What are the transformation possibilities for the monumental post-office Neude Utrecht, and monumental real estate in an urban environment?
PREFACE

This P2 report is written as part of the graduation lab Corporate Real Estate Management, belonging to master 3 of Real Estate and Housing at the Technical University Delft. The main goal is to give a concept of my graduation profile belonging to the research question:

What are the transformation possibilities for the monumental post-office Neude Utrecht, and monumental real estate in an urban environment?

I would like to take this opportunity to thank the teaching staff for their help and knowledge during the preparation of this report:

Dr. H.T. Remøy, ir. S. Bijleveld
Delft, 14 December, 2010
Bram Visser

MSc 3, Real Estate & Housing
Technical University Delft
What are the transformation possibilities for the monumental post-office Neude Utrecht, and monumental real estate in an urban environment?

ABSTRACT
The report that lies before you describes the research design to get a scientifically answer to the research question: What are the transformation possibilities for the monumental post-office Neude Utrecht, and monumental real estate in an urban environment?

To get to this answer the research question is divided into three fields with their own detailed research questions:

1) Investor
   a. What kind of values describes the post office of Utrecht?
   b. What is the added value, after transformation, of the post office for the investor?
   c. In which way does the investor take into account the social cultural value of the population?

2) Decision making progress
   a. Who are the stakeholders?
   b. What are go/no-go moments?
   c. Which, national, municipal and legislation are applicable?
   d. How does this transformation process contribute to an added social value?

3) Transformation possibilities
   a. What is the current role of the post office of Utrecht?
   b. What are the architectural and functional possibilities of the post office Utrecht
   c. What are its current and future contributions to the city of Utrecht?

The research question and detailed research questions per field will be answer by using the following methods:

- Stakeholder analysis
- Case studies of the three other (former) monumental post-offices of Rotterdam, Amsterdam and The Hague. Within this case study the following tools are implemented:
  o Cultural historic value indicator
  o Transformation meter
  o Resignation indicator
  o Cross case analysis
  o Interviews
- Mathematical model INKOS
  o A cost in use tool will be added into the INKOS model.

These research questions and methods will deliver a checklist/advice for the monumental post office of Utrecht and a checklist/advice for monumental real estate in an urban environment.
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CHAPTER ONE
OBJECTIVES

1.1 Personal aspects

1.1.1 Motivation
At first the large numbers of vacancy rates of offices throughout the Netherlands drew my attention. After some consultations the region Utrecht was my focus area. After reading the book ‘transformations of office buildings’ by Theo van der Voordt et al the transformation of the former post office of The Hague came to my attention. I live in Utrecht and I grew up in Utrecht. Therefore I was familiar with the current discussion about the transformation options of the monumental post office situated at the Neude square. After gaining more information about the post office I decided to make the post office of Utrecht my pilot case for transformation possibilities.

1.1.2 Vision
I think the research subject is realistic and concrete. The fact that it is an actual discussion at the moment, gives me the opportunity to give my research and knowledge more depth. It will be interesting to investigate the opportunities related to the post office Neude, through the eyes of different stakeholders.

1.1.3 Profile
Within the construction industry I characterize myself as consultant in relation to real estate objects, mainly within the transformation concept. I think the opportunity to develop a new use to a real estate object, within the boundaries set by the different stakeholder, should be a more common movement within the real estate market. I know this an optimistic vision because there are more aspects concerning this subject. But these are opportunities which I would like to develop in my future in the real estate world.

1.1.4 Targets
- The ability of making an inspiring contribution to the development or Real Estate Management and academic research in this area.
- The ability of integrating diverse fields of expertise and level and scale
- Knowledge of and insight into national and international developments in the real estate market in connection with economic, social, organizational, demographic and technological developments.
- Knowledge of, insight into skills in fields of expertise relating to Real Estate Management, i.e. business-, construction- and real estate economics, financial, economic and costs management, valuation methods, law, business administration and organizational science.
- The ability to match demand (from society, organizations and private parties) and supply (on object level and stock level) and express the consequences of that in money, time, quality and risk.
- Knowledge of, insight into skills in academic research (including the corresponding methods and techniques) in the real estate sector.
- Knowledge of and insight into the economic, technical, functional problems involved in this context and the skill to arrive at an optional mutual coordination
- Knowledge of, insight into and skills in the field of computer use for modeling, simulation, planning and optimization, with specific focus on Real Estate Management.

1.1.5 Personal learning objectives

My personal learning objectives will primarily be to get knowledge and insight of the transformation concept, in relation to investors, decision making processes and transformation possibilities. Within this graduation I will use the post office of Utrecht as pilot case to make the outcomes of the case studies (and other tools) about realized transformation projects relating post offices more concrete. To do this in a methodical way will be an educational process for me. Also English writing on an academic level will be part of my learning process.
What are the transformation possibilities for the monumental post-office Neude Utrecht, and monumental real estate in an urban environment?

1.2 Study question

1.2.1 Problem analysis
The upcoming 20 – 30 years redevelopment will be the main tendency in the Netherlands. Due to the current financial crisis, vacancy rates have increased. The build of new accommodations caused a negative effect on real estate vacancy’s as a whole as well for the post offices in the Netherlands.
The post offices are outdated relating to their original purpose. Due to the digital era the original craft of post-delivery is not what it was 20 – 30 years ago. This means a mismatch with its real estate and its function.
This research will focus on the post office of Utrecht as pilot case for transformation possibilities of monumental real estate in an urban environment. The post offices of Amsterdam (magna plaza), The Hague (Hof ter Hage) and Rotterdam (Coolsingel) will function as input due to case studies.
ASR Real Estate has purchased the post office of Utrecht and can start redeveloping in 2015, after the KPN has finished its activity in the building. The building is part of the representation of the city, the municipality and population of Utrecht. These tensions parallel to the financial factors are the backbone of this research.

1.2.2 Study question
What are the transformation possibilities for the monumental post-office Neude Utrecht, and monumental real estate in an urban environment?

1.2.3 Research questions
The detailed research questions are divided in three groups, investor, decision making and possibilities:
4) Investor
   a. What kind of values describes the post office of Utrecht?
   b. What is the added value, after transformation, of the post office for the investor?
   c. In which way does the investor take into account the social cultural value of the population?
5) Decision making progress
   a. Who are the stakeholders?
   b. What are go/no-go moments?
   c. Which, national, municipal and legislation are applicable?
   d. How does this transformation process contribute to an added social value?
6) Transformation possibilities
   a. What is the current role of the post office of Utrecht?
   b. What are the architectural and functional possibilities of the post office Utrecht
   c. What are its current and future contributions to the city of Utrecht?
1.3 Objectives

The outcome of this research will be a checklist that generates possibilities for the post office of Utrecht and monumental real estate in an urban environment. The post offices of Amsterdam (magna plaza), The Hague (Hof ter Hage) and Rotterdam (Coolsingel) will function as input due to case studies and interviews. The main objective is a checklist that advises a developer or investor of the transformation possibilities of monumental real estate in an urban environment. The checklist gives advice on: decision making, financial consequences (long term) and transformation possibilities. The main goal is to develop a tool (checklist) which can be used to analyze a monumental building to its future possibilities in an early stage.

1.4 Research design
CHAPTER TWO
RESEARCH FIELD

2.1 The Post office disappears

The post offices of the Netherlands arises in 1799, the French era (1795-1815), the Netherlands was part of France. Due to Napoleons centralization and standardization of the post offices in France the Dutch post offices benefited of this experience. In 1928 the official name was: State Company of Post, Telegraphy and Telephony (PTT)

From the beginning of the 20th century until the privatization of the PTT, the government had to financially support the post delivery. Despite the mechanization and the introduction of the postal code in 1977 the PTT kept making losses.

At the time of 1993 all post offices became independent entrepreneurs and where part of the Post office BV. These companies recently closed.

Due to the digital era (the World Wide Web) more and more post offices closed because they were not able to compete with e-mail and digital messaging. The real estate of the post office companies where not sufficient according to the market. The next five years 250 post offices will be closed and the small post offices will remain. This means that TNT Real estate (former PTT) wants to sell the last 250 former post offices in the upcoming 5 years.

2.3 Social relevance

These days the post offices are far from what they were in the beginning of the 20th century. The large stately buildings in the city centers are still there but not in use by its original function. Because of the market change for postal companies, a different real estate strategy is needed. This means that TNT Real estate wants to sell the last 250 former post offices in the upcoming 5 years. Most of these buildings are monumental building on prominent locations in a city. The one bigger than the other, depending on the size of the city it’s in.

The majority of the monumental post offices are located in the city centers, which means that it gives some kind of character to city. Residents, who have a strong connection to a city, like to have some kind of influence on ‘there’ building, in case of the Utrecht Post office, Academic Art and Economics, Giep Hagoort suggested that the residents should buy the post office on Neude Square, this way it would stays of the people of Utrecht.1

ASR Real estate purchased the post office at Neude square in Utrecht. They can start redeveloping in 2015. The current plans are to transform the post office into a house of Europe. This means a Hotel and shopping centre.2 Also the canal side of the building will be changed by building an atrium.

This phenomenon also happened in the other three big cities of the Netherlands, Amsterdam, Rotterdam and The Hague. Amsterdam was the former headquarters of the PTT and the post office was sold in 1987 for 3,2 million euro (7.5 million guilder), by a Swedish developer, with the purpose of transforming it into a luxury

1 http://www.youtube.com/watch?v=HFryZJZ9C-8, Utrechters willen postkantoor kopen
shopping centre. Rotterdam post office will be redeveloped into a shopping center, hotel and catering industry end of 2010. The building was purchased by Delta development, and SNS property price. The Hague (Hof ter Hage) was redeveloped in 1998 and was purchased by Madon (currently BAM) for 3,18 million euro (7 million guilder).
2.4 Fields

The research will be divided into three fields, the Investor, the decision making process and the transformation possibilities.

2.4.1 Investor

This field will focus on the Investors point of view. The main questions that will be investigated are:
- What kinds of values are connected to the post office of Utrecht?
- What is the added value, after transformation, of the post office for the investor?
- In which way does the investor take in account the social cultural value of the population?

2.4.2 Decision making process

This field will focus on the decision making process. The main questions that will be investigated are:
- Who are the stakeholders?
- What are go/no-go moments?
- Which, domestic and municipal, legislation is applicable?
- How does this transformation process contribute to an added social value?

2.4.3 Possibilities

This field will focus on the transformation possibilities. The main questions that will be investigated are:
- What is the current role of the post office of Utrecht?
- What are the architectural and functional possibilities of the post office Utrecht

FIGUUR 1: DETAILED RESEARCH QUESTIONS PER FIELD
2.5 Research methods

The following methods are used to answer the research questions:

2.5.1 Stakeholder Analysis

Stakeholder Analysis is a technique used to identify the key participants of a particular project. The first step is to identify who the stakeholders are. The next step is to work out their power, influence and interests. This maps the force between all the stakeholders and what their relation, influence and involvement are on this building.

Case studies

The post offices of Amsterdam, Rotterdam and The Hague will be studied due to a case study analysis. Also a case study will be done on the post-office of Utrecht. The outcomes of these cases will be analyzed by a cross case analysis. These outcomes will provide valuable input for the final checklist/advice. These Case studies will be given shape by the use of different methods and tools. Every case will be analyzed by the three fields described in paragraph 2.4. The cases will be:

Case 1:
- Building: Magna Plaza Amsterdam (Former post office headquarters)
- Architect: C.H. Peters
- Size: -
- Original build year: 1895 - 1899
- Transformation year: 1992
- Function: Luxury shopping center
- Developer: Lars Magnusson

Case 2:
- Building: Post office Coolsingel Rotterdam
- Architect: G. C. Bremer
- Size: 28,000 m²
- Original build Year: 1923
- Transformation year: 2010
- Function: shopping centre, hotel and catering industry
- Developer: Delta development, SNS property finance

Case 3:
- Building: Hof ter Hage The Hague
- Architect: Hayo Hoekstra
- Size: 22,000 m²
- Original build year: 1935 – 1967
- Transformation year: 1998
- Functions: Apartments, Shops and parking
- Developer: Mabon (current BAM)
What are the transformation possibilities for the monumental post-office Neude Utrecht, and monumental real estate in an urban environment?

**FIGUUR 2: CASE STUDY STRUCTURE**

### 2.5.2 Tools

During the documentation analysis of the case studies several tools will be used. At first a stakeholder analysis will be done followed by the implementation of three tools:

- **Cultural Historic Value indicator:**
  - This tool determines the historic value which can be starting-points for new interventions.
  - It makes the cultural historical value transparent and discussable.
  - Quantify and visualize the cultural historical value

- **Transformation meter** (this tool is build up by a five step plan)
  - Step 0: Function evaluation
  - Step 1: Building evaluation
  - Step 2: Location evaluation
  - Step 3: Financial evaluation
  - Step 4: end view
What are the transformation possibilities for the monumental post-office Neude Utrecht, and monumental real estate in an urban environment?

- Redesignation indicator
  - Supporting the functional, procedural and financial feasibility
  - Most appropriate functions for a existing building

2.5.3 Cross case analysis

The case results will be confronted in a cross case analysis. This way patterns and themes in the data can be evaluated and can be checked which are common across projects. This approach allows me to analyze discrepancies in notable outcomes or attributes and their contributing factors.

Cross-case analysis is also an effective method to communicate the success and failures of the studied cases. The cases will be analyzed by the use of the three fields described in paragraph 2.4.

2.5.4 Interviews

After each case has been done interviews will be held with the stakeholders of each case, including the pilot case Utrecht. The questionnaire will be based on the detailed research questions divided in the three research fields.

2.5.5 Mathematical model INKOS

After the case studies have been done financial values of the post office Utrecht will be investigated. The INKOS model can determine a global insight of the costs and yields of the transformation process. These outcomes can be confronted with the other cases. Also a new part of the INKOS model is developed. For a developer or investor it’s crucial to know in an early stage what the costs in use will be on the long term. To add a cost in use tool into INKOS this factor can be determined and is very relevant within the end product of this research.
## Research questions versus methods

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<thead>
<tr>
<th></th>
<th>Stakeholder analysis</th>
<th>Case studies</th>
<th>Culture historic value indicator</th>
<th>Transformation indicator</th>
<th>Redesignation indicator</th>
<th>Interviews</th>
<th>INKOS</th>
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<td><strong>(1) Investor</strong></td>
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<td>a. What kinds of values are connected to the post office of Utrecht?</td>
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<td>b. What is the added value, after transformation, of the post office for the investor?</td>
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<td>c. In which way does the investor take in account the social cultural value of the population?</td>
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<td><strong>(2) Decision making process</strong></td>
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<td>a. Who are the stakeholders?</td>
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<td>b. What are go/no-go moments?</td>
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<td>c. Which, national and municipal, legislation is applicable?</td>
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<td>d. How does this transformation process contribute to an added social cultural value?</td>
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<td><strong>(3) Transformation possibilities</strong></td>
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<td>a. What are the current roles of the post office of Utrecht?</td>
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<td>b. What are the architectural and functional possibilities of the post office Utrecht</td>
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<td>c. What are the current and future contributions to the city of Utrecht?</td>
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**FIGUUR 3: RESEARCH QUESTIONS VERSUS METHODS**
CHAPTER THREE

3.1 Provisional table of contents of the final thesis

I. Title
II. Foreword
III. Abstract
IV. Table of contents
   1. Introduction
      1.1. Introduction
      1.2. Background
      1.3 Problem statement
      1.3. Current knowledge
      1.4 Hypothesis
         1.4.1. Research question
         1.4.2. Detailed research questions
         1.4.3. Final results
   2. Methods
      2.1 How the research question will be answered
   3. Results
      3.1 Theoretical advice
         3.1.1. Introduction
         3.1.2. Monumental property
         3.1.3. Value definition
         3.1.4. Value determination
         3.1.5. Different types of value
         3.1.6 Conclusion
      3.2 Policy advice
         3.2.1. Introduction
         3.2.2. Monumental care
         3.2.3. Building legislation
         3.2.4. Conclusion
      3.3. Stakeholder advice
         3.3.1. Introduction
         3.3.2. What are the stakeholders?
         3.3.2. Role within the transformation process
         3.3.3. Conclusion
   4. Case studies
      4.1 Case study Post office Amsterdam (magna plaza)
         4.1.1. Introduction
         4.1.2. Description case
         4.1.3. Actors
         4.1.4. Results
         4.1.5. Conclusion
      4.2 Case study Post office Rotterdam (Coolsingel)
         4.2.1. Introduction
         4.2.2. Description case
         4.2.3. Actors
What are the transformation possibilities for the monumental post-office Neude Utrecht, and monumental real estate in an urban environment?

4.2.4. Results
4.2.5. Conclusion

4.3. Case study Post office The Hague (Hof ter Hage)
   4.3.1. Introduction
   4.3.2. Description case
   4.3.3. Actors
   4.3.4. Results
   4.3.5. Conclusion

4.4. Cross case analysis
   4.4.1. Implementation case post office Utrecht
   4.4.2. Implementation Checklist

5. Conclusion/Discussion
   5.1. Introduction
   5.2. Feedback hypotheses
   5.3. Implications
   5.4. Research process
   5.5. Further research
   5.6. Recommendations
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      5.6.2. Scientific relevance
      5.6.3. Applicability
   5.7. Conclusion

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VI. Concepts
VII. Appendices
What are the transformation possibilities for the monumental post-office Neude Utrecht, and monumental real estate in an urban environment?

CHAPTER FOUR

TIMETABLE

4.1 Timetable

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<td>Presenting my graduation research proposal</td>
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CHAPTER FIVE

LITERATURE

5.1 Literature

- Transformatie van kantoorgebouwen. Thema’s, actoren, instrumenten en projecten, Theo van der Voordt, Rob Gerardts, Hilde Remoy and Collin Oudijk.
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