

Prague

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This chapter provides an analysis of recent changes in urban planning practice in Prague, in the context of transition from a totalitarian to a democratic political system and from a command to a market-led economy. Special attention is devoted to the emerging tensions between political goals, planning strategies and market forces. The main tasks for contemporary urban planning and politics in Prague are to keep planning regulations in operation and defend the legitimacy of the planning system; to preserve the spirit of the historical core of the city and reconcile it with new commercial, mainly tourist-oriented, development; to designate areas for new commercial and office development close to the centre, attract foreign investments and stimulate progressive economic activities; to anticipate potential social tensions based on growing polarization, especially in connection with accessibility to housing; and to find a solution to the city transportation system.

In understanding present urban development in the city of Prague and the planning response, it is necessary to establish a basic framework, which consists of an appreciation of the city's historical development, encompasses an overview of basic 'socialist' urban economic principles and outlines the transition from totalitarian urban economy managerialism to a liberalized real-estate market. The planning system and its response to market forces will be analysed including the traditions, rules and institutional background to planning in Prague. Three contemporary planning activities, a new Master Plan, transportation proposals, and preservation strategies for the historical core of the city are considered.

16.1 HISTORICAL DEVELOPMENT OF PRAGUE'S URBAN STRUCTURE

The foundation of Prague coincided with the arrival of Slavic tribes into the Bohemian Basin. At the end of the ninth century Prague Castle was

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founded in a strategic position controlling a merchant path on the Vltava river. At that time Prague was the seat of the Přemyslid princes which gradually came to dominate the entire territory of Bohemia and Moravia. Prague's second castle, Vyšehrad, was built in the tenth century and an extensive settlement grew up between Prague's castles on both river banks linked in the twelfth century by a stone bridge.

The medieval development of Prague culminated with the planned foundation of a New Town by Charles IV in 1348. Prague's four towns (Hradčany, Malá Strana, Staré Město and Nové Město) were encircled by new ramparts. However, the politically independent towns resisted administrative unification. At that time Prague had its own university and archbishop, and the Charles Bridge was constructed. The city covered a total area of more than 800 ha, and with an estimated 40–50 000 inhabitants ranked among the largest European cities of that time. The dimensions of the New Town development surpassed anything that was planned in the Middle Ages. More importantly, half of the area remained unbuilt and so accommodated city development until the beginning of the nineteenth century.

From the fifteenth to nineteenth centuries, periods of city decline alternated with times of economic expansion, cultural revival and population increase. Prague became a provincial town and due to a peaceful development it preserved not only a medieval (Romanesque and Gothic) street network, but also the scale, character and appearance of the medieval town. Although the Renaissance and Baroque Period did not bring great urban planning ideas, many of the city's architectural jewels date from this era. In particular Prague's historical core was based on a succession of building styles, which created an exceptional array of urban architecture. In 1784 the four historical parts of Prague were unified and in 1850 a fifth element (Josefov) was added. Altogether with Vyšehrad, annexed in 1883, they form the historical core of the city. In the middle of the nineteenth century the central city core contained 120 000 inhabitants, twice that of today.

The development of the city in the nineteenth century was influenced considerably by the industrial revolution. First, manufacturing workshops emerged beyond the city ramparts followed by expanding suburbs. In 1817 the suburb of Karlín was developed in a planned fashion (Hrůza, 1992) and gradually, further suburban districts expanded in all directions initially unplanned and later, in the second half of the century, on the basis of planned layouts. As the population of the historical core stagnated, adjoining areas developed quickly, ultimately achieving the status of independent towns. At the end of the nineteenth century these towns were inhabited by twice the population of the historical core. The suburbs and the core, in morphological terms, formed one urban unit with the total population of more than half a million. Late in the nineteenth century

and early twentieth century the process of urban renewal based on the concept of Hausmann's renewal in Paris changed the face of Prague's historical core. The picturesque Jewish ghetto (Josefov) was demolished and replaced by a residential neighbourhood built in the *art nouveau* style. Urban structures dating from the Middle Ages were replaced by a new street network with a wide central boulevard.

After the First World War and the proclamation of the independent Czechoslovak Republic in 1918, Prague became the capital city. Its new geopolitical position brought rapid development to the urban area. In 1922 Greater Prague was formed by amalgamation of 37 municipalities. The city area expanded more than eight times to 198 km² with 677 000 inhabitants. New public-sector buildings were erected in the inner city, their shape affected by conservative regulations, which, in the context of the old urban structure, did not allow for major alteration in height or volume. Urban growth was especially concentrated in the suburbs and garden districts. Some of these garden towns were developed to planned

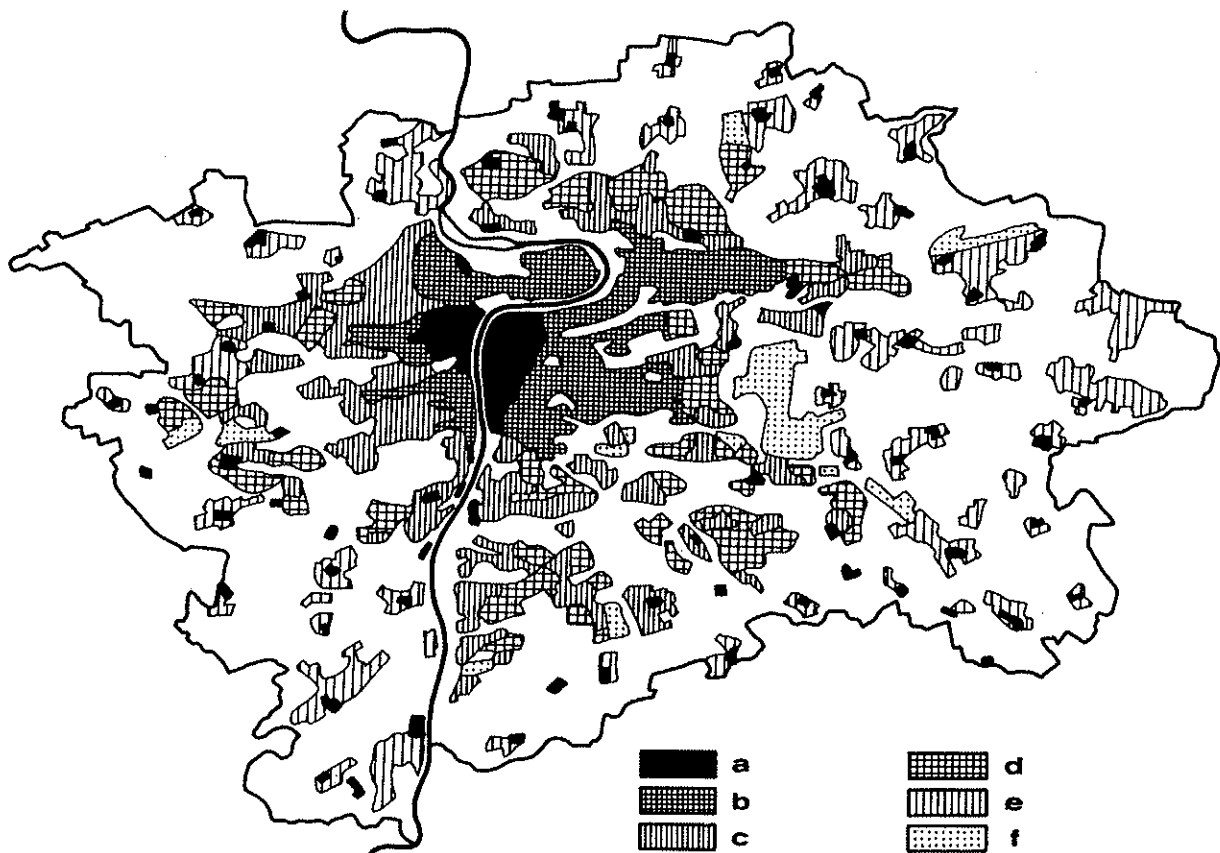


Figure 16.1 Prague's urban structure: (a) historical core and cores of formerly independent municipalities; (b) compactly built-up area of inner city; (c) villas, single family houses, garden towns; (d) residential areas built since 1945; (e) urbanized villages on city outskirts; (f) industrial zones

Source: redrawn from ÚHA (1992b) *Územní plán hlavního města Prahy (druhé čtení): plán využití ploch – stabilizovaná území.*

layouts and today still rank among the most attractive residential districts. Suburbanization processes also became clearly visible in Prague's metropolitan area (Grime and Kára, 1990). The population of the city rose to nearly one million in 1940 but as a result of the Second World War the pre-war population size was only re-established in 1957 (Sýkora and Štěpánek, 1992).

The Communist coup in 1948 started a new historical epoch of building a socialist society. All urban land was nationalized, land ownership was replaced by the so-called personal use right (Michalovic, 1992). Most houses (with the exception of small single-family houses) were also nationalized and the state took over responsibilities for the management of the housing stock as well as for a new construction. In the 1950s housing construction in Prague almost ceased, strongly influenced by the political goal to level out differences between urban and rural life. One consequence was an emerging housing shortage which the government responded to by starting an ambitious programme to build large residential units at the periphery requiring expansion of the city territory. Accordingly 51 surrounding municipalities were incorporated in two steps (Kára, 1992), the first in 1968 and the second in 1974. Consequently the city now covers approximately 496 sqkm and according to the March 1991 census 1 212 010 inhabitants. During the 1970s and the 1980s the so-called North, South and Southwest Towns (large housing estates, each consisting of approximately 100 000 people) created a characteristic picture of the Prague outer city. Currently (1993) 830 000 people live in housing estates erected during the Communist period.

From a planning perspective the city has developed more or less in concentric zones (Figure 16.1). Around the historic core are predominantly residential suburbs dating from the nineteenth century and early twentieth century. Both the core and the inner city are characterized by compact buildings; with building space totally filled by 1930s development. The adjoining zone retained its character of relatively separate suburbs and garden towns consisting mostly of family houses. Socialist housing estates from the 1950s were located in these areas, however a massive building programme based on the construction of large housing estates shifted development activity to the outer city. Beyond this zone, but within the city's administrative boundary, individual villages form an interface with the rural hinterland.

16.2 FROM TOTALITARIAN MANAGERIALISM TO A LIBERALIZED URBAN PROPERTY MARKET

The Prague urban environment has gone through tremendous restructuring since the collapse of Communism in November 1989. Such urban restruc-

turing has to be seen in the broader context of societal transformation of which a fundamental part is the transition from a command to a market economy. However, before considering contemporary developments, an outline of basic features of the 'socialist' city and the implications for an urban real-estate market is necessary.

16.2.1 The 'socialist' urban economics and its consequences

Socialism, according to Smith (1989) is defined as a social-economic-political system in which the capacity to produce and deliver goods and services is substantially within state ownership and control. In the Czech Republic, the basic features of 'socialist' economics were established following the Communist coup in 1948 and these influenced the development of Prague's built environment for four decades. The socialist urban economy in Prague was characterized by the state ownership of urban land together with most of the housing stock; the public management of state properties and intervention of the state to other sectors (private and co-operative) as a decisive means for allocation of scarce resources; centrally regulated prices and rent controls. The crucial feature of the socialist political economy, which explicitly influenced the city development, was the priority given to production factors, grounded in collective needs and working-class interests, over the consumption requirements of individual citizens.

The subordination of consumption to production requirements led to the dictate of large state enterprises concerning building activities. Large-scale projects proved to be more profitable than reconstruction and rehabilitation of old housing stock and infrastructure. Physical planning tools were subordinated to national economic planning goals and only elaborated on principles set by the needs of the production sector. These determined an estimation of citizens' objective needs and set standardized norms for an individual civic life. Consequently, an extensive amount of homogeneous dwellings in 'grey' housing estates at the city outskirts emerged while, at the same time, the maintenance of inner-city housing stock was totally neglected. The latter was further influenced by other factors, for example the extremely low rental incomes of the Housing Services Corporations which were extracted from residential as well as non-residential premises. The rent amounted to, on average, 5% of total family income (Musil, 1968; Carter, 1979). In 1989 only one-third of the revenue of the Housing Services Corporations came from rental income (Sýkora and Šimoníčková, 1993). Scarce financial resources did not allow for basic maintenance of houses, and even less so for capital investment programmes for rehabilitation and improvement of older and sub-standard housing stock. Thus gradual physical deterioration of houses in the inner

city followed, with the result that many dwellings were declared as uninhabitable.

In impact terms the socialist urban economy therefore produced homogeneity in the socio-spatial structure of the city and underutilization of the housing stock in the inner city (Sýkora, 1993). It is obvious that the first issue is contradictory to the basic outcomes of the capitalist urban economy, and does not accord with the contemporary developments of most inner cities in developed capitalist countries. These disparities can create potential for possible economic development as well as contributing to the emergence of social tensions.

16.2.2 Transition to the market: system transformation

Contemporary urban restructuring is primarily influenced by processes deliberately directed by central government actions. The institutionalization of liberal democracy in Czech politics at the beginning of 1990 and the stabilization confirmed by the parliamentary elections 1992 (Jehlička *et al.*, 1993) created the necessary preconditions for a governed transition to the market economy. The scenario for rapid economic change was approved by parliament in 1990, and since that time a succession of partial reforms have transformed fundamental features of the Czech economy, which has influenced the restructuring of society as a whole and the urban areas in particular. The principal goal of economic reform is to make the Czech economy healthier and more compatible with Western standards as quickly as possible. The decisive factor is the decentralization from a publicly, centrally planned, system to the market allocation of resources. Measures are based on the economic liberalism of neo-conservatism, which exists at the top of post-communist politics in the Czech Republic.

Three general transformations can be conceptualized. First, the deregulation of public management of resource allocation to actors in the marketplace. This is, of course, tightly bound to the reduction of indirect public influence through the dominance of state ownership and the regulation of exchange processes, and is reflected in the second and third transformation which are designed to create an environment in which market forces become a main allocator. In this context the privatization process breaks down the dominance of state ownership into a more fragmented structure, creating a broad and complex set of individual subjects which can undertake exchange. Furthermore, the liberalization of prices installs a market environment in its narrowest sense, by deregulating public involvement in exchange measures (prices, rent), thus permitting relatively free action of individual agents in market exchange.

At the urban level these three general spheres of transformation are being realized. In public management deregulation, attention is being directed at the reduction of local government competencies to influence

the allocation of resources, for example by releasing non-residential premises for particular users and functions. With the privatization of public services, the Housing Services Corporations which were responsible for the public housing stock are being replaced by private real estate agencies. Another very important factor is the general antagonism directed towards public activities and to planning regulations in particular.

Ownership structures are transformed by several mechanisms. In urban areas the most important are restitution, small privatization and large privatization. While the first two processes have been active in transforming the Prague urban environment, large-scale privatization is still in its early stages. Concerning the first of these mechanisms, restitution is a process whereby previous owners, or their heirs, are given back properties that were confiscated by the Communists in the period after 1948. Changes in ownership structure declared by restitution is one of the most important aspects affecting the contemporary restructuring process in the inner city of Prague. For example, in Prague 1 (constituting two-thirds of the historical core) nearly 70% of housing stock has been restituted. In the other two inner city neighbourhoods (Prague 3 and 5) restitution has affected about 50–60% of housing stock (Sýkora and Šimoníčková, 1993).

The second mechanism, small-scale privatization, commenced in Prague in January 1991 and terminated at the end of 1993. The aim was to sell, by means of public auction, small state-owned businesses (shops, restaurants, smaller enterprises) to the private sector. There are two ways in which properties were sold. Whole properties, often including land, where the premises were located in free-standing buildings accounted for 20% of all auctions and applied particularly to shopping or service centres built during the Communist era. Facilities, furnishings or machinery were sold at the remaining auctions. Where property was bought in an auction, a five-year lease was guaranteed to a new owner by law, indeed in the centre of Prague only leaseholds were sold. In spite of the huge number of buildings in restitution, 2528 shops, restaurants or smaller enterprises found new owners or lessors in the small privatization auctions during 1991–3.

Sale prices under the small privatization scheme represented the first comprehensive indicators of market value in Prague. The extreme differences which exist between the price paid for one square metre in the centre compared to the outskirts of the city illustrate the value of location within the urban market. The prices indicate general trends in the development of a rent or price surface, indicating buyers expectations of a future profit differential across Prague's urban space. The emerging price surface is very similar to the neoclassical rent curve with peaking in the centre and decreasing values towards the edge of the city (Sýkora, 1993).

This spatial trend is also confirmed by land prices and rents in the non-residential sector. In 1992 the market prices for one square metre of urban

Table 16.1 Rent in non-residential sector (1992, in DM/m²)

<i>Urban zones</i>	<i>Offices</i>	<i>Retail</i>
CBD	50–70	80–140
Historical core	25–50	40–80
Inner city	15–30	20–40
Suburbs	5–20	10–25

Note: Based on data obtained from real estate companies První Vinohradská, Royal – pražská realitní kancelář, Jendrusch & Partner and Ryden Intl. Consultants.

Source: Sýkora and Šimoníčková, 1993.

land ranged from 700 Kč (Czech Crown; 1 GBP = 44 Kč) at the city outskirts to 70 000 Kč in the CBD (Sýkora and Šimoníčková, 1993). In the 1980s, there was one administratively set price for urban land within Prague's territory; this amounted to only 20 Kč/m². The land was then sold at 'shadow' prices up to 350 Kč/m² in the best locations (Kraplová, 1989).

In the immediate aftermath of the revolution a new system of rent regulation/deregulation was introduced. Local authorities were allowed to mark zones that are not subjected to any rent regulation. In the case of a lease contract with a foreigner or a company with a major share of foreign capital the rent is negotiated without any restriction. These developments split a deregulated segment of the rental sector, defined by the involvement of foreign subjects, from the domestic segment. The market performance of foreign/deregulated sector, where the rent was and still is negotiated in hard currency, particularly in German marks (DM), has mirrored the dynamics of real-estate market constitution in the city of Prague.

The rent for office and commercial space leased to foreign subjects in central locations increased rapidly up to 70 DM/m² in the first half of 1990 (Sýkora and Štěpánek, 1992). The boom of prices within the deregulated segment continued during 1990 due to demand exceeding the supply of required premises, with the result that realized leases fetched an extremely high rent of 150 DM for one square metre of office space. In the first quarter of 1991 rents decreased to 90 DM/m², caused by a growing supply of restituted houses and in the middle of 1991 further decreased to 60 DM/m² stabilizing in autumn 1991 at 40 DM/m² (ÚHA and SÚRPMO, 1991), a level which matched the domestic segment of the rental sector. Contemporary rent levels for office and commercial space within particular urban zones in Prague are shown in Table 16.1.

16.2.3 The constitution of the real estate market and new development projects

The restitution process and the privatization of state properties created a new distribution of resources amongst private owners. The combination of price and rent deregulation as well as decentralization of decision-making from public authorities to individuals creates opportunities for private capital in the emerging real-estate market. Once property has been restituted or privatized it can be freely marketed, although some restrictions are placed on free exchange. The most important of these concerns is the control of foreign subjects entering the Czech real estate market. Under these circumstances the purchase of real property in the Czech republic is restricted to those persons or entities meeting the following qualifications (Kirke, 1993):

1. A Czech national holding a current passport and having a permanent residence in the Czech lands.
2. A foreigner who can prove biological Czech parentage (father or mother) and subsequently obtain a permanent residency permit. The person is then treated as a Czech citizen for tax and currency purposes and can purchase property without restriction. After five years Czech citizenship becomes available.
3. A person who obtains a long-stay residency permit, renewable annually. After eight years a permanent residency becomes available. This has been the usual permit granted to foreigners who have formed either limited liability companies (private companies requiring 100 000 Kč start-up capital) or joint stock companies (public companies requiring 1 000 000 Kč start-up capital) or one of the other varieties of companies through which it is possible to purchase property. There is no necessity for Czech participation in these companies.

Prior to the sale of any land or property, a current official valuation has to be obtained. Despite the fact that this rarely corresponds with the market value, tax and dues are levied against the valuation. In the case of foreign purchase through a company, the buying contract has to be forwarded to the Ministry of Finance, which undertakes a valuation of the property to assess its value in terms of what similar property in other European capitals would fetch. The valuation is paid for, normally by the purchaser, and can be appealed. Once agreed, the price is placed on the buying agreement and sent for registration, a process which can take up to four months (Kirke, 1993).

In Prague there are now hundreds of inner-city properties for sale, most of which are fully or nearly fully tenanted. The rental income from Czechs living in the buildings is generally negligible. However, it is possible to relocate the tenants, renovate the properties and relet them at substantially

higher rents, often for hard currency. Demand is high for apartments in Prague, and rent from foreigners is fully deregulated. A two-bedroom flat can be obtained from 400 to 600 DM per month, though in the city centre or some of the more attractive parts of the inner-city rents are much higher. A property which includes shops on the ground floor or contains office space greatly increases its attractiveness, due to the strong demand for retail space and the fact that rents in the non-residential sector are more or less deregulated. Although many of these properties frequently appear to be in poor condition, they are generally structurally sound with concrete stairs, floors, sound roofs and massively thick walls.

Considerable opportunities exist for private-sector-led rehabilitation of some individual properties, blocks of houses or small neighbourhoods. The possibilities for redevelopment are being recognized by real-estate agencies which have recently entered the Prague market. Currently (1993) there are about 50 foreign companies and circa three times as many Czech firms involved in a real-estate business. The activities of the property market can be seen not only on the displays of properties on offer, but also from the increase in the process of gentrification. Nevertheless, the revitalization process has touched only a rather small fragment of the total housing stock and hence has a selective spatial impact.

As far as foreign developers are concerned, major interest is devoted to large projects such as hotels, commercial and business centres. However, there are limited possibilities to squeeze such developments into the most attractive parts of the historical core, where the demand is extremely high. Particularly attractive is the Vltava river waterfront, where some developments have already started and a few others are planned. The first of these the Charles Bridge Centre, a 4000 m² complex in the 'best location' includes offices, restaurants, shops and business apartments, is due for completion in early 1994 and is based on the rehabilitation of old buildings. However new construction projects stand a better chance of obtaining approval outside the historic core, and indeed several hotels have been built since 1989. One of them, the Atrium, is located immediately behind the historical core and in the middle of 1993 an International Business Centre, the biggest office development in Prague with about 26 000 m² of total floor space, was completed on an adjacent site.

16.3 CONSEQUENCES OF TRANSITION TO THE MARKET AND CONTEMPORARY URBAN PLANNING PRIORITIES

The contemporary transformation of Czech society is aimed at incorporating the basic features of capitalism. Establishment of a competitive market environment is based on a highly uneven redistribution of resources and power among private firms, public agencies and individual households. It is aimed at stimulating and speeding-up economic restructuring, thus

creating conditions for future growth. However this strategy is likely to produce social disparities which can have some undesirable effects if they are not regulated by consistency in public policy. In the city of Prague the most urgent problem in a social context is the tremendous shortage of housing. Public housing programmes terminated in 1993 and new private-sector construction has been delayed by reforms in local administration and changes in legislation.

Private developers and speculators are focusing on the housing demands of the higher income groups, with the result that the revitalization process is displacing lower income households from attractive inner-city neighbourhoods. Many newly built houses or apartments are beyond the means of even middle-income households. Thus the regeneration process and new construction programmes are socially and spatially very selective. Most of Prague's inhabitants are trapped in deteriorating inner-city housing stock or 'grey' housing estates. Yet, they are better-off compared with younger households, those starting in housing market or tenants who are being pushed out from central locations due to rising economic costs. While the housing demand created by foreigners and wealthy Czech citizens can be met by the market, the solution to the desperate housing shortage requires a consistent public policy approach to co-ordinate national, urban and local housing programmes.

In the context of growing international competition between European city regions new economic strategies at the local political and planning level are of paramount importance. The selling of the city as a location for activity depends heavily upon the creation of an attractive urban image. Cities are therefore offering opportunities to encourage the inward movement of enterprises and capital through various economic means (infrastructure provision and financial incentives), by marketing their operational and organizational traditions (skilled and well-educated labour force), by offering cultural and historical values of the built environment as well as the natural environment. The challenge facing Prague is whether it has the potential to attract foreign investment and the commitment of the city planning authority to pursue market-orientated strategies for economic growth.

The Czech public authorities have a double-edged task. On the one hand, they have to create a competitive market environment and attract foreign investment, and on the other hand they have to solve an array of problems inherited from forty years of Communism, for example, the need to resolve the housing shortage, as well as to control and regulate undesirable consequences of market operations, and at the same time to preserve the cultural values of the historical core. Thus there are many priorities for urban planning.

First, it is considered necessary that the historical core is protected against large-scale commercial development. Preservation and sensitive

rehabilitation of the historical core, including Prague's picturesque inner city environment needs to be secured. Furthermore environmental improvement along the axis of the Vltava river is to be encouraged by creating an area of tourism and leisure, with an increase in hospitality facilities and services.

Second, the consolidation and partial renovation of inner-city neighbourhoods which can be undertaken with a greater degree of aesthetic freedom than in the historical city. Most of these neighbourhoods will be neglected by private developers and hence the involvement of public-sector agencies will be necessary to stimulate the upgrading of housing standards. While the socialist towns will never compensate for the quality of urban life that is to be found in a city, which mixes functions, and offers space with identity, Baše (1993) nevertheless argues that these entities have to be considered in the overall context of city structure and there is a lot of small-scaled work which could be undertaken in these areas. Programmes for the humanization of their living environment have already been launched, but Prague's new towns need, above all, to complement residential functions with service provision and job opportunities.

Land and infrastructure provision for commercial and industrial development constitutes the third of these requirements, in particular in relation to the recovery of old industrial areas. Furthermore areas used as a railway freight zone located in the inner city offer opportunities for new office and commercial uses. Development of these zones could extend the city core area and thus secure the historical reserve from unfavourable building projects. The creation of an international trade centre in Holešovice, the office and services centre at the Main/Wilson Railway Station, and the residential and commercial centre at Smíchov are all located in close proximity to the contemporary city core. The realization of a technology park, in conjunction with university, research and production facilities to promote development of industries capable of competing with the corporations from Western Europe is intended in the outer city. Additional areas suited for administrative offices and facilities will also be developed in the outer zone.

Fourth, the transport strategy for the city, which is to be based on expansion of the public transportation system, combines programmes for the further development of urban subway lines to supplement the newly submitted system of regional railway transport. Nevertheless, the most sensitive issue is the realization of the city ring road to connect national highways and to channel both the city and transit (mostly international truck) traffic, thus easing pressure on the inner-city road network.

Finally a growing ecological awareness is focusing attention on approving established parks, promoting green space quality, and developing a system of ecological stability. The latter is to become a compulsory part of planning policy.

16.4 URBAN PLANNING IN PRAGUE

This section considers how priorities are being translated into political and planning practice. Attention is devoted specifically to three main projects which are currently central to city planning viz a new master plan, proposed transport network solutions and preservation of the historical core. However this section initially starts with a brief outline of planning traditions and the specification of the basic rules of Czech territorial planning.

16.4.1 Traditions, rules and institutions in city planning

Urban planning in Prague has a long tradition. The planned foundation of the New Town dates back to the fourteenth century and the first suburb Karlín, to the early nineteenth century. The renewal of the old Jewish ghetto, Josefov, ranks among those activities which had considerable impact upon city development. However it was not until the 1920s that the State Regulation Board was set up to promote a plan for Greater Prague. This body was given the task of working out town-planning schemes for individual sectors of the city which then served as a basis for the overall development plan, completed in 1929 (Borovička and Hruza, 1983) but not officially approved until the late 1930s. Consequently, during the inter-war period urban development took place independently of city planning concepts.

The first post-war city planning scheme for Prague was completed in 1948 and although this plan was not approved it did influence the foundation of the Town Planning Office in 1951. The Master Plan was completed in 1961 at which stage the Chief Architect's Office for Prague was set up. The plan approved by the Czech government in 1964 provided the strategy for the development of the city with the central focus of planning policy concentrating on the design of the traffic network and solving the severe housing shortage in the city. In 1967 the government took the decision to build an underground system and approved the annexation of the municipalities surrounding Prague. Further annexation followed in 1974, permitting the implementation of a strategy to build large residential housing estates. This gave new impetus to city planning activities. In terms of political acceptance a General Plan of the Capital City of Prague was granted approval in 1975, about the same time as the Master Plan for the City and the Regional Plan for the Prague Agglomeration (the latter being prepared by TERPLAN – the State Institute for Territorial Planning). These aimed to co-ordinate the urban development process at both a regional and the city level, and to concentrate activities in urban agglomerations. The most recent version of the Master Plan dates from 1986.

The regulations governing territorial planning in the Czech Republic are provided in the Territorial Planning and Building Act (1976). New laws such as the Space Planning Act and the Building Codex which reflect changing societal conditions are under preparation. At the present time there are three basic tools of territorial planning: territorial planning working papers, territorial planning documentation and territorial decisions. The purpose of the territorial planning working papers is to collect basic data and evaluate proposed developments. Territorial planning documentation include real urban and regional plans, which differ according to time horizons (prognosis, plan, project) and spatial scales (regional, urban, zone). The territorial decision is an executive decision of state administration and deals with changes in land use, localization of new construction, declaration of a protected area or construction closure of a particular area.

The relevant authority responsible for procurement of territorial planning documentation is at the municipal level. In the case of Prague it is the central city authority – Prague's Magistrate Office. The city has recently been divided into 57 parts (Kára, 1992) of differing size; 13 which consist of approximately 35 000 to 145 000 inhabitants, 32 with a population of less than 5000 while the four smallest parts contain fewer than 300 people. Each has its own local government, which is significantly different in terms of financial and political power. The division of responsibility between the capital city and its respective parts is set out in the Charter, a document which has been rewritten several times and is constantly the topic of political debate.

The Capital City of Prague Act delegates exclusive authority, in the field of territorial development, to the Chief Architect's Office (ÚHA). The office performs two functions. First it is charged with state responsibility for the administration of building (territorial decision) and second takes part in the governance of the city with regard to urban planning. Concerning state administration (delegated authority) ÚHA is independent of elected city politicians. The Territorial Planning and Building Act gives ÚHA the authority to organize the procedures for a territorial decision. The department of state administration issues permits for all important development projects in Prague (excluding small activities such as repairs of family housing) and ÚHA checks if particular items are designed in accordance with the Master Plan and the requirements of state institutions (departments of central government, departments of city administration, technical and transport services, institute of hygienic, national defence). It also seeks to reach a compromise among different opinions on a development proposal. When a territorial decision is issued, the permit is valid for a two-year period. The document comprising approximately 30 pages contains detailed regulations and instruction on dealing with a project. Some 700 territorial decisions are made annually and all appeals must be

addressed to the city administration. Furthermore Environmental Impact Assessments were introduced in 1992 as an integral part of the planning process for trade and storage complexes with a development area exceeding 3000 sq m.

Urban concepts for the city are designed in accordance with the Master Plan which has status in law. The procedure for its preparation is financed by the Capital City of Prague, whilst planning activity is controlled by city deputies, particularly by the secretary for building and transport. During the preparation of the Master Plan, ÚHA undertakes negotiations with public authorities viz city and local governments, department of central government, protection of historical monuments, transport authorities, institutions of education and social services, national defence and also with civic movements, social and environmental pressure groups. Once the Master Plan is approved, detailed plans of particular urban zones are then worked out and usually private planning agencies are invited to take part in an open contest organized by ÚHA. The result of the competition has to be agreed by both ÚHA and the local authority from the area in question in order to anticipate future tension between the central and local levels of city government.

16.4.2 New Master Plan

A new Master Plan is currently (1993) under preparation which will reflect political and economic processes at the local level. The city central government and indeed local government within the city both favour investment with short-term returns. Furthermore, there is the perception of a growing need for independence in decision-making processes, due to suspicion and distrust of vertical structures of the territorial administration.

The first reading of the new Master Plan of the Capital City of Prague (ÚHA, 1991b), provided an indication of future trends. Its main purpose was to initiate discussion on the future development of the city and the main message taken from the first reading was the need for a change in planning principles, particularly the transformation from monofunctional to multifunctional zoning regulations. The second reading consisted of two parts: the 'stabilized areas' (ÚHA, 1992b), and the 'variants of development' (ÚHA, 1992c). According to the Territorial Planning and Building Act (1976) the Master Plan of the Capital City of Prague (1986) is still the legally valid document for state administration in the field of territorial decision-making. Nevertheless, basic principles of this plan, especially monofunctional zoning, and declared developments in some city areas, for instance the further construction of large housing estates, have been seriously challenged by new developments in Czech society since 1989.

In the context of transition there is a strong need for a new Master Plan, but its elaboration will take some time. However to use the old Master

Plan until the new one is ready would result either in permitting new construction according to rejected principles or in the slowing down of building activities. Given the contemporary situation of strong investment pressures it is necessary to create and approve a document, upon which state administration in the field of territorial planning could be undertaken, at least in areas with an agreed urban concept. Therefore documentation on the 'stabilized areas' has been prepared for the city areas with relatively fixed urban structures and where major functional changes are not expected.

The stabilized areas encompass the historical core, inner-city neighbourhoods and the new housing estates as well as green space. In total the stabilized areas cover more than half of Prague's territory. Therefore any new revolutionary urban concepts of city development can be discounted. Construction activity, such as the rehabilitation of old housing stock or new constructions on empty plots of land in stabilized areas must respect the contemporary architectural and functional character though more radical changes of planning regulations can be expected in 'white spots' of currently non-stabilized areas. The Stabilized Areas is an important planning document, which has recently been negotiated with the local administrations within the city and is to be approved by the Czech government as an alteration to the Master Plan of 1986. However this document will be valid only for the stabilized areas, while all decisions relating to new developments in 'white areas' will require new detailed planning documentation. Consequently, there will be a situation of 'double governance' in planning the territory of Prague.

The newly applied principle of mixed zoning regulation is used in the document as a means of prospective planning of functional land use in city areas. It does not determine the utilization of particular plots of land or buildings, but new developments or reconstructions have to be in accordance with functions set up by the land-use regulation. The territory of the city is divided into multi- and monofunctional zones. Four basic types of the multifunctional zones include: residential areas, mixed areas (Table 16.2), production areas, and specific areas (leisure and sport areas, fairs and congress complexes, research parks and universities). There are three kinds of functions defined in each multifunctional zone viz dominant, appropriate and exceptionally permissible. Monofunctional zones are designated by their functional homogeneity such as areas of public amenities; transport areas; areas of technical infrastructure; areas of agricultural production; arable land; areas of mining activities and for waste disposal; areas of water surface and green space.

In the document referred to as the Variants of Development the issue relates to the need for new development areas, their number, extension and location. Territorial development outside of the stabilized areas is prohibited. There are four proposed variants of the future development of

Table 16.2 Land-use zone 2.2 – generally mixed area*2.2 Generally mixed area*

(A) general land use

residential area mixed with services and small production, which are not hostile to residential function

(B) functional use

● appropriate

1. residential buildings
2. office and commercial buildings
3. retail, lodging and board services
4. other services and small production
5. administration, church, cultural, social and health services, sport and education establishments
6. parking lots and garages
7. areas of necessary technical infrastructure
8. transport communication
9. green space
10. gas stations as a part of parking places

● exceptionally permissible

1. separate gas stations
2. entertainment facilities
3. horticulture

(C) additional regulations

there can be given a limit to number of floors for individual buildings, whole territory or its part

Source: ÚHA (1992b), Územní plán hlavního města Prahy (druhé čtení): plán využití ploch – stabilizovaná území, [The Master Plan of the Capital City of Prague (second reading): land-use plan – stabilized areas].

the city, each of them deals with the city territory as well as with Prague's hinterland. Two variants called 'urban' are significant in the strategy to build a compact city whilst the other two are 'regional' variants based on the idea of spatial decentralization of new construction to settlement centres in Prague's metropolitan region and zones along main transport lines. There are variants for either a moderate or rapid pace of development within both categories. For every variant the need of development areas is estimated (Table 16.3).

There are also three categories of new development areas selected according to costs of new investment into infrastructure. In the highest status A category there are 1619 ha, in the B category 1336 ha and in C 997 ha. There is a total of 103 localities (of all categories) within the city administrative boundary (Figure 16.2) and 152 in the whole metropolitan region. The areas of potential urban rehabilitation, which relate to stabilized areas, are not considered here. Also there are large underdeveloped or

Table 16.3 The extent of development areas (in hectares) for four variants: (1) urban variant/moderate development; (2) urban variant/rapid development; (3) regional variant/moderate development; (4) regional variant/rapid development

<i>Variants of city development</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>
Development areas within city	1150	2500	900	2000
Development areas within region	250	700	500	1200
Total development area	1400	3200	1400	3200

Source: ÚHA (1992c), Územní plán hlavního města Prahy (druhé čtení): varianty rozvoje [The Master Plan of the Capital City of Prague (second reading): the variants of development].

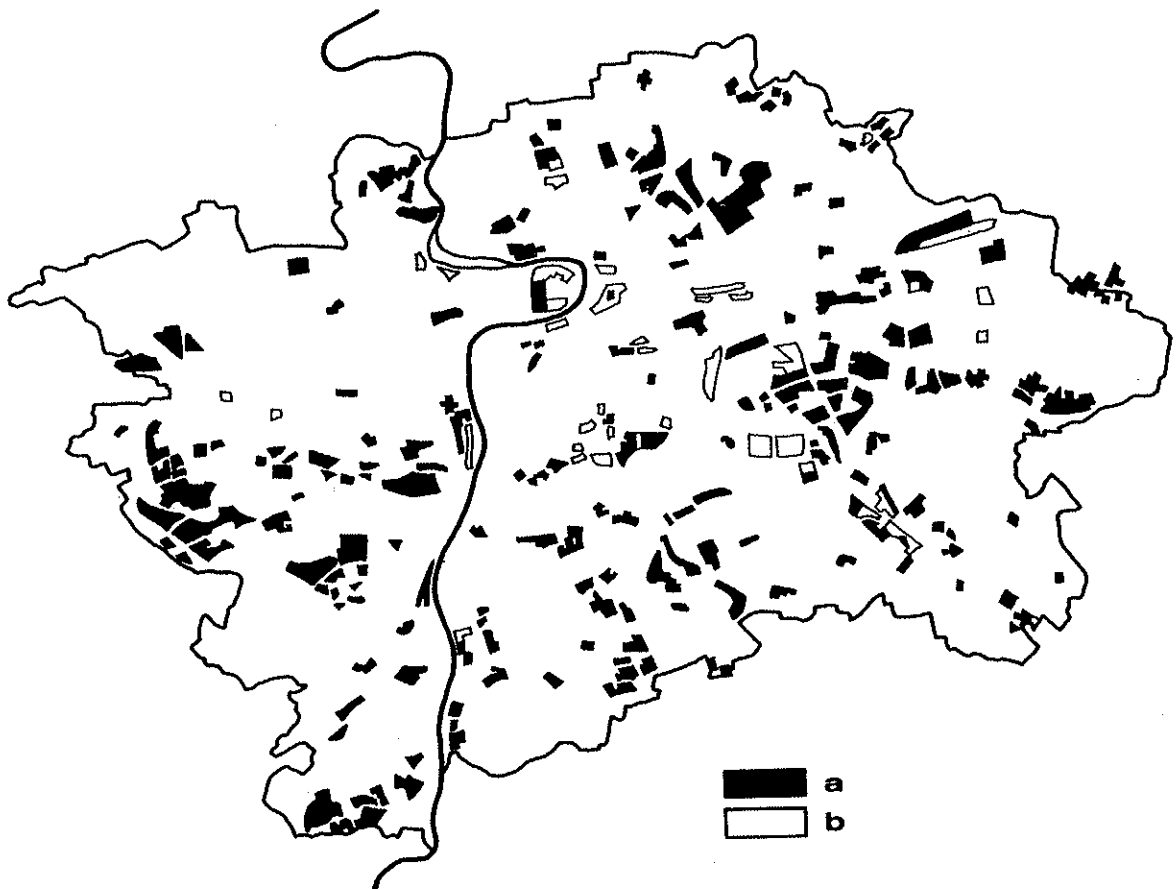


Figure 16.2 Development areas within Prague's territory, all three categories: (a) new developments; (b) rebuilding activities

Source: redrawn from ÚHA (1992b) Územní plán hlavního města Prahy (druhé čtení): varianty rozvoje.

underutilized areas in close proximity to the historical core, which are selected as development land in all four variants. New, mostly commercial, development is being accommodated on free land which has been until recently used by Czech railways as a staging area for trains. In this way

three railway stations, Holešovice-Bubny, Main/Wilson Railway Station and Smíchov, are to be developed as a World Trade Centre, an office centre and a commercial centre respectively. Political and planning priorities are being given to these developments which are attracting considerable foreign capital. City planners are also making a strong effort to channel new developments into these areas outside the historical core and saving its historical value from a threat of profit-led redevelopments.

16.4.3 Transport networks

The specification of transport solutions, particularly the design of a road network, has been the most important determinant of city planning policies. The public transportation strategy based on an underground system (metro) with car traffic channelled through a grid of main roads was launched in the 1960s. Since then three lines of metro have been built which carry about 40% of public transport passengers. The remainder of the public transportation network is operated by trams in the inner city and buses which serve outer areas. In the context of both the expected rapid growth of individual car traffic and the contemporary strategy of city planning, increasing attention is being given to the role of public transport. Further extension of the underground network is aimed to satisfy internal journeys within the city, trams and buses providing a supporting role to the underground system.

Attention is also being devoted to the Prague's metropolitan regional transport and its link with the city transportation network. New terminals for regional bus lines are to be developed, to ease pressure on the city terminal (Florenc) for national and international bus connections. International and national express trains will be channelled to Main/Wilson Railway Station, regional trains to Masaryk Railway Station, both next to Florenc which is in an area of new commercial and office development. The most important development relates to the regional railway system. High-speed tracks are to be built, with priority given to the destination at Prague's airport Ruzyně, and at Kladno, a city with population of 72 000 inhabitants located west of Prague. Furthermore the new development of the airport at Ruzyně will allow an increase in annual passenger traffic from 2 million to 5 million in the year 2005.

During the past 30 years the concept of a road network has undergone considerable change and has not been finalized yet. The grid system was transformed by a ring-road system in 1971, based on the Moscow model while a radial system was approved in 1975 and has more or less remained unaltered since. However, this has not been fully realized particularly as the north-south link brings heavy traffic from highways directly to the city centre. The proposed express ring road aims to redistribute the internal city car traffic as well as to connect national highways outside of

the built area. At the present time there are heated debates about the design route of the ring road. Several studies have been conducted since 1990 which have attempted to modify the ZÁKOS (basic communication system), renamed HUS (main road network) in 1991. The Prague's Chief Architect Office (ÚHA), the Prague's Institute of Transport Engineering (PÚDIS), the State Institute of Territorial Planning (TERPLAN), the Association for Urbanism and Territorial Planning and various private agencies have produced their own proposals. The general feature of all these studies is a differentiation of the ring road according to expected traffic intensity in a particular segment. The strong antagonism of local political representations as well as some environmentalist pressure groups against the express ring road is adding to the ongoing debate.

16.4.4 Prague's Historic Reserve

One of the most important questions in contemporary city planning is how to reconcile new developments with the preservation of Prague's cultural/historical heritage. Fortunately, Prague was spared from extensive damage and destruction during both world wars and at the present time it presents a picture of an evolution of building eras which are absolutely exceptional for an area north of the Alps. It extends from the Middle Ages to Renaissance and Baroque, to the period of Classicism and the early Modern era (ÚHA, 1991a). While there are some possibilities to direct new investments into development areas in the close vicinity of the historic core this will not satisfy the considerable pressure to use historical buildings for commercial purposes. The new and progressive development cannot be curtailed but will have to be regulated so that the city's 'genius loci' (Kratochvíl, 1992) is preserved.

There is a tradition of wide public interest in the preservation of historic monuments. Indeed in 1900 the Club for Old Prague was established to defend cultural and historical monuments. The first concept for the protection of historical urban areas was formulated after the Second World War. In 1950 the Czechoslovak government designated historical cores in 30 Bohemian and Moravian towns and in 10 Slovakian towns as protected urban areas. In 1956 the Institute for Reconstruction of Urban Historic Reserves and Monuments (SÚRPMO) was founded and a systematic investigation of historical cores started. In 1960 the set of national monuments was declared; a high number of them belong to Prague's historical core.

The Czechoslovak government in August 1971 proclaimed the entire historical core of Prague an urban historic reserve protected by law. The reserve encompassed that area where the development of the city was concentrated until the nineteenth century, an area containing 13 national cultural monuments, 1400 protected architectural monuments, and about 10000 protected works of art and artifacts. Also 36% of the housing stock

is protected (Figure 16.3) in an area where only 5.6% of all houses were built since 1945. In 1981 the protective zone of the historical reserve was declared. All new developments, all modernization and all changes even outside the preserved area, which impact on the urban environment are checked. In 1993 Prague's historical reserve was put on the list of UNESCO's world cultural monuments.

Prague's Historic Reserve fulfils its city centre function with regional, national and international institutions located within it. The area covers 1.5% of the whole city territory (866 ha), it houses only 5% of city's inhabitants (60 000 people), but includes one-third of all jobs (210 000).

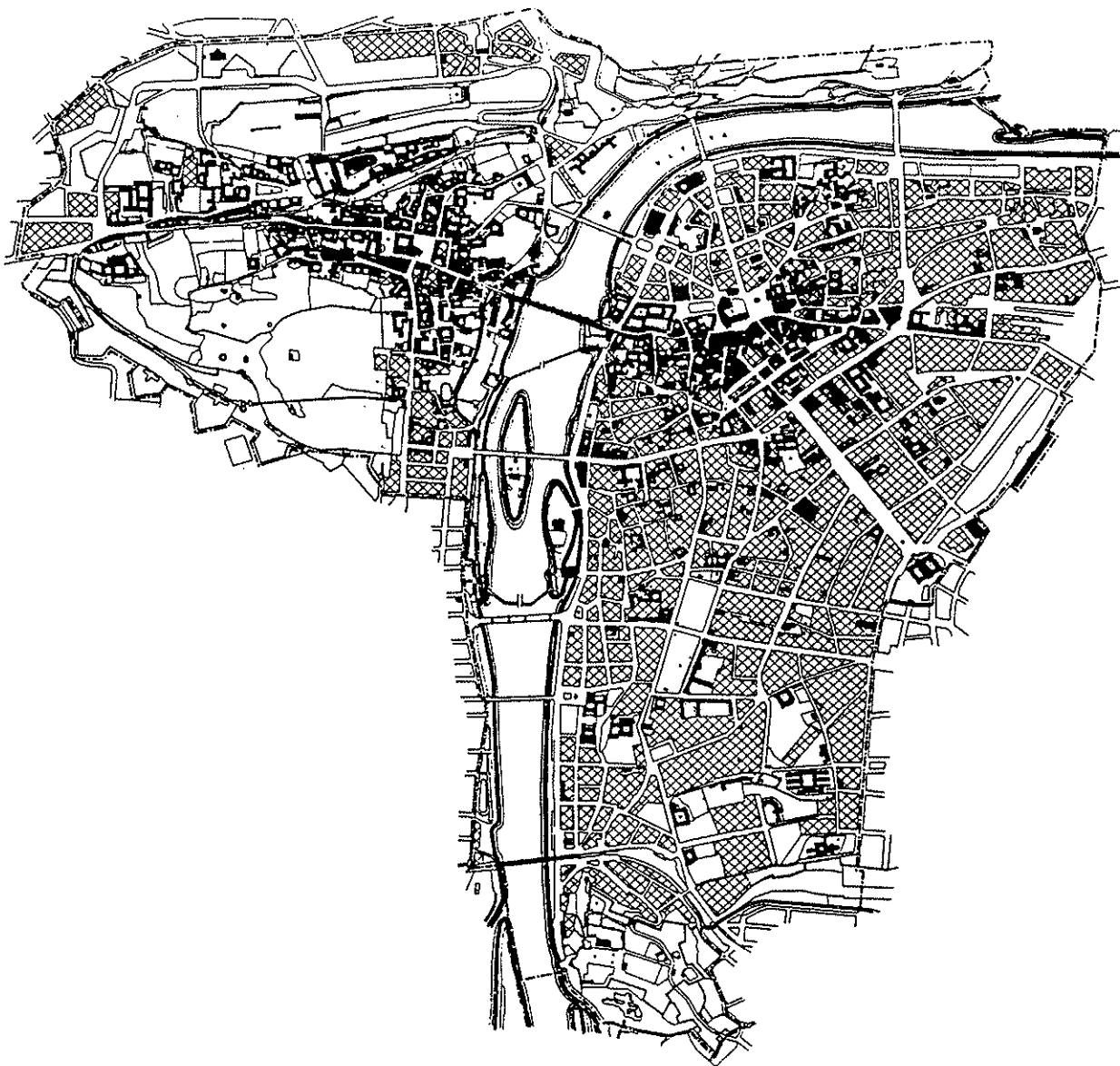


Figure 16.3 The historically protected area: buildings and other monuments protected are marked in black

Source: ÚHA (1992a) Prague: Metropolitan Area Report.

It is estimated that 460 000 persons come into this area daily (ÚHA and SÚRPMO, 1991). Clearly the contemporary transition to a market economy is bringing a more intensive commercial utilization to the historical core which could cause a further concentration of jobs, a decrease in residential function, further environmental degradation and damage cultural and aesthetic values. It is therefore necessary to reconcile new developments with the preservation of historical and cultural values.

In 1991 the capital city government charged ÚHA and SÚRPMO to undertake an urban study of Prague's historical reserve. The main conclusions of the study are to stabilize or even decrease the number of jobs within the area, to stabilize the number of inhabitants to 50 000, and to shift all major commercial and office developments to areas in close proximity of the historical core.

16.5 CONCLUSION

At the present time Czech local politicians and planners are learning, after forty years of totalitarianism, how to play their roles in a new political and economic environment. Planning activities are replaced by inconsistent and often chaotic political goals, though hopefully more comprehensible policies and planning strategies will be adopted to influence the future development of the city.

An important attempt to consolidate the control of the city territorial development is the new Master Plan. Unfortunately, the document is being prepared in an old-fashioned spirit of physical planning. There are no urban policy mechanisms effectively geared to the instant problems which are emerging during the transition. In particular, there is only a very limited knowledge on how to use economic tools to encourage urban development, and, consequently, economic incentives are not currently being used. Also no explicit link is made between city planning and contemporary real estate market performance. The application of such measures will require new knowledge transferred from 'Western' experience and closer co-operation between politicians and planners, between political bodies at various governmental levels, and between the public and private sectors.

The most important tasks to be solved by new mechanisms in the near future are concentrated in two issues. First, the necessity to create a friendly economic environment which will attract foreign investment and in this context the possibility of using financial incentives and establishing urban development corporations in some city areas have been discussed. Second, there is a necessity to solve an urgent housing shortage. Public housing projects have already been terminated and newly built houses or rehabilitated inner city apartments are affordable only for high income groups. One suggested solution has been to subsidize a transfer of muni-

cial rental flats to private ownership (ÚHA, 1992c), in an attempt to stabilize the domestic middle class. Nevertheless, affordable flats should also be accessible to young middle- and lower- income households. Any solution of this problem will not be offered by market mechanisms, but depends on actions of public policies.

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EUROPEAN CITIES, PLANNING SYSTEMS AND PROPERTY MARKETS

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