

# Managing Building Adaptation

## *A Sustainable Approach*



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This case study reading material supports Module 2 assignments. The document is structured around information on the Schieblock building, the Schiekadeblok urban area, and the Rotterdam Central District.

### **Schieblock building**

The Schieblock building lies in the center of Rotterdam, the 2<sup>nd</sup> largest city in the Netherlands after Amsterdam with about 650.000 inhabitants. The Schieblock building and surrounding area are a potential building adaptation and urban redevelopment site. It is situated close to Rotterdam Central Station and consists of relatively aged existing buildings. This section describes some facts about the Schieblock building, and the initiative and development context.



Figure 1: Schieblock building and Luchtsingel bridge

### **Facts and functions**

The Schieblock building is situated within the Rotterdam Central District area, a station area within the Rotterdam city center. It is a 1950s post-war modernist office building, currently owned by the Municipality of Rotterdam (since 2014), with a 7.370 m<sup>2</sup> lettable floor area. Currently, the building is considered to be in temporary transformation,

awaiting further plans for adaptation or demolition. It is a lively multi-tenant building with several sorts of creative entrepreneurs. It is a multi-functional 'City-laboratory' consisting of studios for small start-ups and medium-sized entrepreneurs, and semi-public rooms for collective activities. It currently accommodates functions such as a furniture craftsman store, roof garden (Dakakker), beer garden (Biergarten), Rotterdam design store (Groos), Rotterdam bike rental shop, and even a work hotel (Werkhotel), amongst others.



Figure 2: Schieblock location and boundaries

### **Initiative and development context**

The current situation of the building and its use as a multi-tenant office building needs to be contextualized by discussing an initiative undertaken by architectural firm ZUS (Zones Urbaines Sensibles). Because of the financial crisis in 2009, plans by developer/owner LSI to demolish the building and built new office buildings at the site, were postponed. ZUS successfully saves the building from demolition as it, in consultation with LSI, initiates the coming into being of the 'Dependance' (June 2009). It forms a central place within the city for debates, lectures, summer schools and workshops. In the meantime,

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developer/owner LSI received a demolition permit from the municipality, and intended to demolish the Schieblock building. This provoked a discussion between ZUS and LSI, resulting in the decision to keep the building operating for another 5 years (June 2009 to June 2014). As a result, ZUS together with CODUM founds a management company that jointly invests €1,3 million to make the building lettable and meet fire and safety requirements. Table 1 shows that the financial exploitation result of Schieblock has been slightly negative for each year from 2010-2014. Unfortunately, there is no current data available about the municipality's exploitation period.

through the building and crossing a major city road, connecting the Schieblock area with other parts of the city. ZUS partially crowd-funded this bridge, and was granted a municipal 'City initiative' (Dutch: Stadsinitiatief) subsidy by public vote to complete the works. Other city-making initiatives include hosting the International Architectural Biennale Rotterdam (2012), and realizing the roof garden (Dakakker) and beer garden (Biergarten). The many initiatives and the building itself over the years have received professional prizes and recognition as a symbol for slow and collaborative urbanism or bottom-up urban development.

	2010	2011	2012	2013	2014
<b>Turnover in euros</b>					
<b>Rent including service charge</b>	<b>742.719</b>	<b>843.084</b>	<b>861.192</b>	<b>765.372</b>	<b>388.426</b>
<b>Cost price in euros</b>					
<b>Building and service purchases</b>	<b>197.892</b>	<b>400.654</b>	<b>452.843</b>	<b>344.551</b>	<b>172.275</b>
<b>Operating expenses in euros</b>					
<b>Management costs</b>	120.000	256.962	240.000	240.000	120.000
Depreciation	36.126	168.969	227.415	193.333	146.916
Other operating costs	31.166	49.599	74.320	46.616	23.308
<b>Total operating expenses</b>	<b>187.292</b>	<b>475.530</b>	<b>541.735</b>	<b>479.949</b>	<b>290.224</b>
<b>Operating profit in euros</b>	<b>-42.465</b>	<b>-33.100</b>	<b>-133.386</b>	<b>-59.128</b>	<b>-74.073</b>
<b>Investments 2010-2014 in euros</b>					
Land/building					-
Installations					724.949
Construction costs					646.369
Facilities and furniture					134.445
Additional costs					-
<b>Total</b>					<b>1.505.763</b>

Table 1: Yearly financial results of Schieblock, 2010-2014

On 11<sup>th</sup> of May 2010, the 'City-laboratory' officially opens. The business case is formed by renting out working places, which are let for a fixed rental price per square meter. Importantly, ZUS also initiates several 'city-making' activities. Such activities should (re)vitalize the public space and connect the building to its surroundings, and the other way around. For instance, ZUS comes up with the idea for the Luchtsingel, a pedestrian bridge cutting

## Schiekadeblok urban area

The Schieblock building is an integral part of the Schiekadeblok area. This urban area is characterized by 1950s post-war modernist buildings and an in-use parking lot. For this urban area no definite plans for redevelopment, demolition/new built, or adaptation are present. This section elaborates on the area's location and functions, and development context and plans.

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### Location and functions

The boundaries of the Schiekadeblok area are illustrated in figure 3. The area is bounded by the Rotterdam-Dordrecht railway tracks (North), and streets Schiekade (East), Delftsestraat (South), and Delftseplein (West). Its total area size is approximately: 16.000 m<sup>2</sup>. The buildings situated in this area are mostly from the 1950s, similar to the Schieblock building, and are a unique example of Rotterdam post-war rebuild modernist architecture. After the 2<sup>nd</sup> World War, in which Rotterdam was heavily bombed and lost almost all its inner-city buildings, the Schiekadeblok site was designated for companies who lost their business. They could build their new accommodation along the Delftsestraat.

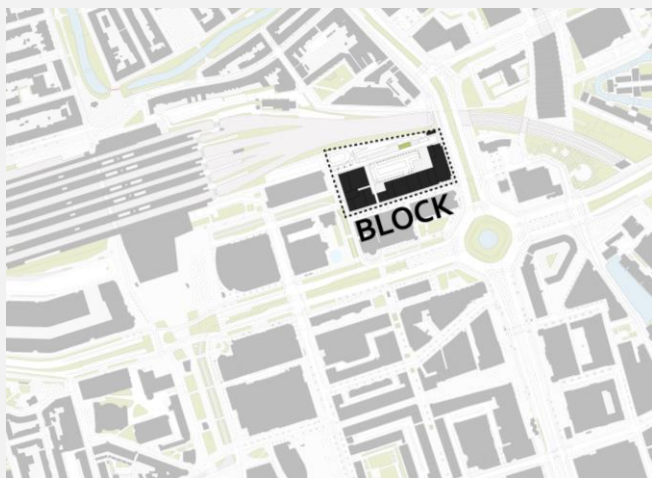


Figure 3: Schiekadeblok location and boundaries

Currently, various functions are located within the post-war buildings of the Schiekadeblok area. For instance, a salsa club, floral art shop, hamburger restaurant, hip hop house, tech-event company, yoga club, music center, church, bicycle store, coffee bar, pop podium Annabel, architectural office IABR, and urban guides office OMI. This wide range of functions gives the area an unique character and atmosphere. The buildings are owned by the municipality of Rotterdam, which keeps rental prices at an average low level of €60

per sq. meter in order for these entrepreneurs and companies to be able to operate.



Figure 4: Schiekadeblok impression - parking lot and buildings

### Development context and plans

Around 2008, developer/owner LSI had plans to demolish (most of) the Schiekadeblok buildings and to build around 200.000 m<sup>2</sup> (l.a.) of office space in some 200-meter-high towers, including the development of some new hospitality functions like restaurants. When the economic crisis hit in 2009, it became apparent that the demand for offices, and especially in these quantities, was absent, which made the initial plans unrealistic. There was no feasible business case for demolition and new built offices. Because of the financial difficulties for LSI, in 2009, the municipality bought the land and properties in the Schiekadeblok area from LSI for €52 million. The municipality entered a land lease agreement with LSI, consisting of a yearly land lease payment by the developer, with the intention to redevelop the Schiekadeblok area in the near future. As a result of the enduring economic downturn, development in the area did not commence, and LSI failed to pay the yearly lease. In 2015, therefore, the Rotterdam municipality and LSI project investment decided to end the land lease agreement. As a result, the municipality became full owner of all the land and property in the Schiekadeblok area.

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More recently, in spring 2017, the municipality commissioned architectural firm ZUS to design a (re)development strategy for the entire Schiekadeblok area. As of September 2017, the local media reported that the vision of the department of City Development is to keep all the existing Schiekadeblok buildings (including Schieblock) and redevelop and adapt them. In addition, there will be room for new towers (functions unknown) adjacent to the railway tracks and parking lot on the north side of the Schiekadeblok area. Nevertheless, some politicians of the Rotterdam City Council announced that they would rather see the existing buildings being demolished and being replaced by a dense real estate program, in order to cover the investment costs made for buying the land, by selling land to real estate developers. Therefore, as of yet, there is no consensus about a preferred (re)development strategy for the Schiekadeblok urban area.

## Rotterdam Central District

**The Schieblock building and Schiekadeblok urban area, are located within the Rotterdam Central District (RCD). This district is situated around the Rotterdam Central Station area, which has a major influence on the possible adaptation of the building and redevelopment of the area. Hereinafter, a brief explanation is given about RCD's situation and ambition, development potential/sites, and stakeholders, which are relevant for the assignment.**



Figure 5: RCD impression - Rotterdam Central Station square

### Situation and ambition

The map in figure 6 illustrates the (fluid) boundaries of the Rotterdam Central District (RCD). RCD is considered to be the 'entrance' to the city. It is a city hub in an (inter)national and local network of public transport, and a district in which people work, live, and leisure. RCD accommodates about 12.000 employed workers, 360 companies, and 1500 residents. Currently it is predominantly a business and office area, with supporting infrastructure and hospitality functions. RCD is earmarked by the municipality of Rotterdam as an important location for urban densification, as it lays adjacent to the Rotterdam Central transport hub, and forms a connection to the city center's retail core (Lijnbaan).



Figure 6: RCD location and boundaries

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The presence of an international transport hub and some global companies (see next section) gives the area a global orientation. At the same time, more local initiatives take place (e.g. in the Schieblock and Schiekadeblok buildings). As a result, RCD has been marketed as a 'Glocal' district, which emphasizes the importance of business innovation between big corporate and small start-up companies. In addition, the idea of the 'Mixone' (or mixed-zone) was launched in a 2007 municipal vision. This foresees an area with a 24-hour urban buzz, with active building plinths, diverse urban functions, with the ambition to accommodate more housing, restaurants and new forms of work-living. In 2016, a new collaborative vision for RCD has indicated three main themes which are strived for to strengthen the identity and economy of the area: *connecting, sharing and sustaining*.

### **Development potential/sites**

Figure 7 shows four potential (mid- to high-rise) building development sites within RCD. The Delftseplein and Conradstraat sites will be tendered for development around 2018, aimed at realizing a mix-use program. No plans exist yet for the Weenapoint site. The Schiekadeblok development site has also been earmarked for urban densification, as can be seen in figure 7. However, the building volumes portrayed here are just indicative, and not legally binding in any way. Although there are no concrete plans of tenders announced for this area, the figure clearly indicates Schiekadeblok's (re)development possibilities.

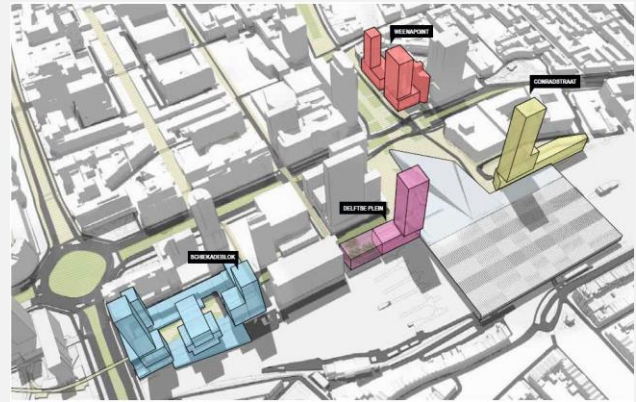


Figure 7: RCD (re)development sites

Important to mention is that there is a Structural Vision for RCD approved by the Rotterdam City Council on 17 March 2011. Under Dutch planning law, a structural vision is a document that municipalities make for certain areas, which are regarded as spatial policies giving a preferred direction for development of urban areas. Within the 2011 vision, the following main 'requirements' apply to the Schiekadeblok development area:

- The area should contain an open (west-east) public road/route, which should be experienced as public space, bounded by building plinths with public functions;
- A maximum of 240.000 m<sup>2</sup> of development space;
- Houses, offices and amenities should adhere to the Mixone concept;
- Big users should contribute to the livability of streets and plinths.
- Attention should be paid to a mixed cultural-commercial program;
- Parking should be solved underground;
- No building height restrictions to the eastern most part of the area;
- Building designs should consider the noise levels because of railway and road traffic.

These specific spatial policy directions clearly allow room for both new development as well as the

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adaptation of existing buildings within the Schiekadeblok area. At the moment, the municipality is preparing a new land-use plan for the area. This land-use plan will become binding, and is based on the principles of the structural vision, and recent Schiekadeblok redevelopment study conducted by ZUS. For the moment, in this assignment, it is assumed that land use for this area will be mixed-use.

### Stakeholders

In figure 8 shows a brief stakeholder analysis of the main stakeholders in Rotterdam Central District, who have some sort of influence for an adaptation and redevelopment initiative for the Schieblock building and Schiekadeblok area. It is hard to map all the possible stakeholders, but the figure gives a good (case-based) overview of different types of stakeholders you can expect building adaptation.

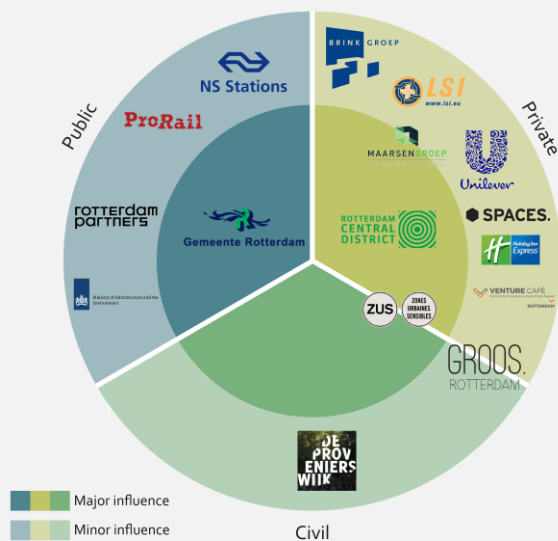


Figure 8: RCD stakeholder map

To get a better understanding of the different stakeholders and their position and influence in the adaptation and urban redevelopment process, it is necessary to get some background information on all stakeholders. The stakeholders are divided into

public, private and civil parties. Below per stakeholder a brief overview is given about the main field of work for the party, and why they have a stake in decision-making on the adaptation of the Schieblock building and Schiekadeblok area.

### Private stakeholders

- [Rotterdam Central District association](#): Rotterdam Central District association is a business community network consisting of major private stakeholders in RCD, including owners, users, and also the municipality of Rotterdam. *Stake*: this business community focuses on developing the district (making collective plans and visions), creating a community, and public profiling.
- [Brink Groep](#): Brink Groep is a consultancy firm that consists of four companies that specialize in management, consultancy and IT solutions to support clients in all aspects of construction, housing and real estate. *Stake*: this consultancy firm advises existing and possible new parties on urban and real estate development plans and opportunities in RCD, and chairs the RCD association.
- [Maarsen Groep](#): Maarsen Groep is a commercial real estate investor and developer. Their portfolio consists of offices, retail and housing, with around 160.000 m<sup>2</sup> commercial real estate and 40.000 m<sup>2</sup> apartments. They are the developer of First, an office building situated in Weenapoint. *Stake*: this developer might have an interest in developing the Schiekadeblok area with mixed-use real estate for its own portfolio, mainly due to its current ownership of First, and knowledge of the RCD and Schiekadeblok.

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- [LSI Project investment](#): LSI is a real estate investor that focuses on inner city redevelopment. They are mainly focused on the transformation and renovation of existing (vacant) buildings in the office market.  
*Stake*: LSI used to be the owner of and have plans for redevelopment and later demolition of the Schiekadeblok buildings, and are currently trying to sell their converted Central Post building in RCD.
- [Unilever](#): Unilever is a multinational company in food, personal health and cleaning consumer goods.  
*Stake*: Unilever has a financial head office in RCD, and is a main owner/user in the area.
- [Spaces](#): Spaces is a work place service company offering flexible office space in a creative working environment.  
*Stake*: Spaces Hofplein is located in the former Shell head office near RCD, and is potentially interested in expanding its flexible office space concept to Schieblock.
- [Holiday Inn](#): Holiday Inn is an American brand of hotels, and a subsidiary of InterContinental Hotels Group.  
*Stake*: Holiday Inn recently established a new Express hotel in RCD by moving into a converted office building, and is a main owner/user in the area.
- [Venture café](#): The Venture café foundation builds innovation communities in RCD by organizing workshops, events and drinks.  
*Stake*: Venture café's interest is to keep contact between corporate and start-up companies active and strong.
- [ZUS \(Zones Urbaines Sensibles\)](#): ZUS is an architectural firm with its office in the Schieblock building. ZUS took the initiative to re-use the Schieblock building, realised

the Luchtsingel bridge and organised various place-making activities.

*Stake*: ZUS invested time and money within and outside the Schieblock building, and was recently commissioned by the municipality to design a redevelopment strategy for the Schiekadeblok area.

- [Groos](#): Groos is an innovative local store that sells Rotterdam-designed goods.  
*Stake*: Groos is an example of a tenant within the Schieblock building, which wants to extend the use of the affordable office space in Schieblock.

### Public stakeholders

- [Municipality of Rotterdam](#):  
The Municipality of Rotterdam is the formal government institution responsible for making urban development/planning policies, structural visions and land-use plans, as well as well as issuing development tenders and building permits.  
*Stake*: The municipality is land and real estate owner of the entire Schiekadeblok area, wants to sell the land to developers to generate income, and wants the area to be redeveloped as sustainable as possible, achieving economic growth, social cohesion, and environmental benefits for RCD and Rotterdam as a city.
- [NS Stations](#):  
NS Stations owns, develops, and operates all train stations in the Netherlands.  
*Stake*: NS Stations has heavily invested in the new Rotterdam Central train station, and exploits some retail (shops and restaurants) within the station building.
- [ProRail](#):  
ProRail operates all railway tracks in the Netherlands.



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*Stake:* ProRail is responsible for the railway infrastructure just north of the Schiekadeblok area, and needs to ensure NS can safely and quickly transport people and goods along the Rotterdam-Dordrecht railway track.

- [Rotterdam Partners](#): Rotterdam Partners is a merger of Rotterdam organizations with roots in city marketing, international investor recruitment and urban economic development, with the purpose of attracting (inter)national businesses to the city of Rotterdam.

*Stake:* Rotterdam Partners facilitates economic investment in RDC by attracting (inter)national companies.

- [Dutch Ministry of Infrastructure and the Environment](#) This ministry is responsible for spatial planning, infrastructure development, and natural environment in the Netherlands. *Stake:* The Ministry heavily invested in the Rotterdam Central train station infrastructure to improve the international urban economic competitiveness of Rotterdam.

### Civil stakeholders

- [Resident association De Provenierswijk](#): This resident association is located on the northern side of the railway tracks in the Provenierswijk. *Stake:* They want their neighborhood to keep its character and will oppose to plans with high rise buildings that potentially put their homes in the sun shade.

There are numerous other involved stakeholders than the ones highlighted here, think for instance about the many building users in the area.

## Acknowledgements

This document is based on numerous Dutch publications, plans and presentations from the municipality, Rotterdam Central District, ZUS and websites from companies. Special appreciation goes to ZUS for providing case study material on the Schieblock building, and for their hospitality to host the TU Delft MOOC team in their office during the video shooting.

## References

Part of the content of this document is based on the following sources, which are also interesting for further reading:

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