

9 April 2020 bulletin

Coronavirus, communications and the built environment

During the crisis, ING will be generating intelligence to help organisations navigate change. This will emphasise how the built environment sector is remaining resilient in testing times while supporting recovery preparation. Dealing with the speed of [exponential change](#) has challenged institutions more geared to responding to linear or binary shifts. Around the world governments, organisations and populations are coming to grips with this, but unevenly. COVID-19 continues to impact how we communicate and live in the built environment, with the expectation that at least some cultural shifts may be [long lasting](#).

GLOBAL RESPONSE

Described by the UN as the [biggest global challenge since WWII](#), there is a growing desire for a [coordinated effort between countries](#) as the EU struggles to agree a [€500 billion recovery plan](#). China's [lockdown of a small county](#) to reduce risk of a second wave comes as [possible signs for hope emerge](#) and [Wuhan ends its lockdown](#). Several European nations including Norway, Denmark, Czech Republic and Austria plan to [ease restrictions, some as early as next week](#). A growing discussion around the impact of [asymptomatic patients](#) may increase the need for fixed and mobile testing centres. The role of a [tuberculosis vaccine](#) in bolstering resilience may see increased calls to curtail freedoms for groups refusing to vaccinate, as [New York did last year](#) during a preventable [measles outbreak](#), while location data could be used as a way to

[warn people](#) about the need to self-isolate. The world's most important climate event has been [postponed until 2021](#). Lockdowns across the world aren't only dramatically [reducing pollution](#), but also [shaking the earth less](#). While [Finland's long-term stockpiling](#) is providing resilience, this crisis may also shift the reliance on just-in-time global supply chains from nations with [comparative advantage](#) to local production. Local procurement requirements may also increase across all sectors.

GOVERNMENT RESPONSE

After what was considered an unclear start, the UK [sits behind only Germany and the Netherlands](#) in terms of its economic response to the ongoing crisis. It has ramped up its communication effort, including a rare [special broadcast from the Queen](#) and a letter from the prime minister to [every household to stay home](#). The PM is said to be [able to execute decisions](#) while recovering in ICU. More than £350 billion has been set aside for business relief already in the form of loans, guarantees, tax relief and grants. For perspective, the government proposed a [£928 billion 2020/21 budget](#) just as the crisis began in the UK. [Refreshed insolvency laws](#) across Europe have been implemented, while the UK property and finance industry are lobbying Treasury to extend the focus from SMEs and occupiers to include investors and owners. Efforts exploring what can be done, in conjunction with financial institutions, may prevent closure for non-performing loans or debt breach.

Independently of the peak, government is having meetings on what relaxation might look like, with a focus on generating cash flow. This includes exploring which sectors or industries might reopen first – e.g. it may be easier to maintain social distancing in a seated restaurant than a busy pub – while construction is economically vital to recovery. A phased return to work for those under 40, subject to getting testing right, is also being explored, with longer quarantine for those over 80, and the possibility of more flexibility in regions like London [where hospital admissions show signs of stabilising](#) and [transmission has slowed more quickly than the rest of the UK](#). Westminster will review lifting lockdown conditions in [three weeks' time](#). Scotland expects social distancing may be required for 13 more weeks.

The built environment is seen as critical to [economic recovery](#). Government's "Project Bounce" is broadly looking at the appropriate response to the crisis, management of resilience, and recovery preparation. A special housing and construction "cell" at MHCLG is looking forensically at what can be done. London has set up a [task force for housebuilding recovery; 79 percent of housebuilding capacity has been stopped nationwide](#). Increased [social](#) and new infrastructure spending will be key to sustaining economic growth and confirming government's commitment to both levelling up and setting the conditions for recovery. Unlike wars and natural disasters, the stimulus injection from rebuilding doesn't occur in a pandemic, so [infrastructure investment](#), for example [HS2](#) but also many other projects that may not be [part of the current budget](#), become increasingly important. However, [lower population growth](#) and [contraction in some local councils](#), may have big implications for how infrastructure is funded. Transport for London's current planned slowdown may prove a helpful case study for considering [new funding arrangements](#), however, it is very likely the cost of government

borrowing will go up regardless of the possibility of tax innovation.

COMMUNICATIONS RESPONSES

No one subject has dominated communication to such an extent in modern history. One in every five digital mentions across social media and online news for "London" for January to March this year was related to "COVID-19". By comparison, "election" and "Brexit"-related content was one in 12 for the last three months of 2019. By the most generous tally, "Brexit" was only one in 20 during 2019.

Readership of local, national and international news is up across the UK, but traditional media models are being heavily [disrupted](#) by the crisis – [paper sales are falling](#) as people remain indoors. The Sun's reporters tweeted readers to get out and #buyapaper, which may conflict with government advice to only make essential trips. Papers with long-standing paywalls and a loyal audience are faring better; it may also emerge that tabloid-style of journalism is suffering as people look for factual information and analysis. Appetite for data-driven visual storytelling has seen the FT's [coronavirus tracker](#) become its most viewed article of all time. Almost half of readers are seeking heart-warming stories about human kindness, up from a third two weeks ago. How companies communicate the splitting of jobs between "essential" and "not essential" may have a big impact on staff retention and expectations over pay. While not downplaying significant hardship, communicating well is key to expectations of business continuity.

In the last two weeks, the industry press has increased its sector-specific coverage, focusing on emerging stories alongside more solid future-gazing. As the crisis deepens there is a focus on clarity and responsible reporting. Many have made access to COVID-19 coverage free. In the property sector, Estates Gazette

is providing [free advertising and coverage to charities](#) and public sector organisations seeking space – from warehouses to hotels and student accommodation – or pro bono advice for the NHS or food banks. Many outlets are allocating considerable editorial space to sector initiatives. [Dezeen](#) and [Architects' Journal](#) have rolling coverage of the production of face masks by design studios around the world and links to opensource files which can be adapted to local specifications. The early calls for fast and reactive content has settled down. Property Week is planning a major new series of intelligent and enquiring thought leadership from key figures for post-Easter. It will explore the realistic impact of the crisis and recovery.

Some design sector magazines have temporarily gone digital-only. In other independent magazine news, Christine Murray has [purchased The Developer brand](#) and will run it on the Patreon model. Mostly used in the US and by those with large social followings, it is a subscription-style payment model in exchange for exclusive access, extra content, or a closer look into their creative journey.

The major move from the industry press has been to digital events. Dezeen has assembled an international cast of collaborators for its new [Virtual Design Festival](#). Effectively an online platform for partnerships, it has announced that a Ron Arad exhibition will be made available online, that Beatrice Gallilee will curate events to celebrate Earth Day and musicians like Beatie Wolf will perform. On a more granular level, almost every industry outlet led with a webinar, live podcast or Zoom gathering in the last two weeks. Bisnow has pivoted to [webinars and virtual events](#), and Estates Gazette and Building Magazine are enjoying strong viewership. For outlets with existing radio platforms like Monocle, listening figures remain high. There is a strong appetite to hear from experts and to see other people online.

Many ING clients are considering the benefits of hosting their own. Start with realistic expectations, particularly if you have a limited online following. For brands, it's also important to have an engaged following, not just a large one. Consider partnering with a relevant media brand to harness their following or undertaking a pilot live event. Live social media broadcasts can be powerful too, however, it still takes time to grow a follower base. Allow at least three to six months with budget to promote if you want to begin your own series. ING is preparing a separate report on this.

As more people work from home, internal communications are also shifting to ensure disaggregated teams stay connected. Many have provided guidance to encourage parents [not to be stressed if children disrupt](#) calls. Teams have also seen a change in focus away from sharing content to increasingly helping organisations decide which information is most relevant and how to better plan responses.

SOCIAL MEDIA

Social media use shows no signs of slowing down but on platforms like Twitter, retaining followers is key as followers get more discerning about the content they access. Publish only highly relevant content and review each for engagement or follower loss. Users are seeking quality content which responds to the changing national mood so scheduled posts should be avoided. Tone is key.

Instagram continues to provide a platform for creativity and release. Architects, who have historically chosen to avoid social media, are launching accounts to share considerable digital and physical archives. LinkedIn remains a place for personal and professional connections, however, there is a growing humanisation as more people work from home. Expect to engage with more content reflecting work-life *overlap* rather than balance.

CULTURE

Artists, galleries, institutions and museums are making artworks, culture and ideas accessible during lockdown. Considerable resources have been allocated but the impact of this on visitor numbers, sales or brand loyalty is still unclear.

Institutions with a strong digital offer and an existing audience pre-lockdown are well ahead. In Rotterdam Het Nieuwe Instituut reconfigured its website to welcome visitors to the digital museum, swiftly commissioning [a new landing page](#) from a digital artist; and the V&A has an extensive [online collection](#). In the commercial art world, Art Basel has rushed development of its [digital viewing rooms](#) and Hauser and Wirth hosted its first [digital-only art exhibition](#). Translating existing work and exhibitions into engaging digital public programmes and activities has become critical to keeping institutions and museums alive.

Resilience through creativity is further supported by the BBC's [Culture in Quarantine](#), a virtual arts festival running across all media platforms which has also launched a [new commissioning fund](#) for England-based artists to produce works in video, audio and interactive media. Meanwhile, UK artists including Anthony Gormley and Grayson Perry have launched the [ultimate artists' activity pack](#) to encourage creative collaboration while at home.

However, virtual gallery experiences can sometimes be slow and frustrating, suggesting physical spaces will remain important. The possibility and limits of technology are seeing a broad range of outcomes: [4K YouTube film walkthroughs](#) of the Van Gogh museum or [guided tours](#) of Frank Lloyd Wright's most famous houses, or the slower click-through 360° degree self-guided tours of [Google Arts and Culture](#). Considerable time and money have been invested but all have one thing in common: the replication of being in a physical

space. This is a good time to explore what works and what doesn't beyond the art. How are spaces replicated and communicated in the virtual experience? Is the story of the building being told? What is the best point of entry in terms of technology and user experience? It is very likely that the virtual tour – currently the preserve of luxury homes sold off-plan to international markets – will become more prevalent in the built environment sector.

A Dutch Instagram account, [between art and quarantine](#), has amassed over 161K followers in three weeks and has given a major boost to institutions displaying traditional artworks by creatively interpreting people's desire for relief. Users choose an artwork and recreate it using three household items. Museums like The Getty in Los Angeles have [jumped on board](#), challenging followers to get creative with its collection.

BUILT ENVIRONMENT ORGANISATION RESPONSES

Two tough weeks saw extraordinary efforts by the built environment sector to manage business continuity. Accessing government schemes, open discussions with staff, rent relief, and putting values into action is very different from setting up [video conferencing](#) accounts a few weeks earlier for those able to work remotely. Construction is vital for the economy – leaders who made the difficult choice to [shut sites](#) despite [government guidelines](#) is just one of many examples of people before profit. A major contractor is slowly reopening sites following a [two-week shutdown](#), but with a [vastly reduced workforce](#). Solidarity between contractors and clients will be critical to navigating contractual complexities of who carries costs for stoppages, and ensuring work commences as quickly and smoothly as possible. Some major architecture firms are retaining staff by [furloughing and requesting pay cuts](#).

Many architects in the [US](#) and the [UK](#) have redeployed [3D printing](#) to produce protective face masks for health workers, while LandAid, a property industry charity, has launched a [£1m crisis fund for homelessness](#). Many other examples of support include donating events' budgets, providing parking and space for NHS workers, or providing laptops to children unable to go to school. As this crisis tests the values of many in our sector, greater alignment and the clarity of support suggests it will be better positioned to form the foundation of recovery than ever before. Organisations able to clearly communicate challenges and successes internally and externally will be best positioned to navigate it.

The [10-day conversion](#) of ExCeL London into a [4000-bed hospital, given rent-free](#), shows the speed with which the sector is able to respond. Plans to replicate this in cities like Birmingham, Manchester and Glasgow highlights how [conference centres](#) that drive business and connection can be used to save lives too. Property schemes being able to demonstrate support for citywide resilience during crisis may become increasingly important. Manchester University's [£1.5bn innovation district shortlist](#) suggests cities will continue to host learning and exchange despite remote working. The [sale of London's Ritz Hotel](#) and that legal teams are still seeing new acquisitions alongside significant [investment desire](#) across Europe suggests activity will recover post-crisis.

A [leap in supermarket visits](#), as people reassign calories away from buying lunch and eating out, suggests that online delivery, despite [large](#) and [innovative](#) increases in capacity, won't replace physical buying in the near future. It may change the distribution of space more towards [warehousing](#) and [logistics](#) than shop floor though as complex product ranges are simplified. However, as digitalisation of physical real estate happens, it is likely that remote workers, who have long been subsidised by

free online tools, including free WiFi in cafes, may need to start paying some form of "rent" to use them. Those in co-working spaces may also need to [sit further apart](#). Expect the built environment sector to find more innovative charging models.

As the crisis unfolds, the link between [clean](#) and [healthy buildings](#) and [climate change](#) action may become closer, while [sustainability may actually be more important](#). The WELL Building Institute has set up a [task force](#) to examine whether enhancements to building standards are necessary in response to COVID-19.

PLANNING

The UK Government passed legislation to allow planning committee meetings to take place remotely on [25 March](#). This was followed by [new regulations](#) on 4 April [permitting councils to hold virtual meetings](#) if scheduled before 7 May 2021. MHCLG's guidance [provides leeway](#) in deciding how local authorities conduct meetings, how voting procedures work, and how to ensure that the public has access. This flexibility means most councils should be able to move forward even with limited equipment, although it is yet to be seen whether challenges will arise due to local variations in practice. While virtual planning decisions have [already happened](#), redeployment of planning officers to front-line roles elsewhere in councils and regional capacity variance may slow its roll-out.

The [basic requirement](#) is that committee attendees can be heard and can hear others in real time, with video links only required where practicable. Meetings must be accessible through some form of public live link. Members of the public will not be able to speak unless they are registered and entitled to speak at the meeting, as is the case with current planning committee meetings.

In London, Waltham Forest Council granted consent to the [largest planning application in the borough's history](#), including 750 homes, community amenities and a district heating network with capacity for 2,250 new homes, at a “semi-virtual” meeting where appropriately distanced committee members met in the council chamber. Planning officers, applicants and other attendees attended the conference virtually. In other parts of London, major planning applications have also been submitted remotely, while Chelsea and Kensington have plans for a [fully virtual planning meeting](#).

Manchester stepped in [ahead of these regulations](#), with council members [temporarily delegating](#) authority to the council's chief executive to decide planning applications. The powers have provision to run until 26 November 2020 before they are removed, although they may be rescinded by a meeting of the Council at any point before that date. However, there are concerns this approach will only be [suited to some applications and may limit public participation](#). A legal requirement for wet signatures, [as with the Land Registry](#), still needs to be overcome.

MARKET RESPONSES

Global currency volatility has seen a [recent reprieve](#) as markets [reacted positively](#) to indications that lockdowns are reducing transmission, although [ongoing US dollar shortages](#) may negatively impact on emerging currencies with a [suggestion](#) it may [decline as the world's reserve currency](#). Oil briefly rallied on hopes that an [agreement to cut supply](#) between Russia and Saudi Arabia might be reached. While manufacturing in China showed a [rebound in March](#), global manufacturing is down sharply over the [last two months](#) and UK car registrations have [almost halved from March last year](#) (although electric vehicles were up nearly 300 percent). However, China, the world's largest car market,

has already seen a [rebound in sales](#) after pushing sales efforts online, and Volkswagen will still invest this year as it ramps up EV production. The challenge now is the impact stoppages in China will have on global supply chains across all sectors. Global air traffic has seen a [similar decline](#); however, domestic travel has not contracted as sharply in many countries. Business leaders in every sector are [reducing pay](#) rewards, and there is a growing conversation around responsible investment to support a sustainable recovery. Community efforts to track how FTSE 250 companies are responding means their actions may have a long-term positive or negative impact on their reputations. As the pandemic has already wiped over [\\$400 billion from the world's hundred richest individuals](#), Twitter's chief has [donated a quarter of his wealth](#) to disarm this pandemic.

FINAL THOUGHTS

Anecdotally, people are more accessible and looking into our colleagues' homes is bringing diversity more clearly into view – the very thing we need to drive innovation. The risk that remote working undermines collaborative productivity may be overplayed, but [security holes](#) may need to be plugged. Crowd-sourced solutions to [increase the quality of information](#), [secure COVID-19 test kits](#), [conserve a cultural site](#), [inspire new architects](#), or [print masks](#), suggests the “crowd” may become more mainstream in driving innovation. Some of this talent could meet in [repurposed high-street shops](#) in future, but for now supermarkets would prefer you to [shop alone](#). One of the many solutions scientists are working on include a finger-tip patch that may be [ready in months](#). And pictures of [goats](#) and [deer roaming streets](#) in towns and cities suggests bold redesign may not be necessary to shift use away from cars.

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