Outline of Land Readjustment and Urban Renewal / Redevelopment

17 May 2016
Urban Renaissance Agency
Outline of Land Readjustment and Urban Renewal / Redevelopment

1 Outline of Urban Renaissance Agency (UR)
2 History of Urban Development in Japan
3 Achievements of Land Readjustment (LR) in Japan
4 Need for LR as Comprehensive Urban Development
5 Concept of LR
6 Framework of LR
7 Concept of Urban Renewal / Redevelopment (UR)
8 Legal Framework of UR
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1-1 Outline of Urban Renaissance Agency

【transition of the Organization】


Japan Housing Corporation → Housing and Urban Development Corporation → Urban Development Corporation → Established on July 1, 2004 Independent Administrative Agency Urban Renaissance Agency

Land Development Corporation → Regional City Development Division

Japan Regional Development Corporation → Others

【Businesses in line with Policy Purposes】

Mass Supply of Houses and Housing Land → Improvement of Living Environment and City Functions → Urban Renaissance

【Capital & Staff】

Capital: JPY 1.058Trillion ≈ USD 10 billion  Staff: 3,233 (as of April 1, 2014)
The total area of new towns and urban redevelopment so far undertaken by UR is around 48,000 ha.
This is equivalent to 78% of total area of Tokyo Metropolitan Area which is larger than other major cities.

The total number of houses so far supplied by UR is around 1.56 million. This is equivalent to 98% of total households of Yokohama City, and larger than those of Osaka City and Nagoya City.
2 History of Urban Development in Japan

- Large-scale Housing Complex Developments in Proximity Region to Built-up Areas of Metropolis
- Large-scale New Town Developments in Metropolitan Suburbs with Public Transportation System
- Redevelopments of Old Factory Site in City Centre / Waterfront Area
- Redevelopments of Built-up Area / Regeneration of Decrepit Housing Complexes
Beginnings of Urban development (1955 to 1964)

- High Growth Period
- Serious Shortage of Housing

**Project Examples**

- **TOKIWADAIRA (Chiba)** 169ha (1957)
- **KORI (Osaka)** 155ha (1957)
2 History of Urban Development in Japan

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- Sustainable Development
- Conversion of Industrial Structure
- High-Growth Period
- Land Purchase
- PPP (Land Readjustment)
2-2 (Project Example) Large-scale New-Town Developments in Suburb

Large-Scale Development / Mass Supply (1965 to 1980s)

> Land prices Soaring
> Urban Sprawl (Disorderly Development)

EX: KOHOKU New-Town Project
Area: 1,316ha (1974〜)

Planned population: 220,000 people
Planned households: 56,100 houses

2 Railway lines and 6 stations equipped for New-Town Development

Location Map

- Approx. 25 km southwest of the center of Tokyo
- Approx. 12 km north-northwest of the center of Yokohama

KOHOKU new-town Public transport network.
2-2 (Project Example) Large-scale New-Town Developments in Suburb

KOHOKU New Town (Yokohama)
2 History of Urban Development in Japan

- High-Growth Period
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  - PPP (Land Readjustment)
MINATO-MIRAI 21

Before

Redevelopment of Old Factory Site in Waterfront Areas
2-3 (Project Example) Redevelopment of Old Factory Site in Waterfront Areas

MINATO-MIRAI 21

[Images showing before and after redevelopment of a waterfront area with modern high-rise buildings and pedestrian pathways.]

After
UMEKITA Phase 1

Project Phase 1 (approx. 7ha)

UMEDA Freight Sta. (approx. 24ha)

Before
2-4 (Project Example) Redevelopment of Old Factory Site in City Centre

UMEKITA Phase 1

After
2-5 (Project Example) Industrial Park Project in Rural Area

Before

After
2 History of Urban Development in Japan

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- High-Growth Period
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- Sustainable Development
- Land Purchase
- PPP (Land Readjustment)
2-6 (Project Example) Redevelopment in Built-up Area

Renewal of National Financial Center

OHTEMACHI 1 CHOME (Tokyo)
2 History of Urban Development in Japan

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High-Growth Period

Sustainable Development

Conversion of Industrial Structure

Land Purchase

PPP (Land Readjustment)
3 Achievements of Land Readjustment in Japan

The Total Area of Land Readjustment so far Implemented in Japan is approx. 217,500ha, which is Equivalent to the Area of Tokyo Metropolis. Around 13% of the Area (=28,000ha) has been Carried out by UR.

Implemented in JAPAN
217,500ha (8,400 projects) Av.26ha

Other Implementing bodies
189,500ha (8,150 projects) Av.23ha

UR Implemented
28,000ha (250 projects) Av.112ha

Tokyo Metropolis
219,090ha

National Capital Territory of Delhi
148,400ha

Mumbai City
43,800ha
Need for Comprehensive Urban Development

Before project

Urban sprawl

Individual provision of facilities (road and park development projects, etc.)

Area development project (such as land readjustment project)
Characteristics of LR

Implementation of Area Development

**Land Purchase method**
- Whole land in a project area is purchased
- Massive amount of money is required for land purchase
- Land owners and lease holders cannot stay in a project area

**Cooperative method**
- Land is not purchased in principle
- Initial costs of a project are low
- Land owners and lease holders can remain in a project area

Land Readjustment
### Need for LR as Comprehensive Urban Development

#### Comparison between Land Acquisition method and Land Readjustment

<table>
<thead>
<tr>
<th>Before Development</th>
<th>Land Acquisition Method</th>
<th>Land Readjustment Method</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image" alt="Map" /></td>
<td><img src="image" alt="Map" /></td>
<td><img src="image" alt="Map" /></td>
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</tbody>
</table>

- The streets are not wide enough which may cause problems in an emergency.
- Land parcels B and H has no access to a street.
- Shapes of some land parcels are not suitable for development.
- Land value is lower than developed area.

Mr. A and G:
They have to move out.

Mr. K and J:
Their land become too small for a building.

Mr. I:
His land parcel has to be divided into two small ones.

Mr. F:
He enjoys much greater benefits than the others.

- Everyone can continue to stay in the community.
- Everyone enjoy the benefits fairly.
- The shape of every land parcel are improved.
- The secondary roads are also improved.
- Mr. B and H:
  Their land come to face a road.
5 Concept of LR

Key Elements of LR

- Land Replotting
- Land Contribution

Advantageous Characteristics of LR

- Preservation of Private Properties
- Participation of Landowners in Project
- Equitable Defrayal and Benefit among Landowners
6 Framework of Land Readjustment

**Before**

Mr. A's lot before land readjustment

- Mr. A (300 m²)
- Mr. B
- Mr. C
- Mr. D
- Mr. E

**After**

Mr. A's lot after readjustment (replot)

- Mr. A (200 m²)
- Mr. B
- Mr. C
- Mr. D
- Mr. E

Contribution for financial land

Contribution for public facilities

Disposition (used defray part the project cost)

**Project cost**

- Cost for relocation of building and compensation
- Cost for construction of roads, parks, etc.
- Survey and design costs
- Miscellaneous

**Resources**

- Capital from disposition of financial land
- Shared defrayment of public facilities by management authority
- Shared defrayment
- National subsidy
- Expenses for prefecture
- Expenses for city, town, and village
- Levy
- Miscellaneous (loans, etc.)
6 Framework of Land Readjustment

Land Value Increase

Before

After
6 Framework of Land Readjustment

Process of Development by Land Readjustment

Before

- Increment of land use value through a land readjustment project
- Total land use value before land readjustment
- Land owners and leaseholders

After

- Total land use value after land readjustment
- Land owners and leaseholders
- Financial land
- Land for public facilities

Total area of building lots before land readjustment

Total area of building lots after land readjustment
6 Framework of Land Readjustment

Contribution

Before project

Whole area

Land for public facilities

5ha

95ha

Individual lot

300㎡

After project

Land for public facilities

5ha

25ha

57ha

Financial land

13ha

Contribution for facilities
25ha

Contribution for financial land
13ha

Total acreage
38ha

Contribution rate
40.0%

* Land for public facilities

* Financial land

Contribution acreage
125㎡

Contribution rate
41.7%
6 Framework of Land Readjustment

Increase Rate and Proportional Rate

Change in property value of whole area

**Before** project

- 95ha
- 100,000yen/m²
- 95billion yen

**After** project

- 57ha
- 200,000yen/m²
- 114billion yen
- Financial land
- 13ha
- 26billion yen

Increase rate = \( \frac{200,000 \text{yen/m}^2}{100,000 \text{yen/m}^2} = 2.0 \)

Proportional rate = \( \frac{114\text{billion yen}}{95\text{billion yen}} = 1.2 \)
Replotting Exercise

Before Land readjustment

After Land readjustment

A map before land readjustment is laid on top of a block map after land readjustment to determine replotting exercise lines.

Superposed map
Examples of LR Project

Before

After
Examples of LR Project

Before

After
7 Concept of Urban Renewal

1. Projects to improve public facilities and reorganize lands
   (Land readjustment projects)
7 Concept of Urban Renewal

2. Projects to improve public facilities and renew buildings comprehensively (Urban renewal projects)
1. Requirement for projects
   (Defined in Urban Renewal Law)

1. Inside of High utilization district (city plan: zoning regulation)
2. The rate of fire-proof buildings can not exceed more than 1/3
3. Land use in the project area shall be in extreme disorder
4. The high utilization shall contribute to renewal of urban functions
8 Legal Framework of Urban Renewal

2. Management of right in project area
   (Defined in Urban Renewal Law)

   - Right conversion method 【Type-1 project】

   - All-out purchase method 【Type-2 project】
9 Right Conversion System

- Land ownership
- Land leasehold/Superficies
- Building ownership/Floor ownership
- Floor for sale

Before

A

C

B

After

X developer

B

C

A

A,B,C,X

Public facility
### 9 Right Conversion System

#### [Pre-construction]

<table>
<thead>
<tr>
<th></th>
<th>B</th>
<th>E</th>
<th>[I]</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>40</td>
<td>60</td>
<td>8</td>
</tr>
<tr>
<td>B</td>
<td>10</td>
<td>C</td>
<td>10</td>
</tr>
</tbody>
</table>

- Building: The total value of the pre-construction building is 180.
- Land: The total value of the land is 400.

#### [Post-construction]

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>E</th>
<th>S</th>
<th>X</th>
<th>Land value</th>
<th>Building value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>40</td>
<td>70</td>
<td>20</td>
<td>47</td>
<td>36</td>
<td>18</td>
<td>7</td>
<td></td>
</tr>
</tbody>
</table>

- Shared land: The value of each one's land share.

The total land use ratio is 20, and the total building value is 400.
Mr. A’s property

Land and a house

compensation for removal

equivalent exchange to the new building

compensation in money

getting the money according to the evaluation of the property

getting a house out of the project site

getting floors which are the same value as the property
condominiums
stores
stores
stores
section floor-area ratio 400%

stores
stores
stores
3F 2F 1F

excess floor
condominiums
stores
stores
stores
section floor-area ratio 600%
<Simple exemplar model-1>

- **The project site**: in front of a big train station, 1.2ha
- **The station plaza**: 3,000 m² ⇒ 6,200 m²

![Diagram showing the project site, station plaza, and building lot with areas marked: Project Area ≈ 1.2ha, Station plaza (6,200 m²), Building Lot (2,840 m²).]
< Simple exemplar model-3 >

- Condominiums
- Elevator for condominiums
- Entrance of condominiums
- Parking area
- Administration and security room
- Stores on 3F, 2F, 1F, B1
Example of Project

END

URBAN RENAISSANCE AGENCY (UR)