

Active versus Passive Land Policies

Urban Area Development in the Netherlands
from a Municipal Perspective

P5 Final presentation

January 31, 2020
Matthijs Witting
4279689

Mentors:

Dr. Ir. E. Heurkens
Dr. Mr. F. Hobma
Ir. M. Stout (TwynstraGudde)

Delegate Board of Examiners:
Ir. H. Plomp



The logo for TU Delft, featuring a stylized black flame icon above the letters 'TU' in blue and 'Delft' in black.

TU Delft

The logo for TwynstraGudde, consisting of a red circle with a white stylized 't' icon, followed by the text 'TwynstraGudde' in red.

TwynstraGudde

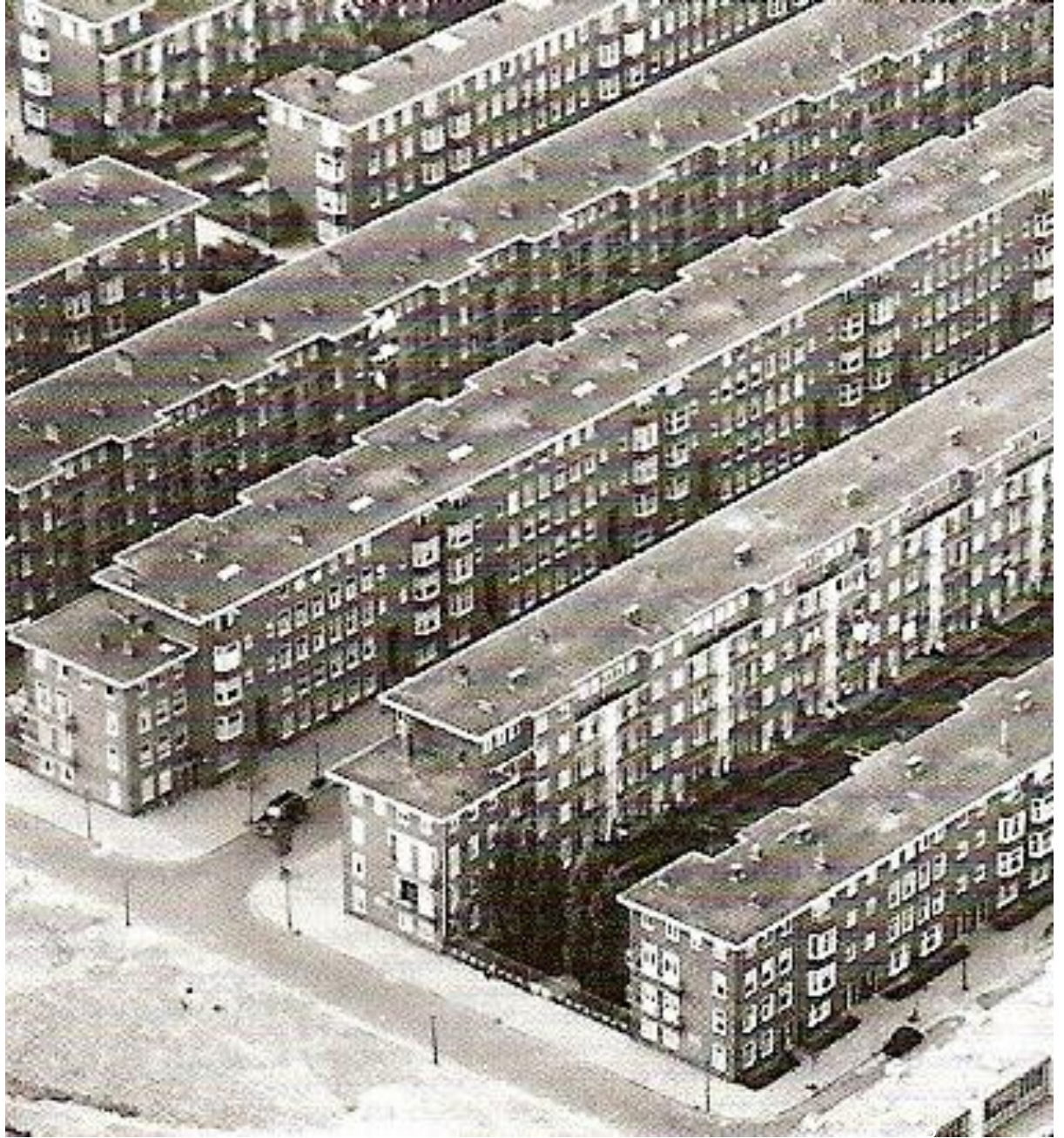




Image left: <https://www.volkskrant.nl/>

Image right: <https://www.nederland-in-beeld.nl/>





Active land policy^[1]

“Public bodies make plans, regulate the use of land, purchase and assemble the land, provide the infrastructure and finally dispose the land to real estate developers who construct on the land and dispose the built property.”

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Passive land policy^[1]

“Public bodies make plans, regulate the use of land, and allow private bodies to perform the remaining actions”



Land policy recently



gebiedsontwikkeling.nu
platform voor kennis, nieuws en opinie

eer



Nieuws

Onderzoek

Opinie

Dossiers

Projecten

Agenda

Actief gemeentelijk grondbeleid onwenselijk

Door Edwin Buitelaar

16 jan 2015 - **Sinds de crisis is er veel kritiek op**
gekomen, met name als gevolg van de financiële
ermee gepaard bleken te gaan. Voor een goed

Deloitte.

nummer 25, oktober 2011

GREX*pert*

Verliezen op grondexploitaties

Begin oktober heeft minister Schultz van Haegen het rapport 'Financiële effecten crisis bij gemeentelijke grondbedrijven – Update 2011' aan de Tweede Kamer aangeboden¹. Dit rapport van Deloitte Real Estate Advisory is een update van een onderzoek uit 2010. De verliezen op grondexploitaties blijken groter te zijn dan eerder verwacht. Als gevolg hiervan kunnen ook meer gemeenten in de financiële problemen raken.

Land policy recently

- Situational land policy
- Passive, unless...

Land policy recently

Criticism + Losses + Policy changes = ~~Shift to passive land policy~~

Bregman et al. (2018)^[2]: no actual changes

Knowledge gap

- Policy
- Practice
- Something in between

“What are the considerations that lead municipalities to opt for active or passive land policies in urban area development?”

Literature review

What is the choice about?

Sub-question 1:

Characteristics

Sub-question 2:

Variants

Empirical research

How and why is this choice made?

Sub-question 3:

Consistency policy and practice

Sub-question 4:

Reasons for choice

Literature review

Characteristics

Active land policy

Legal tools

Pre-emption right

Expropriation right

Purchase agreement



Characteristics



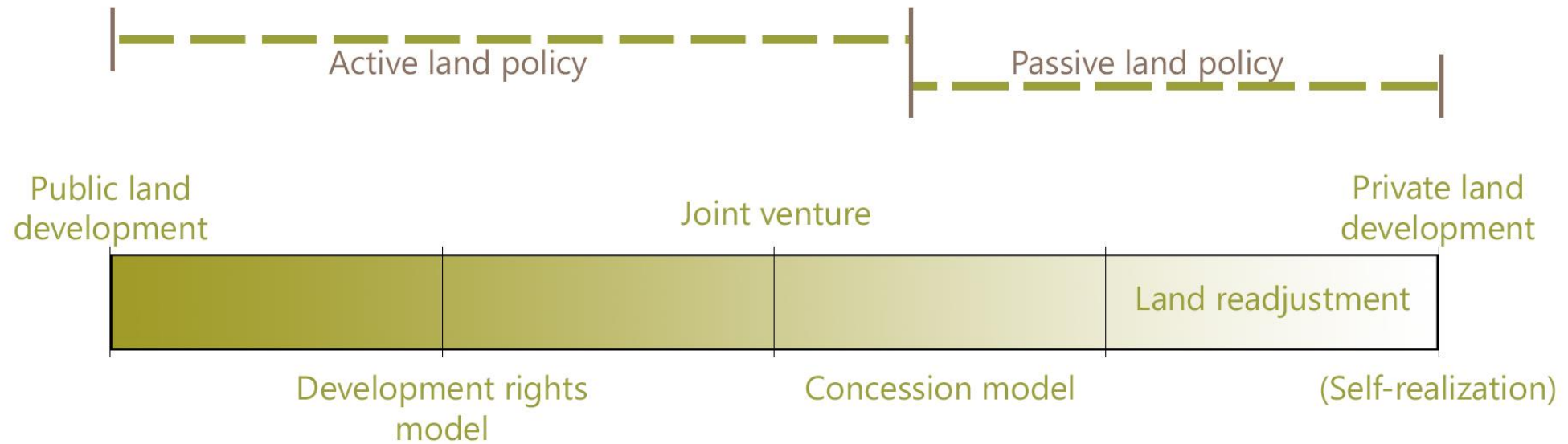
Passive land policy	
Legal tools	
Site development plan	Structure vision
Anterior agreement	Benefits tax
Land use plan	Cost recovery beyond plan

Characteristics

Active land policy	
Benefits	Main criticism
Value capturing and financing public amenities	Financial risk
Enhancement of stable investment climate	Democratic legitimacy
Steering on public objectives	
Stimulation of development	

Passive land policy	
Benefits	Main criticism
Absence of financial risk	Effectiveness of cost recovery
Counteracting speculation	Legal complexity
Lack of capacity	
Clear public role	

Variants

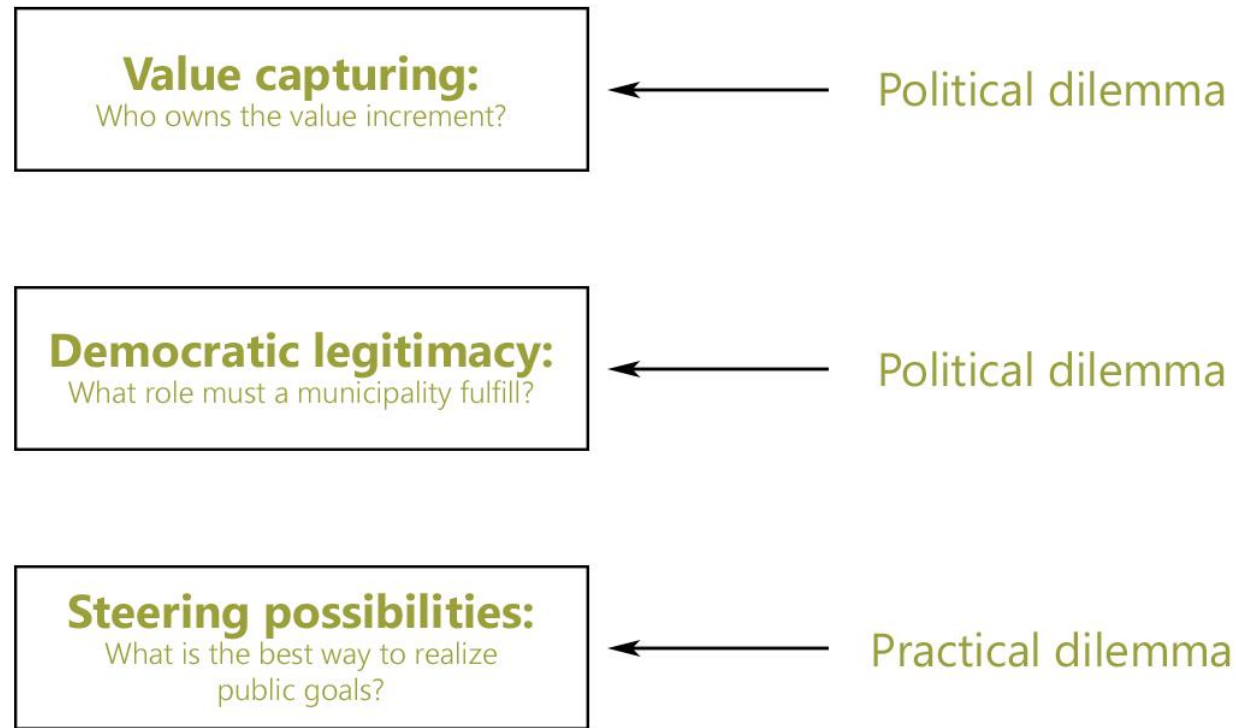


Conclusion

Active land policy	
Benefits	Main criticism
Value capturing and financing public amenities	Financial risk
Enhancement of stable investment climate	Democratic legitimacy
Steering on public objectives	
Stimulation of development	

Passive land policy	
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Clear public role	

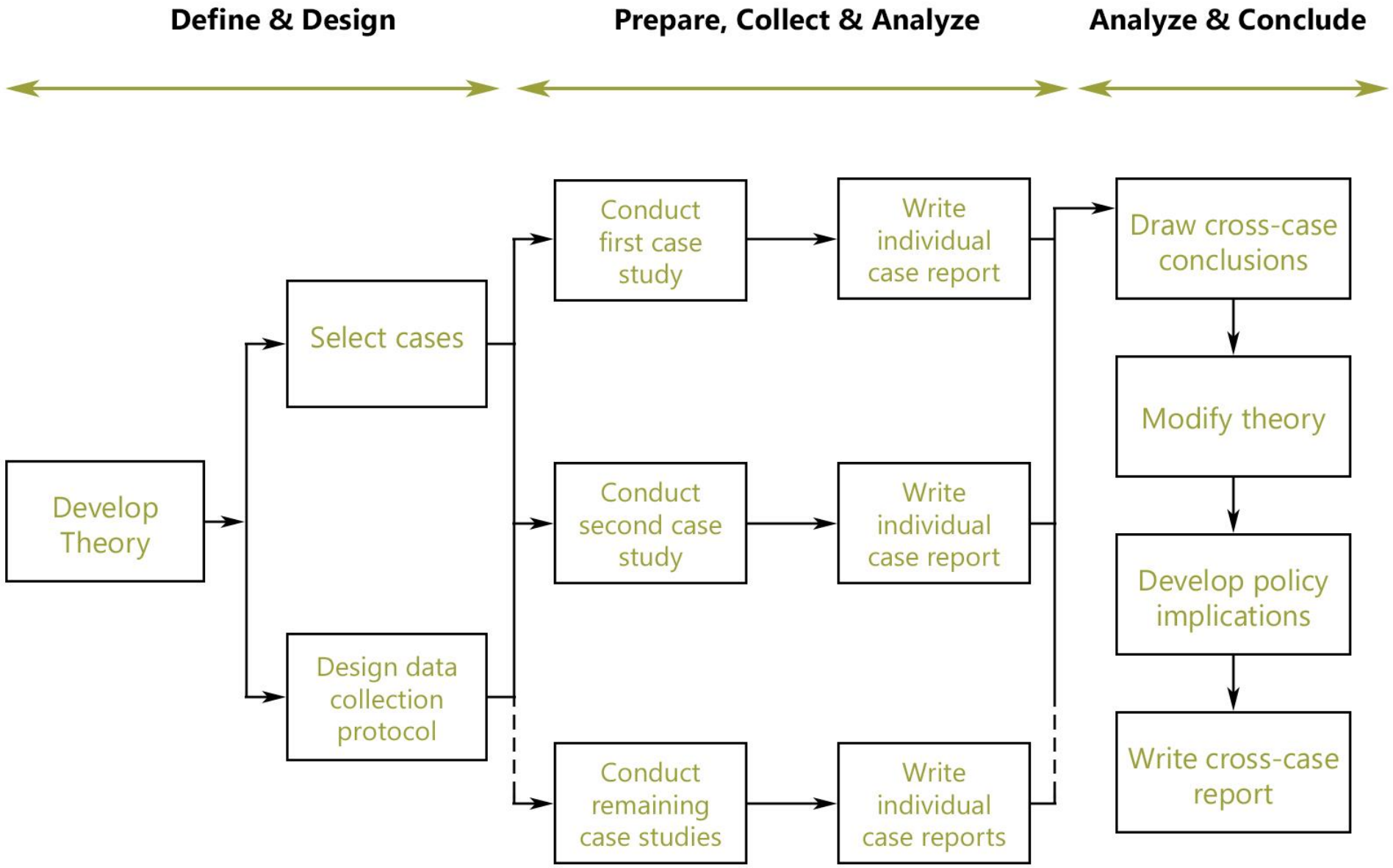
Conclusion



Empirical research

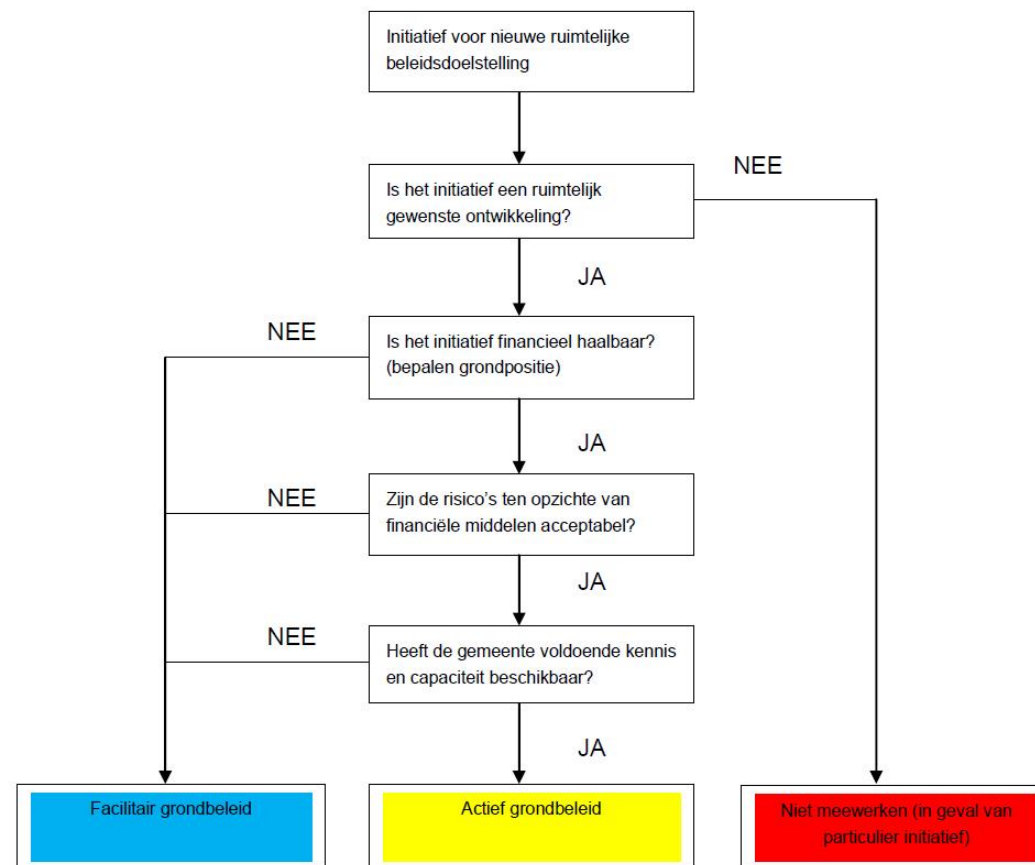
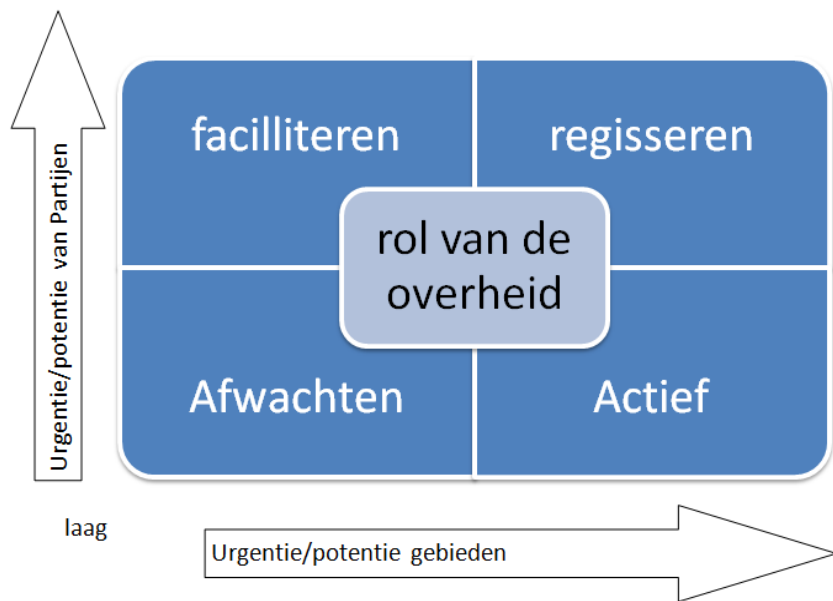
Case studies

- Studied municipalities
- Document study
- Semi-structured interviews



1. Amersfoort
2. Zaanstad
3. Zwolle
4. Leiden
5. Katwijk
6. Stichtse Vecht
7. Barneveld
8. Rotterdam





Reactive policy making



Justification of actions
towards municipal council



Proactive policy making



Input for decision
making



Consequences

- Outdated policy
- Bad decision making

Considerations on why

- Mainly arguments for active
- Lot of exceptions
- Ad hoc land policy

Reasons for active

	Prevention of hold-outs	Unattractive development	Completing plan area	Quality of public space	Relocating current functions	Land ownership	Phasing	Program
Amersfoort				x	x	x		
Zaanstad				x		x		
Zwolle		x	x			x		
Leiden	x		x	x				x
Katwijk		x			x	x		
Stichtse Vecht			x			x		x
Barneveld	x		x		x	x	x	x
Rotterdam	x	x					x	x

*empty spot only means the issue was not specifically addressed by the respondents, not that the issue plays no role

Pop. = 100.000



+ 25.000

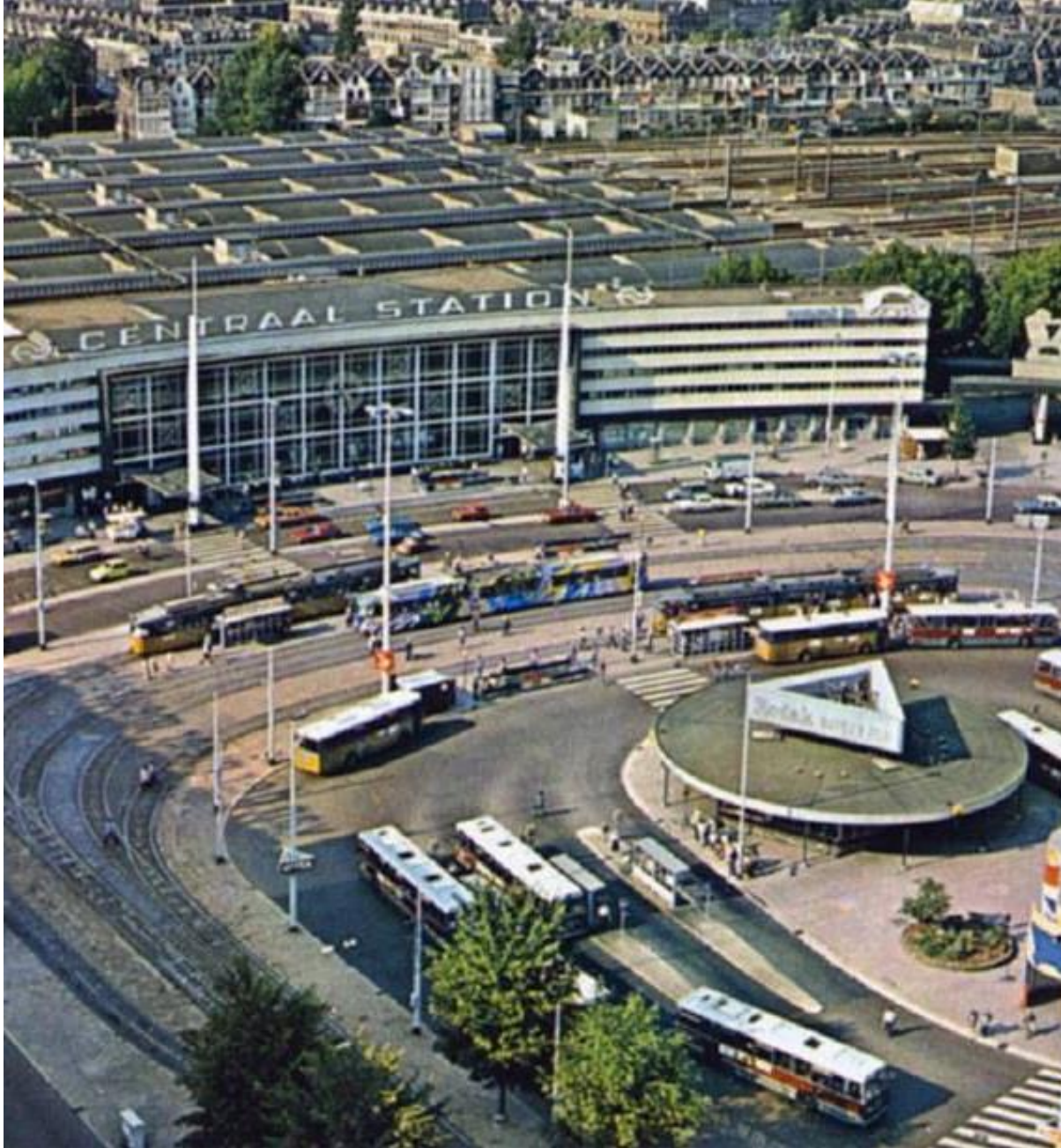


University



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Reasons for passive

- Land ownership
- Program
- Aesthetic quality
- Market functioning

Movement

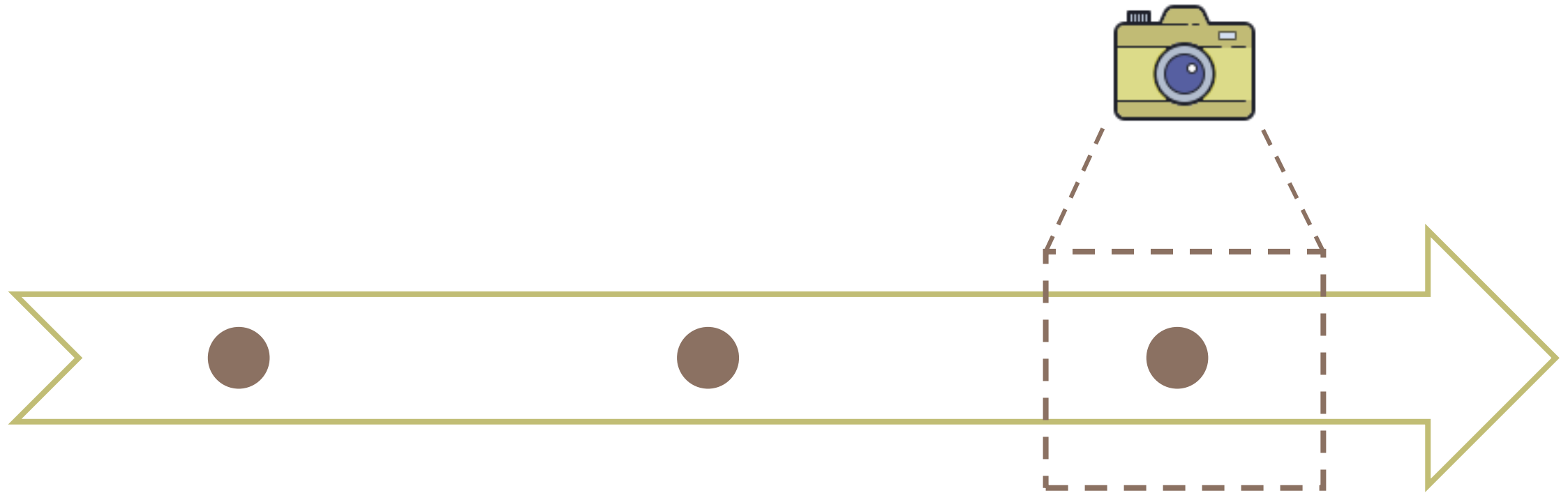
- New land policy
- Careful movement to active
- Housing shortage and climate change

Expert panel

- Confirmation of chaotic times
- Loss of expertise causing 'passive, unless...'
- Disconnection is because lack of communication

Final conclusions

Land policy timeline





Land policy

- Not so much politically motivated
- Changed role
- Projects didn't change

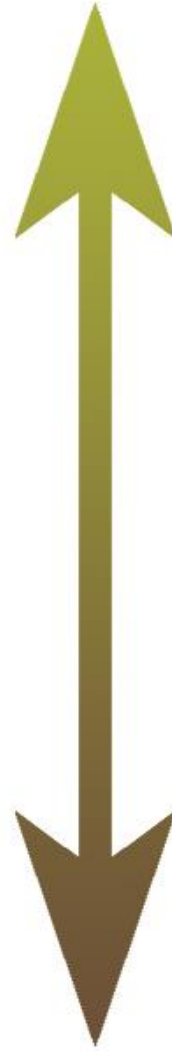
Political level
(policy)

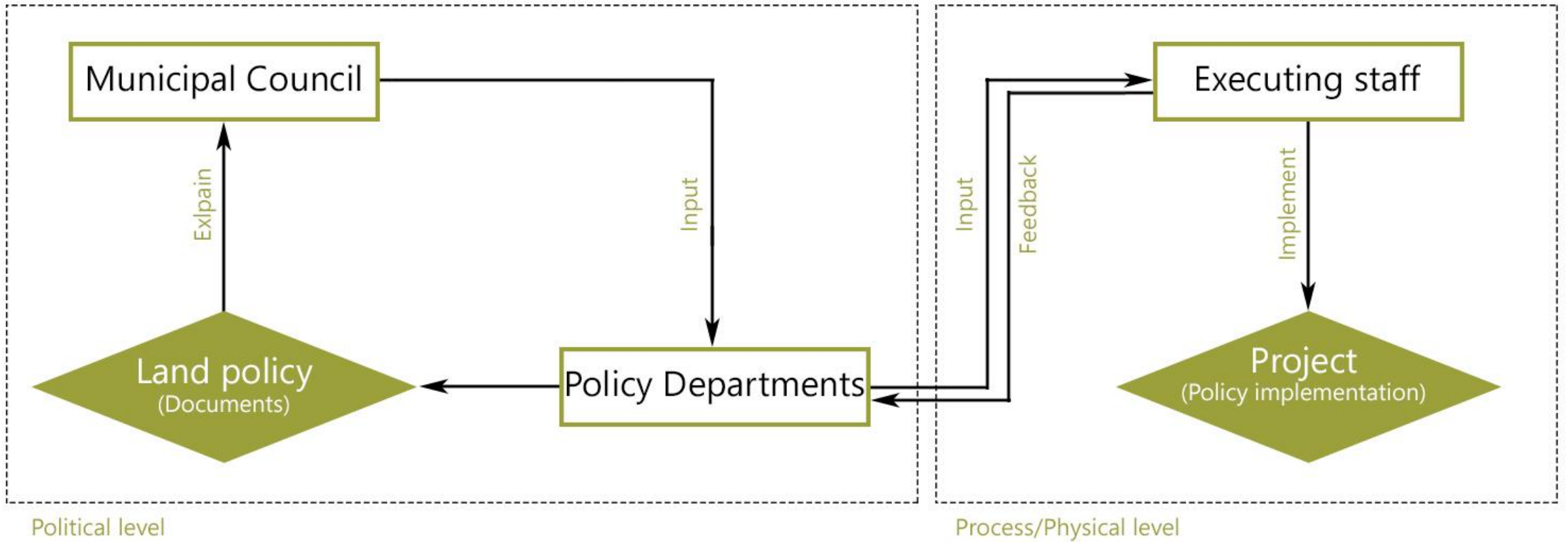
Process level
(development)

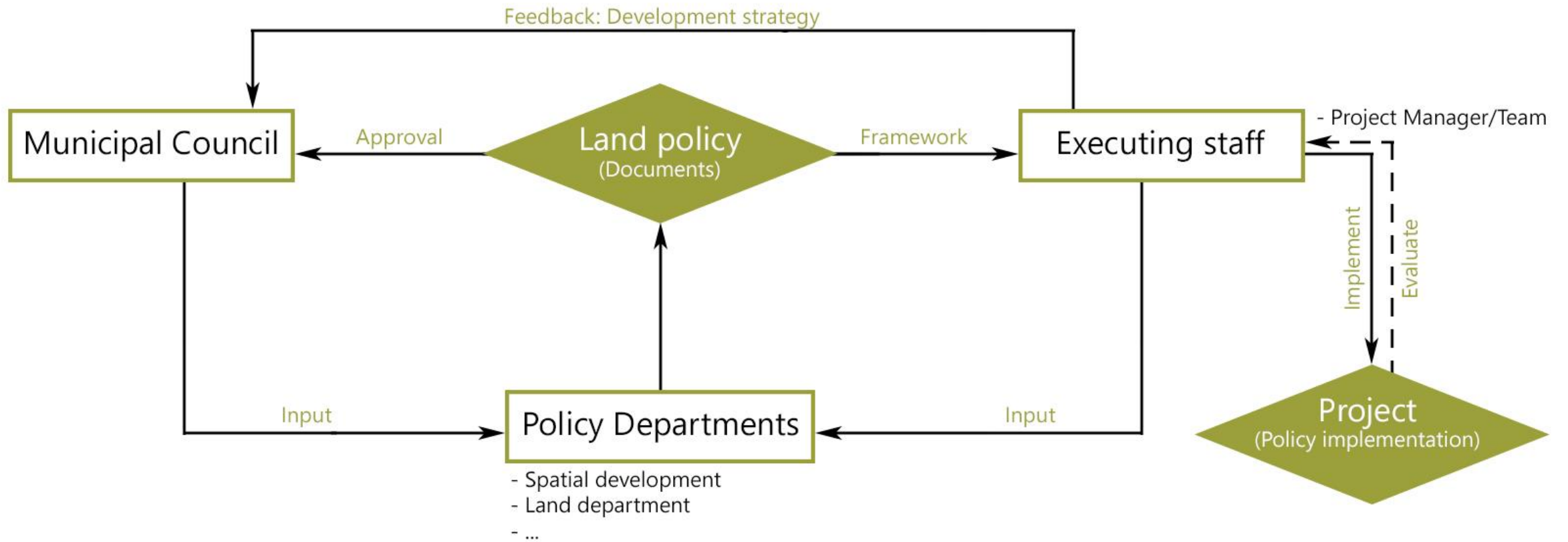
Physical level
(real estate)

Large scale

Small scale







Municipal characteristics

Organizational capacity

- Passive land policy (site development plan)
- Active land policy (risk management)

Municipal ambitions

- Growth ambitions
- Social housing options
- Sustainability ambitions

Goals from other policy departments

Level of initiative of third parties in municipality

Project characteristics

Specific goals with the project

Desired timeschedule

Profitability of projected program

- Solid businesscase?
- Risk profile/assessment

Previous plans and preparations

Location characteristics

Ownership division of land

Existing real estate

- Demolishing current stock?
- Is there new infrastructure needed?

General attractiveness of the area

Vulnerability of location

- Nature in the area
- Archeological value
- ...

“What are the considerations that lead municipalities to opt for active or passive land policies in urban area development?”

In conclusion

- Several levels in which considerations take place
- Crisis led to passive, challenges lead to active (political level)
- Several context dependent considerations per project (process/physical level)

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Thank you
for listening

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References

- [1] Muñoz Gielen, D., Maguregui Salas, O., & Buron Cuadrado, J. (2017). International comparison of the changing dynamics of governance approaches to land development and their results for public value capture. *Cities*, 71, 123-124.
<http://dx.doi.org/10.1016/j.cities.2017.05.012/>
- [2] Bregman, A.G., Karens, J.J., Buitelaar, E.W., & De Zeeuw, F. (2018). *Gebiedsontwikkeling in de nieuwe werkelijkheid: onderzoek in opdracht van het Ministerie van Infrastructuur en Waterstaat en het Ministerie van Binnenlandse Zaken en Koninkrijksrelaties* (Rev. Ed.). 's Gravenhage, Nederland: IBR, Instituut voor Bouwrecht.
- [3] Yin, R.K. (2002). *Case study research: Design and methods*. Thousand Oaks, CA: SAGE Publications.
- [4] Gemeente Amersfoort. (2014). *Nota Grondbeleid 2014*. Retrieved from <https://amersfoort.raadsinformatie.nl/document/1186057/3>
- [5] Gemeente Stichtse Vecht. (2013). *Notitie Grondbeleid*. Retrieved from: <https://repository.officiële-overheidspublicaties.nl/externebijlagen/exb-2018-1655/1/bijlage/exb-2018-1655.pdf>