

Module 1: Introduction and the Context

The Use and value of Urban Planning

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Summary

1. Why do we need urban planners?
2. Performances in planning cities: success and failures
3. An urban planning methodology which:
 - Uses a cross sectoral approach
 - Takes impact on markets into account when developing strategies
 - Increases the chances of successful implementation



Section 1:

Why Do We Need Urban Planners?



Why Do We Need Urban Planners?

- **A city government usually includes sectoral bureaus that manage individual sectors such as:**
 - **Transport**
 - **Water and sewer**
 - **Land**
 - **Housing, etc.**
- **Good sectoral management is indispensable but it is not enough!**



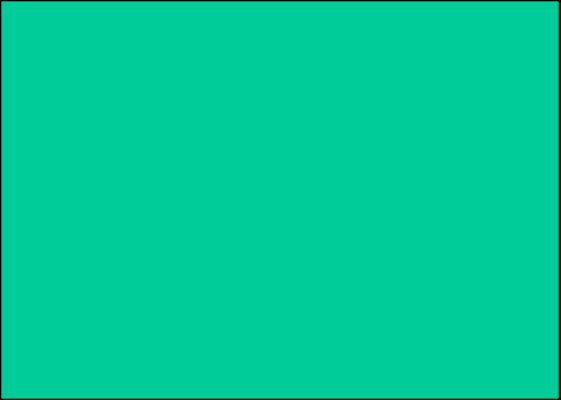
Urban Planners Should Work Across Sectors

- **By contrast with sector managers, urban planners are supposed to work across sectors**
- **For this reason their contribution to the efficiency of a city is unique**
- **Unfortunately, planners often**
 - **concentrate on planning land use in isolation from other municipal sectors**
 - **do not get involved in infrastructure planning**



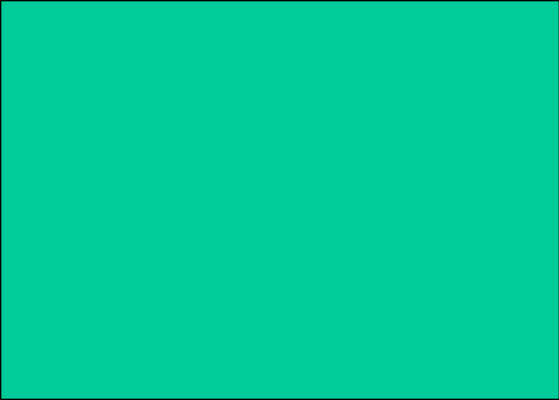
Example of Cross Sectoral Problems (1)

- **Shortage of housing may be responsible for overcrowding which in turn may create traffic congestion**
- **The solution might be to increase the supply of housing (cross sectoral approach) rather than widening streets (sectoral approach)**



Example of Cross Sectoral Problems (2)

- **Lack of investment in water supply in suburban areas may create an urban land shortage, which in turn may lead to a housing shortage and high rent**
- **The solution to lower rents might be to built new water mains in the suburbs (cross sectoral approach) rather than build new housing projects (sectoral approach)**



Attempts to Minimize Costs within a Sector Often Leads to the Wrong Decision

- **For instance, a transport department may attempt to minimize its budget expenditure by avoiding building expensive bridges**
- **In doing so the municipality may lose the assets represented by the land across the bridges**
- **The value of land made accessible by the bridge might be several orders of magnitude greater than the cost of the bridges**

Cost Benefit Analysis vs. Minimizing Costs

- **Good management practice consists in maximizing the difference between costs and benefits, not in minimizing costs**
- **One of the most practical way of measuring the benefits from infrastructure investments or regulatory change is to measure changes in land values and rents**
- **Urban planners are uniquely qualified to evaluate investment benefits when they understand the mechanisms of real estate markets**



Reality Vs. Best Practice

- **In reality in many cities across the world, planners tend to**
 - **focus on the design of land use plans in isolations from other sectors**
 - **Ignore the reactions of the real estate market to the shortages and/or oversupply that they may unknowingly contribute to create**
- **This explains why there are so many planning failures and why the sectoral management approach is more common than cross sectoral planning**



Section 2:

Performances in Planning Cities: Success and Failures

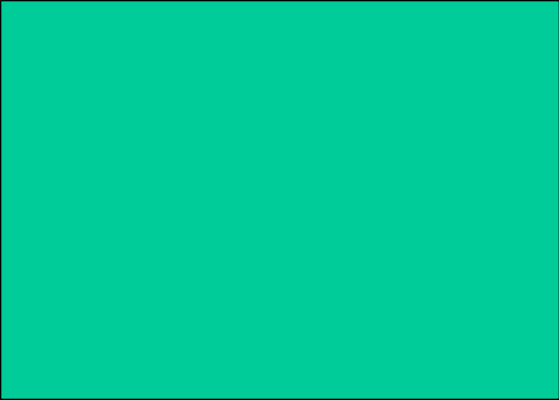
Success and Failures

- **Cities in high income countries often appear to be better planned than cities in lower income countries, however it is not always the case**
- **There are history of planning success and failures in every countries of the world, rich or poor**
- **We can learn from the success and failures story, but there are no directly transferable models**



Examples of Planning Successes in Western European and American Cities

- **In Western European cities:**
 - **Protecting historical neighborhoods while maintaining their economic vitality**
 - **Linking economic regions with a dense and efficient network of public transport**
- **In American cities:**
 - **Maintaining a competitive housing construction industry responsive to consumers demands**
 - **Reducing car pollution by imposing strictly enforced pollutant emission standards**



Examples of planning failures in Western European and American Cities

- **In Western European cities:**
 - **Planners tried to limit the growth of capital cities like London and Paris, it did not work**
 - **The proportion of trip using public transport keep decreasing in spite of effort of planners to increase it**
- **In American cities:**
 - **Many city center are loosing jobs and people in spite of planners effort to revitalize them**
 - **The proportion of trip using public transport keep decreasing in spite of large investments in public transport like light rail or metro**



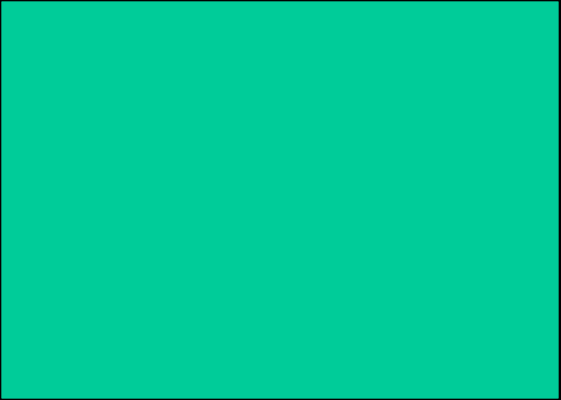
Section 3:

An Urban planning method that increase the chance of success



6 Steps for Successful Planning:

- 1. Define priority objectives**
- 2. Develop strategy**
- 3. Identify and quantify inputs**
- 4. Identify and quantify outputs**
- 5. Project and then monitor outcome**
- 6. Calculate and then monitor city wide impact and compare to objectives**



6 Steps for Successful Planning Examples(1)

1. Define priority objectives

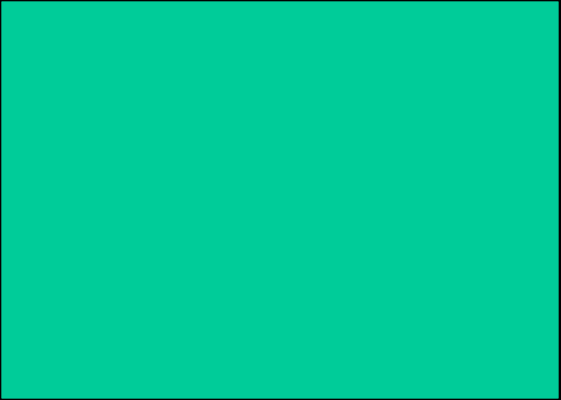
- increase supply of new housing

2. Develop strategy

- Develop infrastructure to increase land supply

3. Identify and quantify inputs

- Land for roads right of ways
- Costs of civil works



6 Steps for Successful Planning Examples (2)

4. Identify and quantify outputs

- Length of roads and network to be built

5. Project outcome

- Area and cost of land developed
- Density and number of dwelling units

6. Evaluate city wide impact compared with objective

- Changes in land and housing prices
- % increase in new housing

Steps 5 and 6 are Very Important for Successful Planning

- **The 6 steps described above could be used for planning regulation reform, infrastructure investments, or local tax reform**
- **Step 5: Projecting outcome is a way to anticipate the reaction of markets to planned project**
- **Step 6: validate the efficiency of the strategy**
- **It is possible to plan projects or reform which appears successful in isolation but have no impact at the city level**
- **Many government housing projects are unfortunately of this last type**



Planners Do Not Always Follow the 6 Steps

- **Master plans often contain only objectives and strategies and nothing else**
- **Sometime there are lists of inputs and outputs without clear objectives**
- **Most of the time anticipated outcome and evaluation of impact are missing**
- **Success can be measured only when impacts are compared to objectives**



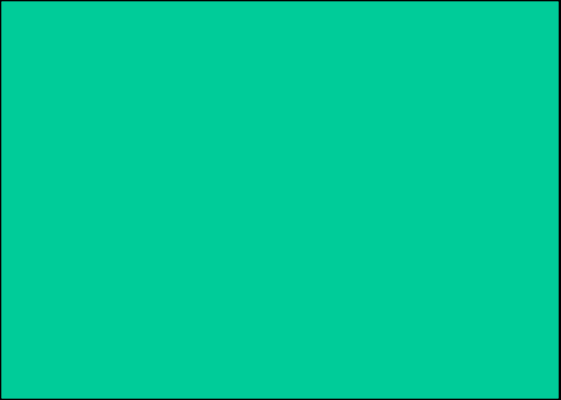
The Most Current Weaknesses in Following the 6 steps Method (1)

- **Lack of clear objectives**
- **Strategies inconsistent with city's spatial structure**
- **Inconsistency between objectives and current land use laws, infrastructure investments programs and taxation**



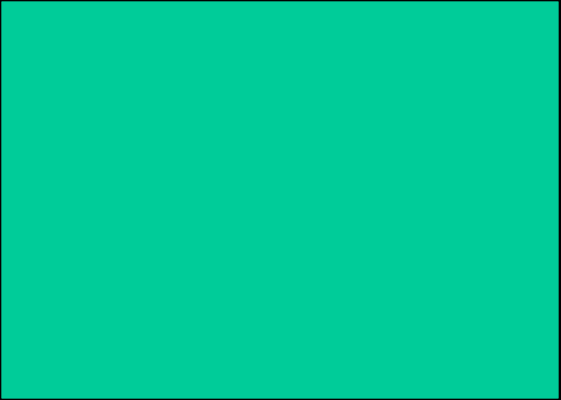
The Most Current Weaknesses in Following the 6 steps Method (2)

- **Strategy at odd with trends in consumer demand**
- **Absence of financial resources to back projected investments**
- **Implicit costs unaffordable to consumers**
- **Lack of regular monitoring of outcome and impact**



Summary of What Planners Should Do to Increase Chances of Successful Implementation (1)

- **Look at issues across sectors,**
- **Do not look at land use in isolation from other sectors and from real estate markets**
- **Monitor real estate markets and interpret price signals**



Summary of What Planners Should Do to Increase Chances of Successful Implementation (2)

- **Conduct cost benefits analysis and use anticipated rent values as a proxy for benefits**
- **Investigate possible negative side effects of regulations and infrastructure investments**
- **Constantly monitor urban indicators like densities, number and location of building permits, traffic flows, land prices and rents**



Conclusions

- **Foreign models are not directly transferable**
- **There are a lot of planning success and failures everywhere in the world**
- **Using a systematic methodology which anticipate markets reactions to planned regulations, investments and taxation decreases the risks of implementation failure**
- **Urban planning is not an exact science, but successful urban planning can bring substantial efficiency benefit to a city**