

7 May 2020 bulletin

# Coronavirus, communications and the built environment

[ING's fourth](#) fortnightly intelligence bulletin continues to track innovations and emerging trends relevant to the built environment sector as the world responds to the coronavirus pandemic. Sectors able to respond more quickly, including communications, provide a snapshot of what is to come. If you are a brand, organisation or city navigating this fast-changing reality, [let us know](#) how these bulletins can better support you in remaining resilient in these atypical times. As COVID-19 continues to impact how we communicate, live and work, many companies and places are assessing how to uniquely position themselves for recovery in a changed world. Previous bulletins have dedicated sections on [culture](#) and [creativity](#). A special section on collaboration is below, while our next bulletin will include insights into how networking is changing.

## GLOBAL RESPONSE

The Dubai Mall, the world's largest, [reopened at 30 percent capacity](#). Nations are talking more about [easing restrictions](#), with [social distancing likely to become a new normal](#), than ending lockdowns. However, New Zealand's [apparent victory](#) over the virus highlights the potential countries have to reposition themselves with [good leadership](#) as a [much safer pair of hands](#) than traditional business partners. Despite complicated formal relationships, Taiwan [could also benefit](#), as could countries like Israel, Norway and South Africa [not experiencing excess deaths](#) and those with only small increases like Germany. It will become increasingly important for countries not only

to be leaders in vaccine development – of which [front-runners are headquartered in China, the US and Europe](#) – but emphasise collaboration to ensure a wide geographic capacity to manufacture and distribute. The prospect of [hunger-related unrest](#) alongside [near record highs of most staples](#) suggest a fairer distribution of resources will gain greater attention. The UK's [surplus milk](#) or Belgium's [potato glut](#) as people buy less prepared food and drink may further increase pressure on making global and national supply chains shorter and more resilient to rapid change. The global drop-off in [energy demand](#), [emissions](#), [economic output](#)<sup>1</sup>, and [FDI](#), alongside the [tragic loss of life](#) in many countries, may position the current pandemic as a more relevant inflection point than the major world [wars](#), [terror attacks](#), or recessions, significantly reshaping national narratives.

Expect more digital and physical COVID-related memorials and [arguments for long-term change](#), but also a growing tension for [returning to 'normal'](#) given the desire to continue benefitting from past social and economic investment. Many of the world's most advanced economies may find this shift more challenging than smaller or less developed ones able to redirect focus more easily. Less equal societies may also experience intense lobbying to maintain the status quo. Local and national governments have already begun investment to consolidate their brand positioning.

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1 But likely still [multiples higher GDP per capita](#) than decades prior.

## GOVERNMENT RESPONSE

Government is likely to [encourage a gentle](#) and flexible return to offices from mid-May with non-essential retail following. Schools may begin reopening after half-term. This is to ensure public transport is not overwhelmed (particularly during peak travel times) as data suggests the UK is [past the peak](#). The 2m guideline may be softened as policies seek to balance health against office market change, however, it is likely the use of [workspaces may be staggered, routines reconfigured](#) and [lift capacity reduced](#) to [limit physical contact](#). Widening retail trading hours and reducing restrictions on when construction activity can take place may help with social distancing and economic recovery.

[Managing the R-value](#), a measure of transmission currently thought to be as low as 0.5, may become an important aspect of moving beyond a conversation of [ending lockdown](#) towards [ongoing social distancing](#) and a [perhaps controversial contract tracing app](#). It is likely sectors allowed more flexibility will follow the construction industry in [wanting clearer guidance](#). Government will continue to tweak its language as it agglomerates the impact of how people are pricing risk. However, limited [testing](#) will delay the speed of this response.

The furlough scheme may be tapered beyond July to limit the economic impact of redundancies. Policies, possibly [inflationary](#), to increase consumer spending (unlike during the global financial crisis personal debt has decreased) will provide some stimulus to economic recovery. Government debt will continue to increase as it responds to [GDP contraction in Q2](#). [Bounce back loans for small businesses](#) will provide more options for liquidity to businesses. The [postponement](#) of revaluating business rates, however, limits opportunity to increase liquidity through this mechanism.

Some in the UK government believe Brexit fatigue and the pandemic will [help accelerate a deal with the EU](#). The extent of efforts that will be required to respond to COVID-19 and its affects may, however, make multilateral cooperation between nations more compelling [than unilateralism](#). As the [handling of the crisis](#) continues to be [assessed](#), the UK may need to invest in branding that draws on the capacity of key sectors like property, finance and architecture.

## COMMUNICATIONS RESPONSES

For March and April, the COVID-related conversation share linked to London was stable at 40 percent suggesting the coronavirus conversation has not peaked yet. As the crisis matures it remains the dominating topic of conversation in the media and on social channels. Readership, viewing figures and social media time remain high. The conversation is focused on the lifting of the lockdown with some regular supplements and segments in national newspapers attempting business-as-usual content.

Sector media continues to grapple with the need to create insightful content and produce compelling online events while working with a skeleton staff. Succinct, relevant and thoughtful content is key, as are established relationships with journalists. Print issues are being reviewed and, in some cases, suspended. Distribution has not been disrupted and magazines with loyal followings are seeing an uptick in subscriptions. Independent publishing will be challenging; Conde Nast has pursued syndication to extract maximum value from its content. The Times is bucking the trend – largely due to its early adoption of the paywall and investment in its online version some years ago – and is consolidating The Times and Sunday Times, investing in its investigations team and launching a [radio station](#) this summer.

One of the biggest challenges is ad revenue loss for media companies with figures indicating a rapid drop in April. However, Google parent company [Alphabet](#) and Facebook have suggested there are [signs of improvement](#), and expect advertisers to return as COVID-dominated content subsides. Some organisations may wait until major structural shifts happen before deciding where to reinvest and how to communicate how they're adapting. Digital disruption may have significant impact on real estate: streamed films will be [eligible for The Oscars next year](#), theatre film releases are being coincided with [video on demand](#), and traditional seasonal fashion shows are either going online or shifting entirely as heavyweights like Armani announce [seasonless and mixed men's and women's shows](#).

Influencers and celebrities are treading a fine line after an online backlash against an early Instagram post of stars singing Imagine from their Hollywood homes, including an [Australian video](#) ridiculing the celebrity singalong that went viral. Influencers who tout a lavish lifestyle are under increasing scrutiny, but those who focus on health, mindfulness, family life and frugality – particularly with food and budget – are faring better; [greater consideration](#) may be required when choosing the right influencer for campaigns beyond this crisis too.

### **SOCIAL MEDIA**

The two opportunities of social media – visibility and engagement – are being tested. While users are spending more time online and [trying new platforms](#), they are also trimming back on following and limiting the content they respond to positively. The best times for posting, which used to be once a week on Instagram (10am Friday) or Twitter (7-9am Friday), are now spread across the week: Instagram from 10-11am Monday, Tuesday and Friday, and 2pm Wednesday; Twitter now includes Wednesday in the same time window.

Engagement is dropping off in the evenings but spiking on weekends. The pressure to create content is stretching some brands, and those with experience of creating lasting campaigns are faring better. On Twitter, where news is shared along with opinion and business focused events, some users are scaling back. The information pandemic is hitting our capacity to engage. Content that is consistent, useful and positive is recommended. Growth is possible but may require considerably more time and effort. LinkedIn is faring well as a wave of jobseekers refresh online resumes and seek opportunities for engagement. Its time windows are largely unchanged: 3pm Wednesday, 9-10 Thursday and 11am Friday. However, it is worth seeking specific input for your content as these times vary by audience and geography and may keep shifting.

Standout social media campaigns in the built environment include Foster + Partners' [#architecturefromhome](#) activities for children, including [downloadable templates of skyscrapers and cities](#) to colour and create. The campaign not only activates the brand by encouraging people to visit the website but may also help children imagine becoming future architects and city builders. The experience of growing up during this crisis may well germinate future urban expertise.

[TikTok](#), a video platform from China that has swept Asia, the USA and is [gaining users](#) in Europe and Africa, continues to receive attention. Downloads increased 27 percent in the first 23 days of March, and it is experiencing one of the fastest "age up" moments in the history of social media. Every platform – except for LinkedIn – starts out with a young early adopter demographic, which slowly expands to include older users. With TikTok, this will happen faster than ever before as young users worldwide isolate with older family, introducing them to the world of the Renegade dance craze, makeup tutorials (and

putting a spot of highlighter on your nose), light rings and Doja Cat. A wave of content featuring parents and grandparents will last throughout lockdown. Just a month ago, 70 percent of the platform usage came from Gen Z (18-24), but Millennials and Gen X are rapidly creating profiles. Built environment content remains low – a notable exception is [Rion Willard](#), host of the Business of Architecture podcast whose early profile may pay dividends – but it is worth understanding how the unique nature of TikTok content is trickling out to influence other platforms. Viral videos make it on to Twitter and Instagram, but it is the enthusiastic amateurism of the content that keeps users going back. This contrasts with the slick commercial Instagram look and may have a long-term impact on content aesthetics.

## COLLABORATION

Collaboration during the pandemic has produced unprecedented models of working and a greater need for trust. Politics and [science](#) are being practiced differently, governments are forming [international alliances](#), and [medical researchers](#) and [companies](#) from across the world are sharing data in order to preserve life.

This sense of international solidarity is felt across the built environment. The [reopening of construction sites](#) and lifting of restrictions in [cities](#) would not be possible without the coordinated efforts of a [network of stakeholders](#). Many have also repurposed resources to contribute to helping those most in need; including [architects](#) and designers working with medical professionals to design and produce [PPE](#) and [temporary facilities](#) to developers [providing space](#).

Strong leadership is critical in facilitating collaboration within the [workplace](#) even during the [isolation economy](#) and our ability to adapt has been bolstered by embracing

alternative tools. [Virtual collaboration](#) has allowed employers to maintain professional relationships with employees and clients.

The role of the private sector during the pandemic has reaffirmed the power that companies have in shaping communication and creating a sense of reassurance for consumers. Some of the most [unexpected brand](#) partnerships between public and private sector companies have had the most impact. [Brand behaviour](#) is under great scrutiny – [trust](#), transparency and [goodwill](#) have never been so important with consumers.

Building a [corporate](#) culture of collaboration can enhance an organisation's ability to meet and exceed goals, however, this may not be sufficient to navigate change. Coronavirus has spurred ways of collaborating that have created [new work models](#), [new expectations](#) from consumers, and opened up possibilities of reaching broader audiences. The bar has been raised. Identifying knowledge or skillset gaps and acknowledging the need for collaborative solutions may increasingly be a sign of strength.

## BUILT ENVIRONMENT ORGANISATION RESPONSES

A Middlesbrough-based supermarket reopened [three days after](#) several staff tested positive for COVID-19. Crisis comms response planning may need to consider the speed with which staff can be tested, premises deep cleaned, and customers alerted to support tracking and tracing efforts, while regularly [reviewing global case studies](#). Across a wide spectrum of built environment organisations, budget is being put aside to bounce back. This includes considerable communications preparation as REITs to local authorities reposition their offer.

While the ongoing disruption to [material supply chains](#) has already received policy attention,

the impact on [access to skills](#) will be longer-term. Companies may need to implement training and talent pipelines to meet future needs as universities see their ability to attract global talent [curtailed](#). There may be significant opportunity for built environment organisations to partner with education providers on content.

While [roughly a third](#) of [average annual property transactions](#) have been stalled, London remains popular to [Chinese buyers](#), as do other [European gateway cities to Asian investors](#). Lower gearing in the real estate sector generally and [greater diversification of debt](#) is seen as positive for recovery. However, the relationship between owners and occupiers may change to include [sales and footfall](#) metrics as standard. This could see significant investment to improve the public realm.

While logistics has been an early winner, space for [digital infrastructure](#) and [automation](#) may become key as countries investigate how to safely respond; as may space for healthcare and [pharmaceutical development and manufacture](#).

A £150m conversion of a London [underground car park](#) into an health spa and shops complex suggests there are opportunities for [reinventing high streets](#) too. Many businesses are planning for offices to reopen, using hypothetical return dates to stress test their readiness. However, some sectors, including [architecture](#), may be early in recovery planning. While some expect offices to be [half-full](#), others are considering how [workplace social interaction may change](#) and how to accommodate this inside offices and [virtually](#). [Moving away from a big-office model](#) through sub-letting and [sustained remote working](#) may open up far more creative interaction, as may more [flexible office design](#). Expect some tenants to leverage the shrinking office space narrative to negotiate lower rents; government interventions may, however, make it less easy

to outsource space to homes in the short-term. Retention will require close attention as [millennials](#) and younger generations lose more trust in the promise of longer-term rewards. Encouraging [wellbeing](#) – given that [active commuting](#) is a major contributor to weekly exercise for many – may also help retain productivity. As companies suggest [alternatives to public transport](#), more [bike space](#) may be required.

Cities have embarked on [pavement widening](#) in New York and Seattle, [road closures](#) in London and Barcelona, and thousands of kilometres of [cycle paths](#), including [650km in Paris](#) and [40km in Brussels](#). Vilnius is opening [streets and other public space to cafes and bars](#). These kinds of initiatives, if sustained, may be positive for generating footfall and [revenue](#) for operators along these routes. Shanghai, where congestion is again [comparable to 2019 levels](#), highlights the urgency with which cities may need to act if they want to [lock-in behavioural change](#). [Public transport](#) will need creative [support](#) to retain it as a viable choice in the short-term and ensure motorisation rates and annual miles travelled continue to track downwards.

While cities are showing [resilience](#), there is risk that inequality [within them](#) and [between them](#) may increase. Ensuring everyone can still work, live or [travel into](#) central locations will be key to ensuring people are not locked out of career mobility as local knowledge becomes one of the few ways to justify price premiums. This will require stronger [evidence](#) to ensure the density of [diverse activity](#) that gives cities vitality remains an investment priority, but also balancing [marketing global audiences](#) with a greater focus on immediate [and long-term](#) local needs. Helsinki's virtual May Day celebration may suggest potential to achieve both: attracting 1.4 million people, including [over 12 percent](#) of the country's population. Investing in [central mixed-use regeneration](#) in smaller cities like Sheffield or [Glasgow](#) may be key to

ensuring more places benefit from the diversity that makes cities like London more resilient to extraneous shocks. Investors may price strong public healthcare and a limited reliance on one sector (particularly tourism) [more highly](#) as cities seek to recapitalise real estate.

[Energy-positive residential towers](#) in Dijon and Saint-Etienne and the [world's tallest octagonal build-to-rent](#) (BTR) tower in Birmingham highlight cities are expected to remain places of housing need and innovation. The [reopening](#) of modular housing factories near Leeds and [in Alfreton](#), planning permission for [154-prefab homes](#) and the launch of a [new modular business](#) suggests how homes are delivered may change rapidly in coming years. More sales [may virtualise](#) too, suggesting highstreet agents may need to adapt their offer or consolidate, and design teams may need to [increase collaboration](#) to meet wider sustainability objectives. Work at more than 10 percent of housing sites [has restarted](#).

## PLANNING

While virtual planning has become more commonplace, it may [not replace physical meetings](#) in the long term. A hybrid use of physical and virtual may make the system more versatile and overcome concerns over the risks of being undemocratic. The Planning Inspectorate will hold its [first digital appeal hearing](#) on 11 May as it moves to use virtual in most cases.

Manchester may allow flexibility in collecting planning obligation payments [on completion](#) of a project, rather than up-front. Elsewhere, campaigners believe [emergency powers](#) are being used to pass controversial decisions without proper democratic scrutiny. Planning professionals are also concerned that a [lack of conditions](#), including traffic management and chemical storage, and the broadness of the emergency permitted development rights

for healthcare facilities, may allow other types of developments too. The Mayor of London has conceded that [amendments will need](#) to be made to his delayed London Plan to rectify inconsistencies with national policy, including removing measures to ban green belt development and to protect industrial capacity. It is likely tension between local and national government will increase as cities seek more innovative solutions to recovery.

The Royal Institution of Chartered Surveyors wants government to make [planning use classes more flexible](#) to aid high street recovery. The National Infrastructure Planning Association has also [recommended alternative approaches](#) to aspects of the Development Consent Order (DCO) regime during the pandemic. Efforts to accelerate recovery may also provide government far greater opportunity for long-term planning reform.

Local planning teams may need to collaborate with [non-traditional talent](#) to prepare for recovery. Initiatives like Public Practice may provide some of this [capacity](#).

## MARKET RESPONSES

As with China, the US has seen its longest expansion in history ended in a [4.8 percent contraction in Q1](#). Furniture design factories in Lombardy, Italy, the [recent European epicentre](#), have reopened. China's April [manufacturing activity is still growing](#) despite a dip in global demand. Commentators continue to debate the prospects of a quick or slow recovery. It is likely to be [somewhere in between](#). The unevenness of recovery across different countries, markets and sectors will dampen the speed with which people *feel* they are experiencing recovery too.

The [severe impact](#) ratings agencies concentrated in a handful of nations can have during crisis may require new methods of detailing and understanding market change.

British Airways' [potential consolidation of operations](#) at Heathrow is part of what will likely be a [global restructure](#) that may compel countries to rethink how they use [national carriers](#) to attract investment, talent and tourism. Making independent travel and direct bookings easier may be one measure to ensure [more value is captured locally](#). Tourism and the related real estate offer may need to cater more to [domestic travellers](#), which may be beneficial to [long-term resilience](#).

A [return to weekly grocery shopping](#) suggests that not all analysis of what may change will necessarily be future-looking. Shopping less frequently may also have a long-term impact on [fast fashion](#) and other short-lived products; as consumers adjust to longer-term decision making, durability, quality and possibility sustainability may become more important considerations. Despite this, footfall in London streets is at the [highest levels since lockdown started](#).

## FINAL THOUGHTS

It isn't only people who may be finding distance challenging; a [Tokyo aquarium](#) is using FaceTime calls to keep [shy eels used to human contact](#). Despite having some of [the world's most cycle friendly cities](#), cars are still all the rave in this [packed German drive-in](#).

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