

# SPACE FOR CULTURE

Guidance for cities, developers and creative sectors

## IN BRIEF

**What is the issue:** Cultural and creative spaces, such as museums, makers studios and music venues, add vibrancy to a place, contribute to city branding, and can help revitalise city centres and main streets. However, creative economy professionals are confronted with a lack of affordable spaces to create and exhibit their work, while poor access to cultural amenities can be a large barrier to cultural engagement, particularly for low-income groups.

**How will this project fill the gap:** This project will focus on finding solutions to the lack of affordable creative space to support the growth potential of cultural and creative industries. It will look into effective models of urban regeneration centred around creative spaces, be it large cultural infrastructural investment (e.g. new museums or libraries), creative districts as spaces of creative production and consumption, or the development of smaller grassroots venues as part of proximity policy. By bringing together diverse stakeholders the project will identify instruments and examples from across the OECD of effective collaboration between the government, the property sector, and cultural and creative sectors to make space for culture.

**The project will deliver practical guidance on how to:**

- Map creative space supply and demand;
- Define affordability criteria;
- Put in place instruments to stimulate investment in creative space provisions, support affordable space and counter gentrification effects on local communities;
- Select a delivery / partnership model for space for culture interventions; and
- Track impacts.

## Why a focus on cultural and creative sectors

**Beyond their intrinsic value, cultural and creative sectors (CCS) are a significant economic driver with a strong growth track record.** In 2020, they accounted for an average of 7% of all enterprises across OECD countries and they contributed 2.2% of the total business economy gross value added (GVA). CCS account for up to 1 in 20 jobs in some OECD countries and up to 1 in 10 jobs in major cities and capital regions. In the decade prior to the pandemic, growth in the number of CCS enterprises was higher than in the rest of the business economy (18% vs 12%) and growth in cultural and creative employment outpaced growth in overall employment in most OECD countries (13.4% vs 9.1%).<sup>1</sup> While the sector was heavily hit by the pandemic, it has recovered quickly, with cultural and creative employment and business counts now higher than pre-pandemic levels in many countries.

**However, the role of culture for local development is more than these direct economic outputs.** Culture and creativity transform places in various ways. They increase the **attractiveness of places** for talent, business and visitors. If managed well, successful **culture-led regeneration** can breathe new life into declining city neighbourhoods and revitalise rural communities. CCS also contribute to increasing levels of regional **innovation and productivity**, through new product design, new business models, and innovative ways of reaching audiences and consumers. Moreover, there is growing evidence that increased levels of cultural participation have positive effects on **well-being and health** as well as encourage **social cohesion** by supporting the integration and inclusion of marginalised groups.

### What are cultural and creative sectors?

Cultural and creative sectors (CCS) is a term used to describe a range of activity which has its basis in creativity and can be exploited through intellectual property rights. While international definitions of CCS do exist (e.g. UNESCO, Eurostat, etc.), most countries use their own definition, tailored to their specific cultural and statistical context. Broadly speaking, CCS includes the following sectors: *Advertising, Architecture; Book, Newspaper and Magazine Publishing; Dance; Design; Fashion; Film and Television; Libraries and Archives; Museums, Art Galleries and Heritage Sites; Music; Radio; Theatre; Video Games; Visual Arts.*



## Why space is key for culture

**Cultural spaces, be it museums, theatres, small makers studios or local libraries, make cities and neighbourhoods more vibrant, attractive and liveable.** In turn, the availability of space is critical for creative workers and firms to earn a living and run their business. Making space for culture is not easy. Several factors influence space supply and demand and the solutions to space shortages for the creative economy will be found at the intersection of interests of different stakeholders:

- **Creative firms, artists, makers and other creative professionals** need space for production (workshops, rehearsal spaces, music recording studios, offices) and space to display and disseminate their work (galleries, concert halls, music venues, open spaces). However, they are often confronted with a lack of affordable, fit-for purpose and tenure-secure creative space – especially in cities where creative professionals and firms tend to be priced out, even from areas they have helped to regenerate.
- **Citizens** need spaces to access culture, be it the use of landmark venues (iconic museums, established galleries, concert halls) or smaller proximity venues where people can both practice and enjoy culture (local libraries and theatres, cultural centres, amateur art centres). Indeed, the demand for culture was high and growing in pre-pandemic years and despite the shift to digital consumption during the lock-down periods, physical presence and experience remain important (as witnessed, for example, by the high shares of post-pandemic cultural tourism). The shift to a hyper-local experience of culture during the pandemic is also likely to stay and is being integrated in new models of city planning.
- **Property developers** are increasingly interested in cultural spaces as a way to increase property value, as part of their responsibility towards the local communities, or as a requirement of city planning authorities. At the same time, developers are not always best placed to understand the specific needs of the creative sector, or how best to manage and curate creative spaces. Property developers also have a duty to comply with heritage protection legislation and the relationship between local authorities, communities and property developers are not always easy. Fostering more meaningful communication and cooperation between property developers, local authorities and creative sectors, could ease some of these tensions while helping to achieve respective goals.
- The **public sector** has always invested in and subsidised cultural infrastructure, supporting culture as a public good. Supports to public museums, libraries and theatres represent a large share of government spending on culture in many OECD countries (with sub-national governments accounting for almost 60% of total public expenditure towards cultural services, and spending, on average, 3% of their total spending on culture compared to 1.2% at national level). The public sector also uses its regulatory powers to protect built heritage and has a wide array of instruments and incentives to regulate land use and engage the private sector in urban revitalisation. However, providing space for culture is not easy as it requires multisectoral approaches within local government, bringing together city planners and architects, business development, employment and cultural departments. Similarly, new financial and partnership mechanisms are needed to bring together the public sector, cultural and creative sectors, property developers and philanthropy to solve the space challenge in more sustainable ways.
- **Philanthropy organisations are increasingly active as investors in new culture spaces.** These investments pursue diverse objectives, from equality of access when building cultural venues in deprived neighbourhoods, to supporting the creative economy through dedicated business development hubs, and to heritage preservation when supporting the restoration of historic buildings, sites and monuments. Better integration with wider city development strategies as well as the needs of creative sectors can help maximise the impacts of such initiatives.

- In **Sweden, Stockholm's Cultural Strategic Programme 2021**, encourages the City's planning, development and culture departments, as well as other partners, to cooperate and take joint responsibility for the provision of cultural infrastructure and to expand cultural access to underserved communities.

- In **Hong Kong, the Arts-in-School Partnership Scheme** fosters collaboration between arts organisations and schools – addressing two key issues: demand for art space, while nurturing students' interests in the arts.

Source: [World Cities Culture Forum Report \(2022\)](#)

## What can we learn from decades of culture-led regeneration to solve the space challenges in post-pandemic contexts

**Cities and regions across the OECD have been experimenting with culture-led regeneration strategies for decades.** The Sydney Opera House (1959), Pompidou Centre in Paris (1977), and Guggenheim Museum in Bilbao (1997) are some of the most often cited early examples of such strategies centred around largescale investment in cultural infrastructure. Beyond providing new cultural opportunities for local residents, these iconic buildings had significant economic impact contributing to increased visitors' appeal and high tourism inflows.

**In parallel with these large public investments, creative spaces in cities often appeared spontaneously.** Artists, needing affordable space, were locating their studios in abandoned buildings or in poor neighbourhoods, creating bottom-up clusters of activities and frequently contributing to local community revitalisation. In the 1960s and 1970s, non-profit artist studio providers came into being to address the real estate challenges faced by individual artists and small arts organisations. These artist studio providers were able to attract capital investment and incentives from governments and philanthropy, to offer below-market rents that generated enough income for the projects to be sustainable.<sup>2</sup>

**With the recognition of the growth of creative industries, cities have started to centre urban regeneration strategies not only around large cultural infrastructure investment but also around the development of cultural and creative districts as spaces for creative production, often in live-work locations.**<sup>3</sup> Instruments to support the development of cultural districts included affordable housing requirements, subsidising rents on workshop space, as well as aligning innovation, start-up and business development services to the needs of creative sector professionals. In addition, the recognition of the benefits of cultural participation has led many local governments to seek to widen access to and participation in the arts, support local cultural production, and use heritage to strengthen community identity. For example, local governments can turn vacant properties into community cultural centres, fund arts education, and stimulate interest in local heritage and culture. These approaches are not limited to urban contexts, as many rural areas are increasingly looking to culture and creative sectors as a source of regeneration. While not all projects have found long-term sustainability, there is a breadth of experience that can be learnt from the successes and failures of these approaches.

**However, despite the spread of these approaches, the challenge of availability of affordable creative space in cities remains.** This is due to factors driving real estate prices up in general (e.g. population and economic growth, improved connectivity due to transport infrastructure investment, etc.) as well as a fast growing creative workforce in many major cities, fuelling increased demand for creative space. In addition to these factors, the very process of regeneration spurred by artists and creatives can conversely result in a reduction in affordable space for culture as regeneration projects can lead to gentrification and the crowding out of artists and creative sector professionals through increased property and rent prices. As a result, a cultural district that begins as a space for creative producers risks becoming a space for creative consumers while also pricing out the original local communities. The pandemic has amplified some of these challenges. Many grassroots cultural venues (e.g. music clubs and bars), small local festivals or independent bookshops have not survived the lack of income during the lock-down periods. These venues serve as a breeding ground for new talent, while also contributing to neighbourhood vibrancy and appeal.

**While continuing to provide affordable space for artists, today many cities, philanthropy and community organisations increasingly seek to achieve long-term sustainability and deliver cultural and creative projects that serve broader public interests.** For example, in the U.S., community and

economic development professionals have developed a number of financing tools such as New Markets Tax Credits<sup>1</sup> for bridging the gap between what community organisations can afford and what it costs to secure space.<sup>4</sup> In Australia, making space for culture is one of 10 ideas outlined in the Sustainable Sydney 2030-2050 Plan.<sup>5</sup> The strategy aims to create and preserve cultural and creative space in Sydney by revitalising precincts and establishing a creative land trust. The city has launched an incubation programme

### ***Making culture the starting point for property development: Examples of culture focused development organisations in the OECD***

- In 1991, the **City of Helsinki, Finland**, founded KAAPPELI, a limited real-estate company, to convert a cable factory formerly owned by Nokia into a cultural centre which today employs around 1,000 people and hosts 130 ateliers, bars and restaurants, 12 galleries, three museums, multiple event venues and a new dance house. Building on the initial success, Helsinki gradually offered other old industrial buildings to KAAPPELI. Today, it has nearly 100,000 m<sup>2</sup> of space for creatives around the city. The key to KAAPPELI's sustainability lies in the company's organisational model. The City of Helsinki gave the ownership of the buildings to the company thus guaranteeing its permanent cultural use and to make it financially independent. The premises were given to the company as a capital contribution to boost its balance sheet and solvency. KAAPPELI took out a bank loan and started to collect rents, renovating the building with long-term (90%) and short-term (10%) income from rental. The company has never received public funding for operational expenses. Its estimated turnover in 2022 was EUR 8,5 million.
- In the **San Francisco Bay Area, U.S.**, CAST — the Community Arts Stabilization Trust — is a community-centred real estate organisation for artists and cultural workers. It uses philanthropic support and financing tools like New Markets Tax Credits, bonds, and programme-related investments to bring costs down, while also providing services to secure, through acquisition or long-term lease, property for long-term community control. Also in the U.S., the Austin Economic Development Corporation and Cultural Trust is a new city-backed real estate programme to secure permanently affordable cultural space in **Austin**.
- In **Toronto, Canada**, Artscape evolved from an artist studio provider in 1970s to an organisation with a mission to “make space for creativity and transform communities”. The scope of its support to artists shifted from being a landlord providing cheap space to a community developer striving to provide a broader set of enabling conditions including a platform for collaboration, proximity to services and amenities, connection to local communities and access to markets among other services and amenities.
- In **London, UK**, the Creative Land Trust (CLT) was founded by the Mayor of London, Arts Council England, Bloomberg Philanthropies and Outset Contemporary Art Fund. The Trust aims to secure buildings through outright purchase of freehold properties or long leases and through planning policies such as Section 106 agreements or Community Infrastructure Levies. Properties can also be gifted by public or private partners. The CLT will let all of its buildings to studio providers or groups of artists following clear guidance on what level of rent is affordable. The Trust aims to work with freehold property or long leases of 99 years or more to secure land for long-term use.

Source: Eurocities (2022) [Cultural Heritage in Action: Sharing Solutions in European Cities and Regions](#); [World Cities Culture Forum Report](#) (2022); Left Bank Co. (2022) [Making Space for Culture Incubation Program Report](#), Sydney, Australia; Artscape (2017) [Artscape 5.0, Strategic Plan 2018-2022](#), Toronto, Canada; [San Francisco Community Arts Stabilization Trust - CAST](#); London [Creative Land Trust](#).

<sup>1</sup> The U.S. New Markets Tax Credit NMTC Program, established in 2000, helps economically distressed communities attract private capital by providing investors with a federal tax credit.

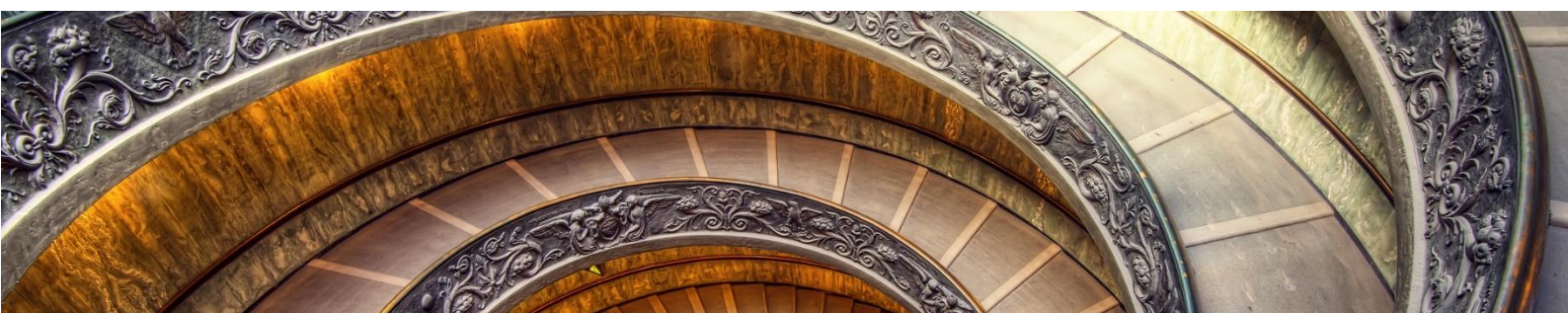
to upskill Sydney's cultural organisations and leading property developers to solve the creative space shortage.<sup>6</sup>

**The post-pandemic context in cities brings new challenges but possibly also new opportunities for cultural spaces.** With the growth of teleworking, the demand for office space has been decreasing in many city centres, posing the need to convert office buildings. Similarly, the impact of digital commerce is reshaping retail spaces with commercial centres and smaller shops vacating premises, leaving many high streets close to empty. Making space for culture could be part of the solution to the need to revitalise vacant spaces and bring new life and economic activity in these parts of the city. Drawing lessons from decades of culture-led urban regeneration strategies, identifying instruments that work and providing clear frameworks and incentives for multi-stakeholder partnerships can help cities move ahead with this agenda.

## The project

This project will bring different stakeholders together to develop guidance and principles for effective collaboration between the government, cultural and creative sectors, the property sector and philanthropy to make space for culture. In particular, the project will review practices and innovations across the OECD to provide practical guidance on the following issues:

- **How to map creative space supply and demand:** the project will identify typical cultural and creative sectors' space needs, how these have been affected by the pandemic and by post-pandemic real estate contexts in cities. Work will also focus on methods and instruments used to: i) map creative sectors ecosystems and concentrations of workers and firms; ii) their space needs; and iii) cultural participation trends. Understanding these spatial dimensions is important to inform decisions on space provision and cultural infrastructure development.
- **What does *affordable* creative space mean:** The project will review how OECD cities define *affordable* creative space to identify commonly used methods and approaches and distil good practice.
- **What delivery models can be used:** The public sector alone would not be able to solve the creative economy space challenge. The project will review the diverse business and organisational models used in OECD cities to respond to the space needs of the creative economy, including public-private partnerships, charity organisations, social enterprises, co-operatives, trusts, community organisations and intermediary bodies.
- **Incentives and instruments that work:** a wide array of instruments exist to regulate and stimulate private sector investment in creative space provisions, support affordable space for artists and to manage gentrification (e.g. affordable housing requirements and subsidised rents on workshop space in cultural districts, commercial floor space permits conditioned to the provision of creative space, tax incentives, land planning instruments, etc.). The project will review and draw lessons from past culture-led regeneration approaches to identify instruments that worked in providing sustainable space for cultural and creative production in cities, and to which extent they could be applicable in post-pandemic city contexts.
- **Ways to track impacts:** beyond output indicators (e.g. creative floor space, number of artists benefiting from programmes, etc.), stakeholders, both public and private, are increasingly interested in broader social impacts (e.g. on local communities, on participation levels of certain target groups, etc.). The project will seek to identify innovative ways to track outputs and impacts of space for culture interventions.



## How you can participate in the project

The project will build, and work through consultation with, a group of stakeholders representing government (city, regional, national), the property sector, cultural and creative sectors, philanthropy, experts and researchers. Public and private partners can engage with the project in various ways:

- **Support international analysis and learning:** partners can make voluntary (financial) contributions to support international analysis and thematic workshops, including hosting the workshops in their country, city or region.
- **Review the creative economy space needs and solutions in your city or region.** The project will engage in a series of reviews bringing peers to places willing to showcase and improve their approaches to cultural infrastructure investments and to resolving creative economy space challenges.

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## About the OECD work on culture, creative sectors and global events

The OECD provides evidence and guidance to countries, cities and regions on ways to maximise the economic and social impact of culture and support the creative economy. The OECD helps governments to:

- **Mainstream culture** beyond cultural policies and as an integral part of wider policy agendas, such as employment, social cohesion, innovation, health and well-being, the environment and sustainable local development.
- **Adapt policies** on employment, social protection, innovation and entrepreneurship to the needs of cultural and creative sectors.
- **Improve internationally comparable statistics** and the evidence base on the scale, scope and impacts of culture and creative sectors.
- **Build capacity** of national and local governments to integrate culture and into broader economic and social development strategies.
- **Leverage opportunities** such as large-scale cultural, sporting and business events as catalysts for local development.

## About the Centre for Entrepreneurship, SMEs, Regions and Cities and the LEED programme

This work is housed in the [OECD Centre for Entrepreneurship, SMEs, Regions and Cities](#) (CFE) and is part of the OECD Local Employment and Economic Development (LEED) Programme. Since 1982, the [LEED Programme](#) has brought together policy makers and practitioners from around the world to identify, evaluate and disseminate promising approaches to local job creation, social inclusion and economic growth. LEED's work is steered by a Directing Committee of representatives from ministries of employment and labour, social affairs, economy, and regional development from OECD and non-OECD countries. The OECD Centre for Entrepreneurship also houses the OECD Committees on [Tourism](#), on [Entrepreneurship and SMEs](#) and on [Regional Development Policy](#). The horizontal cooperation across the CFE Committees helps to disseminate culture specific findings and recommendations relevant to the work and mission of these Committees.

## Recent work

**Data and analysis:** [The Culture Fix: Creative People, Places and Industries](#) outlines international CCS trends in terms of employment, business development, cultural participation and funding, providing analysis of how these sectors contribute to economic growth and inclusion. [Culture shock: COVID-19 and the cultural and creative sectors](#) provides assessment of the emerging impact of the COVID-19 crisis on CCS.

**Policy advice to countries, cities and regions:** Series of regional reviews of [Glasgow](#) City Region, UK; [Emilia-Romagna](#), Italy; [Flanders](#), Belgium; [Klaipeda](#), Lithuania provide regional level data and analysis of the role of cultural and creative sectors in supporting local development. The [country review](#) of the “Orange Economy” in Colombia provides a comprehensive review of the policy framework, measurement approaches, recent trends and issues and local implementation challenges.

**Global dialogue:** OECD supports the G20 Working Groups on Culture and on Tourism (notes on the [Social and Economic Impact of Cultural and Creative Sectors](#) for the Italian G20 Presidency, and on [Maximising Synergies between Tourism and CCS](#), for the Indonesia G20 Presidency).

**Standard setting, guides and toolkits:** The [OECD Recommendation on Global Events and Local Development](#) helps countries and future hosts bring greater local benefits and legacies from global events. The [Global Events Toolkit](#) translates the Recommendation into practice, offering concrete actions and good practices. The OECD [Guide on measuring the impact of culture, sports and business events](#) and [Guide on impact indicators](#), offer a framework to better measure the economic, social and environmental impact of large scale events. The [OECD-ICOM Guide for Local Governments, Communities and Museums](#) informs and supports policy makers and the museum community in maximising the impact of culture and heritage on local development.

**Capacity building:** the [OECD Trento Centre Summer Academy for Cultural and Creative Industries](#) provides capacity building for CCI policy makers and practitioners.



## References

- <sup>1</sup> OECD (2022) The Culture Fix: Creative People, Places and Industries. Available at: <https://www.oecd.org/publications/the-culture-fix-991bb520-en.htm>
- <sup>2</sup> Artscape (2017), Artscape 5.0, Strategic Plan 2018-2022. Available at: <https://www.artscape.ca/wp-content/uploads/2017/10/Artscape-Strategic-Plan-2018-to-2022.pdf>
- <sup>3</sup> OECD-ICOM (2019), "Culture and local development: maximising the impact: A guide for local governments, communities and museums", <https://doi.org/10.1787/9a855be5-en>.
- <sup>4</sup> San Francisco Community Arts Stabilization Trust (CAST) website, <https://cast-sf.org> (accessed 18 October 2023)
- <sup>5</sup> Sustainable Sydney 2030–2050 Continuing the Vision - City of Sydney, City of Sydney website, <https://www.cityofsydney.nsw.gov.au/vision-setting/your-say-our-plan-sustainable-sydney-2030-2050#documents> (accessed 18 October 2023)
- <sup>6</sup> Left Bank Co. (2022) [Making Space for Culture Incubation Program Report](#), Sydney, Australia