

“Pros” and “Cons” of Land Pooling Programs

Land pooling (sometimes called land readjustment) is a method whereby the ownership of scattered and irregular plots of land is pooled, roads and main infrastructure are built, and the land is then re-subdivided into new plots. Each landowner must contribute a portion of their previous land holding (commonly 30% of the total) to provide space for roads, parks, and other public space, and for reserve land. The reserve land is sold at the end of the project to pay the cost of planning, administration and construction.

PROS

- Land Pooling (LP) has the potential to be a self-financing technique for urban land and infrastructure development, and is almost certain to be cheaper than to gather all project land into a single ownership, whether on the open market or by expropriation. This is because on project completion most land remains in the possession of the original land owners, who must contribute portions of their land holding for roads and for land to sell to pay the main costs of the project.
- The pattern of property divisions (cadastral) is reformed and new infrastructure and public space, particularly for roads and parks, is acquired.
- Because the original land owners retain title to the majority of their land there is less land owner opposition to LP projects than to large scale land expropriations and development, and LP projects are considered less disruptive of the existing community (see Doebele, 1982, p. 15; Miyazawa, 1982; Larsson, 1993, p. 142).
- LP projects are attractive to landowners because “substantial increases in the values of land may be achieved by the process, so that the value of the individual land holdings can be greatly increased even though the remaining area is smaller.”
- LP projects are attractive to planning authorities because they “provide land for public facilities, and build much needed urban infrastructure.
- LP projects can be used for a variety of cases including “urban expansion into agricultural areas, downtown redevelopment, new town building, public housing projects, railway and mass transit development, and others (Nishiyama, 1986).”
- The land pooling provision guarantees the equitable sharing of costs and profits among landowners affected by redevelopment.
- The advantages of land pooling lie in land use guidance and project management; in the promotion of redevelopment; in its equity to landowners and renters; in provision of district design and facilities through land reserve; and in the facilitation of project financing through land sale.

CONS

- Since most of the land remains private property, and most landowners have not made a cash investment in developing their land, there is often little incentive to sell or build on newly serviced plots (Nagamine, 1986, p. 57). Thus, project areas often develop slowly, while owners wait for the value of their land to increase.
- Land pooling requires commitment by local agencies and landowners to its operational system, sustained land market and development pressure; detailed

- land value and cost appraisals; renter displacement mitigation programs; and assistance provision to facilitate the participation of small landowners.
- There are difficulties in determining future loads on water, roads, sewer, and other utilities when installing infrastructure to service the planned re-subdivision.
 - In the motive to gain profit and increase property values to off-set losses of land, improper land use can occur unless there are strong zoning controls.
 - As increased contribution ratios imposed heavier costs defrayment on landowners and leaseholders, it becomes increasingly difficult to gain consensus.
 - Varied interests held by multiple landowners and leaseholders make participation in a project problematic. It also becomes difficult to coordinate the rights of all those involved.
 - Often, no detailed land use plans are provided for the readjusted area.
 - Even though land pooling has been proven effective in areas requiring urban infrastructure development, it has been difficult to apply in congested urban areas.
 - Delays in public and community facilities necessitated by land pooling projects
 - Where land prices of unimproved districts in new urban areas are already high, it is difficult to expect a mark-up after land pooling.
 - Where sites have already been sub-divided into small lots, it is difficult to assess contribution lands.
 - If the costs of construction for new infrastructure is too high, then reserve lands set aside for sale to cover the construction may not be worth enough. Subsidies may be necessary.

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