

## **Leipzig-Halle / Germany**

### *Context*

Leipzig has once been one of the main industrial, scientific, commercial and cultural centres of the German "Reich". After a period of accelerated urbanisation in the late 19th and the beginning of the 20th century the city reached the peak of its population with more than 700,000 inhabitants in 1933. Since that time the city has experienced population losses, since the 1960ies there was a continuous population decline. The city has lost nearly 40 percent of its original population. Altogether, Leipzig is thus a case of a long-term population decrease, with a rapid acceleration in the 1990ies. After the incorporation of some adjacent municipalities in 1999 and 2000 the population number has stabilised at 500,000 inhabitants and in the recent years we can observe increasing population numbers. Additionally there are signs of a reurbanisation of the core-city during the last years

Halle experienced a period of urbanisation in the late 19th century too, but the development in the GDR-times was another: due to huge investments in chemistry and the erection of a whole new socialist city "Halle-Neustadt" the population increased after World War II till the 1980ies and stabilised before German unification. Since the beginning of the transformation period the reunified city experienced continuous population decline and will shrink in the future.

Whereas the shrinkage of Leipzig shows some similarities to Western European cities like Liverpool or Newcastle, Halle represents the socialist and postsocialist type of urban development: growth followed by shrinkage.

The main reasons of population losses in both cities are following:

- (1) job-migration, mainly to Western Germany – especially in the first years after German unification
- (2) low birth rates, during the so-called "demographic revolution" the birth rate in Eastern Germany sunk to 0,8 birth per woman
- (3) rapid suburbanisation in the 1990ies, especially in Leipzig.

### *Economy*

The main reason for emigration is the weak economy in both cities and in the former industrial agglomeration. The heavy deindustrialisation after German unification and the sudden incorporation into the EU had drastic consequences for the economy and the job market: Over the span of ten years, both cities lost nearly 90 percent of their industrial jobs. In Leipzig for instance from about 100.000 jobs only 15.000 remained – in the consequence the labour market has shrunk from 285.000 in 1989 to 200.000 in 2005. Additionally, unemployment is on double of the German and EU-average, at the moment about 17 %. Whereas in Halle attempts to attract investments failed, Leipzig was able to achieve new industrial investments like Porsche and BMW and big investments in the service sector like the DHL Hub at the airport and some others.

## *Consequences*

The population shrinkage was accompanied by a building boom in the 1990ies. This building boom took place in both cities, especially in the suburban zones and was to a large part caused by subsidies. The result was a tremendous oversupply of apartments and a vacancy rate of about 20% at the peak. The peak was reached in Leipzig in 2000 and in Halle a little bit later in 2002. Due to demolitions and rising household numbers the vacancy rate has sunk especially in Leipzig. Land use is characterized by simultaneous expansion of land use for newly erected dwellings in the periphery and a growth of brownfields in the inner-city. For instance in Leipzig brownfields make up about 3,000 lots and cover an area of 9 km<sup>2</sup> more than 3 % of the total area and nearly 10% of the build up-area. The simultaneity of expansion of supply networks and falling consumption has lead to problems for infrastructure suppliers (mainly for water companies) that are gaining importance in both cities. Social infrastructures like kindergardens and schools are oversized too and were demolished as well in both cities.

## *Perceptions of shrinkage*

To be a shrinking city was for a long time not part of the self description: Although there were sights of decline (like desinvestments in industry, public infrastructures and housing estates) the socialist policy followed as well growth paradigms. After German unification – with the accelerating shrinking processes - local authorities blocked out perceptions to be a shrinking city as well. Both cities followed the concept of catching up the development backlog. Especially Leipzig aims on stimulating economic growth and becoming a „European Service Metropolis“. Therefore, immense investments of about 650 Mio. Euro have been made in the infrastructure and the city engages intensively in marketing campaigns, so the city have had the image of a boomtown in the 1990ies – despite shrinking population numbers and job markets. Than, when in the beginning of the 2000s the problem of housing vacancies became obvious, Leipzig has developed innovative strategies that aim on “coping with shrinkage”: a new urban development plan was established, public discourses and participation processes were initiated. These strategies are heavily supported by a federal programme “Urban regeneration East” which was introduced in 2001 and provides support for the demolition of vacant flats without substitution. Although the programme also includes numerous instruments for upgrading, its main focus is on regaining housing market equilibrium. But Leipzig is innovative in creating instruments as interim use or guard houses.

So with this two different trajectories of shrinkage Leipzig and Halle are especially qualified for lesson-drawing and transferring knowledge. It seems that housing vacancy is a specific topic in our cities.