The Imperative of Real Estate and its Effect on Architecture and Built Environment | Case Study Presentation

European Real Estate Society
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Theme L Sustainable Real Estate

Session L-6

Friday 30th June 2017 14:30-16:00
INTRODUCTION
- Research Scope PhD Project
- Semantics in Real Estate and Architecture
- Research Statements

CASE STUDIES
- Monadnock, Chicago
- New York by Gehry, New York
- Flottwell Living, Berlin
- Atlantic Plumbing, Washington DC
CV  |  Paul van der Kuil

1976  Born in Rotterdam

2001  ir./ MSc. Architecture, Technische Universiteit Delft,
      MSc. Real Estate Management, Technische Universität Berlin

2001 - 2006  Real Estate Development (Housing), Rotterdam
2006 - 2016  Real Estate Investment Management, Berlin/EU

2016  Start UDBV Real Estate Management & Consulting
2016  Start PhD, Technische Universität Berlin
INTRODUCTION | Research Scope

Unhappy marriage of Real Estate and Architecture and the user as their forgotten child

Discussions on „Investorenarchitektur“ in German public debate (selection):

- www.bkult.de, 16th July 2013, „Brauchen wir mehr Investorenarchitektur“
  - 27 opinions of city planners, architects, publicists and professors on real estate and architecture contemplating on the question „do we need more architecture of investors?“.

  - 13th February 2013 „Was Immobilie und Architektur unterscheidet“
  - 27th February 2013, „Wer die Immobilie zahlt und macht“
  - 15th May 2013 „Wo Architektur keine Immobilie sein darf“

- Bauwelt 03.2017, „Im Haifischbecken“
  - Series of Interviews with Real Estate Clients and Architects working for Real Estate Clients or Architects who have an opinion on that. Amongst Others: Hines Deutschland, OVG Real Estate Germany, Reiner Hascher, Eike Becker.

- Frankfurter Allgemeine Sonntagszeitung, 23. April 2017, Nadine Oberhuber, „Eintönige Neubauten“
  - Article on monotoneous building activity in german metropoles

PhD Project ir. Paulus van der Kuil | Paulus.vanderkuil@tu-berlin.de
Technische Universität Berlin | Institut für Architektur | Planning & Construction Economics/Real Estate | Chair: Prof. Dr. rer. pol. Kristin Wellner
INTRODUCTION | Architects talk about investors talk about architects

QUOTES

Real Estate
A project developer on his clients' (a open ended real estate fund) attitude towards architecture: "I am providing the money, I want a good piece of real estate. Architecture? I don't want to be involved, I want to have this and that return, I don't want to have risks so and so".
(C. Reschke, Geschäftsführer of Hines Deutschland | Bauwelt 03.2017, interview by J. Friedrich and C. Brensing. Translated from german)

Architecture
Investors are not only cold harted capitalists, who are simply intrested in short sighted profit maximisation. But one should not expect to much of them. Complex urban development processes like planning of new parks or squares should not be expected.
(C. Ingenhoven, architect, Düsseldorf| 16.07.2013, post on www.bkult.de, translated from german)

TERMS


Nicolescu: "Disciplines are separated by langues that embed specific assumptions into their respective discourses. A brief, necceasarily incomplete comparison of some key terms [...] exposes the differences and similarities between the fields of real estate, development and architecture. The operating vocabularies of these fields share terminology that, more often than providing agreement between the two disciplines, reveal dissonance".

Return
Return of Invesment: Portion of the receipts from an investment that represents recovery of the amount invested.
(Friedman, Harris, Lindemann; Dictionary of real estate terms, 8th ed. | Hauppage: Barron's Educational Series, 2013, [1984])

Design
n.a.

Equity
The interest or value that the owner has in real estate over the liens against it.
(Friedman, Harris, Lindemann; Dictionary of real estate terms, 8th ed. | Hauppage: Barron's Educational Series, 2013, [1984])

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Return
The continuation of a molding, projection, member, or cornice, or the like, in a different direction, usually a right angle. For example, see cornice return.

Design
To compose a plan for a building

Equity
1. Fairness in acces to resources; impartiality
2. Money and resources provided by those who share in a property development's risk and profit
3. A capital stake in a property
(Cowan; The Dictionary of Urbanism (Tisbury: Streetwise Press, 2005)
INTRODUCTION | Statements on an unhappy marriage (I)

Consistency: A building and its urban context (location)
Descrepancies: Principal - Agent Conflict
Asymmetry of knowledge and interests
Role of the user
Language

THE PRINCIPAL

The principal (the real estate client/developer) assigns the agent (the architect) to draw up a building. The principal's major interest is in the design of the building, which is an efficient relation between costs and expected revenues from use of the building. Depending on the principal's timeline to realise his/her return objective, the principal's focus will be on construction cost only or construction and operating costs. To realise projected revenues on the equity invested, the principal will attract tenants and buyers for the building. In doing so, the principal will make use of marketing strategies. As far as a marketing strategy is supported by aesthetic appeal, the principal will incorporate this in the design brief. For the principal, the user is a client and the building (or space) is the product. The time horizon for the building is set by the investment window, which typically does not extend beyond 10-15 years (a standard projection horizon in cash flow pro forma statements).
INTRODUCTION | Statements on an unhappy marriage (II)

THE AGENT

The agent (the architect) will accept the assignment within constraints of budget and spatial programme as requested by the principal. External constraints are set by building codes and planning regimes. Architects are trained to design buildings and urban space within its spatial context and social/ economic function within societies. The design process of the building is set around its use (i.e. housing/ offices) and/ or the significance of it use (i.e. churches) within society or spatial context.

In multiple design phases, the architect reflects the drafts of the building or space with the principal, matching budget and spatial programme from assignment with building regulations and zoning regime. But, as use and the significance of use of the buildings and urban space reach outside realm of private property only (sine qua non) the architect necessarily also must address design options that reach outside the realm of private property. These design options may not be the primary interest of the principal (i.e. sustainability, resilience, significance). To engage clients on feedback and endorsement on these inevitable options in the design of the building, the architect is depending on a dialogue with the client. In this dialogue architect and client agree how to engage these design options within the original budget, spatial programme, building code and planning regime set out for the assignment. It is this dialogue that sets the quality of the building design process and is the real merit of the assignment.
## INTRODUCTION | Matrimonial hardship

<table>
<thead>
<tr>
<th>Disturbed dialogue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate &lt; &gt; Architecture</td>
</tr>
<tr>
<td>Clients &lt; &gt; Inhabitants</td>
</tr>
<tr>
<td>Marketing &lt; &gt; Design Options</td>
</tr>
<tr>
<td>Architecture &lt; &gt; Facade</td>
</tr>
<tr>
<td>Location &lt; &gt; Urban Context</td>
</tr>
<tr>
<td>Time and Money &lt; &gt; Bricks and Mortar</td>
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Can we bridge the gap?
CASE STUDY | Monadnock Building, Chicago

Client
Brooks Brothers, Boston

Architect
1st half
Burnham & Root
Daniel Burnham
Jonn Root

2nd half
Holabird & Roche

Design & Construction
1889 - 1893

300 Office suites

(Source: Wulf Böer, Make no Little Plans, Architese 04.2014, P 38 - 43)

Picture: MonadnockBuilding.com
CASE STUDY | New York by Gehry, 8 Spruce Street, New York City

Client
Forest City Ratner

Architect
Frank Gehry
(Frank Gehry Partners LLP and Swanke Hayden Connell Architects)

Design & Construction
2006 - 2011

899 Rental Units

(Picture: P.vanderKuil, Plans: NewYorkbyGehry.com | prices as of 29.06.2017)
CASE STUDY | Flottwell Living, Berlin

Client
Groth Gruppe
Reggeborgh

Architects
Gregor Fuchshuber & Partner
Claus Neumann
Lorenzen
Christoph Kohl Architekten
nps tchoban voss

Design & Construction
2013 - 2015

148 Owner Occupied
122 Rental Apartments

(Pictures: Groth Gruppe, Christoph Kohl)
CASE STUDY | Atlantic Plumbing, Washington DC

Client
The JBG Companies

Architect
Morris Adjmi Architects, New York

Design & Construction
2013 - 2015

310 Rental Units

(Pictures: atlanticplumbingdc.com | prices as of 29.06.2017)
...to be continued...

Thank you for your attention