



# The governance of land use in the Netherlands: The case of Amsterdam

## Policy Highlights



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# Notes

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# Amsterdam: A dynamic and growing city with many land use demands



**Amsterdam, together with its surrounding municipalities, is an economic driver in the region and country.** Its dynamic, services-dominated economy includes both major international firms and small start-ups. The city and region are well connected to the rest of Europe by rail, air and sea. Its large nearby international airport and port are European hubs. It is a place where people want to invest, work and live and especially visit, with tourism numbers growing further each year.

**Present population trends show consistent growth in both Amsterdam and the metropolitan area over the next two and a half decades.** The expectation is that that the city will grow from 834 713 in 2016 to just over 1 000 000 in 2040. This projected population increase of approximately 23% to 2040 comes upon sustained population growth over the past decade and a half. Population growth is expected across the Amsterdam Metropolitan Area as well – an increase of 20% to 2040.

**The city's growth dynamics are creating major pressures in terms of how land is used.** Already a reasonably dense city, Amsterdam has few areas into which it can expand. These space constraints limit the availability of land for new developments. Amsterdam has much

higher population density than its neighbouring municipalities at 4 954 per km<sup>2</sup> of land in 2015; the next highest population density is in Haarlem at 1 757 per km<sup>2</sup> of land. The city also has low average home occupancy—at 1.97 in 2015, which is lower than any of its metropolitan counterparts.

**The resulting rising house prices threaten the city's affordability, particularly for middle income households who do not qualify for social housing.** Meanwhile, the large social housing sector struggles to keep up with demand for affordable housing. The popularity of Amsterdam with tourists places pressure on the city's historic centre and threatens the capacity of the city's core to maintain a diversity of residential, economic and social functions.

**There are longstanding debates about where expansion could occur, particularly in the area bordering the Airport.** Further, population growth is placing increasing pressures on the transport network which is so critical to the polycentric region's success. The demands on the city's land (and that of the broader metropolitan area) are many, and growing. The solutions to these issues will require a collaborative approach across levels of government, and public and private sectors.

## The need to accommodate new residents and maintain affordable housing is one of the greatest challenges that Amsterdam presently faces

**If housing demand cannot be adequately met in Amsterdam, there is a risk that house and private rental prices will rise to such an extent that many residents will no longer be able to afford to live there.** Businesses are also affected. Such constraints can make it harder for firms to operate, find employees, and maintain competitiveness while paying salaries that can compensate for higher house prices.

**Land use planning has an important role to play in meeting housing demand.** It can open up new areas for development, transform existing spaces and uses and encourage increased density for more efficient use of space. Land use regulations detail what can be built where, and the length of time a project takes to receive planning permission; this in turn affects construction costs which are ultimately borne by the homeowner/renter. In these ways land use planning and regulation influences the supply and cost of housing.

**Housing prices in Amsterdam are significantly above the national average.** Monthly expenditure for a dwelling with less than 75 meters of usable space was EUR 979 in Amsterdam in 2015 versus EUR 793 for the country as a whole. Private market rents have also risen in Amsterdam in recent years. In contrast to the Dutch housing sector as a whole, Amsterdam has a much lower proportion of owner occupied housing (30% versus 60% nationally), and consequently a larger social rental stock (at roughly 50% versus 33% nationally), and a larger private rental market (at over 20%, versus 7% nationally). Amsterdam's large social housing stock is one of the reasons that the city has low rates of spatial segregation—low income residents are relatively evenly dispersed among the city's neighbourhoods. In 2015, the average social rent was EUR 496 per month while the average market rent was EUR 745. The income threshold to qualify for social rent is EUR 34 000 or below.

**Recent changes to the social housing system have introduced income-based rent increases for middle income individuals.** The purpose of these changes is to incentivise those with higher incomes in the social housing sector to move, thus freeing up space for lower income residents. Since 2011, only households with an income below a certain middle income threshold can access the social housing sector, whereas in the past this threshold was set higher. Demand for social housing remains high. As a result of these reforms, demand for private rentals, and scarcity, have pushed up unregulated rents. Demand for rental housing is set to increase as a further reduction of mortgage interest relief and tighter loan-to-value requirements force first-time buyers to wait longer to build a down payment. Further, a new social housing levy for landlords with more than 10 units has been introduced; the share of commercial property holdings by housing associations has been reduced and; the sale of properties to the private market has liberalised. The size of the housing stock held by housing associations has declined in recent years in part because of these changes.



## There are competing pressures for land use and protection in the region

**City planners estimate that there is currently enough space to meet growing housing demand by transforming unused or underused spaces such as excess office space or former industrial lands.** Ingeniously, the city has come up with some unique solutions, such as the creation of residential islands in its bay which are critical in meeting the housing needs of a growing population. However, in the coming years, much more housing is needed in both the city and surrounding areas. There is also a need to have space for public amenities, businesses, cultural spaces and so on.

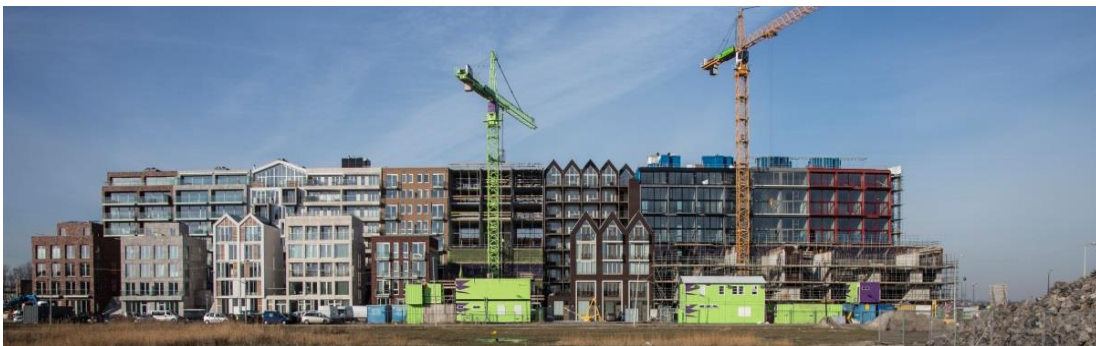
**For developers, concentration areas are more difficult to develop than expansion districts because there are often many more parties and stakeholders involved than is the case with an expansion district.** To a certain extent, higher market prices compensate for that disadvantage. However, questions remain as to whether this housing demand can feasibly be met and whether the region can avoid developing large housing districts in areas that are now green. Housing demand also raises questions about the height and density of new developments. In order to accommodate a growing population, taller apartment buildings may be warranted than have previously been permitted, encouraged or deemed desirable.

**The huge volume of urbanization over the past 60 years has shown that pressures for expansion are strong.** Despite long standing consensus about buffer zones and noise contours, certain areas are under increasing pressure to develop. There are also growing tensions between uses of agriculture, greenspace and natural

amenities on the outskirts of the city. Owing to demographic and socio-cultural developments, recreation outside the city is expected to rise by 30% to 2040. The number of tourists coming to the region is growing by 8% a year, and they increasingly visit areas outside of Amsterdam's city centre.

**There are also growing conflicts with the agricultural uses of land surrounding the city.** Large-scale farms that serve the global markets in the peatland meadow areas (which are often of great cultural and historical significance) do not combine well with the spatial and environmental goals of maintaining an open countryside, ensuring sustainable water management, preserving biodiversity and reducing CO<sub>2</sub> emissions.

**Projected climate change impacts—more frequent and severe storms and flooding together with rising ocean levels—challenge established and new land uses.** The Netherlands has a long history of flood management and invests in strengthening primary water defence lines along the sea coast and elsewhere. In terms of climate change mitigation, there are ambitious plans for sustainable energy development in the region which require land in some cases. For example, the space requirements for more wind turbines in Flevoland and increasing land requirements to accommodate “solar fields”. These uses in turn need to be compatible with water management. There are also plans in Amsterdam to transition to a “circular economy” and in doing so, reduce waste of all kinds (e.g., recycling construction materials, capturing wasted heat from manufacturing or industrial processes).





## Aligning land use and transportation investments

**New road and public transport investments are increasing the metropolitan area's connectivity, particularly for growing areas, such as the area surrounding the airport which has become a major employment hub.** However, there are inherent tensions between economic development, job creation and connectivity on the one hand, and environmental protection, congestion and liveability around such major hubs such as the Schiphol Airport and port and their surroundings. While these tensions have long been apparent, increasing activities of these industries together with population growth further challenges the ability to reach balance between different users and usages.

**There is growth across all forms of mobility in the city of Amsterdam due to population and employment growth and increasing numbers of tourists.** The majority (63%) of Amsterdammers

use their bicycles on a daily basis. Just over a third of traffic movement in the city is by bike compared to 22% by car and 16% by public transport; in the city centre, 48% of traffic movement is by bike.

**A major task for local transportation is to balance the interests and needs of different users—e.g. bicycles competing with e-bikes or mopeds and pedestrians competing with bicycles for streets space.** Further, there is a need to balance sustainably with accessibility; that is, as automobile dependence lessens, to match or exceed the accessibility of the car through sustainable transport options. How land is used—density, dedicated infrastructure, mixed use neighbourhoods—is a critical factor in achieving this balance.



## Tourism is transforming land uses in Amsterdam's urban core

**Amsterdam has a strong and growing tourism industry.** Hotel room occupancy is increasing and it is growing faster than the national average. In 2014, the Amsterdam metropolitan area took in 42% of the hotel bookings in the country. The scale of Amsterdam's tourism has a large impact on the city and its neighbourhoods, particularly the central area where the vast majority of hotels and tourists concentrate. Excessive numbers of tourists can detract from the liveability of an area by increasing congestion and placing stress on local infrastructure, including water systems and waste management. It can also limit the diversity of businesses and shops in the city, particularly in the centre of the city, creating a place that then loses meaning and connection to the daily life and needs of its residents.

**The growth of accommodations in the unregulated tourist economy can contribute to rising private rental costs in certain neighbourhoods.** Presently there are an estimated 14 000 Airbnb flat rentals on the market in Amsterdam. Available data are largely composed of estimates based on listings and information from the main rental platforms. Amsterdam has compiled and mapped information from public listings to help understand the scope of Airbnb listings in the city and their prevalence in specific neighbourhoods. However, there is presently limited research on the impacts of this phenomenon on housing affordability and Airbnb is just one of the many companies worldwide that provide such services. A recent study of these effects in New York City found that, for each of the top 20 neighbourhoods for Airbnb listings in Manhattan and Brooklyn, average rent increases have been nearly double the citywide average from 2011 to 2015. Cities such as Berlin and Barcelona have adopted strict regulations to combat this effect.





## Amsterdam owns the majority of the city's land and has a ground-lease system

Since 1896, the City of Amsterdam has kept most of its land: it still owns approximately 80% of all the land within its boundaries. On a large percentage of this land a ground lease has been granted. This means the city remains the owner of the land while the ground lessee or leaseholder is entitled to the benefit of the use of the land for a long period, in return for a ground rent (canon) payable at regular intervals. Until 2016, the city had a system of a ground lease with periodic revision - the amount of the ground rent was specified at the beginning of each new 50-year term.

In 2016 Amsterdam shifted to a perpetual ground lease system. In this new system, the city calculates the amount that leaseholders have to pay for the use of the (built-up) land it owns only once and for all time. When the city issues ground for new development an eternal ground lease contract is issued. For existing contracts, the city offers the possibility to ground leasers to transfer the existing contracts (of 50 years) into perpetual contracts. This provides leaseholders more clarity about the cost of their ground lease. The ground rent is then only indexed annually (inflation). While the new perpetual system will enable the city to capture value from change of use at the point when that change is occurring, it will no longer capture changes in value over time to be used for public benefit.





# A spatial and land use planning system the midst of change

## The Netherlands has self-binding strategic spatial plans for each level of government

**The Spatial Planning Act (2008) is the main framework legislation for spatial planning in the Netherlands.** It, together with its accompanying regulations, provides the legal basis for structure plans, land use plans, and project plans. The two major types of spatial plans in the Netherlands are structure plans and land use plans. By law, all three levels of government must prepare structure plans that outline their main spatial policy objectives and the policies to pursue them. Structure plans are strategic spatial plans.

**Structure plans are self-binding—in other words, the plans of an upper level government are not legally binding on that of a lower order one.** However, where there are disagreements between levels of government, the provincial or national government can issue ordinances that request a change in lower level plans to conform to higher level plans. If the lower level does not comply, it can be forced through directives ordering it to do so. Further, national and provincial governments can directly impose land use plans on municipalities. Horizontal co-ordination at all three levels of government

occurs through the legal requirement to co-ordinate spatially relevant decisions between the responsible public authorities at the respective level of government.

**The framework documents are flexible so that they can serve the needs and interests of each level of government and community as it sees fit.** Each jurisdiction is free to decide its contents. However, spatial planning tools and instruments are the same for all levels of government. Apart from this, governments are free to choose a form that best suits the spatial subjects, the method of work, and their own political and administrative culture.

**The spatial planning system as a whole operates to a high degree on the basis of trust.** It presumes that actors across various scales will implement the desired spatial objectives such as the protection of green space, and work closely with each other to meet emerging challenges. For Amsterdam, one of the greatest of current challenges is to build more housing to meet the needs of a growing population.



## *The national structure plan—“a competitive, accessible, livable and safe Netherlands”*

The national structure plan is a strategic spatial vision for development that focusses on issues that are important for the entire country as a whole. It describes eight major goals for the government to the year 2040 and sets three national objectives to the year 2028. The national structure plan aims to reduce duplication between levels of government; make the regulatory system less complex and; devolve as many responsibilities for spatial planning down to the relevant subnational governments. In turn, the national government maintains core functions across 13 areas of national importance. This represents a major policy shift for spatial planning at the national level. While in the past the national government played a key role in urban planning by, for instance, prescribing percentages of built land in inner city areas, or defining National Buffer Zones and objectives for restructuring, it only intervenes now in the urban regions around major transport hubs and ports and will only act in coordination with local and regional authorities.

## *North Holland’s structural vision—“quality through versatility”*

At the provincial level, North Holland’s structure plan (North Holland Structural Vision 2040) responds to anticipated spatial conditions over the longer term. The plan covers all subjects with spatial implications: the economy, environment, landscape, nature, spatial quality, agriculture, water, traffic and transport and cultural history. The level of detail on each subject differs, with far more attention given to the province’s three main areas of interest: i) climate change adaptation and mitigation; ii) sustainable development and; iii) spatial quality which includes the preservation of cultural and natural landscapes and green reserves around cities. The regulation attached to the vision contains some rules that municipalities need to take in to account, for instance, it includes rules about the protection of green buffer zones and the protection of rural spaces from urbanisation (unless shown to be absolutely necessary).

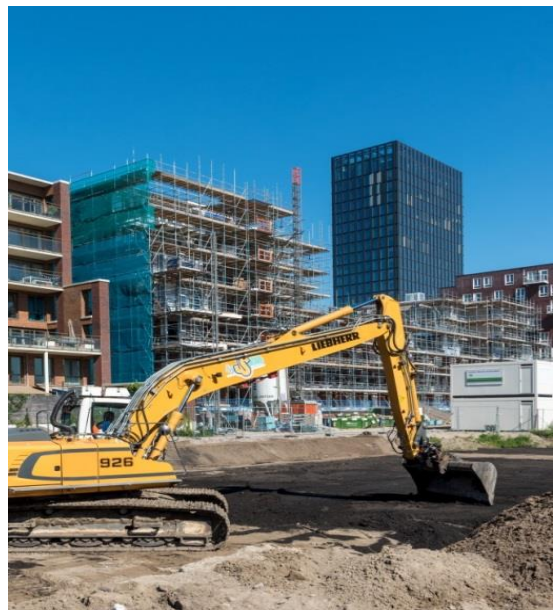
## *Amsterdam’s structural vision—“economically strong and sustainable”*

Amsterdam’s structural vision (2012-2040) sets an ambitious programme of spatial development for the territory. It is at once based on existing spatial structures, changes that are presently taking place, and planned future need—the most pressing of which relates to accommodating future population growth. The plan is grounded in the central idea that economic development and sustainability are mutually reinforcing aims.

The city aims to:

- **increase density** in order to accommodate an estimated 70 000 new dwellings between now and 2040;
- **transform mono-functional areas** into mixed use ones; enhance regional transportation and increase the number of links between nodes;
- increase the **quality of public space** through high design standards and by allocating more space to walking and biking;
- invest in the **recreational use** of green space and water and make it more accessible and;
- prepare for a **post-fossil fuel era**.

Land use plans are the main legal zoning instrument. They form the basis upon which planning applications are decided. Zoning plans are elaborated on the basis of extensive study and public engagement and are updated every 10 years.





## *A decreasing role for active land use planning in the city*

In the Netherlands, land-use is much more than “passive planning” (waiting for someone else to take the initiative, and then trying to influence that); it includes “active planning” (taking the initiative to make the desired change come about). The city acquires land, prepares it for construction and use, and then issues the land to the market. The role that the city takes on this in regard is not statutorily defined.

However, active land use planning is being practised somewhat less of late. The city’s spatial development strategy is shifting from being supply driven, to being demand driven. The city will reduce the risks it bears by taking on smaller scale projects and adopting a phased approach to new developments. This changing role for public-led development is particularly impactful for certain types of developments, such as industrial estates, for which municipalities have been the main providers. With a shift in the scale and scope of projects pursued by active land use planning, there is an increasing need for private sector developers and investors to be more involved in realising the city’s spatial development objectives.



## *The new Environment and Planning Act will create major changes for spatial planning and the governance of land use*

In 2016, a new Environment and Planning Act (*Omgevingswet*) was adopted which creates a significant change to the planning framework in the country. The Environment and Planning Act merges 26 separate acts, into one; merges 120 Orders in Council into four; and simplifies over 100 ministerial regulations in order to create greater coherency among them.

The new Act will come into force in 2019 and municipalities are preparing now for this change. The aim of the new Act is to further integrate the rules and regulations for the governance of land use across a number of policy areas—e.g., nature, water, construction, living, sustainability—and to speed up decision-making for spatial projects. A major change at the municipal level is the adoption of one plan for the entire territory that will encapsulate all applicable zoning regulations and pertinent administrative laws. All local land use plans will be transferred to the Environmental plan and local governments will have a period of ten years to transform them. Overtime, it is anticipated that some areas will have a high degree of protection, such as heritage sites, while others will have far fewer rules and constraints and be more open to experimental and flexible uses.

The new Environment and Planning Act ushers in a departure from the philosophy of “static planning.” As such, it builds on key strengths within Dutch spatial planning—namely a high degree of trust between actors, a culture of co-operation both among municipalities and between levels of governments, and a commitment to core planning values. The idea of flexibility in terms of how land is used supports such important agendas as Amsterdam’s shift to a “circular economy”—a lifecycle approach for waste resource/by-product management.

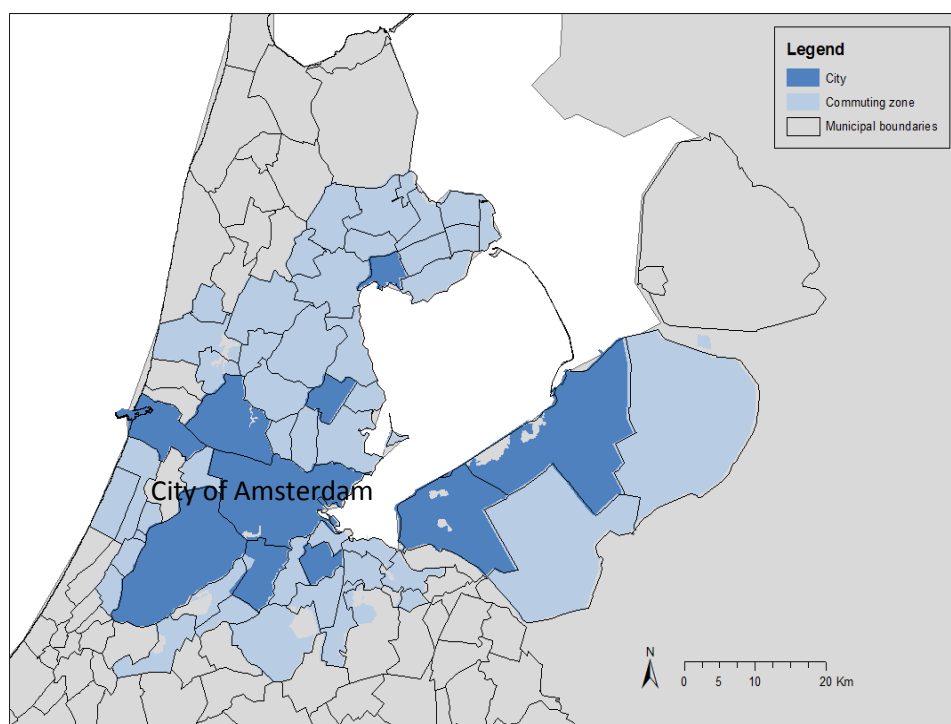
## Coordinating land use at the metropolitan scale

### *Effective metropolitan governance is critical to the region's success*

Amsterdam is one of the most polycentric regions in the OECD—there are multiple urban centres in the wider Functional Urban Area (FUA). Amsterdam's FUA—the territory across which people live, work and commute—encompasses 57 municipalities in total. Of this, 8 cities beyond Amsterdam form the metropolitan area's urban core while the remaining form the commuting zone. The city's FUA population was 2 452 659 in 2014, which is much higher than the city of Amsterdam alone, which stood at 810 937 (2014). In such regions, agglomeration advantages shift from local urban systems towards a broader metropolitan scale leading to more dispersed employment functions, amenities and services. In greater Amsterdam, polycentricity has been driven in large part by growth in automobile commuting and an expansion of the roads network.

From the location of transport infrastructure, to the preservation of greenspaces and the costs of housing—there are a myriad of interactions that connect Amsterdam's metropolitan area. The management of land across this space requires a co-ordinated approach. On day to day planning matters, Amsterdam city officials work closely with other municipalities in the region, the provinces and Waterboards. Also, the city of Amsterdam is part of a regional transportation body (Transport Authority Amsterdam) which is a formal consortium of 15 municipalities with policy and grant funding powers to address regional transportation issues (excluding trains). Prior to 2015 this organisation was a city-region and had a wider range of functions.

**Amsterdam Functional Urban Area**





**Broader metropolitan-wide governance has evolved since the 1970s through various forms of informal cooperation and yearly conferences.** Presently, the Amsterdam Metropolitan Area (Metropoolregio Amsterdam, MRA) is an informal partnership of 33 municipalities, the provinces of Noord-Holland and Flevoland, and the regional transportation body. The MRA's work is focussed on three priority areas: strategic planning, traffic and economic development.

**Beyond metropolitan interdependencies, there is a strong dependency on national law and resources to achieve spatial planning objectives.** For example, on regional agreements to coordinate legally binding planning instruments within the MRA, such as the new Environmental visions; and a strong dependency on national housing market regulations and regional agreements to maintain affordable housing and low rates of spatial segregation within the MRA. Thus, effective multi-level governance across national, regional and municipal partners is also critical and the MRA is an important platform through which to achieve this.

### ***Short-medium and long term agenda's drive the work of the Amsterdam Metropolitan Area***

**The MRA has developed both short-medium and long term agendas to guide collaborative action.** For example, the MRA agenda outlines the need for 250 000 homes to be built between 2016 and 2040 across the metropolitan area. The MRA's long term agenda—"Development Scenario for the Amsterdam Metropolitan Area in 2040" informs the Structural Visions drawn up by municipalities and provinces as well as regional policy. It was elaborated through a highly involved process of metropolitan consultations in 2007.

**The development scenario provides a diagnosis of trends in the region and describes key spatial, social and economic tasks for the future.** The key themes identified are: climate change; environment, energy and sustainability; the economy and globalisation; accessibility mobility and infrastructure; demography, socioeconomic development and leisure; and

the metropolitan landscape. It is however important to note that the MRA's short and medium term agendas are not part of an agreed upon planning routine with regular reviews and while it informs municipal plans, it is not legally binding upon them.

### ***The Amsterdam Metropolitan Area has a very small administration and limited resources to tackle common challenges and develop coordinated actions***

**Meeting growing housing demand, developing new spaces for business and industry and increased transportation connectivity demands coordinated responses.** Municipalities in the Amsterdam metropolitan area have a long history of working with one another through informal partnerships. This has generally worked well in the past. However, this informality comes along with limited resources and small administration; this limits the metropolitan governance function. The day to day work of the organisation has been fulfilled in large part by seconded public servants from the largest municipalities and the provinces.



# Key Recommendations

## Aligning resources with spatial planning ambitions

### *Use a broader array of fiscal instruments to shape spatial outcomes*

**How land is used is the outcome of a complex array of interactions.** While the planning profession has many tools with which to shape land use, there are other elements beyond the purview of the planning system that can equally have influence. One of the most important such elements is finance—from the incentives that local governments face based on national subventions, to targeted fiscal incentives such as density bonuses that encourage desired behaviour—fiscal systems, instruments and tools affect land use in a wide range of ways. Such incentives should at minimum be aligned with spatial development objectives or better yet, structured to specifically encourage desired outcomes such as transit-oriented development.

**Amsterdam presently uses few fiscal instruments to shape spatial outcomes.** Amsterdam has adopted parking taxes that vary depending on the level of congestion in the city (parking in the center costs more than that which is further out), combined with special rates for residents. This is a well-structured system. Amsterdam also has a tourist tax which is set at 5% (for vacation rentals including for Airbnb accommodations). The city aims to create a differentiated tourist tax with a higher tax rate for hotels in the centre and lower ones further out that may help reduce the concentration of tourism in the historic centre. This is a prudent policy.

**But in other elements of spatial policy, fiscal instruments are lacking.** For instance, the city does not currently employ any fiscal instruments to encourage sufficient density despite this being a critical spatial objective in order to meet growing housing demand. There are many other fiscal instruments that could be drawn on in order to complement spatial development objectives such as brownfield redevelopment incentives which create an important inducement for private developers to take on projects in areas that can be more expensive to develop because of the presence of existing structures, the need for soil remediation, higher land costs and complex ownership rights. Road congestion pricing could be used to encourage transit-oriented development.

**The expansion of most fiscal instruments requires a change to national law (the Municipalities Act).** The national government has recently displayed interest in fiscal reform at the local level. For example, a new type of property tax and residential tax is being considered. Within these discussions, the city of Amsterdam has indicated an interest in adopting a “green-property-tax” that would link property taxation to home energy efficiency. Thus, there are ongoing discussions between the national government and Dutch municipalities about how such reforms might proceed. Within this discussion it is important to consider the interdependencies between the system of local taxation and finance as a whole. Beyond this, alignment with local spatial development objectives is also critical.



## ***Making the most of public investments—land value capture mechanisms***

A consequence of Amsterdam's current economic strength is a steady increase in value of land and property within the city and region. Most notably, this is reflected in a steep rise in housing prices. The long-run prosperity of Amsterdam requires that the city continue to provide high-quality public services and to invest in public infrastructure. One obvious way for the City of Amsterdam to finance the costs of maintaining high-quality public services is to raise revenue from the rising value of land and property. Good public services and investments in public infrastructure are capitalized into high property values. Rather than allowing private individuals and businesses to retain the entire market value benefit from increased property values attributable to public spending and investment, the city should take steps to "capture" a portion of the increases in value. One option is for the city to increase its reliance on land-based sources of local revenue—e.g. raising revenues from the value-based property tax, and/or by various "value-capture" mechanisms linked to specific public infrastructure projects.

With a shift to a perpetual ground lease system, it is noted that the city relinquishes a useful land-value capture tool. In this new system, the city calculates the amount that leaseholders have to pay for the use of the (built-up) land it owns only once and for all time. The ground rent is then only indexed annually to inflation. While the new perpetual system will enable the city to capture value from change of use, at the point when that change is occurring, it will not capture changes in value over time that occur for other reasons.

**Presently, the city does not fully capture the real estate value or the added value from municipal investments.** This is a missed opportunity. In many cases, the national fiscal framework limits own source municipal revenue and so, the adoption of any new or expanded fiscal instruments requires national government support as well.



## Preparing for the implementation of the new Environment and Planning Act

***Municipalities need to be properly resourced in order to implement the new Act***

**Municipalities are now preparing for the implementation of the new Environment and Planning Act in 2019.** The Act integrates laws across multiple policy fields including environment, nature, sustainability and health. It will require new ways of working, new technologies, and different skills for public servants than in the past. For example, it places an increasing emphasis on monitoring and assessment. These changes need to be properly resourced in order to be effective—costs for the implementation of the legislation should not be borne by municipalities alone.

**It is anticipated that the national government will provide funds for training to assist municipalities and water boards to implement the new Act and adjust to new ways of working.** However, these are not as yet determined. The new Environment and Planning Act does not directly include provisions for new resources for municipalities in anticipation of their changing functions. While long term cost savings are estimated at between €35 and €51 million a year for municipalities as a result of the Act, there will be significant short term costs which are difficult to estimate. Implementation will require ongoing monitoring and adjustment to new processes. The impact on day to day work practices of the new law should be monitored and if necessary, municipalities should be compensated for this regulatory change (this compensation could take a number of forms). However it is important to gauge these costs as the process unfolds. This could for instance entail national funds for data architecture and need not be linked to broader questions of fiscal reform.

***Strengthen public engagement and ensure transparent processes***

**Amsterdam already has a strong commitment to deliberative planning but the new Act will increase the importance of this function even more.** It is anticipated that there will be an even more active role for citizens in planning processes and a closer relationship between initiators/developers, authorities and citizens. It will be critical that there is consistency around how “publics” are involved in decision making in the city in the future. Protracted engagement efforts would detract from the desired outcome of more timely developments. At the same time, the planning process could easily become increasingly beholden to more powerful groups that are better placed in terms of time energy and resources to achieve their agendas.

**There is inherent risk within a more flexible approach.** Decisions about land use need to navigate power relations and asymmetries and need to balance the demands of inclusiveness, timeliness, and flexibility. The city will need to play the role of fair broker and be extremely transparent about how regulatory requirements are being met and how and when stakeholders are included in decision making.

***Ensure that social and cultural aspects of planning remain priorities***

**The new Act places an emphasis on physical and environmental elements of planning and associated indicators.** Given this, there is some risk that in adapting to the new system, the social and cultural elements of the planning process gain less attention and visibility. It will be important to establish a balance between economic, environmental, social and cultural elements within new and emerging planning processes, especially with the current developments in the Amsterdam region, where social inclusiveness and spatial segregation are growing issues.

## Enhancing metropolitan governance for spatial planning

**Effective metropolitan-wide collaboration is essential for the municipalities in greater Amsterdam to realise their spatial development objectives.** Meeting growing housing demand, developing new spaces for business and industry, and increased transportation connectivity demands co-ordinated responses. Municipalities in the Amsterdam Metropolitan Area have a long history of working with one another through informal partnerships. This has generally worked well in the past. However, this informality comes with limited resources and a small administration, which limits the metropolitan governance function.

**In this period of population and economic growth it is critical that the MRA's municipalities work together with the provinces and the regional transport authority in order to implement collective strategies to realise their many ambitions.** Increasing the capacity at the metropolitan scale is vital to realising these shared goals. The MRA must substantially step up its own self-organisation in order to deliver adaptive, fair and sustainable land-use planning. Recent reforms to the MRA to establish a common bureau and increase the entity's funding through per capita transfers help to strengthen its capacity to undertake communications activities, establish collaborative mechanisms for decision making, and conduct ongoing analysis of key trends and challenges. However, the issues facing the region may demand more formalised approaches in the future and a larger funding envelope to achieve strategic objectives.

***Increase organisational capacity (budget and staff) and strengthen political accountability***

After long discussions about how the MRA might evolve, municipalities and provinces have established a common bureau (MRA Bureau) along with a co-ordination committee (*Regiegroep*) which makes the position of elected leadership stronger. Under the new framework, the tripartite focus on the economy, transportation and spatial planning remains. However, there are more direct links between the regional transportation authority and the transportation platform of the MRA. Further, in order to increase the administrative capacity of the MRA, the new common bureau is financed by all provinces and municipal councils in the metropolitan region. This raises the basic per capita contribution of municipalities from EUR 0.50 to EUR 1.50.





**The recent reforms to the MRA are a prudent next step for metropolitan co-operation.** Dedicated funding for administration, and economic and spatial development will help implement some key elements of the metropolitan agenda. This is not a radical change to the organisation's form and function. However, it does go some way to addressing critiques that the MRA is too informal and needs to build its capacity.

***Prioritise key actions and build awareness among the MRA's residents***

**In the short and medium terms it will be important to demonstrate successes in implementing core actions.** The MRA's development agenda has a long action list of issues it would like to tackle. It should prioritise the most important elements, which for the spatial agenda clearly include the issue of accommodating population growth and building new housing.

**It will be important for the organisation to champion successes and build awareness of its activities both among its constituent residents and the business community and in the context of broader European and international competitiveness.** In the case of residents, it will be particularly important for the metropolitan

body to strengthen its accountability and transparency. For many years the MRA was focused on building consensus among its member municipalities and more recently, it has adopted an outward oriented framework to raise the profile of the region on the international stage. But it also needs to have meaning and buy-in from citizens and be visible to them. This is crucial in order to build ongoing consensus around the MRA's agenda and its spatial development aims.

***Monitor and evaluate spatial trends and challenges across the metropolitan area***

**The spatial development strategy for the metropolitan area could be better operationalised through ongoing monitoring and assessment.** Recent steps by the MRA to establish a more permanent common bureau and to increase member contributions are positive in this regard. They will help enhance these types of functions. The MRA should use this increased capacity to enhance its monitoring and evaluation of spatial conditions and developments, particularly socio-spatial inequalities which, under the new act, are at risk of losing their prominence given its focus on physical and environmental aspects of planning.



*Share expertise on the implementation of the Environment and Planning Act*

**The new act demands new ways of working from municipal public servants.** It requires more negotiation and engagement on new development projects up front and ongoing monitoring and evaluation. In realising this shift, the issue of capacity is critical. Larger municipalities with larger spatial planning departments are better placed to adapt to these changes – they simply have a larger pool of resources to draw on. Therefore, the MRA could take on an important role in facilitating exchange among planning professionals and building capacity, particularly for smaller municipalities, to effectively adapt to the incoming changes and meet metropolitan development goals.

*Some mutually agreed upon targets for key areas of action across the metropolitan area are warranted*

**Mutually agreed upon targets to achieve such important objectives as the need for an estimated 250 000 new residences by 2040 across the MRA are warranted.** This will help ensure that there is a detailed dialogue up front on the key issues that need to be tackled in terms of where and when developments should occur. They could provide a strong reference point to signal intentions to both MRA members and to residents and investors/developers by establishing political commitments. Such targets could also help prioritise the many action items contained in the MRA's short- to medium- and long-term agendas.

**These targets should be regularly monitored and reported on to track progress on priority areas.** Other OECD metropolitan bodies offer a template for such an approach – for example, the targets included in Metro Vancouver's Regional Growth Strategy.





## *Aligning regional transportation with functional need*

**It is critical that economic, spatial and transport planning are well aligned across the metropolitan area.** Transport Authority Amsterdam seeks to strengthen co-operation with municipal and provincial partners on transport and accessibility and has entered into a co operation agreement with the provinces of North Holland and Flevoland, and the municipalities of Almere and Lelystad. Such partnerships are critical – particularly in light of the strong population growth projected for

Almere, to Amsterdam's east. Whether co operation agreements are enough to establish a strong regional transportation network in these growing areas outside of the transport authority's formal governance arrangement remains to be seen. This is a matter that should be studied and assessed. Whether its membership is expanded is untimely the purview of the national government since its membership has been determined by national legislative mandate.





## About the OECD's work on the Governance of Land Use

The report **The Governance of Land Use in The Netherlands: The Case of Amsterdam** is part of the OECD's Regional Development Policy Committee (RDPC) and its Working Party on Urban Policy (WPURB) and the Working Party on Rural Policy (WPRUR) programme of research on the Governance of Land Use.

This study of spatial and land-use planning in Amsterdam is one of several land-use case studies that the OECD has undertaken (i.e. Poland, France, Israel and the Czech Republic). This report, together with other governance of land use case studies, have in turn informed **The Governance of Land Use in OECD Countries: Policy Analysis and Recommendations** (2017), which provides policy analysis and a synthesis of the main recommendations from OECD work on land use. The OECD has also produced a companion volume to the aforementioned report—**Land-Use Planning Systems in the OECD: Country Fact Sheets** (2017)—which provides a descriptive overview of land-use planning systems across OECD countries.

To find out more about our work, please visit:

<http://www.oecd.org/gov/governance-of-land-use.htm>

The full reports can be accessed on: <http://www.oecd-ilibrary.org>







This document summarises the key findings of OECD (2017), *The governance of land use in the Netherlands: The case of Amsterdam*, OECD Publishing, Paris.

The full publication is available at: <http://www.oecd-ilibrary.org>