



To demolish, or not to demolish?

A Camargue conversation



Introduction.

To demolish, or not to demolish?

That is the question currently exercising many within the property industry. It's a dilemma perhaps best exemplified by the high profile row over M&S' flagship store on Oxford Street and whether it should be refurbished rather than demolished to save carbon.

A public inquiry has now considered that question in London and the Secretary of State Michael Gove has refused the demolition of the retailer's Orchard House building.

The decision is nationally significant and speaks to the wider question of what role the UK property and construction industries play in decarbonising the economy.

In his decision letter about Orchard House, the Secretary of State said that there would be a substantial amount of carbon that would go into construction which would impede the UK's transition to a zero-carbon economy. He also found that there had not been an appropriately thorough exploration of alternatives.

For many cities such as Birmingham the debate about the reuse of buildings is also intensifying.

Against this backdrop and the ESG agenda, developers and asset owners are becoming acutely aware of the financial and environmental risk of owning a building that could be considered a stranded asset in a low carbon society.

As we transition to net zero and the embodied carbon agenda shapes more planning decisions, what factors do developers, asset owners and their professional teams need to consider?

How could 'retrofirst' potentially shape high streets and cities? Will this change investment decisions and the choices that occupiers make when looking for a new workspace? Is policy providing sufficient guidance to the developer community?

In summer 2023, Camargue brought together professionals from across the built environment to discuss these critical questions. The debate was appropriately hosted in The Exchange, a University of Birmingham building in the city centre which has been sensitively given a new lease of life as a civic hub.



In attendance.

Trevor Payne
Director of Estates
University of
Birmingham

Fraser Godfrey
Director
Howells

Ashley Innis
Head of Land
(West Midlands)
Sanctuary

Megan Coulton
Senior Associate
Trowers & Hamlin

James Hall
Director
Associated Architects

Mitch Cooke
Director
Greengage

Brian Goldsmith
Managing Director
Introba

Angela Reeve
Senior Director
Head of Planning
Midlands
Turley

Elaine Toogood
Director
Architecture &
Sustainable Design
MPA – UK Concrete

James Walsh
Director and Cost
Centre Lead
Turner and Townsend



Investors are driving the ESG agenda.

It's not just planners and politicians who are forcing developers to consider and make demolition versus new-build decisions. The group felt that the investor community is driving the ESG agenda and at pace.

There is an increasing level of societal awareness about where people are investing their money and a greater desire for investments to address climate change. One attendee noted the Church of England's recent commitment to divest from oil and gas.

In parallel, there is market pressure on funds to publicly report on portfolios' carbon footprint. Investment funds are therefore asking increasingly challenging questions of clients and by extension their supply chains to gain a greater understanding of both operational and embodied carbon in buildings.

It is also driving owners to look carefully at their portfolios and consider which buildings may become stranded assets and commercially unviable if they don't meet sustainability criteria in a world transitioning to net zero.



Is embodied carbon being given too much attention?

Some participants reported that there is now a greater focus on where construction materials come from, and the emissions embodied in the construction process itself — the carbon cost of materials, maintenance and demolition.

It was noted that embodied carbon now forms a bigger part of pre-application discussions between developers and planning authorities than ever before. It can often be the defining issue at planning committees too.

However, there was division around the table on whether it was more important to measure embodied carbon or instead have a greater understanding of whole carbon emissions across the lifecycle of the assets.

The latter considers the entire life of a building from material sourcing, manufacture, construction, use over a given period, demolition and disposal, including transport emissions and waste disposal.

For some attendees, embodied carbon is dominating decision making to the detriment of gaining a greater understanding of whole-life carbon. They reflected that the principles of the circular economy must come to the fore.

They also reflected that decision making should not be focused on a single issue because there are other issues that need to be considered such as placemaking, occupant health and wellbeing and building fire safety.

However, some participants felt strongly that in reality very few of their clients are actually focused on embodied carbon emissions. They highlighted the importance of measurement to drive emission reduction reporting and argued that there is not far enough focus on embodied carbon.



The policy disconnect – will cities follow London's lead?

There was consensus from attendees that a lack of policy and planning guidance is currently not providing enough clarity to developers.

While advice produced by organisations such as Low Energy Transformation Initiative (LETI) is helping to raise awareness and understanding of embodied carbon, the challenge is that there is an absence of regulations or planning policy.

However, to date only London has stipulated within the London Plan a need for developers to calculate whole lifecycle carbon emissions resulting from the materials, construction and the use of a building over its entire life, including its demolition and disposal.

It was highlighted that a net zero carbon building standard is due in the autumn and this will provide some clarity for developers.

Some attendees felt that London Plan-style policies would slowly filter through to other local authorities.

However, others felt the debate in regions is often focused on viability and with an absence of resource in councils, it is likely that London Plan-style policies may not come forward in other cities.



Is new-build still acceptable in cities?

Asked if new-build was now politically unpalatable in cities, some of the group felt that it wasn't yet. They stressed that there should not be a one-size-fits-all approach and it has to be considered on a case-by-case basis.

It is about looking into the specifics of to what extent retrofit is needed because while it is easier to refurbish an office, other buildings are more difficult.

It was noted that some retrofit is very expensive and if refurbishment becomes the default position then there is a risk of seeing some high streets becoming empty as retrofit would not be affordable.

Building operation as well as carbon data are required to decide whether retrofit or new-build is appropriate. There is always a need to understand use, as well as structure, to recognise limitations and work with designers on diligence exercises to make an 'unfit for purpose' building fit for another purpose.

If new-build does come forward, it is essential that the market does not look at buildings with 25-year lifecycles. It is vital to design for lots of future uses and create a frame which is flexible.

Universities with the scale of their estates are in a unique position to drive retrofit and decarbonise construction. They are looking at buildings with longer lifecycles and accessing data on their assets is key for university teams. While in the past it was easier to clear a site and build again, students and academics are now highly aware of the climate emergency.



People and place.

Some attendees also talked about the importance of the placemaking agenda in weighing up the decision of whether to demolish an asset or refurbish.

They talked about the role of connectivity for placemaking, particularly in towns, city centres and on university estates to support sustainable transport and deliver improved social and economic outcomes. It was noted that there are times when retrofit may not provide this potential.

For others, community engagement was cited as key when considering both retrofit and new-build as well as installation of renewable energy.

There was discussion about the role for local authorities to communicate with residents about sites scheduled for disposal, as well as the need for the private sector to talk to people about how they have explored all options for new-build and refurbishment.

There was consensus that it is essential that people are brought on the journey and not disenfranchised in the transition to net zero.

One attendee talked about their organisation's considerations for switching from gas in residential properties where Asian communities generally prefer to cook on gas hobs. They noted the need to consider what provisions could be made to preserve their culture.



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About us.

Camargue is an award-winning, employee-owned communications agency. For over 30 years, we have advised clients across the built environment – managing corporate reputations, navigating businesses through growth, re-structure and change, and supporting development projects to success. From high profile media engagement to thought leadership and creative campaigning, we have delivered integrated communications programmes that add value and influence change.

We have offices in Birmingham, Cheltenham, London and York, supporting clients UK-wide and combining powerful local understanding with the capability and heft of a national agency. We held this discussion close to our Waterloo Street offices in central Birmingham, wanting to put a nationally significant discussion topic under the spotlight in a local market context.

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