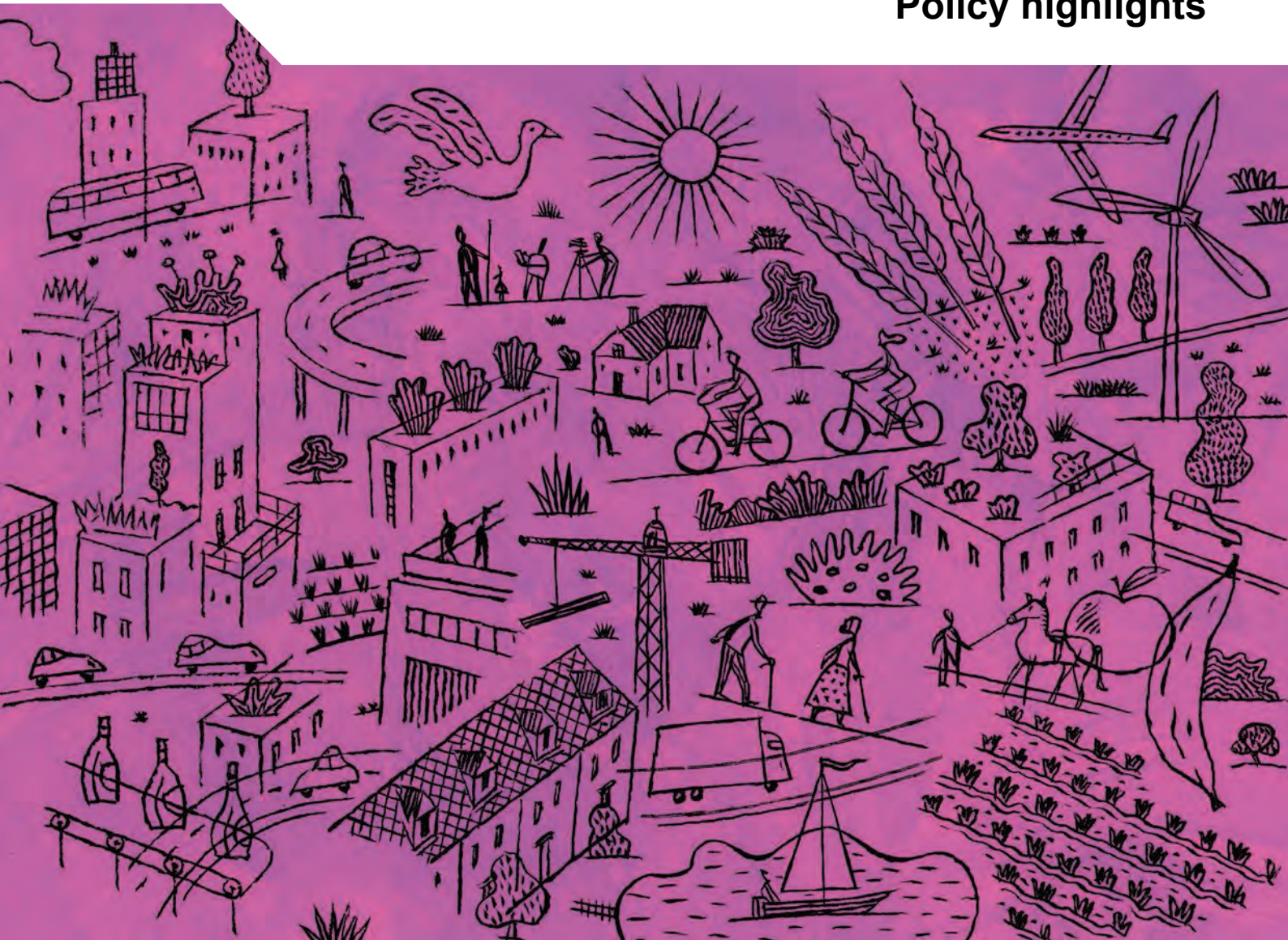




# Spatial Planning and Policy in Israel

THE CASES OF NETANYA AND UMM AL-FAHM

Policy highlights



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# Israel is in the process of addressing the challenges resulting from a legacy of inefficient regulatory procedures



**The regulation of land use in Israel is anchored in a centralised top-down planning system that underwent major reforms since 2011.** The need for reform was driven by slow and rigid planning procedures that, in combination with macroeconomic circumstances and continuous population growth, could not accommodate the high demand for housing, thus contributing to a significant housing shortage. As a result, house and rental prices were increasing steadily: 80% and almost 40%, respectively, between 2008 and 2016. In contrast, real average wages increased only by 4% over the same period. In 2011, thousands of people protested against the rapid increases in cost of living, which steered the national government's focus towards addressing the undersupply of housing. At present, the housing challenge is addressed in two parallel approaches: first, ongoing reform processes aim to eliminate structural deficiencies in the planning system; and second, the introduction of short- to medium-term programmes that allow a quick increase in housing supply complemented by the development of a long term housing strategy.

**The planning system in Israel is based on the Planning and Building Law of 1965 that defines planning institutions and authorities, planning procedures, the types of plans and the hierarchy between them.** Land-use planning in Israel is conducted at three different scales matching the national, the regional and the local level. While Israel is a unitary country with only one layer of subnational government (local governments), it is also divided into six administrative planning districts that are responsible for planning at a regional scale. Within the planning system, the national government plays a major role in determining local land uses. It elaborates national master plans that set detailed development objectives for the country which influences the spatial distribution of economic activities and determines the location of critical infrastructure. In addition, the national government provides the majority of representatives for the planning institutions within the six district planning committees. It therefore not only has the power to guide development through the creation of binding national and district master plans, but is also responsible for the approval of many plans at the local level.

## Reforms of the Planning and Building Law aim to reduce inefficiencies in the planning system and to allow for greater flexibility

One of the most significant reforms in the planning field so far has been the 2014 “Amendment 101” to the Planning and Building Law. Prior to the reform, long plan approval times at the district-level contributed to an overall long process of the construction of residential units totalling on average 12-13 years from initial preparation to completed construction. With the amendment a variety of deficiencies were addressed. The amendment restructured planning at the local level, facilitated the application process for construction permits through the establishment of professional construction control centres and introduced mechanisms for greater transparency. The improved application process, the devolution of planning authority to the local level, together with an overall increase in efficiency has already reduced the time of planning approval and is expected to advance further improvements, including a time reduction for issuing building permits. The work of the district level committees used to be dominated by the approval of small-scale developments, typically consisting of less than 20 housing units. Devolving planning authority of many of these small-scale plans from the six district planning committees to the 127 local planning committees is not only expected to speed up the approval processes but also to free up planning resources at the district level.

**These reforms shift the focus of local planning committees from regulating land-use plans imposed on them to becoming an active body for land-use planning.** Local authorities are encouraged to prepare local comprehensive plans that provide an overarching strategy for their jurisdiction. Once approved by the district committee, local planning committees that have proven their professional ability will have full authority to decide on lower level plans that comply with the local comprehensive plan.

*Decentralisation of planning authority requires that objectives of land-use policies are aligned across levels of government and that incentives are compatible across policy sectors*



**Devolution of planning authority should be accompanied by an evaluation of policy objectives at the local, regional and national level to ensure that plans are aligned and goals of all levels of government are addressed.** While increasing the supply of housing is the main objective of recent national-level reforms, local-level governments tend to focus on supporting developments that support their budget, i.e. on maximising their local tax revenue. Property taxes are the main source of municipalities’ own revenues in Israel. Local governments can choose tax rates for different types of properties within bands set by the central government. As the allowed rate for commercial property is up to 10 times higher than for residential units, local authorities prioritise the development of commercial and office space. Ensuring that incentives and policy objectives are aligned across levels of government should therefore accompany the process of decentralisation.



*New local authority needs to be accompanied by appropriate resources to address the local capacity gap*

**The devolution of planning authority requires the strengthening of local planning capacities.** Not only do local authorities need financial resources to fulfil the additional task, but new powers require different knowledge and skills that might need to be developed. Local authorities across Israel have very different relationships with other levels of government and are heterogeneous with respect to capacity in local planning practice. The reform process therefore needs to be accompanied by local capacity building in form of funding, mentorship, support for professional networks, sharing best practices and public engagement processes. Recent governmental efforts are taken in this direction, but increasing support for best-practice exchanges between neighbouring local authorities can further stimulate an environment of more horizontal co-operation.



*Active and meaningful public participation can benefit in land-use planning*

**The planning system provides the opportunity for public participation, as the public can object to a statutory plan at the stage of public release before final approval.** This objection process can take time and is an unpredictable factor in the overall planning process. The awareness of the benefits of involving the public at earlier stages is slowly evolving. Access to information on plans and accompanying documents at national, regional and local scales is increasingly provided and simplified online. While this process is mainly technology driven, further steps to actively involve citizens are increasingly undertaken. Inviting citizens early on to contribute their views and opinions allows addressing possible objections at an early stage reducing the likelihood of appeals at a final stage. Conditional on necessary infrastructure being built, a framework that allows active citizen involvement in designing their neighbourhood could also prove to be beneficial in areas that require the co-operation of private land owners for community revitalisation projects and the provision of services and amenities.



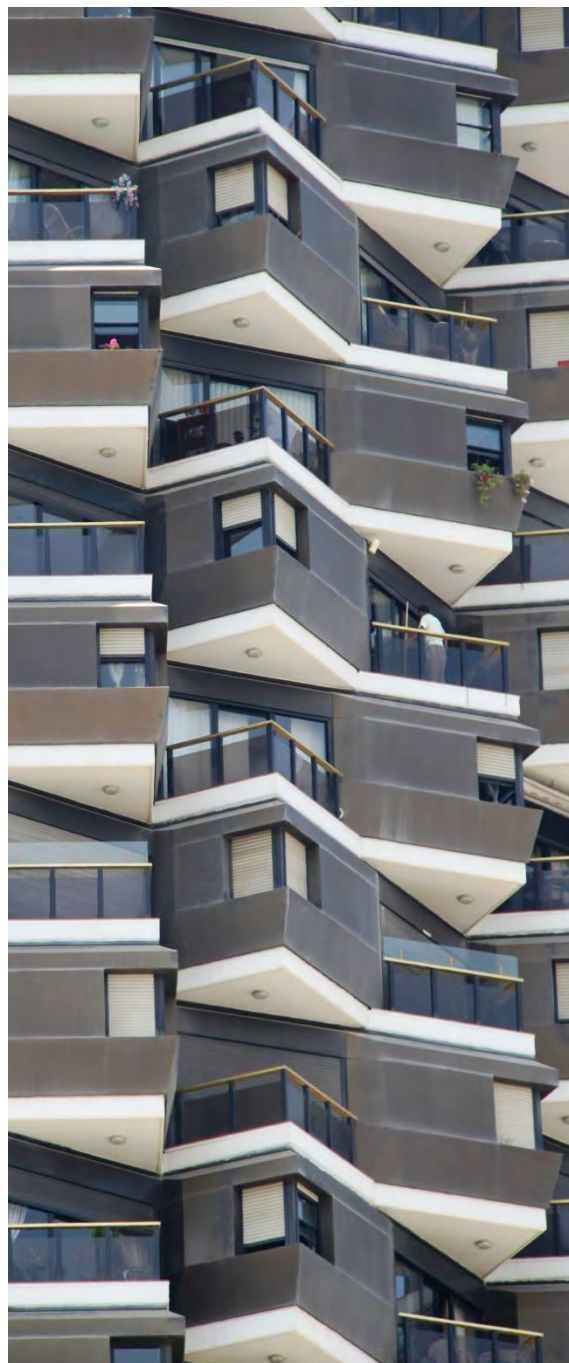
## *A holistic approach to land use in Israel*

**The instruments of land-use planning alone will not suffice to tackle the challenges facing Israeli cities to improve quality of life nor will they adequately address the disparities of different cities.** Effective spatial development requires a holistic approach that takes interdependencies with other sectors, such as taxation, transportation or economic development, into account. At present, the need for integrated planning is addressed at the national level with the preparation of a new master plan that unifies the sectoral master plans into one single plan. But integrated planning entails more than putting individual plans on the same map. It involves constant co-ordination and co-operation across policy sectors and levels of government. Particularly for Israel, where land is a scarce resource, integrated planning is crucial for avoiding costly adjustments in land uses. For example, benefits from co-ordination across sectors that are highly interconnected such as public transport infrastructure and urban development could emerge through applying principles of transport oriented development. Therefore, the development of the unified master plan should be accompanied with a coherent long-term policy strategy for all sectors.

### *Development of joint strategies can built on existing institutions*

**The mechanisms for co-operation and co-ordination provided by Israel's planning system are underutilised.** At the national level, the National Planning Board is composed of representatives of several government ministries such as the Ministry of Finance, the Ministry of Interior and the Ministry of Housing and Construction. However, the Board does not develop a joint strategy, but strategies are set at the ministerial level and the agenda of the board is often a reflection of the balance of power between the ministries. At the district level, the district planning committees further allow for co-ordination across level of governments. Representatives at this level include appointed members of local authorities within the district and members of governmental ministries. To leverage the potential of the recent shift

towards decentralisation and empowerment of local planning authorities, the role of the district planning committees needs to be re-evaluated. As they served as the institutional body regulating detailed local planning decisions, they now can be adapted to facilitate vertical co-ordination, providing a platform for the exchange of ideas, discussion of interests and broader policy changes.





## Housing programmes have been introduced as immediate tools to relieve the pressure on the housing market

**To address the immediate housing need for the population, the national government has strengthened its efforts to quickly increase the housing stock.** As such, housing programmes relating to planning, development and marketing phases were introduced and complemented by administrative changes that aimed at facilitating the co-ordination between all major bodies related to housing. While addressing structural deficiencies in the planning system is required to increase efficiency of the planning procedure in the long-term, the results will only come into effect gradually. To avoid an increasing build-up of the housing shortage, housing programmes that circumvent bottlenecks in the regulatory system have been introduced. These programmes aim to significantly increase housing supply in the short to medium term. To increase the supply of

housing, the government has set annual targets for minimum numbers for approved housing units in plans. These annual targets have been increased and met by the Planning Administration each year since 2012, also due to projects that qualify to be fast tracked can be directly approved by the national level, skipping the often lengthy procedures at subnational levels. To qualify, these projects must usually have the potential to create a large number of residential units. Recent efforts to improve the efficiency in the overall housing production chain are slowly showing an effect. Thus, an increasing number of construction starts suggests that ongoing housing needs are met avoiding a further increase in the accumulated housing shortage.

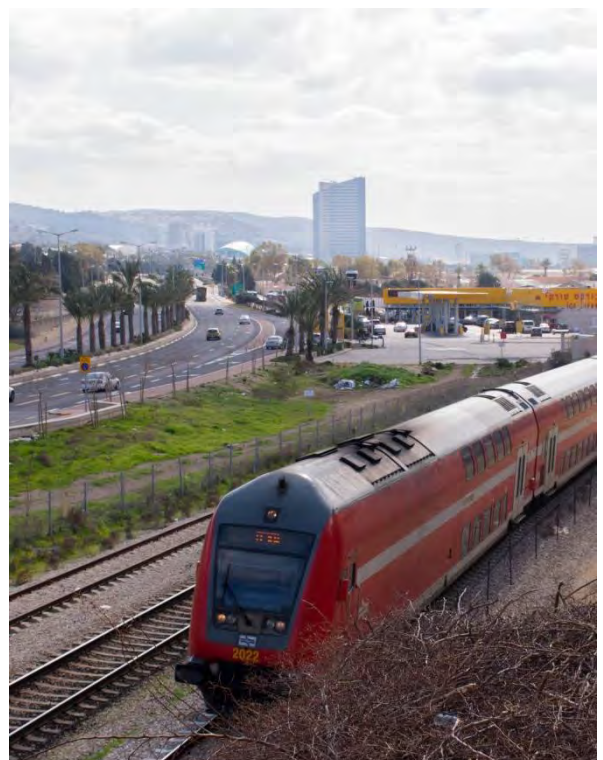




*New housing developments in more peripheral locations have to be accessible*

**Land-use decisions are highly persistent over time and the impact of programmes that quickly increase housing should also be evaluated with respect to their long-term impact on urban form.** The development of large scale housing projects is usually easier in peripheral or sub-urban locations. Thus, in the short to medium term housing might be supplied in areas that do not necessarily correspond to high demand areas where land for development is scarce. It is therefore important to assess the spatial relation of new large-scale residential developments with existing employment centres. The case study city of Netanya highlights the impact of physically disconnected neighbourhoods not only on urban form, but also on quality of life. Ensuring that employment and services are accessible in new developments should already be addressed as part of the planning process, e.g. enlarging the commuting area with the provision of public transport solutions. Creating access to employment opportunities for residents in peripheral locations is crucial to ensure inclusive development throughout the region. Beyond intra-city public transport, this could include the provision of inter-city public transport links that allow for a wider spread of the population while limiting negative environmental aspects of transport. Recent efforts in this direction include

the national housing strategy that envisions a shift from numerical housing targets towards a more holistic approach in the medium to long term and therefore highlights the interdependencies of housing, transport and employment.





*Urban renewal programmes allow densification in cities but their sufficiency for meeting future housing needs has to be monitored*

**Monitoring population growth and demand for housing within urban areas is needed to ensure that the housing supply within existing urban areas can be met in the future.** Urban regeneration programmes allow the upgrading of older housing stock while increasing density. With respect to the housing shortage, the main benefit results from the fast supply of additional residential units in an already existing neighbourhood. For example, the National Master Plan 38 incentivises home owners to earthquake-proof their building if the building permit was issued prior to 1980. To make it financially feasible, the home-owners or the contractor have several options: i) to add 2.5 additional floors to the building; ii) to demolish and rebuild or iii) to transfer the building rights to a vacant property in which a new construction is expected. All new units in the building or its replacement may then be sold in exchange for covering the costs of renovations, building

permits and required taxes. Since the programme is a national master plan, property owners can circumvent lengthy approval times of necessary district-level plans and conduct alterations to their building in a more timely fashion. As a result, the quality of homes improves and residential units within the city are created. It should be considered that after a property underwent the strengthening of its foundation or has been reconstructed (NMP 38), it is very unlikely that there will be another upgrading any time following soon after. Therefore, the maximum number of additional units that can be achieved through urban regeneration programmes should be evaluated with respect to long-term future needs of the respective city or region. This requires monitoring of growth and movement of the population.



## Creating land-related policies that are not skewed towards state-owned land, in order to allow for inclusive development

**Land-related policies in Israel are focused on state-owned land, which can be more easily placed on the market and be developed.** Only about 7% of land in Israel is privately owned, but most of this land is concentrated in cities that were founded before 1948. Development on private land has often been left to private initiative as state-owned land was available and easier to develop. The government has to address the legacy of past policies and create a system that relates to both private and state-owned land. Both case study cities have experienced problems with respect to the development of private land, though the causes are quite different and will be detailed below. Land-related policies that are independent of land ownership are even more important in the context of increasingly scarce developable land. National master plans (i.e. NMP 35) try to accommodate a growing population through

increasing urban densities but neglect that private plots of land are more difficult and often more costly to develop for local authorities. Thus, local authorities struggle to provide the up-front costs for connecting infrastructure to new developments. While housing programmes provide special solutions for large scale residential developments on state-owned land, similar bridge financing mechanism are not available for the development of privately-owned land. Incentivising local authorities to prioritise development on state-owned land can affect urban form resulting in undeveloped plots of well-located land if it is privately owned. To ensure plan implementation, in particular in cities with higher shares of private land ownership, appropriate tools and instruments dealing with development of private land have to be provided..





# Land-use planning in Netanya



A city facing many challenges but with great ambition

**Located in the commuting zone of the Tel-Aviv metropolitan area, Netanya stretches along the Mediterranean Coast on top of a unique limestone cliff.** At present, the city is the 7th largest in Israel following rapid growth during the immigration waves in the 1950s and 1990s. Founded in 1928, Netanya was planned as coastal garden city. The historic core is split into tourism and public spaces along the coast, residential and commercial development in the

centre and industrial and agriculture areas to the east. In recent years, the development of residential high-rise buildings in the city's south has created a discontinuous urban fabric as plots of land between the historic core and the new neighbourhoods remain undeveloped. Spatial segregation of socio-economic groups is evident across Netanya, with separation being reinforced by uniform urban development within neighbourhoods.



## The city aims to revive its status as resort city and to become a main employment area

**Netanya was a popular tourist destination until the 1980s, but the importance of the industry has since declined.** At present, the city's tourism infrastructure is characterised by developments that originated in the 1950s. The local comprehensive plan that is currently being prepared, aims to revive Netanya's status as recreation, sports and tourism city, among other ambitions. In order to attract tourism, the local comprehensive plan includes many ideas on how the city could become more attractive over the coming years. Although the plan provides for diverse and mixed-use neighbourhoods that are walkable, those ideas are not necessarily in line with recent urban development as will be detailed below. Moreover, the city aims to become the main economic centre within the region and a secondary metropolitan employment area of

Tel-Aviv. The area that is allocated for commercial and office space in the plan is twice the current size, separated from the residential and tourism area by a transport corridor. Possible synergies of the objective of becoming a tourism city and becoming a main employment centre are not fully used when tourists restrict their movement to purpose-built tourist areas. The spill-over effects for the whole local economy are limited when tourists do not mix with local inhabitants and do not "explore" and spend money in different neighbourhoods of the city. For the city's vision to become reality, clear guidelines and tools for plan implementation are required. Local planning decision should focus on priorities and feasibility taking into account recent trends and developments.



## *Creating diverse neighbourhoods that overcome spatial segregation*

**Netanya envisions creating diverse neighbourhoods that allow for social mixing. This ambition, highlighted in the local comprehensive plan, is in contrast to recent trends towards physically separated neighbourhoods, segregated by income.** In the north of the city buildings have typically 4-5 floors and provide mainly small sized apartments, whereas in the south new and dispersed high-rise buildings provide large apartments for more affluent residents. Since the early 2000s, developments favoured uniform neighbourhoods with large apartments that attract higher income households and foreign investors. The new comprehensive plan that is currently being developed seeks to increase the diversity in dwelling types by encouraging density through infilling, and generate more active and lifestyle streets with a mix of uses.



**Existing urban renewal programmes cannot overcome the separation as they mainly target the northern and older parts of the city.** As these types of programme target housing and neighbourhoods that were built prior to a certain time, new developments are not eligible. Thus, using urban renewal programmes as tools for creating mixed use neighbourhoods will not succeed in Netanya as whole neighbourhoods in the South will not be affected. While the local comprehensive plan provides other means of diversification such as infill developments, mixed use developments are not foreseen in that area.

**The new developments in the south lack residential units affordable to low or middle income households.** Additional challenges arise from the purchase of second homes by foreign investors, which result in unoccupied apartments for most of the year. This negatively affects the urban character by creating “dead” neighbourhoods and adds to the housing crisis by reducing the number of residential units in the market.

To combat vacant apartments a municipal tax on unoccupied residential property has been introduced that can be used by local governments. The maximum tax rate is set at twice the rate paid for occupied property. This positive step could be hampered by enforcement, as the assessment of the tax rate is based on utility bills rather than proof of actual residency. An additional question is

whether the tax changes the behaviour of high-income owners. The “price sensitivity” is lower for these households and an additional tax that comes at most to USD 5 000 per year for a 100m<sup>2</sup> property might not suffice to incentivise owners to rent out the apartment instead of leaving it unoccupied. As of 2017, Netanya has not implemented this tax on unoccupied residential property.



### *Towards a walkable city*

**The local comprehensive plan calls for prioritisation of infrastructure for pedestrians and cyclists, but recent developments ran counter to this objective.** The dispersed development of high rise buildings in the south of Netanya leads to car use and is in contrast to the ambition of a walkable city or even a walkable neighbourhood. Urban renewal and regeneration programmes in the north of Netanya plan for wider roads to accommodate the needs of an increasing population with the

future option to widen sidewalks when public transport infrastructure improves by reducing the width of the road. A focus on integrated planning of housing and public transport infrastructure, combined with principles of transit-oriented development could reduce the need of private vehicle usage in the first place and support the shift towards a sustainable, less car-oriented city.



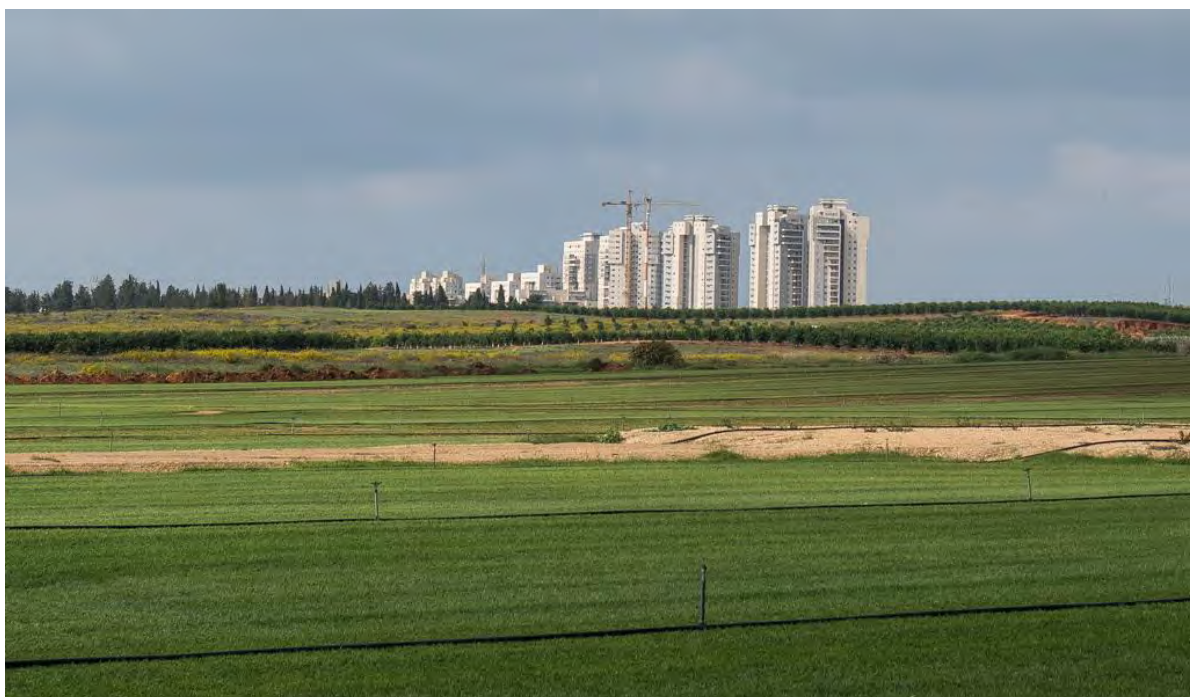
## Providing tools for the development of private land to create a contiguous urban fabric

**Large parts of the undeveloped land that separates the historic core from new developments is privately owned and advancing its development is difficult.** For one, the development of private land depends on the land owner and cannot directly be influenced by public authorities. In addition, local government are reluctant to develop this land as tax revenues from residential properties is not sufficient to cover the expenses for service provision for residents; commercial and office space yields higher tax returns. A further difficulty stems from insufficient infrastructure levies that the local government can collect from property owners, which are not enough to cover the expenses of infrastructure provision. The central government alleviates this issue for large-scale housing programmes on state-owned land by providing the necessary infrastructure mainly within “frame agreements”, and for smaller scale projects, similar financing is usually available through “development

agreements”. In contrast, for developments on private lands, the municipality has to connect the development to the required infrastructure. These costs need to be covered up front creating financial constraints to development even though an approved plan for development might exist. Thus, the government has introduced a bill which would allow municipalities to charge infrastructure improvement levies based on a state-approved formula that considers such factors as local topography and density. As of 2017, the bill has passed the appropriate governmental committee and is pending approval in the Knesset. A further solution could entail providing municipalities with bridge financing mechanisms allowing them to build infrastructure necessary to develop private land. Alternatively, a legal framework could be created, that shift the financial responsibilities of linking the development of municipal infrastructure towards the developer.



## From competition to co-ordination – using the potential of urban-rural connections



**Netanya is the main economic centre for the neighbouring rural areas.** Rather than acknowledging the important economic links, the relationship between Netanya and surrounding settlements is characterised by competition. It is based on the perception that higher-income households and the taxes they pay move to Netanya's surrounding rural areas, but still take advantage of the employment opportunities, services and amenities the city provides. Increased commuting adds to traffic congestion and wear on municipal infrastructure. In addition, all municipalities are competing for commercial activities to increase their fiscal revenues, with each following its own revenue-maximising strategy. While they may individually succeed, they risk on collectively missing out on creating competitive advantages for the entire functional region. But mechanisms that facilitate and incentivise co-operation and co-ordination across local authorities are lacking and planning decisions that affect the functional region are taken in isolation.

**A framework for flexible urban-rural-partnerships could support the creation of a common strategy that leads to a more competitive functional region.** Identifying common challenges within the functional region and creating a joint strategy based on shared benefits and costs across local authorities could support better outcomes for all participants. Benefits go both ways and Netanya benefits from the supply of labour and from consumers from neighbouring rural areas. The open space in the rural areas can further be used by the city's residents for recreational purposes. Similarly, the rural regions have to acknowledge that a policy of increasing urban density in the city relieves the pressure on developing land in their area, contributing to preserving open space. Flexible urban-rural-partnerships that address common objectives for the entire functional region could overcome sub-optimal outcomes creating better solutions for the entire region.



# Land-use planning in Umm al-Fahm



A city that evolved in the absence of plans and tools suitable to local needs

**Umm al-Fahm is one of the largest cities in Israel with a predominantly Arab population.**

Located in the district of Haifa, Umm al-Fahm is nestled in a valley overlooking the Wadi Ara. Surrounded by small towns, the city is a local social, cultural and economic centre. Over the last 60 years, Umm al-Fahm has grown from a small village of about 5 000 inhabitants to a city with a population of about 50 000. This urbanisation process occurred for many years under a regulatory system that did not

adequately account for characteristics unique to cities with a predominantly Arab population. For example, about two thirds of the land in Umm al-Fahm is either in private or shared ownership with some plots of land having multiple - often unknown - owners. Development on these plots has followed their owners' needs and priorities rather than any coherent plan, resulting in a suboptimal urban fabric lacking public space and infrastructure.



## Trust in government is low, which contributes to a lacking formal housing market

**At present, no formal housing market exists in Umm al-Fahm. Property is often held by families without formal registration or clear property rights of individual family members.** Registration and formalisation processes are complex and further aggravated by low levels of

trust of residents towards the local and central government. As a consequence, land owners tend to hold on to their land as it is considered to provide certainty to have a place for the family and their future needs.



**A better understanding of the housing market and housing demand including social and cultural housing preferences is essential to guide urban development.** Trust between residents and the governments can be built through targeted programmes that take the first steps towards creating a formal housing market. Recent developments in Umm al-Fahm and other cities with a predominantly Arab population are going in that direction with the approval of larger-scale residential development on state- and privately owned land. Not only can these additional housing

units reduce the housing shortage within the city, but by providing quality housing together with infrastructure and public space, trust towards the government and their decisions can be improved. Further, development on private owned land should be incentivised. For example, creating a system of long-term leases, which allows private land owners to lease land to the public sector or to developers could help to free private land for development, while taking the cultural reluctance to sell land into account.

## Towards a city that addresses the growing population's need for public space and infrastructure



### *Governmental efforts are supporting planning at the local level*

**The Israeli governmental has increased its efforts to provide comprehensive solutions to cities with a minority population.** In 2015, a major economic development programme was adopted that, among other measures, supports the development and preparation of comprehensive and other local and detailed plans, the development of public facilities, landownership registration, and capacity

building in localities with a high share of Arab population with about ILS 1 billion (ca. USD 260 million), in addition to funds allocated to other key economic and social sectors. Presently, Umm al-Fahm is preparing its first local comprehensive plan. This is a crucial step towards addressing the needs of a growing population, but it needs to be followed by the next step: plan implementation.

**The high percentage of privately-owned land in cities with a predominantly Arab population requires tailored tools to ensure adequate provision of public space and infrastructure.** A first challenge for plan implementation in Umm al-Fahm is the identification of land owners. For one, not all land is officially measured in Israel's Survey of Land, which mostly affects the historical cores of cities with a predominantly Arab population and complicates the registration process. Second, for land that has been officially measured, the current land registry is not necessarily up-to-date as plots were often registered more than 70 years ago and throughout the years underwent informal transfers, and frequently plots were divided between family members. Incentives to register land ownership are low, as they usually incur economic costs. For example, disincentives include past property taxes which might have accumulated, outstanding fees for informal transfers, but also the fear of changes that might accrue by compulsory land readjustment processes. To increase the

incentives for land owners to register land, past debts on the land could be subject to means-tested income thresholds. To address the lack of trust in local institutions, the city of Umm al-Fahm could further increase its efforts in citizen engagement. To increase land registration, local authorities could inform residents about their rights as property owners and the advantages of legal property rights like access to finance using property as collateral. In addition, governments can not only build trust by proving the residents their good will, but also through transparency of land planning decisions and active engagement of citizens in the design of their city. Steps into this direction are taken by a more inclusive public participation process in the preparation of the local comprehensive plan. Likewise, the recent requirement that plans, materials and all committee decisions have to be posted online is a crucial step forward in creating more transparency regarding planning decisions.





**Unauthorised construction of housing in Umm al-Fahm is the result of historic legacy, local traditions and present rigidities in the land regulatory system.** In the past, buildings were constructed without authorisation as the requirements for submitting a building permit were difficult to be met. For example, for years Umm al-Fahm was not covered with detailed plans that are required if a land owner wants to submit a building permit. Moreover, even when the preparation of detailed plans was advanced, implementation of approved plans often would

have required land readjustments as a result of complex ownership patterns (i.e. multiple or even unknown ownership in a single plot). This process of land readjustment is a precondition of issuing a building permit; however it requires capacity and often proves to be lengthy especially when land owners were not known. In addition, opening up space in already developed areas to provide public space and basic infrastructure is a highly sensitive issue, and local authorities are reluctant to expropriate land.



**As local authority's ability to enforce development in these concentrated areas of unauthorised construction is limited, flexible tools need to be provided.** For example, retroactively approving these units and grandfathering recognitions of buildings on agricultural land will give the owners certainty and legal property rights which also helps to build trust. Promisingly, recent amendments to the Planning and Building Law (Amendment 101, 2014 and 104, 2015) have provided new tools, such as speeding up of the planning and permitting issuance procedures; established special subcommittees dedicated to minority localities in District Planning Committees to approve ownership registration plans or minor development plans (up to 50 housing units); permitted deviations of up to 30% of development rights of an existing building and; have legalised some density violations. These

steps provide for retroactive approval of some types of unauthorised construction in a way that is sensitive to local traditions and the needs of the residents. However, further steps could be considered. A framework that allows for temporary land uses could define critical areas or neighbourhoods with a high concentration of illegal construction as experimental zones with tools for increased selfplanning. Such a framework could borrow from the past traditional mode of growth and be adapted to the needs of a modern society. For example, under certain circumstances, construction projects could be subject to agreement of residents within the neighbourhood taking into account rules provided by the planning committee for the relationship between buildings, roads, open spaces and public services.

## *Improving the permit system to reduce unauthorised construction of new buildings*

**Construction without required permits is not only a phenomenon from the past, but still a present development despite advances in the planning system.** As these constructions usually do not consider their wider impact on the neighbourhood and can impede municipal plans to efficiently provide public infrastructure, the underlying issues for these types of development need to be evaluated and addressed. For example, under the current planning system a land registration certificate is a pre-condition for applying for a building permit. The disincentives for land registration in combination with a lack of suitable detailed plans and relatively long approval times may still lead to land owners developing their land without the required permits. To reduce the incidence of illegal construction, the process of

receiving a building permit could be simplified and sped up. In addition to the recent reforms to the Planning and Building Law, the issuing of building permits in the short term could be temporarily facilitated by considering a minimum set of rules for construction on privately-owned land in minority settlements (in specific locations and under pre-defined circumstances) as sufficient, i.e. with respect to space between buildings, roads, open spaces and take into account space for future infrastructure. Once the reforms to the planning system removed all the structural deficiencies, these rules could be adjusted. This issue relates to the need to make the planning process more flexible and allow temporary or even experimental uses.





## About the OECD's work on the Governance of Land Use

The report **Spatial Planning and Policy in Israel: The Cases of Netanya and Umm al-Fahm** is part of the OECD's Regional Development Policy Committee (RDPC) and its Working Party on Urban Policy (WPURB) and the Working Party on Rural Policy (WPRUR) programme of research on the Governance of Land Use.

This study of spatial and land-use planning in Israel is one of several land-use case studies that the OECD has undertaken (i.e. France, Poland, The Netherlands and the Czech Republic). This report, together with other governance of land use case studies, have in turn informed **The Governance of Land Use in OECD Countries: Policy Analysis and Recommendations** (2017), which provides policy analysis and a synthesis of the main recommendations from OECD work on land use. The OECD has also produced a companion volume to the aforementioned report—**Land-Use Planning Systems in the OECD: Country Fact Sheets** (2017)—which provides a descriptive overview of land-use planning systems across OECD countries.

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