

## **Paradigm shift in the development of city districts**

**On March 30, a Round Table held by the Urban Land Institute (ULI) looked at the future of city districts and future residential concepts. The event – initiated by the ULI and Drees & Sommer and held at the Gerbermühle ('Tannery Mill' hotel) in Frankfurt – examined the topic 'Sustainable city districts – living in the future' from various points of view.**

There was consensus that throughout Germany there is a development towards sustainable inner-city districts with mixed use. This trend is primarily driven by economic factors. As far as development in the city of Frankfurt is concerned, the participating architects, project developers and representatives of the city council believe that a turning point has been reached, and that the future will see greater residential development in the metropolis. This will not, however, be achieved by residential developments on the urban fringe, but rather through in-fill and redevelopment of the inner city. Overall, a paradigm shift can be seen in the area of urban development. During the round-table discussion facilitated by Claudia C. Gotz of ULI Germany it became clear that today the construction of housing attracts office and retail development, not vice versa.

## **Economic pressure results in sustainable city district development**

The need to develop sustainable city districts is undisputed. Economic pressure is the primary driver for this. For project developers, energy conservation regulations and ideological reasons are secondary. There was consensus amongst the experts that the sustainability of city districts had to be holistic, taking **the triple bottom line** of economic, ecological and social aspects into account.

## **Challenges in practice: Development costs and sustainability**

The challenges faced in practice were illustrated by Ingmar von Franqué in his presentation at the ULI Round Table. "When it comes to new construction projects, sustainable development of city districts means anticipating future requirements such as energy regulations," said the Managing Director of Drees & Sommer Frankfurt. To what extent energy conservation regulations were preempted was a question of economy. "There is a dichotomy between development costs and the commitment to sustainability," said von Franqué. The discussion showed that developers, in particular, held the view that future-proofing was necessary, but only if economically feasible. The subject of how far sustainability should be taken in the development of city districts is clearly contentious.

### **Refurbishment: The need for a comprehensive concept**

Many owners of established properties ask themselves how and when they should refurbish, and how to keep the tenants in the building while the work is carried out, said the Managing Director of Drees & Sommer Frankfurt. The need for a comprehensive concept to meet these needs was illustrated using the example of the Schlangenhader Straße in Berlin, which is currently undergoing renovation.

Wolfgang Voigt of K + P Architekten und Stadtplaner GmbH (architects and urban planners), Munich, reported on experiences with the refurbishment of the Siemens estate in Munich. The residential estate, which is under a heritage protection order, was originally built for Siemens employees. The energy efficiency of the estate has been increased while retaining the buildings' esthetic appeal. Importance was also attached to the tenant structure. According to the experts at the Round Table, it is generally imperative to capture social structures in order to ensure that the development of a residential estate is sustainable in the long term. As to the question of whether to rebuild or refurbish, the discussion clearly showed that all parties should be involved at an early stage, and that a holistic approach must be taken. Only in this way is it possible to achieve city district development that is not only ecologically sound, but is also economically and socially balanced.

The Urban Land Institute is an international non-profit research and education organization with more than 35,000 members dedicated to sustainable development and use of urban living and working space. For more than 60 years, the ULI has enjoyed broad-ranging recognition for its forward-looking research into pioneering sustainable standards for regional planning, urban planning and the real estate industry. Founded in Washington, DC in 1936, ULI is now represented in 94 countries and offers a multidisciplinary forum for managers and experts in the real estate industry. As a member of the Urban Land Institute and of the ULI Germany Executive Committee, Drees & Sommer's primary contribution is in the area of sustainability.

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*As an international service provider for Project Management, Real Estate Consulting and Engineering, Drees & Sommer has been supporting public- and private-sector owners and investors in all aspects of real estate since 1970. With some 1050 employees at 17 international offices and ten German regional offices, the company achieved sales of EUR 136.9 million in 2008.*