



CHALMERS
UNIVERSITY OF TECHNOLOGY



Competitions of land

Experiences from competitions as land allocation instrument

Master's Thesis in the Master's Programme Design and Construction Project Management

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The winning entry of the land allocation competition at Guldmyntsgatan performed by OkiDoki! Arkitekter. <http://www.okidokiarkitekter.se/projekt/guldmyntsgatan/>
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ABSTRACT

When transferring or leasing municipal owned land several land allocation methods are used. This Master thesis will focus on the land allocation competitions as there is an eager discussion whether the competitions are considered suitable as a land allocation instrument or not. One reason being that previous reports consider the method as non-transparent, subjectively assessed and resource intensive, which contribute to human and monetary resources wasted unnecessarily.

The purpose of this thesis is to highlight the perceptions of the parties involved regarding the process of land allocation competitions. It also aims to clarify and identify potential areas of improvement. To create a common and general view of the competition process a literature study has resulted in a theoretical framework. Further, 17 qualitative interviews with construction clients, architects and concerned authorities contributed with perspectives of the actual process.

The result indicates that the majority of the parties involved have a common understanding of how the process of land allocation competitions is outlined, considering the differences related to the different political governance in Stockholm and Gothenburg. However, there are areas where the view is divided. Further, the result indicates that most municipalities lack in their follow-up and uses unclear evaluation templates. Studying and analysing the result of the interviews issues related to development and change of the land allocation process have been identified. These form the basis for a proposal of improvements that is discussed. The improvements are expected to result in increased transparency and understanding of the evaluation as well as in a viable and clear documented follow-up. The authors further recommend research within the new criteria method and the implementation of parallel assignments as a land allocation instrument.

Key words: Land allocations, land allocation competitions, land allocation agreements, land allocation policy, transparency, municipal governance instrument, land exploitation, Stockholm, Gothenburg.

Tävlingar som markanvisningsinstrument
Förbättringsområden baserade på de involverade aktörernas erfarenheter från
tävlingar

Examensarbete inom masterprogrammet Design and Construction Project
Management

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SAMMANFATTNING

För att överlåta och upplåta kommunal mark används flera olika markanvisningsmetoder. Examensarbetet fokuserar på tävlingsprocessen, som är en av dessa metoder, eftersom det råder en diskussion över hurvida tävlingsmetoden anses lämplig som anvisningsinstrument för tilldelning av mark. Detta eftersom tidigare rapporter anser metoden som otransparent, subjektivt bedömd och resursintensiv, vilket leder till att stora resurser läggs ner i onödan.

Syftet med examensarbetet är att lyfta och ventilera de involverade parternas åsikter och erfarenheter ifrån processen för att klargöra och identifiera eventuella förbättringsområden. För att nå målet och lyckas skapa en gemensam och allmän bild av tävlingsprocessen har en litteraturstudie utmynnat i en teoretisk bakgrund. Dessutom har 17 kvalitativa intervjuer med byggherrar, arkitekter och berörda myndigheter bidragit med infallsvinklar från den aktuella processen.

Resultatet visar på att de flesta parterna har en gemensam syn på hur processen för markanvisningstävlingar ser ut med hänsyn tagen till de olikheter som råder på grund av de politiska skillnaderna mellan Stockholm och Göteborg. Däremot finns det områden där meningen är delad. Vidare indikerar resultatet att de flesta kommuner saknar uppföljning och att det är vanligt med otydliga bedömningsmallar. Genom att studera och analysera resultatet av intervjuerna har förbättringsområden identifierats och förslag till en förbättrad process diskuterats fram. Förbättringarna förväntas resultera i en tydligare insyn och förståelse av hur bedömningen ska utföras och hur den har utförts men också i en väl dokumenterad och förutsägbar uppföljning. Vidare rekommenderas ytterligare studier inom området för bedömningsmallar med poängsystem och för implementering av parallella uppdrag som anvisningsinstrument.

Nyckelord: Markanvisningar, Markanvisningstävling, Markanvisningsavtal, Markanvisningspolicy, transparens, kommunala styrinstrument, markexploatering, Stockholm, Göteborg.

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Preface

This Master's thesis has been carried out during the spring of 2015 as the last part of the Master's programme Design and Construction Project Management at Chalmers University of Technology. The thesis has been conducted in collaboration with White Arkitekter AB in Gothenburg and in parallel with another Master thesis called *Practices of land allocations as a governance instrument*.

We would like to express our gratitude to our supervisors: Anna-Johanna Klasander, White arkitekter AB and Göran Lindahl, Chalmers University of Technology, at the division of Construction Management, for the valuable information, support and advices throughout the work.

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Gothenburg, June 2014

Oskar Börjeson and Andreas Knoop

Dictionary and glossary

Svenska (Bokstavsordning)

Bostadsrätt
Byggherre
Bygglov
Detaljplan
Exploatering
Fastighetsbestämmelser
Fysisk planering
Genomförandeavtal
Hyresrätt
Jämförelseförfarande
Lantmäteriförättningar
Markanvisning
Markanvisningsavtal
Markanvisningstävling
Markexploatering
Marköverlåtelse
Områdesbestämmelser
Råtomt
Tomträtt
Upplåtelseform
Överlåtelseavtal
Översiktsplan

English

Condominium
Construction client
Building permit
Detailed Development Plan (DDP)
Exploitation
Property plans
Spatial planning
Implementation agreement
Leasehold estate
Comparison procedure
Property formation
Land allocation
Land allocation agreement
Land allocation competition
Land exploitation
Transfer of land
Area regulations
Undeveloped building plot
Leasehold of land
Forms of tenure
Transfer agreement
Land use plan

1 Introduction

This chapter will introduce the topic for the reader by describing the background and the problem formulation for the study and place the study within a context. The chapter will further outline the purpose, aim and research questions as well as the limitations, setting the focus of the study. Further, the disposition will be presented to provide the reader with a clear structure of the Master thesis.

1.1 Background

When land is developed, an implementation agreement is made with the municipality to specify the rights and obligations - in addition to what is stated in the Detailed Development Plan, DDP, - associated with the exploitation (Kalbro, 2011b). Implementation agreements could be divided into the subcategories exploitation agreement, used when the construction client already is the landowner, and land allocation agreement, used when the municipality owns the land. Land allocation agreement gives the construction client the possibility to, during a limited period of time and under given conditions, negotiate with the municipality exclusively on conditions regarding the transfer or lease (SKL, 2014). More than half of the land allocation agreements performed in Sweden during a year are represented by Stockholm, Gothenburg and Malmö (Caesar et al., 2013), making these cities most interesting for this Master thesis.

A report from Statskontoret (2012) states that the land allocation process often is non-transparent and complex, which causes uncertainty of how the proposals are evaluated and selected. When selecting the most appropriate construction client several methods could be used and the method further described in this Master thesis is the land allocation competition. Due to the non-transparent allocation process there is a perception among construction clients and architects that the criteria used to appoint the winning entry does not always correspond with the criteria stated in the initial phase of the competition (Caesar et al., 2013; Wikforss, 2014). This creates uncertainty of how the municipality evaluates the proposals, which further, may result in construction clients and architects not willing to spend resources in land allocation competitions (Statskontoret, 2012). This since they perceive the risk of spending resources on incorrect criteria is high. Further, decreased participation in land allocation competitions leads to a reduction in competitiveness, which may result in a decreased level of innovative urban development and a lower diversity of housing. However, according to the report written by Caesar et al. (2013) diverse opinions exist among the construction clients, whether the municipal land allocation process is well functioning or not.

In order to develop options for improvement this Master thesis focus on the competitions within the land allocation process and further analyse the perceptions and experiences among the parties involved to evaluate the competition's use and acceptance. One of the problems within the land allocation competition is the uncertainty based on the low predictability and hence the intention of this Master thesis also is to investigate and discuss the land allocation process, by collecting opinions and experiences from the parties involved. The theoretical part was collected from a literature and document study and by interviews with central parties within the process. During the interviews experiences and viewpoints has been collected.

Further, the information collected has been analysed and discussed to bring clarity to the process and highlight the viewpoints of the parties involved.

1.2 Purpose

The purpose of this thesis is to map and analyse the experiences and opinions of the parties involved regarding the process of land allocation competitions to clarify potential areas of improvement.

1.3 Aim

The aim is to gain knowledge within the field of land allocation competitions by analysing experiences of the parties involved. Further, this thesis aims to suggest potential areas of improvements within the process, based on the compiled experiences.

1.4 Research question

How can the process of land allocation competitions be improved in accordance to the experiences and opinions of the parties involved?

1.4.1 Sub-questions

- How is the process of a land allocation competition outlined?
- Does the process of land allocation competitions differ between Stockholm and Gothenburg?
- Why are competitions used in the land allocation process?
- What are the perceptions of parties involved regarding the process of land allocation competitions?

1.5 Limitations

The thesis will focus on and clarify the process of land allocation competitions and the perceptions among the parties involved in order to enable an evaluation of how well the process of competitions is received by the involved parties and the interest in use. The transparency within the competition process is also going to be outlined to analyse the clarity and predictability of competitions as a land allocation instrument. The study will focus on the process of land allocations performed in the two major cities Gothenburg and Stockholm in Sweden. Other cities may be mentioned as well but is not further investigated. The thesis does not focus on the agreements regarding private owned land and do not further dig into the alternative allocation methods besides the competitions. Neither will the thesis evaluate any previous evaluations nor deeper analyse why and on which criteria the winning contribution is chosen.

1.6 Disposition

The Master thesis consists of seven chapters which are briefly described below.

Chapter 1 Introduction: The introduction introduces the research topic and provides a background to the problem. Further, it states the intent of the thesis by presenting the purpose and aim together with the research question.

Chapter 2 Method: The second chapter describes in details what methods that are used to perform the study and why those methods were chosen. Further, the companies interviewed are briefly presented.

Chapter 3 Theoretical framework: This chapter provides the reader with a theoretical framework relevant to the study, which also establishes a basis for the discussion of the findings.

Chapter 4 Findings: The findings contain and present the empirical data collected from interviews and document studies.

Chapter 5 Discussion and Analysis: In this chapter a discussion covering the empirical data presented in Chapter 4 and theories presented in Chapter 3 together with the authors own reflection and thoughts are performed.

Chapter 6 Concluding remarks: In this chapter conclusions are drawn as a result out of the discussion in Chapter 5 with the intent to answer the research questions.

Chapter 7 Recommendations for Further research: This chapter provides the reader with recommendations for further research within the topic.

2 Method

This Master thesis is based on a qualitative research method to answer the explorative research questions why and how (Bryman and Bell, 2013). The research is mainly based on opinions and experiences of the parties involved expressed during the interviews to create a common reality. The explorative research questions make it appropriate to present the results and discussion of the Master thesis in words rather than in numbers and statistics. To answer the research questions, data is collected through qualitative interviews and a literature study.

2.1 Literature study

The literature study is focused on documents and reports in the field of land allocation, published by researchers, government departments and local authorities. The first literature read is based on recommendations from our supervisors. Further literature is found in databases such as Google scholar and Scopus, provided by Chalmers. The literature search is performed using Swedish key words. Key words used for searches are: Land allocations, Land exploitation and Land allocation competitions. Literature regarding land allocation policies and regulation documents are found on municipal and governmental websites. During the reading process the literature is analysed and documented to increase the efficiency and reliability. The process of collecting literature is performed in an iterative way, which means that the literature collection and analysis proceed in parallel (Bryman and Bell, 2013). This allows the authors to collect new data as gaps in the theory are discovered.

2.2 Qualitative interviews

To collect data from the parties' involved 17 qualitative semi structured interviews were held to achieve a clear structure of the interviews (Bryman and Bell, 2013). This ensured that the objectives of the interviews were met while it allowed follow-up questions that occurred during the interviews. The interviews were recorded when possible to ensure that no significant information was missed.

In the beginning of the thesis process, two explorative interviews were held to get a broader knowledge within the field of land allocations (Bryman and Bell, 2013). These interviews were held with Gunnar Stomrud on White arkitekter, and with Lisa Häggdahl and Lars Johansson from Fastighetskontoret. To be able to map an accurate picture of land allocation competitions, a selection process of interviewees was performed to achieve a useful mixture of the parties involved. The companies were chosen in accordance with a discussion with the supervisors of the thesis to ensure that a mixed sample group was obtained. This to avoid a biased result and discussion within the thesis. To get a broad sample group with different perspectives of the competitions: architects, construction clients and local authorities were invited to separate interviews with different aims. The architects contribute with their perspective and experiences of performing competition entries in accordance with given criteria. The construction clients contribute with an investing perspective concerning the uncertainty and unpredictability within the competition process. The local authorities contribute with a perspective of how to perform and outline a competition that benefits both the individual, general and political interests. The broad

sample group consisted of parties from both Stockholm and Gothenburg in an attempt to identify possible differences. The construction clients are further divided into sub-categories to get a multidimensional perspective. The sub-categories consist of smaller rising firms, public companies, companies that provide leasehold estates, companies that provide condominiums and major construction clients. The majority of the interviews were conducted with construction clients since they are most affected by the process. In total 17 interviews are performed and analysed which are presented and interpreted in Chapter 4 and 5. The interviewed companies are briefly described in Appendix 1. Throughout the thesis the interviewees' perceptions are presented anonymous. The quotes and definitions used in the thesis have been translated from Swedish into English by the authors.

2.3 Analyse method

All the data collected during the interviews and the literature study were further analysed and discussed by comparing and studying the similarities and differences in the answers given by the interviewees. During this process, different considerations were taken into account, such as the interviewees purpose and benefits of participating in the competition and if the party had won or lost competitions before. The interview material is categorized to structure it up and to simplify the analysis (Bryman and Bell, 2013). The data from the various interviews belonging to the same category are compared and interpreted.

3 Theoretical Framework

The theoretical framework collects and presents existing information and theory from established writers and researchers within the subject of land politics and land use. Further, the chapter briefly presents the concept of spatial planning and an overview of the exploitation process. Subsequently, the chapter is narrowed down and focuses on the land allocation process and the land allocation competitions within. The theoretical framework will, through the information in this chapter, introduce the readers to the concept of land allocations and establish a common base of knowledge for coming chapters.

3.1 Spatial Planning

Land and water can be seen as assets, which can fulfil the human needs (Nyström and Tonell, 2012). To avoid conflicts regarding the use of the assets, resulting in unconsidered and desultory actions, and to achieve a sustainable development, spatial planning is important. In Sweden the municipalities have planning monopoly in order to achieve a sustainable development (Kalbro, 2011a). Further, the planning monopoly includes the responsibility and the power to plan the use of land. The spatial planning is performed by different planning instrument such as the detailed development plan, DDP, and the land use plan (Jimson and Jonasson, 2014). This section will further introduce the concept of spatial planning and the use of land.

3.1.1 Planning of land use

Land and water are assets, which contribute to fulfil human needs related to energy extraction, forestry, agriculture, real estates and infrastructure (Nyström and Tonell, 2012). Further, land has a special status in the urban development where almost every land area is unique (Caesar et. al., 2013). It is not possible to increase the supply of land even when the demand for residential increases and therefore there are restrictive regulations regarding land use (Nyström and Tonell, 2012). The Swedish territory consists of two to three per cent developed land, which is concentrated in close connection to the major cities. The agricultural land is focused in the south of Sweden while the forestry land mainly is located in the north. It is within the developed land the majority of the human activities take place. The different use of land leads to conflicts of interest when the various opinions do not coincident or when the exploiting interest conflicts with those of environmental impacts. To solve these conflicts and achieve a strategic and sustainable built environment there exists a need for land use planning. Land use planning enables evaluation, coordination and merge of common, public and private's interest.

Another reason why it is important with spatial planning is to avoid unconsidered and desultory actions, and instead aim to achieve a sustainable development (Nyström and Tonell, 2012). The definition and work towards a sustainable development is a result developed during the environmental conference in Rio de Janeiro 1992 where the world's nations agreed upon actions against the environmental degradation associated with the exploitation of the world's natural resources, which are stated in the Agenda 21 (Cart et al., 2013). In accordance to Agenda 21, the Swedish parliament has adopted Miljöbalken, which is a law concerning environmental management including 15 environmental goals and the environmental impact assessment plan as a

control instrument (Nyström and Tonell, 2012). The goals involve actions such as efficient use of energy, introduction of eco system adapted solutions for sewage and waste, and government procurement based on ecological sustainability. The consequences of land developments are not always visible in the short term, but over time it becomes visible when e.g. toxins from landfills is leaking or when pollution from traffic is starting to emerge. Therefore, it is important to establish a land use plan for the long term effects. The land use plan is important in order to achieve maximum benefits without affecting the environment or nearby residents and to provide an opportunity to coordinate individual and public interests in an attempt to avoid pollution, traffic problems and segregation, to name a few.

3.1.2 Planning Monopoly and Exploitation of land

The municipalities got planning monopoly in order to achieve the targets for a sustainable development (Kalbro, 2011a). This means that the municipality has the responsibility and the power to plan the use of land. The planning process should always be performed concerning both common and individual interests. The planning process and the planning monopoly are performed using different planning instrument such as the DDP and the land use plan (Jimson and Jonasson, 2014). The planning process can be initiated both by the municipality and by a construction client. If the construction client got an idea about a new development it is possible to hand in an application to the municipality who decide whether the planning process should be performed or not. Further, the municipality establish a timeframe for the process. The central legislation concerning the municipal planning monopoly is the Plan- och bygglagen, PBL. The purpose with the law is to govern the municipalities and construction clients to meet both the common and individual interests. According to PBL, land should be used in the manner which it is most suited for. Moreover, the PBL should govern the design of the buildings to achieve an appealing holistic impact.

To be able to plan the use of land in accordance with the law the municipality need to perform a spatial planning (Nyström and Tonell, 2012). The spatial planning consists of different instruments with different levels of details. The land use plan visualizes the intentions of the municipality regarding the use of land and water (Stadsrevisionen Göteborgs stad, 2014). This plan is mandatory but not binding for municipalities. Another mandatory planning instrument is the DDP, which got a more detail level of planning (Nyström and Tonell, 2012). The DDP on the other hand is binding. The DDP, consisting of a plan map and plan rules, which regulates water areas, public locations, and neighbourhood areas (Caesar et al., 2013). As a compliment for the DDP and the land use plan municipalities can establish area regulations which are binding and are used where DDPs are missing (Nyström and Tonell, 2012). Area regulations and DDPs should follow the land use plan and if they do not, this should be noted and motivated specifically (Stadsrevisionen Göteborgs stad, 2014). A DDP is required to examine the suitability of a development of land and water and to regulate its design (Nyström and Tonell, 2012). Further, when there are a high amount of interests in a specific area it is important to regulate the use of the land by a DDP and by using this plan the municipality can specify and establish the requirements and regulations that are negotiated in the land allocation agreement, described further in Chapter 3.4.3.

When the implementation of the DDP is decided a planning proposal is submitted so that the relevant authorities and interested parties have the opportunity to state their views (Jimson and Jonasson, 2014). The proposal includes a planning map, plan descriptions, specification and implementation description that describes the content and implementation of the plan. If the construction client and authorities accept the proposed plan, the public can review the plan during a period of three weeks and during this period concerned stakeholders have the opportunity to appeal the plan. There are three instances that a DDP can be appealed to, Länsstyrelsen, Mark- och miljödomstolen and Mark- och miljööverdomstolen (Byggmästareföreningen, 2012). The appealing process is the same for building permits (Kalbro et al., 2012). If no appeals are noted during the three weeks period the city council adopt the DDP which become *res judicata* (Byggmästareföreningen, 2012). Often in spatial planning the interest of the land use contradicts (Nyström and Tonell, 2012). The time perspective also generates conflicts. A longer planning process may result in a more thought through DDP and a decreased risk of misjudgement in the decision making process. This due to the increased level of information gathered and analysed, which results in a decreased level of uncertainty. However, a longer planning process may result in an unfavourable situation for the construction clients since a longer time perspective results in tied up capital and increased interest payments due to a postponed project start.

3.1.3 Parties involved in the Exploitation process

Through the exploitation process many parties and stakeholders are involved, leading to many decisions and activities to be coordinated (Kalbro and Lindgren, 2013). Authorities are responsible for specific areas concerning public facilities to make offices, industries and residences function properly. The municipality is involved in the exploitation process through four different roles. It has an authority liability by being responsible for land planning and building permit applications. As principals the municipality is responsible for a well-functioning infrastructure, including supply and maintenance of streets, water and wastewater. As landowner they decide in what manner and if the land should be sold or leased. They act as construction client for public buildings e.g. schools and buildings for elderly care. The fact that the municipality can take different roles results in both positive and negative aspects. On one hand, the coordination of the different activities is easier, since the municipality control the entire process. On the other hand, as the municipality “sits on multiple chairs” there is a risk that the different municipal interests get mixed up, e.g. it is not suitable that the municipality combine its role as authority with planning responsibility and its role as landowner. The role of the government is to formulate political housing goals and regulate control instruments such as legal regulations, authority governance and financial inputs while the municipality possesses the tools to realize the objectives (Statskontoret, 2012). Trafikverket is the principal responsible for land exploitation regarding the national road network (Kalbro and Lindgren, 2013). Further, individual property owners have some responsibilities as well, such as different kind of community facilities. If the exploitation concerns several municipalities it is Länsstyrelsen that are responsible for the coordination. Other authorities involved in the exploitation process are Lantmäterimyndigheten, who decides upon property formation, and courts, which are responsible for the process of appealed plans.

The property owner has a vital role in the exploitation process as the owner of land (Kalbro and Lindgren, 2013). It is common that the property owner take the role as construction client. Construction clients and property owners are either private persons, private firms, or public institutions. The construction is built and performed by a contractor, who also can act as property owner and construction client. The Swedish construction market is characterised by a few large contractors and numerous small contractors, where the smaller often are specialised within a certain field and act as subcontractor. Other specialists often contracted by the construction client are architects, project planners, urban developers, legal experts and geotechnical engineers. External stakeholders such as neighbours or associations may affect and be affected by the new land usage, which must be considered in the exploitation process.

3.2 Governance Theories

This chapter will explain and further outline more theoretically what governance mechanisms that govern the development process of land. The section aims to introduce a broader perspective and concept of which the land allocation process is framed and governed within.

3.2.1 Urban Governance

Urban governance is a process that combines and coordinates the private and public interests, and through local authorities, the governance mechanism together with private interests, pursues to improve collective goals (Pierre, 1999). Several systems shape this process such as economic, political and the social values which gives the local authorities legitimacy. The urban governance should be understood as a two-way process, which channels pressures and objectives between the public-private boundaries. Further, Pierre (1999) argues that different institutional models of urban governance describe different systems of values and practices. This can result in different policy choices and outcomes depending on which constituencies is dominating and will reflect the values and interests of the local community. Lastly, Pierre (1999) acknowledges the importance of the national context in which the urban governance is embedded. Thus, national politics is the most powerful factor explaining different factors in the urban politics, since the nation-states constrains local political choices.

3.2.2 Institutional Frameworks

According to Pierre (1999) one must consider the national context, and hence the frameworks which the governance process are embedded. This is important due to the configuration of the governance process will offer different actors participation and influence (Pierre, 1999). In Sweden, according to Fastighetsnytt (2011), three institutional frameworks have to a vast extent been governing the development of residential construction. These frameworks are the legal-, financial-, and political institutional frameworks. These frameworks have governing effects of their own, but become more powerful when they come to collaborate. The legal institutional framework has been significant to get access to land through the planning monopoly. The legal institutional framework is the basis for all construction and provides legitimacy to consider the citizens common areas, where the private and the public interests should be preserved. Furthermore, the legal institutional framework has

influenced residential construction regardless of the political orientations (Fastighetsnytt, 2011). Secondly, the financial institutional framework has shift in focus from being a local concern to a national, further to a European and finally towards a global financial concern.

Figure 1 illustrates how the institutional frameworks sets boundaries for the construction client participation and influence over the role as construction commissioner. Within the area named C the clients' responsibilities can be practiced.

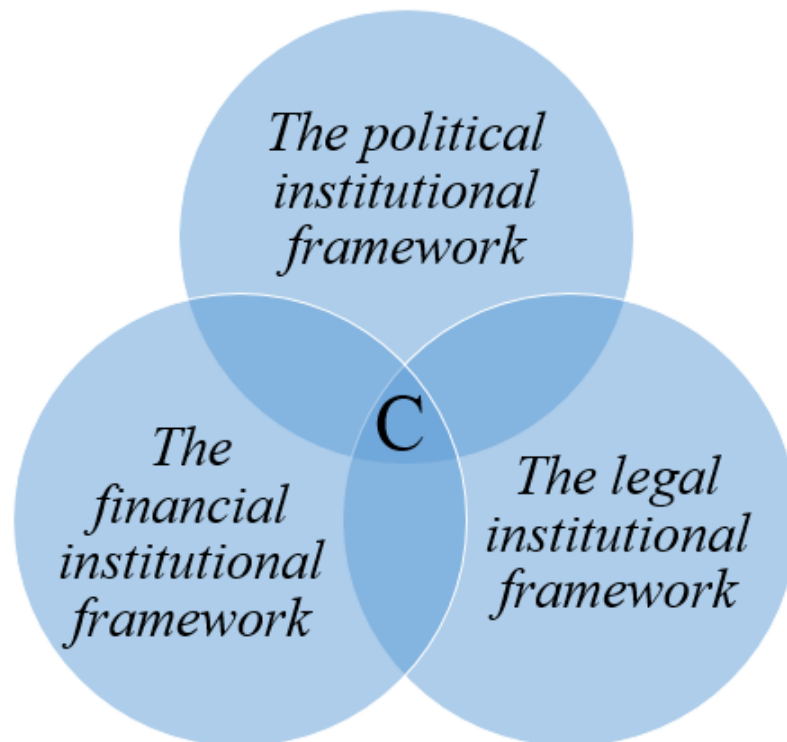


Figure 1. Institutional frameworks governing the construction clients according to Fastighetsnytt (2011, P. 148), revised by Hallberg (2015).

3.2.3 Models of Urban Governance

Nyström & Tonell (2010) describes the city from a viewpoint of different urban functions, in one of these viewpoints the city is described as a political territory. The rest of the region delimits the political territory by a municipal border or a city border together with a political township to cater the interests of the urban population, the trade and industry. With this in mind the political territory has a defined boundary, in which politicians has the right to authorize regulations and decisions for e.g. urban planning (Nyström & Tonell 2012). Further, urban planning is usually based on political goals set for the respective areas of operations, called superior goals. Additionally, the municipalities are governed by a legislative framework. This framework gives the municipalities the freedom for local decision-making and development of action plans in agreement with the local political majority (Nyström & Tonell (2012).

3.3 Land market and Ownership relations

This chapter will present the ownership relations and further describe how the transaction and lease process is outlined. The chapter will also highlight how the land value is affected by the development and planning of the land.

3.3.1 Ownership relation

When discussing exploitations it is not the total area of the municipality owned land that is interesting; it is the land area suitable for exploitations that is interesting (Kalbro and Lindgren, 2013). In a survey executed by Boverket (2012) it appears that 12 per cent of the municipalities own all land suitable for exploitation and 76 per cent of the municipalities owns parts of the suitable land. The government owns 18 per cent of the land in Sweden, individuals own 43 per cent, joint-stock companies 30 per cent, and municipalities, church, estates of deceased and others own 9 per cent (Nyström and Tonell, 2012). For the land being constructed the ownership relation looks a little bit different as most is owned by municipalities and individuals. Municipal owned land has an important role since it enable a more comprehensive way to control the land usage than what is allowed through the PBL (Jimson and Jonasson, 2014). By establishing land reserves the municipality has the opportunity to exchange and adjust land as needed when new developments are carried out. This is often done when the current landowner lack in resources and/or interest for construction (Kalbro and Lindgren, 2013). Through the municipal owned land the municipality has the opportunity to govern which construction client who gets the opportunity to establish a DDP together with the municipality. Municipal owned land also leads to decreased necessity of expropriation occurring, which means compulsory acquisition of land from another property owner by the municipality to be able to exploit the land (Jimson and Jonasson, 2014; Nyström and Tonell, 2012). Expropriation can lead to prolonged and costly processes due to appeals.

The property owner has the right to use and assign the land by self-interest. However, the use of the land is regulated to show respect for neighbours, conservation of natural and cultural environment, for tax regulation, and the right of public access, called *Allemansrätten* (Nyström and Tonell, 2012). The need for land use planning occurs particularly when the land use changes since competition of user rights and ownership prevail. By becoming landowner in an early stage the new owner gets the opportunity to be involved in the formulation of the DDP (Kalbro and Lindgren, 2013). Furthermore, the new owner will benefit from the increased value of the land associated with the execution of the DDP. Due to the uncertainty regarding whether the new DDP will be adopted, the construction client has an interest in establish terms for the land acquisition saying that the purchase will return if the DDP is rejected.

3.3.2 Transactions and Leasehold of land

Land owned by the government are controlled by the regulation (1996:1190) “om överlåtelse av statens fasta egendom” which govern the property values that the authorities may possess and how they should act when selling property (Jimson and Jonasson, 2014). The sale of land should be to market price and in a business-like way. There is no similar regulation for how municipalities should act; instead municipalities are governed through several laws. *Jordabalken* govern formalities needed when buying, selling, exchanging, or gifts of property (Caesar et al. 2013).

Civil justice between contracting parties are governed through Avtalslagen, which further regulate conditions for establish, interpret and invalidate an agreement (Jimson and Jonasson, 2014). Other relevant laws concerning municipal selling of land are PBL, Kommunallagen and EU law rules (Statskontoret, 2012). If the land is sold with subsequent rules regarding the land use “Lagen om offentlig upphandling”, LOU, is applicable. LOU forbids and prevent favouritism by govern the municipalities to sell land to market price. This is also regulated by the EU commission, which tries to counteract distortion of competition (Jimson and Jonasson, 2014). The market price depends on supply and demand (Lind and Persson, 2011). High demand and low supply result in higher prices. Instead of selling the land, municipalities can choose to lease the land by leasehold of land and thereby keep possession of the land and earn a yearly rent negotiated in the contract (Jimson and Jonasson, 2014; Statskontoret, 2012).

In the directives from the EU there are three methods of how municipal sale of land ought to be done regarding pricing: tender procedure, expert evaluation, and the notifyable procedure (Caesar et al. 2013 and Statskontoret, 2012). The directives are shaped to housekeeping public resources and to avoid favouring certain actors by underselling land (Jimson and Jonasson, 2014). Tender procedure means that the sale is done through tender where the highest or the only offer is adopted (Statskontoret, 2012). Tender procedure can also be evaluated by arranged criteria (Jimson and Jonasson, 2014). The second method is conducted by internal or external independent appraisers who appraise the land before the negotiation starts. The appraised value is the lowest acceptable price when selling the land (Statskontoret, 2012). Expert evaluation can also be linked to arranged criteria (Jimson and Jonasson, 2014). The third method to specify the price of the land is the notifyable procedure. This method is used when the sale is neither made through a tendering procedure nor an independent expert evaluation, and hence a notification to the EU Commission is needed (Caesar et al. 2013). Then the commission can determine whether municipal aid exists or not. When the municipality act in the role of landowner the room for negotiation is more extensive than when they do not, which gives the municipality the opportunity to negotiate specific terms and fulfilments that have to be accepted for a sale to occur.

3.3.3 Development of the Land Value

Land that is not covered by the DDP is known as undeveloped land and when a DDP has become res judicata the term undeveloped building plot is used (Statskontoret, 2012). When fees for water, sanitation and street connections have been paid the value of the land increases and the land is now a plot ready to be built (Jimson and Jonasson, 2014). These fees finance the costs that arise for the municipality when new exploitations are performed (Kalbro and Lindgren, 2013). The administrative costs that arise for the municipality during the planning process are partly financed through application fees for DDP and building permits.

What determines the value of land is the interested parties' willingness to pay for the specific location, which is based on the return on the investment or the usefulness of the land (Nyström and Tonell, 2012). The value of the land further depends on its geographical position, e.g. attractive area, environment, public transport and infrastructure (Statskontoret, 2012). For example, land in central parts of the town is statistically more expensive than land in the periphery of the towns (Nyström and

Tonell, 2012). The planned land usage also affects the value of the land, e.g. land planned for offices or residential is valued more than unplanned land. In the proposals regarding housing supply it is stated that the planning of land must be focused on areas with high feasibility (Stadsrevisionen Göteborgs stad 2014). An area with a high level of feasibility is characterized with a high demand from both tenants and construction clients. The high level of feasibility means a plan with good economic conditions and beneficial ground conditions, and natural values. The land value increases in consensus with the progress of the development process and the land value development curve is shown in Figure 2 below according to Kalbro and Lindgren (2013).

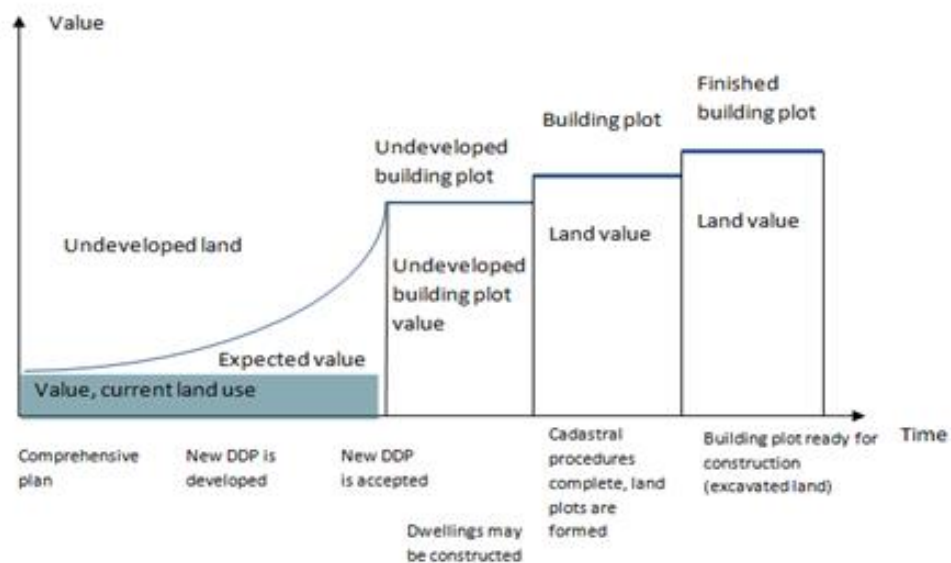


Figure 2. The land value development curve by Kalbro and Lindgren (2013, P. 50). Revised by Hansson (2015).

3.4 Land Allocations

This chapter will present the theory and definitions within the subject of land allocations and further clarify the process and the different methods of choice.

3.4.1 The Definition of Land Allocations

According to the 1§ in the law of guidelines for municipal land allocations (Sveriges kommuner och landsting, 2014), a land allocation is defined as:

An agreement between the municipality and a construction client, which provides the construction client with the right to, during a limited time and under specific circumstances negotiate with the municipality regarding transfer or lease of a specific land area for development i.e. an agreement and possibility for transfer or lease of land

The purpose to enter into a land allocation agreement for the construction client is to get the opportunity to take part of an exploitation project (Kalbro, 2011b). For the municipality on the other hand the purpose is to maintain the public interests and to reach an ultimate land usage.

A land allocation does not automatically lead to a transfer of land, but it is an opportunity for the construction client to negotiate with the municipality during a limited time period and within a certain frame about conditions for the transfer of land (Statskontoret, 2012; Göteborgs stad Fastighetskontoret, 2014). The land allocation agreement is a “transfer and lease agreement” including conditions for both the municipality and the construction client regarding the exploitation (Kalbro, 2011b). The exclusive right to negotiate makes it possible for the construction client to allocate resources to the project, knowing that the municipality intends to accomplish the project (Statskontoret, 2012). None of the parties are legally bound to realise the project, but if the land allocation is aborted the resources expended will be lost. Although, the purpose of the land allocation agreement is to execute a land transfer from the municipality to the construction client within the conditions agreed upon (Kalbro, 2011b). It is important to allow the construction client to develop own solutions to increase the incentive for innovation in the building industry and to increase the market competition (Statskontoret, 2012). Detailed governance and political changes limits this capacity.

3.4.2 The Process

A quick overview of the land allocation process is presented in the Figure 3 below provided by Statskontoret (2012). The process starts with an initiative from either the municipality or the construction client to exploit a specific piece of land. This is further investigated by Fastighetskontoret and Stadsbyggnadskontoret and an evaluation of the initiative is prepared for Fastighetsnämnden, who take the decision whether the exploitation should take place and which land allocation method to use (Håkansson and Lindeborg, 2014; Statskontoret, 2012). Further, Fastighetsnämnden evaluate all the received proposals and decides which construction client who gets the opportunity to enter into the land allocation agreement (Göteborgs stad Fastighetskontoret, 2014). When the land allocation agreement is established, negotiation between the municipality and the construction client take place concerning the rights, obligations and regulations, which will frame the project. When the municipality and the construction client have agreed upon the terms and when the DDP is established a transfer agreement can be signed (Håkansson and Lindeborg, 2014; Statskontoret, 2012).

The DDP process can begin when the ground is considered as buildable and may be done before a land allocation is decided (Statskontoret, 2012). Though, it is common that decisions concerning land allocation are decided before the development of DDP begins to make it possible for construction clients and municipalities to collaborate early within the planning process. Occasionally the DDP already has been adopted before a land allocation is decided. As a land allocation usually is adopted in an early stage it is important that time and resource intensive elements in the planning process are predictable, understandable and do not favour any specific construction client.

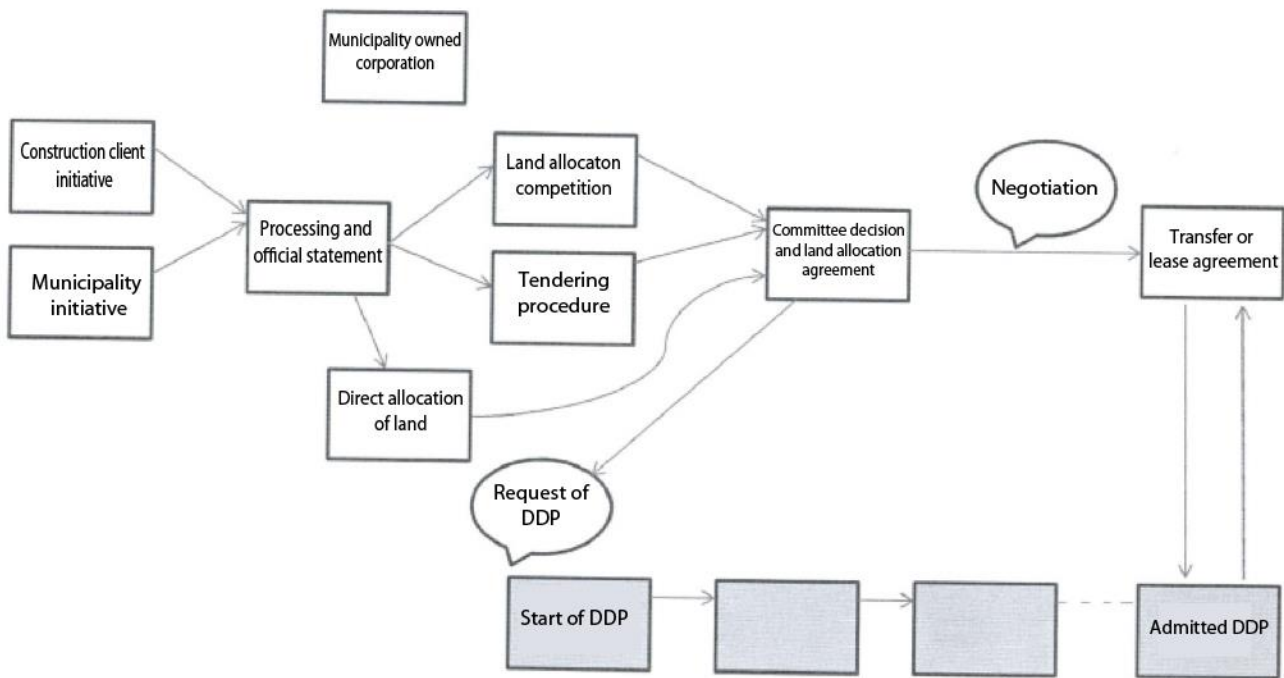


Figure 3. The land allocation process described by Statskontoret (2012, P. 29), revised by Knoop (2015).

Each exploitation process is more or less unique as it has to adopt the specific conditions of each site (Kalbro and Lindgren, 2013). This means that all exploitations have their unique feature. Further, the ownership relation and the role of the construction client during the development of the DDP are two factors of importance for the execution of the exploitation. There are four typical cases presented in Table 1, below based on whether the land is owned by the construction client or by the municipality and whether the construction client is involved in the development of the DDP or not. Case one and two are relevant for exploitation agreements while case three and four are relevant for land allocation agreement. The most common cases are case four, with a share of 65%, and case two, with a share of 30%.

Table 1. Four cases of exploitations by Kalbro and Lindgren (2013). Revised by Knoop (2015)

	The Construction client is not actively involved in the development of the DDP	The Construction client develops the DDP in cooperation with the municipality
The Construction client owns the land	Case 1	Case 2
The Municipality owns the land	Case 3	Case 4

In case three, the municipality is the only actor initially and hence it will act as both property owner and planner of the land (Kalbro and Lindgren, 2013). Since the DDP is already adopted in case three the construction client has to customize the construction according to the DDP. This could be simplified by the municipality through adopting a flexible DDP with rough frames for the design of the buildings. In

this case the design of the building has to be examined in the building permit. A flexible DDP has to meet some minimum requirements such as the usage of the land and how long time the DDP is valid. In case four, the construction client is involved early in the process and participates in the development of the DDP. It is common to formulate a preliminary agreement before the start of the DDP process, which divides the responsibility and costs regarding the planning and design work between the construction client and the municipality (Kalbro, 2011b). When the DDP is approved a transfer agreement is established clarifying costs and responsibility during the construction (Kalbro and Lindgren, 2013). When the transfer agreement is signed it is possible for the construction client to calculate the projects overall costs and its possibilities to be profitable (Statskontoret, 2012). This often takes place late in the process, which makes the process unpredictable for the construction client. The municipality can charge a fee called plan fee from the construction client for establishing the DDP, area regulations and property plans (Kalbro, 2011a). The maximum plan fee a municipality can charge is the average costs for the municipality to establish these documents. When the municipality owns the land and when the transfer and exploitation conditions of land are stated in the land allocation agreement, a construction client is free of choice to enter into a negotiation with the municipality if the conditions seem to fit the organisation of the construction client (Kalbro, 2011b). However, when an exploitation agreement is used and when the construction client owns the land, the construction client has to negotiate with the municipality about the conditions if exploitation should take place. The regulation of what a municipality can claim in an exploitation agreement is more comprehensive than what could be claimed for in a land allocation agreement. For land allocations the price and criteria are based on the construction clients' intention with the land and the market situation.

There is no specific law regulating the land allocation process and thereby the processes often differ between, but also within, municipalities (Statskontoret, 2012). Land can be allocated through the local administration and through a municipal corporation. Municipal corporations are used most to handle costs linked to the specific land, e.g. decontamination costs, but also to improve the efficiency of the land allocation process. The process is mainly affected by the objective of each municipality's housing strategy, but also the current economy in the municipality and the general economic situation matters.

Municipalities have according to law responsibility for the housing strategy. To fulfil the responsibility it is important, by an active land politic, to create beneficial conditions for property development to reach a variety in the housing stock (Statskontoret, 2012). The direct, the tendering, the comparison, and the land allocation competitions are the most common methods used by the municipalities to allocate land. The selection of allocation method is mainly dependent on the specific conditions of the land, the form of tenure and on the objectives of the development. The land allocations are structured by the municipality's land allocation policy, which is established to clarify the process and the criteria which the proposals are evaluated in accordance to during the land allocation. It is important for construction clients who do not own land to get land allocations to be able develop projects. Hence, they are dependent on which method the municipality use to allocate land and state the price of the land. According to the report from Statskontoret (2012) it is common for municipalities to lack drafted routines for follow-up and documentation of land

allocation processes, which makes it difficult for the municipalities to benefit from experiences to develop the process for future allocations. Further, the report from Statskontoret (2012) shows that information concerning the land allocation process available for the public varies significantly between municipalities and is often vague and unclear.

3.4.2.1 The direct method of land allocation

The direct method of allocating land has been one of the most common methods and is based on a direct choice from the municipality of which construction client who get the project (Statskontoret 2012). This method is most commonly used when the construction client takes the initiative to exploit a specific piece of land or when only one construction client is interested in the project. The method is also used when the municipality and the construction client has entered into an letter of intent, which states that the construction client should create a specific number of housings each year while the municipality will contribute with land. During a land allocation procedure without a tendering process it is required by the European Union commission that municipalities should appoint an independent expert to evaluate the value of the land before the negotiation of the land allocation (Kalbro and Lindgren 2013).

3.4.2.2 Tendering process

The tendering procedure is characterised by a public and transparent tendering process (Kalbro and Lindgren 2013). The market price in this case is based on the highest, or eventually the only bid, which results in a transfer without using municipal aid. The tendering process is based on the interest from several construction clients who submit a tender on the specific land area (Statskontoret 2012). During this procedure, the municipality only needs a brief sketch of the proposal since the focus in this case is the price. At a pure tendering process, price is the only criterion and the highest bidder wins.

3.4.2.3 Comparison procedure and land allocation competitions

Sometimes it is important for the municipality to control and regulate the land allocation more than just by the price such as the design of the building (Statskontoret 2012). In such cases the design of the building should meet predetermined criteria regarding the conformation of the building environmental aspects and energy efficiency. If the conformation and performance criteria are of most importance for a specific project, the municipality may set a fixed price for the land to clarify that this is not essential.

The method of land allocation competition could be used when the exploitation initiative comes from the municipalities, and when criteria other than price are of importance. This method is a variant of the tendering procedure and in addition to price also consider other qualities of the building (Kalbro and Lindgren 2013). The land allocation competition is focused on a stated area and should follow specific requirements, which contribute to more advanced sketches that make it possible to evaluate and differentiate a winning entry. A comparison procedure on the other hand could be used when the initiative to exploitation comes from several different construction clients through submitted competition entries. The municipalities do not

need to have any own specific ideas about the exploitation project in this case, which is the case in a land allocation competition.

3.4.2.4 Prequalification

The land allocation process is resource demanding and since only one construction client is allocated the land it is important to minimize the wasted resources (Statskontoret 2012). This can be done by a prequalification which perform an initial selection of the most suitable construction clients for the project, who will get the opportunity to further develop competition entries.

3.4.2.5 Evaluation of the Competition entries

According to the report from Statskontoret (2012), the transparency is often insufficient within the land allocation process and during the evaluation of the construction clients and the entries. This is due to the lack of motive and documentation. This may result in a decreased possibility for construction clients and architects to adjust and improve to future competitions. Undeveloped and unspecified regulations and motives during the evaluation process of a competition reduce the willingness of companies to participate which may result in an obstacle for the market to evolve towards increased competition. To make it possible to differentiate and evaluate the competition entries and to select the winning entry, municipalities establish both formal and informal criteria (Caesar et al. 2014). The formal criteria are often stated in the municipality's land allocation policy and commonly include the construction clients' financial situation and organizational ability to implement the project. It is also common that the construction project should achieve environmental and quality related criteria and that the construction client shows interest in manage the building over time. Project specific criteria can demand the construction client to develop unattractive land first to be able to get the possibility to develop attractive land in a later phase and in some cases to develop a specific percentage of rental properties to get permission to build condominiums.

3.4.3 Agreements used in the Exploitation process

During an exploitation process it is important to settle the relationship between the involved parties and since the law does not cover all rights and obligations an implementation agreement is used to specify this relationship (Kalbro and Smith 2008; Håkansson and Lindeborg 2014). This chapter aims to clarify which contracts are used in the land allocation process and how they are used.

3.4.3.1 Implementation agreement

During and after a transfer of land, several rights and obligations are concerned which are legally connected (Kalbro 2011b). However, it is common that regulations in addition to the law are agreed to control the future purpose and use of the land. When a construction client would like to exploit land, an implementation agreement between the municipality and the construction client is required to settle the relationship between the parties (Håkansson and Lindeborg 2014; Kalbro and Smith 2008). The implementation agreement is a collective term for those agreements that are used during the exploitation process (Kalbro and Lindgren 2013). The specific agreements that are covered by the implementation agreement do not have any official names but

usually the terms land allocation agreement and exploitation agreement are used to describe the two agreements. The exploitation agreement is used when the construction client already is the landowner, which means that the municipality has to use the planning monopoly as a negotiation instrument. When the municipality owns land the land allocation agreement is used and the municipal negotiation position is then based on the ownership of land.

The content within the implementation agreement is varying depending on whether it is an exploitation agreement or a land allocation agreement (Kalbro 2011b). Further it depends on the conditions and the municipal land allocation policy for the specific area. However, there are some points commonly used in the implementation agreements described by Kalbro (2011b) which are listed below:

- A definition of the parties involved and the most common requirements for the validity of the agreements.
- Regulation of land transfers by assignment of rights and compensation.
- Decision regarding the responsibility for property formation.
- Specification of the design and the execution of the buildings.
- Establishing a framework for controls, inspections, guarantee and safety.
- An economical regulation
- A responsibility specification for execution of municipal technological facilities.

3.4.3.2 Land allocation agreement

The municipalities in Sweden are great landowners and allocate land to construction clients to exploitations which is in line with the DDP (Jimson and Jonasson 2014). To be able to control the exploitation process of the allocated land, the municipalities negotiate with the construction clients to establish a land allocation agreement, which contains rights and obligations for the both parts. The municipalities chose which construction client that is most suitable to execute the project through a review and comparison between the stated criteria and the current land allocation. When a construction client shows interest to exploitate a specific land area it is possible for the municipality by a land allocation, allocate the land to the construction client (Kalbro and Lindgren 2013). The land allocation agreement is defined as an exclusive right for the construction client during a specific time and under specific circumstances negotiate with the municipality regarding the conditions for the execution of the development on the municipal land (Kalbro and Lindgren 2013). When the agreement is signed, both parties have accepted the terms of the exploitation, which gives the client incentives to continue to invest resources in the development process. However, the incentive is not entirely certain since the land allocation agreement is not legally binding (Håkansson and Lindeborg 2014). Hence, the land allocation agreement is always complemented with a transfer agreement, which regulates the transfer or lease of municipal land and the further exploitation process.

The land allocation agreement is used when the municipality owns the land when the process is initiated (Statskontoret 2012). In this case the municipal negotiation position is based on the land ownership and should not be confused with the role as planning authority. The agreement clarifies the financial conditions for the

exploitation process, which makes it possible for the construction client to in an early stage calculate if the exploitation is feasible (Håkansson and Lindeborg 2014). A motive for the construction client to enter into the land allocation agreement is the possibility to project and perform financial calculations to predict the profitability. This is possible due to the exclusive right, which contributes with a protection against competition. Another motive is the possibility to negotiate about the investigation costs in the exploitation process, which can be extensive. The municipality enter into the agreement to ensure that the housing development is held at a favourable level but also to be able to control the development process by regulate the transfer of land, the time plan of the development and to control the execution and financial distribution of the general facilities. The content of the agreement is depending on the specific conditions for the land, which differ from case to case. In addition to the land allocation agreement, an additional agreement can be established to make it possible to handle changes and uncertainties in the conditions by changing the time plan, purchase price or even the form of tenure.

3.4.3.3 Exploitation agreement

An exploitation agreement is an agreement related to the development of the DDP between the municipality and the construction client concerning land owned by the construction client (Sveriges kommuner och landsting 2014b). When the construction client owns the land the municipality's negotiation position is based on the municipal plan monopoly (Kalbro 2011b). This allows them to decide how, where and when the new DDP is going to be established. The exploitation agreement is always established before the development of the DDP to maintain the negotiation position. The agreement is an instrument for the municipality to make sure that both individual and common interests are considered. This by governing the location, the design and by specifying how to divided fees regarding public roads and facilities.

The agreement is not governed by the PBL but has the purpose to coordinate the exploitation process and to govern the financing and execution of the project (Jimson and Jonasson 2014). The regulation within the exploitation agreement should form common principles regarding the distribution of costs and revenues during the development of the DDP. The regulation should also consider the impacts of other consequences of entering into the agreement (Sveriges kommuner och landsting 2014b). The scope of the agreement depends on the size and the exploitation conditions in the specific situation (Kalbro and Lindgren 2013).

3.4.3.4 Transfer agreement

Since the land allocation process is not regulated by law and neither the land allocation agreement nor the exploitation agreement is legally binding, a transfer agreement is used (Statskontoret 2012). The transfer agreement legally regulates the rights and obligations of the execution of the project and is established first after the DDP is stated. The content of the agreement contain a time plan, the design of the development, the purchase price of land and the construction client's obligations to finance general facilities.

3.4.4 The land allocation policy

The first of January 2015 a new law concerning land allocation and exploitation agreements was implemented (Sveriges kommuner och landsting 2014b). The new law governed the municipalities to establish a policy document containing a framework clarifying how the municipal land allocation process is outlined. Municipalities that do not allocate land do not have to establish a land allocation policy. The policy document should contain a framework clarifying the decision making process regarding the choice of construction client and what method that is used to declare the price of the land to avoid favouring a specific construction client by undercharge the price on land (Kalbro and Lindgren 2013). The policy should also contain and clarify the aims, common routines and conditions the municipality use when land is allocated to a construction client (Sveriges kommuner och landsting 2014b), (Jimson and Jonasson 2014).

The assessment performed by Stadsrevisionen in 2014 states that it is possible for the municipalities to work more systematically to ensure that the “political will” has an impact in both planning and land allocation (Stadsrevisionen, 2014). The implementation of the new law “SFS (2014:899) om riktlinjer för kommunala markanvisningar” aims to increase the transparency and clarity in the early stage of the development process when municipal land is allocated (Sveriges kommuner och landsting 2014a). Besides the common and general framework the new law governs the municipalities to establish, there is some space for the individual municipalities to establish more detailed and specific requirements. The framework in the policy document established by the municipality is not legally binding for neither the municipality nor the construction client, but should work as a guide for the land allocation process. However, a quote in the report from Sveriges kommuner och landsting (2014a. Page: 7) states:

The government points out in the proposition that it is natural that the municipality can be expected to follow the guidelines approved. (Sveriges kommuner och landsting, 2014a. Page: 7)

The content of the policy document should be brief and general with possibilities for municipalities to establish specific regulations, however some elements have to be included (Sveriges kommuner och landsting 2014b). These elements are further described below:

Premises and goals: The premises that exist, such as allocation of costs and revenues related to the development of the DDP, should be included in the policy document. Since different land areas, as well as municipalities, have different need for regulations, premises should be held on a general level in the policy document.

Process routines and basic conditions: Process routines and basic conditions visualize how the municipalities handle and process incoming interest applications from construction clients to simplify the preparation and to inform about the process. The municipality should specify the content needed in an application but also the main steps and the timeframe for the handling process of an application. Common evaluation criteria such as reasonable competition, financial stability of the construction client as well as earlier experiences from similar projects should also be stated in the policy.

Principles to declare the price of land: Municipality should also establish guidelines including principles for the land pricing methods. Indirect this means that they should clarify how to ensure that land is not sold below market price, by working with expert evaluation or tendering processes.

3.5 Laws and regulations governing the land allocation process

The land allocation agreement is regulated by the general legal principles expressed in the constitution act and governed by the regulation in the Avtalslagen regarding unfair agreements (Kalbro and Lindgren 2013). The municipal operations are regulated by the Kommunallagen and especially by the principle of equality, which promotes an equal treatment of the inhabitants (Caesar et al. 2013). As the municipal negotiation position in a land allocation process is based on the ownership of land rather than the municipal planning monopoly, it is possible to establish more strict regulations and criteria than if the construction client own the land and an exploitation agreement is used. Further, the law states that the municipality should not exert unfair use of power, e.g. require payment for authority performance unless there is a legal basis for it (Kalbro 2011b). When the municipality act as landowner, the transfer of the land is based on the construction client's willingness to pay in terms of money, or other accomplishments on the land (Kalbro and Lindgren 2013). Hence, it is important that the municipality do not interfuse the role as landowner and the role as planning authority. The EG-legislation is a complement to the Swedish legislation and prevents financial aid from the municipality and government since it will inhibit the current competitive situation. This is avoided by only allow land transfers to a market based purchase price. The municipal ability to govern the design and final use of the new development is limited in PBL (Kalbro 2011b). It is the DDP, which is controlled by the PBL that regulates the land use, in terms of scope, location, design and construction of buildings and land, as well as implementation issues (Caesar et al. 2013).

The Swedish parliament decided on the 24th of June 2014 to make changes in the PBL (SFS 2014:900) and to establish a new law (SFS 2014:899) concerning the land allocation process (Sveriges kommuner och landsting 2014). The new law and the changes in PBL were established the first of January 2015, which means that municipalities should adopt guidelines both for land allocation and exploitation agreements. Municipalities that do not use these methods do not need to adopt any guidelines. The guidelines should contain the municipalities' aim and conditions concerning the land allocation, together with a description of the process handling, basic conditions for land allocation and the method used stating the price of the land. Municipalities that already have a land allocation policy document need to get it approved by the city council. The policy is only a guideline and not binding, which makes it possible for municipalities to deviate from the regulations in special cases. The new law regarding the guidelines is established to increase the transparency in the land allocation process by making it possible for construction clients in an early stage to understand the requirements and conditions for the negotiation process with the municipality.

It appeared in a survey performed by SOU (2012) that both construction clients and building product vendors perceives that some municipalities put higher criteria than BBR. The stricter criteria often concern energy conservation and accessibility. One reason why municipalities use special requirements is that the municipalities' environmental objectives are more ambitious than those in BBR. One problem with special requirements is that they tend to be imprecise and thus it can be difficult to know what a particular requirement actually states. There are several consequences, both positive and negative, of using special requirements and some of them are listed below:

- The positive consequences are the effects from the requirement e.g. a more environmental friendly development, or higher accessibility.
- Direct additional costs as a result of more advanced projection and construction of the building.
- Different requirements between municipalities prevent the development of standardised construction, and hence, lower construction cost.
- Indirect costs as a result of the decreased property development due to the increased costs.
- A reduction in competition as a result of the demanding and diverse rules.

However, this is only some of the major impacts of the special and diverse requirements and the increased construction cost due to the use of different and stricter energy requirements is estimated to be around 10-15 per cent.

The change in the Planning and Building Act states that municipal special requirements regarding technical features in the planning and design phase is forbidden and considered to be invalid (Socialdepartementet 2013). A building should according to the PBL achieve some specific technical properties, which are categorized below:

- Bearing capacity, resistance and stability.
- Safety in case of fire.
- Protection with regard to hygiene, health and the environment.
- Safety in use.
- Protection against noise.
- Energy efficiency and thermal insulation.
- Suitability for the intended use.
- Availability and usability for disabled people.
- Water and waste management

An explanation of the technical properties is deeper explained in Plan och byggföreskrifterna which has authorized Boverket to establish regulations regarding the implementation of the properties, which are collected in "Boverkets byggregler", BBR. Since it was common that technical requirements differed between municipalities and sometimes were higher than the requirements in BBR a new legislative change was adopted to reduce the construction costs and increase the productivity. This by prohibit particular technical requirements of the construction. However, since the PBL do not cover the entire land allocation process, the exploitation of land is commonly regulated by an implementation agreement (Håkanson and Lindeborg 2014).

3.6 Transparency in municipal decision making

There are almost no definitions of transparency that are identical, however, most of the definitions contain one common element (Grimmelikhuijsen 2010). The common element is that transparency describes the extent to which an organization disclose or visualize relevant information related to internal work, such as decision-making processes, procedures, functioning and performance. A definition that weaves together the common element is the definition by Grimmelikhuijsen (2010, P. 6):

Transparency is the active disclosure of information by an organization in such a way as to allow the internal workings or performance of that organization to be monitored by external actors.

It is possible to reach a certain level of transparency in all processes, however, that is a debate whether the effects of transparency are positive or negative (Grimmelikhuijsen 2010). The transparency can vary within the process and one example of this is when the policy document is established, which can be divided into three phases as visualized in Figure 4.

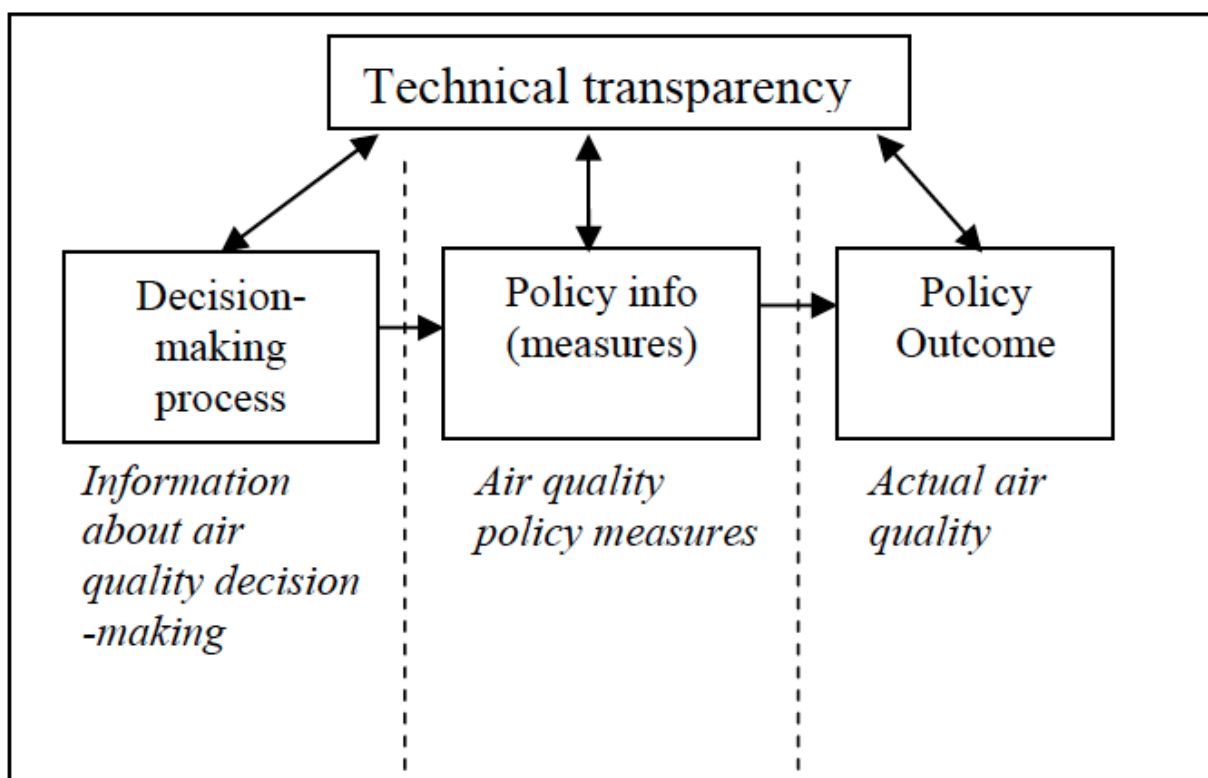


Figure 4. Visualize how transparency can differ within a process, by Grimmelikhuijsen (2010, P. 6)

The creator of the policy document can influence how transparent the parts of the process should be. The process' phases that Figure 4 visualizes are the decision-making process, the policy content and the outcome of the stated policy.

However the discussion regarding whether transparency is positive or negative is depending on who is asked. Grimmelikhuijsen (2010) performed an experiment to

visualize the consequences of transparency in governmental decision-making. The experiment was performed by providing three separate groups with different levels of information regarding the governmental decision-making process to be able to visualize the connection between trust and transparency. The first group was exposed to a high level of transparency concerning the decision-making process, the second group received limited information and hence a low level of transparency, while the third group did not get any information at all and hence none transparency. The level of trust in this case was based on the factors: perceived benevolence, perceived competence and perceived honesty. The result of the experiment showed that the transparency does affect the perceived competence and honesty in the government, but not the perceived benevolence. The perceived level of honesty was significantly lower when transparency was low, however this also appeared to be connected to the persons previously trust in the government. Both high and low level of transparency negatively affects the perceived competence of the government. The transparency can contribute to a decreased citizen trust in the government as a result, since public expectations of rationalism in the decision-making process differ from the reality, which is shown through transparency. However, when transparency is present people tend to perceive the government as more trustworthy, especially concerning perspectives such as ethical values and honesty. The transparency within the governmental processes is considered to be a democratic value and an important factor for a trustworthy and high-performing government.

Transparency is seen as something that will affect other values such as decision acceptance, trust, and legitimacy and the opinion is that increased transparency will lead to positive effects in these values (De Fine Licht, 2014). However, the results from studies are varying, some studies have shown positive effects (Grimmelikhuijsen, 2009; Cook et al., 2010; De Fine Licht et al., 2014), whereas the result of others have shown no or even negative effects (Grimmelikhuijsen, 2010; Grimmelikhuijsen, 2012; Bauhr and Grimes, 2014). The different results produced by transparency have led to researchers trying to answer why, how and when these results differ (De Fine Licht, 2014). One study by Grimmelikhuijsen and Meijer (2012) shows that based on peoples initial level of trust and knowledge, transparency can affect them differently. The public perception of transparency is supposed to mainly depend upon the actual degree of transparency (De Fine Licht, 2014). Though, a more common way for people to judge the transparency of a procedure is by using transparency cues, e.g. statements of journalists. Generally people want transparent institutions and actors, but they may not want to put effort and time evaluating the information provided by transparency reforms, or evaluate whether the information is publicly available. In a study performed by de Fine Licht (2014) it was found that perceptions of transparency are to a greater extent shaped by transparency cues than by the extent of actual transparency.

The report by Caesar et al. (2013) has collected data regarding how the parties involved perceived the transparency of the land allocations process. The result is presented in Figure 5 below and indicates that problems regarding the transparency exist. However, the report also states that earlier experience from land allocation competitions may affect the asked person's perception of the process. Nine out of eleven who got a land allocation is satisfied about the process and 20 out of 22 who did not got a land allocation are dissatisfied.

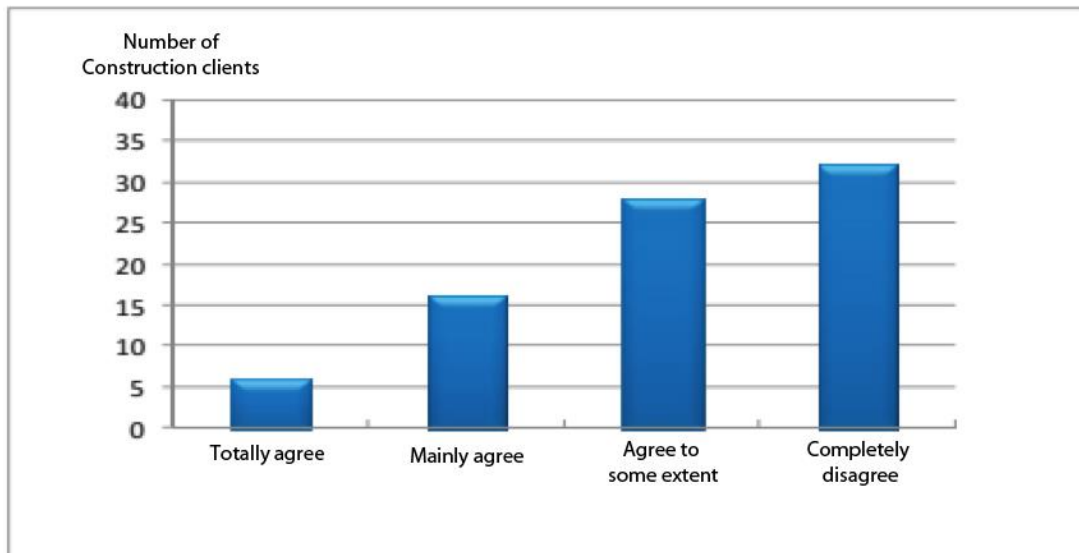


Figure 5. A summary of how transparent developers are experiencing the land allocation process. By Caesar et al. (2013, Pp. 66). Revised by Knoop (2015).

4 Findings from the interviews

A total of 17 interviews in Stockholm and Gothenburg with architects, construction clients and local authorities were performed to answer the research questions of this thesis. These interviews contributed with valuable experiences and opinions regarding the process of land allocation competitions and are presented in this chapter.

4.1 The process of land allocation competitions

This section will present what the process of land allocation competitions look like in Gothenburg and then compare this process with the process in Stockholm to outline differences and similarities between the cities.

4.1.1 Competitions in Gothenburg

Gothenburg municipality owns most of the central and buildable land within the municipality¹. The construction clients are highly dependent on the land allocation process and the transfer of land to be able to further develop projects². When a construction client focuses on the development of leasehold estates the construction client is in a situation where the municipality owned land is the only option since a leasehold estate cannot compete with condominiums on an open market due to a different economic situation. To solve this problem, the municipality of Gothenburg is using the leasehold of land, which only allows leasehold estates to be developed.

As described in Chapter 3 there are two authorities in Gothenburg, Fastighetskontoret and Älvstranden, who allocate the municipality owned land. Fastighetskontoret is a municipal authority and also the main actor responsible for the municipality owned land³. Älvstranden is a municipal company who owns and develops the land area located along the river Göta älv. The land allocation policy document, further described in Chapter 3, was developed year in 2014 in cooperation between Älvstranden and Fastighetskontoret and is a political document enforced by Fastighetsnämnden. Älvstranden develops the land area using a specific construction client consortium process, which is significantly different in comparison with the land allocation processes that Fastighetskontoret use. Älvstranden and Fastighetskontoret are not competing, rather they complement each other. Älvstranden has the role of a coordinator and facilitator within the development process and finally submits a development proposal to Fastighetsnämnden. However, as one of the municipal planners mentioned during the interview:

Fastighetsnämnden does not take any decisions. I mean, the Company owns the land and it is the company's board that takes decisions. So you have to really distinguish. The power is still present in our board of directors. No discussion. So it is⁴!

¹ Planner at the municipality, Gothenburg

² Construction client, Gothenburg

³ Planner at the municipality, Gothenburg

⁴ Planner at the municipality, Gothenburg

In parallel with Älvstranden, Fastighetskontoret has allocated other smaller areas using other allocation processes since they do not have the personnel to operate a consortium in the same manner as Älvstranden who mainly allocates and take part in larger development areas⁵. The authorities have previously worked in a slightly different manner with Älvstranden putting more demands on the construction clients and required a more comprehensive description of the construction clients plans regarding the development of the land. However, Fastighetskontoret and Älvstranden have been more tightly coordinated and Fastighetskontoret has adopted some processes and thoughts that Älvstranden are working with to establish a more common process. Further, the parties have decided that Älvstranden is going to announce the present land allocations on Fastighetskontorets homepage to establish one common way into the municipality owned land and a more clear process.

Fastighetskontoret has the opportunity to allocate land in different time perspectives in relation to the DDP⁶. Usually the land allocation is performed in an early stage before the DDP is developed. This aims to increase the flexibility and to involve the construction clients in the development process. However, it is also possible to allocate land in a later phase when the development process of the DDP already is started or even when the DDP is finished.

To obtain a land allocation in Gothenburg, there are two main approaches to use for a construction client⁷. The construction client can present an own proposal regarding a specific land area, which the construction client is interested in for Fastighetskontoret who takes the decision. Otherwise the construction client can apply for one of the land allocations presented on the municipality homepage. Fastighetskontoret performs the land allocation process in Gothenburg by using three different methods: the direct land allocation process, the comparison process and the land allocation competitions, which are further described in Chapter 3⁸. The comparison process is most commonly used, while the direct method and the land allocation competitions are rarer. Sometimes a prequalification is used to reduce the number of competition entries received and to reduce the resources that would otherwise be wasted⁹. Land allocation competitions have previously not been used commonly in the land allocation process¹⁰. However, it has been found that the use of land allocation competition has increased lately when particular circumstances exist.

Within the process of urban development, different terms are used for the allocation processes and the various agreements signed¹¹. The processes also vary from case to case and do not exactly follow the theoretical models presented in Chapter 3. The land allocation competitions could be explained as a special version of the comparison process. Sometimes there is no difference between the processes, but in competitions the design is an important parameter, just as for architectural competitions. It is also usually a separate jury judging the competition. However, the boundary between the competition and the comparison process is unclear and it is often difficult to see any

⁵ Construction clients and architects, Gothenburg

⁶ Planner at the municipality, Gothenburg

⁷ Construction clients, Gothenburg

⁸ Construction clients and planners at the municipality, Gothenburg

⁹ Construction client, Gothenburg

¹⁰ Planner at the municipality, Gothenburg

¹¹ Planner at the municipality, Gothenburg

difference, a quote from a planner at the municipality in Gothenburg explains the situation:

I would like to merge the expressions into one if I could, since the fundamental thoughts are the same. The criteria we would like to get answered are highlighted and in accordance to these criteria we judge the competition entries¹².

Previous it was more common that the construction clients came with proposals of exploitation to the municipality who sometimes direct allocated land on unclear reasons¹³. However, it is much more structured and professionalized nowadays, and Fastighetskontoret announces all the current land allocations on their website so that all clients can access the information and develop proposals for exploitation. It is no longer a concealed process and today all land allocation evaluations are publicly accessible. Since 2015, it is possible for construction clients to enrol on a list on the homepage of Fastighetskontoret to obtain mailings regarding future land allocations¹⁴. The invitations are sent out on a monthly basis and are available for applications in three to four weeks¹⁵. However, several interviewees said that they have received information regarding upcoming competitions through contacts, which not all parties may receive¹⁶. This differs between competitions and municipalities. It is most common that the construction client in this phase contacts an architect to develop the design of the exploitation but it could also be the architect contacting the construction client if they find the project interesting¹⁷.

According to the policy document published by Göteborgs stad and Fastighetskontoret (2014) competitions should only be used when the conditions of the project makes it suitable. The competition is based on the conditions given for the specific land area¹⁸. To show how the developers will be assessed Fastighetskontoret establishes the criteria that the construction clients and the entries will be judged upon, which are attached in the invitation. The criteria are defined by studying existing programs and plans for the area, and current political objectives such as student housing, community housing or low cost housing. In competitions there are both common and site specific criteria to consider¹⁹. The common criteria take into account the developer's finances, organization competence, prerequisites and reference projects, which are further described in the policy document available on Fastighetskontorets website. Other common criteria to fulfil when applying for a land allocation are stated in the document from Fastighetsnämnden (2009) concerning environmental construction.

The competitions often vary depending on how the evaluation process is done and what content to be assessed²⁰. Some competitions are judged only on price, some on fixed price and given criteria, and some as a combination of criteria and price. So far,

¹² Planner at the municipality, Gothenburg

¹³ Architect, Gothenburg

¹⁴ Construction clients and architects, Gothenburg

¹⁵ Planner at the municipality, Gothenburg

¹⁶ Construction clients, Gothenburg and Stockholm

¹⁷ Architect, Gothenburg

¹⁸ Planner at the municipality, Gothenburg

¹⁹ Construction client, Gothenburg

²⁰ Architect, Gothenburg

there have always been criteria evaluated when competitions are used in Gothenburg and there will be an overall assessment of how the developers meet these criteria²¹. A tender is easy to compare and rank while some criteria are an assessment itself to evaluate. Someone has to make an assessment of a feeling and that is the big challenge²². Pricing of land is a political discussion and Gothenburg municipality has not put all the focus on price. Instead they have considered other criteria and traditionally in Gothenburg price is discussed very late in the process²³.

Älvstranden has limited the content of the competition entries to a maximum number of 15 pages to avoid irrelevant data by forcing the construction clients to hand in a more thought through and manageable competition entry²⁴. Fastighetskontoret also have some restrictions regarding the hand in of competition entries, which are stated in the policy document available on their homepage (Göteborgs stad and Fastighetskontoret 2014). These restrictions strive to make the entries fulfil the expectations of Fastighetskontoret and Älvstranden.

When all the competition entries, which are anonymous, are handed in and the time frame for the competition is out, an assessment is done by officials to evaluate the entries²⁵. In complex and more extensive competitions, the proposals are further discussed with Stadsbyggnadskontoret. According to the new land allocation process it is important with increased transparency and a clear definition of how the judging and comparison of the proposals are performed. However, it is still an overall assessment and the proposal has to fit into the context. When Fastighetskontoret has prepared and evaluated the competition entries Fastighetsnämnden takes the final decision whether a land allocation agreement should be signed. The final decision and a motivation about how Fastighetsnämnden and Fastighetskontoret argued are always public and presented at Fastighetskontorets homepage²⁶.

When the land allocation agreement is signed and the exploitation is executed, a certification of all new developments has to be outlined where it is compared to the regulatory framework further presented in Chapter 3²⁷. Even if the land allocation process and the development of the DDP are two tightly connected processes it was common in the past with the attitude:

What happened before was then and what is happening now is another part²⁸.

However, nowadays Fastighetskontoret takes part in the entire process and the follow-ups are performed in a different manner.

²¹ Planner at the municipality, Gothenburg

²² Planner at the municipality, Gothenburg

²³ Architect and planner at the municipality, Gothenburg

²⁴ Planner at the municipality, Gothenburg

²⁵ Planners at the municipality, Gothenburg

²⁶ Construction clients, Gothenburg

²⁷ Construction client, Gothenburg

²⁸ Construction client, Gothenburg

4.1.2 Competitions in Stockholm compared to Gothenburg

The area of Stockholm consists of several municipalities who own and allocates land to construction clients²⁹. The land area located in Stockholm is considered attractive from an exploitation perspective and attracts hundreds of construction clients to compete for land allocations. The difference between Stockholm and Gothenburg is that Gothenburg owns a more extensive amount of central buildable land in comparison to Stockholm³⁰. In the Gothenburg region, Gothenburg is also the largest and most dominant municipality unlike in Stockholm, where the surrounding municipalities participate and influence the process due to the power relation between the municipalities. The extensive amount of construction clients, municipalities and stakeholders involved in the land allocation process make the process complex³¹. The construction clients share the opinion about the complex process but refer the cause of the slow process to the municipality's procedures and resources that have not followed the changing circumstances, the increased volumes and the rapidly growing interest³². In the central municipalities in Stockholm, where the pressure to build is at the highest level, officials allow themselves or are forced to let the process take time because of the many applications. In municipalities with less attractive land an opposite situation may occur as described by one of the construction clients:

Come here! Build here! Nobody builds, we would like to have you here, and you get to meet the Councillor the same day. Shake hands and build tomorrow please. We have a finished flexible DDP³³.

The time consumed depends on the municipal allocation process.

Exploateringskontoret is the public body in Stockholm municipality that allocates land to construction clients in accordance with the political interest governed by Exploateringsnämnden, which is a political committee³⁴. Exploateringskontoret cooperate with Stadsbyggnadskontoret and Trafikkontoret, who also are governed by political committees, to get an overview of the situation and to see if the incoming exploitation proposals are appropriate for development in the current situation. The most appropriate proposal results in a land allocation agreement and finally in a DDP. The political objective regarding the development of housing units have increased by more than 50 per cent to 2015 and therefore Exploateringskontoret focuses on developing major areas instead of smaller projects. However, when it seems suitable they also consider smaller infill projects. Stockholm deal with the problems regarding the economic situation of leasehold estates in the same way as Gothenburg do by providing leasehold of land only suited for rental properties³⁵.

Stockholm does not develop the DDP in advance as smaller municipalities usually do³⁶. Instead Stockholm only develops projects at the pace they can be implemented and usually cooperate with the developer early in this process. However, even though

²⁹ Planner at the municipality, Stockholm

³⁰ Construction client, Gothenburg

³¹ Planner at the municipality, Stockholm

³² Construction client, Stockholm

³³ Construction client, Stockholm

³⁴ Planners at the municipality, Stockholm

³⁵ Construction client and planners at the municipality, Stockholm

³⁶ Planners at the municipality, Stockholm

Exploateringskontoret only develop projects at the pace they can be implemented, construction clients are experiencing a “non-existent” queue between the idea and the start of developing the DDP, which can reach one and a half year and depends on the limited resources and the deficient coordination between Exploateringskontoret and Stadsbyggnadskontoret³⁷.

The land allocation process in Stockholm is performed by using three different methods³⁸. The most commonly used method, in contrast to Gothenburg, is the direct method, also called the Stockholm model. When this method is used the construction clients hand in development proposals in accordance with the long term vision and the land use plan for the development of the municipality³⁹. The direct land allocation method is used to challenge the industry to develop proposals which fit into the municipal vision⁴⁰. Beside the direct allocation method Stockholm use pure tendering competition with a highest bid winner, and competitions with site specific criteria, which is the rarest of the methods⁴¹.

A difference between Stockholm and Gothenburg is the terminology. In Stockholm both the terms pure tendering process and competitions on price, with price as the only or most important criteria, are used for the same process⁴². The tendering competition is a common method in Stockholm in contrast to Gothenburg. However, the competitions mainly based on other criteria than price are unusual in both Stockholm and Gothenburg. These competitions have different focus areas such as a sustainable environment or low price housings. In these competitions leasehold of land is used with a fixed price. Usually, it should also be assembled a jury to assess the competition which may be considered as resource intensive. However, the time required for construction clients is less because the municipality already has decided the area for development and the thoughts of what to accomplish⁴³. The project is also already in process and waiting times are reduced.

The information about upcoming land allocation competitions is presented on Exploateringskontorets homepage⁴⁴. In Stockholm municipality, it is possible for the construction clients to subscribe the information instead of monitoring the website themselves, which during the interviews does not seem clear among the construction clients since several interviewees expressed that it is not possible to subscribe. However, this usually varies between the municipalities and sometimes invitations are sent out by email as well.

The different criteria of the competition are stated in the invitation⁴⁵. The criteria are divided into general criteria used in all competitions and site specific criteria depending on the site conditions and the focus theme of the competition. To decrease the number of incoming proposals to a more manageable number, prequalification

³⁷ Construction client, Stockholm

³⁸ Construction client, Gothenburg, construction client and planners at the municipality, Stockholm

³⁹ Planner at the municipality, Stockholm

⁴⁰ Construction client, Gothenburg

⁴¹ Planner at the municipality, Stockholm

⁴² Planners at the municipality, Stockholm

⁴³ Construction client, Stockholm

⁴⁴ Construction clients, Stockholm

⁴⁵ Architect and planners at the municipality, Stockholm

criteria are sometimes used⁴⁶. The general criteria are most common and are also used as minimum criteria in tendering competitions. Examples of general criteria, which are considered, are the organisational capacity and experiences, the project feasibility, economic stability of the construction client and earlier similar reference projects⁴⁷.

More project specific criteria may exist depending on the project focus and the site conditions. Examples of criteria are: architecture, environmental and energy efficiency, final rent of apartment, sustainability and the level of rent for the leasehold of land. However, the competitions vary each time and usually it is the price that ultimately determines who wins⁴⁸. The use of criteria compared with price also differs between Leasehold estates and condominiums⁴⁹. Land for condominiums are sold to the highest bidder while it is considerably easier to use criteria in competitions regarding leasehold estates with fixed land rent. This may be one of the great differences compared to the land allocation competitions in Gothenburg.

Another difference between Stockholm and Gothenburg is the political situation as a quote from one of the architects explains:

The great difference is that this fundamentally is a political issue, and Gothenburg is an old Labour and socialist stronghold and Stockholm has in recent years been extremely neoliberal where they just want to pick out land prices since it is a good financing for the entire municipal budget⁵⁰.

Exploateringskontoret has a responsibility towards the municipal residents to take care of the tax money by ensuring a market price when selling land, which both is politically governed and legally secured in Kommunallagen (as described in Chapter 3)⁵¹. The land must be sold at market price, which is achieved through a tendering process or by an independent valuation of the property. A few years ago, the municipality harshly went forward and drove up the price of land, forcing many construction clients later to drop out since the project would not be profitable⁵². The municipality received a lot of criticism for these actions and have now begun to decrease the focus on price and instead achieve a market price by using more criteria instead.

When the Construction client's competition entry is developed it is handed in to the municipality⁵³. This process differs between the municipalities in Stockholm, but it is usually sent in by paper form in an envelope. According to the interviews, it seems to vary from case to case whether the competition entries are anonymous or not, and the interviewees have different perceptions concerning which is most used⁵⁴. The content of the competition entries have also been more extensive in the recent years. Nowadays there are barely any competitions that do not ask for architectural sketches with details such as number of cycle spaces or how to manage the stormwater. In the

⁴⁶ Construction client, Stockholm

⁴⁷ Architect and construction clients, Stockholm

⁴⁸ Construction clients, Stockholm

⁴⁹ Planner at the municipality, Stockholm

⁵⁰ Architect, Gothenburg

⁵¹ Construction client and planner at the municipality, Stockholm

⁵² Construction client, Stockholm

⁵³ Construction client, Stockholm

⁵⁴ Architect and construction clients, Stockholm

past, it was enough with an A4 presenting a price. Exploateringskontoret examines the incoming entries and makes a pre-assessment prior consultation with Stadsbyggnadskontoret to ensure they will proceed developing a DDP of the land allocation⁵⁵. When the winning entry has been selected the price is negotiated and a land allocation agreement is created. The agreement is finally presented to Exploateringsnämnden who takes the decision regarding the land allocation. The agreement is brief and undetailed, and is more a declaration of intent meaning that the land is going to be further planned in detail. Stated in the agreement are the cost allocation for the DDP, investigations and facility costs. In addition, the final price of the land linked to an index is established and the developer commits to perform the development according to the municipality's policies and programs available.

The decision making process is closed until a winner is decided⁵⁶. When the winner is decided, the decision documentation becomes public and is possible to request. However, in tendering competitions, the decision documentation only presents the tenders and not the construction client behind each tender. It is sometimes, but not always, possible to see who is in the jury and will judge the competition⁵⁷.

The interviews resulted in different answers about how the municipalities follow-up the evaluation criteria stated in the land allocation competitions, which indicate that it varies from case to case. However, some kind of follow-up seems to exist⁵⁸.

4.2 Perceptions of when land allocation competitions could be used

One of the interview questions outlined what the different parties involved thought were appropriate reasons to use land allocation competitions as a land allocation instrument. This chapter summarizes the different parties' opinions about the municipal use of competitions.

The interviews identified several reasons where the different authorities thought land allocation competition is a suitable approach for allocating land. In particular it is an applicable method to use when the municipality wants to achieve specific qualities by the development of land as for example in the central areas of the city where an extensive amount of construction clients are interested⁵⁹. It is also an appropriate method to use when the municipality wants to test something new or challenge the market to achieve higher qualities e.g.; low rent levels, environmental and sustainable housings, creative architecture or to achieve specific political objectives.

In Stockholm the land allocation competition is, in contrast to Gothenburg, also used as a pure tendering process with the highest bidder as the winner to obtain a market price of land⁶⁰. Those kinds of competitions can be beneficial to use in areas where a land allocation has not been performed in a while to be able to identify the market price for future land allocations within the area. Though, it is considered as an

⁵⁵ Planner at the municipality, Stockholm

⁵⁶ Construction clients and planners at the municipality, Stockholm

⁵⁷ Construction client, Stockholm

⁵⁸ Construction client, Stockholm

⁵⁹ Planners at the municipality, Stockholm and Gothenburg

⁶⁰ Planner at the municipality, Stockholm

unsustainable approach⁶¹. This since unserious construction clients are bidding far too high for the land and are later not able to afford to carry out the exploitation. Then the benchmark price of land for future land allocation will be misleading.

However, allocating land to the highest bidder is not favourable if it makes the price of land to rise too much. The highest bidder has to be a serious construction client who is able to carry out the project in close proximity to the time of the allocation of land. It is not certain that the received entries in a competition meet the municipality's expectations and lots of resources are wasted unnecessarily from all the actors involved⁶². Another side effect of too high land prices is that the construction client may try to earn money by developing a DDP for the project and then sell it to other construction clients, which also leads to overpriced land areas⁶³. The time frame is also an important thing to consider. It is a much faster process for the municipality to just talk with a construction client and provide a direct allocation than creating a competition with a jury and stated competition criteria⁶⁴.

In Stockholm, it is considered to be a sufficient amount of construction clients who look for land allocations and hence the direct allocation process results in more land being allocated. The municipality of Gothenburg agree, it is resource and time consuming to announce competitions and therefore it is not used frequently. Instead the comparison procedure is used since it is an opportunity to get project sketches without assembling a jury including politicians and experts⁶⁵. Competitions are also considered to be a difficult method to use at a consortium level, which Älvstranden uses in major development areas, as the conditions may change over time.

The construction clients think the land allocation competitions are beneficial to use as it puts competition into the market and the land is examined from different perspectives, which gets the construction clients and architects to sharpen up and work through the proposals⁶⁶. This is beneficial when developing the construction industry by working with technologies of the future or when a high level of architecture is important. Competition is also a stimulating and exciting concept with land allocations as an important incentive for the development, although it is not suitable in every context and scope. Major areas of development that are not complex are suitable areas to use competitions. The competition also gives a good indication of what the municipality is looking for and expecting of the area, which makes it easier to create a proposal.

However, the construction clients can also understand why the municipality chose to use land allocation competitions in other situations. The construction clients agree that land allocation competition is a beneficial method for municipalities to influence the exploitation. The construction clients opine that the method could be used as long as there is a valid purpose and clear motives behind the competition, and not a too subjective judgment, because it enhances the quality of the development⁶⁷. Except

⁶¹ Construction client, Stockholm

⁶² Planner at the municipality, Stockholm

⁶³ Construction client, Stockholm

⁶⁴ Planners at the municipality, Stockholm

⁶⁵ Planner at the municipality, Gothenburg

⁶⁶ Architects and construction clients, Gothenburg

⁶⁷ Construction client, Stockholm

when there are policy requirements and when to challenge the market, construction clients realise competitions are a beneficial method for the municipality to receive several different competition entries to choose from⁶⁸. The municipalities probably also think that it is a bit of fun and exciting to see what kind of competition entries they can receive, and from their point of view, there are no negative aspects of the process⁶⁹.

However, the construction clients have some major thoughts about when land allocation competitions should not be used. It is important that the municipality understand how much it actually costs the involved parties to participate in a competition and the risks posed to them⁷⁰. There is a very large amount of resources needed for the individual construction client and the common amount for the construction clients is extensive in comparison to the other land allocation methods, and could be used for something more value adding⁷¹. Knowing the major resource losses in competitions, construction clients may finally get tired of participating in competitions, especially when the winning entry may not be the final or not even be carried out⁷². Considering the extensive competition entries and the limited time frame, it is not appropriate to use competitions at complex exploitations since construction clients then rather writes what the municipality wants to hear instead of actually take the time to develop an informed proposal. The competition process also risk to exclude smaller construction clients if it is not properly used since major resources is needed to be put aside for a long time. A construction client who has been involved in land allocation competitions and won expressed the quote:

I do not think competitions lead to a good product, which must surely still be the purpose, or why do we compete? If we do not think it gives a better product then I do not think it is an appropriate method to use⁷³.

Some of the architects are positive about the land allocation competitions since they get more freedom and space for creativity and because their expertise are demanded⁷⁴. However, a diverse opinion exists about this. Other architects express that the direct allocation method is more beneficial to use since it offers an incentive for creativity and innovation in contrast to the competitions, which tends to unmotivate construction clients due to the enormous common resource loss. On the other hand, some architects opine that competitions lead to a greater ability to achieve more qualities, as it is an incentive to compete about the land allocation⁷⁵. Depending on the objectives with the competition, the municipality should use assessment criteria on the parameters that are in focus and fixed criteria on the other parameters to establish space for creativity and to achieve the most favourable result.

Land allocation competitions contribute to a low utilization of knowledge and expertise since a large number of architects and construction clients are developing

⁶⁸ Construction clients, Stockholm and Gothenburg

⁶⁹ Construction client, Gothenburg

⁷⁰ Construction clients, Stockholm

⁷¹ Construction clients, Stockholm and Gothenburg

⁷² Construction clients, Gothenburg

⁷³ Construction client, Gothenburg

⁷⁴ Construction client, Stockholm

⁷⁵ Architects, Gothenburg

advanced competition entries for the same project⁷⁶. When many construction clients and architects strive to achieve innovative and sustainable competition entries to the competition, it is not a sustainable solution to use if the municipality does not have the ability to establish a professional jury⁷⁷. There is also a tendency that the municipalities want more elaborated and advanced proposals for each time, which may be considered unreasonable since it is already a risk to take part in the competition because of the major time and resource investment, especially for smaller actors.

A competent jury is a requirement we should be able to require. If the municipality gets people to work and put several of million on a land allocation competition, which are like throwing away if the municipality cannot respond qualitatively with an evaluation that is as good as the incoming competition entries, then the society have a problem, next time the construction clients do not have the energy to compete⁷⁸.

Further, since the competitions in Stockholm usually is determined on price, even if the architect sketches is a requirement, an inhibitory climate arises both from the construction client and the architect's since it can be considered as excess and as the architect's work is infringed⁷⁹.

However, a majority of the involved parties share the opinion that land allocation competitions are a necessary allocation method to use and that the use of several different methods are necessary to avoid a biased situation in either direction⁸⁰. The method should be selected in accordance with the site specific characteristics and in unity with the municipality's objective of the exploitation. Further, the methods should be used for different occasions, e.g. competitions could be used for areas where there is a lack of ideas concerning what could be done with the land⁸¹. One of the construction clients advocates more direct allocations to solve the housing shortage in Gothenburg⁸². Other construction clients prefer the direct allocation as there is more time for producing a good product⁸³. Though, the importance of transparency within the direct allocations is essential⁸⁴.

4.3 The perception of the process regarding land allocation competitions

In this section the perceptions of the actors within the land allocation process will be presented. The chapter starts with perceptions regarding the process of land allocations and continue with competitions, the evaluation process and the follow-up. Finally the actors' perceptions regarding improvements of the process are presented.

⁷⁶ Architect, Stockholm

⁷⁷ Architects, Gothenburg

⁷⁸ Architect, Gothenburg

⁷⁹ Architect and construction client, Stockholm

⁸⁰ Architect and construction client, Gothenburg, planner at the municipality, Stockholm

⁸¹ Architect and construction client, Gothenburg, construction client and planner at the municipality, Stockholm

⁸² Construction client, Gothenburg

⁸³ Construction clients, Stockholm

⁸⁴ Construction client, Gothenburg

4.3.1 The process

According to some of the interviewees at the municipality in Gothenburg the process is good as it is now and will only need minor improvements. The construction clients and architects partly agree with the municipality, the early stages of the process, including information about how to search a land allocation, where to find it, what land allocations will be allocated during the year, how and when they should be send in, and what the municipality expect, is clear and transparent. However, one of the architects thinks that Gothenburg should be better in informing the interested actors by giving them the opportunity to subscribe for future land allocations. If there are changes during the process it is easy to follow and get the information⁸⁵. Though, some construction clients think that the evaluation process of the entries is unclear and not transparent enough even though the process has become more transparent. This is confirmed by a planner at the municipality who perceives that most construction clients want a transparent and predictable process. However, one of the interviewees thinks that the evaluation is good, instead it is the follow-up that needs to be improved⁸⁶. The evaluation process in Stockholm is perceived as unclear since the construction clients do not know when decisions are made and when the municipality will present the winner⁸⁷.

The process in Stockholm is seen as effective by the municipality, who says that some construction clients perceive that it is difficult to get a land allocation, which depend upon that there is around 100 interested construction clients that applies for land allocations. One of the interviewees in Stockholm municipality perceives that the process is transparent enough. The municipality continuously improves the process and perceives that the process is almost as good as it can be. However, interviewees in both Stockholm and Gothenburg consider that the number of land allocations is to low, but the location of them is where they should be according to the municipality's strategy⁸⁸. One construction client perceives staff shortage and wrong focus internally as the underlying reason. E.g. it is perceived that the municipality puts as much effort into smaller construction projects as for bigger ones, which could be perceived as overworked.

One of the construction clients in Gothenburg would like competitions more frequently and with more variety, sometimes price of rent, sometimes architecture and sometimes socially mixed housing. Otherwise the process is good⁸⁹. Another of the construction clients⁹⁰ does not like land allocation competitions, even though the company the construction client works for has won a competition, because it consume much resources. One of the construction clients⁹¹ thinks that the evaluation in competitions is clearer than in the direct allocations, as they know in beforehand what criteria their proposals will be judged on. One problem for many construction

⁸⁵ Construction client, Gothenburg

⁸⁶ Construction client, Gothenburg

⁸⁷ Construction clients, Stockholm

⁸⁸ Construction client, Gothenburg

⁸⁹ Construction client, Gothenburg

⁹⁰ Construction client, Gothenburg

⁹¹ Construction client, Stockholm

clients, especially the smaller ones, is the timeframe of the process where the construction clients have assets tied up in a project for several years.

4.3.1.1 Special requirements

The municipality in Gothenburg have done the interpretation that special requirements concerning environmental friendly construction is still possible to do for the municipality in their role as landowner, even when the new law is considered⁹². Though, one of the interviewees said that the new law is good and will result in equal conditions between municipalities⁹³. Further, there will still be differences between municipalities since all municipalities are governed in different ways⁹⁴. One construction client said that it would have been easier and fairer if the municipalities followed the same framework. Instead of special requirements it is suggested that the framework in BBR should be sharpened and up to date⁹⁵. One of the architects does not favour the new law and believe that the municipality should be able to demand special requirements. One of the construction clients agree, but add that it depends on the special requirements, e.g. obligation to build a roundabout 10 km away from the project is not an appropriate special requirement.

4.3.1.2 Municipal corporations that allocate land

One of the interviewees at the municipality in Gothenburg highlighted the possibility to have the business perspective while taking responsibility for the society as one of the strengths with municipal corporations. As a corporation Älvstranden can take higher risks than Fastighetskontoret can and they can invest in new development areas with higher uncertainty. As Älvstranden works with the consortium model it could be difficult for smaller construction clients to participate with several competences in the project development. Though, to enable for smaller construction clients to participate in consortiums Älvstranden give them the possibility to participate in the development of the project with only one competence instead of several as the bigger organisations does. One of the interviewees at the municipality said that it is difficult to use competitions to allocate land in a combination with the consortium model. The arguments for this are the extensive land areas and the long and complex processes, with unclear and unpredictable preconditions. Though, as one of the architects argue, it is possible to find solutions for using the competition element in larger development areas.

One of the construction clients mentioned that one of the risks with municipal corporations such as Älvstranden is the reduced transparency. This was something that the construction client also perceived was the case in Älvstranden earlier, but since January 2014 the ownership directives are changed and the transparency is now satisfying⁹⁶. Several of the interviewees said that it is good that Älvstranden and Fastighetskontoret allocate land together now, it makes it clearer⁹⁷. One of the architects in Gothenburg does not like the way Älvstranden works with consortium and advocates that the municipality should create the DDP on their own and then sell

⁹² Planner at the municipality, Gothenburg

⁹³ Planner at the municipality, Gothenburg

⁹⁴ Planner at the municipality, Gothenburg

⁹⁵ Construction client, Gothenburg

⁹⁶ Construction client, Gothenburg

⁹⁷ Construction clients, Gothenburg

the land to construction clients. Some of the interviewees in Stockholm think that it could be confusing and unclear with more than one organisation that allocates land. Though, Älvstranden could be seen as another way of packaging the land allocation process⁹⁸. As long as the municipal organisation and the municipality work together, have the same policy and are clear and transparent, there is nothing wrong with using municipal organisations⁹⁹.

4.3.2 Disadvantages of land allocation competitions

One disadvantage of land allocation competitions is that it is more expensive to participate in a competition compared to other allocation methods, some construction clients mention a cost of 250 000 SEK per entry for competitions compared to 25 000 SEK per entry for participating in a comparison process¹⁰⁰. This is a problem for all parties, but mainly for smaller construction clients, who cannot afford to participate. Competitions are more time and resource consuming for the municipality as well, compared to other land allocation methods, which is one of the reasons the municipality is restrictive with using it¹⁰¹. Another problem with the expensive competitions is that as the construction clients has put so much resources on their proposals they may argue that they should add an extra 10 000 SEK to increase their chances to win, which will jacking up the costs for participate in a competition¹⁰². Finally, the cost for creating the entries will be added to the price of the final apartment and some of the interviewees suggest that this cost could be spent on lower prices instead¹⁰³. Though, as one architect argues, it is not the high land prices that conjure the high prices for apartments, it is the high apartment prices that conjure high land prices¹⁰⁴. Consequently lower land prices should be connected with higher quality demands from the municipality. Further, the interviewees do not always perceive it as well invested money, with sometimes up to 60 competing entries and only one winning entry¹⁰⁵. This is a problem that one of the interviewees in the municipality addresses as well, as it is difficult to select one winning entry when there are almost 60 good entries¹⁰⁶. Since the construction clients spend a lot of money on developing their competition entries it is important that it is clear what will be evaluated¹⁰⁷.

In Gothenburg the timeframe of the competitions is too short, often 30 days and sometimes it is not possible to finish on time¹⁰⁸. For Stockholm one of the interviewees find the time as enough, even though the construction clients have to keep an eye on the webpage to get informed about future land allocations¹⁰⁹. Another of the interviewees in Stockholm say that it is too little time for them to develop a project they can be proud of, in 60 days. Further, it is good if the municipality informs

⁹⁸ Planner at the municipality, Stockholm

⁹⁹ Construction client, Stockholm

¹⁰⁰ Construction clients, Gothenburg and Stockholm

¹⁰¹ Planner at the municipality, Stockholm

¹⁰² Architect, Gothenburg

¹⁰³ Construction clients, Stockholm and Gothenburg

¹⁰⁴ Architect, Gothenburg

¹⁰⁵ Construction clients and architects, Stockholm and Gothenburg

¹⁰⁶ Planner at the municipality, Gothenburg

¹⁰⁷ Architect, Gothenburg and construction client, Stockholm

¹⁰⁸ Construction client, Gothenburg

¹⁰⁹ Construction client, Stockholm

of a land allocation in advance so the construction clients can allocate time in the calendar for the competition.

4.3.3 Evaluation of the criteria

One of the main deficiencies with the evaluation of the competing entries referred to by both construction clients and architects in Gothenburg are vague and unclear criteria, even though some of them think that the criteria are clear enough or only need some minor improvements¹¹⁰. It is perceived that Fastighetskontoret in Gothenburg:

Set up a list of criteria that they wish and then we think that this is serious and that they will evaluate these criteria and then it turns out that it was not these criteria that they evaluated¹¹¹.

One example of unclear criteria mentioned by several interviewees in Gothenburg is Guldmyntsgatan, where the most important criterion was a low rent. As the criteria was not sharp enough the winning construction client argued that they could raise the rent progressively to a normal level and in this way they could pass the criteria¹¹². As one of the construction clients said:

They reached the goals in the competition but not the purpose with the land allocation¹¹³.

This could have been corrected afterwards by the municipality if they had a more thorough evaluation, appointing who was second and third etc., by withdraw the land allocation agreement and appointing the land allocation to the runner-up instead¹¹⁴.

The criteria are perceived as vague and unclear for Stockholm with surrounding as well, even though one of the interviewees said that it varies between the municipalities¹¹⁵. This can devolve upon various reasons, for example criteria could be interpreted differently by people, the weighting of the criteria could be unclear, or as stated above it is not the stated criteria that are evaluated¹¹⁶. Further, what to submit with the entry varies a lot between the municipalities. Previous experiences among the people that create the competition conditions make the process smoother and more ambitious, the criteria more clear, and the documentation more clear and comprehensive. Therefore many of the interviewees perceive the process to be better in bigger cities with more land allocations, even though it varies within the municipality as well.

Several of the interviewees in Gothenburg, but not all, think that it is difficult to interpret the evaluation regarding why a certain construction client got the land allocation and why another did not. Though, this has improved over the years, as the

¹¹⁰ Construction clients and architects, Gothenburg

¹¹¹ Architect, Gothenburg

¹¹² Construction clients, Gothenburg

¹¹³ Construction client, Gothenburg

¹¹⁴ Construction client, Gothenburg

¹¹⁵ Construction clients and architect, Stockholm

¹¹⁶ Construction clients and architects, Gothenburg and Stockholm

municipality did not even motivate at all earlier¹¹⁷. Some of the construction clients mention that they have a regular dialogue with Fastighetskontoret where they discuss how they have evaluated their proposals.

In and around Stockholm one of the construction clients express that the evaluation and feedback is satisfying, while another mentioned that it needs to be improved¹¹⁸. This variation in perception could partly depend on which municipalities the construction client is active within as two of the interviewees say that it varies between municipalities. One of the interviewees said that they sometimes are told why one entry won through contacts¹¹⁹.

It is important that the municipality has knowledge and understanding for the criteria they set up to assure that the criteria are realistic and practicable, and that it is the right criteria that are evaluated¹²⁰. However, the municipality presses on the importance of the construction clients to understand what the municipality want to achieve with the criteria¹²¹.

From the municipal perspective it is difficult to include and evaluate the softer values in the criteria such as “creating a city environment to walk in, bicycle in and be in”¹²². Further, it is difficult legally to use both price and quality in an evaluation, as it could be difficult to compare these objectively¹²³. The problem of combining price and design is addressed by one of the architects who perceived this in a project in Täby where the design was the main criteria. In this project the interviewees could understand that the municipality considered the design of the winning entry as more attractive as it was combined with a much higher price than the other entries.

In both Stockholm and Gothenburg the organisational strength of the cooperation is important to assure that the project will be performed¹²⁴. This is evaluated on the competence and the economic strength of the organisations and depends upon the size of the project¹²⁵. Further it is important with a holistic approach, which means that the construction clients have to pass all the mandatory criteria.

When allocating land by competitions the municipality of Stockholm often uses price as the main criteria, but as one of the interviewees at the municipality says, they do not serve by selling to someone that have made an overpriced bid that they later cannot build¹²⁶. Moreover, the municipality said that it is important that the process is as simple, transparent, fast and smooth as possible as it is housing shortage in the municipality. Further, it is important that at least 90 per cent of the projects bear their costs. One of the construction clients understand that the projects should bear their own costs, but opine that for some areas a project could lead to values for the surrounding areas that should be considered as well.

¹¹⁷ Construction client, Gothenburg

¹¹⁸ Construction clients, Stockholm

¹¹⁹ Construction client, Stockholm

¹²⁰ Construction clients, Stockholm and Gothenburg

¹²¹ Planner at the municipality, Gothenburg

¹²² Planner at the municipality, Gothenburg

¹²³ Construction client and planner at the municipality, Stockholm

¹²⁴ Planners at the municipality, Gothenburg

¹²⁵ Planners at the municipality, Gothenburg and Stockholm

¹²⁶ Planner at the municipality, Stockholm

There are no problems for the construction clients interviewed to pass the general criteria set up by the municipalities, such as the organisational strength, past experience and economy¹²⁷. Though, as smaller construction clients might not have previous experience from land allocations it could be difficult for them to get a land allocation¹²⁸. The same problem goes for new construction clients that have not been active in the specific municipality, or for foreign construction clients, who might not have knowledge about how the land allocation process proceeds in Sweden¹²⁹. In projects of rental apartments the list of preferences compared to the land price is often too tough for the construction clients¹³⁰. This does not concern condominiums as the demands are not as tough. Though, the construction client perceive that the municipality have realised that they have too high land prices for rental apartments and tries to improve this, even if it is still too high. As one of the architects mentioned price is not a good criterion neither when deciding the price for the land, nor for the rent as this leads to lower quality requirements, e.g. design related quality.

One of the construction clients want start and stop date for land allocations and if the construction client does not manage to build within these dates the land allocation should be returned and/or a fine should be paid.

4.3.4 The competence of the jury

One of the interviewees in Gothenburg says that the jury usually consists of competent persons. Other construction clients request external juries, as it has been in some competitions, with competent members from all of Sweden and the motivation for this is to make it fairer as they do not have a personal relationship with the construction clients. Several of the interviewees mention that the Swedish Association of architects could be used as a support when evaluating design related qualities¹³¹. Otherwise the jury could include insourced architects, who could alternate between the projects if the municipality cannot employ the right competence. The competence of the jury members is mentioned by several of the interviewees as essential in order to be willing to participate in a competition, which is further described in this citation by one of the architects:

It is important who are members of the jury, do they seem to be competent persons, so we know that we write for someone that can read¹³².

4.3.5 Public evaluation

All the interviewees agree on that it is good that the documentation is public as it creates transparency, even though it could be problematic publishing documents that address the economic status or business secrets of a company. One of the construction clients said that they are motivated by being evaluated public, because no one wants to be published on the last position and therefore aim to do it better next time.

¹²⁷ Construction clients, Stockholm and Gothenburg and planner at the municipality, Gothenburg

¹²⁸ Construction client, Stockholm

¹²⁹ Planner at the municipality, Stockholm

¹³⁰ Construction clients, Gothenburg

¹³¹ Construction client and architect, Stockholm

¹³² Architect, Gothenburg

4.3.6 Favouring construction clients

The municipality should strive to treat all construction clients the same way and have the same demands on them¹³³. Though, in Stockholm the municipality says that even though they treat the municipal construction clients as any other construction client, they have a common target to fulfil and therefore the municipality have to help them fulfil this target. In Gothenburg the municipal construction clients are treated just as any part else on the market and the municipality do not favour anyone¹³⁴. Though, one of the private construction clients perceives that the municipality might have greater demands on the municipal construction clients than the private.

4.3.7 Follow-up of the process

Some of the planners at the municipality in Gothenburg express that they follow-up the claims in the land allocation are fulfilled. If the claims are met and how the cooperation worked will affect the municipal judging in future allocations and thereby the municipality can use the claims as inducement as it is easier to get future land allocations if the cooperation is smooth¹³⁵. This is one of few methods for the municipality to punish the construction client for not fulfilling the land allocation agreement, since they cannot take the agreement back when the house is already built¹³⁶. Though, they emphasize that a constructor client that do not cooperate without friction with the municipality is not automatically on a blacklist, it takes more than that. One of the interviewees at the municipality in Gothenburg says that Älvstranden evaluate how the land allocations are performed from their perspective, what was good and what could be improved. Though, they have troubles with evaluating the complete process as the process often is around 10 years and during that time the process has changed, resulting in much to be out of date.

The construction clients have different experiences of the follow-up performed by Gothenburg municipality, one of them perceives that they do follow-ups, but do not have a checklist of what to follow-up. Usually the municipality does not comment details, instead they comment on the building's size or height¹³⁷. This is something that the municipality confirm as they say that they have to be pragmatic when they evaluate as the conditions change over time¹³⁸. Other construction clients perceive that the evaluation performed by the municipality have been extremely poor, but hope that the evaluation will improve when it is time to evaluate buildings influenced by Gothenburg's policy regarding environmentally friendly building. Another construction client perceives that the follow-up in Gothenburg has improved over time and is nowadays satisfying. One of the architects says that the municipal follow-up is poor and that the construction clients use this to promise a lot of qualities in the competition that is never built nor followed-up. One of the construction clients perceives that the follow-up in Stockholm is "crappy" and add that Nacka is much

¹³³ Construction client, Gothenburg

¹³⁴ Planner at the municipality, Gothenburg

¹³⁵ Planner at the municipality, Gothenburg and construction client, Stockholm

¹³⁶ Planner at the municipality, Gothenburg

¹³⁷ Construction client, Gothenburg

¹³⁸ Planner at the municipality, Gothenburg

better and tougher in their follow-up. Another one says that they are followed-up and a third construction client says that the follow-up is harsh in Stockholm.

The involved parties consider it as necessary that the follow-up of the land allocation agreements are performed and documented as it exist a discussion whether it is the winning entry that finally is developed. One of the involved parties state:

We know there are gaps, frankly one can cheat. It is always possible to find arguments, sometimes it's so banal things that; it is too expensive, or the market has changed, or it will be difficult technically, do you want to build sick buildings? One can argue against this kind of thing and then the municipal officials cannot resist in the end¹³⁹.

One party consider it as beneficial to connect the quality and DDP to the land allocation agreement since that makes it political and legally binding¹⁴⁰. The consequence of a non-legal agreement is described in the quote below:

Unless the land allocation contracts are not tied with the DDP, the quality criteria can be thrown away, for that is exactly what you do as a construction client, if they are no longer required they will ignore it of course¹⁴¹.

On the other hand other construction clients think it is good as it is with land allocation agreements that are not legally enforceable, as it occur unexpected events during the process that could totally change the preconditions of the entire project, e.g. unexpected soil contamination, or changes in the political climate that request other usage of the land.

4.3.8 Suggestions for improvements in the process of land allocation competitions

Many of the construction clients propose changes in land allocations that would benefit their specific organisations, e.g. large land allocations, or criteria that evaluate social aspects of an actor. Further, one of the interviewees suggests that the person responsible for each entry should be able to have a presentation about the entry to convey the idea of the entry¹⁴². The municipality perceive that most construction clients would like more land allocations, but they try to improve the process all the time without favouring any particular construction client¹⁴³. Sometimes the municipality are told by construction clients that they have not had any land allocations for a while, but for the municipality that does not matter, it is about what the construction clients could deliver¹⁴⁴. One of the construction clients in Gothenburg perceives that there is too much focus on get new actors into the market in Gothenburg.

¹³⁹ Architect, Gothenburg

¹⁴⁰ Architect, Gothenburg

¹⁴¹ Architect, Gothenburg

¹⁴² Construction client, Stockholm

¹⁴³ Planner at the municipality, Stockholm

¹⁴⁴ Planner at the municipality, Gothenburg

It is suggested that the municipality present a time plan for the process so the construction clients will know when to expect a decision to come¹⁴⁵. Another tip is that the municipality should present a page with questions and answers so they do not have to answer the same questions over and over again. Some municipalities already do it, but it could be improved¹⁴⁶. Another suggestion is that a bigger construction client is forced to cooperate with a smaller construction client to make it easier for smaller construction clients who cannot afford to participate in a long process¹⁴⁷. Though, this is not a good solution, as one of the construction clients mentioned larger construction clients will go around this and cooperate with their subsidiary.

4.3.8.1 Evaluation criteria

One thing to improve concerning the evaluation is clearer and more transparent evaluation criteria¹⁴⁸. Fastighetskontoret says that clearer criteria also could lead to fewer resources spent on questions that occur due to unclear criteria. Other improvements concerning the criteria are more controlled land allocations where the municipality has some fixed criteria and only a few variable criteria to clarify what will be evaluated¹⁴⁹. Other interviewees agree and mention that exploitation and price are good fixed criteria, but it is important that the criteria are adapted with the specific conditions of the land. Another architect agrees and adds that the exploitation could be semi-fixed between a minimum and a maximum to give an indication of expected exploitation level. Some of the construction clients rather want the criteria not to be too detailed, instead one of them prefers to compete with some kind of vision of how a problem could be solved. Though, one construction client perceives vision as a bit fuzzy as it gives much room for interpretation. The easiest criterion to evaluate is price, but as one construction client said it could be difficult to govern the development in a certain way, and therefore price is not the best solution.

4.3.8.2 Evaluation documentation

When the evaluation is done the interviewees would like all the entries sent to them with an individual evaluation for each entry so they can improve for future competitions, which also is valuable for the municipality as the entries will be of higher quality¹⁵⁰. The evaluation documentation could further be improved with more argumentation about what made the winning entry better than the others and where the other entries lacked, even though this could be difficult for the municipality as they lack resources. This is valuable for the construction clients for improvements in future competitions and as the judgement is based on subjective opinions it is important to be clear in the evaluation. Visually one of the architects suggests that with the winning entry there should be a link to the evaluation of the other entries as well. Some of the interviewees would like tougher criteria and adds that the municipality should use their position as landowner to govern the process towards

¹⁴⁵ Construction client, Gothenburg

¹⁴⁶ Architect, Stockholm

¹⁴⁷ Architect, Gothenburg

¹⁴⁸ Construction clients and architects, Stockholm and Gothenburg

¹⁴⁹ Construction clients and architects, Stockholm and Gothenburg

¹⁵⁰ Construction clients and architects, Stockholm and Gothenburg

what they want to achieve¹⁵¹. This would also lead to higher quality as the construction industry itself cannot motivate them to induce a quality increase¹⁵².

4.3.8.3 Follow-up of the projects

Another issue is the importance of following-up what is requested in the documents is fulfilled in the final project¹⁵³. This as the final building often has been developed during the process and therefore is not the same as the winning entry. One of the interviewees at Fastighetskontoret confirms that the municipality could be better in follow-up the projects¹⁵⁴.

4.3.8.4 Transparency in the evaluation

In the competitions the competitors have put a lot of time and money to develop their competition entries, which makes the construction clients and architects request the municipality to do the same when they evaluate the contributions. Transparency in the evaluation process is something that the interviewees at both Fastighetskontoret and Exploateringskontoret perceive as important and further one of them says:

To be transparent we have to work structured and to be transparent is much about being clear with the considerations we do and explain why we choose that, why they received an allocation and why they did not¹⁵⁵.

It is important that this is clear for the construction clients and architects to motivate them to participate in future competitions as it is not possible to appeal the decision of who will get the land allocation even if the construction client think that the municipality have done an incorrect choice¹⁵⁶.

4.3.8.5 Development of the DDP

One of the interviewees at the municipality mention that the land allocations should be done after the DDP is performed, which could result in a wider range of land suitable for different actors. Further, it enables the municipality to control the development of the DDP and it might speed up the process some times as well. Though, the construction clients do not agree with the municipality and says that they want to be able to influence the appearance of the DDP. The municipality on the other hand do not see any point in allocating the land earlier and see the chance to take part of the value increase a DDP leads to. One of the construction clients suggest that both kinds of DDP's should exist, both the one where they can participate in the development and the other one that the municipality already have developed, which could speed up the process.

¹⁵¹ Construction client and architect, Gothenburg

¹⁵² Architect, Gothenburg

¹⁵³ Architect, Gothenburg

¹⁵⁴ Planner at the municipality, Gothenburg

¹⁵⁵ Planner at the municipality, Gothenburg

¹⁵⁶ Construction client, Gothenburg

4.3.8.6 Prequalification

One way to decrease the total amount of money spent on a land allocation competition is by using prequalification and then select five entries that have the opportunity to participate¹⁵⁷. Though, one of the architects argues that the criteria in a prequalification could be too high for smaller construction clients and therefore prequalification should not be used, and add that:

They can choose themselves whether to compete or not. They have to be that grown up and decide on their own investment¹⁵⁸.

4.3.9 Alternative competition methods

Several of the interviewees had previous experience from two other methods to work with land allocation competitions that they favoured¹⁵⁹. One method was a new method based on criteria, which aims to motivate the construction client to build with higher quality. The second method was parallel assignment and this method was favoured as it aims to decrease the costs for the construction clients to participate in a competition. Both these methods are described further below. To motivate construction clients to build in less attractive areas twin projects were discussed, which is presented further in Chapter 4.3.9.3.

4.3.9.1 The criteria method, a new competition method to allocate land

A new method to land allocate land is mentioned by several of the interviewees that have been operating in other municipalities, such as Upplands Väsby and Linköping, as a good way to use the land allocation competition¹⁶⁰. This method is based on a fixed price and several quality criteria that are optional, but the criteria that are met will result in lower price for the land. The more criteria met, the higher score the entry will get and the cheaper will the land be. The entry with the highest score will win the land allocation competition.

4.3.9.2 Parallel assignment

Several of the interviewees advocate some kind of parallel assignment as a land allocation method instead of competitions, where there is some kind of competition between three to five architects¹⁶¹. A construction client is already designated when the proposals from the architects are developed and when the architect proposals are developed the best parts from the proposals are integrated in the winning proposals to develop a better project.

4.3.9.3 Twin projects

It is difficult to do land allocations in the periphery of Gothenburg, since the central parts of the city is more attractive to build on¹⁶². One method to make it more

¹⁵⁷ Construction clients, Stockholm and Gothenburg

¹⁵⁸ Architect, Gothenburg

¹⁵⁹ Architects and construction clients, Stockholm and Gothenburg

¹⁶⁰ Architects and construction clients, Stockholm and Gothenburg

¹⁶¹ Construction clients, Stockholm and Gothenburg

¹⁶² Planner at the municipality, Gothenburg

attractive to build in the periphery that was discussed by both construction clients and the municipality is twin projects, where a project in a less attractive area is connected to a project in an attractive area. One problem that could occur with twin projects mentioned by one of the planners at Fastighetskontoret¹⁶³ is if one of the projects cannot be built for various reasons. Should the construction client get a piece of land somewhere else that corresponds to the project that could not be built or will the construction client receive other compensation if they had already built the less attractive project? Therefore twin projects have been sparingly used¹⁶⁴.

¹⁶³ Planner at the municipality, Gothenburg

¹⁶⁴ Planner at the municipality, Gothenburg

5 Discussion and analysis

This chapter will present a discussion and analysis of the material and data presented in Chapter 3 and Chapter 4. The chapter will start to briefly discuss the sources of why the process of competitions may differ. Further, the chapter will present areas of improvements and stating the differences between Stockholm and Gothenburg. Alternatives to the current process as well as a description of its future use will further be presented. The chapter ends with a discussion concerning how different levels of transparency affects the perceptions of the decision making process.

5.1 Sources of varying experiences

As stated in Chapter 4 a majority of the parties involved in the process of land allocation competitions perceive and outline the process the same. In one way or another the concerned authority announce the coming competitions, while construction clients and architects develop proposals that aim to correspond the expectations of the authority at the specific site and competition, and finally hand it in for an evaluation by the municipality. The assessment is made and the result is presented publicly. However, the perceptions concerning whether the follow-up of land allocation contracts are carried out varies. This could depend on various reasons, e.g. which municipalities the interviewees are operating in, or that the municipality lack in routines and checklists of follow-ups. Anyway, there are more areas where the involved parties' experiences differ. This can be caused by their different intentions to participate in the competition, if they previously have won a competition, and, since the process can differ from the theoretical process recognized in Chapter 3, between competitions and municipalities. This may in turn depend on the varying site-specific conditions, the political governance of the municipality and the municipality's experience in the use of competitions.

The new law introduced in 2015, described in Chapter 3, stating that each municipality that allocates land should have a land allocation policy, contributes to a better understanding of the process. As it is usually generally written, it is difficult to experience any significant predictability as there is plenty of room for variations. Anyway, the policies are generally written to stay flexible and accurate in all situations to avoid contributing to a unilateral and unsustainable development.

It is a great risk for the construction clients and architects to participate in a competition as it consumes much resources to develop an entry, both time and money, which the municipalities have to be aware of when they set the preconditions of the competition. Nevertheless, construction clients and architects must realize the complexity of the competition process the municipalities have to deal with. Several laws and regulations, described in Chapter 3, govern the land allocation process, which also involves several parties and stakeholders, often with marginal differences between the proposals submitted to be evaluated. The demand and the characteristics of the process depend on time and location and hence some flexibility is needed to be able to achieve a satisfying end result. Further, the municipality has a responsibility towards its citizens and taxpayers to take care of the resources available in the municipal land asset by creating a sustainable society.

5.2 Differences between Stockholm and Gothenburg

Interviews have been performed with actors in Stockholm and parties active in Gothenburg, and differences in the approach and process have been documented. It appears that the differences largely depend on political differences between the municipalities. However, there are other things that influence on the process, e.g. the housing shortage and the municipal vision to build housing, the municipal land supply, the power situation between neighbouring municipalities, and the pressure from developers who are interested in the development of land.

The difference encountered between the land allocation processes in Gothenburg and Stockholm is partly the fundamental choice of the land allocation method. Stockholm mostly uses the direct process and the tendering process, or competitions based on price as they call it. Gothenburg instead mostly use the comparison process and only the direct process in exceptional cases. When it comes to the competition process, it is used sparingly in both Gothenburg and Stockholm, and when the competition is used the processes differ between the cities. In Gothenburg the competitions are used only in specific cases where the municipality wants to achieve something special with the land through the use of various types of site-specific criteria. In Stockholm competitions are usually based on price where the highest bidder is the winner.

Through the interviews, the authors have perceived that Exploateringskontoret in Stockholm generally wants architect sketches with special qualities, even though the price almost always is considered as the most crucial in the end. As a result, the architects perceive their work as infringed, which may result in a decreased energy and innovation as well as it may create a stressful situation between architects and construction clients as they may see it as an expensive extra cost that is not evaluated.

Gothenburg has tried to avoid price as essential criteria in competitions. Based on the interviews held, this seems to a great extent be based on the political governance in the municipality. Exploateringskontoret argues that competitions on price are used to identify the market value of land in a specific area for future land allocations. The interviewed construction clients argues that this method does not fulfil the purpose since frivolous construction clients tend to over bid and later on, not be able to execute the development. This will only result in rising prices for forthcoming land allocations and a delayed land allocation process. In Gothenburg, a combination of price and criteria usually are used. However, sometimes a fixed price is used in order to put more focus on the criteria. Stockholm argues that this might be legally questionable, as kommunallagen and EU regulations requires that the municipality sells land at market price to avoid favouring any particular construction client. When using a combination of price and criteria it is important that the evaluation is transparent and that it is clear how the criteria will be weighted.

5.3 Areas of improvements in the process

In this section several suggestion of improvements within the process of land allocation competitions will be presented based on the experiences and opinions of the parties involved.

5.3.1 Competition invitation

The parties involved have somewhat different ideas about what the process looks like. The actors agree that the forthcoming guidelines are posted on respectively authority's website as an invitation. However, some parties experience that they sometimes are invited by other means in the form of mailings or phone calls which not everyone takes part of. This could be perceived somewhat undemocratic when it seems like some construction clients are favoured by the municipality by receiving information more easily. Of course the employees at the municipality have a personal relationship with some construction clients, but it is important that all actors perceive that the municipality do not favour any construction client. Though, as presented in Chapter 4 the interviewees only see favouritism in the evaluation of the entries, e.g. the municipality in Stockholm does favour municipal organisations. However, some of the interviewees think that they could be better informed by the municipality about future land allocations, e.g. by signing a subscription list. The municipality in Gothenburg said that they will introduce a subscription service during 2015. In Stockholm this service already exist, even though it is obvious that everybody does not know that it exists, which could be due to that this service might is new and everybody has not found it yet. It is good that the municipality of Gothenburg present a list on their webpage consisting of the land that will be allocated during the year. Further, this could be improved with some information that the interviewees sought, namely when in time it will be possible to apply for the land allocations. One problem the authors found when checking the list of future land allocations in the beginning of 2015 the municipality had not published the list for 2015 and therefore it could be suggested to either present it earlier, or that for the four yearly updates the list should be updated with projects that Fastighetskontoret know will happen next year as well.

5.3.2 Assessments of competition entries

When the proposals are submitted for assessment, a variation in the jury can be recognized both in skills and in extent, which is not always recognized in advance. Both the construction clients and architects deem that there is no clear assessment structure of how the competitions entries received will be evaluated. This results in an uncertainty among the parties who have difficulties knowing how to formulate the entry and what criteria to focus on, as they perceive that previously established criteria may not always be those who will be crucial in an assessment. Except from clear and transparent criteria it is important that the evaluation is performed by a jury with competence within what is evaluated. When the architectural qualities are evaluated the interviewees suggest that the jury should be formed with support from Swedish Association of architects. Another way to make the jury competent is by employing own architects or hire architects when needed. Though, according to the interviews, some municipalities seems to have difficulties in attracting architects which may be due to that it is not attractive enough to work for the municipalities. To attract architects in the future it is important that the municipality examine why it is not as attractive to work for the municipality as for a private company. It is important for the construction clients and architects that the jury is competent when they choose which project they should participate in and therefore the authors recommend that the municipality make use of the Swedish Association of architects, or consult another architect if they cannot attract own architects. Further to increase the transparency and predictability of the assessment process, the municipality should report the jury

members already in the invitation of the competition. This to ensure the construction clients and architects that the competition is professionally judged.

To avoid favouring any part in the evaluation of the competition entries it is suggested by the authors that the entries are submitted anonymously. This will probably result in the best entry to win and that the construction clients' relation with the municipality will not affect the evaluation. Though, as there might be some construction clients that have not performed well earlier and to prevent them from winning, these actors could be stated in a list, and if they win the allocation will go to the second placed competition entry. The municipality could motivate this by stating that the winning entry could not fulfil the basic criteria. This will hopefully lead to that the best entry always wins. One disadvantage that could derive from this is that the competitiveness could decrease as it may be that one or a few construction clients always wins as they learn how they should perform a winning entry. The municipality could solve this by having different criteria in the different competitions. Though, the authors opine that one construction client who always wins is not likely to happen and therefore the authors favour anonymous competitions.

5.3.3 Follow-up of exploitations

There is also a diverse perception of the municipality's follow-up of the resulting exploitation and according to the result of this thesis the follow-up varies between competitions from accurate and strict to non-existent. The reason why the municipal follow-up is forgotten seems to be based on the lack of municipal resources and the high pressure on land allocations, and hence it is more efficient to go ahead with the next allocation instead of follow-up the past. Once again it is important that the municipality attracts employees to obtain the resources needed for follow-up. Further, to increase the transparency in the follow-ups, the municipality could establish clearly defined procedures for what should be followed-up, how it should be executed and by whom. This should be presented in the policy document to increase the predictability. Moreover, the authors propose an improvement to reduce the workload for the employees who execute the follow-up. A list of e.g. 100 points could be established, which potentially could be followed-up and each time 30 of these are randomly selected. This list should preferably be used by all municipalities. Beside these randomly selected follow-up criteria the project specific criteria should be followed-up as well.

5.3.4 Assessment documentation

The public assessment documentation also varies in quality and scope between municipalities, civil servants and between competitions. There are different opinions about what should be reported in the final assessment, and therefore the industry should take a common decision regarding what an assessment template and documentation should look like to increase the clarity and transparency of how decisions are taken and also why some entries are deselected. During the interviews, construction clients and architects expressed a desire that the assessment documentation should contain information regarding how the submitted competition entries were evaluated in accordance to the established criteria. This should be done by using the assessment template presented in the competition invitation. In addition to this, a motivation of why the winning entry stood out from the rest should be documented. Further, it is important that the documentation is easily accessible to

increase the transparency; e.g. it is suggested that all information should be published on the municipality's webpage.

5.3.5 From theory to reality

The most significant differences between theory and the real land allocation process are the terminology, and the use and content of the different methods. The municipalities use designations on agreements and processes in different ways and the most frequent confusions are between the exploitation agreement, land allocation agreement and the implementation agreement. There are also confusions between the terms and methods; land allocation competitions, comparison process and the tendering process. If the involved parties are asked how a land allocation competition is outlined and which agreements that are signed, it is obviously that they are doubtful since there will be different answers every time. During one of the interviews a planner at Fastighetskontoret expressed the frustration concerning the uncertain difference between the comparison process and the land allocation competitions and suggested that these should be merged into one process. To clarify the different methods and agreements within the land allocation process a glossary could be established containing explanations, definitions and usage of the various concepts. This glossary should be available on each municipality's website and one common glossary for all the municipalities in Sweden is preferable.

5.4 Alternatives for the current competitions

The authors of this thesis have through the interviews formed the opinion that it is possible to achieve a valid market price by using criteria. One method mentioned by several of the interviewees is a new method that has been used in Linköping and Upplands Väsby among others. This method, further described in Chapter 4, is based on a starting price for the land that is lowered as the construction client chooses to fulfil a number of criteria that are optional. Instead of a maximum price a lower price on land is allowed, but in return site specific requirements have to be fulfilled by the construction client who wins. This must of course be supported by a clear evaluation template and ensured with an accurately documented follow-up with potential penalties. The idea of this method is to motivate the construction clients to develop a project with higher qualities and in return the municipality offers the construction client a lower price. As mentioned earlier it is important that the municipality have knowledge about the criteria they set, but in this method it is extra important that the municipality have knowledge of how the criteria will affect the project. Further, it is important that the criteria are clear and transparent, as this method combine price and qualities in a way that could be legally questionable. To avoid that it becomes legally questionable it is important that the criteria are not evaluated by subjective opinions; instead it should be clear what actions that will result in a lower price, e.g. a certain size of the balconies, or a certain energy consumption. The authors of this report propose that future studies in the area are focused on this method and compare it with traditional competitions.

During the interviews, a suggestion of an alternative to the land allocation competitions was stated from several parties involved in the process. The suggestion was to use parallel architectural assignments instead of competitions to save the common resources and to achieve a qualitative urban development simultaneously. Construction clients are instead selected through a tendering procedure or by

presenting a vision for the area with the requirement to develop parallel architectural sketches corresponding to the set criteria. This to ensure that quality is achieved without construction clients working on similar proposals within the same land area.

Prequalification is another alternative to decrease the resources spent on developing competition entries, while remaining the innovation and competitiveness. This method was appreciated by most of the interviewees, but one of the interviewees said that prequalification could shut out smaller construction clients. The authors of this report do not agree with this perception, since the criteria that the construction client has to fulfil still would be as tough as for a competition without prequalification. Therefore the authors advocates that prequalification are used for competitions.

5.5 Competitions as a continued method

A majority of the involved parties considers the land allocation competitions as a method that should still be used if there is a clear and justified purpose which supports the competition, and if it is performed in a holistically sustainable manner. The municipality need the possibility to allocate land with different allocation methods to fulfil their responsibility and assignment by govern the exploitation in accordance with the municipal vision. The municipalities consider that competitions are suitable for use in areas where many developers are interested, but also where the municipality want to increase the interest for development. Further, it is beneficial to identify the market value, to achieve specific political objectives and to let the competition push the construction industry towards new innovative solutions. Construction clients and architects agree, and believe it is a good governance instrument to achieve qualities but they also claim to some extent that the municipalities do not realize the seriousness of announcing a contest. It is a very risky and resource-intensive process for everyone involved. If the municipalities just think it is a thrilling way to receive exciting options to choose from, then it is not a sustainable method in the long run. If a contest is announced, the authors recommend that it should be organized pursuant predicted guidelines and toward a specific goal and purpose. According to the construction clients, competitions have to be avoided in land areas with complex site specific conditions since the competitions have a limited timeframe, which forces some construction clients to develop competition entries that are not thought through. This may result in a winning construction client who cannot execute the project due to financial shortcomings and lack of competence. As the parties involved already got the perception that the municipality has resource shortages, it is important to use the resources on fewer well-executed competitions to achieve a sustainable quality.

5.6 The level of transparency

The initiative to perform the research within the field of this Master thesis was taken due to the current discussion regarding the Swedish non-transparent land allocation process. A conclusion could be drawn from studies regarding how transparency impact people; more described in Chapter 3. A very small or very large quantity of transparency in municipal decision-making has a negative impact. Too little transparency results in suspicion and in a loss of credibility. A high level of transparency can result in a decreased respect for the municipality's knowledge. This as decision-making is not as straight and clear as could be imagined. Hence, the authors consider it as sufficient to present clear criteria and assessment templates in

the invitation and then later in the assessment documentation clearly describe how these have been used to designate a winner. To present the municipality's conversations and juggling with ideas within the internal process is considered to cause more confusion than good.

6 Concluding Remarks

This chapter will present the final conclusions which have been derived out of the research within this Master thesis. The research questions will be answered and areas of improvements in the land allocation process be highlighted.

By using a qualitative research method this Master thesis aims to clarify potential areas of improvements in the process of land allocation competitions by outline and highlight the opinions of the parties involved. During qualitative semi structured interviews data was collected to enable the authors to outline the process of land allocation competitions in Stockholm and Gothenburg to highlight potential differences. The data were further used to identify why and when the municipality chose to use the competitions and when and how it is most appropriate to use considering the involved parties experience.

The different actors involved in the land allocation processes in Gothenburg and Stockholm confirm that there are clear differences in the process of allocating land to construction clients. The differences in the process depend on varying site-specific conditions, the political governance of the municipality and the municipality's experience in the use of competitions. To start with, the political approach in Stockholm and Gothenburg are different, which affects the choice of allocation method. Stockholm uses the direct allocation of land mainly and competitions on price, while Gothenburg mainly uses the comparison process and usually try to avoid using the direct allocation method. However, within the competitions, which both cities use rather sparingly, differences could be visualized as well. The main difference between Stockholm and Gothenburg is how the competition is outlined. Stockholm uses competitions on price or combinations of price and other criteria where the price usually is the vital criteria. In Gothenburg on the other hand competitions on price is rare and avoided. Instead criteria concerning different qualities are introduced to differentiate the competition entries and to achieve a sustainable development.

Competitions in Gothenburg are held to achieve different qualities, to challenge the market to develop in a more sustainable direction, and to implement political goals. In Stockholm they use the competitions mostly to identify the market price for a specific area for future direct allocations. The parties involved have different opinions regarding these two different approaches. The architects think competitions on criteria are beneficial since a more qualitative and sustainable development is achieved. The construction clients have a more diverse opinion. Some construction clients think price is the only measurable criteria and hence the only appropriate to use. Other construction clients share the architects' thoughts and believe that criteria develop the construction industry and that it is a good instrument for the municipality to govern the development. However, all the parties involved commented on areas of improvements.

The announcement of land allocations can be improved by an earlier invitation of upcoming competitions on the municipalities' websites. Although not all the conditions are completely clear, an indication of what is coming increase the predictability. The competition invitation could also be kept open for a longer period of time to make it possible to achieve proposals of high quality, especially under complex conditions. The invitation should only be done through the website of

Fastighetskontoret and Exploateringskontoret by offering a subscription service, to minimize the risk of favourisation.

During the land allocation process, there are various terms of agreements and processes that cause uncertainty. To avoid misunderstandings, a local list of terms posted on the municipal website with explanations should be established. In order to clearly and transparently handle problems during the process, a virtual discussion group should be created where the participants in the competition can log on and ask questions to the authority. This means that all competitors receive the same information during the process.

The criteria shall be clearly expressed in the invitation and consideration should be given to the consequences of the criteria. All criteria to be assessed must be presented in the competition invitation and the assessment may not be made on criteria that are not expressed. It should also clearly emerge in the invitation how the criteria are evaluated. The criteria can be used in different ways depending on what the purpose with the competition is. Price as the only criterion can be used but then the municipality must be clear that it is a tender and not a competition based on criteria. Competitions on criteria can be performed both with a fixed price and the price as criterion. If the price is a competitive element it must clearly emerge how the municipality intends to weigh the price against the other criteria. We further recommend the municipality to use a mix of fixed and variable criteria to achieve competition entries that fulfil their expectations and to increase the clarity of the demand against the construction client. The fixed criteria state the lowest acceptable level of the criteria, while the variable criteria differentiate the competition entries by giving room for innovation and creativity.

The evaluation of the received entries should be made in comparison with the established criteria for the competition. It is appropriate to use an evaluation template presented in the invitation when evaluating the competition entries. Some of the parties involved have expressed a wish to present their competition entries as they think it feels incomplete to only submit it on paper when a large amount of resources have been invested. A large number of construction clients and architects have expressed that it is important to have a competent jury, which is familiar with evaluating entries in accordance with the given criteria and therefore a jury composed of members from the Swedish Association of Architects is recommended. The assessment documentation should always be publicly published and should contain a description of how the competition entries are evaluated in accordance with the assessment template. The evaluation of all competition entries should be presented, but the emphasis should be on the winning entry and why it stood out from the other entries.

The authors have further perceived a varying or even non-existent follow-up process. None of the interviewees shared the same perception of the follow-up process, which probably is caused by a lack of structure and routine in the process. This results in projects that differ from the agreed and winning competition entry. It is recommended to clear state the extent and the process of the follow-up in the land allocation policy and, strictly execute the controls and follow-ups to ensure what is agreed are achieved. Further it is recommended to ensure a reliable and predictable process. The follow-up documentation should be publicly presented and penalties should be obtained in case of deviations.

The land allocation process is complex due to the great extent of parties involved with different interests and motives for participation. To ensure a holistic and sustainable process of allocating municipal land, all parties involved have to understand the complex situation and the motives of the other parties. The municipalities have to understand the risky situation the construction clients have to handle, the great extent of resources consumed, and act professional throughout the entire process and try to achieve a quality and predictability within the process. However, the land allocation competitions are considered as an appropriate municipal instrument to achieve certain qualities in the development process. As long as the purpose is clear the method is considered as a land allocation instrument which could be further used as an alternative to the other methods.

7 Recommendations for Further Research

During the research within the field of this Master thesis the authors have been in contact with topics and reflections connected to the topic of this thesis. Based on the study conducted in this Master thesis project the authors would recommend some areas for further research. The areas that are relevant further research are the new criteria method with an assessment template, and the implementation of parallel assignments as a land allocation instrument. Further, it is recommended that future studies interview Fastighetsägarföreningen, as they are an association representing the property owners, and smaller construction clients to include their perceptions as well. The authors recommend future studies to include more municipalities, e.g. a case study is suggested that examines how the process is outlined in Upplands Väsby or Linköping, who uses the new criteria method when allocating land.

The land allocation process is only one part of the development process and to improve the overall process there are several other areas of the process that are relevant for further research, e.g. the building permit process, the appealing process and the development of the DDP.

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Appendix 1

AB Familjebostäder is a municipality owned housing company and construction client, which is focusing on leasehold estates. The interview was held with Pia Ninche who is a project developer and thereby provides a daily contact with the land allocation process. The interview took place in Stockholm 2015-03-18.

Botrygg is a developer and construction client who was interviewed in Gothenburg 2015-04-15. The interview was held with Joachim Arcari who is the CEO of Botrygg Göteborg AB and who is versed in the discussion regarding the land allocation process.

Exploateringskontoret is the municipal authority in Stockholm who owns the municipal land and who is responsible for the allocation process. Two interviews were held with Exploateringskontoret to establish an accurate picture of the process. The interviews were held with Larisa Freivalds 2015-03-18 and Mårten Frumerie 2015-03-25 in Stockholm. Larisa Freivalds is the head of the department Project development and has twenty years of experience of the land allocation process. Morten Frumerie is the head of the department Large projects and has twenty years of experience from both the municipal and private perspective.

Familjebostäder i Göteborg is a municipal housing company and construction client focusing on leasehold estates. The interview was held with Micael Jansson who is the head of the department New Construction and works with land allocation on a daily basis. The interview took place in Gothenburg 2015-04-13.

Fastighetskontoret is the municipal authority in Gothenburg in charge of the land allocation process and exploitation of municipal land. Two interviews were held with Lisa Häggdahl and Lars Johansson 2015-02-18 and with Lisa Häggdahl and Anna Olsson 2015-03-24 in Gothenburg. Lisa Häggdahl and Lars Johansson are development managers, and Anna Olsson is strategic planners.

Förvaltnings AB Framtiden is a municipal company focusing on property management. The company comprise seven municipal subsidiaries. The interview was held with Ulrika Arenberg who is a property development manager and frequently comes in contact with the land allocation process during her work. The interview took place in Gothenburg 2015-04-13.

NCC is a developer and construction client who was interviewed in Stockholm 2015-02-25. Lars Berglund is the Head of Business Development at NCC Housing in the Stockholm region. Lars Berglund has extensive experience of the land allocation process both from the private and municipal perspective.

Okidoki! Arkitekter is an architectural office in Gothenburg. The interview was held with Rickard Stark, who is the creative director/architect and partner. The interview took place in Gothenburg 2015-04-10. Rickard Stark comes in daily contact with the land allocation process and has also contributed to the design of an evaluation system for land allocation competitions in Linköping.

Riksbyggen is a cooperative confederation for condominiums and manages primarily condominiums but also leasehold estates. The interviews were held with Joakim Stagemyr 2015-03-17 in Gothenburg and Joanna Berg 2015-03-25 in Stockholm. Joakim Stagemyr works with project development and Joanna Berg is market area manager for the southern region of Stockholm.

Wallenstam is a private construction client and housing company that develop condominiums, leasehold estates and commercial properties. The interviews were held with Mats Herner in Gothenburg 2015-03-20 and Ida Bengtsson, based in Stockholm, by telephone 2015-04-01. Both Mats Herner and Ida Bengtsson work as development managers and have a daily contact with the land allocation process.

White is the largest architectural offices in Scandinavia and is frequently involved in the land allocation process. The interviews were held with Gunnar Stomrud 2015-02-06 and Martin Clase 2015-03-13 in Gothenburg and Lena Orrberg 2015-03-25 in Stockholm. Gunnar Stomrud is a planning architect and partner and Martin Clase is an architect and urban planner. Lena Orrberg is partner and works as a group manager for the Housing Group and is a Chief Architect.

Älvstranden Utveckling AB is a municipal company that owns land in Gothenburg around the river Göta älv, which they are responsible for developing. The interview was held with Martin Blixt 2015-03-13 in Gothenburg. Martin Blixt is Head of the Urban Development and has experienced the land allocation process from both a private and municipal perspective.