



## Housing and Urban Neighbourhoods

# EXPANDING THE CITY CORE

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London is growing. It continues to show a robust demographic growth, unlike most large European cities, and in contrast to the other global cities, its employment levels are still rising. In the face of a recent economic slow down, activity in the city has been sustained by a number of factors that include the current volume of major urban development projects, some of them already under construction, and a larger number on the drawing boards or passing through the planning process. In a longer term, this array of commercial space construction, public works and infrastructure investments will play an important role in determining the direction that London's economy will take. Without doubt, it will change the city's face and the grain of its built environment. So, rather than asking whether or not London is growing, the important questions ahead relate to what drives the city's economic dynamism, what social and physical implications are to be expected from its current development path and how public policies and interventions can sustain this growth at the same time that they extend its benefits to those who have been left behind and the areas where concentrated disadvantage persists.

Expanding the supply of office space in London is a clear policy priority in the urban competitiveness agenda put forward by the Livingstone administration. The expansion of Canary Wharf and the rash of new office towers planned in the City and its fringes sparked by the iconic success of the Gherkin, confirm the commercial reality of this trend. If the city is to continue attracting foreign investments, the Mayor argues, it needs to cater to their spatial needs; the lack of suitable state-of-the-art offices may become the most important bottleneck to the consolidation of London as a world city and financial capital in the context of intensified regional competition for high value-added functions. The Mayor's London Plan, put forward in response to these challenges, envisions a central activity zone characterised by highrise buildings and the intensification of landuses in "opportunity areas" (such as White City, Elephant & Castle, King's Cross and Stratford) that are scattered throughout metropolitan London. They present an underutilised capacity of transport accessibility. Urban and regional economists may question this

agenda in terms of the external linkages and sources of growth on which the London economy actually depends; the extent to which the city's dynamism is linked to transnational finance and its related sectors is a matter of debate. But, so is the relative weight of office costs in the location budgets of firms deciding to either stay in or leave London, where labour costs far exceed those in other regions of the UK or abroad. Turning the argument on its head, critics may argue that it is the concentration of high-skilled workers and the continuous replenishment of all segments of the city's labour force through international migration, rather than the supply of office and other commercial space, which ties these firms to the city and offsets the high costs of doing business here. Hence, protecting and strengthening this urban asset of London should be a policy priority that supersedes property-led development strategies. A final question relates to the effects that the current emphasis on the "office economy" will have on London's diverse urban economy and segmented labour markets: how will the benefits of growth reach those at the periphery or unrelated to this services-oriented complex? How effectively are mechanisms such as planning gain or affordable housing quotas used to tackle pervasive exclusion?

Adding to this question are overarching concerns about the actual strength of the projected growth, given the highly cyclical and volatile character that the London economy has shown in the past, and about the accuracy of the estimated ratios of office space needed per new job created. It has been argued that the deep technological, economic and social changes that are currently reconfiguring the relationship between work routines and workplaces have changed the assumptions on which quantitative assessments of office needs are posited at the same time that they necessitate more thorough qualitative appraisals of the functionality of workplaces and their morphological capacity to facilitate cooperation processes and non-routine tasks. The debate for planners and urban designers also extends to concerns about the multidimensional effects that the proposed regeneration schemes will cause both on their immediate vicinity and on the city as a whole.

Issues range wide: from the impacts of highrise structures on microclimates and visual corridors to the effects that employment clusters may cause on the quality of life and congestion levels of the neighbourhoods where they will be located. While some may find office developments a threat to the urban fabric of residential areas, others will see the mixed-use schemes in which most of these developments will be embedded as an opportunity to enhance local connectivity and remediate longstanding urban blight.

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