Urban redevelopment east: A programme to handle the problems in shrinking cities

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• Urban redevelopment following §§ 171 a-d BauGB
• Programme „urban redevelopment east“
• Balance of the first promotion period
• The second promotion period
Urban contracts following § 11 BauGB
(basic regulations of urban contracts)

• Legal objectives:
  ➢ “contracts of planning” (e. g. the draft of the preparatory or legally binding land-use plan)
  ➢ “contracts to prepare the building activities” (e. g. demolition of old buildings)
  ➢ “contracts of edification” (e. g. use of the plot, ecological compensation, housing supply for locals)
  ➢ “contracts to cover the follow-up costs”

• Important legal principles:
  ➢ “exclusion of arbitrary tying arrangements” (strict objective connection between obligation and development)
  ➢ “adequacy” (the maximally permitted absorption of the surplus value of a developed area is controversial discussed, prevailing opinion: up to 50 % is permitted)
Urban redevelopment following §§ 171 a-d
(special regulations concerning urban redevelopment)

Structural vacancies? → Decision to establish a urban development concept (171 a/b)

- look for a consensus

- Resolution of the concept and the area of redevelopment (171 b)

- Conclusion of urban contracts (171 c)
- Realization
- Safeguarding (171 d)
Terms of contract following § 171 c BauGB

- Demolition or deconstruction
- Temporary use
- Cost responsibility for the demolition/deconstruction
- Subsidies for the accrued costs
- Time limits for the demolition/deconstruction
- Relinquishment of compensations following §§ 39-44 BauGB
- Equalisation of burdens between the involved property owners
Contracting parties

- Municipality
- Property owners (parcels and buildings)
- Tenants
- Creditors (banks)
- Public utility companies
- Property owners of other buildings (e.g. new apartment buildings for the tenants)
Start of the programme “urban redevelopment east”

- February 2000: Commission of experts recommends a structural change (demolition of 300,000 to 400,000 flats)
- 2002: Start of the programme
- 2002-2009: First promotion period (2,5 billion € from the German federation, the federal states and the municipalities)
- Main objectives: demolition/deconstruction of vacancies, improvement of districts worth to be conserved
Balance of the first promotion period

- Participation of 413 Municipalities (from 33 in Brandenburg to 129 in Sachsen)
- The vacancy rate of the building companies decreased from 16.2 to 10 %
- Improvement of urban districts: quiet successful concerning the historic city centres and representative districts in the classic style of the period of industrialization („Gründerzeit“, ≈ 1840 – 1870), still big problems concerning elementary districts in the classic style of the period of industrialization
Demolition/deconstruction

- 260,800 flats from 2002 to 2010 (85% of the recommended quantity)

Source: 4. Statusbericht Stadtumbau Ost

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Demolition/deconstruction

…but the process is slowing down:

Source: 4. Statusbericht Stadtumbau Ost
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Demolition/deconstruction

Why is it slowing down?
- There are no more potentials for a demolition covering a large area (dispersed vacancies)
- There are less vacancies of unrenovated buildings (e.g. „Plattenbauten“ = buildings made with precast concrete slabs)
- Low-income households create a demand for cheap living space
- Many buildings companies don’t have enough available flats where the tenants could move in
- A big part of the potential of demolition is individual private property
Example 1: Building companies

4 buildings
10 vacancies
2 owners

vacancie
occupied

① owner number

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Example 2: Individual private property

4 buildings
10 vacancies
20 owners

vacancie
occupied

① owner number

Which flat should be destroyed?
Equalisation of burdens?
Evaluation?

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Partial debt cancellation

Communal building companies may apply for a debt cancellation of up to 77 €/m², if
• the borrow was before 1990
• the vacancy of the housing stock of the company is bigger than 15 %
• the economic survival of the company is imperilled.

Total volume from 2001 to 2010: 1,1 Billion €
Apportionment of the annual budget

Increasing part for the improvement of urban districts:

Source: 4. Statusbericht Stadtumbau Ost
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The second promotion period

- decrease of rented flats
- increase of owner-occupied flats/houses

\[\text{→ demolition of 30,000 flats/year necessary}\]
The second promotion period

Period: 2010 - 2016
Budget: 230 million €
Main objectives:
• improvement of districts worth to be conserved
• demolition/deconstruction of vacancies
• improvement of singular old buildings (constructed before 1949)
• adaption of the local infrastructure
Precondition: Integrated urban development concept
Thank you very much for your attention!