

Urban regeneration

Land management strategies for value capturing

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Abstract

Cities all over the world have implemented land management strategies for value capturing, to finance investments in public works (like infrastructure) and to enable the development of non-profitable land uses (like affordable housing). The complexity of urban regeneration projects has increased the need for innovative financial engineering tools for value capturing.

For a long time, in the Netherlands public land development has been used successfully as a tool for value capturing. Dutch local governments have always played an active role in acquiring land, servicing that land for future building and supplying it to home builders and other users. The main reason that they have adopted this role is that they want to steer development in a pro-active way and that the policy guarantees the recovery of the costs of public works. Starting from an overview of potential financial engineering tools for value capturing, this paper investigates, in relation to urban regeneration projects, the question of whether other European cities should consider public land development and uses the Dutch experience to explore answers to this question. It is argued that only under specific circumstances does it make sense for municipalities to develop land. However, the Dutch experience with public land development since the 1990s demonstrates that there can be many dangers to this land development strategy.

