

## **WP Ja: Property Investment and Brownfield Development in the UK**

### **Objectives**

The overall aim of the research is to examine the role of institutional investors in the redevelopment of urban brownfield sites, and to assess the drivers and barriers to investment in such areas within the context of institutional property investors' decision making processes. The research seeks to:

- Explore the discourses that underpin and structure current debate on urban brownfield redevelopment. More specifically, the notions of sustainable regeneration, social inclusion, urban competitiveness and the enabling role of the state.
- Examine the interaction between investors and other key stakeholders in the brownfield investment process and how conceptions of risk, sustainability and value are perceived, mediated and incorporated into investment practices through network-processes;
- Critically examine the extent to which commercial viability considerations, technical-scientific limitations, the structure of provision of commercial space, locational biases, (mis)pricing or other factors, affect investment in urban brownfield land (and how these factors are socially/culturally constructed and translated);
- Analyse the crucial success factors and drivers for investment in brownfield land.
- Assess how investors are affected by legislative, fiscal and regulatory frameworks (e.g. SRI framework; grant and taxation regimes; partnership arrangements);
- Critically review the current range of direct and indirect investment vehicles available for urban regeneration

### **Conceptual Model**

The research is set within a broad conceptual framework that emphasises interaction between actors in the development process in relation to structural forces that both constrain and facilitate those actors as they seek to express and realise their interests. The broad framework is illustrated in Appendix 1 whereas a narrower operational framework is illustrated in Appendix 2. The research will draw on, and develop, theoretical insights drawn from the fields of cultural institutionalism (Guy and Henneberry, 2000; Fligstein, 2001) actor-network theory (Murdoch, 1998; Law and Hassard, 1999), socio-technical systems & adaptive complex systems (Auyung, 1998; Rohracher, 2001), institutional models of the development process (Ball, Healey), management and strategic behaviour (Mintzberg, 2003; Porter, 1998a/b; Hamel & Prahalad, 1994) and behavioural finance (Leece, 2003; Shleifer, 2000).

### **Method**

The research will use survey, interview, and case study techniques to explore the role of financial institutions in brownfield regeneration and their relationship with other stakeholders in the decision-making processes. The case study work, which it is intended will include cases prior, during and after redevelopment, will be based around the databases created for Manchester, Thames Gateway and Paddington in Project A (Portfolio and Project Management).

The work will be managed by Joe Doak on a day to day basis with further input from Prof. John Henneberry and Dr. Tim Dixon. Nikos Karadimitriou will be the full-time, lead researcher on this project.

Two committees will have a direct link with the project:

- BCJ (plus D) Social Science Steering Group; and
- Industry sub-group (to be appointed)

The methods employed in the research will comprise:

- A focused literature review and scoping study of previous research and relevant international experience. In particular this would review: the sustainable regeneration/brownfield redevelopment and Socially Responsible Investment discourses, the investment decision-making process; economic and organisational restructuring within the investment sector and research on investment in brownfield land/development. It would also both draw on and contribute to the literature review of theoretical frameworks that have sought to understand/explain development and investment processes and work undertaken by Jude Shephard who is working on the *Development Industry* project.
- A detailed, initial national scoping postal survey of CEO investors and developers in relation to brownfield development/investment across UK. This will explore investors (changing) policy framework for portfolio construction and SRI; investment decision-making processes; property portfolio structure in relation to brownfield investment; perceptions of risk, sustainability and value; other behavioural dimensions of the decision-making process; their organisational structure and network relationships with other actors; and specific brownfield cases in which they have been involved. It will also cover relevant questions for developers for Project B (Development Industry). It is likely that the questions will be piloted with a small focus group. The current project will focus largely on commercial investment and Project B on residential development although there will be close collaboration particularly around the development of mixed use schemes.
- Case study research of a selection of different types of investors who may or may not have investments in Manchester and the Thames Gateway/Paddington) exploring the interaction of economic, social and cultural factors as they impact on the decision-making processes relating to brownfield developments. This will involve:
  - Detailed investigation of the actor-network relationships structuring their remediation/redevelopment. Using data sources provided by SUBR:IM Project A, a range of sites would be selected based on the stage they were in the redevelopment process (i.e. pre, during and post cleanup). This would allow the analysis of investor perspectives and strategies at crucial stages of risk evaluation and network translation.
  - Up to 24 semi-structured interviews (or, where appropriate, focus group meetings) in both locations with development actors (including investors), technical experts/scientists, planners, policy makers, and residential and business community representatives. This allows the ‘relational’ analysis of risk construction between different actors in the network as they negotiate remediation techniques and redevelopment options on the basis of differing interests, perceptions, strategies and power resources.
  - Further reflexive research involving interviews with the academics and partners working in the consortium who are involved in researching and using/contributing knowledge to the remediation/redevelopments involved in the case study areas. This would also

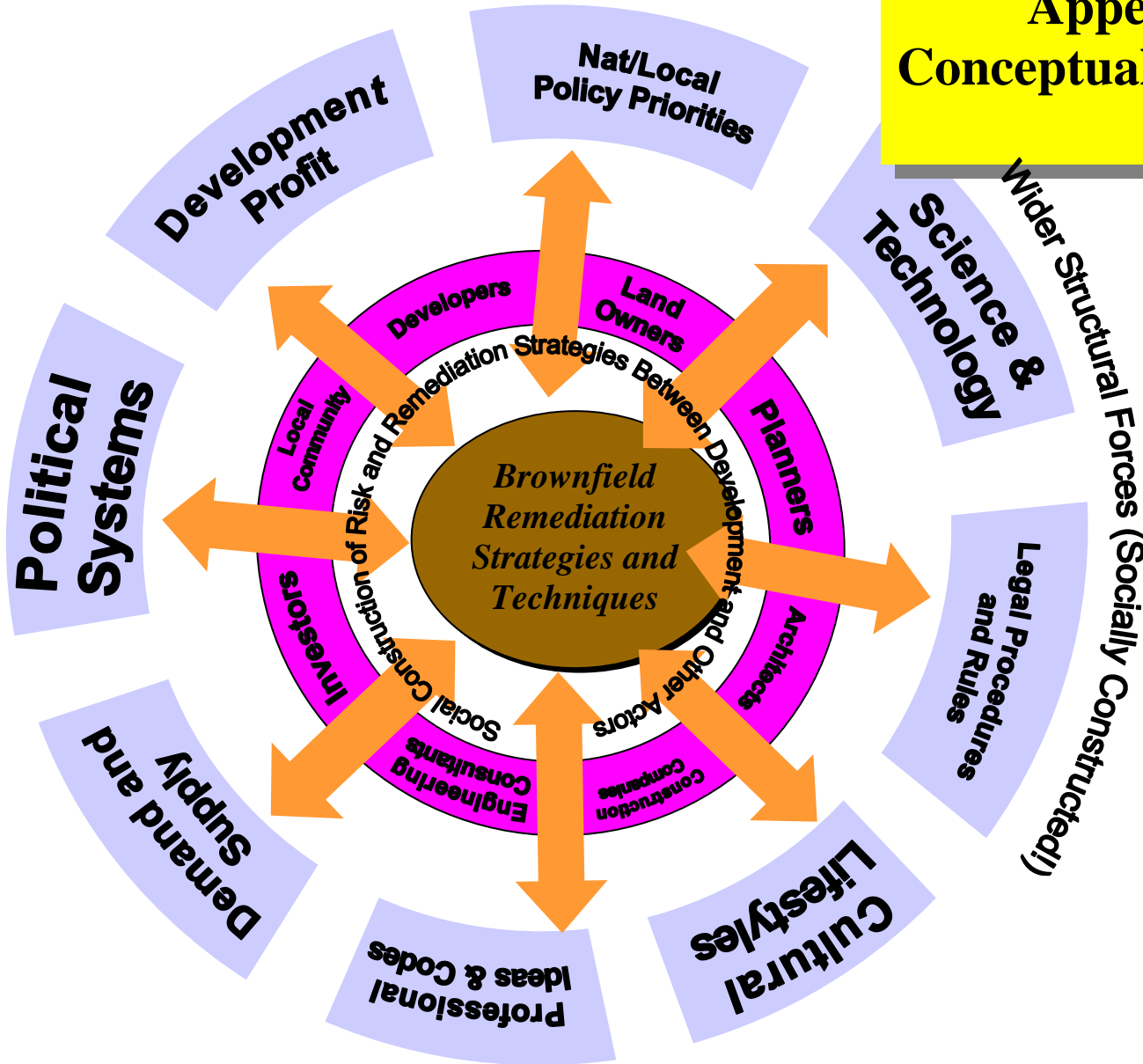
explore their (changing) definitions, frames of reference, strategies and actor-network relationships throughout the research period.

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## Appendix 1: Conceptual Framework



## Appendix 2

### Stylised Conceptual Diagram

