

URBAN PLANNING – CZECH REPUBLIC IN THE EUROPEAN CONTEXT¹⁾

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Real estate is relevant in a domestic economy because 70–90 % of the tangible assets are tied in real estate. Real estate is also a distinct asset class which is different to those for standard goods and financial assets because of its dual nature of commodity and investment asset at the same moment. Real estate is specific due their durability, their fixation to a specific location and heterogeneity, their aspects regarding the surroundings, the architecture and functionality, the income related to the lease, the expenses related to the operations, the residual value and the existence of a secondary market. Real estate markets are segmented and predominantly influenced by national and local factors. Global parameters, particularly the availability and the conditions for financing play also a significant role. A fundamental domestic factor for real estate is the planning framework because it determines (among other things) the supply of premises.

The topic “Urban Planning – Czech Republic in the European context” is sensitive in many aspects, particularly if a foreigner residing in the Czech Republic comments. The findings are not meant as a criticism; opposite the statements are observations based on many years executing real estate business in the Czech Republic and many other countries.

Grand Super-cycles

Our living conditions have been rapidly improving since the beginning of the industrialisation and the progress seems unstoppable. Mankind is clearly more and more successful in satisfying its basic needs by developing suitable technologies, networks and synergies. There is a cycle or wave like phenomena. 1925, Nicolai Kondratiev was the first to bring this observation to international attention in his book “The Major Economic Cycles”. His theory of the “Grand Super-cycles” in social and economic development says that, since the beginning of industrialisation, in waves of about 50 years, mankind have succeeded in covering basic needs, and this was always achieved by ground breaking innovations. So far in four long waves since the end of the 18th century, it has become to make work easier (1st wave), to make resources available worldwide (2nd wave), to make urban life worthwhile (3rd wave) and to foster individuality and mobility (4th wave).

My theory is, that these cycles or waves are reflected in built urban structures. The first wave led to an agglomeration of production, the second created transportation hubs, the third resulted in the public 24 hours city and the fourth wave led to satellite cities.

It seems also correct, that a large part of the world hardly shares in these successes. In addition, solving basic needs usually causes several new ones. Inevitably, some of these become the problem to be solved in the next phase. Others are left unsolved and are seen (for a period of time) as unavoidable negative side issues. This became evident in the environmental damage resulting from the development and the depletion of natural resources. In fact the “collateral damage” of mankind previous successful actions increasingly harms and endangers our basic living conditions. It is not in vain that Kondratiev’s theory, extended by a 5th wave, assumes not providing further material goods as a fundamental need, but rather solving ecological problems. This development seems to have progressed so far that we are faced with a shortage of transforming or of taking action rather than with a lack of knowledge.

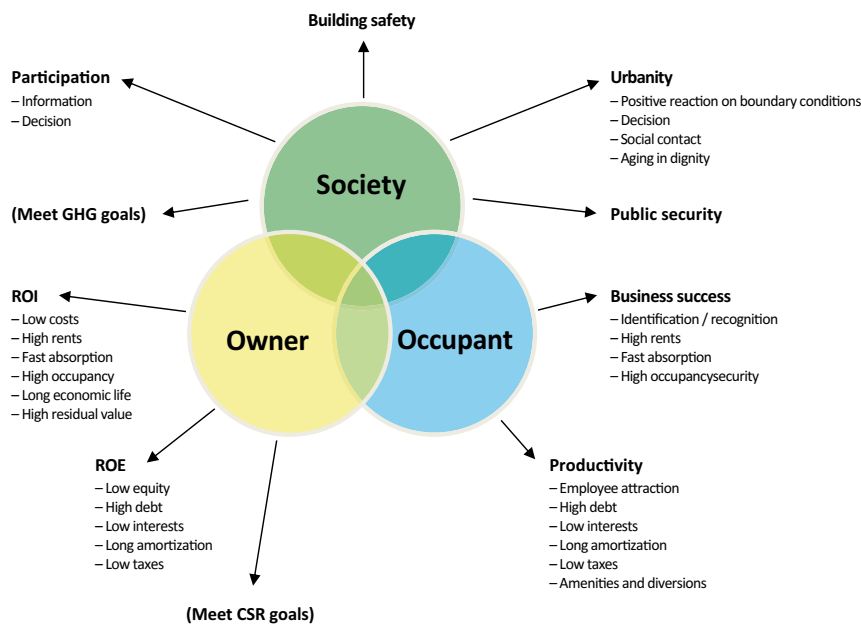
From an urbanistic perspective, the fifth wave leads to the repair of ecological (means also urban) defects as relics of the past. It requires (among of other things) a transparent, reliable and understandable planning framework which finally allows 3rd parties’ capital, at reasonable cost, to be employed at early stage.

Planning (and Permitting) Process

Every professional planning process has (i) a clearly defined goal and is (ii) a top-down structured, constant narrowing and deepening exercise. The parallel, stepwise occurring permitting process usually follows the basic planning principles and (theoretically) incorporates and balances the interests of the core stakeholders. The key players are (i) the society represented by the legislative and executive bodies, (ii) the owner of the property (or any beneficiary or agent) who initiates the process of planning and building activities and (iii) the (later) occupant of the premises.

It is obvious that the core stakeholders have conflicting interests. However, the ultimate goal is to achieve “common comfort” which is meant as the balance between “gut feelings”, “the head” and “the heart”. In more academic words, “common comfort” is the result from the integration of individual empirical values and concrete economic parameters in which a human being (respectively the core stakeholders) experiences his or her surroundings as convenient. “Common comfort” logically implies an active dialogue and a fair collaboration of the parties involved. Such is a matter of education, experience and professional culture and cannot be created by instruction.

1) Úplný český překlad příspěvku najdete již nyní na www.uur.cz ⇒ Časopis Urbanismus a územní rozvoj ⇒ 2017 ⇒ 1/2017.



Situation in the Czech Republic

In contrast to the Western European practise, the urban development plans of Czech cities generally contain only vague information. The statements are more or less lip services without proposing coherent urban strategies, guidelines and fundamental solutions. Similar to Western Europe, the urban development plans have legal binding character as well but finally allow, because of the missing fundamentals, “everything and nothing”. In some cases the statements even contradict. It may be argued that the intension the urban development plans is (besides of fulfilling formal reasons required by law) primary to tap EU funds as long as such monies are available. However, such (theoretical) practise is against long-term odds and may cause several problems in future. Among other consequences, the missing urban fundamentals negatively affect all subordinated planning levels by pushing the unsolved problems forward.

Therefore, the zoning plans of Czech cities are opportunistic and follow the “not in my backyard rule” and as a result the “watering can principle”. The permissible uses are quite general and the information of the achievable density quite vague. Therefore, the economic matrix of the zoning plans is rather unclear and the commercials interpretive and/or speculative.

The establishment of district related land-use plans is not on the active agenda of the planning authorities in Czech Republic. This task is transferred to the owner of the property (or any beneficiary or agent) who initiates the process of planning and building activities. The land-use plan established by the owner is part of the application for the land-use permission (planning permit). Additionally, some key building elements which are normally part of the project related building design (e.g. facade) are already determined at this stage because being an integrated part of the application for the land-use permission.

In Western Europe, the planning (and permitting) structure is quite uniform and follows the top-down structured, narrowing and deepening principle. Generally it consists of three major layers:

- Urban development plan with the associated strategies and guidelines which is the instrument for providing forward looking answers to the questions of time and which contains besides of basic statements also fundamental solutions for the future-oriented development of the city;
- Based on the provisions of urban development plan and the building laws and regulations the more technical oriented
 - City related zoning plan (which generally informs of the permissible uses and the maximum density),
 - District related land-use plan (which informs at least of the maximum permissible footprint and height) and finally the
 - Project related building design;
- Based on the provisions of the urban development plan and the environmental laws and regulations and pending on the type and size of the project the more ecological oriented
 - Environmental impact assessment (procedure).

It is obvious that the key document is the urban development plan which is normally (in Western Europe) established under the leadership of the relevant municipal department in a broad and intensive dialogue among policy-makers, business communities, residents, numerous experts and NGOs on a basis of a productive collaboration. The urban development plan generally bears the year in future (and not the date of its creation). It also looks beyond the self-defined target horizon and identifies planning measures that already have to be implemented today due to the long lead times involved particularly of infrastructure and urban gentrification projects. From a legal perspective, the urban development plan represents a binding executive guideline for the administrators. Summarizing, in Western Europe (i) the society has clearly the primacy/priority versus the owner and the occupier and establishes the necessary strategies, guidelines and fundamental solutions for the city because such require the basic consent of the society represented by the elected parties and representatives, (ii) there is a planning and permitting structure which complies with the professional design process and finally (iii) there is a binding executive guideline for the executive bodies (urban development plan and other subordinated information and/or documents) which reliably informs of the technical and commercial conditions of a land/property.

Similar to the practise in Western Europe, the project related building design is the task of the owner of the property (or any beneficiary or agent) who initiates the process of planning and building activities. In urban aspects, the design is not further regulated except of protection zones and/or buildings. It means, that the project design has to remain within the framework of the land-use permission and to fulfil at minimum the current local technical standards. The permitting process is pure formal, technical task focussing the building safety and does not require any further analysis and/or reasonable reaction on the boundary conditions of the given urban structure and/or the site.

The environmental aspects of a project are rather uncoordinated and not aligned with the urban framework and the building laws and regulations. The environmental compliance (if necessary) becomes an additional, parallel task of the owner of the property who initiates the process of planning and building activities. However, the positive environmental impact assessment (if necessary) is the condition before the final application for the land-use permission is filed.

Results

The comparison shows that in the Czech Republic (i) the society represented by the legislative and executive bodies transfers the urban primacy and leadership to the owner of the property (or any beneficiary or agent) who initiates the process of planning and building because of not professionally establishing coherent urban strategies, guidelines and fundamental solutions. Actually, the society stays “in the clouds”, act passive and accept the more short sighted, commercially driven “developer approach”. Further, (ii) the missing fundamentals and the permitting process leads to an accumulation of the conflicting stakeholder interests during establishing and processing the land-use permission. Necessary strategy and guidelines, dialogue and collaboration to be performed during the urban development plan is replaced by confrontation during the land-use permission. Finally, (iii) the leading principles of urban governance, policy and planning with balancing the interest of the core stakeholders under the primacy of the society via their legislative and executive bodies are only formally in place. The necessary wider and structured “thinking in context” is replaced by passive “thinking in boxes”.

Summarizing, the present situation result in unpredictable reactions and/or results and does not create comfort. In comparison with other countries, it triggers high permitting risks and requires an intensive development (risk) management. As a consequence, it does not allow a fair and balanced cooperation between city governments and the private sector (via PPPs) which would enable 3rd parties' capital, at reasonable cost, to be employed at early stage.

Summary

The city is a living organism and its urbanity is the result of the ongoing technological development. Today, the basic need is to find ecological problem solutions for unsolved “collateral damage”. It means among other things, that our urban environment has to be transformed and to be made fit for the requirements of today and our future. However, such requires (i) a comprehensive vision of the future-oriented development of the city (ii) a transparent and coherent planning system with an active dialogue and a fair collaboration of the core stakeholders and (iii) an open-minded and reliable administration, that people shall live at places where they like to live and not where they have to live.

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ČESKÝ ABSTRAKT

Urbanismus: Česká republika v evropském kontextu / Wolfgang Lunardon

Nemovitosti jsou směrodatným faktorem domácí ekonomiky, neboť 70 až 90 procent hmotného majetku je vázáno právě na ně. Zároveň jsou zvláštním druhem aktiv, odlišným od zboží a aktiv finančních svým dvojakým charakterem komodity a zároveň investičního majetku. Nemovitosti jsou specifické vzhledem ke své trvalé charakteristice, fixaci na konkrétní místo, různorodosti, aspektům souvisejícím s okolím, architekturou a funkčností, příjmům z nájmu, výdajům spojeným s provozem, zbytkové hodnotě a existenci druhotného trhu. Trhy s nemovitostmi jsou segmentovány a převážně ovlivňovány faktory národními a lokálními. Globální parametry, obzvláště dostupnost a podmínky financování, hrají však také významnou roli. Základním vnitřním faktorem pro situaci v oblasti nemovitostí je plánovací rámec, neboť ten je mimo jiné určující pro nabídku na trhu pozemků.

Téma formulované jako Urbanismus: Česká republika v evropském kontextu je v mnoha ohledech citlivé, zejména z pohledu cizince, který v České republice dlouhodobě žije. Niže uvedené závěry nejsou míněny kriticky, uvedená vyjádření a postřehy vycházejí z mnohaletého působení v podnikání s nemovitostmi v České republice a řadě dalších zemí.