



Urban Development Grants in Germany

Dr. Frank Friesecke, Germany
FIG Congress 2010 – Sydney, Australia,
13 April 2010

Table of Contents

- ▶ Introduction
- ▶ New Challenges for Urban Development
- ▶ Urban Development Grants
- ▶ Urban Development Programms, e.g.
 - ▶ Protection of the Urban Architectural Heritage
 - ▶ Urban Restructuring
 - ▶ Social City
- ▶ Long Term Effect of Urban Development Grants
- ▶ Conclusion and Outlook





Summary

- (German) Cities have to deal with a multitude of **demographic, economic, social and environmental challenges**, for which there is a considerable need for investment.
- Financial assistance for urban development from the Federal Government and the federal states is becoming one of the central considerations in future city development.
- **Urban development grants** are a critical success factor to strengthen cities under changing general conditions (mostly demographic and economic factors).

Sydney
13 April 2010



Introduction

Cities are ...

- market places and places to meet,
- architectural expressions of tradition,
- points of origin of technological and social innovations,
- living places,
- centres of work, trade and commerce as well as
- places of education and culture.
- They develop their own identities and compete for investors, residents and development funds.

Sydney
13 April 2010



New Challenges for Urban Development

- Global changes with impacts on the urban development policy

Demographic change	Economic change
Decrease of population	Globalisation
Ageing	Deregulation of markets/ Internationalisation of the financial markets
Heterogenisation/diversification (e.g. pluralised lifestyles, broadening income spread)	De-industrialisation: tertiarisation of jobs Privatisation
Immigration	Rise in unemployment

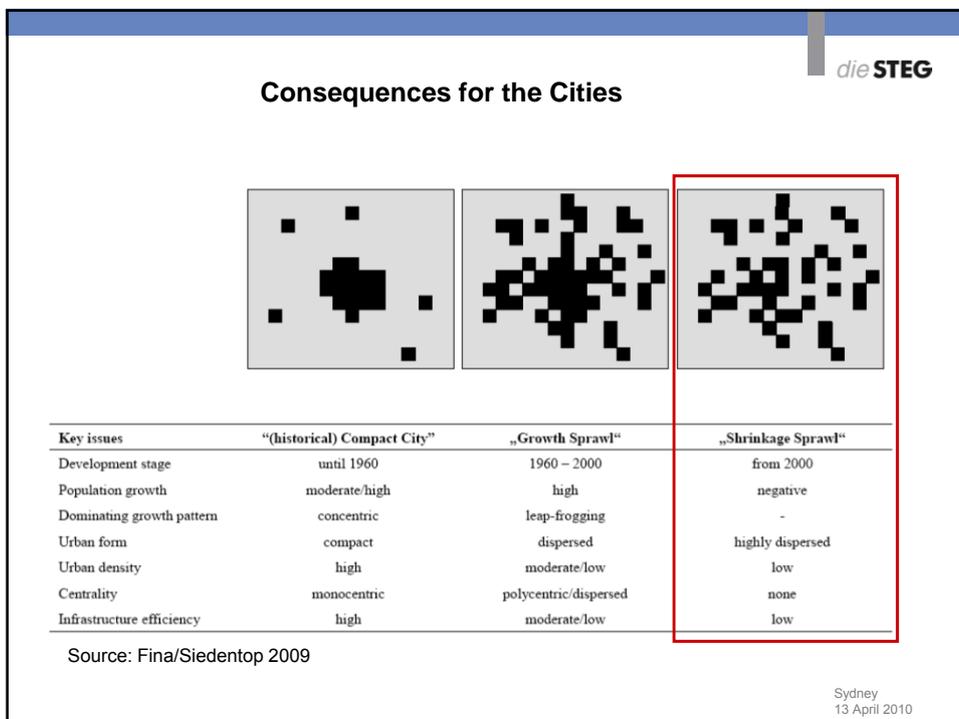
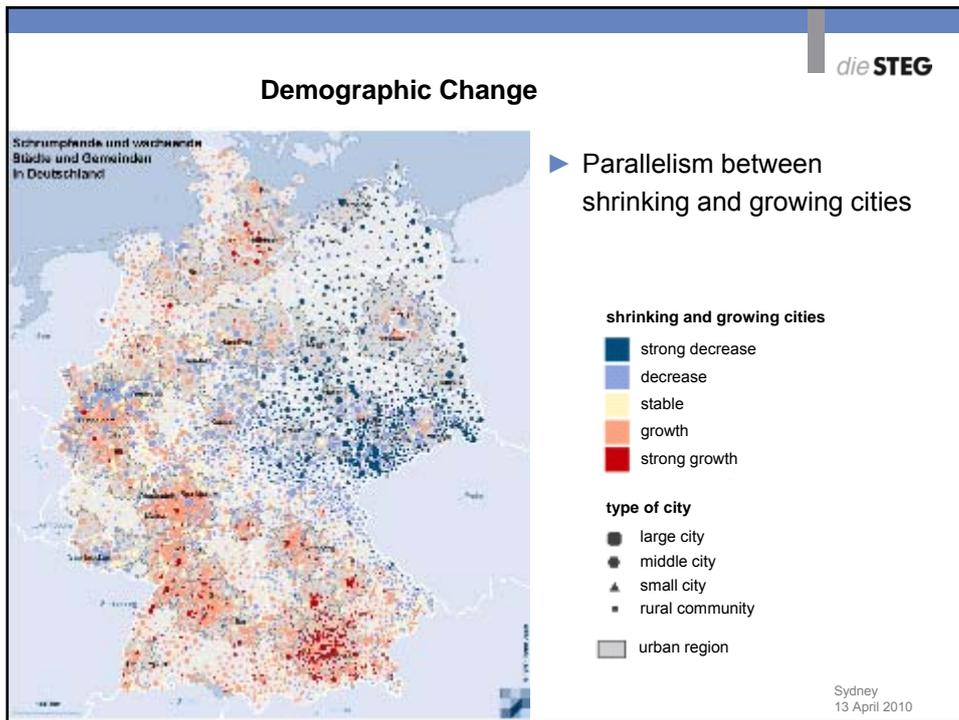
Sydney
13 April 2010

Population Development in Germany and in selected German Cities

Year	2008	2020	2040	2060
Population size in Germany [in million]	82,002	79,914	73,829	64,651

City	Population		Change
	31.12.1990	31.12.2008	
East Germany			
Chemnitz	296.000	243.800	-18 %
Halle	311.000	233.000	-25 %
Schwerin	128.000	95.500	-26 %
West Germany			
Bochum	396.000	378.600	-5 %
Dortmund	598.000	584.400	-2 %
Duisburg	535.000	494.000	-8 %

Sydney
13 April 2010



Consequences for the Cities

die STEG



Sydney
13 April 2010

Urban Development Grants

die STEG



- ... in Germany are grants from the Federal Government and the federal states used for
- settlements development under changed general conditions,
 - strengthening cities as business and innovation locations,
 - creating socially stable urban neighbourhoods,
 - safeguarding of the cultural and environmental heritage and
 - improving cooperation of local planning and private investors by developing vacant, derelict or underused land or buildings in priority areas.

Sydney
13 April 2010



Urban Development Grants

- In 1971 urban development grants were introduced as an instrument to support **structurally weak cities**.
- Details of the grants are determined by the Federal Government and the 16 federal states in an **annual administrative agreement**.
- Since the introduction almost **6.000 projects** in over **2.500 municipalities** have been funded.
- **The Federal State** finances in each case as a rule about a third of the programme volume (to today over **€11.9 billion in financial assistance**), whilst the federal states and communities have borne two thirds.

Sydney
13 April 2010

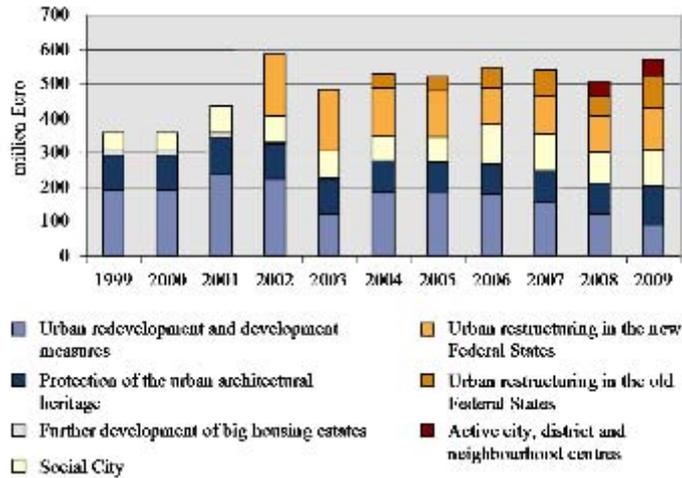


Urban Development Programmes

- Urban Redevelopment and Development Measures (since 1971)
- Protection of the Urban Architectural Heritage (since 1991)
- Social City (since 1999)
- Urban Restructuring in the New Federal States (since 2002)
- Urban Restructuring in the Old Federal States (since 2004)
- Active City, District and Neighbourhood Centres (since 2008)

Sydney
13 April 2010

Financial Support of the Federal Government 1999 to 2009

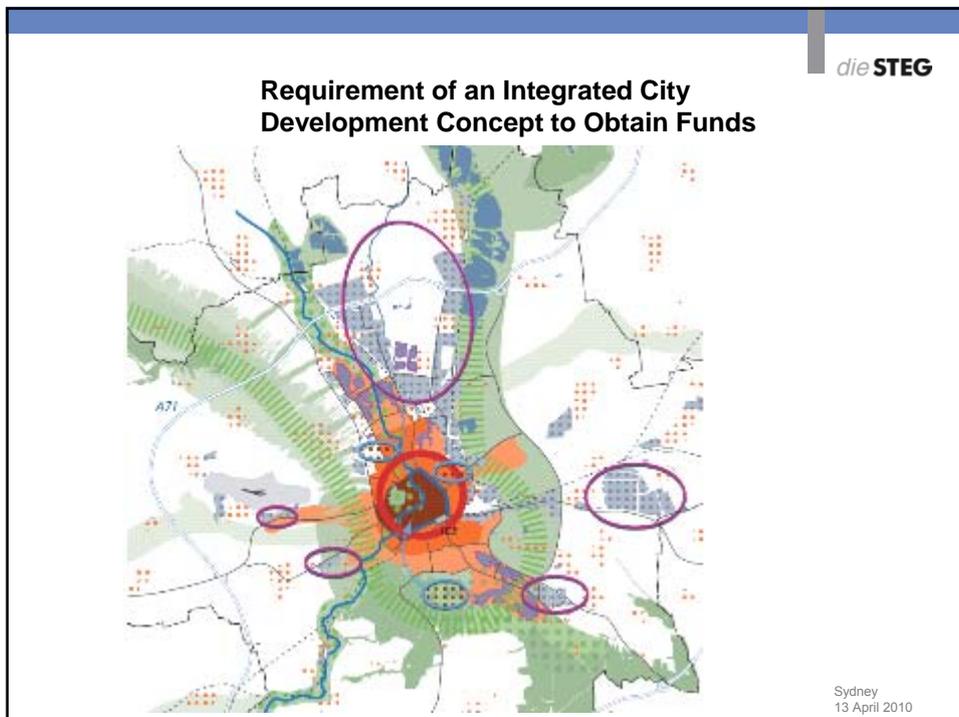
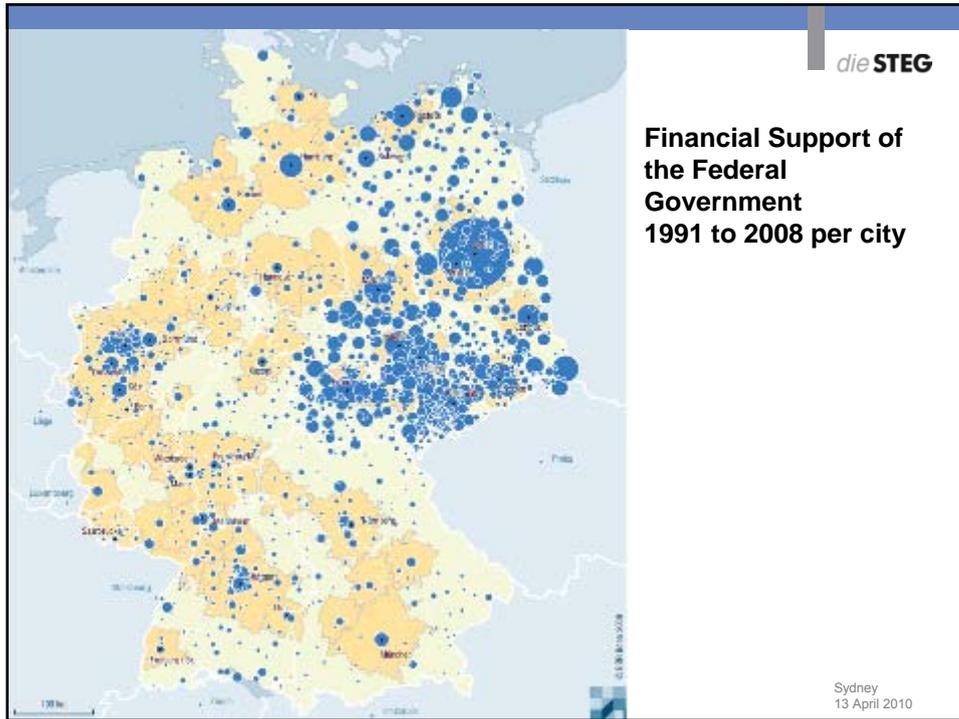


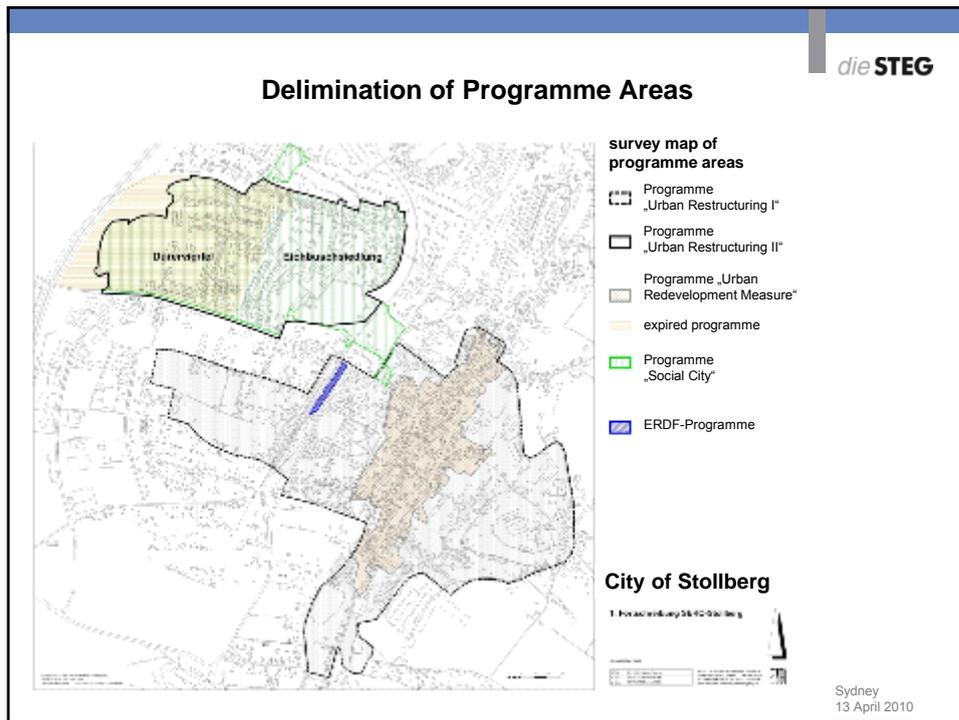
Sydney
13 April 2010

Problem-orientated Distribution of Federal Government Funds to the Federal States

Programme / Key	Urban (re-) development measures [%]	Protection of urban architectural heritage [%]	Social City [%]	Urban Restructuring [%]	Active City, district and neighbourhood centres [%]
proportion of the population	70	70	70	70	70
proportion of the depopulation	7,5	7,5		15	7,5
proportion of the unemployed	7,5	7,5	22,5	7,5	7,5
proportion of the housing units older than 1918	7,5	7,5			7,5
proportion of foreigners	7,5	7,5	7,5		7,5
proportion of vacant housing units				5	
proportion of people older than 65 years				2,5	
Total	100	100	100	100	100

Sydney
13 April 2010





die **STEG**

Programme „Protection of the Urban Architectural Heritage“

- The programme supports the preservation of especially valuable historical town and city centres.
- The intention is not to turn historical town centers into museums, but to develop vibrant areas that are attractive places to live and work.

Urban Development Grants to Renovate a Historic Monument

- Modernization costs: approx. 500.000 Euro
- Measures: roof, facade, insulation, windows, sanitary and electrical equipment
- Urban development grants: 50 % of the modernization costs

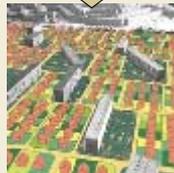
cost allocation:

50 % property owner
50 % Federal Government, Federal State, City



Sydney
13 April 2010

Programme „Urban Restructuring“



- Programme to respond to the high number of 780.000 vacant dwellings in Germany and the resultant loss of functions in towns and cities.
- The programme rests on several pillars:
 - Formulation of integrated approaches to urban development
 - Schemes to demolish vacant residential buildings
 - Repairing and modernising buildings that dominate the townscape
 - Revitalising industrial locations/urban derelict land or brownfields
 - City management, participation of leaseholders

Sydney
13 April 2010

Strategy 1 – Demolition of Buildings

die STEG



future use



urban development grant:
50 Euro/m² removed living space
(50 % Federal Government,
50 % Federal State)

Sydney
13 April 2010

Strategy 1 – Demolition of Buildings

die STEG

- Alternative: temporary use of land and buildings

gardens
public green spaces
sports grounds
arts and culture
bars, clubs and restaurants
offices and shops
social institutions
trade and business
etc.



Sydney
13 April 2010

Strategy 2 - Partial demolition of buildings

die STEG



Sydney
13 April 2010

Strategy 2 - Partial demolition of buildings

die STEG



urban development grant:
50 Euro/m² removed living space
(50 % Federal Government,
50 % Federal State)



Sydney
13 April 2010

Strategy 3 - Urban Development Grants to Renovate a Slab Building



cost allocation:

min. 65 % property owner

max. 35 %
Federal Government,
Federal State, City



Sydney
13 April 2010

Strategy 4 - Conversion of industrial, military and infrastructure sites



urban development grants for
demolition of buildings and
contaminated land remediation



Sydney
13 April 2010

die STEG



Land-Programm

Soziale Stadt

„Social City“ Programme

- In addition to structural investment the programme also focuses on **socially inclusive actions** in the fields of **school and education** and **employment promotion** to achieve an overall improvement of the housing and living conditions of the people in these neighbourhoods. Other fields of activity are
- **Integration of immigrants** and
- **Health promotion.**
- The programme's further achievements include expanding opportunities for **participation** and **empowerment** of residents and other central players.



Sydney
13 April 2010

die STEG

„Social City“ Programme - Example

- public participation in the course of the rearrangement of a playground







Sydney
13 April 2010



Long Term Effects of Urban Development Grants

- Grants can have a considerable effect in implementing **changes in urban architectural, economic, environmental and social areas** within communities.
- The urban development funds from the Federal Government, the federal states and communities of approx. 1.8 billion Euros per year have triggered approx. **11.3 billion Euros of private investment** in Germany.
- Urban development assures **310,000 jobs** in Germany.

Sydney
13 April 2010

Long Term Effects of Urban Development Grants

Urban Development Impact	Economic Impact	Environmental Impact	Social Impact
Kick off effect through pioneering innovative initiatives	Incentive system for investors and property owners	Contribution to climate protection and energy efficiency	Strengthening the residential function of developed areas
Vital importance for measures concerning public spaces and traffic	Stabilisation of the retail market	Grant funding of internal development: Reduction of land consumption	Establishment of an improved social intermix, support of a social balance
Central funding for the public good	Job creation	Noise and exhaust fume reduction (industry and traffic)	Urban development assumes an intensive participation of all citizens: "additional benefit for society"
Great success in the preservation of buildings and management of structural defects	Space for socio-economic experiments	Contribution to the preservation of biodiversity	Public funding offers assistance to the integration of immigrants

Sydney
13 April 2010



Conclusion and Outlook

- Urban development in Germany has become an important instrument in solution orientated funding for the removal of serious deficits in the field of urban planning.
- In terms of a **sustainable urban development**, the following main topics are particular focuses of attention:
 - Creating socially stable urban neighbourhoods
 - Adapting the infrastructure to the needs of the elderly
 - Energetic modernisation of the existing building stock
 - Improving cooperation of municipal planning and private investors

Sydney
13 April 2010



Conclusion and Outlook

- In only few countries in the world a system exists similar to the urban planning model of Germany.
- On the basis of the outstanding **success**, with relative **small investment** and nearly **40 years experience**, it is recommended to other countries to think about taking on similar models.
- Even when the national situations are different, the relevance towards the economic, environmental and social problems in the urban environment during this period of globalisation and climate changes is more pertinent though than ever before.

Sydney
13 April 2010



Thank you very much for your attention!

die STEG Stadtentwicklung GmbH

Olgastraße 54
70182 Stuttgart, Germany

Dr. Frank Friesecke

frank.friesecke@steg.de
Tel. +49 711 / 21068 - 118
Fax +49 711 / 21068 - 112



www.steg.de