

27 March 2020 bulletin

Coronavirus, communications and the built environment

Around the world governments and organisations are coming to grips with how to respond to the Coronavirus. The impact COVID-19 has already had on how we communicate and live in the built environment is significant. During the crisis, ING will be generating intelligence to help organisations navigate how to communicate. This will emphasise how the built environment sector is remaining resilient in atypical times while supporting recovery preparation.

GLOBAL RESPONSE

Lockdowns have been imposed by [almost 40 countries](#) highlighting how crisis can focus the world on seeking solutions, and may ignite a new era of collaboration between people, organisations and cities that could have a lasting impact on combating future and existing challenges like climate [change](#) and [inequality](#). [Green leases are expected to be standard within a decade](#). Even with a [Microsoft Teams crash](#) and [broadband infrastructure stretched](#), the speed with which organisations have regrouped virtually is unprecedented in modern history. Italy is sharing knowledge with other cities, and after Estonia drew over 1,000 people into a 48-hour hackathon to encourage businesses and citizens to find solutions for COVID-19 earlier last week, [Finland](#), Germany and Poland followed. An open source initiative, with significant input from the built environment sector, to rapidly turn shipping containers into [intensive care units](#) to increase hospital capacity is being piloted in Milan.

GOVERNMENT RESPONSE

While the UK government was initially criticised by the World Health Organisation for focusing on herd immunity, [like Sweden](#), it has followed many other countries in scaling up towards an enforced lockdown. Government is exploring establishing a special team to coordinate immediate responses between departments and to prepare the road to recovery. Reducing regulatory controls to ensure investment and development can continue, while exploring what changes may be required to sustain recovery may see significant changes to built environment planning, regulatory and financing mechanisms in the immediate and medium term.

Published implications for the built environment include delaying election cycles and a range of subsidies and regulations. [Stronger short-term protections for tenants](#) may change the tenant-landlord relationship more in favour of renters in the future, while business rates relief may escalate innovation in how infrastructure, services and urban realm investment are financed. More flexibility around planning restrictions (alongside the possibility that more people will work remotely) could open a longer-term debate around which regulations are still appropriate to supporting sustainable growth. Emergency government support to reduce fuel poverty risk, alongside higher bills related to remote working, could refocus attention on the quality of new buildings and the need to retrofit existing stock.

COMMUNICATIONS RESPONSES

The media has seen a huge surge in engagement – subscriptions and reader figures are up across the board – and most outlets have been agile in response to the crisis. National and trade papers are reporting “business as usual” in delivering online and in print. Notable exceptions are freesheets which are transport-reliant like CityAM, which will not print during the crisis. The Evening Standard, however, has [announced](#) a delivery service in central London and is seeking “good news” stories across its sections.

In terms of content, the BBC’s programming switch to accommodate viewer needs was almost immediate, and viewing figures are through the roof for TV as more self-isolate, educate children and reduce external engagement. Radio has also seen a [big lift](#) as people seek communal media. Other outlets have excluded COVID-19 coverage from the paywall and are reporting on it from their expert standpoint – Property Week has launched a COVID 19 [Support Hub](#), the [FT’s ongoing financial coverage with a global outlook](#) is worth monitoring and Wired is focusing on four pieces of authoritative tech-related content each day. In an Infodemic, trustworthy sources and reliable guidance are more important than ever.

Industry and trade papers are crying out for content, creating great opportunities for our clients.

National newspapers are still seeking regular features, and property and architecture correspondents are generating a mix of COVID-related and more evergreen content and are keen to hear pitches. Commissions are changing daily; an early focus on working-from-home stories has given way to a medium term outlook, and future-gazing to what

will emerge after the crisis. Climate change reporting and social value outlooks have taken a back seat, but it’s expected that they will come back to the fore as the interconnected nature of the crisis reveals itself.

In the architecture press, many magazines seek to keep featuring new and completing buildings without visiting, creating immediate opportunity for those with media assets ready to go. Other forms of content are filling gaps in event schedules: a rise in [Zoom gatherings](#) and roundtables, and [podcasts](#), with presenters couriering microphones so that interviewees can take part remotely. An expectation for less polished content has also opened up new opportunities for content formation.

With huge viewership figures, partnerships with outlets can gain huge exposure, and commercial teams are interested to explore relevant ways of working together. Getting the tone correct is crucial. Online design magazine Dezeen pushed forward with a Virtual Milan Furniture Fair in response to its cancellation but was met with anger from the city, as it was interpreted to be ‘cashing in’ on misfortune. It has since been cancelled but the magazine is seeking new ways to take events and launches online. As an innovator in the digital space, it’s one to watch.

Internationally, the media is responding in line with the severity of the crisis, but expert knowledge of local contexts is key. We may see a reduction in non-COVID news in London as the crisis deepens. The New Yorker is not accepting any new pitches not COVID related as the city experiences its ‘surge’; they estimate this to last for at least two weeks.

SOCIAL MEDIA

[A major increase in social media usage](#) highlights the importance of digital visibility during this time for both companies and individuals. Profiles with large followings and developed digital strategies are out in front already, but there is huge opportunity for sharing and connecting in a digital space as people seek human contact and, in some cases, visual diversion. There is significant opportunity for non-COVID content.

Respecting the platform is key and sensitivity to an international crisis which is being experienced in divergent ways is crucial. Instagram has seen an increase in personal use and community activism in the design, food and arts community. Journalists whose accounts have been dormant are sharing a valuable glimpse inside their world, and almost all media outlets are considering how they will use their social media presence, with some citing archive projects as initial ideas to keep content flowing.

Social media and digital platforms are likely to emerge as a major force in how we connect and create a virtual event space. Innovators like the fashion and art worlds are key to watch, with highly developed content creators being commissioned to create unique and attention-grabbing campaigns and museums finding new ways for consumers to access the large blockbuster exhibitions currently laying empty. WeTransfer has doubled its commissioning budget for content.

Online influencers reliant on visiting in the travel and lifestyle sphere are facing an existential crisis as their followers drop away. Social marketing agencies are anticipating at least a 25% reduction in partnerships in the next few months. Organisations are also needing to focus content as followers have more time to consider who they follow.

BUILT ENVIRONMENT ORGANISATION RESPONSES

CBRE and JLL were two of the first property firms to report remote working ahead of government advice to do so. Architects are now also [mostly](#) working from home. While Westminster currently has [no plans to close construction sites, shutdown of major sites](#) – including the [City of London's tallest building](#) and [Europe's largest railway infrastructure project](#) – and [guidance in Scotland to close sites](#) has seen many companies choosing to close. Chinese offices, which are arguably ahead of the curve, report that [workers wanting to stay remote post-recovery will change office design. Planning committees have been halted](#) (see more below). While many events have been postponed or cancelled, increasingly these are being shifted to [digital formats](#), including [cultural and art tours](#), and [live events](#). Entire cities, [like Helsinki](#), are going virtual. Crisis has an [impact](#) on how we [design](#) and [live in cities](#), but social change and an increased road-testing of accessing knowledge, goods, jobs and networks remotely may force cities to reconsider a central brand proposition: that proximity and clustering in cities is the main driver of productivity and innovation. The collection and use of [data](#) as a predictive tool may increasingly challenge privacy concerns too. It is likely the requirement to provide and design healthy buildings and public spaces across all built environment sectors will increase. If a perception that food supplies are at risk becomes engrained, urban farming ideals may see a resurgence, with long term impacts on how shared spaces are designed. This has implications for product classes too: a chemical manufacturer has plans to build a hand sanitiser plant in [10 days](#); major fashion brands have [repurposed capacity to supply medical clothing](#).

The economic shock could also [restructure an oversupplied retail property sector](#) as

[online shopping \(especially for groceries\) is normalised](#), creating opportunities for repurposing, as might the need for less desk space in offices. Central city locations may become more mixed use, particularly if some capacity shifts to residential or other uses. There may also be a growing expectation that private property provides a wider public good than may currently be the case with calls to [requisition private hospitals beds](#) or movements to occupy vacant buildings. Live responses to this could have [negative brand impact](#), while others have implemented [three-month rent-free periods](#) to help retail, leisure and food tenants or used spare capacity to [house nurses](#). Being able to [meet community needs](#) may become increasingly important for companies. During the crisis, some in real estate are supporting initiatives like [do some good](#).

PLANNING

Some planning officers may have been redeployed to frontline services in some authorities, adding to the disruption local planning departments have been facing from lockdown conditions. Legislation to allow planning committee meetings to take place [without committee members physically present](#) in the chamber was included in the Government's Coronavirus Act, passed on 25 March. Legal experts have warned that the Secretary of State at MHCLG needs to issue secondary regulations before committee meetings can be held remotely, but this is expected in the coming days. Councils have been encouraged to make use of [delegated powers to determine applications](#) where appropriate. Beyond the planning chamber there remains uncertainty about other forms of planning meetings. Some pre-app and design review meetings have been taking place using video conferencing and many non-regulated meetings could continue without disruption too. Public consultation, however, presents a challenge, and there is no proposal for how councils and developers might overcome

the difficulties of conducting exhibitions or holding estate ballots under physical distancing conditions. A legal requirement for wet, witnessed signatures in some instances still needs to be overcome.

MARKET RESPONSES

While oil and stock markets have had a difficult couple of weeks, with [UK property funds halting trading](#) and [propcos postponing results](#), it may have created the [buying opportunity of a generation](#) despite far-reaching [consequences for real estate markets](#). Central banks cutting rates to near zero is attractive and there is still significant cash looking for competitive opportunities following years of quantitative easing, with many investors shifting focus from volatile stocks to bricks and mortar assets. Major companies are still signing deals, including a [150,000 sq ft of office space](#) in central London and plans for a [500,000+ sq ft makeover](#). There is also expectation of increased interest from Asian buyers, particularly in the luxury residential market, however, if [material uncertainty declarations](#) become more widespread this will effectively [freeze](#) the trading of mortgaged property. Eastern buyers are also showing sustained interest in European real assets with long term potential, not least in the healthcare and alternative residential sectors.

FINAL THOUGHTS

A reduction in boat movement may have made Venice's famous canals [unusually clear](#), but it is worth always [checking sources](#). A [Japanese flu drug](#) appeared to be effective early treatment for coronavirus patients, while technology isn't only helping us work from home, but in fighting the outbreak with [fever-finding smart helmets](#), [hands-free doors](#), [virus-fighting drones](#) and [3D-printed isolation wards](#). In future, UV-sanitising robots may be more commonplace in lobby areas than hand sanitiser propped on the corner of a reception desk.

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