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)

CBS, 2012
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

- Unknown
- No final plan
- Direct available

![Bar chart showing planned capacity in various regions.](chart.png)
Office vacancy rates in European cities
Deloitte: cities lost 3 billion on land development (2011) > 2012 > 4 billion?

(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

- Curtailled 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 termism (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.