

Research on the Problems Existing in London's Urban Development and the Impact of Creative Transformation on Housing Prices

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Abstract: The “creative class” has become the target of many politicians and entrepreneurs to develop the economy and has also become a unique indicator of whether a city has the development potential in the future. In the process of constructing the city, the majority of the researchers study the environment, economy, and societal problems separately and make use of the specialized discipline to construct the new city. In this article, the author focuses on city development and its influence on real estate prices, with London as an example. In this article, the author studies the social issues resulting from London's city development, including environmental pollution, single industry structure, exhaustion of resources, and hiring. Secondly, this paper analyses the industrial reconstruction strategy, the theme of London's Creative Industry. Finally, this paper explains the influence of the culture industry on the economic development of urban areas. Taking London as a case study, the author proposes suggestions on the problems of urban development caused by improper urban planning and how to improve these problems.

Keywords: Urban Economy, Market Development, Urban Transformation, Urban Planning

1. Introduction

1.1. Research Background

Professor RICHARD FLORIDA has written *The Rise of a Creative Class*, which is well-known worldwide. Since then, the “creative class” has become the target of many politicians and entrepreneurs to develop the economy and has also become a unique indicator of whether a city has the development potential in the future [1].

Recently, many researchers have paid attention to the Super Cities Crisis in “The New Urban Crisis.” In this book, Florida illustrates how “Winner-Take-All urbanism” has worsened urban disparities, segregation, and poverty and what cities can do to overcome them [2]. This demonstrates how important it is to transform the city.

1.2. Literature Review

Lee and Chen from Tsinghua University's Institute of Social Sciences have published papers on the current situation and orientation of the city economy transition. Some ideas are put forward:

“transition” means “system transition”. As a basic concept, “transformation” refers to changing things’ structure and mode of operation [2]. Gerol Rolland’s Transition Economics Transition and Economy and Political, Market, and Entrepreneurship defines the transition as “a large-scale institutional change or a transformation of the economic system model” [3]. Based on the history mentioned above and theory background, the author knows that “system transition” and “economy transition” are synonymous. Transition, transfer, substitution, and change are usually called “institution transition” or “small transformation”. The economic transition is the basic change in allocating resources in a nation or area and how it develops. The nature of economic transition lies in the fact that a nation or an area can break away from the initial developing route, and the economic structure and the way of development will be fundamentally transformed in some time. This is called conversion. The “system transition” and “the economic transition” pay more attention to the macro-study area, whereas the “city transition” involves the city’s economic and social development. The development of modern urban is a continuously transforming and improving competitive power. Every city has different characteristics depending on the concrete resources, phases, and policies.

In the process of constructing the city, the majority of the researchers study the environment, economy, and societal problems separately and make use of the specialized discipline to construct the new city. In this paper, however, more attention will be paid to the results of combining different subjects, such as human geography, economics, city planning, and culture.

1.3. Research Framework

In this article, the author focuses on city development and its influence on real estate prices, with London as an example. Firstly, it explains the causes influencing London’s city reconstruction (London’s initial issue) and then analyses the resolution-industry reconstruction strategy. Lastly, this article explores the influence of London’s innovation industry on the economic effect (which is based on the real estate price). It points out that it is important to develop the city and increase the influence of it on the price.

2. Case Description

Over the last 300 years, the size of English London has gone through a tremendous change. It has grown from a small town with a population of under 10,000 inhabitants to a small town and then to a larger one, eventually becoming an international metropolis. Currently, there are 12 metropolitan regions in London known as Inner London, twenty known as Outer London, while those within and outside London are referred to as Greater London, covering 1 572 sq km and 33 counties [4]. The 2016 Census shows over 8,78m people in Greater London. At each phase of the development of London as a World City, there was a special emphasis on planning.

The results show that the urban economy has been limited to emerging, and the adverse effects have been caused in the section of the urban economy. They probably have been played in urban economy, such as rules, which should be important to the section of urban economic development. However, the effect is a functional experience in urban economic development. It has also started rules that could transform urban development, make great urban development changes after urban path, and how the challenges in urban economic development are according to the industrial structure, urban function, and adaptation. The effect of urban economic development is humanity, which should emerge with the section on urban economic development.

The urban economy continues to develop too quickly, and the adverse effects are affecting today. Problems such as sacrificing the environment and people’s health for economic development are also gradually exposed. Economic competition is fierce, but the environment is inseparable. It is, therefore, an important means of balancing the economy and the environment, a process worth pursuing. It has

a lack of reduced adverse impacts. The urbanization process is important in the direction of urban development, makes that take place, great urban development changes after the urban path, and how the challenges in urban development face the industrial structure, urban function, and adaptation. The process of urbanization is a common theme of urban economic development all over the world. The author will carry on the concrete analysis from the angle of urban economic development.

3. Analysis on the Problem

3.1. Problem Description

3.1.1. The Fast Growth of Urban Population Leads to Population Decrease

The fast increase in the city's population has decreased the human population, which the environment can bear. The region's resource and environment-bearing ability is the largest population, which can be supported by the region's natural resources and environment. It has a positive correlation with the environment, society, economy and technology, the opening of the region, and the educational level, but a negative correlation with the average consumption. The fast increase in the population will result in a lack of resources, environmental pollution, housing, and jobs. From the end of the eighteenth and mid-nineteenth century, when London's urban development began, many basic facilities were not complete, resulting in a situation where there was a cross-flow of wastewater, heaps of rubbish, and frequent epidemics.

3.1.2. Major Environmental Issues

The second half of the Industrial Revolution saw a boom in the second industry. At the same time, as productivity increases, so does the demand for natural resources and the damage to the environment. In December 1952, London's atmosphere became increasingly polluted, causing a number of people to suffer from chest pains, suffocation, and other unpleasant conditions, resulting in a sharp rise in the number of casualties. The United Kingdom Government figures show that over 5,000 deaths were reported during the first 5 days of the smog, while 8,000 were killed during the initial 2 months. This was known as the London Smog. The United Nations did not publish its famous Human Environment Declaration in June 1972. This is the beginning of an environmental phenomenon that has caught the world's eye.

3.1.3. Single Industrial Structure of an Old Industrial Base and Exhausted Resources

With resource exploitation entering the decline period, natural resources are gradually exhausted, and the resource industry, as the leading industry, is bound to shrink [5]. The data also demonstrates other characteristics of the economic development decline of typical resource-exhausted cities in Liaoning Province: the industrial structure is low in order, and the proportion structure of the three industries is unreasonable; non-resource industries is underdeveloped; The existence of precipitated cost leads to the rigid characteristic of industry; Low industrial correlation.

3.2. Problem Analysis: Industrial Renewal Strategy

London's creative industries promote the urban renewal movement. Industrial renewal strategy that is, using the funds, technologies, and talents accumulated in resource development, or with the help of external forces, to establish a new industrial cluster that basically does not depend on the original resources and transfer the original personnel engaged in resource development to the emerging industries to reduce the dependence on the original resources. The following takes London's successful experience developing creative industries and implementing industrial renewal strategies

as an example. London has achieved industrial renewal through the development of creative industries, transforming from a traditional city of industrial and financial services to a dynamic city.

The first stage: After the Second World War, the traditional industrial center of Greater London began to decline, and environmental pollution, expensive real estate, and other problems became increasingly prominent. The Greater London Plan guides the development of industries to the west of London, plans new towns such as Reading, Slavic, and Bracknell, and restricts the entry of highly polluting industries, which objectively creates conditions for developing and agglomerating new industries.

The second stage: From the late 1970s to the early 1980s, London began implementing the industrial restructuring strategy of replacing traditional industries with service industries such as banking and achieved great success. The industrial structure has shifted from manufacturing to finance, trade, tourism, and other tertiary industries. Commercial and financial services and other high-tech industries create 1/3 of the city's employment and produce 40% of the city's wealth. London has become the world's largest international financial center, and the development of the financial industry and financial district has played an important role in the economic development of Greater London and the United Kingdom. London's financial district accounts for 14% of London's GDP and 2% of the UK's overall GDP. After nearly 20 years of development, London's financial and business services have also appeared to fatigue. Therefore, with the help of creative industries, the city's industrial structure has been successfully optimized and upgraded again.

The third stage: Entering the 21st century, the creative industry has become London's important economic pillar and core industry. The creative industry is no longer manufacturing as the center of thinking but more emphasis on creativity, marketing, and other concepts [6]. Hoxton, located in the East End of London, is close to the University of Cambridge, gathering more than 500 creative companies and a large number of outstanding creative talents, and is a world-famous creative industry park. The Harry Potter books have sold more than 200 million copies since their release in 1997, and the first installment of the digital special effects film grossed more than \$500 million worldwide. The wealth created by cultural and creative industries is second only to the financial services industry, and it is also the third-largest employment sector and the fastest-growing industry. The British Prime Minister's Strategy Group 2003 noted that London's creativity sector is more important than finance in both jobs and production. Visitors from both home and abroad spend over £6bn annually on artistic and cultural activities. According to the Mayor of London's Draft Cultural Strategy, London's cultural and creative industries are estimated to be worth £25bn - £29bn a year and employ 525,000 people. Moreover, London's creative industries' per capita output value also far exceeds the national level. In 2005, London's creative industries' per capita output value was about 2,500 pounds, almost double the national creative industries' per capita output value of 1,300 pounds.

Then, what are the advantages of transforming from primary and secondary to tertiary industries? Here, takes the impact of cultural industries on the economy as an example.

Looking at 1.5 million images of cultural assets in London and New York, the researchers divided cultural capital into nine categories: Advertising and marketing; Buildings; Arts and crafts; Design (product, graphics, and fashion); Film (television, video, radio, and photography); IT software and computer services; The publishing industry; Museums, galleries and libraries; Music and performing arts, visual arts.

The research examined how the 9 major types of culture capital affected median earnings, home prices, and integrated city growth indicators from 2007 to 2014 during the Great Recession, which included 33 London Boroughs and 60 out of 71 New York neighborhoods. Generally speaking, the cultural or cultural capital significantly affects the city's development, which is combined with traditional economics to promote the city's economic development.

Many researchers say the top 1 percent has overrun New York, and art and culture are seen as triggering “gentrification” and rising house prices. There is indeed a strong relationship between cultural capital and house prices across New York and London. Although cultural capital plays a larger role in house prices in London than in New York, in New York, all types of cultural assets contribute to the rise in house prices. Regardless of factors such as housing type, cultural capital has a considerable price premium.

Cultural capital is an essential part of London’s and New York’s emergence as mega-cities, not only during the economic downturn but also during the economic boom. Instead of being an afterthought, culture is a crucial element of the city’s economy. But at the same time, it helps boost the economy and develop the community, so the increase in the cost of real estate has led to a gradual “gentrification” of the city.

4. Suggestions

4.1. Addressing the Problem of Rapid Urban Growth

In 1922, Raymond Enwind proposed a “satellite city”, that is, the construction of life, industry, culture, science, and other cities around the center of London closely related to its function [7]. The goal is to make the city develop rationally, rationally, balanced, and coordinatedly. Raymond Owen designed the City of London as the county of London, separated from the surrounding satellite cities by a green stripe centered on the surrounding “satellite city”, London County. Part of the function of a city centered on a satellite city is to prevent urban overexpansion. From the 1940s to the early 2000s, the urban planning concept of Greater London underwent a number of major revisions. The first was an extension of 50 km in all directions for development and construction under the Greater London Plan drawn up by Ebony in 1944. Second, the Southeast London Strategic Plan was introduced in 1967, allowing Greater London’s industry and population to introduce plans for spatial expansion organically. To maximize coordination and balance of economic, demographic, and other relations between London and its surrounding areas. Thirdly, the strategy of adjusting the plan, in 1970, the famous Long Corridor “Model and Centre antimagnetic Attraction” was proposed [8].

On the one hand, economic development is based on long corridors according to the urban population distribution [8]. On the other hand, systematic planning attraction is an antimagnetic London residential area dressed like the system’s deployment. The city’s suburbs, towns, and central London are planned as large cities. Fourthly, from 1970 to the beginning of the 21st century, London began a slum renewal and maintenance program for the Old Town. New rules were set in order to set goals for the future planning and development of the city.

4.2. Architecture Concept and Ecologically Sustainable Development

London City architecture concept and ecologically sustainable development is the development of practices, such as the protection of the natural environment, maintenance of competitive ecology, economic and social development, and clean energy in the peaceful development of the road and low production and ecological city, London is much better than the usual production. From the late 19th century to the 1980s, London was known around the world as “fog”, but capital control of urban sprawl was successful through the urban environment and the implementation of strict laws, for example, the “concentric circle model of closing the City of London and implementing the green space city. The Boundary City Improvement Law, the Factory Law, the Escape of Environmental Hygiene, and the Legal Environment Increasingly strict and improved green Spaces and other legal environments have gradually reduced urban air pollution and significantly improved urban smog. In areas that do not meet the standards, the government has designated air quality management zones and required them to meet them within a specified time [3]. Morphologists’ transformation,

adjustment, and change in the distribution of urban industries in Greater London have caused industrial pollution sources in the central region city to go overseas, resulting in new industries, mainly distributed in the tertiary industry.

4.3. Against a Fragmented Industrial Fabric and Scarce Resources

Strongly promote creativity. The first is policy support. Starting in 2000, the London Development Agency initiated and carried out a series of initiatives to boost London's creativity. During the latter part of 2002 and the beginning of 2003, CCMI put in place more policy choices to boost and spur the development of this emerging sector, strengthening the region's innovation capacity and pushing forward the stable development of creativity. The second is to promote innovation in seed production. In the initial period, some culture and creativity companies were confronted with the question of small scale and lack of capital. The London Development Authority has set up all kinds of risk capital through government and private capital, and it has found and supported people and businesses with great potential to give them the capital they need to develop. The third is to build a culture of creativity in the city. (1) Promote clusters of creative industrial sectors. The cluster of culture industries helps form economic efficiency, cooperative marketing, information exchange, construction reuse, etc. The London Government has given its full support to develop innovative industrial groups and to combine culture and creativity with city renewal. (2) Build the city's creativity culture and the brand festival. London pays much attention to the creativity of its citizens and creates its own innovative culture. Not only does it enhance the students' innovation, but it also encourages the promotion of public art to make it more accessible to the general public. London has 4 World Heritage sites and 18 901 other historical monuments. Moreover, there are 11 national museums in London and 162 others. (3) Consumption structural change. Along with the constant growth of leisure time and disposable income, London people's needs for recreational goods and services are also growing. With the development of the service sector and the coming of the knowledge-based economy, the change in consumer structure makes up the economic background for the emergence of the innovative industry. (4) To diversify the city dwellers and devote themselves to the global consumer [9, 10]. The diversity of people, as well as the cultural diversity brought about by ethnic diversity, is also a strong point of London.

5. Conclusion

A new research trend is emerging that is all about innovation and breakthroughs. Innovation has always been seen as an indicator of success because of its ability to increase the number of the world's most valuable products and services and its impact on the industries that matter most to the majority of the world's population. Over the same period, however, there have been significant differences between economic growth and sustainable development, suggesting a significant gap between innovation and sustainability. In terms of economic growth, innovation can increase productivity and competitiveness, thereby increasing employment opportunities and income levels. However, Sustainable development needs to come at the expense of fewer resources, less environmental impact, and, in most cases, poverty reduction. This means that innovation is a continuous effort to solve global problems and promote sustainable economic and social development. However, this effort has not failed to take It is limited that it considers a scalar and dominant lacking process of excellent researchers and field research.

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