NEW GENERATION DEVELOPERS

The characteristics of the new generation of developers and their role in urban area development
Colophon

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**GRADUATION MENTORS**
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Second Mentor: Mr. dr. F.A.M. (Fred) Hobma
External Examiner: C.H.E. (Christian) van Ees

**SUPERVISING COMPANY**
Company Name: Wonam
Company supervisor: Drs. R.J. (Robert) Kohsieck
Case studies + Expert panel + Comparisson → Conclusion
Putman (2010)
Position within group of stakeholders
Central place clients
Leading role

Specialization within field of real estate
Niche development
Flexibility
Innovation

Commissioning projects and making them feasible
New forms of financing
New way of entrepreneurialism
Delegated project development
Risk bearing participation in partnerships
Case studies

- Literature
- Explorative interviews

- Expert panel

- Comparisson

- Conclusion
Case studies

PROVAST BEATRIXKWARTIER (WONINGMARKT NL, 2015)
PEAK DEVELOPMENT THE OLYMPIC AMSTERDAM (THEOLYMPIC.AMSTERDAM)
Pinnacle WESTERPARK WEST (IGG.NL)
# Provast: Beatrixkwartier

<table>
<thead>
<tr>
<th>Company name</th>
<th>Provast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees</td>
<td>25 employees</td>
</tr>
<tr>
<td>Founded in</td>
<td>1985</td>
</tr>
<tr>
<td>Location office</td>
<td>The Hague</td>
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<tr>
<td>Type of developer</td>
<td>Project developer</td>
</tr>
<tr>
<td>Specialisation</td>
<td>Inner-city projects, organic urban area development</td>
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**THE BEATRIXKWARTIER (MUNICIPALITY OF THE HAGUE, 2014)**

**BEATRIXKWARTIER (WONINGMARKT NL, 2015)**

**PROJECT LOCATION (BING.COM, 2016)**
Martijn Dirks,
Partner at Provast

Maarten van Oosterom,
Project manager at municipality of The Hague

>> “We develop specific types of projects. These are complex inner-city redevelopment projects”

>> “When the municipality says that a project is not feasible, Provast is the kind of party that looks for ways in which the project is feasible and can be realised”
>> “Provast has shown a strong commitment to the area to increase the value of it:

Already 10 years ago Provast came with large plans to give all the computers at the Beatrixkwartier the same log in screen so all the companies in the Beatrixkwartier would know each other and could profit from each other”
“At that moment the municipality was at a loss and did not know what to do with the location.

If the municipality would not have made that deal with Provast in the crisis, the municipality would now have started a selection procedure on that location and perhaps the municipality would have been able to make a better deal than the deal with Provast because of the current competition between developers”
Position within group of stakeholders
Central place clients
Leading role

Specialization within field of real estate
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Peak Development: The Olympic Amsterdam

<table>
<thead>
<tr>
<th>Company name</th>
<th>Peak Development</th>
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<tbody>
<tr>
<td>Number of employees</td>
<td>7 employees</td>
</tr>
<tr>
<td>Founded in</td>
<td>2008</td>
</tr>
<tr>
<td>Location office</td>
<td>Amsterdam</td>
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<tr>
<td>Type of developer</td>
<td>Delegated project developer</td>
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<tr>
<td>Specialisation</td>
<td>Redevelopment projects</td>
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THE OLYMPIC AMSTERDAM (BOUWINVEST.COM)

THE OLYMPIC AMSTERDAM (THEOLYMPIC.AMSTERDAM)

PROJECT LOCATION (BING.COM, 2016)
“Bouwinvest decides how everything is done, but Peak Development advises in this decision-making because Bouwinvest does not have the expertise Peak Development does”

“Peak Development does not really have to worry about the money because this is not theirs. Because of that, they can focus on other subjects, like what the end user really wants, or the quality of the project”
"A small developer is used to hire the expertise that is necessary at that moment. A bigger developer uses its own available employees and that makes them less flexible. Transformations of buildings or locations really needs creativity and flexibility, including the right expertise at the right moment"
“Peak Development advises on what steps to take in this process and they might even steer in this process, what makes that they do have a leading role in forming the vision. Peak Development knows exactly what people, parties or tools to introduce in the process to come to a good vision”
Position within group of stakeholders

Central place clients

Leading role

Specialization within field of real estate

Niche development

Flexibility

Innovation

Commissioning projects and making them feasible

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Risk bearing participation in partnerships
Pinnacle: Westerpark West

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<th>Company name</th>
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<tbody>
<tr>
<td>Number of employees</td>
<td>7 employees</td>
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<tr>
<td>Founded in</td>
<td>Unknown (founded as an investor, recently changed into developing investor)</td>
</tr>
<tr>
<td>Location office</td>
<td>Amsterdam</td>
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<tr>
<td>Type of developer</td>
<td>Project developer/investor</td>
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Westerpark West (Westerpark West, 2016a)

PROJECT LOCATION (BING.COM, 2016)
“Providing this central place is done by organising neighbourhood participation, which is all about the creating support for the project. By asking the neighbouring residents what life is like in the neighbourhood, Pinnacle can use this information in the oncoming development plan, aiming to connect the plan with the neighbourhood”
>> “The clients of Pinnacle have a real central place in the projects and they can influence the decision making. Pinnacle even looked for partnerships with parties or persons [future end-users or neighbouring residents] that might otherwise be opponents of the plans”
“Because Pinnacle can invest with private equity from the company itself, they can make decisions about risks and investments themselves. Pinnacle can reach for their goals step by step, take more time than perhaps planned or even accepting that the goal is not entirely reached. They actually reach for the highest achievable compromise which includes the quality of the product and the support of the neighbourhood.”
Position within group of stakeholders

Central place clients

Leading role

Specialization within field of real estate

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Ecosummit.com

Toyoung.co.uk
Leading role?
Maarten van Oosterom,
Project manager at municipality of The Hague

>> “They have to! ... not ‘they can’ or ‘cannot’!”

Carlo Cornelis,
Program manager Small Scale Commissioning, Municipality of The Hague

>> “Parties like Pinnacle would be the right party to gather all the necessary companies to carry out such an urban area development. Such parties are able to steer in this process”
“Small developers are very good in developing small complex projects. The larger developers usually go for the simple locations. Inner-city redevelopment projects require custom made processes and flexible organisations. That is really something for the smaller developers.”

Marian Steenhagen, Transformation Manager at PMB
Position within group of stakeholders

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Leading role

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tcyoung.co.uk

ecosummit.com
“The end user and the society are also the clients of the investor in the exploitation phase. By only listening to the end user today, the wishes of the end user (society) in the future might be neglected.”
>> “The vision is leading!”

>> “In order to communicate a vision, so that others follow this vision, management is required”
“It is no necessary condition to work as a delegated project developer to be a new generation developer. The development expertise is not connected to the business model of the developer”
”When a ‘developer’ does not bear any risks, it is no real developer but a project manager”

Bob van der Zande,
Land Department, Municipality of Amsterdam

Wouter Spijkerman,
Urban Developer, SITE Urban Development
Leading role?
Gerard Comello,
Partner at Lingotto

>> “The small private developer is very capable of initiating and gathering the right companies to work together in the project”
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Risk bearing participation in partnerships
Case studies → Expert panel → Comparisoon → Conclusion

+ Explorative interviews

- Literature
Literature

+ 

Explorative interviews

Case studies

Expert panel

Comparisson

Conclusion

Case studies

Expert panel

Comparisson

Conclusion
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<td>Partnerships</td>
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<tr>
<td>Long term vision</td>
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The new generation developer has a business model with a **long-term vision** that focuses on the **exploitation phase**.

The developer works in **partnerships** with clients and innovative (non-real estate related) companies that have a **financial interest through investing** in the project.

The new generation developer is a **small, private, innovative and flexible private party** that focusses on a clearly specified **niche market**.

Because of its **ability to manage partnerships** and to steer to reach goals formed by its **vision on the area**, the new generation developer is very capable of taking the **leading role** in small urban area developments,

and of taking a leading role through **profound partnerships** in more complex urban area developments.
NEW GENERATION DEVELOPERS

The characteristics of the new generation of developers
and their role in urban-area development