

Distribution of Net Added Value from Rezoning - a Challenging Measure in the Norwegian Land Consolidation Act

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SUMMARY

Distribution of net added value from rezoning was implemented in the Land Consolidation Act in 2006. The measure was intended as a supplementary means of action for densification. With these legal rules, a more rational design of plot areas could be achieved which would facilitate a planned development, and it would also achieve a distribution of land values and costs in the development area. The measure means that property owners whose properties are designated by the authorities as public outdoor recreation areas, areas for open-air recreation, access roads, etc. in the zoning or building development plan, can receive a share of the development rights for other properties in the zoning plan area.

There are special rules regarding how the Land Consolidation Court shall perform its valuation, but they are inconclusive. The measure has not been used to a great extent. There are believed to be a number of reasons for this. The reasons relate to both the design of the regulations and their implementation, how the regulations are institutionalized and organised, and what familiarity the various actors have with the regulations.

As of January 2023, only two cases have been dealt with by the land consolidation court. Both the land consolidation court and the appeal court have pointed to the lack of legislation when this measure is applied in areas where the zoning plan prescribes a transformation from commercial use to housing. This paper will describe how this measure works and what kind of challenges that arises with the use. The focus is on land consolidation expertise when the planning authority decides distribution of net added value from rezoning between properties. Further the paper focus on valuation, time spent, uncertainty for property developers and the distinction between municipal administration and the land consolidation court. The conclusion is that the measure is not adapted to transformation of areas that has already been developed.

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