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Shifting Urban Gravity, from “Central” To “Core” Business Districts



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In the age of the multi-million inhabitant city, the traditional concept of a single Central Business District (CBD) is becoming increasingly unrealistic. As we are seeing in megacities as dispersed as Shanghai, New York, and London, the concept of multiple core business centers – drawing on their own unique flavors and infrastructure – has become de facto urban planning policy. The three conference cities of Shenzhen, Guangzhou, and Hong Kong exemplify this urban trend perfectly. The historical urban centers of these cities have now dispersed to numerous nodes simultaneously as the conventional concept of the CBD has gradually evolved from a single, concentrated business district to multiple “core business districts.” And as cities stand to increase their populations into the tens of millions, this seems inherently sensible. This paper charts the development of the multi-CBD city, especially in the context of Hong Kong, and explains the philosophy and execution of this new type of CBD.

Introduction: The Traditional CBD And its Contemporary Challenges

The traditional central business district is a phenomenon that arose at the end of the 19th century. As corporations grew and contemporary inventions such as the telephone and the elevator came into common use, it made sense to concentrate multi-story office buildings near to each other. This facilitated meetings and information exchange. A typical CBD would cover approximately 20 minutes’ walking distance in all directions from a main transportation center, such as a railway

station or ferry pier. “Classic” CBDs might include: Chicago’s Loop, which is named after the elevated railway that surrounds it and connects it to outer regions; New York’s Financial District, famed for its towering skyscrapers clustered around narrow streets laid out in the early 1800s by the city’s first settlers and surrounded by water on three sides; and the City of London, the traditional banking core of that metropolis, commonly called the “Square Mile.”

Today, traditional CBDs retain strong cultural identification as the focal points of their cities and generally support high rents and



Figure 1. Hong Kong Central view from Victoria Peak. © Terri Meyer Boake



commercial activity. Since the turn of the last century, a growing global taste for urban living has revived and even transformed some CBDs, in particular, from weekday business-only districts to 24/7 mixed-use, “live-work-play” environments.

At the same time, the existing stock of buildings in traditional CBDs struggles to keep up with contemporary demand for higher specifications, including technological connectivity and flexible workspaces among other necessities. A combination of several factors, including sound planning principles enabling greater densification above major transportation nodes and investment in mass transit infrastructure, has been the catalyst for the creation of new core business districts – away from the traditional city center, but still fundamentally designed to take advantage of the efficiencies of density and access to efficient mass transportation networks.

Hong Kong Central

Hong Kong’s Central fits the traditional definition of a CBD (see Figure 1). True to its name, Central is the historical center of the city for banking and commerce, the location of the Hong Kong Station/Airport Express rail link, and the point of embarkation for the famous Star Ferry to Kowloon. This area is densely populated, not only with offices, but with support services, restaurants, and institutions, such as the Hong Kong Club. These well-established amenities, connected by an extensive network of pedestrian footbridges underpinned by access to the MTR railway network, have reinforced Central’s “centrality.”

However, Central also has several significant limitations that have curtailed further growth. Its building stock, which averages between 40 and 50 years of age, while relatively expensive, is not ideally suited to meet future demand, and premium or Grade “AAA” space is limited. As the demands of modern companies have evolved, the need for high-quality design and specifications and fit-for-purpose accommodation has grown. For example, office buildings with extra or redundant

power supplies, resilience against disasters and business disruptions, higher ceilings, larger floor plates, raised floors, CAT-5 telecom provisions, and other technological amenities have been increasingly in demand. Moreover, the diverse ownership structure of property in Central limits the opportunity for a more holistic approach to improving and upgrading the overall aesthetics of the area.

Pacific Place – An Early CBD

In the 1980s, the capacity and quality constraints of Central were becoming apparent, but there were no obvious greenfield alternatives for development in the area. Swire Properties decided to acquire a site as part of a former military barracks just east of Admiralty, a steeply inclined location on the south (or “wrong”) side of Queensway that had confounded previous development attempts. The resulting Pacific Place development (Hong Kong’s first fully integrated mixed-use development) cleverly assembled office and hotel towers and a retail mall on a hillside location that has become the connective tissue between three distinct districts previously divided by heavy traffic, topography, and incompatible land use (see Figure 2). The residential areas between mid-levels and the Peak, the bright, dense streets of Wan Chai, and the corporate/banking core of Admiralty were now linked through a series of under- and above-ground pedestrian walkways that protected occupants from inclement weather and busy traffic, and yet safely connected them with their surroundings in



Figure 2. Pacific Place, Hong Kong – first fully integrated mixed-use development.

new ways, via carefully placed skylights, ramps, view corridors, and lobbies. Importantly, these walkways connect directly to the Admiralty MTR station, further establishing Pacific Place as an attractive alternative to the traditional CBD.

Taikoo Place, Hong Kong

The gravity shift that began in the 1980s with Pacific Place has continued eastwards along Hong Kong Island, following many of the same principles, while moving up several orders of magnitude in scale. Swire Properties’ redevelopment of the Island East area began in 1972 with Taikoo Shing, a high-rise development cluster which was among the first privately funded housing schemes in Hong Kong on this scale (see Figure 3). Now home to over 60,000

“A traditional CBD would cover approximately 20 minutes’ walking distance in all directions from a main transportation center, such as a railway station or ferry pier. New York’s Financial District, Chicago’s Loop, and London’s ‘Square Mile’ are good examples.”



Figure 3. Taikoo Shing development, adjacent to the Taikoo Place.



Figure 4. Taikoo Place with One Island East on the right.

residents, this pioneering delve into high-density, high-quality living provided the “feedstock,” the critical mass of human capital that would populate the second and third commercial developments, which began with the opening of Cityplaza shopping mall in 1982. Cityplaza, the largest mall on the island, serves the surrounding middle-class neighborhoods and is a regional attraction, with its cinemas, skating rink, and family programming.

The third phase, Taikoo Place, commenced redevelopment in 1990 on the former site of the Swire-owned Taikoo sugar refinery, shipyard and company town. Early development of the area was started in the late 1800s, and the Company continues to invest in the redevelopment of the area. Taikoo Place now represents the most sophisticated and integrated iteration of the planned development, comprising 10 interconnected towers containing 557,000 square meters of prime commercial space for over 300 national and multi-national corporations, which is an endorsement of the location as well as its surrounding amenities (see Figure 4).

Taikoo Place embodies the opportunities and advantages of long term, single corporate ownership and management. All of the buildings are held to the same standards of sustainability – eight existing towers have been awarded an “Excellent” rating by the Building Environmental Assessment Method (BEAM) and two new

Grade “AAA” office towers are targeting LEED Platinum ratings. Supported by active management, the provision of excellent communication networks, and the maintenance of public spaces for recreation and planned activities year round, Taikoo Place enjoys a high level of tenant engagement. These high standards have been rewarded with strong demand, high occupancy, and positive rental reversions.

For comparative purposes, according to Colliers and Savills, vacancy rates for Grade “A” office space in Hong Kong stood at 2.7% overall, 1.4% in Central, and just 1% in Quarry Bay, the area just to the west of Taikoo Place (Lee 2016). Average Grade “A” office rents in Central were HK\$1,225 per square meter per month versus HK\$524 per square meter per month in Island East, of which Taikoo Place is part (Lee 2016). Notably, Island East was expected to have the highest Grade “A” office space rent growth in the city in 2016, at 9%.

A single landlord also means that the entire development has a consistent look and feel throughout its public areas, and the sense of commitment to place-making is tangible and coherent. With the developer eschewing monumental architectural objects in favor of the “spaces between,” the quality of the public realm takes precedence. This takes form in Artwalk, a progression of public art works throughout the district, as well as in ArtisTree, the 1,860-square-meter multi-functional art space in Cornwall House (see Figures 5, 6, and 7). The energy provided by

this curated arts program helps keep the neighborhood diverse and vibrant, particularly outside of normal office hours, while the mix of retail, office, cultural, and other functions ensures that Taikoo Place does not become a single-use monolith that turns into a “quiet zone” at night or on weekends. Similarly to the adjacent areas surrounding Pacific Place, Taikoo Place has energized the neighborhood with new commercial activities such as the Tong Chong Street Market, which features a rotating assembly of local fresh food vendors for the community to enjoy. As the lines between work and play become increasingly blurred, it is essential that commercial hubs can offer a wide choice of retail, restaurants,



Figure 5. A large-scale sculpture marks the focal point in Taikoo Place, Hong Kong.



Figure 6. Outdoor portion of ArtWalk, Taikoo Place.

and bars as well as host events for people to enjoy after traditional office hours.

The presence of Taikoo Shing and Cityplaza to the east – and its direct access to two MTR stations at Quarry Bay and Taikoo, regular bus services, and the beloved double-decker Hong Kong tram, as well as the Island Eastern Corridor highway and Eastern Harbour Crossing tunnel – means that connectivity is secured as an essential feature of this new CBD. This connectivity is reinforced by the network of air-conditioned elevated walkways that thread through the complex, offering glimpses of the harbor and surrounding neighborhoods, with views into the hive of activity that is Taikoo Place (see Figures 8).



Figure 8. A network of glass elevated walkways connects the buildings of Taikoo Place.



Figure 7. Indoor portion of ArtWalk, Taikoo Place.

Although One Island East, the tallest building in Taikoo Place at 298 meters, is a landmark delineating the importance of the district, the emphasis is not on absolute height but on exchanging “bulk” for “height” (see Figure 9). This exchange is what is valued by Taikoo Place’s development team and its occupants – enhancing the public realm by freeing up ground space via height. This improves view and air movement corridors and integrates the private development with the surrounding streets.

Of course, no city or CBD stays the same for long, least of all in dynamic Hong Kong. Taikoo Place has enjoyed continuous reinvestment in order to remain fresh and

relevant to contemporary demand. Currently, two new Grade “AAA” buildings, including the 51-story One Taikoo Place (see Figure 10), are under development, representing a HK\$15 billion investment in over 200,000 square meters of high-specification office accommodation, replacing Somerset, Cornwall, and Warwick houses. In addition to modern offices, residents and tenants will enjoy improved inter-district connectivity via



Figure 9. One Island East, Hong Kong.



Figure 10. One Taikoo Place, Hong Kong.

an air conditioned walkway, with views over an additional 6,410 square meters of public open space in Taikoo Square and Taikoo Gardens, in addition to the existing Taikoo Park (see Figures 11 and 12).

It is important to understand that this shift in gravity is not a case of taking one place and moving it “somewhere else.” This new gravitational pull has introduced new businesses that may have had difficulty locating in Hong Kong at all, in addition to providing a credible alternative to the traditional CBD. This well integrated business, retail, and residential neighborhood contains a strong presence of complementary businesses in the technology and media sectors, including co-working and start-up accelerator spaces, which could not have sustained the high rental levels in Central.



Figure 11. Taikoo Park adjacent to One Island East.

Brickell City Centre, Miami

Half a world away, another new CBD is on the rise just south of downtown Miami. Like the other examples here, Brickell City Centre (BCC) is a single-owner, mixed-use, transit-oriented development. The \$1.5 billion, four-square-block Brickell City Centre includes 24,150 square meters of office space, 45,520 square meters of retail, 105,350 square meters of residential apartments, and the 352-room EAST Hotel (see Figure 13). Phase II of the project is planned for an 80-story tower and a 134,150 square-meter mixed-use development. Here, connectivity takes on local characteristics. The main walkway along the fourth-floor level, threading between the towers and offering glimpses to the street below, sits beneath the Climate Ribbon, an undulating canopy that ties the structures together, improving the microclimate for the public in the pedestrian circulation streets using purely passive energy design strategies (see Figures 14 and 15). It provides sun shading and rainwater collection for irrigation and channels prevailing breezes through the complex, offering an ecological alternative to year-round air conditioning.

By road and rail, Brickell City Centre is ideally positioned to avoid the traffic congestion commonplace in Miami’s traditional CBD and offers prime ingress and egress to and from I-95, with ramp access via the Seventh and Eight Street corridors and South Miami

Avenue. Importantly, BCC and its primary access streets are south of the Miami River, over which local streets pass on low-level drawbridges that are raised to let boats pass beneath, with disastrous implications for peak-hour traffic into and out of the CBD. The revitalized Eighth Street station provides on-site access and covered passage to and from the Metromover, an automated local transit system serving downtown, and a direct link to the Metrorail, the regional rapid-transit system.

Of course, the market in South Florida is quite different from that of Hong Kong, where land is scarce and public transit use is already very high. Miami’s growth has largely been contemporaneous with the car. Only in recent years has interest spiked in high-density, urban living. Reflecting this, there is ample auto parking at Brickell City Centre, although it is engineered for maximum efficiency and is kept out of view within the podium, so it does not mar the streetscape. The CBD concept is not a singular model that can be dropped anywhere; it is in fact a highly customized undertaking that only succeeds when the local context is incorporated and supported. But the principles are the same: to develop a high-quality project with scale supported by excellent connectivity, diversity of programming, and facilities and amenities that not only accommodate present needs, but anticipate future needs too.



Figure 12. Taikoo Square adjacent to One Taikoo Place.



Figure 13. Brickell City Centre, Miami. © J. Leijonhufvud

Conclusions and Forward Steps

As cities become megacities, and every form of connectivity becomes paramount, more traditional CBDs will see challenges from new, core business districts similar to those described in this paper. While the 20th century notion of decentralization was about automobile travel, single family homes, and the suburban office park, in the 21st century, the transition is more complex and decidedly more urban. If CBDs are carefully planned for vitality and support of not only business functions, but also recreation, residential, shopping, education, and other activities, these will become thriving districts in their own right.

With proper execution, new Core Business Districts complement traditional CBD and

alleviate the long commutes, congestion, and pollution implied by a “single-CBD + horizontal sprawl” model, while relieving sky-high rent pressure. To do this, developers must work hand-in-hand with local governments who see the value of high-density, transit-connected, and programmatically diverse development. Significant adjustments may be necessary to prevailing height, zoning, land use, and density restrictions, as well as conventional models of transportation planning. The future of our megacities is polycentric, but that is not the equivalent of “endless sprawl.” Rather, it is about multiple, interconnected, modern, well-planned, Core Business Districts that are thriving contributors to our overall quality of life. ■

“The exchange of ‘bulk for height’ is what is valued by Taikoo Place’s development team and its occupants – enhancing the public realm by freeing up ground space via height.”

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Figure 14. Brickell City Centre – the Climate Ribbon.

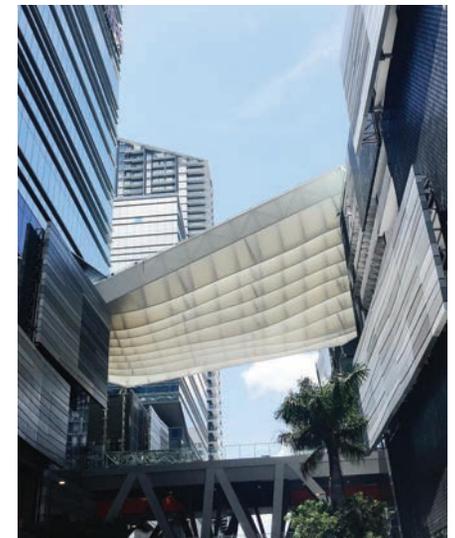


Figure 15. The Climate Ribbon from below.