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Mega-events, urban transformation and displacement: a case study of employment and housing in London's 2012 Olympic site, 2005-2019

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Mega-events, Urban Transformation and Displacement:

a case study of employment and housing in
London's 2012 Olympic site, 2005-2019

RC21 Conference. New Delhi - September 18-21, 2019
Stream S13: Urban Displacement: Drivers, Impacts and Experiences

Dr. Penny Bernstock
Dr. Juliet Davis



Introduction

“The future isn’t good because London is so expensive”

– Panache Outwear, 2015 Interview

“I lived on Clays Lane, I worked as a nurse and then I lost my job and at 62 I am living in a homeless hostel, I’ve always worked, I used to live on the Olympic Park, I cant live there now...what are you going to do to help me?”

- Former resident, 2019 interview

Introduction

There is a substantial literature linking megaevents such as the Olympics with displacement and/or dispossession.

Much of that literature focusses on:

- *A key period:* typically when cities prepare to host megaevents i.e. when state-led displacements, forced evictions and demolitions pave the way for spectacular parklands and sporting venues (Rolnik, 2019). However, it doesn't focus a great deal on displacements associated with development and property markets in the years after them (though see, for example, Watt, 2013; Watt and Bernstock, 2018).
- *A key type of displacement:* primarily housing displacement, with a more limited focus on employment (though see, for example Raco and Street, 2009; Duignan, 2019).

Introduction

Taking London as a case study, the aims of this paper are twofold:

1. to show how displacement is not just a feature of Games preparation but a more long-term process, one involving different 'forms' (Marcuse, 1985) of displacement involving the State and markets in different ways. We do so through a longitudinal study of planning and development for the 2012 Games from 2005-2019.
2. to explore the relationship between housing and employment-related displacement in the Olympic site and in East London more broadly over this time frame.

The paper is structured in three phases, beginning with the pre-Games period....

The 'People's games' – Regeneration for all –

- When London won the bid to host the 2012 Olympics in 2005, it was on the basis of a vision of the role the Games could play in the regeneration of East London, a traditionally working class area of the city long associated with manufacturing - “The Regeneration Games”(LOCOG, 2005)
- Following industrial decline, East London at the turn of the 21st century had some of the highest levels of deprivation in England according to the national Index of Multiple Deprivation.
- The promise articulated by government at city and national levels was that the Olympics would mobilise public investment that would address long-term social exclusions in East London, and create a legacy from the Games for **local** communities.



“The regeneration of an area for the entire benefit of everyone that lives there” (Ken Livingstone)

State-led , direct displacement – planning context

- And yet, development for the Games began, as with so many Games before it, with **direct, state-led displacement**, with a process of Compulsory Purchase by a government quango - the London Development Agency – prior to comprehensive redevelopment.
- State actors represented this process as a benevolent process – it was necessary because it would provide the means to transform the image of an industrial/ post-industrial area, to remove stigma, transform land values and thereby ‘de-risk’ (Smith, 2012) the site for investment capital in the future.
- In turn, Olympic and legacy development realised under this textbook neoliberal scenario would in theory deliver the jobs and homes that local people needed.
- Clear commitments about levels of affordable housing, with promises of up to 50% affordable housing, and about the quality of jobs and pay, were made under the Labour party Mayor...



Source: Marion Davies

*“The **general** character of the Lower Lea valley is one of **environmental, economic and social degradation.**”*
CPO Inspector’s Report, 2005



Source: London 2012

So who was to be displaced? HOUSING

- **Housing Cooperative** offering 450 low cost tenancies in a mix of purpose built flats, bungalows and houses to single people in housing need.
- **15 traveller families** at Clays Lane, Newham who had lived there since 1972.
- **20 traveller families** at Waterden Road, Hackney who had lived there since 1993.

... fairly vulnerable groups in terms of means and tenure security, yet people long established in the site and with a strong sense of community.



Source: Juliet Davis

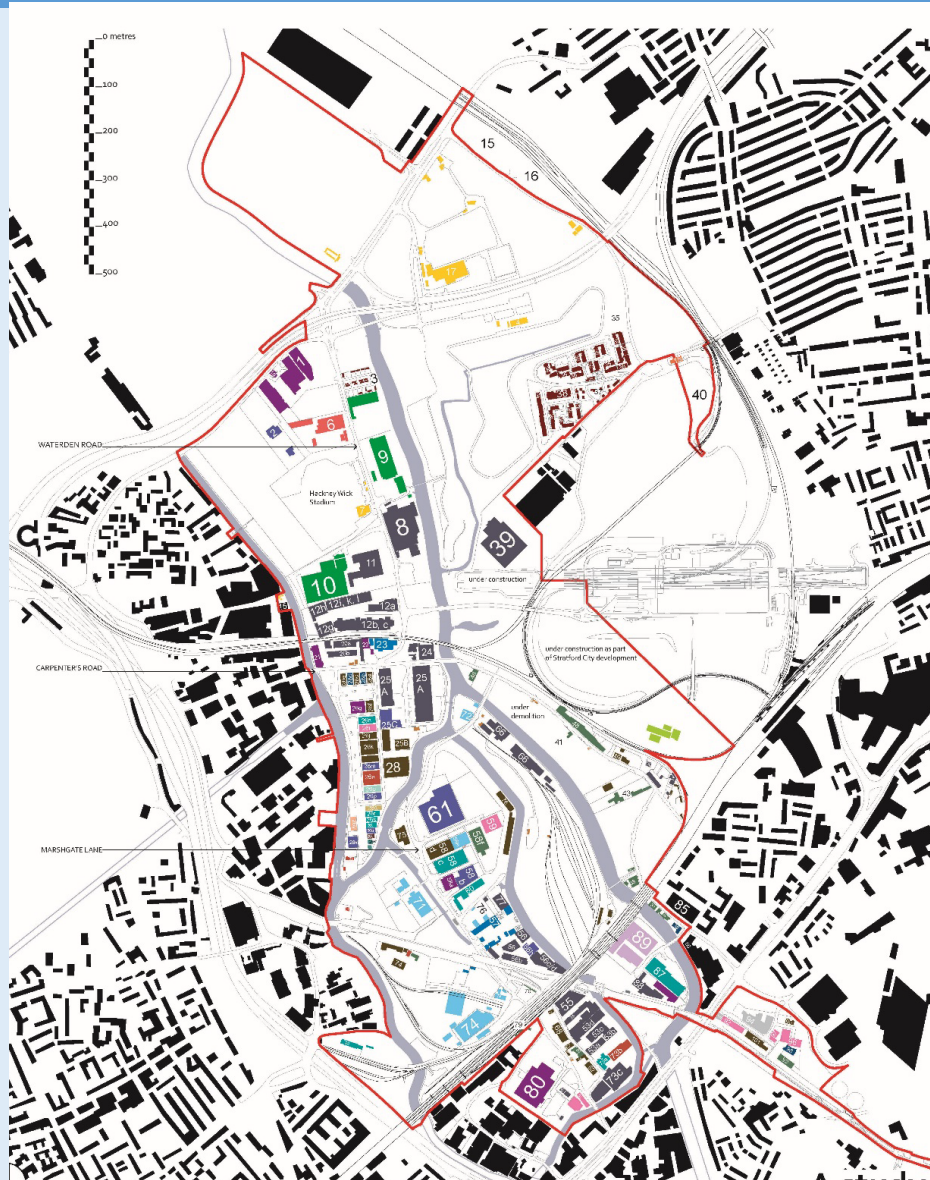
“In my consideration of the objections to Clays Lane Estate, the overt sense of community and values that many put on their homes and their surroundings is foremost in my mind. Their loss will be a substantial one.”



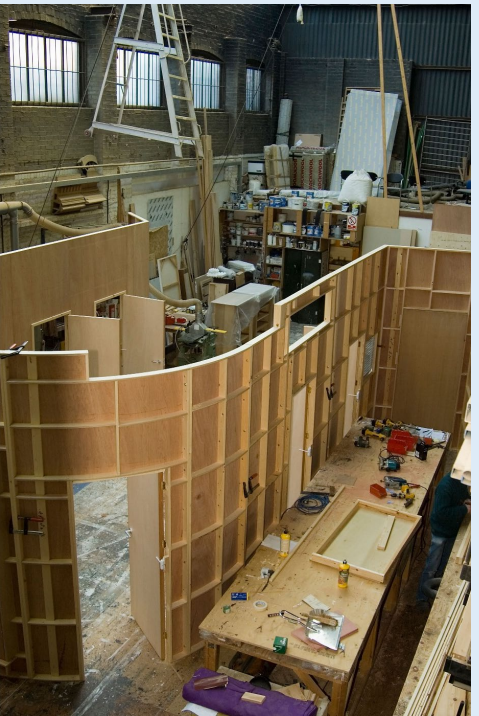
Who was to be displaced? EMPLOYMENT

C

- 286 businesses, mostly small-medium enterprises (SMEs) – 5,300 jobs.
- They were highly diverse, including creative industries, foods, clothing, waste management.
- Countering a narrative of post-industrial dereliction in official accounts, our research found there to be relatively little vacancy. Rents were low and many firms reported that they were thriving, benefitting from ease of access to the city.



Source: Juliet Davis



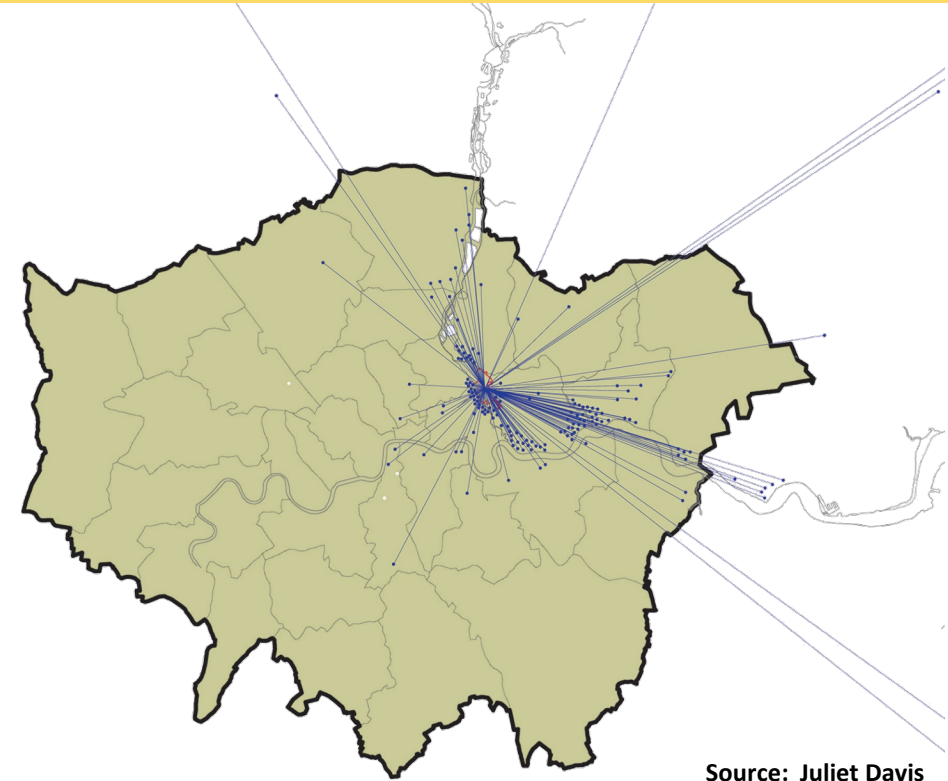
Sources: Marion Davies (above) and Debra Rapp (below)

Experiences of displacement – HOUSING AND EMPLOYMENT

- Relocation benefited some residents and businesses but many – residents and business owners alike - experienced it as a forced eviction and suffered financial and emotional hardships as a result of it.

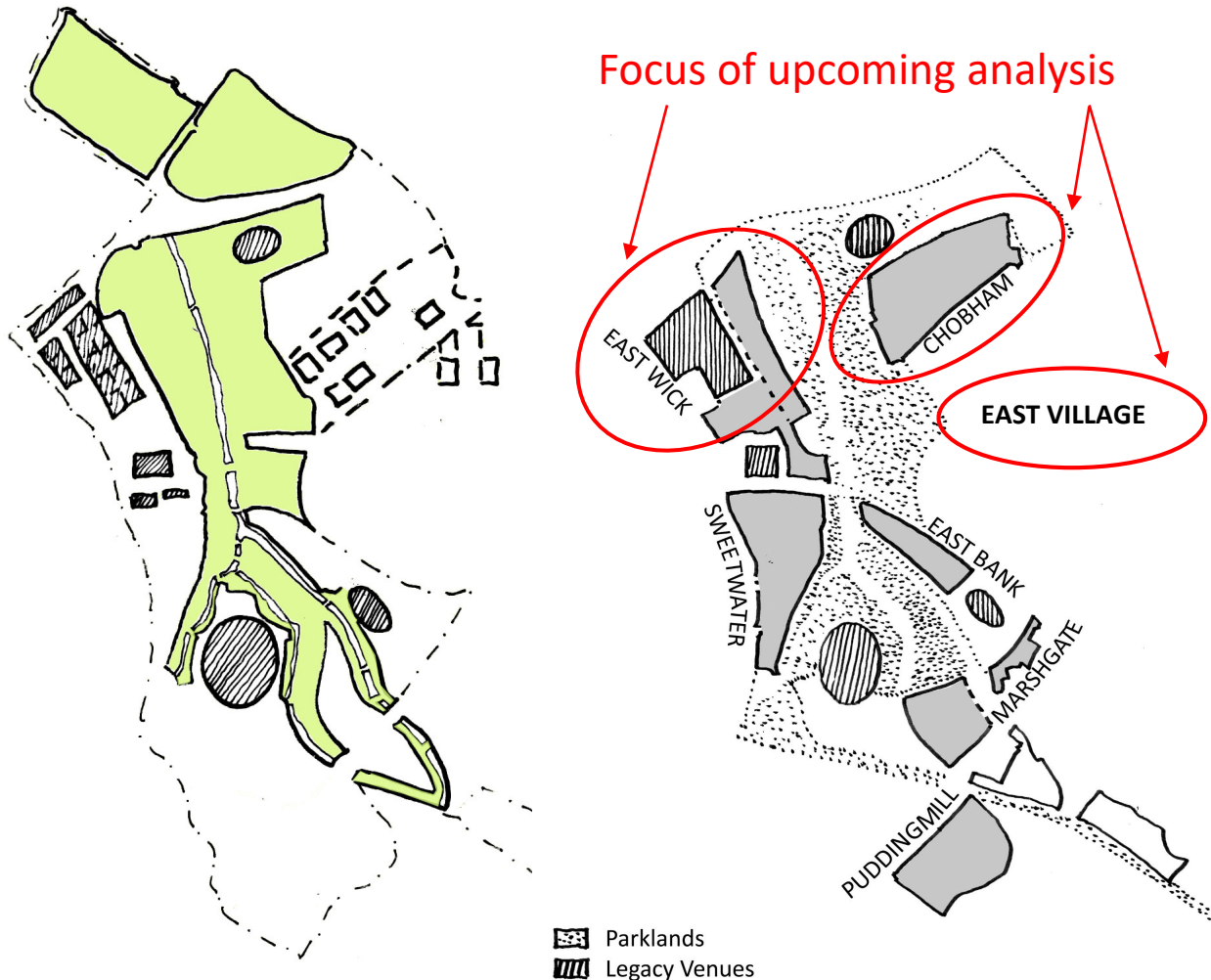
Common experiences:

- Finding sites proved difficult – prices were rising.
- The rapid timeframe for relocation demanded by the LDA was a problem.
- Compensation was slow to materialise – a major issue for businesses seeking to move equipment and carry out new fit-out works.
- The break-up of communities, ties and place attachments.
- In 2007 of course, and still in 2012, the benefit for residential communities surrounding the Olympic site had yet to materialise, so it was hard to understand the benevolence of displacement....



If I was skint or emotionally down there was always someone there. When my X died I got a letter from the management committee offering support that is a good example of how the place worked.”

Planning legacy



Source: Juliet Davis

- One of the key symbols of regeneration-in-the-making was the development of a legacy plan, beginning four years before the Games commenced.
- This showed how, from the remnants of the Games and the spaces left over by temporary facilities used for catering, press activities, and athlete warm-up, five new communities could be built, encompassing housing, employment, amenities and social infrastructure.
- The long-term 'delivery vehicle' set up to realise planned legacy – a new quango called the London Legacy Development Corporation (LLDC) - produced a Legacy Communities Scheme in 2010-2012. It indicated that there would be a minimum of 20% and a maximum of 35% of affordable housing – a drop from the 50% originally promised – within mixed income, mixed tenure neighbourhoods. It also establish the potential for 8,165 jobs in diverse economic sectors.
- So what has resulted? Has local legacy arrived in the wake of displacement?



Source: Juliet Davis

Replacement Housing: East Village(Former Athletes Village)

Privatisation and Financialisation:

- The UK Government built the Village for £1.1 billion and sold it at a loss to a private venture - a partnership between the property arm of the Qatari Royal family and UK real estate firm Delancey (QDD) - along with Triathlon Homes, a housing association.
- The sale reflects arrangements in terms of ownership/ management seen to characterise fourth/fifth wave gentrification.
- QDD purchased 51% of the Village - 1,439 properties plus planning permission for a further 2,000 units (all market units).
- They have transformed it the first large scale private market rental investment scheme.
- They have a growing number of investors including a Dutch Pension Fund and a Property Company.
- Triathlon Homes – purchased 49% of Village (1,379 Properties) for affordable housing.



East Village Homes - Exclusionary displacements

However, a mixture of cost and exclusionary criteria have operated to determine who can live at East Village, and who cannot – exclusionary displacement (Marcuse, 1985).

- The rental cost of the QDD market units is prohibitive, ranging from £1,650 for a one bedroom to £2,360 for a three bedroom unit.
- Around half of the affordable units managed by Triathlon Homes are rented at Social/Target Rents and are genuinely affordable (24% of the total).
- A quarter are categorised as intermediate rent and are set at around 70% - 80% of market rent. Costs are prohibitive to those on even median household incomes.
- A quarter are shared ownership. Residents purchase a share and pay rent on the remaining portion and again these are unaffordable.
- An ethnic analysis of who lives in the different types of affordable housing reinforces the exclusive nature of this housing - black and Minority Ethnic groups are grossly under-represented despite comprising a sizeable proportion of the population of legacy boroughs.



Replacement Housing: Chobham Manor

- A similar story at Chobham Manor, the first entirely new neighbourhood.
- Chomham comprises 850 homes. 72% are market homes and costs range from £465,000 for a one bedroom to £859,000 for a four bedroom property.
- It includes 28% Affordable housing (244 units)
- 40% (98 units) of these units are shared ownership and are not genuinely affordable.

For example, a one bedroom unit require a £58k income, while the average median household income in the Legacy boroughs is £27,000.

- 60% (146) of these units are genuinely affordable.
- Overall, this development has produced below the minimum number of affordable units planned as part of the *Legacy Communities Scheme*, further adding to the glut of market, for-profit housing in an area of severe affordable housing shortage and historic deprivation.



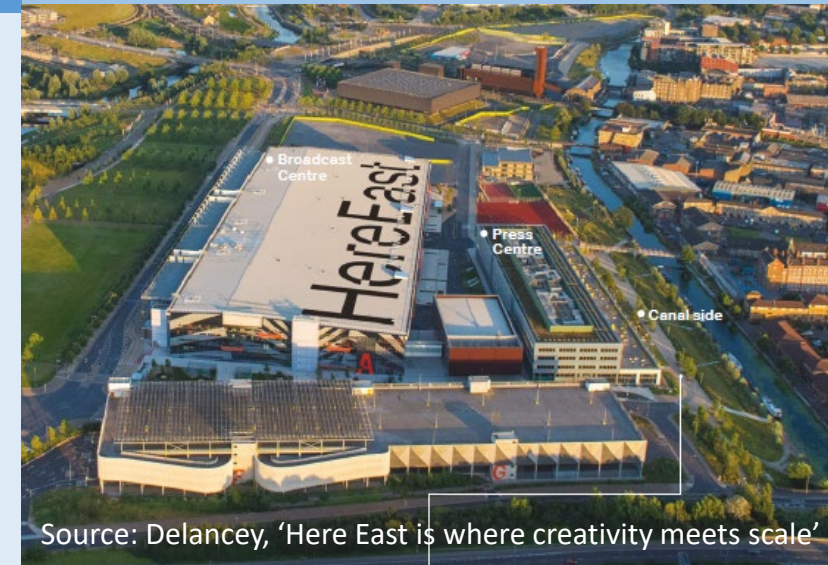
Source: Juliet Davis



Replacement Employment: Exclusionary displacement by commercial strategy

- Here East - a new employment area built amid the remnants of the International Media Broadcast Centre constructed for the 2012 Games.
- **The site** – acquired under lease in 2013 from the London Legacy Development Corporation by iCity, a joint venture between property investment/ asset management firm Delancey and tech firm Infinity SBC.
- **The buildings** - subject to a £100 million publicly-funded conversion (on top of £195 million) in 2014 designed by Hawkins Brown Architects.
- ...Urban regeneration emerges as a form of asset management – as long-term ‘patient’ value generation, as a process whereby ‘rigorous financial discipline’ (Delancey, 2018) is presented as the key to deliver local jobs and recoup upfront public investment, while generating profits for major global firms/ investors.
- ...Reflects a shift from ‘managerial’ to ‘entrepreneurial’ urban change (Harvey, 2017) and arrangements in terms of ownership/ management characteristic of fourth/fifth wave gentrification (Lees, 2008, Aalbers, 2018).

A case study of Here East



Source: Delancey, 'Here East is where creativity meets scale'



Source: Juliet Davis

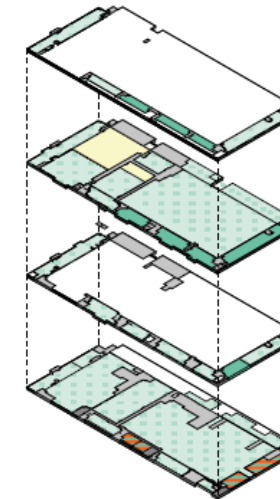
A case study of Here East

- The site is a 'Strategic Industrial Location.' Historically, this designation has protected industrial land values, rents and uses. However:
- Here East rents:** 42.50/ square foot/ annum typically for space in the Press Centre and Broadcast Centre. This is close to the average for Grade A office space in East London (£49.50 – Carter Jonas, 2018). Industrial locations elsewhere in East London more commonly attract £10.50–13 sq ft/ annum (Carter Jonas, 2018) – what we see here is exclusionary displacement by cost.
- Affordable workspace:** Here East is bound by a 'Section 106 agreement' with the LLDC to deliver 'a minimum of 1000 square metres (10,763.9 sq ft)' of affordable workspace. This is just **0.89% of the net lettable area** offered at 75% of 'historic market rent' (Deloitte, 2015).
- The mix of tenants is curated to produce a desired 'ecosystem' intended to yield long-term value (Here East interview, 2019). Rent-free periods and slightly lower rental deals are given to some in order to achieve it. But one result is that, while immediate demand for affordable workspace and industrial space in East London remains unmet, thousands of square metres of space lie empty in 2019 – patient capital as exclusionary management?

Broadcast Centre
661,000 sq ft
Available office & studio space:
4,649– 118,576 sq ft

- Creative office and studio space
- Exposed systems throughout
- Communal meeting pods
- Break-out spaces
- Balconies/terraces
- Cycle hubs and shower facilities
- Views over the Olympic Park

Available:
■ Office
■ Studio
■ Office / Retail
■ Let or Under offer

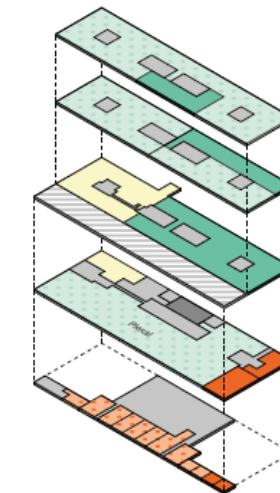


Floor	Unit	sqft
02	11	13,459
	10	8,956
	09	11,897
	08	9,441
	S4	30,220
01	S7	10,000
	05	4,818
G	06	8,838
	05	4,818
	02	5,098

Press Centre
227,200 sq ft
Available office space:
Up to 51,704 sq ft

- Highly specified Grade A flexible offices
- Spectacular terrace on first floor
- Home to the Innovation Centre
- Cycle hubs and shower facilities
- Views out to Hackney Wick and the Lee Canal

Available:
■ Office
■ Retail
■ Theatre Reception / Foyer
■ Terrace
■ Office: Let or Under offer
■ Retail: Let or Under offer



Floor	Unit	sqft
03	01	8,950
02	01	11,458
	01	33,268
01	02	19,783
	01	33,268
G	04	5,245
	Retail	8,510
LG	Retail	1,875

Plexal the 68,000 sq ft Innovation Centre on the ground floor of the Press Centre will provide a dedicated mini-city environment servicing technology start-ups & SME's, as well as corporate innovation teams requiring less than 4,000 sq ft.
connect@plexal.com +44 (0) 203 146 4966

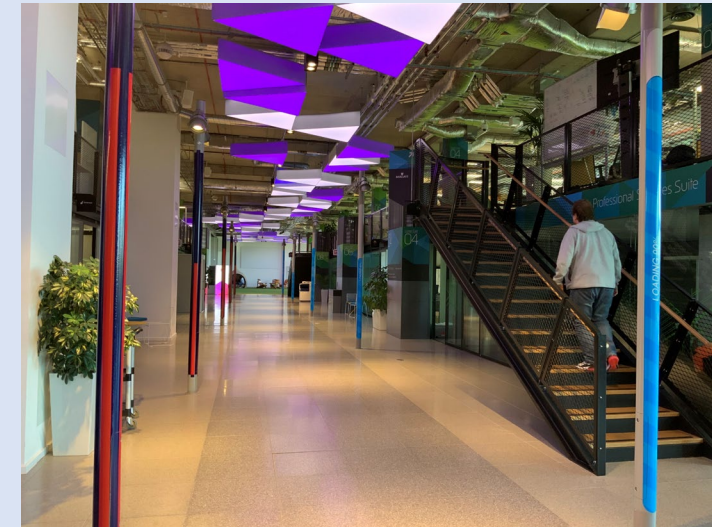
Property agents

James Heyworth-Dunne james.heyworth-dunne@cushwake.com +44 (0)20 3296 4283	Emma Stratton emma.stratton@cushwake.com +44 (0)20 3296 4281	Richard Howard richard.howard@cushwake.com +44 (0)20 7152 5497	Tom Wildash tom.wildash@cushwake.com +44 (0)20 7152 5518
Nick Coddling nick.coddling@knightfrank.com +44 (0)20 7861 1274	Angus Goswell angus.goswell@knightfrank.com +44 (0)20 7861 5150	Abby Brown abby.brown@knightfrank.com +44 (0)20 7861 1306	

Exclusionary displacement by background, by class, by capability

A case study of Here East

- The profile of tenants at Here East is broad – it includes tiny firms housed within the co-working space and ‘innovation centre’ ‘Plexal’ through to multinationals such as Ford, and institutions including Loughborough University and University College London’s Bartlett School of Architecture.
- As of 2019, 4,000 people work and study at Here East i.e. employment on a much higher density than 2005 (Delancey, 2019).
- However, results of a socio-demographic survey of employees at Here East in 2018 (check how big the sample was) are not promising in terms of inclusion:
 - **Gender** – 64 per cent of respondents were male
 - **Age** – 71.4 per cent of employees were aged 21-40
 - **Ethnicity** – 80 per cent were white English/ Scottish – this contrasts with the profile of the area in 2011 (35 per cent white, including European).
 - **Place of residency / length of residency** – 26 per cent live in the four growth boroughs but only 28 per cent of those have done so for more than 5 years.
 - **London Living Wage** – all tenants pay their employees the London living wage.



the “super colossal hangar” (Boris Johnson)

Accelerating indirect (secondary) displacement in the legacy boroughs

- Since 2012 there is evidence of substantial price increases and welfare reforms and this has triggered a new wave of direct and indirect displacement around the Olympic site.
- Homelessness and housing need have always been a challenge but are increasing, with high numbers of households on housing waiting lists, living in temporary accommodation and placed out of borough.
- The key trigger in Newham for homelessness is landlords terminating the lease to capitalise on rising rents.
- Caps to housing and welfare benefits mean that private sector and some public sector housing is not accessible.
- Some legacy boroughs are developing plans for housing outside of their boroughs to meet the need – new direct displacement.
- Pupils at St Anthony's Primary School Stratford sing songs about the housing crisis and friends moving out – The school estimate they are losing half a class each year.



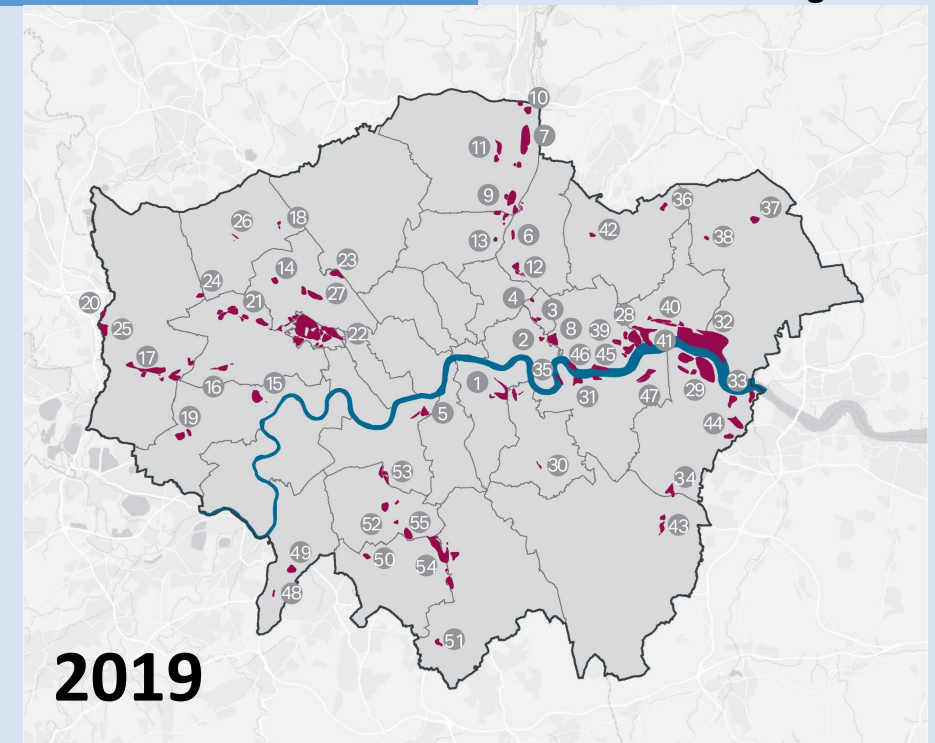
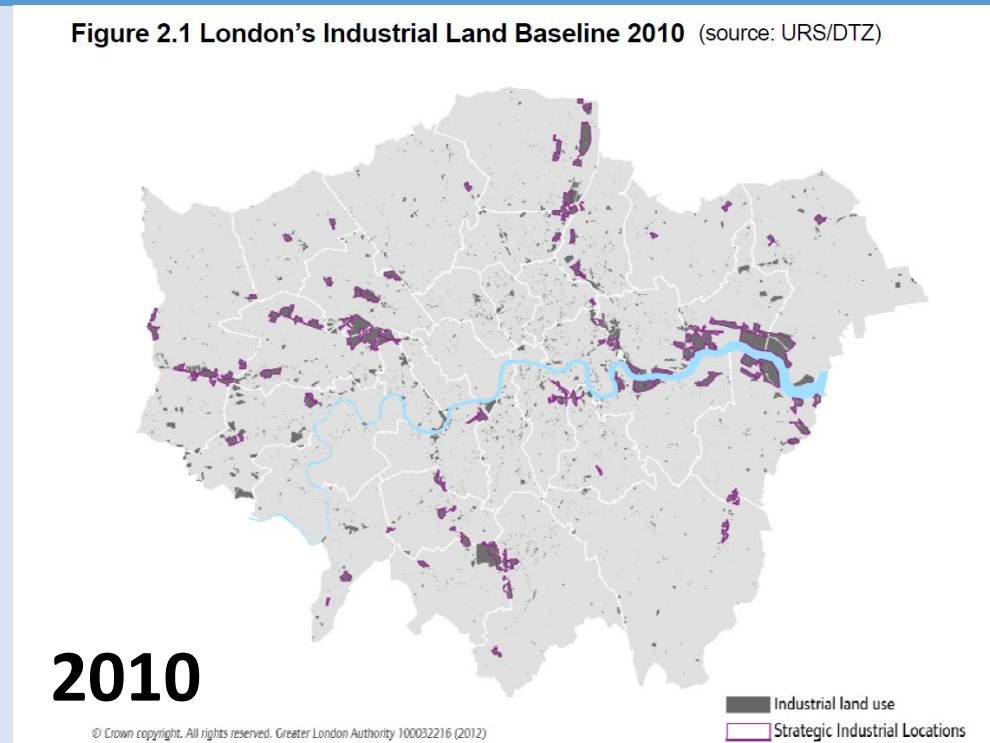
The ongoing direct and indirect, exclusionary displacement of industry

Strategic Industrial Locations

● Strategic Industrial Locations (SIL)

Source: GLA Planning

Figure 2.1 London's Industrial Land Baseline 2010 (source: URS/DTZ)



- Emphasis in the London Plan through the last twenty years has been placed on the continued reduction of industrial land.
- Two main dynamics arise from this: indirect 'displacement pressure' owing to rising rents and 'direct displacement' through planning for 'post-industrial' land uses – typically residential/ mixed use – and the physical contraction of affordable workspace.
- Policy has been slow to react in response to research highlighting the importance of industry of diverse kinds to London's economy.

Not the legacy promised! Time for change

- It is increasingly evident that the direction of travel on the Park is exacerbating rather than resolving issues of disparity and precarity.
- Newham has seen its bill for supporting families in temporary accommodation increase from just over £35 million to £61 million between 2013-2014 and 2017/2018.
- The cost of developing affordable housing has increased as land values have increased.
- Dissatisfaction with legacy is manifest within the GLA and borough councils. Policy makers are now exploring options for increasing affordable housing, however, there is a danger that increases are in intermediate housing, affordable in name only.
- Local organisations such as the East London Communities Organisation are now holding the LLDC to account for the promises made by the State in 2005.



Anti-displacement through employment opportunities?

- Strategies related to educational infrastructure and affordable workspace are being pursued by the LLDC through planning and development, e.g. temporary use projects such as Clarnico Wharf, new schools.
- Inclusion strategies are also pursued or supported by corporate tenants such as Here East. Examples:

-“Create Jobs”, “Flip side” and “STEP” – programmes run by non-profit A New Direction to address a lack of diversity in the digital economy and get young people who face labour market disadvantages into work.

- direct work with schools via the East Education working group, partnerships with local authority employment support teams, etc.

But...

- These are drops in the ocean – the above programmes facilitate a handful of placements and training opportunities.
- Affordable workspace, if temporary, offers time-limited benefit.
- Schools have the potential to create wider opportunity, but so long as children that would most benefit attend.



Overall Conclusions

- **There have been small gains in terms of affordable homes and jobs over a fifteen year period relative to need, despite billions of £ of public investment.**
- **In this time, the housing crisis has deepened and austerity politics reshaped public housing, infrastructure and services, and the impacts of this are visible all around the Olympic site.**
- **The paper has offered insights into the long-term impacts of state-led, megaevent focussed regeneration and its capacity, through a series of displacements, to reorient uses that served working class groups towards professionals and elites.**
- **The evidence of a fight back and the debt owed to commitments made in 2005 are two areas of hope for the legacies of the remaining communities yet to be completed.**