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Regeneration Strategies in Shrinking Urban Neighbourhoods—Dimensions of Interventions in Theory and Practice

WALTER SCHENKEL

Synergo, Mobility-Politics-Space, GmbH, Zürich, Switzerland

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ABSTRACT *The article aims at addressing questions of shrinkage processes and regeneration strategies in urban neighbourhoods. It focuses more specifically on a case study that corresponds to the relevant developments and challenges of urban regeneration in Switzerland. Regeneration strategies have indeed been implemented during recent years in Swiss cities, and several industrial wastelands have been transformed into new residential areas. As a result, Swiss cities have been experiencing a new period of demographic growth since the end of the 1990s. However, some urban neighbourhoods, peripheral cities and suburban municipalities face the threat of shrinkage and decline. The Tscharnnergut is an urban neighbourhood with high-rise buildings from the 1950s, concentrations of socially disadvantaged groups and a rather bad image. In that sense, Tscharnnergut is representative of many neighbourhoods in European cities where regeneration is a key issue. Based on an agreement between public and private actors, the Tscharnnergut neighbourhood is at the beginning of a structural change process: (a) improving residential housing and living conditions, renewing building stock as well as urban physical structure (hardware interventions); (b) strengthening future socio-economic structures (social and economic interventions); (c) improving urban governance, based on an agreement between the housing associations (owners) and city authorities, and the internal and external image of the declining area based on identity and participation (software interventions). The paper gives valuable insights on strategies applied at the neighbourhood level to counter decline and degeneration. It follows a deductive approach, i.e. examining planning approaches to apply it to a concrete case study.*

1. Shrinkage in Switzerland

The main objective of European research programmes on “Shrinking Cities” (e.g. COST Action TU0803) is to foster the interdisciplinary knowledge of regeneration strategies in shrinking cities across Europe. Also, in Switzerland, urban regeneration has come to the

Correspondence Address: Walter Schenkel, Synergo, Mobility-Politics-Space, GmbH, Grubenstrasse 12, 8045 Zurich, Switzerland. Email: schenkel@synergo.ch

fore on political and planning agendas. Different objectives can be pursued by these strategies such as the reversal of declining trends (and increase a municipality's tax revenue) or the implementation of spatial development that is more adequate for sustainable criteria. The latter aspect is encompassed in the debate about the compact city model and densification of the built environment (one promoted by the Swiss government through its guidelines of spatial development).

Regeneration strategies have indeed been implemented during recent years in Swiss cities, and several industrial wastelands have been transformed into new residential areas (Zurich West site, Sulzer site in Winterthur, Ecoparc in Neuchâtel, etc.). "Rediscovery of core cities" as attractive residential areas is observed (Schenkel & Güller, 2002). As a result, most important cities have experienced a new period of demographic growth since the end of the 1990s, although their number of inhabitants is lower than in the 1970s. The decrease in the size of households and the increase in the consumption of housing space represent a restrictive factor in the growth of cities (Rérat *et al.*, 2008; Rérat, 2010).

However, the decline of some suburban municipalities and urban neighbourhoods has continued. The main reason for this is the generational cycle. This article addresses urban regeneration projects in Switzerland based on a case study representing different—but interconnected—scales:

- (1) Most Swiss *core cities* lost population between 1970 and 2000, but a demographic turnaround has been observed during the last decade. The traditional pattern of Swiss cities—e.g. demographic decline and over-representation of socially disadvantaged groups—is challenged by new trends. The renewed attractiveness of cities is notably due to the residential behaviour of some parts of the middle to upper class (Rérat *et al.*, 2010; Rérat & Lees, 2011) and implies processes of (new-build) gentrification. In other words, high social status is no longer coupled with a move into a single-family house in the suburbs.
- (2) *Suburban municipalities* have been characterized by strong demographic growth until recently. However, some of them have started to decline. The main reason for this suburban shrinkage is the generational cycle. Tenants who moved into large housing developments with their families in the 1960s now live alone or as childless couples. This process of "ageing in place" represents one explanation for the demographic decline of suburban developments. It is interesting to note that the same process partly explained Swiss cities' demographic loss between 1970 and 2000 (Rérat *et al.*, 2008).
- (3) *Urban neighbourhoods* with high-rise buildings vary significantly with regard to design, location and proportion of high-rises within the housing stock, as well as the resident population's structure and characteristics. Shrinkage in such spaces is often related to their social structure and bad image ("bedroom communities"; "welfare ghettos"). This leads to the well-known but hardly analysed discrepancy between neighbourhood images viewed from the inside and the outside (Image Project, 2008).

2. Theoretical Background

The main objective of this paper is to identify some essential ideas at the heart of comprehensive planning concepts in order to develop an argument for new approaches to promote

urban regeneration within urban neighbourhoods. The Tscharnergut urban neighbourhood lies within the boundaries of the city of Berne and is characterized by high-rise buildings, concentrations of socially disadvantaged groups and a rather bad image. Based on an agreement between the city of Berne and the housing associations, the Tscharnergut neighbourhood is at the beginning of a structural change process. In that sense, it serves as a test case for applying theoretically derived regeneration principles.

2.1 Dimensions of Action

Many cities are undergoing a dramatic structural change, and there is an urgent need to revitalize abandoned and declining municipalities. If a better understanding of structural change is needed, the same can be said about regeneration policies and more generally about the strategies and instruments implemented to cope with urban decline (Couch *et al.*, 2003; Eckardt & Kreisl, 2004; Paddison & Miles, 2007; Tallon, 2010). Urban regeneration can be defined as a comprehensive and integrated vision and action which leads to resolving urban problems and seeks to bring about lasting improvement in the economic, physical, social and environmental condition of an area subject to change (Roberts & Sykes, 2000, p. 17).

Turkington *et al.* (2004), Wassenberg *et al.* (2007), and others have systematically listed a range of problems as typical for large housing estates built in the 1950s, 1960s, or 1970s:

- (1) *Structural design problems* refer to use of building methods and poor quality materials, resulting, for example, in poorly constructed dwellings and housing blocks, to the lack of good heating facilities, sanitary equipment and storage space.
- (2) *Spatial problems* relate to poor location (e.g. distance to the city centre), high building density and traffic problems (e.g. noise pollution, lack of parking).
- (3) *Internal social problems* concern noise pollution from fellow residents or other types of antisocial behaviour, crime, and/or poor neighbour relations.
- (4) *Financial problems* exist for tenants due to increasing rents and service charges, and for landlords, who must deal with problems of rent arrears, vacancies and maintenance costs.
- (5) *Legislative problems* concern ownership of flats and blocks and the space around them. When it is unclear who owns what or if there are many owners with different interests and differing financial possibilities, responsibilities for improving this part of the area will also be unclear.
- (6) *Wider socio-economic problems* can impact an urban area, leading to problems such as high unemployment or poor schooling. A concentration of households living in such circumstances is expected to intensify problems.

All these problems unite to some extent in relating to the final aspect, which can be summarized within the term competition problems. Due to low market position or poor image, for example, estates can become less attractive and (potential) residents may prefer to live elsewhere. Some cities use area-based policies proactively to alter the social composition of certain distressed neighbourhoods, but hardly address the question where socially disadvantaged people relocate. This complexity means that traditional planning policies can no longer manage such a wide range of urban phenomena. It needs a shift from physical and spatial development planning to more integrated planning, covering socio-economic,

environmental, institutional and financial parameters. It must be underscored that shrinkage can be seen as a problem. Another approach is to accept it and find ways to deal with it. It is important to consider what city growth or shrinkage means. Generally, the priority objectives, derived from the large housing estate problems listed above, can be grouped into the following dimensions of action (van Kempen *et al.*, 2005; Image Project, 2008):

- (1) improving the housing and living conditions of residents in older districts, renewing their building stock as well as the urban physical structure, and increasing regional and communal accessibility (“hardware” = physical infrastructure interventions);
- (2) strengthening the vitality and economic functions of such districts, renewing the social structure, and improving the education and employment situation (“human resource” = social and economic interventions);
- (3) improving urban governance and the in- and outside image of declining areas, based on culture, innovation, participation and environment (“software” = image and governance interventions).

2.2 Hardware: Physical Infrastructure Interventions

Traditional urban regeneration strategies are aimed at the physical improvement of buildings (renovation, demolition, new housing supply) and infrastructures (services, transportation, public space). Many governments believe that urban planning and better housing will automatically help solve all kinds of social problems. Physical interventions would lead to solving problems such as crime, social disintegration, unemployment and even poverty. However, it is not always clear if physical investments can reverse the demographic decline, but they are often the most costly ones.

The overall vision will have a number of constraints, yet must be able to attract the support of investors and stakeholders. The financial situation in a lot of cities is especially alarming, so that many municipalities project a loss of revenues to finance urban development, local public transportation, and construction and maintenance of roads, schools, hospitals, and cultural or sports facilities. In this case, partnerships between the public and private sector can be a reasonable instrument for urban development and revitalization. The important point is to define these projects’ first principles and set in stone the broad overall thrust. This will enable people to visualize what the area could be like and inspire investor confidence.

Physical strategies and measures can be divided into three categories (Wassenberg *et al.*, 2007):

- (1) Physical measures aimed at *improving the environment* are visible to all, and serve as an apparent sign that improvements are on their way (improvement of parks, public spaces and playgrounds; renovation of streets and squares; improvement of lighting; radical site clearance; connecting the neighbourhood to the city). This differs with measures to manage the estate, for example, or those aimed at individual improvements of poor households.
- (2) Physical measures aimed at *improving the quality of buildings*—upgrading the built stock’s quality (both housing and other building types)—are important in most cases (restoring buildings to enhance the heritage of historically interesting cities;

refurbishing and modernising, mainly of housing stock, but also other types of buildings; upgrading existing buildings and dwellings; adding new services or luxury to attract different types of residents; change of functions such as transforming an old grocery shop on the ground floor into dwellings; demolishing and rebuilding due to bad technical quality or an outdated layout).

- (3) Physical measures *to improve economic and social conditions* while decreasing unemployment aim to improve physical situations of buildings and living environments. Physical strategies can also be carried out to achieve social, economic, psychological, financial or other goals. In many cases, physical measures and strategies are mentioned with an aim broader than improving buildings and environments (establishing local job centres; improving information and communications technology facilities; enhancing economic and tourism opportunities; launching youth work initiatives and training; supporting small and medium enterprises in new commercial centres; establishing community and child-care centres; supporting local networks; safety measures).

2.3 Human Resource: Social and Economic Interventions

Another point to be addressed is the demand side of urban regeneration (Tallon & Bromley, 2004; Bromley *et al.*, 2007). To be successful, a regeneration strategy must respond to a demand (e.g. households' residential aspirations). To understand and analyse the residential choice of households is of utmost importance in determining what can make a city (or part of it) more attractive and enable new demographic growth. Different dimensions can be identified in the residential choice of households: profile (who they are), trajectories (where they come from), motivations (why they moved) and the process of choice (trade-offs involved in the decision to move). In other words, the focus must be on expected positive social effects of urban regeneration (social mobility, social cohesion, tolerance) but also on negative impacts such as gentrification and social inequalities (Davidson & Lees, 2005; Porter & Shaw, 2009).

Regeneration should be seen as a multidimensional and multifaceted process aimed at improving the quality of the urban fabric and the natural environment as well as reconstructing the local economy. Issues such as social inclusion appear central to the regeneration agenda. Consequently, urban regeneration must concentrate on integrating social and economic goals. Urban regeneration emphasizes reduction of social exclusion and economic reintegration of disadvantaged urban areas (McGregor & McConnachie, 1995). Yet the day-to-day practices of municipalities often handle social planning and economic regeneration separately. Strategies to strengthen social and economic structures can be divided into three categories:

- (1) *Expansive strategy* is the attempt to keep the population and attract extra inhabitants by improving the image and atmosphere of the neighbourhood. Thus the evaluation of norms and values is important and can contribute to the expansive strategy: difference in lifestyle¹ implies a difference in housing and living requirements and is a tool to attract new inhabitants and new job opportunities. The idea of a house has changed from the simple function of having a roof over one's head towards an individualized concept of living. People who look for new accommodations also look for the pleasure and emotional uplift of living in a certain neighbourhood. A shift has taken place from

a feeling of “a house” to “my home” (Friedrich, 2004). Urban regeneration strategies can influence these relations, for instance, if they pay attention to the attractiveness of these areas to immigrants (internally and externally) with better accommodations, education, employment opportunities and good living conditions thereby compensating for the expected natural population loss and improve the age structure of the population.

- (2) *Maintenance strategy* is focused on keeping the area attractive for the current inhabitants. One reason for urban shrinkage can be explained by generational cycles. Tenants who moved into large housing developments with their families in the 1960s now live alone or in childless couples. This process of “ageing in place” represents an explanation for the demographic decline of urban developments. These trends could result in an array of unwelcoming buildings unrelated to their function, with a relatively large amount of open space around them. From this perspective, one tool could be to increase urban density and build developments in some vacant areas, as well as to increase the social density (Rérat *et al.*, 2008).
- (3) *The planning for decline strategy* tries to guide the shrinkage and adapting the facilities, infrastructure and housing stock to the future decreased population. Generally speaking, the literature views shrinkage as mainly negative (population decline, “welfare ghettos”, lack of investment and services, etc.). However, the strategies should be able to cover positive effects as well (social network opportunities, affordable housing, sense of identity, change opportunity, etc.). New windows of opportunity might be opened; for instance, an urban environment for the so-called creative class. It underlines the importance of the quality and styles of life or urban amenities in order to attract such inhabitants. This topic within the broader issue of the knowledge-based economy may constitute one of the most original and innovative goals of urban regeneration, taking into account that these goals should not have negative effects on socio-spatial structures and low-income households (Peck, 2005).

2.4 Software: Image and Governance Interventions

Within European countries and cities the reaction to the massive changes of recent decades have not only resulted in new diversities, new social inequalities and new patterns of urban spatial segregation, but also to a significant shift from government to governance. Top-down, centralized and hierarchical management of public policies have been revised and transformed into more decentralized, reticular and interactive processes (Andrew & Goldsmith, 1998; Dijst *et al.*, 2002, p. 9). It is expected that individual citizens and communities will take more responsibility for their own welfare within the new governance framework. They will also involve themselves in local policy processes that shape their lives and the places in which they live. There is no ideal model of urban and regional governance, but it is clear that improving governance in urban regions is not just about reforming institutions. It is also about changing attitudes, the culture of governance and questions of identity. “Good urban governance” is understood as a political task to redirect traditional values into knowledge-based actor networks. These networks can give social needs the attention they deserve and make use of diversity’s economic potential as an added value (Dijst *et al.*, 2002; Dekker & Rowlands, 2005). It is expected that within new governance frameworks individual citizens and communities will take more

responsibility for their own welfare and the local policy processes that shape their lives and the places in which they live.

The need for a general strategic agenda is seen as a central feature of “good urban governance”. It must address the varying dimensions of urban regeneration processes and analyse the constellation of actors involved in urban regeneration strategies, the role and power of each actor (as well as the objectives each pursues), the population groups and stakeholders that gain or lose during regeneration projects, and the barriers and obstacles for urban regeneration. Major issues are exchanges and collaborations between different governmental levels, private players and stakeholders, and the growing importance of public–private actor networks (Andrew & Goldsmith, 1998; Schenkel & Serdült, 2006):

- (1) First, it needs a *detailed analysis* of the urban area condition and an adaptation of its physical fabric, social structures, economic base and environmental condition. This is the starting point into the direction of a *comprehensive and integrated strategy* with a clearly articulated vision that deals with resolving problems in a balanced, participative and positive manner. If possible clear operational objectives should be set.
- (2) A second factor is the existence (or building-up) of a *dense network* of local actors, both from the public and the private sector, with a leadership and capacity of reaching agreements by means of the creation of formal and informal network of collaboration. They also display the capacity to carry out innovative initiatives in the economic and social fields, having a special importance the three actors included in the local systems of innovation: governments, firms and institution linked with the knowledge.
- (3) A third aspect is linked with the question of *funding*: is regeneration a core task of the public sector or is it more about coordinating public–private partnerships? (Kearns & Paddison, 2000, p. 847) Firms engage for better urban environments and the better functioning of the urban and economic system. Cooperation in new forms of urban governance ideally leads to a win-win situation for all included partners. Each partner invests time in cooperation and agrees to a certain loss of autonomy to come to a better overall functioning of the system (public–private partnerships).
- (4) A strategy that is often underestimated is to combine the *functional and the emotional logic of planning*. The functional logic emphasizes economic growth and physical change; the emotional one concentrates on identities and “how people feel” in their neighbourhood. Neighbourhood branding is one of the keys to do so. First, neighbourhood branding means to harvest given identities and apply innovative participation techniques (identity day, focus groups, visualization, video projects, etc.). Core values and a “brand” must become a beacon on which all actions in the area focus. A successful neighbourhood is a neighbourhood with a clear identity; a neighbourhood that binds inhabitants and entrepreneurs, and where people feel involved. The neighbourhood starts “to sell itself” so to speak (Image Project, 2008).

2.5 Summary—How to Break the Vicious Circle

Figure 1 provides an illustration of circles related to the causes of urban shrinkage and urban regeneration processes. It indicates the variety of themes and topics involved in urban regeneration and the multiplicity of interrelated outputs. It concerns an analytical framework viewing the dynamic interplay of actors and institutions in urban and regional governance

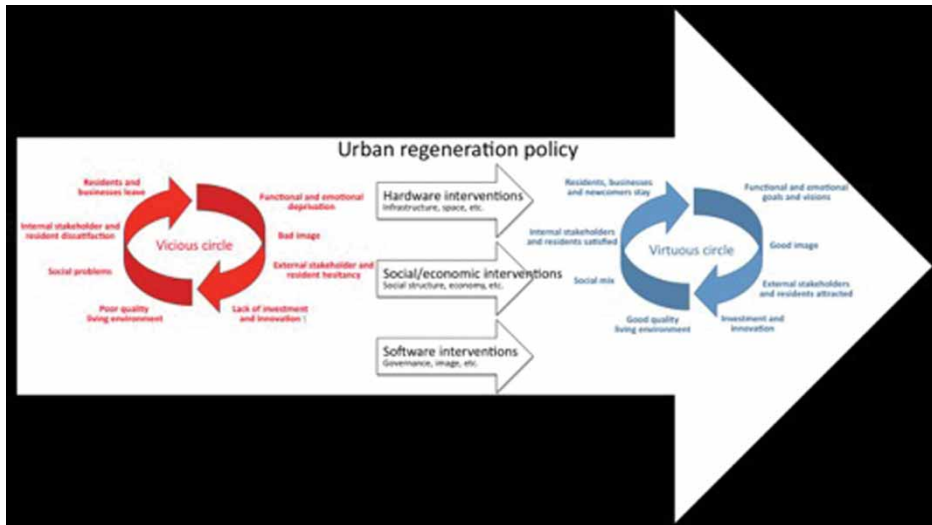


Figure 1. Urban regeneration—to break the vicious circle.

Source: Image Project (2008), adapted by the author.

processes. It connects analysis of dependencies (problem) with analysis of structures (institutions) and analysis of action (actors). Its main goal is to transform the vicious cycle into a virtuous one by implementing an integrated urban regeneration policy (physical, socio-economic and governance interventions). Results are a clear and realistic vision, a good image, new residents, good living quality and new economic opportunities.

3. Case Study

Within the urban neighbourhood of Tscharnergut the problem of shrinkage was already recognized at the outset of the 1990s, but the proprietors could not reach agreement on a coordinated regeneration strategy until 2008. Then, the proprietors and the city of Berne accepted the start-up approach and goals by signing an agreement with the joint intent to assure the short-, medium-, and long-range future of Tscharnergut. Three working modules were defined in a basis study (see Schenkel, 2008): “house and space” (hardware), “market and tenant” (human resources), and “identity and image” (software) (see Figure 2). The author drafted both the basis study and the initial agreement between the city and property owner. Moreover, he drew up further analyses on market and rental potentials and was engaged as an independent authority to implement the initial agreement. He was mandated by the proprietors partly as a neutral observer and project manager, partly as mediator in order to facilitate the integration of different interests and needs into a joint strategy with a clear vision.

3.1 Area

The five 20-storey high-rises, eight 8-storey disc-shaped blocks of flats, the three 4-storey multifamily houses, the 18 single-family houses and two remote heating centres were built



Figure 2. Map and ownership of the Tschärnergut in Berne.

Source: Schenkel (2008).

in stages between 1959 and 1965. The centre with leisure facilities, restaurant and shopping centre belongs to an umbrella organization (Tschärnergut AG (TIAG)); the post office, kindergarten and primary school belong to the city property administration.

The Tschärnergut proprietors mainly involve the same organizations that were granted a 100-year building lease to realize the major Tschärnergut development of a 125,000 m² area in a 6 July 1958 referendum. Beside the Family Coop Housing Association and the Brünnen-Eichholz Coop Housing Association (BG Brünnen), the Unia labour union (Stiftung Unia) and the city of Berne comprise the owners.

The start-up situation and the owners' investment intentions have not always coincided. The high-rise buildings are now in relatively good condition. Regarding the disc-shaped block of flats, there is a major but varying need for rehabilitation. Additionally, the entire structural ensemble is listed in the inventory of buildings meriting conservation. Basically, the TIAG consists of a good umbrella organization in which a common strategy can be defined. The problem of shrinkage was already recognized at the outset of the 1990s. At that time, undersubscription was seen as the greatest problem (smaller households, threat of vacancies), based on ageing and a lop-sided mix of apartments (nearly 70% three-room flats). The number of residents sank by about 4600 (1970) to 2900 (1990). During the same period the portion of foreigners doubled from 9% to 19%. A sharp reduction occurred in the segment of families with children. These trends have continued in the following years.

One reason for shrinkage can be explained by generational cycles. This can be considered as normal, but depends of course on the lack of mobility of the first inhabitants. The later one is the case in the Tschärnergut: lower-income families that were stuck in the neighbourhood in the first place by lack of affordable alternatives and a worsening reputation of the neighbourhood caused by a population that is affected by a negative selection process. Tenants who moved into Tschärnergut with their families in the 1960s now live alone or in childless couples. This process of "ageing in place" represents an explanation for the demographic decline. Preliminary observations show that some of the buildings themselves have aged and not been renovated. These trends resulted in an

array of unwelcoming buildings unrelated to their function with a relatively large amount of open space around them. This last point also represents the potential for planning new developments. One tool could be to increase the social density (Rérat *et al.*, 2008).

3.2 Goals

In the case of module “House and space” (hardware) (see Section 2.5), agreed goals were formulated as follows: Tscharnergut would be maintained as a structural unit; the rehabilitation status would be balanced step by step; innovative design, energy and environmental standards would be used; and the residential surroundings would be improved punctually. At the moment, building design clarifications are underway within the framework of a pilot project (disc-shaped block of flats). This is an important precondition in answering whether future developments are even possible at Tscharnergut from a building design viewpoint that can be cost justified in technical and economic terms. This viewpoint must be supplemented with expected findings on medium- and long-range developments in the apartment market and future rental needs.

The following goals can be listed for the “Market and tenant” (human resources) and “Identity and image” (software) studies:

- (1) *Market goals:* The owners strive for healthy financial value standards that consider investments for short- and medium-range rehabilitation measures and adaptation to future market and rental needs. The owners will not allow their properties to “deteriorate into slums” (Van Wezemaal, 2005).
- (2) *Rental goals:* From the owners’ viewpoint, the current rental structure should be maintained, but also diversified. Yet it remains open which rental groups should be addressed most intently in the future. On one hand, the owners are convinced that low-cost apartment rent levels will remain attractive in the future as well. On the other hand, the question arises of how the apartment offer must reflect changing times, so that it attracts the categories desired by the owners in the medium and long term. Hence one can calculate that the apartment offer must be adapted to future housing needs to a relatively strong degree. This will impact the owners’ financial standards and the cost structure of apartment offers.
- (3) *Image goals:* We assume that market and rental goals interact with the identity and image of Tscharnergut. In this regard, it should be underscored that the identity and image of Tscharnergut are attributed special importance. It has a well-documented history, is known as an extraordinary residential district, and counts as one of the few post-war housing areas deserving of protection as a historic monument. Yet the owners and also a segment of the residents are conscious of this value.

3.3 Issues

We distinguish between three analytical levels, granting each one an issue and a corresponding thesis:

- (1) *Meta-trends:* Which demographic developments are expected in Switzerland, and how will the related regional and local market for apartments change during the next 10, 20, and 30 years?

Theses: The population in Switzerland will stagnate from 2050 on (according to a medium-range scenario by the Federal Office of Statistics) or drop by 2020 (according to a lower scenario): “We will become fewer, older, poorer, and more racially diverse.” Housing will see demand increase from seniors, singles and two-person households (also single-person parents) and that of “stable” families decrease. Demand for medium-sized apartments, second apartments, space for communes and reasonably priced apartments will increase in urban areas (Friedrich, 2004; see also Schmitt & Selle, 2008).

- (2) *District trends:* Which people live in Berne West and Tscharnergut today? Which people should live in Tscharnergut? Which needs and lifestyles do they have?

Theses: The continuing individualization of society and current growth of residential space offered in the local apartment market orients itself increasingly to the needs of demand and less on supply: “Living beautifully” means “atmosphere” and “adventure”. Demand for ever more living space is stabilizing, while demand to fulfil specific lifestyles is increasing (identity, atmosphere, multifunctionality, service, short walking distance). Large flats alone cannot attract families; instead families seek scholastic, social, sociocultural and family-supplementing institutions as well as offers for “family-like” living forms.

- (3) *Scenarios:* Should specific and clearly identified target groups be addressed? Or should the apartment supply constantly adapt to changing needs?

Theses: Demand-oriented planning which orients itself to the broadest possible demand calls for realization of housing that offers use-neutral housing plans and a diversely interpretable home setting with special characteristics for relatively small demand groups. Thus it leaves elbowroom for differing life phases and changing lifestyles. Also important is the visibility of the lifestyle addressed by the quality of living space, exterior space and customer management or services (Friedrich, 2004; Heye, 2008).

3.4 Lifestyles

Various facets in social space analysis of urban development in Berne (2009) were studied during 1990–2000 (City of Berne Statistical Services, 2009). They enable certain conclusions on the needs and lifestyles in Tscharnergut. Value status in southeast Tscharnergut lies very low, although status and differentiation of lifestyles increased since 1990. The northeast disc-shaped blocks of flats show the sharpest loss of status. Status and lifestyle have hardly changed in the high-rises. They represent an attractive form of housing in west Berne and were already renovated.

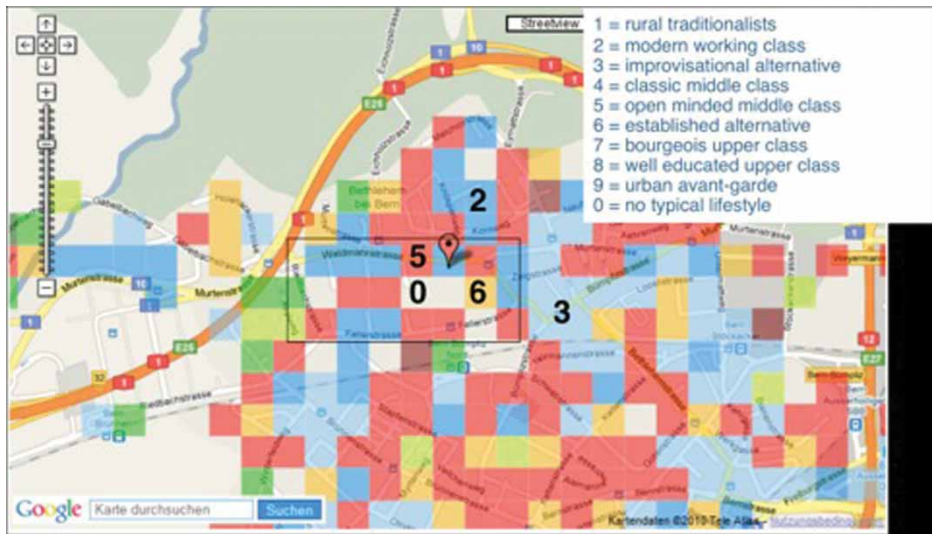
Segregation of social space has increased in Berne-Bethlehem, the city district including Tscharnergut: During the 1980s and 1990s, the low status groups from north Berne districts shifted to west Berne areas—particularly to Berne-Bethlehem. More than 20% of those aged 30 or older who live in Berne-Bethlehem graduated from obligatory schooling only or are dropouts. Evaluation of taxable income for 2008 with related education showed that it lay far below the city of Berne average. Yet those claiming social welfare aid in Berne-Bethlehem lay twice as high as Berne’s average (see Table 1).

According to the supply segments developed by Fahrländer and others, Tscharnergut and its surroundings can be represented as follows: It is apparent from Figure 3 that Tscharnergut is sought by no typical lifestyle, open-minded middle class and modern

Table 1. 2008 social data in Berne and west Berne

	Taxable income	% social welfare recipients	% foreigners
City of Berne	35,000	4.8	21.7
Bümpliz	31,000	8.4	27.8
Oberbottigen	34,300	4.9	8.1
Stöckacker	29,950	10.2	32.5
Bethlehem	27,800	9.8	35.1

Source: City of Berne Statistical Services (2009, p. 32).

**Figure 3.** Lifestyle typology in west Berne and Tscharnergut.

Source: Fahrländer Partner and Sotomo (2009), data: March 2010, based on a household classification in social layers and lifestyles. Map source: © Google 2013.

working class. Though clearly resident in west Berne, the established and the improvisational alternatives have still not moved in.

Older singles and older pairs as well as families dominate the life phases shown in Figure 4. This corresponds generally to the population mix in west Berne. People from the young and middle age segments are represented less, i.e. there is a midterm trend towards overageing. On the other hand, the question of which segments move in is open if older people die. The demand segments (lifestyle, age) represented in Figures 3 and 4 also indicate which groups of potential residents could be strongly targeted—especially considering that the housing offer can be renewed.

3.5 Results

This section summarizes the comments and results from analyses on previous and future developments:

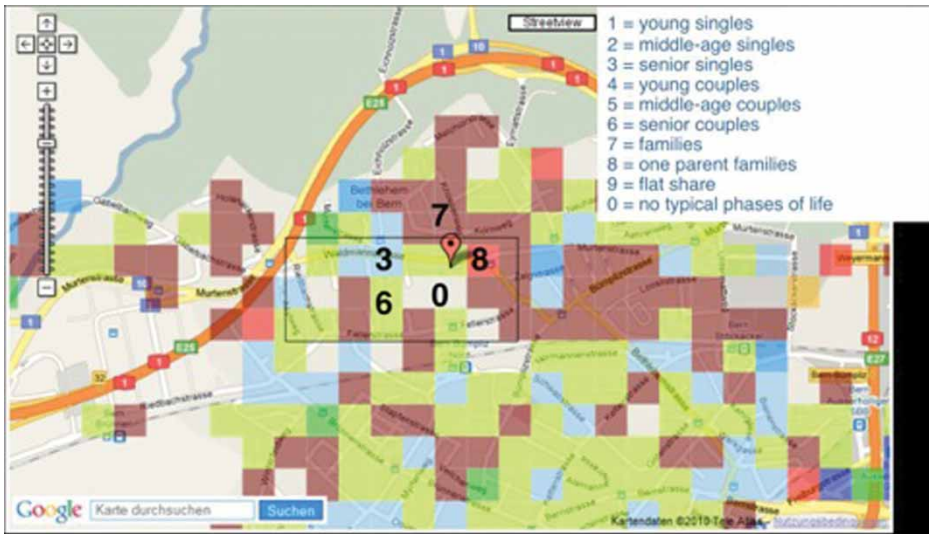


Figure 4. Existing phases of life in west Berne and Tscharnegut.

Source: Fahrlander Partner and Sotomo (2009), date: March 2010, based on a household and age classification. Map source: © Google 2013.

- (1) *On demography*: The population will indeed continue to increase, but shifts will occur in reference to age structure and origin. The increase in average quotients in age development ultimately means that the portion of those gainfully employed or retired compared to the nonworking population will be notably higher. Due to the expectation of decreasing pensions, the danger of elderly poverty increases for retirees. At the same time, apartments with low rents, good infrastructures and social services are especially important for these people.

If one assumes that the rising use of living space *per capita* nears its peak in the next 10–20 years, an overproduction of apartments can be prognosticated from today's viewpoint during the next 20–30 years. The result will be vacancies—especially in “problem districts”—apartments not furnished corresponding to living needs as well as excessively costly apartments.

The demand for apartments for the third and fourth life stage will clearly increase. Thus “ageing in place”, i.e. striving for greater autonomy, will become a trend. At the same time, this will bring about a higher degree of comfort, peace and security. In residential terms “ageing in place” calls for a combination of infrastructure and services.

- (2) *On changing values*: The continuing trend towards individualization calls for higher requirements concerning apartment plans and design of exterior space. The quality of a stay in freely accessible space and the possibilities of social meeting options could again develop greater meaning (for families, the aged, foreigners, single parents, students, etc.). The desire for more comfort raises the question whether more services for the aged, single parents, children and youth with integration problems will be needed in the future.

The outside view, if negative, will gain more attention; because the inside view (even if positive) will no longer suffice to satisfy residents. Residing is a part of life-

style that should also be visible. Therefore, the district needs perceptible changes in exterior design, apartment supply and infrastructure.

- (3) *On social space and lifestyles:* The changing composition of residents places new demands on everyday living and the housing structure. Children and youth—this means families—should remain a central demand group. They contribute to district life and development of the social network.

Segregation and concentration of traditional worker milieus of Swiss and foreign origin as well as population groups with low social status and low incomes in west Berne are more sharply segregated today than in 1990. This could be counteracted with redevelopment over an extended timeframe and by adapting the apartment supply as well as its quality. Given this background, new mixes of residents could be more actively supported. This would contribute to an upgraded image.

Individualized lifestyles could be used as an opportunity to differentiate Tscharnergut quality of life without having to surrender the binding overall picture. Youths, people undergoing training, could serve as an equalizing element. Later, they belong to the category of higher-educated young people in the 20s and early 30s, postponing family formation, at the beginning of their working careers and attracted to city life. Tscharnergut dwellings might be an attractive alternative.

- (4) *On the market:* The real-estate market in the Berne region is limited in its dynamism, yet manageable in its total framework. The most important driver of supply remains population development. Given the background of ageing and atrophy, signs are increasing that certain regional apartment markets are developing from into supply-side markets. That is to say, population growth will weaken from 2020, and demand for rental apartments will decrease.

A consensus exists that the rental apartment market will become more competitive due to the condominium apartment market. Among other reasons, this will occur owing to spatial segregation. Younger families and seniors, both groups belonging to the upper middle class, are returning to the city. Risks of vacancies are slight. However, developments in recent years show that Tscharnergut was relatively hard hit by vacancies.

The low rents in Berne-Bümpliz can unlock a potential increase in value. Yet the high cost of redevelopment and conditions imposed by protection of historic monuments stand in the way. A stronger and stable social mixture must not only be carried out through technical redevelopment of buildings but through changes in portals, apartment planning, the housing setting, and also in the service sector and cultural offering.

An updated image of the district will contribute significantly to future apartments attracting a socially broader residential group. But this is also a premise for realizing the necessary potential increase in value. The product is not “apartment” but “living”, i.e. the neighbourhood will also become a decisive local factor.

3.6 Interventions

The conclusions and theses derived from module “Market and tenant” must now be harmonized with the structural and spatial realities and findings. For this purpose, analytical

	Bourgeois-traditional		individualised
High status	Bourgeois upper class No potential - 8% CH households - high-level management - high income, materialist - families, senior couples	Well educated upper class No potential - 9% CH households - mid-level management - high income, ecologist - families, senior couples	Urban avant-garde Market niche potential - 8% CH households - PR, architects, independent - high income, international - (young) singles, couples
	Classic middle class No potential - 14% CH households - SME, non-manual employees - middle income, materialist - families, senior couples	Open minded middle class Ageing in place / new potential - 17% CH households - qualified non-manual employees - middle income, materialist - senior couples, families	Established alternative New market potential - 9% CH households - public sector employees - middle income, ecologist - families, couples
Low status	Rural traditionalists No potential - 9% CH households - manual occupation - low income, materialist - families, senior couples	Modern working class Ageing in place / new potential - 14% CH households - qualified manual profession - low/double income, materialist - families	Improvisational alternative Market niche potential - 11% CH households - students, part-time jobbers - low income, non-materialist - young singles, flat share
	No typical , unqualified profession, unemployed, welfare recipients Potential for reduction		

Figure 5. Future demand, future supply.

work carried out at a disc-shaped block of flats within the framework of the structural pilot project must be evaluated in detail and discussed with specialists. Initial scenarios can be developed in this way to bring structural and spatial, social and economic cornerstones into harmony with one another.

Structurally, Tscharnergut should speak a language that relates the history and philosophy of this district development. These values are an integral part of the “Tscharnergut product” (genuineness and authenticity, reduced to the max). It should create possibilities for “living with service” (offers for the elderly, integration courses, etc.). Moreover, openings should be created for outside space within the building, for merging apartments, but also for common activity areas. Furthermore, in accord with 2020 growth scenarios, attention should be paid to additional demand for small rental apartments that presumably lies in the positive percentage range (about 20%) and additional demand for large rental apartments in the negative percentage range (about –20%).

A central presentation is the analysis of possible supply segments now and tomorrow. Figure 5 briefly summarizes all supply segments. At the moment, Tscharnergut covers the “modern worker” and “open-minded middle class”. Both segments also have great significance for the future, if needed, rather in the sense of “ageing in place”. Further potential lies among the “established alternatives” (middle-class families oriented more ecologically than materialistically). But it should also draw attention to certain niches such as “urban *avant-garde*” and “improvised alternatives” (e.g. students).

The following bunch of specific measures appears in the foreground:

- (1) Strive for a good mixture of young and old, singles and families. Good infrastructure and services should be offered as well as special spaces for meetings. The proprietors could reach better agreement in matters of supply and rental practice, so that a positive strategy for the entire Tscharnergut becomes visible for the residential composition. This is also important in supplying joint services.

- (2) New and differentiated ideas for equipping apartments. Groups seeking affordable apartments also make claims for individuality, i.e. the earlier standardizing of apartments should not be repeated. The supply should be varied, i.e. “niche products” should also be offered.
- (3) In reference to structural measures in the disc-shaped block of flats, compartmentalization is predetermined. Yet, a great variation is possible, e.g. expanding 3.5-room apartments from 65 to 80 m². Apartment sizes can basically be enlarged up to 100 m². The “building-block system” harmonizes well with the scenarios proposed: Assuming a total number of 96 apartments in the disc-shaped block of flats, apartment sizes varying from 65, 80, and 100 m² can be realized at a given compartment site. It is important to consider which number should be built and at which apartment size. The mix results automatically, i.e. a good residential mix can be identified (singles, pairs, seniors, youths). Actually family apartments can probably be provided well in the high-rises.
- (4) The Tscharnergut has a good image among residents who are directly affected. The image outside is problematical. To that extent, the inside image should be used outside for image improvement. The neighbouring districts should also become involved for this reason. Even the historic building substance is an image factor. Great potential lies in marketing. Here the proprietors have until now pursued a policy of understatement.
- (5) More attention has to be paid to the consequences of intervening in the hardware and the affordability consequences that would have for the rents of the residents. Would interventions not have the implicit consequence of a forced moving out of the poorest part of the old residents? A more diverse housing stock would certainly involve that some old residents have to move out. Will they be able to return to their own apartment or at least their own area, and under what conditions?

4. Conclusion

The case study shows how to deal with the theoretical knowledge presented in Section 2 in a typical high-rise “working-class” district. The long-term strategic agenda, based on detailed analyses of the urban area condition and the interplay of actors and institutions, has established a binding model of urban governance tackling changing attitudes, questions of identity and a clearly articulated vision with operational objectives. The proposed and implemented approach, e.g. integrating hardware, social and economic solutions for the residents and finding ways to enhance participation and a better image of the area, is not new, although the effects of the combination are still under scrutiny. The combined and long-term strategy integrates the concept of governance as the transverse aspect of the chosen regeneration approach. It has already has improved cooperation between public and private actors. It seems to be possible to enhance participation, not only for current residents, but also for new residents, to mix older and younger residents and to manage the concentration of different groups.

Today, the actors understand neighbourhood regeneration as a combination of the functional logic (hardware and economic interventions) and the emotional logic (software interventions). Most important principles, as proposed in the theoretical part, have been implemented at Tscharnergut. The sense of urgency is probably different in other urban neighbourhoods, and the partners and stakeholders are different everywhere. Each area

will have to specify its own strategy, although the basic principles might be the same: it needs a combination of physical infrastructure and social and economic and image and governance interventions, following a clear vision with operationalized targets and milestones.

Note

1. In contrast to studies on future market developments, studies on district regeneration lay great emphasis on the fact that lifestyle analyses, linked if appropriate with specific neighbourhood branding processes, extend far beyond marketing. For one thing, such analyses concern improved quality of life within districts; moreover, the search for innovative indicators stands in the foreground, noting in which direction the apartment sector's providers should invest (existing and/or specific new target groups, apartment and exterior quality). It is important that current and future lifestyles in urban neighbourhoods are examined with lifestyle typologies pegged to reality (see Schenkel, 2008).

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