

## HERITAGE AND REGENERATION – REVITALIZING HISTORIC URBAN QUARTERS

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Dealing appropriately with the valued legacy of the past is a challenging problem for many cities. Since the 1970s, historic areas and quarters of cities have undergone a re-evaluation of their importance. The first wave of historic preservation policies protected individual buildings structures and other artefacts.

The concern to protect the setting of historic buildings broadened into area-based policies. This second wave of preservation or – more accurately – conservation policies was concerned with groups of historic buildings, townscape, and the spaces between buildings.

Area-based conservation also came about as a reaction to the evident social, cultural and physical disruption of lives caused by policies of clearance, comprehensive redevelopment and, later, road building schemes. What is also notable is the emergence of area-based conservation legislation in most European countries around at the same time. The 1961 Monument Act in the Netherlands was the first, followed in France by the ‘Loi Malraux’. In the UK in 1967 there was the Civi Amenities Act, in Italy, in the same year, the Urban Planning Act, and in Turkey in 1973 the Monuments and Historic Buildings Act.

‘The conferring of statutory protection upon buildings or areas, as allowed and implicitly encouraged by legislation incurs in itself no direct public costs... the problem is that conferring of such status contains and open-ended permanent commitment to the maintenance, renovation and rehabilitation of the area as a whole’ (Ashworth and Tunbridge, 1990, p.16). Nevertheless, the preservation and conservation of such areas could not practically occur solely at the public expense. As the designate areas were assessed as a totality regardless of the merits of individual buildings and structures, the second wave brought many more mundane and everyday historic buildings under conservation control and restrictions. Such protected buildings could not all become museums or contribute directly to the economy of the area deriving from conservation or form conservation-related tourism, creating a need for their occupation for viable economic uses. Burtenshaw et al (1991, pp. 157-158) observe that the failure to find new uses for preserved buildings ‘condemns the city to and existence as an open-air museum’. Thus, in addition to the visual, architectural and historical qualities, consideration of the functional characteristics of areas and the active economic use of the protected buildings was introduced as a conservation concern: ‘The preservation of form has implications for urban functions, and conservation therefore becomes an instrument of urban management’ (Burtenshaw et al, 1991, p. 154).

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**Figure 1.** *Lace Market, Nottingham*

As a result there has subsequently been a third — more fragmented, ad hoc and local wave of policies. The new policies have been concerned with the revitalization of the protected historic urban areas and quarters through growth management. Efforts have focused on attempts to generate the investment and local economic development able to provide the finance necessary to conserve and enhance the quarter. The initial preservation policies had largely been concerned with the pastness of the past, the later conservation and revitalization policies were about a future for the past. Revitalization attempts within historic urban quarters have to operate within a sensitive context and environment; the areas have to cope with inexorable change in their economic fortunes while change in their physical landscapes is restricted and controlled in the interests of preservation. In such areas, the necessity to reconcile the various exigencies of conservation and regeneration, of balancing economic development with respect for environmental quality, is particularly challenging.

Recent local plans have identified areas of character and intrinsic identity with policies to enhance and emphasize this distinct and diverse character.

The quarters referred to in this paper also contain significant historic urban fabric of townscape merit. Reflecting the great wealth of nineteenth-century industrial buildings that exist. They consist largely of sturdy brick and stone buildings or early steel and cast-iron framed structures with usually a brick or masonry envelope or cladding. The solidity of this architecture evokes a powerful sense of character and identity defining both a meaningful time and place. As Ford (1994, p.113) writes: ‘While people tend to grimace at the mention of the words heavy industry and to conjure up images of belching smokestacks and piles of slag, many of the Victorian factories were monumentally picturesque. The exaggerated opulence that characterised offices, hotels, department stores, and apartments during the late 1800s was also applied to many large factories and warehouses’.

Nineteenth-century industrial areas are of particular interest because they have the potential or need for changes of use with consequent implications for their character. If they do not, or cannot remain in industrial use (centres of production) what other uses might be appropriate? Revitalization efforts operating within a sensitive context and environment place additional concerns the quality of design for both rehabilitation and new developments and on the quality of the spaces between the buildings.

There are three ways in which quarters may be typically defined or identified: by physical boundaries; through their particular identity and character; and by functional and economic linkages.

#### **Boundaries**

Quarters can be defined by very discrete and obvious boundaries. The boundary might be defined by a distinct rupture of physical character, by a physical obstacle or edge, for example, a river or a busy road, or it might be determined artificially for administrative convenience. Boundaries may have arisen autonomously and have subsequently been codified for administrative purposes. Conversely, an historic delineation might also have contributed to its subsequent character.

#### **Character and identity**

Lynch (1960, p.47), in his taxonomy of the constituent elements of the image of the city, defines districts as ‘the medium-to-large sections of the city, conceived of as having two-dimensional extent, which the observer mentally enters “inside of”, and which are recognizable as having some common, identifying character. Always identifiable from the inside, they are also used for exterior reference if visible from the outside. The common, identifying character of a quarter has both physical and functional dimensions. That identity and character might be embodied in the very bricks and mortar of the place, it might also be the result of the activities that traditionally occurred in the area.

#### **Functional and economic linkages**

The character of a quarter can derive from the agglomeration of closely-related activities that depend on one another economically as in the case of the Jewellery Quarter in Birmingham and the Lace Market in Nottingham. Many of the quarters in the UK and the USA were centres for the clothing and textiles industries where there is often a functional integration as well as a division of labour between firms within the industries. There is, however, a need to find a balance between the agglomeration of particular uses to give character and to gain the benefits of economic Integration and a range of uses to provide vitality.

### **HERITAGE PRESERVATION**

The desire to preserve evidence of the past has many justifications. Rypkema (1992, p. 206) notes: ‘Preservationists often talk about the “value” of historic properties: the social value, the cultural value, aesthetic value, urban context value, architectural value, historical value, the value of sense of place. In fact one of the strongest arguments for preservation ought to be that a historic building, has multiple layers of “value” to its community.’ Underpinning the other justifications, however, are arguments based on ‘economic value’. The desire to preserve must ultimately be a rational economic and commercial choice; problems will arise where buildings are preserved only as a consequence of legal and land use planning controls.

#### **Aesthetic value**

The aesthetics of the past might simply be appreciated and valued for their own sake. Old buildings and towns are valued because they are intrinsically beautiful or ‘antique’, or — more simply — because they are old and have a scarcity value. Nevertheless, Lynch (1972, p.56)

warns of dogma about the intrinsic goodness of old things. Given the blandness of much contemporary architecture, historic buildings are often more interesting than post-industrial offices, houses and shopping centres. Zukin (1989, p. 59) notes of former industrial buildings: 'Their structure has both a solidity and a gracefulness that suggest a time when form still identified 'place' rather than 'function'. Their façades are often adorned with archaic emblems and sculpture, apparently showing the archaic skills of masons and carvers'. Historic buildings and areas have picturesque qualities; they are redolent of a period of genuine craftsmanship and individuality that has been lost in a period of modern industrialized building products and systems of Construction.

#### **Value for architectural diversity**

The aesthetic appeal of an historic place may result from the combination or juxtaposition of many buildings rather than the individual merits of any particular building. Most cities are made up of buildings from a range of periods in a variety of styles and idioms. Thus, the past may be valued because of its juxtaposition with the present.

#### **Value for environmental diversity**

At a larger scale, architectural diversity also contributes to an environmental diversity. Particularly in many North American cities, there is often a stimulating contrast between the human scale environment of an historic quarter and the monumental scale of the more modern central business district (CBD).

#### **Value for functional diversity**

The range of renting profiles resulting from a diverse range of different types of space in buildings of varying ages, enables a mix of uses. Thus, there may be a synergy between different functional uses in adjacent areas resulting from the nature of the property in each area. Similarly, historic areas may offer lower rents that allow economically marginal but socially important activities to have a place in the city. Large scale redevelopment often forces out these small uses which rarely return.

#### **Resource value**

Lichfield (1988, p. 29) gives two definitions for conservation. The first is to check the rate of exhaustion of natural or human resources. The second is to check obsolescence (or diminished utility) in manmade resources, for example, buildings. Whether beautiful, historic or just plain practical, buildings may be better used than replaced. Their value exists as the investment — or committed expenditure — of resources. As rehabilitation is less expensive in terms of absolute energy usage, the reuse of buildings constitutes the conservation of scarce resources, a reduction in the consumption of energy and materials in construction, and good resource management. Nevertheless, at present, the energy value of resources is poorly accounted for through the price mechanism.

#### **Value for continuity of cultural memory/heritage value**

It is not merely an aesthetic or visual continuity, but also a continuity of cultural memory that seems important. Since the mid 1960s this justification for preservation has been of increasing significance, broadening the original elitist concern and preoccupation with the aesthetic properties of historic artefacts. Visible evidence of the past can contribute pedagogically and educationally to the cultural identity and memory of a particular people or place, locating a contemporary society in relation to a previous tradition and giving meaning to the present by interpreting the past (Hewison, 1987, p. 85). Morton (1993, p. 21) argues: 'The built environment is one of the elements which when woven with other evidence such as writings, sculpture, music, etc. forms the palimpsest which is our inheritance from the past. It also provides the basis for understanding the times in which we live.'

### **Economic and commercial value**

The justifications for preservation reviewed so far generally have an aesthetic, social and cultural value rather than a tangible economic or commercial value. Nevertheless, in a context where public funds cannot subsidize all the required or desired preservation, then economic and commercial justifications for preservation and conservation must ultimately underpin all others, in the private sector, unless there is a clear economic rationale for a particular course of action that action is unlikely to occur. However, economic arguments are often ranged against the strictures of conservation or preservation. Conservation policies are regarded as a more extreme version of planning, which it is argued inevitably means greater intervention into private land and property markets, more bureaucracy restrictions and delay.

Whether it is an unfettered market or one in which there is a significant public intervention, historic buildings must have effective economic value. Rypkema (1992, p.206) offers a four-part syllogism: 'Historic preservation primarily involves buildings; historic buildings are real estate, and real estate is a commodity; for a commodity to attract investment capital, it must have economic value'. Therefore, to attract private investment to historic preservation, it is necessary first to create and then to enhance economic value'. He argues that for any commodity — including real estate - to have economic value, four characteristics must be in place: *scarcity*, *purchasing power*, *desire* and *utility*. For any economic value to exist, all four must be present.

Historic buildings usually possess *scarcity*: their supply cannot be increased. That can also present opportunities for direct economic gain, for example, from tourism. However, few buildings, apart from museums and cafes, receive this as a direct benefit. The scarcity might also offer additional commercial value against an otherwise undifferentiated supply. For example, industrial buildings converted to residential use offer dwellings possessing the premium of greater character and individuality.

While, generally, some level of *purchasing power* will exist, the problem is that it likely to be invested elsewhere. If the other factors are in position, then *purchasing power* will be available. Thus, what is most often lacking for historic buildings is utility and desire. The *desire* has to ultimately come from one particular segment of users of real estate. As Rypkema (1992, p. 206) states: '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. For commercial desire to exist there has to be a functional and financial utility for occupiers and investors.

A building's lack - or a diminution — of *utility* is a function of its obsolescence. Obsolescence is the reduction in the useful life of a capital good. From its first day of life a building starts to become obsolete; the state where it is 'completely useless with respect to all the uses they might be called upon to support' (Lichfield, 1988, p. 22). There are several different dimensions to the concept of obsolescence involving both buildings and areas. The most significant dimension is the relative or economic obsolescence: the obsolescence with regard to the cost of alternate opportunities. The alternate opportunities include both the cost of alternate development on the site and the cost of development on an alternate site. To attract investment capital the historic building must have greater economic value than the next best alternative. Or, in other words, the cost of utilization of that historic building had to be lower than the competitive supply.

## ECONOMIC CHALLENGES OF HISTORIC URBAN QUARTERS

### **Economic change**

In recent years there have been two key changes. The first key change has been the decline in western counties of manufacturing industries, a consequent deindustrialization and the emergence of an Informational economy (see, for example, Castells, 1989). As a consequence, many cities in Western Europe and the USA are changing from being centres of production to become *largely* centres of consumption. In historic urban quarters the physical landscape designed to suit the exigencies of one historical period has to be adapted for another.

The second factor has been the restructuring of international capitalism and the advent of an increasingly global economy, by which, for example, western corporations are more easily able to achieve economics by relocating their manufacturing plants in the developing world where labour costs are lower.

In terms of the pattern of economic activities, few cities are static: the fortunes of individual areas fluctuate over time. Houghton and Hunter (1994, p. 39) note how every city tends to have a 'golden era' after which, for many, decline ensues. 'Part of the fascination of the twentieth century has been the attempts of some older cities to 'reinvent' themselves after initially being written off following rapid deindustrialisation'. In many older cities, to achieve a 'second golden era' and to reposition themselves within the global economy, restructuring policies are pursued that sometimes draw on the legacy of the built environment inherited from that golden age (Houghton and Hunter, 1994, p. 39). Historic urban quarters are part of this economic dynamism, they are rarely autonomous functional zones and usually have a symbiotic relationship with the rest of the city. They must therefore be considered within the context of the city as a whole. In the UK Department of the Environment (1987b) guidance for conservation areas states the policy imperative is 'to preserve their character but not at the cost of setting them apart; they must be seen as part of the living and working community'. The changing fortunes of areas of cities and their physical fabric can be usefully analysed by considering them in terms of obsolescence, and in particular the way in which preservation controls check the ability of the market to remedy or address obsolescence.

### **OBSOLESCENCE**

Obsolescence, or diminished utility, is the reduction in the useful life of a capital good. In the main, obsolescence is the consequence of change – either expected or unexpected and the relative fixity of the built fabric and its location.

When commissioned and built, a building is usually 'state of the art' in terms of its functional requirements. It will also be built to the contemporary standards of building construction and be appropriately located for its intended function with regard to such factors as the transportation of raw materials and access to markets. Nevertheless, as the building ages and the world around it changes, the building becomes obsolescent and therefore approaches the state when it is 'completely useless with respect to all the uses it might be called upon to support' (Lichfield, 1988, p.88). Attempts to revitalize historic urban quarters must address and/or remedy obsolescence and extend the economic life of the historic building stock. However, various restrictive preservation and conservation controls and other planning measures may constrain, inhibit or – even – deter rehabilitation and new development. Excessive listing and protection of buildings can blight an area as much as the prospect of major road construction. The combination of obsolescence and restrictive planning controls

induces economic tensions by preventing the maximum return, a 'reasonable' return or – even – any return on the site to be obtained, constraining the change that all cities must go through.

There are several interrelated dimensions of obsolescence:

#### **Physical/Structural obsolescence**

**Obsolescence** can arise through the physical or structural deterioration of the building. This occurs as the building's fabric deteriorates through the effects of time, the weather, earth movement, traffic vibration, or through poor maintenance.

#### **Functional obsolescence**

Obsolescence can also arise because of the functional qualities of the building or the area. It may be an attribute of the building; the building's fabric may no longer be suited for the function for which it was designed or is currently used, with regard to the contemporary standards or requirements of the occupier or potential occupiers.

Functional obsolescence may also arise from the attributes of the area. Inadequacy can result from external factors on which the function of the building depends; for example, there may be inadequate parking on site or in the surrounding streets, or difficulties of access as a result of narrow streets or traffic congestion. Thus, retaining an area's historic street pattern inhibits its ability to cater for contemporary traffic and accessibility requirements.

#### **Image obsolescence**

Image obsolescence is a product of the perception of the buildings or area's image. As over time, the human, social, economic or natural environment changes, the fixed historic fabric becomes less suitable in contemporary eyes for the needs it serves. This perception is a value judgement and may - in reality – lack an underlying substance. The image obsolescence might be generic or specific to a particular use. For example the image inner areas of cities and the connotations of air pollution, noise, vibration, etc. makes them unattractive for the occupation of dwellings built in earlier times. Such areas therefore become outmoded in terms of contemporary standards and expectations. Equally, a building may not convey a suitable 'modern' image for the company which occupies it. Perceptions however, can change over time.

#### **'Legal' and 'official' obsolescence**

There is also a legal obsolescence. This is related to the functional and physical dimensions and occurs, for example where a public agency determines certain minimum standards of functionality. Thus, the introduction of new standards of health and safety, fire or building controls can render the building obsolete. Alternatively, a building may be legally obsolete because the zoning ordinance of the area permits a larger building on the site.

#### **Locational obsolescence**

Locational obsolescence is primarily an attribute of the functional activities within the area. When the building was originally built its location was determined in terms of the accessibility to other uses, markets and suppliers, transport infrastructure, etc, but over time the location may become obsolete for the activities for which the building was constructed. Locational obsolescence occurs due to the fixity of a particular location relative to changes in the wider pattern of accessibility and labour costs. In the case of Shad Thames, discussed below, this was the main factor, the demise of London as a port city.

#### **Financial obsolescence**

The type of preservation of older buildings may not be helped by accounting and taxation procedures which introduce an 'artificial' or financial obsolescence. In accounting, depreciation is used to take into account expected or anticipated obsolescence. Depreciation is

the projected reduction in the value of a fixed asset such as land, buildings, plant, machinery, vehicles and furniture over time. Depreciation is used therefore to ensure that the cost of capital assets is included in the calculation price of the company's goods and in assessing its turnover and profitability. The consumption of such assets is one of the costs of earning the revenue of business.

#### **Relative or economic obsolescence**

For most practical purposes, obsolescence is not an absolute concept but is always relative to other buildings and areas. As Rypkema (1992, p.206) notes: 'purchasing power exists. Capital is available — it is just being invested elsewhere.' The reason for this is that the cost of investment in the historic quarter is higher than the alternatives which are consequently more attractive. This introduces the concept of relative or economic obsolescence: the obsolescence with regard to the cost of alternate opportunities. The alternate opportunities include competition from other buildings and areas and, in addition, the cost of alternative development on that particular site and the cost of development on an alternative site.

### **REVITALIZING HISTORIC URBAN QUARTERS**

The obsolescence of buildings and areas is expressed in a mismatch between 'the services offered by the fabric and the needs seen through contemporary eyes' (Lichfield, 1988, p. 25). Revitalization entails reconciling this mismatch; the mismatch might have its source in the physical fabric or in the economic activities within the fabric. The fabric may be adapted to contemporary requirements through various modes of renewal: refurbishment, conversion or by demolition and redevelopment. In terms of economic activity, renewal can also arise from changes in occupation with new uses or activities replacing the former ones — on a large scale this is a 'functional restructuring' or 'functional diversification' or with the existing uses remaining but operating more efficiently or profitably — on a large scale this is a 'functional regeneration'. A physical revitalization results in an attractive, well-maintained physical public realm. However, in the longer term, a deeper economic revitalization is required because ultimately it is the private realm - the activities within the buildings — that pays for the maintenance of the public realm. A merely physical revitalization may be unsustainable and short-lived. In the absence of large public subsidies directed at keeping the historic quarter as a public outdoor museum, historic forms must be occupied and utilized by economic uses which provide the sustained investment required to refurbish and maintain the buildings, and indirectly for the spaces between those buildings. Thus, the revitalization of historic urban quarters involves both the renewal of the physical fabric and the active economic uses of those buildings and spaces.

Efforts to address obsolescence in order to extend the useful lives of buildings are called renewal. To address or ameliorate the various dimensions of obsolescence demands both building and or area-based renewal. For the purposes of this paper, renewal is part of the broader process which has been termed revitalization. Renewal entails reconciling the mismatch created by obsolescence between 'the services offered by the fabric and the needs seen through contemporary eyes' (Lichfield, 1988, p.25). This mismatch has its source either in the (physical) urban fabric or the change in the (economic) activities in the fabric. To reconcile the mismatch requires a change in the supply or the pattern of demand or both. Historic buildings are a scarce resource, their supply cannot expand. Thus, the only supply-side measures are those which stop the reduction or diminution of the building stock, such as demolition controls and those that limit the magnitude of change to historic buildings, such as listings and preservation controls. All other measures are therefore on the demand side and

seek to increase the utilization of the resource by lowering the effective price paid. These measures predominantly relate to the quality of the building stock and the physical environment of the quarter and/or the economic activities occurring within that fabric.

In addition, the social public realm of the quarter must also be revitalized and animated. Rehabilitated buildings only provide the stage set - the physical receptacle for the public realm; the public realm is also a social construct. The vitality and animation of the historic quarter therefore needs to be 'authentic rather than contrived or petrified; a 'genuine' working, functioning quarter that is naturally animated.

#### **Area-based renewal**

Economic value must be created at two scales: at the level of the individual building and collectively as buildings within an area. The rehabilitation and/or conversion of individual buildings in isolation may not make a significant difference to an area's economy.

Thus, measure to improve the stock of property or the physical environment of a locality ought to be planned to occur on a comprehensive rather than a piecemeal basis.

Many area-based revitalization strategies inevitably have an approach which is based on property measures. These attempt to revive the economic fortunes of areas through enhancing the physical fabric and/or changing the stock of space in a particular location. They focus on unblocking supply-side constraints on land and property development in order to aid revitalization. The rationale is that growth can be stimulated by improvements in the supply of land, labour, capital and entrepreneurship (Solesbury, 1990): for example, by removing difficulties with respect to ownership, ground and site conditions, planning policy and infrastructure provision, and speeding up the process of land acquisition and assembly (Healey, 1991).

Property-led revitalization strategies are therefore intended either to *restore* confidence or *create* new confidence in an area's economy (see Solesbury, 1990) In each approach, demonstration and flagship projects are important, but the intention is to encourage comprehensive change in the area. The first approach is short term and concentrates on restoring confidence to stabilize or revitalize the competitive position of an urban area with a sound economy or one with the potential for endogenous/indigenous functional regeneration. At the outset of a revitalization strategy, area-wide improvements can be the first step towards building confidence in an area. As its outlay can often be recouped through higher tax revenues, the public sector may often finance improvements to an historic quarter's public realm to demonstrate 'confidence' in the area. As Uhlman (1976, p.6) states 'investment in the external environment is a reassuring symbol of confidence in the area'.

A policy in the UK that was extensively used in historic urban quarters was the designation of Industrial and Commercial Improvement Areas (ILAs and CIAs) introduced under the 1978 Inner Urban Areas Act. The effect of the designation enabled property owners in the area to receive a 50 per cent subsidy towards the cost of internal and external rehabilitation. However, the impact of the grant was diluted by the piecemeal — rather than comprehensive -- nature of the grant giving mechanism.

The second approach is longer term. Where the existing economy is in decline, this approach seeks to build new confidence through a deliberate functional diversification and/or restructuring. This involves conversions and adaptive reuse on a large scale. Areas of vacant land or structures that are obsolete for their original use often provide a convenient physical focus for action to bring about this functional diversification and restructuring by enabling different kinds of spaces to be provided to accommodate new economic activities and functions. 'This restructuring might be plan-led; by conversion or redevelopment a better stock of space is created which can be occupied by different activities: effectively creating demand

by offering supply' (Solesbury, 1990, p.193), There is an implicit assumption in this approach that property markets have an internal dynamic: the provision of new and refurbished property is not just a passive response to demand, but could stimulate demand by offering a better quality of supply or by meeting a previously unmet or latent demand for property.

## THE ECONOMIC REVITALIZATION OF HISTORIC URBAN QUARTERS

While it is important to increase the physical quality of the historic fabric, the concomitant necessity of purposeful utilization must also be recognized. Most (property—based) revitalization actions address the physical side of the mismatch between fabric and users but the utilization of that improved stock must also be considered. The physical revitalization of the properties in an area will help to increase confidence in an area, but the maintenance of that confidence requires an economic revitalization. Without economic improvements, physical improvements are unlikely to be maintained. Historic forms must be occupied by uses which will provide the sustained investment required to refurbish and maintain the buildings. Thus, a more sustainable revitalization demands a purposeful occupation of the properties. However, as the British experience of Enterprise Zones illustrates, attracting economic development to a particular location, even in relatively unfettered circumstances, is problematic. Hence it is doubly so where economic activity and development are required not only to create and retain employment but also to maintain and respect a valued environment. Historic areas of cities often suffer from a relative locational obsolescence that results in a low utilization because other areas have a greater competitive advantage. To remedy locational obsolescence and to restore the economic fortunes of an area requires the development of a competitive advantage for that location relative to other areas. In terms of the human activities within the building fabric, economic growth can arise from changes in occupation: for example, new uses or activities replacing the former ones; this results in a *functional restructuring*. Alternatively the existing uses may remain but operate more efficiently or profitably; this is a *functional regeneration*.

Functional regeneration entails maintaining and improving the competitiveness of the area's existing industrial/employment concentrations and agglomerations. There might also be a *functional diversification* — a more limited restructuring — which brings in new uses able to synchronize and support the quarter's existing economic base. In each case, the aim is to increase the effective demand for and utilization space.

### Creating growth

Positive revitalization measures require the creation of growth either from 'within' or from 'without'. In either case, there are two distinct paths to increased competitiveness: 'the most important distinction being between raising the rate of exploitation of labour power (absolute surplus value) or seeking out superior technologies and organization (relative surplus value)' (Harvey, 1989, p.45). For example, during the 1980s, the clothing and textile firms in the Lace Market quarter of Nottingham underwent an internal restructuring. In the early 1980s they competed principally on price, by the late 1980s, through superior technology and organization, they competed principally on quality (see Crewe and Forster, 1993a; 1993b).

Growth from within involves local economic development focusing on increasing the (economic) advantages of the locality addressing the area's locational obsolescence and the loss of competitiveness of local firms and businesses; encouraging an internal demand for space by making local firms more profitable and therefore able to invest in the physical fabric

of the locality. Growth from within usually involves the development of the area's existing economic base and the retention of exiting employment.

If growth from within is not possible, the other source of growth is to attract external investment and demand for space persuading, encouraging or allowing new activities to locate in the quarter. In some instances, subsidies and other incentives are offered to initial tenants until a critical mass of activities and a market is created in the area. After which it is hoped that the quarter will become an attractive place to invest in for particular activities and be sustainable without further subsidy. The effect of a number of individual (commercial or market) decisions to locate in the area can in aggregate result in the area's functional restructuring.

### **HOUSING –LED REVITALIZATION**

In historic urban quarters, especially outside shop and office hours, residential uses can help to create a 'living heart'. The twenty-four hour life brought by residents is a crucial contribution to the vitality of an urban quarter, creating greater indigenous demand for facilities in the city centre and, thereby, increasing the number and mix of uses within the quarter. Thus, to revitalize historic urban quarters, many cities are attempting to attract residential uses.

By its very nature housing-led revitalization almost inevitably results in a change in the functional and social character of the quarter. This is often termed gentrification where lower income residents or uses are displaced by higher income residents or uses. Appleyard (1979, p.31) cogently describes how the process of gentrification gradually develops. The pioneer migrants only marginally affect the area's life and character, and are usually welcome. Nevertheless, as they do not want to live under the same conditions, as the existing inhabitants, they often improve their dwellings. As more are attracted, although retaining much of its original character. The neighbourhood becomes socially mixed. Equally, it also becomes 'chic' and relatively safe for more conventional sections of the middle classes. Real-estate speculators begin to become actively involved in buying, converting, and selling.

### **SHAD THAMES, LONDON**

Shad Thames is the area immediately to the east of Tower Bridge on the south bank of the river Thames, in London. The western extent of dockland influence is marked by Tower Bridge such forms a 'symbolic cultural and physical junction between the industrial monumentality of the docks and commercial monumentality of the City' (Slessor, 1990, p.39). The buildings on the eastern bank of the inlet of the St Saviour's Dock generally mark the eastern extent of the quarter, although some developments have occurred on the eastern side of Mill Street. The area is covered by the Tower Bridge Conservation Area and the St Saviour's Conservation Area and has been described as the 'only part of London (with the possible exception of Wapping) in which the Victorian character survives as a significant entity' (LDDC, 1987, p.49). The narrow street which gives its name to the area. Shad Thames, runs parallel to, but inland from, the Thames. Within the heart is the building complex known as Butler's Wharf, it turns sharply and again runs parallel to, but inland from, St Saviour's Dock. Once the mouth of one of London's 'lost rivers' – the neckinger – St Saviour's Dock is now a tidal inlet, densely surrounded by warehouses.

During the twentieth century, some sites were redeveloped and there was also a series of poor quality new developments around and among the more substantial Victorian warehouses. By

the late 1970s, many of the warehouses had been derelict since the closure of the docks in the mid-1960s although there had been plans for their demolition and replacement with a commercial development along the river edge, very little demolition had actually occurred. In the late 1970s, a small artist community was squatting in the main building of the Butler's Wharf complex and in other building in the area.



Figure 2. Shad Thames, London

### **The revitalization of Shad Thames**

Although the first rehabilitation project in the quarter had begun in 1980, a major catalyst for the revitalization of the area was the establishment of an urban development corporation (UDC), the London Docklands Development Corporation, in September 1981 (see Oc and Tiesdell, 1991). UDCs reflected a fundamental policy shift in the UK transferring the initiative for urban renewal away from local authorities and towards the private sector through single function agencies, unencumbered by diverse local authority responsibilities and under the direct control of central government. Under its terms of reference, the primary objective of a UDC was: 'to secure the regeneration of its area ... by bringing land and buildings into effective use, encouraging the development of existing and new industry and commerce, creating an attractive environment and ensuring that housing and social facilities are available to encourage people to live and work in the area' (Local Government, Planning and Land Act, 1980).

The revitalization of Shad Thames was effectively led by its major landowners: Butler's Wharf Consortium — made up of Sir Terence Conran as the shareholder together with Jacob Rothschild, Lord McAlpine and Conran Roche — and Wadsworth's Jacobs Island company. The major landholding in the core of Shad Thames was held by the Butler's Wharf Consortium. In 1984, this consortium purchased an option to buy five hectares of riverside property called Butler's Wharf, including seventeen buildings, the largest of which was Butler's Wharf itself. Butler's Wharf is a considerable group of warehouses either side of Shad Thames extending up to the western bank of St Saviour's Dock and 150 yards inland. As the complex was an assortment of warehouses of variable quality and in various stages of decrepitude, it was acquired for less than £5 million.



**Figure 3.** Shad Thames, London

As the area was largely urbanized at the start of their operations the LDDC considered that no urban design framework was necessary (Edwards, 1992, p. 93). The retention of many historic buildings and the maintenance of the old street pattern and pedestrian routes encouraged new development to add to, rather than destroy, the pattern. Thus, as the largest landholders in the quarter, the Butler's Wharf Consortium and the Jacobs Island company were the effective master planners for the quarter and could determine both the form and nature of development. As Edwards (1992, p.93) describes 'they have directly or indirectly established standards of design and construction for others to follow, and by disposing of land and leases as against freehold the company has, like a traditional estate developer, kept control of the area'. Thus, as seen in other areas of the London Docklands, such as Canary Wharf, the developers with large land holdings had a vested interest in closely controlling the quality of each individual development and its contribution to the whole, in order to sustain and reinforce the composite value of the area. To enhance its attractiveness, an element of functional diversity was also introduced in the area. Although many of the sites have predominantly housing uses, they also include a small element of other uses, such as restaurants, offices and shops on the lower floors. Shad Thames is established as a notable restaurant quarter serving a wider community. In addition, until recently, the London Design Museum was located on Shad Thames, while residential accommodation for students at the London School of Economics diversifies the social mix of the area.



**Figure 4.** Shad Thames, London

The housing-led revitalization of Shad Thames benefited from the prospect of a strong residential market — subsequently reflected in the very high price of the flats created — as a consequence of its historic buildings, waterside location and its close proximity to the City of London. In ways the manner in which Shad Thames developed was the result of a permissive planning authority that, in effect, allowed the area's largest landholder to pursue revitalization in the way they thought best. Such an approach relies heavily on the quality and sensitivity of developers, and the likelihood of it occurring with the same results elsewhere is highly questionable.



Figure 5. Butler's Wharf, Shad Thames, London

## TOWARDS THE SUCCESSFUL REVITALIZATION OF HISTORIC URBAN QUARTERS

The revitalization process starts when — and if — investments, driven by a multitude of motives and often attracted/supported by subsidies, are made in the historic urban quarter. Revitalization becomes necessary for all older parts of cities, not just those with greater historic character and qualities. However, the greater the authentic historical character and sense of place, the more likely it is that there will be efforts to preserve and revitalize them. It must be noted that the motives of those who invest and revitalize historic places are likely to be different from those initial preservationists who bring these areas into public consciousness. This can lead to conflicts between the demands of preservation which seeks to limit change and revitalization which seeks to accommodate necessary economic change.

### Addressing obsolescence

Cities experience growth, change and decay, the processes of such change are complex and have many different manifestations. In this paper, a particular manifestation of change has been discussed: the obsolescence of nineteenth-century industrial, commercial and residential quarters. Obsolescence is a function of physical and economic change and the relative fixity of the buildings and places.

The changing pattern and balance of economic activities is part: of the continuing evolution of cities and urban areas. In terms of the pattern of their economic activities, few cities are static: the fortunes of individual areas fluctuate over time. Many areas within cities have had a 'golden era' after which for many, decline ensues. Many cities and parts of cities are now struggling to achieve a 'second golden era' and to reposition themselves within the global economy. Historic urban quarters are part of this strive for economic dynamism. Such quarters have also been affected by developments in the world economy and the emerging patterns of the post-industrial society. Many have become redundant as their original functions have

moved to other countries, continents or relocated nationally as firms have moved from the rust belt to the sun belt, while residential quarters have declined principally due to the ecological processes identified by the Chicago School.

To remedy locational obsolescence and to restore the economic fortunes of an area requires the development of a competitive advantage for that area.

This requires action to change the activities occurring within the area and its buildings. Where the existing uses are encouraged and enabled to operate more efficiently or profitably, this has been termed a functional regeneration. These efforts may involve exploitation of the quarter's historic character and buildings for tourism or residential uses, or its ambience for cultural activity. Additionally, historic urban quarters may become centres for post-industrial functions, for example, as a concentration of cultural production or media firms. Where new uses or activities displace existing functions or utilize previously vacant space, this has been termed a functional restructuring. A more limited restructuring that brings in new uses able to synchronize and support the quarters existing economic base, has been termed a functional diversification. In both functional diversification and restructuring the historic attributes of the area might be exploited as assets.

#### **The resource**

The approach to revitalization must recognize and exploit the resources of the location, the sense of place and character found in historic urban quarters is a scarce resource but it needs protection and management both to preserve and exploit its positive attributes. This sense of place has both physical and functional dimensions.

Historic urban quarters have historic architectural settings and townscapes. Thus, due to its scarcity, the quarter's physical character has an economic value. However, controls are necessary to protect and maintain that physical character in order to sustain and reinforce the composite value of the quarter's property.

#### **Recognizing opportunities**

Recognizing the assets and resources of an area, the identification of an appropriate role for the quarter is the key requirement of successful revitalization. This demands an insight that identifies where potential demand lies and what uses are appropriate for a particular quarter in a particular city. The challenge is to build the capacity for such areas to compete. Like other areas, revitalized historic urban quarters need to create a diverse economic base and a balance between different needs and demands. This can be achieved by introducing or reintroducing mixed uses. Single function quarters are less likely to sustain their achievements as competition with other places is a continuing process.

Historic urban quarters are rarely autonomous functional zones and cannot be delimited in purely morphological terms. They are an integral part of the form and functional complexity at the central area, often having a symbiotic relationship with the rest of the city and, in particular, its central area. Thus, rather than being considered in isolation, they must be considered within the context of the city as a whole as well as its region.

#### **Managing revitalization**

The responsibility to revitalize obsolete areas of cities lies with the public agencies, major land owners, residents, businesses and local amenity groups that have a stake in their revitalization. Any of these players in the city or the quarter may take the lead. In Lowell, those politicians who took the lead not only brought vitality back to the town but propelled themselves onto the national political arena enabling them to bring further investment to the town. Individuals or agencies taking a key role in the revitalization of a quarter need to be resourceful, as well as committed. They need an ability to see problems as opportunities so that the vision can be turned into action (Faik, 1986. p.151).

Although property development is a necessary but not sufficient condition of revitalization, the success or failure of revitalization projects is closely tied to peaks and troughs of property markets. Where a restructuring or diversification approach is pursued, there are usually some initial key projects. These have to demonstrate that there is a viable market and demand for the new activity or function in order to encourage further investment. Once those initial projects are successful and the revitalization gathers momentum, planners have to control closely the supply of property and, thereby, manage the demand for it.

The process of revitalization that becomes visible through rehabilitated buildings, attractive spaces and increased utilization of those buildings also requires continuing stewardship. Successfully revitalized urban quarters have often benefited from partnerships between public agencies and the private sector and from having special agencies to manage them. Active management, stewardship and custodianship of historic quarters should intend that each action within the quarter leaves it a little better than it was before. As Montgomery (1995, p.108) describes: 'Rather than comprehensive, rational planning, many urban areas require a bit more respect, a helping hand, an injection of new money and activity. This we call urban stewardship helping a place to help itself. A sort of management by incremental change, coupled with selective strategic interventions and improvement' (Montgomery, 1995, p.108).

## **SUCCESSFUL REVITALIZATION**

Although, it might instinctively be sensed when — and if — an historic urban quarter has been revitalized, revitalization can only be defined qualitatively; there are no magic thresholds above which it can be claimed empirically that revitalization has occurred. Revitalizing — bringing areas back into active use — is a dynamic process. Successful revitalization must manifest itself in physical, economic and social terms.

### **Physical revitalization**

Physically, the successfully revitalized historic urban quarter is kept in good repair and is well maintained: layers of soot and grime are removed from old buildings, they are repaired and rehabilitated, streets are improved and the area attains a general appearance of well-being. This positive image makes a place attractive to investors, visitors and the residents. In revitalizing historic urban quarters, highly visible physical interventions are often the first stage. The first efforts in revitalizing an historic urban quarter usually entail physical improvements either to the stock of buildings or to the public realm or both. External environmental improvements are necessary to attract both new functions and people to the area. A number of studies show that people feel uncomfortable and fear places that are in disrepair and have visual signs of neglect (Oc and Trench, 1993, p.164). Thus, Physical revitalization is undertaken both as improvements to the public realm, usually funded by the public agencies, and/or to the stock of building by refurbishment for their existing use or by conversion for a new use, usually funded by the private sector assisted and encouraged by various kinds of public subsidies or tax incentives.

### **Economic revitalization**

Nevertheless, property development and rehabilitation is a necessary — but not a sufficient condition — of revitalization. As well as property measures, concern and efforts have to be directed towards the quarters economic infrastructure and development, the further stimulation of growth and greater utilization of the historic building stock. Thus, the revitalization of historic urban quarters involves both the renewal of the physical fabric and the active economic use — or utilization — of buildings and spaces. In the short term, physical revitalization can result in an attractive, well—maintained public realm that projects a positive image and

encourages confidence in the location. In the longer term economic revitalization is required, as ultimately it is the productive utilization of the private realm that pays for the maintenance of the public realm. As Rvpkema (1992, p.208) states: 'a rehabilitated empty building does not particularly add to an economic revitalization strategy in those areas: that building filled with tenants does. People and economic activity, not paint and plumbing fixtures, ultimately add economic value.

### **Social revitalization**

Socially, the successfully revitalized historic urban quarter is a lively and vital place. A revitalized quarter has an attractive ambience and is a good place to be and to go: its streets are peopled and crime rates are reduced. Contemporary urban design is about creating a sense of place and place making. The presence of people turns *spaces* into *places* making them living, working, organic parts of the city. The emerging consensus is that, in all aspects of urban design, it is necessary to see through the formal appearance and consider the human experience of the place. Thus, good urban quarters are also good examples of urban design. In this respect, it is important to appreciate that the public realm is both a physical and a social construct. Not only is a spatially defined physical public realm required, but that public realm needs to be animated by people; spaces become places through their use by people. The concern is for urban spaces to become animated by people.

In revitalizing historic urban quarters, the conserving and bringing back to viable use - possibly with new functions - of quarters with significant historic character and sense of place, the process has to occur by taking advantage of social and economic changes. Over the last three decades, socio-demographic changes have led to the return of middle income groups to central areas of cities. Furthermore, due to their sense of place and attractive ambience, these areas have often attracted post-industrial economic activities. By virtue of their contribution to the re-imagining of cities, historic urban quarters also have cultural and economic importance to the wider city.

**NOTE:** This paper draws upon work published in Tiesdell, S., Oc, T. and Heath, T. (1996) *Revitalizing Historic Urban Quarters*, Architectural press, London.

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