

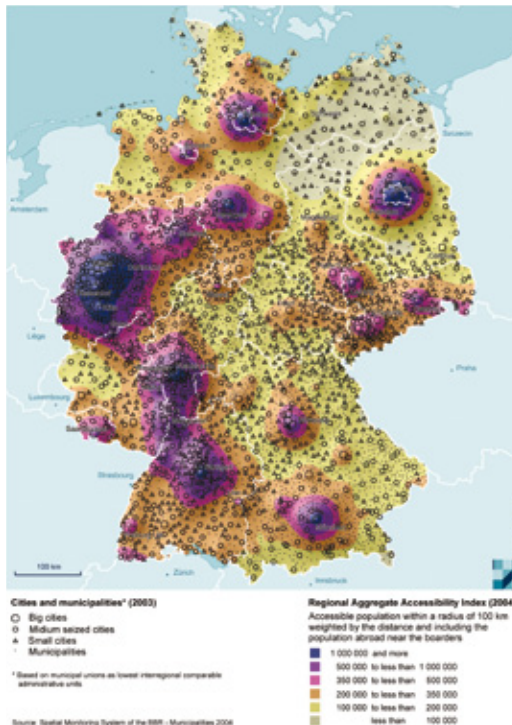
TRENDS AND CHALLENGES OF URBAN REGENERATION IN GERMANY

● **DIDIER VANCUTSEM** GERMANY/ BELGIUM / FRANCE

The most pressing problems in urban development in Germany today are the impact of demographic and economic change (decrease of population, ageing, diversification and immigration; globalisation, deregulation and internationalisation of markets, de-industrialisation, privatisation and rise in unemployment).

CONTEXT OF URBAN REGENERATION IN GERMANY

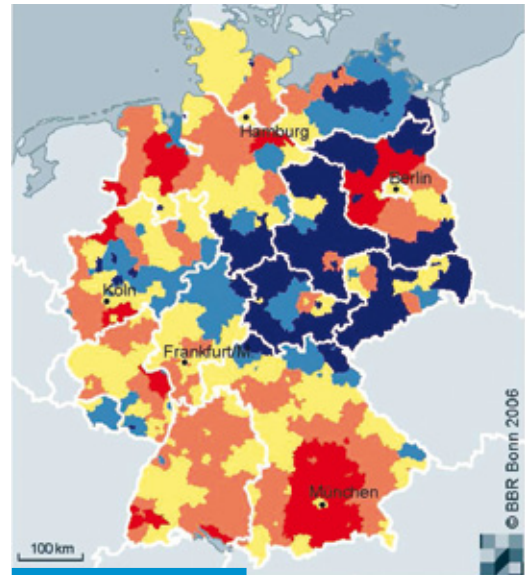
> Demographically, Germany's 82.5 million population will soon be on the decline (Tab. 2). By the year 2050 it will fall to about 75 million, and assuming lower life expectancy and migration to around 67 million (about the population of the former West Germany including West Berlin). Despite calls to prevent these developments, demographic dynamics have inertia and make turning round impossible.



1. Urban System in Germany

source: BBR

The dramatic decline in household size means < that half of them are single person households (most of them over 65) in large towns over 100,000 inhabitants. By 2020, there will be roughly an equal number of growing towns and towns with high population losses at the regional level of districts (Fig. 3). The number of young people (< 20 years old) will decline by almost 20% in the West by 2020, and in the East by 2010, while in rural areas the decline will be approx. 30%. The number of elderly people over 60 years will increase by 20% or more in the west and the east.



3. Future population dynamics by 2020. Dark blue - strong decrease, blue - slight decrease, yellow - stability, light red - slight increase, red - strong increase

source: BBR

TRENDS AND PROBLEMS OF URBAN DEVELOPMENT IN GERMANY

Urban development was characterised by < economic growth and a socially balanced society till the middle 1970s. Globalisation, exposure to European conditions, economic and demographic change interrupted this development. The influence of nationalised companies is in decline and more rapid and far-reaching change is affecting

	2001	2020	2050	2020-2001	2050-2020	2050-2001
Germany	82440	82823	75117	383	-7706	-7323
Old Länder	65327	67338	62217	2011	-5121	-3110
New Länder	17113	15485	12900	-1628	-2585	-4213

2. Long-term demographic development 2001 to 2050 (in thousands)

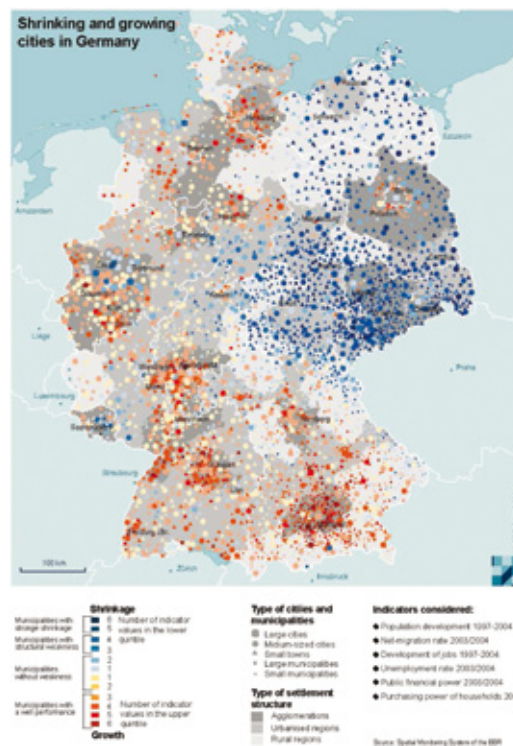
source: 10th co-ordinated population projection of the Federal Statistical Office Germany, calculations of the BBR

the development of towns and city regions with significant consequences.

- > Towns and city regions are no longer growing uniformly and expanding towns coexists increasingly with contracting towns, especially in the East of Germany, while ‘urban change without growth’ occurs also in the West. Furthermore, population is declining in inner cities while continuing growth takes place on the edge or in the immediate surroundings of towns. These trends create particular challenges for urban development policies which will be characterised by the interaction of new strategies of urban restructuring, traditional measures of urban renewal and careful municipal expansion.
- > Social developments are reflected geographically in cities and certain urban districts are inhabited by an above-average number of households with low-incomes and other social difficulties. The condition of buildings, land values, rent levels and the image of the district are all closely interrelated and they are both conditioning factors and results of the formation of disadvantaged districts. Thus, urban development policy will continue to be directed both at building development and social stabilisation of disadvantaged districts, assisted by measures of social housing support. This is to secure equitable urban living environments in the long term and for all social and marginalised groups to provide them with opportunities of economic, social and cultural integration.
- > Regional housing market development and change in housing markets are increasingly differentiated. Growing city regions with a high housing demand contrast with housing markets with a supply surplus leading to vacant housing and problematic urban planning situations.
- > In the medium term, changing economic structure will influence which towns in West and East Germany will continue to grow, and which will contract or shrink. Urban development policy is above all becoming a location policy. With growing competitive pressure in Europe and worldwide, no town can be permanently sure of maintaining its

current economic base. Municipal contracts are thus established to shape processes of economic change.

Increasing mobility indicates increased geographic interactions, with corresponding demand for land for residential and transport purposes. Development of undeveloped areas and increasing noise pollution are noticeable to all city-dwellers. Traffic noise has now become the main problem of life in the city. Over recent decades ‘local habitability’ has been sacrificed to seductively quick ‘long-distance accessibility’. Mobility must be designed to ensure the urban quality of life.



4. Shrinking and Growing Cities in Germany

source: BBR

Demand of land for residential purposes at the cost of undeveloped areas continues at a high level, associated with continuous geographic sprawl and thinning out of towns. Although previous loss of 130 hectares (till 2008) to the current 105 ha, due mainly to the economic situation, does not guarantee further significant

decline. Inner city development in preference of outer city development, regeneration of the existing housing stock and reuse of existing vacant sites are therefore central considerations for the future.

KEY URBAN DEVELOPMENT TASKS: URBAN RENEWAL, RESTRUCTURING AND EXPANSION

- > Towns are subject to continual change, and undergo phases of growth, stagnation, decline and revitalisation. Accordingly, urban renewal, urban restructuring and urban expansion have different importance over time and in different places, but all of them remain relevant since urban development in Germany is characterised by simultaneous urban growth and decline at city level and within specific districts. Growth and decline in both population and employment can be found in close geographical proximity, characterised by age stratification, migration, employment rates, unemployment, real taxation, and purchasing power.
- > Overall, these indicators provide information on the structural strength or weakness of towns. Persistent negative decline of these factors indicates structural weakness while steady positive rates of change indicate structural strength. A city is considered in severe contraction if the majority of the six indicators falls into the lower part of national ranking (20% of municipalities at the lower end of the scale).
- > Growth and population decline are unevenly distributed in Germany. Contraction is no longer confined to the East and is increasingly encountered in West German towns with structural problems. Urban restructuring will no longer be confined to the demolition of individual, and in particular residential buildings as vacant property will soon also include commercial and infrastructure facilities. An orderly clearance process will have to be designed as a viable future strategy at overall municipal level with concomitant urban planning consequences for individual districts. Urban development policy is therefore likely to become a

combination of traditional urban renewal measures with new urban restructuring concepts and careful clearance strategies.

URBAN RENEWAL, A PERMANENT TASK

Since the introduction of urban development support in 1971, a change has again taken place in dealing with existing housing stocks. Earlier area clearance was applied to inner-city blocks of buildings, to rectify 'urban development abuses'. Careful urban, socially responsible renewal followed which maintained existing stocks. The area scenario changed over time. Inner cities and older areas from the late 19th century were joined by newer residential and mixed use areas. The deficiencies in these districts were remedied by flexible action concepts, which combine ecological, urban development, housing, social and employment policy, construction and culture objectives. Such an integrated approach aimed to preserve the quality of life in these districts by maintaining or revitalising mixed structures. Increasing consideration was attributed to maintenance and ecological modernisation and to the improvement of the living environment overall instead of costly construction measures. This was accompanied by increasing dialogue and co-operation with residents and other bodies to jointly develop renovation solutions supported by residents. This planning approach continues today. Special importance was always attached to the upgrading and revitalisation of inner cities to prevent migration to the surrounding area and the fragmentation of cities into segregated residential areas. The upgrading of central locations restores their attraction in comparison to suburban districts and an IRB BBR survey shows that these policies have halted population decline in the cores of large towns in Western Germany by the end of the 1990's while a slight overall increase in population has been recorded since 1997 in former East Germany. Careful urban renewal laid down in the national sustainability strategy is therefore an essential component of sustainable urban development.

Continual environmental and socially responsible care of existing stocks for which urban development funds are available, ensures their continued usability, protects listed buildings and contributes to architectural heritage.

GROWING IMPORTANCE OF URBAN RESTRUCTURING

- > Urban restructuring is a measure to cope with economic structural change, aging population, decay of the physical fabric and generally new demands and lifestyles of urban populations. It means adapting the built environment and its uses, in particular residential structures, to these changes. Sustainable urban development policy aims to improve living and working conditions and the urban environment and to strengthen the most vulnerable parts of cities whilst saving space. It encompasses a number of interventions.
- > Often current uses of buildings do no longer correspond to present requirements. Historic buildings and landmarks earmarked for refurbishment can be reused or prepared for alternative uses. Infilling gaps while preserving open spaces, especially in high density inner city areas is important. Conserving redundant buildings and places for a yet unknown future reduces loss of resources through destruction.
- > When structures are too derelict and require demolition they offer an opportunity to create new qualities in towns, which benefit all residents and thus serve the welfare of the whole community. Before sustainable redevelopment, clearance sites can be used for contractual interim uses, ranging from planting to sports activities and recreation. The renaturalisation of cleared sites is very important and can provide much needed open spaces within the urban fabric and foster environmental urban development.
- > Urban restructuring contributes to internal (re-) development, promotes sustainable residential development enhanced by resident participation, avoids developing green field sites and contributes to a better quality of life in towns.

Urban regeneration demands just as much planning and conceptualisation as urban renewal and urban expansion and necessitates an 'urban restructuring culture' to deliver solutions capable of flexible, cost efficient adaptations which will maintain newly created qualities in the long term. Architectural and urban development concepts are tools to design towns as places worth living in, whilst elaborating local and regional models remains an important task of urban development policy.

Urban restructuring should also be seen as a wider task, in which special instruments of urban development policy are used in combination with other fields of policy, such as housing, transport and local economy affecting the overall environment.

Environmental protection is becoming an increasingly important part of urban development. This includes energy-efficient new construction, reduction of energy consumption in existing building stocks, cost-efficient measures of reducing use and emission of harmful substances in existing buildings, by incorporating future maintenance and renovation measures. Despite the long leeway of such measures short-term actions can be initiated and brought into the public eye. The implementation of the EU directive on the overall energy efficiency of buildings will bring important progress in this respect.

In order to reduce energy consumption and CO₂ emissions in towns, the integration of previously separate fields of action must be improved. The reduction of harmful emissions is a cross-sectoral urban development task. This requires the intensive co-operation between various specialist disciplines and intensive involvement of private bodies. This offers municipalities the opportunity to exert their influence, traditionally confined to the preservation of existing stocks, through information, qualification and imagination.

REGULATORY FRAMEWORK IN GERMANY (RID)

Germany has a federal structure and individual Länder (Federal States) have competence over urban development policy, thus urban

regeneration policy is implemented differently in different parts of the country. The local authority acts bestow local authorities with the responsibility of local planning, which the Federal Government and the Länder support, advise on and ratify.

- > Germany has been carrying out integrated urban regeneration over 25 years. Relevant legislation provides support for improvement of streets and squares, design of green areas, development of social and cultural infrastructure, resident involvement, and much more. Although focused usually on physical, architectural improvements, urban regeneration can be linked to other measures and form the basis of social and employment initiatives.
- > Non legally, binding, the 'framework plan' is the main planning instrument for urban regeneration. Without prescribed fixed form the framework plan can be formulated to suit the task and becomes a working hypothesis. Continuously updated it gives rise to detailed plans for selected geographic areas (Blockkonzept).

URBAN DEVELOPMENT PROMOTED BY FEDERAL LÄNDER PROGRAMMES

- > Since the 1970's, the Federal Government and the Länder are providing financial support for investments in the renewal and development of cities and municipalities within the framework of the Urban Development Programmes which encompass a wide range of physical and social activities, regular evaluation and monitoring and practice-oriented research projects. The central aim of the programmes is the stabilisation and development of cities as places of economic activity and living. All documents, laws and regulations for the implementation of the different programmes are rooted in the Federal Law, in the National Building Code and in the administration agreements between the Federal Government and the Länder.
- > Three comprehensive and multidimensional approaches are directed at coping with problems of shrinking cities. The federal-state programmes 'Urban Restructuring in the New/Old Federal States' (*Stadtumbau Ost/West*) focus on physical

measures to realise revitalisation without growth. The programme 'Social City' (*Soziale Stadt*) is directed at strengthening social inclusion in both growing and shrinking cities (cf. <http://www.sozialestadt.de>).

The 'Districts with Special Developments Needs Programme' adopted on 1999 aimed to create socially stable residential structures and to counteract the widening of socio-spatial rifts in cities. It fostered participation and cooperation in 214 cities and towns and represents a new integrative political approach to urban district development, including employment, social activities, urban district culture, integration of diverse social and ethnic groups, living environment, public space and improvement of city image (cf. also <http://www.sozialestadt.de/en/programm/>).

The programme 'Urban Restructuring in the New Federal States' (*Stadtumbau Ost*), launched by the German Federal Ministry of Transport, Building and Housing was for 2002 to 2009 with a budget of 2,7 billion €. Federal funding depends on state governments and municipalities each contributing one third of total project costs. It reacted to the oversupply of housing in East Germany, which originated in extensive new construction at the end of the 1990's, stagnating household figures and migration to West Germany. It aims at strengthening inner cities, reducing oversupply of housing and revitalising cities affected by deconstruction (BMVBS/BBR 2006). Focusing on the most visible part of urban shrinkage – housing vacancies – the goal of the programme was to demolish up to 350.000 vacant buildings by 2009. Nearly all eastern cities participated in the programme and demolition led to a far lower increase in vacant housing. Judged insufficient, the programme was extended more intensely after 2009. The programme 'Urban Re-structuring in the Old Federal States' (*Stadtumbau West*) was launched in 2004 to create sustainable urban development structures in areas affected by significant functional losses in the old federal states (BMVBW, BBR 2003 and <http://www.stadtumbauwest.info>).

These programmes would have benefited from a better link with other initiatives (e.g. housing

promotion, labour-market programmes, infrastructure programmes), all programmes affecting urban space but obeying different spatial or subject-related criteria.

NATIONAL PROGRAMMES AS MODELS

- > Germany has a number of national programmes that serve as models. ExWoSt (*Experimenteller Wohnungs- und Städtebau*: Experimental Housing and Urban Development), one of the best-known examples, is a national research programme under the Federal Ministry of Regional Planning, Housing and Urban Development. It enables the Federal Republic to support model projects as showcase studies of selected planning and building measures. Grant winning projects were monitored scientifically to draw lessons from their practical experiences. The research programme 'Cities of the Future' (*Städte der Zukunft*) was linking all the experiences gained within the framework of Local Agenda 21 in the ExWoSt areas of Güstrow, Münster, Heidelberg and Dessau, as a contribution to integrated urban regeneration. Güstrow, was also included in the research on 'Urban Regeneration of Towns and Villages' (*Städtebauliche Erneuerung von Städten, Kleinstädten und Dörfern*) to test the use of integrated solutions in subsidising urban regeneration under the special conditions of the new German Länder.

OPERATIONAL ISSUES OF URBAN REGENERATION IN GERMANY

- > All the instruments of urban regeneration are concentrated under a single urban development funding policy (*Städtebauförderung*).

AIMS

- > Under Basic German Law the Federal State can provide financial assistance towards particularly important investments by the Länder and communities (or federations of communities) for the protection against disturbance of overall economic equilibrium; for the balance of different resources in the federal territory; or for the

promotion of economic growth. The Federal State and the Länder attach great economic, social and cultural importance to promoting town planning on this basis. They see it as an important central instrument and local political function in the sustainable development of cities.

Regulations of financing and legal promotion of urban development programmes are laid down in the BauGB (Building Law), as well as financial support for administrative agreements decided between the Federal State and the Länder in accordance with the Federal Budget law. Within these agreements on specific measures and selected criteria, the municipalities are responsible for the preparation and execution of the measures of urban regeneration. The main purpose of this urban development policy is to strengthen cities and communities as effective economic and residential places and to recover from their deficiencies permanently.

FINANCE

Financial support is available for:

- the stabilisation of the urban function of the city and for community centres with special attention to housing and historic preservation;
- measures to promote the Social City;
- measures of urban transformation in the old and new federal states;
- re-use of areas, especially in the inner cities, according to a mixed use model.

The Federal Government, the Federal states and the municipalities are all contributing to financing this urban development policy. The Federal participation is about a third of the total amount with exceptions (40% for the 'Protection of the Urban Architectural Heritage'; 50% for retrofitting). The Länder contribute an equal amount and the remainder comes from the municipalities with the Länder in charge of distribution.

THE SOCIAL CITY PROGRAMME

In the Social City programme aimed to counteract social and spatial polarisation in cities, urban

development assistance is combined with other departmental programmes and resources to enhance the effectiveness of the financial assistance. This integrated programme covers physical and social interventions, ranging from building refurbishment to education and employment promotion. In total 2,2 billion € were made available for the implementation of the programme from 1999 to 2008 to promote more than 520 neighbourhoods in almost 330 cities and local communities.

- > After the initial phase of the programme, an interim evaluation was carried out in 2003/2004 by the independent Institute for Urban Research and Structural Policy (*Institut für Stadtforschung und Strukturpolitik GmbH*). It showed that activation of citizens' participation in deprived neighbourhoods, development of efficient local structures and cooperation between different departments had been achieved. Greater integration with other programmes in the fields of labour market, health care, integration and education policy were sought in a follow up with new funding priorities in 2006. An increased budget permitted to fund pilot projects aimed at enhancing the coordination of interdepartmental measures regarding the local economy, employment, youth, education and social integration policy. By 2008, the Social City programme supported 400 pilot projects and further assistance for pilot projects was provided in 2009-2010.

THE COMPLEMENTARY SOCIAL CITY PROGRAMME ON EDUCATION, ECONOMY AND WORK IN THE NEIGHBOURHOOD

- > This new complementary programme was co-funded by the European Social Fund to create positive economic prospects for people living in deprived neighbourhoods, tailored to long-term unemployed and young people in the fields of education and employment. This programme is the continuation of the 'Employment, Education and Inclusion on the Ground' programme of 2007/2008. Its emphasis lies on local integration in high

immigration areas, in accordance with the National Integration Plan, through the improvement of neighbourhoods with multiple deprivation to prevent a downward spiral and to bring about stabilisation. The 'Social City' programme has managed to engage many cities and municipalities and plays an important role among integration strategies, which attach special importance to social and spatial structures in neighbourhoods.

INTEGRATED APPROACH TO URBAN REGENERATION IN GERMANY

The 'Leipzig Charter on Sustainable European Cities', signed in 2007 by EU Ministers responsible for Urban Development and Territorial Cohesion, focuses on integrated urban development and includes the need for regional interrelationships in pursuing integrated municipal action. <

A survey carried out by DIFU (*Deutsches Institut für Urbanistik*) on the understanding of integrated development showed a difference between 'Integrated Urban Development Planning (STEP)' of the 1960s and 1970s and the current one which focuses on projects and implementation, at city-wide as well as district levels, pursuing sectoral goals in integrative surroundings with a variety of approaches to governance. A consensus arose on the meaning of integrated urban development as 'cooperation between various departments/agencies', the 'involvement of different sectoral areas of activity', and to some extent the 'involvement of players outside the spheres of politics and public administration'. <

A loose definition prevailed, giving preference to flexible self-management of individual initial conditions and municipal objectives instead of binding parameters. Judging from the various programmes, Integrated Urban Development concepts and models were prevalent at the citywide level, whilst when applied to Social City and the City Renewal West or East programmes Integrated Urban Development concepts were generally used at district and neighbourhood levels. <

- > Motivations for formulating integrated concepts and planning can be divided into two types: endogenous motivations derived from pending local issues and tackled with the help of an integrated operational approach, and exogenous motivations driven by funding programmes and directives. The DIFU study shows that funding programmes play a crucial role in inciting integrated action and incorporating aspects, such as interdepartmental cooperation and the involvement of players from outside the spheres of politics and public administration (urban governance).

> When integrating different spheres of activity from urban planning, economic, social, cultural and environmental areas, structural and urban planning topics act as a cohesive force, although beyond this, different priorities are set according to (funding programme-dependent) thematic orientations. A closer look shows that intensive consideration of the social, work and employment areas only occurs within the Social City programmes. The question remains whether these aspects should also be given increased significance in other municipal action programmes.

> At district- and neighbourhood level, the involvement of players from outside the spheres of politics and public administration is more intensive than in the case of integrated action at citywide level, and a usually broad spectrum of mobilisation and participation methods is employed. For example, at the citywide level advocacy groups and/or organisations and initiatives are more likely to be involved, while at the neighbourhood level, 'normal' citizens and other local players such as business people have a more prominent presence. The possibilities of influencing planning and concepts also seem to be much more clearly established at the actual implementation level than for citywide interests. The question of whether these level-specific degrees of participation are due to the population's interest in participating or due to the participation tools used by the municipalities can give rise to controversial discussions.

As regards the management of integrated urban development, interdepartmental collaboration is not always institutionalised. Particularly in smaller municipalities, this appears to be less necessary, due to the low number of administrative areas and to the 'shorter administrative routes' common in such communities. Generally, a higher degree of institutionalisation can be observed, especially in the case of strongly implementation-oriented approaches to integrated urban development that encompasses several goals simultaneously. The question remains whether an (even) more forceful institutionalisation of interdepartmental committees for integrated municipal action would be helpful, both for procedural matters (controlled information flows, secured exchanges with other departments, acquiring knowledge of different viewpoints, more binding cooperative structures) and in terms of stronger orientation towards departmental interdependences to mirror the complex interrelationships that exist in reality.

While integration occurs both at district and citywide levels, consideration of aspects at the regional level only occurs in very few cases. To explain the discrepancy between an idealised vision and actual municipal practice, practitioners point to the great complexity of integrating different spatial levels. In the interplay between politics and public administration, for them it is at best possible to link either the region and the city as a whole or the city as a whole and neighbourhood(s), with preference for the latter. The reasons why intraregional cooperation causes problems include political 'parochial thinking' and intermunicipal competition, need of greater expenditure within the administrations, as well as lack of experience with these types of co-operations. As an alternative to a systematic or institutionalised integration of regional aspects in municipal action, informal cooperation between neighbouring municipalities focusing on thematic interfaces might be preferable. Such

concentration could also serve as a 'gateway' to further collaboration, if a corresponding climate of trust could be created. Stakeholders tend to begin their work with 'soft' issues, such as tourism, and then to proceed to 'hard' spheres of activity, such as the development of communal housing or commercial premises.

- > Despite these complexities and difficulties, a large number of aims proposed in the Leipzig Charter for integrated action in cities and municipalities have been implemented in Germany, save for resource pooling and regional harmonisation.
- > A wide range of recommendations for the federal, regional (Land) and municipal levels have been formulated to consolidate and expand municipal integrated action and to promote greater involvement of regional interrelationships. Although they go beyond the scope of this paper some examples are mentioned.
- > At the municipal level, the elite needs convincing of the merits of integrated municipal action and its multiplier effects, whilst a more networked administrative structure involving more diverse players, including from the regional level would broaden financial opportunities.
- > At the Land level, cross land harmonisation and closer embeddedness of municipal action, resource pooling, together with better qualified players would lead to more balanced spatial development.

LINKS BETWEEN URBAN REGENERATION AND URBAN PLANNING IN GERMANY URBAN DEVELOPMENT AND URBAN POLICY AS A MUNICIPAL TASK

- > In Germany spatial development of the respective municipal area is a special task at communal level. The municipality takes on this task for its respective municipal area under its own responsibility and assumes responsibility for the use of space in its communal area. In fulfilling this task the most varied fields of action – natural necessities of life, economic activities, housing or transport – affect the arrangement of land use. Each municipality

is coordinating the different interests of these fields of action and integrating them into an interdisciplinary, cross-sectional comprehensive plan of its communal area. In contrast to the planning of private companies, which aims to maximise profit, this comprehensive planning pursues objectives aimed at the common good of the community.

COMPREHENSIVE SPATIAL PLANNING OF MUNICIPALITIES

The task of urban development is coordinating the comprehensive development in a municipal area. This brings in the basic principle of planning municipal development which deals with all aspects of development comprehensively. In an ideal case it manages to coordinate spatial comprehensive planning with requirements of the whole city and individual districts of the city. In contrast to such comprehensive spatial planning, spatial sectoral planning deals with sectoral problems and areas of duties. This includes, for instance, communal transport planning, or various types of planning in the sphere of environmental protection. Sector plans deal more specifically with individual sectoral interests.

INCREASING IMPORTANCE OF THE SUBREGIONAL LEVEL

Urban development does not stop at urban boundaries. Despite the municipal area reorganisation in the 1960s and 1970s, cities and municipalities have grown beyond their administrative boundaries. Urban development is increasingly taking place in regional contexts. Within the urban regions new divisions of labour have emerged. In recent years the city centres have lost their previous pre-eminence as economic and cultural strongholds. Individual urban districts or municipalities in the hinterlands of large cities have taken over important functions. They compete with originally clearly dominant city centres. New divisions of labour between core city and hinterlands, as well as between individual urban districts have developed in the urban region.

Polycentric urban structures with new divisions of labour have also emerged within urban regions.

- > However, these urban regions have only developed to a limited degree as political powers and creative levels of action up to now. Since subregional planning has only exercised inter-communal coordination incompletely, the creation of urban regions as a new political and administrative level of action is being debated. Communal associations could be new forms of cooperation between municipalities for tasks which go beyond the municipal area, and these are increasingly becoming questions of urban development.

‘RULES OF THE GAME’ LAID DOWN IN THE BUILDING LAW AND THE LAND LAW

- > Urban development is hence the task of organising and controlling the spatial development and construction of a city, an urban district or also individual areas of the city. In concrete terms this means:
 - stipulating uses in the urban region and hence creating supplies,
 - authorising curtailments of uses or ruling them out,
 - developing new locations or reactivating old locations, and
 - ensuring infrastructural links to plots of land (roads/paths, water, sewage), in particular guaranteeing utility supplies and waste and sewage disposal.
- > The communal organisation of urban development follows the ‘rules of the game’, which are set down in the Building Law and the Land Use Law. In Germany building law and land law are not regulated in a single law. Aspects of building, planning and the reallocation of land are nationally regulated in the Federal Building Code for the municipalities, while aspects regarding prevention of danger are regulated at the ‘Länder’ level in the building regulations of the respective Land. The reason for this separation is the legislative competence, which is regulated in the German Basic Law. This stipulates that the Federal Government does not

have legislative competence for the entire building law. For policy on land it has the competence within the framework of the ‘competing legislation’ between the Federal Government and the ‘Länder’ (according to Section 74, No. 18 of the German Basic Law) and the ‘Länder’ have the legislative competence for building regulations in accordance with Section 70 of the German Basic Law.

The central tool for the communal level is urban land-use planning. It aims to serve the common good, and is intended to create a balance between the different interests in the use of land. The common good is formulated in Section 1, Subsection 5, Clause 1 of the Federal Building Code. This stipulates that urban land-use plans must guarantee sustainable urban development and a socially-correct land use which serves the good of the general public, and should contribute towards ensuring a humane environment and protecting and developing the natural necessities of life.

The concrete content of urban development for the municipal area depends mainly on the political decision of the municipality. Here public and private matters have to be weighed up against each other and amongst each other. This principle of weighing up matters runs throughout the entire spatial planning system.

When making decisions, the cities and municipalities are generally subject to state supervision. However, since the municipalities – guaranteed through Section 28, Subsection 2 of the German Basic Law – exercise planning sovereignty for their municipality area, the communal supervision is limited to the legal examination of land-use plans. The usefulness of respective planning is up to the discretion of the cities and municipalities, which have to weigh up public and private considerations against each other.

The communal activities of urban development have different impacts. Defining the possibilities for land use has a considerable influence on the property market. Land prices are not only influenced by the location in the respective urban district but also by the definition of the

type and intensity of their utilisation. However, the allocation of building land also influences the development opportunities of other urban districts in the municipal area and neighbouring municipalities.

- > The building and planning law becomes effective for citizens by means of building permits. For most building projects citizens require a building permit. For this a building application must be submitted to the responsible local building supervisory authority. The building supervisory authority examines the plan to see if it is authorised under the building and planning law – for instance, to what extent the intended building project conforms with a legally binding municipal land-use plan. Furthermore, the building project is tested for its authorisation under administrative law. Hence the building authorisation for the citizen links the Federal building and planning law with the administrative laws of the ‘Länder’. Building can only begin when building permission is given in the form of the building authorisation.

MONITORING OF URBAN REGENERATION POLICY IN GERMANY

- > Urban regeneration programmes have been regularly evaluated in the past, as has been discussed above. Example of Urban Renewal in the New Federal States Programme Evaluation is given below.
- > Two years after the Eastern Urban Renewal Programme came into force, the task was to study scientifically what progress has been made in its implementation into practice and what the objective and subjective factors are that stand in the way of speedier implementation. Oral interviews of 61 selected housing corporations and 25 municipal administrations in Eastern Germany make up the core of the study.

NATURE OF COOPERATION

- > Usually, the municipal corporation and all relevant cooperatives are involved in negotiations on a town’s renewal. The interim purchasers were

not, and still are not prepared to cooperate, be it private companies or newly founded cooperatives. However, the fact that they do not get involved in the demolition, due to their restricted scope of action is accepted by the other players. The private individual owners were not included at all. Formalised rounds of negotiations between the town and the housing corporations continued, also after the concept was drawn up. In some cases the utilities were involved as well. Frequently, the regular working bodies were replaced by operative, mostly informal coordination. Where there was no dialogue at all, the renewal of the town was blocked. This only applies to a few cases, though. So far, it has been mainly the housing parts of the urban renewal concepts that have been implemented. As regards more town planning oriented measures, there is often no consensus. Support for demolition has the effect that the concepts and the main focus of demolition are not called into question by the companies. However, the concepts still require considerable coordination, especially with regard to their volume, scale and time frame. As disputed buildings have been delayed so far, obstacles are yet to be expected in this area. In some 80% of cases, the companies interviewed are not affected in the same way. However, there are no concepts of equalising the burden or sharing the consequences, except for a few cases of minor compensation payments when a tenant had switched between housing corporations. There have not yet been any planned mergers in order to ward off the bankruptcy of any one company. A joint, institutionalised renewal management was found only in one case, and even there, it is not supported by all the housing corporations.

PROMOTING DEMOLITION

The attitude observed among the housing companies at the beginning of support for the Eastern Urban Renewal Programme has only survived in a few exceptions. The alleviation of demolition finance and the financial relief of the

companies represent a great incentive for them to accept the subsidies. In reality, the average demolition cost has dropped close to the level of the lump sum subsidies. However, the housing corporations are meeting considerable problems in availing the subsidies. Up to autumn 2003, the demolitions were implemented to a large extent only with the help of federal state money or by means of interim finance through the housing corporations, which had to mobilise their own cash for this purpose. Furthermore, the approval procedure underwent massive teething problems and displayed a certain degree of vagueness during the first two years of the Programme, which increased the sense of insecurity considerably. The time between the application of the entire measure by the municipality and the approval of individual projects was usually over a year. Meanwhile the parties involved did not call into question the subsidising procedure any longer in principle. The suggestions for improvement refer mainly to organisational streamlining and its speedy implementation. Further suggestions for improvement relate to a more flexible use of the subsidies and the streamlining of the approval procedure itself.

HELP WITH OLD DEBTS

- > There is more or less no demolition without a parallel or at least promised partial relief from the old debts. The subsidies for demolition only work in connection with a partial relief from the old debts pursuant to § 6a, which, in turn, creates considerable obstacles for the implementation of the urban renewal concepts. Companies without the prospect of relief from the old debts are usually not prepared to demolish buildings just with the subsidies for the demolition work, even if they have committed themselves to the demolition within the framework of the concepts of action. They restrict themselves to promises with a time schedule comprising several years.
- > The companies quote mainly business management considerations for this attitude. Their

resolve not to participate also hails from a ‘gap in justice’ that is generally perceived. The quantitative contribution to urban renewal of the companies not eligible to benefit from the § 6a ruling is usually limited, but lacking ability of demolition for such companies may thwart demolition that may be desirable from a town planning point of view. Applications for partial relief that have not yet been approved represent a considerable factor of insecurity for the companies affected. Companies with applications that have not been decided so far, act hesitantly, as the demolition represents a considerable business risk in the case that approval is not being issued at all, which the boards of these companies would have to defend against the supervisory bodies. There is also a great sense of insecurity in case of belated applications or additional applications, which become necessary regularly when a greater amount of demolition is agreed with the companies in accordance with the urban renewal concepts.

BUSINESS RELATIONS WITH BANKS

The scope of action among the companies interviewed is limited mainly by a lack of cash and debt servicing. The banks are hesitant when asked to extend loans. However, they are ready to cooperate with the exception of a few mortgage banks who are striving to terminate most of the loan agreements. Generally, the banks have agreed to the previous demolition measures as part of the corporate concepts pursuant to § 6a AHG. A problem with the role of the banks arises when there are new debts connected with the demolition objects, due to purchase or modernisation or there are old debts that develop in connection with the sites without a secured § 6a relief. When an increasing number of burdened buildings are involved in the renewal progresses, the companies expect considerable resistance by the banks.

IMPLEMENTING DEMOLITION

Meanwhile, demolition has led to a far lower increase in vacant housing among the companies studied.

However, there are only a few examples to date in which this has sufficed to turn the tide. Up to the year 2001, the share of vacant housing made up only 2% of the demolition volume among the companies interviewed. Meanwhile, some 10% were planned between the years of 2003 to 2006. This could cope with a quarter of the entire vacant municipal housing stock by the year 2006. The duration for moving all tenants out of buildings to be demolished has been quite short to date, amounting only to three quarters of a year. The companies usually achieve quite high re-housing rates of the tenants within their own housing stock (70-80%). However, replacement housing is becoming scarcer, especially as the tenants to be moved are very closely linked to their familiar neighbourhood.

- > Large-scale demolitions are aspired to as a rule, but are only implemented in exceptional cases. Sometimes, partial demolition schemes are preferred because the possibility of renting out the 5th and 6th floor is called into question permanently. However, the means available for demolition are not regarded as sufficient for this purpose. Other companies are planning to put out of service the upper floors permanently instead of a total demolition, but there is insecurity regarding the issue of whether this is sufficient for partial financial relief. The adjustment of the technical infrastructure does not yet pose serious problems. Up to now, the financing of the necessary measures was secured through the companies funding the utilities or by the municipalities themselves. However, this practice is to be replaced by permanent contractual solutions over the years to come. In some towns, the utilities have meanwhile 'woken up' and are playing poker for subsidies. This is where obstacles are on the horizon for several towns.

THE PROGRAMME'S MODE OF ACTION

- > To date, the Eastern Urban Renewal Programme has been mainly a programme for large housing estates and the major housing corporations. The municipal housing corporations are those most involved. The cooperatives are affected and are

participating to a varying degree. The private housing corporations and the interim purchasers are the fewest on board. The Eastern Urban Renewal Programme does not really represent an incentive for individual owners of real estate. The Eastern Urban Renewal Programme has been mainly regarded as a demolition programme so far – refurbishment measures only played a minor role at the moment. One of the inhibiting factors is the necessary municipal financial contribution. Furthermore, the refurbishment focus is disputed and the efforts in the inner-city areas are meeting with additional problems of implementation. In most cities, the necessity is stressed to interpret the urban renewal concepts in a flexible manner. In some cases, the population development forecasts had to be adjusted downwards and the demolition volumes had to be increased. There will be a need of considerable additional coordination while a number of currently settled issues are going to be reopened once more.

TOWARDS A NEW URBAN DEVELOPMENT POLICY IN GERMANY

In 2009, the Federal Ministry of Urban Development and Housing (BMVBS) started a moderation process with the aim to develop a new urban development strategy for Germany. One of the results of this process was a Memorandum, proposing a national approach for urban development.

The following aspects have been approved:

Making cities a public issue: the political position of the Federal Government has shifted as a result of the federalism debate. Issues concerning urban problems at national level will correspondingly strengthen policies at federal state and municipal levels.

Securing investment funds: public discussion and raised awareness of urban policies at national level will strengthen the opportunities of securing investment funds in the long-term.

Coordinated support programmes: contents, timing and location of the different public programmes need to be better coordinated, and

carried out at a national level. However, there must be a prerequisite agreement on accepted objectives and priorities for action.

- > **Problem-related and flexible support:** this requirement can only be met with a contents profile, easy access to scientific infrastructure and close dialogue between various planning levels.
- > **Overcoming obsolete task distribution:** regional planning is getting more detailed while town planning is becoming more European. The segregation into different levels of spatial concepts and operations (national spatial planning – federal state planning – town planning) is losing plausibility. The Federal Government must define its position in relation to these processes, also with a view to exporting German urban planning expertise.
- > **Becoming European:** with an increasing number of societal and economic issues being decided at European level, the Federal Government must pool and represent German interests related to spatial planning. Germany's position on departmental policy needs to have more weight in the European integration process. This requires a clearly defined policy, which is also needed for the acquisition of European support funds and the definition of European financial instruments.
- > **Assessing the consequences:** national urban development policy must examine the contributions of cities and city networks (metropolitan regions) which are indispensable in the sustainable national and European growth policy (Lisbon Strategy). This presupposes that legislation and support programmes will take more notice of space-related effects of economic and societal conditions in the future.
- > In Article 104b, introduced with the reform of the Basic Constitutional Law, the German authorities stipulate a vibrant and dynamic support policy which, in turn, is based on active and dynamic urban policies. As a result, the Basic Constitutional Law formulates new responsibilities for a political process related to activities, priorities and consequences of urban development in Germany.

Urban development policy at national level is much more than urban planning policy. It operates in a complex field of diverse interests and reaches across the boundaries of numerous professions and competences. Urban policy can only be effective and convincing if it adopts open, integrated and integrating strategies.

ACTORS AND PARTNERS

The Federal Government must be the instigator of a German urban development policy as the responsible body for unified spatial planning, infrastructure and urban development policies in the Federal Republic. The growing integration of European policies requires the Federal Government to work in close association with European Member States and the EU Commission.

The impetus for the new National Urban Development Policy and its coordination comes from the Federal Ministry of Transport, Building and Urban Development. In addition, the open and integrating direction of this policy approach provides opportunities to set up strategic and project-oriented partnerships for numerous departments within the Federal Government. This provides a chance to overcome the traditional 'spatial blindness' of sectoral concepts.

In the federal structure of Germany, with its diverse urban landscapes, close co-operation of the federal states is essential for the success of this initiative. The federal states combine a high level of expertise on spatial problems with active control instruments.

The cities and urban regions that provide economic, social and cultural impulses are essential partners of a national urban development policy. Cities are magnets for investors, scientists and the professional workforce. Strong cities and urban regions, together with great flexibility at local level are the preconditions of an efficient urban development policy. A new culture of responsibility is required which is administered by cities together with the citizens, the local economy, educational facilities, cultural institutions and other stakeholders. This will allow locally organised 'alliances of urbanity' to make a significant contribution towards strong urban development policies. When linked, these alliances can have a widespread effect and contribute to a citizen-centric urban development policy. Such co-operation is successful if it focuses on actual problems by prompting clearly defined actions (such as 'economy takes responsibility', 'better schools for the neighbourhoods').

Urban development policy can only be successful if it reaches citizens through activities, events and information, and if it stimulates participation. Sustainable urban development can only take place with the cooperation of all stakeholders connected to a problem or place. Hence, the initiative for a national urban development policy must involve chambers, associations, academies and the scientific community. Urban development policy, in the context of active economic and social politics, must reach a new standard of collaboration between the public sector and the economy. Urban development is not a task for the Federal Government, the federal states or municipalities alone – it concerns them all. To make it effective, it requires political organisation and coordination.