Corporations and Cities

Corporate Accommodations of Siemens in The Hague-
Synergy and conflict between corporate accommodation strategies and urban planning policies

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Corporate accommodations of Siemens in The Hague-
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Foreword

The graduation thesis ‘Corporate accommodations of Siemens in The Hague’ is a research conducted within the master track Real Estate & Housing at Delft University of Technology. It encompasses the research field of Real Estate Management and Urban Area Development. Moreover, the master thesis can be assigned to the research project ‘Corporations and Cities’, which explores the relationship between corporate strategies and urban area development and is written in collaboration with the department of Architecture and Urbanism.

This research would not have been possible without the professional guidance of my mentors Herman Vande Putte and Cor Wagenaar. I would like to thank them for sharing their knowledge and expertise, as well as supporting and guiding me during the several graduation phases. Moreover, I would like to thank Theo van der Voordt for the additional time and effort he took to support me far beyond the scope of his role as the real estate management laboratory coordinator. Finally, I would like to extend my gratitude to the interviewees that shared their specialist expertise and invested time and effort to answer my questions. Special thanks go to Arnold Knoppert and Nico Groot who offered their free time to provide me with information and shared their working experience with me to support my research.
Summary

Introduction
The graduation thesis ‘Corporate Accommodations of Siemens in The Hague’ is part of the research project ‘Corporations and Cities’ that explores the relationship between corporate accommodations and urban development. Therefore, the development of corporate accommodations of Siemens in The Hague are connected to urban planning policies of the city and examined further based on the concept of synergy and conflict between both actors. This graduation thesis will contribute to overcome the lack of knowledge of multinational corporations that establish and develop in the city of The Hague. It can be assigned to the subtopic ‘Corporate Strategies and Urban Area Development’, as well as the mainstay ‘Corporate Accommodation in The Hague’.

Problem Analysis
The industrial revolution gave raise to professional management disciplines which over the time branched into corporate real estate management and urban area development. Public actors execute urban planning policies and corporations execute corporate real estate strategies. Nevertheless, both actors are closely interwoven; together they changed, enhanced and evolved into highly professionalized disciplines over the last two centuries. The problem statement concludes that corporations are dependent on and influenced by the city they are located in and vice versa.

The development of the German corporation Siemens in the city of The Hague is an important case due to the long relation and the various relocations and extensions of Siemen’s accommodations within the city. In 1891, Siemens initially established one of its first businesses outside of Germany in the city of The Hague. This first attempt was unsuccessful and the corporation needed to close its doors a few years later, because the municipality took over its business. However, the second attempt was more successful and conflicts were transformed into synergy. Siemens and the city of The Hague do not only share a long history, they needed to cope with years of crisis and war and developed together from the initiation of electrical engineering to the 21st century.

Research Methods
For the graduation thesis ‘Corporate accommodations of Siemens in The Hague’ the following research question will be answered:

‘How did the portfolio of the Siemens develop in the city of The Hague and when and how did synergy and conflict occur?’

The main research question raises several sub questions classified as generic theory sub questions and case study sub questions, which will be answered through an extensive literature study together with the examination of a single case study. Data will be gathered through literature study, document analysis, archive research and expert interviews with urban planning experts from the municipality of The Hague and experts from Siemens as well as contemporary witnesses. The several sub questions are furthermore divided into seven time periods that range from the establishment until today, and are examined with respect to the following three aspects; location and utilization, corporate history and urban planning policy.

Case Study Conclusions
Through the examination of the case the following case study conclusions can be drawn;

From 1880

The choice of Siemens to establish its first Dutch branch in The Hague is attributable to its proximity to the Dutch Government; the main costumer of Siemens in The Netherlands. Both corporation and city evolved and grew through the industrialization and its repercussions.
During the early 1890’s businesses were still mainly located within the central canal system of The Hague, named the Singelgrachten. The business relation of Siemens with the Dutch government can be traced back to 1952, when Siemens delivered its products to the governmental telegraph office. From the beginning, Siemens was an internationally orientated corporation with several branches abroad. The corporation’s strategy was the expansion of the business and the geographic coverage of Siemens in Europe (Siemens-AG, 1997).

In 1891 Siemens established its first accommodation at the Hofsingel next to the Dutch House of Representatives within the Singelgrachten. However there was a close physical proximity between city and corporation, conflicts occurred due to a policy change of the municipality which did not let private corporations provide electricity for the city. A long-lasting and aggressive argument between both parties resulted in the forced closure of Siemens’s main business in The Hague, the Electric Power Company. Nevertheless, the technical office at Hofsingel remained. Hence, the municipality made use of a regulating public planning tool by establishing a contractual regulation that permitted the operation of the accommodation only for a limited period of time and set several further limitations.

It is assumed that the initial establishment of Siemens in The Hague was in synergy with the policy of the municipality but did result in a conflict in which the municipality obstructed the further expansion of the corporation and terminated its main business in The Hague. Hence, initially the municipality had more pull in the interaction between corporation and city and conflicts were not turned into synergy. Nevertheless, the municipality compensated part of the losses of the corporation and Siemens could remain their technical office.

From 1900
The relocation of the remaining technical office located at Hofsingel 25 is referable, on the one hand, to the growth of the corporation that resulted in the need for additional space and, on the other hand, to the fact that the location in the inner city was not favourable for the business of Siemens (Wegner, 1970, p. 41). Hence, an extrinsic push factor for relocation was the lack of space, an unsuitable location and the supply of better alternatives.

In this time, the municipality of Hague wanted to accommodate business and industry outside the central canal system. Siemens bought several buildings between the Huijgenspark and the road ‘het Zieken’ in 1908. The accommodation of other businesses at Huijgenspark was already in progress; several smaller corporations were already located there and an electrical tram, which connected the area with Rijswijk and Delft, replaced the horse-tram along the Huijgenspark two years before the Siemenshuis was built. Furthermore, during the interwar period the number of inhabitants and businesses in the city were still growing rapidly, which stimulated the process of ‘city formation’. Before the Siemenshuis was built, an old villa was located on the lot at Huijgenspark 39. This villa, and several other small residential buildings around it, eventually got transformed into the Siemenshuis. The fact that the Siemenshuis consists of several, already existing building structures that are nested within one another (see appendix XII) can be interpreted as a negotiation process between corporation and city. It is assumed that normally, a corporation like Siemens would demolish existing structures and built a new accommodation. The extension of the existing building structure shows that Siemens either did not have the financial possibilities or was not permitted by the municipality to develop a new construction on the site. The transformation was based on an agreement between the municipal construction supervision agency and the director of the corporation. Siemens wanted to centralize the several accommodations into one and the municipality allowed the conversion of the land use plan. Here, the municipality used a shaping public planning tool in order to establish and adjust existing development plans to accommodate businesses beyond the Singelgrachten, but also regulating planning tools by defining parameters and establishing bilateral agreements and contractual regulations regarding the use of specific buildings, see appendix II.

The development of a Dutch head office at Huijgenspark was clearly part of the corporation’s international expanding strategy. Therefore The Netherlands was chosen to accommodate the
Summary: Corporate accommodations of Siemens in The Hague-
Synergy and conflict between corporate accommodation strategies and urban planning policies

prestigious Siemenshuis in Europe, built by Siemens’s well-known architect Hans Hertlein who also developed the Siemens-city in Berlin a couple of years earlier (Hertlein, 1929). The corporate accommodation strategy was to establish an international representation of the Siemens & Halske by building the first Siemenshaus abroad from Germany as well as to counteract the process of decentralization; the several accommodations spread between Huijgenspark and the road ‘het Zieken’ got transformed into one (Wegner, 1970). The mother company in Germany still accomplished the corporation’s strategies and decisions in The Netherlands. Soon a lack of space occurred and this time Siemens developed a second accommodation on a lot at the Van der Kunstraat on which the municipality this time was the leaseholder.

From 1945
The corporate accommodation located at Van der Kunstraat was developed in 1929 due to a lack of space for manufacturing facilities and warehouse functions (Wegner, 1970). Through the relocation of these activities to the new accommodation, the company for the first time divided clerical activities from manufacturing operations. Consequently, the head office was still located in the representative Huijgenspark near the city centre, whereas the manufacturing plant was located in an industrial area next to the Laakhaven district. Furthermore, a process of reorganisation of Siemens & Halske and Siemens-Schuckert took place; both separately managed corporation branches merged into one (Dicke et al., 2004). Moreover, for the first time the corporation’s branch in The Netherlands gained more independence; from 1930 Siemens’s businesses and accommodations were directed by the Nederlandse Siemens Maatschappij that was owned to 50% by Dutch shareholders and to 50% by the mother company in Germany (Wegner, 1970).

As a consequence of the production of armaments in WWII, the accommodation Siemenshuis and the accommodation at Van der Kunstraat got expropriated (Dicke et al., 2004). Hereby, the state applied a strong regulating planning tool by (partially) expropriating Siemens. Nevertheless, Siemens could rent a new accommodation located at Rijnstraat in the city centre of The Hague next to the Central Station, and bought an accommodation located at Geestbrugkade in Rijswijk. These new accommodations simply replaced the space that was taken away.

It is noticeable that although the relationship suffered strong setbacks, it was at no time totally interrupted. During the post-war period, the City of Peace and Justice relocated and accommodated the German corporation.

From 1950
After the expropriation of Siemens’s most important corporate accommodations in The Hague, a lack of space occurred and a main corporate accommodation was missing. Therefore Siemens bought back the Siemenshuis from the municipality in 1955, but there was still a lack of space especially for storage-, and workshop facilities caused by the expropriation of the manufacturing plant at Van der Kunstraat.

After the war, the municipality of The Hague aspired the agglomeration of corporations to dedicated areas. Corporations, which did not do so were forced to relocate (Kouwenberg, 2012, p. 36). In the ‘Structuurplan Groot s’Gravenhage’, the architect and urban planner W.M. Dudok dedicated specific areas as industrial areas, among others the Binckhorst district (Kouwenberg, 2012). Already before the establishment of Siemens, a governmental gas factory and a cigarette factory were accommodates on the site (Faber-Wittenberg, 2013). The planning of new industrial areas, such as the Binckhorst, gave corporations like Siemens the possibility to build on cheap ground (Interview Schmitt, 2014).

The Binckhorst accommodation was the first new Siemens plant to be set up in a European country outside of Germany after WWII. Siemens adopted the resolution to develop a corporate accommodation at the crossing Zonweg/ Regulusweg and Saturnstraat with 13,000 m² space for, among others, workshop-, warehouse-, and office facilities. Critical push factors were the cheap ground and the good accessibility (Wegner, 1970). The municipality
permitted the request and in 1959 the new accommodation was opened by the mayor of The Hague H. Kolfshoten and Peter von Siemens, the then director of the mother company in Germany. Through the establishment and adjustment of urban development plans, the municipality used a shaping public planning tool in order to accommodate corporations like Siemens to dedicated areas. Siemens passively contributed to the municipal urban planning objectives and synergy was created.

From 1965
In the 1960’s the today’s Beatrixkwartier still was a green-field area. Nevertheless, it was a strategically important site for the municipality which aspired the merger of the two districts of Voorburg and Leidschendam (Interview de Nijs, 2014). This merger never took place and therefore the strategically chosen accommodation of both the municipal police-, and fire station on the site lapsed. In 1965 the province urban planning department of South-Holland (‘Provinciale Planologische Dienst’) vote in a zoning plan for the migration of businesses out of the centre and the agglomeration of them towards the surrounding areas of The Hague (Kouwenberg, 2012). The Beatrixkwartier in this time was a cheap and well accessible green-field area and therefore the corporation Nationale Nederlanden developed an accommodation on the site a couple of days before Siemens.

After the reorganization of the organisational structure into one Siemens AG in the 1960’s and a steady growth of the corporation, the accommodation at Binckhorst got extended several times from 1965 (Interview Groot, 2014). But once again, the recently developed complex did not provide sufficient space to keep up with the growth of the corporation. Therefore additional buildings at the road ‘de Bogaard’ and the Mercuriusweg were rented. In order to improve efficiency and to counteract the process of decentralization, Siemens requested to expand its head office at Huijgenspark (Dicke et al., 2004). Due to municipal development plans around the Huijgenspark this request was rejected (Faber-Wittenberg, 2013).

To overcome this conflict, the municipality offered the corporation a lot at Plasbroekpolder (see appendix IV & V), but Siemens rejected that offer and instead requested to relocate their head office to the Prinse Beatrixlaan. In order to create synergy, Siemens and the municipality of The Hague simply exchanged their properties; Siemens got the lot at Prinse Beatrixlaan and the municipality got the accommodations of Siemens at Huijgenspark, see appendix VII. With the offer of a different lot at Plasbroekpolder, the municipality applied a public planning tool in order to shape the decision of the corporation’s development plans, whereas with the swap-transaction a stimulating public planning tool was used. Here, the municipality encouraged a desired activity to relocate the corporate accommodation of Siemens by taking direct action.

Noticeable during the period between the late 1960’s and the middle of the 1980’s is a strong synergy between corporation and city (Interview de Nijs, 2014). Among others, this was result of a friendship between director Henny and the municipality as well as the royal family (Interview Knoppert, 2014).

Nevertheless, for the first time there is the clear shift in the balance of power between both actors noticeable; whereas in the 1950’s corporations were forced to relocate if their accommodation was not in line with the municipality’s urban planning strategy, in the 1970’s and 80’s there have been hardly any restrictions and the municipality was very keen on keeping corporations in the city (Interview Schmitt, 2104). Hence, corporations gained more pull within the interaction with the city.

From 1990
Maarten Schmitt was the City Architect of The Hague from 1998- 2009. During the interview he explained the development of the concept of two axes for the establishment of corporate accommodations in The Hague. According to Schmitt, the municipal urban planning strategy concerning the location of corporate accommodations is as simple as positioning them within these two axes (Interview Schmitt, 2014). These axes were taken up again from the architect and urban planner Busquets and Schmitt with the development of the Beatrixkwartier and are
to be seen as the backbone of the development of businesses and corporations in the city; one key axis is the cross that stretches from Ypenburg towards Binckhorst, The Hague Centre and Scheveningen. The other key axis stretches along the railroad that connects Amsterdam with Rotterdam and starts at the Aegon head office via Siemens towards the station ‘Den Haag Hollands Spoor’. Within this cross there is a concentration of corporations, whereas within the city centre there is a concentration of the departments and ministries of the government.

The development of the four resembling buildings by Siemens Real Estate features the transition of the corporation’s real estate management into a highly professionalized discipline. The corporation’s accommodation is no longer reactively but proactively managed. Before the middle of the 1990’s, a process of decentralization took place before every development of a new main corporate accommodation of Siemens in The Hague; to overcome the lack of space, additional square meters were rented elsewhere. However, two different assumptions can be made about this development of the last three of the four resembling buildings that form the Beatrixpark; on the one hand it can be assumed that the development was an ambition of Siemens to concentrate additional departments in The Hague, such as the healthcare branch that is located in Amsterdam, or even branches from abroad. Nevertheless, these plans changed and Siemens Real Estate rented the buildings for seven years and eventually sold them. In any case, for the municipality of The Hague it was a strong signal for the commitment of Siemens to the city (Interview de Nijs, 2014). Hence, it can also be assumed to be a tactical manoeuvre.

But taking several facts into account that will be elaborated further, it is can also be assumed that the growth into the additional buildings never was part of the strategy and a the development is to be seen solely as an investment of Siemens Real Estate directed from Germany. According to Knoppert, Siemens Real Estate did not built the additional space for a possible growth of the corporation into the three more buildings along the Schenkade Road (Interview Knoppert, 2014). Taking into account that the head office already contains 30,000 m² and that the corporation developed a whole new business centre in Zoetermeer a few years before, it is unlikely that the corporation’s accommodation strategy was to grow into additional 46,000 m² of office space. Moreover, the extension of the Siemens head office build in 1994 is not connected to the three buildings developed afterwards. These three buildings are connected with each other through passageways, but are disconnected to the head office of Siemens. During the development of the Beatrixpark, the development of the Beatrixkwartier by the municipality was in full progress; it is assumed that Siemens Real Estate noticed that the establishment of the business district Beatrixkwartier in The Hague will raise the land prices and the empty terrain next to the Siemens head office simply seized the opportunity to create additional assets. The Beatrixkwartier developed over the last 14years to the second most important office location in The Netherlands. Hence, it can be assumed that the corporations in this case acted like a private investor by building office space in order to let it to third parties for the creation of additional assets. Consequently, the development of the Beatrixkwartier by the municipality was strongly to the benefit of Siemens because the (land) value of their five buildings increased enormously.

Although there are many indications that it was never part of the corporate accommodation strategy of Siemens to grow into the additional buildings, it is not sure whether the corporation intended the growth into the building or if it was solely an investment by the corporation’s real estate department. But even though it is not clear what the corporation intended to do with the development of the Beatrixpark, it is certain that in this point the corporate real estate management of Siemens in The Hague served a higher purpose and evolved into a highly specialized and proactively managed discipline.

In summary, before the turn of the century, the city’s policy concerning corporate accommodations developed from “hardly any restrictions” to “a well-defined strategy” (Interview Schmitt, 2014). The municipality emphasized on attracting and keeping corporations in the city. Moreover, the policy of the municipality broadened towards an additional focus on corporations that are not necessarily referable to public- and governmental
organisations or organisations related to United Nations. However it is not clear what caused
the broadening of the focus towards private corporations, several reasons can be assumed;
possibly in the late 1980’s the city saw advantages in the diversification of corporations that
are located in the city. Consequently the city establishes additional pillars and does not limit
itself to solely to ‘Peace and Justice’. Private, (multinational) corporations like Siemens are big
employers that can counteract high unemployment rates and employ larger numbers of labour
force. The broadening of the city’s scope can also be seen several years later, when the
municipality added the identity of ‘The City of Security’. Through the broadening of the city’s
identity, networks such as the ‘Security Delta’ could be formed that can have a multiplier effect
in order to attract additional markets and corporations and create additional jobs.
However, this well-defined strategy resulted in the dedication for private corporations to
accommodate on the axis along the Schenkade-zone, its seems like that the corporations
located there more and more have ‘hardly any restrictions’ when it comes to negotiation to
obtain advantages from the municipality. The relationship of corporation and city changed
significantly; the corporation clearly has the upper hand in the interaction with the city

From 2005
The development of the Beatrixkwartier played an important role in the urban planning policy
of The Hague regarding the accommodation of corporations. Within 14 years, the district
developed into the second most important office location in The Netherlands. Corporations
such as Siemens that located there before the construction boom, strongly profit from this
municipal development. It is assumed that the price of land multiplied within the last years.
Since several years Siemen’s City Account Managers seek for a more intensive dialogue with
the municipality. Moreover, an additional fourth mainstay was established that is dedicated to
infrastructure and cities. Moreover, The Hague established an additional focus area as the
‘City of Security’, in which Siemens actively participates as one of the founding members of
the ‘The Hague Security Delta’.
In September 2013, the head office of Siemens was bought by the Dutch investment
management organisation PingProperties. Through a sale-and-leaseback construction
Siemens is able to use its head office over a period of the next 12 years (PingProperties,
2013). The investment of €77,5 million comprises the building from 1972 and the building from
1994, with a total of 30.000 m² net floor space and 542 parking places. The application of the
sale-and-leaseback model is attributable to the worldwide changing corporate accommodation
strategy of Siemens. Ab van der Touw, CEO of Siemens Nederland N.V., stated that this is
based on the strategic decision to repel real estate of the corporation (PingProperties, 2013).
Reasons for this decision can be related to the capital release that creates financial space for
Siemens. This results in the optimization of capital through a focus on core business activities,
here (sustainable) products of Siemens that is ‘not locked into stones’. The world wide applied
sale-and-leaseback strategy strengthens the balance sheet and therefore has an impact on a
corporations financial reporting. Moreover, it is assumed that fiscal reasons play a role
because the corporation does not need to pay property taxes and the rent Siemens has to pay
is fully deductible in The Netherlands (Hordijk, 2010). Furthermore, the separation of real
estate and core business allows the corporation to focus on Siemens’s core business activities
and there is less distraction of operating business. It is assumed that one of the most striking
reasons are flexibility aspects; Siemens is not longer dependent on illiquid and inflexible
nature of their corporate real estate and therefore more gains more agility.
Hordijk et al. concluded in their mathematical calculation of 275 sale-and-leaseback
transactions in The Netherlands from 2000-2010, that 60 per cent are concluded against
higher rent than the market rent with a plus of 17,4% (Hordijk, 2010). However, it is assumed
that the rent Siemens needs to pay decreases the longer duration of the sale-and-leaseback
contract is. Siemens entered into a rather long contract with PingProperties, however is not
known which break clauses are implemented in the contract.
Furthermore, within the next year the Siemens head office in The Hague will be fully
renovated to the standards of the Breeam-NL area the Beatrixkwartier will be transformed
into. Hence, Siemens does not need invest and finance this costly transformation its own head office. Nevertheless, the building will be adapted to the requirements of the corporation; new developments such as ‘The Siemens Office Concept’ – will be implemented (PingProperties, 2013)

General Conclusions
The general conclusions are to be seen as reasoning on a higher level of abstraction where patterns are detected and general developments are described.

The broader context and repercussions of the accommodation of a multinational corporation
The fact that Siemens is located in the city of The Hague since more than 120 years is not solely referable to the interaction of the two actors; corporation and city. The 123 years of co-existence between the corporation Siemens and the city of The Hague must be seen in a broader context and from different managerial levels. Not only municipal (local) or regional, but also national politics were important drivers for the long accommodation of Siemens in The Netherlands. It is assumed that it is important for Siemens to be accommodated in the governmental capital of The Netherlands, as well as it is important for The Netherlands to have a multinational corporation like Siemens located in its governmental capital. Consequently, the municipality of The Hague was at service to contribute to larger (political) objectives. Furthermore, de Nijis states that ‘urban development is always personal development’ (Interview de Nijis, 2014). Taking into account findings of the case study, it is assumed that the personal relationship of the government with the multinational, electro-technical corporation Siemens and vice versa played an important role as well. Hence, influences from several levels co-determine the location and utilization of corporate accommodations on a rather local level, which can lead to discrepancies not only between corporation and city but also between national authorities and multinational organisations. However the physical location of a corporation is locally bound- the repercussions are much more widely felt and can even become part of a political level.

The professionalization of real estate management
The professionalization of real estate management is clearly visible by examining the development of corporate accommodations of Siemens in The Hague. A shift from the application of a rather incremental strategy, by developing several existing buildings into the Siemenshuis that features a strong representation of the corporation’s image, towards the professional management of real estate that creates additional assets, as for instance with the development of the Beatrixpark, emerged over the last decades. Especially in the 1990’s the development of the four resembling buildings by Siemens Real Estate features the transition of the corporation’s real estate management into a highly professionalized discipline. Although it is not clear what the corporation initially intended with the development of the Beatrixpark, to either grow in the complex and merge other corporation branches into the additional buildings or Siemens Real Estate simply seized the opportunity to create additional assets, it is certain that in this point the corporate real estate management of Siemens in The Hague was proactive and served a higher purpose. Through the management of its corporate accommodations Siemens Real Estate seized value-adding opportunities that contribute to the overall performance of the corporation’s business. Examples for added value of Siemens’s corporate accommodations are for instance improving efficiency increase of flexibility, creation of additional assets, centralization of business branches or enhancing sustainability.

Furthermore, there are three phases of accommodation use by Siemens; the first phase from the establishment until the beginning of the 1920’s, when the corporation took existing buildings in operation. A second phase where the corporation mainly built and owned its accommodations, and a third phase starting from last year where the corporation let the
market provide corporate accommodations which Siemens leases over a period of time. Consequently, there is a pattern from a generic approach of Siemen’s corporate accommodations at the beginning, from the 1920’s specialized approach and since last year back to a more generic approach again. This pattern demonstrates a general development from a highly complex and specialized business, towards a more standardized and generic approach that simplifies complex products or processes.

The fact that Siemens mainly used to built and own its corporate accommodations is attributable to the circumstance that the corporation can be seen as one of the pioneers in electrical engineering and there was simply no supply of suitable alternatives. Through the rapid growth of the corporation and the rather unexplored field of (electrical) engineering, it is assumed that the corporation needed to built its own accommodations in order to have access to the right resources. The entrepreneurial spirit of Siemens is reflected by the development of its corporate accommodations, such as the Van der Kunstraat, the Binckhorst complex or the head office at Prinses Beatrixlaan 800.

Striking relocation decisions
Most corporate accommodations of Siemens in The Hague had rather small operational periods. The development of new corporate accommodations is not attributable to the physical deterioration of the building; before every development of a new accommodation a process of decentralization or a process of reorganisation took place as, for instance, the merger of separately managed corporation branches or the division of clerical activities from manufacturing operations.

The expropriation of Siemen’s corporate accommodations in 1945 caused the loss of the accommodation at Van der Kunstraat and lead ten years later to the repurchase of the Siemenshuis and the development of the Binckhorst complex that replaced the manufacturing facilities that were located at the Van der Kunstraat. With the leaving of the Binckhorst complex Siemens one more time relocated its (reduced) manufacturing facilities to Zoetermeer in 1990. Since the last decade, these facilities are either outsourced to other corporations or sold.

In conclusion it can be said that relocation decisions of Siemen’s corporate accommodations were not caused by a changing urban planning policies of the municipality; Siemens most striking relocation decisions are referable to growth, reorganizational processes and centralization of the business.

The role of Siemens in the urban development of The Hague
Siemens did not play an important role in the development of urban planning policies in the city of The Hague; the corporation accommodated at locations that were already dedicated by the municipality and furthermore there were always other businesses located at these locations already.

Shift in the balance of power between corporation and city
The balance of power between corporation and city significantly changed within the last 130 years. This can be demonstrated through the analysis of synergy and conflict in the examination of the case study of corporate accommodations of Siemens in The Hague. During the establishment of Siemens in The Netherlands, the municipality of The Hague withdrew the production and supply of electric power, which lead to the forced closure of Siemens main accommodation at Hofsingel in 1907. Consequently, the municipality initially had more pull in the interaction with the corporation Siemens and conflicts were not turned into synergy. From the 1960’s, there is a clear shift in the balance of power between both actors noticeable for the first time; whereas in the 1950’s corporations were forced to relocate if their accommodation was not in line with the municipality’s urban planning strategy; in the 1970’s and 80’s there have been hardly any restrictions anymore. Corporation gained more pull in the interaction with a city.
In the 1980’s the city’s policy concerning corporate accommodations developed from “hardly any restrictions” to “a well-defined strategy” (Interview Schmitt, 2014). The municipality emphasized on attracting and keeping corporations in the city. Moreover, the policy of the municipality changed towards also focusing on corporations that are not necessarily referable to public- and governmental organisations or organisations related to United Nations. However it is not clear what caused the broadening of the focus towards private corporations, several reasons can be assumed; possibly in the late 1980’s the city saw advantages in the diversification of corporations that are located in the city. Consequently the city establishes additional pillars and do not limit itself to solely to ‘Peace and Justice’. Private, (multinational) corporations like Siemens are big employers that can counteract high unemployment rates and employ larger numbers of labour force. The broadening of the city’s scope can also be seen several years later, when the municipality added the identity of ‘The City of Security’. Through the broadening of the city’s identity, networks such as the ‘Security Delta’ could be formed that can have a multiplier effect in order to attract additional markets and corporations and create additional jobs.

However, this well-defined strategy resulted in the dedication for private corporations to accommodate on the axis along the Schenkade-zone, its seems like that the corporations located there more and more have ‘hardly any restrictions’ when it comes to negotiation to obtain advantages from the municipality. The relationship of corporation and city changed significantly; the corporation clearly has the upper hand in the interaction with the city. In case another attractive city entices with a good offer, the corporation is able to play both cities off against another and can pick the ‘highest bidder’.

The dependency of city and corporation (unilaterally) disappears in the near future
The pattern change from a specialized use of corporate accommodations back towards a more generic use, for instance through the application of the sale-and-leaseback model, is assumed to be an approach to become more footloose in the global world multinational corporations Siemens is operating in. This agility increases adaptability to economical-, and market changes. As a result, Siemens will be able to shift its business from one location to another one, if the current economic environment is not beneficial anymore. This development can be considered as an enormous threat for cities like The Hague, because they are still dependent on corporations (security of employment of their labour force, tax revenues etc.).

On the other hand, the corporation’s approach to increase agility can also redound to its disadvantage. The outsourcing of many specialized sub-branches can bear risks for the corporation; the decision to shorten the horizontal boundary of Siemens and to repel second pillars of the business can make the corporation more vulnerable and unstable. It is acknowledged that corporations have more pull in the interaction with cities, but there is a continuous formation of alliances on higher (managerial) levels that causes the blurring of local, regional or even national boundaries and can strengthen a city’s power and counteract the weakened position of a city. One of the most far-reaching alliances is, for example, the European Union. Furthermore, the significantly increasing agility of corporations can be an opportunity for a city to create a different built environment in order to become less depend on the decisions of one corporation. In order to rise to this challenge, cities need to create more flexible and highly adaptable urban fabrics, which can be entered and left by corporations more easily. These environments need to provide different functions as well that create more generic environments where different corporations can fit in. Hence, the reduction of a corporation’s horizontal boundary must be answered by the extension of a city’s market range with more generic and adaptable urban fabrics.
# Table of Content

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreword</td>
<td>2</td>
</tr>
<tr>
<td>Summary</td>
<td>3</td>
</tr>
<tr>
<td><strong>Chapter I</strong></td>
<td></td>
</tr>
<tr>
<td><strong>RESEARCH INTRODUCTION</strong></td>
<td></td>
</tr>
<tr>
<td>1. Introduction</td>
<td>17</td>
</tr>
<tr>
<td>1.1 Scientific relevance &amp; originality</td>
<td>17</td>
</tr>
<tr>
<td>1.2 Societal relevance</td>
<td>17</td>
</tr>
<tr>
<td>1.3 Utilization potential</td>
<td>18</td>
</tr>
<tr>
<td>1.4 Personal motivation</td>
<td>18</td>
</tr>
<tr>
<td><strong>Chapter II</strong></td>
<td></td>
</tr>
<tr>
<td><strong>RESEARCH METHODOLOGY</strong></td>
<td></td>
</tr>
<tr>
<td>2. Introduction</td>
<td>21</td>
</tr>
<tr>
<td>2.1 Problem analysis</td>
<td>21</td>
</tr>
<tr>
<td>2.2 Research question</td>
<td>22</td>
</tr>
<tr>
<td>2.3 The objective and intended end product</td>
<td>23</td>
</tr>
<tr>
<td>2.4 Research design</td>
<td>23</td>
</tr>
<tr>
<td>2.5 Research methods</td>
<td>24</td>
</tr>
<tr>
<td>2.6 A reader’s guide</td>
<td>27</td>
</tr>
<tr>
<td><strong>Chapter III</strong></td>
<td></td>
</tr>
<tr>
<td><strong>THEORETICAL INPUT</strong></td>
<td></td>
</tr>
<tr>
<td>3. Introduction</td>
<td>29</td>
</tr>
<tr>
<td>3.1 Interaction at different managerial levels</td>
<td>29</td>
</tr>
<tr>
<td>3.2 The concept of synergy and conflict</td>
<td>30</td>
</tr>
<tr>
<td>3.3 The specialization process of managing corporate real estate</td>
<td>31</td>
</tr>
<tr>
<td>3.4 Corporate real estate- forms of ownership</td>
<td>34</td>
</tr>
<tr>
<td>3.5 Public planning tools</td>
<td>37</td>
</tr>
<tr>
<td>3.6 Conceptual model</td>
<td>38</td>
</tr>
<tr>
<td><strong>Chapter IV</strong></td>
<td></td>
</tr>
<tr>
<td><strong>CASE STUDY</strong></td>
<td></td>
</tr>
<tr>
<td>4.0 Introduction</td>
<td>43</td>
</tr>
<tr>
<td>4.1 Outline of the evolvement of corporation and city</td>
<td>43</td>
</tr>
<tr>
<td>4.2 Case study introduction: Siemens in The Hague from first to last</td>
<td>45</td>
</tr>
<tr>
<td>4.2.1 From 1850- Hofsingel</td>
<td>46</td>
</tr>
<tr>
<td>4.2.2 From 1900- Huijgenspark</td>
<td>51</td>
</tr>
</tbody>
</table>
4.2.3 From 1925- WWII and post-war period 57
4.2.4 From 1950- Binckhorst 60
4.2.5 From 1970- Prinses Beatrixlaan 65
4.2.6 From 1990- Beatrixpark 69
4.2.7 Status Quo- change of ownership and relationship between corporation and city 74

Chapter V
EVALUATION & CONCLUSION

5. Introduction 81
5.2 Overview; corporate accommodations of Siemens in The Hague 81
5.2 Forms of ownership of corporate accommodations of Siemens in The Hague 83
5.3 The relationship of Siemens and the municipality 85
5.4 Case study conclusion 89
5.5 General conclusions 96

Chapter VI
REFLECTION & RECOMMENDATIONS

6.0 Reflection 101
6.1 Recommendations 102

References ii
Interviews vi
Appendix vii
Chapter I
RESEARCH INTRODUCTION
Chapter I Research introduction

1. Introduction

The following research introduction elucidates the scientific and societal relevance as well as the utilization potential of the graduation thesis ‘Corporate Accommodations of Siemens in The Hague’. Furthermore, it will outline the personal interest, aim and vision of this investigation.

1.1 Scientific Relevance & Originality

This graduation thesis is part of the research project ‘Corporations and Cities’, of the department of Real Estate and Housing in collaboration with the department of Urbanism of Delft University of Technology. ‘Corporations and Cities’ explores the relationship between corporate accommodation and urban development. The mainstays of the research constitute the ‘coherence of accommodation decisions with the functioning of the corporation in general’ (Vande Putte, 2012a), as well as developed and applied public and private accommodation strategies and their consequences on the development of the corporation as well as on the urban area of the city. Therefore, multinational corporations and cities are examined to explore their interaction and the effects they had on the development of each other. Multinationals such as Royal Dutch Shell, Nationale Nederlanden and BNP Paribas are already part of this project and examined on the basis of the following five central themes (Vande Putte, 2009):

- Corporate strategies and urban area development
- History and future
- Agglomeration strategies and location choices
- Image, branding and representation
- Management of symbiosis

This graduation thesis is examining corporate accommodations of the multinational Siemens Nederland N.V. in the city of The Hague. Thereby, one more case is added to the research project of ‘Corporations and Cities’. It is assigned to the central theme ‘Corporate strategies and urban area development’. Especially within the city of The Hague, there is a lack of knowledge about the establishment and development of multinational corporations and the influence they had on urban planning strategies and urban area development of the city and vice versa. Consequently, this research can be assigned to the branch of ‘Corporate accommodation in The Hague’, to overcome the lack of knowledge about the relationship of the city and the corporations that are located there. Working out the concept of synergy and conflict between city and corporation as well as the consequences of their corporate accommodation strategies and relate them to the consequences on urban area development of a city, will deepen understanding of these kind of interactions between public and private actors on a generic basis.

1.2 Societal Relevance

“There has been a drastic transition in the profession of managing a corporations’ real estate portfolio during the 20th century” (Dewulf et al., 2000, p. 15).

Since multinational corporations already have a long history in establishing in the city of The Hague, their corporate accommodations strategy (CAS), as well as the urban planning policy of the city itself, expanded and changed from the initial establishment until today. Assuming that there is a diversity of interpretation and utilization of public and private corporate accommodation strategies, conflicts emerged over the years between the altered
strategies and urban planning policies of the municipality. This can lead to various societal problems, if public objectives of the city of The Hague and the private objectives of the multinational corporation Siemens do not find a common basis. Siemens relocated within The Hague several times within the last 123 years. There are multifarious reasons, such as lack of space due to an expansion of the corporation, but also change of corporate accommodation strategies of Siemens or urban planning policies of the municipality of The Hague. Hence, this thesis is of interest for the corporations, which already accommodated and will accommodate in the city of The Hague and for the city itself in order to understand or overcome problems that can arise during these forms interaction.

1.3 Utilization Potential

Working out the concept of synergy and conflict between corporation and city as well as the consequences on corporate accommodation strategies urban area development, will deepen the understanding of these kind of public and private interactions from a scientific point of view as well as from everyday practice. The result of this research is on one side contributing to the research project of 'Corporations and Cities' and will be of interest to scientists, researchers and professionals examining the research field of Corporate Real Estate Management. On the other side, general expectations and recommendations regarding the future development a multinational corporation such as Siemens in the city of The Hague can be given to governmental as well as private executive authorities.

1.4 Personal Motivation

- Personal interest
  The Corporations and Cities research project falls within the field of Corporate Real Estate Management as well as Urban Area Development and therefore combines both of my personal fields of interest within the studies of the master track in Real Estate & Housing. Moreover, the merge of these two disciplines seen from the point of view of two different origins, in this case of a public and a private actor, aroused my interest. From a broad field of correlation of various motives, interests, visions and historical developments, the research field can be narrowed down right up to the building level. Hence, the essence is to be found in a range of buildings, which contribute to the corporate development and the urban development of a city. Consequently, this project contains both focus areas of my academic career which begun with a study in architecture and continues with the study in Real Estate & Housing.

- Personal aim
  My personal aim lies in understanding and relating the development of a city and a corporation to the interaction between public and private actors. By examining and comparing them to already conducted studies within the research field of Corporations and Cities, it is possible to detect patterns, to draw conclusions and to describe which lessons can be learned for future interactions between corporations and municipalities. During the graduation process I want to extend my skills in conducting scientific research and interviews in a way that my thesis is a contribution to the research project of Corporations and Cities. The knowledge gained during my graduation process combined with a collaboration with the real estate department of a multinational corporation, should prepare me to understand the match and mismatch of various strategies and motives of different actors and can give me a first insight into the working environment within the real estate sector.
- Personal vision about the research project
The challenge lies in examining the corporate accommodation strategy of a private actor and a public actor from a regional up to a national or even international level, in the time period of the last 123 years, which manifested in several buildings that contributed to the urban development of the city of The Hague.
For my investigation, I chose the city of The Hague as an optimal starting point to on the one hand overcome the lack of knowledge and to deepen the already existing knowledge and conducted scientific research.
Furthermore, The Hague was one of the first branches abroad for the German corporation Siemens. Siemens constitutes not only a very attractive case for the city of The Hague, because of its long history with the city, it also extends my personal literature research to a third language, my native language, German.
Chapter II

RESEARCH METHODOLOGY
2. Introduction

Firstly, the problem will be analysed. Secondly, the main research question and several sub-questions are raised. Further on, the objective and intended end product as well as the design of the research will be elaborated. Lastly, the research methods are described and a reader’s guide outlines the structure of this report.

2.1 Problem Analysis

The following analysis of the problem leads to the main research question and raises several sub questions that will be further examined.

As illustrated in figure 1, this graduation thesis encompasses a research field between the poles of Urban Area Development and Corporate Real Estate Management. Both disciplines evolved in the 19th century, when the industry and the infrastructural revolution gave rise to an urban explosion. From then on, they developed into professional disciplines that are closely interwoven.

Private organisations like multinational corporations profit from urban locations for various reasons as, for instance, to distribute their products, to attract employees, to create or underline their corporate identity and to strengthen their competitiveness. And also cities profit from corporations by, for example, generate jobs, assure additional (tax)income, attracting expats, underpin their city branding or strengthen their urban competitiveness (Vande Putte, 2010). Moreover, the planning and development of an urban area “involves a multitude of public and private activities” (Verlaat, 2011, p. 10).

Hence, Corporations are dependent on and influenced by the city they are located in and vice versa.

The city of The Hague is seat of the Dutch government and experienced this urban explosion from the middle of the 19th century, when thousand of people flocked into the western cities of The Netherlands. Consequently, it boasts a long history with multinational corporations that established there in the last centuries.

Siemens established one of its first branches abroad in The Hague in 1891, already 44 years later after its formation in Berlin. In the 123 years of corporate history of Siemens in The Hague, there has been an enormous technical progress and developments in the world of employment, urban planning and the utilization and development of corporate accommodations.

Hence, The Hague and Siemens share a long history and developed together from the initiation of electrical engineering to the 21st century.
2.2 Research Question

For the graduation thesis ‘Corporate Accommodations of Siemens in The Hague’, the following main research question can be derived:

‘How did the portfolio of the Siemens develop in the city of The Hague and when and how did synergy and conflict occur?’

The main research question raises several sub questions, which are classified as case study sub questions and generic theory sub questions. Furthermore, the sub questions are divided into three time periods to detect cause and effects of changes in the interaction between Siemens and the city of The Hague. Answers to these sub-questions are to be found in each paragraph.

**Generic theory sub questions**
- How and why did the professional discipline of real estate management evolve?
- What objectives can corporate accommodation strategies have?
- What kind of ownership form can a corporate accommodation have and what are their advantages and disadvantages concerning finance, flexibility, economic risk, taxation and efficiency?

Further on, the time period from 1850 is examined when the industrial and infrastructural revolution gave rise to an urban explosion in The Netherlands.

**From 1850**

**Case study sub questions**
- When were the first urban planning strategies applied in The Netherlands?
- What caused the need for urban planning strategies?
- Which of these developments could have influenced Siemens to establish its first branch in The Netherlands in The Hague?

By exploring the relationship of Siemens and the city of The Hague during the time from the establishment of Siemens until today, it is possible to examine their development of interaction more detailed by answering the following questions:

**1891-2013**

**Case study sub questions**
- How did urban planning of the city of The Hague develop from 1891 until today and which urban plans were the most striking?
- What where the main occurrences / developments that caused this changes?
- Which occurrences can be considered as milestones and which effects did they have for the development of Siemens in The Hague?
- Which conflicts did occur in the interaction between Siemens and the municipality of The Hague? What caused these conflicts? What where the consequences of these conflicts?
- Which measures have been/ can be taken to solve these conflicts?
- What where the main occurrences / developments that caused this changes?

Answering these sub questions enables to detect patterns, describe the lessons learned and to give recommendations for The Hague and Siemens.

**2014**

**Conclusion and Recommendations**
- What are the lessons learned for future and which recommendations can be given for the further interaction of Siemens in The Hague?
2.3 The objective and intended end product

The objective of this graduation thesis is to examine and picture the development of Siemens in The Hague and the urban development of the city from 1891 until today. The main emphasis is to describe the synergy and conflicts that emerged during this development and the effects/consequences they had for both actors. By answering the several research questions, the respective accommodation strategies of the corporation and the urban planning strategy of the city will be explored over the last 123 years. Examining the emerging consensuses and nonconformities enables to derive the lessons learned from this specific interaction. This contributes to overcome the lack of knowledge of ‘Corporate accommodation in The Hague’. Hence, it enables to give general recommendations for future establishments of multinationals in the city and specific recommendations and predictions of the further development of Siemens in The Hague.

The graduation thesis will be of interest from a scientific point of view, as well as from the perspective of executive authorities of municipalities and corporations.

2.4 Research Design

The first step of conducting this research is taken in the research proposal by elaborating the problem statement (‘What do I want to know?’), the research question (‘Why do I want to know this?’), the research objectives (‘What do I want to attain?’) and the target groups (‘Who can use the research findings?’), (Kumar, 2011).

The following elaboration of the research design and the research method are giving answer to the question of ‘How do I get the knowledge and when to plan each and every step to attain getting the required knowledge?’.

The main research question will be answered through an extensive literature study together with the examination of a single case study. The case constitutes the development of the corporate accommodations of Siemens in the city of The Hague.

The graduation thesis is an exploratory research that is characterized by inductive reasoning where theory is generated out of research to acquire the totality of the phenomenon or to select certain aspects for greater in-depth-study, (Kumar, 2011, p. 57).

The historical character and the inductive approach of this research enables to detect patterns that emerge from the collected and processed data.

The conceptual model in paragraph 2.6 generalizes and transfers the results of this qualitative research to other contexts or settings. However this is a difficult endeavour, it can be achieved to some extends because the process of establishing a corporate accommodation within an urban context is described extensively and thoroughly for other to follow and replicate (Kumar, 2011, p.85)

The sub questions are classified as generic theory sub questions and case study sub questions. Sub questions classified as generic theory sub questions will be answered through an extensive literature study that encompasses scientific literature about Corporate Real Estate Management and Urban Planning, master theses of the research project of ‘Corporations and Cities’, articles in real estate magazines as well as journal articles concerning corporate real estate.

Sub questions classified as case study sub questions will be answered through empirical research that will be conducted through interviews with experts from Siemens and the municipality of The Hague, archive research at the Haags Gemeentearchief and the achieve of Siemens, document analyses and literature review. Furthermore, a Wikipedia website will be established to approach possible contemporary witnesses that were connected to Siemens during the last decades and experienced its development in The Hague.
The thesis is of product orientated nature, and encompasses a single-case study that “becomes the basis of a thorough, holistic and in-depth exploration” (Kumar, 2011, p. 126), focused on the development of corporate accommodations of Siemens in the city of The Hague.

Related to the definition of a case study by John Gerring, this case constitutes an intensive study of corporate accommodations of Siemens in The Hague for the purpose of a generic understanding of ‘Corporate accommodations in The Hague’, wherein Siemens and the city of The Hague connote a spatially bounded phenomenon observed from the establishment of the corporation in 1891 until today (Gerring, 2004).

The choice to conduct a single-case study is based on the reason that this graduation thesis "sought to investigate [...] phenomena involving multiple and highly complex factors", (Groat, 2013, p. 356). Furthermore, this study deals with issues from a very broad scale that is narrowed down to the unique relationship and interaction of a single corporation within a specific city, here Siemens in The Hague.

Therefore, from a theoretical point of view it makes “more sense [...] to uncover the very complex dynamics of one setting of interest than to look less deeply at more settings. And from a practical point of view, the level of complexity involved also suggest[s] the virtue of a single case design”, (Groat, 2013, p. 356).

Hence, the choice of a single-case study approach enables a to examine the “phenomenon in-depth to provide rich description and understanding” (Walsham, 1995), in a predefined and limited time-frame this thesis needs to be conducted in.

Yin (Yin, 2009), is defining five rationales for single-case designs. This graduation thesis can be assigned to the rational of longitudinal cases, where a case is studied at multiple points in time. Hence, this approach enables to examine “how certain conditions change over time”, (Yin, 2009, p. 49).

2.5 Research Methods

This graduation thesis is an exploratory research that explores the development of accommodations of Siemens together with the urban development of the city of The Hague. The collection of data will be conducted through an extensive literature and empirical research as described in the aforementioned research design. This enables to establish a profound theoretical framework that is already geared to the case of The Hague. Semi-structured interviews with experts of the municipality and from Siemens will be conducted. The in-depth interviews constitute an open-ended and iterative process between data collection, data reduction, data display, and conclusions drawing/verifying (Groat, 2013, p. 174).

Inspired by the research design of Remøy (H. Remøy, 2010b), figure 2 illustrates the division of the theoretical and empirical part and the three mainstays every time period is examined under the aspects of strategy, building and location.

Moreover, it shows the division of theoretical and empirical research and the applied research methods that are subdivided into four different time periods. Through this examination approach of the research questions, the empirical and theoretical output enables to describe lesson learned, draw conclusions and give recommendations.
Chapter II Research Methodology

Corporate accommodation strategies and urban planning policies will be examined from various angles by describing their evolvement, answering the question of the utilization and working out possible conflicts between public and private. The relationship of synergy and conflict between municipality and corporation will be elaborated.

The starting point of the investigation concerning the case study constitutes the examination of conditions under which the establishment of Siemens in The Hague was launched. From here the utilization and location as well as the corporate development and the urban planning policies are examined. Questions regarding the existence of an initial CAS of Siemens and the need for urban planning policies will be answered. Moreover, the question concerning the reason for Siemens to establish in The Hague as their first branch in The Netherlands will be answered.

After the examination of the time period of the initial establishment, the time period between 1891 until today needs to be reviewed. Thereby, the development of corporate accommodation strategies and urban planning policies in respect of occurrences within the corporation, the city and the time period, will be examined. As a result, possible domino effects will be made discoverable.

By answering the sub questions with regard to the three different time periods on three emphases, strategy, building and location, conclusions can be drawn that explain the actual state of affairs: the current relationship of Siemens and the city of The Hague.

Hence, a cause and effect timeline can be established, which enables to detect patterns of the accommodating process of Siemens in The Hague. The last step is taken by reviewing the conclusions and describing which lessons can be learned for the future to give recommendations.

Figure 3 visualizes the different actors on various levels. The green lines represent the public party from a national up to the municipal level. The blue lines represent the private multinational corporation of Siemens.
Chapter II Research Methodology

Figure 3: Cause and effect timeline (own).

On the one hand, Siemens represents a corporation operating in various international levels with general motives and visions, on the other hand the Siemens Nederland is a local operating branch, which has to adapt to its individual environment. These timelines do not only run parallel to each other: they are both dependent on historical events as well as on individual occurrences within the corporation and the government/municipality. These occurrences need to be connected to each other. Hence, general conclusions regarding relationship and dependency on each other can be derived.
2.6 A reader’s guide

Chapter one outlines the motivation why this research is executed through the description of the scientific relevance and originality as well as the societal relevance and the personal motivation.

Chapter two describes the analysis of the problem and addresses the research question. Furthermore, research design and research methods are elaborated and a description of the objective and intended end product gives insight to the positioning and emphasis of this research within the project of ‘Corporations and Cities’.

Chapter three covers part of the theoretical input that examines the hierarchical levels of strategy- and policy making for corporations and cities and elaborates the concept of synergy and conflict between these two actors. Moreover, public planning tools and the specialization process of managing corporate real estate as well as commonly applied forms of ownership of corporate accommodations are outlined. Finally, a conceptual model merges the theory into a process from existing corporate accommodations to future corporate accommodations.

Chapter four encompasses the case study, which is divided into seven periods in time. Part one outlines the evolvement of urban planning policies of the city of The Hague and the establishment of Siemens in The Netherlands. Part two contains a detailed examination of all corporate accommodations of Siemens in The Hague and the most striking urban development plans of the city of The Hague from 1891 until today. Every corporate accommodation of Siemens in The Hague is compared with and related to the urban planning policy of the city of The Hague over the last 130 years in several sub-paragraphs. Moreover, each sub-paragraph describes and examines original correspondence between the corporation and the city. Hence, the process of synergy and conflict between the municipality of The Hague and Siemens is described on the basis of their original correspondence as well as on expert interviews and interviews with contemporary witnesses from the phase of establishment until today.

Chapter five evaluates the collected theory of chapter three and the findings from the case study in chapter four. Finally, conclusions can be drawn and the main research question is answered.

Chapter six comprises a reflection on result, method and process as well as it gives recommendations for further research.
Chapter III

THEORETICAL INPUT
Chapter III Theoretical Input

3. Introduction

Chapter two expounds the theoretical framework. It describes the management of corporate real estate strategies and urban planning strategies on different managerial levels and examines the relationship of synergy and conflict. Furthermore, it describes the evolvement and utilization of corporate accommodation strategies and outlines several strategy formations. The following chapter pictures the various forms of ownership of corporate accommodations with its assets and drawbacks in order to benefit a corporation. The literature study of this research is of exploratory nature and sets the theoretical framework of the research.

3.1 Interaction at different managerial levels

The fact that Siemens is located in the city of The Hague since more than 120 years is not solely referable to the interaction of the two actors; corporation and city. The establishment of a multinational corporation like Siemens must be observed from several points of views and different managerial levels.

The larger purpose of accommodating a multinational corporation such as Siemens in The Hague is not only a goal of the local municipality; it is also of interest of the national Dutch government. Hence, the establishment and development of a (multinational) corporation within a city is part of a broad range of activities involving government intervention at various levels, from local (municipal), regional or provincial to national or even international levels and in interaction with the activities of private organisations (Verlaat, 2011, p. 9).

Figure 4 not only shows the positioning of this research within the project of ‘Corporations and Cities’. It also illustrates that the urban policy of the city of The Hague is controlled and steered on different levels as well as the corporate accommodation strategy of the corporations itself is determined by their international operating parent company. Hence, not only public actors have a hierarchical structure that determines their urban policy decisions from multiple levels, the same is true for corporations. The phenomenon called ‘nesting’ (Vande Putte, 2012b), describes the various levels from which a corporation implements a strategy in response to the context. In this case, an internal or external real estate branch of a multinational corporation determines a general corporate accommodation strategy. The Siemens Real Estate department is located in the head office of the mother company in Munich, Germany. From there, all real estate decisions are guided. The real estate department predetermines how the accommodation strategy needs to be implemented within the several international branches. These influences from several levels co-determine the location and utilization of corporate accommodations on a rather local level, which can lead to discrepancies not only between both actors but also within larger scales of the organisation.
Hence, however the physical location of a corporation is locally bound - the repercussions are much more widely felt and can even become part of a political level. Consequently, the 123 years of co-existence between the corporation Siemens and the city of The Hague must be seen in a broader context; with economical, societal and technical influences.

Furthermore, there is a long history of multinational corporations establishing in The Hague, such as, Royal Dutch Shell, Aegon and Nationale Nederlanden. Hence, the municipality has a longstanding expertise in handling big corporations within the city. Furthermore, each of the accommodated corporations has a different history and relationship to the city while establishing and developing over the last decades or even centuries. This leads to a scientific problem, the lack of understanding of the varying relationship(s) between city and multinational corporations located in The Hague.

3.2 The concept of synergy and conflict

Since multinational corporations already have a long history in establishing in the city of The Hague, their corporate accommodation strategy developed and expanded from the initial establishment until today. During the development of Siemens in The Hague for the last 123 years, not only the corporation but also the city’s urban planning policy evolved, enhanced and changed in form of new policies, zoning- or city expansion plans which could have lead to mismatches between public and private objectives. Due to the dependency of city and corporation and their changing strategies, tensions can arise which can lead to detriments for both parties. This can cause various societal problems, if the public objectives of the city and the private objectives of the multinational corporation do not find a common basis. These conflicts can have various detriments for both actors. Examples for setbacks concerning the city can are an unfavourable publicity, the loss of jobs, community relation’s setbacks, a loss of fiscal revenues or competitive advantage. For the corporations setbacks can be additional costs, delays of developments, an unfavourable policy or the loss of competitive advantage. Therefore a common objective is seen as the golden threat where corporation and city interact with each other in a beneficial way for both actors.

“The balance sheet of corporate real estate and community interests has been subjected to many forms of both rational and irrational analysis” (Musil, 2011, p. 184). The relationship between corporations and municipalities is most of the times not clearly to describe, but the effects are noticeable on many levels. According to Musil, the collaboration with public stakeholders and local units of government is perhaps one of the most challenging areas of corporate real estate practice. If a corporate real estate manager does not base his decisions on rational analyses, “future problems will likely surface, generating additional costs, delays, and community relations setbacks”, (Musil, 2011, p. 182).

In order to develop a flourishing public-corporate relationship, numerous aspects need to be elaborated from both sides. When corporations and cities are negotiating over corporate accommodations, commitments and incentives in order to be willing to collaborate come into play. For example, economical and environmental impacts, such as fiscal revenues and employment benefits, can create multiplier effects that are desirable for both actors. As further explained in the development model, corporate accommodations are possible consequences of the creation of synergy between both actors. If the corporate accommodation strategy or an urban planning policy changes due to the adjustment of motives, visions or objectives, mismatches will occur that can lead to conflicts.

Figure 5 illustrates the concept of synergy and conflict. The common objective is seen as the golden threat where corporation and city interact with each other in a beneficial way for both actors. Thus, when public objective and private objective converge to a common objective, synergy is created. Whereas when both objectives drift apart from each other it causes
antagonism, which can give rise to various societal problems. This leads to the following hypothesis that there was a match between the objectives of the city of The Hague and those of Siemens, when Siemens’s establishment took place 1891. On the other hand, Siemens relocated its accommodations within the city for several times. This could have happened because of rather obvious reasons such as, for example, the lack of space, but also because of the mismatch of objectives, like a changing corporate accommodation strategy or urban planning policy or even a change of the relation on a personal human level.

Hence, as illustrated in figure 6, a corporation’s decision regarding its accommodation is a result of its corporate accommodation strategy, whereas a city determines the framework conditions on a corporation’s accommodation through its urban planning policy. In their field of interaction they can create synergy or conflict as a result of similar or contradictory requirements and objectives. Variables of urban planning policies are, for instance, zoning plans, land prices, parking facilities etc. In order to create synergy, several steering means can be applied from both actors, which are elaborated further in the conceptual model. However, the dependency between corporation and city can show substantial imbalances. According to Heurkens (Heurkens, 2012, p. 23), the relation between city and corporation experiences a shift on a societal scale within the last 30 years. The hierarchical relationship changed towards a network-oriented relationship, which is resulting in a decreasing role for the public actor and an increasing role for the private actor in decision making and responsibility taking (Pors, 2013). According to Pors, corporations get more responsibilities, while the municipalities have rather a facilitating role. This leads to the following hypothesis: The relationship of corporations and cities undergoes important changes through the process of globalization and the endeavour to manage a flexible adaptation to economic changes and cycles. As a result, multinational corporations are less and less bound to a specific physical location. Moreover new developments, such as the New Ways of Working, result in a decrease of space a corporation requires to operate its business. Consequently, cities are in a more and more weaker position compared to corporations.

3.3 The specialization process of managing corporate real estate

During the 20th century the profession of management started growing with the management of an organisation in general. The beginning of Siemens is closely linked to the industrial revolution, and the same applies to urban expansions of cities such as The Hague. As a result
of the industrial revolution, plenty of corporations established in urban areas, which lead to an increasing need for industrial buildings and offices.

By examining the case of the corporation as Siemens, which established in The Netherlands already 123 years ago, the evolvement and transition of the management of corporate real estate can be illustrated. A corporation like Siemens is built on the foundation of technological progress in electrical engineering and operating in a continuously changing environment in which its corporate accommodations need to adapt over and over again.

Over the last century, a shift from providing ‘a roof over the head’ towards the representation of the corporation’s image and the professional management of real estate emerged. The professionalization of real estate is clearly visible on Siemens’ accommodations. One of the most striking was the well-known building project called the Siemencity. The development of an almost autonomous, holistic Siemens-City in which people work, life and raise their family, shop and spend their leisure time was one of the most complex and remarkable real estate developments of big corporations in that time. The crucial reason why corporations did not only provide work, but also developed further-reaching systems and accommodations was based on the scarcity of the labour market, increasing competitiveness and simply because there was no supply of suitable alternatives (Vande Putte, 2014). In this moment in time companies like Siemens have been so far ahead of the development of the rest of the society that they needed to create access to the right resources themselves. By examining the case of Siemens in The Hague, this is can be illustrated by the fact that Siemens developed all of its main accommodations itself.

Due to rising accommodation costs, the mass introduction of computers that changed workplaces and business processes, and the process of globalization the basis was formed for establishing a managerial approach to real estate and real estate services (de Jonge et al., 2009). Since the industrialization until today, technological progress, economic cycles, globalization and innovations in workplace design challenges corporations to include their property in the overall business strategy (Lindholm, 2006). Furthermore, it is in the nature of buildings that they deteriorate and need to be exchanged or adapted to meet the requirements of the user over the course of time (Vande Putte, 2012b). The real estate market is rather static in terms of long development periods, long building life spans and a slow reduction of stock, as well as limited production capacity and governmental regulations. There is a dynamic demand of real estate, in particular for corporate real estate, because of property cycles or waves that reflect varying market conditions, "where the economic activity moves from boom phase to bust and back to boom repeatedly" (Grover, 2013, p. 503). The rather slow adjustment mechanisms of the property market lead to the need of a proactive and long-term management of a corporations’ real estate portfolio to avoid hog-cycle effects, that constitute an unproductive phase shift between demand and supply (Vande Putte, 2012b).

In conclusion, you can say that real estate is subject to constant change. Especially corporate accommodations are subject to various changes, which can be of external or internal nature. An internal change can be a change of the organizational structure or the deterioration of the physical structure. That can be further more influenced by internal changes as, for instance, technological process and innovations in workplace design. External changes can be a result of changing economic cycles and processes.

For all the reasons mentioned above, the management of corporate real estate gained more and more attention during the 20th century and evolved into a professional discipline (DeWulf et al., 2000). Pioneers as, for instance, Zweckhauser and Silverman (1993), Veale (1989) and Nourse (1990), started to explore the research field of CREM. From the 1960’s this discipline branched into several sub-disciplines that specialized on different corporate divisions. Twenty years ago, Nourse and Roulac (Nourse, 1993), criticized the lack of interest of corporate managers to connect their overall business objectives to their property. Moreover, they are arguing that a big amount of a corporation’s assets are found in
real property and maintenance costs. Corporate real estate management (CREM) represents not only the often costly need for a corporation to literally have a roof over the head. It is a “value adding opportunity” (Lindholm, 2006, p. 38), which can contribute to the overall performance of a corporations’ business (Dewulf at al., 2000). Examples for added value of real estate can be elements as increasing productivity, cost reduction, risk control, increase of value, increase of flexibility, changing the culture or public relations and marketing (de Jonge, 1996).

Therefore, a corporation’s decision on its real estate must be in line with the general accommodation strategy, which is supporting the overall corporate business objectives (Nourse, 1993). According to Jensen et al. (Jensen, 2013), CREM focuses on alignment of real estate to corporate needs and objectives, incorporating the needs and wishes of shareholders and different stakeholders at strategic, tactical and operational levels. De Jonge (de Jonge, 1994), positioned corporate and public real estate management in terms of a match between business i.e. the demand side and real estate i.e. the supply side connecting the strategic and operational level.

Figure 6 shows four sub-divisions of corporate and public real estate management (C/PREM) that are based on four perspectives. General Management, Asset Management, Facility Management and Project Management constitute disciplines that share the objective of optimally attuning corporate accommodation to organisational performance (de Jonge, 1994). Moreover, they can either have a focus the institution itself or on its real estate and have an operational or strategic approach.

Hence, corporate/ public real estate management is a holistic approach managing the strategic and operational level of real estate on four main domains between business (the demand side with the focus on institution) and real estate (the supply side).

According to Porter (Porter, 2004), the main objective of a corporation is to reach sustainable competitive advantage, to “have capabilities and competences that enable them to produce services and products the market is willing to buy” (Singer, 2007, p. 28). In order to reach this goal, real estate is to be seen as a capital asset that needs to be in line with the objectives of the individual corporations business (Appel-Meulenbroek, 2007).

Due to the fact that almost every corporation has its unique business and individual overall objectives, there are a number of individually modified real estate strategies (Lindholm, 2006). Hence, every organisation is using a specific real estate strategy that is adjusted to their needs and the focus on the financial value of real estate has changed into a focus on the added value to the organisation. Nevertheless, there are various categorizations of real estate strategies. Roulac (Roulac, 2001), categorizes them into the following strategies:

- Minimize occupancy cost
- Increase flexibility
- Promote human resources objectives
- Promote marketing message
- Promote sales and selling process
- Facilitate/ control of production
- Facilitate managerial process
- Capture the real estate value creation of business

Whereas Roulac refers to eight strategies, O’Mara (O’Mara, 1999) differentiates between the
following three core strategies; The Incremental Strategy, which is adjusting to an uncertain future and builds upon itself one after another. The end result is often a portfolio of “a random collection of various buildings, which most of the times does not deliberately contribute to the expression of an organisation’s competitive strategy” (Singer, 2007, p. 26). Moreover, this strategy is often unsuitable for the static nature of the real estate market and does not result in optimal financial investments.

The Value-Based Strategy, which often results not only in a portfolio of functional buildings, also embodies the corporate identity in form of a visual statement. This can contribute to a desired image that additionally “uses design to shape behaviour” (Singer, 2007, p. 28). A possible disadvantage of the application of a value-based strategy can eventuate in a portfolio of a costly time-consuming and malfunctioning buildings.

The Standardisation Strategy, is resulting in a portfolio of iterative, similar buildings with a “predictable use of assets” (Singer, 2007, p. 27). This strategy has a rational emphasis on business effectiveness, costs and employees behaviour.

By looking at the different strategy approaches of Roulac, Porte and O’Mara, it becomes clear that a corporation’s accommodation strategy is not easy to subscribe to one of these strategies, due to its multifaceted nature and strategy changes over time. Roulac’s categorization of eight different strategies is more to be seen as objectives, which intertwine and are of versatile nature.

A corporation such as Siemens that established at the beginning of the industrial revolution, went through all different stages from the need ‘to have a roof over the head’ towards the professional discipline of corporate real estate management with its several sub-categories. Nowadays, Siemens has like other multinational corporations an own real estate department that manages its corporate accommodations all over the world. The objectives of these corporate real estate departments can go beyond what is necessary to provide the corporation with building. Hence, the value adding opportunities such as increasing productivity, cost reduction, risk control and increase of flexibility are not the only objectives anymore. In the last couple of decades, corporate real estate departments almost act as private investors by developing buildings that are never meant to be in use by the corporations itself. However, these developments create assets that contribute to the overall performance of a corporation’s business. These developments are solely executed by the corporation itself and therefore represent (mainly) private interests. As a result, the questions can be raised if corporations that act like private investors effect the relation between corporations and cities negatively, because they pursue their own interests instead of working together in public-private partnerships that can benefit the public interests of a municipality.

3.4 Corporate real estate- forms of ownership

The portfolio of Siemens in The Netherlands experienced not only several extensions and relocations; it went through different forms of ownership as well. These ownership forms can be a substantial aspect of a corporate accommodation strategy; it can strongly influence the financial management of the corporation, can improve or worsen flexibility, risk management or taxation issues, as well as it can effect the efficiency of the corporation. Traditionally, corporations in Europe used to own most of their real estate. The fact that Siemens mainly developed and owned its corporate accommodations is attributable to the fact that there was simply no supply of better alternatives. The pioneering spirit of the rapidly
growing corporation resulted in the situation that Siemens had to provide most of its resources itself. However, from the 1960’s offices were developed for tenancy (Kohnstamm, 1994). In the 1980’s, an increasing number of corporate real estate divestment and outsourcing deals to real estate professionals took place in Europe (Groenlund, 2008). During this time also Siemens’s real estate management transitioned into a highly professionalized discipline with the development of the Beatrixpark in The Hague. The corporation developed a business complex which was partially rented out to third parties and sold after several years. Furthermore, Siemens entered recently into a sale-and-leaseback contract concerning its Dutch head office. Hence, a corporation’s portfolio can show various forms of ownership that can have many advantages and disadvantages. The most applied forms are discussed in the following paragraph. Therefore the division of Tipping and Bullard (Tipping, 2007) is used.

- **The single entity**
  Until the 1960 and building was usually contracted, owned, and often even built, by the user of the building (Gunst, 1989), who was either represented by an individual, a partnership or a company (Tipping, 2007). Properties tend to be viewed as an historic cost basis and a free asset, since no mortgage payments or rent are made. This rather out-dated view fails to appreciate and realize the value and opportunities lying in the present values of the premises (Tipping, 2007). Until the 1960’s, this was the common practice until the service economy exploded and the office market emerged as a new phenomenon (H. Remøy, Koppels, P., Jonge, de H., 2008). Buying is a capital-intensive endeavour, with a high risk for the owner. Moreover, it does not allow flexible adaption to the market in form of scale and location, because the capital is locked into property. However, the decision between building a new accommodation is often based on the fact that there is a mismatch between supply and demand of existing buildings and limited possibilities of adaptation of these buildings (Van der Voordt et al. 2012, p. 29). An own property or even a new building can be to a 100% adapted to the requirements of the corporation.

- **The Property and operating company split- the Opco-Propco Model**
  Through the splitting of business operations and property into two separated parts, an internal market is created whereby the operating corporation (the Opco) is expected to pay the property corporation (the Propco) a market rent for the property (Tipping, 2007). This ‘Opco-Propco’ strategy enables both parts to focus on their core business activities and allows corporations to separate depth off the books of the operating corporation. “A partial spin-off can be achieved through the creation of joint venture arrangements with specialist property investors. Such joint ventures are normally structured through devices often known as special purpose vehicles (SPVs)” (Tipping, 2007, p. 3). These SPVs are half owned by both, operating corporation and the property corporation normally by each having an equal share. The Opco-Propco model is a predecessor of the sale-and-leaseback model and is capable for further adaptation.

- **Sale-and-leaseback**
  In the financial sale-and-leaseback contract, the firm sells an asset to a third party, but simultaneously enters into a lease on that property from the third party for its continued use (Fisher, 2004). The first sale-and-leaseback transaction already took place during the 1920’s in The UK, but since the last 20 years this form of property transaction developed more and more, also in the industrial, office and retail markets of The Netherlands. In order to strengthen their balance sheet partly due to recession, corporations consider sale-and-leaseback to separate their operational property from their core business activities (Hordijk, 2010). To create a positive market reaction, the sale-and-leaseback transaction needs to create some gains for shareholders over dept (Groenlund, 2008). Tipping and Bullard (Tipping, 2007), list the following five potential motives/ sources of wealth-creation through a sale-and-leaseback transaction:
I. **Finance;**
big capital release; optimization of capital through a focus on core business activities can lead to more efficiency; possible increase of borrowing capacity; strengthens balance sheet, therefore has an impact on a corporation's financial reporting and earnings per share.

II. **Accounting;**
through the new International accounting standards (IAS), accounting factors became less important for the choice of this model because longer term leases will be treated as a financial lease and accordingly be shown as a liability on the balance sheet (Hordijk, 2010, p. 27).

III. **Taxation;**
because the real estate is not owned by the operating corporation, they do not have to pay property taxes. Moreover, the rent to pay is fully deductible.

IV. **Specialization;**
separation allows focus on the corporation's core business activities; less distraction of operating business; more property expertise leads to higher efficiency.

V. **Flexibility;**
iliquid and inflexible nature of real estate; increasing flexibility when break clauses implemented in the contract. When a closure of a corporation's real estate is planned, it is advisable to enter in a sale-and-leaseback contract until closure.

The two most important aspects in handling sale-and-leaseback transactions are a sufficient length of lease and strong covenant. However the financial reason is often the crucial motivation for a corporation to enter into a sale-and-leaseback transaction, Hordijk et al. concluded in their mathematical calculation of 275 sale-and-leaseback transactions in The Netherlands from 2000-2010, that 60 per cent are concluded against higher rent than the market rent with a plus of 17,4% (Hordijk, 2010).

- **Sale-and-manage back**
  Especially in the leisure industry sector, this model is very popular where the operating corporation sells its property to an investor, which then grants a management contract, instead of subsidiary interest in the property (Tipping, 2007). This model was a preferred way in the hotel sector, especially for large hotel chains all over the world, to separate their real estate from their operating hotel business. The profit is depending on the management contract: apparently you need more quantity of property to achieve the same level of profit. With the implementation of the new IAS, this model allows to not show leases as liabilities on the balance sheet. [That means exactly? Ask Mr Hordijk]. Moreover this model bears several accounting and taxation benefits and does not require much capital.

- **Outsourcing**
The outsourcing model contains different variations. According to Kingsmill (Kingsmill, 2005), it is defined by the investor also providing property management services. This holistic management includes ownership, management and development of real estate in form of long- and/ or short-term services. For the lessee this provides flexibility and limits risk and unlocks capital.

The following table illustrates the advantages and disadvantages of forms of ownerships of corporate real estate in terms of financial aspects, flexibility, economic risk, taxation and specialization- and efficiency aspects.

<table>
<thead>
<tr>
<th></th>
<th>Finance</th>
<th>Flexibility</th>
<th>Economic Risk</th>
<th>Taxation</th>
<th>Specialization/Efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single entity</td>
<td>Capital locked</td>
<td>Low</td>
<td>High for</td>
<td>High property</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>for owner</td>
<td></td>
<td>owner</td>
<td>taxes</td>
<td></td>
</tr>
</tbody>
</table>
Chapter III Theoretical Input

<table>
<thead>
<tr>
<th>Ownership Form</th>
<th>Capital Release for Owner</th>
<th>High for Propco</th>
<th>High for Plant &amp; Property Taxes for Propco</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opco-Propco</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sale-and-Leaseback</td>
<td>Capital release for owner</td>
<td>High</td>
<td>Low</td>
<td>Tax deductible</td>
</tr>
<tr>
<td>Sale-and-Manageback</td>
<td>Capital release for owner</td>
<td>Very High, additional management services</td>
<td>Low</td>
<td>n.a.</td>
</tr>
<tr>
<td>Outsourcing</td>
<td>Capital release for owner</td>
<td>Very High, additional management services</td>
<td>Low</td>
<td>Tax deductible</td>
</tr>
</tbody>
</table>

Table 1; Ownership forms advantages & disadvantages (own).

When talking about ownership forms of buildings, it is not only about the often-discussed question of leasing or buying. In a case study of Dewulf, ownership is viewed in a very traditional way that (possibly) misses opportunities. However leasing is often connected to higher costs, it can achieve an even bigger net income after taxes (Dewulf et al, 2000, p. 82). The benefits of separating operational property from a corporation’s core business have become increasingly recognized in Europe in the last two decades (Groenlund, 2008). Financial reasons seem to be the deciding reason for this transaction by creating financial space for the company. However it is an opportunity for corporations for capital release in times of recession, it comprises several advantages reaching from tax deduction over specialization to flexibility.

Also in the Netherlands, the sale-and-leaseback model is recently increasingly applied. Hereby, the length of the leaseback periods influences the incentives of the seller and buyer (Fisher, 2004). On the one hand, corporations that enter in this form of ownership model in The Netherlands pay a higher rent compared to normal market rents. On the other hand, the rent price is dependant on the duration of the lease contract; the longer the period of the leasing contract, the lower the rents.

3.5 Public planning tools

As already discussed in the aforementioned paragraphs, corporate real estate management evolved into a professional discipline during the last decades. However, for the establishment of a corporate accommodation there are two actors necessary; corporation and city. By examining the case of Siemens in The Hague, it is one assumption that in the end of the 1990’s the corporation acted almost like a private investor by developing office accommodations in order to rent it out to third actors for the creation of additional assets. Here, the questions can be raised if corporations that act like private investors effect the relation between corporations and cities negatively, because they pursue their own interests instead of working together in public-private partnerships that can benefit the public interests and the urban development of a city.

To address such a concern and to actively steer urban developments, public bodies can influence (the outcome of) urban developments with a variety of policy tools that are categorized in shaping, regulating, stimulating or building capacity activities (Tiesdell & Allmendinger, 2005).
**Planning Tools**  
Typical Sub-types  
Typical Examples

| Shaping (e.g. shaping decision environment or context) | Development plans  
(e.g. public infrastructure investment plans) | Transport infrastructure investment plans |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulatory plans (e.g. statutory plans, policies, strategies)</td>
<td>National planning policy &amp; development plans</td>
</tr>
<tr>
<td>Indicative plans (e.g. non-statutory plans, policies, strategies &amp; advice)</td>
<td>Establishing a spatial vision for the area</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Regulating (e.g. defining parameters for decision environment)</th>
<th>State (or third party) regulation</th>
<th>Planning/development controls</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractual (or bilateral) regulation</td>
<td>Restrictive covenants attached to land transfers</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Stimulating (e.g. restructuring contours of decision environment)</th>
<th>Indirect/fiscal measures</th>
<th>Subsidies (tax breaks) encouraging desired activities (e.g. deelict land reclamation grants) and/or taxes to discourage certain activities (e.g. tax on greenfield development)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct state action</td>
<td>Compulsory purchase of land joint ventures</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Capacity building (e.g. developing actor’s ability to identify and/or develop more effective, desirable strategies)</th>
<th>Actor-network relationships</th>
<th>Arenas for interaction/networking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social capital</td>
<td>Partnerships/partnering arrangements</td>
<td></td>
</tr>
<tr>
<td>Cultural perspectives</td>
<td>Thinking ‘outside the box’</td>
<td></td>
</tr>
</tbody>
</table>

Table 2: Planning tools types & intended market effect, (Heurkens, 2012, p. 87)

According to Heurkens, shaping tools are applied through various forms of plans, such as, development plans, regulatory plans or indicative plans. Regulating tools can be in form of state regulations and contractual regulations. Stimulating tools encompass indirect or fiscal measures in form of subsidies or taxes to encourage or discourage certain activities, as well as direct state action. Capacity building encourages an actor’s ability to develop and/ or identify more effective and desirable strategies through e.g. the formation of partnerships and innovative solutions (Heurkens, 2012, p. 56).

The categorization and description of planning tools and types, elaborates the rather abstract and theoretical approach of public exertion of influence on developments with private bodies. However, it does not include human competencies as, for example, in form negotiations a highly important driver to influence and shape the outcome of developments.

**3.6 Conceptual Model**

As illustrated in Figure 7, the conceptual model exemplifies the process of existing corporate accommodations to future corporate accommodations over time. Due to its extensive and thorough description, it is suitable for other to follow and replicate. This model is reproducible and its results can be generalized or transferred to other contexts or settings (Kumar, 2011, p. 185).

In the first instance, the historical background sets the conditions under which a corporate accommodation strategy is established. These conditions are in this case preliminary factors as, for instance, technological, economical, demographical, environmental and organisational developments, which all have a strong impact on real estate (Dewulf et al., 2000). The preliminary factors also can be assigned to the context of the two actors within this case study; by the examination of the case the corporation Siemens increases its businesses through technological developments.
Furthermore, economical developments pertain to the implementation of new technology. This process can be illustrated by reference to the process of industrialization: the shift from an agriculture-based to an industry-based economy. Siemens’s roots are grounded in the period of industrialization; through electrical engineering, telecommunication technology, and the development of medical devices, the corporation grew to one of the biggest electro-technical corporations of The Netherlands, or more precisely, of the world.

Demographical factors can determine the underlying circumstances for a corporation to establish in a country, a region, or a city. On the other hand, the accommodation of a multinational corporation within a city can have an influence on its demographical structure. Siemens was one of the big employers within the city of The Hague and moreover attracted many expats, which could constitute a match to the international orientation of the city of The Hague.

Ultimately, organizational developments can benefit or harm the development of a corporation as well as a corporation’s development can benefit or harm the development of a city. The city of The Hague presents itself as the international city of peace, justice, and security. In view of the strong emphasis on an international orientation, The Hague needs to accommodate a range of multinational corporations within the city. However, the corporation’s field of action also should fit the city’s orientation.

An accommodation strategy of a corporation is controlled by a hierarchical structure on different managerial levels, where the parent corporation/organization sets the scope of a general corporate accommodation strategy. Similarly, a city’s policy on accommodating corporations is accomplished on several levels as described in paragraph 2.1. Public bodies have a range of planning tools to implement their urban planning policy in order to steer and influence developments. According to Heurkens (Heurkens, 2012), a public corporate accommodation strategy can be stimulated and executed by tools that are
categorized as shaping, regulating, stimulating and capacity building. These public planning tools and the varieties and different applications of private corporate accommodation strategies are elaborated further in the theoretical part of chapter two.

In case public and private actors share the same objectives, synergy is created. This synergy can have the consequential effect of the establishment of a corporate accommodation. The development of synergy encompasses several steering means. Pors (Pors, 2013) applies the following two definition of steering means:

1. **Meaning means are means, which result in the realization of an intended goal**, (Baarsma et al., 2007, p.34).
2. A steering mean is a means an actor can apply to achieve a particular steering performance (goods and services, or an intended steering effect (behaviour), (Van den Heuvel, 2005, p. 23). Here, steering means occur in form of negotiations and incentives (money, publicity etc.) given by one or both players.

During the further development of this interaction, motives, visions and requirements of the actors can change. This change can be based on extrinsic and intrinsic factors. Van der Voordt (Van der Voordt et al., 2012) distinguishes between four factors of (re-)location decisions: push-, pull, keep- and objection factors. The following table illustrates the distinction of, for this research relevant, three (re-) location factors that are further subdivided into extrinsic and intrinsic changes.

<table>
<thead>
<tr>
<th>Keep Factors</th>
<th>Pull Factors</th>
<th>Push Factors</th>
</tr>
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<tbody>
<tr>
<td><strong>Extrinsic</strong></td>
<td>e.g. contractual reasons</td>
<td>e.g. Space to expand, Good accessibility</td>
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<tr>
<td><strong>Intrinsic</strong></td>
<td>e.g. emotional connection, traditional reasons</td>
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Table 3: (re-) Location factors (own).

A solution of conflicts can either have the consequential effect of renewed negotiations and/ or incentives that create new synergy. Furthermore, new synergy can be created through a new policy that is implemented in the adapted corporate accommodation strategy/ urban planning policy of the actors. In case the occurred conflicts are not solvable, the collaboration terminates. Therefore, the described process can be of cyclic as well as noncyclic nature. Hence, results of corporate accommodation strategy changes/ urban policy changes can be, for instance, take-over or change of ownership, new accommodation, expansion, transformation, diminution or consolidation.
Chapter IV

CASE STUDY
Chapter IV Case Study; Siemens in the city of The Hague

4. Introduction

The first paragraph examines the evolvement of urban planning strategies in the period of industrialization; the same period in which Siemens established its business in the field of electrical engineering. Moreover, it addresses the relation between the public urban planning strategies and private economical issues as well as it describes the evolvement of Siemens in The Netherlands. Paragraph two describes the various corporate accommodations of Siemens in The Hague and examines the relationship between corporate accommodations strategies and urban planning strategies as well as their results in synergy and conflict between corporation and city.

4. 1 Outline of the evolvement of corporation and city

Evolvement of urban planning strategies in The Netherlands

In the nineteenth century, the industry and the infrastructural revolution gave rise to an urban explosion in The Netherlands. Industry and transit trade let the way to the future and caused a growing population, generated jobs and raised the wealth of the population (Wagenaar, 2011). As a result, more and more corporations emerged and settled down in cities and developed them into “real engines of the new economy”, (Wagenaar, 2011, p. 158).

The first urban planning theories came from Germany and also addressed economical issues. The pioneer of Urbanism is called R. Baumeister and wrote the treatise on urban expansion in 1876, named ‘Urban expansion from the point of view of technology, policing and economy’, in which he argues that the only acceptable basis for a city is a sound, industrial economy (Wagenaar, 2011, p. 179). Moreover, Baumeister states in his book that it is the municipality’s task to produce a general plan that directs the future growth of a city and not to leave urban growth up to the market. “Even if the state was not expected to run the economy, it had at least proven its ability to create the conditions under which private enterprises could flourish”, (Wagenaar, 2011, p. 157).

Over time, town planning principles from Germany, England and the United States were imported and adapted to the Dutch situation (Wagenaar, 2011, p. 176). However, the city of The Hague played a role in urban planning history by, for example, participating in the first urban planning exhibition in 1903 in Dresden, Germany. Already twenty years before this exhibition, The Netherlands experienced a shift from agricultural-based regions to a concentration of industrial regions in the western provinces, the ‘Randstad’ area. The new residents were poor and suffered from bad living conditions. Hence, urban planning was needed not only to shelter all the immigrants that flocked into the urban areas, it was necessary to combat the ‘dramatically unhealthy conditions in the cities’ (Wagenaar, 2011, p. 204).

Consequently, the initial tasks of urban planning were to provide canalization, water supply systems, garbage disposals and to establish infrastructure. This was all made possible through the pioneering Public Housing Law (‘Wooningwet’) and the Public Health Law (‘Gezondheidswet’) that came into force in 1901. The enormous flood of people entering the urban areas lead to the first applications of zoning plans, which were initially applied in Amsterdam where housing was transformed into offices.

Whereas in the 19th century the first expansion plans were drawn up by civil and military engineers, the beginning of the 20th century engendered the pioneers of Dutch architects and urban planners as, for instance, K.P.C. de Bazel, H.P. Berlage, W. Dudok, J.H.E. Rückert and A.W. Weissmann.

Since the post-war period there was an urgent need for reconstruction plans and Dutch urban planning matured into a professional government-led planning system with the production of various spatial plans, functioning as organizational devices, to structure urban (and rural) developments on different spatial scales (Heurkens, 2012, p. 136).
Hence, from day one of the industrial revolution, urban and industrial expansions were a domain of both, market and state. Corporations that wanted to accommodate in a city have been dependent on the urban planning policy of the city. On the other hand, cities are dependent on corporations in order to, for example, attract potential employers and labour force. The state was not only responsible to provide basic conditions under which the industry could grow, it determined the general set-up in form of expansion- and land use plans. Down to the present day, the Randstad is the conurbation of Dutch industry in which the city of The Hague is an important player. Hence, The Hague is an important economical engine for the Dutch economy right from the beginning of the industrialization and experienced many urban planning policies over the last 150 years as elaborated in this chapter. A cause and effect time-line of the most striking urban planning policies concerning the development of Siemens in The Hague is to be found in appendix X.

Evolvement of Siemens in The Netherlands
Siemens can truly be called a pioneer in electrical engineering and the development of its accommodations reflects corporate history with regard to historical developments, technical progress and drastic changes in the world of employment from the industrial revolution until today. Since its establishment in Berlin 1847, the company’s steady growth rested primarily on scientific discoveries and their utilization in innovative products were marketed by Werner von Siemens and Johann Georg Halske (Schäche, 1997). Hence, in 166 years of corporate history, their buildings evolved from mere waterproof shells into an ‘emblem of identity’ (Schäche, 1997).

Today, Siemens is a multinational corporation with over 400.000 employees and 2500 locations worldwide, operating in Europe, America, Asia, Australia, Africa and the Middle East (Siemens, 2013a). Siemens Real Estate was officially founded in 1994 in Munich and is directing offices, factories, workshops and warehouses of around 4.2 billion Euros and 15.8 million square meters rentable space (Siemens, 2013d).

The history of Siemens in The Netherlands can be traced back to the year 1852, already five years after Siemens was founded in Berlin. Back then, Siemens delivered telegraphs to the governmental Dutch telegraph office in order to establish the first connection between Rotterdam and Belgium (Siemens, 2013b). Figure 8 shows one of the first original invoices of Siemens & Halske (S&H) for the Dutch government dated back to the 21st of August 1852. Siemens and The Hague share a deeply rooted history. Already in 1879, the electric lighting company ‘Wisse, Piccaluga &Co.’ was a collaboration of the engineer Piccaluga and the sub-director of the Rijkstelegraaf with S&H and located at the Zuid-Oost Buitensingel 137 in The Hague (Sterk, 2004). Two years later, Siemens established its first own accommodation in the city, only 44 years after the formation of the ‘Telegraphen-Bauanstalt Siemens & Halske’ in Berlin.

Between 1879 and 1882 S&H sold its products solely to the Dutch government as, for instance, lighting equipment for the Rijkstelegraaf, the building for Art (‘Gebouw voor Kunsten’) in The Hague, as well as for the train stations Haarlem and Amsterdam. Moreover, the first electrical trams of The Netherlands were built by...
Chapter IV Case Study; Siemens in the city of The Hague

S&H in 1899 for Haarlem and 1903 for Amsterdam (Wegner, 1970). In 1891 Siemens made its first attempt to settle down in The Netherlands by taking over the electrical central office from the collaboration with ‘Wisse, Piccaluga & Co’ in the city centre of The Hague. 15 years later, the corporation needed to hand its accommodation over to the Dutch government and close the doors of the first Dutch Siemens & Halske Electric Power Company. However, a small office remained. Another 15 years later, the second attempt to establish in The Hague was more successful. It is assumed, that the location choice right next to the city centre was based on the strong relation to the Dutch government. Back then, the city was already the seat of the government, which was the most important client for Siemens in The Netherlands.

Many organisational reorganisations followed; in 1932, the corporation was renamed from ‘Siemens & Halske’ to ‘Nederlandse Siemens Maatschappij N.V.’ and eventually in 1970 to ‘Siemens Nederland N.V.’ (Siemens, 2013c).

Several times Siemens relocated within the city of The Hague and extended from a small office building in the city centre over a factory and warehouse in the industrial centre to a prestigious office complex at the Beatrixkwartier in The Hague.

Today Siemens Nederland N.V. employs over 2,990 people and has an annual turnover of 1.3 billion Euros (Siemens, 2012). Figure 9 shows the organisational structure of Siemens that is divided into the following four branches: Energy, Healthcare, Industry and Infrastructure & Cities. Every sector has its own management and sub-sectors. Regional organizations such as Siemens Nederland accomplish core business activities abroad. Siemens Real Estate constitutes a cross-sector service, steered by the head office in Munich but also represented by smaller units in other countries.

4.2 Case Study Introduction: Siemens in The Hague from first to last

The following paragraph elaborates the various corporate accommodations of Siemens within the city of The Hague. Therefore the accommodations are divided into seven time periods from 1850 until today. Every sub-paragraph comprises an introduction describing preconditions that lead the way to the establishment of the corporate accommodation. Further on, the utilization of the building itself is described as well as the corporate development, the location and urban expansion of the city of The Hague, and the interaction between corporation and city during the specific period of time. The description of synergy and conflict is illustrated in a figure after for each period and after each individual sub-paragraphs a conclusion is drawn.

In order to give answer to the question of how to evaluate the present location of Siemens at the Beatrixpark and to give further recommendations regarding the development of the corporation’s accommodation, the location Beatrixkwartier and the office market in The Hague is described. Further on, the development of the today’s vision on corporate accommodations in the city of The Hague is examined through interviews with the former city architect of The Hague.
Hague, Maarten Schmitt and the town planner Louis de Nijs. Finally, the change of ownership from single entity to sale-and-leaseback is analysed.

4.2.1 From 1850-
Siemens accommodation Hofsingel 25 & 57 from 1891 until 1906

I. Preconditions
The Hague experienced a growth from the middle of the 19th century thanks to its emerging industry (Stokvis, 1987). In that time, it was still located solely within its central canal system, the ‘Singelgrachten’, which are dated back to the beginning of the 17th century. Figure 11 shows the expansion of the city of The Hague from 1850, whereby the Willemspark, a district north of the city centre, was the only expansion that was realised before 1860 (Stokvis, 1987, p. 13). Around 1870, the inner city of The Hague encompassed about 60,000 inhabitants. In 1874, after the abolishment of a law that prohibited to build outside the central canal system, the southern districts beyond the Singelgrachten got expanded, see figure 10.

![Figure 10: Initial city expansion from 1850 (right), Location of businesses in 1889 (left). (Stokvis, 1987)](image)

In 1880 the Dutch agriculture products got driven out of the market by cheaper competitors form overseas, which resulted in the so-called farmers-wave ('Boerengolf') that made plenty of people loose their agricultural work (Wagenaar, 2011). As a result of this agricultural crisis, more than 4000 people per year moved from rural areas to the urban area of The Hague. The first urban expansions through the governmental urban planning department took place, named the ‘Dienst Gemeentewerken’. This municipal organisation bought, as well as incorporated, areas around the city centre for future developments (Schuddebeurs, 2013). From 1870, the amount of factories, retail and offices rose (Kouwenberg, 2012). The left picture in figure 10 illustrates that businesses where mainly located within the central canal system in 1889.
In 1878 the electric light company Wisse, Piccaluga & Co was founded by the sub-director of the Rijkstelegraaf. One year later, Willem Johannes Wisse got the exclusive right to represent Siemens & Halske in The Netherlands. Due to a growth of business, Wisse, Piccaluga & Co. formed into a trading company named the ‘Nederlandse Maatschappij voor Elektriciteit en Metallurgie’ (NMEM). Due to financial difficulties, Wisse entered into a partnership with Siemens & Halske (Wegner, 1970). Therefore, the NMEM was renamed into ‘Centraal Station voor Elektrische Stroomlevering’. One year later Siemens & Halske terminated the collaboration with Wisse and founded an own, independent electrical power company at the Hofsingel of The Hague.

II. Location & urban expansion of The Hague
The Hofsingel is located in the centre of The Hague, between the today’s art museum ‘Mauritshuis’ and the tower of the prime minister of The Netherlands. In this time, The Hague only covered the central canal system, the Singelgrachten, and a few districts attached to it (Stokvis, 1987). The rising industry and the technical progress lead to a rural exodus and the establishment of many businesses within the city centre and facilitated the rapid growth of corporations such as, for example, Siemens & Halske, Figure 11 visualizes the accommodation of S&H at the Hofsinel 57 from 1891-1906. Arnold Knoppert, archivist at Siemens, reconstructed the location of the electric power company (highlighted in red) in a collage of two maps; one from 1900 on the left side and one from 1880 on the right side. Noticeable is the close proximity to the seat of the Dutch government with the then building of the Dutch House of Representatives (Tweede Kamer) and the Ministry of Foreign Affairs directly opposite to the first corporate accommodation of Siemens. Nowadays the Tweede Kamer is located on the lot that is outlined in dashed lines.

III. Corporate accommodation
In 1891, the electrical power company and cable network was opened by Siemens & Halske at Hofsinel 57 (Stokvis, 1987). The Hofsinel is a road located within the central canal system of The Hague. In January 1891 a contract was signed, which also included an office at Hofsinel 25. This accommodation represented the first technical office of S&H outside of Germany (Dicke et al., 2004). Figure 12 shows a picture of the employees of Siemens & Halske in front of the factory at Hofsinel 57 in 1894.

The ‘Central Station Electrical Power Company’ grew fast through the rising demand for electrical connections from 1.500 connections in 1889, up to more than 22.000 connections in 1903 (Dicke et al., 2004, p. 25). In 1898, there were 12 employees working in the technical
office and 22 workers employed in the factory (Wegner, 1970, p. 33). The Dutch engineer Nicolas Jan Singels was already working for Siemens in Berlin before he became director of the electrical central office. In 1895 his position was taken over by Willem Huygens. Between 1895 and 1898 the accommodation expanded through the confiscation of some of the surrounding buildings. However, this expansion was not sufficient for the increasing demand for electricity, therefore S&H asked the municipality for more space to expand.

IV. Corporate Development

At the end of the nineteenth century, the corporation was still named after its founders Werner Siemens and Johann Georg Halske, even though Werner Siemens retired from business already in 1890. Back then, 2,000 of their 4,500 employees were employed outside the boarders of the German Reich as, for example, in Russia, the United Kingdom and Austria (Siemens-AG, 1997).

In 1890, a Siemens & Halske Department Service for Foreign Concerns established in Berlin. After the first technical office settled down in The Hague, many more followed all over the world (Dicke et al., 2004). Hence, already in the early years when Siemens established, it was an international orientated corporation.

In 1899, S&H delivered the electrical installations for the ‘Nederlandse Electrische Tram-Maatschappij’. In 1912 Siemens got the order to install the lightning of the Peace Palace in The Hague, which was built in 1913 (Interview Groot, 2014). The fact that all electrical installations in the Peace Palace were built by S&H shows their strong relation to the Dutch Government right from the beginning.

Until the First World War, Siemens had independent companies operating their own manufacturing facilities in France, Belgium and Spain. The main focus of the corporation was not only an increase of their electro-technical business; it also was the geographic coverage of S&H in Europe and Russia (Siemens-AG, 1997).

V. Interaction between corporation and city

In 1901, the local council of The Hague decided to take charge of the provision of energy by public bodies; therefore S&H was not allowed to continue its business for longer than the next one and a half years (Kanneworff, 2011). Finally, the municipality built an own electric power plant through the ‘Gemeentelijk Electriciteits-Bedrijf’ (G.E.B).

Consequently, Siemens & Halske had to close the doors in 1906 and hand over its factory to the G.E.B. (Van den Noort, 1993). Only the technical office at Hofsingel 25 remained. Hence, however there was a physical proximity between city and corporation, conflicts occurred when Siemens wanted to expand its business and the Electric Power Company.

Figure 12; ca. 1894 Employees of S&H for electric power supply at the factory near the Hofsingel (left), Hofsingel road ca. 1900 (right). (source: Haagsebeeldenbank)
This endeavour ended in a long-lasting and sometimes aggressive argument between both parties (Dicke et al., 2004, p. 25).

“Toen Siemens in 1897 de gemeente Den Haag vroeg om meer mogelijkheden en zekerheden bleek bovendien dat de gemeente twijfels plaatste bij de particuliere exploitatie van elektrische energie en nadacht over een eigen centrale. Een langdurige en soms agressieve strijd ving aan tussen beide partijen.”

(Dicke et al., 2004, p. 25)

Appendix I contains the original contract between the mayor and alderman of The Hague and S&H, represented by the director W. Huygens, based on the council order from 15th February 1904. The agreement is clearly to the benefit of the municipality of The Hague, which took over the electric power company of S&H within one and a half years and dictated several further determining claims. However, the corporation received a limited compensation for their losses of the period of two years. The following table illustrates the main arrangements within this agreement:

| Article I | S & H needs to continue its operating business according to the instruction of mayor and alderman ‘as long as they want them to’. |
| Article II | After the municipalities power plant is in use Siemens is allowed to run its business for 1 ½ years |
| Article III | The extension of continuation can be decided by mayor and alderman There is a limitation of dedicated recipients Siemens can deliver electricity to |
| Article IV | At the moment the municipality takes its own power plant into use, S&H is not allowed to continue its business The municipality of The Hague is compensating S & H for their losses of two years (with a maximum amount) |

Table 4; important articles concerning takeover in 1904 (see appendix I)

VI. Outline- synergy & conflict between corporation and city

Figure 13 outlines the process of synergy and conflict between the municipality of The Hague and the corporation Siemens in the period from around 1880 until 1906. Through the rising industry and the rural exodus the city grew rapidly and attracted businesses to locate at, first within and after 1874 also outside, the central canal system. Siemens’s business with the Dutch national government increased and therefore the corporation chose the city of The Hague to establish its first technical office abroad and to run the electrical power company to provide energy for the city. The corporation’s accommodation strategy and the city’s urban planning strategy were in line with each other and created synergy in form of two corporate accommodations; the technical office at the Hofsingel 25 and the establishment of the electrical power company at the Hofsingel 57. However, this synergy only lasted for 15 years until the municipality of The Hague changed its policy. The provision of energy by private corporations was not longer tolerated and resulted in the take-over of the electric power company by the municipality. After the closure, Siemens could retain the technical office at the Hofsingel 25.
VII. Conclusion

Corporation and city evolved and grew through the repercussions of the industrialization. The business relation of Siemens with the Dutch government can be traced back to 1952, when Siemens delivered telegraphs to the governmental Dutch telegraph office. From the beginning, Siemens was an internationally orientated corporation with several branches abroad. The corporation’s strategy was the expansion of the business and the geographic coverage of Siemens & Halske in Europe (Siemens-AG, 1997).

The location choice of the corporation is attributable to the close proximity to Siemens’s main client, the Dutch government. During the early 1890’s businesses were still mainly located within the central canal system of The Hague. At the beginning of the relationship, the corporation’s accommodation strategy was in line with the urban planning policy of the city. As many other businesses did during this period, the corporation settled down within the central canal system. The corporate accommodation at Hofsingel was next to the seat of the government. However, there was a close physical proximity between city and corporation conflicts occurred and 15 years later the business of Siemens was not in line anymore with the general policy (regarding the private provision of energy) of the municipality. A long-lasting and aggressive argument between both parties resulted in the forced closure of Siemens’s the Electric Power Company at Hofsingel 57. Consequently, the municipality made use of a regulating public planning tool by establishing a contractual regulation that permitted the operation of the accommodation only for a limited period of time and set a limitation to several dedicated recipients which Siemens can deliver electricity to. Hence, at the beginning the municipality had more pull in the interaction between corporation and city and conflicts were not turned into synergy. Nevertheless, the municipality compensated part of the losses of the corporation and Siemens could remain its technical office at Hofsingel 25.
4.2.2 From 1900- Huijgenspark
Siemens accommodation, Huijgenspark 38- 39 from 1921 until 1976

I. Preconditions
From 1900 until 1930, the number of inhabitants in The Hague increased to around 400,000 people (Schuddebeurs, 2013). During this time, the area between Scheveningen and the centre developed and grew together to one city (Kouwenberg, 2012). Whereas around 1890 mechanized businesses were spread all over the core centre, in 1912 bread, metal and furniture manufactures were located directly beyond the Singelgrachten using the canal system for transportation. According to Stokvis (Stokvis, 1987), banking and trading companies located in preferably in representative buildings around the Hofkwartier, big stores around the shopping streets at the Kerkplein and for the civil servants working for the government, new buildings were erected around the Binnenhof. The Hague is the seat of the Dutch government and back then already was an important employer and client that attracts plenty of employees and markets.

The first expansion plan of the architect K.P.C. Bazel in 1905 includes a public square of around 140,000 m² that represents 'the brotherhood of humankind' (Schmitt, 2008). From this central point, eight streets emanate that divide the city into several parts. The scheme of the eight-armed cross of Bazel is taken up in the expansion plan of H.P. Berlage, which is to be seen in figure 14. The city expansion plan of the architect H.P. Berlage was established five years after the Plan of Bazel. Prominent in the Plan of Berlage is the “subdivision of the city into numerous smaller units, often with partly symmetrical street patterns centred around a square” (Wagenaar, 2011, p. 225). Through this expansion plan the municipality wanted The Hague to stay an attractive residence for wealthy people, to built parks and squares, create visual axes and establish main routes from south to north and west to east and to built new residential areas. This division was never replaced until today (Interview Schmitt, 2014).

Moreover, the canal systems needed to be modernized and the streets needed to be suitable to new traffic requirements. According to The Hague’s former city architect Maarten Schmitt (Interview Schmitt, 2014), the Plan of Berlage is more to be seen as a design, which is applicable for almost any other European city than as an urban planning policy that embodies tailored needs and requirements of the city of The Hague. Although, the Berlage Plan was designed for the wider area of The Hague, it was only partially executed. This can be traced back to various reasons, such as the outbreak of the First World War, a devastated economy and the incorporation of Loosduinen (Schuddebeurs, 2013).

The first office buildings were located next to industrial locations and governmental offices, banks or stock-exchanges were situated in the city centre (Bluestone, 1991). Moreover, they have been developed near or in combination with infrastructural works. With the emphasis on improving health and living conditions, there was a division of industry, offices and housing for
workers “neatly divided and connected by infrastructure and green zones, at the same time letting more light, space and air into the urban fabric” (H. Remøy, Koppels, P., Jonge, de H., 2008, p. 2). After 1890, the amount of commercial and office staff was rising in The Netherlands (Stokvis, 1987). The pioneer office buildings have been, for instance, the ‘de Nederlanden’ from H. P. Berlage built in 1927 in The Hague, the White House in Rotterdam (from 1897) and the office building of the Dutch Trading Company in Amsterdam. During the 20th century, functionalism of offices was represented by sobriety, specialization, improvement of efficiency and the first standardized floor plans (Schuddebeurs, 2013). During the interwar period the number of inhabitants and business in the cities were still growing rapidly.

II. Corporate Development
At the beginning of the 20th century, the German architect Hans Hertlein designed the first high-rise factory buildings of Europe for Siemens in Berlin (Siemens-AG, 1997). Together with the architect Karl Jahnisch he was responsible for all Siemens buildings during that time. Firstly they built the German version of the ‘Siemenshaus’ as well as the famous complex ‘Siemensstadt’ [German for Siemens-City] in Berlin. The corporation’s idea of a Siemensstadt was not only to provide homes for their employees, but infrastructure, schools, shops, pharmacies and many more. The concept of the Siemensstadt was based the erection of an autonomous city district, populated by Siemens employees and their relatives. Seven years after the erection of the Siemeshaus in Berlin, its Dutch equivalent was built in The Hague. In 1919, two years before the head office in The Hague was built, it was the corporate strategy of Siemens to gain access to old (through WW I lost) and new export markets and to set up sales companies and manufacturing locations in foreign countries (Siemens-AG, 1997, p. 38).

III. Location & Urban expansion
The Huijgenspark is located right behind the boarders of the central canal system, the Singelgrachten. In the 19th century, the Huijgenspark was well connected and one of the first developed areas outside the Singelgrachten (Geschiedenis van den Haag, 2013). The park formed the entrance for everyone coming from the direction of Rotterdam, Delft and Rijswijk (Geschiedenis van den Haag, 2013). However the park was firstly mentioned in 1860, the street going through it is dated back to the year of 1741. This street was called the ‘Bogt van Guinea’ and got his name possibly through the curved course of the road. Therefore, the ‘Bogt van Guinea’ was also the initial name of the park itself. Through the presence of an infirmary, it was as later also called ‘Zieken’. In 1872 a murder was committed in the park and the image of the area was damaged that it was renamed to Huijgenspark in 1873 (Wikipedia, 2014). However, the final change of name into Huijgenspark is very likely referred to the then director of Siemens, Willem Huygens, it is named after Constantijn Huygens, a poet and composer from The Hague.

Figure 15; 1922 Huijgenspark Office of Siemens (left), Stationsweg and Huijgenspark with tram (right) (source: Haagsebeeldenbank)
Chapter IV Case Study; Siemens in the city of The Hague

Figure 15 shows the electrical tram opposite of the Siemshuis, which connected the area with Rijswijk and Delft and replaced the horse-tram along the Huijgenspark, two years before the Siemshuis was built.

From this time, the municipality of Hague wanted to accommodate business and industry outside the central canal system. Around 1900, already other businesses located there as, for example, a furniture factory called ‘Anna Paulowna’ and an iron foundry named ‘de Prins van Oranje’ (Wikipedia, 2014). Figure 16 shows that the park is clearly visible in the expansion plans of Berlage and therefore it is assumed that it was a relevant location in the urban planning of the city of The Hague. However, it was not a new planning of Berlage, he inherited the already existing park in his plans.

Figure 16 shows the expansion plans for ‘s-Gravenhage by H.B. Berlage in 1909 with Huijgenspark.

Figure 16: Plan of Berlage The Hague, 1909 (source: Haagsebeeldenbank)

IV. Interaction between corporation and city

According to Faber- Wittenberg, employee at the Foundation for Industrial Hereditament of The Hague (Stichting Haags Industrieel Erfgoed), the municipality offered Siemens a lot to develop a corporate accommodation at the Pletterijkade, a road next to the Huijgenspark. Because the municipality would have had a leasehold-contract on this site, Siemens rejected this offer and bought instead an old villa at the Huijgenspark 38 together with a building at ‘het Zieken’ 103 in 1908 (Faber- Wittenberg, 2013).

Due to an increase of business in the 1920’s, Siemens & Halske achieved a turnover in The Netherlands of over 7.5 million Dutch Guilders (Dicke et al., 2004, p.52). Consequently, the corporation needed to expand its accommodation at the Hofsinigel 25 in The Hague. In 1908, S&H rented additional office space at the location ‘het Zieken’ 31, a building that had a back exit to the Huijgenspark 39c. Figure 17 shows the several locations (coloured in red) Siemens used over the time between the Huijgenspark and the road ‘het Zieken’ before they developed the Siemshuis (Interview Knoppert, 2014).

“Met de vele vestigingen in de stad raakten de activiteiten steeds meer verspreid, wat onnodige kosten opleverde. Dat kon efficiënter, zodat de directie besloot een eigen gebouw neer laten te zetten. Na toestemming van het hoofdkantoor in Berlijn let men het oog vallen op het terrein tussen Zieken en Huijgenspark”

(Dicke et al., 2004, p. 40)
V. Corporate accommodation

In 1921-22 Siemens & Halske transformed an existing villa at Huijgenspark and several smaller buildings around it into the Dutch ‘Siemenshuis’. On 13th of July 1922, the first head office building of Siemens & Halske in The Netherlands was opened- an important step in order to centralize all several smaller offices and represent the corporation in The Netherlands. The transformation cost almost 770,000 Dutch Gilders and was solely financed by the German mother company S&H in Berlin. The four storeys high building still exists until today and features a strong architectural influence from Germany. It is very similar to the Palace Ludwig Ferdinand from 1825 from the famous German architect Leo van Klenze (Faber-Wittenberg, 2013). The architect Hertlein explained in his book that it was designed to impress; it had an prestigious function as the corporation’s head office in a foreign country (Hertlein, 1929).
Nico Groot, a former Siemens employee who worked for Siemens from 1960-2005, remembers a typically hierarchical layout of the offices; as illustrated in figure 19, there have been several collective office rooms for ten, five or three employees. Only the direction had own, separated offices (Interview Groot, 2014). Figure 18 shows a floor plan of the head office from 1929, when there were still spacious rooms for manufacturing facilities accommodated in the building. At the beginning of the 1930’s these manufacturing facilities were relocated to the corporate accommodation at Van der Kunstraat, see sub-paragraph 4.2.3. The Siemenshuis was from 1922 until 1976 in the portfolio of the corporation. After WWII, the government expropriated the head office at the Huijgenspark for ten years; in 1945 municipal Centraal Distributiekantoor took over the accommodation. Nevertheless, one small working place and the construction office of Siemens remained in the building (Dicke et al., 2004, p. 69). In 1955, Siemens bought it back for approximately 500.000 Dutch Guilders (Dicke et al., 2004, p.78). Two refurbishments took place within this time; one directly after the repurchase and one in 1965 (Wegner, 1970).

Figure 19 shows a floor plan from the Siemenshuis in 1966, with several additional extensions compared to figure 18. The drawing illustrates the integration of already existing buildings in the corporate accommodation. On the lower left site there is a flat, which is assumed to be for the facility manager. The thick wall on the right site gives a strong indication for the fact that the accommodation is not a new development, but several existing buildings nested within one another and a new façade attached in front of it. This floor plan can be read as an indicative for negotiations between corporation and city. It is assumed that normally, a corporation like Siemens would demolish existing structures and built a new accommodation. The extension of the existing building structure shows that Siemens either did not have the financial possibilities or was not permitted by the municipality to develop a new construction. Either way, the corporate accommodation strategy can be considered as incremental.

In 1976, the Siemenshuis was swapped with the lot where the today’s head office is located, which will be elaborated further in sub-paragraph 4.2.5, and developed into an office for the ‘Dienst van Gemeenteplantsoenen’. In 1998 the former Siemenshuis got transformed into an apartment building.

VI. Outline- synergy & conflict between corporation and city

Figure 20 illustrates the concept of synergy and conflict between the corporation Siemens and the municipality of The Hague from 1907 until 1955. In 1907 the municipality offered S&H a lot to develop at the Pletterijkade. Due to a leasehold contract, Siemens was allowed to develop an accommodation on the lot but also was supposed to make annual payments per m² to the municipality. Siemens rejected this offer and requested to expand at the Huijgenspark, where they already owned several parcels between the park and the road ‘het Zieken’ (Figure 16).
In an announcement of the mayor and aldermen of The Hague from 3rd of August 1920, the conversion of the land use plan of these several parcels from housing- into office-use is approved. The municipality allowed the conversion of the land use plan in the case that several existing buildings are demolished, see appendix II A. Moreover, a letter from the municipal administration of The Hague (‘Gemeentebestuur van ‘s-Gravenhage’) to Siemens on 29th October 1920, comprises a positive answer concerning their new development plans in case that several building guidelines will be respected, and an existing residential building will be incorporated in the development see appendix II B.

Further on, a memo of a meeting between two employees of the municipal construction supervision agency (‘Bouw- en Woningtoezicht’) Mr. Meijer and Mr. Brouwer and the director of Siemens W. Huygens on 21st July 1921, comprises a negotiable matter concerning the development plans of Siemens, see appendix III. During the negotiation, Mr. Meijer assures to permit the conversion of the land use plan and the building of the new development regarding the building Huygenspark 40, in case that Siemens will back away from the initial conversion of the land use plan regarding another building (Zieke 107).

"Wij hebben den Heer Meijer voorgedragen, dat wij het Parceel Huygenspark 40 aan de bewoning wil onttrekken, het willen afbreken en aan onzen nieuwbouw toevoegen tengebruike als bureau, dat wij daartegenover bereid waren, afstand te doen van ons verleende toestemming, om het bovenhuis Zieke 107 aan de bewoning te onttrekken voor bureau-doelheinden, met dien verstande, dat Heer Meijer op een nader door hem vast te stellen tijdstip ons zou kunnen opleggen, dit parcell Zieke 107 wederom te doen bewonen. (…) Hij heeft ons uitdrukkelijk verklaard, dat tegen deze maatregel geen bezwaar zou worden opgeworpen en wij gerust onzen gang konden gaan. Hij was diegene, die ten deze adviseerde en gaf ons de verzekering, dat zijne adviezen ten deze niet door hoger hand worden terzijde gelegd."

(see appendix III)

On 13th July 1922, the Siemenshuis at the Huijgenspark 38- 39 was opened. Soon again a lack of space occurred and the building at the Van der Kunstraat got developed in 1929. This time Siemens accepted the fact that the municipality was the leaseholder of this lot.

As a consequence of corporation’s actions during the Second World War the Siemenshuis and the Van der Kunstraat got expropriated. Nevertheless, a small office and the construction office remained in the Siemenshuis itself and two more accommodations at the Rijnstraat in The Hague and the Geestbrugkade in Rijswijk got developed. Eventually the Siemenshuis was bought back from the municipality in 1955.

Figure 20; Synergy & Conflict 2; Huijgenspark (own)
VII. Conclusion

The relocation of the remaining technical office located at Hofsingel 25 is referable, on the one hand the growth of the corporation that resulted in the need for additional space and, on the other hand, to the fact that the location in the inner city was not favourable for the business of Siemens (Wegner, 1970, p. 41). According to Herman van Bergeijk, professor of history of architecture and urban planning at Delft University of Technology, it is noticeable that Siemens did not locate towards Wassenaar where normally big corporations established during this time. One main reason for the choice of location might be that Siemens’s core business was focused on its main customer: the government of The Netherlands, which is located in the city centre. According to Maarten Schmitt, City Architect of The Hague from 1998-2009, another reason could be that this location was very representative and matched with the endeavour of Siemens to build a prestigious head office (Interview Schmitt, 2014). Hence, an intrinsic push factor for relocation was the lack of space, an unsuitable location and the supply of better alternatives.

The location choice of Siemens was in line with the urban planning policies of the city; in this time, the municipality of Hague wanted to accommodate business and industry outside the central canal system and first offered Siemens a lot a few meters away from the park. Back then, several businesses were already located in this area and the infrastructural connection got enhanced with the development of an electrical tram. The development of the Siemenshuis clearly shows the process of ‘city formation’, where housing gave way to business. The municipality allowed the conversion of the land use plan on the lot between Huijgenspark and Zieken under the condition that several existing, mainly residential buildings were demolished. Moreover, a letter from the municipal administration of The Hague to Siemens comprises a positive answer concerning their new development plans in case that several building guidelines will be respected. Hence, the municipality used a shaping public planning tool by establishing and adjusting development plans to accommodate businesses beyond the Singelgrachten, but also regulating planning tools by defining parameters and establishing bilateral agreements and contractual regulations regarding the use of specific buildings, see appendix III.

The Dutch ‘Siemenshuis’ was clearly part of the corporation’s international expanding strategy. Therefore The Netherlands was chosen to accommodate the first prestigious Siemenshuis in Europe, built by Siemens’s well-known architect Hans Hertlein (Hertlein, 1929).

But the corporate accommodation strategy was not to establish an international representation of the S&H by building the first Siemenshuis abroad from Germany, it counteracted the process of decentralization; the several accommodations spread between Huijgenspark and the road ‘het Zieken’ got transformed into one. The corporation’s strategies and decisions in The Netherlands were still directed by the mother company in Berlin.

4.2.3 From 1925- WWII and post-war period
Siemens accommodation Van der Kunstraat from 1929 until 1943 and Rijnstraat from 1945

I. Preconditions for accommodation Van der Kunstraat

Soon after the development of the Siemenshuis that accommodated all services of the corporation in one building, there was again a lack of space occurring. In the period between 1920-29, two additional accommodations were rented at the Stationsweg and the Rijswijkweg where a workshop, a warehouse and a X-ray- and radio department were accommodated (Dicke et al., 2004, p.40). Nevertheless, the storage facilities and workshop spaces were not sufficient anymore as well as the technical and commercial service department grew rapidly. Consequently, there was a need to relocate the storage and the workshop space in a new accommodation (Wegner, 1970, p.75).
II. Corporate accommodation Van der Kunstraat
In June 1929, Siemens-Schuckert could purchase a lot from the municipality at the Van der Kunstraat next to the Laakhavens in The Hague, see figure 21.

The municipality had a leasehold contract on this site and therefore Siemens was obliged to pay an annual fee to the municipality. On this lot, a two storey high building was built for the business of Siemens-Schuckertwerke and manufacturing facilities accommodated in the Siemenshuis (Wegner, 1970). The building Van der Kunstraat accommodated a warehouse and a workshop for the production of analogue clocks (Dicke et al., 2004, p. 53). It got extended two times; first with 374 m² workshop space in 1933, and several additional attachments in 1938. The building accommodated 290 employees and was in use of Siemens until 1943. In course of time this accommodation got demolished.

III. Corporate Development until 1945
As a result of the financial crisis in the 1930’s and the economical consequences for German companies after WWI, Siemens & Halske needed to dismiss many workers in Germany as well as in The Netherlands. On 1st of September 1930, the central office in Berlin decided to merge S&H with Siemens-Schuckert which also was accomplished in The Netherlands and strengthened the company enormously. In order to decouple the economical consequences from S&H Germany to the branch of S&H in The Netherlands and vice versa, a semi-independent Nederlandse Siemens Maatschappij N.V. (N.S.M) was established in 1932 (Dicke et al., 2004, p. 52). Therefore, 50% of the N.S.M. was still a share of the mother company in Berlin, the other half was distributed amongst 12 Dutch shareholders. Adriaan Sicco Cato Stoop van Strijen took over the direction of the N.S.M. in 1932 from Willem Huygens. In the first three years during WWII, the N.S.M. got still many new orders from Dutch provinces and cities (Dicke et al., 2004, p. 64). After the invasion of Germany in May 1940, director Stoop van Stijnen resigned his position in 1941. The direction of the N.S.M. was taken over by three new directors; Wilfing, Winter and Schroeder. During this time the N.S.M. produced, among others, fuse panels for submarines and telephone installations for the German war industry (Wegner, 1970, p. 87). According to Dicke, it is impossible to reconstruct which products exactly have been produced for war purposes, however it is known that between 1939 and 1944 approximately one quarter (= 50 million Dutch Guilders) of the turnover can be assigned to deliveries for German entities and the Wehrmacht (Dicke et al., 2004, p. 65).

IV. Preconditions for accommodation Rijnstraat and Geestbrugkade
The increase of inhabitants in The Hague lasted until the Second World War, which left the city in a poor condition. Around 130.000 people needed to move from in the districts next to
Chapter IV Case Study; Siemens in the city of The Hague

the coast like Scheveningen, because their houses got demolished by the Nazi-regime and replaced by a line of bunkers, also known as the Atlantic Wall (Wagenaar, 2011). After WWII the accommodation at the Van der Kunstraat and the Siemenshuis got expropriated by the Dutch government. However, one small working place and the construction office of Siemens remained in the building at Huijgenspark (Dicke et al., 2004, p. 69). Moreover, the corporation simply relocated its business to the Rijnstraat in 1945 and developed a new factory in Rijswijk four years later (Dicke et al., 2004, p. 69).

V. Utilization Rijnstraat
In November 1945, the offices were relocated to the Rijnstraat (see figure 22) in The Hague and a new site was purchased at the Geestbrugkade in Rijswijk in 1949. The purchase contract between the former plane factory Pander en Zonen N.V. and the Nederlandse Siemens Maatschappij was signed on 25th of January 1949. The site at the Geestbrugkade 24 and 25 was bought for 346,500 Dutch Guilders and contained two houses and a working place.

VI. Corporate Development from 1945
The directors of Siemens Wilfing, Winter and Schroeder were arrested in Scheveningen in 1945. Two delegates of the Dutch government replaced the three arrested directors. Johannes Elias Schroeder, born in The Netherlands and studied in Delft and Karlsruhe in Germany, got released from prison and took over the direction of Siemens in 1946. On December 19th 1955, the Siemenshuis was bought back. In the 1950’s the Nederlandse Siemens Maatschappij regained its old strength; within 1950 and 1960 the turnover increased tenfold and the corporation employed 1300 additional employees (Dicke et al., 2004, p. 78).

VII. Outline- synergy & conflict between corporation and city
Figure 23 outlines the concept of synergy and conflict between Siemens and the city of The Hague from 1929 until 1955. Siemens-Schuckert developed an accommodation at the Van der Kunstraat in 1929, which got expropriated after WWII. Some offices facilities remained in the expropriated Siemenshuis. Moreover, two additional accommodations at the Rijnstraat in The Hague and the Geestbrugkade in Rijswijk got developed that simply replaced the space that was taken away.
Chapter IV Case Study; Siemens in the city of The Hague

VIII. Conclusion
Through the relocation of warehouse facilities and workshop areas, the company divided clerical activities from manufacturing operations. The head office was located in a representative park near the centre, whereas the manufacturing plant was located in an industrial area next to the Laakhaven. For the first time, the corporation’s branch in The Netherlands gained more independence; Siemens businesses and accommodations were directed by the Nederlandse Siemens Maatschappij that was owned to 50% owned by Dutch shareholders and to 50% by the German mother company. However the expropriation of Siemens’ accommodations at the Van der Kunstraat and the Huijgenspark might appear as the biggest conflict between Siemens and the municipality of The Hague, a small office and the construction office remained in the Siemenshuis. The state applied a regulating planning tool by expropriating the German corporation. Nevertheless, Siemens could rent a new accommodation at Rijnstraat in the city centre of The Hague next to the Central Station and the accommodation at Geestbrugkade in Rijswijk got developed, which simply replaced the space that was taken away. It is noticeable that although the relationship suffered strong setbacks, it was at no time totally interrupted. Even during the post-war period, the City of Peace and Justice relocated and accommodated the German corporation Siemens.

4.2.4 From 1950- Binckhorst
Siemens accommodation Zonweg 63 from 1959 until 1992

I. Preconditions
In 1949, the reconstruction plan of the architect and urban planner W.M. Dudok was based on the development of a new governmental centre, a central railroad station and a cultural centre. A whole new railway infrastructure was planned, as well as an inner- and an outer ring road. Moreover, he dedicated several industrial areas such as the Binckhorst site, where a governmental gas factory, the cigarette factory ‘Laurens’ and Siemens settled down a couple of years later.
Dudok’s plans to only reconstruct the destroyed areas of the city attracted criticism and was answered by the ‘Plan 2000’ that intended to demolish most of the historic core centre and to renew the entire city. The intention of a total redevelopment of the city stroke a chord with the war-torn country of The Netherlands in order to start a recommencement and leave behind the memories of the war. In 1951 the department of reconstruction of The Hague established an alternative to Dudok’s plan; the key elements of the plan were to shape the city into a metropolis, to build the ring motorway and to redevelop and establish new zoning plans that relocate residential areas to the periphery (Schuddebeurs, 2013). In 1957 an additional zoning plan comprised, among others, the initiation of the development of the ‘Utrechtse Baan’.

In the years after the war until the economical recession, there was an increasing demand for office buildings. Therefore, many residential buildings between the centre and Scheveningen were turned into offices (Kouwenberg, 2012, p. 27). Moreover, residential areas in the city centre needed to give way to ‘city functions’ as, for instance, offices (Wagenaar, 2011). The municipality of The Hague wanted to agglomerate all corporations to dedicated areas. After the aforementioned expropriation of the corporate accommodation at the Van der Kunstraat that contained a warehouse and several workshop areas, there were only several small workshop areas in buildings around the Siemenshuis left. Hence, an expansion of manufacturing facilities was needed (Wegner, 1970).

II. Location & Urban expansion
After the war, the municipality of The Hague aspired the agglomeration of corporations to dedicated areas. Corporations, which did not do so were forced to relocate (Kouwenberg, 2012, p. 36). In the ‘Structuurplan Groot s’Gravenhage’, Dudok dedicates specific areas as industrial areas. The Binckhorst district is based on the plans of Dudok and was located in a mixed, industrial and residential, area of The Hague (Schäche, 1997).

Figure 25 shows the expansion plan of Dudok in which the Binckhorst is dedicated as an office/industrial site. Before the establishment of Siemens at Zonweg, a governmental gas factory and the Laurens cigarette factory settled down in the Binckhorst. The area developed differently than it had been initially planned in the zoning plan of Berlage; according to this plan a goods station should have been developed on the site (Kanneworff, 2011). However, it emerged in the 1950’s to an important industrial site.

III. Corporate Development
According to Dicke (Dicke et al., 2004, p. 78), Siemens adopted the resolution to develop a
new corporate accommodation in 1954. The Binckhorst complex was a cheap and well accessible site, which could have been the main reason for Siemens to chose this location (Interview Schmitt, 2014).

Raising profitability and rationalization of work processes became increasingly important for businesses to raise productivity by introducing assembly line production and mass production (Siemens-AG, 1997, p.40). Already before the turn of the century, Siemens introduced the ‘American Hall’ to mechanize manufacturing work where fewer and/ or less skilled workers were needed for production. During the 1920’s Siemens upgraded the process of standardization, by implementing assembly line work.

As already elaborated, after the Second World War the Siemenshuis was bought back in 1955 and the Binckhorst complex was the first new Siemens plant to be set up in a European country outside of Germany after WWII. Siemens’s corporate accommodation strategy in the late 1950’s, was to rebuilt Siemens to an increasing extend in foreign countries (Siemens-AG, 1997, p.61).

“It also became clear that the foreign business would become more important than ever before, and that international competition would intensify. It was decided that a united company, with a unified management structure, active in all fields of engineering would be better equipped to confront such a situation (...)”

(Siemens-AG, 1997, p.74)

IV. Interaction between corporation and city
Siemens decided to develop the new corporate accommodation at the Binckhorst district with a total of 13.000 m² next to the rail tracks between The Hague and Utrecht. In 1956, the municipality signed the building permit. During the opening on 16th September 1959, the mayor of The Hague said the following (Dicke et al., p. 79):

“De kleine Siemens onderneming uit de vorige eeuw heeft samen met de stad Den Haag aan grootte en betekenis gewonnen. Wij zijn verheugd, dat dit belangrijke bedrijf, dat in Nederland zo veel pioniersarbeid verrichtte en in Den Haag de eerste elektriciteitscentrale, de eerste tram en de eerste spoorlijn naar Rotterdam bouwde, juist onze stad heeft gekozen voor zijn hoofdkantoor”

(H.A.M.T. Kolfschoten, mayor of The Hague from 1957- 1968)

Figure 26; Factory Binckhorst 1960
(source: Haagsebeeldenbank)
Figure 27; Opening with the director P. von Siemens and the mayor H. Kolfschoten. (Dicke et al., 2004)

Figure 27 shows the presence of the mayor of The Hague, H. Kolfschoten, and the director of Siemens Germany, Peter von Siemens, during the opening. According to contemporary witnesses, the relationship between the municipality and the corporation during this period was very good (Interview de Nijs, Interview Knoppert, Interview Groot).
V. Corporate accommodation

On 19th September 1959, the Siemens complex at the Binckhorst district was opened. The new accommodation initially contained 13,000 m² and was located at the crossing Zonweg/Regulusweg and Saturnstraat. The Binckhorst complex was an additional building to the ‘Siemenshuis’ and later on to the newly built office in the Beatrixpark. It was designed by the architects Bellaard and Schutte in the tradition of Dutch Modernism.

In the 50’s, functionality, productivity, automatization and enlargement were the emphases of modern office buildings. The office layout illustrated a hierarchical structure: the bigger the office, the higher the function (Gunst, 1989).

Nico Groot (Interview Groot, 2014), a retired employee who worked for Siemens from 1960 until 2005, started working at the Binckhorst factory as a high-voltage assemblyman, continued as a work planner and quality- and safety inspector until he joined the building team for the new development in Zoetermeer as an ergonomic advisor. During the interview, he described the layout of the Binckhorst complex as illustrated in Figure 28.

The complex contained 5,300 m² workshop space and 4,600 m² warehouse space. It comprised a warehouse, a small office, a low- and high-voltage plant and a low voltage workplace from that later got transformed into an energy and informatics workplace. Furthermore, a canteen and several innovations in workplace concepts were implemented as, for example, a service cabin radio that provided the employees with ‘music while you work’ (Interview Groot, 2014).

Moreover, a tramline for industrial transportations passed the site. To prevent fires through the processing of highly flammable material, there also was an own fire station located which needed to be used once in a while according to Groot.

The hierarchical structure is clearly seen in the fact that initially there have been two canteens: one for the board of management and one for the employees. Also the office layout featured hierarchical structures; the lower the function the more people needed to work with in one room together. The direction of the corporation had their own, private office rooms.
In order to match the capacity to the high order intake, several attaching buildings have been bought up, such as the Valkenburg building, where a showroom and a hall for reparations was located (Interview Groot, 2014). In 1965-66, two more storeys were built above the canteen.

VI. Outline- synergy & conflict between corporation and city

After the expropriation of Siemen's most important and prestigious accommodations in The Hague, there was a lack of space especially for warehouse utilizations and workshop areas. The international corporate accommodation strategy was not only to gain back export markets, but also to locate the first foreign plant after WWII of Siemens in The Netherlands. Striking reasons for the choice of location at the Zonweg are attributable to the cheap land cost and the good accessibility. The request to develop at Binckhorst got accepted and Siemens build a factory, a warehouse and several offices on the site. Between 1965-66 the building got extended and Siemens also bought a bordering existing building, the ‘Valkenburg’. Again, the new developed Binckhorst complex did not have sufficient space to catch up the increasing businesses. Therefore, additional buildings at the ‘de Bogaard’ and the Mercuriusweg were rented. Figure 30 outlines the relation of synergy and conflict between the corporation and the municipality from after the Second World War until an again occurring process of decentralization in 1965.

VII. Conclusion

Through the expropriation of accommodation at the Van der Kunstraat in 1945, the relocation towards the Binckhorst district was a necessity to be able to continue the manufacturing of products. Moreover, this industrial plant was an important international representation of the corporation; it was the first Siemens plant outside Germany after WWII. The development plans of Siemens were in line with the urban planning policy of The Hague; the municipality used a shaping public planning tool by establishing and adjusting development plans to accommodate businesses in dedicated areas. The planning of new industrial areas, such as the Binckhorst district, gave corporations such as Siemens the possibility to built new accommodations on cheap ground. Although many other historical factors mattered in the decision of Siemens to expand at the Binckhorst complex, the critical push factor was the supply of better alternatives due to a better connection and cheaper ground. In 1966, the three parallel, separately managed Siemens companies merged into one: the Siemens AG. The reorganization of the organizational structure retained until 1989/90, when it was converted one more time into its present structure; in 1970 the N.S.M. was renamed for the last time in Siemens Nederland N.V. (Siemens, 2013c).
4.2.5 From 1970- Prinses Beatrixlaan
Siemens accommodation Prinses Beatrixlaan 800 from 1972 until 1990

I. Preconditions
In 1965 the province urban planning department of South-Holland (‘Provinciale Planologische Dienst’) vote in a zoning plan for the migration of businesses out of the centre and the agglomeration of them towards the surrounding areas of The Hague. Hence, the industry moved towards the periphery (Kouwenberg, 2012, p. 35). The number of inhabitants virtually exploded and reached until 1970 it’s peak with around 600,000 people. In 1976, the ‘Utrechtse Baan’ was opened which is until today one of the most important traffic connections of the city. The in 1978 drafted zoning plan of South-Holland West, emphasized on an interweavement of housing and working in order to overcome the strict separation of working and living (Schmitt et al., 2006).

After the reorganization of the organisational structure into one Siemens AG in the 1960’s, the several smaller offices at ‘de Bogaard’ or the Mercuriusweg needed to be merged into one. In order to improve efficiency, there was a bigger head office needed.

II. Location & Urban expansion
In the 1960’s the today’s Beatrixkwartier still was a green-field area. Nevertheless, it was a strategically important site for The Hague. According to Louis de Nijs, town planner at the municipality of The Hague (Interview de Nijs, 2014), back then the municipality aspired that the districts of Voorburg and Leidschendam to grow together. Therefore a fire station and a police station were built on the area where today the Siemens head office is located, see figure 32. This consolidation of Voorburg and Leidschendam did not take place and therefore the strategically chosen accommodation of both stations lapsed. Thus, their presence became redundant. In 1957 the corporation Nationale Nederlanden developed an office at the Prinses Beatrixlaan 15, two years before Siemens started building at Prinses Beatrixlaan 800. It was Siemens’s choice to develop on the green-field area at the Prinses Beatrixlaan, see appendix VII. According to Schmitt, there have been hardly any restrictions for the development of corporate accommodations during the 1970’s and 80’s (Interview Schmitt, 2014). Figure 31 shows a development plan from 1971, where the Siemens office (Building I) is still surrounded between the police and fire station. The plan is made by the municipality in order to build a pedestrian way that connects the Siemens office with the Station Laan van Nieuw Oost Indie.

Figure 31: Original Plan for pedestrian way between station Laan v. NOI and Siemens from 03-03-1971. (source; Haags Gemeentearchief)
Over time, there was a rising demand for businesses to accommodate at the Beatrixkwartier. Seven years after the opening of the Siemens head office, Herman Hertzberger built the Ministry of Social Affairs at the Anna van Hannoverstraat 4 next to the fire station.

III. Outline- synergy & conflict between corporation and city

In 1968, Siemens requested to expand the Siemenshuis located at Huijgenspark. Due to own plans to redevelop the Rijswijkplein, the request was rejected (Faber-Wittenberg, 2013). Figure 32 illustrates the process of synergy and conflict between Siemens and the municipality of The Hague in the period from 1966 until 1972. Obviously, there was a conflict of interest in 1968 between Siemens and the municipality. Both actors had their own development plans for the Huijgenspark site. Due to the rejection of Siemen’s request to expand the Siemenshuis, the municipality offered a lot at Plasbroekpolder. In a letter from director B. Henny to the mayor and alderman of The Hague in 1967, he mentions the lot at the Prinses Beatrixlaan where in that time a local football club was located, see appendix IV.

“Vooruitlopend op verdere besprekingen over de zo noodzakelijke uitbreiding van ons gebouwencomplex aan het Huygenspark – een en ander in verband met Uw plannen voor aanvaardbare oplossing van de verkeerssituatie op het Rijswijkplein en de daarmee samenhangende sanering van o.m. een gedeelte van ons gebouwencomplex- delen wij U mede, dat wij gaarne bereid zijn om naast het reeds door U aangeboden terrein in de Plasbroekpolder, on ook op de hoogte te stellen van de mogelijkheden op het sportterrein bij de voetbalvereniging V.U.C.”

(see appendix IV)

Hence, Siemens choose a new location at Prinses Beatrixlaan, which is also to be seen in a letter between the Urban Panning Department (‘Gemeentelijke Dienst van Stadsontwikkeling’) and the mayor of The Hague. The Author is the director of town planning department, F. van der Sluys, who writes the following letter to the mayor of The Hague:

“De heer Henny [then director of Siemens Nederland N.V.] zal nader bezien of dit terrein geschikt is. Hierbij speelt niet alleen de omvang van het terrein een rol, doch ook het tijdstip, waarop met de bouw moet kunnen worden aangevangen – dus het tijdstip van ontruimde levering van grond – en het tijdstip, waarop de bouw voltoooid zal zijn en dan – via nog uit te voeren nieuwe straataanleg – bereikbaar zal moeten zijn! (Opgemerkt zij, dat deze straataanleg ten dele op spoorweggrond zal moeten worden uitgevoerd.) De heer Henny zegde toe, uw college ten spoedigste nader te zullen berichten over zijn bevindingen. Het zou mij niet verwonderen, wanneer hij behalve bepaalde garanties omtrent vorenbedoelde tijdstippen ook zal vragen om verplaatsing van de geprojecteerde brandweerkazerne. Bovendien zal hij wel nadere gegevens over het grondprijs willen ontvangen; deze is echter eerst redelijkerwijs te bepalen als bekend is wat Siemens op dit terrein zou willen bouwen.”

(see appendix VI)

In order to overcome the conflict of interests, the municipality and Siemens arranged a swap-transaction; Siemens got a site to develop at the Prinses Beatrixlaan and the municipality got the buildings at the Huijgenspark and ‘het Zieken’, (Faber-Wittenberg, 2013). The process of this transaction can be seen in a letter from the Department of Urban Planning to the direction of Siemens on 16th February 1968:

“Burgemeester en Wethouders hebben ons gemachtigd vorengenoemd terrein [at Prinses Beatrixlaan] aan te bieden in ruil voor Uw bezit bij het Huygenspark-Zieken en wel zonder enige toe betaling wederzijds”.

(see appendix VII)
Hence, Siemens got a lot to develop at the Prinses Beatrixlaan and the municipality got the building(s) between the Huijgenspark and ‘het Zieken’ without any further payments.

Figure 32; Synergy & Conflict 3 Prinses Beatrixpark (own)

IV. Corporate accommodation
In 1972 a new head office was built in The Hague’s Bezuidenhout-midden district at the Prinses Beatrixlaan crossing Schenkade, with a total of 15.00 m² office space by the architects Bellard and Schutte and the architect of Siemens, Willy Thormann from Germany. The introduction of the typewriter and later the computer combined with various innovations in the field of communication, the office building type was under permanent change. In the 60’s there was a countermotion from Germany in favour of the office landscape (German: Bürolandschaft) and against the physical translation of hierarchical structures in offices. This radically new concept encrusted the hierarchical patterns composed of various smaller office rooms that are threaded on a string. The application of the Bürolandschaft-concept lead less physical barriers between employees (Gunst, 1989, p. 21). Flexibility as well as functional but not hierarchical lining, and the development of information technologies were main emphases of the founders of the Bürolandschaft, the ‘Quickborner’-team from Hamburg. In The Netherlands this development was partially incorporated as, for example, at Herman Hertzbergers ‘Centraal Beheer’ in Appeldoorn in 1969. Nevertheless, in The Netherlands there was a strong rejection of the office landscape in the mid-1970’s. Therefore “Dutch organisations chose to accommodate their employees in rooms rather than open plans” (Meel, 2000).

Notwithstanding, the newly built corporate accommodation of Siemens renewed the organisation of workplaces; instead of several smaller offices a Bürolandschaft, built in 1972. Figure 33 shows the Bürolandschaft concept applied in the Siemens head office in The Hague; employees were working together in spacious rooms, except for the direction that had own, ‘private’ offices (Interview Groot, 2014). The implementation of the Bürolandschaft reflected the recently reorganisation of the corporation; the traditional and strict image of Siemens should be replaced and the open office rooms enhanced internal communication as well as they underlined the new and open structure of accommodation and corporation (Dicke et al., 2004, p. 105).
V. Conclusion

It is assumed that in the decision to expand at the Huijgenspark several keep factors played a role as, for example, an intrinsic keep factor such as the traditional connection of the Siemenshuis at Huijgenspark. A push factor in favour for relocation from Huijgenspark to Prinses Beatrixlaan could have been the poor accessibility of the Huijgenspark located in the city centre compared to the well accessible site at the Beatrixkwartier. The merger of all branches into one accommodation physically illustrates the merger of the three separately managed Siemens corporations into the Siemens-AG. The corporation’s accommodation strategy should contribute to enhance efficiency and internal communication. Moreover, the accommodation should reflect the modern and less traditional and strict image of Siemens. The implementation of the Bürolandschaft-concept underpins the endeavour of Siemens to change its corporate identity; from a traditional and rather strict German corporation towards a modern and open international Siemens-AG. The trend from office buildings with elongated shapes towards more compact and squared layouts is clearly visible in this corporate accommodation. The application of a modern office building type clearly shows that office buildings are under permanent change; workplace innovations and technical process is reflected by the physical structure of the building.

For the first time, there is a clear shift in the balance of power between both actors noticeable; whereas in the 1950’s corporations were forced to relocate if their accommodation was not in line with the municipality’s urban planning strategy; in the 1970’s and 80’s there have been hardly any restrictions anymore (Interview Schmitt, 2014). Corporation gained more pull in the interaction with a city.

Eventually, the municipality’s urban planning policy and the corporations accommodation strategy were in line with each other- the zoning plan of the Provinciale Planologische Dienst implied to move businesses more and more out of the centre towards the surrounding areas of The Hague. Nationale Nederlanden was one of the first corporations that settled down on the site after the municipality realized that the consolidation of Voorburg and Leidschendam did not take place. The swap-transaction transformed the conflict of interest into synergy. Taking into account the nested and old structure of the Siemenshuis, a complete refurbishment would have been necessary to create open and modern structures like at the new development. Moreover, the size of the lot at Prinses Beatrixlaan is much bigger than the one of the Siemenshuis. But taking into account the two different locations, one at a representable park in the city centre and a greenfield-area where hardly anything was built yet, and considering the spacious configuration of the new development, it can be assumed that the land price of the lot at the Prinses Beatrixlaan was rather low. Because of the
aforementioned reasons it is not possible to say if the swap was to the benefit of one of the two actors.

4.2.6 From 1990- Beatrixpark
the development of the Beatrixpark from 1994- 2001

I. Preconditions
In 1994, a zoning plan for The Hague and its surrounding areas (Intergemeentelijk Structuurplan Haaglanden) was voted in to establish an overall plan covering economical, social and ecological developments, among others in Zoetermeer where Siemens developed its business centre four years before (Schmitt et al., 2006). In the same year, the RandStadRail was built to connect The Hague’s centre and The Hague South-West with Zoetermeer.

II. Corporate accommodation
In the late 1980’s Siemens wanted to expand its accommodation at Prinses Beatrixlaan. Therefore the municipality demolished the police station that was still located on the lot, see appendix VIII. In 1994, the squared head office from 1972 (building I) got extended with the development of building II, see figure 34. This was the first of four resembling buildings, which are strung on the Schenkade Road one after another. Here a reversing trend from a compact and squared layout is noticeable back to elongated buildings. However these two very differently shaped buildings went through many changes during the last 42 years, they are still the head office of Siemens in The Netherlands until today. As illustrated in figure 34, the first extension of the existing head office was built in 1994 with a total of 15,000 m² additional office space for the utilization of Siemens, see building II. After that extension Siemens bought the terrain next to it, which was formally owned by the municipality and developed on it three additional buildings.

Figure 34; Beatrixpark- extension of Siemens Head Office (own).
The German architect Gunter Standke already worked in a collaboration with the well-known architect Richard Meier and JHK-architects to design the city hall of The Hague from 1992-99 (Vermeulen, 1998). Standke and JHK-architects also designed the Siemens business centre in Zoetermeer three years before. According to the architect Hoogveld, the style of architecture is modern, timeless and does not make use of too many different materials which embodies the image of Siemens (Vermeulen, 1998, p. 91).

From 1994 until 2001 they developed together the four resembling buildings from 1994 until 2001 along the Schenkade Road, see buildings III to V (Beatrixkwartier, 2004). These buildings can be seen as the annual rings of a tree; the building that is facing the street (building V) and the two buildings behind it (building III & IV) were rented to the corporation KPN and other small companies. After the completion of building III, Siemens saw a change in the market demand of office space and implemented a more flexible floor plan and a more sustainable approach for energy usage. Whereas building III was drawing its energy from district heating and cooling machines, the energy usage of building IV was based on a more sustainable approach by, for example, using permanent underground energy storage techniques (Duinen, 1993). This development was better for the environment and moreover resulted in lower maintenance costs.

All buildings are nine storeys high and well connected to the train station Den Haag Laan v. NOI. By connecting building III- V through passageways to each other, the renters have the possibility to grow into an additional building in case additional space is needed. The phasing and the short-term lease contracts could have been a possibility to enable Siemens itself to eventually grow into the new development (Duinen, 1993).

In total the new built complex provides a floor space of 61.000 m². The whole new complex at Beatrixpark was built in three phases with a total costs of 80 million Dutch Guilders and a total of 61.000 m² (Standke, 1995). Flex work was installed and applied within both Siemens head office buildings by Nico Groot and his team a few years later (Interview Groot, 2014).

III. Corporate Development

The main focus of the development of Siemens and Siemen’s accommodations was based on flexibility and efficiency. Roland Dieterle, the project architect of Gunther Standke, explained that 80% of the annual turnover of Siemens is made by products that did not exist five years before. Product processes of Siemens are constantly in change (Zwinkels, 1991, p. 97).

IV. The development of the Beatrixkwartier and the concept of two axes

In 1999, the then city architect of The Hague Maarten Schmitt and the architect and urban planner Joan Busquets started with the development of the Beatrixkwartier. During this time, the city of The Hague emphasized more then before on the accommodation of (private) corporations in The Hague. This was the beginning to have a well-defined strategy that not only emphasizes on public- and governmental organisations or organisations related to United Nations but also on ‘private commercial activities’ (Interview Schmitt, 2014). Consequently, the municipality established an urban planning policy in order to attract corporations to settle down and to keep them in the city (Interview Schmitt, 2014).

Therefore, the historical axis along the railroad that connects Amsterdam with Rotterdam was taken as a zone to accommodate businesses. The development of these two axes was a logical result from the construction of the two railroads in the late 19th century, which are stretching from The Hague towards the East and from North to South. According to Schmitt this division was is strange development, which never was corrected. Especially around 30 to 40 years ago, when the new central station was built, the opportunity was missed to correct this fragmentation of the city.

The district shows a strict zoning in which the Schenkade road from the Siemens head office to the accommodation of Aegon is dedicated to the aforementioned ‘commercial corporations’ (Interview Schmitt, 2014). This axis is to be seen as the backbone of the development of businesses and corporations in the city. The municipal urban planning strategy concerning the
location of corporate accommodations is as simple as positioning them within these two axes (Interview Schmitt, 2014).

The overall plan of Schmitt and Busquets was to dedicate the axis along the Utrechtse Baan for private corporations, to establish a concentration of ministries around the central station and to locate the international zone around the area of the Haags Gemeentemuseum. The aim to keep all head offices of multinational corporations within the city boarders of The Hague was highly supported by the mayor Deetman (1996-2008) and Van Aartsen (2008 until today). “Every effort was oriented on establishing and keeping these firms in The Hague”, Schmitt said during the interview. Therefore, the municipality of The Hague tried “to make the conditions as less hard as possible for them”, (Interview Schmitt, 2014).

VI. Interaction between corporation and city

In 2004 the RandStadRail connectd The Hague (Centrum and South-West) with Zoetermeer. According to the project organizers the development was desired by the public ministries as well as the private corporations located in the Beatrixkwartier (Boeter et al., 2007, p. 12). Moreover, one of the aspirations of the municipality of The Hague was to give the newly built public space within the Beatrixkwartier a sort of identity of the corporations that are located at this site. One of the key concepts of their plans was the RandStadRail, an elevated tram trajectory. However, Schmitt “never discovered a lot of interest in these kinds of collective developments by Siemens in The Hague. (...) There are companies that are more The Hague-related in terms of participating also in a kind of collective condition for the benefit of their own” (Interview Schmitt, 2014). A result of the fact that Siemens did not participate in the development of public space within the Beatrixkwartier to the extend the municipality was wishing for, the imposing tunnel-shaped covering called ‘Netkousviaduct’ only starts from the World Trade Centre and not already a couple of meters earlier from the Siemens head office, see figure 35. Maarten Schmitt sees this as a missed opportunity of the corporation “to literally be connected with the Beatrixkwartier” (Interview Schmitt, 2014). The corporation’s location between the Schenkade Road and the rail tracks results in a missing visual connection to the rest of the district. The accommodation of Siemens seems to be in a rather “isolated position”, cut off through two major thoroughfares, see figure 34. Nevertheless, one of the few (urban) planning developments they were involved in was the exchange of the streetlights around their head office into blue-shining Siemens streetlights. According to Schmitt, this underlines even more the autonomous image of Siemens within the Beatrixkwartier (Interview Schmitt, 2014).

Figure 35; Randstadrail trajectory ending near Siemens (own)

V. Outline- synergy & conflict between corporation and city

Figure 37 illustrates the concept of synergy and conflict between Siemens and the municipality of The Hague from 1988 until 2010. According to the town planner De Nijs, the opening of the business centre in Zoetermeer in 1990 did not affect the relation between Siemens and the municipality of The Hague due to the fact that the accommodation in Zoetermeer was mainly used as a warehouse. Therefore the ground in The Hague was too expensive, not suitable and possibly not permitted for this
Siemens’ requests to expand along the Schenkade road was accepted, and lead to the demolition of the municipal police station in 1988 in order to create sufficient space for the new development, see appendix VIII. In 1994 the first of the four resembling buildings was opened and used by the corporation itself. Between 1998 and 2001 Siemens Real Estate developed three more buildings on the site along Schenkade that form the Beatrixpark.

According to de Nijs, the municipality was aspiring that Siemens will eventually grow into these buildings (Interview de Nijs, 2014). Moreover, this development also was a sort of evidence for the municipality that Siemens would stay in the region (Interview de Nijs, 2014). But eventually Siemens rented all three new buildings out to third parties. Around 2000 when the municipality asked for participation in the development of the Beatrixkwartier, Siemens did not involve to the extend the municipality was hoping for. However, Siemens donated money for the war monument for the Bezuidenhout district and they are involved in many cultural events and organisations in The Hague.

Figure 36; Development Plans for Siemens Tower (source: http://kantorenindenhaag.blogspot.nl)

After the development of the Beatrixpark the corporation wanted to renew its office at the Prinses Beatrixlaan 800 with an 88-meter tall Siemens Tower, see figure 36. The municipality permitted this request and changed the land use plan. However this development never took place, until the corporation sold its property the development of a high-rise building was part of the land use plan until last year (Interview de Nijs, 2014).

All interview partners confirmed the occurrence that Siemens wanted to relocate to Rotterdam. Unfortunately there is little information to be found about it. According to Knoppert this was during 2003 and 2010, the time when M.C.J Pernis was director of Siemens. Moreover, he remembers that Siemens already bought a building next to the Maas in Rotterdam in order to develop a new head office (Interview Knoppert, 2014). During this time, there was a lot of work for the corporation at the harbour of Rotterdam. In the interview with the Director of Business Development of Siemens, Max Remerie told that it was the municipality of Rotterdam who approached Siemens and the municipality of The Hague at this time “was not spending that much attention on Siemens” (Interview Remerie, 2014). Nonetheless, the relocation from The Hague to Rotterdam never took place. According to de Nijs, the crisis played a role in the decision to stay in The Hague and the mother company in Germany did not permit and finance (part) of the project. Nevertheless every interview partner, except for Max Remerie, assumed that the municipality of The Hague convinced Siemens to stay by giving incentives. Remerie does not think that there were incentives given. He thinks that the attention of the city for Siemens itself added to other Siemens corporate real estate arguments to stay in The Hague (Interview Remerie, 2014). Remerie explained during the interview that the city of Rotterdam, Amsterdam and Zoetermeer have been interested in accommodating Siemens. “But at the end The Hague expressed that they were very interested and keen in keeping Siemens here [in The Hague]”, (Interview Remerie, 2014).
VI. Conclusions

The development of the four resembling buildings by Siemens Real Estate features the transition of the corporation’s real estate management into a highly professionalized discipline. The phasing and the short-term lease contracts could have enabled Siemens to eventually grow into the complex. Therefore it can be assumed that the development of the four buildings that form the Beatrixpark were built for growth; those parts which were not used were rented out to third parties. Nevertheless, there are many indications that it was never part of the corporate accommodation strategy of Siemens to grow into the additional buildings. Because it is not certain what the corporation intended with this development two assumptions can be made; on the one hand, it can be assumed that the development of the Beatrixpark was an ambition of Siemens to concentrate additional departments, such as the healthcare branch located in Amsterdam or even branches from abroad, in The Hague. Nevertheless, these plans changed and Siemens Real Estate rented the buildings out for seven years and eventually sold them. For the municipality of The Hague it was a strong signal for the commitment of Siemens to the city. De Nijs confirmed that the development of the Beatrixpark was a “sort of evidence for the municipality that Siemens would stay (...) and will eventually grow into the buildings” (Interview de Nijs, 2014). Consequently, it can also be assumed to be a tactical manoeuvre.

On the other hand, by taking several facts into account that will be elaborated further, it is can also be assumed that the growth into the additional buildings never was part of the strategy and that the development is to be seen as an investment of Siemens Real Estate directed from Germany. According to Knoppert, Siemens Real Estate did not build the additional space for a possible growth of the corporation into the three more buildings along the Schenkade Road (Interview Knoppert, 2014). Taking into account that the head office already contains 30,000 m² and that the corporation developed a whole new business centre in Zoetermeer a few years before, it is unlikely that the corporation’s accommodation strategy was to grow into additional 46,000 m² of office space. Moreover, the extension of the Siemens head office build in 1994 is not connected to the three buildings developed afterwards. These three buildings are connected with each other through passageways, but are disconnected to the head office of Siemens. Moreover, was the development of the Beatrixkwartier by the municipality in progress during this time; therefore it is assumed that Siemens Real Estate must have noticed that the establishment of the business district Beatrixkwartier in The Hague will raise the land prices and the corporation had an empty terrain next to their head office. Possibly Siemens Real Estate simply seized the opportunity to create additional assets. The Beatrixkwartier developed within the last 14 years to the second most important office location in The
Netherlands. Hence, it can be assumed that the corporations in this case acted like a private investor by building office space in order to let it to third parties for the creation of additional assets.

Even though it is not clear what the corporation intended to do with the development of the Beatrixpark, it is certain that in this point the corporate real estate management of Siemens in The Hague served a higher purpose.

The city's policy concerning corporate accommodations developed from “hardly any restrictions” to “a well-defined strategy” (Interview Schmitt, 2014). The municipality emphasized on attracting and keeping corporations in the city. Moreover, the policy of the municipality changed towards also focusing on corporations that are not necessarily referable to public- and governmental organisations or organisations related to United Nations. However it is not clear what caused the broadening of the focus towards private corporations, several reasons can be assumed; possibly in the late 1980's the city saw advantages in the diversification of corporations that are located in the city. Consequently the city establishes additional pillars and does not limit itself to solely to ‘Peace and Justice’. Private, (multinational) corporations like Siemens are big employers that can counteract high unemployment rates. The broadening of the city’s scope can also be seen several years later, when the municipality added the third pillar, besides peace and justice, with the identity of ‘The City of Security’. Through the broadening of the city’s identity, networks such as the ‘Security Delta’ could be formed that can have a multiplier effect in order to attract additional markets and corporations and create additional jobs.

However, this well-defined strategy resulted in the dedication for private corporations to accommodate on the axis along the Schenkade-zone, its seems like that the corporations located there more and more have ‘hardly any restrictions’ when it comes to negotiation to obtain advantages from the municipality. The relationship of corporation and city changed significantly; the corporation clearly has the upper hand in the interaction with the city. In case another attractive city entices with a good offer, the corporation is able to play both cities off against another and can pick the ‘highest bidder’.

4.2.7 Status quo- Change of ownership and relationship between corporation and city

The office market of The Hague and the role of the Beatrixkwartier

The pioneer of urbanism R. Baumeister already related urban growth to economic growth and saw it as the task of the municipality to produce a general plan that guides urban expansions and not to leave it up to the market. Noticeable is that although urban growth and market growth are coupled to another, there was a strict physical division of industry, offices and housing. However, the exodus towards the periphery of offices from the 1980’s turns back, with an aspiration towards the city centre. This process can be seen in developments such as the Beatrixkwartier that combines office-, housing-, and leisure markets.

The Dutch office market did not recover from the economic crisis yet that forced many companies to shrink. According to the annual office and industrial property markets report of DTZ Zadelhoff (Zadelhoff, 2014), the national vacancy rate rose with 7.2% to 15.7 % in the last year. Because of the increasing supply and the development towards the reduction of office space per employee, rents are under serious pressure especially for older offices (NVM-Business, 2013b). The value of office buildings is assessed according to the value of the office rents (Remoy, 2010a). However rents are under pressure, through incentives from the supply side, the national average rent kept almost steady with 133€/ m² (Zadelhoff, 2014). In the three biggest cities of The Netherlands, Amsterdam, Rotterdam and The Hague, the average price level of new buildings remained almost the same, on the other hand, there were less new offices built. Noticeable are regional differences; while in the region of Rotterdam the transaction volume decreased, the transaction volume rose in the region of The Hague.
The conurbation of The Hague has the second largest concentration of offices in the Netherlands (NVM-Business, 2013a) and its demand for office space is rising. The office take-up increased by more than 50% in 2012 (Knight-Frank, 2013) and with 34% in 2013 (Zadelhoff, 2014). The demand for office space is the highest in the city centre as well as the Benoordenhout and Bezuidenhout district. Within the Bezuidenhout district, the Beatrixkwartier is accounted for about 70% of all demand in 2012. This is confirming the trend that occupiers are seeking to upgrade from mono-functional, satellite locations to dynamic and centrally located mixed-use developments, which offer flexible space solutions and amenities (JonesLangLasalle, 2013b).

Also the neighbouring towns as, for instance Zoetermeer and Rijswijk have an increasing demand of office space. Districts such as Binkhorst and Congresgebouw are clearly less in demand (NVM-Business, 2013a). The prime rents stabilized at 205€/ m². The overall vacancy rate rose within the last year to 14.9%, whereas the Beatrixkwartier shows the lowest rate with about 8%. Like in Amsterdam, often incentives are given in form of 12-22 month rent-free periods in a five-year lease contract (JonesLangLasalle, 2013b).

Looking at the present regional context of the office market within the Netherlands, in summary you can say The Hague shows the lowest vacancy rate within the Randstad and that the demand of corporations has focused on the Beatrixkwartier. Moreover, the rents per m² are lower than in Amsterdam or Rotterdam and the take-up is highly increasing since the last years. Because all of the mentioned reasons above the Beatrixkwartier developed, right after the Zuidas, to the best office location of The Netherlands (Vastgoedmarkt, 2012).

In 2005, the last urban development plans are incorporated in a structural vision for 2020 (Structuurvisie Den Haag 2020). Thereby, an international orientated residential city at sea is aspired, which is actually based on the Plans of Berlage (Schmitt et al., 2006). Today, the Beatrixkwartier accommodates corporations as, for instance, Nationale-Nederlanden, ING Real Estate and PostNL. Nowadays, the Beatrixkwartier is a mixed-use area in which around 20.000 people live and work. The municipality is promoting the district as a lively place where offices, apartments, shops, crèches, cafes, restaurants and hotels come together (Gemeente Den Haag, 2012b).

The governmental project ‘Duurzam Den Haag’ was in 2013 brought into being by the mayor Van Aartsen. A main objective of this project is to transform the Beatrixkwartier into a sustainable area in order to reach climate-neutrality in 2040. Moreover, the municipality of The Hague announced the transformation of the Beatrixkwartier into a sustainable Breeam-NL area, whereby buildings will be upgraded to a LEED GOLD label. Today, The Hague has 509.779 inhabitants with a forecasted increase of population up to around 600.000 in 2040 (Den Haag Buurmonitor, 2014).

Change of ownership of Beatrixpark

As elaborated in Chapter III, from the 1990’s, an increasing number of corporate real estate divestment and outsourcing deals to real estate professionals took place in Europe (Groenlund, 2008). Also in the Netherlands, the sale-and-leaseback model was increasingly applied. Hereby, the length of the leaseback periods influences the incentives of the seller and buyer (Fisher, 2004). On the one hand, corporations that enter in this form of ownership model in The Netherlands, pay a higher rent compared to normal market rents. On the other hand, the rents price is dependant on the duration of the lease contract; the longer the period of the leasing contract, the lower the rents. However, there is little known and incomplete data available about these forms of ownership that need to be examined further for more transparency (Hordijk, 2010).

In 2005, Siemens Real Estate sold three of its buildings at the Beatrixkwartier to UBS Real Estate. Building III, IV and V contain a total of 46.000 m² (JHK Architecten, 2011). According to the website of UBS, the aspiration of UBS Global Asset Management was to acquire 51% stake in the real estate funds business of Siemens in order to expand its own business in Europe. Therefore, on January the 20th 2005 an agreement was signed, (UBS, 2005). Dr. Herbert Lohneiß, CEO of Siemens Financial Services, commented the following;
"In UBS Global Asset Management, we found a highly respected and global partner to strengthen our access to new real estate opportunities worldwide. This will be of great benefit to the existing business and it will enable us to serve a broader investor base via UBS’s diversified client franchise in the future. With our remaining 49% share we are clearly committed to the ongoing success of these very attractive operations."

(Dr. Herbert Lohneiß, CEO of Siemens Financial Services, 2005)

In September 2013, also the head office of Siemens was bought by the Dutch investment management organisation PingProperties. Through a sale-and-leaseback construction Siemens is able to use its head office over a period of the next 12 years (PingProperties, 2013). The investment of €77,5 million comprises the building from 1972 and the one from 1994 with a total of 30,000 m² net floor space and 542 parking places.

This transaction was accomplished by the legal and tax adviser office Loyens & Loeff, PwC and CVO Groep. Jones Lang LaSalle and Houthoff Buruma represented Siemens Nederland during the transaction. The financing of the transaction is made possible through the German Berlin-Hannoversche Hypothekenbank AG (Vastgoedvergelijker, 2013). According to PingProperties, the reason for Siemens Nederland to sell and leaseback its property is attributable to the worldwide changing corporate accommodation strategy of Siemens. Ab van der Touw, CEO of Siemens Nederland N.V., stated that this is based on the strategic decision to repel real estate of the corporation. Furthermore he argues that Siemens rather wants to invest its capital in sustainable products, than lock it in stones (PingProperties, 2013). According to Remerie, Director Business Development, 40% of the revenues of Siemens are dedicated to sustainable products. “With this portfolio we can help actually our costumers and cities to become more sustainable.” (Interview Remerie, 2014). This development constitutes for both, Siemens Nederland and PingProperties a safe investment with a low risk profile, in a good location and a good credit rating. The development of the Beatrixkwartier played an important role in the urban planning policy of The Hague regarding the accommodation of corporations. Within 14 years, the district developed into the second most important office location in The Netherlands. Corporations such as Siemens that located there before the construction boom, strongly profit from this municipal development. It is assumed that the price of land multiplied within the last years. It is assumed that the sale of 46,000 m² office space in 2005 to the Swiss bank UBS was a profitable deal for Siemens.

Last year the corporation entered into a sale-and-leaseback contract, where Siemens sold its head office to PingProperties and simultaneously entered into a lease on that property for its continued use over the next 12 years. Attributable to the application of the sale-and-leaseback model of Siemens in The Netherlands are the following motives of wealth-creation through a sale-and-leaseback transaction by Tipping and Bullard (Tipping, 2007).

• Financial reasons: capital release creates financial space for Siemens. This results in the optimization of capital through a focus on core business activities, here (sustainable) products of Siemens which are ‘not locked into stones’. Siemens recently announced the dismissal of thousands of workers all over the world due to a reorganization of the organizational structure. The world wide applied sale-and-leaseback strategy strengthens the balance sheet and therefore has an impact on a corporations financial reporting and earnings per share.

• Fiscal reasons: because Siemens does not own their real estate, they do not have to pay property taxes. Moreover, the rent Siemens has to pay is fully deductible in The Netherlands (Hordijk, 2010).
• Specialization reasons: the separation of real estate and core business allows the corporation to focus on Siemens core business activities and there is less distraction of operating business; more property expertise leads to higher efficiency.

• Flexibility aspects: Siemens is not longer dependent on illiquid and inflexible nature of their corporate real estate.

Hordijk et al. concluded in their mathematical calculation of 275 sale-and-leaseback transactions in The Netherlands from 2000-2010, that 60 per cent are concluded against higher rent than the market rent with a plus of 17.4% (Hordijk, 2010). However, it is assumed that the rent Siemens needs to pay decreases the longer duration of the sale-and-leaseback contract is. Siemens entered into a rather long contract with PingProperties, however is not known which break clauses are implemented in the contract.

Furthermore, within the next year the Siemens head office in The Hague will be fully renovated to the standards of the Breeam-NL area the Beatrixkwartier will be transformed into. Hence, Siemens does not need invest and finance this costly transformation its own head office. Nevertheless, the building will be adapted to the requirements of the corporation; new developments such as ‘The Siemens Office Concept’ – will be implemented (PingProperties, 2013).

Corporations in The Hague- Siemens a deeply rooted corporation?

Since at the beginning of the 20th century when the first peace conferences were held and the Peace Palace was built, the city promotes itself as ‘The City of Peace and Justice’. It is “home to hundreds of international organisations and multinationals, and one of the world's top three UN cities”, (Gemeente Den Haag, 2012c). Ever since, and especially since the end of World War II, the number of international organisations that accommodate in the city constantly increased (Schmitt, 2008).

“The excellent infrastructure, international business climate, top quality educational facilities and the high quality of life, combined with the favourable Dutch tax regime, make The Hague one of the most attractive cities in Europe to set up a business. The presence of international companies such as Shell International, T-Mobile, and Siemens are testament to this.”

(Gemeente Den Haag, 2012c)

The international business climate attracts multinational corporations that provide employment for around 16,000 expats in The Hague. Together with their families there is an expat community of around 40,000 people in The Hague and vicinity (Schmitt, 2008, p. 17). As already mentioned before, the municipality additionally wants to transport the image of the ‘City of Security’. Therefore, a network called ‘The Hague Security Delta’ is formed by the municipality and the national Dutch central government in cooperation with several knowledge institutes and major multinationals such as Siemens. This network is established in order to develop products and services for tackling major threats to society, such as terrorism and organized crime and therefore promotes collaboration, research and innovation on national and international security (The Hague, 2014).

Today, the region of The Hague accommodates more than 300 international corporations whereof Shell, Nationale-Nederlanden and Siemens constitute the biggest multinational players (Gemeente Den Haag, 2012a). Schmitt sees the reason for multinational corporations to establish in The Hague in the fact that the city is the Dutch capital of governmental and public administration (Interview Schmitt, 2014).

Whereas in the 1990’s The Hague was, with exceptions like Siemens and Shell, defined by bureaucracy and public administration nowadays the city wants to attract more and more
private corporations that have their core business not necessarily based on ‘paper work’, (Interview Schmitt, 2014).

Both, corporation and city feature a strong international orientation from their early stages. Nevertheless, compared to all the public- and governmental organisations as well as organisations related to United Nations or ‘paper-work’-based corporations as, for instance, Nationale-Nederlanden, Siemens was, with some smaller enterprises in Scheveningen, one of the only corporations producing hardware. Hence, the corporation did not fit to the same extend into the scope of ‘The City of Peace and Justice’ like, for example, private insurances, advisory companies, banks or law-offices (Interview Schmitt, 2014).

However, Siemens is deeply rooted in the city of The Hague and grew with the city for 123 years. It is assumed that the corporation chose the location of The Hague as their main corporate accommodation in the Netherlands deliberately, based on the close proximity to the Dutch government (Interview de Nijs & Interview Schmitt, 2014). The location choice of the first corporate accommodation of Siemens & Halske in The Hague is not far to seek; the initial accommodation at the Hofsinel was located right in the central city next to the Dutch House of Representatives. Until today, the Dutch government is one of the main costumers of Siemens Nederland.

It is assumed that the accommodation of Siemens in The Hague is strongly based on personal relations; according to Knoppert, there was always a strong relation of Siemens directors to the Dutch royal family. Especially from 1962-1984, the then director B. Henny and Prince Bernhardt had a close friendship. Until today King Willem Alexander is visiting the head office of Siemens at Beatrixpark on an annual basis (Interview Knoppert, 2014).
Chapter V

EVALUATION & CONCLUSION
5. Introduction

The following chapter evaluates the information derived from chapter IV and draws conclusions divided into case study conclusions and general conclusions.

5.1 Overview; corporate accommodations of Siemens in The Hague

Since 1891 Siemens bought, built and rented 14 corporate accommodations in The Hague. The following four accommodations are seen as Siemens’s main accommodations:

- Siemenshuis at the Huijgenspark 38-39, from 1921-1976
- Van der Kunstraat, from 1929-1943
- Binckhorst complex at the Zonweg 63, from 1959-1990
- Beatrixpark complex at the Prinses Beatrixlaan/ Schenkade from 1972 until today

The Siemenshuis served as the first prestigious Siemens head office outside of Germany in The Hague at a very representative location. It is seen as a strong symbol for the long-term establishment of Siemens in The Netherlands. After WWII, the Siemenshuis got expropriated. However, the Siemenshuis and the accommodation ‘het Zieken’ needed to be (partially) emptied, one small office and the construction office remained in the Siemenshuis. Therefore, this accommodation was used for the period of 45 years; the longest time span compared to all other corporate accommodations of Siemens in The Hague.

The accommodation Van der Kunstraat was initially established by Siemens-Schuckert for production-, and storage purposes, which were before accommodated at the Siemenshuis. With the development at Van der Kunstraat, the corporation physically divided clerical activities the first time from manufacturing operations. The division of the prestigious office building at a representative location in a park next to the city centre and a production factory next to the Laakhaven illustrates a strict reorganisation of the business. Through the establishment of the Nederlandse Siemens Maatschappij, Siemens & Halske and Siemens-Schuckert merged. This did not only strengthen the corporation enormously, it also made the Dutch Siemens branch more independent from the mother company in Germany.

The Binckhorst complex was the first establishment of a Siemens factory outside Germany after the Second World War. This was an important step for the corporation to regain access to through the war lost markets, to recover the damaged image and to regain its old strength.

The development of the head office at the Prinses Beatrixlaan was based on an agreement between municipality and corporation; without any further payments or restrictions Siemens exchanged the accommodation Siemenshuis with a lot at the Prinses Beatrixlaan. Since 42 years the corporation’s head office is located there and got extended with an additional building in 1994. The physical merge of the several accommodations that Siemens had in its portfolio during this, does also reflect the organizational change into the modern Siemens-AG.

In between the development of the main accommodations, several additional smaller buildings were acquired that served as intermediate solutions. The acquisition of additional smaller accommodations, such as the accommodations ‘het Zieken’, as well as the ‘Stationsweg’ and the ‘Rijswijkweg’, ‘de Bogaard’ or the ‘Mercuriusweg’, is attributable to a lack of space due to the rapid expansion of businesses or a reorganisation of the corporation that merged separately managed company branches into one. Hence, there was a process of
decentralization taking place before every new main development begun. Table 6 summarizes the various corporate accommodations of Siemens in The Hague during the last 123 years.

<table>
<thead>
<tr>
<th>Address</th>
<th>Year of Construction</th>
<th>In Portfolio</th>
<th>Out of Portfolio</th>
<th>Demolition</th>
<th>Utilization of Siemens</th>
<th>Architect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hofsingel 57</td>
<td>n.a.</td>
<td>1891</td>
<td>1906</td>
<td>yes</td>
<td>Electrical Power Company</td>
<td>n.a.</td>
</tr>
<tr>
<td>Hofsingel 25</td>
<td>n.a.</td>
<td>1891</td>
<td>≈ 1920</td>
<td>yes</td>
<td>Technical office</td>
<td>n.a.</td>
</tr>
<tr>
<td>Het Zieken 31</td>
<td>n.a.</td>
<td>1908</td>
<td>n.a.</td>
<td>n.a.</td>
<td>Office</td>
<td>n.a.</td>
</tr>
<tr>
<td>Het Zieken 103</td>
<td>n.a.</td>
<td>1908</td>
<td>1959</td>
<td>n.a.</td>
<td>Office</td>
<td>n.a.</td>
</tr>
<tr>
<td>Huijgenspark 38-39</td>
<td>1921</td>
<td>1921</td>
<td>1976</td>
<td>No</td>
<td>Head office</td>
<td>Hans Hertlein</td>
</tr>
<tr>
<td>Stationsweg, Rijswijkweg</td>
<td>n.a.</td>
<td>≈ 1925</td>
<td>≈ 1945</td>
<td>n.a.</td>
<td>Office</td>
<td>n.a.</td>
</tr>
<tr>
<td>Van der Kunstraat</td>
<td>1929</td>
<td>1929</td>
<td>1945</td>
<td>Yes</td>
<td>Workshop, warehouse</td>
<td>n.a.</td>
</tr>
<tr>
<td>Prinses Beatrixlaan 800</td>
<td>1972</td>
<td>1972</td>
<td>2013</td>
<td>No</td>
<td>Head office</td>
<td>Bellard &amp; Schutte</td>
</tr>
<tr>
<td>Beatrixpark II</td>
<td>1994</td>
<td>1994</td>
<td>2013</td>
<td>No</td>
<td>Office</td>
<td>JHK &amp; Standke</td>
</tr>
<tr>
<td>Beatrixpark IV-V</td>
<td>2001</td>
<td>2001</td>
<td>2005</td>
<td>No</td>
<td>Office</td>
<td>JHK &amp; Standke</td>
</tr>
</tbody>
</table>

Table 6; Overview corporate accommodations of Siemens in The Hague (own).
5.2 Forms of ownership of corporate accommodations of Siemens in The Hague

Figure 38 illustrate the different forms of ownership and highlights the five aforementioned main corporate accommodations of Siemens in The Hague in dark blue; these accommodations were built and owned by Siemens.

I. Outline; operational periods and forms of ownership of accommodations of Siemens located in The Hague

Initially Siemens established its first accommodation in The Netherlands at Hofsingel 25 and 57. These two buildings already existed when Siemens took them over (Interview Knoppert, 2014). After the take-over of the electrical power company by government, only the first technical office of S&H outside of Germany at Hofsingel 25 remained.

Due to a lack of space, additional office space at ‘het Zieken’ next to the Huijgenspark was purchased in 1907. Finally in 1921, an old villa located in the park was bought and transformed into the prestigious head office, the Siemenshuis.

However, there was a lack of space occurring again very quickly. Therefore, accommodations at the Stationsweg and the Rijswijkweg were rented. Moreover, Siemens-Schuckert developed a warehouse and a factory at the Van der Kunstraat.

During the expropriation of the Siemenshuis in 1945, the accommodation at ‘het Zieken’ remained and additional space at the Rijnstraat in The Hague and the Geestbrugkade in Rijswijk were acquired.

In 1959, the factory and warehouse at the Binckhorst was built and the Siemenshuis, as well as the offices at ‘het Zieken’, were bought back.

As in 1966, when all separately managed Siemens company branches merged into one Siemens AG, development at the ‘Princes Beatrixlaan’ comprised all accommodations into one. The new head office was built in 1972 at Princes Beatrixlaan 800.

The first extension at the Princes Beatrixlaan was built in 1994 and one year later the Binckhorst complex got demolished.

The development of three more buildings took place between 1995 and 2001. These building were immediately rented out to third parties and have never been in use by the corporation.

In September 2013, Siemens sold its two remaining accommodations in The Hague to the Investor PingProperties. Within the sale-and-leaseback period of 12 years the accommodation
will be fully renovated. Moreover, according to Louis Bekker, the business centre in Zoetermeer will be closed within the upcoming years (Interview Bekker, 2014)

II. Conclusion

The professionalization process of real estate management is clearly visible by examining the development of corporate accommodations of Siemens in The Hague with regard to the change of forms of ownership.

As described in chapter III, corporations traditionally used to own and even built most of their real estate. This changed in the 1960’s when the trend was going more towards renting corporate accommodations. Since the 1990’s, an increasing number of corporate real estate divestment and outsourcing deals to real estate professionals took place (Groenlund, 2008). Although it was the common practice that corporations owned (or even built) their accommodations until the 1960’s, the following reasons describe why Siemens developed and owned its head office in The Hague even until last year;

Siemens can truly be called a pioneer in electrical engineering and the development of its accommodations reflects corporate history with regard to historical developments, technical progress and drastic changes in the world of employment from the industrial revolution until today. Through the rapid growth of the corporation and the rather unexplored field of (electrical) engineering, it is assumed that the corporation needed to built its own accommodations that are suitable for the manufacturing of their products and the work with hazardous substances. Because of these reasons Siemens even had to provide its own fire station at the Siemenshuis and the Binckhorst complex.

However, the development of own accommodations did not stop at the point Siemens divided clerical activities from manufacturing operations. Siemens used to develop its own corporate accommodations until the middle of the 1990’s and owned them until last year. As already elaborated in the conclusion of sub-paragraph 4.2.6, it is assumed that there was an unknown overall plan, probably to merge other branches, or even branches of other cities or countries, to The Hague. On the other hand, the development could have served as an investment opportunity of Siemens Real Estate in order to create additional assets.

All main corporate accommodations of Siemens in The Hague were built by the corporation but had rather small operational periods, with an average of 33 years. The Siemenshuis at Huijgenspark was used the longest for over 45 years with an interruption of 10 years due to the expropriation. After the expropriation and during the 1960’s the building got refurbished and expanded, see paragraph 4.2.2. Also the accommodation located at the Van der Kunstraat was expropriated, but not repurchased and therefore only in use for 14 years. The Binckhorst complex was developed and used for 31 years; however, the last extension took place only seven years before the head office at the Prinses Beatrixlaan was developed and the Binckhorst complex got demolished. During the Interview with Nico Groot, he explained that it was surprising for the employees to hear about this new development at the today’s Beatrixkwartier. He and his colleagues were expecting the development of a new accommodation in Utrecht instead. In order to explain this behaviour, further research is recommended.

Until the turn of this century the corporation experienced a boosting growth; in order to overcome a lack of space, additional rented space served as an intermediate solution. Since the purchase of three of the five buildings to UBS in 2005, the corporation’s development regarding its accommodations in The Hague and Zoetermeer seems to go into reverse; an outsourcing process regarding the outsourcing of company branches takes place already since around ten years; many business branches, such as the installation branch or the telecom business, have been outsourced in the last couple of years (Interview Bekker, 2014). In Zoetermeer Siemens used to be the biggest employer, but through outsourcing deals with other corporations, such as Atos, Siemens focuses more and more on its core business.
Whereas, the sale of the three resembling buildings to UBS can be seen as a strategically, financial real estate decision of the Siemens Real Estate department, the future closure of the business centre in Zoetermeer is most likely attributable to other reasons; on the one hand the outsourcing strategy allows more flexibility and specialization on the corporation’s core business. On the other hand, according to the City Account Manager of Siemens, this also bears the risk of the loss of the corporation’s second pillars on the long run (Interview Bekker, 2014).

Since last year, the worldwide corporate accommodation strategy of Siemens changed and is also applied in The Netherlands; the application of a sale-and-leaseback model enables Siemens to lease back its real estate and stay in The Hague for the next 12 years. This decision is based on an internationally changing corporate real estate strategy of Siemens to repel its real estate in order to reinvest in their own (sustainable) products (Interview Remerie, 2014). The application of the sale-and-leaseback model created financial space increases flexibility and spares Siemens the necessity to invest into the redevelopment of the building to meet the sustainable standards of the Beatrixkwartier.

Furthermore, figure 38 illustrates the three phases of accommodation use by Siemens; the first phase from the establishment until the beginning of the 1920’s where the corporation took existing buildings in operation, a second phase where the corporation mainly built and owned its accommodations, and a third phase starting from last year where the corporation let the market provide corporate accommodations which Siemens leases.

Hence, at the beginning Siemens’s corporate accommodations were used generic, from the 1920’s they got a specialized use, and since last year the approach becomes more generic again (although the renovation of the head office will be tailored to meet the requirements of Siemens). This pattern demonstrates a general development from highly complex and specialized businesses back towards a more standardized and generic approach that simplifies complex products or processes. It is assumed that an aspiration of Siemens is to become more footloose in the global world of multinational corporations, in order to increase its agility and adaptability to economical-, and market changes. As a result, Siemens will be able to shift its business from one country to another one if the current economic environment does not benefit them anymore. This is a very big threat for cities, because they are still dependent on corporations (security of employment of their labour force, tax revenues etc.). However, the outsourcing of many specialized sub-branches can also bear risks for the corporation; there is a risk to repel too many pillars of the business and makes it more vulnerable.

5.3 The relationship between Siemens and the municipality

Since 123 years Siemens shares a history with the city of The Hague. From the beginnings until today, the distribution of roles radically changed. Whereas the initial attempts of Siemens to establish in the city were terminated by the municipality, today it seems that the corporation determines the parameters regarding their corporate accommodations.

Initially, city and the corporation rose with the industrial revolution. Therefore, the city benefited from the corporation’s knowledge in the field of electrical engineering and Siemens & Halske could establish its first accommodation located in the city centre at the Hofsingel; the ‘Nederlandse Maatschappij voor Elektriciteit en Metallurgie’ provided electricity for The Hague. Only 15 years later, the city of The Hague took over the electrical power plant. The mayor and alderman of The Hague predetermined conditions that S&H needed to follow. Hence, at the beginning of the relationship between Siemens and The Hague, a conflict lead to the termination of the corporation’s main business, only the technical office remained.
In the first half of the 20th century, conflicts were turned into synergy. The city offered a lot for the expansion of the corporation, but Siemens chose its own plot on which the corporation did not have to pay annual fees to the municipality due to an existing leasehold contract. The city changed the land use plan of the plot between the Huijgenspark and ‘het Zieken’ under the condition that Siemens will accept the only partial conversion of the land use plan regarding the building located at Huijgenspark 40. However, the following development of the corporate accommodation at the Van der Kunstraat was built on a plot on which the municipality was the leasehold owner.

During the following time, both actors needed to cope with years of crisis and war. Siemens got expropriated; their two corporate accommodations were partially taken by the municipality after the Second World War. However it is noticeable that although the relationship suffered strong setbacks, it was at no time totally interrupted. Even during the post-war period, the City of Peace and Justice relocated and accommodated the German corporation that, among others, produced products for the German war industry in The Netherlands (Dicke et al., 2006, p. 65) and employed thousands of forced labourers in Germany (Siemens, 2014).

From the second half of the 20th century, conflicts were always transformed into synergy. One reason for this can be the strong objective of the municipality to keep the corporation in the city. According to de Nijs corporations nowadays have the upper hand in the interaction between corporations and cities. With regard to the closure of the first Siemens accommodation at the Hofsingel, that was obviously not always the case.

Especially between the late 1960’s and the middle of the 1980’s, the relationship between both actors was very good (Interview de Nijs, Interview Knoppert, 2014). Furthermore, de Nijs states that ‘urban development is always personal development’- and especially during this time there was a strong relation of the board of Siemens to the government as well as to the royal family. However, de Nijs describes it as a love and hate relationship. This is based on the fact the Dutch government as well as the municipality of The Hague most of the times chose the competing products of Philips over those of Siemens. One year ago, the municipality of The Hague ordered for the first time trams from Siemens, instead from one of the corporation’s competitors.

In his period as a City Architect of The Hague, from 1998 until 2009, Maarten Schmitt did not see a special relation between Siemens and the city. Considering corporations such as Nationale Nederlanden or KPN, he sees a much stronger sense of belonging and relation to the city and the government. He argues that Siemens is one of the few corporations of The Hague that is producing hardware instead of ‘paper work’, (Interview Schmitt, 2014). However Siemens did not participate in urban planning development to the extend the municipality was hoping for during that time, the corporation always financially supported many cultural organisations and events such as, for instance, the art museum Mauritshuis, the Atheneum Chamber Orchestra, the Royal Conservatorium and the Nederlandse Danstheater. On the website Siemens states that thereby the corporation wants to express the commitment of to the society and culture (Siemens, 2013e).

Max Remerie mentioned during the interview that Siemens refocused a couple of years ago their relation to cities and therefore established an additional fourth sector dealing with infrastructure and cities, see paragraph 4.2 figure 17. Since then, Siemens employs also in The Netherlands ‘City Managers’ in order to deal with infrastructural issues concerning cities in the Randstad area.

Furthermore, due to the additional focus area of The Hague in the field of Security, Siemens participates as one of the founding members of the ‘The Hague Security Delta’. Moreover Remerie states that during the last ten years Siemens tries to cooperate to a bigger extend with the city and actively seeks a dialogue. This is to be seen in regular meetings between...
corporation and city and in the development of joined interests regarding the Security Delta and in the promotion of local culture.

Louis de Nijs, town planner at the municipality of The Hague and the former City architect of The Hague Maarten Schmitt, both said during the interview that the strategy of the city always is to attract and to keep multinational corporations accommodated in The Hague. Moreover, de Nijs says that the municipality tries to make it as less a difficult for corporations to stay. Consequently, corporations have many advantages through this strategy and can push the municipality in order to give them more incentives (Interview de Nijs, 2014). Hence, corporations have more pull in the interaction between corporation and city. One reason is the disparity of time horizons; the timeframe of a municipal urban planning strategy is much longer than the timeframe of a corporation’s (accommodation) strategy. Moreover, private corporations as Siemens are less physically bound to a specific place due to the fact that the corporation quickly adapts and orientates on different markets and/or even products. Because of the reasons mentioned above, there is an imbalance in the dependency of both actors that result in an inequality of power relations between corporation and city

By describing the today’s relationship of Siemens and the municipality of The Hague, both actors only have words of praise left; Leo Freriks, the City Account Manager of Siemens, argues that due to the long history of Siemens in The Hague, the corporation constitutes a part of the city;

“We zijn sinds 1879 gevestigd in de stad. We maken onderdeel uit van Den Haag. Samen met de stad willen wij projecten ontwikkelen voor het verduurzamen van gebouwen, waar veel energie verbruikt wordt, duurzame openbare verlichting of duurzame mobiliteit. Zo houden we onze stad ook leefbaar in 2040”,

(Leo Freriks, Duurzam Den Haag, 2014)

In the testimonial of Siemens on the website of the municipality of The Hague the following is stated;

“As our long lasting relationship with The Hague continues, we see that The Hague is centrally located in the Randstad, has an excellent infrastructure and an attractive environment to work and live in. Availability of top knowledge institutions and highly skilled people is important for us as a knowledge and expertise company. Initiatives by the city to develop new business, such as the security cluster, add to the attractiveness of The Hague as the location of our Dutch headquarter”

(Gemeente Den Haag, 2013)

According to Siemens, the application of the sale-and-leaseback comprises that part of the money that got free is reinvested in the building to meet the sustainable objectives of the project ‘Duurzam Den Haag’ (Interview Reemrie, 2014).

The distribution of roles between corporation and city changed over time. The relationship of corporations and cities undergoes important changes through the process of globalization and the endeavour to manage a flexible adaptation to economic changes and cycles. As a result, multinational corporations are less and less bound to a specific physical location. Moreover new developments, such as the New Ways of Working, result in a decrease of space a corporation requires to operate its business. Further on, the application of the sale-and-leaseback model is increasing since the last decades also in The Netherlands. The municipality has no voice in these ownership changes. One of the most obvious differences is the different view on timeframes. Whereas Siemen’s corporate accommodation strategies range in a timeframe of five to twelve years at longest, The Hague’s urban planning policies range over a period of several decades (Interview de Nijs, 2014).
Regarding the future of Siemens in The Hague, Remerie expects Siemens to stay very long in The Hague and describes the relationship right now as very healthy. Moreover, he believes in the process that cities themselves start working together very globally and he sees Siemens in the position to support the city of The Hague in order to reach this goal. His answer to the question how he sees the future of Siemens in The Hague he stated the following: “We are here to stay”, moreover he adds that Siemens will not sell its future for a short term profit, however and obviously the corporation needs to make profit though (Interview Remerie, 2014).
5.4 Case study conclusion

This paragraph draws conclusions out of the synthesis in order to answer the flowing research question:

‘How did the portfolio of the Siemens develop in the city of The Hague and when and how did synergy and conflict occur?’

This graduation thesis examined, among others, the for this research most striking urban planning policies of the municipality of The Hague from 1850 until today and compared and related them to the development of corporate accommodations of Siemens in The Hague from the initial establishment until today. Moreover, interviews with experts and contemporary witnesses were conducted as well as original correspondence between corporation and city was analysed, in order to evaluate the concept of synergy and conflict between both actors.

I. From 1880

The choice of Siemens to establish its first Dutch branch in The Hague is attributable to its proximity to the Dutch Government; the main costumer of Siemens in The Netherlands. Both corporation and city evolved and grew through the industrialization and its repercussions. During the early 1890’s businesses were still mainly located within the central canal system of The Hague, the Singelgrachten.

The business relation of Siemens with the Dutch government can be traced back to 1952, when Siemens delivered its products to the governmental telegraph office. The initial establishment of Siemens in The Hague is based on collaboration with the sub-director of the Rijkstelegraaf in 1879, which was terminated by Siemens a few years later. Thereafter, two centrally located accommodations were acquired at the Hofsingel within the Singelgrachten of The Hague in order to continue the business of electrical power supply. From the beginning, Siemens was an internationally orientated corporation with several branches abroad. The corporation’s strategy was the expansion of the business and the geographic coverage of Siemens in Europe (Siemens-AG, 1997).

However there was a close physical proximity between city and corporation, conflicts occurred due to a policy change of the municipality which did not let private corporations provide electricity for the city. A long-lasting and aggressive argument between both parties resulted in the forced closure of Siemen’s main business in The Hague, the Electric Power Company located at Hofsingel 57, see appendix I. Nevertheless, the technical office at Hofsingel 25 remained. Hence, the municipality made use of a regulating public planning tool by establishing a contractual regulation that permitted the operation of the accommodation only for a limited period of time and set several further limitations.

It is assumed that the initial establishment of Siemens in The Hague was in synergy with the policy of the municipality but did result in a conflict in which the municipality obstructed the further expansion of the corporation and terminated its main business in The Hague. Hence, initially the municipality had more pull in the interaction between corporation and city and conflicts were not turned into synergy. Nevertheless, the municipality compensated part of the losses of the corporation and Siemens could remain their technical office.

II. From 1900

The relocation of the remaining technical office located at Hofsingel 25 is referable, on the one hand, to the growth of the corporation that resulted in the need for additional space and, on the other hand, to the fact that the location in the inner city was not favourable for the business of Siemens (Wegner, 1970, p. 41). According to Herman van Bergeijk, professor of history of architecture at Delft University of Technology, it is noticeable that Siemens did not locate towards Wassenaar where normally big corporations established during this time (Interview van Bergeijk, 2014). One main reason for the choice of location might be that
Siemen’s core business was focused on its main costumer: the government of The Netherlands, which is located in the city centre. According to Maarten Schmitt, City Architect of The Hague from 1998-2009, another reason could be that this location was very representative and matched to the endeavour of Siemens to build a prestigious head office (Interview Schmitt, 2014). Hence, an extrinsic push factor for relocation was the lack of space, an unsuitable location and the supply of better alternatives.

In this time, the municipality of Hague wanted to accommodate business and industry outside the central canal system and first offered Siemens a lot a few meters away from the park at the Pletterijkade. Siemens rejected this offer because the municipality was the leaseholder of this plot. Instead they bought several buildings between the Huijgenspark and the road ‘het Zieken’ in 1908. The accommodation of other businesses at Huijgenspark was already in progress; several smaller corporations were already located there and an electrical tram, which connected the area with Rijswijk and Delft, replaced the horse-tram along the Huijgenspark two years before the Siemenshuis was built. Furthermore, during the interwar period the number of inhabitants and businesses in the city were still growing rapidly, which stimulated the process of ‘city formation’. Before the Siemenshuis was built, an old villa was located on the lot at Huijgenspark 39. This villa, and several other small residential buildings around it, eventually got transformed into the Siemenshuis. The fact that the Siemenshuis consists of several, already existing building structures that are nested within one another (see appendix XII) can be interpreted as a negotiation process between corporation and city.

It is assumed that normally, a corporation like Siemens would demolish existing structures and build a new accommodation. The extension of the existing building structure shows that Siemens either did not have the financial possibilities or was not permitted by the municipality to develop a new construction. The transformation was based on an agreement between the municipal construction supervision agency and the director. Siemens wanted to centralize the several accommodations into one and the municipality allowed the conversion of the land use plan on the lot between Huijgenspark and Zieken under the condition that several existing, mainly residential buildings were demolished, see appendix II. Moreover, a letter from the municipal administration of The Hague to Siemens comprises a positive answer concerning their new development plans under the condition that several building guidelines will be respected, and an existing residential building will be incorporated in the development, see appendix III. Hence, the municipality used a shaping public planning tool in order to establish and adjust existing development plans to accommodate businesses beyond the Singelgrachten, but also regulating planning tools by defining parameters and establishing bilateral agreements and contractual regulations regarding the use of specific buildings. The development of a Dutch head office at Huijgenspark was clearly part of the corporation’s international expanding strategy. Therefore The Netherlands was chosen to accommodate the first prestigious Siemenshuis in Europe, built by Siemens’ well-know architect Hans Hertlein who also built the Siemens-city in Berlin a couple of years earlier (Hertlein, 1929). The corporate accommodation strategy was to establish an international representation of the S&H by building the first Siemenshaus abroad from Germany as well as to counteract the process of decentralization; the several accommodations spread between Huijgenspark and the road ‘het Zieken’ got transformed into one (Wegner, 1970). The mother company in Germany still accomplished the corporation’s strategies and decisions in The Netherlands. Soon a lack of space occurred and this time Siemens developed a second accommodation on a lot at the Van der Kunstraat on which the municipality this time was the leaseholder.

III. From 1945

The corporate accommodation located at Van der Kunstraat was developed in 1929 due to a lack of space for manufacturing facilities and warehouse functions (Wegner, 1970). Through the relocation of these activities to the new accommodation, the company for the first time divided clerical activities from manufacturing operations. Consequently, the head office was still located in the representative Huijgenspark near the city centre, whereas the manufacturing plant was located in an industrial area next to the Laakhaven district.
Furthermore, a process of reorganisation of Siemens & Halske and Siemens-Schuckert took place; both separately managed corporation branches merged into one (Dicke et al., 2004). Moreover, for the first time the corporation’s branch in The Netherlands gained more independence; from 1930 Siemen’s businesses and accommodations were directed by the Nederlandse Siemens Maatschappij that was owned to 50% by Dutch shareholders and to 50% by the mother company in Germany (Wegner, 1970).

As a consequence of the production of armaments in WWII, the accommodation Siemenshuis and the accommodation at Van der Kunstraat got expropriated (Dicke et al., 2004). Hereby, the state applied a strong regulating planning tool by (partially) expropriating Siemens. Nevertheless, Siemens could rent a new accommodation located at Rijnstraat in the city centre of The Hague next to the Central Station, and bought an accommodation located at Geestbrugkade in Rijswijk. These new accommodations simply replaced the space that was taken away.

It is noticeable that although the relationship suffered strong setbacks, it was at no time totally interrupted. During the post-war period, the City of Peace and Justice relocated and accommodated the German corporation.

IV. From 1950

After the expropriation of Siemen’s most important corporate accommodations in The Hague, a lack of space occurred and a main corporate accommodation was missing. Therefore Siemens bought back the Siemenshuis from the municipality in 1955, but there was still a lack of space especially for storage-, and workshop facilities caused by the expropriation of the manufacturing plant at Van der Kunstraat.

After the war, the municipality of The Hague aspired the agglomeration of corporations to dedicated areas. Corporations, which did not do so were forced to relocate (Kouwenberg, 2012, p. 36). In the ‘Structuurplan Groot s’Gravenhage’, the architect and urban planner W.M. Dudok dedicated specific areas as industrial areas, among others the Binckhorst district (Kouwenberg, 2012). Already before the establishment of Siemens, a governmental gas factory and a cigarette factory were accommodates on the site (Faber-Wittenberg, 2013). The planning of new industrial areas, such as the Binckhorst, gave corporations like Siemens the possibility to build on cheap ground (Interview Schmitt, 2014).

The Binckhorst accommodation was the first new Siemens plant to be set up in a European country outside of Germany after WWII. Siemens adopted the resolution to develop a corporate accommodation at the crossing Zonweg/ Regulsweg and Saturnstraat with 13,000 m² space for, among others, workshop-, warehouse-, and office facilities. Critical push factors were the cheap ground and the good accessibility (Wegner, 1970). The municipality permitted the request and in 1959 the new accommodation was opened by the mayor of The Hague H. Kolfschoten and Peter von Siemens, the director of the mother company in Germany. Through the establishment and adjustment of urban development plans, the municipality used a shaping public planning tool in order to accommodate corporations like Siemens to dedicated areas. Siemens passively contributed to the municipal urban planning objectives and synergy was created.

V. From 1965

In the 1960’s the today’s Beatrixkwartier still was a green-field area. Nevertheless, it was a strategically important site for the municipality which aspired the merger of the two districts of Voorburg and Leidschendam (Interview de Nijs, 2014). This merger never took place and therefore the strategically chosen accommodation of both the municipal police-, and fire station on the site lapsed. In 1965 the province urban planning department of South-Holland (‘Provinciale Planologische Dienst’) vote in a zoning plan for the migration of businesses out of the centre and the agglomeration of them towards the surrounding areas of The Hague (Kouwenberg, 2012). The Beatrixkwartier in this time was a cheap and well accessible green-field area and therefore the corporation Nationale Nederlanden developed an accommodation on the site a couple of days before Siemens.
After the reorganization of the organisational structure into one Siemens AG in the 1960’s and a steady growth of the corporation, the accommodation at Binckhorst got extended several times from 1965 (Interview Groot, 2014). But once again, the recently developed complex did not provide sufficient space to keep up with the growth of the corporation. Therefore additional buildings at the road ‘de Bogaard’ and the Mercuriusweg were rented. In order to improve efficiency and to counteract the process of decentralization, Siemens requested to expand its head office at Huijgenspark (Dicke et al., 2004). Due to municipal development plans around the Huijgenspark this request was rejected (Faber-Wittenberg, 2013).

To overcome this conflict, the municipality offered the corporation a lot at Plasbroekpolder (see appendix IV & V), but Siemens rejected that offer and instead requested to relocate their head office to the Prinses Beatrixlaan. In order to create synergy, Siemens and the municipality of The Hague simply exchanged their properties; Siemens got the lot at Prinses Beatrixlaan and the municipality got the accommodations of Siemens at Huijgenspark, see appendix VII. In 1972, Prince Bernhard and the then director B. Henny opened the new head office. Taking into account the nested and old structure of the Siemenshuis, a complete refurbishment would have been necessary to create open and modern structures like at the new development. Moreover, the size of the lot at Prinses Beatrixlaan is much bigger than the one of the Siemenshuis. But taking into account the two different locations, one at a representable park in the city centre and a greenfield-area where hardly anything was built yet, and considering the spacious configuration of the new development, it can be assumed that the land price of the lot at the Prinses Beatrixlaan was rather low. Because of the aforementioned reasons it is not possible to say if the swap was to the benefit of one of the two actors.

The corporation’s accommodation strategy during this period should not only contribute to enhance efficiency and internal communication. Furthermore, the accommodation should reflect the modern and less traditional and strict image of the corporation. The implementation of the Bürolandschaft -concept underpins the endeavour of Siemens to enhance its corporate identity; from a traditional and rather strict German corporation towards a modern and open international Siemens-AG. The trend from office buildings with elongated shapes towards more compact and squared layouts is clearly visible in this accommodation. The application of a modern office building type clearly shows that office buildings are under permanent change; workplace innovations and technical process is reflected by the physical structure of the building.

With the offer of a different lot at Plasbroekpolder, the municipality applied a public planning tool in order to shape the decision of the corporation’s development plans, whereas with the swap-transaction a stimulating public planning tool was used. Here, the municipality encouraged a desired activity to relocate the corporate accommodation of Siemens by taking direct action. From a today’s point of view, an expansion at Huijgenspark would have soon resulted in a lack of space again. Hence, during this period the municipality contributed to the corporate accommodation strategy of Siemens by restructuring contours of the decision environment (Herkens, 2012).

Noticeable during the period between the late 1960’s and the middle of the 1980’s is a strong synergy between corporation and city (Interview de Nijs, 2014). Among others, this was result of a friendship between director Henny and the municipality as well as the royal family (Interview Knoppert, 2014).

Nevertheless, for the first time there is the clear shift in the balance of power between both actors noticeable; whereas in the 1950’s corporations were forced to relocate if their accommodation was not in line with the municipality’s urban planning strategy, in the 1970’s and 80’s there have been hardly any restrictions and the municipality was very keen on keeping corporations in the city (Interview Schmitt, 2104). Hence, corporations gained more pull within the interaction with the city.
VI. From 1990

Maarten Schmitt was the City Architect of The Hague from 1998-2009. During the interview he explained the development of the concept of two axes for the establishment of corporate accommodations in The Hague. According to Schmitt, the municipal urban planning strategy concerning the location of corporate accommodations is as simple as positioning them within these two axes (Interview Schmitt, 2014). These axes were taken up again from the architect and urban planner Busquets and Schmitt with the development of the Beatrixkwartier and are to be seen as the backbone of the development of businesses and corporations in the city; one key axis is the cross that stretches from Ypenburg towards Binckhorst, The Hague Centre and Scheveningen. The other key axis stretches along the railroad that connects Amsterdam with Rotterdam and starts at the Aegon head office via Siemens towards the station ‘Den Haag Hollands Spoor’. Within this cross there is a concentration of corporations, whereas within the city centre there is a concentration of the departments and ministries of the government.

The development of the four resembling buildings by Siemens Real Estate features the transition of the corporation’s real estate management into a highly professionalized discipline. The corporation’s accommodation is no longer reactively but proactively managed. Before the middle of the 1990’s, a process of decentralization took place before every development of a new main corporate accommodation of Siemens in The Hague; to overcome the lack of space, additional square meters were rented elsewhere. However, two different assumptions can be made about this development of the last three of the four resembling buildings that form the Beatrixpark.

On the one hand it can be assumed that the development of the Beatrixpark was an ambition of Siemens to concentrate additional departments in The Hague, such as the healthcare branch that is located in Amsterdam, or even branches abroad as, for instance, Siemens in Belgium or Luxemburg. Nevertheless, these plans changed and Siemens Real Estate rented the buildings for seven years and eventually sold them. In any case, for the municipality of The Hague it was a strong signal for the commitment of Siemens to the city (Interview de Nijs, 2014). Hence, it can also be assumed to be a tactical manoeuvre.

But taking several facts into account that will be elaborated further, it is can also be assumed that the growth into the additional buildings never was part of the strategy and a the development is to be seen solely as an investment of Siemens Real Estate directed from Germany. The corporation’s accommodation strategy was mainly focused on flexibility. This flexibility should enable to shrink, to expand or even to relocate the corporate accommodation to another city. According to Knoppert, Siemens Real Estate did not built the additional space for a possible growth of the corporation into the three more buildings along the Schenkade Road (Interview Knoppert, 2014). Taking into account that the head office already contains 30.000 m² and that the corporation developed a whole new business centre in Zoetermeer a few years before, it is unlikely that the corporation’s accommodation strategy was to grow into additional 46.000 m² of office space. Moreover, the extension of the Siemens head office build in 1994 is not connected to the three buildings developed afterwards. These three buildings are connected with each other through passageways, but are disconnected to the head office of Siemens. During the development of the Beatrixpark the development of the Beatrixkwartier by the municipality was in full progress; it is assumed that Siemens Real Estate noticed that the establishment of the business district Beatrixkwartier in The Hague will raise the land prices and the empty terrain next to the Siemens head office simply seized the opportunity to create additional assets. The Beatrixkwartier developed within the last 14 years to the second most important office location in The Netherlands. Hence, it can be assumed that the corporations in this case acted like a private investor by building office space in order to let it to third parties for the creation of additional assets. Consequently, the development of the Beatrixkwartier by the municipality was strongly to the benefit of Siemens because the (land) value of their five buildings increased enormously. Hence, during this period the municipality strongly contributed with their urban planning policy to the corporate accommodation strategy of Siemens.
Although there are many indications that it was never part of the corporate accommodation strategy of Siemens to grow into the additional buildings, it is not sure whether the corporation intended the growth into the building or if it was solely an investment by the corporation’s real estate department. But even though it is not clear what the corporation intended to do with the development of the Beatrixpark, it is certain that in this point the corporate real estate management of Siemens in The Hague served a higher purpose and evolved into a highly specialized and proactively managed discipline.

Between the end of the 1990’s and 2010, it seems like Siemens did not indicate too much interests in a flourishing dialogue with the municipality and vice versa. On the one hand, Siemens did not participate in the urban planning project Beatrixkwartier to the extend the municipality was hoping for, on the other hand Siemens almost left The Hague due to the fact that the municipality of Rotterdam was actively enticing the corporation to relocate their head quarter to ‘Manhattan on the Maas’. If the building permission of the municipality for the 88 meter high Siemens Tower can be associated with that is not reconstructable.

In summary, before the turn of the century, the city’s policy concerning corporate accommodations developed from “hardly any restrictions” to “a well-defined strategy” (Interview Schmitt, 2014). The municipality emphasized on attracting and keeping corporations in the city. Moreover, the policy of the municipality broadened towards an additional focus on corporations that are not necessarily referable to public- and governmental organisations or organisations related to United Nations. However it is not clear what caused the broadening of the focus towards private corporations, several reasons can be assumed; possibly in the late 1980’s the city saw advantages in the diversification of corporations that are located in the city. Consequently the city establishes additional pillars and does not limit itself to solely to ‘Peace and Justice’. Private, (multinational) corporations like Siemens are big employers that can counteract high unemployment rates and employ larger numbers of labour force. The broadening of the city’s scope can also be seen several years later, when the municipality added the identity of ‘The City of Security’. Through the broadening of the city’s identity, networks such as the ‘Security Delta’ could be formed that can have a multiplier effect in order to attract additional markets and corporations and create additional jobs. However, this well-defined strategy resulted in the dedication for private corporations to accommodate on the axis along the Schenkade-zone, its seems like that the corporations located there more and more have ‘hardly any restrictions’ when it comes to negotiation to obtain advantages from the municipality. The relationship of corporation and city changed significantly; the corporation clearly has the upper hand in the interaction with the city. In case another attractive city entices with a good offer, the corporation is able to play both cities off against another and can pick the ‘highest bidder’.

I. From 2005

The development of the Beatrixkwartier played an important role in the urban planning policy of The Hague regarding the accommodation of corporations. Within 14 years, the district developed into the second most important office location in The Netherlands. Corporations such as Siemens that located there before the construction, boom strongly profit from this municipal development. It is assumed that the price of land multiplied within the last years. Moreover, it is assumed that the sale of 46.000 m² office space in 2005 to the Swiss bank UBS was a profitable deal for Siemens.

Since several years Siemens’s City Account Managers seek for a more intensive dialogue with the municipality. Moreover, an additional fourth mainstay was established that is dedicated to infrastructure and cities. Moreover, The Hague established an additional focus area as ‘The City of Security’, in which Siemens actively participates as one of the founding members of the ‘The Hague Security Delta’. These developments (can) lead to shared interests between corporation and city and possible future interactions. According to the municipality of The Hague, it is their aspiration to keep the corporation Siemens in the city.

In September 2013, the head office of Siemens was bought by the Dutch investment management organisation PingProperties. Through a sale-and-leaseback construction
Siemens is able to use its head office over a period of the next 12 years (PingProperties, 2013). The investment of €77.5 million comprises building I from 1972 and building II from 1994 with a total of 30,000 m² net floor space and 542 parking places. The application of the sale-and-leaseback model is attributable to the worldwide changing corporate accommodation strategy of Siemens. Ab van der Touw, CEO of Siemens Nederland N.V., stated that this is based on the strategic decision to repel real estate of the corporation (PingProperties, 2013). Reasons for this decision can be related to the capital release that creates financial space for Siemens. This results in the optimization of capital through a focus on core business activities, here (sustainable) products of Siemens which is ‘not locked into stones’. Siemens recently announced the dismissal of thousands of workers all over the world due to a reorganization of the organizational structure. The world wide applied sale-and-leaseback strategy strengthens the balance sheet and therefore has an impact on a corporations financial reporting and earnings per share. Moreover, it is assumed that fiscal reasons play a role because the corporation does not need to pay property taxes and the rent Siemens has to pay is fully deductible in The Netherlands (Hordijk, 2010). Furthermore, the separation of real estate and core business allows the corporation to focus on Siemens core business activities and there is less distraction of operating business; more property expertise leads to higher efficiency. It is assumed that one of the most striking reasons are flexibility aspects; Siemens is not longer dependent on illiquid and inflexible nature of their corporate real estate.

Hordijk et al. concluded in their mathematical calculation of 275 sale-and-leaseback transactions in The Netherlands from 2000-2010, that 60 per cent are concluded against higher rent than the market rent with a plus of 17,4% (Hordijk, 2010). However, it is assumed that the rent Siemens needs to pay decreases the longer duration of the sale-and-leaseback contract is. Siemens entered into a rather long contract with PingProperties, however is not known which break clauses are implemented in the contract. Furthermore, within the next year the Siemens head office in The Hague will be fully renovated to the standards of the Breeam-NL area the Beatrixkwartier will be transformed into. Hence, Siemens does not need invest and finance this costly transformation its own head office. Nevertheless, the building will be adapted to the requirements of the corporation; new developments such as ‘The Siemens Office Concept’ – will be implemented (PingProperties, 2013)
5.5 General conclusions

The general conclusions are to be seen as reasoning on a higher level of abstraction where patterns are detected and general developments are described.

The broader context and repercussions of the accommodation of a multinational corporation
The fact that Siemens is located in the city of The Hague since more than 120 years is not solely referable to the interaction of the two actors; corporation and city. The 123 years of coexistence between the corporation Siemens and the city of The Hague must be seen in a broader context and from different managerial levels. Not only municipal (local) or regional, but also national politics were important drivers for the long-lasting corporate accommodation of Siemens in The Netherlands. It is assumed that it is important for Siemens to be accommodated in the governmental capital of The Netherlands, as well as it is important for The Netherlands to have a multinational corporation like Siemens located in its governmental capital. Consequently, the municipality of The Hague was at service to contributing to larger (political) objectives. Furthermore, de Nijs states that ‘urban development is always personal development’ (Interview de Nijs, 2014). Taking into account findings of the case study, it is assumed that the personal relationship of the government with the multinational, electro-technical corporation Siemens and vice versa played an important role as well. Hence, influences from several levels co-determine the location and utilization of corporate accommodations on a rather local level, which can lead to discrepancies not only between corporation and city but also between national authorities and multinational organisations. However the physical location of a corporation is locally bound- the repercussions are much more widely felt and can even become part of a political level.

I. The professionalization of real estate management
The professionalization of real estate management is clearly visible by examining the development of corporate accommodations of Siemens in The Hague. A shift from the application of a rather incremental strategy, by developing several existing buildings into the Siemenshuis that features a strong representation of the corporation’s image, towards the professional management of real estate that creates additional assets, as for instance with the development of the Beatrixpark, emerged over the last decades. Especially in the 1990’s the development of the four resembling buildings by Siemens Real Estate features the transition of the corporation’s real estate management into a highly professionalized discipline. Although it is not clear what the corporation initially intended with the development of the Beatrixpark, to either grow in the complex and merge other corporation branches into the additional buildings or Siemens Real Estate simply seized the opportunity to create additional assets, it is certain that in this point the corporate real estate management of Siemens in The Hague was proactive and served a higher purpose. Through the management of its corporate accommodations Siemens Real Estate seized value adding opportunities that contribute to the overall performance of the corporations’ business. Examples for added value of Siemens’s corporate accommodations are for instance improving efficiency, increase of flexibility, creating additional assets, centralization of business branches or enhancing sustainability.

Considering figure 38, paragraph 5.2, there are three phases of accommodation use by Siemens; the first phase from the establishment until the beginning of the 1920’s where the corporation took existing buildings in operation, a second phase where the corporation mainly built and owned its accommodations, and a third phase starting from last year where the corporation let the market provide corporate accommodations which Siemens leases over a period of time. Consequently, there is a pattern from a generic approach of Siemens’s corporate accommodations at the beginning, from the 1920’s specialized approach and since last year back to a more generic approach again. This pattern demonstrates a general development from highly complex and specialized businesses towards a more standardized
and generic approach that simplifies complex products or processes.

The fact that Siemens mainly used to build and own its corporate accommodations is attributable to the circumstance that the corporation can be seen as one of the pioneers in electrical engineering and there was simply no supply of suitable alternatives. Through the rapid growth of the corporation and the rather unexplored field of (electrical) engineering, it is assumed that the corporation needed to build its own accommodations that are suitable for the manufacturing of their products as and the work with hazardous substances in order to have access to the right resources. The entrepreneurial spirit of Siemens is reflected by the development of its corporate accommodations, such as the Van der Kunstraat, the Binckhorst complex or the head office at Prinses Beatrixlaan 800.

II. Striking relocation decisions
Most corporate accommodations of Siemens in The Hague had rather small operational periods. The development of new corporate accommodations is not attributable to the physical deterioration of the building; before every development of a new accommodation a process of decentralization or a process of reorganisation took place as, for instance, the merger of separately managed corporation branches or the division of clerical activities from manufacturing operations.

The expropriation of Siemens’s corporate accommodations in 1945 caused the loss of the accommodation at Van der Kunstraat and lead ten years later to the repurchase of the Siemenshuis and the development of the Binckhorst complex that replaced the manufacturing facilities that were located at the Van der Kunstraat. With the leaving of the Binckhorst complex Siemens one more time relocated its (greatly reduced) manufacturing facilities to Zoetermeer in 1990. Since the last decade, these facilities are either outsourced to other corporations or sold.

In conclusion it can be said that relocation decisions of Siemens’s corporate accommodations were not caused by a changing urban planning policies of the municipality; Siemens most striking relocation decisions are referable to growth, reorganizational processes and centralization of the business.

III. The role of Siemens in the urban development of The Hague
Siemens did not play an important role in the development of urban planning policies in the city of The Hague; the corporation accommodated at locations that were already dedicated by the municipality and furthermore there were always other businesses located at these locations already.

IV. Shift in the balance of power between corporation and city
The balance of power between corporation and city significantly changed within the last 130 years. This can be demonstrated through the analysis of synergy and conflict in the examination of the case study of corporate accommodations of Siemens in The Hague.

During the establishment of Siemens in The Netherlands, the municipality of The Hague withdraw the production and supply of electric power, which lead to the forced closure of Siemens main accommodation at Hofsingel in 1907, see appendix I. Consequently, the municipality initially had more pull in the interaction with the corporation Siemens and conflicts were not turned into synergy.

From the 1960’s, there is a clear shift in the balance of power between both actors noticeable for the first time; whereas in the 1950’s corporations were forced to relocate if their accommodation was not in line with the municipality’s urban planning strategy; in the 1970’s and 80’s there have been hardly any restrictions anymore. Corporations gained more pull in the interaction with a city.

In the 1980’s the city’s policy concerning corporate accommodations developed from “hardly any restrictions” to “a well-defined strategy” (Interview Schmitt, 2014). The municipality emphasized on attracting and keeping corporations in the city. Moreover, the policy of the
municipality changed towards also focusing on corporations that are not necessarily referable to public- and governmental organisations or organisations related to United Nations. However it is not clear what caused the broadening of the focus towards private corporations, several reasons can be assumed; possibly in the late 1980’s the city saw advantages in the diversification of corporations that are located in the city. Consequently the city establishes additional pillars and does not limit itself to solely to ‘Peace and Justice’. Private, (multinational) corporations like Siemens are big employers that can counteract high unemployment rates and employ larger numbers of labour force. The broadening of the city’s scope can also be seen several years later, when the municipality added the identity of ‘The City of Security’. Through the broadening of the city’s identity, networks such as the ‘Security Delta’ could be formed that can have a multiplier effect in order to attract additional markets and corporations and create additional jobs. However, this well-defined strategy resulted in the dedication for private corporations to accommodate on the axis along the Schenkade-zone, its seems like that the corporations located there more and more have ‘hardly any restrictions’ when it comes to negotiation to obtain advantages from the municipality. The relationship of corporation and city changed significantly; the corporation clearly has the upper hand in the interaction with the city. In case another attractive city entices with a good offer, the corporation is able to play both cities off against another and can pick the ‘highest bidder’.

V. The dependency of city and corporation (unilaterally) disappears in the near future

The pattern change from a specialized use of corporate accommodations back towards a more generic use, for instance through the application of the sale-and-leaseback model, is assumed to be an approach to become more footloose in the global world multinational corporations Siemens is operating in. This agility increases adaptability to economical-, and market changes. As a result, Siemens will be able to shift its business from one location to another one, if the current economic environment is not beneficial anymore.

This development can be considered as an enormous threat for cities like The Hague, because they are still dependent on corporations (security of employment of their labour force, tax revenues etc.).

On the other hand, the corporation’s approach to increase agility can also redound to its disadvantage. The outsourcing of many specialized sub-branches can bear risks for the corporation; the decision to shorten the horizontal boundary of Siemens and to repel second pillars of the business can make the corporation more vulnerable and unstable.

It is acknowledged that corporations have more pull in the interaction with cities, but there is a continuous formation of alliances on higher (managerial) levels that causes the blurring of local, regional or even national boundaries and can strengthen a city’s power and counteract its weakened position. One of the most far-reaching alliances is, for example, the European Union. Furthermore, the significantly increasing agility of corporations can be an opportunity for a city to create a different built environment in order to become less depend on the decisions of one corporation. In order to rise to this challenge, cities need to create more flexible and highly adaptable urban fabrics, which can be entered and left by corporations more easily. These environments need to provide different functions as well that create more generic environments where different corporations can fit in.

The policy of the municipality recently broadened towards an additional focus on corporations that are not necessarily referable to public- and governmental organisations, or organisations related to United Nations. Consequently the city establishes additional pillars and does not limit itself to solely to ‘Peace and Justice’. The broadening of the city’s scope can also be seen several years later, when the municipality added the identity of ‘The City of Security’. Through the broadening of the city’s identity, networks such as the ‘Security Delta’ could be formed that can have a multiplier effect in order to attract additional markets and corporations and create additional jobs.

Hence, the reduction of a corporation’s horizontal boundary can be answered by the extension of a city’s market range and more generic and adaptable urban fabrics.
Chapter VI
REFLECTION &
RECOMMENDATIONS
6. Reflection

• Reflection on results
The main research question of this research can be divided into two parts; the development of corporate accommodations of Siemens in The Hague and the concept of synergy and conflict between corporation and city. Therefore the case study comprises a detailed description of applied urban planning policies of the municipality and the several corporate accommodations with the applied corporate accommodation strategies of Siemens in The Hague. The concept of synergy and conflict is elaborated through the analysis of documents from the archive of the municipality of The Hague and the archive of Siemens and seven expert interviews. Moreover, case study and conclusions are both divided into periods of time in which the most striking occurrences are compared to each other. The general conclusions are to be seen as reasoning on a higher level of abstraction where patterns are detected and general developments are described.

• Reflection on methods
In order to answer the research question, an extensive literature study, semi-structured interviews with experts and contemporary witnesses and an intensive research in the archives of Siemens and the municipality in The Hague was conducted. Whereas the first part of the question can be answered in a reconstruction of corporate accommodations of Siemens in The Hague and the applied corporate accommodation strategies as well as urban planning policies of the municipality, the second part was more dependent on interviews and the analysis of documents from the archives. In order to objectively reconstruct the concept of synergy and conflict between corporation and city, every conflict that occurred is proven by documents from the archive of Siemens or the municipal archive in The Hague. However, the concept of synergy and conflict is a delicate subject between two actors that are still interacting with each other and aspiring to do so in the future. Therefore, I have found many more conflicts in the archives than I got told during the interviews. Contemporary witnesses were very important for this research, which goes back to the initial establishment of Siemens in The Hague in 1891. Three of the six interview partners experienced the relationship from the 1960’s.

The archive research was very time consuming due to the fact that many the documents were written in ancient Dutch, therefore a native speaker could have done the document analysis faster. As soon as I noticed that an interview would benefit by conducting it in Dutch, the interviewee could talk in his mother tongue. Therefore my own native language was very beneficial due to the fact that if their English was not sufficient I could ask my questions in German.

However the archive research brought many synergies and conflicts to surface, I was dependent on the data the archivist of Siemens delivered me whereas, at the Haags Gemeentearchief I could choose the documents myself.

• Reflection on process
Due to the fact that this graduation thesis has a rather straightforward approach, it was clear from the beginning what there is to do. One threat was the long time span this research encompasses, therefore many developments could have been examined in more detail. The subject got the most interesting the deeper I got into the data. Although the interviews have been extremely interesting, I had the feeling that not everything that happened was said, for example when there were questions raised about possible incentives that were given to Siemens by the municipality. To close some lacks of knowledge, the research in the archives became more important and intensive than expected.
6.1 Recommendations

- Recommendations for further research

Additional research regarding other multinational corporations, such as Aegon and KPN in The Hague is recommended in order to draw general conclusions and differences of corporate accommodations in The Hague.

Moreover, it is recommended to broaden this research to corporate accommodations of Siemens in The Netherlands in general. Thereby the establishment of corporate accommodations of Siemens in other Dutch cities can be compared to this research.

However it is not clear what the corporation intended to do with the development of the Beatrixpark, it can be assumed that in this point in time the corporate real estate management of Siemens in The Hague served a higher purpose. To trace back the strategy behind this development, further research would be recommended.

Furthermore, further research is recommended about the time before the development of the corporate accommodation at Prinses Beatrixlaan 800. During the Interview with Nico Groot, he explained that it was surprising for the employees to hear about this new development. He and his colleagues were expecting the development of a new accommodation in Utrecht instead. Moreover, the corporate accommodation at Binckhorst got extended only seven years before the complex got demolished. These facts raise additional questions, which can be answered through further research.

- Recommendations for Siemens and The Hague

It is recommended for both players to continue expanding their interaction through shared, smart-city like, projects such as the ‘The Hague Security Delta’ in order to collaborate on an equal level. During these kinds of interactions the city strengthens its position as an important client for the corporation and can regain strength within the interaction of city and corporation.
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VII. 06-05-2014 Interview with Arnold Knoppert; Employee of Siemens from 1962, Archivist Siemens
Appendix I  Contract municipality The Hague and S&H concerning Hofsingel
(Haags Gemeentearchief)

Burgemeester en Wethouders Van 's-Gravenhage

Ar en toeloop Van het Raadsbesluit Van 15
Februaire 1905 en ver-

Contracten ten einde
in de firma Siemens en Halske, Aktiengesell-
schaft de Berlijn, vertegenwoordigd door haar
ingenieurs en gevolmachtigde W. Huygens te
's-Gravenhage.

Contracten ten onderen cijde
verklaren met de heer te hebben aangegaan de
volgende overeenkomst.

Artikel 1.

De firma Siemens en Halske zal het
bedrijf door haar Centrale aan den Hofsingel
overeenkomstig de bespreking van 6 Januari
1901 en de firma volgende bestrijken, zoo-
lang na den bedrijfsaanvang der Gemeente-
lijke Centrale continuareren, als Burgemeester
en Wethouders ullen wenschten.

Artikel 2.

De firma Siemens en Halske zal te
onderscheiden al hare krachten aanwenden
om den overgang van de lichtverbruikers
van haar kabelnet op het nieuwe gemeentelijke kabelnet gemakkelijk te maken en zal zich daarbij toeven naar de aanwijzingen in voorschotten van Burgemeester en Wethouders.

Artikel 5.

De gemeente te Gravenhage zal de vergunning aan de firma Siemens en Halske tot het leggen in het hebben van een elektrisch kabelnet in de gemeentegrond niet eerder doen eindigen dan anderhalf jaar nadat de gemeentelijke Einmale in bedrijf genomen zal zijn.

De juiste duur dreef periode zal door Burgemeester en Wethouders worden vastgesteld.

In geen geval echter zal de firma Siemens en Halske aan het bepaalde in de eerste zinste de van dit artikel het recht kunnen onthouden haar bedrijf dager voort te zetten dan het 1 januari 1909.

Echterende de periode, bedoeld in de 25e zinsdelen van dit artikel zal de Gemeente zich reeds van binnen het leggen, tot hetwelk de vergunning aan de firma Siemens en Halske bepaald is, door te leven voor andere doeleinden, dan voor houding deel in den, voor verlichting van de openbare straten of plaatsen, voor gemeentegebouwen of voor nieuwe lichtbron Church.

Aan
Artikel 4.

Op het ogenblik, waarop volgens het bespaalde in de 1de kennis te rekening wordt
3 de begining der firma Siemens en Halske
indigt, vangt de periode aan, gedurende welke de Gemeente de lichtverbruikers op
haar kabelnet overneemt.

Gedurende deze periode vergoedt de
Gemeente aan de firma Siemens en Halske
hare omstreding, met dien verstande,
dat de Gemeente aan de firma Siemens
en Halske belalen zal het verschil tussen
het bedrijfseind, welke twee gemiddeld ge-
durende twee laatste bedrijfjaren, voorgegaan
van de periode van overgang zal gemaakt
hebben en de bedrijfseind, welke zij gedu-
lende de overgangsperiode maken zal, en
welke het maximum van zesduizend
gulden (15000,-) voor elke achtig dagen
en gedeelte van achtig dagen per jaar parte
bereikend - tot lang deze periode duur en
onder bedrijfseind wordt verstaan het
verschil tussen de ontvangsten en de
bedrijfsuitgaven, onder welke kosten ook afsluitingen zijn begrepen.

Voor de vrijstelling deze eigens zal de firma Siemens en Halske aan de Gemeente inleggen ten uitreiksel uit haar boekhouding te maken door een accountent, die door Burgemeester en Wednaders zal worden aangewezen.

Tolus aangezagen in in twee fond ondersteund te 't Glaen ofe, den 31ste Maart 1904.

De Enkhuizen,

2de maand aan, 2

SIEMENS & HALSEK
Aktiengesellschaft

N. Murer

De Wednaders,

N. Murer

N. Murer

Opgeleverd in 't Glaen, den 2e april 1904 van de schuldeisers

M. Murer
Appendix II

A) Announcement mayor and aldermen approve conversion of Land use plan (Siemens Achieve)
Bericht op adres van,
15 Oktober 1920.

Betreffende:
verbouw gebouwen-complex
binnen Huijgenspark en
Ziekenhuis,
3 bijlagen.

Naar aanleiding van het bij Uw terzijde aangenaamd
adres gedaan verzoek, deelen wij U mede, dat bij ons in be
scheiden geen bezwaar bestaat tegen het tot stand komen van
de in dat adres bedoelde verbouwing in de gedeelten van
daarbij overgedane tekeningen, met dien verstande, dat
bij het eventueel verleenen van een definitieve verwijzing
voor meerbedoelde verbouwing als ander diech zal worden
gesteld, dat het op de plattegrondtekening van den bouwde-
grond met een rode bies omlijde zedele niet hooft aan
worden opgetrokken dan tot 3,50 m. boven het peil der
straat.

Burgemeester en Wethouders
van 'S-Gravenhage,

De Secretariaat.

Aan
de maatschappij Siemens
Schuckertwerke,

T.B.

met d. dor
12-10-20 gemaanmerkt
O.G. ge. genoemen.
Acten-Notitie.

Bespreking op Woensdagmiddag 21 Juli 1921 tusschen
de Heeren Meijer en Brouwer van het Bouw- en Woningtoezicht
eenerzijds,
en de Heeren Huygens, Hoelofs en Thijs, anderzijds.

Wij hebben den Heer Meijer voorgedragen, dat wij het
Perceel Huygenpark 40 aan de bewoning willen ontrekken, het
willen afbreken en aan onzen nieuwbouw toevoegen ten gebruike
als bureau, dat wij daartegenover bereid waren, afstand te doen
van de ons verleende toestemming, om het bovenhuis Zieke 107
aan de bewoning te ontrekken voor bureauoefeningen, met
dien verstande, dat de Heer Meijer op een mager door hen vast-
te stellen tijdstip ons zou kunnen opleggen, dit perceel Zieke
107 wederom te doen bewonen.

De Heer Meijer heeft ons medegedeeld, daarmee accoord
to gaan en gaf ons toestemming, het huis Huygenpark 40 aan de
bewoning te ontrekken voor bovenwachtraven doel. Hij heeft
ons uitdrukkelijk verklaard, dat tegen deze maatregel geen be-
zaar zou worden opgeworpen en wij gerust onzen gang konden
gaan. Hij was diegene, die ten deze adviseerde en gaf ons de
verzekering, dat zijne adviezen ten deze niet door hooger hand
worden tersijde gelegd. De verklaring van den Heer Meijer was
zoö pettinant, dat wij geen bezwaar zagen, haar als imperatief
te beschouwen en op grond daarvan onze verdere maatregelen te
nemen.
nemen en de nadere onderhandelingen tot aankoop van het pand Huygenspark 40 hebben voortgezet.

's Gravenhage, 21 Juli 1921.
Appendix IV  Letter from Siemens director Henny to mayor and alderman of The Hague concerning development at Prinses Beatrixlaan (Haags Gemeentearchief)

Huygenpark 38-39 - Den Haag

Aan het College van Burgemeester en Wethouders
's-GRAVENHAGE

Burg. de Moulyplein 14

Uw referentie
No. 743309 Afd. S. en V.
16.5.67

Den Haag
31 mei 1967/MB

Betreft: Uitbreiding van gebouwencomplex Huygenpark 38/39

Edelachtbare Heren,

Hierbij bevestigen wij de goede ontvangst van Uw schrijven d.d. 16.5.67 betreffende bovengenoemd onderwerp.

Vooruitlopend op verdere besprekingen over de zo noodzakelijke uitbreiding van ons gebouwencomplex aan het huygenpark - een en ander in verband met Uw plannen voor een aanvaardbare oplossing van de verkeerssituatie op het Rijswijkseplein en de daarmee samenhangende sanering van o.m. een gedeelte van ons gebouwencomplex - delen wij U mede, dat wij gaarne bereid zijn om naast het reeds door U aangeboden terrein in de Plasbroekpolder, ons ook op de hoogte te stellen van de mogelijkheden op het sportterrein bij de voetbalvereniging V.U.C.

Met de heer v.d. Sluys, directeur van Stadsontwikkeling, hebben wij reeds een afspraak gemaakt. Nadat wij deze mogelijkheid hebben onderzocht, komen wij zo spoedig mogelijk op Uw schrijven terug.

Sierlijke, Siemens

Drs. B, Henny
Dienst der Stadsontwikkeling en Volkshuisvesting.

VAN SPEIJKSTRAAT 75 - TELEF. H. 3509.

's-Gravenhage, 5 Juni 1920.

Aan den Heer Huygens

u/a Siemens Schuckert

Huygenspark 39c

DEN BOEDEN

Hiernevens gelieve U een tekening aan te trekken, aangevende het terrein aan den Z.O. Buitensingel en Pletterijkade, waarvan erfpachtuitgifte door mij zou kunnen worden bevorderd tegen een canon van F.6. per M2, en per jaar, indien het geheele terrein door U zou worden genomen.

Voor uitgifte van een gedeelte van het terrein zou nader een prijs met U moeten worden overeengekomen.

Tot 25 Juni a.s. zal ik waarschuwens, indien een andere geggadigde eventueel op dit terrein ernstig zou reflecteren.

De Directeur,

b/a de Architect Afd. Chef,

[Signature]

NIJHOF
Appendix VI  Letter between Department of Urban Development and mayor concerning new development plan of Siemens at P. Beatrixlaan (Haags Gemeentearchief)

Onder teruzending van de mij bij bovenvermelde kantbrief toegezonden brief van de heer Drs. B.Henny, lid van de Directie van de Nederlandse Siemens Maatschappij N.V., moge ik U het volgende mededelen.


Dit terrein zal aan beide lange zijden begrensd worden door een straat aan de voet van de spoorweg ener-zijde en (het viaduct van) de verlengde provinciale weg nr 16 bis (zgn. Leidse baan) anderzijds.

Aan de korte zijde grenst het terrein aan het voorplein van het station Laan van N.O.I., respectievelijk aan het voor de Brandweer gereserveerde terrein aan de Prinses Beatrixlaan.

De heer Henny zal mager bezien of dit terrein geschikt is. Hierbij speelt niet alleen de omvang van het terrein een rol, doch ook het tijdstip, waarop met de bouw moet kunnen worden aangevangen - dus het tijdstip van ontruimde levering van de grond - en het tijdstip, waarop de bouw voltooid zal zijn en dan - via nog uit te voeren nieuwe straataanleg - bereikbaar zal moeten zijn! (Opgemerkt zij, dat deze straataanleg ten dele op spoorweggrond zal moeten worden uitgevoerd.)

De heer Henny zegde toe, Uw college ten spoedigste nader te zullen berichten over zijn bevindingen.

Het zou mij niet verwonderen, wanneer hij behalve bepaalde garanties omtrent vorenbedoelde tijdstippen ook zal vragen om verplaatsing van de geprojecteerde brandweerkazerne.

- Bovendien -
Bovendien zal hij wel nadere gegevens over de grondprijs willen ontvangen; deze is echter eerst redelijkerwijs te bepalen als bekend is wat Siemens op dit terrein zou willen bouwen.

De Directeur,

Ir. F. van der Sluys
Appendix VII  Letter between Department of Urban Development and direction of Siemens concerning swap transaction of Huijgenspark and Prinses Beatrixlaan (Siemens Achieve)

Ter bevestiging van ons gesprek op 5 februari j.l. met de heer Henny berichten wij U als volgt.

Naar aanleiding van Uw brief dd. 29 juni 1967/MB aan het College van Burgemeester en Wethouders en van de terzake door de Directeur van de Gemeentelijke Dienst van de Stadsontwikkeling en onze dienst uitgebrachte adviezen, heeft het College ons verzocht U het volgende mede te delen:

- Burgemeester en Wethouders zijn bereid het op bijgaande tekening met gele kleur aangegeven terrein, groot ongeveer 11.530 m², te bestemmen voor de nieuwe bebouwing, welke U zich hebt voorgenomen.

Het terrein ligt - zoals U wenste - aan de Prinses Beatrixlaan. Bij eerdere bespreking werd U door de Directeur van de Gemeentelijke Dienst van de Stadsontwikkeling reeds aangegeven welke gedachten er leven inzake de ontwikkeling van de maatse omgeving, met name langs de noordwestelijke grens van het terrein.

Zoals op de tekening is aangegeven mag het terrein voor maximaal 35% bebouwd worden, terwijl de bruto vloeroppervlakte van de bebouwing maximaal 2 x de terreinoppervlakte zal kunnen zijn (B.I.2,00).

De bij maximaal bebouwing door de Gemeentelijke Dienst van de Stadsontwikkeling berekende, benodigde parkeringscapaciteit is tevens op de tekening aangegeven.

Het terrein zal per 1 augustus 1968 ontvalt kunnen zijn, hetgeen betekent dat dan - wat dat betreft - met de bouw zou kunnen worden aangevangen.

- Burgemeester en Wethouders hebben ons gemachtigd vorenomen terrein aan te bieden in ruil voor uw bezit bij het Huijgenspark-Zieken en wil zonder enige toebeting wederzijds.

- Uiteraad -
Uiteraard zal deze transactie aan de gemeenteraad ter goedkeuring moeten worden voorgelegd; in verband daarmede zal door ons een uitgewerkt voorstel moeten worden opgemaakt en - indien U zich daarmede akkoord zal hebben verklaard - bij Burgemeester en Wethouders worden ingediend ter voorlegging aan de gemeenteraad.

Zoals besproken zou aan U na de tot standkoming van deze transactie door de Gemeente het gratis gebruik van het complex Huygenspark-Zieken worden gegeven, waarbij de normale vaste lasten, onderhoud en verzekering voor Uw rekening blijven. Het gratis gebruik zou duren tot aan het tijdstip waarop de - in eerste instantie door U voorgenomen, vervangende - nieuwbouw aan de Prinses Beatrixlaan gereed zal zijn, echter niet langer dan maximaal 3 jaren na datum van het raadsbesluit, waarbij deze transactie zal zijn goedgekeurd.

Aangenomen mag worden dat de bedoelde nieuwbouw binnen genoemde 3 jaren gereed is. Uiterlijk binnen deze 3 jaren zullen de opstallen aan het Huygenspark-Zieken vrij van huur en/of gebruik en bezemschoon ter beschikking van de Gemeente moeten worden gesteld.

De aanbieding, als voren omschreven geldt tot 1 mei 1968.

Gaarmee vernemen wij van U of U zich met deze aanbieding kunt verenigen, waarna wij U de definitieve bescheiden, waaronder een door U te ondertekenen bereidverklaring, zullen toezenden.

De Directie,

H. Verschoor
Appendix VIII  Letter Dienst Stadsontwikkeling -Grondzaken concerning demolition of police station at Wilhelmina van Pruisenweg

De directeur van
de Dienst der Gemeentewerken
t.a.v. de heer ing. J.G.W. Schmitz
Zieken 1
'S-GRAVENHAGE

verplaatsing politiebureau
Wilhelmina van Pruisenweg

Zoals bekend, dient ten behoeve van de nieuwbouwplannen van Siemens, het politiebureau van de Wilhelmina van Pruisenweg te zijn verplaatst naar de Vlaskamp in Mariahoeve.

Ten einde de bouwplannen van Siemens niet te vertragen is het noodzakelijk dat het terrein waarop het politiebureau is gevestigd op 1 januari 1990 aan Siemens leeg wordt geleverd.

Middels deze brief wil ik de met de heer Stökl gemaakte afspraak bevestigen dat bovengenoemde datum van lege oplevering van het terrein en verhuizing van de politie naar een nieuwe huisvesting aan de Vlaskamp taskstellend is.

De directeur,

ir. J.L. Reijn

afschr 72/3125...
<table>
<thead>
<tr>
<th>Accommodation/Time period</th>
<th>Corporate Accommodation Strategy</th>
<th>Evidence</th>
</tr>
</thead>
</table>
| 1891 Hofsingel 25 & 57   | • Growth of core business (electricity)  
                          • Geographic coverage in Europe | - Expansion of Siemens & Halske in Europe (Siemens-AG, 1997) |
| 1908 Het Zieken (several buildings) | • Lack of space  
                          • City centre location at Hofsingel not favourable for Siemens’ businesses  
                          → move outside the centre | - “Mit dem steigenden Geschäftsumfang wurde die Besetzung grösser, und nach einigen Jahren reichten die Räume nicht mehr aus. Dazu kam, dass die Stadtgegend für die geschäftliche Betätigung der Siemens-Filiale nicht günstig war.” (Wegner, 1970, p. 41) |
| 1921 Huijgenspark 38-39  | • International expansion  
                          • Prestigious Representation of Siemens buildings  
                          • Centralization of all offices in The Hague  
                          • Geographic coverage on European continent | - Set up of sales companies and manufacturing locations in foreign countries (Siemens-AG, 1997, p.38)  
                          - Representation of prestigious Siemens Buildings abroad (Hertlein, 1929)  
                          - “Met de vele vestigingen in de Stad raakten de activiteiten steeds meer verspreid, wat onnodige kosten opleverde” (Dicke et al., 2004, p.40) |
| 1929 Van der Kunstraat   | • Lack of storage facilities and assembling area  
                          • Outsourcing of storage and assembling areas from Siemenshuis to new location | - “Schließlich reichten die Lagerräume und Werkstatträume nicht mehr aus. Die technischen und kaufmännischen Abteilungen vergrößerten sich, und auch dadurch ergab sich die Notwendigkeit, für den Lagerbetrieb und für den Werkstattbetrieb außerhalb des Siemens-Hauses (...) ein geeignetes Gelände in van der Kunstraat in Erbpacht erwerben.”. (Wegner, 1970, p. 75) |
| 1945-49 Rijnstraat, Geestbrugkade | • Replacement for expropriated Siemenshuis and Van der Kunstraat | Not available. |
| 1955 Huijgenspark 38-39  | • Gain back access to old markets  
                          • Repurchase of expropriated accommodation | - In the late 1950’s, Siemens wanted to rebuilt to an increasing extend in foreign countries (Siemens-AG, 1997, p.61). |
| 1959 Zonweg 68, Binckhorst | • First Siemens plant outside Germany after WW II  
                          • Extension of manufacturing facilities | “It also became clear that the foreign business would become more important than ever before, and that international competition would intensify. It was decided that a united company, with a unified management structure, active in all fields of engineering would be better equipped to confront such a situation (...)” (Siemens-AG, 1997, p.74). |
| 1972 Prinses Beatrixlaan 800 | • Merging all branches to one accommodation in order to improve efficiency  
                          • Flexibility for expansion | - The three parallel, separately managed Siemens companies merged in 1966 into one: the Siemens AG in order to enhance efficiency  
                          - The main focus of this development was based on flexibility. Roland Dieterle, the project architect of Gunther Standke, explained that 80% of the annual turnover of Siemens is made by products that did not exist five years before. Product processes are constantly in change (Zwinkels, 1991, p. 97). |
| 1992 Beatrixpark          | • Creation of assets through Siemens Real Estate  
                          • Flexibility  
                          • Sustainability | The phasing and the short-term lease contracts could have been a possibility to enable Siemens itself to eventually grow in the new development (Duinen,1993) |
<table>
<thead>
<tr>
<th>Year</th>
<th>Action</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>Sale to UBS</td>
<td>• Capital release</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Dr. Herbert Lohneiß, CEO of Siemens Financial Services, commented: &quot;In UBS Global Asset Management, we found a highly respected and global partner to strengthen our access to new real estate opportunities worldwide. This will be of great benefit to the existing business and it will enable us to serve a broader investor base via UBS's diversified client franchise in the future. With our remaining 49% share we are clearly committed to the on going success of these very attractive operations.&quot;</td>
</tr>
</tbody>
</table>
| 2013-2025 | Sale-and-leaseback | • Capital release  
• Flexibility  
• Possibility to reinvest in their own (sustainable) products |
|         |                        | Ab van der Touw, a member of the board of administration of Siemens confirmed, that it is based on the strategic decision to repel the real estate. Furthermore he argues that Siemens rather want to invest its capital in sustainable products, than lock it in stones (PingProperties, 2013) |

Table 5: Corporate accommodation strategies of Siemens in The Hague (own)
Appendix X  Cause and effect timeline of most striking urban planning policies concerning the development of Siemens in The Hague

The following cause and effect timeline shows major events and relevant developments for the investigation of the case study, during the urban development of The Hague from 1850 until today.

<table>
<thead>
<tr>
<th>Cause</th>
<th>Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrialization</td>
<td>WWI</td>
</tr>
<tr>
<td>Allowance to built outside the ‘Singelgracht’</td>
<td>Agricultural crisis</td>
</tr>
<tr>
<td>Rural exodus</td>
<td>Rising inhabitants</td>
</tr>
<tr>
<td>First urban planning department</td>
<td>Infrastructure-Expansion + hygienic standards</td>
</tr>
<tr>
<td>Expansion plans stopped/devastated economy</td>
<td></td>
</tr>
</tbody>
</table>

1850 1874 1880 1890 1908 1914

| WWII |
| Merger with Scheveningen | Structure plan of Dordrecht |
| Growth of inhabitants to 400,000 | Partial reconstruction/Expropriations |
| Exodas from the coast/Devastated economy & destroyed city | Zoning of industrial areas |
| Partial reconstruction | Agglomeration plans of the municipality |
| Zoning of industrial areas | Agglomeration of corporations to diseased areas, forced relocation |
| Development ring motorway/relocation of residential areas to periphery |

1930 1940 1949 1951 1951

| Residential buildings transformed into offices/Initiation of ‘Utrechtse Baan’ |
| Recovery of WWI Zoning Plan ‘57 | Plan of ‘Provinciale Plangewest’ |
| Immigration of people from Dutch East Indies | Execution Zoning Plan ‘57 |
| Migration and agglomeration of industry & businesses to surrounding areas | Number of inhabitants reached peak of 400,000 |
| Development of Utrechtse Baan | Interweaving of housing and working |


<table>
<thead>
<tr>
<th>Cause</th>
<th>Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zoning plan for The Hague and the surrounding areas</td>
<td>Development of RandstadRail</td>
</tr>
<tr>
<td>Development</td>
<td>Structural vision 2020</td>
</tr>
<tr>
<td>Project ‘Duurzaam Den Haag’</td>
<td></td>
</tr>
<tr>
<td>Overall economical, social and ecological developments in The Hague and e.g. Zoetermeer</td>
<td></td>
</tr>
<tr>
<td>Train connection between Beatrixpark and Zoetermeer</td>
<td></td>
</tr>
<tr>
<td>Emphasis on international orientation of The Hague</td>
<td></td>
</tr>
<tr>
<td>Development of Beatrixkwartier to sustainable area</td>
<td></td>
</tr>
</tbody>
</table>


Table 5; Cause and effect timeline urban development of The Hague (own).
Appendix XI  Overview synergy & conflict between Siemens and The Hague

International objectives
- Expansion of electro technical business
- Enter new markets
- CAS; expansion of Siemens & Halske on the European continent

Objectives Siemens NL
- Providing The Hague with electricity
- CAS; establishment of first technical office outside of Germany

Urban Planning Policy
- Accommodation of businesses within the central canal system
- From 1874 allowance to accommodate businesses outside central canal system
- Around 1890 first urban expansions through governmental urban planning department

SYNERGY: Contract 1891
Technical office Hofingel 25
+ Take over of NMEM, establishment of Electrical Power Company

CONFLICT: Policy Change
- No privatisation of electricity supply
- Production of public Electrical Power Company

Urban Planning Policy
- Emphasis to accommodate corporations
- Location of businesses beyond the central canal system
- Expansion of infrastructure, e.g. tramway to Huijgenspark

SYNERGY: Purchase of villa at Huijgenspark 38 + 'het Zieken' 103

CONFLICT: Rejection of offer from municipality to develop at Pletterijkade

Offer to develop at Pletterijkade

SYNERGY: Development of Siemenhuis

Development of factory and warehouse at Van der Kunstraat

SYNERGY: Construction office located at Siemenhuis remained + relocation of business at Rijnstraat and Geestbrugkade in Rijswijk

Expropriation of Siemens in consequence of World War II

International CAS
- Rebuilding of Siemens in foreign countries after WWII

Objectives Siemens NL
- Repurchase Siemenhuis in The Hague

Repurchase of Siemenhuis
Appendix XII Floor plan Siemenshuis