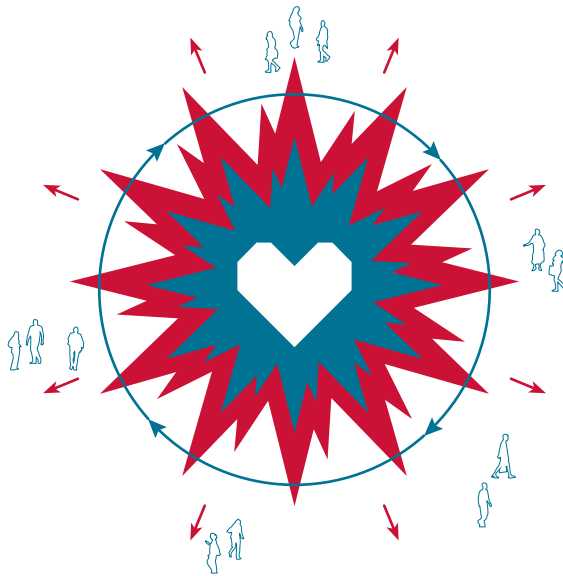
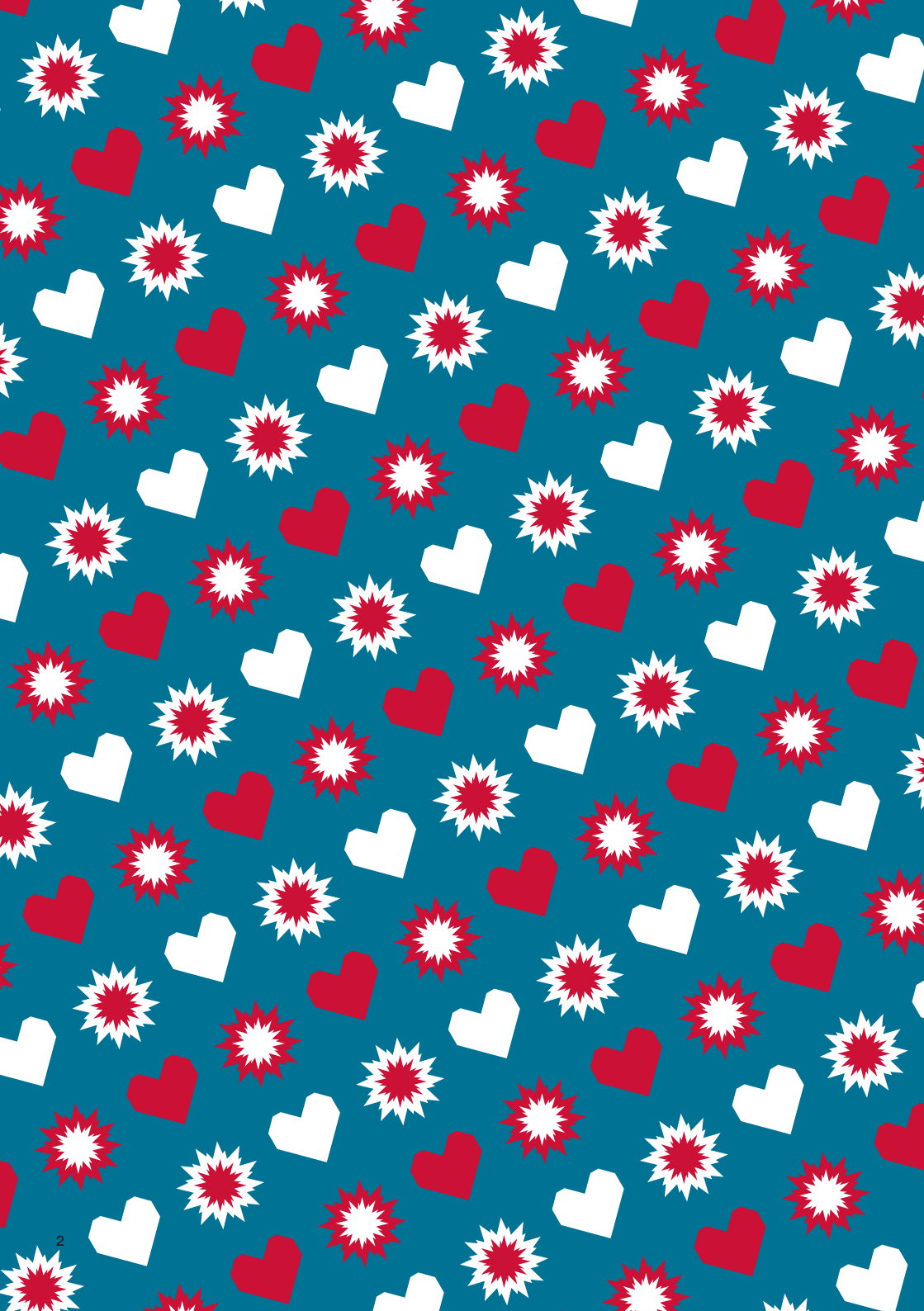


Impact first development

An explorative study into (urban)
development with the specific intention
to create positive social impact



Lena van der Wal
TU Delft



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An Explore Lab Graduation Project

by Lena van der Wal
in collaboration with Marcella Wong

Master Track
Management in the Built Environment
TU Delft, July 2020

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Combining *qualities of the past*,
with *knowledge of today*,
to leave space for the *insights of tomorrow*.

— Wong & Wal, 2020

Dear reader,

This graduation thesis forms part of a collaborative graduation with Architecture student Marcella Wong. We started this graduation with a shared fascination for social entrepreneurship, striving to change the built environment in an entrepreneurial way with societal impact as first priority. By working together, we aim to transcend the boundaries of our own disciplines to find truly innovative solutions for a fair and sustainable built environment. Individually, for this purpose, Marcella researched how to design to last in architecture and I researched how to think impact first in development. Together, this has led to a collaborative design for the neighborhood Wielewaal.

On a personal note, this mission started when I was in kindergarten and wanted to change the world (I know, pretty funky 6-years old). In recent years, after working at different real estate developers, this belief has only strengthened, as I learned that feasibility studies of developers tend to only take the financial feasibility into account, leaving out the environmental and social impacts of developments. If we want to tackle global problems like climate change and social inequality, businesses need to take their responsibility and adjust their business models towards the common good. Impact thinking provides the tools for this. With this and Marcella's knowledge combined, together we hope to one day be able to create truly sustainable and socially fair urban areas, in which financial profit and positive societal impact go hand in hand and in which the impact economy has become a reality.

Why is this knowledge also relevant for developers and other stakeholders in the built environment? Ultimately, this research has three main goals: **1.** to put the importance of impact thinking on the map in (urban) development, **2.** to give (urban) developers and municipalities the basic principles and tools to create impact today and **3.** to showcase through a hypothetical example how impact thinking might be implemented in practice, leading to not only feasible but also inspiring projects!

Finally, I want to thank everyone who helped me throughout this process. My interviewees, for your beautiful answers. My mentors, Philip, Erwin, Elise and Suzana, for your wise insights. Niel and Saman (RE:BORN), for being the real-life proof that change in this industry is possible. Marcella, for an epic friendship. And last but not least, my parents and boyfriend for the gentle support and kindness throughout these intense years of going through a second education. To close it off, enjoy reading this newly gained knowledge and let's make positive societal impact together for a fair and sustainable built environment!

Lena van der Wal

Management in the Built Environment Graduate '19/'20
Explore Lab 29

Abstract

Problem statement. The world is experiencing climate change. Environmental problems are substantial and it's known that economic growth contributes to them. In addition, social inequality in society has grown. As a response, the concept of sustainable development has come up, but to date businesses find this hard to implement in their ways of working. As societal pressure is increasing, a growing trend can be seen by pioneering businesses, social entrepreneurs and impact investors working towards an impact economy. In the built environment, however, the concepts of 'impact thinking' or 'social entrepreneurship' are still very much unknown. Although some institutional investors have adopted an ESG-approach for their investments and a number of developers have started to brand themselves as sustainable, to date there is barely no evidence suggesting that this actually leads to positive societal impact. Very few parties in the built environment place impact first in their corporate strategy or measure the impacts they make. As the built environment is responsible for many environmental and social problems, this is something that needs to change. **Research question.** This thesis therefore researches in what ways impact thinking can be implemented into (urban) development, from the perspective of the social entrepreneurial developer. **Methodology.** The first part of the research was conducted through a literature study, the second part through a combination of qualitative and design research. A total of 16 interviews have been conducted with impact developers, impact investors and urban development experts. **Conclusion.** Based on findings, a first definition for impact development is given, its barriers and drivers are formulated and six principles for impact development are proposed. Through a collaborative research through design approach, also an example impact development was designed: a social-impact based plan for the gentrifying neighborhood Wielewaal. **Implications.** The research outcomes aim to inspire private parties in urban or real estate development to place impact first in their ways of working. In doing so, this thesis aims to open the dialogue about the responsibility of businesses to society and our cities and help developers and municipalities work towards more long-term sustainable and fair urban developments. **Recommendation.** For impact thinking to really take a flight in (urban) development, taxing or incentivizing impact by the government is necessary.

Key Words. *Impact economy – impact thinking – social impact – urban and real estate development – gentrification – gentryfication – social entrepreneurship – CSR*

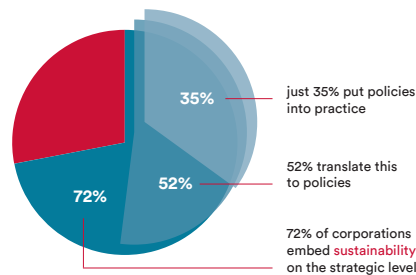
Executive summary

1. Introduction

Need for economic change

Our economy wasn't invented to make money, our economy was invented to add value to the collective. However, a focus on wealth maximisation has led to substantial social and environmental problems. Problems that are increasingly being felt, as the effects of climate change are increasing and crises, such as the current corona crisis, more and more lay bare the growing social inequalities in society (OECD, 2015). As a response, society is increasingly holding businesses accountable for the impacts they create (Crouch, 2012) and the concept of sustainable development has come up.

To date however, most businesses find it hard to implement sustainable development in their ways of working. Fortunately, some positive trends can be seen in the business world, such as the development of Corporate Social Responsibility (CSR), Social Entrepreneurship and Impact Investing. What these trends have in common is an increased focus towards creating positive societal impacts – impact thinking – and in doing so these trends lay the foundations for an economic shift from an economy based on wealth maximisation to an economy focused on creating positive societal impacts: an impact economy.



Impacts of the built environment

As the built environment is a known last mover, impact thinking is still completely new in the built environment. Although, environmental sustainability has become slightly more important in recent years, social sustainability is still often forgotten. This is a serious problem, as in the Netherlands private parties have gotten more influence in (urban) development and the built environment is responsible for significant social and environmental impacts.

Problem statement

(Urban) development is characterized by many social and environmental challenges, yet from the perspective of private developing parties, which are responsible for a substantial part of (urban) development, there seems to be no clear strategy towards creating positive societal impacts and a general lack of knowledge about the impacts currently being creating.

Research aim

The research aim for this thesis is to find out how impact thinking can be implemented in (urban) development, from the perspective of social entrepreneurial (urban) developer, in order to work towards sustainable and fair urban areas.

Relevance

The societal relevance of this research is huge, as the built environment contributes significantly to social and environmental problems and private parties have gotten a bigger influence in (urban) development in recent years. In order to create truly sustainable and fair neighborhoods, private parties have to start thinking in a mutually beneficial way, combining financial profits and societal goals.

The scientific relevance is also significant, as to date in literature almost no links exist between impact thinking and the built environment, resulting in a clear gap in literature. Making links between these academic research fields, might help with implementation of an impact mindset in practice in the future.

2. Methodology

As this research is conducted in the multidisciplinary graduation lab Explore Lab, it is qualitative, design based and has an explorative character (Bryman, 2012).

The research consists of three main research parts: Theory, Empiry and Design. The first part, Theory, is based on an extensive literature study into impact thinking and its implementation in (urban) development practice today. The second part, Empiry, was based on 19 interviews, 16 of which were conducted with impact and urban development experts and 3 of which were conducted with stakeholders of the Wielewaa case, which forms a central part of the third research part: Design. This third part was conducted in collaboration with an achitecture

student and based on an explorative, collaborative design research into the neighborhood Wielewaal in Rotterdam South. The knowledge obtained in both the literature review and interviews, fed into the design research.

Research questions

Different research questions were formulated for the different research parts:

- [Theory](#)

What is impact thinking? Who do it? To what extent is it implemented in (urban) development practice?

- [Empiry](#)

What is impact development? What are the barriers and drivers of impact development? And how do impact developers develop for impact?

- [Design](#)

How can the principles of impact development be implemented in practice? How to design for long-term societal impact? How can impact thinking be used to move from gentrification to *gentlyfication*?

Research outcomes

The final research outcomes of this thesis are:

- 1 A definition of impact development
- 2 Principles for impact development
- 3 An impact development example
- 4 An overview of the impacts of gentrification & *gentlyfication*

3. Background

/ Theory

Why? Towards the impact economy

With the development of the SDGs, also the concept of impact thinking has taken a rise. Impact thinking aims to work towards an economy focused on creating positive societal impact, rather than wealth maximization: an impact economy. It does so by formulating an impact strategy and by measuring and managing impact. Impact can hereby be seen as 'a change in positive or negative outcome for people or the planet'. Impact can be social, environmental or economical. Social impact to date is less far developed than environmental or economical impact.

Why? Towards the impact economy

With the development of the SDGs, also the concept of impact thinking has taken a rise. Impact thinking aims to work towards an economy focused on creating positive societal impact, rather than wealth maximization: an impact economy. It does so by formulating an impact strategy and by measuring and managing impact. Impact can hereby be seen as 'a change in positive or negative outcome for people or the planet'. Impact can be social, environmental or economical. Social impact to date is less far developed than environmental or economical impact.

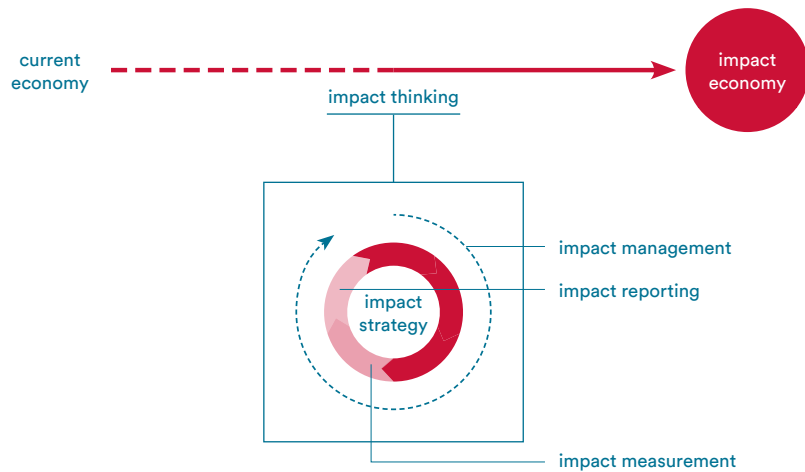
Who? Key players in impact thinking

Currently, an increasing number of organizations is focusing on creating and measuring the impacts they make. Three parties in particular stand out: social enterprises, impact investors and companies with a CSR-strategy.

Social enterprises are organizations that have a societal mission, but which use a business model as a way to achieve financial sustainability or to be able to scale their societal impact (Maas & Grieco, 2017, p. 112). The most common definition of CSR (Corporate Social Responsibility) is 'actions that appear to further some social good, beyond the interests of the firm and that which is required by law' (Conway, 2018, p. 27). CSR focusses on improving the environmental and social impacts generated by businesses. Impact investors invest in impact and impact investments are investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return. All these three parties require a form of impact measurement and management, in order to be taken seriously and to work successfully towards their sustainability ambitions. As social enterprises are more proactive in their impact mission than CSR companies, for this thesis the perspective of the social entrepreneurial developer is taken.

How? Impact Measurement & Management

Impact measurement is an important aspect of impact thinking, however, in order to measure in the right way, it's important to do more than just select methods. As an organization you have to formulate an impact strategy and a Theory of Change, both processes that are cyclical in nature and for which a continuous learning mindset needs to be adopted.

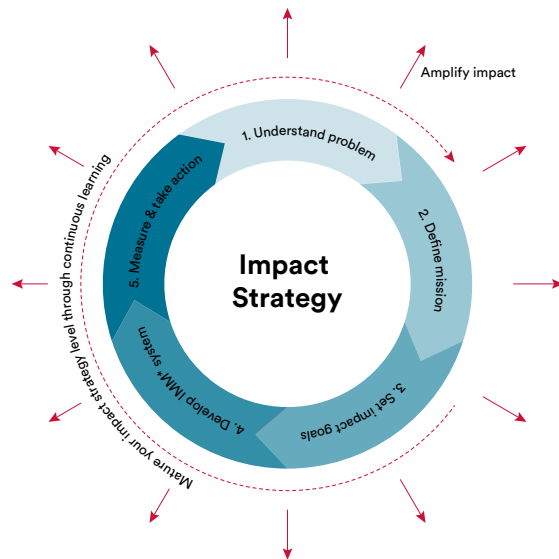


Impact thinking in (urban) development

Although a handful of first impact-experiments are being conducted, in its most strict sense impact thinking in the Dutch (urban) development context is not really implemented yet. When looking at the definition of impact thinking a little less strict, however, first steps and trends towards impact thinking can be seen:

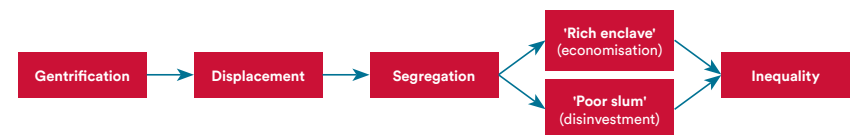
- Housing corporations as a type of impact developers (avant la lettre);
- SCBA-analysis at municipalities;
- Sustainability ratings, labels and certifications like LEED & BREEAM;
- Increasing ESG-integration at Dutch pension funds;
- More and more project developers with a sustainability orientation;
- Het Stadsmakersfonds as a revolving fund for (urban) impact developers/initiatives.

In (urban) development, environmental sustainability is becoming increasingly important, however, when it comes to social sustainability, major steps need yet to be taken.



What? A need for Social Impact in the Built Environment & the Impacts of Gentrification

One of the main challenges in urban development, resulting in many negative social impacts, is gentrification. Gentrification is a revitalization strategy, which – when implemented without adequate public involvement (Chong, 2017) and a long-term vision on inclusiveness and affordability from the public sector – leads to many negative social impacts (Zuk et al., 2017; Atkinson & Bridge, 2005; Atkinson, 2002). A kinder type of gentrification – *gentlyfication* – could reap the positive impacts of gentrification without its distinct negative effects (Stauttner & Robbe, 2019). *Gentlyfication* could therefore present a good alternative revitalization strategy for municipalities. As to date no example projects based on a *gentlyfying* revitalization strategy have yet been designed or developed, the development of one could help towards implementation in practice.



4. Impact Development

/ Empiry

Impact Development can be seen as the integration of (urban) development and impact thinking. Based on findings a first definition is proposed:

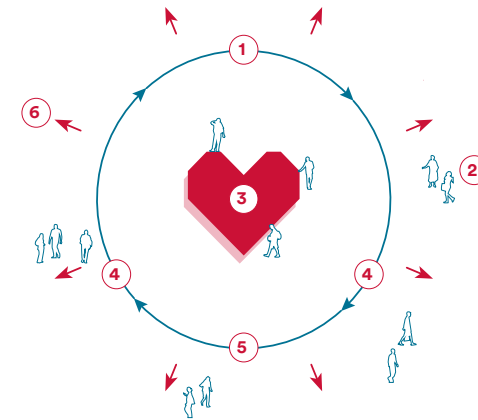
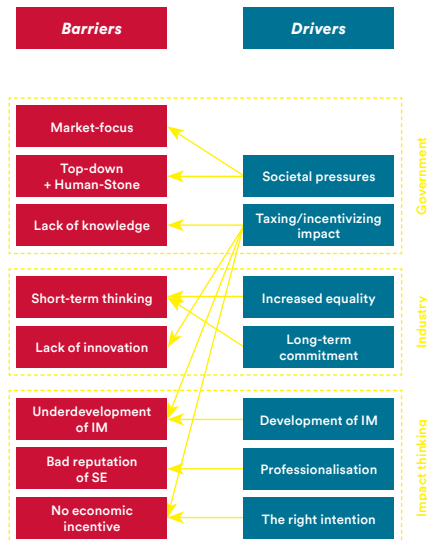
"An *impact developer* is a developing person or party, who is developing with the specific intention of creating a relevant, measurable societal impact – both social & ecological – by means of urban or real estate development embedded in a healthy business model, thereby continuously striving to bring both the organization and the industry forward."

This definition is based on 5 criteria that are proposed to distinguish impact development from traditional development, which are:

- 1 Intentionality
- 2 Measurability
- 3 Managing for impact
- 4 Contribution to the development of the industry
- 5 Relevance

Barriers & drivers

Impact development has its barriers and drivers. The drivers and barriers are organized according to the fields they are relevant for: government, industry or impact economy. Some of the drivers might present solutions for the barriers.



6 Principles for Impact Development

Impact development is first and foremost about using your common sense to work towards your impact goals. Every project is unique. Therefore, no guideline or handbook can be written on impact development. Based on the interviews, however, 6 principles came forward that seem typical for impact development. The six principles of impact development are:

- 1 **Understand**
- 2 **Listen**
- 3 **Impact first!**
- 4 **Measure & adjust**
- 5 **Rethink**
- 6 **Pay it forward**

In the figure above a first attempt is made to organize these principles in a projects lifecycle.

1 Understand the problem/project

Every project is unique and requires tailor-made solutions. Therefore, the first principle is about understanding the problem and project. For every location an analysis should be done into the stakeholders, the (historical) qualities and the main challenges.

2 Listen & involve all people

As impact developments are about creating positive social impact for all, it's really important to involve all stakeholders impacted by your development from the beginning onwards. Aim for a high level of participation or even co-creation, to make sure your actions actually lead to the impact you aim for.

3 *Impact first!*

Central in impact thinking, is the impact first mindset, which forms the third principle. Impact first entails working from your impact objectives and formulating a collective mission and vision for the project. Make sure to also have an impact first mindset in the process (not just in the end product), as impact first also entails practicing what you preach. A major success factor in impact developments is to work with parties that share the same intention. This helps break down barriers and work towards a collective impact movement.

4 *Measure & adjust*

Impact thinking requires impact measurement and management to both prove and improve impacts made. For this purpose, a Theory of Change can be created, linking your mission and vision and impact objectives to the metrics you want to measure in practice. It's useful to measure before and after your interventions (pre-measurement and post-measurement) to allow for continuous learning. Over time, this will also enable you to find out what external costs you prevented or what benefits you helped create, which can be used in monetarizing impacts later on. In the future, monetarized impacts could be included in the business case to create an incentive for making more impact.

5 *Rethink the way you work*

When starting with an impact first mindset, known ways of working might not work anymore. Therefore, impact development might entail rethinking (parts of) your business case, development process or product. Use what works and adapt what doesn't, based on your impact objectives. Don't be afraid if at the beginning you don't know how things will work out, as this is normal in impact thinking and in social entrepreneurship. Focus on your impact goals, use your common sense, trust that things will work out in the end and allow for continuous adaptation to work towards the impacts you aim to create.

6 *Pay it forward*

After maturing and growing in your own impact development practice, make sure to pay it forward. Both in your projects and beyond. You can do so by demanding change from partners you work with, by reinvesting profits in impact projects elsewhere and by acting as a steward to inspire your industry. Instilling change in your industry forms a major part of impact development.

Concrete tools & measures

At page 124 an overview is given of concrete measures that developers

and municipalities can use today to work towards more impact developments today.

5. A Social-Based Plan for Wielewaal

In collaboration with architecture student Marcella Wong, also a social-impact based plan was developed for Wielewaal, a neighborhood in Rotterdam South.

Step 1 – Understand the problem

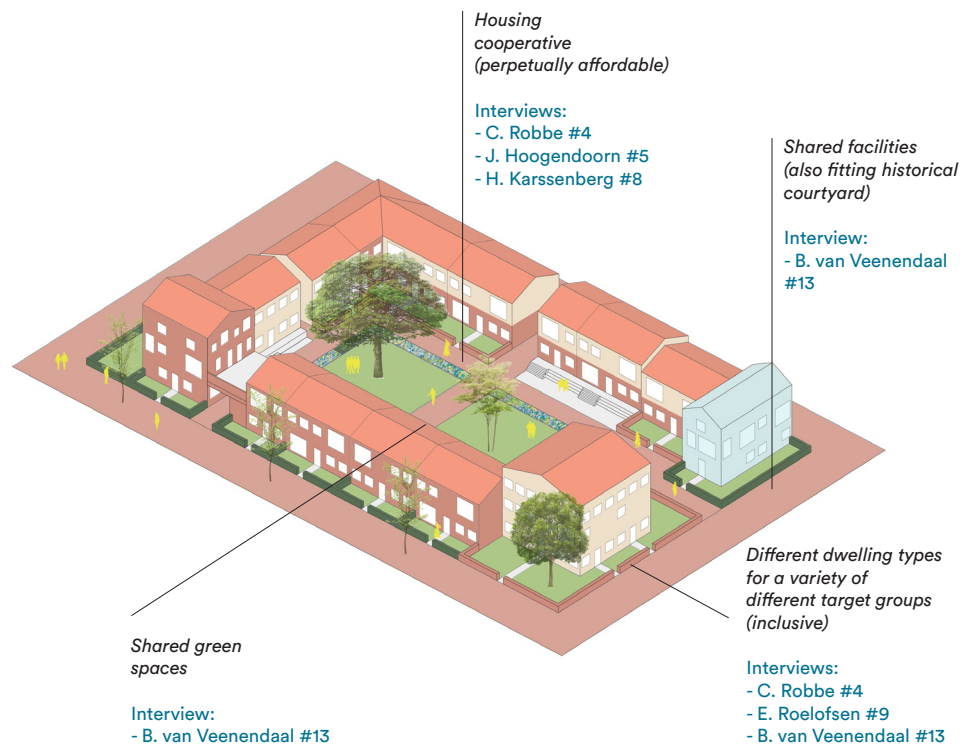
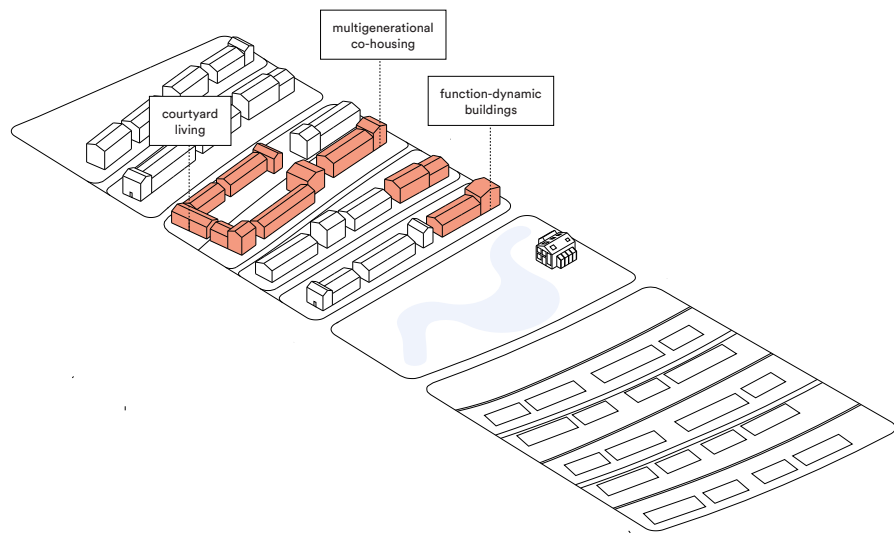
Based on an analysis of the past, present and future of Wielewaal and a stakeholder analysis, the qualities and challenges of Wielewaal were discovered. As Wielewaal is in need for renewal and Rotterdam is booming, this neighborhood is dealing with gentrification. As a result, two opposing plans were formulated: a plan by the municipality, housing corporation and developer, and as a counter response, also a plan by the local residents. The central problem arising from this research is the question how a neighborhood can be developed in such a way that the positive aspects from gentrification can be used (diversity, urban renewal), but without its long-term negative impacts (displacement).

Step 2 – Listen & involve all stakeholders

In contact with the main stakeholders of the two opposing plans, the participation process was researched. Based on an impact first mindset, recommendations were made on how this process could've been more inclusive. For Wielewaal, by giving local residents a seat at the table at an early stage, involving them in major decisions, but also by developing a gentle rehousing strategy and installing an anti-squatter policy.

Step 3 – Impact first!

Based on an impact analysis (social, environmental and economical), both plans for Wielewaal are compared. Based on this research, it seems that both parties tend to have a short-term vision for the neighborhood and tend to put their own interests and needs first. Based on this conclusion, an impact strategy for a more impactful development is proposed, moving from gentrification to *gentlyfication*.



Step 4 – Measure and adjust

For this new impact strategy, also a Theory of Change has been formulated. As *gentlyfication* is proposed as an urban renewal strategy rather than gentrification, its aspects are explained and its (expected) impacts formulated. Based on this, key metrics to measure (and ideally also monetarize) are chosen.

Step 5 – Rethink your ways of working

Creating affordable housing in inner-city locations for the long term is difficult. That's why it's not done in practice much by private parties. However, methods exist to make this possible (f.e. housing cooperatives, tenant-based rents, financial redistribution etc.). Based on these methods, three alternative (financial) scenarios are proposed. Some of these scenarios are dependent upon political decisions (for example, extending the land lease or allowing for more densification), others fit better in the conventional ways of working (mixing and redistributing).

Also for the development process, recommendations were made for adjustments. A more slower, organic process, with more time for involvement of local stakeholders is recommended. Also it's really important to create a gentle rehousing strategy together with residents. Although at the beginning stages, this seems to take up a lot of time, in the end, this might actually save time as well, as mutual trust can be built up in the process.

Finally, also new design ideas were formulated to allow for continuous learning and adaptation in the future, based on impact measurement. For example by constructing in a legal and technical flexible way. This way of building also allows better for co-creation with residents, with more freedom of choice. For perpetual affordability, the legal form of housing cooperatives could be stimulated.

Step 6 – Pay it forward

By demanding impact from partners (for example by hiring local unemployed people in the construction process) even more social change can be made with the Wielewaal development. Furthermore, in the business cases of the development continuously budget is reserved for continuous reinvestments in (but over time also beyond) the neighborhood. In this way, social change can be amplified and spread to other areas that are gentrifying.

6. Conclusion

To conclude, implementing impact thinking in (urban) development practice, requires action from multiple parties.

Like social entrepreneurs, (urban) developers can proactively take steps towards more positive societal impact in urban development. Although this might not be easy at the start, as our economy isn't incentivizing impact, in the long term this is expected to be possible and profitable, like a handful of inspiring impact developments are showing us today. Working according to the six principles of impact development can help developers in their process to become impact developers.

Truly implementing impact thinking also requires action from the government, as no one is currently held financially responsible for creating negative societal impacts and only few parties are proactively willing to invest in positive impacts. Therefore, it's necessary that the government creates the right conditions for impact thinking to thrive. This can be done through developing their understanding, regulation (taxing and incentivizing) and by stimulating impact developers.

7. Discussion

Limitations

The limitations of the research, include the fact that due to Covid-19 no research panel could be organized. This could've really helped to check the findings with practice. Another limitation is the fact that due to the explorative character of the research, most interviews came forward from a snowballing approach. Therefore, most parties spoken seem to be in favor of the concept of impact development. This could've biased the results in the positive direction. Also, unfortunately, due to Covid-19 and time constraints more participation with residents of Wielewaal was impossible. In an ideal impact development more participation is recommended. Finally, because of the political sensitivity of the case, it was hard to get all (necessary) impact data about the case. Therefore, some assumptions had to be made.

Implications

This research has hopefully shown that, although only marginally experimented with in practice to date, impact thinking could add great value for the practice of urban development. Furthermore, this thesis also aimed to (1) give developers – either conventional, or new types, like Stadmakers or local initiatives – the concrete tools and principles to start creating positive societal impact through their projects today and

(2) to stimulate the government to lay-out the necessary foundations for an impact economy to thrive.

8. Recommendations

Based on findings, recommendations are made for both practice and further research.

Recommendations for practice

Recommendations for the state are (1) start taxing and incentivizing impacts, (2) give housing associations part of their influence back, for example by stopping the landlord levy regulation ('verhuurdersheffing'), (3) stimulate smaller, less experienced developers with social missions, (4) let go a bit of your market focus and reconsider your public role and responsibility. For (urban) developers the main recommendation is to use the six principles to check how impactful you are currently operating and to see where you can improve. For investors the recommendation is to start impact investing in real estate. For impact investors this entails widening your scope to also include urban or real estate investments, for real estate investors this entails getting into the impact investing scene. Finally, for civil society and local / neighborhood initiatives the recommendation is to step up, let yourself be heard to both government, private parties and investors. And specifically for impact-making (civil) initiatives to professionalize yourself, as you are doing the right thing, but also need to speak the right language to be taken seriously.

Recommendations for future research

More research can be done into the integration of impact thinking into urban or real estate development: by (1) researching how impact thinking could be stimulated by the government, by (2) further quantifying requirements for the definition of impact developer, so a quantitative analysis can be done, into how many developers currently actually develop for impact and (3) more research can be done into concrete tools of ways for impact development. For design students, also more research can be done into the spatial translations of gentrification or into flexible ways of building, to allow for the development of urban areas that are both affordable as well as adaptable over time.

Introduction & Methods

The difficulty lies not in the new ideas,
but in escaping the old ones.

(John Maynard Keynes, economist)

1 Introduction

1.1 From Sustainable Development to Impact Measurement

Societal demand for sustainable development

The world is experiencing climate change. Environmental problems are substantial (NOAA, 2019) and currently it's a known fact that economic growth contributes to this (International Institute for Sustainable Development, Deloitte & Touche, & Business Council for Sustainable Development, 1992). In addition, social inequality has only grown in recent years (OECD, 2015). According to Raworth, humanity's challenge for the 21st century is therefore "to eradicate poverty and achieve prosperity for all within the means of the planet's natural resources" (Raworth, 2012, p.1) (figure 1.1). As a response, civic society is increasingly holding companies accountable for the societal impacts they create (Crouch, 2012).

To counteract this, the concept of sustainable development received a growing recognition in the business world, for example with the Paris Agreement of 2015 or the UN's Sustainable Development Goals (United Nations, 2015, n.d.; International Institute for Sustainable Development et al., 1992). However, to date companies are still finding out how to implement sustainable development in their ways of working (International Institute for Sustainable Development et al., 1992). A growing number of companies, also within the built environment, have started implementing Corporate Social Responsibility strategies (CSR), but to date this has created little impact (CSR Impact, 2013; Porter & Kramer, 2011, p. 16) (figure 1.2). For very few companies creating sustainable development has actually become engrained in their business models: either by working as a social enterprise or by 'creating shared value' (Porter & Kramer, 2006, 2011). Even fewer organizations are able to communicate the societal impacts they make in an evidence-based way, even though society is increasingly demanding that even parties with an explicit social mission, like social enterprises, NGOs and foundations, illustrate the impact they claim to make through impact measurement (Ormiston, 2019).

Recently, climate change has also become a growing concern among (institutional) investors, who see their carbon investments evaporate, become more aware of their societal reputation and are worried about the future legislative steps of governments (De Nederlandse Bank, 2017; PRI Association & UNEP Finance Initiative, 2011). A growing number of investors have started to set environmental criteria for the companies they are investing in (Climate Action 100+, 2019) and the concept of impact investing has become an upcoming trend in the financial world (ABN Amro, 2018; Global Impact Investing Network, 2019). In doing so, the financial world is slowly starting to demand that companies change the way they work (PRI Association & UNEP Finance Initiative, 2011).

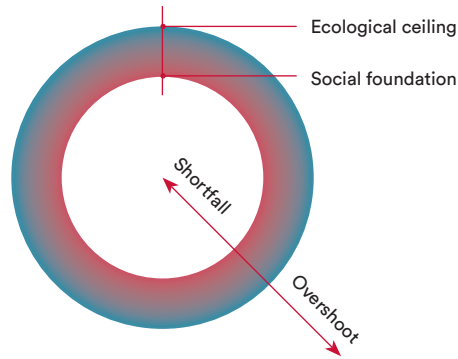


Figure 1.1. Social shortfall & ecological overshoot (own illustration) as adapted from (Raworth, 2012, p. 8)

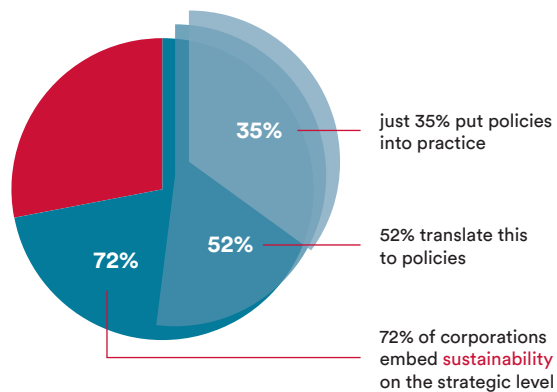


Figure 1.2. Implementation of sustainable development in businesses (own illustration) as adapted from (PwC, 2018b, p. 5)

In order to tackle urgent issues such as climate change and social inequality and do so in a financially feasible way: companies need to reinvent how to do business in a way that actually contributes to society, both environmentally and socially (Porter & Kramer, 2011). And not only should businesses change the way they work, they should also proactively steer towards their own sustainable development goals: through impact measurement and management.



Figure 1.3. Conceptual development: from SD to IMM (own illustration).

The Impact Movement

What sets real social enterprises apart from other enterprises, is that in addition to setting financial goals and measuring progress, they set impact goals and measure their process (Commissie Code Sociale Ondernemingen, 2017; Maas & Grieco, 2017). In doing so, social enterprises are managing towards the societal goals they have set for themselves. Also, investors and banks have started to require impact measurement and management through the practice of impact investing (Maas & Grieco, 2017; PRI Association & UNEP Finance Initiative, 2011). For example, ABN Amro and Triodos have started (Social) Impact Funds (ABN Amro, 2018; Triodos Investment Management, n.d.) and ASN Bank only invests in companies that they've 'approved for the universe' (ASN Bank, n.d.). Impact thinking has the potential to both prove and improve impact being made (Lall, 2017) and, therefore it can help businesses and society work towards sustainable development.

Relevance for companies in the built environment

All of this is especially relevant for companies in the built environment, as the construction industry is worldwide responsible for 62% of global final energy consumption (2009) and 55% of greenhouse gas emissions (2004) (Anderson, Wulfhorst, & Lang, 2015). According to recent research of Rijkswaterstaat, the Dutch built environment was in 2016 responsible for 38% of all national greenhouse emissions and dwellings contributed to over half of it (Rijkswaterstaat, 2019). In urban development practice, fortunately first steps can be seen towards creating environmental impact, although the answers so far seem limited to 'energy reduction' (Buskens & Heurkens, 2016).

In addition to these environmental problems, the built environment also contributes to many social problems. Housing affordability is a major challenge in cities, pushing lower and middle incomes out (Moorman, 2016). Gentrification

strategies of municipalities only strengthen this on the long term, leading to displacement and spatial and social segregation (Zuk, Bierbaum, Chapple, Gorska, & Loukaitou-Sideris, 2017). In comparison to environmental problems, these social problems are even less addressed in the built environment (Buskens & Heurkens, 2016; Dempsey, Bramley, Power, & Brown, 2011; Van Honschoten, 2020). This is in part due to the difficulties of measuring and steering on these 'softer' aspects (Buskens & Heurkens, 2016), but also because both in sustainable development in general (Eizenberg & Jabareen, 2017) as in the built environment in specific (Dempsey et al., 2011) social sustainability is often neglected.

As over the years urban development has become less public- and more private-sector-led in the Netherlands (Heurkens, 2012) (figure 1.4), it's become even more relevant to protect the public and societal goals. In addition, as 75% of the dwellings in the Netherlands are constructed by private parties for the market and institutional investors and the public is slowly starting to demand change (Crouch, 2012; De Nederlandse Bank, 2017; PRI Association & UNEP Finance Initiative, 2011), it's also become relevant for private parties within the built environment to think about the impacts they create. This is also essential in order to create a competitive advantage (short-term) or stay in business (long-term). The first steps towards 'impact thinking' can be seen by institutional investors adapting a CSR-approach, however, the majority of private parties in the Netherlands is not yet aware of its meaning and implementation in practice (Huijbregts, Heurkens, Hobma, 2019; Huijbregts, Heurkens, & Hobma, 2020), let alone impact thinking. For all these reasons, it could really benefit private parties within the built environment to adjust their business models towards creating positive societal impact and of course, in a way that's back-up by evidence: by managing and measuring the impacts they make.

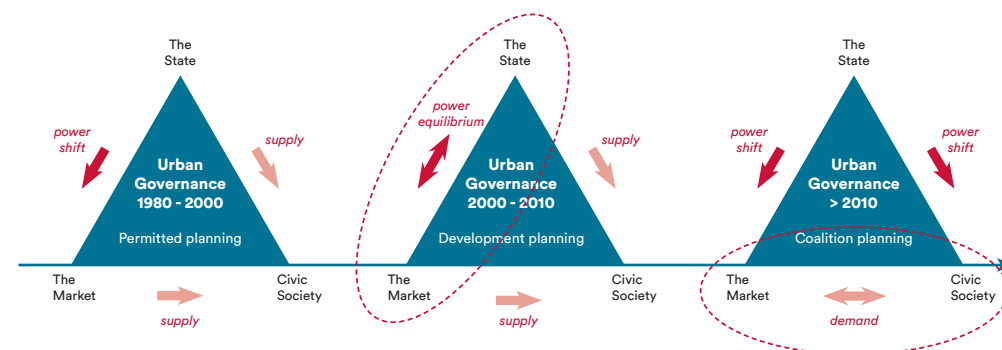


Figure 1.4. Governance shifts within urban governance (own illustration) as adapted from (Heurkens, 2012)

1.2 Problem statement & research aim

This leads to the problem statement: urban development is characterized by many social and environmental challenges, yet from the perspective of private developing parties, which are responsible for a substantial part of (urban) development, there seems to be no clear strategy towards creating positive societal impacts and a general lack of knowledge about the impacts currently being creating. Therefore it's useful for practice to get an understanding of how impact thinking can be used in the practice of urban area development and work towards sustainable and fair urban development. For private parties within urban development, it's interesting to learn how impact thinking works, so they can set steps towards creating shared value and make impact a central aspect of their goals, planning and business model.

The research aim of this thesis is: finding out how impact thinking can be implemented in (urban) development, from the perspective of social entrepreneurial (urban) developer, to work towards creating positive societal impact.

1.3 Societal & scientific relevance

Societal relevance

The societal relevance of this research is huge, as the built environment contributes significantly to social and environmental problems and society is starting to demand change. With private parties getting a bigger influence in urban development, in order to create truly sustainable and fair neighborhoods, private parties have to start thinking in a mutually beneficial way, combining financial profits and societal goals. Until now, in the Netherlands, but also beyond, not many project developers implement an impact thinking approach as very little is known about this in practice. Learning how to develop for impact could benefit both society as private parties, who need to adjust their ways of working in order to stay in business in the future.

Scientific relevance

This research is about how impact thinking can be implemented in urban and real estate development. Remarkably enough, very little scientific literature can be found on either impact thinking in general – as most literature seems to still be occupied with impact measurement methods, rather than the whole mindset towards the impact economy – and in (urban) development. Even articles relating social entrepreneurship to the built environment seem to no yet exist. This missing link between impact thinking and (urban) development, is also something that can be seen in practice, as according to interviews, impact investors are active in most industries today, but to date tend to stay away from the real estate industry due to its traditional nature and overall 'profit-oriented' reputation. At the same time,

real estate investors in general don't seem to be proactively occupied with impact.

Therefore, writing about impact thinking in general and specifically linking impact thinking to the urban and real estate development practice, can add value to both research fields.

1.4 Reading guide

This report is structured as follows (figure 1.5). After the Introductory Chapter (1), in Chapter 2 the Methodology of the research is explained. After this, findings from three types of research are described: Theory, Empiry and Design. The Theory Chapter (3) answers – based on literature – the question: what is impact thinking and how is it implemented in urban development? The Empiry Chapter (4) answers – based on interviews: how to implement impact thinking in urban development practice? The Design Chapter (5) aims to apply this knowledge in a hypothetical case study, by comparing a more traditional development with an impact development and proposing more social impactful ways of thinking in urban development. After these three research-based chapters, the conclusion, discussion and recommendations are presented.

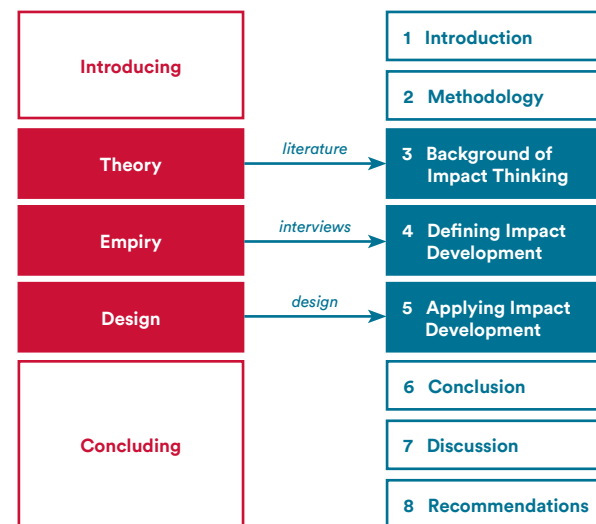
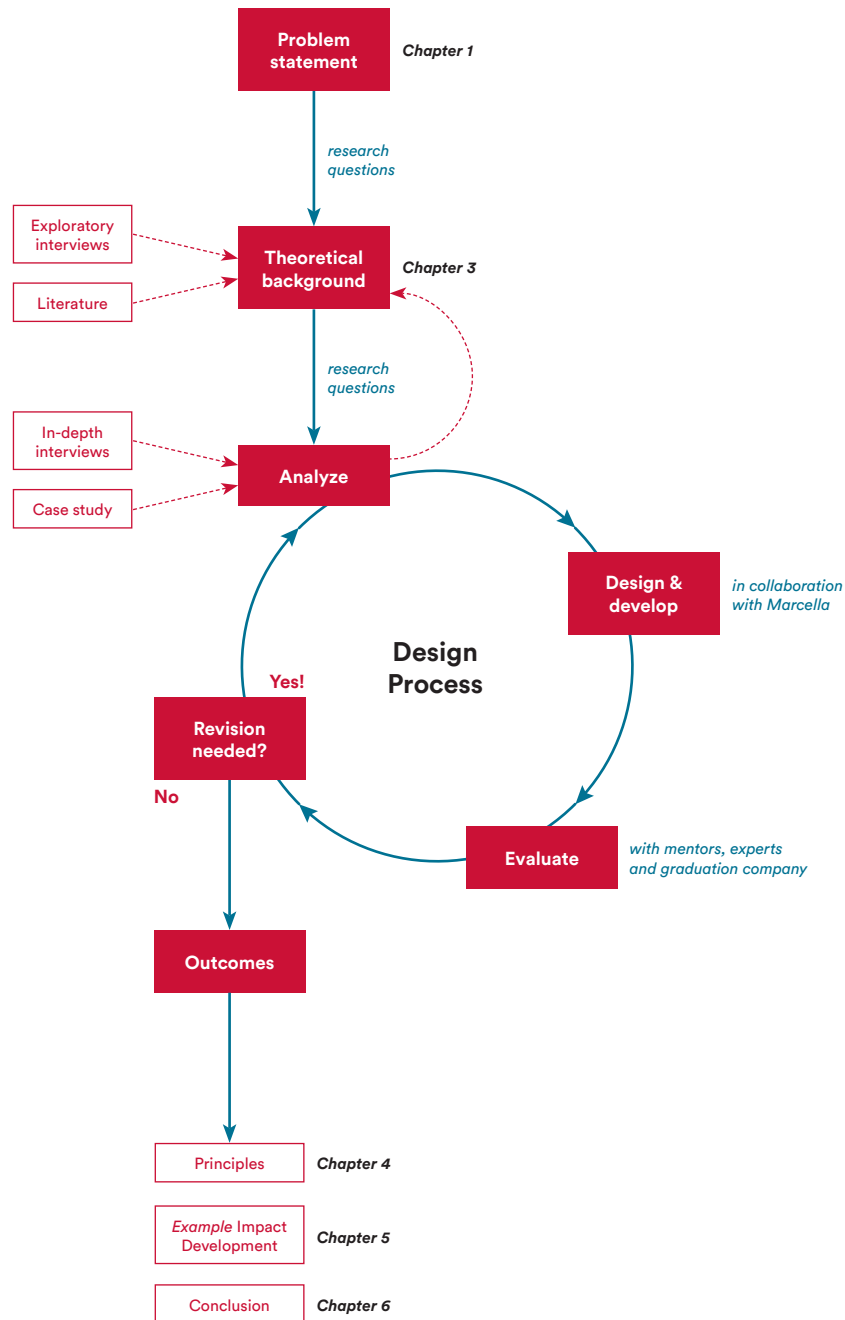


Figure 1.5. Reading guide (own illustration).



2 Methodology

For this research, a combination of research methods is applied. The first part of the research is conducted through a literature review, resulting in chapter 3 (Theoretical Background). For the second part of the research, two main research methods were used: qualitative data analysis (semi-structured interviews) and a research through design methodology (RtD) (figure 2.1). This chapter presents the research design, describes the different research methods used and concludes with the research questions.



Figure 2.1. Research design simplified, presented in a linear way (own illustration).

2.1 Research Design

According to Yin, a research design is “an action plan for getting from here to there” (1984, p. 19), where ‘here’ describes the research question(s) and ‘there’ describes the knowledge or results derived from the research. In between here and there are a number of steps or procedures that can be either prescribed upfront or emerge as the research develops (Groat & Wang, 2013, p. 11). The research design used here combines both prescribed and emerging procedures. Where figure 2.1 shows the research design in simplified form, figure 2.2 presents a more accurate presentation of the design process, as the different types of research were used interchangeably in an iterative process.

2.2 Literature review

According to Bryman, conducting a review of existing literature is an important element in all research, as literature review helps in finding out: ‘what is already known about the topic; what concepts, theories & research methods have been applied to the topic; what clashes of evidence (if any) exist and who the key contributors to research on the topic are’ (Bryman, 2016, p. 6). For a graduate student due to time constraints it’s impossible to conduct an exhaustive review of literature. However, it’s important to read the key books and articles on the topic to

become aware of what's already known. In addition, it's important to form a critical understanding of literature and to assess how each item fits in the narrative around the research topic (Bryman, 2016, p. 6).

For the first part of this research, an extensive literature review has been conducted into topics related to impact thinking (impact measurement & management, social entrepreneurship, CSR and the impact economy) and urban development (state of impact thinking in urban development, gentrification). After the first formal part was concluded, additional literature review was conducted to bring the theoretical background up to the latest state of knowledge. The conducted literature was furthermore supplemented with findings from explorative interviews and knowledge from practice, as limited research was available on the topic, especially related to the integration of impact thinking in urban development or the construction industry.

2.3 Research Through Design

As this research forms part of an engineering degree, for the second part empirical research is conducted. This empirical research takes the form of research through design (RtD). This methodology was chosen because (1) the research was very explorative in nature as the topic of impact thinking is quite new in urban development and the implementation needed to be developed from the ground up, (2) the outcome of this research is aimed to be implemented in practice and (3) the research is conducted in collaboration with a design student. Also, the research questions deal with issues resulting from the social disparity and environmental issues we see happening on a global scale, which can be regarded as a 'wicked problem' (Mulligan, 2018: cited in Conway & Byrne, 2018, p. 18) and for solving wicked problems the design approach works best (Cross, 2011).

Definition & development RtD

Research through design (RtD) is 'an approach to scientific inquiry that takes advantage of the unique insights gained through design practice to provide a better understanding of complex and future-oriented issues in the design field' (Godin & Zahedi, 2014, p. 1). Research through design not a new approach, the term itself was coined almost three decades ago by Frayling (1993). Over the past years, the term has mainly been used and discussed in the human-computer interaction field (HCI) (Gaver, 2012; Luria, Zimmerman, & Forlizzi, 2019; Zimmerman, Forlizzi, & Evenson, 2007). Today, although widely discussed and in some instances controversial, RtD is an increasingly recognized research approach, especially used in disciplines where both designers and researchers are active (Godin & Zahedi, 2014, p. 1). In comparison to more traditional scientific methods, research through design is likely to 'produce theories that are provisional, contingent, and aspirational' (Gaver, 2012, p. 1). Design, and research through design, is generative

and suggestive, rather than verifiable through falsification like more traditional scientific approaches (Gaver, 2012, p. 7). 'Rather than making statements about what is, design is concerned with creating what might be, and moreover, in Zimmerman et al.'s formulation (Zimmerman et al., 2007), on making the 'right thing' (Gaver, 2012, p. 4). Therefore, research through design should not be judged on its ability to create verifiable theories, but rather be 'appreciated for its proliferation of new realities' (Gaver, 2012, p. 5).

Research process: iterative & collaborative

As this research is conducted in close collaboration with a design process, overlap in process is necessary. The collaborative process is visualized below.

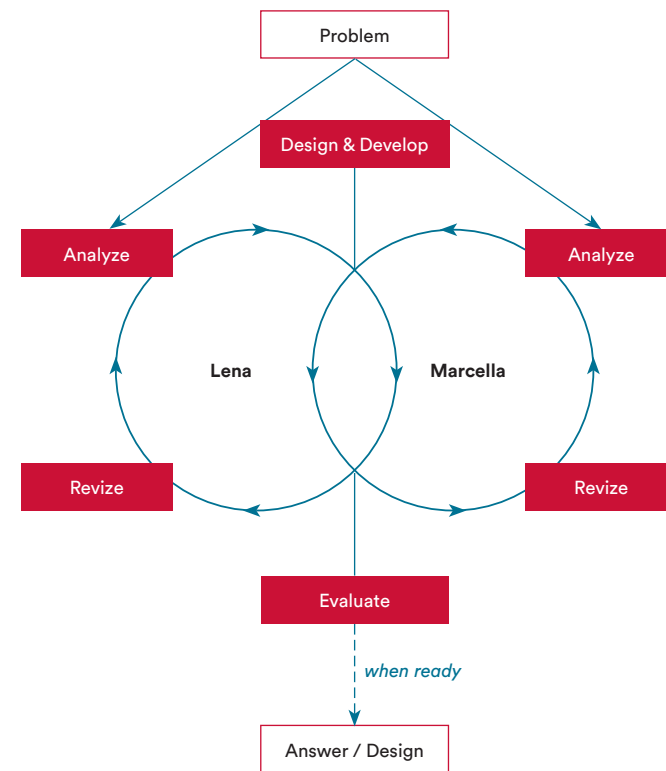


Figure 2.3. The collaborative Research through Design process (own illustration)

General process description

Based on knowledge acquired from the literature review, a design process is started. In iterative cycles, allowing for close collaboration, both principles for impact development as well as an example impact development are designed and developed, based on lessons learned in literature, qualitative research (interviews) and case study analysis. The design process is a cyclical process, iterating between analysis, design (development of a prototype), evaluation and revision.

Design approach: Design for Social Innovation & Transition Design

According to Irwin, different design approaches exist, some matured, others still in development or emerging (Irwin, 2015). In this research, mostly the Design for Social Innovation approach will be used, but more towards the end, during evaluation also some first steps towards Transition Design will be taken.

Design for Social Innovation is developing discipline that aims to meet a social need that is often neglected in existing solutions by challenging existing socio-economic and political paradigms. Transition Design refers to design-led societal transition towards more sustainable futures and better-fitting and new lifestyles. It does so by designing within radically new socio-economic and political paradigms (figure 2.4).

A Continuum of Design Approaches



Figure 2.4. A continuum of design approaches (Irwin, 2015, p. 231)

2.4 Qualitative Research

In addition to the Research Through Design approach, qualitative data analysis was conducted in the form of semi-structured interviews. Originally, also a focus-group was planned to synthesize the results coming forth from the interviews, unfortunately, due to the Covid-19 crisis, this became impossible.

Participant selection

In total 19 interviews were done with stakeholders of the Wielewaal case and three types of impact- and urban development-related experts:

1. urban development experts;
2. impact investors / experts;
3. developers that place a strong emphasis on creating positive societal impact in their developments.

Of the 19 interviews, 3 interviews were case-specific (Wielewaal) and 16 interviews were related to 'impact development'-related questions. Some of the impact-related interviewees had very broad scopes in their practices and fell in multiple categories, like for example Hans Karsenberg, who started out as an urban development advisor, but recently founded his own fund for impact investing in urban development, making him also an impact investor and is also working as a project developer and currently also busy in founding his own 'impact development' practice.

Furthermore, all participants/interviewees were selected based on their innovativeness, as all of them can in a way be considered innovators or early adopters (based on the Diffusion of Innovation Theory of Rogers, originating from 1962, figure 2.5) – frontrunners in their specific disciplines – and 'change hungry' (as Michel Scholte has previously formulated it once rather poetically). A selection was first made based on a websearch into the key players occupied with 'impact thinking' or innovative urban development. But some participants later also came forward through 'snowballing' from the initial interviews. In general, an aim was placed on selecting an equal number of men and women within the participants, however, as the balance in general is not 50-50% in urban development practice, this turned out to be rather difficult. Finally 11 men and 5 women were selected. On the previous page, an overview of all interviewees is presented.

Data collection

As the research conducted was very explorative - at the start of this research almost no linkages were found in literature between urban or real estate development and impact thinking - the initial interviews conducted were more unstructured, than interviews conducted later on in the process. The interviews with impact experts,

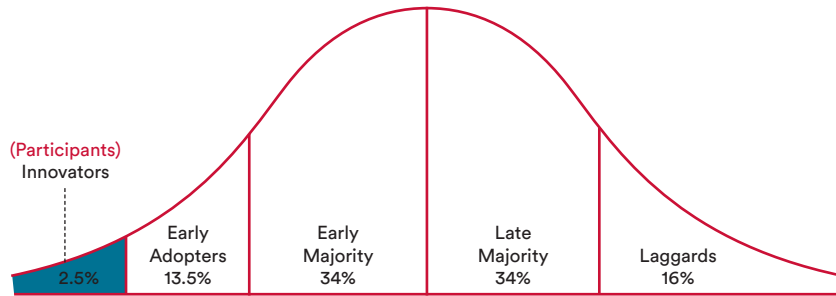


Figure 2.5. Own illustration as based on 'Adopter Categorization on the Basis of Innovativeness' (Rogers, 2010, p. 8)

such as the interviews with the impact advisor (M. Scholte) and impact investors, allowed for much more structure in the questionnaires, as the interviews with urban development experts, as these experts were much more informed on the topic of impact thinking and were more able to give clear and concise answers. In both cases however, a questionnaire was prepared before-hand and in some cases, also short phone calls were conducted with interviewees prior to the interview, to check their knowledge level on the topic. Each main type of expert, had more or less their own standard questionnaire. Examples of these, are added to the appendices (appendix A & B).

The interviews itself were partly conducted in real life situations, in the offices of flex-working places of the interviewees. However, later on in the process the interviews were conducted through Zoom or other digital means (ranging from Teams, to Whatsapp video-chat, to Skype), as the Covid-19 crisis, didn't allow for face-to-face contact with people. All interviews were conducted in people's native language, as most interviewees were from the Netherlands, most interviews were conducted in Dutch, to make sharing their information as easy as possible. Most interviews took between 60 and 90 minutes - except for some interviews who took almost 2 hours. All interviews were with permission of the participants audio-recorded.

Data analysis

After conducting the interviews, interviews were fully transcribed and coded. This was done by placing all the interviews with their main findings in an excel sheet (data matrix, attached as external file), which listed the main research topics on the x-axis, and the interviews on the y-axis. This provided a clear overview of all the findings, and allowed for easy comparison between different answers. For all major findings, subsequently, interesting quotes or parts of interviews were founded, which were placed under each other in a word document. Based on all of this data, finally, the findings were written out.

#	Date	Interviewee	Profession	Category
1	Feb-27	Frans Soeterbroek	Director, de Ruimtemaker	UD
2	Feb-28	Thomas van Leeuwen	Director & Partner, D/Dock	ID
3	Feb-29	Michel Scholte	Founder & Director, Impact Institute	IE
4	Mar-5	Chantal Robbe	Senior Advisor Urban Development, Stadkwadraat	UD
5	Mar-19	Jurgen Hoogendoorn	Policy Maker / Advisor, Gemeente Amsterdam	UD
6	Mar-20	Piet Klop	Impact Investor, PGGM	II
7	Mar-24	Niel Slob	Founder & CEO, RE:BORN	ID
8	Mar-25 Apr-1 Apr-6	Hans Karssenber	Founder & CEO, STIPO	II ID UD
9	Mar-26	Evert-Jan Roelofsen	Process Manager, Kerckebosch Zeist	ID
10	Apr-1	Karin van Dijk	Impact Investor, ASN Bank	II
11	Apr-3	Sarriel Taus	Founder & CEO, Social Impact Real Estate	ID
12	May-1	Andrea Palmer	Impact Investor, Triodos Bank	II
13	May-1	Bart van Veenendaal	Senior Project Developer, STEBRU	ID
14	May-7	Mark Sutherland	Urban Developer, Gemeente Rotterdam	UD
15	May-12 May-28	Mariya Tsvetkova	Impact Investor, Fore Partnership, UK	II ID
16	May-12	Nena Rood	Development Manager, EDGE Technologies	ID

#	Date	Interviewee	Profession	Category
X1	Feb-11 Mar-12	Paul Becht	Senior Developer, BPD	SH
X2	Jan-29	Wil de Ben	Inhabitant, Wielewaal	SH
X3	Mar-13	Wilke Ruijter	Urban Developer, Gemeente Rotterdam	SH

- UD Urban Development Expert
- ID (proposed) Impact Developer
- IE Impact Expert
- II Impact Investor
- SH Stakeholder Wielewaal

Table 2.1. Participants of the interviews (own table)

2.5 Research questions

Based on the problem statement and the theoretical background (chapter 3), the main research question this thesis aims to answer is:

How can impact thinking be implemented in the practice of (urban) development, from the perspective of the socially entrepreneurial developer?

This research question is subsequently answered in three parts:

- 1 **Theory**
– *The ins and outs of 'impact thinking' in general business practice*
- 2 **Empiry**
– *Impact thinking applied to the (urban) development context = impact development*
- 3 **Design**
– *Impact development applied to a case = an example impact development*

Each part has its own sub-questions, that slowly built up to an answer on the main research question:

Theory – *Impact thinking: what, who, why and how?*

- What is impact thinking and how did it originate?
- What are definitions of and relations between impact-related concepts?
- Who exactly measure or require the measurement of impact?
- Why do they do this?
- How to measure and manage for impact?
- To what extent is impact thinking implemented in urban development?

Empiry – *How to develop for impact?*

- What is impact development? How to define it?
- What are the barriers and drivers of impact development?
- How to develop for impact? What are principles of impact development?
- What tools or measures can already be implemented to start making impact today – by developers and municipalities?
- What are examples of impact developments?

Design – *How to implement the impact development principles in a project?*

- An explanation of the Wielewaal case: the impacts of current plans.
- An alternative answer: how to develop for impact in Wielewaal?
- How can we move from gentrification to gentyfication in urban development?

The research aim of this thesis is to gain insight into the possibilities and prerequisites of implementing impact thinking in the practice of (urban) development to:

- 1 *Prove* impacts made in (urban) development for all stakeholders
- 2 *Improve* impacts made in (urban) development, by allowing for continuous learning and taking action towards sustainable and inclusive cities in an evidence-based way

The final research outcomes of this thesis are:

- 1 A definition of impact development
- 2 Principles for impact development
- 3 A hypothetical impact development example
- 4 An overview of the (potential) impacts of gentrification & *gentyfication*

The research conducted in this thesis, can be summarized into the following conceptual model:

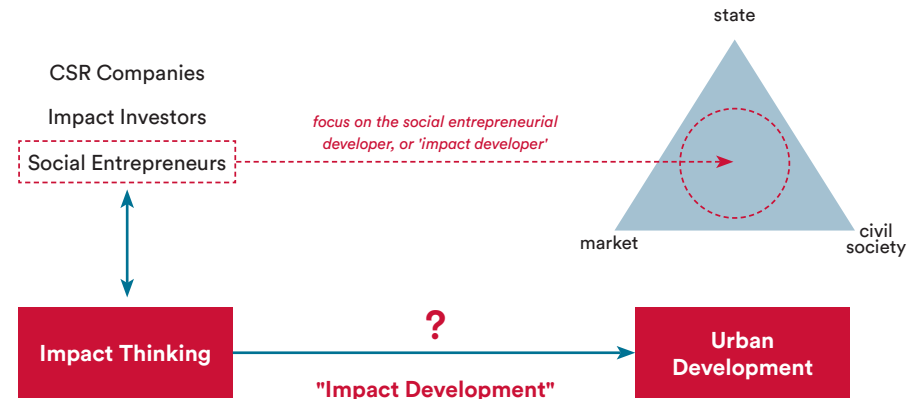


Figure 2.6. Conceptual diagram (own illustration).

Theory

Anyone who believes that exponential growth can go on forever in a finite world is either a madman or an economist.

(Kenneth Boulding, economist)

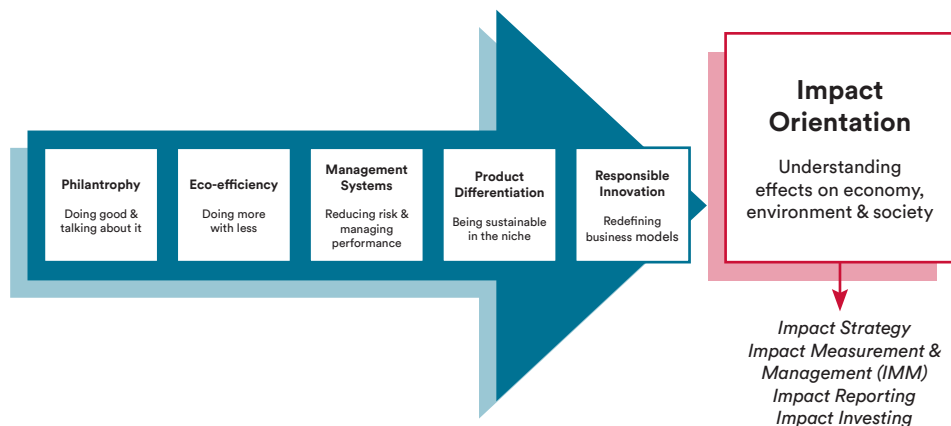


Figure 3.1. Trends in corporate sustainability (own illustration) as adapted from (Martinuzzi & Schönherr, 2019, p. 3)

3 Background

A literature review has been conducted into impact thinking and its implementation into urban development. Due to the emerging nature of the research field, only limited information on the topic could be found in scientific literature. Therefore, also research from practice and findings from interviews have been used.

In §3.1 the context of impact thinking and economy is described and a definition of impact is given. §3.2 describes the who and why of impact measurement, introducing some of the key players within the impact field. In §3.3 the practice of impact measurement and management is described: how to measure and manage for impact? In §3.4 the link is made towards urban development. §3.5 zooms in on social impact and gentrification, one of the major challenges within urban development in the Netherlands.

3.1 Impact Thinking & Economy

Towards the impact economy

Impact is rapidly becoming a buzzword, both in science as in practice. When and where the concept originated however, is hard to pinpoint. Based on research, several trends have sparked its emergence. For example, within the domains of impact investing and social entrepreneurship, 'impact' has become the central theme (Ebrahim & Rangan, 2014; Social Enterprise NL, n.d.). Also, in the evolution of CSR (corporate social responsibility) the concept of 'impact' has received a growing attention, for example in the development of different impact measurement models by renowned accounting firms (f.e. PwC, Deloitte) or in the impact statements that some pioneering organizations are publishing yearly (f.e., ABN Amro, Tony Chocolonely). This trend is also pointed out by Martinuzzi and Schönherr (2019), who name the 'impact orientation' as the most recent trend in corporate sustainability (figure 3.1).

Another, more disruptive word to describe this emerging 'impact orientation' in sustainable corporations is the 'impact economy' - a concept coined in 2016 by Martin (Martin, 2016), and also referred to in interviews with impact experts. The impact economy is an economy focused on the maximization of positive societal impact - social, environmental and economic - rather than focusing solely on wealth maximization, as is the case in our current economic system (M. Scholte, CEO Impact Institute, personal communication, February 29, 2020). This could lead to a world that is more in balance with its natural limits and to a kinder and fairer society. Martin also refers to the impact economy as a form of 'sustainable capitalism' (Martin, 2016).

In an impact economy, organizations are ideally taxed and incentivized based on the impact they create. Impact thinking has become engrained in organizations, both public and private. Furthermore, in this new economy, in addition to financial accountants, also impact accountants exist - a new role we already see emerging at major consulting or accounting firms such as Deloitte, PwC and Bain & Company, who are all developing their own 'impact measurement and management' methods and models (Deloitte, n.d.; Dey Burton, Grad, & Grudnowski, 2019; Price Waterhouse Coopers Global, 2017).

Relationships between different concepts within impact thinking

Impact thinking and impact economy are concepts that are closely related to other concepts like 'impact measurement and management' (IMM), 'impact reporting' and 'impact strategy'. In literature, but mainly in practice, so much has been written about it from different fields and perspectives - as impact thinking is a transcending discipline (Ormiston, 2019) - that it's easy to lose track of how all these different concepts are related to one another. To make it even more confusing, in practice these concepts tend to be used interchangeably.

To provide clarity within the complexity, one could say that the impact economy is the end goal. Impact thinking is the way to get there. Impact measurement and management are tools to make this new economy possible. Impact strategy is related to impact management and aims to include impact thinking into the top management (and mission and vision) of an organization. And finally, through impact reports, organizations can communicate their impacts. In §3.3 some of these aspects will be defined in greater extent. For now, we will start at the beginning: the definition of impact and the relationship between impact thinking and the SDGs.

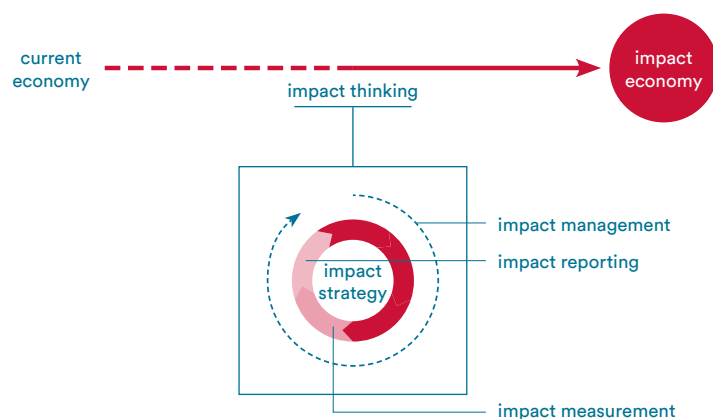


Figure 3.2. Relationships between impact concepts (own illustration).



Figure 3.3. The 17 Sustainable Development Goals (SDG's), roughly split out in social (red) and environmental (blue) goals (own illustration), adapted from (United Nations, n.d.).

Impact thinking and the SDGs

Impact thinking is often linked to sustainable development and specifically the sustainable development goals (SDG's) (Martinuzzi & Schönherr, 2019; United Nations, n.d.) (fig. 3.3), as measuring and steering impact gives organizations the tools necessary to work towards these global goals. The UN has also quantified its sustainable development goals online (United Nations, n.d.) and GIIN, the global network of impact investors, has formulated impact measurement metrics for investors linked to the SDG's (Global Impact Investing Network & IRIS+, 2019). Also, in interviews, investors commonly indicated to use impact measurement as a way to steer towards the SDGs (f.e., in interviews with A. Palmer from Triodos, K. van Dijk of ASN Bank and P. Klop from PGGM).

The definition of impact

But what exactly does the term 'impact' refer to in a business context? Although the specific definitions vary, impact generally describes the 'ultimate net value contributed to, or change made in, society on the economic, environmental and social dimension, as a result of the actions' (Anheier & Leat, 2006; Ebrahim & Rangan, 2010; Fiennes, 2012: cited in Maas & Grieco, 2017, pp. 113-114). Impact is hereby seen as the final step in a causal chain, that connects the actions of businesses to its eventual impact on society (Ebrahim and Rangan, 2010; Ebrahim & Rangan, 2014).

This causal chain, which is also known as the ‘impact value chain’, exists out of five steps (Clark, Rosenzweig, Long, & Olsen, 2004, p. 29; Ebrahim & Rangan, 2014, p. 121; Liket, Rey-Garcia, & Maas, 2014; Maas & Grieco, 2017; Retolaza, San-Jose, & Ruíz-Roqueñi, 2016, p. 29):

- 1 **input** (i.e. the resources devoted to the innovation)
- 2 **activities** (i.e. how the organization produces its products)
- 3 **output** (i.e. what is produced)
- 4 **outcome** (i.e. short-term effects produced by the innovation on its intended beneficiaries)
- 5 **impact** (i.e., the significant or lasting changes in people’s lives, directly attributable to the innovation) (Molecke & Pache, 2019, p. 84)

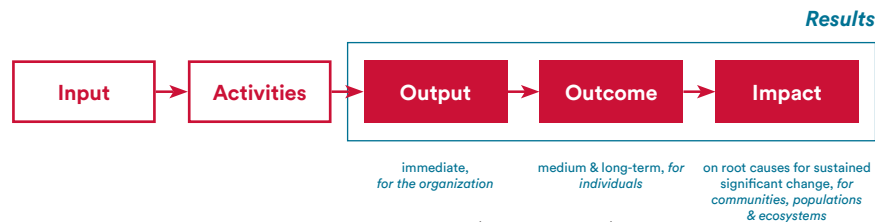


Figure 3.4. The impact value chain (own illustration) as adapted from (Clark et al., 2004, p. 121; Ebrahim & Rangan, 2014, p. 121; SVI & EVPA, 2019, p. 14).

Next to scientific theory, impact is also defined in practice. The Impact Management Project (IMP) - a forum for building global consensus on how to measure, manage and report environmental and social impact - defines impact as ‘a change in positive or negative outcome for people or the planet’ (Impact Management Project, 2019).

Impacts can also be seen as the positive or negative external effects an organization emits through its daily operations (Impact Institute, 2019, p. 20) (figure 3.5). Currently, most of the costs for the negative impacts are not included in the price of a product (M. Scholte, personal communication, February 29, 2020). Other concepts related to the practice of impact thinking are ‘blended value’, ‘shared value creation’ (Porter & Kramer, 2011) or ‘multiple value creation’ (in Dutch: *meervoudige waardecreatie*) (Heurkens, 2020).

Social, environmental & economical impact

Impacts can be positive or negative, intended or unintended (Impact Centre Erasmus, n.d.). Like sustainable development, impact can be split out into economic, environmental and social impacts (Maas & Grieco, 2017) (Figure 3.6). As traditionally within businesses most decisions are made based on economic impact, this perspective is developed best (Durand, Rodgers, & Lee, 2019; Maas & Grieco, 2017).

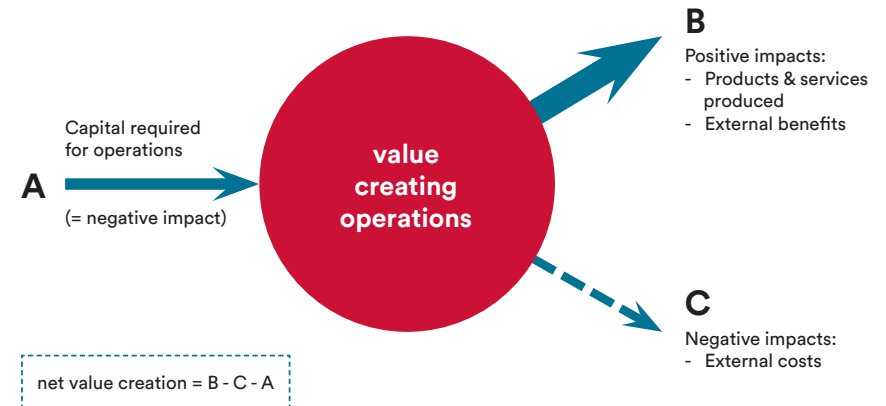


Figure 3.5. Relationship between impact and value creation (own illustration) as adapted from (Impact Institute, 2019, p. 20)

In recent years, more attention has been given to creating environmental impact, with the development of ecological accounting and various sustainability standards and regulations. To date, social impact is still most underdeveloped in both science as practice, as it's the hardest impact type to measure. This is also confirmed in interviews with impact investors (K. van Dijk, ASN Bank, personal communication, April 1, 2020; P. Klop, PGGM, personal communication, March 20, 2020).

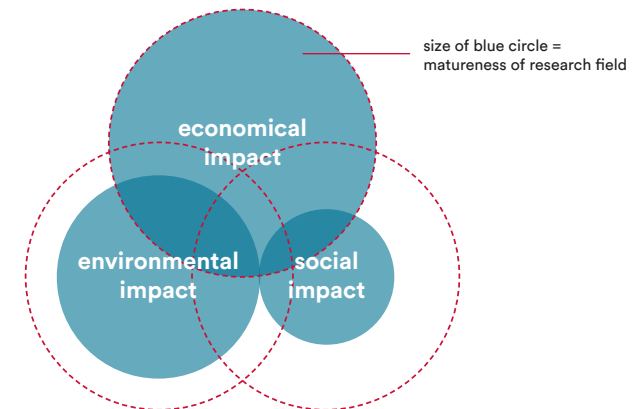


Figure 3.6. Sustainable development split out in impact types (own illustration) as adapted from (Krishna, Manickam, Shah, & Davergave, 2017, p. 6).

3.2 Social Entrepreneurship, CSR & Impact Investing

Let's zoom in on the key players in the field of impact thinking. Who exactly measure or require the measurement of impact? And why do they do this?

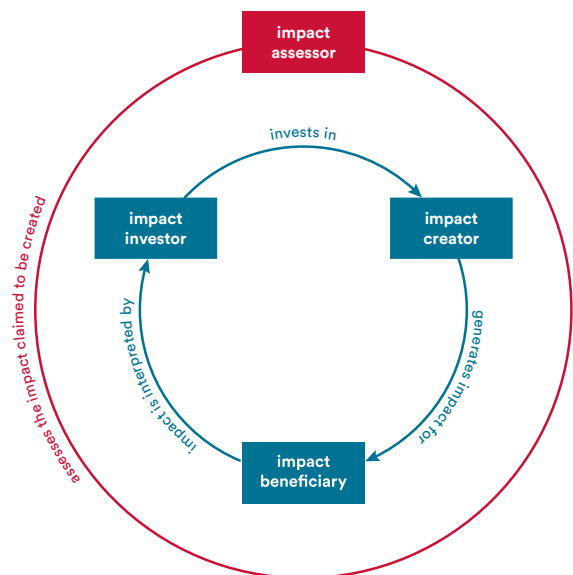


Figure 3.7. Roles in Impact Measurement & Management (own illustration) as extended upon (Reeder & Colantonio, 2013, p. 12)

Who measure impact? - Key players in impact thinking

Impact measurement is and can be implemented by a wide variety of organizations and individuals for widely varying purposes. To illustrate, EVPA – the European Venture Philanthropy Association – lists the following actors as the key players of impact investing and measurement: banks, corporates, family offices, foundations, NGOs, social entrepreneurs, social impact investors and high net worth individuals (European Venture Philanthropy Association, 2019). A recent report on Impact Management and Measurement of the Society & Organizations Center of HEC Paris names the following actors as the major evaluators of impact: (A) development banks and agencies, (B) non-profit organizations and foundations, (C) social investment organizations, (D) accounting & consulting firms, (E) corporate initiatives, (F) reporting coalitions and academic institutions (Durand et al., 2019).

To create an overview in all of these different actors invested in impact measurement, Reeder and Colantonio distinguish between three categories (2013, p. 12):

- 1 Impact investors
- 2 Impact creators (including NGOs, social enterprises and companies working with a CSR-strategy)
- 3 Impact beneficiaries (people and planet)

When combining the overviews of actors of EVPA, HEC Paris and Reeder and Colantonio, a fourth category can be added to the framework of Reeder and Colantonio (figure 3.7):

- 4 Impact assessors (accounting firms or governmental agencies)

The relationship between these different roles is as follows. The impact investor invests into the impact creator who aims to create an impact for the impact beneficiary (people or planet). The impact made for the impact beneficiaries are then again interpreted by the impact investor, with or without the help (and in the future potentially under the strict supervision of) impact assessors.

Three of the parties involved in impact measurement will be described in greater detail, as they are relevant for the empirical part of the research (figure 3.7):

- Social entrepreneurs;
- Companies working CSR-focused;
- Impact investors.

Social Entrepreneurship

Although social enterprises have existed throughout the ages, they've recently seen an incredible growth in the Netherlands, as the number of social enterprises has grown between 2011 and 2016 with 70% (McKinsey & Company, 2016). In literature, there is a wide variety of definitions for what a social enterprise exactly is, as some social enterprises share more characteristics with NGOs and others more with regular businesses. Generally, social enterprises are understood as organizations that have a societal mission, but which use a business model as a way to achieve financial sustainability or to be able to scale their societal impact (Ebrahim, Battilana, and Mair 2014; Mair and Martí 2006; Seelos and Mair 2007; Seelos et al. 2011; Short, Moss, and Lumpkin 2009; Zahra et al. 2009; cited in Maas & Grieco, 2017, p. 112).

This definition also fits with the definition of social enterprises of PwC, in which social enterprises are organizations that combine a financial with an impact goal and are therefore positioned between philanthropic institutions on the left - with solely an impact goal – and regular businesses on the right - with mainly a financial goal (figure 3.8) (Price Waterhouse Coopers, 2018a).

According to the definition of Social Enterprise NL, the Dutch branch organizations for social enterprises, the impact goal should always come first in social enterprises (Social Enterprise NL, n.d.). Social Enterprise NL follows hereby the European definition for social enterprises, which includes the following criteria:

- Operates primarily from a social mission (impact first);
- Realizes impact as an independent company that provides a service or product;
- Has a revenue model;
- Sees profit as a means, not as an end;
- Is transparent and fair to everyone;
- Is social in the way the company is conducted;
- Bases governance and policy on a balanced say of all concerned (Social Enterprise NL, n.d.).

According to Maas & Grieco, social enterprises always share three important features: they have a (1) social mission, they showcase (2) innovativeness and (3) they have a clear market orientation (2017, p. 111). Social enterprises are presumed to have more impact than 'ordinary' enterprises, yet these claims are hardly every based on actual impact analysis, as only 30% of social enterprises measure their impact. Therefore, it's important that social enterprises that aren't already doing so, start measuring their impact (Maas & Grieco, 2017). This is also something that Social Enterprise NL requires for social enterprises in their "Code Social Enterprises" (Commissie Code Sociale Ondernemingen, 2017).

Corporate Social Responsibility

As society is holding businesses more and more accountable for the impacts they create (Crouch, 2012), traditional businesses have started to reinvent themselves. They have done so under the umbrella term of Corporate Social Responsibility (CSR). CSR is closely tight to concepts like sustainable development, as CSR focusses on improving the environmental and social impacts generated by businesses. CSR often also includes governance aspects of the organization (Conway, 2018, p. 26). CSR has a plethora of definitions. The most common definitions of CSR often include McWilliams and Siegel (2001, p. 117) definition of CSR: 'actions that appear to further some social good, beyond the interests of the firm and that which is required by law' (Conway, 2018, p. 27). According to Rasche et al., defining CSR is a challenging task, as what counts as responsible corporate behavior tends to change over time (Rasche, Morsing, & Moon, 2017, p. 12).

CSR came up in the 1960s as a response to discussions in business ethics (De Bakker et al., 2005, p. 7). The latest developments of CSR are the Creating Shared Value (CSV) theory of Porter and Kramer (2011). Moon and Parc (2019). Figure 3.9 shows an overview of the development of concepts surrounding CSR. There are two main reasons for businesses to implement a CSR strategy: the business case and the moral case. CSR is thought to positively influence the context in which the company is operating, potentially leading to a positive influence on revenue growth, productivity improvement and risk minimization (Rasche et al., 2017, p. 16). Next to improving the business case, some firms implement CSR for moral reasons alone. As CSR doesn't always financially pay off in the short-term and is often most needed when no financial gains can be realized, some firms engage in CSR because it's simply 'the right thing to do'. The moral case is most prevalent in business settings where a family or manager owns the firm, which is often the case in Small & Medium-sized Enterprises (SME's) (Rasche et al., 2017, p. 17). Although this might sound like an exception, SME's represent 99% of all businesses in Europe (European Commission, n.d.).

Despite all these wonderful developments in science, the current state of CSR is still very far removed from the vision as presented by Porter & Kramer. And although more and more companies are formulating CSR strategies, "the aggregate CSR activities of European companies have not made a contribution to the achievement of the sustainability policy goals of the European Union large enough to create change" (CSR Impact, 2013, p. 4). Therefore, it's essential that CSR companies measure their impacts.

'In recent years, many private companies have increased their interest and effort in reducing their negative externalities and developing new solutions to modern challenges. Consequently, there has been a growing recognition for the need to assess the outcomes of social impact initiatives. To render this engagement meaningful, accurate assessment of the various initiatives is essential'.

— (Durand et al., 2019, p. 3).

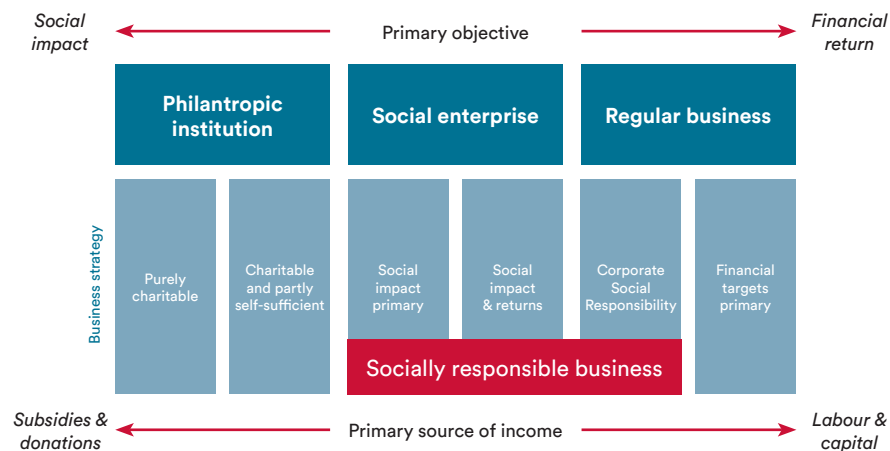


Figure 3.8. The social continuum (own illustration) as based on (PwC, 2018, p. 10)

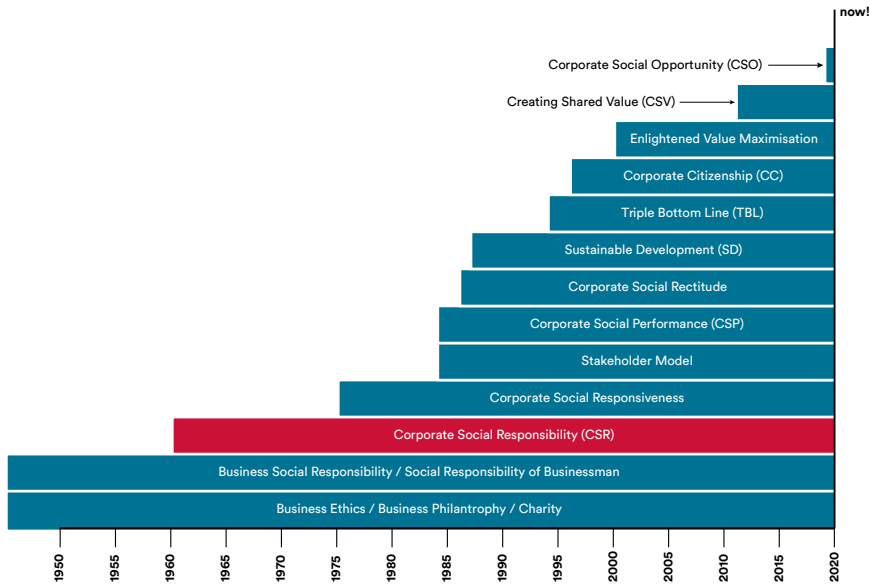


Figure 3.9. Development in CSR-related concepts (own illustration) as extended upon (De Bakker, Groenewegen, & Den Hond, 2005, p. 7).

Social Entrepreneurship versus Corporate Social Responsibility

When comparing social enterprises with traditional corporations on an impact-profit scale, the following diagram can be made (figure 3.10). Social enterprises are in general more focused towards creating impact than traditional companies, due to the impact-first criteria. They have often been founded with a social goal in mind. Traditional companies use CSR strategies to move towards impact, but only the most ambitious companies are actually able to create impact. So, where social enterprises create impact proactively, traditional companies do it more in a reactive way.

Nevertheless, social enterprise or not, if a firm wants to be taken seriously about the societal impact they aim to make, they should measure and transparently communicate their impact (Maas & Grieco, 2017).

“If sustainable development is to achieve its potential, it must be integrated into the planning and measurement systems of business enterprises.”

- International Institute for Sustainable Development et al. (1992)

Impact Investing

The term ‘impact investor’ originated in 2007, when a group of real estate, debt and private equity investors hosted by the Rockefeller Foundation chose the term to characterize themselves as investors with the intent to not only achieve financial returns but also better social and environmental outcomes than would be the case in typical investment (Olsen & Galimidi, 2008, p. 8). Of course, long before 2007, there have been cases of investors operating in pursuit of more societal objectives alongside financial ones (Reeder & Colantonio, 2013). Since 2007, many different definitions for the word impact investor and investments have been developed, but one of the most commonly used definitions comes from the Global Impact Investor Network (GIIN):

‘Impact investments are investments made with the intention to generate positive, measurable social and environmental impact alongside a financial return’
- (Global Impact Investing Network, 2019b)

Interesting to note, is that the word measurable forms a central part of the definition, as impact measurement is a central activity of impact investors (Daggers, 2019; Durand et al., 2019; Reeder & Colantonio, 2013).

According to Durand et al. (2019). Development banks are banks that are typically underwritten by national governments. They offer funding, finance and guidance to projects that improve social and economic development, mostly in developing countries (Durand et al., 2019, p. 7). In addition, impact investors invest financial capital in firms, projects and initiatives that generate positive social and/or environmental change. Here, just like in social enterprises, different types of impact-orientation exist: some impact investors are more focused towards profit, others more towards societal change (Durand et al., 2019) (figure 3.11).

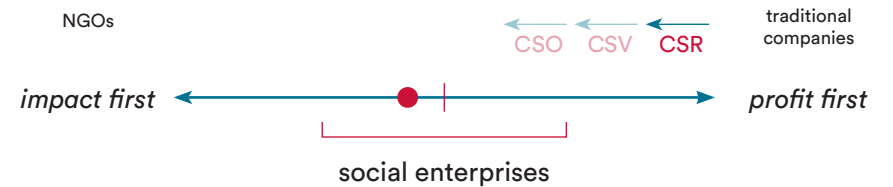


Figure 3.10. Differences between NGOs, social enterprises & traditional companies (own illustration)

Officially, there are many types of sustainable, green or socially responsible investment strategies, of which impact investing is just one. The GSIA distinguishes between 7 types: (1) Negative / exclusionary screening; (2) Positive/best-in-class screening; (3) Norms-based screening; (4) ESG integration; (5) Sustainability-themed investing; (6) **Impact investing** and (7) Corporate engagement & shareholder action (Global Sustainable Investment Alliance, 2018, p. 3).

However, in practice, also other types of sustainable investments are often referred to as 'impact investing', like for example ESG integration-type investments (coming forth from interviews with K. van Dijk, A. Palmer & M. Tsvetkova).

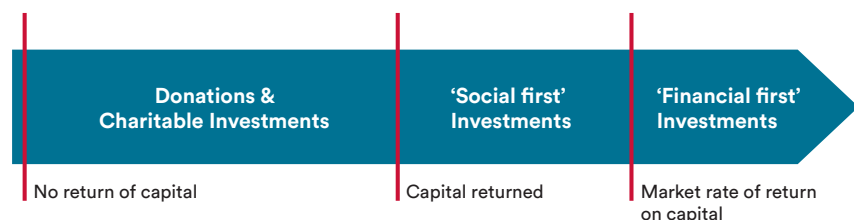


Figure 3.11. Types of impact investors (own illustration), as based on (Epstein & Yuthas, 2017, p. 34)

This is technically not completely right, as 'impact investments' are officially the type of investments made with an impact goal as first intention (figure 3.12), that require the measurement and management of impact and strive to bring their industry further (GIIN, 2020) (Global Impact Investing Network, 2020). But slowly, also other types of sustainable investments are growing towards these requirements, which can be considered a good thing, as long as they actually create impact and are not 'impact-washing'.

“In de praktijk wordt het woord impact investment voor allerlei duurzame investeringen gebruikt.”

— (K. van Dijk, personal communication, April 1, 2020)

Impact investing is furthermore an impact approach, across all asset classes, themes and geographies, with a full range of risks and returns. Impact investing can be done into all phases in the production chain - from the extraction of the raw materials, to the labour conditions, social policy and products and services resulting from this and finally the waste management - as impact creators aim to change the entire industry (Global Impact Investing Network, 2020).

According to GIIN, impact investment has attracted a wide variety of investors, both individual and institutional investors. Although impact investment is still just gaining popularity, the GIIN estimates that currently over 1.340 organizations manage 502 billion dollar in impact investing assets worldwide (Global Impact Investing Network, 2019a). Not nearly enough as in total an estimated 7 trillion dollar in investment capital is needed to address the key global challenges (Triodos Investment Management, n.d.), but the financial sector is setting its first steps towards that goal.

As currently, the claim to be intentionally creating positive societal impact is inseparable from measurement practices (Daggers, 2019, p. 1), impact investors use impact measurement to track the societal performance of their investments and to find new investing opportunities (Bugg-Levine & Emerson, 2011; Esteves, Franks & Vanclay, 2012: cited in Maas & Grieco, 2017, p. 122).

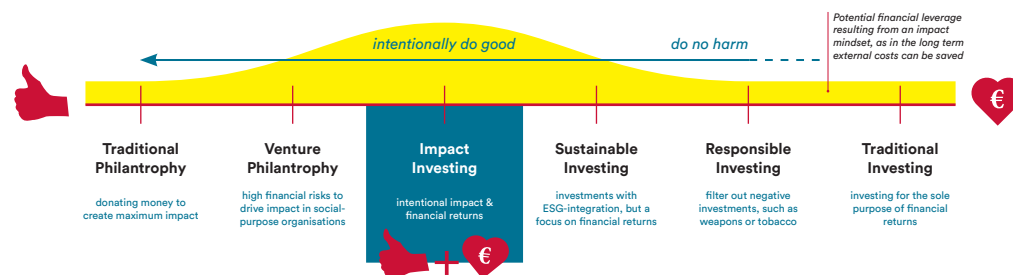


Figure 3.12. Investing - philanthropy scale (own illustration) as adapted from (PYMWYMIC, DOEN Participaties B.V., Finance in Motion, & Volta Capital, 2019)

In addition to measuring impact themselves, impact investors also require impact measurement from the organizations (impact creators) they invest in (Haugh & Talwar, 2016; Smith, Kistruck & Cannatelli, 2016: cited in Maas & Grieco, 2017). Several impact measurement approaches have as a result been developed by social impact investors to allow for cross-firm and -industry comparisons. Many impact investors deploy or adapt upon metrics from the Impact Reporting and Investment Standards (IRIS+) (Durand et al., 2019) (this was also mentioned in interviews with K. van Dijk, P. Klop & A. Palmers).

Why measure impact?

To answer the question why these, but also other organizations are using or requiring impact measurement, there are two main reasons: (1) to prove and (2) to improve the impacts made (Maas, Schaltegger, & Crutzen, 2016). The first reason relates to the increased transparency society is expecting of companies. Requiring this transparency through impact measurement can help reduce the phenomenon

of 'purpose-' or 'impact-washing' (Daggers, 2019) - saying that you create a certain impact without actually proving it, something that happens a lot in practice as companies increasingly use sustainability as a marketing tool. The second reason refers to a central principle of impact management: the ability to continuously improve impacts made, something that is possible when you are aware of impacts made through the installment of an impact measurement system

3.3 Impact Measurement & Management

After defining impact thinking and describing the key players involved in impact thinking, this paragraph will describe the actual practice of impact measurement and management - an important requirement of impact thinking. What exactly is impact management and measurement and how to do it? What methods and models exist, and which are most suited to use in urban development?

Impact measurement & management (IMM)

As said before, impact can be measured and managed. Where in science, academics to date mainly write about the concept of impact measurement, in practice impact measurement cannot be separated from the concept of impact management. The most recent reports on impact from practice, both from social enterprises as from impact investors, are talking about the combination of impact measurement and management, also known as IMM (impact measurement & management) (Daggers, 2019; Durand et al., 2019; Forster, Ripley, & Chandler, 2018). To clarify the difference between the two: impact measurement refers to the information systems built to make claims about the impact being created, impact management refers to the process of implementing the acquired information (about the created impact) in the way the organization is run: in its management (Daggers, 2019, p. 1). Impact management is about aligning impact thinking with the mission and vision of a company to be able to continuously steer towards it (Triodos Investment Management, 2019). Two central aspects of impact management are the ability to continuously improve your impacts over time through learning and to communicate about them. These two aspects relate to the earlier mentioned reasons for impact measurement: to prove and improve impacts made.

Impact measurement methods: social and environmental

Both in science as in practice, a great number of different impact measurement methods are mentioned and described: both environmental and social methods.

Environmental impact measurement (also sometimes referred to as green or ecological accounting) seems to be further developed than social impact measurement, which might have to do with the fact that it has gotten considerably more attention in the past (even long before terms like 'impact thinking' and 'investing' came to the table). Within environmental impact measurement Life

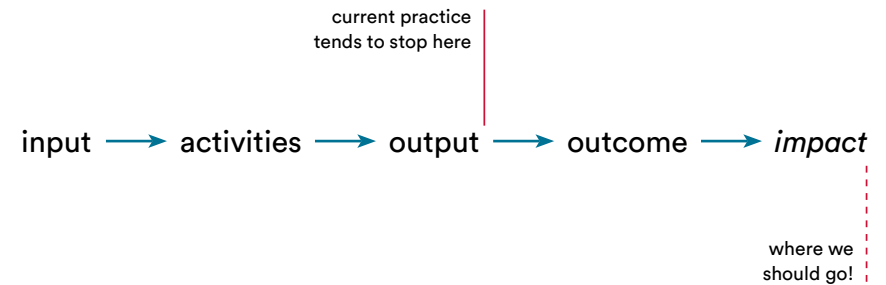


Figure 3.13. The impact value chain (own illustration) as adapted from (Clark et al., 2004)

Cycle Analysis is often seen as the best practice for measuring environmental impacts, as it's the most comprehensive yet extensive measurement method that currently exists (Baranova, Conway, Lynch, & Paterson, 2017). This is 'a framework to estimate and assess all environmental impacts caused by a given product or process across its life cycle' (Matthews et al. 2008; Wiedmann, 2009: cited in Baranova et al., 2017, p. 122).

With regards to social impact measurement, no 'best method' has yet been found (Daggers, 2019). As said before, social impact is not as far developed as environmental impact in both science and practice as measuring it seems to be more complicated and extensive than environmental impact. At the same time, although it's not as far developed as environmental impact measurement, it's still easy to lose track of all the different methods out there, as to date a multitude of different social impact measurement methods have been developed: from SCBA and SROI, to name a few. Therefore, a number of researchers have created classifications of the different social impact measurement methods that currently exist (Maas & Liket, 2011; Molecke & Pache, 2019). An overview of these different methods can be found in Appendix C (Molecke & Pache, 2019).

However, as useful as these classifications are for overview, they are not telling the entire story, as science seems far behind practice on social impact measurement. Where in science still a clear difference seems to exist between social and environmental impact, in practice this difference isn't really there anymore. Social in practice also means 'societal' and can entail both social and environmental impact measurement methods. Furthermore, just choosing the 'right' measurement method, doesn't do the trick, because in practice, measurement is just a small part of your entire impact strategy and the specific measurement methods chosen tend to also change over time as your organization matures its impact thinking. Therefore, it's much better to first formulate a Theory of Change, or to just use your common sense, when choosing social impact measurement methods, than it is to read scientific articles about it.

Impact strategy

To summarize: science seems to hyper focus solely on measurement methods, whereas impact thinking actually entails much more than just impact measurement. It's more about creating an impact strategy, than it is about choosing the right measurement methods. In scientific literature, only one important book was found that really grasped this way of thinking: "Measuring and Improving Social Impacts" by Epstein and Yuthas (2017). Based on the process described throughout the entire book, a simplified model for forming an impact strategy has been made (figure 3.14).

As can be seen in figure 3.14, formulating an impact strategy is first and foremost a cyclical process. It starts with (1) choosing and understanding the (social) problem you are dealing with. Based on this initial research, (2) you (re) define your organization's mission and vision, which in the next step will be (3) translated into clear impact goals using a Theory of Change. This step finally results into the selection of a number of clear impact metrics (preferably not more than 10), which are subsequently (4) operationalized into an impact management and

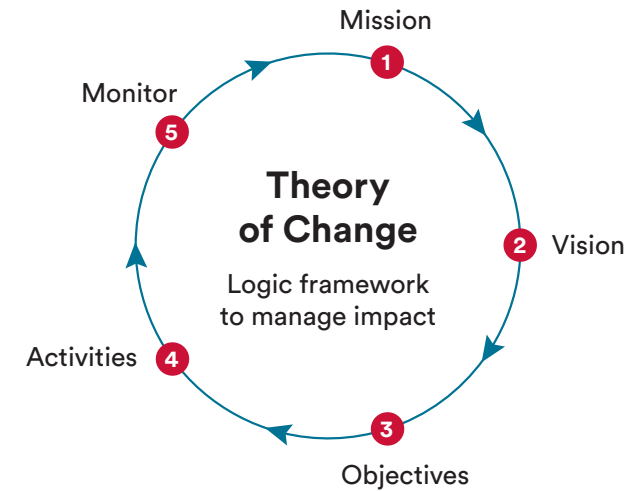


Figure 3.15. Theory of Change (own illustration) as based on (Triodos Investment Management, 2019).

measurement system (IMM). In this step, the best impact measurement methods for the selected metrics are chosen. Through the IMM system, (5) an organization is able to measure and monitor the impacts made. It can also communicate these ('prove impacts') and learn from these ('improve impacts'), as was stated as the purpose of impact measurement (Maas & Grieco, 2017). Based on these insights, in a circular way, either the activities of the organization are adjusted, or all the previously described steps are taken again (Epstein & Yuthas, 2017). Over time, this allows the social impact organization to mature in their impact thinking. Simultaneously and throughout the process, social organizations are stimulated to amplify their impacts, by sharing what they've learned with other parties in their industry, hereby aiming to change their entire sector (Epstein & Yuthas, 2017). Throughout the entire process, contact with all stakeholders that the organizations impacts is essential, to make sure that all actions actually lead to the impacts that are aimed to be created and that these impacts are actually what is needed (also referred to as the principle of 'additionality').

Theory of Change

As part of an impact strategy, impact investors are increasingly requiring a Theory of Change of their investees. A Theory of Change is also something that Social Enterprise NL recommends for social enterprises to create. A Theory of Change links an organisation's mission and vision to its impact objectives, activities and finally even impact metrics (figure 3.15) (in §5.4 a step-by-step explanation can be found about the Theory of Change).

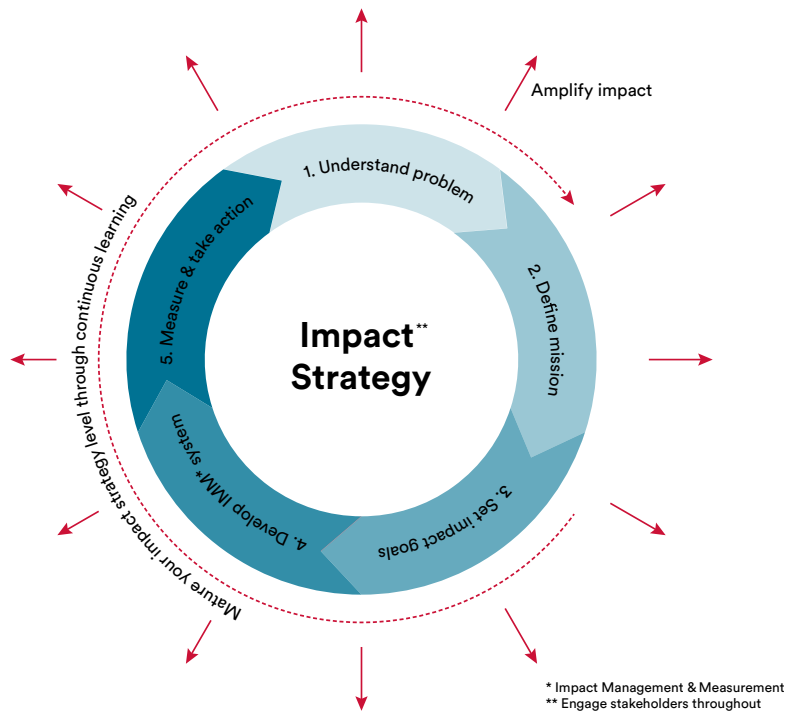


Figure 3.14. Impact Strategy (own illustration) as based on (Epstein & Yuthas, 2017).

Impact metrics

Part of creating your impact measurement and management system is choosing a couple of impact metrics to focus on. Different metrics can be chosen to measure your impacts on, but as many impact investors deploy or adapt upon metrics from the Impact Reporting and Investment Standards (IRIS+) (Durand et al., 2019), starting with these already existing metrics is a good idea (this was also mentioned in interviews with impact investors). Also, it's really important to only choose a handful of metrics to focus upon, as impact measurement can otherwise become to time-consuming and expensive. Epstein & Yuthas recommend not to choose more than 10 metrics. The investor Social Impact Ventures even suggest measuring only 1-3 impact performance indicators (Social Impact Ventures, 2020).

Conclusion

With the development of the Sustainable Development Goals (SDGs), also the concept of impact thinking has taken a rise. Impact thinking aims to work towards an economy based on positive societal impact, rather than wealth maximization. Impact can hereby be seen as 'a change in positive or negative outcome for people or the planet'. Impact can be social or environmental. Social impact to date is less far developed than environmental impact. Currently, an increasing number of organizations is focusing on creating and measuring the impacts they make. Three parties in particular stand out in this: social enterprises, impact investors and companies with a CSR-strategy. All these three parties require a form of impact measurement and management, in order to successfully work towards their sustainability ambitions.

Impact measurement is an important aspect of impact thinking, however, in order to measure in the right way, it's important to do more than just select methods. As an organization you have to formulate an impact strategy and a Theory of Change, both processes that are cyclical in nature and for which a continuous learning mindset needs to be adopted.

3.4 Impact Thinking in Urban Development

Against this background on impact thinking, it's now worthwhile to zoom in on the application of this way of thinking in urban development, as that's the focus of this thesis.

The extent to which impact thinking and impact measurement have infiltrated the field of urban development in the Netherlands to date is limited. A few experiments have been conducted with impact measurement, for example with the MAEX ('maatschappelijke AEX'), but to date this hasn't resulted in any large-scale implementation in practice or legislation. Whatever is happening regarding impact thinking in urban development, is still rather fragmented (also came forward in

interviews with H. Karssenberg & F. Soeterbroek).

When interpreting the definition of 'impact measurement and management' less strict and thereby looking at the wider spectrum of impact-related interventions in urban development, some other important initiatives and trends can be distinguished:

- Housing corporations
- SCBA
- Sustainability ratings, labels and certifications
- ESG-integration at Dutch pension funds
- Project developers with a sustainability orientation
- Het Stadsmakersfonds

Housing corporations

First of all, when talking about creating positive societal impact in urban development, the first thing that jumps to mind are the Dutch housing corporations. This was also confirmed in many interviews, as housing corporations have always acted in the Dutch built environment with the specific aim to create quality, social housing. Recently also, housing associations in the Netherlands have increasingly worked towards making their stock of housing more sustainable, by means of redevelopment, transformation or taking them off natural gas (figure 3.16).

However, since the Housing Act of 2015, housing corporations must solely concentrate on building, renting and managing social rental housing and some other social tasks. The Housing Act 2015 calls this: services of general economic interest (DAEB) (Rijksoverheid, n.d.-a). Also, since 2014, housing corporation with more than 50 rental properties are obliged to pay a landlord levy ('verhuurderheffing') on their social housing (Couzy, 2019), which costs 0.561% tax of the WOZ value of these rental properties (Rijksoverheid, n.d.-b). For a housing corporation with a big housing stock, this can easily run into millions of euros on a yearly basis. These two new regulations have disabled housing organizations to continue acting as the social developer they once were and to create the affordable housing that is currently so highly needed.

SCBA

Another way impact thinking has been integrated in urban development for decennia, is by means of the SCBA – Social Cost Benefit Analysis – which originated from the government as a tool to calculate the societal value of big governmental construction works, such as infrastructural projects or urban area developments. The outcome of this assessment could be used to guide decision-making on the execution of these projects.

Sustainability ratings, labels and certifications

Also, in the built environment an increasing use of frameworks such as GRI, GRESB,

ESG, LEED, BREEAM and WELL are being used, as they appear to positively influence the market success, reputation and value of companies (Huijbregts, Heurkens, Hobma, 2019). Investors are increasingly requiring these certifications from developers and the more innovative project developers aim to make all their projects meet the highest standards. In an interview with Mariya Tsvetkova from developing investor FORE Partnership (UK), it was mentioned that with regards to environmental sustainability, the Netherlands, also through the active use of these certifications, is generally considered to be a frontrunner. Meeting the criteria of these labels or certifications, can be interpreted as a way of impact measurement.



Figure 3.16. Sustainability certifications for the built environment (own illustration) as adapted from logo's of the organisation's websites.

Dutch institutional investors setting first steps towards impact

Already in 2017, seventy Dutch pension funds signed a covenant in which they expressed great interest in investing according to the ESG-criteria (Environment, Social and Governance). In doing so, they were among the first big institutional investors in Europe who took a more responsible approach in investing (De Geus, 2020). Although technically, this is not really impact investing, it is a sign that Dutch institutional investors are starting to place societal impact higher on their agenda's. A trend which is also felt in interviews (f.e. in interviews with N. Rood, H. Karsenberg & N. Slob) and confirmed in literature (Huijbregts, Heurkens, Hobma, 2019).

“Nederlandse pensioenfondsen zijn duidelijk geïnspireerd door de voorziene groei van de markt en de publieke perceptie, die in de loop van de jaren is veranderd,” analyseert Marc van Niekerken, die leiding geeft aan de afdeling Building & Project Consultancy van Savills in Nederland. “Zo willen jongere generatie investeerders in pensioenfondsen bijvoorbeeld weten hoe hun geld wordt besteed. Zij kijken naast de financiële positionering van hun portefeuilles ook naar de prestaties op het gebied van milieu en maatschappij.”

— (De Geus, 2020)

Project Developers becoming more sustainability-oriented

Also, recently and specifically since the financial crisis of 2007, a trend can be seen within urban development of project developers becoming more sustainability oriented. For example, and EDGE Technologies has as adage 'the world needs better buildings' and a BPD claims to make affordable, sustainable housing (figure 3.17). This is also confirmed in literature on urban development: private parties are increasingly aware about the importance of sustainability in future (urban) developments. However, the actual incentive to go a step further and do it, is often lacking, as sustainability is still seen as costly without any clear benefits for the developer (Buskens & Heurkens, 2016). And as to date, very few developers actually measure their societal impacts, it's hard to say, which developers are actually interested in sustainability to create and impact and who are just in it for branding purposes (impact-washing).

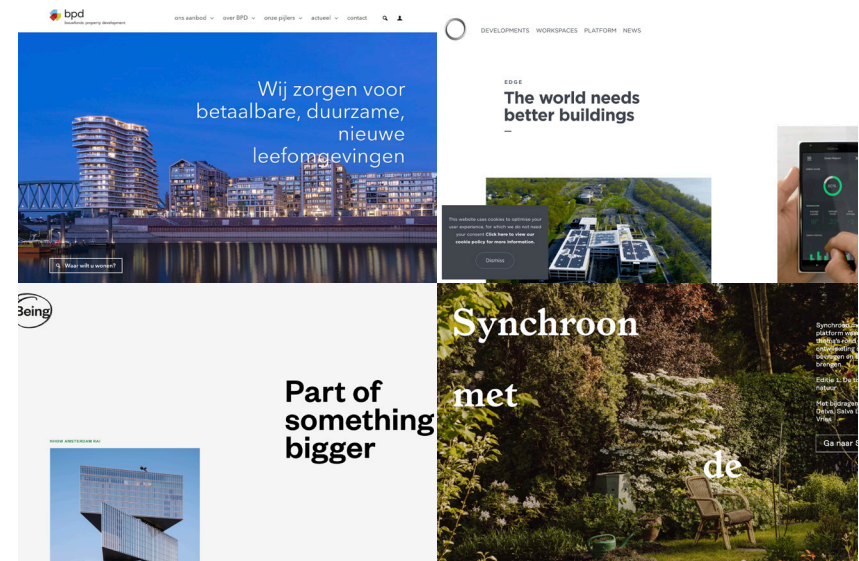


Figure 3.17. Project developers presenting themselves as sustainable on their websites (Being Development, n.d.; BPD, n.d.; EDGE Technologies, n.d.; Synchroon, n.d.).

Also, the growing awareness on the importance of sustainable impact in the built environment, also seems to limit itself to environmental sustainability. Social sustainability is still mostly underaddressed in (urban) development practice (Van Honschoten, 2020; Buskens & Heurkens, 2016; Eizenberg & Jabareen, 2017;

Dempsey et al., 2011). This is also something that came forward in interviews. According to an interview with M. Tsvetkova from developing investor FORE Partnership, Netherlands is ahead when it comes to environmental sustainability in development, but behind on social sustainability (M. Tsvetkova, personal communication, May 12, 2020). This was also confirmed in other interviews (f.e. K. van Dijk and Andrea Palmer).

Fortunately, since a couple of years, also the development of a new type of developer can be seen emerging: 'in-between' organisations - organisations that aim to create societal impact, but with a financial business model to support it (C. Robbe, personal communication, March 5, 2020). Hans Karssenbergh refers to these entities as 'stadmakers' or 'public developers', but they could also be seen as a type of 'impact developers' (personal communication, March 25, 2020).

“De tijd en de maatschappij is aan het veranderen naar meer collectieve vormen op welk vlak dan ook, dat je ziet dat ook andere partijen op het toneel komen. Ik zie nu heel veel, dat is echt het afgelopen half jaar, kleine bedrijfjes ontstaan, of klein dat maakt niet uit; het zijn gewoon bedrijven die in het gat springen tussen markt en overheid. Je hebt een soort midden-rolgebied.”

— (C. Robbe, personal communication, March 5, 2020)

Stadmakersfonds

Stadmakersfonds is one of the first explicit impact-related urban development investment funds in the Netherlands, but next to investing Stadmakersfonds does much more. Stadmakersfonds launched in the beginning of 2020 and



Figure 3.18. Social impact fund in urban development: Stadmakersfonds (Stadmakersfonds, 2020).

was founded by the urban development advisors STIPO and Stadkwadraat. Stadmakersfonds is a mentor, matchmaker and impact fund for projects of 'city makers' (in Dutch: stadmakers): passionate pioneers for new, sustainable and social area development (Stadmakersfonds, 2020). Stadmakersfonds helps societal initiatives with big ambitions develop a feasible business model, matches them to impact investors and is even able to co-invest in land or property for reduced return rates (H. Karssenbergh, personal communication, March 25, 2020).

Conclusion

Although a handful of first impact-experiments are being conducted, in its most strict sense impact thinking in the urban development context in the Netherlands is only occurring to a limited extent. What is occurring, is still happening in a fragmented way. When looking at the definition of impact thinking a little less strict, however, first steps and trends towards impact thinking can be seen in the urban and real estate development field. Especially from the bottom-up (citizen initiatives, joined together by the Stadmakersfonds) and the financial top (institutional investors). Some project developers are setting their first steps towards an impact mindset, but especially when it comes to social sustainability, major steps are yet to be taken.

3.5 Social Impact in Urban Development: The Paradox of Gentrification

Social impact is most underdeveloped in literature and practice in general (§3.1), but also in the Dutch built environment specifically (§3.4). Therefore, social impact forms the focus of this thesis.

One of the main challenges in urban development, resulting in negative social impacts, is gentrification. Where 'gentrification' used to be a conscious method for urban revitalization (Zuk et al., 2017) actively implemented by municipalities all over the world to redevelop run-down neighborhoods – especially after the publication of Richard Florida's seminal work "The Rise of the Creative Class" (Florida, 2002) – increasingly also the downsides of gentrification are seen (figure 3.19). Research points out that too much gentrification leads to uniform places without a clear identity and a lack of diversity in population - something it actually aimed to solve in the beginning (Besters, 2019; Mehaffy, 2019). Even Florida took back some of his initial insights in his newest book "The New Urban Crisis", in which he admits that making place for the creative class can also increase inequality, deepen segregation and fail the middle class (Florida, 2017). In this paragraph the phenomenon of gentrification will be shortly explained and subsequently translated to the social impacts that can result from it. Based on this research, also an alternative, much kinder revitalization strategy is proposed: *gentlyfication*.

Gentrification: a revitalization strategy with a double nature

According to the Merriam Webster dictionary, the word gentrification literally means “the process of repairing and rebuilding homes and businesses in a deteriorating area, such as an urban neighborhood, accompanied by an influx of middle-class or affluent people and that often results in the displacement of earlier, usually poorer residents” (Merriam-Webster, n.d.). In scientific literature, the word gentrification appeared for the first time in 1964 (Glass, 1964) in a book describing the influx of a "gentry" – people of good social position, middle class people – in lower income neighborhoods in London during the 50s and 60s (Zuk et al., 2017). Today in scientific literature, gentrification is generally defined as both a spatial and social practice, that results in “the transformation of a working-class or vacant area of the central city into middle-class residential or commercial use” (Loretta Lees, Slater, and Wly 2008: cited in Zuk et al., 2017).

Gentrification is a revitalization strategy with a contradictory nature. To some extent, gentrification can be good for a neighborhood, because it can increase diversity, reduce criminality, increase the number of amenities and improve the liveliness of a neighborhood. However, on the long term or when gentrification is spinning out of control, it can also lead to negative impacts, such as a reduction of the diversity, displacement and social and spatial segregation (Zuk et al., 2017; Chong, 2017). From slum to enclave, so to speak, as can be seen in figure 3.20 (Mehaffy, 2019).

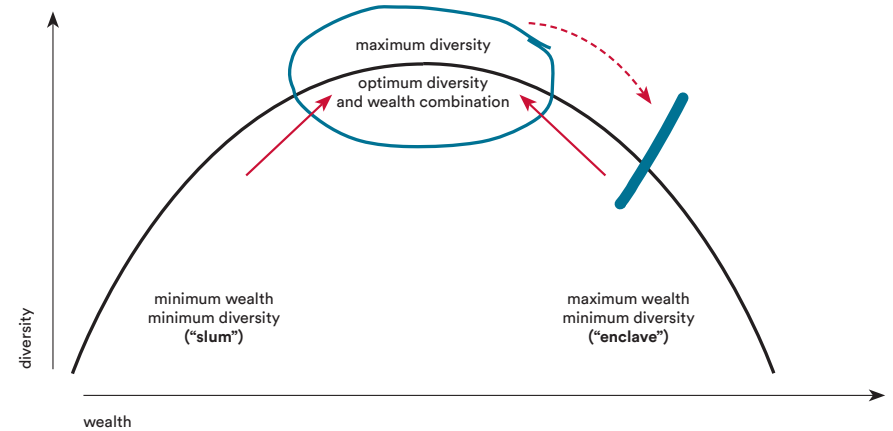


Figure 3.20. Jacob's Curve (own illustration) as based on (Mehaffy, 2019, p. 28).

This contrast can also be seen in practice, where some municipalities, like f.e. Rotterdam, still consider 'gentrification' a good revitalization strategy, whereas other municipalities, f.e. Amsterdam, clearly already experience the negative aspects resulting from it (J. Hoogendoorn, personal communication, March 19, 2020).

The process of gentrification

According to some scholars, gentrification occurs in "waves". Initially, a first-wave of gentrifiers starts inhabiting an area after the construction of new middle-income homes, partially displacing lower-income residents. After a while, when the urban area has become more attractive and real estate prices have increased, middle-income groups also leave the area and higher income groups come in: the second-wave gentrifiers (Can, 2019) (figure 3.21). The second-wave of gentrifiers is usually more detrimental to the inclusiveness of the area, as with the second-wave the affordability of a neighborhood plunges, making the area out of reach for lower and middle-income groups (Can, 2019). When pushed to its extremes, an entire city can become exclusive. Something we already see happening in capital cities around the world, like New York and London, but more recently and closer to home, also in Amsterdam.

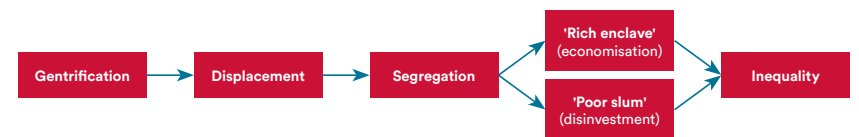


Figure 3.21. Gentrification's negative impacts (own illustration), based on multiple sources.



Figure 3.19. Gentrification increasingly being seen as a (social) problem in books and newspaper articles. (Hochstenbach, 2017; Liukku & Mandias, 2016)

The impacts of gentrification

As said before, gentrification leads to both positive and negative impacts. However, based on an extensive amount of scientific articles about gentrification, the negative impacts of gentrification significantly outweigh its positive impacts, especially in the long term (Atkinson, 2002). Most negative impacts are indirectly coming forth of gentrification most detrimental impact: displacement. In figure 3.24, a time-based overview is given of gentrification's neighborhood's impacts.

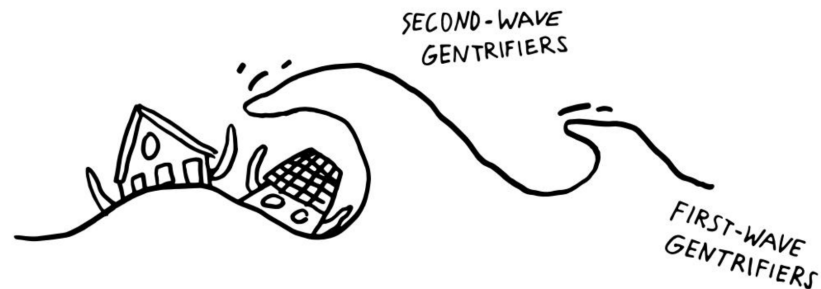


Figure 3.22. First & second wave gentrification (Can, 2019, p.37).

A more inclusive approach: gentlyfication

Recently, a new term has been coined, that aims to balance between the good and the bad effects of gentrification: *gentlyfication* - a gentle kind of gentrification (Stauttner & Robbe, 2019). *Gentlyfication* is proposed as a type of 'area development that focuses on creating a balance which leads to inclusiveness' (Stauttner & Robbe, 2019, p. 322). Some first ideas to gentlify are through developing smart policies, using market forces positively, permanent placemaking, retaining the *coleur locale* and letting areas define the preconditions for development themselves (rather than having the government oppose them), evenly sharing revenues in a neighborhood, getting financed through social impact funds and collective building and living (Stauttner & Robbe, 2019).

Gentlyfication might in essence be the right combination of 'gentrification' and 'incumbent upgrading'. Incumbent upgrading is a second, much slower revitalization strategy without the distinct displacement effects of gentrification - as already distinguished in an article from 1979 (Clay, 1979). In 'incumbent upgrading' the neighborhood consciousness and advocacy to improve local conditions are increased in order to catalyze existing residents to make improvements (Zuk et al., 2017).

Incumbent residents stay and reap the benefits of neighborhood improvements, whereas in gentrification, they can be displaced as the social and economic

environment of neighborhoods shift, and the public sector does not take action to protect long-term residents.

— (Zuk et al., 2017, p. 2)

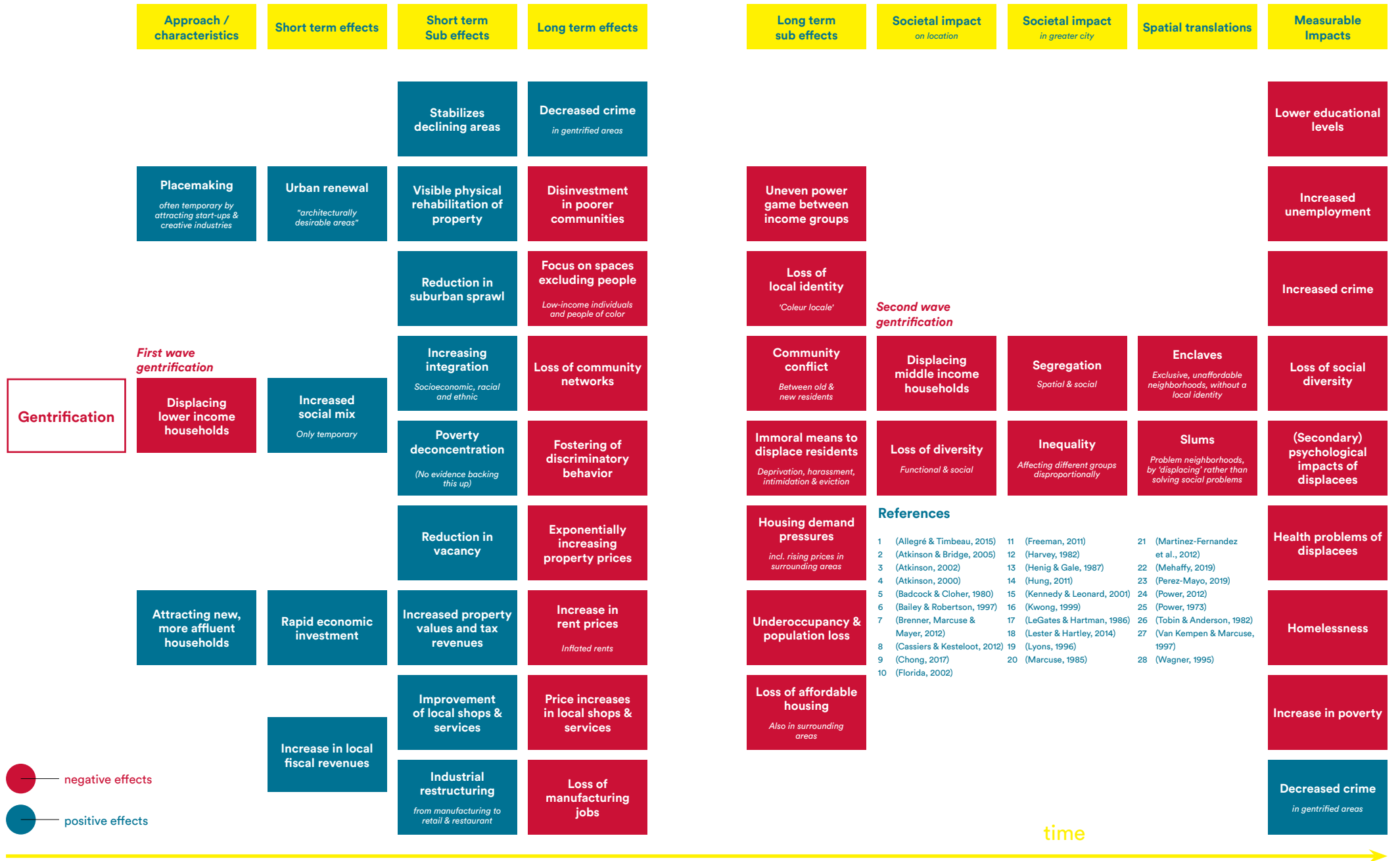
However, as many major cities in the Netherlands tend to prefer gentrification over incumbent upgrading and the concept of *gentlyfication* only recently came up, to date no urban developments have been developed based on the idea of *gentlyfication*. However, as Dutch weak neighborhoods are becoming even weaker (Leidelmeijer, Frissen, & Van Iersel, 2020) and an increasing number of Dutch cities are dealing with an affordable housing crisis, *gentlyfication* could provide an alternative answer leading to a more fair and inclusive way of urban renewal.



Figure 3.23. People protesting against gentrification (Lariviere, 2018).

Conclusion

Gentrification is a revitalization strategy, which - when implemented without adequate public involvement (Chong, 2017) and a long-term vision on inclusiveness and affordability from the public sector - leads to many negative social impacts (Zuk et al., 2017; Atkinson & Bridge, 2005; Atkinson, 2002) (fig. 3.24). A kinder type of gentrification, *gentlyfication*, could reap the positive impacts of gentrification without its distinct negative effects (Stauttner & Robbe, 2019). *Gentlyfication* could therefore present a good alternative revitalization strategy for municipalities. As to date no example projects based on a *gentlyfying* revitalization strategy have yet been designed or developed, the development of one could help towards implementation in practice.



Empiry

Economic growth without social progress lets the great majority of people remain in poverty, while a privileged few reap the benefits of rising abundance.

(John F. Kennedy)

Impact Investing + Urban or Real Estate Development = Impact Development

4 Impact Development

This chapter presents the findings coming forth from the qualitative part of the empirical research: the interviews with impact and (urban) development experts. The chapter starts with a definition to the newly proposed concept: impact development. Next, the barriers and drivers for impact development are described. After this, the central question is answered: how to develop for impact as a (urban) developer? This has led to 6 principles for impact development. Finally, for both developers and the municipality concrete steps and tools are mentioned on how to start creating impact today. Throughout the chapter example impact developments, as mentioned in interviews, are shown.

4.1 Towards a definition

A first definition of impact development

As this thesis is about 'Impact Development' – impact-first or purpose-driven urban and real estate development – it's necessary to first define this concept. Defining also helps prevent or reduce 'impact-washing' – one of the major problems in the impact world, according to M. Tsvetkova (personal communication, May 12, 2020) – and can help scaling up the impact practice to bring the real estate industry forward (T. van Leeuwen, personal communication, February 28, 2020). So, what exactly is an "impact developer"? And what criteria does a developer have to meet in order to fairly call oneself an "impact developer"?

Based on the conducted interviews and earlier definitions of related concepts (of impact investing and social entrepreneurship), the following definition can be given:

*An **impact developer** is a developing person or party, who is developing with the specific intention of creating a relevant, measurable societal impact - both social & ecological - by means of urban or real estate development embedded in a healthy business model, thereby to continuously striving to bring both the organization and the industry forward.*

The term 'impact development' has first been proposed by developer Thomas van Leeuwen, after merging two related concepts into a new concept (T. van Leeuwen, personal communication, February 28, 2020): impact investing & real estate development.

According to both Niel Slob and Hans Karssenberg, 'impact developers' can be considered 'innovators' or 'early adopters', based on the Diffusion of Innovation Theory of Rogers (1962) (see figure 2.5).

"Het zijn ook een soort early adopters, voorlopers, die de rest inspirerend of dwingen om mee te veranderen... "zo werkt het altijd, dat je een aantal voorlopers hierin hebt, die daarin veranderen, maar ook dat het gros van de partijen altijd dit altijd als een marketingissue zal gebruiken en mocht het dan echt gaan veranderen, dan gaan ze daarin mee en dan gaat de hele markt daarin mee. Dus, ja genoeg zijn er nooit, maar ik geloof dat die olievlek zich steeds verder gaat uitbreiden."

— (N. Slob, personal communication, March 24, 2020)

5 criteria for impact development

Based on the interviews conducted and the most recent core characteristics for impact investing by the GIIN (Global Impact Investing Network, 2020), five criteria can be proposed to determine if a person or organization is truly developing for impact:

1. Intentionality
2. Measurability
3. Managing for impact
4. Contribution to the development of the industry
5. Relevance

The first four are inspired by the GIIN, the fifth is added, based on interviews and my own insights in the process. On the next page, these five criteria will be shortly explained, based on quotes derived from the interviews.

1. Intentionality - Impact first

Impact development is marked by an intentional desire to contribute to measurable social and environmental benefit. Impact developers aim to solve problems and address opportunities (adapted from (Global Impact Investing Network, 2020)). Making a profit in the process is okay. In fact, it's even essential in order to continue creating the impact or to scale it up. But it's important that the business case comes second and results from the intention to create the impact. Thinking 'impact first' is at the heart of what differentiates impact development from other development approaches, which may incorporate impact considerations but don't place impact first.

"Het gaat om de intentie. De intentie is essentieel. De intentie om iets op te starten is om een probleem op te lossen. Dat is een belangrijke: impact first." [...] "Het is een project met de intentie om een probleem op te lossen, ingebed in een financieel model. Dus het financiële is belangrijk, maar niet de motivator: het is volgend. Eerst gaan we

kijken naar een probleem – een sociaal probleem, een maatschappelijk probleem, een ecologisch probleem – dat willen we gaan oplossen. En hoe gaan we dat nou financieel rond rekenen? Dat is iets anders dan 'we willen iets financieel rond rekenen en we nemen ook wat problemen mee'."

— (T. van Leeuwen, personal communication, February 28, 2020)

"De impact ontwikkelaar of de publieke ontwikkelaar is primair gericht op het vergroten van de publieke kwaliteit van de stad en wil daarbij maatschappelijke doelstellingen realiseren. Hij heeft een financieel model nodig om dat mogelijk te maken."

— (H. Karssenberg, personal communication, April 6, 2020)

2. Measurability - (Im)prove

Impact development can't just be based on gut feelings and intuition, active testing and measuring is necessary to drive intelligent design decisions and to actively contribute to social and environmental benefits (adapted from (Global Impact Investing Network, 2020)). Also, measuring the impact made contributes to the principle of additionality – being sure that the impact observed is actually the result of your actions – something that's important to prevent or reduce the phenomenon of impact washing. Impact measurement can be done both in a quantitative as well as qualitative manner.

"Dat is wel echt belangrijk, de meetbaarheid. Ook als je het over de definitie van impact development hebt, is meetbaarheid wel een onderdeel daarvan."

— (T. van Leeuwen, personal communication, February 28, 2020)

3. Managing for impact - Align impact with mission & steer towards it

Impact development derives from the specific intention to create societal impact through project development. Therefore, after measuring impact, it's also important to manage for impact. Actively linking this impact intention to the mission and vision of the organization and steering towards impact goals based on impact data, is key in order to actually create the intended impact. This includes having a continuous learning mindset and the implementation of feedback loops into the development practice.

"Vervolgens kan je ze dus neerzetten, je kan het dus doen, en door het te doen kan je ze vervolgens dus ook gaan meten en kan je ze dus de gebouwen die je gemaakt hebt, door de tijd heen, steeds beter gaan maken, maar ook dus steeds nieuwere, betere producten gaan maken die door de tijd heen op die manier weer reviseert."

— (N. Slob, personal communication, March 24, 2020)

4. Contribution to the development of the industry - Pay it forward

As the final goal of the impact developer is to work towards a better built environment, contributing to the growth of a sustainable industry is essential, as the necessary impact can't just be made by one party alone. Paying it forward includes working towards a common language that can be used by other parties in the construction industry and the active sharing of lessons learned with others in the value chain to actually work towards to the necessary impact for the built environment.

“Door de manier waarop je werkt, wel eisen opleggen aan aannemers en onderaannemers, zodat zij het ook anders gaan doen.”

— (N. Rood, personal communication, May 12, 2020)

5. Relevance - Make a difference

In addition to the four criteria of the GIIN, based on interviews, a fifth criterium can be added for true impact development. As impact can be made in all sorts of sectors or development areas, it's worthwhile to include a relevance or urgency criterium, as some development areas have more pressing needs than others. For example, creating sustainable affordable housing is in greater demand than fulfilling the need for sustainable offices at prime locations. Therefore, true impact developers focus on the most relevant and pressing issues – issues that other, more traditional parties are not picking up in the current market.

“En heel specifiek, denk ik, dat de impact ontwikkelaar of de impact first ontwikkelaar of de publieke ontwikkelaar gebieden en projecten kan oppakken die de markt niet oppakt, omdat die gewoon in de markt een hoger rendement moeten zien te halen vanuit de doelstellingen van hun bedrijf en daardoor ook dingen gewoon praktisch gezien blijven liggen in de stad waar niemand initiatiefnemer voor is.”

— (H. Karssenberg, personal communication, April 6, 2020).

Other words used to describe 'impact developer'

In interviews, often different, yet similar terms were mentioned when talking about the impact developer, which seem to be different words to describe the same concept. For example, Hans Karssenberg refers to 'stadsmakers' (city makers) and 'publieke ontwikkelaars' ('public developers') when talking about impact development (personal communication, March 25, 2020). Frans Soeterbroek refers to local, citizens' and neighborhood initiatives (personal communication, February 27, 2020) (Mens, 2020). Very often, interviewees also referred to 'woningcorporaties' (housing corporations) as a type of impact developer avant la lettre (interviews with N. Rood, H. Karssenberg, T. van Leeuwen, etc.). And finally, developers with a more long-term vision, such as 'developing investors' were sometimes mentioned as a type of impact developer, for example in the case of FORE Partnership (M. Tsvetkova, personal communication, May 12, 2020). This is

also something we see confirmed in the thesis of Huijbregts (2017). An overview of different terms is shown in appendix D.

The existence of other related concepts is not unusual, as although not explicitly linked to 'impact thinking' the focus on impact or purpose-first developing has implicitly emerged in urban and real estate development in the past decades (§3.4) (H. Karssenberg, personal communication, April 6, 2020).

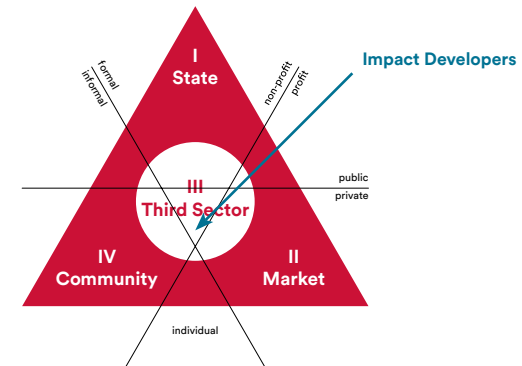


Figure 4.1. Impact Developers, between the State, the market and the community (own illustration) as based on (Brandsen & Pape, 2015; Mens, 2020; Pestoff, 1992).

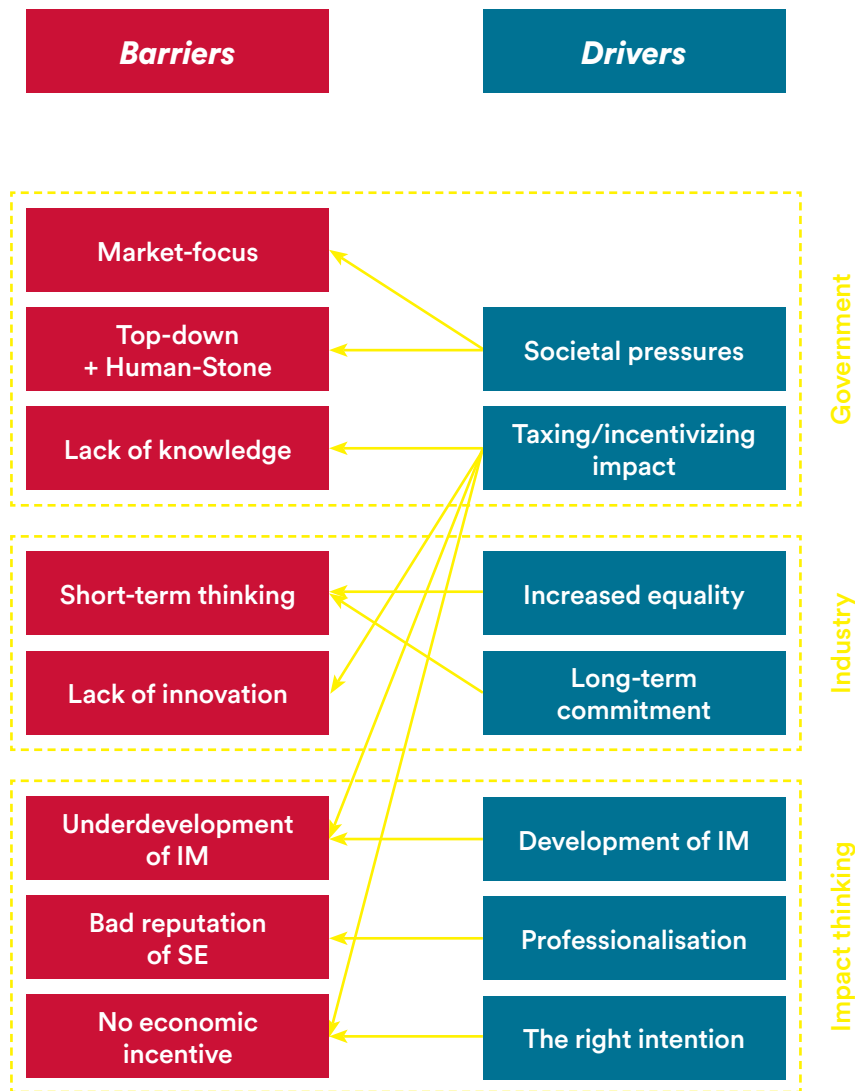
4.2 Barriers & Drivers of Impact Development

Based on the interviews and supported with literature, barriers and drivers of impact development were discovered (figure 4.2). Below these barriers and drivers are shortly discussed.

Barriers

Municipalities have become too market-focused (in 3 interviews)

Neoliberalism has taken a rise in urban development. Where in the past, municipalities had a more active role in land development, in recent years power has shifted towards the market and municipalities have taken on a more facilitative role (Heurkens, 2012). Although this was necessary in a time of financial crisis, some interviewees stated that municipalities might have shifted too far towards the market and in the process might have lost sight of their public roles and responsibility. Civil servants interviewed also admitted that public goals are often at odds with financial goals within the municipality. In the process financial



performance might have unintendedly become more important than creating a positive societal impact, something that presents a clear barrier to impact development. Figure 4.3 showcases this problem in the media in an article written by many social and environmental initiatives in Rotterdam.



Figure 4.3. The municipal policy of selling to the highest bidder is what is destroying cities. (Van Sommeren et al., 2020)

Housing as investment rather than a right (in 2 interviews)

As a result of this neoliberal focus and the booming economy, dwellings have become popular investment objects. This has led to a tremendous injection of private capital in residential properties in the Netherlands. However, in combination with the reduced influence of housing associations, this has also led to an increase in housing prices. As a result, lower and middle incomes can't always afford to live in inner cities anymore and the notion of 'housing as a basic right' is becoming challenged.

Top-down thinking & a separation between people and buildings (in 4 interviews)

In interviews, two major organizational problems were mentioned at municipalities, that seem also illustrative for the wider (urban) development practice: (1) a focus on top-down thinking and (2) an organizational separation between 'human' and 'stone' – the people that deal with social problem occurring in neighborhoods and the people who develop buildings and urban areas (f.e. mentioned in interviews with W. Ruijter & H. Karssenbergh). These problems are mentioned together as they are related. The people who tend to the social problems occurring in neighborhoods are more concerned with the day to day practice and bottom-up, whereas the people who develop the buildings and the urban areas, are often far removed from the actual people they're impacting and are working more in a strategic, but also top-down way. In practice, very often, these two groups of people speak a different language and have a hard time finding 'common ground'. This is a problem, because urban areas are inherently always about the combination of both buildings and people.

"De wijk is oranje of rood aan het kleuren in de leefbarometer. (Dat is dan toch vaak een beetje de redenering.) Laten we die wijk maar meer mengen met inkomens, want dan gaan de wijkstatistiekenvooruit. Maar dan worden die wijkstatistieken een doel op zich, in plaats van dat je denkt van, lost dat dan de problemen van de mensen die de wijk uit moeten op? Of zijn we alleen maar problemen aan het verplaatsen en zijn er misschien andere oplossingen nodig?"

— (H. Karssenbergh, personal communication, April 6, 2020)

Lack of transparency (in 2 interviews)

In urban development, there tends to be a lack of transparency towards the (financial) interests of parties and the financial agreements made between them – what did a particular developer pay for a certain piece of land? – but also, about the social and ecological impact being made – what are the CO2 emissions of the development of a neighborhood or its social benefits to the community?

The lack of transparency related to financial interests is the result of semi-legally and offrecord made deals between private and public parties, usually related to exchanges made in land. Although in most cases, it's officially forbidden for a governmental party to sell land of below market-value, in practice this does sometimes happen. Furthermore, the lack of transparency with regards to societal impact, has also to do with other barriers, for example the 'underdevelopment of impact thinking' and the 'lack of knowledge of municipalities' about the actual impact being created. Because of these other barriers, very often, these impacts are not communicated to the public.

This is where it presents a barrier of impact development. Without transparency, the public debate is not started, which is a driver to impact development. An increase in transparency, either voluntarily by the different parties involved or legally required through new legislation, could stimulate developing for impact.

Underdevelopment of impact thinking (in 5 interviews)

Although 'impact thinking' and 'impact measurement' have rapidly evolved the past years, especially in the domains of impact investing and social entrepreneurship, to date the field is not as matured as 'financial accounting'. Slowly, best practices and industry standards are being developed (f.e. through the GIIN), but in general impact measurement and management is still an emerging practice.

Therefore, knowledge of impact measurement and management at private as well as at public organizations is still limited. As the construction industry is known to be a last mover, it might still take a long time for the knowledge to sink in. This presents to be a major barrier towards impact development, as it's hard to develop for impact when nobody knows how to do it.

"Sometimes it's really difficult to decide what's the greenest. There is a lack of knowledge on the actual impact of decisions."

— (A. Palmer, Triodos Bank, personal communication, April 1, 2020)

"Relatie oorzaak-gevolg is moeilijk om aan te tonen. Hoe weet je dat wat jij doet leidt tot de impact die je ziet?"

— (M. Sutherland, personal communication, May 7, 2020)

Difficult to finance: no economic incentive for impact (in 10 interviews)

Another major challenge towards impact development, is the difficulty of financing purpose-first developments. Based on multiple interviews, it appears that real estate investors don't invest in impact and impact investors don't invest in real estate. Real estate investors are generally new to impact thinking and are not willing to take the risk or accept a lower risk return premium and impact investors seem to feel that real estate is a too conservative industry and projects are too big to invest in. Also, municipalities or landowners, are generally not willing to charge less for land that will be developed with a social and/or ecological purpose. It's not that these parties have anything specifically against doing good, they are just not willing to pick up the bill (T. van Leeuwen, personal communication, February 28, 2020). As innovations cost money, this makes it really hard for developers to create projects that push the environmental or social boundaries (N. Slob, personal communication, March 24, 2020). At the same time, smaller parties, like f.e. 'stadmakers' – single people or small organizations that are often known to initiate projects for the purpose of doing social or ecological good – also have a difficulty in getting financed, as they often have not yet established a track record within successful project development, generally have no own equity to invest and tend to have little knowledge of financial modelling – all of which are important decision criteria for investors (H. Karssenbergh, personal communication, March 25, 2020).

The difficulty of getting financed for impact, has on a wider scale, to do with the fact that to date there is no economic incentive for impact. Governments are not yet taxing negative impacts or incentivizing positive impacts. This presents a very limiting factor to developing for impact.

"Toen we in Spanje bezig waren met Commonland [...], toen merkte ik, dat vastgoedbeleggers zeiden: 'dat impactverhaal, daar heb ik helemaal niets mee'. Op zich vonden ze het wel interessant, maar ze dachten, we hebben wel onze traditionele verdienmodellen en daar voldeden we niet aan. En toen gingen we naar impact investors: wil jij dan financieren? En dan zeiden ze: 'nee, we doen niet aan vastgoed'.

Toen dachten we ook zo van, ja, dat is raar. Waarom is dat ook zo? [...] Als je een vastgoedbelegger bent en je hebt gewoon een goeddraaiend bedrijf op basis van traditionele verdienmodellen, why change? Het draait gewoon. Ik bedoel, mensen verdienen daar goed. Ze hebben werk genoeg. Ze hebben er geen last van. Er is geen reden om het anders te doen. En impact investors die hebben zoiets van 'vastgoed', weetjewel, zucht, traditioneel, voorzien van ellende. Geen goede reputatie. Het is niet nodig ook, dus waarom zouden we? Er is geen incentive voor mensen om een brug te slaan."

— (T. van Leeuwen, personal communication, February 28, 2020)

Short-term thinking (in 7 interviews)

Another clear barrier towards impact development, is the fact that in urban development in specific, but in our current political and socio-economic system in general, there is a tendency to think short-term. Financial profits made further than 15 years ahead in time are due to discounted cash-flow modelling and risk-averse thinking left out of investment decisions. In addition, our government changes every four years based on the outcomes of elections, which doesn't naturally allow for long-term thinking either. Nonetheless, buildings and urban areas are structures that can easily survive for hundreds of years. Not taking this actual lifetime in mind when developing, leads to a lack of impact thinking in development.

Bad reputation of social entrepreneurship (in 2 interviews)

As impact thinking and impact measurement have originated from the domains of social entrepreneurship and NGO's, it's looked towards with a bit of skepticism. To date, social entrepreneurship still has a bit of an identity problem, as many people wrongly believe that a social entrepreneur is per se a hippy or socialist entrepreneur who makes little to no profit. People in general believe, that doing good costs money.

However, in practice, successful social enterprises have actually seen higher return rates than their conventional more profit-oriented counterparts, as they tend to have a longer-term vision, a clear goal and mission and they tend to listen really well to their stakeholders and customers. This outdated reputation of the social entrepreneur might be standing in the way of impact development, as it's not considered 'sexy' or smart enough to do it.

"We moeten een taboe doorbreken en dat is geld verdienen. Ik vind waar we vooral niets mee moeten, is die sfeer van, oh, als je social entrepreneur bent, dan zal je wel één of ander geitenwollen-sokken-type zijn, die afhankelijk is van subsidies en ongelooflijk veel koffie drinkt in praatgroepen. Dat is niet zo. Dat is bullshit. Social entrepreneurship is ook gewoon bakken met geld verdienen. Ik zeg het bewust even extreem om de discussie aan te zwengelen. Daar ben ik eigenlijk wel een beetje klaar mee, dat mensen iedere keer dat geld verdienmodus vinden als 'nou daar praat je niet over'. Dat is hetgene, dat is de motor van verandering, is het business model. Als je ergens geld mee kan verdienen, krijg je veel meer voor mekaar, dan als je ergens geld in moet stoppen. En dat is eigenlijk het relevante, dat soms met gewoon een hele commerciële belegger erbij, wij gaan gewoon kijken: oké, hoe kunnen we met dit commerciële project toch iets positiefs bijdragen? Heel veel beleggers hebben er helemaal geen problemen mee, ofzo. Die hebben niet van, ik wil per definitie niet dat we iets goed doen. Alleen het moet gewoon geen geld kosten, maar dat hoeft helemaal niet zo te zijn."

— (T. van Leeuwen, personal communication, February 28, 2020)

Lack of finance & sustainability knowledge at municipalities (in 3 interviews)

Another major barrier to impact development is the lack of knowledge about urban development, related to the financial side and sustainability. Since the last crisis and the shift in thinking in urban development (from more proactive to a more reactive type of land development), a lot of capable people have left municipalities to work for private corporations. This has left the municipality with a lot of 'process types' – managers who seem better equipped at planning appointments than working substantively within the domain of urban development. Especially a lot of financial knowledge has left the municipalities, as this was not considered as important anymore.

Lack of innovation in the industry (in 7 interviews)

The construction industry in general is known to be a late adapter and therefore in general not considered very innovative. This can also be seen when it comes to impact thinking, as many other industries are far ahead. It's also pretty hard to innovate with 'products' that are as capital-intensive and risk sensitive as real estate is. This also presents a major barrier towards impact development, as most impact developments are innovative in nature.

Drivers

Fortunately, there are also some factors driving impact development, some of which present a clear answer to the barriers mentioned before.

The right intention (in 10 interviews)

Based on many interviews, what helps break down the barriers of impact development is having the right intention. Not only in your own practice or organization, but also in organizations you are working with.

"Je hebt ook echt gewoon aan alle kanten die believers nodig om het met elkaar daarin te kunnen doen. Dus ik denk dat dat een van de key succesfactoren is, voor je projecten."

— (N. Slob, personal communication, March 24, 2020)

Working with other intrinsically motivated people, came forward as one of the major success factors of impact developments. It was the major driver for the success of the ZoHo development (H. Karssenbergh, personal communication, April 2, 2020), but also the major driver for RE:BORN to get its first investments for circular projects (N. Slob, personal communication, March 24, 2020). By working with intrinsically motivated people, the initial barriers of working towards impact in a system that is not financially rewarding that yet, can be made.

Societal pressures leading to paradigm shift (in 2 interviews)

In recent media, organizations, both public and private, are increasingly held responsible for the impacts they create. These media outlets both represent as well as stimulate the public debate that is going on about our societal contribution to climate change or the unfairness in society. The recent crises that have come along – both the financial crisis out of 2007 as well as the corona-crisis we are currently facing – have added a sense of urgency to this public debate.

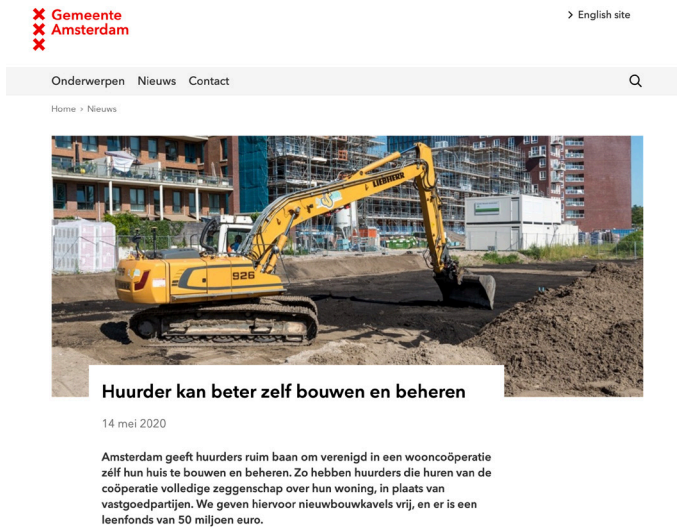


Figure 4.4. Tenants can better build and maintain houses themselves. (Gemeente Amsterdam, 2020).

As a result, in politics some more "impact first" decisions are being made. For example, the municipality of Amsterdam, is in light of this recent debate rediscovering their public roles and responsibilities, as can be seen reflected in the foundation of a 'Team for Urban Democracy', hard decisions about percentages of housing required in urban development (f.e. the 40-40-20 rule) (J. Hoogendoorn, personal communication, March 19, 2020) or about working with housing cooperatives rather than with private developers, as recently expressed in the media (figure 4.4). Also, as housing prices have soared in Dutch major cities, especially in our capital city, pushing lower and middle incomes out, recently a public debate has started on 'housing as a basic right', rather than 'housing as an investment object'. These debates are driving impact development, as social and ecological values are becoming more relevant than economic values.

Participation & 'middle-up down' thinking (in 4 interviews)

With the development of the "Omgevingswet", working in a participative manner is becoming more mainstream. Fortunately, as according to many interviews to create true social impact good participation is necessary with all stakeholders that can be potentially impacted by your project. Developers unfortunately have bad experiences with participation, because one annoying citizen, can block an entire project for months or even years. According to Hans Karssenberg, working in a middle-up down method is best for impactful urban development, as it is a way in which the day-to-day needs of the bottom-up perspective can be combined with the strategic, long-term vision of the top-down mindset (H. Karssenberg, personal communication, April 6, 2020).

Increased equality in urban development (in 2 interviews)

An often-heard criticism on urban development in general, is the lack of diversity at the higher decision-making levels (at developers, investors and municipalities) within urban area development. To date, the middle-aged white man is predominantly represented at this level. This might actually be the cause of the criticism that a lot of 'top-down' decisions are being made in urban development, in which the specific needs of the local population are not kept in mind (F. Soeterbroek, personal communication, February 27, 2020). Therefore, something that was mentioned in interviews a few times, was the notion, that it might be good for impact development if more women, but also other minorities, would be given a seat at the table (f.e. in interviews with J. Hoogendoorn & C. Robbe).

"En nou ja, het is ook een genderding. Ik praat nu als socioloog, hè? Voor de crisis was het allemaal de "Wolf van Wallstreet" zal ik maar zeggen: blauwgepakte testosteronbommen in lease auto's. Tijdens de crisis waren het vooral maatschappelijke initiatieven die door vrouwen werden geleid op de braakliggende terreinen. Dus dat masculiene verdween naar de achtergrond. Na de crisis werd het wel weer behoorlijk masculien. [...] Maar nu – as we speak – zie ik initiatieven rondom corona omhoog komen die veel meer feminine zijn [...]. De testosteronbommen zijn verdwenen, en daar waar de plekken worden ingenomen door vrouwen, zie je andere waarden door corporaties gaan gelden. Ze gaan anders om met huurschulden. Ze gaan anders om met probleebuurtten."

— (J. Hoogendoorn, personal communication, March 19, 2020)

Development of impact thinking (in 6 interviews)

An obvious driver of impact development is of course the development of impact thinking and economy in general. The more standardized and normal impact measurement becomes, the more it can become engrained in organizations and businesses. In the beginning, this will mainly be voluntarily, by a handful of early adopters, as now is the case, but in the future, this might lead to new legislation and requirement, as posed in the next driver.

Implementation of impact thinking: taxing & incentivizing (in 6 interviews)

After maturing impact thinking also the implementation of it into our governmental legislation would be one of the main drivers of impact development. This was mentioned in many interviews (f.e. N. Slob, K. van Dijk, P. Klop, etc.). In the past, the effects of a similar interventions were seen in practice, as governments started to require a EPC-norm for newly constructed buildings. Suddenly, these requirements became the norm. The same can happen with impact thinking. As soon as the government starts requiring, taxing or incentivizing impact, the game rules will change and more developers will develop for impact. An example of taxing is implementing the carbon tax. An example of incentivizing is giving social entrepreneurs tax benefits when they meet certain criteria, as is happening in the UK (M. Tsvetkova, personal communication, May 28, 2020).

Long-term commitment (in 4 interviews)

The best way to ensure lasting impact, is to think long-term. Extra investments made today, can lead to a positive impact in the future. Fortunately, more and more parties are starting to realize this, leading to all sorts of new, longer-term commitments in the building industry.

Professionalization of local & citizen' initiatives (in 4 interviews)

As public debate is strengthening on the state of the built environment in the Netherlands, more local and citizen' initiatives are rising up. And not only are they starting to exist, they are also increasing their professionalism and, in some cases, even performing as developers themselves (H. Karssenbergh, personal communication, March 25, 2020). This professionalization of local & citizen' initiatives functions as a driver to impact development, as many times these initiatives are founded out of a societal intention to do better, environmentally, socially or both.

Crises (in 6 interviews)

No better time for change, than times of crisis. Crises force people and organizations to take a break and re-evaluate their courses of action. The financial crisis of 2007 started the debate on environmental sustainability, and the corona crisis of 2020 seems to start the debate on social sustainability (source/newspaper article), as it showcases the social problems that have been ignored in society for the last decades. Therefore, crises are considered a driver to impact development.

Municipal innovation: new game rules (in 5 interviews)

Although the municipality was mentioned many times, as barriers towards impact development, fortunately there are also some good examples of steps that are being undertaken at a governmental level. For example, some experiments done with municipalities, in for example, innovative tender criteria, in the case of Zomerhofkwartier, Rotterdam, showcase what innovative, new game rules from the municipality can do for development (see also §4.4).

4.3 The Principles of Impact Development

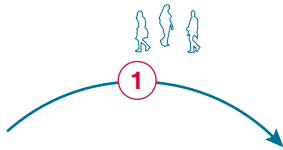
“Er is hier een bepaald probleem. Het heeft te maken met mens, milieu, of allebei en we gaan dat probleem oplossen door middel van ontwikkeling. En bij iedere casus is de oplossing anders. Dus er is niet één recept van 'zo moet het'. Daar moet je je gewoon per project in verdiepen en kijken: 'oké, hoe gaan we dit doen?’”

— (T. van Leeuwen, personal communication, February 28, 2020).

According to most interviewees, impact development is foremost about using common sense. As an answer on the question 'how to develop for impact', it is therefore impossible to write a manual for 'impact development'. All projects require their own unique approach. As a result, rather than presenting a handbook, six principles for impact development are proposed. These six principles came forward in interviews with impact developers and investors.

Not all principles are necessarily new to the field of (urban) development. Some are already known or implemented to some extent in practice, certainly in more progressive, inner-city development projects. In the description of the principles, an attempt has been made to link to existing (urban) development literature or practice where possible. The combination of the principles and the degree to which they are implemented in a project is what could distinguish impact development from more traditional (urban) development.

As 'impact development' is a new and emerging practice, the principles should be seen as a first step towards a new way of thinking, which in accordance with impact thinking needs to be further supplemented and enriched over time. It is specifically not a blueprint that should be followed up in detail, since impact development is as said before, first and foremost about using your common sense.



#1 Understand The Project / Problem

As an impact developer you strive to make an impact in an area where it's most needed. Impact projects can be started in different ways, for example out of a specific location or based on a specific societal problem (T. van Leeuwen, personal communication, February 28, 2020). The first principle of developing for impact is therefore about understanding the unique challenges of the location you want to develop or the problem you aim to solve (and in case of the latter: find a location to solve this problem). When analyzing a project or problem, it's really important to think outside of the known realm of bricks and mortar. Change can only be made where people and projects come together. Therefore, aim to analyze towards the societal change you aim to make and try to see (urban) development as a means towards an impact goal, rather than as a goal in itself.

Every project is unique and requires tailor-made solutions

Starting point for impact developments is that every project, or problem, is unique and therefore requires its own unique solutions. In order to truly understand the unique needs and challenges of a location, every project therefore requires its own thorough analysis phase.

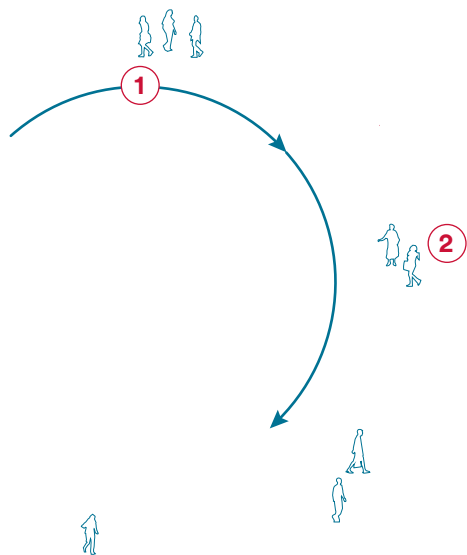
Start with the location and its 'genius loci'

The analysis can be started by studying the unique qualities and history of a location. In more poetic terms, what is the soul of the place – or 'genius loci'? The goal is to find out what are the qualities that you want to maintain after (re) developing the location or what aspects can be re-used or strengthened through development. Impact developer RE:BORN refers to this phase as the 'as is' analysis (N. Slob, personal communication, March 24, 2020). For the location analysis, it's also important to look 'beyond' the location, to a location's wider context, as developments in one place are bound to have an impact on neighboring areas.

In addition to focusing on a location's good aspects and history, it is also important to find out what the challenges or problems are a specific location is facing. Why does a location need to be redeveloped? Is it really necessary? When analyzing this, it's important to include as many stakeholder views as possible, as something that you consider a problem, might in fact not be a problem according to someone who is living there (also see #Principle 2).

Meet local people, discover local needs

As part of the analysis, it's therefore really important to involve local stakeholders (local residents, users, neighbors or organizations) in the process. What do local people say are a location's unique qualities or most important challenges? How do they look towards problems indicated by for example the municipality? M. Tsvetkova refers to this stakeholder analysis as a 'local needs analysis' (M. Tsvetkova, personal communication, May 12, 2020).



#2 Listen... truly involve all people

In impact development, it is important to involve all stakeholders early on. Especially the stakeholders that will be impacted by your development. Often, these are exactly the stakeholders that are usually forgotten or excluded in (urban) development. As impact developer you aim to keep all stakeholders involved throughout the entire process to make sure your development really benefits them. Transparency in this is key and you aim to co-create where possible.

Be humble, you don't know what's best

One of the major errors of (urban) developers, is that they think they know what's best (F. Soeterbroek, B. van Veenendaal). After all, they've often already developed many projects and consider themselves experts in their fields. However, as much as they might be experts in their fields (development), they are never the experts in the location they are developing or the community they are developing for. These experts are in fact the people themselves (C. Robbe, personal communication, March 5, 2020). As an impact developer, it's therefore essential that you let go of this top-down, know-all attitude, and start really listening to the people you work with or develop for (B. van Veenendaal, personal communication, May 1, 2020). You don't know what is best, until you actually listen.

Involve and learn from all stakeholders

Although it has always been important in area development to involve stakeholders, this is even more important for impact developers and goes much further than 'top down' and 'bottom-up' thinking. In impact development it is important not only to involve these stakeholders at an early stage, but also to give them an equal seat at the table. All stakeholders, including stakeholders with less power (less capital), have the right to be heard in an equivalent manner. If the municipality wants more diversity in an area, but the original inhabitants do not want to leave, it is important to look for a form in which this can happen, without one party being more privileged than the other (C. Robbe, personal communication, March 5, 2020). Together look for win-win opportunities.

Participate & co-create

Listening to and learning from all stakeholders in an area is not something you do once at the beginning or end of your project. It is something you do continuously throughout the entire process. Ideally, as an impact developer you aim for a high level of participation or even co-creation. In this way, design solutions can be permanently implemented and adapted throughout the entire process, you can be sure that the change you are trying to make really contributes to the problems that (local) people experience and that steps towards this impact goal will go on, even after you leave. This means that you have to change the way you work, towards more active involvement with all stakeholders that will be impacted by

your development, especially the people that are already living somewhere (C. Robbe, personal communication, March 5, 2020). You can do so by involving them at the start of a project through a local needs analysis. This doesn't mean to just ask people who live somewhere, what they want. It means really getting to know them, understanding their situation and to collectively learn what both the people and the location need to be able to thrive (T. van Leeuwen, personal communication, February 28, 2020). When doing this, it's really important to be really open, transparent and honest (J. Hoogendoorn, personal communication, March 19, 2020), and in return this might also help foster participation and understanding from all stakeholders involved (C. Robbe, personal communication, March 5, 2020). In order to keep an overview and balance between strategic long-term goals and the more short-term local needs, it's beneficial to work middle-up down. This entails shifting as an intermediary between the top down and bottom up (H. Karssenberg, personal communication, April 2, 2020). Finally, what really helps to continuously work according to this principle, is to create space within your development for personal initiatives to take place (mentioned by both H. Karssenberg & E. Roelofsen).

Be gentle & fair

Making an impact is about creating multiple types of value in an area. In area developments, this is usually associated with attracting new incomes or placemaking at a location by, for example, also attracting business activity, start-up entrepreneurs or the creative industry. In traditional real estate or area development, this is something that is temporarily used to make a location attractive, after which it often goes off (gentrification), the value of the area increases and the people who initially participate in it helped to make an area attractive (both the original residents and the new residents) are consciously or unconsciously expelled from an area. This is neither gentle nor fair. In impact development you are aware of the fact that this can happen in the longer term and you try to think at an early stage how you can ensure that everyone in an area (both first and second degree residents / users) can benefit over the long-term from the development of an area.

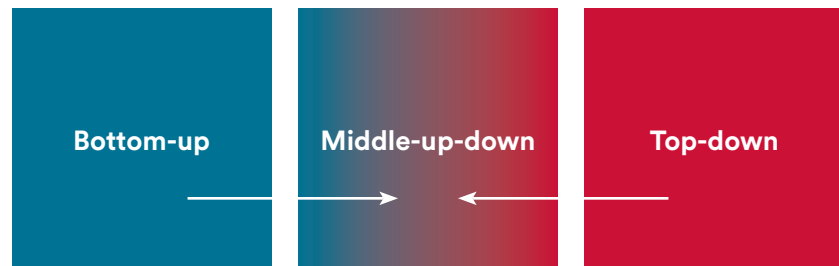
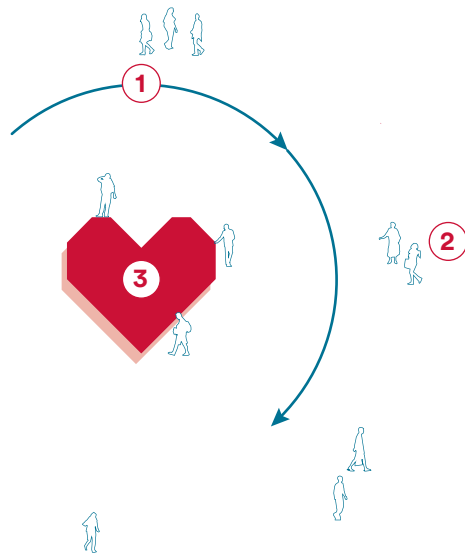


Figure 4.7. Working Middle-up-down (own illustration) as based on (H. Karssenberg, personal communication, April 6, 2020)



De Ceuvel
Social Impact – Affordable workspaces for the creative industries in Amsterdam.
Environmental Impact – Purifying contaminated soil by vegetation and planting, reusing and refurbishing old houseboats, continuously making office spaces more sustainable.



#3 Impact first!

To truly make impact, creating impact must be the first priority of an organization: impact first (Social Enterprise NL, n.d.). Making impact in development therefore starts with having the right intention and a self-critical attitude. Impact developers continuously ask themselves: why do I do what I do? How can I use this project to make a positive societal impact? (T. van Leeuwen, personal communication, February 28, 2020). Does what I do really contribute to the impact I want to make? (M. Tsvetkova, personal communication, May 12, 2020). Where traditional developers might look for market opportunities, impact developers are looking for 'problems' to solve (T. van Leeuwen, personal communication, February 28, 2020).

This 'problem-focused' view doesn't mean that no profit can be made. On the contrary: making a profit is even essential to make and scale up a lasting impact. Furthermore, making impact might actually lead to even more profit especially in the long term (T. van Leeuwen, personal communication, February 28, 2020). Nevertheless, for an impact developer making money always remains a means to achieve a goal (the impact) and comes therefore in second place.

Choose social & environmental goals and really understand them

Based on the location and local needs analysis, one or more social and environmental problems emerge, which are most important for the area. From these problems, the impact developer in co-creation with its stakeholders chooses the ones to focus on. It's best to not choose too many goals to avoid diluting the mission and vision. Ideally both an ecological and a social goal are chosen. The impact developer aims to really pick impact goals (root causes, with long-term effects on communities and ecosystems), as these are often overarching goals combining smaller, more localized goals. Impact goals also tend to develop over time and in contact with stakeholders. Therefore, during the process, impact goals will be regularly reevaluated and adjusted if necessary.

As an impact developer it is important to fully understand the social and environmental problems chosen before designing and developing the project. For a (urban) developer, this might mean that in the first phase of a project, your work might resemble more the work of a sociologist (T. van Leeuwen, personal communication, February 28, 2020) or an ecologist (E. Roelofsen, personal communication, March 26, 2020) than that of a developer. In impact development in general, it helps to work with a multidisciplinary team (H. Karssenbergh, personal communication, April 6, 2020) to prevent systemic, sector-specific biases.

Start with a common mission & vision

After choosing the main impact goals for a location, it is important to formulate a joint 'why'. What are the most important social issues that you want to solve through development? Why are they relevant for this specific location or the people that live there? Based on participation and co-creation sessions with all stakeholders,

collectively a common mission and vision is formulated for an (area) development. This mission and vision can be seen as the 'collective story' that STIPO and Platform31 refer to in their handbook for 'public developing'. The collective story and the network of stakeholders that gather around provide insights to all into the long-term goals of development and the associated opportunities that arrive from it (Visser, Beuzenberg, Besters, Laven, & Swagerman, 2015, p. 11). This mission and vision will form the basis of your Theory of Change, which you will make for principle 4#: measure and manage for impact.

Practice what you preach

The impact first mindset is not only embedded in the project itself, but also in the way to there. It's about how you deal with people and planet in the process. An interesting statement coming forth from the interviews was for example 'treat people well'. Impact developers tend to put a lot of effort in making their employees happy. This is partially the case because they realize that people are the engine for change – happy people lead to an increase in output, in change – but also because they believe in 'practice what you preach'. If you want to change practice, you should start with yourself: your own organization and your own people. Being kind to your people, generally came in two forms: (1) rewards & benefits and (2) trust & freedom. The first type is about giving your employees appreciation and making sure they are healthy and happy. This includes paying them decent wages, including them in profit-sharing strategies, as well as providing other benefits, like healthy (vegetarian) lunches, sport classes, a healthy, green office space or collective outings (N. Rood, personal communication, May 12, 2020). The second type is about empowering your employees and allowing them to make their own decisions. It means allowing them to work remotely and in their own hours, giving them more accountability through f.e. the principle of 'holocracy' (N. Slob, personal communication, March 24, 2020) or trusting them on their own design decisions (B. van Veenendaal, personal communication, May 1, 2020).

Next to being good to your own employees, it's also important to be good to other people involved (the value chain and the local people) (M. Tsvetkova, personal communication, May 12, 2020). This is also something that 'impact investors' increasingly require from their investees. It's something they actively check in the policy of the companies they invest in (K. van Dijk, personal communication, April 1, 2020).

“De verandering zit in mensen zelf [...]. Dus wat ik de afgelopen 1,5 à 2 jaar probeer te doen, is de bedrijfsvoering zó te maken dat dit werkt. Dat zit hem dus in: wat doe je met elkaar als bedrijf, wat eet je tijdens de lunch (vegetarisch), wat voor activiteiten doe je met elkaar? Zodat je juist daar ook de impact in maakt, waardoor je een besef krijgt bij de mensen in hun hoofd, zodat zij ook automatisch in hun projecten op een andere manier gaan handelen. Uiteindelijk zit het erin dat je de mensen zo beïnvloedt dat ze daar uiteindelijk zelf mee aan de gang gaan, want dan gaat het vanzelf.”

— (N. Slob, personal communication, March 24, 2020)

Pelstergasthof (Heilige Geestgasthuis)

Social Impact – Originally founded as a nursery for passing strangers (pilgrims and vagabonds), the poor and the weak, later served as a leprosy for 'Lazarusian people' and a couple of centuries later as a courtyard for elderly people. The courtyard has always provided affordable housing for people in need.





Headquarters Triodos

Social Impact – A comfortable office building in a natural environment for its users. The location and the use of wood in the building ensures for a positive impuls for people to be present in a calmer and happier place through elements of nature.

Environmental Impact – Not only an positive impuls is given on social aspect, but it is especially for the estate's nature and its bio-diversity. The headquarters of Triodos had to show their sustainable mission all throughout. This is made possible by solutions such as fully remountable wooden structure. This is a way to reduce carbon emissions.

Find partners with a similar intention

Creating positive societal impact is not easy. It often means that you actively have to work against existing systems or known ways of working, like outdated regulations of municipalities or traditional investment requirements. This can be quite demotivating. What helps to smooth the process, according to many interviewees, is to cooperate with other intrinsically motivated people (mentioned in interview with H. Karssenberg, N. Slob, M. Sutherland, T. van Leeuwen, N. Rood, A. Palmer, M. Scholte).

Ideally this is done at every level and in every phase of the project. Together you stand strong, share risks and form networks that can become the movement towards the necessary change. Within this circle of like-minded people, it's important to strive for diversity, to prevent bias, but also because working from different backgrounds towards a common overarching goal allows for cross-pollination (A. Palmer, personal communication, May 1, 2020) and the necessary creativity (H. Karssenberg, personal communication, April 6, 2020) needed to bypass an old but dominating system.

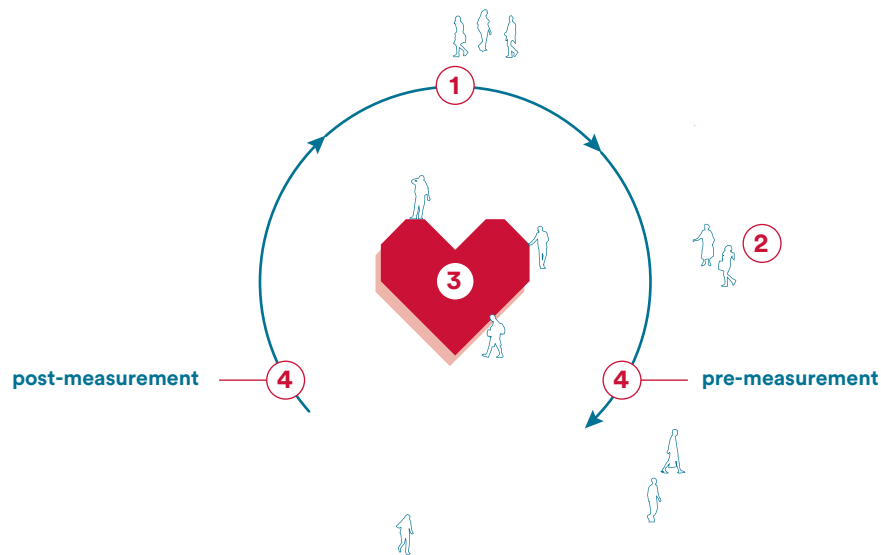
An example of a collaboration of this type is how STIPO – an area development advisement agency - has entered into with Stadkwadmaat – an advisor in the field of urban economy. The stakeholder knowledge of the one, combined with financial knowledge of the other, has led to the development of Stadmakersfonds – an impact fund for urban impact developers (H. Karssenberg, personal communication, March 25, 2020). Another example is how EDGE Technologies in partnership with Triodos bank and Thomas Rau were able to develop one of the most sustainable new office buildings – demountable and made from mainly wood (N. Rood, personal communication, May 12, 2020).

A way in which this thinking could be applied in urban development, is by way of 'partner selection', a way of tendering for municipalities that is based on finding partners with a shared intention (van Zessen, 2020), rather than on selecting a party based on the highest bid.

Have fun

To close off, placing impact first doesn't only lead to more impact, it's often also a more rewarding process. Thomas van Leeuwen admitted that learning about new social and environmental challenges in addition to his already developed real estate knowledge, felt refreshing and exciting (T. van Leeuwen, personal communication, February 28, 2020). And according to Bart van Veenendaal, impact development is fun because you can choose projects that are "cool" and exciting, not because they generate the highest profit (B. van Veenendaal, personal communication, May 1, 2020).

Figure 4.9. Impact development cycle #4 (own illustration)



#4 Measure & manage for impact

A principle, which, in contrast to a number of aforementioned principles, is truly unique for "impact development" is the installment of an impact measurement and management system. This is necessary to both prove and improve impacts made. Measuring and proving impacts (often indirect effects) could in the future also help to ensure a fairer distribution of costs and revenues, as the 'true costs' of developments can be included in the business cases of both developers and municipalities.

“Door je te verdiepen in het gebied of het probleem, ontdek je vrij snel – nee, niet vrij snel, dat kost je wel wat energie – waar ligt nou de kern van het probleem? Dan ga je op dat specifieke probleem, ga je nadenken van wat is hier nou een meetbaar element in? En als dat er nog niet is, kun je natuurlijk pre- en post-measurement doen.”

— (T. van Leeuwen, personal communication, February 28, 2020)

Impact awareness

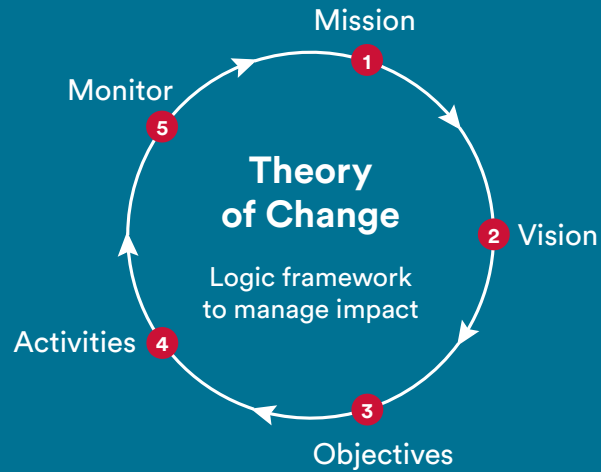
In order to improve your impacts, it's essential that you are aware of the impacts you make. You can only do that, if you also know the nul situation. Therefore, measuring and managing for impacts therefore also starts with analyzing the impacts of your organisation and the impacts of the project's starting situation (pre-measurement) (T. van Leeuwen, personal communication, February 28, 2020). If you don't know what you are doing, it's hard to improve.

Theory of Change

Impact measurement and management goes beyond choosing impact measurement methods. It is about completely thinking through the previously formulated mission and vision in a logical way to the impact goals and ultimately even the measurable impacts that result from this (impact metrics). This is the strategic story that many impact investors will increasingly demand and is known as a Theory of Change. The Theory of Change links you to the mission and vision of your company and it is constantly updated where necessary.

The right metrics

One important step in the Theory of Change is to formulate impact metrics. Metrics can be seen as the Key Performance Indicators for your impact goal. It is suggested to only choose the most relevant metrics for your mission. Don't measure everything, only measure what helps you reach your impact goals (M. Scholte, personal communication, February 29, 2020). Or "consider how you will use the results", as Epstein & Yuthas call it (2017, p.21). Between 2-4 impact metrics is a good start (coming forth of interviews with T. van Leeuwen, M. Scholte) and confirmed by Social Impact Ventures (2020). According to the impact investors spoken, it's useful to try and use standardized metrics, preferably those from the



1 Mission

Why are we in this field? Why are you doing what you are doing? Start by formulating your mission and know what you aim to do as organisation.

2 Vision

Determine the need for change and your vision for solutions. What is the people's need for change? What solutions or models can help make the transition? Do your homework.

3 Objectives

From your vision, set key impact objectives. Objectives steer your activities and help work towards your vision. Link your objectives to the Sustainable Development Goals (SDG's.)

4 Activities

From goals to activities: what can you do to reach your impact objectives? Next to your day-to-day activities, make one of your main activities about amplifying your impact.

5 Monitor

Are we doing what we were aiming to do? In order to understand how things are going, you need to link measurement methods and metrics to your objectives. Limit metrics to only the ones that are really important and only use metrics that fit the standard in the market (IRIS+ indicators).

After concluding step 5, go back to step 1 for continuous learning!

Box 4.1: Theory of Change (own illustration) as based on (Triodos Investment Management, 2019).

GIIN (IRIS+ Metrics), as this saves you time and helps work towards a common impact language cross-industry. Furthermore, it might also help to link your metrics to the Sustainable Development Goals as investors are increasingly starting to demand this (P. Klop, personal communication, March 20, 2020). Make sure to don't substitute the metrics for your common sense, they are used as a tool, not as the only truth there is (H. Karssenbergh, personal communication, March 25, 2020; Triodos Investment Management, 2019). And update your Theory of Change (and with it your metrics) at least yearly (A. Palmer, personal communication, May 1, 2020).

“Maar we hebben er heel bewust dus voor gekozen om dit procesmatig in te richten. Dat wil zeggen, dat we niet bij voorbaat thema's van maatschappelijke impact hebben. We hebben voorbeelden waar we uit kunnen putten. [...] En het belangrijkste, [...] ga altijd met ze in gesprek. Het is ook, als je met elkaar gaat praten, dan kom je erachter achter of het een initiatief met maatschappelijke impact is, niet door een formulier te laten invullen. Vervolgens leg je dat vast in de criteria die je samen afspreekt.”

— (H. Karssenbergh, personal communication, March 25, 2020)

Continuous learning and adaptation

After linking your impact goals to the mission and vision of your organization and setting up an impact measurement system, it's important that this measurement and management system is continuously revised and updated (Epstein & Yuthas, 2017). This can be done by completely infusing the impact first thinking in your organization and placing importance on the principle of continuous learning.

This principle also came forward in many interviews with impact developers. Even without having a clearly installed impact measurement system, many of the impact developers showcased a continuous learning approach within their organizations. For example, in EDGE Technologies, this is implemented in continuously and collectively working towards the best blueprint for sustainable office buildings, whilst in the process also allowing for the space to make it tailor-made for a specific location (N. Rood, personal communication, May 12, 2020). For RE:BORN this entails working on the RE:BORN DNA: also a type of blueprint to work towards the flexible and function-dynamic buildings that are needed in a circular economy (N. Slob, personal communication, March 24, 2020). Evert-Jan Roelofsen of Kerckebosch Zeist really promoted developing organically, to allow for learning in the process (E. Roelofsen, personal communication, March 26, 2020). This was also something that was confirmed by Thomas van Leeuwen, Hans Karssenbergh, Chantal Robbe and Jurgen Hoogendoorn, who all referred to concepts like 'organic development' or 'tactical urbanism' as successful ways to learn and adapt over time in urban development.

Flexibility, adaptability and continuous learning are therefore central aspects of developing for impact. When placing enough importance on this mindset in your company, this can also become a natural part of the company culture.

“En dus, wat ik zeg, we zijn echt aan het kijken hoe we die gebouwen zo kunnen optimaliseren dat het echt gewoon betere gebouwen zijn. Dus die blueprint wordt weer elke keer geüpdate als er weer nieuwe inzichten zijn.” [...] “Wat klinkt dat eigenlijk goed, hé? Ik vergeet het af en toe. En als ik het nu zo hard op zeg, dan is het voor mij heel normaal, maar dat is misschien wel helemaal niet zo?”

— (N. Rood, personal communication, May 12, 2020)

Monetarizing impacts

In a next step and hopefully the nearby future, measured impact is subsequently monetarized. In that way, impacts can be included in the business model of the developer and municipality. Although some organizations are already doing this (f.e. Impact Institute) (M. Scholte, personal communication, February 29, 2020), monetarizing impacts (just like measuring impacts) is still a bit in its infancy phase.

“Monetariseren is wat ons betreft echt rennen voordat je kunt lopen. Je kunt niet monetariseren wat je niet eerst in fysieke term hebt gemeten. Dus we denken dat het een uitstekend idee is... ooit. Maar dan moeten qua meten wel een stuk verder zijn dan we nu zijn.”

— (P. Klop, personal communication, March 20, 2020)

The development of it could however really stimulate more impact developments in the future and thereby help instill change in the industry. Therefore, impact developers are stimulated to try and set the first steps towards monetarizing impacts (more about this at Principle #5 - rethink the business case).

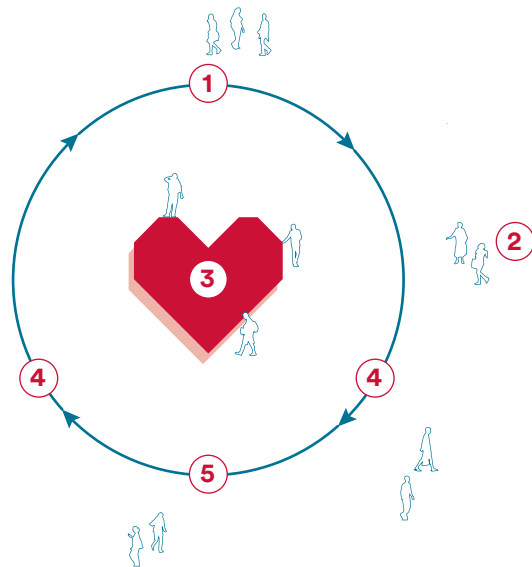


Kerckebosch Zeist

Social Impact – Keeping a neighborhood socially mixed in the long-term, with 55% social housing that are almost indistinguishable from more expensive housing. Social activities are stimulated to integrate the different income groups. The quality of the neighborhoods seems to have had a positive effect on health, wellbeing and feelings of safety.

Environmental Impact – The neighborhood has been declared the most nature-inclusive neighborhood of the Netherlands. Most of the public space has been donated to 'Utrechts Landschap' and the inhabitants automatically became a member when they moved to the area.

Financial Impact – As a result, property prices have risen to Amsterdam levels, making the project also very financially profitable.



#5 Rethink existing ways of working

After a thorough analysis phase, drawing up and devising a widely supported mission and vision and implementing impact thinking in the way you treat people, it is important to implement impact thinking also in ways of working. This might entail rethinking the development process, the business case or the products that are made. Rethinking means that an organisation must be able to, where necessary, adjust or abandon existing ways of working. This doesn't entail forgetting everything and starting over, but it does entail focussing on the parts that work and fixing the parts that are not working anymore. A flexible mindset and faith, that in the end this will also financially pay out, are necessary for this.

“Soms komt het financiële verhaal uit een hele onverwachte hoek, dus je moet je niet doodstaren op standaard verdienmodellen. Dat gebeurt er in de vastgoed gewoon heel erg. [...] En dat is ook een beetje impact development, soms weet je gewoon nog niet waar het vandaan komt ... het voelt gewoon goed, hier zit iets in, maar uiteindelijk komt het geld vaak uit een hoek waarvan je helemaal niet bedacht had, dat het daar vandaan zou komen.” (Thomas is referring to a conversation, he previously had with impact investor Els Boerhof).

— (T. van Leeuwen, personal communication, February 28, 2020)

Long-term, win-win & adaptive

To illustrate this principle, in this paragraph, a few examples are given how impact developers have adjusted their business models, development processes or even products to make impact. These examples aren't mentioned to precisely copy, these examples are mentioned to inspire a way of thinking. By setting impact goals, these developers have been able to come up with new products or ways of working, which have been both impactful and profitable. Three words are important in rethinking: *long-term*, *win-win* and working in an *adaptive* way.

Rethink the business case

As impact thinking is inherently about balancing different types of values – social, environmental and economical, in the long-term making impact is expected to lead to higher returns – as negative external effects, from social or environmental injustice, are prevented. However, most of the time these external effects aren't monetarized and therefore excluded from the business model.

As an impact developer, therefore, you have to understand that the value you create, might return at a different moment and in a different form than you might expect (T. van Leeuwen, personal communication, February 28, 2020). This is the central principle of impact financing. It's your job, as impact developer, to either find ways to communicate these values in monetary terms (give them a financial value), secretly combine them with other values that investors are already willing to pay for (win-win) or to become an investor, so you can make investment decisions yourself based on multiple values (also social and environmental values).

Accepting a lower initial risk return

Often a first step in impact development is to accept a lower return rate yourself. This is not something you should do in the long-term, as you want to be able to grow and amplify your impact, but in the beginning phases of your enterprise it might be a good strategy, as it gives you the possibility of showcasing and proving the value of the impact you make (N. Slob, personal communication, March 24, 2020). Usually higher investments in the beginning phases of a project, lead to higher returns later on in the project (E. Roelofsen, personal communication, March 26, 2020). If you work for clients that are long-term involved, they will probably value your impact approach after the project is concluded, which will make it easier for you to find investors for future projects. Having a financial partner on board (investor or owner of land) early on in projects, will give you the necessary security to set impact ideas into impact action (T. van Leeuwen, personal communication, February 28, 2020).

Creating win-win opportunities

A second way to adjust the traditional business case towards more impact, is to think win-win. This can be done both socially – by combining the objectives of the user with the objectives of the owner – or environmentally – by linking environmental sustainability to financial gain. Examples of the first include working with turnover-related rent (in Dutch: 'omzetgerelateerde huur' of 'ingroei huur') – in which renters (initially) get a low starting rent and pay more as their income or turnover increases – or by giving users or tenants part ownership in the project, making them feel more responsible for the success of the project (mentioned in interviews with T. van Leeuwen, J. Hoogendoorn and C. Robben). In these way, if tenants are doing well, the owner will also do well.

An example of this in practice is in the Geuzenveld development of D/DOCK in Amsterdam, in which unemployed people are helped in starting a social enterprise in the plinth of a residential building. The more successful the enterprise is (and thus the higher the wager of these previously unemployed people are), the higher the rent that can be paid. Through this principle, the (often unused) personal potential of people is turned in an impactful way of earning money and both parties benefit (T. van Leeuwen, personal communication, February 28, 2020).

An example of the second type (environmental sustainability) is how RE:BORN is able to convince their investors about the additional value of their sustainable projects, by explicitly linking sustainability goals to financial value. Through developing buildings that are both legally as technically function-dynamic (and thus circular buildings), they are able to convince their investors of a higher end value, also due to the lower risks of vacancy, as the building can easily be changed in function (N. Slob, personal communication, March 24, 2020).



Blue City

Social Impact – Blue City's motto to 'bring back balance' not only applies for the ecological part. The redevelopment for example of the location is the former 'Tropicana', one of the largest and most beloved swimming pool in Rotterdam that had to close down, but gets a second use.

Environmental Impact – Blue City is highly focused on ecological sustainable developments in multiple fields. The community promotes for circular way of thinking.

Financial Impact – In relation to the circular thinking, Blue City aims for circular economy. In which the location is full innovative circular companies from different fields. This creates an interesting environment for investment in a hub with new knowledge and innovation in the field of ecological sustainability. For Blue City, the circular is the new economy, in which this is the way for them to make financial impact.



Senákw

Social Impact – The Indian community behind this development has used the legislation of building on Indian reserve in its advantage. With the idea to provide and enable for the community that often struggles to see investment in their people, whether children or elderly. The project brings out 6000 apartments of which 70 to 90 % is for affordable rent. Making the city of Vancouver accessible for people while also helping to release the demand of the housing market.

Environmental Impact – Nature-inclusive development with a lot of green throughout the buildings and public spaces.

Financial Impact – The projects is seen as a long-term economic development project. This leaves room for having more affordable prices as the percentage of rental versus strata units have yet to be decided. The lease for the project is for 120 years in which 99 years for the condo's to pay back the investments.

Monetizing impacts: internalizing indirect effects

Impact developers (but also urban developers in general) often create impacts that other parties benefit from, even though they might not pay for this (B. van Veenendaal, personal communication, May 1, 2020). Often creating these impact asks for higher initial investments, which non-impact developers don't need to make, resulting in an unfair playing field. Therefore, it's important as impact developer to try and translate the positive societal impacts your project creates in the future to a monetarized value here and now (coming forth from interviews with T. van Leeuwen, M. Scholte, H. Karssenberg & K. van Dijk). By monetarizing, you can communicate the additional value you create or the costs you prevent to your financiers, your investors and also the municipality. This helps strengthen your position in price negotiations. In the beginning, this might be hard, but when combined with principle 4 – the installment of an impact measurement system – over time you will be able to derive evidence-based data from your projects to build your story. Although especially social impacts are hard to monetarize, don't forget, developments in this field are booming, think about the development of carbon or biodiversity accounting (K. van Dijk, personal communication, April 1, 2020). A good way to start monetarizing impacts, is to use the already developed knowledge of SCBA-analyses in urban development (M. Scholte, personal communication, February 29, 2020). The possibility of monetarizing impacts and including them in the business case was also recently mentioned in a publication about alternative types of finance in urban development (E. Heurkens, Hobma, Verheul, & Daamen, 2020, p. 55).

Als je als ontwikkelaar aan de gemeente kan aantonen van: luister, we betalen niet vooraf de hoogste prijs, maar we investeren dat geld in die wijk, zodat we daar meer sociale veiligheid creëren. En beste gemeente, u bespaart daar straks op doordat u minder politie uitgaven heeft... [...] En kijk, eigenlijk verleiden om zo'n partij daarvoor te laten betalen of een korting te laten geven. Dat zal nog heel erg pionieren zijn. Maar wel leuk om na te denken!

— (K. van Dijk, personal communication, April 1, 2020)

Commit long term

As impacts tend to manifest itself only on the long term, for an impact developer to truly create an impact, ideally you want to be involved in the long-term. Both to learn how your projects function over time and to adapt if necessary, as to financially profit from the long-term decisions that you ideally make.

This leads to shifting your business model towards long-term commitment. Ways of doing this, are (1) to choose your clients (or investors) carefully - only work with clients that also have a long-term vision such as pension funds, institutional or impact investors (minimum approach) (A. Palmer, personal communication, May 1, 2020) or (2) to become an (co-)investor yourself (maximum approach). A lot of project developers that were interviewed, admitted working towards that second

point, by trying to become developing investors. Having a financial stake in the project, will give you more influence about decisions being made. Another solution to being able to be more long-term oriented or committed in projects, is (3) by working in an incentive-based way, with a flexible fee based on the impact realized (medium approach). However, to date, this is still rather new and maybe also hard to implement in urban development, as some of the impacts realized, might not present itself for decennia and by then, it might be really hard to prove that the perceived impact was actually the result of your decisions made. It might also be interesting (4) to look into other ways of calculating your business case, such as through lifecycle costing.

“Developers changing their role from developers to co-investors.”
— (A. Palmer, personal communication, May 1, 2020)

“Blijvend kunnen sturen en langdurig betrokken blijven in een gebied. [...] Eigenaar blijven van het vastgoed. Dan pak je je rendement en je kan er langer in blijven zitten.”
— (B. van Veenendaal, personal communication, May 1, 2020)

Revolving funds & housing cooperatives

Another way of making impact developments possible, is through revolving funds. This is something, that we can increasingly see in practice and that's a bit related to the previous point (becoming an investor). An example of this is Stadmakersfonds, who as a new type of investor (or revolving fund) solely invests in developments that aim to create a societal impact (Stadmakersfonds, 2020). When these developments are successful, Stadmakersfonds also profits, thereby becoming able to amplify its impact by investing in more impact developments. In a way, housing cooperatives do something similar, as when the loans of the projects are paid off, future income streams can be reinvested in change elsewhere (f.e. in Mietshäuser Syndikat). The same idea could work on urban area level, making continuous reinvestments in a community and neighborhood possible.

In essence, these initiatives are beating our financial system at their own game, by reinvesting the accumulation of profit in future impact.

Coming up with new business models

Of course, the examples mentioned in this paragraph are just some first ideas. Impact development needs many more ideas like this: new business models that work towards a more fair and sustainable economic system (F. Soeterbroek, personal communication, February 27, 2020). By using common sense and an impact first mindset, many more of these new business cases can be developed in the future.



Agnetapark

Social Impact – Affordable, quality housing for factory workers. Strong social structures, resulting from extensive social programming and functions.

Environmental Impact – Agnetapark is a garden city, with a lot of green space, parks and water, which makes the neighborhood very climate adaptive and futureproof. Also, a lot of attention has gone into the design of the homes and creating an aesthetic unity in the neighborhood. Therefore, the neighborhood is loved and cherished by its residents, leaving it practically unchanged a century later.

Heilige boontjes

Social Impact – The initiative gives people whom have had come into contact with the police (e.g. criminal record) a second chance by educating them and teaching them new skills so that they can return to society. It shows perspective and a great example for ex-criminals, therefore there's a reduction in criminality.

Financial Impact – As for the people who normally wouldn't have an opportunity, they do get a second chance. This means a reduction in terms of jobless people (especially under the criminals) which eventually leads to fewer benefits that need to be paid from the government. Apart from that, Heilige Boontjes, earns the money to fully support their impact goal first: keeping people off the streets.



Rethink the development process

In addition to the business case, also the development process could use rethinking. The following suggestions came forward from interviews:

- *More time in the initiation phase* – to analyze and understand the societal problems at hand (N. Slob, personal communication, March 24, 2020) and truly involve stakeholders (T. van Leeuwen, personal communication, February 28, 2020);
- *More time in general* – for active participation and co-creation (C. Robbe, personal communication, March 4, 2020). These first two points, could lead to a reduction of time in the execution phases of the project, as less opposition is expected from stakeholders, saving time delays later on, in the process;
- *Longer involvement* – Impact developers tend to be more long-term involved, also for post-measurement, so the last phase of the process is often extended (multiple interviews);
- *A less linear and more iterative development process* – in which impact thinking is the guiding theme (T. van Leeuwen, personal communication, February 28, 2020), also for real estate developments. This isn't new for urban development, which tend to be iterative processes in nature;
- *A more flexible and organic phasing* – as it allows for continuous learning and adaptation, but also because it's gentler for inhabitants and social structures. A more organic process also helps with co-creation, as trust can be created through the development of small projects, before larger projects are taken on together ('tactical urbanism') (H. Karssenbergh, personal communication, April 6, 2020).

These adjustments from developers, also need adjustments from the government, as impact developments tend to fit better with a more organic and slow type of development, than with the more traditional, top-down planned type of development we often see occurring in times of economic boom or housing crisis. Municipalities should therefore ideally switch towards a more flexible and adaptive type of planning (slow and organic, using tactical urbanism). This has also been suggested in recent urban development literature. According to the handbook for public developments: practice in general would benefit from more flexible and adaptive planning, in which a land use plan no longer specifically stipulates how many functions should be realized where, but which leaves (justified) room for change in the future (Visser et al., 2015).

Rethink the design

Impact thinking often requires coming up with new solutions, solutions that do not yet exist or have been forgotten (like many great ideas in our public housing history – 'volkshuisvesting'). Because (urban) development is a complex field of practice, with a long history, a lot of regulation, many stakeholders and large investments required, it's not an easy industry to innovate in. However, innovation is absolutely necessary in order to make change within an unchanged economic system.

What helps in formulating new design ideas, is enabling or stimulating playfulness in your own organization or partnering organizations (f.e. developers, advisors). This can be done by challenging or incentivizing developers to come up with even more impact (E. Roelofsen, personal communication, March 26, 2020), or by stimulating creativity of your employees by either giving them the freedom to follow their own interests (B. van Veenendaal, personal communication, May 1, 2020) or by proactively investing in playground and experiment space (T. van Leeuwen, personal communication, February 28, 2020). Or by asking your advisors about their wildest ideas for sustainability (N. Rood, personal communication, May 12, 2020).

What also helps is to co-create with other organizations or to adaptively work towards a new ideas. This can lead to changemaking ideas such as the flexible and adaptive buildings of RE:BORN, structured according to the seven structure layers to allow for circularity (N. Slob, personal communication, March 24, 2020). Or the continuously evolving sustainable offices of EDGE (N. Rood, personal communication, May 12, 2020).

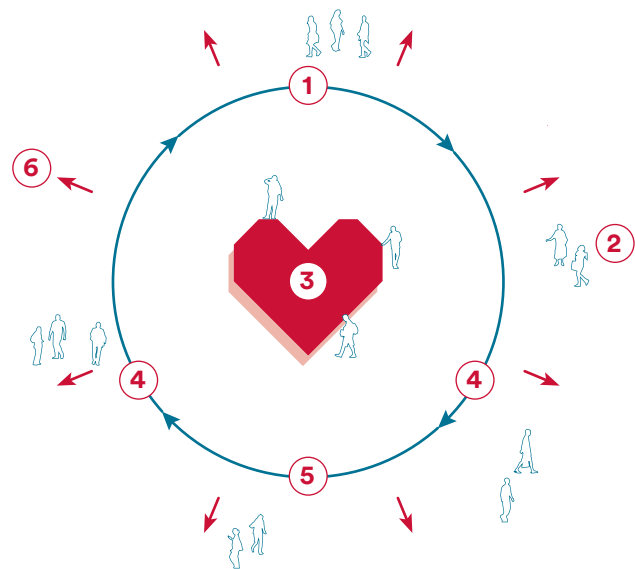
These are just some examples. There are tons of other ways to rethink the design of buildings and neighborhoods towards more societal impact, therefore no attempt is made to formulate a list of ways. Some suggestions can be seen at the list of concrete tools, measures and hacks for developer. On the right also on overview is presented of examples of 'rethinking' approaches on an urban area, which are specifically aimed at created more 'fair' urban developments (figure 4.11).

Examples of impact development

Throughout this chapter, examples of potential impact developments are shown to inspire a way of thinking. And in the figure on the right (figure 4.X), an overview of different projects is shown, that in their own ways, work towards more socially fair development. The 'tools' that have been used for fair development are mentioned on the left.



Figure 4.11. Tools & examples of fair development (own illustration)



#6 Pay it forward

One of the criteria of impact development is bringing your industry further. Therefore, as impact developers mature their impact thinking through the projects they develop, they can amplify this impact in three ways. By demanding impact from the parties they work with, by reinvesting in change elsewhere and finally, by inspiring their industry.

Demand impact from partners

Project developers are often a spin in the web. They steer towards the successful completion of a project but involve many other parties in the process. One thing that impact developers can therefore do to amplify their impact is to require change from the parties they work with. For example by requiring from the contractors they work with to hire disadvantaged people in their operations (local people, homeless people, minorities, women, people with special needs) or by requiring from their (professional) tenants that they open up their offices in off hours for social enterprises or the local community (M. Tsvetkova, personal communication, May 12, 2020). They can also demand impact from partners by selecting the parties they work with on impact criteria. For example, by only working with investors that have a long-term vision (A. Palmer, personal communication, May 1, 2020).

Reinvest in change elsewhere

By being long-term involved in a project (f.e. by becoming an investor yourself), apart from being able to steer the impact measured, you might also finally benefit from the profits you make. As for impact developers the final goal is always to create positive societal impact, these financial profits are never a goal in itself, but rather a means to a bigger impact goal: to reinvest in new social projects elsewhere (T. van Leeuwen, N. Slob and H. Karssenbergh are all aiming to do so).

Inspire your industry

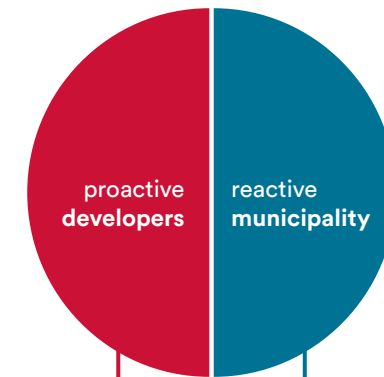
While developing your own impact practice - instilling it in your DNA, in the way you run your company and in the heads of all your employees - as a true impact developer you also want to bring the entire industry further. Because you can't reach your impact goals just by yourself and need partners, or even the wider sector, to develop towards it with you.

Therefore, the ninth principle of impact development is to mature and pay it forward. This can of course be done in multiple way, for example by communicating about your impact made and lessons learned, to educate and inspire others, or by demanding systemic change from the partners you work with (Niel Slob & Nena Rood) or by giving interesting start-ups or social entrepreneurs a stage in the projects you develop (Nena Rood & Mariya Tsvetkova).

“En natuurlijk moet je de hele sector mee krijgen.”
 — (K. van Dijk, personal communication, April 1, 2020)

4.4 Creating impact today: Concrete hacks & game rules

Apart from the barriers and drivers, and the six principles of impact development, also concrete tools, 'hacks' and new game rules came forward from the interviews. Tools that are able to be implemented in practice today to help work towards creating positive impact. Two types of concrete measures are given: (1) proactive tools to be used by developers and (2) reactive tools and new game rules to be implemented by the municipality. The hacks and game rules given here present nowhere near an extensive overview. Also, they are not elaborated upon (just google for yourself). Ideally, it's just the beginning a bigger list of hacks and game rules that can develop over time as more developers and municipalities begin 'hacking' their way to impact.



New financial models

- Quantify impact & include it in business model (T. van Leeuwen, E. Roelofsen), f.e. through impact statements and SCBA analysis (M. Scholte)
- Harnessing the personal potential of people and translating that into your business model (T. van Leeuwen), f.e. by means of jointly starting a social enterprise with unemployed residents and using (turnover-related) rent
- Turnover-related rent (T. van Leeuwen, C. Robbe, J. Hoogendoorn, S. Taus), also known as financial growth model for f.e. starting entrepreneurs (Visser et al., 2015, p. 21)
- Give percentage of ownership to tenant (T. van Leeuwen)
- Income-related rent (B. van Veenendaal)
- Become an investor yourself (T. van Leeuwen, N. Slob, M. Tsvetkova)
- Offer a higher return to the investor (because doing good yields money) (T. van Leeuwen)
- Accept lower returns (especially for innovations) (N. Slob, B. van Veenendaal)
- Redistribution (E. Roelofsen, S. Taus, B. van Veenendaal)
- Membership model / club form in area development, for permanent placemaking (H. Karssenbergh)
- Fewer links in the chain (such as with housing cooperatives), fewer profit margins (C. Robbe)
- Include an urban area yield in your business case, just like overhead costs (C. Robbe)

New game rules

- Tax negative external effects / impacts (eg carbon tax) (P. Klop, N. Slob, J. Hoogendoorn)
- Reward positive external effects / impacts, f.e. through:
 - Discount on land price (J. Hoogendoorn, E. Roelofsen)
 - Performance fee for developers (K. van Dijk)
 - Tax benefits for social enterprises (M. Tsvetkova)
- Anti-speculation clause ('antispeculatiebeding') (F. Soeterbroek)
- Establish social council ('maatschappelijke raad') for real estate (F. Soeterbroek)
- Stimulate housing and urban area cooperatives in policy (F. Soeterbroek)
- Introduce self-occupancy obligation ('zelfbewoningsplicht') (F. Soeterbroek)
- More development with leasehold / land lease, including discounts on developments with a social mission (F. Soeterbroek)
- Social mortgage ('sociale hypotheek') for societal initiatives (F. Soeterbroek)
- Set up 'Stadstender-teams' involving citizens (F. Soeterbroek)
- Allow development in neighborhood development companies again (f.e. housing corporation & municipality combinations) (E. Roelofsen)
- Give housing corporations more freedom, like abolishing the landlord levy ('verhuurdersheffing') (E. Roelofsen, N. Rood)
- Screening parties on impact, like impact investors (K. van Dijk) through partner selection
- Neighborhood benefits agreement (F. Soeterbroek, C. Robbe)
- Providing space for flexible planning & zoning (Visser et al., 2015, p. 7)

New ways of working

- Set a sustainable & social goal for all projects (T. van Leeuwen)
- Problem-oriented development (instead of profit-oriented) (T. van Leeuwen)
 - Work as a sociologist
 - More participation
- Slower change / organic development (J. Hoogendoorn)
- Do pre- and post-measurement (T. van Leeuwen)
- Imposing impact obligations in the development process on other parties:
 - Set requirements for (sub) contractors for hiring underprivileged people (unemployed, disabled, women, minorities, homeless people) (M. Tsvetkova)
- Encourage or oblige tenants to make a contribution (eg opening part of property in the evening to neighborhood initiatives or social entrepreneurs) (M. Tsvetkova)
- Start with an as-is inventory (N. Slob)

New products

- Housing cooperatives (F. Soeterbroek, C. Robbe, J. Hoogendoorn, H. Karssenber, K. van Dijk)
- Area cooperatives (F. Soeterbroek, C. Robbe, H. Karssenber), incl. Membership model for permanent placemaking (H. Karssenber)
- Build the same quality for different segments, no difference between social and middle incomes (E. Roelofsen, B. van Veenendaal)
- Encourage meetings in building / area (E. Roelofsen, B. van Veenendaal)
- Bringing several generations together (B. van Veenendaal)
- Flexible / destination-free & function-dynamic building (7S and model, legal) (C. Robbe, N. Slob)
- Standardization, better / more efficient building that can improve over time (N. Slob, N. Rood)
- Control over tenants, choosing the right mix (H. Karssenber)
- Give starter smaller, fixed size homes, f.e. like back-to-back homes (E. Roelofsen)
- Homes with priority for minorities (elderly, women, special needs, etc.) (M. Tsvetkova)
- Full electric buildings (M. Tsvetkova)
- In area development
 - Organic area development (E. Roelofsen), for continuous learning
 - Tactical urbanism (H. Karssenber), smaller scale, taking small steps together
 - Develop a smaller scale and size (B. van Veenendaal)
 - More densification in the city, instead of developing in nature (H. Karssenber)
 - Mixed residential areas > financial redistribution (E. Roelofsen)
- More rent than sale, anti-speculative (E. Roelofsen) - affordability
- Moving within the district (E. Roelofsen) (home exchanges)
- Shared amenities or social programming (E. Roelofsen, B. van Veenendaal, M. Tsvetkova)
- Enable and stimulate own initiative (through permanent programming game) (E. Roelofsen)
 - Budget for neighborhood initiatives (E. Roelofsen)
- Short lines between developer and user, eg Whatsapp group (E. Roelofsen)

- Provide flexibility in destination (C. Robbe, N. Slob)
- Vacancy law: use for rapid, temporary developments in areas (Visser et al., 2015, p. 21)
- Make stricter or more innovative / playful demands to developers (F. Soeterbroek, C. Robbe, M. Sutherland) or challenge developers to do something 'extra' (E. Roelofsen)
 - Establishment of 'plinth organization' with part always affordable (H. Karssenber)
 - Ask developers to contribute to social functions in the plinth (N. Rood)
 - More based on reward than on punishment (B. van Veenendaal)
 - Imposing a social rental rate / affordable housing (M. Tsvetkova, N. Rood)
- Tender more on quality than on price (H. Karssenber, K. van Dijk, M. Sutherland)
 - Setting impact goals (also including social goals)
- Section 106 (Planning law, contribution to local community) (M. Tsvetkova)
- Accelerated procedure for 'impact developments' with demonstrable impact

New ways of working

- Incorporating flexibility, agile thinking (T. van Leeuwen)
- Drawing up frameworks, but also daring to let go, not regulating everything (E. Roelofsen)
- Create space for experiment by means of pilots (M. Sutherland)
 - But also dare to translate successful pilot projects into policy (F. Soeterbroek)
- Organic development (F. Soeterbroek, T. van Leeuwen, J. Hoogendoorn, H. Karssenber, E. Roelofsen, B. van Veenendaal)
 - Tactical / slow urbanism (H. Karssenber)
- Better awareness of your customer, incl. the needs of other income groups (C. Robbe)
- More diversity at an administrative level (M. Scholte, C. Robbe, J. Hoogendoorn)
- Changing role to an active instead of facilitating land policy (C. Robbe)
- Co-financing in the initiation phase (Visser et al., 2015, p. 19)
- Have more knowledge of market thinking (C. Robbe)
- Don't lay out a plan top-down over an area based on a political point of view, start with the local identity ('coleur locale') (C. Robbe)
- More space for small, local developers and neighborhood initiatives (F. Soeterbroek, C. Robbe, H. Karssenber), also in tenders (H. Karssenber)
- Every city a city makers fund (Stadmakersfonds) (H. Karssenber)
- Establish team democratization (J. Hoogendoorn) and become Fearless city (municipalism)
- Measure social impact and valuing real estate on it (J. Hoogendoorn)
- Working with area return & financial equalization (C. Robbe)
- Focus on quality instead of quantity (C. Robbe)
- Purchase & hold onto inner city locations, with affordable rent for social initiatives (S. Taus)
- Using municipal real estate for societal goals (F. Soeterbroek, H. Karssenber, M. Sutherland)

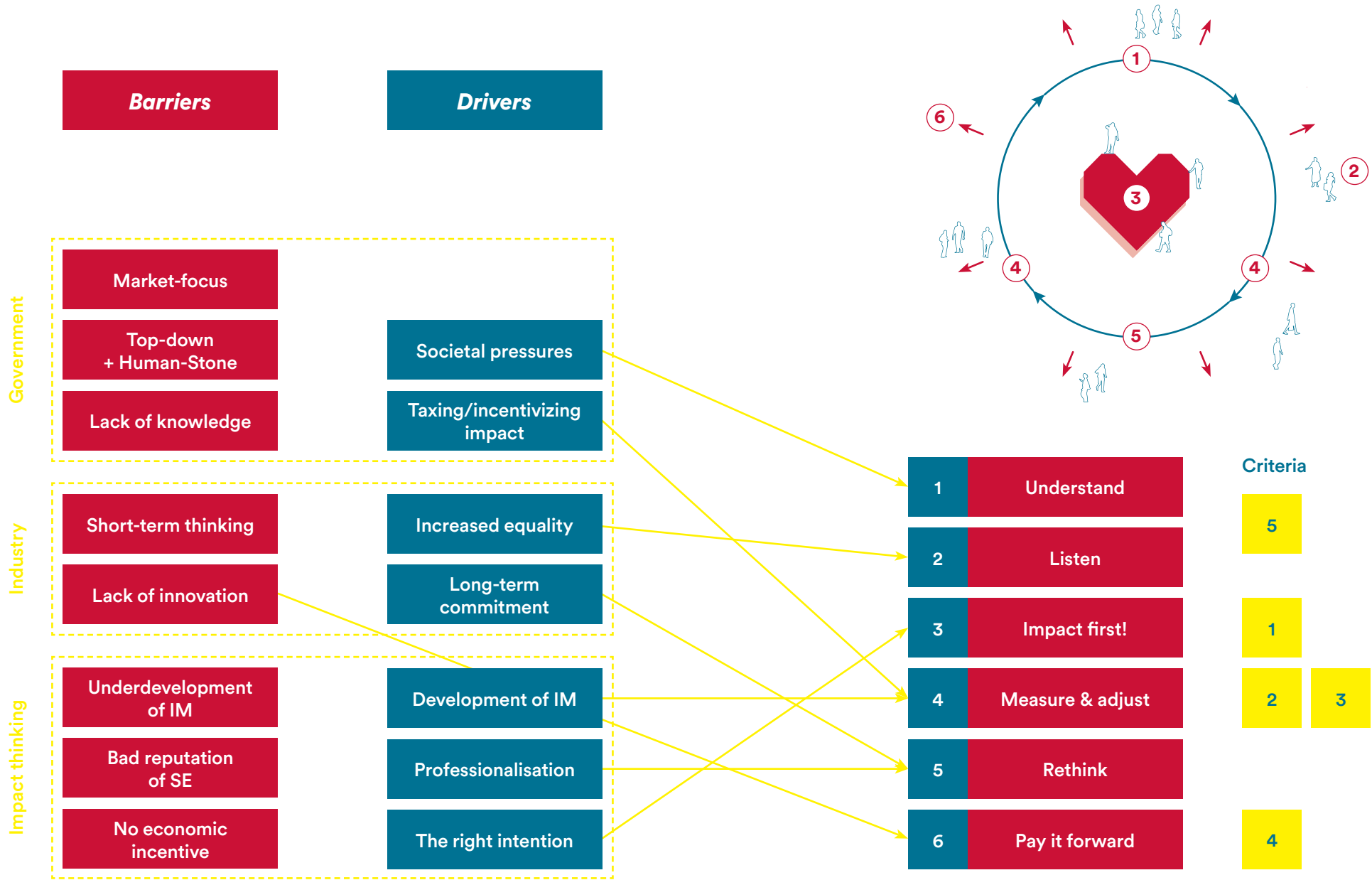


Figure 4.13. How barriers & drivers and criteria are related to the impact development principles (own illustration)

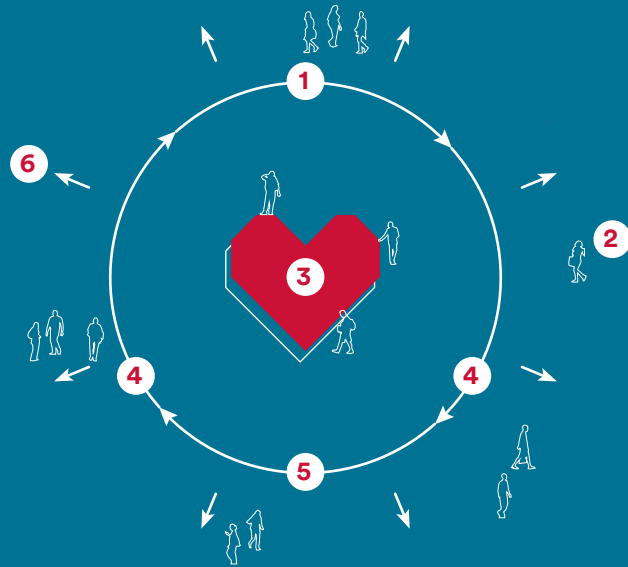
Design

We vergaten dat we stadse wezens waren
We vergaten jou, Rotterdam
We vergaten wie zich hier thuis noemt
We vergaten dat thuis weinig meer is dan een plek
Waarvan je verdreven kan worden
En als onwenselijk gebrandmerkt
We vergaten hoe wij marketingtaal werden
De aantrekkingskracht van de meerdere minderheid

We forgot that we were city people
We have forgotten you, Rotterdam
We forgot whom called 'here' home
In which you can be driven away
And stigmatized as unwanted
We forgot how we became the language for marketing
The attraction of the major minority

*("Exodus" by Dean Bowen,
city poet of Rotterdam)*

Six steps towards *Impact Development*



- 1 Understand
- 2 Listen
- 3 Impact first!
- 4 Measure & adjust
- 5 Rethink
- 6 Pay it forward

Figure 5.1. Impact development principles in a project's lifecycle (own illustration)

5 A social impact-based plan for Wielewaal

After researching theories on impact thinking and learning empirical lessons from impact developers, in this chapter these insights are applied in practice.

A hypothetical case study was chosen: Wielewaal, a neighborhood experiencing gentrification in practice. For this neighborhood, two alternative plans have been developed. In this chapter, these plans are compared with each other based on (expected future) impacts and an alternative plan is proposed, based on an impact first developers mindset. The alternative plan was developed in collaboration with architecture student Marcella Wong and is explained throughout the six principles of impact development. Its central idea: to move from gentrification to *gentlyfication*.

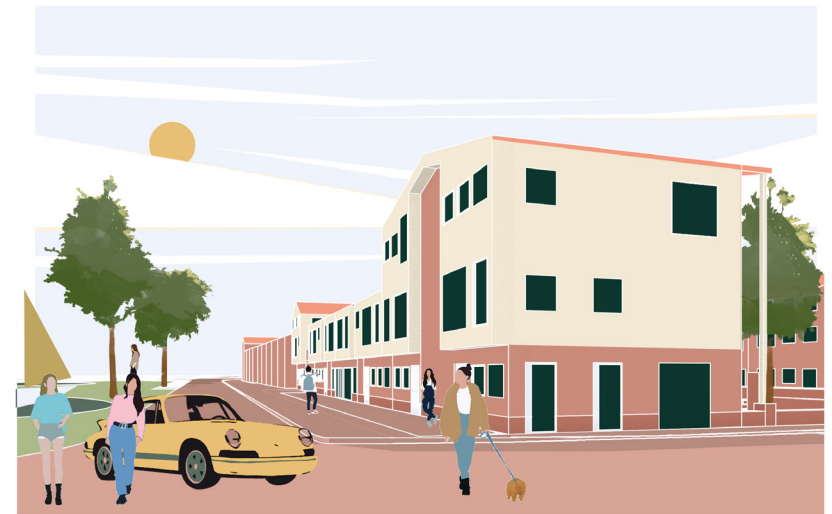


Figure 5.2. Render of the function dynamic dwellings as proposed for a gentlyfied Wielewaal (own illustration).

5.1 Understand the project / problem

As an impact developer you strive to make an impact in an area where it's most needed. Therefore, it's important to start out every project with a thorough analysis – Who are the stakeholders involved? What are the unique qualities and challenges of a location? What are the needs for social or environmental impact? In this first paragraph, this analysis is done for Wielewaal.

Analyze the situation

Based on an extensive analysis into the history, present and future of Wielewaal, the main qualities and challenges are distinguished and presented in the following pages. Also a stakeholder analysis has been conducted, into all stakeholders impacted by the development and a political analysis, into the main political tensions involved.

Discover the most important needs

In contact with stakeholders and based on a general analysis of Rotterdam and the Wielewaal neighborhood, the most important social problems are distinguished. For Wielewaal one of the sources of major social impact is gentrification. This problem is subsequently analyzed in its local context.

Every project is unique - and requires unique solutions

Step 1: Understand the project / problem



Wielewaal, a gentrifying neighborhood: Past, present and future

Past — Wielewaal as a pop-up garden city with a strong social cohesion

Wielewaal is a neighborhood in Rotterdam South, located between the Waalhaven on the east and the Zuiderpark on the west and Wiel in the south and Waal towards the north — the water ponds to which the neighborhood owes its name. Before the recent (partial) demolition, the neighborhood was made up of 545 one-story dwellings, set up in a garden city structure. The small brick houses were originally donated as emergency homes to the Netherlands in 1949 in times of post-war housing crisis by the government of Sweden. The neighborhoods voluptuous green urban lay-out is known to have inspired the founder of Centerparks.

Until very recently, the neighborhood was fully owned by housing cooperation Woonstad and functioned as a 100% rental social housing neighborhood. The neighborhood was and is known to have a strong social cohesion between its residents — some of which have been living in the neighborhood since its foundation.



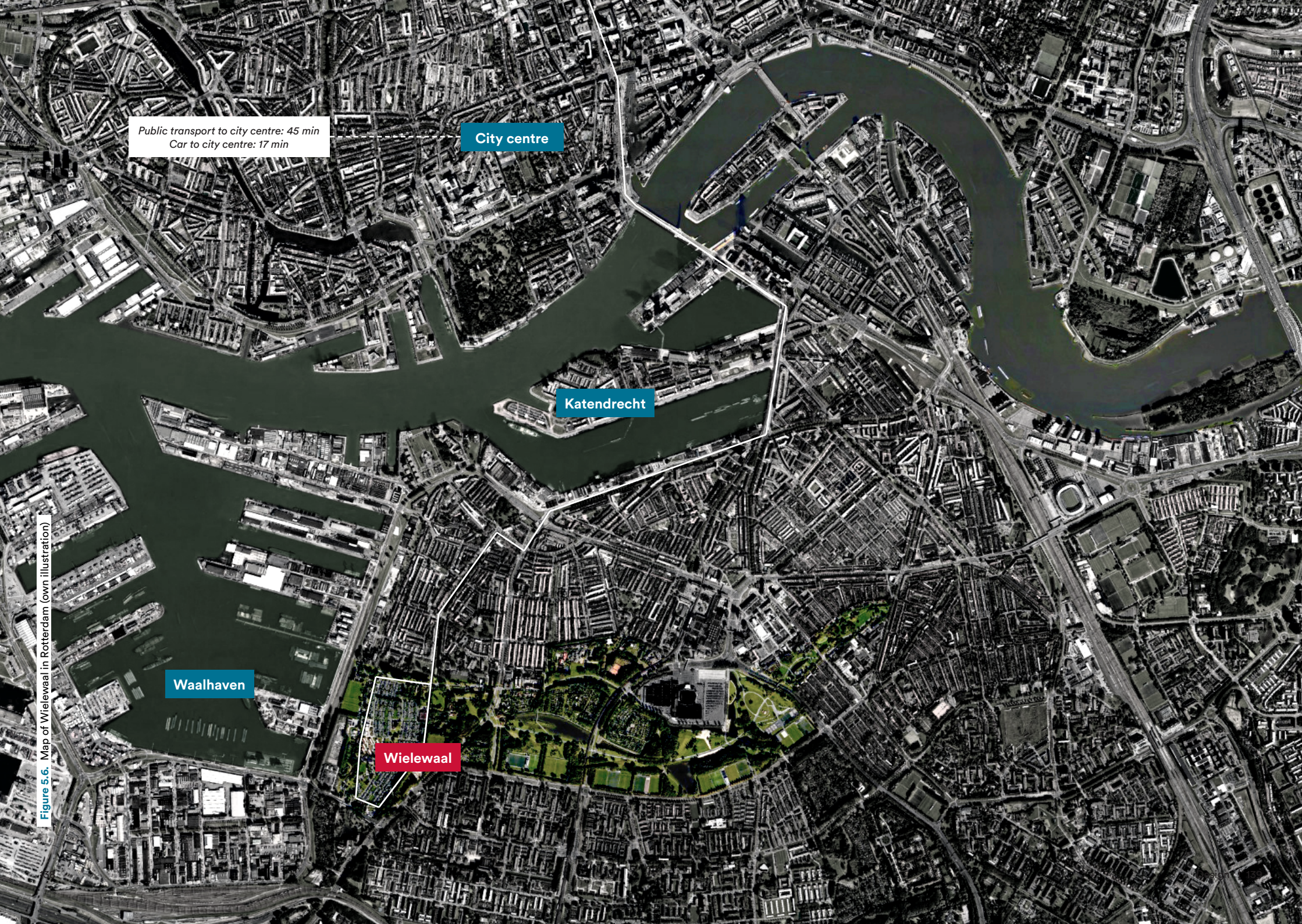
Figure 5.4. The garden village feel of Wielewaal (© Joke Schot)



Figure 5.3. Historical picture of Wielewaal (Rijnmond, 2020).



Figure 5.5. One of the residents of Wielewaal, in their homes (© Joke Schot)



Public transport to city centre: 45 min
Car to city centre: 17 min

City centre

Katendrecht

Waalhaven

Wielewaal

Figure 5.6. Map of Wielewaal in Rotterdam (own illustration)

Wielewaal

To really understand the project a few highlights are mapped out in this plan. Supported with a short description, the photographs give different perspectives of the neighbourhood Wielewaal in both the past and the present.



4 The ASVZ, a care organisation for mentally disabled people, placed on the edge of Wielewaal.



3 The 2-storey multifunctional building that used to be the shopping centre of the neighbourhood.

Figure 5.7. Map of Wielewaal in Rotterdam (own illustration), using own pictures (© Lena van der Wal)



5 A pop-up community centre for temporary use which also functions as an information point.



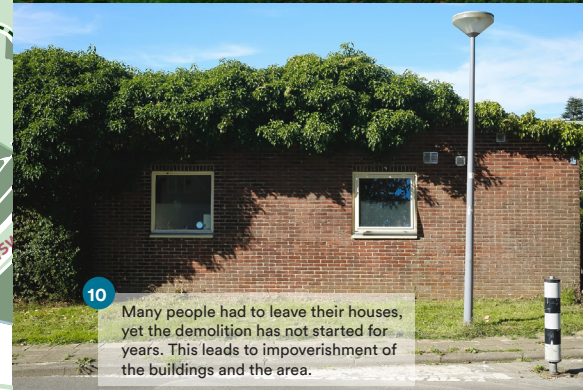
11 The new developed apartments, placed next to the current boundaries of Wielewaal.

1

Buurtpost - the old community centre that is burnt down during the new year's evening of 2018. A building that contained many memories as it is loved by the residents. The centre enabled many people (often children), to come into contact with different activities where elsewhere they might not have the opportunity to experience. The following activities were organised:

BuurtPost Wielewaal

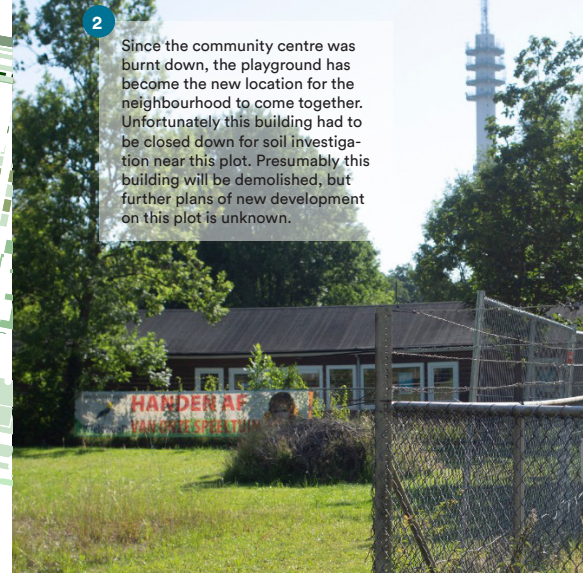
- various sports clubs (judo, dancing, skating)
- various game clubs for all ages
- yearly Christmas dinner, usually fully packed as most of the neighbourhood attends this feast
- Not all people were equally wealthy. The community centre was a home base for many as it also almost functioned as a day-care.



10 Many people had to leave their houses, yet the demolition has not started for years. This leads to impoverishment of the buildings and the area.



6 A typical facade of Wielewaal, in which the corners have a front side/entrance, creating interaction instead of having a closed facade.



2 Since the community centre was burnt down, the playground has become the new location for the neighbourhood to come together. Unfortunately this building had to be closed down for soil investigation near this plot. Presumably this building will be demolished, but further plans of new development on this plot is unknown.



2 The interior of the playground association. One of the last opportunities for the neighbourhood to come together as this photo was on the last day for them to move.

(Rotterdam010, 2017)



8

A typical front yard of Wielewaal



9

A row of empty houses in the South of the neighbourhood. The dwellings are empty for years, many of the residents have either moved to the new apartments next to Wielewaal or have fled outside of Rotterdam (displacement). This part of Wielewaal is not yet to be built as the phasing starts more in the middle of the neighbourhood.



7

The first building people see when they enter the neighbourhood by car. The dwelling is a showcase for the protest of the current residents of Wielewaal against the process that they are in at the moment with BPD/municipality/Woonstad.



9

To prevent people from squatting, the dwellings do not have a floor nor windows. To soften this impoverishment, stickers are made to replicate the feeling of the housing being used.

Present — Gentrification and two opposing plans

With Rotterdam becoming more attractive to higher incomes and due to the technical state of the dwellings in Wielewaal — which were starting to crack and settle as they were originally built for 25 years — both Woonstad as the municipality felt the need for a renewal of the urban area. Based on the municipal dwellings vision of 2030, with its ambitions towards gentrification, diversifying and attracting higher income groups, a plan was developed for the area and BPD was selected to develop the new neighborhood. In the new plan for Wielewaal, a previously 100% social housing neighborhood is transformed into a socially mixed urban area, providing (mainly) owner-occupied homes for higher incomes.

However, after failed attempts of participation between residents and Woonstad (according to the residents spoken, a very symbolic and fraudulent participation process), a group of residents attested these plans. In order to have a stronger position, first these residents became active in the neighborhood tenants association. When they still didn't feel heard, they organized themselves in a cooperation specifically founded for their purpose: De Unie van en voor de Wielewaalers. This cooperation also developed their own alternative redevelopment plan for Wielewaal.



A complex process of many years involving many stakeholders, therefore resulted in two opposing plans for the area:

- (1) A plan by **BPD**, in collaboration with **Woonstad** and the **municipality of Rotterdam**;
- (2) A plan by the '**Unie van en voor de Wielewaalers**', according to the cooperation backed-up by 97% of the residents of Wielewaal, at two different points in time.



Figure 5.10. Front cover of magazine proposing plan from the Union of Wielewaalers (Unie van en voor de Wielewaalers, 2019, p.1)

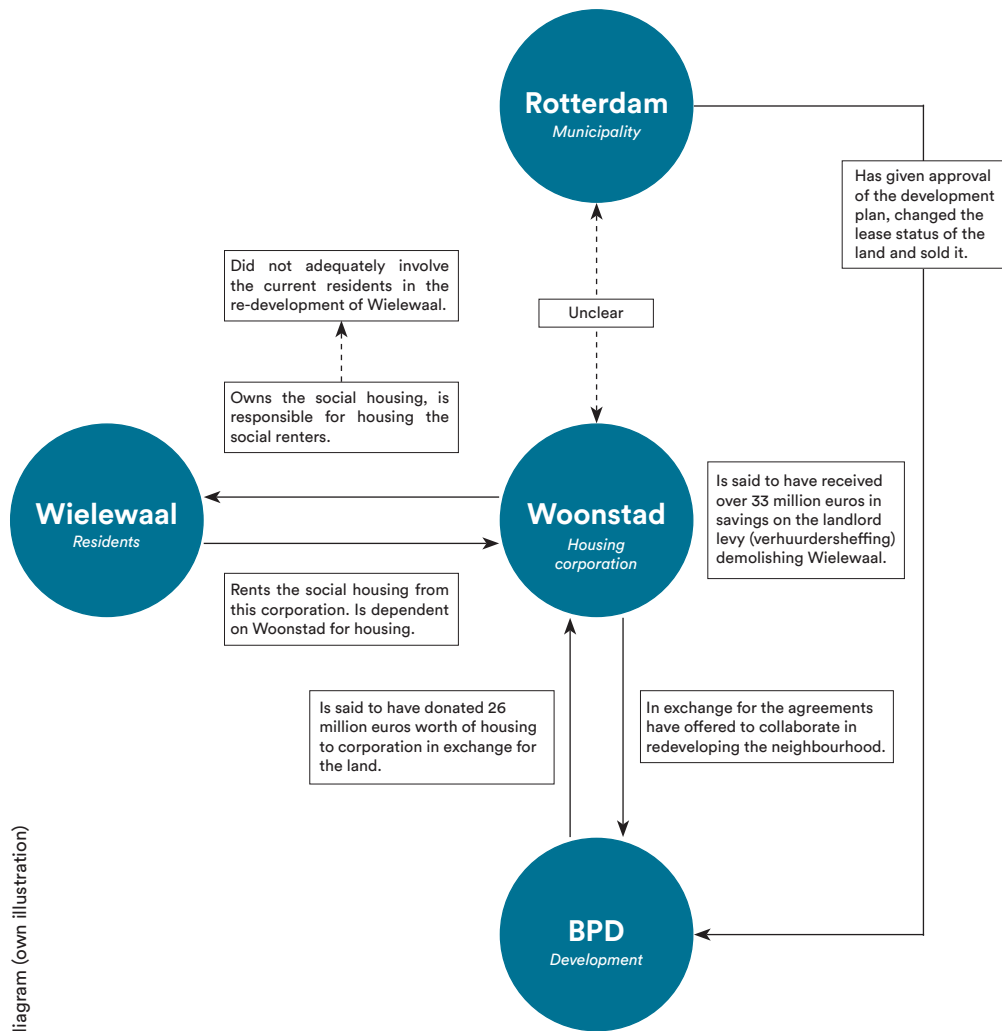


Figure 5.11. Political diagram (own illustration)



Figure 5.12 & 5.13. Protest banners of Wielewaalers (Van Veelen, 2019) - above & (Unie van en voor de Wielewaalers, 2018) - below

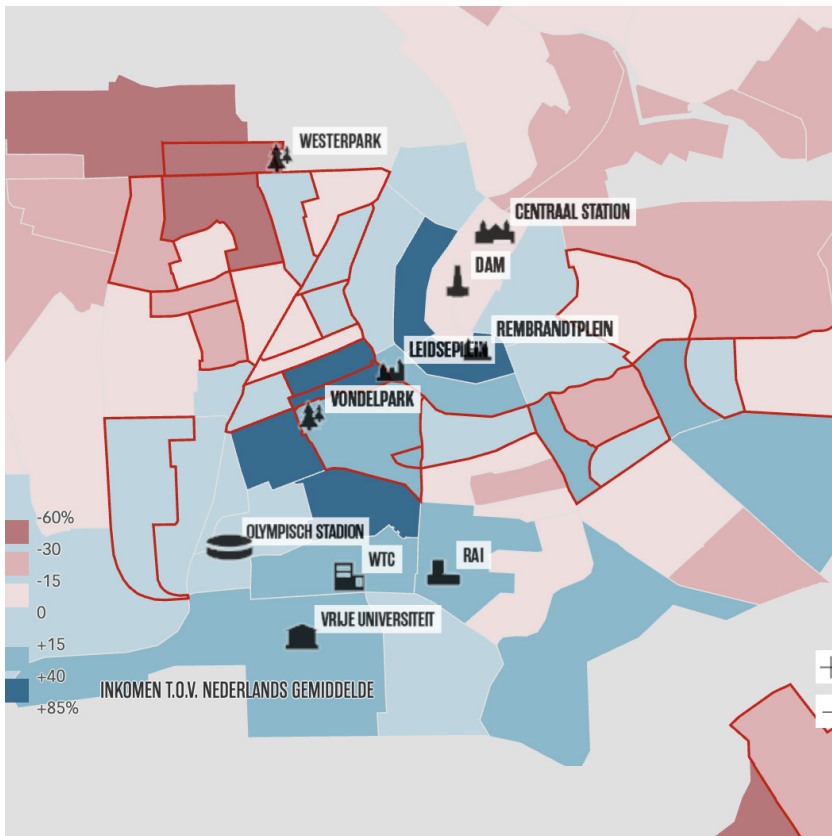


Figure 5.14. Gentrification in Amsterdam (Kooistra & Gualtherie van Weezel, 2015)

Future — Gentrification in Wielewaal?

Wielewaal is gentrifying. A process that can be seen in cities all over the world. Although cities as New York and London are especially gentrified, gentrification is also occurring in the Netherlands and often in a state-led way (Van der Graaf & Veldboer, 2009), as gentrification in the short term might lead to an upgrade of a deprived neighborhood and a reduction of social problems. However, although done with the best intentions, gentrification strategies are heavily criticized by scientists in- and outside the Netherlands, as rather than improving the condition of the poorer residents, these strategies often lead to displacement, doing more harm than good (Van der Graaf & Veldboer, 2009). Although displaced people often end up in less deprived neighborhoods, there is no conclusive evidence that this has any benefits for their socioeconomic state (Miltenburg, Van de Werfhorst, Musterd & Tieskens, 2018).

The most gentrified city in the Netherlands is the capital city of Amsterdam, which already in 2016 had by far the highest GDP per inhabitant of the Netherlands (Jonkers, 2017) (figure 5.16). This is confirmed in the map on the left, which shows the average income per neighborhood in Amsterdam compared to the Dutch average (figure 5.14). The mainly blue city center illustrates that only the higher incomes can still afford to live here. In time, the entire city might become unaffordable, as neighborhoods with a red outline indicate areas that are currently gentrifying.

Although public opinion in Amsterdam seems to be slowly shifting from gentrification as a solution to gentrification as a problem (J. Hoogendoorn, personal communication, March 19, 2020), many recently proposed municipal solutions for Amsterdam (f.e. stimulating housing cooperatives, 40-40-20 rule) might come too late to truly avert gentrification's negative impacts.

Gentrification in Rotterdam?

Compared to Amsterdam, Rotterdam, with its historically less wealthy population, is not as gentrified yet, as can be seen in figure 5.16 (Jonkers, 2017) and figure 5.17*. However, according to some of its residents, but also according to its booming housing prices, Rotterdam is also increasingly gentrifying (Liukku & Mandias, 2016). This seems to be the clear result of political decision-making, as is illustrated in the number of times the word 'gentrification' is purposely mentioned in Rotterdam's Urban Development Vision for 2030: 32 times (Gemeente Rotterdam, 2007). Gentrification in Rotterdam is therefore clearly used as a state-led urban renewal strategy, which is also confirmed in literature (Uitermark, Duyvendak, & Kleinhans, 2007). And currently, the effects of this vision can be seen in practice, where the municipality of Rotterdam is actively working to attract higher incomes to the city and at the same time demolishes parts of its social housing stock, leading to the displacement lower income residents (figure 5.15).

Where gentrification in Amsterdam has maybe reached a point of no return, the city of Rotterdam might still be able to set steps to prevent serious displacement of lower and middle incomes and to keep Rotterdam a socially inclusive, diversified and accessible city. Therefore, for the design part of this thesis, a gentrifying neighborhood of Rotterdam has been chosen, as a case study for a social impact development plan: Wielewaal.

* Note that the current situation is probably even worse, as the data is outdated, but no more recent data could be found



Figure 5.15. Demonstration of people being displaced in Tweebosbuurt (Jorritsma & König, 2019).

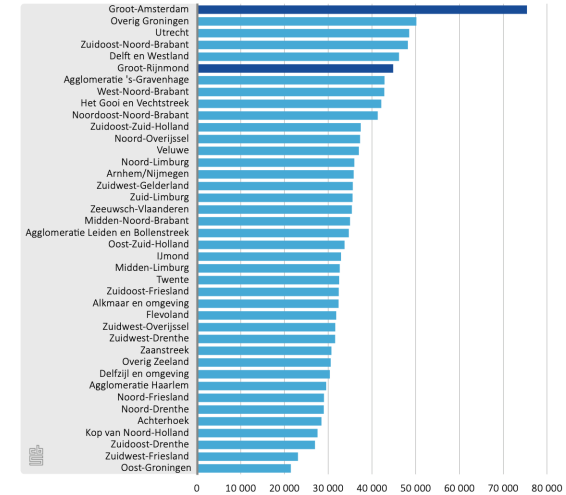


Figure 5.16. Bruto Regional Product per inhabitant, 2016 (Jonker, 2017, p. 5).

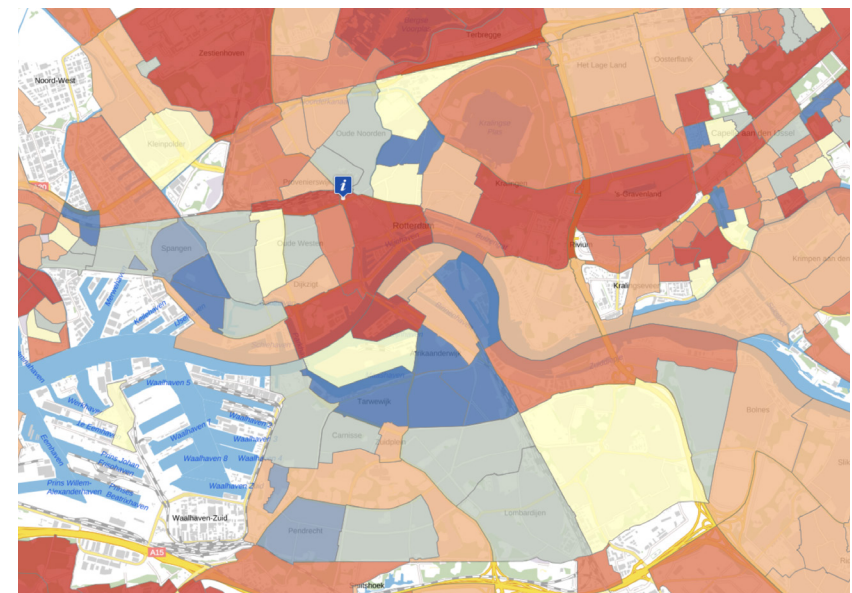
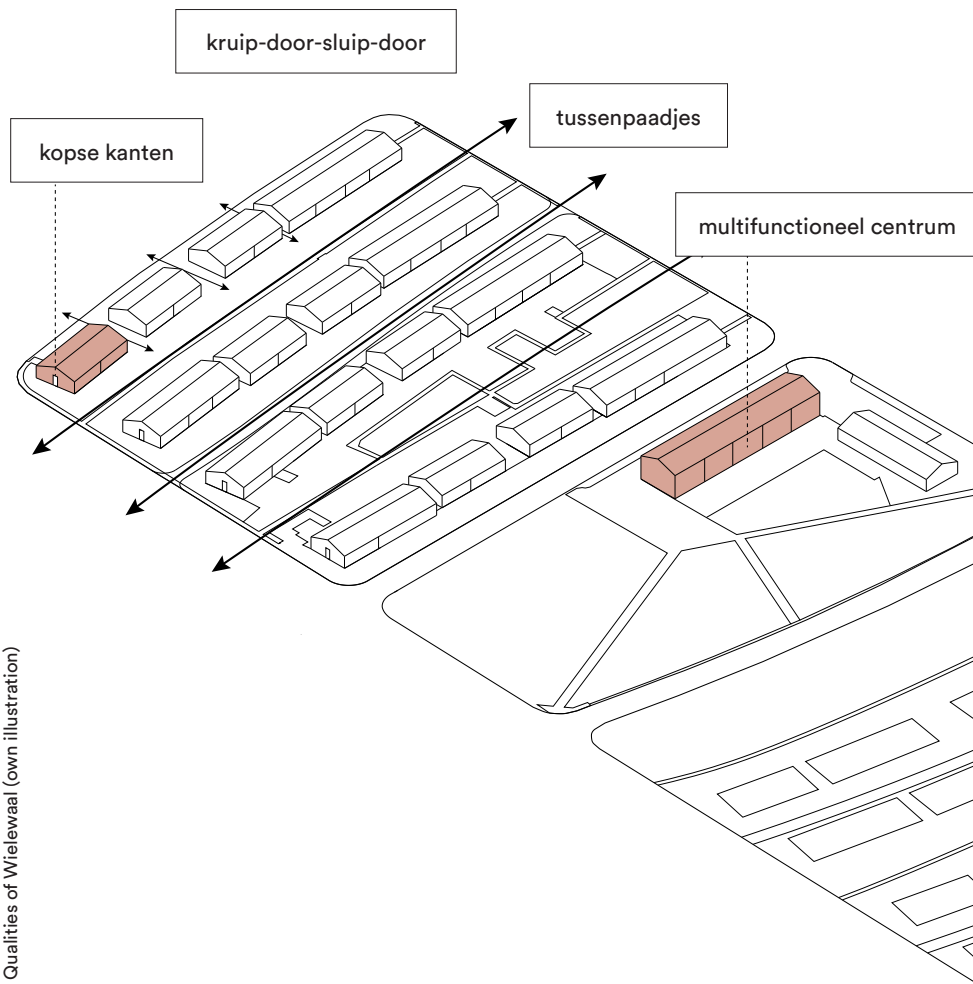


Figure 5.17. Income per inhabitant in different neighborhoods, Rotterdam (CBS in uw Buurt, 2015).

Figure 5.18. Map of Wielewaal in its direct surroundings (own illustration)



Figure 5.19. Qualities of Wielewaal (own illustration)



Step 1. Understand the project

Qualities

Existing social structures and strong social cohesion, garden village, vacation park feeling

Challenges

Two opposing groups with two opposing plans, both with a focus on their own agenda's

Points of improvement in both plans

Social and programmatic diversity on the long-term

Biggest impact challenge

Gentrification

Follow-up question

How to gentrify the location in such a way, that the area stays inclusive in the long-term, which truly and in an equal way involves the current residents?

Step 2: Listen... truly involve all people

- Learn from all stakeholders
Involve all stakeholders
- Participate & co-create
- Be gentle & fair
Everyone should profit

5.2 Listen... truly involve all people

In impact development, it is important to involve all stakeholders that will be impacted by your development early on. Ideally you keep these stakeholders involved throughout the process to make sure your development really benefits them. In this paragraph, an analysis is done to what extent stakeholders were involved in the development process, especially the local residents, as these are often left out in gentrification projects. Also, ideas are proposed how participation and involvement could've been done better.

Involve and learn from all stakeholders

At the beginning of this (hypothetical) development, immediately contact was made with all parties involved in the development. Unfortunately, not all parties were willing to talk to us (f.e. Woonstad) due to the political sensitivity of the case. However, based on multiple talks and interviews with stakeholders, the development process was unraveled and stakeholders' interests were discovered. This fueled the development of a plan that aimed to combine different demands towards a collective goal for the future.

Participate & co-create

Based on a timeline of the development, the participation process has been studied. Although it's always hard in these complex projects to decide, who is wrong or right, based on interviews and document analysis, the conclusion was made that the participation process could have involved local residents in a better, more gentle way. In our proposal for the development, it's suggested to start (truly) participating and collaborating at an early stage. By working middle-up down a long-term vision and focus on current needs can be combined.

Be gentle & fair

Being gentle and being fair is very important in impact development, in order to create true social impact. Being gentle and fair entails being respectful to all stakeholders involved. For this (hypothetical) project, this would ideally be done by being transparent, ensuring an equal seat at the table for all stakeholders involved and making sure all residents (that want to) have the opportunity to return to the neighborhood. Also, a lot of attention should be given to the relocating process of inhabitants, as this can be very stressful (especially for older inhabitants).

You don't know what's best - *Involve & co-create*

Figure 5.21. Power-Interest matrix (own illustration)

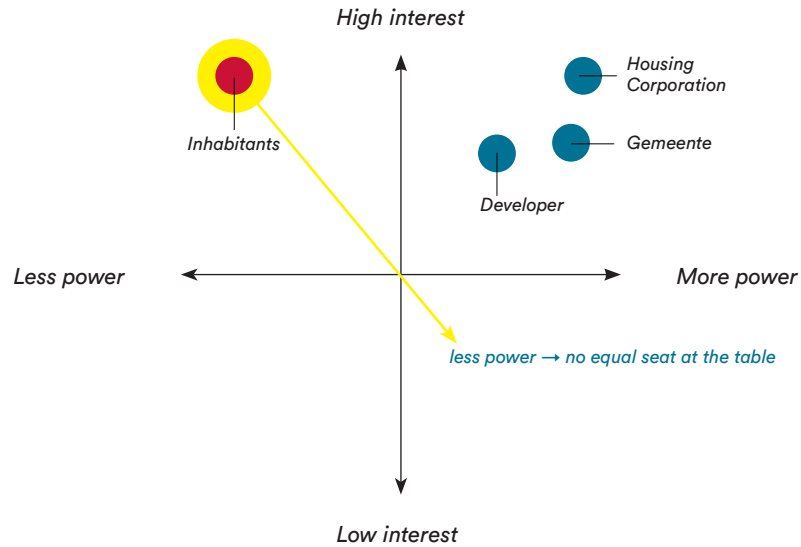


Figure 5.20. Stakeholders & their interests (own table)

Stakeholder	Interest*
Inhabitants Unie van en voor de Wielewaalers	Maintain the qualities of their homes (incl. rent levels, qualities, living area, outside spaces, views) and neighborhood (incl. the social cohesion and structures), be involved in the process (experience as little nuisance as possible, have a say)
Housing Corporation Woonstad	Earn or save money by selling Wielewaal, financial benefit through discount on the landlord levy (approximately 33.7 million euros) to realize more affordable and high-quality homes for the lower incomes
Municipality Gemeente Rotterdam	Use urban renewal (gentrification) to attract higher incomes to Rotterdam South, reducing the number of lower incomes (less spendings on social securities), earning money by selling land to Woonstad and creating a long-term attractive urban area
Developer BPD	Commercial interest: high return rates on the development of the neighborhood, a successful and attractive project that has a positive effect on their name and reputation

* Based on interviews with stakeholders, information provided on their websites or email contact and own interpretation

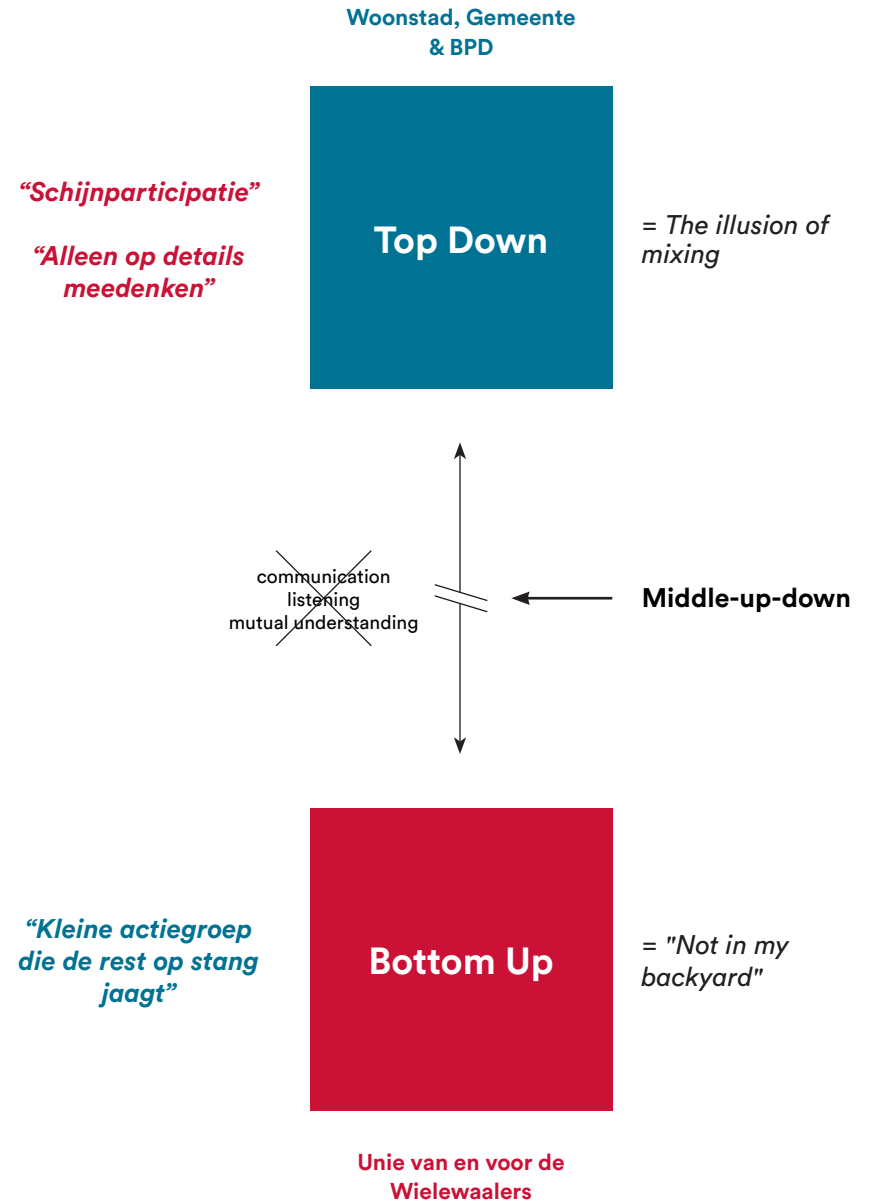


Figure 5.22. Two opposing parties (own illustration)

Figure 5.23. Timeline of the redevelopment process of Wielewaal (own illustration) as based on interviews & Tijdlijn Wielewaal, based on 500 documents, requested through – WOB (Wet Openbaarheid van Bestuur) (Unie van en voor de Wielewaalers, 2020)

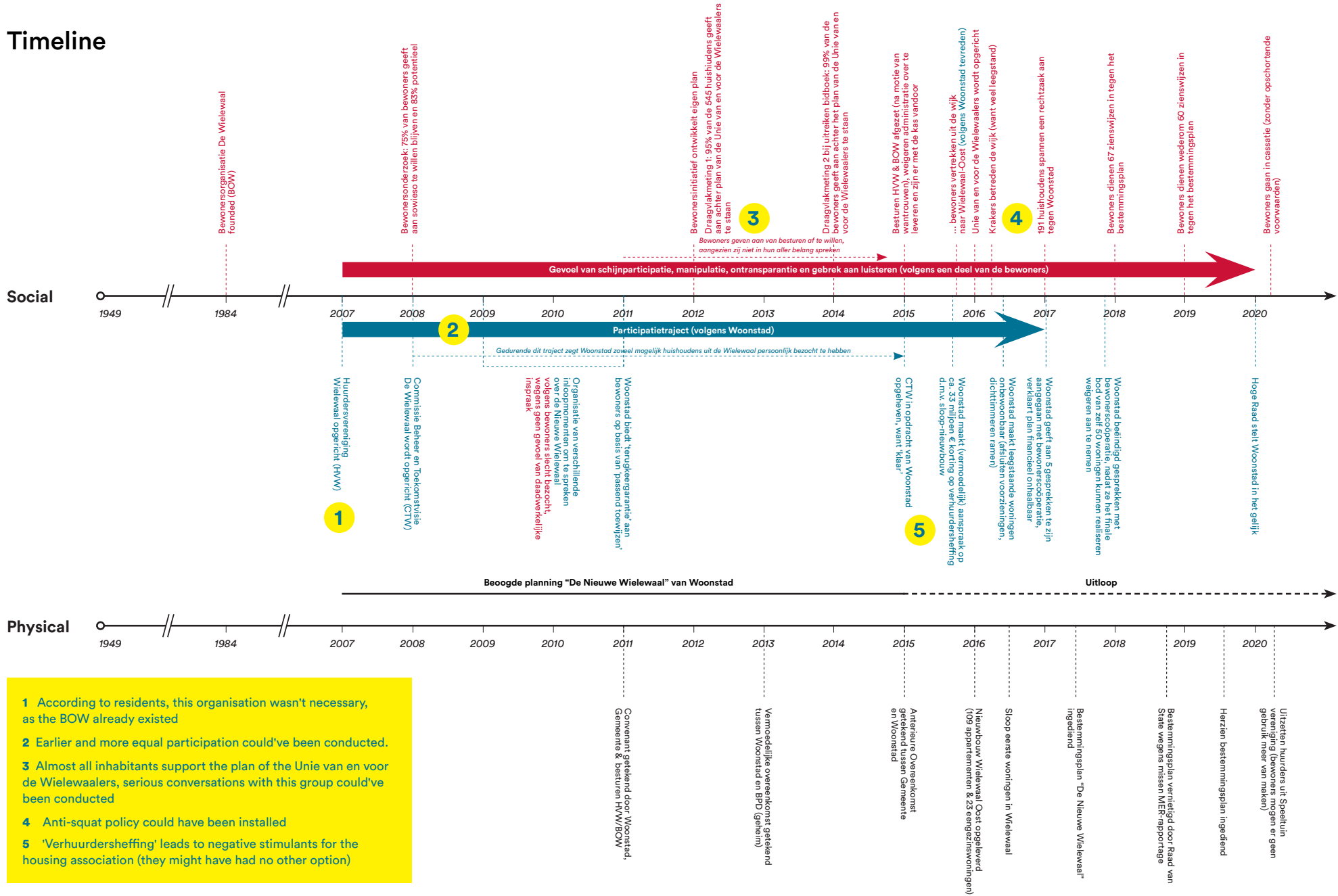




Figure 5.24. Hennie (© Lena van der Wal)

Hennie

— *Background, worked in retail for many years, currently unemployed.*

How long have you lived in Wielewaal?

51 years old, I was born here on Mauritsstraat, my parents lived in a four-room house, but I was number 6, so the house became too small. At the time you could still swap houses and we moved to Rollostraat 109, a six-room house. From Rollostraat, we moved to the Godschalkstraat number 16. After that, I left the neighborhood for 10 years, because I couldn't get a home here when I started living on my own. With an urgency certificate, I got a house back here, where I've been living with great pleasure for 30 years, until it had to be demolished, unfortunately. And then I got this house as a changing house... well, got... I had to organize it myself.

What do you think are Wielewaal's most important qualities?

The conviviality among the people. The time I talked about when I was young. Yes, there were people here ... nobody actually had anything and what was there, was still shared. I experienced the freedom of open front doors, that you could just step inside each other's houses. Hey, I'm going to do some shopping, can you pay attention to my children? Yes, of course. That mentality was very strong among the people. One watched the other's children. I have this left, can you still use it? Clothes went from one family to another. You aimed to help each other as much as possible. So really the social cohesion and taking care of each other: hey, those curtains aren't open. What is going on there? Let's ask. In these times, it's unique when it happens, but here it's still just normal. My neighbor called earlier today when I left for a bit. There's a boy at the door here. Do you know him? A blond boy? Yeah, that's my nephew. That attention is great.

How do you experience the participation process of BPD and Woonstad?

Dramatical... it brings a lot of stress and anxiety to the people. People don't know where they stand at all. There is absolutely no consultation with people, how do you feel about it? We have no say at all. That leads to feelings of uncertainty. And when you see yet again, in a newsletter that we receive from Woonstad, that we are called "an action group", well sorry, all my neck hairs stand up. It is not well thought through, people are just pressured into it, that's how I see it. Disrespectful.

So you don't feel like you've had choices?

No. Well a choice in the new construction in Wielewaal Oost or the existing Wielewaal. But I don't have a choice in homes, or anything.

A number of residents also chose for Wielewaal Oost. Why?

I don't know what the idea was for certain people. In any case, it was meant for 55-plus people and some of these people had very large gardens and also struggled to keep up with that. Who then perhaps thought, we also have more free time, because of the balcony.

Has the process had an effect on people, for example on health, feelings of safety?

Certainly, if you hear how many people have already died in the new construction of Wielewaal Oost. But then again, where does the proverb come from: "you shouldn't move an old tree"? In one flat, 12 have already died, in the other flat, 22 have died. I walked with the flyers against the chopping down of trees to get autographs, so I talked to many people: these have cancer, those have cancer ... Or did stress work? Sure. That affects your health.

545 households lived here, many of which have left. Why?

Not only because of the process, but also, like me for example, I have to move twice now. Well, moving is not exactly my hobby. After three years, I still don't have it the way I want it. So I think it's quite an attack on your life, especially if you are elderly. That is also how I experienced it. I was really taken aback in the first six months. I didn't feel like anything anymore. So people have definitely left because of moving several times. That handful of people who still live in the south part, they only have to move once and I think that is also discriminating. You should get some kind of benefit as the first group moving, because the first group will always have to move twice. What if you could build it up more gradually? You can think that out of course. The thing I dislike most is the way they treat people, inhuman. And just the idea that I have to go back to the new building immediately and that I will be in a construction site for another six or eight years. Because they are going to work on the south side first and then they start again in the middle. Construction noise and you name it, the nuisance you have from construction. It's crazy that they start in the middle. What I've heard in the corridors is that there were the fewest buyers there, so they had the least work to displace them.

Are you worried about the future? What will you do if the plan of BPD and Woonstad continues? Hell yes. If it goes on, I want to get out of here and then I will leave this neighborhood with a lot of pain in my heart. While I am very unsure whether I can ground like this elsewhere. I have my doubts about that, but I will do my best. And then it is mainly because I dislike having to live in a construction site for many years. Plus, I certainly do not support the homes that Woonstad is building. I am 61 years old, I am not used to walking stairs in my house for 51 years already. If I then have to go back to a house with two flights of stairs, my washing machine connection will be in the attic. I'm getting older, not younger. Many people are opposed to it. What crazy person makes that up?



Figure 5.25 & 5.26. Hennie's house (© Lena van der Wal)



Figure 5.27. Martin & Petra (© Lena van der Wal)

Martin & Petra

— *Background, both Petra & Martin are retired now, Martin has worked as a chef for 25 years and 25 years in healthcare.*

How long have you lived in Wielewaal?

For 28 year, after a house exchange with their previous dwelling in Spijkenisse, a a three-storey single-family home, newly built. The stairs became a problem. Therefore they moved to Wielewaal with their family, including their two sons.

What do you think are Wielewaal's most important qualities?

The holiday feeling, especially in summer. In the beginning, Martin felt a bit strange, as there were hardly any people of color in Wielewaal. However, he never felt discriminated against, as he was immediately accepted after cleaning up his fireworks the day after New Years Eve: a good neighbor! According to both, the neighborhood is characterized by great social cohesion, also thanks to the playground association. You know your neighbors. Other qualities of Wielewaal include the ground bound dwellings (no stairs) with nice big gardens. Ideal! They've never regretted the move.

How did you experience the participation process?

Unfair, unrealistic. It feels like you're not being heard. You have 2 to 3 clear camps in the development: Woonstad, BPD and Wielewaal. They don't seem to want to talk to each other and have never done so either. From Woonstad/BPD they say: this is our plan, we just push it through. It's unreal, how they are doing this.

What resulting effects did this have? How did the process go?

When they were going to build Wielewaal Oost, they said to the people: you can live there. If you don't want to live there, you will get a new home in the existing Wielewaal in the future. But squatters were deliberately allowed into the neighborhood. You could just see that. That was terrible. Its purpose: just to chase people away. A few weeks ago, a house with squatters completely burned down. This week, there was another fire: a car completely burnt down against the facade of a house. Very dangerous, before you know it, the entire house burns down. For all I know, it might have been lit it on purpose? ... Strange things are happening here. You definitely feel more unsafe. And we really get the feeling that we are being displaced. Yes, is seems conscious... Whenever the police comes along for the squatters, they always say: we can't do anything about it. If someone from Woonstad is there, they say: well, they are already in the house, there is nothing we can do. Often even while you caught them in the act. Officially police can send squatters away, if you have filed a complaint within 24 hours, but they never do that...

Do you notice that people are stressed by that?

A lot of people are stressed by that. Especially the older people. They don't sleep. One after the other wants to leave. Don't do that, we say: because that's exactly what they want us to do. This has been going on like this for 2 to 3 years. The houses that were left have been deliberately broken inside... while you could simply rent them out as anti-squat housing within this housing crisis.

Are you also worried?

Well, we are used to it now. We are living in a good part of the neighborhood. If you are living in a quiet street ... Our street is still rented out a lot. People don't dare to squat it. We always climb right in. Piss off. There is no squatting here. We watch each other, the neighbors. Is there still light?

Are you worried about the future? What is the outcome will be of this?

That's to wait. But, it is true, if Woonstad would win, I would not choose Woonstad. Then I will leave. Because then you get it three-high, with your washing machine at the very top. While we now have everything on the ground floor. We see more in the cooperative's plan and are more in line with our needs.

Is the Union's plan supported by the neighborhood?

Yeah, totally. And certainly, from the beginning. We were in the first vote with the old board, there were two against the Union's plan. Woonstad pretends to be a small action group that manipulates the rest, but that makes no sense. You have 198 for and 2 against. Doesn't that say a lot?

545 households lived here, many of which have left. Why?

Yes a lot. To the flat, too. How many are in the flat? 120 or something, something more? They were all persuaded to go to the flat, but we know a lot of people who really regret moving there. Why? First, it is too expensive. Originally residents got a sort of subsidy (safety scheme) for a year, but the prices go up like crazy, 6% per year...

Has Woonstad ever visited you?

They came here once, to ask if we wanted to move to the flat. No, we said, we're staying. Do you already see us living in a flat?! Woonstad offered us a return guarantee, but you get no choice where to live. You can get to that side of the neighborhood or the other side, you have no idea. Also you get no choice in the type of home. They are going to build 50 social rental homes, but if they happen to be in that corner, you have to go there. And in our plan, you can come back to the same place. Of course we prefer that. Yes, but if things get completely stuck, we will just leave... To the Veluwe or something, our son lives there too.



Figure 5.28 & 5.29. Martin & Petra's house (© Lena van der Wal)

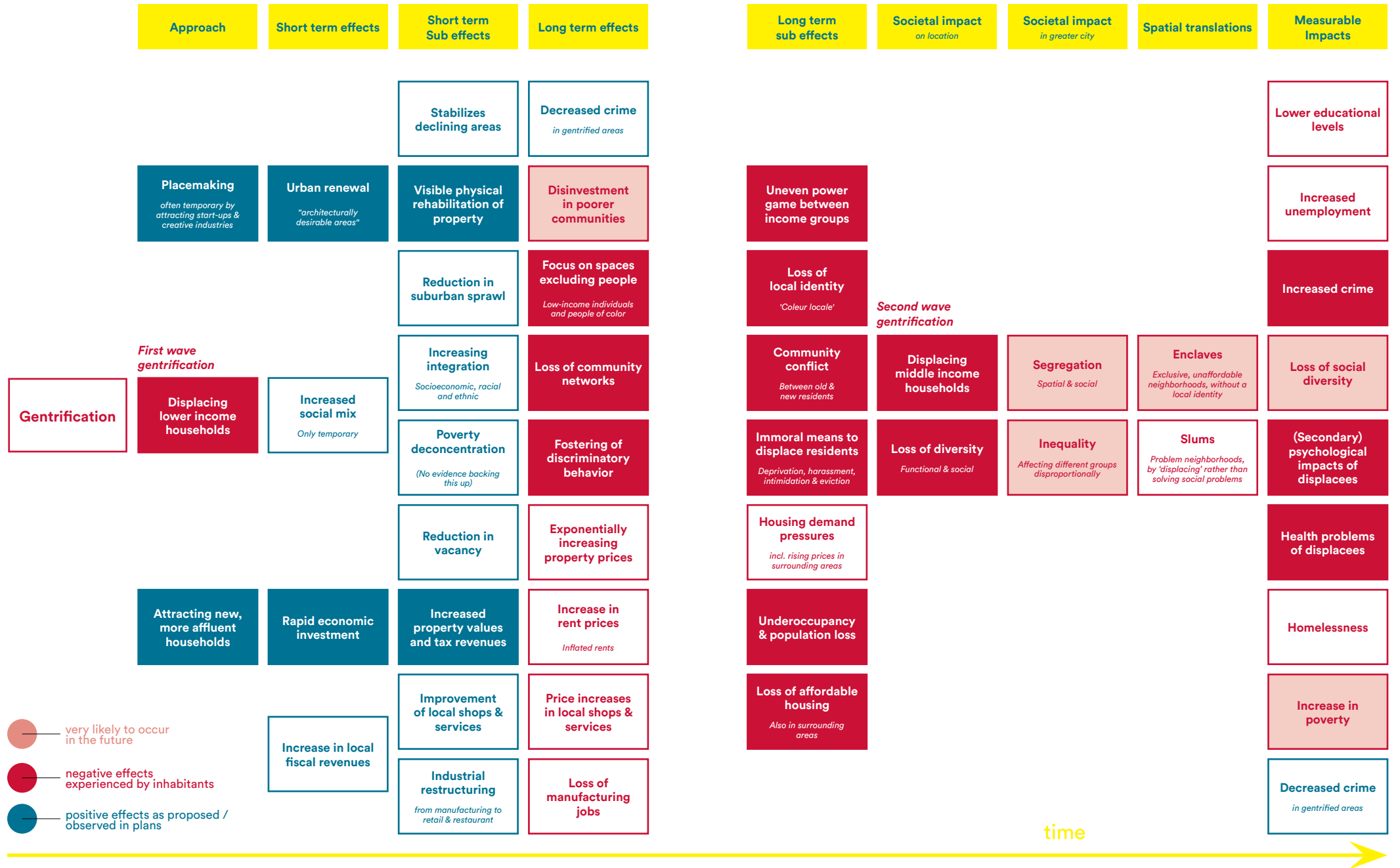


Figure 5.30. Mentioned impacts in Wielewaal (own illustration)



Figure 5.31. Pictures of social events held in better times in Wielewaal, found in the playground association Wielewaal (© Lena van der Wal)

Step 2. Listen & involve

BPD/Woonstad

Participation process seems to have gone wrong. Local residents haven't felt rightly included. Plan seems to be forced upon location top-down, based on municipal policy. No real listening to previous residents.

Residents

Also hyperfocussing on their own agenda. No long-term vision.

Some of the negative impacts from gentrification mentioned in interviews

Harrassment, intimidation, unused spaces.

Conclusion

- Participation process could've been more respectful and equal, better communication
- Slower development

5.3 Impact First

To truly create an impact in (urban) development, impact must be the first priority: impact first! Based on the most important social and environmental challenges in an area, coming forth from stakeholder involvement and an extensive location analysis, impact objectives are chosen and collectively a mission and vision is formulated. These will form the basis for impact measurement and future decision-making.

In the following pages, the impact for the different plans for Wielewaal is analyzed, in order to find out if both parties really put impact first in their approaches.

Choose social and environmental goals

Based on an extensive analysis of the qualities and challenges of Wielewaal, contact with all stakeholders involved (especially also the local residents) and an analysis of the two opposing plans for Wielewaal, gentrification has come forward as one of Wielewaal's major sources of negative social impact. Therefore, the main social impact objective for this development is to develop Wielewaal in such a way that it can stay inclusive for all also over the long term. In order to meet the demands of the municipality, this is done in a way in which also new, higher income residents can be attracted to the area

Formulate a mission and vision

In collaborative involvement with all stakeholders involved, a collective mission and vision for the area is formulated. This can be the end product for example of a series of collaborative sessions.

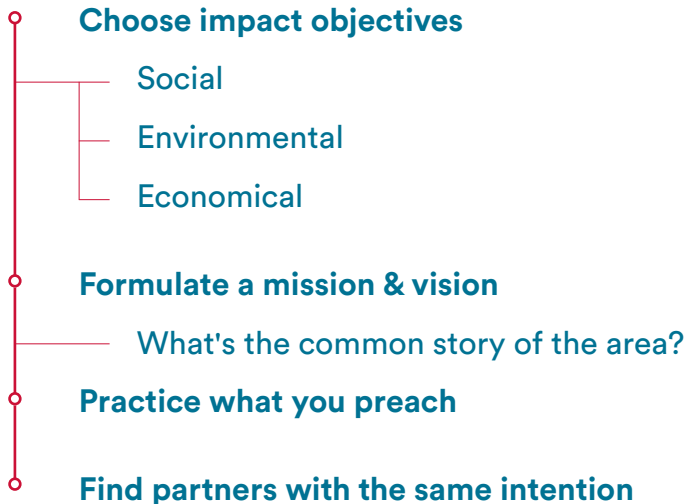
Practice what you preach

As 'gentle' is the key word in our mission, it's really important to be gentle towards all people in the process. This entails communicating clearly and transparently and really including local needs in the design and development of the plan.

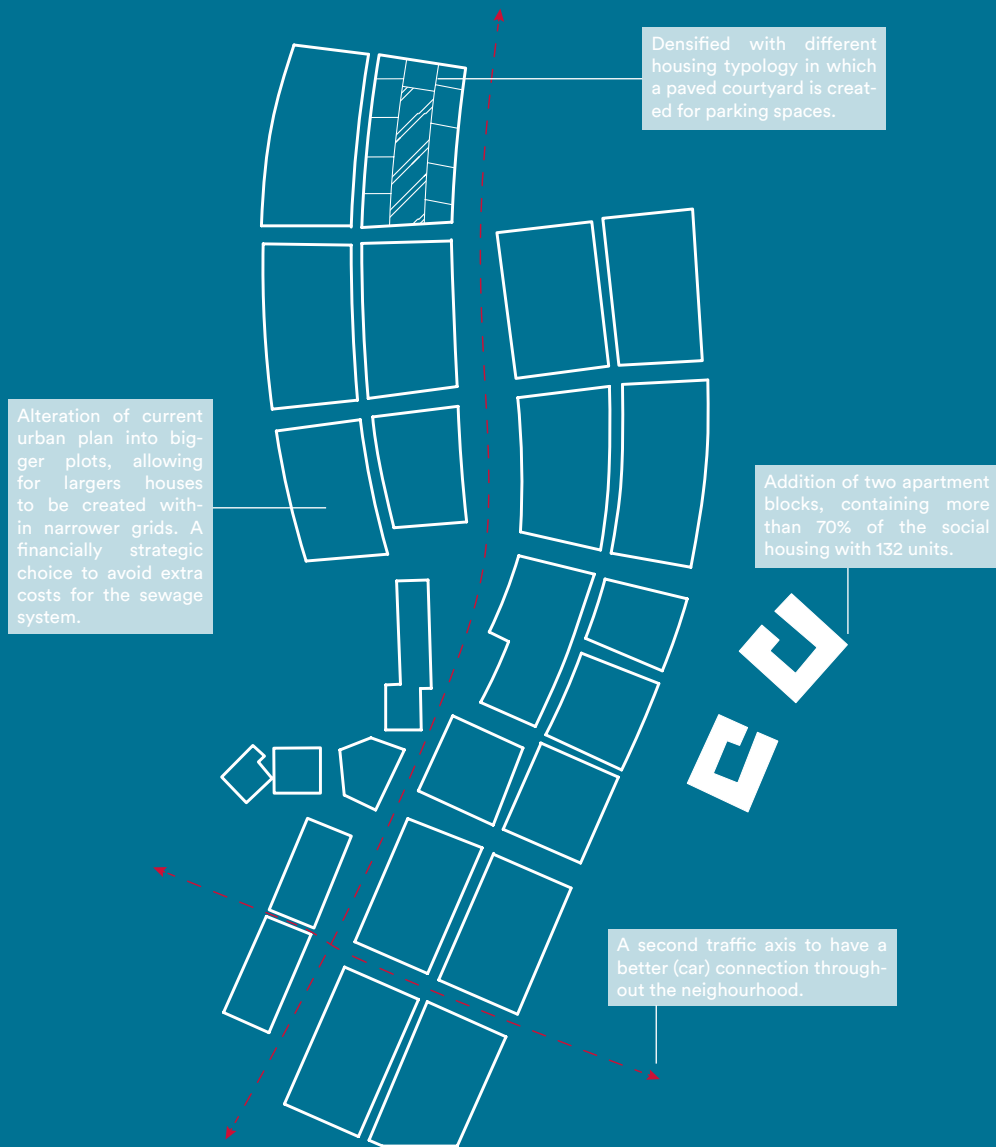
Find partners with a similar intention

It helps to work with partners who share the same intention, for example, investors, people from the municipality, contractors. Together you can make sure you keep an eye on the 'why' at all times. Why are we doing this? What's the impact we aim to make?

Step 3: Impact First



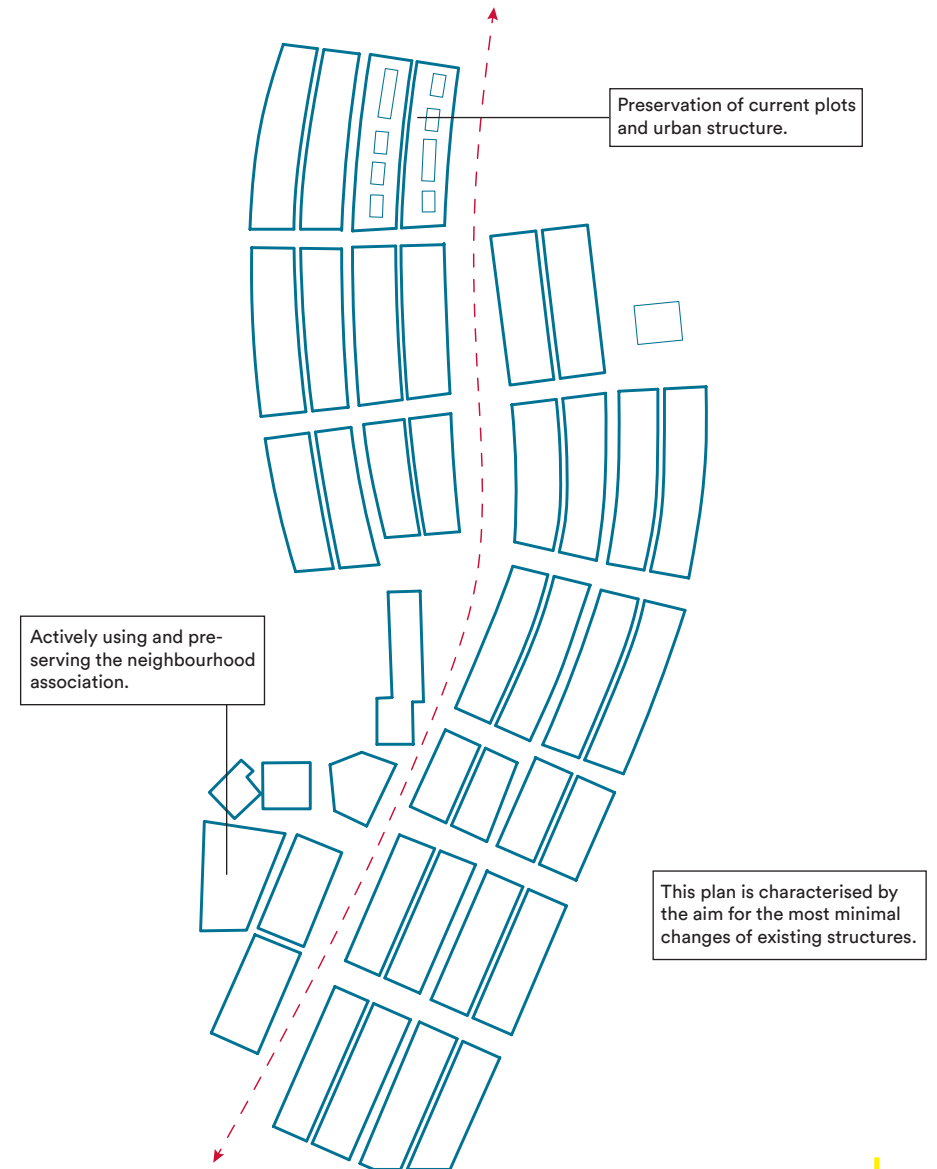
BPD, Woonstad & Municipality



(BPD, 2019; BPD, 2020; estimated prices based on local market research and interviews with residents)



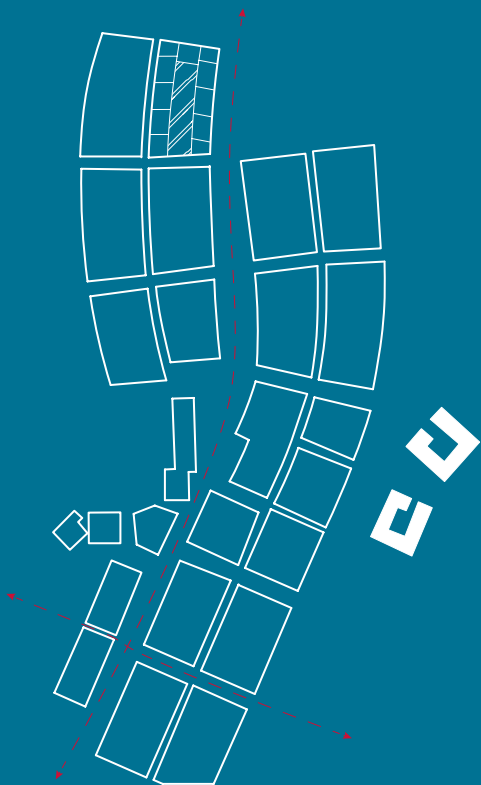
Unie van en voor de Wielewaalers



(Unie van en voor de Wielewaalers, 2019; interviews with residents)



BPD, Woonstad & Municipality



Project description

A plan that is made and led by the developer BPD. With the intention to upgrade Rotterdam South, this project is commissioned by the municipality of Rotterdam. Due to the initial use of Wielwaal as a place for mainly social housing, as previous owner of the land Woonstad, is a part of the collaboration as well for the transitioning of this upgrade. For the current people who want (and are able) to stay, there is a return guarantee for which Woonstad will temporarily buy the required amount of housing from BPD.

Project characteristics

- Higher density
- More diverse segments
- Financially profitable
- More interests and motives of other involved parties

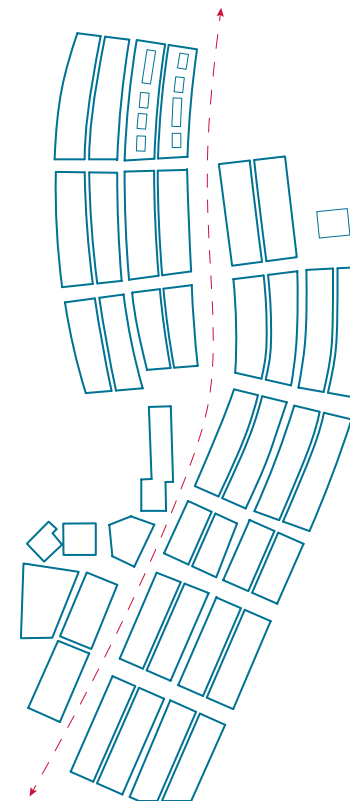
Facts and numbers

- **860 dwellings, consisting of:**
 - > 255 social housing units (of which 27% in current boundaries of Wielwaal)
 - > 80 affordable private housing (from €300.000)
 - > 300 middle segment units, of which 100 for rent
 - > 225 high segment units (around €600.000)
- **Avg. house price:** ±€500.000

- **Rent social units:** €610-700*
- **Rent private units:** from €1000*
- * Prices of ± €100 for city grid are excluded from the rent
- **Limited involvement and participation of current residents of Wielwaal**
 - > score of 1-3 in Arnstein Ladder of citizen participation
- **Mixing of different target groups in the project with clear distinction of these groups on urban area level**

(BPD, 2019; BPD, 2020; estimated prices based on local market research and interviews with residents)

Unie van en voor de Wielewaalers



Project description

In response to the plan of BPD the Union, formed by a large group of Wielewaal residents, developed their own plan. The transitioning of the upgrade from low-price social housing to rents starting from €610 (for smaller units, price city grid excluded) and average house prices of €450.000 was too big. The Union's plan is designed to be accessible enough for current residents to return. Ambitions for social and ecological sustainability are included in this plan as well, in which financial profit is unimportant.

Project characteristics

- 95% return of residents
- Affordable prices
- Energy neutral housing
- Preserving genius loci
- Based on ground lease

Facts and numbers

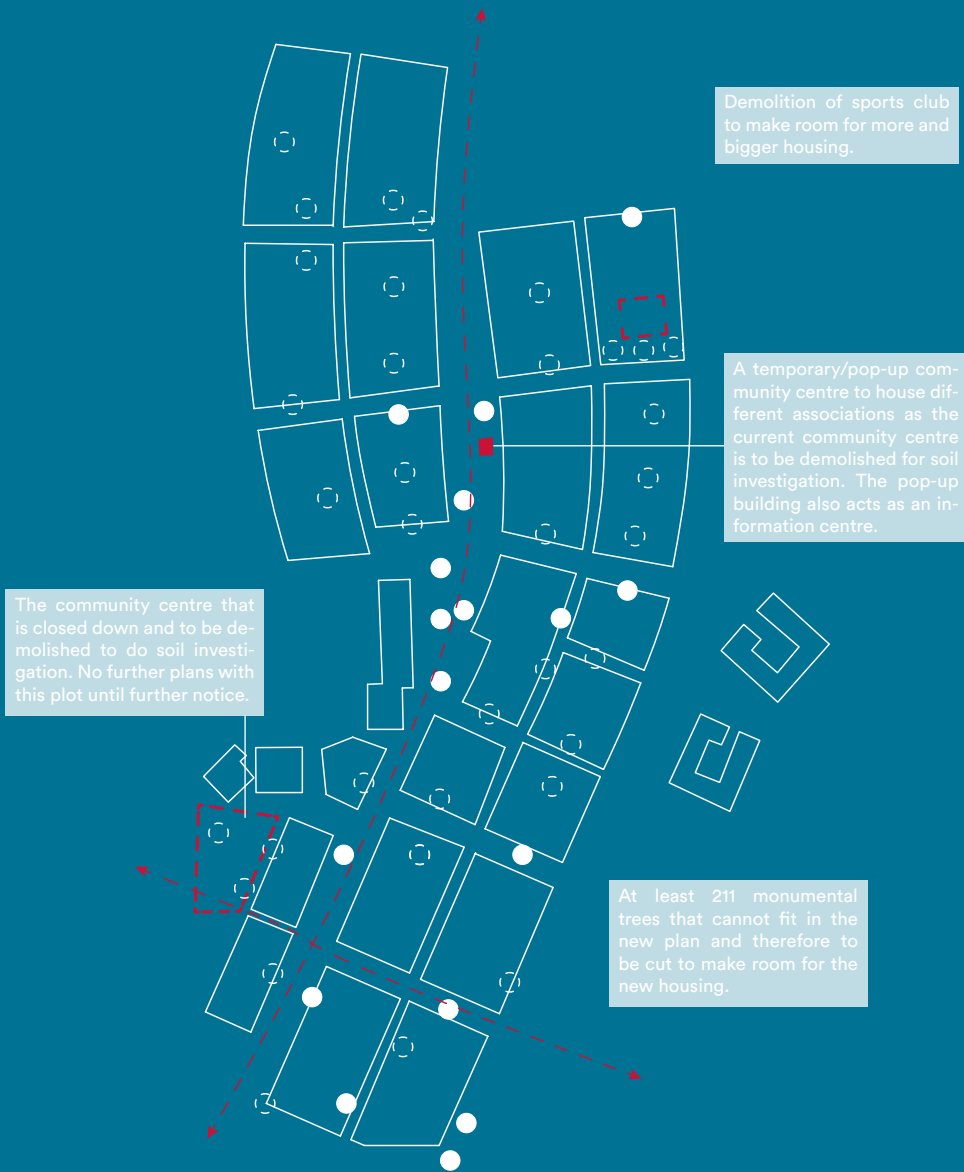
- **545 dwellings, consisting of:**
 - > 165 social housing units
 - > 380 middle segment units
- **Rent social:** €525 - 705
- **Rent private:** €720 - 1000

Current numbers of the plan are based on the housing vision of the municipality of Rotterdam. The Union's plan is **adaptable to more target groups and different ratio of price segments.**

- **High involvement and participation of current residents of Wielewaal**
 - > score of 8-9 in Arnstein Ladder of citizen participation
- **Preservation of all existing social services:** playground and its association, community centre
- **Preservation of all monumental trees**

(Unie van en voor de Wielewaalers, 2019; interviews with residents)

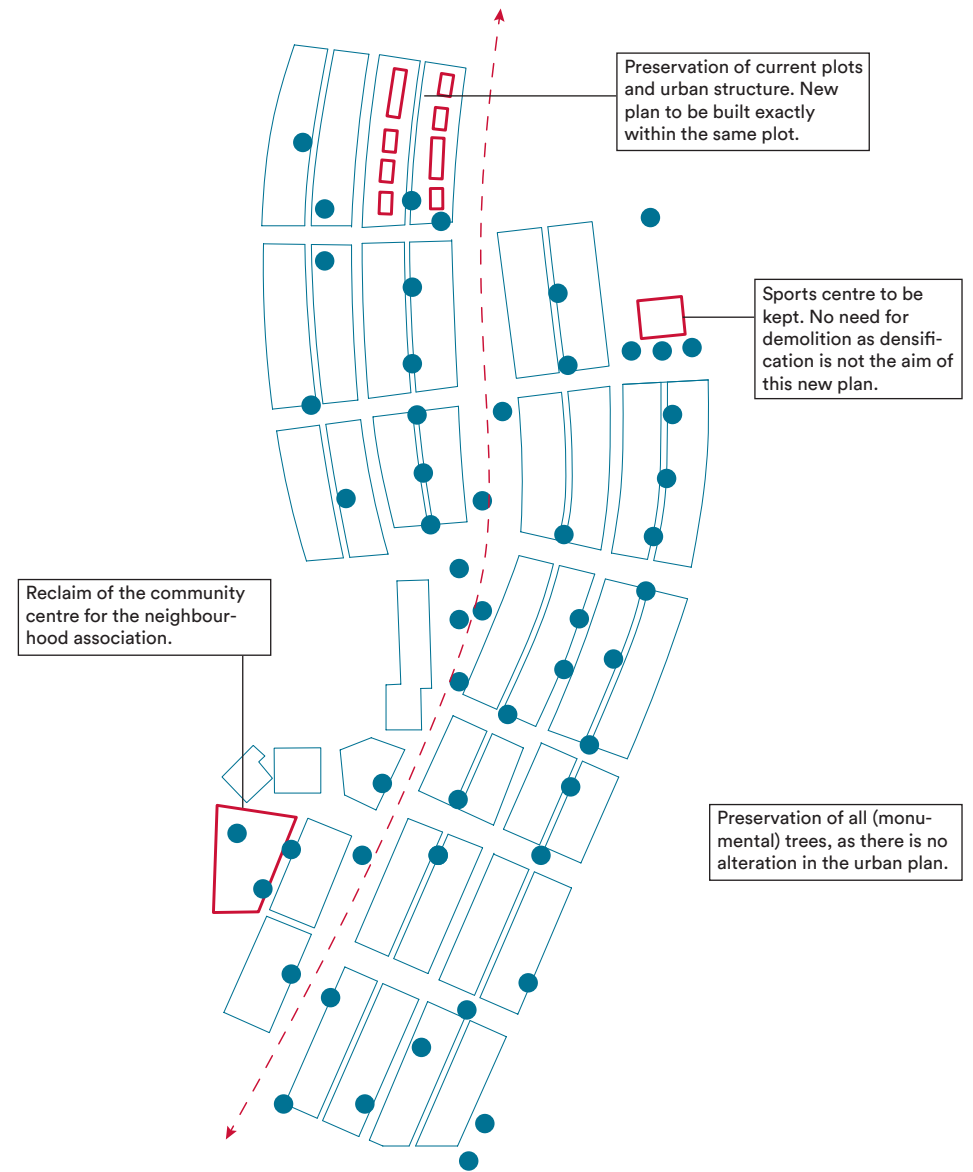
BPD, Woonstad & Municipality



(BPD, 2019; BPD, 2020; estimated prices based on local market research and interviews with residents)



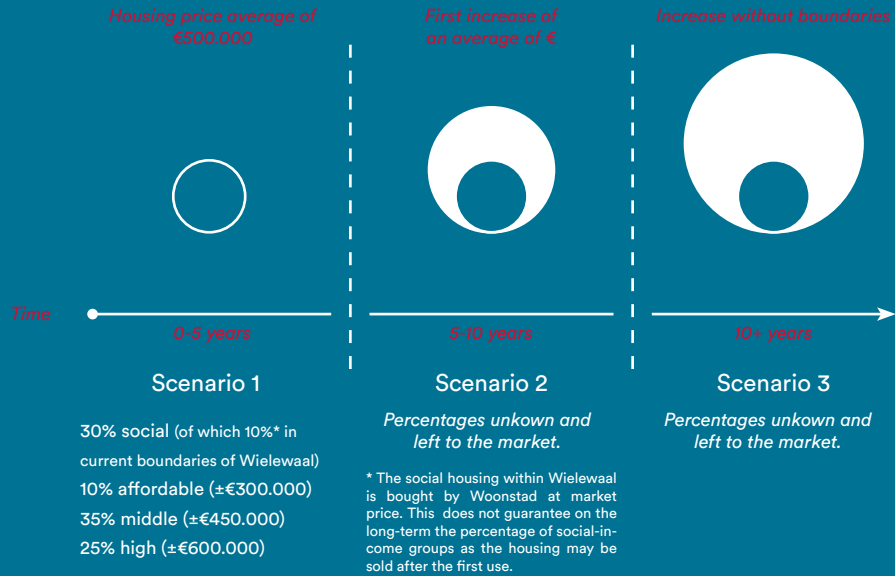
Unie van en voor de Wielewaalers



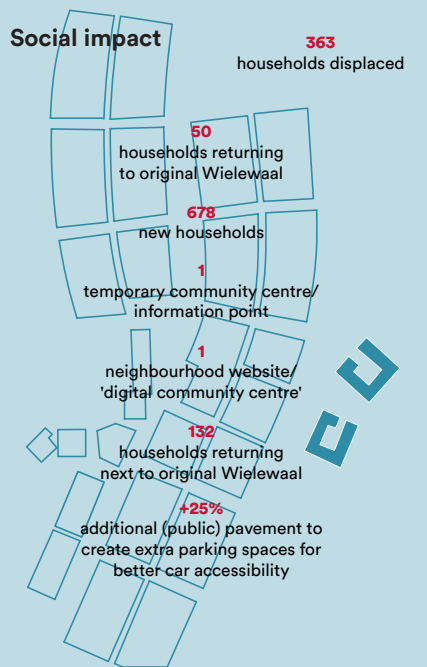
(Unie van en voor de Wielewaalers, 2019; interviews with residents)



BPD, Woonstad & Municipality



Social impact



(Interpretation of data on previous pages)

Environmental impact

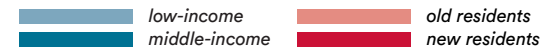
- 211 monumental trees being cut
- Increase of pavement and loss of green due to more parking spaces
- For all housing: EPC=0
- Usage of city grid power

Financial impact

- 40% rental and 60% owned
- Well over half of the housing is to be owned, affordability of the neighbourhood is left to the market
- Uncertainty of conservation of ratio rental and owned, due to no guarantee for social housing in long-term within the current boundaries of Wielewaal that Woonstad buys. Speculated is that the percentage of owned will go up.

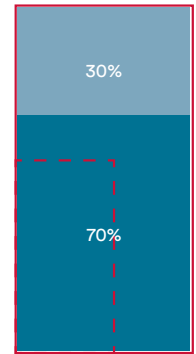
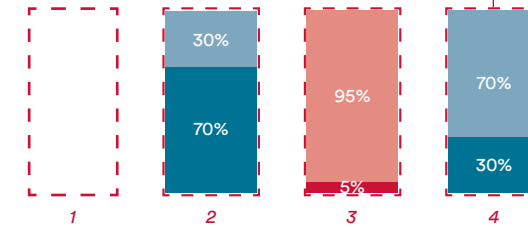
Unie van en voor de Wielewaalers

Union's promises within the current footprint



1. current footprint
2. promised infill of ratio low and middle income
3. promised return guarantee original residents (support base) vs new residents
4. Estimation of ratio incomes based on diagram 3: 'promised return guarantee original residents vs new residents'

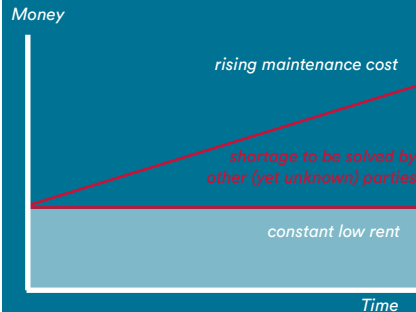
With an estimation that around one fifth of the current Wielewaal residents is from middle-income.



The actual footprint needed to fulfill both promises, leads to densification of 2,4.

Financial impact

- 100% rental
- Based on ground lease, housing stays affordable & municipality can profit for longer term
- More responsibility towards municipality for retaining quality of the housing and public space
- Rent prices lower than market value



(Interpretation of data of previous pages)

Environmental impact

- All monumental trees preserved
- Energy label A for housing
- Energy neutral housing

Social impact

- 520 residents returning to current boundaries Wielewaal
- 25 residents leaving Wielewaal
- 25 of new residents in the plan
- preservation of **psychical** community centre
- **Preservation** of current public space/place
- In line with the housing vision of the municipality of Rotterdam, with high focus on middle segment and social segment in which nation-wide is in high demand.

BPD, Woonstad & Municipality



Social rental housing
100 m² GFA
€600 / month**/**
*price for city grid excluded
** price yet to be confirmed

Figure 5.32 Pictures of Wielewaal Oost (below) (KAW, 2019) and the New Wielewaal (BPD, 2020)



Social rental housing
70 m² GFA
€600 / month*
*price for city grid excluded

(BPD, 2019; BPD, 2020; KAW Architecten, n.d.)

Unie van en voor de Wielewaalers



Woningtype A1

Huurprijzen

Sociaal

van €525,- /m
€625,- p/m

Middenhuur De Luxe

van €720,- /m
€1000,- p/m

Woonoppervlak

90 m² (8,70 x 7,50 m)

Begane grond

Woonkamer met open
keuken 32 m², slaapkamer 15
m², toilet, doucheruimte

Verdieping

Slaapkamers: 12 m² en 10 m²,
2e badkamer

Berging

Binnen 5 m², buiten 5 m²

Energievoorziening

Vloerverwarming en
radiatoren via warmtepomp,
zonnepanelen

Energielabel

A++ 0 op de meter (Nom)

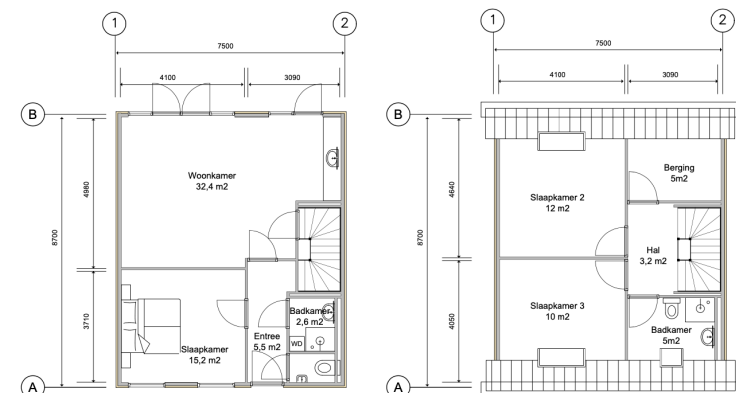


Figure 5.33. Pictures of plan of the Wielewaalers (Unie van en voor de Wielewaalers, 2019)

BPD, Woonstad & Municipality



2-onder-1-kap
171,5 m² GFA
starting from €617.400



(BPD, 2019; BPD, 2020)

Social rental housing
140 m² GFA
starting from €504.000

Unie van en voor de Wielewaalers



2 ONDER 1 KAP
Woningtype C1

Huurprijs

Middenhuur

van **€925,-** t/m
€1275,- p/m



Vloeroppervlak

160 m² (8,80 x 9,00 m)

Begane grond

Woonkamer 32 m², keuken 10 m² slaapkamer 13 m², toilet, doucheruimte

Verdieping

Slaapkamers 13 m², 13 m² en 17 m²

Berging

Binnen 4 m², buiten 5 m²

Energievoorziening

Vloerverwarming en radiatoren via warmtepomp, zonnepanelen

Energie label

A++ 0 op de meter (Nom)

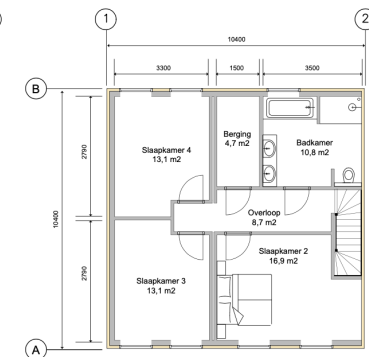
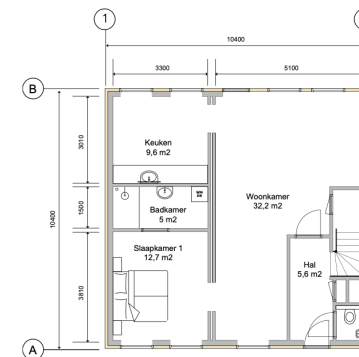


Figure 5.35. Pictures of plan of the Wielewaalers (Unie van en voor de Wielewaalers, 2019)

BPD, Woonstad & Municipality

Impact summary



This plan is in line with the intention of the municipality to 'upgrade' Rotterdam South. With a high focus on attracting different target groups, the consequence is that original residents are experiencing stress, anxiety and negative feelings during this process as they are being displaced. The direct impact of the plan is that the existing social cohesion is broken apart. On long-term, it's questionable till what extent Wielewaal is affordable and accessible for people, whether from low, middle or high income.



Characterised by its typology as a garden city, Wielewaal has a lot of green. This is one of the characteristics that is highlighted in the plan. Despite the demand for more parking spaces, the plan keeps a green and calm exterior by adding pavement within the building blocks to mask the cars. Furthermore, monumental trees are to be cut to make room for the new housing for which smaller trees are planted to compensate, as well as an addition of green hedges is designed for the front yards.

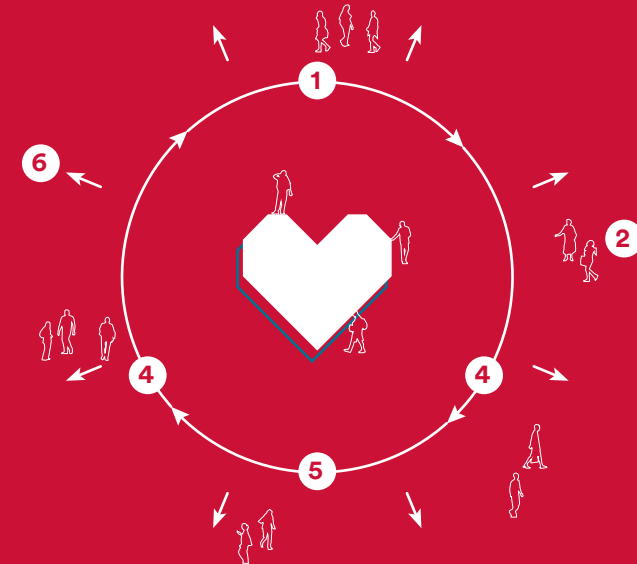


On short-term this plan is especially profitable for BPD and Woonstad. To create an attractive area for higher incomes, the current Wielewaal has to make place. For which Woonstad this results in considerable savings on the landlord levy (verhuurdersheffing). The municipality says to not make a financial profit on it. On long-term the housing is left to the market in which the question is whom will really profit from the boundless price increases.

A Gentle Neighbourhood

Impact goals

In response to both the plans of BPD and the Union, a gentle neighbourhood may be created through the 6 steps of impact development in which the goal is to make win-win situations for all aspects of sustainability in order to create impact on multiple scales and for a broader group.



In order to make long-term societal impact for many people, the neighbourhood should stay accessible for all target groups, and especially for those that are most in need, for fairness in the built environment. To do so, affordability is one of the main aspects to tackle, while also leaving room for adaptivity towards people's changeable interests and needs as people are the main users of the built environment. On top of fairness, social services, often used to tie neighbourhoods together, may also be used as an enabling tool through community-making for people from different layers.



A lot of knowledge is available on the ecological aspects of sustainability. Next to making a building circular and energy-neutral, the aim is to integrate these ecological aspects with a broader sense of sustainability as well: both social and economical. This means that buildings will also be adaptable for future needs and interests and decisions will be made on their societal impact.



Looking from all sustainability aspects long-term affordability and adaptability seem to be important steps towards positive societal impact. A way to do that is having function-dynamic buildings. (1) To be able to react to changing needs and therefore (2) to be able to have a constant use in the buildings, avoiding vacancy. In other words, function-dynamic buildings allow for the adaptability to also ensure sustainability in the long-term in a economical feasible way. This is one example of thinking in a win-win situation, in which profit is not only economically, but also supporting (societal) impact first.

Unie van en voor de Wielewaalers

Impact summary



The union's main focus for this plan is to keep the genius loci and the current social cohesion of the neighbourhood, without densifying to maintain the 'holiday feeling' of Wielewaal. This means that the plan heavily targets on a high percentage of return of current Wielewaal residents. Promising both the return rate as well as the new ratio of income that is in line with the municipality, the feasibility of this plan is questionable. This also applies to the inclusivity as the plan is tailored to the preference of one group, in which all typologies are the same, leaving no room for other target groups that are also looking for a affordable place to live.



To amplify the affordability, the plan claims to have energy neutral housing, which ensures a lower energy bill. The dwellings will be built out of modules that provide an efficient use of materials. Apart from that, the main ecological focus is the maintenance of the garden city structure with its monumental trees. As Wielewaal builds exactly on the existing plots, no trees need to be cut for the realisation of this plan.



Due to the contradicting promises for housing multiple target groups that do not fit in the current footprint, the feasibility is in question. Aside from this, most investments in public green, infrastructure and more, are expected to be paid by the government. Also, the plan heavily depends on an agreement with the municipality for land lease to keep the plan affordable.

5.4 Measure and manage for impact

Impact measurement and management is necessary in order to prove and improve impacts made. Measuring and adjusting is an ongoing process that allows for continuous learning. In this paragraph, based on the impact mission and vision formulated at the previous principle, an impact measurement approach is proposed, in order to manage for gentrification.

Impact awareness

When working towards impact, it's smart to make an impact assessment of the current situation. This helps understanding if you actually make an impact through the actions you undertake. For this project the nul analysis is based on an analysis of two alternative plans for Wielewaal (as presented in the previous paragraph). In an actual case, you would start with analyzing the impacts in the current situation (pre-measurement).

Theory of Change

To get from an impact mission and vision to the right metrics, a Theory of Change is formulated. This Theory of Change should come forward from involvement with all stakeholders impacted by the development and updated at least yearly. For this hypothetical development, a Theory of Change is formulated and presented on the following page.

The right metrics

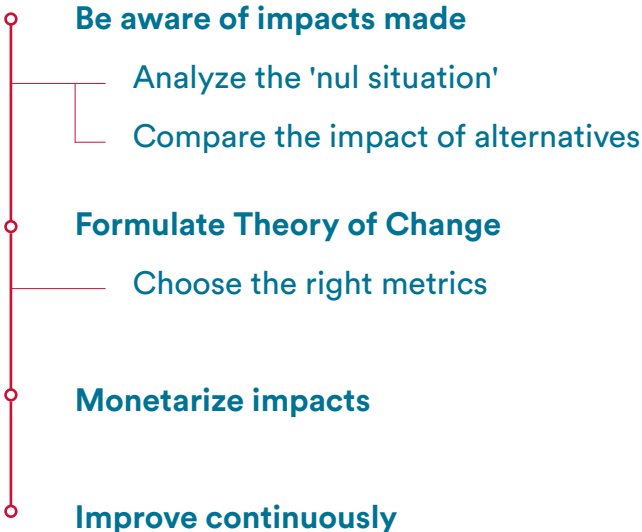
Based on your Theory of Change and scientific evidence, an analysis is made of the potential impacts coming forth of your actions. By considering how you will use the results of measurement, decide what key metrics you need to measure to continuously work towards the aimed impact objectives. An overview of the potential impacts of gentrification is shown in figure 5.36, including a choice in what metrics to measure.

Monetizing impacts

Ideally, impacts measured are also monetarized so they can be included in the business case of the developer to use in negotiations with investors or municipalities. Unfortunately, due to time constraints and the limited availability of data, this exceeded the scope of this research. With more time and in reality, first steps towards monetarizing should and can be set in practice.

Know your impacts, to prove and improve over time - *Adapt continuously*

Step 4: Measure and adjust



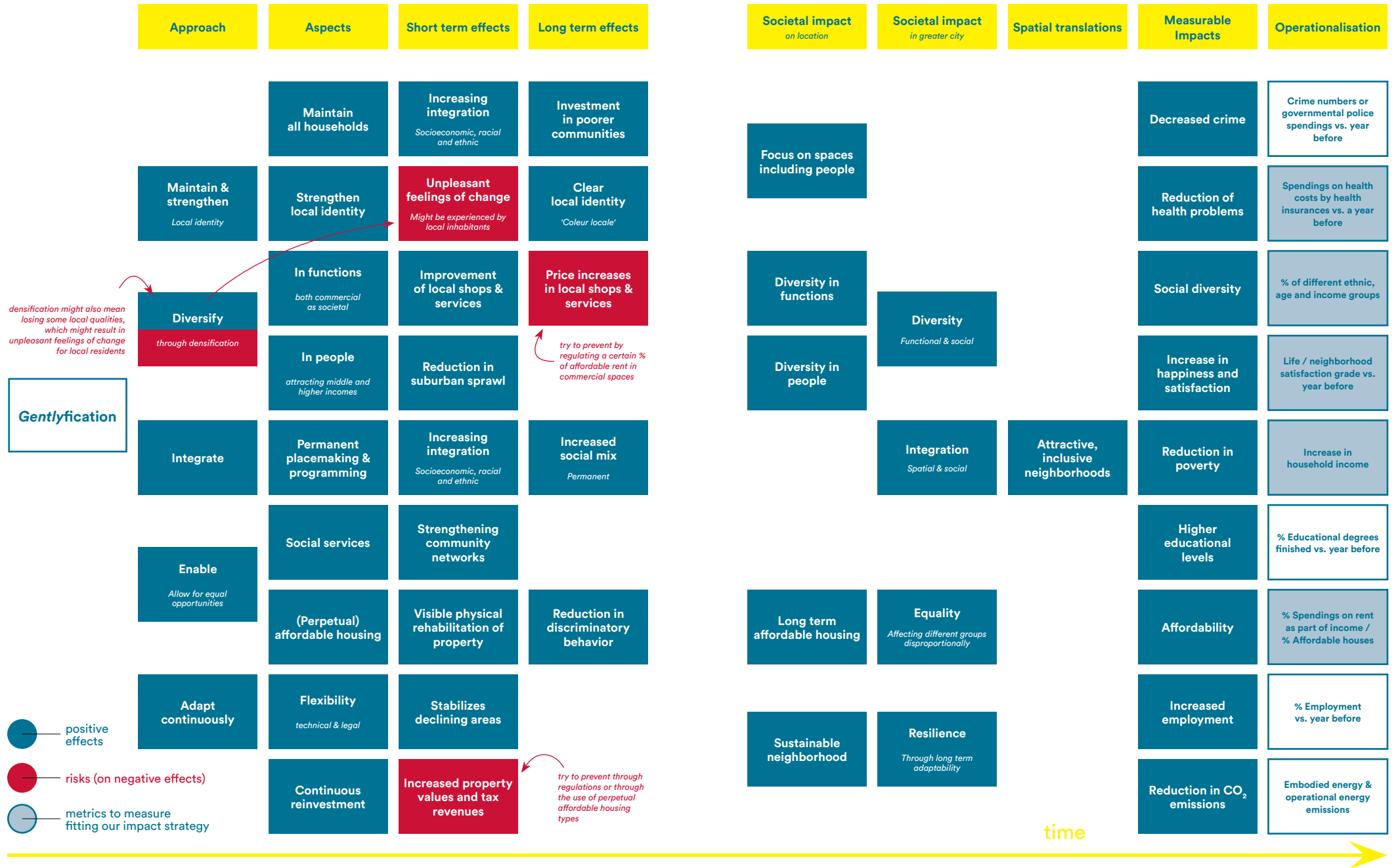


Figure 5.36. The expected impacts of gentrification + selected metrics (own illustration)

Theory of Change

Activities



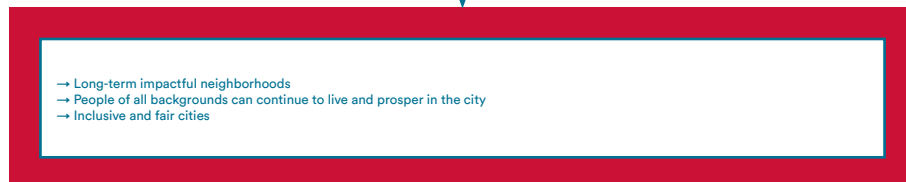
Intermediate output



Final outcomes



Impact



Step 4. Measure & adjust

Impact awareness

Implement pre- and post-measurement in your development, to allow for learning and adaptation.

Theory of Change

Formulate a Theory of Change to work from your impact objectives to the right metrics.

The right metrics

- Create an overview of expected impacts.
- Based on how you'll use the findings select the right metrics.
- Focus on a few metrics only and link them to industry standards.

Continuous learning

The impact measurement and management process is ideally repeated at least yearly to allow for learning and improving. Ideally, the development should also allow for adaptations coming forth from the impact measurement.

5.5 Rethink your ways of working

Placing impact first in your business, might also entail rethinking your ways you working. In this paragraph, based on the mission and vision formulated, new ways of working are proposed, to make the necessary shift possible from gentrification to gentlyfication and to allow for a long-term inclusive urban area.

Rethink the business case

Based on the social impact goal of gentlyfication, three different financial alternatives were formulated to reach this social objective:

- A 100% cooperative neighborhood
- A 100% affordable rent neighborhood
- A mixed neighborhood

Although each scenario has different spatial implications and a different financial feasibility, all alternatives in their own ways allow for reinvestments in the area for continuous improvements towards the impact goal.

Rethink the phasing

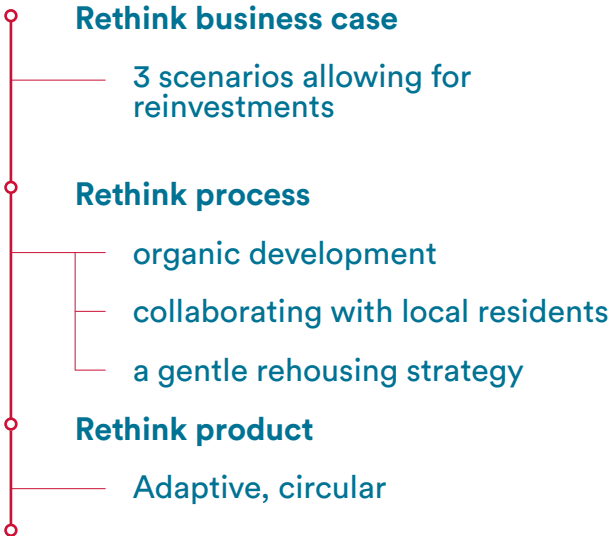
Based on the social impact goal of gentlyfication, also the phasing process should be adjusted. It's suggested to take on much smaller and slower developments, to allow for continuous learning over time and to be able to involve residents. A lot of work should be put in coming up with a good rehousing strategy, so local residents don't have to move multiple times. Finally, it's really important to allow local residents freedom of choice in how and where they return in the neighborhood.

Rethink the product

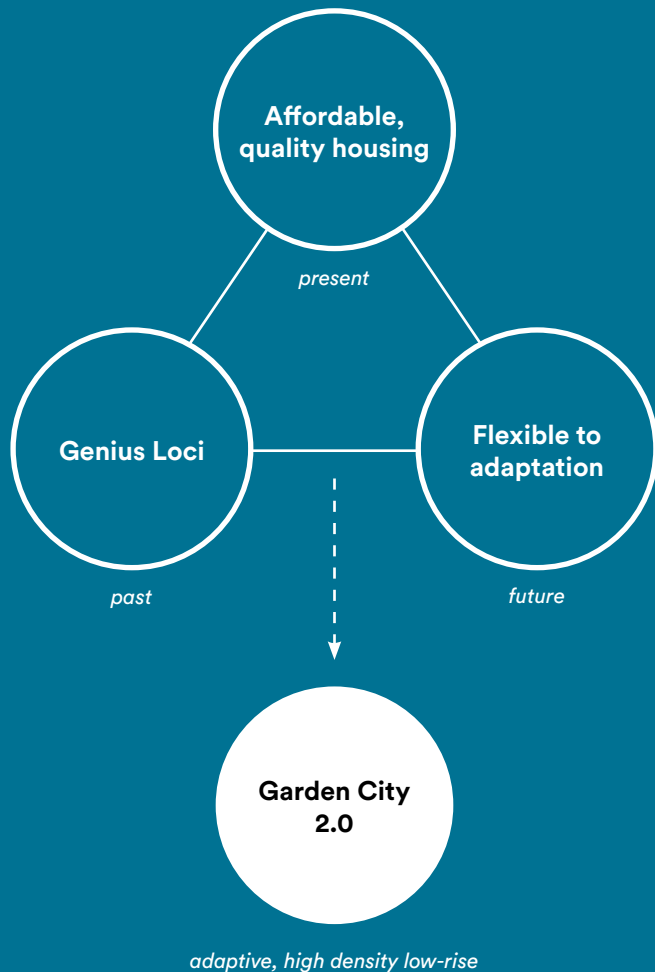
In order to allow for co-creation, the necessary freedom of choice of inhabitants and adaptability in the future (circularity, sustainability), a different type of construction is proposed: a more adaptive way of building.

Start with impact, reinvent what's needed - Rethink

Step 5: Rethink



*In which qualities of the past,
with knowledge of today,
leave space for the insights of tomorrow.*



Wielewaal, a gentle neighborhood

Based on qualities of the old Wielewaal, the challenges of today and the freedom needed for tomorrow, an alternative plan for Wielewaal has been developed in co-creation with its inhabitants. A plan that aims to move from **gentrification to gentlyfication** by placing social impact first and enabling the positive aspects of gentrification (diversity) while also preventing its long-term downsides (displacement & segregation).

Starting points

The plan is based on three starting points: Genius Loci; Affordable Quality Housing and Flexible to Adaptation. By learning from the Genius Loci qualities of the past can be maintained, like the important local identity Wielewaal as a pop-up garden city or the people of Wielewaal itself. Affordable quality housing is one of the main challenges today in cities, as also in Rotterdam. It's also one of the impact goals as proposed by the GIIN. By aiming to realize a high density with relatively smaller dwellings, more people can be housed in Wielewaal and prices can stay (perpetually) low. Finally, by being flexible to adaptation, the neighborhood allows for continuous learning. Throughout time the neighborhood can thereby develop in a way that benefits its social or environmental needs.



Figure 5.37. Design Concept (own illustration)

Design concept

The design concept can be summarized in the concept sketch above (fig. 5.37). The main goal: moving from a monofunctional neighborhood with a short lifespan to a diverse, lively and continuously adapting neighborhood, that aims to be inclusive to all, (also) in the long-term.

Financial feasibility

On the next page, three financial scenarios are presented. Based on its own specific assumptions (land lease vs. land sale), all scenarios seem financially feasible (see excel for a financial elaboration). The more towards the right, the higher the potential price that can be paid to the municipality.

Rethink

— 3 alternative scenario's for social impact

idealistic / 'socialistic'

realistic / 'capitalistic'

Neighborhood for the commons

100% coöperative neighborhood, with CLT

50-50%*

*own choice > 'equal groups'

income-based rents



Enabling neighborhood

100% affordable rent, profits reinvested in community (social services)

30-70%**

**conform city policy

densification & reinvestment



Mixed neighborhood

60% rent – 40% sale, neighborhood benefits agreements in social functions & programming

40-40-20%***

***fitting Amsterdam's social mix policy

redistribution



'fairpacht'

buying land

less dense

more dense

less dense

lagere grondprijis

hogere grondprijis

*all scenarios seem to create a feasible business case, the calculations are included in an external excel file

- 1 Waalhaven
- 2 Buildings with legal flexibility in function
- 3 Central zone with space for new community center
- 4 Place for more communal functions
- 5 New water connection, connecting Wiel to the Waal
- 6 New green connection, to connect Zuiderpark with Waalhaven for slow traffic
- 7 Place for temporal housing, for people temporary relocating from the Wielewaal during construction
- 8 New fast traffic connection
- 9 Better connectivity to the school
- 10 (Re)development of the Playground association
- 11 Future potential redevelopment (terrain of the NAM)



Figure 5.38. A flexible new plan for Wielewaal (own illustration)



Figure 5.38. Axis with space for societal functions

Figure 5.39 & 5.40. Courtyard living (below) and first development plot (both own illustrations)

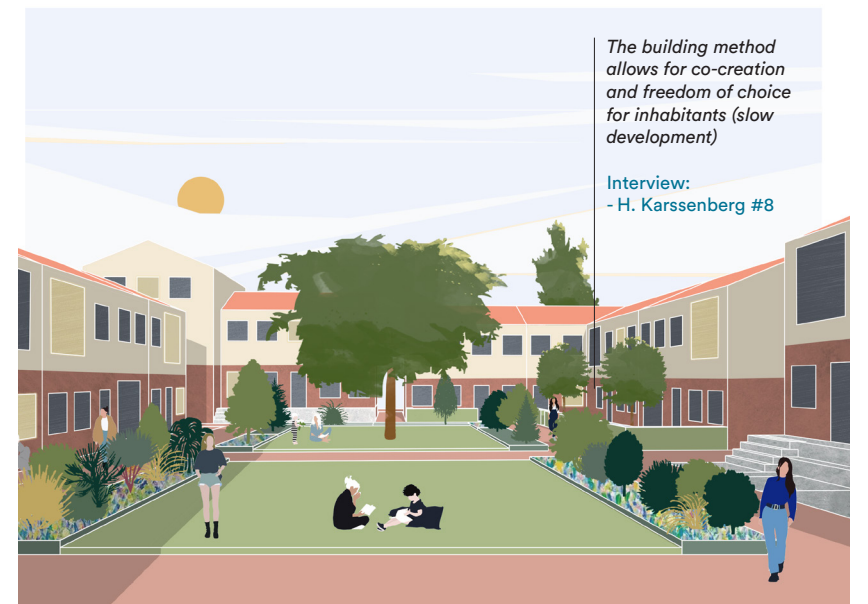
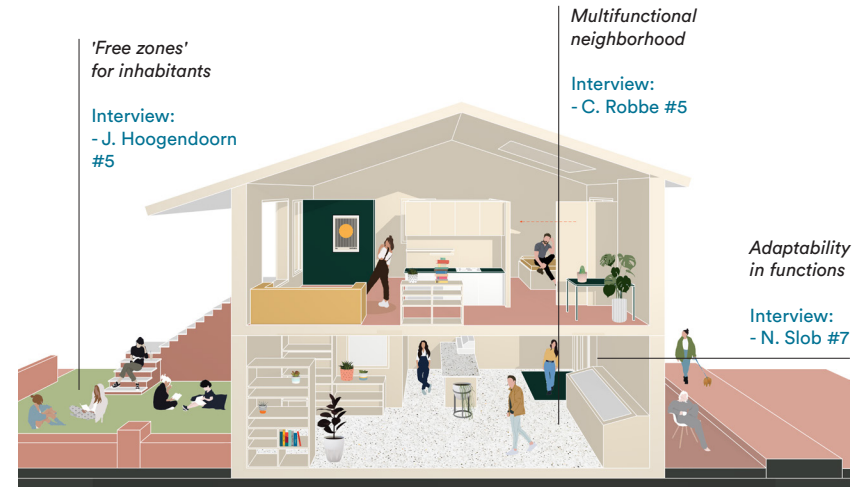
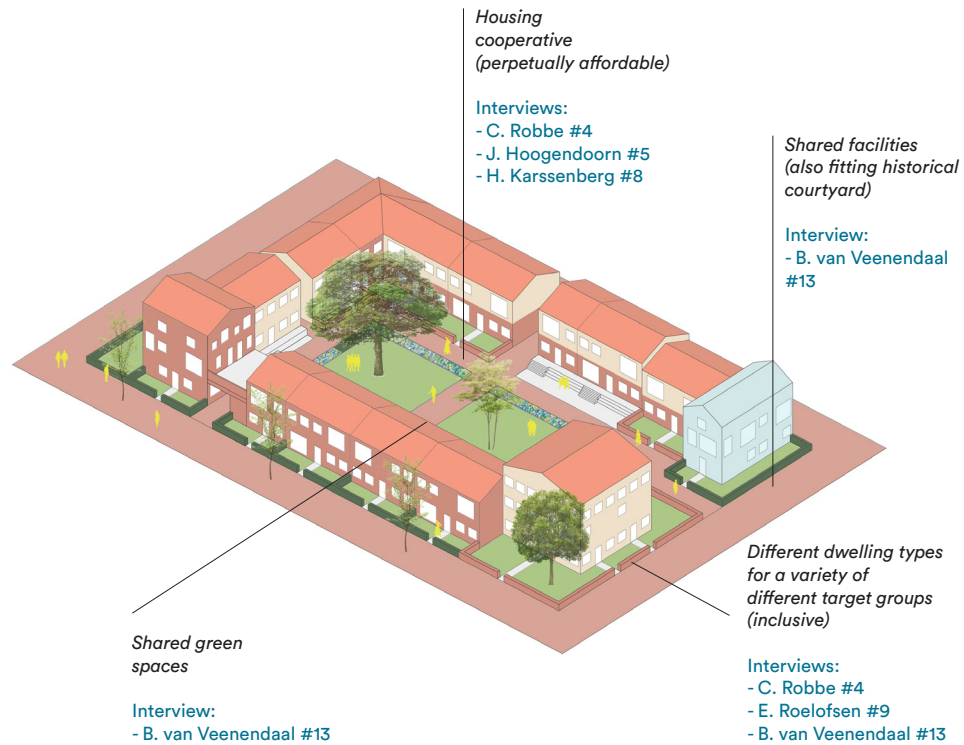
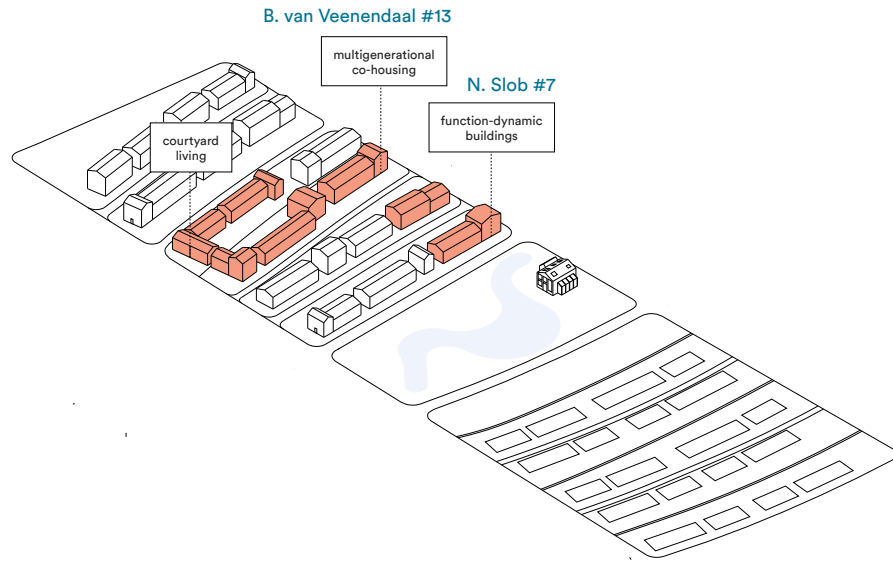
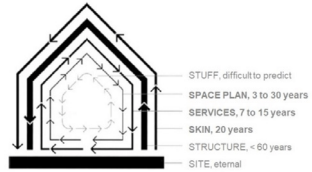


Figure 5.41 & 5.42. Courtyard living render (below) and section perspective (both own illustrations)



"Developing buildings in such a way that they can easily adapt or improve over time"

Interviews:
 - N. Slob #7 /
 - N. Rood #16

Material decisions can be based on impact (embodied & operational energy)

Interviews:
 - K. van Dijk #10

Figure 5.41. Exploded section (own illustration)

Step 5. Rethink

Business case

3 alternative scenarios for gentryfication / long-term affordability (balancing between financial feasibility & social inclusiveness)

Process

- Smaller & slower, more organic and in collaboration with inhabitants
- Starting from a gentle rehousing strategy (if necessary)

Product

- Means: housing cooperatives/urban area cooperative, neighborhood benefits agreement
- Flexible building, both technical as legal, for freedom of choice and continuous improvement

5.6 Pay it forward!

As impact developers always aim to bring the building industry further, the last step in the impact development cycle is pay it forward. This is also a continuous process that is intensified as your impact matureness grows from one project to another.

Demand impact from partners

In the decision of parties you work with, as a developer, you also have an influence to create change. For Wielewaal, this might entail hiring an contractor that is willing to hire local, unemployed people from the neighborhood to give them future opportunities. This way of thinking can also be implemented in commercial spaces, for example, by contractually agreeing with tenants that in evening hours they open up their spaces for communal events or meetings.

Reinvest in change elsewhere

Depending on which financial scenario is chosen (at principle #5 – Rethink), different methods can be implemented to allow for reinvestments both in and beyond the current location. When the neighborhood is for example organized as a urban area cooperative, financial contributions can be reserved for future improvements in the neighborhood, but also for (permanent) placemaking or social programming. Also by shifting your business model as developer from developer to (co-)investor, also savings can be made to reinvest in other changemaking projects elsewhere.

Inspire your industry

By creating an inspiring example that will be continuously improved through long-term involvement, you can also inspire your industry for change. You can do so, by inviting other parties to the neighborhood once it's realized (as E. Roelofsen for example does in Kerckebosch Zeist), but also by implementing post-measurement in the process and transparantly communicating its outcomes and lessons learned. In doing so, over time, data can be collected on for example the health benefits or the long-term financial gains and security, which might motivate more investors to invest in impact in the future.

Create an impact movement - by maturing and amplifying your impacts

Step 6: Pay it forward



Breng ieder uur,
een woord, een daad.
Die voor de wereld,
iets achterlaat.

*Poem by Jacques van Marken,
first Dutch social entrepreneur*

Step 6. Pay it forward

Demand change

- Ask contractor to hire and train local, unemployed or less advantaged people
- Contractually arrange tenants to share their spaces for free with the local community in off hours

Reinvest in change elsewhere

- Part of the rents is saved for continuous investments in the neighborhood, f.e. in social programming or
- In the short or long term (depending on which financial scenario is chosen) reinvestments can be made in other impact projects

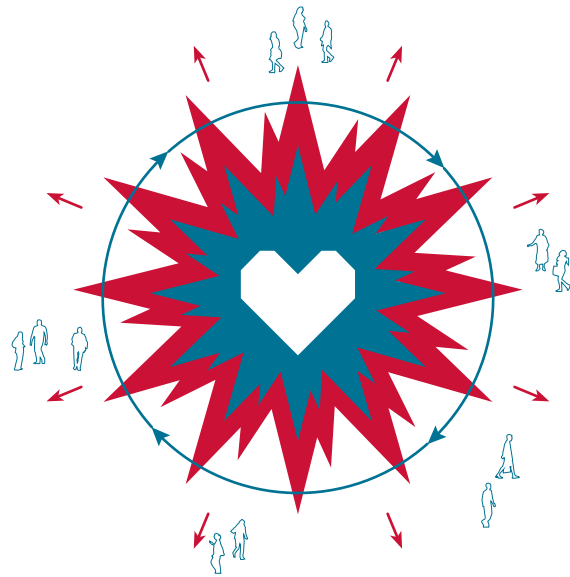
Inspire sector

- Continuously measure impacts and communicate lessons learned with the industry
- Invite industry over

Concluding

We need an equal measurement of social and commercial returns: we can't sacrifice one or the other.

(Royston Braganza, Investor)



6 Conclusion

This thesis has aimed to answer the question:

How can impact thinking be implemented in (urban) development, from the perspective of the social entrepreneurial (urban) developer?

To answer this question, three types of research were carried out: theoretical research, empirical research and design research. In this concluding part of the thesis, by reflecting on the conclusions of these three parts, an answer is given on this main question.

6.1 Theory

Theory – Impact thinking: what, who, why and how?

To date, there's almost no scientific literature linking impact thinking to (urban) development. Therefore, the main research question couldn't be answered with theoretical research alone. Theory did provide a useful background for the second part of the research. Based on *what, who, why and how* questions the concept of 'impact thinking' was analyzed.

Impact thinking is an emerging trend, that has taken a rise with the development of the Sustainable Development Goals (SDGs). Impact thinking aims to work towards an economy based on positive societal impact, rather than wealth maximization: an impact economy. The impact economy aims to balance between social, environmental and economical impact, but in practice today, especially social impact is still most underdeveloped. Recently, an increasing number of organizations is focusing on creating and measuring impacts they make. Three parties in particular stand out: social enterprises, impact investors and companies with a CSR-strategy. All of these parties require a form of impact measurement and management, in order to prove and improve the impacts they make. Impact measurement and management is an important aspect of impact thinking, however, impact thinking is more than just that. Impact thinking requires organizations to formulate impact strategies, linking impact goals to the mission and vision of the organization in a measurable way. Impact thinking is a circular process that requires a continuous learning mindset.

The extent to which impact thinking in a strict sense is occurring in the Dutch (urban) development context is limited. When looking at the definition of impact thinking a little less strict, first steps and trends towards impact thinking can be seen. Especially from the bottom-up (citizen initiatives, joined together by f.e.

the Stadmakersfonds) and the financial top down (ESG-integration at institutional investors). In addition, project developers are increasingly branding themselves as sustainable, but aren't doing this in an evidence-based way. When it comes to social sustainability in (urban) development, major steps have yet to be set.

One of the main sources of social impact in the built environment, is gentrification. Gentrification is an urban revitalization strategy, which – when implemented without adequate public involvement (Chong, 2017) and a long-term vision on inclusiveness and affordability from the public sector – can lead to many negative social impacts (Zuk et al., 2017; Atkinson & Bridge, 2005; Atkinson, 2002). A solution for gentrification, is *gentlyfication* – kinder type of gentrification – that could reap the positive impacts of gentrification without its distinct negative effects (Stauttner & Robbe, 2019). *Gentlyfication* could therefore present a good alternative revitalization strategy for municipalities.

6.2 Empiry

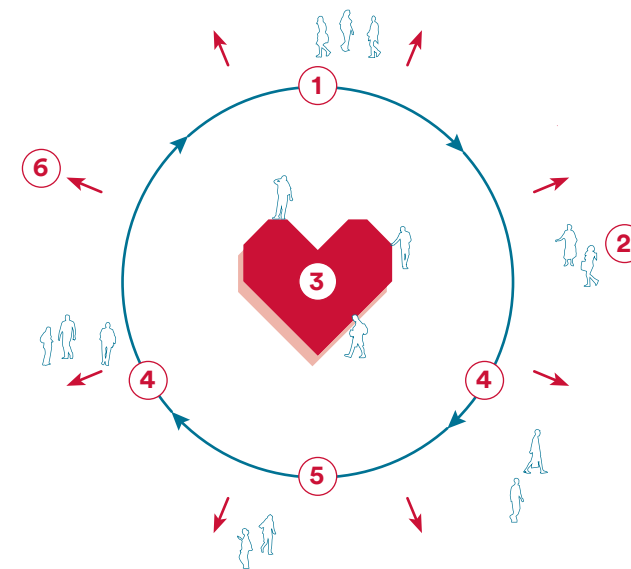
Empiry – How to develop for impact?

Out of the theoretical background, the follow-up question arose, how to develop for impact? To answer this question, qualitative research was carried out among 'front runners' in urban area development, impact investing and sustainable project development.

This led to a definition of 'impact development' (= urban development + impact thinking) and an overview of the main barriers and drivers of impact development. Three categories of barriers and drivers were found: barriers and drivers for the government, for the industry as a whole and for impact development practice. The findings show that for impact thinking to be successfully implemented in (urban) development practice, municipalities have to step up their social game, the industry has to set steps to become more fair (long-term involved and increased equality) and the practice of impact thinking has to develop further through the development of more credible measurement methods.

Based on interviews with impact developers, furthermore, an attempt was made to formulate a guideline for impact development. However, based on the interviews it became apparent that 'impact development' always needs tailor-made solutions and the use of common sense, therefore no handbook could be written. Instead, out of the interviews six principles of impact development emerged, that can help implementation of impact thinking in practice (figure 6.2). Just like impact thinking, these principles need to develop further over time and should be seen as a first proposal.

Finally, also, a list of concrete tools and measures were proposed, coming forth from the interviews, that could help implementation of impact thinking in practice today.



1	Understand
2	Listen
3	Impact first!
4	Measure & adjust
5	Rethink
6	Pay it forward

Figure 6.2. Concluding diagram: how to develop for impact? (own illustration)

from

**Highest
& Best Use**

to

**Happiest &
Profitable Use**

6.3 Design

Design – *How to implement the impact development principles in a project?*

As this graduation formed part of a collaborative research project with architecture student Marcella Wong, also research through design was conducted. Together the following question was researched for a neighborhood in Rotterdam facing gentrification (Wielewaal): "How to develop and design for long-term societal impact in a neighborhood challenged by gentrification?" The six principles of impact development were used as a way to implement impact thinking in the design and development process. Based on an impact evaluation of current plans, an alternative social impact-based plan was developed, aiming to move from gentrification to *gentlyfication* – enabling gentrification's positive impacts without its negative impacts (displacement, segregation and inequality).

The design part of this research has aimed to show that implementing an impact thinking mindset can lead to plans that balance between social, environmental and economical impacts.

6.4 How to develop for impact?

To conclude, implementing impact thinking in (urban) development practice, requires action from multiple parties. Just like social entrepreneurs, (urban) developers can already proactively take steps towards more positive societal impact in urban development. Although this might not be easy at the start, as our economy isn't yet incentivizing an impact mindset, in the long term this is expected to be both possible and profitable, like a handful of inspiring impact developments are already showing us today. Working according to the six principles of impact development might help developers to take the first steps towards this new way of working.

However, truly implementing impact thinking also requires action from the government. As no one is currently held financially responsible for creating negative societal impacts and only few parties are proactively willing to invest in positive impacts, it's difficult for a (urban) developer to place impact first. Therefore, it's necessary that the government creates the right conditions for impact thinking to thrive. At the national level, this would entail (1) investing in creating the knowledge to implement impact thinking and (2) introducing legislation that taxes and incentivizes societal impacts. At a local level, municipalities can already stimulate impact development, by (1) incorporating impact thinking into their tender criteria, (2) by being open to new, smaller types of developers (f.e. 'stadsmakers'), (3) by using their municipal real estate for impact developments or (4) by applying interesting new rules to encourage project developers to make impact.

If both parties do their part, we can collaboratively work towards a more sustainable and socially fair built environment.

Developing for
impact is more
than just
measuring impact.

It's about a
completely different
way of thinking:
impact first!

7 Discussion

After defining impact development, formulating its barriers and drivers, proposing its principles and applying it to a hypothetical case, in this chapter the space is taken to critically reflect upon the findings. What do they mean, how relevant are they? Did the research methods lead to reliable, valid and transferable results? What are the limitations of this research?

7.1 Interpreting the results

Although explorative in nature, this study contributes to existing literature by researching the implementation of 'impact thinking' in (urban) development practice. This is relevant, as to date researching impact thinking in practice has not been done much in scientific literature (Maas & Grieco, 2017). Also, in doing so, a first bridge is built between the scientific domains of impact thinking and (urban) development.

Consistency with literature

One of the main challenges at the beginning of this research, was the lack of scientific knowledge on (the implementation of) impact thinking in practice, both in general (cross-sector) and in specific (within the domain of (urban) development). Almost no scientific literature was found relating impact thinking, or even social entrepreneurship, to (urban) development. This is not surprising, as based on the empirical research, it seems that 'impact thinking' has yet to enter this sector – with of course the exclusion of some frontrunning organizations. Also, a clear challenge was identified in aligning theory and practice, as the practice of impact thinking seems far ahead compared to scientific literature.

Based on what could be found, f.e. in the book “Measuring and Improving Social Impacts” by Epstein and Yuthas (2017), clear linkages could be found between literature and empirical findings. However, in a way, it seems to make more sense to validate literature against the empirical findings of this research. Are scholars researching the right things, based on the practice of impact thinking? When answering this question, one suggestion can be made to scholars: don't hyper focus on impact measurement. Although impact measurement forms a central part of 'impact thinking', in interviews with impact experts it became clear that it is exactly just that: a part. Impact thinking is much broader than impact measurement, it's about a completely new way of thinking (impact first). which requires the critical re-evaluation of how business is conducted (from HRM to the production process and the business model). The scientific discourse could benefit from taking a step back and a re-alignment with practice.

Consistency with practice

There seems to be a clear consistency between practice and the empirical findings. Findings coming forward from the interviews – both the barriers and drivers, as the six principles for impact development – aren't completely new to both the practice of 'impact thinking' as well as 'urban development'. For example, thinking 'impact first' is also one of the central principles of impact investors and social entrepreneurs and the benefits of 'long-term commitment' and 'continuous learning' are also known principles in sustainable urban development. This makes sense, as some 'impact developers' have been inspired by impact thinking and 'sustainable urban development' is in essence also occupied with creating positive societal impact, although they might use different words to describe this. Therefore, there seems to be consistency with practice, adding to the validity of the results obtained in this explorative research. In addition, findings might also add knowledge to practice, which is still new and emerging. This research aims to act as a first bridge between the practices of impact thinking and (urban) development. As very recently, the topic of impact thinking has come up in publications about urban development, this research seems to be relevant for current discussions (Heurkens, 2020).

7.2 Reliability & Validity

Validity

Validity is concerned with the 'integrity of the conclusions' that are generated from the research (Bryman, 2016, p. 41). Different types of validity can be distinguished: f.e. internal validity, external validity and ecological validity. This research seems to be internally valid, as most of the conclusions made, can also be found in literature or in practice (f.e. impact measurement and management) on the topic. Therefore, some causality can be expected between the principles and the outcomes (impact). However, principles are in nature of course just starting points, not quantified requirements. Therefore, they might not be extensive and how much a specific principle contributes to the aimed outcome (impact), should need to be researched more, for example, based on case study research.

The external validity of this research – whether or not results are generalizable beyond the specified research context (Bryman, 2016) – is hard to evaluate. Some of the principles and drivers and barriers coming forth from the research are very sector-specific (f.e. intransparency is a known problem in urban development), but others seem to be more generalizable to other business contexts. Of course, it should be noted that almost all interviewees were idealistic frontrunners, therefore only time will tell whether these results will be generalizable to the wider population (other project developers). This is also dependent upon public, political decisions being made. Nevertheless, the findings could definitely inspire more traditional developers to move into a more idealistic direction.

Finally, this research seems to be ecologically valid - meaning: applicable

to people's everyday, natural setting (Bryman, 2016) - as interviewees were asked to relate their answers to real life examples from practice.

Reliability

As validity presumes reliability (Bryman, 2016), also the reliability of the researched is shortly discussed. Reliability of the research is concerned with repeatability: when performed again, are the results expected to be consistent (Bryman, 2016)? Although, the reliability is always hard to judge for qualitative research, this research is expected to be reliable, as the findings presented in this thesis were all based on multiple interviews. For example, almost all of the six principles were mentioned in at least six interviews, without specifically probing the interviewees into that direction.

7.3 Research limitations

Of course, this research also has its limitations. The first limitation is related to the selection of participants for the interviews. Due to the explorative nature, many of the interviewees came forward from a 'snowballing approach' – participants suggesting future participants through their networks (Bryman, 2016, p. 415). This can influence the results, as participants know each other well and tend to think like-minded – potentially leading to a too narrow or too positive view of the actual field (most interviewees were 'fans' of the idea of impact thinking) or on 'social desirability effects' in the answers. Also, participants were selected based on the intuition of others, not on clear criteria for the phenomenon of an 'impact developer'. Therefore, maybe not all participants can be fairly called 'impact developers'. This was impossible to prevent at the time, as no clear definition or criteria yet existed for an 'impact developer', but for follow-up research, the same questions could be asked to developers that meet all the criteria of an 'impact developer' (as formulated in this thesis) and results could be cross-checked with this research.

A second limitation of this research is the fact that no expert panel was conducted to validate the results. Although originally planned for this thesis, due to the Covid-19 crisis, it was impossible to organize this type of feedback session, both logistically (no face-to-face contact was allowed) as timewise (participants having limited time, due to time required dealing with more urgent matters coming forth from the crisis). Instead of organizing an expert panel, the results of this research, were shared with the interviewees and outsiders, as a way to validate the results.

Related to the design part of this research, some other limitations can be mentioned. For example, initially, more collaboration with inhabitants was planned in the design phase for our 'impact development' solution for Wielewaal - especially in light of the principle "You don't know what's best". But again, due to

Covid-19, this was very hard to conduct, especially as most people in Wielewaal are elderly and communicating digitally also wasn't really an option. For future 'impact developments', it's essential to have a participative process with all the stakeholders involved in all phases of the process.

Another clear limitation of the design part was the political sensitivity of the case study (Wielewaal). Due to its sensitive political nature, not all stakeholders involved were either willing to talk to us (f.e. Woonstad) or completely open to sharing information (f.e. no financial information about the land price could be found). This made it hard to take all perspectives into consideration. For a future design of a hypothetical 'impact development', it might be a better idea, to pick a location without this political sensitivity, as it might stimulate a more helpful mindset of stakeholders involved. At the same time, it was also exactly this type of intransparency and political sensitivity, that sparked this research in the first place.

7.4 Implications

This research has hopefully shown that, although only marginally experimented with in practice to date, impact thinking could add great value for the practice of urban development. It could provide a way to (1) prove impacts made and in doing so prevent 'impact-washing' in (urban) development practice and to (2) improve impacts made by stimulating purpose-first development. Furthermore, this thesis also aimed to (1) give developers – either conventional, or new types, like Stadmakers or local initiatives – the concrete tools and principles to start creating positive societal impact through their projects today and (2) to stimulate the government to lay-out the necessary foundations for an impact economy to thrive.

World of Food

Social Impact – Enabling local residents by helping them start-up their own restaurant.

Creating a lively plinth in a underdeveloped neighborhood.

Environmental Impact – Reusing an unused parking garage.

Economical Impact – Helping unemployed people to a job & increasing the real estate values of a deprived location to spark future investments.



not everything that
can be counted
counts

&

not everything that
counts can be
counted

8 Recommendations

Based on the conclusion and discussion, in this chapter recommendations are made for practice and future research.

8.1 Recommendations for practice

A number of recommendations can be made for practice, as they either currently stand in the way of the implementation of 'impact development' or present clear opportunities to create more 'impact developments' in the near future. These recommendations are structured based on the different actor they are aimed at. First, recommendations for the government are made, followed by recommendations for urban or real estate developers, investors and finally, recommendations for civil society or neighborhood initiatives are given.

Recommendations for the government

From a state or municipal perspective, five concrete recommendations are made, which were often suggested in interviews.

First of all, governments should start thinking of ways to level the playing field for social entrepreneurs and impact developers. By thinking about ways to regulate impacts made, for example by taxing negative societal impacts (f.e. through a carbon tax), or by incentivizing positive impacts (f.e. by giving tax benefits to social enterprises), the doors to an impact economy can be opened. On a municipal level this could be done by including impact requirements into tender criteria or by giving a discount on the land lease or the price of land, when project developers are able to reduce social or environmental costs later on in the process - a sort of incentive-based impact fee. This is especially relevant, as in our current socio-economic system, creating positive societal impact is not naturally financially rewarded, giving unsustainable enterprises an edge over the more idealistic ones.

Secondly, it's might be beneficial to give housing associations (part of) their influence back, as they were a type of 'impact developer' avant la lettre. In recent years, housing associations have become more restricted to the types of projects they can realize and are being taxed on the amount of social housing they own ('verhuurdersheffing'). Although implemented for logical reasons, these measures have maybe gone a bit too far. It might be beneficial to reconsider some of these restrictions, in order to give housing associations the ability to act as the impact developer they once were.

Thirdly, it could also help to also give smaller and less experienced parties a chance in (urban) development. Based on empirical findings, in fact it's usually

these smaller parties, like local or family-based project developers, neighborhood and citizen initiatives, developing architects, housing cooperatives or 'stadmakers', that tend to place impact first. Municipalities can stimulate this by developing urban areas more organically and in smaller plots, allowing smaller parties a (long-term) seat at the table. Or by offering their municipal real estate for below-market prices to parties with an explicit social mission. It's important to start seeing these parties as 'serious developers' and not just as temporary 'placemakers', that can be set aside the moment the market is willing to step in. This is also suggested in literature: "keep these smaller, local parties involved later" (Visser et al., 2015, p. 25).

To conclude, municipalities, it might be time to reconsider your public role. Years of neoliberalism and market-thinking are leading to an increasingly unfair and exclusive built environment. Start asking yourselves the question: who is the city really for? In the process, involve all of your citizens, diversify your organization and dare to think long-term. Decisions made today can have many negative impacts years later, some of which are already known today. Land can only be sold once. What kind of city do you want to be hundred years from now?

Recommendations for developers

As this thesis is focused upon developers, only one suggestion is left to be made: check the six principles of impact development to see how well you are doing and in what areas you can still improve. Developing for impact is something that will become more and more important in the future, as society is increasingly demanding chance and transparency from companies (Crouch, 2012; I&O Research, 2019). Actively working towards societal impact, could also strategically be rewarding, as this could lead to new, undiscovered business models and to a long-term, good reputation. At the same time, not working to societal goals and only focussing on creating financial profits, might eventually lead you to being placed outside of the game, as we can already see happening in some neighborhoods in Amsterdam (bron: Marcella). Therefore, both for your own good as for the good of society, try to become more like an impact developer.

Recommendations for investors

If you're a real estate investor, the recommendation would be to read up on impact. In other sectors impact investing is already a booming trend, in which, due to the long-term focus even higher return rates are being made than in traditional investing (T. van Leeuwen, personal communication, February 28, 2020). The real estate investment world is lagging behind, please catch up on your knowledge and start impact investing in urban and real estate development.

If you are an impact investor, please reconsider investing in real estate. Although the real estate world is a complex industry on itself and it might seem really traditional, conservative and transparent, there are definitely some inspiring 'impact developers' out there, who could really use your investments and support.

It would also present a wonderful investment opportunity for impact investments, as throughout history real estate has proved to be a safe and stable investment and a lot of impact can be made through buildings, as the built environment is currently responsible for a lot of societal challenges - such as affordable housing, CO2 emissions - which are not being picked up by the market or the government. And this is exactly where impact investment could have a major impact.

Recommendations for citizens and local initiatives

First of all, citizens, please let yourself be heard. According to research, more and more of us are feeling unhappy about the pressing social and sustainable issues facing us and feel that especially businesses should do something about that. However, businesses are not going to change, as long as you don't force them. You can do so in multiple ways, for example through activism - protests, going out on the street in groups, but also through organizing yourself in local collectives or cooperatives, to solve these societal issues yourself. And finally, you can also let your money speak for you, by investing your savings in impact, or by letting your pension fund know, that you really care about how they invest your savings, or by sending a letter to your town's elderman. It might seem you have little influence as one person, but you actually don't. In interviews, it actually came forward that both investors as elderman really try to listen to what citizens have to say, but you have to become active and speak out.

Finally, my final recommendation is for small local initiatives. In order to be taken seriously and to be able to create the impact you aim to create, please organize yourselves, find the expertise your missing, especially read up on how to make a financial model of your plan, as that is bound to help open up doors. And finally, look into initiatives like the Stadmakersfonds, who are especially founded to make small, local impact developments possible.

8.2 Recommendations for future research

As this thesis is the end result of an Explore Lab graduation, performed as an Management in the Built Environment, recommendations for both design and real estate management students are suggested. For students of the Management in the Built Environment master, more research can be done into the integration of impact thinking into urban or real estate development. This can be done in a couple of ways.

Firstly, as this thesis has focused upon the barriers and drivers of impact development and the formation of practical principles for (aspiring) impact developers, the municipal or government side of impact development has been underexposed. Follow-up research could be done into how impact thinking could be stimulated by the government, either by taxing the negative impacts of development or by incentivizing the positive impacts. How exactly this could be

done and with what specific means, remains yet unknown.

Secondly, from the perspective of the 'impact developer', also additional research can be done. For example: how could the definition of an impact developer be further strengthened or even quantified, just like Social Enterprise NL has done with their definition for a social enterprise? Based on this, also a quantitative analysis can be done, into how many developers currently actually develop for impact or measure their impacts.

Thirdly, also additional knowledge can be generated that can help project developers become impact developers. This can for example be done, by extending the list of 'concrete impact tools or tricks' or by researching how exactly environmental and/or social impacts (or externalities, or external costs and benefits, as they are often referred to in the urban development field) can be taxed or incentivized, and subsequently monetarized and implemented into the business case of the developer. This was initially what I was hoping to discover, but due to the underdeveloped state of impact thinking in urban development, this seemed impossible at the time.

For design students, I would recommend to also partner up with a student from another discipline, preferably real estate management, as real estate managers can really use the creativity and idealism of architecture, and together you can push the boundaries towards more sustainable and more inclusive developments. As potential areas for future design research, two suggestions are made. First of all, as our proposed design is the first urban and architectural answer we could find for a gentlyfying strategy, the development of other gentlyfying plans for other neighborhood types, would be very beneficial to work towards the implementation of gentlyfication in practice.

Secondly, more design research can be done into flexible and affordable ways of building, with a high quality, to allow for the development of urban areas that are both affordable as well as adaptable over time.



De Groene Kaap

Social Impact – Creating a home for people of all ages and different lifestyles, making a living career possible. The green courtyard allows for meetings in a high density area. Ensure that there is a front door on the (elevated) street. Places to play and to stay.

Environmental Impact – The green courtyard is designed in such a way that it connects to existing biotopes. The green courtyard thus becomes a fully-fledged living space, where trees and plants grow and where plants and animals should also feel at home.

Literature

Literature

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Photographs

Impact Developments

- p. 97 <https://dewarren.co/duurzaamplus> (De Ceuvel)
- p. 101 https://www.dvhn.nl/groningen/Gemeente-dwarsboomt-verkoop-eeuwenoude-Pepergasthuis-Groningen-24400124.html?harvest_referrer=https%3A%2F%2Fwww.google.com%2F (Pelstergasthof)
- p. 102 Archive of EDGE Technologies (Headquarters Triodos)
- p. 109 Archive of Kerckebosch Zeist (Kerckebosch Zeist)
- p. 113 <https://www.google.com/url?sa=i&url=https%3A%2F%2Fwww.bluecity.nl%2Fblog%2Fbluecity-echt-rotterdams-erfgoed&psig=AOvVawOyAlAa-oZcgYIQDUvvxeVw&ust=1594116707469000&source=images&cd=vfe&ved=0CAIQJRxqFwOTCKDg-dOxuOoCFQAAAAAdAAAAABAD> (Blue City)
- p. 114 <http://senakw.com/img/gallery/7.jpg> (Senakw)
- p. 117 <https://edithlinkhamer.com/tag/agnetapark/> (Aagnetapark)
- p. 118 https://images0.persgroep.net/rcs/2pQts5grO1DnEMqAoG8kZ6MZ9SE/diocontent/125840599/_ (Heilige Boontjes)
- p. 227 <https://lingotto.nl/en/nieuws/concept-world-of-food-krijgt-na-vijf-jaar-eeen-permanente-locatie-2/> (World of Food)
- p. 233 <https://www.funda.nl/nieuwbouw/rotterdam/project-40456463-de-groene-kaap/> (De Groene Kaap)
- p. 245 https://images.squarespace-cdn.com/content/v1/5a5b8336f6576ea04460fbc5/1541180326863-8U5W0GWGV6P1KO413LP5/ke17ZwdGBToddI8pDm48kBG02pUE9Vj-RBLs7T1cvdZ7gQa3H78H3Y0txjaiv_ofDoOvxcdMmMKkDsyUqMSsMWxHk725yiiHCCLfrh8O1z5QPOohDlaIeljMHgDF5CVIOqpeNLCj80NK65_ (De Warren)



De Warren

Social Impact – Creating perpetually affordable houses in Amsterdam inner-city through the development of housing cooperatives

Environmental Impact – Striving to the highest level of sustainability for the dwellings by building in circular and climate adaptive way.

Appendices

Interview Protocol

Impact Investor / Appendix A

Introduction

Thanks for participating! Short introduction graduation thesis.
Permission to audiorecord the interview.

Background

- Who are you, what is your background, what is [organisation] and what does your job entail?
- Why do you do what you do?

Impact investing in general

- What is the state of impact investing in general and in real estate, both in the Netherlands as worldwide? How do you expect it to evolve in the coming years?
- How does impact investing differ from traditional investing?
- How does investing in impact influence your return rate / risk profile?

Impact investing in real estate

- What types of real estate does your company invest in? Where do you base your selection on? Social / ecological impact or both? Impact themes? Specific criteria?
- What are the major impact challenges/problems, that need to be solved in urban or real estate development?
- What do you require from the parties you invest in? Impact measurement, a Theory of Change, anything else? Any specific requirements for impact measurement? Industry standards or tools you work with? (GIIN, IRIS+, anything else?)

Impact development (impact first or purpose-driven real estate development)

- How does developing for impact differ from more conventional or traditional real estate development?
- What are the barriers and drivers for impact-first developments?
- What are concrete tools or measures to stimulate impact development? Specific tools to create social impact?
- What are important aspects for a definition of 'impact developer'?
- Could you suggest some of the most inspiring purpose-first real estate developers of developments, as example projects for in my thesis?

Interview Protocol

Impact Developer / Appendix B

Introduction

Thanks for participating! Short introduction graduation thesis.
Permission to audiorecord the interview.

Background

- Who are you, what is your background? Why do you do what you do?
- What is [organisation], what is its mission & vision?
- What does your job entail? Which projects are you responsible for?

Knowledge of impact thinking

- Are you / is your familiar with terms like social entrepreneurship, CSR (Corporate Social Responsibility), impact measurement and management?
- Do you see yourself as a social enterprise, a socially responsible company or both?
- How important is achieving social / sustainable goals for you / your organisation?
- Does impact come first? (Purpose-first real estate development)
- Do you measure and manage your impact? In other words: are you (already) consciously managing towards it?
- What are your impact goals or themes as a company? (if applicable)

Lessons from 'impact developments'

- Which of your projects have made most impact thus far? How have these projects made a positive social and sustainable impact? How do they go beyond the "status quo"?
- How does impact development differ of more traditional urban or real estate development? (in terms of development process, end product, business case, chain, HR / policy)
- What 'unusual' means or 'hacks' do you use as a project developer to achieve your social sustainable goals? (measuring impact, interesting financial / legal constructions, etc.)

Barriers & drivers of 'impact development'

- What is currently standing in your way to make more social / sustainable impact? (both internally and externally - e.g. governments / investors)
- What exactly stimulates you to make more social / sustainable impact? (both internally and externally)
- Finally: do you know of any other "impact developments"?

Impact Measurement Methods

(Molecke & Pache, 2019) / Appendix C

Methods used	Purpose		Example methods	Useful for UAD?
	Prove impact Demonstrate achievement of results	Improve impact Monitor & optimize performance of activities theorized to lead to impact		
Monetary metrics	Prove impact using monetary units of measurement. Evaluated using cost-benefit analysis & other financial/accounting techniques.		<ul style="list-style-type: none"> Social Return on Investment (SROI) (Arvidson et al., 2013) Social Cost Benefit Analysis (SCBA) Tuost Environmental Impact (Jo et al., 2015) Avoided cost methods (De Groot et al., 2002) Contingent valuation (Carson & Hanemann, 2005) 	X X X
Non-monetary metrics	Prove impact using single units of measurement adapted to specific innovation. Evaluated by net unit changes or cost-effectiveness per unit of change.		<ul style="list-style-type: none"> Disability-adjusted-life-years (DALYs) (Anand & Hanson, 1997) Personal wellbeing/quality of life (Kroeger & Weber, 2014) Level of poverty (Schreiner, 2014) Capabilities (Nussbaum & Sen, 1993) Gross national happiness (Ura et al., 2012) Incremental Cost Effectiveness Ratios (ICERs) (Gafni & Birch, 2006) 	
Combined indicators & scorecards	Prove impact using a combined set of units of measurement adapted to specific innovation. Used when causal link between outcome and impact is clear and direct and outcome can thus be used as a proxy for impact.	Improve impact by clarifying and monitoring performance of individual activities / steps along the value chain.	<ul style="list-style-type: none"> Key Performance Indicators (KPI's) (Parmenter, 2015) Balanced scorecards (Kaplan & Norton, 1995) Sustainable Development Goals (SDGs) (Schönherr & Martinezzi, 2019) Impact Reporting and Investment Standards (IRIS) (GIIN, 2019) MSCI / KLD 400 Social Index (Sun et al., 2011) GRIP 	X X X X
Experimental approaches	Prove impact of innovation with additional validity by controlling for omitted variables and other biases. Experiments structured to control for differences between treated and non-treated groups.	Improve impact by experimenting with different factors that can be varied in value creation processes (e.g., design variations, beneficiary characteristics, implementation approaches) to validate and refine assumptions in theories of change.	<ul style="list-style-type: none"> Randomized Controlled Trials (RCTs) (Banarjee & Dufo, 2012) Statistical analysis of correlations/causations, statistically significant differences among groups (Kirk, 1982) 	X X
Sociological & ethnological approaches	Prove impact through 'thick' holistic descriptions of changes in behavior and wellbeing.	Improve performance through gathering feedback & insights to identity barriers to performance and opportunities for improvement.	<ul style="list-style-type: none"> Interviews Participant observation Content analysis of media/artifacts Observational field notes Action learning (Corbin & Strauss, 2014; Taylor et al., 2015) 	X X X X
Theories of change & logic models		Improve impact by developing theoretical models of the critical activities and steps along the value chain and establishing performance metrics.	<ul style="list-style-type: none"> Theory of Change Maps / flow charts Logic Models (Chen & Rossi, 1983; Rogers, 2008) EVPA's five step model (EVPA, 2019) 	X X X X

Table 5 Social impact assessment methods, their purposes & their usefulness in UAD (own table) as adapted from (Molecke & Pache, 2019), enriched by other sources

Other words for impact developer

Appendix D

Terms	Interview / source
Stadmakers	Hans Karssenberg
Publieke ontwikkelaars	Hans Karssenberg
Lokale burger- en buurtinitiatieven	Frans Soeterbroek
Woningcorporaties	Nena Rood, Mariya Tsvetkova, Hans Karssenberg
Ontwikkellende investeerders	Mariya Tsvetkova
Purpose-driven developers	Mariya Tsvetkova
'Bottom-up' urban development initiatives	Jeroen Mens (PHd, 2020)
Citizen's initiatives	Jeroen Mens (PHd, 2020)
Family developers / companies	Bart van Veenendaal

Table. Other words for impact developers (own table)

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TU Delft, July 2020

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