The Spreadsheets of Risk

In 2008, when the ABN AMRO bank collapsed under the weight of financial speculation, it was bailed out with public money. While losses were absorbed collectively, bankers who had taken excessive risks kept their gains. Thirteen years later, its headquarters at Amsterdam's Zuidas was sold to Victory Group in a 'sale-and-leaseback' construction for €765 million, the largest 'single-asset' transaction ever in Dutch history.

Architecture through the lens of real estate

As the public sector retreats, the market takes the lead. In this context, architecture is increasingly absorbed into real estate, where calculations of risk, return, and predictability shape design decisions. In consequence, design decisions are turned into numerical exercises. Driven by performative metrics, architectural design is not only reduced to what is measurable, but its language shifts from drawing and model to spreadsheet and algorithm. In times of polycrisis, questions of architectural form are more than ever answered in languages foreign to a purely architectural discourse.

Real estate prices the uncertainty of the future through risk calculations. This 'datafication' of the design process primarily pursues risk mitigation. The rise of design tools such as BIM and parametric software promised the exploration of new possibilities, yet instead they are used to manage residual risk. The architect, typically not bearing any financial risk, finds themselves quickly removed from the conversation, while the influence of risk-bearing parties (developers, investors, landowners) is increasing.

The production of the built environment emerges from the accumulation of individual business cases: what can be built, how it is built, and who has access to it is ultimately determined by financial logics rather than spatial, social, or ecological needs.

Architecture as spatialization of financial risks

If uncertainty of the future is managed through risk calculations, the architecture that follows tends toward what can be insured, traded, and certified. Too often this results in cultivating conformity and a preference for minimal variation, reproducing what is already successful in the current market (1). *The Spreadsheets of Risk* proposes to view architecture as the spatialization of financial risks.

Today, the site of the ABN AMRO bank is being redeveloped by Victory Group into Zudo. It promises an 'urban village open for all', with 'bakeries, greengrocers, and 100 new trees'. Large parts of the only 25-year-old Pei Cobb Freed & Partners building are to be destroyed in order to more than double the program. Sustainability is defined as 'targeting BREEAM Excellent'. Sparking debate in Amsterdam's city council, the project's main program will consist of 165,000 m² of office space. Amid increased uncertainty in the office market, the spaces are designed to fit the interiors of as many diverse tenants as possible. The 300 houses that complete the 'urban village' will follow Amsterdam's 40/40/20-rule, adding 120 social houses. 'Social', being solely defined by a maximum monthly rent, means that these will be 'micro-apartments' that effectively generate the same square meter price as other types of housing in Zudo.

This project can only be understood as a materialization of financial abstractions. With the site sitting under some of the highest financial pressure in the Netherlands, the project is a result of its acquisition price, expected yields, investment timelines, and risk calculations. Before construction begins, the site's future is stabilized in spreadsheets.

Terminal Velocity

Architecture does not only spatialize financial risks; it also materializes the risks that financial models externalize and leave unpaid. Ecological degradation, material depletion, declining affordability, and increasing social segregation are not absent from development; they are deferred beyond the horizon of the financial timeline. It is architecture that operates as the transition layer between priced risk and unpaid consequences.

Externalized and investment risks run on different timelines. Material depletion, degrading ecosystems, and the scars of social and economic segregation operate across extended timescales and are often irreversible. In contrast, financial models are structured around liquidity and reversibility: developers sell their buildings immediately after completion, and institutional investors trade assets following the cycles of the market. Finance's timelines are short and subjective: the 30-year mortgage is arguably its longest forecast.

Terminal Velocity **is reached when financial timelines fully detach from material, social, and ecological timelines. It is because of architecture's entanglement with finance that it can't keep up with the accelerating elements around us. This is also the reason why it is impossible to fulfill architecture's promise to materialize new realities. Risk is what sits between the speculative and the situated, because finance treats the unknown as a risk. Risk is the interface between idea and matter.**

Connecting timelines

As the world's biggest asset class, real estate remains the primary spatial expression of global capital and its externalities. Attempts to disentangle architecture from finance are both necessary and urgent, but currently remain small in scale. In a world where it is easier to imagine the end of the world than the end of capitalism, ***The Spreadsheets of Risk*** **accepts it as architecture's contemporary condition.**

If architecture seeks agency under acceleration, can it do so by using its systemic forces against itself? If risk sits between the speculative and the situated, then architecture — as the materialization of risks — must learn to reorganize risks rather than merely absorb them. The increasing uncertainty of the future might be architecture's foot in the door. Finance depends on pricing the future in the present, but due to the accelerating systems around us, this future is becoming progressively difficult to price. The retreat of insurance companies from areas with higher risks due to climate change illustrates this. Deferred risks that used to be externalized will be forced to enter the calculations of finance.

Since architecture materializes both timelines, it becomes the site where their temporal detachment can be coupled. As finance must change its temporal logic, the project proposes a new model in which financial exposure no longer stops at the transaction, but remains entangled with the duration of the consequences it produces.

Binding financial exposure to material duration means that architecture can no longer operate as a closed financial object that can be sold and bought. Continuous adaptation replaces the logic of bigger renovations; architecture becomes maintenance. Instead of the design for production, the architect designs the production itself through time.

Predefined programs disappear. There are no assumptions about use, no distinctions between work, dwelling, and leisure. There is no need for over-specification of details and materials. Constant adaptation asks for an architecture whose elements are understandable and therefore adjustable. It reverses the continuous de-skilling of builders and encourages inhabitants to self-design (2). ***The Spreadsheets of Risk*** **proposes a model in which architecture does not stop acceleration, but instead rebinds decisions to their consequences.**

The Spatial Statement

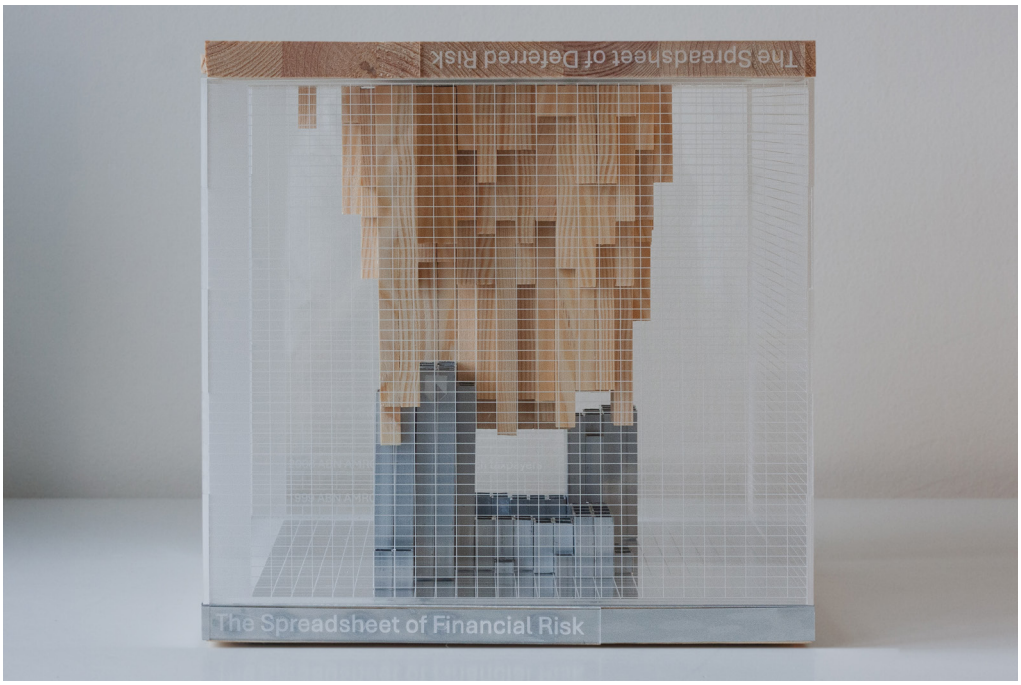
The model combines the literacies of both architecture and real estate by combining scale model and spreadsheet. The ABN AMRO building is presented as the material outcome of ***The Spreadsheet of Financial Risk*****. Suspended above,** ***The Spreadsheet of Deferred Risk*** **registers everything that financial models externalize. Both spreadsheets are placed as a seeming duality in the same interface, with time as its binding element. Brought into the same temporal regime, it is up to architecture to reorganize, respatialize, and retemporalize the risks.**

1. After Mark Fisher, Capitalist Realism
2. After Enzo Mari, Autoprogettazione?

The Spatial Statement



Spatial Statement; *The Spreadsheet of Financial Risk* & *The Spreadsheet of Deferred Risk*.



Combining the literacies of both architecture and real estate, the Spatial Statement merges model and spreadsheets and places them in the same temporal regime.