

Four Capitals: Three Horizons (Figure 2)

Horizon 1: the present

Horizon 2: transition

Horizon 3: the future

Produced Capital

Focus on capital spend and value.
 'Product' mindset and business models
 Short termism; silo mentality
 Write-off after investment cycle
 Landlord and Tenant Act basis
 Housing supply prioritises sale

Whole-life costing; Systems thinking
 Digitalisation: BIM, CAFM, Digital Twin, Blockchain, Smart buildings; Internet of Things
 Servitisation; Build to Rent
 Get It Right Initiative

Outcome-based approach; long termism
 'Service' mindset and business models
 'Cyberphysical' assets
 Automated and optimised operation
 Housing supply prioritises responsible rental
 Circular economy, no waste

Natural Capital

Impacts on the natural environment regarded as externalities
 Some regulation to comply with
 Services from the natural environment not valued

ESG Culture in investors.
 Net Zero Carbon policies (led by LETI)
 Performance based design (NABERS)
 Fabric first; Refurb first
 SUDS approach to drainage
 Active building (energy generating)
 Biophilic design;

Regenerative built environment
 Net-positive operating carbon
 Low embodied carbon
 Minimal new resource use; circular economy
 Nature-based solutions

Human Capital

Subcontracted human resources
 Minimal training; poor diversity
 Inadequate and precarious incomes
 Basic site safety; little health concern
 Unattractive work sector
 Artificial indoor environment for occupiers
 Non-diverse workforce

Modern slavery ban; EDI push
 Investment in skills, green and tech
 Concern for mental health and wellness
 Push for higher productivity and wages
 Robots as partners
 Offsite production

Health-oriented sites and buildings
 Access to nature
 Dangerous work done by robots
 Attractive work sector with good work-life balance; representative demographics
 IT, craft and green skills attract youth

Social capital

Transactional procurement, adversariality
 Risk dumping
 Social value as an externality
 On site work, remote from home
 Weak duty of care
 Exploitative supply chain relationships

Framework agreements; collaborative contracts; Construction Playbook
 Value Toolkit: '4 capitals' scoring
 Social Value Act
 DfMA; Project Bank Accounts
 Building Safety Bill; Golden Thread

Long-term alliances: IPD, IBA, P13
 Platform MMC with stable factory jobs
 Socially equitable solutions
 Strong placemaking and community asset creation
 Strong duty of care