'Stop Being A Tourist!' New dynamics of urban tourism in Berlin-Kreuzberg[1]

Henning Füller
Department of Geography, FAU Erlangen-Nuremberg
Kochstr. 4/4
91054 Erlangen
phone +(49)9131/85-23303
henning.fueller@fau.de

Boris Michel
Department of Geography, FAU Erlangen-Nuremberg
Kochstr. 4/4
91054 Erlangen
phone +(49)9131/85-22687
bmichel@geographie.uni-erlangen.de

Abstract

Berlin is witnessing a massive tourism boom and parts of it can be described as a ‘new urban tourism’ with a preference for off-the-beaten-track areas and ‘authentic’ experiences of the city. This form of tourism seems especially salient in Kreuzberg. It is here were an openly articulated tourism critique has risen to national attention in 2011 and not ceased since. The paper aims to better understand the conflictive potential of (a new urban) tourism in Kreuzberg. We argue that the readily expressed negative attitudes against tourists and the easily accepted link between tourism and gentrification have to be explained against the backdrop of certain housing market dynamics. Rising rents and the diminishing of available rental flats is heating fears of gentrification in Kreuzberg while the interest of a new urban tourism and the comparatively low-priced real estate market in Berlin result in a growing number of holiday flats. Although adding only slightly to the tightening of the housing market, holiday flats render complex processes of neighborhood change visible and further sustain an already prevalent tourism critique.

Introduction

A public meeting at a neighborhood center in Berlin's District of Kreuzberg in early 2011 triggered nation-wide media coverage and puzzled many observers (Reimann 2011). The event was organized by the local green party as part of the party's campaign for the local elections, held later that year. Its provocative theme “Help! The Tourists are coming” drew a large audience to a local primary school. A crowded auditorium expressed its concerns with a rapidly changing neighborhood. The growing influx of tourists was evoked as the scapegoat for all kinds of problems in Kreuzberg, ranging from trolley sounds and open-air parties in dense residential areas to a changing commercial structure and the rise of housing costs. The calls for stronger policing of disorderly conduct and the stricter enforcement of existing laws as well as xenophobic comments expressed at the event contradicted the image of Kreuzberg as a culturally diverse neighborhood and the explicit leftist and liberal self-image of many of its inhabitants. This contradiction was readily picked up in media commentaries - sometimes with considerable schadenfreude about the discrepancy between the self-description of Kreuzberg's leftists and liberals and their NIMBY attitudes, which emerged in relation to the unruly herd of tourists. Tourists in particular were blamed for the recent wave of gentrification in the district.

This paper takes the emergence of an anti-tourism critique in Kreuzberg and the intense public debate around the issue as a starting point to dissect recent developments in the convergence between a changing form of urban tourism, Berlin's current real estate market and urban conflicts. The argument we develop is based on two points: Firstly, we examine a recent change in preferences for off the beaten track areas among urban tourism. This kind of tourism interacts with urban neighborhoods in ways that were only loosely connected to tourism and tourist-related economies before. To make the point we examine our case study against the backdrop of recent literature on urban tourism and on its connection with urban transformation. Secondly, we focus on the phenomenon of short-term rentals as a housing market dynamic related to a new urban tourism and as a particularly conflictive aspect of tourism-induced changes in our case study area. The transformation of rental flats into holiday apartments has become a specific investment scheme for individual buyers in Berlin. Without regard to its actual contribution to rising rents and a tightening housing market this phenomenon provides a visible sign for gentrification and the conflicting interests of tourist and non-tourists and had been readily picked up in the local debate.

The emergence of a new urban tourism

While urban tourism undoubtedly has evolved as an important, world-wide form of tourism, this phenomenon remains largely underexplored, both in research on tourism as well as in urban studies (Ashworth and Page 2011). The early research on leisure and tourism in the 1960s and 1970s did not consider the city to be a prime site for recreation. This anti-urban bias has influenced research on tourism until recently (Page and Connell 2010). At the same time, as Ashworth puts it, “those studying cities neglected tourism” (2003: 143). Although cities have been undoubtedly shaped through tourism in the past decades, an explicit discussion of the links between urban tourism and urban development remains sparse. It was not until the 1990s that tourism became
a bigger issue in urban studies (e.g., Page 1995; Mullins 1993). Tourism, as argued by Harvey (1989) in his seminal paper on the entrepreneurial city, can be an important strategy of urban boosterism and inter-urban competition. Further research has taken up this perspective, considering the economic dynamics and political strategies shaping urban tourism and pointing out its impact on the wider context of job markets, city spaces and urban management (Gladstone 1998; Hoffman et al. 2003).

The focus of this work had been on “tourist cities” (Judd and Fainstein 1999) that build large-scale infrastructure to attract tourists, including ‘resort cities’ such as Las Vegas, ‘tourist-historic cities’ such as Venice, or ‘converted cities’ such as Baltimore with its insulated waterfront. In this debate the emergence of so called “tourist bubbles” (Judd 1999) or “enclavic tourist spaces” (Edensor, 1998) has been pointed out, which are associated with large-scale “postmodern” consumerist spaces. It was argued that these “tourist bubbles” led to the commodification of urban culture and at the same time created certain areas “insulated from the larger urban milieu within a process of uneven development” (Fainstein 2007: 3). This form of urban tourism was thus seen to concentrate on iconic architectures and events with little connections and little frictions with ‘normal’ life in the city.

This hypothetical spatial ecology of the city, in which residential and touristic uses of the city can be clearly and visibly separated, has been criticized early on (Judd 2003). It became increasingly clear that urban tourism and its impact on the urban fabric often is not constrained to certain tourist cities or clearly demarcated tourist precincts within cities. As discussed in an early postmodern sociology of tourism, a significant part of tourism decidedly avoids staged experiences of officially sanctioned tourist spaces. Such ‘post-tourist’ expectations (Feifer 1985) avoiding the ‘placelessness’ of many designated tourist destinations (Enteniken 1991) are an important and growing factor in urban tourism. Visitors are searching for ‘alternative public spaces’ (Richards 2011), ‘creative urban areas’ (Pappalopore et al. 2010) or ‘ethnic precincts’ (Collins 2007). Wandering ‘off the beaten track’ is considered an important strategy to find these places.

In accordance with a major shift towards longing for authenticity in current consumer culture (Gilmore and Pine 2007) it is precisely the everydayness and the feel of the ‘ordinary’ and ‘authentic’ life of a city that has become an important marker for attraction to visitors. “For [the new tourists], the everyday and mundane activities of city residents take on significance as markers of the real, and off the beaten track areas” (Maitland 2010: 176). The passive consumerist notion of former urban tourism, it is argued, is increasingly replaced by an active search for new and unusual personal experiences and for being part of the visited place and its ascribed lifestyle (Romeiß-Stracke 2007). As Lonely Planet Berlin (2009: 68) puts it: “To truly experience Berlin, though, you need to venture off the tourist grid”. Accordingly “urban tourism’s spatial character is much more complex and fuzzy than suggested by earlier scholarly accounts that emphasized the hermetic and regulated nature of leisure and consumption spaces” (Novy and Huning 2008: 88).

The new urban tourism poses some problem for research and is much more difficult to measure in terms of its impact. On the one hand, this form of urban tourism is all about the everyday urban experience and rather tries to avoid places, venues or activities commonly associated with tourism. Given the often similar demands for an authentic urban experience amongst the new urban tourists and the urban middle classes (Hamnett and Whitelegg 2007; Zukin 2010) it can be expected that the effects of tourism on urban neighborhoods are more difficult to distinguish from general processes of urban change and commodification. On the other hand one of the most prominent
As we sketch out in the remainder of this paper, the relation between tourism and neighborhood change in Kreuzberg differs in some regard from these accounts on “tourism gentrification” (Gotham 2005; García Herrera et al. 2007) or neighborhood development through tourism (Hoffman 2003). Both García Herrera et al. and Gotham describe the process as a variant of “state-led gentrification”, and underline the strong critiques of tourism research points to a growing difficulty to tell tourist- and other forms of mobility apart (Sheller and Urry 2006). “Boundaries between mobilities have blurred with the rise of medium-term business travel, working holidays, overseas volunteering, ‘return home’ trips within diaspora communities, seasonal work in ski resorts, ‘snowbirding’ and ‘grey nomadism’.” (Gibson 2009: 529) With an overall growth of mobility and travel activity, the number of visitors or non-residents who do not engage in any distinguishable ‘tourist activity’ is increasing in cities. “Thus it cannot be assumed that all tourists in cities are, in any meaningful sense, urban tourists.” (Ashworth and Page 2011: 7)

As pointed out above, it is a very specific kind of urbanity or urban experience that this new urban tourism focuses on. The sought-after imaginary of urbanity is often connected to former working-class and post-industrial inner-city neighbourhoods. These areas are often functionally as well as ethnically mixed and characterised by a wide range of small retail and gastronomy. A ‘gritty’ or rough flair often helps to draw an image of an area as an authentic urban place and as a frontier for exploration (Zukin 2010):

“The areas in cities inviting tourists to wander about may not be places normally inhabited by tourists at all; they may be ‘edgy’ – transitional neighborhoods or zones where people are on the margins of urban society – places where ethnic minorities, non-whites, immigrants, and poor people may live and work.” (Judd 2003: 30f)

At the same time these neighborhoods resemble much of what Richard Florida (2005) described as the natural habitat of a “creative class” or a “neo-bohemia” (Lloyd 2002) and are often seen as neighborhoods ripe for gentrification.

If this new urban tourism demands an experience of the city's “authentic atmospheres” and consequentially moves away from pre-packaged tourist attractions, an exploration of the link between tourism and urban transformation becomes more crucial. A consequence of the orientation towards places and activities preferred by residents is a growing competition over scarce resources and services. As resources such as money and spare time are unequally distributed and interests are often contradictory, a new urban tourism is likely to have a considerable impact or at least a potential for conflict potential in touristifying urban neighborhoods.

Given the available plethora of studies on various aspects of urban transformation, gentrification and displacement it is surprising how little work has been done on the connection between new urban tourism and urban transformation. Few studies engage with how tourism is influencing the urban fabric on the neighborhood scale beyond the well-described “tourist bubbles”. Notable exceptions are Gotham’s study on the Vieux Carre in New Orleans (Gotham 2005) and García Herrera et al.’s work on the mixed commercial and residential waterfront of Santa Cruz de Tenerife (García Herrera et al. 2007). Both studies provide examples for the connection between gentrification and displacement and how this connection is fueled by the tourism economy. In contrast, Hoffman’s work on Harlem presents the influx of ‘cultural tourism’ into a deprived neighborhood as a possible development strategy and potential equalizing force (Hoffman 2003).

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involvement of large-scale investment. As we will see below, transformations of the urban fabric in Kreuzberg take place primarily on a relatively small scale with almost no strategic state planning involved (Novy 2010). The beneficial role of tourism Hoffman finds in Harlem is mainly about facilitating an economic (re-)integration of the area. Even if parts of Kreuzberg were frequently presented as a Ghetto in the 1990s, there rarely had been an indication of an “economic ghettoization” (Bingham and Zhang 1997) where most activities associated with a middle-income neighborhood (supermarkets, commercial banks, legal and accounting services) have disappeared. While „Harlem fits this profile“ (Hoffman 2003, 288), Kreuzberg never did. To understand the way in which the relationship of tourism and neighbourhood change plays out in Kreuzberg demands a closer look at the historical and social context of this neighbourhood.

The changing face of Berlin-Kreuzberg

Since the 1960s Kreuzberg can be considered as one of Berlins signature districts, taking a prominent place in public imaginary (Lang 1998). This applies particularly to its southeastern part SO 36, named after its formal postal code. Today Kreuzberg encapsulates many of the attributes the city marketing is trying to promote as Berlin's distinct qualities. “‘Creativity,’ diversity, tolerance, vibrancy, and ‘hipsteress’“ are the buzzwords used in Berlin's changed place marketing since the early 2000s (Colomb 2012: 143). The multi-faceted myths of Kreuzberg as an ethnically diverse neighborhood, an anarchist and leftist stronghold and more recently as a cluster of creative professionals and artists provide for an appealing destination for a new urban tourism.

As part of former West-Berlin, this district of around 150.000 inhabitants had been surrounded on two sides by the heavily armed border between GDR and FRG for decades. This remote position in an already insulated West-Berlin and plans to rebuild the area in a modernist style by tearing down much of its late 19th and early 20th century housing stock halted investment and lead to a massive devaluation after World War II. Especially in the eastern part flats were still predominantly coal-heated, often with shared bathrooms. This sub-standard housing saw abundant vacancy and was rented out cheaply to the arriving ‘guest-workers’ (Gastarbeiter - mainly Turkish migrant workers) and other economically disadvantaged groups (e.g. artists and students from West Germany). In the 1970s Kreuzberg became one of the epicenters of Berlin’s radical and alternative subculture and squatter movement. In 1981 about 170 houses had been squatted in West Berlin and 80 of these were located in Kreuzberg (Bader and Bialluch 2008). The strong squatter movement and an high share of politically organized tenants played its part in stopping the modernist renewal plans and forced in alternative strategies (Holm/Kuhn 2011). The so-called ‘cautious urban renewal [Behutsame Stadterneuerung] had been employed since 1984 with considerable success in renovating the housing stock and infrastructure while avoiding rent increase and displacement (Bernt 2003).

After reunification, Kreuzberg appeared to be at the center of a city that many expected to rise from a peripheral outpost of the cold-war to a global city in just a few years (Krätke 2001; Mayer 1997). Berlin, it was anticipated, would become the gateway to the emerging markets of Eastern Europe. And in this context Kreuzberg’s considerably low rent levels and its suddenly central location heightened the (resident’s) fear of gentrification. But neither happened in the years to come. The post-reunification growth-phantasies did not materialize. Only few headquarters moved to the new capital.
and at the same time the existing industry virtually imploded (Krätke 2004). Furthermore the anticipated massive growth in population turned out to become a slight decline as West-Berlin’s long insulated middle class was suddenly able to catch up with the post-war trend of moving to the suburbs. In the inner-city attention and capital moved to districts such as Mitte and Prenzlauer Berg in the former east with its extremely devaluated housing stock (Holm 2006). Instead of becoming a gentrified Yuppie district (a fear that was recurrently voiced since the early 1980s) Kreuzberg in the 1990s remained relatively stable in the 1990s but faced a rise in unemployment, increased poverty and an overall decline (Lang 1998: 169-171; Novy/Huning 2008: 99-100). In addition, existing regulations of the housing marked slowed possible gentrification dynamics (e.g. rent caps in certain areas and a relatively strong protection against eviction within the German tenancy law).

However in recent years rising rents and a growing perception of neighborhood change dominate local media reports and the public discourse. This is especially true for the southeastern part of Kreuzberg (S036) – on which the remainder of this paper will focus [3]. This part of Kreuzberg is clearly demarcated to the north by the river Spree but has rather blurred boundaries in functional terms otherwise: the observed neighborhood change does not stop at the administrative borders which are marked by a small canal (Landwehrkanal) to the East and South respectively by the neighboring districts of Treptow and Neukölln. Especially in the northern parts of Neukölln there are clear indications of a similar dynamic. The term ‘Kreuzkölln’ is frequently used in real estate advertising to point out these blurred boundaries. For the sake of clarity we constrain our case study to the eastern part of Kreuzberg.

For a couple of years this area experiences an increase in rents that is above the city-average while at the same time unemployment rates remain higher than elsewhere in the city (Investitionsbank 2010; 2011). In 2011 new tenants paid between 16 and 28 per cent more for their flat than their predecessors in the three postal code areas of S036. All three belong to the top five postal codes concerning average square meter rent and the lowest third regarding residents average buying power (GSW 2012). A rising interest among students and increasing rents have been predicted for some time for that area and the dynamic eventually took off from around 2008 onwards when new bars, restaurants, cafés, bicycle shops, small art galleries and independent fashion labels opened at a weekly pace. With this wave of nightlife, entertainment and art facilities and initially lower rents compared to Prenzlauer Berg or Mitte, the area began to attract an increasing number of artists and students.

At the same time the image of Kreuzberg began to change. While large parts of Kreuzberg especially from the mid-1990s onward were frequently presented as a “Ghetto” (Best and Gebhardt 2001) populated by unruly gangs of mainly Muslim male youth and militant leftists, the image drawn in local and international newspapers and city magazines increasingly presents the northern parts of Neukölln and the east of Kreuzberg as a diverse, cosmopolitan and liberal neighborhood, as the most interesting place to be and “the epicenter of cool” (Dyckhoff 2011) in the city (Zitty 2008). Moreover the district of Kreuzberg-Friedrichshain has become one of Berlin’s clusters of the much adured ‘creative class’. In particular with the relocation of small and major media corporations (Universal Music, MTV) (Bader and Scharenberg 2010) but also because of a perceived authentic, lively and rough urban flair attached to the district. The eastern part has been recently portrayed as being more and more populated by a “Neo” or “Digital Bohemia”[2] of self-employed workers in creative and media industries often with small economic but with significant cultural capital.
It is in this context that we see the recent emergence of a diverse anti-gentrification movement – often accompanied by anti-tourism sentiments. We will show that although tourism does not comprise the main dynamic in the recent processes of neighborhood change, tourism renders those processes visible and is therefore especially singled out in local debates.

**Kreuzberg as site for a new urban tourism**

Kreuzberg and especially its eastern part embody much of what ‘new tourism areas’ have in common (Novy 2011): A vibrant and exciting inner-city neighborhood still ‘off-the-beaten-track’ considering the mainstream urban tourism (Maitland and Newman 2004). In Kreuzberg the history of immigration, an abundance of small grassroots culture and entertainment venues, a leftist history and a well-preserved housing stock due to the cautious urban renewal: all make up for a socially diverse and amenity rich district, which is especially attractive to the ‘new tourists’. This allows to conceive this part of Berlin as “an almost prototypical example of what Maitland and Newman have described as ‘new tourism areas’” (Novy 2011: 242, see: Maitland and Newman 2004).

Starting from the perception of a strongly voiced tourism-critique in the local discourse, in the remainder of this paper we want to argue, that this new urban tourism is much more likely to produce conflicts over the use and access to the city than previous forms of urban tourism that mainly concentrated on so-called ‘tourist bubbles’. We will illustrate this argument by taking a closer look at the housing market and the way this new urban tourism is often seen as playing a vital role in a process of rising rents and gentrification.

Overall Berlin gained importance as an urban tourism destination among European cities. The city was not a major tourist destination before the fall of the Wall and this only slowly changed. Reported visitor numbers and overnight stays have risen significantly during the last years for the city as a whole. In 2011 there were 21 million overnight stays in hotels compared to 13 million in 2004, placing Berlin third in Europe behind London and Paris (Amt für Statistik Berlin Brandenburg 2011). The growth rate in recent years exceeds those of other major European cities by far. The massive increase in tourist arrivals is accompanied by the construction of a significant number of Hotels and Hostels and a growing impact of tourism on the labor market. Tourism has generated annual revenues of about 9 billion Euros in 2009, counting as the single most important sector in the city’s economy (VisitBerlin 2009). The city estimates that there are over 200.000 tourism related jobs in Berlin – though seldom mentions that the bulk of those jobs are short-term and low-wage.

Urban tourism was central to the high-flown growth strategies of the 1990s and extensively marketed as an essential part of the “New Berlin”, but still, the actual boom in tourism came somewhat unexpected (Häußermann and Colomb 2003; Novy and Huning 2008: 89-91). Nonetheless it is fully endorsed by city officials. The recently published tourism concept “Tourismuskonzept 2011plus” (VisitBerlin 2011) seeks to sustain and to further reinforce the growth in tourism - that is to increase the number of overnight stays in the years to come. Even though it is argued that there is an eminent need for a more sustainable and socially balanced tourism policy, the concept presents tourism as a panacea for the economically still struggling metropolis, famously framed as “poor but sexy” by Mayor Klaus Wowereit in 2003.
Kreuzberg gets its share of the growing tourism in Berlin. For decades the district and its subculture have attracted tourists. But since the early 2000s counted visitor numbers are rapidly increasing. In 2011 Kreuzberg counted 1.2M overnight guests and 2.8M overnight stays compared to 57.000 overnight guests and 148.0000 overnight stays in 1993 (Statistisches Landesamt Berlin Brandenburg 2011). The same is true for Kreuzberg’s tourism infrastructure. Between 2005 and 2012 the number of low-budget hostels more than doubled to over twenty and the number of beds more than tripled (Velte and Versch 2012).

At the same time only a few sites – such as the Jewish Museum designed by Daniel Libeskind or the former border post Checkpoint Charlie (both located in the Western part of Kreuzberg) – would be regarded as classical tourist attractions. Our case study, thus, provides an example for a considerable increase in visitor numbers and accommodation infrastructure in an 'ordinary' inner-city neighborhood, i.e. one that is lacking designated tourist attractions but very much condensates the image of Berlin as an arty, inclusive, and tolerant environment and thus attracts a diverse group of visitors, artists and digital bohemiens. This is what makes the concept of a new urban tourism as laid out above helpful to understand the dynamics in the eastern part of Kreuzberg. The new urban tourism fuels an economy of hostels, formal and informal party locations and retail infrastructures – leading to the frequent transformation of retail stores and groceries into galleries, cafés and bars. To many who voiced their fears, rage and prejudices in the public debates (e.g. at the neighborhood center in February 2011) on tourism and gentrification this amounts to a transformation of the social and cultural fabric of the district and their everyday life.

In the remainder of this paper we will focus on a related and also much debated moment of this perceived transformation of the neighborhood into a tourist-scape. Holiday flats and short-term rentals, we argue, play a key role on the demand side of the new urban tourism. They allow for an ‘embedded tourism’ that is part of the everyday life of a neighborhood in which authenticity becomes a key commodity for the new tourist consumption patterns. It is difficult to accurately determine the actual impact of the conversion of regular rental flats into short-term lease (there is no data available). Yet a booming short-term sector connected to a new urban tourism is adding tension to an already tightened market and fuels the debate about gentrification and displacement in Kreuzberg.

**Housing market dynamics of a new urban tourism**

In recent years there has been a considerable increase in short-term rentals in Berlin. As much of these offerings are informal and do not show up in official statistics exact numbers are hard to produce. In mid-2011 a tenant association (Berliner Mietergemeinschaft) conducted a first comprehensive survey [4]. The study estimates that around 12.000 flats (0.7% of the total housing in Berlin) had been turned into short-term rental holiday apartments (Berner/Wickert 2011). For our case study area (around 27.000 housing units in total) the Mietergemeinschaft estimates 581 holiday flats in 2011 (around 2% of the total housing in the area). The accuracy and implications of these numbers are hard to test but an upward trend and a concentration within inner-city districts is documented in the survey. “No other German city is experiencing the transformation of rental apartments into holiday flats on this scale” (Oellerich 2011, 6, own translation).
The increase of holiday flats on offer is clearly related to a rising touristic interest. It is made possible on this scale not least through the ease of online marketing and worldwide accessible local classified ads on the internet. But the rising provision of holiday flats is also connected to the demands of a new urban tourism. Private short-term rentals seem to be a fitting accommodation option for the demands of an increasing new urban tourism with its preference for off-the-beaten-track-areas and an authentic city-life. In contrast to hotels and hostels, holiday flats promise the authenticity of being seamlessly embedded in a local urban neighborhood. „Stop being a tourist“ is the revealing marketing slogan of a short-term accommodation listing service, addressing tourists on billboards throughout Kreuzberg in 2011. Facilitated by online marketing, tourism in general and particularly the changing preference towards non-tourist experiences provide a growing demand for short-term accommodation within interesting and off-the-beaten-track neighborhoods.

This demand is met with a supply in short-term accommodation in part due to a growing private investment into the housing market in Berlin. A special position on the European housing market in conjunction with the current touristic interest are playing into an investment scheme, which leads to the increase of short-term rental offerings in the city.

In this investment scheme individual buyers invest into a flat in Berlin that is used for occasional visits of the owner and is otherwise rented out on a short-term base.

As the housing market in Germany remained considerably more stable than in many other European countries during the recent financial and real estate crisis, German real estate and especially residential real estate is frequently regarded as a safe investment during the current Euro crisis (BBSR 2012). Within this context especially centrally located inner-city housing are expected to yield long-term revenue (Gorony and Siebels 2008). Berlin further stands out here because its housing market is still relatively low-priced compared to those of other European capitals. Subsequently the city’s housing market is considered „one of Europe’s most highly rated residential markets for residential investment“ (ULI 2012: 36). Current statistics on sales point out the massive demand for real-estate investment in Berlin. In 2011 real estate sales in Berlin increased by 20% compared to 2010 and have reached a new post-reunification high of 32,627 (Gutachterausschuss 2012). This increase is partly driven by international buyers, who began to play an important role since 2000 [5] and currently are responsible for about a third of residential real estate sales in Berlin (Boewe 2012).

These increasing investment decisions are in part related to the growing touristic interest and the specific demands of a new urban tourism. Individual buyers are attracted by low prices and long-term revenue expectations. In addition, Berlin’s status as a capital city and international media coverage such as “Hip Berlin. Europe’s Capital of the Cool” (Time Magazine, 16.09.2009) provide additional reasons for individuals to invest into a flat in the city and to use it as a second home for occasional visits (Mingazzini 2012). Macro-economic considerations as well as Berlin’s rising tourist attraction and changing accommodation preferences of a new urban tourism result in an investment strategy for individual buyers that couples a second-home in Berlin with short-term rental revenues (Wells 2008, Fabricius and Machold 2012, Lane 2012, O’Sullivan 2012.). The GSW, one of the big property-companies owning some 50.000 residential properties in Berlin states in a recent market report that „apartments are continuing to leave the rental market […]“. Key factors in this respect are likely to be conversion for use as holiday apartments and for commercial purposes, as well as non-Berlin residents establishing second homes in the city“ (GSW 2012: 6).
Short-term rental further promises higher revenue and avoids dealing with the strict German tenancy law if considered against a traditional buy-to-let scheme. Weekly rates typically resemble the monthly rates for long-term rent and private vacation rental does not have to fulfill the costly security standards and tax payments of a professional hotel or hostel.

Since 2006 a number of specialized agencies were established to facilitate small-scale private international investment into Berlin’s property market. Agencies like Berlinproperty, Berlin99, Berlinmaegleren, Momentum Berlin, Berlin Capital or Nilreb advertise the second home short-term buy-to-let scheme (see for example Berlinproperty 2012). A number of those agencies offer short-term rental as a full service, promising to take care of all related steps: to select and acquire the flat, to renovate and to furnish it and later to manage the booking and rental process. Berlinmaegleren offers its service in eight languages and acts as the self-acclaimed leading Scandinavian-specialized broker. The services offered includes a personal guidance through the acquisition process but also help with a possible short-term rental later on. „If you buy an apartment through Berlinmaegleren and you would like to rent it out to tourists, we would be happy to place advertisements on our webpage at no extra cost.” (Berlinmaegleren 2012) The competitor Akkusativ not only does the listing, but offers to take care of everything regarding the renting process itself. “We check the tenants, organize viewings, sign rental contracts on your behalf, organize the payment to your account, hand out keys and we check the apartment after the tenant has moved” (Akkusativ 2011). Case a Berlino started out in 2007 when its founder acknowledged that acquiring second home flats in Berlin, something she had done as a favor for friends and relatives before, could be made into a profession. Today she pays or employs 10 people on the full range of services connected to short-term rental investment, from a lawyer overseeing the contracts, an interior architect to help buyers equip their newly bought flat for its short-term lease and a regularly manned office to organize booking, cleaning and key return. Scanning the city and its districts for suitable flats is still the manager’s responsibility (Interview Stirati 2011)[6].

The number of sales channelled through those agencies is in the hundreds according to our interviews and does not amount to a relevant housing market effect on a city-wide scale. But short-term rental has become a political issue recently. The housing market effects of tourism have been subject of a special report undertaken by GEWOS, a private urban research institute in 2012 on behalf of the Berliner Senat (Abgeordnetenhaus 2012). The Berliner Senat is currently preparing a legislation preventing the conversion of rental flats for commercial use in certain areas („Zweckentfremdungsverbotsverordnung“). The rise of urban tourism has been especially conflictive in our case study area where the growing public debate on gentrification is constantly highlighting tourism as a main driving force. There is some reason conceiving a link between tourism and gentrification considering the housing market dynamic of short-term rental more in detail but the effect of tourism seems to be overly exaggerated if singled out as the main driving force.

The average Case a Berlino customer invests between 100.000 to 150.000 Euros and therefore is looking for a small one- or two-bedroom apartment, with a balcony preferably, and located in one of Berlin’s pre-war housing stock, which are still dominating the inner-city districts (Stirati 2011). Kreuzberg and our case study area are regularly pointed out as the recommended investment locations by those agencies. „Our tenants include expats, employees from (international) companies, lawyers, consultants, artists, diplomats and world travellers. They typically prefer the following areas in
Berlin: Mitte, Prenzlauerberg, Tiergarten near Regierungsviertel, Charlottenburg and Kreuzberg.“ (Furnished Flats 2012). As a result, small apartments in those inner-city districts locations are also the type of flat predominantly offered via online short-term rental listings in Berlin. The average holiday flat on offer has a size of 60 square meter and two rooms (Berner and Wickert 2011). The second home/short-term rental investment concentrates on a segment that is of especially high demand on the regular rental market in our case study area. Small flats are especially expensive to rent in Kreuzberg today. One square meter in a 45 - 65 sqm flat is rented out for 8,05 Euro on average in Friedrichshain-Kreuzberg. This size of apartment is cheaper to rent everywhere else in the city (LaSalle 2012). Those prices are considerably constraining in the eastern part of Kreuzberg given the average low-income level in this area. Tenants in all three postal code areas on average are already obliged to spare one third of their available monthly budget for rent (GSW 2012). In a situation of this tense rental market, holiday flats are perceived as a threatening competition and the housing market dynamic of a new urban tourism is prone to aggravate gentrification fears.

The ongoing overall rent increase in Berlin and in Kreuzberg in particular is arguably a result of broader trends. On the demand side there is a net gain of households facing a mere constant supply in housing. Since 2005 the number of households in Berlin increased by 4,8% while the total number of housing increased only by 0,9% (LaSalle 2012). On the supply side former rental apartments are increasingly turned into owner-occupied flats and the time period of rent-control is expiring for former subsidized housing. But the dynamic of holiday flats, partially out of a second home/short-term rental scheme, is merely providing a visible sign for the ongoing neighborhood change, triggering political debate and in some cases openly xenophobic expressions in the public space in Kreuzberg [7]

Conclusion

Research on the impacts of tourism on urban neighborhoods is still comparatively weak given an anti-urban bias in tourism studies and the sparse explicit focus on tourism in urban studies. Existing research has been mainly concerned with the effects of tourism as a growth strategy as well as with questions of how tourism oriented city policy is creating certain tourism precincts or “tourist bubbles” within the city. This research points out related processes of changing retail and entertainment infrastructure, gentrification and intensified surveillance, policing and social control.

What has been called “new urban tourism” (Novy 2010) is explicitly oriented towards an experience of the city beyond the officially stated tourist attractions, strolling through ‘ordinary’ but diverse and lively neighborhoods and eager to consume ‘authentic’ local amenities. The impact of this mode of urban tourism is less visible as it does not necessarily correlate with growth strategies, which are formulated by city governments or growth coalitions but take place at a much smaller and subtle scale. New urban tourists often blur with an increasing share of temporary residents and business visitors in an increasingly mobile world.

In Berlin Kreuzberg, a central inner-city neighborhood, which was not considered a major tourist destination until recently, a heated public debate on the effects of tourism has emerged in 2010 and not ceased since then. Seemingly well-known tourism-related-conflicts, resulting from contrasting interests or the unequal distribution of resources, were introduced to Kreuzberg via the ‘new urban tourism’. The changing demand of the new urban tourism for ‘authentic’ experiences results in an interest in precisely the amenities, retail and entertainment infrastructure city residents also prefer, while often
not sharing the same constraints in spending power or sleeping hours. Nightly party
crowds in a residential neighborhood or the transformation of working-class pubs and
mom-and-pop grocery stores into high-priced coffee shops are only the most visible
signs of such conflicts.

In this paper we concentrated on the housing market as a further area of conflict. The
ease of online marketing, rising accommodation needs and changing demands of a new
urban tourism are mirrored in a rising number of furnished short-term rental options in
Berlin. Our case study allowed to better understand the supply side of this dynamic and
to relate it to a prototypical site for a new urban tourism. Buying apartments as second
homes and/or for short-term rental revenue has become an attractive investment
option in Berlin. The preferred holiday flats and second home investment objects are
small flats in inner-city neighborhoods and this aggravates competition for an already
highly demanded segment of the housing market in those neighborhoods. The housing
market effect of a new urban tourism mirrors the ongoing process of higher-income
households relocating to the inner-city and the possible effects of displacement and
neighborhood change. Tourism and its effects become the graspable expression of
general neighborhood change in local public debate and calls for stricter regulation have
found advocates in local governments. The Bezirksverordnetenversammlung
Friedrichshain-Kreuzberg issued a ban on new hostels in 2010 and a law against a
commercial use of residential housing is currently discussed in the Senat. But the
current tourism critique is fuelled by processes that are not addressed by those tourism
oriented regulations. The growing attraction of inner city living and the expected
returns on investment into Berlin’s inner-city residential real-estate build up a strong
market force only sporadically confronted with political constraints at the moment (e.g.
the reactivated „Milieuschutz“ and the prohibition of luxury renovations in the borough
of Pankow). A reoriented housing policy may be a more costly and politically difficult
but also a more rational answer to a general housing market dynamic a new urban
tourism is only aggravating.

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Footnotes


This paper is one preliminary outcome of a collaborative research project. An earlier version was presented at the AAG 2011. Research for this paper has been a cooperative effort of [… Taken out for the purpose of blind review ...].

[2] The term “digital bohemia” gained some prominence in German public debates around issues of precarization and the creative class, mainly through the book “We call it work. The digital bohemia and intelligent life beyond decasualization” (Friebe and Lobo 2008).

[3] The districts of Kreuzberg (former West-Berlin) and Friedrichshain (former East-Berlin) were merged into the district of Kreuzberg-Friedrichshain in 2001. We are focusing on Kreuzberg in this paper and do not account the new administrative district as a whole.

[4] In 2011 the Mietergemeinschaft e.V. conducted an online survey and asked its members to report on holiday flats in or nearby their houses (http://www.bmgev.de/politik/wohnungsmarkt/ferienwohnungen-umfrage.html). Additionally the offers of three major listing services were collected and mapped. Based on 2519 counted offers and the survey responses the Mietergemeinschaft estimates 12580 holiday flats in Berlin. Parts of the results have been published in Berner/Wickert 2011. We thank the Mietergemeinschaft for providing us with additional data.

[5] A reason for the significant increase of international investment around 2000 relates to German tax law. The law requires a time-span of 10 years between the buying and selling of real estate if the seller wants to avoid higher taxation. This is the reason for a repeated increase in available housing on offer ten years after the heated and high volume post reunification real estate market in Berlin around 1990.

[6] The presented data is mainly extracted from published material extended and contextualized through several semi-structured interviews conducted with buyers, neighbors and real estate agents in 2011.

[7] Signs and sticker with an anti-tourism message have shown up on signposts and walls throughout Kreuzberg in 2011, encompassing the widespread “Berlin ‘doesn’t heart’ you” sticker (resembling the famous “I ‘heart’ NY” logo), “not for tourists” signs posted on bar entrances, and an “Anti-Tourism” gig of several local bands. Since 2012 this singling out of tourism as the sole driving force behind gentrification and the often
xenophobic attitudes towards tourists are increasingly scandalized – most visible voiced by the so called “Hipster Antifa”. Their widely posted bill shows a group of drinking GIs against the backdrop of a heavily bombed WW2 Berlin scenery with the caption “Everybody is welcome. Party like it’s 1945”.