

The architecture of value: reaching the parts of the investment appraisal numbers can't reach

Paul Vick Architects have won AI's prestigious Global Excellence Award 2017 for Best Architecture Firm. A growing, agile practice based in West London, their unique blend of skills and experience is backed up with a client-savvy world-view that sets them apart in their profession. Here, their Cambridge-educated director Paul Vick puts value in capital construction projects under the microscope to reveal its hidden anatomy.

It's easy to see why clients are sometimes surprised by architects. For starters, they don't just do what's asked of them. They keep pushing you to try different things, consider aesthetic appeal, rethink your carefully informed and worked out brief, and suggest more capital expenditure, as though it were their business to engineer your investment plan. When you're not used to this kind of thing, it can be uncomfortable.

Challenging expectations

If all you want is planning permission and a viable building - foundations, floors, walls, doors, windows and roofs - delivered on time and to budget, you need to think again. If the only important factors for you are to keep the weather out, keep people safe, make them comfortable, with the space arranged so that they can do the things they need to do well, you're missing a trick. Architects can seem to complicate matters because buildings are complex, a fact they understand better than any other professional in the construction game.

A culture clash?

No doubt this picture exaggerates the mismatch in expectations. Many clients absolutely 'get' the need to test ideas, especially in a sector that, because of regulatory and geospatial constraints, resists the commoditised pattern-book approach. However, the stereotype has an air of familiarity to all of us who have ever been in the position of procuring commercial developments. There is a culture clash that can polarise opinions to the detriment of ultimate success. **Figs. 1 & 2**

Image: Paul Vick Architects

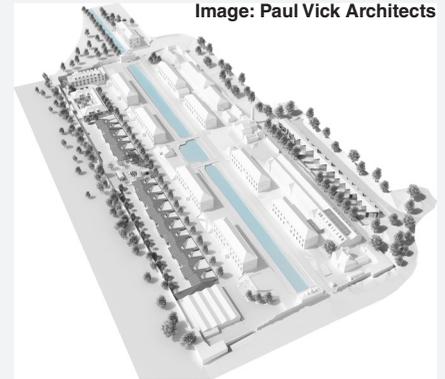


Fig. 1 Regeneration of £24m, 20 acre Royal Ordnance Depot, Northampton. The depot was located in the centre of the country to allow munitions to reach any coast quickly in the event of Napoleonic invasion. A spur of the Grand Canal was created down the middle of the site and is visible today.



Fig. 2 Royal Ordnance Depot, Northampton. Sold by the previous owner because the planning obstacles were too great, Paul Vick architects' 100% planning permission record and experience is being brought to bear. The proposed uses aim to appeal to both demographic need, make the most of the grade 2* listed asset and in a way that makes business sense. Uses include change of use and refurbishment for offices and retail for creative businesses of approx. 7000sqm already with superfast broadband, new 40 room boutique hotel, 80room care home and 17 independent 'close care' living, 16 low energy family homes and 12 apartments.

Risk and uncertainty

Armed only with a commercial need, a strategic target, and an investment appraisal, risk and uncertainty loom large in the average construction client's mind. Staring blindly through the fog of unknowns, they lean on past performance, current valuations, economic indicators – any crutch, in fact, to mitigate their risk. After all, huge sums of money are involved and whether they spend equity or take on debt, it all has critical implications for the wellbeing of their organisation.

The flip side: opportunity and innovation

All this can be anathema to architects. Their education and passion encourage them to embrace the unknown and trains them to solve problems creatively and iteratively. Since the sector is inevitably hostage to unknowable fortune – difficulties in planning, unforeseen ground conditions, volatile material or labour prices, and so on – responsiveness is spliced into the architects' very core. They are so used to dealing with uncertainty that they forget how disconcerting the prospect is for the people who are bearing the lion's share of the risk.

“If we speak our clients' language, less is lost in the translation.”

Speaking the same language

At my practice we have vowed never to forget. Remembering means that we take the time to allay fears and are primed to pre-empt concerns right from the off. If we speak our clients' language, less is lost in the translation. Similarly, we can spot a googly as it comes out of the hand, giving us the time to reassure our clients that, with some fancy footwork, the ball can still be hit for six.

Human nature makes us naturally risk averse. It is our job to remind clients that for every risk safely avoided there are equal or, often, greater downside risks, especially in today's fast-changing socio-economic context.

The black swans of construction

Construction is interconnected with our world and does not happen in a vacuum – it is subject to a set of uncontrolled factors such as climate change, demographic shifts, urbanisation, digital tech, skills shortages, resource depletion, and so on. The web connecting your particular project to these global trends may seem comparatively tenuous now, although it won't over time. The long gestation period of building projects means that what might work today may not work so well two years down the line when the building completes. When the only constant is change, designing only for today's conditions is a sure way to guarantee a sub-optimal solution.

The digital context of value

Digital technology in particular has turned the value conversation away from short-term profit-making to long-term focus on the user experience and its profitability. Not only are your users, i.e. your

customers and stakeholders, better informed and have higher expectations, they also wield proven power to make and damage brands through social media.

This trend is critical. Yesterday's built-in conceptions of value – lucrative in the short-term but distanced from the user – are threatening to leave assets stranded because they failed to take account of the environment or communities they serve. That is why investors are looking to both avoid negative feedback loops and actively fund activities that promote the circular economy. Pension funds, for example, may already divest away from fossil fuels to renewables under pressure from their customers and by virtue of their long-term perspective.

Experiencing the world through buildings

Because we live, work and play in buildings, all these trends are mediated through built assets. Our job at Paul Vick Architects is to confront uncertainty and negotiate these trends intelligently in relation to the client's brief. This is our chief tool for adding use, economic, social, environmental, identity, and cultural value for our clients. For an office owner-occupier, that might mean design that attracts the best staff, encourages them to stay longer, work more productively and, ultimately, to make a more profitable enterprise. For investor-developers, that might mean private rented housing designed with a marketing cachet that commands premium rents, long leases and zero voids. For a museum, it might mean spectacular staging in and outside galleries themselves to create a destination powerful enough to attract people away from their smart phablets.

“We confront uncertainty and negotiate global trends intelligently in relation to the client's brief”

At the start up hub the practice designed for Innovation Warehouse (IW) and the Corporation of London at Smithfield Market in London for example, both formal as well as informal spaces were designed to assist IW's investment and growth programmes. This is quite contrarian to many current ideas that the informal space should be prevalent in a start-up hub for example. This approach has engaged directly with how one goes about developing new business ideas and getting them sold. This has worked and IW has created a number of unicorn businesses.

We recently gained planning permission for a new office space and a glass bridge to enable the expansion of the global HQ of a telecommunications company in London. As well as centralising the reception (and its staff costs), the new construction sets out an identity that emphasises connectivity whether this is in the highly visible and lit glass bridge, the office desk layouts or the refectory and its ability for small or collective meeting.

Designing in four dimensions. Achieving value for a long time

The central plank of our design agenda is to design not just for day one but for the whole life of the building. That requires four-dimensional design thinking. By considering the effects of time on a building, we avoid locking capital away irretrievably in stranded assets. In practice this means building in flexibility, adaptability, and ease of maintenance and longevity of use opportunity. This is most easily understood where the trend has been to rebuild every 30years, where if designed for 60yr or 100yr life may mean building the structure only once rather than three times over this period.

Entrepreneurial basics - finding the seeds of value

These are the output values. A more pertinent question is what the input values are. We think it all starts with having a thorough understanding of the users. We want to get under the skin of the people who will use the building by interrogating what their needs are now and how they will evolve in the future. Get that right, and your building will be successful. Let too much risk aversion, safety, short-termism, efficiency, and rigid corporate protocol get in the way and you lose sight of the customer. The project will be sub-optimal.

For us, this process of discovery starts with an almost philosophical analysis of the human cultural context and, indeed, our genetically encoded motivations and behaviours. Maslow's famous hierarchy of needs is a useful model for organising our thinking.

Maslow proposed that human needs must be satisfied in a more or less structured order. We build up from the things we need to survive, to be safe, to have shelter, to feel belonging and self-esteem. These are known as deficiency needs. If they are not met, we feel anxious, tense and unhappy. On the other hand, if they are adequately met then we can focus more on what we call 'growth needs': including the need for knowledge, self-fulfilment and transcendence. The latter might be understood to include the need to help others. In today's fractured society, where the fluidity of information and peer-sharing can be as divisive and alienating as it can be a force for intellectual and spiritual nourishment, our objective is clear-cut.

At grade 2nd St Paul's Knightsbridge, this thinking created a challenging dialogue and exploration on the relevance and function of the institution. Keying into a civic opportunity as well as supporting the church's open programmes of counselling, music as well as office space and support facilities was identified. Phase 1 of the project includes creating a basement under the church, two new levels of unique offices under the tower looking down the rich C19th nave and an ambulatory around the outside of the church.

This led to a commission for creating a vision for the Diocese of London, whose estate is very varied in terms of commercial, cultural, educational and public buildings. Their estate is large as well and runs from St Paul's Cathedral (their largest regeneration project) to Westminster. One of the main tasks was to understand the open role of the church today and how its contribution may be relevant for tomorrow, particularly in terms of

today's real estate language. With more people in development than the government, an originator of educational establishments (Oxbridge and today numerous primary and secondary schools open to all creeds), a 1400yr old continuous legacy (longer than the monarchy), 80m Anglican adherents and a billion Christians worldwide, the group is not insignificant in any value terms.

Image: Paul Vick Architects



Fig. 3 St Paul's Knightsbridge, London. Our extension and remodelling of this Grade-II listed church in London includes a contemporary interpretation with the ambulatory wrapped around the outside of the building as opposed to being a cloister to one side. As well as directly useful, it doubles up as a calm, contemplative space offering the public refuge from the cacophony of the surrounding streets.

The notion of longevity is also particularly interesting when you consider that buildings can help you live longer. What is that worth to you? The question of value does not really get much bigger. This was the question we approached in designing the 1st Age to 3rd Age, low energy house 'Beeches' in the west country. We had been told by the care community that being able to stay in your home longer, in a known environment that you had control over, with support as required and a beautiful and appropriate design was conducive to better health and long life. Historically, good health is often seen as needing to be put right when it goes wrong. Health in buildings is often medicalized and clinical, or the psychological addressed as a 'greenwash' or 'artwash' e.g. in offices. When importantly it is about inherent design of these and being fundamentally human. The client very satisfyingly commented on completion of Beeches, 'I didn't know design could do this.'



Photo: Martin Storey

Fig. 4 'Beeches' 1st Age to 3rd Age, low energy house. It has both subtle and dramatic spaces. It is highly private, opens to the landscape on one side and uses a reflection pool to get light deep into the plan. The materials are tactile and relate to the area. They include a copper roof and solid basalt worktops which were once molten like the molten batholith of granite that forms Dartmoor, near where the house is located. It has some rooms for children and grandchildren visiting or a future carer. It meets the low energy Passivhaus based AECB standard.

The future - resetting conceptions of built value

Since all experience takes place through the places we inhabit, we should train our crosshairs not just on output values but on these nurturing input needs by setting the stage for self-actualisation. For some this is still a religious motivation, but also spiritual solace is likely to be found in our leisure activities at sports, a beautiful landscape, a gorgeous gallery, a spectacular museum, a buzzing theatre, a place we love to work... And we anticipate a growing demand for all these.



Fig. 5 Theatre, ICT suite and office, W London.

Photo: Martin Storey

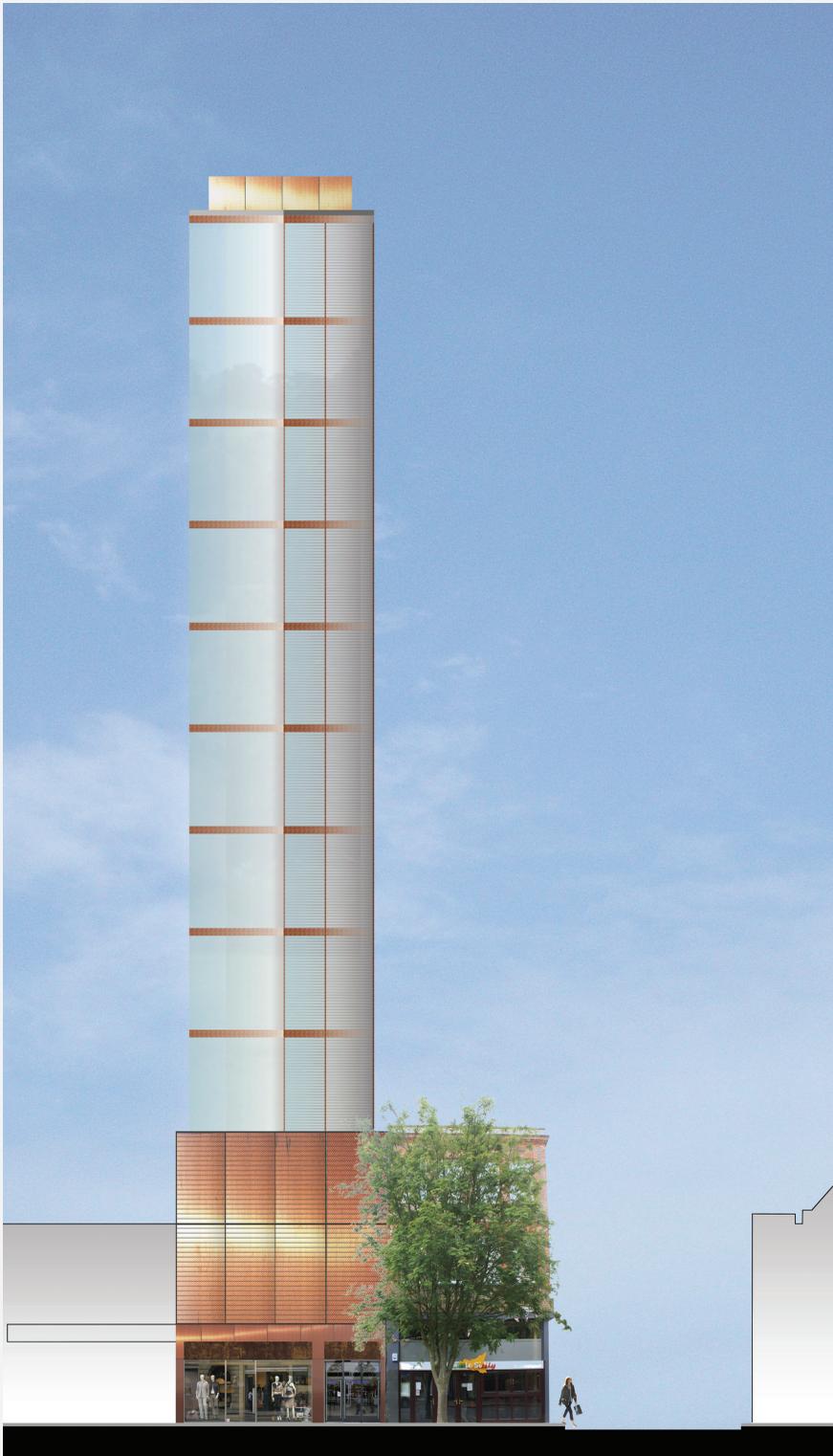


Fig. 6 Low energy, mixed use pin tower for a pension fund, London

Image: Paul Vick Architects

Get these places right and you sow the seeds for long-term premium value. For example, we don't design low carbon buildings just for the sake of sustainability (laudable and important as that is). We do it because it resonates with our need to better ourselves, which sets up a positive psychological feedback loop that leads to other benefits. It need not cost more, but if it does, it is more than compensated by its value-enhancing virtues.

The obverse is true. Get these places wrong and you will always be chasing the competition, unable to retain your users and unable to adapt to increasingly influential global trends. Any short-term success is likely to be quickly engulfed by vanishing value.

“Get these places right and you sow the seeds for long-term premium value”

Nudging architecture. Beyond the metrics

Great buildings will always be about a great user experience. It is not a science. It can't be. Like all investments, it is subject to volatility, uncertainty, complexity and ambiguity and so involves educated guesswork and experience. It will be founded on the issues that are the true source of value and not be driven by satisfying metrics that, by virtue of being measurable, give false confidence but in fact miss the point. In short, value must be designed in at the start of the conversation – it cannot be retrofitted.

Architecture influences us whether we like it or not. It appeals to our emotions, keying into our Maslowian needs. Some spaces are dingy, cramped, badly laid out, while others sing to our souls, effortlessly fulfilling our functional needs. The more we apply what we know about the mechanics of this nudging, the more we can exploit architecture for beneficial ends, where consumer, user, community member needs are aligned with owners', investors' and agents'.

Deeper value

Design that creates authentic experiences that tap naturally into fundamental human needs is powerful, particularly the need to leave the world a better place for our children and enable the next generation. Doing so fulfils all the commercial needs for footfall, loyalty, staff retention, productivity, thinking, good health, happiness and word of mouth marketing – all those output values that are so important to different types of building users. And that makes focusing on the user experience a good business decision for the client.

When construction projects are so long in the making and with a life that goes on for years after completion, it really pays to invest in good design. Over time, that life can either grow or shrink in value, and reinforce or detract from a brand. It all depends on designing to meet our most fundamental human needs.

This is what the Global Excellence award judges meant when they said that Paul Vick Architects have a 'refreshingly new' approach to legacy: 'Whether obtaining value for clients, interpreting clients' architectural needs or always looking to make the cultural element relevant for today and tomorrow... the practice demonstrates a high level of flexibility and innovative thinking.'