

ULI Belgium Workshop

1 June 2016

Urbanisation and the associated demand for housing have underpinned the regeneration of one-time no-go areas around major European railway stations, and helped integrate such stations more fully into the cities they serve, far beyond their principal transport function.

As participants of the ULI Belgium workshop revealed, the regenerative potential of such major stations as King's Cross in London and Sloterdijk in Amsterdam has been realised in ways that seemed inconceivable 20 years ago.

Redevelopment of the land around both King's Cross and Sloterdijk has been judged hugely successful, not least because of a public-private partnership model that has promoted a mixed-use solution to place those stations once again at the heart of their respective communities. The same approach is evident at Brussels Midi following the approval of a masterplan earlier this year. [see case studies]

In one form or another, housing figures prominently at all three sites, and is arguably the key component in each case. And not surprisingly for developments linked to mainline and Metro railways, these are pedestrian-friendly areas now, if not entirely car-free.

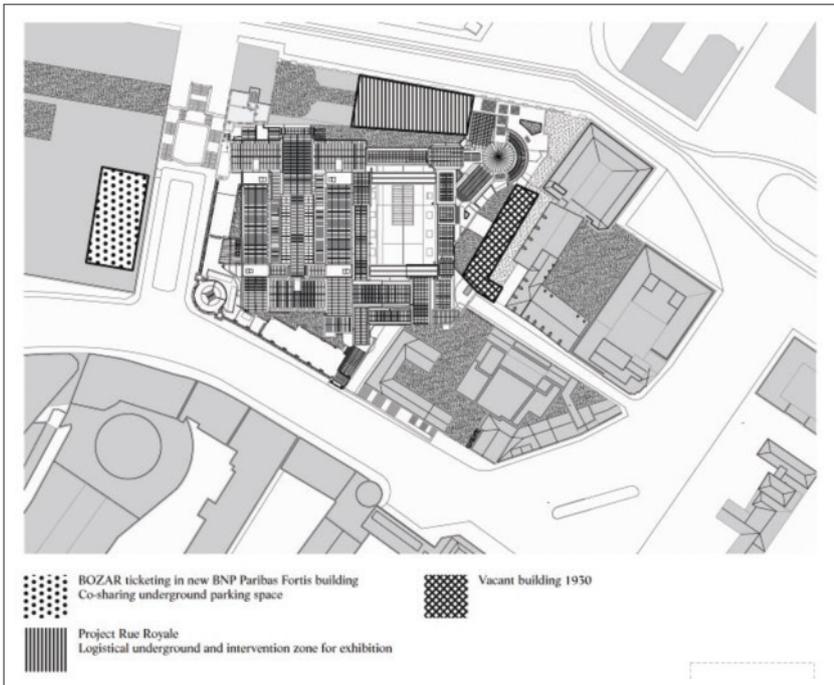
Stephen Barter, Head of Real Estate at consultant KPMG suggested that many railway stations and their adjoining landholdings can play a key role in tackling the widespread housing shortages as part of a broader regeneration package.



The concourse at London Kings Cross St Pancras.

“They should be more than just places where you pick up a train. They typically sit on the edge of the town centre and everyone knows where they are”

- Stephen Barter, Head of Real Estate at consultant KPMG



The Bozar/BNP masterplan in Brussels evokes the spirit of architect Victor Horta: combining cultural and office spaces.

“They should be more than just places where you pick up a train. They typically sit on the edge of the town centre and everyone knows where they are,” said Barter. “They are capable of being more outward facing than they have been, and therefore become more of a regeneration catalyst to their surroundings.”

Barter continued: “The idea of creating mixed-use environments really plays into how people want to live and work.”

As Paul Dujardin, CEO and Artistic Director of the Centre for Fine Arts, Brussels (Bozar), pointed out, this movement for mixed-use regeneration around stations has come full circle from the very early days of station developments.

Dujardin hailed the “visionary” Belgian architect Victor Horta, who in the post-First World War period designed Brussels Central Station and important institutional buildings in the surrounding area, including the Centre for Fine Arts with its inner pedestrian street.

Horta combined cultural spaces and office spaces around an important transportation node and created a pedestrian network in

the same zone. Only the Second World War prevented Horta fully realising his vision for residential development in the area as well.

The Horta template holds up well to this day. Bozar is the city’s most visited place, drawing 1.3m visitors a year, and not just for special events but averaging as many as 5,000 daily. According to Dujardin, Bozar’s proximity to the Central Station is of “strategic importance” to its success as a cultural institution, which explains why a new masterplan for the area evokes the spirit of Horta.

The masterplan integrates the Centre for Fine Arts with a new building for BNP Fortis Paribas, and as Dujardin pointed out, the challenge is in applying the proposals to a streetscape that was shaped a century ago when the city was not growing so rapidly. Today, Brussels has had to accommodate population growth of 300,000 people – equivalent to a city the size of Ghent – over the past 10 years. As a result, the plan envisages infrastructure and services being placed underground and shared between Bozar and BNP as well as other neighbouring institutions.

Dujardin added: “We are convinced that we have to develop further and re-actualize Horta’s vision by giving more visibility to the public interior street going through the Centre for Fine Arts.”

The Bozar/BNP masterplan covers the built environment outside a major terminal but there are also echoes of historical precedent when it comes to the redevelopment of the station buildings themselves. The design for the redeveloped station concourse at London’s King’s Cross was influenced by the 1920s-built Grand Central Station, and as Etienne Riot of Arep designlab pointed out, there are still valuable lessons to be learned from the famous 1920s-built terminal in New York. Grand Central was a mixed-use innovation at the outset and remains a hugely popular tourist destination in its own right as well as a major rail station.

“The building of offices, shops and housing inside a station is not new,” said Riot, “because the original railway companies, as private companies, had to diversify and use every possible opportunity to generate more revenue out of their railway operations.”

If anything, that financial imperative is more important than ever, especially if it is the cash-strapped public sector that controls the rail operations or adjoining land. For instance, Ellen Nieuweboer’s remit as project director at the City of Amsterdam, includes doubling the start of new projects, such as Sloterdijk Station, while cutting costs by half.

“The building of offices, shops and housing inside a station is not new”

- Etienne Riot of Arep designlab

According to Barter, the move towards mixed-use developments in and around major stations, if properly structured, should be capable of generating future revenues and capital receipts for the railway company.

However, the station development itself can be an issue because it often involves construction of a deck over the tracks, and decks are expensive. It is not something the private sector is willing to pay for up-front because, as Barter suggested, it is a hybrid between a land payment and an infrastructure payment. He argued that this is when public sector could and should intervene, making the most of its lower cost of capital than is typically available to private developers. Once the deck is in place, the developers effectively have a de-risked development opportunity, whether it is commercial or residential.

“So taking a 30-year view – issuing a bond, for instance – to fund a deck from a public sector point of view does make sense because it should be able to pay for itself, particularly if the land value is going to increase significantly,” he said. “But it does need political support and understanding why the concept needs to work in that way.”

Barter also revealed how value has been realised across London’s Underground network because the public sector

owner-operator, Transport for London (TfL) has shifted from a regressive, cost-based business model to one that makes smarter use of third party capital.

He highlighted London’s Earls Court, one of the larger of TfL’s many mixed-use developments. At one point TfL was close to selling the whole site to the developer for a front-end premium before changing to a joint venture arrangement. According to Barter, the JV will make TfL 10 times as much money over the next 15 years. The risk the public sector had to accept was the risk of its land value going down as well as up, but given the long-term market trends in London that was a risk worth taking. Moreover, if the first phase is successful then subsequent phases would make its land even more valuable. According to Barter: “TfL has realised that if you do this successfully it effectively creates an endowment fund to finance the railway, and so TfL becomes self-financing by 2030.”

What all the workshop participants acknowledged, though, was that the hard work does not stop once construction is complete on rail-related regeneration. Long-term asset management is fundamental, not least for the public realm element that features in most large-scale schemes. In this respect the benefits of single land ownership are clear, and they are

embodied in the enduring success of Louvain-la-Neuve near Brussels, where the local university is the sole landowner [see case study].

Louvain-la-Neuve is a rarity, however. In most cases there is multiple ownership and, invariably, conflicting interests. The workshop participants conceded that the challenge is to get developers, landowners and public authorities working more closely together to agree on a long-term strategy. The prime movers behind rail regeneration must guard against the pragmatism and self-interest of the various stakeholders and appeal instead to their shared interest in investing in the public realm, for instance, which can potentially create value for everyone.

There are signs of this collective best practice around public realm in the new generation of Business Improvement Districts, which have been created recently in central London and, Barter suggested, could be extended.

In any event, there is a clear shift in focus with stations away from their original utilitarian use to more of an urban hub – in other words, essential amenities for the local community as well as the travelling public. The challenge lies in financing that transition and the asset management thereafter.



The Bozar/BNP masterplan envisages a sharing of services while making the most of the original Brussels streetscape.

Case study: King's Cross, London, UK



The redeveloped concourse at London's King's Cross was influenced by New York's 1920s-built Grand Central Station.

A key endorsement for the regeneration of King's Cross came last year when the Australian Super pension scheme joined forces with developer Argent and Hermes Real Estate and acquired an equity stake in their King's Cross Central Ltd Partnership.

It was the first time new equity capital had come into the project after 15 years of planning and development at the 67-acre site. It is also a huge vote of confidence in the regeneration of King's Cross given that there are several years to go before completion.

That one of Australia's leading institutional investors has alighted at King's Cross – rather than any of London's other major projects – is testimony to how far perceptions of the area have already changed for the better.

This is largely due to Argent sticking with its guiding principles, which include providing a robust urban framework – recognising that in many respects the streets and the squares are as important as the buildings.

Though the project is owned and managed separately from the adjoining King's Cross and St Pancras rail stations – both of which have been redeveloped – this has come across as a seamless regeneration package with all the various stakeholders – private and public sector – working in harmony.

There have been some lucky breaks, especially in the aftermath of the financial crisis when commercial demand was at rock bottom and Argent found its first major occupier in the shape of Central St Martins College of Art and Design.

In late 2008, St Martins decided to move into the Granary Building at the heart of the site. The £200m restoration of the historic building into a university campus led to the influx of 5,000 students and staff by 2011 – the first occupiers on site.

The deal helped steer KCCLP through the financial crisis and brought an immediate and invaluable vibrancy to area, which has underlined the partnership's mixed-use aspirations for the site. Student accommodation and residential development have followed and Google has agreed to build a 1m sq ft European headquarters at King's Cross.

This is a remarkable transformation of an industrial site that was one of London's no-go areas as recently as 20 years ago despite the fact that it is also one of the city's best connected districts with six Underground lines as well as the mainline and Eurostar services.

The development team has made the most of the rail connectivity but without losing sight of their placemaking ambitions for King's Cross. Stephen Barter, one of the advisers to St Martins, pointed out to the workshop how the KCCLP has maintained the key principle that it must retain the freehold ownership.

Only long leases are available to occupiers such as Google. As a result, the freeholder can impose long-term covenants and therefore control the public realm. As Barter concluded: "That is a way of keeping the value and the integrity of the whole intact."

Case study: Sloterdijk Station, Amsterdam, The Netherlands



With 50,000 people passing through daily, Amsterdam's second railway station has been the catalyst for wider regeneration.

In barely five years, the area around Sloterdijk Station has gone from “the place where you wouldn't want to be found dead” to “the biggest secret of Amsterdam”.

Ellen Nieuweboer, project director at the City of Amsterdam, quoted such media comment to reflect the remarkable transformation that has taken place around the city's second railway station and the fifth largest in the Netherlands.

Like many major rail station regeneration projects, at the outset Sloterdijk presented a confusing picture of contrasts, between perceived problems and clear opportunities.

The run-down nature of the area belied the fact that the 1983-built station was not that old by rail infrastructure standards. As off-putting though the environment was, the station was nonetheless a major train, metro and bus interchange with as many as 50,000 people passing through daily. Though the station is just five minutes from the city centre, it felt like another world altogether, even to Amsterdammers. As Nieuweboer pointed out, perception is all-important.

Plans were drawn up for a €60m office-led redevelopment but were abandoned in 2011, not least because of the glut of empty offices in the city centre. The city authority started work instead on a mixed-use strategy that would integrate Sloterdijk with the regeneration of the wider Harbour City area, where there are plans for at least 10,000 new homes over 20 years.

The strategy has focused on the surrounding area, rather than the station itself, and has involved working with the owners of the adjacent offices in converting the buildings to apartments, extended-stay

hotels, retail, bars and restaurants, as well as schools. Flexible zoning has been critically important in making this work while there has been a conscious policy of favouring conversions over new development, for the time being at least.

As Nieuweboer suggested, it has been a “vary and stay” approach to regeneration alongside modest improvements to the station and a significant amount of greening of the adjacent square and surrounding buildings. At the same time, the city authority has adopted a proactive communications policy, which has helped change public perceptions of the area.

One positive consequence is that offices in the area – some of which had been empty for 10 years – have seen vacancy levels fall from 30% to less than 14%. But above all, Nieuweboer said: “It has become an area where people like to go.”

The project is essentially a public-private partnership in all but name although the City of Amsterdam has been central to its success and will retain a pivotal role in the next phase of regeneration, which will see a shift in focus to new housing. There is space around the station for 2,000 new homes, with construction of the first 350 completing in 2016.

The new residential will be both high-rise and low-rise, and it is clear that such diversity of development is only possible through the influence of the city authority. According to Nieuweboer, the City of Amsterdam decided not to ask so much for the land but instead directed the architects to ensure a high quality of housing stock. “As the owner of the land we can make that choice,” she added. “It makes it easier to bring quality into an area that needs quality.”

Case study: Brussels Midi, Brussels, Belgium



The "inhabited station" masterplan seeks to achieve a 50/50 balance between housing and commercial space.

One of Belgium's most important urban renewal projects moved closer to reality earlier this year when the Government of the Brussels-Capital Region approved the master plan for the Gare du Midi and surrounding area.

This is a project that seeks to address not just transport issues but expand the sphere of influence of Brussels Midi with dramatic improvements to the public realm nearby in a way that creates a genuine station district.

In some respects, this is about re-positioning Brussels Midi as a gateway to the city, providing a fitting environment for a major international railway station that connects the Belgian and European transport network.

It is now more than 20 years on from the arrival of TGV services and though there has been retail investment in and around Brussels Midi, Maarten Lenaerts of state agency Brussels Urban Development pointed out that much of it has been piecemeal and inward-facing rather than integrating the terminal with the adjacent streets.

There has been extensive, post-TGV office development, too, but as much as 80% of it has ended up occupied by the Belgian public sector rather than international companies, as originally intended.

The various stakeholders – including the Minister-President, the Minister for Public Works and the Secretary of State for Transport – have responded with a masterplan that reassesses how the railway station district should connect with neighbouring districts, not least the city centre.

Right now, said Lenaerts, relatively few people arriving at Brussels Midi would even consider the 15-minute walk to the historic Grand

Place because of a prohibitively busy road system in a generally fragmented environment. The plan now is to introduce extensive traffic-calming measures and make pedestrians the priority.

Improvements to the public realm will also "underpin" several major real estate projects, either planned or recently developed in the district, in particular by Belgium's national railway company, the SNCB-NMBS.

The masterplan has been several years in the making partly because consultations involved several such stakeholders. But between 2018 and 2020 the plan is due to take shape, including the extensive development of housing, additional offices and shops, a new metro and tram station, major changes to the public realm and the reorganisation and redevelopment of Brussels Midi into more of a user-friendly station. Further investment will go to arts and leisure as well as a high-quality extension to the Midi market, which is already one of Europe's largest markets.

The working title of the masterplan is "the inhabited station", and for good reasons. Of all the individual elements, it is arguably the large-scale re-introduction of housing to the area that will be critical to the overall success of the project. The authorities are seeking to achieve broadly a 50/50 balance between housing and commercial space – far removed from the single-function business district of today.

If the authorities get the housing right then they will be well on their way to achieving their stated aim of having Brussels Midi at the heart of a vibrant and diverse district whose services, shops and spaces, landscaping and architecture make it relevant and pleasant for local residents as well as tourists and visiting bureaucrats.

Case study: Louvain-la-Neuve, near Brussels, Belgium



Louvain-la-Neuve's car-free squares owe much to the bold planning principles of Université Catholique de Louvain.

The Belgian town of Louvain-la-Neuve represents an exercise in place making that has succeeded far beyond its original *raison d'être* as a bespoke setting for Université Catholique de Louvain (UCL).

This university town was built from scratch in the early 1970s after UCL bought 920 ha of agricultural and forest land 30km south east of Brussels. At the heart of the development was a brand new railway station, built by the State railways as a link to the Brussels-Namur-Luxemburg mainline.

A major innovation here lay in designing the station so that it is underground – essentially under a vast concrete slab – alongside extensive car parking. Directly above is a town centre of university buildings, offices, shops, restaurants and apartments.

When the station opened in 1975, rail became the main access to the new town, which was designed around a series of public spaces, restricted to pedestrians and cyclists.

It is one thing to invest in existing infrastructure in an established urban area but as Pierre Laconte, the town's co-designer, acknowledged, it is a huge leap of faith for a state rail authority to build a station where there was no passenger track record. But even the founding university fathers were effectively placing a big bet on the future of rail travel. At the same time, they were remarkably prescient in their creation of car-free squares that pre-dated the current vogue for town centre pedestrianism by several decades.

The fact that there was one overriding landowner – the university – allowed such bold urban planning rather than the multiple and invariably conflicting property interests that often undermine town centre management. The station, the pedestrian concept and the overall design owe much to UCL's original vision. These three elements have all played their part in Louvain-la-Neuve's success, each one underpinning the town's natural growth, including the opening of a shopping centre called L'Esplanade in 2005.

Then as now, it was unusual for shopping malls to be served principally by rail rather than car but by 2014 L'Esplanade – located next to the station – was attracting 8 million visitors a year, and that footfall has led to a doubling of retail floor space. There are plans for further residential development and increased commuter services to and from the station, which is 40 minutes journey-time to Brussels.

Laconte, who is also President of Belgium's Foundation for the Urban Environment, pointed out that progress brings with it new challenges. The population today is nearly 30,000, which is a far cry from 1975 when the station was serving a student population and just 600 permanent residents. "Now there are many more people living there than students," said Laconte.

UCL undoubtedly still dominates Louvain-la-Neuve but increasingly it has a life of its own, not least as a commuter town. "This is a big challenge," Laconte added. "You necessarily have a difficult arbitration between a station used by commuters and a station used by people living there permanently."



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