

# Transformation of office parks into mixed-use

An exploration from the perspective of  
landowners

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P5 Presentation



With who?



Academic perspective



Practice perspective

# Content

- Problem Statement
- Methodology
- Findings
- Discussion
- Conclusion

Issue  
Knowns  
Unknowns

Problem Statement

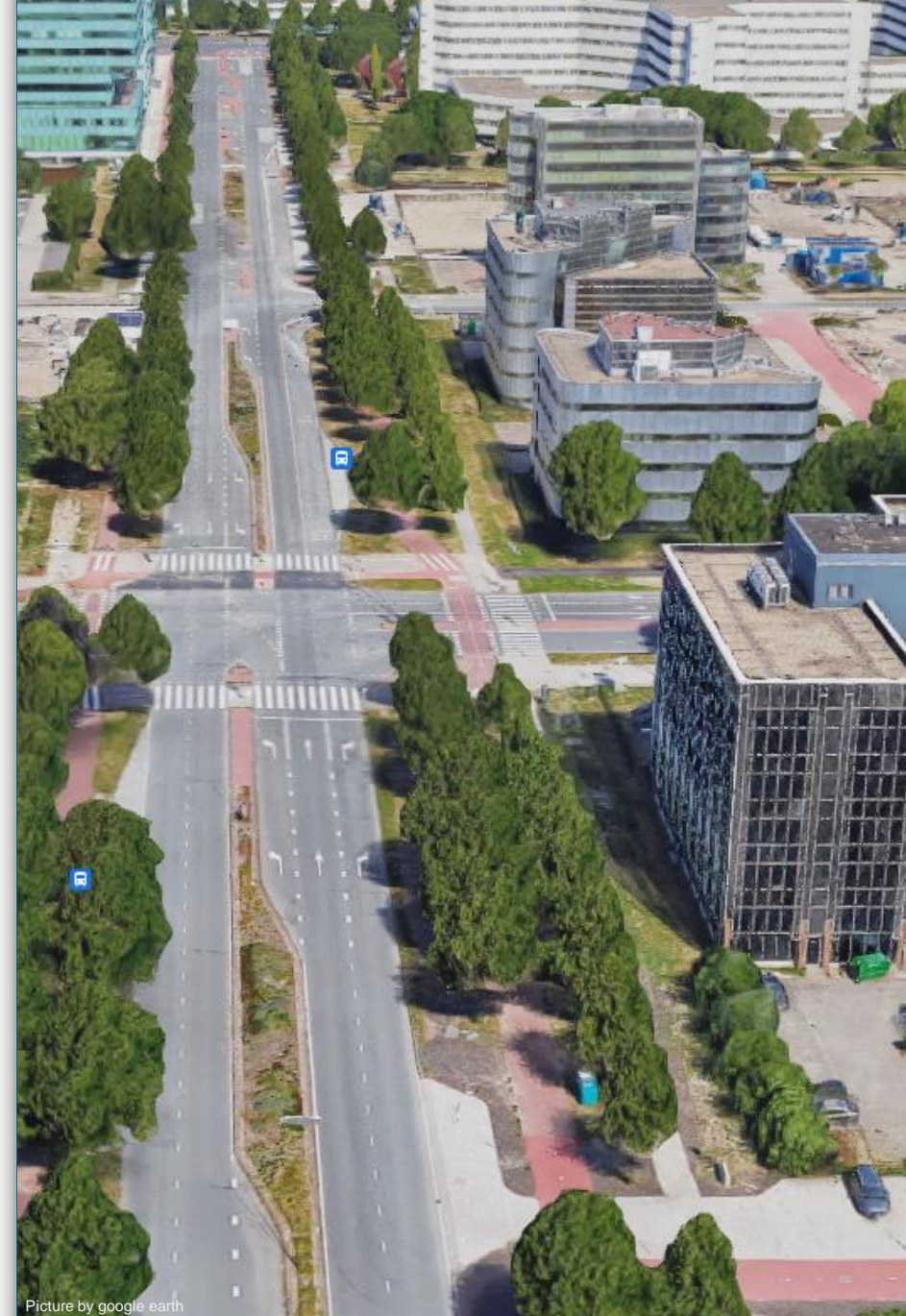
# Problem Statement

Office parks are obsolete (Jansen & Ryan, 2019; Mallo et al., 2020; Remøy & van der Voordt, 2014)

- Changing demand
- More facilities
- Sustainability

Demand for housing (Nationale Woon- En Bouwagenda, 2021; VVD, D66, CDA & ChristenUnie, 2021)

- 900.000 extra dwellings by 2030



Picture by google earth

# Problem Statement

Transformation into mixed-use as a viable solution

- Revitalizes office parks
- Provides space for housing



Picture by Hondrugpark Stichting

# Problem Statement

## What we know

- Transformation of office buildings into housing is possible (Remøy & van der Voordt, 2014)
- Majority of offices are in segregated locations (Remøy & van der Voordt, 2014)

## What we do not know

- Transformation of office parks (Mallo et al., 2020)
- Motivations of different actors (Jansen & Ryan, 2019)
- Characteristics of the landowners (Mallo et al., 2020)



# Main Research Question

How can landowners in office parks effectively be included in the transformation process of mixed-use developments by municipalities?



Questions  
Methods  
Case studies  
Expert panel

## Research Design

# Research Questions

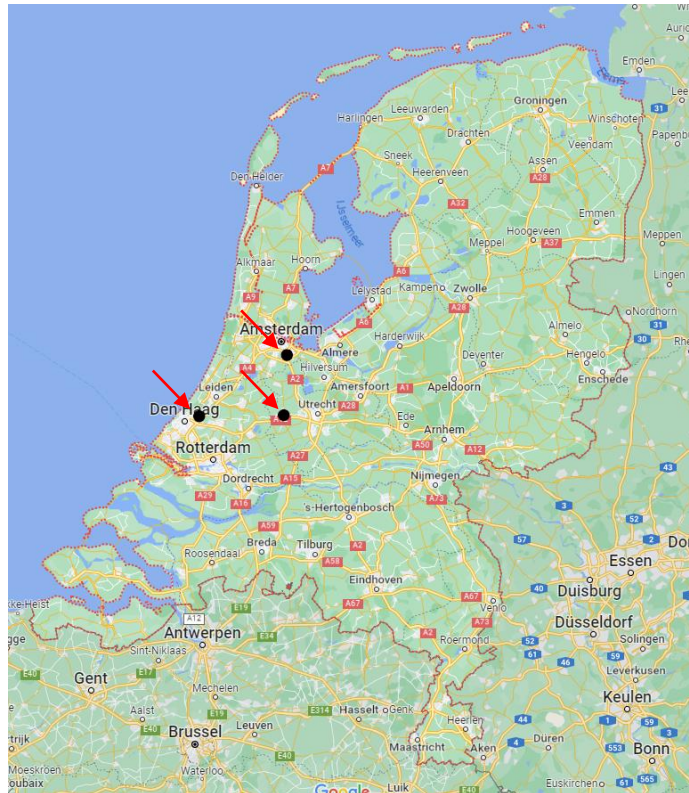
- 1) Who are the landowners and what are their motivations within office parks in the Netherlands?
  - *Overview barriers and motivators landowners*
- 2) What is the policy and regulatory framework in which municipalities can support transformation projects of office parks?
  - *Policy and regulatory framework*
- 3) What is the current practice for the transformation procedure in urban redevelopment of office parks?
  - *Current transformation procedure*
- 4) What are the barriers and enablers for transformation of office parks encountered in transformation projects?
  - *Barriers and enablers for the transformation process*

# Research Design

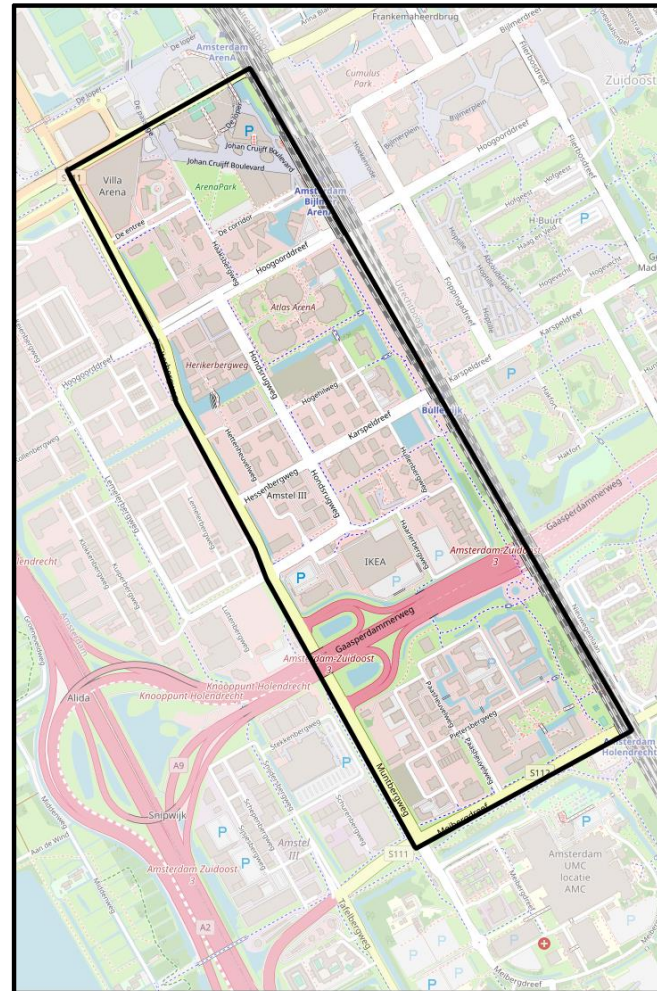
## Triangulation

- 1) Literature Review
- 2) Case studies
- 3) Expert panel

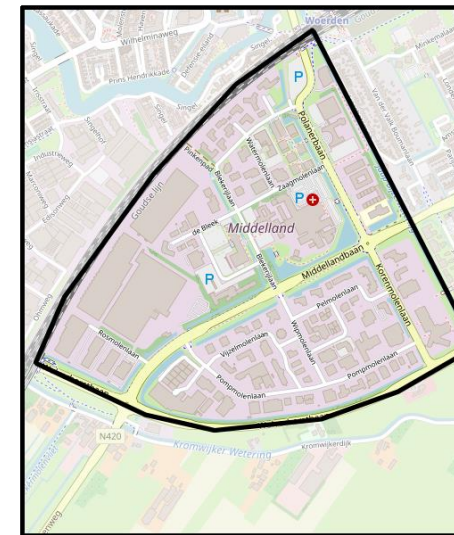
# Cases Selected



Netherlands overview (adapted Google maps)



Amstel III (adapted openstreetmap)



Middelland (adapted openstreetmap)



Overgoo (adapted openstreetmap)

# Cases Selected

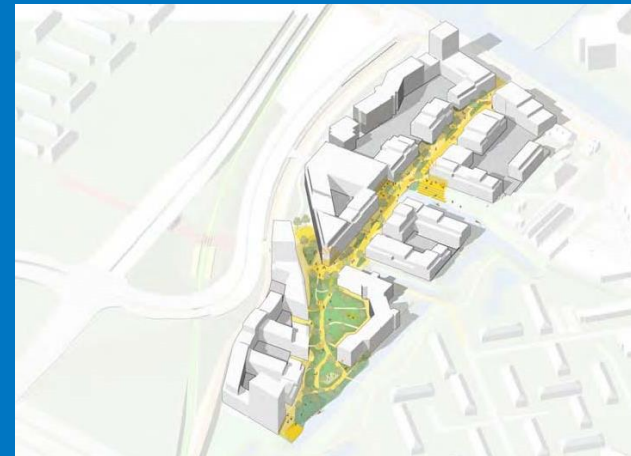
Case	Amstel III	Middelland	Overgoo
Scale	Large-Scale	Medium-Scale	Small-Scale
Municipality	Amsterdam	Woerden	Leidschendam-Voorburg
Development Strategy	Organic	Organic	Integrated
M <sup>2</sup> offices	720.000	183.000	30.000
Envisioned Houses	15.000	1.800 – 2.400	700



Amstel III (Gemeente Amsterdam, 2021)



Middelland (Gemeente Woerden, 2019)



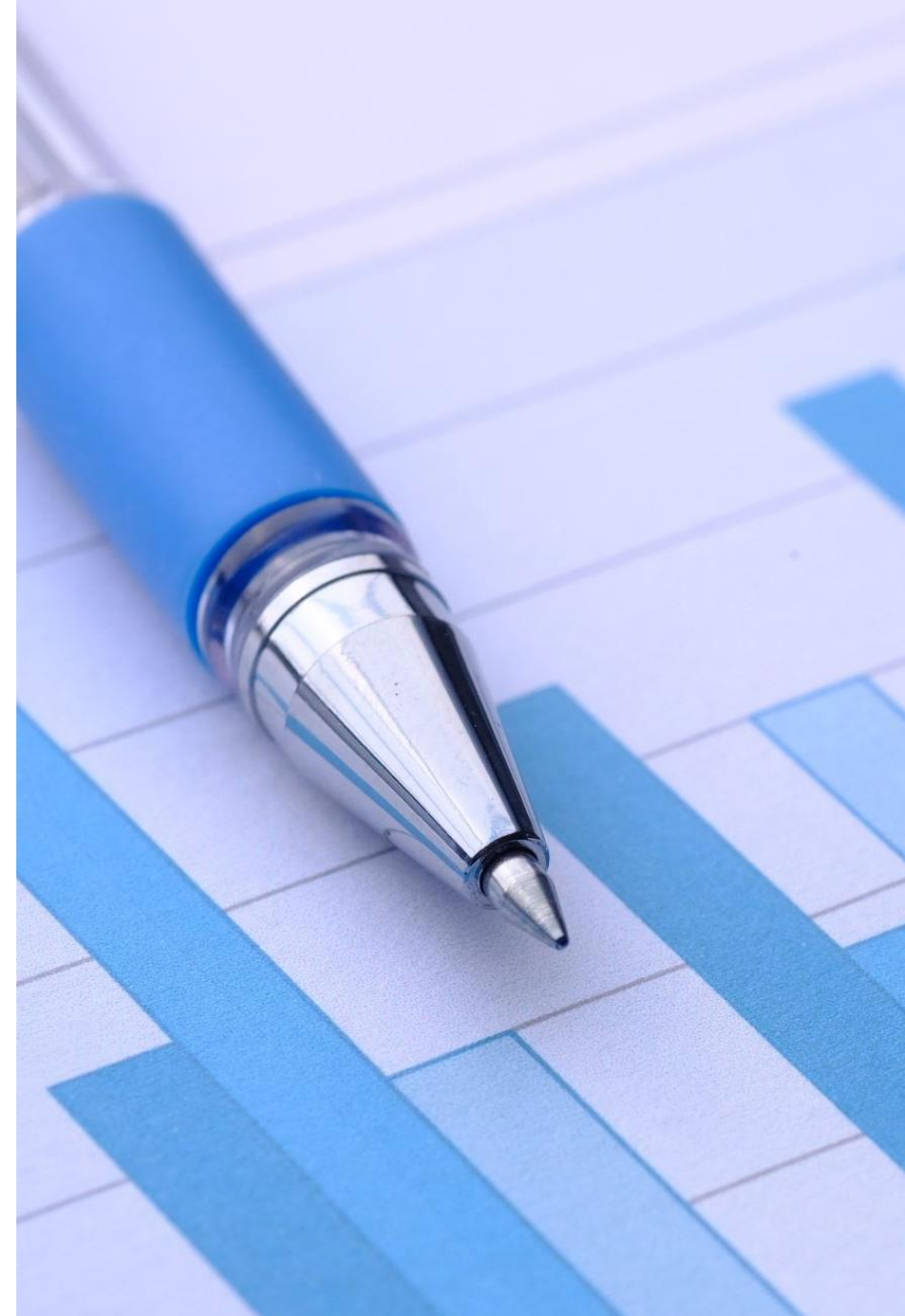
Overgoo (Leidschendam-Voorburg, 2021)

# Data Collection & Analysis

Primary data: semi-structured interviews

Secondary data: documents

Cross-case analysis



# Semi-structured Interviews

Case	Municipal	Market	Third party
<b>Large-scale Amstel III</b>	Transformation team	Developer A Developer B Developer C  Investor A Investor B	Communication Network A  Communication Network B
<b>Medium-scale Middelland</b>	n/a	Developer D	Urban Strategist
<b>Small-scale Overgoo</b>	n/a	Developer E	Urban Strategist

## Identified Themes

Location

Process

Investment

Findings

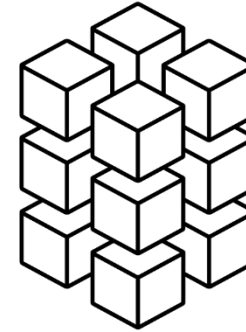


## Case overview

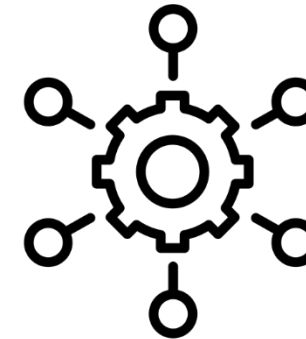
Project	Amstel III	Middelland	Overgoo
Development Strategy	Organic	Organic	Integrated
Scale	Large	Medium	Small
Square meters offices	720.000	183.000	30.000
Dwellings to be realised	15.000	1.800 – 2.400	700
Development approach	Gradually	Gradually	Phased
Type of management	Process	Process	Project
Plan type	Strategic	Strategic	Blueprint
Type of developer	Individual	Individual	Coalition
Role Municipality	Facilitative	Facilitative	Facilitative
Development & Maintenance	Mixed	Mixed	Sequential

## Identified Themes

**Location Characteristics**



**Process & Organization**



**Investment & Finance**





# Location Characteristics

## City

- Location and image
- Landowners per city

## District

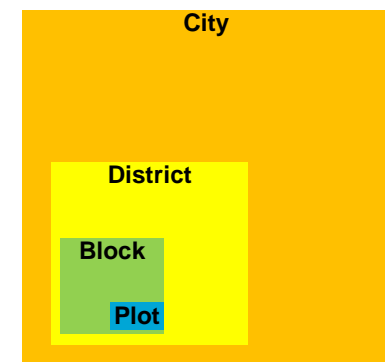
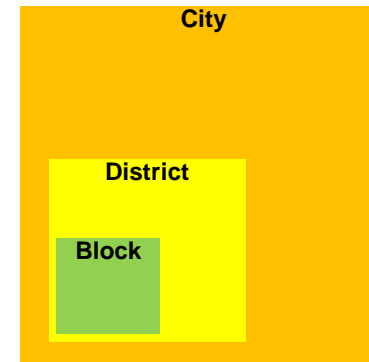
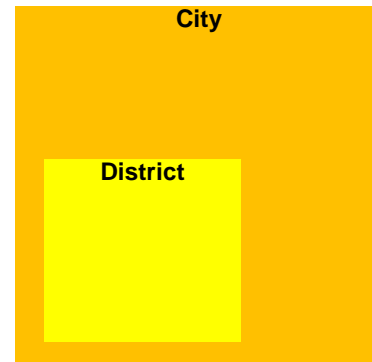
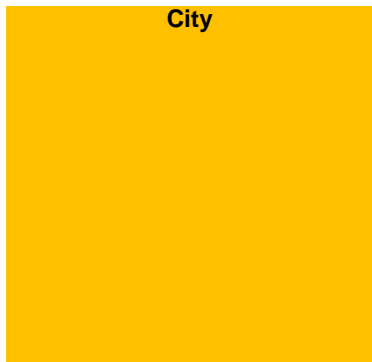
- Image of district
- Infrastructure
- Landownership

## Block

- Landownership
- Type mixed-use
- Facilities

## Building plot

- Size
- Transform or rebuild





# Process & Organization

## Landownership

- Creating an overview
- Identify possible landowners

## Communication strategy

- Layout ambitions
- Clear communication
  - Among municipal departments
  - Market parties and public parties
  - Market parties themselves

## Dedicated and decisive team

- Communication point between parties
- Capacity to make decisive progress decisions

## Pioneer developer

- Acts as a catalyst for the overall transformation process
- Increases trust in the transformation process



# Investment & Finance

## Land acquisition

- Value of the land

## Process speed

- Costs for development
- Changing market

## Future demand

- Shaping demand to the location
- Placemaking
- Pioneer development



- Interest
- Buildings costs

# Expert Panel

With experts from Akro Consult

- Testing on validity
- Additional information

General steps can be applied, however, flexibility needed to adjust to the context.

Carrot and stick principle

- Entice market parties and landowners
- Use regulation to push market parties and landowners

Limitations  
Recommendations

Discussion

# Limitations and Recommendations

## Limitations

- Not all data has been gathered
- Sample size was limited
- Shift in focus of the research

## Future research

- Relation between overall economic market and redevelopment of office parks
- Effect of vacancy on valuation models of institutional investors
- Research on the different types of investors and developers



# Conclusion

# Research Questions

- 1) Who are the landowners and what are their motivations that are present in office parks in the Netherlands?
- 2) What is the policy and regulatory framework in which municipalities can support transformation projects of office parks?
- 3) What is the current practice for the transformation procedure in urban redevelopment for office parks?
- 4) What are the barriers and enablers for transformation of office parks encountered in transformation projects?

## Sub-question 1

Who are the landowners and what are their motivations that are present in office parks in the Netherlands?

Who	Subclass	Aim	How	Development experience
Owner-occupier	n/a	To facilitate business	Through real estate strategy	Not likely
Private investor	Unknown	Generate yield	Type dependent	Mixed
Institutional Investor	Core	Generate yield	Through rental income	No
	Value added	Deliver return	Rental income & Capital appreciation	Some
	Opportunity	Deliver return	Capital appreciation	Experienced
Developer	n/a	Generate profit	Capital appreciation	Core business

## Sub-question 2

What is the policy and regulatory framework in which municipalities can support transformation projects of office parks?

### **Carrot**

- Clear ambition document
- Flexible zoning-plan
- Financial support
- Facilitative to active

### **Stick**

- Enforce regulation
- Active land policy

## Sub-question 3

What is the current practice for the transformation procedure in urban redevelopment for office parks?

- Municipality acting facilitative not active
- Organic development approach
- Integrated development approach

## Sub-question 4

What are the barriers and enablers for transformation of office parks encountered in transformation projects?

### Barriers

- Feasible business case
- Capital intensive
- Opportunistic landowners
- Risk about future demand

### Enablers

- Clear objective
- Collaboration
- Possibility of large-scale development

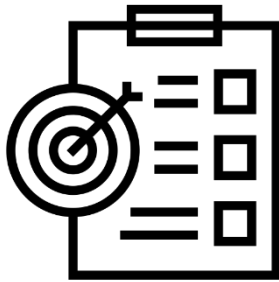
### Factors

- Urban development framework
- Low housing value
- External economic forces

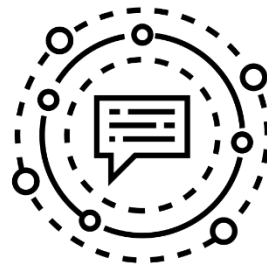
# Conclusion

How can landowners in office parks effectively be included in the transformation process of mixed-use developments by municipalities?

## Support current landowners & Attract new landowners



**Clear Ambitions**



**Communication networks**



**Pioneer developer**

Questions?



# References

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- Gemeente Woerden. (2019). *Structuurvisie Middelland-Noord: Ontwikkelingsvisie Middelland & Ontwikkelingskader Middelland-Noord*. <https://www.nieuw-middelland.nl/document/structuurvisie-nieuw-middelland/>
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- Leidschendam-Voorburg. (2021). *Concept Ontwikkelkader Overgoo*. <https://ingesprekmetlv.nl/projecten+leidschendam/gebiedsontwikkeling+overgoo/documenten+gebiedsontwikkeling+overgoo/handlerdownloadfiles.ashx?idnv=2004500>
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# Recommendations

# Recommendations

## **Municipalities**

- Support
- Enforce
- Adapt

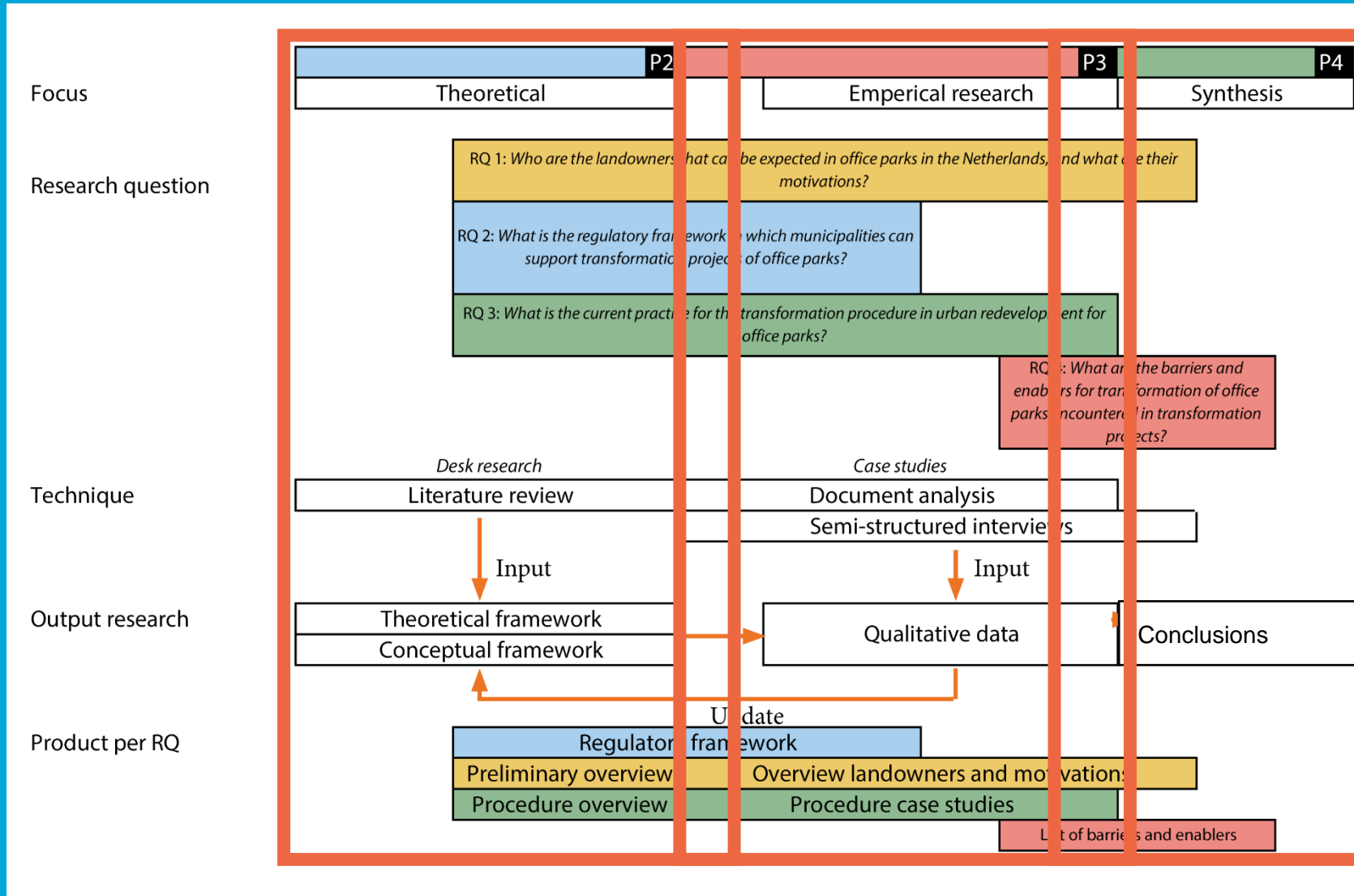
## **Provinces**

- Support municipalities in providing expertise

## **National Government**

- Legislation for land valuation incorporating vacancy

# Research Design

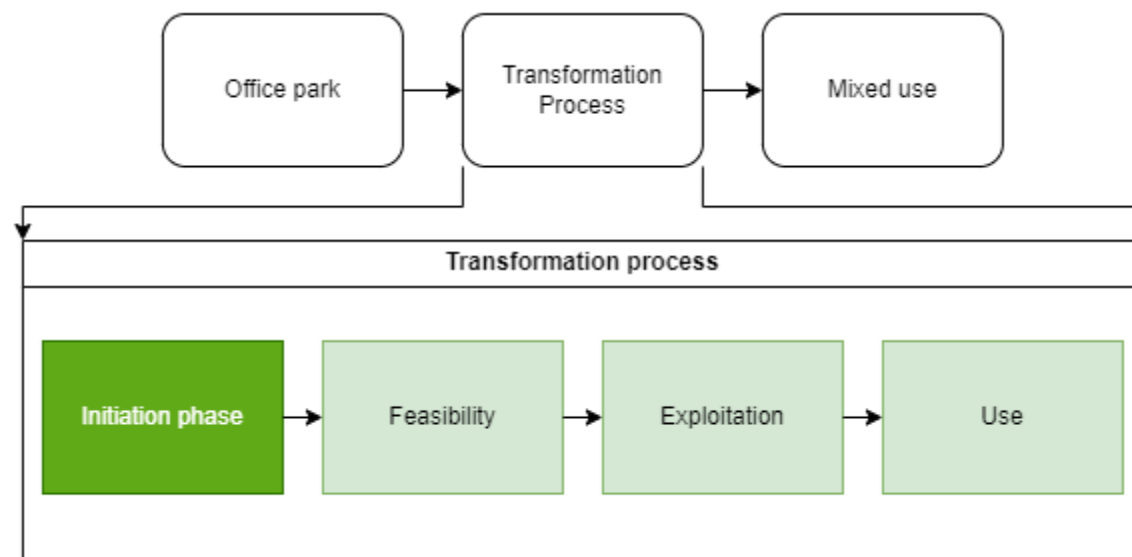


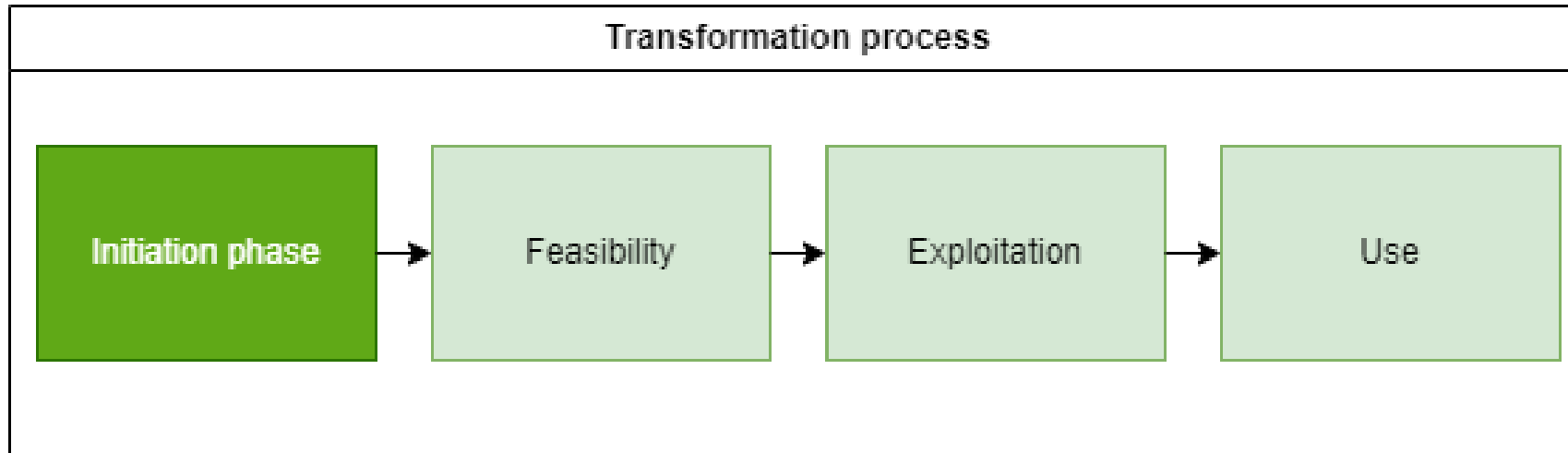
# Interview set-up

Theme	Question
<b>Background information</b>	<ul style="list-style-type: none"><li>• What role do you have within the is [name company]</li><li>• What is [name company]'s primary focus?</li><li>• How does the [name project] fit within this focus?</li></ul>
<b>Project information</b>	<ul style="list-style-type: none"><li>• How did [name company] get involved with [name project]?</li><li>• What factors went into the decision to get involved in the project?</li><li>• How did the [name case] area development play a role in this decision?</li></ul>
<b>Process information</b>	<ul style="list-style-type: none"><li>• How did you experience the process?</li><li>• What role did the municipality play in this?</li></ul>



# Conceptual model

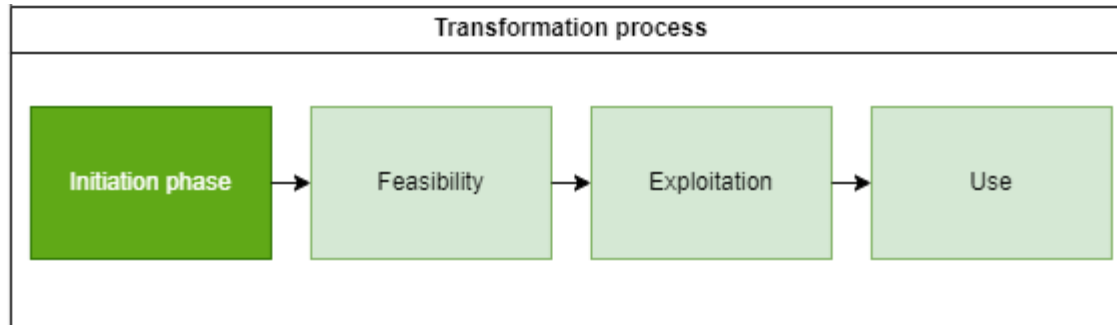




Who takes the initiative:  
Municipality  
Landowners  
Developers  
Community  
Corporation

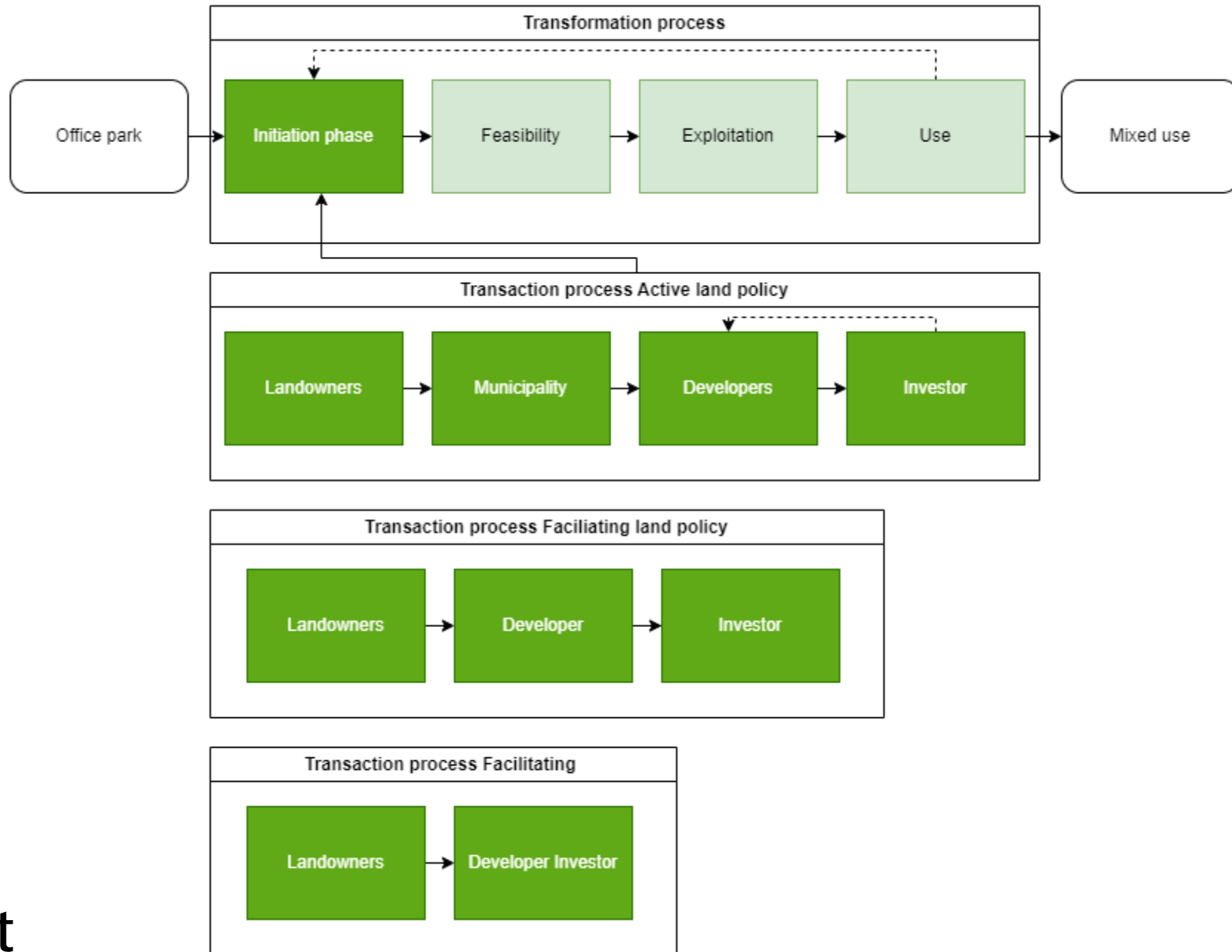
Cooperation model and development strategy  
Building plot development  
Organic development  
Developing Apart Together (DAT)  
Land Pooling

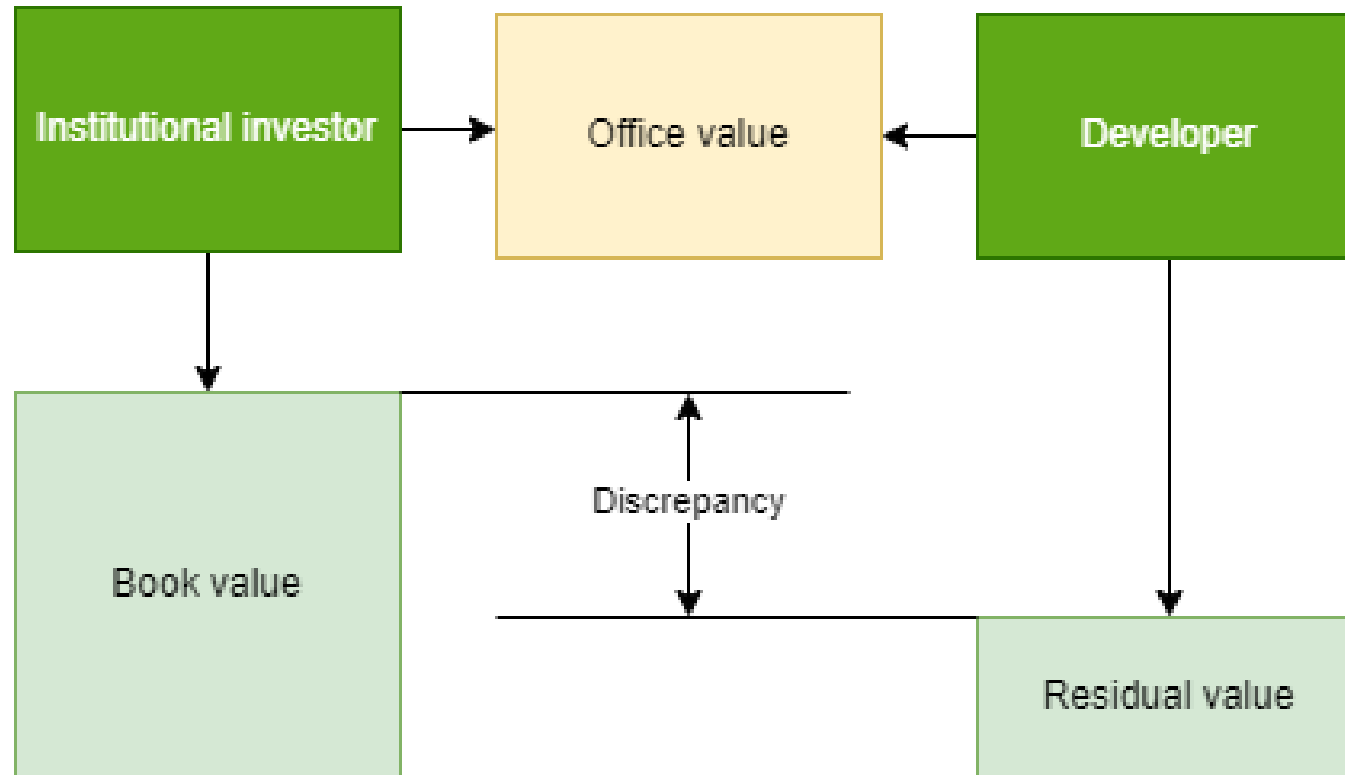
# Current practice



Who takes initiative	Development strategy
Municipality	Plot development
Landowners	Organic development
Developers	Integrated development
Community	Developing Apart Together
Corporation	Land Pooling







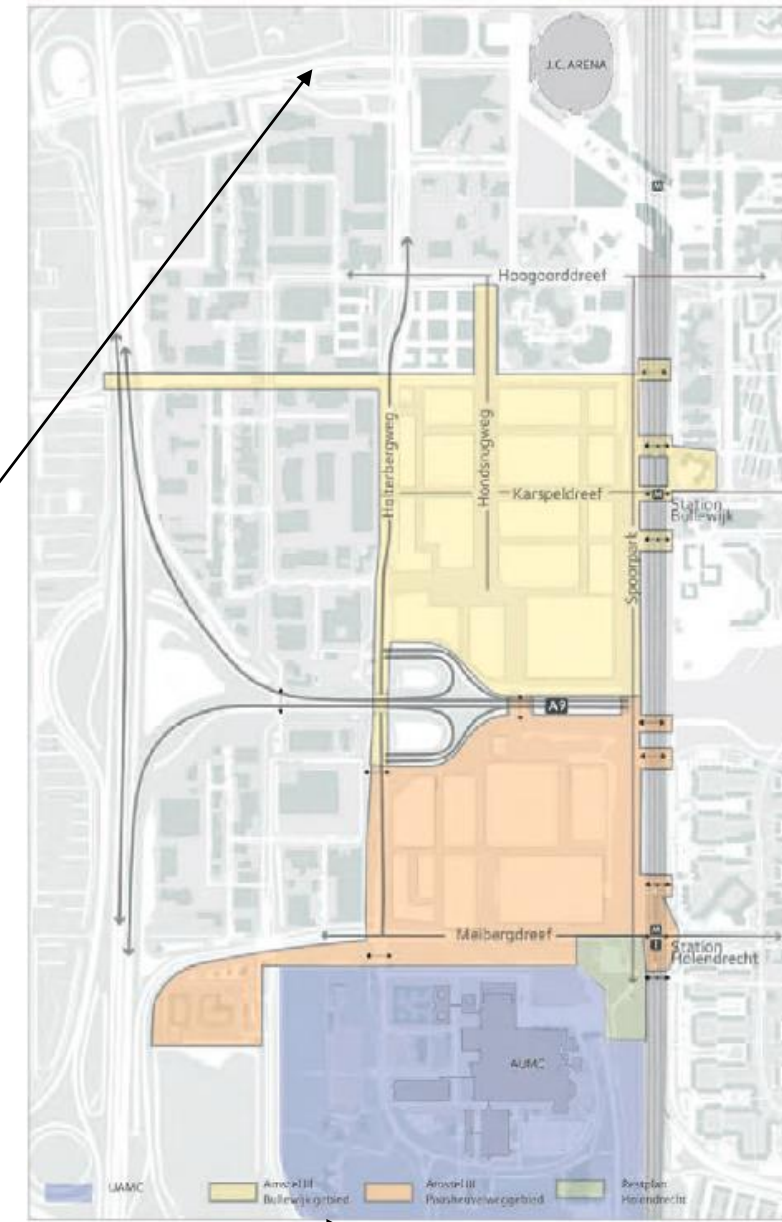
# Large-scale: Amstel III

- Overall plan
  - Initially active land policy
  - Later Organic development approach
- Two sub-district
  - Paasheuvelweggebied

Pioneer: Holendrecht Centre 2014-2018

- Bullewijk

Pioneer: SPOT! 2016 - 2025



# Holendrecht Centre

- **Location Characteristics**
  - No spatial framework
  - Non favourable image of the area
  - Lack of facilities supporting housing
  - Building not fit for transformation
- 
- Located in Amsterdam
  - Strongly connected with public transport
  - Next to AMC
  - Adjacent plot for sale from municipality



Spatial Characteristics	Holendrecht Centre
Sub District	<ul style="list-style-type: none"> <li>• Paasheuvelweggebied</li> </ul>
Blok	<ul style="list-style-type: none"> <li>• Zuidoost</li> <li>• Old situation 27.000 m2 office                             <ul style="list-style-type: none"> <li>• New: 1.600 houses</li> </ul> </li> </ul>
Building	<ul style="list-style-type: none"> <li>• Holendrecht Centre</li> </ul>

# Holendrecht Centre

## ▪ **Process & Organization**

- Dedicated and decisive Municipal transformation team
- Spatial framework in collaboration public and private parties
- Contact with neighbours for investing
- Developer investor for capital
- Developer for experience

## **Investment & Finance**

Depreciated book value

Low cost renewing land-lease

Efficient process

Large scale development

Right time to buy, at the low point of economic conjuncture

# SPOT!

Spatial Characteristics	SPOT!
Sub District	• Bullewijk
Blok	• Hogehilweg • Old situation: • New: 1.100 houses
Building	• SPOT!

## Location Characteristics

- No spatial framework
- Non favourable image of the area
- Lack of facilities supporting housing
- Fragmented landownership
- Building not fit for transformation
- Located in Amsterdam
- Strongly connected with public transport
- Temporary tenant

## Process & Organization

Dedicated and decisive Municipal transformation team

Spatial framework in collaboration public and private parties

Communication with other landowners and market parties increased throughout the process

Two developers collaborating

## Investment & Finance

Two land plots already in ownership

Initial land positions relatively cheap, became more expensive

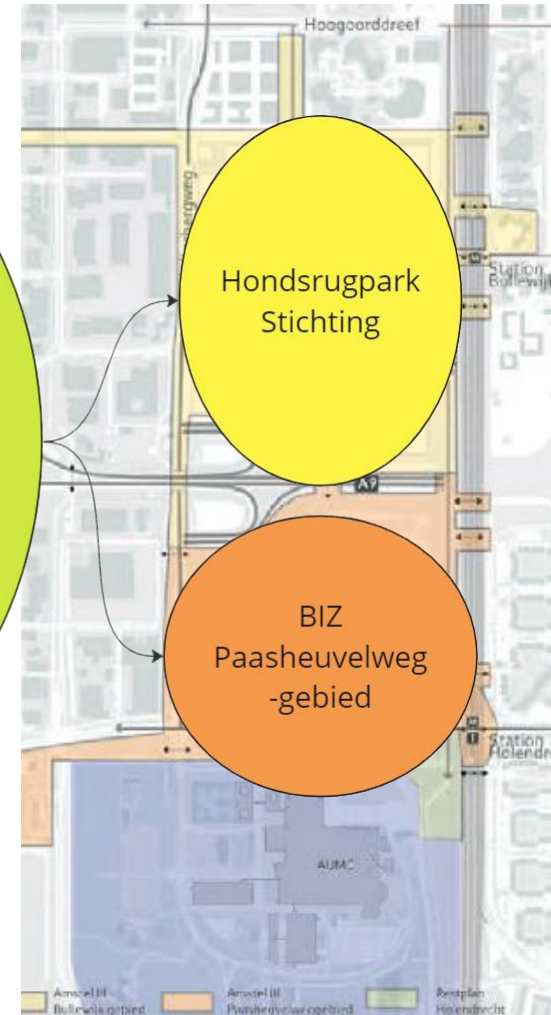
Temporary tenant for income

Large scale development

Right time to buy, at the low point of economic conjuncture

# Large-scale: Amstel III

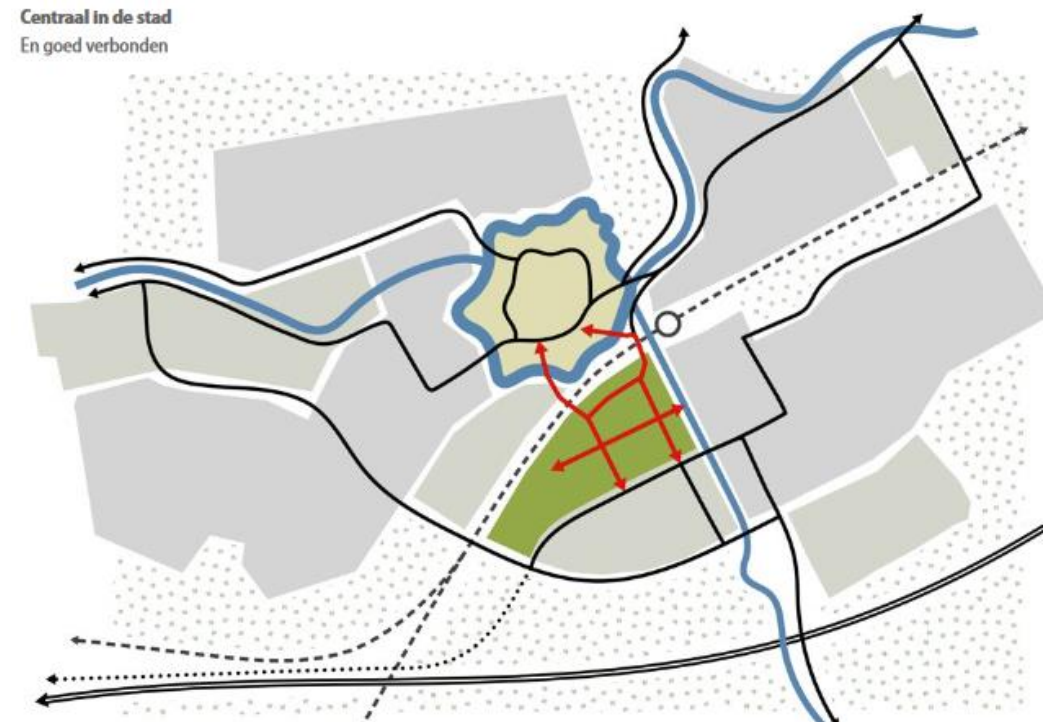
- Communication Networks
  - ZO!City
  - Hondsrugpark Stichting
  - BIZ Paasheuvelweggebied



# Medium-scale: Middelland

- Overall plan
  - Initially land readjustment
  - Later Organic development approach
- Pioneer developer
  - Casas & Bam Wonen 2015 - 2023
- Communication between the parties

Project	Middelland
Development Strategy	Organic
Scale	Medium
Square meters offices	183.00
Dwellings to be realised	1.800 – 2.400





# Houttuin

## Location Characteristics

- No spatial framework
- Non favourable image of the area
- Facilities needed to support housing
- Building not fit for transformation
  
- Woerden strong connection big cities
- Close to city centre
- Strongly connected with public transport
- Next to Hospital
- Plot large enough for large development

Spatial Characteristics	Houttuin
Sub District	• Middelland-Noord
Blok	• Hogehilweg • Old situation: • New: 265 houses
Building	• Houttuin



# Houttuin

## Process & Organization

No spatial framework

Unrealistic Ambitions Municipality

Spider diagram

No communication other market parties

Collaboration Social housing and developer

## Investment & Finance

Spread of acquisition costs

Cooperating selling party

Large scale development

Upwards economic conjuncture phase

Securing investor prior to construction

# Small-scale: Overgoo

- Overall plan
  - Integrate development approach
- Collaboration of landowners for development
- Facilitative role municipality
- facilitative but different development approach for the area

Project	Overgoo
Development Strategy	Integrated
Scale	Small
Square meters offices	30.000
Dwellings to be realised	700



# Small-scale: Overgoo

## Location Characteristics

No spatial framework  
Non favourable image of the area  
Facilities needed to support housing  
Buildings not fit for transformation  
Fragmented ownership

Strong connection The Hague  
Close to city centre  
Public transport relatively close  
Landowners experienced with development

## Process & Organization

Unrealistic Ambitions Municipality  
Collaboration between municipality and market parties for spatial framework  
Collaboration between landowners

## Investment & Finance

Land in ownership of developing parties  
Integral development due to size, for success of development  
Large scale development  
Change in economic conjuncture during process