

Comprehensive Urban Studies No.58 1996

Open Lecture

Land Problems and Cycles of Real Property in Japan

Date : Tuesday, December 12th 1995

Place : Tokyo Metropolitan University

Center for Urban Studies Meeting Room

Vincent Renard*

I came to Japan in '86, '87 and '90. One of the first persons I got in touch with was Dr. Ishida. He played a very important role which I would like to underline. Afterwards I had a student who was preparing her Ph.D. in Japan specializing in planning. Thanks to the Center for Urban Studies, she spent two years with Dr. Ishida. Now her Ph.D. has been published under the title "The Land Bubble in Japan." So this place is very meaningful to me.

Before getting into the subject, I would like to tell you that I've been working for a long time on this question of land and every day it becomes more complicated for me to understand. I've been educated as an economist, I am working in econometrics. At the beginning I studied prices and did many regressions: Land prices as a function of this and that. It was possible to derive some conclusions, but the models of economics were, I should say, rather poor. So I went on to study law, because law and economics are so completely intermingled, in an attempt to explain what happens with land, land use and land policy. And I included the question of political science because owning land is power in long-term history as well as in financial regulations in modern society... at least in most countries that I know. Institutional arrangements are very different from one country to another, from Netherlands to Japan, from Sri Lanka to France. So I apologize, because in my presentation I shall mix, maybe too much, those elements to give you my understanding of the question of land.

As an introduction, I would also like to mention that this subject seems very specialized. My point of view is that the question of land and property is a key question in the evolution of most advanced civilizations. There are phenomena of money gluts, international flows of capital, which are invested in assets such as land which include a monopoly power. And there are not many things that provide monopoly power. You cannot

*Invited Professor at the University of Tokyo, Institute of Social Sciences, Directeur de Recherche au C.N.R.S. Ecole Polytechnique Laboratoire d'Econometrie

do that with usual consumer goods, electronics and so on. It means as well that the connection between land and the banking system is another key problem in the land market, especially in Japan.

I intend to first give you four comments on the enigma of land, to which many questions are referred... Questions to the economist, to the lawyer, to the planner and also to the politician. Then I will talk about basic data, about the land market and land management, especially in the case of Japan, by referring to land prices, land owners, the relationship between towns and the country and property market. Part II and III will be about the development of the bubble. In '87 I published an article in which I talked of "the land bubble." People asked where this word came from. It did progress and some years later... I think it's very negative in consequences. But this word is now used in papers every day so we are accustomed to it.

I will describe what a bubble is. The explanation is not so simple—neither its development nor why it lasted such a long time—or how it came to an inflexion and then burst. It is not so clear whether the economy burst or soft-landing. But anyway the tendency is not the same as before.

Then I will try to give enough time to discuss more at length some of the elements of public policy that can be addressed related to the question of land policy. There are many of them. I listed more than 10 elements of public policy and we can select some for discussion.

I first suggest that land is something of an enigma, of a mystery for the economist. In fact, I do not know any single economic theory that explains in a satisfactory way how the price of land is fixed and evolves. I think it was David Ricardo who said relevant things some centuries ago but he was mainly addressing agricultural land with the question of differential fertility. Everybody knows and agrees that it cannot be satisfactorily discussed.

But later on, when urban development began, things got more complicated. In the main trends of economic theory I would like to single out two main components.

One is the mainstream neo-classical economic theory. Probably you know at least the basic elements of it, the theory of pure competition, supply and demand and the equilibrium, price when the two curves meet and so on. That's well known. But it doesn't explain much about the city and the property markets for one very single reason that land appropriation does not follow those of usual goods that are produced. Land is not produced, it includes some monopoly and it is to some extent a public good and it's producing externalities and so on. It is a typical element which poses the main difficulties in neo-classical economic theory. So it is not well explained by the theory of pure competition.

The other set of economic theory is — albeit of reduced importance today — Marxist theory. It splits into many components. And the critic that should be addressed is different. It is addressing time. It cannot be discussed but it is to some extent useless since it has not produced any measurable yardsticks. So when this theory says that land is a relationship of power and suggest to split rent into different components, what to do with that? So what? It does not help much to explain the price of land and how it actually behaves on the market. Marx has not written much about land, mostly in letters to Engels. He says to Engels “I know much about economics but one problem remains. Land, I do not understand” and asks Engels to provide some explanation.

On the side of the neo-classical theory, maybe you've heard of Leon Walras. He can be considered as one of the fathers of this theory. Walras was one of the founders of liberal economic theory, and he has written about land. In the late 19th century he proved through a mathematical model that the price of land could become infinite. It was therefore necessary to nationalize all land in order to protect market mechanisms. And in a paradox related to the question of land, he advocates nationalization of land in order to promote a free market economy.

This line of thinking continues in the writing of an author that I find interesting and stimulating: Henry George, an American philosopher, mostly known for the “single tax” idea. But not only that. He says that as economies get more and more sophisticated and productive, the share of the total product will be captured more and more by the broad category of property owners.

That is mostly based on intuition, not strict economic reasoning. Mr. George said that the tax system should provide some sharing of benefits in order for the public authority to collect at least a reasonable part of the total cake. Now, even in Russia, the “Georgian” ideas are gaining some relevance. There is a lobby of Georgians that are opposed to privatization, and who suggest that public authority should hold land ownership and lease it. The Dutch and other experiences and practices are positive enough about land leasing to make it worth scrutinizing.

Land also poses a difficulty for the lawyer, at least a delicate matter for the lawyer and for the lawmaker. It's a category, the law about land and urban development, that has always been at odds with the rest of public law. It's a curious mixture, at least in most European countries, and in Japan too as I understand it, between public law and private law. It's a permanent fight, or a balance difficult to find, between on the one side the principles of civil law, the guarantee of property, and on the other side the public law whose main objective is to guarantee public interest in urban development. A relevant balance between those two objectives must be realized through land law.

A meaningful legal settlement recently occurred in Osaka. A property broker died in Osaka and his son inherited property assessed at 2 billion yen. A recent decree on inheritance tax says that if a property has been bought within less than three years, then the assessment is at full market value. Practically, given the escalation in prices, this "poor" man's inheritance tax base was 2 billion yen, so he had to pay at the maximum level. The amount of tax to be paid was greater than the market value of the goods he inherited! So he went to the court and said "It's not correct, my property would thus have a negative value?" And the court said "You are right. Your property has not been 'guaranteed' and you do not have to pay the tax."

It's a typical case of conflict between these two different objectives. I don't know what will be the future of this settlement since it can be appealed to another level... maybe at a time of another new bubble. As far as the guarantee of property and the application of civil law is concerned, the French (Napoleonic) Code of 1804 has exerted some influence, notably in Japan in the late nineteenth century.

I read about the building of the Tokyo subway between world wars and there was the "movement of tsubo": Reading the civil code, land owners said "I'm the owner until the center of the earth, so the subway will not come under my land." Then of course the subway was built under the roads because that land was public property. So according to this notion of public property, I don't know to what extent it has been applied, but it is a clear example of this fight between the protection of individual rights on one side and the protection of the public welfare on the other side, defined by two competing fields of law.

In France there is often a flexible practice at the same time it is rigid law, like this one, and at the same time a soft way to turn around the law, in this case through expropriation of underground land or concession of public services. So at the same time it is a strong principle and very flexible way to cope with these problems.

The third enigma is for the planner. I shall focus on one point which is the difficulty raised by the economic consequences of zoning. That has been my initial fields of reflection. I have written a book on zoning and equity in land planning, that is, the link between land values and zoning. It's a very simple observation that the price of a piece of land depends greatly on zoning. This problem must be decided, whether in an authoritarian way, say where "It is right that we zone, it is unequal, but you have to accept it." That was the French way in the sixties. Whether you say, this is the United States system and the case law about the expropriation issue. I think it's a key subject in the question of planning economics. In the United States, the constitution says that if zoning is too restrictive for a piece of land, then the land owner is allowed to get compensation. That's called "taking", its the same thing as being expropriated. In fact, this constitutional principle has been used to a large extent to challenge or to cancel zoning measures. Right now, there are thousands

of trials about this question. I met a specialist on the subject 10 days ago in Tokyo. He has written a book about this "taking issue". Some of you may be interested in discussing this issue and the measures that accommodate this inequity, such as the hampering of development rights, or taxation taking into account the density which is allowed by the zoning plan.

But there is also some risk, if you make planning completely flexible, as is the British way. The British planning system is not legally binding, so it creates a phenomenon of "floating value." Every landowner can hope, even if it is a plan specified as green space. So practically, this hope is not zero, even the greenbelt has been threatened some years ago with a very large project inside the London Greenbelt. The legal effect of planning are thus quite different from what is in the rest of Europe "legally binding."

And finally, the question of land can be awkward for the state, for the government. Or more precisely, it raises a contradiction among various objectives of the state. Ideally, in a textbook, you begin the introduction saying that land should be used for the welfare of all citizens, with spacious open areas, pleasant dwellings, houses, gardens and so on. Planners love this type of literature which is obscuring the difficulty of the real task of choosing between conflicting uses.

For the state, land implies different attitudes for the government. There is the economic stance of doing public equipment, roads and so on. Land is thus a cost reflected in public expenses. Remember the "Shiodome process." Some years ago, that area had to be redeveloped: 99% of the total cost was to buy land for the state to redevelop the neighborhood. And it was then postponed.

So that's the first side, for the state, land is a cost, one of many in the development process. But land is also a source of funding, because of taxation. This is important in the bubble period when, precisely, for the state, the tax proceeds increased rapidly. There has been a hope that finally a bubble would allow to finance any public service. So, the more rapidly prices are increasing, and the more it will be possible to fund public equipment. This is quite important for the public policy at the time of the bubble.

Mystery, enigma, ambiguity for many actors in the land markets... Let us stop it here and come to the question of land in Japan, and data about the problem. I'm sure that most of you know much more than I do. So I'll give you only my personal impression and reactions.

The first thing I should say is the difficulty to get coherent data about land prices; not because there are no data, but because there are too many data. I've got a lot of them. But it is difficult for me to select because there are several assessment methods and for an economic analysis it is really a complicated situation to know how data have been elaborated.

There are several ways of assessing land prices; beginning from koji kakaku, kijun kakaku, rosenka, market value and so on... And there are relationships among all those values.

That makes the case of Netherlands attractive where it was so comfortable because the prices have not been moving. Land is publicly produced, and its price is stable and is perfectly known in advance. In my country it's much worse because there are few data and it is very difficult to know the price. But it is difficult by nature because prices are different from one place to another. Inside Europe, there is a very different situation from north to south.

My second comment about Japan is the extraordinary level of land prices. That is not new. That does not date back to the recent bubble of the late 80s but dates back to WWII. In fact it began in the late 50s and the early 60s and there have been three bubbles. The first one is '60, '61, '62 bubble in the sense that the price of land was in high discrepancies with the fundamentals of the economy. The second one was clearly '73, '74 and those two bubbles — which did not really burst — led prices in Japan to levels that cannot be compared with those in any European countries. The explanation is complicated, but let's say that the absolute level and relative to concern to other economic goods is obviously different.

The characteristics of those two bubbles are that they did not burst, they went on. There was a stabilization after this period of very quick acceleration. Or, small decrease in real value, but stable in terms of nominal value. Only the third one burst after 1990. In fact what has brought the level of land prices at this incredible level are Bubble 1 and Bubble 2. When Bubble 3 began, it started from a level which was questionable compared with those to which we are accustomed to, at least in European countries, and mostly in terms of their relationship with the economy at large.

A key aspect of the problem is obviously the link between the banking system and land and property values. This is the core of what I try to understand right now. Economic development is promoted by using land and property as a collateral for banking activity.

* Land owners and the land myth

Japan does not have a monopoly with the "land myth." This is shared with many countries. In France, talking about land, we always talk about this strong attachment people hold to their piece of land, sometimes reflected in the debates in the Parliament. During a public debate on a recent statute about land, many MPs talked about "This poor old farmer's piece of land, his only wealth, etc." My impression is that there is something parallel in Japan and in France. But this form of the land myth in France seems to be diminishing now. Especially, the aspect of the land myth saying that maybe owning a piece

of land is the best way to guarantee purchasing power for the future, to conserve the value of money, is probably on the way to disappear.

Possibly this same thing happened during the 70s and 80s. I can say that in France this psychological feeling, attachment to land, is to some extent over. After World War II, France was a country of agriculture to a large extent, and this was meaningful. At present it is over, this form of attachment, for on an economic side it has no worth because everybody is convinced that the price of land is now unpredictable. It seems that both urban and rural land prices are completely unpredictable. Now in Japan too, it seems that the "land myth" is, it seems to me, mostly economic now: many people are doing the economic reasoning about what to do, what is my best choice, should I relocate to Tama to buy a larger house, or keep my small one and so on. That seems reasonable. But I mean that this is different from the traditional land myth. This can be connected to the fact that Bubble 1 went on, Bubble 2 went on, but Bubble 3 went too far, and had to stop somewhere, on the economic side. Bankers now agree with that point, they cannot do anything else.

I read an inquiry made by the Kokudocho recently about the feeling of people with respect to land. One of the questions was "Would you like that the land prices go on rising or would you prefer they go down?" I don't remember exactly the figures but the curious thing is that the sample of those who answered "I would like them to go on rising" is absolutely not synonymous of land owners. There are many land owners who say "No, it should go down to more reasonable prices" and vice versa. So there is a feeling shared by many people that increasing land prices are synonymous of economic difficulties. That is once again the link with the banking system and economic activities.

About the relationship between Tokyo, main cities and the country, we can say that in Japan, as in many countries, there is a flexibility and a transmission of the price increases from the center to the suburbs and then to the country. This transmission is very different from country to country. Some countries have succeeded in separating the agricultural and urban land markets, Germany is a good example. Less so in the past 10 years but before then for a long time it had been efficient in separating the rural land markets and the speculation in urban areas. Denmark is also an excellent example of a system that completely isolates agricultural land and urban land markets.

I would better understand the interaction among various land markets, in the center, suburbs, in the country, or golf courses and so on. This is anywhere a complicated theme to understand clearly, and especially so in Japan given the level of land prices.

Finally, I would like to mention a characteristic that lies in the activity of the land market. It's very illiquid in Japan. I don't know if this is good or bad, but the activity of the market, the turnover of land ownership is very low as compared with that in other

countries. The bubble has increased this phenomena. According to the data by Kokudocho and the activity of the market, the number of transaction has halved within the last 15 years.

This increases one of the consequences of the bubble to which I'm coming now. The more illiquid the market, the quicker the effects of the beginning bubble. This is quite important. In a very liquid market, the adjustments are quicker than in an illiquid market. This is for many reasons, economic as well as psychological.

This aspect is emphasized in a study by the OECD (1991). It is a very interesting and important paper published 3 years ago at the peak of the bubble, called "Urban Land Market." I pick three main conclusions of the evolution, of the bubble period. The first one is that most countries have registered the declining purchasing power in land and housing. I mean that with a mean wage, you can buy less and less housing and land. I take an example in Switzerland, supposed to be a quiet country, where a bubble occurred as well. The first clues in terms of purchasing power (Fig. 1 Price indices for apartment buildings, vacant land, and condominiums in Geneva and Swiss consumer price index (1978=100)). What is important is that land has been pushing the property boom. This connection between the land value and property value is a key issue, not so well understood. The relationship between land and the properties built upon it is complex, and requires some empirical work to be better understood.

Another examples with Germany.... price of land, income, construction cost and stock can add something to this curve (Fig. 2 Trends in land prices for residential areas since 1963 compared with the costs of living, construction costs and the level of income). Look at construction costs. These increased less than income. That is a constant argument of the Ministers of Construction anywhere: They push the efficiency in building activities that makes construction activity cheaper, and they are improving the technique and it is cheaper and cheaper as compared to the income. The purchasing power in terms of housing area is thus increasing. But all this, and that was Henry George's argument, is swallowed up by land price increases. The land share is increasing as a share of the total cost of the building.

The second main evolution of the period is dualism. By that I mean areas that were expensive at the beginning, became rapidly much more expensive, and on the opposite, areas which were cheap, remain cheap or get still cheaper.... this can be illustrated by the case of the Paris Region (Fig. 3 Paris housing market).

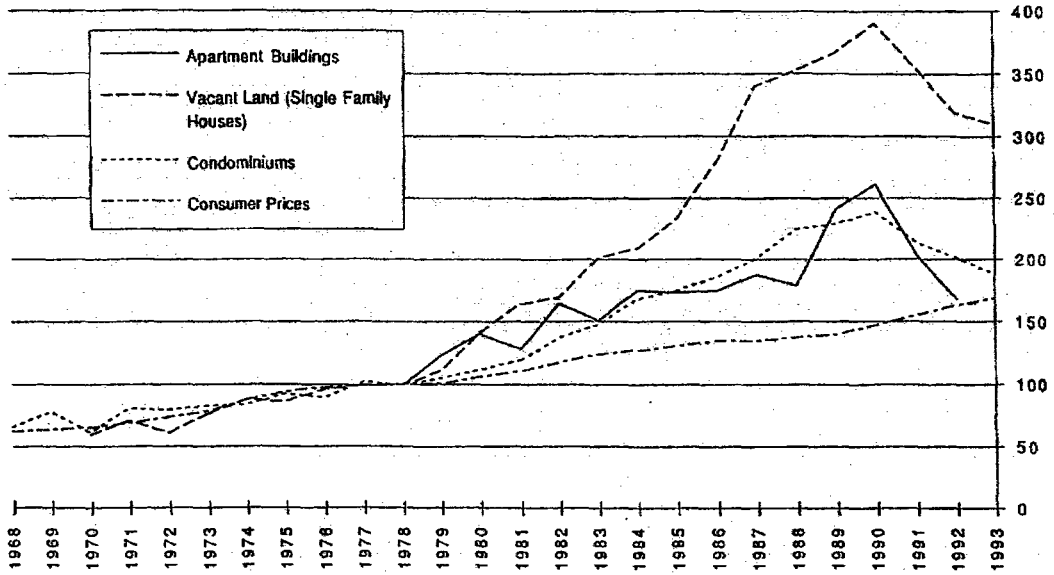


Figure. 1 Price indices for apartment buildings, vacant land, and condominiums in Geneva and Swiss consumer price index (1978=100)

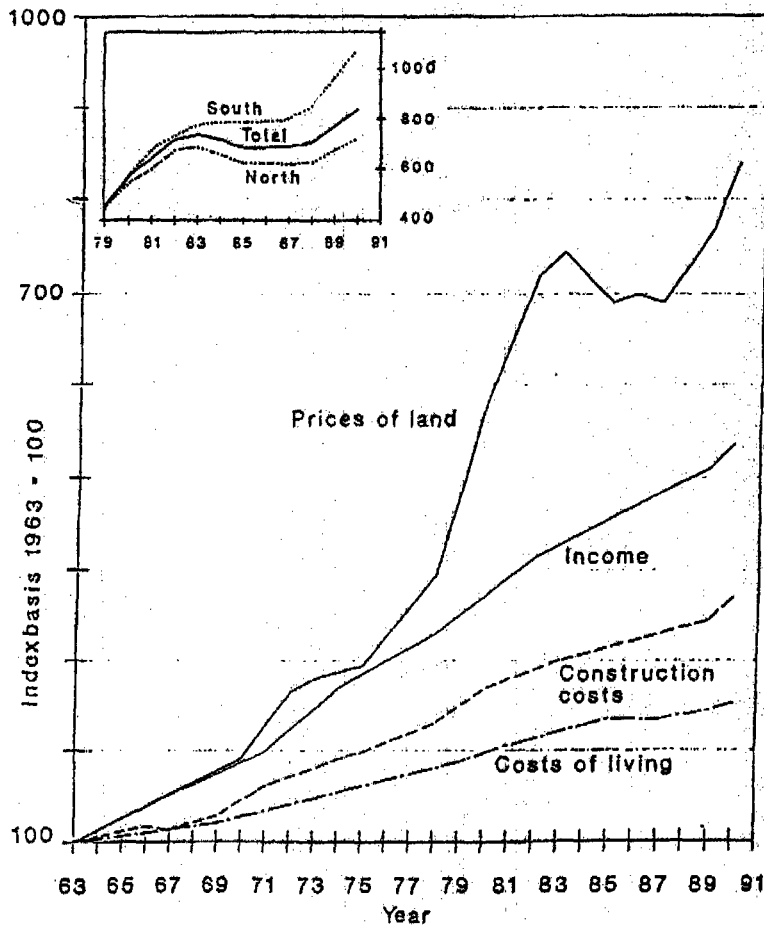


Figure. 2 Trends in land prices for residential areas since 1963 compared with the costs of living, construction costs and the level of income.

What shall we do with the bubble? Which public policies should address the problem? Many put deregulation as a priority. If we deregulate — it is argued — more land will be put on the market, prices will go down, as in page 1 of any textbook on economy. Practically, this is not true in consolidated urban areas. This can be shown by the case of Paris where land supply has increased very rapidly... as long as its price was also increasing, in clear contradiction with the “referred” theory. This is an important misunderstanding. Deregulation means various things. Some of them are quite relevant. We mean here that its application to land markets should be handled very carefully.

The explanation is not completed, but this means that when prices go up, supply is going up as well. One of the explanations lies in the behavior of land owners, which is usually not such as described in the textbooks. The land owner is relocating when the price is going up, quickly enough. But the value of time and the opportunity cost is quite different for a landowner and for a firm.

This is more a question than a conclusion. I think that this should be questioned by more empirical words and more comparative observations of different countries.

One of the questions raised is why this bubble lasted so long? It is obviously something not reasonable in economic theory. Why did it last so long?

The first explanation is that as soon as the bubble began, everybody, or at least many, are interested in the bubble going on. Brokers, of course. Developers, obviously. Landowners, they are (or they feel) richer. For the state, tax receipts are increasing. So everybody is happy with that.

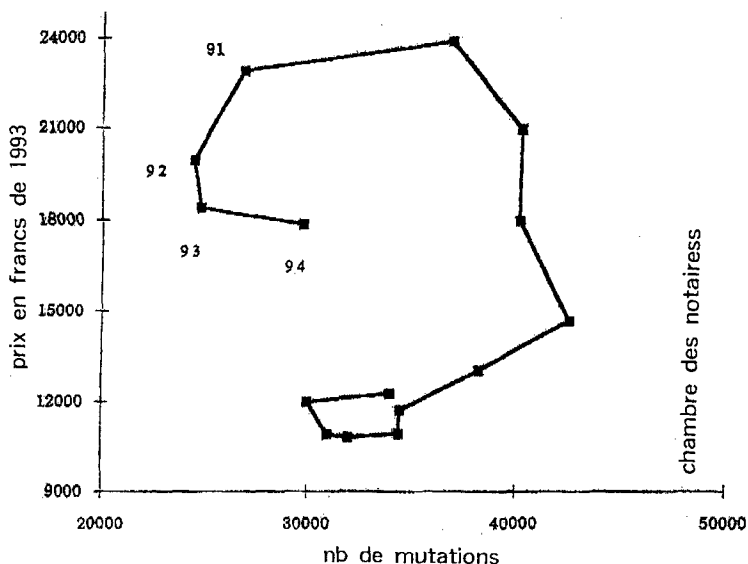


Figure. 3 The housing market in Paris

At the very beginning, nobody knows that it is a bubble. But when this has really taken off, then everybody wishes it to go on. I have forgotten one category which is maybe one of the most important, I mean bankers. Because bankers are really the key in promoting the bubble by accepting (and stimulating the use of) land as a collateral, a guarantee. What is it a guarantee? The guarantee is land. The banker, as soon as he accepts land as a collateral, his interest to promote land price increases. This is closing the circle of the bubble, with the activity of bankers, using land as a collateral. This is also a key element in the conflict between the Minister of Finance and the bankers to know how land prices should be assessed now. Because if it is accepted that land prices are only 20 or 30 or 40% of what they were at the peak of the bubble, then the situation is potentially dramatic for banks, and the taxpayer should be called to rescue the system. If not, if everybody agrees, even wrong, if it is collectively accepted to put prices in official assessment at a fictitious high level, higher than the real market price, then it makes it possible, at the risk of prolonging the freezing of the markets. It seems that opinions related to that are now split. This is also clearly related to the question of "bad loans", mostly to property developers, evaluated at between 40 and 80 trillion yens. The level of "badness" precisely depends on the land price assessments.

Deregulation again... we should pay special attention to the regulations that apply to banks, to the banking system. In France, this has changed during in the bubble period. Banks were authorized to finance a development project up to 100% of its value. I am the banker, you are the developer, I trust you, and I will finance your project. Billions of yen go on, possibly 100% of the project. This is no more possible, this will no more happen, at least the developer must bring 30% of the total cost, not going to other banks sharing the risk of the development. Possibly this careful behavior is more important than the international ratios, BIS, and others, but the "prevention" rules that apply to bankers who finance urban development are, I think, an important aspect.

The second concern is about land taxation and its possible effects related to the bubble phenomenon. Land taxation usually addresses three conflicting objectives: 1) Tax on land and property is supposed to bring money to public authorities; 2) Equity is well known but very often forgotten. It includes the notion of betterment recoupment with the idea that speculation is not legitimate, and tax should allow the public authority to collect this money to use it in the public interest and; 3) Economic incentive, for instance putting a tax on unused land in order to promote its use. Or tax allowance for those whose property is kept as open space, etc.

About land, taxation.... frequent drawbacks of taxation systems are unsuitability and mixture of objectives, which are conflicting, because you cannot do anything with a tax. In Japan now, there is much talking about the land holding tax. There is a 0.3% annual tax on land, introduced in 1992 as an incentive to develop unused or under-used land, as well as

a way to deter speculation. The practice is not always successful. It depends on whether the calculation of the land owner is, better pay the tax and wait. On the other side, if the landowner accepts to develop, then it is a very bad tax in terms of proceeds and the Ministry of Finance does not like that because this tax will not bring any money.

The same mechanism has been attempted for instance in Germany in the 60s, as well as in other countries. And it has generally been a failure. Not for the principle but for the question of practice and opposition of the Ministry of Finance: "A tax must bring money" they say. And "be simple to calculate." I bought a "booklet" of 300 pages, in the Kasumigaseki government book shop, called "Taxation System in Japan". I looked for property taxation, and really, it's like France and Germany and other countries: so many taxes, often modified with several possibly conflicting objectives.

Inside taxation, I would say a few words about the question of who pays infrastructure cost, equipment cost. Development requires roads, sewerage, water supply and so on, and this is a question to know who is supposed to pay for that: It can be the taxpayer (local or national), the user-consumer or the benefiting property owner.

In Japan there is no specific and explicit legislation about that. Negotiation is on a case-by-case basis. In France, a statute exists, it is rather well organized. It is a part of the urban legislation. Who can bear the burden? Three categories of people pay for those services: 1) The taxpayer... this is the simplest method but possibly wrong in terms of equity: it is not reasonable that one equipment in a specific location be paid by all taxpayers. So it is the most usual system but quite inequitable and inefficient on an economic basis; 2) The second solution is the benefiting land owner. Building an equipment, road, sewerage system increases the value of land in front or in the vicinity of this equipment. That has interested various countries, for instance in South America. It results in collecting by anticipation, from the land owners, the cost of the equipment to be built. The subway of Caracas, Venezuela, has been partly financed by taxation on the benefiting land owners, with a criteria in which anybody who had a property less than 10 minutes on foot from the metro stations had to pay.

The times of bubble have also been times of crisis for urban planning. In some countries, planning is very much criticized for some years, because of excess rigidity. I think this is relevant to some extent, that planning should not be only or mostly, as it is in France, to some extent, and in Germany as well, a set of limitations on the use of property. It should include that, of course, but be at the same time, an engine to promote urban development. We should change from a static, non-economic, physical planning to a dynamic, economically relevant process of planning.

This would be "market planning", understanding the market mechanism. It would be

different in terms of practice. This was, and still is to some extent, the practice of the Bebauungsplan (B-plan) in Germany, which is an active process. A landowner inside a B-plan is submitted to three consequences once the B-plan is approved. First, land is reallocated ("Umlegung"). The landowner gets in exchange another piece of land. Second, he has to pay for equipment, 90% of roads, open space, and others, and receives the corresponding bill before the development happens. That's the second consequence. The third one is that the landowner must give free 30% of his land to the municipality.

This is a strong, dynamic process to promote and control urban development. That, in my opinion, is in principle a sound planning which is at the same time a dynamic vision.

The situation of Germany is not very satisfactory at the moment. The process of unification is one problem. But another difficulty is now found in too much litigation. In Germany, laws are rather complicated, it's easy for anybody, on a broad base, to go to a court and litigate about for example a B-plan, when it is confronting his interest. As soon as there is a "serious" reason to go to the court, automatically works are being stopped. This is an important practical issue in Germany. Because if the law is right, then many projects are blocked. That's why so much development now happening in Germany is developing outside a B-plan. The very principle of the B-plan, concentrated on urban development, is basically a good system but this trend is risky.

The Dutch system is very attractive with landowners accepting a collective "rule of the game" according to which no business is made with raw land: as soon as a piece of land is zoned for development, the landowner take the initiative and goes to the municipality and sells it for a price that can be comprised, between 500 and 1,000 yen per square meter, at a maximum. So bare land in Netherlands is not a problem, be it in the center of Rotterdam, Amsterdam or in the country. That's the rule of the game accepted for long. The municipality is then developing the area. This is usually expensive, because of drainage works. Afterwards, cross subsidization intervenes inside the development area. Then the leasing mechanism is often applied, and obviously the system is quite satisfactory as an anti-cyclical device.

I should say one last thing, about the land myth and the notion of property. I come back to the notion of land property, the very nature of the property of land. Practically, in any constitution of Eastern and Central European countries, who are changing their economic systems right now, the definition of property rights seems as an evidence of an absolute right, encompassing the right to use a piece of land, the profits from using land, and the right to sell land and dispose of it. This is commonly accepted as usual common sense.

When looking at the application, from country to country, it is very different in the practice. As soon as you look at the weight of various rights, or the articulation inside the bundle of rights, this appearance of unity of the law of property is split. In the set of

bundles which is the right of property, including for instance mineral rights, underground rights, air rights, right to do this, right to do that... and at the heart of it, development right, the law of property should be made more specific.

The price of a piece of land depends fundamentally on what is allowed to do with it. Then, what is it? Is it a public decision that the piece of land can be used for some use. There are various traditions in the world related to that. There was in northern Europe a tradition which was more collective common use of land. So there was a mixture of interest.

The notion of absolute right of property, such as it has been defined as well by German law and Napoleon Code with different mixtures, could be changed in main urban areas to put again land as a mixture of public and private goods, thus separating the development rights from the right of property on land, and I think it's a key stake for the years to come. A good example (or better than the other) can be found in northern Europe, even in a densely populated country like the Netherlands. Such a balanced definition of property rights can help the planner not to do a plan that conflict with interests and then is modified under the pressure of the public opinion.

The only way to kill or (at least) soften the land myth is maybe through some type of redefinition of the right of property on land; by strong differentiation between the users' rights that should be respected, and the right to benefit which would be shared between the public authority and the land owner.

But this is simpler to state than to practically implement.

Domo Arigato Gozaimasu.