

The Planning System and Land Provision for Social Housing in Turkey

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Abstract

In Turkey, there is a dual structure as legal-illegal in land development and dwelling production. Government is regulator instead of being direct investor until 1980s in dwelling production. After 1980s, government is both investor and regulator in dwelling production. Also, roles in the land development by acting as both regulator and investor have been empowered by the recent changes in the laws. Private sector has a predominant structure in dwelling production while land development by different landowners is dominant in land development process. The government does not have a clear social housing policy. Even, it can be considered that squatter settlements are a result of the absence of government carrying out its own duty to meet the shelter needs of poor. 29 percent of urban population, a total of 12.5 million people, is living in 2.5 million squatter dwellings in Turkey. This means that there is a serious lacking a social and technical infrastructure arising from illegal housing. Certainly, the structural quality of the housing stock is an important issue in the big cities, and causes serious dangers as the area is likely to be hit by an earthquake sooner or later. Under such a picture, the importance of the land provision for social housing in Turkey is indisputable. The aim of the paper is to discuss the impact of planning and land policy and practices on land provision for social housing in Turkey. That is, it is to examine how effective the planning tools and land policies in solving the housing affordability can be in Turkey.

Keywords: Land supply, planning, social housing, Turkey.

Introduction

Provision of housing in a country depends on meeting the needs of the whole community including those whose needs are not met by the housing market and including a good balance of housing types and tenures. Mostly, governments intervene to produce social housing. Because housing is seen by most governments as in part a social, or merit, good at least to the extent that society's welfare is improved if minimum standards are achieved by all households (Le Grand et al., 1992). This is particularly difficult if the distribution of income is poor and housing is relatively expensive. It therefore points to housing specific assistance being made available to these unable to achieve these standards for themselves (Whitehead, 2007, p.30)

Social housing is, usually, provided at sub-market prices. There are various interventions to able to be reduced market prices, and to address the problem of inadequate supplies of affordable housing (Whitehead and Scanlon, 2007). There are different instruments supporting social housing, such as specific regimes of low rent housing. One of the most important interventions in expanding the supply of social housing is the provision of land (2007, 31). Because, the land provision for social housing may not be so easy within the context of the market conditions. High land prices may prevent the social housing investments. In means of choice of location, substandard quality lands are limited (Needham and De Kam, 2004 ; De Kam et al., 2008). Land provision practices for social housing are very important. Examination of these practices is closely related to interaction of planning and land policies (Chiu, 2007).

The aim of the paper is analyze the impact of planning and land policies and practices on land provision for affordable housing in Turkey. That is, it is to examine whether and how effective planning tools and land policies can be improved to provide social or affordable housing in the Turkey case.

The context of land policies and practices for land provision for affordable housing in Turkey is different from the mainstream of European experience as analysed by Whitehead and Scanlon (2007), and therefore the Turkish case can contribute to our understanding on these matters. First, Turkey has a very high rate of urbanization. The degree of urbanization has risen from 18.5 percent in 1950 to 65.6 percent in 2000. Especially from the end of the World War II, in parallel with accelerated urbanization, the need for supply of land to meet growing demand urban housing increased enormously. This was the beginning of the formation of squatter settlements in Turkey

(Keles, 2002). Second is that Turkey has legal-illegal (dual) market structure. Dual structure is especially dominant in housing markets (Yönder, 1998). The number of squatter houses increased from 50.000 in 1955 to 2.5 million in 2002. It can be estimated that as much as 29 percent of the urban population, a total of 12.5 million people, is living in 2.5 million squatter houses (Keles, 2002). Third is that Turkey has an unequal income distribution. According to TurkStat data (2004), the minimum (first 20%) income group owns the 6% of the total income while the maximum (fifth 20%) income group owns the 46.2% of the total income. Fourth is that urban and rural areas in Turkey have an extreme vulnerability to natural disasters. 92 percent of Turkey's area is located in an active earthquake zone. This means that 95 percent of total population is exposed to earthquake risk (Jica Report, 2004), and this makes it more hazardous to live in housing that does not meet adequate structural standards. These four aspects demonstrate the challenge of providing social housing in enough quantity and quality, and reasonable price. The large growth of urbanization stresses the need for adequate supply of land for the provision of social housing. In contrast to mainstream Europe, there is no tradition of a clear and systematic social housing policy in Turkey. However, after the 1980's some approaches by the state drew the main frame of social housing policy. After 2003, there are important changes in the approach of the state to social housing. Another important matter of this paper is to discuss the effects of this policy and practical changes on land provision for social residences. Discussion on land provision for social housing in Turkey provides a contribution to international literature.

This paper is organized as follows: the second section gives literature land provision for affordable housing in framework of international literature. The third section includes the analysis of approaches on land provision for affordable housing in Turkey and describes the changes in institutional context of TOKI and municipalities (central and local governments) and the effects on the social housing. The fourth section put forward the interaction between the planning system and land supply in Turkey. The fifth section discusses whether planning and land development tools can be used tools as remedy for Turkey. The sixth section gives a general evaluation.

Literature Background: Land provision for affordable housing

Social housing or affordable, are for people who cannot buy houses under the market conditions (Needham and De Kam, 2000). That is, social housing means house production below the general market prices. There are a number of ways in which general prices can be reduced and so address overall affordability: by modifying demand (e.g. by reducing net incomes or increasing the relative price of housing); by reducing the real resource costs of producing housing (e.g. technological

change or by making supply more elastic); or by liberalising the regulatory system to ensure more housing land is made available (Whitehead, 2007; p. 31). Choosing the second or third method is directly related to land provision for social residence.

There are important limitations that effect the land provision for social housing. First, one of them is that social housing providers are in a weak position in land provisions under the market conditions (Needham and De Kam, 2004). Second, returns are relatively low in social housing production compared to the commercial housing production. Third, social housing does not bring in much rental yield. Fourth, with low rental income, only low land prices can be covered (DeKam et al., 2008). In addition, and fifth, in many contexts it has been accepted that social housing effects the nearby residence prices negatively (Needham and De Kam, 2000).

All limitations, revealed the state intervention for land provision of social housing. In a study by De Kam et al (2008) types of interventions have been classified and detailed. According to this study, state intervention on land provision for social housing can be separated into five parts. The first one is state financing and provision of social housing. In this intervention, state subsidy can be directly on land, or construction of the social housing or tenants can receive housing benefit.

Second intervention is the interventions in property rights in serviced land. This type of intervention takes place in different ways: In the first, one state directly buys the land and produces land for the social housing. In second, land is not bought by state but provides leasing to produce land for social housing. Third, state directly undertakes the social housing development. Fourth, land provision for social housing is provided via expropriation Fifth, state forces the private entrepreneurs to produce social housing. Sixth is the production of social housing by special types of private developers who can develop housing at lower cost.

Third intervention type contains social housing institutions. Social housing institutions cover the housing costs (residence and land or construction) from their own budget. Means, they can cover the costs via cross-subsidization from the incomes of commercial housing sales. Social housing providers may follow market strategies like speculative land provision, unserviced land purchasing. Or social residence providers may develop non-marketing strategies.

Fourth intervention way is the participation of developers to social housing projects since land provision for social housing are more attractive for them. Fifth interference method is the participation of the developers to a part of social housing projects with non-market strategies.

In literature, it has been stated that important part of the provision of land for social housing processes which are not coordinated with price. This means that land provision for social housing is not only a financial problem but also an institutional problem (Needham and De Kam, 2004). Processes of land provision for social housing can be coordinated by market, hierarchy and network. These three mechanisms can be used in a specific mix (Needham and De Kam, 2000). The structure of this mixture differs according to countries (De Kam et al. 2008).

It can be said that as a general tendency, bureaucratic allocation of public and/or social housing has become less common and patterns of access to housing have become increasingly market-driven. As non-market forms of housing provision were increasingly replaced with market forms of provision, so the scope for the state involvement in the production and distribution of low cost housing was reduced (Paris, 2007).

The market forms of provision can be (De Kam 1998):

- Taxation on property, building land and development gains;
- Betterments levies;
- Increased specification in zoning, regarding quality, mixing in tenure and price, and other factors influencing urban and social quality as well as development gains;
- Legislation to force developers to build and/or reach agreements between each other and with government agencies.

Additionally, Land Readjustment (LR) can be used as a tool to provide social housing. There are some approaches to include costs related to the social housing into LR projects (Turk, 2008). The first approach is to sell cost-equivalent land at a reasonable low price to the agencies producing low-cost houses and to finance the amount returned to the landowners by cross-subsidy. The second one is, before LR, the inclusion of agencies producing houses for low-cost housing into the project as a landowner by purchasing land from the project area. The third one is the allocation of financial surplus that will be obtained due to the increasing land prices for low-cost housing production during LR. The fourth one is to use some of landowners' plots to construct multi-unit housing for rent or sale to low-income families. The fifth one is to increase land deduction rate at certain level taken from landowners to finance public services. All these approaches can be chosen by depending on the housing policies of the countries for low-cost housing. For example, the method mentioned in the first option is used in South Korea (Archer, 1999, Doebele, 1982).

Land provision for affordable housing in Turkey: planning system and land supply

Three problems related to land supply for affordable housing in Turkey

a-Quantity

The State Planning Organization (SPO) calculates the need for housing stock in order to meet housing requirements arising from population growth, migration, renewal requirements and urban regeneration every year in its development plan and annual plan. The State Institute of Statistics (TUIK) also calculates the number of construction permits (in units) and the number of occupancy permits issued. According to this, the amount of housing needed between 1990 and 2005 was 7,868,400 in urban areas as calculated by SPO. On the other hand, in the same period the number of dwellings having construction permits was 6,221,915 and the number of dwellings having occupancy permits was 3,632,123. In light of these data, the conclusion may be that housing stock produced over the last 15 years has remained behind the need. To meet housing requirements, 13.579 hectares serviced urban land needs to be produced yearly (TurkStat; 2001).

b-Quality

There exists a significant difference between the number of residences with an occupancy permit and the number of residences that have a construction permit. The most important factor leading to this difference is that the construction permit was given for illegal buildings under amnesty laws enacted between 1983 and 1988. These buildings that have been granted a construction permit but in fact are illegal have not come to a level sufficient to the housing permit with the progress of time (Housing Special Expertise Report, 2002). Furthermore, this situation provides information with respect to the quality of the present housing stock.

Again, another factor affecting the quality of housing is the age of the present housing stock, especially in big cities (30% of current buildings are older than 30 years and 11% of those are more than 50 years old), because this causes a serious danger in terms of earthquakes. The 1999 Marmara Earthquake redefined the problems of the existing older housing by revealing much of it to be in a life threatening condition. A cumulative shortage of housing stock with licenses and minimum standards and quality increasingly continues (GYODER, 2006). According to GYODER's (Association of Turkish Real Estate Investment Companies) estimates, Turkey needs between 650,000-700,000 new units in order to meet housing needs created by population growth, urbanization, replacement requirements and urban regeneration. Here, the deficiencies of the houses built in terms of quality are not only related to the quality of the buildings, they are also related to the quality of the built environment that the houses are located in. In other words, they also include

the inadequacy of on-site and off-site areas.

c-Price

The second main problem is the high level of serviced urban plot prices in housing production in the legal market in Turkey. Undoubtedly, one of the reasons is the inelastic nature of the serviced urban plot supply for housing. In Turkey, the share of serviced urban plot prices in housing production with the official construction permits reaches 50% in the legal market (Alkan, 1999). On the contrary, relatively lower prices apply to the illegal land market. Land development processes in the illegal market⁽¹⁾ (Healey, 1992) are totally different from land development process in the legal market. Property rights are mostly unclear in the illegal market and there are important risks in respect to future use. However, the illegal land market is an important option for low and middle-income families by reason of price. A similar situation is also observed for other countries with a dual land market. For instance, a share of the serviced parcel production in dwelling production in India is approximately 40% - 50% (Karnad, 2008). Higher land shares in dwelling production are mostly prevalent in metropolitan cities of developed countries (Glaeser et al. 2005a, b). In more remote areas, however, this ratio may not exceed 10% (EGEKOOP, 1995). For example, in Istanbul, the biggest city of Turkey, the costs of serviced urban plots are very high especially in mass housing production. The new residence prices, 700€/m² in average in 2002, increased to 1,900 €/m² in 2008. The imbalance of the distribution of income in Turkey also leads to a high diversity of residences. This also causes a wide diversification of prices. The prices of top-end residences in Istanbul are in the 5,000-7,000 €/m² range. In addition to land and construction costs, a sum of contractor profit and profit of landownership is added (Yetkin, 2005).

The inelastic nature of the serviced urban plot supply for housing, as well as the high prices of serviced urban plots in the formal land market in Turkey, have frequently been emphasized in various studies (Turk, 2004; Baharoğlu, 1996; Öncü, 1988). The existing structure of land acquisition methods in urban areas has affected the quantity in supplying serviced urban plots in formal land markets. Such limitations constitute one of the reasons for the increased prices of the serviced urban plots.

When one thinks of the serviced urban plot as being basic for housing, it is obvious that an increase in its price would directly be reflected in the price of house built upon it (Evans, 1996; Needham and Verhage, 1998). The continuation of the enforcement of these limitations that have a direct effect on prices of serviced urban plots and the possible further increases in these prices hinder low and middle-income families from entering these urban areas (Turk, 2004).

Land supply practice for affordable housing

The private sector has been predominant in dwelling production while land development by different landowners is dominant in the land development process. Mostly the “single plot-single building” approach has been determinative for the development of urban areas in Turkey. For this reason, housing development has occurred within the framework of this approach. In other words, land development by different landowners is basic.

Policies related to illegal housing has affected the land supply for affordable housing. Illegal housing has been a significant problem since the 1940s in Turkey. A solution proposed related to this problem has been changed over time. Until the 60s, the approach was the demolition of squatter areas and not allowing reconstruction, providing opportunities for building land production for poor and low-income people and ensuring legalization of squatter housing. In the planned period as of the 1960s, Squatter Law No. 775 was implemented. According to the law, up-grading, clean up and prevention areas were determined. Within these areas, the municipalities have the possibility land acquisition as a means of purchasing or expropriation. Again, it was provided that the municipalities get the lands that belong to the state free of charge. These areas were used for production of low cost housing and the lands were sold in low cost by taking into consideration order of priority. Yet, in some circumstances, some of lands that have the market value can be sold or rented by municipalities except for social housing purpose. In the situation, the revenues from sales was transferred to the squatter-housing fund.

Prior to 1980 the effect of cooperatives on the production of social housing was low. While their contribution was 5 % of total housing supply until 1970s, their share in total housing production had increased to 10-15% between 1970-1980. Some public authorities, such as, social security institutions (SSK, Bağ-Kur, OYAK, T. Emlak Bankası) and central government units (Ministry of Public Work) had been contribution to social housing financing prior to 1980.

Two important changes have been effect on the land provision for social housing since the 1980s. One of them is legalization process of squatter houses. In the context of the 1980s structural changes, a general building amnesty was issued in 1983, followed by a number of amendments until 1989. The logic of Amnesty Law No. 2981/3290 was to upgrade existing illegal housing areas and to prevent new informal settlements. The law brought an improvement development plan, which was a special type of plan. The improvement development plan included unification of irregular, haphazardly formed parcels and their redesign to create new parcels of maximum 400 m² and to

allow construction of four-story apartment buildings (Dundar, 2001). With the development right, this way transformation from squatter to apartment has emerged and this renewal has been realized directly by landowners (who have a title deed allocation certificate) or by contractors (builder-and-seller) at the single building scale. However, the effects of improvement plans have not been completely known on the urban land supply and price (Eraydin, 2002).

Second of them is to be established Mass Housing Administration in the framework of Mass Housing Law and constituted Mass Housing Fund outside the general budget. TOKI was established apart from the General Administration in 1984. An autonomous Mass Housing Fund was established by Mass Housing Law No. 2985 which came into effect at this date. Mass Housing Fund apart from general budget had continuous and adequate resource for TOKI housing developments. With Mass Housing Law No. 2985, housing credits were provided to both housing user and housing producer (housing cooperatives, cooperative associations, private partnerships and developers). So, the roles of housing cooperatives in housing supply have been stronger. While 140 housing cooperatives were established yearly prior the law, 2700 housing cooperatives have been established yearly. An important increase had been in share of housing cooperatives in housing production between 1985-1990. In this term, the housing cooperatives had met 30% of the total housing production. While the share in covering the costs of credits was 77% in this term, this share had decreased to 7% since 1988 because of the restrictions in the Mass Housing Fund possibilities. This had caused to decrease the number of housing cooperatives and increased to 7-8 years the completion time of construction (www.toki.gov.tr).

Starting from 1993, there had been a decrease when Mass Housing Fund after it was included into the general budget. Consequently, TOKI could support the dwelling production with gradually decreasing amounts. Mass Housing Fund was revoked totally with the law No. 4684, dated 20.06.2001. With the revoking of the fund, TOKI became dependent on the allocations transferred from the budget (www.toki.gov.tr). The share of housing cooperatives in housing production decreased to 14.5 % in 2001 and the share of the private sector increased to 76.5% .

Changes in institutional context of TOKI and municipalities (central and local governments) and the effects on the social housing

TOKI's authority has widened and so its resources have increased with some regulation after 2003. The first of these regulations was the amendment numbered 4966 and dated August 6, 2003. With this amendment, TOKI became authorized to have projects and developments for profit purpose in

order to provide resource. “*The Revenue Sharing Scheme in Return for Land Sale*” model has been used within this framework. The aim of this scheme is to provide resource for TOKI. The second considerable amendment is that all duties of the Land Office were delivered to TOKI by the legislation No. 5273 on December 15, 2004. With this amendment, TOKI became authorized to have land stocks. Moreover, TOKI acquired the right to expropriate and preliminary-buy for the land belonging to private owners for housing, education, industry, health and tourism investments and public institutions. The third amendment was made by the legislation No. 5162 on May 5, 2004. TOKI became authorized to make local physical plans for the areas where the property belonged to TOKI and determined as housing development area or mass housing area. In other words, a special planing authority was given to TOKI. The fourth amendment is that TOKI became authorized to takeover the lands of public domain upon the proposal of relevant Minister and Minister of Finance and the approval of Prime Minister without charge. This authority means that TOKI can use public domain lands primarily in order to develop projects. In other words, the necessity for transactions such as expropriation and charged takeover required for land acquisition are removed. The fifth amendment is that TOKI has authority to realize urban renewal projects in both illegal housing areas and areas where existing urban renewal laws (Law No. 5366 and Law No. 5104) are applied. The sixth amendment is that TOKI is to be excluded legal financial control.

With all these responsibilities, TOKI had both regulatory and investor roles. TOKI has become an important player in the housing market by providing around 5-10% of the total housing need. TOKI have intensified directly the construction of social housing much more. In 2002 . While the share of credits in total expenditures was 53% in 2002, 31% in 2003, this share decreased to 11.5% in 2004 (Geray, 2006). Between 2003 and 2009 TOKI has produced 359.677 housing units. 306.733 of these housings are social housing, the others are market housing. Especially, in Istanbul TOKI mostly prefers to develop mass housing projects for middle-upper income groups in order to raise financing for their other social housing projects. Within following 6 years after the Mass Housing Law come into force, the number of housing units produced by cooperatives with TOKI credits were 307.179. It can be said that there is no big difference in housing production in sense of number between before and after 2003.

Although the possibility was provided for the municipalities to produce housing in terms of the legal source (Law No. 5656 that was supplementary to Law No. 1580) since 1950, the power had rarely been used by the municipalities, except those in some large cities (Keleş, 1990). At the beginning of the 1990s, especially metropolitan municipalities started to carry out housing developments by starting their own municipal companies. Municipal companies are the private

legal persons working depending on Turkish Trade Law. Because of their structures, they work in accordance with the market rules and they remain out of the public audit field. These companies can be controlled by the Commerce and Trade Ministry. Execution of these duties by municipalities through these companies is a kind of internal subcontract. Company decision-making bodies consist of members of the municipal council and the decision process is thoroughly under the executive of municipal administration; however the company as a private legal person has a role of competing and taking place on the bids. Corporate foundations are present at all metropolitan municipalities. 70% of central province municipalities have got at least one company or they are a partner of a company. Also municipalities are able to start a corporation with the purpose of supplying house (www.yerelnet.com). KİPTAŞ belonging to the Istanbul Metropolitan Municipality is a considerable model for his matter. The project on the first case area was developed together with the Istanbul Metropolitan Municipality and KİPTAŞ, and this was one of the first examples developed in such a way. When the project on the first case area started, there was not any legal arrangement related to property development in such a way. The legal arrangements related to property developments of metropolitan municipalities and other municipalities came later on. The first legal arrangement was achieved with municipality law dated July 3, 2005, numbered 5393 and Metropolitan Law dated July 10, 2004, No. 5216. With the Municipality Law No. 5393, Municipalities acquired the right to start a corporation for developing, buying lands, making expropriations, building houses on these lands and developing projects with banks, selling and hiring these properties within its borders.

One of the important roles of municipalities affecting house development is also their authority to prepare local physical plans and approve them. Municipalities acquired this authority with Construction Law legislated in 1985. As noted earlier, the planning authority is more different on metropolitan areas. According to Metropolitan Municipality Law No. 5216, while local land use plans shall be approved by metropolitan municipality, detailed local plans shall be approved by district and first stage municipalities.

As a result of all these legal regulations, local administrations (metropolitan municipalities, municipalities) especially in large-scale housing production play both a regulatory role and direct investor role. The roles of the municipalities as regulator are serviced parcel production for dwelling production (these are now obligatory duties), planning and approval, to have the right to use the public intervention instruments (expropriation, purchasing etc.). The roles of the local administrations as direct investors are implementing housing projects directly over their own companies, to enter into projects for profit and to establish various partnerships.

Planning System

A hierarchical statutory planning system is responsible for land use planning and development control in Turkey. Plans were separated into two groups in terms of the area they enclose and the usage purpose in the Reconstruction Law which came into effect in 1985, that is, regional plans and local physical plans. Regional planning defines the socio-economic development trends, development potentials, and sectoral targets of the settlements. Although it has been defined by the law, "regional plans" have not been produced in Turkey to date⁽²⁾ (Ersoy, 2000; Mengi and Keleş, 2003; Turk and Turk, 2006). This deficiency is tried to be corrected with top level land-use plans. According to the building code and regulations, top level land-use plans are made for the area that encloses one or more provinces which show administrative, spatial and functional integrity. With these plans, it is aimed at securing the protection-use balance between urban-agrarian structure and development and natural and cultural values and determining the land use decisions. Local physical plans, if existing, have to be in accordance with the decisions made by the top-level land-use plan. Apart from the top level plan, there is also the metropolitan area master plan prepared for metropolitan areas. This plan includes basic land-use decisions in metropolitan areas and investment decisions at metropolitan scale. Local physical plans in the metropolitan area, if existing, have to be in accordance with the metropolitan area master plan decisions. Existence of all these plans affects the land development process directly. Both the top-level land-use plan and the metropolitan master plan provide information with respect to public investments. In that regard, they provide important information on the land development process. Top-level land use plan and metropolitan area master plan decisions are legally binding on local level plans and all parts are obliged to obey these decisions. For example, a mass housing project cannot be developed in a place for which agricultural area function is given in top-level land-use plan or a plan amendment in that effect can not be made. Top-level land-use plan decisions or metropolitan area master plan decisions can only be changed in obligatory conditions and with "public interest" reasons⁽³⁾. The change process is long and very hard.

Local physical plans in Turkey are divided into two basic groups. First is the local land use plan and second is the detailed local plan. Local land use plan is made in accordance with the top plan decisions (regional plan, top-level land-use plan or metropolitan master zoning plan, if existing) and this plan shows the general usage forms of the land, usage zones, population density of these zones, development direction and size of the settlement areas and their principles and resolutions relating to transportation. Detailed local physical plan is a plan prepared in accordance with the local land use plan and it shows various building blocks, their density and structural arrangement (front, back and side yard distances), the height of the buildings, roads (pedestrian and vehicle section). Both

local land use plan decisions and detailed local plan decisions directly affect the land development process, because production of urban serviced parcel and afterwards construction permit and inspection have to be in accordance with these plans.

First of all, a local physical plan decision pertinent to this development is necessary for development of mass housing projects on a greenfield area. A new plan has to be prepared if there is no local physical plan for the area which is to be developed for the project. This can be in the form of an addendum or partial plan. If there are a top level plan and a metropolitan area master zoning plan, these plans have to be in accordance. Addendum or partial plans can be prepared by private enterprise (landowners, developers, cooperatives, etc.) or public enterprise (related municipality, public units). But it is necessary to prove the landownership for preparing plan proposal by a private person. For example, for preparing a partial plan for a mass housing project, land acquisition has to be provided by the developer. Or it is necessary that the original landowner(s) accept this plan. But, in case the plan is prepared directly by a public body, it is necessary to get the consent of the landowners (Bylaws for the Principles of Plan Making, Article 19). Proposed plans are submitted for the municipal council's approval. In case the plan proposal is approved by the municipal council, there is a suspension period of one month. After this period, the plan proceeds to the implementation stage.

In case of the existence of a local physical plan process will be different for the project development area. Usually, local physical plans in development areas are designed based on ownership structure (generally scattered ownership). It is assumed that the area will be developed by its owners. Construction rights are also less dense in than city center areas. And this is not suitable for large scale housing development. Plan amendment or plan updating is a necessity to suit present local land use plans to large scale housing development. The plan amendment means changing plan decisions on parcel scale. And plan update means more extensive changes over a big part of city or overall plan. In Turkey plan amendments are based on the same basic principles. These principles are that the changes must be based on reasonable arguments, must be suitable for public interest and not oppose the integrity of plan and main decisions (Altın and Turk, 2005). A plan amendment must be made in accordance with the form defined in the Reconstruction Law. Plan amendments and updates must be submitted for approval of council. Plan amendments and update offers' acceptance procedures are same as new plan development.

In 1985 with the acceptance of (Reconstruction Law), approval authority of local physical plan was assigned to local administrations (municipalities) from central administrations (Tekeli, 1994). As a

result of this, municipalities have started plan changes with the beginning of 1990s. Especially in Istanbul plan amendment is seen at the highest numbers. In Istanbul during the 1980s, 400 changes were made, during the 1990s there were 450 changes, and during the 2000s there were 850 changes while in the last 3.5 years there have been 3800 changes (CNN Turk, 21.07.2008). The basic problem with a local detailed plan amendment is that most of these changes have no reasonable and suitable reason according to law. As a result, most of these plan amendments can be canceled by the administrative courts. With this point of view, demand for increasing construction rights in advantage of large scale residences by private sector investments (landowners, developers, cooperatives, etc.) or public sector is mainly opposing the term “public interest”.

Can planning and land development tools be used tools as remedy?

When the planning system is examined, it can be established that urban planning and land development tools have not directly effected the land provision for social housing in Turkey, that is, especially in providing a balanced mix of housing types and tenures. In this respect, the following questions may be raised. First, is it possible to improve planning and land development tools in order to a better land supply for social housing apart from central government tools. Second, in what way can these tools be integrated to a general system that is shaped with some institutional changes.

When the planning system in Turkey is examined, interventions as 'taxation on property, building land and development gains' or 'land readjustment' can be considered to be applicable. By the application of land readjustment, agricultural land or semi-urban land is converted into urban land. Turkey has an important past and experience related to land readjustment (Turk, 2005; Turk, 2007). In Turkey, the LR method is applied, in connection with the local physical plans, to manage the readjustment and development of built or unbuilt areas, to produce serviced urban lands at forms and sizes complying with the local physical plans, and to provide land for on-site and off-site service areas. Only one contribution ratio is determined within the project area. This contribution ratio is found by dividing the amount of land utilized for public services areas to the total amount of cadastral parcels in the land readjustment project area. This ratio is applied to each plot. The maximum contribution percentage in land readjustment projects is 40%. The contribution percentage from each plot must be used in order to provide lands allocated for public services like roads, squares, parks, car parks, playgrounds, green areas, elementary and secondary education areas religious facilities and police stations within the project area. The maximum contribution percentage in LR projects is 40% for each plot. If the contribution percentage is greater than 40%

within the project area, the municipality must use expropriation in order to reduce it to 40%. A percentage for social housing can be determined and added to contribution percentage. However, before such an arrangement, it is needed the provision of the efficiency of land readjustment in holistic way. The effective use of LR in providing serviced land depends on the elimination of formal, administrative, and technical problems in the applicability of the method (Akdeniz, 2001; Turk, 2005; Turk, 2007).

Second is that value gains with planning changes can be used for social housing or service and infrastructure areas. Development rights of serviced urban land can be changed with local detailed plan amendments under certain circumstances in Turkey. In most of the cases, these changes resulted in the increase of construction rights, such as, from service area function (parks, carparks and playgrounds etc.) in to residence or trade functions, or the increase of the floor area coefficient (Altın and Turk, 2005). That is, an important gain has occurred as a result of plan changes and these gains have not been taxed, or charged in a way that the cost of an inclusive land development area are being beared by the value increase of this development area. Such a charge may be used for the land provision of social housing.

The using of these two options depends on two important conditions. The first condition is that the adoption of the value-based approach instead of the area-based approach is needed. The second condition is that there is guidance about how much social housing units are needed at the local level. The provision of the first condition may require an extensive revision of the planning system. The second condition can be reached much more easy than first condition. Because municipalities have to prepare own strategic plans after 2005. Within the scope of such a strategic plan, municipalities can prepare a program for their social housing needs in the own juridical area.

Conclusions: Some lessons from Turkish Case

In Turkey, both the central government unit (TOKI) and local units (municipalities) have started to take a directly active role in serviced urban parcel production and housing production in the housing sector starting from the 1990s, but in the 2000s their roles became stronger with extensive public authorities. In other words, in Turkey, TOKI and the municipalities have played a direct role in serviced land and housing production with extensive authorities and private sector understanding in the housing sector in the 2000s. TOKI and the municipalities can make decisions on investments related to the residence, choice of project place, preparation of plans relating to the project and income groups that the project independently aims for. Taking into account all other actors (small

producers, developers, cooperatives, private entrepreneurs, etc.) in the housing market beginning with the 1980s, it is obvious that the public (both TOKI and the municipalities) has an important advantage with the recent changes.

In Turkey, the central government is active in the production of social housing. That is, the state financing is basic in Turkey. While the basic strategy of TOKI as a central unit has been the credit support to social housing units between 1984-2003, this strategy has changed and TOKI has tended to the direct provision of social housing since 2003. At the local level, before 2004 municipalities had produced the limited number of social housing either by housing cooperatives or by land provision in squatter prevention areas. After institutional changes related to local governments in 2004, most of municipalities have begun to produce market housing instead of social housing. There are still important deficiencies in the supply of land for social housing. The removal of barriers at the central level is not enough. The solution must also be found at the local level. In recent years, governments in many countries have explored ways of using statutory land-use planning systems to influence the provision of additional affordable housing, especially, in localities with relatively high house price and rental costs (Paris, 2007). 'Taxation on property, building land and development gains' or 'land readjustment' can be considered for Turkey. However, the planning system must be changed to do so.

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