Residential Market and Urban Planning in Transition. Case Study of Poznań.

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Abstract

Over the last two decades cities in Central East Europe have undergone a shift from socialist into capitalist economy, which implied a significant change on their structure. The socio-economic and spatial structure of a socialist city was influenced by egalitarian ideology, so the residential segregation was usually lower than in American and Western-European cities. Moreover, the residential market was state-regulated and demand for housing, especially could never be sufficiently satisfied. After the transformation more affluent households tend to move to the outskirts of the city, whereas the majority of older persons and unemployed stay in the inner city. This trend appears to comply with the assumptions of monocentric model, which is a theoretical concept of urban sprawl. The process described above is clearly taking place in Poznań. The fifth-largest Polish city has been characterized by large population decline due to suburbanization since the 1990s. Analysis of the case study reveals that a set of socio-economic ("bottom-up") and institutional ("top-down") factors supports urban sprawl and increasing residential segregation. However, this change is driven not only by socio-economic but also by institutional factors, such as permissive zoning policy and car-oriented transportation system. On the other hand, instruments which support compact urban development are weak. There are few extensions of public transportation network and no incentives for renewal of old housing stock or inner city in-fill housing projects.

Key words: housing, zoning, urban sprawl, compact city, Poznań

JEL Classification: R21, R48, R52

1 Introduction

Main goal of this paper is to analyze the adaptation of the housing market and urban planning in a former socialist city to the conditions of free-market economy. The new conditions include on the one hand comercialisation of the housing market, on the other hand decentralisation of urban planning. The case study of this analysis is Poznań. With over 500,000 inhabitants it is the fifth-largest city in Poland and capital of Wielkopolska region. The structure of the paper is organized in two parts. The first part describes current situation on the housing market in Poznań, especially the growing role of property developers. The other part of the paper discusses urban planning issues and their influence on the housing market. This paper uses data and methods applied in a Ph.D thesis [1].

Theoretical background of the paper is based on the concepts of urban sprawl and compact city. Urban sprawl is a process of rapid suburbanisation, which is a market-driven process not following a complex spatial concept (masterplan). Urban sprawl has got many negative consequences, such as traffic congestion, land consuption, lack of public space and other. In order to reduce sprawl, central and local authorities in Western Europe promote compact urban development. A compact city is characterized by higher residential density, good availability of affordable (social) housing, high modal share of public transit and a good quality of public space [2]. According to the European Spatial Development Perspective, compact city should become the model of cities in the European Union.

The empirical evidence of suburbanisation in the Poznań agglomeration shows features typical for urban sprawl [3]. However, there is little evidence on how the transformation of the housing market and urban planning influence the process of urban sprawl. The following paper takes this perspective.

2 Housing market

Housing market in Poland did not receive much attention until the years 2006-2007, when housing price and rent level in largest cities (among them in Poznań) suddenly increased by more than 100%. Such a large increase was a result of a two decades long transformation of the housing market. How did the housing sector adapt to the new conditions of free-market economy? In the case of Poznań and other large Polish cities, there was a phase of stagnation in the 1990s, when relatively few dwellings were constructed and the price level was stable. The main investors, like in the socialist times, were still cooperatives and individuals. The structure of the market started to change at the turn of the century, when property developers entered the market. Housing supply has been continuously growing since then, and development companies have been increasing their market-share.

However, dwellings built by developers are available only for affluent households. Therefore, the availability of dwellings for low- and middle-income class households has in fact decreased in the last years. Dwellings affordable for low-income households (elderly, the unemployed) are only municipal dwellings, which are located almost exclusively in the inner city. The number of municipal dwellings has decreased in the last years, because many of them have been sold to the occupants while only few have been constructed. Therefore, in spite of insufficient housing conditions, many of low-income households have not changed their place of residence since 1990.

The situation of middle-income households, such as young families, is only little better. Some rental dwellings for middle-income households have been constructed by municipal companies in the years 1999-2007. However, the rising market share of property developers as well as good availability of loans made this form of housing less attractive. Some middle-income households can afford commercial dwellings built by property developers in the suburbs, but new dwellings in the inner-city are usually too expensive for them. Therefore, the vast majority of new housing in Poznań is constructed in the outer city. Until 1999, ca. 80% of dwellings were located within a radius of 5 km from the city center. This ratio is changing, because more than a half of dwellings constructed in Poznań in the years 1999-2007 are located more than 5 km away from city center.

Unlike many Western European cities, there is no evidence of a large scale “urban renaissance” in Poznań. Although several good-quality housing projects have been built in the inner city in the last years, the middle class and the “winners of transformation” are mostly attracted by single family houses in the outer city and in the suburbs. The share of persons with higher education and the number of small children living in the outer city is above city's average [1].

To sum up this part, three main processes which have characterized the housing market in Poznań in the last years are: increasing market share of property developers, deconcentration of housing supply and orientation towards middle class family households.

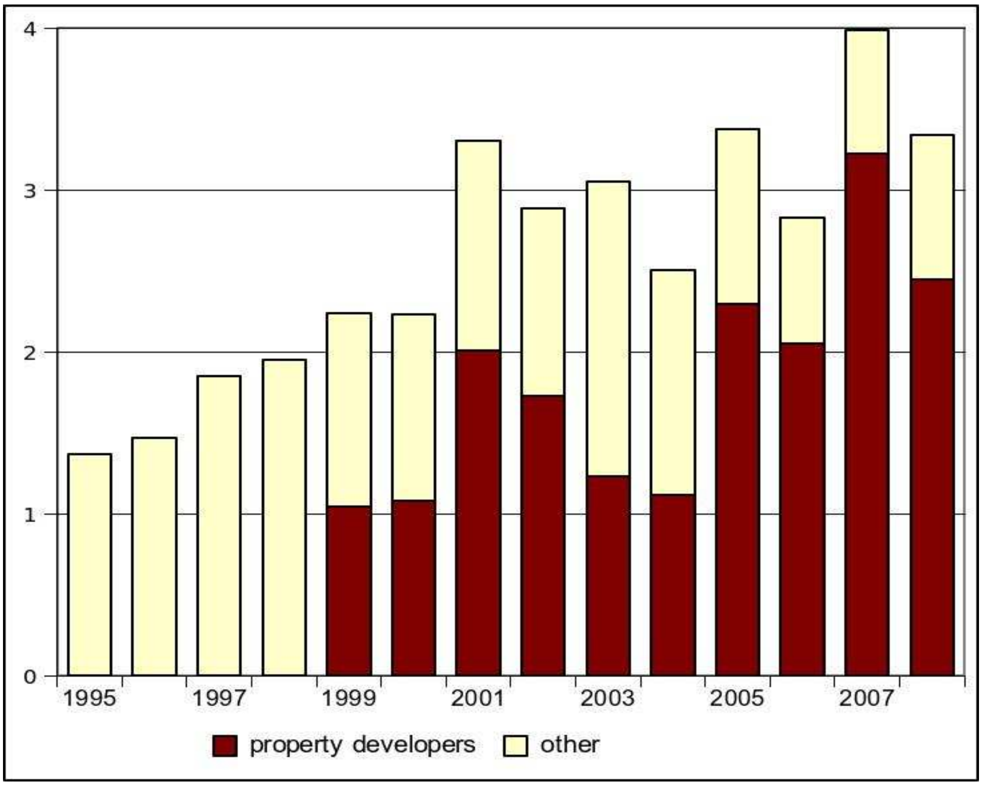

Fig. 1. Number of constructed dwellings (1000) in Poznań in the years 1999-2007.
Source: own calculation based on data of Central Statistical Office (GUS).

3 Urban planning

The system of spatial planning in Poland is to some extent similar to Western European countries [4], but there are some important differences. Like in other countries, there are two main planning instruments in Poland: general plan (spatial concept) for the whole area of the municipality and small-scale legally-binding development plan. However, unlike Western European countries, the development plans are not obligatory for the construction of new housing if the new project is an extension of an existing neighborhood. The main reason for the existence of this law is that it takes at least two years to prepare a development plan. However, this “rule of thumb” is very unclear and may be interpreted in many ways. In fact, it gives more power to the developer and reduces the role of local community. Therefore planning experts suggest that this planning rule increases urban sprawl [5]. The following analysis of Poznań case study seems to confirm that.

About 20% of Poznań city's area is covered by development plans. The coverage of new residential developments in the years 1999-2007 by the development plans was analyzed with GIS methods using data from over 600 statistical units. The results of this analysis are given in the table 1. The analysis revealed that only 16,3% of new dwellings in the years 1999-2007 were covered by development plans. It seems that for a majority of projects the location is planned by the developers themselves (=extension of existing neighborhood) and then only approved by the local authorities. This is actually a liberal mode of urban planning, because it clearly gives preference to the private interests over public rights.

Tab. 1. Housing and coverage of development plans.

Category	Total	Statistical units covered by development plans	%
Number of inhabited dwellings in 1999	197235	21925	11,1%
Number of inhabited dwellings in 2007	219610	25563	11,6%
Increase of dwellings 1999-2007	22375	3638	16,3%
Number of statistical units	632	106	16,8%
Area (km^2)	261,7	61,4	23,4%

Source: own calculation based on data of Central Statistical Office (GUS) and Poznań City Hall.

Since the developers are main plannig actors, it is very difficult to provide an efficient public transit to the new housing projects in the outer city. The basic mode of public transportation in Poznań are trams. However, the tram network has not been extended since 1997, although a large number of dwellings have been built at the outskirts. Using a GIS analysis, it was calculated that only one third of new dwellings built in the years 1999-2007 are located within 400 m accesibility zone to the tram network. This result means that new dwellings have got worse public transit accessibility than existing housing stock. It can be expected that poor accesibility, among other things, will lead to increasing modal share of cars, and in turn to the growing traffic congestion.

Tab. 2. Accessibility of housing to the tram network.

Category	Total	Accessibility zone (400m)	%
Number of inhabited dwellings in 1999	197235	101101	51,3%
Number of inhabited dwellings in 2007	219610	108692	49,5%
Increase of dwellings 1999-2007	22375	7591	33,9%
Area (km^2)	261,7	33,7	12,9%
Number of statistical units	632	253	40,0%

Source: own calculation based on data of Central Statistical Office (GUS) and Poznań City Hall.

4 Conclusion

This paper provided some evidence to the adaptation of housing market and urban planning in a former socialist city to the conditions of market economy. The results suggest that the spatial development of Poznań is a market-driven process with strong features of urban sprawl. Main role of the local authorities is to create good conditions for the developers. The developers, however, are profit-oriented and they do not always think in terms of long-term life quality. It is quite obvious that certain aspects of urban development, such as public transit network, do not keep up with the dynamics of the housing market. Under these circumctances, the model of compact city may be difficult to achieve.

Acknowledgements

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