

# GOVERNMENT MEASURE 'SHUTTERS UP!'

*Strategy for promoting economic activity  
in ground-floor premises (LPB) in Barcelona*



Ajuntament de  
Barcelona



Barcelona  
Activa

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Government Measure.  
'Shutters up!'

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April 2021



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# 1. JUSTIFICATION

This strategy stems from the need to respond to the phenomenon of vacant ground floors, which currently total 5,323 in the whole of the city according to data from the main estate agent portals.<sup>1</sup> The economic context generated by the COVID-19 pandemic and, in particular, the contraction of economic activity in all Ground Floor Premises (*Locals en Planta Baixa* – LPBs) has, apart from provoking a fall in jobs in sectors such as the non-food retail trade, the restaurant trade and local services, led to a decline in LPB occupancy throughout the city. A phenomenon which, with greater or lesser intensity, extends to every city district and neighbourhood with a triple impact on local residents: fewer opportunities for local consumption, economic deserts in some areas and a lower perception of safety in public spaces.

In recent years, Barcelona City Council has taken a number of initiatives in relation to vacant LPBs. Studies, steps to identify and classify premises, revitalisation mechanisms and governance instruments have been pushed by different municipal operators but nearly always on a limited scale and without a strategic municipal framework to tackle this phenomenon.

In such a context, the city needs to be equipped with an LPB revitalisation strategy, not only to reverse the increase in vacant properties in the city but also to activate a new lever for the city's economic promotion. Besides posing a challenge for municipal policies, the 5,300 vacant LPBs in the city today constitute a tangible and critical asset for reviving the economy. The 1.5 million m<sup>2</sup> currently inactive could be mobilised to boost the city's economy. At present, the economy needs online environments to become more efficient and overcome barriers more than ever but it also needs physical spaces to grow and develop business models. So LPBs must become part of the policy of promoting the city's economy.

They have various potential functions (economic, social, urban development). However, the intention of the LPB Strategy is to encourage and develop economic uses in these spaces, with the perspective of contributing to the growth of economic activity and employment in the whole of the city: local shops and services, entrepreneurship and creativity, education and research, tertiary job centres, and so on.

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<sup>1</sup> Average of premises for sale or rent drawn up from data taken from the estate agent portals Idealista, Habitatia and Fotocasa. Data extracted 19.03.2021.

The LPB Strategy is one of the pillars of the 2020-2023 Mandate Action Plan for the recovery and relaunch of Barcelona. More specifically, it falls within two core lines of the PAM: *Line 1 reviving the economy, making it stronger, more resilient and more diversified* and *Line 2 boosting support and resources for social inclusion*. Moreover, this Strategy also helps to give an immediate response to the Barcelona Pact and, in the medium and long term, to achieving the targets stemming from the 2030 Agenda Sustainable Development Goals (SDGs) in the city.

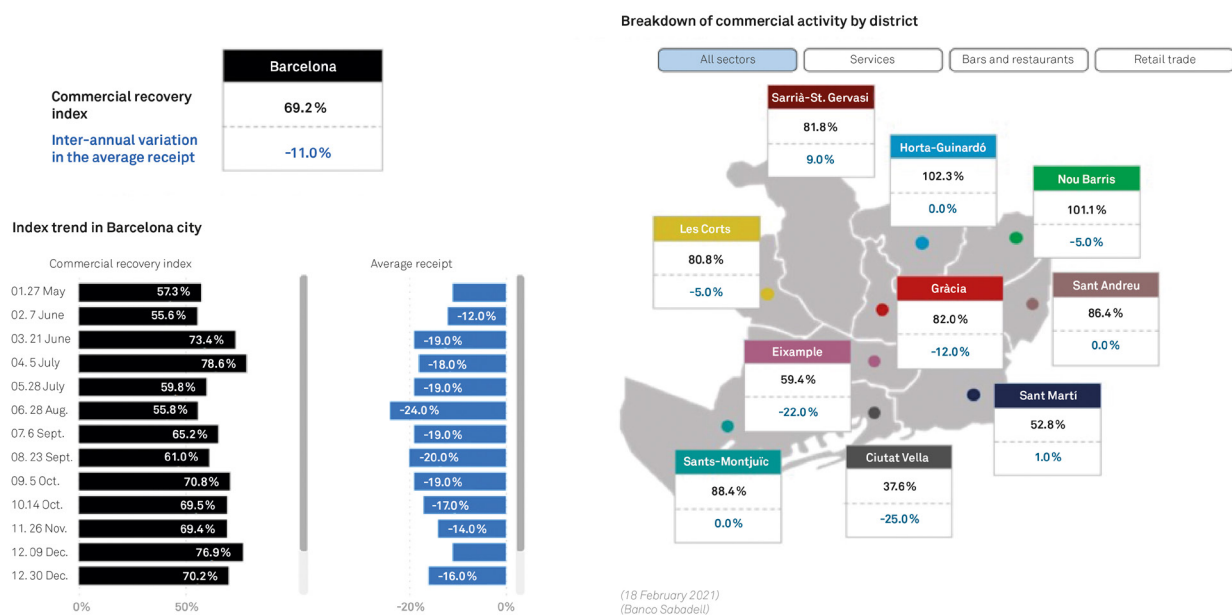
In this context, the municipal budgets for the 2021 financial year provides for an extraordinary budget to support the productive fabric and employment amounting to €25 million for current expenditure (chaps. 2 and 4) and €89 million for investment (chaps. 6 and 7), including resources for training and digitisation (€4.5 million), job creation (€9 million), boosting consumption and support for the activities hardest hit by the crisis (€11.5 million), reopening establishments in the local economy (€20 million) and acquiring premises for pilot economic and social projects (€16 million).

## 2. STRATEGIC FRAMEWORK

Barcelona is one of the cities with the highest commercial densities in the world. The **LPBs are one of its main assets**, with **economic activity** as their main use. The COVID-19 crisis has had a negative impact on LPB activity, causing a decline in economic activity and, consequently, unoccupied LPBs. The situation generated by the health crisis has probably accentuated an earlier dynamic of imbalance, weakening and the loss of certain types of ground-floor activity already taking place in certain neighbourhoods, the impact of the COVID-19 crisis merely worsening it and spreading it to the whole city.

### The COVID-19 crisis has had an unequal effect on Barcelona's districts.

The decline of commercial activity and increased abandonment of ground floor premises, despite having a general impact across the city, are affecting the districts of Sant Martí, Ciutat Vella and Eixample more (all three with a commercial recovery index below 60). Les Corts, Sarrià-Sant Gervasi, Gràcia and Sants-Montjuïc are between 10 and 20 points below the recovery, while Horta-Guinardó and Nou Barris are now showing activity levels similar to those in the pre-pandemic period. For the more outlying districts, the crisis opens up an opportunity to revive local commerce. And for the more central ones, the chance to rebalance the type of activity and uses.



## NEW CONSUMER HABITS

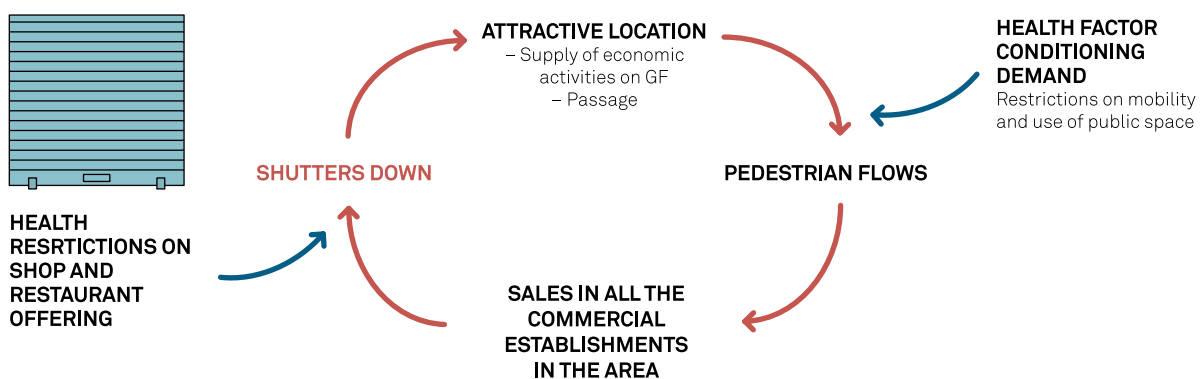
The social and mobility restrictions caused by the pandemic have had **repercussions on the consumer and leisure habits of Barcelona residents**. Among other changes we can observe the following:

- Shopping diverted to the digital channel (both searching for products as well as buying and collecting them, with increasing use of home delivery).
- Purchases concentrated in fewer establishments, more planned and executed. Time spent in establishments minimised.
- Social activity diverted to the digital channel.
- Shopping experience less satisfactory (barriers, queues, feeling of exposure, etc.).
- Less time spent in urban spaces (less enjoyment and time devoted to urban spaces).
- Reduced radius of citizen activity. People shop locally and mainly move around on foot.

These changes, some of which will become established following the pandemic, will have to be taken into account when calling for economic projects to be set up in vacant LPBs.

## NEGATIVE EXTERNALITIES OF LPB VACANCIES

‘Shutters down’ (vacant or apparently vacant LPBs) have repercussions for the appeal of public spaces and the shopping experience, creating a vicious circle of ever more vacant LPBs. A dynamic that has collateral effects on generating and attracting businesses, professionals, projects and visitors to the city, as well as on city resident satisfaction (quality of life, services, safety and security).



LPBs are, therefore, one of the city's key assets and we must make use of that with a strategic perspective, seeing them as an opportunity for locating and developing new uses or activities that the city needs or can generate.

## CRITERIA FOR TACKLING THE STRATEGIC FRAMEWORK

The city can rely on a high density of commercial activity, with strong shopping hubs as well as a dynamic and well-organised neighbourhood and commercial association fabric. It should also be borne in mind that new opportunities are arising for activities that can occupy ground-floor premises as well as new business models and new tools developed around the crisis which can help to establish new activities. In addition, there is a new awareness on the part of Barcelona's citizens, who are showing an interest in and sensitivity towards shopping locally. In short, that means positioning the problem of LPBs in the central focus of social interest and legitimising the need for LPB revitalisation policies.

Not only do vacant ground-floor premises represent a strategic challenge for the city, but also a great opportunity if we leverage their social, urban development and economic functions.

LPB **policy** must not only be geared towards occupying vacant premises but also **maintaining those that are active to prevent their closure and maximising the competitive and resilience level of new activities** that set up there in response to local needs. We can therefore say that 'Shutters Up' is an urgent and timely measure for reviving economic activity and employment but also a long-term strategy.

The strategic framework for driving a new policy for revitalising LPBs not only takes into account the diversity of uses but also the heterogeneous nature of the city, of its districts and neighbourhoods, both in terms of their characteristics and their needs. It requires combining two horizons: a short-term shock policy to reverse a negative dynamic and save economic activities, and a medium- or long-term policy of a more structural kind that will impact on the future model of the city's ground-floor premises.

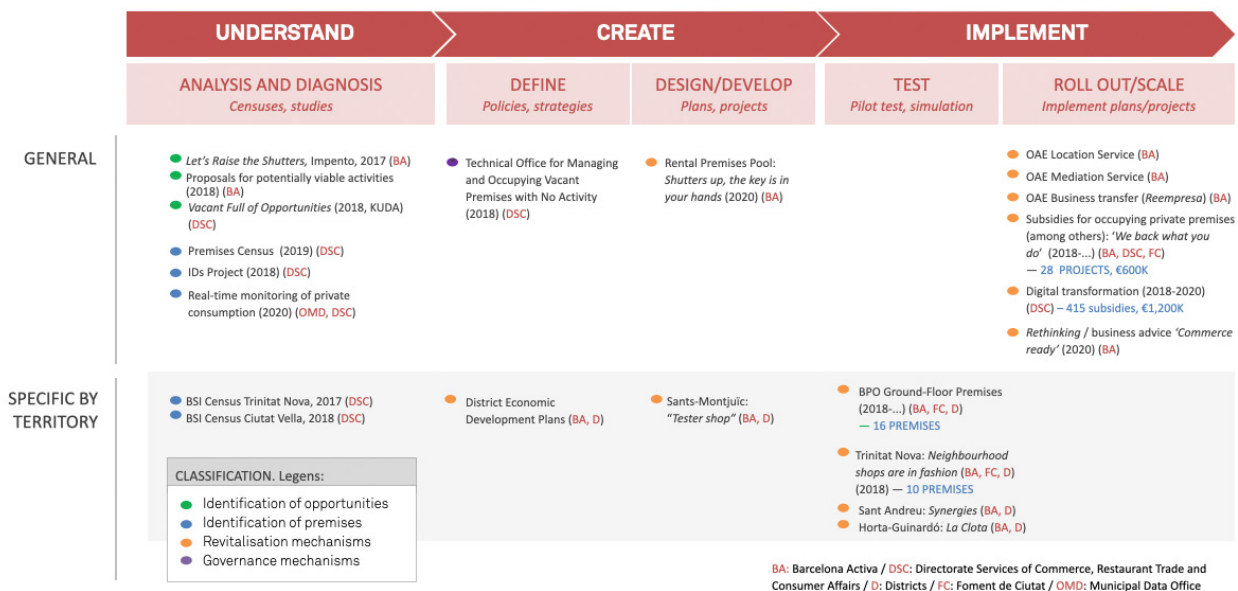
Finally, although this calls for City Council leadership, to integrate the policies that might be implemented by the various municipal areas and departments, collaboration with private and social players is essential too.





### 3. STARTING POINT OF THE STRATEGY

In recent years, Barcelona City Council has driven actions to revitalise vacant ground-floor premises on a small scale through various municipal bodies and carried out a number of successful interventions. Barcelona Activa (BA), Foment de Ciutat (FC), Directorate of Commerce, Restaurant Trade and Consumer Affairs Services (DSC), some Districts (Dists) and the Municipal Data Office (OMD) have led and/or actively participated in carrying out initiatives to encourage LPB occupancy, both to activate them and avoid their closure. These highly valuable actions in innovation terms constitute the starting point for the current ground-floor premises strategy.



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Among the analysis and diagnosis measures that have made it possible to identify opportunities for boosting LBP occupancy, the following studies carried out in the last four years stand out:

- Let's Raise the Shutters 2017 (BA)
- Proposals for potentially viable activities, 2018 (BA)
- Vacant Full of Opportunities, 2018 (DSC)
- Premises Census, 2019 (DSC)
- Premises IDs Project, 2018 (OMD, DSC)
- Real-time monitoring of private consumption, 2020 (OMD, DSC)
- BSI Census Trinitat Nova, 2017 (DSC)
- BSI Census Ciutat Vella, 2018 (DSC)

In addition, in the last five years, the City Council has been able to test and implement a significant number of initiatives, led by Barcelona Activa, the Directorate of Commerce Services, *Foment de Ciutat* or the Districts, which have enabled various revitalisation mechanisms to be tested:

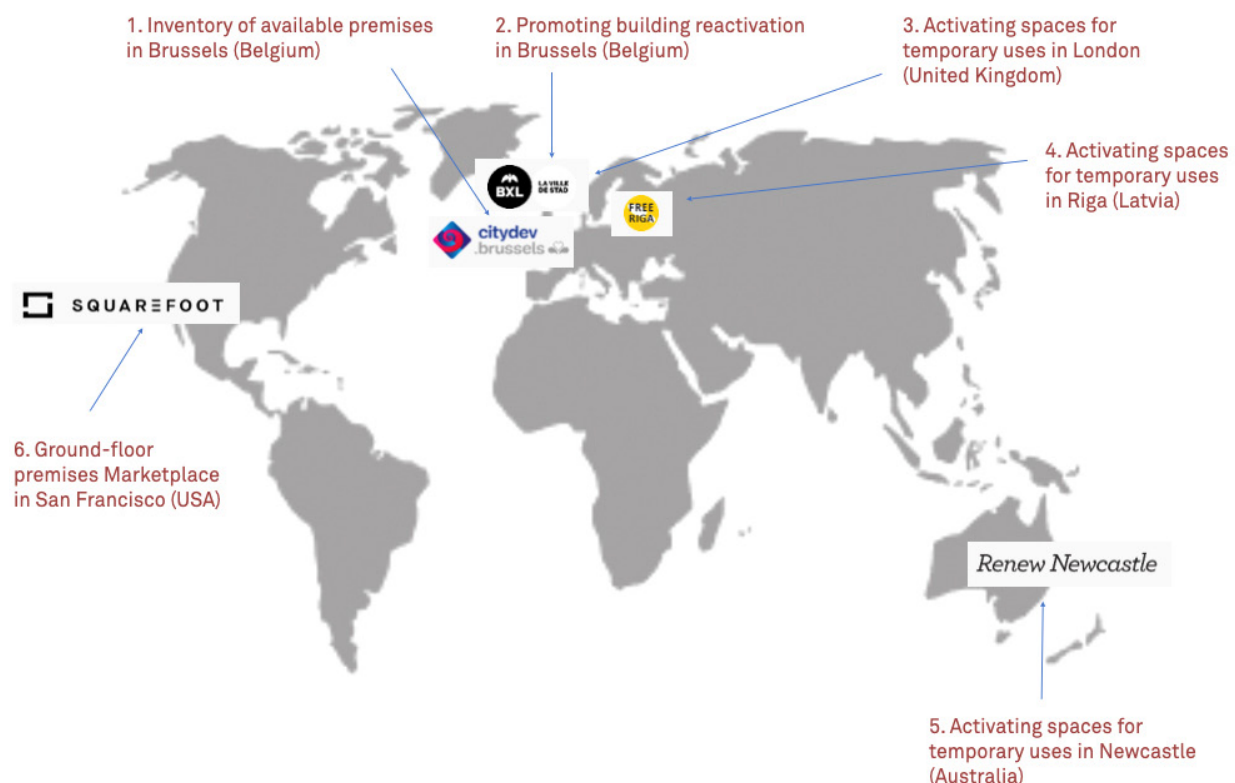
- District Economic Development Plans (BA, Dists –2016–2020)
- Officially Protected Ground-Floor Premises (FC, BA, Ciutat Vella – 2018, 2019)
- Trinitat Nova: *Neighbourhood shops are in fashion* (BA, FC, D– 2018)
- Sant Andreu: *Synergies* (BA, Dists)
- Horta-Guinardó: *La Clota Cotreball* (BA, Dists)
- OAE – Location Service (BA)
- OAE – Mediation Service (BA)
- OAE – Business transfer: *Reempresa* (BA)
- Subsidies for occupying private premises (among others): *Impulsem el que fas* [We back what you do] (BA, DSC – 2018, 2019, 2020–...)
- Digital transformation (DSC, BA – 2018–2020)
- *Rethinking*, business advice *Comerç a punt* (BA – 2020, 2021)

The impact of some of these initiatives has been highly localised, due to the fact they have been implemented in specific areas and on a small scale. However, the good results achieved by these actions show the need to step them up, scale them up and turn them into a new municipal public policy.

SWOT matrix – Diagnosis of the GF premises situation in Barcelona			
Internal: demand, supply and user in the field of LPB	STRENGTHS	WEAKNESSES	
	<ul style="list-style-type: none"> <li>• <b>Density of commercial activity</b> in Barcelona, with strong shopping hubs.</li> <li>• <b>Association fabric</b>, as well as commercial and neighbourhood, dynamic and well-organised.</li> <li>• Appearance of <b>new activity options</b> for occupying LPBs.               <ul style="list-style-type: none"> <li>✓ New activities that have arisen out of the urban, social and economic dynamic (collaboration, creation, production, commercialisation and service).</li> <li>✓ New care activities in response to new social needs.</li> <li>✓ Transfer of activities currently outside the LPBs.</li> </ul> </li> <li>• <b>New business models</b> and new tools developed around the crisis that can help commercial establishments to survive (home sales, web platforms, etc.).</li> <li>• <b>Lower rents</b> for commercial premises due to excess supply.</li> <li>• <b>'Militant' consumer consciousness</b>: citizens interested in and sensitive towards local consumption.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Increased desertification</b> and lowering of shutters due to the healthcare management measures imposed to tackle the crisis and the knock-on effect of closures spreading like wildfire.</li> <li>• The LPB crisis <b>affects the whole city</b>, both the outlying neighbourhoods and central areas, predominantly residential neighbourhoods as well as tourist areas, etc.</li> <li>• <b>Fragility</b> of a large number of businesses in ground-floor premises that have <b>'outlived'</b> themselves: lack of capacity for assuming the rent costs or for reinvestment.</li> <li>• Risk of <b>'refuge businesses'</b> appearing with few professional skills/little business feasibility.</li> <li>• <b>Limited stock of publicly owned premises</b> and difficulties of influencing or intervening in the private market.</li> <li>• <b>Property structure</b> with a large number of small owners who live off their rental income and are unwilling to change their business model.</li> <li>• Changes in <b>local consumer behaviour</b> (due to competition from other distribution channels reinforced by the crisis, the loss of purchasing power, a change of habits in the use of public space, etc.).</li> <li>• Uncertainty regarding the return of <b>external consumers</b> linked to visitors and tourists.</li> </ul>	
External: management and environmental factors on LPBs	OPPORTUNITIES	THREATS	
	<ul style="list-style-type: none"> <li>• <b>Public policies</b> with established instruments (e.g. support for businesses, commercial revitalisation, etc.) and specific new policies at the experimental stage (e.g. economic promotion areas (APEUs), business innovation centres, public ownership, etc.).</li> <li>• <b>Entrepreneurial and creative ecosystem</b> reflecting Barcelona's vitality.</li> <li>• <b>Transformation of the public space</b> making it more amenable to social and civic life on the streets and to encouraging LPB consumers/users.</li> <li>• New <b>private-private and public-private business models</b>.</li> <li>• Positioning the problem of LPBs in the central focus of social, political and media interest: <b>convergence of players and legitimisation of LPB revitalisation policies</b>.</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of agility and capabilities and presence of <b>legal barriers</b> in public administration action on publicly and privately owned premises.</li> <li>• <b>Fragmentation/dispersal of City Council policies</b> that makes it difficult to coordinate and scale up actions.</li> <li>• <b>Lack of up-to-date data</b> on current uses and types of activity in LPBs, especially those with the shutters down where there is a lack of knowledge regarding activity and the state of conservation.</li> <li>• <b>Low level of consciousness</b> regarding the problem in general terms, on the part of the general public and particularly the players directly involved.</li> <li>• Risk of vicious circle produced by desertification and its <b>impact on the environment</b>: and the urban landscape (no life, rundown of private assets, abandonment of public space, insecurity, and so on).</li> <li>• <b>Difficulties in the operations</b> of some potential ground-floor businesses that move goods, due to the difficulty of accommodating motor vehicles and loading/unloading.</li> </ul>	

As regards noteworthy experiences in other cities around the world, we have identified six that have goals similar to those of this Strategy: inventory of available premises and reactivating buildings in Brussels; activating spaces for temporary uses in Riga (Latvia), London (United Kingdom) and Newcastle (Australia), and, finally a ground-floor premises marketplace in San Francisco (United States).

Some of these experiences propose services already available in Barcelona (*Inventimmo*, location service and map of vacant buildings in Brussels). Others adopt tax measures to encourage businesses to occupy premises (*Free Riga Model*) or discourage the existence of vacant premises or buildings (*Brussels programme for reactivating vacant buildings*), measures discarded in the approach of this Strategy. Finally, the experiences of mediating between premises suppliers and users *Renew Newcastle*, *Free Riga Model*, *Meanwhile London* and *Squarefoot Marketplace* in San Francisco, have been a source of inspiration for this Strategy in two regards: first, when thinking about instruments that stimulate a supply of ground-floor premises in favourable conditions; second, when thinking about a premises occupancy model that would be flexible, offering the opportunity of temporary occupancy (rotating economic activity) in addition to stable occupancy.



## 4. GOVERNMENT MEASURE

### 04.1. GOALS OF THE STRATEGY

The Strategy aims to achieve four strategic goals:

- a) **Foster sustainable employment in ground-floor premises as a strategic asset for the city:** the intention of this strategy is not only to install activity in the ground floors but for it to continue over time. That means revitalising premises that are vacant today with an activity — stable or changing — to ensure as much continuity in their occupancy as possible.
- b) **Maximise the economic functions ground floors have:** the individuals, businesses or other entities mobilised by this campaign will have to develop projects that have economic, socio-economic, or socio-economic and urban development functions. The economic dimension will always be present in these initiatives.
- c) **Diversify the uses and ensure a balance of ground-floor activities in the districts:** the economic initiatives that will be promoted to locate the vacant ground-floor premises will have to contribute towards maintaining or generating a suitable balance of activities in each city district. The activities proposed will have to respect and be compatible with other, non-economic dimensions of life in the neighbourhoods, and contribute to the socio-economic development of their surroundings.
- d) **Develop a core line of public management focused on LPBs,** that is integrated, ongoing and effective, which includes mechanisms for collaboration between public, private and social players. The objective of this Strategy is to contribute towards creating a new municipal public policy that gives ground-floor premises a leading role as a key city asset and for reactivating the economy.

### 04.2. STRATEGIC MEASURES

LPBs have three potential functions: economic, social, urban development. All of these functions can have different scales of impact (from more local to more global: shopping hub, neighbourhood, district, city) in terms of their particular impact and the need to promote one kind or another.

Among the **economic functions**, new business and job creation, generating business in the value chain, and promoting innovation and knowledge stand out. Among the **social** ones, we find the provision of products and services, care work and social care, neighbourhood cohesion and fostering security. Finally,

the **urban development** functions, which include promoting the quality of public spaces, preservation of the urban landscape and fostering sustainable mobility.

But LPBs also have different uses that interrelate with these functions. **This Strategy will promote eight possible uses** in ground floors that have at least one economic function (and a variable number of social and urban development functions). Below we list those uses with some of the activities they might include:

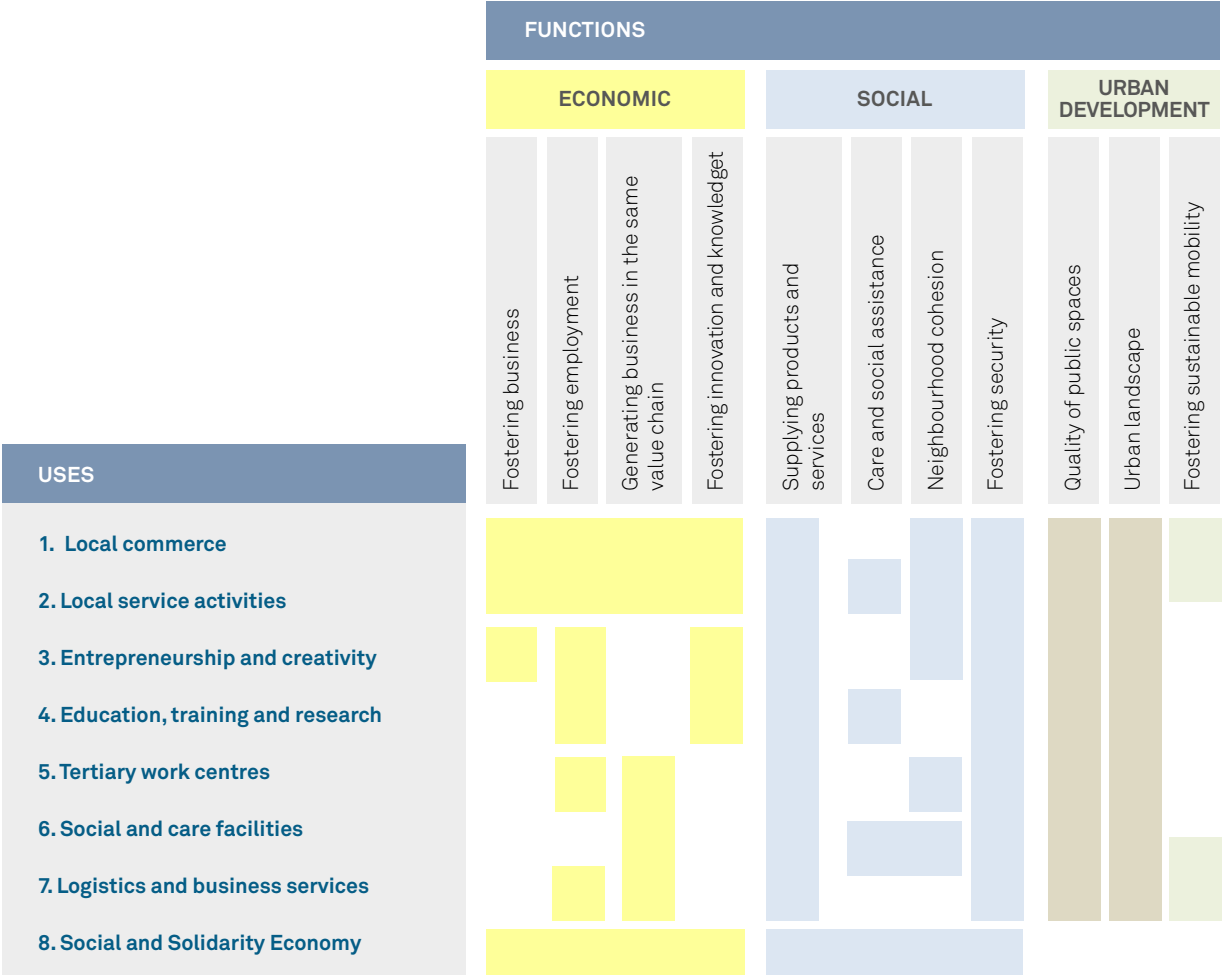
USES	
<b>1. Local commerce</b> <ul style="list-style-type: none"><li>• Everyday food/non-food sector</li><li>• Seasonal</li></ul>	<b>5. Tertiary work centres</b> <ul style="list-style-type: none"><li>• Offices</li><li>• Coworking spaces</li></ul>
<b>2. Local service activities</b> <ul style="list-style-type: none"><li>• Aesthetics and beauty</li><li>• Consultancies (medical, professional...)</li><li>• Offices selling services (travel agents...)</li><li>• Workshops</li><li>• Sports centres</li></ul>	<b>6. Social and care facilities</b> <ul style="list-style-type: none"><li>• Care economy</li><li>• Leisure/kids activities</li><li>• Care centres</li><li>• Socio-educational facilities</li></ul>
<b>3. Entrepreneurship and creativity</b> <ul style="list-style-type: none"><li>• Entrepreneurial activity</li><li>• Culture and creative industries</li><li>• Cultural centres and creative workshops</li><li>• Spaces for musical rehearsals</li></ul>	<b>7. Logistics and business services</b> <ul style="list-style-type: none"><li>• Warehouses and storage facilities</li><li>• UGD micro-distribution points</li><li>• Collection points and digital lockers</li><li>• Business support and maintenance activities</li></ul>
<b>4. Education, training and research</b> <ul style="list-style-type: none"><li>• Universities and other training and education centres</li><li>• Trade/professional schools</li><li>• Professional laboratories</li><li>• Schools and academies</li></ul>	<b>8. Social and Solidarity Economy</b> <ul style="list-style-type: none"><li>• Cross-cutting — relates to the other uses</li></ul>

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The uses promoted will be different in each part of the city, and they will be decided on the basis of the intersection between each district's economic development strategy and current strategies for the city as a whole. In that way, the economic initiatives that occupy vacant ground-floor properties will cover district shortages or needs, or leverage opportunities that bring added value to the district.

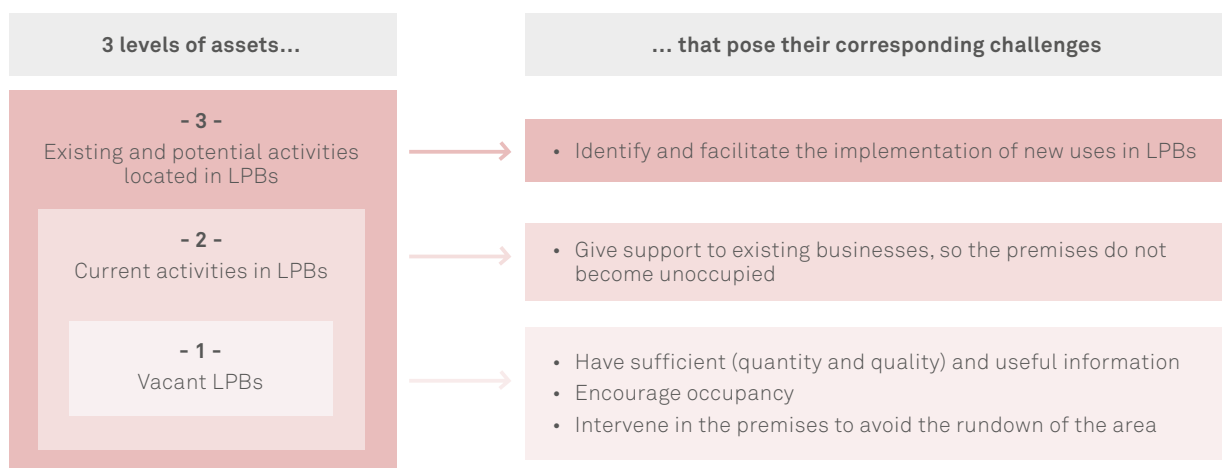
Some of the activities listed will be able to cover more than one use, given there is a strong trend towards a mix of uses and adding layers of services to businesses traditionally dedicated exclusively to selling products. In such cases, so they can be classified for operational purposes, the main activity will be taken into account.

This **global, cross-cutting uses-functions vision** means we can formulate an overall vision of the expected impact of the revitalisation generated in each vacant LPB occupied. For example, in the case of premises where a local service moves in, the impact generated embraces the 11 possible functions (the four economic, four social and four urban development ones).



‘Shutters Up!’ envisages three intervention levels: **Vacant LPBs (unoccupied premises, where there is no activity), active LPBs (occupied premises where there is some activity) and potential LPBs (premises that could be occupied with new uses).**

Each intervention level requires a different approach (reverse, prevent or innovate). In the case of vacant LPBs, it will be necessary to take action to reverse the situation through incentive policies geared towards premises suppliers (owners) and users (freelancers, businesses or other economic entities). Active LPBs will require offering resources (advice, knowledge, funding) in order to anticipate the emergence of new vacant ground-floor premises in the city. Finally, it will be necessary to innovate and think about what new uses could be given to LPBs (active or not) that contribute to the city’s economic revival.



## Measure 1. Setting up an LPB observatory

- a) **Objective:** this measure seeks to produce data and, in general, generate knowledge of vacant ground-floor premises in Barcelona city. The knowledge generated by it will help to improve the quality and the impact of municipal LPB policy, besides being a source of important and useful information for economic initiatives that would like to move into premises in the city.
- b) **Instrument: observatory of economic activity in LPBs.** Using tools already available and newly created ones, an observatory will be set up that will focus on ground-floor establishments and carry out three separate tasks:
1. Offer useful data to people, businesses or other entities looking for premises in Barcelona;
  2. Quantify and characterise the phenomenon of LPBs in the city of Barcelona; and
  3. Design new tools to manage information on LPBs kept by the City Council.
1. **Offer useful data:** the observatory will produce information relevant to economic initiatives. For example, territorialised consumption data for the different districts based on debit/credit card transaction information, shopping habit surveys or the situation of the commercial sector and restaurant trade.
  2. **Characterise the LPBs in the city:** the 2019 Ground-Floor Economic Activities Census will be updated, paying special attention to those areas with the highest commercial density in all the districts. In addition, a specific vacant premises tracking chart will be created which will enable monitoring of their distribution round the city (by districts and neighbourhoods), as well as rents and sales prices.
  3. **Design new information management tools:** a new premises identifier will be created that will enable all the data which is currently dispersed in different municipal departments and formats, to be brought together. This project, led by the Municipal Data Office (OMD) and the Municipal Manager's Office, will enable administrative procedures to be simplified in line with the Barcelona Easy Plan.



## Measure 2. Resources for anticipating new vacant LPBs

- a) **Objective:** the purpose of this measure is to continue taking action that helps to contain the growth of vacant ground-floor premises in the city. Specifically, that means the reinforced packet of resources which Barcelona Activa has been offering city businesses since the start of the pandemic will be rolled out in the form of advice, training and financial help.
- b) **Instrument:** set of services provided by the Business Support Office (OAE), to advise, capacitate or fund economic players that occupy LPBs: freelancers, SMEs, local shops and services, and Social and Solidarity Economy organisations.
1. Location (and Rent Mediation) Service
  2. Municipal Procedures and Information Service
  3. Business Funding Service
  4. Talent Management Service
  5. Business Transfer Service
  6. Internationalisation Service
  7. Prototyping and Innovation Service
  8. *Rethinking*: customised advice for businesses and organisations on reactivation (e.g. *Comerç a punt* programme)
  9. Training for companies (e.g. online training programme for the commerce sector and restaurant trade)
  10. Financial help (e.g. *Crea Feina*, subsidies for hiring people)

### BUSINESS LOCATION

*Advisory services on searching for locations to set up your business in Barcelona.*



Faced with the recession of COVID-19, the Location Service has been strengthened by incorporating the possibility of who see the need to relocate their economic activity arising from the impact of COVID-19..

Finding the best location for your business is a difficult task that should be carried out with time and patience; two things that are often in short supply. To make the job easier, and to coordinate with our city's real-estate industry, at the OAE we provide an information and advisory service on the search for business locations for enterprises with expansion projects in Barcelona and the metropolitan area.

For local enterprises and projects, searches are conducted according to their needs, either at Barcelona Activa's own facilities (Glories Incubator, Almogavers Business Factory, Technological Park), or at others, especially singular spaces such as industrial warehouses, buildings and large offices.



<b>Digitisation plans for micro-SMEs and self-employed individuals</b> Start 16 March	<ul style="list-style-type: none"> <li>• 388 businesses (59% self-employed)</li> <li>• 2,892 people on 71 specific courses organised (68% women and 20% self-employed)</li> </ul>
<b>Advice on COVID-19 funding and subsidies</b> Start 4 May	<ul style="list-style-type: none"> <li>• 1,190 businesses (71% self-employed persons)</li> </ul>
<b>Legal help with rents</b> Start 11 May	<ul style="list-style-type: none"> <li>• 233 businesses assisted (46% self-employed persons)</li> </ul>
<b>Economic recovery plans — Rethinking</b>	<ul style="list-style-type: none"> <li>• 824 businesses (47% self-employed persons): <ul style="list-style-type: none"> <li>› 414 micro-enterprises and self-employed persons (start 12 May)</li> <li>› 189 businesses and ESS organisations (start 28 April)</li> <li>› 31 startups (start 13 July)</li> <li>› 200 shops – <i>Comerç a punt</i> (start 1 July)</li> </ul> </li> </ul>
<b>B-Crèdits</b> Start 5 October	<ul style="list-style-type: none"> <li>• 633 applications received (86 % self-employed persons)</li> <li>• 560 applications approved for a total of €7 million</li> </ul>
<b>Crea Feina Barcelona [Create work, Barcelona]</b> Start 15 October	<ul style="list-style-type: none"> <li>• 300 grants of €5,000 approved for a total of €1.5 million <ul style="list-style-type: none"> <li>› 285 already paid, a total of €1,425,000</li> <li>› 15 more applications approved, pending publication of the final resolution for payment</li> </ul> </li> </ul> <p>Budget ran out in February 2021</p>

CECORE economic activity and business support measures, March 2021.

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### Measure 3. New grants and subsidies for moving into vacant LPBs

- a) **Objective:** offer economic incentives to promote the installation of economic activity in vacant ground floor premises. Subsidies of up to €50,000 will be offered on a competitive basis to economic projects that move into vacant ground-floor premises. In addition, grants of between €2,000 and €4,000 will be awarded to individuals, businesses and organisations that meet certain automatic criteria and occupy vacant premises, regardless of the activity carried out there.
- b) **Instrument 1:** subsidies of up to €50,000 will be offered to economic projects that would like to move into vacant ground-floor premises (around €0.5 million a year). These subsidies, which will be awarded on a competitive basis in the subsidy call *Impulsem el que fas* [We back what you do] will mean a non-repayable funding instrument for people, businesses and organisations that have a business project and need premises to go ahead with it. The projects will have to contribute to the socio-economic development of the area where they will be located, and they will also have to meet one of the following three objectives: maintaining an existing business activity or helping it grow, moving an economic activity from a higher floor to the ground floor or promoting a new (entrepreneurial) initiative. The subsidies, which have to be used in 12 months, will include the possibility of covering the cost of refurbishing the premises (minor works), acquiring machinery or other capital goods, and buying stock, for up to 50% of the total cost of the project (€31,250).



- c) **Instrument 2:** secondly, rapid-award grants of between €2,000 and €4,000 will be offered as an incentive for any operation to occupy vacant ground-floor premises in the city. Either buying or leasing. The business, organisation or self-employed person who accesses premises will be able to apply for this grant, which will help to cover the initial start-up costs. The grants will be awarded by minimising the administrative procedures for applying for them, ensuring speedy payment. In order to publicise these grants and ensure they reach their target, we will seek to collaborate with the property portals and sector operators.
- d) **LPBs it is hoped to activate (2021–2023):** 170.

#### Measure 4. Officially Protected Ground-Floor Premises (BPOs): creating a public portfolio of LPBs

- a) **Objective:** the purpose of this measure is for the City Council to acquire ownership of between 30 and 60 vacant ground-floor premises in 2021 so as to put them at the disposition of the economic projects of people, businesses or organisations (from 2022). The available budget is €16 million: 10 for the whole of the city and 6 just for the Ciutat Vella district.
- b) **Instrument:** the premises will be acquired through a public purchase procedure, of a competitive nature and based on the offers presented by the owners who wish to take part. The purchase procedure, which will be launched in the months of April-May 2021, will use various criteria to evaluate the offers, for example, the price, upkeep of the premises, linear metres of the façade or their location (more points will be given for premises located in districts with more vacant LPBs and areas particularly hard hit by the desertification of ground floors).

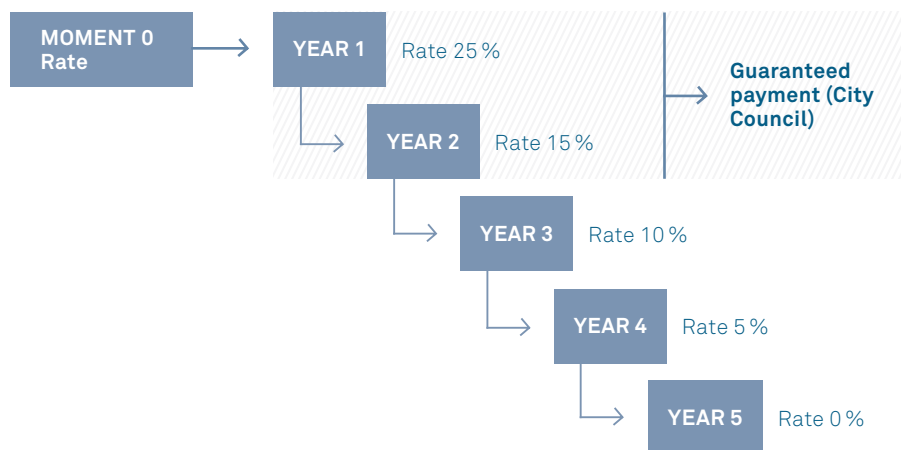
The installation of economic activities in these premises, which will take place from 2022, will have two models: stable occupancy and temporary occupancy, which are explained in the following table.

	LPB uses (to be prioritised according to each District)	Target users	Type of LPB	Who rents/lets out and for how long?
<b>Stable occupancy</b> Call: competitive	<ul style="list-style-type: none"> <li>Local commerce and services</li> <li>Entrepreneurship and creativity</li> <li>Education and research</li> <li>Tertiary work centres</li> <li>Social and care facilities</li> </ul>	<ul style="list-style-type: none"> <li>Businesses and Organisations (strengthening/maintenance)</li> <li>Entrepreneurial projects</li> <li>Move from upper floors</li> </ul>	<ul style="list-style-type: none"> <li>Sales point/service point/office/workshop</li> </ul>	<ul style="list-style-type: none"> <li>Foment de Ciutat. Rent 5-7 year contract</li> <li>If the premises are in poor condition or are large, longer contracts to recover the investment</li> <li>Revisable public price</li> </ul>
<b>Temporary occupancy</b> Call: open call	<ul style="list-style-type: none"> <li>Logistics and business services</li> <li>Social and Solidarity Economy</li> </ul>	<ul style="list-style-type: none"> <li>Entrepreneurial projects</li> <li>Expansion projects: businesses/organisations that want to launch a new product or service</li> </ul>	<ul style="list-style-type: none"> <li>Sales point: testing product/service</li> <li>Marketing/commercialisation</li> <li>Tester space</li> </ul>	<ul style="list-style-type: none"> <li>Foment de Ciutat. Temporary lease. 3-6-12 months+ gratuity/low price</li> </ul>

c) **LPBs it is hoped to activate (2021–2023):** 30–60.

### Measure 5. Creating an LPB rental pool

- a) **Objective:** this measure intends to mobilise private ground-floor premises that are vacant in the city, in order to offer them at below-market prices to people, businesses or organisations with economic projects.
- b) **Instrument:** a ground-floor premises rental pool will be created in collaboration with property sector operators (e.g. the Barcelona Association of Property Administrators – CAFB-L), with two objectives: to raise shutters (to open between 100 and 200 LPBs in Barcelona currently not in use) and boost economic activity (by using these premises for local economic activities – shops, culture, care work, the Social and Solidarity Economy, last-mile logistics hubs, and others).



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This pool will offer incentives to the owners of premises and potential lessees:

- **Incentives for owners:** the City Council will take out insurance or establish a guarantee fund to deal with non-payment, which will cover two years of the lease contract.
- **Incentive for potential lessees:** the premises will be rated independently and the price will be below the market price in four of the five years of the project, which will be an advantage for businesses, organisations or self-employed persons that want to move in there.

The rental pool will be rolled out in four stages:

1. Acquisition of premises: incentives for owners:
  - › Guaranteed payment of the first two years of the contract (rent insurance).
  - › Acquisition of stable tenants: entrepreneurial projects or companies that would like the premises for at least five years.

**2. Creation of the online pool:**

- › Value appraisal of the premises to establish the market price of each one
- › Set the reduction percentages for the first four years of the contract
- › Create a portal with a pool to give visibility to all the premises for rent.

**3. Acquisition of economic initiatives that will move into the premises<sup>2</sup>:**

- › Call for projects: call for businesses/organisations and entrepreneurs to put forward proposals for occupying the premises.
- › Offer incentives: the rent will be lower than the market price and the premises will be rented for five or seven years. Assignment of premises will be compatible with receiving subsidies.

**4. Selection of economic initiatives:**

- › Double validation of the activity's suitability
- › District where the premises are located: needs, opportunities, strategic sectors identified
- › Barcelona Activa

c) **LPBs it is hoped to activate (2021–2023):** 100–200.


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<sup>2</sup> The acquisition of initiatives will follow the same model proposed for the Officially Protected Ground-Floor Premises (BPOs).

## 5. TIMELINE AND COMMUNICATION

The timeline for rolling out the measures envisages gradual and accumulative implementation of the various strategic measures in 2021, 2022 and 2023.

2021	2022	2023
Purchase €16 M BPO + Financial aid (subsidies) + Observatory	Financial aid (subsidies and grants) + Rental pool + Call for BPO projects + Observatory	Financial aid (subsidies and grants) + Rental pool + Installation and monitoring of BPO project + Observatory

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'Shutters  
up!'

As regards communication, a plan will be designed for communicating the content related to the strategic measures to the target groups (premises suppliers and potential users) and public accountability regarding the actions carried out.

Full information on the strategy and measures is available at:  
[www.barcelonactiva.cat/amuntpersianes](http://www.barcelonactiva.cat/amuntpersianes).

## 6. BUDGET

BUDGET	
CURRENT EXPENDITURE	M of euros
Grants and subsidies for moving into vacant LPBs	0.7
New pool of LPB rentals	0.1
Technical office	0.15
Communication plan	0.05
<b>Total current expenditure</b>	<b>1.0</b>
INVESTMENT EXPENDITURE	
BPO Ground-Floor Premises	16.0
<b>Total investment expenditure</b>	<b>16.0</b>

Expenditure on measures 1 and 2 of those set out in section 5 are not counted as their budget is already available among the economic promotion structural resources.

The amount allocated to financial aid may vary depending on budgetary availability.

The budget for Officially Protected Ground-Floor Premises includes €10 million for buying premises throughout the city and €6 million in the Ciutat Vella district.

## 7. GOVERNANCE OF THE STRATEGY

A broad range of municipal operators, listed below, are cooperating on this strategy and will oversee the implementation of the project through the coordination mechanisms also outlined below.

- Municipal Manager's Office
- Manager's Office for Economy, Resources and Economic Promotion
- Barcelona Activa
- Foment de Ciutat
- Directorate Services of Commerce, Restaurant Trade and Consumer Affairs
- Districts
- Manager's Office for Budgets and Taxation
- Manager's Office for Urban Planning
- Directorate of Heritage
- Directorate Cooperative, Social and Solidarity Economy Services and Food Policy
- Directorate of Tourism and Creative Industries
- Manager's Office for Culture
- Manager's Office for Social Rights
- Barcelona Municipal Institute of Markets

The Municipal Manager's Office, through the Manager's Office for Territorial Coordination and Proximity, will coordinate the cross-departmental drive to implement the Municipal LPB Revitalisation Strategy, 'Shutters Up!', approving the proposed strategic measures, involving the various municipal operators and taking responsibility for the general follow-up of the Strategy.

In order to coordinate the action of those municipal operators, a **Ground Floor Premises Office** will be set up to lead and direct the implementation of the strategic measures and ensure the expected outcomes are achieved. In operational terms, and given the eminently economic nature of the intended revitalisation of vacant ground-floor premises, the Manager's Office for Economy, Resources and Economic Promotion will delegate management of the set of measures contemplated in the LPB revitalisation strategy to **Barcelona Activa**, the municipal agency in charge of promoting the economy and local development.

Its social objective is to foster, facilitate, promote and drive all kinds of actions to create jobs and generate economic activity, and that objective includes, among other things, equipping premises to provide a physical location for industrial and service businesses, as well as giving advice on various business matters, especially with regard to setting up and starting up a business.

This LPB Office, attached to Barcelona Activa's Operational Directorate for Local Development, will have a budget, director and human team, and its functions will be to:

- Lead and implement the LPB Revitalisation Strategy for the city's economic recovery and promotion
- Define and plan measures and actions to be developed
- Coordinate strategic measures
- Control and manage the budget
- Publicity in the city
- Interact and acts as spokesperson with the external players
- Control and assess actions
- Gather and manage LPB information

This LPB Office will have a steering committee comprising the Manager's Office for Territorial Coordination and Proximity, Foment de Ciutat, as the body responsible for implementing the strategic line of Officially Protected Ground Floor Premises (BPOs), the Directorate of Commerce, Restaurant Trade and Consumer Affairs, responsible for producing knowledge of LPBs, and representatives of Barcelona's districts.

The Directorate of Heritage, with the support of Foment de Ciutat, will be in charge of public procurement of premises (BPOs) equipping themselves with the necessary resources (human, financial and material) for implementing this measure. Foment de Ciutat will take responsibility for managing the premises acquired through this process, and will coordinate with Barcelona Activa on their design as well as the call for economic enterprises and their installation in the premises.

For its part, the Directorate of Commerce, Restaurant Trade and Consumer Affairs will be in charge of producing knowledge, organising various initiatives aimed at having the necessary information available for improving the quality and impact of this municipal policy.

Regarding participation of the city's socio-economic players, the strategy envisages collaboration with bodies and organisations representing the property sector, the city's retail trade (retailers associations) and the social sector.



# LPB Office, main mechanism

