



## HAFENCITY HAMBURG – THE ECONOMICS OF URBAN TRANSFORMATION A RATHER UNIQUE CASE

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## HafenCity

- inner-city brownfield development
- Masterplan: 2000; updated: 2010
- time frame of development: 25 years
- area: 387 acres or 157 ha, 123 ha land area
- 45.000 jobs, up to 7.000 homes for 12.000 residents
- approx. 10.4 bn € total investment volume (private and public)
- as City: 40% area enlargement as 'New Downtown'
- as Waterfront: 10.5 km new urban land- and waterline



# 1. The Framing



# THE PHYSICAL FRAMING: A RADICAL TRANSFORMATION OF SPACE

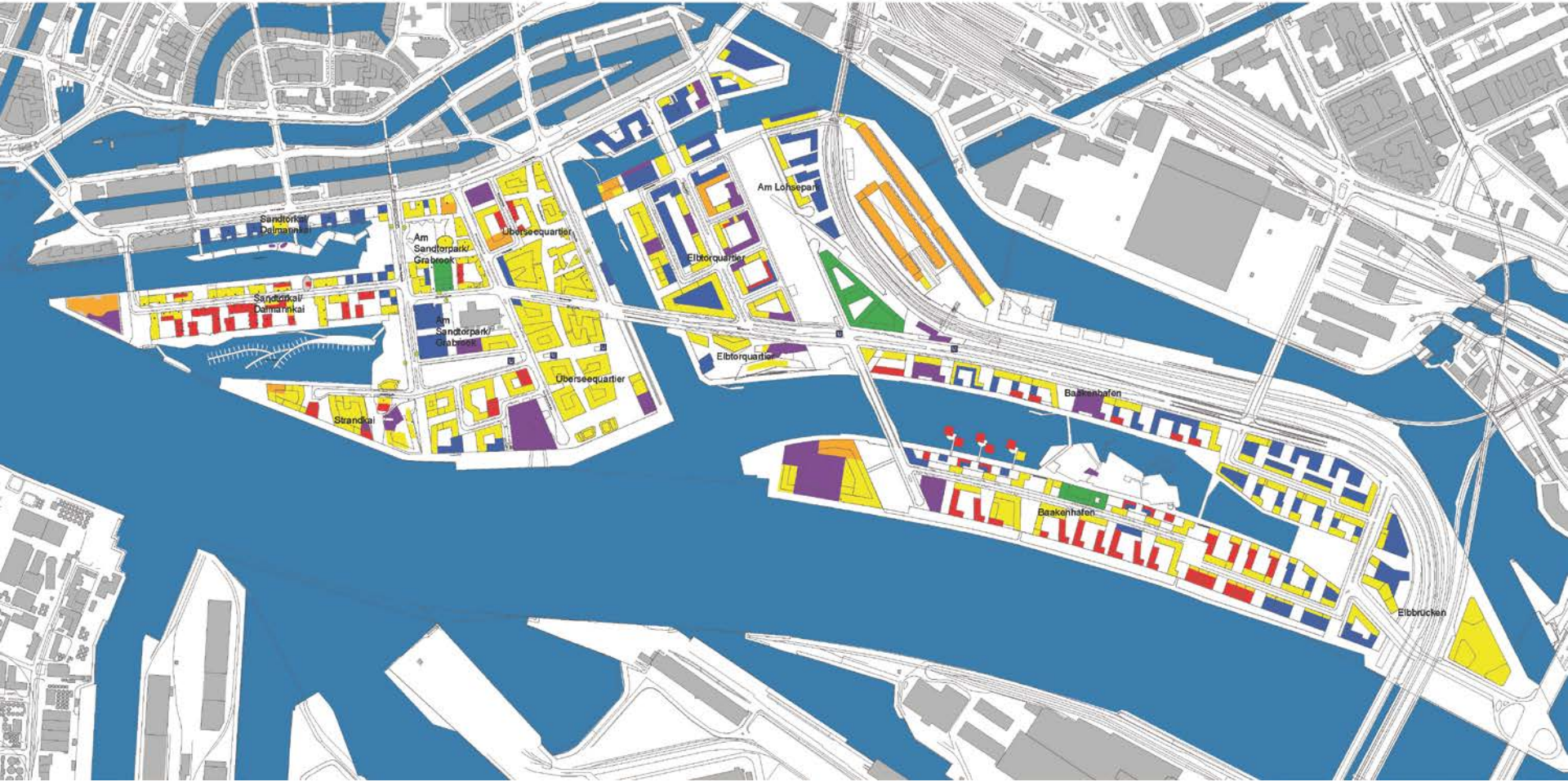






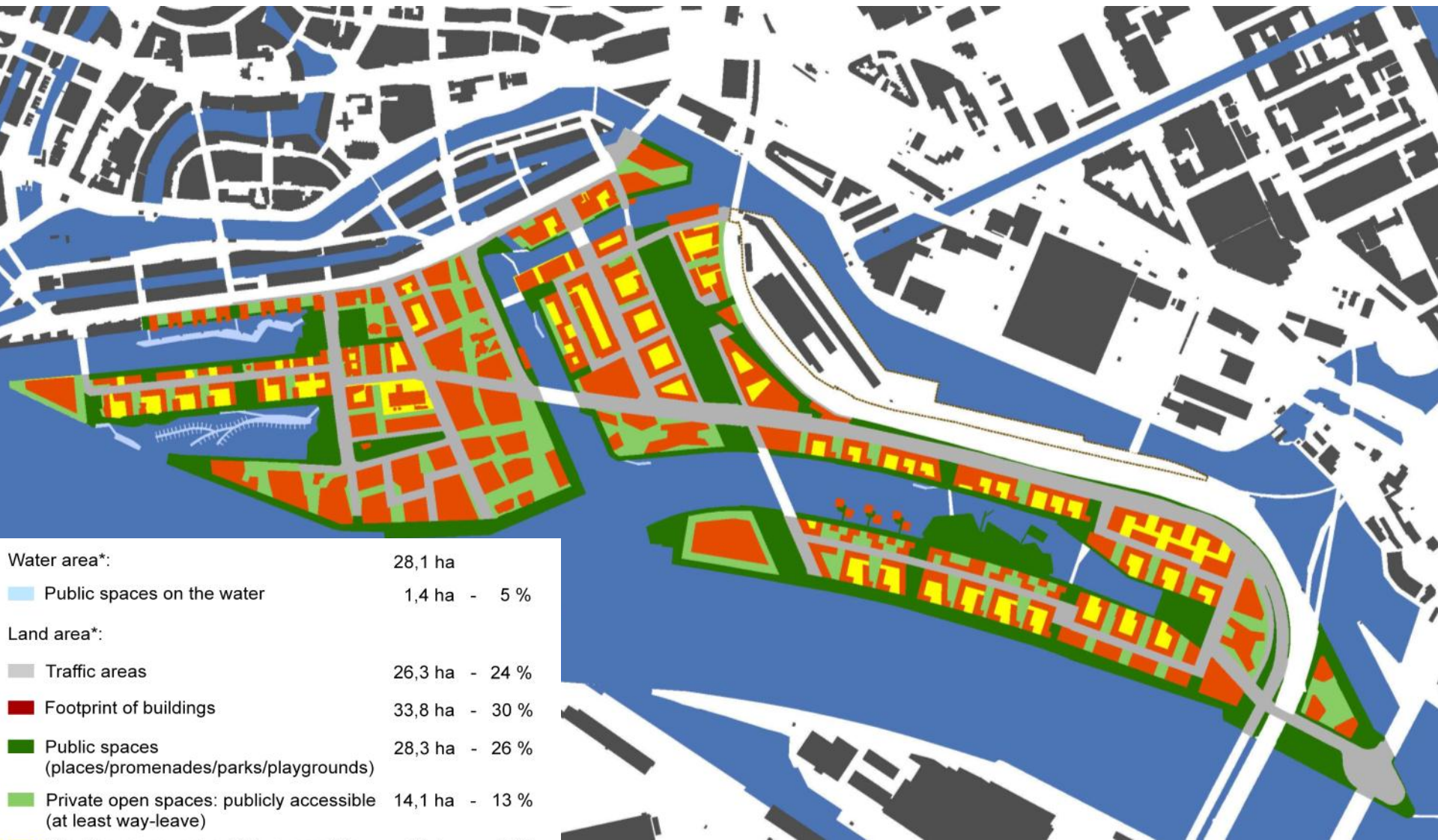


# THE CONCEPTUAL FRAMING: DIFFERENTIATION OF CONCEPTS AND "PUBLIC" USES (GROUND FLOOR)





# THE CONCEPTUAL FRAMING: DENSITY AND PUBLIC SPACE (380 JOBS AND 95 INHABITANTS PER HECTARE)



Water area*:	28,1 ha
Public spaces on the water	1,4 ha - 5 %
Land area*:	
Traffic areas	26,3 ha - 24 %
Footprint of buildings	33,8 ha - 30 %
Public spaces (places/promenades/parks/playgrounds)	28,3 ha - 26 %
Private open spaces: publicly accessible (at least way-leave)	14,1 ha - 13 %
Private spaces: not publicly accessible	7,4 ha - 7 %
Quarter Oberhafen	8,9 ha

\* without Quarter Oberhafen

# THE CONCEPTUAL FRAMING: THE URBAN DESIGN CULTURE OF HAFENCITY / SCALAR LEVELS

<p>I HafenCity (community level)</p>	<p><b>Masterplan 2000 (flexible &amp; open)</b></p> <ul style="list-style-type: none"> <li>• Winner Masterplan competition: Kees Christiaanse (today ETH Zurich / KCAP), draft and final version: HafenCity Hamburg GmbH / Ministry of Urban Development and Environment</li> </ul>	<p><b>Masterplan Revision 2010 Eastern HafenCity</b></p> <ul style="list-style-type: none"> <li>• Masterplanner: KCAP / HafenCity Hamburg GmbH / Ministry of Urban Development and Environment</li> </ul>	
<p>II Intermediate (ten city quarters)</p>	<p><b>Functional Plan for each City Quarter</b></p>	<p><b>Urban Design Competitions</b> (before the start of the development of an area, 10-12 participants)</p>	<p><b>Landscape Competitions</b> (1 to 3 quarters, approx. 30 participants for each competition) Winners:</p> <ul style="list-style-type: none"> <li>• EMBT, Barcelona</li> <li>• BB+GG,</li> <li>• Vogt, ZurichBarcelona</li> <li>• Loidl, Berlin</li> </ul> <p>Private competitions on site:</p> <ul style="list-style-type: none"> <li>• Diverse landscape architects</li> </ul>
<p>III Mikro Level (site level)</p>	<p><i>Individual Buildings (100 to 150 buildings)</i></p>	<p><b>Architectural Competitions</b></p> <p><i>private buildings: 4 to 12 participants depending on the size of the building</i></p> <p><i>public buildings: up to 100 participants</i></p> <p><i>no competition: for very few buildings (e.g. Elbphilharmonie)</i></p>	<p><b>Infrastructure (Bridges)</b> (joint architectural / engineering competitions)</p>

public competitions

private competitions



## „Behavioural change“

- communication of sustainable issues
- experimenting with new solutions (e.g. cooperations)

## City Structure

- fine grained mixture of urban uses
- high urban density
- high percentage of networks of open spaces
- high degree of urban encounter capacity

## Integrating Technologies

- smart grid
- electric mobility
- grey water

## Conversion of Brownfield

## Sustainable Construction

- certification: 5 levels of resource efficiency
- benchmark based
- technology open

## Urban Mobility

- modal split: close to 20% MPT
- walkable and bikeable city network quality
- public transport network of high density and quality (subway, fuel cell buses)
- car parking integrated in flood protection concept

## (Heating) Energy Supply

- CO<sub>2</sub> benchmark
- regenerative energy sources
- decentralized systems, technology open



# NEW DOWNTOWN: MERGING WORKSPACES, COMMERCE, URBAN LIVING, PUBLIC SPACES, CULTURE AND LEISURE FACILITIES





# NEW DOWNTOWN: MERGING WORKSPACES, COMMERCE, URBAN LIVING, PUBLIC SPACES, CULTURE AND LEISURE FACILITIES



## **2. The Economics of Urban Transformation**

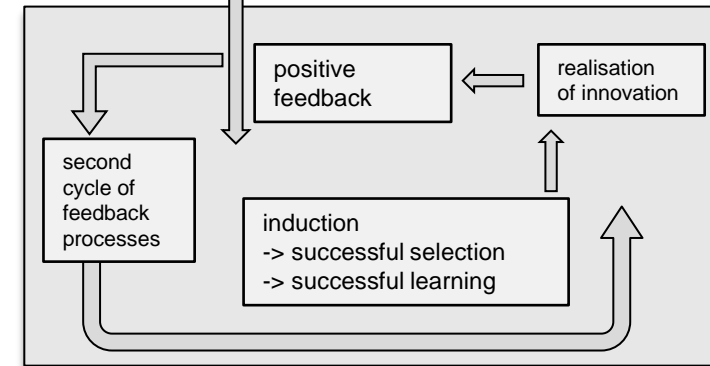
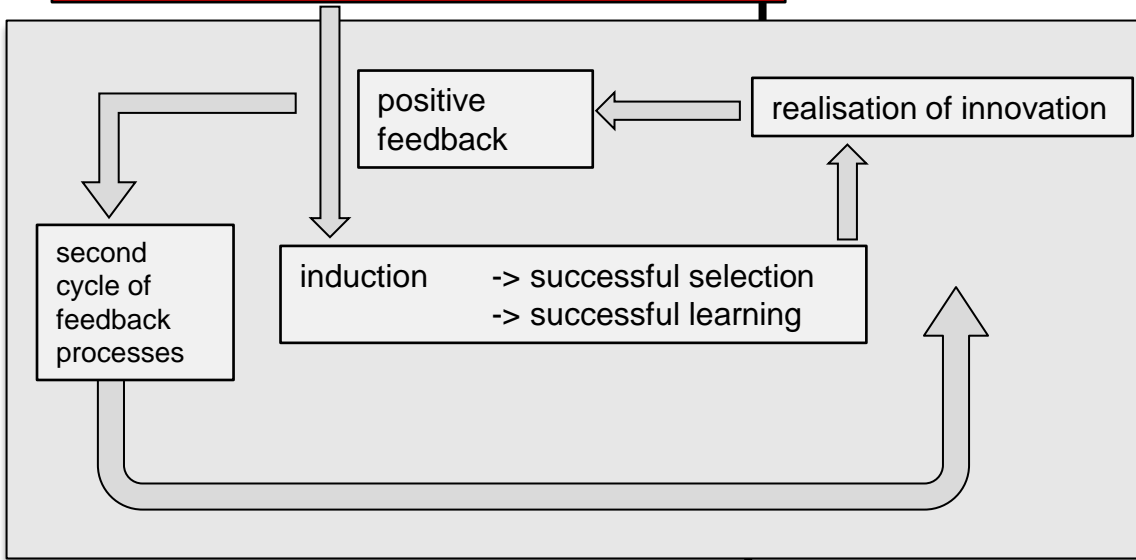


<b>City State of Hamburg</b>	<b>HafenCity Hamburg GmbH</b> (Quango / the city state-owned Schumpeterian entrepreneur)	<b>Private Sector</b>
<p><b>Setting the political agenda</b></p> <p><b>State Commission approvals</b></p> <ul style="list-style-type: none"> <li>– development plans</li> <li>– land sales</li> </ul> <p><b>Prepares and grants:</b></p> <ul style="list-style-type: none"> <li>– development plans</li> <li>– urban design (guidelines)</li> <li>– building permits</li> </ul> <p><b>Finances and builds, partly as public-private joint venture:</b></p> <ul style="list-style-type: none"> <li>– schools</li> <li>– university</li> <li>– concert hall</li> <li>– subway</li> </ul>	<p><b><u>Financing</u></b></p> <ul style="list-style-type: none"> <li>– <b>acts as public land owner</b> of special asset “city and port”</li> <li>– finances its activities from land sales proceeds</li> </ul> <p><b><u>Developing</u></b></p> <ul style="list-style-type: none"> <li>– <b>acts as entrepreneurial master developer creating city to a significant degree as public good</b></li> <li>– development planning</li> <li>– plans and builds infrastructure (streets, bridges, quay walls)</li> <li>– public spaces (promenades, parks)</li> <li>– sets new frameworks for quality enhancement and innovations</li> <li>– acquires investors, based on conceptual ideas, sells development sites</li> <li>– organizes communication, marketing</li> </ul>	<p><b>Private and institutional developers and users</b></p> <ul style="list-style-type: none"> <li>– development of individual sites (exception Überseequartier: central retail area, 16 buildings)</li> <li>– individual site developments as innovation contributions</li> <li>– users as conceptual innovators</li> </ul>

# THE MULTIPLE AND LINKED “CAPITAL” BUILDING PROCESSES (AN AGENCY MODEL)

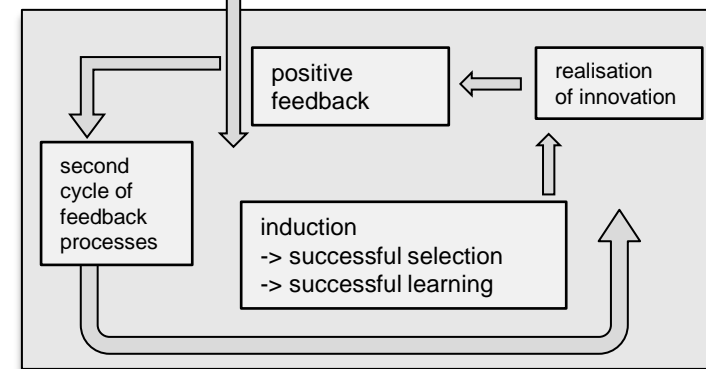
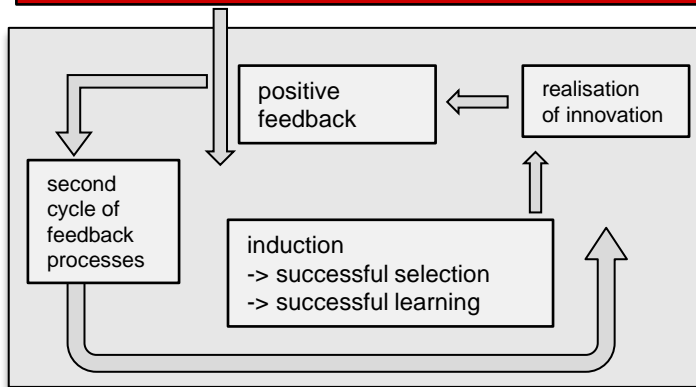
## communicative capital formation

## economic capital formation



## cultural capital formation

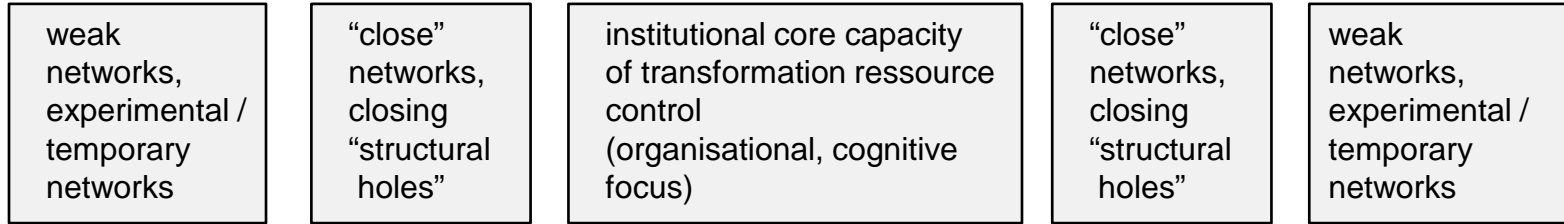
## social capital formation



**RESULT: BUILDING UP “URBAN CAPABILITY”**

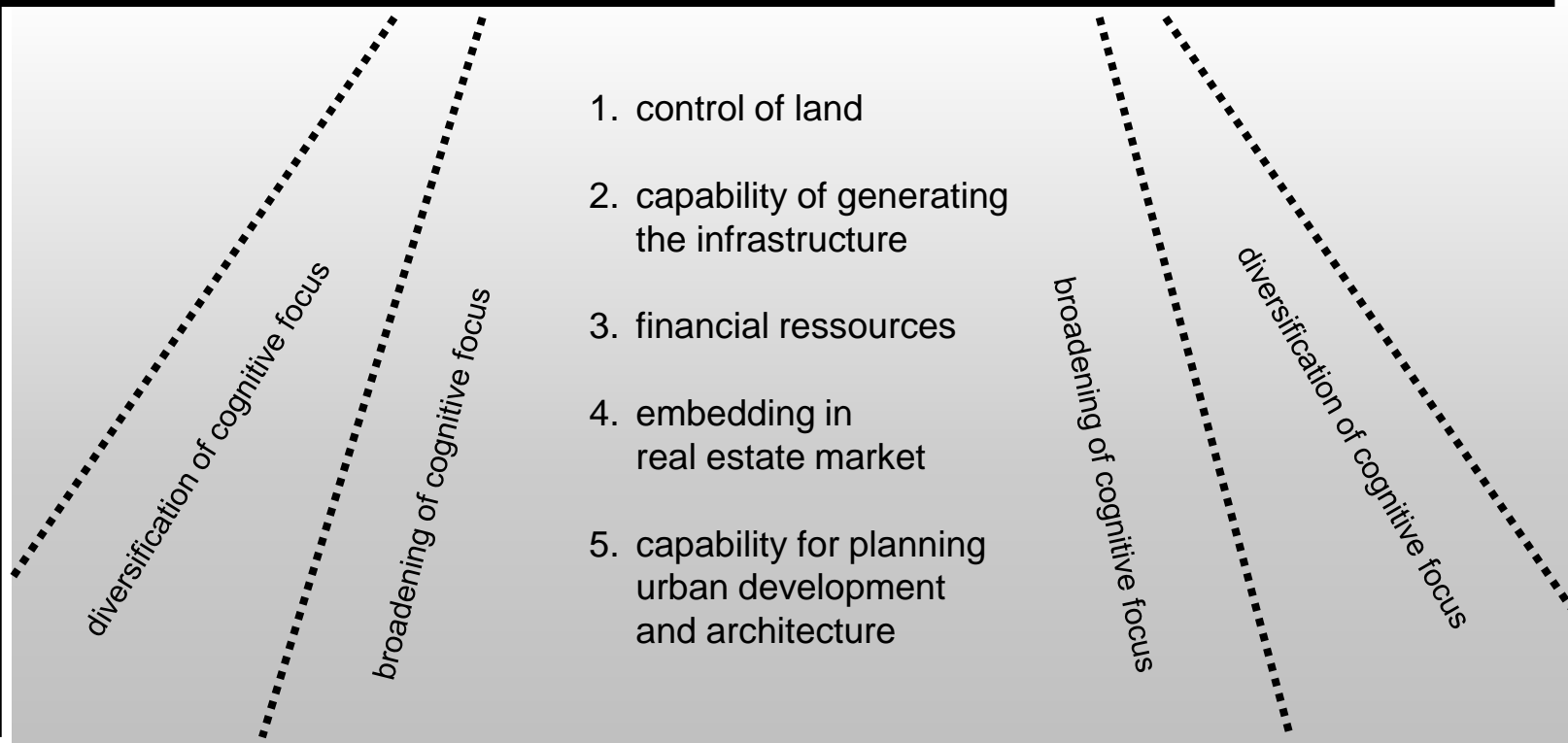


# BUILDING A NETWORK STRUCTURE TO INCREASE INNOVATION CAPACITY



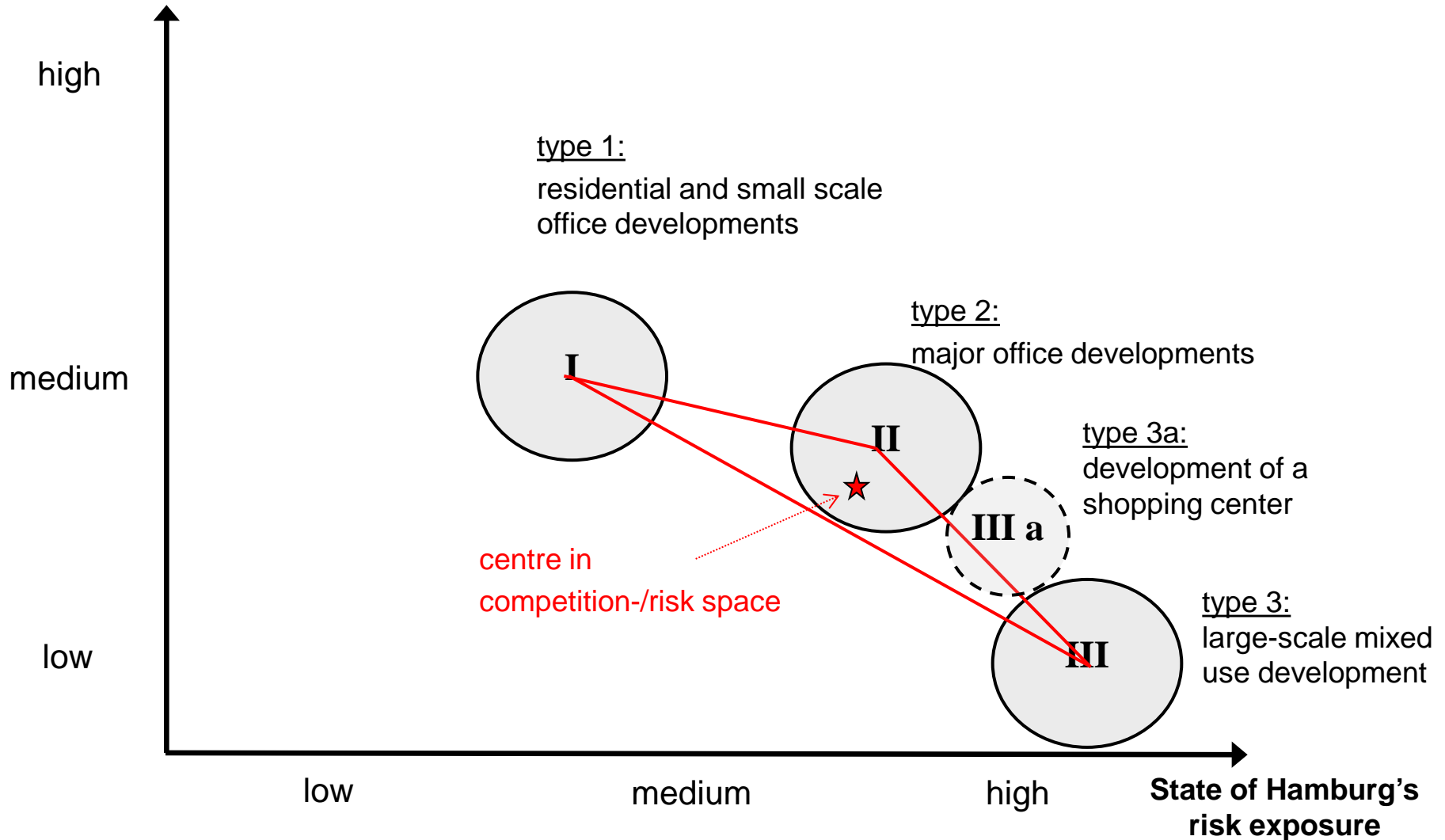
start of physical transformation

end of physical transformation



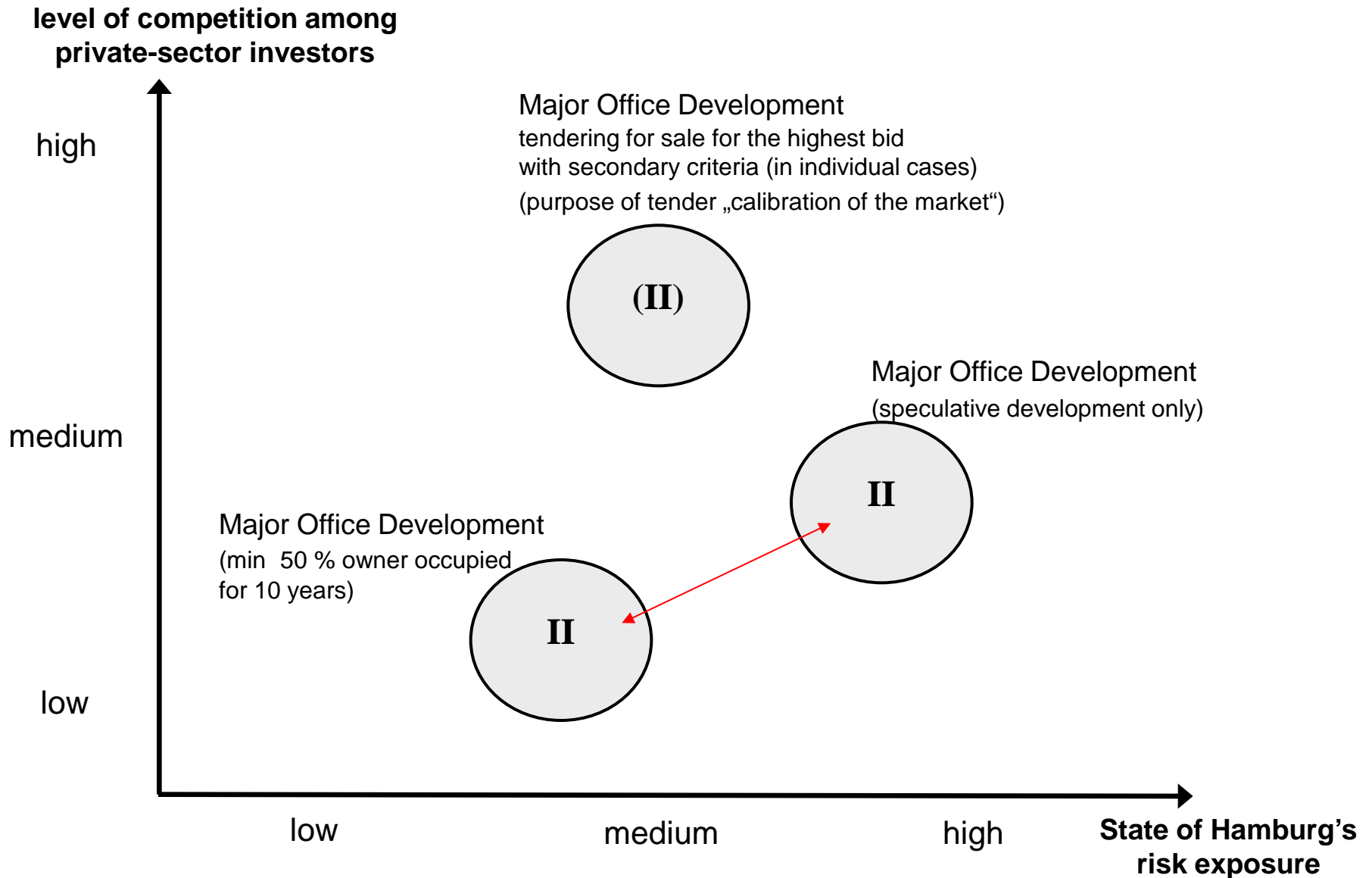
# COMPETITION-/ RISK PROFILE OF REAL ESTATE DEVELOPMENT: INCREASING COMPETITIVENESS, DECREASING MARKET RISKS

level of competition among private-sector investors





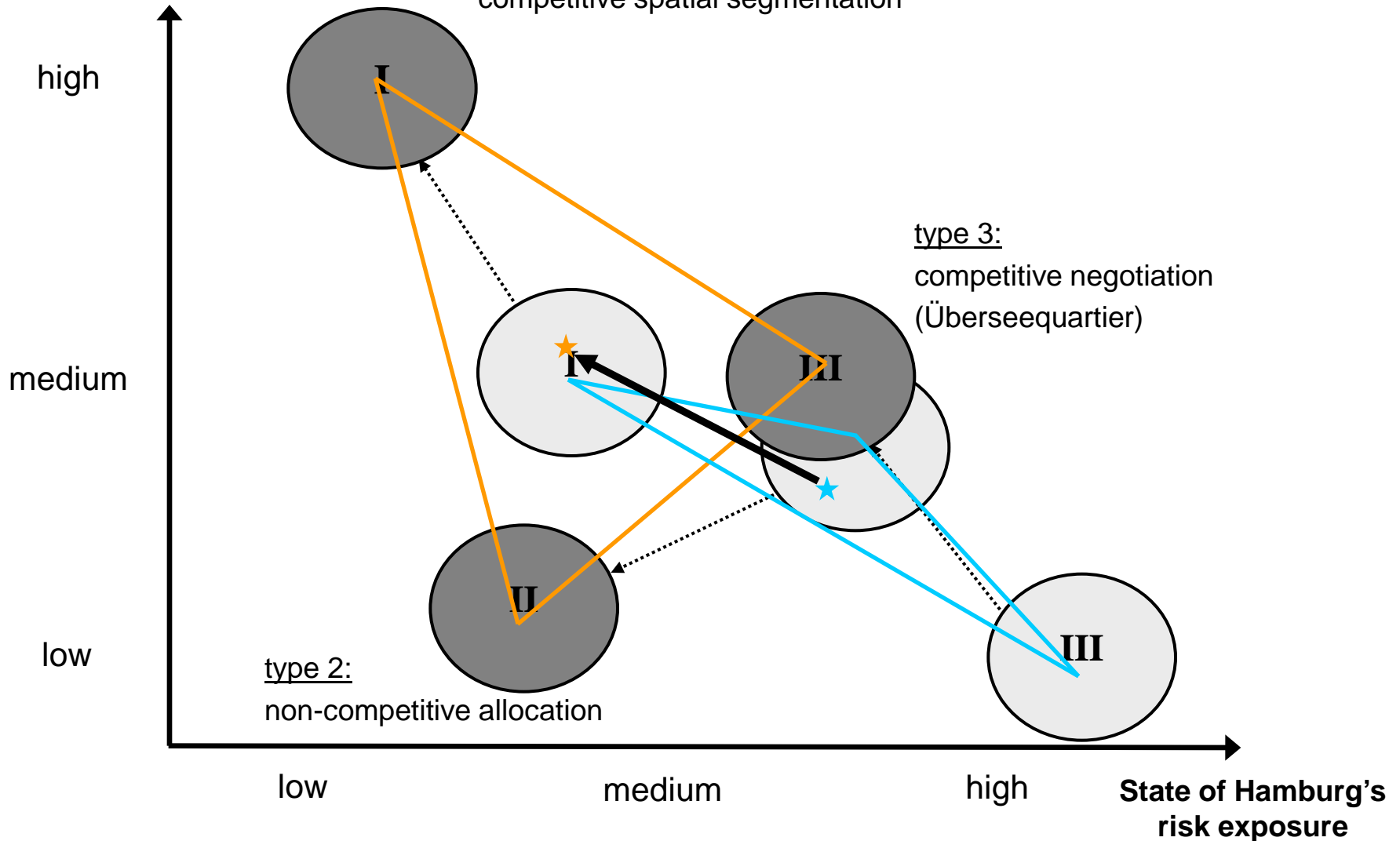
# COMPETITION-/ RISK PROFILE OF REAL ESTATE DEVELOPMENT: OFFICE DEVELOPMENT



# COMPETITION-/ RISK TYPOLOGIES OF REAL ESTATE DEVELOPMENT – IMPROVING THE PROFILE

level of competition among private-sector investors

type 1:  
competitive spatial segmentation





## **Market Mobilisation**

based on target concept (place specific)

-> *Information Density Generation*



## **Tendering Process**

70% concept / 30% price  
different prices for different uses (€ sqm GFA)

-> *Competition Process*



## **Granting an Exclusive Option**

18 to 24 months  
developing the product quality (from architectural competition up to building permit)

-> *Cooperation Process*



## **Sale of Land**

on detailed contractual basis

-> *Commodification /  
De-commodification Process*

## **Start of Construction**

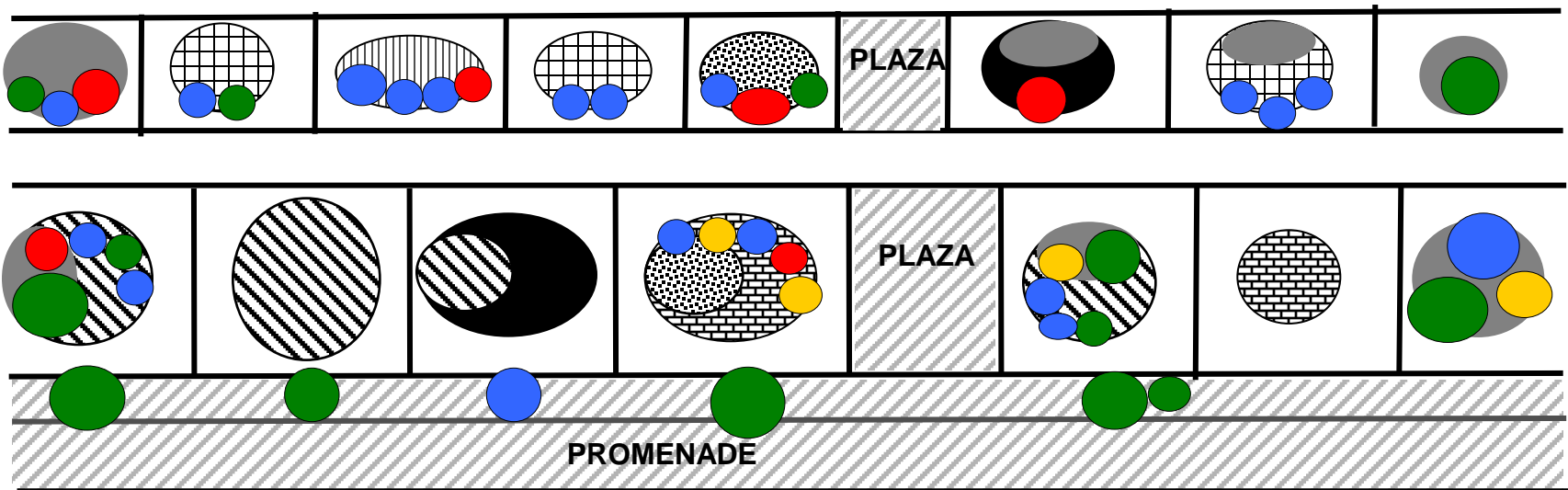
## **3. The Outcome**











# THE SPATIAL EXAMPLES: HOMOGENOUS NEW-BUILD GENTRIFICATION?



# THE SPATIAL EXAMPLES: SHIFTING FROM PRICE MAXIMISATION TO QUALITY GENERATION / DIVERSIFIED URBAN ENVIRONMENT



## Mixture of Development Actors and Residential Concepts

- |  |   |  |   |
|--|---|--|---|
|    | <b>Investor / property developer</b><br>(freehold, upmarket or luxury)          |    | <b>Building joint ventures</b> (owner occupier communities)<br>(freehold)                                       |
|   | <b>Investor / property developer</b><br>(freehold, medium price level)          |   | <b>Living concept for seniors</b><br>(freehold / rental, upmarket)  |
|  | <b>Investor / property developer</b><br>(rental / freehold, medium price level) |  | <b>Residential building cooperatives</b><br>(rental)  |
|  | <b>Office</b>   |  | <b>Public amenities</b><br><b>at ground floor / wharf levels</b><br>(e.g. shops, restaurants, cafes, galleries) |



# THE SPATIAL EXAMPLES: CREATING DIVERSITY AND PROXIMITY URBAN NETWORK STRUCTURE "SHANGHAIALLEE"



Stadthaus hotel

inclusive hotel concept

barrier-free accessibility

handicapped/disabled-friendly hotel

Musician's House

building joint venture

5 m high ground floor areas

Ecumenical Forum

residential community, Laurentius convent, administration of North Elbian Evangelical Church

Nidus

building joint venture

central customs office

Chapel Elbfaire

gallery watch manufacture Architecture office headquarters BDA



# THE SPATIAL EXAMPLES: CREATING DIVERSITY AND PROXIMITY URBAN NETWORK STRUCTURE "ELBARKADEN"



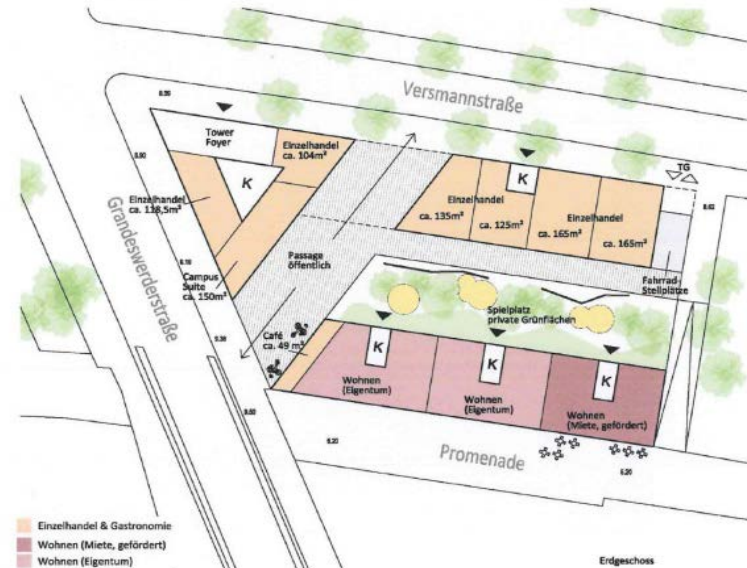


## Building Nr. 80 / Campus Tower

- Campus Tower / 15 Floors (i.e. rooms for HCU)
- residential and office building, each with 7 floors

### Uses:

- Min. 900 sqm rentable space for start-ups
  - research and development
  - innovative business ventures
  - 30 years subsidised rent
- approx. 1.750 sqm business center
- approx. 900 sqm for academic use (HCU)
- commercial uses:
  - “Showcase for Ideas”
  - “Campus Bar” on the 14th floor
  - small scale shop units, (orientation on the needs of HafenCity students)



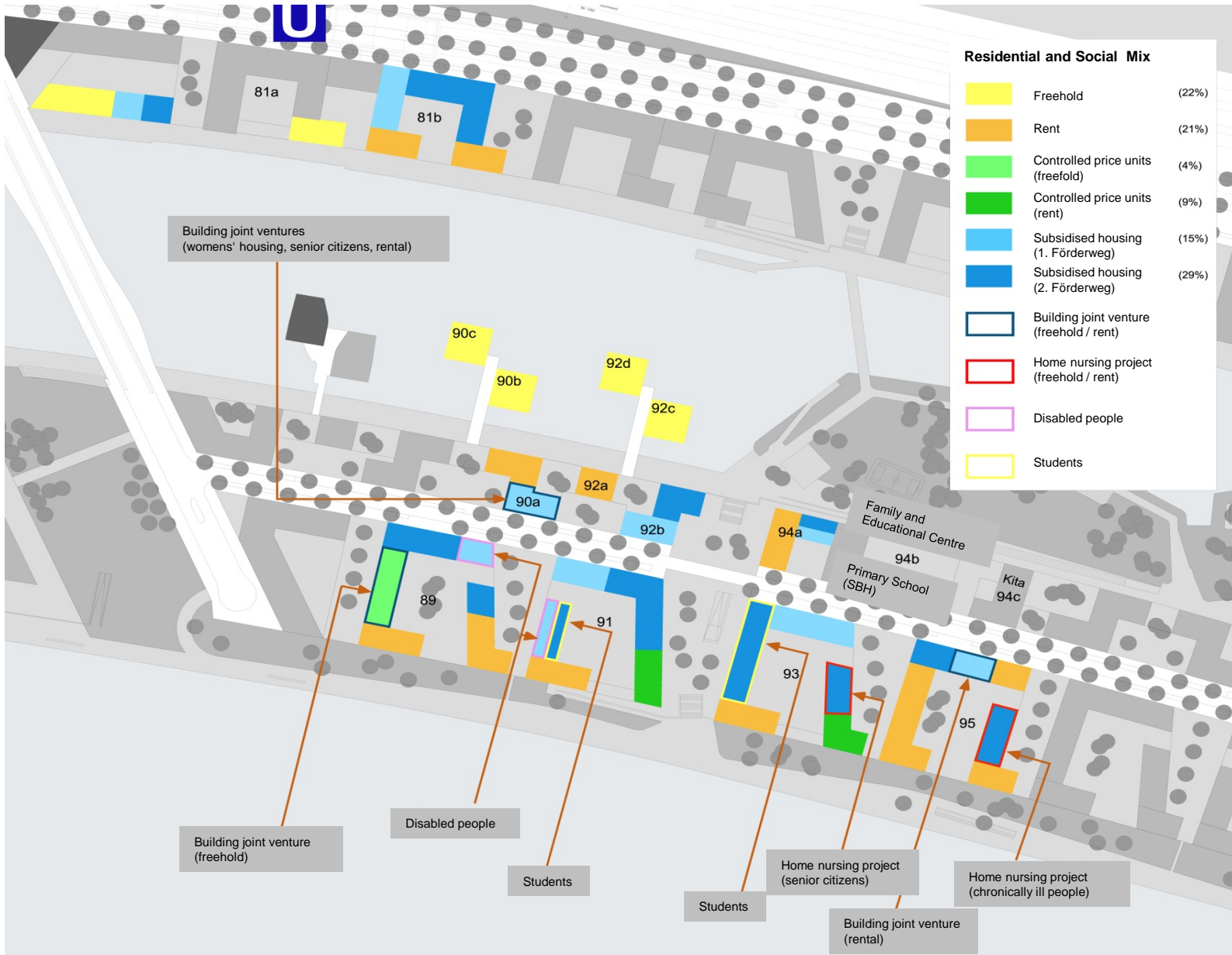


# THE SPATIAL EXAMPLE OF AREA DEVELOPMENT: BAAKENHAFEN





# BAAKENHAFEN: COMPOSITION OF DIVERSITY AND PROXIMITY IN A PREDOMINANTLY RESIDENTIAL CONTEXT



# BAAKENHAFEN: THE INSTITUTIONAL STRUCTURE OF PRODUCING AND OWNING BUILDINGS

## Residential Uses

-  Project developer
-  Residential asset holding company
-  Residential building cooperative
-  Residential building cooperative with tenant building joint venture
-  Building joint venture
-  Foundation / non-profit organisation



## 1. Appropriate and strong urban governance regime:

- strong role of local entrepreneurial state
- investor for public goods / risk reducer / capability and innovation frame generator

## 2. Shifting the role of markets:

- Markets (for urban development projects) do not simply exist, they can and should be created to develop the public good character of a city (urbanity, sustainability) and redefine private investment.
- The urban transformation of HafenCity is a commodification process and de-commodification process at the same time.



### 3. Features of economic city making mechanisms:

- Increasing complexity instead of reducing complexity.  
The complexity is economic, informational, social and cultural complexity (not simply technical or physical complexity).
- The planning framework is very strong on basic features but very flexible on reframed market outcomes, integration of civic society and inclusionary processes (experimental approach).
- City making is a process of path generation, increasing expectations and increasing capabilities of actors and places.  
City making is an evolutionary learning process.

THANK YOU FOR YOUR ATTENTION!



**Professor Jürgen Bruns-Berentelg**  
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