

Visit from Genève



King's Cross area: phases, agents, issues

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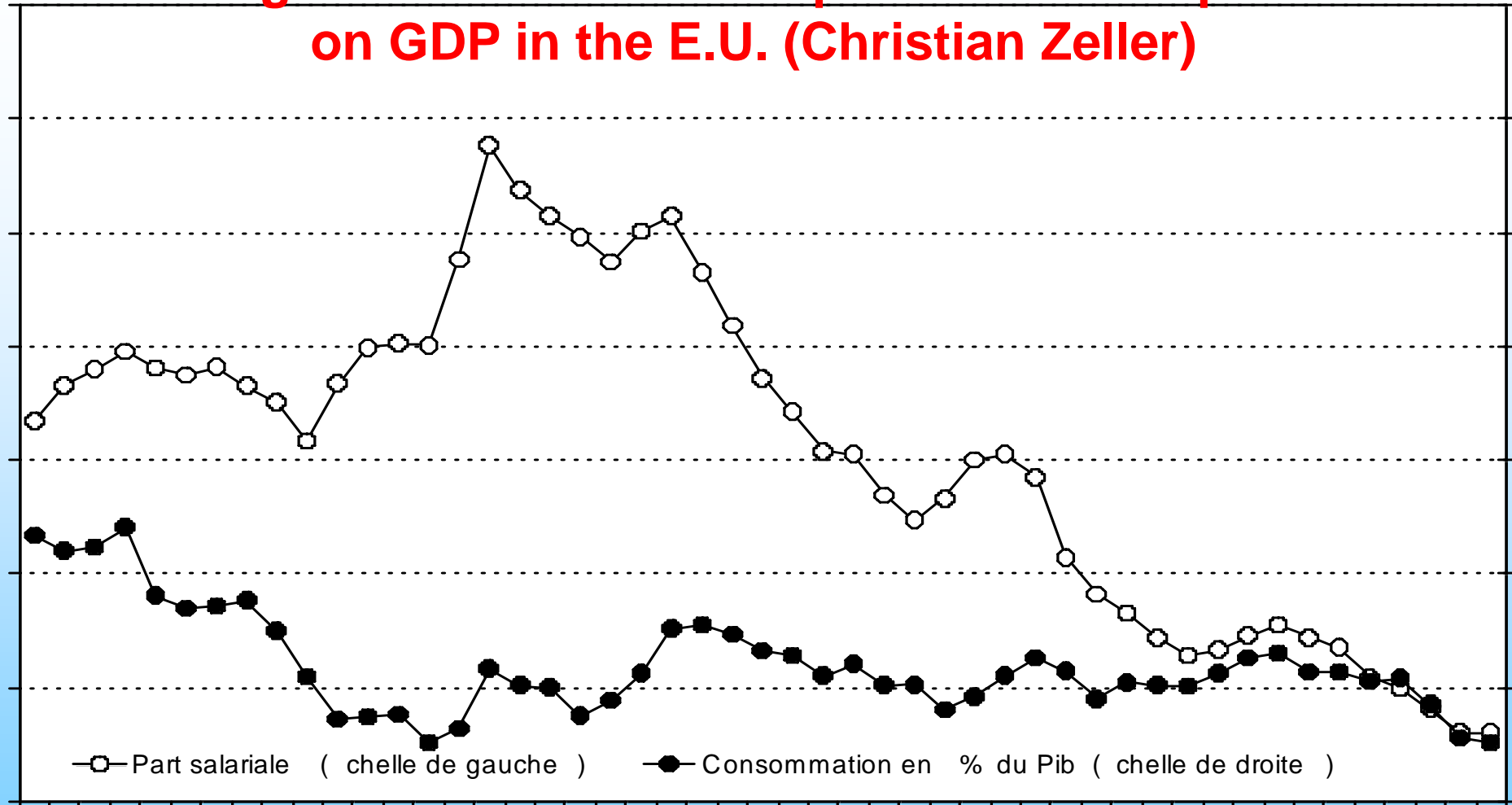
Outline:

- periods of recent developments around King's Cross
- Disentangling multiple causation
- Outcomes and prognostications
- Tentative conclusions

Image: Sheila Smith on day 1 of the Eurostar service



Wage share and share of private consumption on GDP in the E.U. (Christian Zeller)



Sources et données des graphiques : <http://hussonet.free.fr/toxicap.xls>

International context of change in London since 1980

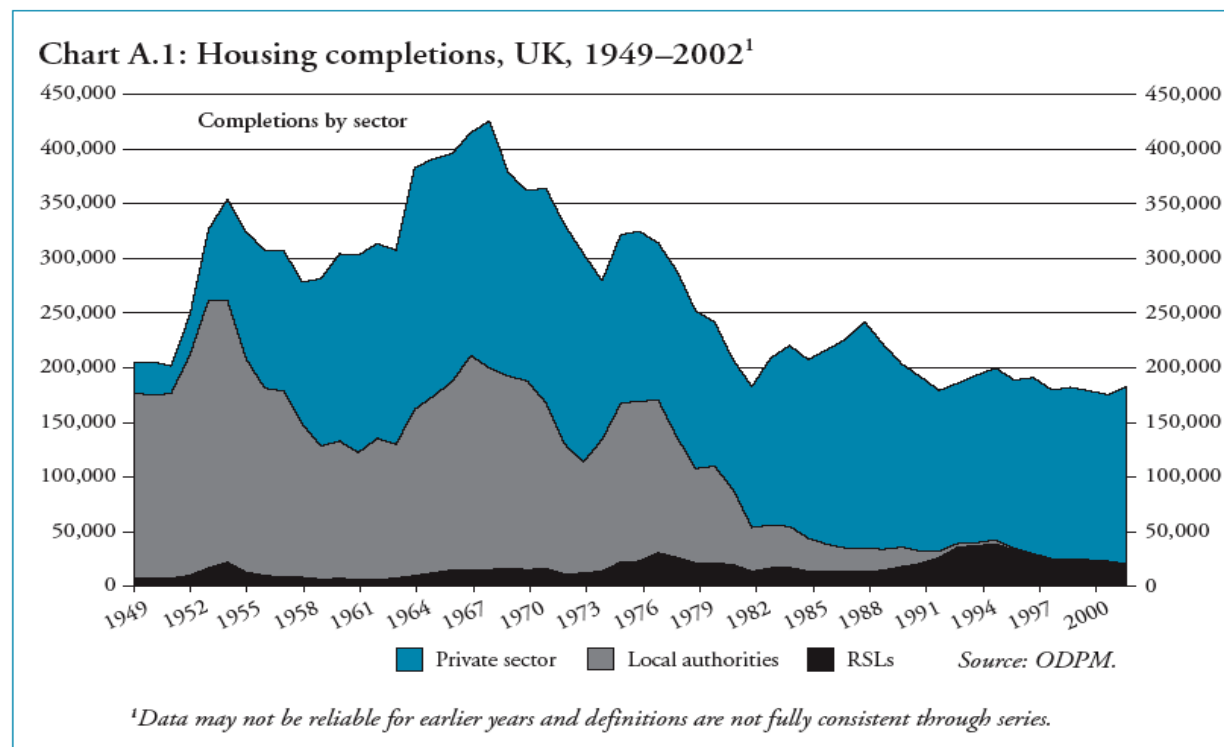
- A period of rapid capital accumulation
- A great deal of money-capital in the hands of investors worldwide, desperately looking for profitable outlets
- Authoritarian regimes increasingly dominating the profitable production of goods
- In N W Europe profit was being sought in chasing the growth of asset values; increasingly a *rentier* economy
 - housing
 - land and other real estate
 - retail and service businesses, wireless spectrum
 - in general: whatever was an ‘under-priced’ asset
 - fuelled further by low interest rates, de-regulation
- this speculative pursuit of asset values was self-fulfilling while it lasted, but inherently unstable, volatile. **UK leads, D & CH lags in this.**

Multiple discourses, policies, in UK

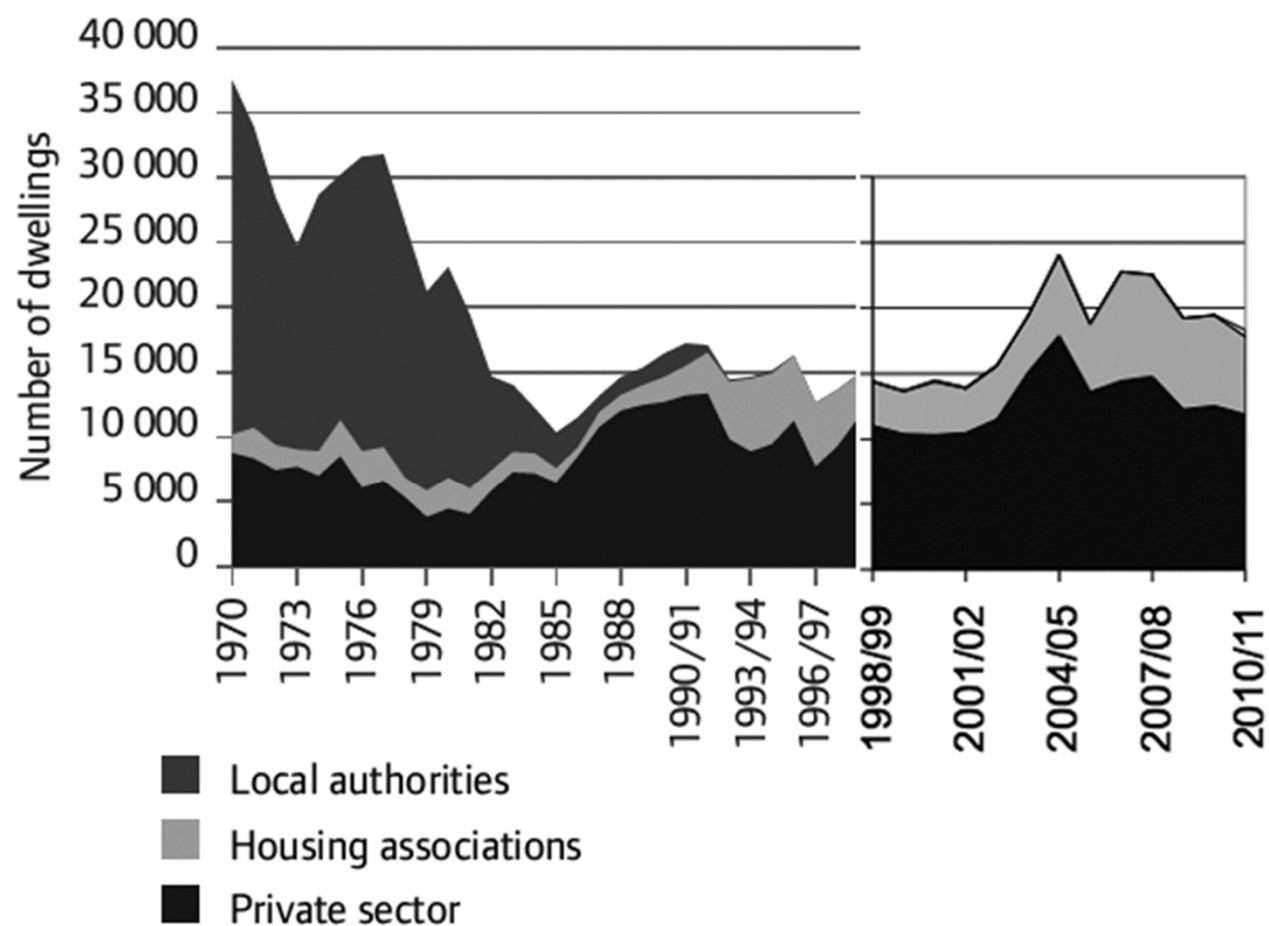
- 'Urban Renaissance'
 - Social exclusion - NDC etc
 - Local government 'reform'
 - 'Competitiveness' agenda
 - and now 'Localism'...
-
- There is not time in this short presentation to explore the conflicts among these agenda. An excellent critical review is Claire Colomb, Unpacking New Labour's 'Urban Renaissance' agenda: towards a socially sustainable re-urbanisation of British cities, *Planning Practice and Research*, 22, 1, 2007
<http://www.informaworld.com/smpp/content~content=a781484342~db=all>

UK housing and property

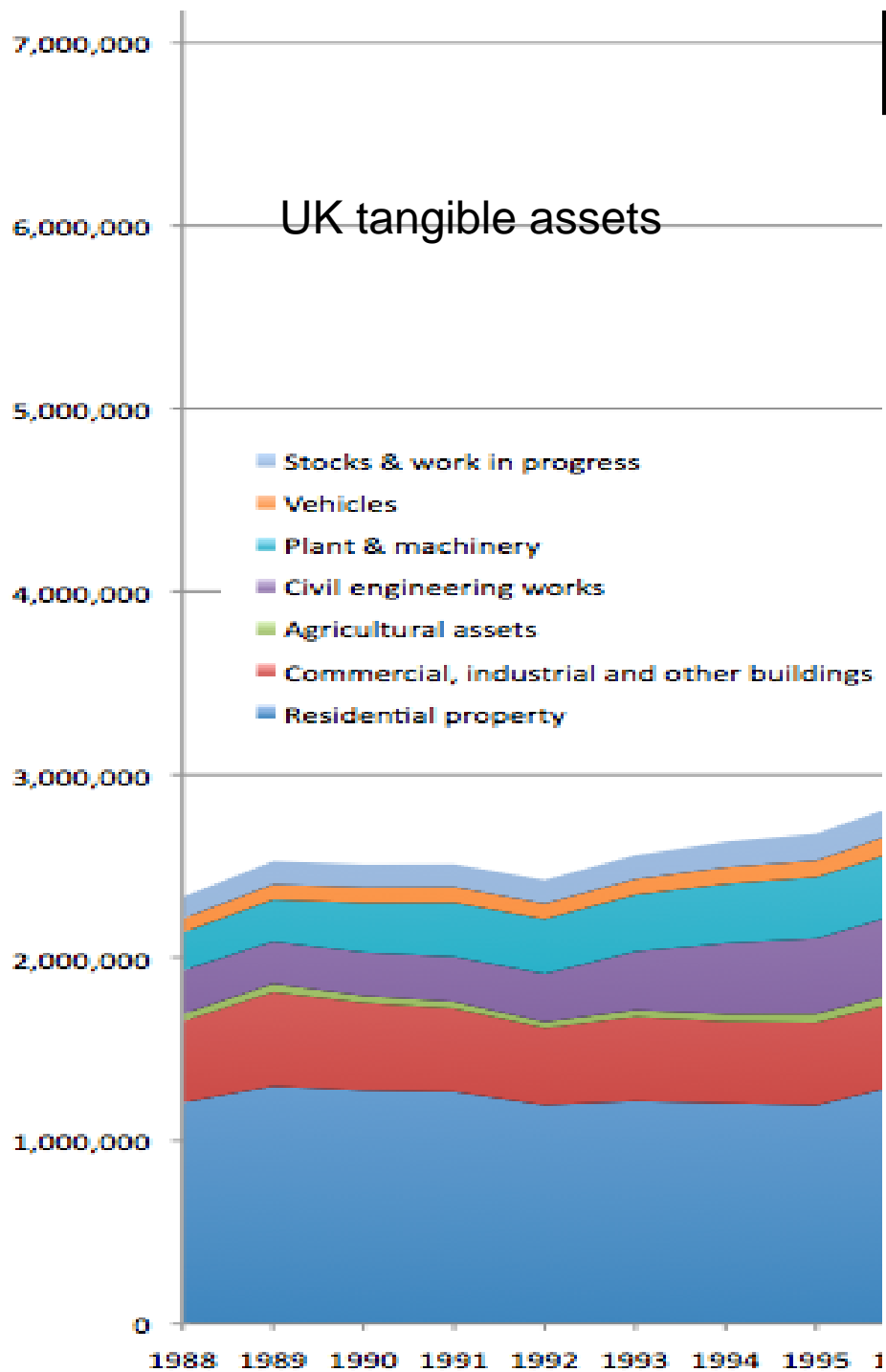
- Investment has been pouring in to housing, property and credit-supply
- ...but not much of that is going into **new production** of housing; most into acquisition, chasing up the prices of the stock
- = a practical dilemma for management of the economy:
 - high interest needed to deter credit growth and housing price inflation; but low interest needed for the productive economy. Stability may be unattainable.
- = an intellectual dilemma for neo-liberal economics
 - rising (house) prices do NOT produce the expected surge in output so the problem gets worse, not better



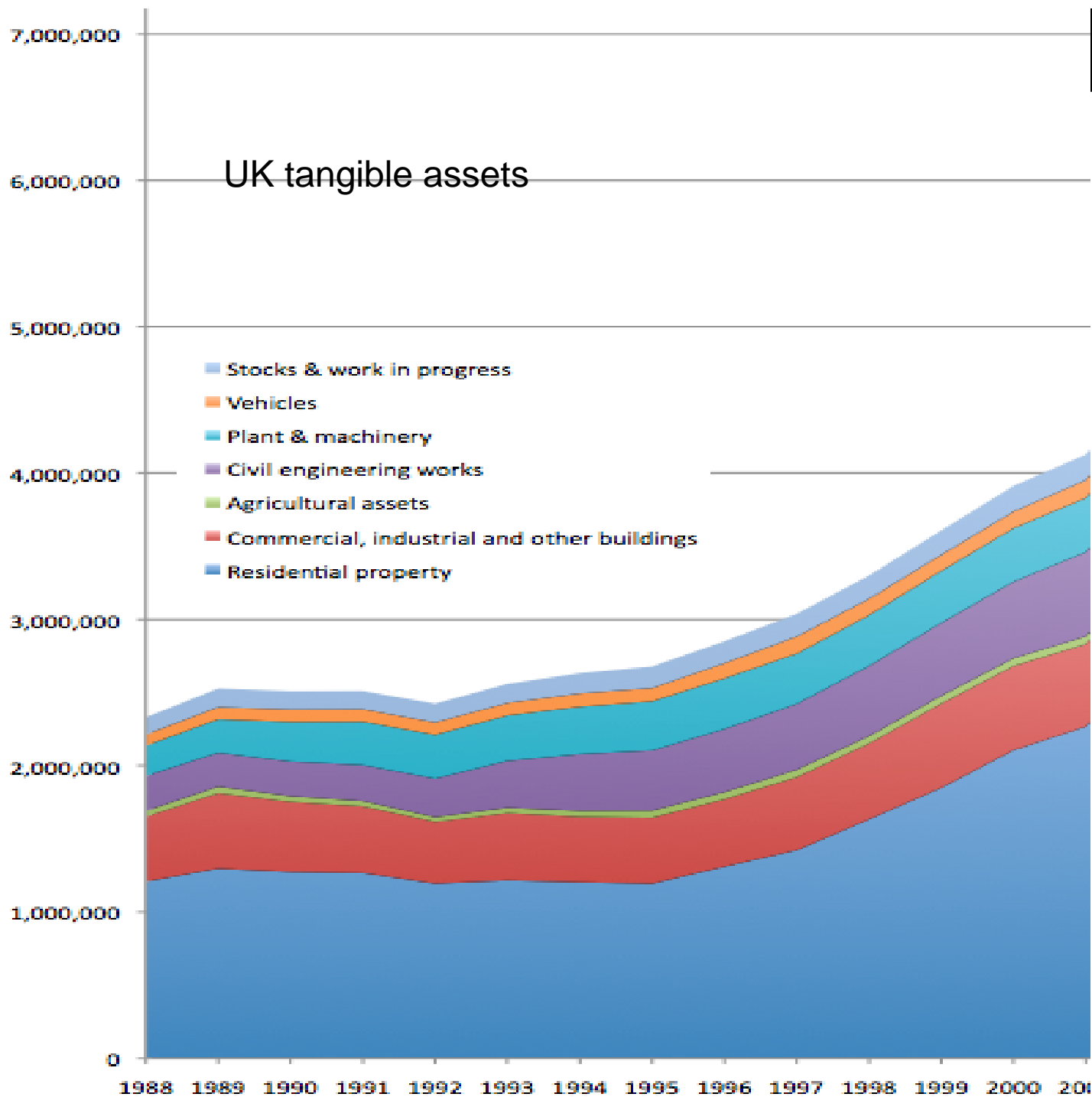
...and equivalent for London, to '11



UK tangible assets

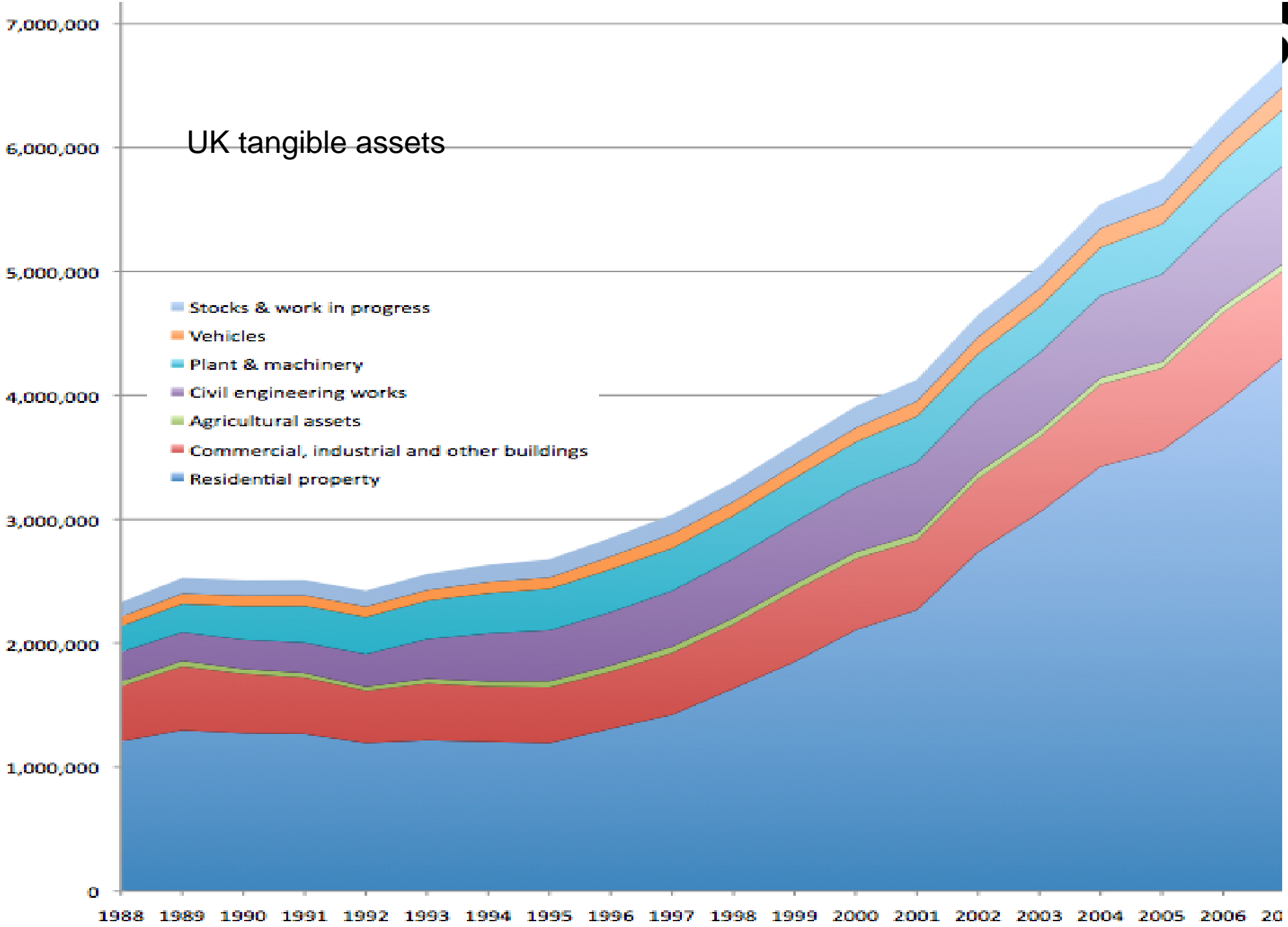


UK tangible assets



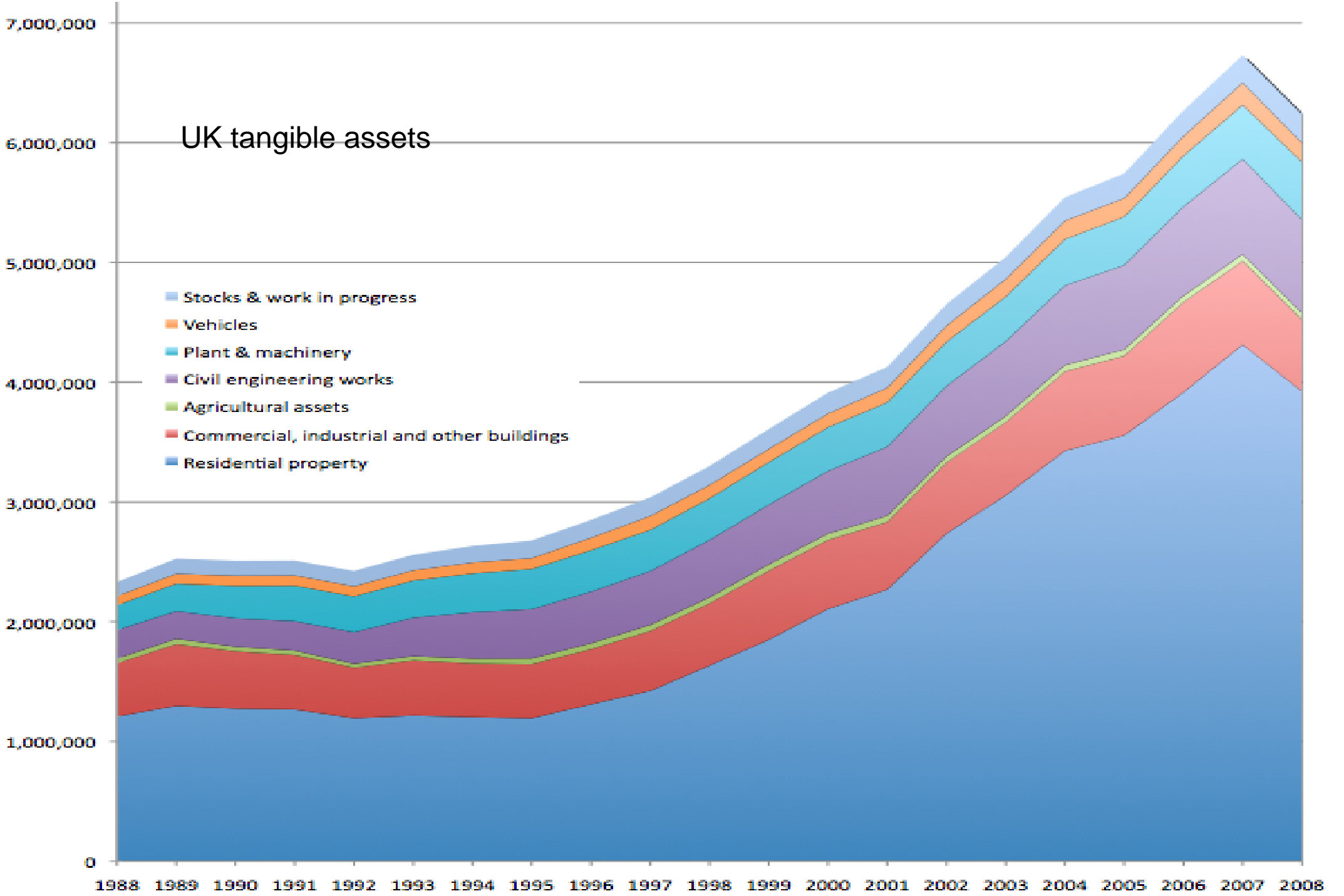
UK tangible assets

- Stocks & work in progress
- Vehicles
- Plant & machinery
- Civil engineering works
- Agricultural assets
- Commercial, industrial and other buildings
- Residential property



UK tangible assets

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Interpretations of the crisis

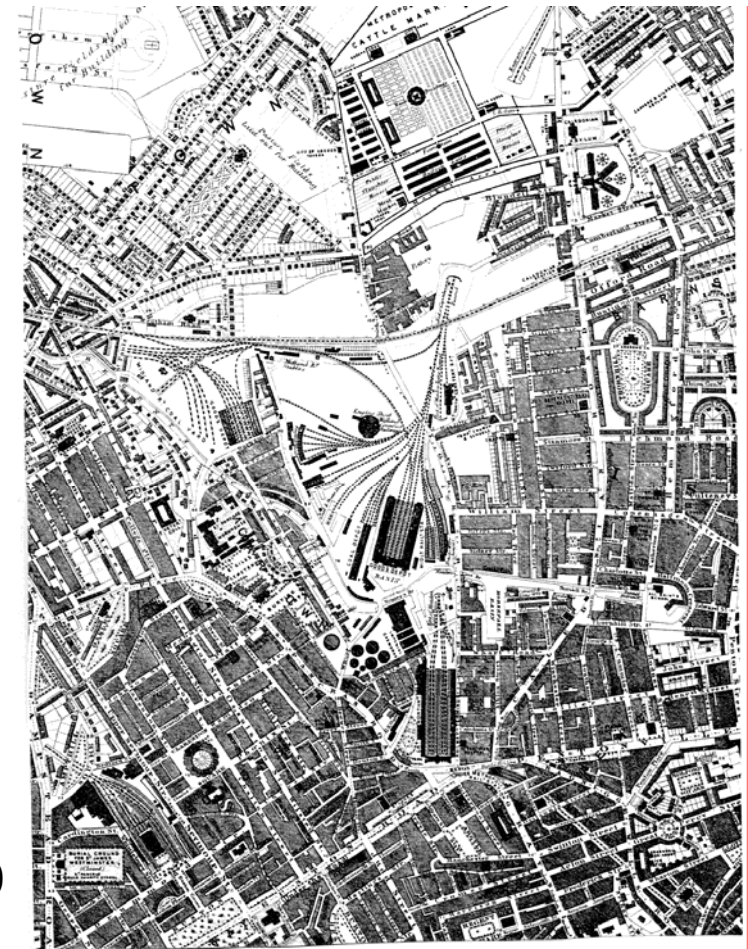
- Economists' orthodoxy
 - markets would equilibrate if permitted to do so
 - planning is the problem: de-regulate
 - London is too precious to retain its poor: price them out
- The alternative view
 - the process is a class-relations problem
 - London's growth is a poverty machine as well as a wealth machine
 - planning is (an unwitting?) part of the mechanism
 - deal with it through a set of measures aimed at the class-relations directly: wages and mechanisms of impoverishment
 - (rather an 'institutional' view, but more politically explicit)

pre-history

- Canal, railways, gas, workers' housing
- Social housing replacing old stock through 20th C



about 1760



about 1850

King's Cross situation before 1987

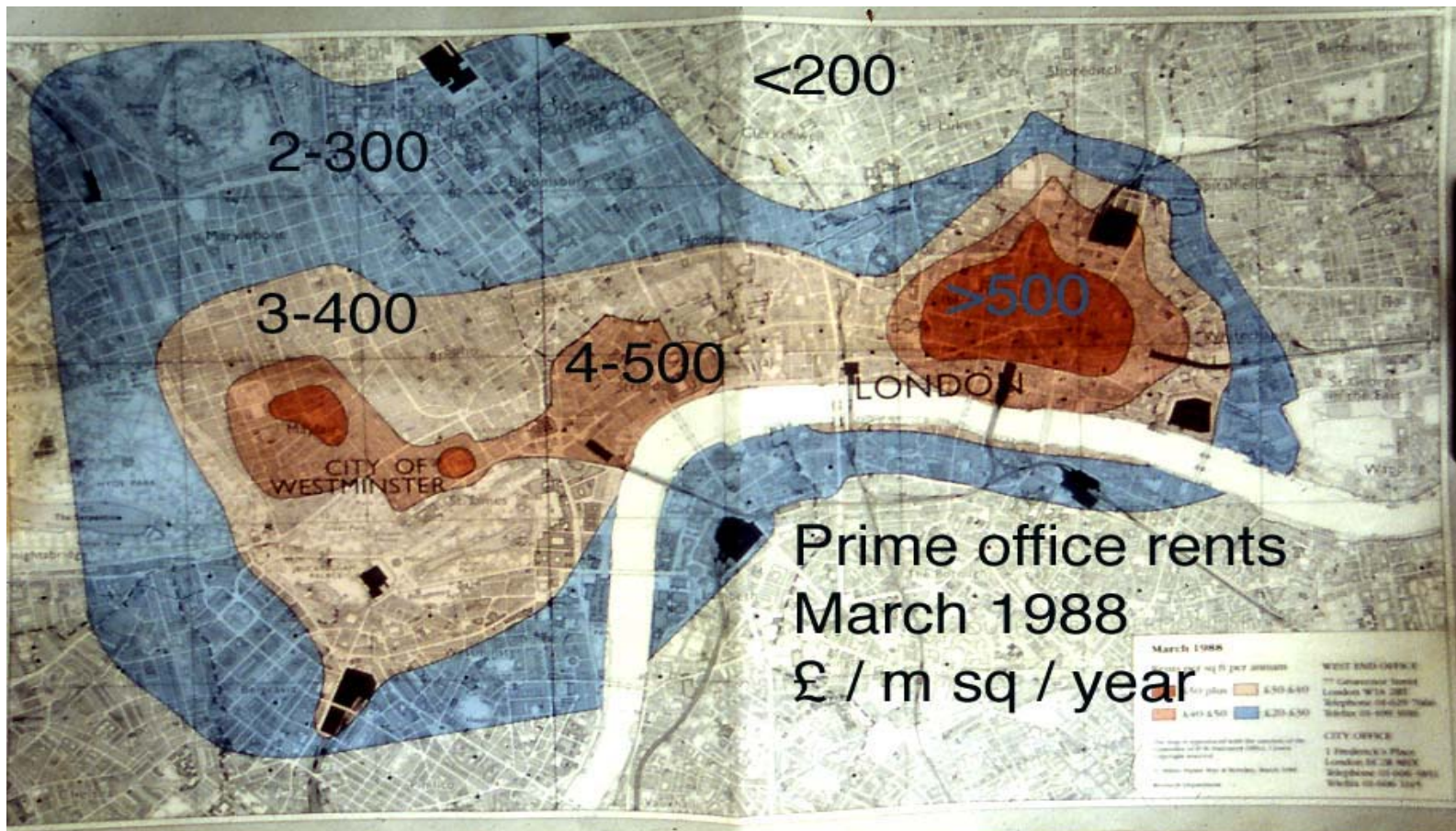
- decades of disinvestment and planning blight



agents in 1980s

- Thatcher government in full strength
- Labour GLC - supportive of community until its 1986 abolition
- Local Borough councils (Camden and Islington) both Labour and both divided between more and less progressive; local plans envisaged a lot of housing in mixed-use development here; but frightened of challenging developers
- British Rail (not yet privatised) beginning to think of its land as 'assets' and to realise their value

- ...still the lowest-rent part of central London



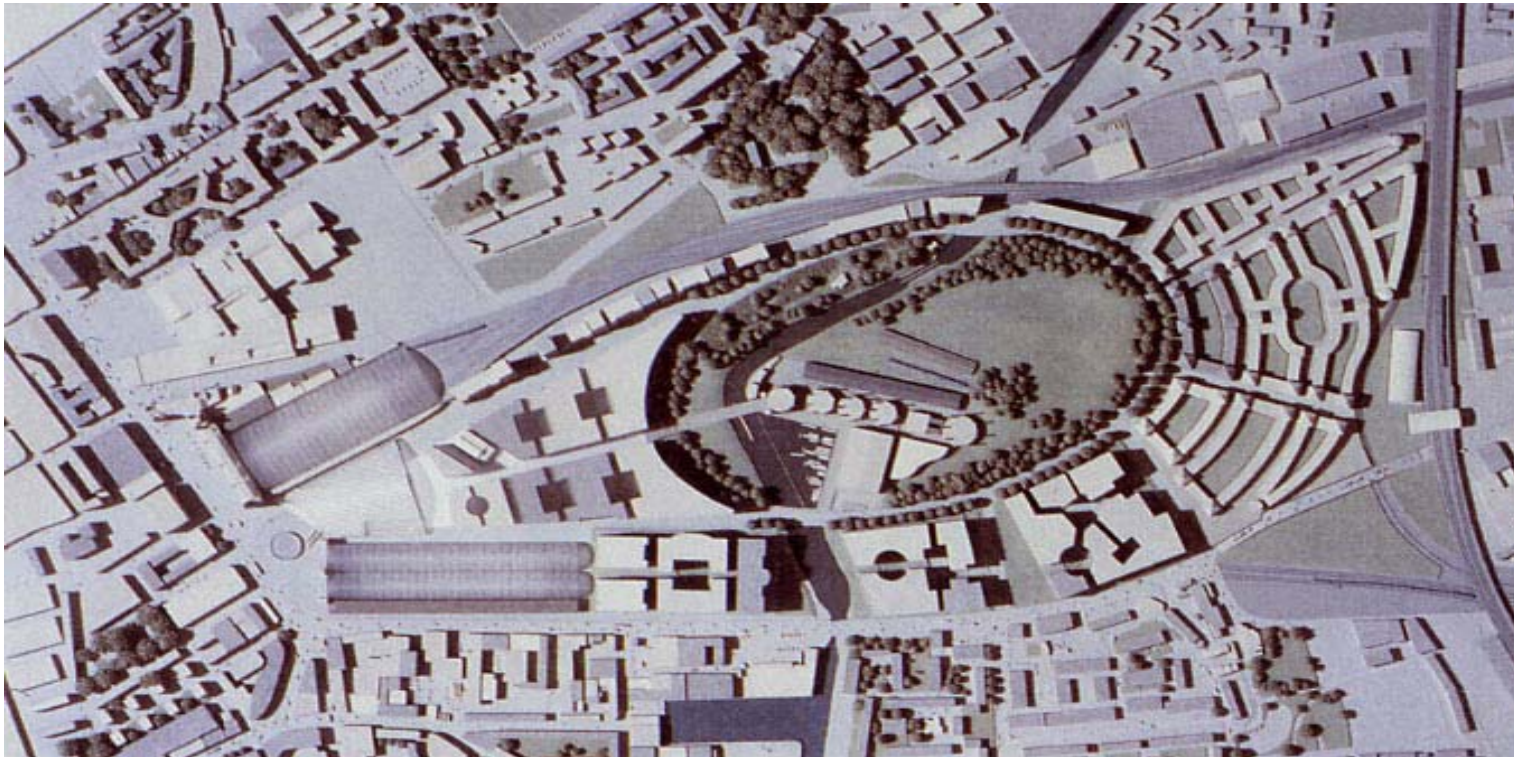
King's Cross situation 1980s

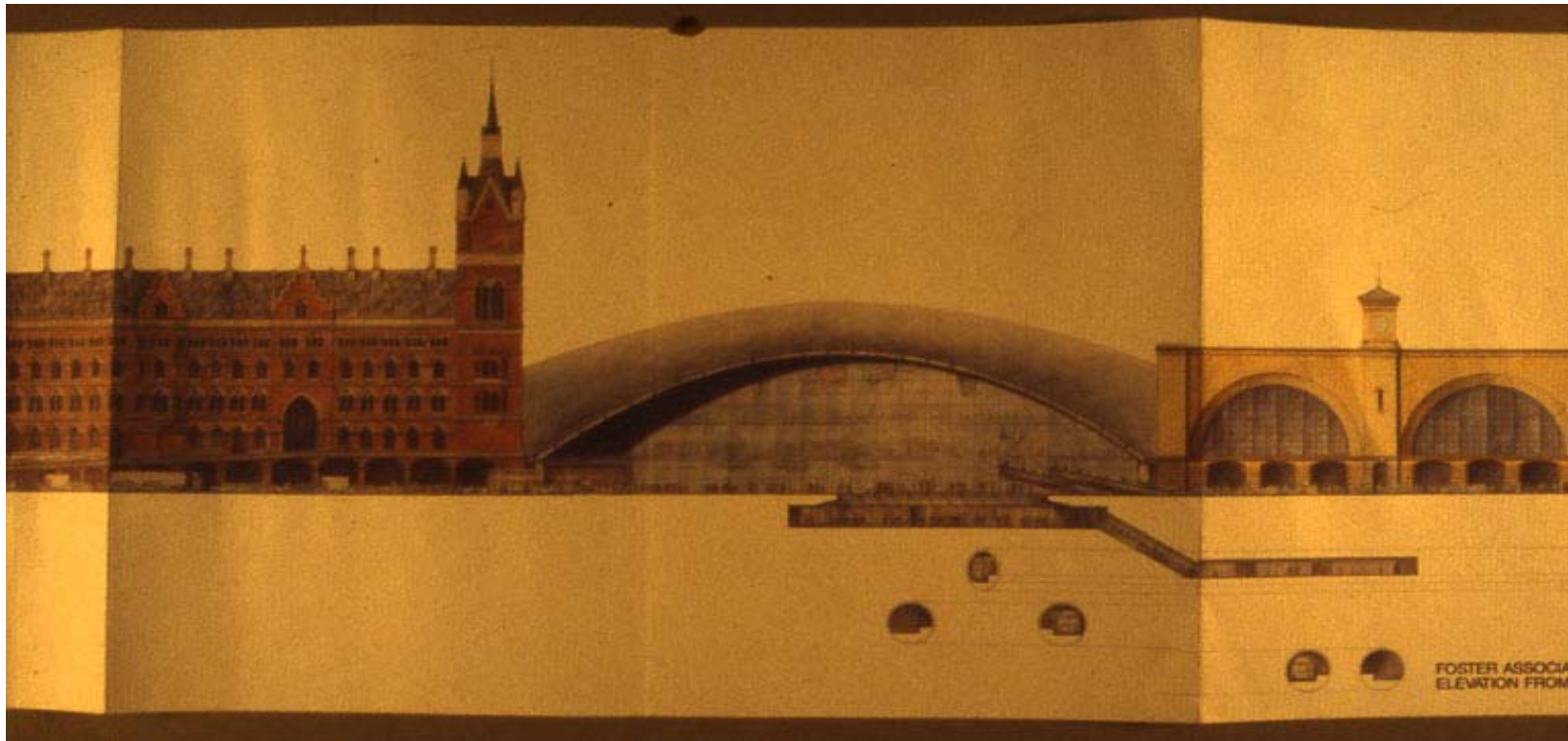
- economy of non-corporate, and often non-profit activity, enjoying high accessibility at low rent
 - scene painting for opera, theatres
 - break-of-bulk drinks distribution
 - print
 - taxi repair
 - noisy clubbing
 - unions, charities, campaigns
 - prostitution, drugs etc
- dense social housing; multiple cultures and 'communities'

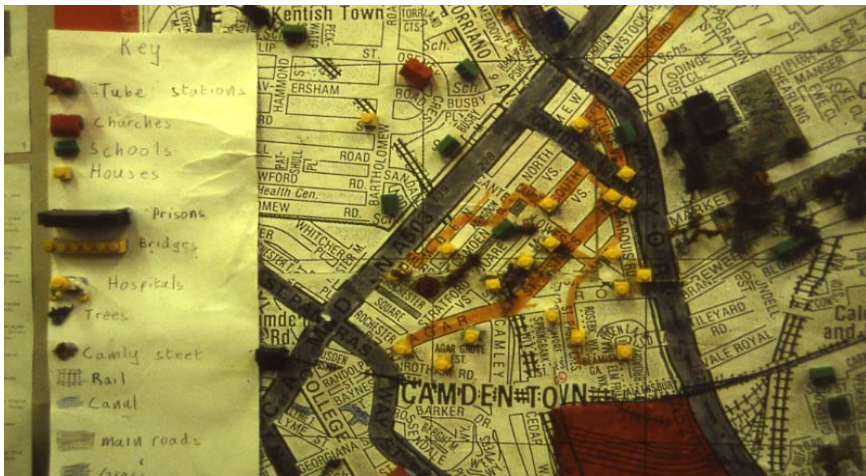
First active period 1987-92

- British Rail secretly planning to bring Channel Tunnel Rail Link (CTRL) to King's Cross
- Seeking to realise property profits here, repeating the Liverpool Street model,
- Partner with Rosehaugh Stanhope developers, as at Liverpool Street
- Foster and Partners appointed to prepare master plan (many versions)
- Strong local resistance, active public campaigns - successfully delayed Camden decision

**Rosehaugh Stanhope / London Regeneration Consortium schemes 1988-92
Foster and Partners**



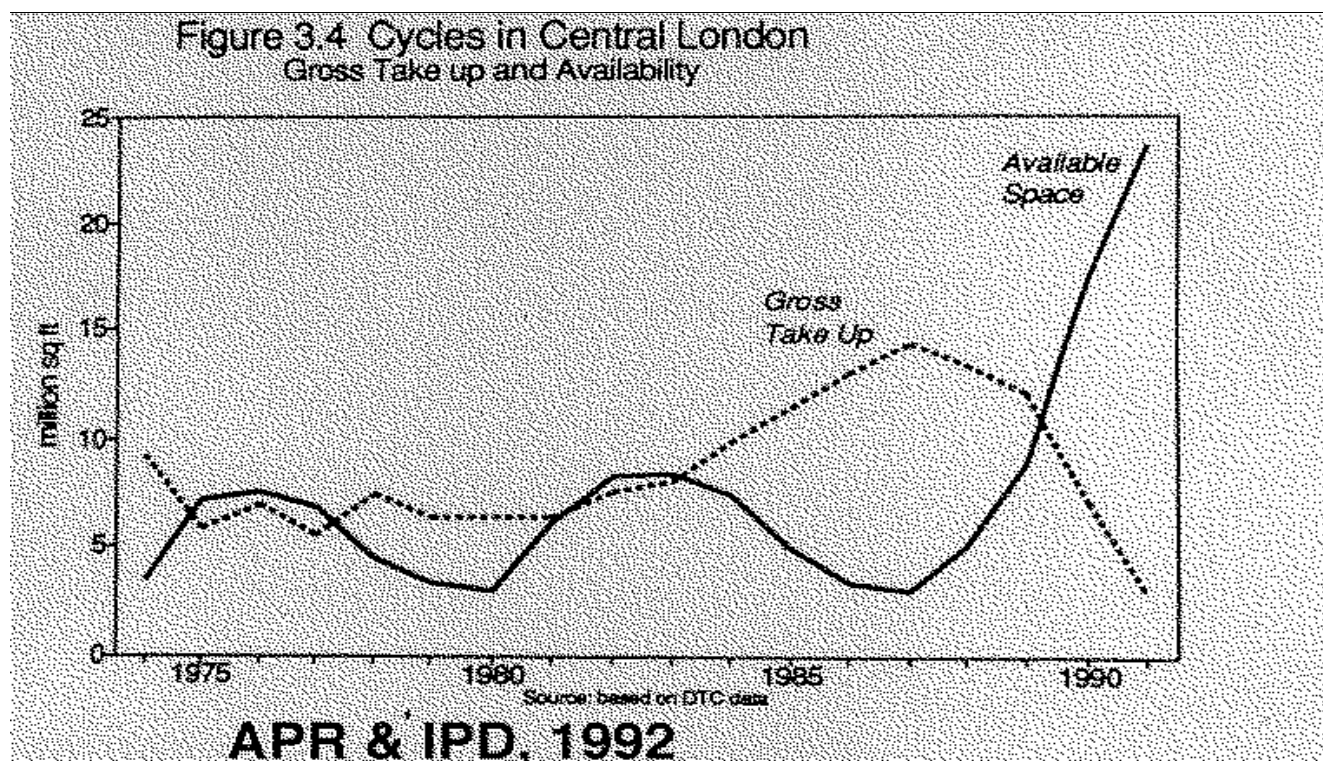




Strong debate and resistance. UCL commissioned for technical support to Railway Lands Group (a federation of resident and business groups) www.kxrlg.org.uk
 Scheme defeated by multiple factors – over-determined

Outcome 1992

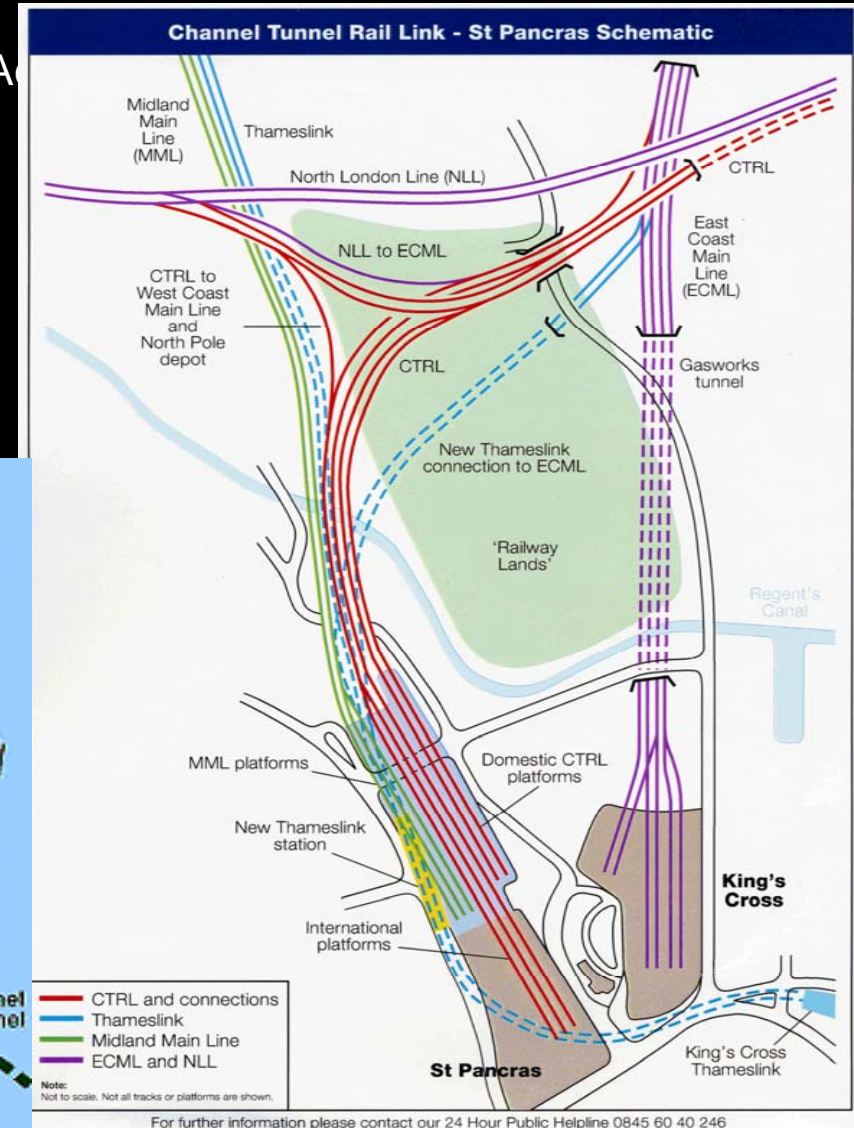
- Long decision process strung out by objectors
- Almost a victory for developers
- Market collapsed, developers evaporated
- Government changed the railway plan

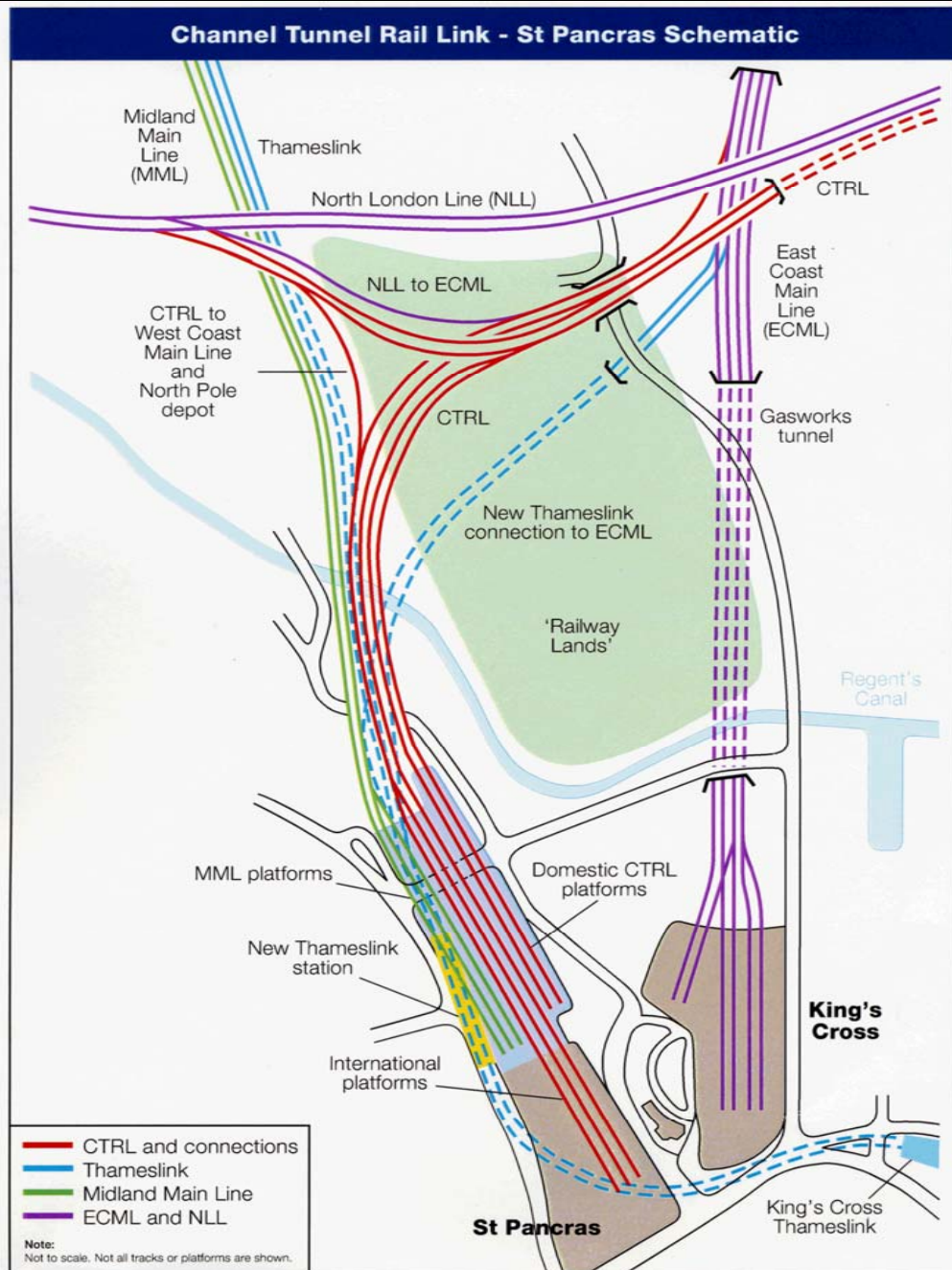




1992-2000: calm, preparation for change

- Government busy with new plan for railway, passing CTRL Act (and privatising BR)
- Development market inactive, recovering
- Housing market leads the way to recovery
- KXRLG gets weak, people demoralised, distracted
- government spends £37.5m on 'regeneration' at King's Cross





For further information please contact our 24 Hour Public Helpline 0845 60 40 246

Financing problems delayed start of CTRL until 2000

Land development profit has to be maximised as part of funding the whole international train service, and keeping government subsidy down.

Pressure to maximise profit on the railway lands is thus severe



King's Cross situation by 2000

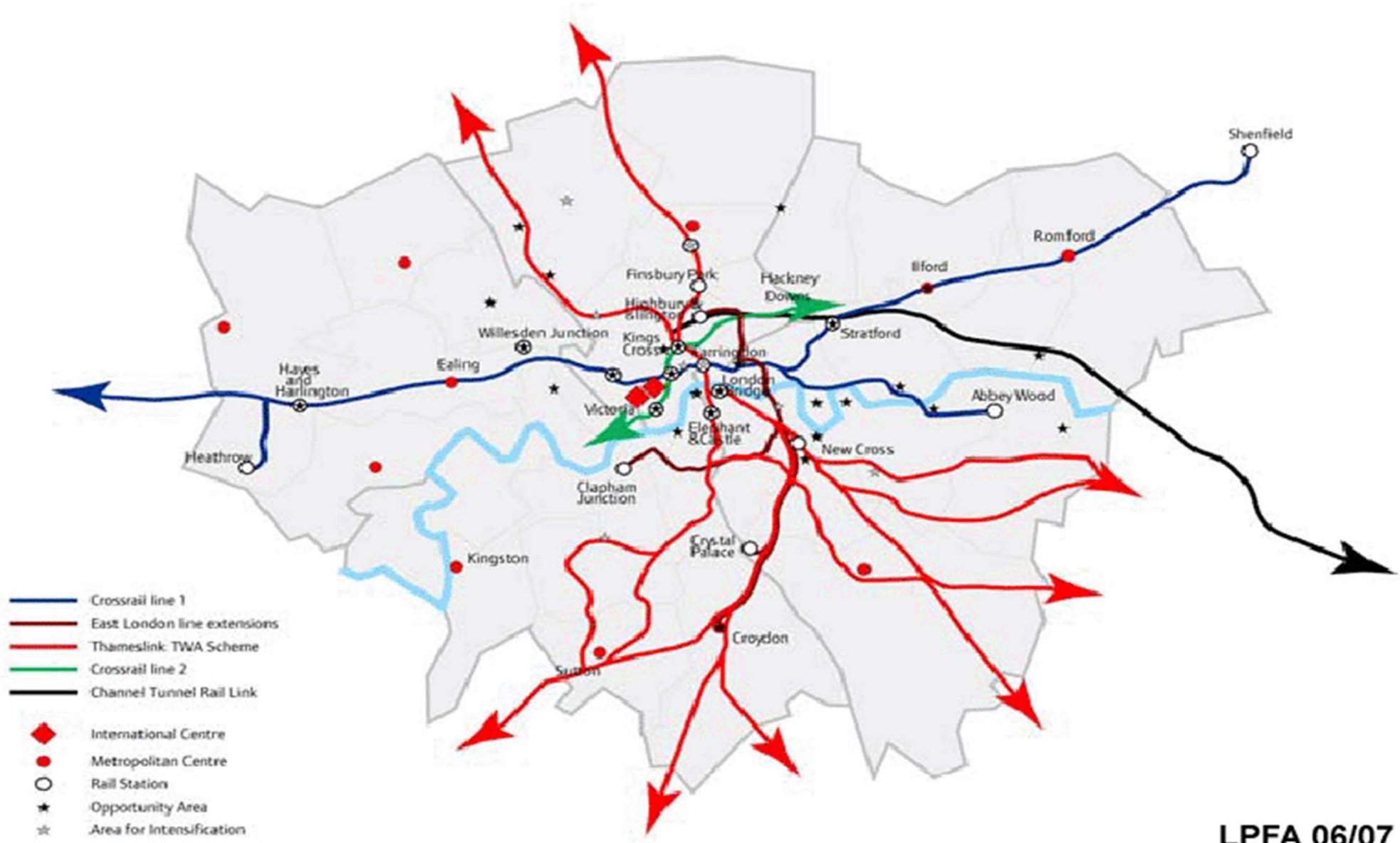
- high deprivation scores in some wards
- but many higher-income, educated, working people too
- right-to-buy in council estates rising through 1980s, 1990s to about 30% now
- Severe overcrowding, especially (but not only) among Bengali households
- Both Boroughs' housing needs at unattainable levels; annual net losses of social units persist through 'right to buy'
- But some very good housing upgrading through Estates Improvement (well before SRB or Urban Renaissance)



Michael Edwards
photos of improved
estates.

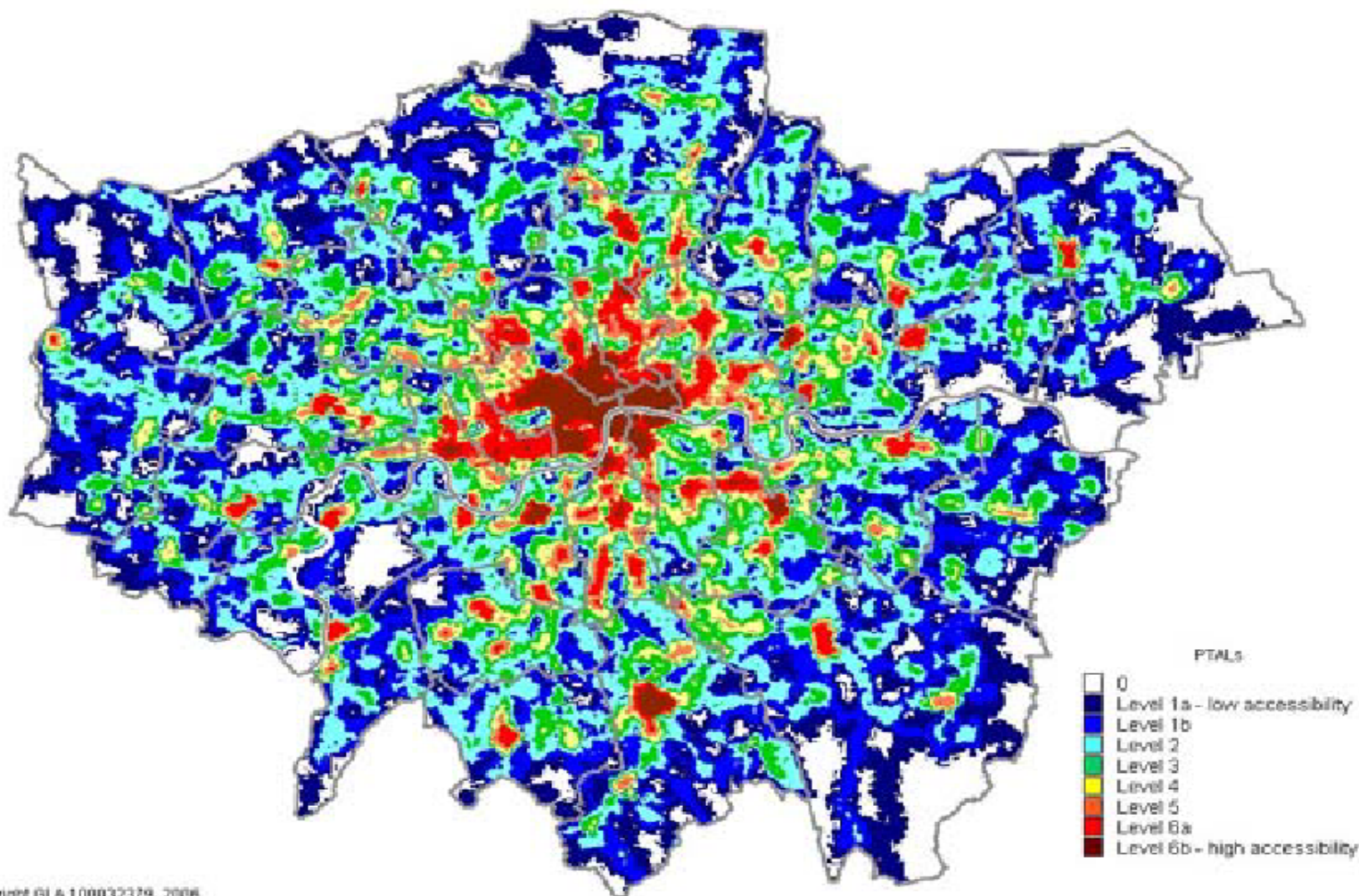
King's Cross situation since mid-1990s: policy

- 'Regeneration' seen as establishing old and new narratives...
 - OLD: poverty, decay, drugs, prostitution, low property values
 - NEW: prosperity, cleansing, vibrant, creative, high property values
- 'London world city' the dominant discourse, with Finance and Business Services (FBS) in the lead
- Increasing influence of property/FBS sectors in the London policy community (via City Corporation, London First and later Ken Livingstone's mayoralty, and now Boris Johnson's. Major and Blair governments indistinguishable on this.)
- the London Plan (2003 onwards) clearly views KX as an extension of central London
- Developer now London and Continental Railways (LCR) and their chosen partner Argent, owned by BT Pension Fund, from 2000
- Planning for Argent site begins while railway construction proceeds (to 2007)



Map 2A.3 Access to public transport

ptals - from LPFA 2007



Density regulated through a matrix related to PTAL - Public Transport Accessibility Level

But 67% of approved projects exceed permitted maximum!

So it works to inflate land prices

GLC 'community areas' 1985

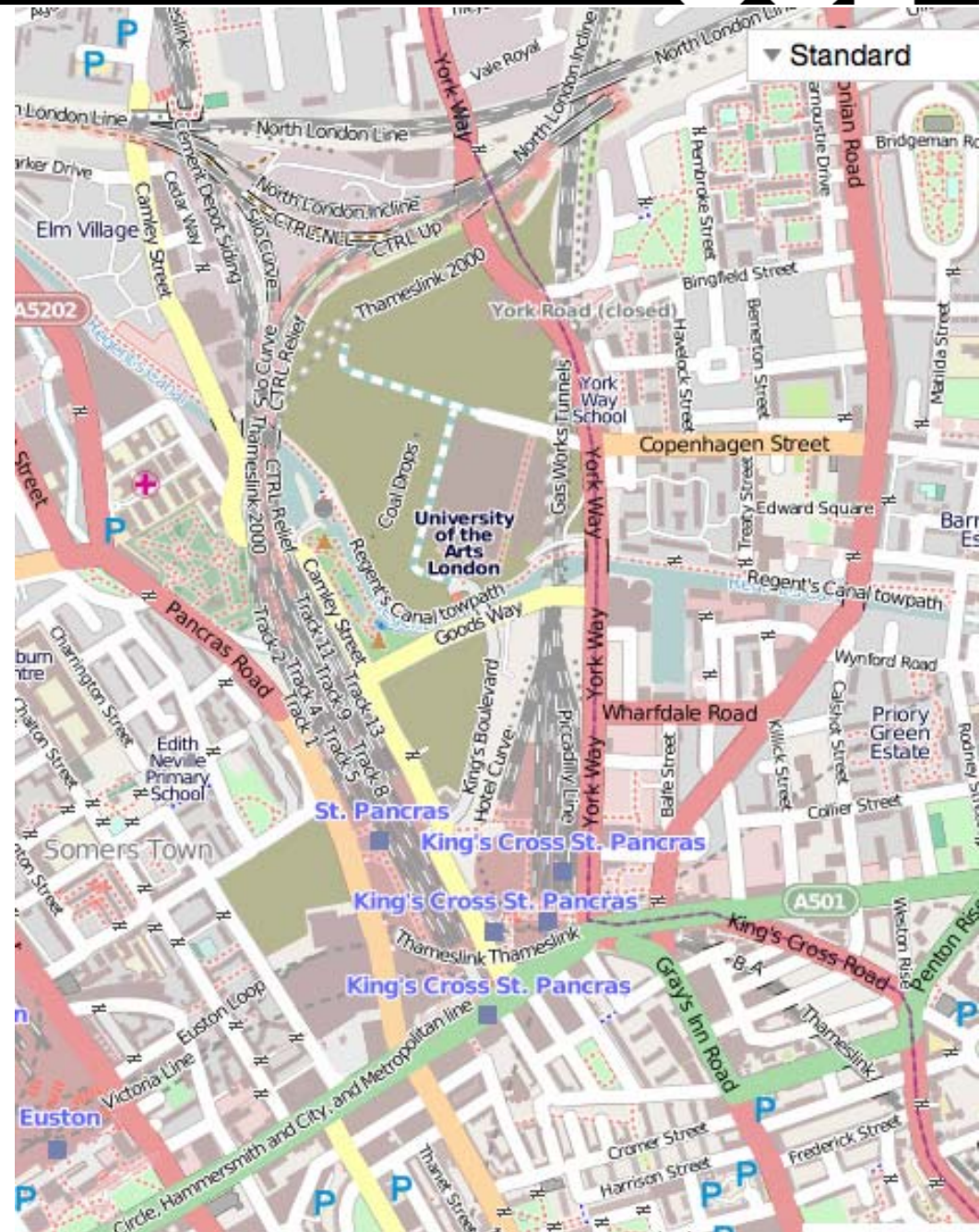
- London Plan CAZ
'opportunity area' 2003➤



Central Activities Zone



openstreetmap.org



Surrounding owners begin to develop at last, now the blight is over



- Transformations in the Fleet valley, alongside the Circle and Thameslink lines, 2000-08



Michael Edwards
images

A photograph of the entrance to the Gagosian Gallery. The entrance consists of a large, frosted glass door on the left and a smaller, dark-framed glass door on the right. The text "GAGOSIAN GALLERY" is printed in a clean, black, sans-serif font on the large glass panel. The building's exterior is made of dark brick, and the ground in front is a dark, paved sidewalk.

GAGOSIAN GALLERY

Regent's Quarter P&O



Figure 15, view of the east side of King's Cross before re-development (source data: Brochure one master planning, P&O – RHWL Architects, August 2001)

- 1970s Stock Conversion
- 1986 P&O acquired, then expected to sell for CTRL
- after CTRL Act, blight ends
- LB Islington planning brief
- 2001 Planning Application

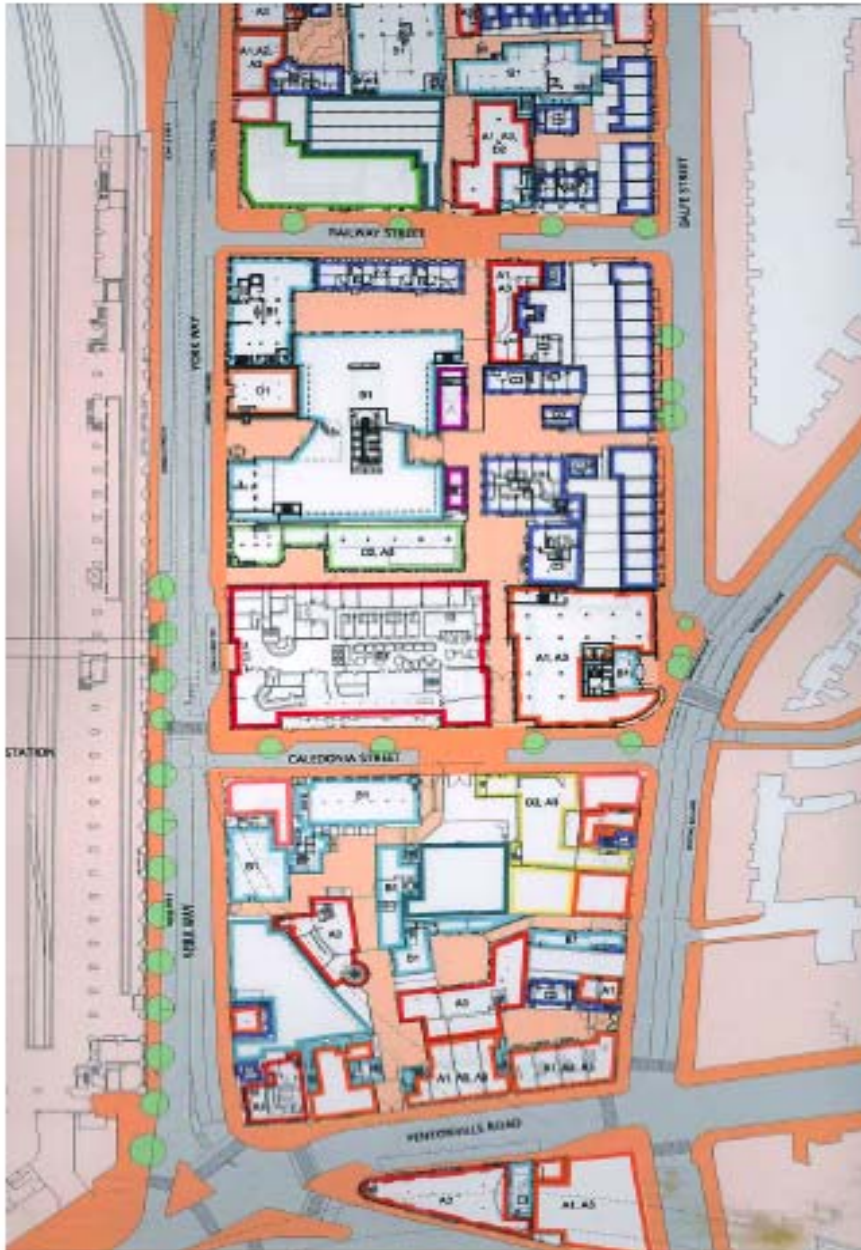
Regent's Quarter Rolfe Judd



Map 2. Rolfe Judd Regent Quarter's master plan presented in September 2000. Source data: P&O Kings Cross Holdings, Analysis and Master plan, September 2000

Shop (S1)	Hotel (H1)
Professional and Financial Services (A0)	Residential (R3)
Food and Drink (A1)	Hotels/Residential Accommodation (Garage) (Sui Generis)
Office/Studio (B1)	Office/Studio (to revert to B1 use on residential or current examples)
General Industrial (B2)	Theatre/Entertainment
Storage and Distribution (B9)	Kings Cross Station

- much demolition proposed; offices, retail, hotel, parking, 20 dwellings
- 2001 application met massive resistance from communities, from conservationists, from SRB partnership
- permission refused by LB Islington and fresh negotiations started to secure conformity with planning brief



Map 3, RHWL, Regent Quarter's master plan, site plan ground floor (source data: Brochure one master planning, P&O – RHWL Architects, August 2001)

Regent's Quarter RHWL (P&O second attempt)

- more housing (138), less office, negligible parking, minimum demolition
- permission 2002
- 2/3 completed 2005
- private residential pre-sold fast
- non-residential sold on to Lasalle Investment Management



Figure 22, Regent Quarter future view of the site (source data: Brochure one master planning, P&O – RHWL Architects, August 2001)



Edwards photos of interior of Regent's Quarter, southern block

King's Place, York Way Parabola Land



- Site developed for light industry by GLC 1980s
- Housed printer and a pub
- Acquired by Parabola
- Dixon Jones architects appointed by competition
- concert halls, restaurants etc, galleries, 7 floors of offices, 28,000m²
- Half pre-let to *The Guardian*
- Completion 2008



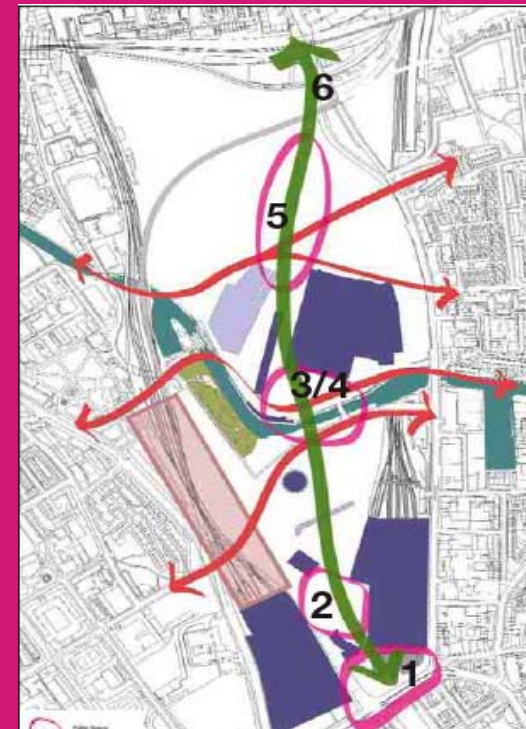
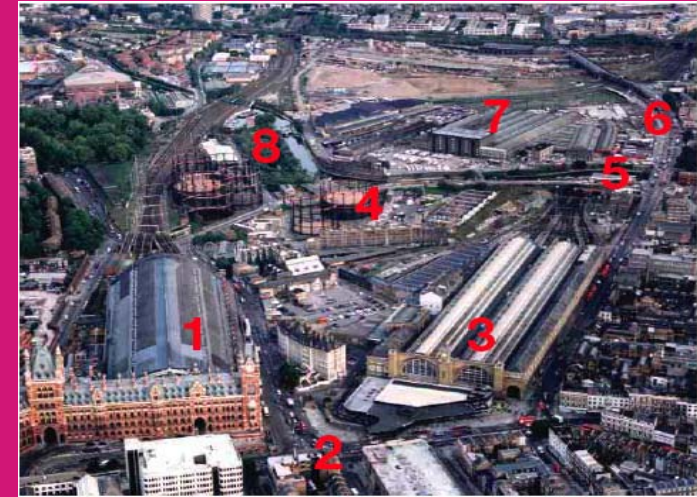
- below: McIntosh image

Parabola images above and below

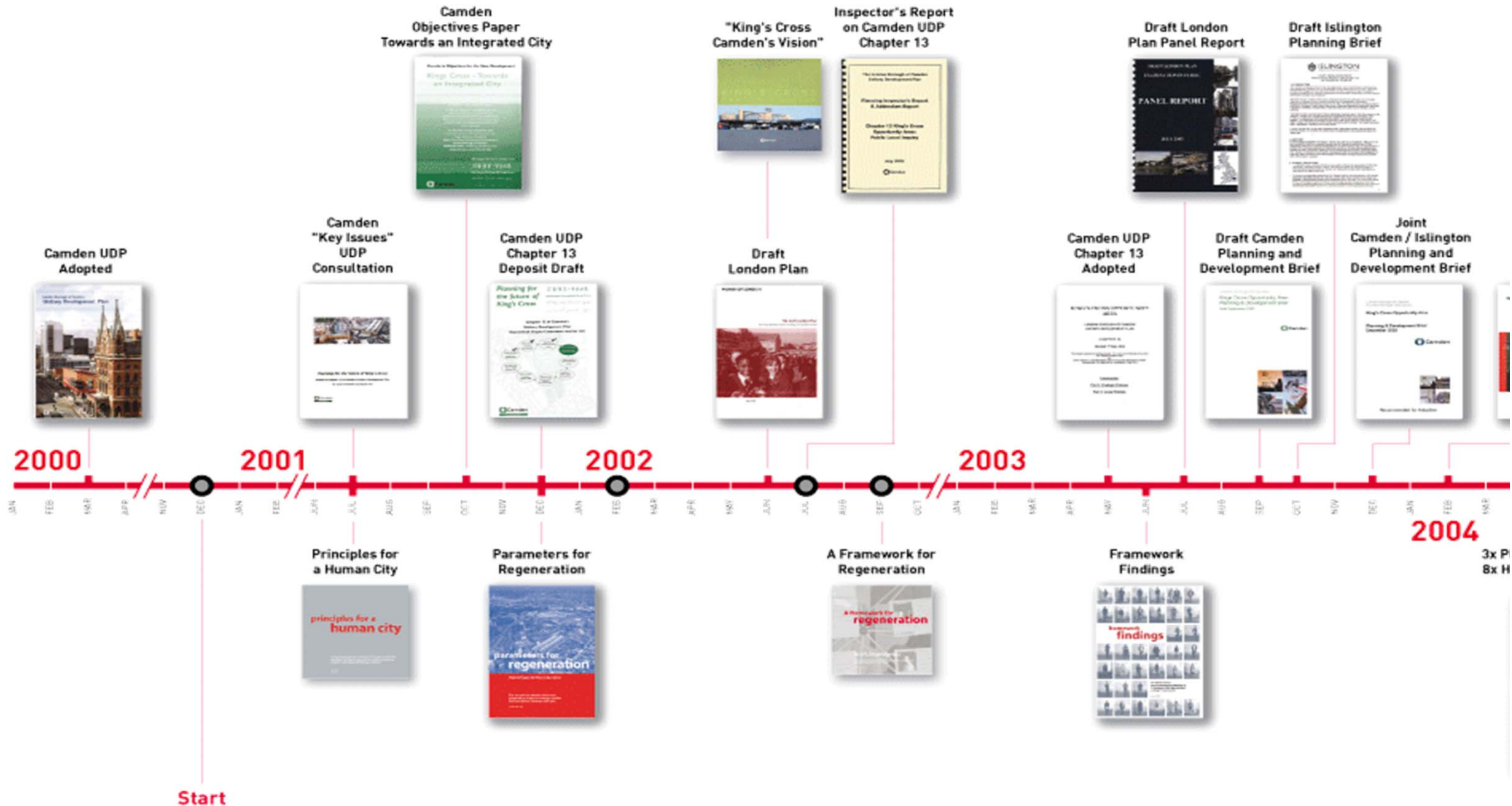


King's Cross Central: Argent / LCR / Excel

- LB Camden developed a 'Planning Brief' (and finally joined with Islington)
- Uneasy compromise between market forces and citizen / political priorities
- Opponents marginalised as unrealistic, never satisfied
- Parallel, interactive and convergent process between Camden and Developers



Council/developer 'partnership' 2000-2007...

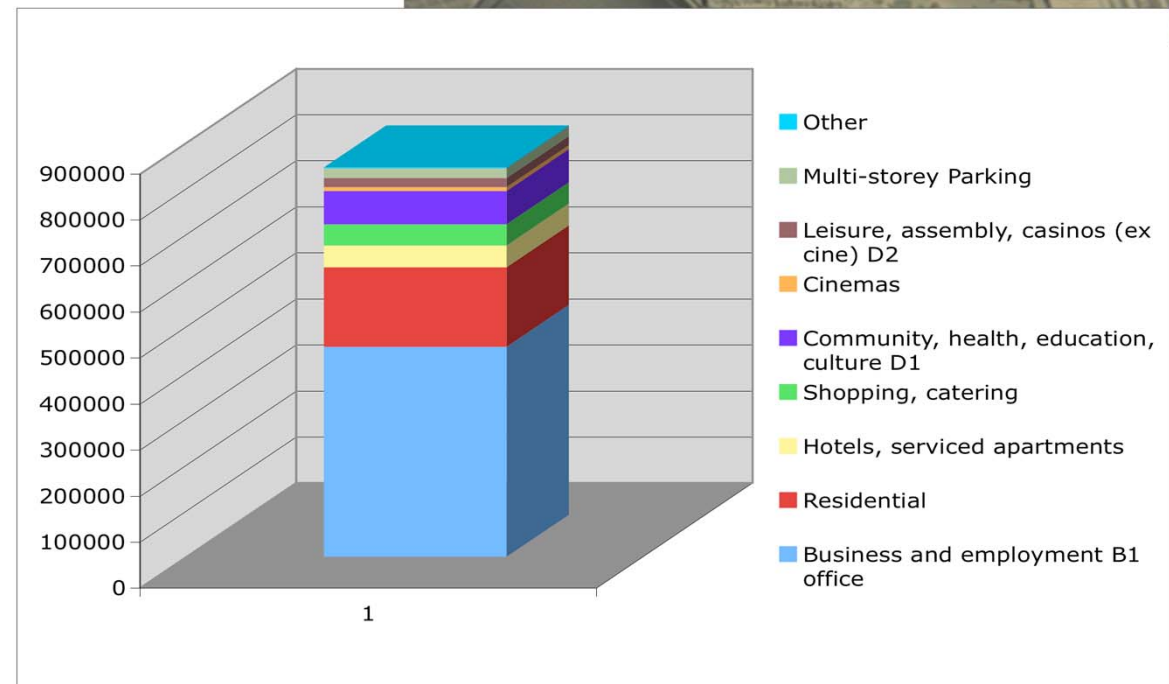


King's Cross Central: CBRE, Allies and Morrison, Porphyrios, Arup Economics,...

- Consultation process won prizes but was widely experienced as manipulative
- Dissident councillors marginalised
- Main controversies over social housing content and treatment of heritage
- Permission granted for a uniquely flexible mix of uses; outline Listed Building Consents



Images:
Argent above
Edwards below



King's Cross Central Illustrative Scheme Plan



- Streets will be public highway
- use of Granary as university
- a pre-let to Sainsbury's HQ failed
- adequate architecture so far
- Argent a 'good' developer and financially robust

- only 1700 dwellings, 42% 'affordable', on main site
- massive office blocks between stations erases heritage and overshadows canal and stations
- connectivity poor in some directions
- excess of corporate office space

Outcomes

- Opposition weaker than 1990
- Legal and planning challenges defeated by developer
- Camden council now has a majority in favour; main opponent excluded
- London Mayor Ken Livingstone supports approval
- Minister refuses to intervene
- Permission given 2006
- Crisis hits in 2007/8
- Argent cannot borrow
- prospective tenants withdraw
- As at 2011 little being built (except with public money or as housing, student housing)
- University of the Arts and some social housing built first!

Conclusions 1 - general

Prof Ruth Glass, born Berlin, taught sociology at UCL, originator of 'gentrification' 1964



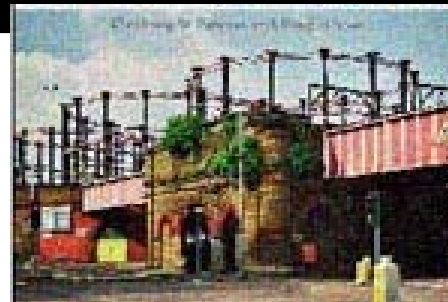
- neo-liberal hegemony (horrible jargon, but true)
- structure / agency
 - structures strengthening
 - agents compliant/weak
- We are witnessing very strong structures of thought and power, with few visible signs that any agent will change them. Will the crisis help generate alternatives?
- Losers largely without voice, or at least not heard
- Even the strongest development plan policies are negotiable
- The presumption on densification raises development potential everywhere and has strong negative as well as positive effects on London, both locally and at a structural level

Conclusions 2 - rent

- Main stations and the space adjoining them play a distinct role:
- They are focused opportunities for property owners to realise social surplus through rents
 - differential rent resulting from accessibility
 - reinforced by adjacent developments and by infrastructure investments
 - and (especially in London's case) participating in the city-wide scarcity of space
 - local and regional connectivity probably more important than international in focusing land value

Conclusions 3: problems about timing:

- Political delays (1988-92) and engineering complexity (2000-8) prevented BIG real estate development from catching the booms.
 - meanwhile smaller, simpler, projects nearby race to completion and collect high rents
- Intense and dense commercial development at stations cuts potential for future transport expansion.
 - this will constrain the future potential of rail (and canal)



References

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[[link to book](#)] [PDF: www.kxrlg.org.uk]
- Edwards, M (2004) 'Wealth creation and poverty creation: global-local interactions in the economy of London' in *The contested metropolis: six cities at the beginning of the 21st century* Ed. R. Paloscia for INURA. Basel, Birkhäuser, 3 7643 0086 8 3-7643-0086-8 www.inura.org
- michaeledwards.org.uk



- In everyone's interest to have a link but...
- LBC is planning authority; LBI bears the worst impact
- LBC failed to ensure Argent and/or NR would pay for it
- (Needs update – excluded from talk)

Figure ground based on work of Dr Khaisri Paksukcharern, shows situation during Argent construction