



Documentation Regional development instruments

derived from DIAMONT Database www.diamont-database.eu



This project has received
European Regional
Development Funding
through the INTERREG IIIB
Community Initiative



Federal Ministry for the
Environment, Nature Conservation
and Nuclear Safety



Bavarian State
Ministry of the
Environment,
Public Health
and Consumer
Protection

Interreg III B

General Data	
Name of instrument:	Urban development contract (= Städtebaulicher Vertrag)
Country / region:	DE
Spatial level:	local
Type:	Voluntary approaches and agreements / cooperation
Subtype:	Voluntary, but binding contracts
Description:	The instrument regulates cooperative agreements between public administration and private investors and is laid down in the German Federal Building Code §11. It constitutes a special form of contracts subject to public law (öffentlich-rechtlicher Vertrag). Urban development contracts are a strategy to fulfil urban development objectives such as mixed use, mixed social structures of neighborhoods, provision of recreational areas etc. In return for receiving building permits, investors are obliged e.g. to reserve a certain percentage of new accommodations for social housing programmes, finance public facilities such as child care centers etc. Urban development contracts are either measure-oriented (maßnahmenorientiert), objective-oriented (zielfindungsorientiert) or oriented towards coverage of permanently accruing costs of infrastructure such as streets, light-railway etc. (unterhaltsorientiert).
General objectives:	Realising urban planning objectives within privately financed projects.
Responsible:	Local authority/Municipal council
Stakeholder Involved:	Entrepreneurs/businessmen
Reference:	Link: http://www.muenchen.de/Rathaus/kom/sozgbodnutzg/37627/index.html M.-L. Wallraven-Lindl: Die Beteiligung an Kosten und Lasten städtebaulicher Planungen, Sozialgerechte Bodennutzung, der Münchner Weg, Der Bayerische Bürgermeister 1998, S. 197 A. Bunzel/D. Coulmas/G. Schmidt-Eichstaedt Städtebauliche Verträge - ein Handbuch, 2nd Edition DIFU, Berlin 1999, S 149 ff.
General assessment of strength and weakness:	Strength: Very effective instrument to develop building land and at the same time realise overall policy objectives of urban development.
Metadata:	Date of entry: 8/2007 Contact: Ifuplan, Schleißheimer Str. 156, 80797 München
Implementation	
Legal status:	not-mandatory for responsible body, BUT mandatory for end-user

Extension:	frequent (<50% and >25%)
Type of monitoring:	none
Preconditions for implementation:	Legal basis needs to be established for municipalities to hold investors accountable for planning profits by requiring them to finance some extent of public facilities (e.g. German Federal Building Code §11)
Best practise example (1):	Munich's Social Development of Real Estate (= Sozialgerechte Bodennutzung SOBON)
Example Abstract (1):	Investors profiting from the grant of a building permit and the subsequent increase in real estate price are obliged to finance public infrastructure (roads, public transport stop, bicycle lane etc.) as well as public facilities (parks, child care centers, playgrounds etc.) related with the planning project through urban development contracts with the Municipality of Munich. Furthermore, these contracts foresee that 20-40% of newly created accomodations in private investment projects have to be reserved for people eligible for state-funded social housing. Through these contracts, the municipality of Munich is able to realise planning objectives such as socially mixed neighborhoods and mixed use within private projects.
Period of validity:	since 1997
Assessment	
Relevance	
Status:	very high direct relevance
Ranking:	5
Acceptance	
Status:	Municipal administration/Local politicians, Environmental NGOs, Municipal residents/individuals, Superordinate administrations and authorities
Ranking:	4
Implementation	
Status:	Less than 25% of spatial entities have endorsed the instrument
Ranking:	3
Remark:	Application of instrument depends on the state of the land market in the respective municipality. If land prices and potential returns are high, investors are more willing to accept limitations laid down by the urban development contract. In declining regions, the implementation of these contracts will be comparably difficult.
Feasibility	
Status:	Legislation, Political will
Ranking:	4
Effectiveness	
Status:	Direction of effect, type of effect, acceptability, perpetuity
Ranking:	4