Urban Regeneration in a Market Oriented Decision Environment

Ruud Hoekstra | P5 | Complex Cities Graduation Studio

November 8th, room C

Department of Urbanism | Delft University of Technology | the Netherlands

for sale: ‘a block of city’
for sale: ‘a block of city’
Zakkenvullers graaien in de Javastraat. Buurten worden verdreven.

Koop helaas is het leven zo zéé de waar.

Achtergoed Vuur start.

 tegen de uitverkoop van de buurt.
“sharks snatch their opportunities”

“against bargain sale of the neighbourhood”
“The municipality and housing associations joined forces to reduce the amount of social housing and stretch the red carpet for speculation and gentrification. Whilst there is desperate shortage of affordable social housing and the market for owed housing collapsed”. March 25th, 2012. Indymedia
Dutch Spatial Planning | Market oriented

The State

Collectivism
Collective Service Access
Equality

Societal values

Individualism
Selective Service Access
Inequality

Value & power shift in context of Dutch urban development
source: Heurkens, 2012
<table>
<thead>
<tr>
<th>Aspects</th>
<th>Anglo Saxon model</th>
<th>Rhineland model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Role central government</td>
<td>Few regulations &amp; investment</td>
<td>Regulations, visions &amp; investments</td>
</tr>
<tr>
<td>Role local government</td>
<td>Reactive: authorisation</td>
<td>Active: authorisation &amp; investment</td>
</tr>
<tr>
<td>Role private sector</td>
<td>Active: initiative &amp; investment</td>
<td>Reactive: realisation</td>
</tr>
<tr>
<td>Urban planning principle</td>
<td>Development led</td>
<td>Restrictive &amp; permitted</td>
</tr>
<tr>
<td>Decision-making process</td>
<td>Negotiating (gaming)</td>
<td>Consensus (debating)</td>
</tr>
<tr>
<td>Organisation</td>
<td>Project oriented</td>
<td>Collaboration model oriented</td>
</tr>
<tr>
<td>Management</td>
<td>Project oriented</td>
<td>Process &amp; product oriented</td>
</tr>
</tbody>
</table>

source: Heurkens, 2009
the big shift in policy have led to...

...less investment of the central government

ISV 650 miljoen in 2020, source: http://www.zoek.officielebekendmakingen.nl
the big shift in policy have led to...

...less investment of the central government

...authorisation of the local government
the big shift in policy have led to...

...less investment of the central government

...authorisation of the local government

...development led urban planning
the big shift in policy have led to...

...less investment of the central government

...public and private sector collaboration

...authorisation of the local government

...development led urban planning

Chp-business agreement, source: http://www.google.com/images
A market oriented approach to urban regeneration

**arguments for**
- more variety and quality of urban development *(Priemus, 2002).*
- more attention for amenities *(van Bergeijk et al. 2008).*
- more diversification in social groups and housing typology *(van Bergeijk et al. 2008).*
- bring communicative and advertisements skills *(Noordam & Gruis, 2002).*

**arguments against**
- Difficult to handle groups are left standing on the side-line *(Dekker & Kempen, 2009).*
- physical improvement that dominates *(Hulsbergen & Stouten, 2001).*
- good quality social housing is replaced by more expensive owner occupied housing *(Hulsbergen & Stouten, 2001).*
- plan or policy of what the neighbourhood should look like is adjusted according to who has the power to govern *(Dekker & Kempen, 2009; Priemus, 2002).*
Urban regeneration is entitled to a new environment as well as urban professional like us urban planners.
Aim

The objective of this research is to gain a deeper understanding of the plan-, decision-making and development process in a market oriented urban regeneration, which may lead to less equal physical and socio-demographic outcomes in neighbourhoods of empowerment.
conditions
composition of actors
interest of stakeholders
power of actors
instruments and tools
**Public Policy**
- Legal measures
- Physical measures
- Financial measures

**Conditions**
- Physical
- Social
- Composition of actors
- Interests of stakeholders
- Power of actors
- Instruments and tools

**Consequences**
- Physical
- Social
- Socio-demographic
**public policy**
- legal measures
- physical measures
- financial measures

**conditions**
- composition of actors
- interest of stakeholders
- power of actors
- instruments and tools

**consequences**
- physical
- socio-demographic
Den Haag 5
- Stationsbuurt
- Schilderswijk
- Zuidwest
- Transvaal

Rotterdam 8
- Oude Westen
- Oude Noorden
- Crooswijk
- Bergpolder
- Overschie
- Oud Zuid
- Vreewijk
- Zuidelijke Tuinsteden

Dordrecht 1
- Wielwijk / Crabbehof
urban decay

vacancy

vandalism

urban decay Rotterdam-Mathenesserdijk
source: http://www.mathenesserdijk.info

vandalism Rotterdam-Crooswijk
source: http://www.media.nu.nl

vacancy Den Haag-Scheveningen
source: http://www.wikimedia.org
Catharijnebaan lucht 1972

source: http://www.herbertboland.files.wordpress.com
<table>
<thead>
<tr>
<th>Neighborhood</th>
<th>Immigrants</th>
<th>Owner Occupied</th>
<th>Safety Index</th>
<th>Low Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Katendrecht</td>
<td>58 %</td>
<td>29 %</td>
<td>7.6</td>
<td>57 %</td>
</tr>
<tr>
<td>Feijenoord</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Afrikaanderwijk</td>
<td>86 %</td>
<td>10 %</td>
<td>5.1</td>
<td>64 %</td>
</tr>
<tr>
<td>Bloemhof</td>
<td>74 %</td>
<td>21 %</td>
<td>4.8</td>
<td>64 %</td>
</tr>
<tr>
<td>Hillesluis</td>
<td>82 %</td>
<td>26 %</td>
<td>4.3</td>
<td>63 %</td>
</tr>
<tr>
<td>Rotterdam total</td>
<td>48 %</td>
<td>33 %</td>
<td>7.3</td>
<td>53 %</td>
</tr>
</tbody>
</table>

Source: de stad in cijfers; available at: Rotterdam.nl/data
new added stock >25% on current stock
ownership housing corporations 63%
previous intervention 90%
current stock <50-150 m²
new added stock 101-250 m²
Theory | Actor composition

- Persons
- Organisations
- Institutions
Governance spaces

- closes spaces
- invited spaces
- claimed or created spaces
Governance space

Methods
- Unsolicited proposal
- Zelf realisatie
- Market exploration
- Market consultation
- Consulting assignment
- Design contest
- One on one development
- Development commission on quality (vision)
- Development commission on price/quality (plan)
- Development commission on price (highest bid)

Tendering type versus process involvement

<table>
<thead>
<tr>
<th>Process type</th>
<th>Decision</th>
<th>Plan</th>
<th>Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initiative</td>
<td>Definition</td>
<td>Design</td>
<td>Preparation</td>
</tr>
<tr>
<td>Feasibility</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Realisation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exploitation</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Governance space - Tendering type

Project envelope
- area agreements

height restrictions, program (commercial non commercial), public/private
Tendering type

Governance space

Project envelope

1. Pre exploration
2. Exploration
3. Plan study
4. Realisation
5. Exploitation
Tendering type

Governance space

Stakeholders involved at what stage

Project envelope
Tendering type versus process involvement case Parkkwartier and Laankwartier

Methods
- Unsolicited proposal
- Self realisation
- Market exploration
- Market consultation
- Consulting assignment
- Design contest
- One on one development
- Development commission on quality (vision)
- Development commission on price/quality (plan)
- Development commission on price (highest bid)

Proper Stok
- Parkkwartier

Woonstad
- Laankwartier

Source: (based on 'Reiswijzer gebiedsontwikkeling', 2011)
Municipality

initiative

ambition

vision/plan

realisation

exploitation

 Owners free plots

market Proper Stok

tenure takers exploitation

Municipality

initiative

ambition

vision/plan

realisation

exploitation

market Woonstad

KBO informal advisory role
Theory | Power of actors / stakeholder definition
Actor A

Power

action

house
Power

actor A

actor B

Desire

action

actor A

no action

house
Power

Legitimacy

Urgency

1. Dormant Stakeholder
2. Discretionary Stakeholder
3. Demanding Stakeholder
4. Dominant Stakeholder
5. Dangerous Stakeholder
6. Depending Stakeholder

expectant stakeholders
Dangerous Stakeholder

Urgency

Power

Legitimacy

1 Dormant Stakeholder

3 Demanding Stakeholder

4 Dominant Stakeholder

2 Discretionary Stakeholder

5 Dangerous Stakeholder

6 Depending Stakeholder

7 Definitive Stakeholder

8 Nonstakeholder
The text describes stakeholders/actors involved in a financial investment project, specifically regarding Proper Stok. The table lists the stakeholders/actors, their power, urgency, and legitimacy. The stakeholders include:

- **Parkkwartier**: Power (Y), Urgency (Y), Legitimacy (Y)
- **Municipality**: Power (Y), Urgency (Y), Legitimacy (Y)
- **Properstok**: Power (Y), Urgency (Y), Legitimacy (N)
- **KBO**: Power (Y), Urgency (Y), Legitimacy (N)
- **Woonstad**: Power (N), Urgency (N), Legitimacy (Y)
- **Free houses**: Power (N), Urgency (N), Legitimacy (Y)

The financial resources are indicated with €.
<table>
<thead>
<tr>
<th>stakeholder / actor</th>
<th>power</th>
<th>urgency</th>
<th>legitimacy</th>
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<tr>
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<td></td>
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<td>y</td>
<td>y</td>
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<td>n</td>
<td>y</td>
</tr>
<tr>
<td>free houses</td>
<td>n</td>
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**Interests inhabitants KBO symbolic resources**

**Ownership surrounding stock Woonstad symbolic resources**
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ownership free development plots
symbolic resources

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Legend:
- Dormant Stakeholder
- Dominant Stakeholder
- Dangerous Stakeholder
- Depending Stakeholder
- Free house owners
- Discretionary Stakeholder

Legend for Venn diagram:
- Power
- Legitimacy
- Urgency
increasing urgency by pressure on company results

budget cuts might lead to loss of financial power to possess land (material resources)

no symbolic claim (possession houses)

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more vulnerable for negotiations =

( the land use instrument won’t function if no one wants to develop)
Local inhabitants interest Park- and Laankwartier
Signthline ‘Timorstraat’
Plan damage lot pasport
Social quality, practical issues

Local inhabitants goal
Keep their living quality
Esthetical quality
an inhabitants fit plan

<table>
<thead>
<tr>
<th>Private interest Laankwartier</th>
<th>Private goal</th>
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<tbody>
<tr>
<td>Street served buildings</td>
<td>conserve middle income in city</td>
</tr>
<tr>
<td>Diversification</td>
<td>Housing quality that attracts frontiers</td>
</tr>
<tr>
<td>fast development phase II</td>
<td>continuity in companies overall development rate</td>
</tr>
<tr>
<td>compensation unprofitable interventions</td>
<td>housing career step / operating income (bedrijfsresultaat)</td>
</tr>
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addaption Land use plan by municipality (project envelope)

= Physical result
A market oriented approach to urban regeneration

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Urban Regeneration

**Public Policy**
- Organisational measures
  - Policies
  - Allocation rules
  - Traffic laws
  - Advise
  - Training
  - Promotion
- Physical measures
  - Control on private land development
  - Land use plan
  - Public building works
- Financial measures
  - Subsidies
  - Taxes
  - Price controls

**Conditions**
- Actor composition
  - Tendering type
  - Governance spaces
  - Project envelope
  - Actors involved in stage interest of stakeholders and actors
  - Public interest
  - Private interest
  - Other stakeholders
  - Shared values
  - Validity
- Power of actors
  - Institutional power
  - Financial power
  - Organisational set-up
- Instruments and tools
  - Legal
  - Physical
  - Financial
  - Communicative

**Consequences**
- Physical
  - Tenure type
  - Housing typologies
  - Services typologies
  - Public space typology
  - Plot variety
- Socio-demographical
  - Displacement
  - Gentrification
  - Dispersion inhabitants
  - Ethnic diversity
  - Classes (lower, middle, upper)

**Variables**
- Independent variables
- Intervening variables
- Dependent variables
Urban Regeneration

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Available next week: repository.tudelft.nl
Urban Regeneration in a Market Oriented Decision Environment

Ruud Hoekstra | P5 | Complex Cities Graduation Studio | Chair of Spatial Planning & Strategy
Faculty of Architecture | Delft University of Technology | The Netherlands
Thank you!

Urban Regeneration in a Market-Oriented Decision Environment

Ruud Hoekstra | P5 | Complex Cities Graduation Studio | Chair of Spatial Planning & Strategy
Faculty of Architecture | Delft University of Technology | The Netherlands