



Policy Snapshot: *Land pooling and readjustment*

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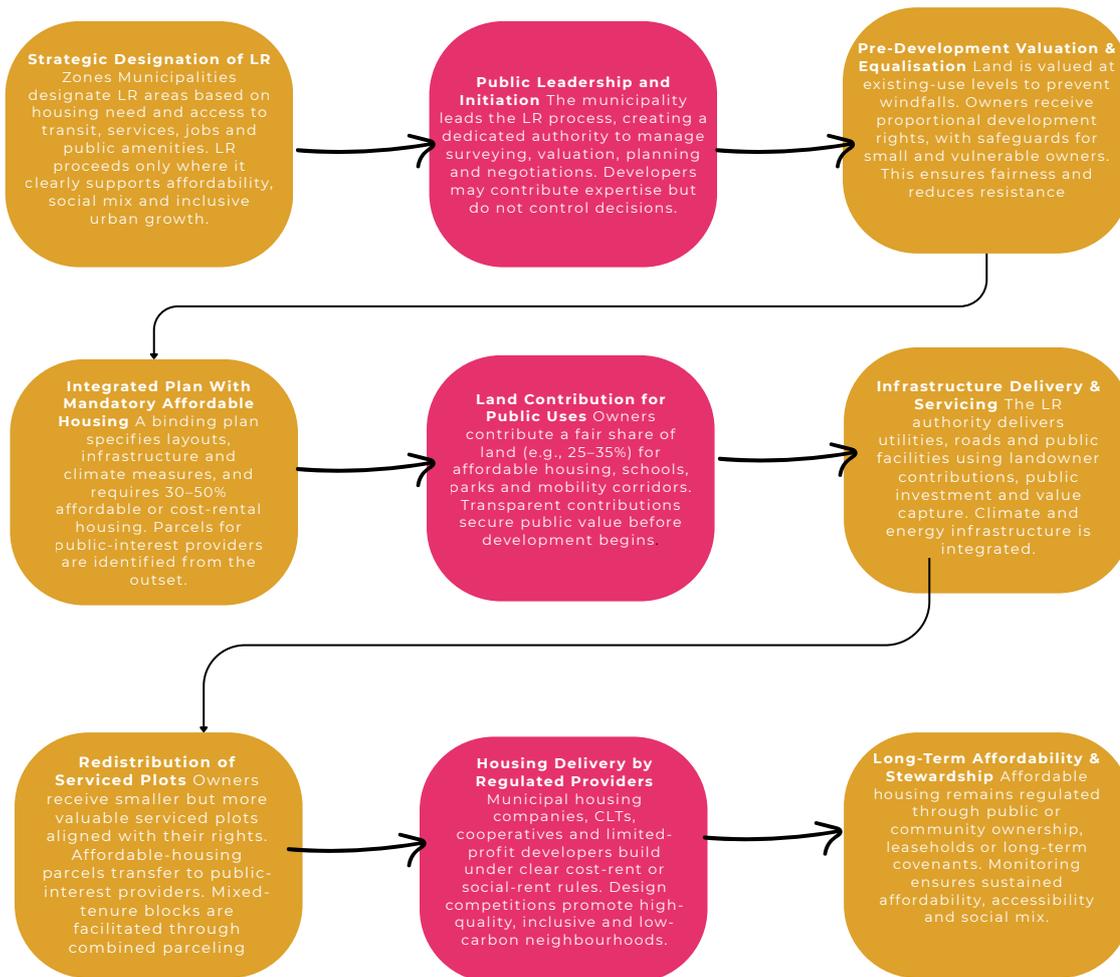
WHAT IS LAND READJUSTMENT?

Land readjustment is a legal process that reorganizes property boundaries and reallocates parcels for planned urban development. All plots in a designated area are pooled temporarily; each owner receives a serviced plot proportional to their original contribution. This redistributes gains and losses, internalizing land-value increases without expropriation or municipal purchase. It translates land-use plans into practice through a formal procedure led by a municipal readjustment board.

WHY ARE THEY USED?

The process facilitates orderly, equitable development in areas with fragmented ownership. Without coordination, infrastructure delivery is inefficient and densities remain low. Pooling creates a collective where a public authority or licensed developer prepares plans, evaluates parcels, and allocates responsibilities. Owners contribute land for roads, parks, schools, and affordable housing, receiving smaller but more valuable serviced plots.

HOW DO THEY WORK IN PRACTICE?





WHERE ARE THEY USED IN EUROPE?

Germany applies a public-led, plan-driven approach to implement compact development. The German *umlegung* is used to address the issue of fragmented ownership impeding residential development at the urban fringe. It is regarded as mutually beneficial because it preserves the property rights of, and assigns development rights to, landowners, while allowing municipalities to extract land and costs for infrastructure and affordable housing.

In Spain, *reparcelación* was traditionally undertaken by landowners or public authorities but, with local government capacity lacking, was traditionally undertaken by the former. Since an innovation introduced in Valencia in the 1990s, non-landowning developers are allowed to submit readjustment proposals. While this exposes *reparcelación* to private sector development risks, being tied to speculative housing expansion and finance, it also adds an opportunity for public authorities to introduce additional developer obligations, including affordable housing, through a public tender stage at which developers are selected for the project.

WHAT ARE THE RELATIVE STRENGTHS AND WEAKNESSES?

Strengths	Weaknesses
<ul style="list-style-type: none">• Mobilizes land without expropriation, reducing conflict.• Shares costs and benefits equitably.• Enables coordinated, infrastructure-aligned development.• Overcomes fragmented ownership and reduces transaction costs.	<ul style="list-style-type: none">• Risk of speculation and overdevelopment when market-driven.• Does not guarantee affordable housing without strong requirements.• Poor spatial outcomes without planning controls.• Fiscal incentives may distort decisions.

Where can I learn more?

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- Zambon, I., Serra, P., Carlucci, M., Salvati, L., & Colantoni, A. (2019). Land consumption and urban growth in the Valencia region. *Land*, 8(10), 143. <https://doi.org/10.3390/land8100143>



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