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Advantage Cities 2026

How cities build capacity for an uncertain future



Gledhill Shield is based in Melbourne and works with clients and collaborators in Australia and around the world.

We work from the lands of the Wurundjeri Woi-wurrung and Bunurong / Boon Wurrung peoples. We pay our respects to Elders past and present, and acknowledge the Traditional Owners and Custodians of the lands and waters on which we work across Australia.

About this publication

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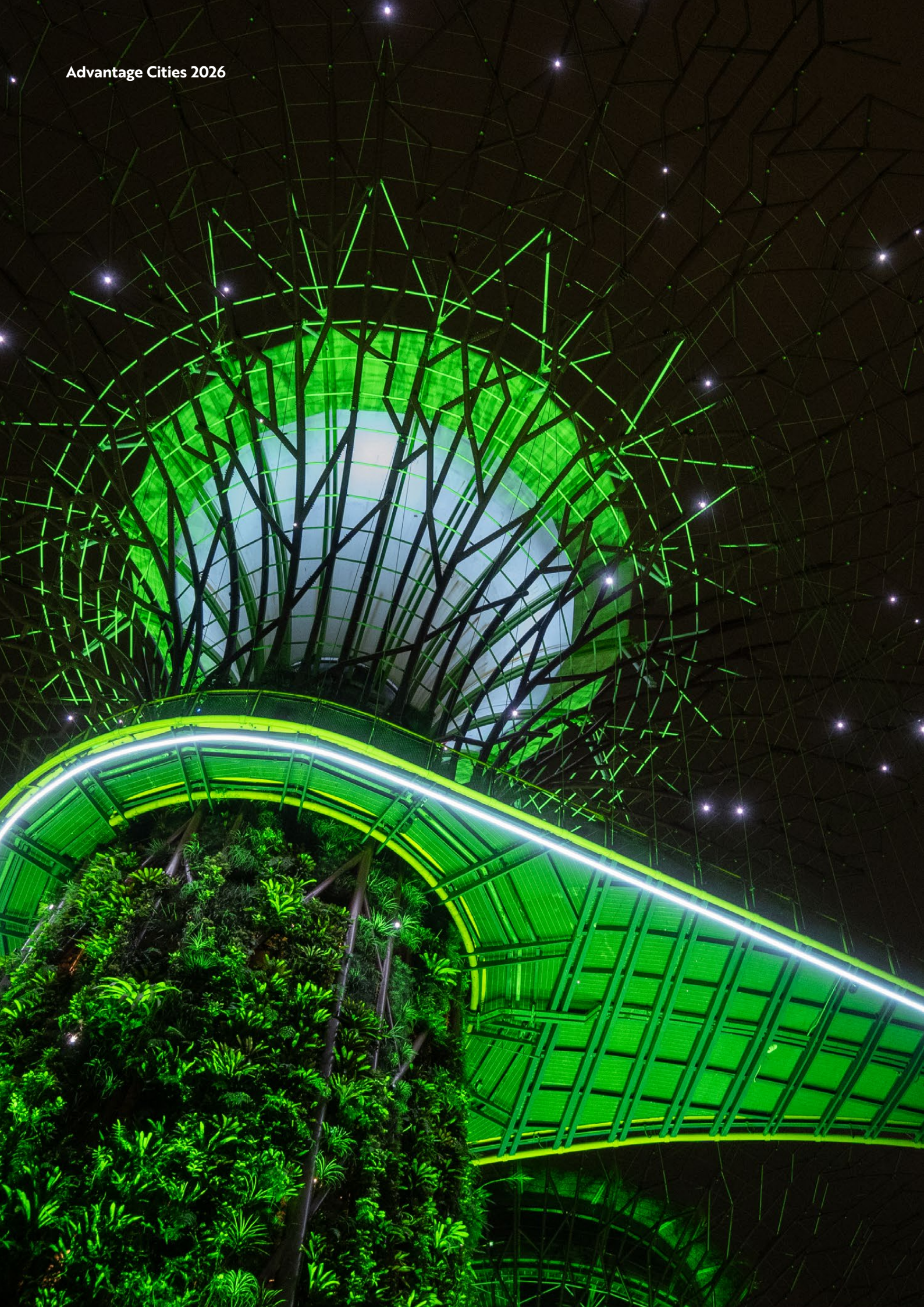
Authors: Tom Shield and Heath Gledhill

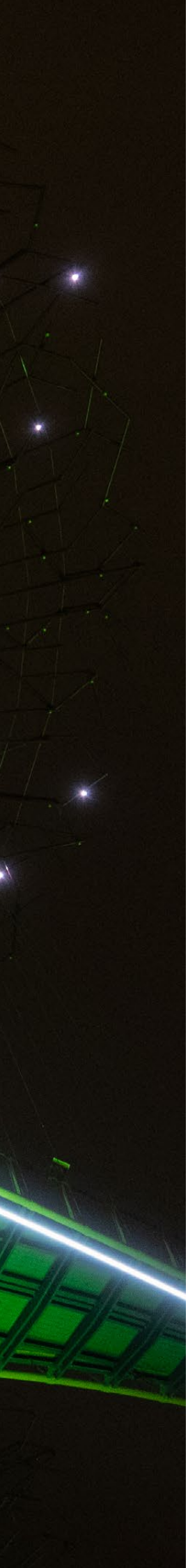
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Cities are being reshaped by forces far beyond their borders: climate, technology, capital, migration and geopolitics.

While cities cannot command those forces, they are far from powerless before them.

Across twelve deliberately different cities, Advantage Cities 2026 examines how choices about capital, capability and connection shape what cities become able to do next.

The central finding is that the wider value of investment depends on the capabilities and connections it creates, who can participate in the benefits, and the choices it leaves open for the future.

The future has become harder to believe in

The future is rarely polite enough to arrive one problem at a time.

Cities are dealing with climate change, artificial intelligence, demographic change and migration, geopolitical instability, shifting patterns of capital and trade, and housing systems that are failing too many people. These pressures interact. A housing shortage affects labour markets. Climate risk affects insurance and investment. New technology changes where and how people work. Decisions made thousands of kilometres away can alter the fortunes of a city almost overnight.

The challenges are easy enough to see. But more troubling is the way the future is beginning to feel.

For more than a decade, confidence that the next generation will do better has been weakening across many advanced economies.

OECD analysis of data from the Pew Research Centre found that, in the majority of countries examined, more people in 2022 than in 2013 expected today's children to be worse off financially than their parents. In Australia, that share rose from about 53 percent to 72 percent.[1]

The 2026 Edelman Trust Barometer offers a more recent snapshot. Only 32 percent of people across 28 countries believed the next generation would be better off.[2]

At the same time, many people feel little agency over the decisions shaping their lives. The OECD's 2026 Trust Survey found that just 31 percent of people believed people like them had a say in what government does. The relationship with trust is striking: 69 percent of those who felt they had a say trusted national government, compared with 22 percent of those who did not.[3]

These surveys capture something important about the climate in which decisions about cities are now being made. Optimism is weak. Trust is strained. For many people, change increasingly feels like something that happens to them rather than something they can help shape.

Humans have always had a useful response to forces larger than themselves: we organise. We form communities, divide labour, share knowledge and build things no household could build alone. We trade, teach, care, argue and invent rules. Cities are one of the great expressions of this capacity – bringing people, skills, ideas and resources close enough together to make things possible that would otherwise remain beyond reach.

Cities have never been tidy instruments of progress. They have produced extraordinary wealth and terrible poverty, freedom and exclusion, beauty and spectacularly bad design. Their history should make us suspicious of anyone offering a clean formula for what a city ought to be. Regardless, one proposition has endured: people can do more together than they can apart.

That matters because many of the pressures cities face are shaped, at least in part, by decisions made within them and by the regional and national governments that surround them. Housing unaffordability reflects decades of choices about land, planning, infrastructure, investment and taxation. Congestion reflects choices about where homes and jobs are located and how people move

between them. Climate change is global, but its consequences are shaped locally by what we build and how well prepared our systems are. New technologies may arrive from elsewhere, but cities still influence whether they widen opportunity or deepen exclusion.

There is no simpler past waiting for us, and little value in pretending cities can control everything that happens within their borders.

However, between control and helplessness lies an expansive field of choice.

The cost of a home is shaped by choices. So is the reach of a railway. A university can become part of a deeper economic ecosystem. An airport can anchor an aviation economy. Public investment can leave a legacy of skills, firms and operating capability that remain useful decades after the original project is complete. An asset's wider value comes from what a city builds around it.

For this inaugural edition of Advantage Cities, we selected 12 cities as different lenses on urban advantage. Some have done particular things exceptionally well. Others contain warnings, tensions or unfinished experiments. Several manage both at once.

Each helps us see how cities respond to their circumstances: how they direct capital, build capability, connect people to opportunity, work around constraints and adapt when plans meet reality.

Their circumstances are too different for simple copying. Singapore's approach rests on systems of land, housing, transport and government capability built over generations.[4] Copenhagen's cycling network depends on standards, street allocation, measurement and repeated investment.[5] Bengaluru's technology economy cannot be separated from the firms, skills and global networks accumulated over decades.[6] The lesson travels better than the solution.

Advantage Cities starts from the proposition that urban advantage is a capacity. It is the ability to read changing circumstances, make consequential choices, build capabilities that accumulate over time and leave the city better placed for whatever comes next.

Confidence in the future will not be restored by telling people to be optimistic – hope without agency is thin. Confidence has a chance to return when people can see that choices remain, that those choices can make a dent, and that acting together can still improve the conditions in which we build our lives.

12 lenses on urban advantage

We chose 12 cities that each help us to see urban advantage from a different angle.

They vary enormously in size, economic output per person, geography, government and economic structure. Some have had decades to build deep capability. Others have changed rapidly. Some are unusually coordinated. Others achieve remarkable things despite fragmentation. Population and GDP per capita provide useful context, but neither alone explains how urban advantage is built. Each city brings a different set of conditions and strategic choices into view.

Ghent

Experimentation, evaluation and adjustment embedded in the way the city manages change.

Paris

Major infrastructure used to reshape metropolitan connections and patterns of growth.

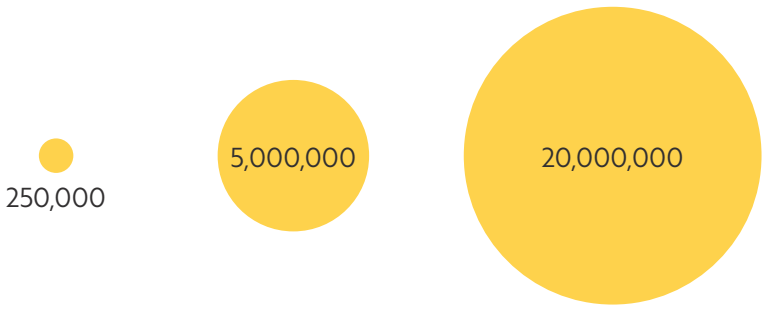
Milan

Design connected to education, industry, culture and global markets.

Medellín

Transport, services and public investment extending access across a divided city.

Population of urban centre, 2020



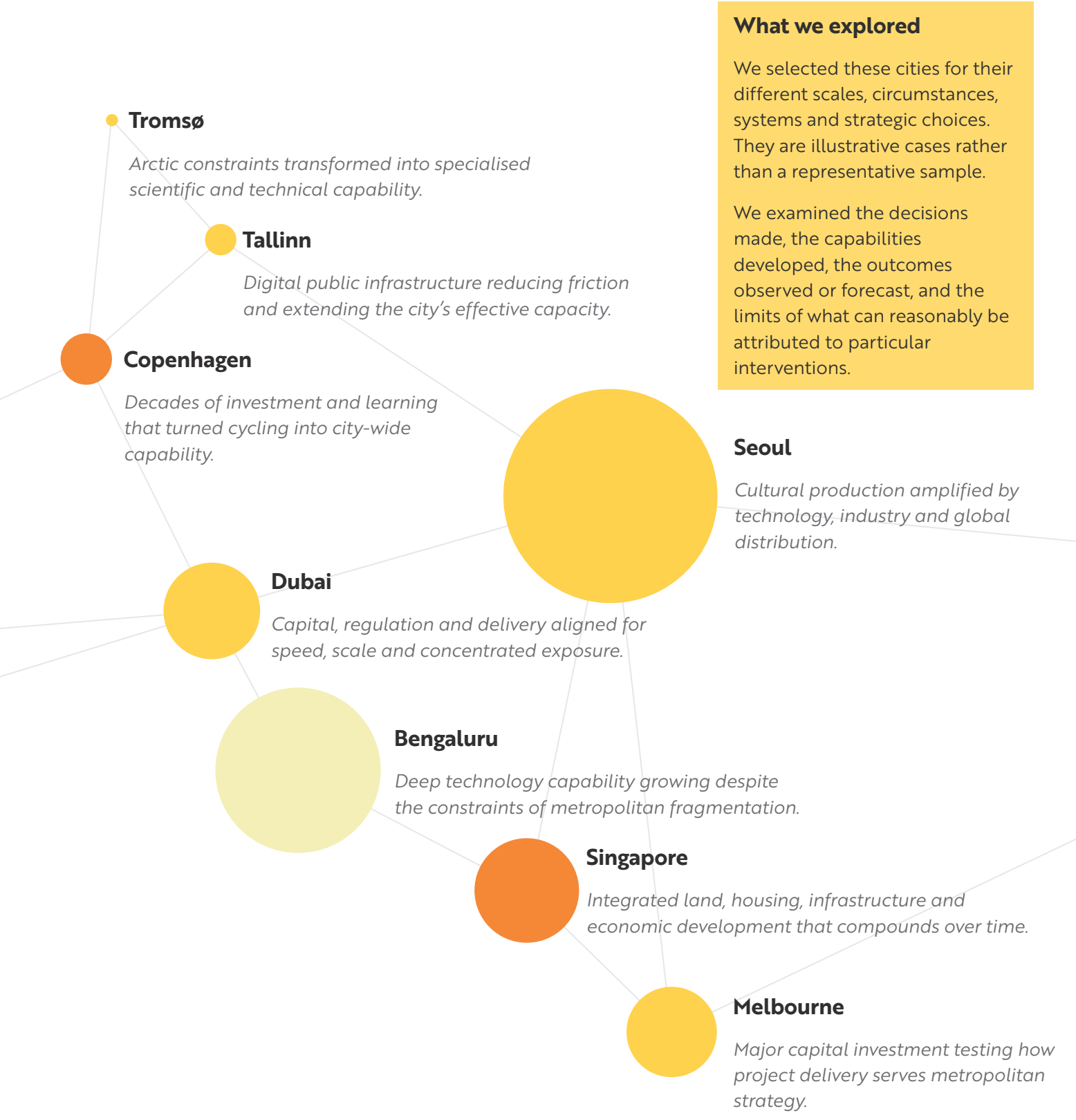
GDP per capita (PPP) International Dollars, 2020

- Over $75,000
- $25,000 – $75,000
- Under $25,000

What we explored

We selected these cities for their different scales, circumstances, systems and strategic choices. They are illustrative cases rather than a representative sample.

We examined the decisions made, the capabilities developed, the outcomes observed or forecast, and the limits of what can reasonably be attributed to particular interventions.



Sources: European Commission JRC, GHSL Urban Centre Database (R2024A); Kummu, Kosonen and Masoumzadeh Sayyar (2025), Scientific Data, 12:178, and underlying 2024 GDP dataset. Figures are for 2020. GDP per capita is expressed in constant 2017 international dollars, adjusted for purchasing power parity (PPP). Circle areas are proportional to urban-centre population. Boundaries may differ from administrative areas.

How advantage is built

The assets cities build are generally easy to see. The systems that make them valuable are less obvious.

A railway changes accessibility, but housing, land use, interchange and employment shape how that access translates into opportunity. An airport can anchor a wider aviation economy as airlines, logistics, engineering, skills and regulation develop alongside it. A university can contribute to new industries when research connects with firms, talent and capital.

The 12 cities reveal different ways these relationships develop. Singapore demonstrates the benefits of sustained coordination across land, housing, infrastructure and economic development. Copenhagen shows how decades of incremental investment and adjustment can turn cycling infrastructure into a city-wide network. Medellín illustrates the potential of connecting transport investment with neighbourhood facilities and services. Bengaluru provides a counterpoint: substantial economic capability can emerge even when the wider metropolitan system struggles to keep pace.

Across these different experiences, a recurring question emerges: what else needs to happen for an investment to realise its wider potential?

The answer depends on the city, the investment and the capabilities already in place. Some connections can be deliberately planned. Others emerge through the decisions of firms, communities and governments over time. Some never materialise, limiting the value that the original investment can create.

Advantage is built in systems

Diagnosis, choice and capital commitment set the direction. They determine what a city is trying to change and where it will concentrate resources. The deeper effect depends on the capability that investment creates: skills, knowledge, firms, networks and operating capacity that expand what the city can do next.

These capabilities become more valuable when the wider system reinforces them. Transport becomes more useful when housing and employment respond. Research becomes more productive when it connects to firms and capital. New development performs better when services, infrastructure and regulation keep pace. Alignment allows one investment to strengthen another.

Time also matters. As circumstances change and assumptions meet reality, custodianship provides continuity while adaptability allows the city to adjust without losing sight of its original intent.

When these elements reinforce one another, advantage can compound. Each investment improves the conditions for the next, expanding the choices available to the city and strengthening its capacity to act, adapt and create opportunity over time.

01

CHOOSE WHERE TO ACT

Define the problem, make the strategic choice and commit resources.

02

BUILD CAPABILITY

Build skills, knowledge, firms, networks and operating capacity that increase what the city can do next.

03

REINFORCE THROUGH SYSTEMS

Connect the investment to the land, housing, infrastructure, services and regulation around it.

04

SUSTAIN OVER TIME

Keep attention on the outcome, learn from evidence and adapt as conditions change.

COMPOUND ADVANTAGE

Expand the city's capability, widen opportunity and improve the choices available next.

How we read the evidence

Four questions guided the analysis:

What changed? What was delivered, and what difference did the intervention make?

Who could participate? Who gained access to the value created, and who did not?

What can we reasonably attribute? Which outcomes are supported by evidence, and where does uncertainty remain?

What happened next? Did the city learn from the evidence and adjust its decisions?



Build depth

Cities often describe their advantages through things they possess: an airport, a university, a skilled workforce, a strong industry, a cultural scene. Those assets matter, but their deeper strategic value lies in what a city is able to build around them.

Infrastructure can improve access and create new markets. Firms learn to use it. Workers develop specialist skills. Education responds. Suppliers emerge and operating knowledge accumulates. New investment arrives to find capabilities, relationships and experience already in place. Over time, the value of the original investment becomes increasingly difficult to separate from the system that has developed around it.

This is one of the clearest patterns across the 12 cities. Singapore shows how capability can accumulate deliberately over generations. Bengaluru shows that productive depth can develop through firms, people and global networks even when the surrounding metropolitan system struggles to keep pace. Tromsø shows how persistent geographic constraints can create reason to build unusually specialised knowledge. Milan and Seoul show how culture becomes economically consequential when creative capability connects to education, production, technology and markets.

These are very different pathways, but all involve accumulation. A city gains more from investment when it leaves behind skills, knowledge, firms, networks or operating capability that remain useful after the initial expenditure has passed. Those capabilities make subsequent investment easier to absorb and potentially more valuable. They also increase the range of choices available when circumstances change.

Depth, however, should not be confused with concentration. A city can build formidable capability around a sector while becoming more exposed to the firms, technologies, markets or assumptions on which that capability depends. The strongest forms of depth retain the capacity to renew: new firms can

enter, skills and knowledge can move into adjacent uses, and investment can change direction as conditions change. Depth strengthens advantage when it expands what the city can do next. It becomes a source of fragility when it progressively narrows those choices.

This is where the distinction between activity and depth matters. Cities can generate enormous amounts of activity without building much that accumulates. New precincts are announced, incubators open, strategies multiply and major events attract attention. Individual projects may succeed on their own terms. The strategic test is what remains: whether expertise can be applied elsewhere, firms can draw on specialist workers and suppliers, research finds routes into production and markets, or delivery experience increases the city's capacity to undertake the next difficult project.

Capability compounds

Singapore's aviation economy makes the mechanism unusually visible. Changi Airport is a major asset, but its value extends well beyond the runways and terminals. Airlines, logistics, engineering, training, regulation and operating expertise have accumulated around it over decades. A firm entering that economy encounters an existing workforce, specialist suppliers, operating knowledge and connections to global markets. Each layer increases the value of the others, giving the wider system a depth that is difficult to reproduce through a single investment.[7]

Bengaluru reached depth by a very different route. Its technology economy developed through technical skills, firms, entrepreneurial networks and strong connections to global markets, while metropolitan infrastructure and services struggled to keep pace. Productive capability accumulated strongly enough to generate its own reinforcing effects.[8]

Bengaluru therefore complicates any simple claim that deep capability requires strong metropolitan coordination from the outset. Firms, workers and networks can build considerable momentum under fragmented conditions. The limits of that proposition are equally important. As the technology economy expanded, congestion, housing pressure and infrastructure shortfalls became increasingly consequential. Conditions that firms had previously worked around began to affect access to workers, movement across the city and the everyday functioning of the economy.

A deep capability base can withstand a surprising amount of friction. Persistent friction can also begin consuming the advantage that depth has created. The city around the productive ecosystem still matters.

The strongest investments therefore do more than address the immediate problem. They change what the city is capable of doing next.

Constraint can focus capability

Cities do not choose many of the conditions that shape them. Geography, climate, distance, scale, demography and scarcity can impose significant costs. Some constraints can be reduced through investment or policy. Others persist long enough that a city has to decide how to work with them.

Tromsø provides the clearest example in this study. Its Arctic location brings remoteness, a demanding climate, a relatively small population and operating conditions that many cities never encounter. Those circumstances have created sustained reason to develop expertise in polar research, climate observation, satellite services and other scientific and technical fields associated with the far north.

Kongsberg Satellite Services provides a tangible example. Its Tromsø ground station forms part of an international polar network extending to Svalbard and Antarctica, supporting satellite operations and Earth observation. High latitude creates a technical advantage for receiving data from polar-orbiting satellites. Specialist equipment, skills and operating expertise turn that geographic condition into a service with international value.[9]

Remoteness itself remains a constraint. The strategic value comes from the capability developed in response to it: becoming unusually good at things that climate, latitude and distance make necessary.

Singapore illustrates the mechanism through different pressures. Limited land and water have shaped decades of decisions about housing, infrastructure, urban development and resource management.[10] Estonia's small scale and geopolitical exposure created different incentives again, contributing to the development of digital public infrastructure and cyber capability.[11] In each case, a persistent pressure helped focus attention and investment on capabilities with value beyond the immediate problem.

Constraint does not reliably produce this outcome. It can suppress growth, deepen disadvantage and absorb resources that might otherwise be used elsewhere. Many cities live with persistent pressures without converting them into capabilities that travel. The relevant question is what the response to the constraint leaves behind.

Singapore's experience with water and land management extends beyond the scarcity that helped make those capabilities necessary. Estonia's digital and cyber capability has developed significance beyond its domestic scale. The response becomes strategically interesting when it produces knowledge, systems or operating capacity that can be applied again.

Cities therefore have reason to distinguish between constraints that should be removed, those that must be accommodated, and those that create a sustained reason to become unusually capable at something valuable. A persistent pressure can focus investment and learning in ways a more forgiving environment may never require. When that response builds transferable capability, an inherited limitation can change the range of possibilities available to the city.





Culture can become productive capability

Milan and Seoul broaden the idea of what productive capability can look like. Both demonstrate how creative activity can develop economic depth when ideas connect to the systems required to develop, produce and distribute them. Education matters, alongside firms, workers, technology, production capacity, capital and access to markets. The visible cultural success rests on relationships that have taken time to build.

Milan's strength in design has accumulated across education, manufacturing, professional practice, publishing, retail, exhibitions and international events. Designers operate close to industries able to use their work. Students enter a labour market with established firms and specialist knowledge. Events such as Milan Design Week attract global attention, but their significance rests partly on the capability that exists before visitors arrive and continues after they leave.

Design consequently reaches well beyond a cultural district or a handful of celebrated studios. It enters furniture, fashion, manufacturing, architecture, communications and the wider business economy. The city has developed a capacity to turn design knowledge into products, services and businesses with value in wider markets.[12]

Seoul has built a different system around cultural production. Music, film, television, gaming and digital content have developed alongside sophisticated production capability, technology companies and routes to international audiences. The global visibility of Korean culture is the most obvious result. For the Advantage Cities argument, the deeper capability is more important: people and firms that know how to develop, finance, produce, package, distribute and continually renew cultural products at scale.[13]

These cases help explain why cultural strategies centred largely on buildings, events or branding capture only part of the mechanism. Creative capability needs places to learn and work, routes into industries, specialist skills, access to production and technology, finance, and connections to markets. As those relationships deepen, knowledge moves between organisations, workers build experience across projects, firms specialise, and new businesses can enter an ecosystem that already contains some of what they need.

Success can also weaken the conditions that produced it. Creative economies often rely on affordable workspace, adaptable buildings and relatively low barriers to entry. Rising land values can displace smaller firms and workers even as a city celebrates the cultural identity they helped create. The outward reputation may remain strong while the productive ecosystem beneath it becomes thinner.

Milan and Seoul reinforce the larger argument about depth. Culture becomes a source of urban advantage when creative activity develops into capability that connects, accumulates and can be used again. The visible success is only part of the asset; the deeper advantage is what the city has learned how to do.

Depth gives a city something to work with. Its wider value depends on what that capability can connect to.

Make the system work





Connection expands capacity

Capability becomes more valuable when it connects people, firms and places to more of what a city offers. Transport does this physically; digital systems can do it without moving anyone. Housing, public space and local services shape whether those connections become usable in everyday life.

Medellín shows how connection can alter the geography of a city. Its cable cars crossed steep terrain that had long made movement difficult, but the larger intervention extended beyond transport. New links were combined with investment in public facilities, neighbourhood services and public space. Their significance lay partly in bringing neighbourhoods that had been physically and socially separated from the wider city into closer relationship with jobs, services and other opportunities.[14]

The lesson is more useful than the technology itself. Cable cars did not create inclusion on their own. Their value increased because transport connected to the places and services people were trying to reach, and because investment extended into the neighbourhoods around them.

Copenhagen demonstrates a different version of the same mechanism. Its cycling advantage did not arise from a handful of exemplary routes. It developed through decades of work to close gaps, reallocate street space, improve intersections, measure performance and extend the network.[15] Each connection increased the usefulness of what was already there.

This is one reason networks behave differently from isolated assets. A kilometre of infrastructure has limited value if it ends where the difficult part of the journey begins. As a network becomes more complete, it changes which journeys are realistic. Cycling becomes a credible way to reach work, education, shops and other parts of daily life because enough of the system connects.

Tallinn extends the principle into the digital realm. Estonia's digital public infrastructure has reduced much of the friction involved in dealing with government by enabling services, records and transactions to operate across shared systems. The value extends beyond putting individual services online. People and businesses have less need to repeat the same administrative processes, while new services can build on infrastructure that already exists.[16]

Medellín, Copenhagen and Tallinn work through very different mechanisms, but each expands effective capacity by changing what people can reach and how easily they can use it. For a worker, that may mean access to more jobs. For a business, more customers, suppliers or knowledge. For a neighbourhood, a stronger relationship with the wider city. For a person using public services, it may simply mean less time and effort spent navigating them.

Connection matters because it changes the range of choices available. The next question is whether people and firms can actually use those choices.

Access is the beginning, not the outcome

Connection creates possibility. It does not determine what happens next. A station can make more jobs accessible without ensuring that someone can secure one. A new public space can create more opportunities for people to meet without producing a sense of belonging. A digital service can remove a queue while leaving other barriers to participation intact.

This distinction matters because urban interventions are often credited with outcomes several steps removed from what they directly changed. A more disciplined account separates access, use and eventual outcome. First, can people reach the opportunity? Then, can they actually use it? Only after that can we ask whether wider outcomes such as employment, health, social connection or economic mobility have changed.

The distinction also reveals where technically successful interventions can produce disappointing wider results. A railway can improve accessibility while housing around its stations becomes less affordable. A digital system can reduce friction for confident users while leaving others behind. A neighbourhood can gain public space and investment while losing some of the people or businesses that contributed to its value.

Aggregate success can coexist with considerable barriers to participation. A city may perform strongly on measures of prosperity, productivity or liveability while significant parts of its population struggle to afford housing, reach employment or remain in places where value is rising. Both conditions can be true.

Judging urban advantage therefore requires attention to the experiences of people and firms, alongside city-wide performance. The question is who can reach the opportunities being created, who can use them, and who bears the costs.



Over time, these effects feed back into the city's capacity. If workers are pushed progressively further from employment, labour-market access deteriorates. If productive businesses are displaced by rising land values, some of the capability that made a place valuable can disappear. If accessibility increases while the people who stand to benefit cannot remain within reach, part of the value created by the investment is lost elsewhere.

This is why distribution belongs inside the Advantage Cities argument. It affects how effectively a city uses its own capabilities and whether the opportunities created can generate further value. The strategic test therefore reaches beyond whether an intervention creates value in aggregate. It asks who can use that value, who captures it, who bears the costs, and whether enough people and firms remain able to participate. The answer also depends on whether the wider systems around the investment move with it.

Participation also matters to the quality of decisions. Residents, workers and businesses experience constraints that aggregate measures and project assessments can overlook. Their involvement can reveal access barriers, unintended consequences and competing priorities before major commitments are made, and provide evidence for adjustments as circumstances change.

Alignment multiplies capacity and exposure

The value of connection depends partly on whether the systems around it move in compatible directions. Land, infrastructure, regulation, funding and delivery frequently sit across different organisations and levels of government. When they work at cross-purposes, even a strong idea can lose time, value and ambition. When they align, complementary investments can reinforce one another and strategic choices can be translated into action more effectively.

Singapore demonstrates the benefits of this over a long period. Housing, transport, industrial land, education and economic development have been coordinated closely enough for investment in one system to strengthen others. Its relevance to Advantage Cities lies less in administrative neatness than in the capacity to connect consequential decisions across systems and sustain those relationships over time.[17]

Dubai offers a more concentrated example. Jebel Ali became more valuable because port infrastructure developed alongside customs arrangements, free-zone regulation, logistics infrastructure, warehousing and operating businesses. The value came from complementary decisions moving together rather than from the port alone.[18]

That same capacity can concentrate exposure. Dubai's experience around the global financial crisis showed how rapidly risk could build when property, debt, development and infrastructure were reinforcing similar assumptions.[19] Alignment increases the force of the underlying proposition. It does not make the proposition sound.

Bengaluru makes the point from the other direction. Its technology economy developed extraordinary depth despite fragmented metropolitan governance and infrastructure. Strong coordination was clearly not a prerequisite for productive success. Yet as that success accumulated, the costs of weak alignment became harder to absorb. Congestion, housing pressure and infrastructure shortfalls increasingly affected the economy that had grown despite them.[20]

Taken together, these cases suggest a more useful way to think about alignment. The objective is not maximum coordination for its own sake. City-shaping decisions need enough alignment to connect capital, land, regulation and delivery around a clear purpose. They also need mechanisms that keep important assumptions exposed to challenge.

This becomes more important as commitment grows. Land is acquired, contracts are signed, delivery teams mobilise and political and financial commitments accumulate. The system progressively becomes better at delivering the decision already made, which makes preserving the capacity to question that decision more important.

Large city-shaping investments need enough alignment to act and enough friction to think. They also need attention to persist after the initial decision has been made.



What makes advantage endure





Advantage needs custodianship

Cities are usually clear about who is responsible for delivering a project. Responsibility for the value the project was meant to create can be harder to locate.

That matters because city-shaping investments keep working on the city long after construction ends. A railway alters accessibility and land values. Housing estates age and need renewal. Innovation precincts depend on relationships between research, firms and capital that evolve over time. Public spaces change as the neighbourhoods around them change. The asset may be complete while the wider outcome is still emerging.

Singapore has built unusual continuity into many of its major urban systems. Housing, transport, land and economic development are planned, managed and adjusted over long periods. Estates are renewed, transport networks extended and industrial land adapted as economic needs change. The advantage lies partly in maintaining attention after the initial investment has been made.[21]

Copenhagen's cycling network offers a less centralised version of the same idea. There was no single point at which the network was finished. Streets have been reallocated, gaps closed,

intersections improved, data collected and priorities adjusted over decades. What exists today is the product of repeated attention rather than one decisive intervention.

Paris shows how responsibility becomes more complex as metropolitan ambition expands. Société des grands projets is responsible for delivering the Grand Paris Express infrastructure, while its operation and infrastructure management involve other organisations. The wider metropolitan promise extends further still. Housing, station development, interchange, local services and affordability depend on additional actors working under different mandates and timeframes.[22]

The wider the intended outcome, the more important it becomes to establish how responsibilities connect, and who remains accountable for the collective result.

The cases suggest three distinct forms of custodianship. Asset custodianship keeps the physical or digital asset functioning. System custodianship looks after the relationships around it: transport and land use, research and firms, housing and services. Outcome custodianship keeps attention on the reason the investment was made in the first place. Is access actually improving? Is the precinct generating the activity anticipated? Can the people meant to benefit still participate?

These roles do not need to sit in the same organisation. The risk arises when every organisation can point to a component it has successfully delivered while nobody remains responsible for whether the larger promise still holds.

This risk grows as projects move into delivery. Cost, schedule, procurement, engineering and approvals require increasing attention, as they should. The broader ambition that justified the investment can become progressively harder to see among the demands of delivery. A railway can open on time while housing around it arrives late. A precinct can attract investment while losing activities that gave it character. An asset can perform exactly as designed while conditions around it have changed enough to weaken the original proposition.

Good custodianship therefore protects intent without freezing the original plan. It gives someone responsibility for asking, years later, whether the investment is still doing what it was meant to do, whether the surrounding systems have moved with it, and whether the value being created is reaching the people and places for whom it was intended.

That responsibility also includes recognising when the means need to change. Custodianship provides continuity; adaptability keeps that continuity from becoming rigidity.

Advantage depends on the ability to adapt

Cities make long-term decisions in circumstances that continue to change. Population forecasts move, technologies develop, construction costs rise, industries shift and political priorities change. Some interventions work as intended. Others produce effects that were difficult to anticipate when the decision was made.

The challenge is to sustain purpose without becoming constrained by earlier choices.

Ghent demonstrates how implementation can become a process of learning. Traffic counts found that nearly 40 percent of motorised traffic in its city centre was passing through without a destination there. In 2017, the city introduced a circulation plan that reorganised traffic into six sectors, changing circulation on approximately 80 streets over a single weekend.[23]

The intervention was followed by monitoring, surveys and independent evaluation. When traffic counts and resident feedback revealed excessive

traffic on particular streets, the city adjusted circulation in the Coupure sector, including providing an additional exit route. These changes addressed emerging problems while retaining the plan's overall direction.[24]

Subsequent evaluations reported increased cycling and reduced motor traffic in the centre, alongside continuing concerns at particular junctions and approaches.[25] The experience demonstrates the value of combining a clear strategic commitment with the ability to respond to evidence once an intervention is operating.

Copenhagen offers a longer-term counterpart. Counts, safety data and user feedback have informed successive rounds of cycling-network investment and improvement. Ghent shows how evidence can prompt corrections after a major intervention; Copenhagen shows how it can improve an established system over decades.

Does the evidence change the decision?

Evidence only becomes strategically useful when it can still change something. A pilot that works needs a route to expand. A policy producing unintended effects needs room to change. If costs move materially beyond the assumptions supporting an investment, sequencing, scope or delivery may need to be reconsidered. Measurement becomes consequential when the decision remains open enough to respond.

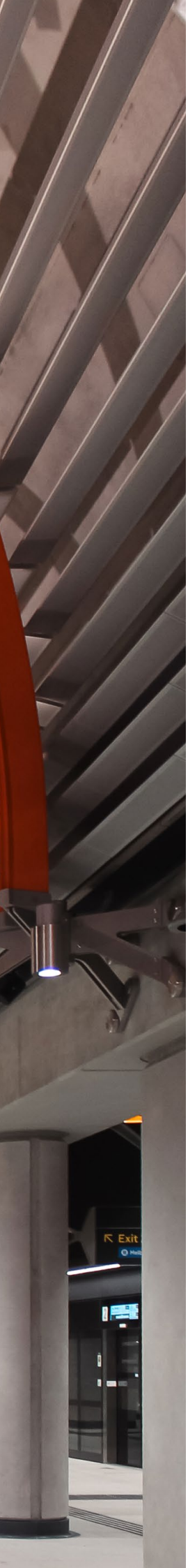
There is an important tension here. Capability also depends on sustained commitment. Constantly changing direction can prevent learning and investment from accumulating. The strategic task is to keep the purpose stable while leaving the means open to revision.

A clear purpose provides continuity while the means respond to evidence. But some findings can challenge the purpose itself. If the original diagnosis proves wrong, the forecast benefits depend on unrealistic assumptions, or the costs become disproportionate, the investment decision may need to change.

Effective measurement therefore requires defined opportunities to reconsider scope, sequencing, funding and, where necessary, the case for proceeding. Evidence has strategic value when leaders remain prepared and able to act on what it reveals.

Taken together, the cases so far point to a demanding form of city capability: build depth, connect it through the wider system, stay with the outcome and retain room to learn. For leaders committing major capital, those findings lead back to an earlier question: what exactly is being committed when a project is expected to reshape a city?


Exit 1
Swanston Street
Melbourne Central Stn 210m
Exit 1
Swanston Street
Melbourne Central Stn 210m



When capital becomes strategy

Ambition creates dependencies

Major capital projects turn strategy into visible commitments: budgets, contracts, delivery organisations and construction. The physical asset becomes increasingly certain, while its wider strategic significance depends on what the investment is expected to change.

A railway built to increase network capacity can be assessed primarily as a transport investment. One intended to reshape metropolitan growth makes a larger promise, dependent on housing, employment, interchange, local infrastructure and development around the network. An airport expected to anchor an aviation economy needs firms and specialised skills. A university expected to drive innovation needs connections between research, industry, talent and capital.

These dependencies rarely advance at the same pace. The core asset may have a funded delivery program, while the surrounding conditions rely on future planning decisions, other budgets, private investment or organisations with different priorities. As construction progresses, certainty about the asset can begin to stand in for certainty about the outcome.

Paris and Melbourne, examined next, illustrate this challenge. Both are investing in orbital rail to support a different metropolitan structure, but much of the anticipated transformation depends on decisions and investments beyond the railway itself.

Follow the dependencies

For city-shaping investments, this raises practical questions. What else needs to happen for the investment to achieve its intended outcomes? Are the necessary land-use changes, infrastructure and services funded and deliverable? Who controls those decisions, and who remains responsible for outcomes beyond the project boundary?

Not every dependency can be resolved before investment begins. The strategic task is to distinguish those that are manageable from those essential to the investment's wider promise.

Where critical dependencies cannot credibly be secured, the investment choice should be reconsidered. That may mean changing scope, sequencing enabling infrastructure first, establishing complementary funding commitments or deferring the project.

The purpose of identifying dependencies is to inform the decision while meaningful choices remain available.



Paris and Melbourne: Orbital rail and metropolitan transformation

Paris and Melbourne are investing in orbital rail to address a similar metropolitan challenge. Their existing rail networks largely favour journeys into and out of the city centre, while employment, education and other major destinations are distributed across their suburbs. Connecting these places more directly could change how people move across each city and influence where future growth occurs.

The projects differ substantially in scale, maturity and the conditions on which their wider benefits depend.

Two projects: different starting points

	Grand Paris Express	Suburban Rail Loop
Network	200 km, 68 stations. Includes the 75 km orbital Line 15	Proposed 90 km loop. SRL East: 26 km, six stations
Delivery	Opening in stages from 2024 to 2031	SRL East under construction; opening targeted for 2035
Published cost estimate	€36.1 billion (2012 prices; entire Grand Paris Express network)	A$33.3 billion (Victorian Government's August 2026 revised estimate; SRL East only)
Metropolitan ambition	Connect established suburban centres and support regeneration	Connect suburban destinations and support major future growth around stations

Sources: Grand Paris Express (note 26); Suburban Rail Loop (note 27).

Published capital estimates are not directly comparable because of differences in project scope, currency and price basis. The Grand Paris Express estimate covers the entire network in 2012 prices, while the SRL estimate covers its first stage. The Victorian Auditor-General's August 2026 assessment indicated a potential final cost exceeding A$36 billion for SRL East, based on the earlier project scope and procurement evidence.

Paris: connecting an established metropolitan economy

The Grand Paris Express will substantially expand rail connections between suburban centres. Around 80 per cent of its 68 stations will interchange with other transport services,[28] creating new routes across the metropolitan region without requiring passengers to travel through central Paris.

The economic geography it connects is already substantial. Insee identified approximately 934,000 salaried jobs in the 68 station neighbourhoods in 2022, representing around 21 per cent of salaried employment in the Métropole du Grand Paris.[29] Impact modelling undertaken by Société des grands projets and reported by Insee in 2026 forecasts an average 88 per cent increase in jobs accessible within 45 minutes from these neighbourhoods. In predominantly residential neighbourhoods, the projected gain reaches 124 per cent.[30]

These figures measure existing employment concentrations and forecast accessibility, rather than jobs created or economic benefits already realised. They nevertheless demonstrate how the new network could substantially expand access to an existing metropolitan economy.

The wider ambition includes housing, regeneration and stronger local centres. Here, the evidence is more qualified. France's Court of Accounts found in 2024 that coordination around stations was uneven, with dedicated station-neighbourhood committees established in only 16 of the 68 areas at the time of its review.[31] It also identified fragmented responsibilities for local transport connections and urban development.

Paris therefore illustrates both the potential of metropolitan connectivity at scale and the challenge of translating improved access into wider urban outcomes.

Melbourne: connecting centres to shape urban growth

Melbourne's Suburban Rail Loop pursues a comparable transport objective, beginning with a 26-kilometre corridor between Cheltenham and Box Hill. SRL East will connect major existing employment, education and health destinations, including Monash University, the Clayton health precinct and Box Hill.

Its metropolitan ambition also relies on significant future development around the stations.

The Victorian Government promotes the potential for approximately 70,000 new homes across the six station precincts. The project's business case uses a different measure, forecasting around 78,000 additional households over 30 years. The Victorian Auditor-General found that approximately 52,500 of those households were expected without SRL East, leaving an estimated 25,500 additional households attributable to the railway.[32]

This distinction is consequential. The total growth anticipated around stations cannot be treated as growth generated by the investment. The incremental benefit is smaller and remains dependent on development occurring at the scale and pace assumed.

New planning controls for the six SRL East precincts were approved in July 2026.[33] The Victorian Auditor-General's assessment, based on draft controls and detailed analysis of the Cheltenham precinct, found that the proposed planning settings could broadly accommodate the growth anticipated in the business case. This established planning capacity, rather than certainty that development would occur.

At the time of the August 2026 audit, arrangements for coordinating and funding the full range of local infrastructure remained unresolved. Infrastructure Contributions Plans were subsequently gazetted on 16 October 2026,[34] establishing a developer-contributions mechanism to support local infrastructure and SRL East. This represents material progress, although it does not by itself establish that

all required infrastructure is fully funded, appropriately sequenced or subject to clear whole-of-government accountability.

Significant uncertainty also remains around the railway's cost and delivery. The Auditor-General's assessment of the earlier project scope indicated a potential final cost exceeding A$36 billion. The Government subsequently announced a revised A$33.3 billion estimate and changes to interchange arrangements, including surface transfers at Box Hill and Glen Waverley. The different estimates and scope assumptions require careful reconciliation before conclusions about savings or value for money can be drawn.[35]

What the comparison reveals

Paris and Melbourne offer different perspectives on the relationship between rail investment and metropolitan development.

Paris is creating an extensive network connecting substantial existing concentrations of employment and population. Its forecast accessibility gains can be assessed against an established economic geography, although the extent to which those gains translate into changes in employment, housing and social outcomes remains uncertain.

Melbourne's first stage also improves connections between established destinations, but its wider metropolitan proposition places considerable emphasis on future development around stations and the eventual expansion of the orbital network. The business case therefore depends on assumptions about housing delivery, employment growth, infrastructure provision and future investment that extend beyond SRL East.

The available evidence does not establish which project offers better value for money. Their scope, maturity, cost bases and published benefit measures differ too much for that conclusion. It does, however, reveal an important distinction between the benefits attributable to the railway, those requiring complementary public investment, and those dependent on future development and market responses.

That distinction is important for investment decisions and governance. Paris has a substantial network program underway, but the Court of Accounts has identified weaknesses in coordinating its wider urban ambition. Melbourne has progressed its precinct planning alongside rail delivery, while independent audit has identified gaps in the funding, coordination and delivery arrangements needed to realise the anticipated benefits.

For both cities, the remaining challenge is to establish which metropolitan outcomes can credibly be expected from the railway, what further commitments are required, and who is responsible for delivering them. These questions will remain important long after the principal construction decisions have been made.

What is committed, and what is assumed?

The benefits of a major infrastructure investment can depend on three different kinds of commitment:

Benefit	What must be established
Direct benefits	What is expected from delivering and operating the funded asset?
Dependent benefits	What additional public infrastructure, services, planning decisions and funding commitments are necessary?
Contingent benefits	What relies on future private investment, housing delivery, employment growth or market responses?

Each category carries different responsibilities, uncertainties and timeframes. A credible investment case should make those distinctions explicit, showing which outcomes are directly supported by the funded project and which remain dependent on further commitments or assumptions.

Paris and Melbourne therefore provide a useful test of the distinction between capital commitment and strategic commitment. Both attach ambitions far beyond transport to major rail investment. In both places, many of the wider outcomes depend on organisations, budgets, markets and decisions outside the core rail project.

The question is how seriously those dependencies are treated.

Where housing, land use, local infrastructure, funding and governance develop alongside the railway, the asset has a stronger basis for influencing the metropolitan structure around it. Where those elements remain largely assumed, part of the strategic promise remains exposed even as construction advances.

This distinction matters well beyond rail. Major capital expenditure can make a project increasingly inevitable without resolving the conditions needed to produce its wider value. The real commitment is visible in everything that has to move around the asset, and in whether those elements are receiving comparable attention before the cost of changing direction becomes prohibitive.

Concrete and contracts make the asset real. Strategy makes the wider proposition credible.







Seven propositions for an uncertain future

The 12 cities in this study differ in scale, economic output per person, geography, government and economic structure. Some have built capability over generations. Others have changed quickly. Some coordinate across systems with unusual effectiveness. Others have achieved remarkable things despite fragmentation. Across those differences, seven propositions stand out.

None offers certainty. Cities will continue to face forces they cannot control and futures they cannot fully see.

But the research gives us reason to believe that choices still matter: where cities invest, what capabilities they build, what they connect, what they protect, and what they leave possible for those who come next.

01

CITIES STILL HAVE MEANINGFUL AGENCY

Strategic question: *Where can deliberate choices make the greatest difference, given the city's circumstances and constraints?*

Cities are being reshaped by forces that reach well beyond their borders: climate, technology, migration, capital, trade and geopolitics. Yet decisions made within cities still alter how those forces are experienced.

That leaves cities with a meaningful field of choice. The task is to recognise where action can still change the course of things, and to use that agency well.

02

INVESTMENT CREATES MORE VALUE WHEN IT BUILDS ENDURING CAPABILITY

Strategic question: *What will people, firms and organisations be capable of doing after the initial expenditure has passed?*

Some investments keep creating value long after the original money has been spent.

The pattern is cumulative. Skills attract firms. Firms deepen labour markets. Suppliers specialise. Experience improves the next project. Knowledge developed for one purpose finds new uses.

The strongest investments solve something that matters now while building capability the city can draw on again.

03

MAJOR ASSETS CREATE MORE VALUE WHEN THE WIDER SYSTEM MOVES WITH THEM

Strategic question: *What else needs to be funded, approved or delivered for the investment to realise its wider potential?*

When a major asset is expected to reshape a city's economy or spatial structure, the surrounding conditions become part of the strategic case. Housing, services, regulation and complementary investment may sit beyond the project boundary, yet determine whether the wider benefits materialise. Their credibility deserves the same scrutiny as the funded asset.

04

ADVANTAGE MATTERS WHEN PEOPLE CAN USE IT

Strategic question: *Who can reach and use the opportunities created, who bears the costs, and who risks being excluded?*

A city can create more jobs, better transport and rising land values while making it harder for some people to benefit.

Better accessibility can push up housing and workspace costs. Employment growth can leave workers travelling further to reach jobs. Successful cultural and innovation districts can price out some of the people and businesses that helped make them successful.

Urban advantage is stronger when people can reach opportunity, afford to remain close to it and participate in what the city is becoming.

05

ALIGNMENT IS POWERFUL WHEN TEMPERED BY CHALLENGE

Strategic question: *Which decisions require alignment, and how will the assumptions supporting them remain open to independent challenge?*

Alignment allows capital, land, regulation and delivery to reinforce a shared purpose. It also amplifies the consequences of flawed assumptions. Major commitments therefore need clear decision rights, transparent evidence and independent challenge before alternatives become prohibitively expensive.

06

LONG-TERM VALUE DEPENDS ON SUSTAINED ATTENTION TO THE OUTCOME

Strategic question: *Who remains accountable for the outcome after delivery, and what evidence could change the course of action?*

City-shaping outcomes often take far longer to emerge than the projects that initiate them. Railways alter accessibility and land values over decades. Innovation precincts depend on relationships between research, firms and capital that continue to evolve. Public spaces change as the neighbourhoods around them change.

Projects eventually move out of delivery. Responsibility for the outcome needs to last longer.

07

STRONG DECISIONS EXPAND THE CHOICES AVAILABLE NEXT

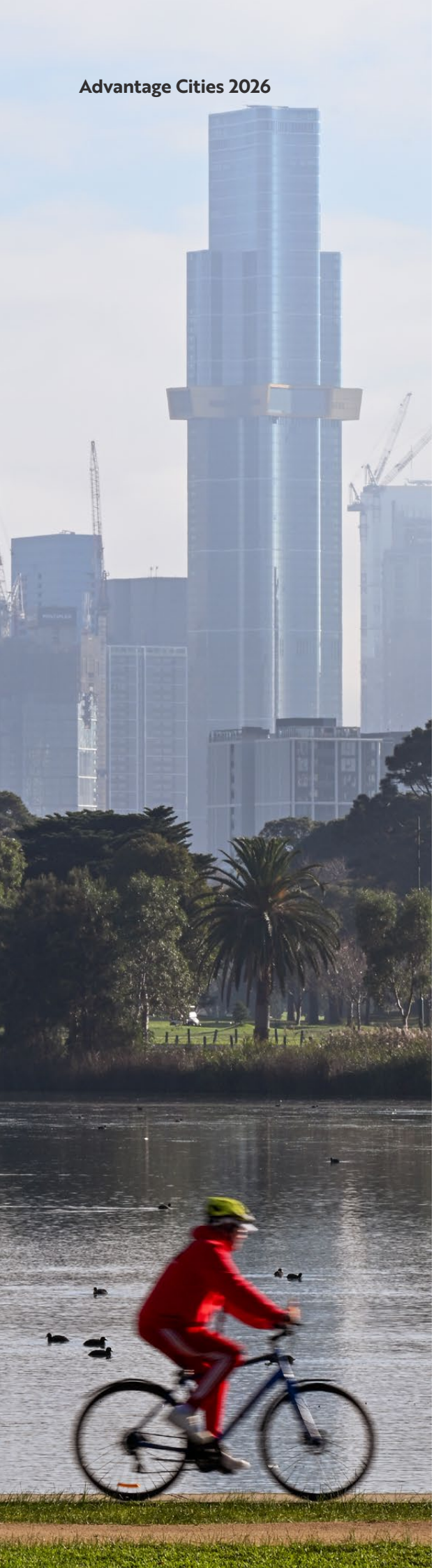
Strategic question: *What new possibilities will this decision create, and which future choices might it constrain?*

Every consequential decision changes the conditions for those that follow. Investment can build capabilities that can be used again, connect people and firms to new opportunities, and open possibilities that were not apparent at the outset. It can also lock in expensive patterns of development, concentrate risk or make it harder for people to share in the benefits of growth.

The strongest city-shaping decisions address a real need today while strengthening the city's capacity to respond to future challenges. Some choices inevitably close off others. The task is to understand those trade-offs and make commitments that expand future capability, opportunity and the ability to adapt.

That may be the most useful definition of urban advantage: leaving more possibility behind than you inherited.





The choices that remain

Cities are unfinished things. They inherit roads laid for economies that no longer exist, neighbourhoods shaped by decisions nobody now remembers making, public systems built for different populations and infrastructure expected to carry demands its designers could not have imagined.

Then another generation gets its turn. It adds a railway. Releases land. Builds homes. Funds a university. Changes a planning rule. Protects something valuable or allows it to disappear. Some decisions prove farsighted. Some are overtaken by events. Others seem modest at the time and become important only much later, when people begin building on what they made possible.

Urban advantages rarely arrive fully formed. They accumulate through choices, investment, learning and the work of people who stay with an idea long enough for something to grow around them. They are also shaped by mistakes, constraints, compromises and forces beyond a city's control.

That is perhaps the most encouraging thing the research found: agency does not require control. Cities will enter the next quarter century facing pressures they cannot vote away or contain at their borders. Climate will change. Technologies will

disrupt old arrangements. Capital will move. Populations will age and migrate. Political and economic shocks will arrive on schedules of their own.

The work is to understand what remains within reach. A city can deepen a capability it will need later. It can connect someone to an opportunity that was previously too far away. It can make room for homes near jobs and transport. It can invest in knowledge before its full value is obvious. It can keep enough friction in the system to challenge a bad assumption. It can remember the purpose of a project after the tunnelling machines arrive. It can change course when the evidence says it should.

None of those acts will solve the future, but they can make a dent, and enough good choices made over enough time can alter what a city is capable of doing when the next challenge arrives.

This is why the loss of confidence described at the beginning matters so much. Hope cannot be sustained by insisting that everything will turn out well; we have no basis for that promise. A sturdier kind of hope comes from knowing that choices remain, that some of those choices are consequential, and that we can learn from places that have tried things before us without pretending we can simply copy them.

It also comes from recognising that the extraordinary human capacity that built cities in the first place — our ability to organise, cooperate, specialise, argue, invent and make things together — has not disappeared.

The future will never be entirely ours to command. Much of it will be decided elsewhere, arrive unexpectedly or resist our best efforts. Yet there is still land to choose what to do with. Capital to direct. Knowledge to build. Infrastructure to connect. Assumptions to challenge. Opportunities to bring within reach.

And there are still choices we can make that leave those who come next with more room to make their own.

That seems a future worth working for. Together, in our imperfect cities.

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