

# Building land and the urban land development process

## characteristics, rights and markets

Shaping the Change - XXIII FIG Congress, Munich, Germany, October 8-13, 2006  
TS 75 – Issues Arising in Land and Property Development  
Danielle Grootelaers  
November 1, 2006

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## It is all about land!

- Economic Aspects
- Legal Aspects
- Aspects combined
- The Dutch case
- Analysis and conclusions



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## Economic aspects Characteristics of land

- Cannot be made
- Unique position/location
- Unique quality
- Very durable
- In the Netherlands: scarce product

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## Economic aspects Value of land

- Ricardo:  
"The price of corn is not high because rent is paid, but the rent is paid because the price of corn is high"
- Residual method:  
Land prices are set on the housing market

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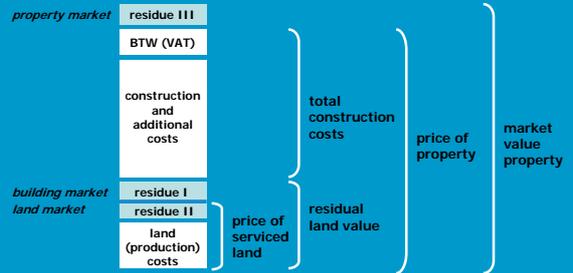
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## Economic aspects Residual method



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## Legal aspects ECHR Article 1 Protocol 1: protection of property

- Every natural or legal person is entitled to the **peaceful enjoyment of his possessions**. No one shall be **deprived of his possessions** except in the public interest and subject to the conditions provided for by law and by the general principles of international law.
- The preceding provisions shall not, however, in any way impair the right of a State to enforce such laws as it deems necessary to **control the use of property in accordance with the general interest** or to secure the payment of taxes or other contributions or penalties.

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## Legal aspects European Court about property

- European Court not bound by national definitions or classifications
- PROPERTY
  - economic interests more than national, dogmatic legal concepts
- HOME (ECHR article 8)
  - not confined to dwellings or land, which are lawfully occupied or owned (see TS27)
  - including the human dimension of living and having relationships

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## Economic and Legal aspects profits and rights

- "Property describes one's exclusive right to possess, use, and dispose of a thing, as well as the object, benefit, or prerogative that constitutes the subject matter of that right."
- Land owners can claim the profits made on it, including the profits from changes in land use
- Land owners willing and able to develop cannot be expropriated

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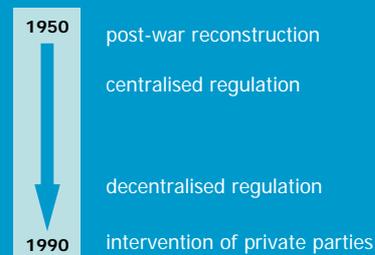
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## The Dutch case: Urban land development tradition



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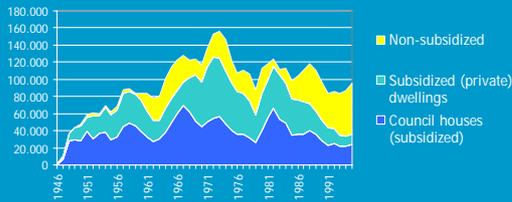
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## The Dutch case: Economic circumstances

- less subsidised dwellings / more private sector housing



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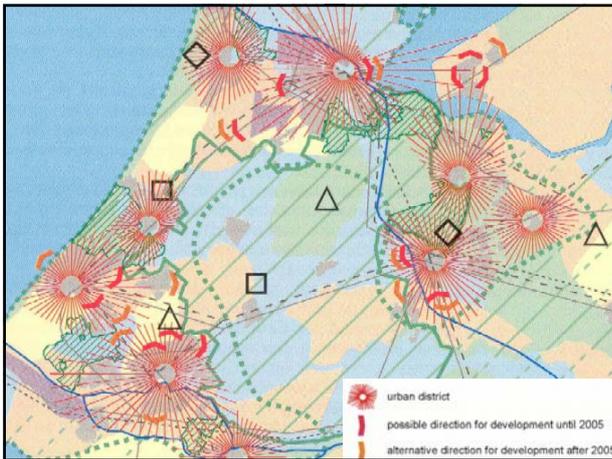


## The Dutch case: Economic circumstances



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## The Dutch case : Changes in Urban Land Development

- involvement private parties / increasing multiple land ownership
- the 'directorial' role of (local) government:
  - costs and risks
  - finding a balance between a (preferred) less active role and an active role (where necessary)

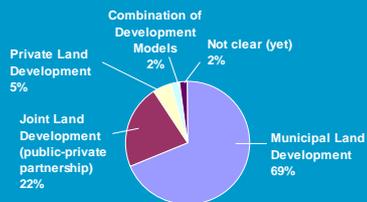
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## The Dutch case

- Which management approach is used?



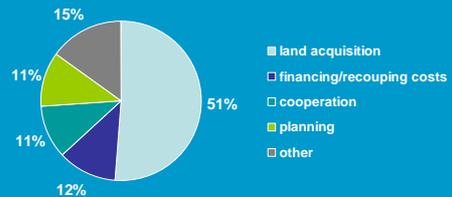
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## The Dutch case

- Is land/land acquisition considered to be the main problem?



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## Analysis and conclusions

- Economic and legal aspects within social context:
  - Strong tradition: government control is generally accepted in The Netherlands
- Government interventions in relation to 'rights' and 'profits'
  - to what degree can and should land development be controlled?
- Main question: what is in the 'general interest'

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