

From Conflict To Value

Constructively Managing Conflicts to Enable Value Co-creation during the front-end of Urban Redevelopment Projects

F.A.C. (Frank) de Heus | 2024

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Preface

With the completion of this master's thesis, my versatile study period comes to an end. During my bachelor Bouwkunde in 's Hertogenbosch, I came into contact with this wonderful field and learned that leading and organising project teams was what gave me energy. After this period and a small sidestep to the minor Projectontwikkeling in Vastgoed in Rotterdam, I wanted to further develop myself and broaden my knowledge in Delft. The master Management in the Built Environment offered exactly what I was looking for, dynamic, varied, and above all, a strong focus on collaborative projects. A subsequent sidestep during this period to the KTH Royal Institute of Technology in Sweden brought me into contact with my current graduation topic. It brought me a subject that gave me the opportunity to address the basis of many complex issues such as climate change and the housing shortage; conflicts and differences in interests. Seeking a balance between different interests and striving to co-create value for everyone. This to create livable and above all beautiful buildings and living environments.

This research studies how developers can constructively manage conflicts during the front-end in cocreating value with the municipality. This research aims to support practitioners in better understanding the complex process of co-creating value in urban (re)development projects. During my research, I encountered many different impressions and opinions. The lesson learned afterwards, there is no straight path for managing conflicts, but eventually this research creates order in the chaos and contributes to our knowledge of conflict management and value co-creation. By this means we can positively influence and encourage the creation of sustainable urban areas.

I would like to express my gratitude to my supervisors Paul Chan and Aksel Ersoy for the excellent guidance and support during my research. I deliberately chose my supervisors for their perfect balance of expertise in construction project management and urban area development, but above all, they are two excellent supervisors. Furthermore, I want to express my gratitude to my internship company FSD. I want to thank Fransje Sprunken for providing me with the opportunity and valuable practical lessons, and Willem Wijnen for his mentorship and engaging discussions throughout this process. Finally, I want to thank everyone who contributed to the research and supported me throughout this process.

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Abstract

This research explores the interdependent public-private relationship during the front-end of urban (re)development projects. During this process the municipality calls up on the developer's ability to drive change and innovation through the co-creation of value propositions. Inevitable conflicts emerge because of value pluralism and play a significant role in the co-creation of value propositions. However, in what ways real estate developers manage those emerging conflicts constructively and how this influences individual actor's value propositions is less known. Consequently, the following research question has been drawn up: "*How can real estate developers manage conflicts constructively to enable value co-creation during the front-end of urban redevelopment projects?*" In answering the research question this study applies a qualitative research method, using semi-structured interviews within a case study of an urban redevelopment program in the Netherlands. The findings display the dynamics of emerging conflicts during the co-creation of value propositions. Understanding these dynamics, proactively steering on a good project environment to foster functional conflicts and utilise appropriate conflict handling styles enables developers to constructively manage conflicts during the front-end of urban projects.

Keywords – value co-creation, value co-destruction, conflict management, emerging conflicts, value propositions, developers, municipality, urban redevelopment projects, front-end

Executive Summary

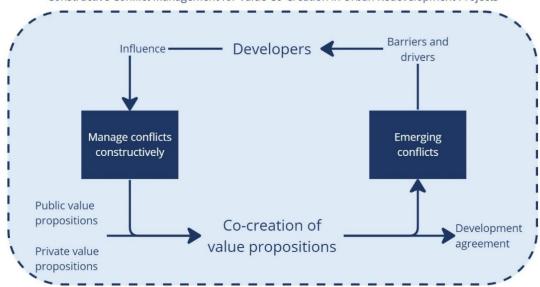
Introduction

The construction industry in the Netherlands faces some difficult challenges. On the one hand meeting the high demand for housing due to population growth and urbanisation, while simultaneously addressing environmental concerns and the need for sustainable construction practices. Through public-private development partnerships between municipalities and developers, both actors try to overcome those challenges. Municipalities call up on the developer's ability to drive change and innovation through value co-creation processes in urban redevelopment projects. The concept of value co-creation has gained some traction in recent years where previous studies highlighted value co-creation as a multi-actor process and examined value co-creation in urban development programs between municipalities and developers. Furthermore, conflicts arise during this co-creation process because of value pluralism and play a significant role in the value co-creation process. Latest research emphasised the importance of managing conflict constructively to increase the potential value of development projects.

However, in what ways real estate developers manage conflicts constructively during the co-creation of value propositions in the public-private interdependence is less known. There is a significant research gap in the connections between the processes of co-creating value propositions and managing emerging conflicts. Furthermore, little is known about the influence of emerging conflicts on value propositions and how this influences developer's strategies and decision-making during the front-end. Therefore the following research question is drawn up: *"How can real estate developers manage conflicts constructively during the front-end to enable value co-creation in urban redevelopment projects?"*. The research aims to better understand these conflicts and their underlying fundamentals and therefore bridge the gap between how developers manage emerging conflicts constructively and the influence on individual actor value propositions.

Theoretical background

The theoretical framework explores the concepts and theories that are essential for understanding emerging conflicts during the value co-creation process.



Constructive Conflict Management for Value Co-Creation in Urban Redevelopment Projects

Figure 1 Conceptual Framework (own work)

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The theoretical framework delves into the concept of value co-creation, emphasising a collaborative approach to generating value within construction projects involving multiple actors. The process of co-creating value propositions determines the potential project value including actors desired value outcomes. It addresses the unavoidable role of emerging conflicts, recognising that value co-creation extends beyond positive outcomes and encompasses the potential for value co-destruction. Furthermore, it emphasises the significance of the front-end phase in value co-creation, highlighting it as the stage where developers define their strategy and project scope.

The concept of conflict management emphasises that conflicts can be categorised into two types: functional and dysfunctional. Theory addresses that constructively managing conflicts is conducive for turning dysfunctional conflicts into functional conflicts and be a source of creativity and innovation. The five conflict handling styles: integrating, dominating, obliging, avoiding and comprising are used to describe how actors can resolve conflicts, stating that the integrating conflict handling style is the most constructive.

Methodology

A qualitative research method is applied, utilising semi-structured interviews and documentation within a case study of an urban (re)development program in the Netherlands consisting of four different projects. Interviews are executed with both developers and project managers of the municipality to get an in-depth understanding of the interdependent relationship in co-creating value propositions. Through in-case analysis of the four projects data is allocated and analysed. Afterwards, the cases are compared to explore patterns, commonalities and differences in the cross-case analysis.

Key findings

The research indicates that emerging conflicts lead to four distinct modifications of individual actor value propositions, with actors adapting, acknowledging, asserting, or abandoning their original desired value outcomes, which in turn influences their conflict handling style. Understanding these dynamics is crucial for developers, as it influences their decision-making and strategies in conflict resolution. However, the findings also show that there is no straight path during the fuzzy front-end and decisions and strategies depend on project conditions and external factors. This highlights the complexity of managing conflicts in the value co-creation process.

Furthermore, the findings emphasise that proactively managing a positive project environment is crucial for fostering functional conflicts. This involves implementing the ten constructive conflict management strategies: communication, collaboration, problem-solving, understanding, transparency, early involvement, goals and expectations setting, relationship building, clear agreements, and risk identification and mitigation. These strategies also contribute to conflict resolution and create conditions where conflicts become a source of creativity and innovation and increase the potential value of the project or area. When conflicts are managed badly or being avoided the study shows that this can lead to value co-destruction.

Discussion and conclusion

This research addresses how real estate developers can constructively manage conflicts during the frontend value co-creation process and better understand the dynamics of emerging conflicts in value cocreation. The findings indicate the dynamics of emerging conflicts during the co-creation of value propositions between developers and the municipality and the influence on individual actor value propositions. Understanding these dynamics, proactively steering on a good project environment to foster functional conflicts and utilise appropriate conflict handling styles enables developers to constructively manage conflicts during the front-end of urban (re)development projects. However, bringing these strategies or techniques into practice requires practical measures that may vary across different projects and knowledge of specific project conditions is necessary. So, adaptation to contextual dynamics and project characteristics are two fundamentals in considering constructive conflict management strategies.

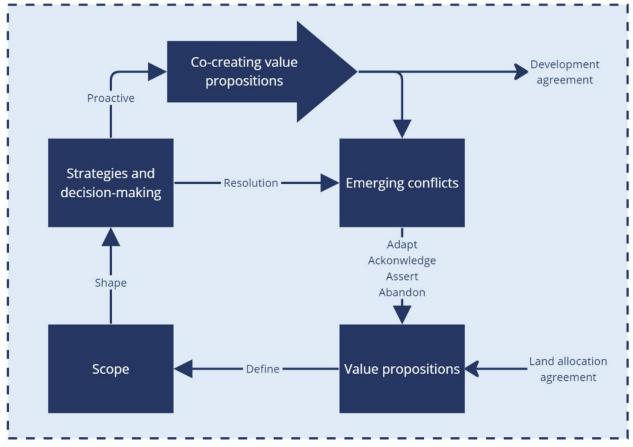


Figure 2 Guiding framework of constructively managing emerging conflicts in co-creating value propositions (own work)

Recommendations for future research

This study recommends future research to focus on: conducting comparative case studies across municipalities to understand diverse challenges; exploring the influence of power dynamics on conflict resolution; considering perspectives of all stakeholders involved in the value co-creation process; analysing different stages of conflicts and their impact on collaboration and value co-creation; and investigating the broader implications of the new environmental act in construction project management.

Recommendations for practice

The research provides several recommendations for practice, emphasising proactive conflict prevention, transparent communication, and stakeholder collaboration. Key points include adopting a proactive approach to mitigate conflicts, clarifying interdependencies and expectations among stakeholders, recognizing the inevitability of conflicts and the need for trade-offs, and incorporating municipal requirements early in development. The focus is on building trust, understanding, and resilient collaboration frameworks to transform challenges into co-creation opportunities.

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01. Introduction

01.01. Background

In recent years, there have been increasing challenges surrounding the construction industry. On one hand, there is a high demand for housing due to population growth and urbanization, leading to the need for higher production of newly built homes (De Nederlandsche Bank, 2022). On the other hand, there is a growing concern about the impact of development projects on the environment and the need for sustainability measures in construction (Sharrard, Matthews, & Ries, 2008). Governments in Western countries are implementing new regulations and incentives to promote eco-friendly development projects. This has sparked the debate between those who prioritise the need for more housing and those who prioritise the need for sustainable development practices. However, the challenge is to find a balance between these two competing interests and to develop innovative solutions that address both concerns. In many Western countries, this happens with public-private development partnerships where public and private work along during urban and real estate developments (Heurkens, 2018).

In the Dutch context, planning powers are in the hands of local authorities, like municipalities and together with the private market they share the power for new urban and real estate developments. Although development powers have shifted more towards market parties and public actors have a more facilitating role over the past decades (Heurkens, 2018), public actors, like municipalities, use public land development and land use planning as control mechanisms to demand higher sustainability requirements or housing regulations (Candel, 2022). During this development process there is being called up on the developers ability to implement these municipal requirements. For this reason Heurkens (2018) addresses the need to understand the role of private actors in urban and real estate developments and Candel (2022) addresses the value co-creation process during the early stage in urban (area) developments where the public-private partnership plays an important role. The purpose of these partnerships is to create best value for the project by acknowledging public and private values. During this process multiple actors work together and influence one another, creating opportunities for synergy (Liu et al., 2019). This displays the public and private interdependence in construction projects which have been subject of discussion in several studies over the past decade. In some of the latest studies this is covered by the concept of value co-creation or the co-creation of value propositions. This concept has gained some traction and recently there has been a growing interest in the role of value co-creation in construction projects. Related to the challenge, to find a balance between public and private values and to develop innovative solutions, latest studies have focused on the value co-creation process in urban and real estate developments.

01.02. Review of previous literature

Value co-creation in construction projects has been studied extensively over the years. One of the earlier studies on value co-creation in construction projects emphasises that customer and stakeholder engagement, and collaboration is essential for the value co-creation process (Chang et al., 2013). This means that understanding the needs and values of customers and stakeholders is crucial to project success and stakeholder satisfaction. However, Chang et al. (2013) also found that stakeholder values differ and are interpreted differently, making it complex to manage. Subsequent studies have focused on the co-creation processes between construction clients and contractors or other upstream suppliers, considering value co-creation as a multi-actor process (Mills & Razmdoost, 2016). Recent studies have examined value propositions for development (Candel et al., 2021). It is evident from previous literature that value pluralism is constant factor between all actors involved.

Studies to date have highlighted the importance of managing conflicts that arise constructively to increase the value of a project (Candel et al., 2021). When conflicts are managed constructively they can form a source of creativity and increase the value of a project. Conflicts will always arise, and the way they are dealt with or prevented has a significant influence on achieving the values of all actors involved. Therefore, managing conflicts about values constructively can maximise own values while acknowledging the values of others. However, if conflicts are not managed constructively, they can lead to value co-destruction (Mills & Razmdoost, 2016). This is mainly because actors perceive values differently and the context of values constantly changes. The environment we live in is dynamic and changes follow each other up at an increasingly rapid tempo.

Subsequent studies have emphasised that the front-end phase is considered as the most important phase in the value co-creation process. Value propositions are formed in the early stages of the project, which determines the scope and value that can be realised after completion (Smyth et al., 2018; Candel et al., 2021). However, these value propositions can be competing or conflicting, and they can change over the project life cycle. Power and influence plays and important role and also change over the project life cycle (Smyth et al., 2018).

The theory of value conflicts in construction projects has received attention in several studies, with a focus on the public value perspective in emerging conflicts during public-private development partnerships (Kuitert, 2021). Value conflicts are inevitable in public-private partnerships in construction projects and are at the heart of dealing and managing conflicts in the value co-creation process. These studies attempt to understand public values in construction and value conflicts in commissioning (de Graaf, Huberts, & Smulders, 2014), followed by how public authorities address and understand how to deal with value conflicts as a means through which to safeguard public values (Kuitert, 2021). A key finding of this research is that public clients in the construction industry attach great importance to public values in the form of procedural, performance, and product-related factors. These factors must be balanced appropriately in any public-private partnership to ensure that public values are adequately protected.

01.03. Problem

However, little research has been conducted on value co-creation and the private value perspective in construction projects, especially in urban and real estate development projects. Candel (2021) studied how value propositions are co-created during the front-end of housing development projects and how this affects housing developers' ability to drive change and innovation. In this study she addresses the need to do further research on how municipalities and real estate developers can manage conflict constructively in order to improve the process of co-creating value prior to procurement.

In urban redevelopment projects municipalities create area visions or master plans with the corresponding requirements to redevelop urban places. These are often innovative requirements regarding the development of new high performing sustainable areas and real estate (Candel, 2022). To fulfil these visions and requirements there is being called upon the ability of real estate developers to develop the land and drive change and innovation (public-private interdependency) for new construction projects. In these developments this leads to a value pluralism and value conflict between real estate developers and municipalities (kuitert, 2021; Candel et al., 2021). Real estate developers are generally risk averse while municipalities create new and innovative (sustainability) requirements through land allocation or land-use planning. This has a relevant relationship with the practical problem private real estate developers face in the Netherlands. During the development process, they are in constant negotiation about value

propositions. The concept of value co-creation tries to mitigate these conflicts by using project values as input for the project instead of outputs and so create a project with the maximum value for every actor (Chang et al., 2013). However, conflicts still emerge when they are not addressed right and can be the catalyser for value co-destruction (Candel et al., 2021). This displays the research gap in managing conflict constructively in the value co-creation process and offers the possibility to further develop connections between the processes of co-creating value propositions and managing with emerging conflicts. Besides that, Smyth et al. (2018) and Fuentes et al. (2019) describe the importance for doing more research on the front-end of these value co-creation processes between developers and municipalities.

Research has also highlighted the importance of understanding the role of private values in shaping the co-creation process. However, despite the growing emphasis on value co-creation, there has been limited attention paid to the role of private values and their impact on the co-creation process. For instance, Candel et al. (2021) and Smyth et al. (2018) argued that private values have been overlooked in co-creation research, and there is a need to incorporate these values into co-creation activities. While Heurkens (2018) emphasised the importance of private actors and private real estate developers in urban and real estate developments. This highlights the need to understand their values and interests to ensure effective co-creation. Based on these findings, there is a significant research gap in the role private values have in value co-creation and the related conflicts.

01.04.Research questions

Based on the problem statement and the research gap the following research question has been drawn up:

How can real estate developers manage conflicts constructively during the front-end to enable value cocreation in urban redevelopment projects?

To answer the "how" question the purpose is to translate observations into a proposed framework for the private actor (real estate developer) perspective to manage conflicts constructively and optimise their private values, while also acknowledging the importance of value co-creation between municipalities and developers. The main question focuses on the two concepts of value co-creation and conflict management within the scope of the front-end phase of urban redevelopment projects. These two concepts will be investigated within the mentioned scope from the perspective of private real estate developers and their relationship with the municipality.

Based on this main question the following research questions have been drawn up:

- 1. What theories are known about value co-creation and conflict management in construction project management?
- 2. What are typical conflicts that arise between developers and municipalities in the value-cocreation process of urban redevelopment projects and how do they handle these conflicts?
- 3. What are the underlying key factors that influence conflict handling between developers and municipalities during the front-end of urban redevelopment projects?
- 4. What strategies (or competencies) developers use to constructively manage conflicts and enable the co-creation of value propositions?

These questions support answering the main research question in explaining the different concepts and investigating underlying fundamentals. Finally these concepts are compared with new findings to answer the main research question.

01.05. Research purpose

The main purpose is how private real estate developers can constructively manage conflicts during the value co-creation process prior to procurement. The main focus is on the private actor perspective. This covers the research gap of how real estate developers deal with conflicts to optimise their private values, while also acknowledging the importance of value co-creation between municipalities and developers. The research aims to better understand these conflicts and the underlying fundamentals. Subsequently on that, conclusions can be made about how real estate developers can deal with situations and actors. The motive of the research is to understand the complex process and negotiation of value co-creation during the front-end of urban redevelopment projects. Besides that, contributions are made to the concept of value co-creation and conflict management in the field of construction management.

01.05.1.Dissemination and audiences

The dissemination of this research will be done through the TU delft repository. This is an open platform of the TU Delft where all master thesis's are stored. Further, the results of the research are shared with the research participant and their broader networks. This academic research is a contribution to the literature on value co-creation, construction project management, value co-creation in urban redevelopment projects and constructively managing conflict in the value co-creation process. This study is intended for developers, who can gain insights into conflict management strategies, understand the impact of conflicts on value co-creation and understand the role of value propositions in this process. In addition, municipalities can gain a deeper understanding of the value conflicts that arise between developers and municipalities. Besides that, they better understand underlying private values and the behaviour of developers in these situations. Finally, this research is for all actors involved in this process.

01.06.Thesis structure

The thesis is structured as follows. The introduction provides the background information and a review of previous literature related to the topic. It also identifies the problem and presents the research questions that will guide the study. The theoretical framework section explores the concept of value co-creation, discusses the context of urban redevelopment projects in the Netherlands, and explores the strategies for managing conflicts constructively. The research method section describes the chosen research design, including the methods and techniques employed. It outlines the data collection process and the planned data analysis methods. Finally, ethical considerations related to the research are discussed.

The results section presents the findings of the study and the discussion and conclusion section analyses and interprets the results. It provides a comprehensive discussion of the implications of the findings and draws conclusions based on the research outcomes.

02. Theoretical framework

The theoretical framework explores the concepts and theories that are essential for understanding emerging conflicts during the value co-creation process. For this reason, the concept of value co-creation will be explained followed by the important concepts of conflicts in value co-creation, value co-destruction and front-end value co-creation. Furthermore, existing conflict management styles and strategies are explored in construction project management literature focussing on reactive and proactive styles. This theoretical framework is translated into the following conceptual model.

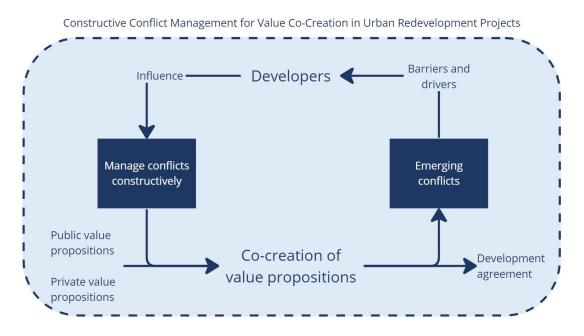


Figure 3 Conceptual model (own work, 2023)

02.01. Value co-creation

Traditionally in construction project management, the focus has been on delivering projects on time, within budget, and to the required quality (Fewings & Henjewele, 2019). However, there is growing recognition that value is not just about these technical aspects, but also about meeting the needs and expectations of a range of stakeholders, including end-users, local communities, and the broader society. Value co-creation comes from the "Service Dominant Logic" (Vargo & Lusch, 2008). This theory describes that value is co-created between providers and end-users or customers. This eventually extended to a multi-actor creation, where more actors in the value chain are involved. Value co-creation is therefore seen as a more holistic and collaborative approach to creating value in construction projects (Chang et al., 2013). Value co-creation is considered as opposed to the traditional view of project management and is founded on a shift towards collaborative processes and services (Candel et al., 2021).

Recently, value co-creation has been studied on projects and programmes in construction project management literature. Programmes are defined as groups of projects which is related to the research scope of this study, urban redevelopment projects. In the context of urban redevelopment projects, value co-creation involves various actors such as developers, local communities, government agencies, architects, contractors, and other relevant parties. The goal is to integrate all different perspectives, knowledge, and resources to enhance the overall value of the project. The literature on value co-creation

in urban area or real estate developments is still quite scarce. The same applies to the relationship between the construction client, also named the real estate developer in this case, and downstream suppliers in these bigger building programmes (Candel et al., 2021). Downstream suppliers are mostly local or public authorities. Both actors are key players in urban redevelopment projects. For that reason, this study will focus on the relationship between these two actors. Candel et al. (2021) explain the role and ability of private developers to translate municipal requirements into procurement requirements by driving change and innovation during the early stage of a project, while previous studies have focussed more on value co-creation in the design and construction phase. Later in this thesis, their role and relationship will be further elaborated in the context of urban redevelopment projects in the Netherlands. Lui et al. (2019) address the importance of the front-end as the most significant opportunity for creating value. This is the phase where key actors like developers and municipalities define their project goals, value propositions and identify important stakeholders (Candel, 2022). Especially since managing external relationships and related values is a developer's core business in the decision-making at the front-end of development projects. Values are at the basis of value co-creation and is defined by Järvi et al. (2018) as an actor's assessment of quality over cost and is context and actor-specific. In construction projects value propositions play an important role, especially in bigger development programs (Liu et al., 2019).

Value co-creation in construction project management literature is seen as both a process and an outcome. The value co-creation process is the process where multiple actors try to create best value for the project by safeguarding their own values but also acknowledging the values of others. Little research is done on the role of individual actor values in the value co-creation process. Value co-creation as an outcome is seen as a positive outcome of the co-creation process, while the negative outcome of co-creation, when co-creation failed, is called value co-destruction (Mills & Razmdoost, 2016). Concerning this, Vargo and Lusch (2008) describe that value is not only determined by the producer(s) of goods during the process but is also depending on the perceived benefits of the product in use, value-in-use. So, value-in-use can be described as value co-creation as an outcome and value determined by suppliers can be described as value co-creation as a process. Nevertheless, value determined by suppliers is not described as actual value but as potential value (Vargo & Lusch, 2008). This potential value is created in the form of value propositions. So, value co-creation consist of enhancing supplier values throughout the project and the experience of value from the users side. This research will focus more on supplier value co-creation as a process where value propositions are co-created.

02.01.01. Conflicts in value co-creation

During the process of co-creating value propositions in multiple-actor project, value pluralism or value conflicts often occur (Kuitert, 2021). In general conflicts in projects are described as a disagreement or opposition between one or more actors and can have a negative effect on business relationships, project costs and cause delays (Vaaland & Hakansson, 2003; Mele, 2011). Although, conflicts don't always have to be negative. Constructively resolving conflicts can actually be beneficial for project relationships and can act as a source of innovation and creativity (Vaaland & Hakansson, 2003; Mele, 2013; Mele, 2011; Candel et al., 2021).

Jaffar et al. (2011) divided the factors of conflict in construction industry in three types of conflict factors, namely behavioural problems, contractual problems and technical problems. Mele (2011) describes conflicts as clashing events during an interaction that influences the relationship. Besides that, she identifies three dimensions of conflicts: (1) types, (2) timing, and (3) effects. She further elaborates on five distinct types of conflicts. First, there are *task-related conflicts*, which arise from differences in opinions regarding a group task. Second, *process-related conflicts* emerge as controversies surrounding how tasks should be carried out to achieve completion. Third, *role-related conflicts* stem from variations in the

degree and type of responsibility that different individuals believe they should assume. Fourth, *affective conflicts* manifest as emotional arguments based on interpersonal compatibility. Finally, *values-related conflicts* arise due to disputes caused by contrasting systems of values.

Additionally, Mele examines conflicts through the lens of timing, recognizing four different stages within the project life cycle where conflicts can occur. These timing dimensions provide insight into when conflicts may arise and require management. The four timings Mele (2011) describes are during the initiation phase, planning phase, execution phase and closing phase. Lastly, Mele explores the effects of conflicts, highlighting two main outcomes: positive and negative, also comparable with the constructive or destructive conflict. These effects shed light on the potential consequences that conflicts have and can also be described as constructive or destructive.

Туре	Explanation	Example
Task-related conflicts	Differences in opinions regarding a group task	In Project 4 (P_4), the following dialogue occurred between two IT members: ITm ₅ : To do this task, we could implement already existing software. ITm ₁₀ : No, I think we have to write new software. ITm ₁₀ : Why do you think so? We will waste too much time. ITm ₁₀ : Maybe, but we could do some things that the old software does not do. [The debate continued.]
Process-related conflicts	Controversies about how tasks should proceed to accomplishment	In P ₂ , to develop new software, an ITSum wanted to use the 'water fall' model, which consisted of a linear process. In contrast, a Cm wanted to use a 'spiral cycle' model. The two members had a long and heated clash about this difference of opinion.
Role-related conflicts	Differences about the degree and type of responsibility that various people think they should have	In P_4 , at the beginning of the project, there were three teams with three leaders. During the execution phase, the leader of one team took control of the other two teams, contending that the quality of the first team was linked to the quality of the others. The other two team leaders complained to project management about what had happened.
Affective conflicts	Emotional arguments based on interpersonal compatibility	In P ₁ , ITm ₈ went to project manager and said, "I am sorry, but I do not wish to work with ITm ₁₂ . I do not like him and I do not have a good working relationship with him".
Values-related conflicts	Controversies caused by different systems of values	In P_2 , the customer firm was a large banking group that had been formed through acquisitions and mergers over time. As a result, a variety of work cultures and value systems existed within the group, and employees tended to work with people who had come from the same company.

Figure 4 Types of conflict (Mele, 2011)

Conflicts originate from value differences between actors involved. Candel et al. (2021) found two main reasons for emerging conflicts between municipalities and developers. In their study, they describe that the main value for the municipality is creating long-term value for the city, while the main value for developers is creating business continuity and creating best value for end-users and other stakeholders to strengthen their market position which is indirectly also related to business continuity. In another study, they identified various factors that influence value interactions, such as communication, trust, and power dynamics. (Mills & Razmdoost, 2016). However conflicts will always occur in multi-actor project organisations. The current view in literature is if conflicts are managed constructively they can contribute and stimulate value co-creation and act as a source of innovation and creativity (Mele, 2011; Chang et al., 2013; Candel et al., 2021; Asiedu & Idriss, 2022).

02.01.02. Value co-destruction

As briefly described before, if conflicts or relationships are not managed well this can result in value codestruction. It means that not all relationships and interactions result in positive or value-creating outcomes but that failed interactions can have a negative outcome (Järvi, Kähkönen, & Torvinen, 2018). In relation to conflicts, this value co-destruction describes the potential risks and negative outcomes that can occur from conflicts and ineffective conflict management. It addresses how conflicts can undermine value creation and the importance of managing conflicts constructively to mitigate value co-destruction (Candel et al., 2021). However, value co-destruction is still underexposed in the literature on construction management and building programmes. Mills and Razmdoost (2016) found three reasons why value co-destruction occurs, namely: actors do not possess certain resources, absence of information and inadequate communication. They also found out that this is leading to a decline in well-being of involved actors in the form of frustration, loss of resources, for instance money, and tangible or intangible losses. Järvi et al. (2018) confirm the current understanding and consequences of value co-destruction but they add more reasons and found eight reasons value co-destruction emerges: the absence of information, an insufficient level of trust, mistakes, the inability to serve, the inability to change, the absence of clear expectations, customer misbehaviour and blaming. The study also describes that these reasons are time and relationship dependent. Candel (2022) in her dissertation describes that mistrust and suspicion of other actors intensions is common and has an negative consequence for resolving conflicts. In general, value co-destruction is seen as the negative outcome of co-creating value in project relationships and success.

So, value co-destruction is the opposite result of value co-creation as an outcome. Strategies and methods to enhance value co-creation are also strategies and methods to prevent value co-destruction. Lui et al. (2019) emphasise that stakeholder engagement is important to enhance value co-cocreation. In another study they created a framework to avoid value co-destruction and enhance value co-creation in construction process by dividing it into five steps (Haddadi, Johansen, & Andersen, 2016): First, identify stakeholders, their values and goals. Second, co-create ideas. Third, evaluate these ideas. Four, implement the ideas for solution. And five, measure the results. However, managing a value co-creation process is dependent on multiple other (external) factors which means that this framework is not a fixed method but helps preventing value co-destruction.

02.01.03. Front-end value co-creation

The front-end is a fuzzy concept in construction project management literature and has been subject of discussion in multiple studies. In recent studies the interest has been on the front-end of programs as value co-creation processes. Lui et al. (2019) say that a good definition of programs or projects value between all actors is essential for value creation. This definition of a project happens during the front-end phase and this is where the strategy and scope of the project is shaped. However, this phase is also characterized as having the highest potential for errors and faults to become inherent (Winch, 2010). Several researchers highlight the importance of the front-end phase in defining the potential value of the project (Candel et al., 2021; Smyth et al., 2018; Fuentes et al., 2019). However, it is important to note that complete information is not possible during this phase, as goals, values, and influence change over time (Karrbom Gustavsson & Hallin, 2015). Furthermore, Chang et al. (2013) found that value in projects is subjective and dynamic, as different actors perceive values differently, and these values change over time, influenced by the context. The front-end phase also plays a crucial role in the decision-making process. It is during this phase that developers become interdependent in decision making which reduces their flexibility. This leads to new challenges, particularly in dealing with uncertainty (Candel et al., 2021). In which uncertainty leads to higher risk for the project or program.

Regarding to front-end value co-creation in construction project management or building programs a few studies have been done. Lui et al. (2019) found out in their study that there were competing values between clients and market partners at the early stage of the project. By engaging in co-creating sessions, all involved stakeholders could create a clear set of values in use (value propositions). This helped to better understand all stakeholders and shaping a strategy that suited all. They used value for firms to create a better value in use. So, the front-end of program interaction is essential to understand the client's value-for-firm (Lui et al., 2019). Another study focused on front-end value co-creation in a large urban development program which is related to the context of this study as well. In her research, Candel et al.

(2021) describes the front-end phase in a urban development programme as the period between the land allocation agreement and the land development agreement, during which the project strategy and concept are shaped. It is during this phase that negotiation between municipalities and the developers takes place. She also describes that the developers work during the front-end mainly is about determining the feasibility of the project and trying to minimize uncertainty. Candel (2021) is more sceptical about front-end value co-creation, founding out that front-end value co-creation processes before procurement reduces developers flexibility and constrain the scope for value that can be co-created in their projects.

02.02. Conflict management

Conflicts are part of human interactions and arise in various situations. The concept of conflicts in the construction industry is already a very old phenomenon and many studies have been done in construction project management. In construction or even in human interactions they are inevitable (Fenn & Gameson, 1992). It is important for construction project managers to see conflicts as a challenge or opportunity rather than a threat because conflicts are not necessarily bad (Winch, 2010). Fenn & Gameson (1992) describe that conflicts can be categorised into two types: functional and dysfunctional. This is similar to Mele's (2011) categorisation of conflicts as constructive and destructive. The challenge for project managers is to translate a conflict into a source of creativity by properly managing the situation (Fewings & Henjewele, 2019). By skilfully managing conflicts, project managers can call up to the collective energy and expertise of team members, using their diverse perspectives to drive progress and achieve project objectives. When conflicts are dysfunctional they have to be resolved. Project managers use conflict resolution strategies for these situations. These different conflict management styles or resolutions will be explained in the next paragraph. However, each conflict situation presents its own set of circumstances, dynamics, and underlying causes (Fenn & Gameson, 1992). For this reason, later studies focused more on the prevention of conflict happening in project coalitions which will be discussed later in this chapter. These conflict management styles should form a theoretical background to better understand how to manage conflicts constructively in the value co-creation process.

02.02.1. Conflict resolution

Conflicts in construction project management can be understood through different stages and resolved using various strategies. This section presents an overview of conflict management, including the stages of conflicts and strategies for resolution.

As described, conflict can either be functional or dysfunctional. Another method to understand the complexity and stages of conflicts is the three-dimensional parameter model that grades the level of certainty, functionality and significance (Somerville & Stocks, 1992). Certainty refers to the level of clarity or certainty regarding the conflict situation. It assesses how the parties involved have a clear understanding of the conflict's causes, objectives, and potential outcomes. Conflicts can range from low certainty, where there is confusion and ambiguity, to high certainty, where the parties have a clear understanding of the issues in case. Functionality assesses whether the conflict is functional or dysfunctional. Functional conflicts are constructive and can lead to positive outcomes, such as increased creativity, innovation, and improved relationships. On the other hand, dysfunctional conflicts are characterised by negative behaviours and destructive outcomes, such as decreased productivity and damaged relationships (Fenn & Gameson, 1992; Mele, 2011). Significance examines the importance or relevance of a conflict to the parties involved. It considers the impact related to the conflict. Conflicts can vary in significance from being insignificant to being highly significant, with fundamental effects for the individuals or organisations involved. So, dysfunctional conflicts with high uncertainty and high significance can be disrupted for the project and need attention (Fewings & Henjewele, 2019). This model can be useful

for analysing conflicts, developing appropriate conflict management strategies, and predicting potential outcomes (Somerville & Stocks, 1992).

Multiple studies have done research to conflict handling styles. In her study Candel et al. (2021) uses the five conflict handling styles of Rahim (1983), see figure 3. This is based on the actors concern towards the conflict divided in the range of high concern for themselves to low concern for themselves on the x-axes and high concern for others to low concern for others on the y-axes. The fives styles are:

- Integrating styles: actors high concern for both themselves and other, this is considered as an constructive conflict management style by involving problem solving and collaboration between actors.
- Dominating styles: also often mentioned as competing styles in literature which is characterised by actors high concern for themselves and low concern for others.
- Avoiding styles: actors low concern for themselves and low concern for others, typically describes as actors ignoring the conflict.
- Obliging styles: actors high concern for others and low concern for themselves, which is the opposite of dominating and leads to a imbalanced consideration of actors interest (Candel, 2022).
- Comprising styles: actors balance and share the conflict consequences by both giving up something to resolve the conflict.

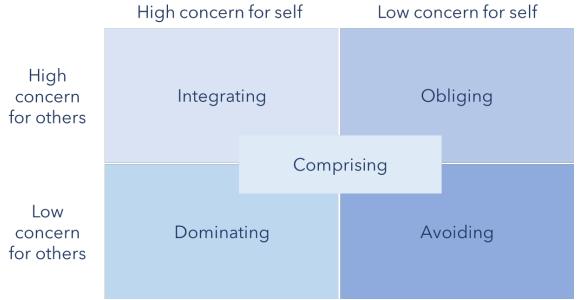


Figure 5 Rahim's five conflict handling styles (from Candel et al., 2021)

The five conflict handling styles come back in multiple construction project management studies. Fewings and Henjewele (2019) also describe five generic approaches to conflict resolution from (Prieto-Remon et al., 2015). Those five approaches are:

- Compromise: Is finding a middle ground or by both parties acceptable solution. Mostly in financial agreements.
- Smoothing: With smoothing, convincing power is used in order to make it comfortable to accept a win–lose solution, often a short-term solution with long-term problems.
- Forcing: Mostly both sides do not want to admit which is resulting in one side using its power to impose its own interest at the expense of the other.
- Withdrawal: Also both sides do not want to admit and both parties decide to put the conflict aside.

- Gentle confrontation: This aims to both sides looking for a win-win situation by taking extra effort to get to the root of the problem.

These two conflict handling styles are comparable and give a good validation to use the five conflict handling styles of Rahim (1983). Comparing both integrating styles are comparable with gentle confirmation, dominating styles are comparable with forcing, avoiding styles with withdrawal, Obliging styles are comparable with smoothing, and finally comprising styles with comprising. It's important to note that the choice of the conflict resolution approach may be influenced by power dynamics. The power and influence of the actors involved have an impact their decision-making process and the approach they choose to employ in resolving the conflict. Besides that, It is important to understand these underlying power dynamics when analysing practical situations. Handy (1993) and Winch (2010) state that you can distinguish five levels of power:

- Physical power: Refers to the use of physical force or intimidation to control or influence others. While it's not commonly used in modern organisations for project management, it can still occur.
- Reward power: Can be in the form of a bonus, promotion or other incentive, but can also be in the form of negative sanctions. Rewards are used to convince or motivate people.
- Positional power: Refers to the influence and authority that comes directly from a person's position or role within an organisation. It is based on the formal hierarchical structure.
- Expert power: Has to do with the expertise someone has. Because someone has a lot of knowledge about a certain subject people assume someone is right.
- Personal power: Refers to the influence and authority that comes from the personal qualities, characteristics, and relationships of an individual. It is based on emotional connections and the ability to sway others through factors such as charisma, persuasion, and effective communication.

Regarding the gentle confirmation or integrating styles, both actors take extra effort in problem solving and collaboration to come to a win-win solution, Fisher and Ury (1983) describe four techniques of principled negotiation. Firstly, it is important to separate people from the problem by focusing on the specific issue rather than personal emotions or relationships. Secondly, focus on interests and not on positions which means do not focus on defending specific positions but rather focusing on the underlying interests and by that looking for mutual solutions. This is related to the third technique, inventing options for mutual gain which means generating multiple potential solutions that benefit both parties. Finally, using objective criteria is important for fairness and objective standards. These four fundamentals for open negotiation steer on gentle confirmation and integrating styles.

However, in situations where conflicts cannot be resolved through informal means, project managers may need to initiate formal procedures. These procedures provide a structured framework for addressing conflicts, involving disciplinary actions, and seeking resolution through established organisational policies and procedures. In this case, an appeal is made to external parties to facilitate this procedure and this can eventually lead to going to court (Winch, 2010).

02.02.2. Proactive conflict management

In addition to effectively resolving conflicts when they arise, proactive conflict management techniques focus on preventing conflicts from occurring in the first place. During the start or initiation of a project there are already competing interests and values between actors, so conflicts are inevitable. Three general causes for these conflicts are different goals and expectations of individuals or the organization,

uncertainty about authority to make decisions and interpersonal issues (Mantel & Meredith, 2009). For this reason conflicts also emerge over time. These conflicts emerge as a consequence of perceived changes or inconsequence's over time (Candel et al., 2021; Lui et al., 2014; Gardiner & Simmons (1995). The level of uncertainty and information shortage plays an important role in that during the early stages of a project. By implementing strategies and practices that address potential sources of conflict, project managers can create an environment conducive to collaboration and minimize the likelihood of conflicts emerging (Winch, 2010). Besides that, he also describes several measures construction project managers could take to prevent conflicts or disputes to emerge and to mitigate the perceived changes over time. The following measures are:

- Articulate a clear and coherent project mission: Clearly define the purpose and objectives of the project. This creates a common goal to which team members can dedicate themselves. A well-defined mission helps to minimise conflicts by aligning everyone towards a common goal and creating a sense of purpose.
- Argue about facts, not opinions: In technical environments, people can rely on data and evidencebased arguments. This can create a more respectful and productive conflict-resolution process.
 Project managers should ensure that relevant data is collected, organised, and used to support discussions. This allows for objective decision-making and reduces personal biases.
- Use third-party experts to break deadlocks: When project teams face a deadlock in a project, it helps to involve neutral third-party experts who can help facilitate a resolution. These experts can provide unbiased insights, alternative perspectives, and expertise to help the project team to find common ground or explore new solutions.
- Use decision-making tools that allow expression of differences and identification of commonalities: The use of decision-making tools or techniques encourages for open discussion, such as brainstorming or decision matrixes. This enables project team members to express their viewpoints while also identifying areas of agreement and shared interests. This approach also stimulates collaboration and helps to find acceptable solutions for all actors.
- Enter into a partnering relationship: Entering into long-lasting partnering relationship stimulates the need to collaborate and cooperate between project actors. By promoting a sense of shared responsibility and acknowledging the importance of future working relationships, the motivation for finding a win-win solution will be encouraged in the present. This approach focuses on building trust and long-term cooperation.

It can be concluded that proactive conflict management, which according to Bindl and Parker (2011) aims to prevent conflicts from happing or mitigates the chance of conflicts emerging, is created by clear communication, collaboration and expectation setting. Also, Grant (2000) describes that preventing conflicts in inter-actor project organisations is done by good management of the project and actors. He describes the following four fundamentals for constructive projects:

- Clear communication and expectation setting
- Collaboration and team building
- Risk identification and mitigation
- Continuous monitoring and constant feedback

So, proactive conflict management techniques play a vital role in preventing conflicts from arising and creating a harmonious project environment. By adhering to the above-mentioned principles project team can effectively mitigate conflicts and steer on successful project outcomes.

03. The context of urban redevelopment projects in the Netherlands

Urban redevelopment projects are part of broader urban area development. Historically, urban areas have had certain functions and purposes like harbour areas, old waterfronts or old industrial areas. Over time these functions moved out of the city or these places were outdated because of economic development and innovation (Bruns-Berentelg, Noring, & Grydehoj, 2022). In short urban redevelopment refers to initiatives that aim to revitalize or transform existing urban areas (Franzen, Hobma, De Jonge, & Wigmans, 2011). Daamen (2010) describes this as projects that involve tangible material changes within geographically distinct urban areas. They serve as a means to implement policies by directly modifying the land use in a specific area. Consequently, the focus lies on the organisations and actors involved in collaborating and investing in these projects to bring transformative changes. Heurkens (2012) argues that it is important to investigate or analyse urban development projects as a topic of study. Urban area development is dependent on its context and is constantly evolving over time. In these big urban programs a complex structure of actors and stakeholders have to cooperate to transform policies within these temporary multi-actor organisations is a relevant subject of study. For this reason the context of urban redevelopment projects in the Netherlands is further elaborated in the next paragraphs.

To understand the context of urban (re)development projects we first have to understand the Dutch urban planning system. In the Dutch system planning responsibilities for urban development lies with local authorities like municipality which makes the Dutch planning system highly decentralised (Heurkens, 2012). Besides that, development powers have shifted more towards the market actors who are responsible for the development of land (Heurkens, 2018). Figure 3 shows the shift of urban planning governance over time. This shows that power has shifted more towards the market and civic society. This led to a more facilitating role for public authorities (Heurkens, 2018). However municipalities, use public land development, also called active land use planning, and passive land use planning as control mechanisms to stay in control over the development and demand specific requirement within those areas (Heurkens, 2012). This market role is mainly filled by private real estate developers. It displays the importance and interdependency of the two key actors, municipality and developers, in the early stages of development. Recently, negotiations about implementing sustainable requirements are playing an active role urban redevelopment projects (Candel et al., 2021; Hölscher et al., 2019; Heurkens, 2017).

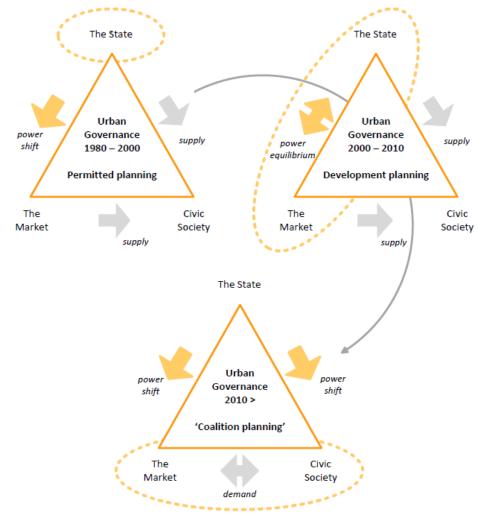


Figure 6 Dutch urban governance shifts over time (Heurkens, 2012)

Franzen et al. (2011) give a clear description of the different stages of urban redevelopment programs in the Netherlands. Initiatives start at the municipal level by creating policy visions and documents to establish a comprehensive plan for sustainable spatial planning in the city. These documents aim to provide a clear vision for future development. On the area level, there are land-use or zoning plans, master plans, design quality criteria, and plans for public spaces. These plans define how the specific areas within the city should be utilised and designed. At the level of individual plots, building plans are formulated to guide the construction and development of structures. The urban design plan, especially the master plan, encompasses both spatial and functional elements of how the site might transform in the future. The master plan serves as a reference point for all parties involved, offering a shared vision and framework. During this phase and before the land development agreement is signed several negotiations about all actors value propositions take place. Each actor involved recognises their own interests and objectives within the plan while the all over goal is ensuring that all other interests, objectives and urban demands are incorporated (Franzen et al., 2011). This phenomenon in which several parties work together to ultimately reach a common framework in which all interests are represented is referred to in literature as the value co-creation process (Candel et al., 2021). Within this process the two key actors, municipality and developers play an important role.

04. Research method

This paragraph describes the methodology of this study. For this research, qualitative methods will be used to answer the research question and sub-questions. In the first section, the research design will be explained. After that, the methods and techniques to do theoretical and empirical research are further elaborated. Followed by an explanation of how the data will be collected and analysed. Finally, the Data Management Plan and ethical considerations regarding the research methodology are presented.

04.01.Research design

This part describes the research design of the thesis and is shown in figure 4. This figure describes the relationship between the questions, proposed methods to be used and expected output. For this study, a qualitative research method will be used. A qualitative research method is useful to explore "how" and "why" questions (Blaikie & Priest, 2019). The first question will be investigated by theoretical research and serve as input for the empirical research. It will examine the concepts of value co-creation and emerging conflicts and give an overview of currently known conflict management strategies or techniques in construction project management literature. Based on this theoretical background semi-structured interviews are conducted to answer the last three research questions. This qualitative research method gives an understanding of the experiences, perspectives and behaviours of developers in managing conflicts constructively to enable value co-creation (Blaikie & Priest, 2019). The proposed method to analyse the data would be comparing the behaviour and data from the case studies with the theoretical framework. From this, findings can be related to current theory or new connections and findings can be made. This is a more inductive research method where theories are used on values and conflicts through which cases are studied (Blaikie & Priest, 2019).

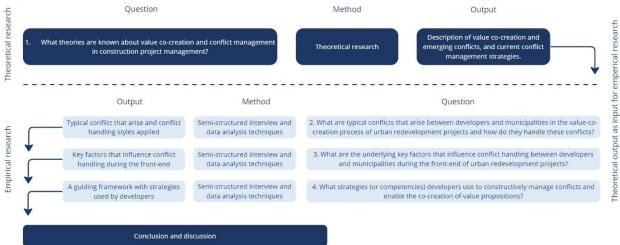


Figure 7 Research design (own work, 2023)

04.02. Methods and techniques

This chapter discusses the methodologies and techniques to do theoretical and empirical research. Additionally, the relationship between the methods and techniques and the research questions is explained.

04.02.1. Theoretical research

In the second chapter, the theoretical background is formed to understand the important concepts in the research question. Blaikie and Priest (2019) describe the theoretical background as an explanation of current patterns or regularities in social life. They answer questions about why people behave the in the way they do in a particular context. The methodology of the first three sub-questions is further explained.

Firstly, the theoretical understanding of value co-creation and emerging conflicts provides a conceptual framework for examining the role of private real estate developers in managing conflicts and enabling value co-creation in urban redevelopment projects. This understanding influences the formulation of research questions, as it helps to identify the key aspects to explore regarding conflict management and value co-creation.

Secondly, the description of the Dutch urban redevelopment process helps to contextualise the research within the specific setting under investigation. It provides insights into the stakeholders involved, the regulatory environment, and the stages and dynamics of urban redevelopment projects. This knowledge helps with the selection of participants for empirical interviews and the interpretation of the findings within the Dutch context.

Lastly, the overview of current conflict management strategies supports the choice and design of the data collection methods. It helps identify relevant strategies and approaches to explore in empirical research. Additionally, the theoretical insights contribute to the development of a kind of coding framework and to get a better interpretation of the collected data during the analysis phase.

04.02.2. Empirical research

For the empirical research, one single case study will be used in the form of an urban development program. Within this program, multiple urban redevelopment projects take place, from now on mentioned, sub-cases. In this section, the substantiation for the selection of the case study will be elaborated and a detailed description of the selected case study is given.

Case study selection

The main goal of the thesis is to understand how private real estate developers can constructively manage conflicts during the front-end of the value co-creation process within the context of urban redevelopment projects. To gain knowledge on this subject from practice a case study approach will be applied. Gerring (2004, pp 341) describes a case study as: "an intensive study of a single unit to generalise across a larger set of units." Although he also states that generalisation is one of the limitations of case study methods. The case study method provides data from practices and is useful to understand behaviour and underlying reasons why people do things the way they do in social research (Blaikie & Priest, 2019). The case study method offers several advantages because it is rooted in real-life and in tangible human situations which makes it highly relevant and applicable. Additionally, it provides in-depth and contextually rich data that can enhance our understanding of complex real-world events (Krusenvik, 2016). For this specific research, one single case study will be analysed to understand behaviour and result within one context. The case will be an urban (re)development program and focusses on the early stages of the development when the developer gets involved. Urban (re)development programs are referred to in literature as a group of projects (Candel et al., 2021). The early stage, also called front-end, is in this case defined as the phase from land allocation or acquisition, when the land is allocated to or acquired by the developer until the development agreement. This process is comparable with the Swedish context of urban (re) development

and similar to the study Candel et al. (2021) conducted on Stockholm Royal Seaport. As shown in figure 5. A conclusion from the review of previous literature indicated that little research has been done to the relationship of construction clients with downstream suppliers, especially in the very early stages of a project. For this reason this case study focusses on the relationship between the developer (construction client) and the municipality. An important note is that sometimes relationship with other actors also influence conflicts or situations in a project, but these situations are considered as external factors. The case needs to comply with the following conditions:

- 1. It is an urban (re)development project (in literature called "urban program") consisting of multiple projects.
- 2. There is a wider vision or master plan document for the whole urban area.
- 3. This means there are several developers involved and the municipality acts as one single actor.
- 4. The focus will be on emerging conflicts.
- 5. Interviews will be done with both parties; this means there is one constant on the municipality side and multiple different developers on the private side.
- 6. The focus of the research is on the front-end of the project.

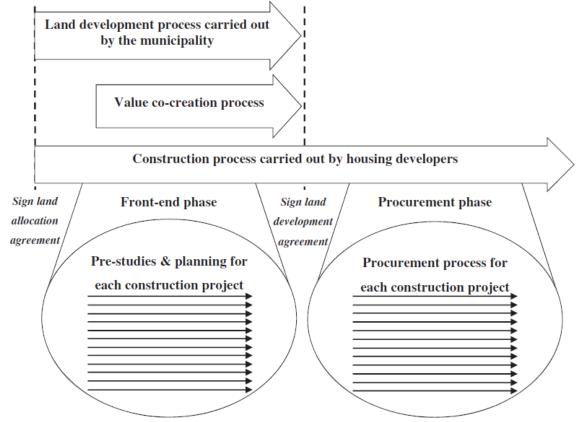


Figure 8 Swedish urban development process (Candel et al., 2021)

Participant selection

To understand how developers manage conflicts constructively and what underlying factors influence those conflicts during the value co-creation process in urban redevelopment projects a representative participant selection based on defined criteria is important. The research focusses on the inter-dependent relationship between developers and the municipality in co-creating value propositions. Both actors together work towards a development agreement or a permitted plan. The selected urban program contains multiple project where several developers are involved. To ensure viability the research needs at least three different project to capture the different perspectives and is aiming for four comparable projects within the urban program. For the selection of participants from every project one representative from the developer will be interviewed. Preferably an experienced developer who also is entitled to make decisions and can elaborate on those. And from the municipality the project leader or manager from the concerning case will be interviewed. Also with experience and longer involvement to the project. This is displayed as followed:

- Developer of project A
- Project leader of project A
- Developer of project B
- Project leader of project B
- Developer of project C
- Project leader of project C
- Developer of project D
- Project leader of project D

04.03. Data collection

Semi-structured interviews

The data from the case studies will be collected through semi-structured interviews. How these semistructured interviews are planned is crucial for the execution in the field (Research Methods and Statistics, 2016). The purpose of the interviews is to get a thorough explanation and understanding of how developers resolve or prevent conflicts within the value co-creation process. A three-step structure strategy will be used for executing these interviews. Important concerning this research subject is the context it occurred in. So, the first part will be about explaining the project context and understanding what happened and when. During the second part, questions will be asked about what went well during this process and how those situations were managed. Followed by, what went not so well and how did you try to resolve or manage these situations. For these later two questions a lot of why questions will be asked to get a deeper understanding. Finally, in the last part, the interviewee will be asked what if these situations happened again, what would you do differently. This is about the lessons learned from the project. Based on this general structure a few open questions will be formulated. However, this structure is an important thread to go into an interview but is not leading throughout the interviews. Giving the interviewee freedom and a natural flow in his story is important for the collection of data. This is also really dependent on the interviewee (Research Methods and Statistics, 2016). However, if there is deviated from this three-step structure this structure is a good framework for later analysis and will structure the answers in the same frames that are mentioned earlier.

The interview structure is based on the last three research questions and the theoretical framework. This interview structure is a good framework to get a deeper understanding of what the key factors are, which typical conflicts arise and finally, what strategies developers have used or would use to constructively manage these conflicts. Where the first part of explaining the context of the project helps in understanding the underlying factors. By asking what went well and what went not well we get an understanding of what kind of conflicts occurred. And by asking how did you manage these situations or how would you have managed them a clarification is given about which strategies they use. The specific questions are presented in the interview protocol.

Documentation

Furthermore, data will be collected through analysed documents. For the case study the following documents will be used concerning the urban area and project development: masterplans, municipal policy documents, land use plans and if possible and allowed development agreements. Masterplans offer valuable insights into the overarching development vision for the area and for contextualizing its evolution. Municipal policy documents, which encompass zoning ordinances, building codes, and planning guidelines, provide essential information about the legal and regulatory landscape shaping urban planning decisions. Meanwhile, land use plans furnish a comprehensive view of existing land use patterns and potential future developments, and development agreements shed light on the specific contractual obligations between developers and local authorities. The collected data will be reviewed for useability and analysed for the specific information. This chapter lays the basis for the subsequent sections, where in-depth data analysis and findings will be explored in greater detail, aligning with the overarching research objectives.

04.04. Data analysis

For the data analysis of the interviews, an abductive logic is used, which is a combination of inductive and deductive, which means that data is analysed based on the existing theoretical background but also in exploration to find new patterns (Southampton Education School, 2012; Blaikie and Priest, 2019). This is done by the following three steps: describing, classifying and connecting.

Firstly, data is derived from semi-structured interviews. This data is transcribed which gives a clear descriptive representation of the data. After this, all interviews are coded based own knowledge from the theoretical background and the exploration of new codes (Southampton Education School, 2012).

Consequently these codes and quotes are categorised into four different themes: value propositions, emerging conflicts, the applied conflict handling styles, and constructive conflict management techniques. These categories are put into a scheme consisting of all four cases to create a consistency and structure in analysing the case and providing a clear overview of all the results. Additionally, after noticing the first patterns of the influence of value propositions in relation to emerging conflicts and acting as an underlying factor influencing conflict resolution, this is added as an extra category. See appendix III for the total incase analysis of the four sub-cases. The final in-case analysis is divided into four steps: the classification of both actors value propositions, emerging conflict and applied conflict handling styles, influence of emerging conflicts on value propositions, constructive conflict management techniques.

The first step analyses the desired value outcomes of both actors from the interview and published documents. Secondly, the emerging conflicts are analysed from both perspectives, extracted from the interviews. Consequently, the applied conflict handling styles of both actor are identified from the collected interview material. Thirdly, based on the information provided in the interviews the influence of emerging conflicts and conflict handling styles can be identified. Finally, during the interview the participants is asked to how they would have constructively resolved or managed the discussed situation. Based on interview results clear examples can be given.

After that, a cross-case analysis is conducted where similarities and differences are determined. Based on existing knowledge from the theoretical background and exploring new results the cross-case analyses helps to identify patterns, commonalities, and differences across the cases, which can lead to more generalisable conclusions. It helps drawing connections between the different cases and provides a basis for developing broader insights and recommendations (Blaikie & Priest, 2019).

04.05. Research ethics

The research ethics demonstrates if the research is designed responsible and defensible to all involved. The ethics part justifies two main issues related to ethical behaviour, issues involving participants and subjects, and issues involving the research itself. The research follows the ethical guidelines of the TU Delft (2023) to guarantee the privacy of participants, ensuring the protection of their personal information and data.

Respecting the autonomy and dignity of participants is very important. Before interviewing, an informed consent is obtained, ensuring that participants have a clear understanding of the research purpose, procedures, and their rights. They are given the freedom to choose their participation and have the option to withdraw without facing any consequences. Privacy is safeguarded throughout the research process with protocols to anonymize and secure personal information.

Viability is ensured through clear research design that articulates objectives and methodologies. Appropriate sample selection ensures the representation of participants aligns with the broader population. Moreover, employing suitable data selection methods ensures relevance to research questions and methodology, collectively establishing a robust foundation for reliable outcomes. Furthermore, the reliability in the research is ensured through consistent data collection methods, where uniformity in procedures across different cases and participants is maintained.

By adhering to these ethical principles and implementing strategies for data validity and reliability, the research strives to conduct responsible and ethical investigations. The focus is on protecting the rights, autonomy, and confidentiality of participants while generating valuable insights that contribute to the existing knowledge in the field.

05. Empirical Research and Findings

This chapter delves into introducing the empirical research. It begins with the case description which includes the criteria for case selection, an explanation of the case and the reasons underpinning these choices. Subsequently, the reasoning for selecting the participants is explained in the next section. After that, all projects within the urban redevelopment are briefly explained.



Figure 9 Binckhorst urban redevelopment area (Gemeente Den Haag, 2021)

05.01. Case description

The empirical research of this study focuses on The Binckhorst, a substantial urban development program situated in The Hague. The selection of this particular case adheres to the prescribed case selection criteria set in Chapter 4. The Binckhorst is undergoing a comprehensive transformation from its brownfield industrial identity into a multi-functional, mixed living-working urban landscape. Covering an expansive area of 136 hectares and characterized by the involvement of 120 different landowners, this redevelopment initiative is a complex undertaking. The core vision of this redevelopment encompasses the construction of 5.000 new residential units and the allocation of approximately 80.000 square meters of space dedicated to workspace provisions. Historically, The Binckhorst served as an industrial estate, prominently featuring three inland ports along the Trekvliet waterway. Its strategic location, situated in proximity to the city centre, major highways, and railway infrastructure, further underscores its significance within the urban fabric.

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The transformation of the Binckhorst area has seen a series of diverse development strategies. The planning for this transformation dates back to the 1990s, but the actual initiative for transformation began in 2006, marked by an initially limited collaboration between the municipality and two market parties (Verheul et al., 2019). However, the business case was not completed and one of the market parties exited. Later, the crisis struck and the systematic approach was completely abandoned. In 2011, the municipality opted for an organic approach and started facilitating local initiatives. Organic development is based on an open urban programme, combined with a series of conditions which new project initiatives have to meet, such as land-use type ratios, restrictions on nuisance or minimum energy standards (Rauws & De Roo, 2016). The goal is to develop the area in little steps by local initiatives. But when the market picked up again in 2014, the major market parties again became interested in the Binckhorst, prompting transformation ambitions in the area to flourish. Since 2016, the Binckhorst industrial area started to slowly transform (Verheul et al., 2019).

However, over the past four years, the development of the Binckhorst has been different from other developments. The area development has been executed under the 'omgevingswet' and the 'omgevingsplan', in English called 'environmental act or law' and 'environmental plan'. A different and new land use planning law compared to the ordinary planning law under the 'wet ruimtelijke ordening' which will be implemented in 2024 (Rijksoverheid, 2023). The Environmental Act bundles all laws for the living environment (VNG, 2023). The environmental plan therefore contains the rules for the physical living environment (Informatiepunt Leefomgeving, sd). It includes a general description with preconditions for a development area and the municipality also indicates what rules it imposes on activities. For the Binckhorst the 'omgevingsplan' has been the leading document where the vision of the area has been translated into boundaries, guidelines and rules in which also the zoning plan is included. Although, basically the activities are the same there is a modification in the process. Practitioners explained that there is no longer a development agreement active where both actors value propositions are included, but this is now done through obtaining a permit in the environmental plan. The process of co-creating value propositions maintains the same, but municipality does now safeguard their values through regulations and boundaries setting in the environmental plan. Also financial considerations are involved in the financial plan. The developers still co-creates their values by meeting the municipal requirements and determining the feasibility of their project.

The area development consists of multiple individual building plots where developers develop residential and commercial buildings. In the area, several developers are present to translate this municipal policy and requirements into technical and practical solutions. To speak with one voice towards the municipality and to align shared values the developers have founded a cooperative association 'We the Binck' (Stadmakers, 2023). The goal of the cooperative association is to develop apart together based on ten development agreements. This strengthens the position of the developers and should help them in collaboration with the municipality. The developers of the selected individual plots in the urban area development are all members of these associations. The following individual projects are selected for the case study and interviews with developers and the municipality about the emerging conflicts in the project and how they try to manage these conflicts constructively.

05.01.1.Project A

The first project is a big development in the centre of urban area redevelopment. The plan was initiated in 2017 and is currently in the environmental permit process phase. The project team collaboratively works toward formulating a comprehensive plan for the submission of an environmental permit application. The

vision of the project is to manifest itself as the centre of the urban area including multiple function vibrant functions and to create a sustainable building which now includes a wood construction (PM1)

Program:

- 11.500 square meters of office space.
- Three captivating rooftop gardens spanning 2.000 square meters, enhance green space and urban ecology.
- A vibrant plinth area featuring retail outlets, social amenities, and co-working spaces
- A diverse range of 579 residences, divided into distinct categories:
 - social housing.
 - o mid-rent housing.
 - o free-sector rent.

Key Stakeholders:

- 1. **Developer 1A:** Serving as the delegated developer, plays a pivotal role in executing the project vision.
- 2. **Developer 1B/Land Investor:** As the primary investor in the land, facilitated the acquisition of the project area.
- 3. Municipality of The Hague: The governing body, provides regulatory oversight and support.
- 4. **Design/Project Team:** Comprising a consortium of architects, engineers, and industry experts involved in the design process.
- 5. **Investor(s):** The buyer of the completed development.

05.01.2. Project B

Project B has been owned by the municipality and the selection of a developer has been through the means of a tender. The vision and pre-described conditions of the tender were to come with innovative sustainability, climate adaptability, and nature inclusivity solutions while navigating the challenges of highrise urban densification. A very important condition for the municipality was to not only build dense concrete places but also create a liveable and green urban landscape (D2). However, this project has seen a change in program which deviated from the original presented program in the tender. Initially, the plan consisted of free-sector apartments but has been transformed into smaller social housing apartments due to changing market conditions (D2). Project B is currently in the environmental permit procedure phase. This phase involves planning and collaboration to secure necessary permits and approvals, ensuring compliance with environmental regulations and zoning plans.

Program:

- +- 300 to 350 apartments
- A commercial ground floor with a blurring zone
- Vertical living with multiple vertical neighbourhoods

Key stakeholders:

- **Developer 2:** Central role in shaping the vision and development of Project B.
- **Municipality of The Hague:** Regulatory authority providing oversight, support, and serving as the landowner.
- **Design/Project Team:** A consortium of architects, engineers, and industry experts deeply involved in the design process.

- **Investor(s):** The buyers of the completed development, play a pivotal role in funding and buying the project.

05.01.3. Project C

The area of Project C is a very big plot within the urban redevelopment area. However this project is in the very early stages of the development because they do not have any reservations for houses from the environmental plan 1.0. So, they are not permitted to start building houses here and that is why the municipality and the developer put this on hold. However, the developer and municipality are working closely together to create a good zoning plan in the environmental plan 2.0 and to give the current location a boost by place-making and providing space for local communities and initiatives (D3). The vision of the area is to create a mixed living and working place where there is room for a lot of dwellings and commercial space.

Key stakeholders:

- **Developer 3:** Central role in shaping the vision and development of Project C.
- **Municipality of The Hague:** Regulatory authority providing oversight and support.
- **Design/Project Team:** A consortium of architects, engineers, and industry experts deeply involved in the design process.
- Local businesses and initiatives: local businesses and initiatives are now involved to create a vibrant area and start their companies with the potential to grow into the future development plans.

05.01.4. Project D

Project D is one of the first projects under construction in the area and has already passed the front-end phase. The land was owned by the municipality and the selection of the developer has been through a tender. The early vision of the project was to create a rough area which fits in the character of the Binckhorst and make use of existing materials and amenities in the neighbourhood (D4). Besides that, this plot was assigned to create 50% of affordable housing. However, there were not really fixed tender conditions and the market parties were asked to fill this in themselves. The construction has started in 2021 and is aimed to be finished in 2024.

Program:

- 205 houses, consisting of:
 - o Social housing
 - Mid-rent housing
 - Free sector housing
- Commercial space with room for the catering industry and co-working spaces

Key stakeholders:

- **Developer 4:** Central role in shaping the vision, development and finally the execution of Project D.
- **Municipality of The Hague:** Regulatory authority providing oversight, support, and serving as the landowner.
- **Design/Project Team:** A consortium of architects, engineers, and industry experts deeply involved in the design process.
- **Investor(s):** The buyers of the completed development, play a pivotal role in funding and buying the project.

05.02. In-case analysis

In this section, the inter-actor relationship between the developer and municipality is analysed per case. Based on coding techniques data will be allocated into four themes: value propositions, emerging conflicts, the influence of conflicts on value propositions and constructive conflict management examples. First, the driving forces and objectives that underpin the value propositions of both developers and municipalities are examined, these propositions form the foundation of understanding the project's goals and aspirations. Secondly, conflicts that emerge during the front-end of these cases are analysed and structured. This includes the categorisation of the type of conflicts, the understanding of their relation to the value propositions, and the responses of both actors to handle these conflicts. Thirdly, the influence of the conflicts on individual actor value propositions is analysed. In this theme, analyses are made of what the influence of emerging conflicts are on individual actors value propositions, and what they do with these value propositions to understand and find new patterns on how this influences their ability to manage conflicts constructively. It seeks to determine whether these propositions evolve or remain static in response to the emerging conflicts. Finally, based on examples from the interviews and lessons learned from the cases constructive conflict management techniques are analysed that enabled the co-creation of value (propositions).

05.02.1. Project A

Value propositions

The value propositions derived from the interviews of case A are categorised as followed:

Developer	Municipality
Feasible business case	Planning regulations
- Cost efficiency	- Environmental permit
	- Environmental plan
Obtaining an environmental permit	Risk mitigation
Unique location of the project	Agreements
Selling the development to a buyer/investor	A mixed working and living area
Satisfy stakeholders	Create new houses and workplaces in the area
Completion of the project	Completion of the project
Project concept	Collaboration

Table 1 Value propositions project A

Developers' value propositions in urban redevelopment projects encompass a range of strategic objectives. These include ensuring a feasible business case to attract investment, focussing on cost efficiency to deliver within budget and obtaining environmental permits to meet regulatory requirements. The location of the project plays an important role in selling the development to an investors. Developer A emphasises that satisfying stakeholders plays an important role throughout their process to finally aim for a successful completion of the project. Time also plays an important role because the developers goal is to develop the land and afterwards sell the project, which is related to the risk and upfront investments the developer makes. These value propositions serve as the guiding principles that shape developers' actions and decisions, aligning their goals with the project's economic viability and overall success while addressing the interests of various stakeholders.

During the interview with the project manager of the municipality the following value propositions could be extracted that emphasise various strategic priorities. This include planning regulations to ensure compliance with the environmental plan and environmental permits to comply with sustainability and building regulations. It was for the project manager also important to mitigate risks, record important things properly in agreements with the developer. These are important procedural value propositions for the municipality as Kuitert (2021) explained about the three core values for public entities. Besides that, based on the vision and master plan some important value propositions are a mixed-use working and living area that stimulates community vibrancy and economic growth. Their commitment to creating new residential and workplace opportunities aligns with the goal of enhancing the overall quality of life for residents. Lastly, municipalities aims to ensure the successful and timely completion of the project and have good collaboration with other actors involved to develop the whole area. These value propositions underscore their role in shaping the urban redevelopment area with a focus on the well-being of their citizens and the environment.

Emerging conflicts

Based on the analysis of the interviews there are five conflicts identified. These conflicts are categorised in the table below and consists of: conflict description, type of conflict, relation to value proposition developer, relation to value proposition municipality, developers response (conflict handling style), municipal response (conflict handling style). For this case all these aspects are described per emerging conflict.

<u>Aspect</u>	Description	
Type of Conflict	Process-related conflict	
Developers' Value Proposition	Obtaining a permit \rightarrow which influences the business case and satisfying stakeholder, in this case the investor. Sunk cost and time play and important role in this.	
Municipalities' Value Proposition	<i>Procedures and regulations</i> : the municipality has to work according public procedures and regulations in relation to land-use planning and environmental permits.	
Developers' Response	<i>Obliging:</i> despite initially an integrating style, eventually they had to give up their own values	
Municipal Response	<i>Dominating</i> : throughout the whole discussion the municipality stand firm to their values	

1.	Conflict about planning regulations: wind study problems
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Table 2 Emerging conflict 1 project A

This emerging conflict is about the problem that the developer could not meet the planning regulations in the environmental plan. Developer 1A discussed that some of the regulations in the environmental act restricted the design and some were not even possible to implement. Developer 1A gave the example of wind study problems:

"And that environmental plan comprises 3,000 pages. One of the strange things that was there is if you put a building there and you cause wind nuisance, then you have to solve it on your own plot and you are not allowed to solve it in the area. Well, if you build 140 m high on a plot of 40 by 120 m, then you cannot solve your wind problems in advance on your own plot." (D1A)

In first instance, the developer tried to explain this problem to the municipality and make them aware that this was not possible. This is in first instance a integrating conflict handling style by the developer because he could not obtain a permit this way and they had already spent a lot of money on design cost. However,

because it was not in line with the detailed planning regulations of the municipality they could not do anything and stood at their point that they had to comply with the regulations. This shifted the conflict handling style of developer 1A from integrating to obliging, because they were trying to make changes which cost a lot of money and time. Interesting in here is that over time the developer adjusted his conflict handling style. This eventually led to destruction of the design plan and a lot of sunk cost for the developer and land investor.

"That took 2,5 year development of development. More than 2.5 million in planning costs until we went for the environmental permit. And it was rejected." (D1A)

Aspect	Description	
Type of Conflict	Process-related conflict	
Developers' Value Proposition	<i>Obtaining a permit</i> and <i>cost efficiency</i> which both have an effect on the feasibility of the <i>business case</i> of the developer	
Municipalities' Value Proposition	<i>Procedures and regulations</i> in relation to land-use planning and permit requirements in the environmental act.	
Developers' Response	<i>Obliging:</i> despite initially an integrating style, eventually they had to give up their own values	
Municipal Response	Dominating and sometimes according to developer A avoiding the problem	

2. Shifting of the building lines: new bus stop close to the building plot

Table 3 Emerging conflict 2 project A

Another conflict emerged regarding the shifting of the building line of the building plot. Based on invitation planning the developers could submit a plan and the municipality would test if they agreed on the plan or not. However, due to the later entry into force of the environment plan and development of digital cadastral maps there was discussion about the location of the building line. Because of a new bus stop the original building line had to shift 4 m inwards which was destructive for the structure of the plan. Later when drawing of the area were digitalised is came to attention that on the other side the building line had to shift another 1,5 m inside. In first instance the developer again tried to explain and convince that this had disastrous consequences for the plan and was in search for solutions to mitigate the problems. However, the municipality could not deviate from the regulations and which led to redo of the plan. Where developer 1 described it as followed:

"M: Yes, that may be the case, but now there is a bus stop. D: Yes, but then we have to redo the plan. M: Yes, then you have to make the plan again. D: But then we invested 2.5 million for nothing." (D1A)

Again the developer changed from integrating to obliging style by completely changing the plan because the current plan couldn't be made on existing foundation. This eventually led to value co-destruction of the plan and the withdrawal of the initial land investor. However, developer 1A found a new land investor and became delegated developer of developer 1B, who already had multiple plots in the area. They started to redo the whole design process again and tried to come up with smart and feasible solutions.

"Well, in the end we had to decide that we had to remove that existing basement completely. In a heavily polluted area. That entire process before we were back on the ground floor, we were 25 million further to demolish the foundation, the new basement, the old basement, to arrange contamination, etc." (D1A) 3. Agreements about the carrying capacity of the outdoor space under the existing basement that will soon be exploited by the municipality

<u>Aspect</u>	Description
Type of Conflict	Task-related conflict
Developers' Value Proposition	<i>Cost efficiency</i> which has an effect on <i>Business case</i> of the developer.
Municipalities' Value Proposition	Risk mitigation and agreements
Developers' Response	Avoiding
Municipal Response	Integrating

Table 4 Emerging conflict 3 project A

There were some discussions about the carrying capacity or the outdoor space underneath the existing basement and the municipality wanted some extra agreement to safeguard that the ground wouldn't subside. This brings changes to the current design with itself and some extra investment in the groundworks. So, the developers values at stake are cost efficiency which has an influence on the business case and for the municipality it is risk mitigation by making agreements. The municipality want to make this agreement to safeguard the product values of the project (Kuitert, 2021).

"We from the municipality still want to make agreements with the developer. For example, about the distribution of risks across the public space design. Who will pay for the redesign of public space?" (PM1)

Notable was that the developers conflict handling style in this case was avoiding because there was no incentive for them to make extra agreements which cost extra money (PM1), while the current design plan meets the regulations. The municipality tried to be integrating to get conversation started and came up with a proposal. However, there is still no response and discussion have to start again.

"But you notice that there is no incentive from that side to ensure that they commit to that, it really has to come from us." PM2

4. Who is responsible and who is going to pay for the loading and unloading zone next to the building

<u>Aspect</u>	Description
Type of Conflict	Task-related conflict
Developers' Value Proposition	Cost efficiency which has an effect on Business case of the developer.
Municipalities' Value Proposition	Risk mitigation and agreements
Developers' Response	Avoiding
Municipal Response	Shifting from integrating to dominating

Table 5 Emerging conflict 4 project A

The last discussed emerging conflict from the interviews of case A was also about making agreement about who is going to pay for the loading and unloading zone next to the building. This conflict is also a task-

related conflict which for the developer has an influence on cost efficiency and business case and for the developer this is again covering risk mitigation and clear agreements to again make sure that product values are covered (PM1). There is no incentive in this case for the developer, that's why their conflict handling style is avoiding.

"They understand that somewhere and draft agreements have already been sent them. That hasn't been answered yet, not signed yet." (PM1)

The conflict handling style of the municipality in first instance was integrating by bringing this issue up and being open for discussion what the consequences are of this. However, PM1 noted that if they do not reply and submit the environmental permit they won't accept it until they have clear agreements about the situation. It can be noted that the conflict handling style of the municipality shifts from integrating to more dominating. However, the municipality understands that it not their problem they need these agreements anyway.

"So it could be possible to submit the environmental permit, but the way I look at it is when I say, I still need more agreements. Let's stop the environmental permit application." (PM1)

Influence of emerging conflicts on value propositions

Value propositions are the driving forces that steers actors in their decision making regarding to specific situation and form the foundation of understanding the project's goals. This part seeks to analyse whether these propositions evolve or remain static in response to the emerging conflicts. What modifications did actors make to their value propositions?

The desired value outcomes for the developer in emerging conflict 1 and 2 were in both situations the same. For the developer, four critical value propositions include formulating a good <u>project concept</u>, <u>obtaining necessary permits</u> to initiate construction, and ensuring the preservation of a <u>feasible business</u> <u>case</u>. This is eventually necessary to <u>satisfy</u> their <u>stakeholders</u>, which are the land investor, the investor and the end users. Regarding this conflict the developer is willing to discuss problems and to adjust their project concept and business case to still safeguard the other two propositions. Eventually, they had to completely redo their project concept which had big influences on their business case.

"So, we had to start over again. Well, in the end we had to decide that we had to remove that existing basement completely. In a heavily polluted area. That entire process before we were back on the ground floor, we were 25 million further to demolish the foundation, the new basement, the old basement, to arrange contamination, etc." (D1A)

So eventually, this led to the destruction of all values during that phase. The developer had to start over again, made a lot of sunk cost, had a much more expensive business case, and lost their land investor.

On the other side the municipality stood very strict to their value propositions and were not really willing to make comprises or adjustment. For the municipality in this case following <u>procedures</u> and <u>regulations</u> is very important to justify their process and threat every actor the same.

For conflict 3 and 4 the situation was different. A new land investor (developer 1B) came into play and together with developer 1A their important value proposition regarding the task-related conflict, were <u>cost efficiency</u> and safeguarding a <u>feasible business case</u>. Their conflict handling style was avoiding which indicates that they didn't want to adjust their value proposition.

From the municipalities side they wanted to safeguard their value propositions and also needed some changes to do that. For them it was important to <u>mitigate risk</u> through <u>agreements</u> about who is responsible for certain situations. These can be lead back to safeguarding their product and performance value. So, in this situation the municipality also stood affirm to their value proposition although they were willing to discuss this situation.

Constructive conflict management techniques

Despite the fact that this project in the early stages had a lot of symptoms of value co-destruction, the developer had to redo the design multiple times and the initial land investor withdrew from the project some examples and lessons learned are given during the interviews. The project manager and the developer both describe that the situation is better now and problems are constructively discussed:

"I think it is very positive that the developers, and then I am talking about both developers 1A and 1B, are in it in a constructive manner as far as I am concerned. They want to move on and they understand that we as a municipality also have an interests." (PM1)

The project manager of the municipality describes that the communication is better now and both parties listen to each other. Both actors agree on the fact that communication has led to this better relationship, although no clear examples how that happened are described. Also the developer confirms this:

"They have now realized that they can no longer just say no, so things are going well now. The consultation is better, the attitude of the municipality, the cooperation is better. They're back." (D1A)

Nevertheless, a constructive conflict management technique that can be extracted out of the interview is the fact that the developers created a cooperative association amongst the 10 developers in the area. The goal of the association was to speak with one voice towards the municipality and come up with shared goals.

"The first thing we tried is to set up a joint collaboration with the developers in Binckhorst. And that was intended to arrange everything that went beyond your own development." D1A

05.02.2. Project B

Value propositions

The value propositions derived from the interviews of case B are categorised as followed:

Developer	Municipality
Project concept	Pre described tender conditions
	- Quality
	- Price
	- Concept
	- Ecology
	- Sustainability
	- Higher land price
Greening and climate-adaptive construction	Land allocation agreement (safeguard extra public values)
Sustainability	Planning regulations
Feasible business case	Procedures and regulations

Completion of the project	Completion of the project
Obtaining environmental permit	Ground floor function
Satisfy stakeholders	High rise
	Housing program

Table 6 Value propositions project B

Also from case B the developer has described some of their most important value propositions. Starting with the project concept by which they won the tender. The project concept included some important aspects that made it really strong. Besides that, greening and climate-adaptive construction was also very important for the developer together with sustainability. Furthermore, important value propositions are feasibility of the business case to attract investment and satisfy their stakeholder in the project organisation. Finally, obtaining an environmental permit and completion of the project.

The last value proposition is in line with the value proposition of the municipality, they share a common goal of completing the project. Furthermore, the pre described tender conditions, where they based their allocation of the land on is an important value proposition to safeguard product value (quality, etc.). Also the land allocation agreement plays an important role in that where these values are written down in the agreement. Planning regulations and working according procedures and regulations is again a noted value. Finally, placing the project in the bigger urban area there are three value propositions specifically important for this case: ground floor function, high rise building and the housing program.

Emerging conflicts

During the interview with the developer and project manager of the municipality of case B three main emerging conflicts were discussed and will be analysed in this part. There were conflicting interests on the adjustment of the housing program which led to changes in the land allocation agreement and land price. Secondly, the consequences of permit and zoning regulations had a negative effect on the design. And lastly, there was discussion about approving certain design measures by the assessment committee of the municipality for permit application. These emerging conflicts will be analysed again.

<u>Aspect</u>	Description	
Type of Conflict	Process-related conflict	
Developers' Value Proposition	Withdrawal of the investor (<i>satisfy stakeholders</i>) which led to adjustment of the <i>project concept</i> and adjustment of the <i>business case</i>	
Municipalities' Value Proposition	The pre described tender conditions which are fixed in the land allocation agreement	
Developers' Response	Dominating	
Municipal Response	Integrating	

1. Adjustments in the land allocation agreement: (A) adjustment of the housing program & (B) recalculation of the land price

Table 7 Emerging conflict 1 project B

During case B the main discussion was about the adjustment in the land allocation agreement because the necessity of the developer to change the housing program which also had an effect on the land price. Due to changing market conditions the investor withdrew as buyer of the apartments and the developer could not find new investors. This led to the situation of changing the housing program and the recalculation of the land price.

"In the final phase of a permit procedure they indicated that, we are going to change the plan, because we cannot find an investor." (PM2)

Their value proposition of satisfying stakeholders, in this case the investor, diminished because the investor withdrew and wasn't satisfied with product (project concept and housing program). This had an effect on the business case because they could not find a new investor willing to pay the price that fitted within their business case. Ultimately, they had to change their plan which affected the desired value outcome of their project concept. So, an unavoidable change in a value proposition led to changes in their other value propositions. On the other side this emerging conflict affected the municipal value propositions of their pre described tender conditions and land allocation agreement in which they covered their desired product and performance value outcomes. They covered these desired value outcomes by legal means in the land allocation agreement.

The developers conflict handling style was quite dominating in the sense that if the changes in the land allocation agreement could not go on they simply didn't have a project (D2). However, they discussed it openly but there was high concern for themselves and low concern for the municipality. The project manager explained that he understood the situation and that they were willing to adjust the land allocation agreement, but this had to go through procedures. "Logical because of all the construction costs and interest rates. Yes, quite complex, but ultimately we want to go along with it." (PM2). This indicates an integrating style from the municipality. However, the municipality wanted some guarantees because of the dominating style of the developer and they didn't trust them completely.

"You do have the feeling that they are open, but you also have the feeling that they can throw it in the trash and will continue with their own process. And if they have those permits, they will just start building in a few months." (PM2)

<u>Aspect</u>	Description	
Type of Conflict	Process-related conflict	
Developers' Value Proposition	<i>Obtaining a permit</i> which influenced their <i>project concept</i> which ultimately had effect on the <i>completion of the project</i> .	
Municipalities' Value Proposition	<i>Procedures and regulations</i> : the municipality has to work according to public procedures and regulations in relation to land-use planning and environmental permits.	
Developers' Response	Integrating	
Municipal Response	Dominating: perceived as avoiding by the developer	

2.	Consequences o	f permit and zoning	g regulations on the design
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Table 8 Emerging conflict 2 project B

During the interview developer B described that the official permit application process has been very difficult (D2). During the assessment period of the environmental permit there have been many discussions about the alignment of the project concept and the assessing regulations in the environmental plan. The problem in here was that there were contradictions between the environmental plan and the pre described tender conditions. This meant that on certain aspects the submitted plan did not meet the regulations in the environmental plan.

"The assessing official who have to assess the permit application have no idea that it is a tender, that the municipality has selected this plan, that within that tender you have a number of conditions that the municipality itself has asked us, which we must comply. But may then be less useful or less integrating on other points when it comes to what the assessing official thinks." (D2)

The developers value propositions at stake were obtaining a permit and their project concept. Those two didn't match according to the regulations of the municipality in the environmental plan. The consequences of not obtaining a permit had ultimately effect on the completion of the project. The municipal value propositions at stake were their procedures and regulations. The municipality has to work according to public procedures and regulations in relation to land-use planning and environmental permits to justify their decisions for the good of their citizens (PM2). Nevertheless, those values clashed.

The response of the developer was generally integrating, however, they were quite dominating on the fact that this were the municipalities own conditions which they made for the tender. Although, the developer was willing to think along to comply with the regulations.

"Financially it is not a problem at all. The problem has been that it took so long. So they ask, wind pollution is not good. Okay, what can we do about it, turn the tower. No, not good yet. Yes, what can we do then? All those small steps together took almost three years." (D2)

Interesting in this situation is that the conflict handling style of the municipality was perceived avoiding by developer 2. Where project manager 2 says that they had to work according to procedures and they cannot justify to deviate from it without permission of an alderman or the local council. This takes time (PM2). However, they acknowledged the situation but stood firm to their procedural values. This could more be described as a dominating conflict handling style or maybe even integrating, because the project manager of the municipality said:

"As a project manager you are more between a policy department and a developer. But you do want all the policies to be implemented and you also want the developer to be happy in the end and that construction will start." (PM2)

It is interesting to see how situation and conflict handling styles are interpreted different in this situation.

Aspect	Description	
Type of Conflict	Process-related conflict	
Developers' Value Proposition	<i>Obtaining a permit</i> which influenced their <i>project concept</i> which ultimately had effect on the <i>completion of the project</i> .	
Municipalities' Value Proposition	<i>Procedures and regulations</i> : the municipality has to work according public procedures and regulations in relation to land-use planning and environmental permits.	
Developers' Response	Dominating	
Municipal Response	Shifted from <i>dominating</i> to <i>integrating</i>	

3. Not approving façade measures by the municipality's assessment committee for permit application

Table 9 Emerging conflict 3 project B

The last emerging conflict discussed during the interviews is in line with emerging conflict 2. A permit could not be obtain because of the project concept was again not in line with the environmental plan. However, according to the developer they took exactly the same measures as at an another project only this time it was rejected. "You may allow a higher noise level in certain places on your facade than in other places and you must compensate for this with, for example, sustainability measures in the plan. Well, we had done that neatly, exactly the same as another project in the Binckhorst, but it was rejected." (D2).

The developers desired value outcomes at stake in this situation were obtaining a permit, their project concept and eventually completion of the project. Also in this case those value proposition influenced each other again. The municipal value propositions at stake again were procedures and regulations. The project concept complying with the tender conditions did not meet the environmental planning requirements.

For this situation, there were some limits for the developer which made their conflict handling style dominating towards the municipality. Initially, the municipalities conflict handling style was dominating because they could not changes from their policies. But in this situation the developer said that there was no room for change.

Then I said: if you disapprove of this, then I simply have no plan, because I cannot take facade measures to optimise it, that is simply not possible, because that is too much." (D2)

The conflict handling style of the developer was dominating so was the initially the conflict handling style of the municipality. However, a solution was found eventually with a contra proposal from the municipality which was implementable for the developer. This is a situation which almost let to value co-destruction if both parties stuck to their values.

"This is my limit, it stops here and then they came up with another sub-proposal." (D2)

A final interesting finding here is again that conflict handling styles could be perceived different by both parties. Actors can see their own conflict handling style as integrating or dominating while the other actor sees it as avoiding. A clear description of this is given by project manager 2.

"You have to deal with deadlines for submitting documents all the time. And now the municipality believes that the problem lies with the developer, but the developer also believes that the municipality is spending so long assessing the documents." (PM2)

Influence of emerging conflicts on value propositions

The discussion about adjustment of the land allocation agreement is an interesting one where value propositions play a dominant role. In this case the developer wanted to change the value proposition of their initial project concept to safeguard their other two propositions a <u>feasible business case</u> and <u>satisfying stakeholder</u>. An important factor that influenced this situation was the changing economic circumstances which led to investors being less willing to buy new project for the high prices. So, the modifications the developer took was adhering and not changing to their desired value outcomes of a feasible business case and satisfying stakeholders (the new investor in this case) by completely abandoning almost their whole project concept and create a new one.

"In the final phase of a permit procedure they (the developer) indicated that, we are going to change the plan, because we cannot find an investor." (PM2)

Concerning the municipalities value propositions they eventually changed both the <u>pre described tender</u> <u>conditions</u> and <u>the land allocation agreement</u> to guarantee further progress of the development. Nevertheless, they want new agreements to cover some important issues for them.

"So it will be smaller homes, more homes, less differentiation. Less the original concept with the different roof gardens. How do you still try to stick to the original submission of that concept? So that is a requirement that we provide in order to be able to justify it anyway" (PM1) about predescribed tender conditions

For both actors the same value propositions applied for the second and third described emerging conflict. However, the willingness of the developer to change their value proposition in conflict two was different from conflict three. In the situation where the developer was willing to change the design based on consequences from the permit and zoning regulations they adjusted their <u>project concept</u> to safeguard their other values <u>obtaining an environmental permit</u> and <u>completion of the project</u>. The municipality on the other side stood affirm to their value propositions.

"And yes, we have also shown that we have added water to the wine, that we have turned the tower." (D2)

The situation regarding the façade measures was totally different. In this case there was no possibility for the developer to make any more changes or optimisations because this was simply noy possible as developer 2 emphasised during the interview.

"This is my limit, it stops here and then they came up with another sub-proposal." PD1

Not moving their red line in this conflict apparently had an influence on the municipality. Asking the developer if this helped: "Yes, apparently so, because they then came up with a solution that suited us." (D2).

Constructive conflict management techniques

The integrating conflict handling style in the emerging conflict of the adjustment of the housing program and land allocation agreement started the open conversation on innovative solutions to overcome the problem. The municipality understood the problem of the developer willing to collaboratively discuss solutions. However, due to the dominating style of the developer the conflict handling style of the municipality could also be perceived as obliging where they have high concern for the developer and the project but giving up on their own value propositions. Nevertheless, the problem solving attitude and willingness to collaboratively look for solutions is a constructive conflict management style.

An interesting comment is made by the developer: "The best thing is to try to keep in conversation and I would like to know more about what is going on, why things are like this, so that I can understand it more or perhaps help with that as a developer." (D2). Developer two is opting for more transparency towards each other so both actors get understanding for each other's problems. Interestingly, the project manager of the municipality also noted this during the interview: "I think if you enter into conversations a little more transparently, you can understand each other a little faster, and therefore perhaps come to each other sooner." (PM2).

Furthermore, PM2 describes that understanding of each other's situations plays a pivotal role in collaboratively planning a project. But, also creating an incentive for the other actor to handle is important.

Your counterpart might understand the problem but should also be aware of the consequences for the project or other actors.

"If the developer tells us. We just don't have an investor, so I don't know if construction can ever start. Yes, of course we are concerned and we will think along." (PM2)

05.02.3. Project C

Value propositions

The value propositions derived from the interviews of case C are categorised as followed:

Developer	Municipality
Location value	Mixed work and living area
Project vision (mixed used area)	Room for existing commercial activity
Co-creation	Liveability
Early involvement	Greening
Social impact (creating extra value for the area)	Retaining authentic area style
Sustainability and circularity	Procedures and regulations
Established environmental plan and agreements	
Business case	

Table 10 Value propositions project C

For the urban redevelopment of case C, the developer presents a comprehensive set of value propositions essential to project success. They put high value on the project location and a project vision that emphasises a mixed-use area. Interesting to see is that co-creation and early involvement play pivotal role for the developer, enabling collaboration and community engagement throughout the development process. An emphasis on social impact is observed, with a commitment to creating extra value for the area. Their approach to environmental considerations is emphasized by the developer talking about sustainability and circularity principles. Moreover, an established environmental plan and agreements are very important to work towards a successful plan and give them boundaries to steer on. Finally, a successful business stands out to realise all other value propositions, create economic viability and strategic appeal for potential investors.

Important value propositions for the municipality in the early stages of the project is the ambition to create a mixed work and living area with room for existing companies which are already established in the area. In accordance to that the interviewee also describes that retaining the authentic area style is an important desired value. Furthermore, in the interview they put a high premium on the liveability of the area and adding more green space. Finally, also in this case the importance of procedures and regulations are emphasised. Interesting to see was, because the project was still in the very early stages, that the focus was very much on creating a vision for the project. This can also be seen in the mentioned value propositions of both actor, where they describe value propositions that emphasise their desired outcomes of the area.

Emerging conflicts

Despite the fact that the design process of case C has not started yet, so the project is in the very early stages, it is interesting to how the co-creation process works for this case. There is actually one big conflict that emerge during the process and that was that there are no reservation to build houses within the current environmental plan. As a result, permits cannot currently be granted for building new houses. For this reason the development process has been put on hold completely. Secondly, a conflict emerged about

the temporary use of the location. Finally, a conflict is discussed that had an effect not only on this case but om more projects in the area, namely the odor circle of the asphalt plant that prevented the construction of many houses.

<u>Aspect</u>	Description			
Type of Conflict	Process-related conflict			
Developers' Value Proposition	An established environmental plan to create a feasible business case an location value			
Municipalities' Value Proposition	Procedures and regulations and mixed work and living area			
Developers' Response	Comprising			
Municipal Response	Avoiding and integrating			

1	Put the develo	pment process on hold
± .	Fut the develo	pinent process on noiu

Table 11 Emerging conflict 1 project C

Within the process of the urban area development there was one remarkable situation. Developers could make reservations on the houses that they wanted to build. In the environmental plan there was room for a total of 5.000 homes in the first phase and at a certain moment a counter opened and developers could reserve spots to develop homes. The problem with this was that very early after the counter opened a few developers reserved all the homes which resulted in the situation that some developers had no reservations. This was also the case for developer C. For this reason, eventually the municipality decided to put the whole development process on hold because there was no room for developing new houses in the environmental plan.

"Ultimately, the entire process came to a standstill because a new environmental plan had to be drawn up. Because 5.000 homes had already been released" (D3)

Regarding this situation on of the developers desired value outcome at stake is an established environmental plan so they can continue their development process. The whole emerging conflict also had an influence on the feasibility of the business case of the developer. The developer already made costs for the design and invested in the land. Finally, the potential value of the area was also at issue because they could not realise the potential of the area. The municipal values at stake were the procedures and regulations. Although they wanted to continue with the project as well they could not because the environmental plan only gave space for the reserved 5.000 homes. So, this also affected their value proposition of creating a mixed work and living area at a location in the centre of the area.

"Because 5.000 homes had already been released. So they had already been issued in 2014. Then you cannot simply add another 5.000 homes as a municipality, because the accessibility of the area is very important for this, for example." (D3)

Despite the fact that putting a development on hold for multiple years has a big impact on financial and strategic situations it is noted in the interview that both actors responded quite integrated to the conflict by understanding the situation. However they had to make a lot of comprises to their own values which actually addresses it as a comprising conflict handling style. This turned initially in the developer trying to help the municipality with creating a vision for the environmental plan 2.0 and the municipality facilitating the developer in enabling them to temporary use the location for place making and other initiatives.

"It's really about vision, so we try to help the municipality develop a vision, and in that respect we start small, namely with our own plot. Even though it is already quite big. But we are trying to include the area as widely as possible, so that the vision for the entire area will soon be aligned and fit into the environmental plan 2.0." (D3)

However, during the interview the developer emphasised that this was absolutely not desirable and costs a lot of money (D3). For them it was quite abruptly that the whole project was put on hold and they made an intention agreement with the municipality to build a minimum of 400 homes and create a huge proportion of commercial space. This could of course be seen as avoiding conflict handling style of the municipality from the developer point of view. Both parties knew that continuing with the development process was not possible, nevertheless they tried to help each other in this situation.

"Anyway, we really want to get started with that asphalt plant, but for now it is not possible because the usable space in the current environment has run out. So then we said, with the developer of, well, this is a super large site, a very nice place on the water. No one will be happy if we end up with a barren plain here for 5 years to come and luckily the developer self didn't want that either." (PM3)

Aspect	Description
Type of Conflict	Process-related conflict
Developers' Value Proposition	Location value and social impact
Municipalities' Value Proposition	Procedures and regulation, enabling the location value and creating room for existing commercial space.
Developers' Response	Integrating
Municipal Response	Integrating

2. Temporary use of the location for place making

Table 12 Emerging conflict 2 project C

As a consequence of putting the development process on hold both actors decided to temporarily use the land for place making. However, the interviewees described that this also led to some emerging conflicts. An important value proposition for the developer during this period was the value of the location and the social impact they could make by using place making. This was also in line with the municipality's value proposition creating room for existing businesses and commercial activities. However, for this process working according to procedures and regulations is still of value for the municipality although the rules in the environmental plan were not made for temporary initiatives.

"What plays a role in these temporary initiatives is: there are many rules in the environmental plan, but they are all based on new construction or those large residential towers. And we do not have separate rules for temporary initiatives." (PM3)

Initially, the municipality assessed the temporary based on the requirements in the environmental plan which led to assertive reply from the developer (PM3). "The developer was very critical of the municipality, don't you also want placemaking? Why do you come up with all those rules now?" (PM3). But after understanding each other's problem the conflict handling style of both actors was integrating by focussing on problem solving and collaboration between actors. This led to a solid solution and temporary initiatives could be planned.

"You had to substantiate everything, even if it was not applicable. But that was just a lot of work and we have now actually turned that around." (PM3)

The example of the temporary use of the location describes a good example of constructively tackling problems or conflicts. Both actors understood the problem and had clear communication about it.

Influence of emerging conflicts on value propositions

Putting the development process on hold is a drastic measure that affect almost all value propositions of both actors. However, how both actors, and in specific the developer, anticipated on the situation is interesting. Both actors, accepted the situation and put their vision, objectives and value propositions on the long term. However, the developer explains why it is also better for them to put the development process on hold.

"Because for us, at a certain point it just stops, so much money and energy is invested and then it is simply not feasible. Then maybe it's better to just close the door here for 5 years and come back" (D3)

A determining factor is the <u>procedural value</u> of the municipality, from which they cannot deviate, that restricts both actors to the situation. The developer acknowledges the consequences of the situation on their value propositions of a <u>feasible business case</u>, an <u>established environmental plan</u> that gives them space to develop and the potential <u>location value</u>. So does the municipality.

Regarding the temporary use of the location for place making the developer stands affirm to their value propositions. The initiative of place making came from both parties and they had a similar desired value outcome and that was enabling the location value. For this reason the eased the regulations for temporary initiatives and so were willing to move their red line of procedures and regulations for this situation.

"You had to substantiate everything, even if it was not applicable. But that was just a lot of work and we have now actually turned that around." (PM3)

Constructive conflict management techniques

An interesting note from the interview is that the developer is willing to collaborate in creating a vision for the plot and surrounding area. Developer 3 describes that collaboration in the early stages of a project is important to manage goals and set expectation (D3).

"It is very important to put all the different perspectives together and make something out of them together. It cannot be the case that we only act from one thought or one perspective, because then you will not create something that is good for the future. As a company, we really have a lot of knowledge of the market that we can add and we also see real trends towards the future." (D3)

Despite the fact that there was no room in the current environmental plan for new houses the developer was supporting the municipality in creating a vision for the environmental plan 2.0. There are of course also incentives for the developer to do this. Another specific point mentioned in both interviews is that both actors value their relationship with the other actor. They emphasised that with a good relationship you can come up with problems earlier.

Look, my personal relationship with developer 3, me as project leader and the developer. That personal relationship is very good, we can get along very well with them. PM3

Developer 3 also mentioned the cooperative association of developers to speak with one voice towards the municipality and have aligned goals (D3).

05.02.4. Project D

Value propositions

The value propositions derived from the interviews of case D are categorised as followed:

Developer	Municipality
Business case	Mixed work and living
Completion of the project	Room for existing commercial activity
Obtaining an environmental permit	Liveability
Circularity	Greening
- Reuse of materials	
Raw area identity	Retaining authentic area style
Mix of working and living	Procedures and regulations
Selling the project	Focus on working
	Provision of new houses

Table 13 Value propositions project D

In project D important value propositions for the developer were obtaining an environmental permit with a feasible business case to finally complete the project. The developer addresses that reuse of materials and circularity are important value outcomes for them based own company value and on the municipal requirement set. This goes in relationship with the raw area identity and importance of creating a mixed working and living area. A final important economic value for the developer is to sell the project and make the financial profit. In this case the municipality had set some value propositions for the project. The mixed work and living area is in line with the environmental plan but there is a specific focus on working in this area by creating space for existing commercial activities that are already established in the area. Important pillars for the municipality were liveability, greening and retaining the authentic area style. Finally, complying with procedures and regulations, as for example the environmental plan, is a value proposition of high priority for the municipality.

Emerging conflicts

<u>Aspect</u>	Description			
Type of Conflict	Process-related conflict			
Developers' Value Proposition	Business case and completion of the project			
Municipalities' Value Proposition	The progress of the area development and the provision of new houses			
Developers' Response	Integrating			
Municipal Response	Avoiding and Integrating			

1. Odor nuisance from the asphalt plant

Table 14 Emerging conflict 1 project D

Within the urban area of the Binckhorst there was a big asphalt plant located in the centre. According to research on odor nuisance it was possible to build homes in the nearby area. However, after research by developer 4 the results were less positive. The odor circle higher in the air was much bigger that own

ground level. This emerging conflict had a big influence, not only on the project D but on 2.400 potential homes in the area

"Certain reports in the environmental plan had not been carried out correctly, which meant that 2.400 homes could not be built." (D4)

With this conflict two important value propositions for the developer came at stake, namely their business case and the completion of the project. Because with these odor nuisance it was not possible to build homes here. For the municipality their value proposition of new housing provision and housing the existing commercial activity in the area was at stake by not being able to continue with the progress of the area development. The developer tried to create awareness at the municipality by using the collective developers to speak with one voice and tell them that it affected many more projects. This could be interpreted as an integrating conflict handling style. Besides that, the developer escalated to the managing board of the municipality if there was not a concrete response and action from the municipality. This is a dominating style.

"Yes, that starts with seeing whether you can convince officials. If that is not done or said, I don't want to hear you, because that is difficult for us now. Then you escalate upwards." (D4)

Developer 4 describes that in first instance there was no awareness at the municipality and their conflict handling style was avoiding regarding the conflict. "*The municipality has been in resistance for a long time.* We tried to better substantiate it, etc. Also raised how big this problem really was. No, it's not just our homes. Look, there are so many, 1000 homes." (D4). However, when the municipality realised that this had an impact on half of the in total 5.000 homes they changed and applied for the "woningbouw tranche" or housing construction tranche and they received the money to buy out the asphalt plant. This conflict handling style of the municipality is an integrating style because it was in the interest for the whole area development, although it took a while for them to get the awareness.

"Yes, that actually set the course for submitting a plan for the first housing construction tranche of the Ministry of Internal Affairs for housing construction, in order to receive a contribution to close the asphalt plant." PM4

<u>Aspect</u>	Description
Type of Conflict	Process-related conflict
Developers' Value Proposition	<i>Obtaining a permit,</i> the <i>project concept</i> and a <i>feasible business case</i>
Municipalities' Value Proposition	Procedures and regulations
Developers' Response	Integrating
Municipal Response	Comprising

2. Moving of the building because of newly planted trees

Table 15 Emerging conflict 2 project D

An emerging conflict both actors raised during the interview was the conflict about the building line that had to move because of newly planted trees next to the street. It was not clear who was wrong but there was no coordination about the new trees to be planted and the developer's design (PM4). Because of the planted trees the building line had to move, however this was not possible (D4). The problem for the developer in this case was that they could not obtain a permit with their initial project concept. However,

changing the project concept would have such big consequences on the design and the feasibility of the business case that this was not possible for the developer (D4). The case of the newly planted trees affected the procedural values of the municipality, where according to the regulations you could not build that close to the trees.

The conflict handling style regarding this conflict of the developer was integrating because the developer was explaining and substantiating why moving the building line was not possible and propose an alternative for the trees.

"Then you first substantiate why that is not a good solution from a technical point of view, because there are urban development frameworks. You will substantiate what agreements have been made and you will propose an alternative for those trees, how you could solve this properly." (D4)

Initially, the conflict handling style of the municipality was perceived dominating by the developer because they demanded the developer to move the building line and redo the design. However, after discussions and explaining the problem the municipality was willing to transplant the trees. This can be considered as an integrating style, although it might feel as an obliging style for the municipality regarding the trees. But in the context of the development it was a constructive and problem-solving response for which they wanted some guarantees in return.

"So then we said yes, okay, if this is really not possible and those trees cannot be there, then so be it, then perhaps we should go along with that, but only if good agreements are made about the use of that sidewalk." (PM4)

<u>Aspect</u>	Description
Type of Conflict	Process-related conflict
Developers' Value Proposition	Selling the project
Municipalities' Value Proposition	Procedures and regulations
Developers' Response	Integrating
Municipal Response	Integrating

3. Social housing will not be rented out by a housing association

Table 16 Emerging conflict 3 project D

An interesting emerging conflict was the conflict about that the social houses within the plan could not be sold to a housing corporation. "Well, one of the nerve-wracking things in this project was, I think, that we do have a deviation from the environmental plan and that is that the social housing is rented out by Investor X and not by a social housing association, then you deviate." (PM4). Developer 4 could not find an investor and the municipality insisted on the fact that the social housing provision would be realised. The developers value proposition at stake was selling their project (the social housing provisions) to a buyer. The municipalities value propositions at stake was the compliance with the prescribed regulations about social housing in the environmental plan.

From the interview with the project manager of the municipality could be concluded that this problem was managed constructively by both actors. Because there was no housing association that was willing to buy the social houses and the developer had to come up with another solution. Eventually, the developer

found an another investor who was willing to buy the all the houses including the social housing. This plan was accepted by the municipality, although some extra agreement had to be made about the exploitation of the social houses (PM4). Interesting in her was that both actors were problem solving. Despite the result that the developer could not find a housing association that wanted to buy the social houses they came up with a new solution, the municipality was willing to agree on this if the developer agreed with certain measures. This was also accepted by the developer and the new investor and so the development process could continue (PM4).

"But the entire preliminary process for that and the argumentation as to why we would want to do it this way, we did have a lot of coordination with developer 4 about it and I think in a good way, with the ultimate result that it was successful." PM4

Influence of emerging conflicts on value propositions

The consequences of the odor nuisance from the asphalt plant on both actors values were very big. For the developer this meant that they could not <u>complete the project</u> and therefore have no <u>feasible business</u> <u>case</u>. For the municipality the consequences of the problem were even area-transcending, because 2.400 homes could not be build. This meant that they could not provide new housing provisions and this would have a big impact on the progress of the area development. This means that values would be destructed for both actors and the project.

"Yes, if you calculate it that way, a lot of homes cannot be built in the Binkhorst, well, that would put half the area development on hold. So all the alarm bells went off at the municipality too." (PM4)

An interesting mentioning is that developer 4 mentioned the following: "It is very peculiar that we have never been asked as market parties. What is it worth to you? Because that's what we were preparing for." (D4). This displays that the consequences for the market parties were so big that they were willing to contribute in buying out the asphalt plant. This would eventually affect the business cases of most of the developers, so they were willing to make these sacrifices. Simultaneously, when the municipality realised the size and scale of the problem they undertook action and ultimately qualified for additional government funding.

"Yes, that actually set the course for submitting a plan for the first housing construction tranche of the Ministry of Internal Affairs for housing construction, in order to receive a contribution to close the asphalt plant." PM4

Regarding the second emerging conflict, moving the building line because of newly planted trees, the developer sticked to their desired value outcome of the <u>project concept</u> to safeguard their value propositions of <u>obtaining a permit</u> and a <u>feasible business case</u>. However, the developer did this by put this problem to the discussion and substantiate their arguments and finally when that didn't work escalate to the board level. This display their assertiveness for their value proposition.

"Yes, then you say, well, sorry, do I understand it completely correctly, I don't think this can be the case. What you're saying here is: make a completely new design. Yes, then there is only one thing left to do and that is to escalate upwards again." (D4)

For the municipality the <u>procedural values</u> regarding this emerging conflict are important. Due to a miscommunication new trees had been planted close to the building line and according to the regulations

regarding the trees there is a certain distance the trees need to be from the building. This was not possible and also the trees were also mentioned in the environmental plan. However due to the miscommunication the municipality put aside their value propositions about the three by transplanting them to another place. In return for that they wanted some agreements about the sidewalks next to the building.

"As a municipality, we set some conditions: if those trees are not allowed and the facade remains where it is now, then we want there to be as few logistical movements as possible on that sidewalk, for example." (PM4)

The third emerging conflict is an interesting example. Due to circumstances the developer could not sell their social houses to a housing corporation. This would affect their value propositions of <u>selling the project</u> and would be destructive for the project. "But the project was designed in such a way that a housing association did not want to get involved at that time, developer 4 had indicated." (PM4). Nevertheless, they found a solution to that by selling it to another investor. So, they understood the impact of the situation on their value proposition and adapted to the situation (PM4). However, this adaptation of the developer had an influence on the value propositions of the municipality. They would lose their social housing provision or it would not be guaranteed by the same regulations that apply to housing associations, it would affect their procedures and regulations. Yet, the municipality acknowledged the situation and were willing to accept the proposal of the developer as long as they (the developer and the investor) agreed on the regulations and agreements regarding the social houses. Which meant the investor would rent out the social houses under the same conditions a housing association would do.

<u>Safe quarding their values of social housing and the linked regulations</u> – "And in addition, we have also made quite a lot of agreements in the land allocation agreement, about social rental housing, and we have actually made them quite comparable to the agreements that exist for housing associations." (PM4)

Constructive conflict management techniques

During the interview of case 4 multiple constructive conflict management techniques are discussed. The developer stated that making clear agreements is very important to manage projects in a good way. In this case the developer emphasised on making clear agreements with both the municipality but also among the developers established association.

"Yes, I would like to formalise the cooperation between market parties and make clear agreements, so that you can better speak with one voice." D4

Another interesting method the developer mentioned is being early involved in the spatial planning process so the developer can increase their predictability of the project. It is emphasised that early involvement could help the developer in safeguarding their values. Also in this the developer emphasises that clear agreements are very important and both actors know what to expect in the future and can build their project around it.

"I would like to manage the project with the municipality even more from the beginning. To increase that predictability in advance, so that we know what we need to develop and not have to continuously repair afterwards. It is still very important to just start thinking up front about how and what you want to demand and how you should agree on it together." (D4)

The project manager of the municipality explained that they appreciated the initiative and pioneering role of the developer in the situation where multiple projects had to coordinate project overlapping

circumstances. This turned out to be an difficult question and could escalate into an emerging conflict. However, due to their proactive role and the responsibility they took the coordination between all projects went well. So, proactive risk identification and mitigation played an important role is this.

"But the developer had a bit of a pioneering role in this from the builders and drew up all projects on one drawing. And so developer 4 has done quite a lot of work on this" (PM4)

Finally, the project manager of the municipality emphasised that having a good personal relationship with your counterpart from the other actor makes it more accessible to discuss problems. Short lines and transparency enable both actors to constructively discuss problems by involving problem solving and collaboration.

"Contacts were good. I also get along well with developer 4, that just helps, switching quickly. In my opinion, there shouldn't be too much distance between the developer and the municipality, because in the end you do it together." (PM4)

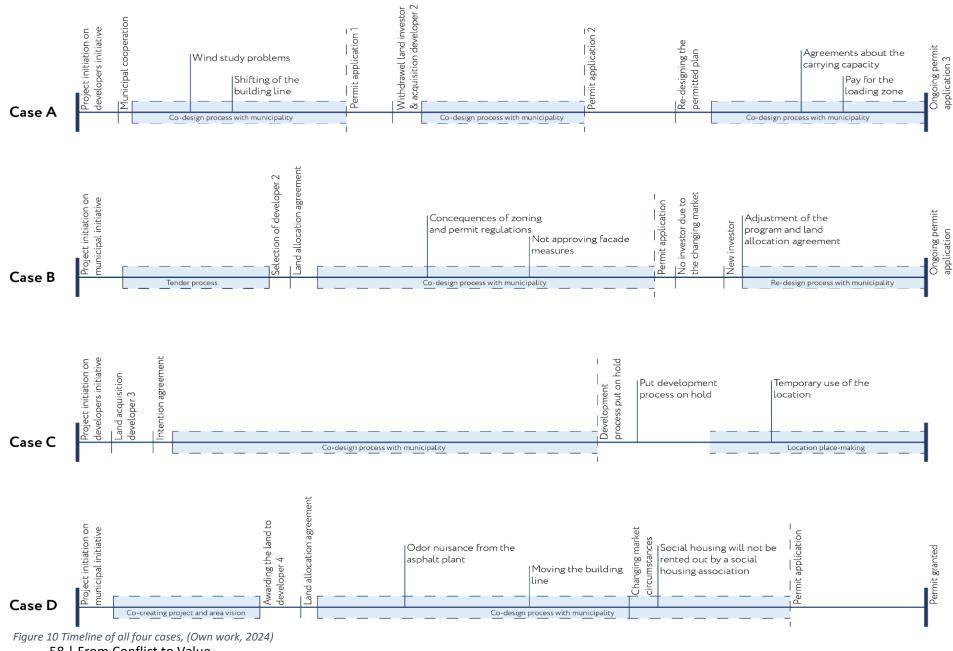
05.03. Cross-case analysis

After identifying all results from analysing the four cases separately based on the four themes the crosscase analysis aims to identify patterns, commonalities, and differences across the cases, which can lead to lessons from practice or more generalisable conclusions. It helps draw connections between the different cases and provides a basis for developing broader insights and recommendations. The cross-case analysis is executed with the same themes as in the in-case analysis, namely value propositions, emerging conflicts, influence of emerging conflicts on value propositions and constructive conflict management techniques. Table 17 shows a consolidated overview of the cases analysed.

Furthermore, figure 8 shows the timeline of all the four cases during the front-end value co-creation process. Interesting to see is that every project has its completely own process and that conflicts emerge during all different phases over time. Notable is that the changing market circumstances lead to conflicts or changes during the process over time in case A and B. Also the changing market circumstances led to the conflict in case D that the social houses could not be rented out by a social housing association and had to be sold to another investor. Nevertheless, the front-end in this thesis is defined from project initiation to granting the environmental permit.

	Developers value propositions	Municipalities value propositions	Emerging conflict	Type of conflict	Developers contested value proposition	Municipalities contested value proposition	Developers conflict handling style	Municipalities conflict handling style	Conflict effect
	 Feasible business case Unique location of the project 	 Planning regulations Risk mitigation Collaboration 	Conflict about planning regulations: wind study problems	Process-related conflict	 Obtaining a permit Feasible business case 	 Procedures and regulations 	Obliging	Dominating	Dysfunctional conflict
	 Selling the development to a buyer/investor Satisfy stakeholders 	 Agreements A mixed working and living area 	Shifting of the building line: new bus stop close to the building plot	Process-related conflict	 Obtaining a permit Feasible business case 	 Procedures and regulations 	Obliging	Dominating & avoiding	Dysfunctional conflict
	 Completion of the project Project concept Obtaining an environmental permit 	Create new houses and workplaces in the area Completion of the project	Agreements about the carrying capacity of the outdoor space under the existing basement that will soon be exploited by the municipality	Task-related conflict	Cost efficiency Feasible business case	 Risk mitigation Agreements 	Avoiding	Integrating	Functional conflict
			Who is responsible and who is going to pay for the loading and unloading zone next to the building	Task-related conflict	Cost efficiency Feasible business case	 Risk mitigation Agreements 	Avoiding	Integrating to dominating	Functional conflict
Case B	Project concept Feasible business case Completion of the project Satisfy stakeholders	Pre described tender conditions Land allocation agreement (safeguard extra public values) Planning regulations Procedures and regulations Completion of the project Ground floor function High rise Housing program	Adjustments of the land allocation agreement: (A) adjustment of the housing program $\&$ (B) recalculation of the land price	Values-related conflict	Satisfy stakeholders Project concept Feasible business case	 Pre described tender conditions Land allocation agreement 	Dominating	integrating	Functional conflict
	 Obtaining environmental permit Greening and climate- adaptive construction Sustainability 		Consequences of permit and zoning regulations on the design	Process-related conflict	 Obtaining a permit Completion of the project 	 Procedures and regulations 	Integrating	Avoiding	Functional conflict
			Not approving façade measures by the municipality's assessment committee for permit application	Process-related conflict	Obtaining a permit Project concept	 Procedures and regulations 	Dominating	Dominating to integrating	Functional conflict
1					aðs. As	82			NS 201
Case C	e C · Location value · Project vision (mixed used area) · Co-creation · Early involvement · Social impact (creating extra value for the area) · Sustainability and circularity · Established environmental planand agreements · Business case	 Mixed work and living area Room for existing commercial activity Liveability Greening Retaining authentic area style Procedures and regulations 	Put the development process on hold	Process-related conflict	Established environmental plan Feasible business case Location value	 Procedures and regulations Mixed working and living area 	Comprising	Comprising	Functional conflict
			Temporary use of the location for place making	Process-related conflict	Location value Social impact	 Procedures and regulations Location value Room for existing commercial space 	Integrating	Integrating	Functional conflict
Case D	Business case Completion of the project Obtaining an environmental permit Circularity Raw area identity Mix of working and living Selling the project	of the project area n · Room for existing tal permit · Liveability entity · Greening ing and living · Retaining authentic area	Odor nuisance from the asphalt plant	Process-related conflict	Business case Completion of the project	 Progress of the area development Provision of new houses 	Integrating	Avoiding to integrating	Functional conflict
			Moving of the building because of newly planted trees	Process-related conflict	 Obtaining a permit Project concept Feasible business case 	 Procedures and regulations 	Integrating	Obliging	Functional conflict
			Social housing will not be rented out by a housing association	Process-related conflict	Selling the project	 Procedures and regulations 	Integrating	Integrating	Functional conflict

Table 17 Consolidated table of value propositions, emerging conflicts, and conflict handling styles, (Own work, 2023)



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05.03.1. Value propositions

In examining the value propositions put forth by the actors across four distinct cases (A, B, C, and D), a cross-case analysis reveals both commonalities and distinctive emphases between both actors. Besides that, it also displays the common and key value propositions among the developers and their differences. The same applies for the municipality value propositions per case and their commonalities and differences. This comparative exploration sheds light on overarching trends within the urban redevelopment landscape while highlighting how both actors tailor their strategic approaches and decision making to the unique demands of each project.

Developers

Certain value propositions emerge as consistent priorities across all cases. Interesting to see is the shared commitment to a feasible business case underscores the universal emphasis on financial viability, while also the importance of successfully completing projects is a unifying goal. Furthermore, the desired value outcome of obtaining environmental permits is the same across the cases, indicating a collective industry-wide commitment to regulatory compliance to eventually start construction. Stakeholder satisfaction stands out as another common proposition, acknowledged as a critical factor by developers in different cases. Mostly with the core aim to attract investment for their projects.

Each case also consists of unique elements that show the developers priorities per case within their contexts. Case A places a specific emphasis on the unique location of the project, recognizing the importance of geographic distinctiveness. In Case B, the focus shifts towards environmental sustainability, with an emphasis on greening, climate-adaptive construction, and broader sustainability principles. Case C introduces a comprehensive approach, emphasizing location value, project vision, co-creation, and sustainability and circularity practices. Case D contributes a unique perspective with a distinct emphasis on circularity, including the reuse of materials, raw area identity, and a mix of working and living spaces. An interesting note is that the two cases B and D, where the land was owned by the municipality, the developers put a focus on sustainable and liveable propositions. Where in case A and C, where the land was owned by the developers from the start, the strategic land position and location value plays an important role in their decision making and strategic approach.

Municipality

Certain value propositions are shared priorities for the municipality across the multiple cases. Compliance with regulations and procedures are common value propositions across case A, B, C and D, illustrating the importance of complying with the boundaries and regulations set in the environmental plan, which is the leading document for planning regulations in the urban redevelopment area. Completion of the projects is another common proposition, emphasising the municipalities' commitment to successful realisation of the urban development. Not mentioned in all interviews but coming back in the projects documents is also the mix in working and living space in the area.

Interesting is that each case displays specific value propositions that underscore the unique perspectives and priorities of the municipalities involved. Case A emphasises risk mitigation, the importance of good agreements as key municipal considerations. In case B, where the land is tendered, an important value propositions is compliance with the pre-described tender conditions with focus on ensuring high standards and environmental sustainability. Where in case C, which does not fit in the current environmental plan important value propositions are the focus on work, accommodating existing commercial activity and creating maximum potential value for the location. Case D aligns with similar themes from case C, emphasising on existing commercial activity and a notable focus on working, with specific propositions liveability and greening.

An interesting note from all cases is that the developers align their project specific value propositions to the municipal initiated requirements from the environmental plan. Based on these requirements they determine their value propositions for sustainability and housing provision based on what is demanded in the environmental plan. Finally, developers align those value propositions to their core desired value outcomes, feasibility and profitability of the project.

05.03.2. Emerging conflicts conflict and conflict handling styles

This chapter of the cross-case analysis of emerging conflicts delves into the examination of conflicts that emerged during the front-end of four urban redevelopment projects. The findings extends beyond individual cases to identify patterns, commonalities, and divergences in the types of conflicts, their relation to the actors' value propositions, and the strategies employed for conflict management.

Interesting to see is that most of the conflicts are process-related conflicts. However, controversy in values are mostly the basis for those conflicts. In the results also values-related conflicts and task-related conflicts are indicated. An example of an values-related conflict is the adjustment of the land allocation agreement, where opposing values should be re-negotiated to find new alignment and make agreements. Furthermore, an notable thing is that in case A two task-related conflicts emerge about who is responsible for what or who is going to pay for what. A final note is that there were no emerging conflicts that were role-related or affective conflicts.

There are many conflicts that are about the differences between the project concept and the environmental plan. An interesting example comes from Developer B: "The assessing official who have to assess the permit application have no idea that it is a tender, that the municipality has selected this plan, that within that tender you have a number of conditions that the municipality itself has asked us, which we must comply. But may then be less useful or less integrating on other points when it comes to what the assessing official thinks." (D2). The introduction of the new environmental plan plays an important role in most of the conflicts. Within the environmental plan all regulations for sustainability demands and environmental regulations are incorporated. Furthermore, many emerging conflicts emerge due to perceived changes by one of the actors or due to external circumstances. Two clear examples are from case B and D, where due to economic factors and market circumstances. In case B, an adjustment of the program land allocation agreement is necessary because the developer cannot find investors willing to buy the apartments due to changing economic factors. The same goes for the emerging conflict in case D, where the developer can't find a housing association willing to buy their apartments.

Notable is that the value propositions that are common among the four cases are also often reoccurring in the developers contested value propositions in the emerging conflicts. Obtaining a permit is coming back quite often in all the emerging conflicts, the same applies to a feasible business case and completion of the project. Conflicts mostly arise when these value propositions are under pressure for the developer. Often, this is in relation with adjustments to the project concept to safeguard the other values. Municipalities contested value propositions are generally regarding procedures and regulations and especially regarding the environmental plan. The environmental plan is the leading document for the municipality in which the boundaries and regulations for the area are described based on environmental researches. Further, it is interesting to see how the municipality tries to safeguard values trough agreements. Values that are not included in the environmental plan or national building act. Case B is an example of this where extra goals and value propositions are documented in the land allocation agreement after the tender. Values that are safeguarded in these agreements and were at stake in case B are quality, price, concept, ecology, sustainability measures and the land price.

Interesting to see is that the conflict handling style which was used the most by both parties was the integrating conflict handling style. This were situations where one or both parties were aiming to find new solutions in a problem-solving way. In these situation the actor's had both high concern for themselves as for others. However, the situation occurred more often that one of the actors was integrating towards the other actor didn't resolve the conflict with an integrating style. This only was the case at two emerging conflicts. That was with the temporary use of the location for placemaking in case C and the negotiation about renting out the social houses by a commercial investor in case D.

"But the entire preliminary process for that and the argumentation as to why we would want to do it this way, we did have a lot of coordination with developer 4 about it and I think in a good way, with the ultimate result that it was successful." PM4

Further, in other emerging conflicts, the developers used dominating, obliging, avoiding and comprising conflict handling styles. The dominating conflict handling style was used by developer B in two situations. In both cases for the developer there was no other solution than the solution they proposed which had high concern for themselves and low concern for the municipality who had to concede on their values. Developer B explained this by that there was no other option for them in both case because otherwise the project wouldn't be feasible. However, the developer openly discussed their problems but their style was dominating. One strategy the developers used to explain their concerns and common problems was to set up a cooperative association. Through this means they could speak as one voice towards the municipality which gave them more power to safeguard their common interests and values. But, this cooperation didn't always worked out and not all developers were as involved as they should. This did not lead to the desired outcome and could not really be described as an integrating conflict handling style, although, the initiative was intended to.

"But the developers have made a mess of it, because they have simply kept a card in front of their chest and acted in their own interest." (D1A)

The obliging and avoiding conflict handling style of the developer only appeared in case A. Regarding the conflict where the environmental permit was not approved there was no other way then accept the situation and start over again for the developer. This eventually led to the withdrawal of the land investor and destruction of the project values (D1A). By starting over again the developer took high concern for others and low concern for itself. In a later stage, when the new land investor was involved the conflict handling style of especially developer 1B was avoiding towards the situation where the municipality wanted to make agreements about certain responsibilities.

"So, we had to start over again. Well, in the end we had to decide that we had to remove that existing basement completely. In a heavily polluted area. That entire process before we were back on the ground floor, we were 25 million further to demolish the foundation, the new basement, the old basement, to arrange contamination, etc." (D1A)

Finally, only one example was given during the interviews of a comprising conflict handling style. In case C the municipality had put the development process on hold. Although this was not beneficial for both and the developer had already invested his money in the project and bought the land, they accepted the situation. Both actors gave up on some of their values and comprises are made by both actors.

The municipalities conflict handling styles were most of the times integrating. They understood the situation and were willing to think along and find problem-solving outcomes. A good example of this is also the emerging conflict about the adjustment of the land allocation agreement because of the changing housing program. In this situation the municipality had high concern for the developer to allow them to change the housing program and open to discuss the problem. But, the municipality wanted to make clear new agreements to safeguard other values.

"So it will be smaller homes, more homes, less differentiation. Less the concept with the different roof gardens. How do you still try to stick to the original submission of that concept? So that is a requirement that we provide in order to be able to justify it anyway" (PM2)

In some cases the municipality used dominating or avoiding conflict handling styles. Interesting in here is that the avoiding and dominating conflict handling style generally has to do with emerging conflicts regarding obtaining an environmental permit and the relation with the environmental plan. In this situation the municipality often stood firm to their procedural values and the commitment with the zoning regulations in the environmental plan. The environmental plan is a valuable instrument for the municipality but was a new experiment in this urban area development. However, this has led to quite some discussion and emerging conflicts. Initially, the municipality also had to learn how to deal and work with it. This often led to an avoiding conflict handling style perceived by the developers.

"The problem has been that it took so long. So they ask, wind pollution is not good. Okay, what can we do about it, turn the tower. No, not good yet. Yes, what can we do then? All those small steps together took almost three years.... That seemed avoiding to me." (D2)

Even though the pilot was new and there were still many uncertainties and things sometimes differed from the old situation, it is important for the municipality to continue to follow this policy and to be consistent in it. This sometimes caused a dominating conflict handling style from the municipality, which was sometimes difficult to express for the project manager of the municipality (PM4). "Well, you need a little flexibility there. This is very desirable for such large projects in such complex inner-city area developments. However, that is difficult, because you have certain rules that you have to comply with. So the person who tests that, the relevant department, will always want to stick to it as much as possible. And letting go of something, something quite complicated, so to speak." (PM4). Finally, only one clear case came up were the municipality had an obliging conflict handling style and that was with the conflict about the moving building because of the newly planted trees. In this case the municipality gave up on their values and transplanted the trees to a new place. But, also this could be seen as comprising because in the end it was in favour for the whole project.

05.03.3. Influence of emerging conflicts on value propositions

Analysing all cases it is interesting to see what drives both actors in making the decision for their conflict handling style. When all cases are compared it is notable that regarding the conflict the actors can actually do three different things with their value propositions. To explain these modifications the example of the red line is used. In which the red line is their value propositions and the possible modification they can make to it. The developer or municipality could either move their red line, not moving their red line, or completely abandon their red line. Where moving their red line means that the actor is willing to change their value propositions and has a bandwidth to shift their value propositions. Not moving the red line means that there is no room for changing their value propositions and it would be too painful to change their value propositions. Finally, noted during the interviews is that a developer or municipality can

completely abandon their value propositions. This means that the consequences of the emerging conflict eventually drive the actor towards completely putting aside their value proposition and take their loses.

It is interesting to see that some actors base their decision for a certain conflict handling style on the effect of the emerging conflict has on the individual actors value propositions. The results show four different modifications to their value propositions as a consequence of emerging conflicts. The four categories are adapt, acknowledge, assert and abandon.



Figure 11 Four modification of value propositions as a concequence of emerging conflicts, own work (2023)

Adapt: Actors adapt their value proposition to mitigate the consequences of the conflict. They identify new ways to structure their value proposition so that it better reflects changing circumstances. A good example of this is the situation in case B about the developer not being able to find an investor with the current housing program and wants to adjust the housing program to housing association fitted program. In this emerging conflict the municipality is willing to adapt their value propositions regarding the earlier agreed on housing program and land price. "If the developer tells us. We just don't have an investor, so I don't know if construction can ever start. Yes, of course we are concerned and we will think along." (PM2). So they adapt to mitigate the consequences of the conflict on the project and are trying to make new agreements to accommodate the developer but safeguard their original desired value outcomes of the winning tender concept.

"So it will be smaller homes, more homes, less differentiation. Less the concept with the different roof gardens. How do you still try to stick to the original submission of that concept? So that is a requirement that we provide in order to be able to justify it anyway" (PM2) about pre-described tender concept

Acknowledge: Actors recognise the impact of the conflict on their value proposition. They are willing to acknowledge and openly discuss the consequences of the conflict but are not willing or able to change their value propositions. However, when they acknowledge the impact they are willing to look for solutions that do not harm their value propositions but in their conflict handling style does not really take other actors value propositions into account. A good example of this is the emerging conflict in case D about moving the building line because of the newly planted trees. The developer in this case acknowledges the consequences of the emerging conflict but is able to adjust his value propositions, because this wouldn't simply be feasible and so is steering on the municipality changing their value propositions (PM4).

"Then you first substantiate why that is not a good solution from a technical point of view, because there are urban development frameworks. You will substantiate what agreements have been made and you will propose an alternative for those trees, how you could solve this properly." D4

Assert: Actors stand firm on their original value proposition and defend it powerful. They can try to convince others that their proposition is the right one and that it shouldn't be changed. In most cases it appears that it is also not possible for the actor to change their value proposition. An interesting example of this is in case B. Where a conflict about façade measures not accepted by the municipal assessment committee emerged. In this case the developer had to make adjustment to their façade to reduce the noise levels but this simply wasn't possible and feasible. "*Then I said: if you disapprove this, then I simply have no plan, because I cannot take facade measures to optimise it, that is simply not possible, because that is too much.*" (D2). The developer literary described, this is my red line (limit) I cannot make any adjustments.

"This is my limit, it stops here and then they came up with another sub-proposal." D2

Abandon: In some cases, actors may decide to completely abandon their original value proposition as a result of the conflict. They realise that the consequences of the conflict are too detrimental and choose to take a new path and abandon their old proposition. This is what happened in case A and case C. The consequences of the emerging conflict where that impactful and there were no other option the developers had to abandon their initial value propositions. In case C developer 3 had to abandon their value propositions because the development process was put on hold. An extreme situation that even led to destruction of a lot of values happened in case A was the conflict of redoing the complete design process after not declining the permit application. This led to sunk cost for the land investor and the developer and to the withdrawal of the initial land investor.

"So, we had to start over again. Well, in the end we had to decide that we had to remove that existing basement completely. In a heavily polluted area. That entire process before we were back on the ground floor, we were 25 million further to demolish the foundation, the new basement, the old basement, to arrange contamination, etc." (D1)

At one point the investors said, they had spent 3.5 million, now it's enough. We'll end it. (D1)

In conclusion, after synthesising across the four cases, the four distinct modifications - Adapt, Acknowledge, Assert, and Abandon - give a comprehensive understanding of the consequences of emerging conflicts on individual actor value propositions.

05.03.4. Constructive conflict management techniques

During the interviews the participants were ask to constructive conflict management techniques and what they would have done differently in resolving or mitigating conflicts. From the in-case analysis ten constructive conflict management techniques are identified:

- Communication
- Collaboration
- Problem solving
- Understanding
- Transparency

- Early involvement
- Goals and expectations setting
- Relationship building
- Clear agreements
- Risk identification and mitigation

The ten conflict management techniques could further be classified into conflict resolution techniques and proactive conflict management techniques that prevent dysfunctional conflict from happening and create a good work environment for all actors.

Conflict Resolution Techniques:

- Communication
- Collaboration
- Problem Solving
- Understanding

Proactive Conflict Management Techniques:

- Transparency
- Early Involvement
 - Goals and Expectations Setting
- Relationship Building
- Clear Agreements
- Risk Identification and Mitigation

An interesting note is that communication is addressed most of all. In case A and B, the developer describes that there was a lack of communication initially between the developer and municipality but that things are going better now and this benefits the project. Furthermore, both developers and project managers of the municipality emphasise that building a good relationship with your counterparts or team members enables better collaboration and communication. They describe when you separate problems from people constructive resolutions and discussions enable understanding of each other problems which helps in creating better results that benefit both.

"Look, my personal relationship with developer 3, me as project leader and the developer. That personal relationship is very good, we can get along very well with them." (PM3)

06. Discussion

06.01.Theory

This research stems from Candel et al. (2021) and her call for practical research into how developers and municipalities can constructively manage conflicts during the front-end in order to improve the process of co-creating value propositions. Recent research emphasises the importance of doing more research on the front-end of these value co-creation processes between developers and municipalities (Smyth et al., 2018; Fuentes et al., 2019). The two main concepts from the research question, value co-creation and constructive conflict management need a theoretical foundation for further empirical research. Furthermore, describing the dynamics of urban redevelopment projects in the Netherlands is important to understand and interpret the context of the research.

The theoretical framework delves into the concept of value co-creation, emphasising a collaborative approach to generating value within construction projects involving multiple actors. It addresses the unavoidable role of emerging conflicts, recognising that value co-creation extends beyond positive outcomes and encompasses the potential for value co-destruction. Furthermore, it emphasizes the significance of the front-end phase in value co-creation, highlighting it as the stage where developers define their strategy and project scope. These are valuable contributions for critically analysing conflicts and the effects on co-creating value propositions.

Furthermore, theory addresses that constructive conflict management styles are conducive to transforming a conflict into a source of creativity (Fewings & Henjewele, 2019). The five conflict handling styles of Rahim (1983) are used to describe how actors can resolve conflicts, stating that the integrating conflict handling style is the most constructive. However, a limitation might be that the conflict resolution styles based on Rahim's (1983) model may not perfectly fit the specific and unique challenges faced in the real estate industry because of the use of one model. Finally, proactive conflict handling styles are examined to understand how to create a constructive environment between actors. This gives tools to explore constructive conflict management styles in practice.

06.02. Handling emerging conflicts

The findings of the first research question identify that most conflicts are process-related and some exceptions of values- and task-related conflicts. It displays how most conflicts originate from processrelated contradictions that eventually affect important value propositions of both actors. In theory, this is described as controversies about how tasks should proceed to accomplishment (Mele, 2011). These emerging conflicts were mostly related to the environmental plan and how this acted as a boundary for the developer in co-creating value propositions and safeguarding their individual actor value propositions. The developer perceived most of these conflicts as changes or inconsequences by the municipality. The perceived changes are in line with what Candel et al. (2021) describe in their research that emerging conflicts are perceived by the developer as changes over time and as a result of which value propositions are no longer in line with initial goals. The perceived inconsequences are in line with what Gardiner and Simmons (1995) described as a lack of coordination from local authorities. Due to new planning regulations, all developers noted this as a reason for the emerging conflicts. Because both parties were going through this new planning process for the first time, many misunderstandings and uncertainties arose about the environmental plan, which in turn led to conflicts. However, these results should be interpreted in the context of new legislation that affects planning systems and environmental regulations. Furthermore, values-related conflicts were the scene of direct conflicting interests or values. Conflicts

emerged as a consequence of contradicting values. Municipal values of creating long-term value for the area clashed with the private developer values of the feasibility of their business case and profitability, which is in line with what Lui et al. (2014) noted in their research.

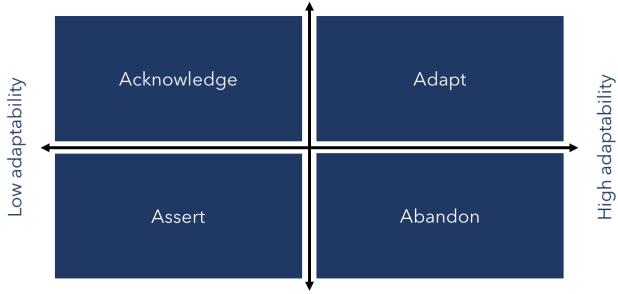
To handle these conflicts in the Binckhorst developers used all different conflict handling styles with eventually integrating styles applied the most. The municipalities used mainly integrating and dominating conflict handling styles, and in some cases avoiding or obliging conflict handling styles. A notable finding is the integrating conflict handling styles are utilised most by both parties, characterised by a collaborative problem-solving approach with a concern for self-interest and the interests of the counterpart, as described by Rahim (1983). However, most of the time when one actor used integrating conflict handling styles the counterpart mostly did not reciprocate with the same style. This does mean that both developers and the municipality understand the implications of constructively managing conflicts, but do not always apply it when the other actor shows concern for both. This implies that in certain situations there is no incentive for the other actor to solve problems constructively and there is little concern for others. The results show that finding solutions that would benefit everyone sometimes is not possible or that a lack of understanding is a catalyst for low concern for others. Candel (2021) underscores that resolving conflicts by finding solutions that satisfy all actors is sometimes not possible and trade-offs must be made. This may indicate why some actors choose different conflict handling styles. Dominating styles are used when the developers' value propositions that affect their profitability, come into question. Where directly and indirectly profit are the most important value outcomes for developers. Similarly, the municipality tends to employ a dominant conflict handling style, especially when deviations from procedures and regulations are involved.

One significant finding from the presented results is that conflict handling styles can be perceived differently by one actor than intended by the other. When one actor sought to address conflicts considering both their own interests and those of the counterpart, it didn't always result in a similar interpretation by the other party. This is not directly mentioned in theory but Candel (2022) describes that mistrust and suspicion of other actors intentions have a bad consequence on conflict resolution. However, those factors together with other factors mentioned in theory, like inadequate communication and absence of information could be reasons for misperception (Mills & Razmdoost, 2016). This variance in perceiving concern for others implies subjectivity in conflict resolution, with differing interpretations among involved parties. What might be viewed as a cooperative and constructive style by one actor may not be seen the same way by the other. Furthermore, the findings show that conflict handling styles can change over time as a result of the other actor's conflict handling style. When the municipality uses an integrating style but the developer uses a dominating or avoiding style the municipality can change their conflict handling style and the other way around. The results show that this can lead to functional conflict becoming dysfunctional and dysfunctional conflict becoming functional (Fenn & Gameson, 1992; Mele, 2011). Those two findings underscore the importance of constructively managing conflicts and turning them into a source of creativity and innovation (Vaaland & Hakansson, 2003; Mele, 2011; Candel et al., 2021).

If the developer and municipality are not able to resolve conflicts it can lead to value co-destruction. This was a consequence of obliging and avoiding conflict handling style in one of the cases in the Binckhorst. Value was co-destructed by the municipality and developer not being able to find solutions for the design not meeting the environmental plan. Avoiding and dominating conflict handling styles by the municipality enforced the developer to have high concern for others and low concern for themselves. This led to co-destruction of value in the form of destruction of the plan, sunk cost and withdrawal of the land investor. This is in line with the theory of Mills and Razmdoost (2016) about value co-destruction.

06.03. Underlying factors that influence conflict handling during the front-end

The findings of the empirical results show that emerging conflicts in urban redevelopment projects have an influence on individual actor value propositions and that those value propositions in their turn influence conflict resolution styles. Literature substantiates this by describing that value propositions are co-created during the front-end and determine the scope for value that can be realised (Smyth et al., 2018). Based on this scope developers shape their decision-making and strategies during the collaborative process (Smyth et al., 2018; Candel et al., 2021). However, the influence of emerging conflicts on value propositions is still underexposed in literature and therefore also the understanding of how this influences their decisionmaking and strategies regarding conflict resolution. The examination of emerging conflicts in urban redevelopment projects sheds light on the dynamic relationship between conflicts and individual actor value propositions. The results from the research reveal that actors can respond to conflicts by modifying their value propositions in four distinct ways: Adapt, Acknowledge, Assert, and Abandon. It unveils that the modifications actors make to their value propositions influence their conflict handling approach towards the emerging conflict. If the four A's model is put into the perspective of the conflict handling styles of Rahim (1983), the model can be placed on two axes. The first axes represent the level of concern from Rahim's conflict handling model and the other axes display the willingness or ability to adapt their value proposition. They can either adapt (adapt and abandon) or not adapt (assert or acknowledge). Which for the level of concern means, high concern for others (acknowledge and adapt) or low concern for others (assert and abandon).



High concern for others

Low concern for others

Figure 12 Four A's model, own work (2023)

This would mean that acknowledging and adapting would more force towards conflict handling styles with high concern for others, integrating and obliging. Where assert and abandon would more force towards dominating and avoiding conflict handling styles. However, there is no strict path from a value proposition modification to certain conflict handling styles. Besides that, standing firm to your desired value outcomes doesn't have to mean that there is no concern for others and integrating conflict handling style can still be

applied. Each modification contains both positive and negative implications for individual actor value propositions and the overall value co-creation process of the project.

1. Adapt:

- *Positive Influence (+):* Actors who adapt their value propositions demonstrate flexibility and resilience in response to conflicts and concern for other actors in the project. This modification allows for the mitigation of conflict consequences and fosters collaboration between actors to find alternative solutions. This might be beneficial for individual value propositions and the co-creation of value propositions
- Negative Influence (-): However, the potential downside is that adaptation may require compromises, potentially modifying the original goals and desired value outcomes. But as Candel (2021) describes, comprises are sometimes unavoidable.

2. Acknowledge:

- *Positive Influence (+):* Acknowledging the impact of conflicts reflects transparency and open communication. This modification encourages dialogue and problem-solving discussions, creating an environment conducive to mutual understanding. Furthermore, acknowledgement might keep individual actor value propositions intact
- Negative Influence (-): However, acknowledgement without a willingness to adjust value propositions can eventually lead to a lack of consideration for other actors' values. It may result in a stagnant conflict resolution process, hindering the overall value co-creation progress.

3. Assert:

- *Positive Influence (+):* Assertion of the original value proposition can safeguard the initial value propositions and be beneficial for individual actors desired value outcomes. Assertiveness can sometimes even be beneficial for the project when actors stand firm to the initial co-created value propositions while adaptation might destroy some co-created value.
- Negative Influence (-): However, assertion may also lead to inflexibility and a potential impasse, especially when compromises are essential. This can happen when actors defend individual value propositions that go at the expense of the project or others. This approach can strain relationships and hinder collaboration.

4. Abandon:

- *Positive Influence (+):* Abandoning the original value proposition can demonstrate adaptability to unforeseen circumstances. Abandoning individual value propositions might be conducive to the co-creation of value propositions. Additionally, as some results displayed, abandoning individual value propositions might safeguard other value propositions.
- Negative Influence (-): Abandoning, as demonstrated in the empirical results, comes at a significant cost. It involves sunk costs, time investment, and potential setbacks. Furthermore, it may lead to a loss of trust and collaboration among stakeholders (Järvi et al., 2018).

It becomes evident that each response to their desired value outcomes has its nuanced impact on value co-creation. The challenge lies in finding a delicate balance between safeguarding individual actor value propositions and stimulating a collaborative environment for effective value co-creation. The outcomes underscore the difficult nature of conflicts in urban redevelopment projects.

Besides that Handy (1993) notes that the choice of the conflict resolution approach may be influenced by power dynamics. The power and influence of the actors involved do have an impact on their decisionmaking and the approach they choose in resolving the conflict. Three notable interpretations of the findings underscore this notion. In the first case, it was interesting to see that the municipality was more cooperative or constructive in problem-solving in cases where they were the initiator of the project, so the land was owned by the municipality and they selected a developer by competition. Additionally, the influence of power dynamics on conflict resolution approaches becomes evident when considering the differences in resources and flexibility among the various developers involved. Secondly, the presence of a big developer with substantial financial resources and extensive knowledge can significantly impact the dynamics of conflict resolution. Such a developer is often in a better position to exercise patience and adopt a more flexible attitude during negotiations which can shape the outcomes in their favour. Lastly, the ownership of multiple plots in the area by a single developer is another power dynamic in conflict resolution. This land ownership consolidates the developer's influence, as they possess a significant stake in the overall development area and empowers the developer to strategically use their position to align with their broader interests and value propositions. However, these interpretations are not substantiated by pragmatic methodologic research but based on observations during the empirical research.

06.04. Constructive conflict management strategies

The findings show that constructively managing conflicts to enable the co-creation of value propositions lies in the creation of a good work environment for both actors to prevent dysfunctional conflicts from happening and in the application of adequate conflict handling styles to resolve conflicts. Furthermore, ten constructive conflict management strategies are explored in the empirical research such as communication, collaboration, problem-solving, understanding, transparency, early involvement, goals and expectations setting, relationship building, clear agreements, and risk identification and mitigation. This aligns with the conflict management strategies from Mantel & Meredith (2009) and Winch (2010), which are considered as strategies to prevent dysfunctional conflicts into functional conflicts, are reflected in the identified strategies, emphasising the importance of clear communication, collaboration, risk management, and continuous monitoring.

Constructive conflict management involves translating conflicts into sources of creativity and innovation, as outlined by Fewings & Henjewele (2019) and Candel et al. (2021). This suggests an integrated approach to conflict resolution, while also adopting proactive measures to prevent dysfunctional conflicts from arising. In the findings, communication is interpreted as the cornerstone of conflict resolution, as it is crucial for shared understanding and transparency. It plays an important role in creating a shared understanding by stakeholders through clear agreements and expectation setting in the early phases. Besides that, another technique mentioned most by the practitioners is creating a good personal relationship with their counterparts. This combines Fisher & Ury's (1983) and Grant's (2000) theory of building good relationships by separating people from the problem. Finally, Grant's (2000) fundamentals for constructive projects, clear communication and expectation setting, collaboration and team building, risk identification and mitigation, and continuous monitoring and constant feedback can be interpreted as guiding principles that emphasise the holistic approach to conflict management in complex urban redevelopment projects.

This underscores the significance of implementing (proactive) conflict management strategies to prevent dysfunctional conflicts and enhance collaboration in project coalitions. The identified strategies, such as articulating a clear project mission, arguing about facts, using third-party experts, employing decision-

making tools, and entering into partnering relationships, can contribute to a positive project environment and successful project outcomes. However, bringing these strategies or techniques into practice requires practical measures that may vary across different projects and knowledge of specific project conditions is necessary. So, adaptation to contextual dynamics and project characteristics are two fundamentals in considering constructive conflict management techniques.

Finally, the ten identified conflict management techniques serve as a foundational framework for steering towards constructive conflict management in urban redevelopment projects. The empirical results underscore the vital role of these techniques in navigating the complex dynamics of conflicts. As highlighted in earlier chapters, the interplay between emerging conflicts and individual actor value propositions significantly influences conflict resolution styles. Developers, guided by these value propositions, shape decisions and strategies to safeguard their desired outcomes throughout the collaborative process in the front-end. The examination of emerging conflicts in urban redevelopment projects reveals that actors respond by modifying their value propositions, leading to four distinct approaches: Adapt, Acknowledge, Assert, and Abandon. This nuanced perspective, when aligned with Rahim's conflict handling styles, illuminates two axes representing concern levels and adaptability. In essence, the closing paragraph emphasises that a nuanced comprehension of conflict dynamics, coupled with the integration of constructive conflict management strategies, enables developers to better understand dynamics and steer towards successful conflict resolution and co-creation of value propositions during the front-end in urban redevelopment projects.

06.05. Comparison with Sweden

As previously described, this research draws inspiration from the work of Candel et al. (2021) as part of Candel's (2022) dissertation, which aimed to explore how value propositions are co-created during the front-end of housing development projects and their effect on housing developers' ability to drive change and innovation within the Swedish context. Building on this, this research delves into how developers can constructively manage conflicts during the front-end of urban (re)development programs within the Dutch context. This section aims to dissect the similarities and differences between these two studies and countries, shedding light on the nuances of each context.

Central to both the Dutch and Swedish approaches are the land-use planning and land development processes, which are remarkably similar, because of comparable foundational principles. This shows that the value creation processes in both countries have many similarities and complement each other in terms of value co-creation and conflict management. However, a notable difference is that in the case of Binckhorst in the Netherlands, the municipality placed a lot of emphasis on all actors complying with procedures and regulations as their key values, whereas Candel et al. (2021) found that the focus in Sweden was more on creating long-term value for the city. On the private side, the focus on economic and commercial values is similar in both countries. Generally, the value propositions were quite similar, with the exception that in Sweden, there was a much stronger emphasis on sustainability requirements.

Regarding the purpose of the front-end in both contexts, developers used this phase to determine the project's feasibility. During this phase, balancing and negotiating requirements and dealing with changes over time are similar in both countries. Similarly, the conflict handling styles applied are also the same. Conflicts are rooted in the contradictions between economic interests and environmental protection. In both contexts, developers use external factors, such as changing market conditions, as a justification for deviating from the requirements, which is often the subject of discussion.

A significant difference between the Swedish study and this study in the Netherlands is the introduction of the new environmental law in the case of Binckhorst. This new planning law played a quite dominant role in the empirical part of this study and was often a subject of discussion in many conflicts. This could have distracted the focus on other conflicts. Furthermore, because of this new planning system the differences in land development become lager because the new environmental act doesn't consists the detailed plan anymore but a general environmental plan. Nevertheless, both planning systems and land development processes are still similar in nature.

However, this research complements the study of Candel et al. (2021) and Candle (2022) dissertation by contributing to the understanding of the impact of emerging conflicts on value propositions and improving understanding of how conflicts can be constructively managed. Furthermore, it enlightens the similarities between the Dutch and Swedish planning context and what both countries can learn from each other. Finally, concepts such as value co-creation and conflict management in urban (re)development programs are transcending national boundaries and applicable in other interdependent relationships.

06.06. Limitations and reliability

This research focuses on one specific urban redevelopment program in the Netherlands. As described in the discussion, as value co-creation and conflict management are dependent on multiple contextual dynamics, it might be possible that those contextual dynamics form the results in a certain way. Notable in the results was the impact of the current economic downturn in the housing market. This had an impact on the case studies. However, the fluctuating economic market is also a constant in all urban redevelopment projects and programs and is part of practice. Furthermore, the research took place in the context of a new planning act, the environmental act. Notable was that the focus during the conversation with the practitioners was mainly focused on the pilot of the new law in this urban area and that a substantial part of the conflicts was about this environmental plan. This took attention away from other conflicts such as sustainability, architectural quality or spatial integration. On the other hand, this research might give valuable insights into the challenges and opportunities of the new environmental act.

Secondly, the research only focussed on the relationship between developers and the municipality. This might limit the wider perspective of other stakeholders involved and their influence within the selected urban program. While literature underscores the pivotal roles of the municipality and developers during the front-end value co-creation process, the exclusion of other stakeholders may limit the depth of understanding regarding their unique perspectives and contributions. Furthermore, the collection of data relies on the cooperation and openness of the participants involved in the urban program. This may lead to potential biases in the responses received, as stakeholders may be inclined to present their perspectives in a favourable light or withhold certain information. These limitations underscore the need for future research to adopt a wider perspective of stakeholders.

Thirdly, a limitation of the applied method, semi-structured interviews and doing in-case- and cross-case analysis, is the difficulty to generalise and make statistical inferences. Only hypothesises and valuable practical insides can be given. While patterns and relationships can be identified, establishing causations may be challenging, and alternative explanations cannot always be ruled out. It is however beyond the scope of this research to make those generalisations. Additionally, The accurate application of qualitative methods, including interviews, coding and categorisation within cases, and cross-case analysis, contributes to the internal consistency of the findings.

07. Conclusion

This chapter concludes the research by summarising the key findings of the research. In addition, it explains the contributions and recommendations made to theory and practice.

07.01. Answering the research questions

The main research question

The main purpose of the research is to understand how real estate developers can constructively manage conflicts during the front-end value co-creation process and better understand the dynamics of emerging conflicts and value co-creation. Therefore the main question is as follows: *"How can real estate developers manage conflicts constructively during the front-end to enable value co-creation in urban redevelopment projects?"* Based on explorative and qualitative research on the interdependent relationship during the front-end between developers and the municipality in the context of an urban redevelopment program, the following can be concluded. The findings indicate the dynamics of emerging conflicts during the co-creation of value propositions between developers and the municipality and the consequences on their value propositions. Understanding these dynamics, proactively steering on a good project environment to foster functional conflicts during the front-end of urban (re)development projects. The framework below gives an guiding overview of constructively managing emerging conflicts in co-creating value propositions.

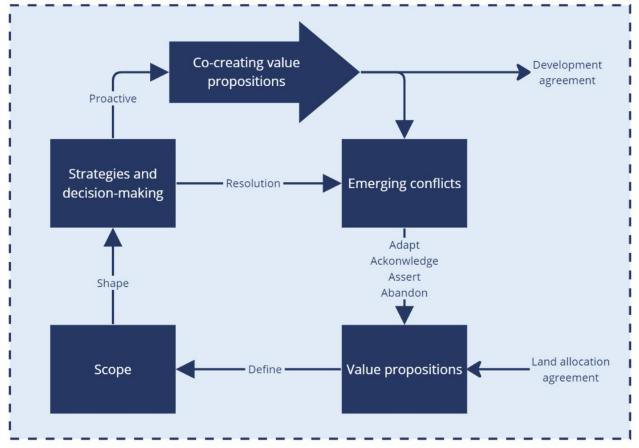


Figure 13 Guiding framework of constructively managing emerging conflicts in co-creating value propositions (own work)

The research indicates that emerging conflicts lead to four distinct modifications of individual actor value propositions, with actors adapting, acknowledging, asserting, or abandoning their original desired value outcomes, which in turn influences the conflict handling style. Understanding these dynamics is crucial for developers, as it influences their decision-making and strategies in conflict resolution. However, the findings also show that there is no straight path during the fuzzy front-end and decisions and strategies depend on project conditions and external factors. This highlights the complexity of managing conflicts in the value co-creation process. Those findings contribute to the literature on the front-end and value co-creation in urban development programs with downstream suppliers (municipality) and give an exploration on practical level. Furthermore, this answers the call from Smyth et al. (2018) to more research on the role of individual actor value propositions in value co-creation.

The findings further emphasise that proactively managing a positive project environment is crucial for fostering functional conflicts. This involves implementing the ten constructive conflict management strategies indicated in the results. These strategies also contribute to transforming dysfunctional conflicts into functional conflicts and create conditions where conflicts become a source of creativity and innovation and increase the potential value of a project or area. When conflicts are managed badly or being avoided the study shows that this can lead to value co-destruction. These findings contribute to the literature of emerging conflicts in value co-creation and to the literature of conflict management in construction project management. Those findings address the gap in how municipalities and developers can manage conflict constructively to improve the process of co-creating value prior to procurement (Candel et al., 2021).

Sub-questions

RQ2 – What are typical conflicts that arise between developers and municipalities in the value-co-creation process of urban redevelopment projects and how do they handle these conflicts?

The empirical research indicates the typical conflicts that arise between developers and municipalities during the front-end of urban redevelopment projects. These conflicts mostly arise from process-related issues, with values-related conflicts and task-related conflicts also playing a role. Both parties share common value propositions but conflicts often arise when contradicting value propositions clash. Both have their key value propositions they safeguard in emerging conflicts; for the developer, these centre around the feasibility of the business case, specifically concerning profitability, while for the municipality, they revolve around adherence to procedures and planning regulations to ensure the best value for the city.

The findings further involve a diverse range of applied conflict handling styles, with integrating styles being used most by both municipality and developer. Despite integrating styles utilised most the results show misalignment in conflict handling styles and that conflicts may not always be resolved to satisfy all parties and trade-offs may be necessary. This suggests a potential lack of incentive or understanding for constructive conflict resolution. Those conditions can even lead to value co-destruction, emphasising the importance of constructive conflict management.

RQ3 – What are the underlying key factors that influence conflict handling between developers and municipalities during the front-end of urban redevelopment projects?

The empirical findings show that emerging conflicts in urban redevelopment projects influence individual actor value propositions leading to four distinct modifications: Adapt, Acknowledge, Assert, and Abandon. These modifications influence conflict resolution styles and present challenges and opportunities. Each modification (Adapt, Acknowledge, Assert, Abandon) has both positive and negative influences on

individual actor value propositions and the overall value co-creation process. This makes balancing individual actor value propositions and fostering collaboration challenging for developers.

Furthermore, the study suggests that power dynamics, influenced by project initiation, resources, and land ownership, contribute to varying conflict resolution approaches. When analysing the power dynamics of larger developers with more resources it displays that they have a more dominant role which can influence negotiation processes and outcomes. Furthermore, the results show that external factors like economic downturn or changes in the planning system are important factors that influence conflict handling. Those findings contribute to the literature of conflict management and value co-creation, and give practitioners valuable insights in the complex nature of managing conflicts in co-creation processes.

RQ4 – What strategies (or competencies) developers use to constructively manage conflicts and enable the co-creation of value propositions?

The study identifies ten constructive conflict management strategies emphasised by the participants, categorised into conflict resolution and proactive conflict management. These techniques include communication, collaboration, problem-solving, understanding, transparency, early involvement, goals and expectations setting, relationship building, clear agreements, and risk identification and mitigation. Those techniques provide a foundational framework for steering towards constructive conflict management in urban redevelopment projects. Communication emerges as a cornerstone, highlighted by practitioners as crucial for shared understanding and expectation setting, transparency, and fosters building a good relationship with counterparts.

An integrated approach to conflict management, combining conflict resolution strategies and proactive measures to prevent dysfunctional conflicts is suggested by the findings. However, the interplay between conflict dynamics and individual actor value propositions significantly influences conflict resolution styles, with developers adapting their approaches based on the impact of emerging conflicts on their value propositions. Practical measures and adaptation to contextual dynamics are identified as fundamentals in implementing constructive conflict management techniques. Every project has its own timeline and its own approach as shown in figure 9 in the cross-case analysis. The application of these strategies differ across projects and actors, considering project conditions, interplay between stakeholders and external factors.

07.02. Recommendations for future research

In this chapter, the recommendations for future research are presented. The first recommendation is, to enhance generalisability future research could consider comparative case studies within different municipalities. For this research is chosen to focus on one municipality and keep this as a constant factor. By doing a comparative framework, researchers can systematically examine the similarities and differences in the challenges, strategies, and outcomes of such projects in different municipal contexts. Those cases might give different or new insights.

Future research could also consider exploring the influence of power dynamics on conflict resolution in urban redevelopment projects. The current study and theory acknowledge the impact of power dynamics on conflict resolution but don't provide a deeper insight. This could explore how power imbalances affect the choice of conflict resolution approaches.

Future studies could consider the wider perspective of other stakeholders involved in the value co-creation process. This would not only enrich the research but also offer a more inclusive representation of the

complex dynamics of constructive conflict management in the context of co-creating value propositions within urban redevelopment projects.

A future study could dive more in-depth into the different stages of conflicts actors go through and what impact this has on the collaboration and co-creation of value propositions. Despite the results that every project is different future research could look for patterns and stages in conflict resolution to better understand why actors do what they do.

Finally, a suggestion for future research is to explore the implications of the new environmental act within a wider range of research topics in construction project management. The results of this study displayed some implications of the new planning act in the relationship between the developer and the municipality. Future research could for instance focus on the key consequences of the introduction of the new act.

07.03. Recommendations for practice

Based on the findings of the research several recommendations are presented in this chapter for practitioners. The first recommendation for both real estate developers and municipalities is to adopt a proactive approach by preventing dysfunctional conflicts and steer on a positive project environment. Clear communication, marked by transparency in decision-making and regular updates, should be prioritised to ensure a shared understanding of project goals. This will also create understanding and improve the mutual relationship. Investing time in this is important to foster trust and collaboration beyond immediate project tasks. By steering on these principles, both actors can create a foundation for constructive conflict management. Recognising that conflicts may arise, the emphasis on transparent communication, mutual understanding, and strong relationships will not only mitigate the occurrence of dysfunctional conflicts but also transform challenges into opportunities for value co-creation. This approach not only contributes to conflict prevention but also establishes a resilient framework for sustainable collaboration in the complex urban redevelopment projects.

A second recommendation for effective collaboration in urban redevelopment projects is to make interdependencies and expectations explicit while aligning goals during the definition of the project scope among all involved actors. It is important to involve all significant stakeholders in this. By clearly defining and communicating interdependencies and expectations, a shared understanding emerges. This collaborative effort not only ensures a comprehensive scope definition but helps in realising a realistic potential value that can be co-created.

A third recommendation arising from this research is the acknowledgement that conflicts may not always achieve resolution that satisfies all parties involved, trade-offs must be made sometimes. Because of the complex dynamics of emerging conflicts and the co-creation of value propositions, actors may come into situations where integrating conflict resolution styles is not applicable and they are forced to alternative conflict-handling styles. This doesn't have to be necessarily destructive and dominating, comprising, obliging or avoiding styles are sometimes necessary, but it is important to consider for both actor.

A final recommendation for developers is to consider municipal requirements in the early stages of urban area development. This approach ensures that projects align with regulatory frameworks, preventing potential dysfunctional conflicts later in the process. Furthermore, a subsequent recommendation for both developers and municipalities is to prioritise early involvement, fostering collaboration to align desired value outcomes from the beginning. This practice not only streamlines the decision-making process but also establishes a foundation for constructive conflict management throughout the project lifecycle.

08. Reflection

The master track Management in the Built Environment focusses on managing stakeholders and processes in the urban environment and construction industry. This range from design and construction management, real estate management on building and portfolio level, and urban development to understanding the dynamics of building economics and law to apply in complex project or urban areas. Furthermore, within the real estate and construction industry we currently face some interesting and difficult challenges, like rising housing prices due to a housing shortage, climate problems, sustainability transition and resource scarcity. During this master my interest have moved more towards design and construction management, and urban development, particularly from the construction client side. Hence, my graduation topic focusses on the intersection of those two perspectives in the context of urban redevelopment projects. Where my research question is as follows: *How can real estate developers manage conflicts constructively during the front-end to enable value co-creation in urban redevelopment projects?*. This question delves into the complex nature of co-creating value within urban redevelopment projects and the contradictions that (key) actors have to be overcome during this process to meet the demands for housing provision and answer the sustainability challenges.

This chosen subject is derived from a dissertation from the KTH Royal Institute of Technology in Sweden where I have done an exchange semester. The dissertation called for more research on constructive conflict management in the value co-creation process within urban program, especially on practical micro-level. Sweden and The Netherlands are very similar in planning system, so comparable or following-up researches are possible. The relationship and collaboration between the municipality and developers in the very first phases intrigued me. I feel like as both municipality and developers you still have the most influence during this phase.

My initial research proposal steered me towards providing specific examples, tasks or steps how real estate developers could take their responsibility in managing conflicts constructively with the municipality. However after my proposal was written and I started with my empirical research this clear path with tasks and steps turned out to be not so clear. I found myself in the complex and subjective environment of conflicts where many other (external) factors also play a role. This forced me to interpretate things different and align my research with the results. However, it was a challenge for me to still keep the fundamentals of my research intact and answer the research question(s). Nevertheless, the theoretical background and the dissertation gave me structure and guidelines to understand the results in its context and eventually interpretate findings. This interplay between my research and the findings influenced each other but eventually led to a clear answer on the research question and valuable recommendations that contribute to theory and literature.

As described before, within our industry we are facing some complex challenges and in overcoming those challenges conflicts will arise. So, the necessity to understand those dynamics and learn from practical measures to steer on those conflicts, this research subject contributes to both society in the form of practical recommendations and academic theory in the form of new insight in the concepts of value co-creation and conflict management. Furthermore I think that the scope of the research, within urban redevelopment projects (urban programs) is very accurate for the current time. Many actors and different perspectives are involved in those programs and this brings the possibility for contradictions between actors. For that reason, the results are valuable in the context of those urban programs.

Method

Emerging conflicts within urban redevelopments have a very subjective nature. For that reason, it was clear for me to do a qualitative research by applying semi-structured interviews in a case study consisting of multiple projects. This would contribute to practical insights on the project level and to better understand the nature and dynamics of conflicts in value co-creation. The approach to interview both perspectives helped in better understanding the dynamics of the conflict and see both sides perspectives given the subjectivity of conflicts. I think this method fitted best for this research although this also brought some complications. The analysis of the interviews both in-case and cross-case was time consuming and difficult to stay consequent in analysing. The development of one big Excel file where I structured all cases and categories helped me to better understand the results. After coding of the interviews, quotes and categories could be placed in the excel and give an infill to the three step of results analysis. Subsequent, the cross-case analysis gave valuable insight into the results across all cases and in finding patterns. The difficulty however is, that as a researcher you are analysing those results on your own and that validation of the results brings a struggle. However, this method is valued highly in theory because there is a lack of micro-analyses on value co-creation in urban programs. I think in the end this approach worked best to answer the main research question.

The findings of my research are in the context of urban redevelopment projects in the Netherlands and to the interplay between developer and municipality. Although every urban redevelopment project and municipality have their own dynamics and factors, the findings can generally also be interpreted for other cases within the Netherlands. This is because the research takes these underlying factors and dynamics into account and only the context would be different. One point of reflection is that it is more difficult to say what the impact of other actors is on emerging conflicts in those urban programs.

Process

When reflecting on my process I think I can say now afterwards that I enjoyed it. Although the route to the final result hasn't been an easy and straight one. For supporting me during this process I want to thank both my mentors from TU Delft and my graduation company.

In the beginning, I was very enthusiastic about my research topic and eager to answer all questions. Throughout the process I identified the complexity and endless questions I could create. So, actually my topic could continue infinitive. Nevertheless, I managed myself through this process with the help of my tutors and found a demarcated subject with interesting questions. Towards my P2, where I write my research proposal I was quite sure about my methodology and I created a good basis for my empirical research.

When I was formulating my interview questions I further became to notice the complex nature of the topic. Eventually I choose to apply a quite open interview approach although it was guided by concepts of my theoretical background. I really enjoyed doing the interviews and this gave me so much insights that I had to start reorganising my thoughts and results. Those interviews gave me a valuable insight for the rest of my research process and that was that I noticed the underlying factors that influenced conflict resolution and conflict management. For this reason, and after discussion with my mentors I choose to dive deeper into what the role of individual actor value propositions are on the emerging conflicts and in resolving them.

Overall, it was an iterative process with setbacks and progress again. Looking back on it I enjoyed the learning curve I went through and it gave me valuable new lessons. The meetings with my mentors really

helped me to steer and control the boundaries of my research and my graduation company helped me with practical insight and the network to execute my empirical research. In the end I am happy with my research and the adding value of the research to practice and theory.

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Appendix

I – Interview protocol

Voorafgaande het interview

- Uitnodiging interview verzonden
- Tijd, locatie (evt. Teamslink) verzonden
- Teams en opname apparatuur klaarzetten
- Formulier geïnformeerde toestemming getekend

Start interview

- Bedanken meewerken interview
- Controle geïnformeerde toestemming
- Wijzen op opnemen interview en opnieuw toestemming vragen ter controle
- Aanzetten teams en back-up apparaat geluidsopname
- Korte introductie onderzoeker en onderzoek

Checklist na afloop interview

- Vragen of de geïnterviewde nog iets kwijt wilt of vragen heeft
- Procedure validatie kort toelichten
- Laten weten dat de scriptie gedeeld kan worden indien gewenst
- Bedank mail sturen met het transcript

Introductie interview

Beste meneer/mevrouw,

Allereerst wil ik u alvast bedanken voor medewerking aan dit interview. Ik ben Frank de Heus en ben momenteel bezig met het afronden van mijn master Management in the Built Environment aan de TU Delft. Voor mijn afstudeeronderzoek zou ik u graag een paar vragen willen stellen over uw project in de Binckhorst.

Het onderzoek gaat over de samenwerking tussen ontwikkelaars en gemeentes in de beginfase van een project. Het onderzoek focust zich specifiek op de rol van de ontwikkelaar. Tijdens het starten van een project zijn meerdere partijen betrokken en zijn er nog veel onzekerheden. Hieruit kunnen belangen/waarde verschillen ontstaan. Het gezamenlijk overwinnen van hiervan en gezamenlijk waarde en doelen creëren voor het project is een van de kerntaken in dit proces. Hierover ben ik geïnteresseerd in uw kijk en ervaringen op dit project. Door het beter begrijpen van deze situaties kunnen lessen getrokken worden voor de toekomst.

Het interview zal niet langer dan een uur zal duren. Gedurende deze tijd heb ik voor het interview een aantal vragen opgesteld met betrekking tot het afstudeeronderzoek. Graag zou ik u nogmaals willen vragen of u ermee akkoord gaat dat dit interview wordt opgenomen, zodat ik de informatie goed kan verwerken voor het onderzoek. Tot slot, zijn er voor dit interview een aantal vragen opgesteld op basis van vooronderzoek. Deze vragen zijn op de volgende pagina opgesteld in dit interview protocol. Het interview zal in totaal niet langer duren dan een uur. Heeft u verder nog vragen?

Vragen

1. Kunt u zich introduceren, wie bent u en wat is uw huidige functie?

Project context

- 2. Wat was de visie op het gebied en het project?
- 3. Welke partijen zijn betrokken geweest in de beginfase van het project?
 - a. Welke partijen zijn belangrijk geweest voor de uiteindelijke keuzes en afspraken die gemaakt zijn?
- 4. Welke afspraken zijn er opgenomen in de overeenkomst met de gemeente voor de ontwikkeling van dit project?

Samenwerking

- 5. Wat ging er goed tijdens dit proces en wat waren belangrijke redenen voor het goed verlopen hiervan?
- 6. Welke situaties verliepen minder goed en hoe is geprobeerd dit op te lossen?
 - a. Is dit uiteindelijk tot een goed resultaat gekomen en welke compromissen zijn gedaan?
 - b. Wat was voor jullie een goed resultaat of positieve uitkomst?

Lessen uit het project

- 7. Wat heeft u geleerd van dit project en hoe zou u het in het vervolg anders doen?
- 8. Bent u uiteindelijk tevreden met de huidige uitwerking van het plan?

Alle vragen zijn behandeld. Heeft u zelf nog vragen of opmerkingen die ik zou kunnen gebruiken voor het onderzoek?

Afsluiting van het interview

Bij deze wil ik u hartelijk danken voor uw tijd en het deelnemen aan dit interview. Mocht u nog verdere vragen hebben dan kunt u mij per mail of telefonisch bereiken. Alle gegevens worden geanonimiseerd. Uiteraard zal ik het transcript van het interview naar u mailen, zodat u kan controleren of het uw intenties goed zijn vertaald. Mocht er iets niet juist zijn, dan kunt u dit aangeven zodat ik dit kan aanpassen. Ook zal ik, indien wenselijk, de resultaten en het eindverslag delen als dit klaar is.

Na het interview wordt:

- Het interview getranscribeerd
- Het getranscribeerde interview toegestuurd aan de geïnterviewde
- Eventuele aanpassing aan het transcript
- De data van de interviews geanalyseerd
- De data gecategoriseerd en verwerkt
- Resultaten gevormd voor het onderzoek
- Conclusies gemaakt op basis van de resultaten

II – Informed consent

Formulier Informed Consent

Den Haag, 20-09-2023

Geachte heer/mevrouw,

U wordt uitgenodigd om deel te nemen aan een onderzoek genaamd Constructive Conflict Management for Value Co-Creation in Urban Redevelopment Projects: A Qualitative Exploration in the Netherlands. Dit onderzoek wordt uitgevoerd door F.A.C. (Frank) de Heus, als afstudeeronderzoek voor de Mastertrack Management in the Built Environment aan de Faculteit van Bouwkunde aan de Technische Universiteit Delft. Met behulp van mentoren: Prof.dr. P.W. (Paul) Chan en Dr. A. (Aksel) Ersoy vanuit de TU Delft en Ir. W. (Willem) Wijnen vanuit FSD.

Toelichting onderzoek

Het onderzoek gaat over de samenwerking tussen ontwikkelaars en gemeentes in de beginfase van een project. Tijdens het starten van een project zijn meerdere partijen betrokken en zijn er nog veel onzekerheden. Het gezamenlijk overwinnen van deze onzekerheden en een gezamenlijk belang en doel creëren voor het project is een van de kerntaken in dit proces. Tijdens deze fase wordt over veel aspecten onderhandeld tussen gemeentes en ontwikkelaars zoals bijvoorbeeld duurzaamheidsambities, woonquotum en verantwoordelijkheden en zijn er kaders en richtlijnen waarbinnen het project ontwikkelt wordt. Het doel van dit onderzoek is om te begrijpen hoe ontwikkelaars en gemeentes met deze belangverschillen en onzekerheden omgaan om tot een uiteindelijk zo goed mogelijk project resultaat te komen en welke factoren hier een belangrijke rol in spelen. De focus van het onderzoek richt zich voornamelijk op de rol van de ontwikkelaar.

Toelichting Interview

.....

Het interview zal ongeveer 45 tot 60 minuten in beslag nemen. De data (interview opname) zal gebruikt worden voor het verwerken, transcriberen en coderen van het interview. De geanonimiseerde resultaten die uit de verschillende interviews verkregen wordt zal gepubliceerd worden in de openbare TU Delft Repository. De primaire data worden na afronding van het onderzoek verwijderd.

Zoals bij elke online activiteit is het risico van een databreuk aanwezig. Wij doen ons best om uw antwoorden vertrouwelijk te houden. We minimaliseren de risico's door data anoniem te verzamelen en in een, door de TU delft goedgekeurde en beveiligde omgeving te bewaren.

Uw deelname aan dit onderzoek is volledig vrijwillig, en u kunt zich elk moment terugtrekken zonder reden op te geven. U bent vrij om vragen niet te beantwoorden of om naderhand toegang te vragen tot het transcript en informatie te wijzigen/verwijderen.

Bij akkoord, verzoek ik u vriendelijk om onderstaande verklaring in te vullen en te ondertekenen. Het invullen van de verklaring betekend dat u met bovenstaande akkoord gaat.

Met vriendelijke groet, Frank de Heus

Gelieve de toepasselijke box aan te vinken:

		Ja	Nee
1.	Ik heb de informatie over het onderzoek gedateerd 18-09-2023 gelezen en begrepen, of deze is aan mij voorgelezen. Ik heb de mogelijkheid		
	gehad om vragen te stellen over het onderzoek en mijn vragen zijn naar tevredenheid beantwoord.		
2.	Ik doe vrijwillig mee aan dit onderzoek, en ik begrijp dat ik kan weigeren		
	vragen te beantwoorden en mij op elk moment kan terugtrekken uit de studie, zonder een reden op te hoeven geven.		
3.	Ik begrijp dat mijn deelname aan het onderzoek de volgende punten		
	 betekent: a) Een geluidsopname van het interview (deze zal na voltooien van de transcriptie verwijderd worden). 		
	b) Een uitgewerkt transcript van het interview.		
4.	Ik begrijp dat de studie 29-02-2024 eindigt.		
5.	Ik begrijp dat de persoonlijke informatie die over mij verzameld wordt		
	en mij kan identificeren, zoals (<i>naam, contactgegevens, bedrijfsgevoelige informatie</i>), niet gedeeld worden buiten het studieteam.		
6.	Ik begrijp dat de volgende stappen worden ondernomen om het risico		
0.	van een databreuk te minimaliseren, en dat mijn identiteit op de		
	volgende manieren wordt beschermd in het geval van een databreuk:		
	anonimiseren van de transcripten: verwijdering van fragmenten zodra		
	het (geannonimiseerde) transcript volledig verwerkt is, opslag in		
	versleutelde drive, vernietiging van persoonlijke informatie na einde onderzoek		
7.	Ik begrijp dat mijn deelname betekent dat er persoonlijke		
	identificeerbare informatie en onderzoeksdata worden verzameld, met		
	het risico dat ik hieruit geïdentificeerd kan worden.		
8.	Ik begrijp dat na het onderzoek de geanonimiseerde informatie gebruikt		
	zal worden voor het eind rapport.		
9.	Ik geef toestemming om mijn antwoorden, ideeën of andere bijdrages		
4.0	anoniem te quoten in resulterende producten.		_
10.	Ik begrijp dat de persoonlijke data die over mij verzameld wordt, vernietigd wordt op 29-02-2024		

Handtekening

Naam deelnemer

Handtekening

Datum

Ik, **de onderzoeker**, verklaar dat ik de <u>informatie en het instemmingsformulier</u> correct met de potentiële deelnemer heb gedeeld, naar het beste van mijn vermogen, heb verzekerd dat de deelnemer begrijpt waar hij/zij vrijwillig mee instemt.

E 1		
Fran	k de	Heus

08-11-2023

Naam onderzoeker

Handtekening

Datum

90 | From Conflict to Value

III – In-case analysis overview Binckhorst

A 1. Con		Type of conflict	Example(s), qoutes	Developers value of conflict	Municipalities value of conflict	Developers respone	Example(s), qoutes	Municipalities response	Example(s), qoutes	Influence on developers value proposition (Quote)	Influence on municipal value proposition (Quote)	Constructively managing conflicts	Categorisation
	nflict about planning regulations		And that environmental plan comprises 3,000 pages. One of the strange things that was there is if you put a building there and you cause wind nuisance, then you have to solve it on you com plat and you are not allowed to solve it in the area. Well, if you build 140 m high an a lato of 40 bu 120 meters, then you		Procedures and regulations	Integrating, obliging		Dominating	"There was almost no consultation possible with official staff. So we had very bod discussions." D1A	"That took 2.5 year of development. More than 2.5 million in planning costs until we went for the environmental permit. And it was rejected." D1A			
1A. W	Jind study problems	Process related conflict	cannot solve your wind problems in advance on your own plot. DIA "There was no consultation possible with a wind specialist from the municipality to realize that you cannot solve 140 m on your own plot." DIA	Obtaining a permit	Procedures and regulations	Integrating, obliging	"So we had made a plan and it did not fit through the letterbox of the Environmental Plan. In any case an official could say, we disapprove of this." DJA		"So we had mode a plan and it did not fit through the letterbox of the Environmental Plan. In any case, an official cauld say, we disapprove of this."		Kept strict to their procedures and regulations	"They have now realized that they can no langer just say no, so things are going well now. The consultation is better, the attitud of the municipality, the cooperation is better. They're back." D14	
2. Nev	w busstop close to the building plot	Process related conflict	"Then the bus stop is there and we had been designing for two years and no one knew that the bus stop was going to be there. And we are told that to stay 7 m away from the sidewalk of every bus stop, otherwise you won't have enough space." DIA	Business case, obtaining a permit, cost efficiency	Procedures and regulations	Integrating, obliging	"M: Yes, that may be the case, but now there is a bus stop. D: Yes, but then we have to redo the plan. M: Yes, then you have to make the plan again. D: But then we invested 2.5 million for nothing." DIA	Dominating	D1A "M: Yes, that may be the case, but now there is a bus stop. D: Yes, but then we have to redo the plan. M: Yes, then you have to make the plan again. D: But then we invested 2.5 million for nothing." D1A	"So, we had to start over again. Well, in the end we had to decide that we had to remove that existing basement completely. In a heavily poliuted area. That entire process before we were back on the ground floor, we were 25 million further to demolish the foundation, the new basement, the oid basement, to	Kept strict to their procedures and regulations	"I think it is very positive that the developers, and I am talking about both developers IA and IB, are in a constructive position as for as I am concerned. They want to move an and they understand that we as a municipality also have an interest." PM	
3. Shif	ft of the building line	Process related conflict	"But in the meantime everything had already been pushed back 4 m on this side because of the new bus stop and then the plan was pushed back 1.5 m on this side because of that building line." D1A	cost efficiency	Procedures and regulations	Integrating, obliging	"Then the real building line is 1.5 m inwards and the building is 1.5 m from the building line. Would you like to redo your plan? Another million further. These kinds of things happen. And no ane is accountable for this or has reason to explain okay,	Dominating		arrange contamination, etc." DIA At one point the investors said, they had spent 3.5 million, now it's enough. We'll end it. DIA	Kept strict to their procedures and regulations	"The first thing we tried is to set up a joint collaboration with the developers in Binckhost. And that was intended to arrange everything that went beyond your own development." DIA	Collaboration amog developers
existin	e carrying capacity of the outdoor space under the ng basement that will soon be exploited by the cipality	Task related conflict	"Because the parking box protrudes slightly below the public ground. On top of this there will be public space, but you can only put a maximum amount of land on top of that, so it will not be sturdy enough"	Business case, cost efficiency	Risk mitigation, agreements	Avoiding	we understand what you did." D1 "But you notice that there is no incentive from that side to ensure that they commit to that, it really has to come from us." PM1	Integrating	"We from the municipality still want to make agreements with the developer. For example, about the distribution of risks across the public space design. Who will pay for the redesign of		"So it could be possible to submit the environmental permit, but the way I look at it is when I say, I still need more agreements. Let's stop the environmental permit application." PM2	In general both parties are integrating and constructively working together (especially developer 1A)	
	to is responsible and who is going to pay for ing the loading and unloading zone next to the ing	Task related conflict	PM1 "But you notice that there is no incentive from that side to ensure that they commit to this, that it really has to come from us." PM1 "They understand that somewhere and draft	Business case, cost efficiency	Risk mitigation, agreements	Avoiding	"Yes, they don't take action, because ultimately it is also the municipal problem, so it is not their problem." PM1	Integrating, dominating	public space?" PM1 "We from the municipality still want to make agreements with the developer." PM1	"Yes, and time is also important, because you have th urgency of the corporation's purchases, but also increasing interest. Before their business cases become worse and worse." PM1	e "So it could be possible to submit the environmental permit, but the way I look at it is when I say, I still need more agreements. Let's stop the environmental permit application." PM1	But for some agreements or risk alignment (money) especially developer 18 is avoiding	
			agreements have already been sent them. That hasn't been answered yet, not signed yet." PM1										
1A. Ad	djustment of the housing program	Process related conflict	"In the final phase of a permit procedure they indicated that, we are going to change the plan, because we cannot find an investor." PM2	Project concept, Business case, satisfy stakeholders	Pre-described tender conditions, land allocation agreement	Dominating		Integrating	"Logical because of all the construction costs and interest rates. Yes, quite complex, but ultimately we want to go along with it." PM2	"In the final phase of a permit procedure they indicated that, we are going to change the plan, because we cannot find an investor." PM2 - business case and satisfy stakeholders	"So it will be smaller homes, more homes, less differentiation. Less the concept with the different roof gardens. How da you still try to stick to the original submission of that concept? So that is a requirement that we provide in order to be able to justify it anywa? "PMA about pre-described tender		
1B. Ad	djustments in the land allocation agreement	Process related conflict	That percentage is included in the land allocation agreement, but that will be different now. So, we will include that in the second allonge. PM2	Business case	Pre-described tender conditions, land allocation agreement	Dominating	"You do have the feeling that they are open, but you do have the feeling that they can throw it in the trash and will continue with our own process. And if we have those permits, we will just stort building in		"Then you deviate from the tender. Well, then there has to be another council decision. Well, that's what we are committed to, for example." PM2		Joshy in Uniyedy Finiz about pre-described tender conditions "If the developer tells us. We just don't have an investor, so I don't know if construction can ever start Yes, of caurse we are concerned and we will think along." PM2		
1C. Re	ecalculation of the land price	Process related conflict	"In the land allocation agreement you have agreed on the land price and that is based on the housing program. Well, you might understand that social housing yields less and costs less, so the land price will drop considerably. And then the developer wants the new land price, based on the new program." FMJ	Business case	Land allocation agreement, land price	Dominating	a few months: " PM2 about D2 "As a municipality you actually want to stick to the original amount in the land allocation agreement. And a developer who wants the new land price, based on the new program." PM2	Obliging		"And the developer wants the new land price, based on the new program." PM2	"If the developer tells us. We just don't have an investor, so I don't know if construction can ever start Yes, of course we are concerned and we will think along." PM2	"If the developer tells us. We just don't have an investor, so I don't know if construction can ever start. Yes, of course we are concerned and we will think along." (PM2)	Understanding and expectation settings
2. Con the de	nsequences of permit and zoning regulations on esign	Process related conflict	"The official permit application process has been very difficult" D2	Completion of the project, Obtaining environmental permit, project concept	Procedures and regulations	Integrating	"Financially is not the problem at all. The problem has been that it took so long. So they soy, wind pollution is not good. Okay, what can we do about it, turning the tower well, no, is not good yet." D2	Avoiding	"The assessing persons who have to assess the permit application have no idea that it is a tender, that the municipality has selected this plan, that within that tender you have a number of conditions that the municipality itself has asked us, which we must comply, which may then be less useful or less interesting on other points when it comes to what the assessing offer thinks." Do 20			"I think if you enter into convensitions a little more transporently, you can understand each other a little faster, and thenfore perhaps come to each other source". PM2	Transparency
			"The difficulty with this process is that once you have applied for your permit, the difficulties only arise." D:				"The problem has been that it took so long. So they ask, wind pollution is not good. Okay, what can we do about it, turn the tower. No, not good yet. Yes, what can we do then? All those small steps togethe- tions almost them uncer "		"As a project manager you are more between a policy department and a developer. But you do want all the policies to be implemented and you also want the developer to be happy in the end and that construction will instant "DNC"		long procedure, a permit procedure." PM2 "The goal of both is clear, but ultimately the path to		Transparency and problem solving
assess c	sment committee for permit application		"You may allow a higher noise level in certain places on your facade than in other places and you must compensate for this with, for example, sustainability measures in the plan. Well, we had done that neatly, mostly the same as another project in Discharget	obtaining environmental permit, business case	Procedures and regulations	Dominating	Then I solid: If you disapprove of this, then I simply have no plan, because I cannot take facade measures to optimise it, that is simply not possible, because that is too much." D2		up with another sub-proposal." D2 "You have to deal with deadlines for submitting documents of the time. And new the municipality.	with another sub-proposal." D2	"Pes, apparently so, because they then come up with solution that suited us." D2		
Stoppi no hou	ing the development process, because there are using reservations anymore		"There is no zoning plan, so to speak, in that sense no zoning plan with housing. That is in the making in the environmental plan 2.0. But thet was ultimately put an hold." PO3 "Ultimately, the entire process came to a standstill because a new environmental plan had to be drawn up. Because 5,00 homes had already been released.	environmental plan, location value	Procedures and regulations, mixed work and living area	Integrating	"It's really about vision, so we try to help the municipality develop a vision, and in that respect we start small, namely with our own plot. Even though it is already quite big. But we are trying to include the area as widely as possible, so that the vision for the entire area will soon be aligned and fit into the environmental plan 2.0." PD3		"And then the municipality said, we will wait a few years, because we are just not at the point where we can really assess the plan, so." PD3	much money and energy is invested and then it is simply not feasible. Then maybe it's better to just	possible, because we first have to have our new environmental plan and that will take quite a long	T is very important to put all the different perspectives together and make something out of them together. It cannot be the case that we only act fram are thought or one perspective, because then you will not create something that it good for the future. At a company, we really have a lot of knowledge of the market that we can add and we also see real trends towards the future. ¹⁰ 30	
			D3 "We then made agreements with the municipality in a letter of intent stating that we may build a minimum of 400 homes here. Ultimately, the entire process can be a standstill because a new environmental plan had to be drawn up." PD3	Agreements, estabished environmetal plan	Procedures and regulations	Integrating	"Because 5,000 homes had already been released. So they had already been issued in 2014. Then you cannot simply add another 5,000 homes as a municipality, because the accessibility of the area is very important for this, for example." PD3		*Only the first 5,000 homes in the environmental plan are divided among the plans that currently under development. So we really wonted to get started here with a housing plan in combination with work for the asphalt plant. But, we cannot anticipate this, so we have to take a pause with housing projects that fall outside those 5,000 homes.* (PM3)	"If you want to create something good, you have to "If wink about it carefully at the front end. But at some point, if you're constantly being held back, it's going to end somewhere." PD3		Yes, I really believe in working together in an early stage, you can't do that an your own. D3	Early involvement
						Integrating	"Anyway, we really want to get started with that asphalt plant, but for now it is not possible because the usable space in the current environment has rur out. So then we said, with the developer of well, this is a super large site, a very nice place on the water. No are will be happy if we end up with a barren plain here for 5 years to come and luckily th developer self dird's ruwnt that either." PM3		homes. PM3 "Anyway, we really want to get started with that asphalt plant, but for now it is not possible because the usable space in the current environment has run out. So then we said, with the developer of, well, this is a super large site, a very nice place on the water. No are will be happy if we end up with a barren plain here for 5 years to come and luckit the developer soft didn't want			Look, my personal relationship with developer 3, me as project leader and the developer. That personal relationship is very good we can get along very well with them. PM3	
Tempo	orary use of the location for place making		"What plays a role in these temporary initiatives is: There are many rules in the environmental plan, but they are all based on new construction or those large residential towers. And we do not have separate rules for temporary initiatives." PM3	Location value, social impact	Procedures and regulations, room for existing commercial activity, location value	Dominating	"The developer was very critical of the municipality, don't you also want placemaking? Why do you come up with all those rules now?" PM3	Dominating	that either." PM3 "Then said that idea for that pavilion. Then the municipality came up with here you have a	"They said this is going to take way tao much time, cast way tao much money and I understood that." PM3	"You had to substantiate everything, even if it was na applicable. But that was just a lot of work and we have now actually turned that around." PM3	t Developer 3 also mentioned the cooperative association of developers to speak with one voice towards the municipality and have aligned goals (D3).	Collaboration among developers
	dor circle from the asphalt plant prevents the	Process related conflict			Procedures and regulations, projec	Integrating		Integrating	"You had to substantiate everything, even if it was not applicable. But that was just a lat of work and we have now actually turned that around." PM3				
	ruction of the reserved homes		there, it had a certain adar circle. As a result, we were able to build fewer homes in the Binckhorst. So it was important that the asphalt plant was closed." PM3 "Certain reports in the environmental plan had not		completion								
Odor r	nuisance from the asphalt plant	Process related conflict	"Certain reports in the environmental plan had not been carried out correctly, which meant that 2,400 homes could not be built." PD4	Business case, completion of the project	New housing provisions, progress of the area development	Integrating	"This starts at the very beginning of the environmental plan, by working together as developers: By saying: okay, we all have our own ideas, also about our projects. But it cannot be that we don't have overarching interests, because ultimately we all want 5,000 homes to be built."	Avoiding	"The municipality has been in resistance for a long time. We tried to better substantiate it, etc. Also raised how big this problem really was. No, it's not just our homes. Look, there are so many, 1000 homes." PD4		"Yes, if you calculate it that way, a lot of homes cannot be built in the Binkhorst, well, that would put half the area development on hold. So all the alarm bells went off at the municipality too." PM4		Relationship building and communication
						Dominating	PD4 "Yes, that starts with seeing whether you can convince officials. If that is not done ar said enough, I don't want to hear you, because that is difficult for us now. Then you escolate upwards." PD4		plan for the first housing construction tranche of the Ministry of Internal Affairs for housing construction, in order to receive a contribution to close the asphalt plant." PM4	market parties. What is it worth to you? Because that's what we were preparing for." PD4	for the first housing construction tranche of the Ministry of Internal Affairs for housing construction, i order to receive a contribution to close the asphalt plant." PM4		
Movin trees	ng or the building line because of newly planted		"And suddenly a new policy is introduced or new trees have suddenly been placed in the street by the municipality without consultation, and they seem to be growing quite large." PD4	Obtaining a permit, business case, project concept	Procedures and regulations	Integrating	"Then you first substantiate why that is not a good solution from a technical point of view, because there are urban development frameworks. You will substantiate what agreements have been made ana you will propose an alternative for those trees, how you could solve this properly." PD4	1	before submission of the environmental permit. Everyone has the consensus until one discipline of	completely correctly. I don't think this can be the case What you're saying here is: make a completely new design. Yes, then there is only one thing left to do and	is now, then we want there to be as few logistical	"From the moment i joined, Developer 4 has always been the t developer and I have been the project leader, so in that respect we have had quite a bit of continuity of people involved. I think that really helped too." PM4	Relationship building and consistency
						Integrating	"Well, we did have quite a discussion about the building line on Melkwegstraat and trees that would be placet there. As the process progressed, some ambiguity arose and we had some tough discussion about it at the time. But I have always seperinced o professional, good party with whan you can simply have o business discussion." PMA	4 s	"So then we said yes, okay, if this is really not possible and those trees cannot be there, then so be it, then perdaps we should go along with that, but only if good agreements are made about the use of that sidewalk." PM4		"Well, you need a little flexibility there. This is very desirable for such large projects in such complex inne ety area developments. However, that is difficult, because you have certain rules that you have to comply with. So the persons who tests that, the relevant department, will always want to stick to it as much as possible. And letting go of something, something quite complicated, so to speak." "PMA	"But the developer had a bit of a pioneering role in this from the builders and drew up all projects an one drawing. And sa developer 4 has done quite a lot of work on this" PM4	Risk identification and mitigation
	I housing will not be rented by a housing lation		"Well, one of the nerve-wracking things in this project was, I think, that we do have a deviation from the environmental plan and that is that the social housing is rented out by investor X and not by a social housing association, then you deviate." PM4	Selling the project	Procedures and regulations	Integrating	"But the entire preliminary process for that and the argumentation as to why we would want to do it this way, we did have a lot of coordination with developer 4 about it and I think in a good way, with the ultimate result that it was successful." PM4		Then our management actually solid that it was very important that this happened. So how is it possible? Well, then investor X takes came up and ultimately it meant that we were able to implement the plan. PM4	of the project between our management and the management of developer 4. But the project was	made quite a lot of agreements in the land allocation agreement, about social rental housing, and we have	that this happened. So how is it possible? Well, then Investor X idea came up and ultimately it meant that we were able to	
												"I would like to manage the project with the municipality even	Early involvement

Power dynamic

Developer had to satisfy stakeholder (investor), no incentive for the municipality wer over permit and planning as initiated and land was owned by the develop was no urgence from municipality side Incentive for the municipality and no incentive to make financial agreements for the developer and pality hold the power over permit and planning tions Plan was initiated and land was owned by the municipality. This gave them the urge to complete the project. The was a land allocation agreement but the developer hadn't paid yet. When the program changed this gave them an extra power. the power over land use planning Big developer with own money, hadn't spent money on the land yet. So they could say this is my limit. Developer has a big and important plot in the area Municipality hold the power over permit and planning regulations d and has a lot of loper has is finat vledge in house cked and has a lot of Developer has is financial knowledge in house noney from the government ot was owned by the mother company of the develope

"This is possible because we had the land allocation agreement with the municipality, which also stated: well, you have to take everything into account, but the odor nuisance, that is our responsibility: PD4

IV – Consolidated table of emerging conflicts