

**Forms of privatization in Dutch urban development
From unsolicited proposals to private quality safeguarding**

Heurkens, Erwin; de Zeeuw, Friso

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FORMS OF PRIVATIZATION IN DUTCH URBAN DEVELOPMENT: FROM UNSOLICITED PROPOSALS TO PRIVATE QUALITY SAFEGUARDING

An unsolicited private proposal, a flexible masterplan and land-use plan, a quality team that overtakes the role of the public aesthetics commission, and private quality safeguarding for plan judgement and construction supervision. These instruments and agreements are used by housing association De Alliantie, the Municipality of Amsterdam, and other parties in the urban development project Theo Koomenbuurt on Zeeburgereiland. These agreements are exemplary for a gradual shift towards privatization in Dutch urban development practice. This article identifies the case-specific characteristics of and the actor experiences with these market-oriented instruments. In addition, it draws lessons for Dutch development practice: do these instruments result in process acceleration, cost efficiency, and balanced spatial quality?

The Theo Koomenbuurt is part of Zeeburgereiland in Amsterdam. In 2013, it was a serviced piece of land owned by the municipality. Its development got slowed down as a result of the unfavourable real estate market circumstances at that time, and the strict land-use plan rules applicable to the site. Despite this, housing association De Alliantie and the Municipality of Amsterdam found each other in the ambition to develop this area, as there was a need for housing in the Amsterdam region. Through workshops, an urban development vision for the area was developed, supported by various parties. More importantly, the involved parties strived for process acceleration and simplification, cost efficiency, and a high spatial quality, by making innovative agreements for the plan development, plan review, development and role division. For these agreements various 'market-oriented' instruments were applied, which are described and evaluated hereinafter. The findings are based on research conducted by the Praktijkleerstoel Gebiedsontwikkeling (see Heurkens, 2017).



UNSOLICITED PROPOSAL

De Alliantie submitted an unsolicited proposal to the Municipality of Amsterdam. This proposal for the site contained a spatial vision and programme, a lumpsum land bid, a project planning, and role division. The municipality could restrain itself from market selection based on a public European tender, as the following conditions originating from the Müller-arrest applied:

- Land transaction between public and private organisation;
- Land owned and serviced for development by a municipality;
- No additional municipal requirements apply than existing public legalisation;
- No direct economic interest for municipality.

The involved actors state that this unsolicited proposal has avoided the often costly, complex and time-consuming tender procedures. They also agree that in similar circumstances, unsolicited proposals could be a suitable alternative for market selection.

FLEXIBLE SPATIAL FRAMEWORK AS A MASTER PLAN

Parties in the Theo Koomenbuurt have used a flexible spatial framework as a master plan, which contains remarkable features. A spatial agreement contained ten general spatial rules for the site



Figure 1.
Theo Koomenbuurt under construction
(photo: Heurkens, 2017)

as minimum requirements to comply with. Moreover, the plan itself contained bandwidths and development margins (+7,5% gross floor area), and the ability to change between housing segments (owner-occupied vs rental housing) when necessary. This flexible spatial frame has accelerated and simplified decision-making on partial plans, as it was able to cope with changing market circumstances

(demand for smaller apartments), and changing legislation (Nouvelle van Blok). Most actors involved are quite content with the delivered spatial quality, although some state it is too early to judge this.

GENERAL LAND-USE PLAN AND AESTHETICS FRAMEWORK

The Municipality of Amsterdam issued a general land-use plan for Zeeburgereiland in order to simplify the spatial rules for the Theo Koomenbuurt. In addition, a general aesthetics framework was developed based on just seven criteria for plan reviews. With these instruments the municipality was able to judge plans more easily and give planning permission. Also it was clear for the housing association that plan proposals had to at least comply with these general rules. Parties agree that both instruments were effective in simultaneously giving direction to and freedom for design and plan proposals.

PRIVATE QUALITY SAFEGUARDING AND QUALITY TEAM

Quite interesting is the application of the method of Private Quality Safeguarding (Dutch: Private Kwaliteitsborging) as a pilot for the Law Quality-safeguarding in Construction (Dutch: Wet Kwaliteitsborging in de Bouw). With this method private commissioners (in this case the housing association) is responsible for safeguarding the quality of plans and supervising construction activities according to the Building Decree (Dutch: Bouwbesluit). Formerly this was a task carried out by municipal departments of Permissions, and Supervision and Maintenance.

With the new Law becoming effective in the near future, actors decided to experiment with this method. A certified private quality safeguarding company, InterConcept, was appointed to judge plan proposals, and supervise the quality during construction, in accordance with the Building Decree, by making building plan and project completion reports. In addition, a Quality Team consisting of an architectural supervisor, municipal planner, and a housing association representative, was set up. This team had to give preventive advice on and judge proposed building plans on the basis of the Aesthetics Framework. With both preventative judgements, the municipality could give planning permission as remains the former public authority to issue permits.

Most parties agree that it was valuable to experiment with both plan-and-construction-quality solutions as it has considerably reduced the common Wabo-procedure time (8 plus 6 weeks) used for issuing planning permissions. However, most actors were unaccustomed with this method and the changed public-private responsibilities and tasks, which led to some frictions during the development process. At a certain point it seemed there was a dual private and public supervision of the quality of construction, leading to distrust amongst parties. Nevertheless, Private Quality Safeguarding resulted in some advantages, such as increased transparency in the process due to the reports. Also it was an impulse for 'market transformation', as contractors acted more consciously and responsible as illustrated by the appointment of internal construction quality teams.

LESSONS FOR DUTCH URBAN DEVELOPMENT

The following lessons can be formulated based on the Theo Kooimenbuurt case.

LESSON 1

Unsolicited proposals are an alternative for market selection tenders
Unsolicited proposals provide an effective alternative for market selection based on complex tenders, in situations of a pure public-private land transaction, based on a serviced piece of municipal land, without extra public requirements and municipal economic interests.

LESSON 2

Instrument mix crucial for process acceleration in urban development
Precisely the combined use of instruments in the Theo Kooimenbuurt resulted in considerable process acceleration, which provides organisations active in urban development with the opportunity to speed up development procedures and processes and take responsive action to meet growing housing demand.

LESSON 3

General plans/frameworks and Quality Team lead to flexibility and spatial quality
Using a general land-use plan, aesthetics framework, a master plan, and a competent Quality Team for plan development and judgement, can lead to spatial-programmatic quality and flexibility to react to changing market and legal conditions.

LESSON 4

Private Quality Safeguarding leads to transparency and market transformation
Despite the somewhat negative messages in professional and

popular media about Private Quality Safeguarding, it seems that the method also increases the transparency about plan and construction quality, and triggers 'market transformation' resulting in a quality-conscious construction sector.

LESSON 5

Collective organisational learning plan to institutionalize new methods
In order to effectively learn from pilot projects it is necessary to preventatively develop and consciously deploy a collective organisational learning plan that enables the 'institutionalization' of new ways of working within and between organisations (Wiseman, 2007).

CONCLUSIONS

In conclusion, it can be argued that the market-oriented instruments used in the case study represent some more recent forms part of a slow-ongoing transition towards forms of privatization in Dutch planning and development practice and law (Heurkens et al, 2008; Heurkens, 2012; Hobma & Heurkens, 2014). The case illustrates that, even in a strong public-led planning and development practice like Amsterdam, some privatization principles like deregulation and transferring public tasks to private organisations are present.

In addition, the various instruments used in the Theo Kooimenbuurt offer definite potential for Dutch urban development practice, in terms process accelerating, simplifying, cost-reducing agreements and working methods. It is less clear if these instruments and agreements also indisputably lead to high quality urban places, although the case seems to suggest that with the various agreements, both spatial and construction quality can be safeguarded.

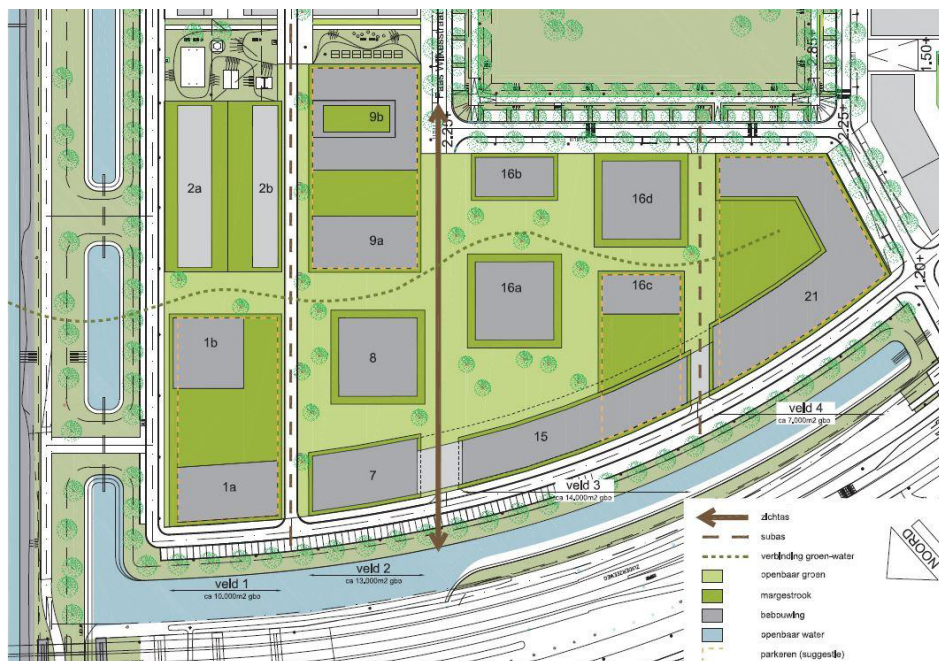


Figure 2.
Masterplan Theo Kooimenbuurt
(source: aTA).



Figure 3.
Theo Kooenbuurt upon completion
(source: De Alliantie)

Finally, from a Dutch development culture point of view, it remains to be seen whether both public planning authorities and private development companies are institutionally receptive and behaviourally responsive to these (new) forms of privatization in Dutch urban development practice.

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ERWIN HEURKENS

Erwin is an assistant professor at the TU Delft. He is coordinator of the Urban Area Development Graduation Laboratory. His publications can be found at www.erwinheurkens.com



FRISO DE ZEEUW

Friso is a professor of Urban Area Development at the TU Delft. His expertise is primarily in the area of spatial design and the role of the market and the government in this. In addition to his work at TU Delft, he holds various management positions and is a member of several supervisory boards.