

Carte blanche sur le foncier



A European perspective on the collectivization of land values and land rents (public land value capture)

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Abstract

This article presents a synthesis of the findings of a research project on the collectivization of urban land rents in Europe. This project, which brought together approximately one hundred researchers, resulted in a collective volume comprising 29 national monographs. The article first outlines the conceptual framework provided to the researchers to ensure comparability across the national studies. It then develops two sections: first, an analysis of the instruments enabling the recurring collectivization of urban land rents, and second, an examination of the instruments allowing for non-recurring collectivization. The article concludes by highlighting the main trends observed at the continental level and identifying various avenues for further research and policy action.

Introduction: the resurfacing of land rent

Land policy can be defined as the set of public interventions that affect private property rights over land (Webster et Lai, 2003^[1]). These interventions serve two main purposes (Halleux *et al.*, 2022a^[2]). The first relates to territorial policies and is based on the premise that limiting private property rights over land – particularly those concerning its occupation and use – is a prerequisite for the proper functioning of planning systems.

The second purpose of land policy is economic and financial. This is reflected in fiscal policies and stems from the idea that the property rights component of the privatization of land values is not legitimate. More specifically, it is the privatization of land rents that is considered illegitimate – that is, the privatization of revenues generated, or potentially generable, from land values. This article focuses on this second dimension of land policy.

The idea that land rents should be collectivized rather than privatized has been the subject of ideological and political debate for centuries. Broadly speaking, this debate opposes two perspectives (Alterman, 2012^[3]). On one side of the ideological spectrum, a liberal viewpoint argues that protecting private property rights – including the right to benefit from land rents – ensures the optimal functioning of markets and economies. In its most extreme form, libertarian doctrine considers property rights to be “sacrosanct” (Havel, 2017^[4]). On the opposite side of the spectrum, a socialist perspective denounces the inequity of privatizing land rents.

The argument that land ownership should not include the right to profit from land value rests on a two-step reasoning. The first step is rooted in a fundamental principle of real estate economics: real estate is a combinatorial asset, consisting of both land and built structures. To better understand the mechanisms that drive real estate values, it is useful to consider this combinatorial nature, by analyzing the proportion of a property’s market value that can be attributed to the land it occupies.

The second stage in the development of the argument that land ownership should not include the right to profit from land value concerns the factors that determine land values. Ultimately, land values result from collective actions – those of public authorities, but more broadly, of society as a whole – rather than from the labor or investments of individual landowners. In English, the term *unearned increment* (Mill, 1848^[5]) encapsulates the idea that income derived from land ownership is “undeserved” by the owners. Also in English, the expression *public land value capture* is commonly used to describe the objective of collectivizing land rents.

Over the past fifteen years, scientific research highlighting the legitimacy and benefits of land rent collectivization has been steadily increasing. This *resurfacing* of land rent as a topic of academic inquiry has been observed internationally, as illustrated by the rising number of publications on public land value capture (Saujot, 2016^[6] ; Trannoy et Wasmer, 2022^[7] ; Vejchodská *et al.*, 2022^[8]). This renewed attention is also reflected in the involvement of international organizations, as illustrated by the global compendium published by the OECD on the subject (OECD / Lincoln Institute of Land Policy, PKU-Lincoln Institute Center, 2022^[9]).

At the European level, increasing scientific interest in the relevance of land rent collectivization has led to the establishment of a COST Action dedicated to this issue. This initiative, titled *PuVaCa* (Public [Land] Value Capture^[10]), brought together around one hundred researchers and facilitated the analysis of an extensive body of material on land rent collectivization across the continent (including Turkey and Israel). The results of this research have been compiled in a collective volume that provides a detailed overview of the situation in twenty-nine countries^[11] (Halleux *et al.*, 2022b^[12]). The purpose of this article is to provide a synthesis of these findings. Readers interested in a more in-depth analysis can refer to the collective volume, which includes a concluding chapter as well as twenty-nine national monographs.

The *resurfacing* of the issue of land rent collectivization in academic discourse is not difficult to understand. To explain this phenomenon, it is necessary to consider both the growing financial needs of public authorities and the economic margins created by the *resurfacing* of land rent as a significant factor in economic life (Piketty, 2013^[13]). In this regard, we can refer to an article by Knoll *et al.* (2017^[14]), which analyzed the situation across fourteen Western economies. Their study highlights two key findings: first, the structural increase in residential real estate values since the end of World War II (particularly between 1990 and 2007), and second, the fact that this increase is primarily driven by rising land values rather than by higher construction costs. Notably, this conclusion runs counter to dominant narratives on housing affordability. In particular, actors in the construction and development sectors tend to downplay the role of land inflation and instead emphasize the impact of technical and regulatory construction costs (Bavay, 2017^[15]).

The remainder of this article is structured into three sections. Following this introduction, we present a synthesis of the conceptual and theoretical framework provided to the researchers involved in the PuVaCa COST Action. This integrative framework was shared with them prior to their investigations to ensure comparability across the twenty-nine national monographs. It is based, in part, on a typology of the factors driving increases in land and real estate values. Analyzing this typology helps to clarify why the market value of land supporting buildings is the result of collective actions rather than individual landowner interventions. Our conceptual and theoretical framework also includes a typology of instruments used to collectivize land rents. This typology distinguishes between two categories: instruments that enable *recurring* collectivization and instruments that enable *non-recurring* collectivization. The remainder of the article follows this structure, with two sections dedicated respectively to instruments of recurring and non-recurring use. Finally, the article concludes by summarizing the key general trends observed at the European scale and outlining various avenues for further research and policy action.

Conceptual and theoretical framework

An integrative framework for international comparisons

One of the objectives of the COST Action on which this article is based was to highlight the similarities and differences among the twenty-nine countries studied. This comparative analysis relied on contributions from researchers who examined the situation as observed in 2022. To structure these twenty-nine national studies, a conceptual and theoretical framework was developed. This framework has been published in two chapters of the aforementioned collective volume, focusing respectively on the clarification of the concept of *public land value capture* (Hendricks *et al.*, 2022^[16]) and on a typology of instruments aimed at collectivizing land rents (Hendricks, 2022^[17]).

The clarification of the concept of public land value capture led to the following operational definition: « *The term of public value capture includes all instruments that capture all possible increases in the value of land and buildings, whether they are considered taxes or not. It focuses primarily on capturing unearned benefits resulting from actions other than the landowner's. The resulting funds may be earmarked for specific purposes (e.g. recovery of development costs or provision of affordable housing*^[18]. »

The typology of instruments proposed for the analysis of the twenty-nine countries introduces a fundamental distinction between *recurring* and *non-recurring* instruments. Table 1 relates to the main recurring and non-recurring instruments for land value capture.

| Recurring instruments | Non-recurring instruments |
|--|---|
| <ul style="list-style-type: none"> • Land-property tax • Capital gain tax • Real estate transfer tax – Registration fee | <ul style="list-style-type: none"> • Infrastructure levy • Tax on planning gains – Charges for development rights • Developer obligation • Public action on the markets for urban developments • Land readjustment • Land leasing – Surface right • Transfer of development rights <hr/> <p>Betterment levy (UK) or impact fee (USA) might mean both, infrastructure levy or tax on planning gains</p> |

Table 1. The main instruments for land value capture

Among recurring instruments, one of the most significant is real estate taxation (or land-property tax). Additionally, there are instruments that are applied, not at fixed intervals, but in the course of property transactions, such as capital gain taxes or real estate transfer taxes.

For non-recurring instruments, the proposed typology distinguishes between two main categories based on the underlying factors driving increases in property values (see next subsection). The first category includes instruments linked to a single factor influencing value increases (e.g., tax on planning gains). The second category includes instruments associated with multiple factors (e.g., obligations imposed on developers).

An important difference between recurring and non-recurring instruments lies in their management. Recurring instruments are primarily managed by tax administrations, whereas non-recurring instruments are integrated into planning systems.

The synthesis of the conceptual and theoretical framework proposed to the researchers of the PuVaCa COST action continues below with two subsections. The first analyzes the factors driving increases in land and real estate values. The second explores the intentions and justifications behind the application of instruments aimed at collectivizing land rents.

Factors driving increases in land and real estate values

The conceptual clarification led to a differentiation of the factors driving increases in land and real estate values. This differentiation is based on a model describing the development of a real estate project on greenfield land (Hendricks *et al.*, 2017^[19]). The model distinguishes three main phases and five stages (see figure 1).

The first phase corresponds to the first stage, representing the period before urban development. At this stage, land market values and their evolution are determined by fluctuating valuations linked to agricultural or forestry activities, generating non-urban land rents.

The second phase corresponds to the real estate development phase. It comprises three distinct stages. In practice, these stages may occur over different timeframes and in a more or less sequential manner. The first stage, related to the extension of property rights, refers to the legal possibility of urbanization and its associated modalities (e.g., density levels, permitted functions). Two key instruments play a crucial role in this process: first, the land use plan, which defines zoning, and second, the procedures for obtaining planning approvals. In addition, the stage associated with public investment pertains to the technical possibility of urbanization (stage 3). It involves the development of technical, social and green infrastructures, which can be internal or external to the project.

The third stage of the second phase (stage 4) involves private investment, most often corresponding to the construction of buildings. Here, the key actor is the developer. As the holder of the right to build, he is considered the owner of the land. In this phase, the developer-owner is responsible for the increase in value, which corresponds to real estate capital gains rather than land value appreciation. In stage 4, value progressions are considered legitimate for privatization, as they result from the work and investment of the developer-owner.

On the other hand, potential capital gains on land might arise again in the fifth stage, which corresponds to the post-development phase, when real estate appreciates due to economic development. As illustrated in Figure 1, economic development stems from two main sources: population growth and/or an increase in productivity that will enhance the purchasing power of the population.

The highlighting of the post-development phase leads us to recall the basic observation in real estate economics according to which real estate is a combinatorial asset, consisting of both, land and built structures. As far as the post-development phase is concerned, the increase in real estate values is only to be understood as a consequence of the increase in urban land values. Any value increase resulting from new construction, extensions, or renovations would need to be classified under phase four.

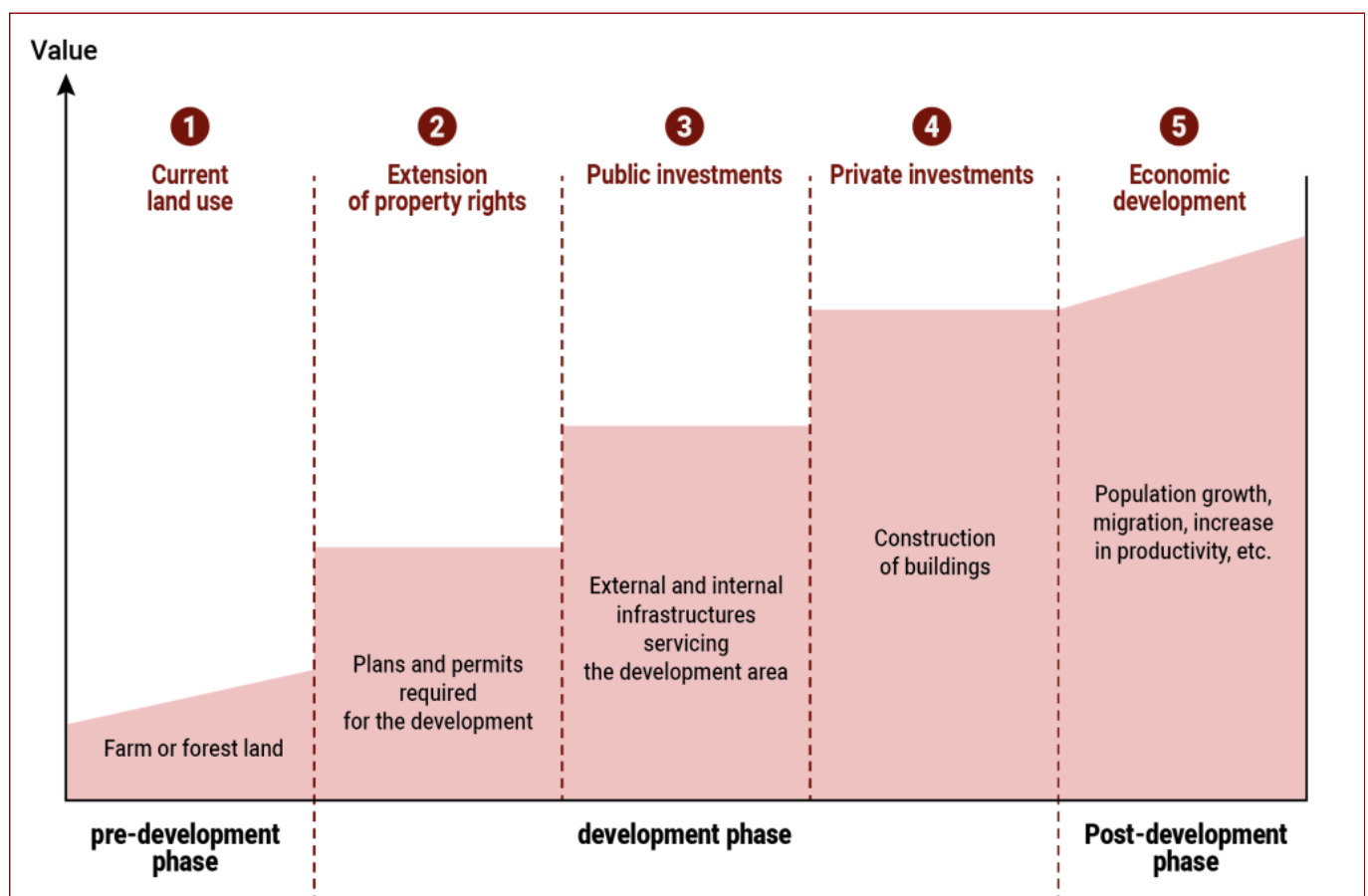


Figure 1: Value steps of property development on greenfield land (source: Hendricks et al. 2017).

The intentions behind the application of instruments aimed at collectivizing land rents

Various typologies have been developed to classify instruments aimed at collectivizing land rents (Hendricks, 2022^[20]). A frequently cited typology is that of R. Alterman (2012^[21]), which distinguishes between macro, direct, and indirect instruments. Macro instruments are embedded in some overarching land policy regime. While these instruments enable the collectivization of land rents, this is not their primary purpose. An extreme example of a macro instrument is the socialization of land, as practiced under communist regimes. A less radical example is the implementation of a surface right (or land leasing) designed to improve housing affordability by separating land and building ownership (Bernard, 2010^[22]).

Unlike macro instruments, both direct and indirect instruments are intended to collectivize land rent. The key distinction between these two categories lies in their underlying rationale. Alterman proposes that direct instruments are founded on the philosophical and political belief that privatizing land rents is illegitimate. In contrast, indirect instruments do not stem from philosophical reflections on the illegitimacy of land rent privatization. Instead, they are driven by a more pragmatic objective: generating additional financial resources for public budgets.

Like any model, Alterman's typology has both strengths and weaknesses. One of its main strengths is that it encourages an examination of the underlying motivations in land governance. Notably, it highlights the relative rarity of direct instruments compared to indirect ones. Indeed, political regimes that justify land rent collectivization based on philosophical arguments represent only a small subset of those that do so to generate additional financial resources for public budgets.

However, one of the main weaknesses of the typology – both for macro and direct/indirect instruments – is that the intentions of public authorities are often ambiguous, particularly regarding the collectivization of land rents. Due to this limitation, we did not ask national experts to structure their contributions according to Alterman's distinctions. There is no guarantee that the experts involved would have been able to accurately interpret the complexity of intentions and motivations in land governance. Moreover, even if they had, the implementation of the same instrument may be driven by different intentions depending on the specific context.

Recurring collectivization of urban land rents

Land-property taxation

Land-property taxation is generally applied on an annual basis, with the notable exception of Israel, where payments are made monthly. This form of taxation is implemented in nearly all of the twenty-nine countries examined. However, there are two notable exceptions. First, Malta does not impose this type of taxation at all. Second, in Switzerland, seven cantons do not levy taxes on real estate assets. Estonia presents another interesting case, as it levies taxes on land values but not on the value of buildings or real estate improvements.

A key clarification regarding land-property taxation concerns its role in effectively collectivizing land rents. To understand this mechanism, it is useful to revisit the distinction between land value and land rent. As previously defined, rent should be understood as a form of income. From this perspective, we can further differentiate between two types of income that an asset – such as land or real estate – can generate: capital gains and dividends. A dividend refers to the periodic return earned over the lifespan of an asset. In the case of land or real estate, this corresponds to rental income.

The first type of income potentially derived from land value arises through the transaction price in the acquisition market. An increase in property values results in a higher sale price, thus producing a capital gain. In parallel, the rental market enables a property to generate regular income in the form of dividends. On this basis, it becomes evident that the annual taxation of real estate values functions as a mechanism for the collectivization of land rents, specifically when such rents take the form of dividends.

The governance and administration of land-property taxation vary across countries, depending on the distribution of responsibilities among different levels of government. While it is difficult to generalize the specific roles of each tier, local authorities often play a comparatively larger role in managing these taxes than they do with other forms of taxation. In many countries, the taxation of property values constitutes a substantial and stable source of revenue for local governments. Among the experts consulted, this point was explicitly emphasized for Germany, Greece, Turkey, France, Belgium, Poland, Portugal, England, and Austria – though the list could likely be extended to include additional countries. The primary rationale for implementing this form of taxation appears to be the financing of local governments, placing it primarily within the category of indirect instruments.

Technically, the taxation of property values involves two key stages: first, the determination of the taxable base; and second, the setting of the applicable tax rate. With the advancement of statistical and computational techniques for mass real estate valuation, the ideal of robust and near-continuous market value assessment has become increasingly attainable (Wang et Li, 2019^[23]). Several of the countries analyzed have initiated reforms in this area, notably Estonia and Slovenia. However, in most of the cases examined, a significant gap remains between the theoretical ideal and actual practices. In some countries, the values used to establish the tax base are not regularly updated (e.g., Belgium, France), and/or remain significantly below current market values (e.g., Finland, Greece, Sweden, Austria). In others, taxable base values are not derived from systematic market monitoring but are instead based on lump-sum estimates that only imperfectly reflect actual market conditions (e.g., Italy, Israel, Germany, Turkey, Bulgaria, Poland, Czechia). Conversely, it is encouraging to note that, according to national experts, some countries have succeeded in establishing accurate and regularly updated systems for monitoring market values – most notably Norway, England, Portugal, and Serbia.

With regard to the determination of the tax base, the observed lack of regular revaluations and the structural underestimation of property values suggest that policymakers may be using this stage to effectively reduce actual tax liabilities. This approach appears suboptimal from the standpoint of transparency. In fact, taxation systems would be more comprehensible to the public if the tax base were derived from precise and regularly updated assessments, thereby limiting the political debate over collectivized amounts to the second stage of setting the tax rate.

In most countries, property tax arrangements also incorporate a social dimension. For example, in several cases – such as Italy, Slovenia, Bulgaria, and Serbia – owner-occupiers are taxed at lower rates than landlords. In many jurisdictions, property taxation is also used to support spatial planning objectives. The most widespread practice, observed in eleven countries, consists of applying higher tax rates or additional levies on vacant land and/or unoccupied buildings.

From the perspectives of fairness and economic efficiency, it is important to highlight the advantages of differentiating tax rates between land and building values. More specifically, the rationale behind the split-rate system lies in applying a lower tax rate to buildings than to land. This approach is grounded in the idea that annual real estate taxation combines one of the most efficient forms of taxation (the land value tax) with one of the least efficient (the building value tax). This view, articulated by Vickrey (1999^[24]), is supported by three main arguments. First, if the privatization of land rents is considered inequitable, maximizing their collectivization through taxation becomes desirable. Second, given the pivotal role of the construction sector in socio-economic development, minimizing taxes on construction investment is advisable. Third, the split-rate system encourages more intensive land use, which can contribute to limiting urban sprawl.

The investigation conducted across the twenty-nine countries analyzed did not reveal any best-practice examples of split-rate taxation – where lower tax rates are applied to buildings than to land. On the contrary, the Czech Republic illustrates a reverse situation: although its tax base distinguishes between land and buildings, the highest tax rates are applied to the building component. Among the countries surveyed, Estonia comes closest to the split-rate model. As previously noted, its annual land-property tax applies exclusively to land values.

Capital gain tax and real estate transfer tax

Land and real estate transfers occur under various circumstances, including inheritance, donations, sales, or contributions to a company. Due to this complexity, our investigation focused specifically on sales taxes, which are generally borne by the buyer. Of the twenty-nine countries analyzed, twenty-eight impose a sales tax, with Czechia being the sole exception. In Czechia, the sales tax was abolished in 2020 as a measure to stimulate real estate market activity during the Covid-19 pandemic.

Although our investigation is limited to the sales tax instrument, it reveals considerable variability in the tax arrangements observed across Europe. As with real estate value taxation, sales taxes may incorporate a social dimension – for instance, tax exemptions or reductions for primary residences (Italy, Belgium, Portugal) or for first-time homebuyers (Finland, England). Sales tax regimes may also exhibit a geographical dimension, with intra-state variability present in most countries. The coexistence of such spatial differentiation and targeted tax reliefs suggests that defining a single average national tax rate may be misleading in the context of real estate sales taxation.

From a justification standpoint, the connection between real estate sales taxes and the objective of collectivizing land rents appears tenuous. Notably, these taxes are often levied in situations where new owners are unlikely to realize any capital gains. If there is a legitimate rationale for imposing real estate sales taxes, it lies primarily in covering the administrative costs associated with property transfer registration. However, in most of the countries analyzed, the tax rates applied exceed what would be necessary for such administrative purposes. As a result, public authorities tend to leverage existing registration systems as a means of raising revenue – thereby avoiding the additional administrative burden that would come with establishing new tax mechanisms.

In addition to sales taxes, most of the countries analyzed also impose a tax on real estate capital gains. The sole exception is Croatia, which is generally characterized by a low overall tax burden on real estate. As a general rule, capital gains taxation depends on the time elapsed between the purchase and resale of the property. While the required holding period varies significantly – from 18 months in Israel to 20 years in Slovenia – the underlying rationale is consistent: to avoid penalizing occasional sellers while discouraging short-term speculative transactions. Although this anti-speculative logic may appear justified, it is important to emphasize that, from the standpoint of land rent collectivization, such temporal conditionality is inadequate. Substantial land-related capital gains can occur even between transactions that are separated by long intervals. For this reason, the capital gains tax, as commonly applied, does not qualify as a direct instrument for the collectivization of land rents, as defined earlier.

Non-recurring collectivization of urban land rents

Some general observations

A few general observations can be made regarding the non-recurring collectivization of land rents. First, such forms of collectivization are typically linked to real estate developments that generate potential capital gains through increases in urban land rent (see above for the factors driving land and property value appreciation). Second, land value capture instruments that target a single factor contributing to value increases are relatively uncommon. In practice, during the development phase of a real estate project, most planning instruments involve a combination of legal and technical interventions, reflecting the multifaceted nature of value creation in urban contexts.

Among instruments targeting a single factor contributing to value increases, the most commonly used mechanism is taxation on zoning changes. Out of the twenty-nine countries analyzed, this type of tax is in place in eight: Israel, Turkey, France, Austria, Poland, Belgium, Switzerland, and Serbia. According to the typology proposed by R. Alterman, this constitutes a direct instrument.

By contrast, instruments associated with multiple factors contributing to value increases are more widely implemented. These mechanisms generally fall into two broad categories: developer obligations and macro-level instruments. The remainder of this section on non-recurring forms of land rent collectivization is structured around these two categories, each of which will be addressed in a dedicated subsection.

The next subsection focuses on the general category of obligations imposed on developers. For clarity, a working definition can be introduced here: *Obligations imposed on developers refer to contributions required in exchange for administrative decisions that enable the legal development of a land or real estate project. These contributions may be monetary and/or in-kind, and they may be associated with the approval of land-use plans and/or building permits.*

The researchers involved in the Cost PuVaCa project analyzed the situation as observed in 2022. Several of them highlighted the ongoing evolution of instruments that enable the non-recurring collectivization of land rents – particularly developer obligations, but also other mechanisms. It was also noted that the early 2020s were characterized by active political debates aimed at reforming these instruments in various countries, including Turkey, Poland, England, the Czech Republic, Serbia, and Israel. This observation regarding the evolving nature of non-recurring instruments suggests that, compared to recurrent instruments, they remain less stabilized.

Further evidence of this instability is the near absence of institutionalized information systems that provide easy access to data on budget revenues generated by these instruments. Notable exceptions include England and Turkey, where official data on developer obligations are regularly published by authorities.

Developer obligations

The generic instrument of developer obligations can take various forms, but several general patterns emerge. First, these obligations are typically administered by local authorities. Through planning systems, it is the local authorities who implement these obligations and subsequently benefit from them. Another general observation is that the practice of imposing developer obligations tends to be more frequent and substantial in larger local authorities. This is due not only to the higher levels of land rents in large cities, but also to the greater expertise available within their administrations, both in real estate and urban planning.

Obligations imposed on developers are generally linked to the issuance of permits. However, in some countries, such obligations may be imposed earlier in the process, during the implementation of local plans. This more anticipatory approach appears to be characteristic of countries with particularly active planning systems, such as Norway, Finland, Germany, Israel, and England. In contrast, “postponed” practices are observed in countries like Greece and Serbia, where regularization schemes – implemented through taxation – allow owners to legalize buildings constructed without prior permits.

There is now a considerable body of literature on the practice of inclusionary zoning (de Kam *et al.*, 2014^[25]). Inclusionary zoning refers to the obligation imposed on developers to include within a construction project a certain proportion of housing units that are sold or rented below market prices. Our survey

indicates that the use of inclusive zoning remains relatively limited. Among the twenty-nine countries examined, only a few – namely France, Belgium, Poland, England, Germany and Austria – have adopted this practice to a significant extent.

Bien qu'il soit difficile d'identifier avec certitude les intentions des autorités qui cherchent à collectiviser les rentes foncières en imposant des obligations aux promoteurs, il semble que la justification du caractère illégitime de leur privatisation soit marginale. Les 29 monographies nationales ont toutefois permis d'identifier cinq pays au sein desquels le calcul des plus-values foncières joue explicitement un rôle dans la fixation des montants à prélever auprès des promoteurs : il s'agit d'Israël, de l'Allemagne, de la Finlande, de la Turquie et de la Pologne.

Although it is difficult to ascertain with certainty the authorities' intentions in seeking to collectivize land rents through developer obligations, the justification based on the illegitimacy of privatizing these rents appears marginal. Nevertheless, the analysis of the twenty-nine countries lead to identify five countries – Israel, Germany, Finland, Turkey, and Poland – where the calculation of land capital gains explicitly influences the amounts levied on developers. In these countries, quantifying land capital gains prompts a debate over the appropriate (and legitimate) share to be collectivized. In Israel, Poland, and Finland, this share has been set at 50%. In Germany, a two-thirds share is more commonly accepted, though an increasing number of experts advocate for a higher proportion. In the countries mentioned, the collectivized share of land rent is debated in the context of developer obligations linked to development systems, but not in relation to recurrent instruments managed through tax systems.

Another near-universal observation is that, for a given real estate project, local authorities often impose developer obligations through multiple instruments. The case of France illustrates this situation well, where both a "development tax" to finance infrastructure and "social mix easements" to support inclusionary zoning can be applied.

In most of the countries analyzed, local authorities often apply two types of developer obligations for the same project. Initially, they require the financing or construction of the project's internal infrastructure. Subsequently, a second tool is used to capture an additional share of land rent. This two-stage approach appears to reflect an evolutionary process: on one hand, a long-standing tradition in many countries of requiring the creation of internal infrastructures; on the other, the more recent introduction of tools designed to capture the substantial increase in land values that occurred during the 1990s and 2000s.

The justification for using developer obligations to finance or construct local infrastructure is often grounded in covering the costs incurred and is relatively transparent. In contrast, the use of complementary tools presents greater ambiguities. As previously noted, few countries base the amounts levied on land capital gains. Consequently, in most cases, the introduction of new obligations must rely on alternative justifications, typically invoking arguments related to the mitigation of new negative impacts or the coverage of additional collective costs.

Macro instruments

Among the macro-level practices that enable the non-recurring collectivization of land rents, a notable example is the acquisition of land by public authorities to control urban expansion. Through such interventions, authorities are able to capture the rent generated when non-buildable areas are classified as buildable zones. Among the twenty-nine countries analyzed, this practice is relatively common in Finland, Germany, Sweden, Turkey, and France. In Europe, the Netherlands – although not included in our sample – is also widely recognized for the proactive role of local authorities in acquiring land to limit urban sprawl (Halleux *et al.*, 2012^[26]).

Land readjustment is another macro-level instrument aimed at organizing urban expansion and, as a corollary, enabling the collectivization of land rents. Among the countries analyzed, land readjustment is commonly used in Germany, Israel, and Turkey. Outside the scope of the twenty-nine countries considered, Spain also stands out for its widespread use of land readjustment (Muñoz Gielen et Mualam, 2019^[27]).

A final instrument worth mentioning is the surface right, which involves the separation of land ownership from building ownership. While its primary objective, when implemented by public authorities, is often to enhance housing affordability, it also enables the collectivization of land value increases. Evidence of the use of this instrument was found in five countries – Sweden, Poland, Estonia, Belgium, and France – though its application remains marginal in each case.

General conclusions and perspectives

This article has sought to provide an overview of the collectivization of urban land rents in Europe. The materials used to construct this overview are drawn from a European research program, whose development reflects the growing scientific interest in this topic, as well as its increasing relevance from both operational and budgetary perspectives.

A first conclusion that emerges from our work is the considerable complexity, heterogeneity, and ongoing evolution of practices related to the collectivization of urban land rents. In light of this, one of our initial scientific objectives – namely, proposing a typology of European countries based on land value capture practices – proved unfeasible. This observation also highlights the fact that existing knowledge on the subject remains fragmented. There is a clear need for further research, particularly comparative studies that examine in depth how the various available instruments are implemented in concrete, operational terms.

A second conclusion that emerges from our work is the central role played by the two most widely used instruments: land-property taxation and developer obligations. As a tool for the recurring collectivization of land rents, land-property taxation enables the capture of rents in the form of dividends. In parallel, developer obligations provide a means for the non-recurring collectivization of capital gains in the context of new land-property developments.

A third conclusion to be emphasized is the significant usefulness of instruments that enable the collectivization of land rents. Through recurring instruments – particularly land-property taxation – local government budgets can be replenished in a consistent and sustainable manner. In addition, non-recurring instruments – especially developer obligations – make it possible to finance numerous public amenities that play a crucial role in enhancing the livability of European cities.

Alongside the recognition of the significant usefulness of instruments for collectivizing land rents, it is equally evident that current practices could be considerably improved. Beyond institutional and technical considerations, the primary obstacle appears to be cultural and cognitive. Specifically, there is a pressing need to bring greater attention to the debate surrounding the inequity of land rent privatization. Although this inequity is widely acknowledged in academic circles, it remains a political taboo in many contexts. This raises a fundamental question: must we continue to live with this taboo?

The issue of land rent collectivization highlights a stark divide between academic theory and actual governance. Despite the strength of the theoretical arguments, they have struggled to gain traction in policymaking. This disconnect appears to stem from several factors. First, the ideological dominance of

property rights – coupled with the lobbying power of landowners, developers, and the construction sector – creates strong resistance to change. Second, while the principle of land rent collectivization is intellectually sound, it may appear counterintuitive to the general public. Finally, although it is technically feasible, the challenge of accurately isolating the land component within overall real estate value adds another layer of complexity. Taken together, these factors help explain why the idea of collectivizing land rent remains politically difficult to promote – both to decision-makers and to their constituents.

Undoubtedly, confronting and overcoming the taboo surrounding the inequitable privatization of urban land rents would pave the way for meaningful improvements in how these rents are collectivized. Central to this progress would be fostering better coordination between planning and taxation systems. One practical outcome could be the broader adoption of a real estate tax regime based on the split-rate logic – taxing land more heavily than buildings – to promote fairness and efficiency. Recognizing the injustice of privatized land rents would also help to strengthen the transparency and legitimacy of developer obligations, particularly in the use of non-recurring instruments. In short, the more openly we acknowledge the legitimacy of land rent collectivization as a means of serving the common good, the more effectively we can implement and refine the tools designed to achieve it.

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- [18] Nous proposons de la traduire de la manière suivante (traduction personnelle) : L'expression « *public value capture* » renvoie à tous les instruments qui visent à « capturer » (à collectiviser) les diverses hausses de valeurs foncières et immobilières, qu'il s'agisse de taxes ou d'autres instruments. Le terme renvoie spécifiquement aux hausses non méritées pour les propriétaires fonciers, car résultant d'actions mises en œuvre par d'autres acteurs. Les fonds récoltés peuvent être liés à des objectifs spécifiques (par exemple couvrir des coûts de développement ou contribuer à la production de logements abordables).
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- [20] Op. cit.
- [21] Op. cit.
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