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FACTSHEET

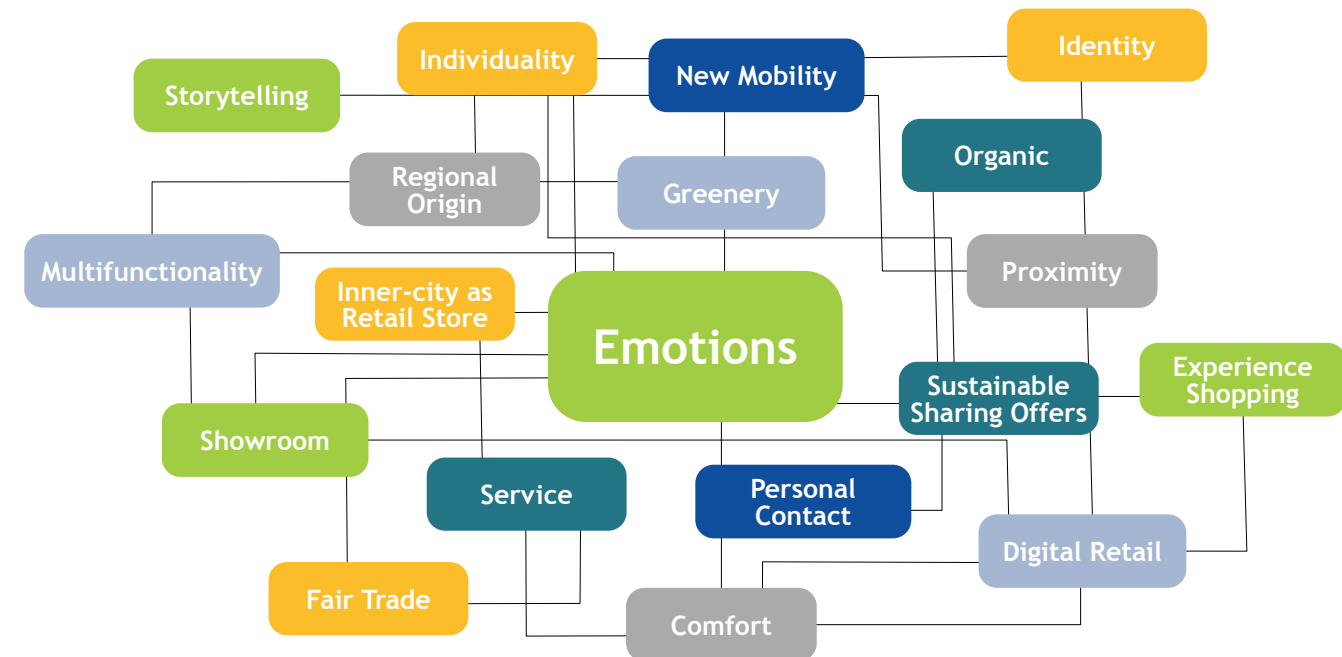


**CINEMA**  
**(Creative Industries for**  
**New Urban Economies**  
**in the Danube Region)**  
Revitalisation of Retail  
and Small Businesses



# The Effects of Covid-19 on Inner-City Developments

It is less a question of „what WILL cities look like“ post-Covid-19, more a question of „what SHOULD cities look like“ after the crisis!



Source: CIMA (2021), Jan Vorholt

Covid-19 has forced certain developments, such as:

- digitalisation
- reduction of footfall
- reduction of retail stores (owner-led and chain-stores)
- reduction of demand for sales areas
- increase in empty space and minor usage
- decrease in the revenue from rent and the value of premises
- reduced quality of stay and attractiveness
- loss of the function of social meeting points

Immediate and medium-term effects after the crisis in the city-centres:

- "massive" clear-cutting of conventional company concepts that were already "static" before / during the crisis, with little orientation towards the market framework
- start of strong (rent) competition between city centres and peripheral shopping / specialist retail centres
- low settlement dynamics in the city centres over the next 2-3 years, both from national / international chain stores and from existing owner-operated businesses
- consumers are becoming more savings-oriented and price-sensitive, while their orientation towards online shopping is declining again
- the onset of "digitalisation inertia" in many businesses (no further development of the basic digital competence built up during the Covid-19 crisis)

# The Expected „Phoenix Effect“ for Post-Covid-19 City-Centres

The trend towards self-employment in the inner city, which already existed before the Covid-19 crisis, will intensify even further!

The new type of city entrepreneur is ...

- highly specialised
- often in cooperation with actors from other economic sectors ("cross over" concepts)
- on a "first-name basis" with digitalisation
- some have many years of experience in the sector
- open to accompanying coaching
- willing to cooperate with others
- an affinity with city marketing

*"The Covid-19-crisis increases the speed of the transformation-process in the city-centres, which was apparent even before the crisis, such as changed consumer behaviour, a strong transformation of the sectoral and economic mix or the boost in digitalization. I am convinced, that this new type of city-centre will rise like a phoenix from the ashes that have been left by the crisis."*



Roland Murauer, CEO CIMA Austria

Kamnik City Centre / Slovenia



*"The future of city cores will be based on experiences, hybrid events and small craftsmen and entrepreneurs, which will add value to the cities. It is important to revitalize urban centres, and this goal will only be achieved by bringing back smaller businesses that will have their premises in the centres."*



Matjaž Jug, Leader and cofounder of KIKŠtarter - Coworking and collaboration space

City of Gabrovo, District 6 / Bulgaria



*"The city centres (excluding state, municipal or other types of administrations) will start lagging behind unless they host arts, tourist sights and, connected to them, cafes, restaurants, souvenir shops, etc."*



Galina Mihneva, Executive Director of Gabrovo Chamber of Commerce and Industry, Bulgaria

Leonding, House No 44 / Austria



*"One of the Covid-19 Phoenix effect for Leonding is the InLeonding-App. This makes the Leonding economy digitally visible. The purchasing power in the region is increasing and jobs in the region can be accessed digitally. Special Covid-19 Phoenix effects are also evident in the redesign of the town square. This is where the mobility hub comes in. This connects with the surrounding communities."*



Susanne Steckerl MED MBA, Managing Director of the Leonding Agency for Location and the Economy