



## Berlin Brandenburg: How not to build an airport

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*As an example of how not to build a project, Theron Management Advisors' Peter Jumpertz presents the cautionary tale of Berlin's still unfinished Brandenburg Airport.*

"It's all about digging a very deep hole in the ground of Brandenburg and putting money into it for the rest of eternity."

That is how Peter Jumpertz, chief executive and founding partner of Theron Management Advisors, introduced his salutary tale on how not to build an airport at the Infrastructure Investor 2015 Berlin Summit on Tuesday. He was referring to the Brandenburg airport, which has been in the works for more than two decades.

"It was a good idea in 1991. Right after German unification, some politicians had the idea of building a brand new airport right next to Berlin," Jumpertz continued. "The siren whispered in everybody's ears that there were fortunes to be made and everybody will be happy in the end. So the idea was quite great, but it went wrong."

Through his presentation, Jumpertz warned that, while infrastructure may seem like one of the more secure option to invest in alternatives, success is far from certain when there is a lack of alignment between political will and reasonable project management.

"Even infrastructure assets are business assets," Jumpertz said. "They're not safe and secure - they have a special kind of risk."

When the Brandenburg Airport was first conceived, it was intended to service 22 million passengers per annum. This is where the first misstep was made, Jumpertz explained, given that two other local airports were at the time already servicing around 27 million passengers each.

The second failure, Jumpertz said, was the political push for a "clean and cool design etiquette" that would symbolise Berlin's modern ambitions.

Because of this design mandate, it was decided that all industrial components of the structure - such as heating and air conditioning pipes - would be placed under the swampy ground of the chosen build site, which Jumpertz described as the "worst location possible" for an airport.

There was also the problem of accommodating large international aircraft such as the Airbus A380, which requires two levels of offloading capability above the ground floor, since the Brandenburg-gate airport was only designed as a two-story facility.

"They had to redesign the entire layout of the terminal because the initial separation of arrivals and departures just didn't work out any more," he said. "So change requests came in and they were handled with, let's just say, not too much capability."

As the project became bogged down in what Jumpertz called a "chain of ignorance," it was also plagued by a "conspiracy of optimism" among engineers and technicians who believed that computer algorithms would be capable of handling the airport's passenger intake and outflow. Other issues that arose included a lack of determined flight paths, coupled with the lack of planning for noise mitigation in surrounding residential areas.

The lesson to be learned, Jumpertz said, is that it is crucial to employ trustworthy pessimists in the process of a buildout who can flush out potential problems before it's too late.

"Build in flexibility, that's what you want to do when you build out complex projects," Jumpertz advised.

The Brandenburg Airport still has no set opening date, no final cost estimation, no noise protection, an insufficient nighttime ban on flights, and no flight path plan.

"One thing is for sure: This airport will never make any money," Jumpertz concluded.