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# 'The dynamics of "post-crisis" spatial planning: A comparative study of office conversion policies in England and The Netherlands

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### ABSTRACT

Land policies governing individual and institutional rights to buildings and land are shaped by the socio-cultural, political and economic contexts within which they emerge and are (re)embedded within. This leads to considerable variation across place and space. Yet within this diversity commonalities emerge, not least in the 'rationales' that inform the development and implementation of land policies. These are explored via a comparative study of England – where market-based reforms have guided land use planning measures for some time – and The Netherlands; a country which is taking steps to introduce market-based values such as competition, efficiency and flexibility into its 'regulatory' spatial planning system. Through this comparison, we explore the way in which neoliberal political ideology and financial imperatives, sharpened by the 2008 global economic downturn, have resulted in changes to English and Dutch land policies. We illustrate this discussion by referring to land use policies under which authorities have sought to facilitate a change of land use, for example from office to residential usages. In both countries, these reforms have been introduced as part of attempts to make planning more 'efficient' and supportive of real estate markets. While there is variation in some of the drivers and apparatus used, we find parallels between the two countries' experiences. Our paper argues that fiscal austerity, economic uncertainty and the import of market values reproduces a shared reality of governance reform amongst the two countries, creating opportunities for critical learning between them.

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## 1. Introduction

Land policy can be understood as an assembly of governmental interventions in the allocation and distribution of land and other spatial resources (Davy, 2005; Needham, 2006; Hartmann and Spit, 2015). It is developed, and evolves in response to, a range of institutional, societal, financial and environmental triggers. In this paper, we show how financial drivers have combined with a (longer-standing) shift towards the neoliberalisation of spatial planning to prompt changes to land use policies in England and The Netherlands. These changes have the optimisation of land use and, relatedly, land value, as a clear goal. The land policy changes we focus on have been enacted through the English and Dutch

spatial planning systems which themselves are the subject of ongoing reforms. While there are significant differences between the two countries, both English and Dutch governments have claimed these reforms will deliver a planning system characterised by fewer rules, less governmental interference and more privately driven and financed developments.

The regulation of land uses through policy allows governments to assume control over issues as diverse as economic development, the conservation of historic or natural environments and the management of population growth. Yet, as Healey et al. (1988) noted, this is a far from straightforward exercise: "the long-established values of amenity, of improving the quality of life as reflected in the design, facilities and spatial arrangement of the environment, co-exist uneasily with pressures for fewer restrictions on the location and design of new commercial, industrial and other projects" (1988, xi). A central part of the planner's role is to try and balance these (often conflicting) objectives and pressures. Land policies are an important tool here and can take on a number of forms. Building upon Lichfield and Darrin-Drabkin's (1980) classification, Healey et al. (1988: 3) identified three broad types of land policy: *regulatory*, *developmental* and *financial*. Albeit to differing

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extents, the British and Dutch spatial planning systems have generally favoured the use of *regulatory tools*, for example by overseeing specific schemes through the ‘development control’ system. This regulatory approach has been coupled with some *developmental* – for example, where authorities might purchase and develop land themselves – and *financial* measures, such as monetary incentives linked to zoning (Healey et al. (1988: 3)). This ‘mix’ of instrumentation is by no means static. In recent years, both England and The Netherlands have experienced changes in the pervading economic and political conditions. Such shifts can engender what Healey et al. (1988) termed, ‘new frames of reference’ in spatial planning.

In this paper, we compare some recent changes to English and Dutch land policies. In both countries, these have been informed by neoliberal political ideology that privileges market-based ‘solutions’ to public policy ‘problems’. This emphasis has been heightened by a series of challenging economic events. Our primary focus in this paper is to assess the implications of these political and economic drivers on the planning of commercial office space. Significant events included the early 2000 ‘tech’ or ‘dotcom’ recession which gave a correction to office markets across much of Europe and North America. While in buoyant markets like central London this was short-lived, the effects were still being felt in parts of outer London, some regional centres in England and across much of The Netherlands into the mid–2000s (Brounen and Jennen, 2009). This was followed by the 2008 global financial crisis. Together, these events had a significant impact upon the office market in lower value parts of England and across much of The Netherlands.

In the context of spatial planning, these economic drivers have fed into pre-existing reformist agendas in England and (more recently) The Netherlands that aim to stimulate real estate markets by dispensing of ‘restrictive’ regulatory tools. While the rhetoric underpinning planning reforms is one of de-regulation, following Roth (2015) we argue that this does not mean rules and regulations are dispensed with entirely. Indeed, as Roth (Roth, 2015) argues, well-designed rules are essential in ensuring markets function ‘optimally’. In England, such observations are particularly pertinent. The causes of the so-called housing crisis, whereby parts of the country are experiencing a chronic under-supply of suitable, affordable housing, are widely debated. Commentators have long-argued that low-levels of house building are evidence of market-failure (see MacLennan, 1982). However, in recent years the spatial planning system has attracted much of the blame for the crisis, with government cutting ‘red tape’ in order to ‘free up’ the property market.

With this context in mind, our paper considers recent changes to land policy in England and The Netherlands, arguing that reforms represent not a withdrawal of state intervention but instead a redesign of the rules. In both countries, these changes appear to be justified primarily as a way to stimulate property markets. The paper considers the differences and parallels between the two countries’ approaches, and draws conclusions about these policies’ benefits and risks, with a focus on initiatives linked to commercial office space (Table 1).

The discussion of the English case focuses on the use of Permitted Development Rights (PDR), a policy allowing certain types of development to take place without the need for a planning permission. The first *General Development Order* was put in place around the time of the *Town and Country Planning Act of 1947* (Booth, 2003). The 1947 Act established the modern town and country planning system and introduced the need to obtain planning permission for development to commence. Initially, the permissions granted under the GDO were minimal. As Booth (2003: p.103) notes, ‘the tolerance allowed to the private developer was small... The householder might do little more without permission than put up small sheds and shelters in his garden (but not his garage)’.

Permitted development policy has been altered over the years, often in line with the political flavour of the day. Since 1980, de-regulation has often been at the heart of these changes. As Prior et al. (2007) note, permitted development and other land policy regulations have been devised to ‘exclude from planning controls minor development proposals which would generally have received planning permission, had an application been required’ (p.22).

Operationally, the goal is to ‘reduce the volume of development proposals submitted for planning permission, associated burdens on developers and planning authorities, thus assisting efficient development control without causing harm to amenity’ (Prior et al., 2007). Apparatus such the PDR have been used by governments’ looking to streamline the planning system, making it more supportive of development. The Conservative government of 1979–1997 revised the General Permitted Development Order allowing (for example) change of use from a public house to more profitable commercial offices as part a wider aim to reform the planning system and reduce the ‘burden on business’ (Cullingworth and Nadin, 2014; see also, Prior et al., 2007). The extent to which permitted development has evolved from the limited ‘garden shed’-style permissions granted by the original General Development Order is evident.

In our view, the latest changes to the PDR that (amongst other things) are being used to stimulate land use change via the conversion of commercial buildings into residential usage, are a continuation of the pro-development logic espoused by the Conservative government of the 1980s were guided by. However, while the rhetoric of reform is certainly not new, it has been sharpened by the fall-out from the 2008 global financial crisis. In England, the Conservative-Liberal Democrat Coalition government (elected in 2010) made streamlining the planning system a key goal, arguing that this would stimulate economic growth and support the construction sector and delivery of new housing. In the words of the former Secretary of State for the Department of Communities and Local Government, the revised PDR were introduced as part of a series of measures designed to ‘get Britain building again, to fix the broken housing market and to help hard-working people get the home they want’ (Pickles, 2014: no page). Reducing redundant commercial office space was not as such a goal, but a positive side effect.

In The Netherlands, land policy changes have been driven by a slightly different set of factors. Namely, for our paper’s focus, this was the 2001 office market downturn and the 2008 global financial crisis that together have led to high vacancy rates in (mainly) office real estate. A market failure critique was directed towards imbalance and overproduction in the office market (Brouwer, 1994, 2014). Remøy (2010) described a circle of blame, where developers blame office users who demand new-build, users blame investors who give them ‘an offer they cannot refuse’, investors blame the municipality who develop new land, and the municipality blames the developers who threaten to develop in the neighbouring municipality. The municipality acting as a ‘market party’ in this situation eventually shouldered much of the blame. In contrast to the office market, demand for housing and other functions within areas formerly designated for offices has remained more stable, driven by a low but steady population growth, household increase and urbanisation. Nevertheless, many of the same arguments were used in The Netherlands as in England, where the aim of reforms was to streamline the planning system in order to increase efficiency and thereby stimulate economic growth and support the construction sector. Moreover, an important aim for neoliberal policymaking was that streamlining the system would reduce the number of planners working as civil servants on all levels of government.

We continue this comparison of the Dutch and English contexts by discussing the theory behind the policies using two illustrative mini-cases, the London Borough of Croydon and the city of Rotter-

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