



UCD Geary Institute for Public Policy
Research, Analysis, Evidence



An Ghníomhaireacht
Tithíochta
The Housing Agency



TALKING ABOUT LAND

Session 1

**Why and how do governments
intervene in land markets?**

October 4th @ 12pm

To register and for more information visit
housingagency.ie/news-and-events

Speakers

Bob Jordan, The Housing Agency

John Coleman, Land Development Agency

Julie Lawson, RMIT University, Melbourne

Michelle Norris, UCD



The land policy toolkit

Dr Julie Lawson
Centre for the Urban Research,
RMIT University
for #Housing2030

4 October 2022

Talking About Land

Hosted by The Housing Agency and the Land
Development Agency and the Geary Institute for
Public Policy UCD

Tuesday Oct 4, 2022

12:00 PM Dublin Time



#Housing2030





#Housing2030

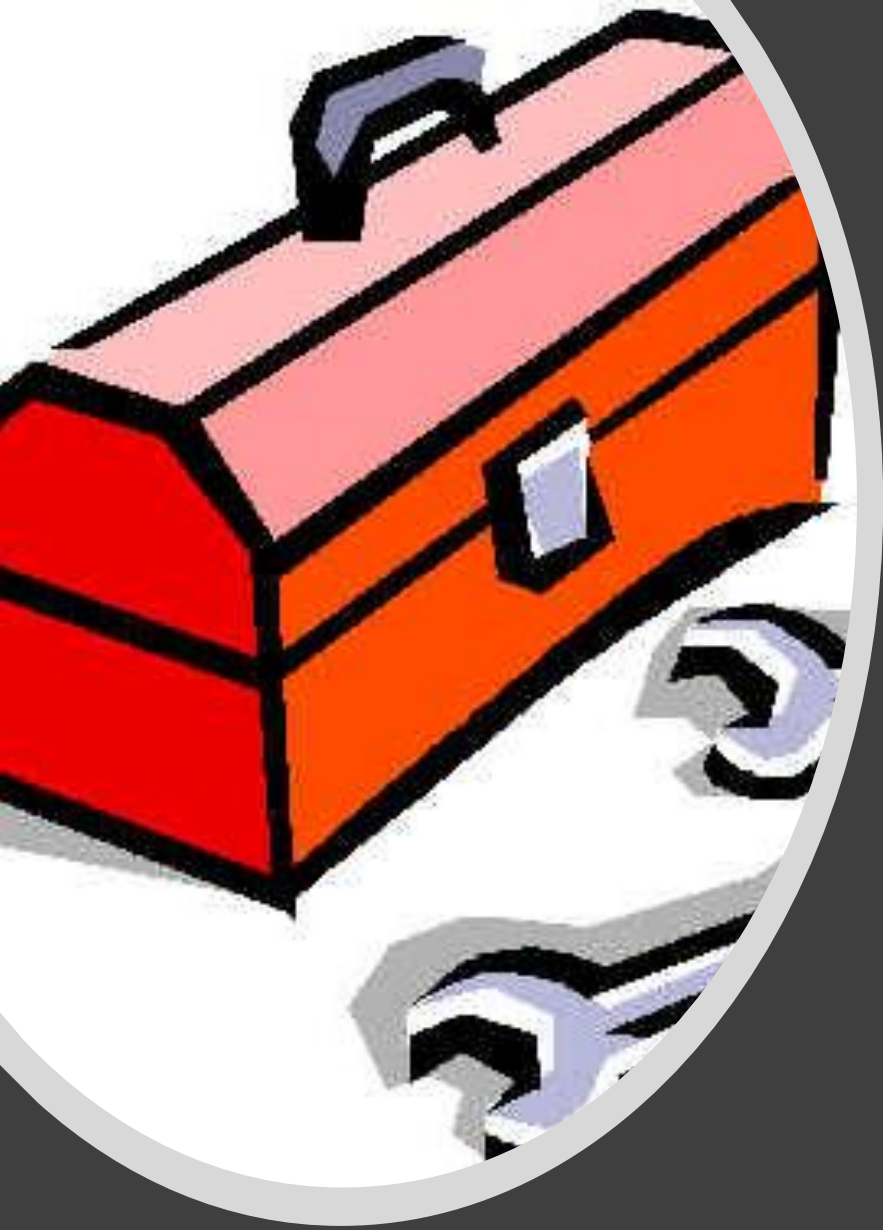
#Housing2030

- Draws on research and best practices
 - Provides justification for policies that promote affordable inclusive and sustainable housing
 - Defines a wide range of policy tools
 - Gives real life examples
 - Provides direction and how to measure success
 - Suggests useful resources
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- Two Key Reports:
 - #Housing2030 <https://www.housing2030.org/>
 - and also International Review of Land Policies for Affordable and Inclusive Housing <https://smartland.fi/wp-content/uploads/Land-policy-for-affordable-and-inclusive-housing-an-international-review.pdf>



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What this presentation outlines

- Public land banking
- Public land leasing
- Land pooling and re-adjustment
- Land value recapture and Taxation
- Regulatory planning – and inclusionary zoning
- Bringing the tools together -
Neighbourhood planning
- New challenges - Regulating the platform
real estate economy

“The practice of government acquiring land in advance of need and at lower cost in order to pursue strategic development goals, such as to provide infrastructure or lower cost land for affordable housing”

(Lawson and Ruonavaara, 2020)

Public land banking

- Singapore’s land banking, resettlement and lease for public home ownership
- Vienna’s land banker Wohnfond – providing sites for affordable housing to fulfil a strategic plan
- Dutch municipal land companies work strategically with housing corporations
- West Australian Land Corporation long term strategy with a continuum of housing options
- Chinese municipal land bankers as ‘growth machine’ and promoting public rental housing

“A contract between the lessor and lessee concerning usage and improvement rights responsibilities, over a defined time period. Leasing can make developments more feasible and in the case of cost rent housing, reduce rents.” (ibid, 2020)

Public land leasing

- Helsinki, a major land owner, leases land for right to occupy and not for profit housing - keeping development feasible and housing accessible
- Munich, Socially Just Land Policy SOBON, no longer sells land, rather it purposefully leases for defined tenures - no ownership
- Barcelona, Community land trusts – ensuring space for collaborative co-operatives innovation for missing middle, often small scale

“consolidating multiple pieces of land into a more orderly pattern and prepare for desired use and development (*ibid*, 2020)

Public land pooling and readjustment

- German land re-adjustment – national law backs binding implementation of local land use plans
- Korean land re-adjustment finances well serviced mega cities such as Seoul

“Efforts to capture betterment for the broader community are known as land value recapture.” (ibid, 2020)

Land value recapture

- **China controls land use to capture and reinvest value in urban development**
- **UK and Irish planning contributions and the Community Infrastructure Levy - co-funds public transport and affordable housing**
- **US Tax and Increment Financing – earmarks property tax revenues from anticipated increases in values from investment and makes expenditures to further planning objectives**

Regulatory planning aims to promote a desired pattern of development in the public interest, ideally to enhance social and economic well-being and environmental sustainability. It may require, negotiate or encourage a proportion of development or redevelopment to be set aside for affordable housing via zoning, planning permission, incentives, fees as well as fines.

Regulatory planning - Inclusionary zoning

- **US Inclusionary Zoning and Density Bonus schemes now widespread**
- **French National Law on Urban Inclusion has ensured well located and widely distributed social housing**
- **England and Scotland's planning contributions provide sites for needed affordable housing**
- **Vienna's new zoning obligations**

Needs based assessments, stakeholder participation, agreements and funding are all brought together to make desirable social and economic development happen in local areas.

Comprehensive neighbourhood planning and investment

- **Finnish Land, Housing and Transport Agreements in which targets for housing outcomes are set and necessary funding provided to make them happen**
- **Scottish Housing Needs and Demand Assessment, Social Housing Investment Plans coupled with an Affordable Housing Supply Program**
- **Berlin Social City neighbourhood investment**

Taxation instruments (sales, land value, usage) need to adjust to changing circuits of residential investment. New digital technologies also pose challenges for monitoring and regulating housing usage (AirBnB).

Taxation and investment regulation

- Land value taxation
- Vacancy Taxation
- Regulating impact of short term letting
- Varying impact of global investors – strength of regulation/consumer/tenant rights also key (see: Germany and UK ([Korthals Altes, 2020](#)))



Where to now?

- Land policy is a major part of the solution to addressing the affordability, climate crises and economic volatility
- Important to build expertise and capacity in this policy area - adapting and refining useful tools, sharing and learning from good and bad practice
- Having a clear mandate land policy to play its role in affordable and sustainable housing important
- Also promoting transparency and good progress requires monitoring with the community and civic engagement.

Selected resources

#Housing2030m Land banking for affordable and inclusive cities - Vienna
<https://www.wohnfonds.wien.at/website/article/nav/103>

Lawson, J and Ruonavaara, H (2020) Land Policies for Affordable and Inclusive Housing – An International Review, University of Turku and RMIT University, for SmartLand, Academy of Finland <https://smartland.fi/wp-content/uploads/Land-policy-for-affordable-and-inclusive-housing-an-international-review.pdf>

Land leasing for affordable and inclusive housing development - Helsinki
https://issuu.com/theaou/docs/elina_eskela_the_helsinki_mix

Land readjustment for orderly and inclusive planning – Seoul and Germany

https://www.fig.net/resources/proceedings/fig_proceedings/korea/full-papers/pdf/session20/mullerokel.pdf

Capturing land use value uplift for public investment and public rental housing

<http://hub.hku.hk/handle/10722/194620>

International planning practice for affordable housing – a review

<https://www.aburi.edu.au/research/position-papers/99>

Combining planning and housing policies – Scotland's Housing Needs Demand Assessment and Social Housing Investment Plans

<https://www.gov.scot/policies/more-homes/housing-and-planning-delivery-framework/>

Addressing the real estate platform economy and short term letting

https://www.aburi.edu.au/_data/assets/pdf_file/0022/28615/AHURI-Final-Report-305-Technological-disruption-in-private-housing-the-case-of-airbnb.pdf

Norris, M and Lawson, J (2022) Tools to Tame Financialisation of Housing, New Political Economy,

<https://www.tandfonline.com/doi/full/10.1080/13563467.2022.2126447>

Willem K. Korthals Altes (2018): Annington versus Deutsche Annington: Private Equity and Housing in the Anglo-Saxon and Rhenish Contexts, Housing, Theory and Society, DOI: 10.1080/14036096.2018.1479300
https://pure.tudelft.nl/ws/portalfiles/portal/51451785/Annington_versus_Deutsche_Annigton_Private_Equity_and_Housing_in_the_Anglo_Saxon_and_Rhenish_Contexts.pdf

Why and how should the Irish government intervene in land markets?

Reflections on options for accessing affordable land for social and affordable housing



Presentation to the Talking About Land Seminar series

04/10/2022

Professor Michelle Norris

Geary Institute for Public Policy

University College Dublin



Why should the Irish government intervene in land markets?

It seems obvious that affordable land enables affordable housing supply

But because affordable land has become increasingly challenging for social housing providers to source in recent decades active management of land markets by governments is more important than ever.

A photograph of a long, two-story terraced housing estate. The buildings are light-colored with multiple windows and chimneys. In the foreground, there is a decorative metal gate with a white pillar on the right and a grey pillar on the left. The sky is overcast.

Cheap land was a critical enabler of the huge growth in social house building in Western Europe in mid 20th Century.

High council house building in Ireland in the 1930s, '40s and '50s took place in the context of:

- **an underdeveloped land use planning system**
- **and little competition for land from the private sector**

This meant that development land prices were low and there few barriers to housing development once the money could be found to pay for construction

In the context of more comprehensive regulation of land use and increased competition for development land from the late 20th Century, active land management has become an increasingly important enabler of social and affordable housing supply

In England and Wales:

- removal of requirement to sell land for social housing at existing use value in the 1950s, and
- sale of public land banks to the highest bidder in recent years

Has increased the cost of social house building and depressed output.

In Vienna land supplied by Wohnfond (public land banker) has played a key role in maintaining high rates of social housing output

How should the Irish government intervene in land markets?

The purpose of this webinar series is to examine the main methods employed by governments in the rest of Europe:

- Public Land Banking, 18 Oct
- Public Land Leasing, 1 Nov
- Land Pooling and Readjustment, 15 Nov
- Land Value Capture, 10 Jan
- Land Value Tax, 24 Jan
- Inclusionary Zoning, 7 Feb

The Irish government already uses some of these mechanisms:

- Public Land Banking - Land Development Agency & local authorities
- Land Value Capture - development contributions
- Land Value Tax - vacant site levy
- Inclusionary Zoning - Part V of the 2000 Planning Act.

Therefore active management of land by government has expanded particularly over the last two decades.

These seminars provide an opportunity to learn from strategies used in other European countries and discuss:

- how the effectiveness of the existing land policy tools used in Ireland can be improved to better to support social and affordable housing delivery
- The options available for expanding the suite of measures we use:
 - could some of the land policy tools used abroad such as land leasing or land value tax be employed in the Irish context?
 - What benefits would this bring?
 - How would these new measures interact with existing policies?