An evaluation methodology for urban rehabilitation processes

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Introduction

Cities all around the world have experienced severe changes since the mid twentieth century. These changes consisted mostly on the expansion of the metropolitan areas at the expense of the historic central areas, leading to their decay and abandonment. The European Union acknowledged this problem and created several programs and funds [1] in order to turn the urban centers into more competitive and attractive places. Portugal was no exception to this, where the most visible results may be found in the two largest urban areas, Lisbon and Porto. To tackle this issue, the Portuguese National Government elaborated a transitory legal regime for urban rehabilitation in 2004, and later, in 2009, a more comprehensive legal regime for urban rehabilitation, which enables the Local Administrations to create public owned companies aimed to actively promote urban rehabilitation in historic city centers (SRUs). The assessment of these operative tools is an imperative as stated in the Portuguese basic laws of planning, a subject that is however omitted in the legal regime for urban rehabilitation. In this paper we present an evaluation proposal for the SRU model and a first assessment of Porto Vivo SRU.

Methodology

The proposed methodology has three main components. The first one is based on the analysis of available data and indicators that may reflect the action of the SRUs. This quantitative analysis is however limited because there are only dispersed and many times incomplete databases focusing on urban renewal. Census data is available at a highly disaggregated level for population and households but the data is only available for the censuses years. Employment and business info is only collected at the freguesia (borough) level on a yearly base since 2003. However, data about building permits, real estate, or funding programs are not collected in a consistence way at the freguesia level. Many indicators that are relevant for this research, such as those related to the number of dwellers, building conditions and
conservation status, and housing occupancy rates, are very difficult (if not impossible) to obtain per year and per freguesia. Furthermore, other interesting data, like floor space use or data related to the investment made in ameliorating the public space are often missing.

The second component of this methodology is a qualitative analysis based on interviews to a representative sample of stakeholders involved in the urban renewal processes. These agents have a profound know-how in urban revitalization and about the situation of the historic centers, such as real estate and construction corporations as well as organizations, companies, and individuals directly involved in the dynamics of the city centre, whether in the social or entrepreneurial branch, or even as private investors.

The last component of this methodology consists in a comparative analysis between comparable case studies in cities worldwide. The goal is to compare institutional and performance issues, namely policy approaches, operational methodologies, and performance indicators.

**First Results – The case of Porto Vivo SRU**

This methodology was applied to the case of Porto Vivo SRU was incorporated in November of 2004 [2], with the IHRU, the National Department for Housing and Urban Rehabilitation (60% of its capital) and Porto’s City Council (40%) as shareholders. It operates over a legally defined ACRRU (Critical Area for Urban Rehabilitation), within which a priority intervention area (ZIP) was defined (Figure 1) [3].

![Figure 1 – ACRRU, ZIP, and UNESCO World Heritage Site within the municipality of Porto.](image)

Porto Vivo’s activity is still very recent and the first tangible impacts (especially the renovated housing stocks) entered the market in 2009. There are also many exogenous factors related to the macroeconomic context that construction and housing markets are currently facing, which have a great influence in Porto’s urban rehabilitation.
From what was possible to draw from the interviews made to stakeholders, the general opinion is that the SRU is working accordingly to its own goals and strategies, and that its success is acknowledged at a local, national and international level. The coercive powers that the Ordinance 104/2004 vested in Porto Vivo are one of the issues pointed out as being the cause for a much more effective performance in licensing processes than the Local Administration, hence speeding up the rehabilitation works and boosting the confidence of land owners, tenants, and investors. Most of the causes behind the dynamics that influenced Baixa are not considered a direct result of the SRU’s work. Nonetheless, it is considered that without the company the situation would be far worse and that it will represent a significant factor for change in the medium term. Moreover, Porto Vivo’s model is considered unsustainable by many stakeholders and will have to change in the future, shifting towards a model less dependent on public funds.

Some considerations could also be drawn from the scarce available data, which considered four areas of analysis (Figure 2).

On the rehabilitation side, the number of issued permits for rehabilitation works is not very satisfactory since they did not have a significant increase since the creation of Porto Vivo SRU (Figure 3). The rehabilitation sector is not very relevant in Portugal, representing roughly 20% of the permits issued per year (Figure 3). The year of 2006 was a turning year for urban rehabilitation within the ACRRU because of the great increase in rehabilitation permits, coinciding with the beginning of a more exposed activity of Porto Vivo SRU (Figure 4). The beginning of the global crisis in 2007 took its toll in the numbers related to the construction sector (Figure 4). The data for 2009 allow us to expect a change in this aspect since the numbers show an increase in the number of permits issued in every area of analysis (Figure 4), representing what might be a turning point in the Portuguese scenario as many interviewees foresee.
The comparison of the Porto case with other case studies (located in Barcelona and Liverpool) showed considerable differences at the organizational and operative levels. Main differences can be found on the policy side (central, top-down initiatives in Porto and Liverpool, and a local initiative in Barcelona) and in the funding structure (strongly public in Porto, strongly based on public-private partnership in Liverpool and in Barcelona).

**Concluding Remarks and Future Developments**

The legal regime of 2004 brought a new perspective to urban rehabilitation policy in Portugal by assuming rehabilitation as a driver for urban policies and by creating a first set of legal tools to promote rehabilitation as a top-down initiative. This
represented a significant shift in national planning policy as it places declined city centers as a priority in opposition to the general trend of city expansion that underlies the majority (if not totality) of municipal land use plans in force. A more comprehensive legal regime was approved in 2009 and it is expected to bring considerable changes in the operative methodologies of SRUs. Public participation will be enhanced and opened to a broader set of agents, instead of being limited to the stakeholders concerned in block interventions. The purposes of the legal document were widened to the public realm and will surely help to achieve more comprehensive solutions. However, socioeconomic concerns were discarded by the new ordinance, which focus only on the physical aspects of the process.

The application of the proposed methodology made evident that there is a significant lack of relevant information about urban rehabilitation in Portugal, as available data is highly dispersed in databases that have different time and spatial aggregations. It is difficult to establish a robust set of performance indicators from this scattered data, creating additional problems for case study comparisons. Current research continues to develop further this evaluation methodology in order to apply it in every city where this model of urban rehabilitation is already underway or where it is expected to be implemented. We will also establish a more robust set of performance indicators based on population and employment data, legal procedures, and real estate market data in order to properly inform decision making processes concerning rehabilitation policies.

References


