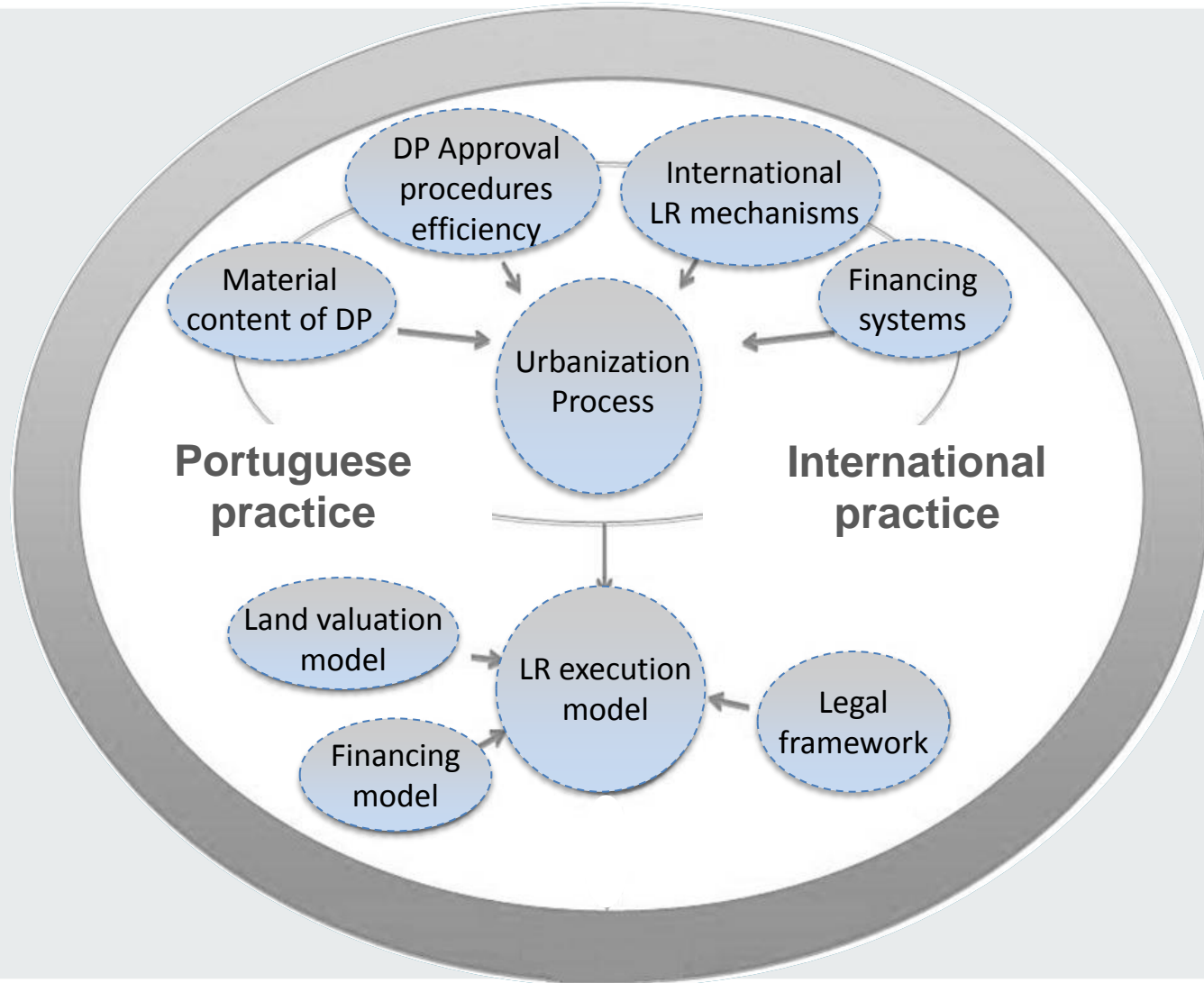
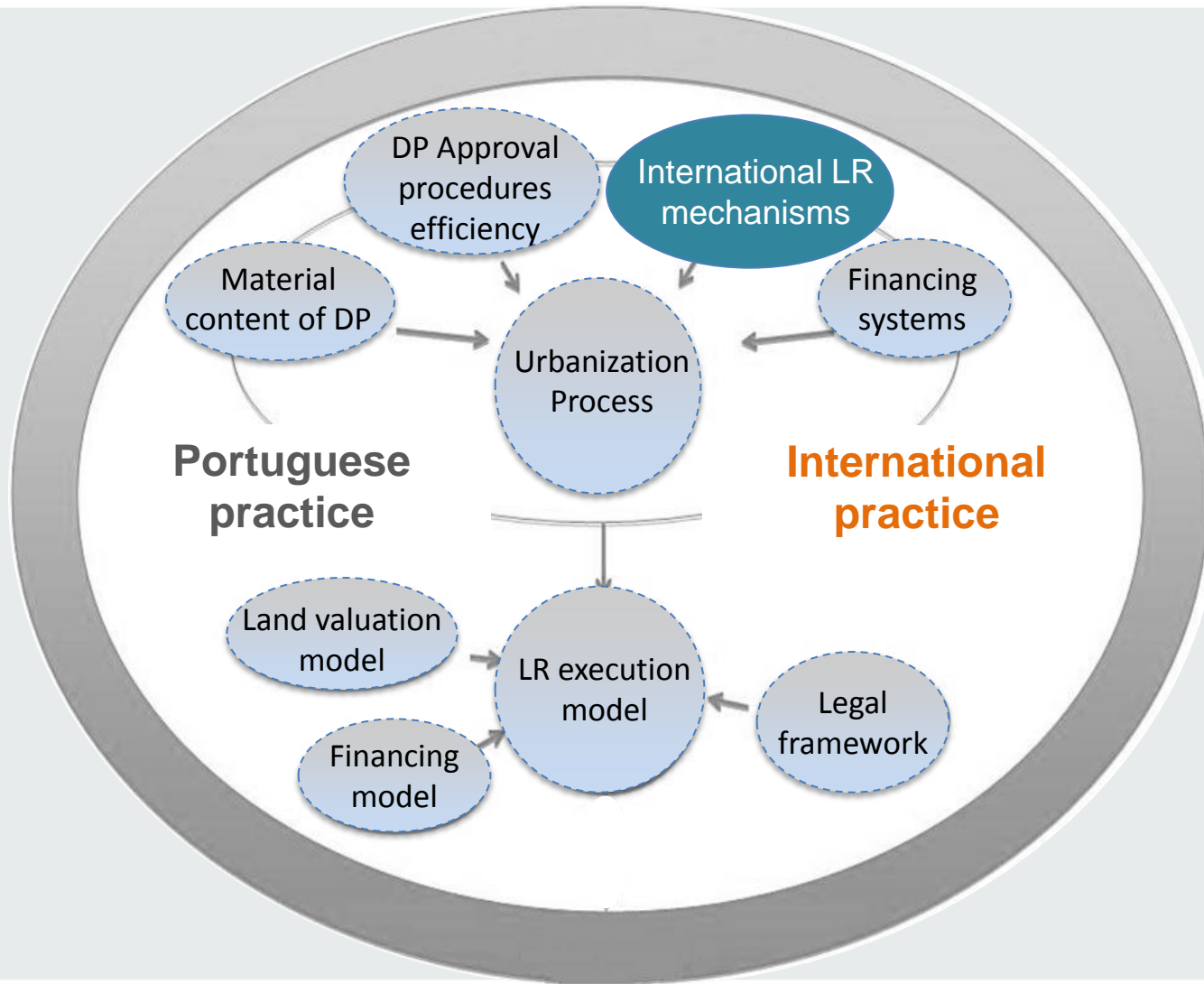


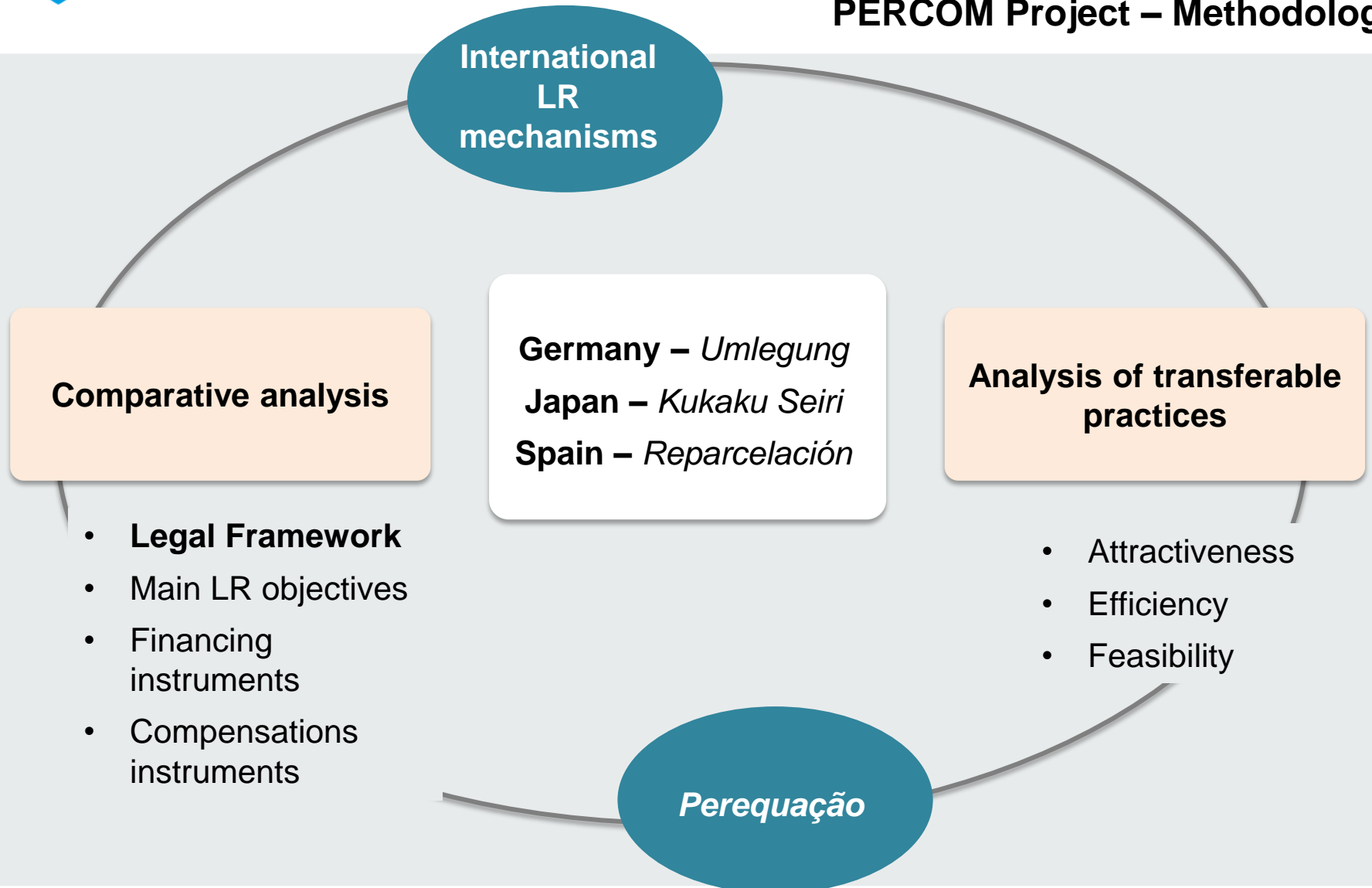
IMPROVING THE APPLICATION OF LAND READJUSTMENT IN PORTUGAL: LESSONS FROM OTHER COUNTRIES

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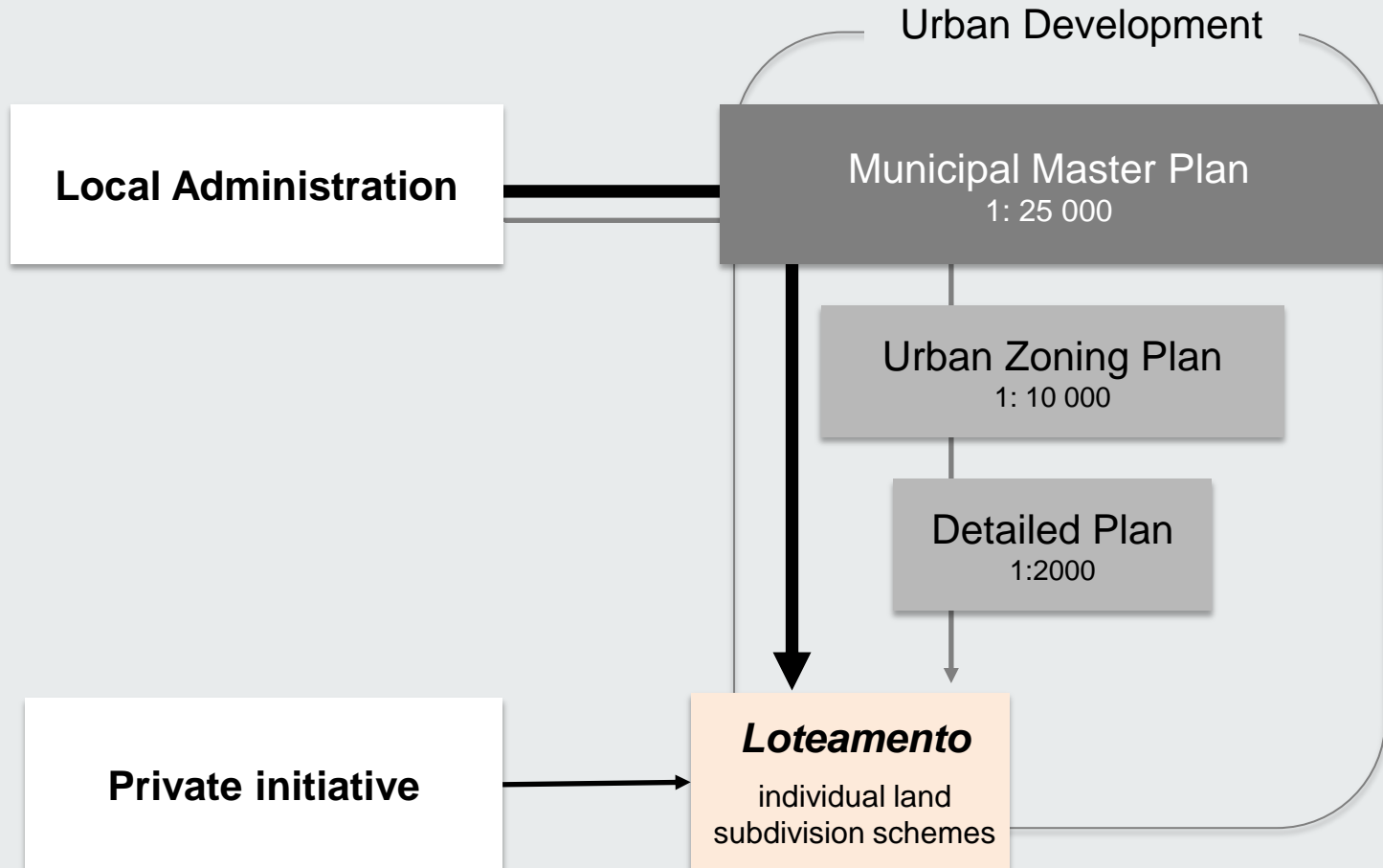
- The absence of a ***win-win* negotiation culture** between the public and private sector
- The absence of a *comprehensive understanding* of the relations between **urban planning and land and property markets**
- The non-existence of a reliable land valuation mechanism truly embedded in the planning process
- The lack of **efficient and effective dispute** resolution mechanisms
- The lack of **efficient and effective mechanisms** to induce LR
- **The absence of a robust and a rising real estate market**

So the question is ...

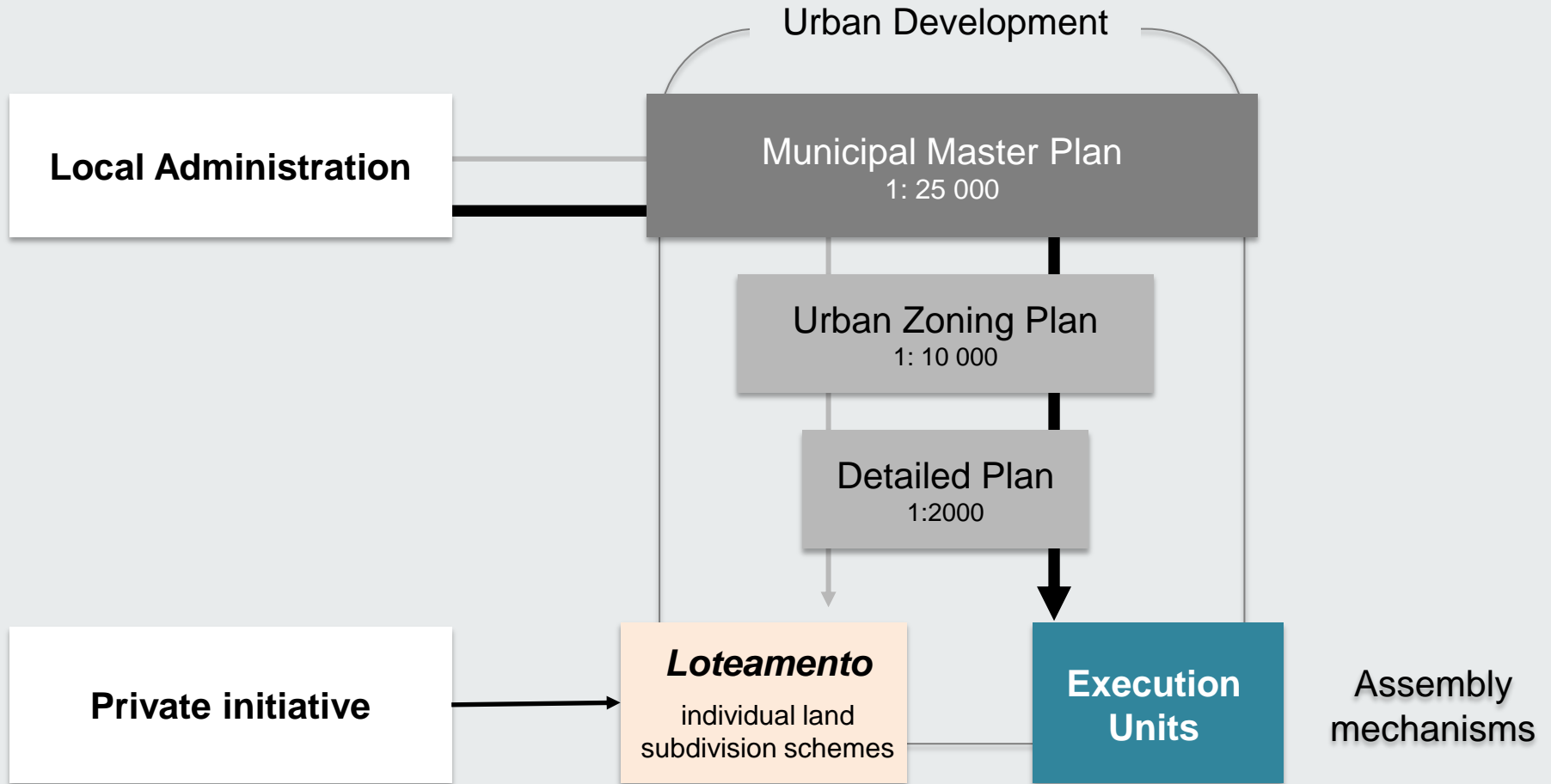
Within a generally *hostile* environment to LR, *shaped* by a **predominant non-cooperative culture**, a **falling real estate market** and a **weak and loose legal framework** regarding dispute resolution mechanisms and land and property valuation methods,

Is it still possible to operate LR?

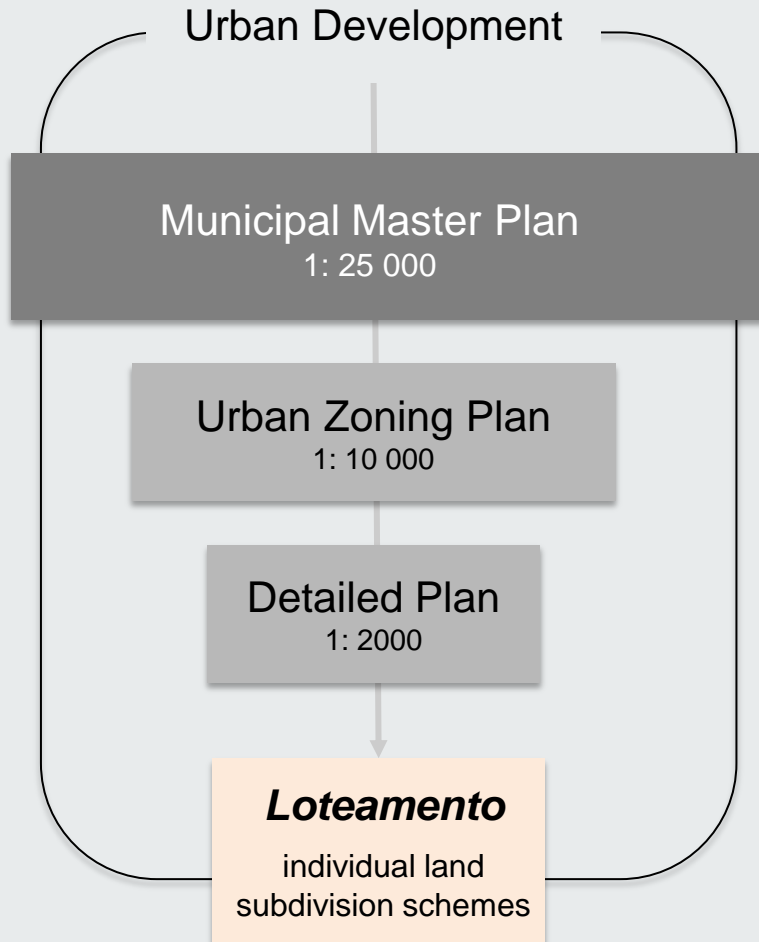
Is it LR only a *solution* when everything is “*in its right place*”?



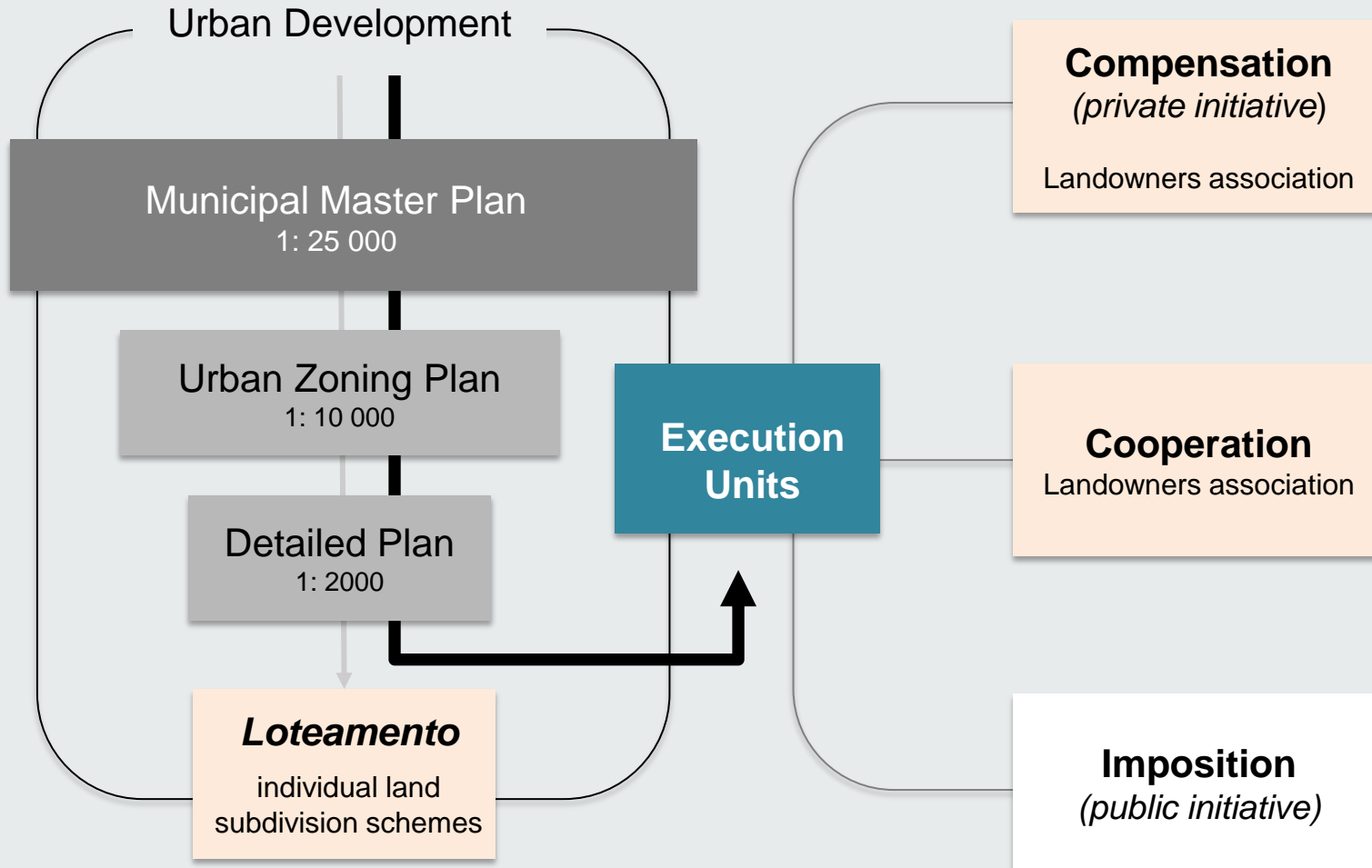
LR in Portugal: Legal Framework (since 1999)



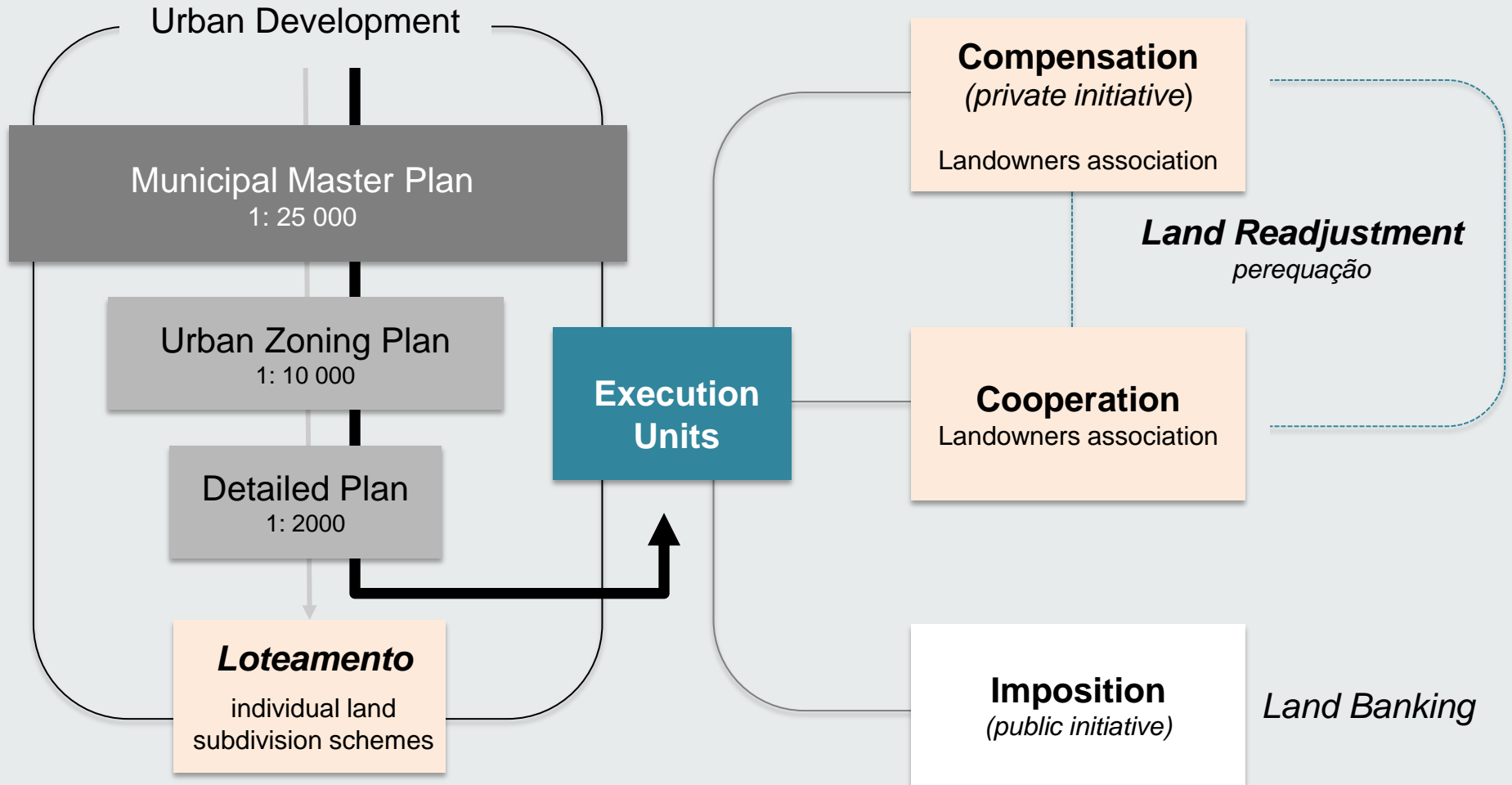
LR in Portugal: Legal Framework (since 1999)



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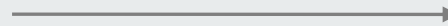


LR in Portugal: Legal Framework (since 1999)

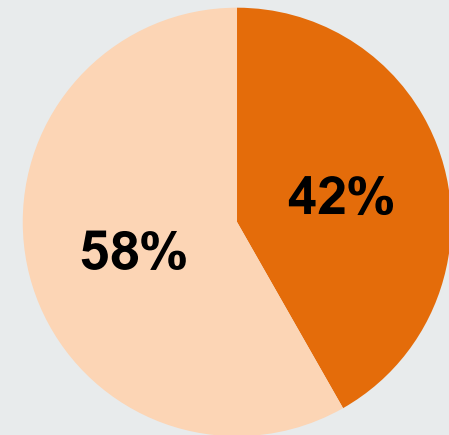
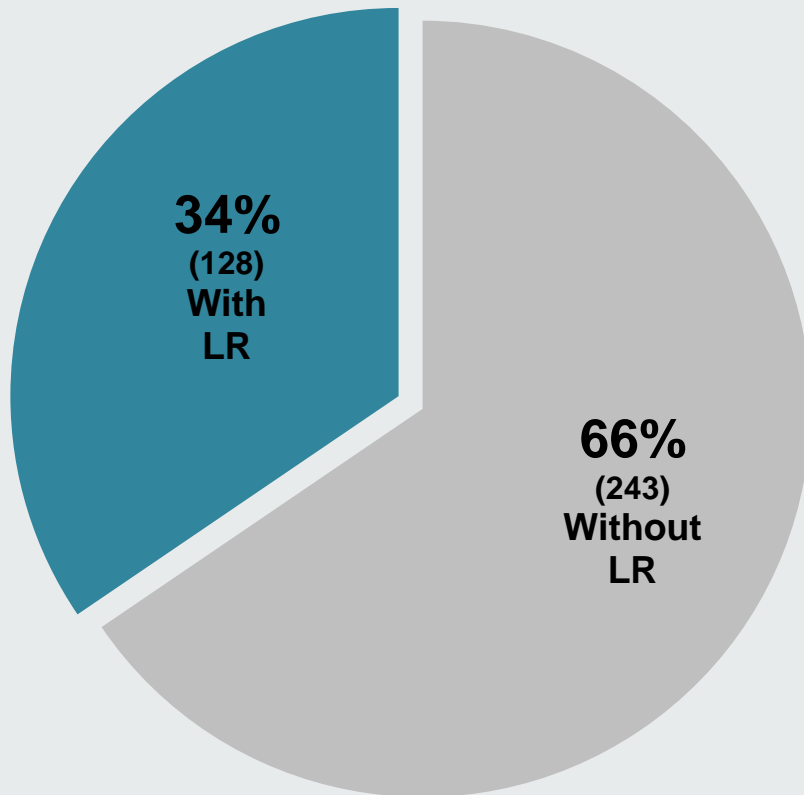




LR in Portugal: Application overview

371 Detailed Plans (1999-2012)



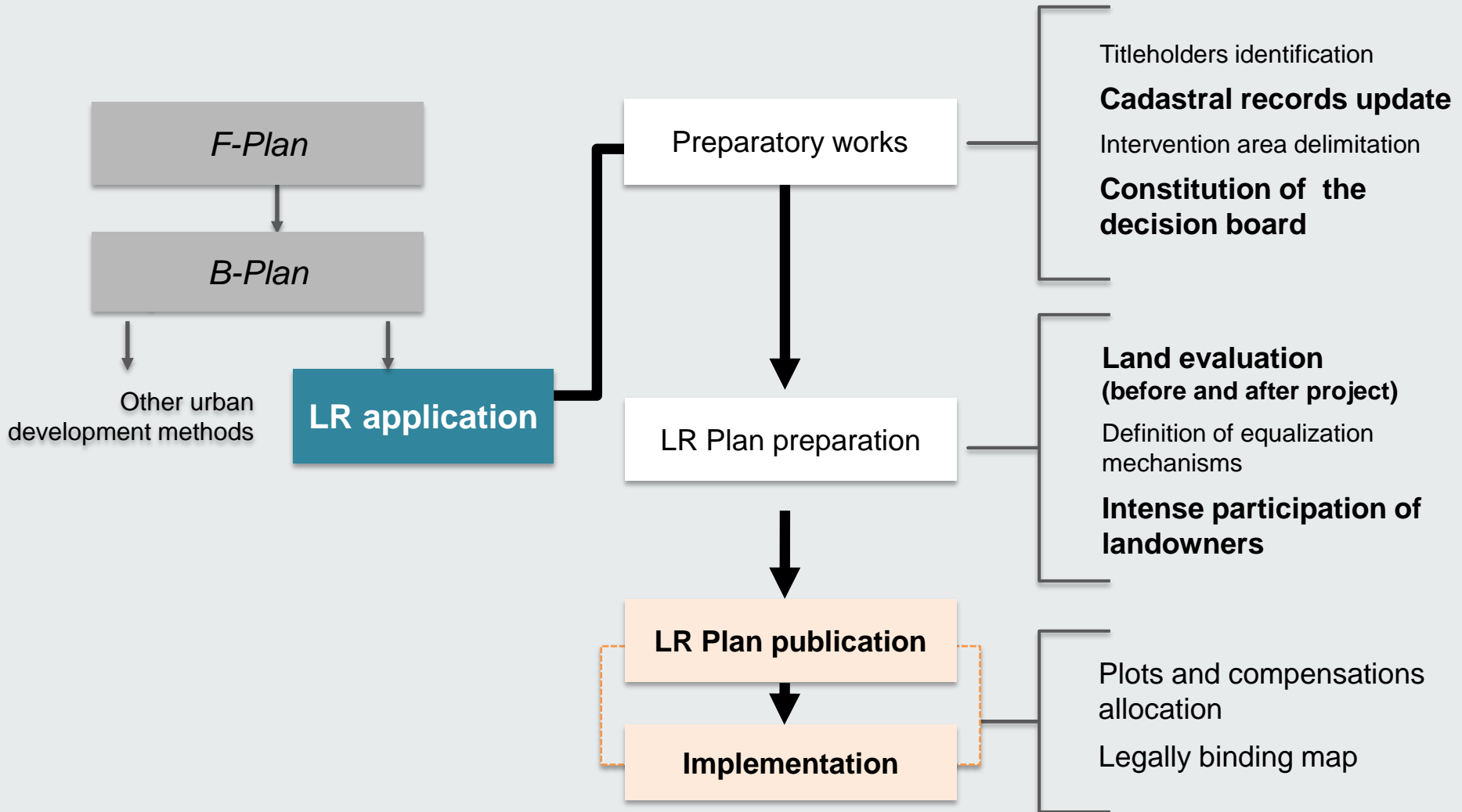
91 Detailed Plans

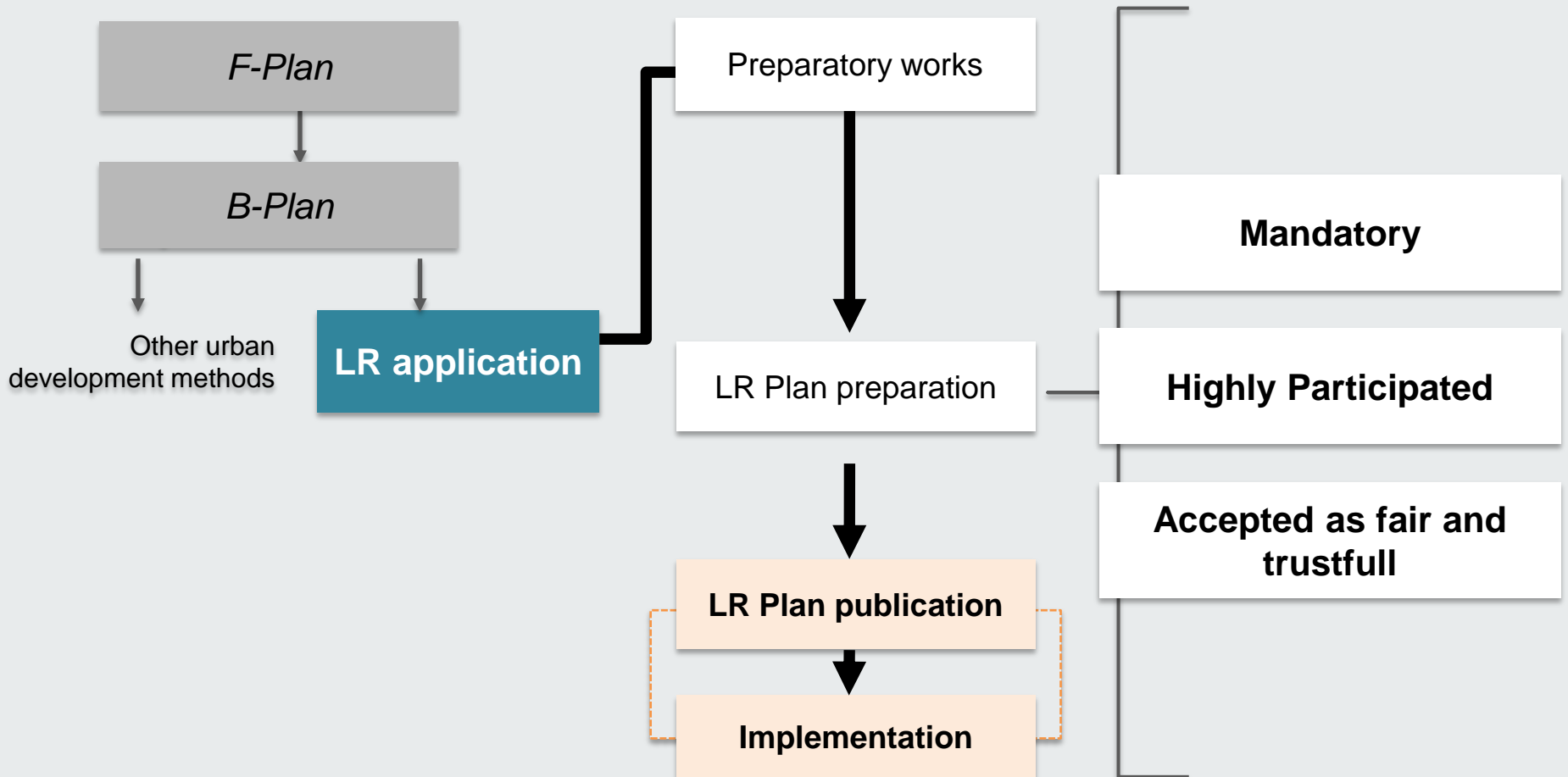


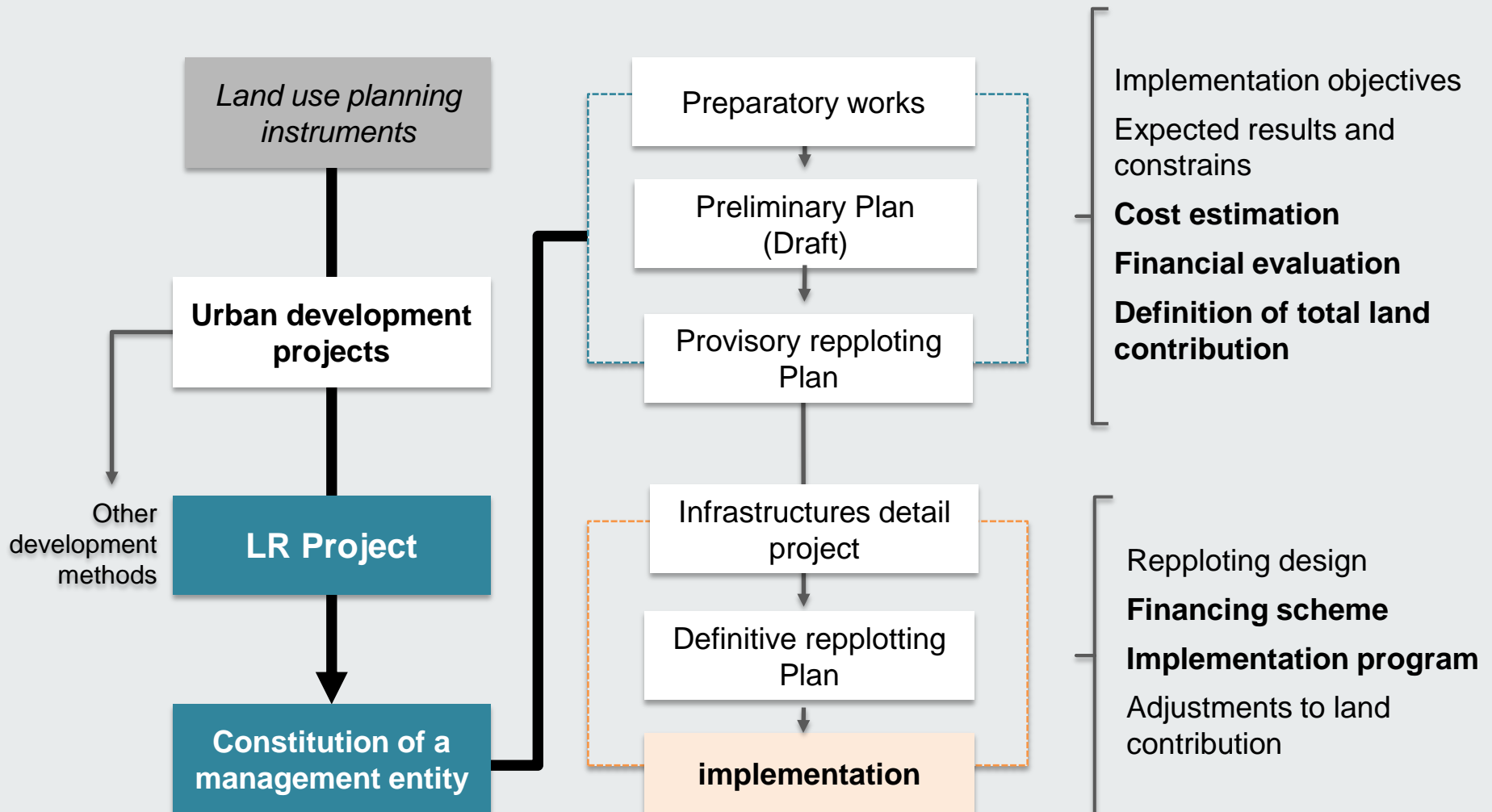
-  Implementation started
-  Not implemented

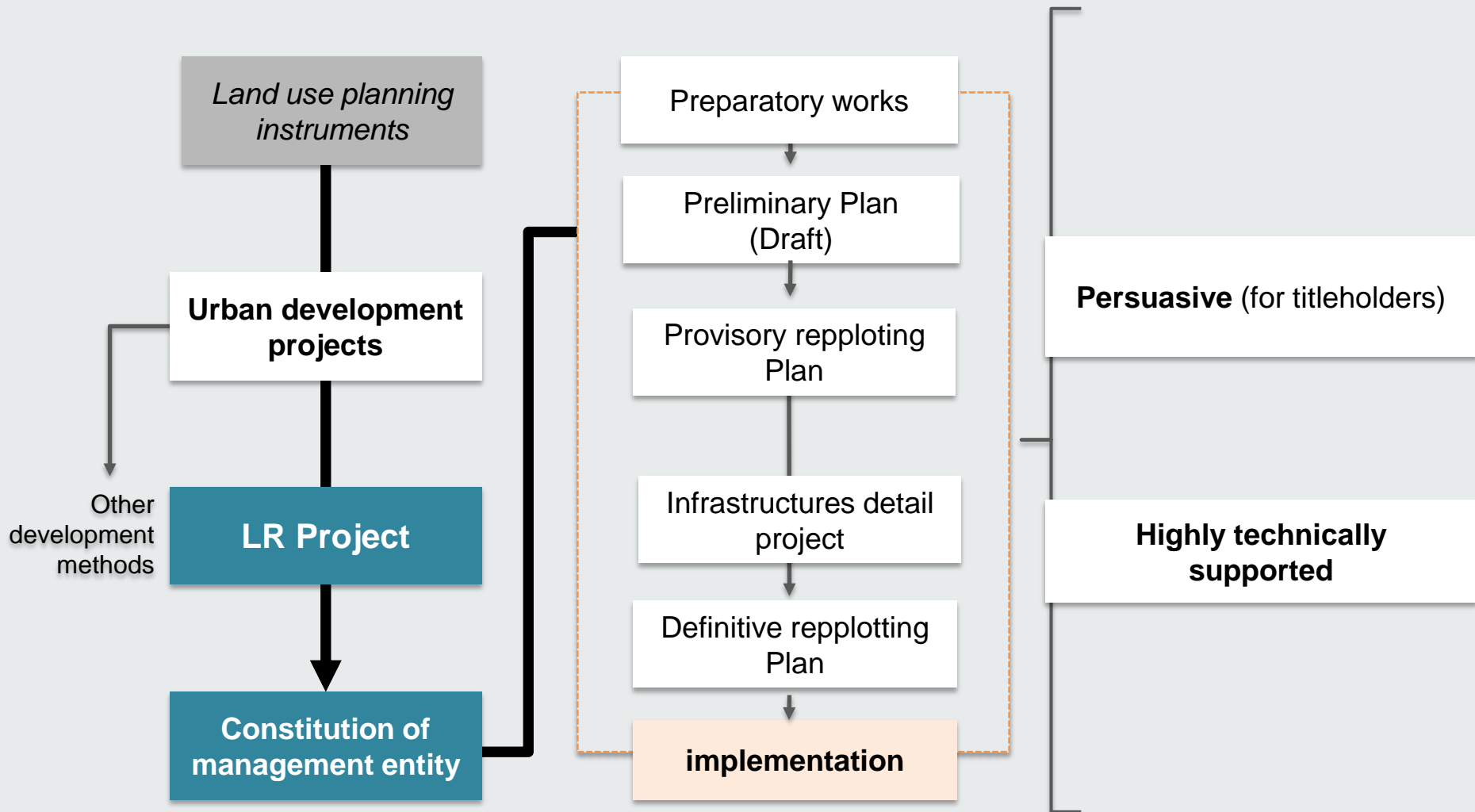
LR in Portugal - Major Pitfalls Vs International practice

LR in other countries: **Germany**

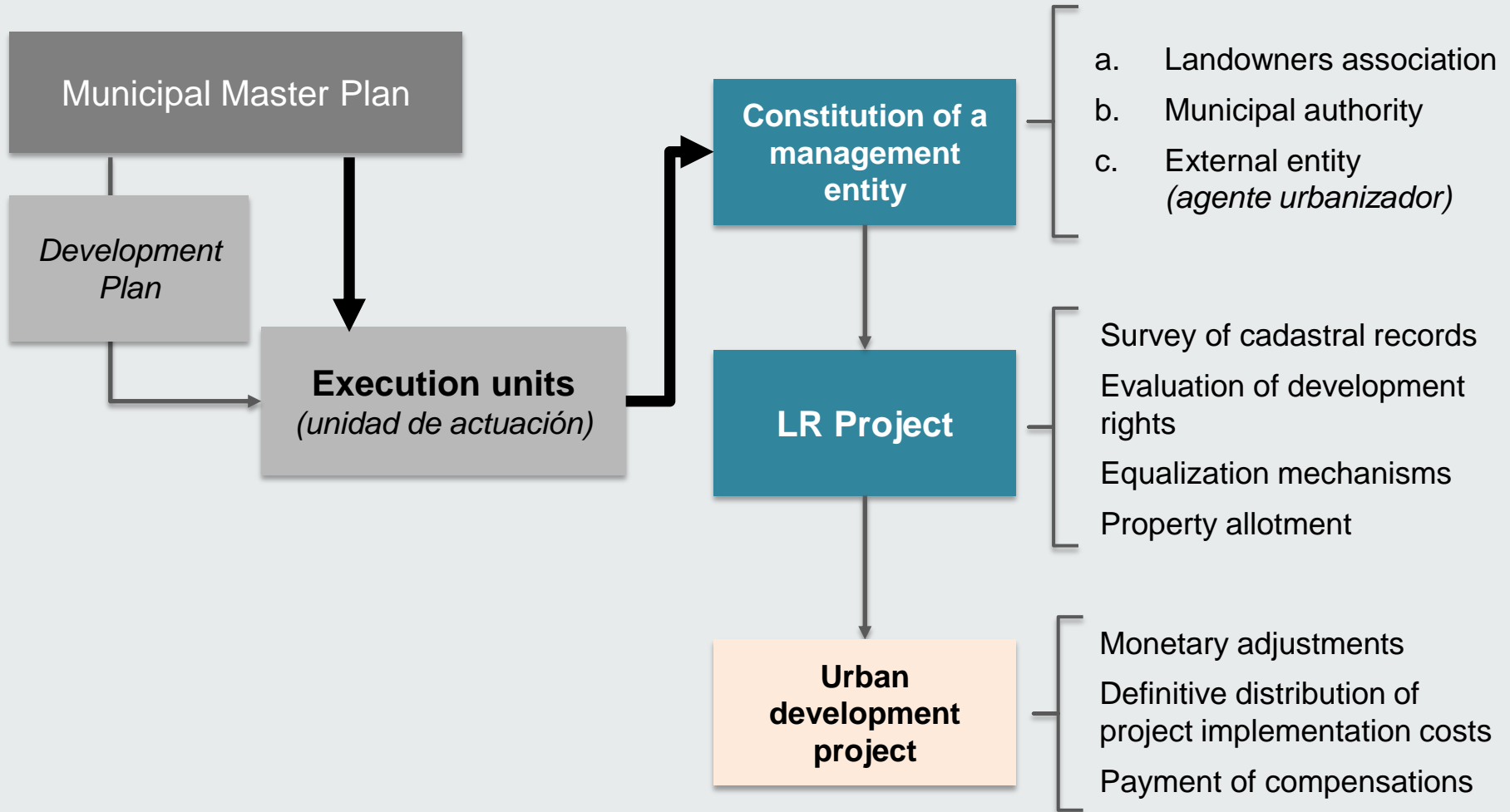


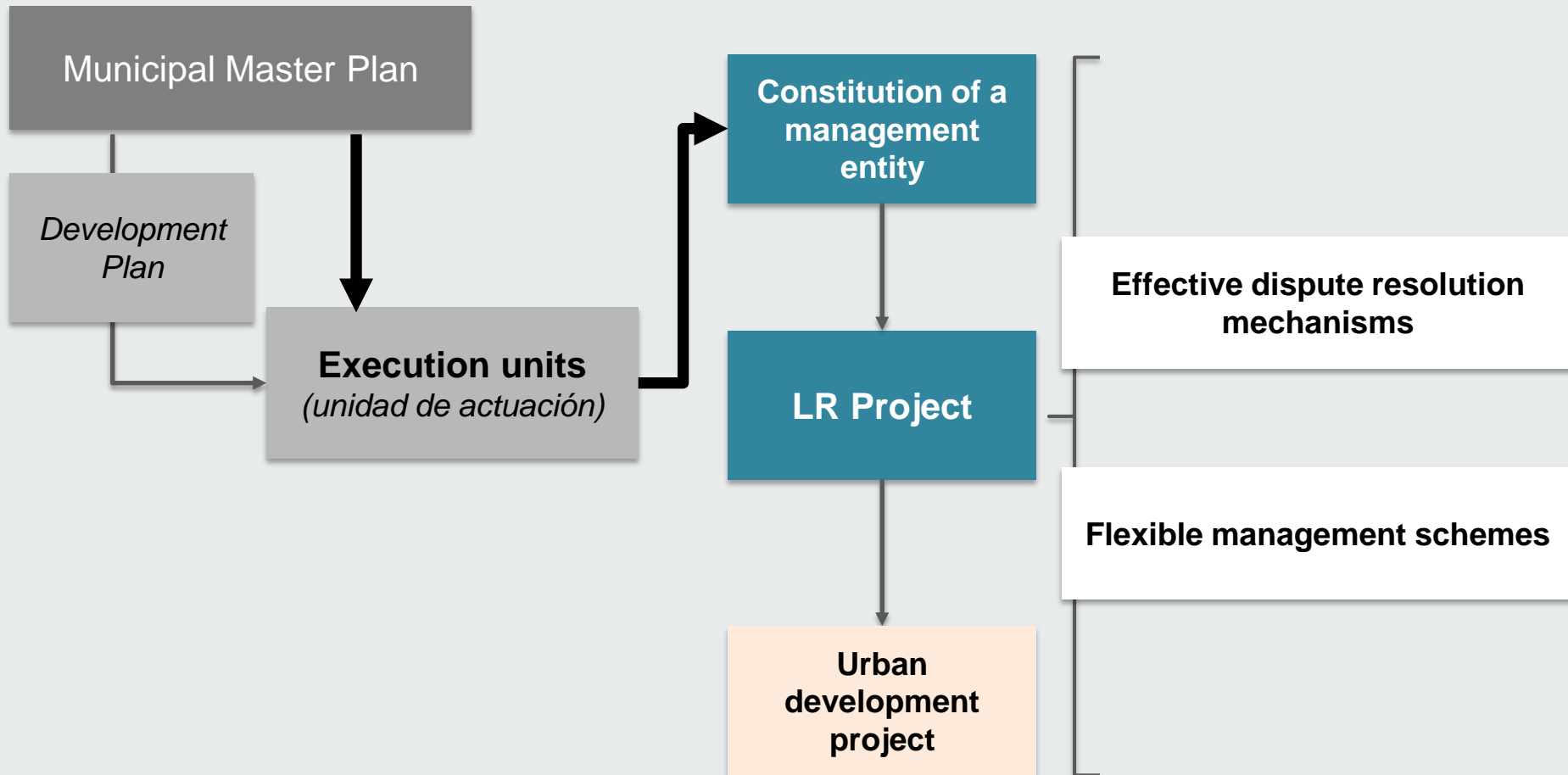






LR in other countries: Spain







Land Readjustment in other countries: comparative analysis

Objectives	Japan	Germany	Spain	Portugal
Promotion of urban projects with multiple landowners	○		○	○
Development of infrastructure and other facilities	○	○		○
Implementation of Detailed Plans		○	○	○
Equitable distribution of benefits and charges	○	○	○	○
<i>Value or betterment capture</i>	○	○	○	○
Adjustment of cadastral structure	○	○	○	○
Promotion of urban development policies	○	○	○	○
Constitution of public reserve land	○	○	○	○

○ Main objective ○ Secondary objective ○ Other objectives

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Promotion of urban development policies	○	○	○	○
Constitution of public reserve land	○	○	○	○

 Main objective
  Secondary objective
  Other objectives

Land Readjustment in other countries: comparative analysis

Legal framework	Japan	Germany	Spain	Portugal
Execution system diversity	○	○	○	○
Regulation density	○	○	○	○
“Unanimity” requirement for LR	no	mandatory	no	“Nyes”

○ Strong ○ Poor - Not specified in the legal framework

Land Readjustment in other countries: comparative analysis

Practice	Japan	Germany	Spain	Portugal
Local Administration intervention	○	○	○	○
Local Administration support in private projects	○	-	○	○

○ Strong ○ Weak - Not specified in the legal framework

Land Readjustment in other countries: comparative analysis

Financing	Japan	Germany	Spain	Portugal
Costs shared in LR	Basic infrastructure	-	Basic infrastructure, compensation costs	Basic infrastructure, compensation costs
Who pays LR?	Landowners Association	Public Authority	Landowners Association	Landowners Association
	Public Authority		Public Authority	Public Authority
Cost recovery	Cost recovery land, public subsidies (direct fiscal income)	Betterment compensation (cost-recovery land)	Private Investor	Private Investor
			Building rights	Building rights
			Monetary compensation	Monetary compensation

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Self-financing capability	Strong	Strong	Weak	Weak

Land Readjustment in other countries: comparative analysis

Compensations	Japan	Germany	Spain	Portugal
Compensation types	Land and monetary adjustments	Land and Monetary adjustments	Development rights Monetary adjustments	Development rights Monetary or Tax allocation adjustments
Equalising criteria (property valuation)	Area weighted by street distance coefficients or other	Area or value	Development rights weighted by urban use coefficients	<i>FAR</i> Urbanization costs or other
Betterment capture	Variable	100% based on differences between property values before and after LR	5 to 15% of all development rights	-

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Land Readjustment in other countries: transferable practices

	Attractiveness	Efficiency	Feasibility
Individual and collective meetings at early stages	●	●	●
Independent decision boards	●	●	●
Obligation to enter LR process	●	●	●
Reference land market values	●	●	●
Incentive instruments (<i>fiscal, financing, urban</i>)	●	●	●
Contribution share mechanism	●	●	●
Clear and detailed regulations	●	●	●

- Neutral
- Negative influence
- Requires other changes to be an effective influence
- Positive influence

Land Readjustment in other countries: transferable practices

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Individual and collective meetings at early stages	●	●	●
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Contribution share mechanism	●	●	●
Clear and detailed regulations	●	●	●

- Neutral
- Negative influence
- Requires other changes to be an effective influence
- Positive influence

Is it possible an efficient and effective application of Land Readjustment in Portugal?

Lessons from international experience:

Make LR more attractable for private agents than other urban development methods:

- Incentives instruments (fiscal, financing, urban)
- Clear regulation rules

Make LR more efficient for original landowners (avoiding opposition)

- Clear regulation rules
- Proactive and supportive Public Administration



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