Urban Growth Management in Catalonia, 2005-2010
Planning Tools and Policies at the turn of the Real Estate Crisis

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Abstract

The Catalan experience between 2005 and 2010 constitutes an interesting example of urban & regional planning policies responding to the dramatic changes that took place at the turn of the Real Estate crisis of 2008: there is probably no other European case study where such a quantity of planning and legislative initiatives addressing urban growth were approved in such a short period. The article frames them in the Spanish framework and provides an integrative understanding of how the Catalan territory was planned in a period of critical changing conditions, from regional to local scale as well as from urban to rural land.

Keywords

Urban & Regional Planning, Urban Growth, Spain, Catalonia, Real Estate Crisis

Context: the Spanish framework and the Real Estate bubble aftermath

In the first ten years of the century the urban extension in Spain suffered an unprecedented increase. During that period, the building industry produced around 3 million of dwelling units, thus resulting after 10 years of continuous building activity into the saturation of the housing market. Because of this growing weight of the building industry, the Spanish economy turned to be more dependent (and vulnerable) on the Real Estate market. The consequences that the 2007 financial crisis had on the Spanish economy are very well known [Akin et al. (2014)]. But what it is still to be assessed is the impact that this unprecedented phenomenon had on the physical configuration of the Spanish cities. Not only the building industry but also the spatial planning and legal framework played a very relevant role in the process.
Some reasons for the boom

The Spanish planning framework is one of the most decentralized systems in the European context [Betancor and García Bellido (2001)]. It is structured in three political and administrative levels: the central government, the autonomous regions and the municipalities. Among them, the municipalities are the only ones without legislative competences. The Central State legislates on urban planning management as well as on land value and property, whereas the Autonomous Regions are enforced to develop the bylaws of the State-level planning legislation, as well as to approve their own Regional Plans. Finally, municipalities are fully competent to approve their master plans as well as the rest of the planning procedures such as implementation, management and disciplinary control.

The decentralization of the decision-making structures means, no doubt, enormous advantages such as a direct knowledge of the territory and its closer management. However, the proximity between planning and Real Estate logic has been counterproductive as well. Besides the pressure coming from developers and other stakeholders, the revenues that municipalities obtained from urban development fueled the urban extension in the last decade. Much of the municipal allowance for urban growth during the first decade of the century was driven by the illusion of endless incomes benefiting municipal treasuries, while long-term economic impact was never considered.

Since municipalities largely benefited from land management and housing taxes [García (2010)] it might seem that most of the responsibility of the real state boom relied on local administration. But decisions taken at the national level were also contributing to the boom. The legislation amendments on land regime and value that were approved in the late 1990s played a decisive role in the bubble. On the one hand, the Land Act of 1998 subtly modified the denomination of land according to its development potentialities. Before 1998 the land intended for development needed to be specifically classified for that purpose at the Municipal Masterplan level. The Act of 1998 considered, on the contrary, all land suitable for urban development, while prevention for development needed to be specifically pointed by the plan. From the conceptual point of view, the initial consideration of all land as potential sites for development makes a real difference, since development is taken for granted. On the other, the procedure to determine land value was also substantially modified in 1998. Although the market value remains as the reference, the concept of future profit is introduced by the 1998 Act. Instead of considering the existing physical aptitudes, as it was before 1998, the new Act considered the expectant profit resulting from the potential development of the Masterplan implementation. Therefore, in a context of fluid credit and strong building activity, the Masterplan became, in some cases, a mean for bank loans and financial purposes. In 2008 the Spanish Land Act was amended again and the land value procedure shifted again to the criteria prior to 1998 [Melián Marrero and Calzada Álvarez (2010)]. However, by that time, much of damage had been already done.

The consequences

The consequences of the above mentioned unleashed urbanization are today very explicit on the building stock as well as on the spatial configuration of cities. As for the first, the number of vacant dwellings in Spain amounted to a total of 3.443.365 (as recorded in the 2012 census). And, what is even more relevant, it was estimated in 2012 that there was still a potential of ready-for-development land for no less than 45 years. Besides that, uncountable extensions of already urbanized but not built neighborhoods are filling the outskirts of our cities (fig.1). The qualitative impact of such urbanization process and the environmental damage that these areas mean have been extensively explained [González-Vallejo et al. (2015)]. The difficulties that the local governments will have in maintaining urban infrastructure in vacant areas arise as a major challenge in the near future as well.
Today, having a certain perspective of the after-crisis period, we can draw up the devastating map resulting from the Real Estate boom in Spain. But our analysis would not be fair if we don’t consider also some planning initiatives that, if not fully coherent and complete, at least configured a first attempt to readdress the urbanization process that occurred in Spain during the first decade of the twenty-first century. A set of planning tools and initiatives were approved in Catalonia (the Autonomous Region within the Spanish State) from 2005 to 2010, thus seeking to manage urban growth from a physical planning approach in a time of extremely high market pressure.
Tools for the aftermath: the Catalan experience.

The Catalan planning legislation establishes three basic land categories according to their potentialities for urban development: urban land (SU), land for potential development (SUrb) and land prevented of development (SNUrb). Urban growth in each one of these categories is formally regulated according to a detailed legal status, which is known as “classification of land”. Therefore each one of the three above-mentioned land categories should be approached differently when facing Urban Growth Management (UGM), since their nature and legal regulation are very different. Therefore, we will group the planning policies according to the following categories: preservation for land prevented from development, urban growth containment and strategic readressment in case of land for potential development and improvement of existing urban conditions when facing urban land (fig. 2).

Fig. 2: Three policies, eight tools, multiple actions: recent set of planning initiatives in Catalonia, 2008-2012 (diagram by the autor)
Preservation: rural land custody.

The awareness of natural landscape values has been growing among professionals and decision-makers, thus becoming a very relevant topic in the planning agenda in Catalonia. The Government of Catalonia (GC), competent in planning the rural land at the regional level, drafted several Sectorial and Regional Plans aiming to preserve natural assets and landscape identity. Those plans widely prevented new urban developments, which were considered as the main threat for SNUrb land.

- Rural Land protection.

Between 2006 and 2010 seven Partial Territorial Plans (PTP) that cover the whole extension of the Catalan Territory [DPTOP (2005a)] were approved. The PTP trace regional infrastructures as well as limits for potential growth in existing urban centers, establishing very strict constrains for new urban extensions by using an innovative strategy: the qualification, namely regulations, of the SNUrb. The PTP qualify the SNUrb according to three categories (fig. 3):

- Land Specially Protected by a higher scale Plan or Status, such as the European Nature 2000 Network or the National Park System. European or national scale regulations on these areas are very strict in terms of preservation and very severely avoid any anthropic action on protected areas.

- Land of Territorial Protection, which are specifically protected by the Regional Plan because of its agrarian, natural, landscape or strategic value.

- Land of Preventive Protection, which is not intended for development, although urban extension in very special cases can be negotiated if the municipal Masterplan indicates so (however urban extension is not likely to happen on this category, since every single municipal Masterplan is only fully enforced once it obtains the approval by the Regional Government).

Fig. 3: Partial Territorial Plan for a medium-sized city next to Girona. On the legend, above right corner, the three main categories of rural land (source: Departament de Territori i Sostenibilitat, Generalitat de Catalunya)
Since the PTP draws the zoning of the rural land, the areas with potential urban extensions are spatially clearly defined. Their limits are usually established according to the morphological configuration of the territory, thus paying special attention to elements such as water streams, existing rural paths or topography. The spatial logics of potential urban extensions tend to match with the biophysical matrix, although one might find some few exceptions.

- **Landscape Catalogs**

Conceived as a first attempt to describe the different categories of landscapes in Catalonia, Landscape Catalogs (LC) identify their cultural values and propose a set of basic guidelines for their preservation. The Catalan Landscape Act of 2005 set up the territorial scope of seven LC and established a timeline for their draft and approval [DPTOP (2005b)]. Between 2008 and 2010, four of them were drafted and approved and, two of them were approved in 2013 and 2014 and the last one is still pending of approval. The main goal of the LC is to establish criteria and actions able to integrate landscape into the spatial and urban planning and, more specifically, to define landscape regulations for further integration in PTP. Therefore, their scope is coincident with that of the PTP. Their methodology is based on a morphological diagnosis by identifying heritage, cultural, aesthetic, environmental and economic assets to preserve.

**Urban growth containment: thresholds.**

PTP, as seen previously, was conceived as a powerful tool to, among other goals, address and prevent urban extensions. By applying the preservation policy—that is to say constraining areas of potential growth and programming the timeline of their implementation—UGM was tackled from the qualitative point of view. However, the impact of new developments needs to be assessed in terms of density and critical mass of newly proposed dwelling units. This issue is also regulated in the PTP by defining urban growth thresholds.

The PTP were intended to become a tool for regional balancing, thus determining regulations and actions on the territory beyond the municipal scale. Rational distribution of resources and development potentialities were, therefore, critical issues. The Plans determine clear limits for urban developments without defining their specific morphology and their very precise physical location but the maximum surface of potential urban growth. The threshold results from a formula that considers the already urbanized area as well as the level of compacity of the existing urban fabric. Regarding the qualities of the new urban extensions, the PTP set up very generic, but clear enough, morphological conditions: urban growth is only allowed in Land of Preventive Protection, extensions have to be continuous as well as contiguous to the existing urban fabric and newly proposed densities should not be below 25 dwelling units per hectare.

At a more local scale, the Masterplan is requested by law to assess the needs of housing in a mid-term horizon (10-15 years), according to the demographic prognosis. The plan needs also to opt for the specific morphological pattern and specific typology in the newly proposed residential areas.

**Strategic readressment: Planning Housing at the regional scale**

Despite a large amount of new dwelling units built in Catalonia during the period, home affordability remained still scarce and large sectors of population still found difficulties in accessing to a dwelling. The right to a decent home became an urgent priority in the political agenda and the GC undertook two very relevant planning initiatives in order to address the situation: The National Housing Plan (PTSH) and the Residential Strategic Areas (ARE), both of them seeking a readressment of irrational urbanization.
Strategic Residential Areas: four smart planning principles

Seven Partial Housing Plans (PDUH), approved just before the Real Estate crisis [DPTOP (2007)], strategically addressed the residential growth in Catalonia by establishing specific planning regulations for some 90,000 new homes spread over a total amount of 94 Strategic Residential Areas (fig. 4). Their planning principles constitute a set of “good practice guidelines” for city extensions: First, all areas were strategically located in cities of more than 10,000 inhabitants, being the minimum critical mass of existing urban cores one of the driving forces for future development. Second, these areas were always located on sites that had been previously classified as “land for potential development”, thus being the PDUH conceived as a mean for urban design of previously planned areas. Third condition for all new developments was that they should be physically continuous to the existing urban fabric. And last, but not least, a minimum density of 50 du/ha was adopted as general criteria for all new proposed extensions. The four above listed determinations are, if not directly related with UGM, basic principles for smart urban extensions [Nel·lo (2010b)]. By the time all PDUH were approved, the real estate sector had already started to suffer the impact of the financial crisis. Very few of the Strategic Residential Areas were to be developed while criticism on the excessive confidence on market dynamics arose. Today it is hardly possible to assess the physical impact that the PDUH would have had on Catalan cities but the four proposed planning criteria seem to us quite fortunate when driving probable urban extension.

Fig. 4: Strategic Residential Areas. Left: geographical location. Right: list of the planned ARE, highlighted in red the areas placed on areas with already ongoing, but problematic, development by the time they were listed (source: Departament de Territori i Sostenibilitat, Generalitat de Catalunya)
National Housing Plan: using the already built stock.

The National Act for Housing Affordability, passed in 2005, paved the way for a nation-wide Plan on Housing, which, only 2 years after was presented for public discussion [Vilanova and Pie (2010)]. The preface of the National Housing Plan (PTSH), very clearly stated its goals:

"The PTSH is the guiding framework for housing policies implementation in Catalonia over the next ten years, through the optimization and improvement of existing homes and the construction of new dwellings, only when necessary, on already classified land for development. The plan is also empowered to set up programs and guiding public policies in housing."

The Plan exhaustively describes and analyzes the housing sector in Catalonia, linking existing and potential residential areas with the needs and trends in a mid-term timeline. The location of residential areas (either existing or potential) was considered as relevant indicators of the functional integration and social outreach of the housing stock. The PTSH assesses that an important percentage of vacant dwellings did not cover the real housing needs. The reasons for that were, on the one hand, that some of the existing residential areas have a very poor integration in the functional metropolitan systems due to their distant location or the lack of accessibility to them. On the other, the physical conditions of buildings were often far from matching the basic standards of living conditions. The PTSH denounced as well that a remarkable quantity of vacant dwellings were, due to a diverse set of reasons, not offered in the housing market, thus increasing the pressure on the demand.

According to the diagnosis, the PTSH proposed a set of actions that, instead of building new residential areas, intended to increase the offer of housing by using the existing stock. The plan capitalizes on the improvement of already built housing units and also proposes to increase the offer by bringing into the housing market vacant homes. The final goal is the optimization of the existing stock and, consequently, the reduction of the pressure on urban growth coming from the demand of affordable homes. The PTSH relied on public sector by means of tax exemptions, preemption or expropriation. It defined and regulated the areas of priority preemption for public authorities and set up that local housing plans were enforced to define them in detail. The PTSH also foresaw public expropriation as a way to foster public renting in situations when homes remained vacant for long periods.

The PTSH was extensively discussed at the Catalan Parliament. After a first very controversial approval its administrative enforcement was finally abandoned. Today it remains just as an ambitious attempt with no enforcement. Nevertheless, the Plan established some specific actions that were continued afterward. That is the case of the refurbishment of the existing housing stock. The PTSH pointed out the need of sectorial actions and financial aids, and reinforced the program “The Neighborhoods Act” (NA) that, by the time the PTHS was initially approved, constituted the most visible action of a wider urban policy focused on the improvement of urban areas.

Urban improvement: regeneration through a diverse and multi-sectorial approach.

The regeneration of existing compact and dense urban environments has a direct impact in diminishing the flow of population from mature urban areas to newly developed extensions built on the outskirts of the city. Not only the physical conditions of dwellings but also the quality of public spaces, the sufficient provision of facilities and the mixed offer of non-residential activities proved to be key factors in attracting residents to central urban cores. Based on that assumption, two different plans approved in Catalonia during the period...
tackled the urban regeneration by updating the public infrastructure, namely streets, public space and collective facilities.

- **Neighborhoods Act**: regeneration at the very local level

The approval of the so-called “Neighborhoods Act” (NA) in 2004 foresaw a 5-year program of funds addressed to the urban regeneration of neighborhoods with special difficulties [DPTOP (2004)]. A total of 117 neighborhoods around Catalonia benefited from a program that meant a total investment of €1.2 billion. The NA was structured in the form of specific programs, promoted by consortia between two equal partners: the Autonomous Government of Catalonia and the corresponding municipal authority.

Although the NA program had a strong focus on physical improvement of the urban environment—being 75% of the funds addressed to the intervention on public space and facilities—it had also a strong social component, since still relevant resources were used in employment policies, education, health care and social inclusion [Nel-lo (2010a)].

- **Urbanizations Act (UA)**

As many Mediterranean countries, Catalonia suffers today the results of illegal land occupation occurred during the 1960s and 1970s. Known as “urbanizations”, these informal settlements were built on rural land without any proper planning frame. Today, as they lack services and the most basic urban conditions, they are areas of considerable environmental impact as well as, in some cases, clusters of social marginality. Besides that, since properties and existing buildings in these areas are not registered in the census, they still continue to be spaces for uncontrolled urbanization, thus extending the informal urban fabric into the rural land. The Urbanizations Act (UA) approved in March 2009 [DPTOP (2009)], faced the problem through two strategies: extinction and legalization.

As for the first, the Act proposed the extinction of those “urbanizations” where urban conditions didn’t match the very basic urban standards. Since the planning legislation did not acknowledge these informal settlements, “urbanizations” were still considered as rural land, thus mismatching the already built reality with its legal status. Therefore, the Act did not really solve the problem of an existing development regulated by a very scarce legal framework. Regarding the second strategy, the Act proposed the legalization of those areas where, by very punctual interventions on physical improvement, the basic standards of urbanity could be achieved. For these cases the UA foresaw a funding program for the enhancement of urban conditions such as urban services implementation and street refurbishment. By setting public-private consortia with the landowners, funds were programmed for 98 “urbanizations”. After interventions would be implemented, and according to the administrative procedure set up by the Act, the legal status of these areas would change from rural to urban land and the existing fabric and plots would be registered. Not only a clear boundary between urban and rural was to be set up in these areas for the first time but also the improvement of the urban conditions was expected to be a very useful strategy to stop the still ongoing process of informal urbanization. Unfortunately, due to the growing economic crisis, funds did not match the expected resources and many of the programmed interventions remained undone.
• Act for Rehabilitation, Regeneration and Renewal: toward a new approach.

The NA and the UA are framed in the competences that the Autonomous Government of Catalonia is empowered with: Regional Planning and funding programs. However, a more comprehensive land value policy (at Spanish State level) was missing. In 2008 a remarkable step forward was done: the amendment of the Land Act of 2008 provided a new frame for land taxation (see in this article “Some reasons for the boom”). However, the prescriptions of the Act were still very generic and no specific regulations on UGM were included in the final version of the text. Five more years were necessary to better address UGM and its counterpart, Urban Regeneration: in September 2013 the Act for Rehabilitation, Regeneration and Renewal (also known as the 3R Act) was approved [MIET and MF (2013)]. The Act aimed to be a revulsive against the accelerated decline of the building industry in Spain. Originally conceived to intervene at the architectural scale, the first draft of the law specifically fostered the rehabilitation of the Spanish housing stock by funding eco-rehabilitation private initiatives based on the promotion of energy-efficiency technologies. The first draft also promoted the rental market by tax wave for landowners.

After social and political discussion, a deeper analysis of the financial feasibility of the program suggested that its implementation should be based on a larger economy of scale. It was considered that the larger the interventions, the bigger the impact of social and economical revenues would be. It was also a political will to shift the base economy of the building industry from small size entrepreneurs to medium and large size companies. Altogether, this led to a revised version of the Act, which tackled not only the rehabilitation at the architectural scale but also the regeneration -that is to say improvement of larger urban areas and renewal -namely the replacement of obsolete residential areas-. At the urban scale the act proposed some very controversial actions such as the wave of land taking in renewal interventions, the promotion of private consortiums for public land management (thus blurring the limits between public and private domains) and a set of tax benefits for developers of urban renewal interventions. The run of the program is still too short and it is difficult to assess its impact either on the building industry or on physical planning in cities. And that is especially true in a context when the speed of urban transformation has slowed down substantially. But it can be certainly said that the 3R Act will probably readdress the focus of the building industry from extension to inner cities regeneration [Menéndez Rexach and Mata Olmo (2014)].

Lessons from the recent past: beyond preventive planning.

From regional to local scale, preservation, strategic planning, containment and regeneration constitute the main strategies behind planning policies during an extremely unstable period in Catalonia. All of them have the common goal of addressing the pressure that the real state market had on the physical spatiality of cities. Catalonia’s experience also shows, on the other hand, the contradiction between the increasing speed of urban processes and the difficulties in addressing them. The planning apparatus is unfortunately seen too often as a mean to validate autonomous urbanization processes once they are consummated. However, some interesting conclusions can still be inferred from the analyzed case study:

Firstly, UGM may (and probably should) be tackled from different approaches. Either preservation of rural landscape, containment of new developments or improvement on the existing urban fabric seem to be appropriated UGM strategies but not powerful enough when applied separately. An integrative UGM policy considering the three strategies simultaneously might be the most efficient and rational approach.
Secondly, UGM should not be a response to specific conjuncture but on the contrary, a long-term purpose. However this long-run vision should prove to be efficient in giving short-run solutions when required by rapidly changing market dynamics. Distinguishing between urban policies and planning tools might easily overcome the apparent paradox between long and short term planning. Urban Policies, on the one hand, should have the largest possible scope: rather than providing specific responses to the ever-changing urban dynamics, the planning framework should capitalize on durable, regional and long-term urban policies. Planning Tools, on the other, should constitute the means of urban policies implementation: flexible and closely attached to specific problems, they should be conceived as the translation of long-term visions on the territory, providing efficient and at-hand solutions for specific problems.

As seen, the interplay between urban policies and planning tools are easily tracked in Catalonia during the first decade of this century. While the Spanish state level legislation –the Land Act of 1998 enforced until 2008- framed the conditions for deregulation orientated urban policies, a formidable number of planning tools at Catalan-region level aimed to readdress the unleashed urban growth dynamics. In the short period of 5 years (from 2002 to 2007) the Urban & Territorial Planning law in Catalonia went through three very complex legislative processes, from approval to fundamental amendments. Besides, the National Housing Plan, Seven Partial Housing Plans for 90,000 housing units and several programs for urban regeneration (amounting more than 200 targeted neighborhoods) were approved. The drastic turnout of economy occurred in Spain in 2008 drastically changed the real estate context, thus bringing the above mentioned planning tools, as well as the state Land Act, to an unexpected obsolescence. Therefore, we may not be able to assess the interplay of long-term urban policies and short-term, specific planning tools would have had on the Spanish-Catalan context. Since 2008 no remarkable innovations have occurred with regard to territorial & urban planning and political disagreement between central state and regional government has grown remarkably at the expense of real policy making. Despite that, or maybe precisely because of that, we can conclude that, however complex from the administrative standpoint may be, integrating tools and policies should be given full priority, since territories face simultaneously the regional and the local, the general and the specifics, the long term and the short run. The Spanish-Catalan case study, paradigm of decentralized legal framework and political controversy, provides between 2005 and 2010 an appropriate field from where to infer some lessons.

References


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1 The available information on Euroconstruct shows that the rate of yearly capital increase related with the building industry kept constant in up to a 30%. See Euroconstruct: http://www.euroconstruct.org

2 Only after 2010 a very basic assessment of long-term impact of urban developments in the municipal treasuries became a mandatory component of municipal Masterplans

3 See the Sistema de Información Urbana, Ministerio de Fomento, Dirección General de la Vivienda (Urban Information System, Spanish Ministry of Fomento: http://visorsiu.fomento.es/siu/PortalSiu.html

4 The PTSH estimates that the total amount of vacant homes means the 14.2% of all housing stock. Furthermore, the amount of secondary homes, those which are used as holidays-weekend homes, means the 29.8% of all housing stock and, in some touristic areas, they mean up to 50% of the total.