

# Competing for



THE DANISH TOURIST BOARD

**A** *New York Times* opinion editorial in December 1999 reflecting on the millennium remarked that the changing high-tech world is causing a reduced dependence on centralised workplaces, giving people and businesses greater choices when considering where to settle. And given the choice, both businesses and people are likely to choose places with physically and culturally attractive environments.

Copenhagen, Denmark, picked up on this idea even before the e-revolution. In the 1960s and 1970s, the city began reducing the parking supply and increasing investment in the city centre—its street markets, landscaping, and housing—increasing pedestrian and bicycle access, and reducing automobile access. The idea was to make the public realm so vibrant that it would lure people back into the city. It worked. Today, central Copenhagen is a lively, attractive urban area with a healthy pedestrian street life.

Strategies similar to Copenhagen's are coming to fruition in other European cities, creating a kind of paradox between competition and unity. Realising that they must compete with each other for limited external investment, European cities are moving toward a unitary development strategy, the facets of which are all interrelated. The following are the key aspects of unitary development strategies emerging in European cities as the 21st century begins.

- **Transit:** An international transport network is crucial, as are excellent transport links within the city.
- **Environment:** Both a healthy physical and cultural environment is necessary for a successful city.

- **Sustainable Development:** Closely linked to a physical environment of high quality, practices such as the adaptive use of old buildings and infill development have supported sustainable development.

- **Commercial and Recreational Facilities:** Retail/leisure centres offer a way for cities to attract both residents and tourists.

- **Technology and Communication:** Cities that offer the best links of this type will attract high-tech companies and qualified workers.

Each of Europe's cities has its own individual history and personality, rooted in

centuries of unique cultural, geographical, and political influences. However, in today's global economy, a decade after the fall of the Berlin Wall, and with much of Europe linked by a common currency, it follows that urban development is becoming more alike and interrelated. European cities continue to modernise while still retaining their original character. The European

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Union's "harmonisation policy," which seeks to establish uniform air pollution and environmental protection policies, as well as create a transportation system across Europe, is indicative of this unitary development.

#### City of the Future

Several indicators foretell what the European city of the future may look like. The many national rail improvements, international airport expansions and renovations, intracity rail and road improvements, as well as

# SAM NEWBERG Investment

The Thetis Marine Technology Centre converted the Arsenal of Venice into a science and research centre for coastal regions.



However, many good examples of sustainable development in Europe exist, including multi-modal transportation systems, energy-efficient buildings, pollution controls, stringent planning controls, and adaptive use projects.

### Setting a Good Example

The European Regional Development Fund's Urban Pilot Projects offer good examples of unitary development strategies in Europe. The ERDF uses the Urban Pilot Projects as a means to enhance social and economic development

pedestrian-focused transportation improvements across Europe have proven and will prove to be key elements in determining the success of individual cities.

The evolving high-tech industry is initiating competition in which locational advantages are not so much related to natural resources as to other assets. Therefore, cities that offer the best modern technological connections and well-educated labour pools appeal to a new industry of pioneers. For instance, high-tech firms choose to locate in Helsinki, Finland, because of a well-educated labour pool and excellent transportation links. Zurich, Switzerland, too, is an example of a city with a well-educated population that acts as a magnet for businesses and new residents.

In Europe, as well as in many places around the world, vast new destination leisure and retail projects draw both tourists and residents. These entertainment centres sometimes are built as part of a central city revitalisation plan and often are the dominant anchor to a neighbourhood. London's Trocadero, the Urban Entertainment Centre in Frankfurt, and the Parnell Centre in Dublin all combine office, retail, and/or entertainment.

However, some retail and entertainment concepts do not last. As indicated in the January 2000 issue of *Urban Land Europe*, the multiscreen theatre concept may have peaked in popularity. Regardless, the destination leisure and retail project concept remains quite feasible, as other new forms of entertainment will complement or replace multiscreen theatres.

Sustainable development is a big issue on a land-starved continent. Admittedly, trends such as urban sprawl, increased private transportation use, and some real estate development practices in today's healthy economy do not always respect sustainability issues.

through city centre development and revitalisation within the broader European Union policy of promoting economic and social cohesion. Projects include the adaptive use of buildings and neighbourhoods, enhancement of pedestrian infrastructure, and the addition of commercial and residential space.

Up to 1 percent of the ERDF's budget can be allocated for these innovative projects, which are selected by the European Commission. Slightly more than €291 million (US\$270 million) has been spent in two phases of Urban Pilot Projects, of which the ERDF has contributed approximately €146 million (US\$135 million).

The city of Venice, Italy, embarked on a plan using Urban Pilot Projects funding to restore the Arsenal of Venice, a derelict 15th-century harbour complex, into a centre for marine research called the Thetis Marine Technology Centre. Opened in 1997 at a cost of ITL 19 billion (US\$9 million), the approximately 4,645-square-metre (50,000-square-foot) complex consists of offices, laboratories, and other marine research structures such as the Marine Technology Service Centre. The overall goal of the project is to create a science and research centre for cities in coastal regions. It is hoped that this research centre will create 1,000 jobs and will trigger other redevelopment in the area surrounding the Arsenal, thereby diversifying its tourism-based economy.

An Urban Pilot Project in Thessaloniki, Greece, focused its efforts on the adaptive use and enhancement of the city's historical area. The ERDF allocated more than 75 percent of the total GRD 2 billion (US\$5.7 million) cost of the project in the early 1990s to revitalise the old commercial centre of the city. The project focused on infrastructure improvements—such as the creation of public spaces—as well as the restoration and opening of historical monuments to the

## Setting the Scene

The Westergasfabriek industrial complex in Amsterdam has been in use as a cultural village since 1992, when the former gas works opened as a temporary, naturally grown urban entertainment centre with facilities for film, theatre, music, and art. Now, in cooperation with the Amsterdam City Council, developer MAB—an integrated international property company with branches in France, Germany, the United Kingdom, Belgium, and the Netherlands—will renovate the 13 buildings on this industrial heritage site, restoring Westergasfabriek to its full glory.

When the Amsterdam Municipal Energy Company left the former gas works in 1992, a new use had to be found for the historic buildings. Severe maintenance backlogs and the enormous dimensions of the spaces made most of the buildings unsuitable for offices. The

buildings were offered for use in the performing arts and for trade fairs and conferences. Theatrical agencies, set builders, restaurants, and other cultural functions also used the facilities. Over the last few years, the site has developed into the cultural centre of the Netherlands—with an avant-garde image. The Amsterdam City Council wanted the area to retain this cultural use for the future and sought a commercial partner willing to invest in its renovation. The unique site in the heart of the city covers an area of some 13.5 hectares (33.4 acres). MAB will spend NLG 50 million (US\$21 million) renovating the buildings and, on the edge of the site, new buildings will provide 3,000 square metres (32,292 square feet) of space for offices, cafés, and restaurants. Strict usage and lease conditions will safeguard the cultural character of the site.

“Cultural projects are becoming an ever more significant part of inner-city developments,” says Ton Meijer, owner of MAB. “A city

centre, be it modern or historic, needs cultural attractions. It is not surprising that everyone in our business is talking about urban entertainment centres. The Westergasfabriek is a prime example of an urban entertainment centre that evolved naturally on the basis of the needs of the people. It also exemplifies a form of public-private partnership that we are seeing more and more often in our projects.”

Over the last few years, the theme of “intensive space utilisation” has become very important in the Netherlands and can be expected to become a significant subject in the near future throughout Europe. As project developers are being given ever less space to develop new sites, and as the emphasis moves toward reuse, renovation, and intensive space utilisation, Westergasfabriek touches on the themes that will set the scene in the development market in the years ahead.—V. Westbroek, head of corporate communications for MAB Groep B.V.

public. It helped to restore the historical and cultural fabric of the city and acted as an incentive for renewed private sector investment in Thessaloniki.

Other projects throughout Europe—completed, planned, or conducted under various regional or local programmes—offer insight as to what the city of the future may look like.

### Scandinavia

Unitary development strategies in Scandinavia include the Oresund Link, a new fixed-rail line between Malmo, Sweden, and Copenhagen, Denmark. Due to open this month, the rail link will provide an efficient connection between the two cities, and preparations to create a coherent region are underway. A joint Danish-Swedish political organisation, the Oresund Committee, has been established at all government levels to help foster joint development and resource sharing between the two cities and their respective countries. Cooperation with regard to education, culture, the environment, and public/private enterprises seeks to attract development in the corridor between Malmo and Copenhagen.

Elsewhere in Scandinavia, Helsinki, Finland, is emerging as a centre of the high-tech industry. Numerous high-tech multinational firms, including Nokia, 3M, Compaq, and Microsoft have operations in Finland. Offering pristine natural surroundings, a well-educated workforce, political stability, an efficient infrastructure, and a solid cultural foundation, Helsinki and other cities in greater Finland are attracting considerable corporate business.

Helsinki is convenient both to North America and to Asia by air. As home to the University of Helsinki and several other university-level institutions, the city can tap into a wealth of educated workers. U.S. companies can easily set up operations in Finland, as the business climate and culture are similar to that found in the States.

### Berlin

The fall of the Berlin Wall left a massive expanse of undeveloped land in the city's centre. In what was once the thriving core of the city in the early part of the 20th century, a staggering amount of redevelopment now is taking place.

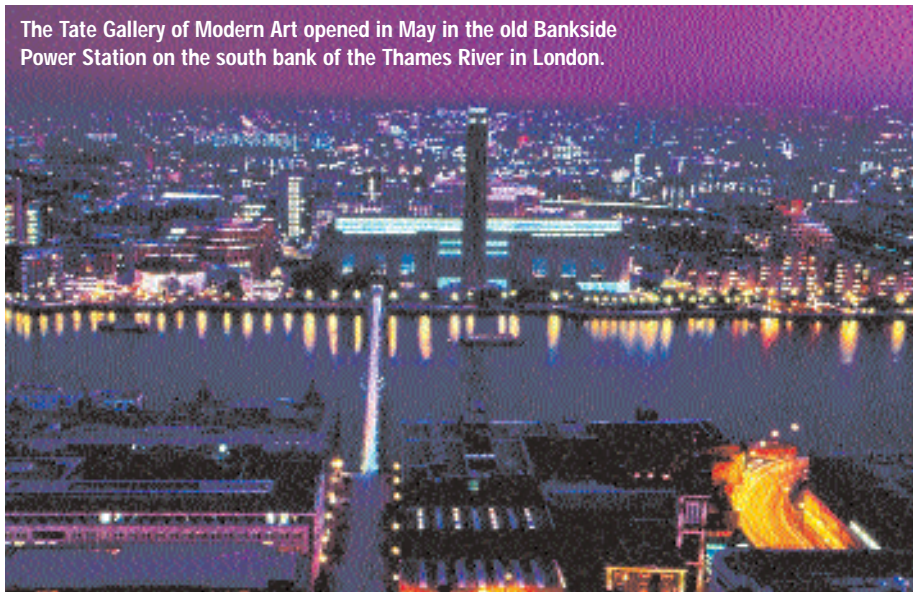
Potsdamer Platz is the area around the former Berlin Wall, where hundreds of new real estate developments are transforming a barren wasteland—which for decades accommodated guard towers—into a thriving array of real estate developments, including office



On Berlin's Potsdamer Platz, new hotels replace the guard towers that once stood there.

HYATT INTERNATIONAL

The Tate Gallery of Modern Art opened in May in the old Bankside Power Station on the south bank of the Thames River in London.



efficient transportation links to trains, buses, a ferry, and several major roads. The site of Expo '98—an international exposition developed in the spirit of London's Exposition of 1851—Parque das Nações has helped to internationalise Lisbon, and weaves the unitary development strategies seen in other European cities into its own unique fabric.

buildings, retail space, government operations, residential development, and hotels.

The relocation of thousands of government jobs to Berlin adds vitality to the new developments and is increasing Berlin's ability to compete in Europe. The transit network also is being renovated and expanded; the city is investing the equivalent of billions of dollars in its railway system, much of which has sat dormant since the 1960s.

### Zurich

As reported in *Urban Land's* March 1997 European supplement, Zurich is an attractive city for business locations and relocations. It is well positioned with regard to the rest of Europe, lying in the "snowbelt" of the Alps. The city offers residents and tourists outstanding scenery as well as a rich environment with a full array of cultural attractions, from art galleries to opera.

A ten-minute train ride whisks passengers from the city centre to the international airport. This train route is part of a modern multimodal transit system that includes trolley buses, light rail, bicycle lanes, and the S-Bahn train system, and carries more than 300 million passengers per year. This excellent transportation system and attractive environment, combined with telecommunications infrastructure and a stellar university system, give Zurich a competitive edge in attracting residents, tourists, and businesses.

### Lisbon

The city of Lisbon, Portugal, may not get the international recognition of London or Paris, but with the Parque das Nações, perhaps it should (see "Cidade Imaginária," page 46). Located in the central city along three miles (five kilometres) of a Tagus River estuary, Parque das Nações is a 1990s redevelopment of the city's historic docks area. While a portion of the site had been used as a hydroplane port, much of the area was environmentally dysfunctional before the city of Lisbon began the renewal process by cleaning up the site in order to redevelop it.

The large-scale redevelopment includes residential, retail, services, parks, and entertainment development, with a wide variety of

### Dublin

The revitalisation of Dublin's Temple Bar district in the centre of the city is one of many developments undertaken by a city riding the high economic times of Ireland. A Phase I Urban Pilot Project involved the revitalisation of the Temple Bar district in the early 1990s and included new pedestrian links, the creation of public squares, and the establishment of the Irish Film Centre.

This activity spawned a number of retail, residential, environmental, and cultural projects. Even the members of U2, the well-known Irish rock band, bought and restored the historic Clarence Hotel along the River Liffey in the Temple Bar district. A more recent Phase II Urban Pilot Project aims to inventory and protect historic buildings similar to the Clarence Hotel within the city. These projects have helped preserve and revitalise Dublin's historic commercial centre.

The Parnell Centre in central Dublin is another example of urban entertainment centres built in Europe in the 1990s. Opened in 1996, the Parnell Centre consists of approximately nine square metres (100 square feet) of residential, entertainment, and retail space, complete with an IMAX theatre and high-tech simulation rides. Entertainment centres like the Parnell Centre are examples of relatively similar retail/leisure development concepts occurring in European cities that attract both tourists and residents.

Dublin also is set to become a leader in e-commerce in the future, due to its strong educational and technology base (see "Technology and the Celtic Tiger," *Urban Land Europe*, January 2000). English is the language of the Internet, and coupled with a cooperative government, Dublin and other Irish cities are building new



business parks and office developments to meet increased high-tech demand. Ireland is, in fact, the largest manufacturer of software outside of the United States.

An indicator of this high-tech demand is the 37,160-square-metre (400,000-square-foot) Custom House Docks project in Dublin. Millions have been invested in restoring the historic docklands buildings as home for the International Financial Services Centre (IFSC)—the largest employer in the greater Dublin Docklands area. Undergoing large-scale redevelopment, this area is benefiting from the economic and social regeneration of 526 hectares (1,300 acres) in East Dublin along and near the River Liffey (see “Economic Overdrive,” page 40).



The St. Katherine's Docks regeneration project combines housing, offices, entertainment, and a marina.

BRITISH TOURIST AUTHORITY

## London

The significant number of developments that have occurred or are occurring in London are shaping the city's future appearance and character. With regard to transit improvements, the Channel Tunnel, which opened in the mid-1990s, links Paris to London with high-speed train service under the English Channel. The Heathrow Express, which opened in 1998, links Paddington Station with Heathrow Airport via a 15-minute train ride. A planned extension of the Docklands Light-Rail system will connect the city district and the Docklands with London City Airport, which is located to the east. The much anticipated Jubilee Line extension to the Under-

ground system links London's West End with the South Bank, the Docklands, and the Greenwich Peninsula.


Urban regeneration projects are improving the appearance of much of central London. Developments south of the Thames River are numerous (see “Regeneration South of the Thames,” *Urban Land Europe*, January 2000). The long-vacant Bankside Power Station, across the Thames from St. Paul's Cathedral, reopened in May as the home of the Tate Gallery of Modern Art. Other nearby developments are the rebuilt Globe Theatre that opened in 1997 on the theatre's original site, and the Millennium Bridge, which is a pedestrian bridge that will connect the city with Southwark. In addition, since the mid-1990s, several hotels have opened in the South Bank area.

London's West End offers cultural and entertainment amenities with a theatre district rivaled only by that of New York City. Major productions such as *Phantom of the Opera* and *Les Miserables* anchor a thriving performing arts industry. Trocadero in Piccadilly offers London a modern urban entertainment facility to compete with other European retail/leisure concepts.

Just east of the city of London and Tower Bridge is a portion of the London docks, which, after becoming obsolete to the shipping industry in the late 1960s, underwent successful adaptive use development. St. Katherine's Docks, which date from the 10th century, today are a combination of residential housing, offices, restaurants, and a marina. The project is similar to Lisbon's Parque das Nações and Dublin's Custom House Docks. The redevelopment of abandoned industrial areas in most cities provides an excellent opportunity near a city's centre for commercial and residential development that is more suitable to today's economy than the former industrial use.

## Continued Competition

In general, the public and private sectors in Europe work closely with regard to planning and real estate development. As programs such as the Urban Pilot Projects indicate, new development is better integrated into its surroundings, and urban renewal is smarter than in decades past.

European cities will continue to compete for limited external investment. But whether one city has an advantage over another is uncertain. What is certain is that the cities in which the public and private sectors cooperate to provide the finest transportation systems, the best communication links, and the most attractive environments will be those that have the advantage. 

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