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## INDUSTRIAL PATRIMON(E)Y



GLOBAL AND NEIGHBOURHOOD CHANGES THROUGH THE TRANSFORMATION OF AN INDUSTRIAL BUILDING

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## ENGLISH ABSTRACT

This research provides a dynamic overview of the relationship between urban renewal project and global real estate market in the past 25 years. It uses all along the lens of urban economics to understand the economic success of this interaction. It focuses on a specific case study, the Docks building in Marseille, because it represents a typical case study of the successful economic interaction between local urban renewal project and global office real estate market. Through the analysis of this specific case study, light can be shed on economic macro causal mechanisms.

After explaining the research methodology, the first part provides a deep analysis of the Docks building itself, its transformations, change of owner, change of function, increase of market price. The first transformation of the building in the early 1990s was the starting point of the urban renewal project Euroméditerranée.

The second part focuses on the Euroméditerranée urban renewal project in Marseille, initiated in 1995 by this building's transformation, then improving its surroundings and impacting the whole city thanks to the strong involvement of the State and of global private financial investors.

The third part highlights the unprecedented global shifts that happened in the office real estate market since the 1990s. They started impacting Euroméditerranée in the early 2000s through the involvement of global financial actors as main source of private investment in the office real estate market of the urban renewal project.

Finally, the last part is a synthesis of these concomitant changes, since the 1990s, through the lens of urban economics. It is an attempt, through a stage model for the Docks building at micro scale, to shed light on macro causal mechanisms linking the economic and urban success of Euroméditerranée to the involvement of global private financial investors in the local office real estate market.

**Keywords:** urban renewal project, urban economics, office real estate market.

## ITALIAN ABSTRACT

Questa ricerca fornisce un resoconto dinamico dei legami fra un progetto di rinnovamento urbano e il mercato immobiliare globale negli ultimi 25 anni. Utilizza fin dall'inizio la lente dell'economia urbana per capire il successo economico di questa interazione. Si concentra su un specifico caso di studio, l'edificio dei Docks a Marsiglia, perché rappresenta un caso di studio tipico dell'interazione economica di successo fra progetto di rinnovamento urbano locale e mercato immobiliare terziario globale. Attraverso l'analisi di questo specifico micro caso di studio, luce può essere fatta su macro meccanismi causali economici.

Dopo una spiegazione della metodologia della ricerca, la prima parte fornisce un'analisi profonda del edificio dei Docks a Marsiglia, la sua trasformazione, il suo cambiamento di proprietario, delle funzioni, l'incremento del suo prezzo di mercato. La prima trasformazione del edificio, nei primi anni novanta, è stata il punto di partenza del progetto di rinnovamento urbano Euroméditerranée.

La seconda parte si concentra sul progetto di rinnovamento urbano Euroméditerranée a Marsiglia, iniziato nel 1995 grazie alla trasformazione del edificio dei Docks, poi migliorando il quartiere circostante e l'immagine internazionale dell'intera città. Il forte coinvolgimento dello Stato, associato a la partecipazione di attori privati finanziari globali nel mercato immobiliare sono stati elementi essenziali.

La terza parte mette in evidenza i cambiamenti senza precedenti del mercato immobiliare dagli anni novanta. Hanno impatto Euroméditerranée degli primi anni 2000 attraverso il coinvolgimento di attori finanziari globali come prima fonte d'investimenti privati nel progetto di rinnovamento urbano.

Infine, l'ultima parte è una sintesi dinamica di questi concomitanti cambiamenti dagli anni novanta, attraverso la lente dell'economia urbana. Tramite un modello a tre fasi per l'edificio dei Docks a micro-scala, prova a far luce su meccanismi causali economici fra il successo urbano di Euroméditerranée e il coinvolgimento di attori privati finanziari globali nel mercato immobiliare terziario a macro-scala.

**Parole chiave:** progetto di rinnovamento urbano, economia urbana, mercato immobiliare terziario.

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If, despite the efforts, the following work still has mistakes and shortcomings, the author takes full responsibility.

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## ACRONYM TABLE

ABF: Architectes Bâtiments de France – Architects of France’s Historic Buildings

AGAM: AGence d’urbanisme de l’Agglomération Marseillaise – Marseille City Urban Planning Agency

ANAH: Agence NAtionale de l’Habitat – National Housing Agency

AVAP: Aire de Mise en Valeur de l’Architecture et du Patrimoine – Area of Valorization of Architecture and Patrimony

BNP: Banque Nationale de Paris – National Bank of Paris

CBD: Central Business District

CBRE: Coldwell & Banker, Richard Ellis

CEO: Chief Executive Officer

CEREQ: Centre d’Etudes et de REcherches sur les Qualifications – Centre of Research and Studies on Qualifications

CCI: Chambre de Commerce et d’Industrie – Chamber of Trade and Industry

CCIMP: Chambre de Commerce et d’Industrie Marseille-Provence – Marseille-Provence Chamber of Trade and Industry

CIADT: Comité Interministériel d’Aménagement et de Développement du Territoire – International Comity for Territorial Planning and Development

DATAR: Délégation Interministérielle à l’Aménagement du Territoire et à l’Attractivité Régionale – Interministry Delegation in charge of Territorial Planning and Regional Attractivity

DTZ: Debenham Thouard Zadelhoff

EEA: European Environmental Agency

EPA: Etablissement Public d’Aménagement – Public Planning Agency

EPAEM: Etablissement Public d’Aménagement EuroMéditerranée – EuroMéditerrnée Public Planning Agency

EU: European Union

FNAU: Fédération Nationale des Agences d’Urbanisme – National Federation of Urban Planning Agencies

GPMM: Grand Port Maritime de Marseille – Marseille Harbour Independant Body

GPV: Grand Projet de Ville – Urban City Project

HCSF: Haut Conseil de Stabilité Financière – High Council of Financial Stability

ICT: Information and Communication Technologies

INA: Institut National de l'Audiovisuel – National Institute of Communication Technologies

INSEE: Institut National de la Statistique et des Etudes Economiques – National Economic Statistic Institute

JLL: Jones Lang LaSalle

MuCEM: Musée des Civilisations et de la Méditerranée – Museum of Civilisations and the Mediterranean Area

OEDE: Observatoire de l'Emploi et du Développement Economique – Employment and Economic Development Observatory

OIN: Opération d'Intérêt National – Operation of National Importance

OIP: Observatoire Immobilier de Provence – Provence Real Estate Observatory

OMA: Office for Metropolitan Architecture

OPAH: Opération programmée d'amélioration de l'habitat – Planned Operation of Housing Improvement

PACA: Provence-Alpes-Côte-d'Azur

PAM: Port Autonome de Marseille – Independent Harbour of Marseille

POPSU: Plate-forme d'Observation des Projets et Stratégies Urbaines – Observation Platform for Urban Strategy Projects

PRI: Périmètre de Restauration Immobilière – Real Estate Renovation Area

SAEM: Société Anonyme d'Economie Mixte – Anonymous Mixed Economic Enterprise

SEM: Société d'Economie Mixte – Economic Mixed Enterprise

SEMGP: Société des Entrepôts et Magasins Généraux de Paris – Company of Warehouses of Paris

SERL: Société d'Équipement du Rhône et de Lyon – Rhône and Lyon City Company of Equipment

SNCF: Société Nationale de Chemin de Fer – National Railway Company

ZAC: Zone d'Aménagement Concertée – Special Planning Area

ZIP: Zone Industriale-Portuaire – Industrial Harbour Area

ZPPAUP: Zone de Protection du Patrimoine Architectural Urbain et Paysager – Area of Protection of Architectural, Urban and Landscape Patrimony



# 1. OVERALL RESEARCH METHODOLOGY

## RESEARCH QUESTION & METHODOLOGY

I grew up in Marseille, thus I have experienced the radical changes that happened in the La Joliette neighbourhood since I was a child (in the 1990s). This neighbourhood used to be a place for blue-collar workers, hosting local industrial and productive activities, spatially and economically linked to the commercial harbor. I rarely went there. Only the workers of this area went there, and only for work purposes. However, in recent years it became a vibrant urban part of Marseille, with many attractive commercial and cultural facilities and a constant flow of visitors and white-collars working in brand-new office buildings, hosting international tertiary firms. A place to enjoy, a place to work, a place to live, thanks to the Euroméditerranée urban renewal project.

One building in particular caught my attention because was the perfect embodiment of this renewal process: the Docks building. Geographically located in the heart of the La Joliette neighbourhood and Euroméditerranée area, this former unused industrial building rose up from its ashes in the 1990s to become a successfully renovated office building. Then it has undergone other successive internal renovations, at a rhythm synchronized on the Euroméditerranée urban renewal project transforming its surroundings. It has also been the object of successive transactions, first owned by a French developer, and then by international banks and investment funds. It appeared to me as a successful operation of this urban renewal project, and evolved over time to adapt to its changing urban environment.

These internal renovations, external transformations and successive transactions were too synchronized with contextual changes to be purely coincidental. I got interested into investigating the causal mechanisms between the Docks building, the urban renewal project, and the global context of the real estate market. I relied implicitly on the existence of a micro-macro link, and I investigated it in depth through the example of the Docks building.

My core research question is thus concerned with the investigation of particular causal relationships between those three scales:

> What were the dynamic causal mechanisms between the urban macro-scale of the Euroméditerranée project and the global macro-scale real estate market, over the past 25 years, and how are they visible through the transformations of the Docks building case study?

This question can be decomposed into three sub-questions:

> What were the micro-scale transformations of the Docks building?

> How did these micro-scale transformations reflect the broader urban renewal changes of Euroméditerranée, and the broader global shifts in real estate market?

> What were the causal mechanisms between Euroméditerranée and the global real estate market?

In order to shed light on causal mechanisms, I focused my attention on a single case study: the Docks building in Marseille. This method of research is called *case study research* (Gerring, 2007). It is the observation of a single unit over a long period of time. Here it is the observation of the Docks building since its construction, with a strong focus on the past 25 years. The overall goal is to understand broader phenomenon through the in-depth study of this single element.

*Case study analysis* shows advantageous features compared to *large-N cross-case analysis* (the analysis of a sample):

- > it enables to take into account both quantitative and qualitative elements in the analysis, contrary to purely quantitative sample analysis
- > it enables a deeper analysis of the case chosen
- > it provides the first line of evidence, raising questions (but does not represent a strong form of evidence)
- > it generates hypotheses (although does not enable testing them)
- > it sheds light on causal mechanisms (rather than causal effects)

In Marseille urban studies about this renewal project Euroméditerranée are very rare and light. Even the availability of data reflects this, since a lot of data is available on the neighbourhood project as a whole, but very few data are available about transformations at building scale. No in-depth studies have been done to understand single transformations at building scale. Nor have been done studies investigating causal links between Euroméditerranée and broader international shifts in the real estate market.

In this thesis, through the deep analysis of the Docks building transformations over the past 25 years, the causal mechanisms between Euroméditerranée and global real estate markets can be elucidated. As Gerring highlights in his book *Case study research*:

*“Case studies, if well constructed, may allow one to peer into the box of causality to locate the intermediate factors lying between some structural cause and its purported effect. Ideally, they allow one to “see” X and Y interact”* (Gerring, 2007, p. 45).

There are two dimensions upon which any causal effect may be observed: *temporal and spatial* (Guerring, 2007). In this thesis the focus is strongly placed on the temporal dimension, since the dynamics of the causal mechanisms are investigated in depth.

Now that the *case study* research methodology is justified, the choice of the Docks building as the case study must be explained. This building is a *typical case* (Gerring, 2007), as it is representative of broader processes. Its *selection criteria* (Gerring, 2007) were the following:

- > it is used by Euroméditerranée itself as a symbol of its overall success
- > it was the first building to be transformed through the Euroméditerranée urban renewal project
- > it was turned from industrial abandoned building to office space, as the entire neighbourhood was turned from productive area to tertiary centre

- > it was renovated three times in the past 25 years, as the neighbourhood changed step by step
- > a retail function has been added in recent years, as the neighbourhood provided more cultural facilities and attracted more international tourists
- > it changed owner four times in the past 25 years, and most of them were financial global firms not occupying the building themselves but renting it to others
- > its market price was multiplied by 7 in the past 25 years, reflecting neighbourhood revival as well as the involvement of global actors

Therefore the Docks building is a micro-scale representation of what happened to the entire neighbourhood. It combines internal renovation, contextual neighbourhood changes and is involved in the global market thanks to its office function. The deep analysis of this single unit should shed light on causal mechanisms between Euroméditerranée urban renewal project and the global real estate market.

In order to perform this in-depth analysis of the Docks building in relation with both its neighbourhood and global real estate contexts, two different sources of information were combined. As said above, one of the advantage of *case study research* is the possibility to combine both qualitative and quantitative elements:

- > Qualitative sources of information: maps, photos, data, books, newspaper and scientific articles, building permits, interviews, on-site visit, all elements helping to describe the transformations at both scales: the Docks building scale and the neighbourhood scale.

- > Quantitative sources of information: numbers describing the internal renovation of the building, as well as the neighbourhood transformation; real estate prices (proxy of values), and more importantly their changes, to be used as consequences (and evidence) of physical transformations. Finding quantitative data was the biggest challenge. The first challenging element was the availability of data: in France office real estate market data are not public but owned by private banks and financial firms. The availability of such data relies only on their will to share some data or not. I could get some private data using a public real estate observatory company of the region. The second challenging element was the location of data: even when many data were available, they were scattered in different documents, owned by different actors, came from different sources, and covered different time periods. A very time-consuming work of linking and reorganizing of these data was needed in order to be able to get a coherent complete overview and draw conclusions from them.

Moreover, in this thesis a special focus is placed on time. I investigated the causal mechanisms over time only (and not over space). I had to use old newspaper articles, Marseille Archives, and interviews to go back in time. The timing of public decision making, private investments, global crisis/health of the office real estate market, implementation of the urban renewal project are elements that needed to be connected through time in order to shed light on their causal mechanisms.

## THE VALORIZATION PROCESS AS REMEDY FOR URBAN VOIDS

Cities are dynamic elements. They evolve over time, influenced both by their intrinsic changes and by externalities from their local, national, and global environments. During the 1960s-1970s, after the 'Trente Glorieuses' (1945-1973, 30-year period of economic success, full employment, industrial growth, population growth in France and many European countries, in-between World War II and the 1<sup>st</sup> Oil Shock), economic changes struck France and many western European countries. De-industrialization hit major cities in which industries were located. Unemployment and abandonment were the social and physical consequences of those economic changes. Industries moved out or shut down, leaving behind them a jobless blue-collar workforce and an urbanscape filled of voids.

*"The so-called phenomenon of disposal has created a series of fractures and 'voids' in the predominantly industrial, urban tissue, due to the stoppage or relocation of the productive activities to other locations"* (Setti, 2013, p.52).

These voids, when located in inner-cities, created physical and mental barriers, disconnected city life and residents.

As a consequence, the need to reuse industrial buildings and brownfields to avoid the de-industrialization consequence of urban voids emerged during the 1990s. The reusal of these voids became a public matter: the '*question of brownfield sites*' (Gregotti, 1990).

*"Non si dà nuova architettura senza modificazione dell'esistente, la condizione futura sarà quella di costruire nel costruito – There is no architecture without modification of the existing, the future condition will be to build over the already built"* (Gregotti, 1984).

Valorization is considered in this thesis as the process through which this industrial past is re-used, and the creation of added value thanks to internal renovation of a building and external changes of its urban environment.

The Docks building has been undergoing a process of valorization since the 1990s. Its overall value has been increasing since then, as visible through its market price at each transaction. As seen above, the Docks building is the combination of three different sources of value:

The first source of value is internal, endogenous. It was achieved through three successive internal restructurations and renovations:

> The first one in 1991-2001 turned this unused industrial building into offices. This change of function was not randomly chosen, considering that a project of tertiary centre in this area had been in reflection among political actors.

> The second renovation, in 2006, was only partial, putting one part of the building up to technological and design standards.

> The third renovation, in 2013-2015, put the rest of the building up to international standards, and changed the function of its entire ground floor to become a commercial and service-offering internal street, bringing functional mixité and opening the building to its surrounding environment.

The second source of value is external, coming from exogenous changes in the urban environment. It came from the location of this building, at the heart of the state-led urban renewal project Euroméditerranée, launched in 1995, extended in 2007, and still ongoing nowadays. This project is a successful example of public and private actors' consensus leading to effective economic revival. The first push was the strong involvement of the State, only public body able to gather local public actors, fragmented by diverging interests, thanks to its higher hierarchical position. Moreover, the State acted as a safety belt reassuring private actors to invest in the neighbourhood. As a result, Euroméditerranée is a successful urban renewal project.

The third source of value was the national and metropolitan changes of real estate prices, undergoing unprecedented shifts in the past 25 years under the impact of the global shifts in real estate market. Those impacted the entire real estate market, the Docks building included since it was successively owned by private international financial firms.

The study of the valorization process of the Docks building will provide a better understanding of its three sources of added value over time, and will enable an understanding of the dynamic causal mechanisms between the international real estate market and the Euroméditerranée urban environment.

## 2. MICRO-SCALE VALORIZATION – THE DOCKS BUILDING RENOVATIONS

### INTRODUCTION

This chapter provides a deep analysis of the case study history, the Docks building, from its construction in the 1860s. First, the context of its construction at city and neighbourhood scales is explained, up to its industrial use up until the 1980s. Then, a special focus is placed on the past 25 years, because this period marked a strong shift: the abandoned Docks building rose a private investor's interest in 1991, and since then has undergone successive renovations and ownership. Those waves of internal transformations are described more into details to provide a complete understanding of the re-usal of this abandoned industrial building through its change of functions. In parallel to internal changes, the building was exchanged 4 times on the real estate market, and its market price was multiplied by 7.

This surprising ownership exchanges and value increase catches attention. It calls for higher-scale contextualization to be understood, and is evidence that this building is representative of broader contextual changes in the past 25 years.

### 2.1. METHODOLOGY & INFORMATION

#### 2.1.1. PROCEEDING

The overall goal of this chapter is to provide a deep analysis of the evolution of the Docks building through time, from its construction until today, with a special focus on the past 25 years because it is the period in which the building has undergone its main changes.

This chapter is only a micro-scale historical description of the changes of the case study at building scale.

Both qualitative and quantitative sources of data were combined to provide a complete description of the internal transformations of the Docks building through time.

#### 2.1.2. SOURCES OF INFORMATION

For clarity, the different sources of information used in this chapter are detailed in the following table.

Type of Source	Source	Qualitative Information	Quantitative Information	Photos	Maps/Blueprints
Book	Bertoncello, B. & Dubois, J. (2009). <i>Marseille Euroméditerranée – Accélérateur de Métropole</i> . Prénthèses ed. Collection "La ville en train de se faire".	Setting of Euroméditerranée Implementation of Euroméditerranée 1995-2009 Marseille in the 1990s	Marseille in the 1990s: unemployment rate, loss of jobs, loss of inhabitants		
Interview	Aziza, J. (2017, July, 30). The Docks building tour.			Photos of the interior and exterior of the Docks building 2017	
Interview	Tanguy, G. (2017, September, 08). Interviewed by author.	3rd renovation description	Price of the 3rd transaction (2007) Price of the 4th transaction (2017) Cost of the 3rd renovation (2013)		
Newspaper Article	A.D. (2012). Les Docks : Nouvelle (r) évolution. <i>La Tribune</i> .	Main objectives of the 3rd renovation	Cost of the 3rd renovation (2013)		
Newspaper Article	Bâtiactu. (2006). Marseille : l'hôtel de direction des Docks s'offre un lifting. <i>Bâtiactu</i> .	2nd renovation short description	Cost of the 2nd renovation (2006)		
Newspaper Article	Bottero, L. (2015). Comment Marc Pietri a réussi le pari des Docks. <i>La Tribune</i> .	Main objectives of the 3rd renovation Description of the works			
Newspaper Article	Bottero, L. & Peyrau, C. (2015). Les Docks peuvent-ils réussir leur pari ? <i>La Tribune</i> .	Main objectives of the 3rd renovation Description of the works	Cost of the 3rd renovation (2013)		
Newspaper Article	Challiol, B. (2007). Les Docks, emblème du quartier d'affaires de Marseille. <i>Les Echos</i> .	2nd renovation short description Euroméditerranée implementations 1995-2007	Timelines of implementations Timeline of the Docks transformations		
Newspaper Article	Defawe, P. (2007). L'Hôtel de Direction des Docks de Marseille intégralement rénové. <i>Le Monde</i> .	2nd renovation short description Actors involved	Floor area of the works		
Newspaper Article	La Marseillaise. (2013). Les Docks de la Joliette. <i>La Marseillaise</i> .	History of the Docks 1850s-2000s	Construction cost (1850s)		
Newspaper Article	Les Echos. (2012). Docks de Marseille. <i>Les Echos</i> .		Price 3rd transaction (2007)		
Newspaper Article	Maury, C. (2015). Une belle renaissance pour Les Docks Marseille. <i>Bâtirama</i> .	Main objectives of the 3rd renovation Actors involved Description of the works	Cost of the 3rd renovation (2013)		
Newspaper Article	Perrin, L. (2007). Marseille : l'Hôtel de Direction des Docks relooké. <i>Bâtiactu</i> .	2nd renovation short description Actors involved	Floor area of the works Duration of the works Unit rental price in 2007 Cost of the 2nd renovation (2006)		
Newspaper Article	Z. J. (2013). Rénovation des Docks de la Joliette à Marseille : reportage photos. <i>Architecture Urbanisme</i> .	Main objectives of the 3rd renovation			
Report	Constructa Urban Systems. (2013). <i>Les Docks Roadbook Version 2.0</i> .	3rd renovation description Transformation projects around Accessibility in 2013	Floor areas of the ground floor	Blueprint the Docks Façade East Blueprint the Docks Façade West Map of accessibility of the Docks in 2013 Map of the main surrounding transformation projects in 2013	

Type of Source	Source	Qualitative Information	Quantitative Information	Photos	Maps/Blueprints
Report	Constructa, JP Morgan Asset Management & 5+1AA. (2015). <i>Dossier de Presse Octobre 2015, Les Docks Village</i> .	2nd renovation short description			
Report	European Commission. (2008). <i>Selection of a European Capital of Culture 2013 – Final Selection Report</i> .	Reasons for the election of Marseille in 2008 to be European Capital of Culture in 2013			
Report	European Commission. (2014). <i>Ex-post Evaluation of the 2013 European Capitals of Culture - Final Report for the European Commission DG Education and Culture</i> .	Ex-post evaluation of the fallouts of the mega-event European Capital of Culture in Marseille in 2013	Increase in the number of tourists in 2013 Increase in cruise passengers in 2013 Main cultural facilities created for 2013 Financial investment in cultural infrastructure, sites and facilities		
Scientific Paper	Pinson, G. (2002). <i>Projets et pouvoirs dans les villes européennes. Une comparaison de Marseille, Venise, Nantes et Turin</i> (Unpublished doctoral dissertation). Université Rennes 1, Rennes, France.	Setting of Euro Méditerranée	Price of the 1st transaction (1991)		
Video	Rafale9154. (2010). <i>Momentum 01</i> [Video file].	Description of the 1st renovation			
Video	Les-Docks-Marseille. (2012). <i>Les Docks Marseille - Un nouveau lieu de shopping sur le port de Marseille</i> [Video file].	Main objectives of the 3rd renovation 3D modeling of the future retail space			
Visit	Archives de Marseille. (2017, September, 06 & 11).	Building Permit 1992 1st renovation description Objectives of the renovation Actors involved Steps of the transformation Cadastral fragmentation of the Docks 1992	Floor areas of the works Floor areas for each function in 1992		
Visit	Archives de Marseille. (2017, September, 06 & 11).	Building Permit 1994 1st renovation description Objectives of the renovation Actors involved Steps of the transformation Cadastral fragmentation of the Docks 1994	Floor areas of the works Floor areas for each function in 1994		
Visit	Archives de Marseille. (2017, September, 06 & 11).	Building Permit 1996 1st renovation description Objectives of the renovation Actors involved Steps of the transformation Cadastral fragmentation of the Docks 1996	Floor areas of the works Floor areas for each function in 1996		



Type of Source	Source	Qualitative Information	Quantitative Information	Photos	Maps/Blueprints
Visit	Archives de Marseille. (2017, September, 06 & 11).	Building Permit 1999 1st renovation description Objectives of the renovation Actors involved Steps of the transformation Cadastral fragmentation of the Docks 1999	Floor areas of the works Floor areas for each function in 1999 Price of the 2nd transaction in 2003		
Visit	Archives de Marseille. (2017, September, 06 & 11).	Building Permit 2013 3rd renovation description Main objectives Actors involved Culture and history	Floor areas of the ground floor works		
Visit	Aziza, J. (2017, July, 30). Interviewed by author.	History of the Docks 1850s-2017			
Website	Archives Ville de Marseille.			Photo of Sadie Carnot hillock pierced during Rue Impériale works 1862-1864 Photo of Rue Impériale dug 1862-1864 Sky photo of the Docks neighbourhood 1973	Map of Marseille in 1840 Map of Marseille in 1852 Map of Marseille in 1862 Map of Marseille in 1863
Website	Les Docks, office space.	History of the Docks 1850s-2017		Photo of the Docks in the 19th century Photos of the industrial activities in the Docks 19th century Photos of the internal state of the art of the Docks building in 1990	
Website	Castaldi Architecte.	1st renovation description	Cost of the 1st renovation Floor Area of the Works	Photos of the internal state of the art of the Docks building in 1990 and in 2001 Photos of the surroundings of the Docks in 1990	Blueprint the Docks ground floor internal street created 2001
Website	European Environment Agency.	Land use map 1990s			Land use map of Marseille 1990s
Website	Euroméditerranée.	Implementations of Euroméditerranée 1995-2017	Floor areas built Land area Public budget Timelines of implementations		
Website	Projets Architecte Urbanisme.			Photos of the internal state of the art and works in the Docks building in 2013-2015	
Website	Les Docks Marseille, retail space.	Functioning of the retail space nowadays		Photos of the new retail space in the Docks 2015	

## 2.2. CONSTRUCTION OF THE DOCKS

### 2.2.1. URBAN CONTEXT OF THE DOCKS CONSTRUCTION: HISTORY OF MARSEILLE

The Docks building is located in Marseille former industrial harbor area. At the time of their construction, this neighborhood was the extension of the commercial harbor towards the North.

At the beginning of the 19<sup>th</sup> century, Marseille Harbor (nowadays called Old Harbor) was the only harbor of the city. La Joliette Square was outside the city limits. In the 1820s-1830s, colonial trade developed (French colonies were mainly located in Northern Africa, directly linked to Marseille by ship). The original harbour of Marseille (27 ha) was not enough anymore, the city needed more storage room and quays for bigger ships.

The first impulsion was to go towards the South, but because there were no available lands, only a small extension could be added in 1827, the 2 ha 'Carénage' basin, as seen on Figure 2.1.



Figure 2.1 Marseille in 1840. The 'Vieux Port' as central harbour. The first small extension in the South, 'Carénage' basin. – Source: author's elaboration, basemap from Marseille Archives.

In 1848, St-Charles Railway Station opened as shown on the map Figure 1.2. The first railway line linked Marseille to Avignon.

Then the city decided to extend the harbor towards the North (Figure 2.2), and created in 1854 the 20 ha ‘La Joliette’ basin, followed until 1868 by four other basins: ‘Lazaret’, ‘Arenc’, ‘Napoléon’, ‘Impérial’. The initial harbor was since then called the ‘Vieux-Port’ (‘Old Port’).

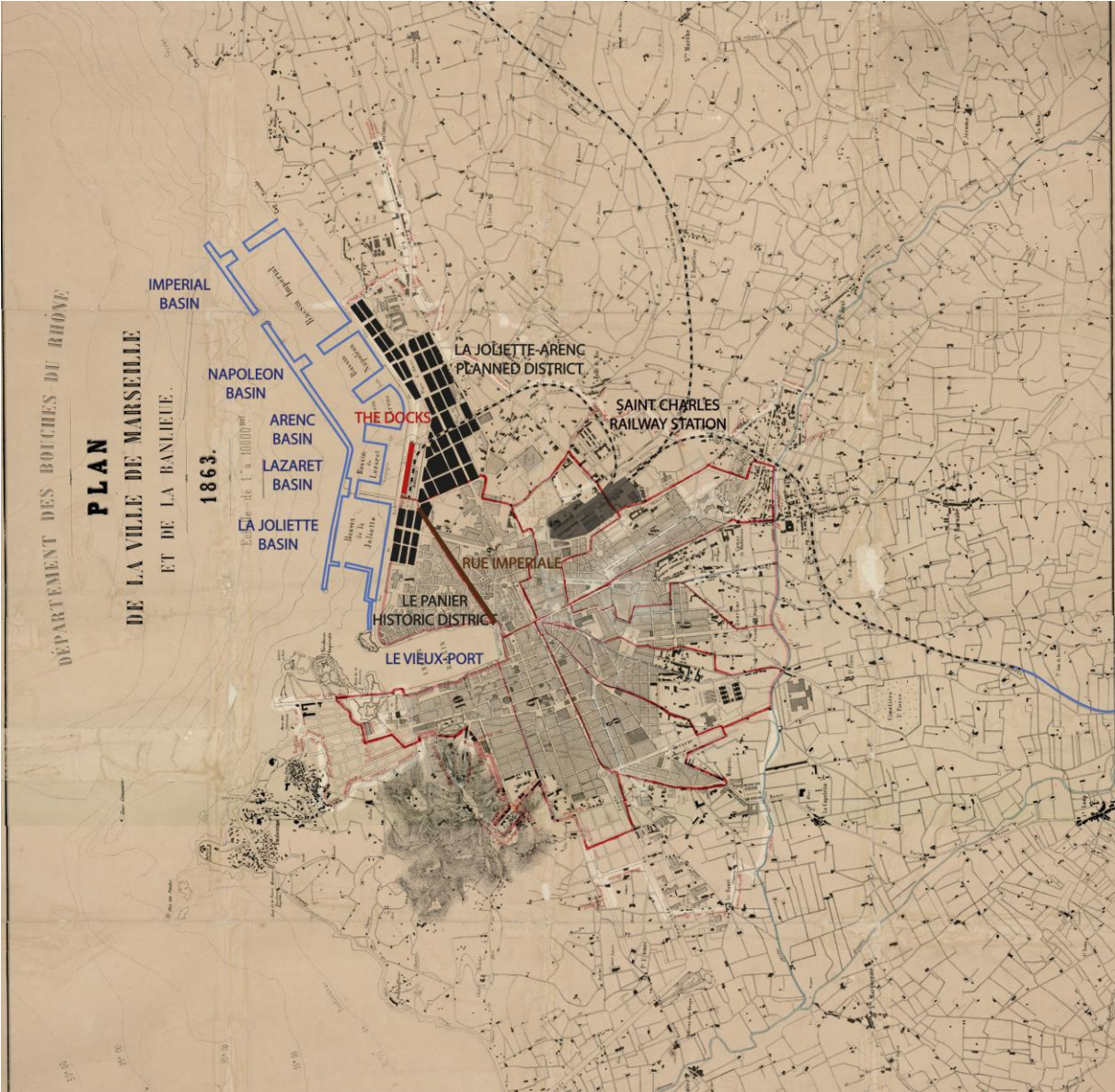


Figure 2.2 Marseille new plan in 1863. The 5 basins of the commercial harbour created to the North of the Old Port – Source: author’s elaboration, basemap from Marseille Archives.

La Joliette district was built on the sea, around La Joliette basin, during the years 1850s-1860s, using both natural rocks and concrete. It was a very important planning intervention, with a regular industrial block pattern, in black on Figure 2.2. Homogeneity and linearity were visible from the sea, and the rectangular blocks in sharp contrast with the chaotic street pattern of the historic ‘La Panier’ neighborhood. Then the harbor kept on expanding towards North, as visible on Figure 2.3.

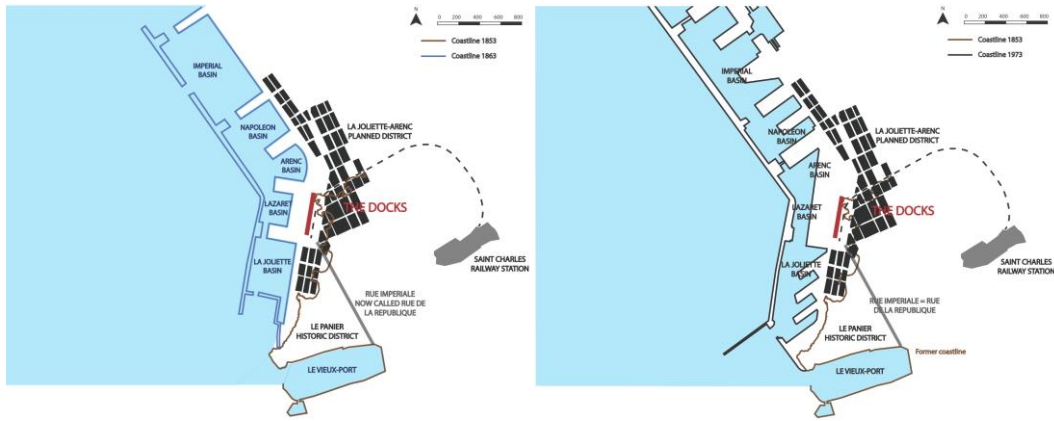


Figure 2.3 Evolution of La Joliette district and coastline. Up: from 1853 to 1863. La Joliette harbor built on top of the sea. New planned district with regular urban blocks called ‘trame Mires’. Down: in 1973. New harbour equipment – Source: author’s elaboration.

From 1862 to 1864, Rue Impériale (today called ‘Rue de la République’) was dug in order to link directly by a straight line the Old Port and the newly built La Joliette harbour. This Haussmannian artery was a very harsh planning intervention: 16.000 inhabitants were dislocated, 930 buildings destroyed, and the Sadie Carnot hillock pierced, in order to create this 1.1 km link between the Old Port and newly built northern harbour, as visible on the maps Figure 2.4.



Figure 2.4 Up Left: Sadie Carnot hillock pierced during Rue Impériale works. Up Right: Rue Impériale dug. Down Left: Marseille in 1852, La Joliette basin planned, but no Rue Impériale yet. Down Right: Marseille in 1862, other basins added, Rue Impériale dug – Source: photos and basemaps from Marseille Archives.

In 1856, in this context of flourishing trade (mainly with the French Mediterranean colonies) and extension of the harbor, the city gave a land of 10 ha, 2 km-long along the harbour, which is the land of the ancient quarantine area ('lazaret' in French), to Paulin Talabot, railway and industrial entrepreneur (head manager of La Compagnie des Docks et Entrepôts de Marseille and of the Compagnie des Chemins de Fer Paris-Lyon-Méditerranée), as a concession of 99 years. Talabot was very forward-thinking and understood well that a modern harbor was first and foremost a transit point from a harbor station to a railway station. He asked the architect Gustave Desplaces to conceive the Docks building, built from 1856 to 1864, following the model of the London St Katherine Docks (Figure 2.5).



*Figure 2.5 St Katherine's Docks, London, built in the 1830s – Source: [www.british-history.ac.uk](http://www.british-history.ac.uk)*

In 1857, the Marseille-Paris railway line opened, followed in 1859 by the Marseille-Toulon railway line. Marseille was then linked to the North, East and West.

The Docks were used as a storage building, transit point for goods, between their arrival by sea ships on the one side, and the railway on the other side, bringing them to St-Charles Station, national railway station linked to all the rest of France. The Docks could host 150.000 tons of goods.

### 2.2.2. PHYSICAL DESCRIPTION OF THE DOCKS BUILDING



*Figure 2.6 The Docks in the 19th century, façade on the harbour - Source: [www.les-docks.fr](http://www.les-docks.fr)*

The Docks building is a very long horizontal industrial building as visible from Figure 2.6, located as mentioned above between harbour and railway. It is composed of 84.000 sqm, 7 floors and a partial underground floor, 365 meters long, 37 meters large, 34 meters height.

It is composed of 5 separated building, as seen on Figures 2.8: 4 independent storage buildings with their 4 internal courtyards to avoid fire propagation, and the ‘Hôtel de Direction’ building, hosting the offices organizing the storage activity. It is a calendar embodiment: 365 meters long (number of days in a year), composed of 4 separated internal courtyards (number of seasons in a year), 52 doors (number of weeks in a year), and 7 floors (number of days in a week).

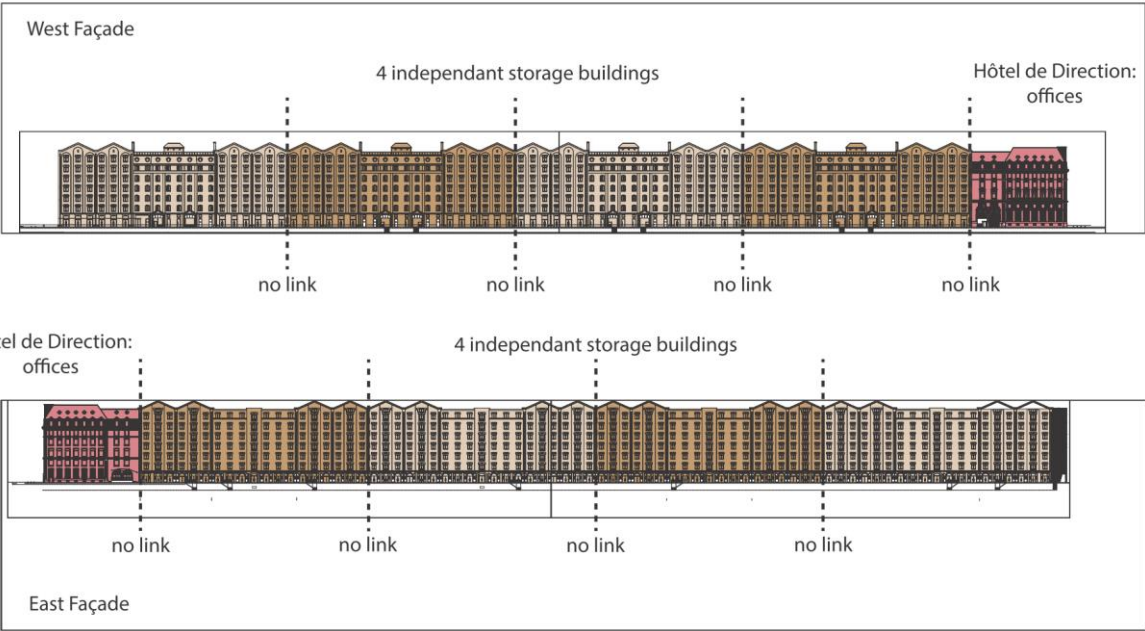


Figure 2.7 The Docks general structure - Source: author's elaboration, blueprints from Constructa.

The structure of the building is in a mix of stone and tile masonry, with a cast-iron pillar structure to support the roof stone and tile vaults. Figure 2.9 illustrates the internal structure.

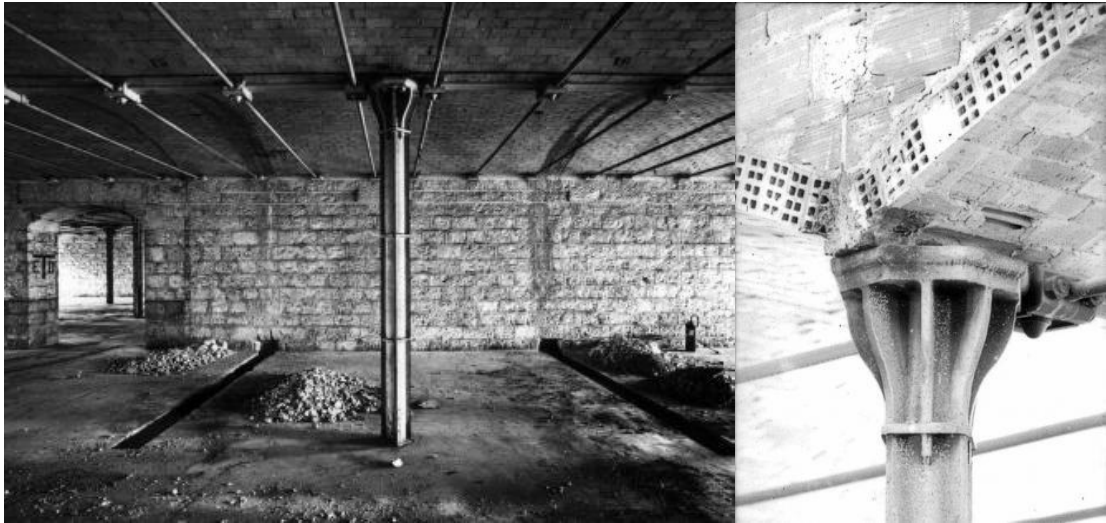


Figure 2.8 Stone masonry, tile vaults, supported by cast-iron pillars – Source: Castaldi Archtecte.

The Hôtel de Direction building is mainly in tile masonry, which makes its façade a visual and cultural landmark on La Joliette Square.



Figure 2.9 Hôtel de Direction building, façade on La Joliette Square – Source: taken by the author.

The warehouses have façades and very thick walls in stone masonry (up to 1.20 m, using stone inertia to better conserve goods), a cast-iron structure of 36 meters-height pillars, to support some tile vaults, with iron brackets bolt and riveted. The roof has two layers, tiles on the surface, tile vaults underneath.

The building was a very powerful symbol of the industrial development and modernization. During the industrial era, it hosted 20 hydraulic lifts to link the 7 floors, and 40 cranes on the quay to lift goods from ships to the storage rooms, which was very innovative at that time. Figure 2.11 shows the very important industrial equipment and activities organized in the Docks.



Figure 2.10 The Docks in the 19th century: cranes and smaller storage buildings on La Joliette quay, activities inside the building - Source: [www.les-docks.fr](http://www.les-docks.fr)

The Docks were number third on the list of most expensive building built in Marseille (the first one being La Major church, and the second one the Prefecture). They cost 11 million Ancient Francs (16.770 €), and were then the biggest warehouse complex in Europe at that time.

## 2.3. SUCCESSIVE CHANGES OF FUNCTIONS OF THE DOCKS

### 2.3.1. FLOURISHING STORAGE BUILDING (1864-1990)

1864-1938 was the full-activity period for the Docks as a transit point for goods. They were linked to St-Charles Railway Station by a railway line. And from St-Charles Station the goods could transit to the North, West, and East of France. They were also linked to some main arteries such as the National Boulevard, Rue de la République and Dames Boulevard.

In 1955, it was the end of the 99 years concession. Les Entrepôts et Magasins Généraux de Paris (EMGP) bought La Compagnie des Docks et Entrepôts de Marseille and all its fixed assets, including the Docks building. After World War II the Docks were inadapted to the new use of the harbour: first as paper and wheat storage, then as cold rooms and office space in the 'Hôtel de Direction' building. It was underused, almost empty.

In 1964, the storage areas were dislocated towards Fos-Sur-Mer where a new harbour was being built, favoured by the State, to host some hydrocarbons, bulk liquids (oil, gas and chemical products), general cargo (containers and other packaging) and bulk solids (minerals and cereals). Moreover, the storage technologies changed with the creation of containers: no more need for warehouses, they could be directly placed on the harbour quays.

At the end of the 20<sup>th</sup> century, because of war damages, the independence of the colonies, and an increasing international competition, Marseille harbour and industrial activities were in decline, so the La Joliette industrial working-class area was decaying.

In 1980, the railway line next to the Docks building shut down, proof of the uselessness of the building. The Docks building was abandoned in 1988 and threatened by demolition.

### 2.3.2. FROM INDUSTRY TO OFFICES: FIRST RENOVATION (1991-2001)

In 1991 the SARI (branch of the 'Compagnie Générale des Eaux', nowadays 'Nexity Entreprise'), private company managed by the 'La Défense' real estate developer Christian Pellerin, bought the EMGP fixed assets, including the Docks building. The building costed him 280 million of Francs (42.7 million €). It was renovated for the first time. Christian Pellerin's idea was to turn this unused former industrial building into offices.

This idea was strongly linked to the planning decisions of the 1970s in Marseille. The goal was then to create a 'centre directionnel' i.e. a business district, in Marseille city centre, around St-Charles Railway Station. This was directly inspired by the success of 'La Défense' CBD in Paris. However, in Marseille only the first step of the project was implemented. After this social concerns brought the City of Marseille's focus back on creating affordable housing. Around St-Charles Railway Station were built some offices, some residential buildings and public services (Cité de la Musique in 1993, Economic Sciences University in 1988). What is interesting is that the SARI itself was part of the CBD project, winner of one of the planning contest in 1987, but its project was not implemented.

It is only a few years after that the SARI bought the Docks to turn it into offices, implementing this time privately this idea.



The building was renovated from 1991 to 2001 by the architect Eric Castaldi, with a strong focus on conserving its authenticity and original building materials.

Let's first examine the context of the 1990s, then the internal transformations undergone from 1991 to 2001, to finish with the impacts of this first renovation in the 2000s.

## **SURROUNDING URBAN CONTEXT IN 1991**

### **> Population & Marseille City Image**

In the 1990s La Joliette neighbourhood inhabitant number decreased, from 8.100 inhabitants to 6.800, as consequence of decades of de-industrialization. This entire former industrial harbour district was in a state of decay and abandonment. Industries had either shut down or left to move to Fos-Sur-Mer newly developed harbour, and the people remaining was highly unemployed and unable to maintain their homes. This district was in the 1990s in a clear lack of identity and sense of place, unable to bounce back from de-industrialization. So was the entire city of Marseille at that time.

### **> Land Use**

Figure 2.12 illustrates the land use of La Joliette in the 1990s. The Docks building is highlighted in dark red, facing the industrial harbour in dark grey. The neighbourhood is marked by the presence of strong infrastructures, such as the A55 and A7 highways arrivals, the industrial harbour and St-Charles railway station. It is also marked by the concentration of industrial lands in the Northern part, in dashed red.

Figure 2.13. is a sky photo of the neighbourhood taken in 1973. The rectangular grid called 'trame Mires' is recognizable, with very large blocks, not adapted to the human scale.

The surrounding land use context in the 1990s did not justify the transformation of the Docks into offices, considering the surrounding urban context was not favourable for offices: accessibility was quite good but only focused on the use of cars, services were shutting down, the housing supply was degraded, and the image of the neighbourhood was quite repulsive... The reason for the Docks change must come from other factors than the physical state of the art.

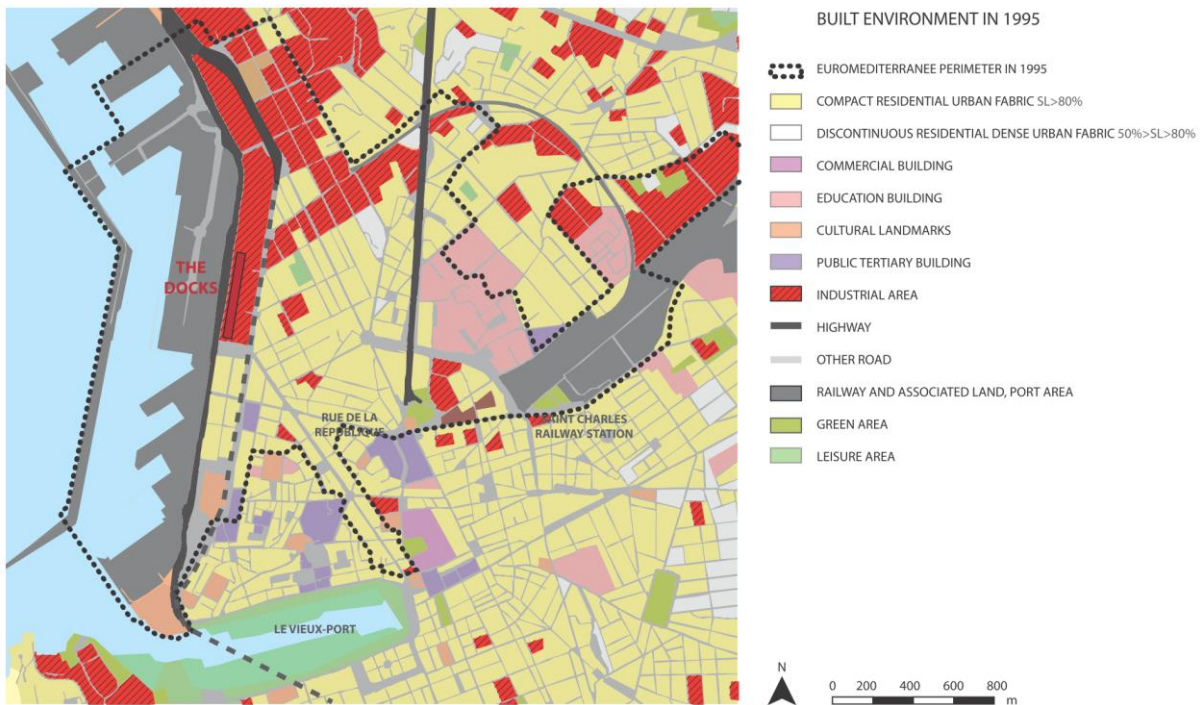


Figure 2.11 Land use map of the Docks district in 1990 – Source: author’s elaboration, basemap from EEA.



Figure 2.12 Sky photo taken in 1973. Clear impact of the industrial-harbour activities in the Docks surroundings – Source: author’s elaboration, photo from Marseille Archives.

### > Accessibility

In 1989, A55 highway Marseille-Martigues (leading to Montpellier and Barcelona) was completed, which arrival inside Marseille was located just in front of the Docks building. On the one hand this increased its accessibility, and on the other hand, since the highway was built on a bridge over the city ground level, it cut it from the view on the sea.

As seen on Figures 2.14 and 2.15 the building was ideally located on a private transportation point of view thanks to car infrastructures (the highways were not even at 5 min by car). The highways enabled to link the building to Montpellier and Barcelona to the West, Nice and Genoa to the East, and Lyon and Paris to the North. It also linked Marseille to its international Marseille-Provence Airport.

The public transport network was composed of buses, metro line 2 and St-Charles railway station. It was also quite present, even if not very efficient.

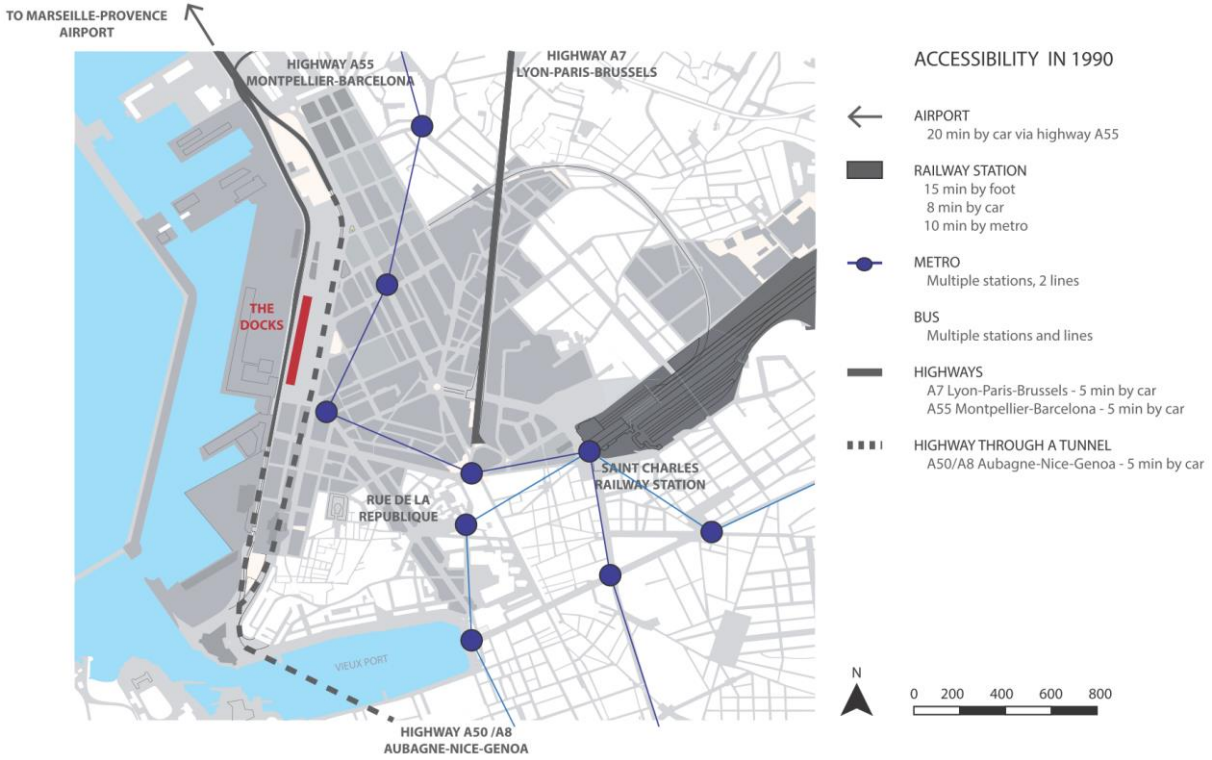


Figure 2.13 Public and private accessibility to the Docks building in 1990 - Source: author's elaboration.



Figure 2.14 The Docks in 1990, facing harbor lands, and A55 highway arrival in Marseille on a bridge - Source: Castaldi Architecte.

## > Culture

In 1990 the 'Hôtel de Direction' building was a protected historic building. The 'Atelier du Patrimoine' (authority responsible of French patrimonial buildings, called nowadays 'Architectes Bâtiments de France') were asked their permission for every modification of all the exterior façades.

## > Politics & Urban Planning

The renovation project started in 1991, before 'Euroméditerranée' urban renewal operation was officially launched in 1995. However, the 310 ha perimeter was already settled and the urban planning interventions were under discussion. The Docks building was located at the heart of the future Euroméditerranée area, as seen on Figure 2.16.

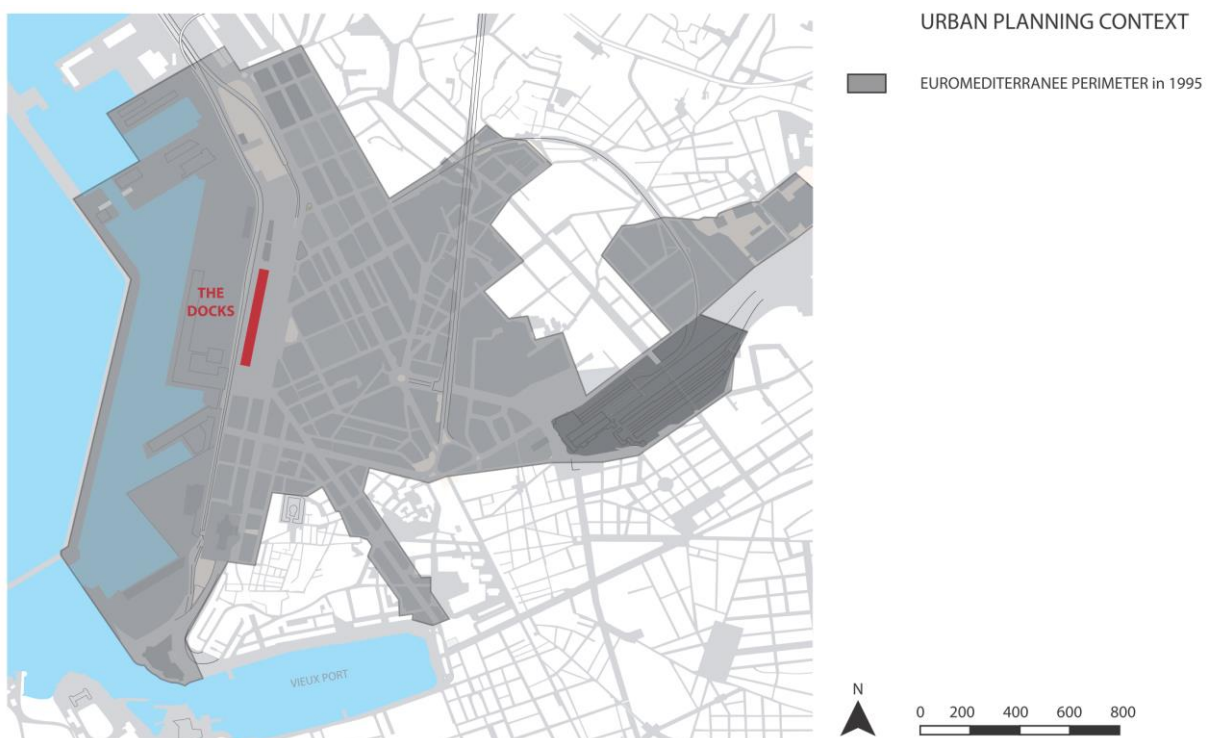


Figure 2.15 The Docks in the Euroméditerranée urban renewal project perimeter in 1995 - Source: author's elaboration.

Because of its strategic position, the urban planning context was quite complex. In the Building Permit from 1998, in a letter from the AGAM (Agence d'Urbanisme de l'Agglomération Marseillaise) to the Urbanism Service of City of Marseille, the AGAM clearly expressed the need:

*“to look over this renovation, because the Docks building will soon belong to the Euroméditerranée perimeter This renovation is not yet legally bound to Euroméditerranée, but some partnerships between the SARI, the SNCF, and the City should be found, otherwise the SARI could take advantage of this renovation to sell every office spaces. It would then be much more complicated to find the right partnership if the building is all fragmented and belongs to many owners...” (AGAM, 1998).*

This renovation project started before 'Euroméditerranée', but was then included into the urban renewal project because considered as completely part of the new vision of this area: a new tertiary centre able to boost Marseille economy and attract private foreign investments.

## INTERNAL STATE OF THE ART

In 1991, the 'Hôtel de Direction' building was still used as offices for the Entrepôts et Magasins Généraux de Paris, and the 4 storage buildings were empty and abandoned, as visible on the photo Figure 2.17.



Figure 2.16 Internal courtyard in 1990, no windows, decaying dirty walls, a 'prison' atmosphere – Source: [www.les-docks.fr](http://www.les-docks.fr)

## THE DOCKS TRANSFORMATION – THE PROJECT

### > Main Goals

The main objectives, according to the Building Permits, were the following:

1. To valorise the architectural patrimony
  - To preserve the silhouette and architectural masses to respect the historic protection, and enlighten the façades (Figure 2.19)
  - To reuse simple historic materials: glass, stone, tile, steel, cast iron are valorised and re-used inside the building as valuable decorative historic elements (Figure 2.20)
2. To link the Docks to the city
  - To create pedestrian entrances and car parking spots (Figure 2.22)
3. To open up the Docks to activities synergy
  - To bring back natural light into the building: openings were enlarged, internal courtyards roofs were replaced by glass roofs (Figures 2.18 and 2.21)
  - To create more enjoyable common spaces: vertical circulations were added, and a main central internal street was created at every floor to link the 4 formerly separated storage buildings (Figure 2.22)
  - To give a coherent architectural image in favour of the Euroméditerranée project, to participate to the creation of a new business district

These 3 main points are inspired from the London Docklands' renovation in the 1980s. In 1981, the London Docklands Development Company wanted to revive the Docks area in London that had the same fate as the Docks building in Marseille: abandonment, coupled with partial destruction by bombings of World War II. St Katherine's Docks, of which Marseille Docks building was inspired, was turned into fancy lofts. On the Isle of Dogs, a huge business district, 1.2 million sqm of office space, was built in the West India Docks area, and strongly mediatized in internal decoration magazines.



*Figure 2.17 Openings enlarged in one of the internal courtyards and roof replaced by transparent glass – Source: Castaldi Architected.*



*Figure 2.18 The Docks façade. Left: 1991, dirty dark façade, iron binds rusted by sea air. Right: 2001. Façade cleaned up, glass windows respecting the former structure of the iron blinds - Source: Castaldi Architected.*



Figure 2.19 A finished open space. Cast iron pillar painted black and completed by dark iron light holders, historic materials valorised – Source: Castaldi Archtecte.



Figure 2.20 Roof replaced by transparent glass roofs to bring natural light inside – Source: Castaldi Archtecte.

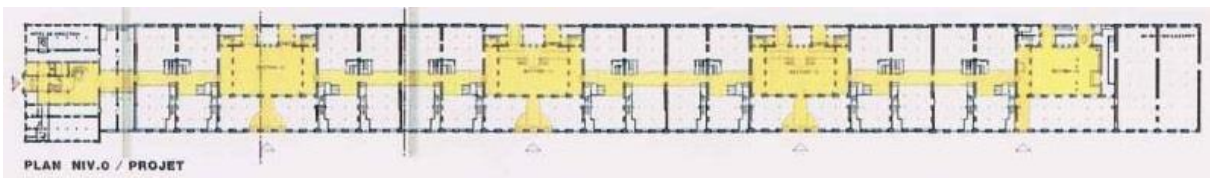


Figure 2.21 Internal street created along the ground floor - Source: Castaldi Archtecte.

As can be noted, the focus for this first renovation was mainly on the change of function of the building, from storage to offices. The main changes were done inside of the building and not so much on its connections with the rest of the city (except from 4 entrances created). The building kept strong marks of its historic industrial past, following the ongoing *loft living* fashion.

## > Actors Involved

Type of Actor	Actor
Architect	Eric Castaldi
Client	SNC Marseille Joliette (SARI)
Historic Building Authority	Atelier du Patrimoine
Metropolis Urban Planning Authority	AGAM
City Urban Planning Authority	Mairie d'Arrondissement
Area Urban Planning Authority	Euroméditerranée (after 1995 only)
Owner of the Parking Space	SNCF

Table 2.1 Actors involved in the first renovation of the Docks building - Source: author's elaboration.

## > Steps of the Transformation

Considering the risk that the project represented, because the neighbourhood in 1991 was repulsive, and the Euroméditerranée urban renewal project was not set yet, it was decided to transform the four storage buildings step by step. The project was fragmented into 4 phases. This way, the offices ready could be directly sold to private investors, and the SARI would have available funds for the rest of the works. Moreover, in case of failure of the commercialization, not a lot of funds would have been invested in the project. This step by step process was implemented by officially separating the building into different cadastral parts. After several successive fragmentations, the final cadastral organization of the building was the following on Figure 2.22.

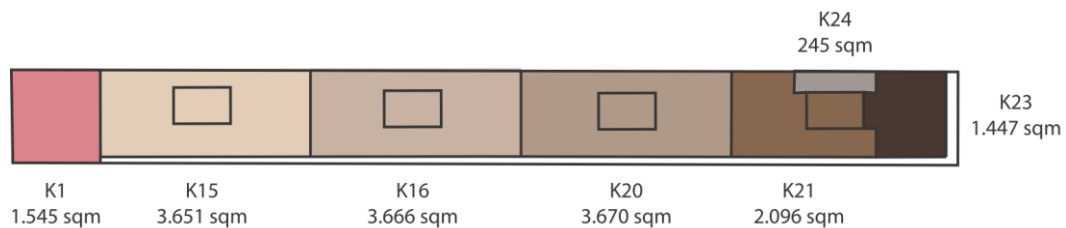


Figure 2.22 The Docks cadastral fragmentation in 2001 - Source: author's elaboration.

In agreement with the step by step process decided, there were 4 Building Permits asked (Permits de Construire, PC, in French), one for each part of the building renovated, as follows on Figure 2.23:

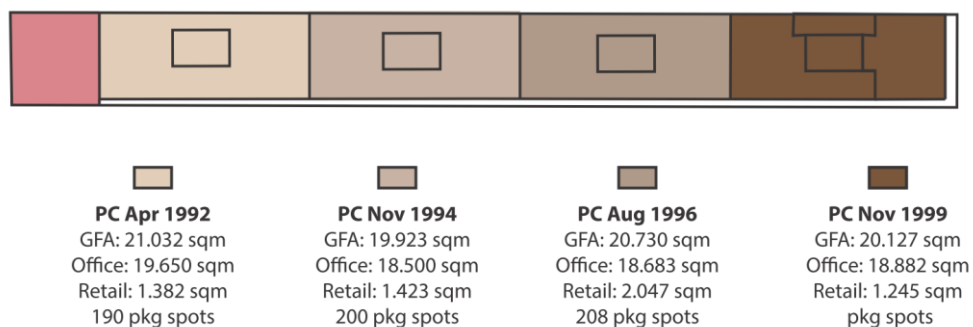


Figure 2.23 The Docks cadastral successive Building Permits (PC) - Source: author's elaboration.

This step by step process also enabled Euroméditerranée to get involved in the renovation while it had already started. In the Building Permits, I noticed that Euroméditerranée was part of the actors involved only for the Building Permits after 1995, the one from August 1996 and from November 1999. This is



how the Docks building could be included in Euroméditerranée project and considered nowadays as its first and successful transformation, providing 66.000 sqm of office space commercialized, proving that this part of Marseille had a very good potential as tertiary centre.

Once renovated in 2001, the Docks hosted 220 public and private firms, 3.200 workers, in a total of 66.000 sqm of office space. The works lasted 10 years and costed 63 million €.

### **2.3.3. TOWARDS INTERNATIONAL OFFICE STANDARDS: SECOND RENOVATION (2002-2007)**

In 2003, 63.000 sqm of the Docks office space were sold to Starwood Capital and Catalyst Invest, British and American investment funds, for about 100 million €. They bought it not to occupy it themselves but to continue renting it to other firms. The ownership of the Docks went from French real estate developer to international financial firms, showing that the tertiary centre being built in Euroméditerranée is starting to raise global private financial actors' interest.

From 2006 to 2007 the 'Hôtel de Direction' building was renovated (6.500 sqm) to put it up to international standards and increase its internal floor area by 1.200 sqm (in the basement and attic). The works lasted 16 months and costed 5 million €. This building used to host the managers of the Docks industrial building, and hadn't been renovated since the 1950s and needed a renovation.

The architect was Renaud Tarazzi, strongly associated with the 'Architectes Bâtiments de France' (formerly called 'Atelier du Patrimoine') because the building is a protected historic building. The façades, roof, internal circulations, elevators were restored, and the heating and cooling systems were put up to standards.

### **2.3.4. FROM OFFICES TO PIECE OF THE URBAN FABRIC: THIRD RENOVATION (2008-2017)**

In 2007, 66.000 sqm of the Docks building were sold to JP Morgan Asset Management, an American bank, about 190 million €. The ownership of the Docks building once again went to a global financial investor that bought it not to occupy it but as an investment, to rent it to other firms. In the offices, 220 companies and 3.500 workers are still renting the space.

Since 1995 the Euroméditerranée project was a sharp success and completely transformed the neighbourhood. In 2007, the feedback was very good: for 300 million € of public funding, 1 billion € of private funding was raised, which represents a leverage effect of 1/3.

As reaction of this success, it was decided to enlarge the perimeter of the project to the north by 170 ha, and this new perimeter was called 'Euroméditerranée II'. The total area was then 480 ha, making it the biggest renewal project of Southern Europe.

JP Morgan, noticing the main changes of the neighbourhood, decided that the Docks building could participate more to its surrounding environment. After 5 years of reflection on ways to optimize the Docks building in partnership with Constructa Urban Systems, the Docks building underwent a third renovation from 2013 to 2015.

This time the focus was on the ground floor and underground cellars, abandoned for 150 years. Those 20.000 sqm changed function to become retail space, and the internal courtyards became restaurant and bars terraces.

## SURROUNDING URBAN CONTEXT IN 2008

### > Population & Marseille City Image

From 1999 to 2006 Marseille inhabitant number rose by 40.000 inhabitants, and La Joliette district population rose from 6.800 inhabitants to 8.600, after decades of population decrease. Marseille was back as an attractive metropolitan area of 1 million inhabitants.

Marseille was the second most important French port and the fourth largest in Europe, especially linking France to Corsica and the Maghreb. Thanks to its commercial activity, it was a key pivot point of Mediterranean trade.

In recent years, the city had experienced a large growth in the service sector employment and a switch from light manufacturing to a cultural, tourism and communication technology economy.

### > Land Use

Since the beginning of Euroméditerranée projects, the surrounding of the Docks building have been transformed. Many works were completed: La Joliette Square, tram lines, schools, squares... Others were still ongoing: digging down of the A55 highway bridge, new shopping centre 'Les Terrasses du Port', Silo concert hall, MUCEM museum and others, as visible on Figure 2.24.

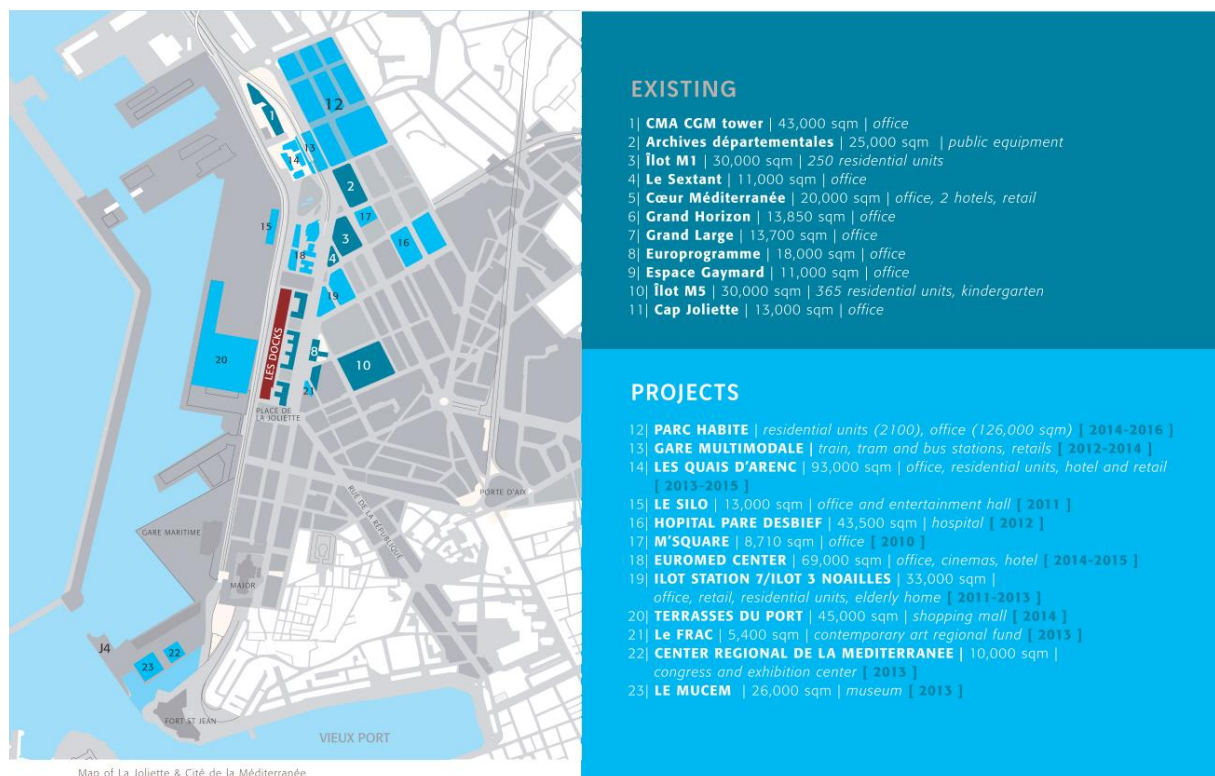


Figure 2.24 Main surrounding transformation projects in 2013 - Source: Constructa.

The Docks used to be in the middle on an industrial unused land in 1990, and in 2013 it hosted brand new office buildings, hotels and residential buildings. Rue de la République was undergoing some layered renovations, it hosted commercial space on ground floors, and housing in the upper floors. Bd de Dunkerque was mainly occupied by office buildings. A lot of abandoned lands were under reusal, as seen on Figure 2.25.

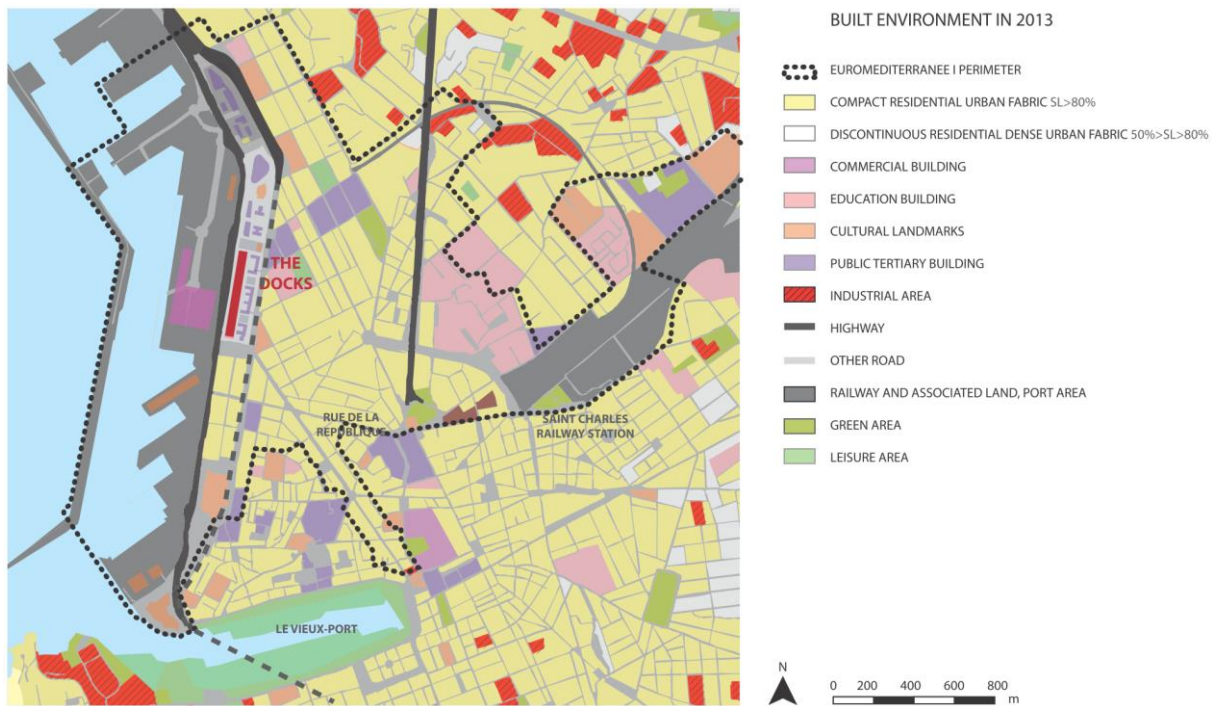


Figure 2.25 Land use map of the Docks district in 2013 – Source: author’s elaboration from an EEA map.

### > Accessibility

The Docks were located in between the A55 highway (partially dug down in a tunnel in 2011) and the newly built Dunkerque Boulevard and renovated Quai du Lazaret.

There was a taxi station just in front of the main entrance on La Joliette Square.

Car parking spaces had been built West from the Docks, underground the new office buildings.

Public transport had also been improved. With Euroméditerranée, the tram had been redeveloped in Marseille, and tram line 2, finished in 2007, had 2 stations very close, as seen on Figure 2.26. Moreover, a third tram line was planned to be built, with 2 stations in common with tram line 2 ‘La Joliette’ and ‘République-Dames’ in 2014-2015, and would be finished for the Docks reopening in 2015. Bus lines also increased: 35, 49, 55, 70, 82.

Soft transportation developed with the arrival of the ‘Vélo’ (bike sharing system) in 2007. There was a station just in front of the building.

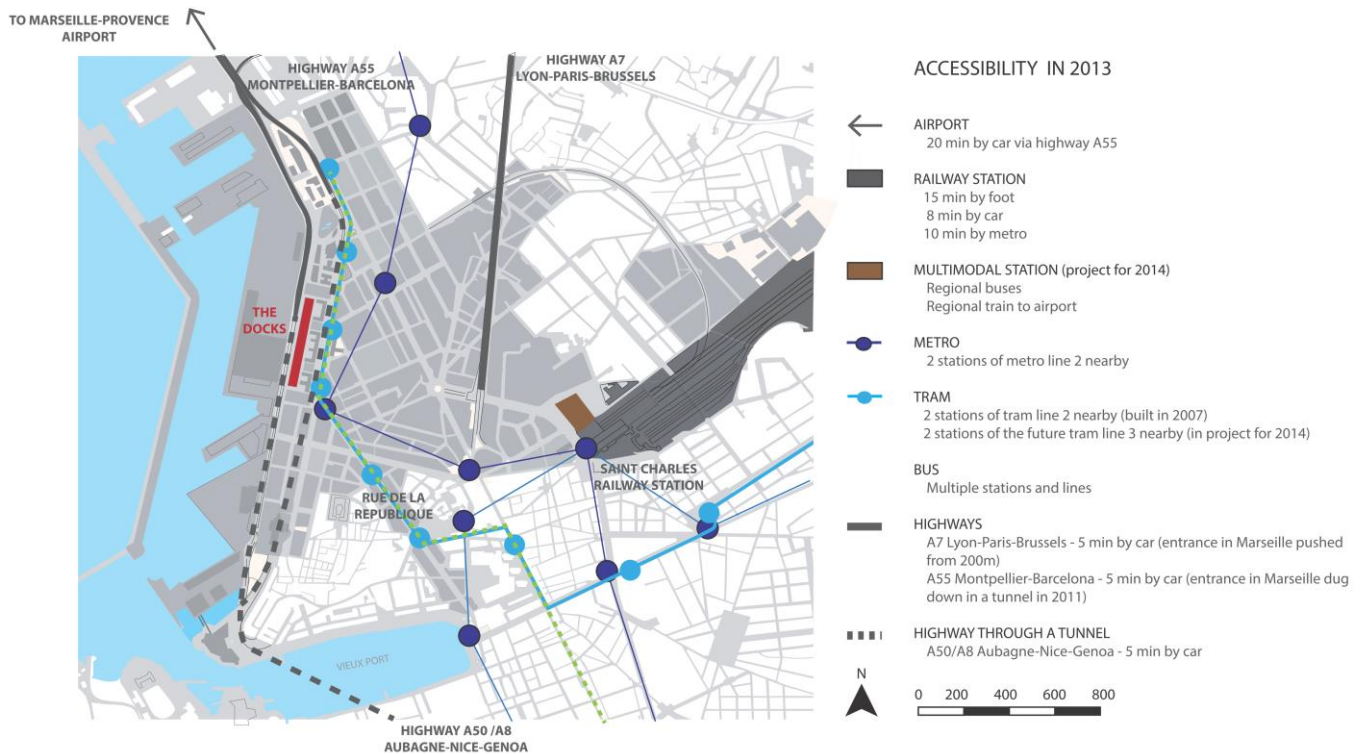


Figure 2.26 Public and private accessibility to the Docks in 2013 - Source: author's elaboration.

## > Culture

The 'Hôtel de Direction' building was still protected as a historic building. Since 2013, the ZPPAUP has been replaced by the AVAP (Aire de Mise en Valeur de l'Architecture et du Patrimoine), and the entire Docks building is now listed as a "building to conserve with special prescriptions".

In 2008, Marseille have been elected European Capital of Culture for 2013. Marseille was judged to respond best to the objectives, thanks to its high quality cultural and artistic programme, the strong involvement of the City Mayor and local authorities around, and the solid financial support from local authorities and business. The political commitment and financial support were two main results from the Euroméditerranée urban renewal project, and the election of Marseille was strongly due to Euroméditerranée.

In 2013, Marseille was European Capital of Culture. The ex-post evaluation of the 2013 European Capitals of Culture made by the European Commission in 2014 enlightens about the fallouts of the event on the city: touristic activity developed, the number of tourists increased by 11% compared to 2012, and 17% for international tourists. There was a 22% increase in the number of cruise passengers arriving in Marseille. Marseille City regained in attractivity, according to interviews done by the evaluation panel. In total 665 million € were invested in cultural infrastructure, sites and facilities. 80% of cultural equipment was built on the Euroméditerranée area for 2013, as seen on Figure 2.27:

- A national museum, the MUCEM, European and Mediterranean Civilisations Museum, building with a famous architecture by Rudy Ricciotti, located in the renovated Saint-Jean Fort and on the J4 site on the outskirts of Marseille port.
- The Centre Régional de la Méditerranée, on the same J4 site, a creative area with an exhibition space (a dozen designers to stay for a three-month to one-year period).

- The Silo: former industrial grain storage located on Port of Marseille Authority grounds, in the Euroméditerranée area. Since 2011, this entirely renovated building hosts an adaptable entertainment hall with a 2.200 seats maximum capacity for events such as conventions, operas, variety performances...
- The Friche de la Belle de Mai: this former industrial plant became a hub for creativity and cultural incubator.
- The FRAC Provence Alpes Côte d'Azur, involved both in local and international modern art actions, had moved just meters from La Joliette Square, in a 4.800 sqm Kengo Kuma building opened since 2012.

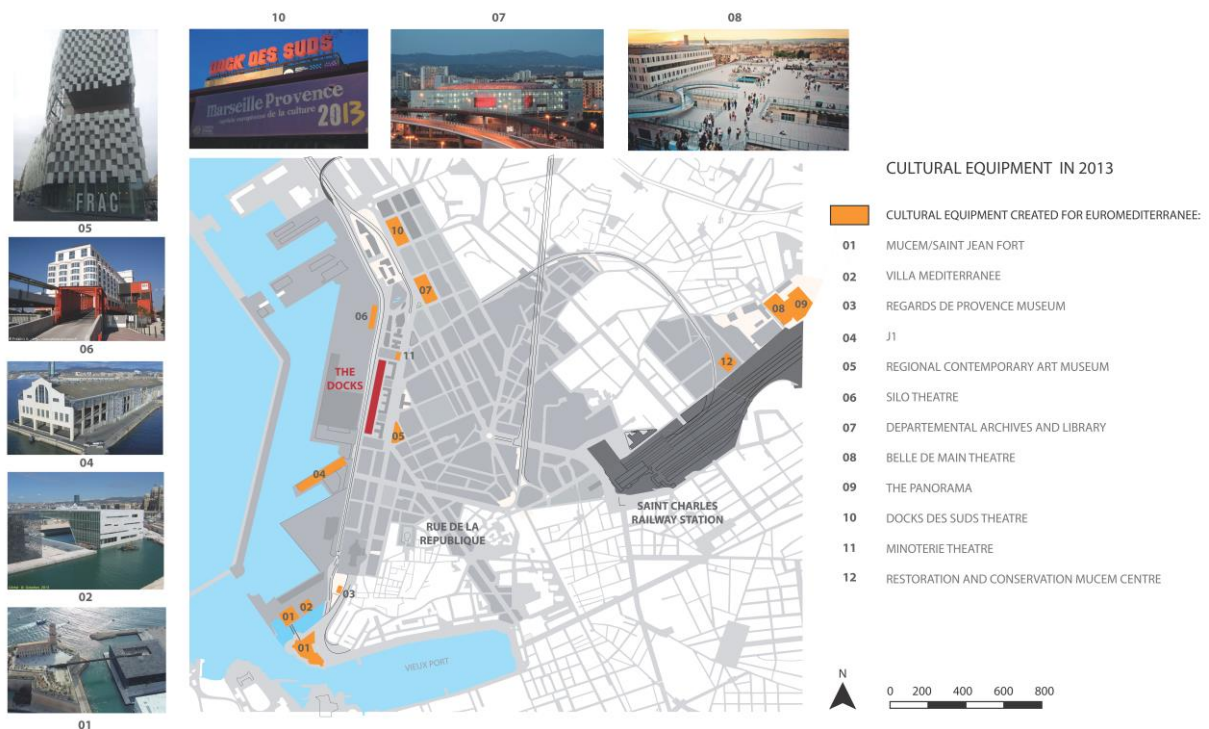


Figure 2.27 Cultural landmarks created for 2013 European Capital of Culture - Source: author's elaboration.

## > Politics & Urban Planning

The Docks building were part of Euroméditerranée area. The building evolved rhythmmed by the changes in its surrounding built environment. The focus was now to create a retail function because individuals were attracted in this area, thanks to the Capital of Culture event and to the ongoing changes making the neighbourhood more habitable.

## INTERNAL STATE OF THE ART

Most of the underground floor had been abandoned for 150 years, while the ground floor had been partly used by retail activities (restaurants for the offices) and offices, as seen on Table 2.2.

	Stores	Offices	Storage	Total
<b>Total Area to be Renovated</b>	3.765 sqm	5.946 sqm	8.513 sqm	18.224 sqm
<b>Occupied Area</b>	2.210 sqm	5.146 sqm	4.562 sqm	11.918 sqm
<b>Unused Area</b>	1.556 sqm	800 sqm	3.951 sqm	6.306 sqm

Table 2.2 Floor areas and functions before the third renovation – Source: Building Permit, Marseille Archives.

## THE DOCKS TRANSFORMATION – THE PROJECT

This third renovation added a new function to the building (retail spaces on the ground floor), improved its interaction with the rest of the city, to make it the ‘beating heart of Euroméditerranée’.

### > Main Goals

There are three main goals, main guidelines:

1. To open up the building to its environment, both physically and mentally
  - To use the internal courtyards as inviting public spaces towards Quai du Lazaret, by enlightening them. (Figure 2.28)
  - To enlighten the northern façade and create new entrances (Figures 2.29)
  - To increase permeability and allow public transversal traffic, creating new entrances, pursuing the internal street all along the building (Figure 2.30)
2. To turn the Docks into a 21<sup>st</sup> century building, with a selected offer of quality services
  - To add a new retail function on the ground floor, managed independently from the offices, and hosting a majority of local boutiques (Figure 2.31 and 2.32)
  - To thematise the four courtyards with a selected atmosphere (Figure 2.33)
  - To thematise the retail areas: the “harbor” (restaurants, bars, wine selling...), the “village” (proximity everyday commercial spaces, a gym...), the “market” (fooding and culture) (Figure 2.34)
3. To give life to the Docks 6/7 days: stores, restaurants, bars, opened during the evening.
  - To organize special events: a specific company called ‘Les Docks Events Property Management’ defines actions and events of a variety of scales to enhance the attractivity of the place (happy hours, music celebration day, heritage days, Christmas Docks... (Figures 2.35 and 2.36)

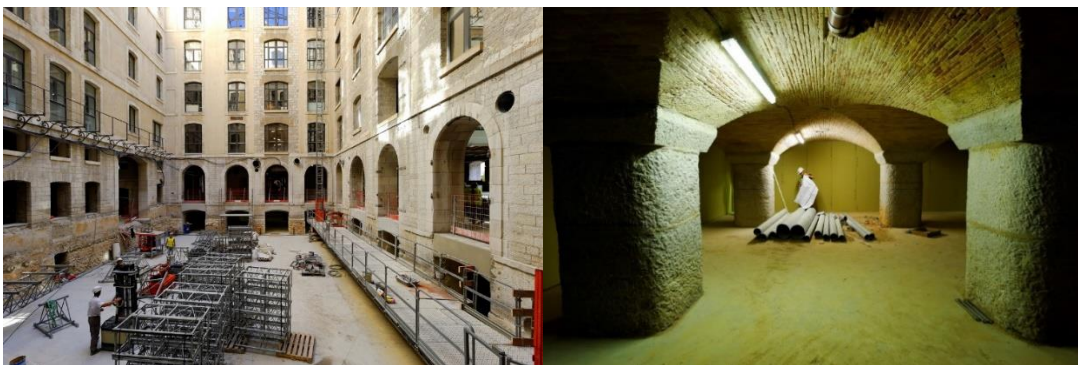


Figure 2.28 Internal courtyard turned into public spaces and underground floor rehabilitated and linked to the courtyards -  
Source: projets-architecte-urbanisme.fr



Figure 2.29 Northern façade covered and opened - Source: Constructa Urban Systems, 2013, Les Docks Roadbook Version 2.0



Figure 2.30 Openings enlarged to become shop windows on the street - Source: Constructa Urban Systems, 2013, Les Docks Roadbook Version 2.0



Figure 2.31 Restaurants' atmospheres - Source: [www.lesdocks-marseille.com](http://www.lesdocks-marseille.com)

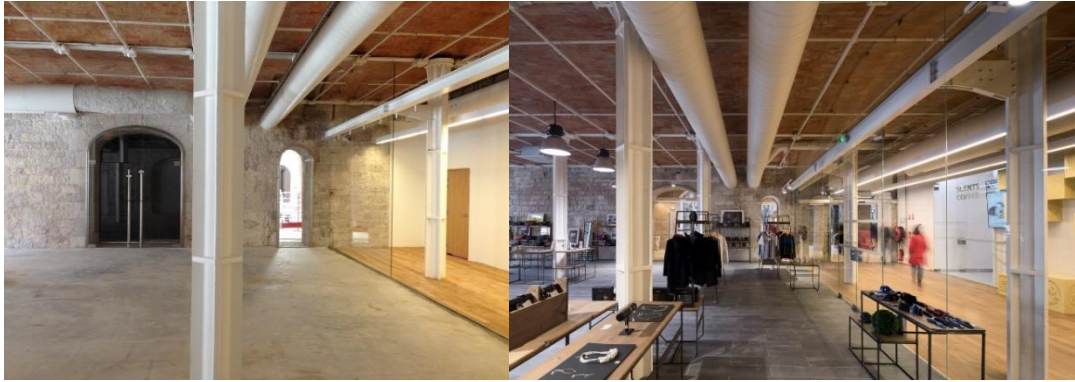


Figure 2.32 Shops layout on the internal street - Source: projets-architecte-urbanisme.fr



Figure 2.33 Thematization of the 4 internal courtyards- Source: abitare.it

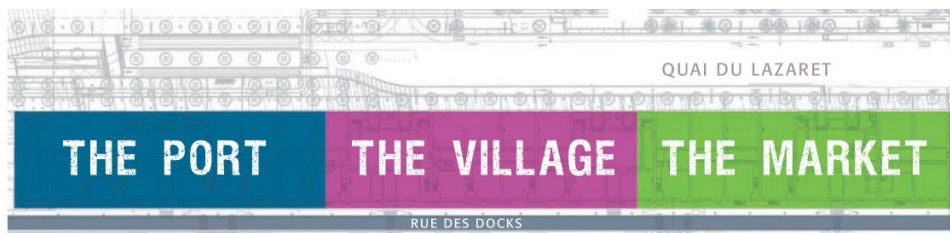


Figure 2.34 Three different retail atmospheres - Source: Constructa Urban Systems, 2013, Les Docks Roadbook Version 2.0

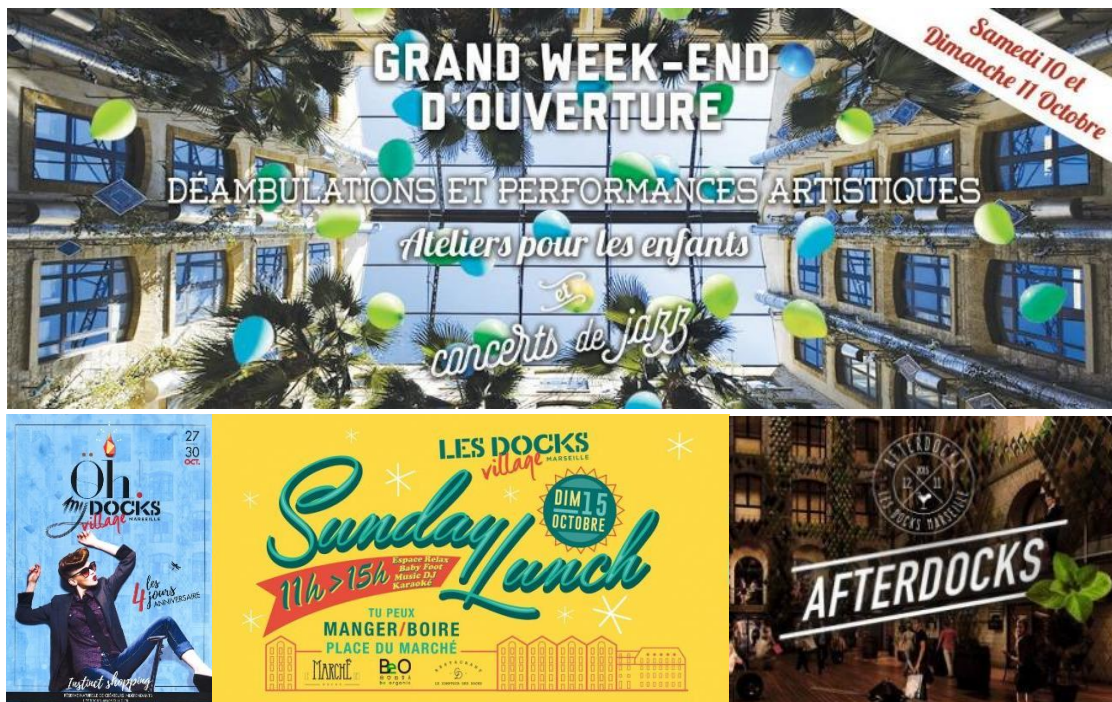


Figure 2.35 Organization of events - Source: www.frequence-sud.fr



# LES DOCKS

## MARSEILLE

Figure 2.36 The Docks rebranding - Source: Constructa Urban Systems, 2013, Les Docks Roadbook Version 2.0

### > Actors Involved

Type of Actor	Actor
Architect	Alfonso Femia, 5+1 AA firm
Client	JP Morgan – Constructa Urban Systems
Historic Building Authority	Architectes Bâtiments de France
Metropolis Urban Planning Authority	AGAM
City Urban Planning Authority	Mairie d'Arrondissement
Area Urban Planning Authority	Euroméditerranée

Table 2.3 Actors involved in the third renovation of the Docks building - Source: author's elaboration.

### STEPS OF THE TRANSFORMATION

The works lasted 2 years and costed 50 million € (among which 28 million € for the works themselves and the rest for marketing, communication and branding).

In total 80 shops opened at the ground and underground floors, providing about 450 jobs.

The success of this ground floor commercial centre was insured by the increase of attractiveness of Marseille City and especially the Euroméditerranée neighbourhood thanks to the European Capital of Culture event. A new form of consumption, mass consumption of local culture, developed in this area. That is why the Docks building favoured local shops and designers, local products and brands in its ground floor.

# 3. URBAN MACRO-SCALE VALORIZATION —

## EUROMEDITERRANEE URBAN RENEWAL PROJECT

### INTRODUCTION

This chapter provides a deep analysis of the Euroméditerranée neighbourhood (including the case study) history, from its launching in the 1990s. First, the context of this urban renewal project at city and neighbourhood scales is explained, in order to understand the need of such a project. Then, a special focus is placed on the physical transformations of the area in the past 25 years. Those waves of transformations are described more into details to provide a complete understanding of the urban changes leading to the economic revival of Marseille thanks to the strong investments of private actors, most of which are financial global firms.

This surprising involvement of global actors in secondary city such as Marseille catches attention. It calls for higher-scale contextualization to be understood, and is evidence that there have been exchanges between global and local contexts in the past 25 years.

### 3.1. METHODOLOGY & INFORMATION

#### 3.1.1. PROCEEDING

The overall goal of this chapter is to provide a deep analysis of the evolution of the Euroméditerranée neighbourhood through time, from its launching in 1995 until today.

This chapter is an urban macro-scale description of the setting and changes of the urban renewal area Euroméditerranée in the past 25 years. In order to do that, a constant dialogue between the scale of Marseille city and the scale of Euroméditerranée area was needed, because this project was an answer to the socio-economic urban crisis of Marseille in the 1990s. The focus being on the dynamics of the process, the explanation path chosen is chronologic. It starts from Marseille decline in the 1960s-70s because of de-industrialization and development of Fos-sur-Mer industrial zone, in order to highlight the need of such a project in this city. Then, the focus shifts to the multiple settings of the project, involving many kinds of actors and planning tools. After settling, the main physical urban changes are described, focusing mainly on physical and economic changes (not social).

Both qualitative and quantitative sources of data were combined to provide a complete description of the transformations of the Euroméditerranée neighbourhood through time.

#### 3.1.2. SOURCES OF INFORMATION

For clarity, the different sources of information used in this chapter are detailed in the following table.

Type of Source	Source	Qualitative Information	Quantitative Information	Photos	Maps/Blueprints
Book	AGAM. (2016). <i>Aix-Marseille Provence, Comprendre l'Espace Métropolitain, Atlas Cartographique – Version Augmentée</i> .				Map of Aix-Marseille metropolis
Book	Bertoncello, B. & Dubois, J. (2009). <i>Marseille Euroméditerranée – Accélérateur de Métropole</i> . Prentièmes ed. Collection "La ville en train de se faire".	Marseille and its harbour disconnections 1930s-1980s De-industrialization of Marseille in the 1960s-1980s Projects of tertiary centres in Marseille in the 1970s-1980s Marseille in the 1990s Marseille fragmented identity Juridical and political setting of Euroméditerranée Planning interventions of Euroméditerranée 1995-2009 Co-operation with other public authorities Attracting private investments	Marseille in the 1990s: unemployment rate, loss of jobs, loss of inhabitants, degraded residential dwellings Public budgets for Euroméditerranée		
Book	Mission Interministérielle pour le projet métropolitain Aix-Marseille-Provence Métropole, 2014, <i>Mobilité[s] – Le livre blanc des transports métropolitains Aix-Marseille-Provence</i> .	Polycentric feature of Aix-Marseille metropolis			Maps of Marseille and Lyon metropolitan areas' urbanization
Interview	De Roo, P. (2017, August, 24). Interviewed by author.	Setting of Euroméditerranée			
Newspaper Article	Chabas, S. (2015). Le quartier de la Joliette à Marseille achève sa mue, <i>Batirama</i> .	Main implementations of Euroméditerranée in the ZAC Joliette 1995-2015	Number of companies in the ZAC Joliette Number of jobs in the ZAC Joliette Floor area of offices built 1995-2015 in the ZAC Joliette		
Newspaper Article	Sanchez, J. M. (2015). The Marseille Experience. <i>WordPress</i> .			Photo of Euroméditerranée district in the 1990s	Maps of Marseille coastline in 1808 and 1994
Report	AGAM. (2008). <i>Euroméditerranée – Poursuite de la croissance de l'emploi. Synthèse Mars 2008</i> .		Yearly evolution of employment in Euroméditerranée   1995-2006		
Report	Constructa Urban Systems. (2013). <i>Les Docks Roadbook Version 2.0</i> .	Transformation projects in Euroméditerranée in 2013 Accessibility in Euroméditerranée in 2013			Map of accessibility in Euroméditerranée in 2013 Map of the main transformation projects in Euroméditerranée in 2013 Basemap of Euroméditerranée area

Type of Source	Source	Qualitative Information	Quantitative Information	Photos	Maps/Blueprints
Report	De Roo, P. (1992). <i>Livre Blanc: l'aire métropolitaine marseillaise ou la métropole éclatée</i> , Mission AMM, DATAR.	Marseille and Aix-Marseille metropolis in the 1990s Potential of Marseille and Aix-Marseille metropolis			
Report	EPAEM. (2007). <i>Euroméditerranée, Extension de l'Opération d'Intérêt National</i> . Rapport N°1.	Main goals of the extension Euroméditerranée II Main implementations planned	Floor area planned for each function in Euroméditerranée II Land area of Euroméditerranée II		
Report	EPAEM. (2009). <i>Dossier de Presse 2009</i> .	Main implementations of Euroméditerranée 1995-2009			
Report	EPAEM. (2010). <i>Rapport d'Activités 2010</i> .	Main implementations of Euroméditerranée 1995-2010 Future implementations planned	Floor area built for each function in Euroméditerranée I Private and public investments Number of jobs created Number of new inhabitants Future implementations planned for each function		
Report	EPAEM. (2011). <i>Ecocité Marseille Euroméditerranée – Dossier de Presse</i>	Main goals of the extension Euroméditerranée II Main implementations planned	Floor area planned for each function in Euroméditerranée II Public investment for 2011-2020 Private expected investment Number of new jobs that should be created Number of new inhabitants expected		Map of Euroméditerranée II, the extension of the perimeter in 2007
Report	EPAEM. (2015). <i>Rapport d'Activités 2015</i> .	La Cité des Entrepreneurs description Ongoing transformations in 2015 Main implementations 1995-2015	Timeline of the main implementations 1995-2015		Map of Euroméditerranée I main urban changes
Report	OEDE. (2010). <i>Euroméditerranée l'emploi progresse malgré la crise</i> .		Employment in Euroméditerranée I 1995 and 2009		
Scientific Paper	Dubois J. & Olive M. (2004). Euroméditerranée : négociations à tous les étages. État, promoteurs et propriétaires dans une ville en crise, <i>Les Annales de la Recherche Urbaine</i> , 97, 102-111.	Political setting of Euroméditerranée 1990s Public-private partnerships			
Scientific Paper	Pinson, G. (2002). <i>Projets et pouvoirs dans les villes européennes. Une comparaison de Marseille, Venise, Nantes et Turin</i> (Unpublished doctoral dissertation). Université Rennes 1, Rennes, France.	Relationship between the Docks and Euroméditerranée			
Video	INA. (1994). <i>Le projet Euroméditerranée</i> [Video file].	Location of the Euroméditerranée area in Marseille Accessibility of the area Main projects planned Organization of the budget Initial timeline planned			

Type of Source	Source	Qualitative Information	Quantitative Information	Photos	Maps/Blueprints
Website	Euroméditerranée.	Goals of Euroméditerranée Juridical setting Urban planning setting EPAEM Administrative Board members Euroméditerranée geographical perimeter Planning interventions and main urban changes Main goals of Euroméditerranée II	Public Financing of Euroméditerranée in 1995 Geographical perimeters of Euroméditerranée I and II OPAH and ZAC timelines, floor areas built per function Table of the main changes of Euroméditerranée: land area, floor area of housing units built and renovated, offices, public equipment, retail space, green and public space, number of jobs created, of new inhabitants, public and private investments Main economic sectors on Euroméditerranée, according to the number of employees in 2007 Main offices supplied in the Euroméditerranée perimeter. 1994-2012 Timeline of Euroméditerranée		
Website	European Environment Agency.	Land use map 1990s			Land use map of Marseille 1990s
Website	INSEE.		Evolution of the number of inhabitants in Marseille and secondary cities of Aix-Marseille metropolis 1856-2014 Evolution of employment in the industrial sector in Marseille and secondary cities of Aix-Marseille metropolis 1968-1990 Evolution of employment in the tertiary sector in Marseille and secondary cities of Aix-Marseille metropolis 1968-1990 Evolution of the housing supply in Marseille by arrondissements 1975-1990		
Website	Plateforme Ouverte des Données Publiques Françaises.				Shapefile of buildings in Bouches-du-Rhône Department Shapefile of Marseille official 'arrondissements' (districts) Shapefile of Marseille unofficial neighbourhoods
Website	Port de Marseille Fos.				Map of Marseille harbour East bassin Map of Marseille harbour West bassin

## 3.2. MARSEILLE BEFORE EUROMEDITERRANEE FROM THE 1960S TO THE 1990S

### 3.2.1. A POLYCENTRIC METROPOLIS

Aix-Marseille metropolis is poly-headed: Marseille being the biggest city, and a belt of main secondary cities developed and each compete with the leading city. The choice of a composed name for the metropolis is the first proof of this polycentricity.

On Figure 3.1 is visible a comparison between the urbanized areas in the metropolitan areas of Lyon on the left and Aix-Marseille on the right. They both dispose of a compact urban centre in dark purple, Lyon and Marseille inner-cities, but in Aix-Marseille metropolis the secondary urbanized areas are rarer but bigger (we clearly recognize Aix-en-Provence, Fos-sur-Mer...), whereas in Lyon metropolis the secondary areas are very small and very homogeneously scattered throughout the metropolis. Lyon inner-city is clearly the main centrality of the metropolis, whereas Marseille's leading position is threatened by important secondary cities.

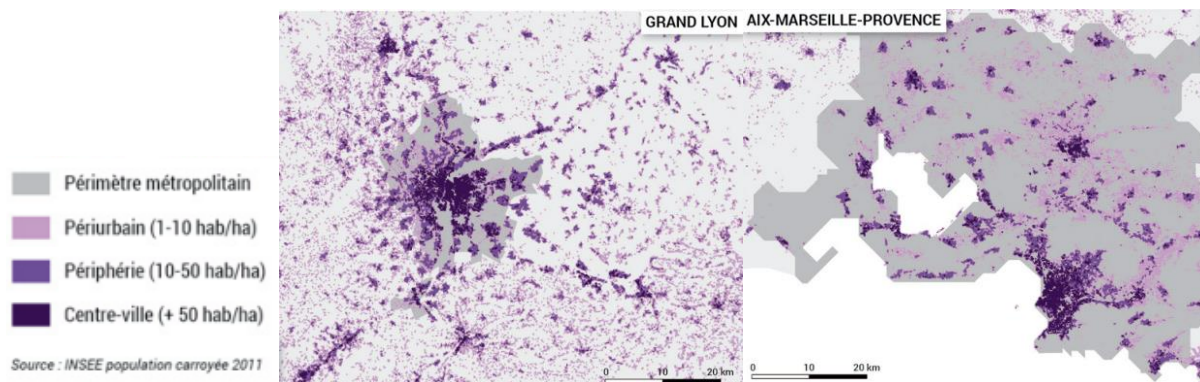


Figure 3.1 Comparative view of Marseille and Lyon metropolitan areas' urbanization – Source: *Livre Blanc Mobilité[s]*, data from INSEE.

The explanation of this polycentricity is illustrated by Chart 3.1 showing the evolution of inhabitant number in Aix-Marseille metropolis cities, from 1856 to 1990. Marseille city is displayed on one chart and the cities of more than 20.000 inhabitants nowadays on a second graph to make them more readable, considering the difference of scale (Marseille has almost 10 times as much inhabitants as the smaller cities).

The evolution of Marseille population shows two main fractures: the first one during World War II, and the second one from 1975 to 1990. On the second chart, the first fracture is also visible, but only in Aix-en-Provence because the other cities were too small. However there is no second decrease. On the contrary in the period 1975-1990 inhabitant numbers increased sharply. The second decrease of the years 1975-1990 in Marseille is concomitant to a sharp increase for all secondary cities of the metropolis.

During the 1970s-1980s, many very small towns and villages grew in terms of inhabitant number, because of an emigration of many 'marseillais' (Marseille inhabitants), running away from unemployment and decay hitting Marseille in this time of de-industrialization. The rise of these small cities into medium cities created a belt of secondary cities around Marseille, making it polycentric.

The creation of many secondary cities emphasized the decline of the former head city Marseille. In 1920, Marseille hosted 70% of the metropolis population. In 2000 it only represented 43%...

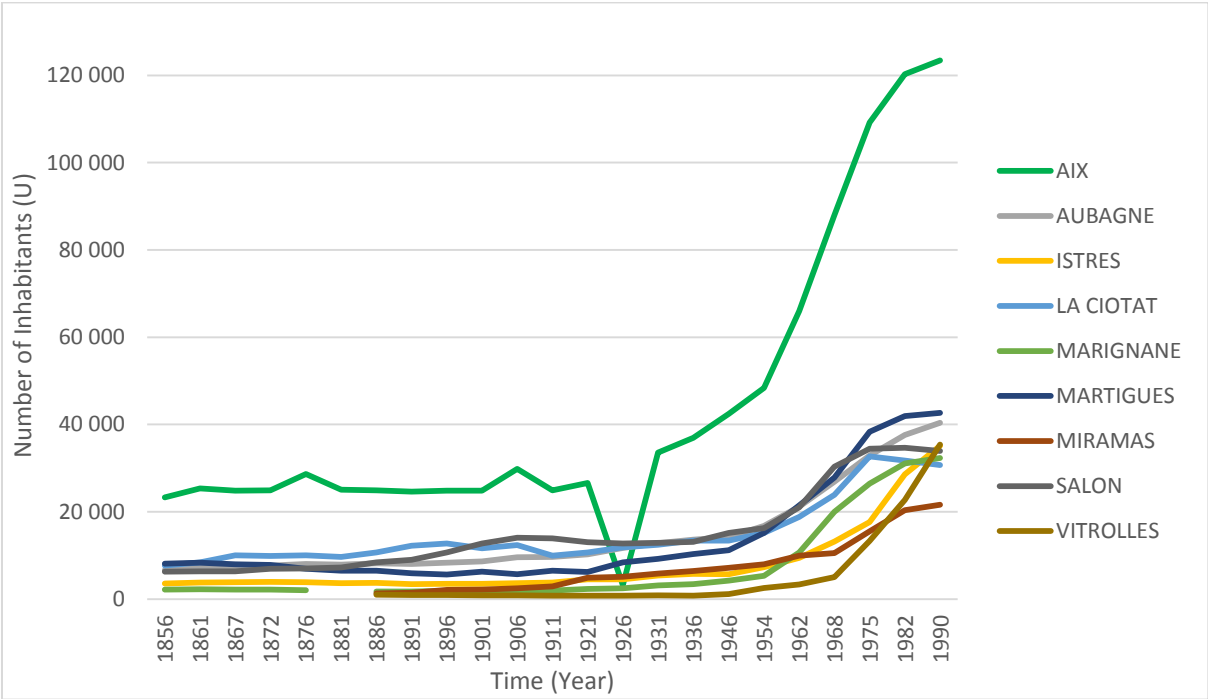
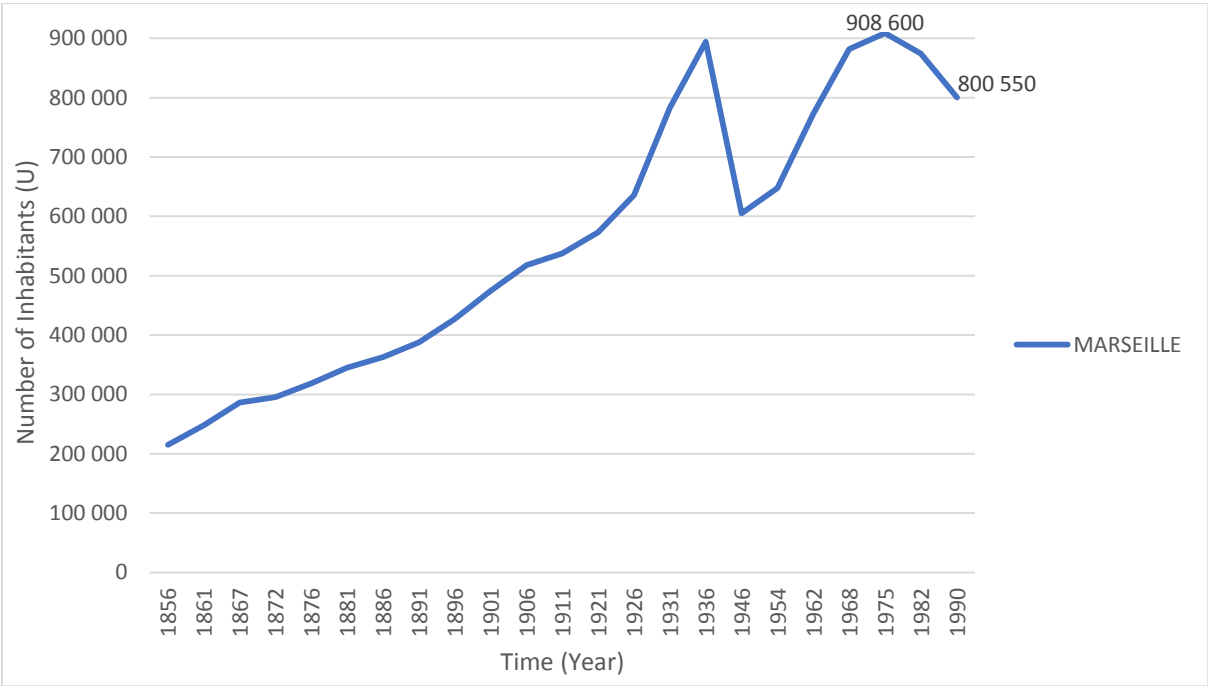


Chart 3.1 Evolution of the number of inhabitants in Marseille (above) and secondary cities of Aix-Marseille metropolis (below) – Source: author’s elaboration from INSEE data.

Many public and private policies have caused this polycentrisation of Aix-Marseille. In the 1970s-1980s: the creation of the ZIP (Zone Industriale-Portuaire – Industrial Harbour Zone) in Fos-sur-Mer and the development of petro-chemistry around Berre Pond, the support to aeronautic industries in Marignane and Istres, the new commercial area Plan-de-Campagne near Vitrolles... As can be noticed on Chart 3.1, all those cities names can be found among the secondary centralities appearing in these years.

All these development of economic centralities (industrial and commercial) outside of Marseille city have been supported by important public investment financing a strong grid of highway infrastructures to facilitate accessibility between those centralities.

The history of this metropolis is based on many independent public policies creating secondary economic centralities, both industrial and tertiary, bursting the metropolis into 5 main poles. Unfortunately, they have not been created in a logic of spatial specialization piloted by one main centrality but have been developed independently in a logic of competition, and thus have resulted in 5 independent poles with no overall coherency: Marseille, Aix-en-Provence, Fos-Martigues, the East of Berre Pond and Aubagne-Gémenos, visible on Figure 3.2.



Figure 3.2 Aix-Marseille metropolis. In red the 5 main urban poles - Source: author's elaboration, basemap from AGAM.

### 3.2.2. HARBOUR AND CITY DISCONNECTED

At the scale of the metropolis there have been both demographic and economic disconnections between Marseille and its surrounding cities because of competing political interests favouring independent public policies on a geographically clustered territory.

At the city scale there has also been a fragmentation between Marseille and its inner industrial harbour.

The historical commercial harbour of Marseille was the 'Vieux-Port' (literally 'Old Port'), which quays were directly located at the heart of the city centre. Directly facing the quays were residential buildings



with commercial ground floors. It was a striking example of harbour and population successful interaction because the harbour activities were completely included in the urban life.

The fragmentation started as soon as the new industrial harbour was created, in the 1850s, North from the 'Old Port', as seen in Chapter 2 and represented on Figure 3.3. This new harbour marked the end of the symbiosis between harbour and city, from a geographic, urban, and even institutional point of view. The harbour became an independent institution, not part of the public body City of Marseille, called 'PAM' (Port Autonome de Marseille – Autonomous Harbour of Marseille).



*Figure 3.3 Marseille coastline in 1808 and 1994: creation of the Northern Harbour in the 1850s - Source: theportandthecity.wordpress.com*

Then, the second fracture between city and harbour was the opening of a second industrial harbour in the 1930s, in Fos-Sur-Mer and Martigues, around Berre Pond, 30 kms from Marseille harbour, as can be seen on Figures 3.4, 3.5 and 3.6. The surroundings of Berre Pond became the new industrial centrality, disposing of top-level brand-new chemical refineries and aeronautical industries able to internationally compete.

The third fracture was the creation of the ZIP of Fos-sur-Mer, 35 km to the West, in the 1960s-1970s, to host oil-related industries. This policy was State-triggered, in order to modernize industries and create a national-scale industrial zone. The plan of the State was to locate new industries in Fos, and to implement their headquarters and tertiary offices in Marseille, in order to strengthen Marseille and turn it into the head tertiary centrality of the metropolis. Unfortunately, because of its competitive polycentric nature, tertiary activities created their offices in unexpected places such as Aix-en-Provence

periphery and other secondary cities, as can be seen on Figure 3.4. Instead of getting stronger, Marseille weakened even more.



Figure 3.4 Aix-Marseille metropolis. In red all the city-centralities. Circled in blue the two different basins of the industrial 'PAM' - Source: author's elaboration, basemap from AGAM.

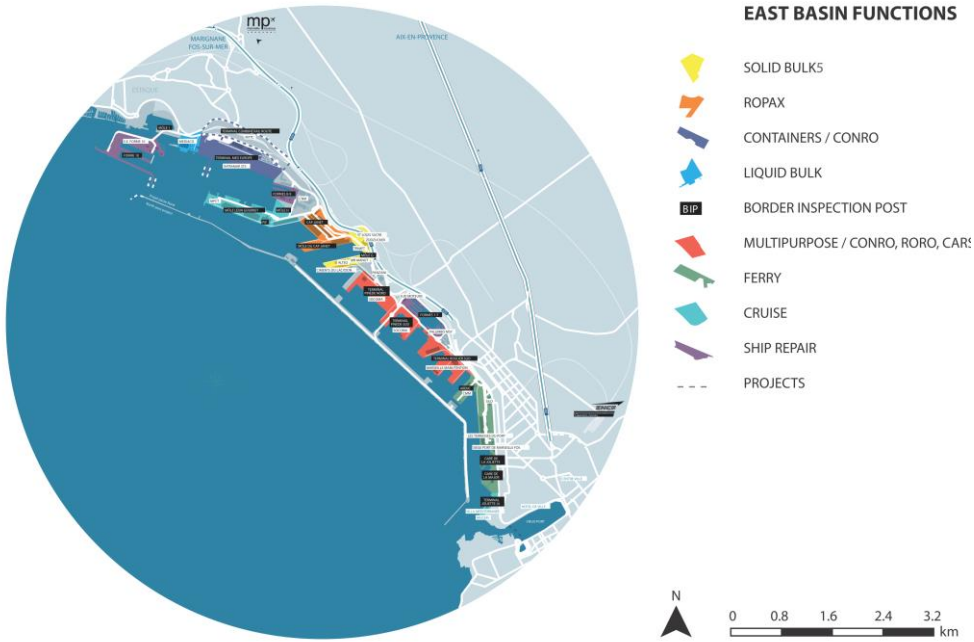


Figure 3.5 Zoom in on the East inner-Marseille basin of the PAM – Source: author's elaboration, basemap from <http://www.marseille-port.fr/>

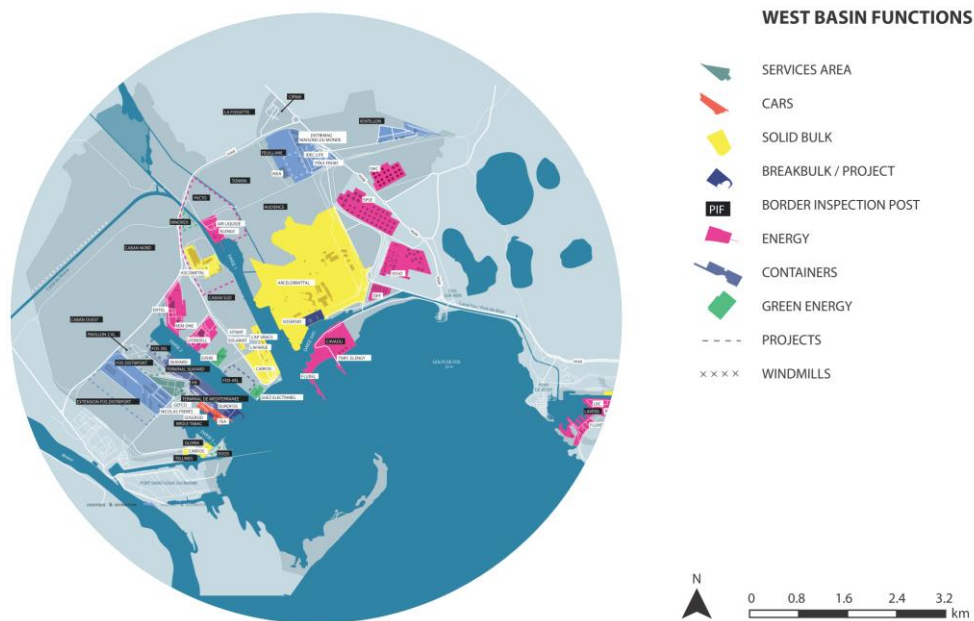


Figure 3.6 Zoom in on the West basin of the PAM in Fos-Sur-Mer – Source: author's elaboration, basemap from <http://www.marseille-port.fr/>

In the 1990s, studies were done by the Ministry of Equipment to understand and reorganize the relationships between the PAM and the City. The idea was to strengthen this interface and insert the PAM into the local social and economic structure of the city, in a project co-managed by the two bodies. Some projects submitted the idea of a complete moving out of the harbour to relocate all of its functions in Fos-sur-Mer. But the Ministry of the Sea declared that the PAM would not move out and should instead be better included in the city, putting an end to the planning projects of reconverting the entire waterfront and dedicate it to tertiary and touristic activities. New partnerships and spatial organizations were then needed to better articulate the relationship between harbour and city.

On Chart 3.2 is visible the evolution of employment in the industrial sector from 1968 to 1990, in Marseille (above) as well as for secondary cities (below). What is clear is Marseille employment in the industrial sector has dropped by 15.800 jobs, representing a 35% drop, whereas in the secondary cities located around Berre Pond, or Aix-en-Provence, it increased, showing the emigration of Marseille industrial workers towards secondary cities because of the creation of new modern industries.

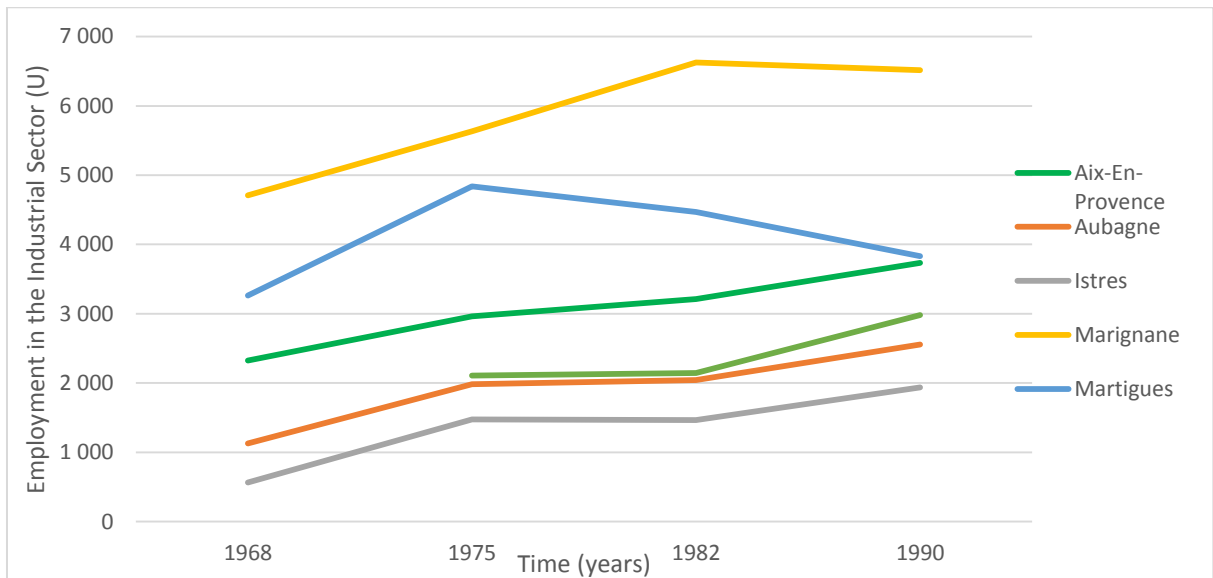
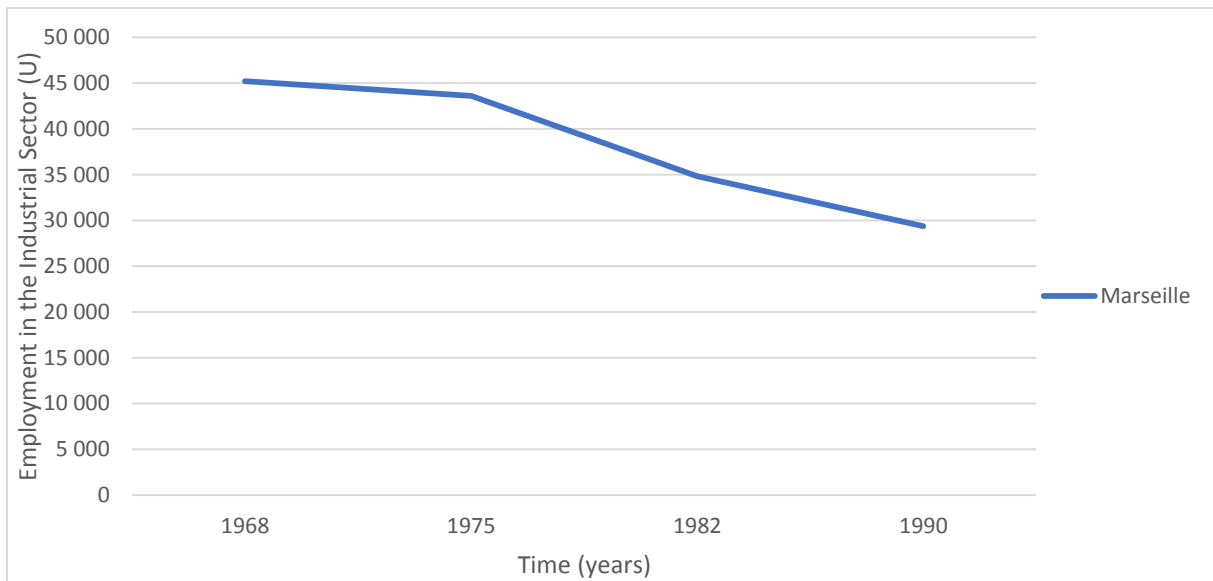


Chart 3.2 Evolution of employment in the industrial sector from 1968 to 1990, in Marseille (above) and secondary cities (below) – Source: author's elaboration from INSEE data.

As consequences to these three fractures, in parallel with the end of sea commercial relationships with the North-African French colonies in the 1970s-80s, Marseille harbour was in industrial and economic decline, and the family-scale productive industries near Marseille harbour could not compete with the brand-new large plants around Berre Pond. De-industrialization stroke sharply Marseille, favoured by this polycentrisation, during the 1980s-1990s.

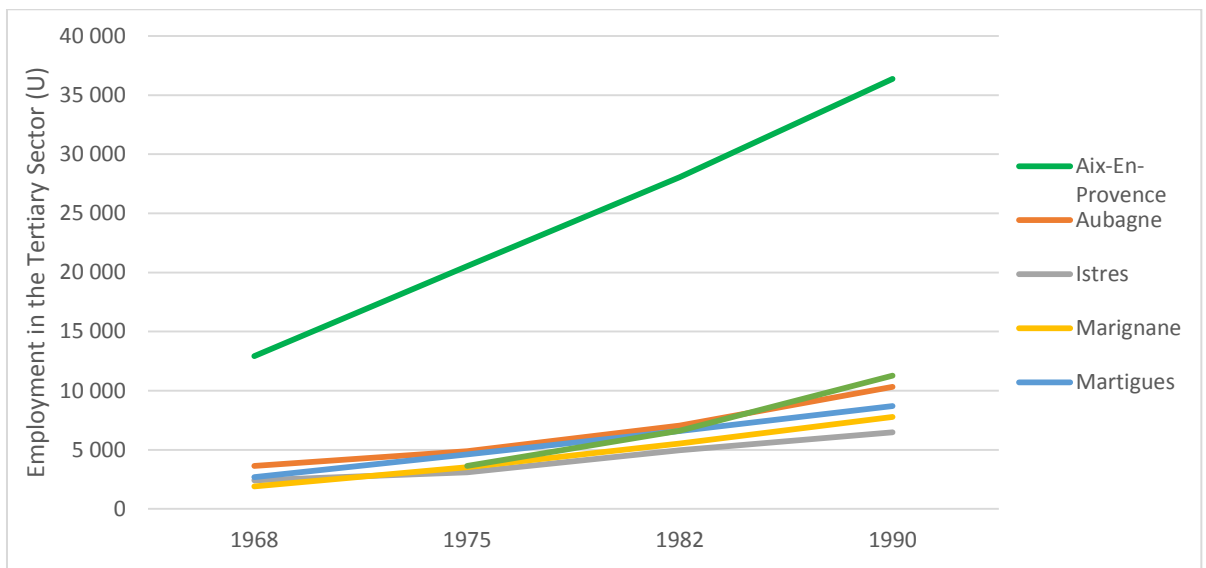
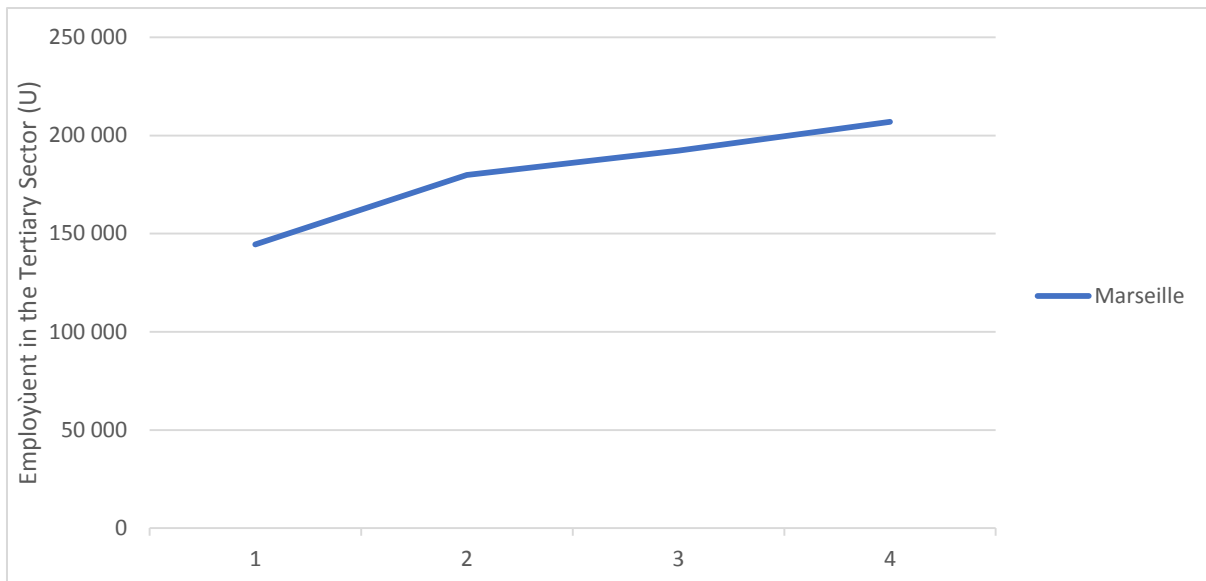


Chart 3.3 Evolution of employment in the tertiary sector from 1968 to 1990 in Marseille (above) and secondary cities (below) – Source: author's elaboration from INSEE data.

On Chart 3.3 is represented the evolution of employment in the tertiary sector from 1968 to 1990, in Marseille (above) and secondary cities (below). First of all it enables us to identify the two main tertiary centralities: Marseille and Aix-en-Provence. On the chart above, tertiary employment in Marseille rose from 1968 to 1990 by 43%, whereas on the chart below is visible that the secondary cities tertiary employment rose much more, by 181% for Aix-en-Provence, 184% for Aubagne, 169% for Istres, 310% for Marignane, and 224% for Martigues.

Marseille South part was already marked by the presence of tertiary activities, explaining its high initial score in 1968. However, its relatively small increase from 1968 to 1990, whereas Aix, Aubagne, Istres, Marignane and Martigues doubled or tripled their tertiary sector, proves that Marseille missed the second step of its tertiarization because secondary cities were more attractive at that time.

This missed tertiarization happened through successive missed public policies, failing to create a business centre inside the city. As soon as the 1970s, following 'La Défense' business district in Paris and

Lyon 'Part-Dieu' business district, the City of Marseille decided to get her own business district. This was concomitant to the development of the State project of ZIP in Fos-sur-Mer, and the goal was to make Marseille the host of the managerial and decisional functions of these new modern industrial activities around Berre Pond. An ambitious project of 'centre directionnel' (French name of business district) in the city centre was launched: 150.000 sqm of commercial and administrative space were planned to be built. Only the first phase of the project was finally implemented in the mid-1970s, the commercial centre called 'Centre Bourse' near 'La Canebière' surrounded by a few administrative buildings hosting public functions. No headquarters of Berre Pond industries...

In the 1980s, a new project of 'centre directionnel' was launched, this time taking place around the 'Porte d'Aix', near Saint-Charles Railway Station. Saint-Charles University was built, as well as new residential buildings and public space renovation and public equipment such as the 'Cité de la Musique'. North from that, many offices were planned to be built, and the developer 'SARI' (the same developer that will buy the Docks building 10 years later and turn them into offices) won the contest. However, those offices were never implemented.

Those two missed publicly-led tertiarizations caused Marseille to be isolated from the main industrial economic developments around Berre Pond. Tertiary centres supporting those industries were needed and created outside of Marseille in secondary cities such as Aix-en-Provence or Marignane, because of Marseille inability to launch a strong public policy of production of offices.

### 3.2.3. MARSEILLE: THE CITY OF 111 VILLAGES

Inside Marseille city, this polycentric nature is also reflected. Marseille is composed of 16 official districts and 111 unofficial neighbourhoods, as can be seen on Figure 3.8, each having its specificities and traditions. This is partly due to the constant expansion of the city limits throughout the years, including step by step many surrounding villages that used to be independent. It is nowadays a 30-kms long city spread along the coastline, illustrated by Figure 3.7. Consequently, it is a mix of many different atmospheres that are reflected physically through quality of public spaces, types of buildings, age of buildings, density of the built environment and the presence of green areas. This huge spread of the city is illustrated by this quote about Marseille huge heterogeneity of density:

*"Marseille does not really have a suburb, or if it has one, it is inside its city limits" (A. Medam).*



Figure 3.7 Marseille urban sprawl in dark. In grey the city official limits – Source: author’s elaboration, shapefiles from <http://data.gouv.fr>

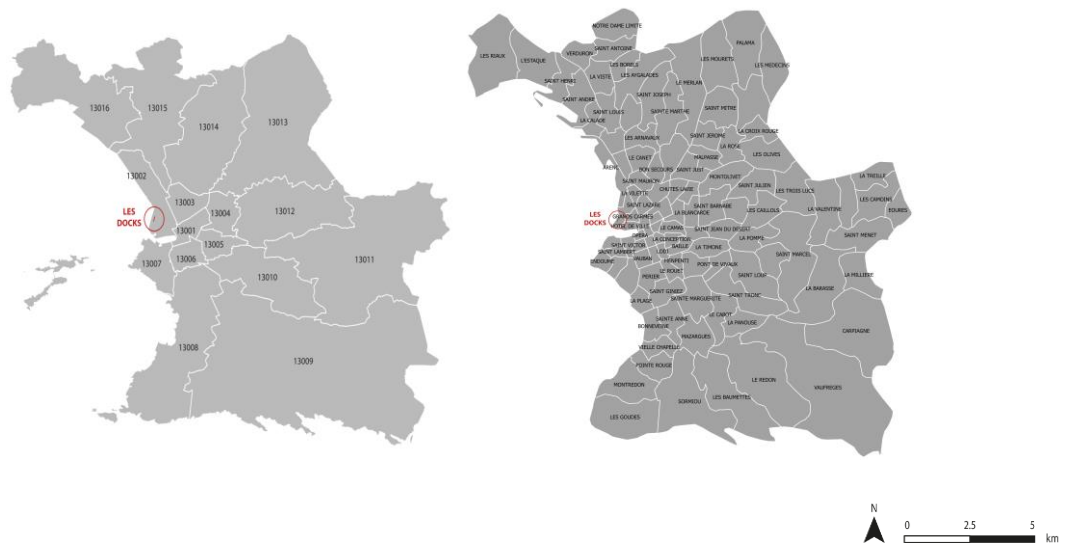


Figure 3.8 Marseille official ‘arrondissements’ (districts) on the left. Its unofficial neighbourhoods on the right – Source: author’s elaboration, shapefiles from <http://data.gouv.fr>

The most striking specificity of Marseille is to be a dual city marked by strong North-South differences.

Marseille city centre is only composed of 6 sqkm (out of 240 sqkm) in the geographical middle of the city, around the 'Vieux Port'. As many industrial-harbour cities during the 18<sup>th</sup> and 19<sup>th</sup> centuries, it has been fragmented into an 'upper-city', hosting noble administrative and religious functions of the 'bourgeoisie' in the South, and a 'lower-city', hosting productive activities and the working class in the North. The relocation of the industrial harbour in the North in the 1850s contributed to emphasizing this duality.

Following this historic trend, most social housing buildings were built in the North, also marked by the presence of strong car-related infrastructures such as A55 and A7 highways and main bridge motorways. Those physical and mental barriers lower the quality of public spaces, which are poorly managed and only functional, not enjoyable. On the contrary in the South the strong car infrastructures such as the 'Prado' are triple-lanes streets accompanied by large pedestrian sidewalks bike lanes and very active frontages on the ground floors, providing a sense of comfortable urban life. The presence of the car is more fragmenting in the North and linking in the South, because provider of urbanity. This fragmentation is illustrated on Figure 3.9 below.

This spatial duality is both physical and social. Marseille is a city with very high disparities of income. The disparities are twice higher than at national level.

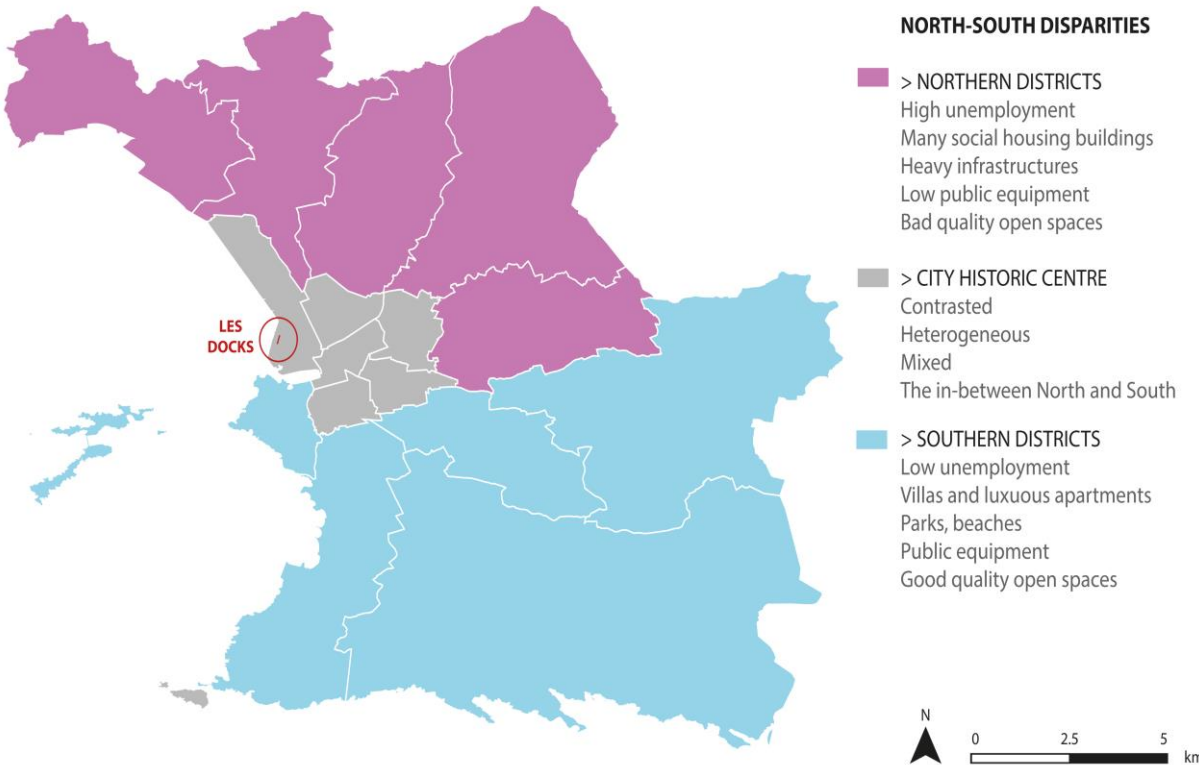


Figure 3.9 Marseille North-South urban, economic and social fragmentation. Source: author's elaboration.

Marseille city-centre is the physical link between these two cities as seen on Figure 3.9. Those 6 sqkm (the six first arrondissements from 13001 to 13006) have been pretty degraded and on the political agenda for a century. In the 1990s as well the city centre remains a focus point. In 1995, J. C. Gaudin is elected Mayor of Marseille and made the 're-conquest of the city centre' its main policy axis.



### 3.2.4. MARSEILLE IN THE 1990s

The endogenous and exogenous polycentric urban features let Marseille in the 1990s in a state of decay, especially located in the former harbour-industrial neighbourhoods along the northern harbour, the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> arrondissements. In 1999, Marseille unemployment rate was about 20%, 150.000 inhabitants had fled, and ¼ of remaining inhabitants was living below the poverty line.

Chart 3.4 shows the evolution of the housing supply in Marseille by arrondissement from 1975 to 1990. The clear trend is an increase of housing supply, in almost every arrondissement, except from those in shades of pink/red: among them the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> arrondissements (13001, 13002, 13003). This is evidence of abandonment of these districts, former monofunctional working industrial districts. Once de-industrialized, no activities were left there, so there were no reason to stay there (abandonment from former residents, most of them having lost their job), nor to go live there (no attraction of new residents, no jobs, no urban activities, public spaces of bad quality...).

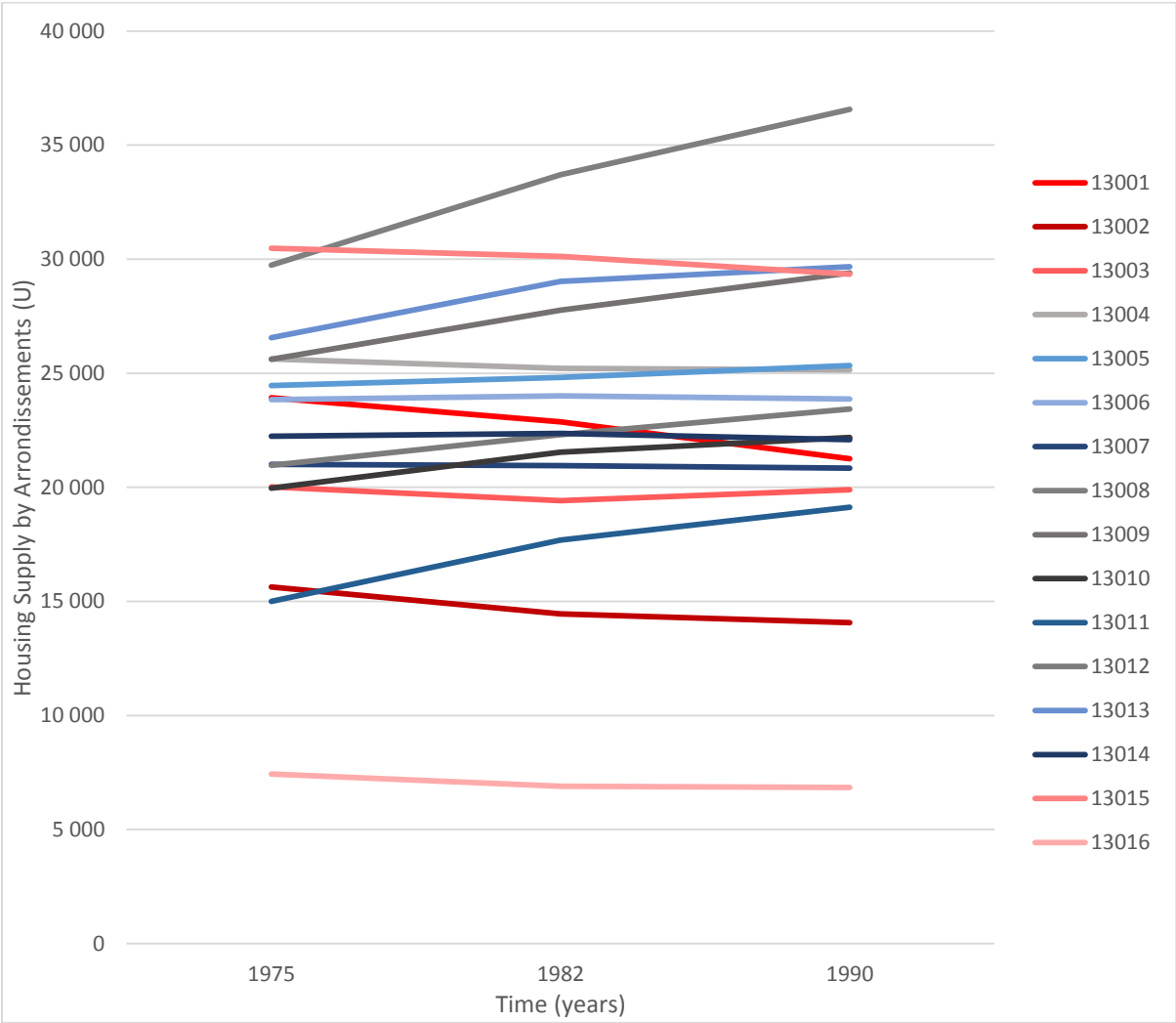


Chart 3.4 Evolution of the housing supply in Marseille by arrondissements – Source: author’s elaboration, data from INSEE.

Marseille in the 1990s was undergoing an economic crisis that started locally in the 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup>, in which were located the former industries, and impacted the city as a whole because it was not able to tertiarize enough to compensate for the industrial loss of jobs and activities.

A study from the DATAR, *Livre Blanc: l'aire métropolitaine marseillaise ou la métropole éclatée* (De Roo, P., 1992) explains Marseille urban, economic and social crisis by its lack of tertiary functions and headquarters. It was unable to bounce back from de-industrialization and tertiarize by itself. However, the study emphasized Marseille competitive geographic advantages, to become a future 'exchange metropolis' in Southern Europe.

In the 1990s, many planning ideas were already present to reorganize Marseille, its harbour, its economic and urban structures. However, as said before, the lack of political co-operation made it hard to implement any city-scale project. The concomitance of three elements triggered an urban project, as seen on Figure 3.10:

> the private initiative of the SARI developer to buy the Docks, abandoned huge storage building symbolic of the industrial harbour.

> the Sea Ministry declaration that the harbour will not move out of Marseille and that the city must improve its relationship with it.

> the SNCF (Société Nationale des Chemins de Fer – National Railway Company) declaration of a new direct railway linking Marseille to Paris, arriving in Saint-Charles Railway Station.

Those three elements decided the fate of this neighbourhood, after a decade of doubts.

The only missing element was then a 'chef d'orchestre' (music conductor), the glue to make all local actors and institutions co-operate and agree on a single common project.

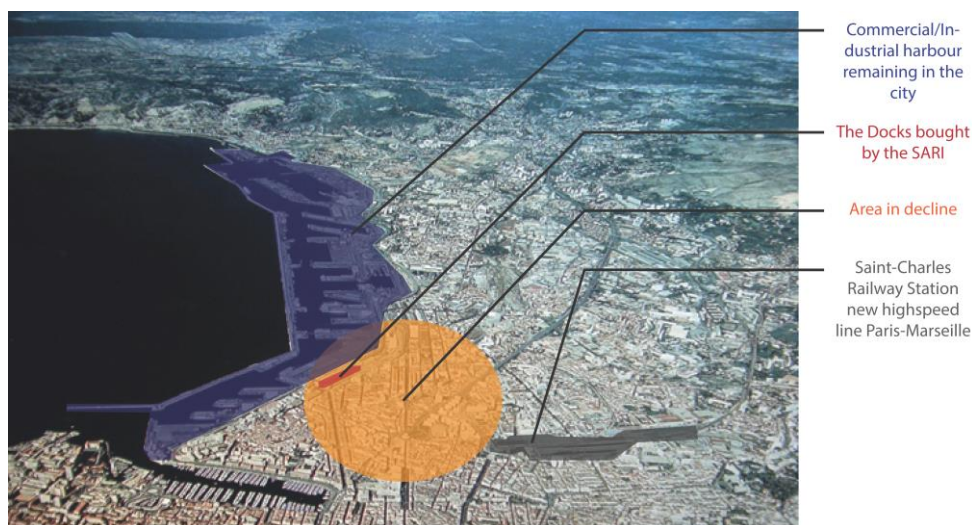


Figure 3.10 Euroméditerranée district before transformation and the 3 main triggers of the urban project – Source: author's elaboration, photo from [theportandthecity.wordpress.com](http://theportandthecity.wordpress.com)

### 3.3. THE BIRTH OF EUROMEDITERRANEE IN THE 1990S

#### 3.3.1. THE GOALS OF EUROMEDITERRANEE

In 1995, the launching of the 'Euroméditerranée' urban renewal project woke Marseille up, implemented on a 310 ha area, former industrial-harbour district, of which remained only unused warehouses and productive plants after de-industrialization.

The project was launched with 4 main goals:

> Geostrategical operation at the scale of the European Union. As seen above, the DATAR study (De Roo P., 1992) highlighted Marseille as the pivot point between Europe and the Mediterranean countries. Marseille had to re-develop its commercial harbour and act as a 'door' to the Mediterranean Sea.

> Economic growth operation. Re-branding the city, building its international shop window, attracting private investments, through the construction of leading educational and cultural equipment, and through the construction of up-to-international-standards offices.

> Urban planning operation. Rebalancing the metropolitan area in favour of its inner-centre. Going from polycentric metropolis towards a monocentrality. This time the focus is not on accompanying Fos-sur-Mer, but on strengthening Marseille at the city scale, taking advantage of the planned new high speed train connection between Paris and Marseille (2001) and the opening of a new passenger's maritime station in La Joliette.

> Urban renewal operation. Requalifying this area in-between city and harbour, in demographical, economic and social crisis. Need to implement social and functional mixité, and to renovate existing decaying dwellings. Turning it into a livable place by emphasizing its commercial, educational, touristic functions.

The core idea was to:

*“créer une ville nouvelle au cœur de la ville ancienne – build a new city in the heart of the historic city” – (Masson, 1994).*

### 3.3.2. JURIDICAL AND POLITICAL SETTINGS - REACHING PUBLIC-PUBLIC AGREEMENT

'Euroméditerranée' is an OIN (Opération d'Intérêt National – Operation of National Importance) created by the State, taking the role of '*chef d'orchestre*'.

The delimitation of an OIN perimeter enabled to make an exception to urban planning local plans and laws. The OIN planning decisions were binding over the local urban planning laws. The State had urban planning powers: it was the State's decision to deliver building permits as well as all other authorizations, and to create urban planning tools such as ZACs (Zone d'Aménagement Concertée) on its perimeter.

A special planning institution was created in order to implement planning decisions on the perimeter: an EPA (Etablissement Public d'Aménagement – Public Planning Establishment) called 'EPAEM' (Etablissement Public d'Aménagement EuroMéditerranéen – EuroMéditerranéen Public Planning Establishment).

This is not common in France, only 16 EPA exist. Usually urban renewal projects involve only local public institutions like the City, the Department, and often also the Region. The involvement of the State in Marseille is evidence of two facts:

> Waking up Marseille was not only of local but also of national interest, because of its strategic geographical position on the Mediterranean Sea, essential for touristic and trade relationships between Europe and the Mediterranean countries. In 1995, the Barcelona Declaration was set, in order to favour

economic relationships between member states around the Mediterranean Sea and gather funds from the EU.

> Local public bodies were not able to trigger the project, firstly because of strong political disagreements and diverging interests, secondly because of a lack of financial means. Marseille in the 1990s disagreed with the Department and the State on policy matters, and was in the head of indebted French cities.

*“Au nom de divergences politiques, nous avons été lâchés par l’Etat et le Conseil général. Nous sommes dans une véritable impasse, il semble que l’on veuille voir Marseille rayée de la carte – Because of political divergences, we have been left down by the State and the Department. We are facing a wall, and it looks like Marseille is wanted dead more than alive.” – (Vincent, 1992).*

The EPAEM is nowadays composed of about 50 workers, and is managed by an Administrative Board detailed in Table 3.1. Half of its members are representatives of national public institutions (Ministries), and the other half are representatives of local public institutions (Region, Department, Metropolis, City), with an additional representative for the GPMM (Grand Port Maritime de Marseille - Marseille Harbour, autonomous institution, formerly called PAM).

PLURAL COMPOSITION OF THE EPAEM ADMINISTRATIVE BOARD		
1 President		
2 Vice-Presidents		
<b>STATE</b>	<b>TERRITORIAL COLLECTIVITIES</b>	<b>GPMM (HARBOUR)</b>
1 representative by Ministry :	City of Marseille : Mayor + 2 representatives	1 representative
Urbanism	Metropolis : President + 1 representative	<b>QUALIFIED PERSONNALITY</b> 1 person designated by the Prime Minister
Transports	Region: President + 1 representative	
Territorial Planning	Department: President + 1 representative	
Economy, Finance, Treasury		
Budget		
Local Collectivities		
City		
Housing		
Culture		

Table 3.1 EPAEM Administrative Board members – Source: EPAEM.

The multipolar and multiscale feature of this Administrative Board was designed by the State to balance the conflicting local interests. It was a way to put everyone at equal level, with the patriarchal control of the State representing half of the members. However, the State did not mean to manage the operation: it is present only to arbitrate local public bodies’ disagreements. It uses its higher hierarchical and legislative status to impose an administrative structure, creating a favourable environment for public bodies to discuss, negotiate and reach agreements.

The role of the EPAEM is multiple:

- > To negotiate with public actors of this perimeter and their legal urban planning rights
- > To negotiate with private actors coming to invest
- > To decide the public budget
- > To buy unused lands, define urban projects for them, organize calls for tender, and then sell them to selected private investors

> To decide the urban project form and negotiate it with private investors

Moreover, the presence of the State is also a financial guarantee as seen on Chart 2.1. At the launching of the operation it represented 50% of the public budget. The remaining 50% were provided by the City of Marseille (25%), the Department (10%), the Region (10%) and the Metropolis (5%).

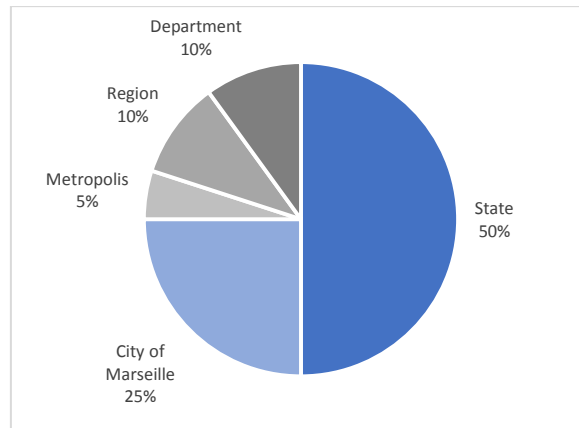


Chart 3.5 Public Financing of Euroméditerranée in 1995 – Source: author's elaboration, data from EPAEM.

### 3.3.3. GEOGRAPHICAL SETTING

The perimeter has been delimited by the 'Rapport Masson' (Masson, 1993), analyzing the unemployment rate, vacancy rate, decay state of the built environment... He concluded by selecting the area with the most striking needs and potential, highlighting its monofunctionality, state of decay and abandonment. Moreover, this area is the in-between zone between city centre and Northern poor districts. The goal was to extend the city centre towards North thanks to this project.

In 1995 the perimeter was set: 310 ha of former industrial-harbour land, of which remained only unused warehouses and productive plants after de-industrialization, a very heterogeneous area, as seen on Figure 2.15.

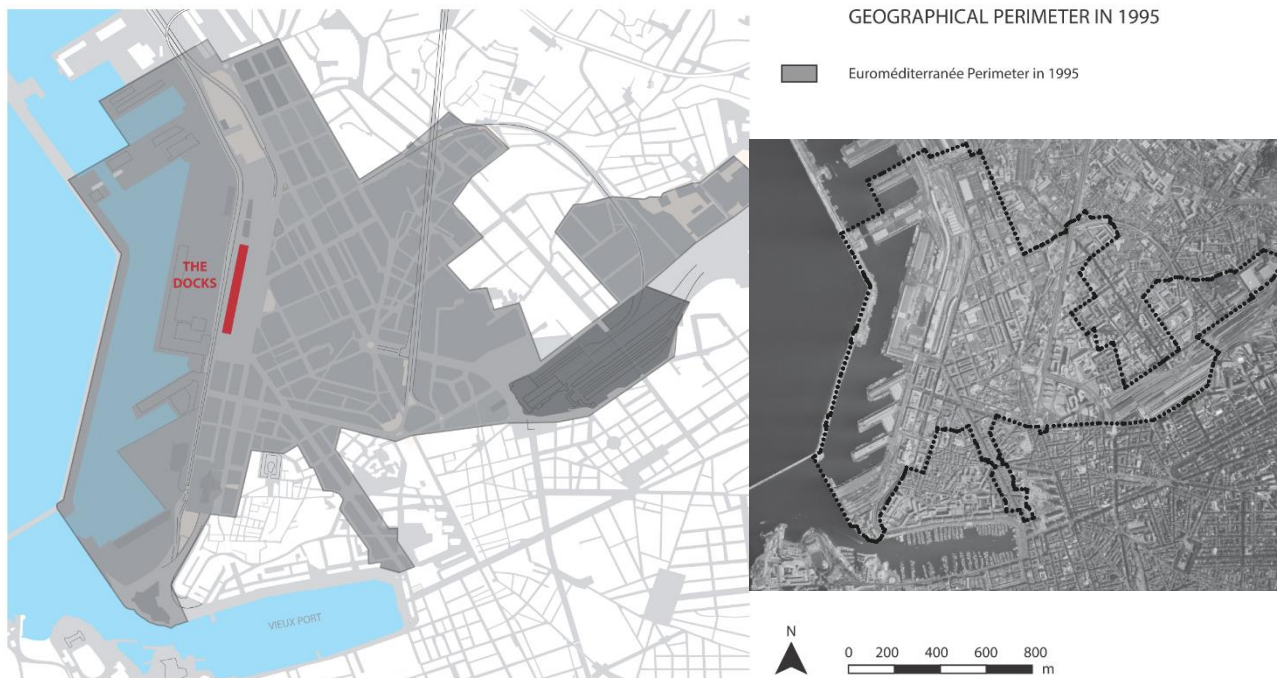


Figure 3.11 Euroméditerranée geographical perimeter. The Docks building in red. – Source: author’s elaboration, photo taken from flight in 1973.

The main urban characteristics of the area were:

#### > Population and Housing

28.700 inhabitants, 14.500 residential dwellings among which 50% dated back from before 1915, 13% were abandoned, and only 24% were occupied by their owner, the other part being rented. Heterogeneous social and economic characteristics.

#### > Open Spaces and Accessibility

Lack of public equipment and decay of public spaces, presence of heavy infrastructures such as A55 and A7 highways, car bridges, Saint-Charles Railway Station, good accessibility to the city-centre thanks to Rue de la République and physical proximity, as seen on Figure 3.12.

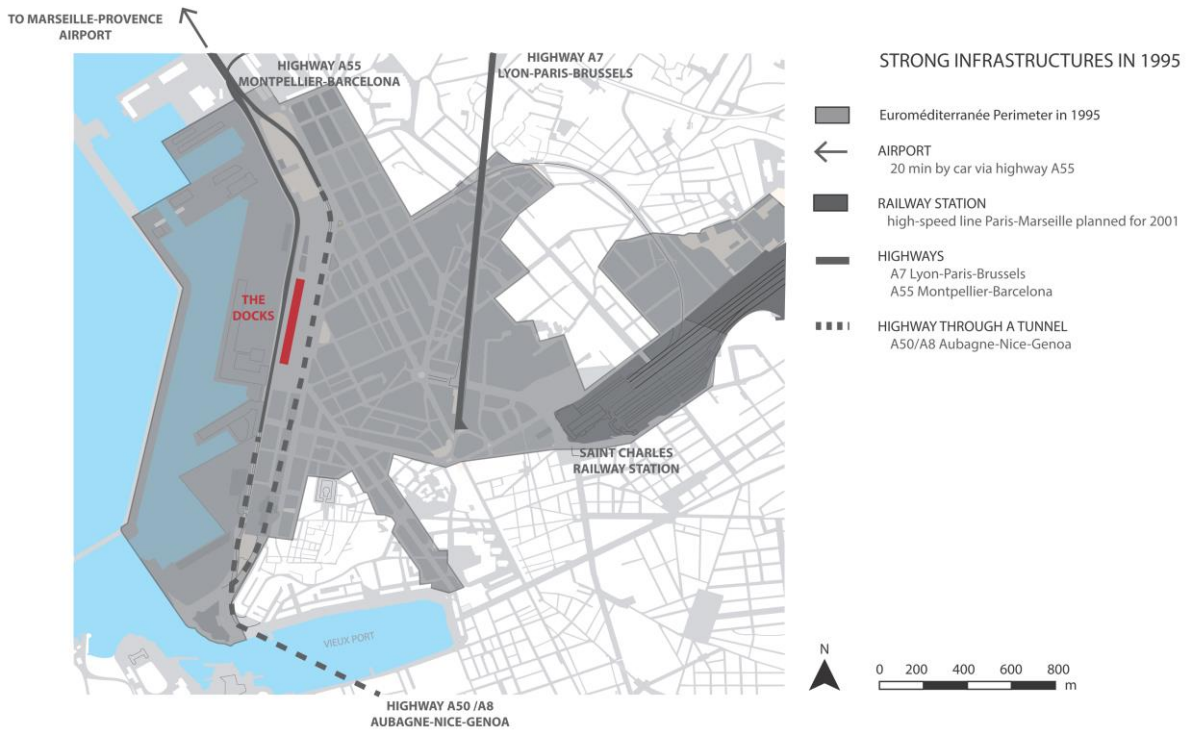


Figure 3.12 Euroméditerranée area (1995) strong infrastructures (A55 and A7 highways) and accessibility equipment (Saint-Charles Railway Station and the Harbour) – Source: author’s elaboration.

### > Built Environment

Presence of many industrial productive and railway brownfields. Heterogeneous built environment and block patterns: rectangular large regular block pattern of ‘trame Mires’ built to host industrial plants linked by motor devices, contrasting with a more chaotic and narrow street network closer to the city centre, as seen on Figure 3.13.

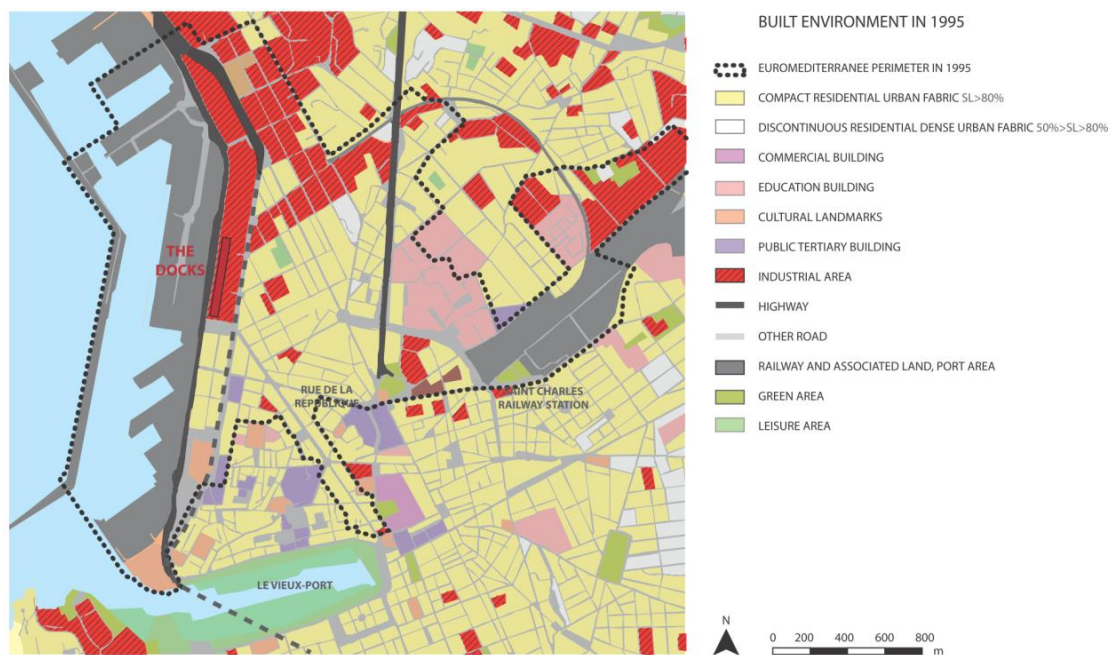


Figure 3.13 Euroméditerranée area (1995) built environment characteristics. Large share of industrial areas, mainly abandoned. – Source: author’s elaboration, basemap from EEA.

### 3.3.4. URBAN PLANNING SETTING

Euroméditerranée is a delicate balance between construction of a business centre with impact at the Mediterranean scale, and urban renewal at the scale of the city of Marseille. It is not a social bottom-up planning approach. On the contrary it is technocratic: the State, local institutions and economic elites imposed it on the population.

Being an OPI, the 310 ha of the project did not fall into City's jurisdiction. The EPA had legitimacy to derogate from City of Marseille's planning laws and had more freedom to plan this new neighbourhood. Two main planning tools were used, one more focused on renovation and housing, and the second more focused on the economic activity:

> **OPAH** (Opération Programmée d'Amélioration de l'Habitat – Housing Improvement Planned Operation): it is a partnership between the State, the ANAH (Agence Nationale de l'Habitat – National Housing Agency) and local collectivities, offering organizational and financial help, in order to renovate and regenerate ancient degraded urban centres. This tool is used by the EPAEM to incentivize private owners of degraded dwellings to renovate them.

Two OPAH have been created: 'Rue de la République' (5.200 dwellings) and 'Site Euroméditerranée' (most of the area), in order to renovate the existing built housing environment, as seen on Figure 3.14.

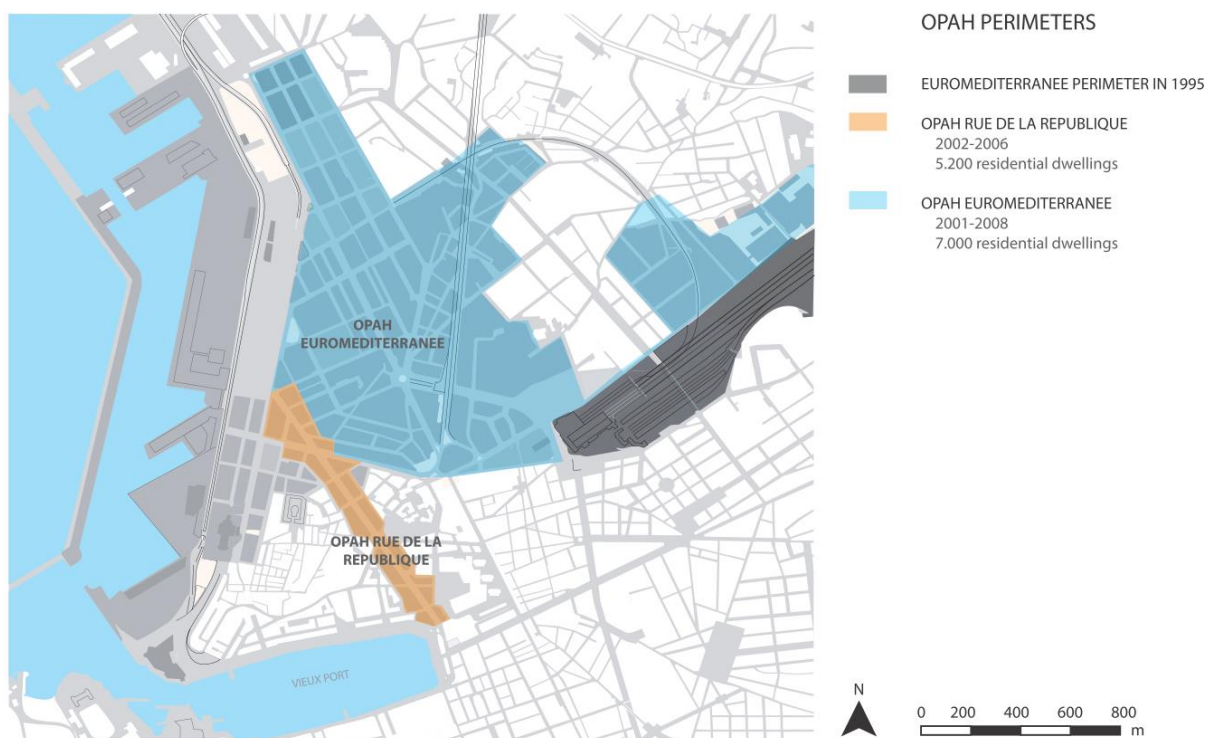


Figure 3.14 OPAH created in Euroméditerranée area. – Source: author's elaboration.

The OPAH being only about housing and social improvements, we take more interest to the second planning tool, enabling economic development.

> **ZAC** (Zone d'Aménagement Concertée – Concerted Planning Zone): defined by the Urbanism Code (Article L. 311-1) as "area inside which a public collectivity can decide to intervene to implement or make implement the planning and equipment of lands, in particular those acquired by this collectivity



in order to sell or confide them to public or private users.” This tool enabled the EPAEM to make private actors implement planning operations and to control their urban form.

Three ZAC have been created by the EPAEM: ‘Joliette’, ‘Saint-Charles’ and ‘Cité de la Méditerranée’, as seen on Figure 3.15. The EPAEM bought lands, planned public equipment and public space, and found the right developers to build a project in agreement with its vision for the area.

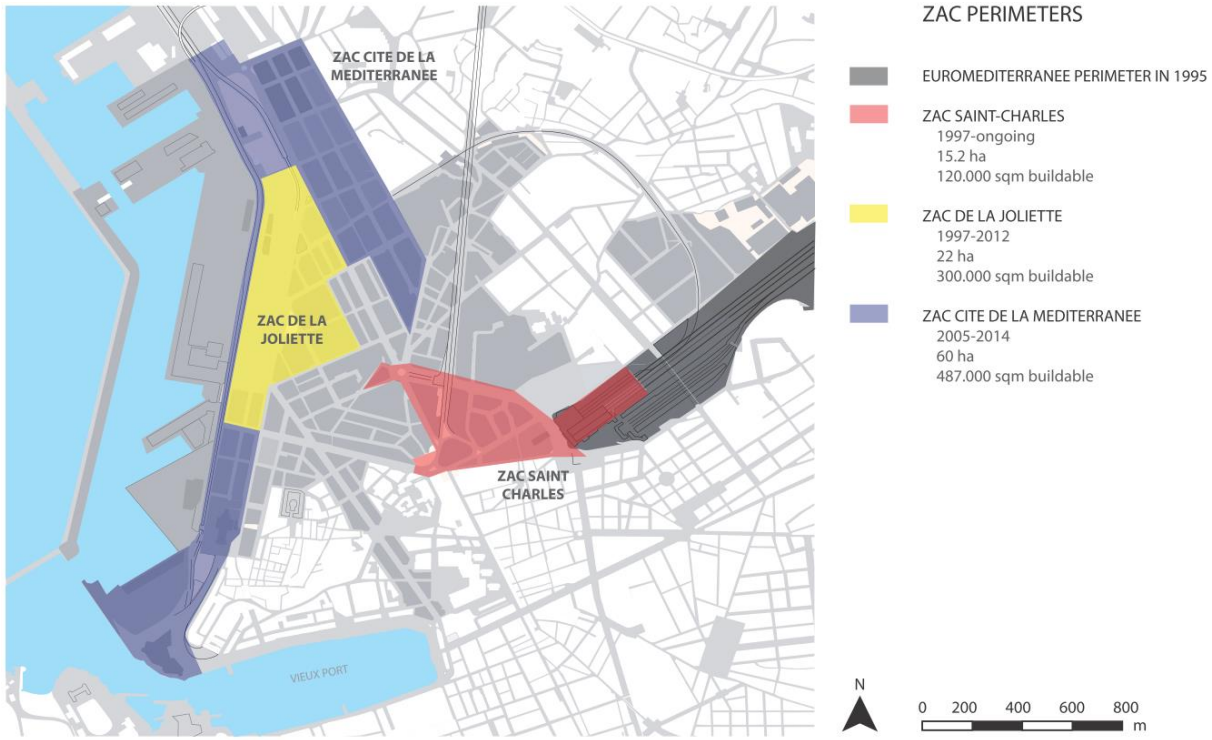


Figure 3.15 ZAC created in Euroméditerranée area. – Source: author’s elaboration.



**ZAC ‘La Joliette’ – Business Centre & Economic Activities**

This ZAC was the first one created in 1997. It was located around the harbour and the Docks building. Its position is strategic because it is in-between city and harbour, and one of Euroméditerranée’s goal is to re-connect the city and the sea. It was turned into a mixed neighbourhood.

The Docks were the first pioneer operation of this ZAC, even before the ZAC was launched. The success of the commercialisation of this office building proved the existence of a demand of office space in this area. It is clear, from the functional and temporal organisation of this ZAC, that the Docks were the leading operation: first office buildings were built, very close to the Docks, in order to take advantage of this building’s success, whereas housing buildings were built 5-10 years later and further from the Docks, once the neighbourhood economic attractiveness was revived.

The main urban transformations were: a school, a gym, 2.000 underground parking spaces, and many office buildings such as ‘CAP-Joliette’, ‘Grand-Large’, ‘Grand Horizon’, ‘Coeur Méditerranée’, class A office buildings just next to the Docks building (class A means large open spaces, high-level technological connectivities, high visibility, with a qualitative architecture), and ‘L’Angle’ office building near the Archives.



### ZAC 'Saint-Charles' – Transport Node & Housing Renovation

This ZAC has a strategic location around Saint-Charles Railway Station, the ending point of the Paris-Marseille high speed line, in the centre of the city, crossed by many strong road infrastructures. It is the transport node, the link between Marseille and the rest of France and the world.

The main urban transformations were: many public space and accessibility improvements such as 'Abords gare', Victor Hugo Square, tunnels, A7 highway retreated arrival, the multimodal pole in Saint-Charles connecting trains with buses, cars, bikes and metro line. Accompanying those were built some hotels to host the travellers, and universities, libraries as well as students housing buildings.



### ZAC 'Cité de la Méditerranée' – Waterfront for Citizens & Cultural Promenade

Located on the 2.7 km long waterfront, its main focus was the creation of tertiary buildings, cultural, touristic, commercial equipment as well as office towers and buildings. The waterfront was designed to be the new skyline of Marseille, to create an international 'image' of Marseille through its skyscrapers, in which international office towers will host decisional functions. As well, the re-branding of Marseille through the mega-event European Capital of Culture used this area as main cultural facilities host.

The main urban transformations were: Marseille first office tower for CMA-CGM, by Zaha Hadid, three more office towers on 'Quais d'Arenc', the Departmental Archives building, a brand new hospital, the 'Terrasses du Port' commercial centre, the 'MUCEM' museum next to 'Villa de la Méditerranée' exhibition space, the 'Silo' renovation into a concert hall and offices, and in the Northern part 'Parc Habité' residential buildings.

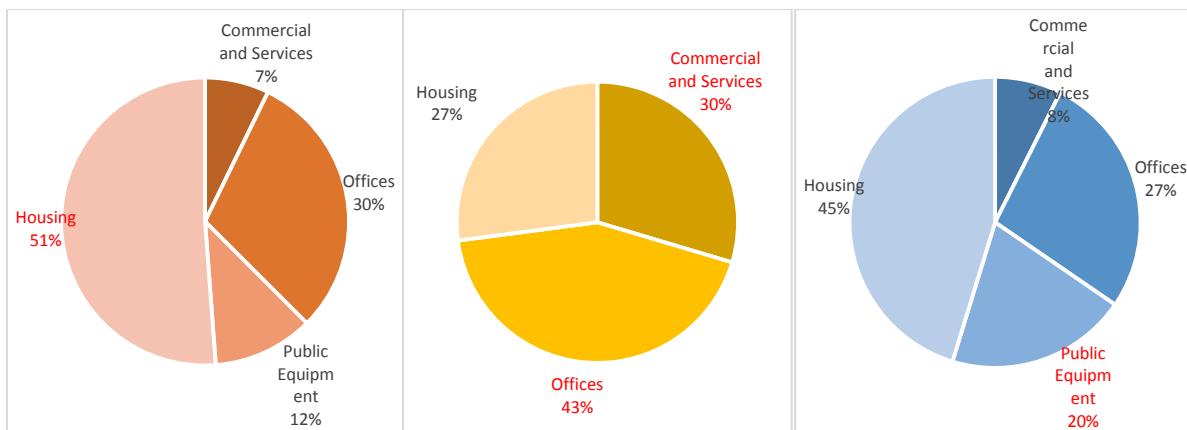


Chart 3.6 Percentage of floor area built per function, for each ZAC of Euroméditerranée (Saint-Charles' in red, 'La Joliette' in yellow, 'Cité de la Méditerranée' in blue) – Source: author's elaboration, data from EPAEM.

On Chart 3.6 are visible the percentage of built floor area dedicated to each function, for the three ZAC. We notice that 'La Joliette' is more focused on tertiary activities, offices, commercial and services representing 73% of the total. For Saint-Charles the focus is on housing because located in the city centre with an old housing building stock. For Cité de la Méditerranée the offer is more balanced, with a focus on public equipment, because the waterfront is partly redesigned as a touristic and cultural attraction for the European Capital of Culture event (museums, promenade, art exhibition centres, concert halls...)

### 3.3.5. CO-OPERATION WITH OTHER PUBLIC AUTHORITIES – PUBLIC-PUBLIC PARTNERSHIPS

The size of the perimeter, huge, created some complications for the progression of the project.

> First of all, the EPAEM disposing only of 50 workers, it was impossible for it to work on its own. It had to delegate and rely on other public bodies and services from the City or the State. This created a permanent negotiation about financial participation and legal responsibility of each body. The relational aspect of the project was a key element to the success of the project.

Public bodies used to be de-hierarchized, the urban management was diversified in multiple arenas and decisional processes.

*“Chaque acteur est d’abord centré sur sa relation avec les autres, avant d’être centré sur sa propre tâche – Each actor is first focused on its relationship with the others, before being able to focus on its own concrete work” (Bourdin, 1996).*

For example, only for the economic development of Marseille, 7 different institutions had authority: the City, the Department, the Region, the DATAR, the CCI, the PAM and the EPAEM.

In the late 1990s, not much had happened because of the very time-consuming need to clarify each public body’s role through discussions and negotiations.

Moreover, J. C. Gaudin, elected Mayor in 1995, refused to involve much in the process, contrary to many *‘maires bâtisseurs’* (literally ‘building mayors’, many French mayors have used emblematic building projects to remain in the general public’s memory) before him, because he preferred to focus on Marseille traditions, going to the *‘re-conquest of the city centre’*. J. C. Gaudin wanted to give the city centre its former glory back, when the ‘Vieux Port’ was a flourishing commercial harbour directly linked to the city centre, home of sailors and successful commercial entrepreneurs.

This policy of renovation of the historic centre was focused first on public equipment and public spaces, and became very much linked to the Euroméditerranée project, sharing accessibility lines. For example, 3 tram line were to be built, linking the South of the city to the North, passing through both the city-centre and Euroméditerranée.

> Second of all, the perimeter crossed and overlapped other planning interventions.

The second focus of Gaudin’s policy was the degraded built environment of what is called touristically *‘l’immeuble marseillais’* (the typical residential building of the city centre). Many public helps have been created to favour the renovation of the housing supply. Planning tools such as OPAH or PRI were designed, such as the PRI ‘Panier’ (1994), the OPAH ‘Centre Ville’ (1995 to 2008), the OPAH ‘La Plaine/Notre-Dame-du-Mont’. ZPPAUP have also been defined, in order to make residents respect the historic patrimony they are renovating. The City also helped financially, offering up to 1.000€/sqm for the most degraded buildings.

In 2000 the results were significant but not as good as expected. Up-to-standard brand new tertiary buildings were facing degraded housing buildings hosting low-income residents. The duality was still present in the city-centre.

The main focus became the North of the city, the poorest part. An agreement was decided between the City of Marseille and the State in order to renovate it: the GPV ('Grand Projet de Ville' – main urban city plan) in 1994. In order to articulate the planning interventions of Euroméditerranée and the GPV, public-public agreements have been set between the two projects.

### 3.3.6. ATTRACTING PRIVATE INVESTMENTS – PUBLIC-PRIVATE PARTNERSHIPS

One of Euroméditerranée's tools for development is private investment. The EPAEM budget was too thin to cover all the renewal planning operations needed on the 310 ha perimeter. It mainly dealt with public space and equipment, while lands were sold to private actors to be redeveloped. Private firms' attraction was essential for the economic development of Marseille. This attraction of private capital was achieved first through the construction of office space.

The first operation of the perimeter was the Docks building. It was acquired by the SARI, a private firm that turned the Docks into offices. Their commercialization was a clear success. This operation is nowadays used by Euroméditerranée as the symbol of success of the new business centre.

It proved that the office demand was well present in the area. In the following years Euroméditerranée provided 30.000-40.000 sqm of office space by year as attractors of private investment.

In 1998, a public budget of 2.4 billion Francs (366 million €) was agreed for the period 1995-2006, with 5 billion Francs (762 million €) of expected private investment. In 2006, the result was even better, almost 1 billion € of private investment was achieved, representing a 1 for 3 leverage effect.

In order to raise private interest, one main decisional tool was created by the CCIMP (Chambre du Commerce et de l'Industrie Marseille-Provence - Chamber of Commerce and Industry of Marseille) and the EPAEM, in 2001: the 'Cités des Entrepreneurs', a club which members were new economic leaders such as bankers, building companies or developers, for a total of 230 CEOs nowadays.

This association had the goal of being the interface between new investors, original economic actors, and the EPAEM. In this 'cluster' of economic actors, the EPAEM presented the new urban projects and heard companies' feedbacks to adapt the projects to private expectations.

## 3.4. CHANGING THE IMAGE OF THE CITY – STAGES OF THE CHANGE

Euroméditerranée was initially agreed for 1995-2006. In 2003, the State decided to stay involved also for 2007-2012. And in 2007, the State and Euroméditerranée decided to extend the perimeter to the North and continue the renewal process up till 2025-2030.

I have identified three stages in this renewal process:

### > First stage - start-up of the urban renewal project

This first stage was the one described in details above, the setting of such a project was fastidious and time-consuming because of the multiplicity of actors involved in the process, the size of the geographic

area of interest, the need of a sound legal urban planning basis, and the need to attract and involve private economic actors.

> **Second stage – economic development**

The first physical changes focused on economic growth by tertiarizing the area. This was achieved through the construction of offices and an improvement of the accessibility of the area.

Nowadays, for 1€ of public money invested, private actors invest almost 4€, proving the regain of attractivity of Marseille for investors thanks to the success of the renewal project.

The unemployment rate in Marseille decreased by 58% between 1999 and 2009 to reach 13.5% in 2009. It is still high compared to the national average, but shows a significant inversion of the previous trend.

In the Euroméditerranée I area, the number of jobs was 19.873 in 1995. It increased by 42% to reach 28.256 in 2009, as visible on the left chart of Chart 3.7. Each year, Euroméditerranée provided in average 600 jobs in the period 1995-2006, as seen on the right chart of Chart 3.7.

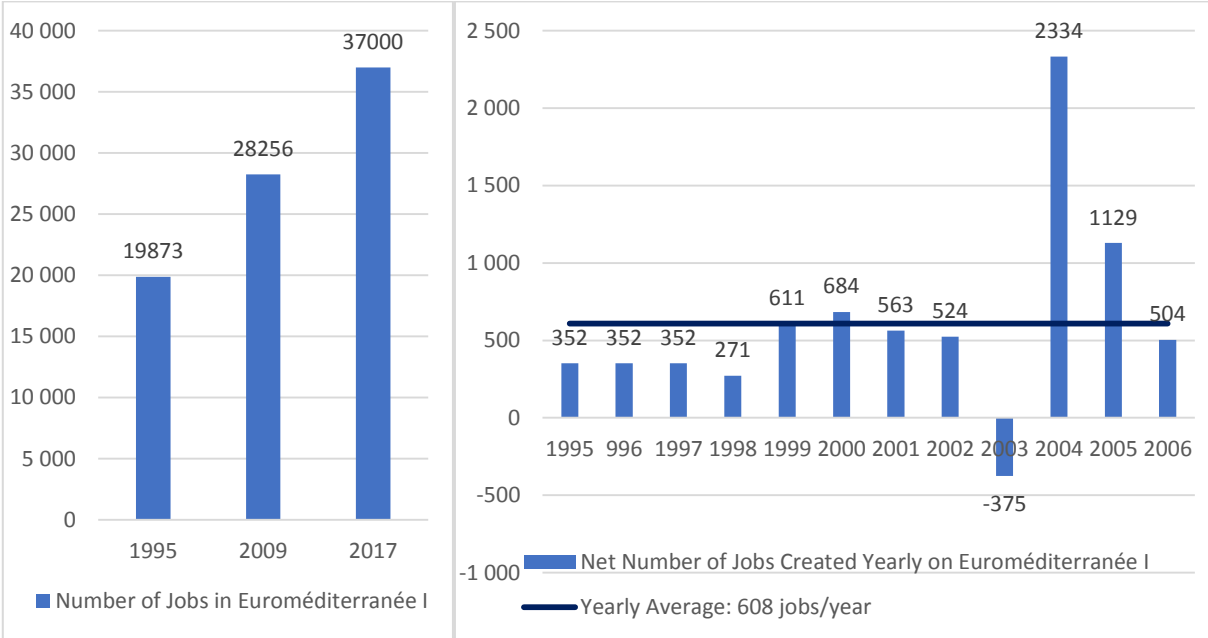


Chart 3.7 Employment (on the left) and net yearly evolution of employment (on the right) in Euroméditerranée I – Source: author’s elaboration, data from OEDE and AGAM.

Euroméditerranée hosts nowadays more than 37.000 jobs, mainly in the tertiary sector, as seen on Chart 3.8, with a majority of professionals (43%) and people with a degree (68%).

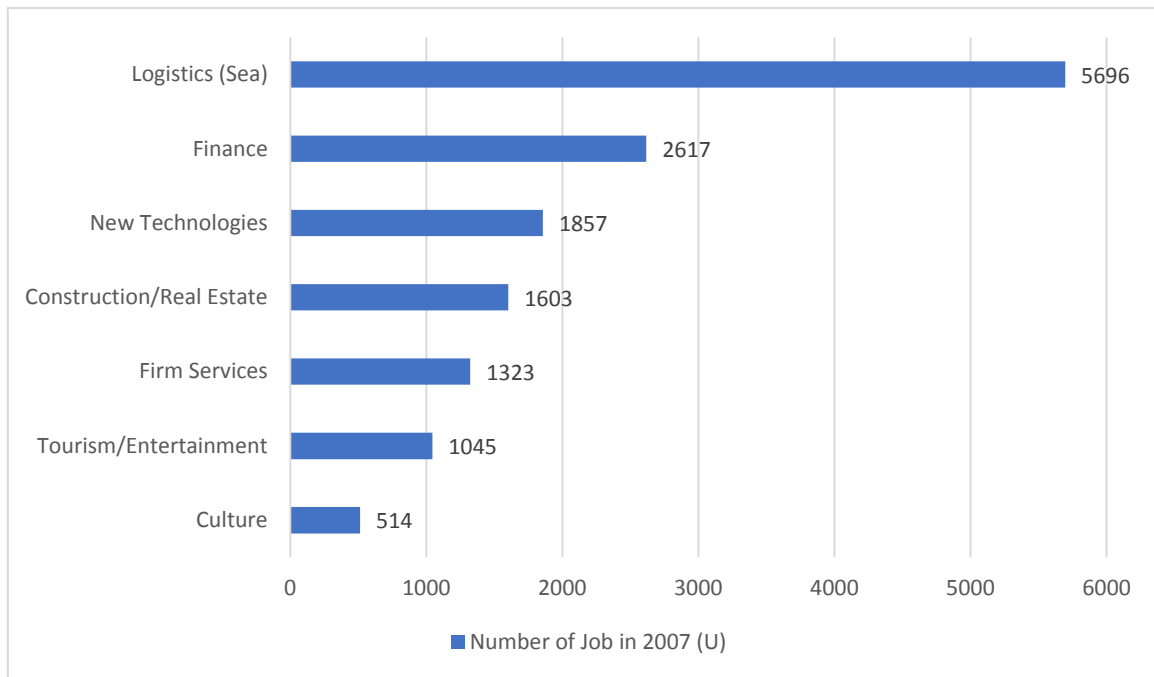


Chart 3.8 Main economic sectors on Euroméditerranée, according to the number of employees in 2007 – Source: EPAEM.

This provision of jobs was achieved mainly through the construction of 1.000.000 sqm of offices from 1995 to 2017, as partly visible on Chart 3.9, and 200.000 sqm of retail space, attracting 5.300 companies on the area. Euroméditerranée is the third business centre in France, and represents 70% of Marseille tertiary sector.

### Parc de bureaux sur Euroméditerranée

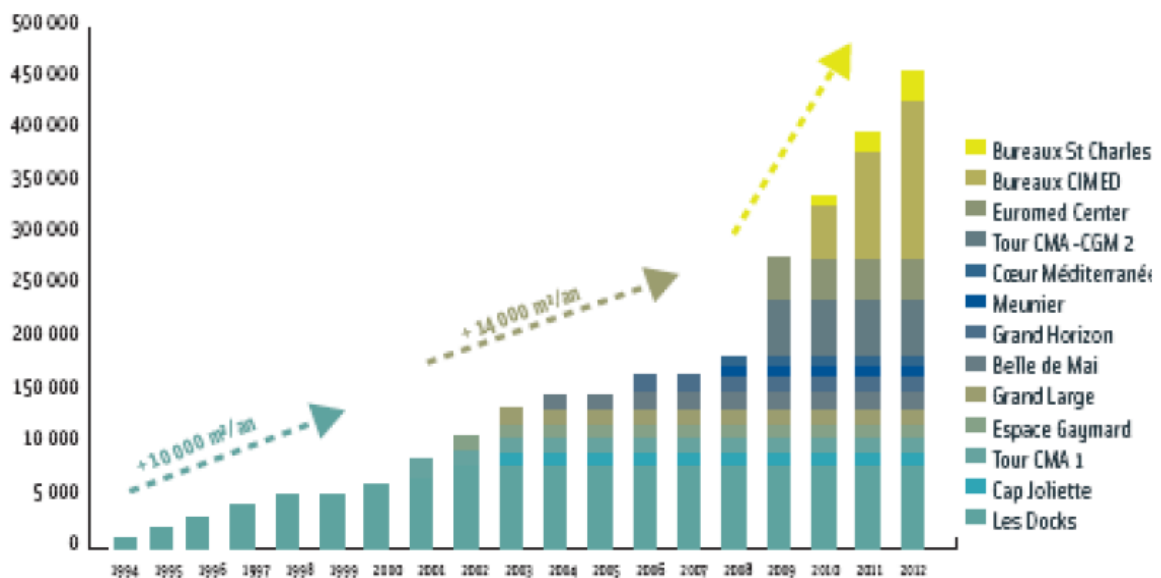


Chart 3.9 Main offices supplied in the Euroméditerranée perimeter, 1994-2012 – Source: EPAEM.

> **Third stage – Extension and provision of residential dwellings, cultural facilities, public equipment**

Euroméditerranée was extended towards North in 2007 as visible on Figure 3.16, extension called ‘Euroméditerranée II’, adding 170 ha to its original perimeter, making it the biggest urban renewal project in Europe. The total perimeter nowadays is 480 ha:

> Euroméditerranée I - 310 ha decided in 1995

> Euroméditerranée II - 170 ha decided in 2007

For this extension, the focus has shifted from economic to social and environmental. Now that economic development was well ongoing thanks to office provision, commercial offer and cultural equipment, this new part of the project had for goal to link this area to its social surroundings, by focusing on residential buildings and public space and equipment, and to promote urban sustainability.

The social challenge was to link this developing area to the Northern part of the city, the 15<sup>th</sup> and 16<sup>th</sup> arrondissements, marked by poverty, the presence of strong infrastructural barriers, large scale social housing buildings, and public space of poor quality.

The environmental challenge was to become a sustainability pioneer by implementing an eco-district, using experimental new technologies on a 2.4 ha urban block. It will be polyfunctional, hosting housing units, a hotel, offices, and public equipment. The main measure was the implementation of district heating, using the sea as heat provider in winter and cooling body in summer.

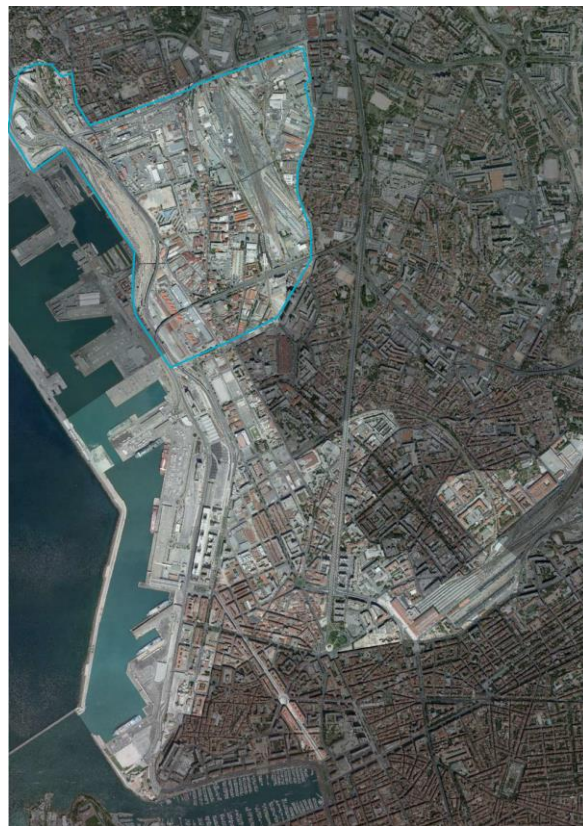


Figure 3.16 Euroméditerranée II, the extension of the perimeter in 2007, in blue – Source: EPAEM.

It was more focused on attracting a specific kind of new residents and tourists in the area by providing the right kind of shops, commercial facilities, apartments.

Another inversion is visible on Chart 3.10 showing the evolution of Marseille inhabitants from 1856 to 2014. Population increased since the launching of Euroméditerranée in the 1990s, whereas it has been decreasing in Marseille since 1975 as mentioned in section 3.2.1.

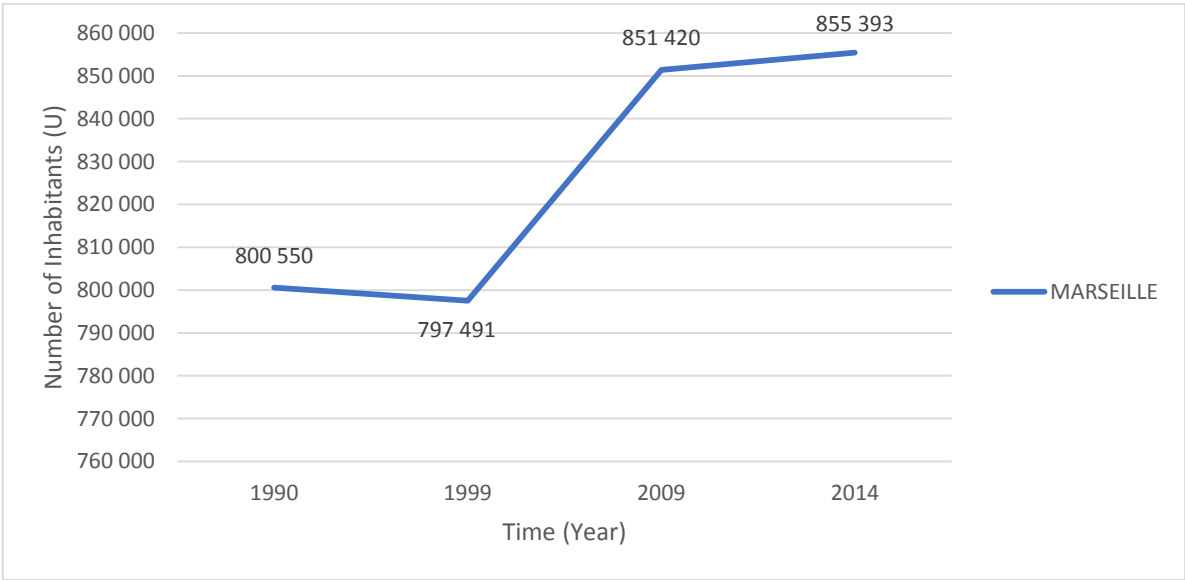
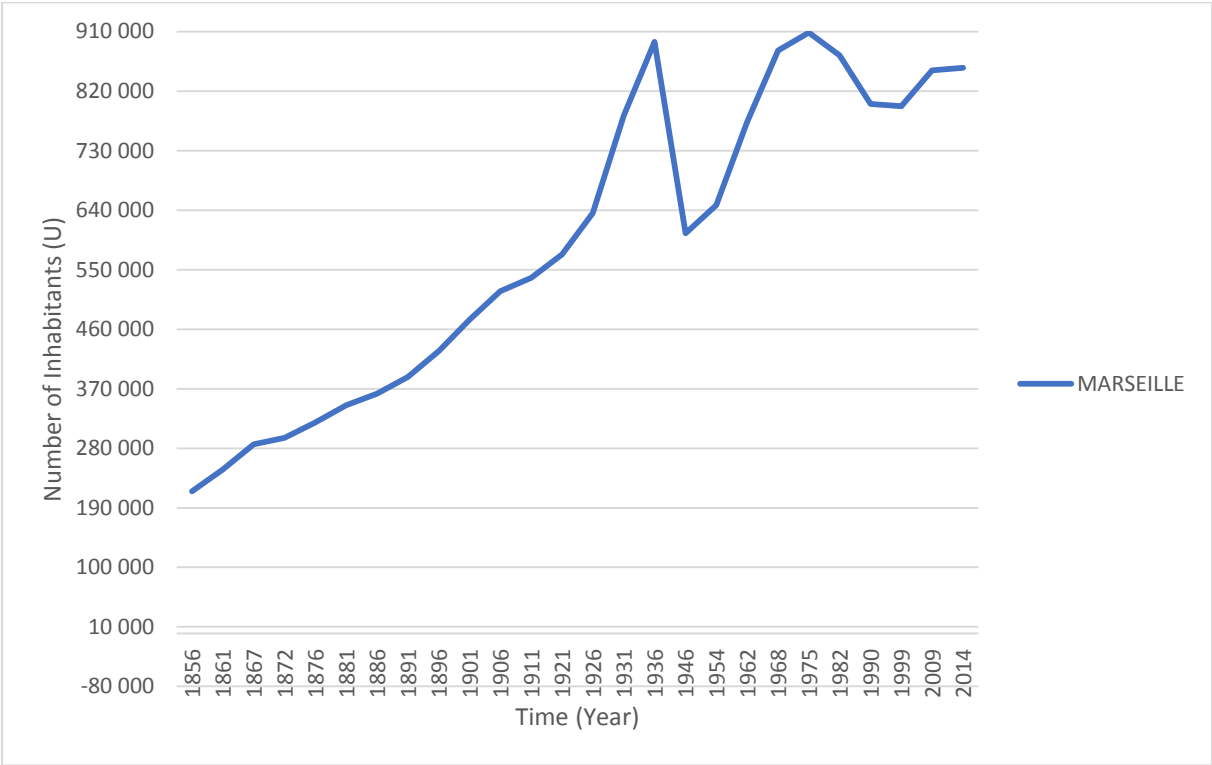


Chart 3.10 Evolution of the number of inhabitants in Marseille from 1856 to 2014 (above) and zoom in on the years 1990-2014 (below) – Source: author’s elaboration, data from INSEE.

Marseille population decreased until 1999, because Euroméditerranée took time to define its operational setting as mentioned in sections 3.3.5. and 3.3.6. However, it has then increased by 7.3% in



the period 1999-2014, as seen on Chart 3.10, showing a clear revival of the city, an increase in attractiveness of population from outside the city (such an increase cannot be due only to the birth rate).

	Entire Area	Euroméditerranée I (implemented)	Euroméditerranée II (estimated)
Land Area (ha)	480	210	170
Housing Units			
New (U)	18.000	4.000	14.000
Rehabilitated (U)	6.000	6.000	Not defined
Office & Activities (sqm)	1.000.000	500.000	500.000
Public Equipment (sqm)	200.000	100.000	100.000
Retail Space (sqm)	200.000	100.000	100.000
Green and Public Spaces (sqm)	400.000	200.000	200.000
Jobs (U)	35.000	15.000	20.000
Inhabitants (U)	40.000	10.000	30.000
Investment			
Public (billion €)	1.4	0.6	0.8
Private (billion €)	5.6	2.9	2.7

*Table 3.2 Main changes of Euroméditerranée – Source: author's elaboration from EPAEM data.*

In parallel, in 2008 Marseille was elected to be European capital of Culture in 2013. Marseille was judged to respond best to the objectives, thanks to its high quality cultural and artistic programme, the strong involvement of the City Mayor and local authorities around, and the solid financial support from local authorities and business. The political commitment and financial support were two main results from the Euroméditerranée urban renewal project, and the election of Marseille was strongly due to Euroméditerranée.

In 2013, Marseille was European Capital of Culture. The ex-post evaluation of the 2013 European Capitals of Culture made by the European Commission in 2014 enlightens about the fallouts of the event on the city: touristic activity developed, the number of tourists increased by 11% compared to 2012, and 17% for international tourists. There was a 22% increase in the number of cruise passengers arriving in Marseille. Marseille City regained in attractiveness, according to interviews done by the evaluation panel. In total 665 million € were invested in cultural infrastructure, sites and facilities. 80% of cultural equipment was built on the Euroméditerranée area for 2013.

The focus here was the attraction of economic capital coming not only from firms but also from private individuals, tourists as well as new residents and white-collar workers of the area.

The Euroméditerranée urban renewal project started with goals of national interest, mainly focused on economic attractiveness and competitiveness of Marseille at European and Mediterranean scales. The setting was a quite interesting phase because depended a lot on very local features of the city and the area. Many negotiations and discussions were needed.

The urban renewal then physically started by building a sound economic basis, providing office buildings of international standards to change the image of Marseille for firms and attract global corporate capital. This attraction relied on very local features such as the Docks building's impulsion and the presence of submarine cables, magnet of ICT firms.

Then, the economic growth continued using the mega-event European Capital of Culture to change the international image of Marseille for individuals, to attract more corporate private capital coupled this time with individual capital.

## 4. NATIONAL & GLOBAL MACRO-SCALE VALORIZATION – METROPOLITAN OFFICE REAL ESTATE MARKET

### INTRODUCTION

This chapter provides an analysis of the office real estate market (including the case study) changes over time in the past 25 years. First, an overview of the changes at national scale is provided, with an emphasis on the increasing involvement of global actors. Then, a comparative analysis at metropolitan scale is conducted between Aix-Marseille, Lyon and Lille, because those three cities have undergone similar tertiarization processes, through the construction of business centres, that revived their economy since the 1970s. First conclusions about Marseille city and its specificities can be drawn. Finally, the analysis of the office real estate market is focused on Aix-Marseille metropolis, shifting from metropolitan scale to city scale and then to Euroméditerranée area scale, in order to understand how the urban changes are progressively leading to the economic revival of Marseille thanks to the strong investments of private actors, most of which are financial global firms.

This macro-scale overview of the office real estate market enables to understand the context that favoured the success of the Docks building and Euroméditerranée neighbourhood urban transformations. The involvement of global actors in this local tertiarization process is evidence that there have been exchanges between global and local contexts in the past 25 years, through the office real estate market.

### 4.1. METHODOLOGY & INFORMATION

#### 4.1.1. PROCEEDING

The overall goal of this chapter is to provide an analysis of the evolution of the office real estate market at different scales over the past 25 years.

This chapter is a national macro-scale description of the rise and then changes of the office real estate market in the past 25 years. In order to do that, a dialogue between different scales was needed. At first, an explanation of the rise of the office real estate market in France, and its main shifts in the past 25 years sets the frame of the study. Then, the study shifts to a metropolitan scale, in which offices tend to agglomerate. A comparison between Aix-Marseille, Lyon and Lille, sharing similar features of tertiarization through business centre projects, enables to highlight the specificities of Aix-Marseille. Finally, the scale narrows again and focuses on Aix-Marseille metropolis, Marseille city and Euroméditerranée neighbourhood.

Mainly quantitative sources of data were used to provide a complete description of the transformations of the office real estate market through time, especially in the past 25 years.

#### 4.1.2. SOURCES OF INFORMATION

Finding information on the office real estate market was complicated. The research side is affected by this lack of information: research on office spatial urban organization are scarce and incomplete. There are several reasons for this unavailability of data:

> the data are private. They were not considered as of direct public interest, contrary to the housing real estate market having strong social impacts (the State has been collecting data about the housing real estate market for decades, and even centuries for Paris). For office real estate market, the analysis was done and owned by private financial actors such as banks.

> the office real estate market is very young, only appeared in the 1950s-1960s, compared to the housing market.

> there are strong financial interests attached to the management of office real estate market data, so no public release is done.

These three reasons make it hard not only to find information, but also to have a complete homogeneous set of data from a unique source. Many different banks do such analyses, at different scales, and over different periods of time. Consequently, in order to get a complete coherent overview of the office real estate market, a big work of merging of the data was needed.

For clarity, the different sources of information used in this chapter are detailed in the following table.

Type of Source	Source	Qualitative Information	Quantitative Information	Photos	Maps/Blueprints
Book	FNAU. (2017). <i>Métroscopie - 50 indicateurs clés pour les métropoles françaises</i> . R				Map of the regional capital cities in France AI file of each regional capital city
Book	Mission Interministérielle pour le projet métropolitain Aix-Marseille-Provence Métropole, 2014, <i>Mobilité[s] – Le livre blanc des transports métropolitains Aix-Marseille-Provence</i> .	Polycentric feature of Aix-Marseille metropolis			Maps of Marseille and Lyon metropolitan areas' urbanization Maps of Marseille and Lyon daily flows home-to-work
Newspaper Article	Challiol, B. (2001). Marseille : l'immobilier d'entreprise dopé par les télécommunications. <i>Les Echos</i> .	Development of the office market in Marseille in the 1995-2000 thanks to one of its main characteristic of international importance: it is a telecommunication node.			
Newspaper Article	Vincendon, S. (2017). Le bureau traditionnel est (bientôt) mort. <i>Libération</i> .	Possible changes in the future for the office real estate market because of a change of working habits			
Report	AGAM. (2014). <i>L'immobilier de bureaux – Mutations économiques et urbaines. Regards de l'AGAM N°18</i> .		Table of the hierarchization of French cities according to their annual number of transactions of office space		
Report	Agence d'Urbanisme de Lyon. (2008). <i>Mise de Fond sur le Devenir de la Part-Dieu</i> .	Description of La Part-Dieu business district in Lyon and its renovation	Land area of La Part Dieu Timeline of setting in the 1970s		
Report	Atisréal. (2004). <i>Le marché des bureaux en régions</i> .		Average yearly volume of transactions in 1994-2004 of French regional capital cities		
Report	Atisréal. (2008). <i>Eurroméditerranée, le marché des bureaux – Analyse et prospective</i> . Observatoire Immobilier de Provence.		Annual and average trends in volume of transactions for Marseille, Lille, Lyon, 1997-2007 Comparative Evolution of 'Prime' Rental Prices in Marseille, Lille, and Lyon, 1997-2007 Volume of transactions in Eurroméditerranée, Marseille city and Aix-Marseille metropolitan area, 1997-2007 Supply within one year in Aix-Marseille, 1997-2007		
Report	BNP Paribas. (2009). <i>Eurroméditerranée, le marché des bureaux – Analyse et prospective</i> . Observatoire Immobilier de Provence.		Annual and average trends in volume of transactions for Marseille, Lille, Lyon, 1998-2008 Comparative Evolution of 'Prime' Rental Prices in Marseille, Lille, and Lyon, 1997-2008 Volume of transactions in Eurroméditerranée, Marseille city and Aix-Marseille metropolitan area, 1998-2008 Supply within one year in Aix-Marseille, 1998-2008		

Type of Source	Source	Qualitative Information	Quantitative Information	Photos	Maps/Blueprints
Report	BNP Paribas. (2012). <i>Euroméditerranée – Marseille, EcoCité Méditerranéenne – Les performances du marché des bureaux 2011</i> . Observatoire Immobilier de Provence.		Annual and average trends in volume of transactions for Marseille, Lille, Lyon, 1998-2011 Comparative Evolution of 'Prime' Rental Prices in Marseille, Lille, and Lyon, 2000-2011 Table of the main office transactions in Euroméditerranée year, name, floor area, price, owner, buyer, 2001-2011 Prime rental prices offices in Marseille 1999-2011 Rental prices offices in Marseille 1999-2011 Investment volume in Aix-Marseille, 2001-2011		
Report	BNP Paribas Real Estate. (2012). <i>Property Report – Les Bureaux en Régions 2012 T4</i> .		Evolution of the office cycle in French regional capital cities 1988-2012 Prime rental prices Marseille, Lille, Lyon 2012		
Report	CBRE. (2005). <i>L'immobilier d'entreprises en régions</i> .		Evolution of the office cycle in French regional capital cities 1996-2004 Rental prices offices in French regional capital cities 1996-2004		
Report	CBRE. (2010). <i>Market View Regions</i> .		Evolution of the office cycle in French regional capital cities 1996-2009 Prime rental prices in French regional capital cities 2000-2009		
Report	CBRE. (2012). <i>Bureaux Régions. MarketView</i> .		Evolution of the office cycle in French regional capital cities 2001-2012 Prime rental prices in French regional capital cities 2000-2012		
Report	CBRE. (2013). <i>Euroméditerranée Marseille, EcoCité Méditerranéenne, dynamiques de projet et performances marché</i> . Observatoire Immobilier de Provence.		Table of the main office transactions in Euroméditerranée year, name, floor area, price, owner, buyer, 2007-2012 Volume of transactions in Euroméditerranée, Marseille city and Aix-Marseille metropolitan area, 2007-2012 Supply within one year in Aix-Marseille, 2007-2012 Prime rental prices offices in Marseille 2000-2013 Rental prices offices in Marseille 2000-2013		

Type of Source	Source	Qualitative Information	Quantitative Information	Photos	Maps/Blueprints
Report	CBRE. (2014). <i>Euroméditerranée Marseille, EcoCité Méditerranéenne, dynamiques de projet et performances marché</i> . Observatoire Immobilier de Provence.		Annual and average trends in volume of transactions for Marseille, Lille, Lyon, 2009-2013 Table of the main office transactions in Euroméditerranée year, name, floor area, price, owner, buyer, 2007-2014 Volume of transactions in Euroméditerranée, Marseille city and Aix-Marseille metropolitan area, 2007-2013 Supply within one year in Aix-Marseille, 2007-2013		
Report	CBRE. (2016). <i>Euroméditerranée - L'opération qui transforme Marseille - Dynamique de projet et performances marché</i> . Observatoire Immobilier de Provence.		Annual and average trends in volume of transactions for Marseille, Lille, Lyon, 2009-2014 Table of the main office transactions in Euroméditerranée year, name, floor area, price, owner, buyer, 2011-2015 Volume of transactions in Euroméditerranée, Marseille city and Aix-Marseille metropolitan area, 2012-2014 Supply within one year in Aix-Marseille, 2010-2015 Prime rental prices offices in Marseille 2010-2015 Rental prices offices in Marseille 2010-2015 Investment volume in Euroméditerranée, Marseille city and Aix-Marseille metropolitan area, 2008-2014		
Report	CBRE. (2016). <i>MarketView. Bureaux Régions. Bilan 2016</i> .		Evolution of the office cycle in French regional capital cities 2006-2016 Prime rental prices in French regional capital cities 2007-2016 Rental prices offices in French regional capital cities 2007-2016		
Report	CBRE. (2017). <i>Euroméditerranée L'opération qui transforme Marseille - Dynamique de projet et performances marché</i> . Observatoire Immobilier de Provence.		Annual and average trends in volume of transactions for Marseille, Lille, Lyon, 2012-2016 Table of the main office transactions in Euroméditerranée year, name, floor area, price, owner, buyer, 2014-2016 Volume of transactions in Euroméditerranée, Marseille city and Aix-Marseille metropolitan area, 2013-2016 Supply within one year in Aix-Marseille, 2013-2016 Prime rental prices offices in Marseille 2011-2016 Rental prices offices in Marseille 2011-2016 Investment volume in Euroméditerranée, Marseille city and Aix-Marseille metropolitan area, 2014-2016		

Type of Source	Source	Qualitative Information	Quantitative Information	Photos	Maps/Blueprints
Report	DTZ. (2010). <i>Euroméditerranée, dynamiques de projet et performances marché</i> . Observatoire Immobilier de Provence.		Evolution of investment volumes in Marseille, according to the category of buyer 2001-2010 Evolution of investment volumes in Marseille, according to the buyer's nationality 2001-2010 Table of the main office transactions in Euroméditerranée year, name, floor area, price, owner, buyer, 2001-2010 Prime rental prices offices in Marseille 2001-2009 Rental prices offices in Marseille 2001-2009 Investment volume in Euroméditerranée and Marseille city, 2001-2009		
Report	DTZ. (2011). <i>Euroméditerranée, dynamiques de projet et performances marché</i> . Observatoire Immobilier de Provence.		Prime rental prices offices in Marseille 2001-2010 Rental prices offices in Marseille 2001-2010 Investment volume in Euroméditerranée and Marseille city, 2001-2010		
Report	DTZ. (2013). <i>Property Times – Bureaux France Bilan 2012</i> .		Rental prices offices in French regional capital cities 2001-2012		
Report	EPAEM. (2009). <i>Dossier de Presse 2009</i> .		Chart of the main offices supplied in the Euroméditerranée area, 1994-2012		
Report	Favier, P. (2013). <i>Les outils de financement de l'urbanisme</i> . Ordre des Géomètres Experts.	Understanding the functioning of the ZAC planning tool and its benefits			
Report	Lyon Part-Dieu. (2016). <i>Etude d'impact – ZAC Part-Dieu Ouest – Dossier de Réalisation de la ZAC</i> .	Description of La Part-Dieu business district in Lyon and the SEM-ZAC planning tool used	Floor area of offices built		
Report	POPSU. (2008). <i>Euraille – Métropole Lilloise</i> .	Description of the Euraille project in Lille Setting of Euraille Description of the extension Euraille 2	Timeline of the project Land area of Euraille 1 & 2 Floor area of offices built		
Scientific Paper	Bonnet, J. (2003). L'évolution du marché des bureaux en France et à l'étranger - From retrospective to prospective: evolution of the office market. <i>Geocarrefour</i> , 78 (4), 281-294.	Development of the office market in French main cities since the 1970s, first in Paris, and then spreading to secondary cities Cyclical evolution since the 1990s New actors Development of offices in Marseille	Timeline of events linked to the office real estate market in France		
Scientific Paper	Crouzet, E. (2001). Géographie économique des bureaux : l'organisation urbaine en question. <i>L'Espace Géographique</i> , 30 (3), 256-264.	The massive rise of the tertiary sector since the 1960s Consequences of agglomeration of offices in city centres on the overall urban space			
Scientific Paper	Nappi-Choulet, I. (2013). La financiarisation du marché immobilier français : de la crise des années 1990 à la crise des subprimes de 2008. <i>Revue d'Economie Financière</i> , 110 (2), 189-205.	Impact of globalization and deregulation on the french office real estate market Arrival of American investors in the 2000s Shift from the patrimonial to the financial approach in the late 1990s-early 2000s Boom of 2002-2007	Evolution of direct investments in office real estate in France by type of investor (French or foreign) 1990-2012 Timeline of events affecting the french office real estate market		

Type of Source	Source	Qualitative Information	Quantitative Information	Photos	Maps/Blueprints
Scientific Paper	Sassen, S. (2005). The Global City: introducing a concept. <i>The Brown Journal of World Affairs, Volume XI</i> (Issue 2), Winter/Spring 2005, 27-43.	Global city 7 hypotheses Link between the apparent dematerialization of globalization and the agglomeration phenomenon observed for international tertiary functions in cities			
Website	Eurailille.		Shareholders of the SAEM 'Eurailille'		3D map of Eurailille 1 & 2
Website	Euroméditerranée.		Public Financing of Euroméditerranée in 1995	Photomontage of the new skyline for Marseille, from industries to office towers Photo of Euroméditerranée 'La Joliette' business district	
Website	Grand Lyon la Métropole.		Shareholders of the SEM 'SERL'	Sky photo of Part-Dieu nowadays Photo of La Part-Dieu as planned for 2020 for the 'Grand Lyon' project, two office towers added	Masterplan of Part-Dieu development 1960
Website	Lyon Part-Dieu.	Description of La Part-Dieu business district renovation	Floor area of offices built		
Website	Métropole de Lille.	Description of Eurailille business district			
Website	OMA.			Photos of two points of view on Eurailille around the high-speed railway station	
Website	Site Officiel Lyon.			Photo of Confluence neighborhood nowadays Photomontage of Confluence neighbourhood as planned for 2025	
Website	Submarine Cable Map.				Map of Marseille as the arriving point of 7 international telecommunication submarine cables



## 4.2. OVERVIEW OF THE OFFICE REAL ESTATE MARKET IN FRANCE 1990-2016

### 4.2.1. THE MASSIVE RISE OF THE TERTIARY SECTOR IN THE 1960s – THE BIRTH OF THE OFFICE REAL ESTATE MARKET IN FRANCE

The office real estate market is part of commercial real estate market, distinct from the individual property residential real estate market.

Commercial real estate (CRE) is real estate of the fixed goods owned by professional actors who are not the residents, and get a rent from them. It is the part of real estate owned by investors. There are several categories of goods included:

- > Company real estate: the major part of CRE, including offices, retail space, activity/logistic space (conception, production or storage of goods) and services (hotels, health, leisure facilities).
- > Other goods, non-residential, such as parking spaces...
- > Residential goods, except from social housing.

CRE is very sensitive to the economic conjuncture: the indicators of the CRE market (rent evolution, transactions dynamics, vacancy rate) depend strongly on the macroeconomic context (financial and economic situation of the companies, demand, supply...).

Because CRE encompasses a diversity of goods and owners, an analysis by market segment (only offices, only logistics...) is more pertinent. Because the Docks building was turned into offices during the first renovation of 1991-2001, we will focus on the offices branch of CRE.

Before the 1960s, the construction of offices in France was limited to the capital city, Paris. The most famous illustration is the 'La Défense' business district, launched in 1958 by a planning agreement between the State and multinational companies. It is today the biggest tertiary pole in Europe, a 150 ha zone adjoining Paris in the North-West, hosting 2.500.000 sqm of offices and providing 150.000 office jobs.

In the 1960s-70s (the end of the 'Trente Glorieuses' 1945-1973), de-industrialization caused the share of tertiary activities in the economy to rise, impacting undoubtedly both the social and physical layers of the city. The social impacts lying outside of the focus of this thesis, the attention is placed on physical urban changes following these economic changes.

The rise of office building in the 1970s was caused by the increase in the number of office jobs, being itself caused by:

- > a spatial dissociation of fabrication and service activities in the industrial sector: firms used to locate both industrial activities and their offices (decisional branch managing those activities) in the same building. There was a shift in the 1970s and companies separated the buildings according to their function, some buildings only for industrial activities, others only for offices.

> a diversification of services, a division of activities and specialties in the tertiary sector: many new branches of the tertiary sector appeared, creating new kinds of jobs (communication, marketing, new technologies...)

These evolutions had an impact focused on the urban areas (most particularly in Paris), because office jobs represented an increasing share of the total employment, one quarter in average for France (one third for the Paris Region).

Office developed first in the capital city, Paris, as seen above. In 1963, the DATAR (Délégation Interministérielle à l'Aménagement du Territoire et à l'Attractivité Régionale) was created and an 'Equilibrium Metropolis' policy was launched to give regional capital cities (Lyon, Lille, Marseille, Nice, Nantes...) a more balanced power with regard to Paris. The DATAR and the State launched policies favouring the development of offices in regional capital cities: for example in 1960 all offices located in a 20 km radius of Paris had to pay an additional tax to the State, and in 1967 a 'help for localisation of tertiary activities' was financed by the State only for regional urban areas.

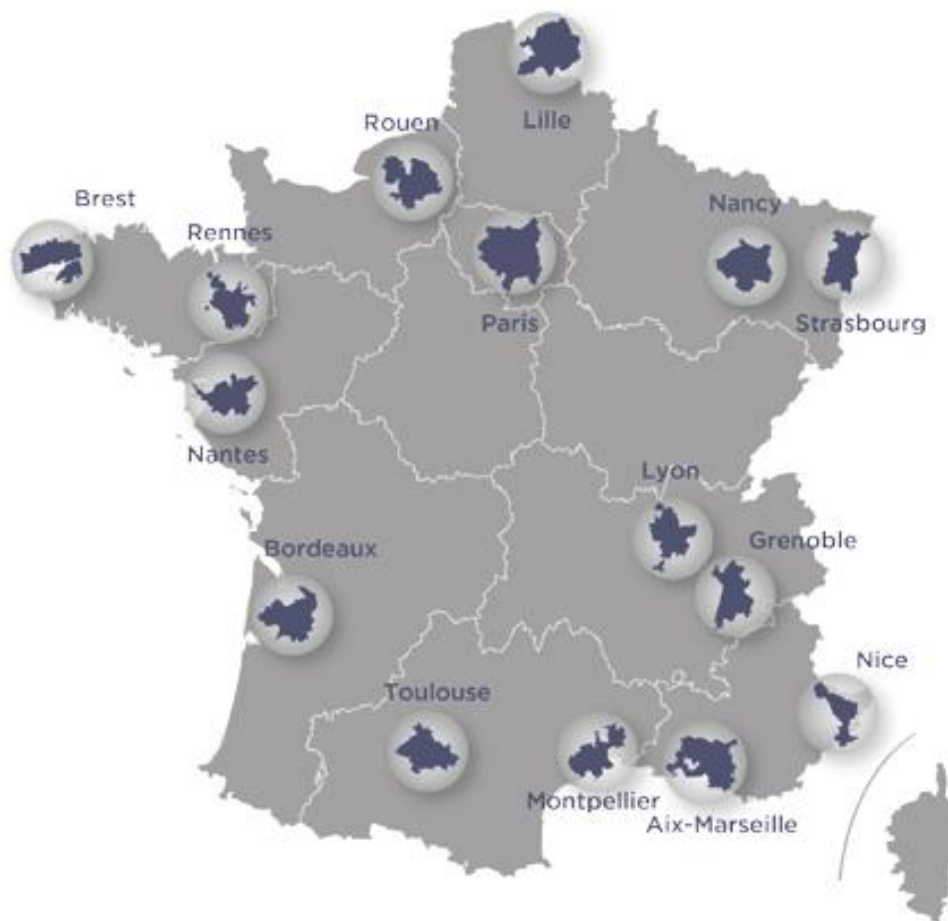


Figure 4.1 The regional capital cities in France – Source: Métroscope, FNAU.

The regional capital cities underwent an increase in office supply 10 years after Paris, in the 1970s-1980s, as an answer to these State push policies. A striking example is the development of the business district in Lyon, called 'Part-Dieu', around the high-speed railway station, in a more-moderate-scale copy of Paris 'La Défense' business district.

These policies caused a diffusion of the office supply throughout the main regional capitals in France. This phenomenon was called 'tertiary decentralisation', triggered and favoured mainly by the State (DATAR) policies. Offices at this time were mainly built for self, directly financed by the 'user' company, both owner and occupier of the space.

#### 4.2.2. AN UNSTEADY CONTEXT - MAIN SHIFTS IN 1990-2000

Real estate has always played an important role in a company's economic performance, often first in the asset side of their balance sheet, and second of their costs. However, its management was for a long time considered as accessory. Companies only built offices that they occupied themselves. Nowadays, the function of real estate assets management became a job per se in major companies, proving the increasing awareness of real estate resources' strategic role in companies, as well as human or financial resources.

This shift occurred in the 1990s-2000s as an answer to the main changes real estate was undergoing. The 'financialization' of building and real estate industries completely changed their nature.

In 1986, the Single European Act was signed by 12 State members of the European Union, in order to create and implement a 'single market' for free trade in 1992. This facilitated foreign investment in French office real estate, and is partly responsible for the sharp increase in the supply of offices, in expectation of future investment. This forecast was proved right by the increase in number of transactions that followed the year 1992 (implementation of the single market).

In France, in 1986, the agreement between the State and private firms previously necessary to build/buy offices was suppressed in Paris. The office real estate market became 'deregulated'. Any company, public or private, could then place offices in Paris without needing any permission. This 'deregulation' was launched because of the need to give companies more flexibility and hold them back in front of the temptation of delocalisation in cheaper countries. As a side effect, this 'deregulation' also enabled an easy entry of foreign firms in the office real estate market.

In parallel, in 1988-1990, banks got 'deregulated', and the number of allocated credits almost tripled: from 1988 to 1990, credits for offices rose by 230%, and among them 40% were considered as 'risky'.

In 1991, the French and international office real estate markets were upside-down. The Gulf Crisis during summer 1991 was a wake-up call on the speculative nature of some real estate operations of the late 1980s. In some Parisian business districts, rent prices had quadrupled. The suspicion of a real estate bubble was appearing.

Following this huge increase, a recession of office real estate market made rent prices decrease. The market seemed out of control. In 1993-1994, as seen on Chart 4.1, the supply was way over the demand, and empty office space multiplied...

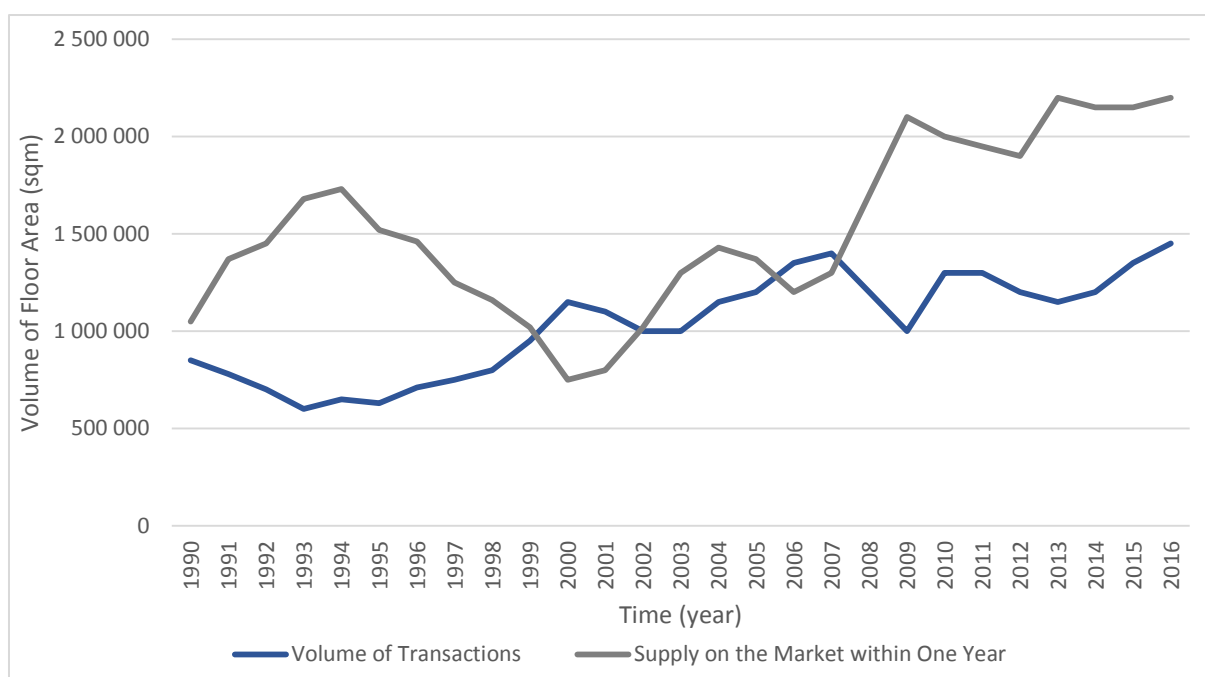


Chart 4.1 Evolution of the office cycle in France (15 regional capital cities) from 1990 to 2016 – Source: author’s elaboration, data from different sources.

In 1995, the financial failures were massively mediatised. Financial fees were increasing, owners and developers of offices struggling with their empty offices. Institutional owners of offices such as insurance companies or banks started to get rid of these empty spaces, over-flooding the market even more.

Banks were in difficulties, and tried to hide their ‘risky’ credits in ‘defeasance’ structures and sell them. Main American banks such as Goldman Sachs, JP Morgan or Morgan Stanley, bought them. Their goal was to invest counter-cycle to get them for 20-30% of their price. American funds were the only ones to have enough liquidity to massively invest in defeasance companies’ assets. In 1998, independent investment funds joined them in these risky investments. The office real estate market got better, as we see the rebalancing between supply and demand on Chart 4.1.

In order to give a push to the real estate market and attract more foreign investments, in 1999 the ‘mutation rights’ (taxes paid to the municipality at the acquisition and sale of office real estate) were lowered almost to zero, whereas they used to be the highest of Europe.

These massive American interventions multiplied in the beginning of the 2000s, and marked the beginning of the ‘financialization’ of the real estate market. These funds called ‘opportunistic’ were indebted importantly and voluntarily. They bought depreciated Parisian assets, to create a leverage effect, optimal in this context of decreasing debt, and optimize their rentability that they expected to be more than 25%.

From patrimonial goods owned long-term by insurance companies, office real estate management shifted to a financial approach of return on investment and short-term creation of value. Real estate management was turned upside down.

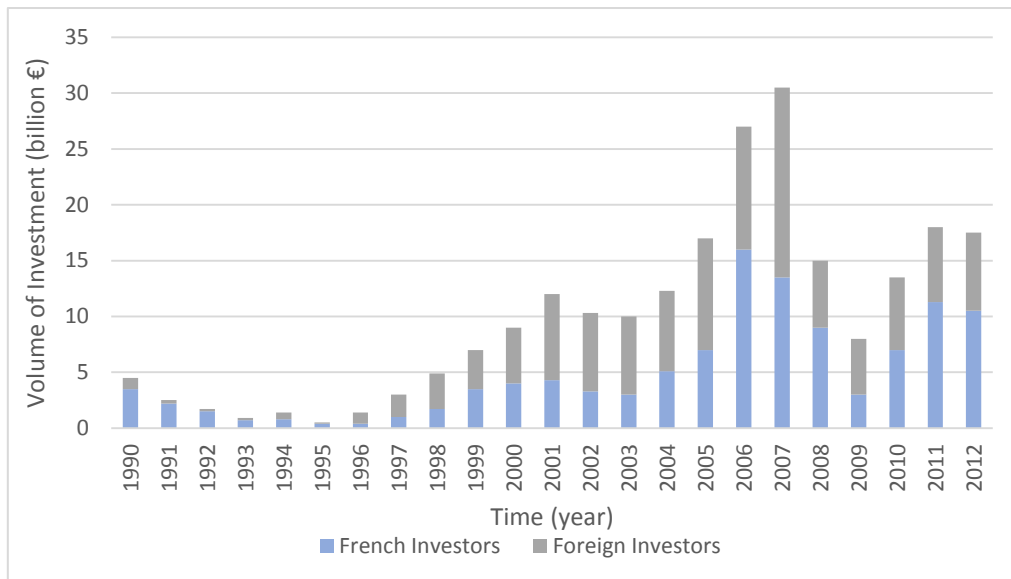


Chart 4.2 Evolution of direct investments in office real estate in France by type of investor (French or foreign) – Source: Nappi-Choulet, 2013.

As visible on Chart 4.2, foreign office real estate investments rose since 1995 until they reached a peak in 2007.

The market underwent deep changes because of the completely different and financial management of American and British banks/investment funds. Office real estate was considered as a financial asset, and the new owners required more transparency of the market, using new financial indicators and creating new jobs such as ‘fund management’ and ‘asset management’. ‘Fund managers’ initiated and piloted the investment strategy, they collected capital from international private and institutional investors. Then, ‘asset managers’, with these capital funds, decided which assets to invest in by developing strategies of acquisition and valorisation of assets. Buildings were analysed using financial ‘cash-flow’ analyses, anticipating expected performances from investments. The ‘asset manager’ was focused on the process of creation of value, and then the ‘property manager’ dealt with daily implementation (collecting rents, maintenance...).

### 4.2.3. THE BOOM OF 2002-2007

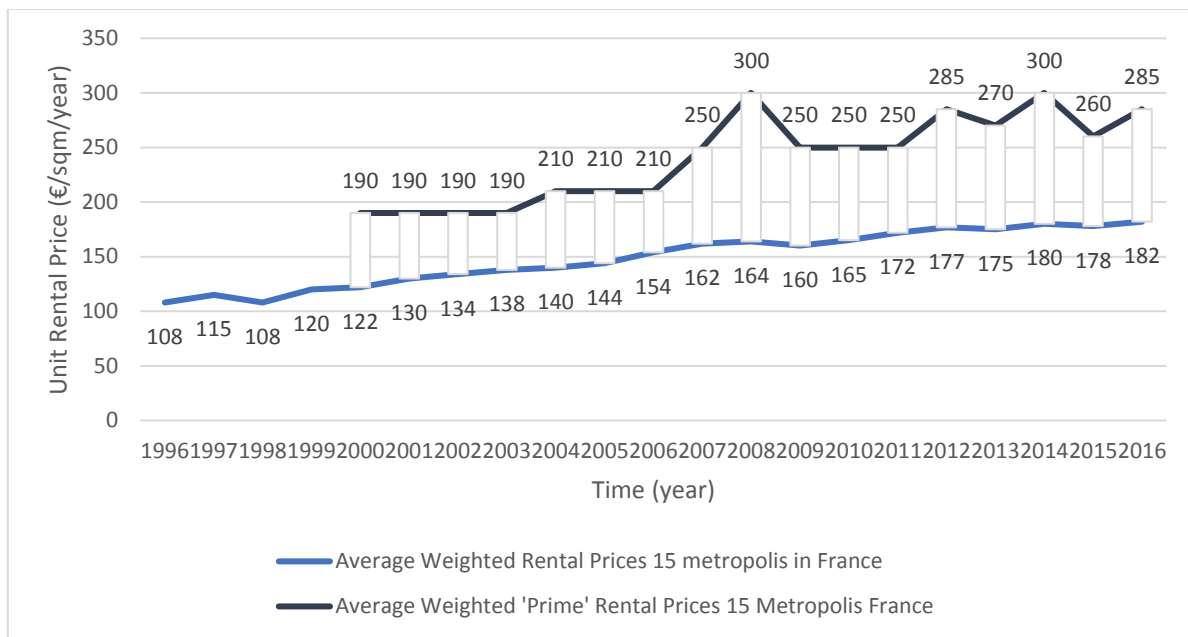


Chart 4.3 Evolution of average unit rental prices in France (15 regional capital cities) from 1996 to 2016 – Source: author's elaboration, data from different sources.

We can notice on Chart 4.3 representing the evolution of average rental prices and 'prime' rental prices that the 'gap' between average rent prices and average 'prime' rental prices was about 50 €/sqm/year in the 2000s, then increase sharply in 2007, to fall back but at a higher amount of about 80 €/sqm/year. 2007 seem to have been a real turning point for office real estate.

From 2002 to 2007, office real estate 'financialization' sped up, and three factors modified its nature:

> Diversification of investments

The revival of the office real estate market in 2000 made investors innovate. They started investing in offices 'en blanc', meaning that they didn't know who would rent them when they started building them, making it a very risky investment (they entirely anticipated the renting potential).

The main source of diversification was the emerging of a new market. In the 2000s in Europe, many companies decided to 'externalize their assets' and sold their real estate assets. The most striking examples is France Telecom sale, in 2001, of 1.200 buildings, in total 3.1 million sqm for 2.97 billion €, for an average unit price of about 958 €/sqm, to a consortium composed of Goldman Sachs, GE Capital and CDC Ixis, in order to rent it from them instead of owning it. The trend was similar in Great Britain and Germany, for instance British Telecom got rid of about 6 million sqm for 3.7 billion €, for a unit price of about 617 €/sqm. The goal was to reduce debt and provide available money to re-invest in their own sector of activity.

In France, this 'externalization of assets' got very popular because it was favoured by the creation of the 'SIIC' (Société d'Investissement Immobilier Côtée) legal status in 2002. A SIIC is a landholding trust, which role is to acquire, build, manage and rent buildings. It has an advantageous fiscal system: it does not pay taxes (as opposed to any company's IS 'Impôt sur les Sociétés' of 33.3% of its benefits), and in exchange it has to redistribute 85% of benefits from rents and 50% of added value from sales to its

shareholders (it is the shareholders who will pay taxes). This legal innovation was inspired from the America REIT (Real estate Investment Trust) model, and a real boost because it was the only legal status enabling landholding trusts to enter the stock Exchange, and real estate assets to become real estate securities.

The success of SIICs was immediate and was a new step forward to the 'financialization' of the real estate market. From 2003 to 2007, SIICs invested more than 23 billion € in office real estate, becoming second investors. This explains the high increase of total investments since 2000 on Chart 3.2.

#### > Real estate securization

This second factor is about the financing of the investments, not its nature. In parallel to the rise of American investments in office real estate through banks, investment funds, or companies with other legal status, financialization of real estate underwent a new wave in the mid-2000s, thanks to securitization.

This indebtedness technique was imported from the US, and complexified the financing of office real estate. It was no more considered as 'corporate' financing on the assets of the balance sheet, but was done through companies acquiring those assets. The debt was turned into securities and sold to other investors. The risk was transferred to others, willing to buy some risk, having in return the interests and payments of the borrower. Banks were no more the ones taking risk by lending money.

This sophistication of the financialization of the real estate market reached its height when it entered the housing real estate market, with the financing of deprived households' housing using subprimes. The interest rates increased because of households' inability to pay back, and the devaluation of houses, causing the crisis of lending companies in 2007, first in the US, and then via securitization to the rest of the financing world.

#### > New actors

With the revival of the office real estate market at the beginning of the 2000s, American 'opportunistic' investors started selling those assets to more long-term investors. They had invested in offices when the cycle was at its worst, around 1995 (supply was much higher than demand), and in 2001 the market completely reversed as visible on Chart 3.1., the cycle was at its best and it was the right time to have the greater added value on their investment. In 2004, American investors sold about 3 billion € of assets to more long-term investors.

Those new actors were mainly German investment funds, willing to invest in this newly revived on-the-rise market. From 2002, investment funds such as Deka, Union Investment or DGI, replaced American investors on the French office real estate market: they represented about 40% of investors. These funds were called 'core' investments because they used equity-based private funds, instead of debt ('opportunistic' investors), as financial tool. They sought to rent to have a stable and long-term return on investment, not short-term added values using leverage effect.

In parallel to those foreign investments, French real estate market had undergone a rise of SIICs since 2000, and in 2006 they represented half of the non-residential real estate investments.

#### 4.2.4. THE CRISIS OF 2008

The American subprime crisis of 2008 had impacts on the globalized real estate market. It stopped sharp the securization of commercial real estate (among which the office real estate market).

In parallel in 2005 the State defined an ambitious policy of real estate assets selling. In 2004, as an example, Lone Star investment funds invested in the 'Rue de la République' in Marseille and launched the biggest residential renovation operation in France with 134.000 sqm, called 'Marseille-République'. This operation was sold back in 2007 to Lehman Brothers. In Lyon, a similar case happened, the fund Cargill bought the Grolée-Carnot neighborhood from Lyon Muicipality, and sold it back two years later to a landholding trust.

#### 4.2.5. A GLOBALIZED OFFICE REAL ESTATE MARKET SINCE THE 2000s

The globalized aspect of office real estate has been visible in recent years through rapid rythmed conjunctural cycles. Prosperous years (1986-1990, 1997-2000, 2006-2007) are quickly followed by crises:

> During prosperous years, there is a rise in the number of transactions, and companies ask for higher floor areas. They seek to gather their different offices in one space, or they seek to gather different companies that just merged. In 1999, the birth of the Euro currency was contextually parallel to a main international fusion-acquisition of banks, insurance companies, gas industries, car industries... that then needed to buy large areas of office space.

> During mediocre years, the office real estate market is supported by big companies' wish to sell their fixed assets to get available money on their account and reduce their debt. This externalization of assets is favoured by the SIIC legal status. Foreign investors, buying properties during a crisis to put them back on the market, dynamize the real estate market.

Companies completely changed their way of considering their fixed assets. They used to be owned, even built by the companies themselves. The 'asset value' vision was replaced by a 'cash-flow' one, and with it the owned fixed assets were replaced by rented offices with a smaller short-term financial weight on the balance sheet.

As can be analysed in the Chart 4.1, the evolution of the offer and demand is cyclical. First in the beginning of the 1990s the supply underwent a huge increase, to reach a peak in 1993 and decrease until the demand became higher than the offer during the prosperous peak of 2000. Then this cycle started again from 2002 until 2005, inverted again during 2006-2007 and the same cycle is currently ongoing. We also clearly see that since the 2000s, the rhythm of the cycle increased compared to the 1990s, as impact of this new 'short-term' consideration of real estate assets.

In future years, the office real estate market should undergo new kinds of changes. Main office real estate brokers (CBRE, JLL...) are regularly doing studies, interviewing office workers on their habits and future expectations. Their working lifestyle is undergoing important shifts, impacting the market. Office are increasingly shared between employees. Nowadays about 10% of office workers are 'desk sharing', and this idea is attracting an increasing share of office workers. Moreover, the development of new technologies enables people to work from home and free them from their traditional desk. Inside



offices, people are in need of more collaborative practices, flexible spaces, and multifunctional buildings hosting also services (children daycare, supermarket, restaurants, gym...).

The overall conclusions of these studies are that main firms will need much less office space in the future, and that the trend will move towards offices as 'fluid' flexible spaces, and 'workplaces as services'.

### 4.3. COMPARATIVE ANALYSIS OF OFFICE REAL ESTATE MARKET IN MARSEILLE, LYON AND LILLE 1995-2016

#### 4.3.1. MARSEILLE, LYON AND LILLE: SIMILAR REGIONAL CAPITAL CITIES

Paris is the main centrality In France, whether it is from an economic, inhabitant number, cultural, political point of view. Figure 4.2 gives a comparative overview of Paris with respect to the second, third, and fourth metropolis in France. The strongly higher density of the Grand Paris metropolis gives an idea of its attractivity and compactness. Lille and Lyon seem quite similar in size and inhabitants, whereas Aix-Marseille is surprisingly a huge territory with a consequential low-density at this metropolis scale.

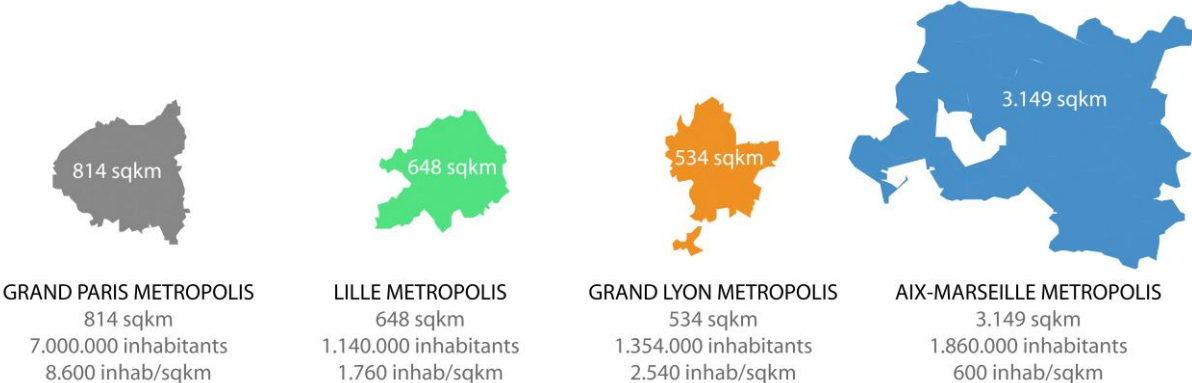


Figure 4.2 Comparison of the three regional capital cities and Paris – Source: author’s elaboration.

Physical size is not a good reflection of the office real estate market reality. Nowadays, Lyon metropolis hosts about 5.400.000 sqm of offices, Lille 4.300.000 sqm, and Aix-Marseille about 4.000.000 sqm. As a comparison, Paris metropolis office space represents about 45.000.000 sqm, about 10 times more, as visible on Chart 4.4 Paris is clearly the main French centrality for offices, and will be excluded of this comparative study.

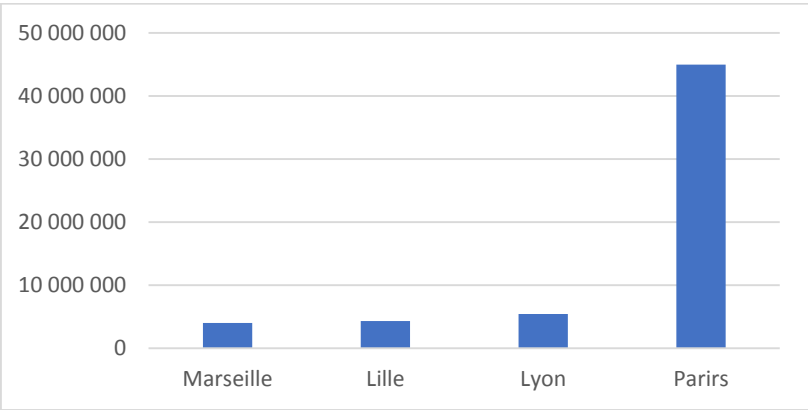


Chart 4.4 Comparison of office space in Paris, Lille, Lyon, Marseille in 2016 – Source: author’s elaboration.

According to the chart Chart 4.5 comparing the volume of transactions in French regional capital cities,, the number of transactions is the highest in Lyon, and then Marseille and Lille are quite similar in terms of office real estate market dynamics. We will focus on these three cities for the comparison.

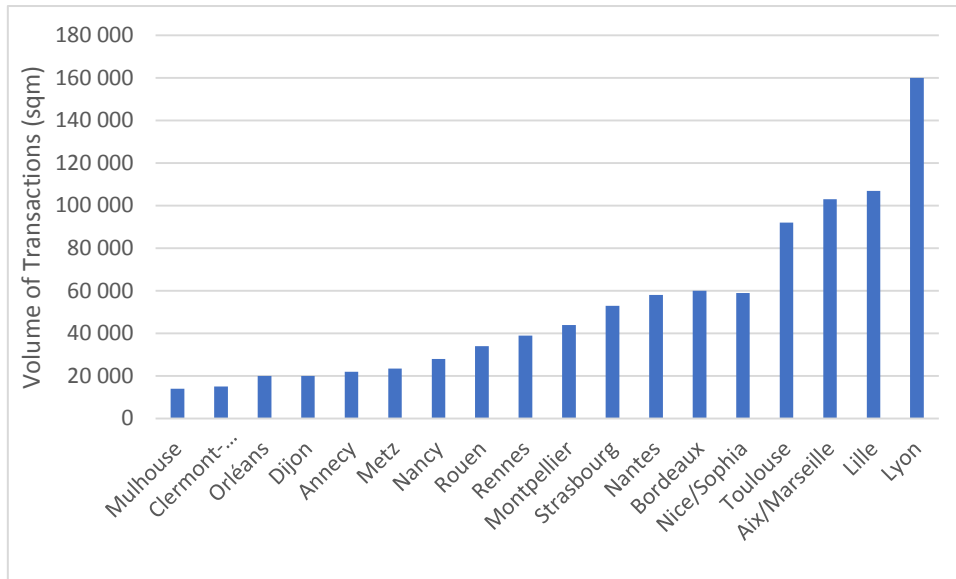


Chart 4.5 Average yearly volume of transactions in 1994-2004 of French regional capital cities – Source: author’s elaboration data from Atisreal.

Lyon, Aix-Marseille and Lille, have developed a new business district with quite the same trend. Located near high speed train railway stations, ‘Part-Dieu-Confluence’ in Lyon, ‘Euralille 1 & 2’ in Lille and ‘Euroméditerranée 1 & 2’ in Marseille. Their tertiarization was boosted and their relative importance on the office real estate market has consequently increased on the national and international markets, thanks to these urban renewal projects.

#### 4.3.2. OFFICES IN LYON

In 1968-1970, 10 years after ‘La Défense’, Lyon anticipated, before any other regional metropolis, a strong office supply strategy, betting on the future rise of the office real estate market by creating a business district. The area chosen for the project was a former military land, hosting imposing barracks that the Ministry of Defense sold to the City of Lyon in 1957.

In 1958 is created the ‘SERL’ (Société d’Équipement du Rhône et de Lyon), a SEM (Société d’Économie Mixte), which shareholders are equally public and private, as follows on Chart 4.6.

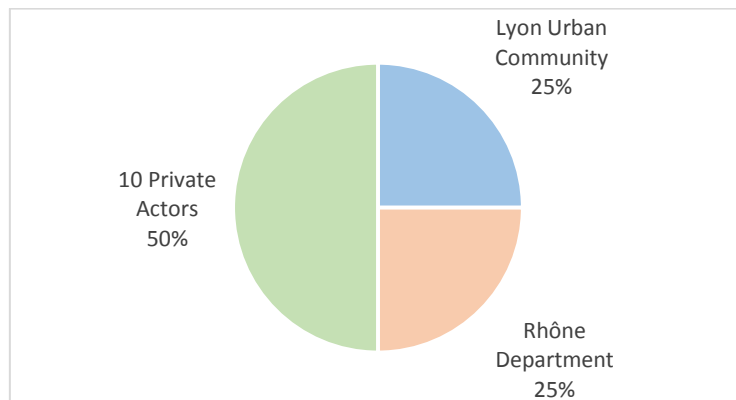


Chart 4.6 Shareholders of the SEM ‘SERL’ – Source: author’s elaboration from grandlyon.com

In 1967 the area is bought by the SERL, in charge of the urban design project implementation. The main objectives are to create a tertiary centre, a cultural centre and a commercial centre, the whole accompanied by public space design. This way Lyon could balance the centrality of Paris Metropolis and become of international interest.

At that time Lyon was still very marked by industrial developments, and this strategy was quite risky. The 'Caisse des Dépôts et Consignations' was not able to convince any investors, and invested directly its own money to build the 15.380 sqm of the Part-Dieu Garibaldi building, the first one of the operation. At its inauguration in 1971, it was already entirely commercialized. This success attracted banks and insurance companies, as well as foreign investments, which launched the second business district after 'La Défense' in Paris: 'Part-Dieu', 177 ha, still ongoing up to 2030.

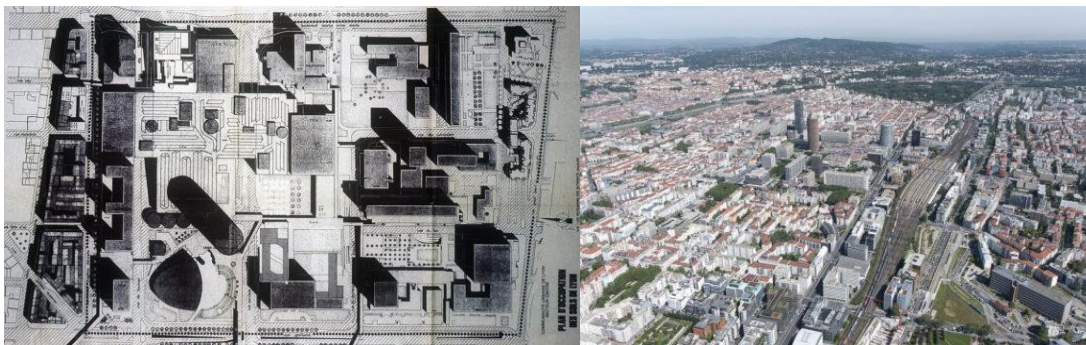


Figure 4.3 1960 masterplan of Part-Dieu development on the left, sky photo of Part-Dieu nowadays on the right – Source: Agence d'urbanisme de l'aire métropolitaine lyonnaise, Thierry Fournier, Grand Lyon.

A main push during the project was the implementation of the high speed train station called 'Lyon Part-Dieu' in the neighbourhood in 1983. A ZAC (Zone d'Aménagement Concertée) was created in 1980 to support the arrival of the station, to link it to the surrounding developments, and to continue the development of the surrounding lands.

A ZAC (Zone d'Aménagement Concertée) is a planning operation, defined by the Urbanism Code (Article L. 311-1) as 'zone inside which a public collectivity can decide to intervene to implement or make implement the planning and equipment of lands, in particular those acquired by this collectivity in order to sell or confide them to public or private users.' It is a publically launched planning operation, with the goal to implement both programs of public equipment (infrastructure and superstructure) and building programs.

A SEM (Société d'Economie Mixte) is a company created by public collectivities and can be associated to private actors (the public must hold at least 50% of the shares), in order to implement a planning operation (on a ZAC for instance).

In a ZAC, there is no 'taxe d'aménagement' (planning fee) for the building companies. The one in charge of implementing the planning operation (as in this case the SEM) pays for the program of public equipment, and gets the money back by including it in the price of land sold to the developers.

In 2010, a new perimeter of 177 ha is delimited by the 'Grand Lyon' project, including this ZAC. The goal is to renovate the tertiary district already 40 years old to put it back up to international standards, and to build new office space to answer the demand, as seen on Figure 4.4.

Nowadays Part-Dieu hosts about 2.500 companies providing 56.000 jobs in 1.150.000 sqm of office space. By 2020 the offer should rise up to 1.650.000 sqm.



Figure 4.4 La Part-Dieu as planned for 2020 for the ‘Grand Lyon’ project, two office towers added – Source: Grand Lyon.

In 1995, following the ‘Part Dieu’ business district success, a new project was launched, ‘Confluence’, on 150 ha of former industrial-harbour-railway area adjoining the city centre, in-between the two rivers Rhône and Saône (Figure 4.5). It was officially launched in 2003 and planned up until 2025. Phase 1 is now completed and offers about 130.000 sqm of offices, whereas phase 2 started in 2012 and should provide 100.000 sqm of office space in 2020.



Figure 4.5 Confluence neighborhood nowadays on the left, and Confluence neighbourhood as planned for 2025 on the left. Sources: Ville de Lyon, Le Moniteur.

In the 2000-2005, the advance taken by Lyon was slowly but surely compensated by Marseille and Lille, and their respective projects ‘Euroméditerranée’ and ‘Euralille’, both as well linked to the capital city Paris as Lyon thanks to the high speed train lines (3h15 Marseille-Paris, 2h Lyon-Paris, 1h Lille-Paris). Lyon high speed train station ‘Lyon Pert-Dieu’ opened in 1983, Lille high speed train station ‘Lille Europe’ opened in 1994, and for Marseille ‘Saint-Charles’ is historically implanted since 1848 but the high-speed train connection to Paris opened in 2001.

Lyon’s advance remains in its total office space volume, but Marseille and Lille are getting closer in terms of volume of transactions and rent prices, as seen on Chart 4.9 and Chart 4.10.

### 4.3.3. OFFICES IN LILLE

Lille woke up in the 1990s thanks to the 'Euralille' business development project on a 90 ha former military land, near Lille-Europe and Lille-Flandres Railway Stations (opened in 1993). The goal was to trigger the tertiarization of Lille, badly impacted by de-industrialization during the 1970s, and to give it a renewed international image at the European scale.

As for Lyon, this project used the governance tool of ZAC – SEM.

In 1990, the SAEM 'Euralille' (Société Anonyme d'Economie Mixte) is created, as well as the ZAC 'Centre International d'Affaires des Gares'. OMA (Rem Koolhaas architecture and urban planning firm) is in charge of the design.

The works begin in 1991, step by step. The train stations opened, a large supply of office space was built (towers Crédit Lyonnais and Lille-Europe), as well as a commercial centre, some residential buildings and public equipment.



Figure 4.6 Two points of view on Euralille around the high-speed railway station, Lille – Source: OMA.

Following the success of 'Euralille', a second ZAC 'Euralille 2' was created (Figure 3.7.) and the project was launched in 2000 on 22 ha of the former Fair Site to develop more offices and retail spaces. 240.000 sqm of offices are expected to be built.



Figure 4.7 Euralille 1 & 2 – Source: Euralille.

The SAEM is owned by public actors only (Chart 4.7), in charge of the implementation of the urban project for both the ZAC 'Euralille' and 'Euralille 2'. Its actions are:

- > project conception
- > buying the lands
- > selling the lands and the rights to build
- > the creation of public equipment
- > the coordination of all the actors

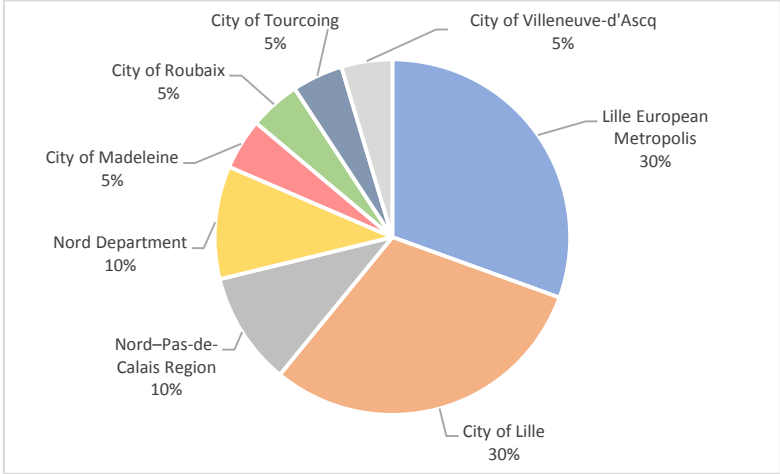


Chart 4.7 Shareholders of the SAEM 'Euralille' – Source: author's elaboration from spl.euralille.fr

It is nowadays the third business district in France, After 'La Défense' in Paris and 'Part Dieu' in Lyon. 400.000 sqm of offices were built, 400 firms implanted and 15.000 jobs created.

#### 4.3.4. OFFICES IN MARSEILLE

Marseille waited 30 years after Lyon to launch a new urban dynamic, in the 1990s as for Lille. In Marseille the strong support of the State was the real trigger. The office real estate market used to be quite sleepy in Aix-Marseille metropolitan area. In 1995, the launching of the 'Euroméditerranée' project woke it up: 310 ha of former industrial-harbour land, of which remained only unused warehouses and productive plants after de-industrialization.



*Figure 4.8 A new skyline for Marseille, from industries (above) to office towers (below) – Source: Photos Provence and Euroméditerranée.*





Figure 4.9 Eudoméditerranée ‘La Joliette’ business district – Source: Euroméditerranée.

In Marseille this planning intervention did not happen through a ZAC – SEM tool (as in Lille and Lyon) but a ZAC – EPA tool. ‘Euroméditerranée’ is an OIN (Opération d’Intérêt National), which means that the State is strongly involved in the process, whereas in Lille and Lyon the SEM are held by local public collectivities (the Region, Department and City).

For ‘Euroméditerranée’, an EPA (Etablissement Public d’Aménagement), called ‘EPAEM’ (Etablissement Public d’Aménagement Euroméditerranée) was created in 1995. Half of the members of the EPAEM are representants of national public institutions (ministries), and the other half are representants of local public institutions (Region, Department, Metropolis, City), with an additional representant for Marseille Harbour (autonomous institution).

Not one but three ZAC have been created: ‘Joliette’, ‘Saint-Charles’ and ‘Cité de la Méditerranée’. The EPAEM buys lands, plans public equipment, and finds the right developers to build a project in agreement with its vision.

The State is strongly involved in both the coordination and the financing of the project, as can be seen in Chart 4.8.

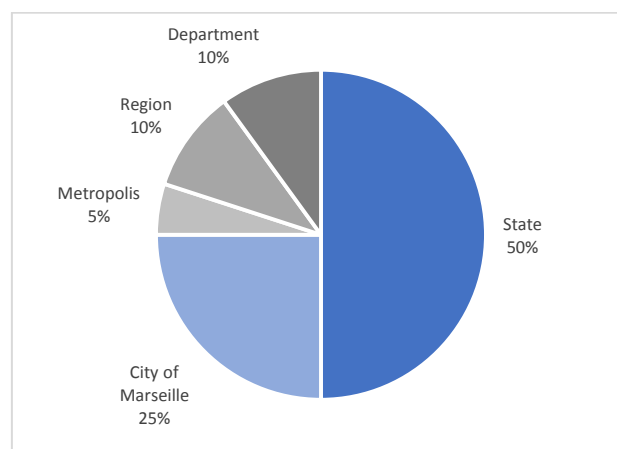


Chart 4.8 Public Financing of Euroméditerranée in 1995 – Source: author’s elaboration from EPAEM data.

Nowadays, for 1€ of public money invested, private actors invest 3€, proving the regain of attractiveness of Marseille thanks to the success of the renewal project.

Euroméditerranée was extended towards North in 2007, extension called ‘Euroméditerranée 2’, adding 170 ha to its original perimeter, making it the biggest urban renewal project in Europe.

600.000 sqm have been produced from 1995 to 2011, providing about 20.000 jobs, and 600.000 sqm more are expected to be built by 2030. It is the equivalent of both ‘Part-Dieu’ and ‘Confluence’ developments in Lyon.

**4.3.5. COMPARISON OF THE THREE OFFICE REAL ESTATE MARKETS**

As seen on Chart 4.9, the relative number of transactions between the three cities follow the trend of their total office space: Lyon is leading, and then Lille and Marseille are closer, Lille remaining one step above.

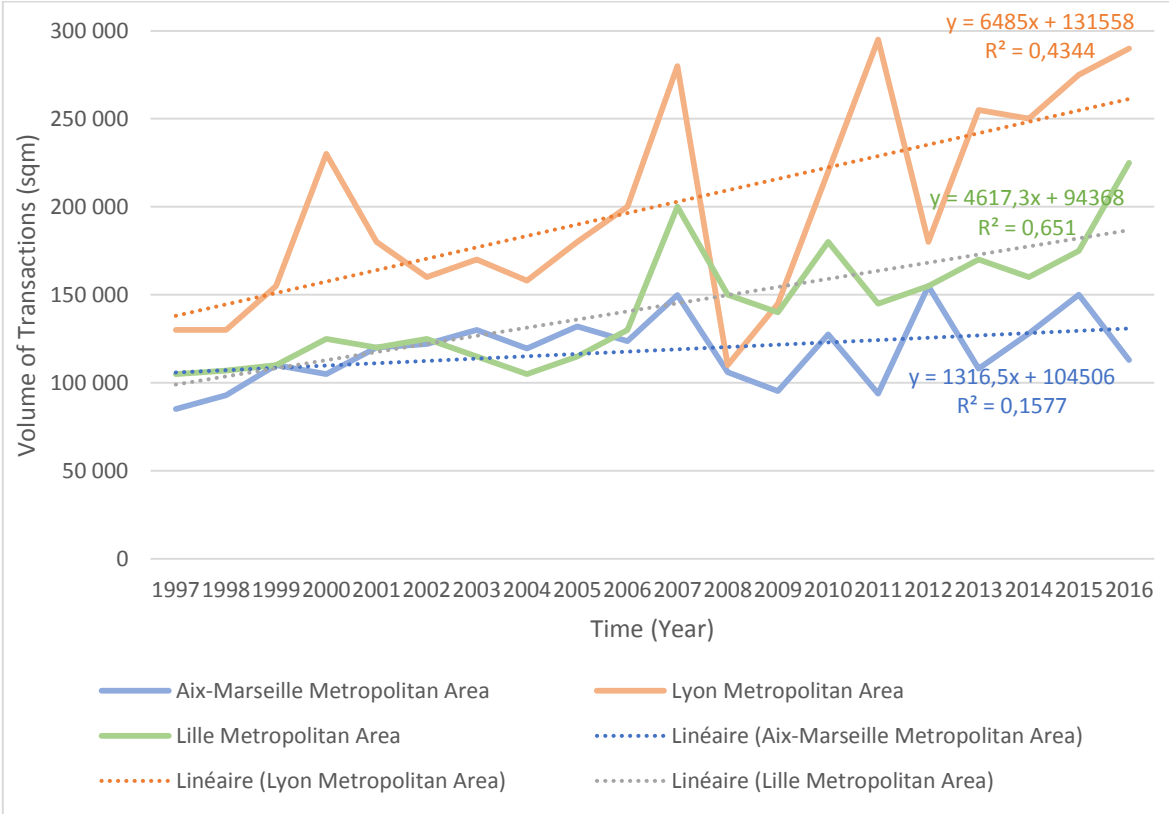


Chart 4.9 Annual and average trends in volume of transactions for the 3 cities – Source: author’s elaboration, data from different sources.

From Chart 4.9 we see that the overall trend is an increase with a shift corresponding to the difference of office volume each city produces yearly. However, as highlighted by the different slopes of their linear regressions, this increase has different dynamics in the three cities.

What appears quite clearly is that there are two different periods:

> 1997-2005: Lyon is already an important office supplier for the globalized world, attracting foreign investments. This is visible by its high flexibility to the global crisis of 2000, with a clear peak of volume of transactions, whereas Marseille and Lille remain quite steady. The two cities are negligibly impacted because they started their renewal projects 30 years after Lyon in the mid-1990s. In 2000 the first new office buildings only started to be finalized. Marseille and Lille were not important enough on the office real estate market, didn't attract enough foreign investors, to be impacted by a global revival.

> 2005-2016: from 2005 on, Lyon, Marseille and Lille all show very rapid shifts in their volume of transactions. The curves of Marseille and Lille are less linear than in the first period (1997-2005), because they entered the globalized market. As an example we can look at the 2008 crisis: the three cities were impacted this time, undergoing sharp decreases. Of course, Lyon was much hardly touched by the crisis, transactions decreased by 60% from 2007 to 2008, whereas in Lille and Marseille the decreases were only respectively 25% and 30%.

Lyon is overall much more sensitive to global crisis and revivals, because its international image is more attractive to foreign investments than Lille or Marseille. This higher attractiveness can be explained by its very precursor launching of the Part-Dieu business district in the 1960s, in parallel to the tertiarization of the economy. Lyon bounced back much faster from de-industrialization, and this gave it a head position on the national and international office market with respect to Lille and Marseille.

The international image advantage of Lyon is visible both in the volume of transactions and on 'prime' unit rental prices, as seen on Chart 4.10. 'Prime' unit rental prices are the average of the first quartile of highest rental prices. It is used as a 'ceiling' rental price, over which no firm would be willing to rent an office space. For rents to be the highest, the office building needs to be brand new and dispose of high quality equipment, vast modulable open spaces, new technology connectivity and sustainable energetic performances. In the three cities Lyon, Lille and Marseille, 'prime' unit rental prices correspond to the rental prices of the main mediatized new developments Part-Dieu, Confluence, Euralille and Euroméditerranée. They are the main sources of new offices corresponding to the high-quality expectations of a globalized office real estate market.

As for the number of transactions, Lyon is first, with the highest 'prime' unit rental prices for 20 years. However, contrary to the volume of transactions, Marseille is here second and Lille third. This inversion of position reflects that Lille and Marseille attract different kinds of firms: in Lille it is mainly small and medium companies renting medium offices spaces of 1.000 sqm in average, whereas in Marseille Euroméditerranée attracts multinational firms and most transactions are way above 1.000 sqm.

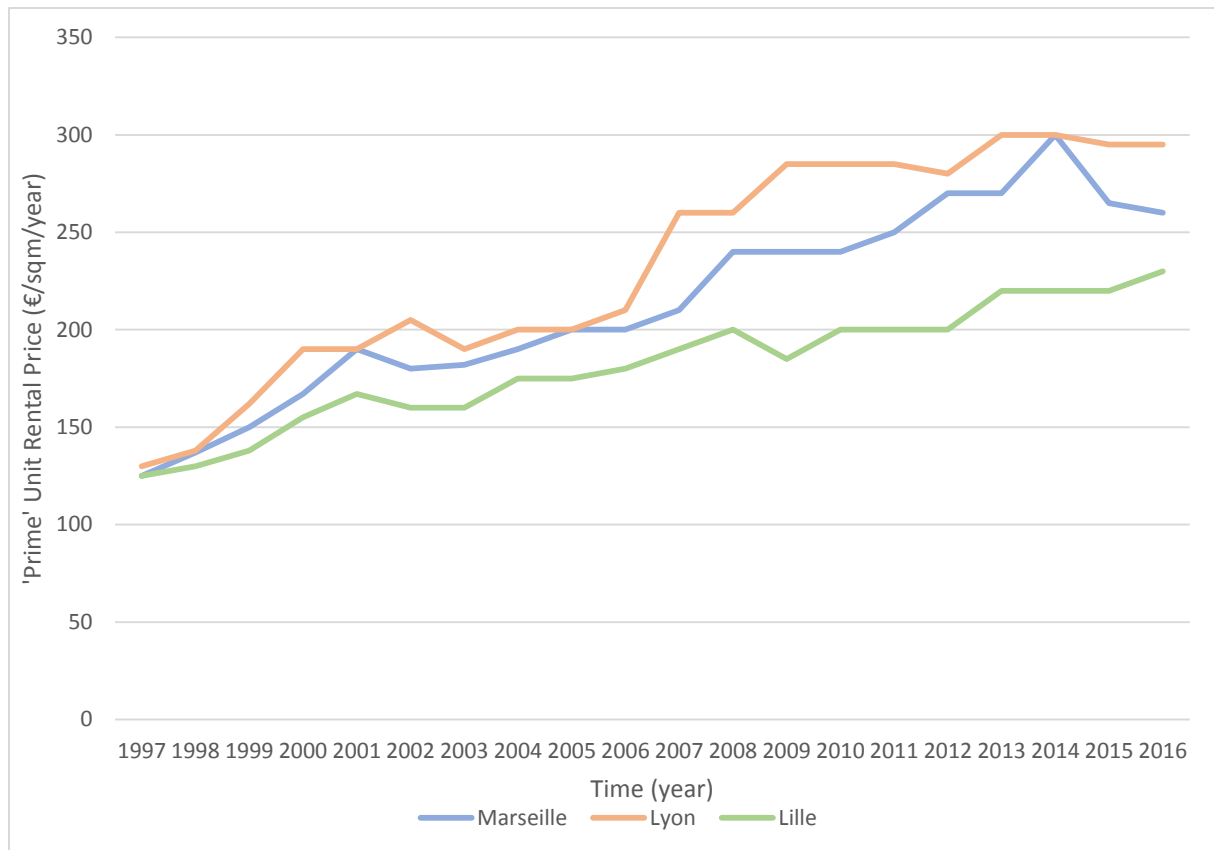


Chart 4.10 Comparative Evolution of 'Prime' Rental Prices in Marseille, Lille, and Lyon, 1997-2016 – Source: author's elaboration, data from different sources.

#### 4.3.6. FIRST CONCLUSIONS ON MARSEILLE

As a result from this comparison between three cities undergoing urban renewal processes and creations of business centres, the main conclusion about Marseille office real estate market are the following:

> In Marseille the transactions are made mainly by a handful of large internationalized real estate companies buying entire buildings or very large office spaces, contrary to Lille in which the transactions are made by many smaller companies investing in smaller office spaces. This means for Marseille that the volume of transactions can change rapidly from one year to another because it depends a lot on this handful of large firms' investments, as visible from the bumps in the curve from 2007 on, on Chart 3.9.

> In Marseille the transformation area is physically limited, restricted to the waterfront. This scarcity of available lands to build on causes an increase of prices that can explain the inversion of the curves Lille-Marseille on the two above Chart 4.9 and Chart 4.10. The growth rate of transactions in Marseille is limited by the scarcity of land.

> Moreover, this scarcity of office space built in Marseille is not only due to physical constraints, but also to a political wish of the Public Establishment 'Euroméditerranée' to limit the supply of offices. This way they can limit price changes when a sudden financial crisis or revival is felt. Slowing down the supply

of offices also enables to keep a constant long-term growth for Marseille's economy and enables the city to follow the change.

> In Marseille the diffusion of this successful urban transformation outside of the 'prime' area is very slow. As many Southern Europe harbour cities, as Barcelona or Napoli, Marseille's inhabitants are very reluctant to change, causing an urban inertia and slowing down the diffusion of urban transformations. On the contrary, Northern cities such as Lille are more inclined to take advantage of a small area's success, and the diffusion of urban changes in the 'Euralille' project impacted the entire city, its historic centre was highly renovated, its touristic activity increased a lot...

## 4.4. COMPARATIVE ANALYSIS OF AIX-MARSEILLE, MARSEILLE AND EUROMEDITERRANEE OFFICE REAL ESTATE MARKET 1995-2016

### 4.4.1. AIX-MARSEILLE: FROM POLYCENTRALITIES TO CENTRALITY

Since the beginning of the 19th century, Marseille has been the economic core of the metropolitan area. However, the delocalization of the industrial harbour in Fos-sur-Mer in the 1970s (to become a main gas industry harbour) and the development of new-technology companies around Aix-en-Provence de-centred the metropolitan space, creating very strong secondary centralities. Aix-Marseille is still nowadays a polycentric metropolitan area, contrary to Lyon or Bordeaux, very mono-centered.

On Figure 4.10 is visible a comparison between the urbanized areas in the metropolitan areas of Lyon on the left and Aix-Marseille on the right. They both dispose of a compact urban centre, Lyon and Marseille cities, but in Aix-Marseille metropolis the secondary urbanized areas are rarer but bigger (we clearly recognize Aix-en-Provence, Fos-sur-Mer...), whereas in Lyon metropolis the secondary areas are very small and very homogeneously scattered throughout the metropolis.

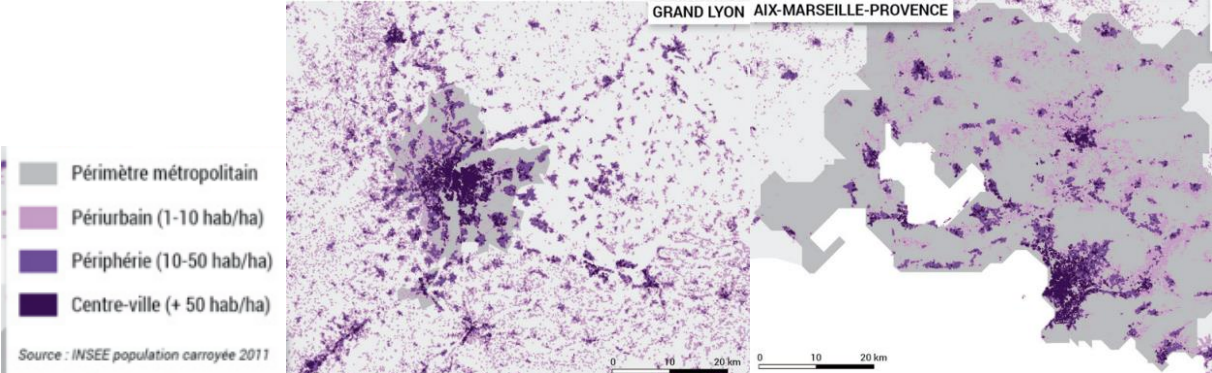


Figure 4.10 Comparative view of Marseille and Lyon metropolitan areas' urbanization – Source: Livre Blanc Mobilité[s], data from INSEE.

This polycentric characteristic is also striking when observing the home-to-work mobility in Figure 4.11. In Lyon metropolitan area, Lyon city is the main centrality attracting most workers, whereas in Aix-Marseille metropolitan area, those movements are not centered, we recognize many attractive poles, Marseille city, Aix-en-Provence city, and the cities around Berre Pond in the West part.

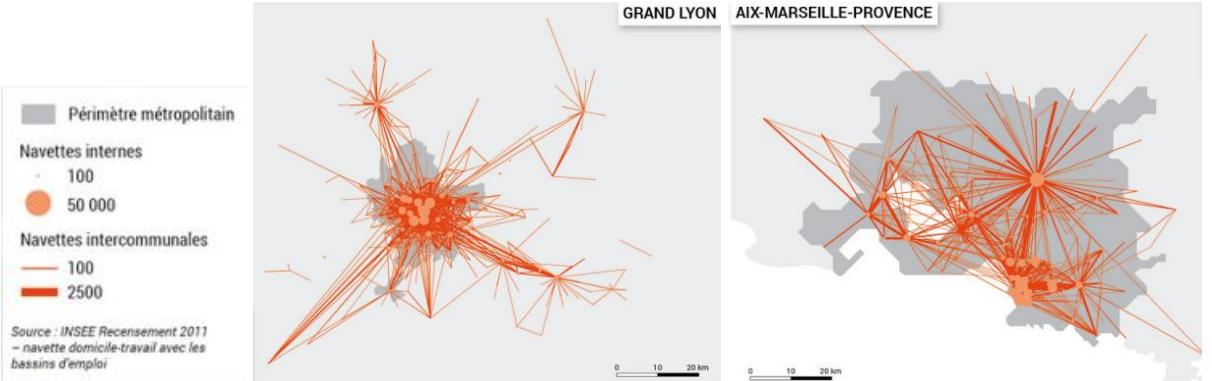


Figure 4.11 Comparative view of Marseille and Lyon metropolitan areas' daily flows home-to-work – Source: Livre Blanc Mobilité[s], data from INSEE.

#### 4.4.2. EUROMEDITERRANEE AND MARSEILLE

In the 1990s, before the launching of Euroméditerranée, Marseille was a declining highly unemployed former industrial pole, unable to tertiarize by itself. The whole district near the harbour was in a much degraded state, abandoned productive plants and storage buildings mixing up with decaying small housing buildings. Marseille national image was very bad, only mediatized when a gunfight took place. Its international image was not bad because completely inexistent: no attractivity, no reason to visit/invest in the city.

In 1995 the launching of Euroméditerranée was a real push towards tertiarization.

The first operation of Euroméditerranée was the renovation of the Docks building, a 400-meter-long former warehouse, converted into office space by the 'La Défense' real estate developer Christian Pellerin. By 1998-2001, 70.000 sqm of highly renovated, up-to-international-standard offices in the Docks building were proposed on the market, and the commercialization went very smoothly.

Apart from that, in 1995-2000, the real estate in Marseille developed mainly thanks to telecommunications. Marseille is a telecommunication node, the second of the country after Paris, one of the 4 historic major connection nodes of France Telecom (phone company) with Southern Europe, Africa and Asia. It is also the arriving point of the longest submarine cable in the world, linking Singapore to Europe, and the arriving point of 7 submarine cables, as can be seen on Figure 4.12. As a consequence, it has a very developed telecommunication office space, 80.000 sqm, as much as Paris. These network infrastructures are magnets of international telecommunication activities (web, call centres, data storage...).

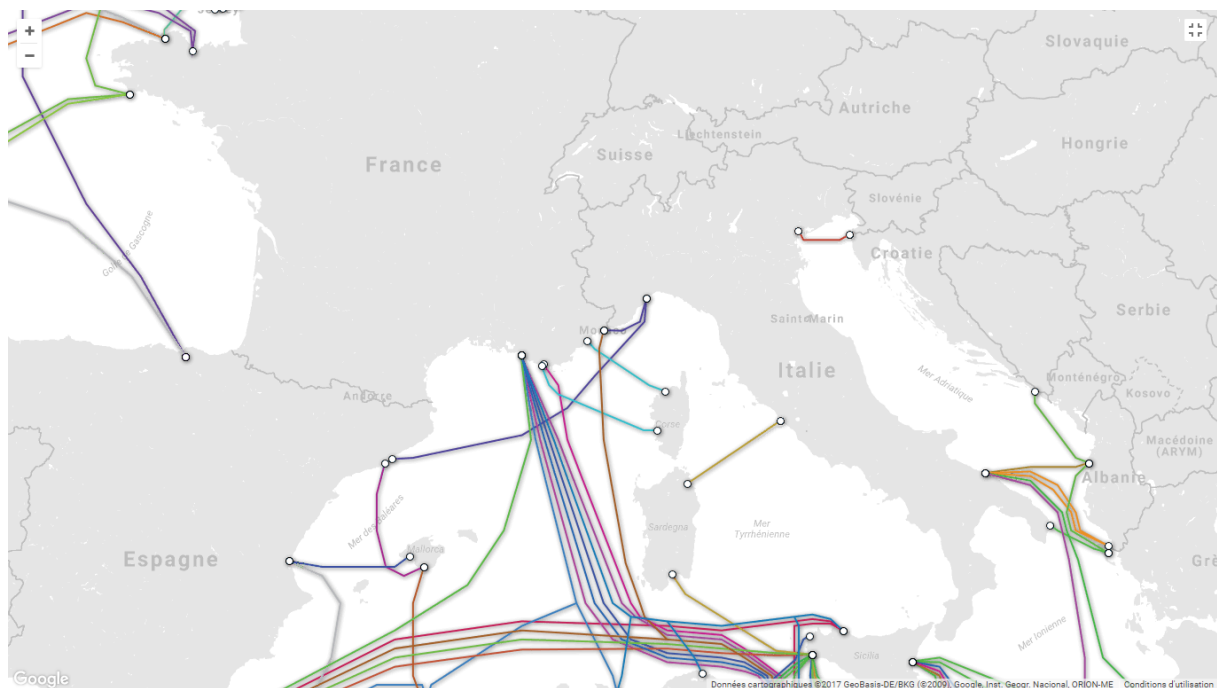


Figure 4.12 Marseille as the arriving point of 7 international telecommunication submarine cables – Source: [www.submarinecablemap.com](http://www.submarinecablemap.com)

American investors came in 2000, with the group Markley Stearns, specialized in the development of telecommunication and internet centres. They bought the former industrial 'tri de la Poste' site near Saint-Charles Railway Station, for an investment of 1.6 billion francs, and made 17.000 sqm of offices

out of it. The rehabilitation and reconversion of industrial brownfields into tertiary activities was perfectly adapted because offered large open spaces (more than 2.000 sqm), located near these 'information highways' and cooling equipment (the sea). Two other investors followed: LDCom Networks invested 250 million of francs to turn former storage space into a NetCenter of 18.000 sqm with 3.000 sqm of offices; MétroNexus, branch of Morgan Stanley, bought in 2000 part of the former 'Tuileries de Marseille et de la Méditerranée' (roof tiles production plant), in the North of the city, to build 37.000 sqm of offices for telecommunication and internet providers. The total cost of the project was about 1.6 billion of francs.

These demands linked to communication, in parallel with the successful reconversion and sale of the Docks, were the first push of the success of Euroméditerranée, and in 2000 the number of transactions reached 88.000 sqm in Marseille.

The Euroméditerranée project was up and running. In the perimeter, many factors limit risks for investors in the perimeter, such as a high occupation rate of offices, the continuous supply, and the favorable urban context created by the renewal project:

> Development of infrastructure: public transportation such as 3 tram lines, private transportation with the two highways modifications, parking areas, Saint-Charles multimodal pole...

> Public equipment: new schools, sports facilities...

> Public space renovation: La Joliette Square, Rue de la République, La Major Square...

> Cultural facilities: MUCEM, Silo, J4...

> Housing supply: new buildings and renovation...

Here in Table 4.1, Chart 4.11, 4.12 and 4.13, a list of the main office building transactions since 2001, coupled with the evolution of transactions volume and volume of investments in Euroméditerranée, Marseille city, and Aix-Marseille metropolis.

Year of Investment	Programme	Area (sqm)	Seller	Buyer	State	Price (M€)	Unit Price (€/sqm)
2001	Cap Joliette	13.000	Nexity-Sogeprom	Axa	New (2003)	23	1.769
2001	<b>Grand Large (1&amp;2)</b>	14.000	Bouygues Immobilier	Oppenheim Immobilien Kapitalanlage gesellschaft	New (2003)	30	2.143
2002	<b>Espace Gaymard</b>	10.454	Eiffage Immobilier	Difa Grund	New	20	1.913
2003	<b>Les Docks (75%)</b>	53.500	Topaze Investment	Starwood Capital	Old	95	1.587
2004	<b>Grand Horizon</b>	12.850	Bouygues Immobilier	Lasalle Investment Management	New	28	2.179
2005	<b>Grand Horizon</b>	12.850	Lasalle Investment Management	Cardif Assurance Vie	New	36	2.802
2005	<b>Europrogramme</b>	14.200	Redilco	ING Reim	New	28	1.872
2007	Le Patio	8.920	Bouygues Immobilier	Custom House Capital	New	28	3.139
2007	<b>Les Docks (88%)</b>	63.000	Starwood Capital / Foncière LFPI	JP Morgan	Old	200	3.489



2008	<b>Msquare</b>	8.750	Bouygues Immobilier	TMW Pramerica Reinvestors	New	26	2.971
2010	<b>Balthazar</b>	10.000	Constructa	Caisse d'Epargne PACA	New (2014)	39	3.900
2011	<b>MSquare</b>	8.750	TMW Pramerica Reinvestors	REAL IS	New	35	4.000
2011	<b>Espace Gaymard</b>	10.454	Union Investment	PERIAL (Scpi PF02)	Old	42	4.018
2011	<b>Grand Large (1&amp;2)</b>	14.000	IVG	Foncière Massena	Old	54	3.857
2011	<b>Cap Azur</b>	6.000	BNP Paribas Immobilier Promotion IE	La Française AM	New (2012)	21	3.500
2012	<b>Balthazar</b>	10.000	Caisse d'Epargne	La Mondiale AG2R	New	47	4.700
2014	<b>Europrogramme</b>	14.200	CBRE Global Investor	Primonial Real Estate Investment Management	Old	48	3.380
2014	La Marseillaise (66%)	23.400	Constructa	CEPAC/CDC	New	120	5.128
2014	Urban Center	3.800	Agir	Moor Park	New	11	2.895
2015	Smartseille	6.000	Eiffage	CEPAC/CDC	New (2018)	18	3.000
2015	Jules Guesde	10.600	CORUM	VALAD France	Old	26.6	2.509
2016	<b>Cap Azur</b>	6.000	La Française AM	AEW	Old	25	4.167
2016	La Marseillaise (33%)	11.600	Constructa	Swisslife	New (2018)	60	5.172
2017	<b>Les Docks (88%)</b>	63.000	JP Morgan	Amundi	Old	246	3.727

Table 4.1 Main office transactions in Euroméditerranée – Source: author's elaboration from DTZ and CBRE data.

### Parc de bureaux sur Euroméditerranée

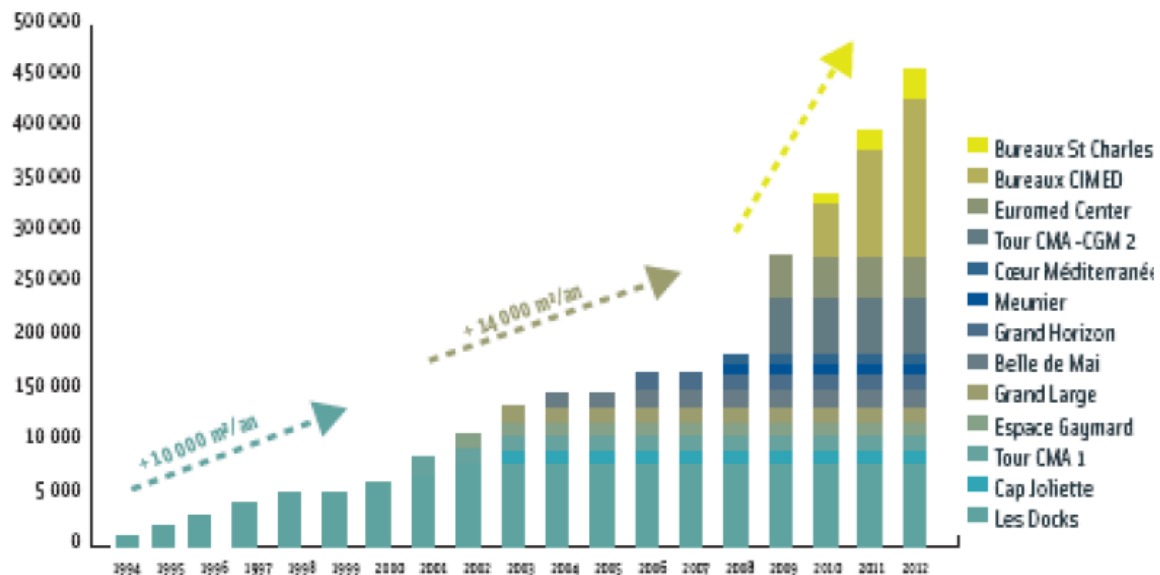


Chart 4.11 Main offices supplied in the Euroméditerranée area, 1994-2012 – Source: EPAEM.

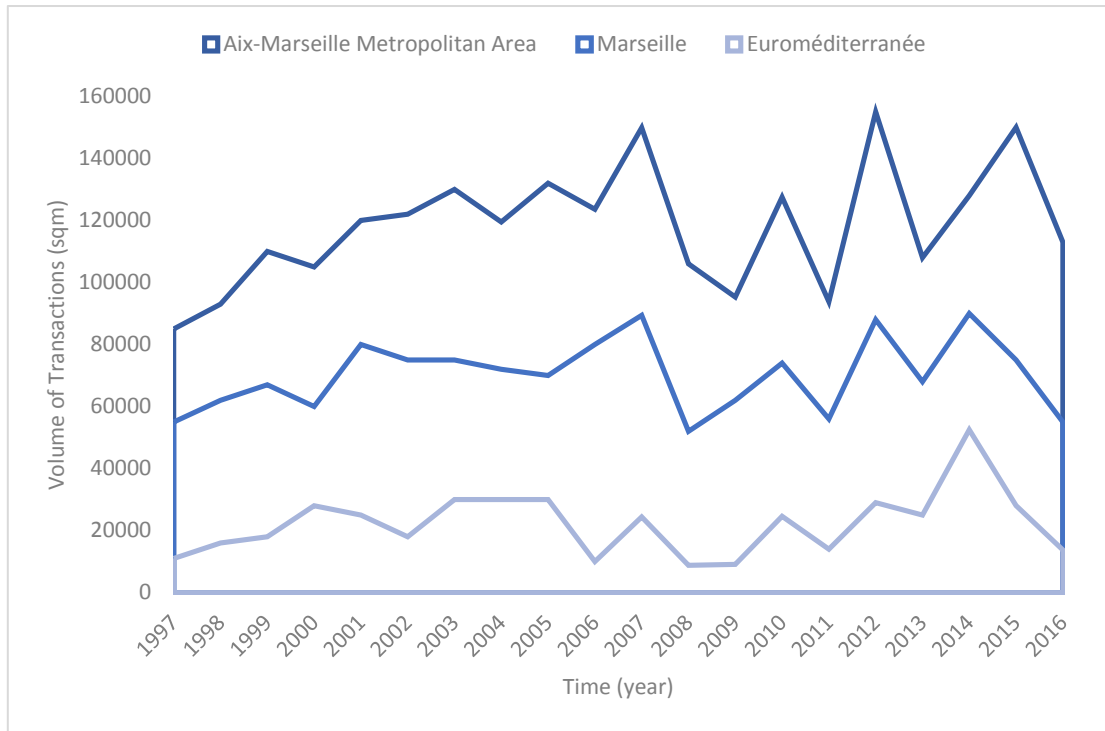


Chart 4.12 Comparative evolution of the volume of transactions in Euroméditerranée, Marseille city and Aix-Marseille metropolitan area, 1997-2016 – Source: author’s elaboration, data from different sources.

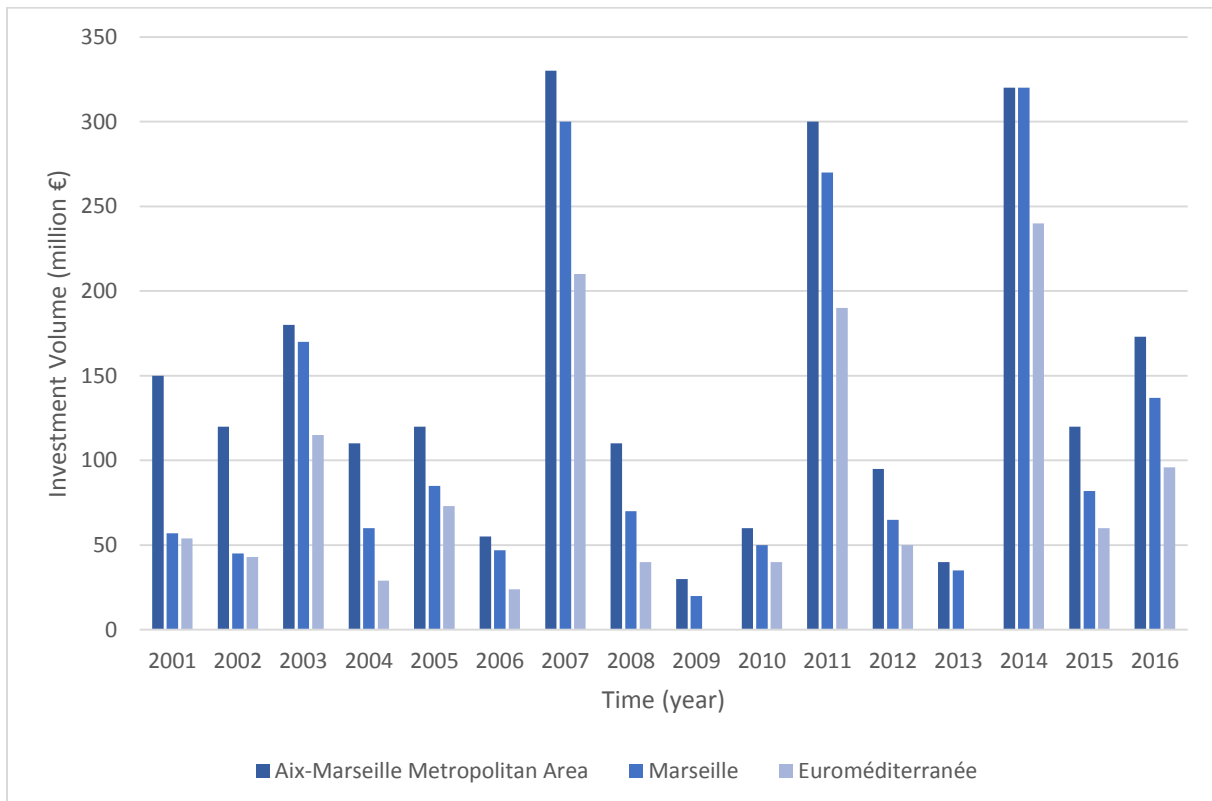


Chart 4.13 Comparative evolution of the investments volume in Euroméditerranée, Marseille city and Aix-Marseille metropolitan area, 2001-2016 – Source: author’s elaboration, data from different sources.

The table and the charts are in direct link: the table lists the most important share of office investments in the Euroméditerranée area. When transactions are important in Table 4.1, such as the four sales

summing up to 152 million € in 2011, a peak of 190 million € for Euroméditerranée investments is visible on the investments chart, and an increase in the volume of transactions is visible in 2012 (the transactions chart is based on transactions from the previous year) on Chart 4.12.

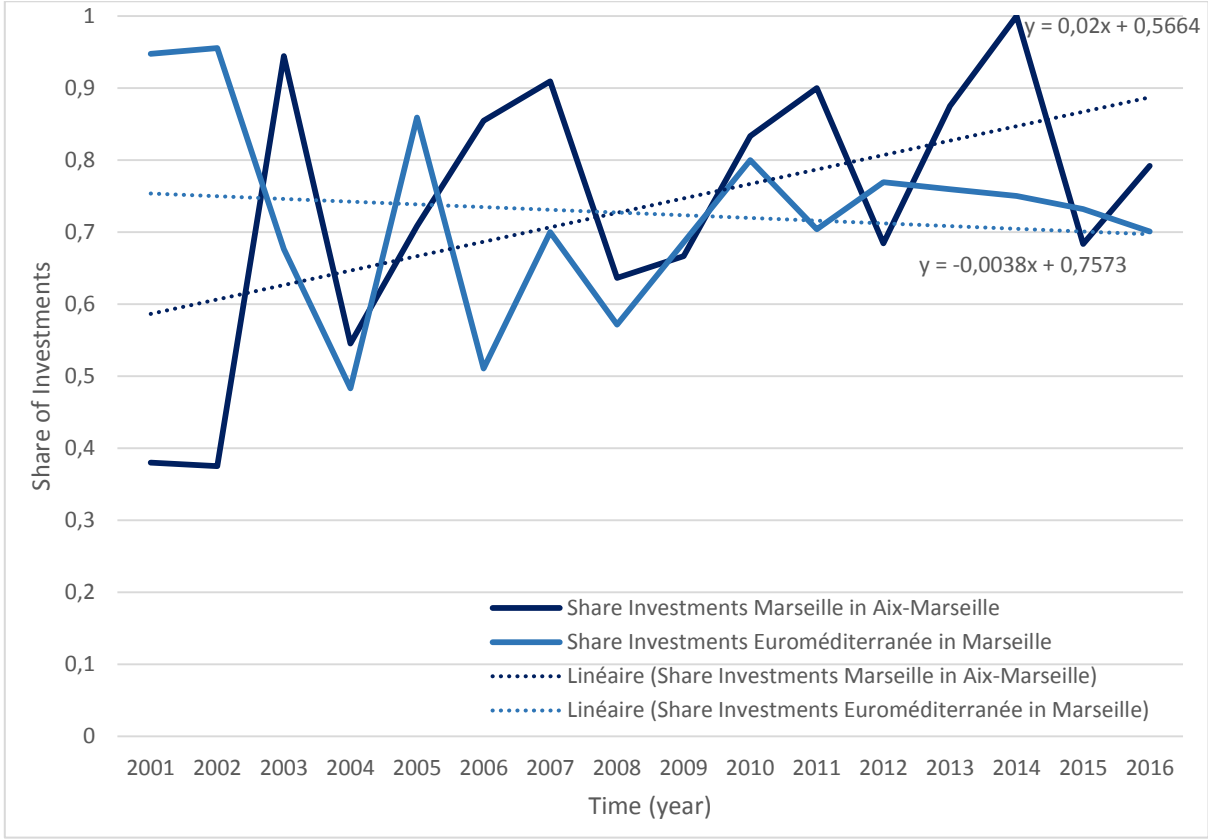


Chart 4.14 Evolution of the Share of Investments in Euroméditerranée out of Marseille (in light blue) and of Marseille out of Aix-Marseille metropolis (in dark blue) – Source: deduced from Chart 3.13.

On Chart 4.14 another chart of investments is represented, but this time by shares. The dark blue curve is the share of investments in Marseille out of Aix-Marseille metropolis, and in light blue the share of Euroméditerranée out of Marseille. As seen from the two linear regressions, the first one is going up and the other down: the investments in Aix-Marseille metropolis are increasingly focused inside Marseille City, and the investments inside Marseille City are decreasingly focused in Euroméditerranée.

This means that at the beginning, in 2001, Euroméditerranée was the main driver of Marseille, most investments were realized in the area, but progressively this economic revival expanded to other areas of the inner-city: now investments are more scattered in Marseille city.

At the scale of Aix-Marseille metropolis, in 2001 only 1/3 of investments were realized in Marseille, the rest being distributed in other cities of the metropolis, whereas nowadays investment is more balanced between Marseille and the other cities: the polycentric metropolis found a new economic balance, more in favour of Marseille City that now hosts more than half of investments.



Chart 4.15 Evolution of unit rental prices in Marseille – Source: author’s elaboration, data from different sources.

Rent prices in Marseille, seen on Chart 4.15, have been constantly rising, only halting but never really decreasing when a crisis is felt as in 2009-2010.

From Chart 4.12 and 4.13, it is clear that the evolution of transactions and investments follow similar trends in the three areas. This seems quite logic, what happens at the micro-scale of Euroméditerranée has impact on the city and metropolitan scales because they are containers of it, and because Euroméditerranée is a tertiary pole representing an important share of the office supply. Moreover, Euroméditerranée urban renewal project has impacts up till the metropolitan area, considering that this metropolis has a marked polycentric identity, flows are important all over the metropolis and the impacts of the micro-scale are easily transported to other poles.

Another observation is quite striking from Table 4.1. Some main transactions are repeated over time, such as The Docks building, this thesis focus case study, exchanged on the market in 2004, 2007, and 2017! Other examples are bold and coloured in the table: Grand Large in 2001 and 2011, Grand Horizon in 2004 and 2005, Europrogramme in 2005 and 2014, Msquare in 2008 and 2011, Balthazar in 2010 and 2012, Cap Azur in 2011 and 2016. This multiplication of transactions of the same buildings dynamize strongly the office real estate market, because those transactions are a large share of the office supply (entire buildings sold at once, representing large floor areas), and the price of those transactions is constantly rising.

This fact is clearly in agreement with the globalization of the French office real estate market, and proves that Marseille is marked by strong international investments. The actors selling and buying those buildings are mainly foreign ones, as the names in Table 4.1 show (JP Morgan, Swiss Life, Union Investment), and are a majority of foreign investment funds, as can be seen in Chart 4.16.

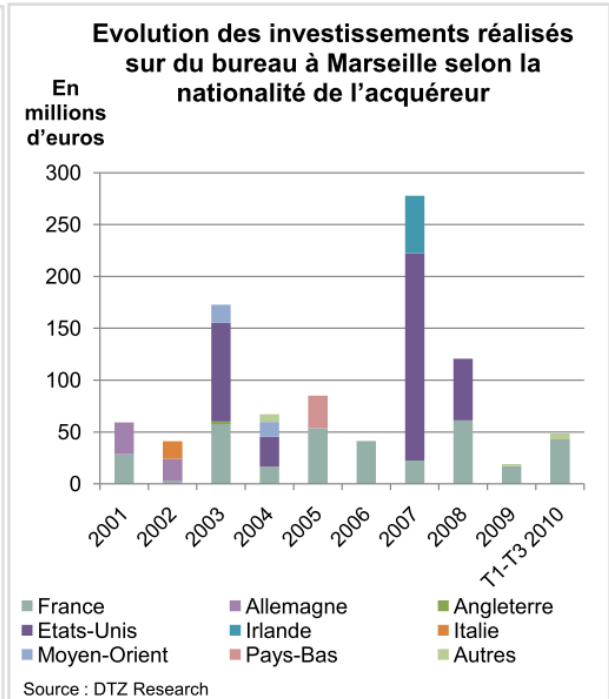
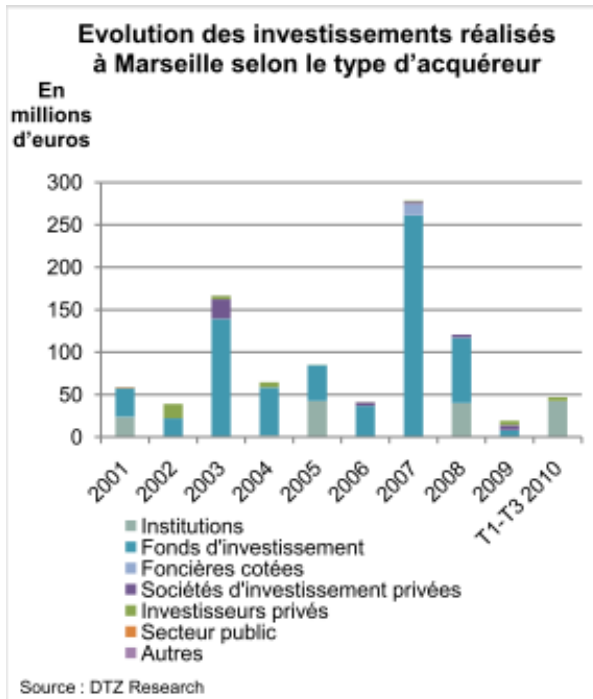


Chart 4.16 Evolution of investment volumes in Marseille, according to the category of buyer (on the left) and its nationality (on the right), 2001-2010 – Source: DTZ Research.

As can also be noticed in Chart 4.17, the office cycle is similar for Aix-Marseille metropolis and for the 15 main regional capital cities in France. The globalization of the office real estate market had impacts on every scale: national, metropolitan, city, and even neighbourhood scales.

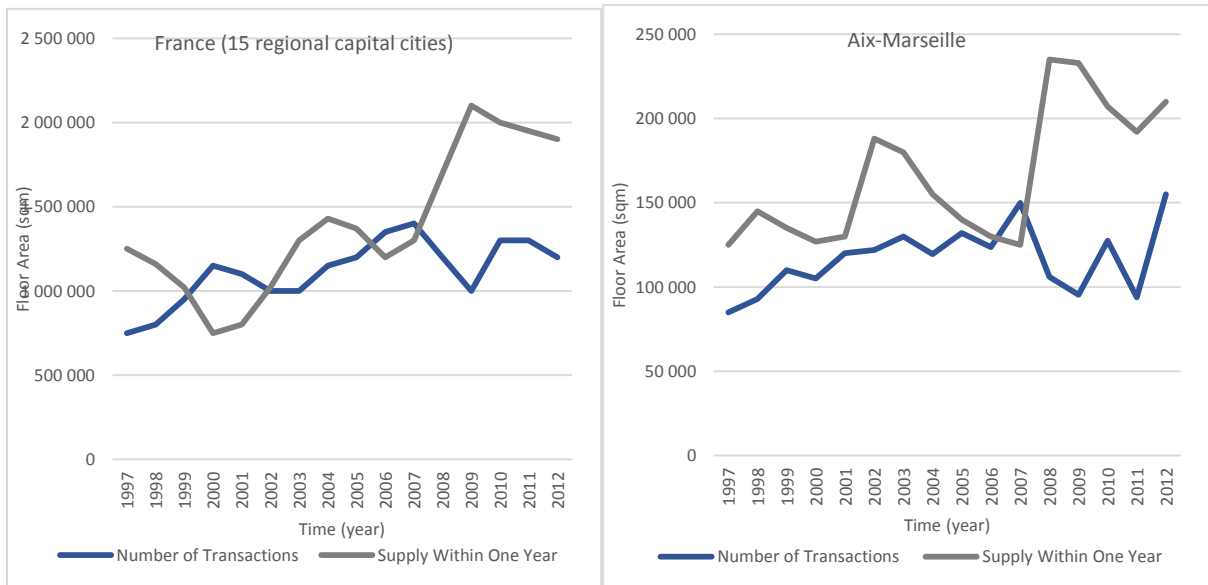


Chart 4.17 Evolution of the office cycle from 1997 to 2012. On the left: France (15 regional capital cities). On the right: Aix-Marseille Metropolitan Area – Source: author's elaboration, data from different sources.

On Chart 4.17, the evolution of office cycle in French regional capital cities and in Aix-Marseille is compared during the same years. They follow similar trends. The small differences can be explained by the contextual local scale differences. For instance, the very sharp increase in number of transactions in Aix-Marseille in 2001-2002 can be explained by the first transactions of the Euroméditerranée project

(Euroméditerranée was launched in 1995, and then about 5 years were necessary to buy the land and build the first big new office buildings).

#### 4.4.3. AIX-MARSEILLE: STILL POLYCENTRIC

The office real estate market in Marseille is mainly concentrated in Euroméditerranée that became the central business district of the Aix-Marseille metropolitan area. It is not a substitute but complementary to the offer in Aix-en-Provence, in which companies are mainly start-ups looking for smaller spaces in Aix periphery, whereas in Marseille they are bigger firms looking for vast open spaces with an international image.

The service sector is very heterogeneous, and there are 4 different functions to office space:

- > Decisional function: looking for very accessible and very visible and competitive areas with 'prime' rent prices.
- > Back office function: looking for accessible areas, well linked to the decisional offices.
- > R&D functions: looking for accessible areas, linked to each other and to educational poles.
- > Proximity functions: more scattered throughout the city, mixed with residential areas, looking for medium-low prices.

Euroméditerranée is the perfect reassuring project for the first category, decisional office implantation. The operation is constantly developing the two main needs of decisional offices:

- > Urban quality and international 'brand' of the neighbourhood
- > Accessibility of the neighbourhood

As a consequence, Euroméditerranée attracts mainly decisional functions. Their area of work are international trade – due to the strategic geographical position of Marseille as a trade pivot point between North Africa and Europe, and telecommunication firms – due to the strategic position of Marseille as a telecommunication node linking France (and Europe) to Asia and Africa.

#### 4.5. OFFICE REAL ESTATE AND PRODUCTION OF URBAN SPACE

The office real estate market shifted perspective during its 'financialization', and entered into a short-term investment logic. For an investor, the goal is to reduce risks. The polycentric identity of the Aix-Marseille metropolitan area in the 1990s disagreed with the logic dynamics of financialized office real estate production. Centralization and concentration seem to be the only processes able to provide enough profits to attract investors. That is why Euroméditerranée was an answer to the demand of investors, producing an agglomeration of office buildings and developing their public and private accessibility.

Office real estate, by entering into this logic, brought with it the urban environment. Urban functions and services are defined and located according to the profitability potential they create. This causes an

optimization of the valorization of the urban land, as only non-replicable good, to increase profitability and attract investors. As a result there are clear formations of agglomeration poles, combining high-rise office space and associated services. The location of those is nowadays determined on the international 'image' (brand) of an area, its accessibility relying on both social infrastructures (knowledge, human capital...) and economic infrastructures (roads, airports, energy production, communication technologies...), and the quality of its surrounding urban environment (provision of services, proximity to institutions, to other offices, agglomeration of economic activities). The creation of this urban environment is determined by and determines the presence of office spaces of good quality. There are strong interactions between offices and the city.

Of course, these mechanisms of production of office real estate are not new (industries previously concentrated in urban cores...), but the economic shifts enabled financial interests to have an increasing weight in urban space production.

The real estate supply is an essential element for a city's competitiveness on the international level, and for the territorial and economic development of countries.

At a local scale it has consequences on the urban space:

- > First as a direct impact of creation of large real estate development projects.
- > Second because these developments have an impact on surrounding real estate prices.
- > Third because it attracts financial capital from abroad, that is invested and distributed locally.

Understanding office real estate enables a deeper understanding of spatial organization and re-organization of the urban economy since globalization.

Office buildings have a double urban function: a real estate function and a service function. Here on this part of the thesis the focus was on its real estate function, because the rent price dynamics have played an increasingly important part to trigger the positioning of office space. Companies shifted from owner to renter of their space, and by this process became depending on the real estate market dynamics.

The central areas have always been the most wanted by companies. This high demand creates and stabilizes a high rent price, because inner-city space is limited (scarcity) whereas the demand is constantly rising when a city undergoes a re-branding increasing its attractiveness. They usually represent the least risky investments for strategies of real estate income.

Nowadays, the ability to make capital gains seems to be the main focus, done through two means:

- > Foreign companies look for promising assets (areas in which prices are expected to increase), wait (they don't necessarily rent them) and sell them back after a few years, enabling them a good return.
- > Financial firms buy 'safe' assets, in specific locations, such as 'prime' locations (waterfront, historic buildings, CBD...), in which price is sure to remain stable. They use those assets in the business of asset-backed securities. Bought using credits, securities are exchanged on the financial market, having for collateral the value of the asset itself.

Office space is for financial companies considered only as a tool towards capital gain.

The geography created depends on that logic. Office real estate is able to restructure entire neighbourhoods at high speed, playing on laws of supply and demand, overbidding residents' investment power, and convincing public authorities (that sometimes even offer them grants) by the potential job offer that will follow their physical implantation. This has the following consequences:

> Fragmentation of city space

The constant tension, undergone by the inner-city office real estate market, nourishes a strengthening of specialization of the inner-city space. Consequently we clearly observe a fragmentation of cities through this selectivity of central spaces. In central areas are located finance, insurance, law, health, and public administration activities, whereas getting further from the centre appear activities linked to industrial productive activities, or routine back-office functions. The centre is a concentration of tertiary offices whereas the periphery hosts offices linked to industrial production.

This dual organisation seems to follow a 'classic' economic approach, with a concentration of wealth in the centre and a displacement to the periphery of activities less profitable, or in need of big spaces unavailable in centres. The 'financialization' of the office real estate market only accentuated this duality.

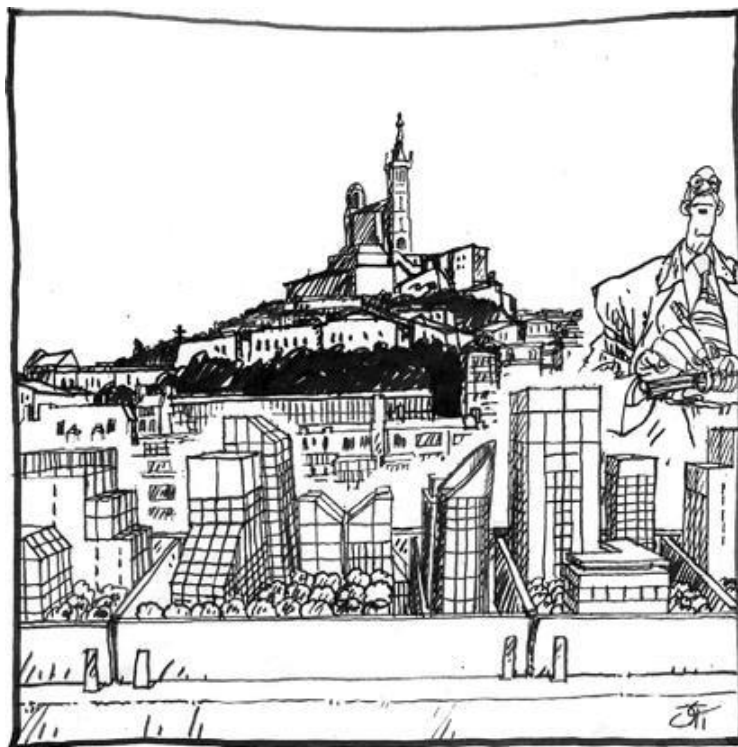


Figure 4.13 Marseille renewal through tertiarization: a superimposition of historic city and brand-new international office buildings – Source: Les Echos.

> Hierarchization of cities

As well as for a city centre and its periphery, the same logic applies at a national scale, between the capital city and the regional central cities, less attractive for investors. An investor has a fixed amount of money to invest. He starts by investing the majority in the best products (capital city office real estate). Only the small amount remaining after those investments is placed into the regional cities.



As can be seen on Table 4.2, the hierarchization of cities is done according to their annual volume of office space transactions, determining their scale of influence: global scale for Paris, national with international links for Lyon, Lille, and Aix-Marseille, or only regional for Bordeaux or Montpellier.

For these regional cities, the challenge is to manage to attract investors, by reassuring them. That is when territorial marketing comes into focus, enabling a renewal of the mental image of regional cities, with the examples of Lyon 'Part-Dieu', Lille 'Euralille', and Marseille 'Euroméditerranée' urban renewal projects creating a new brand for these cities.

CLASSES	VOLUME ANNUEL DES TRANSACTIONS	TERRITOIRES ÉTUDIÉS	AUTRES VILLES
<b>Métropoles mondiales</b>	> à 1 million de m <sup>2</sup>	Paris Île-de-France	Londres
<b>Métropoles européennes</b>	200 000 m <sup>2</sup> à 1 million de m <sup>2</sup>	-	Dusseldorf, Barcelone, Milan, Francfort, Berlin
<b>Métropoles nationales à vocation internationale</b>	100 à 200 000 m <sup>2</sup>	Lyon, Lille, <b>Aix-Marseille</b> , Toulouse	-
<b>Métropoles régionales de premier rang</b>	50 000 - 100 000 m <sup>2</sup>	Rennes, Nancy	Bordeaux, Strasbourg, Nantes, Nice-Sophia Antipolis, Montpellier
<b>Autres métropoles régionales</b>	20 000 m <sup>2</sup> à 50 000 m <sup>2</sup>	Reims	Metz, Orléans, Rouen, Dijon, Clermont-Ferrand, Annecy, Mulhouse

Table 4.2 Hierarchization of French cities according to their annual number of transactions of office space – Source: AGAM.

> Towards the 'global city'

What happened for office real estate since the 1990s is a reflection of the shifts underwent by cities since globalization in the 1980s. Already in 1991, Saskia Sassen invented the concept of 'global city' and argues for seven fundamental hypotheses about the modern *global city*:

> the geographic dispersal of economic activities that marks globalization, along with the simultaneous integration of such geographically dispersed activities, is a key factor feeding the growth and importance of central corporate functions.

> These central functions become so complex that increasingly the headquarters of large global firms outsource them: they buy a share of their central functions from highly specialized service firms.

> Those specialized service firms engaged in the most complex and globalized markets are subject to agglomeration economies.

*"We see a re-scaling of what are the strategic territories that articulate the new system. With the partial unbundling or at least weakening of the national as a spatial unit due to privatization and deregulation and the associated strengthening of globalization come conditions for the ascendance of other spatial units or scales. Among these are the sub-national, notably cities and regions" (Sassen, 2005, p. 27).*

> The more headquarters outsource their most complex, unstandardized functions, particularly those subject to uncertain and changing markets, the freer they are to opt for any location.

> These specialized service firms need to provide a global service which has meant a global network of affiliates and a strengthening of cross border city-to-city transactions and networks.

*“The growth of global markets for finance and specialized services, the need for transnational servicing networks due to sharp increases in international investment, the reduced role of the government in the regulation of international economic activity, and the corresponding ascendance of other institutional arenas—notably global markets and corporate headquarters—all point to the existence of a series of transnational networks of cities” (Sassen, 2005, p. 29).*

> The economic fortunes of these cities become increasingly disconnected from their broader hinterlands or even their national economies.

> One result of the dynamics described in hypothesis six, is the growing informalization of a range of economic activities which find their effective demand in these cities, yet have profit rates that do not allow them to compete for various resources with the high-profit making firms at the top of the system.

These hypotheses explain the links between apparent a-spatial liquid transfers of information and capital thanks to the development of ICT (Information and Communication Technologies) enabling the formation of international networks of cities on the one hand, and the spatial agglomeration of tertiary functions in cities on the other hand.

*“Many of the resources necessary for global economic activities are not hypermobile and are, indeed, deeply embedded in place, notably places such as global cities” (Sassen, 2005, p. 31).*

It emphasizes the importance of networks of both kinds: technical networks and business networks, linking global cities, and the consequences of the globalization of cities on their urban spatial organization.

*“This dynamic of simultaneous geographic dispersal and concentration is one of the key elements in the organizational architecture of the global economic system” (Sassen, 2005, p.33).*

# 5. UNDERSTANDING THE MULTISCALE DYNAMICS AND FEEDBACKS THROUGH THE DOCKS BUILDING

## INTRODUCTION

This chapter is the combination of the three chapters above. The Docks building, Euroméditerranée urban renewal project, and the office real estate market have been analysed independently. In this chapter they are merged, in order to shed light on the causal mechanisms linking Euroméditerranée and the office real estate market, through the economic analysis of the case study of the Docks building. First, an overview of the Docks building history since its construction in the 1860s until today reveals a period of main shifts in the past 25 years. Consequently, the next part focuses on those past 25 years, and a stage model of the Docks building is set to be a reflection of the progressive links between local and global scales thanks to the office real estate market. Finally, the changes at neighbourhood scale are mapped over the past 25 years in order to see the physical impact of these increasing links, and how the economic success spread throughout the area.

## 5.1. METHODOLOGY & INFORMATION

### 5.1.1. PROCEEDING

The overall goal of this chapter is to shed light on the causal mechanisms between Euroméditerranée urban renewal project and the global office real estate market, through the analysis of the Docks building, in the past 25 years. The information needed in this chapter was quantitative, mainly focused on prices and their evolution over time. In order to cross-section the temporal and prices data, this analysis is performed in 3 steps:

First, a timeline of the Docks building and Marseille since the building was built, from the 1860s to 2017, to compare the evolution of the building itself with the changes at city scale. This first approach highlights the existence of a period of time especially dynamic: the past 25 years.

Then, I focused on those past 25 years on the case study of the Docks building, setting a stage model over time. For each stage, a different wave of links between local scale and global scale is developed. This multiscale evolution over time is built on both quantitative and qualitative sources of information. Through the evolution of the Docks building unit market price evolution, the dialogue between local and global scale is revealed.

Finally, I mapped the evolution of the physical changes at neighbourhood scale over the past 25 years. They highlight the impact of private investment and economic changes over the built environment surrounding the Docks building, and highlight the local impact of global involvement.

### 5.1.2. SOURCES OF INFORMATION

For clarity, the different sources of information used in this chapter are detailed in the following table.

Type of Source	Source	Qualitative Information	Quantitative Information
Book	Jacobs, J. (1961). <i>The Death and Life of Great American Cities</i> . Random House, New York.	Economic benefits of social mix in urban areas, Jacobian externalities, urbanization economies for firms	
Book	Peraldi, M. & Samson, M. (2005). <i>Gouverner Marseille: Enquête sur les mondes politiques marseillais</i> . La Découverte ed.	Negotiations of the Docks building during the mergers of many firms in the 1990s Social links between Pellerin and local political actors	Price of the 1st transaction in 1991
Book	Zuckin, S. (1982). <i>Loft Living: Culture and Capital in Urban Change, Baltimore and London</i> . The Johns Hopkins University Press.	1990s taste for industrial architecture as living space or office space	
Book	Zuckin, S. (2009). <i>Naked City: The Death and Life of Authentic Urban Places</i> , Oxford University Press.	Description of urban changes impacted by private development in cities Authenticity as an urban planning tool to attract a specific type of consumer in urban cores	
Interview	Tanguy, G. (2017, September, 08). Interviewed by author.	3rd renovation description Intervention of the CEREQ in 1992	Price of the 3rd transaction in 2007 Price of the 4th transaction in 2017 Cost of the 3rd renovation in 2013 Floor area asked for by the CEREQ in 1992
Newspaper Article	Deroubaix, C. (2016). L'impossible gentrification de la rue de la République. <i>L'Humanité</i> .	History of Rue de la République. Owners of the buildings Private renovations to sell at high prices but lack of buyers	
Newspaper Article	Dihl, M. (2016). #Marseille : la vie fantôme de la rue de la République. <i>La Marseillaise</i> .	Emptiness of the street nowadays Unsuccessful marketing strategies because the local demand is not here	
Newspaper Article	Un Centre-Ville Pour Tous. (2008). <i>La Rue de la République : histoire d'un pari social et immobilier jamais abouti, toujours recommencé</i> .	Emptiness of the street nowadays Comparison with the initial situation	
Newspaper Article	Velut Rodwell, C. (1996). Londres: les nouveaux développements des Docklands. <i>Les Echos</i> .	London Docklands renovation in the 1980s Regeneration strategy, social mix	
Report	DTZ. (2010). <i>Euroméditerranée, dynamiques de projet et performances marché</i> . Observatoire Immobilier de Provence.		Chart of Euroméditerranée I and II implementations, a shift in focus towards housing and public space
Scientific Paper	Pinson, G. (2002). <i>Projets et pouvoirs dans les villes européennes. Une comparaison de Marseille, Venise, Nantes et Turin</i> (Unpublished doctoral dissertation). Université Rennes 1, Rennes, France.	Setting of Euroméditerranée	Price of the 1st transaction in 1991
Scientific Paper	Qu, L. & Spaans, M. (2009). The Mega-Event as a strategy in Spatial Planning: starting from the Olympic City of Barcelona. <i>IFoU, the 4<sup>th</sup> International Conference of the International Forum on Urbanism</i> , Amsterdam/Delft. The New Urban Question – Urbanism beyond Neo-Liberalism.	Impacts of a <i>mega-event</i> on the urban regeneration strategy through the example of Barcelona Olympic Games	
Scientific Paper	Sassen, S. (2005). The Global City: introducing a Concept. <i>The Brown Journal of World Affairs</i> , XI (2), 27-43.	<i>Global city</i> 7 hypotheses Cities as strategic locations Link between the apparent dematerialization of globalization and the agglomeration phenomenon observed for international tertiary functions in cities	
Scientific Paper	Smith, N. (1979). Toward a Theory of Gentrification: A Back to the City Movement by Capital, not People. <i>The Journal of the American Planning Association</i> , 45 (4), 85-96.	Description of the gentrification process through the lens of the supply (economic) side Description of the economic mechanism of gentrification: the rent gap	Rent gap curve
Scientific Paper	Smith, N. (1982). Gentrification and Uneven Development. <i>Economic Geography</i> , 58 (2), 139-155.	Description of the gentrification process through the lens of the supply (economic) side	
Scientific Paper	Smith, N. (1986). Gentrification, the frontier, and the restructuring of urban space. In N. Smith & P. Williams (Eds.). <i>Gentrification of the City</i> (pp. 15-34). London: Allen and Unwin.	Description of the gentrification process through the lens of the supply (economic) side	

Type of Source	Source	Qualitative Information	Quantitative Information
Visit	Archives de Marseille. (2017, September, 06 & 11).	Building Permit 1992 1st renovation description Actors involved Strong agreement of City of Marseille AGAM recommendations to speed up Euroméditerranée setting to include the Docks as its first success	Floor areas of the works Floor areas for each funtion in 1992
Visit	Archives de Marseille. (2017, September, 06 & 11).	Building Permit 1994 1st renovation description Actors involved	Floor areas of the works Floor areas for each funtion in 1994
Visit	Archives de Marseille. (2017, September, 06 & 11).	Building Permit 1996 1st renovation description Actors involved: Euroméditerranée appears	Floor areas of the works Floor areas for each funtion in 1996
Visit	Archives de Marseille. (2017, September, 06 & 11).	Building Permit 1999 1st renovation description Actors involved	Floor areas of the works Floor areas for each funtion in 1999 Price of the 2nd transaction in 2003
Visit	Archives de Marseille. (2017, September, 06 & 11).	Building Permit 2013 3rd renovation description Main objectives: offer retail spaces	Floor areas of the ground floor works
Website	Cité des Entrepreneurs d'Euroméditerranée.	Description of the associations Main goals of the association Public-private partnerships and exchanges	Number of companies part of the association
Website	Euroméditerranée.	Implementations of Euroméditerranée 1995-2017 Goals of Euroméditerranée	Floor areas built Land area Public financing Timelines of implementations
Website	Ville de Marseille.	European Capital of Culture event description and fallouts on Marseille touristic attractivity	Number of tourists in 2013 compared to 2012

## 5.2. QUALITATIVE MULTISCALE TEMPORAL CROSS-SECTION ANALYSIS 1850-2017

The timeline below on Figure 5.1, covering the time period 1850-2017, summarizes the city-scale context of construction, use, abandonment, and finally successive re-usal of the Docks building. Two parallel timelines are set: the first one is the evolution of the Docks building, and the second one is the evolution of Marseille City. Comparing them we notice 3 main periods in the lifetime of the Docks building:

### > The first period - 1850-1955

The Docks were built at the same time as the new industrial/trade harbor, outside the city limits, north from the 'Old Port' (Chapter 2 – section 2.2.1).

Other main planning interventions were located in this area, such as the opening of the haussmannian artery 'Rue Impériale' (nowadays 'Rue de la République') linking the 'Old Port' to the industrial harbor, and the 'trame Mires', regular block pattern used around the Docks. This new industrial district of Marseille was the pillar of its economy, marked by large rectangular blocks and horizontal buildings.

The harbor was then the centre of Marseille economy, and the Docks building was the linking point for the transit of goods from ships to industries and railway. It was a symbol of the industrial success of the harbour, of the success of Marseille's economy through trade and industry. The Docks building were already a good typical case study of Marseille economic context.

### > The second period - 1951-1990

After World War II, the State took the leadership of Marseille Harbour, at the same time as the new harbor was extended in Fos-Sur-Mer around Berre pond. An independent State-owned public body was created: the PAM.

However, the Docks building was not included in this new public body and was bought by the SEMGP (Société des Entrepôts et Magasins Généraux de Paris), a company that understood cities relied on industrial activities, and controlled all storage points in Paris. However, in Marseille the building was underused, and fell into abandonment because the industrial drivers had disappeared (Chapter 2 – section 2.3.1). The disconnection with French African colonies made trade collapse, and de-industrialization stroke the area. In parallel other storage techniques were invented through logistics progress, such as containers, making storage buildings useless. The sum of these three effects caused the Docks building to be abandoned.

Once again the Docks building's history was representing the economic changes of the City. A scale increase was however noted: the State involvement in the harbour fate linked the Docks building to national decisions, which was also visible by the change of owner of the Docks from a local to a Parisian company.

### > The third period - 1991-2017

We notice on the timeline Figure 5.1 an acceleration of events in this period. The Docks building changed owner 4 times in 25 years. The first buyer was a French real estate developer, Christian Pellerin, head

of the firm SARI. Then a succession of international firms bought and sold: Catalyst Invest & Starwood Capital, British and American investment funds, then JP Morgan Asset Management, American bank, and finally in 2017 Amundi, an aggregate of two French banks.

Moreover, the Docks building has undergone 3 successive renovations. Christian Pellerin changed the function of the entire building, from storage to office building. Then in 2006 a partial renovation of offices put them up to international standards. Finally in 2013 another change of function happened, this time focused on the ground floor only, turning them into retail and daily use services and opening the building to its surrounding urban environment (Chapter 2 – sections 2.3.2, 2.3.3, 2.3.4).

These renovations were concomitant with main changes at neighbourhood scale. The surrounding area became an OIN (Operation of National Importance) officially called 'Euroméditerranée' in 1995, with a main focus on relaunching Marseille's economy through physical urban changes, 'branding' the city internationally, and through that improving the social reality (Chapter 3 – section 3.3.1).

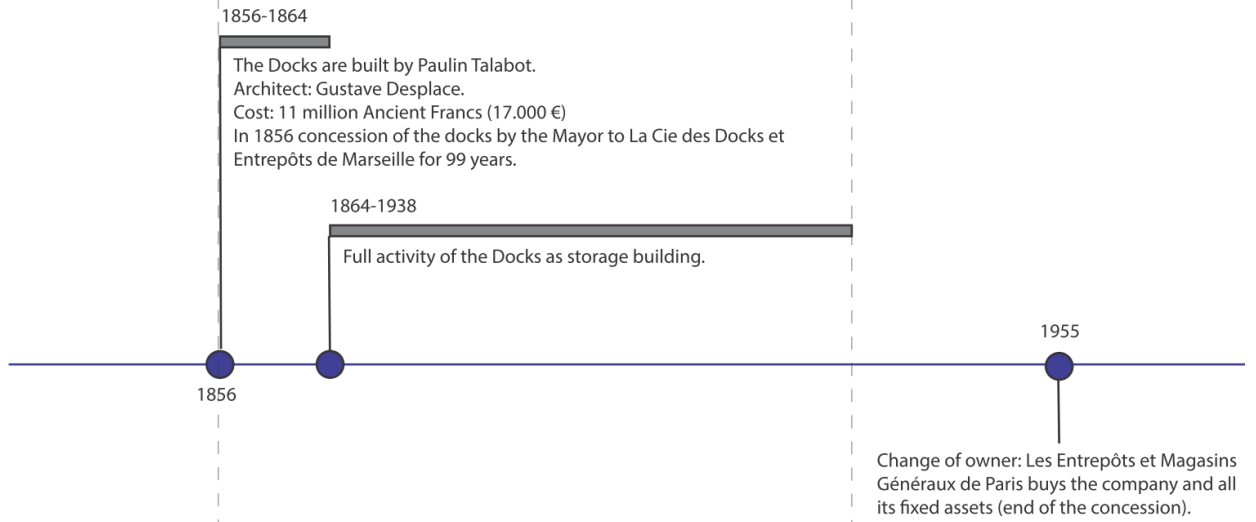
From the overall lifetime of the Docks building, two main shifts are clear:

> A scale shift: from local City-scale in 1850-1950, to a national scale in 1951-1990, to a global scale in 1991-2017

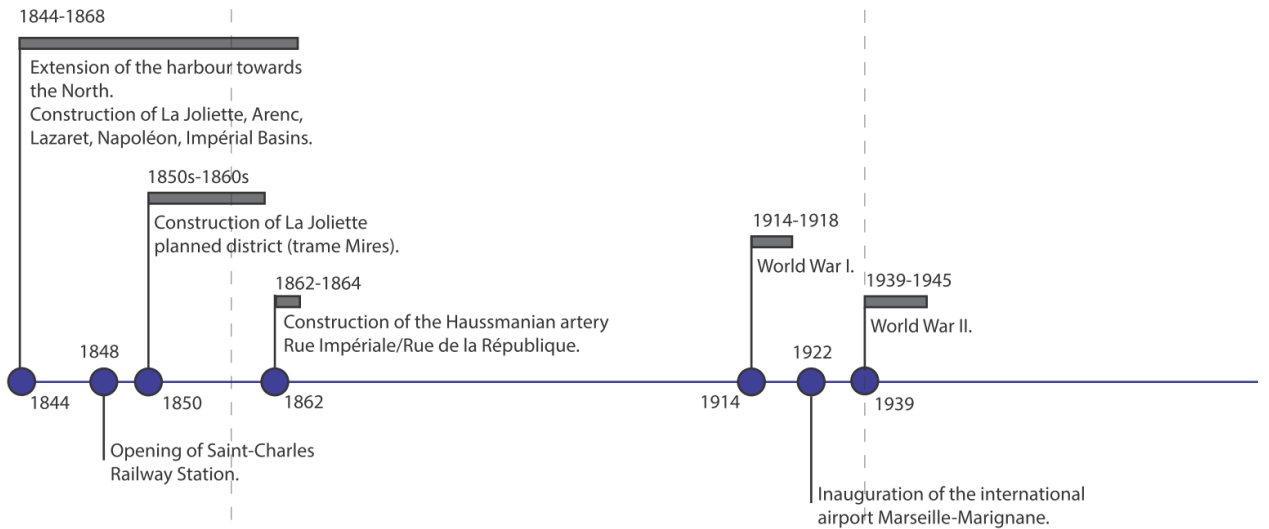
> A time shift: an acceleration of events in the third period 1991-2017, concomitant with the involvement of the global scale

It is this concomitant temporal acceleration of events and involvement of the global scale that we take a closer look at, corresponding to a time focus on the period 1991-2017.

## THE DOCKS TIMELINE 1844-1963

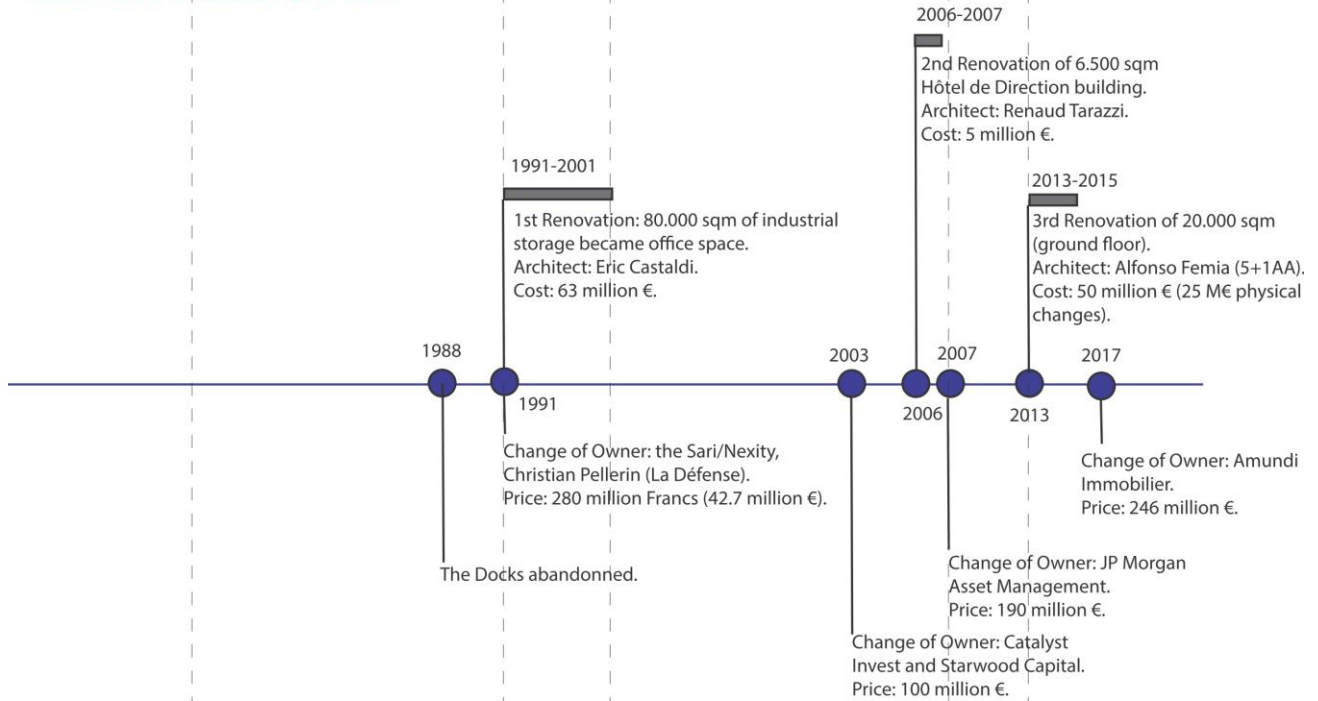


## MARSEILLE TIMELINE 1844-1963





## THE DOCKS TIMELINE 1964-2017



## MARSEILLE TIMELINE 1964-2017

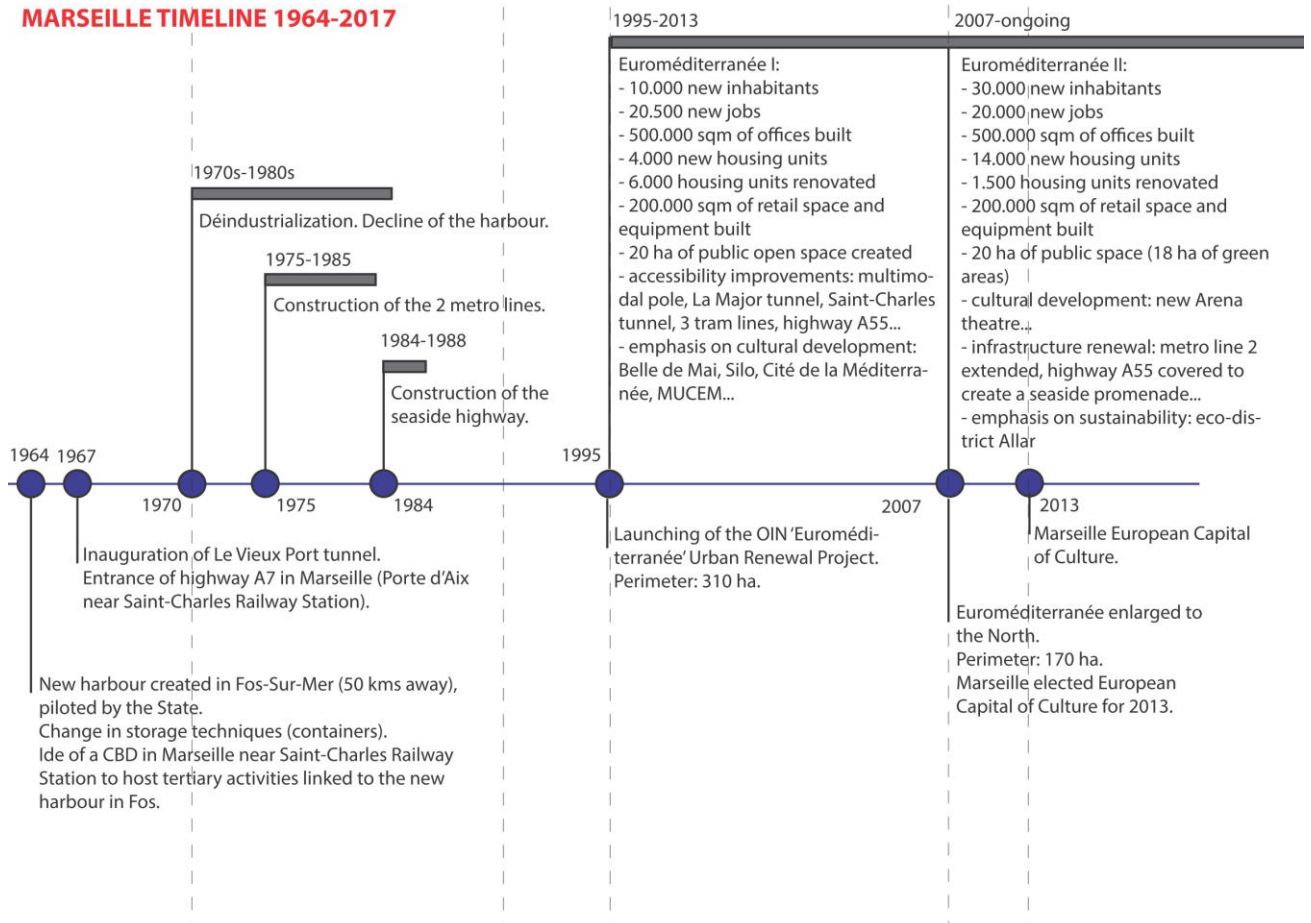


Figure 5.1. Timelines of the Docks building and Marseille 1844-2017 – Source: author's elaboration.

### 5.3. QUALITATIVE & QUANTITATIVE MULTISCALE TEMPORAL CROSS-SECTION ANALYSIS 1991-2017

#### 5.3.1. TOWARDS A STAGE MODEL FOR THE DOCKS BUILDING

This part focuses on the period of time 1991-2017, in order to understand both the scale shift and the temporal shift mentioned above.

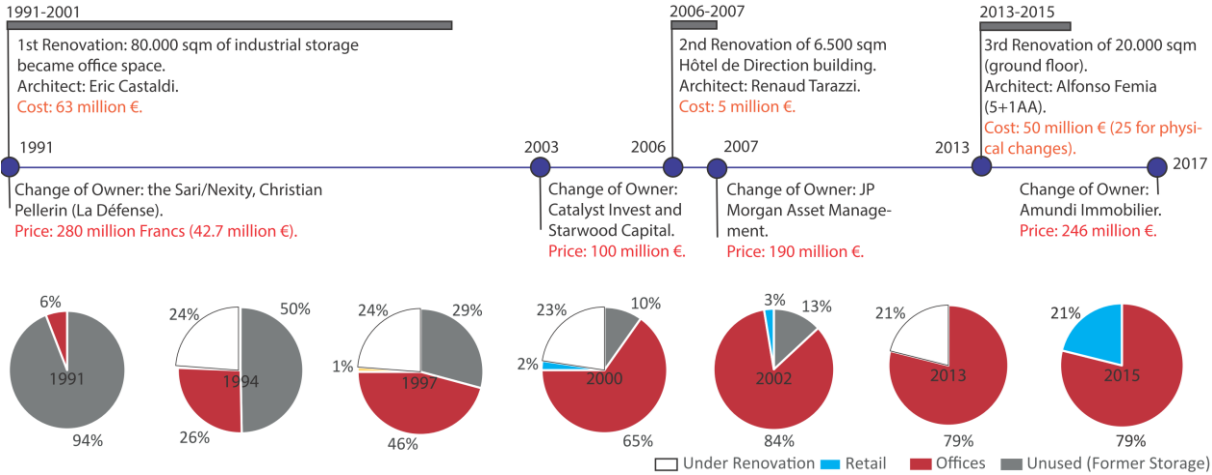


Figure 5.2 The Docks building timeline of events from 1990 to 2017 (above) and the Docks evolution of function (below) – Source: author’s elaboration.

Figure 5.2 represents the main events of the Docks building from 1991 to 2017, and below its progressive change of function. It was the object of 4 transactions and 3 renovations in 25 years:

- > 1991: the French firm SARI, Christian Pellerin at its head, the developer of ‘La Défense’ business district in Paris, bought the Docks building, 80.000 sqm of former industrial warehouse abandoned since the 1980s.
- > the first renovation started right away and lasted 10 years, from 1991 to 2001, in order to turn the Docks into office spaces. As seen on the evolutive charts in Figure 5.2, this change happened in 4 steps, the building went from 94% abandoned industrial storage space to 26%, 46%, then 65%, and finally 84% office space in 2002.
- > 2003: Catalyst Invest & Starwood Capital, British and American investment funds bought 63.000 sqm of the building.
- > In 2006 the second renovation was only partial, and put 6.500 sqm of the offices up to international standards. The overall functional mix of the building did not change.
- > 2007: JP Morgan, American bank bought 65.000 sqm of the Docks building.
- > The third renovation lasted one year and a half, from 2013 to 2015, and focused on the ground floor. It was entirely reshaped and turned into retail space, an internal street was rehabilitated to create a covered market permeable and opened to its urban surroundings. As can be seen on the functional mix chart, the final mix was 79% office space and 21% retail space.

> 2017: the French bank Amundi bought 65.000 sqm of the Docks building.

Different sources, as seen in the references table, provided me the Docks market price for each of these successive transactions, as well as the floor area exchanged, enabling me to deduce its unit market price. It does not correspond exactly to its value because is only the mediatized price and not the exact amount paid by the successive buyers. It is summarized on Chart 5.1.

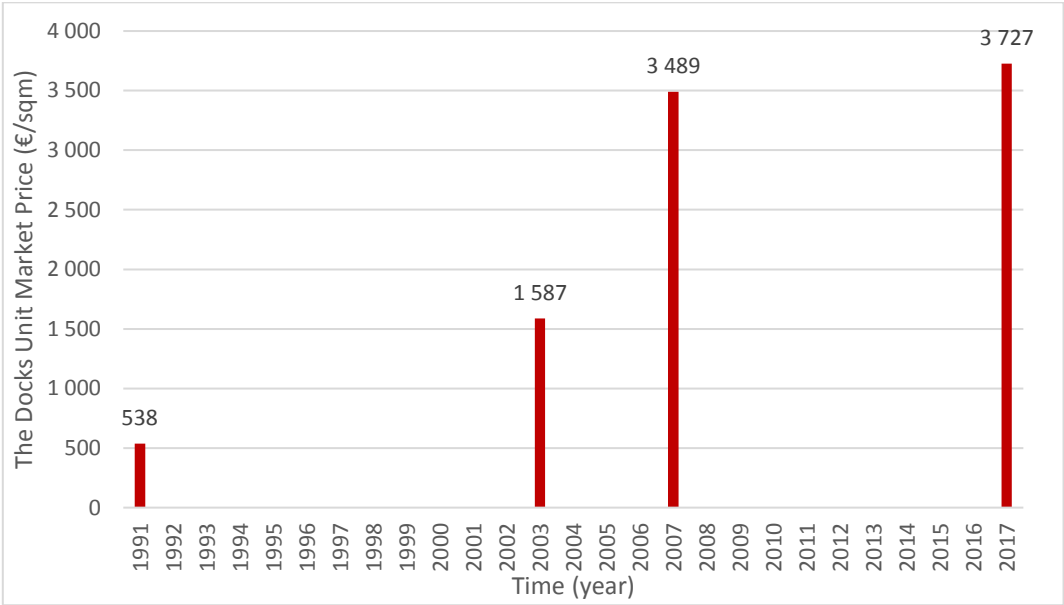


Chart 5.1 Time evolution of the Docks building unit market price – Source: author’s elaboration, data from different sources.

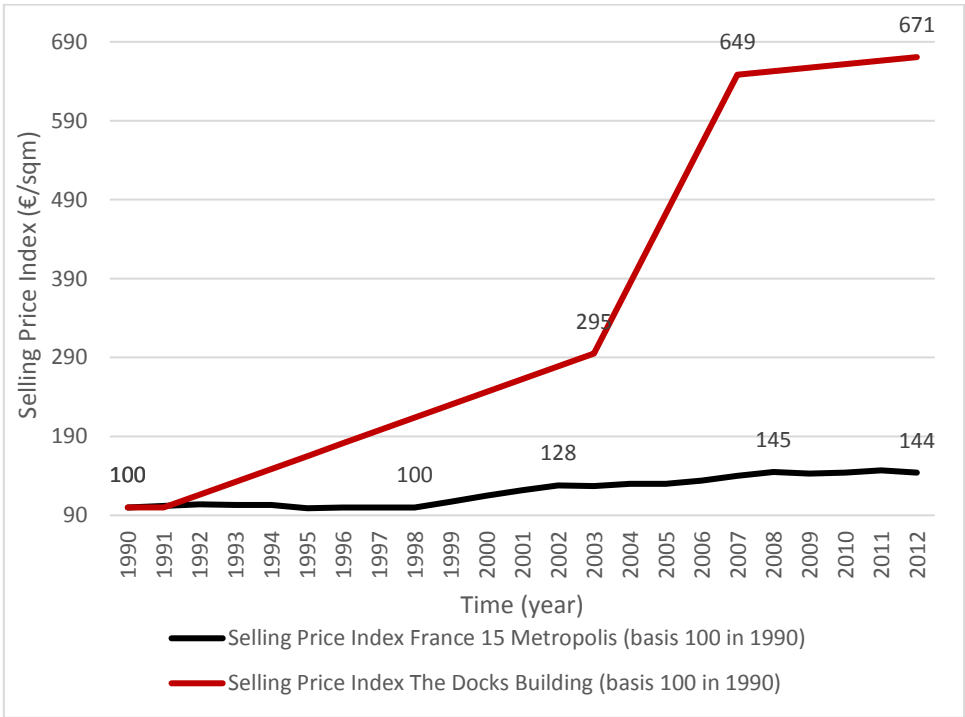


Chart 5.2 Time comparison between the evolution of the Docks building unit market price index and France 15 metropolis average unit market price index – Source: author’s elaboration, data from different sources.

The first remark is that the overall relative price increase between 1991 and 2017 is 571%. The price of the Docks building was multiplied by 7 in 25 years. As a comparison, Chart 5.2 represents both the

evolution of the Docks unit market price (in dark red), and the national average for offices (in black). The average national unit market price increased also in the past 25 years, but only by 44%.

Such an increase of price for the Docks building is unlikely to be the result of the internal renovations only, or of the urban renewal project Euroméditerranée only. Nor the result of a global increase in real estate prices. It must have been achieved thanks to the successful combination of these three sources of value.

Between 1991 and 2003, the relative price increase was 195%, meaning it almost tripled in 12 years. The average yearly price increase was 16%.

Between 2003 and 2007, the relative price increase was 120%, meaning it more than doubled in 4 years. The average yearly price increase was 30%.

Between 2007 and 2017, the relative price increase was 7% in 10 years. The average yearly price increase was 0.7%.

It is clear that there seems to be three different slopes of price increase for the Docks. In order to understand the main driver of price increase for each period of time, I decomposed the unit market price into its constitutive elements, over time, represented on Chart 5.3.

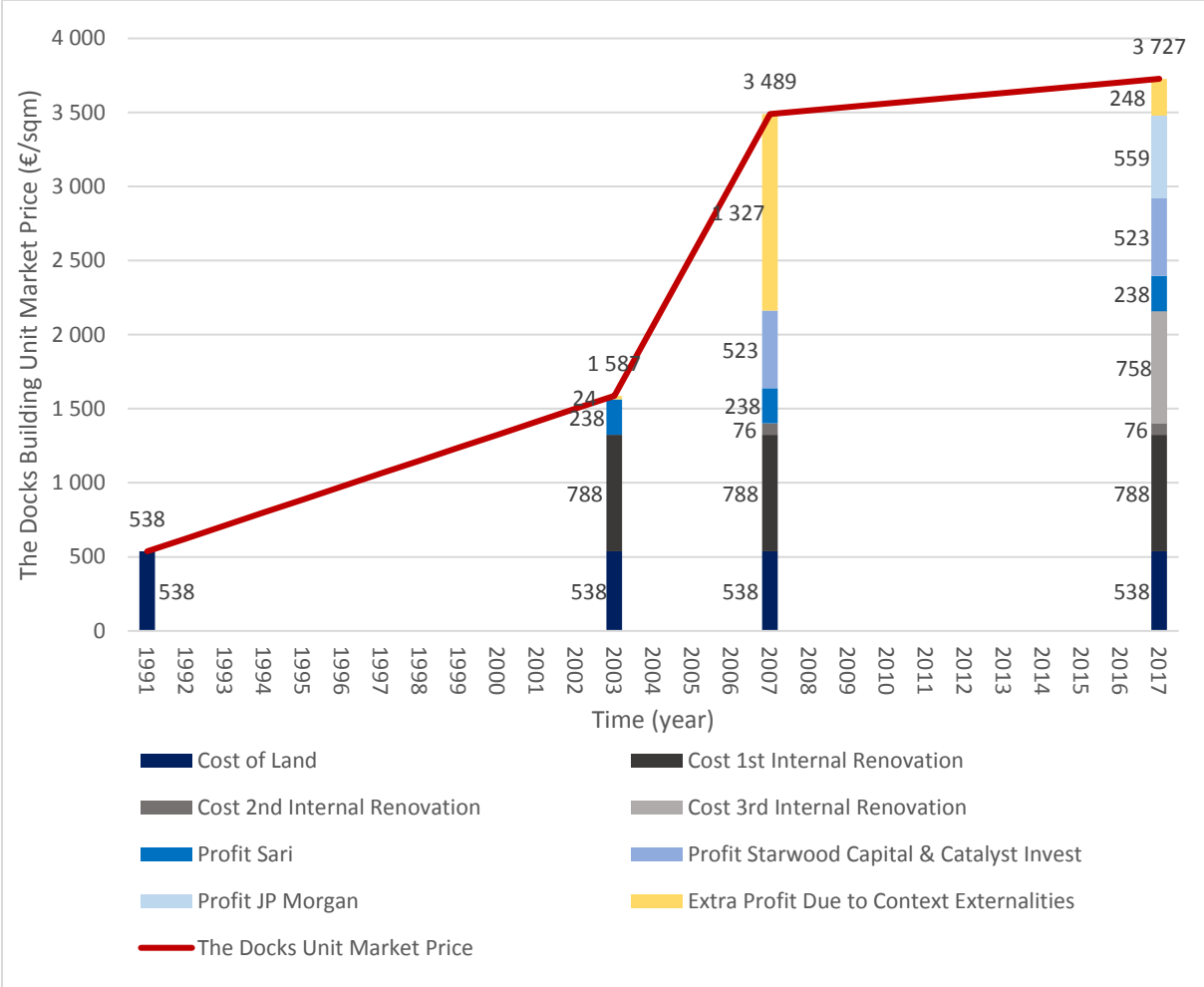


Chart 5.3 Decomposition of the trend of the Docks building unit market price according to private buyers' costs, profits, and extra profit due to externalities – Source: author's elaboration, data from different sources.

Those constitutive elements are the followings:

> the cost of the land, corresponding to the initial value of the building in its abandoned state. The building itself as storage industrial building was valueless, its state of abandonment was proof of that. Thus the initial value is approximated as being only the value of the land.

> the unit costs of the three successive renovations, in grey, placed down as a basis of the unit price. The price cannot go below those costs otherwise the transactions would not have happened.

> the profit of each seller for each transaction, in blue, that I assumed to be an average of 15% of the selling price. In the unit price of 2017, the additional profit is 1.320 €/sqm, representing 35% of the total unit price. A first remark is that the successive transactions are by themselves a source of added value for the Docks building. Such rapid transactions are due to the financialization of the office real estate market. Euroméditerranée supplied 'prime' office spaces, corresponding to the international demand, and the demand answered favourably. However, a downside of this is that this increase of value is based on financial intangible elements, not based on physical internal or neighbourhood improvements. It relies on nothing else than the dynamic game between supply and demand at international level.

> the remaining component, once the unit market price was taken off both unit costs and sellers' profits, is called 'extra profit due to context externalities'. This component cannot be explained by the internal renovation of the Docks building itself. It cannot also be explained by the developers' profits. It is a component that doesn't depend on the building itself. We notice that between 2003 and 2007, this component increases a lot, from 24 €/sqm in 2003 to 1.327 €/sqm in 2007. This 'extra profit' that the seller earned in 2007, is coming from two elements: first there is an increase of price because of the location of the building in the Euroméditerranée urban renewal project area. There are many developments in the neighbourhood, explaining its increase of attractiveness for firms, thus the increase of price. The second elements is the ongoing price bubble affecting the national and international office real estate market until the crisis of 2008 (Chapter 4 - section 4.2.3).

In order to separate better the part of the unit market price due to internal renovations at building scale, Chart 5.4 represents the evolution of the share of costs in the total unit market price of the Docks building.

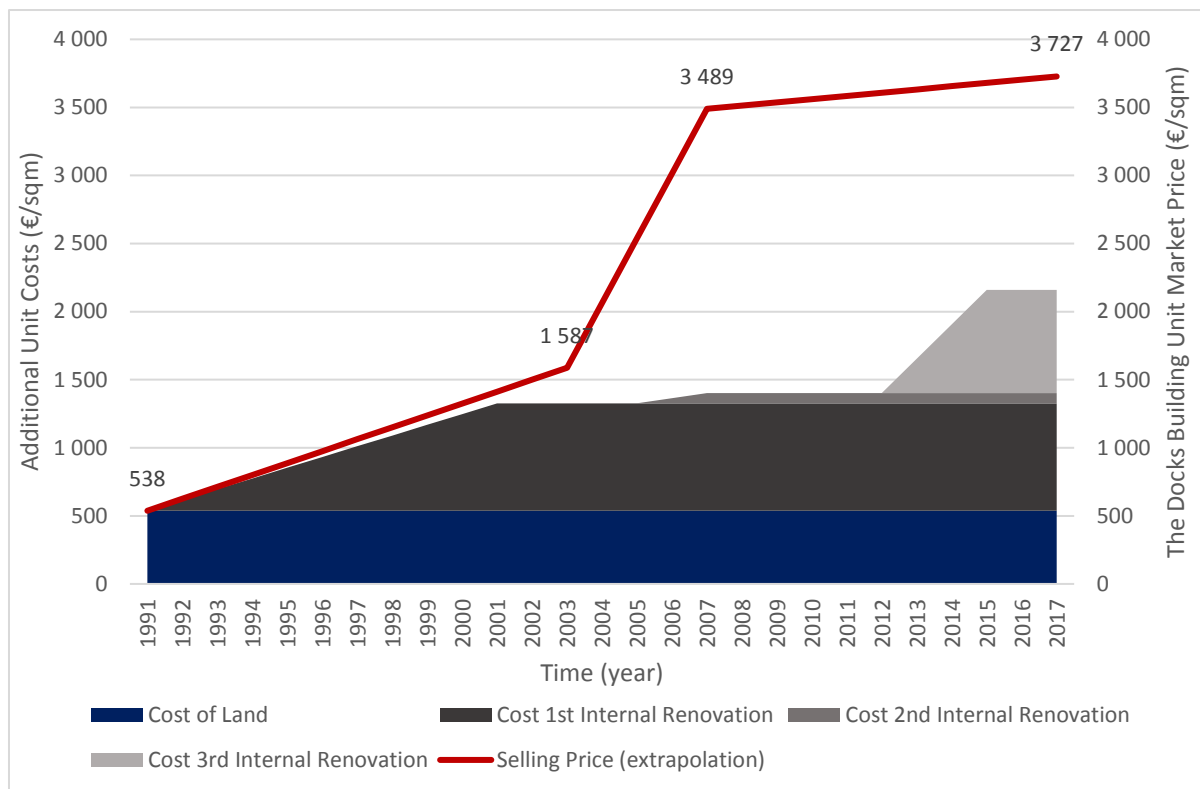


Chart 5.4 Dynamic evolution of the costs component of the Docks building unit market price – Source: author's elaboration, data from different sources.

From this chart what comes clear is that there are 3 stages of the Docks building price increase:

> the first stage is from 1991 to 2002. On Chart 5.4 is visible that most of the increase of value of the Docks building was due to its internal renovation and change of function, from industrial to office building matching the demand of the market. The slope of the price increase is positive but not the highest, it corresponds to a 16% relative annual price increase.

> the second stage is from 2003 to 2007. On Chart 5.4 we can see that it corresponds to the highest slope, corresponding to a 30% relative annual price increase. During this stage only a very small internal renovation was done, not sufficient to explain such a high price increase. The 'extra profit' part of the price vector is 1.327 €/sqm, 38% of the total unit price. This huge increase is due mainly to the external sources of value. During this period, the first operations of Euroméditerranée were completed and put on the market, and the financialization of the office real estate market accelerated. The macro-scale of the neighbourhood and the national macro-scale are both responsible.

> the third stage is from 2008 to 2017. On Chart 5.4 we see the slope is still positive but has decreased compared to the previous stage. It now corresponds to a 7% relative annual price increase. The 'extra profit' component of the unit price vector is 248 €/sqm, 6.7% of the total unit price only. Clearly the increase was there not only due to external improvements, but also to the internal renovation, the change of function of the ground floor into retail space.

The three stages are detailed more in the next parts to understand which were the macro-scale drivers of each slope of price increase for the Docks building.

### 5.3.2. STAGE 1 – START-UP

The 1<sup>st</sup> stage of the Docks building goes from 1991 to 2002, and corresponds to the first slope of price increase. I called it 'Start-Up' because it is the initial successful push that woke the Docks building up.

Which macro contextual elements gave this building a potential of re-usal?

In order to understand and highlight this potential of re-usal from the SARI's point of view, a private actor, I use an urban economics tool: the *rent gap* mechanism.

This tool is developed by Neil Smith in 1979, in order to explain gentrification from a supply perspective, the revival of inner-city neighbourhoods, or as he describes it "*the reinvestment of capital at the urban centre*" (Smith, 1983). According to him the main driver is the economic mechanism, the profit earned through the physical rehabilitation of the area:

*"In the decision to rehabilitate an inner-city structure, one consumer preference tends to stand out above the others – the preference for profit, or, more accurately, a sound financial investment."* (Smith, 1979).

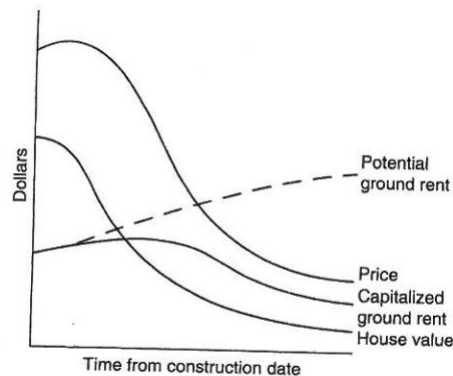


Figure 9.2 The depreciation cycle of innercity neighborhoods

Chart 5.5 Rent Gap theory chart– Source: Smith, 1979.

The *rent gap* mechanism is illustrated by Chart 5.5. It explains the relationship between land value and property value by these 4 curves:

- > the *house value*, quantity of socially necessary labour power required to produce it.
- > the *house price*, value of the house with an additional component for rent.
- > the *capitalized ground rent*, actual quantity of ground rent, claim made by the landowner on users of their lands, appropriated by the landowner given the present land use.
- > the *potential ground rent*, amount that could be capitalized under the land's highest and best use.

Those 4 curves are dynamic over time, and this dynamic aspect is responsible for the creation of a disparity between the potential ground rent level and the actual ground rent capitalized under the present land use, called the *rent gap*.

Coming back to the Docks building, in the early 1990s, it presented both a low capitalized ground rent, and a high potential ground rent. As a result, the *rent gap* created over time was high enough for a private developer to invest in the building, pay the renovation costs, pay back its loan, its interests, and sold with a good profit.

This *rent gap* mechanism is a dynamic process, happening over time because of two parallel trends:

> the devaluation of the house value (and its price) after a certain amount of time, in case of lack of maintenance. The Docks building area was a former industrial area unused in the 1990s. Buildings were in decay and most of them abandoned. This devaluation of the house value due to a physical decay causes a decrease in the capitalized ground rent.

> the increase of the potential ground rent thanks to the increase in the potential of the land (not the building built on it). Inner-cities regained in attractiveness over time, the Docks building was located in a very accessible area, facing the harbour, near a metro station, close to 2 main highways, one leading to the international airport...

We examine these two aspects more in details below.

### > A LOW CAPITALIZED GROUND RENT FOR THE DOCKS BUILDING

The building presents a low capitalized ground rent in the early 1990s because of several macro contextual elements:

**1. Change in storage methods:** at the building scale, storage methods changed, the container was introduced and warehouses were no more needed near harbours. As a result the Docks building was completely abandoned in the 1980s (Chapter 2 – section 2.3.1).



Figure 5.3 From storage buildings to containers – Source: author's elaboration.

**2. De-industrialization:** at neighbourhood scale, industrial activities shut down, and the new industries that opened did not locate in the inner city but around the new harbour of Fos-Sur-Mer area (Chapter 3 – section 3.2.2). The whole area got degraded and abandoned, as seen on the land use map (Chapter 2 – section 2.3.2) and Figure 5.4.



Figure 5.4 Brownfields in Euroméditerranée area in the 1990s – Source: author's elaboration.



**3. City crisis:** at city scale, in the early 1990s, Marseille was in crisis (Chapter 3 – section 3.2.4), with an unemployment rate of about 20%, a loss of 150.000 inhabitants and 50.000 jobs in the past 20 years.

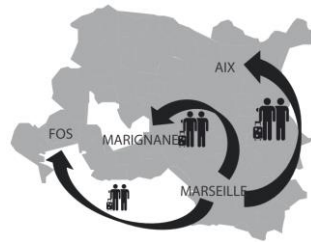


Figure 5.5 Emigration towards secondary cities in the 1980s-1990s – Source: author’s elaboration.

**4. Building price negotiation thanks to economic mergers:** Christian Pellerin, head of the SARI, was able to negotiate the Docks building price. The SARI was part of the many mergers happening in the early 1990s between the Générale des Eaux, Axa, George V Immobilier, UAP (to which the Docks belonged). In the media the ‘official’ price communicated was about 43 million € (Chapter 2 – section 2.3.2), whereas a deeper investigation (Peraldi & Samson, 2005) reported a unit market price of 2.000 francs/sqm (305 €/sqm), meaning about 25 million € for the entire building.

*“Pellerin rachète les Docks, ou plus probablement les négocie dans le vaste et complexe jeu de fusion/séparations auquel se livre la Générale des Eaux, Axa et les sociétés qui en dépendent, SARI, George V Immobilier. [...] En 1992, la SARI rachète les Docks et 4 ha de terrain attenant, au prix record de 2.000 francs/m<sup>2</sup> - Pellerin bought the Docks, or probably negotiates them in the merging between the Générale des Eaux, Axa and other companies, SARI, George V Immobilier. [...] In 1992, the SARI bought the Docks and 4 ha of land at the stunning price of 2.000 francs/sqm” (Peraldi, Samson, 2005).*

The Docks building price had probably been negotiated as an asset owned by UAP during the strong restructuring of these merged companies, enabling an even lower ‘capitalized ground rent’.



Figure 5.6 Decrease in the price of the Docks building through negotiation – Source: author’s elaboration.

## > A HIGH POTENTIAL GROUND RENT FOR THE DOCKS BUILDING

This high potential was ensured by several following macro contextual elements:

**1. The Docks surroundings:** the location of the building in the Euroméditerranée area. In the early 1990s amongst Marseille politicians and public institutions, a project of business centre is in discussion, and studies are made about the Euroméditerranée area, in order to assess both its current state and its

potential, such as the 'Livre Blanc' by the DATAR (De Roo, P, 1992) and the 'Masson Report' (Masson, 1993) (Chapter 3 – section 3.2.4). The area was quite settled at the time the SARI bought the Docks building, ensuring its surroundings coming urban transformations. Christian Pellerin, head of the SARI, was friend with Michel Kester, well-introduced amongst local politicians (friend of Michel Pezet, a left-wing Regional Counsel President). This proximity with local political actors enabled Christian Pellerin to have access to unofficial information about the area's future in 1990. Euroméditerranée was officially settled only in 1995.



Figure 5.7 The Docks in Euroméditerranée area - Source: author's elaboration.

**2. Appropriate change of function:** the change of function of the building, from industrial storage to offices, was an appropriate choice that ensured the highest potential ground rent of the building. It met the macro-scale demand for office space in the 1990s, and answered to the clear lack of offices located near the city centre. Projects about business centres have been planned in Marseille since the 1970s to answer to a demand (Chapter 3 – section 3.2.2), but all had been aborted until then because of local political disagreements.



Figure 5.8 From industries to offices - Source: author's elaboration.

**3. Taste of the internal renovation:** the internal renovation was done with a certain taste that ensured a high potential ground rent. It followed the current fashion about renovated industrial architecture for office space. Sharon Zukin, in 1982, published a book named *Loft Living* explaining the re-usal of industrial architecture fashion that was initiated in Manhattan, New-York. One good example of such re-usal is the London Docklands.

In 1981, the London Docklands Development Company wanted to revive the docks area in London that had the same fate as the Docks building in Marseille: abandonment, coupled with partial destruction by bombings of World War II. St Katherine's Docks, of which Marseille Docks building was inspired as seen in Chapter 2, was turned into fancy lofts. On the Isle of Dogs, a huge business district, 1.2 million sqm of office space, was built in the West India Docks area, and strongly mediatized in internal decoration magazines. The mediatized success of the London Docklands insured the existence of a demand for office space with an industrial architecture.

In this first stage, the main source of value was not only the internal renovation of the building, as was deduced from the unit market price chart. A main element that implicitly, not physically, triggered the transaction and renovation was the Euroméditerranée project that ensured the existence of a high *potential ground rent*. The internal renovation by itself would not have been sufficient. It did not impact the unit market price at this stage because the physical urban changes had not happened yet. However, the early access of information enabled the SARI to anticipate them and bet on them.

As a matter of fact, not only Euroméditerranée participated in the Docks successful re-usal, but this process was double-sided. The Docks building’s success also triggered Euroméditerranée. It was advertised as its first symbolic and successful operation, and used to attract future private investments.

There was a process of double feedback between the Docks building and Euroméditerranée, visible through several elements:

> The Docks were bought by the SARI, a private firm, using its own private corporate economic capital. In Marseille, public economic capital was too low in 1991, because of the economic and social crisis undergone at city scale. Local public revenues were too low to bear the entire transformation cost necessary to regenerate the Euroméditerranée area. The use of private corporate economic capital was the only solution to enable such a large scale transformation.

> However, only private investments were also not sufficient to trigger the change. The potential of the area was guaranteed by the Euroméditerranée project, and the project itself was guaranteed by the State’s involvement. It ensured that the project would actually happen, contrary to previous aborted projects involving only local authorities (Chapter 3 – section 3.2.2). He both provided financial support and acted as a coordinator of local authorities’ diverging interests (Chapter 3 – section 3.3.2). The first public budget agreement in 1995 granted 2.4 billion Francs (366 million €) for the period 1995-2006, the State financing half of it as seen on Chart 5.6.

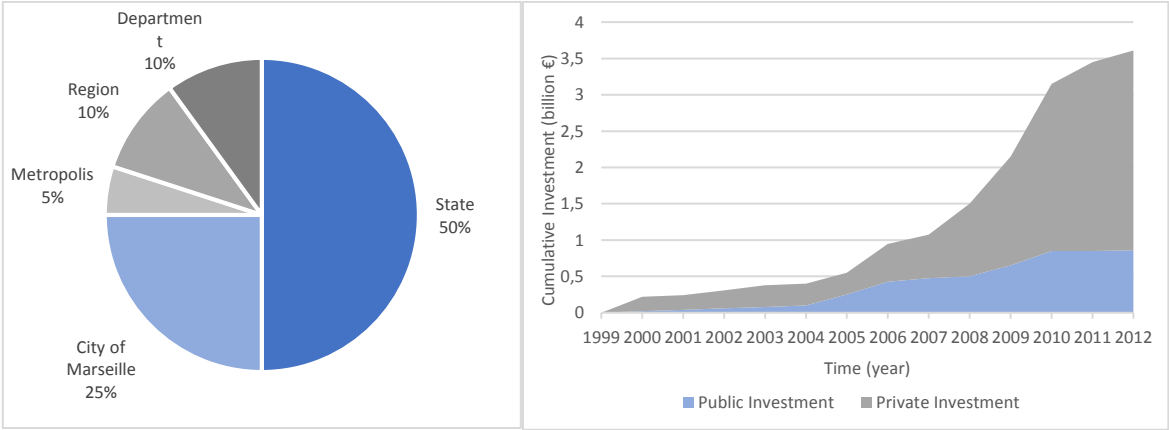


Chart 5.6 Public Financing of Euroméditerranée in 1995 (on the left), public and private cumulative investment over the years (on the right) – Source: author’s elaboration, data from EPAEM.

This public investment was repeated in 2006 and then in 2012. The private sector answered favourably to this public push, and nowadays the leverage effect is about 1 for 3: for 1€ of public money invested there are more than 3€ of private investments, as is visible on Chart 5.6 in 2012, with about 1 billion € of public investment for more than 3.5 billion € of private investment.

> Moreover, at building scale, the public sector participated in practice to the success of the Docks. The renovation was done in 4 steps (Chapter 2 – section 2.3). In 1992, while the first step of the works had only started, the CEREQ (Centre d'Etudes et de REcherches sur les Qualifications – Qualifications Study and Research Centre), a public research centre, decided to move its offices in Marseille and in the Docks building, in 3.377 sqm of office space representing 1/3 of the supply of the first part of the works. This public decision triggered the interest for the Docks building, they could easily announce that 30% of the office space was already taken in order to reassure and attract future investors. As I read the Docks' building permit of 1992 (Annexe):

*“La réhabilitation des bureaux permet notamment l’implantation du CEREQ à Marseille et d’amorcer la réhabilitation du secteur en vue de la création du centre portuaire et du pôle du tertiaire. Un avis très favorable est donné. – The rehabilitation into office space enables the arrival of the CEREQ in Marseille, and triggers the rehabilitation of the area for the creation of a harbour and tertiary centre. We are very much in favour of this action”* (Marseille City, 1992).

As a conclusion, in practice, the Docks building used Euroméditerranée as guarantee for a future increase of value. As well, Euroméditerranée used the Docks building as a successful example to attract private investors. The Docks' Building Permit of 1992 confirmed this mutual benefit:

*“La grande opération future ne pourra réussir que dans le cadre d’un partenariat entre la Ville, la SARI et la SNCF. [...] La SARI est aujourd’hui l’unique propriétaire des locaux à réhabiliter, et c’est ce statut singulier qui permet d’envisager un éventuel partenariat. L’hypothèse de cession par la SARI des bureaux réalisés paraît aujourd’hui gratuite, mais il nous semble imprudent de ne pas l’envisager. Or dans ce cas le montage opérationnel de la future opération semblerait irrémédiablement compromis. – The future urban planning operation will only succeed if there is a partnership between the City, the SARI and the SNCF. The SARI is nowadays the only owner of the building, and this situation enables an easy partnership. The hypothesis of a sale of offices by the SARI seems premature, but it would be risky not to consider it. The setting of the big operation would be irremediably compromised.”* (AGAM, 1992).

*“La réalisation complète de l’opération des Docks avant le cadrage contractuel de partenariat pour l’opération Euroméditerranée signifierait l’abandon pur et simple de cette opération. Il est donc urgent d’accélérer la mise en œuvre des bases conceptuelles et juridiques de cette opération. – The finalisation of the Docks renovation before the setting of Euroméditerranée would mean to abandon this operation. It is thus urgent to speed up the process of administrative and legal setting of this operation”* (AGAM, 1992).

In the Building Permits of 1992 and 1994, Euroméditerranée is not listed as an actor, whereas in the Building Permits of 1996 and 1999 it is. It appears as an actor only after 1995. It rushed to be able to take credit for its success.

It is this combined use of private economic capital, the promise of public economic capital, the facilitated exchange of information (intangible capital) between public and private spheres through the local politicization of the head of the SARI that enabled the double success of the Docks at building scale and of Euroméditerranée at neighbourhood scale, in this first stage.

The rent gap theory is a tool to highlight economic urban phenomenon in Marseille in the 1990s. It is appropriate for this first stage because Marseille was still not relevant at the international level. As seen in Chapter 3, the Euroméditerranée project raised foreign investors' interest. After their involvement in the late 1990s-early 2000s, the process of increase of value changed, the slope of the unit price increase curve changed and we moved to stage 2.

### 5.3.3. STAGE 2 – GLOBALIZATION & FINANCIALIZATION

The 2<sup>nd</sup> stage of the Docks building goes approximatively from 2003 to 2007, the second and highest slope of the unit market price curve. I called it 'Globalization & Financialization' because it corresponds to the massive involvement of foreign private investors in Euroméditerranée.

There was one internal renovation of the Docks building in 2006 (Chapter 2 – section 2.3.3), but it cannot be held responsible for such a sharp increase in price. This increase is almost entirely due to macro contextual elements, Euroméditerranée urban renewal project on the one hand, and the office real estate market accelerated globalization and financialization on the other hand.

What were the causal mechanisms between those two macro contextual elements, leading to the case study sharp increase of price?

The office real estate market in France got 'deregulated' in 1986 (Chapter 4 – section 4.2.2), no more agreement between the State and private firms was needed to build/buy offices. This was done to give firms more flexibility and was an attempt to hold them back in front of the temptation of delocalisation. Since then, the office real estate market had no State control, was only guided by the *invisible hand* of the market (Smith, 1776), the laws of supply and demand.

#### > THE SUPPLY OF ATTRACTIVE OFFICE SPACE IN THE EUROMEDITERRANEE AREA

The supply of attractive office space in the Euroméditerranée area was due to several macro contextual elements:

**1. Urban voids & infrastructures:** the first element favouring the supply of office space able to raise international interest was the identity of the area itself as seen on Figure 5.3. Its built environment presented specific characteristics, among which the presence of economic infrastructures (highways, harbour, railway station) and the presence of brownfields (Chapter 3 – section 3.3.3).

The presence of economic infrastructures guarantees a good accessibility, which is a spatial asset that attracts firms because increases their productivity. The two main highways arrive in Marseille in this area, linking Marseille city to the rest of France and Europe, and more importantly to its international Airport. The harbour is still located nearby and deals with passengers transfer towards Africa. The railway station is an international link towards Europe.

The most important of those infrastructures is the presence on the area of telecommunication cables (Chapter 4 – section 4.4.2). It is the arriving point of 7 submarine worldwide cables, as seen on Figure 5.9.

The second main characteristic is the availability of many lands, the presence of brownfields, on which it is possible to build new buildings from scratch and make them up to international standards, as seen on Figure 5.9. Re-adapting the existing built environment is more costly and does not always enable such final performances. The Docks building is an exception to that because as seen in stage 1, industrial architecture was fashionable for office space. Its re-usal was even a help to commercialize it.

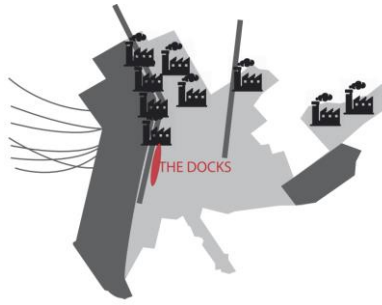
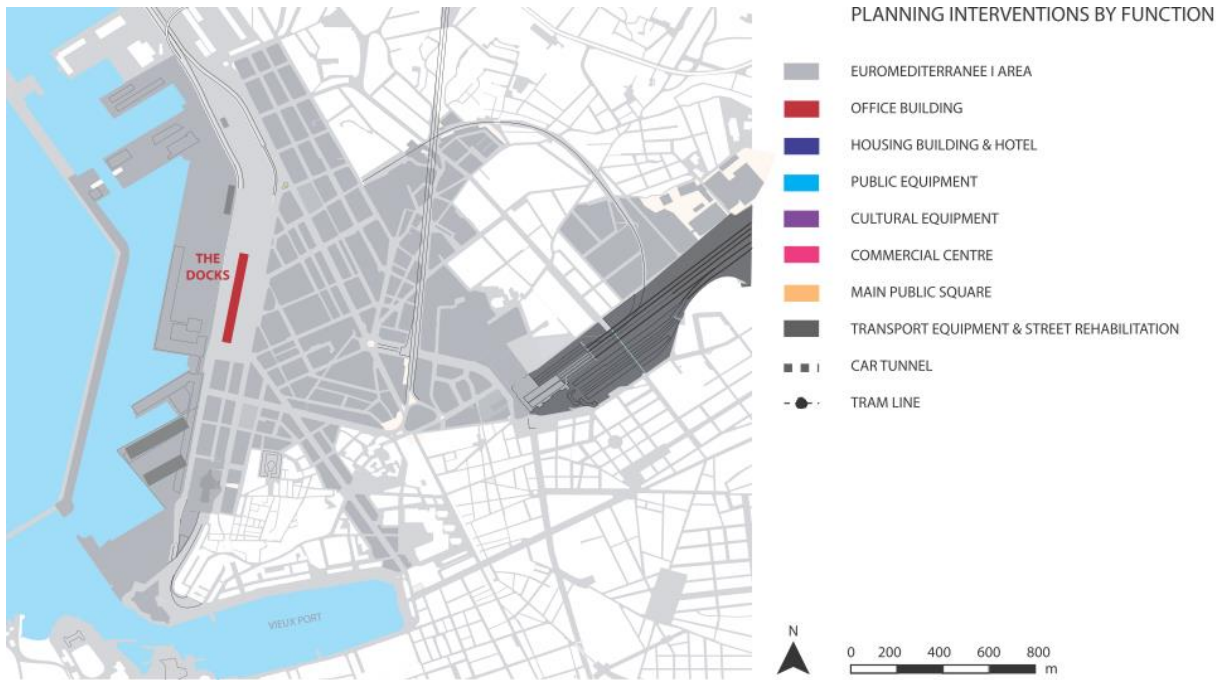
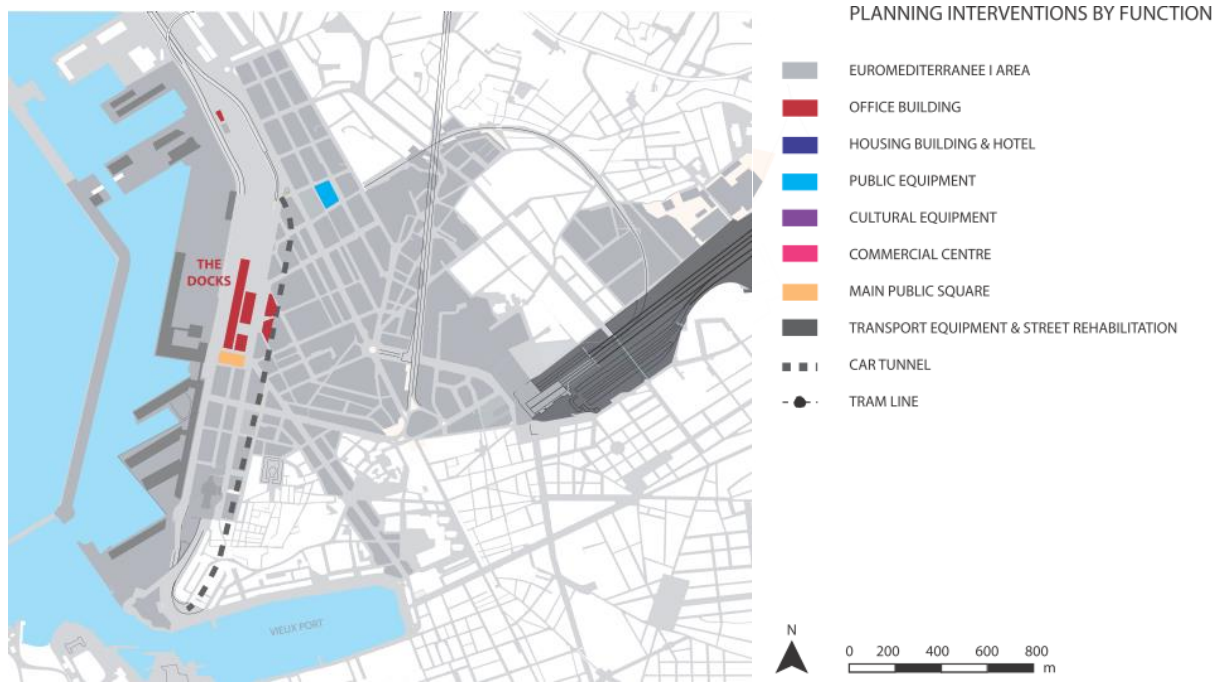


Figure 5.9 Euroméditerranée area attractive characteristics - Source: author's elaboration.

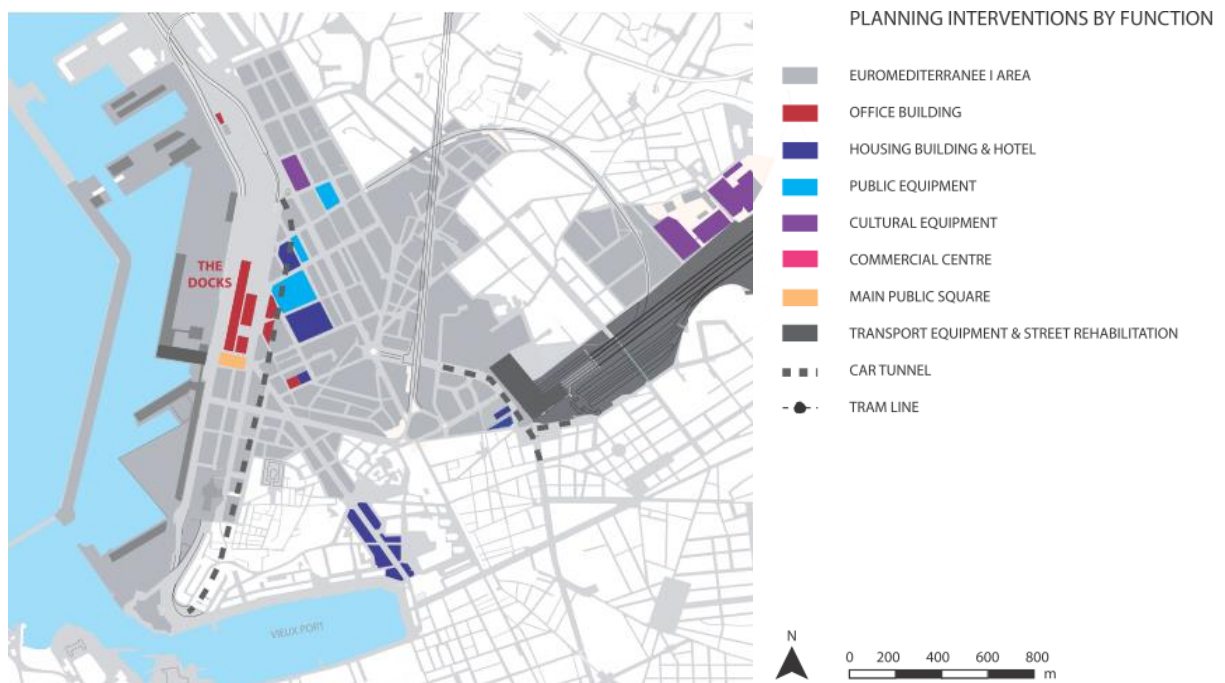
**2. Economic growth as first focus:** Euroméditerranée has many goals (Chapter 3 – section 3.3.1). One of them is the economic growth of the area and the city. This goal was the first one implemented on the area, because of the crucial need of private investments, on which public authorities rely (due to their own lack of funding). Consequently, the first implementations of Euroméditerranée were a large majority of office buildings, and then other kinds of operations could be implemented. This is illustrated by the following dynamic mapping on Figure 5.10.



1995



2003



2007

Figure 5.10 Mapped dynamic evolution of the implemented operations in the Euroméditerranée area, by function, in 1995, 2003, 2007 – Source: author's elaboration.

From the dynamic mapping on Figure 5.10, it is visible that in 1995, at the launching of Euroméditerranée, the Docks were already being renovated and put on the market. It was the first operation of Euroméditerranée, included in the project while the internal renovation had already started.



Then it was needed to wait 2003 for new office buildings to appear. The EPAEM was only set in 1995, and then it needed time for its setting: to buy the land to its private owner, to prepare guidelines relative to the future use of this land, to find a suitable developer agreeing with the guidelines, and finally to wait until the works were completed. Thus, it is only in 2003 that four office buildings were completed. Those are agglomerated around the Docks building, visible on the map in dark red.

In 2007, other colours appear on the map, representing other kinds of operations implemented: school, residential building, office building, cultural equipment... Most of them are still located very close to the Docks building, showing that it acted as the epicentre of the Euroméditerranée earthquake that woke Marseille up.

**3. Connections and exchanges with private actors:** in order to provide offices matching private investors' tastes and expectations, an association was created in 2001, called 'Cité des Entrepreneurs' (Chapter 3 – section 3.3.6). It is a decisional tool created by the CCIMP (Chamber of Commerce and Industry of Marseille) and the EPAEM. Its members are new economic leaders such as bankers, building companies or developers, for a total of 230 CEOs nowadays. Their offices are located on La Joliette Square, in front of the Docks building.

This association is the interface between new private investors, original economic actors, and Euroméditerranée. In this 'cluster' of economic actors, Euroméditerranée presents the new urban projects and hears companies' feedbacks to adapt the projects to private expectations.

The supply of offices in the Euroméditerranée area is one of the pillars of the project to foster economic growth, it is favoured by the presence of accessibility elements and brownfields, and these offices are designed to match the demand thanks to a collaboration with private economic actors.

## > THE INTERNATIONAL DEMAND FOR THESE OFFICE BUILDINGS

The international demand for these office spaces is due to the following components:

**1. Cities as strategic locations, tertiarization and globalization:** in the early 2000s, a main feature of the economy was raised by Saskia Sassen:

*“the ascendance of information technologies and the associated increase in the mobility and liquidity of capital [...] Privatization, deregulation, the opening up of national economies to foreign firms [...] In this context we see a re-scaling of what are the strategic territories that articulate the new system [...] Amongst these are the sub-national, notably cities and regions”* (Sassen, 2005).

Cities are becoming strategic locations in this context of globalization. Saskia Sassen built the model of *global city* to explain this rise of this new scale and its implications. Marseille does not host enough global functions to be considered a *global city*. However, the *global city* model is here used as a lens to understand the general economic shifts that placed Marseille as a strategic location for offices and explained the increase of demand.

The *global city* model uses seven hypotheses. The first two can be linked as follows:

*“The more dispersed a firm's operations across different countries, the more complex and strategic its central functions. [...] These central functions become so complex that increasingly the headquarters of large global firms outsource them, [...] to highly specialized service firms”* (Sassen, 2005).

The globalization of firms increases the need of service firms to which delegate central functions (management, coordination, finance...), participating to the rise of the tertiary sector.

The third hypothesis is the following:

*“those specialized service firms engaged in the most complex and globalized markets are subject to agglomeration economies. [...] The mix of firms, talents, and expertise from a broad range of specialized fields makes a certain type of urban environment function as an information center. Being in a city becomes synonymous with being in an extremely intense and dense information loop”* (Sassen, 2005).

Those service firms' performance rely on agglomeration economies. Being located in cities give them access to good inputs, such as qualified labour force (managers, professionals...), the proximity to other complementary service firms, to education and knowledge facilities (universities, research centres...) and so on.

Ironically, the increase in intangible links and transfers (capital, information...) at global scale leads to an increase reliance on agglomeration economies located in cities.

Marseille, not being a *global city*, has some economic spatial assets mentioned above. One of global importance is the arrival of worldwide submarine cables, making Marseille a strategic location for telecommunication technologies. That is why American investors were buying former industrial buildings such as the 'tri de la poste' in Marseille and turning them into telecommunication hubs in the early 2000s (Chapter 4 – section 4.4.2)

*“many of the resources necessary for global economic activities are not hypermobile and are, indeed, deeply embedded in place”* (Sassen, 2005).

This first point explains why there is a demand to rent the office space produced in the Euroméditerranée area. However, the next point explains the demand to buy those office buildings.

**2. Financialization and globalization:** in 1999, the 'mutation rights' (taxes paid to the municipality at the acquisition and sale of office real estate) were lowered to almost zero (Chapter 4 – section 4.2.2). As a consequence, in the early 2000s, American transactions multiplied in France and in Marseille, as mentioned above about telecommunications.

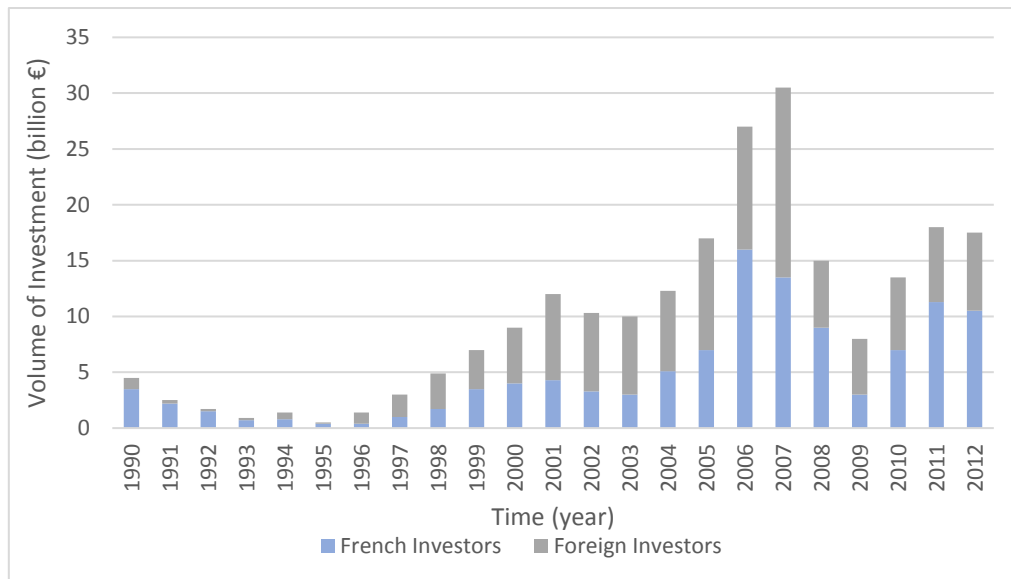


Chart 5.7 Evolution of direct investments in office real estate in France by type of investor (French or foreign) – Source: Nappi-Choulet, 2013.

On Chart 5.7 is visible the sharp increase in foreign investment (in grey) in the French office real estate market in the early 2000s.

The market underwent deep changes because of the completely different financial management of American investors. Office real estate management shifted to a financial approach based on return on investment and short-term creation of value. The office real estate market got financialized (Chapter 4 – section 4.2.2)

The years 2002-2007 marked a boom (Chapter 4 – section 4.2.3), an acceleration in the financialization of the office real estate market. In the early 2000s, many companies externalized their assets, sold their offices, because they needed available liquidity.

In parallel, in 2002 the legal status ‘SIIC’ (Société d’Investissement Immobilier Côtée) was created in France, with the fiscal advantage of not paying taxes, and the financial advantage of being the only legal status enabling landholding trusts to enter the stock exchange and real estate assets to become real estate securities (Chapter 4 – section 4.2.3). This explains the sharp increase in French investments (in blue) on Chart 5.7 after 2002.

Moreover, in the mid-2000s, the financing of investment was eased by the use of securitization, an indebtedness technique imported from the US, turning assets’ debt into securities sold to other investors.

Summing up the financialization and globalization processes, properties such as office buildings went from an ‘asset vision’ to a ‘cash-flow’ vision. Service firms in need of office space replaced their owned fixed assets by rented offices with smaller, short-term weight on their balance sheet. In parallel, private financial firms buy office buildings because of two reasons (Chapter 4 – section 4.5):

- > they look for promising assets (areas in which prices are expected to increase), wait (they don’t necessarily rent them) and sell them back after a few years, which enables them a good return.

- > they buy ‘safe’ assets, in specific locations, such as ‘prime’ locations (waterfront, historic buildings, CBD...), in which price is sure to remain stable. They use those assets in the business of asset-backed

securities. The collateral is the value of the building itself, guaranteed by its historic significance or strategic location.

Coming back at local scale, in the Euroméditerranée area, financialization happened also in the early 2000s, and is visible through its impact on the office real estate market. Table 5.1 shows the main office transactions that happened in the area.

Year of Investment	Programme	Area (sqm)	Seller	Buyer	State	Price (M€)	Unit Price (€/sqm)
2001	Cap Joliette	13.000	Nexity-Sogeprom	Axa	New (2003)	23	1.769
2001	<b>Grand Large (1&amp;2)</b>	14.000	Bouygues Immobilier	Oppenheim Immobilien Kapitalanlage gesellschaft	New (2003)	30	2.143
2002	<b>Espace Gaymard</b>	10.454	Eiffage Immobilier	Difa Grund	New	20	1.913
2003	<b>Les Docks (75%)</b>	53.500	Topaze Investment	Starwood Capital	Old	95	1.587
2004	<b>Grand Horizon</b>	12.850	Bouygues Immobilier	Lasalle Investment Management	New	28	2.179
2005	<b>Grand Horizon</b>	12.850	Lasalle Investment Management	Cardif Assurance Vie	New	36	2.802
2005	<b>Europrogramme</b>	14.200	Redilco	ING Reim	New	28	1.872
2007	Le Patio	8.920	Bouygues Immobilier	Custom House Capital	New	28	3.139
2007	<b>Les Docks (88%)</b>	63.000	Starwood Capital / Foncière LFPI	JP Morgan	Old	200	3.489
2008	<b>Msquare</b>	8.750	Bouygues Immobilier	TMW Pramerica Reinvestors	New	26	2.971
2010	<b>Balthazar</b>	10.000	Constructa	Caisse d'Epargne PACA	New (2014)	39	3.900
2011	<b>MSquare</b>	8.750	TMW Pramerica Reinvestors	REAL IS	New	35	4.000
2011	<b>Espace Gaymard</b>	10.454	Union Investment	PERIAL (Scpi PF02)	Old	42	4.018
2011	<b>Grand Large (1&amp;2)</b>	14.000	IVG	Foncière Massena	Old	54	3.857
2011	<b>Cap Azur</b>	6.000	BNP Paribas Immobilier Promotion IE	La Française AM	New (2012)	21	3.500
2012	<b>Balthazar</b>	10.000	Caisse d'Epargne	La Mondiale AG2R	New	47	4.700
2014	<b>Europrogramme</b>	14.200	CBRE Global Investor	Primonial Real Estate Investment Management	Old	48	3.380
2014	La Marseillaise (66%)	23.400	Constructa	CEPAC/CDC	New	120	5.128
2014	Urban Center	3.800	Agir	Moor Park	New	11	2.895
2015	Smartseille	6.000	Eiffage	CEPAC/CDC	New (2018)	18	3.000
2015	Jules Guesde	10.600	CORUM	VALAD France	Old	26.6	2.509
2016	<b>Cap Azur</b>	6.000	La Française AM	AEW	Old	25	4.167
2016	La Marseillaise (33%)	11.600	Constructa	Swisslife	New (2018)	60	5.172
2017	<b>Les Docks (88%)</b>	63.000	JP Morgan	Amundi	Old	246	3.727

Table 5.1 Main office transactions in Euroméditerranée – Source: author's elaboration, data from DTZ and CBRE.

Looking in this table are visible three trends:

> the type of buyers: mainly financial firms, and many foreign firms: Difa Grund is a German real estate management company, ING Reim is a bank and asset management firm from the Netherlands, JP Morgan is an American bank... For the Docks building, in dark red, we notice a succession of three financial buyers, two of them being foreign firms: first in 2004 Starwood Capital, an American investment fund, second in 2007 JP Morgan, an American bank, and finally in 2017 Amundi, an aggregate of two French banks.

> the multiplicity of transactions: I coloured the buildings' names in the table when it was the object of multiple transactions. This table summarizes in total 24 transactions, 9 of them are repeated transactions of a same building, as Grand Large (2001 and 2011), Grand Horizon (2004 and 2005), MSquare (2008 and 2011)... Among those repeated transactions appears the Docks building three times.

> the increase of price at each additional transaction. Every second or third repeated transaction of a same building has a higher price than the first transaction. For instance Grand Large was sold in 2001 at 2.143 €/sqm and in 2011 at 3.857 €/sqm. The Docks building followed the same trend: in 2003 its unit market price was 1.587 €/sqm, then in 2007 3.489 €/sqm.

Those three trends, affecting the Euroméditerranée office real estate as well as the Docks building, are consistent with the financialization process. Those financial firms buying offices did not use them personally, they only constituted sound financial investments, and this was confirmed by the increase of price of those assets. This increase of price being itself guaranteed by both the successive profits taken by the owners, and the Euroméditerranée project insuring a continuous development and improvement of the area, as seen in the supply part.

As a result, in this second stage, there was a dialogue between the scale of the neighbourhood with the Euroméditerranée urban renewal project on the one hand, and the global scale with the office real estate market on the other hand. Euroméditerranée urban renewal project was starting to supply brand new up-to-international-standards 'prime' office buildings, enabling Marseille to enter the global office real estate market, and raised foreign investors' interests. This urban renewal project and especially the involvement of the State acted as a guarantee of the area's urban development, thus the guarantee of an increase of price of the office building built. In parallel, by raising foreign private investors' interest, Euroméditerranée office real estate market got financialized, marked by a large amount of foreign investments, repeated transactions, and price increase. The local supply through Euroméditerranée and the international demand are matching.

The Docks building were a representative case of these changes, as seen from Table 5.1. It was owned and exchanged by financial foreign firms, and its price increased restlessly.

### 5.3.4. STAGE 3 – LOCAL & GLOBAL OR LOCAL VS GLOBAL?

The 3<sup>rd</sup> stage of the Docks building goes approximatively from 2008 to 2017 and corresponds to a lower slope of increase for the Docks unit market price. I called it 'Local & global or local VS global' because some local features are used to attract global investment while others seem to slow it down.

As seen in stage 2, the strong reliance of the Euroméditerranée project on private funding made it focus its first efforts on the supply of office space up to international standards. In parallel, the financialization and globalization of the office real estate market made the international demand match this supply.

The supply is local, embedded in the territory, while the demand is mainly global, composed of a majority of foreign corporate financial investors.

Is this dialogue between global and local a winning combination? For who?

#### > LOCAL & GLOBAL: THE USE OF LOCAL FEATURES TO ATTRACT GLOBAL INVESTORS

As seen in stage 2, many cities are becoming strategic locations in the globalization process. Marseille is not a *global city*, but has a main feature that was one of the main attractor of private investments in the early 2000s: the arrival of important submarine cables. Many telecommunication firms implanted offices in the city.

Marseille is nowadays able to attract foreign financial investors thanks to this first focus of Euroméditerranée on the development of economic capital, itself initiated thanks to the Docks building successful renovation and commercialization.

In the late 2000s-early 2010s, other assets were developed in order to attract other kinds of foreign investors and enable a continuous growth of the area achieved through a continuous flow of private capital enabling public fallouts. The two most remarkable assets are local boutiques and cultural capital.

**1. The rise of cultural capital:** Marseille was elected in 2008 to be European Capital of Culture 2013. The Euroméditerranée area was used as an opportunity for building new cultural facilities. Museums, theatres, exhibition centres, hotels, cultural events were located in the area (Chapter 2 – section 2.3.4). Euroméditerranée hosted 80% of new cultural equipment as seen on Figure 5.11: Saint Jean Fortress, MuCEM, Villa de la Méditerranée, Regards de Provence Museum, Regional Contemporary Art Museum, J1, Silo Theatre...

The strong political commitment and financial support were two main reasons for choosing Marseille as European Capital of Culture, and both result from the Euroméditerranée urban renewal project. The election of Marseille was strongly due to Euroméditerranée.



Figure 5.11 Cultural facilities created for 2013 European Capital of Culture in Euroméditerranée area - Source: author's elaboration.

These new cultural landmarks were so advertised internationally that for foreign tourists, the main symbol of Marseille is not its main church, affectuously called 'La Bonne Mère', historic landmark of high importance for Marseille residents. It is the MuCEM, the Museum of Civilisations and the Mediterranean Area, designed by Rudi Ricciotti, inaugurated in 2013, built in the Euroméditerranée area, close to the Old Port.

Capital of Culture was a real success for Marseille. The ex-post evaluation of the 2013 European Capitals of Culture made by the European Commission in 2014 enlightens about the fallouts of the event on the city: touristic activity developed, the number of tourists increased by 11% compared to 2012, and 17% for international tourists. There was a 22% increase in the number of cruise passengers arriving in Marseille. Marseille City regained in attractiveness, according to interviews done by the evaluation panel. In total 665 million € were invested in cultural infrastructure, sites and facilities.

The higher increase in foreign tourists proves that the main target of this event was not local residents and not even French tourists, but foreigners. This is explained by two main reasons:

> Marseille before 2013 absent of foreigners' imaginary, it did not have a very high touristic attractiveness because its potential was not used at its best. On the contrary in France Marseille always had a very strong image but not a positive one. It was very much associated with danger, shooting, poverty, dirt, laziness, as many Southern coastline cities. It was then easier to create from scratch a positive image of Marseille in tourists' mind, than to convert French very repulsive image into a better one.

> The main goal of this Capital of Culture event was not only used to develop local culture but to help support the economic and urban development of the city. This event was used as an urban planning tool, known as *mega-event*. A striking example of mega-event strategy is the Olympic Games of Barcelona in 1992.

*"the mega-event strategy is basically one using the mega-event as an engine for urban development. [...] In the era of globalisation, the potential of the Olympic Games has been considered from the policy point of view. It can be viewed as means of creating landmarks to attract global investment, facilitating fast-track development and promoting a new urban image through place marketing"* (Qu & Spaans, 2009).

Barcelona is very comparable to Marseille, it is a Southern Europe coastal city in need of regeneration in the late 1980s. Its process of urban improvement was different. While in Barcelona the Olympic Games were a triggering strategy towards urban regeneration, in Marseille the *mega-event* came 15

years after the urban renewal had started and was used to foster it and expand it further from its business centre.

*Mega-events* are used in the context of globalization as tools in the global competition of cities. As seen in stage 2, globalization caused a rise in the importance of cities and global networks of cities. Consequently, the scale of attractiveness of cities hosting such mega-events is no more national but global.

The *mega-event* European Capital of Culture was used by Marseille to create from scratch a fancy international image in the global competition of city marketing. This was successful considering the increase in foreign tourism in 2013. The Euroméditerranée project was used as convenient urban environment in which to host tourists and build new cultural facilities.

The process here is still the use of the global scale for local improvement, however the global users are different, we went down the hierarchy of investment, from global firms to global individuals.

This success gave new ideas to accompany the economic development of the city, using these new users of the area. After 2013, many local boutiques as well as commercial centres opened in the Euroméditerranée area, and a good representant of this is the third renovation of the Docks building.

**2. 'Boutiquing' to ensure consumption of local features:** the second local asset used by Marseille is the boutiques. Local craftsmanship, local culture, local goods, local gastronomy... Anything that is considered as 'local', from Marseille City or the Provence Region, is presented in nice small boutiques, to be sold to foreign tourists in search of the 'typical', the 'different', the 'original'.

Sharon Zuckin describes this phenomenon in the book *Naked City: The Death and Life of Authentic Urban Places*. She focuses on New-York City in the 1990s and 2000s, however the urban changes she describes fit very well what happened in Marseille in the 2010s.

*"the city has morphed from a lumbering modern giant to a smooth, sleek, more expensive replica of its former self. [...] The fertile urban terroir of cultural creation is being destroyed by the conspicuous displays of wealth and power typical of private developers and public officials who build for the rich and hope benefits will trickle down to the poor, by the promotions of the media who translate neighbourhood identity into a brand, and by the taste of new urban middle classes who are initially attracted to this identity but ultimately destroy it"* (Zuckin, 2009).

This rise in boutiques happened mainly after the European Capital of Culture event in 2013, because Marseille realized it was from now on able to attract the right kind of users in its centre, upper-middle-class tourists in search for 'authenticity'.

*"authenticity becomes a tool, along with economic and political power, to control not just the look but the use of real urban places [...] the emergence of culture as both a strategy and a theme of urban redevelopment, and the rise of the symbolic economy of art, finance, food and fashion that has done so much both to nourish and to destroy the city's distinctive cultures"* (Zuckin, 2009).

For example, the Docks building 3<sup>rd</sup> renovation happened from 2013 to 2015, just following the European Capital of Culture event. One of the main objective of the renovation was to turn the entire

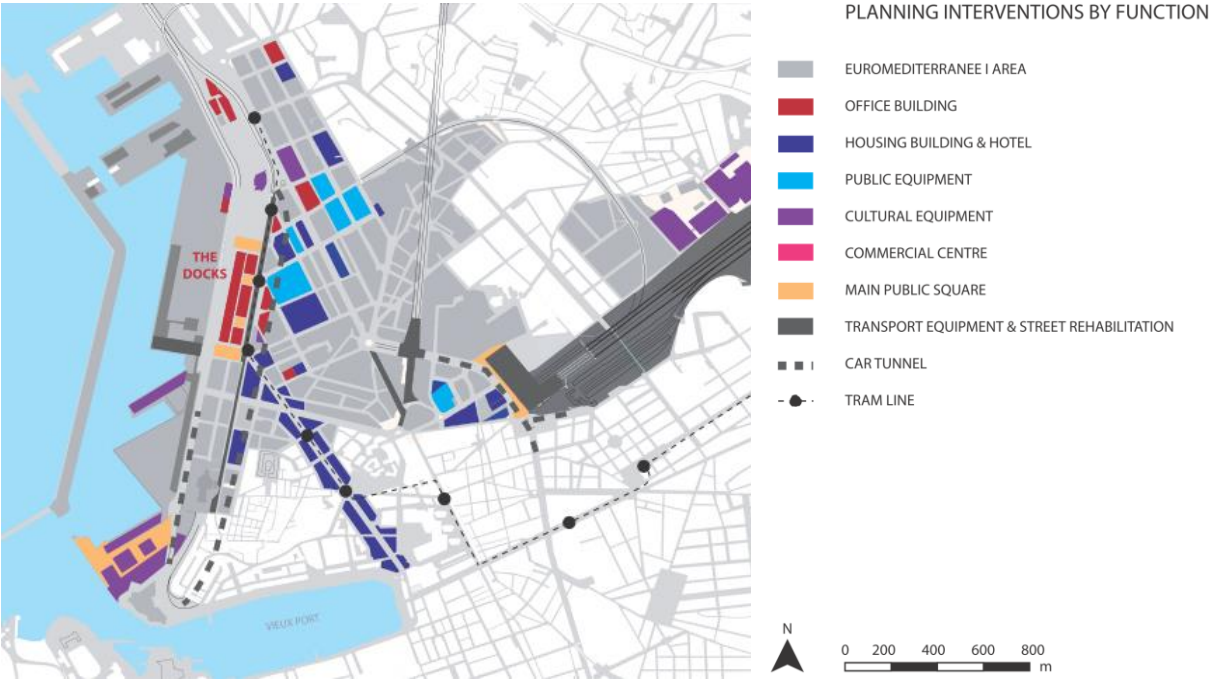


ground floor into retail space, promoted as stores of small-size boutiques hosting a majority of local producers, local craftsmen, local goods and food. Examples of that are 'Four des Navettes' (biscuits from Marseille), 'Savon de Marseille' (Marseille Soap), 'Laulane', 'Les étoiles de Lily' (both local designers of jewellery) and many others, all stores selling local goods and often rented by the designers themselves. One of the main objectives of the renovation was to propose a unique retail experience (Chapter 2, section 2.3.4).

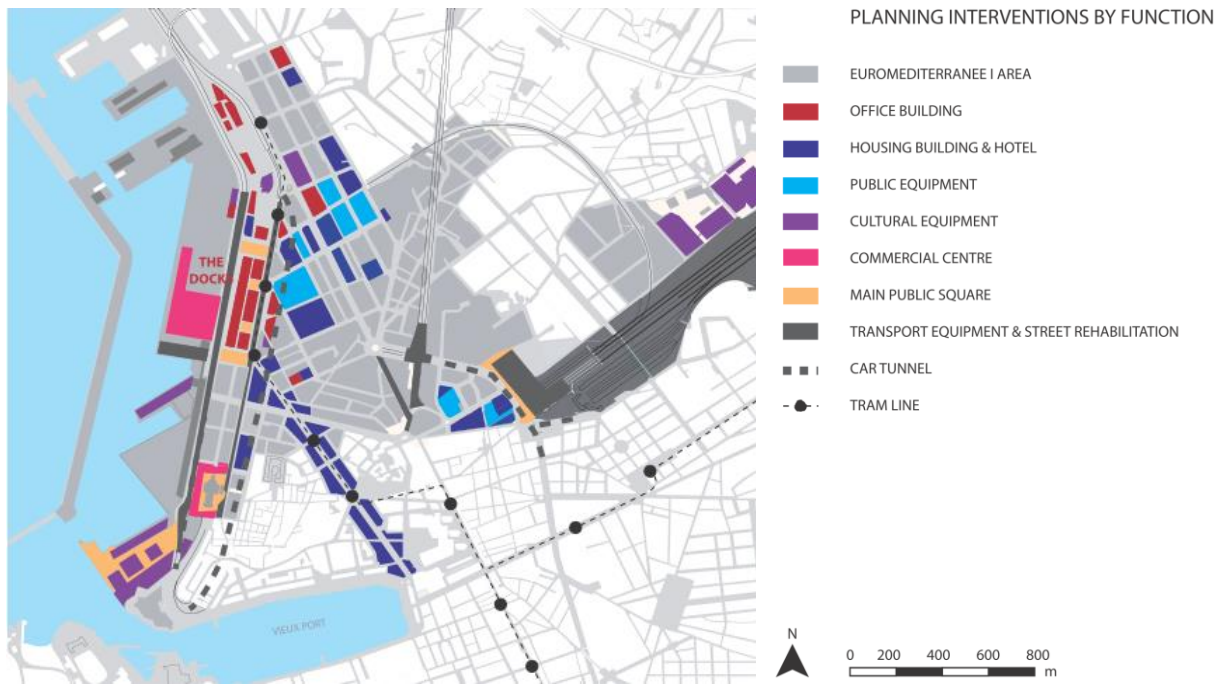
It worked well in the Docks building because benefits from both:

> a strategic location in the heart of the business district, in which white-collar managers and professionals work, local members of the upper middle-class, in search of trendy places in which to consume and more importantly to be seen consuming on social networks.

> a historic architecture and strategic role in Marseille's industrial history, ensuring it to be part of the cultural capital of the city and as such to be visited by tourists, global upper middle-class, in search of authenticity.



2013



2016

Figure 5.12 Mapped dynamic evolution of the implemented operations in the Euroméditerranée area, by function, in 2013 and 2016 – Source: author's elaboration.

Figure 5.12 represents the evolution of Euroméditerranée implementations after the European Capital of Culture, between 2013 (above) and 2016 (below). We notice two buildings entirely dedicated to retail, 'Les Terrasses du Port' and 'Les Voûtes de la Major' commercial centres appeared in pink. As well, the Docks building converted its ground floor, and Republic Street, the Haussmannian artery, was renovated with ground floors entirely dedicated to retail activities.

Between stage 2 and stage 3, in the early 2010s, there has been a shift, from attracting global corporate economic capital, to attracting global individual economic capital. From firms to tourists and upper middle-classes. The overall goal is similar, the attraction of private capital in the area to participate to the urban development, but new targets were included, individuals, by proposing a local cultural and retail offer that matches their taste for authenticity.

Euroméditerranée is now also relying on tourism and individual spending to ensure a continuous economic growth. The Docks building, one more time, is a representative case study of this change: it is part of the cultural heritage of Marseille, and its 3<sup>rd</sup> renovation opened its ground floor to its urban surrounding and turned it into retail space hosting boutiques, trendy bars and restaurants, offering an authentic experience.

Local culture, goods, food, craftsmanship, are here successfully re-used, from an economic point of view, in order to match new taste and attract more global individual investments. However, other local features are in opposition with global trends.

## > LOCAL VS GLOBAL: A LOCAL RESISTANCE TO GLOBAL CHANGES

This third stage starts with a main financial event: the crisis of 2008 that struck both the residential and office real estate markets (Chapter 4 – section 4.2.4).

In order to understand how the office real estate market in the local context of Euroméditerranée was impacted by the crisis in comparison with the rest of France, I drew Chart 5.8 below. It represents the evolution of 'prime' rental price indexes for the 15 regional metropolis of France (in black) and the Euroméditerranée area (in blue), between 2000 and 2016. The index was built taking the 'prime' rental price of 2000 as the 100 basis for both areas to obtain relative increases of price. This way the focus is on the evolution of the price and not the price itself.

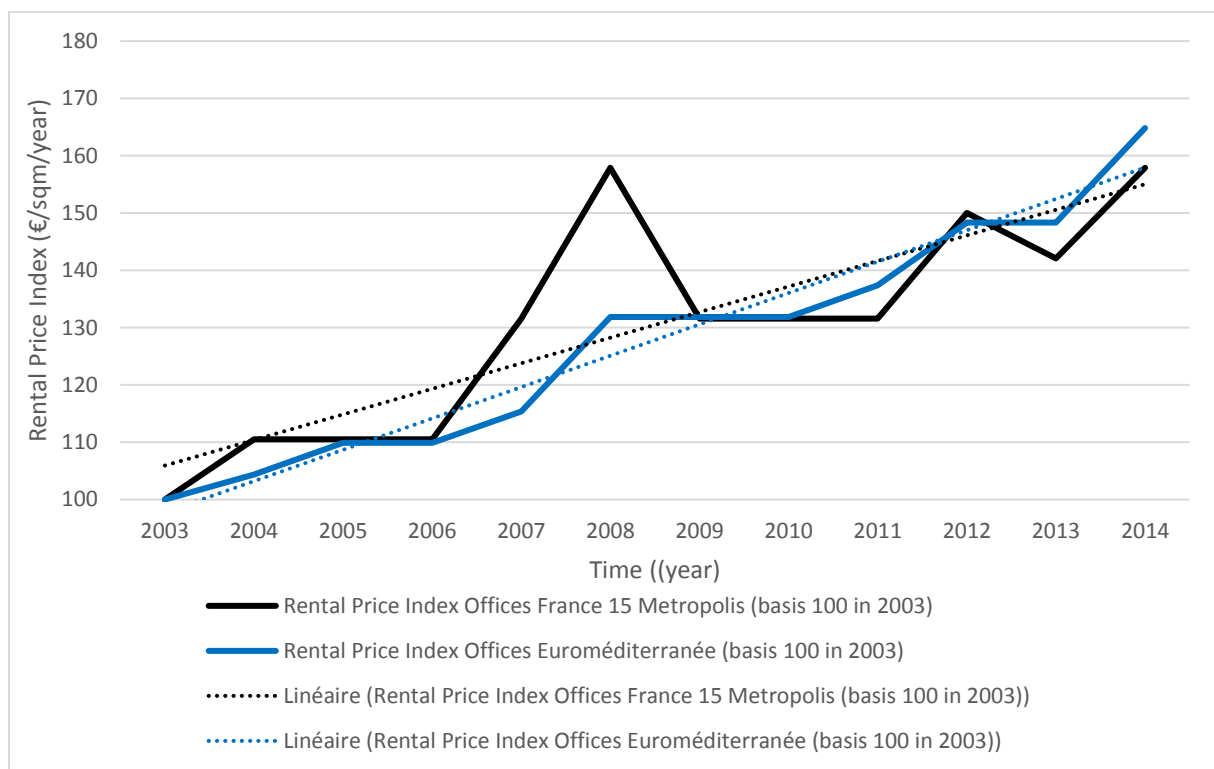


Chart 5.8 Evolution of 'prime' rental price indexes in France (15 metropolises, in black) and Euroméditerranée (in blue), from 2003 to 2014, basis 100 in 2003 – Source: author's elaboration from different data sources.

Looking at Chart 5.8, two facts appear clearly:

> the overall increase of 'prime' rental price indexes is only a little bit higher for Euroméditerranée than for France, as is visible from the linear regressions. Euroméditerranée has a slightly higher slope than France. The difference between the two lines is about 8% in 10 years. The overall trend is quite similar for the two scales.

> Zooming in on the 2006-2009 global crisis period, it seems that France suffered more. For France, price indexes increased by almost 50% between 2006 and 2008, to then fell back from 30% in 2009. For Euroméditerranée, price indexes increased by 25% between 2006 and 2008, to then remain stable in 2009. As can be noticed, the overall increase of price between 2006 and 2009 was 25-30% for both France and Euroméditerranée. The legacy of the 2008 crisis is similar for both. However, what is different is the way those 25-30% were achieved during those 3 years.

It seems that some local features of the Euroméditerranée area enabled it to remain more stable in front of global main shifts:

**1. Scarcity of office supply:** the main strength of the Euroméditerranée area is the scarcity of the supply of office space, as well as the scarcity of 'prime' locations (Chapter 4 – section 4.3.6). Physically, the area that can be considered a 'prime' area is very limited, restricted to the surroundings of the Docks building along the waterfront. It is the very local nature of 'prime' locations in Marseille that enables them to resist to global changes.

The scarcity of 'prime' offices is due to a second factor. The EPAEM controls the amount of space supplied per year. The legal status of OIN gives the State urban planning authority in the area: it has legal power to grant or not building permits (Chapter 3 – section 3.3.2). The State uses this urban planning authority to guarantee a slow but continuous supply of office space over time: the market is not overflowed by too much supply. Atisreal, main private partner of Euroméditerranée, stated in 2008:

*“La politique de régulation de la production de bureaux neufs qui a été menée dans le périmètre Euroméditerranée permet aujourd’hui d’éviter un dérèglement de l’offre et apparaît comme un élément favorable dans un contexte économique incertain – The policy of office supply regulation applied to Euroméditerranée enables to avoid main shifts and appears as a favourable element in an uncertain economic context” (Atisreal, 2008).*

This scarcity of 'prime' lands and the control of the State on the delivery of Building Permits, facing a high demand of 'prime' office space, caused a high occupation rate of office buildings and enabled office rental prices to remain stable during the crisis.

This detail is a very important one. The reason why the global demand of offices is so high is partly due to the deregulation of the office real estate market, as seen above. However, this involvement of the State in Euroméditerranée is a new kind of State regulation. The State has urban planning powers, and since the global demand relies strongly on space, the State acts as a regulator of this demand, to ensure it is slow but continuous, and enables constant improvements in the surrounding urban environment.

**2. A local extension as answer to a global crisis:** in 2007, the State decided to extend the OIN area by 170 ha to the North (Chapter 3 – section 3.4). It is a proof of the economic success of the first part, considering investment is a crucial condition for urban projects. It is also a sign of a shift in the focus of Euroméditerranée, from economic growth towards a more balanced urban development, as seen on Chart 5.9. The extension will provide more residential dwellings, a main park, public equipment and an innovative block pioneer of environmental measures.

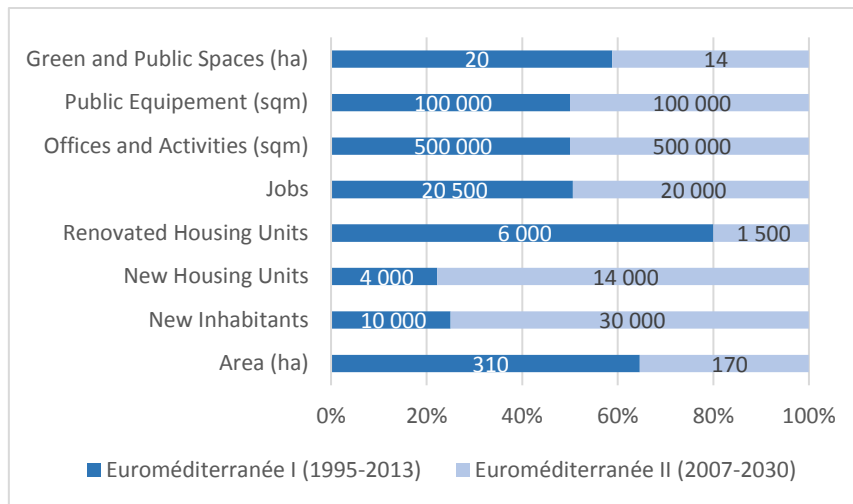


Chart 5.9 Euroméditerranée I and II, a shift in focus towards housing and public space – Source: author’s elaboration, data from EPAEM.

This shift from economic capital only to a mix of economic, social and environmental capitals will have positive consequences on the economy itself. Jane Jacobs was a pioneer in advocating the crucial role of cities as mixed environments for economic growth. In *The Economy of Cities* (1969), she claimed that the diversity of firms, individual innovative activities, inter-industry knowledge spillovers and developed urban amenities are essential for a successful development of a city and critical for firms’ productivity.

*“Whenever and wherever societies have flourished and prospered rather than stagnated and decayed, creative and workable cities have been at the core of the phenomenon. Decaying cities, declining economies, and mounting social troubles travel together. The combination is not coincidental”* (Jacobs, 1961).

This concept was then re-used and called *urbanization economies* or *Jacobian externalities*, one component of agglomeration economies.

Euroméditerranée extension appears as an increase of mix in the area, as well as a provider of new public equipment, accessibility and other urban features participating to offices’ attractivity. The local extension participates to the continuous increase in rental prices of offices despite the global crisis, because improves the urban environment provider of ‘*Jacobian externalities*’.

**3. A housing supply not matching the local demand:** Euroméditerranée urban renewal project started successfully because focused on the economic revival of the area as seen above. It supplied up-to-international standards offices that were met by the global demand favoured by the global context. This success is due to one very important characteristic of the demand of office space: it is global.

However, Euroméditerranée is not only an economic revival project, it has a larger scope than just the economy, wants to improve also the social components. One of the physical actions implemented in that goal is the renovation of physically decaying residential dwellings.

We take here the example of ‘Rue de la République’ (Chapter 2 – section 2.2.1). This Haussmannian artery was dug to link the Old Port to the new industrial harbour, in the 1860s. It was supposed to be inhabited by the commercial, trading, upper middle-class. However, this middle class never moved in the street and preferred to remain in the South part of the city (the rich part, Chapter 3, section 3.2.3).

Lower social classes ended up in the buildings. In the 1990s, the street was very much degraded, the apartments old and not maintained, the public space unwelcoming. It was strategically included in the Euroméditerranée area.

In 2002, an OPAH was launched in order to rehabilitate the street (Chapter 3 – section 3.3.4). This partnership between the State, the ANAH and local collectivities offers organizational and financial help to private owners in order to foster the renovation of dwellings.

As for the public art of the street, public money was invested directly in street improvements: a tram line was installed in the street, underground parking lots were built, trees were planted, sidewalks renovated...

One detail makes this case interesting: the private owners of Rue de la République are not individuals. Half of the street belongs to an American trust fund, Lone Star Fund, bought by Lehman Brothers in 2008, nowadays Atemi. The other half to Eurézeo-ANF. Those two private firms have been receiving financial help from public bodies in order to renovate the street. Nowadays, the renovation is still not complete, and the street shows a higher emptiness than in 2001, 20% of residential dwellings and 55% of retail space were empty in 2016.

The private owners are asking for expensive commercial rents and residential prices, way too expensive for this part of the city. They were betting on a gentrification process to start, to be able to use the rent gap seen above in this chapter, but the demand for those space didn't meet their supply.

The main cause of that is that the demand for small shops and apartments is local, comes from residents. It doesn't come from global corporate capital contrary to office space.

The example of Rue de la République shows the clear inadequacy between the supply of retail and residential space, which rents are based on financial expectations of global private actors, and the demand for those commercial and residential spaces that is composed of local individual residents of Marseille. The global supply and the local demand don't match.

The stage model shows that during the start-up stage, it is the combined interactions between the Docks building and Euroméditerranée that triggered the transformation of the area. The Docks were the first injection of private capital in the area, and this injection was itself triggered by the Euroméditerranée discussions and settings, especially the involvement of the State, guaranteeing a future urban improvement, thus a good return for the private developer.

This coordination was obtained through interactions between the head of the SARI and local political actors, enabling information to circulate easily. This unformal partnership was then settled as soon as Euroméditerranée was officially launched, in 1995, and the Docks are nowadays presented as its first and successful operation, catalyst of future private investments.

Euroméditerranée first focus being the economic growth of the area, the first buildings built were offices, and matched the global demand of foreign investors. In parallel, globalization and financialization of the office real estate market provided a consequent demand of such office buildings. The Docks building's market price increased the most during this period, and this increase was due both

to the cumulated profits taken by its successive owners, and by the neighbourhood increase of price thanks to urban changes.

Finally the focus changed. Marseille being European Capital of Culture in 2013 made it realize its attractivity towards another kind of foreign investor: middle-class tourists in search of local authenticity. In parallel the business district around the Docks developed and hosted an increasing number of white-collar professionals and managers, local middle-class and potential consumers of authenticity. A lot of boutiques developed since then to make sure this authenticity is consumed by these new middle-class users.

The office supply also continued in the Euroméditerranée area, and this continuous development was insured by the planning power of the State, only public authority able to deliver Building Permits in the area. This new form of State regulation is very localized on the territory, but it matches perfectly the global demand that is concentrated in the few 'prime' locations of the city.

However, these apparent urban improvements, relying mainly on economic growth fed by global investors, are only one side of the story. Many local inhabitants are not able to follow these global changes. In Marseille the development seems to have a double speed: tertiary facilities on the one hand, with a high global demand and constantly rising 'prime' rental prices, and residential dwellings on the other hand, with a local demand unable to meet the high prices proposed by global firms.

## 5.4. THE STAGE MODEL ON THE PHYSICAL URBAN ENVIRONMENT – TEMPORAL MAPPING OF THE DOCKS NEIGHBOURHOOD CHANGES 1991-2017

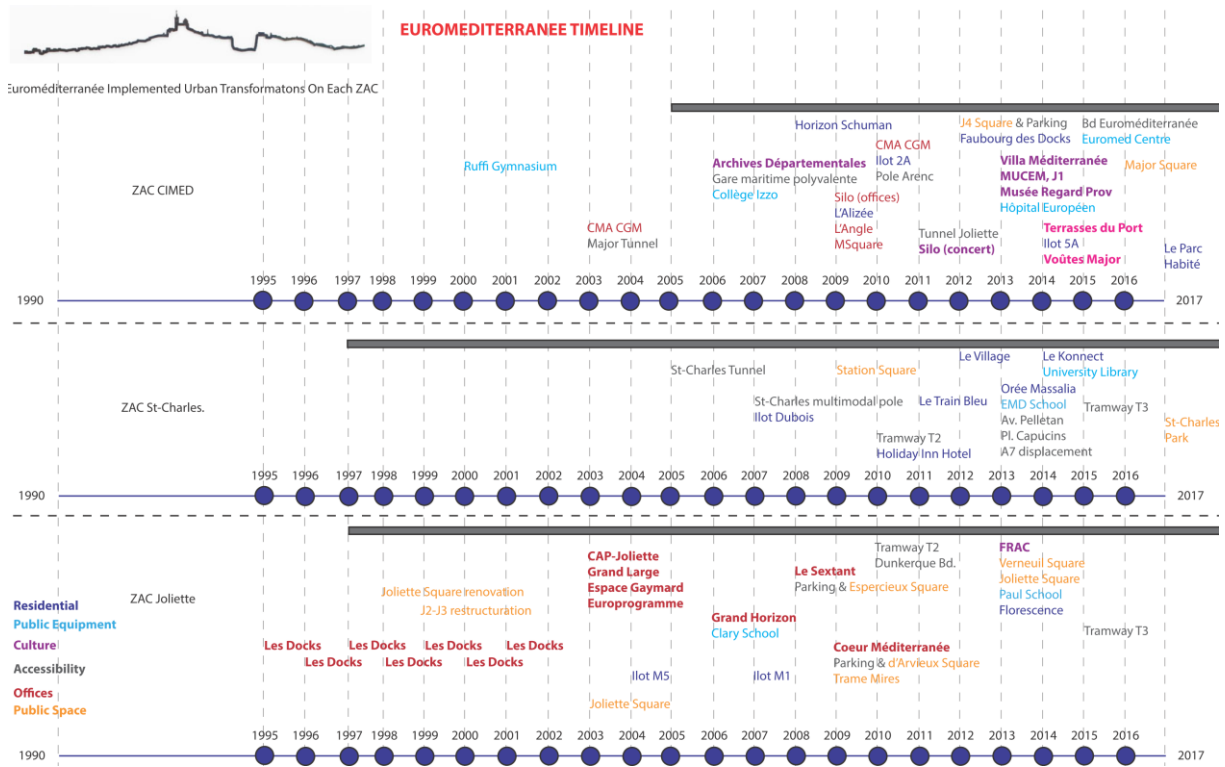


Figure 5.13 Timeline of implementations of Euroméditerranée in the 3 ZAC, per function. – Source: author’s elaboration, data from EPAEM.

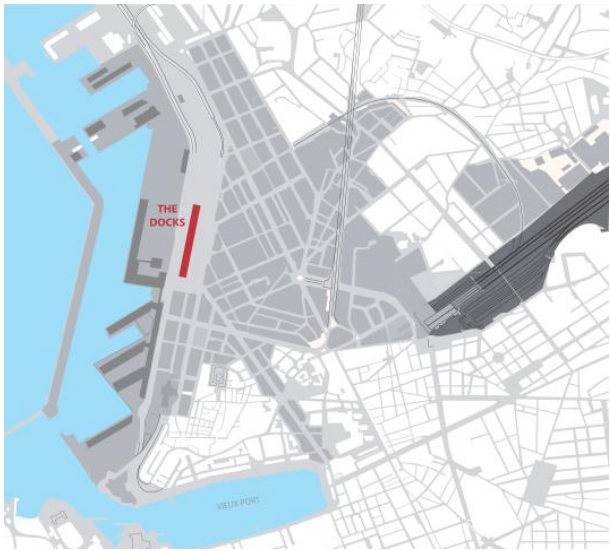
From Figure 5.13 what comes clear is that the first implementations happened agglomerated around the Docks building in the ZAC Joliette, and were office buildings (in red): the Docks, CAP Joliette, Grand Large, Espace Gaynard, Europrogramme, Grand Horizon, and Coeur Méditerranée.

Then came residential buildings (in dark blue) and the changes spread to the two other ZAC. Finally the entire area got more mixed functionally, and around 2013 a lot of cultural facilities popped up (in purple), to be ready for the European Capital of Culture *mega-event*.

After 2013, the impact of the mega-event was the new retail offer and commercial centres, such as ‘Les Terrasses du Port’, ‘Les Voûtes de la Major’, Rue de la République frontages, and The Docks ground floor.

Below this are physically mapped all of this changes through time.



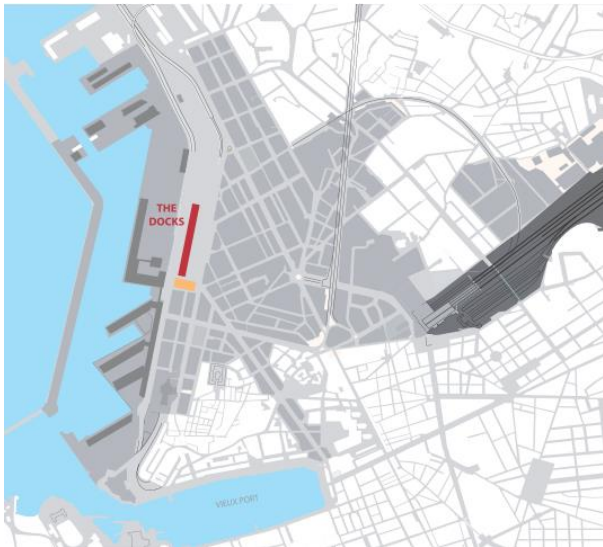


PLANNING INTERVENTIONS BY FUNCTION

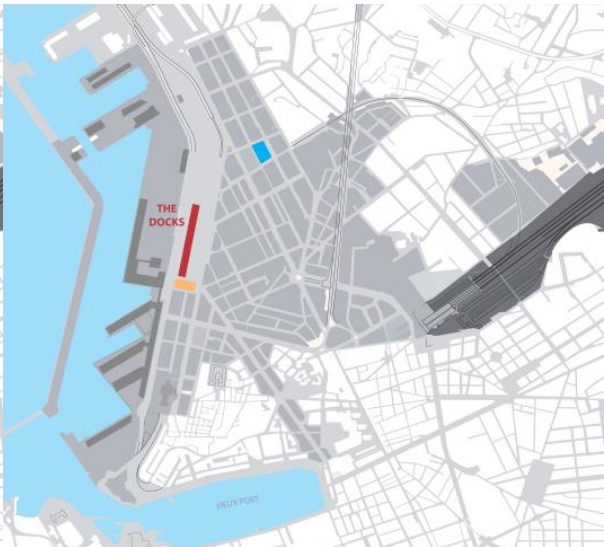
- EUROMEDITERRANEE I AREA
- OFFICE BUILDING
- HOUSING BUILDING & HOTEL
- PUBLIC EQUIPMENT
- CULTURAL EQUIPMENT
- COMMERCIAL CENTRE
- MAIN PUBLIC SQUARE
- TRANSPORT EQUIPMENT & STREET REHABILITATION
- CAR TUNNEL
- TRAM LINE



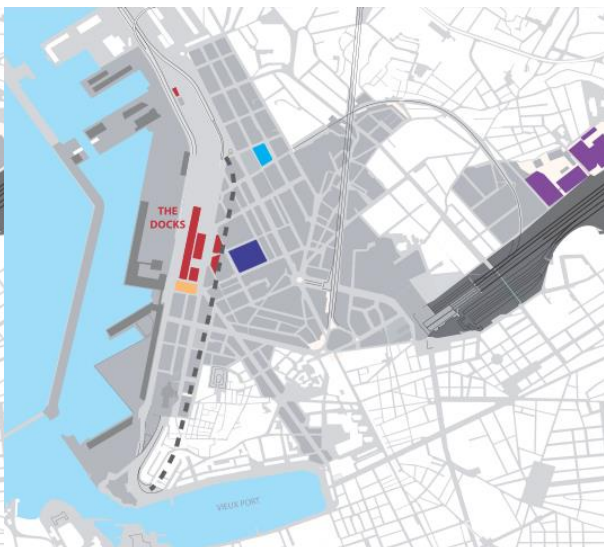
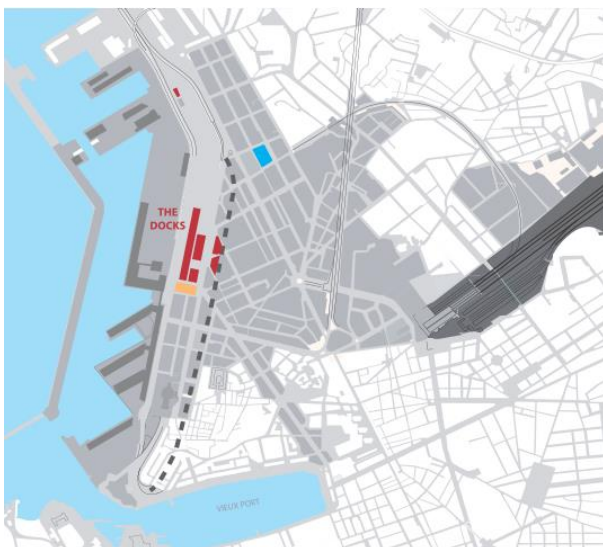
From 1995 to 1997



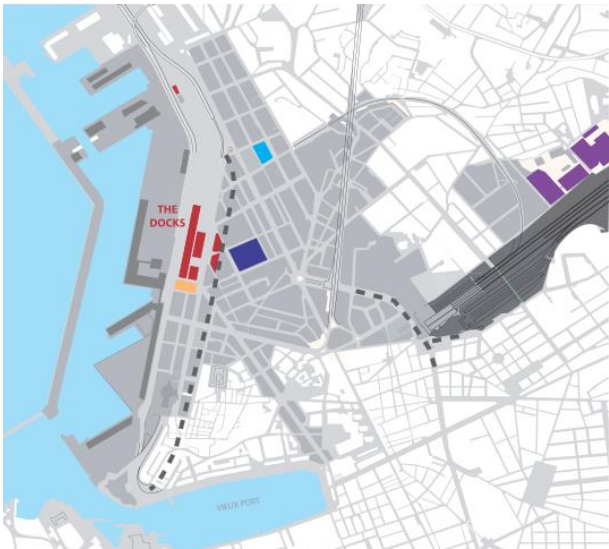
1998



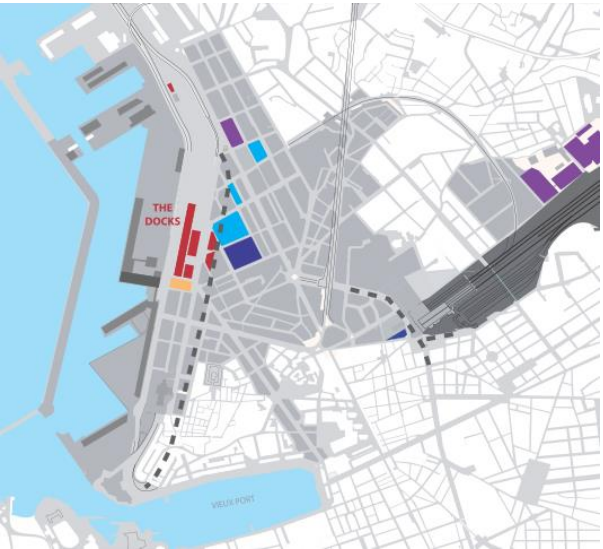
2000



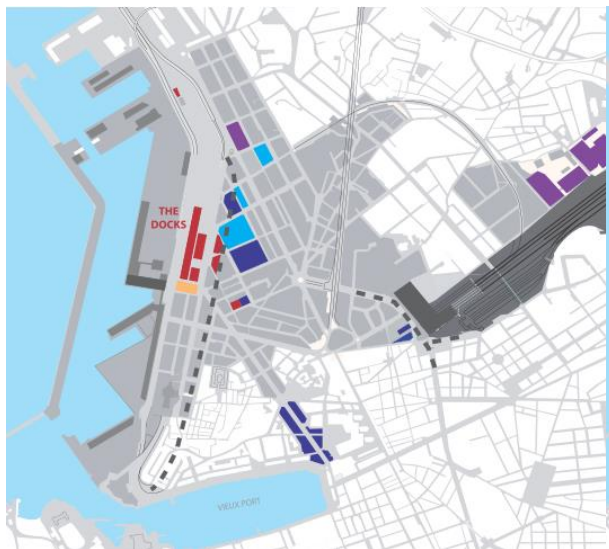
2003



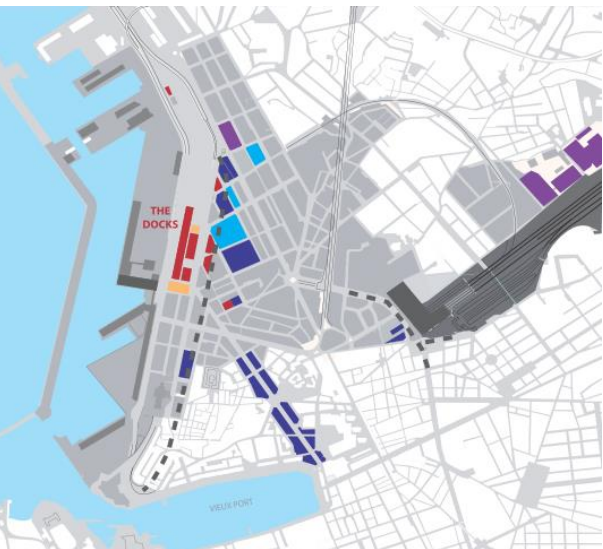
2004



2005



2006

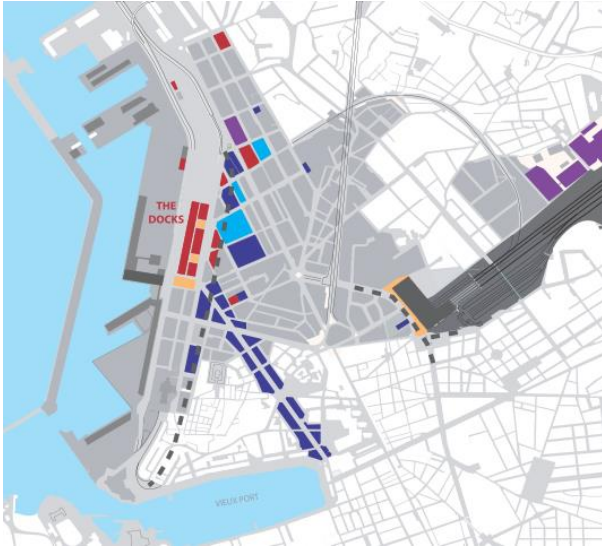


2007

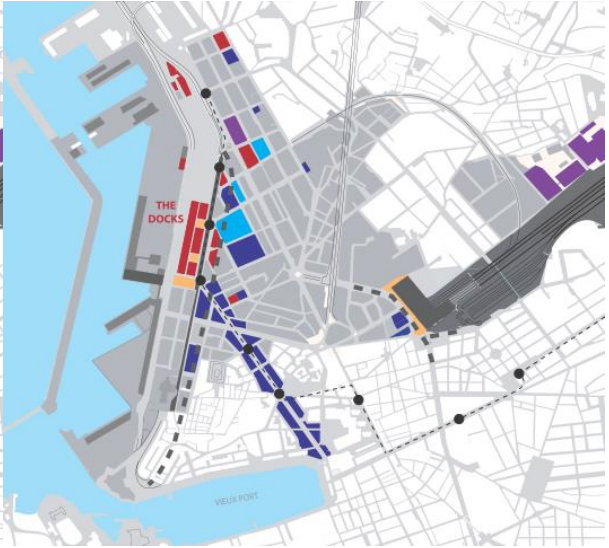


2008

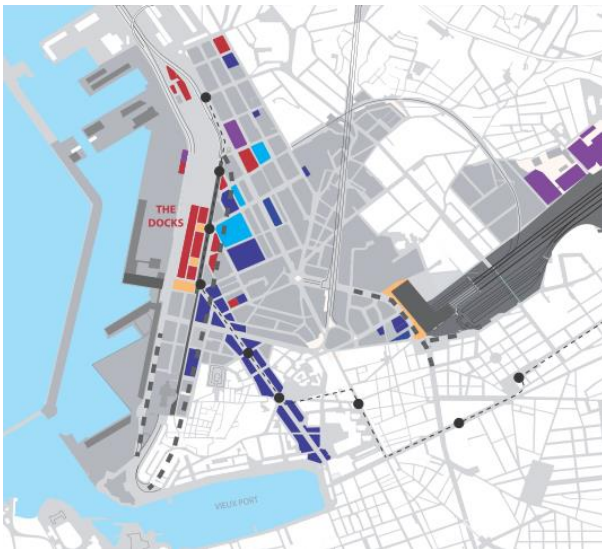




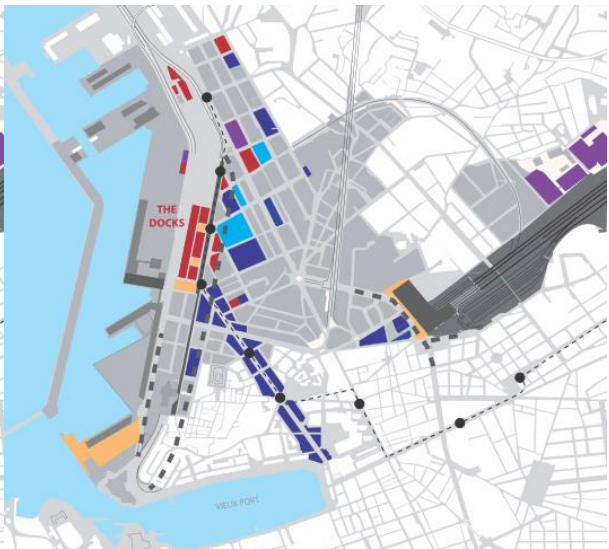
2009



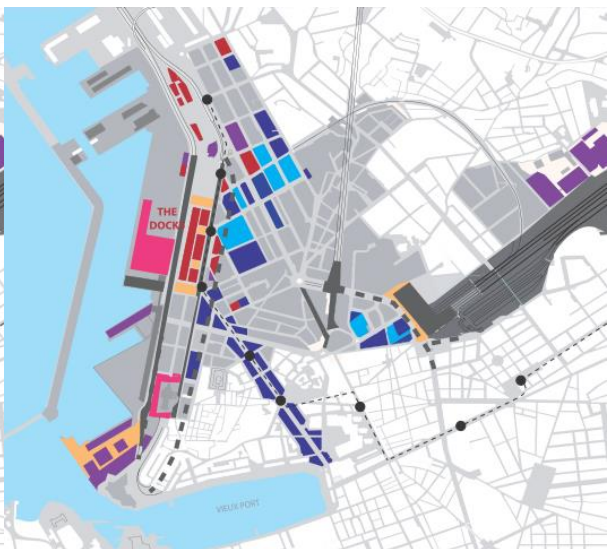
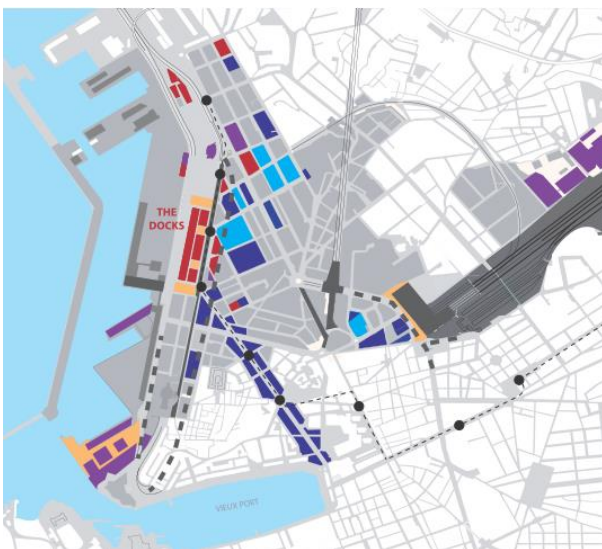
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2011



2012



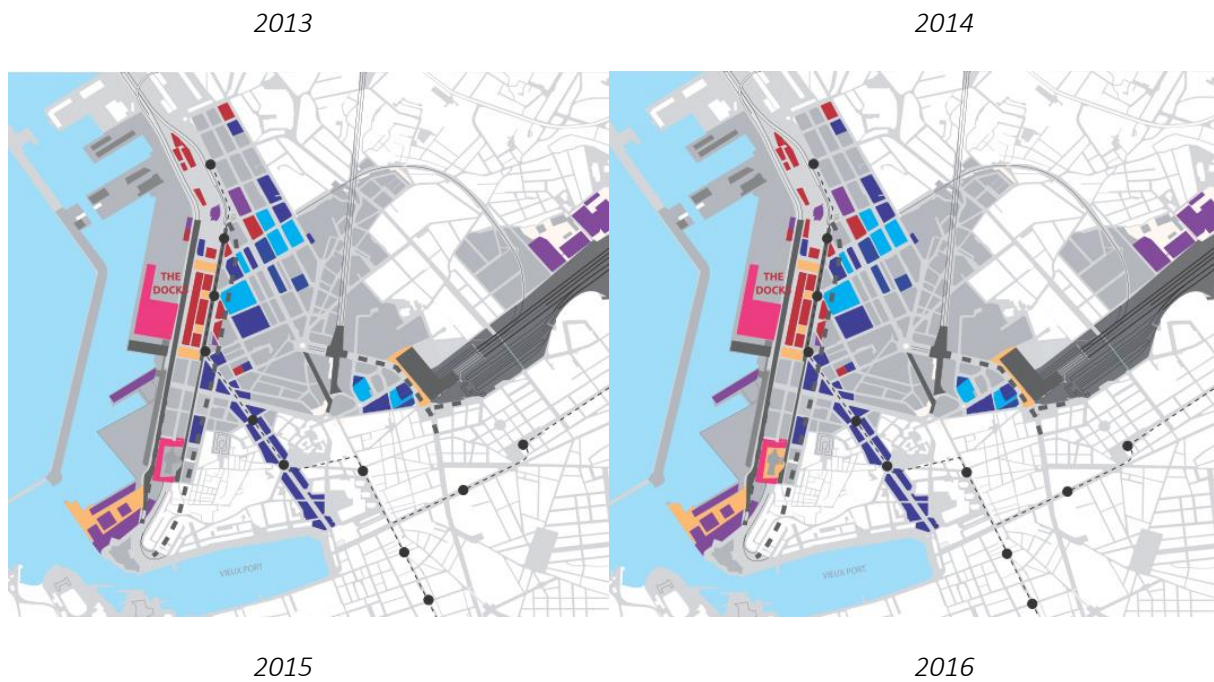


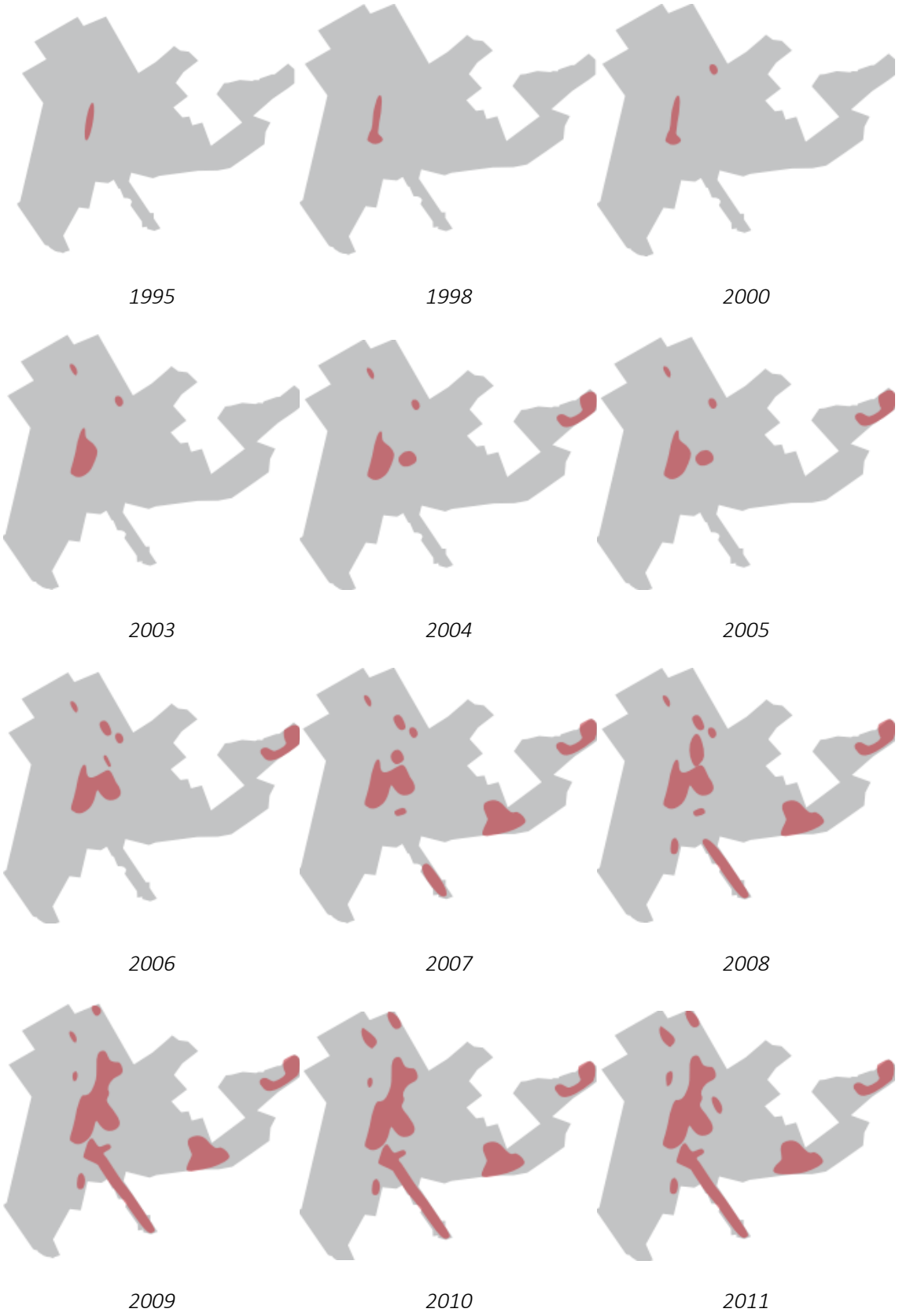
Figure 5.14 Mapped dynamic evolution of the implemented operations in the Euroméditerranée area, by function, from 1995 to 2016 – Source: author's elaboration.

The dynamic mapping on Figure 5.14 enables to visualize the stages. At first we notice only the Docks building were coloured until 1998. Then, five more years were needed to see other office buildings appear, in 2003, all located very close to the Docks building. The first implementations were a large majority of office buildings. Then followed other kinds of operations: residential buildings, accessibility improvements, public space renovation. Finally we notice a lot of purple buildings, cultural facilities, popping up in the area, followed a year after by buildings entirely dedicated to retail, commercial centres (in pink), showing the shift towards private individual consumption.

In parallel, office buildings continue to be built in the area, and remain located very close to the Docks building, along the waterfront, in 'prime' locations. The global interest is very localized and concentrated in this 'prime' area. This high global demand seems in contradiction with the slow construction of office buildings, given the amount of land available. This low speed is not coincidental but controlled by the State, only authority able to deliver Building Permits in the area. A new form of State regulation is developing, and is part of the continuous economic success of the project. Contrary to previous State regulations, this new kind of regulation is very localized, restricted to the Euroméditerranée area, but so is the global demand. The emphasized reliance on space of the global market enables a localized State control.

The Docks building acted as the epicentre of the Euroméditerranée earthquake that woke Marseille up. The evolution over time of the 'tâche d'huile' of the change, mapped below on Figure 5.15, shows its strategic role as trigger of the urban renewal process. Figure 5.15 also highlights that the 'tâche d'huile' of urban changes has trouble progressing to the entire city. The impact of globalization is very localized in Marseille, remains concentrated around its first starting point, the Docks building. The 'tâche d'huile' of urban changes is having trouble progressing and expanding to the rest of the city. The global economic interests impacting the physical urban environment are not always in phase with the social

reality of the city and the needs of local inhabitants. As many Southern coastal cities (Barcelona, Napoli...), Marseille is reluctant to change...



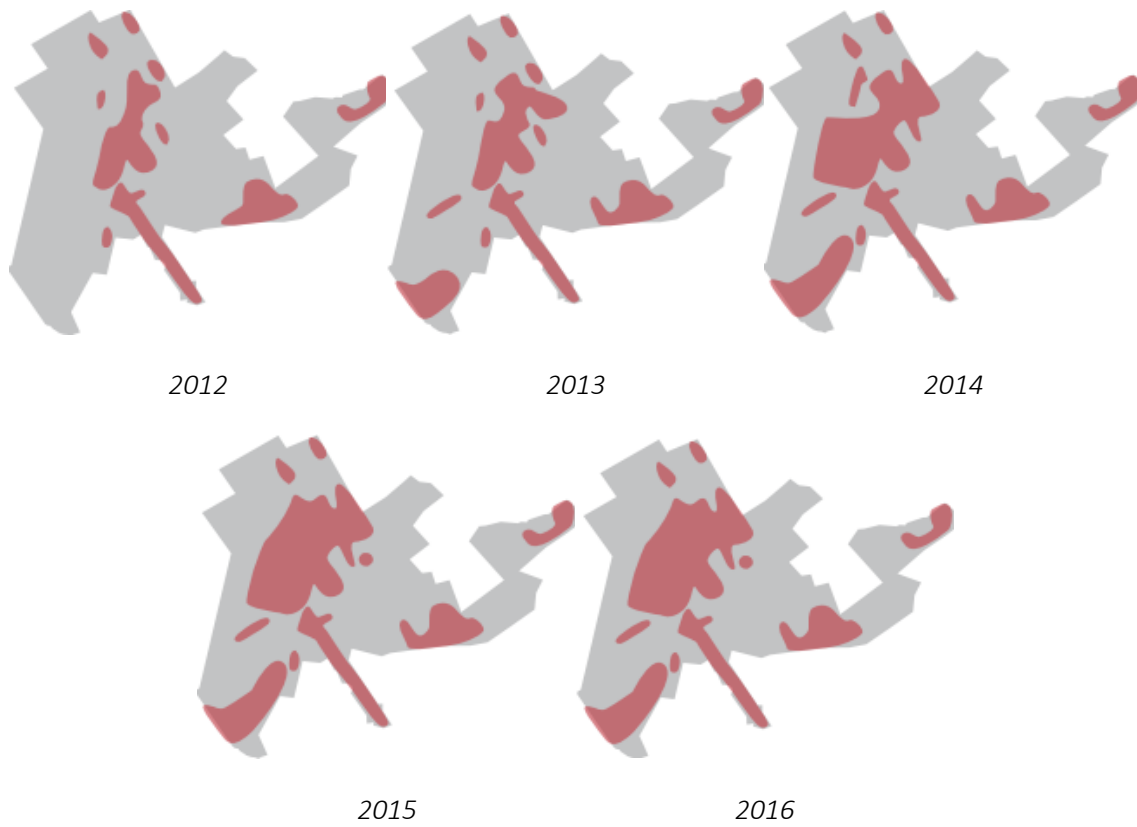


Figure 5.15 Spreading of the change in the Euroméditerranée area, from 1995 to 2016 – Source: author's elaboration.

## SYNTHESIS

This master thesis provided an overview of causal mechanisms between a public State-led urban renewal project, Euroméditerranée in Marseille, and the global office real estate market dynamics. This relationship was perceived through the deep analysis of one case study, the Docks building, located in Euroméditerranée area.

The research question that guided this research was the following:

> What were the dynamic causal mechanisms between the urban macro-scale of the Euroméditerranée project and the global macro-scale real estate market, over the past 25 years, and how are they visible through the transformations of the Docks building case study?

In order to shed light on causal mechanisms, I used the method of research called *case study research* (Gerring, 2007). I analyzed in depth the Docks building transformations, since its construction in the 1850s, with a strong focus on the past 25 years, in order to elucidate broader phenomenon, causal links between Euroméditerranée and the global office real estate market.

In this thesis the focus was strongly placed on the temporal dimension (not the spatial one), it is the dynamics of the causal mechanisms that was investigated in depth, over time only (and not over space). The timing of public decision making, private investments, global crisis, health of the office real estate market, implementation of the urban renewal project were elements that I connected through time in order to shed light on their causal mechanisms.

I chose the Docks building for it is a *typical case* (Gerring, 2007), representative of broader processes, based on the following *selection criteria*:

- > it was the first building to be transformed through the Euroméditerranée urban renewal project
- > it was advertised by Euroméditerranée itself as a symbol of its overall success
- > it was turned from industrial abandoned building to office space, as the entire neighbourhood was turned from productive area to tertiary centre
- > it was renovated three times in the past 25 years, as the neighbourhood changed step by step
- > a retail function was added in recent years, as the neighbourhood provided more cultural facilities and attracted more international tourists
- > it changed owner four times in the past 25 years, and most of them were financial global firms not occupying the building themselves but renting it to others
- > its market price was multiplied by 7 in the past 25 years, reflecting neighbourhood revival as well as the involvement of global actors

The Docks building was a micro-scale representation of what happened to the entire neighbourhood. It combined internal renovation, contextual neighbourhood changes and was involved in the global real estate market thanks to its office function.

Both qualitative and quantitative sources of data were used in this deep single *case study* analysis.

Chapter 2 provided with a description over time of the Docks building, its construction, its renovations, change of functions, change of owners, and dialogue with its surrounding urban environment.

First, I explained the city context of its construction in the 1850s. This 400-meter-long industrial building was created and used for storage purposes, linking the harbour and the railway transit of goods. The whole neighbourhood in-between the railway station and the industrial harbour was an industrial district. After World War II, as trade decreased and industries shut down, the building was progressively abandoned.

Then, I focused especially on the past 25 years, because this period marked a strong shift: the abandoned Docks building rose a private investor's interest, the SARI, in 1991, and this triggered many successive changes in only 25 years:

> Its function: the building was renovated three times, and its function went from unused storage building to introverted office building in the 2000s. Then, in the 2010s, it became a permeable office building with a commercial ground floor full of services and trendy boutiques.

> Its ownership: it changed 4 times. It was always privately owned. In 1991 a French developer bought it. Then in 2003 a couple of British and American investment funds became the owners. In 2007 the American bank JP Morgan bought the building, and sold it in 2017 to a French bank. This change of ownership seemed to have quite accelerated in the last decades, and the owners were financial firms, most of them foreign. From the 1990s the building seemed to be a financial investment only.

> Its market price: it went up restlessly, from 538 €/sqm in 1991 to 3.727 €/sqm in 2017. It was multiplied by 7 in 25 years, while average national office market prices went up by 44% only.

These concomitant changes were representative of broader contextual changes in the past 25 years. Those macro contextual changes were of two scales: the scale of the neighbourhood, Euroméditerranée urban renewal project, and the global scale of the office real estate market.

Chapter 3 provided with an overview of the Euroméditerranée urban renewal project, since its launching in 1995. Its specificity was the strong involvement of the State in the process, both in the financing and the decision making.

First, I highlighted the need of such a project describing the city context in the early 1990s: Marseille had been in economic crisis because of its failed attempts to develop tertiary economic functions following its de-industrialization. This economic crisis had spread to become also a social and urban crisis, and was mainly located in the Euroméditerranée area. This part of the city was full of urban voids and in a state of decay. The city was suffering from a loss of jobs in the industrial sector and a loss of inhabitants who fled to more dynamic secondary cities. Studies had been done by public authorities in Marseille in the 1990s in order to shed light on this dramatic situation and propose guidelines to trigger some change.

Then I described the setting of the project. Euroméditerranée being the biggest urban renewal project in Europe (480 ha) and involving public actors of very different scales (from City Mayor to State Ministries), the setting phase was fastidious and time-consuming. Negotiations, meetings, discussions



were used to gather all the actors and reach agreements. The main element that enabled such agreements was the involvement of the State. It was very rare in France, and proved both that local actors by themselves were inefficient, and that the economic revival of Marseille was of national interest. The State participated in the financing of the project (about 50%) and in the decision making, it was the planning authority on this area.

A crucial part of the preparatory phase was the attraction of private investment. Euroméditerranée's first goal was the economic growth of the city, and private investment was an essential mean to reach this end because public actors did not have enough funds to trigger 480 ha of change. Several tools and canals were used: Euroméditerranée focused its first efforts on providing office buildings (and not residential) in the late 1990s-early 2000s, and in the early 2000s created the 'Cité des Entrepreneurs', association enabling public and private actors to meet and discuss future projects in the Euroméditerranée area.

Once the setting completed, main physical urban changes progressively modified the image of the city. It started with the provision of office building aggregated around the Docks building, and then diversified with residential buildings, public equipment, to improve transportation axes, public spaces...

In the 2010s, a main shift in the image of Marseille was triggered by its election to be European Capital of Culture in 2013. Euroméditerranée was a pillar of this event since it hosted 80% of its cultural equipment. Moreover, the new main symbol of Marseille: the MuCEM (National Museum of Civilizations of the Mediterranean Sea), was built on Euroméditerranée area. This mega-event enabled the attraction of private capital not only from firms but also from individuals coming to consume 'local' features of Marseille: art, exhibitions, food, monuments, local craftsmanship. As a consequence, from 2013 trendy boutiques have been popping up in the Euroméditerranée area to favour this private individual consumption.

The overall success of Euroméditerranée seemed to have been triggered by its economic revival, itself fostered by private actors investing in the area. The attraction of private capital was a crucial element enabling public actors to provide also public equipment, public space, residential buildings. At first, this private capital was solely coming from firms. Then, thanks to the European Capital of Culture event, private individual consumption was progressively attracted.

Chapter 4 provided with an overview of global trends of the office real estate market in the past 25 years, at different scales. It enabled to explain the context that favoured the success of the Docks building and Euroméditerranée neighbourhood urban changes. The involvement of global actors in this local tertiarization process was evidence that there have been exchanges between global and local contexts in the past 25 years, through the office real estate market.

First, an overview of the changes at national scale was provided. The deregulation of the market in the late 1980s welcomed foreign capital, notably American and British financial actors that had a different management of office buildings. In parallel there have been a deregulation of banks leading to a financialization of the market, making investment easier thanks to new financing tools, and enabling real estate goods to be exchanged on the financial market. Since the late 1990s-early 2000s, there have been an increasing involvement of foreign and financial actors in the office real estate market. Office

buildings shifted from an 'asset value' vision to a 'cash-flow' one. For firms in need of office space, owned fixed assets were replaced by rented offices with a short-term smaller financial weight on the balance sheet. Those rented offices were owned mainly by foreign financial actors looking for capital gains through the financial market.

Then, a comparative analysis at metropolitan scale was conducted between Aix-Marseille, Lyon and Lille, because those three cities have undergone similar tertiarization processes through the construction of business centres that revived their economy in the past years. I drew first conclusions about Marseille city and its specificities:

> In Marseille the transactions were made mainly by a handful of large internationalized real estate companies buying entire buildings or very large office spaces, contrary to Lille in which the transactions were made by many smaller companies investing in smaller office spaces. This meant for Marseille that the volume of transactions changed rapidly from one year to another because depended a lot on this handful of large firms' investments.

> In Marseille the transformation area was physically limited, restricted to the waterfront, the Euroméditerranée area providing 'prime' locations. This scarcity of available lands to build on caused a constant increase of prices, and limited the growth rate of transaction volume.

> Moreover, this scarcity of office space built in Marseille was not only due to physical constraints, but also to a political wish of the State-led Public Establishment to limit the supply of offices. This way they limited price shifts when a sudden financial crisis or revival hit. Slowing down the supply of offices also enabled to keep a constant long-term growth for Marseille's economy and enabled the city to keep the pace of the change.

> In Marseille the diffusion of this successful urban transformation outside of 'prime' areas was very slow. As many Southern Europe harbour cities, Barcelona or Napoli for instance, Marseille's inhabitants were very reluctant to change, causing an urban inertia and slowing down the diffusion of urban transformations. On the contrary, Northern cities such as Lille were more inclined to take advantage of a small area's success, and the diffusion of urban changes in the 'Euralille' project impacted the entire city, its historic centre was highly renovated, its touristic activity increased a lot...

Finally, the analysis of the office real estate market was focused on Aix-Marseille metropolis, shifting from metropolitan scale to city scale and then to Euroméditerranée scale, in order to highlight how local urban changes progressively lead to economic revival at city scale thanks to the strong involvement of private actors, most of which are financial foreign firms.

Euroméditerranée became the central business district of the Aix-Marseille metropolitan area. It attracted mainly decisional functions. Even if offices were also present in other parts of the metropolis, the main attractor of foreign firms was Euroméditerranée thanks to its 'prime' locations ensuring firms a sound financial investment. Urban functions and services were defined and located according to the profitability potential they create. As a result there were clear formations of agglomeration poles, combining high-rise office space and associated services. The location of those was determined on the international 'image' (brand) of an area, its accessibility relying on both social infrastructures (knowledge, human capital...) and economic infrastructures (roads, airports, energy production, communication technologies...), and the quality of its surrounding urban environment (provision of

services, proximity to institutions, to other offices, agglomeration of economic activities). The creation of this urban environment was determined by and determined the presence of office spaces of good quality, attracting private investors. Nowadays, private actors consider the ability to make capital gains as their main end, achieved through two means:

> Foreign companies look for promising assets (areas in which prices are expected to increase), wait (they don't necessarily rent them) and sell them back after a few years, enabling them a good return.

> Financial firms buy 'safe' assets, in specific locations, such as 'prime' locations (waterfront, historic buildings, CBD...), in which price is sure to remain stable. They use those assets in the business of asset-backed securities. Bought using credits, securities are exchanged on the financial market, having for collateral the value of the asset itself.

The office real estate market has undergone a turning point in the past 25 years. The deregulation of the market led to its globalization, the deregulation of banks and the creation of new financial tools enabled its financialization. This resulted in a shift in the way to consider office space, from long-term fixed asset to a short-term cash-flow rented asset. The owner of those office spaces were no more the users, but mainly foreign private financial firms. Office space became for financial companies a tool towards capital gain. The urban geography created depended on that logic. In Euroméditerranée, the creation of a business district around the Docks building made the neighbourhood enter that logic.

Chapter 5 was the combination of these previous chapters. It provided an economic analysis of the case study of the Docks building over the past 25 years, in order to shed light on causal mechanisms between Euroméditerranée urban renewal area and the main shifts in the office real estate market.

First, I justified the focus on the past 25 years by an overview of the Docks building history since its construction in the 1860s. It revealed that the past 25 years witnessed two important changes:

> A scale shift: from local City-scale in 1850-1950, to a national scale in 1951-1990, to a global scale in 1991-2017

> A time shift: an acceleration of events in the third period 1991-2017, concomitant with the involvement of the global scale

The next part focused on the changes occurring during these past 25 years. I created a stage model of the Docks building to use it as a reflection of the increasing links between local and global scales, between Euroméditerranée success and the global office real estate market. This stage model is based on the evolution of the unit market price of the Docks building that revealed three different slopes of price increase. I noticed that each of these slopes corresponded to main trends for Euroméditerranée urban renewal project and for the office real estate market. I detailed each of these stages to elucidate the causal mechanisms between those two scales.

> Stage 1 – Start-Up – 1991 to 2001

The Docks building was bought by a private developer who decided to turn it into an office building. This renovation was done step by step because the success was not guaranteed: the urban surroundings

were decaying, Euroméditerranée was not set yet, the demand of offices was not ensured... This step-by-step process enabled more flexibility to stop the renovation in case of failed commercialization.

In Marseille, studies were being done to evaluate the state and potential of the Euroméditerranée area. The project was being discussed since the early 1990s and finally officially set in 1995, after the State guaranteed its involvement. The State was the main trigger of the process, the 'chef d'orchestre' of the disagreeing local political actors. Negotiations about the political, legal, urban planning and geographical settings of Euroméditerranée were time-consuming and lasted up until the early 2000s.

In the office real estate market, the French market got 'deregulated', the State did not have authority anymore on the implantation of offices, enabling foreign firms to invest easily. In parallel banks got 'deregulated' making the number of allocated credits burst. However, these macro contextual elements did not impact the local scale of Euroméditerranée yet, because there were no office spaces of international interest in the area at that time.

This 'Start-Up' phase was located only at a very local scale. I discovered actually that in that phase, there were main interactions between the Docks building itself and the Euroméditerranée area. The Docks building were not only a typical representative case study, but also participated actively to the urban renewal process! It was the first operation of Euroméditerranée. Its step-by-step renovation started even before Euroméditerranée was set, and Euroméditerranée insisted to be made part of the building permits after 1995. I found letters from public authorities highlighting the strategic role that the Docks building played. Its commercialization was a clear success, and Euroméditerranée used that success as a catalyst of future private investment in office buildings. It then built its first office buildings agglomerated around the Docks building.

In order to explain this strategic role and the interest of the private developer in 1991, I used Smith's tool, the *rent gap*. The Docks building, in the early 1990s, presented a low capitalized ground rent and a high potential ground rent. This was the result of combined trends affecting the building in previous years.

Its low capitalized ground rent was due to 4 elements: the change in storage methods (containers had been invented, making storage buildings useless), the de-industrialization of the area (the surrounding industries shut down or moved out), the city crisis (previous projects of business centres had been aborted), and the successful price negotiation by the SARI in the 1990s (this uncertain economic context lead firms to merge, and the Docks building was negotiated during the merger).

Its high potential ground rent was ensured by 3 elements: the Docks surroundings (located at the heart of the Euroméditerranée area, surrounding urban changes were forecasted. The head of the SARI being involved with local political actors, he knew the project was being set and could bet on future improvements), its appropriate change of function (offices were needed in the area since Marseille failed to tertiarize in previous years), and the taste of the internal renovation (industrial architecture was a fashionable lifestyle advocated mainly by Zuckin and internal decoration magazines).

This combined use of private economic capital, the promise of public economic capital, the facilitated exchange of information (intangible capital) between public and private spheres through the local politicization of the head of the SARI enabled a process of double feedback leading to a double success, of the Docks at building scale and of Euroméditerranée at neighbourhood scale.

After this Start-Up phase, the Euroméditerranée project raised private foreign investors' interest thanks to the advertising of the sharp success of the Docks building. An increasing number of private foreign firms got involved in the late 1990s-early 2000s. This changed the process of increase of value, which is visible through the change of slope in the unit market price curve of the Docks building. We entered stage 2.

> Stage 2 – Globalization & Financialization – 2003 to 2007

The Docks building was bought in 2003 by Catalyst Invest and Starwood Capital, British and American investment funds, and then sold again in 2007 to JP Morgan, an American banks. This change of owner at the scale of the Docks office building revealed the involvement of financial foreign private actors in Euroméditerranée, through the office real estate market. The interaction between those two macro elements started, and the representative role of the Docks was very revealing at the stage.

In Euroméditerranée, in the early 2000s the setting of the project was complete, and the first implementations were built. Euroméditerranée focused first on the economic revival of Marseille as seen above. The first implementations built were thus office buildings: Cap Joliette, Espace Gaymard, Grand Large. They were all aggregated around the Docks building because the success of the Docks were a main guarantee of sound financial investment. The globalization of the office real estate market relying strongly on agglomeration economies, this phenomenon of physical business pole seemed logic.

In the office real estate market, from 2002 to 2007, the 'financialization' sped up, and three factors modified its nature: first the diversification of investments. In France companies 'externalized their assets' to get available funds and move to renting office space instead of owning them. In parallel, the legal status of SIIC was created with an advantageous fiscal system, favouring this externalization of assets. It was the only legal status enabling landholding trusts to enter the stock Exchange, and real estate assets to become real estate securities. Second, real estate securitization, a new indebtedment technique complexified the financing of office real estate. The debt was turned into securities and sold to other investors, transferring the risk to others. Third, new actors (German investors bought office buildings previously owned by American firms).

This 'Globalization & Financialization' stage was marked by the deregulation of the market, making it depend on the *invisible hand* (Smith, 1776) only, the law of supply and demand between the scale of Euroméditerranée and the global scale of the office real estate market.

The supply of offices attractive for foreign private financial investors was ensured in Euroméditerranée by 3 elements: first the presence of many urban voids and infrastructures. Urban voids enabled to create office buildings from scratch, up-to-international standards, and the presence of physical infrastructures was one of the main features attracting firms. Second, Euroméditerranée bet on economic growth as basis for development and thus provided at first office buildings, all agglomerated around the Docks building, embodiment of success. Finally, Euroméditerranée launched the 'Cité des Entrepreneurs', facilitating exchanges between public authorities and private investors, enabling future projects to match private actors' expectations.

The global demand of those office space was ensured by 2 elements. First, cities became strategic locations, thanks to tertiarization and globalization. Saskia Sassen emphasizes the irony between the increase in intangible links and transfers (capital, information...) at global scale, and the increased

reliance on agglomeration economies located in cities. Marseille is not a *global city* but is doted of the arrival of international submarine cables, making it a telecommunication node of international relevance. This economic spatial asset channelled the interest of tertiary firms specialized in this area in the early 2000s. Second, the global demand was dynamized by the financialization of the market. In Euroméditerranée, many office buildings built in the early 2000s were bought by foreign financial firms, as investments. This is visible for the Docks building (Catalyst Invest & Starwood Capital, then JP Morgan). Most of those buildings were put back on the market only a few years after, because the return on investment was achieved for their owners. This trend is also visible through the Docks building (bought in 2003 and sold in 2007). Finally, at each new transaction, their price increased a lot: for example for the Docks building, its price more than doubled in 4 years...

Those three trends, affecting the Euroméditerranée office real estate as well as the Docks building, are consistent with the financialization process. Those financial firms buying offices did not use them personally, they only constituted sound financial investments, and this was confirmed by the increase of price of those assets. This increase of price being itself guaranteed by both the successive profits taken by the owners, and the Euroméditerranée project insuring a continuous development and improvement of the area, as seen in the supply part.

This stage 2 provided, through the analysis of the Docks building price increase and change of owner over time, an insight on causal mechanisms between Euroméditerranée economic success and the global office real estate market shifts. After the crisis of 2008, this process slowed down and another logic seemed to affect the area. We moved to stage 3.

> Stage 3 – Local & Global or Local VS Global – 2008 to nowadays

The Docks building underwent a third renovation in 2013, following the European Capital of Culture event. The ground floor was made permeable and inviting, hosting retail functions, mainly boutiques offering local goods, local food, local craftsmanship. The atmosphere of Marseille's villages was re-created to attract a specific type of consumers: tourists visiting the building for its cultural value and enjoying authentic boutiques matching the authenticity of the building, and new middle-class white-collars working in the business district.

In Euroméditerranée, Marseille was elected in 2008 to be European Capital of Culture in 2013, and 80% of cultural equipment were built on the Euroméditerranée area. The main implementations were public spaces, cultural equipment, and entertainment facilities. In parallel, in 2007 the State decided to extend the perimeter and change the focus of the urban renewal process to provide more residential buildings and public space. The economic growth being ensured, Euroméditerranée could build over this sound economic basis a more diversified neighbourhood. Both of those new events had the same goal: attracting individual consumers, tourists as well as new middle-class residents, to give life to the area by consuming 'local'.

In the office real estate market, the economic crisis of 2008 impacted private corporate investment, decreased trust and impacted the volume of transactions as well as the market price. Following the 2008 crisis, the market cycles, crisis-revival, got more dynamic and rapid.

This 'Local & Global or Local VS Global' stage presented a shift, from the attraction of corporate capital to the attraction of individual capital. The crisis of 2008 seemed to have been a push towards a

diversification of source of investment, an end to the reliance on corporate capital as sole pillar of economic growth. A return to local features, authenticity, seemed like a promising tool to foster individual participation to economic growth.

On the one hand, some local features were used to attract global investors, through 2 elements: first, the rise of cultural capital as valuable local asset. Marseille was elected in 2008 to be European Capital of Culture in 2013. The choice of Marseille for this event was explained by the sound financing plan and strong involvement of both public and private actors. These elements were of clearly due to the Euroméditerranée project, without which such a level of coordination would not have been possible. Second, the use of mass consumption to sell local goods/culture/food, all local features, in boutiques. This element was a direct consequence of the first. The *mega-event* put Marseille on the international advertising as touristic destination, and attracted private individual capital. For the event and in the years following it, many boutiques opened in the Euroméditerranée area, as visible on the ground floor of the Docks building turned into a commercial internal street in 2013.

On the other hand, other local features were limiting the impact of the global scale. Saskia Sassen described the increasing reliance on local geographical elements that un-intuitively developed along with globalization. This stronger reliance empowered local elements to resist global changes. I noted 3 of these limiting local elements in Euroméditerranée: the first one was the scarcity of the office supply, the second one the extension decided in 2007 and the third one the residential market.

The scarcity of office supply was purposefully decided by Euroméditerranée in order to achieve a slow but continuous economic growth over the years. The result was quite positive during the crisis of 2008: real estate prices in Euroméditerranée increased much less before 2008 than the French average, and then after 2008 they decreased also less. The use of scarcity enabled local prices to remain quite stable in resistance to global shifts. This scarcity was enabled by the State, having planning authority in the Euroméditerranée area, deciding if and when to grant Building Permits. As such, it acted as a regulator of the office real estate market, on this very limited geographical area. It was a new form of State regulation, not applied to the entire country but geographically limited. However, the involvement of global actors was also limited to 'prime' areas of international value, so this State regulation was sufficient to enable a local resistance to global changes.

The second local element was also purposefully set. In 2007, Euroméditerranée decided to extend its area. While the initial area was focused on providing supports for foreign investment such as office buildings or cultural facilities, the extension focused on providing residential dwellings and public/green spaces. It increased the mix of the area, provided new public equipment, public spaces and accessibility, participating to offices' attractiveness. The local extension participated to the continuous increase in rental prices of offices despite the global crisis, through the improvement of the urban environment provider of *Jacobian externalities*.

The third element was not purposeful. Euroméditerranée acted on the existing city by renovating residential dwellings. Some were bought by private developers, renovated and then put back on the market in the late 2000s. A process very similar to the renovation of the Docks building in the 1990s. However, contrary to the Docks building's successful commercialization, residential dwellings did not meet success, and many of them are still empty nowadays. The example of Rue de la République showed the clear inadequacy between the supply of renovated residential spaces, which rents were based on financial expectations of global private actors, and the demand for those residential spaces that is

composed of local individual residents of Marseille. The global supply and the local demand didn't match. This time the local social reality of the city was a limit to economic success.

The stage model showed that during the start-up stage, it was the combined interactions between the Docks building and Euroméditerranée that triggered the transformation of the area. The Docks participated to the change, it was the first injection of private capital in the area, and this injection was itself triggered by the Euroméditerranée discussions and settings, especially the involvement of the State, guaranteeing a future urban improvement, thus a good return for the private developer. This coordination was obtained through interactions between the head of the SARI and local political actors, enabling information to circulate easily. This unformal partnership was then settled as soon as Euroméditerranée was officially launched, in 1995, and the Docks are nowadays presented as its first and successful operation, catalyst of future private investments.

Euroméditerranée's first focus being the economic growth of the area, the first buildings built were offices, and matched the global demand of foreign investors. In parallel, the globalization and financialization of the office real estate market provided the demand of such office buildings. The Docks building's market price increased the most during this period, and this increase was due both to the cumulated profits taken by its successive owners, and by the neighbourhood increase of price thanks to urban changes.

Finally the focus changed. Marseille being European Capital of Culture in 2013 made it develop its attractivity for another kind of foreign investor: middle-class tourists in search of local authenticity. In parallel the business district around the Docks developed and hosted an increasing number of white-collar professionals and managers, local middle-class and potential consumers of authenticity. A lot of boutiques developed since then to make sure this authenticity was consumed. The office supply also continued in the Euroméditerranée area, and this continuous development was regulated by the planning power of the State, only authority able to deliver Building Permits in the area. This new form of State regulation was very localized on the territory, but matched perfectly the global demand agglomerated in the few 'prime' locations of the city.

However, these apparent urban improvements, relying mainly on economic growth fed by global investors, were only one side of the story. Many local inhabitants were not able to follow these global changes. In Marseille the development seemed to have a double speed: tertiary facilities on the one hand, with a high global demand and constantly rising 'prime' rental prices, and residential dwellings on the other hand, with a local demand unable to follow.

To conclude this merging final part, I mapped the changes at Euroméditerranée scale over the past 25 years in order to visualize the physical impact of these increasing links between local and global, and the economic success 'tâche d'huile' spread throughout the area. It was very visible that the change was agglomerated and struggled to spread to the surrounding city.

The chosen lens of urban economics enabled me to understand the trigger(s) of change in Euroméditerranée, depending first on the very local success of the Docks building, then on the involvement of financial international corporate capital, and finally on the re-branding of the city to



attract also international individual capital. The economic growth mechanism evolved over time and used different tools to attract private capital. This evolution was visible through the *typical case study* example of the Docks building, its increase of market price, change of owner, change of function. The Docks building was a micro-scale reflection of neighbourhood change and the increasing interactions between local and global, leading to a successful economic growth.

However, this success was supposed to be an answer to the situation of Marseille in the 1990s. The city was in an urban crisis, both from an economic and a social point of view. The city had not succeed to tertiarize and as a result tertiary firms had not come, and in parallel many blue collars had remained unemployed, in precarious social conditions that were reflected through the degraded built environment.

According to me, the overall success of Euroméditerranée and the city in general during these past 20 years was an appropriate answer to the economic crisis, but not to the social one. The people in need of a renewal, those former blue collars, are still unemployed nowadays, since the jobs offered by tertiary firms were majorly white-collar jobs. The degraded built environment improved, but this happened through the displacement of original residents. The consequent increase of price in the area did not enable former residents to benefit from the change. They left to poorer parts of the city. Cultural and commercial facilities opened, but their targets were middle and upper classes, and once again lower social classes were left behind. It is clear that the people benefitting from this change were financial firms, private developers, tertiary firms, white-collar workers, boutique middle-class owners, a lot of people, who are however not those that needed it in the first place, lower social classes.

It seems that this undeniable economic success is only shadowing the remaining social crisis underneath. It is like treating a bone fracture with painkillers only. It will be enough to forget about the symptom, the pain, but not sufficient to treat the true cause, the fracture.

Euroméditerranée is treating a socio-economic problem with an economic cure only, and I can only wonder what will happen when the painkiller effect fades away and the pain from the fracture reappears stronger than before. The mask of economic success, nice boutiques, cultural facilities, brand-new office towers, is for now managing to hide the social real face of the city, but for how long?

My hope and forecast is an increasing consideration for social issues in future years. As seen above, the social reality does not match the economic success, and this mismatching between local and global features have caused and is still causing reactions in Marseille. Associations are created to support original residents' *right to the city* against global economic actors. A supply without demand being useless, the real estate products put on the market by global financial actors are obliged to bend and meet the expectations of the local social demand halfway.

This research was limited by several factors: first is the time used, one year only compared to the 25 years analyzed in depth. Then is the urban economics perspective chosen, enabling a broader understanding of financial mechanisms between local and global leading to economic success, but leaving behind social concerns. If I could continue this research further, I would focus more on social changes, to understand to what extent this economic growth triggered (or not) social development.

This study of Marseille from an economic perspective showed that this urban development was first built for and by companies, global corporate financial beings, because of the strong dependence of public actors on private money. As Susan Fainstein emphasizes:

*“In the era of tax revolts and austerity in national budgets, public authorities depend on private investors”* (Fainstein, 2016, p. 4)

In recent years, the stronger involvement of financial and foreign actors in the real estate market changed the power of private actors in the development of the city. Decisions about investment went from local to global level. And financialisation intensified uneven development because of the common goal to minimize risks and maximize profits:

*“Private investors usually seek to minimize risk and to put their money in the most potentially profitable places, investment will flow rapidly into areas already expanding. [...] In contrast, high risk takers will bet on potentially high rewards by buying devalued assets; they thus also have a stake in driving down prices in some areas but can only realize speculative gains by repurposing their holdings for more affluent users. Both tendencies exacerbate unevenness”* (Fainstein, 2016, p.3)

A sound economic basis is a necessary condition to enable urban development. However, it is not sufficient to achieve a more ‘social’ urban planning. The city became the playing field of economic actors because of the combination of state neoliberalism, financialisation and globalization, leading to unevenness. I advocate that in future years, globalization and financialisation can be taken advantage of by public planning authorities to achieve social development. A stronger and new form of State involvement will need to be defined. The premises of this new State involvement are visible in Euroméditerranée, in which the State controls the yearly supply of office space thanks to its power to deliver Building Permits.

Such new forms of State regulations are scarce but could be the key to achieve greater justice in the city, using financial global actors as sound economic foundations to build solid cities and urban environment dedicated to its residents.

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## ANNEXE – TIMELINE OF EUROMEDITERRANEE

1844: setting of La Joliette basin and the new industrial harbour North from the Old Port.

1931-1934: construction of oil refineries around Berre Pond, La Mède and Lavéra.

1952: launching of Lavéra Harbour.

1965: General planning of Fos area and construction of steel industries.

1968: Inauguration of the new ZIP (Zone Industriale-Portuaire – Industrial Harbour Zone) in Fos-sur-Mer, strongly supported by the State.

1970: urban planning project of a 'centre directionnel' (business centre) in Marseille near Saint-Charles Railway Station, supposed to host the decisional offices of the productive plants that installed in Fos-sur-Mer.

1971: A7 highway arrival in Marseille 'Porte d'Aix'.

1973-1974: first metro line and extension of Fos-sur-Mer harbour.

1977: Bourse commercial centre.

1978: second metro line.

1988: A55 highway arrival in Marseille 'Vieux Port'.

1991: The SARI (Christian Pellerin at its head) buys the Docks building.

1992: publication of P. De Roo report *L'aire métropolitaine marseillaise ou la métropole éclatée*. CIADT : A. Masson is asked to study the feasibility of a major economic and urban development project in Marseille. Agreement between the City, the Department, the Region, the Chamber of Commerce, the Harbour, the Railway Company, to ask the State its involvement in the urban regeneration project.

1993: Launching of the GPV (Grand Projet de Ville – Main Urban City Project) in the Northern part of Marseille. A. Masson publishes a report called *Marseille, projet Joliette-Saint-Charles*.

1994: publication of the Ministre of Equipment's report *Euroméditerranée, un nouvel imaginaire*, and the AGAM's report *Euroméditerranée, objectifs, concepts et contenus*.

1995: creation of the EPAEM, the State signs its involvement for 1995-2006. Public budget of 2.4 billion Francs (366 million €) agreed for the period 1995-2006. Declaration of Barcelona to create a free-exchange zone between the countries member of the EU and 12 Mediterranean countries.

1996: Multimedia incubator in La Belle-de-Mai completed.

1997: demolition of the J3-J4 industrial buildings.

1998: rehabilitation of La Joliette Square.

1999: J2-J3 restructuration.

2000: Ruffi Gymnasium inaugurated. Launching of the ZAC 'Saint-Charles'.

2001: opening of the high speed train line Paris-Marseille arriving in Saint-Charles Railway Station. City Archives renovated in La Belle-de-Mai.

2002: launching of the ZAC 'Joliette' and the OPAH 'République'. The Docks office building entirely finished. Interregional Patrimony Conservation and Restauration Centre finished.

2003: The State decides to stay involved in the project for 2007-2012. CMA-CGM headquarters finished. CAP-Joliette, Grand Large, Espace Gaynard, Europrogramme office buildings finished. 'La Major' highway Tunnel inaugurated. La Joliette Square improved.

2004: Ilot M5 finished (330 housing units). Belle-de-Mai brownfield rehabilitated into a pole of industry and culture.

2005: Definition of the new public budget for Euroméditerranée: 183.5 million € for 2007-2012. Launching of the ZAC 'Cité de la Méditerranée'. Saint-Charles tunnel and Malaval parking finished. Marseille Museums Reserve finished in La Belle-de-Mai.

2006: Departmental Archives building finished (Vezzoni). 'Izzo' Secondary school and Clary school finished. The new maritime station opened. Grand Horizon office building finished.

2007: Marseille chosen to be European Capital of Culture in 2013. Tram line T1 finished. Ilot Dubois finished (student apartments). Inauguration of the new multimodal hub in Saint-Charles Railway Station. Extension of the Euroméditerranée perimeter to the North by 170 ha (Euroméditerranée II). République Street public spaces renovated. Mazenod parking finished.

2008: Demolition of the bridge A55 highway. Horizon Schuman residential building finished. Le Sextant office building finished. Espercieux Square and underground parking inaugurated. République parking finished.

2009: Silo d'Arenc, L'Angle, MSquare, Coeur Méditerranée office buildings finished. L'Alizée and Le Parc Habité (1<sup>st</sup> part) residential buildings finished. Saint-Charles Station Square, Trame Mires public space, d'Arvieux Square and underground parking finished. MuCEM conservation centre finished. République Street ground floors turned into retail space. The extension Euroméditerranée II got the 'EcoCité' Label.

2010: Tram line T2 inaugurated. Dunkerque Boulevard renovated. Holiday Inn and Adagio Hotel completed. Ilot 2A residential building finished. CMA CGM office tower (Zaha Hadid) finished.

2011: Le Train Bleu residential building finished. La Joliette Tunnel finished. Silo d'Arenc concert hall inaugurated.

2012: Le Village and Le Faubourg des Docks residential buildings finished. J4 Square public space and parking finished. Hoche Caire residential building renovated.

2013: Marseille European Capital of Culture, 900 events during the year and 10 million visitors. Orée Massilia and Florescence residential buildings finished. Paul school, EMD school, European Hospital finished. Villa Méditerranée, MuCEM and FRAC cultural centres inaugurated. Pelletan Avenue, Capucins Square renovated. A7 highway displacement.

2014: Le Konnect and Ilot 5A residential buildings finished. University Library completed. Les Terrasses du Port commercial centre inaugurated, facing the Docks building.

2015: Tram line T3 inaugurated. Euromed Centre finished. Euroméditerranée Boulevard renovated. Launching of a ZAC for the extension Euroméditerranée II.

2016: Major Square renovated. Bd des Dames old-age pension finished. Duverger social dwellings renovated.

2017: Le Parc Habité (2<sup>nd</sup> part) residential buildings finished. Saint-Charles Park finished. Bon Pasteur residential building renovated.

## ANNEXE – INTERVIEW & VISIT – JUDITH AZIZA

Historian passionate about Marseille history – 30.07.2017

Ms. Aziza guided me through the Docks building's history during an on-site visit, giving me a time context overview of its renovations and the transformations of its direct surroundings.

Judith Aziza made me visit the Docks building from her historian point of view. She told me about the history of the building from an urbanism and architectural point of view.

We started on La Joliette Square, in front of the main entrance (southern entrance) of the Docks building. Then we proceeded inside the building all along the internal street, until we reached the northern entrance 400 meters later. During our walk she described the building and its history.

La Joliette Square used to be outside of the city's limits until the 19th century. Then there was a rapid urban development and Marseille tripled its area. In the 1820s-1830s, sea commercial activities rose very fast thanks to huge exchanges with the colonies. In the 1850s, the Old Port of Marseille was not enough anymore, the city needed more storage room and quays for bigger ships.

1827: the first idea was to extend the harbour towards the South. The Carénage basin was created, adding 2 ha to the 27 ha of the Old Port. This was not enough.

1830-1840: the second idea was to extend the harbour towards the North.

1848: inauguration of St-Charles Railway Station. The first railway line linked Marseille to Avignon.

1854: La Joliette basin was created, adding 20 ha. Then other basins were progressively added. In parallel, warehouses were needed to host the transiting goods. The State decided to give the City of Marseille some new lands on the coastline next to the new harbour, and the City gave a concession to the Compagnie des Docks et Entrepôts de Marseille (at its head Paulin Talabot).

1857: opening of the Marseille-Paris railway line.

1859: opening of the Marseille-Toulon railway line. Marseille was then linked to the North, East and West.

1858-1864: construction of the Docks building, ordered by Paulin Talabot, by the architect Gustave Desplace (who also designed Saint-Charles Railway Station). It was number third on the list of most expensive building built in Marseille (the first one being La Major church, and the second one the Prefecture). It costed 11 million ancient francs. The Docks were then the biggest warehouse complex in Europe.

It was built in tile and white stone masonry. The walls were very thick (up to 1,20 m large), using stone inertia to conserve the goods. No wood was used in order to prevent fires. It is composed of one Direction Building, and four storage buildings. It hosts four internal courtyards delimiting the four separated storage buildings. In total there were 80.000 sqm. The Docks building were very efficient, with very modern equipment for that time (hydraulic lifts).

The Docks building was linked to St-Charles Railway Station by a railway. And from St-Charles Station the goods could transit to the North, West, and East of France.

The Docks building was also linked to the A55 highway, and to some main arteries such as the National Boulevard, Imperial Street (today Republic Street), and Dames Boulevard.

1862-1864: Imperial Street (today labelled 'Rue de la République') was dug in order to link directly by a straight line the Old Port and the newly built La Joliette harbour. This Haussmannian artery was a very harsh planning intervention: 16.000 inhabitants were dislocated, 930 buildings destroyed, and the Sadie Carnot hillock pierced.

1864-1938: the Docks were up and running, a major transit point for France commercial activities with its colonies.

1955: Talabot's company doesn't exist anymore. The building is bought back by the State, the 'Caisse des Dépôts' under the branch 'Entrepôts et Magasins Généraux de Paris' (EMGP). After World War II, the priority was to reconstruct the destroyed buildings and infrastructures. In the 1950s, the harbour was back at its previous level of activity, but the nature of those activities changed and the Docks building was no more adapted to these new needs. It was underused, only as cold room...

1970s: the storage areas are dislocated towards Fos-Sur-Mer where a new harbour is being built to host some hydrocarbons and bulk liquids (oil, gas and chemical products), general cargo (containers and other packaging) and bulk solids (minerals and cereals). Moreover the storage technologies changed with the creation of containers (no more need for warehouses, they can be directly placed on the harbour quays).

1980: the railway line next to the Docks building shut down.

Up until 1988: the Docks were used to store goods waiting to transit to the rest of France (except from the Direction Building used as the Docks offices). In 1988 the Docks building was abandoned.

1992: The SARI (branch of the 'Compagnie Générale des Eaux') buys the building. Christian Pellerin (La Défense real estate developer) turns the Docks into office space, with the architect Eric Castaldi. He renovates very respectfully the building, adding some modernity with the creation of an internal street linking the five buildings together, some light by enlarging some openings, turns the courtyards into atriums (roofless) and thematises them.

2007: JP Morgan buys the Docks, and asks Constructa Urban Systems (because Marc Pietri, head of Constructa, worked with JP Morgan when he was in the US, so trust was already built) to create a centre of life, culture and leisure. With the architect firm 5+1 AA (Alfonso Femia leading the project), the ground floor and underground are restructured and turned into commercial space.

## ANNEXE – INTERVIEW – PRISCILLA DE ROO

Former Project Manager for the DATAR (Délégation Interministérielle à l'Aménagement du Territoire et à l'Attractivité Régionale), who participated to the Euroméditerranée project setting by providing studies of the neighbourhood and its potential – 24.08.2017

Ms. De Roo took time to guide me through the political setting of Euroméditerranée, very complex process involving many public actors, making me realize the time-consuming and organizational challenge that such a project represents.

Priscilla De Roo used to be Representative at the 'Délégation à l'Aménagement du Territoire (DATAR) in Paris, after Economics studies in Grenoble and Urban Planning studies in Vincennes (around Paris). She wrote in the 1990s articles about Marseille in its urban context, and was in charge of a State study about the necessity of the 'Euroméditerranée' project in 1998.

Eléonore Thero: I read the Docks success in selling the offices was what launched the Euroméditerranée project. Is that what happened?

Priscilla De Roo: No this is not right. The main trigger to Euroméditerranée was the financial participation of the State by 50%. The Mayor of that time, Vigouroux, enabled an 'Opération d'Intérêt National' (OIN, National Interest Operation) in 1995, meaning that the State is the one to deliver the Planning Permissions in the perimeter of the project, and no more the City. The first objective of this project was economic: to trigger economic renewal in the decaying city centre of Marseille, and to give Marseille back its central role in the region (Marseille is called an 'American city' because it is multiheaded, composed by a palimpsest of balanced medium cities, in which Marseille does not have a leader position).

E. T.: Can you tell me more about the two renovations that happened to the Docks building?

P. D. R.: The two renovations were very different. This building is part of Marseille patrimony. The first renovation was very respectful of that fact, very 'old school'.

E. T.: I am very interested in finding out about the role of public and private actors in these renovations?

P. D. R.: If you are interested in the role of the private actors in a public urban renewal project, you should read about M. Ludovic Halbert (LATTS)'s articles. You can also find some very interesting information in the book '20 ans d'Euroméditerranée' by Thierry Martin, who used to be 'directeur délégué aux projets' for Euroméditerranée from 1994 to 2003.

One operation is very interesting in Marseille, it is the renovation of 'Rue de la République'. It is very complicated but very complete if you want to understand the delicate aspect of urban planning in Marseille city centre. It was built to link the Old Port to La Joliette Square. It is both an economic and an urban project. The first objective was to build a very luxurious street to attract rich families. However, the social reality brought some buildings to be left empty, the demand was not high enough for those kind of real estate goods in Marseille city centre. Some empty buildings were even illegally occupied by immigrants. The street degraded progressively. The renovation of this street was added to the Euroméditerranée project.

E. T.: Do you know who I could contact to find out more general information about Euroméditerranée?

P. D. R.: Of course, you can contact M. Louis-Laurent Dupont, head of the studies at the AGAM (Agence d'Aménagement de Marseille) [l.dupont@agam.org](mailto:l.dupont@agam.org)

You can also contact M/ Alexandre Sorrentino, who works at Euroméditerranée.

You can also read the book 'Marseille, ville et port' by M. René Borruy and Jean-Lucien Bonillo.



## ANNEXE – INTERVIEW – GUILLAUME TANGUY

Project Manager for Constructa urban Systems, in charge of the Docks building 3<sup>rd</sup> renovation – 08.09.2017

M. Tanguy answered my questions about the 3<sup>rd</sup> renovation, the most recent one, from 2013 to 2015. He provided me with very useful material to understand the internal drivers of this renovation from a private actor's perspective.

E. T.: This second renovation of the Docks belongs to the perimeter of Euroméditerranée. I would like to know how much the public and private actors participated in this renovation?

G. T.: The Docks building is a little special. Euroméditerranée perimeter is fragmented into ZAC. Usually Euroméditerranée buys the lands, then writes down some building specifications to be respected, according to the location of the land, its surroundings... Finally, there is a call for tender and Euroméditerranée is the one to decide who will be the final buyer-developer who will build its project on the land. However, the Docks building doesn't belong to any of those ZAC, meaning that Euroméditerranée cannot impose building/architectural specifications. The role of the public sector was very limited. The Docks building has always been a private property. Since its construction in the middle of the 19th century. It was unused in the 1980s-1990s. Then the building was bought by Christian Pellerin, the famous developer of La Défense (Paris), and renovated for the first time with the architect Eric Castaldi.

The public intervention in the second renovation was only administrative and regulatory. They gave us the building permission, but did not orientate our design/architectural choices. We only had to follow the classis general guidelines of the 'Euroméditerranée' perimeter. There were also some public discussions about the general policies regarding this project comparing to other simultaneously ongoing projects. The public didn't help us by giving us financial incentive, but on the contrary they imposed some planning fees. Since the commercial spaces were opened in agreement with the CDAC (Commission Départementale d'Aménagement Commercial) on the 09th, February, 2011, modified on 29th April 2015, they were taxed by the 'taxe d'aménagement'.

E. T.: And what about public space? There were no agreement for construction of public works, infrastructures...?

G. T.: No, the Docks site area is almost the same as the building area. The site area is a little larger on the North, but since the renovation we added a metallic was just on the limit, and the site is a little larger on the East, it takes half the pavement, so there were actually no debate/negotiation about public equipment of infrastructure.

E. T.: Do you know if the first renovation was already part of Euroméditerranée?

G. T.: Yes of course it was! The OIN Euroméditerranée was launched in 1995 by the Mayor Vigouroux. The goal was to reach 4€ of private money for 1€ of public money invested. The Docks building was the first project of Euroméditerranée. The renovation lasted 10 years, from 1992 to 2002, and was done building by building. In this first renovation, the public did indeed play a central role, since the first to rent some offices were the CEREQ (Centre d'Etudes et de Recherches sur les Qualifications), a public

research institution, which rent 4.000 sqm. This public decision was the first impulsion for the success of the Docks renewal into offices, and then the Docks were the first impulsion for Euroméditerranée.

E. T.: On the contrary, for the second renovation no public intervention helped?

G. T.: No, there was no public help. In 2007 JP Morgan bought the building for 190 million €. At that time a business plan was done, planning a rent income of 11-12 million € per year. In order to reach such rent, the rent were turned into 'prime rent', by enhancing the communication/marketing/image of the building.

Then a reflection popped up, to reconnect the ground floors to their surroundings: there were people inside this building, but for us it didn't work. So we decided to pierce the building to give it a more public feeling. We wanted it to become the linking element between the city and the newly built shopping centre 'Les Terrasses du Port'. We didn't want to create one more shopping centre, no, we wanted to create a village atmosphere, an agora, with small-scale artists and designers. It was supposed to be complementary to the classic shopping centre offer of 'Les Terrasses du Port', like a commercial street.

E. T.: Was it easy to attract such kind of shops and businesses?

G. T.: Unfortunately, the market situation made it harder than we anticipated, we had to compromise. We had some economic engines to attract in mind, but they weren't receptive, such as Urban Outfitter, American Vintage... This kind of brands are completely absent in Marseille. Urban Outfitter even ended up in 'Les Terrasses du Port'! They used the offer we made them to get a better one in 'Les Terrasses du Port'. Of course, such a shopping centre dealt with an international investment fund has more power to attract businesses, because they can offer strategic positions in several international cities at the same time. On the contrary the agency we used was the British investment fund CBRE that is more specialized in renting tertiary buildings, and was a smaller scale. We couldn't outbet them.

E. T.: Can you tell me about some numbers? How much did the construction works cost?

G. T.: The renovation cost 46 million €, among which 26 million were for works only, and the rest was for marketing, communication expenses...

E. T.: What about the rent?

G. T.: As I mentioned before, this renovation was all about the ground floor and underground. The rent for these spaces used to be 1 million € per year, and we made it rise up to 5 million € per year after the renovation.

E. T.: What about the rent for offices? You said before that it rose after you bought the building?

G. T.: Yes, we turned the rent into 'prime rent', and the office rental is now about 11 million € per year. By the way, JP Morgan just sold the building this summer, to Amundi, at a price I am not authorized to communicate. What I can tell you is that for JP Morgan, the investment was profitable for the 10 years they owned the building. It was not a great return on investment but it was profitable. For 7 years, the business plan was that the value of the building was about 200 million € with 11 million € per year of renting income. And then for 1 year there was a building value of about 246 million € for 15 million € of renting income.

E. T.: Do you remember how much were the planning fees?

G. T.: about 20 €/sqm.

E. T.: What about the maintenance fees?

G. T.: For the commercial space, maintenance cost us about 1.6 million € per year, and for the total building it is about 3.5-4 million € per year. And I have to add a remark: JP Morgan only owns 60.000 sqm out of the total 80.000 of the Docks.

E. T.: JP Morgan doesn't own the entire building?

G. T.: No, actually it owns the direction building and the last northern building. And for the three remaining buildings, they are a joint ownership, and JP Morgan owns 90%, 82% and 12-13%.

E. T.: Did these joint ownerships influence the decision-taking for the renovation?

G. T.: Of course, we had to organize a general assembly during which every owner had to vote. We reach a majority of agreeing owners, according the Article n°26 of joint ownership Law n° 65-557. In parallel of the renovation, we had, for technical reasons, to replace the entire cooling-heating system, and this cost was about 12 million € for the entire building. The previous system was not up-to-date.

E. T.: For the renovation, did you have some inspirations from other renovations?

G. T.: Of course, a lot of them! You have to know first of all that the Docks were built on the model of Saint-Katharina Docks in London. These Docks were also renovated and turned into tertiary commercial activities. For our renovation, we used Brussels 'Tour et Taxi' building, which used to be an industrial warehouse and railway station, turned into offices, shops, and event host. We also used the atmosphere of commercial streets such as Cour St Emilion and Rue Montorgueil in Paris. We inspired from 'Manufaktura' in Lodz (Poland). And from many US renovations such as Boston 'Faneuil Hall', the transformation of 'Meatpacking District' in New-York, and the New-York Piers like Pier 17. Our first philosophy was to create a village and add porosity inside the building, to turn the Docks into a central place to be.

## ANNEXE – VISITS

> City Hall – Service des Autorisations d'Urbanisme de la Direction du Développement Urbain (Urban Autorisations and Office of Urban Development) – 05.09.2017


I went to City Hall Urban Planning Division in order to find the planning agreements concerning the two renovations of the Docks building. Unfortunately the only information I got was that there has been a building permission (PC Permis de Construire) in 2010 and then some modifications in 2011. The document is at the city archives (in another part of the city) and can be consulted and photographed. The PC number is 013055 10.1371, the archive number is 1534W1366.

For the previous PC in the years 1990s, no information were at city hall because it has been archived for too long, I will have to ask directly at the archives.

> City Archives – 06.09.2017 & 11.09.2017

At the City Archives, I found the Building Permit for the 1<sup>st</sup> renovation (1992-2001), and discovered the renovation was done in 4 steps with 4 different Building Permits. I also found the Building Permit for the 3<sup>rd</sup> renovation (2013-2015). I photographed all the available documents.

ANNEXE – BUILDING PERMIT EXTRACTS 1992



LE DIRECTEUR GÉNÉRAL  
DU DÉVELOPPEMENT  
ÉCONOMIQUE

- GC/NC -

*Ville de Marseille*  
- 3 AVR. 1992 D 204.1038

NOTE pour :

**Monsieur BEAU**  
Directeur de l'Urbanisation

URBA	
Date	7/4/92
N°	204.1038
DGAST	AMECO
DUA	DUC
SEC	DIFON
BE	CM1
BJ	CM2
CL	I
VI	PP
ER	RD
MP	A


**Objet :** S.N.C. MARSEILLE JOLIETTE - SARI REGIONS  
Quai du Lazaret 13002

**Référence :** 92.1.429 P.C. - A 202.761

**Pj :** Un dossier en retour

Ce projet concerne l'aménagement de la première tranche des Docks de la Joliette. La réalisation des bureaux permet notamment l'implantation du CEREQ à Marseille et d'amorcer la réhabilitation du secteur en vue de la création du centre portuaire et du pôle du tertiaire.

Un avis très favorable est donné à cette demande.



**Christiane GIORDANO**

Direction du Développement Economique de la Ville de Marseille  
C.M.C.I., 2, Rue Henri Barbusse - 13001 MARSEILLE - Tél. 91.90.31.04 - Fax 91.56.16.60

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27 MAR. 92-001610



AGAM

AGENCE D'URBANISME DE L'AGGLOMERATION MARSEILLAISE

**note**

objet **Docks de la Joliette**  
**demande de permis de construire - note technique**

expéditeur **J.Torunczyk**

référence **dossier 13055 92 1 0429 PC**

date

destinataire(s) **Monsieur BEAU**  
**Directeur de l'Urbanisation**

**NOTE TECHNIQUE**

La demande de Permis de Construire porte sur la réhabilitation de la première tranche des Docks (19065 m2 shon ), et émane de la SARI REGION mandatée par la SNC MARSEILLE-JOLIETTE. Le bâtiment des Docks faisant partie de la future opération EuroMéditerranée, ce dossier nous intéresse donc au plus haut point...

° L'échelle de ce PC, son traitement architectural et sa conception générale sont très modestes et sans relations avec les ambitions affichées par la Ville pour le futur Centre Tertiaire....cela dit, cette même modestie permet toute évolution ultérieure qui sera en effet indispensable.

De ce point de vu l'AGAM n'a pas à prendre position envers ce PC, et ce d'autant plus qu'aucun dispositif réglementaire ne permet aujourd'hui d'infléchir sa délivrance...

Restent tout de même quelques interrogations quant à la stratégie à mettre en oeuvre pour l'avenir :

- La grande opération future ne pourra réussir que dans le cadre d'un partenariat entre la Ville, la SARI et la SNCF. Ce partenariat suppose de subordonner les intérêts particuliers et conjoncturels aux intérêts communs et durables...

La bonne perception de ces intérêts communs est aisée quand les protagonistes se trouvent dans la mêmes situation, mais devient pro-

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## LES DOCKS - MARSEILLE

blematique quand un des protagonistes acquiert une situation privilégiée.

Il nous semble que cette dernière situation risque, si nous ne prenons garde, de se présenter pour la SARI :

- Les dispositions réglementaires du POS actuel n'obligent aucunement la SARI à réaliser des parkings nécessaires à son opération. Cette contrainte représentait pourtant pour la SARI une des rares obligations à collaborer avec la SNCF (qui maîtrisait le terrain nécessaire pour ces parkings)...
- Il n'est pas sur que la commercialisation de la majeure partie des Docks n'intervienne pas avant la mise en oeuvre de la base juridique de la future opération. Si c'était le cas, le partenariat serait singulièrement aléatoire...
- La SARI est aujourd'hui l'unique propriétaire des locaux à réhabiliter, et c'est ce statut singulier qui permet d'envisager un éventuel partenariat. L'hypothèse de cession par la SARI des bureaux réalisés parait aujourd'hui gratuite, mais il nous semble imprudent de ne pas l'envisager. Or, dans ce cas, le montage opérationnel de la future opération semblerait irremédiablement compromis...
- Les dispositions architecturales prévues pour la première tranche des Docks risquent d'être identiques pour les tranches suivantes (sauf si un projet commun voyait jour dans les deux ans à venir). Ces dispositions traduisent et confirment la situation actuelle de ce bâtiment, situation qui doit imperativement, dans l'optique de la mise en valeur par l'opération Euroméditerranée, changer. Il y a là une contradiction qui risque d'influencer lourdement l'aspect financier et conceptuel du futur centre tertiaire.

Pour conclure il nous semble que

- ° La demande de Permis de Construire pour la première tranche des Docks ne pose aucun problème particulier.
- ° La Ville n'a aucun moyen légal où réglementaire pour empêcher la continuation de cette opération.
- ° La réalisation complète de l'opération des Docks avant le cadrage contractuel de partenariat pour l'opération Euroméditerranée signifierait l'abandon pur et simple de cette opération.
- ° Il est donc urgent d'accélérer la mise en oeuvre des bases conceptuelles et juridiques de cette opération.