What are the right land supply policies for housing in the Geneva trans-frontier conurbation?

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EDITOR’S NOTE
Translation: Ivor Samuels

1 Geneva, a gateway to the Alps - is not really in a position to claim a mountain identity, but it is nevertheless confronted by issues of the availability of building land. This trans-frontier conurbation has suffered from a recurring housing shortage for decades, and the supply of land has been clearly recognized by local professionals as one of the key factors in solving this problem.

2 The trans-boundary nature of the study area also presents a double interest. On the one hand, the three existing political and administrative systems constitute a relatively diverse range of political contexts. The Canton of Geneva is a hybrid between the very liberal Canton Vaud and the highly interventionist French system. More indirectly, the complexity of the situation – one agglomeration, 220 communes, but three states - has led some of the participants to use it as a laboratory for experimentation, in terms of methods of work, debates and research conducted in parallel to more operational approaches.
This article derives from three successive studies. The first two are on the processes of housing production – especially the blockages and levers that it presents (Tranda-Pittion, 2008; Tranda-Pittion, Decleve, Marchand, 2009) - and the third on land supply issues (Prélaz-Droux, Maunoir, Tranda-Pittion, 2009). The specific context of the agglomeration forms part of the discussion and will be discussed in the first part of the article. The integration of land management into urban production processes will be developed later. Finally, there are some lessons to be learned from the comparison of land policies of the three systems, the French, the Vaudois and the Genevois.

The specific character of the France-Canton Vaud-Canton Geneva conurbation

The territory

The perimeter of the conurbation, as politically defined by its projet d’agglomération now includes around 800,000 inhabitants and 400,000 workplaces unevenly distributed - 60% of the population and 75% of the jobs are located in the Canton of Geneva. The centre is clearly Geneva whilst the "periphery" is constituted by France and by the Canton Vaud while the ensemble is very attractive on an international level. This area corresponds to the catchment area of residents and their daily commuting movements which cross cantonal and national boundaries.
Today, this conurbation operates on the basis of its strong economic and residential characteristics. The centre (the 250 km² of the Canton Geneva) has a concentration of employment because of its favourable conditions – particularly, with regard to taxation and labour laws recognised by all stakeholders which is enhanced by Geneva’s reputation.
But the centre is unable to provide sufficient housing; or rather it does for some market segments but which do not correspond to the demand. Higher income housing is over represented in the offer (Schussler & Thalmann, 2005), as opposed to intermediate or assisted provision. This situation has led to decades of the export of this residential function across the whole territory of the metropolitan area (2,000 km²), and even beyond.
But these rural and suburban areas have not been able to control this process and the result has been a marked degree of urban sprawl. The result today of this specialisation of different parts of the conurbation is a considerable amount of commuting between home and workplace and this is exacerbated by the high use of private cars because of the low density of the peripheral areas.

The shortage of housing in Geneva is due to a combination of many factors all of which lead to non-residential development and / or urbanization. In effect there exists, in an informal way, an objective alliance between conflicting interests. With very high prices, which are increasing continuously, including over recent years, where there are no
noticeable signs of stagnation in the Canton - the owners and developers need not take risks, neither at construction, sale, or at rental stage. The protectors of the agricultural land and those of landscape and nature are satisfied with the restraint on continuing urbanization while the present residents do not want more neighbours and oppose any proposals for increasing density with a consequent pressure on local elected members to reject development.

9 Lack of control in the periphery can be linked to the institutional fragmentation of land, particularly in rural areas, although this situation is evolving rapidly in France with the establishment of groupings of communes and, in Canton Vaud, inter-municipal associations called "regions." These local authorities, often small in size and of a rural or suburban character, have limited technical resources compared with Geneva. Their technical teams are small and most have more operational than strategic skills. To this must be added a tendency of the French local authorities to benefit from the "windfall" of nearby Geneva. For instance, the refund of part of the taxes deducted from French workers in Geneva and which is returned via the Departmental Councils to the municipalities where these workers live, has encouraged residential growth in these areas.

10 In an attempt to find answers to their present and future problems, those concerned with decision making with respect to the management and development of land have met several times since the creation of the Regional Franco-Genevois Committee (CRFG) in July 1973, in order to jointly coordinate and orientate the future of the trans-frontier conurbation. As a response to the 2001 Swiss federal policy for conurbation, they suggested the creation of an urban and territorial plan, which could integrate the policies for a number of themes, such as urbanisation, transport and housing. This franco-swiss collaboration was formalised at the end of 2007 by the "Projet d’agglomération franco-valdo-genevois". It is based on a policy agreement, which could be summarised schematically and politically as Geneva agreeing to implement 50% of the future housing needs of the conurbation - which is clearly more than to-day and which would halt the current exportation of the shortfall in supply; France, as part of this re-balancing processes, has been promised at least 30% of new employment, including in some specialised sectors. In effect, this represents a reversal of the main tendency of territorial planning as it is being carried out at present. Even given the inherent limits to the degree to which political influence can affect the location of businesses, this agreement does signify a real change of direction.

11 To-day, this approach to the conurbation, is focussed on two themes - those of economic development and of housing. Both of these have spatial dimensions with consequent implications for the question of land supply. This issue has recently come to be at the centre of the political trans-frontier debate, together with the recurring housing shortage in Switzerland (in 2008 the vacancy level was only 0.2% in Geneva and 0.5% in the nearby Vaud region), as well as the almost total absence of Swiss public policies in this field.

The stakeholders involved

12 This conurbation (franco-valdo-genevoise) is situated across the frontier of two countries, France and Switzerland, and with the national borders being relatively stable, there will never be a single local government (at least not within the foreseeable future), nor even a
system of regulation for the whole of this territory which encompasses the everyday life of its inhabitants. This political and administrative division, therefore, constitutes a specific constraint, which has profoundly marked the development of the conurbation and will continue to do so.

On the French side, there is a decentralized State, the Rhone-Alpes Region, and the two Departments of the Ain and of Haute Savoie, an association of 10 intercommunal entities which, in January 2010, constituted themselves into the ARC, a syndicat mixte or regional cooperation association of the local authorities of the Geneva hinterland, and a large number of communes who collaborate on planning matters.

On the Swiss side, the Republic and the Canton of Geneva, a state level entity, adjoins the district of Nyon, an intercommunal body known as a “region” in Canton Vaud – another State of the Swiss Confederation, where each functions according to its own laws and regulations. As in any federal government, the administrative competences and the powers given to the different institutional levels are very different from one canton to another. In the case of Geneva town planning powers (aménagement du territoire in the Swiss terminology) are vested in the Canton while a communal autonomy characterises the constitution of the Canton Vaud and also applies to the region of Nyon.

The current situation of the housing market in the conurbation

The bilateral agreements signed between the European Union and the Swiss Confederation have reinforced the process of integration of the conurbation which had been in progress for some time. This has brought about a strong and rapid change in the housing and land market, with the consequent considerable social impacts:

Housing costs (new and old) decrease proportionally according to the distance from the centre, but are overall still very high: a comparative calculation by INSEE shows that the selling cost of existing buildings is SF 3600/m², against SF 2100/m² in a nearby border location (going up to SF 2300/m² in the area of Gex);

The change in prices tends to diminish the differences, with some increases clearly stronger in the French periphery: +70% from 2000 to 2004 in Annemasse or +60% in Gex (an immediate impact of the bilateral agreements), against +28% in the city of Geneva and +16% in all the other communes of the canton during the same period (2007 data).

The present housing market – partly trans – frontier (for those who have the choice) and partly national (for others) – does not satisfy the demand. The recurring shortage and the level of prices are still a problem for a high portion of the population and businesses. The driver of this situation is the canton of Geneva. It is both small in size and with a continuing shortage of housing and yet it influences the whole area. Its great attractiveness induces a high demand, which is manifest in a dual phenomenon of both concentration and dispersal, which has been happening for a long time across the different frontiers. Inside Geneva, the driver of the conurbation, the situation tends to become worse. Housing need (of all types) increases more rapidly than the rate of construction, which is the reason why the deficit is growing. And new subsidised housing does not compensate for those units which are removed from the stock by a time limited system of subsidies (under 10% now as against 14% in 1996).
Land supply in the different sectors of housing provision.

The production of housing in the three sectors

The enduring housing shortage directly sends one back to the issue of the dysfunctional system of housing production vision. Given that they do not lack the means, why cannot local stakeholders themselves respond to the demand? And is land supply one of the reasons for the problem? How, over a longer term, can a process be devised which links the different actors and instruments and which can be continually adjusted by its project directors? (Tranda-Pittion, 2009).

This “process” has been considered as a chain of stakeholders and actions, more or less efficient if we consider the quality of each element and the overall organisation. This has been examined internally (according to the different actors and instruments) and externally (in its interdependence with its environment) as a system which is constantly being adapted to the changes in the context.

The hypotheses on land supply were then expressed in a number of ways. The direct or indirect control of land development is one of the determinant factors for the provision of housing since it intervenes at the start of the development process and thus permits or stops its implementation and it often conditions the financial feasibility of the whole operation. Currently this issue is not sufficiently integrated into the policies of the local authorities, and, in any case, is very rarely coherent with planning projects and local development. This lack of coherence between the different elements of the same process happens in a very different way in the three systems, in France, Vaud and Geneva, and so produces different malfunctioning. The confrontation of these three systems will lead to the proposal of a range of ways of introducing the issue of land supply into the production of housing which goes further than simply the purchase of land by the public sector.

The production of housing by the free market

In the three systems the local operators interviewed expressed the same concern that of the interlocking of three levels. The first is the context in which the local political will is expressed, this is essential, second, the area defined by the planning system which grants building rights and, finally, the building permit, a necessary step in order to be able to carry out the project.

In France the developer finds an available piece of land and studies the feasibility of the operation (taking into account planning codes which affect the constructability, viability and costs etc.) He then prepares a project (involving architecture and funding), makes contact with the commune, which will verify the compatibility of the project with land rights and will give or refuse the permit to build. The developer builds (with an architect and contractors) and then sells or lets the resulting accommodation.

In Canton Vaud housing production for the private market is dominated by private investors, who play a very important role in this sector. The main constraints here result from issues of obtaining permits (for planning and building) then from public
involvement with its oppositions and appeals, but which does not impose a programme on the main operator. The developer finds an available piece of land and investigates the buildability, viability etc. before preparing a project (funding and architecture) and making contact with the commune who verifies the compatibility of the project with the approved zoning and grants, or refuses, the permit to build. The developer then builds (with an architect and building contractors) and sells or lets the buildings.

In the Geneva system, the housing produced for the private market follows a procedure very similar to Canton Vaud. But the particularity of Geneva lies in the existence of a planning system which, in the Cantonal Zoning Plan, defines “ordinary zones” and “development zones” (zone de Développement). The land located in the latter zone, which is the main land reserve of the canton, is subject to more stringent regulation, because the Code, dating from 1957, is applicable to extensive areas which were considered to be of strategic importance for the Canton at that time. The Canton adopted some obligatory procedures so as to be able to better control the development of those sectors. These were additional planning instruments, the local neighbourhood plans (Plan localisé de quartier, PLQ) which require that 50% of the housing must be allocated for different types of public housing (LUP) in situations where the land has been rezoned after 2002 from agricultural use. The State is able to fix land prices and control the selling prices of dwellings through the financial plan carried out by the developers, even private ones. It can also control the rental levels in the LUP for 10 years. To-day this extremely regulated and constraining framework is considered by those interviewed to be one of the most important blocking factors in the Geneva system.

In the three systems, the preliminary stages represent an essential stage in the matter of land supply through the identification of available and suitable areas, the first contacts with the public to collect all necessary information, working at the same time on the financial feasibility of the project and on the control of the land and followed by consultations to establish local political wishes. This is all necessary in order to be able to confirm an intention to build.

The production of subsidised housing (Social housing in France, supported housing in Canton Vaud, housing for public use in Geneva)

This sector shows some similarities with the previous one. The actors, whether public or private, operate under a dual regulatory system, that of town planning as well as financial feasibility. But the initiatives are more diverse whether public or private and the controls by the local authorities are more numerous especially with respect to the final selling price of the housing.

In the French system it is the operator, whether a social sponsor, a developer or a commune, who initiates the process, assuming that issues regarding land rights are already resolved. He buys land directly or the local authority provides it for him (through sale or lease) and the infrastructure developer prepares it for building construction. The developer then starts the operation through funding, legal documents, building performance specifications, choice of the architect, building permit, choice of building contractors. He then produces buildings, the public infrastructure, which he cedes back to the local authority, while he sells or lets the dwellings on the basis of controlled prices. This sector is clearly more dependent on the land policies of the local authorities than the previous one, because of the high costs in this border area. A local authority which has
not anticipated this problem will find it difficult to achieve its social housing objectives. However the recent creation of public land acquisition agencies (établissement public foncier local - EPFL) has simplified the task of the communes.

In the Canton Vaud system, the commune acknowledges the need for subsidised housing, but the initiative for its development almost always goes back to the private operator. He operates as for the free market, with the only difference being that he has at his disposal subsidies provided by the commune and by the canton which allow him to bridge the difference between the sales income from the project and its final cost. No quota of subsidised housing is fixed by the public authority and no systematic land supply policies exist although some communes have voluntarily created a system of intervention in the housing market.

The Geneva system fixes the proportions of some types of housing HM (Mixed dwellings) in cooperatives and some LUPs (housing for public use) to be included in all development zones. Developers, cooperatives and housing associations take the initiative to build and prepare a project (for a neighbourhood or for a building), which is then submitted to the State of Geneva for approval. The Directorate of Housing then gives its approval to the financial plan produced by the developer while the Conseil d’Etat grants guarantees, subsidies or exemptions. The developer then carries out his housing project. There are some land supply initiatives, but, quantitatively speaking, nothing of importance to influence the scale of housing provision.

In all the three systems, the interactions between the public and the operators are obviously more frequent and more important than in the previous sector and the issue of the availability of land is central both with regard to its price (in France) and for its scarcity (in Switzerland).

The dysfunctions in the process of housing production

Today’s results with regard to quantity, quality and location of the housing provided are unsatisfactory, but in different ways according to the different systems.

In France, the key issues are those of the quality and sustainability of the housing provision, as well as its location more than problems of quantity and speed of production.

On the other hand, in Switzerland, the main issue is the quantity of housing that needs to be built, which is at present clearly much lower than the demand, the rate of production (at present lower than the forecasts, and the relationship between quality and the price of the provision where there is an overrepresentation of higher priced accommodation. However, the situation in the two cantons is not the same. Geneva produces 1500 dwellings per year, while it would need 2500 in order to stabilise the relationship between supply and demand and even more in order to catch up with the decades of shortfall in provision. In Canton Vaud the gravity of the situation is slightly less alarming, but it is necessary to find support means for the communes – often the smaller ones – which are the central actors in this canton, which is different from Geneva where the canton is the main actor.

During the contacts between the subsidised housing professionals and those of the free market from France, Canton Vaud and Geneva, land supply was shown to be an important lever, but its production depends on specific local characteristics each with its finely...
nuanced priorities, given that each system tends to under-use the tools it has at its disposal.

Overall, Canton Vaud and France are aware of the situation, whilst Geneva is confronted by an even more acute shortage problem therefore must provide land.

In spite of acknowledging the importance of land provision, each system has not adequately grasped the essential issues of policy:

France is more concerned with issues of location, since there is plenty of land accessible by car and the need is to provide sites that are well served by public transport. It can employ a range of tools: a mixed development zone (zone d’aménagement différé, ZAD), the right to pre-empt and expropriate in certain conditions, a public local agency to purchase public land (établissement public foncier local, EPFL). However, it has only started to use these tools recently (the EPFL for Haute Savoie was created in 2003) and could still improve the coordination between its land supply and town planning policies.

Canton Vaud is in a similar situation with an oversupply of land badly served by public transport. Nevertheless there is a cantonal company for housing at moderate rents (Société vaudoise pour le logement à loyer modéré, SVLM), whose main task, although this is not clear from its title, is to buy land and then sell it to the communes, but not to build subsidised housing. However, its interventions are quantitatively very small as is the direct purchase of land by the local authorities.

There is no tradition in Geneva of linking policies for planning and land management but the canton has at its disposal the right of pre-emption and expropriation, which in practice it uses only very exceptionally as a threat. In the case of industrial land, the Institute for industrial sites of Geneva (Fondation pour les terrains industriels de Genève, FTI) plays a role in the transfer of land and is widely recognised for its efficacy. With regard to housing The Foundation for the promotion of low cost and cooperative dwellings (Fondation pour la promotion du logement bon marché et de l’habitat coopératif, FPLC) which by law has the power to perform a similar role for subsidised housing in Geneva, has neither the political power nor sufficient means.

In all these cases, the political will from above is a determining factor and currently is noticeably inadequate in spite of recent changes. The acknowledgement of the importance of this issue is still absent: some legal clauses need to be reinstated for example the Geneva law for the reorganisation of land ownerships (Loi sur le remaniement foncier urbain, LRFU) of 1965, which has never been applied. Others simply need to be used (e.g. the Canton Vaud agreements with landowners, which could equally be applied to Geneva, or in France). And for each of the systems, the challenge lies in the coordination between the approaches followed by the urban project or by planning and questions of land supply and finance are at the centre of the current debate.

Lessons from a comparison of the different models

The Canton Vaud model

Because the powers of intervention are much reduced some cantons, like Vaud, have attempted to maximise the use of those instruments which permit negotiations to arrive at agreement with landowners. These are based on those tools defined by federal law - either a public/private agreement or an association of landowners and commune to reorganise land ownership and prepare the land for development.
Seen as a whole the main focus is on the coordination of the procedures of planning, infrastructure and land management, starting from the principle that there is a possibility of simply by-passing the sector-based tradition of the administration.

In fact two models emerge. Either the private owners concerned are few and agree to undertake the project or the situation appears more complex because there are a large number of stakeholders involved or some owners will not collaborate.

In the first case, the most common procedure is the most suitable. This consists of negotiating and then signing an agreement, dealing with a number of aspects of the project - boundary adjustments, land exchanges, the land available for public uses and infrastructure, the creation or modification of easements, the sharing of collective infrastructure costs and the establishment of a management structure for the external spaces and the sharing of the management costs. The agreement is made either with or without a notary's involvement BEFORE the public inquiry into the plan fixing the land rights. This procedure is the only way to obtain a binding agreement with the owners. It is at this point in the process that the agreements to sell are signed, these being dependent on their inclusion in the constructible zone.

In the second case, federal law permits the establishment of an Association for land improvement which can operate with a majority and not the unanimity of its members and land owners. More commonly used in rural than in urban areas, it nevertheless can be used to resolve problems of land supply associated with the provision of housing. For the canton, this means that the responsibility to carry out the work is transferred to the private owners, but the canton can maintain control and keeps the possibility of intervening in the event of hold ups e.g. by the purchase of land from a reluctant owner or through the creation of an Association where a project is completely blocked.

But, in these two cases the investments must be made by private owners, before they can sell their assets with the added value resulting from the change of zoning and the infrastructure investments, which means they have to resort to borrowing money. In cases where the land is already constructible, or already built on, the added value is clearly less and the use of these tools becomes less attractive. There are, in this case, two solutions - either the expected increase in value of the neighbourhood allows negotiation or the costs of urban reconstruction become a blocking factor so that nothing happens.

Lessons from the Swiss experience

The Swiss example is doubly interesting. It shows how negotiations and agreements with private owners allow the resolution of simple cases, but it also reveals its Achilles’ heel. Negotiation works well when an urban area is being extended by a few land owners themselves on agricultural land. However, it is problematic in the majority of other cases, either because of the complexity of setting up the process or because the expected added value is insufficient to permit the financing of the project.

In the first case the solution to the problem of blocking lies in reducing the number of stakeholders in order to carry out the project. This can result in some very small urban operations – a few buildings on a limited number of plots. In the second case, that of urban regeneration, either the public sector must compensate for the absence of added value (for example, in order to decontaminate the land) or the programme and/or the density must be modified to achieve the added value. If not the project cannot be realised.
Conclusion

In order to realise a project in a given time, until now land supply has been considered the necessary lever for its initiation. However the comparison of the different procedures and an analysis of its interactions with the other tools of local authorities has revealed some general lessons.

In the trans-frontier conurbation, land supply policies, - the determinant factor in housing policies – consist of making available land and defining the qualitative and quantitative suitability of its location in the context of wider planning considerations. Once this has been done, the role of the local authorities consists in preparing the availability of land in three respects – the physical by making it available, from a judicial point of view through planning and economically by discouraging land retention.

But to stop at this point would not be sufficient for initiating a process of urban production. It will be necessary to integrate land management in its inter-relationships with other fields which affect the feasibility of the operation – careful coordination with other public policies, the adjustment of the timing of the different stages and the integration in the same systematic framework (Vilmin, 2008) which links land management, the urban project and infrastructure in a consideration of overall financial feasibility.

The results of the process depend also on the timing of the different activities – for example, deciding on the best time for the incorporation of landowners so that room to manoeuvre is maintained for the longest time possible. This is very important for the unblocking of projects since it affects the scale of the project, which defines the possible adjustments between the different parts of the programme as well as the overall programming and density, which condition costs and the possibility of added values. It is precisely in Geneva, where the first stage is often the allocation of land, which defines at that time, the programme and the density before any knowledge of feasibility, that the great majority of operations are blocked.

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ABSTRACTS

For decades the trans-frontier conurbation of Geneva has suffered from a recurring housing shortage, and the supply of land has been clearly recognized by local professionals as one of the main factors in a resolution of this problem. The cross-boundary nature of the study area presents a dual interest. On the one hand, the three existing political and administrative systems constitute a relatively diverse range of situations and the complexity of the context - one conurbation, 220 communes, but three states (France, Canton Geneva and Canton Vaud) has led some stakeholders to consider it as a laboratory for experiments in terms of working methods.
with consultations and research conducted in parallel with the application of different operational approaches. The work discussed concludes by noting some key points that could help integrate land supply into the processes of urban production and with other factors that affect feasibility; its careful coordination with other relevant public policies; the establishment of time frames relevant to different stages of implementation and an approach that connects land policies, urban planning and infrastructure provision within a framework resulting in financial feasibility.

L’agglomération transfrontalière de Genève souffre d’un déficit de logements récurrent depuis des décennies, et le foncier a clairement été reconnu par les acteurs professionnels locaux comme l’une des conditions essentielles de la résolution de cette situation de pénurie. Le caractère transfrontalier de ce territoire d’étude présente en outre un double intérêt. D’une part, les trois systèmes politico-administratifs en présence constituent un panel de situations relativement diversifiées, et la complexité de la situation – une agglomération, 220 communes mais 3 États – a poussé certains des acteurs en présence à considérer cette entité comme un laboratoire d’expérimentations, du point de vue des méthodes de travail, des concertations mises en place, comme des recherches régulièrement conduites en parallèle aux démarches plus opérationnelles. Les travaux conduits concluent sur les quelques points clés susceptibles d’introduire le foncier dans les processus de production urbaine et dans ses interrelations avec les autres domaines qui conditionnent la faisabilité des opérations : la coordination fine avec les autres politiques publiques concernées, le réglage des temporalités pertinentes des différentes étapes, et l’intégration dans une même réflexion systémique liant foncier, projet urbain et équipement des terrains, dans une réflexion de faisabilité financière.

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**Mots-clés:** droit du sol, équipement, foncier, logement, transfrontalier  
**Keywords:** housing, infrastructure, land laws, land supply, trans-frontier policies

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