

THE 22@BARCELONA DISTRICT AS PART OF THE BUSINESSES RELOCATION PROCESS IN THE CITY. AN ANALYSIS OF THE OLD AND NEW LOCATIONS OF THE CORPORATE HEADQUARTERS

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I. THE URBAN DEVELOPMENT OF NEW AREAS WITHIN ALREADY CONSOLIDATED URBAN CENTERS

Major operations involving the urban and functional transformation of areas that have fallen into disuse have become common in western cities. However, studies on this subject have generally tended to concentrate on the repercussions that these changes have had on the spaces being transformed. Far fewer articles have focused on the repercussions of such actions on a wider, regional scale, or considered not only the changes that have affected a specific area, but also gone on to analyze the wider implications that these operations have had on the cities themselves. The aim of the present analysis is to offer a reflection on the wider repercussions of one of these major urban transformations: the conversion of a former industrial district of Barcelona into a technological district associated with innovation, now known as 22@Barcelona.

We will not therefore be analyzing the repercussions that the changes in 22@Barcelona have had on the area itself. Our research will examine the impact that the transformation of this area has had on the rest of the city of Barcelona. It will also show how the potential repercussions that actions of such magnitude can have on other consolidated spaces within the city are often not taken into consideration. This lack of foresight can result in unforeseen changes which, as we will see, may have significant consequences in the medium term.

The present article will focus on analyzing the nature of these new activities and the consequences they have for the city as a whole. It will start with a study of the main activities that have relocated to 22@Barcelona and analyze: the type of activities involved; their previous and new locations; and the types of activity that have begun to occupy the areas that they have abandoned.

II. METHODOLOGY

In 2010, 42% of the workers in the district were in companies with more than 50 employees. In this paper we focus on these medium and large companies. To identify these companies we turn to the SABI database (Iberian Balance Analysis System). A database that collects information from more than one million Spanish companies. This database identified 120 active companies in the 22@Barcelona area with more than 50 workers.

Second step was to identify companies who transfer to the area. We consulted various digital publications which contain detailed information about the different activities present in 22@Barcelona. Amongst other facts they provide us with information about the arrival of new companies. The data were compiled from the news sections of the websites 22@Barcelona <http://www.22barcelona.com> and *Barcelona Growth* <http://w42.bcn.cat/web/en/index.jsp>. In both cases, a keyword-based search was conducted for news about company relocations. When insufficient information was available, the search was extended to other sources (newspapers, company websites, etc.).

To verify the reliability of the data seven interviews were made to technicians from the municipal office in charge of managing the transformation of the district and members of neighborhood associations. We also contacted by telephone all the companies surveyed to gather more qualitative information (transfer motivations, experience, etc.).

Finally, to analyze the current uses of the ancient headquarters we visited all locations in February 2014. The analysis of all these information identified 67 companies with more than 50 employees transferred to the 22@Barcelona.

III. AN AMBITIOUS TRANSFORMATION

The neighborhood of Poblenou, in the district of Sant Martí, is an area which lies to the northwest of Barcelona's historic center. The concentration of industrial activity in Poblenou first became noticeable in the 18th century and would subsequently intensify in the 19th century. This industrial presence was then maintained through until the modern era. However, changes in industry led to the disappearance of a large number of companies from the 1970s onwards, with many old factories being abandoned and the area suffering a period of crisis. At practically the same time, however, the first projects to regenerate the district began to appear.

In 2000, began the renew program on the central area of Poblenou. At the time, this space was still occupied by large industrial units, some of which were still in use at the time, while others had already been abandoned. It was decided that this transformation would be administered by a private company that was completely under municipal control and that the project would be known as 22@. The objective of these changes was to create appropriate conditions and incentives to favor the urban renew of the sector and to promote the creation of new skilled jobs and intensive production activities related to the knowledge society.

The intensity of the physical transformation of the 22@Barcelona can be seen from the 3.6 million m² building permits granted during the 2000-2008 period. Although the rate of development activity subsequently slowed down, authorizations were still granted for operations affecting a total surface area of more than 0.8 million m²; this represented 18.5% of all the authorizations granted for the whole of Barcelona.

Within only a few years, an urban landscape of old, half-destroyed factories was transformed into one characterized by new buildings housing offices and hotels. However, one interesting fact to underline is that not all of these new companies were newly created; in fact, 41% of them had relocated to 22@Barcelona from other spaces. This is a very significant number and affected not only the neighborhood being transformed, but also, as we will see below, the city as a whole.

IV. MOVEMENTS OF COMPANIES ASSOCIATED WITH THE CREATION OF 22@BARCELONA

The migration to 22@Barcelona of companies previously located in other parts of the city has been particularly significant. One interesting question to analyze relates to their original locations and to what extent these businesses were already present in the city or have simply transferred their main offices to this new area.

IV.1. Former business centers that are currently unoccupied

In some of the cases analyzed, the former business centers are no longer in use. This situation is particularly common when the companies that have relocated used to occupy entire buildings, particularly when these were located outside the city's main tourist and business areas. Although we are speaking of relatively few companies, the repercussions of these moves cannot be ignored. The former business centers of the five companies analyzed represent a total surface area of over 70,000 m² and we estimate that more than 3,000 people used to be employed there.

IV.2. Former business centers that are still used as company offices

Another group of cases has been observed in which there has been an almost immediate change of tenancy in the premises vacated. In most cases, these offices do not occupy large surface areas and have been rented to companies that occupy several floors in office buildings. One of the repercussions of relocation to 22@Barcelona has been that companies which previously had offices in more than one building have been able to bring these offices together at a single location. This trend has not only been observed in the case of companies that have relocated to 22@Barcelona but has also occurred with those that have remained in their original buildings. In various cases, some companies have seen the departure of others that have moved to 22@Barcelona as an opportunity to acquire the extra space that they needed in their original buildings. In these cases, the negative effects of spaces being vacated have therefore been negligible or, in some situations, even positive.

IV.3. Former business premises which have changed their use

In some cases, and generally those involving spaces closest to Barcelona's major tourist hubs, there has been a change in the use of the premises that were vacated. In general terms, the former premises that belong to this group have various points in common. The

size of the surface area involved is generally large and, in most cases, the former premises were housed in buildings of historical value. It is relevant to underline, and most probably connected to this last factor, that in most cases, the newly installed activities are culture- (especially museums) or education-related.

One very specific change in the use of former business premises is their conversion to hotel uses. Although such cases have been relatively few, this change of use has been particularly significant in certain parts of the city; most notably in the historic city center.

IV.4. Attraction of companies from outside Barcelona city

One final aspect that should be discussed is the fact that most of the companies that have relocated to 22@Barcelona have done so from sites within the city boundaries. We have only found a few cases in which the new district has attracted companies from outside the city; significantly, most of these were originally located quite close to Barcelona. This would seem to indicate that there has been a limit to the extent to which 22@Barcelona has been able to attract businesses from outside the city of Barcelona.

V. A CLEAR TREND AMONGST COMPANIES PREVIOUSLY LOCATED IN THE HISTORIC CENTER OF BARCELONA

The most important point of business headquarters origin is an area in and around the historic city center, particularly the area of Via Laietana and Passeig de Gràcia, followed by the area of the Eixample, and some zones in the east of the city, around Avinguda Diagonal. These areas could be considered the traditional bases of Barcelona's economy. To what extent this traditional distribution of corporate headquarters has been affected by the relocation of companies to 22@Barcelona?

There appears to have been practically no impact on the Diagonal area. Most of the businesses that relocated to 22@Barcelona from this area have therefore been replaced by other activities.

This replacement of one company with another has not taken place in other areas. This is particularly true of the old business centers in the historic city center. The business centers previously located in this area have been replaced by structures pertaining to two sectors that were already well represented in the area: educational centers and tourist-related amenities.

A similar situation is repeated in the area in and around Passeig de Gràcia, particularly in the zone closest to the historic city center. It is highly significant that in this area no new companies have occupied spaces vacated as a result of relocations.

Finally, we examined the relocation of some other companies from areas other than the three described above. Interestingly, the changes that we observed in centrally located premises in the city of Barcelona did not seem to have taken place in these areas. Significantly, we found only one change in use to the service sector. There were also no signs of premises being converted to uses related to the tourist sector.

VI. THE MAIN REASONS FOR RELOCATIONS

According to the information that we have compiled, economic motives were behind firms decisions to relocate. In this respect, purchase and rental prices in 22@Barcelona were clearly below the average prices in Barcelona. In connection with this situation, we cannot ignore a specific casuistry of Barcelona: tourism. The growth of tourist arrivals has created a strong pressure from services to occupy certain spaces accommodations. As we have seen, a number of new hotels and tourism sector activities aimed to settle in old headquarters moved to 22@Barcelona. This, while not a result of the new district, mean more competition for central spaces and better prices for the sale, which facilitate transfers.

Another reason for these relocations related to the question of space. In already consolidated parts of the city it is difficult to expand beyond the space already occupied to, for example, unify services. The availability of space in 22@Barcelona allowed the construction of new buildings which would not have been possible in other parts of the city. Furthermore, these new buildings offered the most modern amenities, which were often difficult to find in other parts of the city.

Finally, the last aspect that emerged in interviews to justify transfers was the proximity to a technology cluster. This aspect is, according to municipal office in charge of managing the transformation in the district, one of the strengths of the operation. However, surprisingly, this aspect does not appear as a common causes behind the relocation of some companies to 22@Barcelona.

VII. ¿INNOVATION DISTRICT OR LOW COST CBD?

The creation of new districts specializing in one type of activity - which in the case of Barcelona meant technology-based industries - can have repercussions for the whole city. These repercussions may be positive and increase a city's competitiveness, offer new spaces for companies and/or facilitate the growth of certain activities. However, these are not the only factors that need to be considered. The relocation of a large number of businesses can also, as we have seen, have other unexpected and not so positive repercussions. The 22@Barcelona has contributed to some of these unforeseen repercussions. Project leaders trusted that the economic strength of the city would be enough to occupy the spaces generated by transfers. When the effects of the economic crisis were evident, other priorities guided the municipal administration. Consequently, no municipal policies were made to counteract the effects.

The analysis of the companies established in the new district allows clarify some aspects of official discourse concerning the area. It was not the will of collaboration between companies, nor the presence of training centers, qualified technicians or suppliers which justified the decision to set up in the district. Most transfers are due to operations involving real estate goals. In this sense the neighborhood can hardly be currently considered as a true cluster or creative district. It is possible that in the coming years others synergies appears to create a genuine technological district. However, at this moment, in terms of town, we can consider the benefits of the operation as mitigated.

The 22@Barcelona project intended the creation of a new central business district (CBD) in the city. However, currently, the location of companies in the Poblenou is basically based on the search for a low cost CBD implementation. It is the price of real estate transaction which justified most of the transfers. Consequently, they have not met the planned objectives. The district has not created a new economic base for the city. It has not been able to attract new economic activity from other municipalities. Most companies established in the area were already present in the city. Rather, it has promoted a process of reorganization of the distribution companies.

It should always be remembered that major urban operations generate effects that are not solely relevant to the specific areas in which these operations are carried out; their repercussions can affect the city as a whole. Along these lines, the case of 22@Barcelona, which can be extrapolated to other sites, reveals the need for all major operations of this type to carefully evaluate not only the positive but also the potentially negative externalities. A city-wide or even metropolitan-scale analysis is required in such cases. Only in this way will it be possible to maintain a balance between the changes that major operations will generate and the continuation of certain existing activities. This balance is necessary if the goal is to obtain a rich and varied urban fabric in consolidated urban spaces.