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# A conceptual, agent-based model of land development for UrbanSim

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### **Outline**



- Motivation
- Development process and heterogeneous actors
- Developers in Zurich
- Conceptual model for UrbanSim
- Outlook

### **Motivation**



- Potentials for sustainable development
  - Land consumption
  - Energy efficient buildings
  - Efficient distribution of uses
- Developers are key actors (catalysers, increasingly driving force)
- Supply side weakest point of LUTI modelling frameworks (Hunt, 2005, 358)
- Better understanding of supply processes
- -> Improved governance

# Research goals



- Identify real estate developers
- Investigate behavioural differences
- Reveal the composition of the market

# Development process

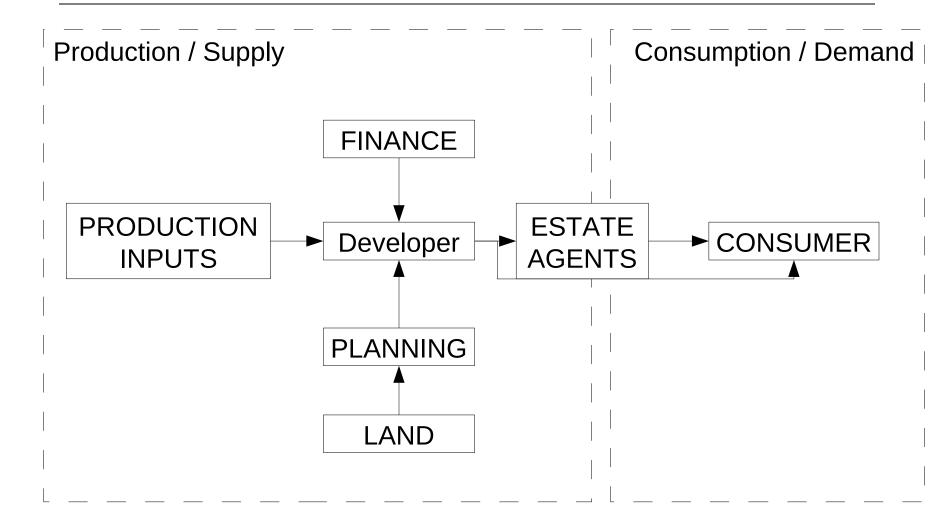
# Developers within the development process



<u>Processes</u>	<u>Actor</u>	<u>Output</u>
Population	People, Firms	Society
Infrastructure • Maintenance • Streets • Buildings	Real estate developer (builder)	Buildings
Parcel (Regulations)	Spatial planner (Developer)	Parcel, lot
	LAND	

### The developer as a role





# Development process and its actors

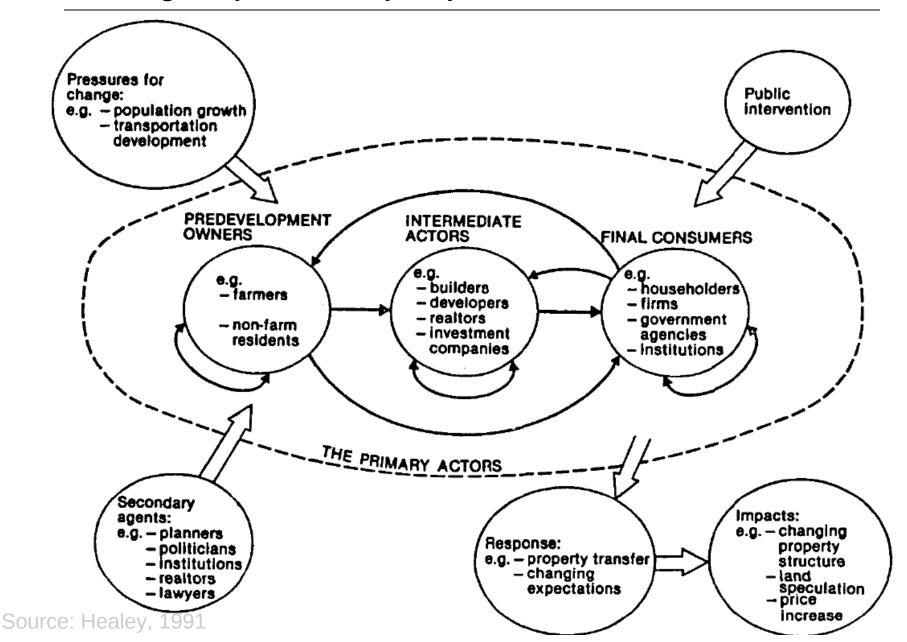


Healey (1991) identifies 4 types of models:

- Equilibrium models
- Event sequence models
- Agency models
- Structural models

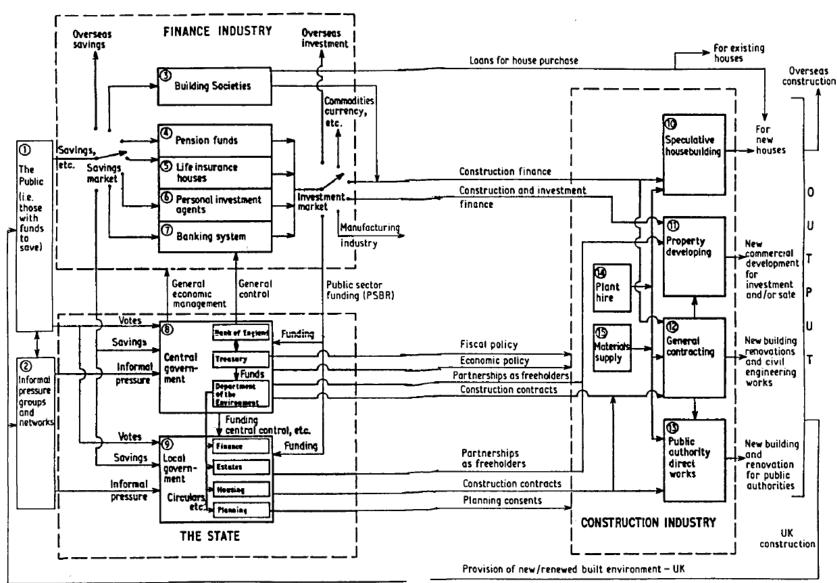
# An agency model by Bryant et al.





# A structural model by Harvey





Source: Healey, 1991

### Previous studies, international



### LUTI models

Until recently focusing on projects

### **Considering developer information**

Haider and Miller (2004)

- Different utility functions per housing type
- Spatial inertia present

### Dong and Gliebe (2010)

- Clear taste variations across developers and projects
- Models work best with 3 segments
- Attachment to familiar locations (spatial inertia)

# Previous studies focusing on developers, CH



- Ott et al., 2005; Van Wezemael, 2005
  - Renewal of housing
  - What owner types in terms of investment behaviour exist?
  - Types: Owner-occupier, contractors
  - Motivation: Emotional, rational
- Schüssler and Thalmann, 2005
  - Housing supply
  - What hinders housing supply?
  - Types: Promoters, owner-occupier
  - Motivations: Provision of work (ca. 70%), spontaneous opportunities (ca. 55%), market analysis (ca. 20%)

### Heterogeneity of real estate developers



### Possible differentiations

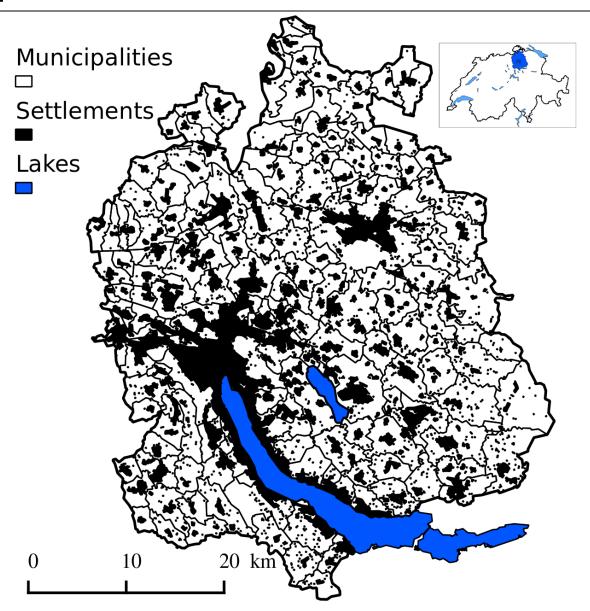
- Legal status (Public, Private)
- Objective (Profit, non-profit)
- Strategy (Portfolio, object-oriented)
- Size
- Professionalism (Work oriented, non-work oriented)
- Purpose / Business plan (Promoter, self-owning)
- Organisation (Privat person, company)

### Hypothesised types

- Promoters
- Self-owning with portfolio
- Self-owning without portfolio

# Developers in Zurich





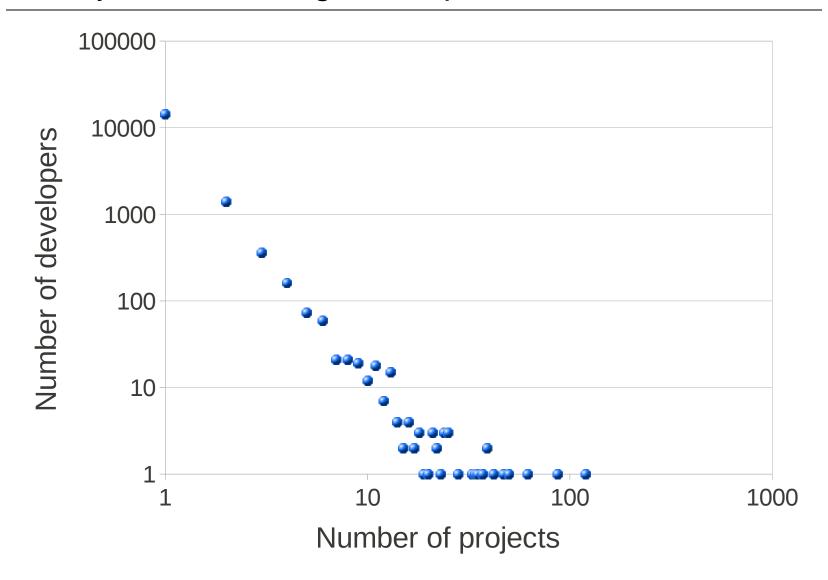
### **DOCUMEDIA** Dataset



- Entity: building project announcements
- Approx. 60'000 records
- From 2000 2010
- Attributes:
  - Number of floors
  - Area of parcel
  - Volume
  - Detailed information on construction
  - Addresses of construction site, developer and planer
  - Business plan

# Many small, few big developers









Plan	Freq	Share [%]
Letting	6042	10.06
Sell	4380	7.29
Own requirement	36402	60.61
0, undef	13231	. 22.03

### In-depth interviews



- Open, semi-structured
- Five blocks:
  - Developers' information
  - Decision process
  - Type of projects
  - Location of projects
  - Opinion on market
- Telephone or personal interviews
- 30-45 Minutes

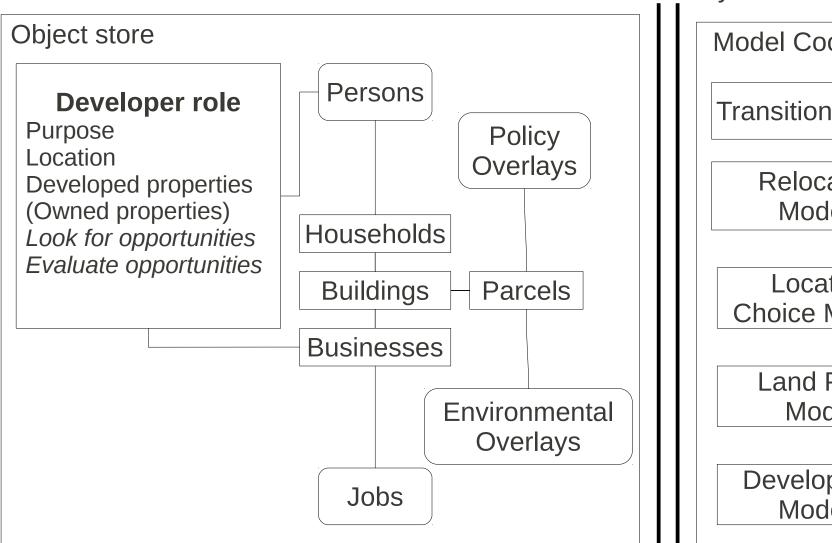
### First results

- Specialisation
- Different strategies
- Groups and alliances

### A conceptual model for UrbanSim



Aggregation/ Translation layer



**Model Coordinator** 

**Transition Models** 

Relocation Models

Location **Choice Models** 

> Land Price Model

Development Models

### Next steps



- Finish and evaluate interviews
- Data enrichment
  - Geocoding
  - Matching with parcels
  - Neighborhood analysis
  - Combine with ownership structure

- Data analysis
- Modelling



# Questions!

### Literature



- Dong, H. and J. Gliebe (2010) Exploring the Taste Heterogeneity in Home Developers' Location Choice, paper presented at 57th annual north american meetings of the regional science association international, Denver, November 2010.
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