KPMG

Davos Baukultur Alliance

In collaboration with the Davos Baukultur Alliance and the World Economic Forum

Blueprint for livable economies

How place-based business cases unlock economic, social, and environmental value

KPMG. Make the Difference.

Contents

Foreword 3

Executive summary 5

Towards integrated and livable places 7

The Davos Baukultur Alliance for high-quality Baukultur 8

Chapter 1: Why cities must change 10

Chapter 2: Livability imperative 14

Chapter 3: The case for place-based business cases 21

Chapter 4: Shifts and levers to realize place-based business cases 30

Chapter 5: The blueprint for livable economies 46

Chapter 6: Making it practical: Turning place-based ambition into delivery 51

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Foreword

Cities are under increasing pressure to deliver environments that are livable, resilient and economically competitive, while also managing fiscal constraint and delivery complexity. Communities expect high quality public services, accessible housing, efficient transport and places that deliver long term economic value. Meeting these expectations requires a shift from traditional project-based decision making to integrated approaches that recognize the full value of place.

This white paper supports that shift. Drawing on global case studies, executive insight and practical tools, it sets out how public sector leaders can apply a place-based approach, ensuring public capital delivers measurable, long-term value for places and communities. It is equally relevant for private sector leaders, demonstrating how this approach can unlock greater returns on infrastructure investments by aligning commercial objectives with community value.

KPMG member firms are committed to working with public sector leaders and private partners to advance place-based approaches that can help deliver improved outcomes for communities, strengthen investment performance and support long-term resilience.

Lisa Kelvey
Global Head of Infrastructure & Transport, KPMG International

Cities sit at the intersection of many of the defining challenges of our time — competitiveness, inclusion, climate resilience and growth. While cities are inherently place-based, the decisions that shape our communities and local economies often are not. Public policy, private investment and delivery models continue to operate in parallel, limiting the ability of cities to perform, adapt and deliver long-term value.

The Davos Baukultur Alliance was founded in 2023 to strengthen quality in the built environment as a shared, long-term strategic priority for the public and private sectors. Place-based thinking is central to this ambition, providing a framework to align housing, mobility, public space, culture and economic development around shared outcomes. When strategies are aligned across sectors at the level of place, economic, social and environmental returns can reinforce one another rather than compete.

This white paper is designed to help leaders across sectors move from intent to action. It is a call to act collectively to align investment, design and governance around place, and to unlock lasting value for cities, communities and local economies.

Jeff Merritt
Head of Urban Transformation; Member of Executive Committee, World Economic Forum

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In a world marked by uncertainty and overlapping systemic crises, cities and regions are where the social contract is made real: where housing and social services are delivered, economic opportunity is created, inclusion succeeds or fails, and climate action is implemented. Cities are uniquely placed to respond to citizens' needs and build long-term value, but doing so requires embracing complexity and aligning long-term vision, policy, and investment through strong public–private collaboration.

Within this context, housing is central. A secure home is not only a human right but also a cornerstone of social and economic development, underpinning educational outcomes, workforce participation, and civic engagement. Housing is inseparable from mobility, access to services, economic opportunity, and climate resilience, making it a primary catalyst for livability and requiring coordinated, cross-sector action.

Aligned with the principles of the Davos Baukultur Alliance, place-based thinking provides a practical framework to coordinate housing, infrastructure, public space, and economic development around shared outcomes. As cities approach the ten-year review of the New Urban Agenda in 2026, placing housing at the heart of place-based strategies is essential to accelerating progress on SDG 11 and building cities that are livable, competitive, and resilient over the next decade.

Anacláudia Rossbach
Under-Secretary-General and Executive Director of the United Nations Human Settlement Program (UN-Habitat)

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Executive summary

Rapid urbanization, climate volatility, fiscal constraint and rising social expectations are exposing the limits of traditional approaches to urban planning and investment. Cities continue to commit significant capital to infrastructure, housing and public services. Yet outcomes often fail to deliver long-term place objectives of livability, resilience and economic competitiveness.

The reality is that conventional project-by-project models are insufficient to address the complexity of contemporary urban systems. Fragmented governance, siloed funding mechanisms and narrowly defined appraisal frameworks inhibit the ability of investment to compound across sectors and over time. The challenge is not a lack of ambition or funding, but rather how decisions are made, investments are structured and delivery is governed and coordinated.

Addressing the gap between investment and outcomes requires cities to move beyond asset-level justification toward integrated, geography-specific portfolios and place-based business cases that reflect how places function and are experienced in practice. This shift creates a clear opportunity for governments to extract more value from the investments, not by increasing budgets, but by adopting integrated approaches that allow investments to compound across sectors. It also opens the door for private capital to play a more strategic role in achieving these outcomes. When public and private actors collaborate through integrated delivery models, infrastructure moves beyond short-term returns to generate economic, social, and environmental value as well as creating a stronger total return for all stakeholders.

Addressing the gap between investment and outcomes requires cities to move beyond asset-level justification toward integrated, geography-specific portfolios and place-based business cases that reflect how places function and are experienced in practice.

At the center of the paper is the *Blueprint for livable economies*, a decision-making framework designed to help city leaders, investors and partners align outcomes, economic pathways and delivery mechanisms.

The blueprint organizes actions across three layers — people and place outcomes, economic outcomes and systems outcomes — supported by five cross-cutting enablers critical to creating the ecosystem necessary for achieving these outcomes. As such, this blueprint offers a practical framework for translating ambition into implementation and supporting cities that are resilient, inclusive and competitive over the long term.

Improving livability is not an aspirational objective, but a strategic imperative. Cities that adopt place-based approaches are better positioned to unlock long-term value, attract sustained investment, manage risk, and deliver places of enduring quality. The blueprint offers a practical framework for translating ambition into implementation and supporting cities that are resilient, inclusive, and competitive over the long term.

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Blueprint for livable economies: A strategic model for place-based city transformation

This blueprint synthesizes the four strategic shifts and five levers of change into a single architecture that cities can use to design, fund, and deliver integrated outcomes.

Livability outcome:
improved everyday life, equity, culture and community

People and place

Strategic objectives	Enhance everyday quality of life	Advance social cohesion and cultural identity
Strategic focus areas	• Design for improved public realm experience • Expand social infrastructure and accessible services • Strengthen public safety and wellbeing	• Promote cultural inclusion • Deepen community partnerships • Activate spaces in the public realm
Enablers	• Cross-government agency collaboration • Citizens' assemblies and digital public engagement	• Enduring cultural institutions and partnerships • Transparent, open-data ecosystems

Economic outcome:
thriving, resilient, place-based economies

Economy

Strategic objectives	Generate inclusive economic growth	Accelerate the green transition	Strengthen innovation and creativity
Strategic focus areas	• Expand land value capture • Support employment, SME's and local talent • Enable diversified strategic industries	• Embed whole-life costing within appraisals • Adopt circular systems • Deploy nature-based solutions	• Grow creative ecosystems and industries • Expand innovation districts/parks • Support digital innovation and adoption
Enablers	• Place-based business cases • Cross-sector impact mapping	• Innovative green financing frameworks • Socio-economic performance tracking	• Open innovation models • Skills development funding pathways

Systems-based outcome:
integrated infrastructure, ecosystems and governance that enable livable cities

Foundational pillars	Integrated spatial planning	Core infrastructure	Governance	Strategic delivery partnerships
Strategic focus areas	• Outcome-based planning approvals • Perform portfolio-wide sequencing • Cluster related projects	• Upgrade aging utilities and networks • Expand digital public infrastructure • Improve housing quality and connectivity	• Community co-creation and stewardship • Cross-departmental governance • Adaptive rules and processes	• Portfolio-level PPP frameworks • Promote place-based business cases • Cross-asset investment packages
Enablers	• Common spatial data frameworks • Cross-sector regulatory alignment	• Long-term investment pipelines • Mature asset management	• Value-centric governance models • Holistic value capture and reporting	• Diversified financing models • Whole-place outcomes contracting

Levers of change unified strategic logic

Integrated and adaptive funding	Replace fragmented, short-term funding with integrated, adaptive investment
Public-Private-People Partnerships (P4)	Align public purpose, private capability and people-centric outcomes
Accountable and collaborative governance	Create accountable, collaborative, portfolio-based governance
Common evidence base and shared data standards	Build a unified evidence platform for integrated decision-making
Regulatory and policy flexibility	Remove structural barriers to integration

Source: KPMG analysis

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Towards integrated and livable places

Perspective from the Davos Baukultur Alliance

Today's planning, building and investment practices must change to tackle the most urgent challenges across the entire value chain and all processes: moving away from satisfying sectoral needs towards a comprehensive, high-quality approach. This is high-quality Baukultur, and it is what the Swiss Confederation has been committed to for more than ten years: higher quality through better cooperation and new, jointly developed strategies. The Davos Baukultur Alliance embodies this shared desire of the public sector, the private sector and civil society to act together to improve together.

Oliver Martin
Member of the Executive Committee of the Swiss Federal Office of Culture, Chair of the Davos Baukultur Alliance

"Baukultur" means building culture focused on the entire designed living environment as a coherent whole. Baukultur includes all stakeholders, at all levels and scales, from the planning process to construction, operation and reuse. The quality of Baukultur is increasingly under pressure. Cities and places all over the world face multifaceted challenges. These do not manifest sequentially and must be tackled all at once. It is obvious that one-dimensional planning and practices cannot keep up with these challenges.

In the future, integrated approaches that unite multiple stakeholders are key to facing these challenges. At the same time, place-based approaches are more promising than fragmented solutions, as they focus on quality and livability. Recognizing this, the Davos Baukultur Alliance stands for collaboration among all sectors. It is a global cross-sectoral network unifying public and private sectors as well as civil society organizations. Integrated planning and building and truly place-based approaches are at the heart of the Alliance.

Creating livable places is the shared responsibility of all — for the wellbeing of people, resilient societies and prosperous economic systems. To achieve this, the Alliance aims to bridge silos through cross-sector collaboration and finding a common language between all stakeholders to create more livable places, while respecting built heritage. Only together can we make places more livable and prosperous.

High-quality Baukultur is a holistic concept that also includes economies. That's why this white paper on Livable Economies by Alliance member KPMG is an inspiring contribution and guide to make places and cities more vibrant and livable.

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The Davos Baukultur Alliance for high-quality Baukultur

The Davos Baukultur Alliance[1] brings together public, private and civil society leaders to advance quality as the foundation for better, more livable, built environments and infrastructure through collaboration, shared standards, and applied practice. It helps leaders act with confidence by demonstrating how holistic, high-quality approaches improve delivery certainty, build public trust, reinforce cultural vibrancy, support climate and social goals, and sustain long-term value for communities and organizations alike.

The Alliance was launched at the second international conference of European Ministers of Culture on high-quality Baukultur in 2023, at the initiative of Switzerland. It is committed to the goals of the Davos Declaration[2] `Towards a high-quality Baukultur for Europe', which was adopted in 2018, and to the eight criteria of the Davos Baukultur Quality System.[3] Many countries, as well as the European Commission, have incorporated the goals into their Baukultur policy, architectural strategies and urban agendas.

The Alliance drives systemic change through three functions: convening leaders across sectors to share knowledge and strengthen collaboration; building the business case for quality by defining quality principles and developing practical resources; and deploying solutions in regions and cities worldwide that demonstrate how cross-sector action creates lasting value at scale.

With more than

85 members

across 140+ countries, including 28 national governments, global businesses, civil society, and international organizations, the Alliance addresses a critical market gap: the absence of integrated frameworks across sectors to ensure that urban development and infrastructure consistently deliver measurable economic, social, cultural, and environmental value.

Davos Baukultur Alliance

[1] Davos Alliance Home Page, www.davosalliance.org/home
[2] Swiss Confederation: Davos Declaration 2018 (2018), https://davosdeclaration2018.ch/en/davos-baukultur-quality-system/
[3] Swiss Confederation: Davos Declaration 2018 (2018), https://davosdeclaration2018.ch/en/davos-baukultur-quality-system/

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The Pioneering Places program

The Alliance facilitates cross-sectoral convenings and exchanges through events, focus and working group meetings and the Pioneering Places program launched in October 2025. The program enables the Alliance to further embed its cross-sectoral and place-based approach into practice. It aims to support a diverse group of places in improving quality through collaboration, knowledge exchange, and shared action, thereby strengthening local engagement and capacity. Its ambition is to drive meaningful, place-based transformation by empowering local leaders to implement change, shape policy and practice, and amplify progress on a global stage.

The inaugural cohort of the program brings together senior public and private leaders from Kuala Lumpur, Malaysia; Medellín, Colombia; Montréal, Canada; Nairobi, Kenya; San Francisco, United States; and Utrecht, the Netherlands — forming a global peer network that powers the program's peer-to-peer learning model. Through structured exchanges and collaborative workshops, these cities share governance tools and real-world insights, accelerating adoption of integrated, place-based strategies.

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Chapter 1

Why cities must change

The new urban reality

Cities are entering an era of unprecedented complexity. The UN estimates that close to 70 percent of the world's population will live in urban areas by 2050, up from 55 percent in 2018.[4] This surge is not confined to megacities. Small and medium-sized cities are also absorbing rapid growth, often without the infrastructure or governance capacity required to support it.

This accelerating urbanization is colliding with climate volatility and infrastructure fragility, amplifying a cascade of interconnected risks. A joint survey conducted by CDP and ICLEI[5] found that 83 percent of cities already experience significant climate hazards, with flooding and extreme heat among the most prevalent. At the same time, infrastructure systems in many parts of the world are aging and underfunded.

[4] United Nations: 68% of the world population projected to live in urban areas by 2050, says UN (May 2018), https://www.un.org/development/desa/en/news/population/2018-revision-of-world-urbanization-prospects.html

[5] CDP: 83% of world's cities report significant climate hazards (2024), https://www.cdp.net/en/press-releases/83-of-worlds-cities-report-significant-climate-hazards

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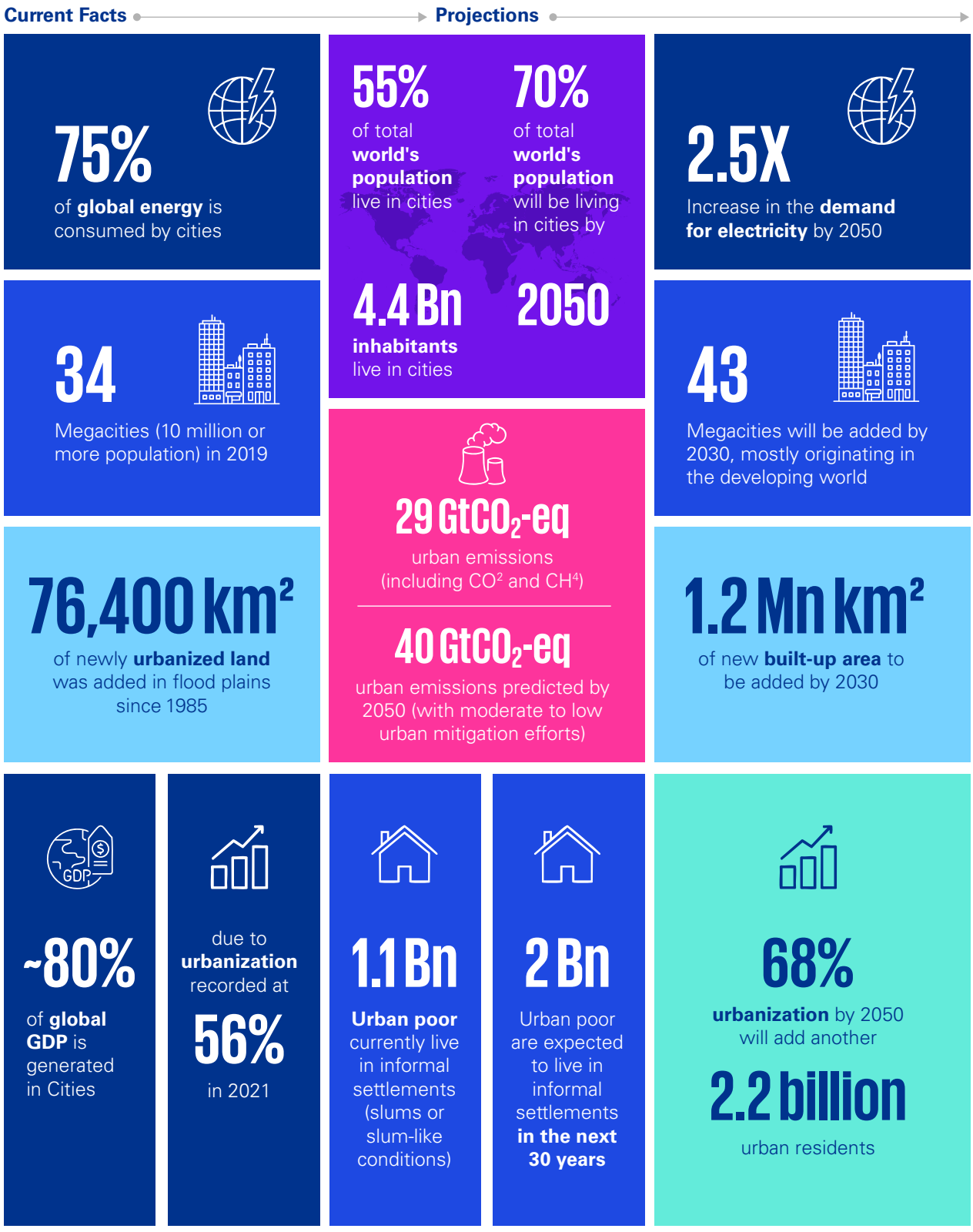
According to the Global Infrastructure Hub,[6] around US$94 trillion of global investment will be needed by 2040 to simply maintain and upgrade existing transport, water, and energy networks. Figure 1 illustrates the scale and urgency of the urban challenge, highlighting the converging pressures that will shape cities for the next generation.

Figure 1: Signals of strain



Source: KPMG analysis based on World Bank, IEA, UN Habitat, UN DESA, & IPCC reports.

[6] Oxford Economics & Global Infrastructure Hub: Global Infrastructure Outlook (2017), https://oeservices.oxfordeconomics.com/publication/open/283970

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Why current models are no longer fit-for-purpose

As these pressures converge, it is becoming increasingly clear that traditional governance and investment models are no longer able to cope with the complexity, speed and scale of today's urban challenges. Legacy approaches favor project delivery over portfolio strategies, treating interventions as isolated fixes rather than components of an integrated system.

Siloed investment and planning reinforce this fragmentation, with departments focusing on delivering on their mandates (e.g. housing, roads, public spaces and community facilities). Meanwhile, a lack of incentives for collaboration discourages private sector integration and the development of innovative financing models, while appraisal frameworks narrowly focused on financial returns overlook cumulative cross-sectoral benefits. Under these conditions, additional spending delivers diminishing returns, absorbing capital without improving livability or resilience.

Recent investor and city leader sentiment reinforces this challenge. A KPMG survey based on feedback from 882 senior decision makers highlights that nearly 50 percent of respondents rank quality of life as critical to attracting and retaining skilled talent, alongside digital infrastructure as leading investment considerations.[7] This reflects a clear shift: livability is no longer a secondary outcome to financial success, but a fundamental driver of long-term economic performance and growth.

The cost of inaction

This structural failure sets cities on a path of escalating risk and profound consequences. Cities grapple with congestion, pollution, inadequate infrastructure, and limited access to essential services, all of which erode citizens' quality of life. Rising inequality and housing unaffordability undermine social cohesion and trust. According to the World Health Organization (WHO),[8] 99 percent of the global population is exposed to unsafe air quality levels. UN-Habitat[9] estimates that ~40 percent of the global population lacks access to adequate housing, secure land, and basic water and sanitation services. Additionally, the INRIX 2025 Global Traffic Scorecard[10] reveals that 62 percent of the world's urban areas saw increased traffic delays in 2025, compared to 2024.

The cost of inaction is increasingly visible in investment behavior too. A recent KPMG survey highlights that capital is available, but increasingly conditional. Sixty-one percent of respondents identify investment in infrastructure as the single most important government action to unlock new investment, while 60 percent rate public-private partnerships (PPPs) as critical in creating investable conditions.[11] Looking ahead, the majority of respondents expect PPPs to grow in importance as cities compete for capital talent and growth. In this context, inaction is not neutral. Cities that fail to modernize their delivery and partnership models risk locking themselves into a cycle of underinvestment.

Economically, cities risk stagnation. Fragmented delivery erodes productivity and competitiveness, while deferred maintenance inflates future liabilities. Investors lose confidence and see reduced returns due to rising operational risks, declining property values, and hindered long-term economic growth. Climate inaction magnifies these risks, inflicting infrastructure damage, straining municipal budgets and exposing systemic fragility. Every delay compounds fiscal pressure, social inequity, and environmental vulnerability. The longer cities wait, the higher the price.

61%

of respondents identify investment in infrastructure as the single most important government action to unlock new investment, while 60 percent rate public-private partnerships (PPPs) as critical in creating investable conditions

[7] KPMG, TELC Onboarding Survey, 2026
[8] World Health Organization: Air pollution data portal (no date), https://www.who.int/data/gho/data/themes/air-pollution
[9] United Nations: UN searches for solutions to global housing crisis (May 2025), https://news.un.org/en/story/2025/05/1163851
[10] INRIX: Global Traffic Scorecard 2025, https://inrix.com/scorecard/#city-ranking-list
[11] KPMG, TELC Onboarding Survey, 2026

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Why future proofing cities matters

The successful cities of the future will be those that exhibit deep interconnection between urban systems and a clear understanding of the ripple effects of place-based investment. For instance, housing stimulates retail demand and enhances mobility, public spaces promote health and well-being, and resilient infrastructure safeguards against climate risks. Likewise, better housing cannot be achieved by optimizing individual assets or chasing sector-specific gains in isolation.

Tackling the challenge of adequate housing and other complex infrastructure issues for better livability requires systemic change that addresses complex and interlinked root causes embedded in effective and inclusive governance, policy, legislation, planning and financing systems. This can only work if solutions are adapted to local contexts and frameworks, while bringing together all relevant players from national and local levels: public authorities, private sector, academia, and the populations themselves, within a shared vision underpinning a renewed social contract. Each solution can generate co-benefits: jobs, environmental gains, cultural vibrancy, and long-term capability.

If cities are to thrive, place-making and livability must become the organizing principles of urban transformation, underpinned by measurable and balanced system outcomes. The next chapter explores why livability matters, how it drives economic and social performance, and why it is now the defining lens for sustainable urban futures.

> “Great places don’t compete; they complete. In shaping the future of our cities, it is easy to design for today’s loudest voices instead of tomorrow’s needs. Yet real impact comes when we think beyond the present. Cities thrive when places complement and work together as part of an ecosystem that connects across districts and offers distinct opportunities to live, work, play, and learn.
>
> Think of places as organs in a living city. Each one circulates energy, stimulates growth, and has a core purpose. When we design with that in mind, we create cities that endure — cities that serve today and generations to come.”

Michael Camerlengo
Executive Leader — Clients and Capital, Deputy Chief Investment Officer, Housing Australia

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Chapter 2

Livability imperative

Why livability matters

With the cost of poor integration now measurable, cities are increasingly recognizing that livability is a material driver of economic, social and environmental performance and success.

Across global benchmarks, we see cities with stronger livability outcomes consistently achieve better labour market participation, higher workforce retention and lower long-term public expenditure per capita than those with comparable investment levels but fragmented delivery models. The difference is not how much is spent, but rather how investment compounds across housing, mobility, health, culture and public space over time.

Yet most cities continue to appraise and fund projects in isolation, capturing value at the asset level while missing opportunities across the wider system. The result is a structural pattern of underperformance in which increased investment fails to deliver proportional gains in outcomes.

In this context, livability is no longer a parallel objective alongside citizen wellbeing and environmental enhancement. It has become an early indicator of whether cities are converting capital investment into real socio-economic and environmental returns, or absorbing rising costs without unlocking commensurate improvements in productivity, affordability and resilience.

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Livability as a system outcome

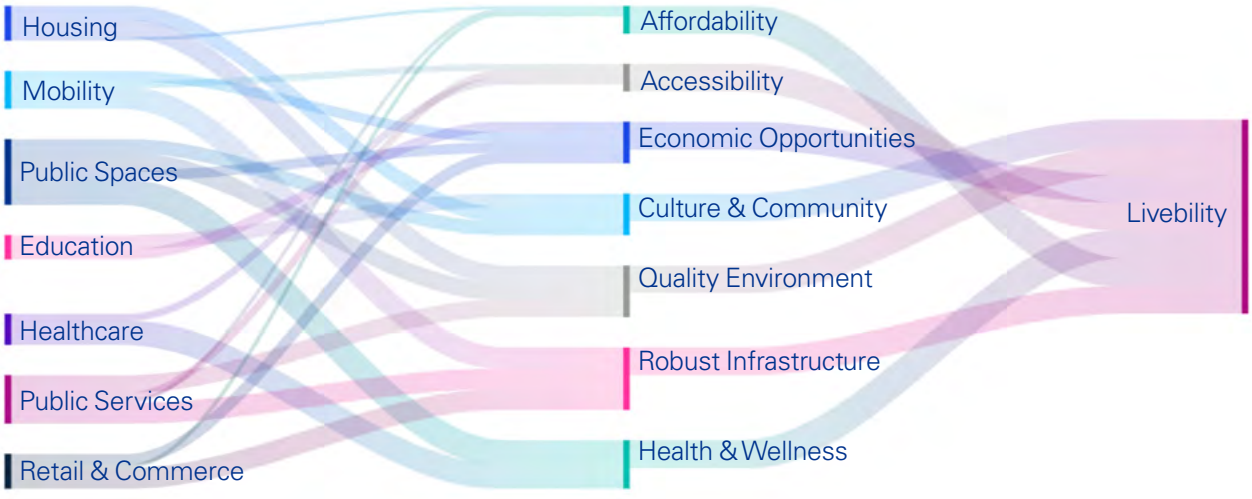
As the United Nations' lead agency on sustainable urbanization, UN-Habitat plays a pivotal role in shaping global norms and frameworks to enhance livability in cities. From UN-Habitat's perspective, livability cannot be delivered by optimizing individual assets or chasing sector-specific gains in isolation. Livability is a system outcome, a cumulative effect of how urban systems align, interact and adapt to deliver a coherent experience for people and communities.[12] It goes beyond delivering housing units, transit lines, or parks as standalone domains. Instead, these elements must function as interdependent components of place quality, working together to shape the lived experience of citizens. This means that policies must be designed not only in terms of where and how people live, but how they move, where they work and how they access social services, among others.

This understanding shifts the focus of urban performance away from delivery metrics and towards everyday livable impacts and outcomes. Each intervention must fulfil some of the key desired outcomes for cities and their citizens, including affordability, location, safety, accessibility, inclusiveness and adaptability, and whether daily activities such as working, learning, moving and living can take place efficiently and equitably. This also requires metrics that capture both (i) people's lived experience and (ii) objective conditions, recognizing that together they reflect how urban systems function in practice and where policy intervention is most needed.

This framing of livability as a system outcome provides the foundation for understanding why quality of delivery must sit at the core of place-based decision making, and why improving livability requires approaches that integrate across sectors, institutions and time horizons. Livability, in this sense, becomes a long-term system characteristic, reinforced or undermined by the cumulative effects of policy choices, investments and spatial decisions rather than by discrete projects.

The role of local and regional governments is critical as they are primary actors shaping outcomes for a better quality of life for communities. Improving livability demands integrated, place-based decision-making, supported by coherent data that makes trade-offs visible and actionable over time. Beyond strategic planning and policy making, local and regional governments need to catalyze broad engagement of public and private sectors for efforts and investments to flow in a coherent manner and fuel a shared, transformative vision. As the leading platform for the localization of the Agenda 2030, this approach is fostered and echoed by the United Nations Local2030 Coalition,[13] co-chaired by UN-Habitat.

Figure 2: Urban systems and their combined impact on livability



Source: KPMG analysis

[12] UN-Habitat: World Cities Report 2022, https://unhabitat.org/sites/default/files/2022/06/wcr_2022.pdf
[13] UN-Habitat: Local 2030 — Localizing the SDGs (no date), https://www.local2030.org/about-us.php

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Impact story

UN-Habitat Quality of Life Initiative

The UN-Habitat Quality of Life Initiative[14] is a global framework that assesses how effectively cities translate policy, investment and development decisions into improved lived outcomes. It provides a structured way to understand livability as a system-level result, shaped by the interaction of housing, mobility, public space, environment, access to services and economic opportunity over time.

The Initiative sits at the center of UN-Habitat's work on sustainable urbanization and underpins its World Cities Report and City Prosperity frameworks. It reflects a growing body of evidence that high-quality urban outcomes are not determined by individual projects or sectoral performance, but by how well decisions are aligned, sequenced and governed across urban systems.

For city leaders, the Quality of Life Initiative reframes livability from an aspirational goal to a performance lens. It highlights where fragmented governance, funding and appraisal models prevent investment from compounding across systems, and where more integrated approaches enable cities to deliver long-term economic value, resilience and social outcomes. In doing so, it provides a practical point of alignment between policy ambition, investment decisions and place-based delivery.

Advancing urban livability requires measurement systems capable of capturing the full spectrum of how people experience housing not only as a physical structure, but as a core determinant of well-being, inclusion, and sustainability. Data systems that are multidimensional, spatially explicit, forward-looking, and centered on people's lived experiences in places while combining both objective and subjective metrics. UN-Habitat's Quality of life Index does just this, offering subjective, place-based and forward-looking indicators. This enables cities to move decisively toward a Beyond GDP approach, which calls for integrating subjective well-being, environmental stewardship, social equity, and long-term resilience into national and urban development metrics.

[14] UN-Habitat: Quality of Life Initiative (2024), https://unhabitat.org/quality-of-life-initiative

[15] Swiss Confederation: The Davos Baukultur Quality System — Eight criteria for a high-quality Baukultur (2021), https://davosdeclaration2018.ch/wp-content/uploads/sites/2/2023/06/2022-06-17-174034-dbqs-en.pdf

Davos Baukultur Quality System (DBQS)

The Davos Baukultur Alliance emphasizes that places must prioritize quality to achieve truly livable outcomes. This notion of quality extends far beyond building infrastructure or delivering services, it is about perceiving the entire living environment as a coherent whole and cultivating a distinctive cultural identity that defines a place. It underscores the shared responsibility of all stakeholders in shaping this transformation, with the ultimate goal of generating cultural, social, environmental, economic and aesthetic value for both the place and its people.

To guide this vision, the Alliance follows the eight criteria and principles that form the foundation of a robust quality system. Drawing on the Davos Baukultur Quality System (DBQS, 2021),[15] each principle addresses a unique dimension of quality, yet together they function as a cohesive system. The DBQS is an instrument enabling the assessment of Baukultur qualities in places with the help of the following eight criteria: Governance, Functionality, Environment, Economy, Diversity, Context, Sense of Place and Beauty.

The Swiss Federal Office of Culture created the DBQS in cooperation with international partners.

The DBQS enables the assessment of Baukultur qualities and supports planning and projects, competition judging and participatory processes. In the DBQS, all criteria and principles are interwoven, with social, emotional and cultural values weighed equally to technical and functional aspects. Livable economies are thus an integral part of the DBQS, aiming to produce high quality in places that are more livable.

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Davos Baukultur Alliance eight criteria and principles framework

Governance	Functionality	Environment	Economy
High-quality Baukultur follows good governance High-quality Baukultur promotes quality-oriented and place-specific processes, led by skilled actors working in teams. It facilitates public engagement and contributes to transparent and inclusive participatory governance for decision-making, management and care for the place.	*High-quality Baukultur fits the purpose* The design and construction methods of high-quality Baukultur satisfy the human needs for health, comfort, safety and accessibility. They are enduring and the results adaptable to existing and changing uses and purposes, while safeguarding built heritage.	*High-quality Baukultur protects the environment* High-quality Baukultur contributes to conserving natural resources and biodiversity, mitigating climate change and thus supports sustainability. It preserves, promotes and develops an intact natural environment and diverse cultural and natural landscapes through responsible land use and settlements, sustainable mobility, energy efficiency, and use of durable construction materials and methods with regard to the whole life cycle.	*High-quality Baukultur adds economic value* High-quality Baukultur prioritizes cultural values and long-term investments over short-term economic gain. It conserves and increases economic value, and is high value in use. It maintains and develops resources through long-term uses in alignment with the location and the design, economy of construction and operation, and through the use of high-quality, long- lasting building fabric.

Diversity	Context	Sense of place	Beauty
High-quality Baukultur connects people High-quality Baukultur reflects and promotes inclusive societies and encourages mixed uses, thus facilitating interaction and shared responsibility, which leads to social and spatial cohesion. It contributes to a diverse culture of planning.	*High-quality Baukultur results in spatial coherence* Places with high-quality Baukultur reflect their unique built and natural context. They embrace built heritage and contemporary creation and align with local features and their characteristics in terms of age, scale, typology and materiality.	*High-quality Baukultur improves the sense of place* High-quality Baukultur shows characteristics that foster people's emotional response to the place while establishing a positive relationship with it. It promotes attachment to the place through its strong identity and distinctiveness, thus contributing to fulfilling social, psychological and cultural needs.	*A place of high-quality Baukultur is beautiful* High-quality Baukultur takes into account the sensory perception and understanding of the relationship between objects, spaces and people, increasing people's life satisfaction and quality of life. It emphasizes the need for positive aesthetic appreciation and a fulfilling relationship between people and the place.

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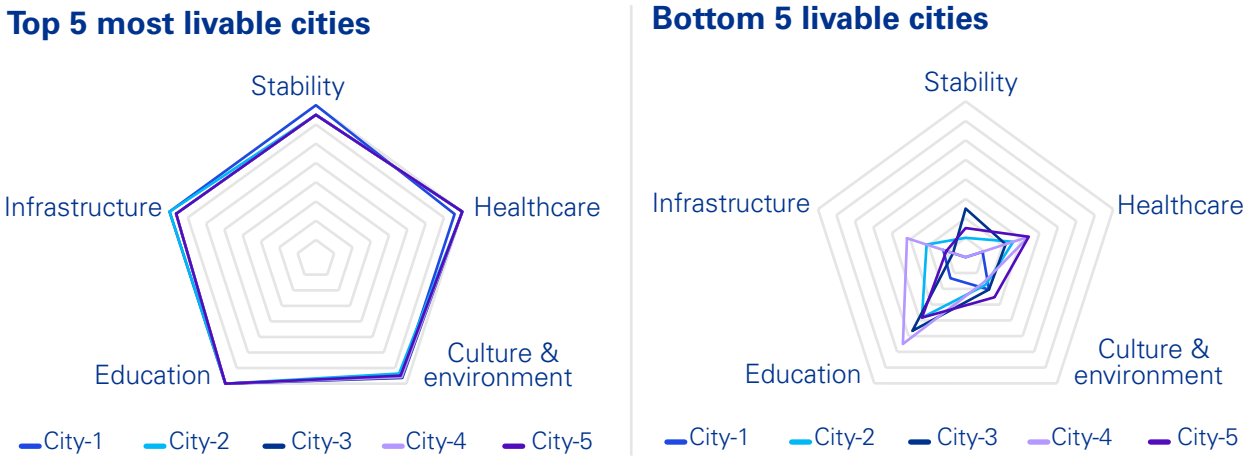
Understanding the livability gap

While livability has become a cornerstone in urban policy discourse, global performance has not followed. Despite sustained focus and rising investment, outcomes have plateaued. The Economist Intelligence Unit (EIU) Global Livability Index[16] shows that while individual cities move within the rankings, average scores across the 173 cities assessed have remained broadly static in recent years. Momentum has not translated into system-wide improvement.

What distinguishes higher-performing cities is not ambition or levels of investment, but consistency across the core dimensions of livability. EIU analysis indicates that the most livable cities deliver balanced performance across stability, healthcare, education, infrastructure, and cultural and environmental quality. Lower-performing cities exhibit the opposite pattern, with pronounced disparities between dimensions that reflect decisions taken in isolation rather than as part of a coherent whole.

This pattern is illustrated by the performance profiles shown in Figure 3 where the most livable cities exhibit relative balance across livability dimensions, while lower-performing cities show skewed outcomes that weaken overall place quality.

Figure 3: Livability dimensions: Top vs. bottom five cities



Source: Global Liveability Index 2025, Economist Intelligence Unit

Why cities struggle to improve livability

This imbalance points to the lack of systems thinking in city planning, where cities continue to rely on traditional asset-by-asset approaches that appraise projects in isolation. This fragmented approach to project planning can erode quality and livability, resulting in significant economic consequences. The reasons for this are varied:

- **Investments are often made in silos,** focusing on individual sectors rather than pursuing integrated outcomes toward a shared spatial vision. This fragmented approach often results in overinvestment in certain categories while neglecting others, thereby compromising overall functionality and resilience.
- **Conventional business cases reinforce fragmentation,** concentrating on single projects instead of sequencing investments or capturing cumulative benefits across housing, transport, public spaces, and social services. Additionally, the traditional approach tends to focus more on short-term financial returns, often ignoring the broader social, environmental, and resilience benefits that matter to communities and encourage long-term prosperity.

[16] Economist Intelligence Unit: The Global Liveability Index 2025 (2025), https://www.eiu.com/n/campaigns/global-liveability-index-2025/

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- **The unit of assessment remains narrowly defined,** failing to expand beyond individual assets and projects to consider portfolio-level, whole-place performance and interdependence.
- **Outcomes for people and communities are often overlooked,** with planning decisions driven by departmental mandates rather than a shared vision for livability and inclusion. This leaves no single entity accountable for whole-place outcomes, creating delivery gaps.
- **Data and appraisal frameworks are inconsistent,** making it difficult to measure combined impacts or compare options effectively.
- **Whole-life costs and cross-sector savings are ignored,** leading to inefficiencies and suboptimal use of public funds.
- **Political cycles undermine continuity,** with short-term electoral priorities displacing long-term strategies, leading to policy volatility, stalled projects, and fragmented delivery.
- **Weak incentives for private sector integration,** as current frameworks fail to reward cross-sector investment and shared value creation. This limits collaboration and innovative financing models.

In these conditions, additional investment delivers diminishing returns rather than sustained improvement, underscoring the need for an integrated, value-driven, citizen-centric approach. This approach aligns with the broader principles championed by the World Economic Forum and the Davos Baukultur Alliance, who advocate for development models that embed cultural integrity, social cohesion, and environmental stewardship alongside economic growth.

The next chapter explores how place-based business cases can reverse this pattern by reframing investment decisions around whole-place performance and integrated portfolios.

> “Cities often know the outcomes they seek — more livable neighborhoods, resilient infrastructure, and socially cohesive public spaces — but these ambitions rarely translate into financing models that can attract long-term, affordable investment. Our approach is to innovate integrated, place-based funding architectures that blended public and philanthropic capital with institutional investment, sequence risk appropriately, and design revenue pathways that reflect the real economic value created by better urban environments. This shifts the conversation from project-by-project funding to a portfolio view of transformation, enabling cities to move from aspiration to delivery at scale.”

Rupesh Madlani
Chief Executive Officer
Bankers without Boundaries (BwB)[17]

Closing the gap

The core problem is not a lack of investment — it is a lack of alignment. When public policy, private capital and delivery models operate on different time horizons and incentives, value leaks from the system. Place-based business cases exist to correct this failure.

[17] Bankers without Boundaries (BwB) is a social enterprise powered by former investment bankers to assist high-impact projects that benefit the environment and social good. BwB works with governments, institutions, cities and foundations to provide advisory and research services to mobilize private capital. https://www.bwb.earth/

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Spotlight

Utrecht, Netherlands: Embedding wellbeing as a driver of competitiveness

Utrecht faced the challenge of sustaining economic competitiveness while managing constraints common to high-performing cities, such as housing pressure, limited land availability, and labour market tightness. Traditionally, quality of life is treated as a byproduct of growth, but Utrecht envisioned a new approach to make livability a core driver of productivity and innovation.

Under its *'Heart of Health'*[18] strategy, Utrecht operationalized livability as a system-wide economic framework rather than a sectoral policy. The city aligned spatial development, infrastructure investment, and economic policy around health and wellbeing as foundational conditions for growth. This approach was implemented through a portfolio of place-based interventions:

- Cartesius District: Transformation of former industrial land into a climate-neutral, mixed-use district "Living Blue Zone" designed for healthy living, active mobility, and social connection.
- Overvecht: Application of wellbeing principles to social and economic systems, focusing on education, employment pathways, and youth opportunities to strengthen resilience.
- Merwedekanaalzone: Development of the Netherlands' largest car-free district, integrating mobility and urban form with significant national investment.

Utrecht has been ranked by the European Commission as Europe's most competitive region, validating its approach of treating quality of life as a condition for growth rather than an externality. The city demonstrates that livability and economic performance are mutually reinforcing when decisions across land use, housing, mobility, and social infrastructure are aligned around a clear place-based objective.

This illustrates how cities can embed wellbeing into the economic system to achieve inclusive growth, social resilience, and long-term competitiveness.

Utrecht is among the six cities selected for the inaugural cohort of the Pioneering Places Program.

"Cities everywhere are searching for models that turn ambition into meaningful improvements in daily life. Utrecht's approach shows that when wellbeing shapes investment choices, cities become more competitive, more inclusive and more sustainable. This white paper strengthens a message we firmly believe in that place-based and people-centered decision making is essential for any city seeking lasting prosperity."

Michiel Dijkman
Chief Executive Officer
Economic Board Utrecht

[18] Utrecht Heart of Health (no date), https://heartofhealth.com/

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Chapter 3

The case for place-based business cases

An integrated approach

This paper argues that a new business case model approach is required for cities to achieve comprehensive quality and livability outcomes in a holistic manner. This new approach must place system thinking, broader value creation, stronger governance, and urban quality at the core of decision-making. That means shifting from project justification to place transformation; from single schemes to integrated portfolios that more accurately reflect how people live and experience a city.

Place-based business cases offer a practical approach to enabling whole-place transformation. They represent a strategic evolution from traditional, asset-by-asset planning to an integrated, geography-focused approach that brings forward a holistic definition of value. They expand and enhance the methods of assessment from individual assets or departmental priorities to a shared vision focused on outcomes for people and communities. They redefine value beyond financial returns to include social, environmental, and resilience benefits by mandating integrated appraisal frameworks for major investments and extending the time horizon to long-term strategies that anticipate climate risks and generational needs. As with any system-level approach, their effectiveness depends on enabling conditions, including sufficient institutional capacity, aligned governance and sustained political commitment over time.

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Place-based business cases show that better outcomes do not require higher spending but smarter spending. Aligning investments at the level of place helps ensure each commitment delivers cumulative benefits that siloed projects cannot achieve. This holistic approach also embeds collaborative governance across sectors, helping ensure investments align with a shared vision and can deliver sustained economic, social, and environmental outcomes.

Unlike traditional project-specific appraisals that fragment investment and obscure cumulative value, place-based business cases demand a strategic lens. They require city leaders to identify interdependencies, synergies, and trade-offs across transport, housing, public realm, climate resilience, and social infrastructure to enable effective prioritization and holistic value capture.

This integrated approach unlocks superior returns on public spending by reducing duplication and amplifying impact, while catalyzing local economic growth through private investment and dynamic business ecosystems. Collectively, these imperatives position cities for sustained competitiveness, fiscal efficiency, and long-term social well-being.

Figure 4: From project-based planning to integrated portfolio outcomes

Traditional business cases

Place-based business cases

Source: KPMG analysis

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Spotlight

Diriyah, Saudi Arabia: Integrating heritage as a catalyst for growth

Diriyah, home to the UNESCO World Heritage Site At-Turaif,[19] faced the challenge of transforming a historically significant site into a modern destination. Its key priorities included preserving cultural authenticity, stimulating economic growth, and embedding environmental resilience, all in alignment with Saudi Arabia's Vision 2030.

Diriyah adopted a holistic, place-based development model that integrates culture, mobility, infrastructure, and economic strategy into a single, interconnected framework. Unlike traditional siloed planning, the master plan created cumulative and cascading impacts, where each initiative amplifies others.

For instance, it used transport infrastructure underground to not only preserve walkability, but also enhance cultural tourism by making heritage sites more accessible, support local businesses by increasing foot traffic and reduce emissions. Similarly, biodiversity corridors and green public spaces were used to restore natural ecosystems, elevate livability and strengthen climate resilience. Cultural restoration projects complemented these efforts by anchoring a distinct sense of place to drive real estate value and tourism growth.

This approach has helped Diriyah redefine value beyond financial returns by embedding social and environmental objectives alongside economic growth:

- **Economic Impact:** Real estate sales surpassed SAR 10.6 billion in 2024, signaling strong investor confidence. By 2030, Diriyah aims to attract 50 million visitors annually, create 180,000 jobs, and contribute over $18 billion to GDP.
- **Social Impact:** Saudis comprise 65 percent of the workforce; programs support small businesses and artisans, fostering community participation.
- **Environmental Impact:** Restoration of natural ecosystems with ~6.5 million native species.

Diriyah exemplifies how authenticity and innovation can coexist to deliver integrated outcomes, offering a global reference point for destinations seeking to balance heritage with future urban challenges.

> "By leveraging origins, culture and authenticity, we are creating a modern city that looks to the future, with the promise of a quality life for future generations."

Jerry Inzerillo
Group Chief Executive Officer at Diriyah Company

[19] Davos Baukultur Alliance: Innovative Practice — At-Turaif and Bujairi Terrace District (2024), https://reports.weforum.org/docs/WEF_PR199_Innovative_Practice_At-Turaif_2024.pdf

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The potential benefits of place-based business cases for public and private sectors

1. **Predictable delivery of projects and outcomes:** Place-based business cases integrate planning across sectors, reducing duplication and minimizing the delays that drive overruns. This alignment cuts transaction costs, accelerates approvals, and helps ensure fiscal discipline, giving governments timely, on-budget execution. For private actors, the approach can improve risk-adjusted returns by stabilizing long-term performance at the level of place. Evidence from the UK's Local Growth Fund and Getting Building Fund[20] shows that portfolio approaches gave regions the flexibility they needed to allocate funds across priorities, deliver on time, and maintain accountability through strong governance and a focus on 'shovel-ready' projects.

2. **Connected and competitive economy:** Economic competitiveness is built on connected ecosystems, not isolated projects. Place-based strategies create synergies between infrastructure, industry clusters, and workforce development, attracting investment and talent. For governments, this means stronger economic growth bases; for investors, it means access to high-growth markets. For instance, the U.S. Build Back Better Regional Challenge (BBBRC)[21] — a place-based program — has already mobilized US$2.2 billion in private investment and created more than 1,300 new jobs in its first two years into implementation, demonstrating how coordinated coalitions can catalyze market growth.

3. **Inclusive identity and climate resilience:** Communities thrive when development reflects local identities and anticipates climate risks. Place-based approaches embed resilience and community inclusion into planning, reducing vulnerability and future recovery costs. While this allows investors to secure long-term asset value and mitigate systematic risks, it also enables governments to safeguard public budgets and service continuity. A recent OECD report[22] highlights that place-based climate action (i.e. policies tailored to the unique conditions of specific locations) can encourage alignment with local market dynamics, harness the resources and authority of sub-national governments, and engage communities to drive impactful change.

4. **Accountable and collaborative models:** Place-based business cases formalize collaborative governance, bringing public, private, and community stakeholders under clear accountability frameworks. Such models enable private capital to flow confidently into projects that deliver not only financial returns but also measurable social and environmental outcomes, strengthening the overall investment proposition. This shared ownership helps reduce conflict and streamlines processes. Governments achieve policy alignment; investors gain confidence in governance and risk-sharing; and communities experience greater participation and ownership of outcomes. For example, Bogotá's Care Blocks system[23] institutionalized accountability through an Intersectional Commission of Care, involving 10 public entities and a CARE Alliance of NGOs and academia. This ensured caregivers had a voice and vote in decision-making while coordinating integrated services across sectors.

Place-based strategies create synergies between infrastructure, industry clusters, and workforce development, attracting investment and talent.

[20] Ministry of Housing, Communities & Local Government: Local Growth Fund and Getting Building Fund: Place-based case studies — Executive summary (2025),https://www.gov.uk/government/publications/local-growth-fund-and-getting-building-fund-place-based-case-studies/local-growth-fund-and-getting-building-fund-place-based-case-studies-executive-summary

[21] US Economic Development Organisation: $1B Build Back Better Regional Challenge, https://www.eda.gov/funding/programs/american-rescue-plan/build-back-better?utm_subject=ATRO_Regional_Newsletter_November_2024&utm_year=2024

[22] OECD: A place-based approach to climate action and resilience (2025), https://www.oecd.org/en/publications/a-place-based-approach-to-climate-action-and-resilience_fafbf518-en.html

[23] Davos Baukultur Alliance: From Principles to Practice – Approaches for High Quality Baukultur (2025), https://reports.weforum.org/docs/From_Principles_to_Practice_DIGITAL.pdf

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Figure 5: Four-fold potential benefits of place-based business cases

Source: KPMG analysis

Impact story

Unlocking holistic value in public transit projects: Suburban Rail Loop project in Melbourne

The Suburban Rail Loop (SRL)[24] in Melbourne exemplifies how a place-based portfolio approach can enable public transit projects to deliver far-reaching social and economic benefits, beyond improving connectivity alone.

Greater Melbourne's rapid population growth has expanded the city's urban footprint, pushing households farther from employment hubs. This trend has resulted in longer commutes, increased congestion, and overcrowded public transport, while simultaneously constraining access to jobs, essential services, affordable housing, and cultural amenities.

The SRL project is a strategic response to these challenges. Spanning 90 kilometers, the orbital rail will provide a direct link to Melbourne Airport and connect key employment clusters, health and education precincts, and innovation hubs. More than a transport initiative, SRL is designed to catalyze Melbourne's evolution into a "city of centers," fostering a polycentric urban model that supports vibrant precincts beyond the traditional Central Business District. These precincts will offer high-quality jobs, diverse housing options, and green, open spaces — creating inclusive, sustainable communities.

By 2050, it is expected to serve over 430,000 passengers daily and cut travel times between key destinations by up to 82 minutes. This predictable, staged delivery builds investor confidence and ensures efficient resource use.

SRL delivers transformative outcomes across multiple dimensions:

- **Economic:** The project has a strong business case with a benefit-cost ratio of up to 1.7 and projected uplift of $50.8 billion in state GSP. Total combined benefits are estimated at $48.5–$58.7 billion.
- **Environmental:** Modal shift will reduce car journeys, cutting greenhouse gas emissions and noise, air, and water pollution, saving $500 million in present value terms. By 2056, citizens are expected to take 2.4 million more walking and cycling trips daily, promoting healthier, sustainable travel.
- **Social:** ~65 percent of workers using the network are from low-income categories, benefitting from improved access and connectivity to jobs, health services, education, and affordable housing.
- **Urban:** Expected urban consolidation benefits will reach $3.2–$4.6 billion, due to reduced fringe expansion by 16,000 households.
- **Employment:** Up to 13,100 direct jobs will be created during construction and 23,900 jobs across the economy, supported by skills development initiatives.

[24] Victoria State Government: Suburban Rail Loop Business and Investment Case Key Findings (Aug 2021), https://bigbuild.vic.gov.au/__data/assets/pdf_file/0005/578273/SRL-Business-and-Investment-Case-Key-Findings.pdf

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Growing global adoption

Around the world, there is a growing global shift toward recognizing place-based and system-level value in investment decisions, a trend increasingly reflected in recent reforms to public appraisal frameworks. The UK's Green Book,[25] HM Treasury's central guidance for appraising proposed public-sector policies, programs, and projects, has recently been updated to include place-based business cases. These require government departments to collaborate with regional and local partners in identifying the optimal mix of long-term interventions that unlock growth in specific geographies.

Similar principles underpin Australia's Assessment Framework,[26] New Zealand's Better Business Cases,[27] the EU's Integrated Territorial Investments,[28] and the UN's New Urban Agenda,[29] all signaling a move from project-first logic to portfolio-based, place-led decision-making.

Leading governments and institutions are also formalizing this approach through national strategies and program-level appraisal models, aligning multiple interventions within coherent place strategies to deliver integrated economic, social, and environmental outcomes. Figure 6 on the next page showcases select examples of countries and cities embracing this approach.

In the next chapter, we articulate a set of principles that can help underpin place-based business cases for livable cities, providing actionable recommendations and examples to help city leaders, private investors, and delivery partners globally to accelerate integrated place-based models.

> "KPMG professionals are seeing governments across the world recognize that stronger outcomes emerge when decisions are made at the scale of place rather than individual projects. When national frameworks support local collaboration and integrated planning, cities can gain the clarity and capability needed to deliver economic, social and environmental value together."

Mair Brooks
KPMG Asia Pacific Cities and Local Government Co-Lead,
KPMG in New Zealand

[25] HM Treasury: Green Book Review 2025: Findings and actions, https://www.gov.uk/government/publications/green-book-review-2025-findings-and-actions/green-book-review-2025-findings-and-actions
[26] Infrastructure Australia: Overview Assessment Framework (July 2021), https://www.infrastructureaustralia.gov.au/Assessment-Framework-overview
[27] The Treasury: Better Business Cases (March 2026), https://www.treasury.govt.nz/information-and-services/public-sector-leadership/investment-management/better-business-cases
[28] URBACT: What are Integrated Territorial Investments? March 2025, https://urbact.eu/articles/what-are-integrated-territorial-investments
[29] UN-Habitat: New Urban Agenda (no date), https://unhabitat.org/about-us/new-urban-agenda

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Figure 6: Global adoption of integrated, place-led planning

Canada

- **Federal business case guide** — Requires proposals to demonstrate contribution to broader community outcomes
- **Vancouver** — Expanding transit lines with mall & station area redevelopment into mixed-use hubs
- **Ontario** — Revitalizing main streets by balancing cultural development with commercial viability

United Kingdom

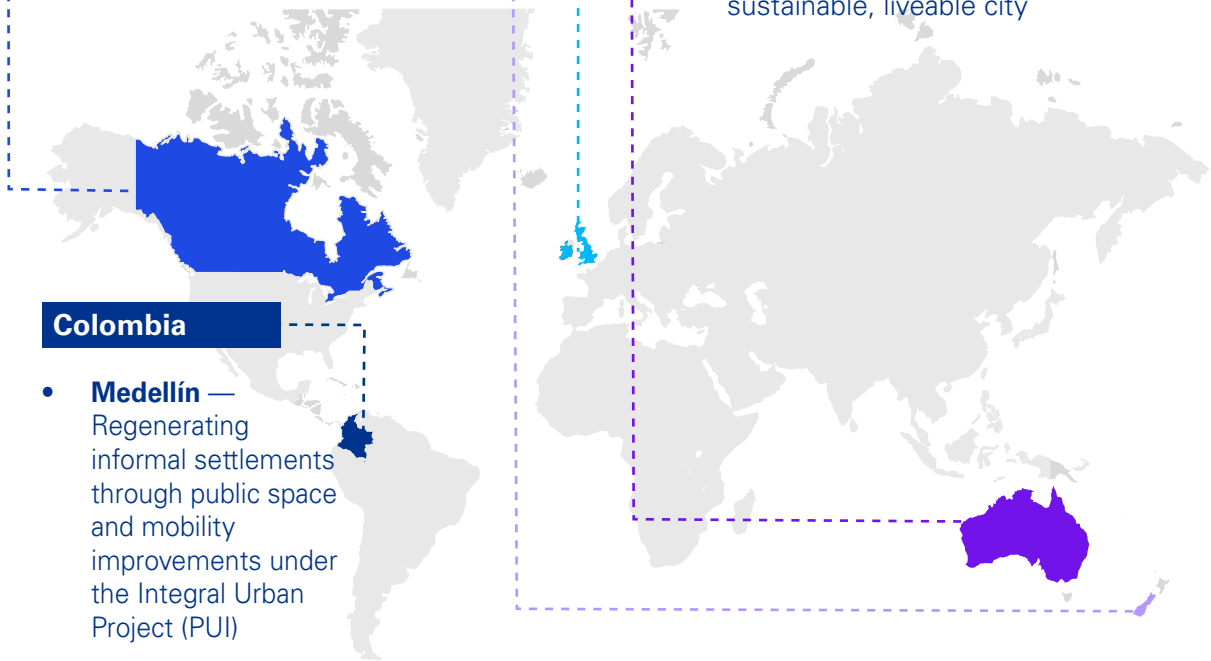
- **Manchester** — GM Integrated Pipeline coordinates 30+ projects under a 10-year delivery plan
- **Plymouth** — Piloting a place-based business case driven by defense growth
- **West Lindsey, Lincolnshire** — Investment plan around communities, business, people and skills
- **West Midlands** — Combined strategic case for metro, housing & economic growth

New Zealand

- **Better business case framework** — Embeds portfolio thinking through the five-case model
- **Auckland** — Integrating housing, transport, and infrastructure for affordable housing
- **Queenstown Lakes** — Managing tourism and housing while protecting environment & wellbeing

Australia

- **Sydney** — Western Sydney city deal serves as a single strategic framework to deliver the city's vision
- **New South Wales** — Growth Infrastructure Compact (GIC) aligns state and local agencies on shared priorities and sequencing
- **Perth** — Aligns transport investment with urban development to deliver mixed-use, housing, and commercial spaces
- **Melbourne** — Integrates infrastructure and economy with a vision for a sustainable, liveable city



Colombia

- **Medellín** — Regenerating informal settlements through public space and mobility improvements under the Integral Urban Project (PUI)

Source: KPMG analysis
Note: This figure provides a non-exhaustive selection of prominent examples from mature geographies, where place-based business case approaches are being widely adopted.

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Spotlight

Kuala Lumpur, Malaysia: Driving inclusive growth through place-led planning

Kuala Lumpur's earlier planning frameworks effectively supported rapid urban growth by concentrating investment and infrastructure within strategically designated districts. As the city matures, policy priorities are evolving to address selective service gaps, particularly within low- and middle-income neighbourhoods, while optimizing the use of existing urban assets. This transition marks a shift from expansion-led development toward a more regenerative and adaptive urban model.

Central to this shift is the Repurpose and Adaptive Reuse Policy, branded as RE_NEW, which promotes the strategic reinvention of underutilized and aging buildings to meet contemporary economic, social, and environmental needs. Rather than relying on greenfield development, RE_NEW encourages flexible reuse, mixed-use adaptation, and incremental regeneration, enabling neighbourhoods to evolve while preserving urban character and reducing embodied carbon.

Complementing this approach, renewed policy measures focus on strengthening transport connectivity, expanding access to green and community spaces, and better integrating public housing precincts into the wider urban fabric. The emphasis on adaptable land use and inclusive redevelopment also creates pathways to formalize and accommodate informal economic activities within designated, well-serviced spaces. By embedding participatory planning and adaptive governance mechanisms, Kuala Lumpur's evolving policy framework seeks to re-balance development outcomes, enhance social equity, and broaden access to economic opportunities across the city.

This shift is anchored in a dual planning framework combining statutory planning and visionary implementation tools:

- **KLLP 2040** (*Statutory Backbone*): The Kuala Lumpur Local Plan 2040[30] was formulated to provide the legal and spatial foundation for this transformation. The plan introduced zoning reforms, density controls, and infrastructure priorities tailored to distinct districts. This ensured regulatory clarity and long-term alignment of land use, housing, and mobility investments.
- **CHASE City** (*Implementation Philosophy*): Complementing KLLP 2040, the CHASE City initiative was introduced to operationalize a Clean, Healthy, Advanced, Safe, Eco-friendly vision. This included practical initiatives such as utility tunnels, smart public spaces, and integrated safety systems, while embedding multi-sectoral integration (education, healthcare, childcare, and transport) into neighbourhood planning.
- **Inclusive governance:** Both frameworks emphasized participatory planning by engaging low- and middle-income communities, informal workers, and civil society to shape interventions that reflected local priorities.

[30] Qistina Sallehuddin, New Straits Times: PTKL2040 not just a document, but an action plan (Jun 2025), https://www.nst.com.my/news/nation/2025/06/1235271/ptkl2040-not-just-document-action-plan

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These integrated strategies are expected to provide holistic benefits to improve the quality of life:

- **Mobility & connectivity:** Achieve a 70 percent public transport usage rate by 2040, supported by the Traffic Master Plan and the Pedestrian & Cycling Masterplan.
- **Green & livable Spaces:** Provide 4,700 hectares of green spaces citywide, ensuring a minimum of 20 m² of open space per resident.
- **Housing equity:** Deliver 305,000 affordable housing units by 2040, with a focus on redeveloping dilapidated public housing areas.
- **Economic growth:** Introduce 74 million m² of commercial floor space to support economic expansion and create 1.2 million jobs by 2040.
- **Redevelopment focus:** Identify 139 areas for urban renewal to enhance inclusivity and livability.

Kuala Lumpur is among the six cities selected for the inaugural cohort of the Pioneering Places Program.

"Kuala Lumpur believes that a city should value its existing buildings and spaces while having the confidence to imagine new possibilities. In line with its aspiration to become a CHASE City that is clean, healthy, advanced, safe and eco-friendly, and guided by the principles championed by the Davos Baukultur Alliance, Kuala Lumpur is revitalizing underused areas through a place-based business approach that builds on the unique strengths of each location.

This commitment to high-quality design, cultural continuity, sustainability and innovation demonstrates how these elements can advance together, creating a pathway towards stronger global competitiveness and a higher level of urban livability."

Datuk Seri Dr. Zaliha binti Mustafa
Minister in the Prime Minister's Department
(Federal Territories) of Malaysia

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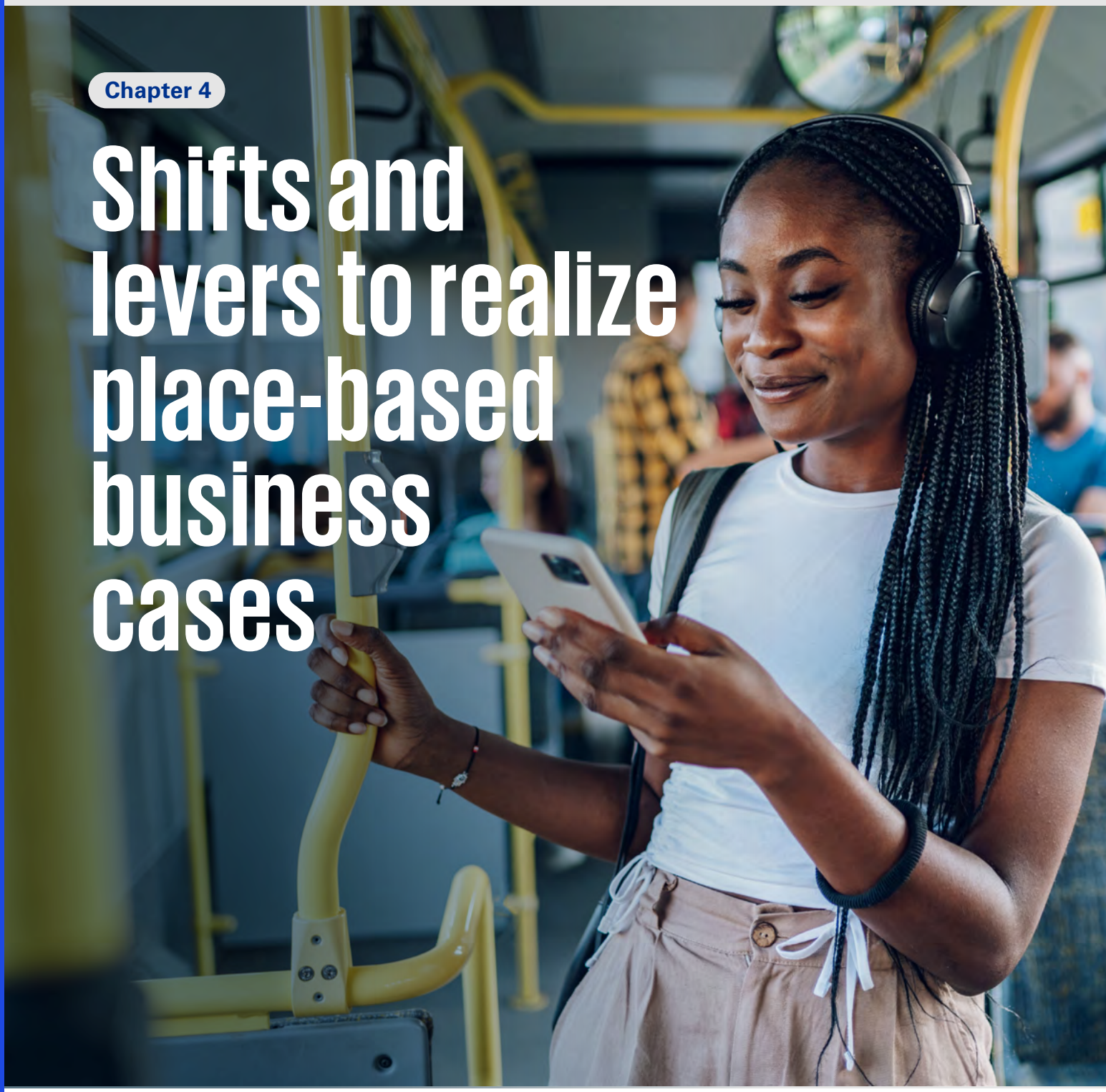

Chapter 4

Shifts and levers to realize place-based business cases

Integrated outcomes demand systematic change

Delivering place-based value requires a fundamental departure from traditional asset-by-asset planning. It is not simply about improving appraisal methods; it calls for a delivery ecosystem capable of achieving integrated outcomes across sectors and scales. This means rethinking how cities conduct planning, approach investment, measure value and align stakeholders to deliver holistic outcomes and sustain long-term governance. Such ecosystems depend on new forms of partnership where public and private actors share risk, align incentives, and co-create solutions, unlocking greater total return for both sides while accelerating transformation.

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Embracing place-based outcomes means adopting strategic shifts that move beyond asset-level appraisals and siloed delivery to embrace integrated outcomes, collaborative systems, long-term investment pathways, and aligned governance. Yet vision alone is not enough. To make this approach practical and repeatable, cities must activate five operational levers — from integrated finance and accountable governance to shared evidence bases, regulatory flexibility, and collaborative engagement. Together, these shifts and levers create the foundation for a delivery ecosystem capable of achieving holistic outcomes across sectors and scales, helping ensure every decision contributes to a coherent, long-term transformation. For governments and investors, it offers an opportunity to turn infrastructure into a value engine that adopts integrated funding models and collaborative governance to amplify returns across sectors and over time.

Four strategic shifts for business-case driven city transformation

Fragmented approaches do not deliver livability. To unlock real impact, cities must move from outdated practices to integrated strategies. This means progressing:

- **From asset-level appraisals to integrated outcomes,** where investments are guided by a shared spatial vision and deliver cumulative benefits across sectors.
- **From siloed delivery to collaborative systems,** aligning public agencies, private partners, and communities under common objectives.
- **From fragmented funding to long-term investment pathways,** replacing short-term cycles with enduring strategies that anticipate demographic, technological, and climate transitions.
- **From disjointed decisions to aligned governance and accountability,** embedding structures that sustain continuity and adaptability across political cycles.

Figure 7 illustrates the four strategic shifts required to move from fragmented, project-based approaches to integrated, place-based models, demonstrating how cities can align investment, governance, and delivery to achieve cumulative, whole-place outcomes.

> “Achieving integrated outcomes demands a fundamental rethink of how we plan, fund, and govern. Cities need delivery ecosystems that break silos, align priorities, and embed accountability for long-term value. This is a systemic shift, not an incremental one.”

Dean Grandy
Global Head of Government,
KPMG International

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Figure 7: Strategic shifts for an integrated place-based approach

	From asset-level appraisal to integrated outcomes	From siloed delivery to collaborative systems	From fragmented funding to long-term investment	From disjointed decisions to aligned governance & accountability
Description	Shift from isolated asset-level appraisals to a whole-place approach where investments are guided by a shared spatial vision and deliver cumulative benefits across sectors.	Replace siloed delivery with collaborative ecosystems that unite public agencies, private partners, and communities under shared objectives.	Move away from one-off funding cycles toward strategic, multi-decade investment programs that anticipate demographic, technological, and climate transitions.	Transition from piecemeal decisions to governance models that deliver long-term, integrated outcomes regardless of political cycles.
Key actions	• Develop city-wide spatial frameworks that clearly define priority growth areas and align all investments to a shared vision of livability. • Cluster related projects into integrated investment packages to enhance cumulative impact and reduce duplication. (e.g. housing, transit, and public realm). • Use cross-sector impact mapping to identify sectoral synergies and trade-offs before funding decisions.	• Establish mechanisms for cooperation, such as shared metrics, pooled funding, and open data platforms. • Institutionalize participatory planning through citizen assemblies and digital engagement tools to embed lived experience. • Deploy open-data ecosystems to enable transparency, reduce duplication, and accelerate integrated decision-making.	• Establish multi-decade investment programs with adaptive review cycles to maintain relevance over time. • Integrate climate resilience and lifecycle costing into all infrastructure appraisals to future-proof assets. • Diversify financing models through revolving funds, blended finance, and PPPs to sustain delivery beyond fiscal constraints.	• Legislate place-based mandates that secure funding and accountability for whole-place outcomes. • Create performance dashboards tracking economic, social, and environmental metrics to ensure transparency. • Build cross-sector coalitions to insulate delivery from political turnover and maintain long-term stewardship. • Empower communities as co-creators and involve them early in planning and delivery.

Source: KPMG analysis

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Spotlight

Nairobi, Kenya: Shifting from fragmentation to integration

Nairobi faced mounting urban pressures: aging housing estates, inadequate infrastructure, and environmental degradation, particularly in the Eastlands area and along the Nairobi River basin. Governance fragmentation across multiple agencies compounded these issues, slowing decision-making and creating regulatory uncertainty. Financing gaps for capital-intensive regeneration projects further limited progress, as reliance on public funds alone proved insufficient for large-scale transformation.

To overcome these barriers, Nairobi adopted multiple systematic shifts:

- **From siloed delivery to collaborative systems:** Nairobi established joint steering committees and cross-agency mandates, such as the Nairobi Rivers Commission, which streamlined coordination and accountability across multiple agencies.
- **From fragmented funding to long-term investment:** City stakeholders deployed blended financing models that combined county revenue, PPPs, joint ventures, and development partner co-financing. Public land was leveraged as equity, and projects were packaged into phased, bankable investment blocks to attract institutional investors.
- **From disjointed decisions to aligned governance:** Regulators introduced mixed-use and mixed-income development guidelines, updated zoning, and expedited approvals. These actions enabled higher-density, transit-supportive projects under a shared spatial vision.

These measures transformed Eastlands into a model of integrated regeneration, delivering modern housing, energy-efficient infrastructure, improved water and sanitation systems, and vibrant public spaces. Environmental restoration under the Nairobi Rivers initiative enhanced ecological resilience and community well-being. By embedding social amenities and ESG principles, Nairobi strengthened investor confidence and mobilized long-term capital.

The city's approach reflects a shift toward collaborative systems and long-term investment strategies, ensuring housing, mobility, and environmental restoration function as interdependent components delivering cumulative benefits.

Nairobi is among the six cities selected for the inaugural cohort of the Pioneering Places Program.

> "Our regeneration agenda is grounded in a simple but powerful principle: transformation must begin where people live. By decentralizing services, strengthening governance, restoring our rivers, and partnering with investors through transparent and innovative financing models, Nairobi is proving that place-based development can restore dignity, create opportunity, and build a sustainable future for every resident."

H.E. Sakaja A. Johnson
Governor of Nairobi City County

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Five levers to operationalize the model

Moving from traditional business case models to place-based frameworks can be challenging for many cities. As noted in the previous chapters, fragmented governance, disconnected funding streams, siloed decision-making and narrow appraisal methods designed to support asset-level development are not fit for purpose for governments seeking to enhance city quality and livability.

This section outlines five key levers of change that city leaders and governments can utilize to embed place-based business cases as practical and repeatable models for investment. The focus here is on transformative actions versus incremental activities, drawing on the full range of city government capabilities to empower the shift to place-based frameworks.

The five key levers available to governments are:

i. **Integrated and adaptive funding:** Replacing fragmented, short-term funding with integrated, adaptive investment with long-term, system-wide benefits

ii. **Public-Private-People Partnerships (P4):** Driving collaborative governance and blended finance solutions

iii. **Accountable and collaborative governance:** Creating accountable, collaborative governance for portfolio-level decisions

iv. **Common evidence base and shared data standards:** Building a unified evidence platform for integrated decisions

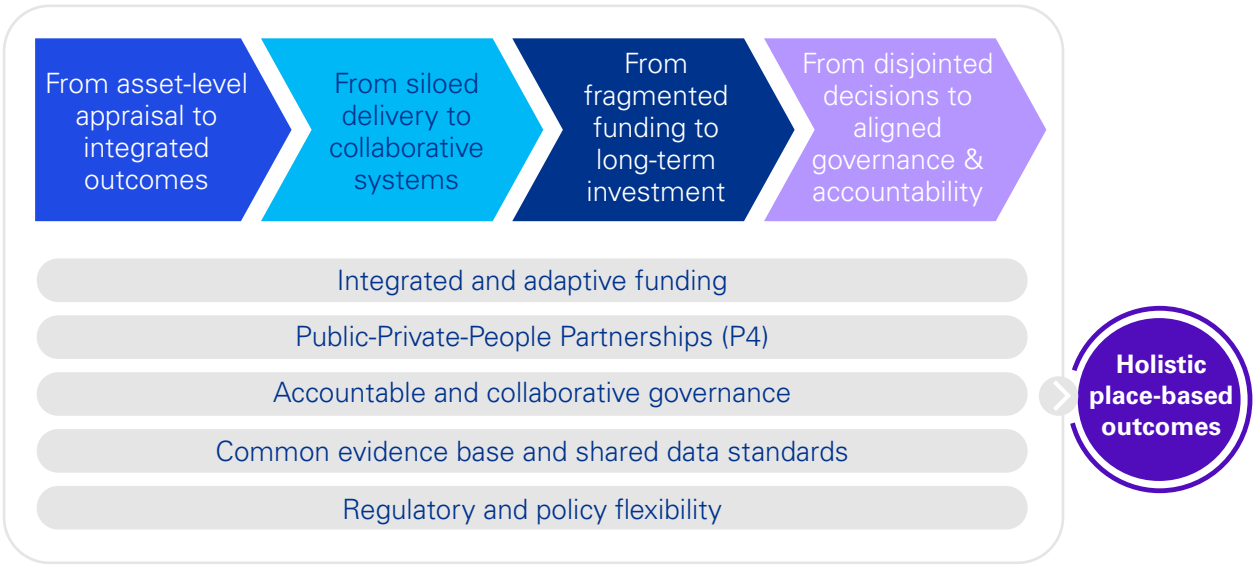
v. **Regulatory and policy flexibility:** Removing structural barriers to integration.

Across all five levers sits a unified strategic logic (i.e. a single outcomes framework for each place) with measurable indicators for co-benefits such as job creation, carbon reduction, resilience, equity, and cultural vibrancy. This helps ensure departmental objectives and investment proposals align to whole-place outcomes, supported by integrated appraisal tools (e.g., DBQS) to align investment with vision.

Integrated and adaptive funding

One of the most critical enablers for implementing place-based business cases is the shift from fragmented, short-term funding models to integrated, adaptive financing structures. Traditional approaches often allocate resources in silos either by department, sector, or project, resulting in inefficiencies, duplication, and missed opportunities for synergy.

Figure 8: Key levers to operationalize the model



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Integrated finance, on the other hand, pools resources across sectors and timelines, aligning investments with shared outcomes rather than isolated mandates. This means incorporating broader measures of value such as land appreciation, productivity gains, resilience, health, wellbeing, and long-term public savings.

This requires mechanisms that can aggregate smaller projects into bankable portfolios, creating scale and certainty that attracts private investment while aligning with public objectives for resilience and sustainability. For instance, Bankers without Boundaries (BwB) operationalizes this through its Renew model,[31] which bundles neighborhood-scale retrofit projects into bankable portfolios, enabling private finance to flow toward shared social and environmental outcomes.

Delivering integrated finance demands structural reform in planning and approval processes. Annual bidding cycles should be replaced with multi-year, multi-sector funding settlements aligned to the city's spatial vision and delivery pathways. Fiscal approvals must prioritize cumulative cross-sector value over isolated project metrics, instilling confidence among investors and communities.

As demonstrated in Housing Australia's Financing Model (see next page) cities should combine public funding with private and social capital to manage risk and sequence investments to allow interventions to reinforce one another. Transparent prospectuses presenting integrated portfolios as coherent, investable pipelines will be essential. This model enables system-wide benefits to be reinvested locally through value capture, growth-linked revenues, and blended climate finance, while embedding whole-life costs and resilience planning to ensure governance and stewardship beyond political cycles. Ultimately, integrated finance transforms funding from a transactional exercise into a strategic instrument for creating vibrant, inclusive, and economically robust urban places.

Pulling the lever

The Housing Australia Future Fund

Social and affordable housing projects often face financial challenges because rental income rarely covers construction and operating costs, limiting private investment. To address this, the Australian Government launched the Housing Australia Future Fund (HAFF)[32] in 2023 with an initial AUD10 billion (US$6.6 billion) investment, aiming to deliver 40,000 social and affordable homes over five years, including for Indigenous communities, women, children, and veterans.

As illustrated in Figure 9, Housing Australia separates two critical components: funding and financing. Funding provides long-term income support, while financing delivers upfront capital for construction. On the funding side, a government-backed availability payment ensures predictable cash flow for up to 25 years, bridging the gap between rental income and costs. On the financing side, Housing Australia offers first-loss concessional loans covering about 10 percent of project costs, thereby helping to reduce investor risk. Institutional investors contribute around 20 percent through mezzanine finance, while the remaining 70 percent is raised as senior debt via an innovative 25-year bond aggregator, priced at concessional rates and backed by the government's AAA credit rating.

This layered structure enables strong public–private partnerships, lowers the government's upfront burden, and attracts private capital while maintaining social outcomes. Almost 18 months into the program, and with 45 percent of projects at contract close, the model is proving effective and scalable setting, a new benchmark for cities and governments seeking to deliver housing at speed and scale through creative investment partnerships.

[31] World Economic Forum: How place-based models can unlock retrofit finance (Oct 2024), https://www.weforum.org/stories/2024/10/place-based-retrofits-bridge-gap-between-homeowners-private-finance/

[32] Housing Australia: Funding under the Housing Australia Future Fund (2025), https://www.housingaustralia.gov.au/funding-under-housing-australia-future-fund

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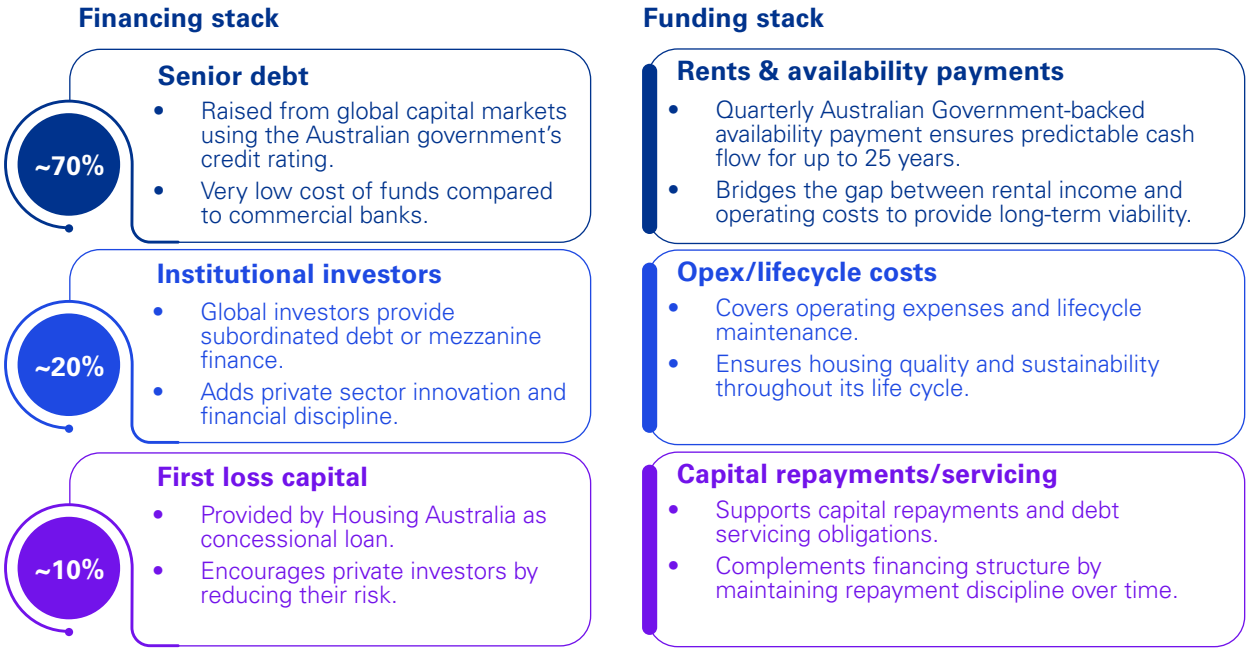
Figure 9: Housing Australia's financing and funding stack



Source: KPMG analysis

Public-Private-People Partnerships (P4)

Delivering livable cities at scale increasingly requires cities to move beyond traditional delivery and financing models. Public–Private–People Partnerships (P4) provide a critical mechanism to translate integrated vision into action by aligning public purpose, private capability and community outcomes around shared objectives.

Unlike conventional project-based PPPs, P4 models are designed to support place-based outcomes, long-term stewardship and whole-of-life value, enabling cities to combine public funding with private capital, innovation and operational expertise, while embedding social, cultural and environmental considerations into investment decisions. When structured effectively, P4 partnerships allow cities to move from transactional procurement toward collaborative delivery models that prioritize long-term outcomes over short-term outputs.

Within the context of this paper, P4 partnerships are a foundational requirement to realize the Blueprint for livable economies. They support integrated spatial planning, unlock flexible and blended financing, and provide a platform for engaging communities as active participants in shaping places.

> "Infrastructure cannot be a one-size-fits-all exercise. A place-based approach is the only way to deliver sustainable impact by aligning investments with local priorities, risks, and realities. Success depends on deep community engagement, building local capacity, and designing projects that integrate social, environmental, and climate resilience. When we combine this with catalytic funding and strong partnerships, we transform infrastructure from a financial asset into a driver of long-term value for people and places."

Thierry Deau
Chairman and Chief Executive Officer, Meridiam

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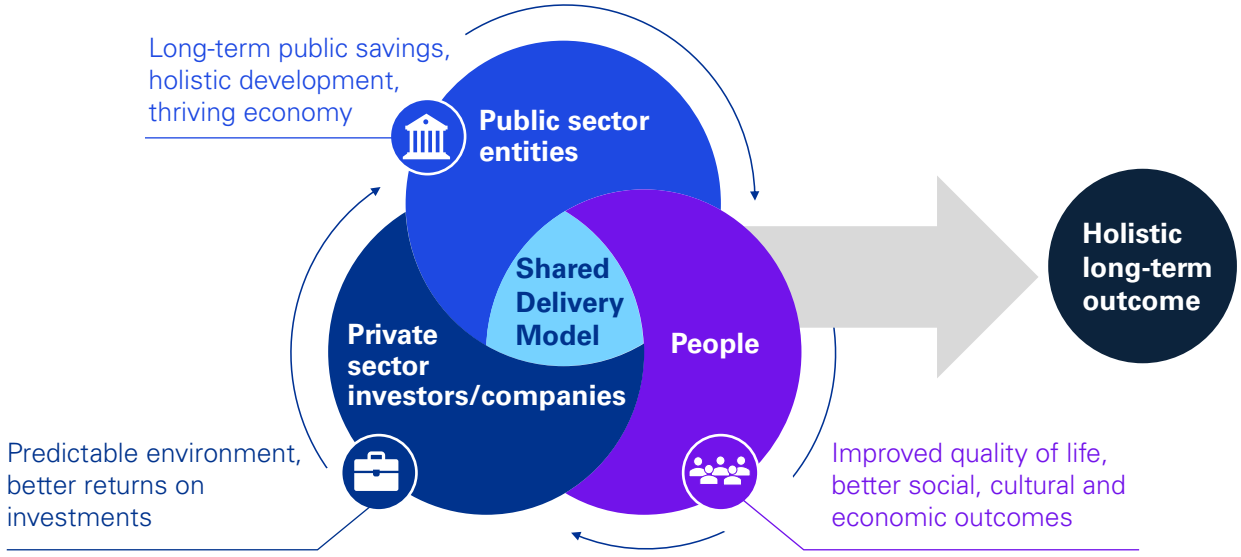
Crucially, they enable governments to assess and justify investment based on cumulative economic, social and cultural value, rather than narrow financial metrics alone. As cities seek to deliver complex, multi-faceted outcomes under increasing fiscal constraints, P4 partnerships will play an essential role in bridging ambition and execution.

Additionally, contracting models must evolve to support collaborative delivery ecosystems. This means designing commercial frameworks that incentivize innovation, reward performance against holistic outcomes, and embed mechanisms for shared risk and benefit across public agencies, private partners, and community stakeholders. Flexible, outcome-based contracts can unlock the full potential of the supply chain, bringing together expertise from developers, operators, and technology providers to deliver solutions that are adaptive, resilient, and aligned with the city's spatial vision. However, realizing these spatial visions requires cities to have both the authority and capacity to lead. Many urban contexts lack robust spatial plans, and where plans exist, they often lack collaborative foundations or the capacity to act as anchor stewards over time. Ensuring cities have the resources, authority, and institutional strength to lead, and positioning industry as co-stewards is essential to translate integrated visions into delivery as each site and land parcel comes forward.

Figure 10: Place-based cases help align interests across public, private and people



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Spotlight

Kai Tak Sports Park (Hong Kong (SAR), China)

Hong Kong (SAR), China faced the dual challenge of regenerating the former Kai Tak Airport site and addressing a long-standing gap in world-class sports, entertainment, and community infrastructure. The aging Hong Kong Stadium had limited capacity and struggled to attract major events, while the Kai Tak district, a prime waterfront location remained underutilized following the airport relocation. Developing a Sports Park was conceptualized to catalyze urban renewal, boost tourism, and create a vibrant community hub that integrates elite venues with everyday recreation.

The project required significant upfront capital investment, complex delivery coordination and long-term operational capability. To address this, the Hong Kong Government adopted a Public–Private Partnership approach, procuring Kai Tak Sports Park through a 25-year Design–Build–Operate (DBO) contract as part of a broader place-based regeneration strategy.[33] This integrated model enabled the Government to retain strategic control and fund the capital works, while transferring long-term operational responsibility, commercial risk and performance obligations to a single private concessionaire. Critically, the business case extended beyond delivery of a single asset to assess whole-of-place outcomes. The contract included revenue-sharing mechanisms, minimum usage requirements, and performance penalties, incentivizing both robust commercial performance and wide community use across the regenerated 28-hectare precinct.

Although communities were not formal contractual parties, people-centered outcomes were embedded through design standards, access provisions, and long-term operational commitments. Beyond infrastructure, the precinct's programming and green design deliver tangible community benefits: the Kai Tak Sports Initiative has engaged over 20,000 residents through public sports and fitness programs,[34] while the development features LEED Gold and BEAM Plus Platinum[35] precinct-wide sustainability certifications.

Kai Tak demonstrates how partnerships framed through a place-based and P4 lens can unlock value far beyond a single asset — delivering livability, regeneration, and sustained public benefit at scale.

> Cities of the future will likely be built through connected ecosystems, not isolated projects. This means planning for our communities and infrastructure — including housing, transport, schools, and public spaces — as one integrated portfolio or program of works to unlock synergistic and cumulative benefits. Moving from single assets to coordinated programs embeds social, cultural, and environmental value into every decision, creating places that thrive for generations."

Praveen Thakur
Partner, KPMG in Australia

[33] Culture, Sports, and Tourism Bureau, The Government of the Hong Kong Special Administrative Region of the People's Republic of China: Kai Tak Sports Park (2026), https://www.cstb.gov.hk/en/policies/sports-and-recreation/kai-tak-sports-park.html

[34] Kai Tak Sports Initiatives: Our Milestones (2024), https://www.ktsinitiative.org.hk/our-milestone/

[35] stadiaworld: : Kai Tak Sports Park promotes green sports practices (2024), https://www.stadiaworld.com/news/78492/kai-tak-sports-park-promotes-green-sports-practices

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Accountable and collaborative governance

While place-based business cases are compelling, delivery is often constrained by legacy structures that fail to enable integrated investment. Treasury budgets remain allocated to traditional portfolios such as education, health, and transport, cascading into departmental silos. This reinforces fragmentation and creates structural barriers to holistic transformation.

To overcome these constraints, cities must establish one accountable governance structure for each strategic place, with authority and stewardship over portfolio-level decisions, sequencing, and funding allocation. This requires joint decision-making within and across central agencies, regional bodies, and local authorities to help ensure alignment of investments and value capture across sectors. However, many large organizations (such as councils) are traditionally structured in siloed departments, which limits their ability to make integrated portfolio decisions and undermines collaboration across agencies, as well as with private-sector and civil society stakeholders.

Hence, private partners, developers, and anchor institutions should be incorporated into governance arrangements to strengthen systems alignment and shared accountability. A successful example of this is Preston city council's community wealth building approach, described on next page. Structured stakeholder forums and advisory panels can provide cross-sector input and enable continuous collaboration. Partnership agreements should be formalized, linking commercial returns to key livability and sustainability outcomes. This goes beyond consultation to co-creation, ensuring communities are not passive recipients but active partners in design and decision-making.

As outlined in the Forum's Social Value Playbook,[36] commitments can be embedded in contractual agreements or jointly signed charters (e.g., Canada Water Social Regeneration Charter, Salisbury Square Development), providing clarity and accountability for all parties. The Playbook highlights that co-design shifts development from designing for stakeholders to designing with them, building trust, improving flexibility, and ensuring outcome certainty.

Crucially, governance must be resilient to political cycles and changing administrations. This can be achieved through two mechanisms: institutional collaboration, which embeds decision-making authority across multiple agencies to prevent disruption during leadership transitions; and citizen ownership, which helps ensures continuity through participatory models and community-driven priorities.

When supported by transparent reporting and data-driven insights, these adaptive structures enable cities to move from fragmented oversight to strategic stewardship — unlocking integrated investment, resilient delivery, and sustained value creation across the urban system.

Many large organizations (such as councils) are traditionally structured in siloed departments, which limits their ability to make integrated portfolio decisions and undermines collaboration across agencies, as well as with private-sector and civil society stakeholders.

[36] World Economic Forum: Improving Social Outcomes in Urban Development — A Playbook for Practitioners (Aug 2024), https://www3.weforum.org/docs/WEF_Improving_Social_Outcomes_in_Urban_Development_2024.pdf

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Spotlight

Community wealth building approach Preston City Council, UK

In 2013, Preston faced economic stagnation and inequality. Traditional regeneration had failed, and analysis revealed that of the £750m collectively spent by local anchor institutions on goods and services, only 5 percent stayed in Preston and 39 percent in wider Lancashire. Over £458m leaked out of the local economy, with no coordinated governance to address this systemic issue.

Preston City Council partnered with the Center for Local Economic Strategies (CLES)[37] to embed community wealth-building principles. Governance arrangements brought together anchor institutions, i.e. large, locally rooted organizations such as Lancashire County Council, UCLan, housing associations, and colleges. These institutions, by virtue of being major employers, purchasers, and landholders, played a defining role in reinforcing local economic ties.

This networked governance included:

- A shared statement of intent for long-term commitment to community wealth building.
- Regular cross-institution meetings and a procurement practitioner group to align strategies.
- Joint development of social value procurement frameworks.
- Spend analysis and transparent reporting for shared accountability.

Private developers were not formal governance members but were integrated through policy levers like the Central Lancashire Skills and Employment Supplementary Planning Document, requiring major projects to deliver local training and jobs.

By 2017, procurement spend retained within Preston rose from £38m to £112m, and within Lancashire from £289m to £489m. Over £200m was recirculated locally, creating jobs, reducing in-work poverty, and improving social mobility. Preston was named the UK's "Most Improved City" in 2018, proving that collaborative governance and strategic engagement of private actors can transform local economies.

[37] Centre for Local Economic Strategies (CLES) & Preston City Council: How we built community wealth in Preston — Achievements and lessons (2019), https://www.preston.gov.uk/media/1792/How-we-built-community-wealth-in-Preston/pdf/CLES_Preston_Docu

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Spotlight

Medellín, Colombia

Medellín's early governance and citizen-engagement challenges did not define its trajectory; rather, they catalyzed the emergence of one of the city's greatest structural strengths: the ability to sustain progress across political cycles. What once manifested as fragmented decision-making and limited participation ultimately prompted Medellín to build durable governance architectures rooted in long-standing collaboration. This continuity is reinforced by deep citizen ownership, where community voices actively shape urban priorities. Together, these elements form a governance model that transcends administrations, embedding stability, shared purpose, and collective accountability into the city's long-term development path.

Medellín adopted a participatory and data-driven approach through these key pillars:

- **Citizen co-creation:** Through its 2024–2027 development plan Medellín Te Quiere (Medellín Loves You), the city engaged residents, community leaders, universities, entrepreneurs, and public-private sectors in shaping its blueprint. This inclusive process blended grassroots dialogue — neighborhood meetings, township visits, and social dialogue sessions, with digital participation via institutional platforms and targeted surveys, ensuring policies reflect real community priorities. Figure 11 shows the social dialogue methodology followed to enable participants to collectively identify relevant situations and complex issues.
- **Institutional continuity:** Progress has been sustained across political cycles through the Comité Universidad Empresa Estado, a council that has united academia, private sector, and civil society for over 25 years, serving as a stabilizing force for long-term development.
- **Data transparency:** The launch of MEData consolidated fragmented datasets under shared standards, providing dashboards, APIs, and visualization tools. By granting public access to anonymized data, MEData fosters evidence-based decision-making and strengthens trust through transparency.

Medellín illustrates how participatory planning embeds ownership and accountability at the community level. Citizen-driven continuity complements institutional collaboration, making governance resilient to political cycles and enabling adaptive decision-making. Together, these approaches strengthen trust, reduce friction, and create the conditions for integrated investment and sustained urban transformation.

Medellin is among the six cities selected for the inaugural cohort of the Pioneering Places Program.

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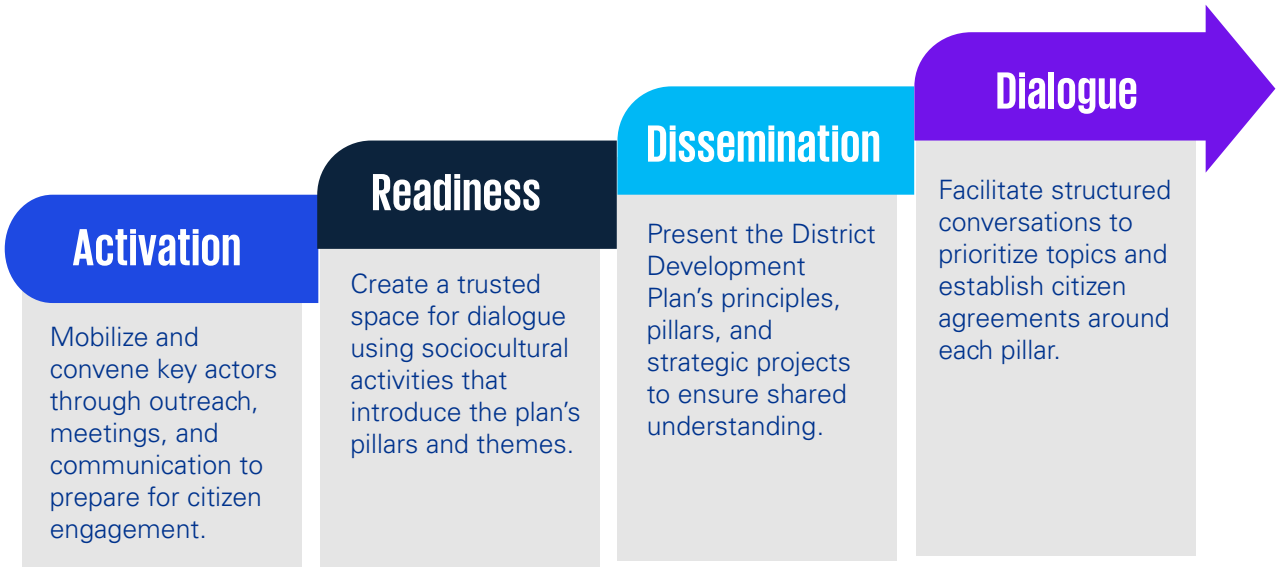
Figure 11: Medellin's citizen participation framework



Common evidence base and shared data structures

Integrated, place-based decision-making requires a single, trusted source of truth. Yet, the traditional approaches to project planning are often based on fragmented data across agencies and sectors, creating inconsistencies that delay decisions, weaken governance, and erode investor confidence. To overcome this, cities must establish one unified evidence base anchored in the spatial vision and integrated place outcomes, built on consistent assumptions for demand, costs, and long-term expected benefits. This shared platform should be designed to eliminate duplication, accelerate decision-making, and provide transparency for all stakeholders.

Advanced technologies, such as interoperable data platforms, digital twins, and AI-driven analytics are critical to achieving this integration. These tools enable real-time data sharing, predictive modeling, and scenario planning, allowing cities to optimize investments and demonstrate long-term value to investors.

A robust evidence base also unlocks future funding sources by providing transparent, credible data for blended finance models, value capture mechanisms, and climate-linked investment streams. Collaborative data stewardship, where public institutions, private developers, and communities co-own and validate information will be essential to building trust and accountability.

"In Medellín, we've learned that a city becomes a better place to live when every decision starts with its people. Our Green Corridors help cool the city and bring nature back into our lives; initiatives like Parque Primavera Norte show that mobility infrastructure can also create public spaces where families meet and enjoy their city. All these efforts reflect one simple idea: technology and infrastructure only matter if they truly improve people's lives. When we work side by side with our communities, we don't just build structures, we build opportunities, dignity, and trust. That is how we build a Medellín that truly serves its people."

Federico Gutiérrez Zuluaga
Mayor of Medellín

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Pulling the lever

Sunderland, United Kingdom

Fragmented data across agencies often hampers timely decisions and limits opportunities for collaboration and stakeholder engagement. Sunderland faced this challenge as it sought inclusive growth and digital transformation for its 288,000 residents.

In 2019, Sunderland launched its Smart City Program, anchored in a whole-systems approach and robust public-private partnerships, including a 20-year joint venture with Boldyn Networks and collaborations with Microsoft and CityFibre. This long-term model signals an appetite for sustained investment rather than ad-hoc projects. Underpinned by a network of networks, Sunderland deployed digital solutions across transport, health, education, and public safety — such as assistive technologies in 6,800+ homes, 5G connectivity at major venues, autonomous mobility shuttles, and interactive Smart Playparks with interactive play equipment.

At the core is the Smart City Data Platform, integrating millions of data points for real-time dashboards, predictive modeling, and scenario planning.

- **City planning and events dashboards** integrate real-time data on footfall, spend and travel patterns to help the Business Improvement District and partners create safer, more vibrant city experiences and events
- **Environmental hotspot mapping** visualizes data on waste, air quality and fly-tipping to identify problem areas and plan targeted interventions
- **Community insights** combine demographic, economic and community data to help the council and partners better understand residents' needs and direct support where it has the greatest impact
- **Digital exclusion modelling** analyzes broadband usage and socio-economic indicators to identify households at risk of digital exclusion, guiding the rollout of Digital Health Hubs, device donation schemes and social broadband campaigns
- **Social care data integration** uses anonymized assessment and case data to forecast demand, identify repeat contacts and apply AI to detect trends and improve care outcomes

This integrated approach has accelerated delivery and unlocked measurable benefits:

- Identified 670 additional pupils eligible for Free School Meals, channeling GBP1.1 million (US$1.48 million) in support.
- Reached 30,000 residents through digital inclusion campaigns.
- Supported 104,000 people via 37 Digital Health Hubs.

"Our smart city journey isn't about technology for its own sake; it's about using innovation to improve lives. Technology only realizes its value when it's inclusive and accessible. Connectivity transforms how people experience the city, from free Wi-Fi and apps that make it easier to navigate, to digital platforms that strengthen community engagement.

We measure our success by what these connections enable — families finding activities, visitors discovering local businesses, residents engaging with their city. The real impact is social and economic: more footfall, stronger business ties, and inclusive access to information. For us, smart transformation isn't about scale or budget; it's about vision, partnerships, and trust."

Patrick Melia OBE
Chief Executive Officer
Sunderland City Council

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Regulatory and policy flexibility

Regulatory and policy flexibility is a powerful enabler of integrated, place-based transformation. By evolving planning, procurement, and funding frameworks, cities can unlock systemic alignment and accelerate delivery. Adaptive rules and processes facilitate integrated assessment, governance, and investment sequencing, helping ensure that interventions work together to deliver whole-of-place outcomes. In some cases, special provisions or fast-track mechanisms may be introduced to enable progress where integrated planning is essential.

To strengthen legitimacy and trust with citizens, investors and delivery partners, performance and audit frameworks should be aligned with place-based outcomes rather than departmental metrics. Success should be measured not only by cost and delivery timelines but by multidimensional indicators such as social cohesion, cultural vitality, climate resilience, and long-term health outcomes. Embedding these metrics ensures that investment decisions reflect holistic value creation rather than narrow targets.

Investment structures should also be linked to broader societal goals such as ESG-linked objectives. Transparent dashboards can track these results, reinforcing accountability. Flexible procurement models can encourage collaboration and innovation, enabling blended financing arrangements that combine public, private, and social capital. By embedding adaptive policies and governance, cities create an environment where integrated investment thrives — accelerating systemic alignment, unlocking value capture, and ensuring resilience to changing priorities and political cycles.

Pulling the lever

Adaptive stewardship through Singapore's Long-Term Plan

Singapore's rapid urban growth, limited land, and exposure to global shocks such as climate change, pandemics, and technological disruptions posed a risk to rigid master plans. Traditional approaches lacked flexibility, making it difficult to respond to evolving demographic, environmental, and economic pressures.

In response, Singapore's Urban Redevelopment Authority (URA)[38] introduced a Long-Term Plan projecting land use and infrastructure needs over a 40-to 50-year horizon, with reviews every decade. Flexibility was embedded at multiple levels: large "Future Development Areas"[39] were left uncommitted to allow land use to adapt closer to implementation; scenario-based planning explored alternative futures such as demographic shifts and climate risks; and phased staging reviews enabled agencies to adjust sequencing and investment priorities annually rather than locking into fixed timelines.

Governance reinforced adaptability through multi-agency oversight for cross-sector alignment and data-driven monitoring for iterative adjustments. Public co-creation added another layer, as more than 15,000 citizens[40] participated in the latest review, shaping priorities and surfacing new ideas. This dynamic approach creates an agile framework that absorbs uncertainty and seizes opportunities over long horizons.

[38] Urban Redevelopment Authority: About (July 2025), https://www.uradraftmasterplan.gov.sg/about/

[39] Lisa Kriwangko & Corinne Kerk, The Business Times: Flexibility underpins Singapore's long-term urban development plans (Jun 2022), https://www.businesstimes.com.sg/property/flexibility-underpins-singapores-long-term-urban-development-plans

[40] Urban Redevelopment Authority: Annual Report 2021/2022 (2022), https://www.ura.gov.sg/-/media/Corporate/Resources/Publications/Annual-Reports/PDFs/AnnualReport-2021-2022.pdf

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“Innovation economies and livable cities thrive when regulation and policy enable cities to flexibly align planning, procurement and funding for integrated delivery. As the UK’s innovation agency for cities, transport, construction, and data infrastructure, we help regions translate national strategy into regional opportunity — connecting innovators to testbeds, procurement pipelines, and blended investment models. This approach de-risks innovation adoption, accelerates systemic alignment, and delivers outcomes and holistic value: economic growth, climate resilience and long-term prosperity.”

Erica Lewis
Chief Executive Officer
Connected Places Catapult

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Chapter 5

The blueprint for livable economies

Overview of the blueprint

Cities around the world are under pressure to deliver better outcomes for people and places, while navigating constrained public finances, rising complexity and accelerating change. As this paper has shown, many of the challenges cities face do not stem from a lack of ambition, but from the way decisions are made, investments are structured, and delivery is organized.

The blueprint for livable economies brings together the core insights of this paper together into a single, practical model. It provides clear architecture that cities can use to align strategy, investment, governance and delivery around shared outcomes, and to move from fragmented, project-based approaches toward integrated, place-based transformation. The blueprint is a strategic model for decision-making and has been designed to help cities ask better questions, improve prioritization, and coordinate action across sectors and stakeholders.

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Figure 12: Blueprint for livable economies

People and place

Livability outcome:
improved everyday life, equity, culture and community

	Enhance everyday quality of life	Advance social cohesion and cultural identity
Strategic objectives		
Strategic focus areas	• Design for improved public realm experience • Expand social infrastructure and accessible services • Strengthen public safety and wellbeing	• Promote cultural inclusion • Deepen community partnerships • Activate spaces in the public realm
Enablers	• Cross-government agency collaboration • Citizens' assemblies' and digital public engagement	• Enduring cultural institutions and partnerships • Transparent, open-data ecosystems

Economy

Economic outcome:
thriving, resilient, place-based economies

	Generate inclusive economic growth	Accelerate the green transition	Strengthen innovation and creativity
Strategic objectives			
Strategic focus areas	• Expand land value capture • Support employment, SME's and local talent • Enable diversified strategic industries	• Embed whole-life costing within appraisals • Adopt circular systems • Deploy nature-based solutions	• Grow creative ecosystems and industries • Expand innovation districts/parks • Support digital innovation and adoption
Enablers	• Place-based business cases • Cross-sector impact mapping	• Innovative green financing frameworks • Socio-economic performance tracking	• Open innovation models • Skills development funding pathways

Systems-based outcome:
integrated infrastructure, ecosystems and governance that enable livable cities

Foundational pillars	Integrated spatial planning	Core infrastructure	Governance	Strategic delivery partnerships
Strategic focus areas	• Outcome-based planning approvals • Perform portfolio-wide sequencing • Cluster related projects	• Upgrade aging utilities and networks • Expand digital public infrastructure • Improve housing quality and connectivity	• Community co-creation and stewardship • Cross-departmental governance • Adaptive rules and processes	• Portfolio-level PPP frameworks • Promote place-based business cases • Cross-asset investment packages
Enablers	• Common spatial data frameworks • Cross-sector regulatory alignment	• Long-term investment pipelines • Mature asset management	• Value-centric governance models • Holistic value capture and reporting	• Diversified financing models • Whole-place outcomes contracting

Levers of change unified strategic logic

Integrated and adaptive funding	Replace fragmented, short-term funding with integrated, adaptive investment
Public-Private-People Partnerships (P4)	Align public purpose, private capability and people-centric outcomes
Accountable and collaborative governance	Create accountable, collaborative, portfolio-based governance
Common evidence base and shared data standards	Build a unified evidence platform for integrated decision-making
Regulatory and policy flexibility	Remove structural barriers to integration

Source: KPMG analysis

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What the blueprint does

At its core, the blueprint creates a line of sight between the outcomes cities want to achieve and the systems required to deliver them. It does this by:

- Making the outcomes that help define livability explicit
- Clarifying the economic pathways that can sustain those outcomes over time; and
- Identifying the foundational systems, infrastructure and governance capabilities that enable integrated delivery.

By bringing these elements together, the blueprint helps cities move beyond siloed planning and short-term interventions to instead focus on whole-place value creation.

Structure of the blueprint

The blueprint is organized across three interdependent layers, supported by five cross-cutting levers of change, as outlined below. Together, these form a coherent architecture that links the outcomes cities seek to achieve with the economic pathways and systems required to deliver them.

- **People and place (livability) layer — improving everyday life, equity and community:** At the top of the blueprint are the outcomes that matter most to residents. This layer focuses on improving everyday quality of life and strengthening social cohesion and cultural identity. It reflects the reality that livability is experienced daily, through public spaces, access to services, inclusion and a sense of belonging. By anchoring decision-making in lived experience, this layer provides a shared reference point for assessing whether investment and delivery are genuinely contributing to better outcomes for people and communities.
- **Economic layer — building thriving, resilient, place-based economies:** The middle layer recognizes that livability cannot be sustained without strong, adaptable local economies. It focuses on generating inclusive economic growth, accelerating the green transition, and strengthening innovation and creativity. Together, these objectives reflect a shift away from narrow, sector-based economic strategies toward place-based models that align investment, land use and economic development around long-term value. This layer reinforces the importance of treating economic, social and environmental objectives as mutually reinforcing rather than competing priorities.
- **Systems layer — developing integrated infrastructure, ecosystems and governance that enable livable cities:** The foundation of the blueprint addresses the systems that make integrated delivery possible. This includes integrated spatial planning, modern and resilient infrastructure, accessible and connected mobility, and robust governance and delivery capability. Without these foundations, livability ambitions are difficult to realize, regardless of intent or investment. This layer reflects one of the central messages of this paper: improving livability requires not only better projects, but better systems for planning, funding and delivery.
- **The levers of change:** Supporting all layers of the blueprint are the five key cross-cutting levers of change that connect strategy to action. As outlined in Chapter 4, the levers of change comprise the key enablers that city leaders and governments can utilize to embed place-based business cases as practical and repeatable models for investment enablers, including adaptive funding, Public-Private-People Partnerships (P4), collaborative governance, shared data standards, and policy flexibility.

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Applying the blueprint

How city leaders can use the blueprint

The blueprint is intended to be used as a practical reference guide that consolidates current leading thinking and practice on outcome-led livable city development. City leaders can apply the blueprint to support the following four key practical activities.

Key activities that the blueprint can support

1. **Investment appraisal:** To test whether current investments and programs are aligned with long-term outcomes.
2. **Gap analysis:** To identify gaps in capability, governance or funding.
3. **Delivery prioritization:** To prioritize planning and interventions that deliver whole-place value.
4. **Stakeholder alignment:** To structure conversations with partners, investors and communities around shared objectives.

Different cities will apply the blueprint in different ways, depending on their context and maturity. What matters most is a consistent shift toward integrated, outcome-led decision-making.

How private investors and delivery partners can use the blueprint

The blueprint is not only a tool for governments, it also provides private investors and delivery partners with a structured approach to identify, evaluate, and maximize opportunities in livable city development. Private investors and delivery partners can apply the blueprint to support the following four key practical activities.

Key activities that the blueprint can support

1. **Strategic value optimization:** To capture synergies that combine strong financial returns with long-term resilience and market attractiveness.
2. **Opportunity mapping:** To identify high-growth geographies, portfolios, and sectors where integrated planning delivers superior yield and capital appreciation.
3. **Risk and resilience analysis:** To identify systemic risks and evaluate how investments can embed resilience to safeguard asset value and potentially reduce exposure to future disruptions.
4. **Stakeholder alignment:** To structure partnerships with governments and communities that can unlock incentives, reduce delivery risk, and enhance reputational value.

From blueprint to action

While the blueprint provides a strategic foundation for change, it does not in itself deliver outcomes. Turning this model into tangible improvements in livability requires deliberate choices about where to start, how to sequence change, and how to organize delivery.

The next chapter focuses on how cities can operationalize the blueprint, translating strategic intent into action through prioritization, partnerships and delivery capability.

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Impact story

Northern Line Extension: Unlocking Battersea's transformation

- Battersea Power Station, an iconic London landmark, remained dormant for over 30 years. Reviving the site required a high-density, mixed-use masterplan to achieve development viability, including 3,000 new homes and up to 300,000 m² of retail, office, and commercial space. However, without high-capacity transport connectivity, the site risked remaining inaccessible and unattractive to investors.
- To unlock regeneration, the 3.2 km Northern Line Extension (NLE) was delivered, connecting Battersea to the London Underground network. Rather than treating the NLE as a standalone transport project, a place-based approach aligned infrastructure investment with long-term regeneration objectives.
- Authorities including Transport for London (TfL), the Greater London Authority (GLA), and local boroughs collaborated to develop a funding and financing strategy that did not rely on traditional public grants. The approach drew on a diverse mix of funding sources, such as locally generated revenues, developer contributions under Section 106, Borough Community Infrastructure Levy (CIL), and retention of business rates through an Enterprise Zone. Borrowing was also diversified through instruments like a £200 million index-linked bond, a £480 million European Investment Bank loan, and Public Works Loan Board facilities, all supported by HM Treasury guarantees.
- Integrating transport connectivity with regeneration objectives unlocked £9bn of investment and transformed a dormant site into a vibrant district. The NLE acted as a catalyst for growth, enabling housing delivery, commercial development, and long-term economic value without reliance on traditional public funding.

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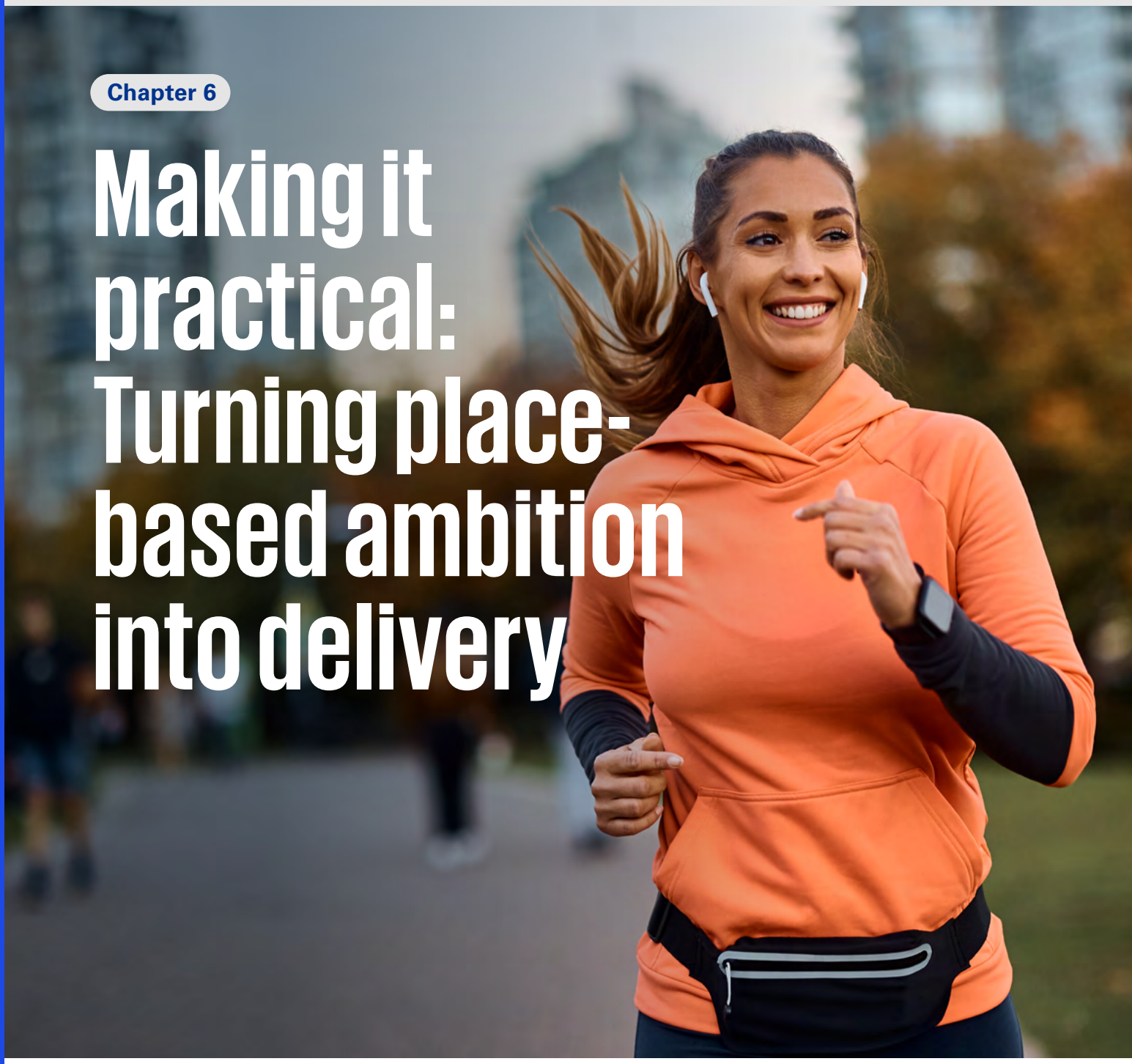

Chapter 6

Making it practical: Turning place-based ambition into delivery

The blueprint for livable cities responds to a simple but persistent challenge facing cities: while ambitions for livability are increasingly clear, the mechanisms to translate those ambitions into coordinated decisions and delivery are often weak or fragmented.

This chapter sets out how public and private leaders, together with a wider stakeholder group, can translate place-based ambition into action. It recognizes that cities operate across different institutional, fiscal, and political contexts, and that no single pathway applies universally. The intent is not to prescribe a model, but to provide a clear implementation logic that supports collaboration across sectors over time.

How cities can start today

Cities do not need comprehensive reform to begin working in place-based ways. In practice, progress most often starts by working with existing priorities, investment pipelines, and delivery constraints.

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A practical entry point is to focus on a small number of priority places where investment pressure, delivery complexity, or social need is already concentrated. These locations create a natural testbed for place-based business cases, allowing cities to align stakeholders, evidence, and funding around a defined geography. Early emphasis should be placed on clarifying shared outcomes, establishing baseline assumptions, and making existing commitments visible.

Critically, early applications should be framed as learning mechanisms rather than definitive solutions. Place-based approaches mature through iteration, using insights gained through application to shape governance, capability, and investment frameworks over time.

What leaders should take away

- Progress starts by applying a place lens to what is already underway
- Place provides a practical anchor for alignment and collaboration
- Early action should build capability as well as deliver outcomes

Prioritization and sequencing

Effective place-based delivery is as much about prioritization and sequencing as it is about ambition. Attempting to address all dimensions of a place simultaneously can dilute accountability and overwhelm institutions.

Early priorities should focus on interventions that reduce uncertainty and unlock wider system benefits. This often means implementing enabling infrastructure, regulatory clarity, or public realm investments that improve conditions for subsequent private and community activity. Decisions taken at this stage play a critical role in shaping confidence, risk appetite, and long-term delivery trajectories.

The same principles apply institutionally. Cities may initially prioritize shared evidence and decision-making alignment, before formalizing governance arrangements or deploying more complex funding mechanisms as delivery maturity increases.

What leaders should take away

- Prioritization is about unlocking momentum, not narrowing ambition
- Sequencing shapes confidence, risk and long-term trajectories
- Leadership is as much about choosing when not to act as when to intervene

Conditions for success

Experience shows that place-based approaches succeed or fail based on a small number of critical conditions. Sustained leadership is paramount. Place-based delivery requires clear ownership of outcomes that extends beyond individual projects and political cycles. Without this, coordination weakens and momentum is lost.

Equally important is clarity of outcomes. Outcomes must actively guide decisions, trade-offs and investment choices, supported by a shared evidence base that enables coordination across public and private actors.

Finally, delivery capability cannot be treated as an afterthought. Cities that make sustained progress invest deliberately in the skills, structures, and behaviours required to manage complexity over time. Strategy without delivery capability limits impact; delivery capability without strategic alignment limits value.

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What leaders should take away

- Leadership continuity matters more than formal structures
- Outcomes must shape decisions, not sit alongside them
- Delivery capability is a long-term asset, not an operational detail

The role of strategic delivery partners

Delivering livable cities at scale is increasingly a commercial delivery challenge. As cities pursue complex, multi-year transformation programs, the ability to integrate strategy, investment and delivery becomes critical. This is where strategic delivery partners add material value.

Strategic delivery partners work alongside city leadership to convert place-based ambition into investable, deliverable portfolios. Their role is to bring commercial rigor to decision-making, aligning governance, funding structures, risk allocation and delivery capability around clearly defined outcomes.

By drawing on deep experience across infrastructure project finance, PPP models, procurement and delivery model strategy, and setting up capital projects for delivery success, strategic delivery partners are a critical partner that enable city leaders to move faster and with greater confidence. They provide continuity where internal capacity is stretched, reduce delivery risk through portfolio-level oversight, and strengthen the credibility of investment propositions in the eyes of private capital.

In practice, strategic delivery partners help city leaders to:

- Translate place ambition into bankable business cases, capturing whole-place value
- Structure and integrate public and private capital, including PPP and blended finance models
- Establish commercially robust governance, procurement and delivery arrangements
- Provide independent assurance and challenge across complex, multi-year programs

As programs mature, the role evolves from hands-on integration to strategic oversight and assurance, while accountability remains firmly with city leadership. For governments seeking to unlock private investment and manage delivery risk, strategic delivery partners are not an optional overlay. They are a critical enabler of investability, confidence and long-term value creation.

What leaders should take away

- Investability must be designed through robust business cases and aligned delivery models
- Delivery certainty underpins public and private confidence and protects long-term value
- Strategic delivery partners strengthen leadership capability by aligning capital and execution

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Implications for governments, private investors and communities

Place-based approaches imply a shift in roles and responsibilities across the urban system. For governments, this means moving from oversight of individual projects to stewardship of outcomes across places. This requires greater policy coherence, funding flexibility, and sustained investment in delivery capability. It also calls for new approaches to performance management that reflect long-term place outcomes rather than short-term outputs.

For private investors, place-based business cases can provide clearer long-term pipelines, improved visibility of risk and return, and greater confidence that individual investments contribute to coherent place outcomes. This can support more patient capital, blended finance models, and innovation in value capture mechanisms.

For communities, place-based approaches strengthen the link between investment decisions and lived experience. When communities are meaningfully engaged, these approaches can improve transparency, accountability, and trust, helping to ensure that economic and environmental gains translate into tangible quality of life improvements.

What leaders should take away

- Governments shift from project control to place stewardship
- Investors gain confidence through clarity, coherence, and long-term visibility
- Communities can benefit when investment decisions align with lived experience

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This paper represents a collaborative effort, drawing on interviews, discussions, and research from multiple contributors both internally and externally.

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