



ACADEMIC
PRESS

Journal of Urban Economics 52 (2002) 242–269

JOURNAL OF
**Urban
Economics**

www.academicpress.com

The welfare economics of land use planning [☆]

Paul Cheshire ^a and Stephen Sheppard ^{b,*}

^a *Department of Geography and Environment, London School of Economics, Houghton Street,
London WC2A 2AE, UK*

^b *Department of Economics, Fernald House, Williams College, Williamstown, MA 01267, USA*

Received 4 December 2000; revised 18 October 2001

Abstract

This paper presents an empirical methodology for the evaluation of the benefits and costs of land use planning. The technique is applied in the context of the Town and Country Planning System of the UK, and examines the gross and net benefits of land use regulation and their distribution across income groups. The results show that the welfare and distributional impacts can be large. © 2002 Elsevier Science (USA). All rights reserved.

Keywords: Land use regulation; Planning policy; Zoning; Distribution of wealth

1. Introduction

Economic research concerning land use planning has been focused primarily on the expected consequences determined within a theoretical model¹ or empirical evaluations of the costs² of these widely used policies. In this paper we undertake to provide an analysis that quantifies some of the benefits of land use

[☆] This paper draws upon research funded by the Economic and Social Research Council under award No. D00 23 2044. This support is gratefully acknowledged, as is support from the Leverhulme Foundation.

* Corresponding author.

E-mail address: stephen.c.sheppard@williams.edu (S. Sheppard).

¹ For example, see Sheppard [1], Fischel [2], Epple et al. [3], and Brueckner [4–6].

² For example, see Cheshire and Sheppard [7], Phillips and Goodstein [8], Bramley [9,10], Evans [11], Fischel [2], and Son and Kim [12]. For a survey see [13].

planning, which come in the form of environmental amenities provided to residents, and compares these with the costs of land use planning, which come in the form of increased land and housing costs from restrictions on the availability of developable land. Thus we provide estimates of the net benefits of land use planning in an urban area facing strong pressure for development. By examining how these benefits and costs are distributed over households, we are able to illustrate the distributional consequences of land use planning.

We find that land use planning produces benefits of considerable value. We also find that the cost of producing these benefits is high. In the context of an urban area facing a restrictive regulatory regime, the net effect is substantially negative, and it appears that welfare would be improved by permitting more development. We identify specific policy changes that could produce improvements in welfare, and examine how the costs and benefits are distributed across income groups.

While the application of modern land use planning in Britain developed at about the same time as in North America (the movement against ‘ribbon development’ in the UK had its first legislative success in 1932), the British laws had from the beginning the containment of ‘sprawl’ as a principal concern.³ More recently, the movement against sprawl has spread to other countries, although the policies have been criticised (see, for example, Brueckner [14]) as a blunt instrument with which to tackle significant market failures.

Land use planning serves a variety of purposes: control of the spatial structure of residential development can reduce the cost of providing some local public goods and serve to isolate land uses which are likely to generate costly external effects; regulation of building types can serve to limit the deadweight loss from property taxation; regulation of land use can be a method of providing valued public goods (such as neighbourhood quality); and amenities (such as open space) by fiat rather than through taxes and direct public sector production. The absence of taxes, however, does not imply the absence of costs. The central question of this paper is: what are the magnitudes of the benefits and of the costs associated with these policies, and how are they distributed over different groups within an urban area?

1.1. Outline approach

The analysis proceeds through a series of steps:

³ Indeed, as Evans [13] points out, Elizabethan London was subjected to a growth boundary—the city walls—enforced with draconian powers in 1580 when citizens were commanded to “desist and forbear from any new building of any house or tenement within three miles (later extended to seven miles) of any of the gates” of the City of London “where no house hath been known.” As might be expected, this Elizabethan Green Belt was unable to halt the demand for space and urban growth.

متن کامل مقاله

دریافت فوری ←

ISIArticles

مرجع مقالات تخصصی ایران

- ✓ امکان دانلود نسخه تمام متن مقالات انگلیسی
- ✓ امکان دانلود نسخه ترجمه شده مقالات
- ✓ پذیرش سفارش ترجمه تخصصی
- ✓ امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
- ✓ امکان دانلود رایگان ۲ صفحه اول هر مقاله
- ✓ امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
- ✓ دانلود فوری مقاله پس از پرداخت آنلاین
- ✓ پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات