

Social Responsibility in Land Allocation Agreements – An Example from Malmö (Sweden)

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SUMMARY

On January 1 2015 the law Guidelines for municipal land allocations took effect. Among other things, the law regulates what constitutes a land allocation agreement, i.e. an agreement between a municipality and a developer. The land allocation agreement gives a developer a time-limited exclusive right to negotiate a purchase of land with the municipality for the purpose of e.g. housing development.

The law also regulates that the municipality must adopt guidelines for basic terms, conditions and processes. Land allocation agreements in various forms have of course existed in Swedish municipalities before under different names. The purpose of the new law is to increase transparency and competition primarily in municipal agreement negotiations in order to improve the effectiveness of the development process.

The agreements normally regulates what shall be built and when, the price of the land and other costs. Other clauses may regulate e.g. sustainability and cooperation aspects.

This paper details how the land allocation process works in the city of Malmö, Sweden, and in particular how the city has begun to work with social conditions in their agreements. In a city with substantial social differences between different areas, those conditions are a part of a larger effort to reduce social exclusion.

Social conditions in agreements are not new. Since some years developers purchasing land from the municipality for the purpose of building tenancies are obliged to provide 10% of the housing supply from the planned project, or a corresponding amount from their existing supply, to the municipality. The municipality then sublets the flats to people who are excluded from the regular housing market,

with the plan that the tenants in time will be able to take over the contract themselves.

In 2014 the first purchase agreement was signed, where the municipality and the developer agreed that the developer would hire 10 long-term unemployed citizens to work with the construction project. The importance of such agreements has increased. During 2016 the municipality assigned land to three different developers in three distinct areas. In those areas the municipality and the developer now work together to find ways to address social issues as a part of the development of the area. The experience from those three areas will influence how the municipality as a land owner can strive for a sustainable urban development in the future. This paper describes this early work and provides examples of how one can address questions such as local job creation, cooperation with associations, local schools and security.

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