

Berlin-Schöneweide: Rethinking Gentrification from the Frontier

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Introduction

While few outside Berlin know where Schöneweide is, new developments led by the likes of Bryan Adams and Olafur Eliasson position the neighborhood as a silent frontier of gentrification dynamics in the city. This research studio explores the ongoing transformation of the former industrial area, once the base of the famous AEG electrical company. Contra the commonplace reading of gentrification through the lens of ‘hipster’ culture, the studio underlines the roles of state, finance and real estate as drivers of neighborhood change and displacement. Investigating dynamics of gentrification at the urban edge, the case of Schöneweide serves as an entry point into a wider debate on how diverse groups are vested in reclaiming cities and its intersection with the official political structures – it necessitates rethinking the role of city planners as mediators between the public and private interests. In the case of Schöneweide, the pressure experienced through large-scale development on Berlin’s southern edges, like the BER Airport and Adlershof, creates a discrepancy of change between the inner-city and peripheral areas – such trends foster Schöneweide as a place of investment opportunities.



Figure 1: Schöneweide in Berlin

Research Questions and Aim

This report will present two themes, industrial heritage and housing, in which through case studies the prevailing situation of urban change in Schöneweide is contextualized in a broader theoretical framework of financial capital, capital investment and the driving institutions. The questions explored are, what industries and institutions are driving the change in the area and how does the government retain a regulative role in the residential real estate market? How does the case help us to rethink gentrification?

Gentrification

General Definition

Gentrification has been widely viewed as a desecration of ‘authentic’ urban neighborhoods, trailed by revitalization, and the displacement of less dominant populations for the affluent newcomers – central to popular discourse remains the question of who bears the burden and who reaps the benefits. Hence, the definition of gentrification is recognized as simultaneously a spatial and social practice that activates the transformation of a working-class or vacant area of the central city into middle-class residential or commercial use (Bridge 2012). The core determinants of neighborhood change are identified as the movement of people, public policies and investments, and flows of private capital – more commonly associated with disinvested neighborhoods, gentrification is understood to occur with a reinvestment for greater profits (Stein 2019). The prevailing hypothesis of neighborhood change develops from the transitions of the early 20th century, such as rapid industrialization in the United States, and the new ideas that emerged, such as the ‘naturalization’ of specific types of land-use assigned in the concentric zone model (Ernest W. Burgess 1925) – the urban neighborhoods came to be considered as a closed ecosystem and neighborhood change as one following a natural tendency towards social equilibrium (R. E. Park 1936). However, the influential early models present processes of succession and segregation as inevitable, undervaluing the role of the state (Zuk, et al. 2015).



Figure 2: Evictions and displacement as a part of gentrification

General Adoption of the Theory

The term ‘gentrification’ was coined by sociologist Ruth Glass, in 1964, to apprehend the displacement process that resulted from the occupation and renovation, or upgrading, of dwellings by the middle-class in working-class inner-city neighborhoods. The phenomenon was based on her observations of change in the social structure and housing markets in Islington, North London – she argued that once the “process of ‘gentrification’ starts in a district, it goes on rapidly until all or most of the original working-class occupiers are displaced and the whole social character of the district is changed” (Glass 1964). The initial dialogue on gentrification tended to underline the residential housing market and the rehabilitation of existing properties. However, the definition soon shifted beyond inner-cities to incorporate rural areas and the suburbs – it involved vacant land, commonly in former industrial use, and newly-built upscale neighborhoods, often beside water or in other prominent locations in the city. At the time, the concept of gentrification increasingly engaged with the shifts in occupational class structures (Ley 1986).

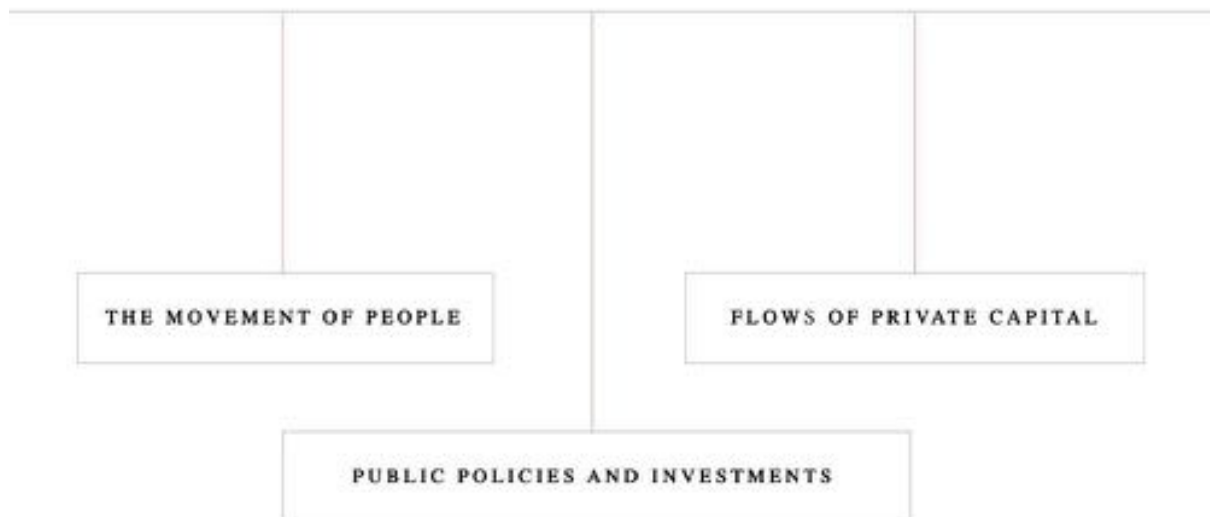


Figure 3: General determinants of neighbourhood change.

However, in 1979, Neil Smith had introduced ‘the return of capital from the suburbs’ as a vital driver of gentrification – he presented neighborhood change as ‘the spatial manifestation of the restructuring of capital through shifting land values and housing development’ (Zuk, et al. 2015). Although Smith acknowledged the impact of the gentry, he stressed a wider nexus of actors that constitute the ‘political economy of capital flows into urban areas’ – developers, builders, mortgage lenders, government agencies, and real estate agents. The ‘rent-gap theory’ projected the difference between the ‘capitalized rent realized from a plot of land and the potential rent possible’ had it been developed to meet its highest and best use’ (Addie 2017) – it indicated a production-side of urban rent and inner-city transformation. Hence, the discourse heavily underlined the macro analysis of gentrification, over class phenomenon, and the circulation of interest-bearing capital in urban land markets as a

function of the capitalist economy – Smith viewed government as restating the idea of a city as a ‘growth machine’ (Logan 1987).

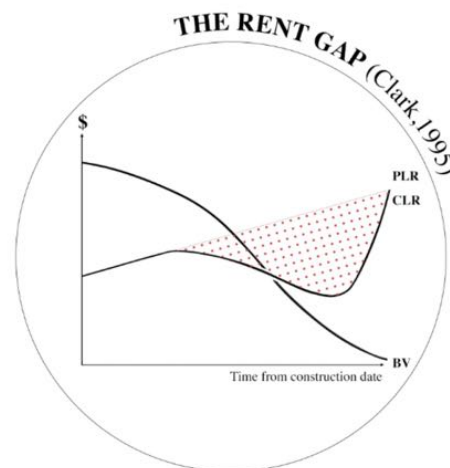


Figure 4: Rent Gap

In 2002, Neil Smith highlighted the liaison between globalization, neoliberalism, and the shifting role of the state in gentrification – he maintained that the phenomenon is growingly an urban strategy, affiliated with a new globalism and a related new urbanism. The discussion adopted two critical arguments; first, that the neoliberal state was now the key agent of gentrification worldwide, and second, that gentrification has become global, and developed to what he called ‘gentrification generalized’ (Smith 2002). Hence, the shift of gentrification from being a small-scale inner-city process, pioneered by a left-liberal new middle-class, to being a mass-produced process around the world became visible (Lees 2015).

Gentrification in Berlin

Gentrification in Berlin was a direct result of changed governmental policies and regulations. According to Holm, the main reason for the most intensive rent increases in Germany is a shift in Berlin’s urban and housing policies: “since the turn of the millennium, subsidies for building and renovations provided by the city have been completely cut” (Holm, 2013:174). Holm claims that, concerning the budgetary crisis of the city, more than 220,000 public housing units (or half of the public stock) were privatized, and the stock of social housing was reduced for the reasons of the economy (Holm, 2013:174). Cuts in housing policies created unprecedented opportunities for investors.

According to Holm, gentrification has become the dominant trend for the development of most inner-city neighborhoods Berlin, which has led to a situation in which the process cannot be meaningfully described on the neighborhood scale anymore. Therefore, to understand the interrelations and dynamics of gentrification, it is necessary to widen the observer’s perspective and include the relations between different neighborhoods into the picture (Holm, 2013:175).

Berlin is shaped by a spatial expansion of gentrification, along with a side presence of different phases of gentrification. According to Holm, the current epicenter of gentrification is circulating. For example, the concentration of pioneer locations (such as clubs, galleries, subcultural bookstores) has shifted from Mitte to Prenzlauer Berg to Friedrichshain in a clockwise movement through the city, reaching Kreuzberg and even parts of Neukölln within the last few years (Holm, 2011). Analyzing Holms' diagrams can be seen, that gentrification expansion is always connected to the inner city. Today gentrification process becomes more and more inevitable, districts are facing the pressure from different directions.

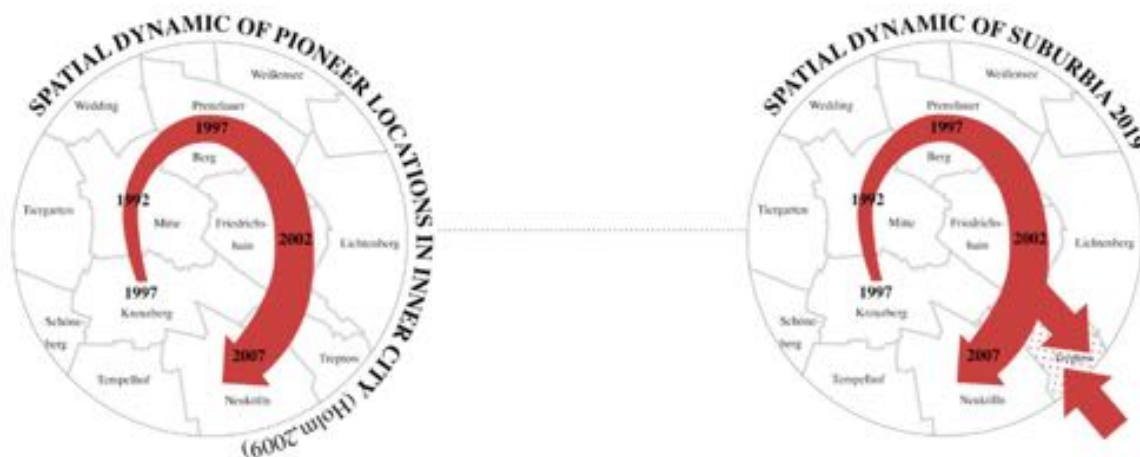


Figure 5: Gentrification in Berlin

Context Berlin

Culture

Berlin is a well-known artists' hot spot. Since the fall of the Berlin Wall, tens of thousands of artists have moved to the city. Many of them were first of all following low living costs and a growing cultural scene. Along with the cheap rent, the fall of the Soviet control and ideology in the East allowed creativity to flow. Loads of vacant spaces drew artists to Berlin, the squatting culture came into the many abandoned buildings of eastern neighborhoods such as Mitte, Friedrichshain, and Prenzlauer Berg, including the famous *Kunsthau Tacheles*. The art scene began to flourish, which has led to inevitable changes in the districts. For instance, Neukölln has experienced a transformation from a working-class neighborhood to a district with a variety of bars, cafés, galleries, and vintage stores.

Astonishingly low rents attracted artists, writers, musicians, technology and web entrepreneurs. This rapid development has led to significant changes in the affordability of the city. For instance, Peter Dobroschke, a Wedding-based artist turned activist, became part of the resistance against the infiltration of real estate development and possible eviction of his studio space in Uferhallen – his time is now predominantly occupied in analyzing legal

documents and his work, politically charged. Klaus Wowereit, Mayor of Berlin, more than 15 years ago declared that the city was “poor but sexy”, however today changes in the city are inevitable.

A Rental City

With the reunification of Germany and the discussions on moving the governmental center back to Berlin, the city experienced a renaissance of its housing market. Former so to say peripheral neighborhoods along the Berlin Wall, such as Kreuzberg and Mitte, transformed to attractive central city destinations for tenants overnight. In 2017, Berlin’s total housing stock was represented by 85 % of rental apartments thus only fifteen percent of apartments were occupied by their owner. The highest concentration of rental apartments is to be found in downtown areas as Mitte and Kreuzberg - Friedrichshain with ninety percent. Today, these districts amount for the highest percentage and most expensive rental properties. Simultaneously, the readiness to move has steadily decreased, as available alternative housing in the same neighborhood remains scarce. (BBU, 2018)

Starting with the social housing reform in the early 20th century and legal regulations protecting tenants, renting in contrast to homeownership has evolved as the predominant means of housing in Germany. With the introduction of rental properties as investment opportunities which generate a small but constant stream of return, along with Germany’s strong economic stand, global capital increasingly pushes Berlin’s real estate market especially after 2008. Prior to the global financial crisis, the disposal of municipal housing assets by the Senate in order to support Berlin’s heavily indebted budget further accelerated speculative investments with rental properties.

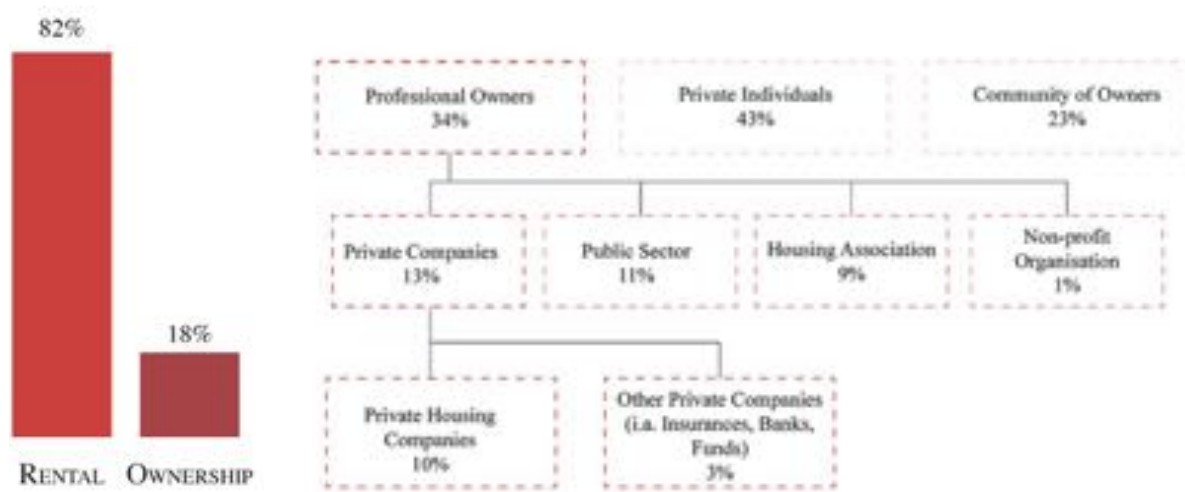


Figure 6: Ownership structure of the Berlin rental market

Companies

Along with changed policies, companies started clutching for real estate market opportunities. The turn of the millennium has become a turn on the real estate market in Germany, in addition to already existing Deutsche Wohnen SE (1924), new companies like Vonovia SE (2001), Grand City Properties SA (2011) discovered the opportunities of investing in valuable property in densely populated areas. Special Rapporteur claims, that “when rented homes or mortgages are owned by remote investors, money mostly flows out of communities and simply creates a greater global concentration of wealth” (Special Rapporteur, 2017:9). Vonovia case demonstrates, how difficult is to distinguish who are the main actors behind the company, and where does the money flow, and therefore it is difficult to figure out who is behind the rising rent.

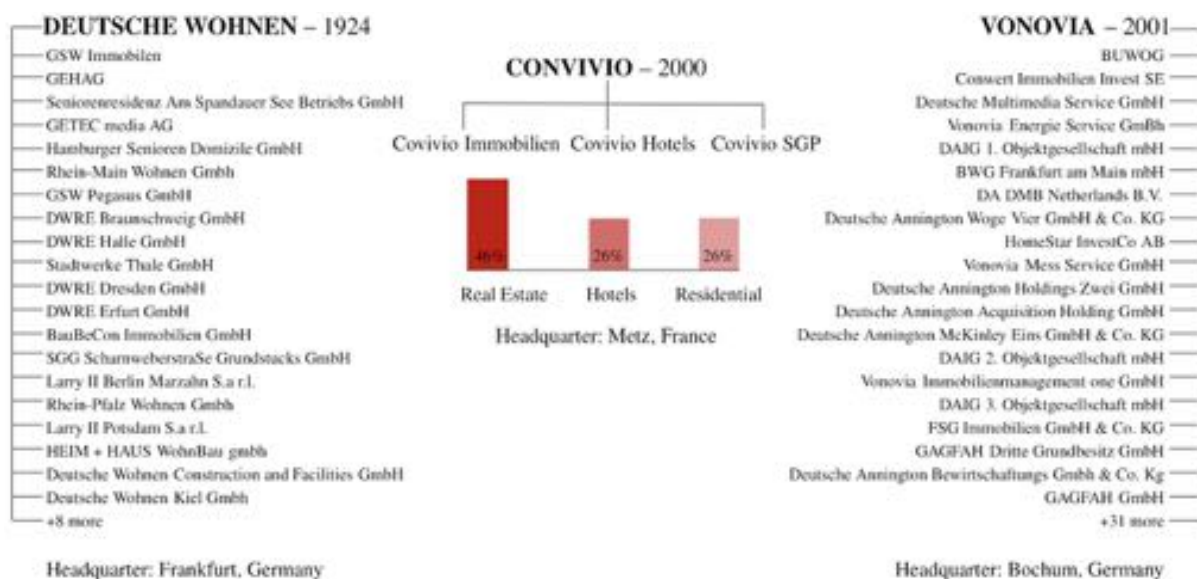


Figure 7: Three of Germany’s largest rest estate companies and their subordinate companies

Protests of local residents has been humbled on political level as well as in international media, that Berlin is still quite affordable compared to other international capital cities like London or Paris. However, discrepancies in income levels, Berlin is navigating below German average, are conveniently silenced. Moreover, compared to other global capitals, Berlin in contemporary history has transformed as a splinted island within the former GDR - commencing a fundamentally different starting point for its future development.

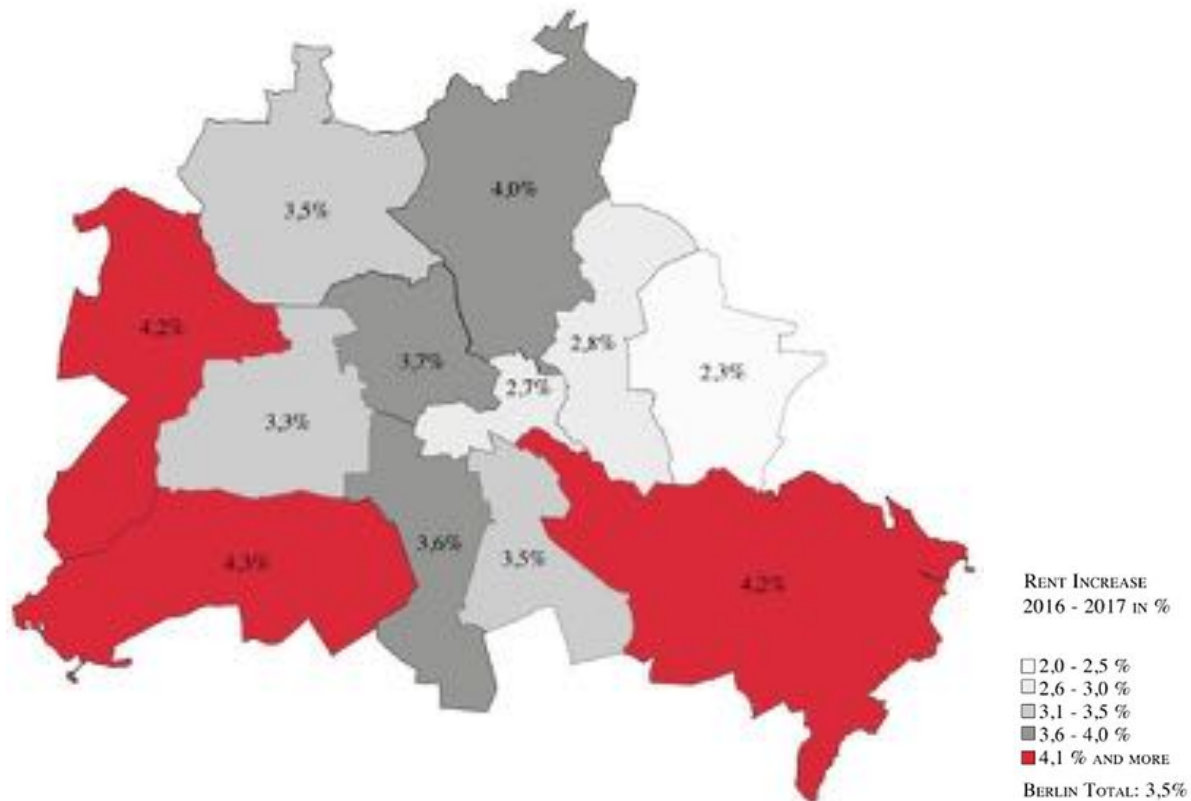


Figure 8: Rent increase by district, 2016-2017

Resistance

The free-market competition is profitable for the landlords, home-owners, and businesses, however steadily rising housing rents are making tenants vulnerable. In his studies Foucault was wondering, what might be the tools to study power relations, as a result, he suggests to investigate the forms of resistance (Foucault, 1982:780). In Berlin case, there is a visible resistance, for instance, *Initiative Deutsche Wohnen & Co. Enteignen* launched a collection of signatures intending to reach expropriation of more than 3000 dwellings from the company Deutsche Wohnen Group (BZ, 2019). A protest in public space is the best expression of indignation about particular events, policies or situations, this is the result of a struggle, in Berlin case, the tenants struggle against the main principles of neoliberalism. According to the leading activist of the *Initiative Deutsche Wohnen & Co. Enteignen* much more people than expected participated in the demonstration in April (Michael Prütz, 2019). In this case, people were using the streets of the city to express discontent and the will to regain power over the market.

In 'Subject and Power' Foucault defines three types of struggles: either against forms of domination; against forms of exploitation which separate individuals from what they produce; or against that which ties the individual to himself and submits him to others in this way (Foucault, 1982:781). The Berlin case is an example of social struggles mixed together: free-market principles are dominating over the tenants; individuals are being separated from

the city, they feel persecuted. Protests as a form of resistance are taking different forms from individual statements to mass demonstrations, demanding to expand or enact governmental rent control provisions.

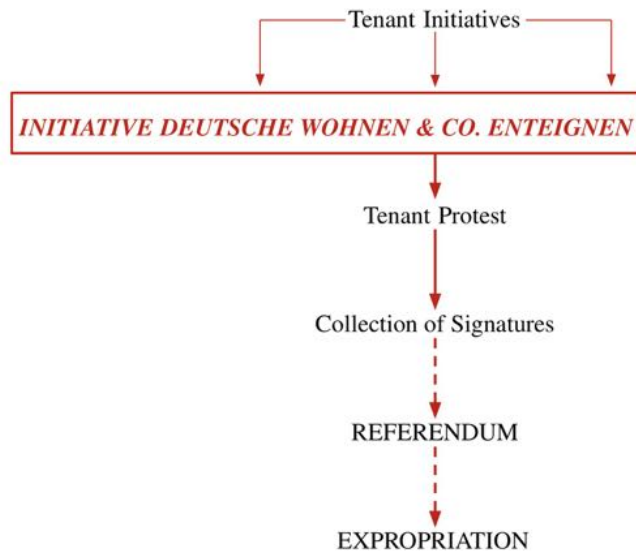


Figure 9: Berlin tenant resistance structure

Governance

The administration of Berlin legally navigates within a German three-tier governmental framework which constitutes of national government, regional states and local communities. Berlin as a city-state occupies an exceptional position where national government and regional state are equivalent. The administrative jurisdiction is thus divided in governmental bodies of federal, senate and borough. The various strategies pursued by each instance complicates the execution of urban development across the city and creates a continuous renegotiation of legal terms and key priorities.

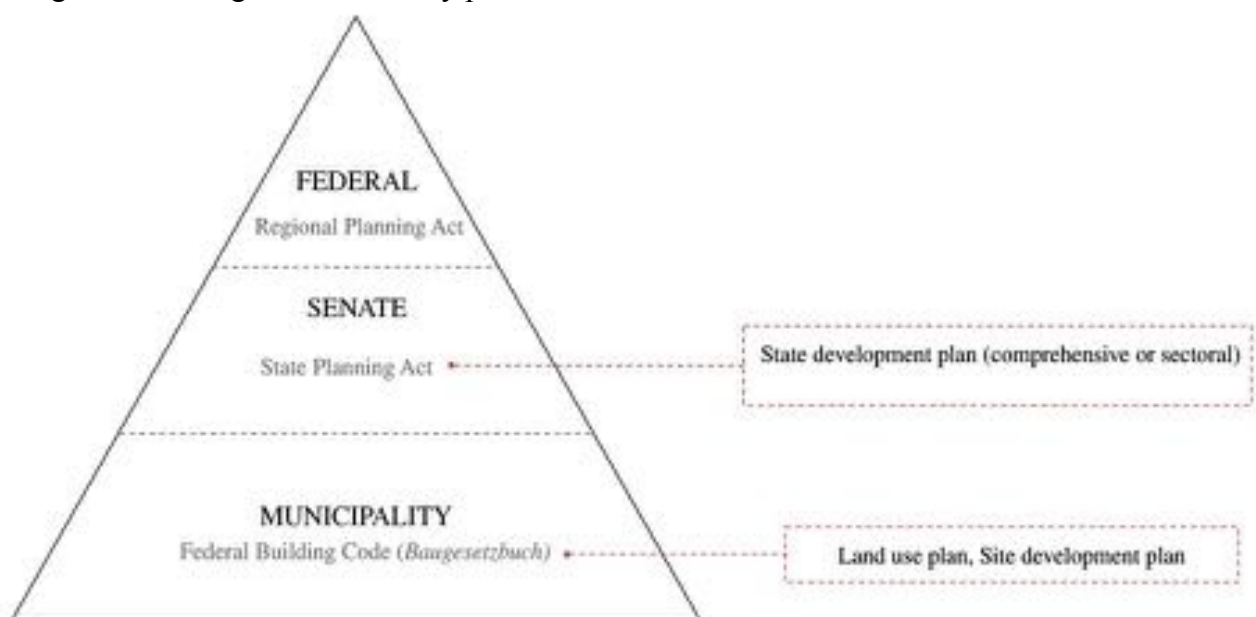


Figure 10: The three tier scheme of Berlin governance

Start-Up City

Today from “poor but sexy” Berlin appeals to turn into a start-up city attracting more and more creative people from different fields along with venture capitalists and big foreign investments from Google and Tesla.

Situating Schöneweide

Halfway between the inner-city and the new BER Airport, Schöneweide is a part of Treptow-Köpenick, the largest district of Berlin. Schöneweide is renowned as an industrial and working-class district, due to its historical links with AEG. Following 1991, the collapse of GDR resulted in the halting of industrial activity and a gradual rise in the unemployment rate – this has formed a significant basis for the local government’s strategic involvement with the private sector for the creation of jobs. Initiated by the Senate, Treptow-Köpenick is part of the Berlin South East development plan, promoting a tech-innovation corridor between downtown and the new Berlin Airport, with Schöneweide located in the centre. Within this plan appears the industrial heritage as a tool to attract investments for the revitalization of industries for a different type of production - one of research and development, tech-innovation and creative industries.



Figure 11: Situating Schöneweide within Berlin

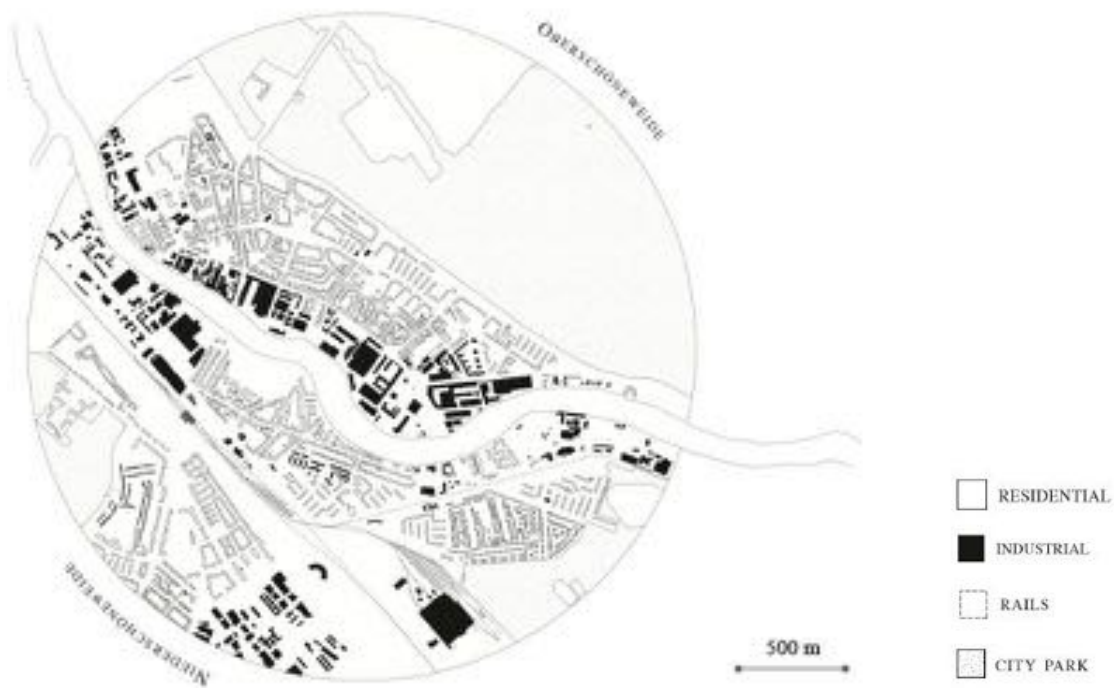


Figure 12: Morphology Schöneweide

Theme 1: Industrial Heritage

“If artists have more space to work and experiment, it results in a larger body of work, both in terms of size and scope,” says Johann König, the gallerist representing eminent artists that relocated to Oberschöneweide following Bryan Adams’ investment in the local art and culture center *Reinbeckhallen*. The availability of vacant and large-scale former industrial production spaces acts as a favorable breeding ground to facilitate such artist agenda – the industrial production appears to have been replaced by artistic production. Moreover, the affordable opportunity to buy offers security, as opposed to the fear of displacement previously experienced by the artists due to sudden rent hikes.

HTW Berlin (University of Applied Sciences)

In 2006, the city government incorporated the location in its plans for further citywide university development and relocated HTW Berlin (University of Applied Sciences) to Schöneweide (Mieg and Oevermann 2014). Guided primarily by the use of the building stock for HTW Berlin, the reconstruction process followed ‘selective preservation that favored the optimal adaptation to the planned university use’ (Mieg and Oevermann 2014) – the Berlin Historic Preservation Law allows preservation requirements to be discounted if a strong public interest calls for an alternative use of the area. Founded by HTW in 2011, *Berliner Zentrum für Industriekultur (BIZ)* keenly promotes industrial heritage, in the citywide debate, as a resource for urban tourism – ‘a cultural mediation that serves the social understanding of

current processes' of industriousness (Steiner and Hoppe 2015, 18) However, it is widely perceived as a source of tax revenue, a job engine, and an image factor that puts Berlin in a positive light (Novy 2013). The Wilhelminenhof campus includes regenerated historic buildings, along with new constructions – an attempt to embody the industrial vessel while making visible a link to Schöneweide's future for technological innovation clusters.



Figure 13: Situating HTW Berlin within Schöneweide

The university acted as an entry point for private and state services for start-ups established in Schöneweide to promote collaborations between the sectors of education, research, and industry – the assemblage of industrial units on the banks of the river Spree being a ‘unique backdrop’ (n.d.). The ‘smart city’ narratives not only involve the consumption and branding of tangible heritage to project a contemporary work lifestyle, but more importantly disclose an exploitation of a forthcoming ‘knowledge-intensive economy’ (Krätke 2013, 135) to create wealth – be it as an asset for public tax revenues or private profit, the state is not adamant on bringing in one investor, but creating a breeding ground for creative and technology-based start-ups. The local government initiatives are proactively creating an open door for a strategic involvement with the private sector in the production of ‘soft’ gentrification, with research and development being a leading industry for collaboration – such trends have been known to suggest urban politics of international dimensions (Eick 2013).

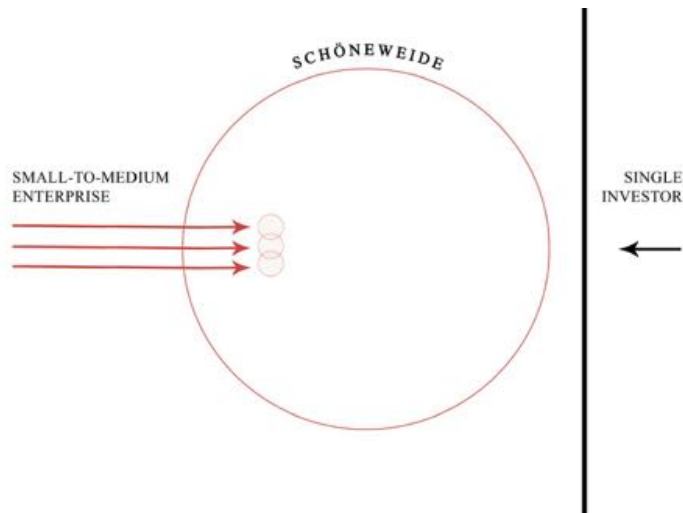


Figure 14: Local government's strategic involvement with the private sector

After the relocation of HTW Berlin in Schöneweide, the university is considering the settlement of all its campuses in Oberschöneweide (Schmidl 2019). The close-knit link between the student body of over ten thousand individuals, in HTW Berlin, and the technological innovation clusters emerges to be an enabler for the formation of a magnifying entrepreneurial climate – it makes available labor capital and talent, in the presence of supportive economic policies that strengthen the start-up network as a key approach to increasing the employment rate. Ulrike Zeidler, the head of town planning in Treptow-Köpnick, called HTW an ‘anchor’ while the HTW President, Carsten Busch, labelled Schöneweide as a ‘great place’ (Schmidl 2019). The nexus between the municipality and HTW is testimony to the arrangement in order – the image building and creation of jobs benefits both interest groups. Although there is still a deficit of appealing venture capital offers, the availability of industrial infrastructure and amenities acts as favorable features. Moreover, the proximity to the science and technology park in Adlershof, as well as a robust small-to-medium business network in Alt-Treptow insulates Schöneweide as a growing ‘incubator’ for technological innovation. As most start-ups based in Schöneweide are in the stage of seed growth, there is a general hesitancy to invest in office spaces or be bound to a lease contract – the convenience of co-working spaces offers an economical option. KAOS, located in a former factory, and BETT, located in a former brewery, are the leading student organized co-working spaces in Schöneweide – they form a vital link between the creative industries and technological-innovation, saturating the cluster networks further. Technology and Startup Center Spreeknje (TGS), operated by the state as a ‘laboratory’ for startups, is also providing well-resourced co-working spaces.

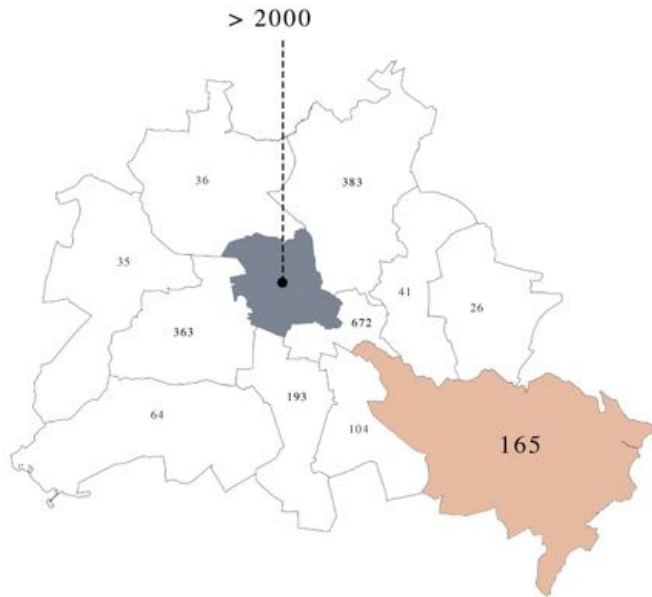


Figure 15: Number of start-ups, in comparison to Berlin

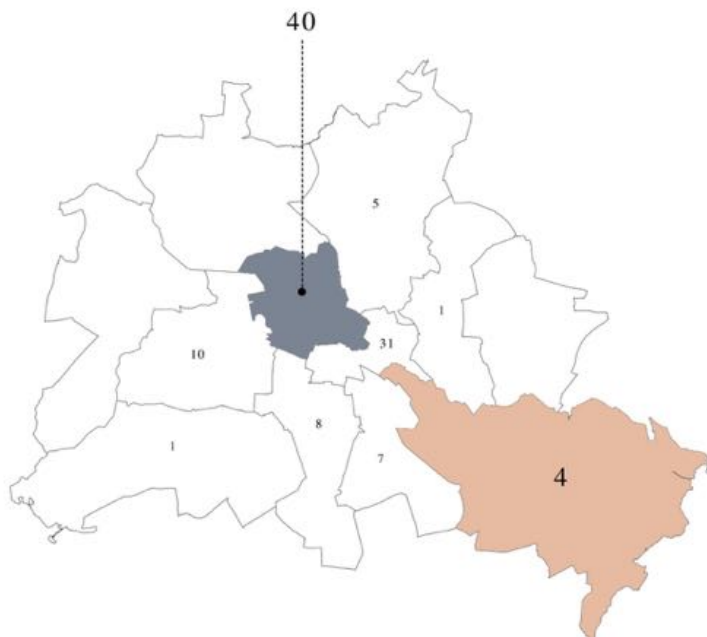


Figure 16: Number of co-working spaces, in comparison to Berlin

Local government's envisioned growth is increasingly realized in Schönevide – it is likely to attract more enterprises, as a proximity to and communication links with other active enterprises works as a strong pull factor – this behaves as a local node in the global networks of large entrepreneurial groups. The urban renewal strategies of Schönevide are well on their way to producing a socio-cultural milieu, which combined with the dynamics of knowledge-intensive cluster formations, is likely to act as an enabler of neighborhood change and displacement.

Re-Use of Industrial Heritage for Creative Industries

Artistic District of Schöneweide

Schöneweide used to be behind the success of the electrical engineering industry in Eastern Berlin, the riverside area inherited impressive industrial halls left behind from heavy industries. Most of the industries shut down, however, the built structures remained. This case study aims to figure out, what is the industry today and how the neglected space is being reused.



Figure: Situating Artistic District within Schöneweide

The case study is focusing on the artistic district of Schöneweide, that the journalist of the New York Times called “Creative Paradise” (Williams, New York Times, 2019). The area on the former site of the AEG factory was bought in 2004 by three partners: Sven Herrmann, galleries Loock and Kicken. According to Solange Lingnau, Sven Herrmann was born in Schöneweide, on the other side of the river and currently found his mission in the development of artistic and cultural functions in the area (Solange Lingnau, 2019). In 2009, on his initiative, one of the halls was sold to Industriasalon for symbolic 1 euro (Rütten, 2015). Industriasalon was founded by Susanne Reumschüssel, the institution has set itself the task to present the industrial history of AEG organizing guided tours and running the Repair Cafe (Industriasalon.de, 2019). Industriasalon aims to improve the image of Schöneweide using its industrial heritage.

In 2013, another old industrial hall was sold to the famous Canadian musician – Bryan Adams. Today the building is known as Spreehalle. According to Thomas Loy, initially, it was claimed that Bryan Adams wanted to set up a photo studio and invite friends-artists to rent ateliers. However, 16 differently sized halls and duplex studios will be sold to different interested parties who have nothing to do with Adams (Loy, 2019). The former AEG factory hall on the other side of Industriesalon was bought by Olafur Eliasson Studio in 2018. Today, his name is being actively used for the promotion of Schöneweide as an artistic district, however, Olafur Eliasson Studio warehouse is being used mainly as a storage.



Figure: Schöneweide Artistic District

In the middle of the “Artistic District” is located Reinbeckhallen – art and cultural center. The center is settled in former AEG factory halls in Schöneweide on the bank of the Spree river. Currently, it includes an exhibition hall, an event hall, a project room, woodworking and printing workshops. The case of Reinbeckhallen will be examined in more detail below.

Reinbeckhallen

According to Solange Lingnau, the administration of Treptow-Köpenick played a significant role in the deal with investors, who bought the former industrial building on the bank of the Spree river. Investors were searching for a property that could be used as an art center in Mitte, then the administration of Treptow-Köpenick contacted them and suggested former AEG factory halls in Schöneweide. It was a good deal because at the same price the investors got bigger premises. When it was bought it was pretty much falling apart. The deal with

investors was the request from the administration because they were afraid that if no-one gets it, the building will fall completely apart (Solange Lingnau, 2019). This deal with with current owners of Reinbeckhallen was significant for the further changes in the area.

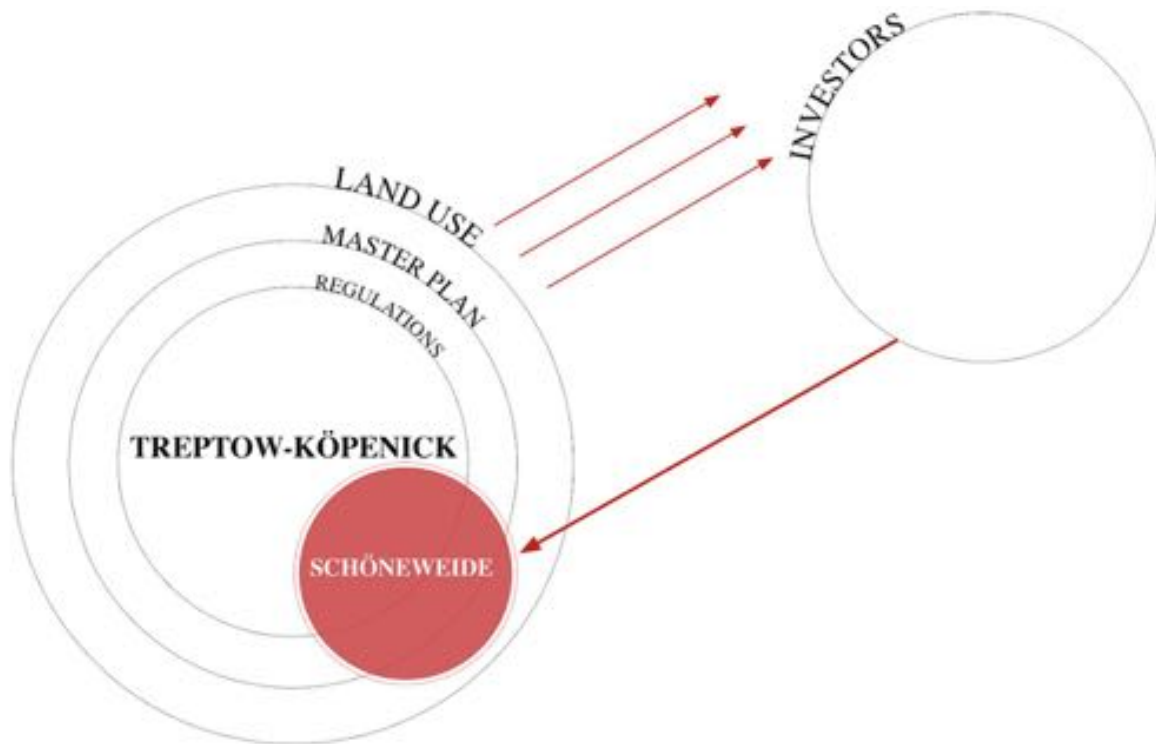


Figure: The role of the municipality in the deal with investors

According to local newspaper *Der Tagesspiegel*, Reinbeckhallen is the first officially dedicated event hall in the so-called artistic district between Reinbeckstraße and Spree River in Oberschöneeweide. Spaces in Reinbeckhallen are strictly divided: on the riverside of the building are located studios for sale, some of them are already sold, others are still in renovation process; the opposite side of the building is hosting rental studios for artists and representatives of different creative disciplines, Reinbeckhallen and the non-profit foundation office, artist residencies, workshops, and storage. The middle part of the building hosts Project Space, Event Hall, Lounge and Exhibition Hall.



Figure: Reinbeckhallen location and interiors

According to the information on the webpage, Reinbeckhallen aims to provide conditions for the long-term residency of the creative class, this goal is overlapping with the Masterplan for Art and Culture initiated by Thomas Niemeyer being the part of Schöneeweide administration (Bartels, *Der Tagesspiegel*, 2017). True, Reinbeckhallen riverside studios can be a place where established artists and creative people can settle permanently and feel secure in the owned studio in the long-term perspective. However, rental studio prices are starting from 18,55 Eur/m² (reinbeckhallen.de, 2019), the contract length is about 2 or 3 years. Young establishing artist cannot afford to settle permanently in one of the Reinbeckhallen studios, because the rent is too high.

The large-scale former industrial production space of Reinbeckhallen acts as a favorable breeding ground to facilitate artistic production and therefore is charming the creative class. The artistic district is especially attractive for established artists, because of the affordability of the ownership and the dimensions of the space, that allows producing more in terms of size and scope. For instance, Reinbeckhallen is using former industrial equipment left in the hall to move large objects, industrial crane in the exhibition hall is being used for setting up the lights. It shows how art and creative production is taking over and reusing not only former industrial spaces but also the equipment.

The Capital Flow

First of all, needs to be explained that Reinbeckhallen consists of two divisions: the Main Office and the Non-profit Foundation. Main Office is working for profit since the owners of the building changed and later, in 2017 on the initiative of Sven Herrmann was launched

Non-profit Foundation, working on exhibitions, events and providing artist residency opportunity. According to Solange Lingnau, this cooperation forces Non-profit Foundation to be flexible and talk to the Main Office people if the foundation can use the space because if it is rented out, in some way, not directly, it allows the foundation to stay and run their activities (Solange Lingnau, 2019).

During the site visit, we had an interview with Solange Lingnau from Non-profit Foundation and Candice Hamelin, representing both the non-profit foundation and the main Reinbeckhallen office. The foundation in Reinbeckhallen aims to promote art, culture, and education. Every year, the foundation presents contemporary art exhibitions with supporting program as roundtables, film screenings, and workshops. The main office of Reinbeckhallen is working for profit, renting out the spaces for different purposes and events, the goal is not only to gain profit but also to continue renovation of the buildings.

As mentioned above, when the area on the former site of the AEG factory was bought by Sven Herrmann and his partners in 2004, it was pretty much falling apart. After one of the halls was sold to *Industriehallen* for no return, Herrmann had to invest in the renovation of the space. Following, one part of the industrial complex (Spreehalle) was sold to Bryan Adams to pay for the cost of the renovation of Reinbeckhallen. According to *Berliner Morgenpost*, Herrmann has invested 4.6 million euros into the complex, the building is not listed, that made the conversion faster and easier (Berliner Morgenpost, 2018). Today, the biggest part of Reinbeckhallen has been renovated, leaving a lot of the structure, however, the right side of the building still waits for the renovation.



Figure: Reinbeckhallen capital flow

There are certain capital movements between Reinbeckhallen and Non-Profit foundation as well. Candice Hamelin claims, that the commercial part of Reinbeckhallen is mixed, usually, the Main Office reacts to companies willing to use Project Space, Event Hall, Lounge and Exhibition Hall for their needs (Candice Hamelin, 2019). For instance, space was used for private Christmas parties, fashion shows, a techno party, and various movie screenings, however, the Main Office also has its own non-profit program. Nevertheless, the main source of income is rent. According to the local newspaper, Herrmann ensures a healthy mix of commercial and public uses by running the Non-profit Foundation and keeping two studios free for "artist in residence" (Berliner Morgenpost, 2018).

Non-profit Foundation is working not for the number of visitors, but for the quality of the program, which gives them a lot of freedom to work and also to suggest projects. The socio-political position of Reinbeckhallen is mainly connected to the GDR past and is being communicated by events and exhibitions organized by the foundation. According to Solange Lingnau, these are exhibitions that attract the most people, for instance, the last one was visited by almost 15 000, which is a lot, considering the location outside of the city center. Today, the profile of the space is focusing on openness as something important to be able to keep aware of what is happening on a broader scale. Instead of working with a specific kind of theme, the foundation rather focuses on values: that projects are inclusive, that projects talk with different kinds of people from different social backgrounds, different social experiences, and ages (Solange Lingnau, 2019). During the interview revealed that Reinbeckhallen doesn't have Facebook or Instagram accounts, the art and cultural center uses exhibitions to build their audience because they are expecting people to come back.

The whole land-use of the Reibeckhallen area is industrial, which now is becoming more and more kind of commercial. 20% of the space can be used as residential, however, a person cannot officially register in the space. If a person uses the space as residential, they cannot complain about the noise after 22, because the area is not mainly residential. Despite this fact, studios are being bought and established artists are moving in. According to *Berliner Morgenpost*, on the south side, more than 500 square meters now belong to famous German artist Jorinde Voigt, who works with large-scale drawings and installation. The next door is Christian Jankowski studio, where he works on contemporary multimedia. On the north side, one of the studios is occupied by the sculptor Thomas von Stokar from Dachau (Berliner Morgenpost, 2018). It is inevitable that established artists' production is leading to the transformation of the former industrial belt along the Spree and establishes itself as a driver of neighborhood change, leading to the diversification of land-use along the river Spree.

Spreehalle an Example of Creative Class Switch from Atelier Rent to Ownership

As mentioned above, to pay for the cost of Reinbeckhallen renovation one part of the industrial complex was sold to Brian Adams. After the purchase in 2013 Brian Adams renovated the building, as a result, the old industrial halls, built in 1910, are now framed in

differently dimensioned modern grey concrete blocks and divided into three segments with the central part, which serves as a courtyard (Loy, 2019).

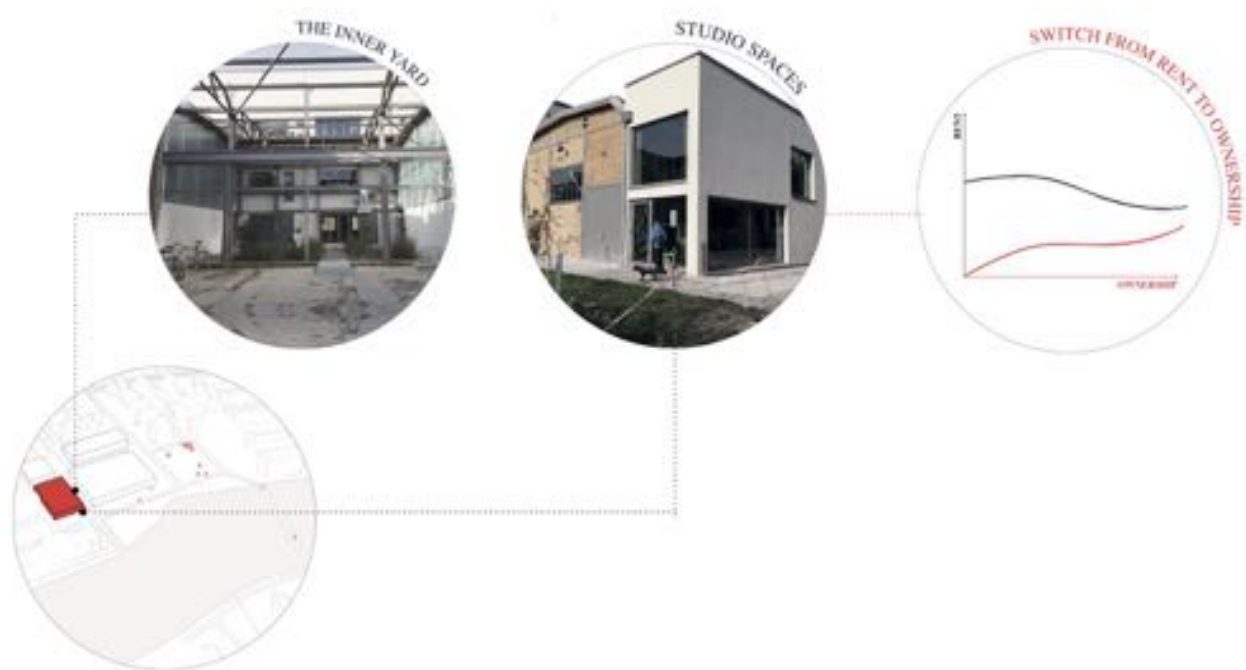


Figure: Spreehalle

Alicja Kwade – Berlin-based Polish artist, known for her sculptures and installations, was the first to settle in Spreehalle. According to the New York Times, Kwade has moved her studio between neighborhoods, starting out in a tiny shared space of less than 200 square feet in the city's Wedding area and eventually ending up in a large ground floor studio in Kreuzberg, which she had to leave because of a dramatic rent hike (Williams, New York Times, 2019). According to Williams, Kwade bought her warehouse space from Bryan Adams in 2017, then she gradually expanded and connected the neighboring ateliers as her studio grew (Williams, New York Times, 2019). Today Alicja Kwade is living and working in Oberspree, her case is an example of the established artists' switch from atelier rent to ownership. Germany is one of the countries where there is a common culture of renting, rather than assuming all households to achieve ownership. This makes tenants more vulnerable to market changes. The case of Alicja Kwade demonstrates an attempt to secure the living and working space. The artist achieved an opportunity to settle and feel secure in the owned atelier.

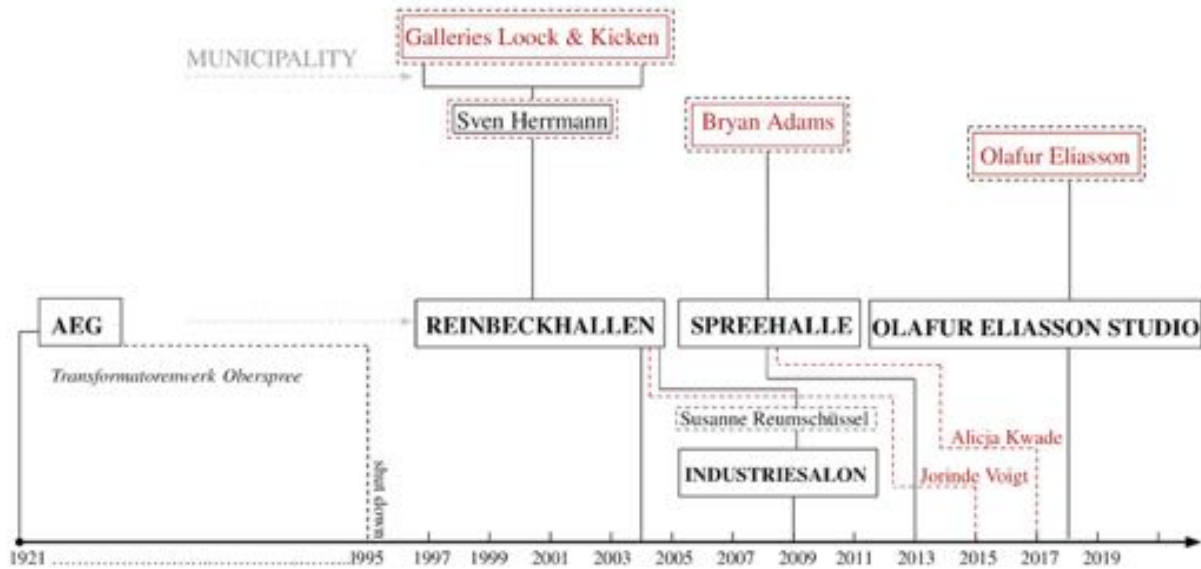


Figure: Timeline of property ownership changes in Schöneweide Artistic District, where representatives of the creative class are marked with red color

Replacement of Industries by Art and Culture

Today former industrial halls are mainly used for art and culture purposes because it is easier to adopt such structures for artists and their needs than for the families. This type of use doesn't require a land-use change and therefore is welcomed by both investors and the local planning department. Today art and culture are being actively used as a redevelopment and marketing tool in the area as a part of the consistent vision that local authorities refer to as the Masterplan for Art and Culture and a way to industrial revitalization (Der Maulbär, 2019).

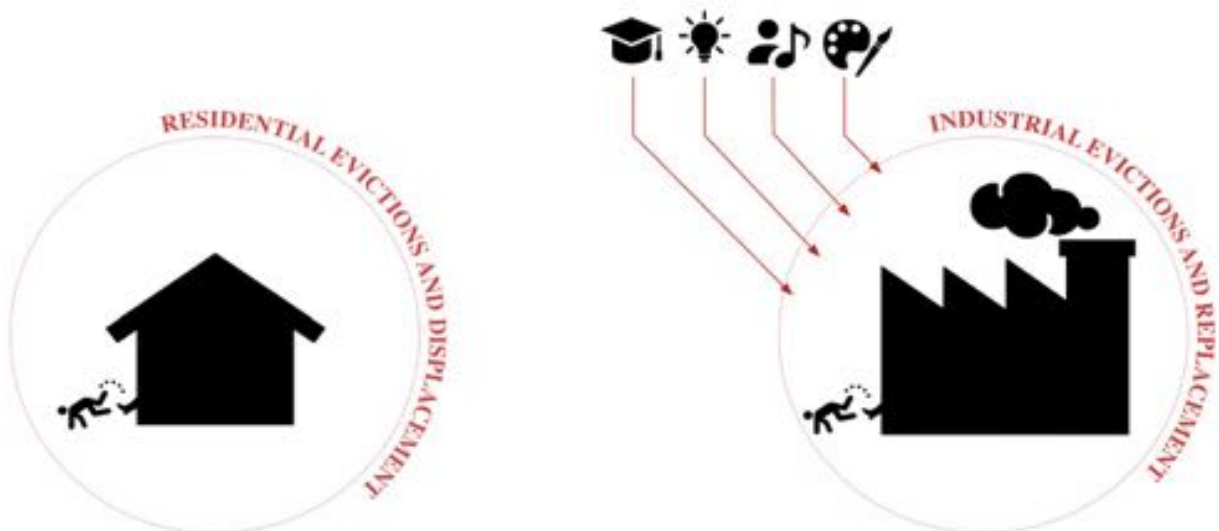


Figure: Common understanding of gentrification in the context of residential displacement and evictions versus replacement of industries in Schöneweide

In that quarter of the former AEG factory halls, buildings were actively changing the owners for the past 4 years. The initiator of Masterplan for Art and Culture Thomas Niemeyer sees it as a good sign for the active development of former industrial halls, justifying it by the fact that buyers now pay too much to leave the warehouses empty (Bartels, Der Tagesspiegel, 2017). The example of this “Artistic District” shows how cultural revitalization of old industrial fabric is willing to spread into public space, which probably would lead to its intersection with rental prices.

Currently, the value of the district is growing not because of luxury renovation and luxury apartments, investors are adding value through preservation. The names of the inhabitants became the most efficient tool for the promotion of the district today. It remains to be seen whether the mediatized presence of such art-market heavyweights will help Oberschöneweide to become a successful and well-known artistic production.

Theme 2: Housing

Housing in Schöneweide has so far not been subjected to a mainstream gentrification discourse of displacement and eviction. However, the gradual rent increase observed in the area suggests prospective changes in the population. In this chapter, the evolution of housing in Schöneweide is analyzed, considering key institutions and their strategies employed in regulating the residential housing market. To determine underlying patterns and structural changes, this chapter will set of with a historical contextualization of the most significant residential housing developments in Schöneweide. Secondly, the available legal tools and affordable housing suppliers will set a frame to what opportunities the municipality has in order to regulate the rental market. Lastly, the introduction of the most recent development in Niederschönerweide will cater as an outlook to the changes of the housing market observed in the neighbourhood and broader Berlin.

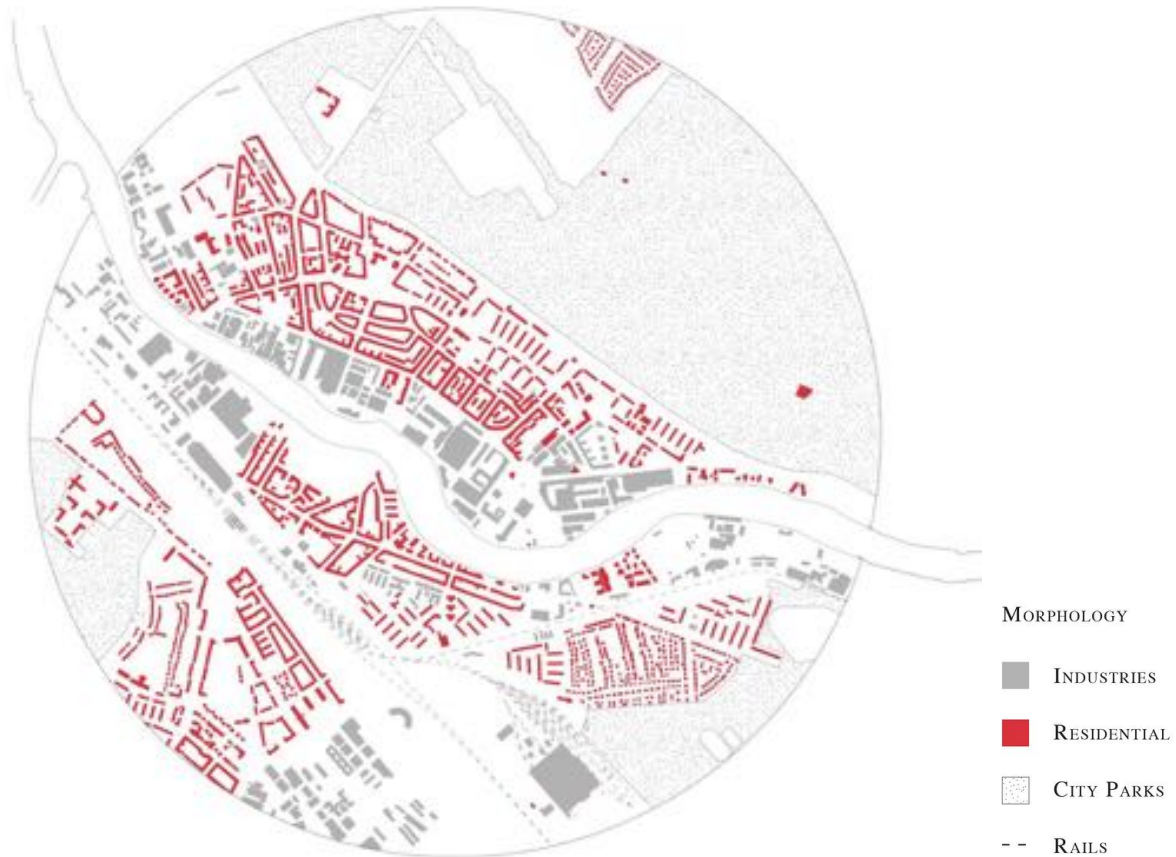


Figure: Residential building morphology Schöneweide

Three Development Stages in Schöneweide

The residential building stock of Schöneweide developed in parallel to the industrial belt framing an approximately 2-kilometer-long stretch of the river Spree. On a comparable dense strip between the water-front, industrial belt and the following city forest *Wuhlheide* to the North and *Königsheide* to the West documents the architectural typology three significant changes in the housing construction in Berlin from the 19th century to the 1970s.

In the first phase of residential housing development in Schöneweide four-story-high *Gründerzeit* (Wilhelminian-era) rental apartments for the working class, as well as owner-occupied mansions in proximity to factories characterized the built typology. In 1990, one-third of such dwelling sat vacant as a direct consequence of the building's poor maintenance. According to the municipality, Treptow-Köpenick were 85% of the *Gründerzeit* building stock heated by coal, 77% were one or two-room apartments with shared toilets on each floor. The for the time inadequate living conditions and significance to the area's architectonic heritage argued for their incorporation to the city-led redevelopment program named *Sanierungsgebiet* (Redevelopment Area) in 1994.

In the years following the first world war, housing unions and cooperatives as well as municipality financed and coordinated large scale residential developments. Although a vast number of housing cooperatives ensured the development of affordable housing for the working class across Germany previously, their financial capital, as well as their lacking know-how for large scale development,

stood in great contrast to the needed housing supply (Linneke, 1931). Martin Wagner, architect and city planner for Berlin from 1918- 1933, comprehended city as another form of enterprise, which shall be managed centrally as “rational management leads to productivity” (Scarpa, 1986, pp. 10-11). In the 1920s, the housing unions and publicly-funded *Siedlung* development institutional diminished boundaries between the architect, financier, and urban planner were increasingly. Most prominently executed were these visions through the establishment of DEWOG (*Deutsche Wohnungsfürsorge A.G. für Beamte, Arbeiter und Angestellte*), and the in Berlin located subordinate DEHAG, manifest the central regulated provision and supervision of residential real estate in Germany.

In Oberschöneide, during that time most active housing union was GEBAG *Gemeinnützige Bauaktiengesellschaft*, established in 1872 and still operating, represents one of the oldest housing unions in Germany with its headquarters in Duisburg. Publicly funded by the municipality under the social housing reform of the Weimar Republic (1918-1933) GEBAG actively built two residential estates (*Siedlungen*), ninety-three houses between 1919 and 1928 (Landesdenkmalamt Berlin, 2019).

Historically, the last impetus of housing development in Schöneide followed the separation of East- and West Germany. The industries in Schöneide retained their economic significance to the GDR government which consequently reflected on the need for residential housing in the area. Furthermore, public funds have not been made available for the subvention of renovation and modernization of existing structures – causing tenants of historic but infrastructural outdated buildings moving to modern prefabricated constructions. Unlike developments of the previous decades, prefabricated structures were not included in the city-funded redevelopment program. Currently, most of the post prefabricated structures in ownership of municipal housing companies as DEGEWO, who own the majority of properties deriving from the 1960s in Schöneide. The rent price for a three-room apartment measuring 57 square meters in an object built in 1958 the gross warm rent is currently 599,63 Euro. (degewo, 2019) In comparison, a similar offer in the same district owned by Germany’s largest real estate company VONOVIA: three rooms, 59 square meters, built by 1982, gross warm 647 Euro (Immowelt, 2019).

With the fall of the Berlin Wall, Schöneide lost the majority of its businesses, with 30.000 people being left unemployed. Along with modernized housing conditions and better earning possibilities, the vast East-West migration of the population became the main concern of local authorities aiming to revitalize the newly gained neighborhoods. During the GDR, financial means was benefited to develop new housing, whereas modernization and maintenance on existing structures was neglected. Consequently, the majority of historic structures from the post war period remained unchanged since 1945. The effort to equalize the living condition of East and West, which contrasts were most visible in Berlin, had hence highest priority for Berlin’s local authorities since 1990.



Figure: Residential building age

Soft Urban Renewal

The business model in which Martin Wagner and the housing unions of the early 19th century accelerated the provision of affordable housing to the working class can be considered as Berlin's historical role model for a slow way towards privatization of the rental market (Hunger, 2009). The driving strategy employed by the Senate of Berlin is a public-private partnership scheme paraphrased as soft urban renewal with the introduction of *Sanierungsgebiet* (Redevelopment Area) - which was introduced to East-Berlin districts with the reunification in 1989 (Holm, 2013, p. 179).

The dedicated areas falling into the *Sanierungsgebiet* jurisdiction, are after § 136 and § 142 *BauGB* (Federal Building Code) defined neighborhoods that prove significant deficits in their urban fabric. The aim of such a publicly funded development program, is to provide financial

and technical subsidies for the monitored urban redevelopment, executed by private landowners or public institutions. The duration of programs is initially set for fifteen years, after which an extension can be applied for in case the renovation of the neighborhood has not exceeded 75% of the estimated result. The public funds are conditional to property owners for the preservation of the existing structure, retaining the original social composition of the population, and people's participation (Holm, 2013). The rent, thus, is objected to be maintained affordable to the sitting tenant while the *Sanierungsgebiet* regulations are effective. The soft urban redevelopment measures are still reinforced through a public-private cooperation agreement – with main financial support given by European Union funds, local municipalities and the German Federal Fund.

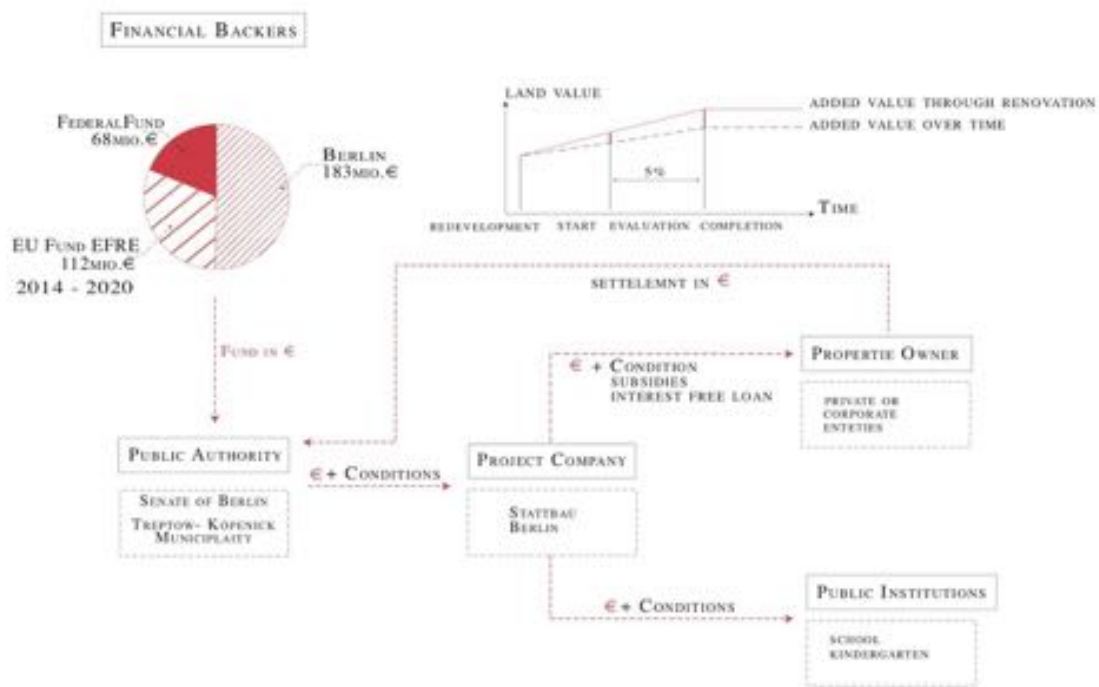


Figure: Funding scheme and financial flow of neighbourhood redevelopment for Berlin

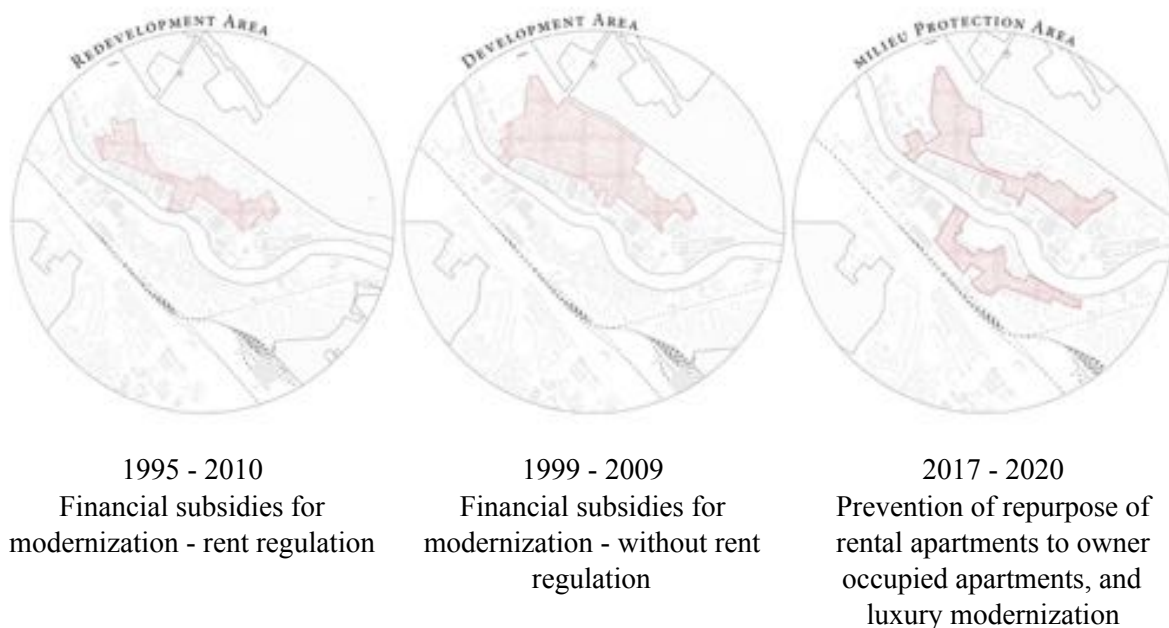
Urban Redevelopment in Schöneweide

Oberschöneweide was officially included in the *Sanierungsgebiet* program and an extended area was subsidised by the development fund in 1999. The focus for renovation and restoration was set on structures from the *Gründerzeit* and the Weimar Republic housing reform as historic relevant periods. Although the initial funding period was set to 15 years, the continuous renovation efforts of the district resulted that by 2010 already the majority of anticipated development plans were accomplished and the program ultimately discontinued in 2011 (BSM, 2015). In comparison to the wider Berlin context, where most of the renovation

has not been completed with the ending of the funding period, Schöneweide can be considered a unique case (Berliner Mieterverein, 2019).

With the end of the *Sanierungsgebiet* the area was transferred into the temporary *Quartiersmanagement* (district management) regulation, and after 2008 released to the milieu protection area, aiming to secure the changes made during the redevelopment period. Important legal stipulation regulates the rent increase and nature of further modernization measures according to the urban characteristics, to which the social cohesion of a neighborhood is accounted to. The development was enforced by *STATTBAU* Berlin, which was founded in by the Senate of Berlin in order to mediate between property owners and squatters in 1982. From 1998 until 2009, *STATTBAU* mediated and advised local authorities, private owner and residents in Oberschöneide.

It can be concluded that also the current rent roof of former properties within the redevelopment area maintain a relatively low rent index for the time being – previous examples like it was the case in Prenzlauerberg, which suggested a dramatic rent increase once the status of limitation is lifted. As Matthias Bernt, Researcher at the *Leibniz Institut für raumbezogene Sozialforschung* (Leibniz Institute for spatial Social Science), argues the removal of designated redevelopment areas in downtown Berlin has enabled or even commenced gentrification. Both examples exemplify the short-sighted implementation of policies, which aimed to solve contemporary challenges but created even greater obstacles in the following years. This has been under recent discussion in the context of the Senate's strategy in regards to municipal housing.



Municipal Housing

Municipal housing in Berlin is to be understood as a stock of housing in public ownership (Holm & Aalbers, 2008, p. 13). The city's largest property assets was transferred to municipal ownership with the reunification in 1989. The during the GDR nationalized ownership of real estate was transferred to the Federal State Berlin, public owned housing amounted to 30% in the 1990s. (Holm & Aalbers, 2008) Unlike the immediate privatization of properties to their former owner as in Post-Soviet countries, Berlin proceeded a slower way to privatization which can be summarized in three phases.

In a first initial phase from approximately 1990 until 1995 fifteen percent of the housing stock had to be privatized, due to the heavily contested national act *Altschuldenhilfegesetz (AHG)*, a law regulating transferred debts carried by housing cooperative of the former GDR. The law has been replaced by the *Wohnraumförderungsgesetz* (law for housing subvention) in 2015. Mainly public housing assets of the former East were affected during this time of privatization.

Secondly, with Berlin entering the federal fiscal equalisation scheme the Senate passes the *Haushaltsstrukturgesetz* (Budget Structure Act 1996), after which public asset in property are to be economically activated. Meaning, the operation of municipal housing had to generate profit. Furthermore, the rent and lease of municipal housing had to be equalized in line with the market trends. In this way between 1996 and 2000, 46.000 housing units of municipal housing operators were sold, this time primarily in western neighborhoods of the city. The most prominent case is the disposal of the *Hufeisensiedlung* (Horse-shoe estate) designed by Bruno Taut for DEHAG. The property was sold to a private consortium and Cerberus, and ultimately was bought by Deutsche Wohnen in 2001. Degewo, nowadays one of Berlin's largest municipality housing operators and holder of the majority of municipal housing stock in Schöneeweide, bought units from *KöWoge* (Köpenicker housing co-operation) during this phase of privatization in 1990.

Lastly, the most significant privatization momentum started with the decision by the Senate for a massive sale of municipal housing co-operation in order to repay their 50 billion Euro worth of debts in 2001- resulting from rather illegal deals on the real estate market made by the former *Landesbank Berlin* (City Bank Berlin). However, as of 2008, Berlin was able to raise 4 billion Euro through the disposal of municipal housing, selling an apartment for an average of 20.000 Euro (Holm & Aalbers, 2008).

The privatization of municipal housing through Berlin's Senate has acted as a catalyst to the speculative real estate market causing affordable rent to become increasingly scarce. Furthermore, the political program to secure affordable housing in the city is regulated through housing benefits, temporal subsidies or one of the municipal housing operators. However, ever since the Budget Structure Act of 1996, those enterprises act as private equity

firms with a special social obligation. The affordability of rent is paired with the obligation to accumulate positive profit – situating municipal housing in the midst of a tension field between the open market and public interest.

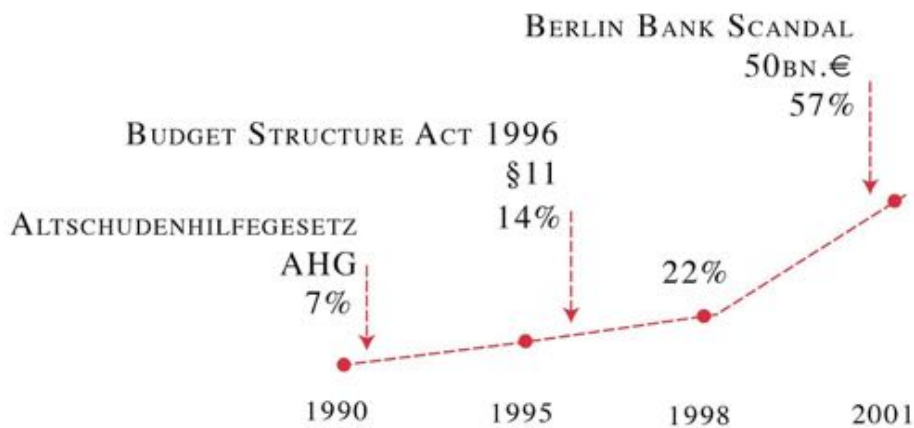


Figure: Timeline privatisation of municipal housing in Berlin

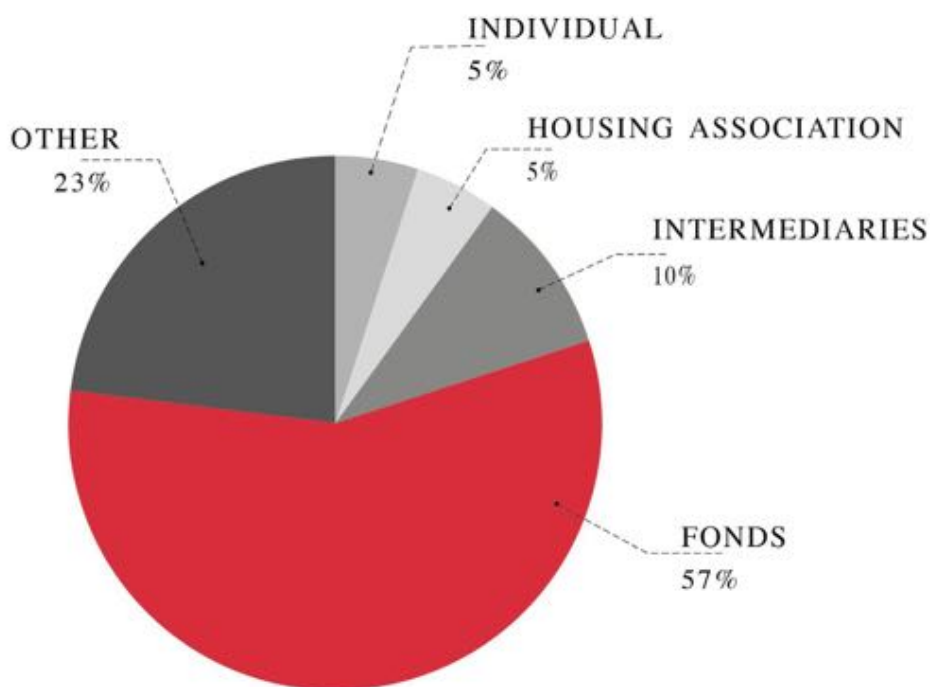


Figure: Distribution purchaser of municipal housing

Municipal Housing and Housing Cooperatives

The increasing popularity of the Berlin rental property market has in return accelerated the cities effort to re-municipalize formerly disposed properties. In 2001 has the Senate of Berlin and six of the local housing cooperatives: Degewo, Gesobau, Land und Stadt, Howoge,

Gewobag, and WBM agreed on a special legal mandate defining their special public- private partnership. Thereafter, are municipal housing *Landeseigenen* in Berlin independently acting private enterprises who operate economically efficient, but provide affordable housing in order to retain the characteristics of a Berlin neighborhood. Tenants retain a right to claim for a reduction in rent, when such is exceeding 30% of the household’s income, for example. In return provides the municipality financial support for the development of new- and the purchase of existing apartments. In 2008, when Andrej Holm wrote *Privatizing Social Housing in Europe: The Case of Amsterdam and Berlin*, the stock of municipal housing in Berlin amounted to 15%, according to *BBU-Marktmonitor* the municipal housing stock increased to 18% till 2017. In private ownership, which due to privacy laws and distorted transactions made by subordinate enterprises, are hardly to be identified, amount 70% of Berlin’s housing stock. The remaining 12% are owned and operated by so called housing cooperatives.



Figure: Main municipal housing provider by district, 2018

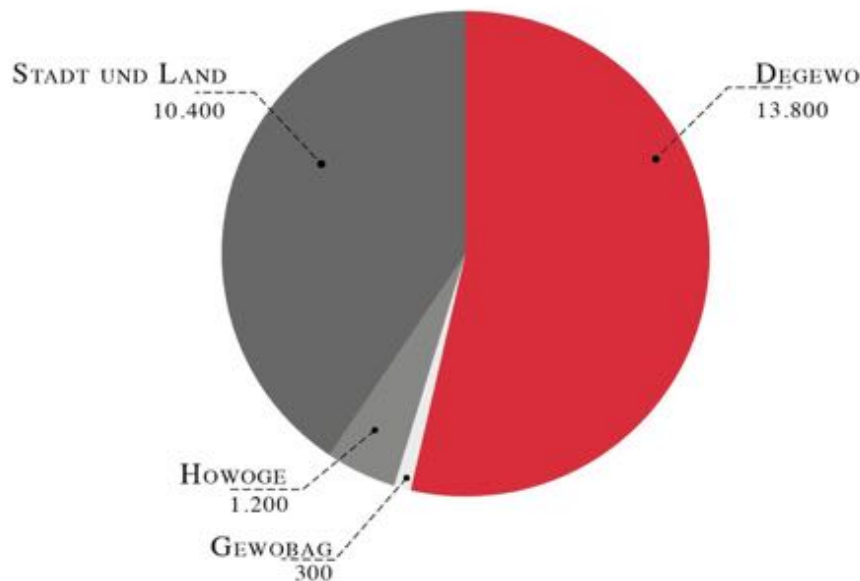


Figure: Share of municipal housing provider in Treptow-Köpenick

Alternative to Municipal Housing in Schönevide

The nature of housing cooperatives today is comparable to enterprises such as *BEROLINA* or *BÄR Berlin* owning properties in Ober- and Niederschönevide. They are cooperatives where members pay a moderate fee to use their flat. Buildings, as well as flats, are owned by the cooperative and their shareholders which includes the tenant as a self-paying member. This model of joint ownership secures long-term solutions to affordable rent, as the properties are not eligible to be sold on the private market. As cooperatives are controlled by their members, participation in decision-making of each resident is crucial for the viability of this model. The cost for membership varies depending on the cooperative, however, once the membership is acquired residents have a lifelong right of residence. Moreover, residents can change flats according to their lifestyle needs and changes (e.g. age, family) which retains a tenant's flexibility regarding their housing while providing secured affordability (Die Wohnungsbau Genossenschaften, 2019). Although only 1,4% rent of all housing cooperatives is controlled, the relatively long tenancy period and the resistance call for more rental property operated as a housing cooperative indicates the model's alternative viability in contrast to prevalent models of ownership- rental agreements.

As the chapter on the residential housing stock has revealed, the city-planners positioning can be observed as such of a mediator or a contractor between public interests and global finance. The active role of developing future oriented concepts, however, has been redistributed to contractors who take over the responsibility to secure long term strategies – their field of

action is again regulated through cooperation agreements between public authorities and private equity firms.

Introduction to BUWOG Wohnwerk

On the southern opposite river-front from *Reinbeckhallen* sits the development site “*Wohnwerk – Living by the Water*”. The project introduces two of the largest real estate corporations active in the European market: BUWOG, a former Austrian real estate company and VONOVIA that took over it, now owning around 400, 000 housing units across Germany, making it the country’s largest real estate company.

The site, a former industrial complex of iron smelting works, joins the tradition of industrialized land being repurposed for residential housing development. With the deindustrialization of the cities and the jointly progressing of privatization and financialization of housing, premises of former industrial production shifted to become prime locations for new developments (Scharenberg and Bader 2009).



Figure: Project area

Whereas the majority of redevelopment measures on the industrial structures in Schöneweide were predominantly based on the artistic and cultural scene, the BUWOG project marks the

entrance of the recovery of development tendencies across the city arriving in Niederschöneweide (BUWOG 2018). The observation on-site, however, raised the question of how does this formal industrial area, now six-hectare construction site enclosed by the fence with commercial graffiti, mirrors the changes in Schöneweide?

History of the Area and Neighborhood Profile

The area was formerly occupied by an industrial company called VEB *Berliner Metallhütten und Halbzeugwerke* (BMHW). The company was formed in 1951 from the three Berlin companies sequestered in 1946 and nationalized in 1949 (Landesarchiv Berlin n.d.). The site, surrounded by the residential buildings, employed up to 2300 people who worked mainly in three shifts. In the 1950s, the Kulturhaus “*Ernst Scheller*” was opened in the southern part of the industrial site. In this cultural center, during the GDR time, regular events such as “*Tag des Metallurgen*” (The Day of Metallurgist), awarding of the “*Aktivist der Sozialistischen Arbeit*” (Activist of Socialist Work) took place. (Winternitz 2018) After the reunification, the company *BMHW* was shut down, and the culture house became a club called *Cisch-Klub*, where Depeche Mode parties were "legendary" and always drew big crowds in long queues (Abandoned Berlin 2016).



Figure: Neuordnungsprogramm (Redevelopment program) in Niederschöneweide 1994

In 1994, the area selected as a part of the *Neuordnungsprogramm* (Redevelopment program) in Niederschöneweide. In this plan, a significant part of the waterfront area proposed as a public green space while the other parts planned as a residential area with additional social facilities. After this plan, the majority of the industrial area demolished except for culture houses.

The first visible master plan made by the *TLG Immobilien GmbH* in 2008. The site planned as a residential area with social infrastructure and complementary facilities (ProStadt 2008). According to this revised plan, planned public green space reduced drastically. Also, the construction never started due to the negotiation between the district and the owners. Since then, due to the many changes in the original redevelopment plan from 1994, has the districts declared the necessity to reevaluate the objectives affecting the site (Sanierungsgebiet Treptow-Niederschöneweide, n.d.).



Figure: 2008 TLG Immobilien and 2013 HKA Architects master plans

In this period, planned visions for Schöneweide also started to change. BIWAQ, a program of the European Social Fund federal program of the Federal Ministry of Construction, conducted a project in Schöneweide, with the collaboration with the district and *Planergemeinschaft* planning office, between 2009 and 2012 (BIWAQ 2014). In that time, Schöneweide was infamous due to being the home of right-wing radicals. This image was creating a problem for local policymakers to attract investments. Like many western cities, a decline in the traditional industry caused a search for new strategies regarding economic development due to the competitiveness of cities and regions in the neoliberal agenda. Hence, to attract and retain talented and creative labor, branding and marketing became western cities' initial strategy (Jansson and Power 2006). In this regard, BIWAQs project aim was: the use of the industrial and cultural-historical potential of the Schöneweide for the location profiling and image promotion. For the district, this project was the starting point of the economic and cultural reorientation. With the BIWAQ project, HTW, and art scene in the area, it seems the image of Schöneweide 'finally' changed, like Rainer Hölmer (Head of

Urban Development in Treptow-Köpenick) said, Schönevide become from the home of the right-wing to the trendy neighborhood (Schell 2015).

Ownership and Plan Changes

With a new image and attraction points in Schönevide, change in the former BMW site started to emerge after stayed empty two decades. According to the development plan from 1994 to 2014, the area's development planned as one project (Sanierungsgebiet Treptow-Niederschönevide, n.d.). However, due to the change of ownership of the area in 2015, the first project in the site started in 2015 on the southern part of *Fließstraße* by *Schrobsdorff Bau AG*. Three hundred twenty-eight apartments were built in two houses with the floor space of 13,171 m² (Schrobsdorff AG, n.d.). The area constructs under the motto of "young living" while helping the change of demography in the area. (Sanierungsgebiet Treptow-Niederschönevide, n.d.). This self-claimed "ideal spot for young people" completed in 2017 and delivered as fully furnished 1/1.5 room apartments with kitchen and balcony with the laundry, community, and recreation rooms on the ground floor (HARO, n.d.). While the effect of the university was visible in this part of the area, across the street on the waterfront, the situation is different.



Figure: The Site in 2019

In December 2015, the land was acquired by BUWOG. The site arguably one of the prime spots for real estate development in Treptow-Köpenick district due to waterfront location, the new profile of the Schönevide, and closeness to the railway. The area planned to be built by 2025 under the name "*Wohnwerk*". First houses planned to be ready by the end of 2020. By

the end of 2021, the company plans to complete 326 residential units and 800 units in total. Half of the 800 units are to be rented and a half to be sold as condominiums (Latz 2019). In 2018 the planned investment volume was approximately 276 million Euro (“Berlin: BUWOG Plant 700 Wohnungen in Schöneeweide” 2018).

Furthermore, social institutions will cover 15 to 20 percent of the rented areas, which is called “*Haus Strohalm*” and “*Treffpunkt Strohalm*” for the people without a home to find accommodation as well as to provide clothing, laundry, shower, education, and psychological services. The institutions are sponsored by the *Stiftung SPI, Sozialpädagogisches Institut Berlin "Walter May"* (SPI Foundation, Social Pedagogical Institute Berlin "Walter May"), and funded by the Treptow-Köpenick district and donations (Divé 2019c). These institutions are currently located in Schöneeweide, but due to the current lease, they need to change place in 2020 (Stiftung SPI, n.d.). Project developers designed the place with SPI foundation for their specific usage with a sport from the district. The contract already made for 1,250 square meters area for the next ten years (Stiftung SPI, n.d.). It is interesting to see that how BUWOG becomes a component provider for social institutions in Schöneeweide with the collaboration of districts towards the accomplishing 'livable' areas. Also, the CEO of the SPI foundation claims that the project will secure the future of the *Haus - and Treffpunkt - Strohalm* even though the ten-year contract (Happ 2019).

Demolition and Cultural Asset Preservation

Differently from previous plans done for the area, BUWOG decided to demolish the culture house even though 'industrial heritage' has been one of the important components regarding the marketing rhetoric of the company and Schöneeweide district. However, with the demolition of the culture house, industrial heritage still creates an important marketing tool for the project with the help of art, parallel to how district strategies regarding the place branding of Schöneeweide. BUWOG found a mosaic made by artist Ortraud Lerch in *Kulturhaus* along with several layers of graffiti. The company had the mosaic cleaned by removed piece by piece from the wall in a complex special process. Mosaic is planned to place in the area after completion of the Wohnwerk. The motives show colorful birds, which are interpretations of the popular motif "peace dove" in the GDR time (Divé 2019a). These motives also used as inspiration for the graffiti on the construction fence. Even though BUWOG was already using painted construction fences - with the motto of "Art in Construction" - they start to looking for local artists to renovate the fences in 2018. For them, the intention was to create a real open-air work of art that recognizes the industrial heritage of this place (Divé 2019b). Also, for creating an authentic charm with modern living and reminding the industrial history of the area, BUWOG secured the metal lettering of “*Ernst Schneller*”, old lamps, historical maintenance hole cover from the former construction. These are, in their claim, hidden treasures of the area (Divé et al. 2018).

Marketing Language

Change of the area and new values are manifesting itself in the marketing language. This may show not only what corporate trying to sell but also why they are invested in this land. For BUWOG, "living by the water" is the main slogan they used for the area. Base on the corporates annual report in 2018, the connection to water is a particular priority of the corporate's investments. The new image of Schöneweide, together with art and start-up scene, made transformed the unused industrial waterfront area to a prime location in the district for real estate development. For BUWOG, Niederschöneweide was a 'good idea' due to the family-friendly neighborhood on the banks of the Spree with the rich history (BUWOG 2018).

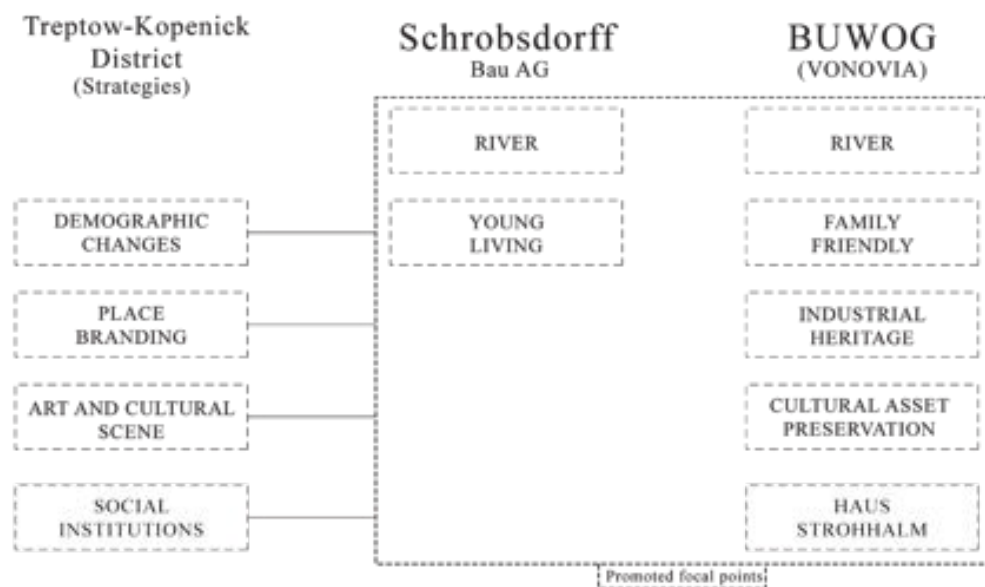


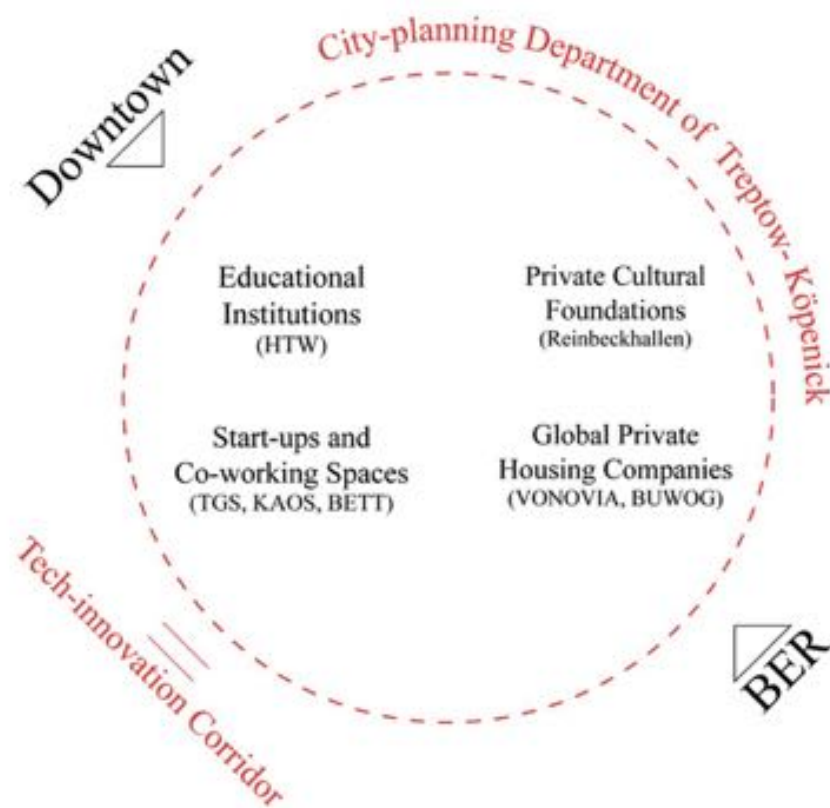
Figure: The vision of schöneweide and its parallelity to corporate strategies

Conclusion

This report presented two main themes: industrial heritage and housing, aiming to identify and dissect the prevailing patterns of gentrification in Berlin, through the lens of Schöneweide. The circular migration of gentrification as classified by Holm's "spiral" theory, i.e. a clockwise movement from Kreuzberg to Neukölln, does not necessarily resonate with the changes observed in Schöneweide – the mutation is led by external forces, as opposed to internal drivers of change, necessitating its framing within a wider institutional structure.

Institutions driving the change in Schöneweide have been identified as: educational institutions, start-ups and co-working spaces, private cultural foundations, senate, municipality and global private housing companies. Within the influx of divergent institutions, the city-planning department of Treptow-Köpnick acts as a mediator between those parties, each of which pursuing their individual interests.

The change of Schöneeweide towards a new image, using art, culture, and startups leading to demographic changes is the result of planned gentrification. The pressure from surrounding developments within the location of the tech-innovation corridor between downtown and the new Berlin Airport made the location attractiveness inevitable and municipality is using the situation to attract investments in the area.



In Schöneeweide, the municipality has employed available funds and temporary legal restrictions to secure rents within an affordable range. However, comparable regulations do not apply to the industrial sectors, posing the question of how this may lead to the replacement of job opportunities. Moreover, the municipality's active role in inviting investors to Schöneeweide further aggravates the conditions for existing industries.

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