

# FLAGSHIP DEVELOPMENTS AND THE PHYSICAL UPGRADING OF POST-SOCIALIST INNER CITY: THE GOLDEN ANGEL PROJECT IN PRAGUE

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## **Abstract**

Over the last few decades many urban leaders have searched for an appropriate policy response to tackle urban decay. Various kinds of flagship projects emerged in many cities as the products of a property-led approach to the regeneration strategies adopted by local governments in North American and European cities. It was expected that the creation of high profile milieux would launch chain reactions which would eventually lead to the regeneration of declining neighbourhoods.

The focus of this study lies in the anatomy of physical transformation in an inner city neighbourhood within the context of post-socialist transition. Particularly, the paper discusses the flagship role of the Golden Angel commercial centre in the physical upgrading of the Smíchov district in Prague. The case study contributes to the understanding of complex circumstances and mechanisms of revitalization in the post-socialist inner city. The empirical material is based on field observations, expert opinions and existing documents.

The paper shows that a high profile project can be one of the driving forces in physical revitalization through the provision of symbolic power, credibility and appeal to a declining neighbourhood. At the same time, it is emphasized that physical transformation is a multi-conditional and context-related process rather than an automatic and straightforward outcome of flagship developments. Successful revitalization depends on a favourable constellation of various factors. On the local level, the key factors include the development potential of the location, the attitude of the local authorities, and the commitment of all involved actors.

## INTRODUCTION

Flagship and prestige projects have become a wide-spread tool of regeneration in many North American and European cities since the 1970s. Various aspects have received considerable attention in the urban studies literature (Bianchini *et al.* 1992; Loftman and Nevin 1995; Smyth 1994; Turok 1992). Flagship projects may enhance local attractiveness and initiate the physical revitalization of declining areas (Bianchini *et al.* 1992; Smyth 1994). On the other hand, these projects have been widely criticized as exclusive facilities which are mainly justifiable in economic terms (Harvey 1989; Hubbard 1996; Loftman and Nevin 1995; Vicario and Monje 2003). Essential questions are, therefore, how flagship projects intersect with local development needs, how they influence urban space, and what they actually bring to particular neighbourhoods of the city. Although flagship projects are frequently mentioned in the theoretical debate, and widely employed in urban practice, their specific impact on the city is seldom subjected to greater scrutiny.

Following the demise of state socialism, a free market economy was re-established in the Czech Republic, opening up the country to global influences and foreign direct investment. Consequently, the Czech cities, as well as those existing in other reformed post-socialist economies, find themselves subject to the simultaneous impact of local transformation and global process, which in turn creates a specifically 'post-socialist' context for urban restructuring (Feldman 2000; Sýkora 2001c).

The goal of this study is to describe and analyze the anatomy of physical transformation in an inner city neighbourhood within the context of post-socialist transition. Particularly, the paper discusses the flagship role of the Golden Angel commercial centre in the physical upgrading of the Smíchov district in Prague. The purpose is not only to describe the physical transformations, but also to understand the driving forces and mechanisms that underlie the transformations. Urban revitalization takes place within a complex environment. By referring to the example of the Golden Angel project in the physical transformation of the Smíchov district in Prague, the ambition of this paper is to increase the understanding of this complexity, i.e. of the mechanisms and factors which transform the urban environment at the urban neighbourhood level, thus providing valuable insights into the dynamics of change of the post-socialist city.

The paper is structured as follows. First, a literature-based theoretical discussion of the flagship concept and of property-led urban regeneration that draws upon the experience of 'Western' cities. Thereafter, and as a result of the geographical bias in the literature, the attention shifts towards recent urban development in post-socialist cities, and particularly in Prague, in order to elucidate the specific transition context present in the Central and Eastern European (CEE) countries. Then, the paper moves on to the case study of the Golden Angel project in the Smíchov district in Prague, starting with the methodological underpinnings of the study, and continuing with a discussion on the transformation and upgrading of the district's physical environment. It will be argued that a fortunate constellation of proper circumstances may turn a high profile property scheme into a flagship for the physical renaissance of its surrounding area.

### **Flagship Projects and Property-led Urban Regeneration**

For Beauregard and Holcomb (1981), urban revitalization is a complex phenomenon involving the injection of new life into cities and the upgrading of urban areas for "higher" social and economic uses. They identify two major components of urban revitalization - the social component, which mainly concerns residential areas, and the economic component, primarily regarding commercial services. Residential restructuring implies a rehabilitation of the housing

stock and of the environment of the inner-city neighbourhoods that is often aimed at attracting middle-income residents. The commercial redevelopment of the CBD or of neighbourhood (local) commercial areas entails, on the other hand, both physical renovation and economic revitalization. According to Beauregard and Holcomb (1981), the main emphasis of commercial revitalization is on physical rehabilitation. Shopping facilities and office buildings represent the major factors of economic restructuring, whereas convention centres, sports arenas and cultural venues add highly visible components to the redevelopment initiatives.

The property-led approach to urban revitalization is central to many urban strategies. Starting from the 1970's in the US and the 1980's in Europe, such urban policies were designed to encourage private investment and direct it towards the regeneration of distressed neighbourhoods. It was assumed that the physical component of the environment needs to be recreated in order to regenerate the inner city and to stimulate its local economic development (Loftman and Nevin 1995; Smyth 1994). Accordingly, flagship and prestige projects arose under public-private partnerships as key components of the physical regeneration strategies of many cities. These pioneering schemes typically focused on areas with the highest development potential, such as the city centres, locations with significant heritage value or waterfronts (Bianchini *et al.* 1992; Loftman and Nevin 1995).

While prestige projects aim at improving the image, encouraging investment and changing the perceptions of business decision makers at the national and international level, flagships are of a smaller scale and are geared at promoting "organic" growth and changing the local perceptions about particular urban areas (Loftman and Nevin 1995). Flagship projects are visible symbols of renewal, powerful place-marketing instruments and catalysts of regeneration (Bianchini *et al.* 1992). By definition, they are expected to generate impacts beyond themselves and act as hubs of radiating renaissance (Loftman and Nevin 1995; Smyth 1994). Flagship and prestige projects promote new urban images and attract private sector finance by creating a physical environment conducive to investment, and by providing appropriate accommodation for new sectors (Bianchini *et al.* 1992; Tavsanoğlu and Healey 1992). For example, the high expectations created by the redevelopment projects in Bilbao (the so-called Guggenheim effect) had a remarkable impact on the image of the city, its real estate market, and its local economy (Vicario and Monje 2003). It is assumed that physical transformation through high profile property developments launches chain reactions and generates spin-off benefits for declining neighbourhoods, e.g. by boosting civic pride and business confidence, increasing attractiveness and property values, and stimulating new development (Bianchini *et al.* 1992; Loftman and Nevin 1995; Smyth 1994). Similarly, Turok (1992) argues that property and investment in the physical fabric can generate positive externalities and thus establish an upward spiral of improvement that eventually makes run-down neighbourhoods more attractive to live and invest in.

Although property can act as a source of regeneration, many authors have aired doubts about the ability of flagships to trigger off development and to sufficiently distribute the benefits of growth (Bianchini *et al.* 1992; Carriere and Demaziere 2002; Harvey 1989; Loftman and Nevin 1995; Turok 1992). Bianchini *et al.* (1992) warn that property-led regeneration and investment in flagships may even have damaging effects on the local businesses and communities due to hiking rents and land values. In fact, it can contribute to social displacement and segregation, and the growth in the regenerating neighbourhood may be accompanied by decline in other urban areas, thus reinforcing the existing socio-spatial inequalities (Bianchini *et al.* 1992; Harvey 2000; Kaplan *et al.* 2004, Vicario and Monje 2003). According to Zielenbach (2000), revitalization results from the interplay of local decisions, the characteristics of the community (e.g. location, physical amenities, local institutions, community organizations, local leadership, social capital) and the economic and social forces affecting the city and metropolitan region as a whole. Revitalization

involves many interdependent institutions, organizations and other actors. The extent to which these participants can recognize and fulfil their roles largely determines whether economic, social and environmental needs reach a balance in the revitalization process (Zielenbach 2000).

The main idea behind flagship projects is that such schemes hold potential to impact outside themselves and thus influence the surrounding environment. Smyth (1994) suggests that flagship projects and activities within the related scheme transform the area in two ways: firstly, by their own presence, and, secondly, as catalysts of additional capital investment and the attraction of consumption. How and when this occurs is, however, not explicated in the literature. The particular impact of flagship developments at the neighbourhood level, and the mechanisms through which the urban environment is transformed, are yet to be subjected to in-depth examination. Criekingen and Decroly (2003) emphasise that renewal projects differ significantly in outcome and level of success across the spectre of cities and their neighbourhoods (see also Couch *et al.* 2003). Similarly, Beauregard and Holcomb (1981:17) noted that “urban revitalization efforts have many underlying similarities, but there are also significant differences from city to city in response to unique economic, political, social, and historical realities.”

Despite the specific condition of Central and East European cities, the research on urban regeneration and flagship developments in the post-socialist context has not received much attention in the urban studies literature (Feldman 2000). In the following paragraphs I will outline the main features of urban development in post-socialist countries, with particular attention paid to Prague.

### **The Context of Post-Socialist Urban Development**

The economic and political context framing urban revitalization in the Czech Republic and in the rest of the post-socialist realm has changed significantly since 1989. Today, society and space are more influenced by market mechanisms, while the role of the state and administrative decisions has diminished (Musil 1993). Together with the transformation processes, internationalization and globalization have also been affecting local development in post-socialist cities (Gritsai 2004, Keivani *et al.* 2001). The overlapping of the past socialist practices with the new market dynamics is what makes the context for urban revitalization in Prague distinct from that in Western cities.

Because of its development potential and dominating position within the Czech urban system, the transformation process has been especially remarkable in Prague (Drbohlav and Čermák 1995). As in other post-socialist cities, the urban development and spatial structure of Prague have been affected by a double transition (Sýkora 2001c), i.e., the local transition to an open market economy and democratic policy-making on the one hand, and the transition induced by economic globalization and its impact on local restructuring. The latter is shared by cities around the world, and envelopes challenges such as deindustrialization, increasing social differentiation, the growth of producer services, the increase in private car ownership, as well as residential and commercial suburbanization (Sýkora 2001b).

The transition from plan to market embraces a wide range of government-directed transformations (institutional deregulation, privatization of state assets, restitutions, price liberalization and rent control deregulation) which lead to a major restructuring of Czech society. Privatization and restitution processes considerably influenced the structure of cities since they returned ownership to the private sector. Combined with price and rent deregulation and the decentralization of decision-making, these processes facilitated the restoration of the real estate market with a vast influence on urban land use and the spatial structure of cities (Illner and Andrlé 1994, Sýkora and Šimoničková 1994). Land, and hereby also relative locations, regained its economic value in post-socialist cities (Jakóbczyk-Gryszkiewicz 2005), affecting the functional

use of real estate assets, especially in the most attractive locations. Since the mid 1990's, high property prices in the commercialized city centre, accompanied by other factors such as the lack of space for expansion and bad accessibility by car, have prompted the revitalization of some inner-city neighbourhoods, as well as the process of suburbanization in the outer city (Hrychová 2000, Ouředníček 2003).

Like the other capital cities in Central Europe, Prague also became the focus of a growing interest in real estate investments (Adair *et al.* 1999, Berry and McGreal 1995). Commercial non-residential construction was initially prioritised (Váňa 2000). Foreign architects, investors, developers and contractors arrived together with foreign capital and became important actors on the contemporary construction scene. Building activities ceased to concentrate in the outer zones (as was typical under socialism), and instead sparked development in the central and inner parts of the city. The diversity in locational "quality" resulted in a varying intensity, structure and quality of construction across Prague, thus strengthening the spatially selective development of the city.

Sýkora (1999, 1996) suggested that the most visible processes of change in the physical, functional and socio-spatial structure of Prague were the commercialization of the city centre, the revitalization of certain parts of the inner city and the residential and commercial suburbanization of the outer city. The revitalization of the inner city also included the commercialization and gentrification of certain neighbourhoods. Although some elements of revitalization appear to be nearly ubiquitous in the inner city, the process reaches its highest intensity at a few locations that offer greater development potential. Kiss (2002) notes that the reutilization of old industrial areas in Budapest depends on their distance from the city centre (the more central the location, the greater the changes). A similar tendency can be noted in Prague, where new office blocks and shopping centres grow up on brownfield sites located in proximity of the city centre and with good transport links.<sup>1</sup>

The regeneration of the urban fabric of the post-socialist inner city gained momentum following the demise of the socialist system, although the process as such is somewhat distinct from that present in "western" countries. In North America and Western Europe, urban regeneration usually relies on strong involvement by the public sector via the formulation of targeted urban regeneration policies. However, taking the example of the waterfront regeneration in Tallinn, Feldman (2000) shows that Western concepts used to explain urban revitalization, such as entrepreneurial urban governance, property-led local economic development strategies, public-private partnership, etc., have limited applicability to the post-socialist cities. Beyond the differences in the physical and economic setting, the fragmented and unstable institutional context of the countries undergoing post-socialist transformation, together with the fiscal and organizational weakness of the city governments, the lack of partnership and cooperation among stakeholders, and the continued pivotal role of the central state in urban planning make the regeneration process distinct from that of Western cities (Feldman 2000). The situation is similar in the Czech Republic, where the local authorities are still learning how to deal with urban problems and challenges. Urban revitalization in Prague is mainly a private-sector driven process, as the public authorities lack in both fiscal capacity and strategy. Because of the capital-intensive investments involved, foreign companies usually play an important role in the new development projects. The power of the public authorities in guiding these developments is weaker in post-socialist cities than in western European ones (Keivani *et al.* 2001, Tosics 2004, Badyina and Golubchikov 2005), often due to the restrictions imposed by private land ownership. To sum up, the role of the public authorities, urban revitalization and the development of flagship projects in post-socialist cities, including Prague, takes place within a politically relatively weak setting.

## CASE STUDY AREA AND METHOD

### The Rise of the Golden Angel in Smíchov Neighbourhood

The Golden Angel office and shopping centre grew up on Anděl<sup>2</sup> junction which forms the central part of the inner city neighbourhood of Smíchov. Smíchov is located south of Prague's core on the left bank of Vltava river (see figure 1). Until recently, Smíchov could have been described as a traditional inner city working-class neighbourhood with a deteriorating housing stock due to lack of investment. The neighbourhood's transformation into a modern and vital centre only began in the 1990's, following the relocation of many industrial activities which were previously carried out in the area. This, in turn, meant that much undeveloped brownfield property was left behind. With its proximity to the city centre and its nodal location with respect to Prague's major transport arteries, Smíchov quickly turned into an attractive area for redevelopment. In the early 1990's, its potential was noticed by ING Real Estate<sup>3</sup>, which immediately undertook negotiations about the investment opportunities available in Smíchov, and particularly in the area surrounding (and above) the Anděl underground station, which was owned by the City of Prague. Eventually, the ING representatives pledged to propose a local development plan in exchange for the exclusive right to the property at the Anděl junction. The Nouvel-Cattani architects proposed a development strategy for central Smíchov (the Prague Smíchov Urban Design Proposal) in 1991. At its core was a new complex of buildings with the Golden Angel as a flagship building in the revitalization of this inner city neighbourhood. Following the proposals in three other local development plans (by D.A. Studio, ÚHA-VHe, Púdis), the City Council approved a new inner city ring road, allowing for the transformation of the Anděl junction into one of the secondary city centres within a polycentric Prague (Langhammer 2001).

Figure 1 - Location of Smíchov in Prague



Source: T-MapServer, [www.praha-mesto.cz](http://www.praha-mesto.cz)

Figure 2 - The Golden Angel commercial centre in Smíchov



Photo by the author

In 1996, ING Real Estate purchased the land from the City of Prague. The Golden Angel project construction started at the end of 1990s, and the building was completed in the year 2000 (figure 2). It is strategically situated at the Anděl junction, which is crossed by important transportation routes. Designed by French architect Jean Nouvel and the local studio A 8000, the Golden Angel represents an architecturally distinctive building. Its glass facade with a motif of an angel and fragments of poetry are the most eye-catching features. Although a number of other smaller redevelopment projects were carried out prior to the construction of the Golden Angel project, they did not have any visible impact on the refurbishment of their surroundings.

### **Evaluating Physical Transformation**

According to Sýkora (2001a), revitalization refers to a wide range of transformations, and embraces the improvement of the physical condition of the local urban fabric, the change in its functional use and/or the change in the social status of its inhabitants at the neighbourhood level. This paper primarily focuses on physical transformation, while omitting its social effects.

Physical improvement in the inner city can be the result of diverse and complex processes including urban renewal, regeneration, redevelopment, gentrification or incumbent upgrading. Therefore, physical *revitalization* should be examined not only as a static outcome of physical transformation, but also by focusing on the mechanisms and driving forces which underlie it, including the role of the actors involved and the contextual arrangements in which they operate and undertake decisions (Sýkora 2001a). The inquiry into the physical transformation in Smíchov is undertaken in two main steps. First, I will focus on the outcomes of physical transformation and, second, I will investigate the driving forces and mechanisms in the transformation process.

A neighbourhood is considered to have undergone physical upgrading if the condition of its built environment (buildings, infrastructure, public spaces, green areas) has improved. The main mechanisms of physical upgrading include the construction of new buildings on vacant or abandoned land (new development, redevelopment) and rehabilitation (regeneration) or recycling of existing run-down buildings (Crickingen and Decroly 2003). In reality, detecting small-scale transformations is rather problematic, as there are no statistical data in this regard. Therefore,

primary data collection was employed in order to trace the physical transformations in the Smíchov neighbourhood. Three indicators of physical upgrading were considered: (1) new development projects, which increase the local attractiveness and transform the physical fabric by introducing new uses and forms into abandoned industrial sites, (2) the physical condition of the buildings, and (3) the provision of public spaces (parks, squares, pedestrian zones, etc.), the improvement of which being again seen as a valuable ingredient in the overall refurbishment of the neighbourhood.

Information about the new development projects was gathered from architectural and building journals, the periodical of the Municipal Council of Prague 5 Pražská pětka,<sup>4</sup> and the websites of the project initiators (developers, investors), institutions (municipality) and other involved actors (architects).

The physical upgrading of the housing stock was traced by means of a house-to-house observation survey carried out in Smíchov in February-March 2004, and aimed at evaluating the physical condition of the exterior of the buildings using six categories<sup>5</sup>: (a) buildings under construction, (b) new buildings (completed after 1990), (c and d) fully and partly refurbished buildings, (e) buildings in reasonable condition, and (f) neglected buildings.

The provision of public spaces was studied by analysing the investment into both the maintenance of public spaces and the creation of new ones. Again, I make use of the field survey method, complemented by interviews with key persons in local government and materials from the periodical of the Municipal Council of Prague 5 Pražská pětka.

The mechanisms and driving forces in the physical transformation of the Smíchov district are studied with the aid of 51 semi-structured interviews (including face-to-face and telephone interviews as well as e-mail correspondence) carried out in late 2004 and early 2005 with key actors operating in the real estate market (agents, managers, research analysts, consultants, developers, lawyers, representatives of financial institutions) and with local government officials and politicians. The interviewees were selected with respect to the knowledge and professionalism which these persons would be expected to have in relation to the studied topic.

Private-sector members of the Association for Real Estate Market Development and members of Association of Real Estate Offices of the Czech Republic were approached in order to gather the opinions of real estate experts. Clearly, only some members of these associations actually operate in the Smíchov area and were thus able to provide informative responses to my questions. Nevertheless, the number of respondents proved sufficient for the purposes of this study.

Regarding local representatives, I interviewed three officials at the municipal level and one at the city level. To embrace a longer period of municipal governance, the views of former as well as current officials were recorded. Additional valuable information was gained from the periodical of Municipal Council of Prague 5 Pražská pětka. It offers interviews and comments on local development written by current and former representatives, and thus supplements the views aired in the interviews.

In the following analysis of the physical transformation of the Smíchov area, particular attention is being paid to its driving forces. The physical upgrading taking place in Smíchov will be presented along the three lines described above, i.e., the redevelopment of brownfield sites with its related new construction projects, the rehabilitation of existing buildings, and the enhancement of public spaces.

## PHYSICAL TRANSFORMATION AND ITS DRIVING FORCES IN SMÍCHOV

During the 1990's, environmental upgrading struck urban space with remarkable speed and intensity, but also with clear spatial selectivity. Smíchov is beyond any doubt one of the districts in which the process has been particularly evident.

### *Redevelopment of brownfield sites*

Since the turn of the millennium, the Anděl junction has experienced an extensive construction boom. A handful of major commercial projects developed by foreign companies have emerged on the sites of the abandoned industrial complexes (mostly on the vacant property of the ČKD Tatra Corporation), and new offices, housing, shopping and entertainment facilities have contributed to the redevelopment of the brownfields into a (post-)modern urban landscape.

The aforementioned Golden Angel project was completed in the year 2000 at the Anděl junction right on top of the underground station. The large complex offers 13.000 sqm of offices, over 7.000 sqm of retail space, as well as restaurants on the top floor. One of the main principles of the ING investment was to guarantee a variety of uses for both companies and citizens, and to revive the area in general (Fialová 2000).

In 2001, two French developers (Carrefour and Delcis) completed the Nový Smíchov (New Smíchov) entertainment and shopping centre. The project was the first shopping mall to be introduced in the inner city, thus challenging the trend of greenfield retail development on the outskirts of Prague (interview with Drtina 2004). The front part of the complex incorporates the original wall of the 19<sup>th</sup> century former Ringhoffer factory. Part of the complex is covered by a green roof and connected by footbridge with the regenerated Sacré-Coeur park.

The initial phase of the large-scale Anděl City (or Anděl Business Centre) office, shopping, hotel and entertainment complex was completed nearby. The upcoming residential part is under construction. Anděl City belongs to one of the largest newly built complexes in Prague, and it has won awards in several competitions (e.g. Best of Realty 2002 and 2003, Grand Prix of the Society of Architects 2003). In 2004, the first offices of yet another significant project, Anděl Park, were developed together with Hotel Ibis, within the hotel and office scheme known as Smíchov Gate. Furthermore, a handful of additional minor projects were completed by the end of 2004 (e.g., the Porthemka centre and residential complex Nový Anděl).

All of these projects transformed brownfields into a high quality multi-functional urban landscape. Together with the physical upgrading which they carry in themselves, they also trigger-off development and attract investment, which additionally enhances the commercial and residential attractiveness of Smíchov (Temelová 2004).

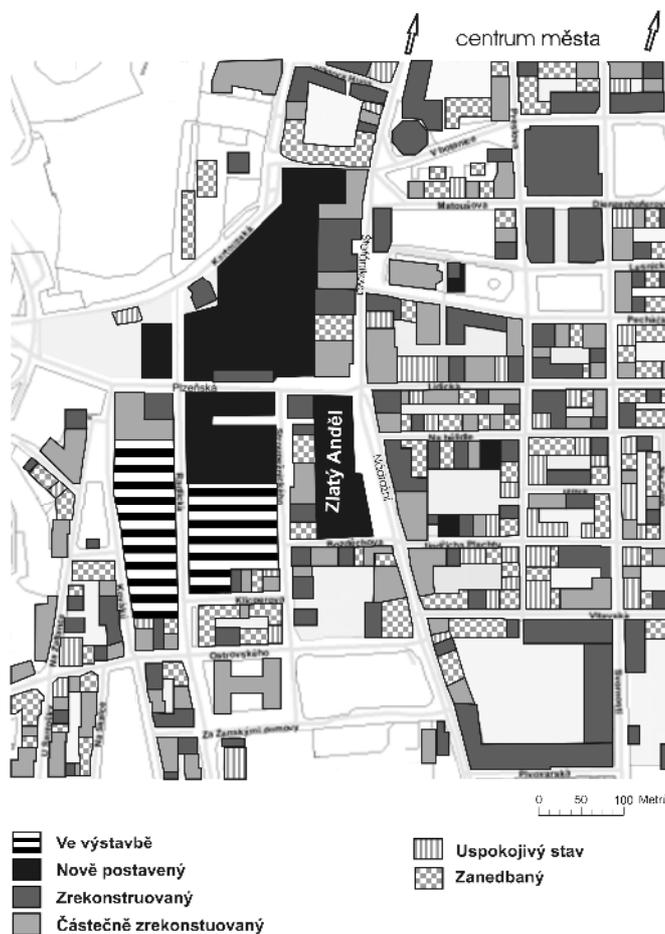
### *Rehabilitation of existing buildings*

Because of the lack of investment in the maintenance and renewal of the existing buildings, which characterised the socialist period, the majority of Prague's inner city neighbourhoods entered the period of transformation with a dilapidated housing stock, and neglected public spaces and run-down infrastructure. Since 1990, dramatic improvements have taken place, but only in a spatially selective manner. Smíchov is one of the areas where a gradual transformation of the built environment has become visible.

The house-to-house observation survey showed that there is evidence of rehabilitation in the existing building stock in the surroundings of the Anděl junction. The majority of the buildings underwent either full or partial refurbishment, thus leaving a relatively limited amount of

neglected houses (see figure 3). In general, the buildings situated further away from the Anděl junction (Golden Angel) and the main commercial streets Nádražní and Štefánikova<sup>6</sup> are likely to be in worse condition than those occupying the lots that are closer to the major axes and development sites. Moreover, the physical condition of the buildings seems to be positively correlated with their proximity to the city centre.<sup>7</sup> In general, it may be established that the spatial pattern of physical revitalization acquires a gradient effect, which means that the physical quality gradually decreases with increasing distance from the cluster of new projects at the Anděl junction, and from the city centre. At the same time, the gradual nature of the revitalization process inevitably results in stark contrasts in the physical fabric of Smíchov.

Figure 3 - Physical condition of the buildings in the surroundings of the Golden Angel in 2004



Field survey carried out by the author, February/ March 2004.

#### *Enhancement of public spaces*

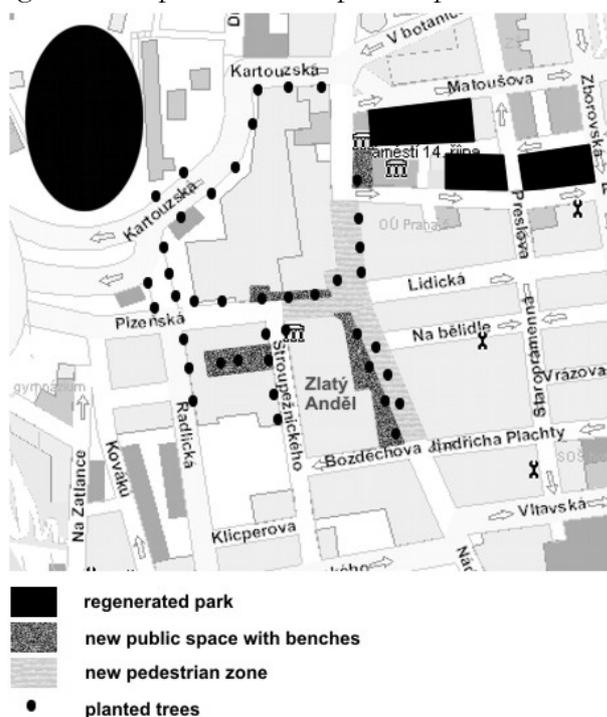
The Prague 5 local authority seems to realize the important role that public spaces play for the environmental quality of the densely-built Smíchov. The municipal council has been investing resources into the district “look”, including maintenance and regeneration of local parks (e.g. Arbesovo náměstí, Náměstí 14. října, Klamovka, Kinského zahrada). Additionally, considerable changes in the transport system have been made in Smíchov. The construction of city ring tunnels (financed by the City of Prague) and the introduction of a one-way traffic circulation system aim at avoiding transit traffic in the Anděl area. The goal of calming down the Anděl

junction in terms of car traffic led the local government to the establishment of a new T-shaped pedestrian zone. The municipal council also provided resources for the renovation of pavements and the reconstruction of the technical infrastructure. A regular street cleaning service is now considered to be regular maintenance, which contributes to the improvement of the area's image (interview with Škaloud 2004).

Private developers also participate in the upgrading of the public spaces in Smíchov. The local government has ensured this by negotiating a public space funding requirement of around 5–7 % of the overall investment expenditures (interview with Langhammer and Zapletal 2004). Shortly after the completion of the Golden Angel project, a pedestrian zone along the building was inaugurated thanks to the joint investment of the Prague 5 municipality, ING Real Estate and several other private investors involved in the area's regeneration. The renovation of the neglected Sacré-Coeur public park, and the footbridge connecting it with the commercial centre, was financed by the developer of Nový Smíchov. Thanks to the U-shaped layout of the buildings in the Anděl City complex, a new public square with trees and benches has emerged in-between the buildings. The next phase of the project is expected to transform Bozděchova street by means of a new pedestrian zone, thus cutting through formerly inaccessible space. The developer of Anděl Gate plans to reserve part of the area for a public park. Most of the project investors also participated in financing the planting of trees in the project courtyards and in the streets neighbouring the schemes.

With the support of private investors, the local authority of Prague 5 has increasingly been paying attention to the improvement of the appearance of the physical environment in Smíchov. The provision of public spaces in both quantitative and qualitative terms has improved since 2000 (see figure 4). Whether it is the regeneration of parks, or minor improvements such as the installation of benches, street lights, rubbish bins, local information guide-posts or the planting of trees, it all contributes to the creation of a pleasant urban environment that becomes attractive for a wide variety of users (Temelová 2005; Temelová and Hrychová 2004).

Figure 4 - Improvement of public spaces in the Anděl area since the year 2000



Field survey carried out by the author, April 2004. (figure 4)

The marked physical transformation taking place around the Anděl junction since 2000 suggests that the construction of the high profile Golden Angel project meant an important step towards the revitalization of deteriorating Smíchov. Certainly, the initial intent of ING Group to invest at the Anděl junction, the negotiations with the city government officials, and the preparation of the plans for the development of the Golden Angel project, all date back to the early 1990's. However, other factors were also crucial for the revitalization efforts in Smíchov, as shown by the interviews with various real estate and local government experts.

The interviews suggested that there is confidence among real estate executives and city government officials as to the continuous upgrading of the physical environment in Smíchov. They thought that the neighbourhood made a principal shift from a dirty and gloomy industrial periphery to a high quality local centre with good physical and environmental attributes. On the other hand, however, a few respondents complained that some of the buildings are over-designed, with little care for industrial heritage or for the preservation of the existing green and recreation areas at the Anděl junction.

Most of the interviewed property market professionals and local government representatives see the Golden Angel as an impulse for the revitalization of central Smíchov. Some of them even call it a flagship project which improves the image of the area, attracts other developments and pioneers local revitalization. The respondents noted that the building is a positive example which sets the quality standards for the commercial spaces in the area. If the owners of the surrounding property wish to compete with the new schemes, they are forced to challenge the newcomers' top quality by refurbishing their own houses. Many owners recognize that renovation is a way to attract new activities, or affluent residents, and to generate higher property incomes. Not less important is the fact that private resources and public support joined forces in order to improve the appearance of the public spaces, and the quality of the infrastructure. Some interviewees believe that the Golden Angel is an innovative investment that serves not only as a catalyst for local regeneration, but also as a sign of a new quality in the relationship between investors and city authorities (interview with Kadeřábek 2005; interview with Kasl 2005).

Apparently, there are several factors on the project side that support the flagship role of Golden Angel. These factors include the high-quality and good location of the scheme, the symbolic and marketing role of the building, and the credibility of a developer with both capital and expertise. Subsequent projects further enriched the Smíchov's functional mix, making the neighbourhood attractive to larger segments of the population (Temelová 2005). The involvement of the celebrity architect Jean Nouvel, and the creation of a distinctive architecture, had an important symbolic role for the neighbourhood. It served as a marketing label, attracted the interest of both a local and an international audience, and helped to recreate the image of the place. The Golden Angel left a footprint on the local context and became the landmark of a newly emerging secondary centre in Prague. Similarly, the status of the developer, ING Real Estate, had a strong promotional effect. Being the first strong and internationally recognized developer engaged in the area, ING Real Estate made Smíchov credible for other investors. As Nigel Young, director of M.I.P.A, noted, "when a big company like ING has the courage and faith to build in an area, it certainly encourages others" (Wilson 2001). Importantly, by negotiating with local government, ING representatives helped to create a communicative atmosphere for the regeneration to take place (interview with Kasl 2005).

In sum, the Golden Angel took the lead in the physical upgrading of Smíchov through a number of mechanisms. The high profile building provided a significant local symbol that served as a vehicle for the promotion of the place. Thanks to the involvement of a globally recognized

architect and a credible international developer, the Golden Angel drew the attention of the media, through which the entire area gained publicity. Consequently, the entire neighbourhood became perceived as a secure location to invest in, which influenced the attitudes held by property owners towards physical rehabilitation. This is partly in response to the imperatives of survival within the increasingly competitive milieu resulting from the boom in the construction of modern commercial and office facilities. Furthermore, the Golden Angel project established a platform for negotiation between public and private actors, creating a favourable atmosphere in which a committed local government strengthened the area's attractiveness by investing in additional environmental improvements with the aid of private capital. As it comes, the approach to revitalization held by local government encompasses the last group of key factors at the local level. In the case of the Anděl developments, the cooperation between the local authorities and private developers had a positive synergy effect.

## CONCLUSION

This paper examined the physical transformation and its driving forces and mechanisms in the Prague district of Smíchov, an inner city area which has undergone substantial deindustrialisation in recent years. Particular emphasis has been given to the flagship role of the recently erected Golden Angel commercial centre in the revitalization process. The Golden Angel was the first remarkable construction – in many ways a flagship development – in the physical transformation of Smíchov. The site of the project and its surrounding areas were upgraded through the private-led redevelopment of brownfield sites, the rehabilitation of the existing building stock, and the enhancement of public spaces and infrastructure. Unlike the examples found in “Western” cities, the scheme was not initiated as a large scale prestige project developed through public-private partnership, but by means of a single high profile building raised by a strong private developer with the *support* (rather than the leading role) of the local authorities. However, revitalization in Smíchov takes place in a complex setting, as would be the case anywhere else. The development opportunities offered by Smíchov were staged by the nation-wide changes of the 1990's and the high investment attractiveness of Prague. Smíchov's local development potential and the interest of a capital-strong and experienced developer, not to mention the bridging role of the municipal government in promoting public-private cooperation, were also important driving forces in the Smíchov revitalization.

Urban regeneration in post-socialist cities is a relatively new and unexplored topic in research. The case of the Golden Angel project in Prague is not a universal solution to the decay of the post-socialist inner city, as the course and outcomes of revitalization depend on the local context within which revitalization is conceived. A project's trajectories vary not only by city, but also at the neighbourhood level. Therefore, more comparative research is needed in order to improve our understanding of the various dimensions of revitalization in the Central and East European cities in general, and of property-led regeneration in particular. The discussion on physical transformation in this paper has merely opened a window on the broad topic of urban revitalization in the post-socialist transition context. The social, economic and cultural consequences of revitalization are a field which should be subject to further study in order to complete our picture of the experience of the Central and East European cities.

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