



A case study of investing in heritage landscapes and public space in Yangon

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<https://www.facebook.com/DohEainYGN>



Content

- Personal background
- Myanmar background
- Overview of Doh Eain
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 - Doh Eain – heritage led, entrepreneurial placemaking
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Questions

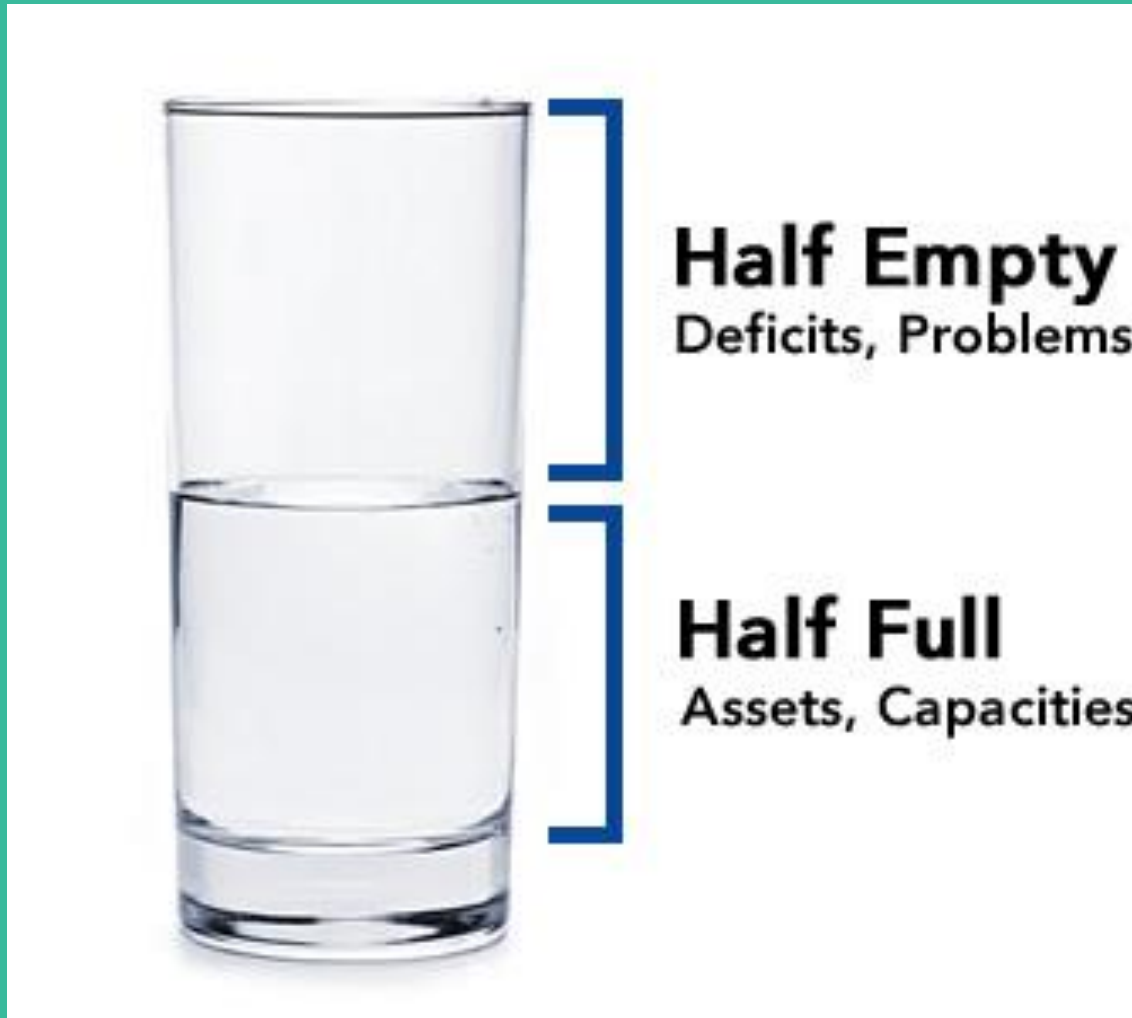
1. What is of value? Who determines this?
2. How can we inspire people to look after what is considered of value?
3. How can conservation be more financially sustainable?

Observation 1: two common ways of looking at heritage,
which often don't appeal widely enough

One value dominant (e.g
aesthetic, historic, scientific,
economic)

Black Box of "significance"

Observation 2: conservation and community development approaches are too often negative and disempowering

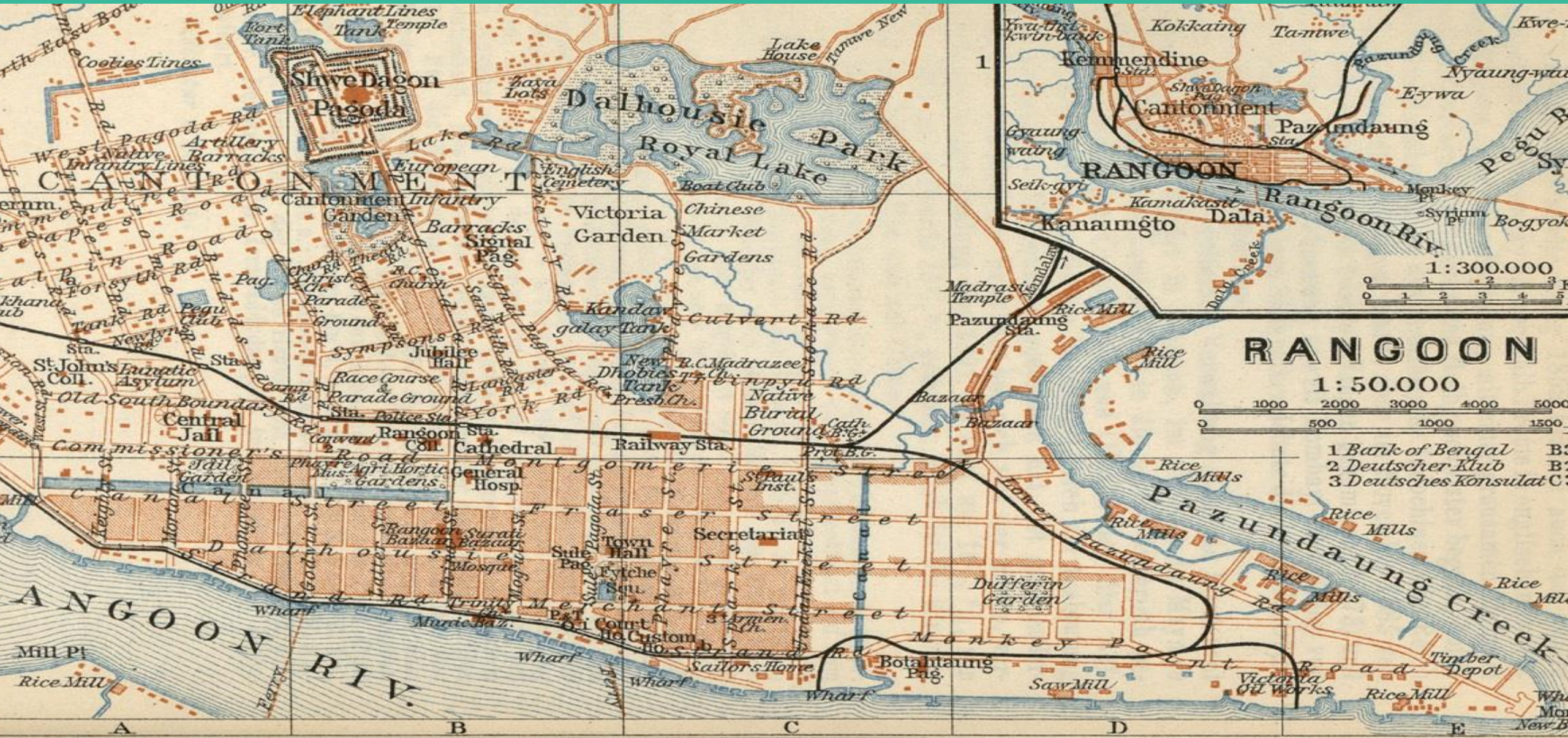


Observation 3: insufficient financial mechanisms to sustainably unlock the value of heritage



Background – Heritage in Myanmar

Downtown Yangon



Once southeast Asia's most cosmopolitan hub



Tumultuous times





Intact historic core

Decades of military rule have left historic core **intact**.

Yangon has over **6000** heritage buildings.

A unique city



Rapid urbanisation



“Myanmar will urbanize, with a projected 5-10 million people moving to Yangon and other cities over the coming decade or so.

Urban life may define the future of Myanmar: we may have livable cities that are the engines of creativity and productivity, or urban disaster areas that breed crime and social unrest.”



Rapid demolition

Between 1990 and 2011
35% of heritage buildings
 in Yangon (=1800
 buildings) destroyed

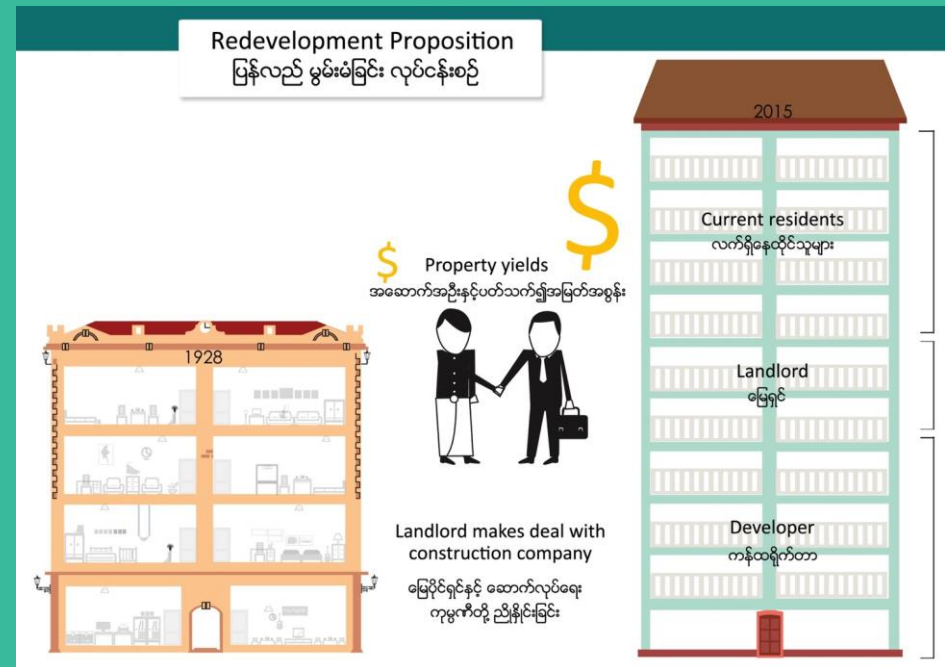


Image from





Tipping point

- Yangon inhabitants only have **0.37 m²** of public space per person, versus **6 m²** in Jakarta, **8.5 m²** in Bangkok, and **30 m²** in Paris.
- Serious **congestion** issues
- Poor **air** quality
- Reduction in **safety** and **social cohesion**

About Doh Eain



How it began

One family





HEARTBEAT OF THE NATION

MYANMAR TIMES

The price of a square foot in Myanmar's financial capital is about K800,000.

"According to our calculation, residents of 31st and 32nd street would get K8 billion worth of land back by removing the trash," says Min Ko Naing, a leading democracy activist who was invited to speak at the launching event of the third back alley project this week.

And that does not include all the indirect benefits for residents' health.

Children are the obvious beneficiaries of the initiative. But so are their parents.

"My kids can play near the house. It is more convenient for us," says Daw Phyu Phyu Lwin, who lives downtown and is the parent of a 10-year-old boy.

But a resident living on the ground floor is not as enthusiastic. "We had to close the back door because a lot of children are playing in the alley." Still, he'd rather be neighbours with screaming kids than with squeaking and scratching rats.

Local schools also benefit from the effort. A lot of classes are being taught in apartments where kids cannot play and run around.

"Our school sport hall is on the 6th floor of the school apartment. Children cannot play freely," said Daw Yin Yin Mon, headmistress of a middle school in Kyauktada. "We are very happy the back alley is near our school," she admits.

Our newly recovered freedom enables us to grumble and criticise more freely. But most of all, it allows us to initiate projects like Doh Eain's back alleys.

Dissatisfied with the way things are? Just change them.

Doh Eain: a restoration and placemaking social enterprise based in Yangon



In a world of **rapid urbanisation**, we want to make sure that cities are places with identity, and that they are **liveable, inclusive** and **sustainable**.

To that end, we **preserve heritage, improve public space** and **organise activities that connect people with places**, employing our user-centred, participatory and market driven approach.

Our focus

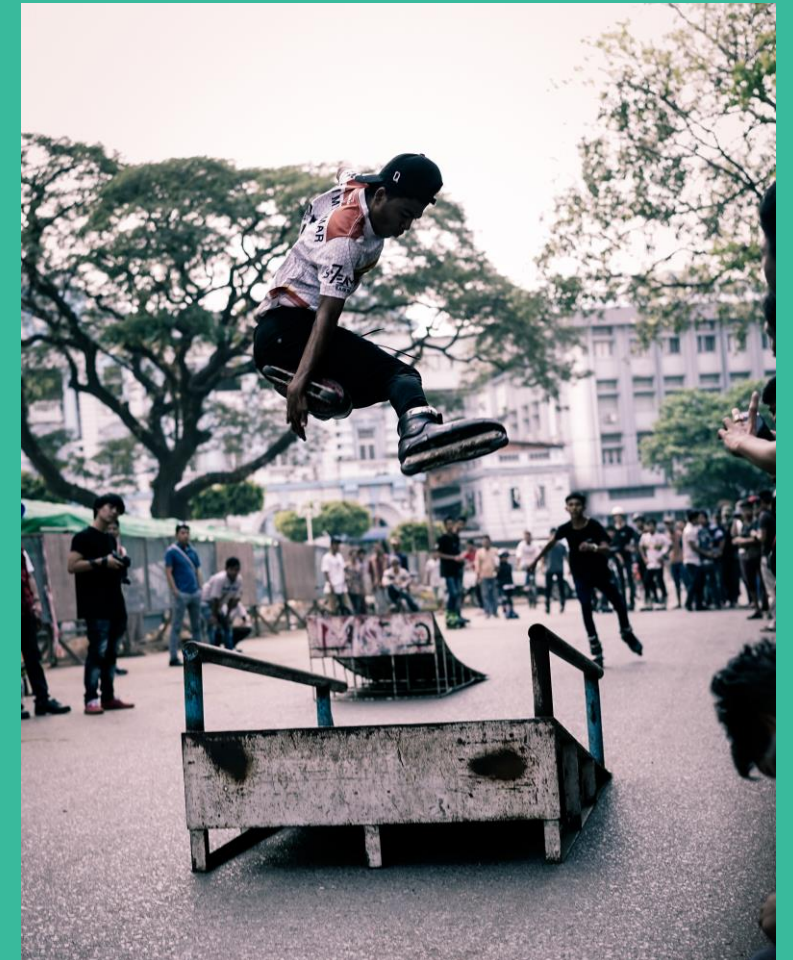
Restoration



Public space



Capacity Building



What we do – placemaking

RESEARCH

- Investigate and analyse the social, cultural and spatial features, needs and possibilities of places

Delivery of reports, visions, concepts, strategies and masterplans

DESIGN

- Detailed design concepts engaging communities and stakeholders
- Pilot projects and prototyping
- Costing
- Government engagement to secure approvals

Delivery of a detailed actionable plan for place

BUILD

- Tender management and design coordination
- Building by our in-house construction team
- Participatory building activities led by our in-house construction team

Delivery of the place

ACTIVATE

- Launch events
- Continuous programming
- Sponsorships and partnerships

Delivery of activities that get a place going

MANAGE

- Governance and maintenance plans
- Maintenance support
- Safety and security
- Monitor and measure impact

Manage activities that keep the space vibrant and alive

What we do – restoration

RESEARCH

- Historical research
- Building condition assessments
- Broader heritage asset mappings

Delivery of reports, visions, concepts, strategies and masterplans

DESIGN

- Detailed design concepts
- Costing (sometimes subcontracted)
- Government engagement to secure approvals

Delivery of detailed restoration concepts and designs

FINANCE

- Financial modeling for specific restoration projects
- Financial products for restoration (in progress)

Delivery of finance required for restoration

RENOVATE

- Tender management and design coordination
- Building by our team of builders

Delivery of actual restoration

MANAGE

- Ensure occupancy/use
- Tenant support
- Maintenance

Delivery of income that makes model work

What we do – capacity building

SHARE

- Raise awareness of sustainable urban development through media, social media and events

TRAIN

- Capacity building of local government, developers, other relevant stakeholders

EDUCATE

- Education around restoration and placemaking for students

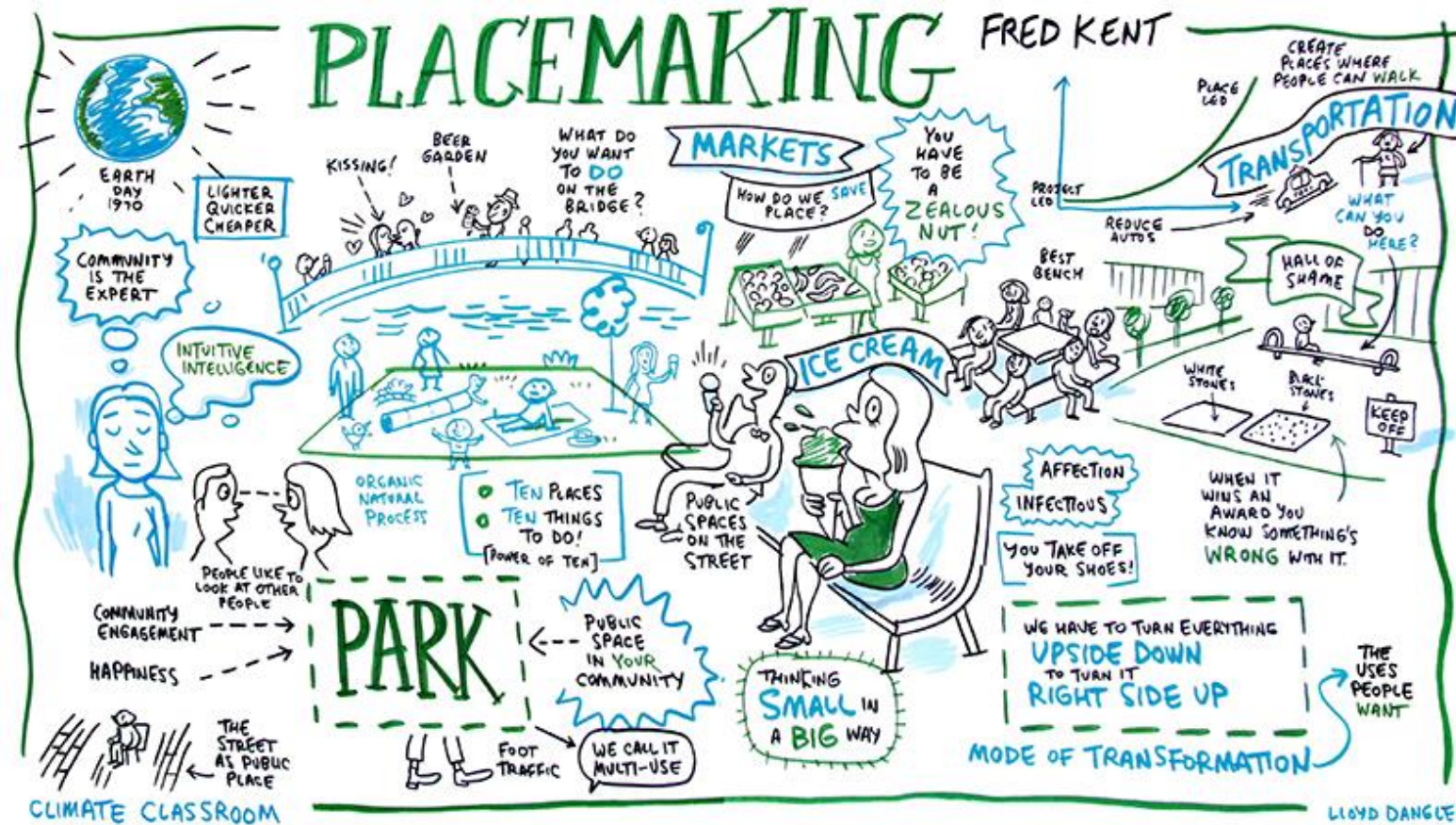
Workshop programs

Young Placemaker Program

We the City Talkseries

Social media
campaigns

What is of value?
Placemaking



What is placemaking?

Placemaking is a practice of public space design that harnesses the inspiration and assets of the local community.

Placemaking involves the planning, design, management and programming of public spaces.



Cities have the capability of providing something for everybody, only because, and only when, they are created by everybody.
 -Jane Jacobs



Why placemaking

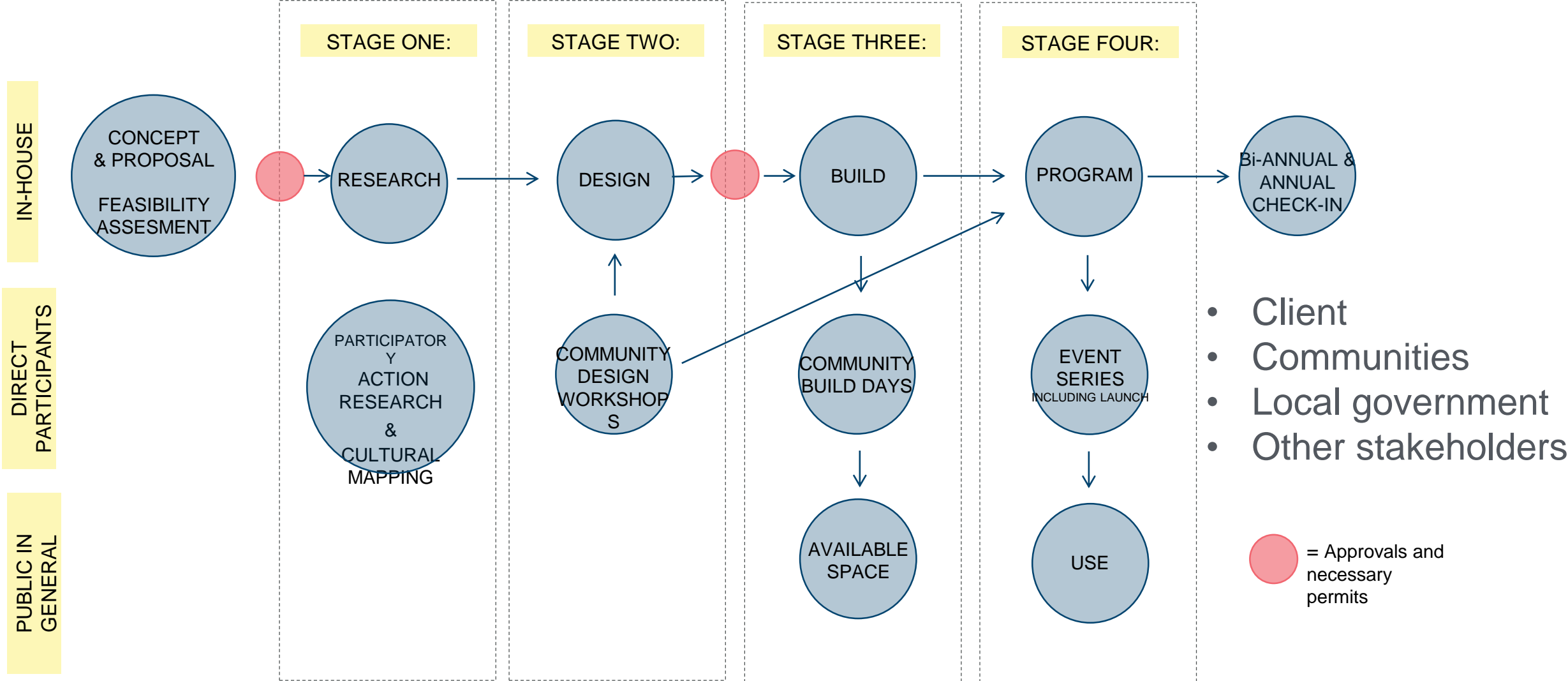
Can express and serve the needs of a diverse range of stakeholder communities



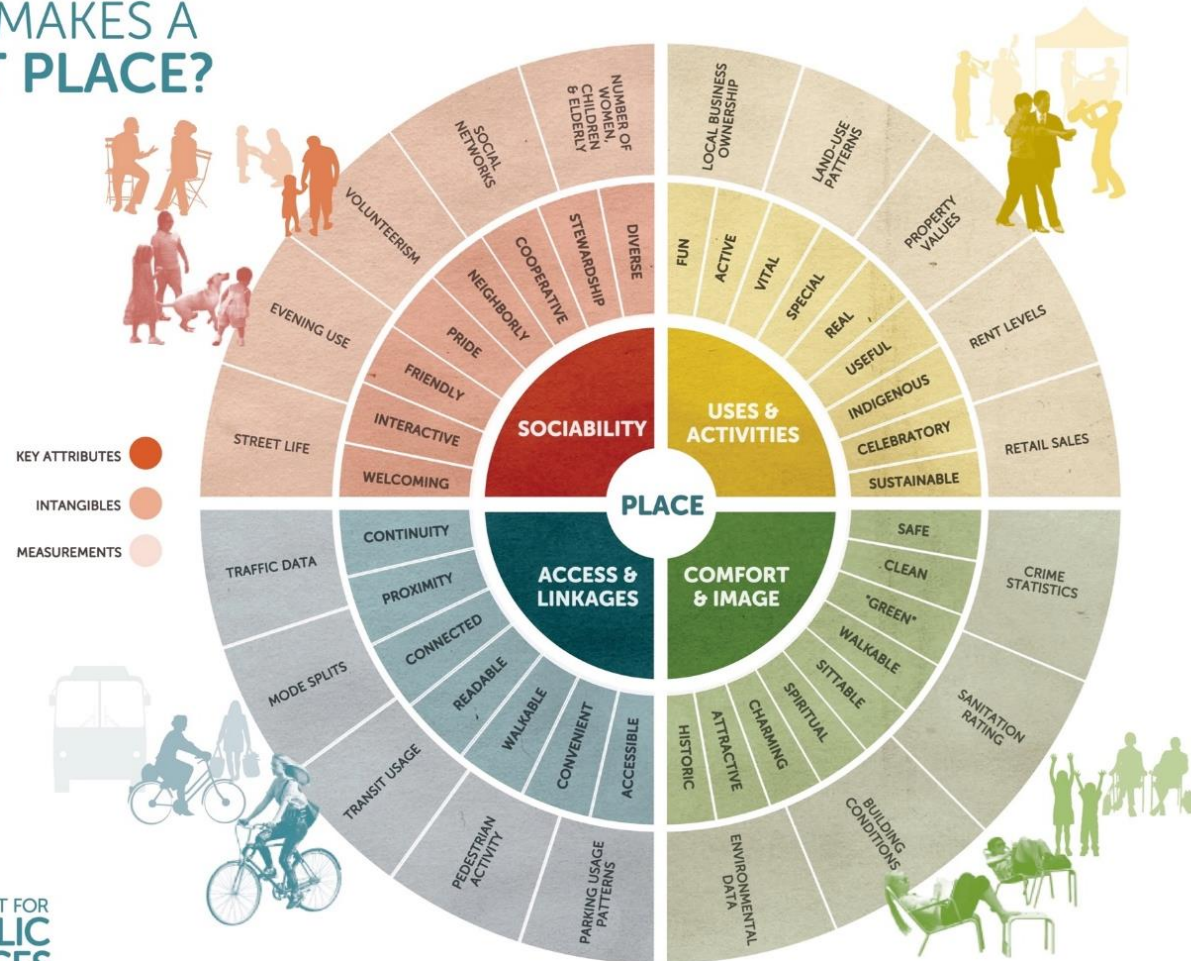
Placemaking & heritage

- Street or block approach: encouraging residents of a street to look at their neighborhood more **broadly** (livability, attractiveness, prices)
- Link **to other regeneration efforts** (lights, waste management, ..)
- **Landmark streets:** Bogalay Zay, Bosoopat, Shwe Bon Thar, 19 Street, Sin Oo Dan,

Doh Eain's placemaking process



WHAT MAKES A GREAT PLACE?

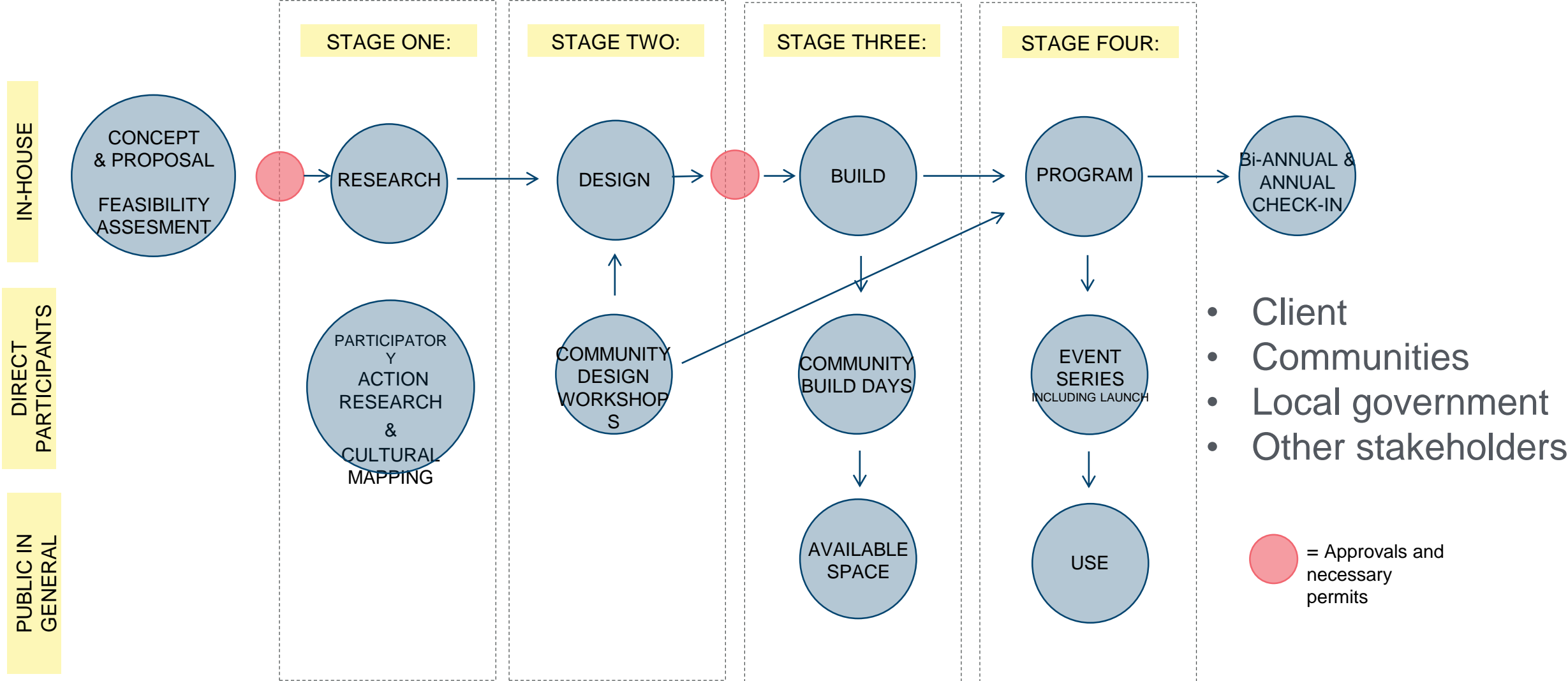


What we are trying to contribute to

- Sense of **place & identity**
- Sense of **community**
- **Accessible and safe** places
- Places that contribute to **health**
- **Comfortable** places that promote wellbeing
- Ecological **sustainability**
- More vibrant **local economy**
- **Agency** and **skills** in community counterparts

Positive approaches:
Heritage led, entrepreneurial
placemaking

Doh Eain's placemaking process



Financially Sustainable Heritage Conservation

Challenges

- 1) Heritage and public space design & advisory work for clients
- 2) Investing in heritage properties + property management with a revenue sharing agreement with the owner



Public space design

- Property developers and operators
- Brands
- NGOs

KNOWLEDGE
Better quality urban design

EMPOWERMENT
It's a right



OWNERSHIP
Sustainability

Tailored process

- Consultation
- Participation
- Co-creation



Maintenance

- Impact Days
- Walking Tours



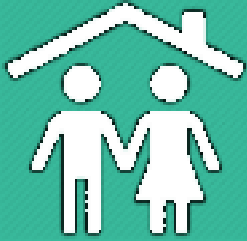
Barriers to restoration & regeneration

Limited finance:

- Public funds:
 - Limited availability (MM & international)
 - Focus on one-off large projects focused on landmark areas
- Private funds:
 - Limited availability due to risk, externalities, low returns

Doh Eain's restoration focus

1



Units in tenement
Buildings/ shop houses
est 20 million sqft

2



Mid-size entire buildings
for commercial use
est. 3 million sqft

3



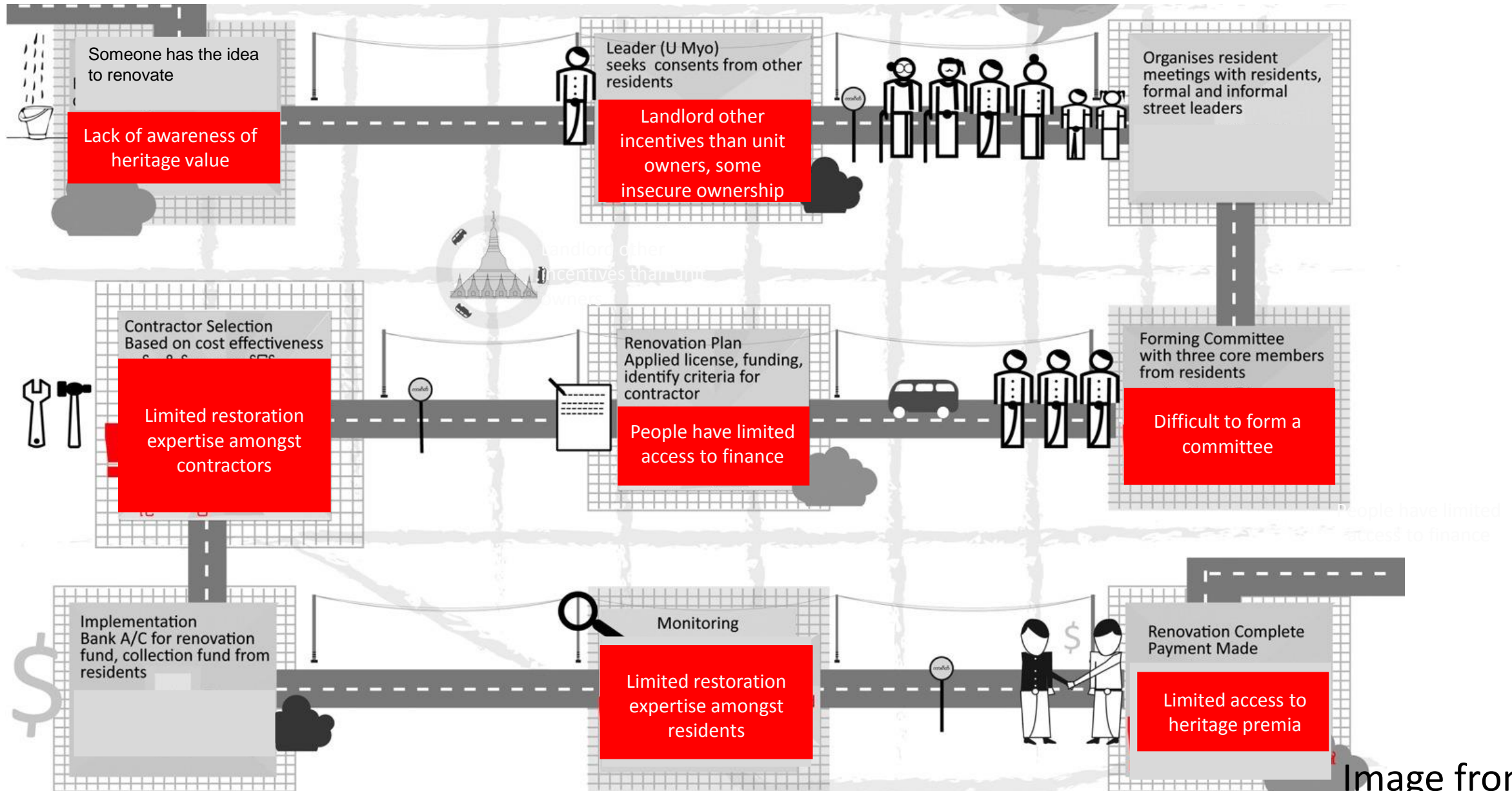
Institutional Properties
est 5 million sqft

Private
Ownership
(70-80% of
all heritage
buildings)

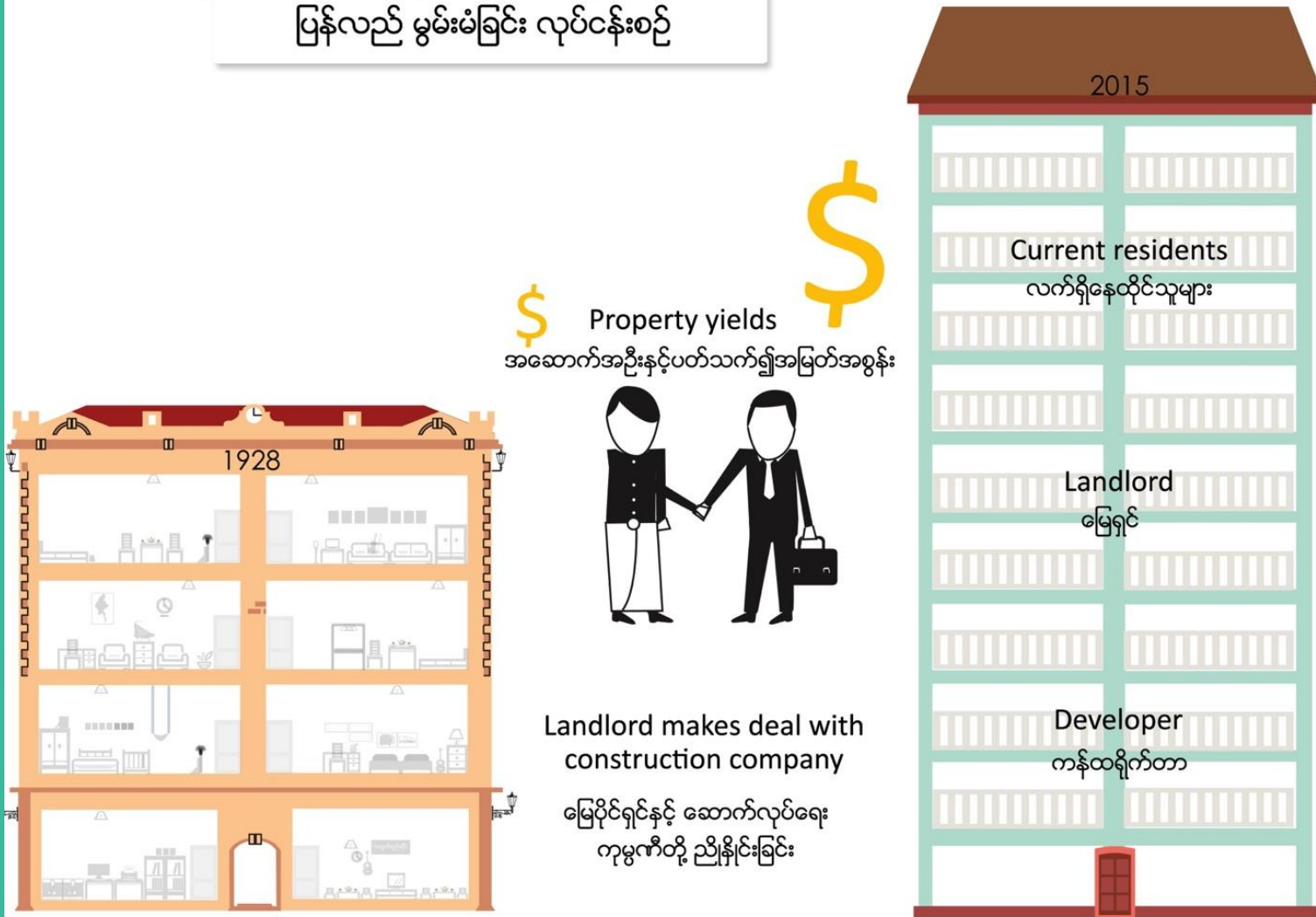


Public
Ownership

Existing barriers to renovation of tenement buildings



Redevelopment Proposition
ပြန်လည် မွမ်းမံခြင်း လုပ်ငန်းစဉ်



Redevelopment proposition

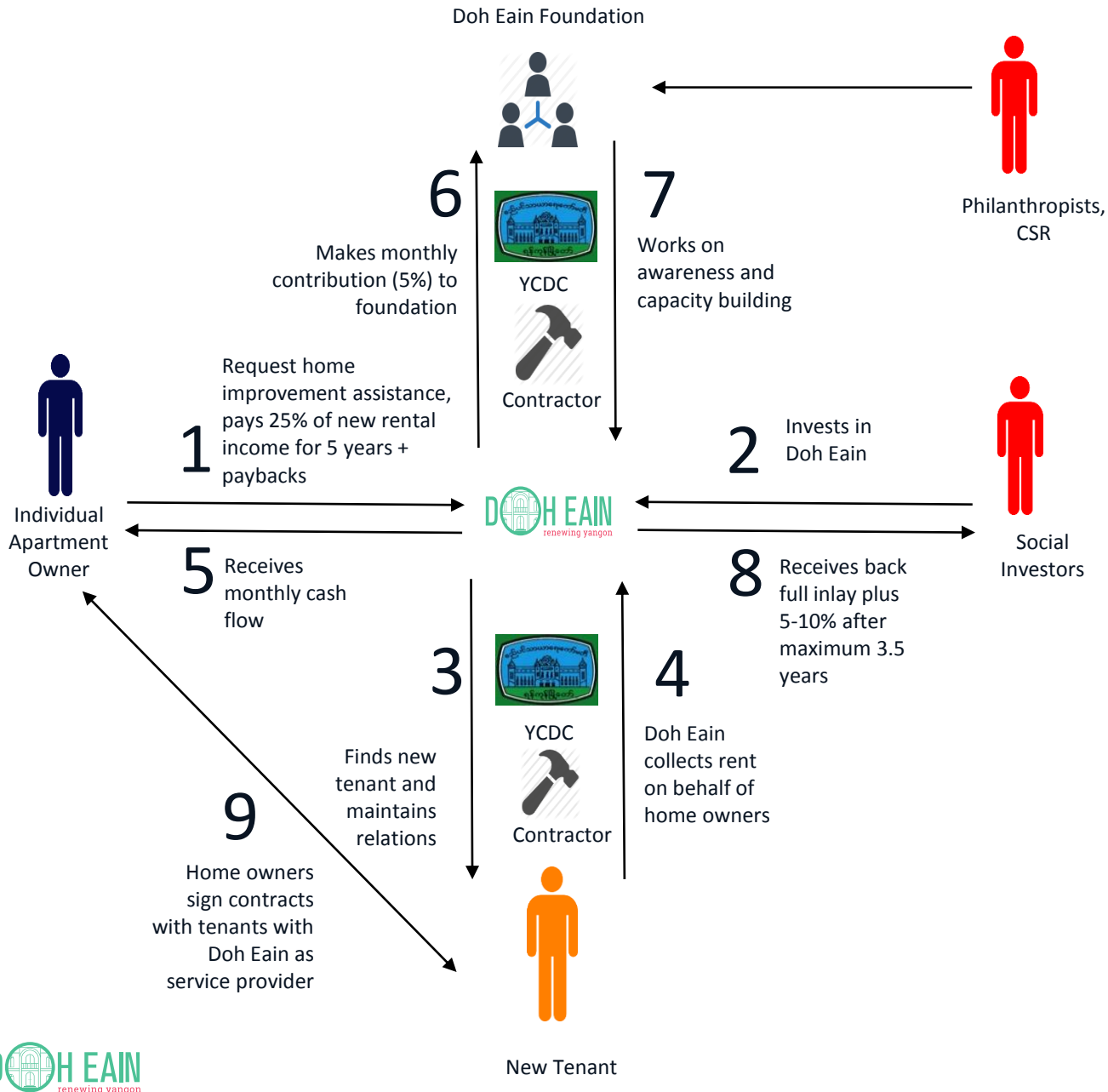
Developers upfront all investment



Doh Eain's strategy for tenement buildings

Attractive alternative for property owners to neglect, selling or demolition

- Awareness raising and trustbuilding
- Restoration design
- Pre-financed renovations on a deferred payment scheme
- Design coordination, partial implementation by in-house team of experienced builders
- Property management
- Contribution to community



Financial model tenement buildings

- Invested in renovation since early 2016: **480,000 USD** in 15 units (to cover material + labour)
- Renovation size per unit: **10,000-50,000 USD**
- Post renovation unit rental prices: **750 – 3000 USD**
- Average increase rent: **3,58x**
- **Unit IRR** of 15-25%
- Average payback time: **3 yrs**
- Paid back since early 2016: **60,000**
- **0** vacancies, **0** defaults



Example (unit)

- Multi generation family apartment
- Owner had moved closer to work, used the space for **income generation**
- Would like to **move back in future**
- Invested **20,500 USD**
- Rent from 300 to 1500 per month



“I’d like to live here again in the future, and enjoy a comfortable, modern lifestyle”



Example (building)

- 100+ year old family home
- With children overseas, place too large for parents & no money for maintenance
- Invested **155,000 USD**, creating 3 apartments
- Monthly rent: **6,000 USD**



“ It seemed a win-win solution for Doh Eain, us and the community. It would have been a shame to put up a new apartment building here.”



Our financing

- Fairly predictable expenses and income
- Long waiting list of heritage building owners and tenants
- Impact (angel) investors
- So far been able to raise loans at 5%, 3.5 years including 6 months grace (aided by low interest rates elsewhere)



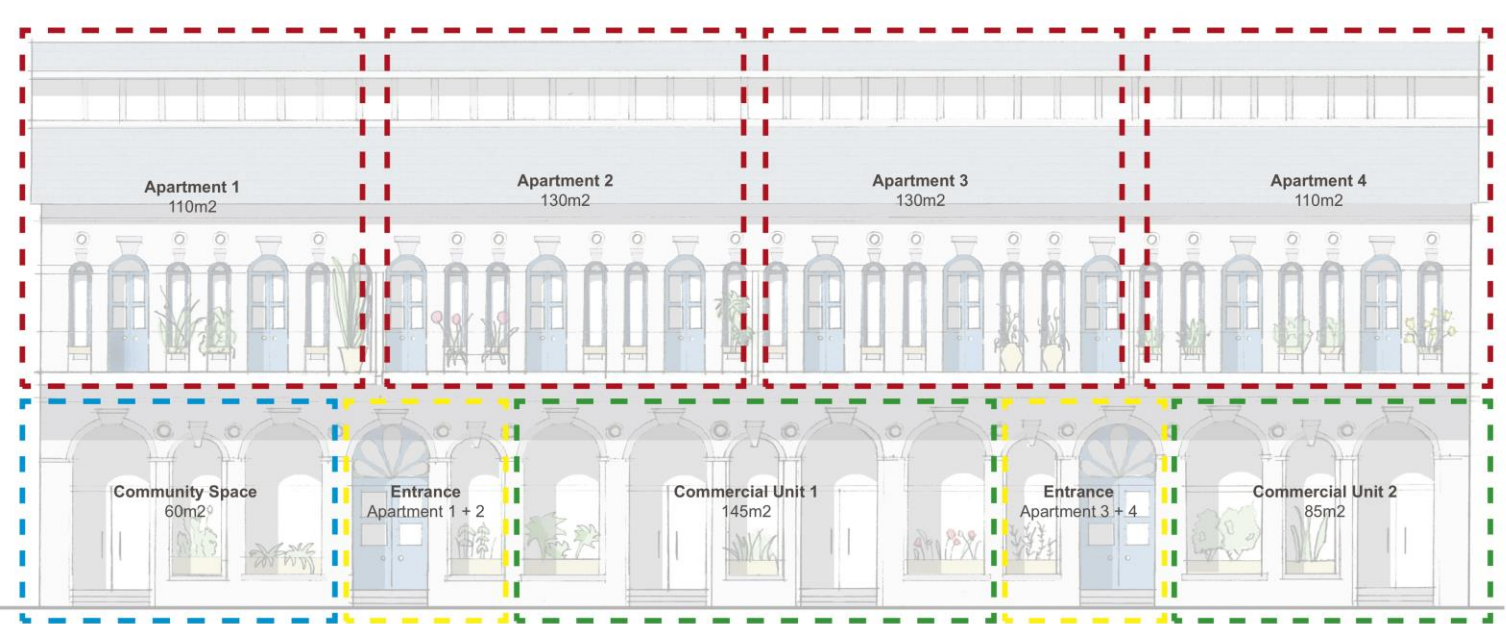
SPVs for individual projects

- Link more of our homeowners with potential financiers on a project by project basis
- Separate entities on Myanmar level, or Myanmar and Singapore
- Doh Eain as **connector, investor and service provider** (designer, design coordinator, property manager)



Example

- Goal: multi-use complex with apartments, offices and community space (about 1/10th of building)
- Estimated renovation costs: 400,000 USD
- Anticipated monthly rental income: 13,5000 USD
- Required minimum lease term 10 years
- Project IRR of 13-15%, metrics adjustable
- Rent/m2 for owner: 98 USD (after deductions)







Example

- Goal: **residential** units
- Estimated renovation costs: **200,000 USD**
- Anticipated monthly rental income: **8,000 USD**
- Required minimum lease term **12 years**
- Project IRR of **14-16%** feasible
- Rent/m² for owner: **106 USD (after deductions)**

Challenges

- **Bandwidth** to undertake data collection and improve communications
- **Bandwidth** to undertake feasibility studies
- **Time needed** to undertake feasibility and raise funds
- **Insufficiently high returns** on more damaged buildings -> currently incentivised to only take on buildings in better condition



Gap financing fund?

More blended finance helpful to scale up work

- **Philanthropic funds** for feasibility studies
- **Philanthropic matching funds** to make proposition more attractive to commercial investors
-



Thank you

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