Large Housing Estates in Germany

Overview of developments and problems in Berlin
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RESTATE report 2b

Thomas Knorr-Siedow
Christiane Droste

RESTATE
Restructuring Large-scale Housing Estates in European Cities:
Good Practices and New Visions for Sustainable Neighbourhoods and Cities

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Faculty of Geosciences, Utrecht University
RESTATE

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Coordination: Ronald van Kempen
Urban and Regional research centre Utrecht
Faculty of Geosciences
Utrecht University

Participants:
the Netherlands: Karien Dekker (Utrecht University)
Ellen van Beckhoven (Utrecht University)
Wanda Verwey (Utrecht University)
Sako Musterd (University of Amsterdam)
Wim Ostendorf (University of Amsterdam)
Manuel Aalbers (University of Amsterdam)

France: Nicole Commerçon (UMR 5600-CNRS, Institute of Human Sciences)
Franck Chignier-Riboulon (UMR 5600-CNRS, Institute of Human Sciences)
Marcus Zepf (UMR 5600-CNRS, Institute of Human Sciences)
Marcele Trigueiro (UMR 5600-CNRS, Institute of Human Sciences)

Germany: Thomas Knorr-Siedow (Institute for Regional Development and Structural Planning)
Christiane Droste (Institute for Regional Development and Structural Planning)

Hungary: Iván Tosics (Metropolitan Research Institute)
Éva Gerőházi (Metropolitan Research Institute)
Hanna Szemző (Metropolitan Research Institute)

Italy: Francesca Zajczyk (University of Milano)
Petra Mezzetti (University of Milano)
Silvia Mugnano (University of Milano)
Yuri Kazepov (University of Urbino)
Poland: Grzegorz Węcławowicz (Polish Academy of Science)
      Stanisław Kozłowski (Polish Academy of Science)
      Robert Bajek (Polish Academy of Science)
Slovenia: Barbara Černič Mali (Urban Planning Institute of the Republic of Slovenia)
      Richard Sendi (Urban Planning Institute of the Republic of Slovenia)
      Nina Goršič (Urban Planning Institute of the Republic of Slovenia)
      Ružica Boškić (Institute of Social Sciences)
      Maša Filipović (Institute of Social Sciences)
      Damjana Zaviršek Hudnik (Freelance Architect)
Spain:  Montserrat Pareja Eastaway (Universitat de Barcelona)
        Brechtje van Boxmeer (Universitat de Barcelona)
        Lídia Garcia Ferrando (Universitat de Barcelona)
        Teresa Tapada Berteli (Universitat Autònoma de Barcelona)
Sweden: Roger Andersson (Uppsala University)
        Irene Molina (Uppsala University)
        Emma Holmqvist (Uppsala University)
        Eva Öresjö (Blekinge Institute of Technology)
        Christina Siwertsson (Blekinge Institute of Technology)
        Lars Pettersson (Jönköping International Business School)
United Kingdom: Alan Murie (University of Birmingham)
        Peter Lee (University of Birmingham)
        Stephen Hall (University of Birmingham)
        Rob Rowlands (University of Birmingham)
        Siân Sankey (University of Birmingham)
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1 Introduction

1.1 RESTATE: a general overview

Cities and their regions are the dynamos of the European economy, enabling the European Union (and potential member states) to maintain a strong position in the global economy. When these cities contain large areas that are not faring well, it is important to find out how best to change them in order to remove the dysfunctional characteristics. Large-scale housing estates built in the three or four decades after the Second World War are often seen as problem areas in many cities all over Europe. Here, economic decline goes hand in hand with physical and social decline.

All over Europe massive numbers of people live in these post-WWII large-scale housing estates. The estates were carefully planned, but now often manifest a multitude of problems. They house large numbers of low-income households, the unemployment rates are above average and in some countries they have become concentration areas for ethnic minorities. Many estates are becoming increasingly associated with crime and social exclusion. The circumstances on the estates and policy initiatives associated with these are the focus of the RESTATE project. An important part of the project is the exchange of experiences and solutions between policymakers and scientists.

RESTATE is the acronym for ‘Restructuring Large-scale Housing Estates in European Cities: Good Practices and New Visions for Sustainable Neighbourhoods and Cities’. All participants in this project share the basic underlying conviction: if the problems of these large-scale housing estates are not resolved, they will increasingly hinder the good economic functioning of the cities. The study draws on estates in ten European countries: France, Germany, Hungary, Italy, the Netherlands, Poland, Slovenia, Spain, Sweden and the United Kingdom.

The project has the following objectives:
• to identify and to clarify the social and economic changes which have occurred in large post-WWII estates and particularly to identify general and specific factors triggering and influencing the emergence of problems and patterns of decline in these areas;
• to develop a checklist of items that have proved to be important in successful and less successful policy responses with respect to these estates;
• to draw conclusions about the potential for cross-national transfer of knowledge and experience and for cooperation in strategic planning for these areas and in area and estate management;
to produce a comprehensive and practical handbook in which forward-looking scenarios and new visions for large post-WWII estates in Europe are associated with examples of evidence-based best practice to achieve sustainable future development of these areas;

• to build for practitioners and researchers a user-friendly database containing details of the nature, successes and failures of present policies aimed at improving the position of large post-WWII estates and their inhabitants;

• to consider whether and how European level policy could contribute to more effective responses to problems associated with these estates.

The primary objective of RESTATE is to deliver evidence-based knowledge drawing on the experience in cities in all parts of Europe. The proposed handbook that will be written at the end of the research period will set out best practices for future sustainable developments of these areas and for effective policy implementation. It is hoped that the results will be useful for policymakers seeking to find out the contexts in which measures have been, or can be expected to be, successful in improving large-scale housing estates in cities.

Case studies are the heart of the project. Each study:

• establishes general information about the estate: its characteristics, history, demographic, social, economic and physical development and problems;

• identifies the philosophy and aims of the policies that are being promoted in the estates, how policies have matured over time, what the effects of the policies are and how all this can be evaluated.

It is important to know what we mean by a large-scale housing estate. Following Power (1997), we could define a large-scale housing estate as a group of buildings that is recognised as a distinct and discrete geographical area. We add one element to this definition: we see large-scale housing estates as developments planned by the State or with State support. With respect to size, we confine our attention to housing estates with at least 2,000 housing units. The focus on the project is on estates built in the second half of the 20th century. Taking these elements together, this project is concerned with large-scale housing estates built in the second half of the 20th century that can be defined as groups of at least 2,000 housing units that are recognised as distinct and geographical areas, planned by the State or with State support.¹

1.2 The contents of this report

In a first report of the RESTATE project (Murie et al., 2003), we concentrated on the structural and other factors that explain the difference between the success and failure of large post-war estates in Europe. This German national report is specifically focused on large housing estates in Berlin taking into account the two sides of the German housing estates: A western estate in the district of Reinickendorf in the Maerkische Viertel and three parts of one of the largest European agglomerations of eastern estates in the district of Marzahn-Hellersdorf. The basic question addressed in this report reads as follows:

¹ In the rest of the report we refer to these estates as large housing estates.
What types and combinations of problems have been identified in the large housing estates in Berlin (Germany) and what factors are associated with them?

In order to find out the specific problems of each estate we firstly describe the context of the two Germanys, followed by a description of western and eastern Berlin's development during the last decades and then concentrate upon the estates. The research has therefore focused on the following variables of the estates:

- physical structure (quality, tenure, price and type of the dwellings, quality and character of the environment);
- demographic developments (age structure, income distribution, household and ethnic composition);
- economic developments (employment and unemployment, number, type and size of firms);
- socio-cultural developments (changing values and norms within the estate, changing cultural identity).

On completion of this general description, an inventory was made of the problems and problematic developments in the estates.

In chapter 2 we give some general background information on Germany. We are of the opinion that these general developments reported there might influence the situation of the cities and their large housing estates. Chapter 3 provides a general overview of the city of Berlin. An understanding of the large housing estates in this city requires information on the economic, demographic and socio-cultural developments at the urban level. Chapters 4-7 describe the housing estates in the Maerkisches Viertel and the Marzahn North. Finally, some conclusions are reported in chapter 8.

This report is concerned with Germany; the same kind of information for estates in other countries featured in the RESTATE project can be found in the parallel reports.
In reporting on housing and the large estates in Germany, the general developments of the last half of the 20th century must be taken into account. Two separate German states as a result of the Second World War developed, which since unification are going through a complicated process of merger to find their regional and cultural patterns in the new federal republic.

At the end of the Second World War, Germany had lost one third of the country across the Oder and Neisse. Housing had been reduced severely as up to 80 per cent of the dwellings were either totally flattened or damaged. During the post-war migration of nations in Europe, some seven million Germans came to Germany, which put an enormous pressure on the economy, housing and social relations. The early reconstruction of the economy, the social integration and accommodation of these millions of immigrants was an extraordinary achievement of post-war Germany. The oncoming cold-war’s split soon led to the emergence of two separate states. Barbed wire marked the line of demarcation and the GDR closed itself off with the wall from the west from August 1961 to November 1989. As a consequence, social, cultural and urban developments went on different pathways and became more and more disconnected as both states became the successful master pupils within their respective political blocks.

During the early post-war period housing was catastrophic: ruined buildings, overcrowding, hunger and unemployment were common. Providing homes for skilled workers in the basic industries and repairing the devastated cities was high on the agenda of eastern and western governments in order to show a first vision of possible futures and to provide work and income through publicly subsidised labour.

### 2.1 West German developments

About one decade after the end of the war, West Germany (since 1949 the Federal Republic of Germany/Bundesrepublik Deutschland, BRD), had entered the period of the economic miracle with a steadily growing output and a rising self-esteem. Politically and culturally the country became western oriented and more open as the highly export dependent economy returned onto the international stage. With a well balanced mix of direct state intervention and private market involvement, the devastated towns and cities were rapidly rebuilt during the 1950s and 1960s. During that period, the towns greatly changed their appearance according to the urban concepts of an international modernism which was grounded in the urban design and architecture of the 1920s (Bodenschatz, 1987). As post-war unemployment went down and average incomes rose, more money became available for consumption. In the fully occupied
country (unemployment of less than 2 per cent in 1973-1974), skilled workers could afford new homes (Neubauwohnungen) in high-quality social housing that sprang up everywhere, while white-collar workers and the petty bourgeoisie were working hard to become owners of a home on a plot. The car and the home became the icons of normalisation. In the early 1960s socio-economic pyramid was reflected in three layers of housing:

- a wide basis of often neglected old working class homes;
- high quality social housing;
- until the 1960s only a minority of owner-occupied homes.

In western Germany, a subsidiary centred federal system was established that focused on the municipal level and local authority (Kommunale Selbstverwaltung) and strengthened civil society. Accompanied by a partnership concept for labour relations, it became one of the moderating features of the BRD, which opened the perspective towards self-made affluence.

### 2.1.1 Economic developments

West Germany became one of the wealthiest countries of the western world over a period of five decades. Incomes rose in real-terms as the country modernised; but unemployment reached over 8 per cent in 1988. Also economic and spatial polarisation between and within the regions increased. Whereas the large majority was able to improve their livelihoods, a growing minority became relatively poorer and social insecurities grew for an increasing part of the population.

Economically, a considerable regional differentiation favoured the south-western triangle between Frankfurt, Stuttgart and Munich and some highly productive islands like the Cologne (services), the Wolfsburg (car industry) or Hamburg (services) regions. Other parts of the country struggled towards wealth-increases (North-Rhine-Westphalia), whereas especially parts of the northern coastal belt and a zone along the GDR border always needed federal support to keep afloat.

Towards the end of the 1980s western Germany had a highly developed industrial and a growing service sector, although knowledge based high-tech and post-industrial innovations were beginning to lag behind the most advanced economies before unification. The last years before unification in 1990 were economically difficult: economic research institutes increasingly warned about a considerable modernisation lag, unemployment was unprecedented high and consumer as well as producer confidence low.

### Table 2.1 - Average income of employees and unemployment from 1960-2000

<table>
<thead>
<tr>
<th>Year</th>
<th>Wages per year</th>
<th>Charges (tax, social,…)</th>
<th>Dispos. person. income</th>
<th>Unemployment male + female</th>
<th>Unemployment male</th>
<th>Unemployment female</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>15,180</td>
<td>4,025</td>
<td>12,075</td>
<td>3.8</td>
<td>3.0</td>
<td>5.2</td>
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<td>1990</td>
<td>21,479</td>
<td>5,298</td>
<td>17,193</td>
<td>7.2</td>
<td>6.3</td>
<td>8.4</td>
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<tr>
<td>2000</td>
<td>25,450</td>
<td>6,610</td>
<td>22,153</td>
<td>10.7</td>
<td>10.5</td>
<td>10.9</td>
</tr>
<tr>
<td>2002</td>
<td>26,593</td>
<td>6,850</td>
<td>23,493</td>
<td>9.8</td>
<td>9.9</td>
<td>9.5</td>
</tr>
</tbody>
</table>

2.1.2 Demographic and socio-cultural developments

West Germany had a rising population of 50 million in 1950 and within its old borders 65 million (only counting the western part ex-west Berlin) at the turn of the centuries. With a highly differentiated density, the country has large rural areas and population agglomerations in the urban and industrial centres. The post 1950 population development was attributed both to high birth-rates and the immigration from eastern Germany and later, from southern and eastern Europe. Internal changes in density were related to internal migration, until falling birth-rates added to a decline. At the time of unification, the population only increased in areas, which also experienced an increase in the economic output.

With respect to socio-cultural developments, the old federal republic (BRD), has become a modern and relatively open western society. With societal modernisation, in which the state support for consumerism and improved 'modern' homes played a significant role, traditional role models and culturally closed life-styles evaporated or, as e.g. in Bavaria, became the folkloric background to a highly successful economic mix of avant-garde industry and post-industrialisation. The growth of urban cores turned to stability during the 1970s and to inner city population decline during the 1980s, as sub-urbanisation became a dominant form of settlement.

Spatial mobility rose with the rising educational standards, as it became more and more common to move to other parts of the country. But the large majority of Germans remain highly 'settled' once they have found 'a place to live' as a concept of 'once in a lifetime' home-ownership that still plays an important role in socio-culturally embedding people. The late 1960s and the 1970s saw an opening of sclerotic and historically bound societal structures, especially in the rural areas. The educational boom of the 1970s also led to a change in the formerly rigid class stratification, which became more permeable. Next to subsidiary, consensus became a major item in the western German socio-cultural and political structure.

From the 1960s onwards, the immigration of 'guest-workers who became immigrants' became a major factor of German socio-cultural development, introducing a new element of diversity into German society. A first generation of Italians, Spaniards and later Yugoslavs, who integrated with relative ease – or returned home as their countries’ economies accumulated momentum – was followed by large groups of Turkish migrants. As other forms of

Table 2.2 – Population development and age in thousands (old BRD)

<table>
<thead>
<tr>
<th>Year**</th>
<th>All in all</th>
<th>Below 1</th>
<th>1-6</th>
<th>6-14</th>
<th>14-15</th>
<th>15-18</th>
<th>18-21</th>
<th>21-40</th>
<th>40-60</th>
<th>60-65</th>
<th>65+</th>
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<tr>
<td>1950</td>
<td>50,958</td>
<td>775</td>
<td>3,379</td>
<td>6,840</td>
<td>859</td>
<td>2,315</td>
<td>2,139</td>
<td>13,186</td>
<td>14,311</td>
<td>2,344</td>
<td>4,805</td>
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<tr>
<td>1960</td>
<td>55,958</td>
<td>941</td>
<td>4,292</td>
<td>6,174</td>
<td>657</td>
<td>2,115</td>
<td>2,781</td>
<td>15,277</td>
<td>14,482</td>
<td>3,134</td>
<td>6,100</td>
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<tr>
<td>1970</td>
<td>61,001</td>
<td>784</td>
<td>4,832</td>
<td>7,648</td>
<td>836</td>
<td>2,411</td>
<td>2,435</td>
<td>16,245</td>
<td>14,001</td>
<td>3,684</td>
<td>8,119</td>
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<tr>
<td>1980</td>
<td>61,657</td>
<td>617</td>
<td>2,924</td>
<td>6,410</td>
<td>1,050</td>
<td>3,212</td>
<td>3,066</td>
<td>16,239</td>
<td>16,170</td>
<td>2,431</td>
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<td>1990</td>
<td>63,725</td>
<td>730</td>
<td>3,395</td>
<td>5,042</td>
<td>622</td>
<td>1,903</td>
<td>2,461</td>
<td>19,472</td>
<td>18,654</td>
<td>3,500</td>
<td>9,744</td>
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<tr>
<td>1995*</td>
<td>67,643</td>
<td>690</td>
<td>3,727</td>
<td>5,809</td>
<td>713</td>
<td>2,063</td>
<td>2,086</td>
<td>20,381</td>
<td>17,931</td>
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<td>10,596</td>
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<tr>
<td>2000</td>
<td>67,140</td>
<td>655</td>
<td>3,458</td>
<td>5,978</td>
<td>728</td>
<td>2,088</td>
<td>2,213</td>
<td>18,536</td>
<td>17,740</td>
<td>4,583</td>
<td>11,156</td>
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<tr>
<td>2001***</td>
<td>65,322</td>
<td>609</td>
<td>3,349</td>
<td>5,796</td>
<td>726</td>
<td>2,079</td>
<td>2,149</td>
<td>17,708</td>
<td>17,301</td>
<td>4,491</td>
<td>11,112</td>
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Source: Federal Statistical Office, 2002

* 1995 and 1996 including Berlin-east
** stand: end of the year figures
*** without Berlin-west
immigration from outside the EU became more difficult, only refugees from the 1980s middle-eastern and later 1990s Yugoslav wars followed. Today the latter groups of foreigners stand for the quantitative and cultural representation of immigration in Germany, although the political right often publicly associates immigration with illegality or ‘fraudulent asylum seekers’. The cultural influence of immigrants with up to 30 per cent of the population in some regional hot-spots, namely in the larger industrial agglomerations in the south and the Ruhr district, became a significant factor of change. Not confronted with or assisted by a deliberate German integration policy, often a ‘game’ of exclusion and self-exclusion evolved. Many Turkish and middle eastern immigrants, often from the Lebanon, have shaped old inner city immigrant quarters and imprinted their signs of every-day life on many of the large peripheral housing estates, e.g. in Cologne-Chorweiler, Wolfsburg or, to a lesser degree in Berlin’s Gropius-Stadt.

Figure 2.1 – Map population density
Elements of a ‘parallel society’ (Droste and Knorr-Siedow, 2002) have emerged with a hermetic value context and a reduced readiness to integrate into the German social and educational system. A highly problematic feature is the low rating of formal education with many of the immigrants. Up to 40 per cent of the second and third generations leave school without exams and, since the demand on formal knowledge and skills has been rising drastically in the economy since the 1970s, the formerly low unemployment-rate of the immigrant population has risen to almost double the German figures. Consequently this group is highly polarised: while many cling to their hermetic spatial, cultural and economic ‘retreats’, a growing minority has successfully integrated and moved up the social ladder, then usually leaving ethnic space and culture for ‘German dominated space’; not rarely in former social housing estates.

Hundreds of thousands – annually about 200,000 during the 1980s – of ethnic German migrants from central and eastern Europe (Poland, Romania) and the former USSR became a special feature of migration in west Germany, after the iron curtain started to crumble. Legally Germans from the day of their arrival despite the fact that they often were neither able to speak German nor had a direct relation to the German main-stream culture, a fast transition and immersion seems characteristic for the majority. However, their social and cultural infiltration of space also became apparent in the Cyrillic letters on shop-windows and the specific forms of using public space. As they often found the large housing estates strangely familiar, they filled the vacancies that suburbanization had left since the mid 1980s, if only for a transitory period before leaving for ‘proper Germany’. In many of the estates, the proportion of these legal Germans and cultural foreigners is above 15 per cent.

Life styles in Germany have become increasingly dynamic and diverse. Traditional family structures have come under pressure especially over the last three decades. The formerly common ‘modern core-family’ (Kleinfamilie) of two adults and two children has long given way to one child families, often in a one parent formation. Over 30 per cent of all German households are singles without children – up to 50 per cent in some urban districts of the large cities (Petzold, 2003) and many women choose to live as single mothers.

The changing family structures have strongly influenced the housing market development as well as spatial and regional structures. In addition to younger families opting for suburban

<table>
<thead>
<tr>
<th>Year **</th>
<th>Sum ****</th>
<th>Share of migrants within the German population</th>
<th>Male ****</th>
<th>Female ****</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>686.2</td>
<td>1.2</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>1970</td>
<td>2,976.5</td>
<td>4.9</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>1980</td>
<td>4,453.3</td>
<td>7.2</td>
<td>2,619.2</td>
<td>1,834.1</td>
</tr>
<tr>
<td>1990 ***</td>
<td>5,342.5</td>
<td>8.4</td>
<td>3,011.8</td>
<td>2,330.7</td>
</tr>
<tr>
<td>2000</td>
<td>7,296.8</td>
<td>8.9</td>
<td>3,959.3</td>
<td>3,337.5</td>
</tr>
<tr>
<td>2002</td>
<td>7,335.6</td>
<td>–</td>
<td>3,926.7</td>
<td>3,408.9</td>
</tr>
</tbody>
</table>


* results of the Central Register of Immigration

** 1960 to 1990: Germany (West); from 1991: Germany (unified)

*** adapted to the National Census from May 1987

**** multiply by 1,000
sprawl in a country, where 74 per cent of the population are dreaming of a single family home with garden, other than traditional ‘family housing’ are an increasing part on the housing markets. Based especially on a reappraisal of old inner city flats or loft-conversions in the late 1980s, the move of families out of the cities began to slow down in the west. All these changes were only possible due to an overall increase in private wealth and through a relative relaxation on the inner city housing markets, especially in low-growth areas.

Gender equality has greatly improved. Women have steadily, however not without conflict, moved up the educational and employment ladders since the 1960s, even though their representation in leading posts of the economy and civil service is still comparatively low. As up to one-third of the households in the major cities have no adult male inhabitant and as women usually bear the weight of domestic work and child care, they play a major qualitative role in shaping the social reality of housing and the neighbourhoods.

2.2 East German developments

The Soviet zone, from 1949 to 1989 the ‘German Democratic Republic’ (Deutsche Demokratische Republik, DDR), was founded in former central Germany after the former German east’s integrated into Poland and partly the USSR in 1945. Except for the highly developed Saxon industrial area, some industry from the post 1914 era around Halle-Leipzig and the eastern half of Berlin (in 1929 the largest European industrial town), the ‘first socialist country on German soil’ was disadvantaged in its infrastructure, in the industrial structure of the economy and also in its labour-force, as many ‘western oriented’ residents, returnees and expellees from eastern Europe swiftly moved to the west, where the successful new federal republic promised an easier start. But as in the west, eastern Germany was shaped by the post-war expellees from central and eastern Europe to a great deal, as i.e. in Frankfurt-Oder only three per cent of the pre-war population had remained and 97 per cent were newcomers.

Politically, the new state was a centralist state focussed on east Berlin, with a bureaucratically planned economy and a unitary system of state-socialist oriented political parties. The 40 years of the GDR’s existence could be divided into three periods:

• An astonishing mix of cultural diversity coincided with a Stalinist dictatorship until the 1961 closure of the western borders.
• Behind the ‘wall’, some internal liberty and a form of collective wealth creation characterised the years until the mid 1970s.
• The self-encapsulation and bureaucratic dictatorship period, which directly led to the final socio-economic implosion of the GDR in 1989.

2.2.1 Economic developments

Resurrected upon ruins’ (from the GDR’s national anthem) the GDR became the world’s 7th largest industrial producer. This development was based on a rigid policy of industrialisation and regional restructuring, which changed the foremost rural appearance, as new industrial complexes and ‘socialist towns’ were built along the eastern border (Schwedt, Stalin- and later Eisenhuettenstadt, Hoyerswerda) and ‘industrial islands’ – expected to lead to the emergence of a working class culture, often regardless of much economic logic. During a first phase, industrialisation was given priority over individual consumption, until public discontent
exploded in violent uprisings in 1953. Since then, the planned ‘people’s economy’ on the one hand provided for a relative wealth and welfare of the population, including a high production output in housing. On the other hand, the in part highly successful and over-organised economy never left the state of scarcity and hap-hazard muddling through. A highly anarchic ‘shadow-economy’ seemed a ‘natural by-product’ of the official economy in every-day life, making ends meet.

Unemployment was never a problem. The economy seemed always driven by a lack of workers of all types of qualification. But a deeper insight reveals considerable hidden unemployment. Large sectors of the economy were sadly unproductive and much labour was provided on political grounds only.

Towards the later years of the GDR, the high cost of the security system, of outplaying western embargos and, not least, the housing programmes overtaxed the system, as the population demanded more consumer goods. Real incomes stopped growing since the late 1970s despite the country’s rising foreign debts and the economy became increasingly unsustainable as investments fell. The consequences were grave environmental problems and a modernisation backlog, which would have led the state into an economic disaster had not popular dissidence lead to unification first.

2.2.2 Demographic and socio-cultural developments
Population density in the GDR was traditionally lower than in the west with the exception of the Saxonian old industrial regions and traditional agglomerations. However, some new foci of population were developed over the 40 years, namely around coastal centres (e.g. Rostock), which eventually became hot-spots of building large housing estates following the new industrial developments.

The GDR remained under a constant stress of emigration. Especially before the wall came up, about two million left the country over the ‘green-border’. The state successfully countered the loss through an active family policy, as marriages happened early in life (average mothers’ age at the birth of a first child in the east was at 22, in the west at almost 27 in 1988; (Federal Statistical Office) and children were plenty. The state supported young families, e.g. by prioritising them in allocating housing in the new estates. But while people married early, also divorces were frequent. Financial consequences were negligible and did not add toil for the single parents left over, usually women, as the day-care system was exemplary. Towards the 1980s, the persistence of high birth-rates became a distinguishing feature for the GDR, which guaranteed that the population was comparatively young, especially so in the large new estates. At the same time, a gender inclusive labour policy helped women into an active role in the job-system. Although rarely on the top of the job ladder, women had access to quality jobs in many professions and since the late 1970s, the always labour-thirsty economy guaranteed women virtually being fully employed.

Immigration, in contrast to the west, played a minimal role. As the approximately half a million Soviet soldiers and their families were virtually hidden away, only a very limited

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2 Sparked off on one of the larger housing production sites in Berlin’s Stalinallee.
3 The Stasi (state security) alone employed over one per cent of the population.
4 Trustworthy statistics however are still difficult to obtain, as even western intelligence was astonished to find out about the contrast between GDR statistics and reality after 1990.
number of Vietnamese, Angolan and Cuban contract workers, were allowed in for strictly controlled periods. But despite or because of the small numbers of immigrants – below 1.5 per cent on average and even in the industrial centres rarely above 2 per cent – they were often met with apprehension.

Towards the end, population losses through emigration rose again, as more than 100,000 left for the west during the last two years, after the rigid anti-emigration policy was changed to letting dissidents go, if the west paid a 'compensation' in cash.

The overlap of the public/political and the private realm was another feature of eastern German society. On the one hand, public life was highly organised and homogenised by political parties and ‘societal institutions’. This strong and intrusive ‘collectivization’ hand estranged large parts of the population, who desired to retreat to privacy and did not want to be bothered by the state through repetitive calls for solidarity and ‘voluntary’ action. But the same feature contributed to the overwhelming feeling of embedding which a majority experienced as a dear asset of their system: ‘one was looked after’. The ‘collective’ was two-faced. It was an element of the state’s control over the private and family domain, and it allowed some freedom from control. The ‘collective’ probably was the east’s element of opening the society as the family as a socio-economic entity was partly replaced as the space for life-style aspirations.

For many people in the GDR, also the meaning of ownership changed over the 40 years of its existence with the collective playing a major role as a transmission belt. In an attempt to reduce pressure and allow for ‘internal alternatives’, the state socialist system never abolished private property of land and housing entirely. Small family homes usually remained in private hands. The main socio-cultural feature of the ‘real socialist society’ was possibly the parallelism between spheres, which were at the same time contradicting and interconnected.

Many praised the relative equality, that led to the professor living next to the worker and everybody travelling cheaply to the Baltic or Romania as a fact of ‘socialist’ life. However all the incompatibilities at the basis of the system added up to the constantly deep credibility gap between the state and its subjects, which was felt by all but the relatively small group of the staunch believers. Although certain elements of the social security became real parts of GDR identity, the country was at the same time fundamentally criticised. The collective dream possibly was that of an imagined society, which combined the virtues of the western wealth of opportunity with the security of the ‘socialist-nest’ without (known) criminality, (open) poverty and unemployment.

### 2.3 Post unification developments

The wall fell unexpectedly in November 1989 at a time of deep internal conflict in the GDR and a looming recession in the west. As the slogans changed from ‘we are the people’ to the

<table>
<thead>
<tr>
<th>Year</th>
<th>Sum</th>
<th>Women</th>
</tr>
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<tbody>
<tr>
<td>1981</td>
<td>1,162,305</td>
<td>624,171</td>
</tr>
<tr>
<td>1989</td>
<td>1,279,212</td>
<td>670,274</td>
</tr>
</tbody>
</table>

Source: Statistical Yearbook, Berlin East, 1989
majority call of ‘we are one people’, the time in the GDR was short for a vision of a better GDR. In October 1990 the GDR joined the BRD approximately three months after monetary union.

In many ways, unification was an asymmetric process, as the highly successful BRD of 60 million inhabitants was enlarged by the run-down east of 16 million. Little changed for most in the west, as with the exception of a unification tax (7.5 per cent ‘solidarity-contribution’ on income tax) levied on all German incomes, not much happened on the local level. This was entirely different in the former GDR and in Berlin, the only place, where the two states had to merge with their different cultures and expectations into one place.

For the eastern population almost everything changed, as the principle of subsidiarity and a new federal system of states was established. Over little more than a year, the western political parties took over, with the one exception that the post-communist PDS gathered many dissidents to the new system. People had to bear a grave economic shock, as instead of the expected economic integration, unemployment rose to an unexpected and persistent height and many former securities went bust. As ‘almost nothing remained the same’, the east Germans had to adapt to the western legal system. Schools and universities adopted western curricula, and the army of 240,000, at least outwardly loyal to the GDR had to be partly integrated into NATO, but mostly disbanded. Even thousands of street-names were converted in an active policy to ‘forget’ the former salute to communist heroes.

Especially leaving the eastern economy to the new bureaucracy of the interim ‘Treuhand’, the government’s caretaker for the privatisation of the ‘people’s property’, was seen as a degrading experience. The collapse of many eastern companies was perceived by many as the result of the incompetence of the new (western) leaders – or their deliberate destruction of potential competitors – and not as a consequence of decades of neglect.

2.3.1 Economic developments

Unification meant a short-term boom from 1990 to approximately 1997 for the western economy. In the former GDR, the integration of the industry into the west failed due to a mix of utter uncompetitiveness of the state economy and western overproduction. Also hopes for a persistent special ‘eastern link’ to Russia and the former eastern alliance failed to materialise. But the western boom was paralleled by a severe strain on state finances, as the economical and social incompatibilities had to be outweighed to provide for the constitutional prerogative of ‘comparable and equal opportunities throughout the country’. During 1990 to 1998, approximately 350 billion euro were paid in direct contributions to the eastern German ‘new states’ in order to improve the quality of living conditions. Most of the money went to infrastructure development (approximately 860 billion DM; 430 billion euro, 1 euro is 2 DM) and to the newly established social security system (Jacobsen, 2003). Since then, direct contributions are at 25-30 billion euro annually. These direct federal contributions, however, only account for a fraction of the money pumped across the former border, as e.g. the financial demand to get eastern housing on the same level as the west was estimated at approximately 500 billion euro which should be raised over about two decades by a mix of direct and indirect subsidies (tax relief) and private investment.

The five to seven boom years in the west helped avoiding the recession that the economic researchers had predicted and considerable profit was generated as all sectors of the economy ‘delivered’ to the east. From washing powder and cars to the billion euro infrastructure
programmes (road, rail, data- and telecommunication), the eastern investment fed the western economies directly while only some functions went to the east.

Over all, a change from an out-dated industry to mere residual rests and some costly refurbished ‘industrial cores’ of differing viability took place between 1991 and 1994. Whole regions were de-industrialised with a loss of hundreds of thousands of jobs, as unemployment went up from officially zero to more than double of the western figures with little below 20 per cent on average and peaks of 40 per cent in the artificial rural-industrial centres and peripheral agricultural regions. In addition to these official counts of unemployment, thousands on early retirement and in job-training measures should be counted, leading to a situation, where almost all families are directly affected by the loss of income and meaningful occupation.

‘Our only growth industry is the labour department. We have lost all large companies either by their collapse or by their head-offices moving west. Of course, at an unemployment rate of steadily above 20 per cent have left the estate, it is not incomprehensible that we are becoming an estate of the aged and the dissatisfied rest. All the others have left already.’ (Interview: Urban planning department, Cottbus, 2002).

The ‘blossoming meadows’, that the government promised in 1993, have so far only materialised in small regional pockets, namely in Saxony (cars, luxury, fine mechanical goods) and around Jena (science, knowledge driven enterprises). A minority of larger cities (Dresden, Leipzig) are doing fairly well and tourism has come back to some coastal and mountain regions. In general, however, the east is in economic depression with 7 per cent of the western export and a low innovation rate.

The building industry played a decisive role in softening the effects of the economic change in the east for some time. As all housing in the east had to be improved (heating, insulation,
water management), and a lack of high quality individual homes was obvious. The building industry helped employ a considerable proportion of eastern workers and in establishing a new middle-class. However, as between 80 and 100 billion euro had been invested annually before 1998 in the eastern housing sector and the quantitative demand more than met, this industry also slumped after 2000 and has become a problem factor with tens of thousands unemployed.

With the dwindling unification boom, the pre-unification problems of the western economy, high labour cost paralleled by a saturated consumer society, came back to the surface after 1997/1998, strongly aggravated by the eastern decline. Five years after the unemployment shock had hit the east, job losses also rose in the west and, despite being less than half of the eastern figures, it remains high in comparison to European averages. Presently, the German economy is struggling to keep on top of a knives edge, avoiding to return to borrowed growth or to fall into deflation, as consumer optimism is low and a feeling of stalemate.

2.3.2 Demographic and socio-cultural developments

The demographic development in the west is more or less a prolongation of past trends. The population is getting significantly older as the baby-boomer generation are moving up the age ladder (Schader-Foundation, 2002). This leads to a need for new types of policies for the aged, also in the housing environment as in many western (and increasingly in eastern) towns and cities ‘over-ageing’ parts of town emerge. Amongst them are some large housing estates of the 1960s and 1970s, but also in the single family home areas of the 1970s and 1980s, old single women have already become the largest age group (Schader-Foundation, 2002). Immigrants are still a younger group, but also among them, the problems of ageing societies are becoming apparent as the social services increasingly have to care for a group of people, who had originally expected to return to their home-countries, but now have settled. In resident quantity the west is still stable and major changes in population numbers are only to be expected in about a decade, when the consequences of the falling birth-rates of the 1980s will be felt.

The demographic situation in the east is already more disturbing. All eastern states have lost and are losing population and overall approximately two million inhabitants, mostly younger and able people have left seeking work in the west, as the birth rates have dropped.

<table>
<thead>
<tr>
<th></th>
<th>Manufacturing business</th>
<th>Service</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Professions trained</td>
<td>Without</td>
</tr>
<tr>
<td></td>
<td>absolute</td>
<td>% of sum</td>
</tr>
<tr>
<td>Germany (west)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1991</td>
<td>202,935</td>
<td>12.6</td>
</tr>
<tr>
<td>1997</td>
<td>348,462</td>
<td>11.9</td>
</tr>
<tr>
<td>1999</td>
<td>267,466</td>
<td>10.2</td>
</tr>
<tr>
<td>Germany</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1997</td>
<td>557,945</td>
<td>13.0</td>
</tr>
<tr>
<td>1999</td>
<td>435,249</td>
<td>11.0</td>
</tr>
</tbody>
</table>

dramatically during the decade after unification. While approximately 800,000 who have moved east (teachers, judges, police-people, managers etc.), many peripheral rural regions are ‘running empty’, at the same time experiencing a severe ‘brain-drain’ (Duerrschmidt and Matthiesen, 2002) becomes apparent. But even where, as in some limited economic hot-spots, the population is growing, this happens only due to a regional concentration at the cost of the periphery. The consequences have become apparent only over the last years, as schools and hospitals lose their viability and a movement away from the periphery appears.

The overall tendency is for the German population shrinking from the present 86 million to between 50 and 70 over the next decades, despite an assumed immigration of 250,000 every year (Statistical Office, 2000).  

![Age pyramid, 2000](source: State Statistical Office, 2002)

Figure 2.3 – Age pyramid, 2000

5 A turn-around on the basis of changes in the birth rates can not any more be expected, as they have fallen below sustainable reproduction rates and ‘unborn mothers will never bear children’ (Interview: Housing researcher, 2003).
Regarding socio-cultural development, for many in the west unification has just been something which cost some private and a lot of public money, which however, has not changed life in any considerable way. Not even the unification fears of some immigrants have materialised on a large scale, that they might become the targets of ethnically motivated economic pressure and that ethnic conflict would become a western mass phenomenon. After an outburst of anti-foreign aggression during the 1990s, which also led to some unrest in large estates, a relative calm has taken over again.

In the east the overall upheaval in all spheres of life has resulted in a complex process of labouring to endure and shape the change. Almost everybody went through overlapping individual gains and losses on a material and immaterial level. Based upon the predominant

Figure 2.4 – Regional satisfaction index. The darker, the more satisfied Germans are for living in a region: a clear east–west difference
‘collectivist’ mentality, individual gains were often outweighed by the former collective’s experience and material gains of incomes and opportunities were outweighed by fears of insecurity and the loss of embedding (Maaz, 1992). Thus, scepticism about the development and, more general about the ‘east’s role in Germany’ is found regardless of the own situation: Often, people who are well economically and socially integrated are more critical and unhappier about the situation in the east than those, who could claim being victims of the changes grounded on material facts.

An unbalanced western supremacy also became visible in building up post unification wealth. Due to the fact that the east-Germans had never accumulated large sums of money

Figure 2.5 – Satisfaction index with the working of the local state. The darker, the more satisfied Germans are for the quality of the local state: a clear relation favoring the south and some ‘satisfaction islands’
and incomes were (and are in many sectors) lower than in the west, the eastern population could only benefit from privatisation and public support for investment and building (50 per cent tax cuts on building investments between 1990 and 1996) to on a very limited degree. Over 70 per cent of the public building subsidies – usually as complementary subsidies on top of direct private investment – went to western investors who accumulated land and buildings in the east, whereas locals remained onlookers.

Another side to the feeling of being out-maneuvered and de-qualified comes to the surface with new forms of group cohesion between ‘Ostalgie’ (‘eastern-nostalgia’) and a feeling of exclusion resulting in the mental self-exclusion. Despite hardly any permanent tendency for political radicalism with below five percent of the votes for radical groups, a strong undercurrent has developed, ‘harbouring’ violence as an understandable response to change. But also a new and self-conscious eastern middle class has emerged. Skilled craftspeople, a hidden financial elite of the former black-market society, found out that they could fare well in a refurbishing and rebuilding country, even though over the years as many went into self-employment as have lost this status again.

However, increasingly signs of a turn away from ‘west- or east-centred’ interpretations of individual life can be found as indicators of satisfaction, collected by ZUMA⁶ (1998f), are showing. Belonging to ‘the east’ or ‘the west’ is losing its importance in assessing life qualities and items of social stratification (job, education, income), family status (being single or marriage, relationships to friends, colleagues) and location (quality of the housing environment, neighbourhood, ‘address’) are again understood to be more important factors limiting or furthering the perspectives of life than the east-west divide. It may be that east and west are getting nearer on a very general level, as the east is individualising. However, in the floating process, also contrasting results are available from research over space and milieu, which indicates that regional and milieu-oriented development paths are just becoming more fine-tuned than the simple east-west metaphor seemed to indicate (Matthiesen, 2002).

Geographically the last decade’s predominance of the east-west gap may be changing towards a more complicated picture. The mental and material division along the former line of demarcation is changing towards a north south divide (ZUMA, 2003; Stern et al., 2003).

Presently, the overall socio-cultural situation in Germany is dominated by an increasing feeling of insecurity and growing dissonances (Stern et al., 2003). On the one hand, Germany has remained an open and liberal state and still has strongly grounded elements of a balancing ‘social-state’. A wide majority states, it ‘still trust in the state and its institutions’ (Stern and McKinsey, 2002, p. 3). On the other hand, reality and political discourse are revealing to a large majority that changes will have to be faced in order to get the country back on a trail, that allows growth locomotives in the major centres which then could pull the peripheral trailers.

2.4 Housing market developments

The German housing market is characterised by a large differentiation between east and west; but there is also a historically grounded difference between for example more tenant- and more

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⁶ The German centre for the collection of social-research data www.gesis.org/ZUMA/
ownership oriented regions. The ratio between owner occupied and rental is 41 per cent to 59 per cent and has a strong east-west differentiation, based on the recent history. But the south, and more so rural areas were always more ownership oriented than the north, old industrial areas and the larger cities, especially the city-states Berlin, Hamburg and Bremen. These constitute the traditional ‘tenant-areas’ with a more mobile population.

Whereas 57 per cent in the west are renters, in the east this figure amounts to almost 70 per cent. However, being a renter in a tenant dominated region or larger cities was and is generally not understood to be minor to ownership, as high quality rental housing is an accepted form of housing for affluent social groups. The main denominators of quality and rent-price are the flat’s or the house’s location, the type of building and the size of the dwelling. Often lush medium-rise rental blocks in favoured inner city locations have a higher status than owner-occupied homes at the periphery. Only over the last decades’ shift in housing ideologies have led to a higher valuation of ownership of housing, which has reached also some of the former ‘tenant’ regions.

With 59 per cent of the rental housing stock, the landlords are divided into:
• private owners of single buildings or small groups of buildings, mostly in one town or region;
• housing companies, publicly owned on a shareholder model by the municipalities, who are mostly engaged in social housing;
• housing cooperatives with varying backgrounds from a traditional labour orientation to non profit self-organisations and sheer entrepreneurism;
• corporate private owners managing larger stocks;
• private flat owners renting out.

Housing is (still) understood to be a long term investment which provides low (approximately 4-5 per cent) but secure profit on the invested capital. This applies for large insurance companies as well as to the many small landlords, whose monthly income is derived from rents. Increasingly, also the municipalities as public owners of housing company shares are attempting to use their rental property to support their squeezed budgets. This, however, brings them in conflict with their task to provide ‘social’ homes for those in housing need. As many ‘problematic tenants’ are assigned to the public sector housing companies as the ‘last resort’, an inbuilt conflict between the financial and the social targets emerges.

As a consequence of the shift to owner occupied suburban homes, many dense older inner city quarters which formerly were the homes of the mainstream population have lost their attraction and have been downgraded to housing areas for the less advantaged, often lower class Germans and immigrants who still rarely hold German passports although having lived in Germany for decades.

The ‘social rent laws’ provide a federal legal framework for all rent contacts and the development of rents. The majority of the contracts are for an unlimited period, although limited contracts are allowed. Rents are initially set by the market, except in regions where a ‘rent-mirror’ is established by the local authority and a framework of market based rent levels

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8 ‘Soziales Mietrecht’ is the umbrella term for all rent-laws.
is agreed upon by the house-owners and tenants associations. Rents may rise by 20 per cent in a three year period, until they reach the locally established average level, which can only be exceeded by regulated steps and as long as the resulting rent can be gained on the market. An additional opportunity for rent rises, also restricted by market forces, comes up, when buildings are improved in quality (modernisation, not maintenance). Then 11 per cent of the investment may be added to the rent annually for an unlimited time. All rent contracts and changes in the rent level may be checked by in the courts for their legality and when landlords demand rent-rises, the tenant has an extra-contractual possibility to move out and only the landlord can address the courts, claiming support in the demand for a rent rise. The consequence of this mix of market and regulation is that in booming regions, rents often rise dramatically whereas in declining areas, rents – and also house prices, which compete with rents – have been declining for about a decade.

A special characteristic of the current east German housing market are the high vacancy rates. About 1.2 million dwellings are not occupied, which amounts to 13 per cent of the eastern housing stock. Of these, approximately 400,000 dwellings were uninhabitable and derelict in 1990. However, in the meantime, vacancy rates have risen due to the construction of approximately 800,000 new dwellings and the re-integration of another approximately 400,000 refurbished flats after unification, even though the number of households has also increased by 600,000. More than half of the vacant flats were assumed to be marketable in 2002 (Lehmann-Grube, 2002); the rest of some 6-700,000 flats seems doomed for demolition. Due to the prolonged neglect, slightly more than half of these are in old inner city districts;

9 Mietspiegel: Local authorities may develop ‘rent-mirrors’ on a ‘scientific basis’ (term in the law) assessing quality and location oriented differences, which must not be exceeded.
10 ‘Vergleichsmiete’ which relates to quality, age and location of the dwelling and is regularly established by local consortiums of the council, the owners’ and the tenants’ organisations. Any rents which are more then 20 per cent above the approved local level are a criminal offence.
11 That is private investment or loans taken up by the landlord. Public subsidies for rehabilitation must be deduced.

Table 2.6 – Inhabited dwelling units in residential buildings by type of use *2002

<table>
<thead>
<tr>
<th>Land/state</th>
<th>Total</th>
<th>Owner-occupied</th>
<th>Rented</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,000</td>
<td></td>
<td>1,000</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Berlin</td>
<td>1,664.9</td>
<td>183.4</td>
<td>1,481.5</td>
</tr>
<tr>
<td>Brandenburg</td>
<td>1,028.1</td>
<td>365.2</td>
<td>662.9</td>
</tr>
<tr>
<td>Germany</td>
<td>33,827.9</td>
<td>13,819.3</td>
<td>20,008.6</td>
</tr>
<tr>
<td>Former territory of the Federal Republic</td>
<td>27,496.6</td>
<td>11,844.7</td>
<td>15,651.9</td>
</tr>
<tr>
<td>New Laender and Berlin-East</td>
<td>6,331.3</td>
<td>1,974.6</td>
<td>4,356.7</td>
</tr>
</tbody>
</table>

Memorandum item:
Former territory of the Federal Republic

| Source: Federal Statistical Office, 2002 |

* excl. single family homes
often in backyards without sunshine and air. This affects many of the shrinking east-German towns and cities, like in Leipzig, where whole inner city districts of a potentially high quality are vacant and the threat of a ‘segmented and perphorised city’ exists, leading to the evaporation of the inner city’s neighbourhood and centre linkages. The large housing estates themselves are affected in a different manner: they are both the victims of regional developments and a loss of image, which has become more important than physical quality. However, whereas in economically backward areas, high vacancy rates of over 40 per cent are

Table 2.7 – Characteristics of the German housing stock

<table>
<thead>
<tr>
<th></th>
<th>Flats</th>
<th>Owner Occupations</th>
<th>Rental Units</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>in 1,000</td>
<td>in 1,000</td>
<td>%</td>
</tr>
<tr>
<td>Type of Building</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One family houses</td>
<td>7,750.0</td>
<td>6,652.0</td>
<td>85.8</td>
</tr>
<tr>
<td>Two family houses</td>
<td>5,086.3</td>
<td>2,413.7</td>
<td>47.5</td>
</tr>
<tr>
<td>Multi family rental</td>
<td>10,953.1</td>
<td>708.0</td>
<td>6.5</td>
</tr>
<tr>
<td>Multi family houses owner occupation</td>
<td>2,447.2</td>
<td>1,145.5</td>
<td>46.8</td>
</tr>
<tr>
<td>Other buildings with flats</td>
<td>501.1</td>
<td>203.9</td>
<td>40.7</td>
</tr>
<tr>
<td>Size in m²&lt;40</td>
<td>1,439.6</td>
<td>765.6</td>
<td>53.5</td>
</tr>
<tr>
<td>40-59</td>
<td>4,690.2</td>
<td>465.1</td>
<td>9.9</td>
</tr>
<tr>
<td>60-79</td>
<td>6,839.0</td>
<td>1,556.2</td>
<td>22.8</td>
</tr>
<tr>
<td>80-99</td>
<td>5,061.9</td>
<td>2,237.9</td>
<td>44.2</td>
</tr>
<tr>
<td>&gt;100</td>
<td>8,709.1</td>
<td>6,787.7</td>
<td>77.9</td>
</tr>
<tr>
<td>Year of construction until 1948</td>
<td>7,794.5</td>
<td>3,077.2</td>
<td>39.5</td>
</tr>
<tr>
<td>1949-1960</td>
<td>5,346.1</td>
<td>1,781.6</td>
<td>33.3</td>
</tr>
<tr>
<td>1961-1970</td>
<td>5,346.4</td>
<td>2,121.9</td>
<td>39.7</td>
</tr>
<tr>
<td>1971-1980</td>
<td>4,854.4</td>
<td>2,399.9</td>
<td>49.4</td>
</tr>
<tr>
<td>After 1981</td>
<td>3,398.3</td>
<td>1,742.9</td>
<td>51.3</td>
</tr>
<tr>
<td>Equipment bathroom, WC, central heating</td>
<td>21,804.1</td>
<td>9,386.2</td>
<td>43.0</td>
</tr>
<tr>
<td>bathroom, WC, no central heating</td>
<td>4,222.0</td>
<td>1,584.7</td>
<td>37.5</td>
</tr>
<tr>
<td>others</td>
<td>713.6</td>
<td>152.5</td>
<td>21.4</td>
</tr>
<tr>
<td>Building owners private households</td>
<td>21,658.2</td>
<td>11,123.4</td>
<td>51.4</td>
</tr>
<tr>
<td>municipal housing companies</td>
<td>2,711.1</td>
<td>2,711.1</td>
<td>100.0</td>
</tr>
<tr>
<td>housing company</td>
<td>1,868.6</td>
<td>1,868.6</td>
<td>100.0</td>
</tr>
<tr>
<td>other companies</td>
<td>501.8</td>
<td>501.8</td>
<td>100.0</td>
</tr>
</tbody>
</table>


12 More than 50,000 vacant inner city flats.

[32]
affecting the panel estates, in other regions faring economically better, the vacancies in panel estates are hardly above or even below old inner city housing.¹³

Presently, vacancies still play a smaller role on the western housing markets. However, the widely varying pressure on the markets between the booming south and the softer developments in the north (with the exception of the Hamburg region) in combination with the demographic development has led to the emergence of above 10 per cent vacancies in certain western old industrialised regions and specific types of housing, namely large estates.

¹³ In the historic town of Merseburg, the valuable old buildings are often abandoned, while the panel estate proves the best maintained housing stock with little vacancies.
The expected population development makes it highly likely that in little over a decade vacancies will also be a widespread regional feature in parts of the west, contrasted by a high market pressure in the south.

High vacancy rates in some regions in contrast to a still high demand in others are reflected in different flat prices and rents. Whereas the southern German regions and some northern pockets have experienced a steady rise of rents and housing prices at a ratio higher than income rises, especially in old industrial areas and the east, rents and house-prices have stopped growing and even fallen over the last five years; however, after a steep rise during the early 1990s. The generally accepted gross housing cost limit at approximately 25-30 per cent can
hardly be kept up by the landlords and banks in the declining regions and where, as in the east, unemployment is constantly high. Thus, well earning residents of the east, including Berlin, have seen their incomes rise slightly faster than rents, which leads to an increase in mobility with those residents attempting to improve their housing quality keeping the rent level, as reductions in existing contracts have so far remained rare.

2.4.1 Distribution of large estates on the German housing markets
Due to the different housing policies of the two states and within the federal system, the German regions have different shares of large estates. Approximately 1.6 million flats existed in 2000 in large housing estates of over 2,500 flats, which amounts overall to approximately 5 per cent of all housing. In the west, only every 60th household is living in this type of a large estate whereas in the east, every 4th resident is housed in a large panel estate. Counting only the very large estates of over 10,000 flats, the proportion becomes even more striking. Every 250th western household has their home in such an estate and every eighth in the east (BLFR, 1994, p. 570). In the west, even though the regional proportion is considerably higher in some old industrial areas and at the periphery of some of the major towns and cities, the large estates are but one small part of overall housing. Providing a limited, but important type of habitat for the towns, cities and their inhabitants, they are no predominant factor of the regional and urban socio-spatial environment and nowhere are they forming the identity of western towns and cities. That is entirely different in the east, where, many large cities and small towns have a proportion of large estates of over 50 percent and some cities and towns are virtually only existent through this segment of the built environment. For many locations in the east, the large estates are producing the material environment of all housing and local culture, as the proportion of other types of homes remains marginal despite some local post unification housing production.

2.5 Housing policy
The German states and the municipalities have the major responsibility in housing, so there is no coherent German housing policy, but rather a differentiated collaboration of regional and

Figure 2.6 – Rent development (gross rent without heating/rent share of household income)
federal state. However, periodical changes in the housing political philosophies from a more ‘etatist’ to a more market liberal oriented, from a more rental- to a more ownership-oriented general direction of policies can be detected.

Over the last half century, five partly overlapping phases of post-war western housing policy can be identified.

- **Inner city social housing; the 1950s and 1960s:** In western Germany, a first phase of building social housing was dedicated to the inner city reconstruction and medium scale extensions of the inner-urban cores. Large quantities of rental homes were produced during the 1950s and 1960s with the help of public funds and private investment channelled through state banks and agencies, utilising large public housing companies and non-profit cooperatives as the main actors. The urban quality of these ‘open and landscaped’ estates, today often well established as homes for the lower middle classes, was mostly high and the buildings are of a ‘decent’ character. Encouraging middle class home ownership through tax benefits and some direct subsidies was a complementary policy with limited quantitative impact during this period.

- **Urban extension; the 1960s and 1970s:** A second phase of housing policies occurred with ‘urban extension’, dated probably between 1960 and 1975. It is characterised by a change in scale and technology and follows western European models of modernism as an architectural and societal concept. Some early large estates, built on inner city urban renewal ground were followed by large estates for up to 40,000 inhabitants on the urban periphery, often incorporating a majority of high rise blocks of flats. Rental still prevailed, but gradually, as average incomes rose, tax reductions for owner-occupied homes started to become influential.

### Table 2.9 – Number of flats on large estates in east and west Germany, 1999

<table>
<thead>
<tr>
<th>Number of flats</th>
<th>West-German large estates</th>
<th>East-German large estates</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; 10,000</td>
<td>100,000</td>
<td>590,000</td>
</tr>
<tr>
<td>5,000-10,000</td>
<td>240,000</td>
<td>880,000</td>
</tr>
<tr>
<td>&lt; 2,500</td>
<td>460,000</td>
<td>1,140,000</td>
</tr>
</tbody>
</table>

Source: BFLR, 1999

### Table 2.10 – Ratio of the population in the east and the west living in large estates, in percentages, 1999

<table>
<thead>
<tr>
<th>Number of flats</th>
<th>West-German large estates</th>
<th>East-German large estates</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; 10,000</td>
<td>0.4</td>
<td>12</td>
</tr>
<tr>
<td>5,000-10,000</td>
<td>0.8</td>
<td>18</td>
</tr>
<tr>
<td>&lt; 2,500</td>
<td>1.7</td>
<td>23</td>
</tr>
</tbody>
</table>

Source: BFLR, 1999
• Urban renewal, the mid 1960s to the present: This period partly overlapped with the extension phase in the beginning and with urban integration after 1998. Originally urban renewal reacted to the opening gap between the owner-occupied sector and quality social housing on the one hand and the large sector of old dwellings, often neglected since the end of the first world-war on the other hand. The financial backbone was a three level programme (local, state and federal) for urban development (Staedtebaufoerderung), which pumped billions of DMs into disprivileged urban areas. Beginning with a radical replacement of older buildings – scrap and build only counter-pointed by the preservation of listed buildings – ‘careful rehabilitation’ of the existing housing stock dominated since the urban conflicts over the future of the old city as a habitat in the late 1970s and early 1980s. It halted the ‘federal bulldozer’ in a mix of popular resistance, professional reappraisal of the old urban

![Figure 2.7 - Map of large housing estates of 2,500 and more flats](source: BFLR, 1999)
structures and the lacking economic viability of scrap and build. ‘Repairing the city’ on a neighbourhood level\textsuperscript{14} came on the agenda of urban policies in approximately 1984 with more socially oriented building strategies. The most outstanding examples were probably the ‘IBA-old’\textsuperscript{15} of 1984-1987 in Berlin and projects of advocacy planning in Hanover-Linden as well as the inclusion of young unemployed in the model projects of urban renewal.

\begin{itemize}
  \item \textit{Home ownership dominance in subsidies; the 1980s and onwards:} A fifth policy type of reducing the scales of housing projects, concentrating on consumer demands and home-ownership was implemented by the conservative-liberal coalition from the mid 1980s onwards. Also social housing shifted its emphasis from rental to supporting owner occupancy and the small amount of new rental social housing was provided only for special needs groups – the old, the handicapped, larger families. Tax subsidies, later replaced by a fixed amount of state support for the building of a dwelling\textsuperscript{16} led to a move of housing investments out of the built up areas into large scale sub urbanisation as considerably less support was given for the acquisition of used family homes or flats in town.

  \item \textit{Integrated policies:} A change of policies away from the dominance of building to an integration of social, cultural and (on a limited scale) economic initiatives became notable under the headline of ‘integrated policies’. A major basis for this ‘inclusive’ policy change were poverty reports on Hamburg, an in depth evaluation of neighbourhood social development in post unification Berlin and a thorough evaluations of renewal strategies in North-Rhine-Westphalia. The results of these evaluations of housing and renewal policies implied that single issue building policies – as financing technical rehabilitation – were not leading to the results expected by planners and politicians in those cases, where social and economic developments had led to a culture of dependency and exclusion. However, consequences for the design of integrated policies to approach urban development problems and their multitude of reasons were only reluctantly drawn. Two strands of debate emerged: On the one hand, local experts and researchers pointed at the need for integrated approaches. On the other, the departmental separation of actors and the constitutional prerogative that the national government should only spend on ‘investment’, so far has prevented integrated policies becoming the mainstream of urban housing policies. To the present, this debate has no final result and a well substantiated policy for the ‘Socially Integrated City’ is now, after an initial lead coming under the pressure of the ‘Urban Regeneration’ policy (Stadtumbau). Under the label of integration, this policy seems to promote investment and the financial steering of physical development in countering the enormous vacancies in the east. En route, however, the socially integrative aspects of the ‘Socially Integrative City’ programme might
\end{itemize}

\textsuperscript{14} Motto of the 1984/1987 Berlin international building exhibition IBA (International Bauausstellung, 1987).

\textsuperscript{15} International Building Exhibition 1984-1987; the IBA-Alt was focussed on ‘urban repair’ in the district of Kreuzberg, Berlin.

\textsuperscript{16} The EigenheimzulagenGesetz provides any owner-builder with the same amount of funds and is thus more fair to lower income groups who have only limited opportunities to deduct from tax. €20,000 plus a family size oriented allowance are paid to the building household. The share is lower if the investment goes into flats and blocks or rehabilitation, which will probably be changed in 2002 as housing policy returns to the inner cities.
be outweighed despite the fact that vacancies are above the serious problems of housing finances a problem with grave social implications.

The late 1970s change of the federal and state governments’ housing ideology away from rental (social) housing and the turn from compact to low density housing was usually well understood as a confession that the prior building of large estates was seen as a political mistake. From the mid 1980s onwards, the competition of public support between urban rehabilitation (old quarters and panel estates) and for private housing directly led to an acceleration in social segregation and the homogenisation of low status neighbourhoods as those who were at the upper echelons of the local society were quasi helped into suburbia.

2.5.1 The (West) German model of social housing

The (West) German type of social housing played an important role in the definition of housing policies and at the same time was a mirror of the respective government’s housing ideologies. Social housing in Germany was never built for the poor.

The legal formula of the 1954 social housing law (II. Wohnungsbaufoerderungsgesetz; in use until 1998) addressed the majority of the population. Theoretically between 40 and 30 per cent of the lower income groups of the population were eligible for social dwellings. However, as cheaper homes were available, poor residents and especially families from a marginal background often could or would not opt for the more expensive social homes. In an exception to this rule, some residents from the lowest income groups took the chance to move to social housing as for them, through the laws on social assistance (Sozialhilfe), the full net rent was covered.

The shift in social housing from rental to owner occupation, which coincided with the turn away from building large estates, led to a further reduction of the image of rental social housing, as the building priority of the conservative government shifted to single family housing on green land.

The quantity of available rental social housing gets rapidly smaller over the years as the production of rental social homes has been reduced for decades. For instance in North-Rhine-Westphalia within the relatively short period after 1990, the number of rental social flats went down by 67 per cent. As after the end of the rent limitation, often the public or private landlords tend to raise rents, the pressure on the small amount of remaining social rentals available in housing emergencies increases further. On the other hand, research by the Berlin

<table>
<thead>
<tr>
<th>Year</th>
<th>Total in thousands</th>
<th>Rental in thousands</th>
<th>Ownership in thousands</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>319</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>1960</td>
<td>327</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>1970</td>
<td>165</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>1980</td>
<td>97</td>
<td>40</td>
<td>57</td>
</tr>
<tr>
<td>1985</td>
<td>69</td>
<td>30</td>
<td>39</td>
</tr>
<tr>
<td>1989</td>
<td>65</td>
<td>39</td>
<td>26</td>
</tr>
</tbody>
</table>

Source: Donner, 2002
Landesbank (unpublished) has shown that young owner occupiers in social housing, who are usually in the family expansion phase, often tend to increase their incomes and then almost ‘mistakenly’ after only a short time inhabit subsidised homes for their life-time.

Social housing production from the beginning onwards was managed by a variety of different builders and housing administrators. The early public carriers were soon accompanied by private entrepreneurs, who used the public subsidies to reduce their rents and improved the marketability of their assets considerably by renting out to ‘secure customers’.¹⁷ As money was handed out on a full cost-rent basis (up to 30 DM square metres per month cold rent as the so-called ‘cost-rent’), which was then reduced through the subsidies to an affordable rent (on the basis of approximately one third of a lower medium income for housing cost; approximately 7 DM square metres per month cold rent to be paid by the tenant) the original building price did hardly matter for a long time. Accordingly, the claim was aired that the funding of social housing directly contributed to the enormous building costs in this sector in Germany. Before subsidies, social housing was often more expensive than market building; hence also the high quality, which the builders rightfully hoped to gain from through high rents after the period of ‘social-binding’ (Sozialbindung) of usually between 12 and 25 years.

In addition to the object funding of social homes, another subject oriented strand of housing subsidies is paid in Germany on the basis of a federal law. The housing allowance (Wohngeld) relieves renters from extreme rents of over 30 per cent of their income, if certain limits, slightly above the poverty line, are not exceeded. Thus, a type of social rent is also available in ‘normal’ market rent-flats, relieving the state from the burden of being the sole initiator of building for the lower classes.

2.5.2 From East German mass- to social housing
In contrast to the west, the GDR’s policies were characterised by a stubborn persistence and followed one mono-functional strategy of mass-housing until the bitter end. After a short period of high quality ‘palaces for the working class’ during the 1950s and a decent modernist internationalism in the 1960s had proved too expensive for the economically stretched country, the pre-cast-concrete panel started to overrule all other types of building (Rietdorf, 1989). Under the catchphrase of ‘solving the housing question until 1980,’ (party jargon of the early 1970s), housing production followed Fordist methods of mass production of parts in large factories, which then were assembled on site. Urban development as well as the design of the estates and new quarters was subjected to technology.¹⁸

With unification, housing was made a key political topic for the recreation of eastern society and its integration into the western system. Starting with emergency programmes for the neglected inner cities and the medieval towns, programmes for urban renewal and building new dwellings with high public subsidies were launched to provide better homes and to give a kick-start to the building economy as a factor softening the transformation of other sectors of the over-aged economy.

¹⁷ Housing and social benefits decrease the chances of rent-arrears; poor receivers of social assistance get their full rent often directly paid to the landlord.

¹⁸ After 1960, all but two brick-factories were abandoned and almost 20 large panel-factories established, gobbling up all state-plan funds for the building industry. Later, almost everything which exceeded the panel had to be imported and the building skills vanished.
The contract on Germany Unity requested the re-privatisation of all assets, including housing, as far as buildings had not been permanently taken into a public use, i.e. as social infrastructure.¹⁹ Only the GDR period’s ‘complex’ housing was exempted from this rule and the former state or ‘people’s property’ was handed over to local self government. The ‘communal housing administrations’ (KWV) were usually converted into limited companies and the cooperatives turned into legally independent entities.²⁰ As the existing legal system of western social housing could not be applied fully to the concept of socially and income-inclusive ‘mass housing’, 50 per cent of the communal and cooperative housing stock were by contract converted into ‘quasi social housing’,²¹ while the rest was either placed under the rules of the ‘social housing law’ in communal ownership or privatised. Rent rises were administered on the basis of a federal law, which led to increases of approximately 400-500 per cent over the first five years after unification, however softened by income rises of 300 to 600 per cent on average. Thus, whereas in the eastern states, legally only post unification buildings built under the new legislation as social housing have this status (approximately 350,000 rental units), the ‘new-stock’ from the GDR period is factually also treated as such. So, in fact, counting the post

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¹⁹ Re-privatisation was a complex process, leading to a period of stalemate in many cases. As often many contradictory claims by airs existed – especially in former Jewish property – often a final solution could only be found in front of the courts. These ‘buildings in waiting’ on the one hand led to people opting for new buildings ‘on secure ground’; on the other hand gave the large estates some time, as before approximately 1995, they were often the only housing stock without legal problems.

²⁰ The complex process of building up housing companies adequate and competitive institutions is described in Van Bueren, E., Bougrain, F. and Knorr-Siedow, T. (2002) Sustainable refurbishment in Europe: From simple toolbox to multilateral learning, and will be referred to in detail, when reporting on governance and institutional capacity building.

²¹ Usually 50 per cent of the stock of communal Ltds. is treated like social housing although the legal and financial background are different. Set income limits must be met to acquire flats and a certain percentage, different from community to community according to a contract usually between 15 and 20 per cent, is dedicated to housing emergencies.
unification social housing plus 50 per cent of the existing stock from GDR times (according to
the unification treaty all 'complex housing' built with public funds between 1949-1989) the east
has a much higher ratio of social rental stock than the west, reaching locally up to over 50 per
cent of all housing.

From 1991 onwards, privatising parts of the large estates was high on the government's
political agenda. Buyers should get a financial support (€3,500 per household plus children's
allowance). As hardly any of the eastern tenants followed the governmental advice 'to build
property within the existing housing stock', during a later period the housing companies were
invited to sell off 15 per cent of their stock 'with priority to sitting tenants' and in return be
relieved of the old GDR mortgages, which had become a heavy burden for rehabilitation as the
image – and in consequence the rents – of the panel buildings was falling since approximately
1995. But also these policies failed to attract more than 2 per cent of the east Germans to buy,
as by then, the attraction of the formerly hailed 'new flats' had disappeared. In fact, where
privatisation happened in the east, it was generally to institutional owners (as in the case of
a US pension funds buying into Berlin Marzahn's estate) or to doubtful entrepreneurs, who
often had to return the acquired blocks after not having been able to pay the (low) price. In
2003, some of these sales of public property are in front of the courts for fraud and other
criminal offences, which adds another weight to the falling image of the eastern large estates.

2.5.3 Housing policies for the large housing estates
As the eastern large housing estates remained unquestioned virtually until the collapse of the
political system, during the GDR period no specially defi ned policies were developed. Due
to the squeezed economy, maintenance of the newly produced buildings was also of a low
standard. As in addition many inbuilt defi ciencies of the buildings produced technological
problems (especially bad insulation, high energy losses in the grid, leaking roofs, rotting piping
and corroding panel-gaps). Around 1980 research of the GDR's building academy led to the
assumption that on the long run panel buildings would pose great sustainability problems.
'It was found out that panel buildings in the long run would be unsustainable. It would render the
industrially pre-produced buildings more expensive than traditional or mixed technology buildings.
Exposed to world energy prices during the 1980s, heating would be consuming unaff ordable parts of
the state budget, especially in buildings of the 1960s and 1970s. Also maintenance would become a
problem on a massive scale because all mistakes formed a rising wave, because of the uniformity of
the technology used over decades. In the end, the decision to stick to that technology was taken not on
a professional but on a political level, because any shift in policy would have meant accepting former
mistakes and the fact of a new quality of building would lead to a new class-profile, giving undue
privileges to those moving to the new premises.' (Interview: housing researcher, 2002).

By now, all panel buildings have undergone certain improvements requested by German law:
metering of water and energy. In addition, approximately 55-60 per cent have undergone
different forms of renewal, starting from minor adjustments to full rehabilitation including
new facades, changes in floor-plans etc.

In contrast to the eastern policy void before unifi cation, special 'repair' policies accompanied
the western estates from almost the start. After rent- and funding re-arrangements during
the late 1970s to keep the estates competitive in contrast to subsidised inner city housing, the
building defi ciencies which erupted during the early 1980s hardly a decade after building
the large estates, led to a large ExWoSt programme for the ‘Rehabilitation of Large Housing Estates’ of the 1950s to 1970s. Research and practical changes were carried out, mostly technology oriented, but also accompanied by resident’s participation.

As even costly repair to the buildings and a changed urban environment alone did not lead to any reduction of underlying socio-economical problems, some large western housing estates had to be treated as permanently problematic. Only slowly, about the middle of the 1990s, a turn away from investment oriented building measures for special habitats, like the large estates, took place.

Education, job creation, employment programmes in changing the built environment and attention to social and ethnic problems became additional foci of urban change, which paved the way to the large estates becoming integrated into the normality of urban renewal.

As after the investments of the last two decades, the present problems in the eastern as well as the western estates are more socio-economic than technical, it seemed logical to choose amongst the problematic large eastern and western estates for the inclusion into the first national policy programme for spatially bound social integration. The federal programme ‘Districts With Special Development Needs – The Socially Integrative City’ is designed to pool resources from policies in the fields of employment, economy, ecology, social affairs, youth, culture, urban development, to foster cooperation between all involved players and to

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22 Urban renewal and ZIP (Keynesian ‘Future Investment’ Programme) to boost investment and improve inner city dwellings.

mobilize the residents of a neighbourhood. It was established to counteract the growing socio-spatial disintegration in German cities and is based on model conceptions of urban social integration and of a newly local active civic society. Two types of urban districts with particular development insufficiencies are especially targeted: the densely populated housing estates built from the 1960s to the 1980s, and late 19th century residential areas, primarily on the fringes of the inner city. The approach is directed at new forms of non-sectoral policies ranging from alliances for employment to revamping the welfare state in an administrative and governance reform, from ‘Local Agenda’ 21 processes to crime prevention councils and the ‘Healthy Cities Network’. The German states’ nomination of a total of 249 districts in 184 municipalities all over the country makes apparent, how far socio-economic external and internal peripherisation affects all parts of the country and respectively all types of the habitat from regions in hard-core transformation to the south-western growth regions.

Parallel at the beginning, but increasingly in the political foreground, a response to the 1.2 million vacant flats in eastern Germany had to be imagined: In 2002, the federal government and the states launched the ‘Urban Regeneration Programme’ (Stadtumbauprogramm). As vacancies between 15 per cent and 40 per cent are presently not only becoming a burden for the housing industry and social cohesion, but for the structural identity of many eastern German towns and cities, ‘integrated projects’ were to be forged into restructuring measures to be supported by about 8 billion euro of public funds over the coming decade. Demolition of unused ‘market-overhangs’ on a large, but regionally differentiated scale is the first step of action, accompanied by the vital second step; a further qualification of the remaining stock towards becoming an attractive part of the housing market again. For the first years, approximately 350,000 flats of an overall 750,000 flats until 2015 are on the agenda for demolition, however, by far not only in the large panel estates, and by far too few to really solve the problem, as vacancies resulting from demographic change will most likely only hit in about a decade.

2.6 Conclusions

Over the decades, an overall good to excellent housing provision has emerged in Germany on the basis of a development from state to market. However, a wide variety exists between regions of high market pressure with high prices and demand and an emerging spectrum of over-supply and large vacancies, which regionally will have to be countered by urban recreation and massive demolition, which, especially in the east will usually not be followed by new housing construction but a reduction of urban structures.

Despite the fact of a good to excellent housing provision, certain groups still find it difficult to find adequate housing. Amongst them are the growing older population, households with children and some new forms of co-habitation.

All experience with housing and neighbourhood development in present Germany seems to prove that, where housing and neighbourhoods have become problematic, a multi-dimensional set of reasons persists, which has its major roots in the economic situation, mentalities and aspirations. Thus, solutions also should target this multidimensionality, which apparently seems difficult for many of the major actors, despite good experiences with ‘integrated programmes’ of the type of the ‘Socially Integrative City’.
The large housing estates play different roles in housing provision, as their quantitative impact varies to an extent that produces different social and political qualities. Many were or have been integrated into the normality of housing and urban structure. Others, however, have developed a persistently problematic quality, which could not be broken by housing policies. In the west, they form a share of housing for the lower classes and often harbour groups who are affected by social transition. In the east, they still form a quantity, which exceeds their qualitative demand and thus are in the danger of losing their inclusive power.

The conclusions of more than two decades of rehabilitation of large housing estates in the west and one in the east are, as admitted by the federal ministry, contradictory. On the one hand, some estates ‘made it’ having been improved in a way that they became accepted habitats. However, it seems rarely possible to pinpoint the part policies played, as regional influences and the overall development of the housing markets seem to be as important than physical change and social empowerment. Presently, the fact must be accepted that some estates remain problematic from a social as well as a housing economical perspective despite different policies for improvement having been implemented. Other situations, especially in peripheral and marginal positions, have become have even more problematic, after improvements were administered. This seems to be the case especially in regions which are losing economic viability and where an economic boom allows many ‘stable’ groups to emigrate from the estates.

In Germany, the large estates play an important role in housing the less privileged, not only the poor. In the west, the next few years under the conditions of a partly and regionally softening housing market pressure will prove, whether the estates will become residual homes, as their image further deteriorates, or whether it will be possible to find tailor-made strategies in order to keep or make them attractive for special groups, amongst them transitory population in a balance to a stable basic population.

In the east, the relative number of large estates will almost certainly fall towards a level, more comparable to western European standards. Some, often forming large parts of towns and cities will almost certainly vanish over the coming decades. Finding the right balance and in diminishing the number of panel estates, not destroying the image of the many successful estates, will be a major task in this part of the country.

Major factors of the estates becoming problematic are:

- the rapid loss of image with the majority of eastern tenants – in many ways a repetition of the west’s experience of the 1980s;
- the high and sustained unemployment rates east and west, ‘agglomerated’ in the some large estates and the social effects of the overall change in the society within a few years, which especially in the east, a large minority found difficult to adapt to;
- the loss of quantitative demand due to a sharp decline in population and a high increase in marketable competitive housing in refurbished inner cities and on greenland-sprawl;
- the loss, or the never gained financial viability of the eastern and some western estates, aggravated by the landlord’s need to let at sometimes lower than sustainable rents in the fight to avoid further vacancies.

The selected RESTATE cases are representing important examples from a western and an eastern environment. A deeper and fine grain study of varying developments between a relative
success and failure will hopefully allow to find an action balance between ‘overdoing’ and doing too little and in determining socially and economically sustainable strategies.
Towards the end of the 19th century, Berlin was described as the ‘parvenu’ amongst European capitals, as it had risen from a medium residence town in the poor central region of Prussia to becoming the focus of a young empire during just over one century. Having had little more than 20,000 inhabitants at the end of the 30 year’s war, the population had only slowly risen. In 1848 the city had 400,000 inhabitants, and while that year’s revolution was carried mostly by the emerging working classes, the majority of the population was still structured along the lines of a traditional royal residence. Only on the economical and extra-economical revenues from the victorious 1863 inter-German and Northern league wars against Denmark, and the 1871-1872 German-French conflict which led to German unification, did Berlin gain a more central and economically, politically and culturally viable role. With rich and middle class housing developing towards the south and west, and the industrial and working class quarters in the north and east, the city mushroomed within a short time to its first million inhabitants by 1877, becoming the un-denied centre of the new ‘Reich’ (empire). By 1905 the population had doubled again and after the incorporation of seven directly neighbouring cities and various small towns and villages in 1921, ‘Greater Berlin’ had its largest ever population of 4.2 million in an agglomeration of approximately 6 million by 1938.
From about 1920 until the Second World War, Berlin was the largest industrial town in Europe and probably the most modern. As the region, described as a ‘gem in a sandbox’ had hardly any natural preconditions for industry, a coalition of financiers and producers concentrated on electrical appliances (e.g. Siemens, AEG), pharmaceuticals and other highly modern goods that provided for a considerable wealth growth from the late 19th century onwards. Also the central position in the German canal- and rail-nets helped the economic development. At that time, not only Germany, reaching from Aachen, approximately 700 km in the west to beyond Koenigsberg some 750 km to the east, referred to Berlin as its centre. Berlin’s economic and cultural influence reached further into eastern and south-eastern Europe. For a short period between probably 1900 and 1933, Berlin belonged to the world’s metropoles competing with London, Paris and towards the end, New York; a role which was then sacrificed by Nazi Germany’s internal and external aggressions.

Heavily destroyed after the Second World War’s bombardments after 1943, and the ground battle of 1945, Berlin reflected much of German post-war history in a nutshell. Buildings were demolished or damaged to about 70 per cent. The city was politically and economically divided after the 1948-1949 blockade and physically separated by the wall between 1961 and 1989. Both ‘half-cities’ became the show-pieces of the respective political systems: The western two-thirds, ‘Land Berlin’ and the outpost of the free world’ were a state of the BRD with reduced political rights. The eastern third became ‘Berlin – capital of the GDR’ (written on all documents and displayed at all entry points) from 1949-1990, a self-claimed entity under Soviet consent against all four power agreements. Both halves were in many respects highly artificial. Economically west-Berlin was supported heavily by the rich BRD and the integration into the western economic system. It allowed a wealth-development that compensated for the ‘island in the red sea’ life, and provided an example of western affluence for the onlookers from across the wall. In the east, the also impressive development was based upon the importance of Berlin’s industrial potential and an often despised exploitation of other regions of the GDR by the central state.

The parable of the ‘gem in a sandbox’ to the present day describes the regional situation of the Berlin/Brandenburg metropolitan agglomeration. The urban region lies like a population island in a region of extremely low density reaching far into Poland. Thus, any socio-economic and cultural development must be targeted at using this solitary agglomeration as a ‘knot and joint within a supra-regional network’ (Interview: Regierender Bürgermeister, 2002).

3.1 General description of the city

Due to its history, Berlin is a polycentric city par excellence. Having had a historic eastern (political and administrational) and a western (post 1870 economic and cultural) centre throughout recent history, the city is hand-shaped with a dense urban ‘palm’ within a municipal railway ‘ring’ (S-Bahn-Ring) of the 1880s, and ‘fingers’ reaching out into all directions along old railway and road radii. Whereas along the fingers housing and workplaces are lined up to a maximum distance of probably 30 km outside the ‘ring’, the gaps between the fingers provide large sectors of greenery, which lead directly into the inner city park-scape; a 19th century providing for the proverbial good air and environment.
The polycentric structure becomes apparent in an overlap of concentric rings around the old cores, which produces a structure of variations, in which inner city low density neighbourhoods could lie adjacent to more peripheral high density centres. Besides the business ‘down-town’ areas, the dense urban structures within the ‘ring’ are still dominated by the ‘sea of stone’ (Hegemann, 1976) and ‘the Berlin tenement block’ (‘Berliner Mietshaus’; Geist and Kuervers, 1989) which was the typical form of post 1870s to 1918 housing. Based on a socially inclusive urban development concept, it provided for flexibility of uses and adaptability for over a

<table>
<thead>
<tr>
<th></th>
<th>Berlin</th>
<th>Brandenburg</th>
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<tbody>
<tr>
<td>Inhabitants</td>
<td>3.4 million</td>
<td>2.6 million</td>
</tr>
<tr>
<td>Area (square kilometres)</td>
<td>892</td>
<td>29,476</td>
</tr>
<tr>
<td>Population density</td>
<td>3,810</td>
<td>88</td>
</tr>
</tbody>
</table>

Source: GL, 1999
century and well into the future, as presently proved by the new media and software industries’ filtering in. Built for a social mix and an open development of housing and labour (‘Hobrecht Plan’ of 1863), this type of inner-urban housing is one main competitors for any other form of housing in Berlin. Throughout the inner city, high quality islands of social housing from the 1920s and the early post-war periods are also found as well as later building generations, which, however, differ between the western and the eastern part. Whereas the west is characterised by a wide variety of 1960s to 1970s large high-rise blocks, post modern buildings of urban and smaller dimensions, the post 1960s east is shaped mostly by a few generations of uniform panel blocks. On the outer periphery, the west is characterised by a belt of low density housing in single family homes from all post 1900 periods with some limited infill of large estates. The eastern periphery is dominated by a wide belt of east German panel estates, housing over 40 per cent of the population of former east Berlin’s 1.3 million inhabitants.

Being at the seam between two political worlds, post-war building and housing were important exclamations of the respective societies’ will and vision. Thus expressive building projects and periods often initiated their opposite on the other side of the wall. Berlin’s housing and settlement structures today can be read as a documentation of eastern and western housing concepts.

Figure 3.2 – Urban settlement structure 1940, 1953 and 1989 (eastern municipal railway ring)
Towards the end of the 1980s, the population figures were relatively stable. A limited growth was noted in the east due to the capital’s attraction and high birth-rates. In the west, despite immigration from west-Germany and abroad, no growth had occurred for more than a decade because of the ageing population’s death rates and low birth-rates since the 1960s.

Throughout the period of Berlin’s division, especially the west was something of a social laboratory. New lifestyles emerged here first and in a direct vicinity to the old; Kreuzberg and Wedding were the first German districts, where quarters were ‘taken over’ by immigrant cultures during the late 1960s. The 270,000 Turks, for a long time the seventh largest Turkish city, and later others from the near east became most visible, before towards 1990, some areas in Charlottenburg took on a Polish and Russian character. As military service was prohibited by allied law, young men (and because of the attractive intellectual climate, also women) from all over studied at west-Berlin’s universities and the city became a place of social experiments. Communal housing in the 1970s in large bourgeois flats and abandoned industrial lofts, massive squatting as the result of a highly deficient and speculative urban renewal policy in the 1980s, and the legalisation of ‘self-help’ emerged in parallel to governmental experiments. The IBA (International Building Exhibition) of 1984–1987 set the agenda for urban rehabilitation for decades to come.

This air of permanent experimentation, which also affected parts of the neglected eastern inner city, e.g. in Prenzlauer Berg, between the mid 1960s and 1990, could only develop on the basis of the mutual softening of the systems’ influence. In west Berlin, liberal capitalism always had to compete with the (partly hollow) eastern counterpart of an equality oriented socialist society. And also, as the borders were never hermetic (international tourism, regulated visits from west to east, radio and TV always conveyed the other’s perspective), the eastern bureaucratic dictatorship could not fully develop, as legitimacy questions were easily asked on both sides.

### 3.2 Berlin’s post unification development

With unification, the politically united Berlin was installed as a state (state government: Berlin Senate) and at the same time a joint municipality with comparatively self-governing administrational districts on the model of east-Berlin. In 1990, not without apprehensions from the west-German states over a re-surfacing of centralism, the decision was taken, to move focal capital functions, i.e. the chancellors office and major ministries as well as the lower house of parliament (Bundestag) to Berlin, while Bonn should remain quasi ‘a secondary capital’. With these new functions, the city faced manifold tasks with consequences not least for the resident’s every-day-life, who often feared the change.

Whereas the federal government provided the ‘national framework’ (Borgelt and Jost, 2002), Berlin as a state and city was responsible for urban policies and, took on a stronger role.

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24 In the east, military service was compulsory since the 1960s.
25 In a residents’ meeting in the panel estate Greifswalder Str. in the late 1990s residents aired their fear that ‘western newcomers would have them evicted’ from the flats, of which 10 per cent are presently and after rehabilitation vacant.
26 Land, kept free for governmental and federal use, was built upon as a new governmental centre which was developed in the ‘hole’ left free after the collapse of the Third Reich.
as a spatially, socially and culturally self-determining state, alas also with more responsibility to finance its own developments.²⁷

- Berlin as a city and state had to re-define its role in the global, European and national networks of cities, entering ‘in a new league’ as capital.
- The city had to integrate the capital’s functions into its spatial pattern, and into the local mentalities and cultures, at the same time bringing the city back onto agenda as more than the cold-war’s conflict hot-spot.
- The city had to manage the re-structuring of its economic basis from the ‘work-bench’ (west) and outdated industries in conjunction with the GDR’s centralist functions to secure employment and tax returns.
- Needing yet to win internal unity, Berlin had to provide means for the management of social transition. In a parallelism of actions, social cohesion and inclusion had to be built up in a situation of rapid economic, political and social transformation, to render Berlin acceptable for the population and attractive to newcomers.
- Environmental sustainability had to be achieved, turning the east away from being a first class pollutant (industry: air, water, soil, land-use; housing: heating with brown coal, water); a task that was ironically eased by the industrial collapse.

During a first post-unification euphoria between 1990 and 1993, the re-definition of the city seemed relatively simple, as west-Berlin’s ‘interior’ policies were almost solely adapted to the increased city size. Based on the assumption of rapid and sustained growth and continuing subsidies, the city went on a spree of deficit-spending providing for the needs of the capital and social inclusion. Billions, borrowed on Berlin’s purse as collateral, were invested in addition to the federal grants into the highly necessary re-establishment of disconnected infrastructure links, into needed urban rehabilitation and its social management, but also into the presently questionable massive production of new social housing. Even more questionable were the debts taken up for consumption, as Berlin’s over-sized public sector was kept up, in part to relieve the soon critical labour market, in part to avoid alienating the social-partners.²⁸ The city’s manoeuvrability is extremely limited, as despite the highly successful establishment of the governmental functions and the emergence of some innovative economic core functions – e.g. Berlin has become an international focus of the new media, of an innovative ‘culture related industry’²⁹ and research – some basic as well as newly emerging needs can hardly be met and the city’s capabilities for social action are severely restricted. However, the same debts, which now prove so problematic to repay, have greatly helped overcoming the effects of division. The city has improved structurally and functionally.

²⁷ A special treaty between the federal government and Berlin on special cost imposed by the governmental functions, scarcely covers some extra cultural cost (esp. museums) and extra security provisions.

²⁸ On the one hand, the expected economic development did not materialise. On the other hand, German tax laws have relieved business and thus decreased the cities’ income further. Thirdly, expenditures have risen considerably above expected levels, as social assistance (Sozialhilfe) is a local authority task. On top of this, the Berlin owned banking system has all but collapsed and Berlin could become liable to repay up to more than 30 billion euros on the banks’ commitments.

²⁹ The term ‘culturepreneureism’ has been struck by Sebastian Lange (IRS), which covers a wide spectrum of new businesses related to the production and dispersion of marketable culture. See: www.sichtbar.de
3.2.1 Government and governance

Despite many impressive results, major mistakes were made in designing and implementing Berlin’s post-unification policies. Whereas some of these might have easily been predictable and avoidable, others were hard to avoid, even if predicted. However, in a problematically unspoken agreement between politicians, investors and last but not least planners and researchers, all cautioning remarks about the city’s opportunities for growth and economic expansion were wiped under the carpet in a hype of expectations.

- In contrast to the expected population influx of one additional million inhabitants over little more than a decade (FNP, 1994), only approximately 50,000 additional residents are counted by 2003. This balance occurs despite a high influx of newcomers, as by far more ‘able’ residents than expected have crossed the city boundaries taking their revenues with them to Brandenburg.

- As the building and urban rehabilitation policy was based on an expected population increase which did not materialise, a mis-match between demand and available housing has built up. Also considerable mis-spending of public subsidies took place, as many dwellings produced or refurbished with public subsidies and tax relief remained empty. The majority

![Graph](image-url)

**Figure 3.3 – Population development post 1990–2000**

**Table 3.2 – Berlin population development 1990–2000**

<table>
<thead>
<tr>
<th>Year</th>
<th>1990</th>
<th>1995</th>
<th>2000</th>
<th>diff./1990/%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Berlin</td>
<td>3,433,700</td>
<td>3,471,000</td>
<td>3,382,000</td>
<td>-1.5</td>
</tr>
<tr>
<td>West</td>
<td>2,176,000</td>
<td>2,170,000</td>
<td>2,113,000</td>
<td>-2.1</td>
</tr>
<tr>
<td>East</td>
<td>1,275,726</td>
<td>1,301,000</td>
<td>1,269,654</td>
<td>-0.9</td>
</tr>
<tr>
<td>Reinickendorf</td>
<td>249,642</td>
<td>253,070</td>
<td>245,600</td>
<td>-1.6</td>
</tr>
<tr>
<td>Marzahn</td>
<td>167,371</td>
<td>159,700</td>
<td>136,900</td>
<td>-18.2</td>
</tr>
<tr>
<td>Hellersdorf</td>
<td>120,912</td>
<td>137,219</td>
<td>126,818</td>
<td>4.8</td>
</tr>
</tbody>
</table>

Source: State Statistical Office

30 Especially the problematic role of research in the process of political mistakes being made in relation to the large housing estates in Berlin will have to be one topic of the governance studies to follow.
of the large new ‘development areas’ (Entwicklungsgebiete) did either not meet their expectations or had to be abandoned with – for the present – the loss of the major part of Berlin’s investment into the preparation of building-space.\textsuperscript{31}

- The forecast rapid transition from the old subsidised economies to Berlin’s becoming a new industrial and service capital of Europe neglected major impediments. Berlin had little ‘natural’ advantages to lure large national or international post-industrial employers to move their head functions to the city.\textsuperscript{32} Thus, instead of an overall increase in jobs and revenues from incomes, over 500,000 industrial jobs were lost after 1992 and only 260,000 media and new economy and other compensatory positions have been added to the job-market. Some 80,000 of them are related to the government’s move to Berlin and 40,000 have emerged in the new media and knowledge based industries. The overall loss of jobs is reflected in constantly high jobless-rates of mostly above 200,000 since the mid 1990s. Unemployment to a great deal affects older residents with a low qualification who had hardly any chance to filter up to the new economy’s jobs, even despite the Senate’s considerable training efforts during the 1990s. Job distribution in space indicates still prevalent western job-pools and a definitive low in and around the large estates, especially in the east.

- The only danger indeed seen for the city’s development in the early 1990s, were those of increased segregation and spatial polarisation developing with the envisaged transformation and growth. They were uttered especially by the population in and near the centre. However, these fears were mostly put aside by the ruling coalition as unavoidable collateral damage.

\textsuperscript{31} In 2003, all publicly employed developers (Entwicklungstraeger) are being disbanded with a loss, instead of having earned money for Berlin. The basis idea between the public developer (in the legal form of a Ltd.) was that the state of Berlin provided land cheaply and earned the returns after quality improvement, when the finished new buildings (dwellings and/or commercial) were finally sold to the end-users. However, these were by far less interested and numerous than expected and no development areas has achieved the planned quantity of building.

\textsuperscript{32} Many eastern competitors (Prague, Warsaw, Budapest, Moscow) allowed access to markets that were closed before, whereas the German market was well provided for from western towns (i.e. Frankfurt/Main as the unquestioned banking capital of Germany) and the unemployed workforce was expensive and of relatively low skills, typical for subsidised economies.
It was hoped that good spatially oriented social policies would minimise the effects of transition and respective policies (neighbourhood management, social planning), based upon the undeniable success of west Berlins social integrative policies of the 1970s to 1990, were established. However, in an unexpected manner, social polarisation has occurred in those medium quality inner city areas with a formerly highly mixed population, as the post-unification open borders provided a first chance for sub-urbanisation.

In order to manage the foreseen transition and growth, public debates on a city and neighbourhood level were also given an important role in enhancing civil societal participation.

Picture 3.2 – Urban rehabilitation in Berlin Prenzlauer Berg, Building sites since the early 1990s, much needs to be done as the vicinity of ‘over-done’, ‘well-done’ and ‘rough’ prevents the establishment of reliable regional market values. (Photo: IRS, Thomas Knorr-Siedow, 2003)

Even the boom-towns of Munich and Frankfurt have come under severe pressure, as wealthy residents often have moved to suburbia and the liberal German tax-system allows leading companies of world renown to proclaim that they have not paid any German income tax – which partly feeds the municipalities of residence – for the last years.
and infra structurally supported by the country wide programme of the ‘Socially Integrative City’.

Although the problem of ‘public poverty’ hits most German towns and cities, it is especially hard for the ‘unfinished’ city, as many ‘interior’ problems still await their solution; either due to mismanagement or because they were just too big to be dealt with in little over a decade. At a time, when Berlin is affording the funds for active policies only with difficulty and even complementary funds to gain access to federal or EU money are rare, the need for strict budgetary discipline is hard for politicians as the consequences for the voters are hard: public services are becoming increasingly expensive, hospitals are being closed and the roads are getting bumpier. For the future, it will be difficult to get to a balance between saving and suffocating development, as still enormous tasks lie ahead:

- huge empty space near the city’s eastern centre is awaiting use;
- some regions resemble perphorised urban islands or a mix of newly refurbished beauty and boarded up devastation more than functioning quarters;
- the continuous postponement of the new joint Berlin-Brandenburg airport has all but gambled away any chances for Berlin becoming an air-transport hub of European importance;
- over a hundred schools and kindergartens east and west need urgent refurbishment, the police is partly working in ruinous buildings etc.;
- the cost of social benefits is at a record peak, while tax revenues from companies and individuals are falling;
- a specially cynical problem is connected to the over 160,000 vacant dwellings, many of which are public property although managed by private law companies. They are a constantly strain on public funds; for their upkeep or demolition as they often carry heavy mortgages to be repaid in any case.

Thus, as Berlin has found out that it will hardly ever re-attract the full scope of national functions and economic importance it once had, the previous visions of grandeur are being cut back to a more realistic level. The present coalition is dedicated to following a complex strategy, which reflexively reacts to impediments and opportunities as they emerge and some first success becomes visible despite the hard conflict over spending and service quality. Priorities were laid with the city government’s work programme for the present legislature, which is based on an integral of knowledge orientation.

Much will depend on whether the ‘savings-oriented’ and the ‘action-oriented’ fractions of government will overcome their conflicts and whether Berlin’s knowledge and cultural power can be grounded in a post industrial economy, the value adding capital functions and the city’s scientific potential, providing for cultural and urban atmospheric attraction.

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34 Additional central functions would contradict Germany’s present logics: the evolved economic power structure and the German federal model forbids Berlin’s re-entering into a central role, exceeding hosting the government and profiting from being its ‘infrastructural servant’. Also European (or other supra-national) organisations are not likely to move to Berlin, as the European east is still under-represented as a host to (wealth-creating) international institutions. Thirdly, any mass-employing re-industrialisation seems beyond imagination, as long as German incomes drastically exceed those just a couple of kms to the east and the unemployed work-force is not generally of high training standards.
3.2.3 Berlin’s housing stock, quality and price-system

After ten years of extensive building and renewal Berlin still has a highly divided housing market, although the border-lines have changed decisively. Whereas shortly after the wall fell, the borders between a highly developed and a neglected housing stock followed the old east-west line of demarcation, by now some eastern parts – inner city and old suburban – have caught up with western standards and have developed a quality image of their own. Inner city parts of Mitte, Prenzlauer Berg, Friedrichshain and suburban Koepenick have become highly fashionable. They probably are the first neighbourhoods of a post-unification Berlin image, as an east-west social mix dominates the milieus. During the same time some western parts – inner city – have fallen back despite a good technological standard. The social situation, image and the residing milieus have won importance in characterising the neighbourhoods.

Table 3.3 – Berlin’s housing in figures 2002

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>1</td>
<td>dwellings in Berlin built before 1918</td>
</tr>
<tr>
<td>2</td>
<td>dwellings in Berlin built before 1948 (incl. 1)</td>
</tr>
<tr>
<td>3</td>
<td>dwellings built by the east German government</td>
</tr>
<tr>
<td>4</td>
<td>of which in 17 eastern large housing estates</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>large housing estates in Berlin west (500 + dwellings)/inhabitants</td>
</tr>
<tr>
<td>6</td>
<td>housing with controlled rent (social housing and contractual agreements between owners and Berlin)</td>
</tr>
<tr>
<td>7</td>
<td>dwellings lacking modern technical amenities (west)</td>
</tr>
<tr>
<td>8</td>
<td>lack of central heating (east)</td>
</tr>
<tr>
<td>9</td>
<td>no bathroom (east)</td>
</tr>
<tr>
<td>10</td>
<td>no toilet in flat (east)</td>
</tr>
<tr>
<td>11</td>
<td>dwellings lacking modern technical amenities (east)</td>
</tr>
<tr>
<td>12</td>
<td>rental units owned by public corporations in Berlin</td>
</tr>
<tr>
<td>13</td>
<td>cooperative housing in Berlin</td>
</tr>
<tr>
<td>14</td>
<td>social housing or contracted as social housing, owned by public corporations (2001)</td>
</tr>
<tr>
<td>15</td>
<td>available floor-space per capita (west)</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>available floor-space per capita (east)</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>single households 1991</td>
</tr>
<tr>
<td></td>
<td>1995</td>
</tr>
<tr>
<td></td>
<td>2000</td>
</tr>
<tr>
<td>18</td>
<td>households 1991</td>
</tr>
<tr>
<td></td>
<td>1995</td>
</tr>
<tr>
<td></td>
<td>2000</td>
</tr>
</tbody>
</table>

Source: IBB, 2002; IRS

* In the same official texts the figures vary between 235- and 240,000 flats.
** Another official paper counts all inhabitants of panel flats including smaller inner city projects and finds 700,000 residents (Senatsverwaltung, 1996)
Berlin’s overall housing stock has risen from approximately 1.72 million units in 1991 to 1.86 in 2001, of which 62 per cent were in the former west-Berlin and 38 per cent in eastern districts. Being a tenement city, 91 per cent are in multi-family buildings and only 9 per cent in single family houses or duplexes. Also being a traditional ‘renter’s city’ (Mieterstadt), 90 per cent (falling as ownership is slightly increasing) of all flats in multi-family homes are rental.

Within the overall good or improved housing stock of Berlin, the large housing estates are in a position of good to above average technical outfit, as all homes in this category, west and east have an interior bath and central heating. Only certain types of five floor buildings in the east are technically disadvantaged in comparison to other post 1950s buildings, as they have no

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35 ‘Standard local rents’ are average rents with an upper and lower extreme cut off.
lifts. The largest remaining groups of badly equipped homes in Berlin are approximately 50-60,000 eastern pre-First World War flats which have a general maintenance backlog. Most of these flats are in the rear substance, some of them rarely reached by the sun.

Housing prices in Berlin have been developing under the same laws as in post-unification Germany on the whole. Thus, at present, rents are only slightly differing between locations and depend most on the outfit of the flat. It is still possible to find rents (cold, net) about 2.5 euro per square metre in ‘posh’ western districts, however over the last decade more regional differentiation has built up.

In addition to the net rent, approximately two euro for heating and services must be added, which are significantly higher in larger buildings, i.e. the large majority of the large housing estates in comparison to other types of building.

The figures show a drastic increase in the money spent on housing over the last decade in Berlin, where the east has lost a rent cost advantage and the lower average incomes are reflected. However, the overall rent and housing cost situation in Berlin with rather high proportions of the population spending a third of their incomes on housing reflects rather more the generally low incomes in the city. Other German cities have by far higher rents, and incomes.

3.2.4 The large housing estates as part of the housing stock

Berlins large housing estates reflect the respective eastern and western housing policies. Whereas the eastern estates were understood and until 1990 accepted as the prevalent model of mass housing, the western estates were part of the model of social housing and went through all the respective stages of acceptance (1970s), rejection (late 1970s and early 1980), rehabilitation and improved rentability (post 1980s into the present research phase).

Despite west-Berlin’s belonging to the western ‘hot-spots’ of building large estates during the 1960s and 1970s, the ratio of large housing estates is only at approximately 6 per cent, even when projects over 800 dwellings are counted. Spread throughout the inner city (many medium sized projects on bombed out ground and later as ‘replacement’ in ‘scrap and build’

![Figure 3.7 – Rent levels in German cities by age of rented building](source)

renewal, i.e. in Kreuzberg) and located at the urban periphery, of the total of 113,000 dwellings, 27,500 were counted as ‘problematic’ in 2002, 61,000 as needing some preventive care and 24,000 dwellings were thought to be ‘stable’ in a research carried out by the Berlin Senate in 2001 (partly published in IBB 2002). The Maerkische Viertel and some adjacent large estates were seen as ‘prevention care areas’.

Due to the extreme post-unification demand on the eastern side, any rehabilitation activities in the west was concentrated on a limited number of the problematic sites in order to prevent their loss of value and to enhance their social viability, however after 1990, the western estates were not included in the ‘eastern programmes’. Problematic estates were partly covered by the programme of the ‘Socially Integrative City’, which does not distinguish between building types: the Rollberg estate in Neukoelln, ‘Sozialpalast’ in Schoeneberg, and NKZ (Neues Kreuzberger Zentrum) in Kreuzberg (all inner city rim locations), where the situation became especially unpleasant: conflicts between residents, ethnic conflicts and the loss of German residents prevailed. Other western areas were only relieved from special restrictions on letting, as they could, from 2001 onwards, try to attract a non-social housing clientele in order to improve the social mix; a policy which generally increased the social differences between the

Figure 3.8 – Large housing estates of 2,500 and more dwellings
estates, as ‘only well located estates attracted a considerable amount of affluent residents’ (Interview: housing manager western estate, 2003).

All eastern estates, in contrast, were valued as ‘problematic’ in a sense that they needed special state support and intervention. The 236,000 dwellings, housing approximately 535,000 people (2000), included only a small amount of inner city or city rim projects (Heinrich-Heine-Quarter, Karl-Marx-Allee West, Greifswalder Strasse), whereas the large majority was situated in usually well connected, but peripheral locations on former agrarian or green-field locations; forming an eastern ‘panel-belt’ between the pre-war urban structure and the 1920s suburbia or the open landscape.

At present, the situation of the large housing estates on the market and the viability of their owners varies widely:

• many smaller and medium sized estates are well rented out throughout the estates. Problems of viability do not exist there;
• especially larger estates have different sectors between well rented out and economically difficult parts. There, location seems to be more important than the type of building; however; except for central locations (inner city or at the centre of estates) high-rise blocks seem more difficult to let without special services (concierge, age related services etc.). In

---

Figure 3.9 – Large housing estates in east Berlin

1 Karl-Marx-Allee
2 Fischerinsel
3 Leipziger Straße
4 Friedrichshain und Leninplatz
5 Straße der Pariser Kommune
6 Frankfurter Allee-Süd
7 Leninallee/Ho-Chi-Minh-Straße
8 Greifswalder Straße
9 Hohenschönhausen
10 Hans-Loch-Viertel und Am Tierpark
11 Friederichsfelde-Ost
12 Salvador-Allende-Viertel Köpenick
13 Berlin-Buch
14 9. Stadtbezirk Biesdorf-Marzahn

Source: Rietdorf, 1988
these estates, the economic viability depends heavily on the amount of ‘problematic’ parts and, whether the unproblematic parts can only be let at prices below a long term feasibility;

• in many estates, the overall viability of the owners is under pressure due to high and rising vacancies (estimated as problematic if over 7-10 per cent and endangering the company if over 15 per cent);
• these relations affect public housing companies as well as cooperatives, who often have been more careful in investing and thus can offer slightly lower rents.

3.2.5 Post unification problems between policy and socio-spatial relations

‘Place-making’ in a foremost economic, but also social and cultural sense can be seen as a major post-unification policy target of the city/state governments in an effort to answer to (expected) demand and setting incentives for investors and residents. However, place-making policies in Berlin have at the same time proved highly successful and especially vulnerable to changes. Whereas the success factors seem to depend on a certain mix of actor relations and the locale (Interview: housing manager, 2002), the vulnerability seems to lie in the difficulties to reach synchronisation between social developments and the development of the built environment. As a considerable time passes between decision making on building, planning and the final ‘product’, often the time structure between the development of reasons for action and the remedies hardly fit, which becomes a specially grave problem in transition societies, when different experiences, identities and perspectives have to be merged.

A key example for the difficulty in synchronising reason and action can be described in the management of housing and social policies for problematic neighbourhoods. The early misjudgement of the population development has led to an overhang of available housing of approximately 200,000 dwellings in the region, of which over 160,000 are on Berlin ground (estimate of late 2002 by the Berlin Senate for Urban Development):

• approximately 60,000 mostly vacant inner city flats (1990) were refurbished and re-integrated into the inner city housing market;
• a thorough improvement of some 230,000 thousand refurbished flats (1990-2002) in old inner city quarters and large panel estates has shifted the balance between special market sectors. Whereas the former eastern inner city became available as a quality housing sector (bathroom, heating, new appliances), the large estates’ flats were – with notable exceptions – improved with a relatively smaller difference to their former quality;
• the new construction of approximately 150,000 new dwellings (region) between 1993 and 2002, almost all of which are indirectly and many directly subsidised, has lead to a further

<table>
<thead>
<tr>
<th>Year</th>
<th>1990</th>
<th>1995</th>
<th>2000</th>
<th>diff./1990/%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Berlin</td>
<td>3,433,700</td>
<td>3,471,000</td>
<td>3,382,000</td>
<td>-1.5</td>
</tr>
<tr>
<td>West</td>
<td>2,176,000</td>
<td>2,170,000</td>
<td>2,113,000</td>
<td>-2.1</td>
</tr>
<tr>
<td>East</td>
<td>1,275,726</td>
<td>1,301,000</td>
<td>1,269,654</td>
<td>-0.9</td>
</tr>
<tr>
<td>Reinickendorf</td>
<td>249,642</td>
<td>253,070</td>
<td>245,600</td>
<td>-1.6</td>
</tr>
<tr>
<td>Marzahn</td>
<td>167,371</td>
<td>159,700</td>
<td>136,900</td>
<td>-18.2</td>
</tr>
<tr>
<td>Hellersdorf</td>
<td>120,912</td>
<td>137,219</td>
<td>126,818</td>
<td>4.8</td>
</tr>
</tbody>
</table>

Source: State Statistical Office, 2002
distortion of the market, as the ‘artificially’ low rents open a new type of quality competition: certain age groups of western social housing – i.e. in large housing estates – are ageing and more expensive than the highest quality new social housing; also refurbished eastern panel flats are only minimally less expensive than the new quality developments.

The main directions of movement in Berlin post unification and the consequences are:

- many west-Berliners, especially young families, have soon after unification and the lifting of legal restrictions realized their long grown wish to move out of town. Savings from before unification allowed a swift change of location to early suburban developments on green-land in south-western Brandenburgian ‘border regions’ of former west-Berlin. The results are felt, as active citizens have left formerly attractive neighbourhoods to lower income groups with thus increasing social problems;
- after approximately 1995/1996, east-Berliners, often young families, from the run-down inner-city and the large estates, who had improved their incomes were able to save and get a mortgage or qualify for the ownership strand in social housing. Main directions: eastern low density areas of small homes of the 1920s, where infills were built on divided large plots (due to the fact that Berliners had a ‘citizens’ privilege’ in social housing, if they built in Berlin) and on the eastern (Brandenburgian) perimeter. The consequences were a social homogenisation on a lower level in the original quarters;
- ‘urban’ east- and west-Berliners from large housing estates moved to the attractive (and relatively expensive) eastern inner city districts (Mitte, Prenzlauer Berg, later Friedrichshain) as soon as refurbished housing became available after approximately 1993. This led to some gentrification in the eastern inner city – especially where owner-occupied flats became available – and vacancies or a decrease of social standards where they left;
- also urban western German and European immigrants moved to the eastern inner city, where gentrification was possible (buildings and flats at lower than average prices to refurbish) producing pressure for poorer residents;
as by far less new residents than expected came with the government, thousands of homes specially earmarked for government employees\(^\text{36}\) for the open market, relatively devaluing other medium quality developments; since approximately 2000, integration oriented non-Germans with a long residence tradition have started to leave neglected old western quarters for some large estates (east and west), as they allow immersion into German dominated neighbourhoods. Whether the expected consequence of a development of ‘slums’, left by all able residents will materialize is still uncertain. These movements have had many individual positive effects, as they have allowed the improvement of housing conditions at low cost increases. However, the movement of over 2.5 million households\(^\text{37}\) has led to processes of socio-spatial segregation, which were formerly

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\(^{36}\) Usually refurbished flats and houses formerly used by allied forces dependents.

\(^{37}\) 70 per cent of the population as a statistical quantity have moved house since 1991, many of them, however, more than once, so that not only 30 per cent stayed put. (Investitionsbank Berlin, 2002).
unknown in the proverbial social-mix-city of Berlin. In some neighbourhoods (Häussermann, 2000; Droste and Knorr-Siedow, 2002), the danger of social exclusion has come up, leading to a change in the city’s and districts’ social climate. This often can mean a final blow to the city’s urban renewal target to curb the development of segregated quarters by producing a variety of dwelling quality at different prices in one space. For the period between 1994 and 2000, the old inner city dwellings were still more affected than any other forms of housing. But since then the interviews show that some of the large housing estates in the west, i.e. in Gropiusstadt and especially some of those in the east are already bearing the affects of this development. They have begun to act as ‘the social vacuum-cleaner, that sucks up all those, who cannot afford living in those inner city quarters that are being upgraded and gentrified’, as Hanno Klein (then investment consultant for the Senate for Urban Development) predicted as early as in 1994, when the city government and housing companies still made belief that especially the eastern estates could be stabilised for good.

The resulting ‘black belt’ around the inner city reflects the rising number of households, which are dependent either on unemployment benefits (currently at almost 20 per cent of the population) or social benefits (currently at approximately 8 per cent of the population) and their accumulation in space. They are at a relatively stable level near one-third (peak in 2003, low in 1995) and, by this lower than some other eastern states, but by far higher than in any western state.

Figure 3.12 – Social index atlas of Berlin (1997)

The ‘black-belt’ of less privileged districts: the darker the social index is, the stronger the multiple disadvantages for the residents.

38 The ‘Social Atlas’s’ index is based upon a complex mix of data including type of income, net income, family structure, nationality, health, education etc.
3.3 Neighbourhoods in the city

Berlin being a polycentric city, neighbourhoods have always played an important role in the residents’ everyday lives. The plot, the block and the street and especially the traditional street corners have been identifying spots in the lives of people and change, like the movement out of business and small workshops from the housing neighbourhoods or the influx of foreigners during the 1970s and 1980s became visible. The polycentric structure of Berlin allows for many residents to refer to neighbourhood centres in a close vicinity. Even if they live in rather low density areas, an old village or town centre will be in easy reach. Thus, many of the old-town dwellers, especially younger families and the aged, but increasingly also the unemployed and those dependent on social assistance are able to live very parochial lives, and move to the centre only for special occasions. Often, Berliners speak about ‘going to town’ meaning one of the larger centres, and it is not uncommon for people from Spandau (which has a strong and attractive centre with an effect deep into the state of Brandenburg) or Schoeneberg (central but parochial in former west-Berlin) not to have left the neighbourhood for weeks or months, as all amenities are around.

Neighbourhoods and centres differ widely in their appearance and quality: some have taken on an ethic mix character while others are ‘still in German hands’, some have undergone transformations and periods of gentrification and others are highly stable bourgeois or lower class. Noteworthy is the fact that many well established western neighbourhoods and their centres have lost attraction (and shops) after unification, as other, more attractive locations sprung up there.

From the 1960s onwards, neighbourhoods thus became foci of Berlin’s interior development, as rehabilitation attempted to ‘re-invent’ small scale and ‘liveable’ environments. Especially after 1995 and the establishment of ‘Neighbourhood Management’ as an integrated form of rehabilitation and social development policy for problematic neighbourhoods, the small scale live environment has become a field of policy with a perspective. New forms of participation and budgeting are being experimentally introduced and the neighbourhood might become a focal point of building up new capacities for governance.

The neighbourhood structure of the large housing estates is often rudimentary, as the large buildings and especially the vertical communication are inhibiting certain ‘street-level’ contacts and the visual integration into socio-spatial relations. Whereas the western large estates were often belatedly fitted out with attractive centres, neighbourhoods with a special identity have only developed rarely and, sometimes as quasi neighbourhoods on a high-level within a group of floors within buildings. The creation of identifiable space was put high on the agenda of the eastern large post-unification states development. The monotony of the indistinguishable structure, which was related to the often massive use of ever the same building type (blocks, high-rises, kindergartens, schools etc. of a very limited variety) was meant to be overcome by local spatial concepts (see the Marzahn and Hellersdorf cases) and especially colour and greenery were used as factors of spatially distinguishing features.
3.4 Conclusions

Despite problematic mistakes in governance, Berlin has, over little more than a decade, been able to preserve some of the two ‘half-cites’ qualities and at the same time to enhance the city’s liveability and functionality. However, grave development problems remain, which will have to be solved in the future in building the economic, socio-cultural and spatial city on the basis of some highly successful stepping-stones, developed over the last ten years and grounded in the history of successful urban change.

Viewing from the present perspective: Without the government’s relocation, Berlin could easily have become Germany’s poor house in an ‘eastern outback’. Not moving the capital east would most certainly have also been understood as a signal of the feared ‘old BRD’s’ unwillingness, ‘to give something up’ for German internal unity.

A strong hypothesis is that the sectoralisation of policies and departments, the hermetisation between policy levels, and especially the differences of interest within the public sector and politics have led to a fragmentation, which has blurred a holistic picture of the assets and deficits and the perspectives of the city. A deeper look needs to be taken into the reasons for the inability of professional planning and research to introduce their views into the debates. A multi-level perspective, reflecting local and state levels will be appropriate for further research within the governance strand.

In its multi-target policy of urban rehabilitation in the old city, in the large (eastern) estates and by providing new homes on a massive scale, the missing policy links and the neglect of ‘random information’ could be interpreted as the main reason for the present mis-match between population development, housing aspirations and the housing market. An important task in consequence of this mis-match will be to link the two main-strands of rehabilitation policies, refurbishing old-town housing and the estates. However, difficult legal and property-rights questions and a new public debate about urban housing is seen as a precondition to get out of the fix, the Senate and the housing companies got into by refurbishing ‘bad’ inner city backyard housing parallel to well equipped panel estates at the same time and above demand. The Berlin RESTATE research will try to assist in these tasks by providing information and a debating ground.

The different eastern and western estates and the respective policies of an action orientation (east) vs. a low-scale encouragement (west) seem to be appropriate levels of discourse, as for the last ten years, a wide difference has opened in the local and state actions.
Maerkisches Viertel in Berlin: general description

The large housing estate of the Maerkische Viertel (MV) in the Berlin district of Reinickendorf (246,000 inhabitants; 130,000 dwellings) is situated towards the north-western periphery of former west-Berlin. It is an urban infill in a predominantly suburban polycentric district.

Until the wall came down, the MV was partly encircled by the east German border-fence. Through this location, the estate had many disadvantages in transport links to the west-Berlin’s centres. But it also had the advantage of the vicinity to open space and one of the few remaining ‘real’ farming-villages of west-Berlin (Luebars). Since 1990, the estate benefits greatly from the now accessible rural Brandenburgian vicinity and a new embedding into north-Berlin’s urban structure. Traffic links within west-Berlin, originally a major problem of the estate, improved only after a considerable time. Only during the 1970s, good road links to the urban-motorway were established and as late as by the end of the 1980s, the municipal railway and a new underground cut the time to central locations from 40 minutes to less than half an hour.

Figure 4.1 – Reinickendorf/The Maerkische Viertel in the city

Source: Senate for Urban Development, 2003
The MV contains 16,000 flats housing approximately 38,000 inhabitants in ten distinctly different ‘built entities’. Also approximately 500 single family homes were built as well as ateliers for artists in order to provide a place for a differentiated social structure. The estate covers some 370 hectares (District of Reinickendorf: 8,950 ha) and the density of the estate is at approximately 120 inhabitants/hectare at a space use factor, which is slightly higher than that of earlier post war housing estates.

Table 4.1 – Population in the partial regions of the Reinickendorf district

<table>
<thead>
<tr>
<th>District region</th>
<th>Inhabitants</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reinickendorf</td>
<td>73,947</td>
<td>urban housing and industry, shopping and administration</td>
</tr>
<tr>
<td>Tegel</td>
<td>33,942</td>
<td>urban/suburban, centre</td>
</tr>
<tr>
<td>Konradshoehe/Tegelort</td>
<td>6,041</td>
<td>suburban/urban</td>
</tr>
<tr>
<td>Heiligensee</td>
<td>17,816</td>
<td>suburban</td>
</tr>
<tr>
<td>Wittenau</td>
<td>28,907</td>
<td>suburban</td>
</tr>
<tr>
<td>Frohnau</td>
<td>17,114</td>
<td>suburban</td>
</tr>
<tr>
<td>Hermsdorf</td>
<td>17,177</td>
<td>suburban</td>
</tr>
<tr>
<td>Waidmannslust</td>
<td>10,349</td>
<td>suburban</td>
</tr>
<tr>
<td>Luebars</td>
<td>4,963</td>
<td>suburban</td>
</tr>
<tr>
<td>Maerkisches Viertel</td>
<td>36,046</td>
<td>large housing estate, centre</td>
</tr>
</tbody>
</table>

Source: District Reinickendorf of Berlin/IRS, 2003

Figure 4.2 – MV 1963 plan of large estate building area and small ownership structure at the urban fringe
4.1 Physical structure

The urban design framework was developed by the architects Mueller/Heinrichs and Duettmann (then the Berlin Senate’s ‘building director’) under contract of the Berlin Senate. ‘The attempt is made to enclose the preserved and new single family home areas with a grand movement of multi-storey housing; in the middle, along Wilhelmsruher Damm they are linked together in a centre.’ (Mueller, cited by Berning, Braum and Lüdtke-Daldrup, 1990).

The differentiated massive blocks were meant to provide for a new form of urbanity through the interconnection of mostly very large buildings and a structure of large courtyards in a green urban landscape. The major buildings’ heights vary between five, eight and 14 floors and show a higher density towards the fringe and the centre of the estate with height-dominating buildings of up to 18 storeys. The shape of the buildings with their changes in the facades ‘springing back- and forward’ (Berning, Braum, Lüdtke-Daldrup 1990), and with changing heights within the individual buildings, were understood as a ‘resolute contrast to the previous mass production of straight linear blocks … lacking an urbane structure’ (Interview: planner from the original period, 2003). Schools, sports and leisure facilities are situated in a green ‘ribbon’ along a small stream and partly within the yard structure. The ‘town centre’, which today houses all central amenities of an urban district, is situated on an east-west boulevard with an optical ‘cross-cutting’ of buildings about half its way, the ‘Bridge’. Some sub centres providing for every-day needs are situated at easily accessible points.

Picture 4.1 – MV view from north-west towards the centre (Photo: GESOBAU)
4.1.1 Housing conditions
As with much of the western German social housing, the design and material quality of the buildings was of the period’s highest standards. Different building technologies were applied, including pre-cast concrete panels and other forms of building with concrete. As the building prices and the resulting cost-rent were extremely high for the time, quality seemed certain and only later the consequences of the choice of materials and technology became clear, as the buildings proved frail and became deficient, needing refurbishment as early as approximately one decade after the first resident moved in.

At present the technological housing conditions are ‘roughly satisfactory’ (Interview: housing manager, 2003) where the 1980s refurbishment and steady maintenance have held up ageing. However, in some places, modernisation and maintenance are wearing off with the result of a deteriorating rentability.

4.1.2 Quality and character of the environment
Built on cleared land, the estate’s landscaping today provides a green environment with an ‘umbrella of trees’ that has grown over the years, changing the appearance from ‘blocks on a concrete parking lot’ (Interview: planner from the original period, 2003) to a green environment. During the vegetation period the height of the buildings is hidden from a pedestrian

Figure 4.3 – Master-plan of the Maerkische Viertel as of 1970
perspective and even in winter, evergreen plants dominate the views. Greenery also plays a major role in shaping the public space and separating it from the ‘semi-public’ access areas to the buildings and the ‘resident’s privacy’ of the inner yards and family houses. The northern open landscape is within a foot’s-walking distance for most residents and easily accessible.

All flats are equipped with bathrooms, lifts and balconies and the flat lay-outs reflect the most advanced results from housing research of the 1960s and 1970s. The estate is provided with centrally produced heat and warm-water from over a grid from a separately located power station. Much attention was given to allowing for adequate direct sunshine periods for all flats and for good ventilation.

4.1.3 Housing and design

The building structure is dominated by individual very large (and up to almost one km long) blocks and high-rises designed by German and international architects. The facades have changed their appearance over the decades. Originally partly done in rough concrete and glaring bright plaster contrasting to strong colours, the majority of the buildings have taken on more ‘easy to perceive’ beige tones during the 1980s refurbishment, but, against the advice of

Figure 4.4 – Floor plan ‘Gages and Theissen’

As housing and design are highly interrelated with the urban structure, this paragraph, section 5.1, has been included here.

Feig, Leo, Gagés and Theissen, Unger, Plarre, Stranz, Gisel, Mueller & Heinrichs, Zarina, Juckel, Woods, Zimmermann, Pfannkuch, Schudnagies, Ginelli, Lee, Duettmann.
monumental preservers lost some of their ‘modernist’ clarity. But with these changes during the 1980s some of the residents’ critique about the ‘dreariness’ of sights could be shaken off. Strong yellow, however, remains the major colour of the large blocks near the centre.

The flat and room sizes are governed by the rules of the social housing regulations, which were focussed on housing the traditional ‘small family’ of parents and children with living-room, kitchen, parents-sleeping and children’s rooms. A quantitative break-up of the flats ranges from one room-flats to five room flats of between approximately 38 to 120 square metres; 11 square metres seemed adequate at the time for a room for up to two children.

Whatever critique was aired about the buildings, the built and social environment and, especially between 1980 and 1990 about the maintenance standards (leaking roofs and windows, dripping radiators, crumbling concrete), the flats’ design quality and usability were usually praised: ‘the flats are the best about the MV’. (Interview: resident). However, presently maintenance backlogs in certain buildings again lead to critique, as again windows start leaking and facades become bleached out and appear dirty.

4.1.4 Rents and prices

The rents within social housing or adequate segments of the MV (the vast majority of the housing stock), are classified in the Berlin ‘Rent-Mirror’ as a ‘simple-location’ (area of lower spatial and building standards), setting the range of rents below the district median and at the same standard level as south-eastern older Reinickendorf neighbourhoods.

Despite the fact that the requested Gesobau rents (net) are mostly well below the legally possible level of the Berlin Rent-Mirror for the area, a large group of the tenants complains

\[\text{Table 4.2 – Rent levels of the Berlin ‘Rent-Mirror’ for the MV}\]

<table>
<thead>
<tr>
<th>Standard</th>
<th>Rent/sqm/month (cold, minus services) August 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central heating, lift, bathroom and interior WC</td>
<td>average: €4.73, min.: €4.03—€5.90</td>
</tr>
</tbody>
</table>

Source: Berlin Rent-Mirror (www.stadtentwicklung.berlin.de/wohnen/mietspiegel/de)

\[\text{Table 4.3 – Rent within the Gesobau stock per square meter per month in euros}\]

<table>
<thead>
<tr>
<th></th>
<th>1990</th>
<th>2000</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent – net without services</td>
<td>2.38</td>
<td>3.56</td>
<td>3.79</td>
</tr>
<tr>
<td>Rent including services and heating</td>
<td>4.69</td>
<td>6.74</td>
<td>7.36</td>
</tr>
</tbody>
</table>

Source: Gesobau, Berlin Rent Mirror

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41 E.g. the electric outlets determine the room’s use: a double bed with two bedside tables as ‘normal sleeping room furniture’, can only be placed in one direction as indicated in the plans.

42 In Berlin flat sizes are described by counting the ‘rooms’ (living, bed-rooms etc.); kitchen, bath-room and store-rooms are not counted.

43 The majority of the flats are social housing with a small proportion having reached the ‘free-housing-market’ due to have exceeded the period of rent-bondage. Also, a small proportion has been privatised with, however hardly higher rents. Market rents are regulated within the ‘Rent-Mirror’.

[74]
about too high housing cost, which also reflects the big span between the net rents and the additional service and heating cost, which in many cases more than doubles the net rent. This becomes especially troublesome for the renters as well as for the housing company, as the services only reflect municipal and other charges and can hardly be influenced by the company’s policies or individual resident behaviour. As very large blocks and high-rise buildings are ‘structurally’ more expensive than low-rises and smaller, well insulated buildings, the service cost prove ‘a mortgage’ on the MV, making it vulnerable to the competition with smaller estates and individual buildings.

4.2 Economic developments

The MV reflects Berlin’s economical development over the last decades. Built to house industrial and white collar workers, the slow and since 1990 accelerating de-industrialisation of Berlin soon started to have an effect on the employment situation of the estate’s residents. Only the population’s ageing prevented the estate becoming over represented in unemployment as they changed into old-age retirement.

Jobs are rare in the estate, with less than 20 per cent of the residents working within the estate. But within the commuter city Berlin, travelling towards the northern districts work-places (122,000 in 2003, falling since 1980) does not present a special disadvantage for the location and thus, the estate has an unemployment rate slightly below average. The biggest local single providers of jobs are the public sector (schools, kindergartens), the town centre (commercial, trade), an adjacent area, where production, services and logistics provide approximately 3,000 jobs and the estate’s landlord. Near the MV there are two large clinics, a traditional industrial area and one originating from the mid 1980s (production, logistics) which offer jobs also for the MV. But e.g. the clinics and one large company (production) state that their workforce might be slightly over-representing the MV, but in general it originates from all parts of Berlin.

‘Of the 113 production oriented enterprises with over five employees, approximately one-fifth lies within or adjacent to the MV, also providing approximately one-fifth of the 13,400 jobs.’ (Interview: district economic department).

44 The service cost differ widely between individual blocks. Major items are electricity (pumps, lighting), lifts.

45 Providing data on a scale below districts (app. 200,000 inhabitants) is problematic in Germany due to the German statistical system, which is highly privacy and civil rights oriented. Even on a national level (census), data are collected only on sketchy and irregular basis, since a strong data-privacy movement during the 1980s accompanied a (western) national census. A micro-census is used to prolong census data and provide trends in more detail and the states and local authorities have legally binding data collection obligations on the level of their boundaries. Obtaining data, especially on an inter-departmental level is difficult, as the boundaries of departments and institutions usually do not match: unemployment and population development are collected in a way, which does not allow combinatory analysis. This proves especially problematic with the large housing estates, as their neighbourhoods, often part of the same statistical region, are usually of a highly different social and building structure. Data on a block level are usually not available (if not collected for the purpose), as data might be retraceable to the individual.
According to the district’s economic department, the MV is characterised by a work-force with a ‘medium to lower medium qualification’. Whereas the rest of the north of the district (affluent single family homes) houses more self-employed and managerial workers, the older southern Reinickendorf has some areas of a lower status, placing the MV ‘in the middle. ... The worst period were the mid 1980s, when unemployment struck those industrial workers, who are now on old-age retirement anyway’. (Interview: district administration, 2003).

From the district’s perspective, the MV is in no way especially noticeable or should need any special employment policies, which would not be applicable to other (southern) Reinickendorf regions, as e.g. training unemployed young immigrants, generating self-employment or the re-inclusion of women into the active labour force.

### 4.3 Demographic and socio-cultural developments

#### 4.3.1 The estate’s social history of use

In 2003 the estates looks back at a history of 40 years. Designed and built between 1963 and 1975 during Berlin’s period of radical urban renewal, the MV is related to this policy in more than one way. It was situated on the on the often wet land of a ‘bidonville’, which at first came into use after the First World War. Small and hardly equipped bungalows on garden plots were built. This use was intensified since the Second World War’s housing shortage, until the 1960s policy of urban renewal led to the demolition of the primitive homes of approximately 12,000 people, who were either compensated in cash or offered a then prestigious ‘new flat’ (Neubauwohnung) in the MV. The second link to the 1960s ‘urban bulldozer’ renewal policy is that the first generation of residents were mostly ‘re-housed’ residents from the old and neglected inner city ‘sea of stone’ to be demolished. The decision to build the MV was part of the policy of societal modernisation of the 1950s and 1960s, which also had the political background of uprooting established Berlin working-class milieux with their proletarian lifestyles and radical political inclinations. Thus, many of the first generation of residents was moved to this northern district from the southern renewal areas of Neukoelln (Rollberge), while northerners from the ‘red’ Wedding⁴⁶ were moved at the same time to southern

<table>
<thead>
<tr>
<th>%</th>
<th>Estimated development for the MV</th>
</tr>
</thead>
<tbody>
<tr>
<td>sum overall</td>
<td>18,073</td>
</tr>
<tr>
<td></td>
<td>women</td>
</tr>
<tr>
<td></td>
<td>workers</td>
</tr>
<tr>
<td></td>
<td>non-Germans</td>
</tr>
<tr>
<td></td>
<td>handicapped</td>
</tr>
<tr>
<td></td>
<td>age below 25 years</td>
</tr>
<tr>
<td></td>
<td>below 20 years</td>
</tr>
<tr>
<td></td>
<td>above 55 years</td>
</tr>
<tr>
<td></td>
<td>long term unemployed</td>
</tr>
<tr>
<td></td>
<td>unemployment quota</td>
</tr>
</tbody>
</table>

Source: District of Reinickendorf, 2003
Gropiusstadt and, while improved housing conditions were understood to be an entry-point to affluence and modernity, the loss of existing social relations was understood to be without significance (Tessin et al., 1983).

As early as during the initial building period, the housing political framework for the MV changed drastically as the wall had come up in 1961. From then on, housing in west-Berlin also was part of the policy to prevent emigration and attract new qualified residents. This led to some years of a problematic confrontation in the estate. A mismatch of expectations between the ‘urban removal poor’ and the incoming west-German young qualified workers developed, as many large families in economically unstable situations, unemployed single people and those accustomed to living in a deteriorating environment found it hard or impossible to adapt to the high-rises. Also, the mix of very large rental buildings in a small scale owners’ environment was precarious, as the upwards struggling small-homes’ owners strongly rejected the disturbances by ‘hooligans from the high-rise-ghetto’ (Berliner Zeitung: headline, 1975). In addition, frustration over rent and service cost rises cumulated in 1974 in a series of tenants protests. Taken up in an exhibition at Berlin’s technical university, these marked the beginning of a first image- and acceptance crisis for the MV and the new estates in general. It eventually led to the change of the entire urban policy in West-Germany towards the 1980s policy of ‘careful rehabilitation’ and ‘it can be said that during the years 1968 to 1972 the MV was the birth-place of the urban-protest in West-Berlin’ (Berning et al., 1990). However, these near violent conflicts of the late 1960s and early 1970s later watered down to years of relative calm. Some of the problematic residents had returned to the remaining old quarters, many just grew older or were indeed integrated.

A second crisis struck the Maerkische Viertel in the mid 1980s primarily in consequence of technical deficiences, and a worsened image of the large estates and peripheral high-rise housing. With some tenants returning to the inner city and others vacating them due to age or death, over 10 per cent of empty flats were a heavy burden on the management – and on residents fearing becoming ‘the leftovers’. While many high-income earners moved out, the majority of those coming were ‘undesired’ and often added to the critique of the fist generation about the estates’ bad image. Many new neighbours were poorer people, as during the first employment crisis social housing in Berlin had to accommodate an increasing number of families in economic difficulties. As even a small number of (at that time) despised Turkish families were allowed in to fill up vacancies, a new degree of uncertainty arose amongst the first resident generation about the promise of affluence and modernity the large estates offered. In addition, an astonishing amount of technical deficiences of the still relatively new buildings further damaged the inner as well as the outer image and made life uncomfortable.

4.3.2 The management as change agent
After a period of ‘talking down’ the problems and hoping for remedy from outside, the threatening downward spiral of the MV induced the (public) housing company Gesobau to engage in a campaign targeted at technical upgrading and improving the outdoor environment

46 Eastern parts of the district of Wedding, adjacent to Reinickendorf were traditionally under communist influence before 1933 and after 1945.

47 Until the early 1980s, work-immigrants usually were not given access to social housing and the new estates in larger quantities, but rather sent to run-down old housing awaiting demolition and later rehabilitation. This led to the 1980s term of ‘foreigners as urban renewal assistants’.
in order to ‘turn the image back to positive’. Driven by a new director, who initiated a major change in the company’s governance, the tenants were accepted from the mid 1980s onwards as customers and as important bearers of knowledge about the assets and its problems. They were invited to take part in managing the change – in a tenants’ by-council Beirat – in order to re-create local pride. While the buildings and the urban environment were upgraded, much effort went into changing the image: the formerly despised ‘Lange Jammer’ (the ‘Long Yawn’), an 800 m long building by Gagés was renamed into ‘Champagnerburg’ (‘Champaign-Castle’), a change, which the residents accepted. This policy, strongly assisted by the Berlin Senate and through funds for improving the large estates led to another period of relative normality. The MV left the negative headlines and even became a permanent prime location amongst west- and later united Berlin’s large housing estates, as proved by a steady first rank after 1985 on the ‘housing barometer’ of the Berlin Senate and the public housing companies.

The over 30 million euro of subsidies for the technical repair, restructuring buildings and the out-door environment, spent between 1984 and 1990 improved the quality greatly. Dreary ‘entrance-holes’ were exchanged for an inviting architectural gesture, a new service orientation of the company and a socially inclusive management meant a lot to the tenants and ‘proved a good investment in contrast to the high cost of vacancies’ (Interview housing manager MV, 2000). A main factor of providing an improved habitat also lay in the urbanisation and conversion of the centre of the estate into a supra-local attraction through a richer variety of shops and services, organised by a British investor. The use of hitherto under-utilised land offered opportunities for new commercial and job-creating investments to the north of the estate.

However external factors for the success should not be underestimated. Thanks to immigration, a pre-unification west-Berlin housing shortage developed. The MV benefited from the coincidence of this new market pressure, the physical improvements and the enhanced image, in consequence allowing the housing company to increase investment – including some avant-
garde projects further enhancing the usability and the estate’s image. Concierges and special service housing were introduced in selected buildings and a neighbourhood cable channel was issued for the first time in Berlin. In about 1999, the Maerkisches Viertel ‘seemed to have made it’ in contrast to many other large high-rise districts. Vacancy rates since then are negligible at approximately 400 dwellings (approximately three per cent in 2003) in comparison to other western estates, neglected inner city districts and especially eastern large estates with partially over 20 per cent (Marzahn).

4.3.3 The demographic and socio-economic structure

The present demographic structure of the estate is relatively similar throughout the different sections and represents the districts average (Interview social service provider, 2003), even though the Gesobau sees a growing polarisation between ‘mainstream’ and buildings ‘becoming problematic’, which is supported by social research carried out for the company on a regular basis (unpublished). The original age differences that had developed between older and younger blocks in relation to the period of finishing building, have long levelled out. Due to the ageing of the residents and the partially transitory use of smaller flats, the number of single person households is above the district and about Berlin’s level.

At present, the Gesobau describes the residents as a mix of different social groups with a growing tendency towards lower social classes. However, small groups of ‘medium and upper medium class’ residents are also found either within groups who have increased their income during a long housing career in the MV or because the MV offered an acceptable location or flats for special demand groups (large families). The renting department sees distinct reflections of Berlin’s housing market situation and ‘waves relating to the overall demand’. In more housing demand-driven periods, the tendency to leave the estate is lower and ‘economically and socially

Table 4.5 – Age composition and household structure in the MV, in percentages, 2003

<table>
<thead>
<tr>
<th>Item</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>older households (one member above 55 years)</td>
<td>50+</td>
</tr>
<tr>
<td>households with children</td>
<td>30</td>
</tr>
<tr>
<td>young adults in households</td>
<td>4</td>
</tr>
<tr>
<td>employed</td>
<td>46</td>
</tr>
<tr>
<td>old age pensioners</td>
<td>48</td>
</tr>
<tr>
<td>in-moving households above 60 years</td>
<td>25</td>
</tr>
<tr>
<td>considering leaving</td>
<td></td>
</tr>
<tr>
<td>below 20</td>
<td></td>
</tr>
<tr>
<td>25 of which over 60 years</td>
<td></td>
</tr>
</tbody>
</table>

Source: Gesobau, 2003

Table 4.6 – Average Income of Gesobau residents, per household (at time of contracting) in euros

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>average income from work (employees, self-employed etc.)</td>
<td>1,471.23</td>
<td>1,416.25</td>
<td>1,503.69</td>
<td>1,442.53</td>
</tr>
<tr>
<td>average income from transfer income (students, unemployment benefits, students)</td>
<td>511.29</td>
<td>438.19</td>
<td>490.48</td>
<td>535.60</td>
</tr>
</tbody>
</table>

Source: Gesobau, 2003
more secure residents move in. At present, the aged and young starters from the MV are the most secure asset of the estate, and an astonishingly large and mixed group of families is represented in those moving in.’ (Interview: Housing manager, 2003). The latter, however only being possible because residents with a non-German background, who still are experiencing access problems to quality housing, are accepted.

The incoming residents’\textsuperscript{48} incomes support these assumptions about social stratification. They vary between approximately one-third being described as low-income families and a small group of ‘high-earners’. The average family incomes from employment are approximately 500 euro below the Berlin average with an over the years growing gap.\textsuperscript{49} Transfer incomes are slightly higher than on average, which is related to the age composition.

4.4 Conclusions

The physical appearance of the MV makes it a heterotop in a largely traditional suburban district. The social distance between the different settlement structures in the districts is obvious, but the MV’s former discrimination seems to have changed to a neighbourhood assessment ‘of not harming the other, but also not interconnected’. (Interview: Housing manager, 2003). However, especially since unification, the MV’s centre has become an attraction-point for the northern Brandenburgian neighbourhood and thus helps integrating the newly emerging north-west of the urban agglomeration.

The MV has gained a stable high ranking amongst the large housing estates of western and now and united Berlin. It is assessed as being ‘a unitary type of urban entity’, which cannot be compared to the affluent directly adjacent suburban residential areas, but seems to be able to compete with other estates, i.e. from the 1920s and 1930s, mainly because of larger flat sizes and despite the partly ‘harsh’ built environment.

In a physical sense, the mid 1980s improvements of the estate are beginning to wear off and, while the environment and many central amenities are well accepted, the age of the dwellings again begins to show, especially, as the residents have a choice due to the housing market development.

\textsuperscript{48} Other income data not available.

\textsuperscript{49} Average household incomes Berlin: €1,920 (1990)/€2,250 (2000).
Maerkisches Viertel in Berlin: problems and perspectives

From a physical perspective, the MV is currently an estate, which has no obvious deficiencies and the renting situation is satisfactory. However, the Gesobau as the major landlord as well as the district’s administration see the future with some apprehension, which have led them to suggest the MV becoming a site of careful observation in the Berlin state policies for problematic regions.

The main actors in the estate’s management are the major land owner GESOBAU, who has undertaken some distinct changes in its policies since 1980 and the municipal district with its multi-departmental administration, especially with the housing and planning department, the social services department, the schools and youth-departments. Originally initiated by the Gesobau, also local small and medium business has organised and a wide variety of civic, political and religious organisations have developed, forming a network of actors jointly producing ‘an atmosphere of governance’. Earlier on, rather stiff and paternalistically ‘offering the scarce good of dwellings to a needy population’, the Gesobau was amongst the earliest public housing companies in Germany who have changed towards an active and responsive provider of goods and services. The company has taken on the role of a ‘leader’ in the estate’s development, partially highly demanding towards the district and the Berlin state government in order to improve the quality of the estate for its residents and, in consequence, enhancing the estate’s marketability. The other owners of housing, some privatised dwellings, managed by a housing cooperative and some smaller landlords seem not to play any decisive role for the development of the estate, which ‘needs a joined attention’. (Interview: manager housing company, 2003).

The achievements are impressive. Whereas the early 1980s ‘housing barometer’ showed the MV on approximately the same level as the southern areas of ‘Thermometersiedlung’ and ‘Gropiusstadt’, these were overtaken by the end of the 1980s and, while the MV during the 1970s and early 1980s usually had ‘a bad press’ associating it with social deviance, it later even became an example of good governance which was reported nationally and internationally.

5.1 Housing economy outlook

By 2003, despite the MV’s having settled, certain problems are appearing on the horizon for the future, which will have to lead to a reconsideration of the estate’s future.

- On the one hand, the satisfactory renting situation could only be accomplished by a ‘lowering of the status of residents accepted’ and thus by allowing for increased potentials of
conflict, and anonymity as a way of avoiding conflict. This is especially reflected in a spatial differentiation of acceptance: certain buildings in a peripheral location without the special asset of adjacent green are becoming increasingly difficult to let without lowering the rents.

• By lowering rents to a level near or below subsistence (refinancing remaining debts, saving for future repair and modernisation, steady maintenance), a short-time financial viability is kept up, but the long term perspective is darkened, especially as the built structures are ageing after 40 years and especially the house-installations (water, heating) will need improvement within a rather short period.

At present, within the residents, the majority is satisfied with the overall situation, although the rents are estimated as too high by about 40 per cent of renters, who often live in buildings with a maintenance backlog (interview based on empirical research in the MV, 2003). Approximately 20 per cent are considering moving out, who are often not those with a higher income; also residents with a lower income often try to leave the estate. As in most large estates, the incoming residents have lower incomes than those leaving. Partly this might be connected to the age and family structure: The in-moving residents are often young families with children, with only one earner in the family for possibly only a limited period. In-moving couples without children are rarer. Astonishingly, taking the low estimations of the outside image by the residents into account, a majority of the new renters are moving within the MV: either founding families or improving their housing conditions by changing to an appropriate flat size or better quality homes.

‘People wanting to move out, often complain about high rents and the maintenance of the flats. Then, the usual praise of the flat layouts is surpassed by remarks about the quality of the estate as such. ’This makes many look for alternatives within the estate.’ (Interview: resident, 2003).

According to the management’s vision, the next years will have to be managed cunningly, keeping the estate on the whole in the relatively high esteem it has gained since the 1980s marketing and service initiative put the ‘MV on top’ (slogan of the GESOBAU with respect to the location in the north of Berlin). At the same time, a build-up of technical backlogs, threatening the marketing success must be prevented which could strangle the economic viability in the future. Whereas at present, the situation seems satisfactory, change and vision will be demanded on a level, which – by the management – could be more difficult than in other estates, where the future task could be managing demolition on a large scale: ‘For us, differentiation of the stock and developing object-sharp strategies is on the agenda, as we will have to decide which parts of the estate have a long term viability and which not. There, new dwellings might be even viable, as long as we are able to keep the overall image up. In estates, which will have to be abandoned, it is about minimising losses for the public, here it is about viability of the company and the estate as a social entity.’ (Interview: estate manager, 2003). Indeed, the highly successful marketing and management of the estate might have led into an ‘attention’ trap, as behind the ageing facades, technical backlogs are building up, which produce a considerable risk factor, especially in a market situation, which will over the next years make any improvement of the financially viability difficult, as the relaxed housing market does not allow for rent rises. Approximately 40 per cent of the residents complain about too high housing costs (rents plus services) and the rent-quality relation is often given as a reason for moving away from the MV, as across the former border, relatively cheap single family homes are available in Brandenburg.
5.2 Labour market, well-being and access to services

The labour market situation in the MV is hardly different or even slightly better than in other parts of lower-medium class Berlin and the estate management sees only very small possibilities to influence development. However, as rent arrears are slightly rising, long term unemployment is on the increase and rents cannot be lowered for economic reasons without endangering the estate and company’s sustainability, considerations are under way to include residents in income creating work ‘on the estate’ (Interview: housing manager, 2003).\(^{50}\)

As anywhere in Berlin, access – spatially and socially – to health- and social amenities is well organised and a diversity of choices is open to all (legal\(^{51}\)) inhabitants. All of the municipal and subsidiary carriers of socio-cultural work, and social assistance to special needs groups are present in the district and in the MV, providing for the different age groups and problem backgrounds from financial to health need. Also a number of locally active – although not necessarily locally based – social initiatives including the churches are open access points for residents in need. However, rising rent arrears indicate that certain tenants, often in a multiple combination of problems, find no adequate assistance to realise their legal rights.

The schools play an active role in the development of the neighbourhood and in 2003, the Gesobau has entered into a contract with one school, assisting it to become more neighbourhood oriented. When due to diminishing demand, a school was to be closed, the MV was seen by a middle-class oriented and highly culturally active private school of Waldorf denomination as an appropriate location.

Young people’s leisure facilities were seen as deficient – as in many large housing estates – at least during the periods, when many youngsters and young adults were around. In the MV, the again increasing number of children permanently indicates that a demand for the upkeep of the non-profit youth installations is to be expected. Especially the growing age-polarisation leads youth workers to see a potential for conflict between the generations, which are difficult to manage except by providing ‘escape infrastructures’ to relieve the neighbourhoods from disturbances.

5.3 Multi-cultural developments and demographic changes

Within Berlin’s socio-demographic layout, the northern district of Reinickendorf has a comparatively low percentage of non-German residents\(^{52}\) at 8.6 per cent of the population Kreuzberg (33.2 per cent), Wedding (27.7 per cent) and Neukoelln (18.7 per cent). Within the district, the MV at approximately 13 per cent is at a lower level than some southern neighbourhoods, with a non-German population that is slowly, but steadily rising. Having been at about 2 per cent in 1980, the estate had a proportion of non-Germans, which presently is only found in Hellersdorf the district with the overall non-German population. In the MV,

\(^{50}\) These aspects of governance will be elaborated in detail in the respective study due at the end of 2003.

\(^{51}\) A small number of illegal residents, mostly of foreign nationality is reported by the churches and social initiatives, who have no access to the social services.

\(^{52}\) The figures are getting increasingly blurred, as the successful applications for German nationality is rising steeply since app. 1995 and these residents fall out of any discriminative statistics.
no special group of nationalities or foreign cultures stands out visibly, as long as the folkloristic restaurants of non-Germans catering for the estate’s German population are not counted as such.

Within the central region, some ethnic shops address all residents as anywhere in Berlin and some corner-restaurants have developed into meeting points with an ethnic cultural importance, mainly for the Turkish and Magrebinian population. The small Asian and black communities hardly have a ‘visible group’ status and seldom show un-publicly in groups, partly, as they state, because of racial incidents.

An outstanding feature for the MV is that it is often seen by foreigners as an offer to integrate into German society. As the estate has a comparatively low percentage of ethnic population, some low middle class Turkish families see moving to this area as a possibility to immerse into German society and to avoid the ethnic status of other northern, more foreigner dominated neighbourhoods. In the MV, the percentage of non-Germans in the local schools and kindergartens is still relatively low, and obtaining a good education is one of the factors, initiating non-German families to move to the estate: ‘Here the majority of the children at least speak German. That’s different from the old school in Wedding, where four fifth of the pupils were better at playing truant and Turkish and Arabic were the common languages except for the teachers.’ (Interview: a father at the Gesobau’s customer centre).

5.4 Social exclusion, inclusion and cohesion

With foreigners not being the important excluded group and the poor and unemployed not having an above regional proportion, no special form of exclusion appears, which produces a difference towards other Reinickendorf regions. However, the high number of the long term unemployed and the age composition in the MV is said to provide a special exclusion scenario.

In the MV, much of the social exclusion is said to be ‘exclusion into privacy’. On the one hand, the few members of ethnic minorities often try not to show up and many residents in socio-economic difficulty retreat behind the flat’s doors.

‘People are unhappy and drink at home with all the results of inaccessibility. Often they only start acting or contacting supporting agencies, when it is too late (to save the flat). It is these whom we need to address as early as possible in order to prevent them from heaping up debts and, if possible to re-integrate them into income-creating strategies.’ (Interview: housing manager, 2003). Another group of silent excluded are to be found within the growing ageing population. Independent of income, these individuals who lose their social contacts become endangered of becoming invisible if in trouble, which proves especially precarious in the large and anonymous high-
rises, ‘where you only meet people in the lift, and there, nobody knows anybody’ (Interview: housing manager, 2003).

Within the governance strategy of the housing company, the problem of the excluded and self-excluding old people is seen as an important factor in the long term perspective of the estate, as despite ‘astonishing mobility within the older generation’, the growing group of the aged are a ‘secure asset of the MV and their well-being might be the key to the economic viability as well as attracting new residents’ (Interview: housing manager, 2003).

### 5.5 Sustainability

Nobody at present puts the MV’s general sustainability into doubt. The ecological situation seems comparably satisfactory. However, maintenance backlogs are developing, which might also have an environmental effect on the long run (energy conservation). The technical sustainability of the built structures seems to be more problematic after, by now two decades of successfully renting out at the ‘economic sustainability brink’. Reducing rents in order to secure the rental situation with very low vacancies could lead to the development of a ‘wave’ of technical problems which need either – unlikely – financial inputs from the shareholder Berlin, or a strategy enabling the company to obtain higher incomes through rents – either in money or in other ‘cash-like services’ (residents investing work in their estate). Riding this ‘knives edge’ will be the company’s main challenge for the future.

Also, from an economic perspective, the estate is still rather sustainable, although some dangers are developing. Especially the north-Berlin housing market development with a strong increase in home- and flat-ownership might send the MV even deeper into the situation of being an ‘alien entity’, which only attracts transitory or poorer parts of the population. This might lead into the danger of the estate’s presently high image falling again endangering the long term perspectives for letting. This fact is accepted by the largest landowner as needing strategic attention. The development of a user targeted and even more differentiated management seems necessary. Using parts of the estate as entry points into home-ownership and further enhancing part of the estate’s image towards a ‘special’ quality of housing for residents ‘on the way up’, while at the same time providing for the obvious market, which - under the pressure of 160,000 empty flats in Berlin – demands good and cheap dwellings at a rent or overall housing cost below the sustainability level.

In social sustainability, much will depend on the overall socio-economic development in the greater Berlin area: despite a limited opportunity for local economic action with a direct effect on the resident’s income, the estate’s management is seeing a income producing social

| Table 5.2 – Age composition in the district of Reinickendorf, 2002 |
|-------------------------|-------------|-----------|
| Absolut | %            |
| Under 18 | 41,591 | 16.9      |
| 18 to 65  | 161,032 | 65.4      |
| 65 and over | 43,679 | 17.7      |
| Sum       | 246,302 | 100       |

Source: District of Reinickendorf, 2003
inclusion strategy as a precondition for economic sustainability (providing opportunities to reduce rent arrears). The present situation of a slow change within the population, allowing for more differentiation provides, in comparison to other estates in Berlins west (Gropiusstadt and Thermometersiedlung) and in the east, a relatively comfortable position for a ‘sustainable change’.

5.6 Conclusions

The Maerkische Viertel is a case of an estate in which after the 1980s public intervention has provided an example of a social housing company acting on the market and improving its stand. This makes it an important actor in a comparative assessment of policy development, as the estate and the company can show success, dangers and strategic options. Also, the MV’s dominant housing company can benefit from comparison, as many of the developments endangering other estates’ sustainability could develop into a threat for the MV in the future, as housing markets become more ‘interrelated’ in Berlin.

The MV holds a relatively secure position on ‘top of Berlin’, as far as the large housing estates are concerned. It provides homes for an ageing group of residents with a long residency history and for an incoming population, often younger families. As the estate for some of them plays the role of a transitory habitat, much will depend on whether the management of the estate will achieve to keep the image of the estate at its present level and, at the same time, introduce a more differentiated quality providing for ‘asset’ tenants on the way up and for ‘bread and butter residents’ (lower class residents with a choice only within the market segments associated to social housing and low-price modernised old housing), who also need decent homes. A major task will be to provide both groups within the difficult spatial environment of very large buildings, without one getting into an identity and image conflict with the other.

The Gesobau as the largest landlord of the MV being one of the leaders in good management and governance amongst Berlin’s public housing companies will be able to provide extensive experience for many housing agencies in comparable situations of a relaxed housing market. However, after a positive relationship with many residents has been established successfully, the ‘narrow path management’ between financial, social governance and long term technical sustainability will have to be elaborated.
Marzahn North, the Yellow Quarter and the Red Quarter in the district of Marzahn-Hellersdorf in Berlin: general description

Berlin’s district Marzahn-Hellersdorf is part of the eastern belt of very large housing estates, which together form the largest agglomeration of this type of industrially produced housing in central Europe. It is located on Berlin’s north-eastern border to the neighbouring state of Brandenburg and includes five different former ‘villages’. Biesdorf and Mahlsdorf, which are characterised by small family houses, and Kaulsdorf, Hellersdorf and Marzahn, which consist of pre-fabricated panel buildings and were mainly built from 1977 to 1989. After the German unification, some single family dwellings were built within the estate, but their quantity is not relevant and they are not located in the case-study areas. Only in 1920, the five medieval villages were incorporated into newly established ‘Greater Berlin’. At that time ‘Hellersdorf’ was a rural area with an agricultural estate and the adjacent fields were being built upon by early suburbanites. In 1985 the SED⁵⁴ decided to construct 44,000 flats in Hellersdorf-Kaulsdorf within the Five-Year-Plan.⁵⁵ When building had started, the district of Marzahn

Figure 6.1 – Berlin Marzahn-Hellersdorf, location in the city

Source: www.berlin.de

⁵³ The expression ‘villages’ relates also to Berlin’s historical polycentric structure.
⁵⁴ The ‘Sozialistische Einheitspartei Deutschland’ was the state party of the GDR.
⁵⁵ ‘Fünfjahresplan’, political general planning framework of the GDR.
was founded in 1979, and Hellersdorf became administrationally independent in 1986 until the two merged in a Berlin-wide administrative reform in 2002. The present district,\(^{56}\) which covers 6,185 ha and houses approximately 252,800 inhabitants,\(^{57}\) of whom 73 per cent are living in the large housing estate, and 27 per cent in small family housing\(^{58}\) which, however, cover 50 per cent of the space.

The new estates were originally founded as the major extension of the GDR’s capital. The eastern housing shortage was to be ended and the emerging demand for ‘modern’, comfortable housing to be met. Until now, a sharp social and spatial divide exists between the large estates and the other part of still growing suburban garden oriented family housing, either built

\(^{56}\) 22 districts were reduced to 12.


\(^{58}\) As of District of Marzahn-Hellersdorf, department for social concerns, 2003.
before 1945 or as an element of new middle-class housing after 1990. Each of the two estates resembles in space and population more a small city than a housing-estate: Marzahn covers 3,157 ha and in 2000 was inhabited by 44,4 people per ha, Hellersdorf covers 2,979 ha with 42,9 people per ha; all figures including the family housing areas with by far lower density than the panel-estates. Moving to Marzahn and leaving the neglected inner city was understood as a ‘privilege for the working class’, living ‘door to door’ with professors and politicians. Not surprisingly, especially within these large housing estates, the change of paradigms from ‘Socialist’ to ‘Capitalist City’ is an ongoing challenge and that Marzahn-Hellersdorf remains the most powerful constituency of the ‘Party of Democratic Socialism’ (PDS). However, within societal transformation the demand for this type of housing changed: economic polarisation, an unexpected demographic decline, and new housing opportunities after unification led to a rapid and considerable loss of image, segregation and considerable decline. Currently, the housing companies have to face alarming vacancies of 14 per cent on average, which corresponds to over 14,000 vacant flats (Berliner Zeitung, 28 August 2003), in some buildings in Marzahn North vacancies are over 30 per cent (QuartiersAgentur Marzahn NorthWest, 2003). The Marzahn estate was built according to the modernist urban concept of separated urban functions between 1977 and 1989 and finally provided 58,500 apartments. The open building structure was embedded in large green spaces, as described as a ‘vertical garden city’ by Le Corbusier. The public values the architectural design of the whole estate to be rather monotonous than remarkable. Due to state socialist policies, the architects in the GDR had lost their power over design in the mass-housing sector in the late 1950s (Flierl, 1998). Apart from some opportunities to work on details or facades, depending on the provision of material, the realisation was mainly the responsibility of Berlin’s building combines. Only urban design allowed some liberties for the planners of the housing estates. The selected case-study area is Marzahn North is part of the estate, which was only finished in 1989, when the GDR collapsed. However, due to the low quality of the building material used towards the end of the GDR, it was one of the first in need of refurbishment.

In contrast to Marzahn’s, the building of the Hellersdorf estate was realised as a ‘joint task’ of the 16 governmental districts of the GDR. Thus, within the GDR housing production, the Hellersdorf estate had a ‘(relatively) differentiated settlement design due to a differentiated selection of building types’ (Stadtbuero Hunger, 2003). It was erected following the concept of a self contained new town, organised to produce smaller ‘independent’ neighbourhoods and aiming at promoting identification with the area from the very beginning and to provide ‘classical’ urban structures in industrialised building. The urban development framework plan, which was decided by the Senate for Urban Development of post unification Berlin in 1994,
and an ‘integrative development plan’ in 1995 have continued this model. The latter provides both a general structure for the whole estate and differentiates on neighbourhood level, ‘designing images’ as ‘city’, ‘landscape’, ‘village’, ‘art’ or ‘garden’. An art-concept for the whole district, aiming at upgrading both its image and living-quality, is a special focus of the concept.

The construction of the Hellersdorf estate lasted from 1985 until about 1992 and thus already benefited from post-unification urban development funding while it was finished. Due to the GDR housing shortage, residents moved to both estates as soon as the first buildings were completed and even though the infrastructure was still under construction: ‘Hellersdorf was a kind of building site which was hitherto unknown outside of the GDR: It was an inhabited building site where cranes still completed the house neighbouring the one to which people just moved in.’ (Protz, 1998). In Hellersdorf, two adjacent neighbourhoods were chosen as case-study areas: The Yellow Quarter which was rehabilitated according to Brazilian architects’ plans from 1997 to 1998, and the Red Quarter, where ‘Planning for Real’ has been part of the rehabilitation process.

The West-German public perception categorized the once acclaimed East-German housing areas as ‘mono-functional dormitory-towns’ and both their functionality and technical quality were put into doubt after 1990. Nevertheless, their further development was estimated to be necessary for east-Berlin’s housing provision and urban development, and last but not least as an ‘important psychological and political factor within the process of unification’ (Schüemer-Strucksberg, 1994). Since 1991, Marzahn-Hellersdorf has thus been a target-area for several

![Figure 6.3 – Map 'Quarters of Hellersdorf', building images for the different quarters](source: Wohnungsbaugesellschaft Hellersdorf, 2000)

63 The Yellow Quarter is here defined as in the ‘Quartierskonzept Hellersdorf’ (neighbourhood concept Hellersdorf), not only as the part of the estate which is the property of the housing company WoGeHe.
urban renewal programmes, aiming at an urbanisation and revitalisation of the estate. Today, about 80 per cent of the flats are refurbished and modernised. State, district and owners are continuously working on the estate’s quality of life and image, and an important structural characteristic of this process is the attempt to motivate public participation.

Marzahn-Hellersdorf was involved in several ambitious projects, as the ExWoSt - programme, the ‘Healthy Cities’ network and the ‘Sustainable Cities Project’ of the EXPO 2000. In 1999, the Berlin Senate for Urban Development commissioned an ‘Integrated District Concept Marzahn-Hellersdorf’, which was since continued and introduced as ‘good practice’ at the ‘Habitat II’ in Istanbul. Also in 1999, Marzahn NorthWest was designated as a target area of the ‘Socially Integrative City’ and Berlin’s instrument to realise it, the ‘neighbourhood management’ (Quartiersmanagement). The latest important attempt to further develop the district’s urban quality, aiming at the model of a ‘new differentiated urban landscape’ and sustainable development, was the participation in the competition for the ‘Stadtumbau’ programme (Urban Regeneration Programme).

The rationale to select Marzahn North and the ‘Yellow and Red Quarters’ was to introduce three different policies applied in post unification east-Berlin and their implication for the housing-economy, socio-spatial cohesion and the enabling of a civil society. It will be of great interest, how far the governance and institutional structures which have been developed within the ‘Socially Integrative City’, can influence decision making and the process urban ‘Urban Regeneration’. The following chapter will provide an overview about the development of three areas of the settlement since the early 1990s and, where appropriate, a comparison between them or a reference to the context of Berlin as a whole.

6.1 Physical structure

The Marzahn-Hellersdorf estate is mono-structural housing, and originally no private space was planned. In the early 1990s, three concepts for the urban development of Marzahn-Hellersdorf were discussed and each of them was partially realised:

- finishing the estate’s construction and urban design as planned in the GDR;
- finishing and adapting to western standards according to West-German experiences and designs;
- the setting of ‘hetero-topic’ spaces (Brenner, 1994).

Marzahn North is the most northern part of the Marzahn-Hellersdorf estate and is physically separated from the rest of the estate by a large greenery. The Hellersdorf estates are closer to

64 In Berlin as ‘city and state’ the state is more involved in urban development than in other German cities.
65 The ‘Hellersdorf-Project’ was part of the EXPO 2000 projects for sustainable rehabilitation of industrialised building.
66 Marzahn West is located at the western side of the sub-urban railways and is thus physically constituting an neighbourhood of its own. The RESTATE investigation will strictly focus on Marzahn North.
67 The Yellow Quarter and Marzahn North were the target-areas: The concept of the planners ‘Arbeitsgemeinschaft Gruppe Planwerk/Analyse und Konzepte/Becker, Giseke, Mohren, Richard (2003)’ was presented with a winner’s award; see www.bbr-bund.de
the city and next to a single family housing area. Of the estate as a whole, only 1 per cent of the buildings were built before 1948; 97 per cent of the housing stock was built between the 1970s and 1990 and only 2 per cent at a later date. Marzahn North is composed of six-storey buildings and a majority of uniform ten eleven-storey buildings, dominating the urban design. There are a few ‘functional-cubes’ dispersed in the quarters, planned to contain commercial infra-structure and two- or three-storey school- and kindergarten buildings. The housing area, which is organized to the north and the south of a main through road with a small retail area, was constructed using the last generation of industrially pre-cast concrete panels, the so called WBS 70, and was structurally finished as planned in the GDR.

The area is physically separated from the southern part of the estate by a green corridor along the Seelgraben-stream and is thus not really benefiting from most of the above mentioned ‘hetero-topic’ spaces to improve the whole settlement’s environment. In the west, the estate is physically separated from Marzahn West by the S-Bahn, well linking Marzahn to the inner city. The north- eastern perimeter of the area lies directly adjacent to the surrounding greenery and an area of single-family homes.

The Red Quarter and the Yellow Quarter are located in the administrative area of Hellersdorf-South. The Red Quarter, which reflects its name through entire red facades and entrances, partial red glass-coverings of facades and balconies, or red stripes along the fascias,
Picture 6.1 – Marzahn North, Havemannstrasse (Photo: IRS, Christiane Droste, 2003)

Figure 6.5 – Map Red Quarter Hellersdorf (not to scale)
forms the southern entrance to the Hellersdorf estate and provides the urban development frame for its second important infra-structural centre, located around ‘Cecilien-Square’, which is the access to the urban railway and focal point of the area. Its importance is architecturally highlighted through the eleven-storey buildings along the square’s sides and eight twelve-storey tower-blocks framing it. The rest of the estate consists of five- and six-storey blocks, situated around courtyards. The square has been subject to a community planning process in 1995, initiated by the housing company and aiming at changing the square into a ‘neighbourhood’. Within the overall image concept for the different quarters of Hellersdorf, the Red Quarter shall fulfil the image ‘city’.

To the west, the quarter is physically closed by the small green corridor ‘Hellersdorfer Graben’, embedding an above ground subway-line, and the main through road of the area. Whereas the northern and eastern edges of the estate border to greenery and sub-urban single-family garden housing, towards the south, the estate is separated from the Yellow Quarter by a small corridor of fallow land and two plots of vacant school-buildings. The quarter’s entrances and the crossing from the sub-way station to Cecilien-Square need further development and do neither fulfil the demand of an estate’s entrance situation nor those of the quarter’s centre.

The Yellow Quarter, designated to respond to the image ‘countryside’, shows a more regular building structure than the Red Quarter as it consists only of five- to six-storey buildings, forming yards which are connected to each other by paths. Small squares, included in the south and the north, build a distinguished spatial characteristic of the area. The building’s were originally decorated with yellowish slabs and white and brown ceramic elements – the characteristic design of the East-Berlin combines at that time. When the quarter was

![Picture 6.2 – Cecilienplatz in the Red Quarter (Photo: IRS, Christiane Droste, 2003)](image)

70 The process was organised by the London architect John Thomson.
Picture 6.3 – Yard in the Yellow Quarter (Photo: IRS, Christiane Droste, 2003)

Figure 6.6 – Map Yellow Quarter Hellersdorf (not to scale)
rehabilitated in 1997/1998 by the Brazilian architects M.C. Ferraz and F.P. Fanucci, the surface of the facades was preserved, but re-painted and partially covered with Brazilian style tiles, designed by Indian women. The buildings were re-interpreted through three ideas, drawn from the Brazilian cultural heritage: the use of wooden brise-soleils on the balconies, the use of red, white, yellow and blue as typical colours of colonial Latin-American architecture, applied in horizontal stripes to enhance the existing design. Finally, sculptures were erected at each of the estate’s portals.

The Yellow Quarter is also located adjacent to the ‘Hellersdorfer Graben’ in the east and greenery and single family-housing in the west. Its northern part has a green border towards the next quarter. The quarter’s centre consists of a retail trade centre, including a supermarket, a health-centre, a parking place and neglected fallow land.

### 6.1.1 Housing tenure and type

The housing economy of the East-German large housing estates had to go through a complex process of transformation. In contrast to many East-European states’ privatisation to private (single) owners, east-Berlin experienced a change from state-owned to a housing market, which, however is highly regulated by rent-laws. With the ‘Wohnungsgesellschaft Marzahn’ (WBG) and ‘Wohnungsgesellschaft Hellersdorf’ (WoGeHe), new legally independent housing companies in communal ownership were founded, who had to shake off the old system and develop their own governance structures. Only small parts of the estates were bought up by non-profit housing-cooperatives, single or institutional owners. Private individual flat-ownership had been conceptualised by the large housing companies within their legal obligation to sell off 15 per cent of their stock. But despite various attempts to provide new housing models like ‘studio-living’ or the conversion of former kinder-gardens to ‘maisonette-housing’, there was no relevant interest in private ownership of single flats in east-

<table>
<thead>
<tr>
<th></th>
<th>Marzahn North</th>
<th>Dwellings/percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Berlin-Brandenburg housing cooperative</td>
<td>1,550/14.1</td>
<td></td>
</tr>
<tr>
<td>public housing company Marzahn (WBG)</td>
<td>8,000/72.7</td>
<td></td>
</tr>
<tr>
<td>five other private housing companies</td>
<td>1,450/13.2</td>
<td></td>
</tr>
<tr>
<td><strong>Red Quarter</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hellersdorfer Housing Company</td>
<td>9,498/100</td>
<td></td>
</tr>
<tr>
<td><strong>Yellow Quarter</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hellersdorfer Housing Company</td>
<td>2,855/86.8</td>
<td></td>
</tr>
<tr>
<td>Wuhletal Housing Cooperative</td>
<td>431/13.2</td>
<td></td>
</tr>
</tbody>
</table>


71 ‘Marzahn housing company’. Due to financial problems, in 2002, they had to merge with another municipal housing company, the DEGEWO.

72 Due to a re-shuffle of Berlins public housing companies, the WoGeHe and the WBG were merged with larger municipal housing companies: the WBG meanwhile is part of the DeGeWo (Deutsche Gesellschaft für Wohnungsbau), the ‘WoGeHe’ is owned by ‘Stadt und Land’, both amongst the largest public housing companies in Berlin.

73 In compensation, their ‘old debts’ from the GDR were partially scrapped.
Berlin. Usually renting is cheaper on the long run and does not commit the residents over a long period in an uncertain market.⁷⁴

The major part of the current Marzahn North housing stock, about 9,550 housing units, is owned by two housing companies. 45 per cent of them belong to the publicly owned WBG and 30 per cent belong to the ‘Berlin-Brandenburg cooperative housing company’,⁷⁵ (Berlin-Brandenburgische Wohnungsbaujugend). Whereas the Red Quarter belongs exclusively to the WoGeHe, two blocks of the Yellow Quarter belong to a housing cooperative, the ‘Wohnungsgenossenschaft Wuhletal’.

6.1.2 Rents and prices
The rents are not remarkably different from average eastern inner-city rents and depend on three factors: the rent-level law (Miethöhegesetz, since 1997), the Berlin rent-table and the quality of refurbishment. For tenants who are living in the estate since it was built, the rents have risen noticeably: whereas in 1990 the sqm price in the East-Berlin large housing estates was at below 1 euro (AGS, 1992), the price for a non-refurbished sqm now is about 3 euro refurbished flats are let from about 3 euro to 4 euro per sqm (net cold rent) on average, for flats from 60 to 90 sqm.⁷⁶ High-quality modernised panel buildings should be sold for 1,100 euro per sqm. To sell non-refurbished buildings is currently impossible. However, even though there are also refurbished high quality flats at a reasonable price in the area, the price is not the only indicator to assure rentability. Rent levels and urban quality of the large housing estates are important facts in the competition with inner city housing and suburban newly built homes in suburbia.

6.1.3 Flat structures
The flat-structure of the three estates is almost similar concerning smaller apartments: the major part of the dwellings has three rooms and an average flat size of 62 sqm. The number of large flats with four or five rooms in the Red Quarter is below the average of other parts of

<table>
<thead>
<tr>
<th>Flat Structure</th>
<th>Marzahn North</th>
<th>Red Quarter</th>
<th>Yellow Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 room</td>
<td>2,259</td>
<td>269</td>
<td>617</td>
</tr>
<tr>
<td>1.5 rooms</td>
<td>22</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>2 rooms</td>
<td>1,781</td>
<td>338</td>
<td>840</td>
</tr>
<tr>
<td>3 rooms</td>
<td>4,907</td>
<td>641</td>
<td>1,698</td>
</tr>
<tr>
<td>4 rooms</td>
<td>1,736</td>
<td>247</td>
<td>555</td>
</tr>
<tr>
<td>5 rooms</td>
<td>423</td>
<td>52</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>11,128</td>
<td>1,547</td>
<td>3,716</td>
</tr>
</tbody>
</table>


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⁷⁴ Except for the selling of some buildings to a US-American old age pension funds.

⁷⁵ Data provided by the housing company.

⁷⁶ Source: own calculations.
the estate. This results from the tower-blocks at Cecilien-Square which contain only two- and three-room flats.

The average dwelling size for the whole district was 63.7 sqm in 1990, 64.4 sqm in 1995, and increased to 67.3 sqm in 2001. The changes are due to flat enlargement and some new building. The living space from 23.9 sqm per person in 1990 to 28.5 sqm per person in 1997, and was at about 37.4 sqm per person in 1998. This is a consequence of the decrease in population and the consequent availability of flats at hardly rising rents (Haupt, 1999).

### 6.1.4 Housing conditions

The housing conditions in Marzahn-Hellersdorf are differentiated. The ‘WBS 70’, which is the main building system in the respective areas, was the most functional model developed during the GDR period. On the other hand, the declining economic situation of the GDR also is affected in the quality of the buildings, which were finished during the last years before unification. The state of rehabilitation is different in the three areas: in Marzahn North it includes partial modernisation of the technical infrastructure as well as facades, lifts, staircases and landings, but no major changes in the ground-plans are applied. Only in some buildings, larger families joined smaller flats. However, there is still about one third of the Marzahn North housing stock which urgently needs technical modernisation, refurbishment of facades, entrances and stairwells, lifts and housing environment because non-refurbished buildings are almost impossible to let.

For the housing companies this poses a fix, as their problematic financial situation by now allows hardly any further thorough improvements. Consequently the number of un-refurbished flats remains high. They remain un-rentable or can only be let to low-income tenants at below sustainable prices. The vacancy rate in Marzahn North is stagnating at 21 per cent since 2002.

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The occupancy rate remained more or less constant at an average of 3.7 rooms per dwelling and 1.7 rooms per inhabitant. Over- or under-occupancy has only been stated to a small extent. The latter holds true also for the two other estates and results from the fact, that the flat-size reaches the upper range of the right for allocation for tenants living on social benefits.

According to the housing management, the most accepted building quality is showed in the Red Quarter, where most of the buildings were completely modernised through two phases, financed by the federal bank for rehabilitation (KfW).⁷⁹ The structure of the small flats, of which many have been re-organised or combined, is highly accepted by the residents. Entrances, landings, loggias and court-yards were re-designed. Within the process to re-design the ground-plans, 150 vacant flats ‘were taken from the market’, i.e. disappeared through flat enlargement. The thus refurbished eleven-storey buildings provide today about 15 different floor-plans for three-room flats.

In the Yellow Quarter, the heat insulation of the buildings was estimated to correspond to West-German standards in the mid 1990s and not improved. This turned out to be shortsighted: even though it was re-habilitated ambitiously in the ‘Brazilian’ project, the quarter needs a more fundamental improvement due to difficult floor-plans and modernisation standards requested by the tenants. It is suffering from considerable vacancies of 11.3 per cent (Stadtbureau Hunger, 2003). Especially the flats in the building’s corners with difficult ground-plans lack tenant’s acceptance: the vacancies here reach 40 per cent. The same holds true for larger flats. As in many other large housing estates in Germany, they seem to be too expensive for families with low income. Better-off families tend towards ownership and single-family homes.

In general, the vacancies are slightly lower with the housing cooperatives and the private owners in the large housing estates because the prevailing quality of the privatised stock was already relatively high when it was bought and a higher standard of modernisation was reached. Due to the reduced state funding for modernising and rehabilitation, this will lead to a stronger competition on the estate’s housing market.

### 6.1.5 Quality and character of the environment

The district, which tries to promote an image of ‘living in the landscape’, is one of Berlin’s ‘greenest’ areas: with 15 per cent green space it holds the third rank.⁸⁰ The state funding programme for the large estates’ housing environment (Wohnumfeldprogramm)⁸¹ has aimed to ameliorate the public space, greenery, yards, play-grounds, sporting areas etc., and has supported a continuous upgrading during the last 12 years. Due to the open building structure, in Marzahn North, greenery spaciously surrounds the single blocks. However, the already re-designed greenery with quality playgrounds and small ‘objets d’art’ are sometimes appearing in a strong contrast to the hitherto un-refurbished buildings. This impression is intensified

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⁷⁹ Kreditanstalt fuer Wiederaufbau, Germany’s public bank for investment support into all fields of the economy and foreign aid (www.kfw.de).

⁸⁰ Source: District of Marzahn Hellersdorf.

⁸¹ The so called ‘Wohnumfeldprogramm’, implemented in all Berlin urban rehabilitation areas, is to be realised in Marzahn-Hellersdorf from 1991 to 2005. Until 2000, the Senate for the Urban Development foresaw an entire investment in all Berlin large housing estates of 395,5 million euro of which 176 million euro should be covered by funding (as of Senate for the Urban Development, 1996).
through the fact that many of the built elements – kiosks, shops etc. – lack architectural quality and maintenance and their surrounding public space is mostly neglected. The process of an overall re-designing of the public space, such as squares and roads, is still under way, coordinated in Marzahn North by the neighbourhood-management. The latter has also been successfully engaged in the organisation of re-designing schoolyards, usually with pupil’s and parents’ participation (Droste and Knorr-Siedow, 2002).

The environment of the Yellow Quarter and the Red Quarter are characterised by the inclusion of sculptures into the landscape design and an artistic design of the playgrounds. Whereas in the Yellow Quarter well designed court-yards invite for an all-generations use, in the Red Quarters’ yards there are also tenant-gardens. The facades and space directly adjacent to the street-side of the buildings benefit from intensive planting. The environmental planning for the Yellow Quarter foresees a special ‘girl’s playground’ (Mädchenspielplatz), presuming that girls do show another use of greenery and playgrounds than boys (even until the age from 15 to 18 years). The design is based on a girls-workshop about their wishes and demands on public space and leisure areas. The estate’s sporting areas are still insufficient and at the planning stage.

A disadvantage of Marzahn North and the Yellow Quarter is, that the smaller neighbourhood centres and their close environment are of little attraction. In Marzahn North, sub-centres for the smaller neighbourhoods are either lacking or, if dating from pre-unification time, are in a run-down condition and situated in a more or less neglected environment or are even vacant and in ruins. Again, the Red Quarter constitutes an exception with the well functioning shopping area around Cecilien-Square with its fountain and a stone-garden inviting to play or to rest.

6.1.6 Rent subsidies and social housing

In the eastern estates, parts of the ‘new-stock’ from the GDR period are factually also treated as ‘social housing’. Since unification, the East-Berlin housing companies are, like all housing companies in Berlin which benefited from state funding, subject to an obligation to let rehabilitated flats for limited rents. This is regulated within a contract with the city/state of Berlin, administered by the local district. In this way, the state object funding provides for the inclusion of social-housing clients and housing problem groups in urban rehabilitation areas.

The number of people receiving housing allowance in Berlin is continuously rising. In 1995, 10.2 per cent of all private households in Berlin received housing allowances (10.1 per cent in East-Berlin, 9.8 per cent in West-Berlin). In 2001, the share raised to 11.3 per cent for the whole city and reached 12.2 per cent in Marzahn-Hellersdorf. The monthly support per person in Marzahn-Hellersdorf was with an average of 113 euro slightly lower than the city’s average of 125 euro. The housing allowance depends on certain limits, such as an accountable rent/mortgage and a ratio of one room per person and an additional room for every two children. Tenants depending exclusively on social welfare benefits receive the full rent for a ‘decent’ flat. As rent payment of social clients is being controlled, some Berlin housing companies opt decisively to let to this rent-sector.\(^{82}\)

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[100]
6.1.7 Summary of the character and physical characteristics of the estate

Marzahn North, the Yellow Quarter and the Red Quarter have intensive greenery as a joint benefit. But they show different urban patterns: five-, six- and eleven-storey buildings and the modernist concept of separating urban functions are characterising Marzahn North. The Yellow quarter consists of six-storey buildings, the Red Quarter of five- to six-storey and eight twelve-storey buildings, and the area’s urban design follows the model of a self contained new town, organised so as to build smaller ‘independent’ neighbourhoods. About 80 per cent of the whole housing stocks has been rehabilitated and adjusted to West-German standards since the early 1990s and the re-design of the housing environment and the public space was an important feature within this process. Whereas during the early 1990s Hellersdorf with its smaller quarters seemed to be more attractive for tenants, this has at present not been confirmed by experts working in the area.

‘Having worked in Hellersdorf for many years, I have always been convinced that its urban structure and especially the five- to six-storey buildings respond much more to current life-styles and housing demands than the Marzahn North estate. However, analysing the housing development within the merged districts, I had to revise this opinion. There are as many people enjoying the view from eleven- or eighteen-storey buildings as those preferring smaller, yard-orientated building structures – assuming both types are well heat-insulated and modernised. A clear distinction doesn’t seem to be possible.’ (Interview: urban planner in Marzahn-Hellersdorf, 2003).

The estate suffers from increasing vacancies. The main ‘attraction’ for the tenants to stay in or to move to the estates is the quality of the flats in combination with ‘decent’ rents. For some also the adjacent greenery is of importance. The importance of price shows as hitherto even high standard modernised flats could not attract an interest in ownership – which is also partly attributed by residents to the lacking urban quality in comparison with inner-city areas.

6.1.8 Available services

The residents saw the infrastructure that met the need of young families and the well equipment with child-care and educational institutions as one of the advantages of living in the large housing estates. In the Marzahn estate, 73 kinder-gardens and 58 schools were planned (Peters, 1988) and today, with 616 day-care places for every thousand children younger than ten years, the district offers an above average service. However, with falling birth rates, the supply of primary and secondary schools is currently endangered. One of each school-types will remain in the area, but the future use of some school-sites which have to be closed, is uncertain.

A survey,⁸³ commissioned as basis for the Marzahn North/West neighbourhood-management’s plan for action in 1999, stated that the overall social, health care and cultural infrastructures in the area were deficient compared to the inner city standards and often too distant from the dwellings. Meanwhile, the health care supply is sufficient in the estates and at 1.66 medical practitioners per 1,000 inhabitants only slightly below the Berlin average of 1.92;⁸⁴ a comparatively high standard in a European comparison. Within both Hellersdorf estates, there is one block providing fostered homes for old age. In Marzahn two rental blocks have

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83 Source: ‘Sozialstudie Marzahn’ (AG SPAS, 1999). The ‘Sozialstudie Marzahn’ is a social research about Marzahn North-West, basis for the integrated planning process, 1999.

been modernised according to the housing demands of older people. Taking into account the
demographic perspective and the fact that the older generation is still the economically most
stable group, since 1999, the district intensified the social planning for the older generation.
This work is focussing on strengthening a ‘generation-exceeding’ approach.

The GDR had an unusually well distributed system of youth clubs, both taking care for
teen-agers’ leisure time and political indoctrination. Soon after unification, most of these clubs
were closed, not only because their political task had disappeared, but also for financial reasons.
Even though during the last eight years a differentiated system of welfare agencies and NGOs
developed within the whole estate, the opportunities especially for young people, like sport
and leisure activities, remain insufficient. Youth work still lacks adequate space, a continuous
financial and staff–policy, and many locations need rehabilitation. This is also the case for the
two Hellersdorf estates, even though during the last years ten centres for youth work, seven
centres for socio-cultural and migrant-integrating aims and one centre especially for the older
population, were developed. (S.T.E.R.N., 2001). The community centres of the estates are
networking to share resources and create synergies.

Recent decisions, based in Berlin’s overstretched Berlin budget, endanger the educational
and social sector, which might produce an undesired backlash for the already low image of
the estates. Even though the senate recognized that a slowly starting segregation is causing
a need for action, youth work was one of the first fields which fell victim to the budget
squeeze, however initiating a hitherto unknown response of local social engagement and the
cooperation building of some housing companies.

Concerning retail, the situation in Marzahn North and the two Hellersdorf estates is
different. In Marzahn North, the retail structure and commercial space are mono-structural
and deficient. Goods for daily consumption are available, but with little differentiation, only
recently improving due to the emergence of Russian-Migrant shops. The two large shopping
centres in Marzahn North are facing a high fluctuation of shops and long-term vacancies.
After unification, some basement flats were let for commercial or infrastructural use, like a
driving school or a decentralised office of the district’s health care department, answering to
the residents’ demand to improve the liveability of residential ambience. The tenants in the
‘Red’ and Yellow Quarter explicitly refused this. Even though most of the shops in the two
close-by shopping malls and around the Cecilien-Square belong to large sales chains and
provide a rather selected range of goods, this may be attributed to the advantage of a more
differentiated retail supply than in Marzahn.

The state job centre is located in one of the district’s administrative centres in Hellersdorf.
Both parts of the district have local initiatives for economic and labour development and labour
seeking initiatives, aiming at including young unemployed into the labour market. Since 2003
some neighbourhood-orientated initiatives are aiming at resolving the local unemployment
and to respond to special target-groups, amongst cultural minorities. The Marzahn NorthWest
neighbourhood-management provides a ‘job-gate’ for tenants of the area. In addition, a self-

85 The so called Hartz-Kommitee was an expert commission combining labour and economy ministries, headed
by Peter Hartz, former board member of the Volkswagen – Company. He got internationally appreciated for his
unconventional staff and labour market policies since 1993. In 2002, he suggested a radical restructuring of the
German labour market and a reduction of different state transfer obligations for the unemployed. The committee
also suggested a stronger individual engagement in self-employed business, the so called ‘Ich-AGs’.
help project of German-Russian migrants offers consultation for job-hunting and starting self-employed businesses. There is also one recognized consultancy office for debtors. In Hellersdorf, a similar ‘job-centre’ was recently opened in cooperation with the federal labour service. These agencies were initiated by the present labour market policies, Hartz I-II. 

6.2 Economic developments

Since 1990, the infrastructure for the local economy of the district has been remarkably improved. However, the economy seems stagnant since about two years and is not yet considered a relevant factor for the estate’s economic stability. This is linked to the overall economic stagnancy in Berlin, the saturation of the local retail trade and the fact, that the management of the local spatial potentials has hitherto not been too successful. Networking between all actors in the economic sector and between enterprises needs further development. Local economy experts consider the labour force potential, the transport links to the city and to and Berlin’s largest industrial and business area in Marzahn (555 ha; 18.3 per cent of Marzahn’s area) to be an economic potential for the estate, the city, and the region of Berlin-Brandenburg. Technology- and communication oriented enterprises are targeted. Taking into account the overall economic and labour-market prospective in Berlin, it is rather difficult to review the district’s estimation for the further development of the area. In Hellersdorf, service, trade and retail constitute the prevailing economic focus, 90 per cent of them in small enterprises. Their number increased, but currently, the development is stagnant. In the district as a whole, there are 13,804 trade units registered. Amongst these, there are 40 companies with 3,234 employees belonging to the manufacturing sector.

Within Marzahn–Hellersdorf as a whole, the labour force remained stable since 1995 with about 500 gainful employed persons per 1,000 inhabitants. However, even though there is a spatial potential to create a local labour-market, the proportion of gainfully employed persons who were earning their income in Marzahn–Hellersdorf remained also stable at about 20–25 per cent since 1995.

‘I can only estimate it, but I think, still today about 33 per cent of the Hellersdorf population is working in the inner city, about 25 per cent are working in the region and 25 per cent at a maximum do find jobs in or close to the area.’ (Interview: manager of a housing company, 2003).

In the 1990s, Marzahn’s economic concept foresaw different centres, but integrated urban development has led to a change from ‘thinking about centres’ to ‘thinking about locations’. Hellersdorf provided from the beginning one main centre and some smaller centres, like Cecilien-Square in the Red Quarter, which is mentioned as especially well-functioning in the local statistic report. The overall development of retail trade in general was assessed positively (Plattform Marzahn, 2000; District of Marzahn–Hellersdorf, 2003): whereas in 1990 both districts provided about 0.15 sqm/inhabitants, they achieved 1.0 sqm/inhabitants in 2000.

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86 The information concerning the district’s economic situation derives from several ‘economy round-tables’ in Marzahn–Hellersdorf since March 2000 (including councillors, district experts for economic funding, urban development consultants, local trade deputies etc.) and the official local economy reports from 1999 to 2002.

87 As of district of Marzahn, 2002.
The district’s budget for economic development funding attempts to realize gender-sensitive/equal funding, including the support of a women’s self-employed business consultancy centre. According to the district’s councillor for social concerns and economy, the tendency to seek for occupation is slightly higher amongst women than amongst men. The fact, that the high proportion of young families, house-wives and (often single-) mothers women is estimated as a potential for work at home (tele-working, call-centres etc.), should be critically reviewed in terms of gender mainstreaming.

‘In general, in spite of present ambitious attempts, women in Marzahn-Hellersdorf currently remain (or become again) objects of an overall process of exclusion from the labour-market.’ (Interview: expert on social concerns, 2003).

6.2.1 Unemployment
The estate’s former task to house the employees and workers of the adjacent industrial areas became obsolete by the GDR industry’s decline after unification, and consequently, unemployment increased considerably. Specific data concerning unemployment are usually represented as rates of unemployment. German data protection laws and the layout of statistics on unemployment however prevent the production of figures, related on a small scale spatial level. Data production is organised by ‘employment-office-districts’ which do not coincide with 'statistical cells’, ‘administrative districts’ or 'social cells’, and most of them are spatially much larger than the respective estates. Thus, on the estate-level, these data are not available. On the district level, unemployment rates remained rather stable from 1995 to 2000 and were always slightly below the Berlin average. Since 2001, they are increasing, but are at present at 17.9 per cent and thus still slightly below the Berlin average of about 19 per cent.

6.2.2 Income
The current average household income in the district is 1,650 euro which is relatively high within the Berlin district range and still reflects the former status the area had in East-Berlin as a district with a high proportion of well educated and relatively young employees within the state sector and the East-German economy. However, as the districts houses the largest families in Berlin, the average net-income per capita is relatively low with 850 euro.

6.3 Demographic and socio-cultural developments
The first tenants who moved to the estates, were young families, well educated and well earning. It was a mix of people coming from East-Berlin and other GDR governmental districts. Most of them had experienced bad housing conditions before. In contrast, Marzahn North, the part of the Marzahn estate which was finished latest, was mostly let to entire tenant groups from the poorer East-Berlin inner city areas, which were non-rehabilitated and to a high extend let to socially ‘difficult’ people. Still today, the whole estate’s population remains

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88 The share of persons registered as being unemployed of all persons being capable of gainful employment, both currently employed and searching for employment.
89 Source: Own calculations, based on State Statistical Office of Berlin.
more or less ‘eastern’: there is nearly no in-migration from West-Berlin or West-Germany. Also the main group of ‘new tenants’ in the two Hellersdorf estates, elder people from 50 to 55 years, are coming from adjacent East-Berlin districts or are in-migrating from the ‘New Laender’, to live close to their children and grand-children.

The present demographic development in Marzahn-Hellersdorf can be characterised by three most striking features: a rapidly decreasing and a very young population, an out-migration of better-off families and an in-migration of low-income households. Since 1995 the overall mobility is high and the estate hitherto lost about 21 per cent of its population (in Marzahn North 29 per cent, in the Yellow Quarter 26.8 per cent). In 1995, there were living 243,100 people. In 2000, the population had decreased to 191,000 people and the estimation for 2010 is an on-going loss of population to 157,700 people. The latter is based on the estimation of a stable number of in-migration and a decrease of out-migration (Arbeitsgemeinschaft Gruppe Planwerk, et al. 2003).

Marzahn-Hellersdorf is a very ‘young’ district. The average age is 34 years in Marzahn North and 37.8 years in Hellersdorf-South. In 1999, both districts together had 933,500 inhabitants younger than 27 years (35.1 per cent). One in four inhabitants of Hellersdorf (a total of 32,482 people) and one in five inhabitants of Marzahn (a total of 27,578 people) is underage. However, the age pyramids in Marzahn and Hellersdorf are rather different: the so-called ‘baby-boom’ has become a ‘youth-boom’, with a difference of five years between Marzahn and Hellersdorf. Whereas the ‘peak’ in Hellersdorf contains the 14 to 15 year old teen-agers, the ‘peak’ in Marzahn concerns the 19 to 20 years old teen-agers. The related group of parents in Hellersdorf has the age of 37 to 42 years, in Marzahn they are between 47 and 51 years old.

The gender distribution in Marzahn-Hellersdorf is rather balanced at 51 per cent women and 49 per cent men; the women’s share is higher in the older age-groups, whereas children and young people to the age of 27 years men are slightly predominant. In relation to the west-

Table 6.3 – Population of Marzahn North, Yellow Quarter, Red Quarter and Berlin by age

<table>
<thead>
<tr>
<th></th>
<th>Marzahn North</th>
<th>Yellow Quarter</th>
<th>Red Quarter</th>
<th>Berlin</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 6</td>
<td>– – 5.1</td>
<td>17.5 5.6 5.2</td>
<td>14.0 6.4 3.3</td>
<td>– 5.3 5.0</td>
</tr>
<tr>
<td>6-15</td>
<td>– – 13.6</td>
<td>16.5 23.7 15.7</td>
<td>17.9 23.0 10.2</td>
<td>– 9.8 8.5</td>
</tr>
<tr>
<td>15-18</td>
<td>– – 7.7</td>
<td>2.0 3.9 6.2</td>
<td>2.4 3.6 7.8</td>
<td>– 3.1 3.2</td>
</tr>
<tr>
<td>18-27</td>
<td>– – 15.5</td>
<td>12.9 8.8 13.6</td>
<td>9.6 7.7 11.4</td>
<td>– 10.9 11.0</td>
</tr>
<tr>
<td>27-45</td>
<td>– – 33.4</td>
<td>40.0 41.7 35.1</td>
<td>40.1 41.0 31.9</td>
<td>– 31.0 30.4</td>
</tr>
<tr>
<td>45-55</td>
<td>12.2 4.9 6.7</td>
<td>10.8 6.5 6.9</td>
<td>14.1 – 14.0 13.3</td>
<td>–</td>
</tr>
<tr>
<td>55-65</td>
<td>– – 6.5</td>
<td>3.6 11.7 6.4</td>
<td>4.6 5.9 9.1</td>
<td>– 12.1 14.0</td>
</tr>
<tr>
<td>&gt; 65</td>
<td>– – 6.3</td>
<td>2.5 4.2 6.9</td>
<td>4.7 5.5 12.3</td>
<td>– 13.8 14.7</td>
</tr>
</tbody>
</table>

Source: IRS 2003, based on State Statistical Office and the housing companies

* whereas the previous figures were provided by the housing companies, those for 2000 are based on the ‘social cell’

91 Observation from experts in social concerns and housing managers in 2003.
Berlin districts, the share of men is rather high. Single mothers were at the Berlin average of 32.4 per cent with 29.14 per cent in Marzahn and 33.94 per cent in Hellersdorf in 1997.\footnote{Source: Sozialstrukturatlas, 1997.}

One quarter of the children younger than six years depend on social welfare and in 2001, in Marzahn North, young adults between 18 and 27 years were significantly more often social clients than the district’s average. The Yellow Quarter and the Red Quarter lay below the district’s average, but by total numbers, each of the three estates is beyond the districts average of people depending on social welfare. Within the Berlin district ranking of people depending on social welfare, Marzahn-Hellersdorf ranged in the middle. In 2001, within the district’s large housing estates 13,301 persons (6.8 per cent) received social welfare benefits. Marzahn North had the highest figures within the district, with 10.6 per cent. In general, the share of women depending on state transfer at 51 per cent is higher than the share of men 45 per cent.\footnote{Source: Sozialhilfebericht Marzahn-Hellersdorf, 2001.}

Single parents depending on social welfare (29 per cent, mostly women) are considered as being a ‘social risk potential’ for an area, because they are expected to remain in this status of dependence on the long run. While the household size of German and German-Russian social welfare dependants is two persons to the household, the number is 2.5 persons amongst other migrants.

### 6.3.1 Ethnicity

The share of migrants, mostly from Asia and the former USSR, is one of the lowest in Berlin. In Marzahn North there are 4.6 per cent, in the Red Quarter 1.8 per cent migrants and in the Yellow Quarter, the share is only slightly higher with 2.6 per cent. More than half of the migrant population is between 27 and 45 years and this group is significantly younger than German population. However, in ‘real terms’ the ethic minority is larger. Approximately 21-26

### Table 6.4 – Family structure of households depending on social welfare in 2001 (percentages)

<table>
<thead>
<tr>
<th></th>
<th>Singles</th>
<th>Families without children</th>
<th>Families with children</th>
<th>Single parents</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marzahn North</td>
<td>34.5</td>
<td>22.0</td>
<td>18.0</td>
<td>25.5</td>
<td>1,349</td>
</tr>
<tr>
<td>Hellersdorf South</td>
<td>36.6</td>
<td>22.2</td>
<td>17.7</td>
<td>23.5</td>
<td>842</td>
</tr>
</tbody>
</table>

Source: Sozialhilfebericht Marzahn-Hellersdorf 2001

### Table 6.5 – Density of people depending on social welfare in Marzahn-Hellersdorf, by origin, in 2001

<table>
<thead>
<tr>
<th>Total</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>German (without German-Russian migrants)</td>
<td>10,683</td>
</tr>
<tr>
<td>German-Russian Migrants</td>
<td>2,562</td>
</tr>
<tr>
<td>Migrants</td>
<td>959</td>
</tr>
<tr>
<td>Total</td>
<td>14,204</td>
</tr>
</tbody>
</table>

Source: Sozialhilfebericht Marzahn-Hellersdorf, 2001

\footnote{Source: own calculations, based on district of Marzahn-Hellersdorf, 2003.}
per cent (2002\textsuperscript{95}) are ‘Spaetaussiedler’ (German-Russian migrants), who as legal Germans are not counted amongst the migrant population. Overall in the district, 12,000-14,000 German-Russians were estimated in 2001 to be living in Marzahn North.

### 6.4 Conclusions

The Marzahn-Hellersdorf large housing estate as part of Berlin’s eastern belt of very large housing estates, and was an acclaimed housing area in the former GDR. The demographic development in Marzahn-Hellersdorf is characterised by young, but rapidly decreasing population and a high level of population turn-over. The socio-cultural situation is characterised by transition processes to a post-socialist society and a change from a ‘GDR middle-class’ to an increasingly instable and migrant dominated population with an ageing, but stable core group.

After unification, judged to be an indispensable and accepted part of the Berlin housing stock, the estate was target by several urban renewal and environment improving programmes. However, the acceptance was meanwhile disproved through the demographic development and an obvious rejection of this type of housing within large parts of the residents and possible future tenants. For the future, the estate will remain a tenant area with a population, which structurally is getting closer to that of western estates. In contrast to the district’s growing single-family home settlements, the Marzahn-Hellersdorf large housing estate lost about 21 per cent of its population since 1995. Despite some improvements since the late 1990s, neither the local economy or labour markets are distinguishable as a factor of the socio-economic stability, which would be needed to improve the local income situation.

The current socio-spatial interventions in Marzahn-Hellersdorf are both preventive and a reaction on the recent socio-spatial development. Marzahn North was designated as preventive target area for socio-spatially integrating intervention within the ‘Socially Integrative City’ programme.\textsuperscript{95} The Yellow Quarter suffers less from social problems, but also shows an alarming extend from vacancies, and was thus designated as target-area for the ‘Urban Regeneration Programme’, which will eventually lead to a drastic change in the built environment and the housing situation. The Red Quarter shows the best conditions, both in housing and concerning social cohesion. The three case-study estates are different in their urban design, their present physical appearance, their population structure and – as it will be further explained in the following chapter – the accommodation policies which the different owners realised.

Summarizing, it can be stated, that in comparison with the overall German or European large housing estate context, the estate’s socio-spatial situation or segregation (as far as unemployment, share of people depending on social welfare are concerned) has not yet reached an alarming status.

\textsuperscript{95} Meanwhile, according to local experts, other parts of the estate would deserve the same status.
Marzahn North, the Yellow Quarter and the Red Quarter in the district of Marzahn-Hellersdorf in Berlin: problems and perspectives

During the last decade, the cooperation between housing owners, the district and the Senate in the Marzahn-Hellersdorf estate has been intensified and motivated through urban renewal programmes. The main problem (and aspect of economic competition) are the growing vacancies and the socio-spatial consequences of the high population turn-over. In 1991, a process-oriented integrated development plan was implemented by the Berlin Senate, aiming at upgrading the entire panel-housing estate. This was to be accompanied by democratisation of the very-day life, which should be reflected in the methodology of the implementation of change. In Marzahn North-West, where segregation was feared first, a neighbourhood-management has been implemented to realise the ‘Socially Integrative City’ programme. The designation of parts of the area as target area for the ‘Urban Regeneration Programme’ is expanding the attempt to improve both the living and the housing market conditions.

In addition to these top-down strategies, a kind of double structure was applied, led by the large housing companies and different in Marzahn and Hellersdorf: in Marzahn North, there has been an evident orientation on the micro-economic interest of the housing company, regardless the social consequences. In Hellersdorf, the housing company combined the same economic interest with an attempt to maintain the given social cohesion in the estate ‘as long as possible’. The following chapter is on specific problems and perspectives, attributed to physical facts and socio-spatial conditions and reviewed in a more qualitative way than in the last chapter.

7.1 Housing and design

The ambitious Marzahn-Hellersdorf housing project aimed at the eventual solution to the ‘housing-question in the GDR’ and in the residents’ perception, housing and living conditions in Marzahn and Hellersdorf were judged as satisfying during the state socialist period. Smaller kitchens and the living space than experienced in old buildings was often compensated through the summer-life in the ‘Dachas’, a land-consuming allotment system, which served

96 A small wooden ‘bungalow’ and a garden were common in east German families, leading to a widespread sprawl covering much of the landscape. Approximately 37 per cent of the residents of large housing estates had such a retreat. It often served also for self-sufficient vegetable and fruit production.
as the ultimate retreat. There, a parallel society to the industrial life-style, free from party surveillance could be enjoyed, permitted or even supported by the ruling party. About one third of the population owned ‘a Dacha’, possibly meant as a compensation to the state’s physical closure and ‘idyllic’ counterpart to western TV’s soap-operas and highly restricted travelling to the west.

Already in the early 1990s, the technical standard of the WBS 70 proved insufficient: exterior walls showed cracks, the existing loggia-constructions had to be renewed, crossings of vertical and horizontal joints produced ‘heat-bridges’ in most buildings. The costs for rehabilitation were at about 8,500 euro per flat, the cost for a modernisation lay at approximately 35,000 euro per flat (Jahn et al, 1992). The Marzahn-Hellersdorf estate was thus included in the state funding programme for the basic rehabilitation and modernisation of more than 150,000 flats in all east-Berlin large housing estates from 1993 to 2005. The technical standard of the fully rehabilitated buildings today is sufficient, facades and entrances were re-designed, many buildings were fitted with renewed or added elevators, and also large parts of the housing and urban environment were remarkably improved – in principle, provide ‘decent homes’.

Nevertheless, in 1995, renting out became problematic and for some parts of the estate, the housing companies could not longer finance their share of the costs for rehabilitation and improving the housing environment. Part of the problem are the rents. Not being much different from the eastern inner city, tenants, comparing rents in the city, experience them to be high in relation to the estate’s bad image and the lack of urbanity. While the housing companies advertise their stock as ‘living in the landscape’, this ‘suburban estate’ image is obviously not (yet?) accepted in contrast to the city or single-family detached housing. The consequence was a vicious circle of loosing tenants, vacancies and physical and social decline.

The infra-structure buildings, sufficient under GDR conditions, were providing a close-to-home supply of schools and child-care within the fully employed society. Following the loss of population and the changed economic structure after 1990, a large amount of out-of-use social and commercial infrastructure buildings lies abandoned. Within the next four years, more than thirty of these vacant buildings are expected within the estate. They cause a heavy problem as they are a subject for vandalism amidst the neighbourhoods, and the space, left bare after demolition will constitute a challenge for urban development; for financial reasons and over-supply of space, only a very small number of them will be re-used as socio-cultural centres. The project of further conversion, suggesting re-design into studio-, row- or terraced-housing, was briefly considered, but rejected as economically ineffective and risky, as demand remained uncertain.

7.1.1 Place making in the ‘Urban Regeneration Programme’
During the last years, it became obvious, that the maintenance costs for vacant buildings would ultimately precipitate the bankruptcy of the housing companies. The total annual costs to maintain Germany’s vacant dwellings are currently estimated at 4,4 billion euro\(^97\) p.a., the costs for provided infrastructure are at 1,12 billion euro p.a., and the cost for partial ‘re-building’ (demolishing of parts of a building and rehabilitate the rest) is understood to be exceeding any rentability, as long as no substantial subsidies are invested.

Despite the hope aired by the districts and the housing companies that an improved standard of selected areas and buildings would redirect demand into these areas, the demographic development does not leave any doubt, that a large amount of the presently empty dwellings will be out of demand for ever. The big challenge of the future is for the management of ‘shrinking cities’. The implementation of the ‘Urban Regeneration Programme’ is thus both an economic necessity for the housing industry and a social and cultural necessity for urban development. Within this process, it will be interesting to observe, how strategic attempts to physically rehabilitate housing and its environment affected the development of democratic policies and civil society especially in this district under societal transformation. Without anticipating too much of the governance part of the RESTATE research, the physical aspects of the ‘Urban Regeneration Programme’ in Marzahn North and the Yellow Quarter shall be briefly introduced here.

In 2002, parts of Marzahn–Hellersdorf became target areas of the programme, which aims both at a partial reduction of the housing stock and a sustainable development of the quarter as a whole. In terms of policy-development, it will be of great interest, whether (and which) successful parts of the earlier policies will be taken aboard the new approach and, last but not least, for what reasons other parts failed. The ‘Urban Regeneration Programme’ is intending to take 1,700 flats off Marzahn North’s housing market. One thousand of them are to be demolished and another 700 flats shall be restructured. Two schools and three kindergartens shall be demolished, 7,500 sqm of the fallow land shall again be building land. In terms of urban design, it is very problematic that the buildings, designated to be either reduced or completely demolished, are located in the centre of the Marzahn North estate.

The three current planning suggestions are:
• parc: modernisation and complete demolition of centred buildings and rebuilding;
• patchwork: partial demolition and modernisation and rebuilding;
• ‘11:4’ partial demolition of all buildings and modernisation and rebuilding;
• all three concepts would lead to vast open space and are thus problematic with respect to urban design, social space and also in an ecological sense.

![Variante Park](image)

![Variante Patchwork](image)

![Variante 11:4](image)

Source: Ministry for Building, Housing and Traffic, 2003

Figure 7.1 – Variations for the ‘Urban Regeneration Programme’ in Marzahn North
Figure 7.2 – Spatial division of the vacancies in the Yellow Quarter

Figure 7.3 – Suggestions to re-design ground plans in the Yellow Quarter
The resulting change in the urban pattern will subsequently cause an important infrastructural change. The emerging critical reactions of the tenants will be subject of the research on governance in the RESTATE research.

The Yellow Quarter in Hellersdorf is an ‘additional target area’ of the ‘Urban Regeneration Programme’ in Berlin, aiming in this quarter to reducing special partitions of the vacant housing stock.

Here too, three variations of regeneration are being discussed:

- the first suggests mainly to join flats or to re-design the ground plans, aiming to provide more smaller flats with more space, often according to the demands of housing for elder people. A part of the housing stock, 255 flats which are mostly located on the building’s corners and are difficult to let, shall be demolished;
- the second suggestion aims at developing the patterns of the estate’s borders less severe. This would include the demolition of the two upper floors of the five- to six-storey buildings and the conversion of a former child-care building in row housing;
- the third suggestion, based on good experiences in the Red Quarter, would lead to the demolition of only 150 flats and the re-designing of the ground-plans of the remaining stock (Stadtbüro Hunger, 2003).

The owners’ reactions to the planning suggestions are ambivalent. Different consequences are drawn. Especially the different level of mortgages on the space before and after the regeneration influences their cooperation within the context of the programme. For a time and in order not to act too fast, all of them started to advertise for specific tenant groups, such as (student) starter-households, families, elder people in order to reduce their loss by low rents rather than to lose the rentable space altogether, which will not be refunded. Nonetheless, the maintenance-costs for vacancies and the obvious demographic development forces to structural change.

7.2 Labour market, well-being and access to services

Unemployment in the large housing estate is below the Berlin average, but for still alarming. The districts supported locally based attempts at solving this problem, however, meeting with impediments from levels out of their reach. The generally bad situation on the labour-market and the re-interpretation and re-distribution of ‘work’ in a knowledge-society, the state job centre’s organisation, the lack of economic incentives and binding employment commitments for investors (as known in France) etc. The Berlin neighbourhood management’s failure in this field of action so far hint at the possible fact that the ‘traditional local economy’ could be overestimated as a provider of jobs, especially if it is in crisis itself.

There is a mismatch between what the district claims as a potential of innovation grounded in the local labour force and results of an OECD investigation, which stated in 2002, that the educational level in the Marzahn–Hellersdorf estate was at the third-lowest level in Berlin.
A need for action is indicated in two fields of local governance:

- first, the increasing youth-unemployment demands special programmes, which allow young people to accommodate themselves with the routines of a working day, and make them interested in different fields of the labour-market. (Interview: expert for social concerns, 2003). In Marzahn North and in the Hellersdorf estates, promising projects in this field have been initiated by ‘JAO e.V.’, ‘Kids and Co’ and ‘Projekt Globus’, which also include migrant youth. They will be looked at for their potential of influencing the quality of the estate as a socio-spatial entity;

- second, the establishment of economic networks and ‘core business development’ seem to be effective and has started well. But further development is needed, which would allow this strand of development to reach its full potential. A networking accommodation management could be useful;

- taking part in the EU programme ‘Learning Regions’ (Lernende Regionen, BMBF\(^98\)) is understood to be a challenge for institutional learning on a locally integrating level, knowledge-development, and -production and the building of actor-centred networks.

7.2.1 Retail

In Marzahn North, retail and trade are in a cutthroat-competition. In part this is caused by changing consumption patterns at times of growing mobility and the increasing use of internet-shopping. In Hellersdorf, the two adjacent shopping centres also are in competition. Whereas the development of German retail is rather stagnant, two small ethnic economies seem to expand: Vietnamese migrants\(^99\) occupy special fields (flowers, news-paper, cigarette and sweets shops, but also Asian super-markets). Additionally in Marzahn North, the German-Russian trade is developing an alternative for consumer demands and an ethnic economy, supplying Russian food, books and videos.

7.2.2 Well-being

The increasing loss of population, resulting from the out-migration of better-off families and the demographic development, has resulted in a sharp contrast between rehabilitated and inhabited buildings and entire staircases which are only partly inhabited, neglected and/or vandalised. Especially in Marzahn North, older tenants are feeling explicitly disturbed by the contrast between the re-designed greenery and public space and the neglect inside the buildings and behind the cold facades. Thus, especially amongst older people in Marzahn North, the subjective feeling of fear is high and stands in contrast to tenant-surveys and the official crime-reports, which state low crime rates.

A second aspect, disturbing the well-being in the housing environment, is the closure of kinder-gardens and schools. On the one hand, a logical consequence of the falling birth-rate, quarters without such infrastructure lose attraction for families. On the other, the empty buildings are a sore in the urban space and a cause for vandalism.

\(^98\) The ‘Learning Regions Programme’ is an attempt of the federal government to support regional knowledge development and management, which has a parallel in the new EU programme of the same name.

\(^99\) Vietnamese were part of the small migrant labour force in GDR. Many were accommodated in hostels in Marzahn during the GDR period.
Well being in Marzahn–Hellersdorf is to a great extent also connected to the image and thus often ambivalent. With regard to the district’s estate, different images have developed:

- an in-side and positive image exists mainly for satisfied inhabitants of modernised blocks, older people and young families. They are enjoying the closeness to the surrounding greenery, the flats’ sizes, ground-plans and balconies, and are not missing a socio-cultural urban context;

- satisfaction with the housing management depends on the block’s condition, but lacking well-being is more attributed by the residents to bad maintenance than to the built environment as such. Residents perceive the social and ethnic change in the estate critically, but not as alarming. Older residents moving to the Hellersdorf estates still enjoy the image and hope for more safety than in Marzahn North;

- older inhabitants, singles and youngsters describe the quarters as monotonous. They name scary areas like ‘ghost-city’ buildings and insecure stair-cases (in Marzahn North) or suburban railway stations, where groups of youngsters meet, illegal Vietnamese cigarette trade is going on, and neglect and gaping voids create an uncomfortable ambience;

- the worst image and perceived as external, derives partially from press reporting, the factual lack of urban life and the image of ‘socially deprived housing’, which – except in realley run down areas – strangely contradicts with the residents feelings and activates fears of belonging and being locked in the environment, which others despise. Even though the neighbourhood-management and the housing-companies have started intensive image-campaigns for the modernised parts of the estate, this image is rather persistent. It is currently being strengthened by the vacancies which are associated with decline and unreliability.

Part of the image are, even though they probably do not reach a broader public, films (and artistic production in general) about the hopeless situation of socially deprived and/or drug-abused youth, including sexual abuse, racism etc. Since soon after these settlements appeared in the 1960s, desolate sceneries of European (and also Marzahn’s) large housing estates were increasingly used to characterise not only social circumstances of life, but also the influence of the built environment on different people inhabiting it. By translating both social and socio-spatial deprivation in artistic work, these settlements are on the one hand criticised, but on the other hand, their bad image is consolidated. However, aiming to develop a sustainable future trajectory for the estates, it would be interesting to consider these cinematic interpretations as being helpful to understand both different (ethnic- , youth- etc.) cultures developing there and, especially, the respective strategies and images for their place-making.

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100 The information, used as basis for this paragraph, are tenant assessments from the Marzahn–Housing–Company in 1999, the Hellersdorf–Housing–Company in 2000 and own investigations within the NEHOM research–project in 2001. The number of returns of tenant assessments amounts usually to about 60 per cent.


102 An internationally appreciated film, which was shown in Marzahn in 2002, was ‘Alaska.de’. One of the first German films, about youth growing up in large housing estates was ‘Christiane F.’, describing in the 1970s the life of a drug-abused 13 year-old girl, growing up in ‘Gropiusstadt’ (one of West-Berlin’s first large housing estates).
7.2.3 Access to services

The ‘physical’ accessibility of all services is good due to the mix of localisation and well developed public transport, which allows commuting within the estates and to the inner city by tram, (elevated) tube and municipal railway. Road connections, in contrast, are often congested and thus less convenient. Despite the time consumption, however, many people take to streets for their daily way to and from work.

As the large estate contains almost all social and administrative services, the problem is less the accessibility of service than its quality and content. The administration confirms that especially labour related services often lack both a migrant and a personal focus and especially the departmentalisation of social and youth policies proves a problem. As the problems are often multi-factorial and ‘integrated’, a governance problem is seen by the agencies aiming at problem oriented and integrated services. (Interview: neighbourhood management, 2003).

7.3 Demographic changes and multi-cultural developments

The present population structure of the estate has in parts emerged in consequence of the uncertainties of post socialist transformation. The formerly highly balanced household structure is changing rapidly: With education and income as denominators, the estates are currently feared being on their way towards a lower class-district. Economic polarisation is being experienced, relatively low incomes are contrasted by relatively high rents (and service costs), and the loss of image is apparent from an outside view as well as from within.

In combination with the high vacancy rates and population turn-over, this has (especially in Marzahn North), led to a drastic change in the demographic composition: the ‘natives’ left or are getting older, and no compensation has yet become apparent for the overall loss of population despite the fact that the area has become increasingly a prime target for immigrants from the former USSR, poorer residents, who had to leave gentrified areas due to rent and overall price-rises very young ‘starters,’ who often also belong to low income groups.

The consequence is that where these groups concentrate, not only an increasing number of inhabitants depend on social welfare. Also conflicts over alcoholism, noise and partly vandalism occur with the remaining ‘better off’ residents who then leave, and the affected parts of the estate start moving down the social ladder. To a certain extent, also the policies of letting flats are responsible for the estate’s demographic and ethnic change. I.e. in Hellersdorf, the housing companies tried to practise an accommodation-policy which respected the need of social balances in the blocks:

‘From soon after unification, we were aware about the fact, that the social composition of the estate would not remain the same in the future. However, we were very careful in accommodating tenants, base don the experience we made soon that already one ‘socially wrong’ tenant might chase away the tenants of an entire stair-case.' (Interview: housing manager, 2003).

In contrast, the Marzahn housing company attracted the in-migration and concentration of German Russian migrants, at the same time helping them to accept flats and relieving the company from vacancies. However, as about 11 per cent of the flats were let to the German-Russian migrants in just one year, leading to about a quarter of the population being ‘based in

the Russian culture’ the estate quasi ‘overnight’ became a multi-ethnic place. Despite the fact that a part of the German-Russians easily integrates and soon belongs amongst the income average, some of the ‘old’ residents took this ‘infiltration’ as a loss of quality and a reason to leave.

7.4 Social cohesion, social inclusion and social exclusion

Marzahn-Hellersdorf’s panel buildings were proverbially integrative before 1990 and in income and education above the east-Berlin average. Still today, parts of the estates’ that remained occupied by older German tenants are described as a rather cosy ambience. However in other parts, the social cohesion has broken up and anonymity has set in. The high voluntary mobility was described as one factor, but also the modernisation of buildings contributed, as generally the building activities led to a dissolution of neighbourhood bonds.104

7.4.1 Social cohesion

Even though there are of course also those, who ‘cross the lines’ and just live normal urban lives, large parts of each of the inhabitant groups seem to live according to different informal rules. Thus, while group cohesion might even be strong, inter-group relations are characterised by distance:

Amongst many the above middle aged former GDR-residents, attempts to preserve the ‘housing community’, while it is obviously crumbling, are usual. Building on strict rules, but also on taking care of the neighbours, the feeling of loss leads to a tendency to reject others.

The German-Russian try to defend their traditional family structures against what they perceive as the ‘over-modern’ German society. Finally, the ‘new tenants’ are neither included into the former GDR-tenant’s normative context, nor do they meet sufficient norms and values to be respected by the ‘German-Russians’. In addition, they usually are only communicating within small groups and lack any ‘organisational power’. What remains to be seen, is, whether the new forms of governance attempted by the neighbourhood management model and the different housing companies might make the groups more permeable and allow new forms of cohesion to develop on a level that influences the estate structurally.

Whereas for the Red Quarter and the Yellow Quarter no spatially different use of the urban environment (besides usual and non-aggressive ‘place-taking’ by young residents) was stated, in Marzahn North, the different age groups of the German-Russians are occupying public space and greenery, often at distinct meeting places. A frequent reason for misunderstandings are conflicting ‘behaviours’ (language, the manner of speaking, body-language), norms and values related to their ‘pre-modern’ structures and contrasting to the ‘free’ German life-styles. The subsequent ‘stabilisation of resentments’ between Germans and migrants is estimated as an ‘early stage of segregation’ and is seen as an important a field of action for the neighbourhood management. They installed a promising initiative to further integration and the knowledge of the ‘other’: the ‘Free Forum of the Russian Migrants’. This initiative is structurally based on

104 In contrast to the 1980s and 1990s inner-city urban renewal programmes, the tenants who moved to another flat within the estate because of modernisation, had no right to re-move to their former flats after rehabilitation.
proved structures of participatory planning, implemented in the estate during the early 1990s (Droste and Knorr-Siedow, 2002).

However, a lack of a politically supported concept for integration on a local, state or federal level has its obvious consequences. Locally based initiatives cannot replace a strong state support (i.e. programmes focusing on language deficits or migrant unemployment), even if they are administered locally by subsidiary institutions. District strategies, in addition are difficult to develop, as the ‘in between’ status of the German-Russians makes the usual allocation of means towards quantitatively defined ‘problem groups’ difficult. In many fields, the current situation may be characterised by ‘learning by doing’ and the need for mediation between different interests and groups, both within population and administration. Even though integrative work is on the agenda, a collaborative and comprehensive approach by the different actors is still a ‘work in progress’. Which role institutionalised empowerment of migrant groups can play for their inclusion in a civil society’s structure, will be part of the investigation on governance.

7.4.2 Social exclusion
Both in the ‘Red-’ and the Yellow Quarter a decline in the social status was stated (jointly throughout the interviews). But this was not seen as coinciding with ‘outstanding’ problems of social cohesion, as a normality between individualisation and ‘neighbourhoodliness’ developed which allowed different life-styles without excluding certain groups. However, age related loneliness was seen as an emerging problem. In Marzahn North, the situation is different. Apart from the high rate of population turnover, the social situation being described as alarming, a third social indicator justified the inclusion into the ‘Socially Integrative City’ programme. With reference to the ‘tipping point theory’ (Haeussermann, 1999), the speed and direction of change were seen as dramatic, as immigration was dominated by ‘problematic German families’ and the large, traditionally structured German-Russian migrant families; both groups living in a precarious dependency from state benefits and social ‘lock-in’.

Many German-Russians feel socially excluded, both from public life and the labour market. Their professional skills are rather differentiated from ‘ordinary people’ from rural areas to highly skilled academics. As a group, they have mainly two things in common: early on, an often over-optimistic view of German society, the labour market and the willingness of the Germans to welcome them as ‘Germans’. Secondly, most lack a sound knowledge of German – which is one of the reasons, to remain ‘amongst one-selves’, even in church or other socio-cultural initiatives. Local integration policies further face the problem, that the migrant population is (briefly described) divided in three ‘life-style’ groups, not easily differentiated as ‘target groups’:

Young families or couples without children, just trying to survive, and only related to family networks, are difficult to reach by any institutional or NGO-initiative. The second group consists mainly of older people, often women and grandmothers, who are very actively organised in church, neighbourhood-centres and NGO-initiatives. They try to open up the German-Russian families to share and create a public life in the estate, and to support the integration into German society. Often they are the ones to motivate teen-agers to take part in socio-cultural or sportive programmes or accompany them to job-seeking. The third, mostly well educated group, also very actively creating public and especially cultural life and providing information about the German-Russian’s history, is trying to build semi-professional networks, especially amongst job-seeking migrants and those, who are aiming for self-employment. They
are in contact with the second group, but are further cultivating ‘their’ German traditions, in the way they practised them for decades in the former Soviet Union.

From a psychological approach this can be interpreted as the wish to build upon the feeling of ‘home’, and community-building, which they had experienced in the former USSR. As an irony of history, they are being excluded through practising exactly what they expected to be their most ‘including’ potential in the German Society. However, in everyday life their rather conservative and often folkloristic understanding of the ‘German culture’ is far from what the majority of the German population is currently living and valuing. A more political interpretation would be that these self-excluding practices could be the first steps towards a parallel society, especially, where the German-Russians experience the ‘benefit of scale’, allowing them to stay within the group. Summarizing from expert-interviews¹⁰⁵ and the fact that except the protestant churches mainly politically conservative groups support the German-Russian migrants, ‘the policy of this group is one the one hand strengthening self-confidence and the independence of the migrant population, on the other is also a factor of political polarisation and exclusion’.

Social cohesion between the three prevailing tenant groups in Marzahn North is not only impeded through the German-Russians’ behaviour. It has to be taken in account, that the comparatively closed former GDR’s society in Marzahn-Hellersdorf North is still less used to multicultural co-existence than many West-Berlin districts. In addition, even after a decade ‘in the west,’ many East-Germans still feel a loss of the security of the former ‘cradle to grave’ social care and are thus themselves hardly ‘stable’ enough as a ‘receiving’ society. Adapting to the change remains a challenging process of transition for both groups.

A cross-sectional problem within all groups in the estates is the fact that the part of population most endangered by social exclusion are children and young people. The district of Marzahn overall has the second highest share of children living on social assistance amongst all of Berlin’s districts. Also the figures for Hellersdorf are ‘alarming’ and if problems of education and unemployment can not be solved for this age-group, these young people will grow into an adult ‘stable-claimants’ society.¹⁰⁶

7.5 Sustainability

The sustainability of the Marzahn-Hellersdorf large housing estate must be considered according to technical, ecological, social, economic indicators, and in addition, needs to be judged in comparison to other areas on the Berlin housing market. By now, the technical and ecological sustainability of the estate is assured through the modernisation of housing and the re-design of the urban environment, which is finished to about 80 percent of the estate as a whole, whereas 30 per cent in Marzahn North¹⁰⁷ have been left with only minor adjustments. However, the precondition of a long-term technical sustainability is an improvement of

¹⁰⁵ These interviews have been carried out between 2001 (Droste, C. and Knorr-Siedow, T., 2001) and 2003, in parts by re-interviewing the same persons (responsible persons for social and migrant concerns, neighbourhood-managers).

¹⁰⁶ Source: District of Marzahn-Hellersdorf, 2001 and an interview with the district’s responsible for family and youth (2001).

¹⁰⁷ As of Wohnungsbaugesellschaft Marzahn North, 2003.
the housing companies’ financial situation to a degree that necessary rehabilitation may be continuously realised with less public funds. Whether the ‘Urban Regeneration Programme’, which aims at balancing demand and supply more sustainability will reach its targets, still remains to be seen. Its targets are still unclear and have been changing over the last two years, affecting its credibility for many actors and residents.

Despite some positive aspects, the economic and social viability of the Marzahn–Hellersdorf estate will have be proved on Berlin's competitive housing market with its 160,000 vacant flats. Whether the latest allocation policies, focussing more on distinct target groups and small-scale local differentiation also will have to be seen in the fast dynamics of the market and social development. Whether rent-reductions or rent-subsidies for special target-groups can be a sustainable solution, must still be considered open.

7.6 Conclusions

The huge Marzahn–Hellersdorf estate, which is the urban ‘framework’ for the Marzahn North estate, the Yellow Quarter and the Red Quarter, is located at the Eastern perimeter of Berlin, and is part of Europe’s largest panel housing estate outside the former USSR. The ambitious and acclaimed GDR housing project has undergone many changes since the early 1990s, which have helped to stabilise the situation, but the dynamics of development are such that parts of the estate are endangered as a social entity and – under the housing market situation in Berlin – also as a physical entity, if no new socio-economic sustainability can be reached.

After German unification and the emerging understanding that the estates would ‘anyway, for sheer quantity remain an important and persistent part in Berlin’s housing provision’ (Schuemer-Strucksberg, 1995), much physical improvement has been achieved through generous state and federal rehabilitation and modernisation programmes. In addition, funds were made available, to ‘put a finishing touch’ to the estates, to build new commercial centres, where the collapse of the GDR had left voids. Resident participation and the building of local networks were always high on the agenda and (Droste and Knorr-Siedow, 2002) have achieved the participation of especially the ‘older urban professionals’ and the ‘mouth-pieces’ of other social groups organisations in the ‘Plattform-Marzahn’). However, in spite of the international and internal appreciation of the modernising process, the estate’s development turned out different than expected. Despite many planners’, social scientists’, housing managers’ and politicians’ (outwardly presented) conviction that the eastern estates’ residents ‘were different as they had had different experiences in the GDR’ (Interview: planner, 2003), image and economical viability suffered hard. The current vacancies of Marzahn at 16 per cent and Hellersdorf 13,1 per cent must lead to new strategies and forms of implementation, if the estates’ sustainability shall not be reduced to small ‘quality cores’ and wide areas with a precarious future, leading into the well-known downward spiral, first sketched for Hellersdorf in 1994 (John Thompson and Partners, 1995). The signs are on the wall, as in the Red Quarter letting is unproblematic, while the Yellow Quarter and, still more alarming Marzahn North are facing grave economic and socio-spatial conflicts. After the former similarities, the three ‘part-estates represent different types of urban development apparently going on different, however not independent pathways.

Differentiation is also observed in the social composition of the population and an increasing dependence on state transfer. Whereas in the two Hellersdorf estates social cohesion remained
relatively stable, Marzahn North seems prone to further segregation within the housing stock with the special group of German-Russians in an ambiguous situation: On the one hand a certain asset, on the other bringing a still difficult to accept variance into the quarter.

Much of the current differences seem to be related to the different strategies and stages of rehabilitation. In addition, the images as seen from the in-side and the out-side are astonishingly different: according to tenant assessments the satisfaction with the housing conditions is generally high amongst those living in modernised flats (with slight differences between the three selected quarters). In contrast, the out-side is generally problematic over-stressing a multi-layered picture of negative factors. It is hardly differentiated with respect to differences and, if at all, is only slowly improving. Currently, the process of ‘Urban Regeneration’, which is understood as being necessary by experts, leads to a tendency of worsening the image in the public. Even though inner city areas also are suffering from increasing vacancies, demolition, the image of ‘ghost areas’ and unsafe perspectives in renting a home are highly mentally linked to the process, which originally was intended to enhance the situation. Intensive care for the estates’ image and tailor-made, targeted PR need to be part in ‘explaining’ the regeneration as sustainable in order to reassure those residents with a positive understanding of their habitat.

Which parts of the estate may await a sustainable development will mainly depend on how far it becomes possible to intertwine policies aiming at the estate’s physical restructuring and socially integrating policies and ‘transport’ them through forms of governance, that are opening the actors’ and the residents’ minds for the opportunities of Marzahn-Hellersdorf. Especially with the prospect of a further shrinking population, the elements often promised in past and only partly fulfilled concepts might need to move into the strategic centre:

- strengthening the local civil society;
- well-developed governance structures between all parties;
- new forms of attractive and price-worthy uses of the potentials of the panel buildings.

To build these will be a ‘touchstone’ for both top-down (institutional) and bottom-up (informal) actors, which need to cooperate and build new institutional arrangements. Key questions to organize this process will necessarily lie in a triangle of the oncoming ‘ageing society’, the ‘knowledge-city’, the utilisation of ‘local knowledge’, the support for ‘milieus’ with ‘place-attachment’.

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108 Both housing companies do regularly commission tenant assessments concerning the quality and the housing-management within the estates they are administering.
Conclusions, interpretations and expectations

With the western housing estate of the Maerkische Viertel and three ‘quarters’ from the eastern ‘large housing estate’s district’ of Marzahn-Hellersdorf, different cases were selected for the Berlin study, which contrast in many respects and are similar in others.

8.1 Location, technology, architecture and appearance

Amongst the similarities are the peripheral location at a considerable distance to the eastern and western centres, and by now the good connectivity by underground, municipal railway and road.

The urbanistic concepts are rather similar, as they were based in the same housing ideology of a Fordist modernism\(^{109}\) and the 1920s ideas of ‘air, light and greenery’. The differences lie more in the realisation. Whereas the MV with 16,900 flats still has an identifiable estate character, the case study areas and Marzahn-Hellersdorf with 100,400 flats incorporated in a region of over 200,000 ‘eastern’ flats are part of an all inclusive housing model for all.

Despite the background in two different political systems, the technologies are comparable. In the western and the eastern case, the newest technology of the 1960s was used, however, with a different time horizon: In the west until approximately 1976 and in the east until 1990 a majority of the buildings were made of factory produced pre-cast concrete panels, which, however, varied widely in quality. Many of the built-in deficiencies of the eastern estates are connected to minor technologies and material used. Technology also marks a difference in appearance. The MV shows a highly differentiated building design and urban layout as architects were allowed to play with the panels in mixed technology buildings. The majority of the Marzahn-Hellersdorf estate in contrast is dominated by a monotony of repetition. Hardly any architectural variance other than colour and surface was allowed by the budget planners. Whereas different angles between buildings were possible in the MV during the 1970s, until 1989 in Marzahn-Hellersdorf the need to ‘cut cost at any price’\(^{110}\) prevented variability and difference in appearance. Similar in both cases again was the early misjudgement of the durability of the technology; while no grave structural deficiencies emerged on both sides, the

\(^{109}\) The term ‘Fordist’ does not only reflect the technology of the ‘Ford T’ models chain assembly (in this case of housing), but also that a special value might be implicated by everybody having access to the ‘same stuff’ (in this case flats and services).

\(^{110}\) Interview GDR planner 2003 discussing the negligence of follow up cost to bad building.
concrete, joints and flat roofs proved highly vulnerable, making repair necessary after only a short period of life. The modernist promise of the panel as a cheap solution to mass building has proved questionable.

8.2 Dimension and replaceability

With over 350,000 dwellings, and housing approximately 20 per cent of the city’s inhabitants, Berlin’s large housing estates will not be dispensable for a long time. Replacement over a short period is almost unimaginable. Despite the present debates about partial demolition and the first cases of buildings ‘being brought down’, the need to provide the eastern and the western large estates with improved means – physical improvement, social enabling and economic initiative – for liveability and competitiveness on the market remains high on the agenda and is presently part of the ‘two faced’ programme for urban regeneration: partial demolition only, if the upgraded estate promises to become economically sustainable for the foreseeable future.

However, over the next decades, the meaning of Berlin’s large estates in general and those researched in the RESTATE project will almost certainly continue to fall apart. Some estates and parts of the estates will most probably remain or become accepted habitats for specific groups of residents, while others most likely will lose their acclaim (further) or will remain in a critical situation. Although this is partly related to the location, the reasons for estates falling back or catching up on the market vary. Many inner city locations, like the western Hansa Viertel or the eastern Frankfurter Allee South quarter will continue to fare better than the researched quarters and partly even become fashionable homes for young well to do urbanites. Low to medium prices, ‘full comfort’¹¹¹ attract people for a certain phase of transit life before becoming more settled. Definitely the location east or west is not the only denominator for the perception: within Marzahn-Hellersdorf, spatial differentiation by age, social strata, ethnic group and lifestyles is developing more obviously in some parts than in others and e.g. the Red-Quarter’s perception exceeds that of some western quarters, e.g. in Gropiusstadt.

The overall dimension of the large estates will set the framework for the differentiation. Whereas the MV has one defined main centre, to which the buildings are related, Marzahn-Hellersdorf are multi-focal and towards the outskirts hardly related to the distant centres of the ‘large panel dormitory town’. Thus, change and differentiation in the MV will, due to the smaller dimensions, be experienced by the majority of the residents as either improvement or loss of attraction. In Marzahn-Hellersdorf the already emerging variance between quality and image ‘sectors’ will likely further come apart, albeit without local developments necessarily affecting distant parts of the estate.

Even as high vacancy rates have changed the debates about the future, and in the eastern estates demolition is no more a taboo, none of the estates are going to vanish. Most likely, however, with the differentiation of localities, some areas will change their physical appearance greatly, while others will hardly change. In the MV, ‘edge’ neighbourhoods are likely to undergo a complete turn over. Some buildings will be exchanged for smaller and more ‘green oriented urban/suburban’ types of housing, which are likely to remain a demand sector of

¹¹¹ Central heating, bath and lift in contrast to many low price flats still lacking these amenities in the eastern central districts.
the housing market in the north-west of Berlin. Other smaller buildings might change their ‘social content’ as ownership changes or new resident groups move into converted buildings. These developments could reflect positively on the whole estate and help towards a ‘life-style’ differentiation (urban dwellers in the high-rises, younger families in the greenery oriented low-rises) and the emergence of smaller neighbourhoods allowing for ‘small scale’ cohesion and responsibility for the place being taken up. While such developments are also possible in certain parts of Marzahn-Hellersdorf, it is likely that their expected ‘image reflection’ will only become noticed in the more direct neighbourhood. At a distance, such developments will hardly enhance the images of distant neighbourhoods.

Due to continuing or prospectively rising vacancies, further partial demolition will be inevitable. In Marzahn-Hellersdorf this could lead to a perphorisation of space, which would impede the usability of parts of the estate (increased distances, looser network, i.e. of public transport), but could also allow for more small scale neighbourhood identity.

8.3 Image

Image is an important factor for the acceptance of all estates in Berlin. Seemingly image is a more important factor than price, as the MV with an average price above the eastern estates’ renovated flats is almost fully occupied, whereas cheaper not-modernised, though decently maintained flats in Marzahn have the highest vacancy rates.

The variance between the image measurements in the MV and in Marzahn-Hellersdorf is wide. Whereas the MV image covers ‘the estate’ and has gained a rather positive inclination, in Marzahn-Hellersdorf, contrasting images between the different quarters are partly conflicting. In general, Hellersdorf has been more successful in developing ‘local identities’ and images together with the residents (also see the governance part), whereas Marzahn seems to suffer from a more holistic (with a negative inclination) image.

A difference between ‘external’ and ‘internal’ images seems to be a factor for the acceptance of the estates and ‘quarters’. Where this dissonance is great, good internal image can sooner or later be outweighed by a bad vision from the outside with an impact on the internal image. Thus, a reality based work on the image (publicity, the media, cultural events) will be important for the acceptance of the estates and respectively their market position.

Culture and cultural activities seem to be of value in enhancing or impeding images. Films (and artistic production in general) about an assumedly hopeless situation of socially deprived and/or drug-abusing youth, racism etc. should have spread the ‘bad news’ of the suspected influence of the anonymous built environment on the social situation. On the other hand, films about Marzahn’s post-unification tristesse have taken of a cult character, allowing a re-identification and facing the possibilities of change. But also artistic initiatives, sculptures and the use of colour as an element of signally uniqueness in Hellersdorf or the use of light and sound in Marzahn have proved a strong factor in image building. The use of art and cultural activities as a ‘tool’ to allow a new form of confronting with the estates’ reality has not yet been taken up by the western companies to a large degree in their strategies for place-making.
8.4 The social reality of the Berlin estates

All case-study areas have experienced a change in their social reality, but at different times. Whereas the MV went through the experience of various periods of ‘ups’ and ‘downs’, Marzahn-Hellersdorf are still only in the first process of a loss of image and social stability, with a regionally limited ‘upward trend’. Especially within the groups of the residents and the local actors, the experience that things can also change to the better, as it happened more than once in the MV, is missing and only limited trust in change and strategic interventions prevails despite fact that massive improvements have brought upon better opportunities.

At present all four cases have developed towards housing ‘low middle class’ and lower class residents, with the older residents often in a still better position. Statistically, none of the case-study estates could generally be called poverty stricken, outstanding in unemployment or being home to an overall or mainly marginalised population. However, also all estates are experiencing a small scale spatial agglomeration of households in a problematic socio-economic and socio-cultural situation. As stated in the Berlin Senate’s report on the preparation of the ‘Socially Inclusive City’, all four case-study areas, the MV and more so the three quarters in Marzahn-Hellersdorf will need attention and care, in order to avoid the ‘tipping over’ into becoming problematic on a larger scale.

Also none of the researched estates is outstanding in criminality, health-related problems, violence or vandalism, although all these forms of socio-cultural problems appear in some cases, however, not to a more intensive degree than in other, e.g. inner city quarters of the same socio-cultural and economic composition. The general assumption is that without a further negative inclination in the population structure, no imminent threats exist for whole quarters. This, however is different on a neighbourhood basis, where especially in peripheral situations, ‘problematic pockets’ might stabilise.

In contrast to many western and eastern countries, safety and crime have become urban topics, that also affect the large estate on a level, comparable to other quarters. As the police and social services state unanimously, the large western or eastern estates are neither outstanding places of crime or residence to offenders, possibly because the comparatively violent group of ethnic non-Germans is statistically underrepresented in the MV as well as in Marzahn-Hellersdorf.\footnote{The same applies to social and economic exclusion, which also seems statistically more related to origin, education and ethnic status, where the large estates are on a superior stage than many old inner city regions.} The same applies to social and economic exclusion, which also seems statistically more related to origin, education and ethnic status, where the large estates are on a superior stage than many old inner city regions.

8.5 Small scale sociotopes and neighbourhood bondage

Reflecting the very large buildings, in the MV, neighbourhood often means one building or a ‘knot’ of access to the elevator on one floor. These seem to have a less binding effect for the residents than the whole of the MV or the quality of flat. The large estate thus has fulfilled the promise for individual life-style, and after decades many residents have accommodated so well
that any more coherent group (i.e. immigrants) are seen as a threat to privacy. In contrast, in Marzahn-Hellersdorf’s case block and yard images seem to play a major role.

All estates have undergone periods of very high mobility, with the eastern estates still at a high turn-over. The traditionally ‘bound’ groups, who also usually are making spaces ‘sticky’ for others, have partly left already, thinning out the ‘glue components’. Most ‘stickiness’ exists for and within the older generation, but partly new ‘bound groups’ are emerging east and west. Examples are the German-Russians, who provide social (infra-)structures and the large groups of young families in the MV, who self organise informal networks on a superficial level, still producing cohesion. Especially in some eastern quarters of the case study area, the number of ‘unbound’ and ‘disassociated’ residents is at a scale, which could lead to these areas becoming ‘fast transitory zones’, experiencing physical and social ‘wear’ (overuse of scarce public space, semi-public space) and social resources (trust, accommodation, but also social institutions).

8.6 The importance of economic sustainability

Berlin’s economic development reflects on all estates and leads to an increase of unemployment and dependence, which can hardly be countered by local economical initiatives. The social and economic networks of assistance (MV) and the neighbourhood management (east) have been hardly successful in massive job creation. However on the level of small groups and individuals, these initiatives have proved highly successful showing the way out of aggressive ‘anormia’. In all four cases, the actors see opportunities in enhancing the efficiency of such initiatives. Embedded in integrated policies a positive effect for the neighbourhood and in coming generations could be of help to secure the economic viability of the estates.

All housing companies in the large estates are ‘faring in difficult waters’. The vacancy situation in the east proves a grave mortgage, which may not be mastered without further assistance by the public sector. In the west, market oriented rents in a highly competitive environment prove to lead towards the edge of economic sustainability as the needed repair can hardly be refinanced from the rent revenue that can be acquired on the market.

New forms of housing economic strategy, tailor made for different socio-spatial situations are understood to be needed in all four areas in order to avert financial problems of the housing companies that might finally endanger also the estates’ status of social housing. However the experience with building up differentiated rent/cost on the basis of differing qualities within the estates has up to the present hardy has any large effect. Privatisation to sitting tenants, which could relieve the housing company of some responsibilities, has neither in the west, nor in the east had any large quantitative effects and privatisation to institutional owners – private housing companies, pension funds – has in some cases badly ‘misfired’, even increased financial burdens and worsening the image of the estate. Although the MV’s largest housing company is considering such initiatives off late, the idea of the companies taking an initiative in helping residents to self-generate wealth has not yet left an experimental stage.

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113 By German law, in a forced auction after a bankruptcy, and only then, all special residents’ rights are lost.
8.7 Policy involvement and governance

Since unification, a wide gap has opened between the public awareness for the eastern as the western estates. For almost a decade most political attention – understandably – was given to the eastern estates. This change in policy, to provide the more needy first, in fact took away funds from the western estates, which shortly before unification had been thought necessary to avert problems from becoming manifest. During this period of by now over a decade, a difference in the dependency and inventiveness of the major housing companies could be observed. The eastern companies’ policy needed to be effectively ‘spending’ public funds to enhance the sustainability of the estate and building the foundations for a future existence on the housing markets. In the west, after the 1980s public funding for improvement was over, facing the market started about one decade earlier. Within the following report on governance, the differences between ‘publicly sheltered’ and ‘market exposed’ company policies will be further elaborated. It remains to be seen whether a gradient is developing towards a more independent and customer oriented policy and how this reflects on the companies’ rentability.

8.8 Actor networks and departmentalisation

Berlin’s housing related development policies have more and more concentrated on ‘integrated’ policies, culminating in the neighbourhood management and the ‘Socially Integrative City’. This tendency towards new forms of integrative governance and integrated action has, however, not only developed, where the policy was ‘officially administered’ as in Marzahn North. Especially in the MV and to some degree also in other parts of Marzahn-Hellersdorf, similar forms of local governance were developed over the years by the housing company in partnership with other local actors. But, although partnerships between the public sector and the housing companies and private organisations (local and supra-local economy) and social and educational institutions (schools, kindergardens, resident-self-help-groups) have become more and more common, the departmental structures of the public sector and the economic ‘structural egotism’ have proved difficult to transcend in the east and in the west.¹¹⁴

Key persons seem to be highly important for the emergence and stability of responsive and flexible policies implemented across the boundaries of interest groups. Where the institutional arrangements for collaborative strategies do not exist, ‘open actors’ can lead to informal arrangement, overpowering sectoral limitations. In contrast, integrated organisations, as they were developed within the highly successful post unification policies (Plattform Marzahn and the neighbourhood management), can easily be blocked by ‘restrictive’ participants, if no collective values and norms emerge amongst the included actors.

Empowering structures have been developed more on an institutional level than on the level of individual or group inclusion into the development of the estates. Although the MV introduced the first neighbourhood council for the 1980s’ rehabilitation, such instruments of direct participation only play a minor role and the eastern companies unanimously opposed an attempt by the post communist district assembly members on their councils to install tenants’

¹¹⁴ The first state-governmental report on integrated social work policies was issued by the Berlin senate in 1974 without much change on the institutions’ surface since then.
co-management according to Scandinavian models. Forms of resident participation are usually still restricted to the public realm of urban planning. The different forms of governance and their consequences will be elaborated in detail for the different estates and quarters.

8.9 A perspective between becoming fashionable and disappearing

The outlook for the examined cases implies a future between partial demolition and partially becoming fashionable with a high degree of uncertainty on the long run, about where and to what degree this will happen. Berlin has well provided for the estate's future over the last decade, but the social and economical developments have deviated from the expected strand and some of the costly investment may have gone astray. The experts claim that the only solution to ‘catching the amorphous development’ and steering towards a realistic strategy of the estates’ sustainability can lie in improved local attention and diversified strategies, which are actor-inclusive and respond fast to the ‘fluent environment’. These elements will be central to the report on governance.
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List of people interviewed

- Berlin Senate for urban development
- Housing company Marzahn (WBGM)
- Housing company Hellersdorf (WoGeHe)
- Housing company Maerkisches Viertel (GeSoBau)
- Housing cooperatives Marzahn North
- Housing managers in both districts
- Centre of competence for the Panel Buildings
- District of Marzahn-Hellersdorf (departments for urban development, economy, social concerns, migrant concerns)
- Neighbourhood management Marzahn North West
- District of Reinickendorf (departments for urban development, economy, social concerns)
- Community centres (Marzahn North, Maerkisches Viertel)
- Youth worker (Marzahn North)
- Parson (Reinickendorf)
- Free lance urban planners in both districts
- Teachers in both districts