



Rising Star in the New Europe

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Because of its centralised location, high-tech links, increased emphasis on private investment, and excellent design standards, Amsterdam is a growing presence in the new Europe.

Sit at a canal-side café with a glass of Heineken and watch the future of Amsterdam pass before your eyes. The unmistakable tourists are there, of course, with their maps and cameras, ready to capture Amsterdam's historic past. But the bustle of young entrepreneurs, artists, students, Web developers, and designers bodes of things to come.

Politically and socially progressive, the Dutch government is overseeing efforts to make the Netherlands a model country in the new Europe. The government is fostering development of the arts and is offering tax incentives to companies that locate their headquarters in the Netherlands. Also it recognises that it can lure both the IT and the design industry to the country, while still preserving its architectural heritage with quality schemes and a forward-thinking approach to planning and new development.

At the epicentre of this movement is Amsterdam, which enjoys a reputation as a well-designed city with excellent architecture that draws tourists and residents from around the world. The city's growing number of finance and high-tech jobs, its burgeoning reputation as a centre for ad agencies, and its booming tourist industry all attest to the notion that Amsterdam is indeed a rising star.

Yet, it is a wonder that Amsterdam exists at all. Located at the mouth of the Amstel River, the city is built almost entirely on reclaimed land. One can argue that the struggle to "keep their

feet dry" brings Amsterdammers together. They have a reputation for setting aside their differences for the common good, and it is such tolerance that makes the Netherlands open to and ready for the changing winds of the new Europe.

In Its Favour

Information technology companies large and small find Amsterdam to be one of the best European cities in which to locate because of its well-connected digital infrastructure and well-educated population, 77 percent of whom speak English, the language

of the Internet. The Dutch are less nationalistic about their language and culture than the citizens of many other European countries; such linguistic flexibility gives the Netherlands a competitive advantage.

The university system in Amsterdam also makes the city attractive to employers. Three Dutch universities, located around the country, appeared in the European Union's recent top-ten list of medical and biotechnology research faculties within the European Union.

Close to major cities in Germany, Denmark, Belgium, France, the United Kingdom, and Switzerland, Amsterdam is geographically well positioned. With a population of only 750,000 within the city limits and slightly less than 1.5 million in the metropolitan area, the city is considered small by many standards. The entire conurbation, known as the *Ranstad*, consists of Rotterdam, the Hague, Utrecht, and Amsterdam and represents a powerful urban draw. With Amsterdam Airport Schiphol and a shipping port in nearby Rotterdam, Amsterdam is a recognised hub for Europe and the world.

Times are good in Amsterdam. Interest rates are low, rents are rising steadily, unemployment is low (around 5 percent, the lowest in 20 years), and productivity is high. GDP growth of 3.7 percent was achieved in 1999 against an EU average of 2.2 percent, according to Knight Frank, a property consultant based in London. In 1998, Buck Consultants, a strategy, logistics, and location consulting firm based in the Netherlands, placed Amsterdam at the top of 25 major European cities as a place to locate a headquarters. Despite its rising popularity in the business world, Amsterdam remained outside of the top 30 most expensive cities for office space, according to Healey & Baker, a commercial real estate firm based in London.

Demand in the Amsterdam market continues to be very healthy. According to Knight Frank, take-up of office space in the Amsterdam region was close to 450,000 square metres (4.8 million square feet) in 1999, the second highest level of take-up since 1984.

However, take-up did not match that of 1998 because supply is becoming constrained. According to Healey & Baker, the office va-

Amsterdam has a lively cultural arts scene with concert halls like the Concertgebouw.



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cancy rate is only 7 percent, and the majority of that is space under construction.

Vacancy is so low that relocations are difficult, and very little space is being developed speculatively. Office space is especially tight in the city centre, where demand is high from e-businesses and ad agencies to locate in an architecturally rich and culturally exciting area.

In some cases, relocations are having to be postponed or companies are considering more peripheral locations such as Schiphol or Teleport. London-based property consultant FPD Savills says that the development pipeline for the next three years includes schemes mainly in the city fringe locations, which should bring a better balance between demand and supply.

Internet Ready

Amsterdam's gradual relaxing of government controls over the past 20 years has led to increased investment from abroad, with new offices and headquarters popping up along the city's periphery. More than 7,000 foreign companies have been attracted to the Netherlands in the past decade, accounting for ANG80 billion (US\$45 billion) of investment.

Owing to its high-quality infrastructure, government support, multilingual workforce, and Internet-ready environment, Amsterdam is well positioned to succeed in the e-business world. One especially profitable recent trend is Amsterdam's popularity with the information technology industry.

The United States is the undisputed leader in the Internet age, and U.S. companies hungry for an increased global presence see Amsterdam as a natural base. Very few European countries have invested in the necessary steps to create Internet-ready environments, but the Dutch government has moved ahead with policies and investments to harness e-business. Amsterdam recognises that a city must have good amenities and infrastructure to compete in today's "e-volving" world economy. This means that Amsterdam's new de-

velopment projects are planned carefully, with consensus approval and government oversight. But the emphasis now lies on creating a balance between profitability and aesthetics.

In 1995, the Dutch government created the eCommerce Code of Conduct, a progressive policy that lures e-business and other investment. Amsterdam also is home to the Amsterdam Internet Exchange, Europe's largest Internet exchange, which connects networks of Internet service providers (ISPs). A 100 percent digital, fibre-optic network with the largest bandwidth in Europe is in place in the Netherlands. These and other amenities and policies give Amsterdam a competitive edge as the new century gets underway.

The results already are tangible. According to the eBusinessforum.com Web site, which provides "global business intelligence for the digital age," the Netherlands ranks behind only the United States, Sweden, Norway, and Finland as the most "e-business ready" country in the world. The French Aspen Institute, a global forum based in Lyon, indicates that "Amsterdam is the ideal base for American information technology (IT) firms, because of its go-ahead approach to new media, multilingual workforce, good infrastructure, and high concentration of businesses in the sector." While 75 percent of the Dutch population speaks English, approximately one-third speaks at least three languages, and 10 percent speak more than three, which is advantageous for e-commerce development in multilingual Europe.

The city of Amsterdam is focusing on what the government can do to attract business, especially e-business. It emphasises the area's three "ports"—its airport (Schiphol), its teleport (the Amsterdam

Internet Exchange), and its brainport (leading research universities that supply employees to the booming economy). The proof of the city's success is in the foreign investment in and around Amsterdam. Leading U.S. companies such as Sun Microsystems, Amazon.com, Cisco Systems, Hewlett-Packard, IBM, Lucent, PeopleSoft, Symantec, Oracle, Hyperion Solutions, and Network Associates have large operations in Amsterdam and elsewhere in the Netherlands. Cisco Systems is building a new corporate headquarters in Amsterdam on a campus that will accommodate approximately 5,000 employees by 2005.

Design Drive

The right combination of free-market thinking and government-sponsored programmes is helping to lure not only the IT industry but also the design industry to Amsterdam. The Netherlands is home to a burgeoning design industry, much of which is located in offices and boutiques along the canals in central Amsterdam. The open-minded thinking of the Dutch and tax incentives for businesses together are creating an atmosphere in which many design industries, such as advertising agencies and architects, can thrive.

Major advertising agencies see Amsterdam as a creative, culturally rich place to locate, one with a multilingual workforce advantageous in such a highly international industry. Such agencies there have international contracts with Audi, Nike, MTV, Canon, and Ameritech, which garners Amsterdam a growing worldwide advertising reputation.



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Transportation in Amsterdam is truly multimodal

In the Netherlands, architects play a larger role in designing their cities than do their American counterparts. This design standard preserves the capital's architectural heritage and attracts young IT employees and designers to the city. During the planning process, overall city planning and design command higher priority than the profits of a property owner. Historically, the emphasis has been on creating well-designed buildings for the benefit of the common good.

Generally, architects, while enjoying tremendous respect, have not always been permitted a high degree of individual expression. However, recent architecture in and around Amsterdam has incorporated forays into more expressionistic and individualistic styles. The new headquarters for ING bank, located along a major freeway near Schiphol Airport and designed by Meyers & Van Schooten, based in Amsterdam, is one example; its futuristic design marries ecological technology and workplace amenities.

Centre of It All

This design standard has led to employees in the new, high-tech-based economy having new job requirements: quality of life is important, and life spent in an office park on the urban fringe is not what they have in mind. Demand is high for space in the city centre, with its nightlife and aesthetically pleasing surroundings. Dot.com startups and design firms often invest in converting old industrial facilities for their offices and residences in order to be located there.

The historic centre demonstrates the importance of planning and design in Amsterdam. The area may be known for its red-light district and cafés, where the personal use of marijuana is decriminalised, but the old section of Amsterdam offers much more. The original city is designed in concentric half-rings around Amsterdam Central Station and the Royal Palace. Canals, spaced every couple of blocks apart, form half-rings in a horseshoe to the south. The Royal Palace, located a few blocks to the south of Amsterdam Central Station, lies within the first ring of canals.

Well-preserved historic buildings—one-third of which were built before 1850—line central Amsterdam and its canals with retail stores, cafés, restaurants, trendy offices, apartments, and lofts. The architecture there is distinctive, and any new construction tends to adhere to established standards.

While the American smart growth movement has just begun, Amsterdam has been growing smart for a long time. Amsterdam's never-ending fight against its own geography is the original reason for its version of smart growth. The city's location on soft marshland always has necessitated good planning and design. Any new project is built on reclaimed land, so urban design and architecture are aspects of development in Amsterdam that cannot be overlooked.

The city government has a real estate development department and a physical planning department. The former controls the development rights to much of the land in the city and is involved with the development process, often right up until the ground-breaking. The latter develops detailed plans for the entire city and for large-scale urban projects. Projects of the physical planning department include inner-city renewal, new and improved Metro lines, and new development on reclaimed land and the city fringe. The result is a city with a well-regulated architectural appearance and form.

With regard to transportation, Amsterdam is truly a multimodal city. One-third of the population of the Netherlands cycles to work, and most busy streets feature dedicated bike lanes. Buses, trams, and light and heavy rail are commonplace, and development of the Metro, Amsterdam's intracity rail system, is ongoing. The challenge is to dig train tunnels within the city while keeping groundwater out. Despite the obstacles, a new 9.6-kilometre (6-mile) north/south Metro line is scheduled to open in 2006.

Life on the Fringe

Much of the boom in today's economy is being realised not just in the architecturally rich city centre, but also on the outskirts of Am-

sterdam, where new clusters of development are springing up along the A10 ring road and other freeways. Excellent transportation links are catering to businesses from around the world. The city currently is involved in several projects, which for the most part are well organized and are located in clusters along freeways, often incorporating adjacent light-rail lines.

The most prominent of the clusters is on the South Axis of Amsterdam and is known as Zuid/WTC (South/World Trade Centre). The area, located along the A10 ring road as well as a Metro line, commands the highest office rents in the city. The value of the area lies in its link between Schiphol Airport, central Amsterdam, and the southeastern area of the city. Already an established area, Zuid/WTC has a master plan that, when realised, will include 660,000 square metres (7,100,000 square feet) of office space; 1,500 housing units; and associated retail space, cafés, and restaurants. In 2003, the Zuid/WTC station will become a stop on a high-speed rail link to Germany. ABN AMRO Bank and ING are developing headquarters that will occupy 90,100 square metres (970,000 square feet) and 29,700 square metres (320,000 square feet), respectively.

Another area located along a ring road in suburban Amsterdam, Centrumgebied Zuidoost, is southeast of the city. Anchored by the "Amsterdam Arena," which was built in 1996, offices, houses, a school, and an entertainment centre are being constructed around a train station. By 2004, a direct train connection from Zuidoost to Schiphol Airport will be established.

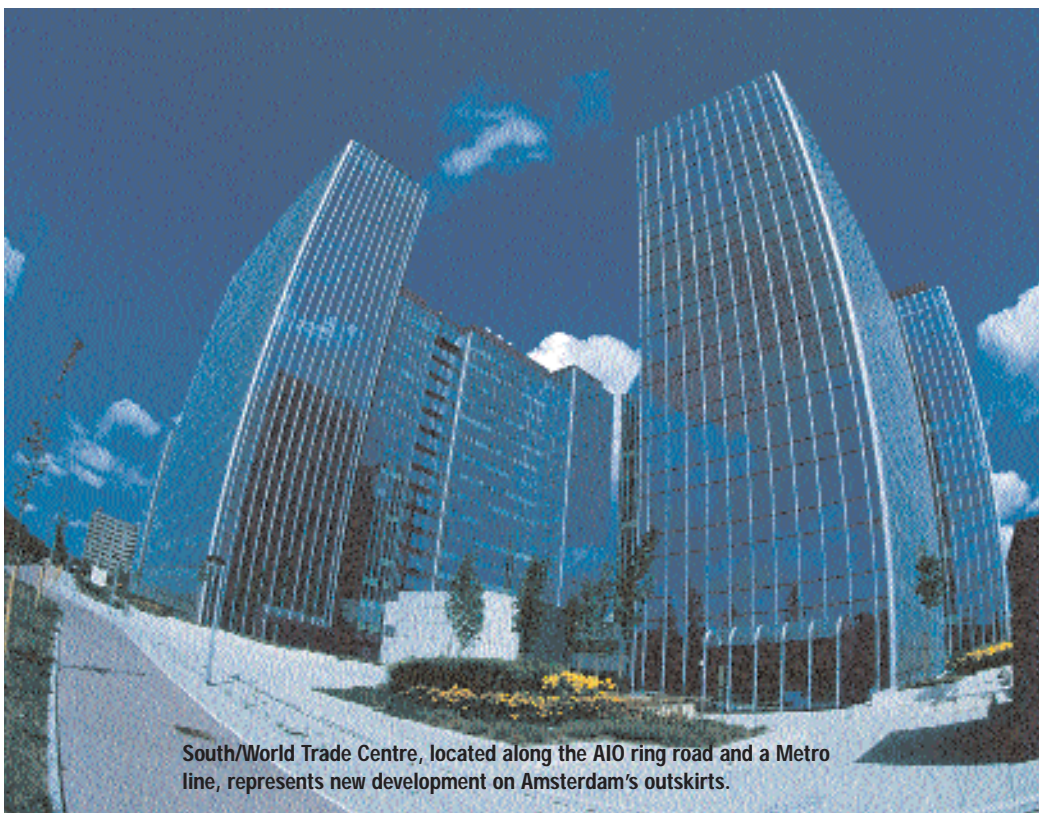
Amsterdam also is good at controlling sprawling development by understanding that space within the city must be put to better use instead. Located on the west side of the city, Ringzone West, a long-term urban redevelopment along the western portion of A10 ring road, is an ideal example. The road is considered a barrier between existing development on either side, and plans are evolving for a gradual lowering of the road so that development can be built over it. Potential light-rail stations along and near the ring road will connect intensely developed areas of mixed-use development.

Not all new development is along ring roads, however. Amsterdam is built mostly upon reclaimed land, and new land is being created even today. This is an ongoing process that is evident in the development occurring in the east harbour area of the city. Many old harbour areas around the world became obsolete in the 1960s and 1970s because of changes in shipping technology, and Amsterdam's east harbour has experienced a similar fate. Today, large-scale development is taking place on both existing and new land in the old harbour.

Ijburg is a "new city" being created on reclaimed land between 1997 and 2015. One day, it will be home to a population of 45,000 in a planned community of 18,000 dwelling units. A combination of development ranging from dense urban to more pastoral areas is planned and will be connected to the city centre with roads, bike lanes, and a Metro line. The first residents will move onto the island this year.

The project in the former harbour area just east of the city centre, a project slightly older than Ijburg, is built on the city's former docks. When finished, the redevelopment on Java Island and KNSM Island will contain 3,400 apartments and 340,000 square metres (3,650,000 square feet) of offices.

Amsterdam is a rising star in the new Europe. The Netherlands still puts into practise the belief that well-planned and well-designed cities will attract employers. The country's historic attention to planning and design, combined with its open-minded, well-educated population and its supportive government, helps make Amsterdam a magnet for the high-tech and design industries. The city is positioning itself to be a key centre in Europe well into the future. 



South/World Trade Centre, located along the A10 ring road and a Metro line, represents new development on Amsterdam's outskirts.

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