Station area developments in Tokyo and what the Randstad can learn from it

Chorus, P.R.W.E.

Citation for published version (APA):
Chorus, P. R. W. E. (2012). Station area developments in Tokyo and what the Randstad can learn from it.
This chapter is related to the theory of market-conscious planning and aims to give an overview of how such planning works in the case of station area developments in Tokyo. As will be demonstrated planning incentives play a pivotal role in this and are important devices for the government to stimulate certain developments. In order to understand why certain planning incentives were introduced it is helpful to gain insight into the period in which they were implemented; this will be addressed in the first paragraph. In the second paragraph an overview is given of the several incentive systems that were brought into the planning from the 1960s onwards. In the following three paragraphs three case studies of station area developments are described. Each case study represents a particular period in planning and describes the workings of a planning incentive considered illustrative for this period and the role the public and private sector play in this. In the sixth and final paragraph Japan’s planning style will be evaluated.
7.1 Urban development of Tokyo

In the post-war period urban development was primarily carried out along the major new arterial roads and at nodes in the public transport system. Many traditional neighbourhoods in central Tokyo, characterized by their fragmented landownership and narrow roads, were initially left untouched by the private sector. The reason for this was that fragmented land use patterns made it extremely difficult to assemble land for development. Moreover, strict height regulations seriously limited building capacity which made it virtually impossible for the private sector to redevelop these areas in a profitable way. As the economy was growing rapidly during the 1950s and 1960s the pressure from the private sector for a more intensive utilization of the land was increasing. The government responded with the introduction of a new zoning system in which land uses were no longer regulated by maximum height regulations, but instead were linked to volume controls (Sorensen, 2002).

At the end of the 1970s and early 1980s town planning in the developed world was caught up in a general drive for more market freedom. In the UK, France and the US initiatives were launched for more private sector involvement. Japan soon followed under Prime Minister Nakasone (1982-1987). The government in Japan was confronted with rapidly growing budget deficits due to an increased scale of public sector borrowing. Therefore it wanted to reduce the public sector's expenditure and instead stimulate private sector investments. Several large national monopolies were transferred from the public to the private sector. Among them was Japan National Railways which was split up into 7 different private companies in 1987. Furthermore, deregulation measures were proposed to eliminate what the private sector perceived as “unnecessary red tape and bureaucratic supervision” (Hebbert & Nakai, 1988). The main underlying principle for deregulation was to enhance Japan's international economic competitiveness (Sorensen, 2003). This affected urban planning as well; in the 1980s deregulation measures were increasingly carried out under the adage of reinforcing Tokyo’s role as an important global city (Saito & Thornley, 2003; Sorensen, 2003). This role was reflected by the initial deregulation measures of Nakasone which mainly focused on encouraging developments in central Tokyo.

Under Prime Minister Nakasone existing floor area ratios were increased by up to a half of the existing limits. Also, the scope for the transfer of development rights was expanded to neighbouring sites. This made it possible for developers to acquire development rights from owners of adjacent or opposite buildings and utilize these rights to build beyond the permitted floor area ratios of their own. Both measures allowed developers to use their land in a far more efficient way. The 1980s became known for its acute shortage of office space, skyrocketing land prices, displacement and eviction of communities and flourishing urban development projects. This period is also referred to as the Bubble period. By the end of the 1980s the government was under pressure to take measures against the greatly inflated real estate prices. It was clear that the excesses of the Bubble period
no longer provided a valid argument for deregulation. Instead, there was growing public and governmental support for a re-regulation of planning that focused on stronger planning and tighter regulation of land development. One of the measures implemented was the extension of the land use zoning system from 8 to the current 12 land use districts. The four categories added concerned all residential districts. The primary goal of this was to protect the character of certain residential neighbourhoods and to establish more variety between residential areas.

In the early 1990s the Bubble burst and Japan entered a period of prolonged recession. As is argued by Segers (2009) this recession was comparable or even bigger than the financial crisis which is affecting the world today. For years the major commercial banks had provided loans to real estate developers for which the land served as collateral. Between 1950 and 1990 the land price had, with the exception of one year, only increased. This contributed to the so-called ‘land myth’: a belief that land prices could only increase. Land increasingly started to serve as method of payment for real estate transactions. At the beginning of the 1990s the unavoidable happened: the stock market crashed and soon land prices followed. Suddenly companies were confronted with huge losses as the decreased value of their land was no longer sufficient to cover their outstanding loans. In the 1990s Tokyo was also steadily losing its strong economic position in the world to other East Asian players such as Hong Kong, Singapore and Shanghai (Newman and Thornley, 2005; Saito & Thornley, 2003; Sorensen, 2003). In general, the 1990s became known as the ‘Lost decade’, a period in which there was considerable political confusion and lack of clear policies. A feeling existed within Japan that it had lost its direction and opportunities were not taken to remedy its basic problems. The recession created once again a political climate in favour of the market.

During the 1990s several planning instruments were introduced that allowed significant increases in the allowable building heights and volumes. The government wanted to make land development profitable again and compensate the development industry for their bubble-related losses. Perhaps the most drastic deregulation measure implemented was in 2001 when the national government of Prime Minister Koizumi, urged by the prolonged recession, installed a so-called Urban Renaissance Office within the national cabinet. This office was authorized to designate several ‘priority urban development areas’ in Japan's largest cities. Within such areas land use regulations were greatly weakened, in fact in some cases existing land use regulations were even put aside, and incentive systems could be applied for. This measure was considered drastic because the Cabinet itself could designate the areas and grant approval for FAR-bonuses without having to consult the local government. This sidestepped the protests of local residents and the public consultation process demanded by local governments (Sorensen, 2003). It is expected that the Urban Renaissance Policy initiated under Prime Minister Koizumi will result in a second wave of urban development projects. Thereby history seems to repeat itself as the first wave of urban development projects initiated under Prime Minister Nakasone were the result of a comparable urban renaissance policy carried out under somewhat similar economic conditions (Shima et al., 2007).
The developments in urban planning described above show that the role of the government in planning is not a static one. Planning in Japan has in fact constantly moved back and forth between regulation and deregulation measures depending on the state the economy was in. As a result the role between the government and the private sector has also constantly changed. This is well illustrated by the urban developments carried out in the last three or four decades in Tokyo (see for instance Saito & Thornley, 2003; Sorensen, 2003; Waley, 2007).

From the early 1960s through to the late 1970s urban developments were mainly directed and undertaken by the state. Developments focused on replacing large factories and other ‘inefficient’ uses within central Tokyo in favour of housing and were an outcome of the national policies conducted at that time. These national policies were aimed at shifting industrial development away from Tokyo. The 1980s were a reflection of Nakasone’s policy to promote private sector involvement in urban development projects. Urban development was characterized by mixed-use projects, with some involvement of the public sector. Often this involvement was in the form of co-management such as public-private partnerships. The deregulation measures taken were a reaction to the oil crisis and the economic depression that followed.

At the end of the 1980s the excesses of the economic bubble (1986-1991) forced the government to tighten its control over land development. In the early 1990s the economic bubble burst and a prolonged period of economic recession followed. This once again forced the government, urged on by the property development industry, to ease the existing land use regulations.

After a period of reduced activity at the beginning of the 2000s a new round of urban development projects started. These developments were triggered by similar government policies to those carried out under Prime Minister Nakasone. The difference, however, was that urban development projects were led mostly by the private sector while the government withdrew almost entirely from these projects. For the last decade or two the Japanese government has withdrawn its role to a more strategic position leaving the initiative to the market. This is in contrast to Europe where a reverse process has been taking place: the role of the government (national and local government depending on the context) has shifted to orchestrator of the entrepreneurial city (Waley, 2007). However, this reduced role in planning does not mean that the Japanese government has become weaker in influencing developments. On the contrary, as is illustrated in the next paragraph, incentive systems offer the government a powerful tool for steering developments in a desired way.

---

39 This is generally referred to as the ‘Lost Decade’
7.2 Incentive systems in planning

From the 1960s onwards Japan has introduced several systems into its planning system that allow existing Floor Area Ratio (FAR) -values to be relaxed. These systems have served two purposes: 1) to allow a more effective utilization of the land thereby enabling the private sector to realize profitable developments and 2) to ensure that the private sector contributes to realizing certain public planning goals such as the formation of good urban spaces and the maintenance of balance between public infrastructure and buildings (Building Research Institute, 1992).

In general the incentive systems work as follows: a developer receives an additional floor area ratio when he includes a certain amount of open space, public facilities, cultural facilities, the preservation of historical sites or in some cases housing in his project. The amount of additional floor area given to the developer depends upon the proportion of land a developer contributes.

The workings of three incentive systems are demonstrated below. They represent each one of the earlier- distinguished periods in urban development. The ‘integral design instrument’ illustrates the type of instruments that existed from the early 1960s through the 1970s when urban developments were still pre-dominantly state-led. The ‘redevelopment district plan’ is an instrument that represents the 1980s when several deregulations in planning were carried out in order to promote private sector involvement in urban development projects. The ‘special district for urban renaissance’ is one of the latest incentive instruments introduced in Japan. It is an outcome of the new urban renaissance policy started under Prime Minister Koizumi in 2001. Urban developments carried out under this system are almost entirely led by the private sector, though the national government selects the areas thereby stimulating their urban development.

The early 1960s to the 1970s: Integral design instrument

The ‘integral design system’ was introduced in 1970. Over the years multiple versions of this instrument have been developed accompanied with ever-increasing FAR-bonuses. In general this instrument works as follows: developers that incorporate a certain amount of public open space in their developments receive an additional floor area ratio. The exact amount a developer gets depends on the size of the building site, the proportion of open space provided, and the land use district a building site is located in. For example, in case of a Commercial district the building site should be at least 1000 square metres and should contain 100 square metres or more of open space. Also it is considered necessary that the site faces a street 6 metres wide or more. A private developer can earn a maximum FAR bonus of 200%. This vacant land should be made available for daily free passage or as pedestrian space. The development requires thus an integral plan which includes the built and non-built up part of a lot.
**The 1980s: The Redevelopment district plan**

The ‘redevelopment district plan’ was introduced in 1988. It is one of the multiple versions of the district plan, which is the most detailed level on which land use regulation can take place in Japan. The ‘redevelopment district plan’ focuses on particular sites such as former industrial areas or freight yards that are situated within central areas which are inefficiently used. Characteristically these areas are quite large, their size being 5 to 20 hectares, and are centrally located in the city. This makes them particularly interesting for private developers. The ‘redevelopment district plan’ can be viewed as an conditional zoning system and allows an area to be rezoned into a more advanced land use without having to modify the existing land use district regulations. For example a ‘redevelopment district plan’ can define the same area that is currently zoned as industrial with a maximum FAR of 200%, for commercial use with a maximum FAR of 600%. Under this system a development that satisfies the 200% ratio and the industrial use can still take place without having to meet additional requirements. However, in the case that a developer wants to realize the commercial use with the 600% floor area ratio, various conditions such as the development of new public facilities need to be satisfied. Again, whether a developer will receive the additional 400% of FAR depends on the type and number of investments made in public facilities.

**The 2000s: Special district for urban renaissance (SDUR)**

The ‘special urban renaissance district’ was introduced in 2002 as part of the Urban Renaissance Policy carried out under Prime Minister Koizumi. This policy was the response of the government to the several socio-economic problems Japan was facing. A major concern of the national government was that the cities in Japan lacked competitiveness and attractiveness. Therefore, it was decided that these cities needed to be revitalized through collective efforts of the public and the private sector. The first action that the national government took was to designate so-called ‘priority
areas for urban redevelopment’. Such a designation allowed for financial support and tax exemptions. However, the most drastic measure was that within such an area ‘special zones for urban renaissance’ could be established in which all the existing regulations were lifted and a new set of rules was imposed based upon the urban planning proposal handed in by the private sector. Basically this meant that a private developer could draft a plan without the interference of the local government. This gives the private developer considerable freedom to utilize land in the most efficient way. The government had committed itself to decide within 6 months whether or not to adopt the plan. This greatly speeded up the decision-making process for the private sector. When considering the application and its relaxation of the FAR regulations the government not only looked at the amount of public space and infrastructure that was included in the proposal of the private sector. It also made sure that the plan would contribute to the urban regeneration of an area by taking into account the ability of the plan to generate employment, attract people and to generate other economic developments. And last but not least, a private developer could only hand in a proposal when having the consent of 2/3 or more of the landowners involved.

In the next paragraph the workings of these instruments are illustrated in practice by describing three case studies all concerning the development of station areas in Tokyo. The case studies are analyzed against the background of market-conscious planning and focus in particular on the way planning is conditioning the market. Most of the information regarding the three case studies was derived from planning documents. However, some information was also gained from a number of in-depth interviews (Yin, 2009) with developers, a private railway operator, a consultant and government officials. The interviewees were asked to provide information regarding their role, and the planning methods used, in the development of the station area that they were concerned with. The first project described is the development of Tokyo station which is meant to illustrate how the ‘integral design instrument’ (introduced in the 1970s when urban developments were pre-dominantly government-led) works in practice. The second project is the development of the freight yard of Shiodome station which is an example of a project to which the ‘redevelopment district plan’ (introduced in the 1980s when urban developments were characterized by public – private partnerships) was applied. The third and last project is the development of the station area of Osaki. It was one of the first projects to which the ‘special urban renaissance district’ (introduced in the 2000s) was applied. It represents the period in which urban developments were almost entirely led by the private sector.
### Box 7-1  Systems for allowing relaxations in existing FAR-values

<table>
<thead>
<tr>
<th>Title of system</th>
<th>Year of introduction</th>
<th>Spirit and outline of the system</th>
<th>Approved cases Tokyo</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specified Block</td>
<td>1961</td>
<td>In a case where a building has a good environment, a sound shape is constructed, and effective vacant land is secured, the restrictions of allowable total floor area ratio etc. are eased.</td>
<td>62 projects 103 ha (as of 2005)</td>
</tr>
<tr>
<td>Advanced use district</td>
<td>1969</td>
<td>In a case where lots (or buildings on a lot), are integrated, small-scale buildings are inhibited, effective vacant land in lots is secured, the restrictions of allowable total floor area ratio etc. are eased.</td>
<td>110 projects 499 ha (as of 2006)</td>
</tr>
<tr>
<td>Integral Design</td>
<td>1970</td>
<td>In a case where a building plan secures more than a certain rate of vacant land in a lot, the restrictions of allowable total floor area ratio are eased. The plan should contribute to the improvement of the urban area.</td>
<td>674 projects 275 ha (as of 2008)</td>
</tr>
<tr>
<td>Redevelopment District plan</td>
<td>1988</td>
<td>In the case of a district where integral and comprehensive development is necessary (e.g. a site where a large plant used to exist) an intensive land use together with the improvement of public facilities is encouraged by easing the restrictions of use and the allowable total floor area ratio of buildings.</td>
<td>53 projects 1053 ha (as of 2006)</td>
</tr>
<tr>
<td>Residential area advanced use district plan</td>
<td>1990</td>
<td>In the case where agricultural or other land in an urban region is improved and developed in a good urban area with multi-storied housing, the allowable total floor area ratio regulations are eased along with the perfection of public facilities in the district.</td>
<td>15 projects 164 ha (as of 2001)</td>
</tr>
<tr>
<td>Title of system</td>
<td>Year of introduction</td>
<td>Spirit and outline of the system</td>
<td>Approved cases Tokyo</td>
</tr>
<tr>
<td>-----------------------------------------------------</td>
<td>----------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>----------------------------------------</td>
</tr>
<tr>
<td>Land use-classified allowable total floor area ratio-specified district plan</td>
<td>1990</td>
<td>In the case where housing supply is promoted in residence-commerce areas in the peripheral regions of urban centres, the allowable floor area ratio is raised for the dwelling units provided.</td>
<td>18 projects 757 ha (as of 2000)</td>
</tr>
<tr>
<td>Street scenery encouraging district</td>
<td>1995</td>
<td>In a case where a district plan specifies the restrictions on the locations of wall faces, the maximum height limit of buildings etc. it is not necessary to apply the allowable floor area ratios and slant plane restrictions in reference to road width</td>
<td>27 projects 747 ha (as of 2001)</td>
</tr>
<tr>
<td>High dwelling house-encouraging district</td>
<td>1997</td>
<td>In a case where a building contains more than a certain rate of dwelling units, the floor area regulations and slant plane restrictions are eased, and sun shadow regulations do not apply.</td>
<td>2 projects 28 hectares (as of 2000)</td>
</tr>
<tr>
<td>Special District for Urban Renaissance¹</td>
<td>2002</td>
<td>In areas where urban development is considered a priority private developers are allowed, with the consent of 2/3 of the landowners, to propose their own plan without having to take into account the existing land use regulations (i.e. land use, allowable floor area ratio).</td>
<td>17 projects 38,1 ha (as of 2009)</td>
</tr>
</tbody>
</table>

Note: the systems in bold and italic are described in this article.

¹ Derived from the website: http://www.toshiseibi.metro.tokyo.jp/cpproject/list_index.htm.
7.3  Case 1: Tokyo station

Figure 7-2  Location Tokyo station

Note: the pink area between Osaki and the Waterfront sub-centre refers to Shinagawa station. This station, however, does not have the status of sub-centre.

Tokyo station is located right in the heart of the historical central business district (see figure 7-2). The station building is one of the few buildings that have a high historical value. Many regard it as the ‘entrance to Japan’, especially as it fronts onto the road that leads to the Emperor’s Palace. The Tokyo station building was built at a time when Japan was greatly influenced by the ‘civilized countries of the West’. The adaptation of ideas and techniques from the West was regarded as the ultimate means of making Japan modern. Many buildings designed during this period reflect this strong orientation to the West. For example, the Tokyo station building was modelled on the Amsterdam Central Station building. Currently the station complex and its surroundings are being developed. On the west side of the station, the so-called Marunouchi side, a new plaza will be created which will extend into a walkway in the direction of the Emperor’s Palace. Furthermore, the station building itself will be restored to its original state by renovating the exterior walls, restoring interior ceilings, and by restoring the roof and

---

40 The first plans for developing the area around Tokyo station originate from the 1980s and at present the area is being developed. Therefore this case should not be regarded as representing the 1970s when urban developments were pre-dominantly government-led.
third floor exterior walls that were destroyed during World War II. In addition, two underground floors will be created to provide space for parking, utility rooms and other facilities. On the eastside, the so-called Yaesu side, a large pedestrian plaza will be built with a high-rise building on each side (see figure 7-3). Furthermore, the Yaesu side station plaza will be expanded from 32 metres to 45 metres (Kaiso, 2010). The incentive systems that made the construction of both high-rise buildings possible will be discussed below.

Figure 7-3 Tokyo station area before and after its development

Source: a copy of both images was personally received from JR East in 2006.

The Tokyo Station building is located in an area zoned as a ‘Commercial District’ with a specified FAR of 900%, while the FAR of the surrounding area is set at 1300%, which is the highest value specified in law (see chapter 4). In the current situation approximately 200% is used for the station complex, which means that 700% remains untouched. Therefore the owner of the building, Japan Railways East (JR East), is entitled to use the remaining part. At first a plan was launched to construct two high-rise towers on the Marunouchi side, because JR East did not own enough land to develop them on the other side. This plan was met with strong criticism since the planned towers would overshadow the historical station building. However, from a legal point of view this plan did not break any regulations so there was no objection to the continuation of the plan. In 2002 the national government offered a solution by widening the usage of the transferable development rights instrument. Previously, the transfer of development rights was limited to adjacent blocks. Now they were extended to a certain specified area which allowed JR East to transfer the unused development rights of the station building to the opposite site, the east side, of the railway tracks. As JR East did not own enough land on the east side of the station, it worked together with four different landowners in the area. In this way JR East managed to find the necessary space for its high-rise development. In 2004, after having received the approval of the Tokyo Metropolitan Government (TMG), a building volume of 360% was transferred and used for the construction of two high-rise towers.
The actual building volume of the two high-rise buildings turned out to be much higher than the volume officially allowed by law. This was not only the result of the transfer of unused development rights, but also because of the application of the ‘integral design instrument’. Moreover, the transferable development rights instrument is not considered an incentive system as it does not require any favour in return from the private sector. The ‘integral design instrument’ allows a developer to receive an additional FAR bonus when a certain amount of vacant land that is open to the public is included in the development plan. In case of the Tokyo Station project a pedestrian passage was included in the development plans for which JR East received an additional bonus. Developments in Tokyo often use a combination of instruments to get additional building volumes. This leads, when looking at the sites individually, to much higher FAR-values than the ones specified in law. For example, in the case of Tokyo Station the two high-rise buildings have a FAR-value of approximately 1650%, while officially a FAR value of only 900% was allowed (see box 7-2). However, when considering the area as a whole, the designated FAR of 900% is not exceeded. This is because FAR-values are designated to areas rather than to individual lots.

**Box 7-2  Tokyo station, relaxation of existing FAR-values**

<table>
<thead>
<tr>
<th>Yaesu North and South Tower</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Original FAR-values</strong></td>
</tr>
<tr>
<td><strong>Additional FAR:</strong></td>
</tr>
<tr>
<td>a) Pedestrian passage</td>
</tr>
<tr>
<td><strong>Total FAR-value after bonus</strong></td>
</tr>
<tr>
<td><strong>FAR transfer</strong></td>
</tr>
<tr>
<td><strong>Final FAR-value</strong></td>
</tr>
</tbody>
</table>
7.4 Case 2: Shiodome freight yard

Before its closure in 1987 Shiodome was one of the most important freight yards in Japan, belonging to Japan National Railways. However, due to the shift to a motorized society in the 1970s the role of Shiodome steadily declined and eventually it closed in 1987, ending its 114-year history as a freight yard. It was in the same year that Japan National Railways became privatized and a number of centrally located railway yards became available for development. Shiodome was one these yards, offering 31 hectares of land in a prime location near the Central Business District of Tokyo (see figure 7-4). These yards were all surplus assets belonging to the former Japan National Railways that were sold to settle their huge outstanding debt. For this a special company was set up, the Japan National Railways Settlement Corporation. It was their task to sell the 169 hectares of surplus land that Japan National Railways owned. Shiodome was their largest and most highly valued asset, due to its prime location near Shimbashi Station on the Yamanote line and the Waterfront Sub-centre. Initially the plans to develop the yard were put on hold by the government on the grounds that these plans would contribute to inflation. By the late 1990s when land prices were falling and the economy had calmed, the plan was reactivated.
Prior to the development of the Shiodome freight yard the land readjustment instrument was used by the TMG to rearrange the land, develop basic public infrastructure and to subdivide the land into urban lots. After the land readjustment was carried out a ‘redevelopment district plan’ was defined for the whole area. The district plan proposed to divide the area into four functional zones. Each zone was divided into multiple blocks which were sold by auction to the private sector. Here we focus on the development of one of these zones, the international key business zone, as this was the zone where the most drastic land use changes had occurred. The international key business zone (block A, B and C in box 7-3) is located nearest to Shimbashi station, which is a large interchange station located directly south of Tokyo station, and is subdivided into three urban blocks. Before its development this area was an ‘Industrial district’ with a specified FAR of 400%. However, under the ‘redevelopment district plan’ it was rezoned as a ‘Commercial district’ with a FAR of 800%, thereby permitting much higher buildings to be built. A developer could fully utilize this volume by following the conditions as specified by the TMG in the district plan. As for Shiodome these conditions concerned for example the provision of pedestrian decks, public squares and pedestrian spaces. However, the actual FAR-values that have been utilized in the international key business zone are much higher than the 800% that was specified by the district plan, as each block contains a building with a plot ratio of 1200%. There are two explanations for this: One is that the deviation of the FAR was made possible because of additional investments done by the private sector. The developers of the three urban blocks jointly constructed a plaza of 4.700 square metres which provided access to each of their buildings. For this investment they were rewarded with an additional building volume of approximately 200%. Second, the remaining 200% was the result of the transfer of development rights from other blocks (block D and H in box 7-3) in the area. Similar to the international key business zone, additional investments in public infrastructure had resulted in much higher plot ratios in the other functional zones. Moreover, the construction of residences in the centre of Tokyo was, unlike other areas in Tokyo, rewarded with additional building volume. This was done to encourage people to live in the centre of Tokyo as there was a considerable imbalance between the daytime and night-time population of the areas (see chapter 3). As a result these zones ended up with equal and in some cases even higher plot ratios than the international key business zone. This was considered inappropriate as the international key business zone was supposed to have the most intensive land use. Therefore it was decided to transfer a considerable part of the development rights from these zones to the international key business zone. Consequently each building block received an additional development right of 200%. The reason that substantially higher FAR-values were allowed here was thus the result of a combined usage of FAR-bonus and FAR-transfer systems.

41 Land readjustment is a measure based upon the exchange of rights from one land to another. In a land readjustment project both landowners and leaseholders contribute a portion of their land. Part of this land is used for the development of public facilities while another part is used for financing the project costs. After the land readjustment the landowners and leaseholders receive their replots (the rearranged lands after land readjustment) back, albeit smaller in size. By using this system public facilities can be improved and lands can be reorganized integrally.
Box 7-3  Shiodome, relaxation of existing FAR-values

<table>
<thead>
<tr>
<th>Original FAR-values</th>
<th>Block A</th>
<th>Block B</th>
<th>Block C</th>
<th>Block D South</th>
<th>Block H</th>
</tr>
</thead>
<tbody>
<tr>
<td>400%</td>
<td>400%</td>
<td>400%</td>
<td>400%</td>
<td>400%</td>
<td></td>
</tr>
</tbody>
</table>

| Initial FAR-values Redevelopment district plan | 800% | 800% | 800% | 600% | 600% |

<table>
<thead>
<tr>
<th>Additional FAR:</th>
<th>Block A</th>
<th>Block B</th>
<th>Block C</th>
<th>Block D South</th>
<th>Block H</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Plazas, pedestrian roads, pedestrian decks, and greenery</td>
<td>196,2%</td>
<td>192,6%</td>
<td>193,7%</td>
<td>181,2%</td>
<td>165,3%</td>
</tr>
<tr>
<td>b) Historical preservation</td>
<td>4,9%</td>
<td>7,6%</td>
<td>6,3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Energy efficiency facilities</td>
<td>48,1%</td>
<td></td>
<td>19,2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>d) District heating cooling facilities</td>
<td></td>
<td></td>
<td></td>
<td>259%</td>
<td>267%</td>
</tr>
<tr>
<td>e) Housing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Total additional FAR | 249,2% | 200,2% | 219,2% | 440,2% | 432,3% |

| Total FAR-values after bonus¹ | 1000,0% | 1000,0% | 1000,0% | 1040,2% | 1032,3% |

| FAR transfer² | +200% | +200% | +200% | -388% | -388% |

| Final FAR-values³ | 1200% | 1200% | 1200% | 600% | 600% |

Note: The FAR has various measuring units. In Japan a percentage is used while in other countries an absolute number is used. In the end the figures mean the same: 400% is simply the figure ‘4’.

¹ The total FAR-values of block A and C after bonus are rounded down to 200%.
² Total land area of block D south and H x (388% FAR) equals total land area of A, B and C x (200% FAR).
³ The final FAR-values of block D south and H are rounded down to 600%.

Due to its proximity to the historical Central Business District, Shiodome is a highly valued location. This is reflected by the decision of the TMG to allow certain parts of Shiodome to have FAR-values up to 1200%. After the area around Tokyo Station, these are the highest FAR-values to be found in central Tokyo. This explains why many of the office buildings have a height close to 200 metres or even higher (see figure 7-5). Moreover, such a density supports the character that the TMG is aiming for, namely that of an international multifunctional centre. A centre that is able to compete with other sub-centres in Tokyo, such as Shinjuku and Ikebukuro.
Station area developments in Tokyo and what the Randstad can learn from it

Figure 7-5    Shiodome freight yard before and after its development

7.5 Case 3: Osaki station

In 2001 the Urban Renaissance headquarters was established by the national government in response to the several social-economic problems Japan was facing. Its mission was to revitalize the cities of Japan and enhance their attractiveness and international competitiveness as it was believed that in this way Japan could overcome the economic depression it was confronted with since the 1990s. In 2002 the Urban Renaissance Special Measures Act (URSMA) was enacted which allowed the national government to directly intervene in an area which was normally considered a local government matter, i.e. the urban development of cities. This is extremely rare in Japan and illustrates how urgent and important the revitalization of cities was for the national government.

The URSMA authorized the national government to designate so-called ‘priority areas for urban renaissance’. Interestingly, most of these areas are designated around a station, which demonstrates the crucial role that stations play in the revitalization of Japan’s cities. In a priority area special financial support, tax benefits and special exceptions in urban planning are applicable. The special financial support includes support for public facilities and/ or support for starting up a project. The tax benefits usually involve interest free loans. Financial support and tax benefits are given to private sector urban renaissance projects that have been authorized by the Minister of

42 A part of this case study is derived from Chorus, in Janssen-Jansen (2008).
Land, Infrastructure and Transport. In addition, a private developer can apply for the status of ‘special urban renaissance district’ allowing the developer to establish plans free from regulations applied to existing land use zones, and greatly reducing the time needed for decision making on urban planning. A ‘special urban renaissance district’ requires the consent of 2/3 or more of the land owners concerned and the area needs to be over 0.5 hectares before it can be approved by the prefectural government.

In Tokyo 8 priority zones have been designated totalling an area of 2.514 hectares. Seven of them are located around the Yamanote loop line, which is a circular railway line connecting most of Tokyo’s sub-centres in central Tokyo. Osaki Station is situated on the south side of the Yamanote loop line and was one of the areas that was designated a ‘priority area for urban renaissance’ by the national government in 2002. Around Osaki station many industrial and research facilities are to be found, among them the technology centres of Sony Corporation. This land use had been strongly encouraged by the TMG as they labelled Osaki Station as a ‘sub-centre for research and development industries’. Because of its status as sub-centre, Osaki station was assigned with higher FAR-values than its surroundings. The priority area designated around Osaki station concerned 60 hectares and contained, as of 2009, seven projects. Five of these projects concerned private sector urban renaissance projects and were all projects that had received special financial support and tax benefits. The remaining two projects were ‘Special Urban Renaissance Districts’ and had received special exceptions in urban planning. The case study presented here focuses on these latter two projects.

On the west side of Osaki station two areas have been approved as a ‘Special Urban Renaissance District’ by the TMG. For both areas a private developer proposed to rezone the current land use (see box 7-4). One area, the West district, had a semi-industrial use with a FAR of 300%. The other area, the central district, was zoned as ‘semi-industrial’ and ‘neighbourhood commercial’ and also has a FAR of 300%. In the new situation both the West district and the Central district are zoned as ‘commercial’. The proposal that the private developer made for the West district included a FAR of 750%, while the proposal for the Central district included a FAR of 650% (see box 7-4). Getting the consent of the landowners involved was more difficult in the Central district, as this was a traditional residential area characterized with many small individual land holdings. In the West district there was basically one owner, an industrial company called Meidensha. This company decided to relocate which made it possible to redevelop the area. Besides the special exceptions in city planning, Meidensha managed to get the project authorized as a private urban renaissance project in 2005. Therefore the development of the West district received financial benefits as well.
Box 7-4  Osaki station, relaxation of existing FAR-values

<table>
<thead>
<tr>
<th></th>
<th>Think Park Tower (West district)</th>
<th>Osaki west city towers (Central district)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Original FAR-values</strong></td>
<td>300%</td>
<td>300%</td>
</tr>
<tr>
<td><strong>Additional FAR due to designation as Special Urban Renaissance District</strong></td>
<td>450%</td>
<td>350%</td>
</tr>
<tr>
<td><strong>Final FAR-values</strong></td>
<td>750%</td>
<td>650%</td>
</tr>
</tbody>
</table>

When considering the easement on the planning regulations, i.e. the relaxation of the floor area regulations, the TMG did not only evaluate the area in terms of specified elements, such as how much infrastructure or open space should be included in the development. The plan was also judged according to its ability to attract people, its economic ripple effect and its ability to generate employment as these aspects were also considered important for the urban regeneration of an area. As prescribed by law, the TMG had to decide within 6 months from the date of its submission whether or not it would approve the plan. This greatly reduced the time consuming process of obtaining an official approval for the private sector. The development of the West district was completed in March 2007 and now houses a tower with offices and stores. Besides the tower a park has been created of which the surrounding residents can also benefit. One of the developers was Meidensha, the former landowner. The development of the Central district plan was completed in 2009 and now houses two residential towers of 128 metres in height (see figure 7-7). Furthermore the development includes offices, stores and a child care facility.
Station area developments in Tokyo and what the Randstad can learn from it

Figure 7-7   Osaki station central district before and during its development (as of August 2009)

Source: website of UG Toshi-Kenchiku.

Source: author's own picture.
7.6 Conclusion

From the 1960s onwards the role of the Japanese government in planning significantly reduced, while the involvement of the private sector increased. This change was accompanied by the introduction of several incentive systems allowing the government to increasingly leave the initiative for the planning and development of locations to the private sector. However, this increased involvement of the private sector does not mean that the government is less influential in steering developments. On the contrary, as the case studies described in this paper have demonstrated, the incentive systems seem to offer the government a powerful tool in securing their own interests and those of the private sector. Usually a developer that wants to apply for an incentive system needs to meet certain conditions pre-established by the government. Depending on the extent to which a developer fulfils these conditions a reward is given by the government, in Japan this is usually an additional building volume. The idea is that in the end both the government and the market should benefit from this.

This approach differs from traditional government planning as it does not aim to rigidly regulate a development which the market needs to follow. Instead the government lays out a number of conditions that a developer must adhere to, but then leaves a developer to decide the extent to which it wants to follow these conditions. In other words, developments that are conditioned rather than strictly regulated allow the private sector a considerable amount of freedom.

This considerable amount of freedom makes planning in Japan highly flexible. Basically no one can predict beforehand what the outcomes of a development proposal will be. The only thing that is known beforehand is the minimum and maximum conditions a developer needs to meet as these are set in advance. For example, a developer knows beforehand the minimum and maximum level of additional building volume he is able to receive. To what extent a development proposal is granted is largely the result of negotiations between the government and the private sector. Although the high degree of flexibility might indicate otherwise, the level of certainty is relatively high as a developer knows beforehand what he can build and what contributions to public infrastructure he needs to make. However, from a resident's perspective there is little certainty of what to expect a development to look like, and there is virtually no means to appeal against a development in front of their residence (Sorensen, 2010). For example, in Japan the City Planning Law and the Building Standard Law only provides residents a limited opportunity to raise objections against a proposed development that affects their living environment. This explains why contrasting situations such as high-rise structures next to low-rise buildings frequently exist in Japan, particularly in Tokyo. For some, therefore, Tokyo is perceived as a rather chaotic and unattractive city, while others highly appreciate this contrasting landscape. What remains, however, is that the market-conscious approach to planning conducted in Japan seems to have found a workable balance between flexibility and certainty. As Munoz Gielen (2010, p.1097) argues “Plans should provide a degree of certainty to safeguard public interests while also being flexible enough to ensure that the needs of developments are met”. Japan seems to succeed in doing both, at least for developers and the government.
CONCLUSION PART TWO

Now that insight has been gained into how station area developments are being planned in Tokyo, what planning incentives are used, and what roles the public and private sector play in this, an answer can be given to the first part of the central question underlying this research, i.e. “What are the driving forces behind station area developments in Tokyo and to what extent can similar forces be activated in the Randstad?” From the description and explanation of station area developments in Tokyo in chapters 4 to 8 the following driving forces can be identified:

1. A market-conscious government
The role of the Tokyo Metropolitan Government (TMG) is rather limited in the planning and development of station areas. Its main role is to facilitate and condition land use developments around station areas, for which it uses its planning and financial instruments. As such it is rather influential, despite its limited role, in directing land use developments to station areas.

2. A prominent role of the private sector in planning
The private sector, whether it is private developers or private railway operators, has a rather active role in planning. Not only does it often implement land use plans, but it is also responsible for drafting urban plans.

3. Life-time concessions for private railway operators
Railway operators in Tokyo/Japan are granted indefinite railway licenses by the national government. This enables them to develop long-term railway strategies for their railway territories.

4. Integration of railway infrastructure management and railway operations
Most railways in Tokyo/Japan are owned and operated by the same company. This, in conjunction with their life-time concessions, encourages private railway operators to make long-term plans for their railway territories.

5. Strict railway fare regulations
Fares are strictly controlled by the national government. Therefore, private railway operators that are keen to increase their profit margins are forced to look for other sources of revenue.

6. The central role of synergy in a private railway operator’s growth strategy
Generating synergies between its transportation, real estate and retail activities stands at the core of every private railway operator’s business strategy. Private railway operators have been developing these activities in such a way that they have reinforced each other’s profitability, or in other words they have generated synergy.
7. Private railway operators that orientate their planning and developments around railway corridors

Private railway operators are used to orientating their transport and land use planning and development around railway corridors. In other words they ‘think and act corridor wise’. The ‘thinking’ refers to their integral area strategies which usually involve one or more corridors. The ‘acting’ refers to the implementation of these strategies and is illustrated by the careful alignment of their business activities along railway lines in order to generate bi-directional travel flows and maximize fare revenues.

8. Urban government regulating densities

Station areas in Tokyo/Japan are assigned higher densities than their urban surroundings by the TMG. In this way the TMG hopes to attract private investments to station areas. In addition several systems exist that allow existing FAR-values to be relaxed.

9. Urban government regulating mixed land use

In order to further develop the functional profile of a station the TMG uses, along with other measures such as FAR regulations, tax breaks such as a temporary exemption of the real estate tax to attract specific companies to a station area. In this way it hopes to contribute to the development of sub-centres and regional centres that complement rather than compete with each other.

10. Flexible zoning

In Tokyo/Japan station areas are usually zoned as ‘Commercial District’. These are the most loosely zoned districts where virtually every kind of function combination is possible. Besides facilitating the largest variety in land uses, ‘Commercial Districts’ allow for the highest densities and tallest buildings to be realized. This is most clearly demonstrated by the Floor Area Ratio (FAR) controls and the Building Coverage Ratio (BCR) which are much higher here than in other land use districts.

11. Disincentives for car use

Car usage in Tokyo is discouraged through several measures such as high parking fees, high taxes on vehicle ownership, and toll charges on all intra-urban and inter-urban highways. Furthermore, an incomplete express way network is causing the main expressways to be congested throughout a large part of the day in Tokyo. Last but not least, there are the garaging requirements, which require anybody who wants to register a car to provide evidence of having an off-street parking space at their residence. These requirements have effectively constrained car ownership in Tokyo.

12. Incentives for public transport use

The usage of public transport is encouraged in Tokyo/Japan by the national government through a tax-free commuting allowance. In addition, trains and buses in Tokyo are extremely punctual (and thus reliable) and frequent which all together makes public transport a more favourable option than the car.