

## Berlin Past and Future

**Urban planner Aljoscha Hoffman spoke with Benjamin Schneider in November 2018 about Berlin's unique urban history, and how American cities could learn from its mistakes.**

BS: Gentrification is a major problem and a complicated problem. It has pros and cons associated with it both here in Berlin and in the United States and virtually everywhere around the world. So I'm wondering if you can say a little bit about what's unique about the gentrification situation in Berlin.

AH: One of the differences was that obviously until 1990 it was a divided city and therefore the whole real estate market in Berlin was kind of from another planet. West Berlin lived off subsidies by West Germany mainly in order to remain a spearhead of the Western world.

BS: What do you mean they lived off subsidies? They weren't able to generate enough tax revenue to govern themselves?

AH: No, Berlin was a negative economy. So a lot of administrative jobs were created that were unnecessary.

A lot of the economy was subsidized and after 1990 obviously it failed because the subsidies were cut overnight and therefore specifically in the industrial sector and manufacturing sector most companies weren't able to compete.

BS: That's so interesting because the narrative in my head—and I think maybe a lot of Americans think this—is that West Berlin was so prosperous because it's viewed only in juxtaposition to East Berlin. But what you're saying is that it was almost like a command economy, and socialist style in some regards.

AH: Yeah. Berlin was a very heavy industry city, but after the Second World War, most of the industries moved to the south of Germany, to Bavaria. With Berlin being enclosed and most production sites destroyed anyway, it was easier to rebuild somewhere in the countryside. So West Berlin lost all its major functions, despite being still a very large city.

In East Berlin and also in most former Soviet countries they weren't on the same level technologically, so they basically couldn't compete with world markets as well. So everything was, in a way, subsidized again, and you had a planned economy. And so therefore in 1990 with the reunification east and west similarly failed at the same time, and both had very big governments that needed to be combined, which was obviously a difficult process.

This is why after 1990 the unemployment rates went way up, specifically for the working class. But on the other hand there was a lot of empty apartments. Rents were incredibly cheap.

BS: What kind of culture developed in this vacuum that you're describing? Can you say a little more about how space actually helps foster the club scene and the music scene and all these other world famous cultural institutions that are now associated with Berlin?

AH: After the reunification, the decade between 1990 and 2000 I think is a really important decade for the cultural scene to develop. Specifically in East Berlin, land mainly belonged to the state, because there was no private property, or very little.

It meant that for certain periods things were pretty uncertain. And without a known owner there was also no one who sue you if you do something. So what happened is that a lot of specifically industrial sites were squatted or used. Short term contracts were given out sometimes and some of

them were used without allowance. In some cases they rented the place for God knows what reason and started illegal parties without a usage allowance for the parties

There's a couple of books describing the music scene in the early 90s. I remember one describing a club where you had to go into a manhole and then through a very narrow tunnel where there was a fog machine. And then you came into a large hall where the bass was banging. You step into a completely different world.

BS: It reminds me of Burning Man a little bit in that there's this basically spontaneous flourishing of creativity in terms of how space is allocated and created. What does the recent history of Berlin show in terms of how cities are these spaces where creativity can flourish, especially out of a super unregulated, somewhat anarchic situation?

AH: It's an interesting question. And that puts me in a position where I have to think about whether not regulating things is actually better than regulating things. Because usually I say we need a strong public authority to regulate things—but that is more coming from the position that at the moment everything that is unregulated is capitalized.

Unallocated spaces, and voids, “terrain vague”: If you don't prescribe a certain usage, people will use these possibilities and be creative with them. So I think this is what happened in Berlin. And I think this is what definitely fosters creativity in a city.

A lot of what's been happening in Berlin, what's most fascinating are the non-commercial things. But through the gentrification and globalization of the city, space has become more and more expensive. So therefore those niches that are affordable where you can actually do something experimental before you go for a profit straightaway, that becomes less and less viable.

On the one hand we're losing these creative players because we drive them out of the city. On the other hand, everything that is profitable lives off the reputation these players create. And this is exactly where we are in Berlin at the moment. I think this is also where maybe we can say that we've reached a point where the politicians understand that we need a little more regulation in certain areas—in the cultural scene, in affordable housing, in mixed use.

BS: So how can cities better allocate their space?

Ah: We need to provide good public amenities in order to make people understand that it's our common good that we have to value and not the private ones people make a profit off of.

Berlin sold so much of its public land in the 2000s that we've now lost the possibility to steer. So we are now actively re-buying land and keeping land, and keeping housing so that we can regulate rents for a longer period. It basically started in I think 2010, when the coalition government said that they want to change the real estate politics, and they put that in the coalition contract. But nothing really happened afterwards. And then a group of actors got together and formed the *Initiative Stadt Neudenken*, the Initiative to Rethink the City, which I'm a part of. And we came up with a bunch of goals that need to be achieved in Berlin. One thing we demanded in the beginning was a stop to the sellout of public land. That actually happened a couple of years ago, in 2014 or 2012.

Another one of the demands is to only give out heritage building rights on public lands. That means that you separate the ground and the buildings. You keep the land and you get interest on the land. But the buildings belong to someone else. That way you can have a contract over a certain period of time, usually something between 25 and 99 years, and after the contract seizes everything falls back to you. And also in the contract you can inscribe certain usages, so you can say a certain

percent of the floor space has to be allocated to social projects or cultural projects. You have a really large set of steering possibilities with those heritage building right contracts.

BS: In New York City, there is talk of privatizing their social housing agency, NYCHA. I'm wondering, what's your initial reaction to that and what lessons from Berlin could be applied to that situation?

AH: The history of privatizing Social Housing in our experience is bad. We sold our social housing mainly to pay for debts when the economy was really bad, but it meant that millions and billions of subsidies that were put in place to support people who are not well off just go to waste. Because now those people have to move somewhere else, but they still have low income, we still have to support their rents. In terms of public money and spending public money it's really bad. It's just because we see sometimes we think that we can't manage stuff.