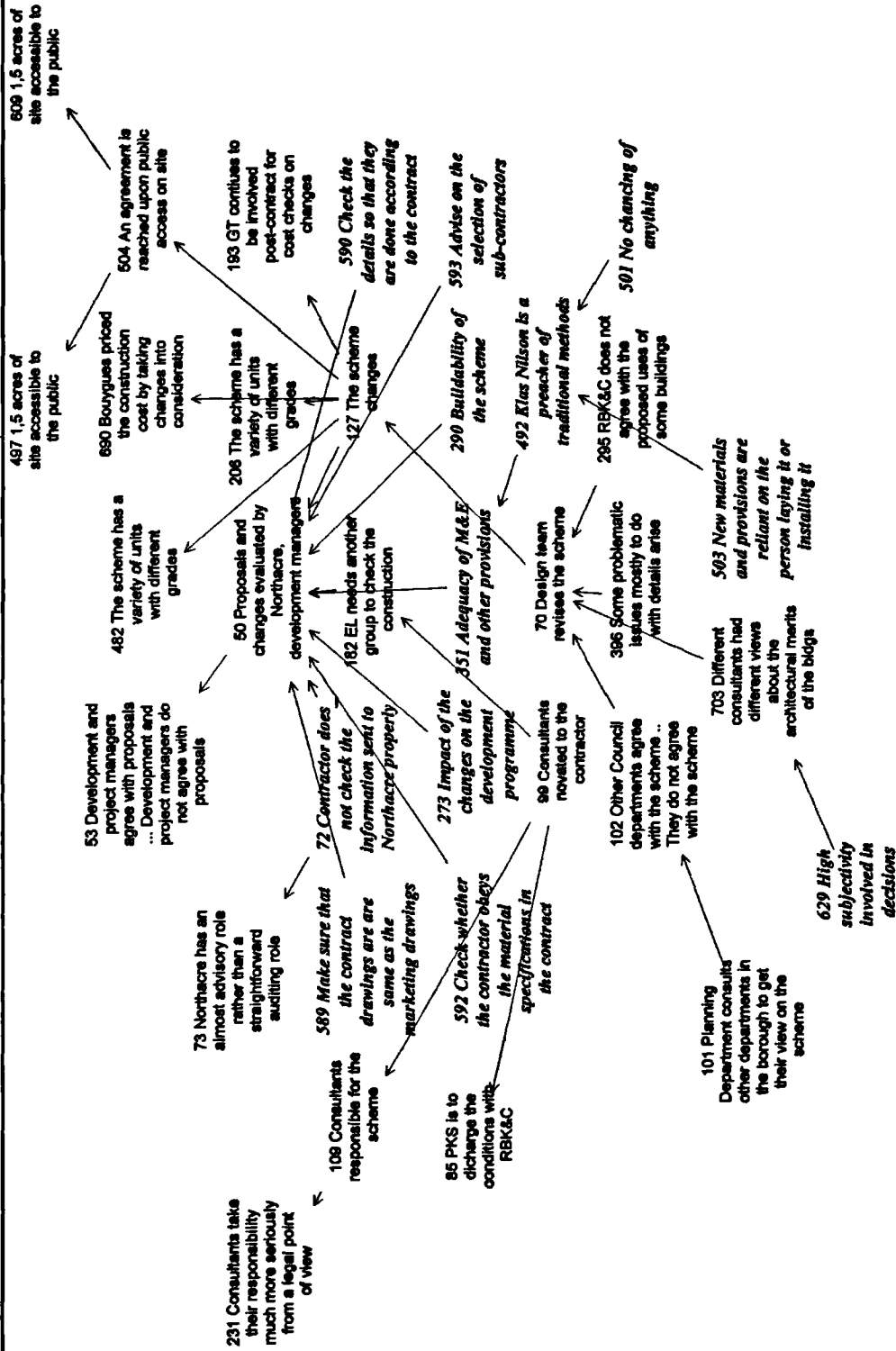
UCL

Cluster 2- Formal planning application & subsequent negotiations

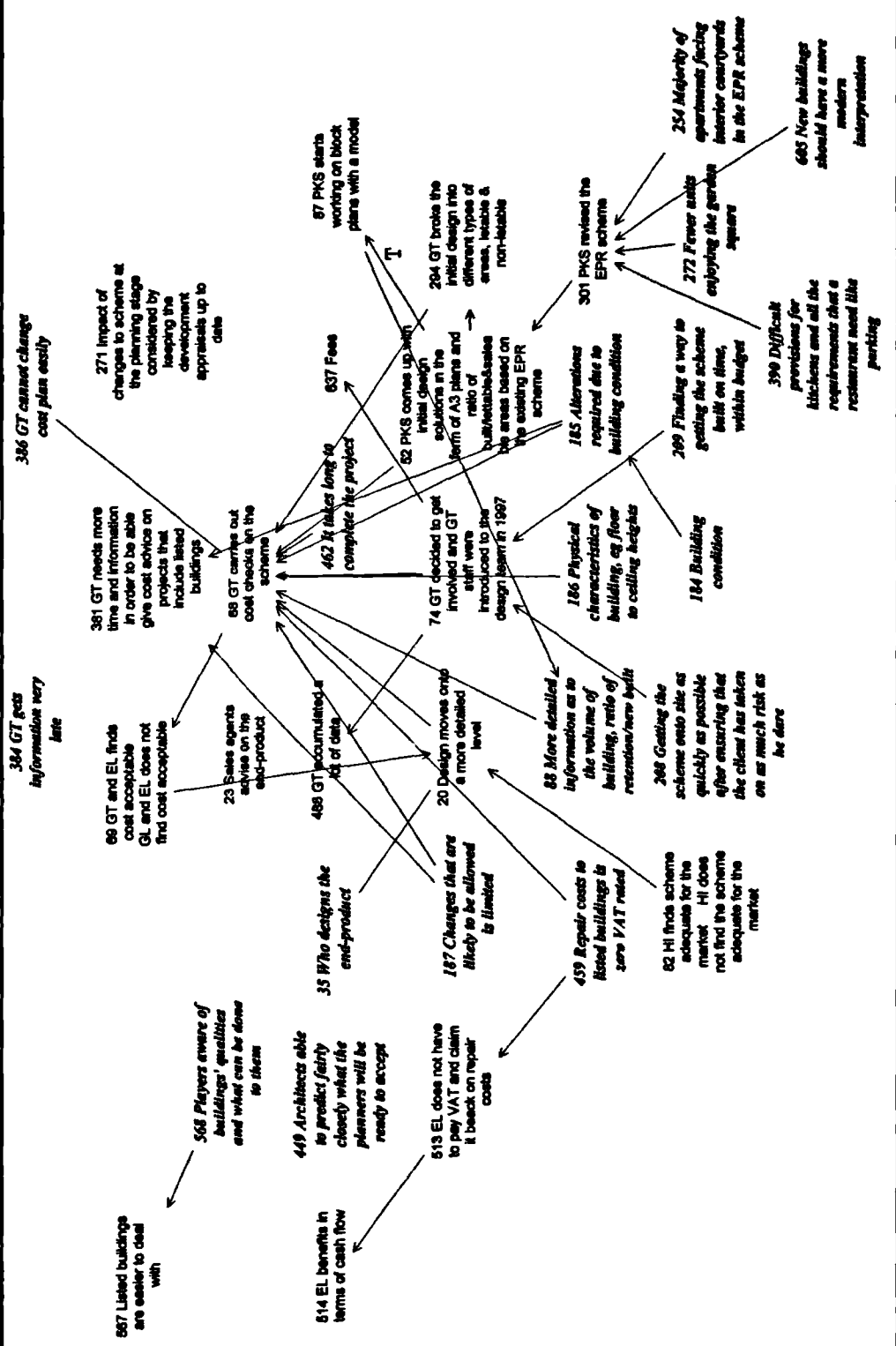


NAME: _____
PROCESS: _____

Cluster 3- Design revisions



Cluster 5- PKS' revision of EPR scheme & costing



Cluster 8- Chelsea College's relocation to 552 King's Road Site

120 Chelsea College
moved some of its
premises to this
site



119 Premises
refurbished by
Chelsea College

process

Banxia Decision Explorer

Bartlett

UCL

Cluster 9- Announcement of PFI by Government

*150 Private sector's
and the bank's
confidence in the
scheme increased* ←

149 Government
announced the PFI
scheme in November
1992

issues process

Banxia Decision Explorer

Bartlett

UCL

Cluster 10- King's College's attempt to get planning permission for the site

159 Another road scheme emerged



157 King's College sets off getting planning permission for 552 King's Road Site

process

Banxia Decision Explorer

Bartlett

UCL

Cluster 11 - London Underground projects influencing 552 King's Road Project

165 King's College
finds itself
standing by a
reservation from LU
having cleared the
roadway obstacles
and RBK&C stopped
from issuing a
planning permission



164 Ministry of
Public Transport
made some
safeguarding
researvations

process

Banxia Decision Explorer

Bartlett

UCL

Cluster 12- PFI deal

148 Some delays to commence works at a point when King's College was anxious to get on

146 King's College was given appropriate consents for their plans

145 Some proposals, which met the requirements of health trusts and the Colleges emerged

144 Numerous options for proposals negotiated between King's College and health trusts

172 Health trusts willing to control the development

177 EL meets the Public Sector Parameter

179 Alternative projects

176 EL prepares the bid for PFI

405 King's College's willingness to control development

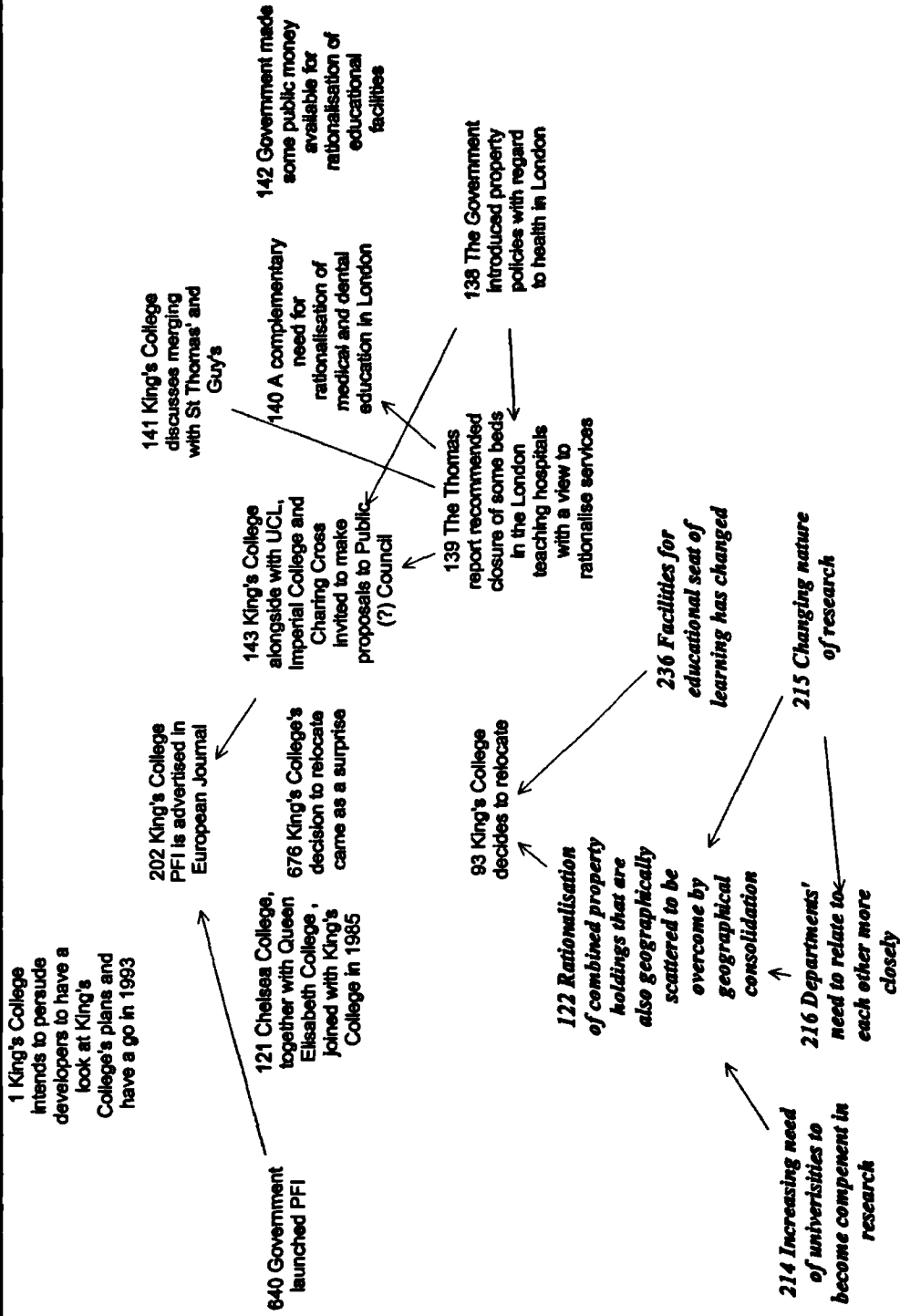
issues process

Banxia Decision Explorer

Bartlett

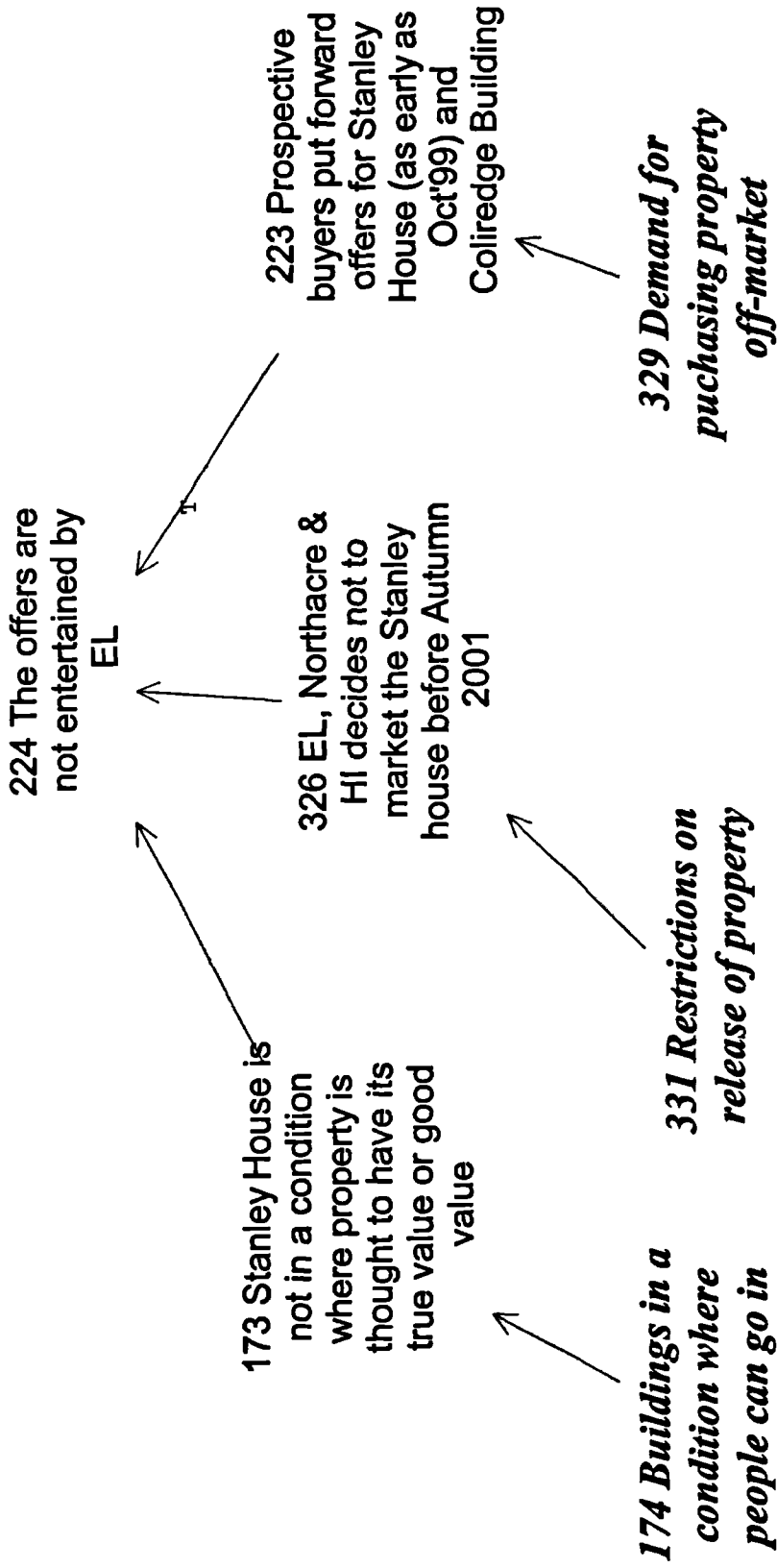
UCL

Cluster 13- King's College's decision to relocate



issues process

Cluster 14- Pre-marketing demand for Stanley House



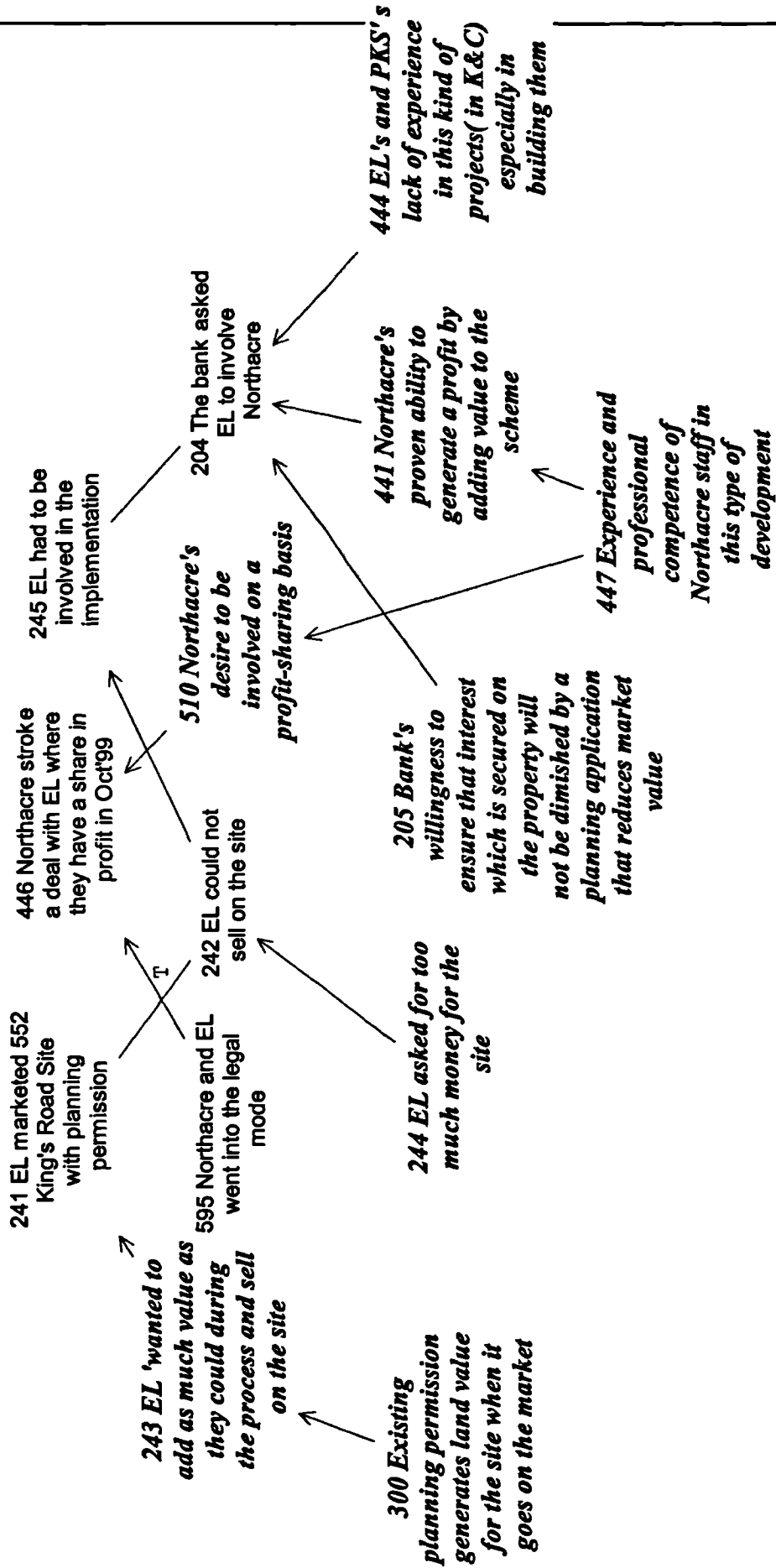
issues process

Banxia Decision Explorer

Bartlett

UCL

Cluster 16- NA's involvement: background



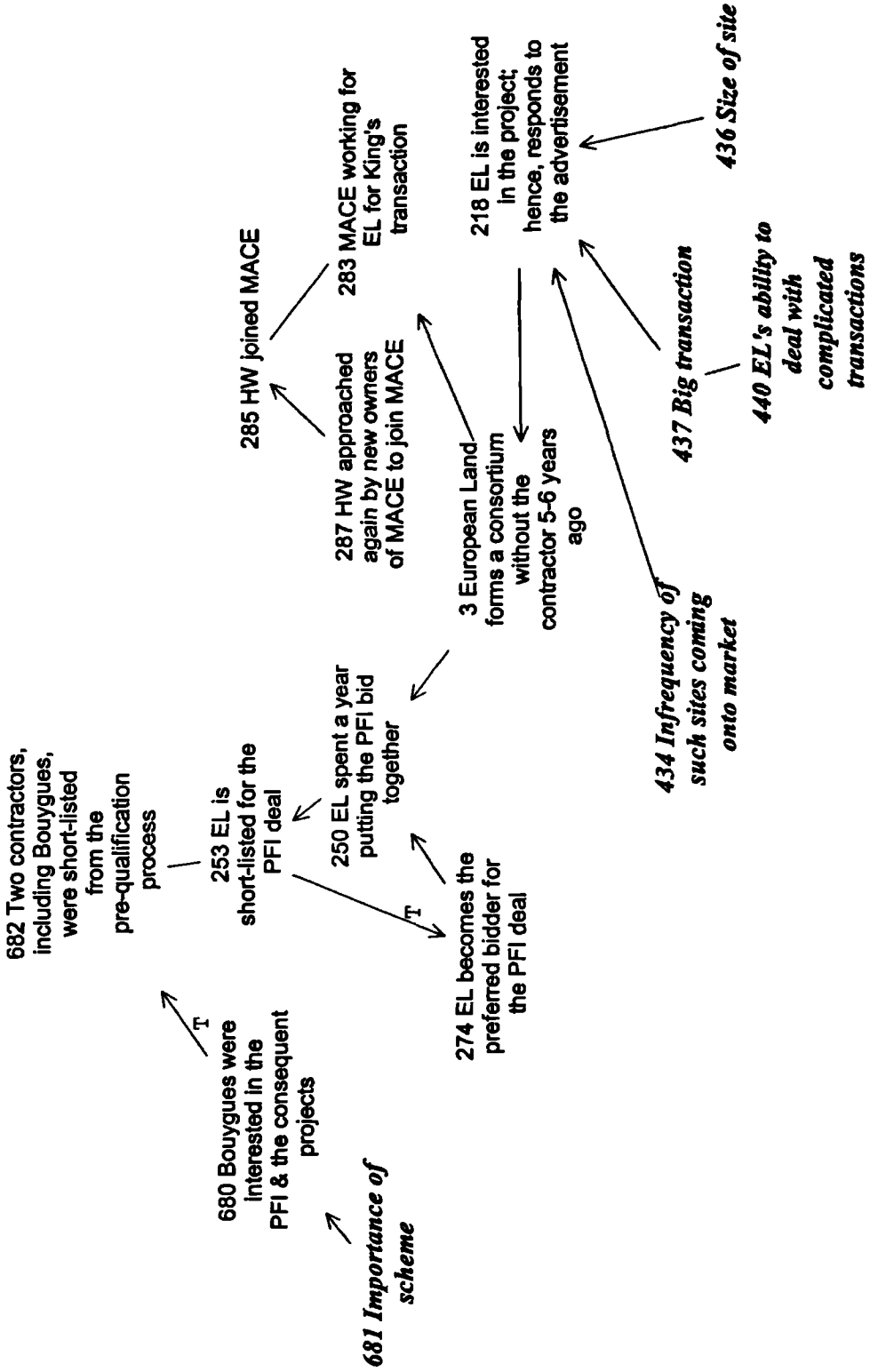
issues process

Banxia Decision Explorer

Bartlett

UCL

Cluster 18- EL's & Bouygues' involvement



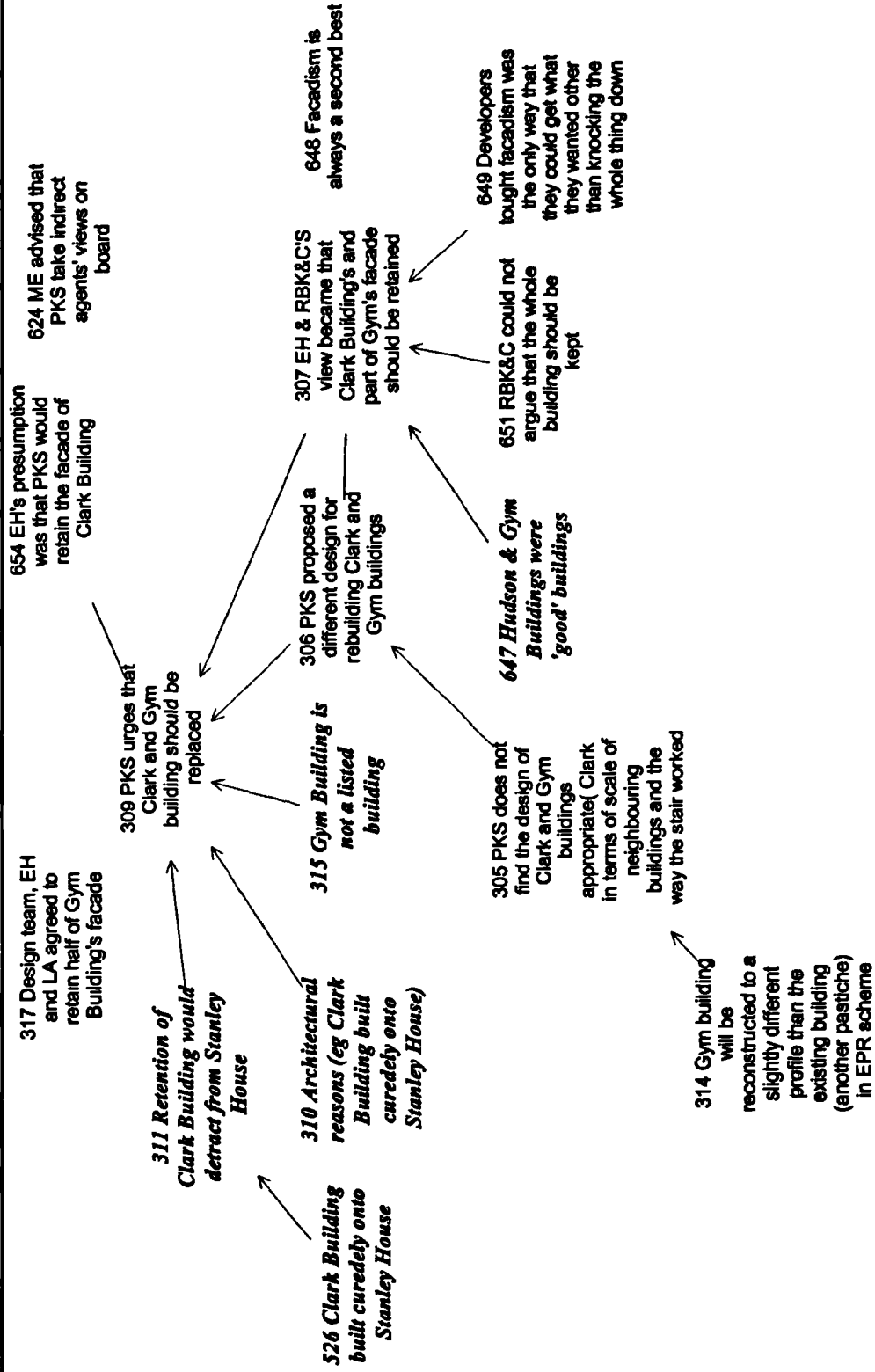
issues process

Banxia Decision Explorer

Bartlett

UCL

Cluster 19- Negotiations on alterations to existing buildings



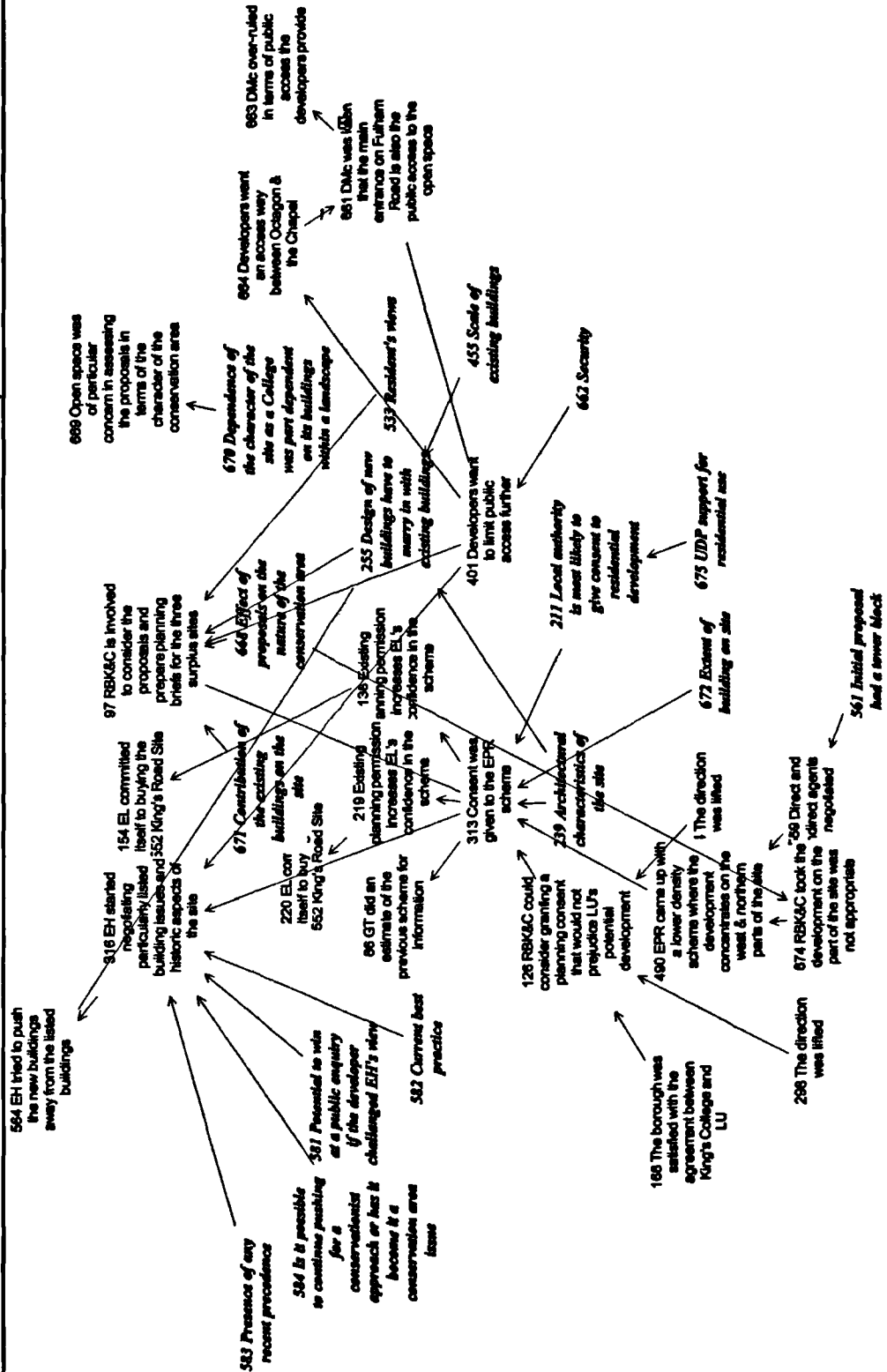
Issues process

Banxia Decision Explorer

Bartlett

UCL

Cluster 20- Consent for EPR scheme & initiation of present scheme



Cluster 22- Instructions for changes during construction process

350 Construction
proceeds



54 Issues outlined
in the proposals
settled



702 EL issues a
request instruction
to Bouygues to
consider certain
changes

process

Banxia Decision Explorer

Bartlett

UCL

Cluster 23- HI's marketing advantages

360 HI has a good history of bringing money into UK

358 HI knows the market very well

357 HI has strong offices

359 HI has clients in the Far East

issues

Banxia Decision Explorer

Bartlett

UCL

Cluster 24- Market condition in the Far East

***356 Last 2,5 years
have been difficult
in the Far East***

***364 Cash was
available in the Far
East***

***355 Amount of cash
made and liquidity
are dependent on the
financial exchange***

***363 Hen-Seng had
improved***

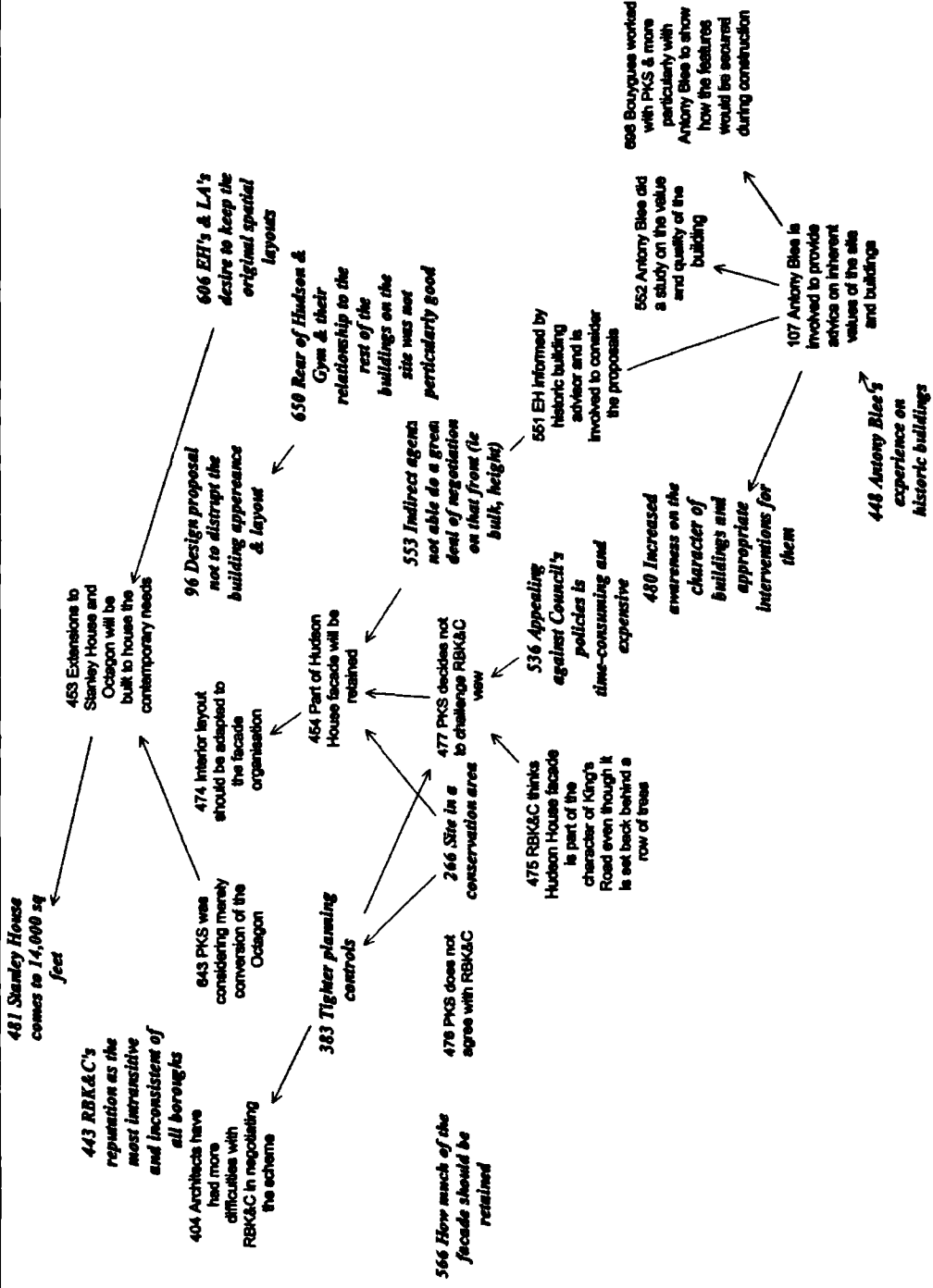
issues

Banxia Decision Explorer

Bartlett

UCL

Cluster 25- Factors influencing design objectives for listed buildings

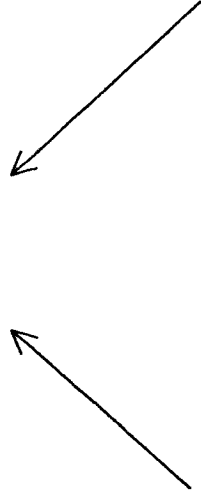


Cluster 26- Lack of knowledge transfer between members of staff at LA & EH

573 A lot of the understanding and detail goes

571 A lot of the memory and value about the scheme is within the individual person at the borough, at EH

572 The person leaves



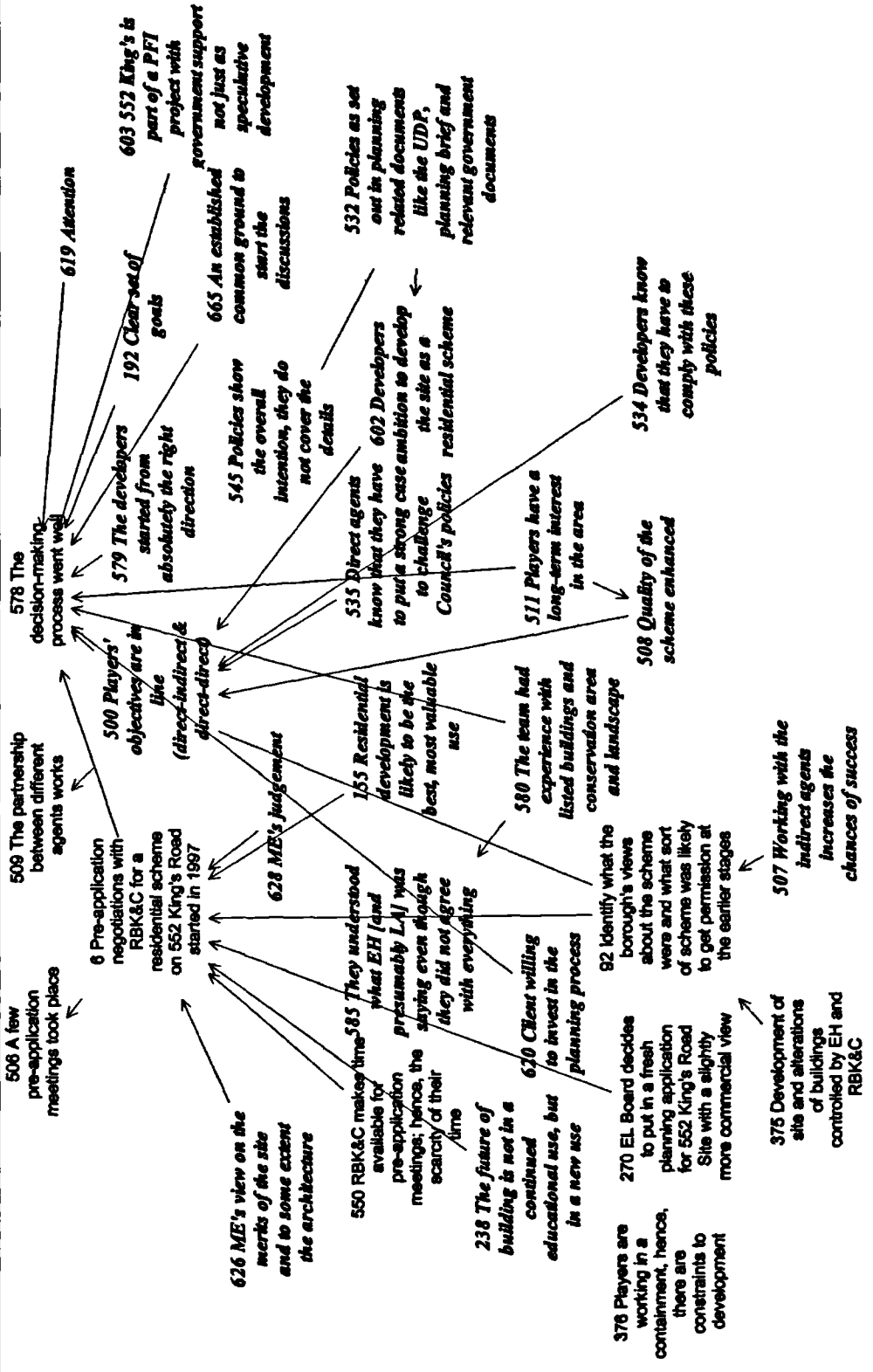
issues

Banxia Decision Explorer

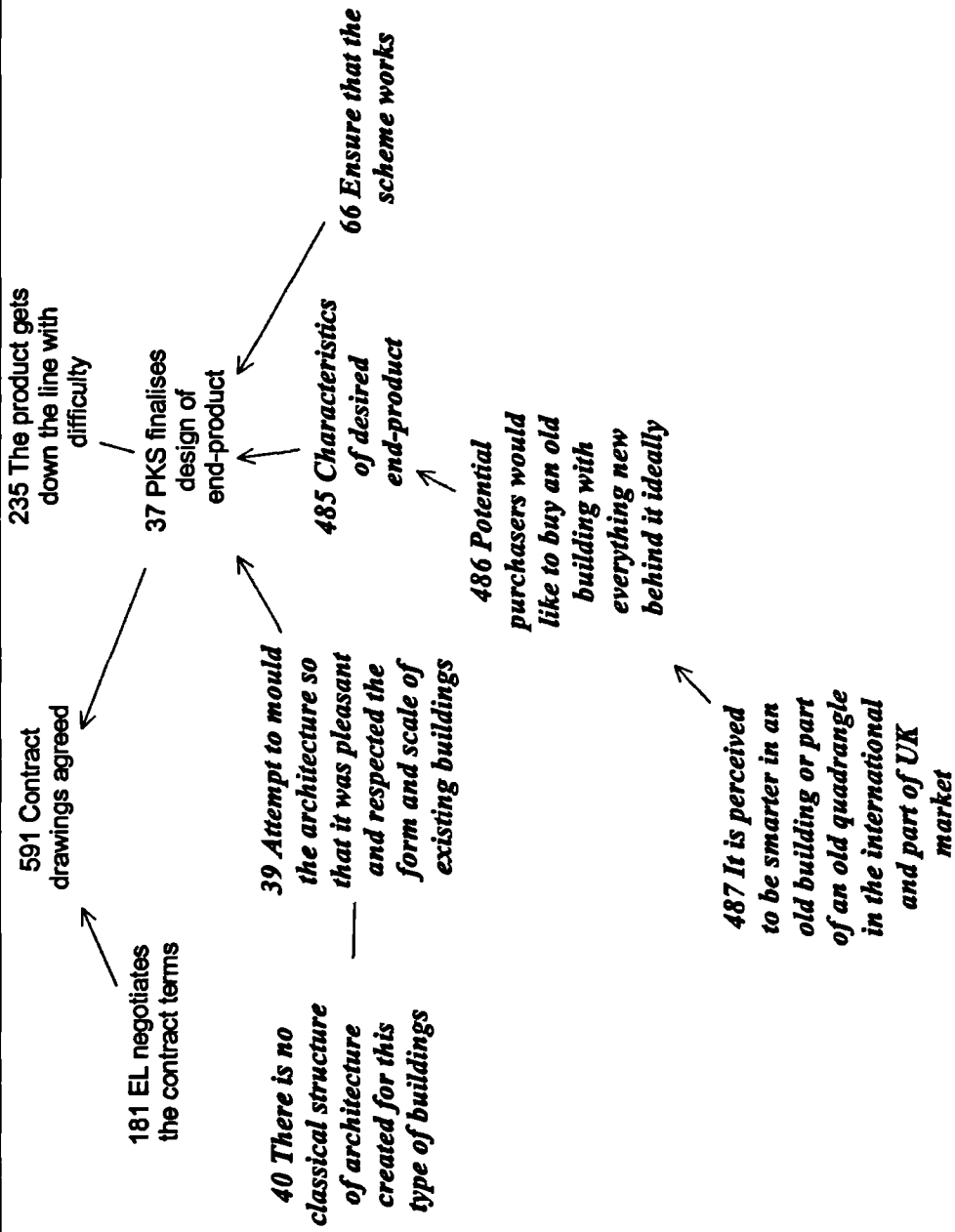
Bartlett

UCL

Cluster 27- Factors facilitating an unproblematic decision-making process



Cluster 28- Completion of end-product design



Cluster 29- Provision of affordable housing off-site

538 130 units of affordable housing will be provided by EL

618 ME & EL will get permission for 30 more units



617 ME & EL got planning permission for a 100 units in total (33 affordable)

615 RBK&C stated that the new 100 units required 30 affordable units

616 RBK&C pushing ME and EL a little harder as they have already got 100 units

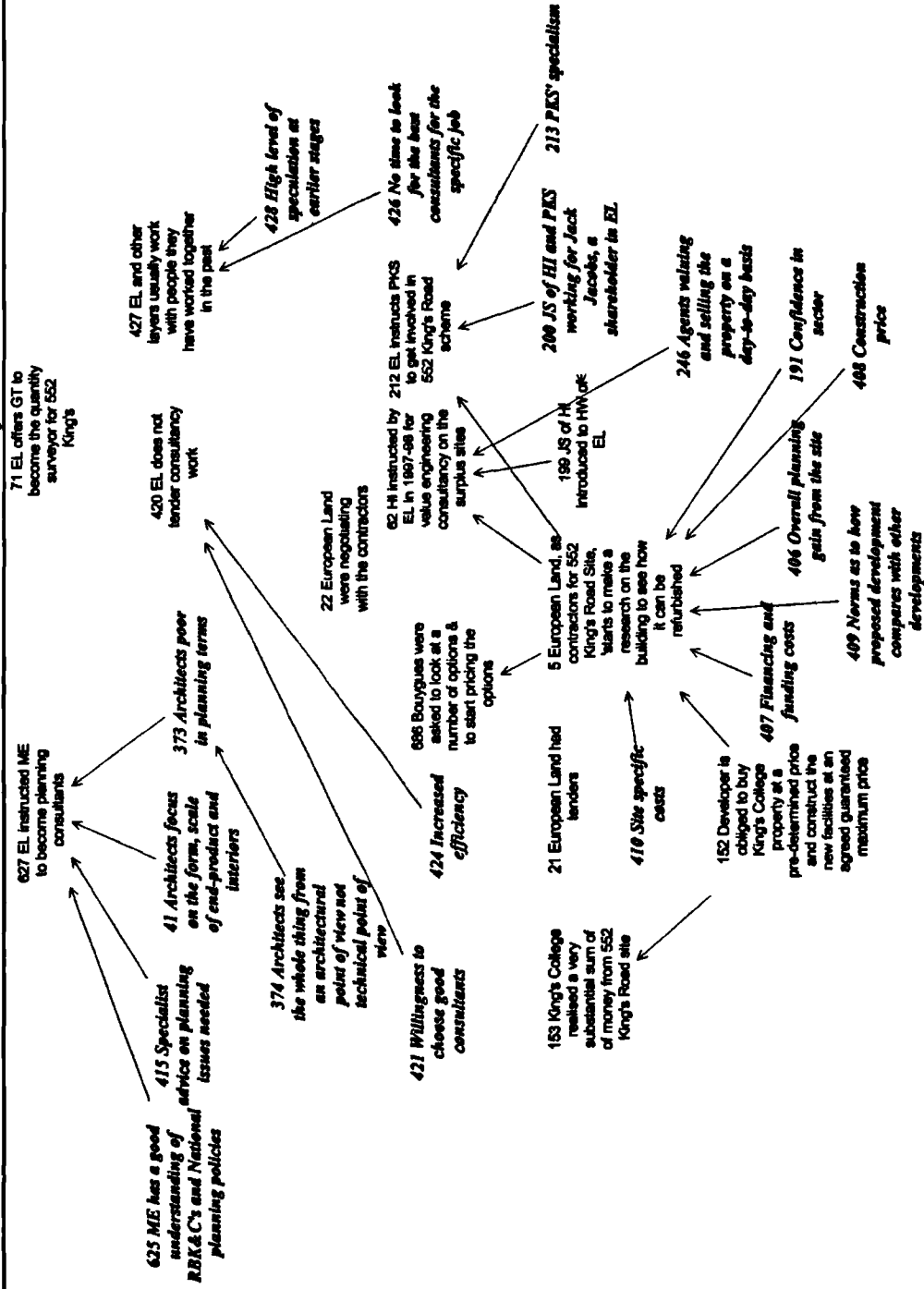
issues process

Banxia Decision Explorer

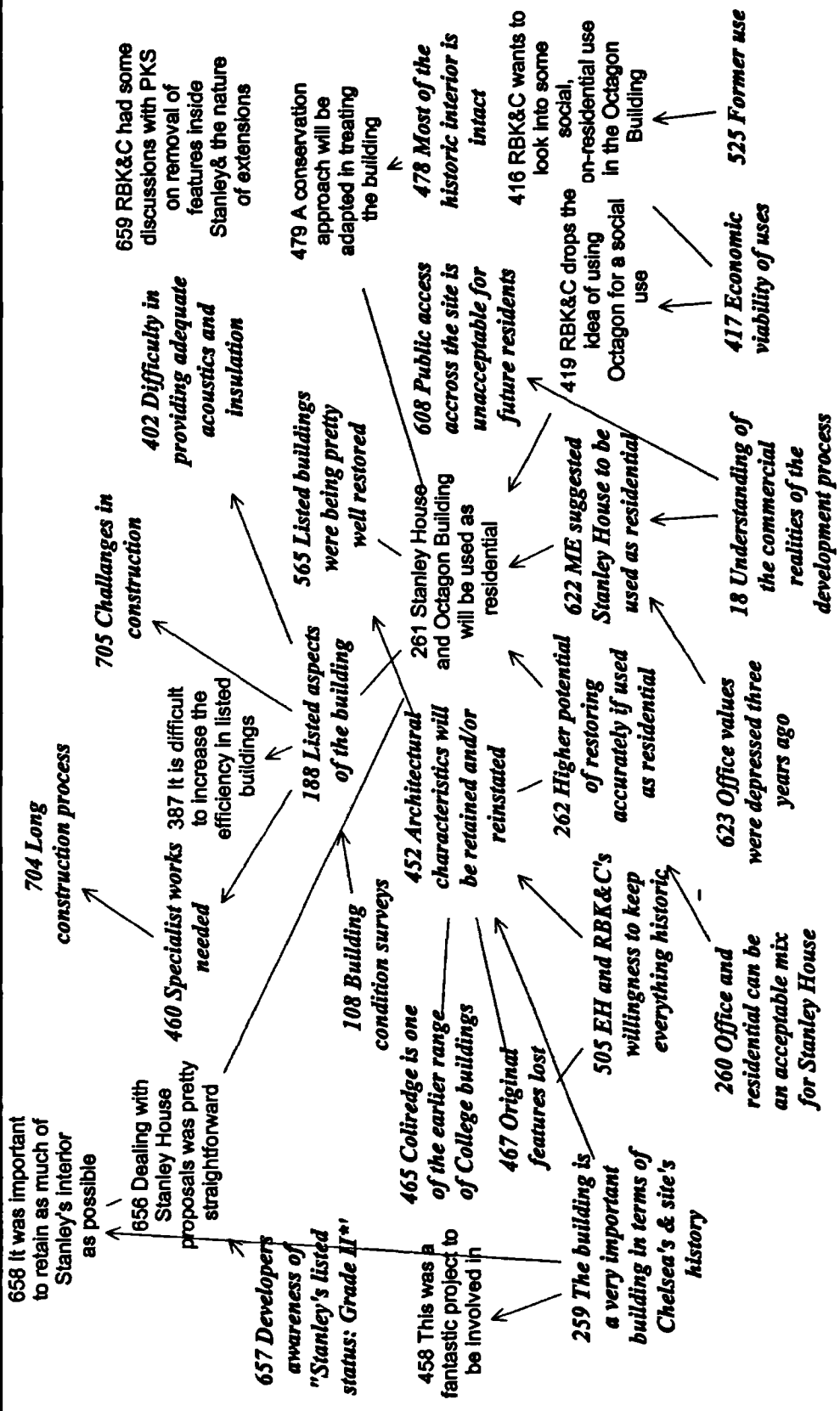
Bartlett

UCL

Cluster 30- Team assembly



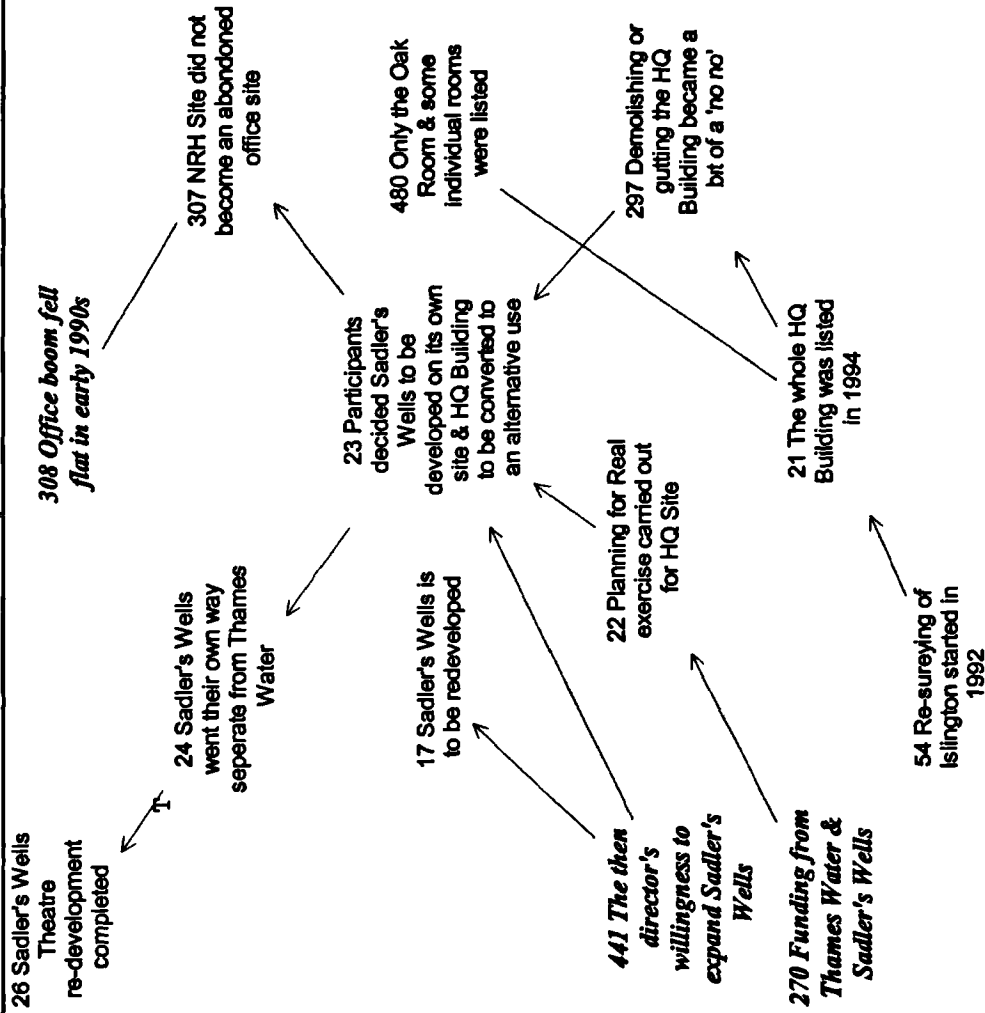
Cluster 31 - Influence of buildings' listed aspects on design objectives for listed buildings



Issues process

Appendix 4
NRH Project
Cluster Maps

Cluster 1- Planning for real exercise



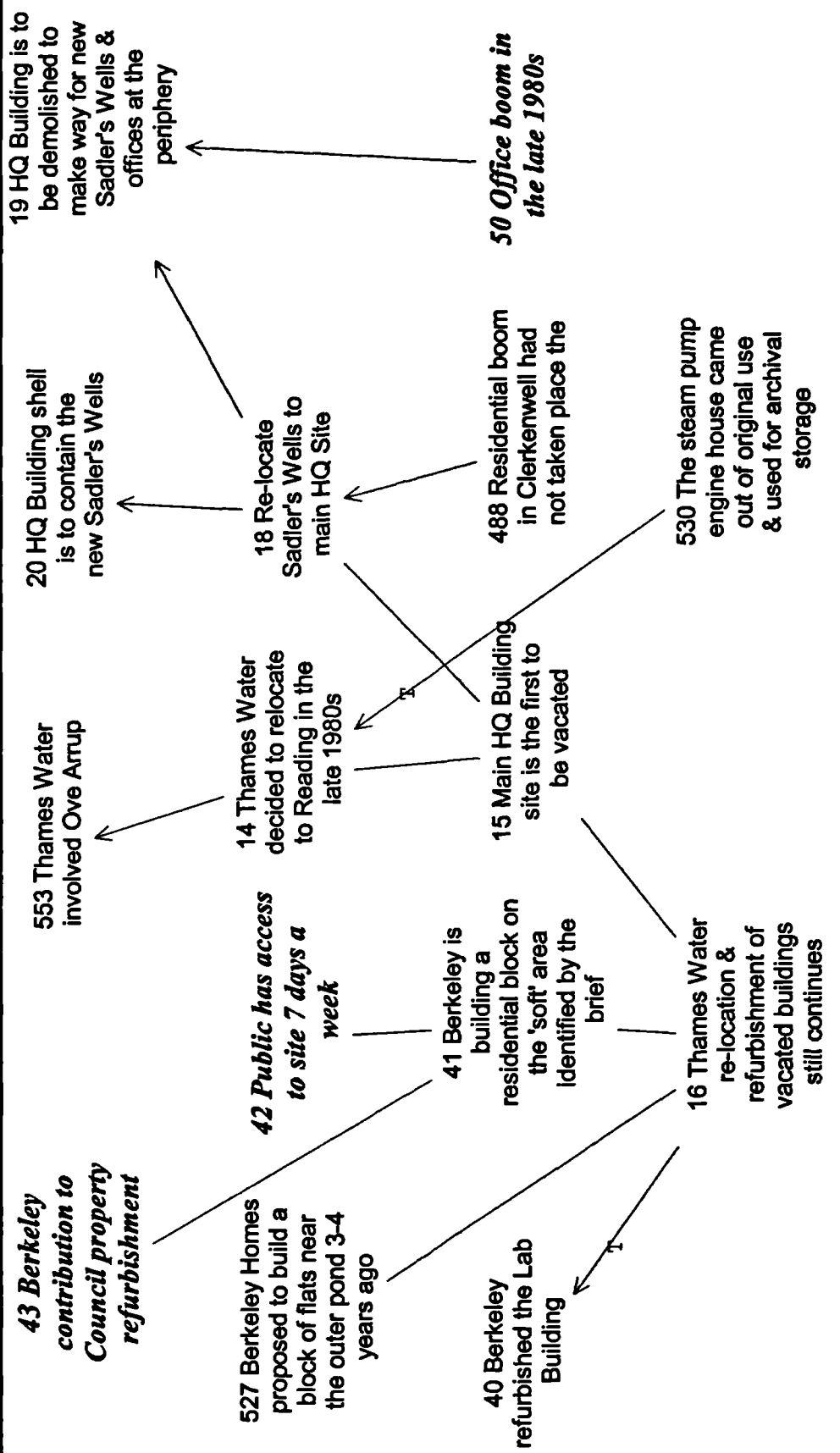
Issues process

Banxia Decision Explorer

Bartlett

UCL

Cluster 2- TW's decision to relocate



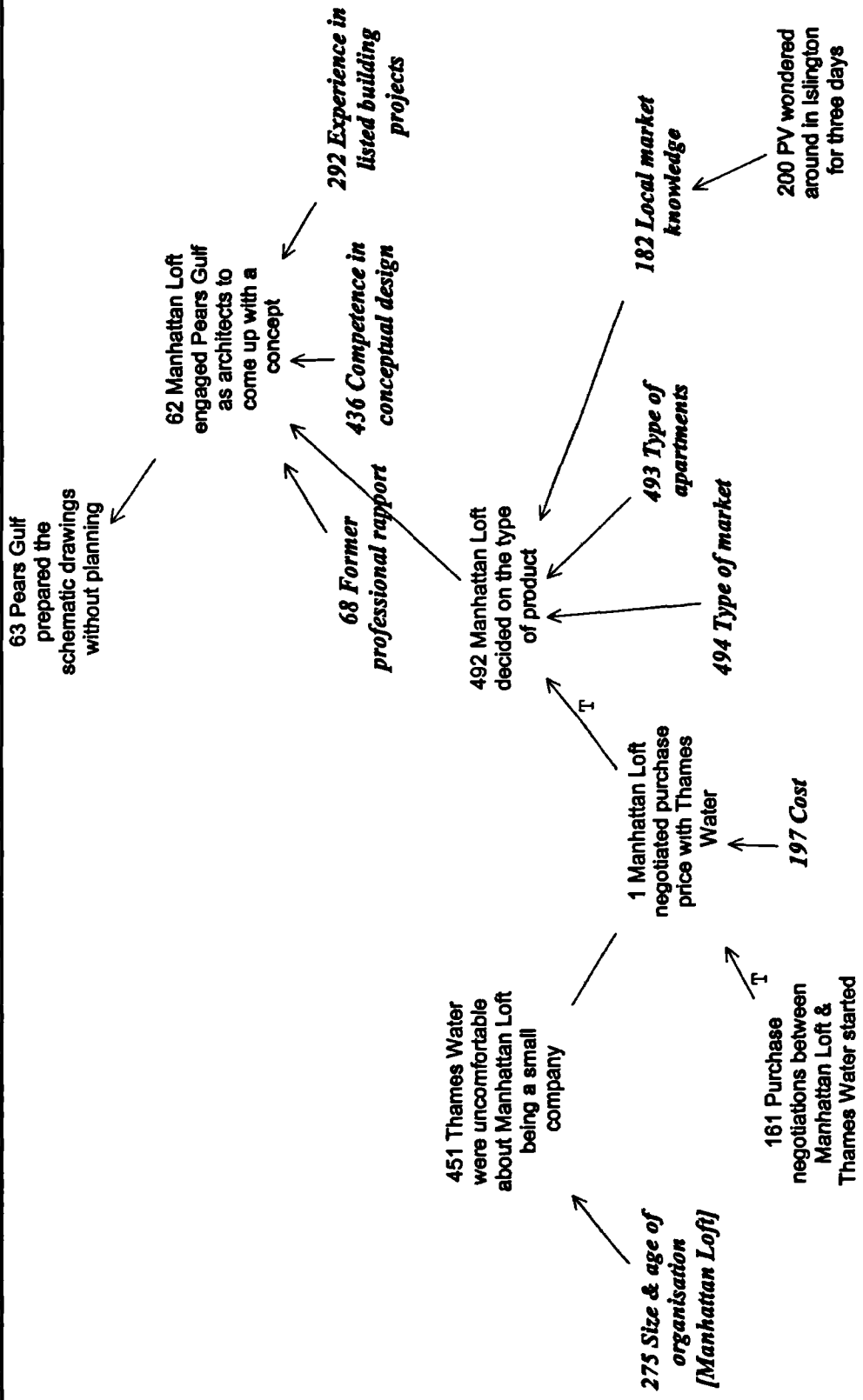
issues process

Banxia Decision Explorer

Bartlett

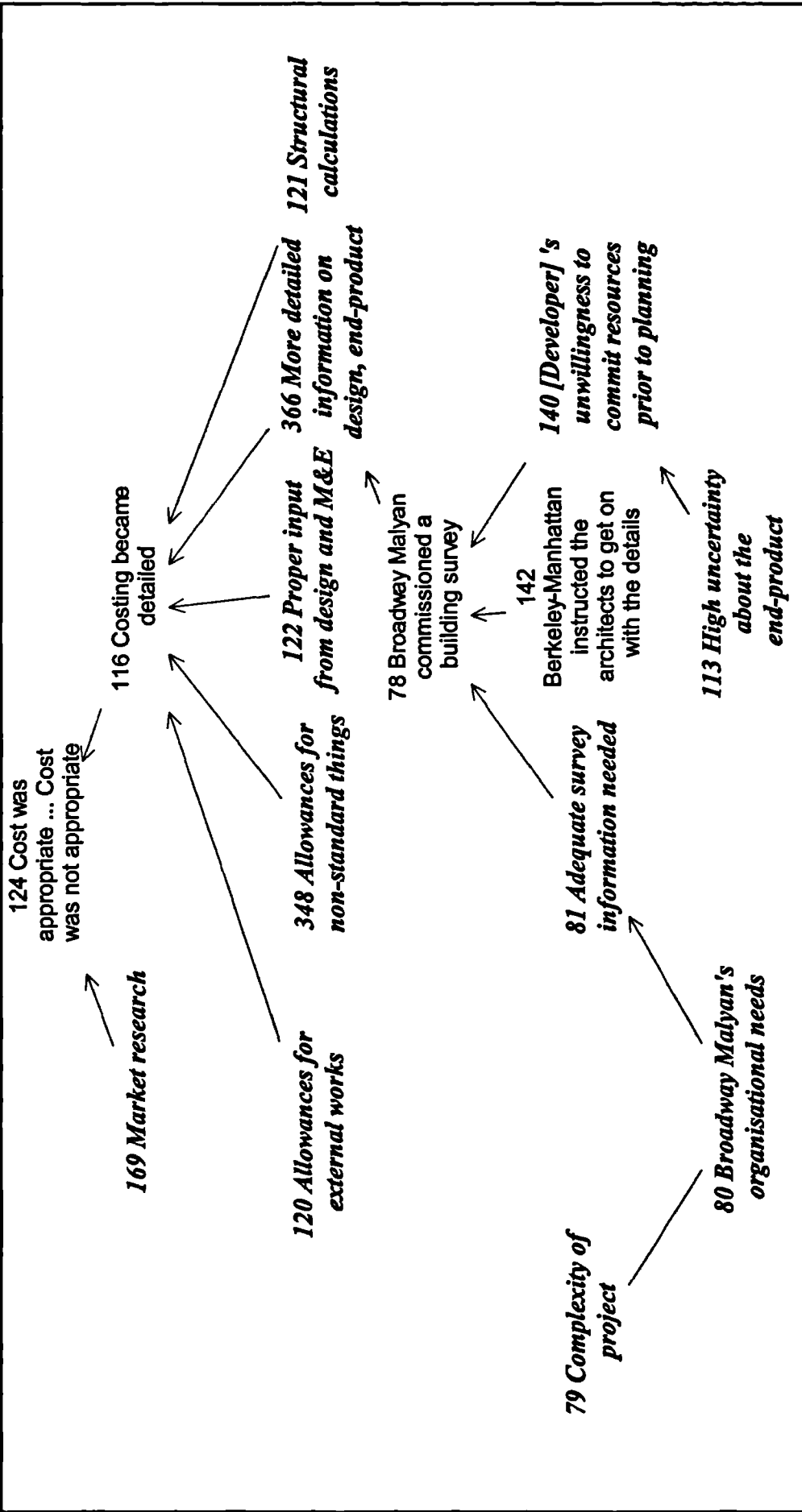
UCL

Cluster 3- Purchase negotiations between TW & ML



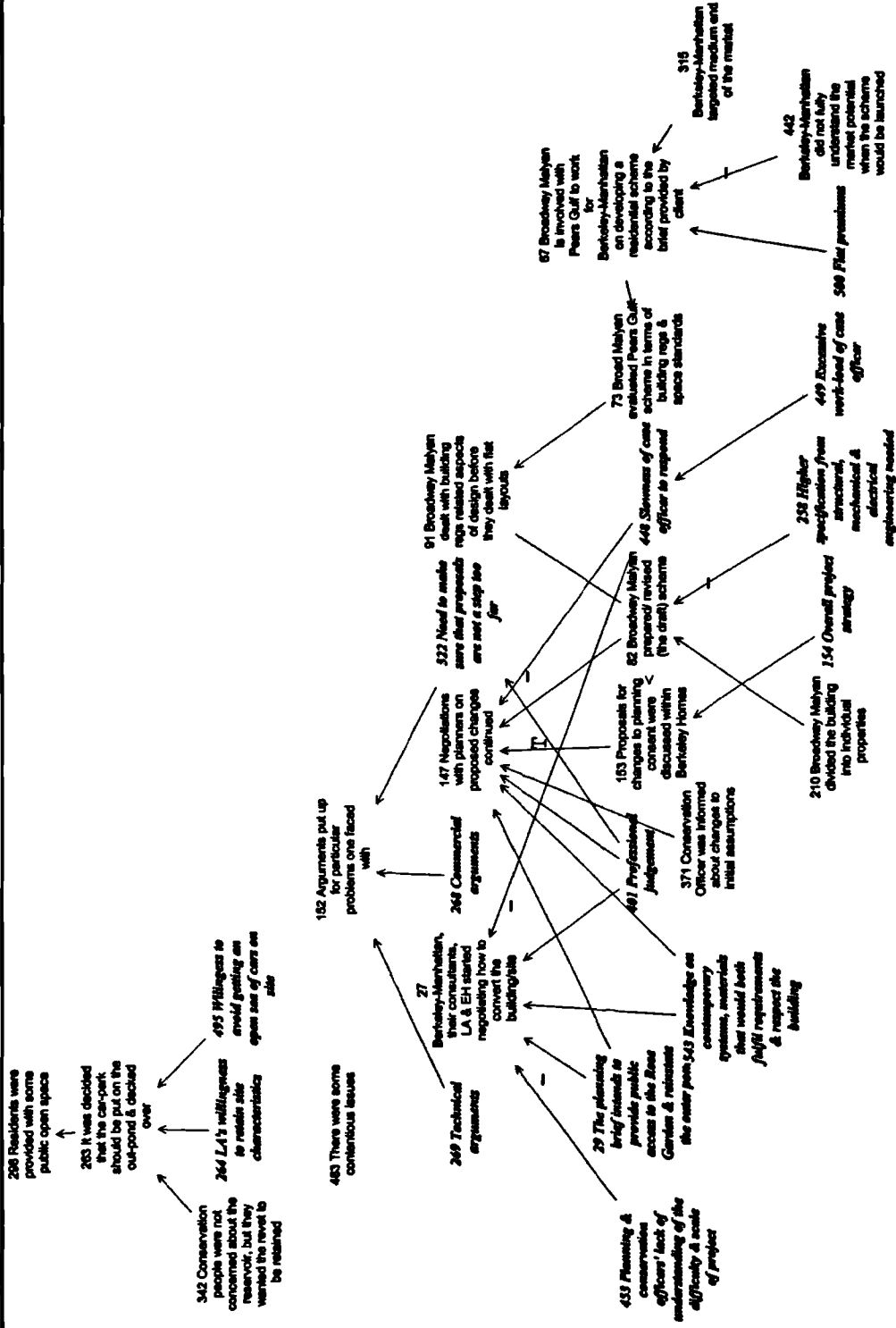
Issues process

Cluster 4- Costing

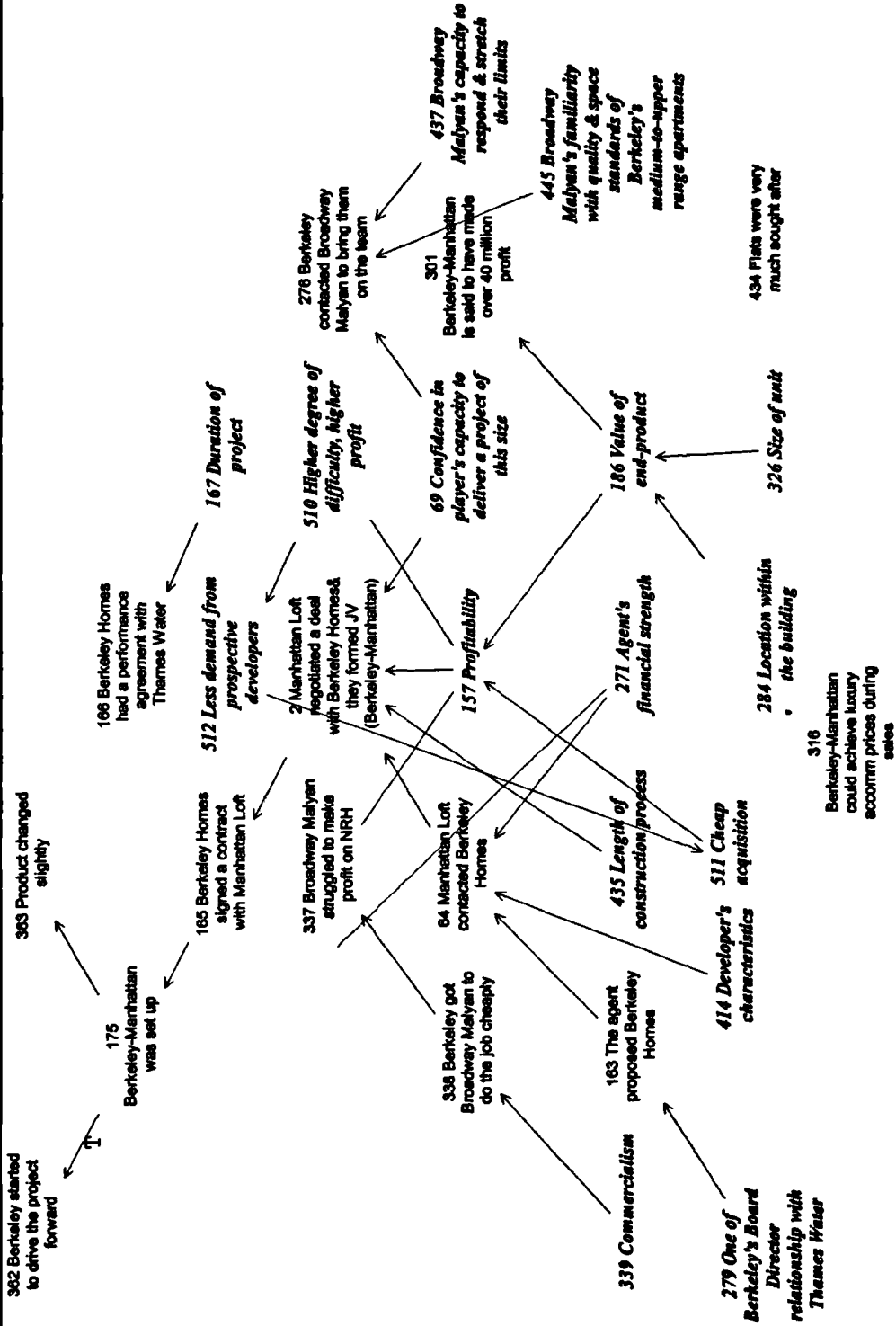


issues process

Cluster 5- Negotiations & design review



Cluster 6- Negotiations & deal between BH & ML



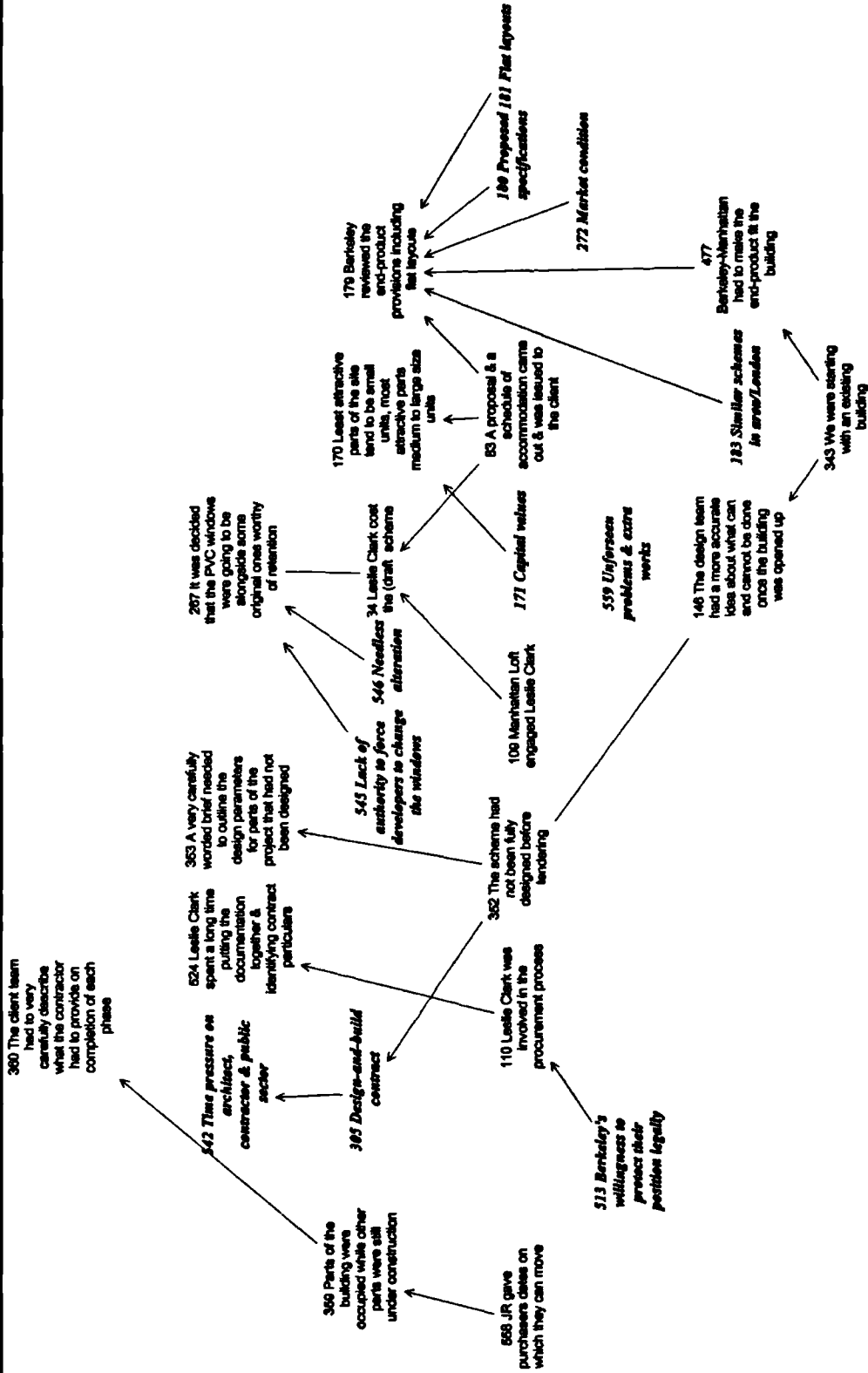
Issue process

Banxia Decision Explorer

Bartlett

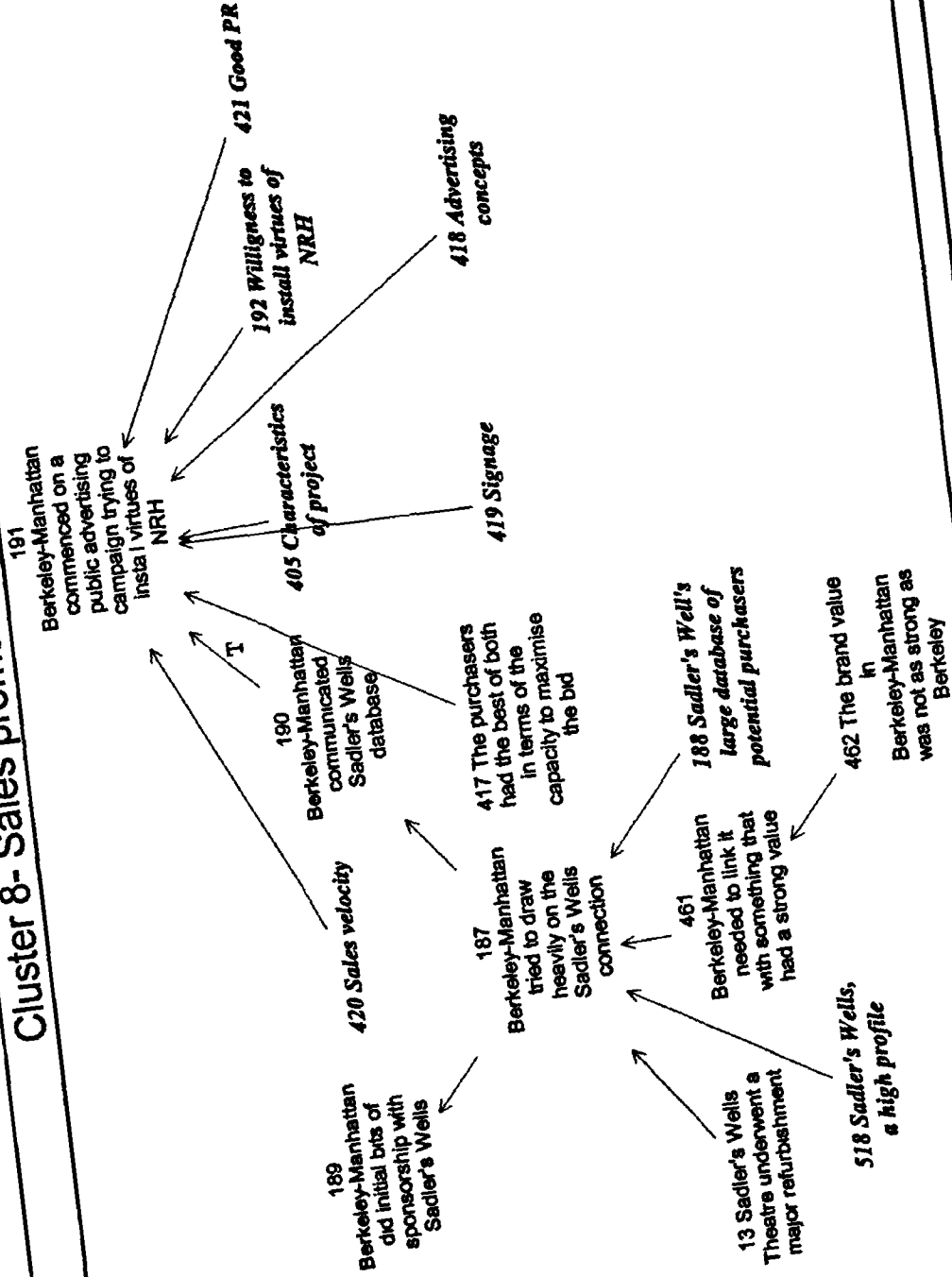
UCL

Cluster 7- Costing & tendering



Issues Process

Cluster 8- Sales promotion (strategy)



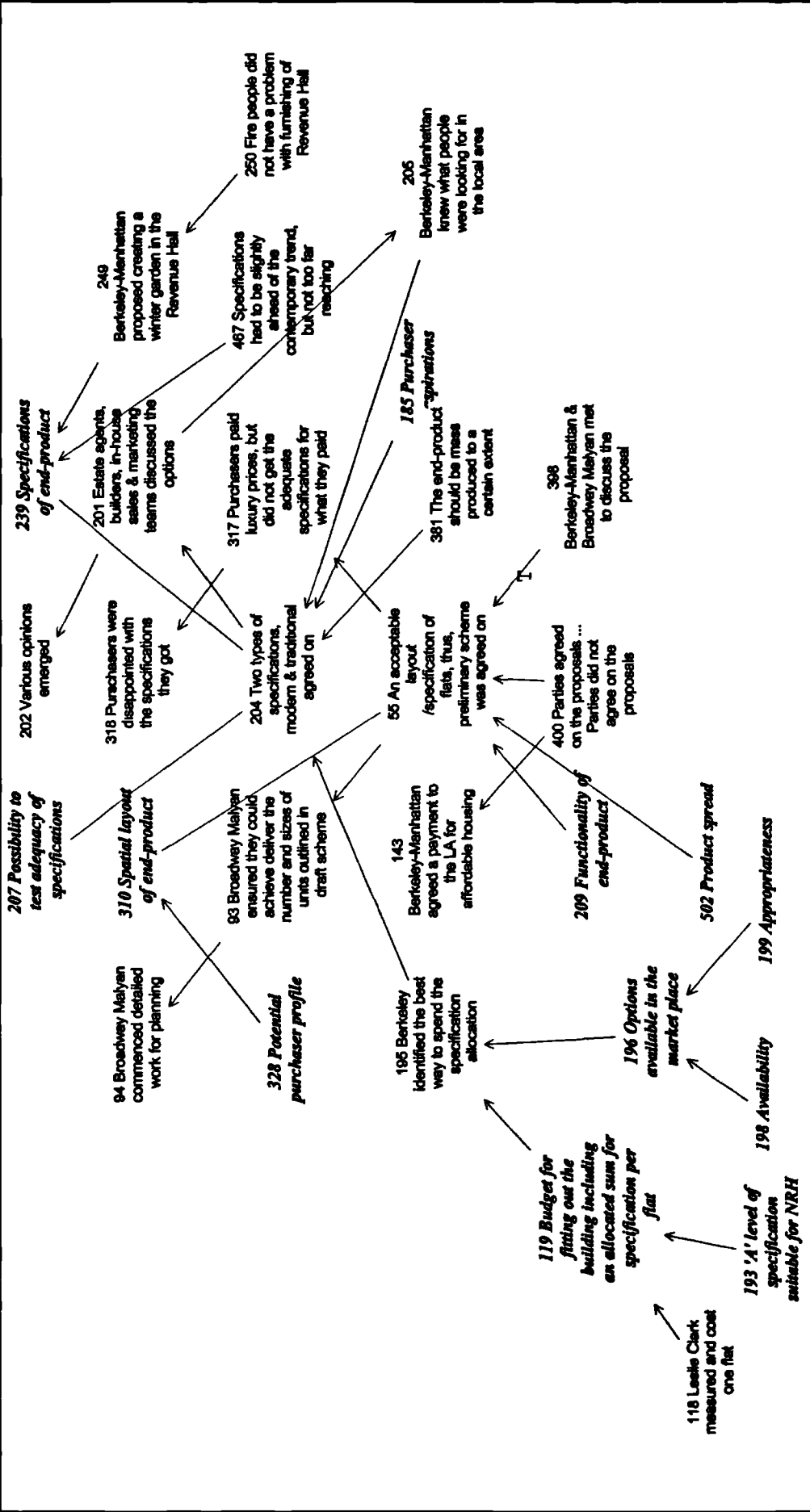
UCL

Bartlett

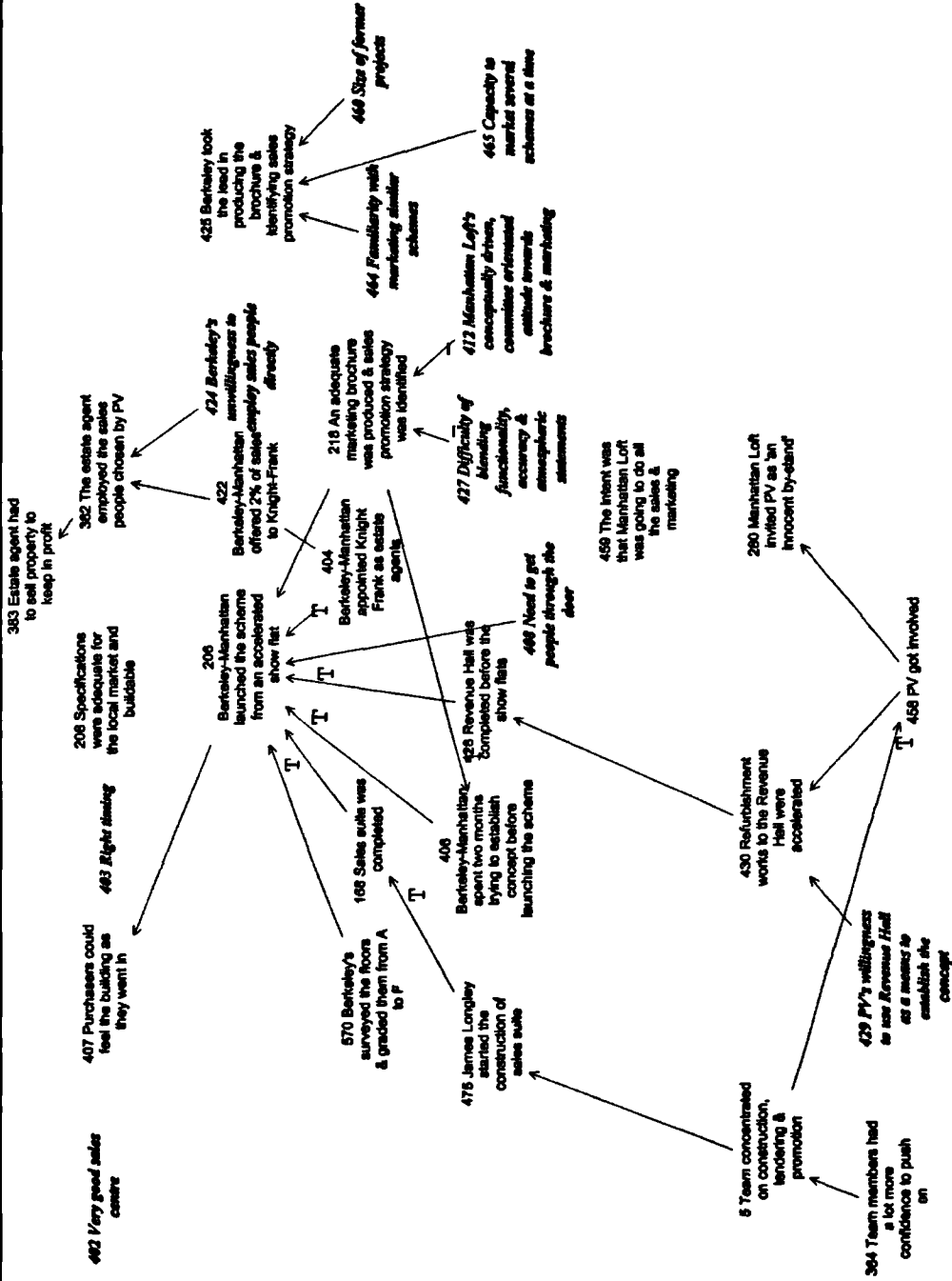
Issues process

Banxia Decision Explorer

Cluster 9- Identification of flat layouts & specifications

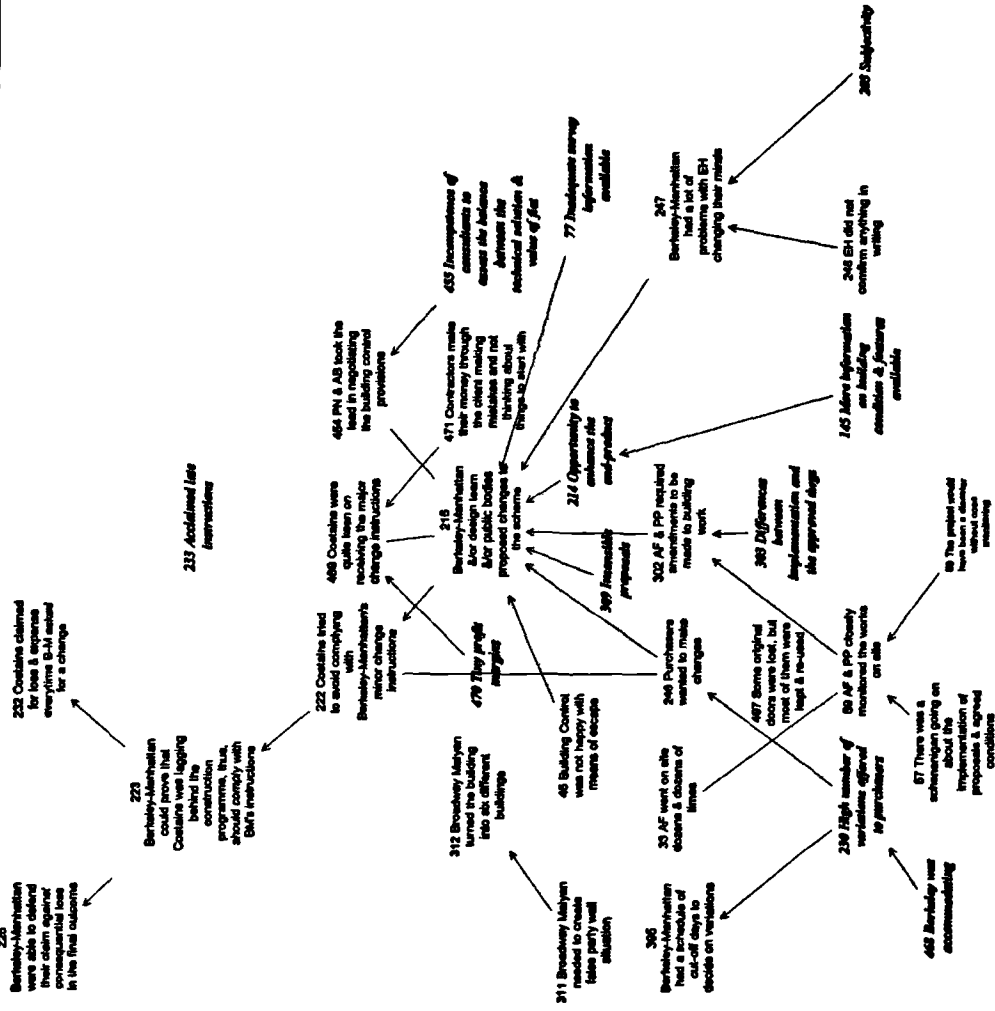


Cluster 10- Sales promotion (launch)



Issue process

Cluster 11- Design revisions



Cluster 13- Purchaser dissatisfaction

252
Berkeley-Manhattan
went to court with
purchasers about
this change

253
Berkeley-Manhattan
had to leave Revenue
Hall empty



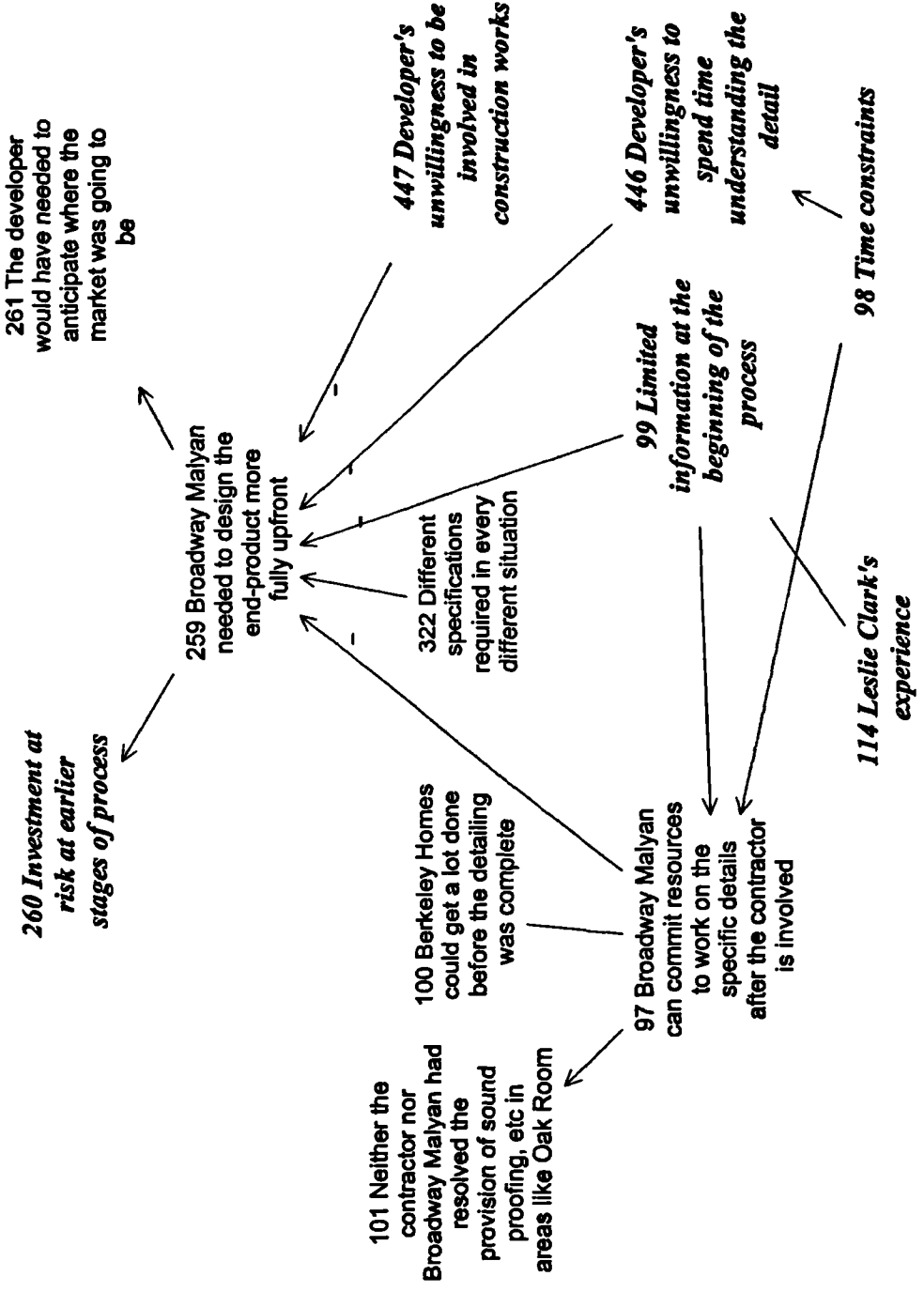
process

Banxia Decision Explorer

Bartlett

UCL

Cluster 14- Inadequate design detailing prior to tendering



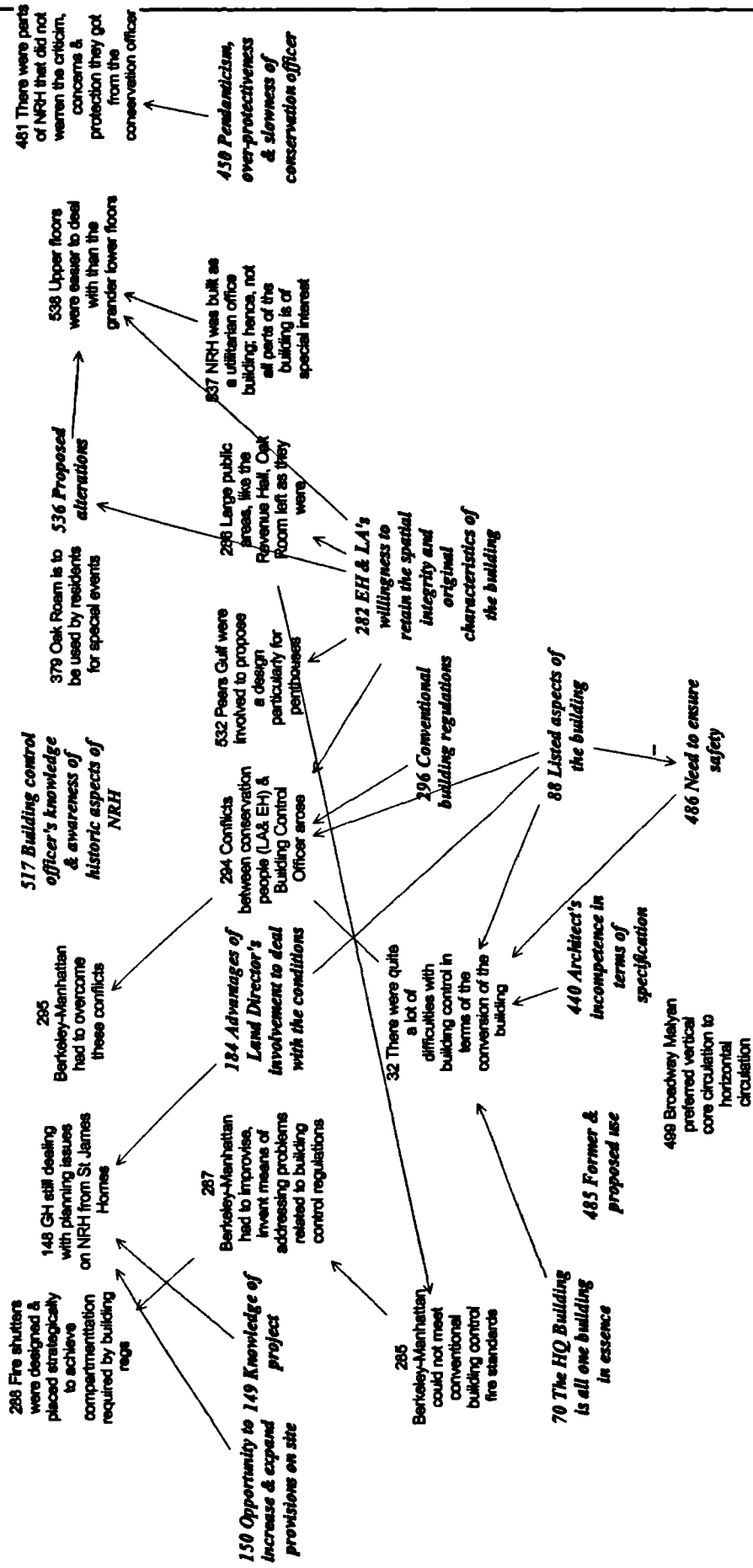
issues process

Banxia Decision Explorer

Bartlett

UCL

Cluster 15- Conflicts between agents



Cluster 16- Continuing development on NRH site

304 Berkeley
abandoned the idea

38 The Council won
the appeal

39 The Council put
in lots of effort to
get it 'chucked out'

process

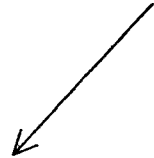
Banxia Decision Explorer

Bartlett

UCL

Cluster 17- Attempt to satisfy purchasers

394
Berkeley-Manhattan
tried to get
purchasers to have a
look during
construction



393 Explaining the
changes to
purchasers proved to
be difficult

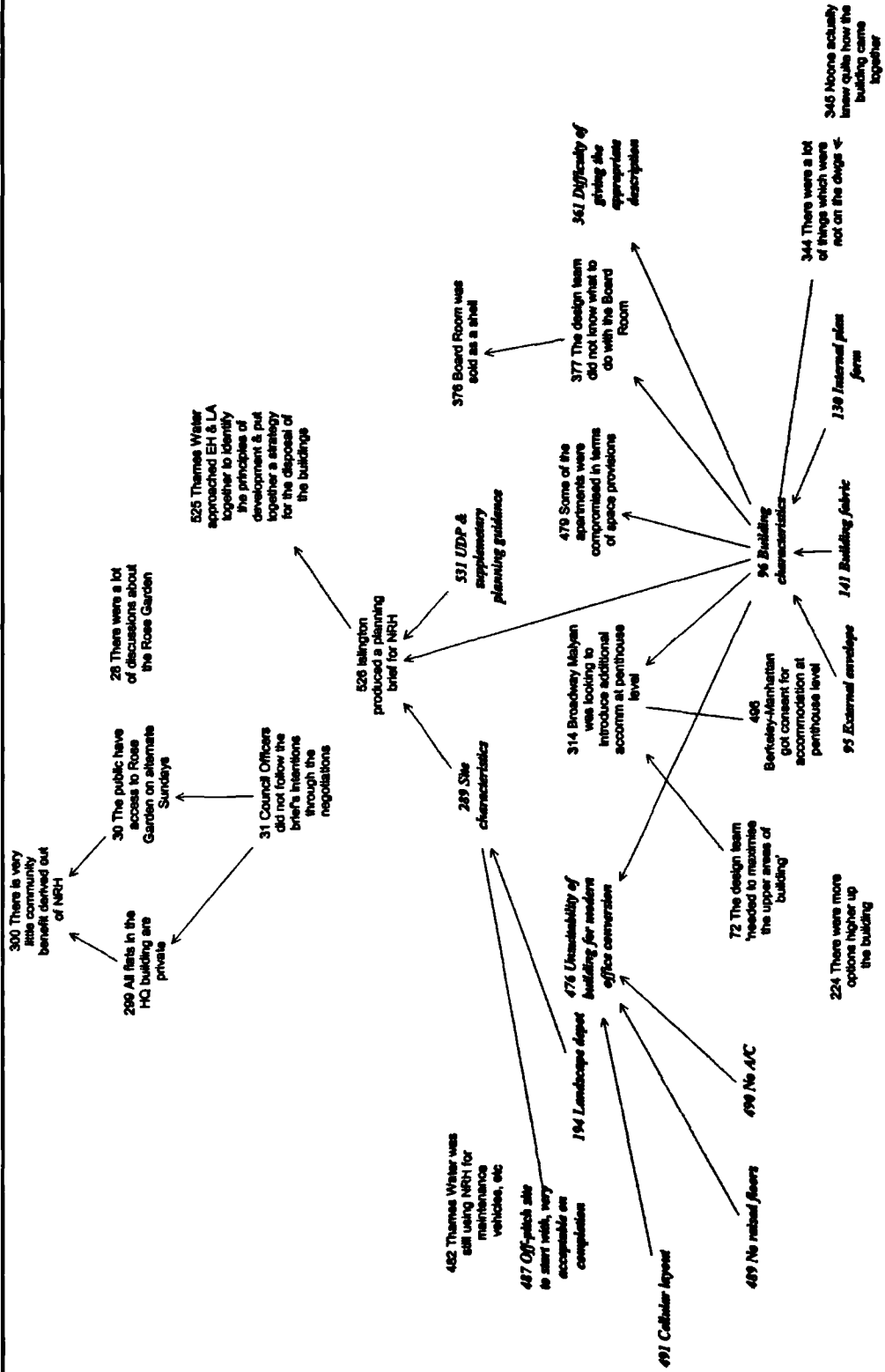
process

Banxia Decision Explorer

Bartlett

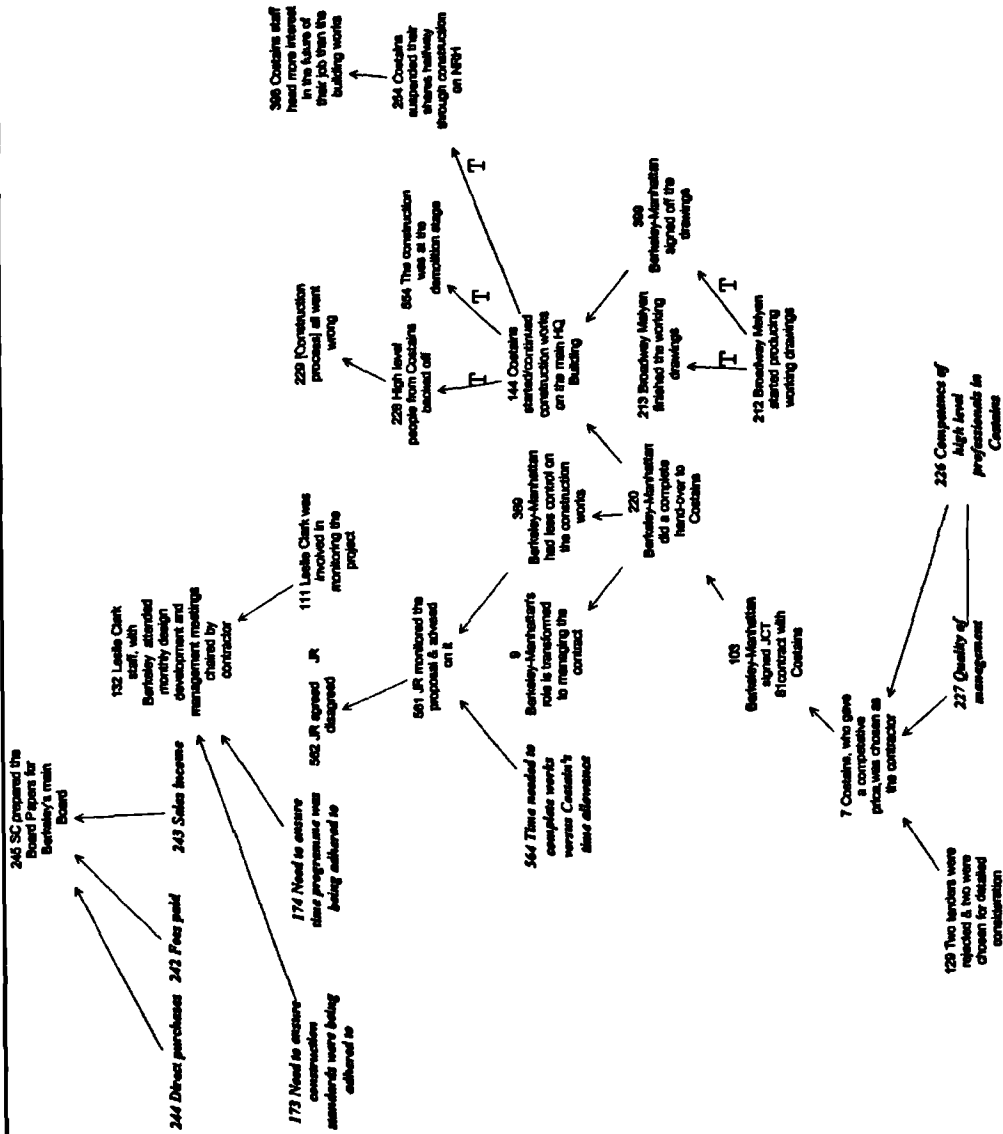
UCL

Cluster 18- Influence of building characteristics on end-product

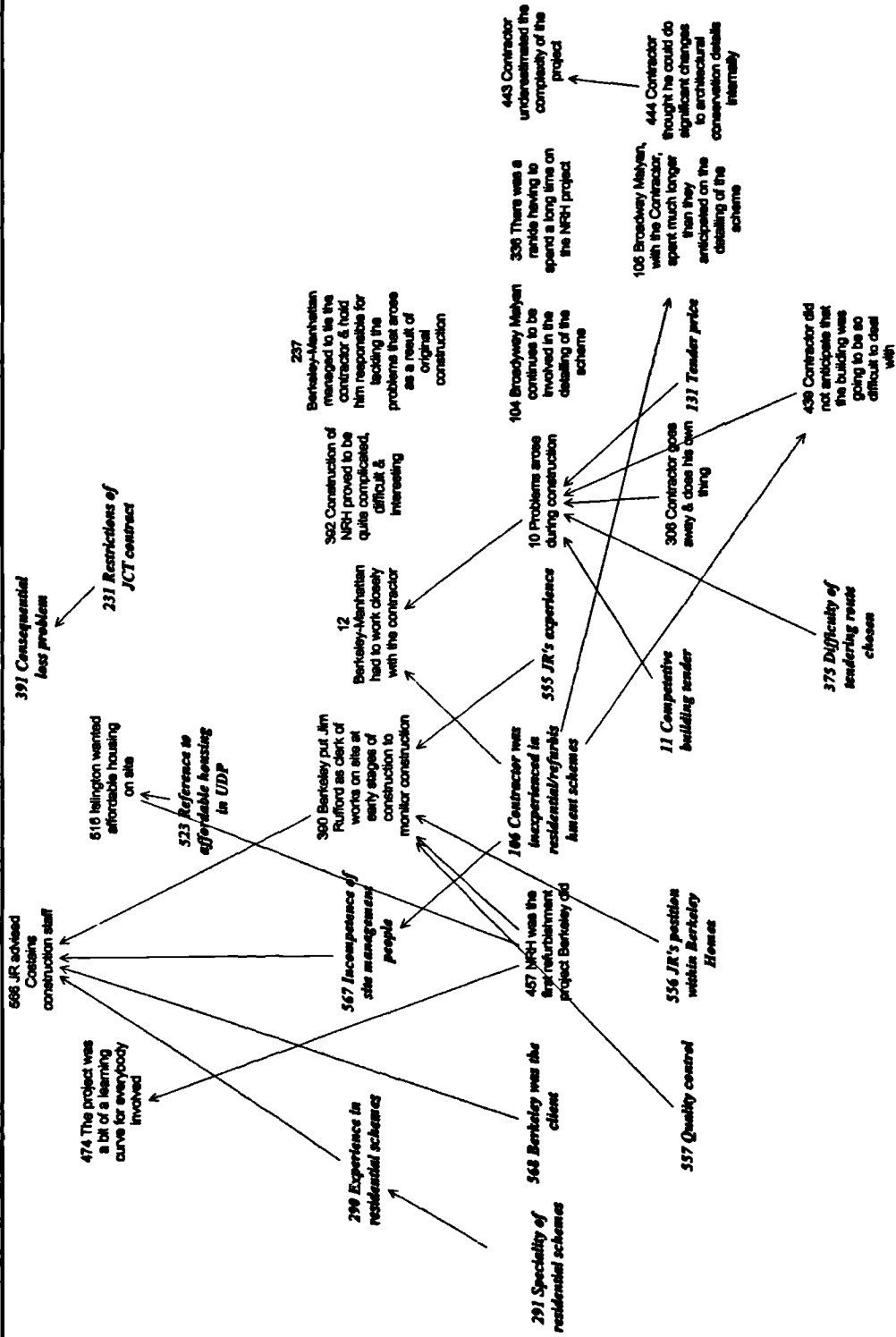


Issue Process

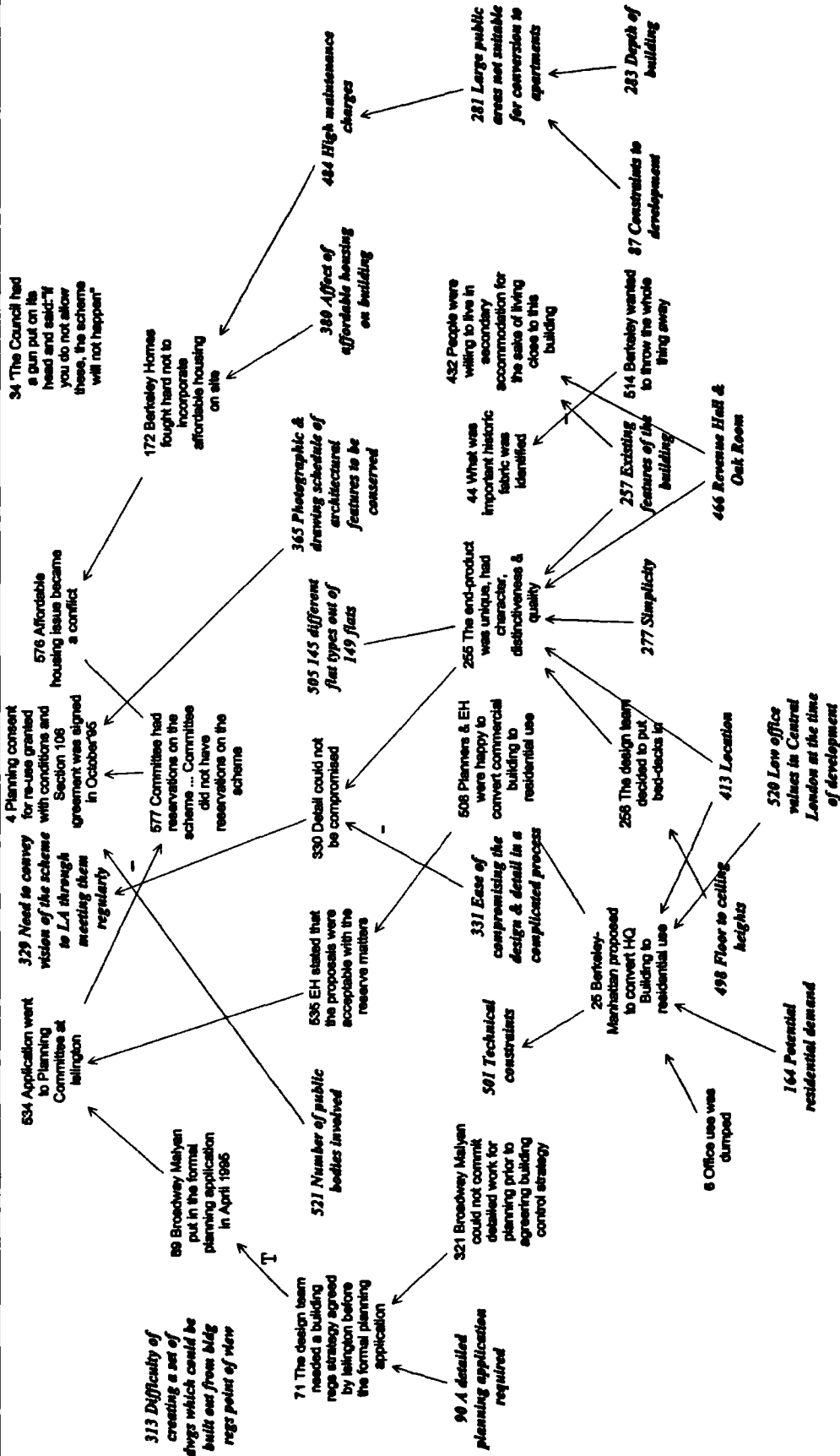
Cluster 19- Construction works



Cluster 21 - Problems associated with construction



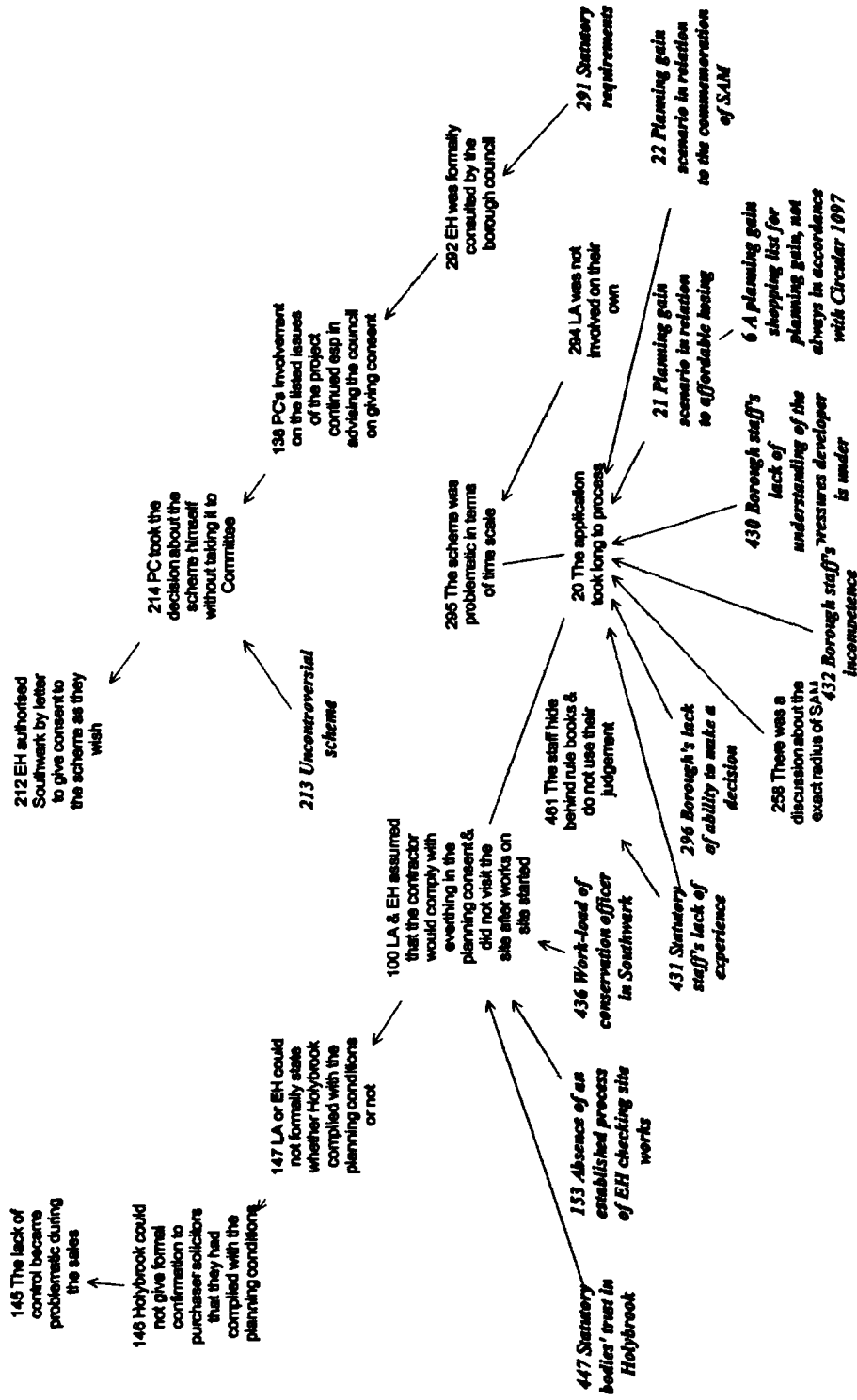
Cluster 22- Project objectives & negotiations on contentious issues



Issues process

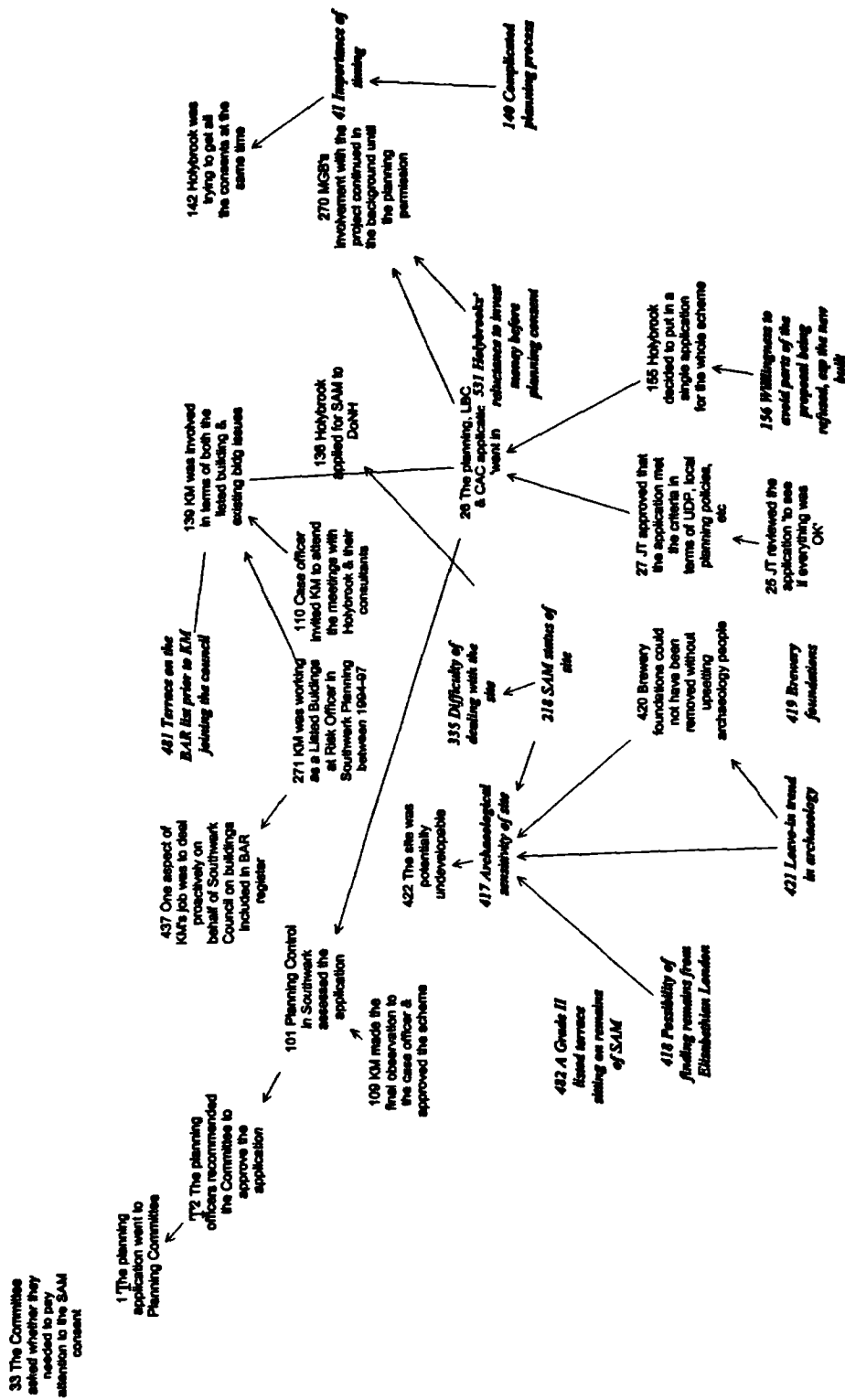
Appendix 5
Anchor Terrace Project
Cluster Maps

Cluster 1- Nature of planning control



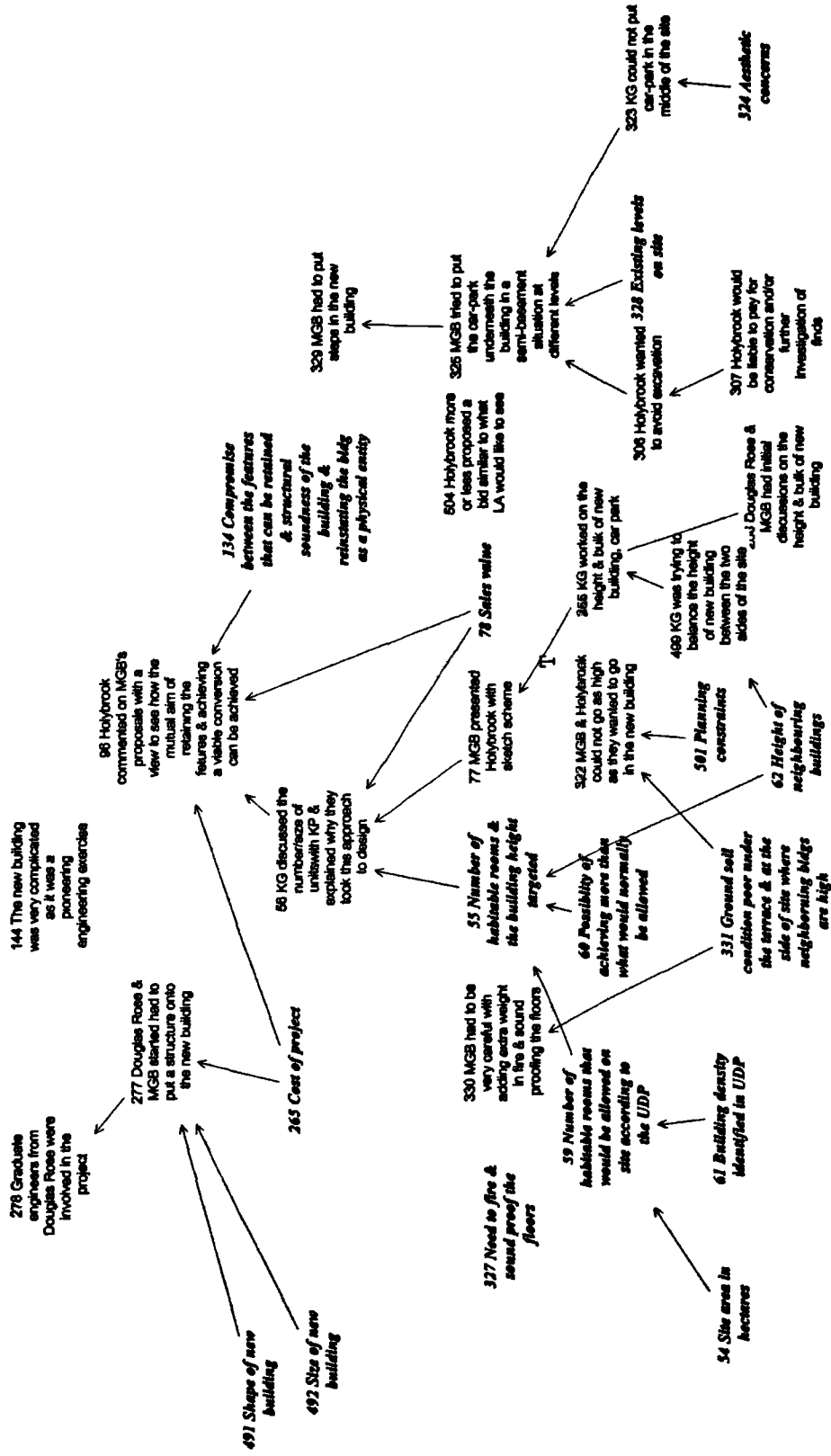
Issues process

Cluster 2- Planning process

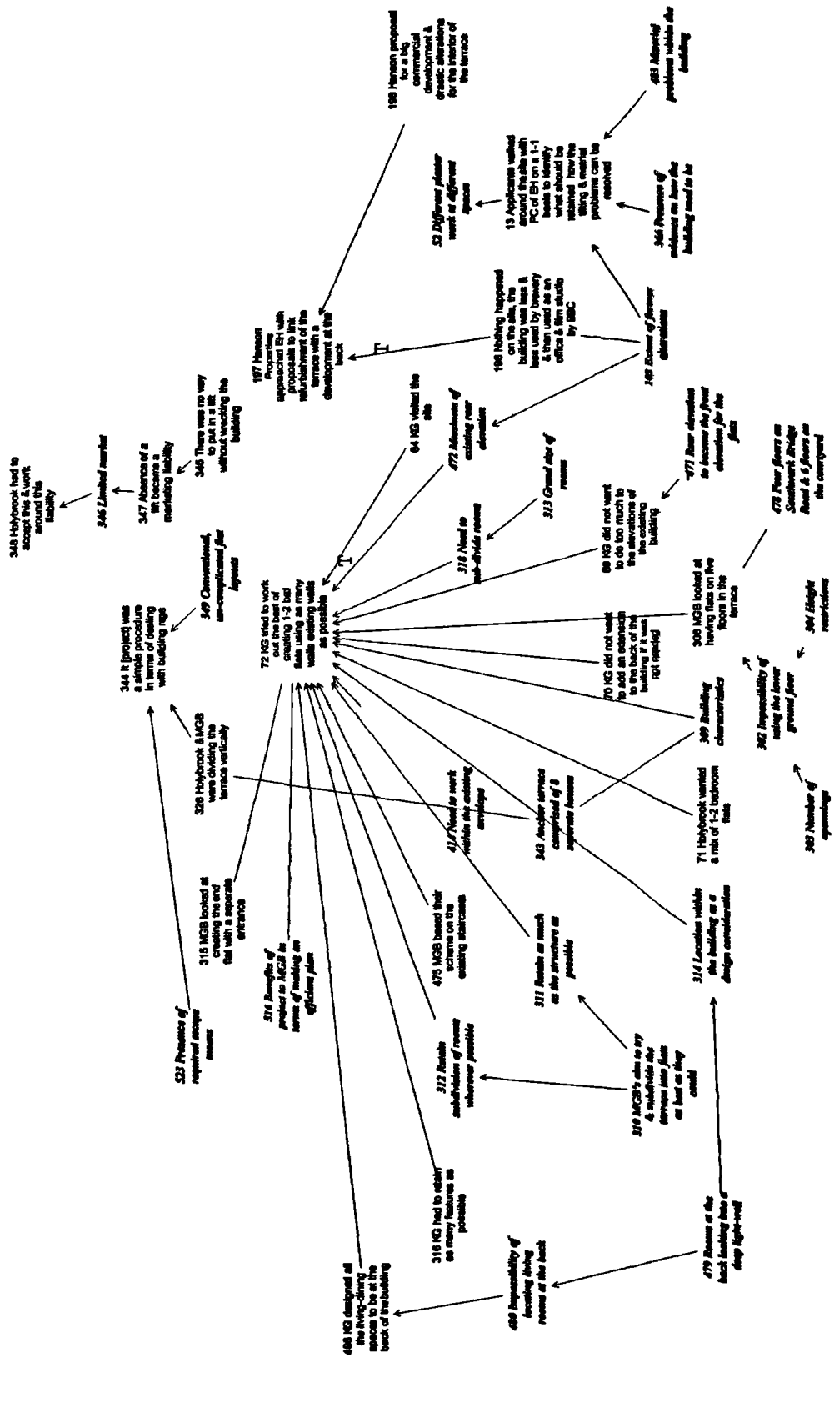


Issues process

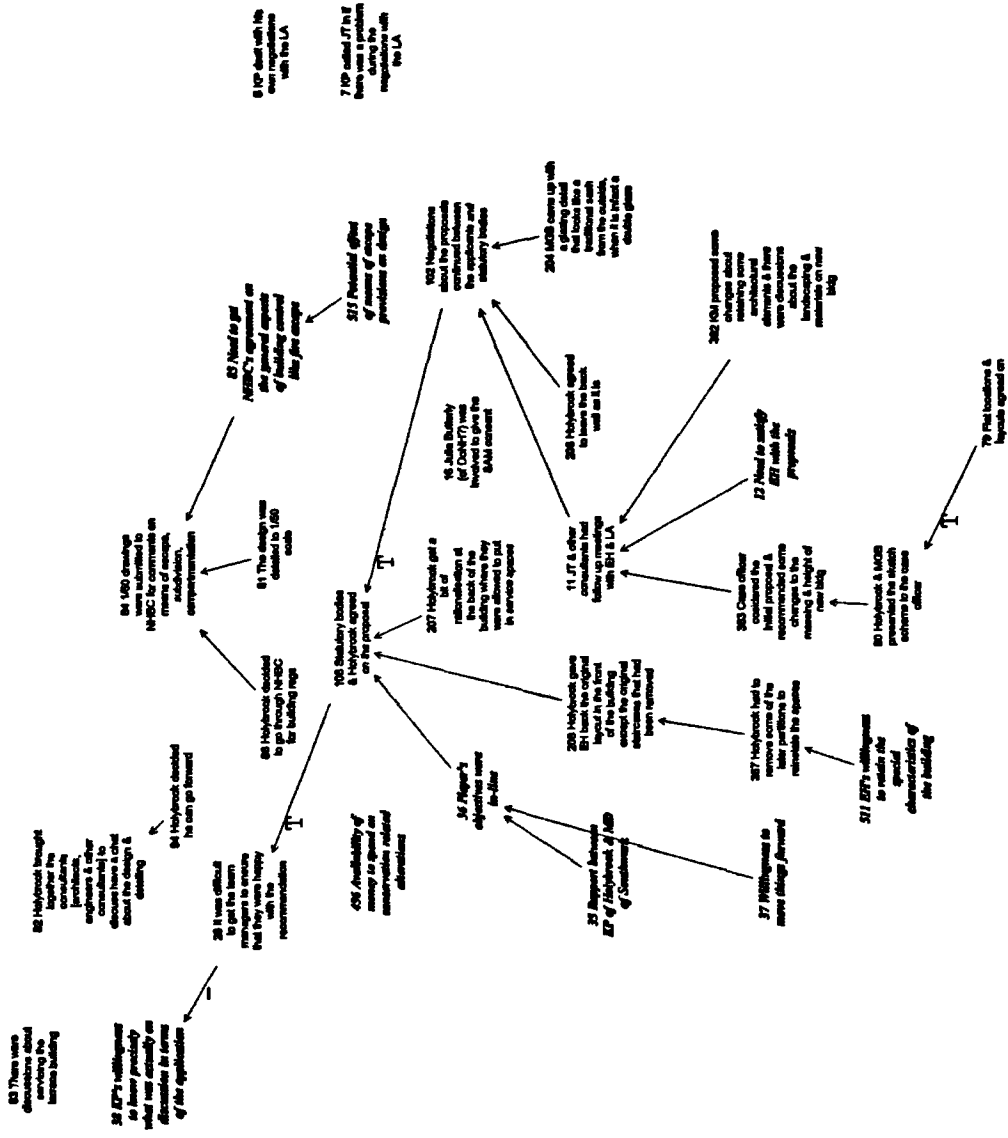
Cluster 3- Initial scheme & project costing



Cluster 5- Design considerations on re-using the terrace



Cluster 6- Negotiations between parties & detailing of design



Cluster 8- Discussions between MGB & sub-contractors on flat furnishings

98 M&E
sub-contractors
changed a few things
in the flat
furnishings

97 MGB showed the
M&E sub-contractors
the flat furnishing
layouts

99 Flat furnishing
layouts changed very
little after this

process

Banxia Decision Explorer

Bartlett

UCL

Cluster 9- Meeting between LA & Hanson Properties & Holybrook

106 KM attended a meeting with Hanson Property & Holybrook

107 Need to understand other players' incentives



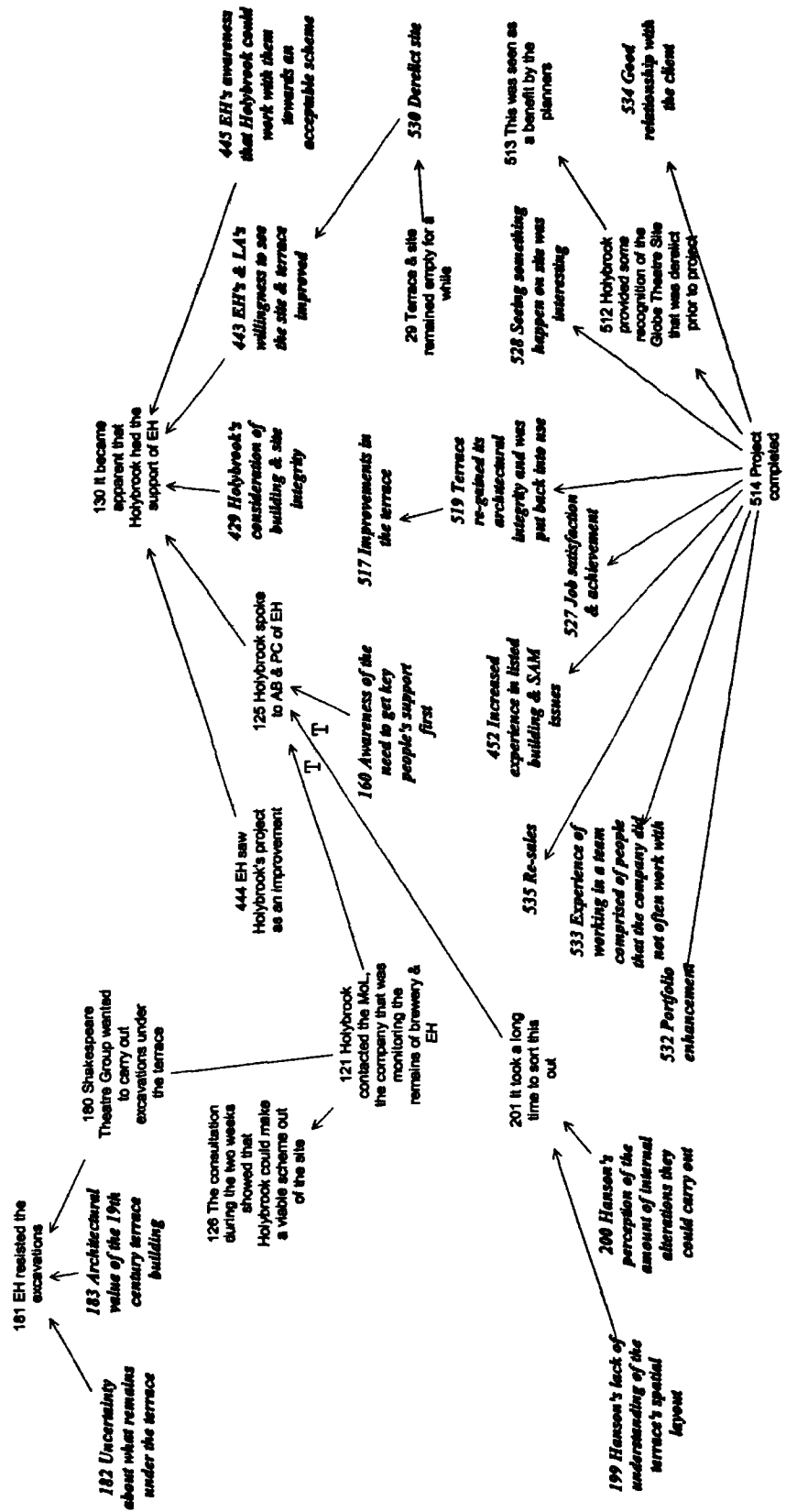
issues process

Banxia Decision Explorer

Bartlett

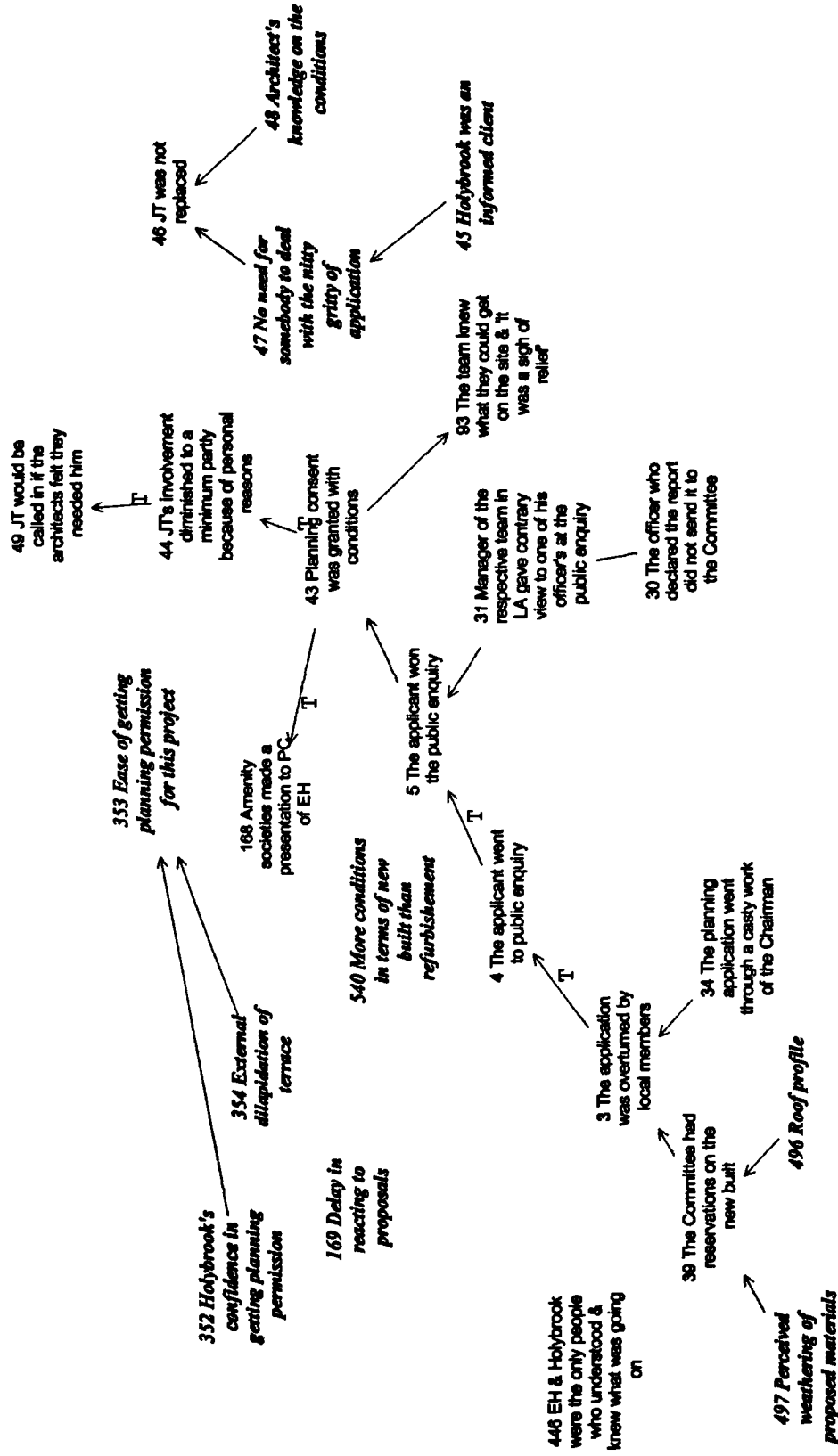
UCL

Cluster 10- Hanson's negotiations & Holybrook's initial contact with EH & MoL



Issues process

Cluster 11- Committee reservations & subsequent consents



Issues process

Cluster 12- Amenity societies' attempt to buy the site

172 Amenity societies could not buy the site

171 Lack of funds

170 At some point, amenity societies wanted to buy the site from Holybrook

issues process

Banxia Decision Explorer

Bartlett

UCL

Cluster 13- Tilt at the back

224 Former potential buyers raised concerns about structural safety of terrace & tired to get it de-listed so that it could be demolished

223 Refurbishment was a subject of concern

222 Tilt at the back

477 Terrace sat in a raft on marshland

485 PChan thought the tilt occurred within a couple of years' of construction of terrace or during the construction of the 2nd bridge

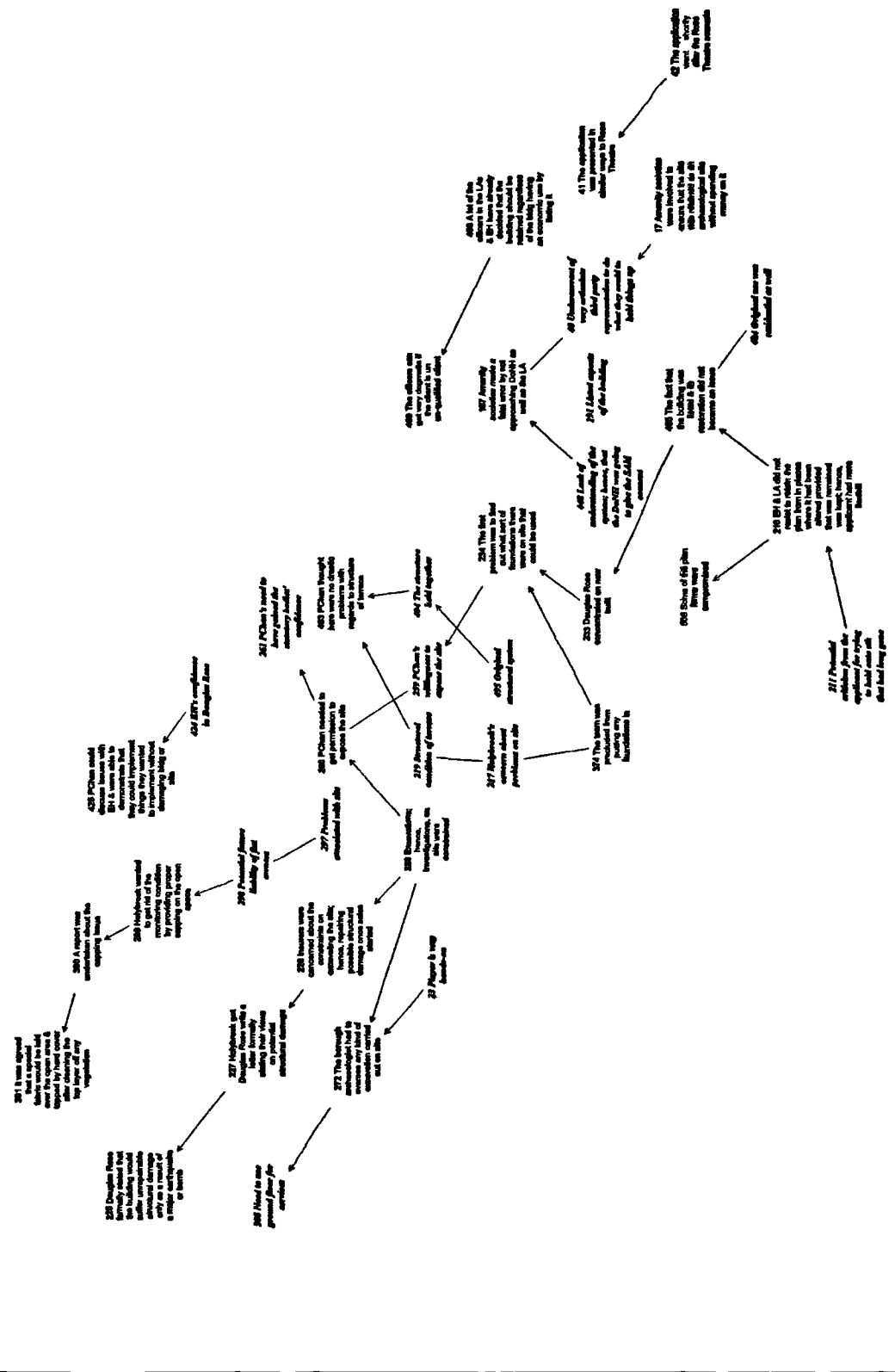
issues process

Banxia Decision Explorer

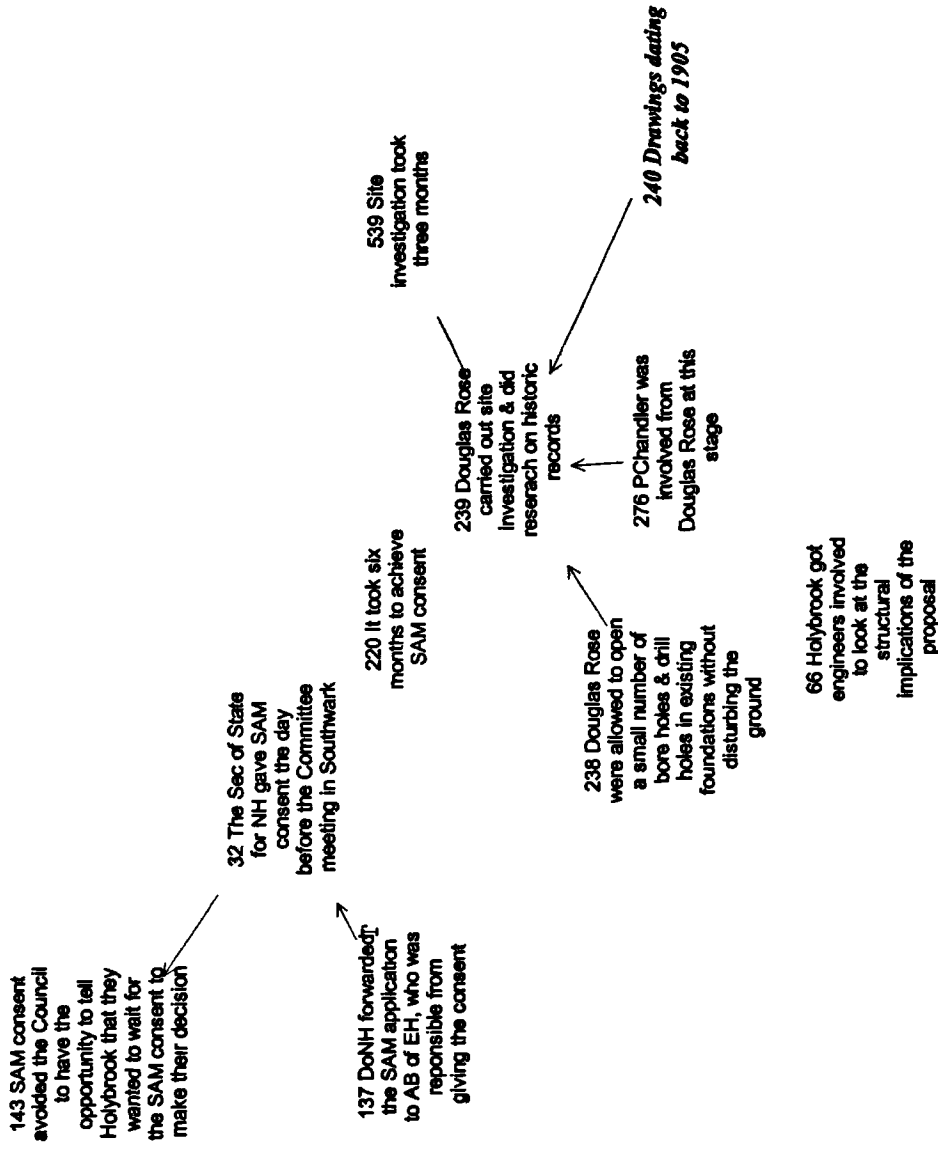
Bartlett

UCL

Cluster 14- Design activities undertaken to address site & building characteristics



Cluster 15- SAM consent & ground investigations



Issues process

Banxia Decision Explorer

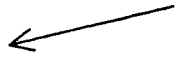
Bartlett

UCL

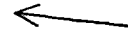
Cluster 16- DR's involvement in refurbishment

254 Douglas Rose
advised on the
renovation & repair
of external brick

**253 Engineering
judgement**



250 Douglas Rose had
to justify the
stability of the
terrace mainly to
NHBC



**252 A bit of
investigation**



**251 A walk around
the building**

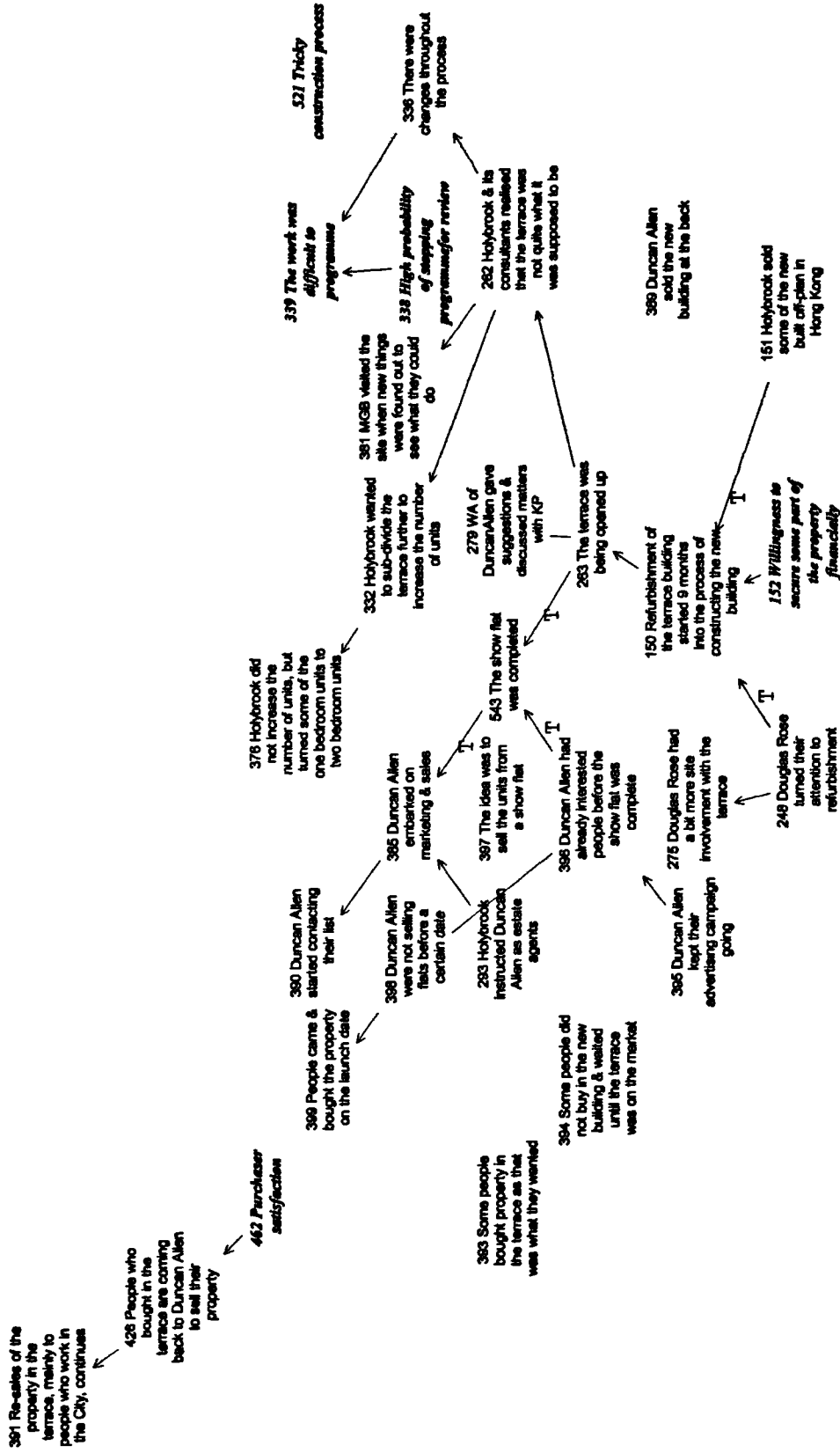
issues process

Banxia Decision Explorer

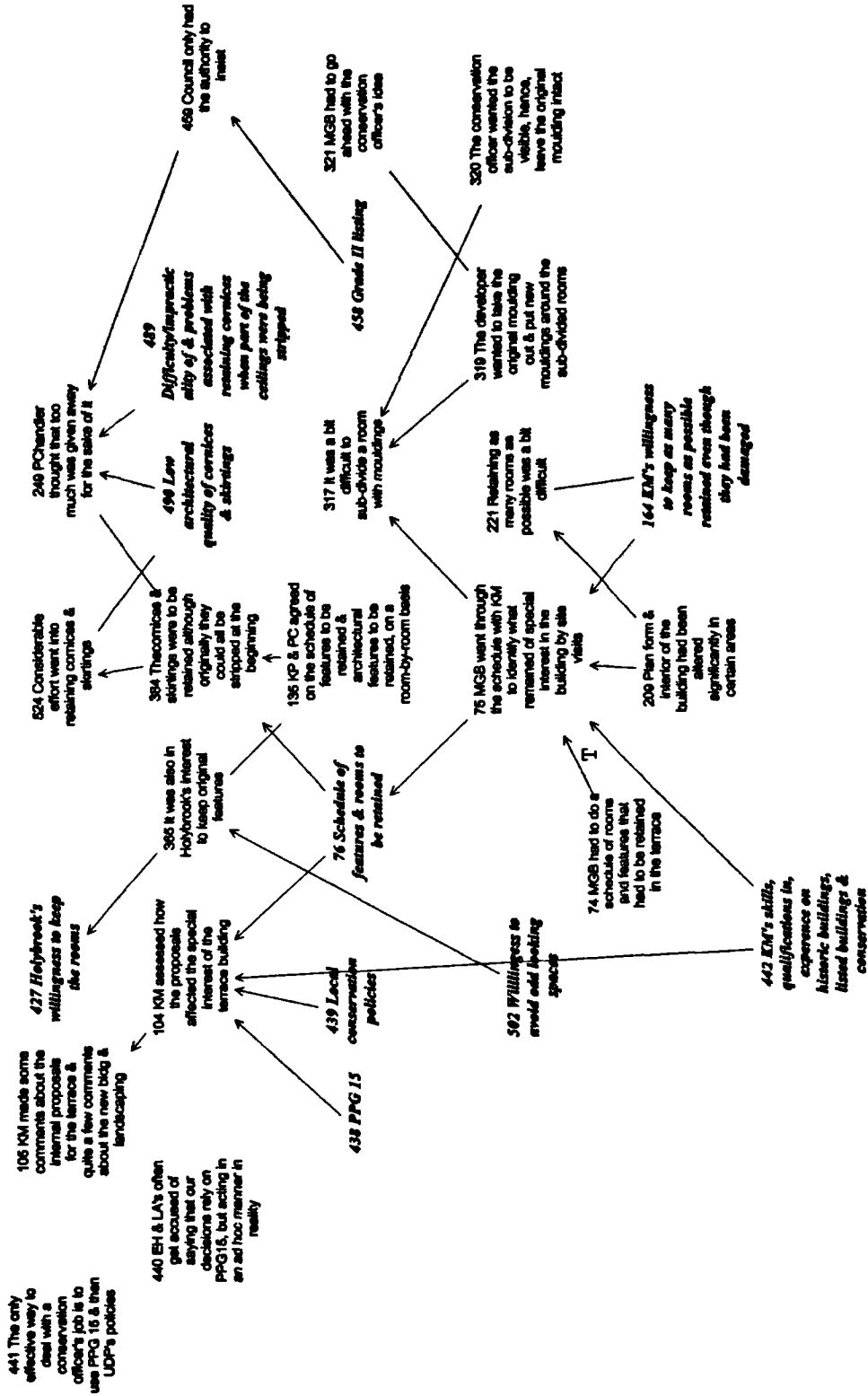
Bartlett

UCL

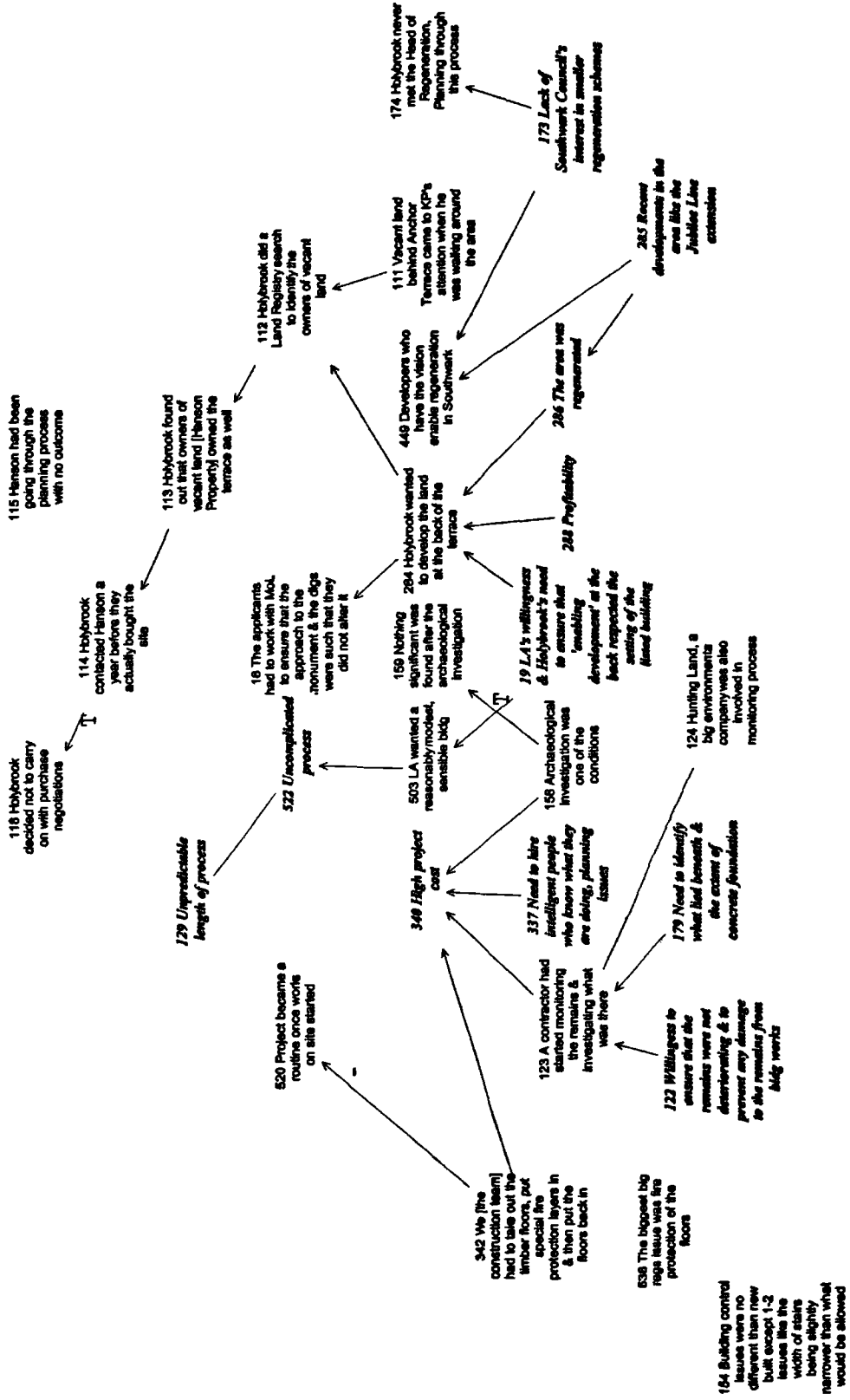
Cluster 17- Commencement of refurbishment & marketing



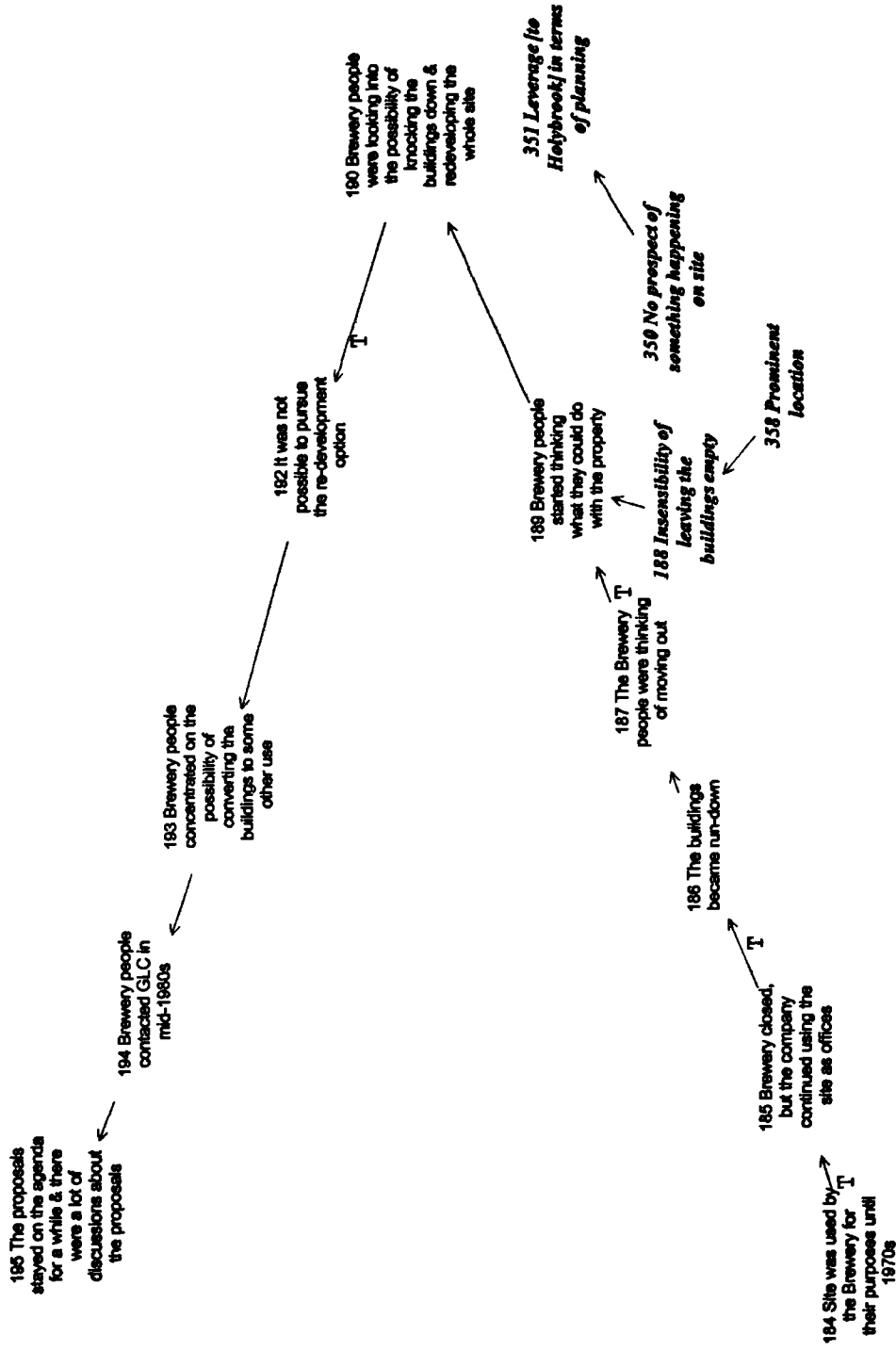
Cluster 18- Issues related to retention of features



Cluster 19- Holybrook's interest on site - cost & returns considerations



Cluster 20- Corrige's attempt to identify development potential on site



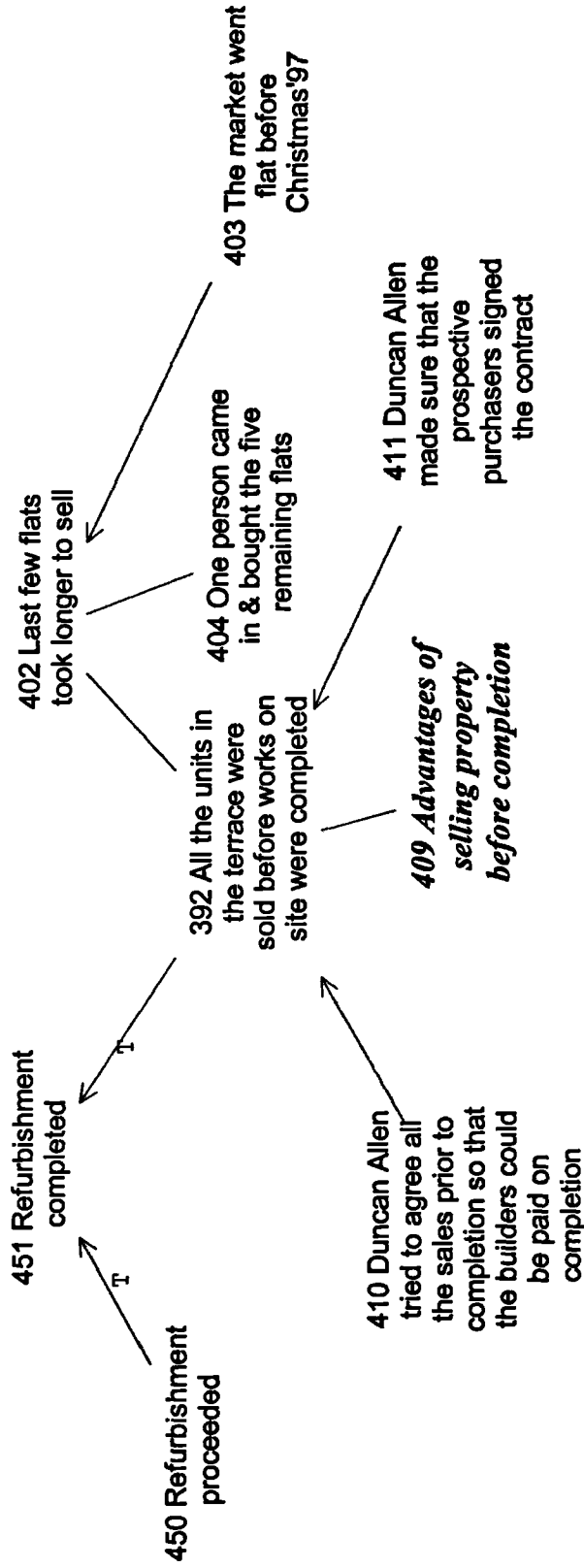
ISSUES process

Banxia Decision Explorer

Bartlett

UCL

Cluster 21- Completion of sales



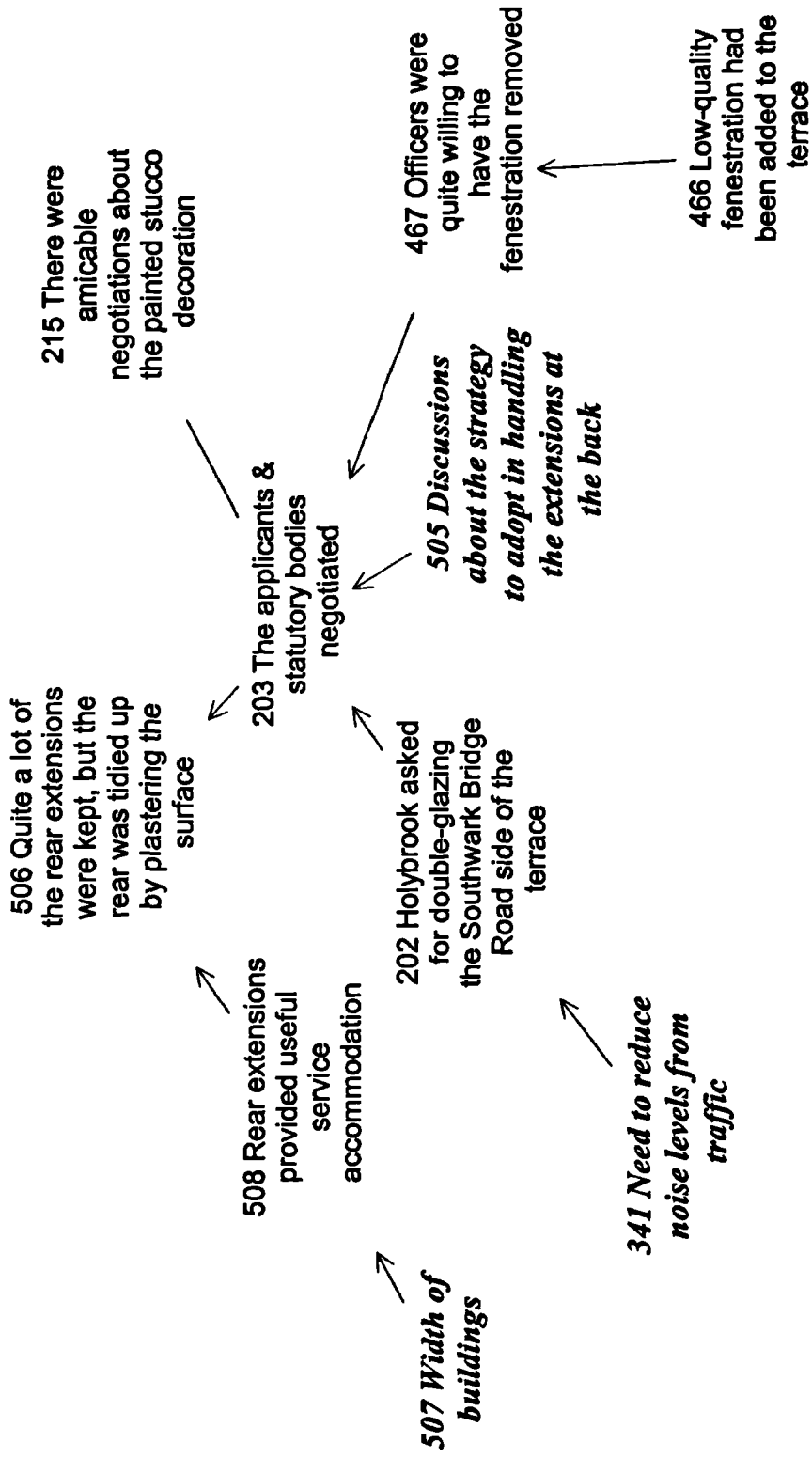
issues process

Banxia Decision Explorer

Bartlett

UCL

Cluster 23- Negotiations on conversion



issues process

Banxia Decision Explorer

Bartlett

UCL

Appendix 6
Towards a
Good Practice Process Guide

Towards a Good Practice Guide for Adaptive Re-use

This section sketches the lessons learnt from the case studies as a list of suggestions to the developer group at each stage of the re-use process. These guidelines are based on the comparative analysis of the case studies (see Chapter 11).

Thus, the applicability and validity of the suggestions given here are confined to the cases studied. Therefore, the suggestions should be considered as a general guideline, not as a prescriptive 'to-do' list for successful re-use of listed buildings. The value of these suggestions lies in that they are based on the experience and practical process knowledge of agents involved in these projects, not on theoretical assumptions about best practice process protocols.

Project Initiation

During this stage, it is suggested that the developers:

1. Acknowledge the uniqueness of the site and the building, and develop a development strategy that would address the uniqueness of the project.
2. Adopt a well thought-out, sophisticated and holistic approach to the project, the site and buildings by making a holistic appraisal of risks and opportunities. This appraisal should be based on the adaptive capability and capacity of the buildings, principles of national and local planning and development control; and project objectives;
3. Acknowledge the necessity to employ agents who have the competencies and capabilities to identify the site and building characteristics, and the possible impact of these characteristics on the process and the project.
4. Are prepared to involve agents who would not normally be involved in a development project at all, e.g. an architectural historian, or at this stage, viz. structural engineer and English Heritage.
5. Aware of the dynamics of the re-use process and the mechanism of working within the confines of an existing building. This awareness will help them to find a balance between the end-product requirements/the marketable end-product attributes and the site/building characteristics.
6. Are aware that time spent during this process do not add up to prolonged overall project duration (see Table 11.5).

Initial Scheme

The case study findings suggested that the following points contribute to enhanced project process and project outcome. Therefore, (respective agents in) the developer group is advised to:

1. Include the retention of architectural elements and features among their design objectives.
2. Incorporate the findings of the holistic appraisal in the design of the initial scheme;
3. Are committed to design quality, which the local authorities regard highly.

4. Approach statutory bodies before the completion of this stage and establish a healthy working relationship with them. Expression of commitment both to quality and to the site and/or the area, and conveying preparedness to supply public amenities can facilitate the establishment of a healthy working relationship.
5. Start considering the marketing strategy. This allows project programming such that in-cash-flow can be advanced.
6. Start considering the buildability of the scheme. This is instrumental in simplifying the construction process specifically with regards to the retained architectural elements.
7. Avoid commitment to unit cost at this stage. Consider cost and value of the scheme in order to make sure that the project remains financially viable even if cost increases because of the need to involve specialist work items to treat significant architectural features.
8. Carry out a comprehensive building survey. The survey information greatly enhances the reliability of the scheme design and costing information. Thus, the need for extra cost allowances to cover the unexpected work items can be alleviated. Also, the risk of undersigning some impractical unit specifications is reduced.

Pre-Application Negotiations

During the pre-application negotiations stage, the developer group is advised to:

1. Aim at completing the pre-application negotiations in a shorter time-scale by integrating a higher number of agents and running activities concurrently. This requires the developers to take risks and invest in agents fees. However, the risk is worth taking, specifically if there is a degree of certainty that the planning permission will be granted.
2. Work alongside the general design principles established with an existing planning permission on site, if there are any.

Planning Application

The issues the developer has to pay attention to are listed below:

1. Stage duration, integration of agents and concurrence of the activities influence process performance (see Table 11.5). Therefore, it is important to control the duration of this stage by integrating adequate number of agents and running activities concurrently is important.
2. Developers have to be aware that they can only influence stage duration by expressing their commitment to quality and to the retention of architectural features which are deemed to be important. Strategically timing the planning application and applications for other necessary consents will also help to gain some control on the duration of the planning process
3. Developers are advised not to suspend design detailing because continuing to detail the design will assist the simplification of the construction process and thus shortening it.

Design Detailing

During the design detailing stage, it is worthwhile to:

1. Mature the design detailing to final proposal level prior to the commencement of construction works to allow time to plan and programme construction adequately, and to deal with the unexpected issues/conditions arising during construction.

2. Juxtapose the design with the planning process because this significantly shortens the period between the site purchase and the commencement of sales, and thus funding duration (see Table 11.4).
3. Have the design input from the ultimate decision-makers, e.g. the conservation officer, to the enablers, e.g. contractors.
4. Involve the enabling agents to assess the feasibility of the proposal from their business perspective, e.g. cost, market potential.
5. Let the architect lead the design associated activities and work closely with the conservation officer, the historic buildings inspector and the building control officer in detailing the scheme, and thus finding design solutions acceptable to all parties.
6. Re-appraise the market potential of the proposal. Shortened forecasting period increases the chances of making a more accurate forecast.
7. Be prepared to change to the scheme design according to the re-appraisal and to make new planning applications, if necessary.
8. Consider the programme and cost implications of the changes in the light of the potential value increase.
9. Make sure the tendering is made and the contractor is selected during the first months of this stage at the latest. This allows time for construction programming and procurement as well as facilitating the appraisal of the design proposal with regards to its buildability.

Construction & Marketing

This is one of the most stages of the whole process. The developer group should due attention to:

1. Making sure the site team is competent at all levels by paying attention to the team's re-use experience in selecting the contractor, not the professional rapport present between the potential contractors and agents in the developer group. The site team's competence is important mainly because of the uncertainty associated with the building characteristics and condition, and the consequent need to respond to unexpected problems and complication.
2. Closely monitoring the site works in order to alleviate the general issue of claims and assure the end-product quality. Given the uncertainty of product definition and process in re-use projects, there is a high possibility of the contractor claiming additional cost and late instructions, specifically in projects where the purchaser options are offered. In a design-and-build contractual arrangement, accompanying site monitoring with architectural audit gives the developer the chance to ensure that the contractor and their architects have performed well in specifying the workable design solutions and their procurement.
3. Giving the purchasers guarantees on unit specifications only after building characteristics and conditions in complex parts of the building are uncovered.
4. Sustaining the developer's involvement in the construction stage in order to increase the capability of recovering from changes and potential problems quickly.

