

Economic recovery through innovation and Baukultur (building culture)

A proposal from the German planning and construction sector –
Four-point plan by the Federal Chamber of German Architects and the Federal Foundation of Baukultur (building culture)

with the contribution of:

AHO – Ausschuss der Verbände und Kammern der Ingenieure und Architekten für die Honorarordnung e.V. [Committee of Associations and Chambers of Engineers and Architects for Fee Scales]

BDA – Bund Deutscher Architekten [Association of German Architects]

BDIA – Bund Deutscher Innenarchitekten e.V. [Association of German Interior Designers]

BDLA – Bund Deutscher Landschaftsarchitekten e.V. [Association of German Landscape Architects]

BDVI – Bund der Öffentlich bestellten Vermessungsingenieure e.V. [German association of publicly appointed surveyors]

BFB – Bundesverband der Freien Berufe e.V. [Federation of German Independent Professionals]

DAI – Verband Deutscher Architekten- und Ingenieurvereine e.V. [Federation of German Architects and Engineers Associations]

DASL – Deutsche Akademie für Städtebau und Landesplanung e.V. [German Academy for Town and Regional Planning]

Die Stadtentwickler Bundesverband e.V. [Federal Association of Town Planners]

DV – Deutscher Verband für Wohnungswesen, Städtebau und Raumordnung e.V. [German Association for Housing, Town and Regional Planning]

HDB – Hauptverband der Deutschen Bauindustrie e.V. [Federation of the German construction sector]

IfR – Informationskreis für Raumplanung e.V. [Information Group for Spatial Planning]

VBI – Verband Beratender Ingenieure e.V. [German Association of Consultant Engineers]

VDMA Gebäudetechnik [Building Technology]

VDV – Verband Deutscher Vermessungsingenieure e.V. [German Association of Surveyors]

VfA – Vereinigung freischaffender Architekten Deutschlands e.V. [German Association of freelance architects]

VPB – Verband Privater Bauherren e.V. [Association of Private Building Owners]

ZBI – Zentralverband der Ingenieurvereine e.V. [Central Federation of Engineers Associations]

ZDB – Zentralverband des Deutschen Baugewerbes e.V. [Central Federation of the German Construction Industry]

The government's rapid actions to address the economic consequences of the Coronavirus pandemic are to be praised. The planning and construction sector can make a significant contribution to the Federal Government's measures to overcome the crisis, as a high degree of economic efficiency can be achieved by consistently implementing ongoing, prepared and preferable measures. The sector can thus take on the role of an immediate driver of the economy, involving the direct and lasting creation of value remaining predominantly in the region and, in particular, the strengthening of small and medium-sized enterprises. The following four points should help to stimulate macroeconomic demand in an anti-cyclical manner and ensure a sustainable economic and social impact.

1. Additional funds for innovation and future projects

The coronavirus crisis should drive innovation to tackle current social challenges. Subjects include the digitisation of processes and business models, but also the resilience of cities as well as new types of buildings and concepts relating to the use of real estate management as a result of changed working models and consumer habits. Outstanding urban development projects in Germany and international building exhibitions offer platforms and references for the transformation of (inner) cities into lively cities with modern mobility and networked neighbourhood solutions. Consistent support for innovative approaches can push Germany ahead in the competition for business locations and put public and private building owners back in a position to set an example with their buildings.

The following are connected to this:

Driving the transformation of cities forward

A transformation of cities, for example through a transition to sustainable transport modes, is on the agenda. For instance, a user-oriented redistribution of traffic areas is in demand in many places. Building on the changed traffic volume of the future, local authorities should be provided with appropriate funds for the expansion of infrastructure for all modes of transport, including cycling and walking. At local authority level, those particularly affected by falling (commercial) tax revenue should be enabled to continue making investments in infrastructure and construction measures and thus to use active design options for the future. The discernible increase in vacant premises in the retail sector means a further loss of attractiveness, diversity, vitality and functionality of German city centres. An expansion of urban development funding and a city centre stabilisation fund can counteract this.

Promoting innovation and experimentation

For future projects, such as a series of site conversions or international building exhibitions, action planning and scheme designs must be commissioned consistently. Only forward-looking development management can ensure an effective flow of funds from the recovery plan. A dedicated innovation fund can help to successfully manage the digital transformation of the construction and other sectors by providing targeted support for projects that endeavour to experiment in a way that is deemed to be useful to society.

2. Implementing climate protection architecturally

Economic measures should be directly linked to social and environmental policy matters; the priority among these being the effects of climate change. Of all the sectors of the economy, the construction sector can make the greatest contribution to this. A programme for sustainable management, climate protection and ongoing ecological change is needed. The promotion of existing KfW programmes to boost energy-efficient renovation and the legal facilitation of comprehensive modernisation approaches can generate construction activities and simultaneously realise climate policy goals. In this credit-financed recovery plan, sustainability – and therefore fairness between generations – plays an important role, as the repayment generation is provided with sustainable capital stock.

The following are connected to this:

[Maintaining Germany's pioneering role in climate protection](#)

Climate protection targets cannot be achieved without changes in the construction sector, as it is one of the most resource-intensive branches of industry, but at the same time offers great savings potential. Climate-friendly construction, the use of sustainable CO₂-binding construction materials for building up existing areas, new construction and renovation projects as well as the acquisition and renovation of existing properties should therefore be promoted in an even more targeted manner.

[Temporarily strengthening incentives for innovation](#)

To prevent an increasing gap between actions that had been planned and construction activity that has now been suspended or cancelled, there is an urgent need to adequately promote an incentive to attract more private clients and to alleviate the financial constraints the coronavirus crisis has created for private and commercial building owners.

In order to increase the willingness of house and landowners to participate and as a driver of the economy, adding extensions to increase the value of housing should be considered and promoted in a coordinated manner.

3. Implement existing plans now

Projects that have been planned and prepared should now be rapidly implemented. The time limit on the necessary economic funding is correspondingly leading to pressure to act. The construction sector can continue to take on tasks from a given labour market situation and avoid otherwise imminent job losses. Public sector investment that promotes long-term structural change and triggers private investment makes particular sense at the moment. In addition to climate-friendly construction and sustainability, the keywords are housing, hospital and school construction and public investment in the physical and digital infrastructure, especially in the building sector and in transport, communication and energy networks. KfW and Difu put the existing investment backlog in public infrastructure in 2019 at around EUR 138 billion, including around EUR 36 billion in road and transport infrastructure alone. In addition, renovations in the education and health sectors and in the railway infrastructure are imminent. For example, the Federal Government's "Thousand Stations" support programme, which is mentioned in the coalition agreement, is still in need of funding.

The following are connected to this:

[Affordable housing and dual brownfield development](#)

The need for additional living space has not changed as a result of the coronavirus crisis. However, a certain amount of hesitation is evident among housing developers and buyers in the housing market. Many parties are, for the time being, holding out to see how severe the slump will be. In particular, publicly-owned housing developers must now forge ahead and compensate for the demand shortfalls from the private sector. Particularly in the case of brownfield developments, measures to improve the environment and encourage acceptance must be simultaneously implemented to enhance urban green spaces and biodiversity in the residential environment.

[Strengthening social cohesion through public spaces](#)

The coronavirus crisis has highlighted the importance of public spaces. The local authorities should be financially supported in making these recreational spaces and areas for the population to participate in society, communicate and meet, and in developing them further to fulfil demands.

These investments are particularly effective in terms of the cost-benefit ratio and can be implemented in the short term.

4. Creating a solid basis for effective economic measures

Economic policy with the aforementioned priorities can only be implemented if all parties are also put in a position to tackle the major challenges quickly and appropriately. The accelerated awarding and authorisation of existing and prepared projects would in itself have a positive economic effect. Temporary or permanent streamlining of structures and processes should be ensured.

The following are connected to this:

Eliminating bottlenecks with licensing authorities

In the short term, new resources need to be created in building control departments and public authorities so that economic measures can be implemented successfully and do not lead to a further worsening of the slowdown in investment. Targeted support programmes for local building authorities, for example, could set up competence centres concerning building regulations to quickly implement the economic measures. In the medium term, investments must be made in the technical prerequisites for better processes and faster procedures in administration. Accelerated planning and approval processes can be achieved by reducing bureaucracy and digitisation in public administration, or by involving freelance town planning offices in the process.

Speeding up the proceedings with a sense of what is appropriate

In the 2008/2009 financial crisis, temporary reductions in award deadlines proved to be of value. In individual cases, the increase in maximum amounts for the construction sector also leads to faster awarding of contracts. All acceleration measures must keep the safeguarding of medium-sized structures in mind, for example through individual contract awards.

Even if processes are to be accelerated as a result of the crisis, proven methods for quality assurance in Baukultur (building culture) must not be neglected. Competition and participation procedures and the use of design advisory boards in construction projects must be strengthened in a targeted manner in order to create and secure architectural cultural values for posterity.

Developing qualifications

By means of targeted grants for specialist training programmes, public and private sector town planners' skills can be swiftly improved. This boosts the quality of planning services and the skills of employees.

More than four million people are employed in selected planning and construction professions in Germany. In addition, there are indirect effects on employment with a factor ranging from 2.0 to 2.5. In the first phase of the coronavirus crisis, freelancers, the self-employed and companies were successfully supported with grants, loans and the Economic Stabilisation Fund. Given that the planning and construction sector will experience the effects of the coronavirus crisis further down the line, it is important to extend the support programmes into the autumn in order to secure jobs in the construction sector.

The proposed economic recovery through innovation and Baukultur (building culture) offers the opportunity for great benefits in terms of sustainable services of public interest and of creating employment in Germany and Europe.

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