

Midtown Selfoss, Iceland



A Social Enterprise project that used Placemaking Design to focus all decision-making, keeping end-users at the core of this community led town centre design.



Executive Summary



From a brown field site to a Social Enterprise initiative that attracts Icelandic and foreign visitors helping the whole local community to prosper.

Selfoss is a town in southern Iceland on the banks of the impressive Ölfusá river. The seat of the municipality of Árborg- Selfoss is a centre of commerce and small industries with a population of 9000 (2021), Located about 11km inland from the southwestern coast, and 50km from Reykjavík; it's a perfect gateway to the natural wonders of the south.

The main **Placemaking Design** goals of the new downtown proposition are that the center of Selfoss:

- Should be the center of Suðurland, with shops and services in as many areas as possible that can serve all of Suðurland.
- Become a scene of bustling human life that attracts residents and tourists and also offers facilities for large gatherings.
- Combine a human-friendly and warm environment, with easy transport access and efficiency for the operators there.
- Become the central core of Selfoss, where a residential life thrives.
- Offer a healthy and environmentally friendly lifestyle.
- Is cost effective and has gold standard green credentials in construction.

In the development of Downtown Selfoss, Sigtún, the developer, has worked hand-in-hand with the local community to ensure consensus and on-going engagement. This included a local referendum to approve the proposals. A social media page had 7,600 members, town councillors have taken an active role and businesses were continually consulted. The project has been in development since 2015 with the outcome for Phase 1 (5000m²) opening in May 2021.

The Proposition

This project is “Placemaking Design” in its purest form – built from the ground up on an unloved brown field site; there was nothing in it's place beforehand – the proposition is formed around a simple single idea – to build a new “old” town centre. The town centre that Selfoss has always lacked.

The Business Model

The development of this scheme has never deviated from its end-user community focus. The right mix of commercial tenants and sectors has been carefully curated to ensure that through the day, week, and year there are relevant destinations and events to compound footfall.

Revenue is generated as a percentage of turnover with an acceptance that the contribution may be very uneven across tenants, allowing bigger established brands to co-exist with small independents.

Executive Summary



Key Results

A once dormitory town for Reykjavík is now a destination town evidenced by the fastest growing community in Iceland.

A previously sceptical community that is now fully engaged with Phase 2 embraced and planned to open in 2024 – creating 40 new buildings and an additional 26,000m².

The scheme has achieved The Nordic Swan Eco Label certification for all buildings. This is the largest single project that has received The Swan certification.

The project has also received a BREEAM Communities certification for sustainability of the central district.

There has also been a positive ripple effect - The Municipality are starting work on an extended masterplan for the greater Selfoss area and local businesses are actively looking to contribute to this civic movement.

The new town centre of Selfoss has a walk score of 72 out of 100, which rates it as 'Very Walkable' (walkscore.com).

The new co-working space is actively partnering organisations in Reykjavík encouraging flexible working patterns, which is in turn reducing car usage between Selfoss and the capital.

Restaurants and retail are performing strongly in the first year of operation, even if it was affected by covid in the beginning. The apartments were all sold without advertising – there is a waiting list.



Context & Overview



Collaboration

This project required many experts to work together including representatives of the municipality, the public, the business world, architects, designers, and experts in marketing and tourism. Placemaking Design played a key role in helping the wider team to focus decision-making on what mattered for the local community and the financial viability of the scheme.

What did the site offer before the new centre was developed?

The location was a brown-field site which had become the source of much debate locally for several decades. Selfoss had become primarily known for single main road which travellers had to pass through to get to the south of the island. There wasn't a town centre. This project is "Placemaking Design" in its purest form – built from the ground up on an unloved brown field site; there was nothing in its place beforehand – the proposition is formed around a simple single idea – to build a new "old" town centre. The town centre that Selfoss has always lacked.

Outline of the project brief

Key Business Objectives

1. Approach the location with a Social Enterprise philosophy.
2. Create a unique and differentiated place that not only meets the needs of the residents of Selfoss and their visitors but also creates a new storytelling place in the centre of Selfoss.
3. Be inspired by Iceland history but ensure the main focus is looking towards the future and the needs and well-being of the people.
4. Create a sustainable financial business model to secure the long-term viability of the town centre.

The project brief had many top line suggestions and ingredients on its list of needs and wants, but there was a gap in the actual definitions.

This included - Leisure (Culture, Hospitality, Retail) and Residence (Working and Living).

The agency was asked to mesh the range of options to create a natural balance and rhythm to the centre.

Key Placemaking Design Objectives Overarching

Deliver creative placemaking design thinking aimed at making the activities in the buildings powerful and interesting, meeting the needs of residents and tourists, and being a credit to the municipality.

- Development of the place making principles for the scheme as a brand, that can steer decision-making and be applied to deliver a consistent user experience.
- Define the Principles for the tenant mix – ideal targets and how they can co-exist in an innovative way, to include retail (destination and convenience brands), F&B, leisure, workspace, hotel and residential.
- Activate an organic, living and evolving destination that has a tangible sense of community at its heart.
- Vision- develop the Placemaking idea into a fully rounded Proposition.
- Define priorities working against a delivery timeline to coincide with the Phase 1 opening.

Context & Overview



Context

Public discussion about the centre of Selfoss has continued for decades. Large organisations were gradually withdrawing or relocating. With this change, all activities in the area shrank and building structures were removed without new ones being built in their place.

Icelanders joked that there's no reason to stop in Selfoss unless they needed a gas station or a WC. Or as one guide-book put it – “...one of the very best things about Selfoss is how easy it is to leave the town on Highway 1”!

To help improve the environment for the local population, a bypass is being built with the objective of massively reducing through traffic and improving the quality of the immediate area. This was the catalyst for Sigtún to develop a concept to establish a new 'old' town centre.

What was the challenge that needed to be solved?

The proposed development in the downtown area had been a topic of discussion among residents and at the political level, and had been discussed in the media, at meetings and on social media for many years. At the core of the discussion was about how to respond to the decline of the downtown area. But despite a new regional plan again and again, and extensive promotion of the local possibilities each time, nothing was done.

At the turn of the year 2014/2015 local developer Sigtún held talks with town councilors regarding ideas for the development of the downtown area. Those discussions resulted in the town council agreeing to terms for the land allocation to Sigtún on March 19, 2015. The project was up and running.

Obstacles and Challenges

Community Advocacy

Engagement was essential throughout the process. Many residents were sceptical that change would happen. There have been many events and presentations to local townspeople to ensure they felt they were being listened to. And changes were made as a result of the feedback.

Social media played a huge role in the consultation and out of 9,000 residents, 7,600 joined a Facebook page to join the lively discussions. Business partners were also continually consulted. This involved process had a decisive impact of the project vision.

A Referendum

This was a unique process in the country, there has never been as much participation on planning issues in Iceland. On August 18, 2018, after a campaign lasting several weeks, votes were cast. 55% of the local population voted with 60% in favour. In 2021 minor changes to the planning also generated huge coverage in the local media, (see front pages of the national press supplied later).

Key Facts

- Project commenced March 2015
- Phase 1 opened May 2021 (Covid 19 delayed)
- 5,000m² site
- 13 buildings erected
- Placemaking Design fees [REDACTED CONFIDENTIAL DATA]

Context & Overview



Creating a new storytelling place in the centre of Selfoss

The design idea of Selfoss – in summary

In the center of Selfoss, South Iceland, a beautiful cluster of buildings is the focal point for the town. Built in the classic Icelandic look, an architectural style that was created in the last decades of the 19th century and is familiar to everyone in Iceland. Each house has its own story, researched to replicate an important place in the time when there was a revolution in national life, when Iceland gained independence. The stories are shared on a nameplate on each building for passers-by.

Just one example; Smjörhúsið House was originally a residential building, built by Bjarna Riddara Sivertsen, a merchant in Hafnarfjörður in 1797. A seminary was

in the building 1849-1873. The butter house 'Irma', a store run by a Danish retail chain was in the building in the years 1906-1943. Large letters were written on the side of the BUTTERY HOUSE, and the building was often called by that name after that.

Fast following the building architecture itself, was the creative placemaking design thinking that aimed at making the activities in the buildings powerful and interesting, meeting the needs of residents and tourists, and being a credit to the municipality.

Although the exterior conforms to classical Icelandic design, their interior is designed for the most demanding requirements of today's shops, restaurants, offices and apartments.

The Proposition Design:

M Worldwide developed an overarching statement that described a shared vision, helping the wider team with decision-making.

The Selfoss Brand

BRAND ATTRIBUTES	The Vision The meaningful purpose that drives all we do	Elevate Selfoss as a destination in the South		
	Positioning What defines and differentiates us	A new historic gravitational centre for experiencing Iceland		
	Brand Idea The central articulation of the brand	Bridging Old and New		
	Our Values Our core set of beliefs and principles	ICELANDIC PRIDE AND PROVENANCE Everything we do is through inspiration and in celebration of our region's rich heritage.	HUMAN CENTRIC The functional, social and emotional needs of every individual, whether guest or resident, are our priority.	FOSTER THE FUTURE We are committed to future generations and the ongoing wellbeing of our local community. This includes our green values.
DELIVERY	Behaviours How we conduct ourselves and treat others	BRAVE AND AMBITIOUS We create with passion, conviction and a sense of purpose that is infectious.	IDYLIC AND ENCHANTING A thread of tender charm runs through everything we do. Some might call us eccentric romantics.	VIBRANT AN LIVELY We're not a sleepy town, we don't rest on our laurels. We are invested in ongoing innovation and experimentation.
	Delivered Through How we express our brand attributes	EXPERIENTIAL STORYTELLING Our town center is embedded and overflowing with old and new stories.	HYGGE HUMAN SCALE A feel good place. A purposeful pleasure spot supporting everyday living in Iceland.	MOMENTS OF EXTRAORDINARY Permanent and temporary points of discovery.

Context & Overview

– The Placemaking Design Strategy



From the start the developer Sigtún wanted to approach the project as a Social Enterprise concept. Sigtún assembled a team including architects to think about the physical experience and M Worldwide

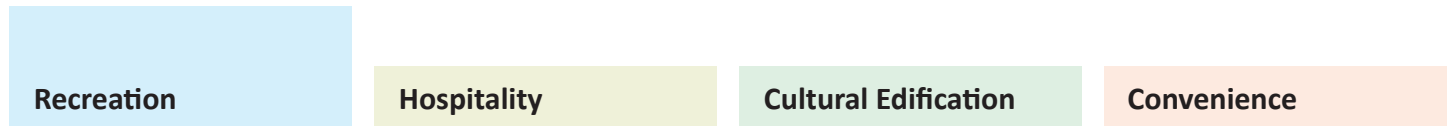
joined the project team to bring an additional perspective, that used a Placemaking Design to develop essential end-user principles.

M Worldwide set about defining the priorities according to Key Groups.

1 Residents - Providing Placemaking authenticity

Residents are important because they make the new Downtown credible by embedding the area with real life. Residents’ missions lean strongest towards

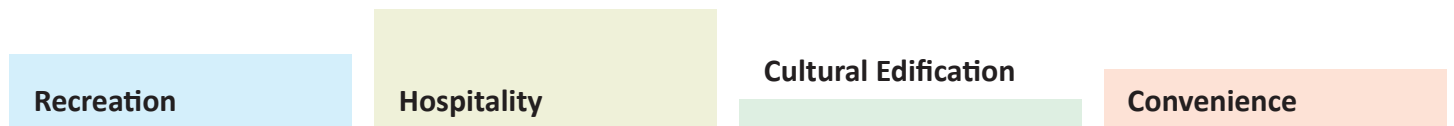
recreation – finding third places, small indulgences, solutions or escapes from the mundane, place to create memories with family and community.



2 Workers – Providing the more constant footfall

Workers are important for creating peaks during the weekdays, particularly in the mornings and at lunch. The worker patterns of consumption have more predictable streams of spending too.

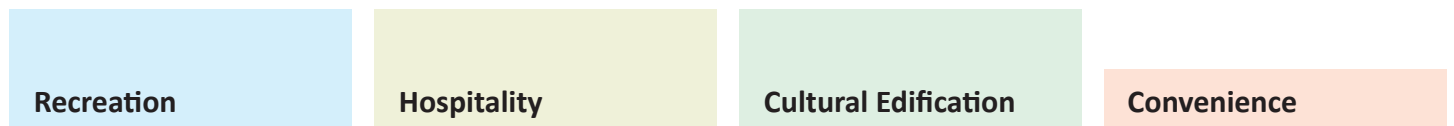
Cultural edification is not necessarily a priority for workers, but they’re still after more aspirational refuel and rest offers that can be delivered with time efficiency.



3 Tourist and Visitors – Providing the largest footfall

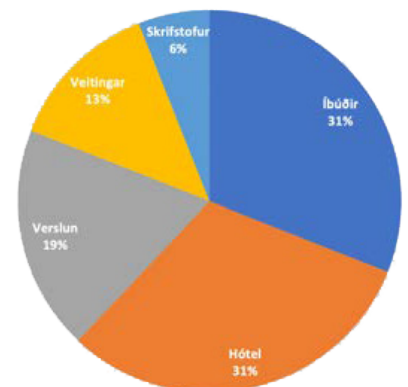
Tourists and visitors will be the dominant influx with particular interest in leisure experiences complimentary to their wider Icelandic discovery journey.

Compelling food offers, low and high intensity cultural experiences will be key. Purposeful recreation and rest will be important too as these users will have spent a lot of energy offsite too.



Through further deep dive work, the activation of The Placemaking Design Strategy delivered an understanding for the ‘Balance’ and ‘Key Goals’ of the site. Enabling the wider team to look at the mix for residence (living and working on site, working beyond the site) and Leisure (culture, hospitality, retail).

This pie chart is the split in square metres in the fully built town center: Apartments are blue, hotels are orange, retail is grey, restaurants/bars are yellow and office space is light blue.



Results are beating all the expectations



Shift in perception

From a very sceptical public position to the turnaround to a highly positive message and feel good factor has been extraordinary. This has been the single-most rewarding metric. The town is upwardly mobile and has truly found its mojo!

Media coverage

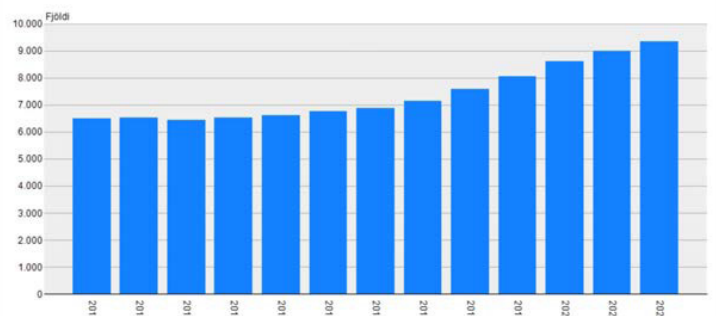
Coverage in the press and social media has been extremely positive – the two national newspapers leading with the story – a unique event for a development project in Iceland.



Wanting to be part of the tribe!

The chart below demonstrates the population growth in Selfoss which was flatlining until 2015 when the project began. The Midtown project is not the only reason for sure, but it has generated awareness and positive attitude to the town even before Phase 1 opened. This is evidence that the project and it's placemaking strategy is providing an authenticity that enables people to make major life commitments and raise their families in this new town framework.

Mannföldi eftir byggðakjörnum, kyni og aldri 1. janúar 2001-2022



Results are beating all the expectations

m
Worldwide

Property prices

The chart shows there has been a noticeable improvement in real estate value per m² in the Selfoss area. It demonstrates an Icelandic record. We cannot say it is only due to the project but it plays a big part for sure.



Increased engagement of external stakeholders:

Social impact

The President of Iceland, Guðni Th. Jóhannesson, media comment when visiting the Selfoss Town Center:

“This is a way to achieve the important context that we need to have in our society between the past, the present and the future. Elsewhere, it is imperative to protect existing old houses. Here the idea is different, to create a town center with the breath of a bygone era.”

Social Commentators

Michael Diamant – an influential voice in Scandinavia, in the so called ‘Architecture Uprising’ movement.



Michael Diamant Stjórnandi

The whole project is so amazing. Where there was just dead suburbia / roundabout there is now a genuine traditional town center being constructed. I know hundreds of Swedish small cities that would need a similar makeover to instill local pride and socialisation rather than alienation.

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Business community

About the business model: Sigtún rents out all the town centre real estate based on revenue turnover. This really ties together the interest of the developer and those who own and run individual businesses. This method is unusual and is a new innovation in Iceland at least.

The operational status so far: Restaurants and retail are performing strongly in the first year of operation, even if it was affected by covid in the beginning. The apartments were all sold without advertising – there is a waiting list.



Results are beating all the expectations



Event Space

This co-operation between real estate owner and the businesses has led to joint marketing and outdoor event creation, sometimes with local society participation, such as:

- Kia Gullhringurinn – Cycling tournament
- Brekkusöngur – Singalong evenings
- Football – men’s and women’s European Championship on a giant screen
- Pub Quizz – for both kids and grown ups
- Kósíkvöld – (hygge evening) discount days and nights involving all shops and restaurants
- Halloween – decoration and fun for kids
- Selfoss is the Christmas Town Centre – joint marketing effort

The Green Credentials

The scheme has achieved The Nordic Swan Eco Label certification for all buildings. This is the largest single project that has received The Swan certification.

Elva Rakel Jónsdóttir, the managing director of the Nordic Eco Label, said: “It is really important that a project of this magnitude goes through environmental certification. It shows great social responsibility and the project’s leaders deserve praise.”

The project has also received a BREEAM Communities certification for sustainability of the central district.

Improved working practices

Post Covid note – Selfoss has always been a commuter town for Reykjavík. The new co-working space is actively partnering organisations in Reykjavík encouraging flexible working patterns, which is in turn helping the local Selfoss economy and reducing car usage between Selfoss and the capital.

Funding and Investment

The developer is now progressing with a second phase of 40 buildings, an additional 26,000m², planned to open in 2024. Bringing the total town centre size to 32,000m².



The site before the project commenced.



Phase 1



The Old Dairy

Foodhall with 8 Restaurants, Craft beer tap room, Skyrland Exhibition and Wine Bar.



Skyrland Exhibition