McKinsey & Company

Capital Projects & Infrastructure

# Human-centered design: A win for real-estate stakeholders

Developers can optimize success rates for major projects by focusing on inhabitants' health, community, and quality of life.

*by Guy Perry*



March 2019

**In recent years,** real-estate developers have turned to smart technologies, advanced analytics, and creative design to improve some aspects of city-dwellers' experiences and their return on investment in projects. Increasingly, many are talking about specific quality of life issues such as safety, walkability, and health, recognizing that citizens are frequently willing to pay more for secure, vibrant communities.

Yet while many of today's large real-estate developments aspire to be human-centered communities, they often ultimately fail. Few developers have prioritized human outcomes in a meaningful way. However, those that have succeeded in undertaking major projects with a focus on resident welfare have created enriching communities that yield a cycle of benefits for residents, investors, and society.

## What is human-centered design, and why does it matter?

Ample road networks and constant virtual connectivity have become the status quo in city design. For decades, road design was solely based on moving as many vehicles as possible—meaning that road networks represented up to 40 percent of some city footprints. While this, in isolation, has benefits for traffic engineering and efficiency, it has also made many cities largely unwalkable, damaging health and environmental outcomes. Virtual connectivity has had tremendous benefits for productivity and quality of life, but online communities are increasingly replacing face-to-face interaction resulting in fewer opportunities for people to interact with their neighbors.

Human-centered design mitigates these and other negative outcomes. In the context of urban planning, human-centered design is informed by human values—namely, a desire for health and happiness—and adheres to the principle that large-scale real-estate developments create a framework for life. Developers following the tenets of human-centered design, for instance, ensure that basic amenities are within walking distance of where people live. They create areas where neighbors are likely to cross paths and interact—and they do so in a way that encourages these neighbors to look out for and support each other. Such neighborhoods also offer a range of activities that keep people's minds fresh and sharp, providing them with an inherently healthier, safer, and more stimulating stage upon which to play out their lives.

## Human-centered options in real-estate projects

People spend huge portions of their time living, working, and shopping in large-scale real-estate projects. As such, each decision developers make in the initial stages of a project has significant consequences.

Developers that are succeeding in human-centered design have categorized performance metrics in three areas:

— *Physical activity:* Necessities should be within walking distance—encouraging people to get 10,000 steps a day for pleasure and without treadmills. Developers constructing a high-rise should also consider that many high-rise dwellers who rely solely on elevators have increased chances of diabetes and obesity. People who live within constrained spaces need accessible options for physical activity, such as recreational areas.

— *Safety and community:* Developments should offer shared spaces where people and their neighbors can create a safe, inclusive, and supportive community.

— *Quality of life:* Developers can measure this metric by the quality of the time people spend with their families, friends, and even strangers within the development and the types of activities they engage in.

Today, many real-estate projects inadvertently create feelings of isolation or a lack of support by emphasizing districts or divisions—effected with gates or walls within or around neighborhoods, for instance. Human-centered design, however, encourages interactivity and diversity. In the United States, for example, many university campuses

# Alongside cutting-edge technology and high-tech installations, next-generation cities are putting livability at the heart of their planning principles.

and towns are conceived with such principles in mind. The vibrancy of life in these communities, created when all citizens experience a sense of relevance and belonging, results in their frequently outperforming the richest zip codes in terms of health, safety, and similar measures.

A recently planned city in South Asia provides a more detailed example. From the outset, city planners took a people-first approach, working with developers to answer a series of key questions: What are the amenities that citizens will need? How many schools? How many shops? What government services must be provided within proximity? In addition, developers dedicated a percentage of the real estate to green spaces and bodies of water, and they directly addressed the concept of districts. While housing, office, or university complexes are generally walled off and self-contained, the planners and developers of this project chose to open them up to the public, integrating them with transportation and walkways. This integration reduced divisions between elements in the community, making it easier for people to connect meaningfully.

Human-centered design can also be witnessed in a city developers are planning in the Middle East. Developers are considering how surrounding cities have evolved and changed over time to create the concept for this city. Therefore, they are considering fundamental challenges, such as an abundance of cars, high temperatures, and significant levels of direct sunlight. Encouraging the use of public transportation has been a fundamental part of the planning process. Instead of designing the street to be as wide as possible, planners are sizing roadways to sufficiently carry vehicles but leaving room for pedestrian walking paths and landscaping. Further, they are designing building placement and landscaping to provide maximum amounts of shade to facilitate walking. The goal is threefold: to encourage walking in daily life, lessen traffic congestion, and create new opportunities for people in the community to connect.

---

Alongside cutting-edge technology and high-tech installations, next-generation cities are putting livability at the heart of their planning principles. In some ways, this focus on livability aligns with age-old urbanist principles that are simply no longer implemented in most major projects today. New developments must provide spaces where people can live healthy, communal, and fulfilling lives. Unless they do so, they will fail to become real communities where people lay down roots.

**Guy Perry** is vice president, major projects, in McKinsey's Dubai office.

Designed by Global Editorial Services