



Rethinking scale in territorial development strategic interventions – towards an area based focus?

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Introduction

- Regional policy and planning for balanced economic geographies
 - Top down
 - Bottom up
- But, growth formed the basis of the regional redistributive policy framework



Towards new strategies

- Idea of growth > hegemonic influence on planning and interventions (urban development)
- Over development and planning bubbles (wishful thinking + policy driven)
- Radical change: planning and urban development in an environment without growth

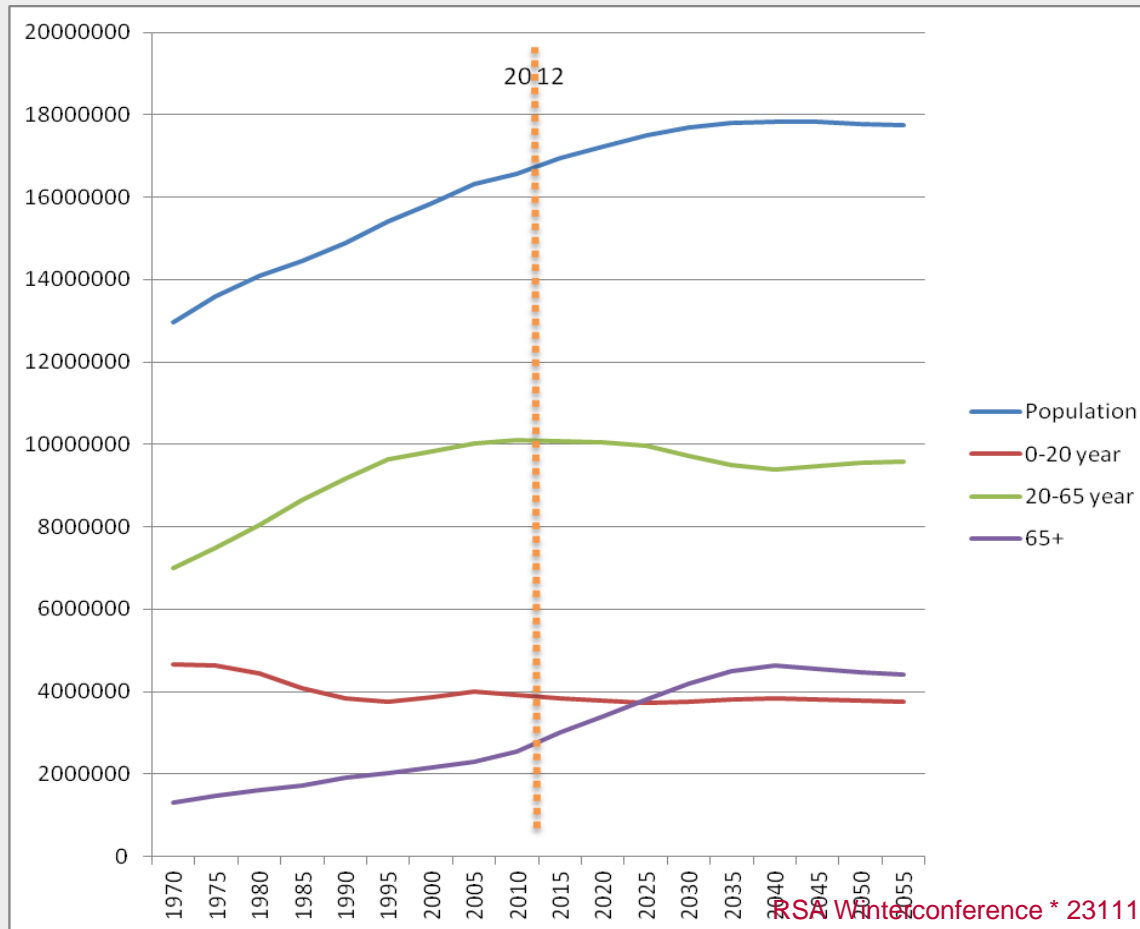
Transformed context: discontinuities

- Demographics
- Economic development
- Differentiated financial regimes
- Property value metrics
- Changing state-market relationships

Changing preferences



Dutch population growth 1970-2010 (prognosis until 2055)



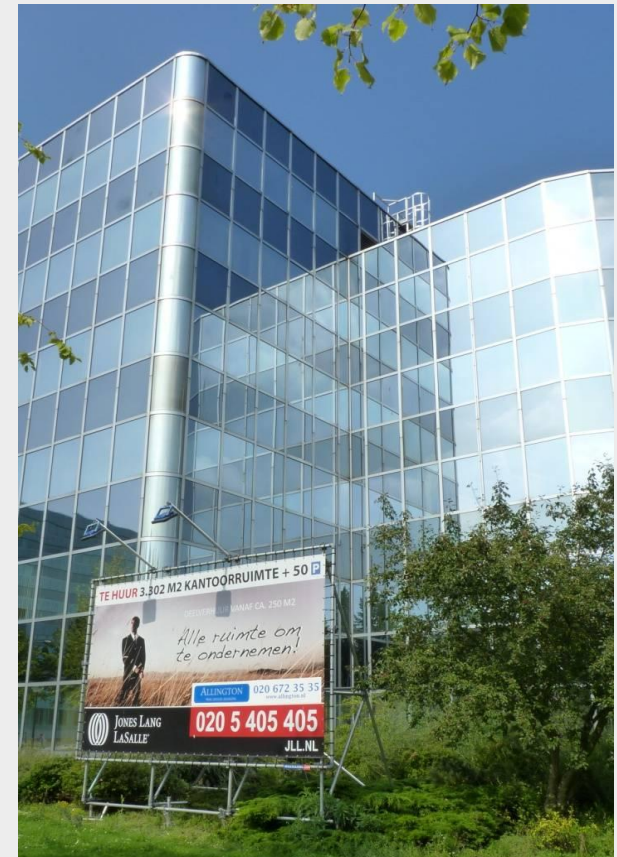
Consequences of overly optimistic assumptions

- Vacancies
- Derelict land in cities
- Financial problems
- Enormous risks
- Growing competition
- No investments in schools, sports, culture and care
- Wrong priorities, end of planning

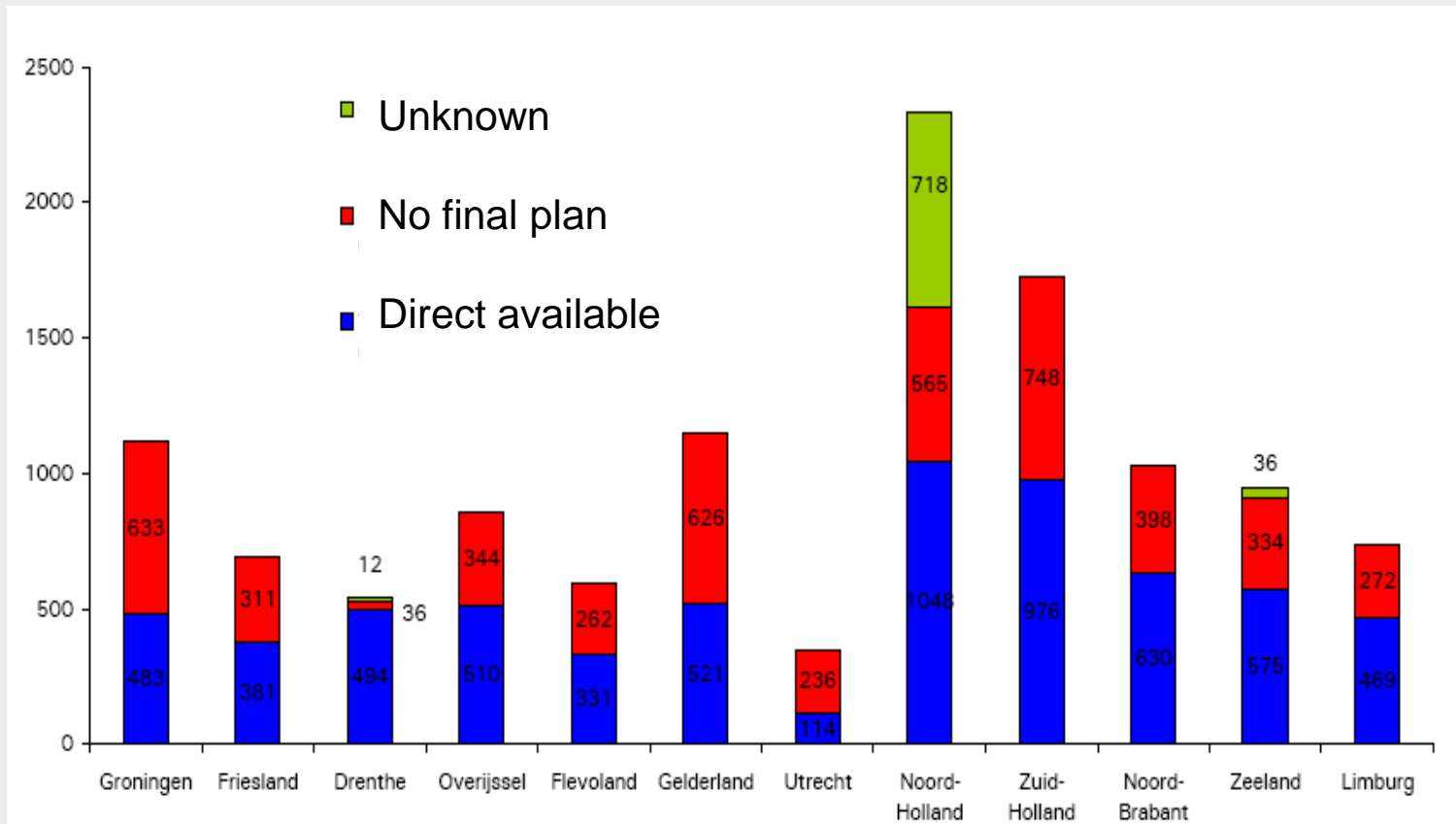


Development Bubbles

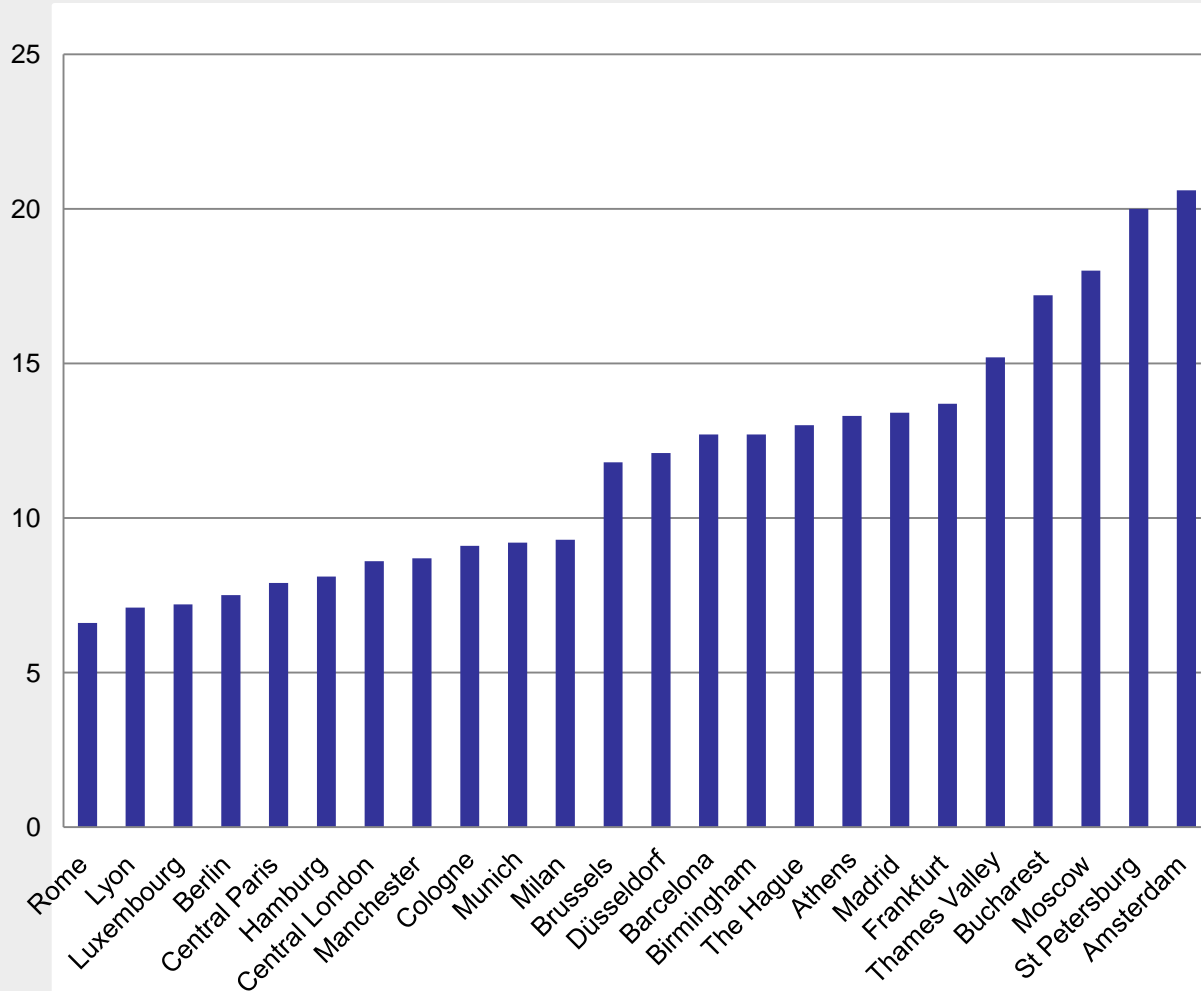
- Office space bubble (14 % vacancy rate; 7 mln m2)
- Retail drama: amount of square meters doubled since 2000; vacancy + 9%
- Housing mismatch: planned capacity mismatches demand
- Industrial parks problem



Planned capacity industrial parks



Office vacancy rates in European cities



Deloitte: cities lost 3 billion on land development (2011) > 2012 > 4 billion?

Deloitte.

Financiële
effecten crisis bij
g...tel...ke
g...bedr...ven
T...dat...20...

CRISIS???

(Page 31): oversupply of land for office development and industrial parks is caused by lack of demand

Land and property market problems

- Current analytical frame: recession, deflated demand
cyclical perspective, yet with structural changes
needed to get processes going again
- But, maybe, the nature of the problem was
intrinsically property-led from the start
structuralist perspective, inflated demand
'toxic' link between land, real estate and finance

Policies of austerity

- Curtailed public spending and expenditure
- Quality of the environment under pressure
- But, from the structuralist perspective:
 - the 'old financial model' created a bubble in service provision and quality of life with unfortunate attendant unrealistic expectations



Area based planning and development

- Devolved, scalar sensitive approaches
- Integrated approach, organisational innovation
- Appropriate strategic planning frameworks
 - Planning system
 - Financial system
 - Administrative system
 - Governance/
institutional capacity



But...

- Redistributive consequences
- System interdependencies
- Lock-in situations (path dependency)
 - Dysfunctional/inefficient markets
- Opposing/conflicting interests
 - Short terminism (individual rationalities)
 - Long term values (collective rationality)
- Collective action problem/coordination problem
 - Local and Regional



***Optimism should be in the nature of planners,
but over-optimism is a dead end street***