UNLOCKING SUSTAINABLE URBAN REGENERATION IN EUROPE

A blueprint for cities, investors, developers and communities

Acknowledgements

C40 Cities, Arup, Urban Partners

C40 is a network of nearly 100 mayors of the world's leading cities working to deliver the urgent action needed right now to confront the climate crisis and create a future where everyone, everywhere, can thrive. Mayors of C40 cities are committed to using a science-based and people-focused approach to help the world limit global heating in line with the Paris Agreement and build healthy, equitable and resilient communities.

Arup is the creative force at the heart of many of the world's most prominent projects in the built environment and across industry. Working in more than 140 countries, the firm's designers, engineers, architects, planners, consultants and technical specialists work with our clients on innovative projects of the highest quality and impact.

Arup has worked with C40 since 2009 to develop strategic analysis and research that is central to progressing our understanding of how cities contribute to climate change mitigation and adaptation. The partnership supports a strong analytical research agenda while helping city actors to identify opportunities, collaborate and develop deliverable solutions to accelerate and expand action on climate change.

Urban Partners is a leading European urban investment manager, owner and operator with a 20-year track record of delivering strong, risk-adjusted returns through market cycles. Urban Partners develops, actively manages and finances high-quality assets in prime locations across Northern Europe. Founded as Nrep in 2005, Urban Partners has more than €23 billion in assets under management through multiple strategies across the capital structure. The company invests with high conviction in urban environments where they see strong, resilient economies and outsize growth potential.

This blueprint was co-created and co-delivered by the C40 Cities and Arup partnership, and Urban Partners

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Foreword

Karin Wanngård,
Mayor of Stockholm

Stockholm's strength lies in its ability to grow sustainably. As one of Europe's fastest-growing capitals, we see our increasing population not just as a challenge, but also an opportunity to build a more equitable and resilient city for the future. For decades, we've transformed former industrial sites into thriving, eco-friendly communities. Hammarby Sjöstad, for example, is a testament to this vision, now serving as a global model for creating resilient and vibrant urban spaces.

The Stockholm Royal Seaport represents one of the latest chapters in this story. As one of the largest development projects in Northern Europe, delivering 12,000 new dwellings and 35,000 new workplaces, it is our new "testbed" for innovation, from low-energy building materials to green infrastructure, and will play a central role in furthering Stockholm's ambitious goal to be fossil-fuel free by 2040. By involving residents in every step, we are also ensuring that this new neighbourhood is inclusive, welcoming, and truly reflective of Stockholmers.

The lessons we've learned in Stockholm are valuable, but we also know that tackling the challenges of urbanisation requires shared knowledge. This report draws insights from our experiences alongside those of other leading European cities, offering a blueprint for a more sustainable and equitable future for all.

Mark Watts,
Executive Director, C40 Cities

European cities are grappling with a sustained housing crisis. While the causes are complex, 70% of European mayors rank insufficient supply as a key driver of unaffordability.[1] It's clear that building more homes needs to be part of the solution - however it's critical that we get it right. The old model of sprawling carbon-intensive greenfield development, consuming vital natural land and locking us into long and expensive commutes, is no longer fit for purpose. But the growth must go somewhere.

The vast areas of brownfield land and empty office space in Europe's cities represent a significant opportunity. Unlocking these sites —old industrial areas, rail yards, and commercial zones— could meet most of Europe's demand for new buildings, including housing, for the next 15 years, helping avoid thousands of hectares of sprawl.

Cities across Europe are realising the potential of these sites to deliver ambitious, thriving, green neighbourhoods that benefit both existing and new residents. For example, in London, the Kings Cross development is transforming a large and polluted area of disused railways, warehouses, and gasyards into a mixed-use community with ample greenspace, centred on two schools and a university. To-date, 1,700 homes have been built, of which almost 40% are affordable. The new Clichy-Batignolles neighbourhood in Paris, also built over a former rail yard, includes 3,400 new homes, 50% of which are mixed-income social housing, alongside offices, childcare facilities, and a network of largely car-free streets.

This report, developed with Arup and Urban Partners, shares best practices with the aim of accelerating the delivery of these types of ambitious projects in cities across Europe. Informed by inspiring case studies and expert insights, it offers recommendations across all stages of a project - from visioning to management. Most critically, the report demonstrates that cities cannot achieve these transformative goals in isolation. Robust, long-term collaboration with investors, developers, governments, and residents is key to unlock the full potential of urban regeneration and build a more sustainable and inclusive future for all.

Jerome Frost,
CEO, Arup

A global focus on material reuse and resource efficiency, coupled with fiscal contraction and changing lifestyle and working patterns means there is a need for heightened emphasis on regeneration and renewal in cities across the World.

Done well, these types of regeneration projects often seem obvious, almost inevitable to the public. They can also trigger wider community and investor confidence symbolising dynamic places "where something good is happening".

But as this report makes clear, schemes of this kind aren't inevitable. They are planned. And they represent one of the most effective ways to ensure our towns and cities remain vibrant, sustainable, and appealing places to live and work.

Successful places combine intention and happenstance, big plans and gradual evolution. The very human story of towns and cities often results in significant areas of brownfield land, underused and overlooked. This new report offers a systematic way to understand the huge potential of brownfield spaces.

The exciting truth is that by scaling brownfield urban regeneration, many of our cities' converging challenges – lack of affordable housing, lack of green spaces, the need to unlock private funding, urgent action on flooding or urban heating – can be addressed.

Cities urgently need to embrace this idea. With a stronger, more actionable definition of brownfield urban regeneration, towns and cities will be better able to meet the needs of their populations, while achieving EU climate and nature goals. I believe that the insights in this report will help close gaps in knowledge and build confidence and enthusiasm for this approach.

For Arup, this is an exciting agenda because it encourages us to be bolder, more creative and thoughtful about the way we approach urban development. It calls on built environment practitioners, planners, funders, and city leaders to be ambitious in our regeneration efforts. We have an opportunity to develop solutions that show an understanding of places and their history, while addressing current and future priorities in ways citizens will support.

Claus Mathisen,
Co-CEO, Urban Partners

Over the past decades, the global urban population has continued to grow, reaching 57% of the world's population in 2024. This rapid urbanisation brings not only new opportunities but also significant pressures. Evolving expectations for livability and sustainability are reshaping how we think about space, mobility, and opportunity.

To keep pace, cities need new models of renewal—approaches that combine creativity, governance, and investment to unlock their full potential. At Urban Partners, we believe urban regeneration is one of the most powerful tools to create thriving, sustainable, and resilient cities. But achieving this requires more than good intentions—it calls for new types of partnerships that bring together public ambition, private innovation, and patient capital behind a shared urban vision.

We see urban development as mixed-use neighborhoods built for long-term value, environmental resilience, and social inclusion. By focusing on quality placemaking and future-proofed infrastructure, we aim to create developments that both enrich communities and deliver strong, stable returns for investors. Private capital is ready to become a true partner to cities with stable and consistent regulatory environment —helping to turn regeneration into a distinct and investable asset class.

This paper, developed together with C40 and Arup, demonstrates how collaboration can turn ambition into action. Through urban regeneration case studies from London and Copenhagen—including our own Nordhavn—we show how brownfield sites and underused areas can be transformed into green, connected, and inclusive neighborhoods. Structured, long-term investment models and shared accountability are essential to making these transitions possible.

Urban transformation is not just a project—it is a collective movement. I hope this paper inspires cities, developers, and investors to join this effort, as together we build a blueprint for urban regeneration that others can follow—a model for aligning capital with purpose, and development with community.

Executive summary: Urban regeneration delivers real change

Europe's cities serve as models of culture, heritage, and urban innovation and inspire and influence development in cities around the world. They demonstrate how cities can deliver liveable and culturally rich places, and serve as hubs for innovation, investment and jobs. The twin draws of economic opportunity and quality of life are undeniable – already (in 2025) 75% of European citizens live in cities, a number estimated to rise to 83% by 2050.[2, 3]

At the same time, European cities also face major challenges, particularly in addressing social inequalities and the lack of affordable housing; in protecting citizens from the worst effects of climate change and in supporting increasingly ageing populations. To address these challenges our cities need to be transformed, to deliver homes and jobs and become liveable, climate-resilient places.

Against this backdrop, urban regeneration represents a tremendous opportunity. Reimagining Europe's brownfield sites as compact, mixed-use, and walkable neighbourhoods, rich in affordable housing and employment opportunities could help cities address these closely linked challenges - but unlocking these opportunities at scale will require new and heightened collaboration between cities, developers, investors and other key stakeholders.

There are nearly 2 million hectares of brownfield and infill sites across Europe that could deliver up to 230 million homes in our cities in the coming decades.[A]

A. Source: Systemiq (2 million hectare of land) and Arup, assuming a development density of approx 115-120 dwellings per hectare. This corresponds to a medium urban density, slightly less than the one found in Hammarby Sjöstad, Stockholm.

Urban regeneration's vast potential

This report makes the case that the potential for urban regeneration is substantial – it can address most, if not all, of Europe's housing supply needs over the next 10-20 years.[4] Urban regeneration can address commercial, climate, social, and economic objectives, and provides strategies for managing risk while optimising returns.

We define successful urban regeneration as the process of transforming underutilized, obsolete, or disinvested urban spaces (brownfield land) into places characterized by compact, mixed-use, and high quality sustainable development that provides a home for socially diverse and mixed-income communities. From London to Milan, from Copenhagen to Madrid, many European cities have developed expertise in sustainable brownfield regeneration – combining high environmental standards and integrated affordable housing, while maintaining financial viability. Meanwhile, capital is reorienting towards Europe, as it's increasingly seen as a stable and liquid investment opportunity, given global geopolitical instability.[5] Turning this experience into a more widely adopted agenda is our goal.

Our findings from these successful places include:

- Urban regeneration projects with strong environmental, social and design credentials, and which are well-stewarded can demonstrate strong commercial viability and attractive financial performance, with up to a six-fold return on investment.
- Urban regeneration projects are central to achieving city climate goals. Development in existing

urban centres (rather than peri-urban greenfield areas) cuts commuting distances and car dependency, lowers emissions from buildings and construction –typically higher in low-density, peri-urban developments – and preserves the vital natural and agricultural land that surrounds our cities. Building on brownfield land supports the EU's ambition of no net land take by 2050.

- Urban regeneration projects can make cities more productive and competitive by providing new jobs, growing the labour pool, and increasing the potential customer base for local business.
- Urban regeneration projects can deliver housing and infrastructure at lower overall cost than on greenfield sites. For cities, brownfield regeneration typically saves around 20% in projected infrastructure costs compared to greenfield development. For the real estate sector, it reduces upfront investment needs by building on existing infrastructure and services, lowering overall development costs and risks.
- Urban regeneration projects can create vibrant, livable places that deliver benefit to both existing and new residents. They can leverage private investment to deliver affordable housing in well-connected neighbourhoods, and address community needs with new or improved public spaces and amenities.

"Integrated spatial planning to achieve compact and resource-efficient urban growth through co-location of residences and jobs, mixed land use, and transit-oriented development could reduce greenhouse gas emissions between

23-26% by 2050

compared to the business-as-usual scenario." - Intergovernmental Panel on Climate Change, 2022.[6]

What's holding back urban regeneration?

In cities across Europe, we are seeing vibrant, sustainable new neighbourhoods transform shuttered factories and disused rail yards. Yet these projects are the exception, not the norm. For every successful regeneration initiative there are many stalled projects or sites lying fallow for lack of investment. Why is this? What is holding back urban regeneration?

Urban regeneration is complicated, requiring the collaboration of many stakeholders over a long time horizon, and in most cases, the main stakeholders, cities, investors, and developers, are not set up to handle this complexity.

Cities often lack the financial and human resources to tackle complex urban regeneration, especially if sites are heavily contaminated or some degree of land assembly may be required. In addition, an overreliance on inter-governmental fiscal transfers makes it even more difficult for cities operating within a central system of government to avail of the resources required to de-risk the site. Finally, some of the cities with large areas of disused industrial land are second tier cities where industrial decline and high-levels of unemployment contribute to difficulties attracting investment.

Investors typically adopt a siloed approach to investment in infrastructure and real estate, rarely seeing mixed use as an asset class on its own terms. When focused on short-term value creation and early exit, they de-prioritise brownfield developments, which are often affected by planning uncertainty and site preparation challenges. The use of investment performance metrics which are highly sensitive to the timing of the cash-flow, such as the Internal Rate of Return (IRR), make brownfield redevelopments appear to be less appealing.[B]

Developers, while focusing on project profitability, find coordinating an array of interests too difficult. Most developers are not equipped to handle the complexity of delivering a large regeneration project, and typically seek value materialising in the short to medium term. As a consequence, they often focus their efforts on greenfield-site development, due to the perceived ease of development. But this leads to unsustainable urban sprawl and requires significant public investment in the new infrastructure and services.

Finally, there is often a culture of mistrust between these key stakeholders, leading to a reluctance to engage collaboratively to solve problems over the long term. Complexity, the arcane nature of the development process, and diverging interests/incentives, ends up undermining the potential that everyone can, from their different viewpoints, clearly see.

B. IRR measures the average yearly profit an investment is expected to generate, shown as a percentage.

These challenges can be overcome

In reality, cities that want to create the opportunity for successful projects do have options. They can work to de-risk projects and enable a lower cost of capital through greater planning certainty and public investment in site remediation and infrastructure. They can prepare and structure their projects to attract different types of investors who may be willing to accept different levels of return aligned with different phases of development. They can set requirements for social outcomes and work collaboratively with local communities and developers to guide development.

Unlocking urban regeneration opportunities at scale will require cities, developers and investors to find new ways of collaborating and building trusted partnerships, engaging with communities and government, and developing long term and agile financing mechanisms and innovative business models.

While the scale of the ask may seem daunting, the environmental, social and economic consequences of inaction far outweigh the risk.

This report provides a blueprint to deliver successful urban regeneration and makes five recommendations, with detailed steps for each stakeholder:

01
Plan for the long term, in your strategic and programmatic approach as well as your choice of investors, in order to insulate developments from economic and political uncertainty.

02
Build teams with the right mix of skills to manage complexity and deliver quality.

03
Develop trusted relationships and align objectives with investment and development partners as well as local communities.

04
Take an incremental and flexible approach to long-term transformation – adapt to uncertainties but never lose sight of the ultimate goal: an attractive new district/destination.

05
Work continuously to reduce investment risk by removing major barriers to project viability from a regulatory, cost or cashflow perspective.

About this blueprint

This report is based on multi-method research and engagement process designed to surface insights into the delivery of sustainable urban regeneration across Europe. The findings presented integrate insights from stakeholder engagement, case studies and academic and industry literature, with a focus on practical delivery models, governance structures and financial mechanisms.

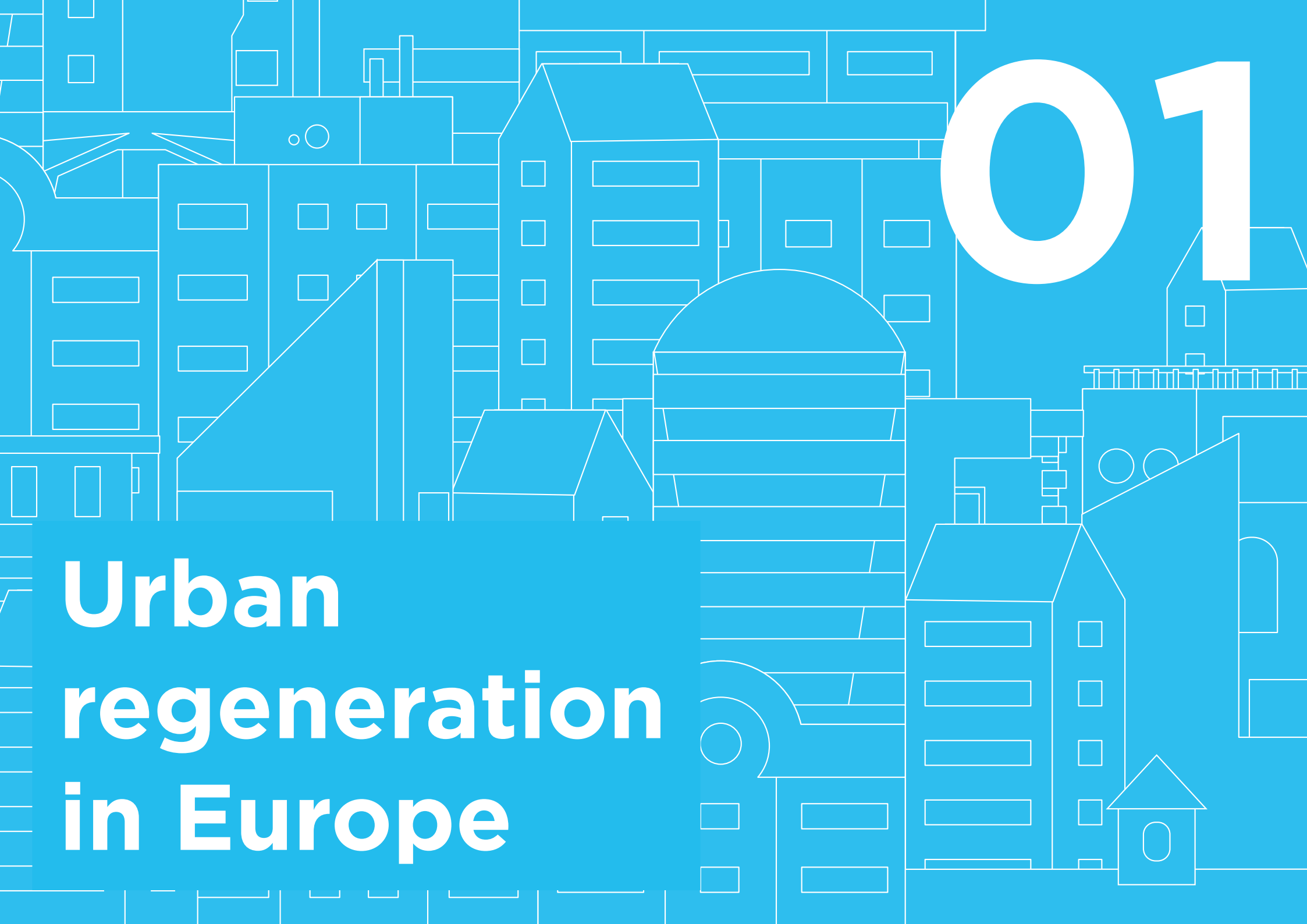
The work was informed by deep dives conducted throughout 2025 at MIPIM, the Venice Biennale, and the London Climate Action Week. These events created structured opportunities for dialogue between cities, investors, developers and community-based organisations. Through facilitated discussions and coalition-building efforts, they helped shape the strategic framing and direction of the report.

In total, the team engaged with over 100 stakeholders across workshops, roundtables and interviews, including high level representatives from city governments, industry leaders from institutional investors, developers, as well as representatives from academia and the civil society. These engagements were designed to capture diverse perspectives on the barriers and opportunities in delivering green and thriving urban regeneration projects.

The report draws on case studies from cities including, London, Copenhagen, Milan, Brussels, Hamburg, Stockholm, Madrid, Bucharest, Vienna and Lyon. These examples are referenced throughout the document to illustrate key principles and delivery models. They serve to highlight recurring themes across different urban contexts, such as governance, financial viability, community engagement and climate performance.

An extensive review of academic and industry literature complements the primary research, providing evidence on the environmental, societal and economic impacts of urban regeneration. This includes data on emissions reduction, infrastructure cost savings, commercial performance, investor returns and housing affordability.

Together, these inputs shaped the recommendations and principles outlined in the report. While this is not a design guide, it offers a strategic blueprint for cities, developers and investor to unlock regeneration at scale, based on real world examples and verified delivery models.


01
Urban
regeneration
in Europe

Urban regeneration in Europe

While there is no single official definition of urban regeneration, the European Union recently described it as the "revitalisation and improvement of existing urban areas, with a focus on brownfield rehabilitation, revitalisation of city centres, and addressing the challenges of shrinking cities", with the objective of achieving shared prosperity and better quality of life.[7]

Urban regeneration is shaped by a diverse array of stakeholders that is not merely confined to cities, developers and investors, but also requires engagement and inclusion of local communities and citizens. It requires coordinated efforts by cities, developers and investors to develop policies and implement these policies through collaboration, partnerships, financing and quality place making.

Urban regeneration can reverse economic decline, reduce inequalities, and deliver thriving, climate-resilient places. To date, however, it has suffered from underinvestment. This is particularly true for brownfield development, where cities, developers and investors face barriers related to real and perceived risk of the transformation, mostly due to its complexity and duration, further hindered by a lack of adequate skills, and misalignment of strategic priorities, both in terms of financial performance and wider outcomes (see p.13).

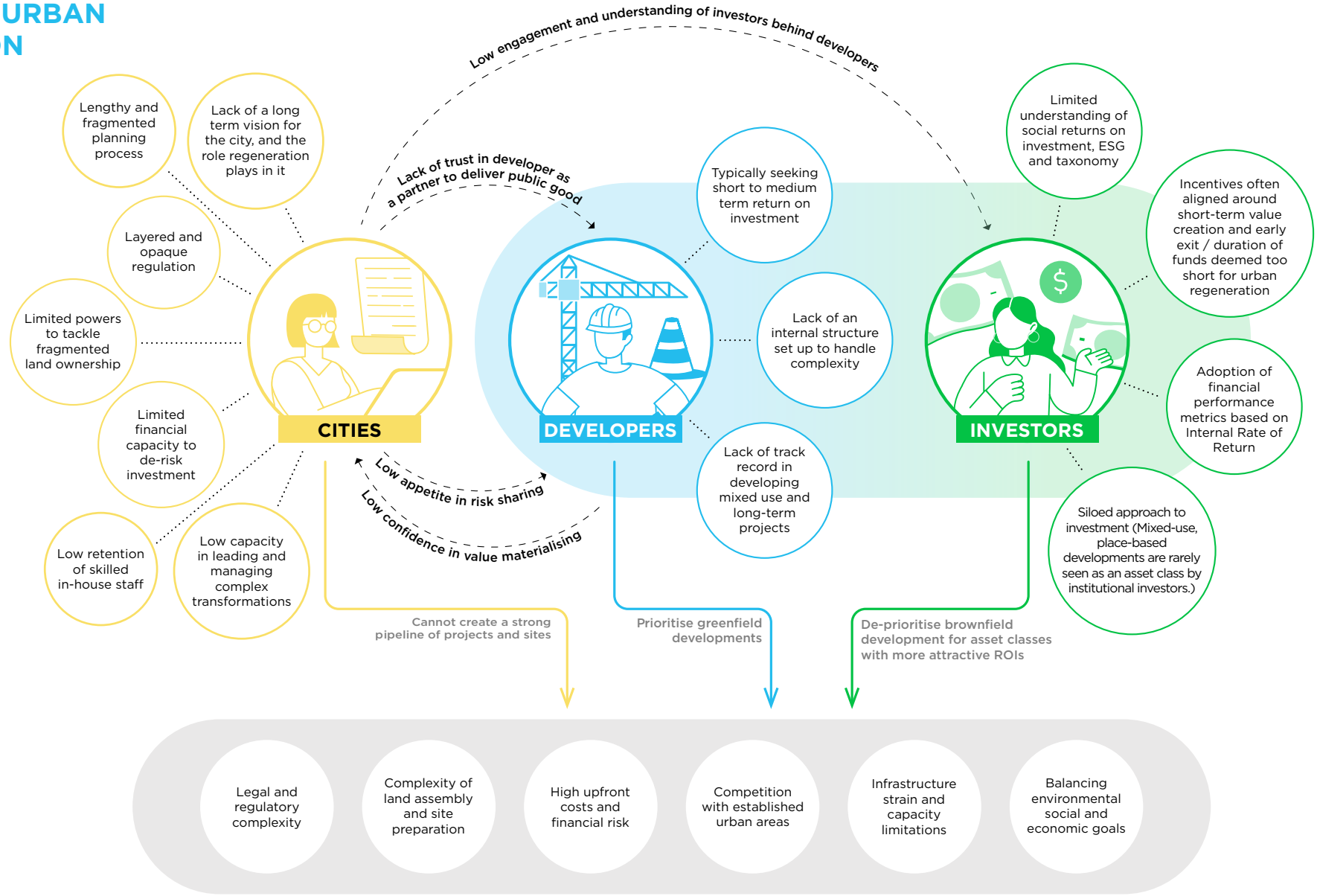
Towards Green and Thriving Neighbourhoods

The start and end points of successful projects will differ considerably from city to city and between neighbourhoods.

That said, while the ultimate outcome will be shaped by the local context and community, this research aims to accelerate the development of vibrant mixed-use neighbourhoods, with strong environmental and social credentials, that are aligned with C40's Green and Thriving Neighbourhoods programme's 4 fundamental principles to drive climate action and improve urban life at the neighbourhood level:

1. **Complete neighbourhoods and proximity**: Ensure that every resident can access essential services, jobs, and public spaces within a short walk or bike ride. This reduces emissions, supports local businesses, and improves quality of life.
2. **People-centred public spaces and mobility**: Reclaim city streets and spaces for people over cars, investing in walkable, vibrant environments that encourage active lifestyles, community interaction, and equitable access.
3. **Inclusive communities**: Embed equity in urban planning by prioritising underserved areas, engaging local residents in design and decision-making, and preventing displacement through affordable housing and social infrastructure.
4. **Urban nature and climate resilience**: Integrate green spaces, water-sensitive design, and nature-based solutions to cool cities, manage flooding, and improve physical and mental health.

BARRIERS TO BROWNFIELD URBAN REGENERATION



The brownfield urban regeneration opportunity

European cities have significant areas of underused commercial and industrial space and land. Across Europe, there are nearly 2 million hectares of viable brownfield land, which could accommodate up to 230 million homes, and over 20,000 hectares of empty office and retail space.[8] In the UK alone, there is almost 30,000 ha of brownfield land, enough for 1.2 million homes.[9] In London specifically, developing existing brownfield sites could meet nearly half of the ten-year housing target of 880,000 units set by the government.[10]

At the same time European cities face a variety of related challenges and opportunities where redeveloping brownfield land could play a role:

- Europe has set a bold "No net land take by 2050" policy, which will mostly affect cities. The policy aims at halting the expansion of artificial surfaces – such as buildings, roads, and industrial sites – to preserve natural and agricultural land.
- Europe has an increasingly severe housing crisis: demand for housing has surged due to population growth, shrinking of average household size, and increased urbanisation, while supply has been constrained by factors such as slow construction and complex regulatory barriers. This issue has been exacerbated by an over-reliance on market mechanisms to address housing shortages.
- Europe has an ambition to be a climate neutral continent by 2050. With 75% of the population residing in urban areas, cities will be an integral part of reaching that goal.
- Alongside climate neutrality and housing, competitiveness has become central to the European Commissions' policy agenda. The Draghi Report, "The Future of European Competitiveness," is a strategic blueprint released by the former European Central Bank president and former Prime Minister of Italy, Mario Draghi in September 2024. The report promotes the concept of decarbonisation as a growth strategy, proposing an unprecedented public investment plan of €800 billion per year.[11] Cities have the capacity to absorb investment and transform it into productivity and growth, creating spillovers into surrounding areas.
- Finally, the investment climate is changing. Since the second half of 2023, Europe attracted significant capital outflows from the US ($16.99bn). Investors are attracted to European core markets, with order, transparency and ESG standards as main drivers.[12]

Against this backdrop, there is a powerful case for cities to pursue large-scale urban regeneration to help address their challenges. There is much to learn from Europe's most successful and inspiring examples of brownfield urban regeneration. Our research into regeneration projects across Europe demonstrates that urban regeneration can deliver jobs, homes and communities, while conserving energy and promoting more sustainable ways of living, all while also producing positive returns for investors. Working in partnership with investors and developers, cities have a unique opportunity to deliver urban regeneration quickly, providing the homes, jobs and thriving communities that Europe needs.

The time for urban regeneration is now

85% of people

across Europe will live in urban areas by 2050.

~ 2 million ha

(roughly the size of Slovenia) of viable brownfield land available across Europe.

'No net land take by 2050'

policy adopted by Europe, aiming to stop the expansion of artificial surfaces at the expense of natural and agricultural land.

€800 billion per year

in public investment for decarbonisation and growth in European cities, proposed in the Draghi Report.

INVESTING IN URBAN REGENERATION: TOWARDS A NEW MODEL

How does investment appeal overcome complexity?

Urban regeneration represents one of Europe's defining investment frontiers, where social value, sustainability, and long-term financial performance converge.

As global capital searches for stability, sustainability and measurable impact, attention is shifting from single-use real estate toward resilient, mixed-use urban districts. Yet while the appetite for these assets is strong, the ability to deliver them at scale remains limited. Urban regeneration – complex, capital-intensive, and politically exposed – sits at the intersection of opportunity and constraint.

For investors, the task is no longer simply to identify assets but to help create them through structures that manage risk collectively and deliver stable, lasting returns. By blending public and private capital, aligning with municipal partners, and maintaining a long-term stewardship approach, institutional investors can transform underused urban land into resilient, high-performing neighbourhoods. In doing so, regeneration evolves from a planning challenge into a strategic asset class, one that will shape European cities' future form and appeal.

The shifting European investment landscape

Over the past few years, institutional capital has been shifting toward Europe, driven by predictability, regulatory clarity, and strong ESG frameworks. In a world of rising uncertainty and volatility, markets such as Germany and the Nordics offer institutional integrity and long-term stability. At the same time, competition for prime, income-producing assets has intensified, driving yields down and limiting access to traditional "core" real estate investments.

The definition of "core" itself is changing. The COVID-19 pandemic exposed the fragility of mono-functional districts – office-only or residential-only neighbourhoods – which struggled to adapt to shifts in work, mobility, and consumption. By contrast, mixed-use, well-connected, and sustainable neighbourhoods have proven more resilient, adaptable, and liquid. As a result, both investors and cities are looking to deliver the next generation of "core": urban environments that combine social and environmental sustainability with steady, long-term cash flows. In this context, with traditional core assets becoming scarce or overpriced, investors are seeking new opportunities that combine stability with value creation. This is leading them toward urban regeneration and mixed-use neighbourhoods. This in turn is why brownfield urban regeneration has so much relevance and potential.

Short-term capital, long-term challenge

Perhaps predictably, investors have often approached urban regeneration in a business-as-usual way, deploying short-duration capital and focusing on low-risk, first-tier city opportunities. Strategies like Private Equity Real Estate (PERE) and Real Estate Investment Trusts (REITs) typically aim for rapid, short-term returns or dividend yields after development. The early-stage challenges of remediation or planning often pose too great a risk, but there are examples of actors – such as the Europe-based investment platform Ginkgo – that focus precisely on creating value through the decontamination and redevelopment of regeneration sites.[13] This short-term horizon creates pressure for early exits and quick yields, commonly reflected in build-to-sell (BTS) models, forward funding, and pre-lets to secure profits rather than "build-to-hold" estate strategies.

The practical consequences are easy to predict: a tendency to underinvest in placemaking and in curating resilient ground-floor retail and community uses, elements whose payback is slower but which drive absorption, tenant retention, and long-term rental growth.[14] By contrast, long-term stewardship and investment in placemaking, such as at Nordhavn in Copenhagen or King's Cross in London, have demonstrated that sustained management can deliver stronger and more lasting value.[15] So, can these success stories be replicated?

Defining (and adopting) a new model

It's clear that if we are to replicate these success stories at scale, we urgently need to shift to a new model of urban planning: a compact, mixed-use, and transit-oriented model that prioritises development within existing urban areas. Well-designed urban regeneration will be a critical component of this approach.

There is a clear alignment across European cities for adopting a climate-resilient and people-centred approach to planning and design, building on the historical model of European cities – compact, mixed-use and walkable. While we know that we need to build much more housing as part of new "complete neighbourhoods", it's critical that we get it right, and that there is buy-in from all major stakeholders involved in shaping regeneration.

A compelling case is needed, which not only supports the wider climate, social and economic benefits, but also demonstrates that these projects can be financially sustainable. This paper sets out these benefits, beginning with the climate case then moving through the various social and financial opportunities.

Europe's climate advantage

"Cities are where the climate battle will largely be won or lost."
–Antonio Guterres, Secretary General, United Nations UNFCCC

Brownfield urban regeneration must be a core component of a more sustainable urban development strategy for European cities. These projects allow cities to redirect growth and development into existing, underutilised sites in city centres rich in transit options and amenities, diminishing the demand for new construction on greenfield land and maximising the potential of existing active transport networks.

Across Europe, focusing on brownfield regeneration and development, and the conversion of vacant commercial buildings, could help avoid 770,000 hectares of urban sprawl up to 2035, thereby helping to reduce car dependency and associated emissions, to lower emissions from buildings and construction, and to preserve the vital natural and agricultural land that surrounds our cities.[16]

Every 1%
increase in a city's population density is associated with a 0.79% reduction in CO2 emissions per capita.[17]

Lower transport emissions

Urban regeneration can also help mitigate transport emissions. Brownfield regeneration projects are typically located in existing built-up areas with robust transit connections and better access to existing jobs, services, and amenities than peri-urban settings. Because of this, more residents and workers are able to easily meet their travel needs using modes like walking, cycling or public transit, contributing to significantly lower transport emissions compared to that of sprawling greenfield developments. A study found that residents of compact cities typically drive 30-70% less and use non-auto modes 2–10 times more than residents in sprawled, auto-dependent areas.[18] Well-designed mixed-use regeneration projects can also address gaps in active transport networks and provide new services and amenities, making it easier for existing residents to meet their needs by walking and cycling.

Transport emissions in low-density cities like Atlanta are typically
10 x higher
than in high-density cities like Barcelona (for similar population size).[19]

Lower emissions from construction and operation

Facilitating growth in centrally-located brownfield sites also allows cities to avoid substantial long-term emissions related to buildings and infrastructure construction and operation in sprawling greenfield developments. More compact developments in existing urban areas need less extensive new infrastructure such as roads, water supplies etc., reducing associated embodied emissions from construction as well as making infrastructure investments more economically feasible. Efficient built-form typologies that characterise urban developments, i.e. midrise multi-family dwellings or mixed-use buildings with shared walls and compact units, reduce materials use and construction

emissions compared to single-detached developments. Efficient and compact building and neighbourhood typologies also lower demand for heating and cooling, thereby reducing operational emissions associated with the built environment.

Brownfield redevelopment was found to produce

32%-57%

less carbon dioxide and other air pollutant emissions per capita relative to conventional greenfield development.[20]

Single-family houses are estimated to consume on average

2.5x more energy

and produce

2.5x more CO2

than units in large multi-family buildings.[21]

Protect biodiversity and nature

Urban regeneration plays a central role in preserving open land, minimising the loss of natural carbon sinks and protecting biodiversity. New developments on the outskirts of cities consume productive croplands, green spaces, forests, and wetlands, destroying natural habitats. In Europe, between 2012 and 2018, 45,000 hectares of greenfield land was lost annually in cities and their commuting zones (over four times the size of the city of Paris).[22]

By contrast, brownfield urban regeneration reduces the demand for greenfield housing and associated services, roads, and other infrastructure, helping to preserve natural and agricultural land adjacent to cities, and minimising the loss of natural carbon sinks. Avoiding land use change can also protect biodiversity and ecosystem services such as pollination and nutrient recycling. Prioritising brownfield urban regeneration would allow natural areas to be saved and support climate change mitigation efforts.

45,000 hectares/year

of greenfield land was lost to urban development in European cities and their commuting zones between 2012 and 2018.

Reduce environmental contamination

Existing environmental contamination is a challenge cities need to grapple with. In 2016, 115,500 contaminated sites were remediated in the EU, representing just 8.3% of total number sites in need of intervention, many of them located in urban areas. Based on current projections, at least 166,000 additional sites are expected to be in need of risk reduction measures or remediation, many of them in urban areas.[23] Brownfield regeneration has proven to be a successful vehicle to address longstanding and complex environmental contamination while creating new and thriving neighbourhoods, generating value for all. Through the cleanup of hazardous contaminants, brownfield redevelopments can significantly improve local soil, air, and water quality, thereby safeguarding both public health and local ecosystems.

ENHANCING URBAN SUSTAINABILITY AND RESILIENCE AT SCALE

Urban regeneration projects typically happen at the block or neighbourhood scale. Thanks to this, their comprehensive scope and an elevated level of public review and subsidy, urban regeneration projects offer the unique opportunity to integrate measures that deliver enhanced climate benefits at scale, unlike conventional greenfield developments.

Reduced embodied emissions

Urban regeneration often offers the chance to reduce embodied emissions through adaptive reuse, net-zero building, and clean construction approaches. By preserving and repurposing existing buildings, brownfield redevelopments avoid emissions associated with constructing entirely new ones. Projects can also incorporate holistic circular economy strategies within regeneration projects to minimize waste generation and maximize resource efficiency. This includes programmes for deconstruction that salvage materials for recycling and reuse, diverting waste from landfills and reducing the demand for new, virgin materials. When it comes to new construction, projects can incorporate the use of low-carbon materials, such as mass timber, and support efforts to accelerate the adoption of electric construction machinery, further reducing emissions.

- Madrid and Barcelona are pioneering low-carbon social housing through timber and industrialised construction. Madrid's Iberia Loreto 1 project uses prefabricated timber systems to cut emissions and speed up delivery.[24] In Barcelona, the Modulus Matrix project combines mass timber with modular design to create flexible, energy-efficient homes.[25] Both projects demonstrate how cities can scale sustainable housing while reducing embodied carbon.

Reduced operational emissions

Urban regeneration projects offer an opportunity to embed advanced measures to reduce operational emissions from the planning stage through net-zero building approaches and green and district energy solutions. Buildings can be designed with advanced enclosure strategies, such as continuous insulation, airtight envelopes, and high-performance windows, to minimise energy loss. Many regeneration projects also include the installation of on-site renewable energy sources, such as rooftop solar panels, directly offsetting emissions from fossil fuel-based grids. They are also particularly well-suited to district energy and smart grid systems due to their compact and high-density form. In such environments, fewer and shorter pipes are needed to connect users, significantly reducing costs and energy losses, and by combining the energy needs of numerous buildings, district energy systems can cost-effectively utilise a wider range of energy sources that would be impractical or too expensive for individual buildings.

- Amsterdam's Buiksloterham district is being transformed into a Positive Energy Neighbourhood for 6,500 residents.[26] The redevelopment integrates high-efficiency buildings, rooftop solar, and smart energy systems. A peer-to-peer energy trading platform enables local sharing and grid interaction. The project showcases how former industrial zones can become low-carbon, resilient communities.

Greener cities

Urban regeneration projects often deliver substantial new greenspace and urban nature from what was previously sealed or built-up land. Leading projects also integrate green infrastructure throughout such as green roofs, rain gardens, and new trees, enhancing urban resilience by improving stormwater management and providing cooling.

- Paris is transforming a 54 hectare disused SNCF railyard into the new Clichy-Batignolles eco-district. The neighbourhood is centred on the new 10 hectare Martin Luther King park, which accommodates over 500 different species and features a wet ditch and biotope basin to support the natural management of rainwater. The park is complemented by over 26,000 square metres of green roofs and 6,500 square metres of green spaces inside housing blocks, further enhancing biodiversity and ensuring easy access to nature for residents.[27]

Delivering exemplary green districts through public-private partnerships
Hammarby Sjöstad, Stockholm

Hammarby Sjöstad is a pioneering urban regeneration project in Stockholm, transforming a polluted industrial waterfront into a model eco-district. Initiated in 1996 as part of Stockholm's bid for the 2004 Olympics, the project covers 160 hectares and aims to house over 25,000 residents in 11,000 apartments. Located just 3 km from the city centre, it integrates housing, commercial spaces, and green infrastructure. The district is recognised globally for its innovative planning, environmental performance, and integrated design approach.

Proactive leadership was fundamental to its success. The City of Stockholm led the project with strong public ownership and strategic planning, enabling coherent and phased development. By acquiring most of the land early on, the city ensured control over planning and implementation. The strategic masterplan, developed by the Stockholm City Planning Bureau, divided the area into 12 sub-neighbourhoods. A "parallel sketches" method invited multiple architects to propose designs, which were then merged into a final plan. This approach fostered architectural diversity while maintaining consistency through a design code applied across all phases.

Public-private partnerships (PPPs) were central to financing and delivering Hammarby Sjöstad, with more than 30 developers involved. The city collaborated with developers and architects to implement the masterplan, with private actors contributing around 80% of local costs. Key developers included JM, Skanska and HSB. PPPs enabled risk-sharing and efficient infrastructure delivery, supported by national agencies like the Swedish Rail and Road Administrations.

Hammarby Sjöstad achieved high environmental standards through integrated systems and ambitious sustainability targets. The district was designed to halve the environmental impact compared to typical 1990s developments. It features a closed-loop eco-cycle system – the "Hammarby Model" – that reuses energy, water, and waste. Innovations include vacuum waste collection, solar heating, biogas production, and stormwater remediation. Transport emissions are significantly lower than city averages, thanks to extensive public transit, cycling infrastructure, and reduced car dependency. It demonstrates the scale of benefits that can be achieved by an integrated vision.[28]

Locally-led sustainable land development and housing
Lyon Confluence, Lyon, France

Lyon Confluence is one of Europe's largest urban regeneration projects, transforming 150 hectares of former industrial land at the confluence of the Rhône and Saône rivers into a vibrant, sustainable district. Initiated in the late 1990s and managed by SPL Lyon Confluence under the ZAC (Zone d'Aménagement Concerté) framework, the project aims to create a mixed-use eco-district combining housing, offices, cultural spaces, and extensive green areas. Its vision is rooted in ecological transition, social inclusion, and economic vitality, with a strong emphasis on reconnecting the city to its rivers and integrating nature into the urban fabric. The district has become a flagship for Lyon's metropolitan strategy and a model for sustainable urban development in Europe.

The project was delivered through a phased approach, using strong governance, public land control, and innovative financing. SPL Lyon Confluence set strict environmental and architectural standards in its "Cahier des Charges," prioritising low-carbon construction, renewable energy and bio-climatic design. Key innovations include the Hikari block, Europe's first energy-positive mixed-use development, and the Albizzia and La Hora projects, which showcase timber structures, local stone, and bio-sourced materials. Partnerships with international actors, such as Japan's NEDO and Toshiba, enabled the deployment of smart energy systems and photovoltaic networks, while European programmes like Concerto provided funding for high-performance buildings. These efforts were supported by adaptive planning instruments and continuous stakeholder engagement, ensuring resilience despite economic and technical challenges.

From a sustainability perspective, Lyon Confluence has achieved significant milestones and set ambitious targets. The district integrates 23.5m^2 of green space per inhabitant, compared to 8.5m^2 citywide, and has planted over 3,000 trees to combat urban heat and enhance biodiversity. Buildings meet stringent energy standards, with widespread use of solar panels and collective self-consumption models. Social sustainability is addressed through a housing mix that includes up to 60% affordable units in later phases, alongside inclusive public spaces and active mobility infrastructure. Looking ahead, the project aims to establish a neighbourhood-scale energy community, expand low-carbon construction, and strengthen climate adaptation through green corridors and water-sensitive design.[29]

Delivering positive returns

If brownfield regeneration is going to be unlocked at scale, is has to deliver appealing risk-adjusted returns to investors and developers. Research and data sourced from literature and leading projects in Europe show that urban regeneration is more cost-effective than "business as usual" greenfield developments, as the outlay from the public purse for infrastructure and services is lower. But these projects also perform well commercially, providing long-term returns to investors while meeting high social, environmental and economic standards that are central to their appeal.

Reducing development costs, delivering more value to society

Developers, investors and local governments often bypass brownfield development projects on the grounds of high(er) up-front costs and perceptions of elevated risk. While brownfield urban regeneration projects can encounter challenges with planning, delivery and risk management, existing research challenges the assumption that greenfield development is the most cost-effective option, when wider site development and implementation costs are included.

Brownfield redevelopment lowers long-term costs

For one thing, developers can benefit from lower direct development costs on brownfield sites. A Canadian study comparing 23 adaptive reuse projects to greenfield developments of similar size found that brownfield development can be more affordable to deliver per square foot, when all costs (site purchase, hard and soft costs, incentives) are considered.[30] In particular, medium-sized residential and large commercial projects were cheaper to build on brownfield land. These findings are based on average costs and suggest that brownfield redevelopment can outperform greenfield development in a variety of scenarios.

Even when brownfield developments have higher upfront costs, these schemes typically take advantage of existing infrastructure, lowering related development costs. For example, an Irish government study found that a set of brownfield projects cost €58,000–€77,000 more per home than greenfield ones.[31] However, the indirect costs of urban sprawl – such as new roads, utilities, and services – added €102,000–€137,000 per home to greenfield developments.[32] This results in a net saving of €35,000–€79,000 per unit for brownfield sites. These findings are consistent with broader research showing that infill development can cut public infrastructure costs by 10% to 30% compared to greenfield.[33]

A detailed Canadian study in the Halifax Regional Municipality also identified wider infrastructure delivery cost points based on different residential densities, ranging from rural commuter areas to high density urban areas. Researchers identified total savings of around $2,000 per year per unit for the delivery of a number of services in the densest area (92 people per net residential acre) compared to suburban areas (16 people), a saving of 60%.[34] This indicates that investing in brownfield development can prove to be more efficient than channelling funding into projects that drive urban sprawl at the periphery of cities. This also implies that local governments need to intervene (e.g., via public-private-partnerships) to unlock private investments into brownfield areas requiring higher direct development costs than greenfield, but lower wider development costs overall.

Delivering infrastructure for brownfield developments can be

10-60% cheaper

than for greenfield ones.[35]

Brownfield development lowers social costs

Brownfield redevelopment, being more integrated into existing urban services and connections, delivers wider social benefits too. A comparison of eight brownfield and eight greenfield projects in the USA looked at not just construction costs, but also the social value of factors including travel time, fuel use, and environmental impact.[36] Despite higher direct and indirect costs in some cases, brownfield developments had lower total social costs. The analysis did not include emissions from construction and maintenance, which, if considered, would further strengthen the case for urban regeneration.

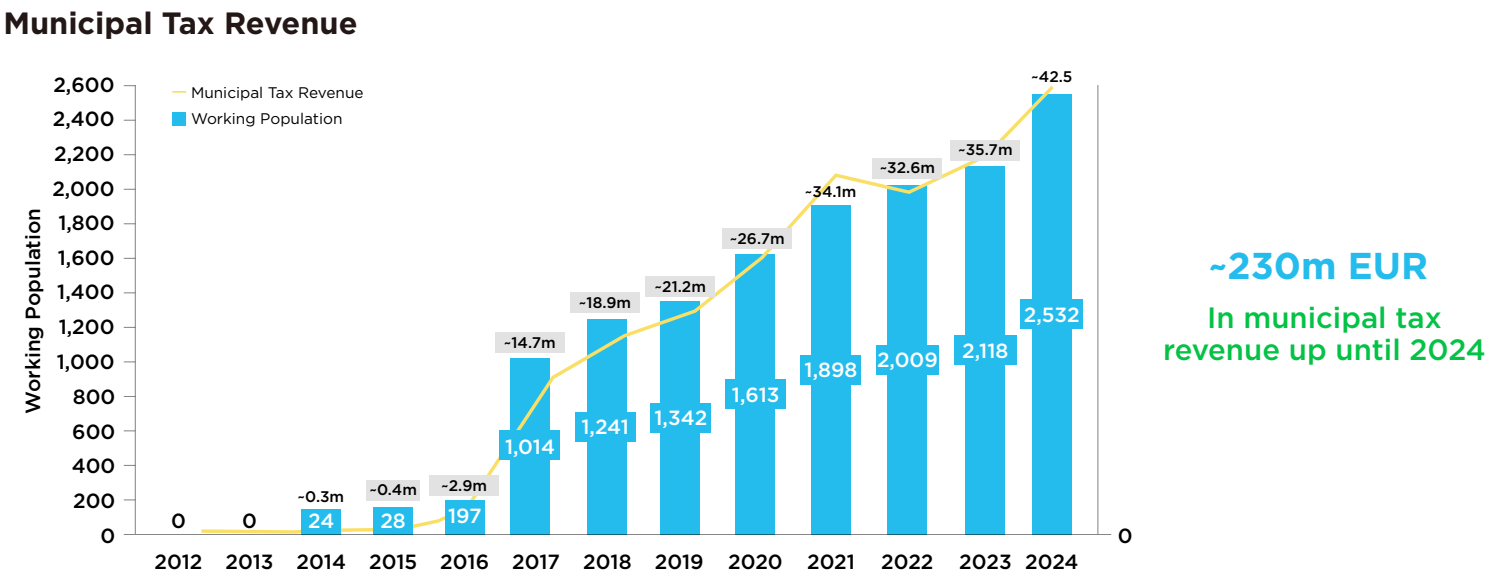
Raising revenues for local governments

Local governments can gain higher tax revenue per hectare by investing in higher-density developments without expanding the urban footprint or raising tax rates. This is because denser developments often translate to more properties and consequently higher property tax revenues which can help mitigate broader tax increases or be used to improve local service delivery.

Nordhavn, in Copenhagen, is a good example of how investing in future-focused development can drive revenue generation. There, advanced district heating technologies have been deployed to help the neighbourhood achieve its carbon-neutral status, and sea walls have future-proofed the area against sea level rise. The urban fabric has been designed as a compact '5-minute city', making it easy for residents to walk or cycle along prize-winning green and blue spaces to reach goods and services.[37, 38] Meanwhile, the redevelopment allowed the city to gain significant tax revenue from land that was previously in disuse. Between 2012 and 2024, the district experienced a significant growth in working population; the City of Copenhagen saw a corresponding sharp rise in tax income – amounting to approximately €230 million by 2024 – demonstrating the district's contribution to the city's economy (Figure 1).

Local governments can also reinvest the additional tax income from the regenerated neighborhoods new residents and businesses into enabling infrastructure and social services, which brings wider benefits. In Battersea Power Station, London, business rates have contributed to refunding the Northern Line underground extension, initially funded with public investment to unlock the site. The development of such sustainable transport infrastructure has indeed been crucial to integrate the area in the urban fabric, unlocking volumes of visitors and commuters which would not have been otherwise achievable. This has fostered a virtuous cycle for the local economy, allowing businesses to open, and public bodies to commence recovering the initial investment.

Figure 1
Revenue's up – growth in working population drives municipal tax revenue increase in Nordhavn.[39]



~230m EUR
In municipal tax revenue up until 2024

Exceeding developers' expectations

Large, mixed-use brownfield redevelopments can outperform more established inner-city districts in commercial performance while meeting high quality and sustainability standards. Evidence from multiple European cities show that these projects do not only match but often exceed prime market benchmarks. In Copenhagen, the Nordhavn regeneration has delivered office and residential rental levels respectively 8% and 11% higher than those in the city's Central Business District by 2024. Similarly, Hamburg's HafenCity recorded office rents between €25 and €38/m^2/month compared to a citywide average of ~€20–€22/m^2/month around 2024–25.[40]

Brownfield regeneration = market appeal and commercial resilience

London's regeneration projects demonstrate strong resilience and market appeal. At Elephant & Castle, office vacancy rates have consistently remained below the Prime Outer London (POL) average, with net absorption in 2018 surpassing benchmark values. Retail properties also outperformed Central Prime London (CPL) comparators in 2016 and 2024, signalling strong demand and some substitution from other areas. King's Cross has shown even more striking results: residential values grew more than 50 percentage points above the second-fastest-growing area (Old Street/Shoreditch) between 2011 and 2021. Office performance mirrored this trend, with vacancy rates generally below CPL and 2022 sales prices more than double the CPL average, up from less than half in 2013.

These successes are closely tied to the design and quality of the developments. King's Cross, for example, integrated a balanced mix of occupancies and tenures, including approximately 40% affordable housing alongside high-end properties. The project prioritised quality construction, achieving outstanding BREEAM ratings and RIBA awards, while dedicating around 40% of its space to public realm. Features such as green roofs and biodiversity measures were combined with sustainable transport connections and energy-efficient infrastructure, including a Combined Heat and Power (CHP) plant delivering 50% greater efficiency than conventional systems.

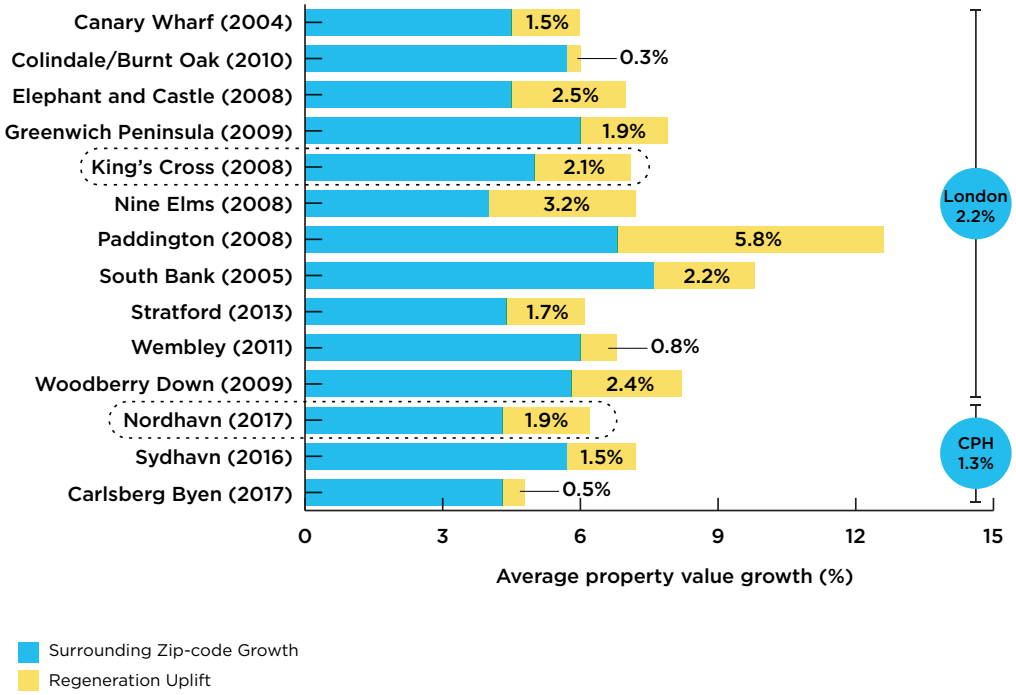


Figure 2
Proven value generation: urban regeneration sites have consistently outperformed surrounding areas with ~ 2% additional growth (Source: qualified data from CBRE and Urban Partners)

Urban regeneration areas in London and Copenhagen have consistently outperformed their surrounding (or neighbouring) districts, achieving approximately 2% higher annual value growth on average. Flagship mixed-use schemes such as King's Cross (London) and Nordhavn (Copenhagen) illustrate how long-term, high-quality regeneration delivers sustained economic uplift compared with neighbouring postcodes.

Achieving financial returns for investors

Urban regeneration projects can deliver exceptional financial returns alongside high sustainability standards and social benefit, including affordable housing, when executed effectively.

Recent analysis covering Northern Europe by JLL Research and Real Capital Analytics found that depending on the asset, investments in large-scale regeneration areas typically achieve between two- and six-fold returns, with even higher multiples in more central and specialised developments.[41] Positive returns can also be achieved in secondary cities, as evidenced by the Ginkgo redevelopment of the 4.5-hectare Fagor-Brandt factory site in Lyon, which has been redeveloped into a mixed-use eco-district while returning over three times the equity invested and an IRR (internal rate of return) above 20%.[42]

Despite their complexity, large, mixed-use brownfield developments can be both profitable and socially and environmentally impactful. London's King's Cross in an outstanding example: one of the original landowners and partners of the project, London & Continental Railway Limited, realised an 11.6x gross multiple on investment capital (MoIC) through their equity sale when they exited the partnership in 2016.[C, 43] Over a longer term of 65 years, available data suggest MoIC could still deliver a favourable 4.65 for the whole site*.[D] In Copenhagen's Nordhavn, the IRR across eight plots ranged from 13% to 48%, with MoIC between 1.5x and 3.3x. This strong performance is also found at a district level: a hypothetical investor acquiring and developing the entire district would have achieved a gross IRR of 17.3% and an MoIC of 3.4x over 13 years.[44]

*Under a simplified scenario where a single developer financed the full development.

Two to six-fold returns

can be achieved for large-scale regeneration projects.

C. London & Continental Railway Limited, one of the original landowners and development partners

D. Arup analysis based on KCCLP, CoStar, and Steer data, incorporating assumptions on property values, development costs, and market mark-up derived from ONS datasets and industry sources.

Design and sustainability drive commercial success

Regeneration is driven by a design sensibility – environmentally sustainable, appealing, flexible, urban-situated, well-connected, etc. – that defines enduring commercial appeal.

Evidence shows that certified buildings (e.g., LEED, WELL, BREEAM) command premium rents and values, reinforcing the link between environmental performance and financial outcomes. In the US, data shows that green building certifications can contribute to a 31% increase in sales values, 23% higher occupancy rates and an 8% increase in rental income.[45] At Nordhavn in Copenhagen, the first phase of development – Århusgadekvarteret – created approximately DKK 9.9 billion (≈ €1.33 billion) in value by 2024, up from an original land value of DKK 801 million (≈ €107.56 million) in 2012 (see also figure 4-6). These examples highlight a clear trend: projects that integrate sustainability and urban quality can also deliver superior long-term returns.

Financial Performance Metrics

IRR (Internal Rate of Return):

IRR is a financial metric used to estimate the profitability and expected annual growth rate of potential investments or projects. It calculates an investment's estimated annual growth rate, fully accounting for the time value of money. It represents the specific discount rate at which the present value of all future cash flows equals the initial investment, resulting in a Net Present Value (NPV) of zero.

MoC (Multiple on Cost):

MOIC (Multiple on Invested Capital) is a performance metric used in private equity and real estate investing that measures the total value generated relative to the amount of capital invested. For example, an MoIC of 2.0 means a generated value of €2 for every €1 invested by the end of the project.

Making cities more productive and competitive

Mixed-use brownfield redevelopment can increase employment in urban cores, with positive impacts for the local economy. At a site level, attractive large-scale commercial developments can significantly increase the number of local jobs, which in turn not only translate into a growth in GVA (Gross Value Added) but also an increase in local spend (in addition to that from the new residents), supporting retail, and other businesses. Providing best-in-class ("Class A") office space, together with high-quality amenities and public realm plays a key role in attracting knowledge-intensive high-value tenants, which in turn boost the economic impact of the area.

The scale of the benefits can be significant. 19,000 new jobs were created between 2009 and 2019 in King's Cross Opportunity Area, translating into a 300% growth in local GVA and £77 million (≈ €88.23 million) of additional local spend per year from the new residents in 2016 alone.[46, 48] In West London, the proposed 44 acre masterplan for the mixed-use redevelopment of Earls Court, if delivered, could support up to 23,500 jobs and £3bn (≈ €3.60 billion) contribution to GVA, to the nation, annually.[47]

Local Economic Impacts of King's Cross

19,000 new jobs created between 2009 and 2019 in the Opportunity Area.[48]

300% GVA growth between 2011 and 2019 in the Opportunity Area.[48]

£77m (≈ €88.23 million) of additional local spend / year from the new residents in 2016.[49]

At a wider scale, the densification of urban cores can bring wider benefit to cities, increasing overall productivity and innovation. Denser, more efficient urban forms tend to support economic development goals, in part by fostering the development of agglomeration economies. A 2016 study on the largest metropolitan areas in the USA, has found for instance that there is a positive strong correlation between employment density and knowledge density with average worker productivity.[50] Secondly, a programmatic approach to redeveloping vacant under-developed sites has allowed cities to shape and create clusters of businesses and organisations associated with high-growth and innovative sectors, contributing to the overall competitiveness of the city.

Nurturing the local knowledge economy through urban regeneration
22@Barcelona

The 22@Barcelona project is a large-scale urban regeneration initiative launched in 2000 by the Barcelona City Council to redevelop 200 hectares of former industrial land in the Poblenou district. The project replaced outdated industrial zoning with a new mixed-use urban model that integrates residential, commercial, and institutional uses. According to official sources, the area was restructured to support knowledge-intensive activities, with over 4,500 companies established in the district by 2023. The regeneration included significant investment in infrastructure, public space, and connectivity, aiming to modernise the urban fabric and attract economic activity.

A key objective of 22@Barcelona was to foster the development of innovation clusters. The district has become home to a concentration of firms in sectors such as information and communication technologies (ICT), media, energy, design, and life sciences. The presence of universities, research centres, and business incubators – such as those supported by Barcelona Activa – has facilitated collaboration between public institutions and private enterprises. The 22@Network, a local association of companies and stakeholders, plays a role in promoting synergies and knowledge exchange among actors in the district.

The clustering of innovative businesses in 22@Barcelona has contributed to the city's broader economic transformation. The district has attracted both domestic and international investment, supported job creation, and enhanced Barcelona's reputation as a hub for technology and innovation. The regeneration model has been cited in international forums as an example of how urban planning can support economic development through spatial reorganization and sectoral targeting. The integration of housing, services, and business infrastructure has also helped retain talent and support a diverse urban population.[51]

Delivering affordability and promoting wellbeing

Urban regeneration can be a powerful catalyst for social good, addressing key challenges related to housing affordability, community cohesion, and wellbeing. By consciously designing projects that prioritise people, these kinds of regeneration initiatives can deliver profound and lasting social benefits, contributing to more equitable, liveable, and sustainable urban environments across Europe.

Lowering household costs

Europe is facing an increasingly severe housing crisis, marked by a chronic shortage of affordable homes, outdated housing stock and growing social inequalities. In the last decade, housing prices have risen by 50% in the EU and UK, while rent has increased by 18% over a fifteen-year period.[52] Building more housing is essential, but how and where we build directly impacts household budgets and people's ability to participate in society.

As established in previous chapters, brownfield regeneration leverages existing infrastructure and delivers compact, well-connected neighbourhoods. This can significantly reduce household costs, especially for transport, which is the second or third largest expense for most EU households.[53]

Compact and efficient forms of urban, infill development can also result in lower utility bills for residents through reduced servicing costs combined with lower demand for heating thanks to more efficient building typologies.

Due in part to lower per-unit land requirements, the compact, efficient housing types that are associated with urban regeneration projects can be more affordable than comparable-quality single family homes, particularly when car parking is not provided. In Vienna's Nordbahnviertel, for instance, residents benefit from both lower energy bills and reduced reliance on private vehicles thanks to higher energy standards and greater proximity to jobs and amenities.[54]

The affordability and accessibility offered by urban regeneration are crucial if cities and neighbourhoods are to remain socially cohesive and inclusive. When housing is unaffordable or inadequate, people may be forced to leave their communities or turn down job opportunities, undermining both individual wellbeing and local economies.

By creating walkable neighbourhoods with easy access to public transportation and amenities, regeneration enhances mobility and independence for all residents, including older adults and people with disabilities.

60% time and fuel cost reduction

for residents living in brownfield developments vs greenfield ones.[55]

Development shaped by real local housing needs
Nordbahnviertel, Vienna

The Nordbahnviertel project is transforming a former railway site in Vienna's 2nd district into a vibrant urban quarter. The land was originally publicly owned and has been gradually released for development aligned with the vision of the City of Vienna. The city established a masterplan and zoning framework, with the guiding principle of "Freie Mitte – Vielseitiger Rand" (Free Centre – Diverse Edge), which preserves a central green space while promoting mixed-use development around it.

Development is being carried out by a consortium of public and private entities, including the insurance company Wiener Städtische Versicherung (in partnership with Sozialbau and the non-profit housing company EGW), ÖVW (housebuilder owned by ERSTE Bank), STRABAG Real Estate, KIBB Immobilien, and others.

Developers are responsible for constructing and managing housing units, commercial spaces, and public amenities. A Quality Assurance Advisory Board ensures that the masterplan is implemented and meets high architectural and environmental standards.

The housing mix in Nordbahnviertel is designed to be socially inclusive:

- 24% of units are subsidised (geförderte Wohnungen);
- 42% are affordable rental units (preiswerte Mietwohnungen); and
- 34% are market-rate rental or ownership units (freifinanzierte Wohnungen).

Subsidised and affordable units are allocated through the Wiener Wohn-Ticket system, which prioritises applicants based on need, income, and contribution capacity. Developers are required to meet affordability criteria based on the level of public support received.

Financing comes from a combination of public subsidies from the City of Vienna, private investment from developers, and long-term loans, including support from institutions like the European Investment Bank for energy-efficient housing.

This model allows for a balanced mix of housing types while ensuring financial viability and alignment with Vienna's broader urban development goals.[56]

Realising opportunities for better affordable and public housing

Due to their size, scope and visibility, urban regeneration projects are uniquely positioned to deliver significant amounts of affordable and public housing for diverse household types. Requirements for affordability, tenure, or unit size are often built into the projects as a condition of public land sale, public approval or to secure community support. In many large-scale regeneration projects, a mix of public and private funding, such as land value capture or revenue from new market-rate housing, is used to cross-subsidise the construction of new family-sized affordable housing units. In London, the King's Cross redevelopment demonstrated how revenue from market-rate housing and commercial development, combined with planning obligations, has been used to cross-subsidise the delivery of affordable and family-sized homes, ensuring a socially mixed community within a major urban regeneration project.

For projects that involve interventions to existing public housing estates, regeneration projects provide an opportunity to address ageing infrastructure and substandard living conditions through deep retrofits and the construction of new, energy-efficient homes that meet modern standards of comfort and sustainability. Not only does energy refurbishment improve quality of life for residents, it can also reduce their costs for the long term. For example, at Woodberry Down in London, the long-term regeneration of a large public housing estate is replacing outdated homes with new, energy-efficient units, while also delivering new community facilities and green spaces. This approach supports both improved living standards and long-term affordability for residents. In Bordeaux, France, the Grand Parc Bordeaux project transformed three aging social housing blocks through deep renovation, improving comfort and energy performance for 530 households, while keeping rents stable and avoiding displacement.[57] This demonstrates how regeneration can deliver high-quality, affordable homes and support social inclusion.

Regeneration projects can also increase a site's density in a thoughtful manner, creating more units than were previously there without expanding the development's physical footprint. Critically, successful urban regeneration projects aim to foster the creation of mixed-income and socially diverse communities. By integrating affordable and market-rate housing, urban regeneration helps break down historic concentrations of poverty and fosters a more inclusive socioeconomic fabric.

Improving access to jobs

Brownfield redevelopment can significantly improve access to jobs and amenities by leveraging existing urban infrastructure and public transport, and create entirely new, long-lasting jobs in the local community by delivering space for new commercial enterprises and institutions. At scale, these projects can also catalyse new transport connections to previously underserved areas, amplifying benefits beyond the immediate site. For example, the Erasmus Bridge in Rotterdam, built in connection with the redevelopment of Koop van Zuid, also substantially improved links with the deprived Feyenoord district. In London, the Northern Line underground extension to Battersea Power Station reduced journey times to the City and the West End (where most jobs cluster) by 50%, with an average journey time saving of 17 minutes.[58]

Revitalising the whole neighbourhood

Beyond delivering new homes, urban regeneration can unlock a wide range of social benefits at the neighbourhood scale. Because of their size, scope and public involvement, these initiatives often provide an unprecedented level of investment and attention to the immediate and surrounding areas. This creates an extraordinary opportunity to improve multiple dimensions of the public environment and civic amenities, such as delivering new or improved parks, community centres, libraries, and recreation facilities as well as better transport connections to adjoining neighbourhoods.

To ensure these benefits are realised and equitably shared, meaningful community engagement is essential throughout the process. A powerful example comes from Ermua, Spain, where the regeneration of the Santa Ana neighbourhood has been built around co-creation and social innovation.[59] Residents have taken part in mapping local issues, co-designing public spaces and a community mural, and contributing ideas through participatory workshops. A dedicated neighbourhood office serves as a hub for information, advice, and community engagement, while a local energy community brings together residents, small businesses, and public buildings to promote the energy transition. This collaborative approach has already led to visible neighbourhood improvements and is strengthening residents' sense of belonging and participation.

Such participatory processes, alongside social procurement and community agreements, help regeneration projects respond to local needs, strengthen social ties, and foster trust and cooperation among both new and existing residents.

Dealing with gentrification and displacement

Urban regeneration carries the risk of gentrification and the displacement of long-term residents. The economic benefits of regeneration—rising property values, new investment, and higher tax revenues—are well-documented. Yet these same outcomes can increase housing costs and contribute to social exclusion if not managed carefully. In some cases, regeneration projects may also require permanent or temporary displacement of residents to upgrade existing housing stock or build new structures that better meet contemporary needs. Compact, high-quality development can therefore create a paradox: the success that makes a neighbourhood desirable can also threaten its social fabric.

Addressing this tension requires proactive and inclusive regeneration models that protect affordability and strengthen local communities. A balanced approach involves robust community engagement, upfront planning, strong partnerships with housing associations, and a commitment to maintain existing residents while attracting new ones. A successful project will deliver benefits for everyone, starting with the people living there now.

The Tingbjerg redevelopment in Copenhagen exemplifies an inclusive and sensitive approach to urban regeneration. Delivered through a partnership between Urban Partners, the social housing associations KAB and fsb, and the Municipality of Copenhagen, the project adds over 1,000 new homes through infill development while ensuring that existing residents can remain in place. Although 42 ageing social housing units will be demolished and rebuilt, this process forms part of a wider renewal strategy that upgrades the overall housing stock rather than displacing residents. The income generated from the sale of new building rights has been reinvested into refurbishing older homes and improving shared facilities—ensuring the benefits of regeneration are distributed locally.[60]

Tingbjerg's transformation directly addresses the core parameters that previously placed it on Denmark's parallel society list—low employment and education levels, below-average income, and higher crime rates. Sustained investment and partnership efforts have led to measurable progress across these dimensions. The area is no longer classified as a vulnerable neighbourhood, reflecting improved social cohesion, safety, and economic diversity.[61] Educational outcomes have been particularly remarkable: in 2022, 100% of pupils graduating from Tingbjerg School continued into upper secondary education, underscoring the strength of community and educational initiatives.[62]

Partnering with the community to create a regeneration project
Woodberry Down, London

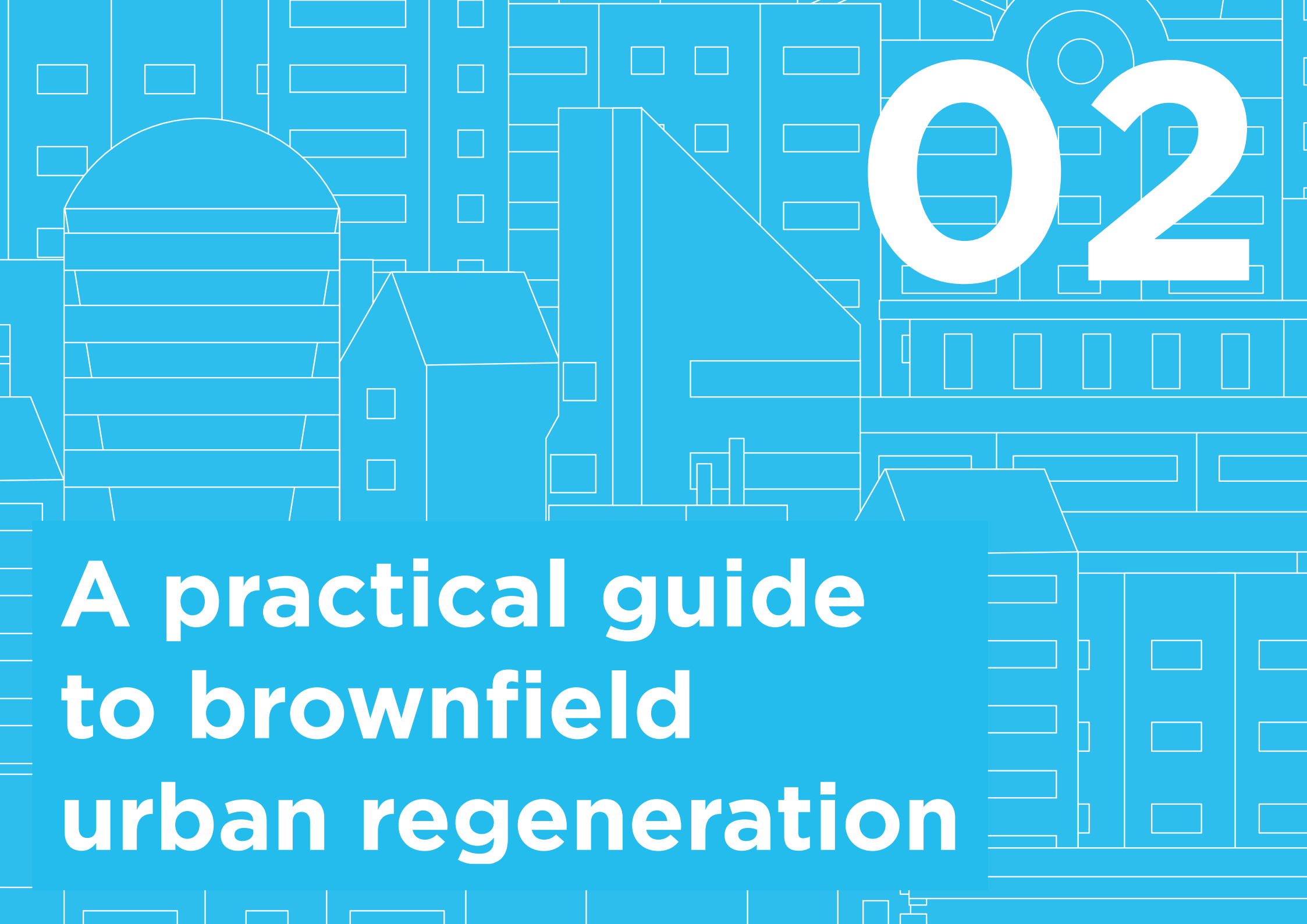
Woodberry Down is a major regeneration project in Hackney, East London. Initiated by Hackney Council in the 1990s after refurbishment of the original homes was deemed too costly, the project aims to redevelop the existing estate of 2,000 homes and replace them with 5,500 new properties. The partnership is committed to ensuring that at least 41% of the new homes will be designated for social rent or shared ownership, addressing a critical need for affordable housing.

Berkeley Homes and Notting Hill Genesis were brought on as development partners to the project. As the developer for Woodberry down, Berkeley Homes is responsible for building the new homes and marketing homes for outright sale to fund the rest of the regeneration. Notting Hill Genesis, a charitable housing association that manages all new homes for social rent and shared ownership, is the landlord for residents moving into these homes.

Importantly, there is a strong focus on the community as a central stakeholder in this regeneration scheme. Community organisations involved in the regeneration include Woodberry Down Community Organisation and Manor House Development Trust which is a social enterprise championing community development.

The project is made up of eight phases. The masterplan was first approved in 2005, updated in 2014 and is currently in the process of being updated again for Phases 5-8. Initial construction began in 2009, with Phase 3 currently nearing completion.

The project's outcome extends beyond just housing; the development also includes new community and commercial facilities to create a vibrant neighbourhood. Community facilities include the Redmond Community Centre, new shops, cafes, and a supermarket, along with a health centre and schools. Notable improvements also include the creation of the Woodberry Wetlands and the refurbishment of existing facilities like the Edge Youth Centre, which aims to support the community's overall well-being. With 17 hectares of open water and 6 hectares of landscaped parkland, the site has attributes that improve the quality and attractiveness of the area. Located along the Piccadilly Line on the London Underground, the site is well connected to central London.[63]



02

A practical guide to brownfield urban regeneration

A practical guide to brownfield urban regeneration

It is clear that Europe's brownfields present a tremendous opportunity, and that leading cities are seizing on that opportunity to deliver successful projects that address climate, social and economic objectives while maintaining financial viability. However, on the whole, uptake remains slow. Why is that, and how do we make brownfield regeneration the norm, rather than the exception?

At the simplest level, cities are slow to realise the potential of their brownfield sites because urban regeneration involves many entities working together in partnerships that cross public-private and community lines. Urban regeneration is an inherently protracted and multi-faceted process that requires collaboration across a diverse ecosystem of players. Challenges such as building a robust pipeline of viable sites, overcoming cost barriers, and ensuring long-term value creation indicate the need for integrated strategies that work for varying combinations of stakeholders across varying timeframes. Without alignment among stakeholders, these projects often stall or fail to deliver their intended impact.

These challenges can be overcome

We should remain optimistic. This research shows that with the right governance structures, funding mechanisms, development phasing and risk shared between stakeholders these challenges can be mitigated, creating opportunities to transform urban areas.

Successful and sustainable urban regeneration cannot be delivered in isolation. Delivering it requires an understanding (and communication) of the individual opportunities for the public sector, developers, and investors and the wider, overarching benefits a scheme will deliver.

Five principles for success

During our research and engagement, we developed five overarching principles that underpin every successful regeneration project. Central to this is the tenet that collaboration on all levels, underpinned by a shared commitment to quality and continuous de-risking of the project, is the key pathway to deliver commercially viable urban regeneration that creates positive environmental and social outcomes.

These principles address identified challenges, not only allowing development to be unlocked but also creating places that deliver public good together with an appealing commercial and financial performance. Each principle has specific meaning and implications for each of the stakeholder groups - cities, developers, and investors. The following sections explore how these can be translated into practical actions and measures that each group can lead on, and at which development stage they are best applied.

Principle	Objective
Long term commitment and finance	• Insulating developments from political uncertainty • Adopting a long-term strategic and programmatic approach to urban regeneration • Developing a pipeline of sites • Involving investors with long-term return horizons
Upskilling for complexity	• Creating or leveraging the right skills to manage a complex development project
Developing trusted relationships	• Achieving an alignment of objectives • Providing the right information at the right time for informed decision making • Creating community buy-in • Creating confidence in value creation across investment partners • Planning exit strategy upfront
Incremental and agile delivery	• Ensuring the correct allocation of roles and responsibilities to all parties • Correct staging of delivery to improve the project's financial performance and generate incremental value • Improved ability to adapt to market and other external uncertainties • Gradual establishment of an attractive new destination
Continuous de-risking of investment	• Ensuring removal of major barriers to project viability, from a land assembly, regulatory, cost or cash-flow perspective • Supporting demand and creating an attractive destination

The key players

A prerequisite for a successful urban regeneration project is stakeholder alignment towards a joint overall vision. But for each of the key stakeholders, the specifics – of objectives, roles, risks, and returns – will be different. Here are three of the main types of stakeholder and how they might be seen in terms of objectives, roles, contributions, risks, and returns.

Alongside cities, developers and investors, European countries' central governments are also a major player in urban regeneration, leveraging their ownership of large, strategically located, brownfield sites, and providing both technical and financial support to local government to unlock development.

Zooming to the local level, successful urban regeneration cannot happen without the involvement of existing communities. This can range from a long-term consultation and collaborative design process, to an active involvement in the project's delivery and management.

	City / Municipality / Local Government	Developer	Investor
Main objective	Ensure projects align with city strategy and community needs, promote sustainable growth, and safeguard public interest.	Deliver a successful project (on time, within budget, meeting planning standards and expected return on investment, in line with own and investors' targets).	Achieve a return on investment (ROI), often with a focus on profit and other (e.g. ESG) outcomes.
Key roles and decision power	Sets vision and policies, leads community engagement, and sometimes facilitates supporting infrastructure. Often leads on land assembly, through forms of compulsory purchase or land pooling. Holds regulatory power: approves project plans, sets zoning and land use rules, issues permits, and oversees compliance.	Plans, initiates, and manages the development process from design to construction. Can lead on land assembly through acquisition, sometimes in collaboration with the city. Leads project design, construction choices, and delivery strategy.	Provides the capital or funding necessary for the project. Influences key strategic decisions, especially those impacting returns.
Expertise and involvement	Urban planning, regulation, community engagement, legal and infrastructure expertise. Engaged in strategic visioning planning approvals, zoning, public hearings, and sometimes public-private partnerships and/or infrastructure delivery.	Real estate, construction, design, urban planning, and project management. Deeply engaged in daily project operations, permitting, and risk management.	Finance, asset management, investment analysis. Usually not involved in day-to-day operations, but may review progress.
Risk	Faces political and reputational risks; responsible for public interest. In some cases also bears financial risk.	Bears risks associated with planning consents and permitting, construction, delays, cost overruns, and regulations.	Bears financial risks but can diversify risk across multiple projects.
Financial input and returns	May offer incentives (tax breaks, grants), invest in infrastructure, or facilitate external investments. Can directly provide land. Sometimes gains through land sales or leases.	May invest own capital but often relies on external funding (e.g., investors). Earns fee, profit share, or development margin upon successful completion.	Typically provides the majority of funding without being operationally involved. Earns interest, dividends, or capital gains on invested funds.
Exposure duration	Ongoing: responsible before, during, and after project completion for community impact and services.	From project conception through completion and sometimes initial leasing/sales.	Can be short-term (pre-sale) or long-term (hold property as an asset).

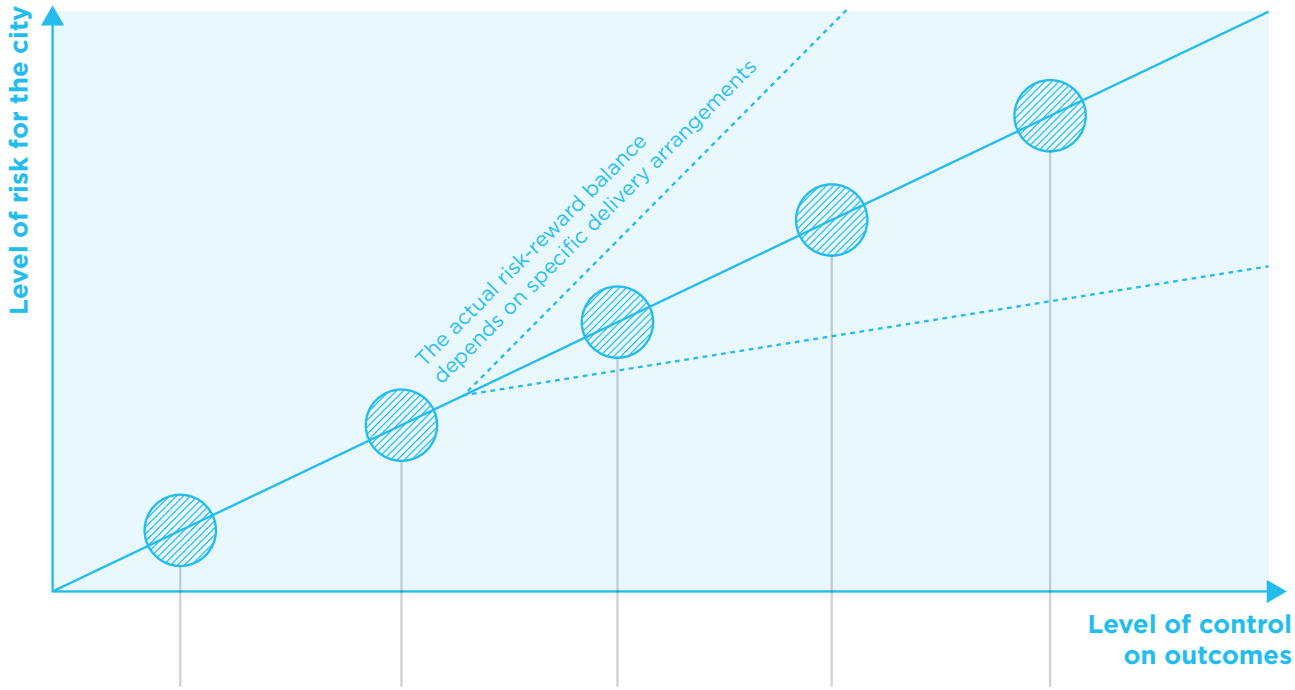
CITIES: lead with vision, embrace collaboration and stay flexible

Long-term strategic planning and institutional innovation are key to successful regeneration. Cities can help create a stable investment environment through 20-30 year planning horizons that align economic development with transport and housing goals. This is also the opportunity to shape how future urban development can contribute to meeting a city's climate goals.

When it comes to shaping outcomes, however, a city has several options, closely tied to the site's features (e.g. ownership) and the level of risk the city is able or willing to take (figure 3). While traditional planning instruments may be perceived as less impactful, there are successful examples of cities using tailored incentives to transform entire districts (Barcelona), which, together with a wider policy action, created greener and thriving places. Conversely, more sophisticated forms of partnership and land assembly models (such as land pooling), have proven to be an emerging and powerful model for shaping large and complex brownfield regeneration projects.

Establishing a publicly owned development corporation (as in the case of Copenhagen's City and Port) helps manage portfolios, attract patient capital, and insulate projects from political shifts. It can also be a vehicle to fund city-wide infrastructure that benefits all.

Figure 3
Level of risk versus control for regeneration delivery vehicles



INSTRUMENT / DELIVERY VEHICLE	Traditional planning instruments	Special planning incentives to developers	Special Purpose Vehicle	Joint Venture / Public-Private Partnership	Public development agency
LAND	Single or fragmented, private	Single or fragmented, private	Land Pooling	Land Pooling	Single, public
EXAMPLE	Battersea Power Station, London	@22 Barcelona		King's Cross, London	Hafencity, Hamburg

Direction and coordination requires in-house expertise and will to innovate

Cities need in house capacity to unlock urban regeneration projects and ensure they meet the public interest. Knowledgeable and well-resourced staff teams are essential for planning viable projects, ensuring timely approvals, and supporting project delivery. Continuous upskilling of local government staff on delivery and viability allows for a meaningful and informed dialogue with developers and investors, enabling a fruitful negotiation on what can be delivered. Particularly important is the deployment of highly professionalised staff in delivery vehicles such as development corporations. However, local government is not alone in this. European multi-level governance (e.g. national housing agencies) should be leveraged to support cities in developing and managing a regeneration portfolio, providing funding and technical support. Institutional investors both at a European and national level (such as EIB or Italy's Cassa Depositi e Prestiti) can also support project creation.

Cities also play a central role in building mutual trust among stakeholders. They can provide accurate and reliable information on brownfield land, for instance, including planning, legal status and environmental data, which can significantly reduce uncertainty for developers and investors. Early engagement with landowners, especially if they hold a portfolio of sites across the city (e.g. rail infrastructure owners) can help maximise the opportunities for a coordinated approach to future urban development. Successful examples of regeneration also all share an extensive and continuous engagement process with local communities, from early visioning stages throughout to operations.

Sustainable urban regeneration requires greater flexibility in public regulatory frameworks and room for innovation in procurement processes. This enables more effective collaboration with private-sector partners and raises the bar, for example, innovating standards and requirements through public tenders that prioritise sustainability and social impact. C40's Reinventing Cities or the European Commission's Big Buyers Programme are examples of this, helping both to deliver low carbon developments as well as shaping the local supplier market.

Cities must prioritise flexibility and mitigate risk

Urban regeneration is a long and complex process, which requires an agile approach in order to build-in flexibility and respond to changing conditions. Cities can use their planning powers to achieve this, finding the correct balance between providing strategic direction while allowing the scheme to adapt to market demand (e.g. new perspective anchor tenants), as well as capturing new funding opportunities (e.g. related to affordable housing) that may have not existed at the time of site preparation and project inception. Encouraging a mix of tenure and uses can also improve viability of the scheme and reduce market saturation risk while supporting the creation of a vibrant and diverse neighbourhood. In partnership with developers, local government can also support the creation of a destination from the early stages of site development, organising public events or facilitating meanwhile uses.

Ultimately, cities can use their powers to remove barriers and de-risk investment in urban regeneration, working in coordination with higher levels of government. This begins with strengthening municipal creditworthiness to secure access to affordable finance, and exploring low-interest, affordability-linked loans from national or supranational institutions, including alignment with national housing funds. Local government should also review regulatory frameworks to identify and amend processes that unintentionally undermine project viability, which often deter developers from undertaking ambitious mixed-use schemes.

Land pricing is one of the most influential factors when it comes to achieving social and environmental outcomes. Developing publicly owned land, which may not require early stage or immediate cash receipts, can facilitate the delivery of higher quotas of social or non-market housing. Cities can also help address land fragmentation through mechanisms, such as land pooling, that can facilitate cost-effective assembly and equitable value sharing. Municipalities can further reduce upfront development risks by funding site remediation – drawing on multi-level public resources – and ensuring the timely provision of essential infrastructure, such as transport and utilities, potentially financed through land value capture tools like tax increment financing (see Annex A). When cities take part in site assembly in order to facilitate and encourage development (e.g. through a special purpose vehicle), strategic staging of land sales can help manage supply, stabilise and balance cash flow, and finance further acquisitions, supporting long-term regeneration objectives.

Public-private partnership unlocks one of Europe's most ambitious regeneration schemes
Madrid Nuevo Norte

Madrid Nuevo Norte (MNN) is one of the most ambitious and largest urban regeneration initiatives in Europe. Over 20 years, a disused rail yard in central Madrid is being transformed into a vibrant mixed-use district.

MNN is delivered through a public-private partnership (PPP) led by Crea Madrid Nuevo Norte – a consortium backed by BBVA, Merlin Properties, and Grupo San José – working alongside the Madrid City Council, the Regional Government, and ADIF, Spain's rail infrastructure operator. The City of Madrid played a decisive role in unlocking the project by approving modifications to the General Urban Development Plan and creating execution units to accelerate implementation. It also co-signed the Framework Agreement for major infrastructure, ensuring integration of new metro lines, Chamartín station upgrades, and sustainable mobility corridors.

The development includes a new business centre that will provide significant commercial space on the ground floors of the buildings. MNN is anticipated to deliver approximately 10,500 homes on completion, with 38% of these being municipally owned, 20% of which subject to public protection, and the remaining 18% kept as market-rate housing. As of December 2024, Crea Madrid Nuevo Norte, and the public railway entities (Adif, Adif Alta Velocidad, Renfe Operadora, and Renfe Ingeniería y Mantenimiento) formalised the transfer of the lands of the railway facilities to give the developer usage rights for the approved development of around half the total site of MNN.

Madrid Nuevo Norte is designed as a low-carbon district, aligned with the UN's 2030 Agenda and Madrid's climate goals. The project targets LEED Gold and BREEAM Urban Design certifications, making it the first European urban development to achieve both. Key measures include renewable energy integration, circular economy principles, and extensive green infrastructure to enhance biodiversity and climate resilience. The City of Madrid's involvement ensures this sustainability objectives are embedded in planning and delivery, positioning MNN as a flagship for climate-neutral urban regeneration. By combining municipal leadership with private capital, the project demonstrates how governance can steer large-scale investment toward environmental and social priorities.[64]

Development corporation acting as strategic asset manager in the public interest
The Copenhagen City & Port Development Corporation

Copenhagen was facing economic stagnation and urban decline in the late 20th century, which was reflected in in the underutilisation of the industrial harbour area. To revitalize these areas and spur broader economic development, the Copenhagen City & Port Development Corporation (City & Port / By og Havn) was established in 2007 through the merger of the Ørestad Development Corporation and the Port of Copenhagen. Co-owned by the City of Copenhagen and the Danish national government, the corporation is designed to manage and regenerate large-scale urban areas by using public land assets to finance infrastructure and development without raising taxes.

City & Port plays a central role in transforming Copenhagen's docklands by acting as a strategic asset manager. It stages and sequences the sale and development of land to maximise value and then reinvesting proceeds into public infrastructure such as the metro system, roads, and public spaces. This creates a virtuous cycle: infrastructure improvements raise land values, which in turn generate more revenue for further investment. The corporation operates with a high degree of autonomy from political interference, allowing it to focus on long-term urban regeneration goals rather than short-term political pressures and election cycles.

The corporation collaborates closely with local government, developers, pension funds, and other stakeholders to ensure that development aligns with sustainability, liveability, and economic growth objectives. Its ability to leverage the city's AAA credit rating and bundle public assets has been key to its enduring financial success. The transformation of Copenhagen's docklands, particularly areas like Nordhavn, has been a flagship achievement. Once a declining industrial zone, the area is now being redeveloped into a vibrant, mixed-use waterfront district.

Overall, the Copenhagen model demonstrates how cities can unlock the value of public land to finance regeneration and infrastructure. By combining public ownership with private-sector efficiency,

City & Port has become a globally recognised example of innovative urban governance. Its success offers valuable lessons for other cities facing similar challenges, particularly in managing post-industrial land and financing large-scale urban transformation.[65]

Sustainable urban regeneration through a dedicated development corporation
Hafencity, Hamburg

HafenCity is one of Europe's largest and most ambitious urban regeneration projects, transforming Hamburg's former port area into a vibrant, sustainable city district. Covering 157 hectares, HafenCity reclaims underused docklands to create a mixed-use urban quarter with housing, offices, cultural institutions, and public spaces. The project aims to accommodate 15,000 residents and 45,000 workers, while integrating climate resilience, architectural quality, and inclusive development. It exemplifies how brownfield redevelopment can drive sustainable urban growth.

The governance of HafenCity was structured to ensure strategic oversight and operational efficiency through a dedicated development corporation. The City of Hamburg established HafenCity Hamburg GmbH, a publicly owned company responsible for land management, planning coordination, and stakeholder engagement. This model allowed for long-term planning continuity, transparent decision-making, and alignment with city-wide sustainability goals.

The city retained ownership of land, enabling it to steer development priorities and reinvest land value gains into public infrastructure.

Hamburg prioritised high-quality urban design and sustainability by embedding clear planning principles and performance standards. The city implemented a masterplan that emphasised density, mixed-use development, and public realm quality. Architectural competitions and design reviews ensured aesthetic and functional excellence. Environmental targets such as flood resilience, energy efficiency, and green mobility were integrated into planning approvals. HafenCity's phased development approach allowed for adaptive learning and refinement of planning tools over time.

HafenCity's success relied on proactive collaboration with private developers, anchored by public leadership and clear rules. The city used land sales strategically, selecting developers based on quality criteria rather than price alone. Public-private partnerships enabled co-investment in infrastructure and amenities, while regulatory certainty and planning support reduced investor risk. Developers were incentivised to deliver innovative, sustainable buildings aligned with the district's vision, fostering a competitive yet cooperative development environment.[66]

Successful urban regeneration projects: Five principles and related actions for cities

	Action	Visioning and Planning	Site Preparation	Development	Management
 **Long term commitment and finance**	Develop a long-term (20-30 yrs) spatial and strategic plan. This can be the driver for a cohesive strategy for supporting the social and economic development of the city, laying the foundation for creating a pipeline of regeneration sites.	●	●	●	●
	Identify which of these identified sites represent the highest opportunities for jobs and homes growth (e.g. London Opportunity Areas), in conjunction with existing and planned transport infrastructure improvements.	●	●		
	Form a publicly owned development corporation to manage the entire portfolio of regeneration sites alongside a strategy to transfer and assemble assets.	●	●	●	●
	Seek investment from patient capital (i.e. pension funds) with mandate to invest locally, or from banks with preferential lending terms to government.		●	●	
	Set bespoke site targets for affordable housing, balanced with city-wide targets. Consider using density bonuses as an incentive.	●			
	Target both local pension funds with mandate to invest locally as well as major superannuation funds seeking to diversify investment abroad.		●	●	
 **Upskilling for complexity**	Leverage multi-level governance (e.g. regional- and national-level development agencies) to develop and manage a regeneration portfolio.	●	●	●	●
	Upskill in-house staff on viability and risk / host in-house team specialised in viability assessment.		●	●	●
	Ensure a highly professionalised government workforce is included either in the delivery vehicle or work in close collaboration with the developer.		●	●	
	Seek technical assistance from city networks or institutional investors (such as EIB) to deliver capacity building and support project creation.		●	●	
 **Developing trusted relationships**	Create a database of urban brownfield land, including information such as planning and legal status, environmental data, development potential.	●	●		
	Engage with the real estate division of landowners with a portfolio of brownfield sites (e.g. rail infrastructure owner, state agencies) to discuss options for development.	●	●		
	Include social, economic and environmental sustainability criteria in procurement processes for development partners and consider innovative tendering processes (e.g. C40 Reinventing Cities design competition).		●		
	Ensure land ownership status and site feasibility is fully established before engaging with development partners.	●	●		
	Undertake extensive community engagement and co-creation from early preparation stages, in partnership with the site developer.	●	●	●	●
	Consider the relocation of some public offices to the site, to offset risk and demonstrate commitment to the future of the area.			●	●

	Action	Visioning and Planning	Site Preparation	Development	Management
 **Incremental and agile delivery**	Delegate site assembly and preparation to dedicated arm's length bodies or special purpose vehicle (where allowed by the local planning law) to insulate the development from political uncertainty and ensure the right expertise is deployed.		●	●	
	Build-in flexibility into zoning of the site. This enables a response to changing market conditions as well as emerging opportunities driven by new funding vehicles or perspective anchor tenants.		●		
	Organise public events and support meanwhile uses on site. These can draw footfall to the area early on, changing the perception of the place and creating early-on revenue streams.			●	
	Encourage mixed tenure to improve the viability of the scheme and foster a more diverse neighbourhood.	●			
 **Continuous de-risking of investment**	Enhance the municipal credit rating to increase access to cost-effective and competitive finance.	●			
	Review and reassess which regulations and processes may erode the viability of schemes, this may require engagement and joint action with higher levels of government.	●			
	In case of fragmented land and asset ownership, consider facilitating land pooling to ensure a cost-effective land assembly and equitable value appreciation.		●		
	Reduce upfront development costs by funding site remediation. This may be funded through a mix of public sources at different government levels.		●		
	Ensure the timely delivery of essential infrastructure (transport, utilities) to unlock development, with the collaboration and support of central government. Apply land value capture instruments such as tax increment financing to fund delivery.		●		
	Strategically stage and phase land sales to manage supply and demand and ease cash flow during the development process. This can also be a strategy to fund the purchase of additional sites in case of fragmented private ownership.		●	●	●
	Explore low-interest affordability-linked loans from national and supranational investors. Explore compatibility with national level housing funds.		●	●	

DEVELOPERS: from builders to placemakers

So, what does the embrace of brownfield urban regeneration mean for the developer sector? Which shift is required in terms of skills, approach to development and relationships with other key stakeholders such as cities, communities and investors?

Historically, urban regeneration has relied on a limited range of developers, primarily volume housebuilders and residential developers. Typically confined to a specific phase of development, developers are generally responsible for building and selling housing units on plots that are already serviced and prepared. Driven by the need to achieve a robust financial performance and profitability, this model often results on a narrow focus on delivery and a short to medium-term involvement in the project, with less emphasis on broader urban placemaking or social outcomes.

Successful mixed-use brownfield regeneration projects show however that a different approach to development is not only possible but instrumental in creating successful places that combine positive returns with wider benefits for communities and the environment.

Regeneration demands vision, expertise, and a new approach to partnership

Sustainable urban regeneration, especially of brownfield sites, requires a different approach to traditional development, based on a long-term commitment to create successful, inclusive and greener places. This is made possible by a highly skilled master developer, or a public-private development corporation, overseeing all phases of the project, drawing on the expertise of specialist developers. Growing the right set of skills and expertise should be an objective pursued both internally, through upskilling and recruitment of specialised staff, and externally, through creating a pool of trusted collaborations in the design and placemaking industry, who share a commitment to quality.

Becoming a credible partner for cities and large-scale institutional capital is vital to delivering complex mixed-use regeneration projects. This goes beyond track record and expertise, it includes cultural alignment and mature relationship management with both parties and reporting capability. Engagement from developers early in the project process is key to align objectives and plan how outcomes can be maximised for all parties, and also to define a clear exit strategy. This is particularly important when redeveloping large brownfield sites, where the risk profile of the investment, and the nature of returns, change significantly between the site preparation, development and management phases. Through a close collaboration with designers and investors, developers can also effectively phase site delivery, balancing the likely market absorption of completed assets with the creation of a functioning destination - and de-risking elements of the investment - as early as possible in the process.

Developers have options to de-risk projects while delivering value to all

Early and continuous community engagement helps secure local buy-in and a smoother planning process. Consultation requires developers to listen and engage with feedback and be willing to adapt. This can be beneficial in the long run where heavy local opposition can cause delays and create significant unplanned cost uplifts. A failure to build relationships can lead to public opposition, planning delays, and reputational damage. Demonstrating a strong track record in engagement and ultimately delivering social value, e.g. through community benefits agreements, can de-risk projects and create a positive reputation, which is invaluable for future ventures.

Given the complexities of urban regeneration where remediation work may be required, developers that understand the challenges but also the extensive opportunities of delivery are essential. Developers who create mixed-use, vibrant and integrated places need support from the city in terms of permitting and from institutional investors who can provide crucial long-term capital needed for such projects.

This collaborative approach also includes build-to-rent operators who ensure a steady stream of rental income and community-led developers who deliver targeted social benefits. Ultimately this approach creates more resilient, diverse, and well-rounded urban environments.

For developers to deliver projects that are perceived as riskier, such as brownfield regeneration, access to patient capital from investor funds is required, for example through joint ventures. This provides stable long-term finance needed for large projects. The long-term nature of these projects exposes developers to extended market cycles and potential political shifts that could alter project viability or regulations. By entering into these partnerships and retaining a role as a leaseholder, developers can benefit from sustained asset value over decades, not just from short-term sales and disposals.

A delivery model that is incremental and flexible over time allows developers to respond to market conditions and attract early-stage footfall through high-quality public spaces and meanwhile uses aligned with the area's vision and character. This helps create a vibrant atmosphere from the start, which attracts key tenants and further investment. Subsequent consideration by developers on ground-floor use that is mixed in tenure and type can further de-risk the investment, by collecting a curated selection of businesses that align with the area's vision. Attracting the right early-movers can make the difference in a competitive market, and create enduring and vibrant places with a variety of tenants.

The value of a 'stewardship approach' to development
The role of Argent at King's Cross, London

Development LLP Argent's involvement in the King's Cross (KX) regeneration project exemplifies a stewardship approach to development, moving beyond the traditional role of a short-term developer. Their first involvement was in 2001 and Argent remained involved as development and asset manager until 2025. Unlike the traditional short-term approach to property development where the developer exits as soon as is reasonably possible, they and the other landowners committed to a long-term vision, acting as a developer-owner-operator. Their extensive engagement early in the masterplanning and development process with the council and local community groups helped shape the delivery of the site.

Early involvement in consultation

Argent, as the developer, initiated and led the project's early engagement and public consultation process. Working with various stakeholders, including local community groups and the King's Cross Development Forum, Argent used the consultation process to listen to the sometimes conflicting needs of the diverse local community and to feed these back into the design and development processes.

This engagement process continued for several years. More than 4,000 meetings were held with local businesses, groups, individuals and other stakeholders over four rounds of public consultation. Argent engaged in-person for much of the consultation (in the early 2000s) but also solicited feedback through digital platforms and by post to make the process as accessible as possible. Some of the initial feedback was factored into early meanwhile projects and interventions on the site that themselves generated further interest and engagement from the local communities.

Taking a principled approach to masterplanning

Argent's role extended to the design and planning of the project. In collaboration with the council, and the heritage authority, English Heritage, they wrote a manifesto for the regeneration project called 'Principles for a Human City' and were responsible for the overall regeneration vision and delivery framework. Argent did make substantial changes to the design based on community feedback, which was reflected in their updated 2005 planning application.

Community contributions and benefits

Argent was also responsible for the community benefits package, formalised through an agreement (under England's Section 106) which included affordable housing and social infrastructure provisions as well as in-kind contributions to Camden Council for improvements to infrastructure.

Affordable housing on the site was agreed to be an important component for the community. King's Cross has delivered approximately 1,700 homes, of which almost 40% were affordable (a variety of tenures), plus student accommodation.

Funding for community benefits included the creation of a Construction Training Centre and a Skills and Recruitment Centre as well as permanent facilities for community, sports, leisure, new green spaces, high-quality publicly accessible squares and improved streets and transportation links.[67]

Ensuring a vibrant, retail-driven ground level experience for the community
Nordhavn, Copenhagen

Nordhavn (North Harbour) represents Copenhagen's largest and most ambitious urban transformation — a former industrial port redeveloped into a mixed-use, low-carbon district for over 40,000 residents and 40,000 workers.[68] Urban Partners co-shaped the retail and placemaking foundation of the area in a dedicated joint venture (JV) with By & Havn (City & Port), the semi-public development company owned by the Municipality of Copenhagen and the Danish State (dedicated case study on page 42).[69]

Together, the two parties developed a phased retail strategy to create a vibrant, diverse, and resilient ground-floor environment.

Early phase (2017–2022)

The centre of focus was curating tenants strategically, offering stepwise rent models and forming a local trade association to build identity and footfall.

Stabilised phase (2022–)

As Nordhavn matured, rents gradually approached market levels, and retail leasing prioritised independent businesses that contribute to neighbourhood identity — from local cafés and bookshops to workshops and community spaces.[70]

This approach was not only commercial but urbanistic: to enable a vibrant, liveable 15-minute neighbourhood where residents can meet daily needs locally. The result enhances both quality of life and long-term asset value, demonstrating that strong placemaking directly supports financial performance.

A defining feature of Nordhavn's success is its public–private ownership model. The ground-floor areas are held under a single, municipally backed joint venture that allows for coordinated management and long-term curation. This structure made it possible to offer temporary rent breaks, engage directly with desired tenants, and align leasing with the district's broader vision. While initially increasing risk for the developer, this model has been instrumental in establishing Nordhavn's distinctive urban identity and commercial vitality — ensuring a thriving, balanced district where economy, community, and design reinforce one another.

The strengths within the wider developer landscape

Mixed-use urban regeneration, especially brownfield redevelopment, requires both the capacity to manage a long, complex process, and the specialised expertise to deliver and manage specific assets such as build-to-rent housing. While master developers (or development corporations) are naturally placed to lead large, sustainable, urban regeneration projects, there is a wider landscape of developers with specific strengths that can be drawn on to deliver a successful, mixed-use neighbourhood.

			TYPICAL STAGES OF INVOLVEMENT	
Developer Group	**What is their role in development, and what motivates them?**	**Strengths / Limitations**	**Entry**	**Exit**
Master Developers/ Strategic Land Developers	Lead site assembly, masterplanning, infrastructure delivery; driven by long-term land value growth and placemaking vision.	Control over vision and phasing, ability to de-risk for others, attract multiple partners. Require patient capital, exposed to long market cycles. Generally not involved in delivery of buildings and amenities.	Site acquisition/ assembly.	Usually after site development.
Public-Sector or Public-Private Development Corporations	Creating serviced development plots for sale to others.	Long-term control, can align public objectives with private investment. Potential political shifts, bureaucratic processes.	Site acquisition/ assembly.	Usually after site development.
Specialist Brownfield/ Remediation Developers	Special-purpose vehicles with planning powers, often landowners; driven by policy, economic development, social outcomes.	Unlocks otherwise unviable sites, high technical competence. Dependent on external funding for remediation costs.	Site preparation.	Site preparation.
Specialist Mixed-Use Developers	Handle contamination removal, demolition, site prep; driven by technical expertise and remediation contracts.	Increase land value through mixed-use intensity, strong placemaking. Need robust multi-sector demand, higher complexity.	Site preparation.	Site development.
Build-to-Rent/ Private Rented Sector Operators	Create integrated residential, commercial, leisure schemes; driven by value from place vibrancy.	Creates stable occupancy early, ongoing management. Sensitive to rental demand fluctuations.	Site preparation.	Usually hold the asset in the medium to long term.
Volume Housebuilders/ Residential Developers	Deliver and sometimes operate; driven by long-term rental income streams.	Speed and efficiency in housing delivery, ability to scale. Less focus on mixed-use, limited in placemaking role.	Site development.	Can hold assets in the medium term if focused on operating them.
Institutional Investors/ Pension-Backed Developers	Deliver large volumes of housing once plots are serviced; driven by rapid unit sales.	Financial stability, long-term stewardship of assets. Avoid early-stage remediation or high-risk phases.	Site development.	Can hold assets in the medium to long term.
Community-Led, non-profit or Cooperative Developers	Deliver affordable housing or community facilities; driven by social objectives and local empowerment.	Strong local buy-in, targeted social benefits. Limited capacity for complex infrastructure or large-scale delivery.	Site development.	After site development (vertical buildout, specific plots).

Successful urban regeneration projects: Five principles and related actions for developers

	Action	Visioning and Planning	Site Preparation	Development	Management
 **Long term commitment and finance**	Enter a JV with a "patient capital" investor, such as a pension fund.			●	
	Retain the role of leaseholder of the overall site while and beyond completing the development.			●	●
 **Upskilling for complexity**	Build capacity incrementally through increasingly complex and diverse sites.	●	●		
	Upskilling in sustainability / SDG / ESG from project inception.	●	●		
	Pursue quality of design and placemaking through creating a trusted pool of designers and recruiting from both local and renowned design practices for executive technical roles.			●	●
 **Developing trusted relationships**	Early engagement with planning authority to explore alignment of objectives and outcomes.	●	●		
	Show strong track record in delivering social value through design and site development.		●		
	Lead on community engagement from the visioning stage.	●	●	●	●
	Embed social value in delivery process, local recruitment and engagement with schools, residents, associations, etc.		●	●	●
	Undertake granular and continuous community engagement, periodically assess how to take feedback onboard.		●	●	●
	Involve anchor tenants in public space programming.			●	●
	Detail a clear exit strategy from the investment, in agreement with the local government (city) and investors.		●	●	

	Action	Visioning and Planning	Site Preparation	Development	Management
 **Incremental and agile delivery**	Work in partnership with designers and investors to phase delivery based on the likely market absorption.			●	
	Prioritise the attraction of tenants that do not need an established cluster to be successful.			●	
	Support the creation of an early-stage destination through delivering quality public realm and meanwhile uses.			●	●
 **Continuous de-risking of investment**	Adopt a multi-level master planning approach in the design of large complex sites.	●	●		
	When entering a JV with an investor, ensure fees are sustainable and reduce reliance on promotes, especially when operating in weaker makets.		●	●	●
	Focus on delivering exceptional placemaking to attract the right anchor tenants.			●	●
	Prioritise the adaptive reuse of heritage buildings to define the area's character and accommodate early anchor tenants.			●	
	Work with partners and the city to identify and attract the right early movers / anchor tenants, which could generate a change in perception of the area, generate footfall and attract additional tenants to the area.		●	●	
	Focus on ground-floor curation, taking a master-leaseholder role. Strike a balance between independent and chain retailers.			●	●

INVESTORS: an ambitious approach reaps rewards

Europe's investment landscape is evolving as institutional capital seeks stability, sustainability, and long-term value. Traditional 'core' assets are increasingly scarce and expensive, while the pandemic has revealed the fragility of mono-use real estate. In response, investors are turning toward urban regeneration and mixed-use neighbourhoods-assets that combine social, environmental and financial resilience.

Urban regeneration is therefore not only a social or environmental imperative, but a strategic investment opportunity for those willing to build and hold for the long term.

Overcoming early-stage risks

Given the complexity of urban regeneration, a broad mix of patient and strategic capital is needed throughout the project lifecycle. Pension and sovereign wealth funds, which look for stable, long-term returns over 10–20 years or more, are well suited to support sustained development. Impact investors, who are willing to take on more risk to achieve social outcomes, can be particularly important in weaker markets.

Public capital plays a vital catalytic role, helping to reduce early-stage risks by funding site preparation, land assembly, planning, and enabling infrastructure. It can also provide guarantees or flexible financing to make projects viable, encouraging private investors to join and stay engaged for the long term.[71]

Urban regeneration projects are large, politically sensitive, and technically demanding. To address this complexity, particularly the technical and infrastructural challenges, project teams must adopt a holistic approach, integrating environmental remediation, adaptive reuse, and mixed-use development, as demonstrated by Ginkgo's Grandes-Serres de Pantin project in France.[72] These projects also require specialist capabilities that many institutional investors lack internally. This parallels the early development of the renewable energy market, where large-scale projects needed professional fund managers with the skills to structure and deliver complex infrastructure.

A good example of that approach is exemplified by Copenhagen Infrastructure Partners (CIP), a Copenhagen-based specialist fund manager focused on renewable energy infrastructure, which has raised approximately €32 billion in capital commitments across a series of funds, including global pension funds, insurance companies, and other long-term institutional investors. Its portfolio spans offshore wind, solar PV, energy storage, and emerging technologies such as green hydrogen and Power-to-X.[73] By structuring projects as standalone entities and absorbing early-stage risk before bringing in institutional capital, CIP made renewable energy a scalable, investable asset class, offering a clear parallel for how regeneration could evolve.

The challenge for regeneration is to replicate this model, creating collective structures that manage early risk and deliver de-risked, scalable projects.

Patient capital makes regeneration work

Not all cities currently offer viable conditions for regeneration. Many projects stall in their early phases due to fragmented land ownership, limited demand, or political and planning uncertainty. Institutional investors typically avoid these stages, leaving a funding gap that can prevent regeneration from even starting.

Institutional investors tend to focus on first-tier cities with strong fundamentals, occasionally venturing into high-performing second-tier markets. Large private real estate developers, Private Equity Real Estate (PERE) funds, and Real Estate Investment Trusts (REITs) similarly concentrate on mature or growing urban areas with stable demand. In contrast, Development Finance Institutions (DFIs) and public investors play a crucial role in second-tier or underperforming cities, while local community investors and Community Land Trusts (CLTs) can ensure affordability and inclusion.

Cities can access patient capital when early-stage political and planning risk is mitigated, enabling and unlocking regeneration projects. This long-term commitment supports the financial viability and resilience of project cash flows while also advancing broader social and environmental goals through comprehensive place-shaping. The challenge, then, is how to combine patient capital, public investment, and development expertise to make regeneration both investable and impactful.

A new generation of regeneration funds

One way to make regeneration investable is through diversified, staged investment structures. In this model, a single capital vehicle can hold multiple regeneration projects at varying phases of development. As individual projects reach milestones such as zoning approvals, infrastructure delivery, or early construction, they can either be realized within the vehicle or transitioned into lower-risk investment pools. Such a structure allows investors collectively to de-risk early-stage opportunities, creating a feeder of large-scale, investable projects with more attractive risk-return profiles.[74]

This rolling-pipeline approach balances exposure across development phases, lowers concentration risk, and maintains access to the higher value creation potential that comes from shaping projects in their formative stages, ultimately supporting more transformative, high-quality urban regeneration.

Blended finance and partnership models

Blended finance approaches can unlock investment in underperforming or second-tier cities, where the need for regeneration is greatest. Community-led initiatives ensure long-term affordability and local buy-in, while investors – working alongside municipalities – can help attract and secure anchor tenants such as major employers, universities, or cultural institutions, bringing jobs, prestige, and a renewed identity to regenerated areas.[75]

Public capital remains crucial at this stage, funding early infrastructure and providing guarantees or flexible instruments that make projects viable for private investment. This collaboration aligns public policy objectives with investor requirements, creating a virtuous cycle that delivers social, environmental, and commercial value.

While most urban regeneration projects rely on a mix of public and private institutional capital, there are emerging examples of alternative financing structure. For instance, the Rivus Project in Bucharest, Romania, was enabled by a €410 million club loan, the largest ever granted to a real estate development in the country, arranged by a consortium of banks and supported by the European Bank for Reconstruction and Development (EBRD).[E, 76] This approach demonstrates how collaboration between multiple leaders can unlock complex, large-scale regeneration project. Other mechanisms, such as regeneration leases, are also being used to attract long-term institutional investment into urban regeneration.[F]

Regeneration uplift and a distinct asset class

Urban regeneration fundamentally requires a different investment mindset than traditional real estate, which typically focuses on single-use assets and short-term returns. Investors must adopt an infrastructure-like perspective, managing risk across project phases, from early-stage development to stabilised, income-producing operations.

From an investors' perspective, the opportunity in urban regeneration lies in the 'regeneration uplift'. High-quality, mixed-use, sustainable developments have been shown to outperform their wider area, delivering structurally higher yields for investors able to access these managed estates, such as King's Cross in London or Nordhavn in Copenhagen.[77] This performance advantage underscores why urban regeneration should be treated as a distinct asset class, one that combines the resilience and longevity of infrastructure with the value-creation potential of real estate.

As global capital searches for stability and sustainable impact, Europe's regeneration opportunity offers both, if enacted through collective investment vehicles, blended finance, and long-term stewardship.

E. A club loan is a large loan provided jointly by a small group of banks, each lending directly to the borrower on similar terms. Unlike a syndicated loan, there is no common agent: each lender deals directly with the borrower.

F. See the Wirral Waters Regeneration Lease, at the end of this section

Pension funds can play a positive role in regeneration
AustralianSuper's role in London

Pension capital can be an important aspect to funding regeneration projects thanks to its longer-term approach. One example is AustralianSuper, the largest superannuation fund in Australia, which has made significant investments in UK urban regeneration as part of its international infrastructure and property strategy. According to the UK government, the fund is among several Australian investors increasing their presence in the UK economy, with a focus on long-term assets such as housing, transport, and mixed-use developments. These investments are aligned with the UK's efforts to attract stable institutional capital to support economic development and urban renewal.

AustralianSuper became a major investor in the King's Cross redevelopment in London by acquiring a significant ownership stake in the project. In January of 2015, the UK government and DHL sold their investment in the King's Cross Central Limited Partnership (KCCLP) to AustralianSuper, marking the fund's entry into one of Europe's largest urban regeneration schemes. This acquisition included a 36.5% stake previously held by London & Continental Railways (LCR), purchased for £371 million (≈ €424.67 million) following a competitive tender process.

In early 2022, AustralianSuper became involved in the Canada Water regeneration project in London, when it acquired a 50% stake in the development through a joint venture with UK property developer British Land. The Canada Water Masterplan spans 53 acres (≈ 21.45 hectares) and is one of London's largest mixed-use regeneration schemes, aiming to deliver housing, workspaces, retail, leisure, and public infrastructure over a 15-year period.

AustralianSuper's approach to UK regeneration reflects its broader strategy of investing in long-duration assets that offer stable returns and align with urban development goals. These investments are structured to support phased delivery and long-term management, with a focus on areas undergoing significant transformation. The fund's participation in these projects demonstrates the role international pension funds can play in financing major regeneration schemes.[78]

How regeneration leases can unlock long-term financing
Wirral Waters, UK

Pension Insurance Corporation (PIC) played a central role in enabling the development of the Miller's Quay scheme at Wirral Waters (near Liverpool) by providing long-term financing through a regeneration lease structure. The project, part of the UK's largest urban regeneration initiative, involves the construction of 500 residential units, including 100 affordable homes. PIC's investment was structured as a forward funding arrangement, where it committed capital upfront to support the delivery of the scheme. This approach allowed the developer, Peel L&P, to proceed with construction without relying on traditional debt financing or speculative sales, reducing financial risk and ensuring delivery certainty.

The regeneration lease model used in this scheme is designed to attract institutional capital to urban regeneration by offering secure, inflation-linked returns over a long period. Under this structure, PIC owns the completed buildings and leases them to Wirral Council for 50 years, with the council sub-leasing them to a housing provider. This arrangement enables the council to access high-quality housing stock without incurring upfront capital costs or adding to public debt. It also ensures long-term stewardship and maintenance of the properties. The model has been supported by both Homes England and Local Partnerships as a replicable mechanism for delivering affordable housing and unlocking complex brownfield sites.[79]

The investor landscape

Investment in urban regeneration and mixed-use neighbourhoods isn't as simple or as straightforward a venture as some other projects. Investors must be ambitious, with greater returns in the long-run coming from these projects thanks to high-quality placemaking, sustainability efforts and the quality of occupying tenants that go with them. A diverse mix of patient and strategic capital is necessary, as well as a mix of types of investors.

					TYPICAL STAGES OF INVOLVEMENT	
Investor Group	**What is their role in development, and what motivates them?**	**How do they contribute to delivering sustainable UR? What are potential blockers?**	**Investment Horizon**	**Risk Profile**	**Typical Entry Site acquisition / assembly**	**Typical Exit Site preparation and urbanisation**
Public Sector (Local, Regional, National Government)	Lead enabler, policy-maker, provider of infrastructure, direct funder for public realm. Socio-economic regeneration, environmental remediation, political mandate, long-term tax base growth.	Can take on early-stage, high-risk phases and attract other investors. Political cycles and budget constraints can delay delivery.	**Long-term (10–30+ years)**	**Accepts higher risk** for public benefit; aims to de-risk for others.	Site acquisition / assembly.	After site preparation and urbanisation.
Private Real Estate Developers	Originator and executor of development projects. Development profit, land value uplift, market positioning.	They bring delivery expertise and local market knowledge. Less interest in long-term stewardship unless profitable.	**Short to medium-term (3–7 years)**	**Moderate to high;** comfortable with planning, construction, and market risk but seeks clear exit.	Site acquisition / assembly (if site is viable).	After sale or lease of developed site.
Private Equity Real Estate (PERE) / Opportunity Funds	High-return capital targeting value-add or opportunistic plays. Short-term IRR maximisation via repositioning, upzoning, or major redevelopment.	Can unlock stalled or distressed sites quickly. Short-term focus may not align with community or public-sector goals.	**Short to medium-term (3–7 years)**	**High;** accepts planning, contamination, and market risk if returns justify.	Site acquisition / assembly.	Site development, upon value realisation.
Development Finance Institutions (DFIs)	Public/semi-public entities providing catalytic finance for projects with economic and social benefits. Leverage private capital, address market failures, promote sustainable urban growth.	They bring credibility and de-risk projects for private capital. Processes can be slow, requiring extensive compliance.	**Medium to long-term (5–20 years)**	**Moderate;** structured finance to reduce private risk.	Site preparation and urbanisation.	After site development.

					TYPICAL STAGES OF INVOLVEMENT	
Investor Group	**What is their role in development, and what motivates them?**	**How do they contribute to delivering sustainable UR? What are potential blockers?**	**Investment Horizon**	**Risk Profile**	**Typical Entry Site acquisition / assembly**	**Typical Exit Site preparation and urbanisation**
Community Investors / Community Land Trusts (CLTs)	Local ownership and stewardship of land and assets. Long-term affordability, community control, preventing displacement.	Excellent for long-term affordability and trust-building. Limited access to large-scale capital.	**Very long-term (20+ years)**	**Low financial risk appetite,** but high commitment to place.	Site preparation and urbanisation.	Can remain involved in management and operation.
Institutional Investors (Pension Funds, Insurance, Sovereign Wealth)	Large-scale capital provider seeking stable returns. Steady income, portfolio diversification, ESG compliance.	Long-term stability and low-cost capital. Avoid high-risk, early-stage contamination and planning challenges.	**Long-term (10–20+ years)**	**Low to moderate;** prefer de-risked, income-producing assets.	Acquisition of near-complete assets.	Usually hold assets in the long term.
Real Estate Investment Trusts (REITs)	Listed vehicles investing in income-producing property. Dividend yield, portfolio growth, liquidity for investors.	Strong asset management and operational expertise. Rarely fund risky site preparation stages.	**Medium to long-term (5–15 years)**	**Low to moderate;** generally avoid early-stage risk.	Acquisition of near-complete assets.	Usually hold assets in the medium to long term.
Impact Investors/ Social Finance Funds	Capital providers balancing financial returns with social/environmental objectives. Affordable housing, sustainable development, community benefit, climate resilience.	Align well with ESG, community goals, and sustainability. Smaller ticket sizes; may require blended finance to scale.	**Medium to long-term (5–15 years)**	**Moderate;** may accept lower returns for higher impact.	Site development–focus on sustainable assets.	Can hold assets in the medium to long term.
Corporate / Strategic Investors	Businesses investing to support their core operations or CSR agenda. Enhance brand, attract/retain staff, local supply chain development.	Can bring profile, innovation, and anchor tenants. Investment driven by corporate strategy, not regeneration needs.	**Medium to long-term (5–15 years)**	**Low to moderate;** investment secondary to core business.	Site development.	Can hold assets in the medium to long term.

Successful urban regeneration projects: Five principles and related actions for investors

	Action	Visioning and Planning	Site Preparation	Development	Management
Long term commitment and finance	Explore the adoption of performance metrics that are less sensitive to high upfront costs (i.e. yield vs IRR).	●			
	Participate to long-term delivery vehicles.		●	●	●
	Increase intentional place-based investments from Local Government Pension Schemes (LGPS).			●	●
Upskilling for complexity	Promote research in the development of mixed-use regeneration as an asset class, investigating the associated risk profile, performance metrics and appropriate financing instruments.	●			
Developing trusted relationships	Engage directly with local government to explore alignment of objectives, advocating for policy and planning certainty. Depending on the country, this could also be pursued at a regional or national level.	●			
	For financial institutions with a strong regional or local knowledge, support cities and developers in finding a suitable venture partner.		●	●	
Incremental and agile delivery	Involve corporate and impact investors to attract anchor tenants and embed positive social and environmental outcomes in the development.			●	
	Adapt the investment pool to the pace of site delivery, as milestones that de-risk the project, such as planning approval or infrastructure delivery, are gradually met.		●	●	●
Continuous de-risking of investment	Seek public capital to reduce early-stage risks before bringing in institutional investors.	●	●		
	Involve patient (often domestic) capital in phases following site preparation.			●	●
	Design and implement regeneration leases (pension funds).		●	●	●
	Explore the creation club deals for urban regeneration.			●	●
	Develop blended finance models which include first-loss capital.		●		

GOVERNMENT AND LOCAL COMMUNITIES: the role of the wider civic ecosystem

Urban regeneration requires a broad coalition of support. It can only succeed thanks to the collaboration of key stakeholders combined with the support of a wider ecosystem. In particular, the central government or regional government, communities and transport stakeholders play a key role in shaping and delivering urban regeneration projects. Whether by acting as landowners, using financial mechanisms to unlock funding for development, urban regeneration will struggle without the widest support.

Central Government

In many European countries, central government plays a key role in urban regeneration by acting as major landowners, particularly of brownfield and former industrial sites. These lands, often previously used for transport, military, or industrial purposes, are strategically located and offer significant potential for redevelopment. With publicly owned land, the principal driver may not initially be financial. Thus, with a lower initial land price, other regeneration may be advanced, such as the delivery of affordable or subsidised housing. Governments may transfer ownership to local authorities or public-private partnerships or retain ownership while facilitating planning and infrastructure upgrades. Their control over these sites allows them to influence the direction of regeneration, including land use, density, and integration with public services.

Central governments also support urban regeneration through financial mechanisms such as intergovernmental transfers, targeted grants, low- or no-interest loans, and dedicated regeneration funds. These instruments are used to co-finance infrastructure, unlock development on complex sites, and subsidise affordable housing delivery. In countries with strong welfare and planning systems, such as France, Germany, and the Netherlands, central funding is often tied to policy objectives like sustainability, housing affordability, or regional equity. EU structural and cohesion funds further complement national efforts, especially in Southern and Eastern Europe, where local fiscal capacity is more limited. Together, these financial supports enable municipalities to undertake regeneration projects that would otherwise be financially unviable.

Transforming former military, transport and industrial sites
State-initiated brownfield redevelopments in Europe

Central governments across Europe play a significant role in urban regeneration through their ownership of extensive brownfield land and underutilised buildings. National railway agencies and defence ministries are among the largest holders of such land, and their involvement in redevelopment is increasingly coordinated with local authorities and private developers.

In Italy, the state-owned railway company Ferrovie dello Stato Italiane manages and redevelops disused railway assets through its subsidiary FS Sistemi Urbani. One of its most prominent projects is Scalo Lambrate, in Milan, where a disused railway's lands are being transformed into a sustainable urban district with affordable and market housing, green space, and recreational amenities. FS Sistemi Urbani acts as both landowner and strategic planner, working with the city and private partners to deliver regeneration aligned with Milan's urban growth strategy. In this case and others, FS Sistemi Urbani has successfully used C40's international design competition, Reinventing Cities, to solicit innovative yet practical concepts for their sites.[80]

In Austria, the national railway company ÖBB owns large tracts of underused land in Vienna and other cities. These include former maintenance yards and logistics hubs, such as the Nordbahnhof area in Vienna, which has been redeveloped into a vibrant mixed-use neighbourhood with housing, offices, and public parks. ÖBB collaborates with municipal governments and developers to unlock these sites, often through phased planning and public-private partnerships.[81]

Germany offers another compelling example through the redevelopment of former military barracks. The Franklin barracks in Mannheim, previously used by the US Army, are now being transformed into a new urban district with thousands of housing units, schools, and green spaces. The federal government, through its real estate agency BImA (Bundesanstalt für Immobilienaufgaben), plays a key role in transferring and preparing these sites for civilian use. These projects demonstrate how central government landholdings can be repurposed to meet housing needs and support sustainable urban development.[82]

A national bank to support new housing in the UK
The National Housing Bank

In June 2025, the UK government announced the creation of a National Housing Bank, a publicly owned subsidiary of Homes England, aimed at accelerating the delivery of over 500,000 new homes. Backed by £16 billion (≈ €19.2 billion) in public investment, and building on an existing £6 billion (≈ €7.2 billion) allocation, the initiative is expected to unlock £53 billion (≈ €63.6 billion) in private sector investment. The Bank will provide long-term, flexible capital and issue government guarantees to support housing developers, inlcuding SMEs, and help unlock large, complex sites through infrastructure finance. This move is part of the government's broader Plan for Change, which includes a £39 billion (≈ €46.8 billion) Affordable Homes Programme and a goal to build 1.5 million homes.

The National Housing Bank will offer a wide range of financial products including low-interest loans, equity investments, and guarantees, tailored to support both social and affordable housing. It will work closely with local authorities, mayors, and strategic partners to align funding with regional housing priorities. The Bank will also collaborate with private sector institutions to expand lending alliances and attract institutional capital, helping to de-risk early-stage development and boost housing supply. Additional support will come from a £5 billion (≈ €6 billion) grant fund for infrastructure and land, enabling the delivery of otherwise unviable projects.

Industry leaders and stakeholders have welcomed the initiative, highlighting its potential to transform housing delivery and regeneration across the UK. The Bank is seen as a response to long-standing calls for more flexible and scalable public-private financing mechanisms. It will operate as a permanent institution, designated as a Public Financial Institution (PuFin), and is expected to play a central role in tackling the housing crisis by providing certainty, capacity, and innovation in housing finance. The announcement also signals a shift toward more strategic, long-term investment in housing infrastructure, with a focus on building vibrant, inclusive communities.[83]

The role of local communities

The local community clearly has an enormous stake in successful urban regeneration. While their role may not be as clearcut as that of cities, developers, or investors, the local community, including residents, community associations, non-governmental organisations, businesses, and others, has a critical role in the successful delivery and long-term stewardship of green and thriving urban regeneration projects.

Local people are the existing and future occupants, users and neighbours of the development. Consequently, their stake is tied to issues of social equity, cultural preservation, and long-term quality of life. Unlike external investors, the community holds a clear interest in ensuring that new infrastructure, housing and public spaces actively contribute to the stability and functionality of the established neighbourhood fabric and meets evolving community needs. This is why local communities must be engaged; as failure to address these core concerns carries substantial risk of public and political resistance, jeopardising a project's viability.

Active participants in urban regeneration

A project that actively works with the local people from the early stages of ideation can benefit from the community's unique local intelligence and ongoing support. Through the engagement process, community members can identify needs and opportunities, advocate for the preservation of local heritage, and influence design, thereby ensuring the scheme is appropriate and functionally sound. This collaborative process is instrumental in designing an 'offering' that meets the community's needs, which, in turn, enhances its sense of place and increases its commercial viability and liveability. Furthermore, when project outcomes reflect community desires, a project can cultivate local "ownership", buy-in and pride, with positive implications for long-term stewardship of public spaces and other elements of the revitalised neighbourhood.

The local community can also take a more direct and ongoing role in shaping successful projects. Local businesses and associations for instance contribute to and benefit from the project as anchor tenants. Non-profits or community groups can fund, deliver, and manage vital community assets like childcare facilities or community centres, building local capacity and ensuring that amenities are run in a way that

meets local needs. Often, non-profits are also critical partners in delivering and managing affordable and social housing units in urban regeneration projects. Their contributions can be instrumental in ensuring the financial viability of a project's social components, and their know-how for long-term success.

In some cases, the community can also take a lead role in the overall development and management of a site or a portion thereof. For example, Community Land Trusts (CLTs), non-profit, democratic, community-led organisations, are increasingly common across Europe. CLTs develop and manage homes that are affordable to low- and middle-income households, as well as shared spaces, like playgrounds and parks, that contribute to thriving local communities. They also act as long-term stewards of these assets, ensuring they remain permanently affordable.

A regenerated rail site becomes a vibrant hub for a diverse community
SPOR10, Copenhagen

Located in the heart of Copenhagen's largest central urban regeneration project, Jernbanebyen (The Railway District), SPOR10 is a vibrant community hub housed in a historic customs building. SPOR10 has been transformed into a 6,000m^2 hub for over 30 local associations, offering space for culture, sports and social activities. Since its opening in April 2023, the hub has become the heart of the district's engagement process, hosting daily activities, community dining, creative workshops and intergenerational events.

More than just a gathering place, SPOR10 serves as a catalyst for participatory planning, bringing together residents, stakeholders and project partners to shape the future of the neighbourhood. The hub regularly hosts tours, lectures and collaborative sessions, ensuring that the evolving district reflect the needs and aspirations of its future residents. As Jernbanebyen develops into a vibrant mixed-use neighbourhood with thousands of homes and workplaces, SPOR10 will remain a permanent and adaptable feature, supporting long-term community involvement and wellbeing.[84]

From airfield to new nature-focused neighbourhood for 25,000 Viennese
Aspern Seestadt, Vienna

Aspern Seestadt is one of the Europe's most ambitious urban regeneration projects, transforming a former airfield on Vienna's outskirts into a vibrant, sustainable district. From the outset, community engagement has been central to the development process, with participatory planning and residential involvement shaping every stage of the project.

Volunteer neighbourhood management plays a pivotal role in fostering community spirit, supporting new residents as they settle in, and facilitating access to local services and events. The initiative ensures that residents are active participants in the evolution of Aspern Seestadt, not just inhabitants. The city also pioneered building cooperatives, inviting groups such as B.R.O.T. 3, Seestern Aspern, JAspern, LISA, and Pegasus to propose concepts for residential buildings, giving future residents a direct hand in designing their living environments.

Vienna further encourages local engagement through initiative like Grätzloase and community gardens, offering micro-grants and guidance for projects ranging from street art to cooking events. These programmes empower residents to contribute to the district's cultural and social fabric. This project also serves as a model for inclusive and gender-conscious urban design, with public spaces and amenities created to be accessible, equitable and responsive to the diverse needs of all community members.[85]


London 2012

A call to action

This report is an invitation to act — to unlock urban regeneration's potential across Europe. As emphasised throughout, genuine transformation requires alignment among multiple actors: cities and public institutions, investors, developers, and communities. Only through shared commitment, mutual trust, and coordinated effort can regeneration deliver lasting social, environmental, and economic value.

This report makes practical recommendations for how diverse stakeholders can make regeneration work for people and planet, organized under 5 key principles:

Five Principles for Sustainable Urban Regeneration

01

Plan for the long term, in your strategic and programmatic approach as well as your choice of investors, in order to insulate developments from economic and political uncertainty.

02

Build teams with the right mix of skills to manage complexity and deliver quality.

03

Develop trusted relationships and align objectives with investment and development partners as well as local communities.

04

Take an incremental and flexible approach to long-term transformation – adapt to uncertainties but never lose sight of the ultimate goal: an attractive new district/destination.

05

Work continuously to reduce investment risk by removing major barriers to project viability from a regulatory, cost or cashflow perspective.

Across the continent, there are already lighthouse projects showing what is possible when stakeholders apply these 5 principles in their collaboration. King's Cross in London and Nordhavn in Copenhagen, as well as other case studies included, demonstrate how long-term partnerships, design excellence, and patient capital can transform former industrial areas into vibrant, mixed-use, low-carbon districts — creating lasting value for citizens, cities, and investors alike.

While this publication builds on established knowledge and best practices, it is above all a starting point for ongoing collaboration. We encourage policymakers, developers, investors, and urban practitioners to advance this dialogue and place systemic urban regeneration at the heart of Europe's competitiveness, housing, and climate strategies.

Annex A: Instruments available to European cities for funding and financing brownfield redevelopment

Funding instruments are available for European cities to finance urban regeneration or brownfield redevelopment. The available instruments depend on the site viability, and they range from financial instruments, to fiscal, or to planning. Each instrument has largely the common objective of creating funding streams to deliver the project and to share the risks and benefits across stakeholders. Some instruments are more prevalent in specific EU regions or while others will be used in a UK context.

The table on the right sets out each funding and finance instrument identified and collated in the research.

Site Viability	Instrument	What it is	Type of Instrument	Objective	Preconditions and Risks	Prevalence across EU/UK
High	Development fee waiver, reduction or refund	Fiscal incentive reducing upfront costs for developers through waived or refunded development fees.	Planning	Raising revenues	Requires supportive planning frameworks and fiscal flexibility; risk of lost revenue for municipalities.	Adopted in some EU cities; limited details in UK context.
	Loan and revolving loan fund	Public or blended loans that revolve repayments into future projects. Helps finance feasibility studies or early-stage works.	Financial	Accessing external finance Reduction of cost of financing for developer	Needs capital pool and administrative capacity; risk of repayment default.	Used in various EU regions; potentially in UK local authorities.
High to Low	Land value tax	Tax on unimproved land value to capture uplift and discourage land banking.	Fiscal	Raising revenues	Needs robust land valuation systems; political resistance likely.	Piloted in parts of EU; not widespread in UK.
	Tax Increment Financing	Future tax revenue in designated zones is used to fund current infrastructure.	Fiscal	Raising revenues	Requires land-value appreciation; risk of over-optimism.	Limited adoption; emerging interest in some EU cities, UK pilots.
	Land readjustment/ consolidation	Reorganises fragmented land parcels for development; some land allocated for public use.	Planning and Financial	Accessing external finance	Legal complexity, need for landowner agreement; governance intensive.	Applied in Germany, Austria; some EU applications, less in UK.
	Developer exaction and impact fee	Developers contribute (cash or in-kind) for infrastructure demands they generate.	Funding	Accessing external finance Risk and benefit sharing with developer	Needs clear legal basis and implementation mechanisms; potential developer resistance.	Common in EU; practiced in UK via developer contributions.

Site Viability	Instrument	What it is	Type of Instrument	Objective	Preconditions and Risks	Prevalence across EU/UK
Low	Public-private partnership	Public authority and private partner collaborate for project delivery and financing.	Funding and Financial	External funding Risk and benefit sharing / reduction of developer's cost of financing	Complex contractual arrangements; alignment of incentives crucial.	Widespread in both EU and UK for regeneration and infrastructure.
	Loan guarantee and guarantee fund	Third-party guarantee improves borrowing terms for developers or municipalities.	Financial	Raising revenues Reduction of developer's cost of financing, increasing cashflow	Requires capital buffer; contingent liability risk.	Used selectively across EU; examples in UK regeneration.
Low to Unviable	Betterment Contribution	One-off levy on landowners benefiting from increased land value due to public action.	Planning and Funding	Raising revenues	Needs land-value capture mechanism; often contested by owners.	Used in certain EU countries; rare in UK.
	National funding	Central government grants or subsidies for redevelopment projects.	Funding and Financial	External funding and finance	Dependent on political priorities and competitive criteria.	Broadly used across EU and UK; key funding source.
	EU European regional development funds	EU structural funds to co-finance urban regeneration and brownfield redevelopment.	Funding	External funding	Requires EU application processes; state-aid compliance.	Widely available in EU (pre- and post-2020); not available in UK post-Brexit.
	Crowdfunding	Mobilises small contributions from many via online platforms.	Funding	External funding	Uncertain fundraising outcomes; limited scale for large projects.	Emerging use in EU; limited but growing interest in UK.
	Local and regional funding	Grants or funds provided through municipal or regional budgets.	Funding	Risk and benefit sharing with developer, reduction of cost of financing and increasing cashflow	Dependent on local fiscal capacity and political will.	Common in EU and UK; key for co-funding.
	Brownfield tax- "Etablissement Public Foncier"	French public land body can acquire brownfield land, helping redevelopment.	Funding	Risk and benefit sharing with developer	Requires public authority; financial capacity to buy and hold land.	Specific to France; not a UK model.

Site Viability	Instrument	What it is	Type of Instrument	Objective	Preconditions and Risks	Prevalence across EU/UK
Unviable	EU Life	EU's funding instrument for environment and nature action; can support NBS-related redevelopment.	Funding	External funding	Competitive applications; project must align with environmental objectives.	Available in EU; inaccessible to UK.
	Impact Investment Funds	Private or blended funds aiming for social/ environmental returns alongside financial.	Funding	External funding	Requires pipeline of investable projects; return expectations.	Growing in EU and UK, especially for NBS and regeneration.
Any	Strategic Land Asset Management	Public agencies hold and manage land strategically to capture value and drive development.	Planning and Funding	Raising revenues, External finance	Needs legal powers for acquisition; risk of market fluctuations.	Used in EU (e.g. France, Germany); some UK examples.

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