



Beyond Numbers

Unveiling the art of Cost Recovery Negotiation
Processes Between the Municipalities of Heerlen and
Eindhoven



Tren Heijnen

Nijmegen School of Management

August 2023

Master's Thesis for the Spatial Planning programme, Planning, Land and Real Estate Development

Radboud University



Beyond Numbers - Master thesis

Author and Date

Tren Heijnen – S1039112

30-08-2023

Institutional Information

Radboud University

Master Spatial Planning: Planning, Land and Real Estate Development

Supervisor

Supervisor: dr. I.V. Barba Lata

Second reader: Prof. S.V. Meijerink

Key Words

Institutional policy; Anterior agreements; Principal-agent theory; Case-study; Negotiation process

Word Count: 30884

Preface

Dear reader, before you lies my master thesis on the effects of negotiation processes on the cost recovery process in the Netherlands. This research has been written in order to complete my Master's Degree in Spatial Planning at Radboud University Nijmegen. The following short paragraph is used to show my gratitude and thankfulness towards those who helped me during the research process.

The total time elapsed for writing and conducting the research was eight months total. During these eight months, I had the opportunity to get an internship at a relevant company regarding spatial planning issues. I denied this internship as it deviated from my interests in the cost recovery process between municipalities and project developers. This resulted in an ambitious data collection process, where I needed my own network to gather relevant and significant data. Because of this choice, I would like to thank my supervisor Iulian Barba Lata for having the trust in me, for his support and guidance throughout the thesis process. The meetings with Bara Lata, offered various feedback moments for which I am thankful, as these helped structure and better my end result.

Secondly, I would like to thank all of the respondents of the municipality of Eindhoven and Heerlen and the respondents of the relevant project developers and governmental institutions, who were eager to provide me with the needed data. Their useful contributions helped with the substantiation of the findings and without them, this thesis would not have been accomplished.

Lastly, I would like to thank my family and girlfriend for their unconditional support throughout the entire process. Their support was of great appreciation as it helped me get through the ups and downs of this process.

I wish the reader of this master thesis great enjoyment and I would like to thank you for taking the time to get intrigued by this research.

Tren Heijnen

Nijmegen, August 2023

Abstract

In the current state of business, Dutch municipalities are financially struggling with structural financial problems (BDO Accountants & Adviseurs, 2022). An assumption can be made, that a reason for these structural financial problems could be, the land management strategy that is currently being implemented. In the current planning system, much trust is given from the national government towards local and regional authorities. This entails that spatial planning results in local and regional land-use plans in most cases. The Ministry of Infrastructure and the Environment (2013) published that the national government will only interfere in urban regions and large transport hubs. As trust is put into local and regional authorities, we must take a look at the institutional capacity for the execution of spatial planning, especially for new project developments. Because of this trend of decentralization, pressure on both operational and financial level of municipalities is laid. As this thesis will try to describe the social-economic course of spatial planning, a closer look at the financial implications is taken. Analysing the current state of spatial planning, two main operations can be detected. The first operation is via public law, where a certain set of tools is provided by law. The second operation is via private law, where the municipality draws up a contract between a project developer or other initiators and themselves for example. The catch in this system is the link between the private and public way of developing. The private way of developing offers more freedom in operations and possibilities regarding the project outcome. On the other hand, the private approach may not guarantee the certainty of agreements, as misunderstandings may arise, and alternative modes of development may become precluded. As most project developments are based on an anterior agreement, most projects will also have a negotiation process present regarding the cost recovery. The anterior agreement is based on private law which makes most contracts disclosed. The exact cost recovery and how this comes about is unknown, therefore each project in which an anterior agreement is made, charges different costs. The effectiveness of this planning tool is relatively unknown for most cases as there is also a lack of transparency. Analysing past anterior agreements and negotiation processes is crucial to understand their contribution to the hindrance of the financial health of Dutch municipalities.

To fully understand and analyse the research objective, a main research question is made. The research question sounds: *How can the difference in cost recovery between projects within the municipalities of Eindhoven and Heerlen be explained based on the negotiation process of the anterior agreements?*

To answer this main research question, further sub questions were formulated:

- How does the planning tool anterior agreement fit within the land-use theory?
- Which costs of project development can be recovered via public planning tools using anterior agreements?
- How does the public way of cost recovery influence private ways of cost recovery of developments in Dutch municipalities (Based on anterior agreements)?
- How do the negotiation processes take place between the municipality and private developer based on the principal-agent theory?

The qualitative research used a comparative case study to identify differences in cost recovery processes. The cases were determined based on the national vision of the Netherlands, which indicated recommendations for possible project developments. The cases which were analysed, were the municipality of Eindhoven and Heerlen, which both are prominent within the national vision. By using policy document reviews, literature reviews and conducting semi-structured interviews with relevant stakeholders, data was collected. The interviews were conducted in order to gain information about the practicalities of project development from two viewpoints. Secondly, interviews gave the opportunity to gain information about the social negotiation process between the stakeholders, instead of only gaining financial information. By conducting 9 semi-structured interviews with both municipal officials and relevant project developers, a valid database is constructed in order to answer the research question. The

gathered data was transcribed, structured, coded and analysed within Atlas.Ti in order to conduct a clear analysis.

Before answering the main research question, sub-questions were made in order to provide a more valid answer. The first sub-question focused on understanding the planning tool anterior agreement and how this tool fits within the land-use theory. The anterior agreement has multiple positions within the land-use theory. Anterior agreements are first of all a tool within land-use mechanisms, which is used for setting up project developments, including details about cost-recovery and elaborations of the concrete plans. Within the land-use theory, the concept of sustainability is of importance as anterior agreements preserve the sustainability of project development as secrecy is used in order to maintain a relevant bargaining position. In order to achieve sustainable outcomes in land-use planning, spatial planning is used, using tools such as the anterior agreement (Lagopoulos, 2018). Anterior agreements therefore have spatial implications as developments are distributed using these agreements. Therefore, anterior agreements are significantly influencing the efficiency, distribution and spatial implications of developments. The planning tool anterior agreement therefore takes multiple places within the land-use theory, as the theory is extensive. Other than procedural implications of anterior agreements, do they seem to have impact on the negotiation process.

The second sub-question entailed the costs of project development which can be recovered via public planning tools using anterior agreements. Because the anterior agreement is a private contract between two or more stakeholders, public planning tools are excluded from the process as a whole. As tools are excluded from the use of anterior agreements, it is still mandatory for municipalities to recover the basic cost-list mentioned in public law (Rijksoverheid, 2023). The legal necessity of recovering the cost-items from the list, indirectly confirms the usage of the public planning tool exploitation plan, in which this cost-list is present. The exact costs of project development which can be recovered via public planning tools are therefore the costs mentioned in article 6.17.1 of the Dutch Spatial Planning Act (Overheid, 2021). Only a list of cost-items is present, not giving exact numbers of the cost-recovery.

The third sub-question entails the influence of public planning tools on private ways of cost recovery of developments in Dutch municipalities. Instead of looking which exact costs are recovered by using public planning tools, we will now look at the implications of these public planning tools. Through the analysis of the interviews, we can conclude that the public planning tools do have a significant effect on the private way of cost recovery as it gives a basis to each negotiation process (Anonymous 2, 2023; Rademakers, 2023; van Stiphout, 2023). By providing a basis in the form of a cost catalogue, information asymmetry can be reduced for each stakeholder as there is a known cost-list. Because the cost-list is already known and used, it already influences each negotiation process, stating the mandatory costs. The exact costs for each project however, differs, as each project was stated to be unique and custom. The cost-list therefore only provides an estimation of which cost-items will be present, not the exact costs. Van Hout (2023) indicated that using this public planning instrument can also act as a calculation tool. As the mandatory cost-items are presented and clear, initiators as municipalities can use this planning tool in order to make a superficial comparison of projects in order to estimate certain costs. On the other hand, respondents have generally accepted that this calculation tool is very subjective and may increase conflict between parties as each calculation was made with different substantiations (Stickelbroek-Dictus, 2023; Wagner, 2023; van Stiphout, 2023). The trust that is needed in order to resolve conflict is not present, due to the lack of transparency between municipal processes and the project developer. Again, this subjective manner of calculating cost recovery processes influences the amount of information exchanges between the stakeholders, increasing the transaction costs thus indirectly the cost recovery process.

The fourth sub-question tries to analyse the social factors influencing the cost-recovering process by analysing the negotiation process using the principal-agent theory. From the interviews we can derive the fact that municipalities are the principals, and the project developers can be seen as the agents within the theory. The principal-agent theory states that the interests, of the municipality in this case, are against

those of the agents, in this case the project developers. The negotiation process emerges from the fact that for project development, permits are needed for project developers. As these permits are provided by the municipality, we saw from the findings that a forced interdependent partnership emerges. Within this partnership, both stakeholders may have different incentives as seen within the principal-agent theory. Because of information asymmetry, there must be an alignment of interests between the two stakeholders. In the end, a contract may be set up, aligning the interests of the two stakeholders and reducing the information asymmetry in order for the principal and agent to work together. The negotiation process therefore is significant for the alignment of interests, in this case the cost-recovery and spatial implications. Additionally, the negotiation process tries to reduce the risk for both stakeholders both financially as spatially. The financial risk decreases as prices, building capacity and building program can be negotiated and secured within the contract. Externalities regarding the financial risk can however not be secured as the market changes frequently. The spatial risk has to do with the quality that project developers deliver with project development.

Having answered all sub-questions, a relatively concise conclusion can be made. The differences in cost recovery between projects within the municipalities arise from multiple factors concerning both the negotiation process on legal/financial factors as the negotiation process itself regarding social aspects. The differences between the municipalities are not that relevant as it became indisputable that the uniqueness of projects prevented the possibility of a cross-case analysis. Therefore, we must analyse regional factors influencing cost-recovery processes and compare these. The legal/financial factors that are present within negotiation processes on anterior agreements which influence the cost-recovery processes, are the uniqueness of each development, restraining policymakers and stakeholders from developing an efficient framework. Secondly, it became evident that the theoretical view on cost-recovery processes linked to anterior agreements are too narrow, leaving out significant points of negotiation such as building programme, space, mass and housing type which all affect the cost-recovery significantly. Thirdly, the starting position of each stakeholder influences the cost-recovery process as the division of ownership is of importance when making demands. Because both stakeholders are interdependent, having more ownership of real estate, plots and public space, enables the owner to make more demands from the other stakeholder as an equal division of transaction costs is cherished. As interdependence is present, creating demand for development is putting the opposing stakeholder into a more favourable position as they are able to make the call to either develop (project developer) or authorize (municipalities). However, the demand that occurs from private parties does not always align with municipal policies. Current municipal policies from the municipality of both Eindhoven and Heerlen are focussing on developing more social housing which is unfavourable for project developers because of unprofitable margins. This will increase the transaction costs as more negotiations concerning both financial factors as building programme are needed in order to align interests, thus influencing the cost-recovery process within anterior agreements.

Contents

Preface.....	3
Abstract	4
List of Figures	9
Chapter 1: Introduction	10
1.1 Contextual background.....	10
1.2 Problem statement	11
1.3 Research objective and questions	11
1.4 Relevance	13
1.4.1 Societal relevance.....	13
1.4.2 Scientific relevance	13
Chapter 2: Literature review and Theoretical framework	15
2.1 Literature Review.....	15
2.2 Policy review.....	18
Municipality of Heerlen	19
Municipality of Eindhoven.....	20
National policy	20
Cross-comparison.....	22
2.2 Theoretical framework	23
Land-use Theory.....	24
Principal-Agent theory	26
2.3 Conceptual framework	28
Chapter 3: Methodology.....	30
3.1 Research design.....	30
Methods and strategy.....	30
Case-study criteria.....	32
3.2 Data requirements.....	34
Data collection methods	34
Data analysis methods	36
3.4 Validity and Reliability.....	38
Validity	38
Reliability	39
Chapter 4: Findings / results / analysis.....	40
4.1 Presentation and Description of the Collected Data.....	41
4.3 Coding and Categorization of the Data	45
4.4 Thematic Analysis based on the Theoretical Framework.....	47
4.5 Interpretation of the Findings within the Theoretical Framework.....	49

Chapter 5: Conclusions	54
5.1 Key Findings	54
5.2 Comparison of Cost Recovery between Eindhoven and Heerlen.....	55
5.3 Explanation of Differences in Cost Recovery based on the Negotiation Process within the Anterior Agreements	56
5.4 Discussion of Findings in relation to the Theoretical Framework	60
5.5 Linking the Findings with Previous Research.....	61
5.6 Answering the Research Questions	63
5.7 Recommendations and Implications of the Findings for Theory and Practice.....	67
Future research	67
Practical implications	69
5.8 Reflection	70
Validity and Reliability.....	70
Limitations.....	71
References	72
Chapter 6: Appendices.....	79
6.1 Interview guide.....	79
6.2 Codebook.....	80

List of Figures

Figure 1: Conceptual framework.....	28
Figure 2 (inter)national accessibility of urban regions with top sectors.....	32
Figure 3: Code groups	37
Figure 4: Overview of interviewees	42
Figure 5: Overview interview data.....	44
Figure 6: Coding network scheme.....	45
Figure 7: Right side of the zoomed-in coding network.....	47
Figure 8: Left side of the zoomed-in coding network	48
Figure 9: Key findings in relation to the research question.....	55

Chapter 1: Introduction

In this introductory chapter, the contextual background of the problem statement will be discussed. This information will help understanding both the problem statement as the research objective and aims. In the final part of this chapter, the societal relevance as the scientific relevance will be discussed to stress the importance of this research.

1.1 Contextual background

In the current state of business, Dutch municipalities are financially struggling with structural financial problems (BDO Accountants & Adviseurs, 2022). An assumption can be made, that a reason for these structural financial problems could be, the land management strategy that is currently being implemented. In the current planning system, much trust is given from the national government towards local and regional authorities (Ministry of Infrastructure and the Environment, 2013). This entails that spatial planning results in local and regional land-use plans in most cases. The Ministry of Infrastructure and Environment (2013) published that the national government will only interfere in urban regions and large transport hubs. As trust is put into local and regional authorities, we must take a look at the institutional capacity for the execution of spatial planning, especially for new project developments. As this policy has been implemented in 2013, with a timeframe of 27 years, it is relevant for analysing both past and future land-use plans.

As stated before, the financial situation of Dutch municipalities is not optimal. Because of this trend of decentralization, pressure on both operational and financial level of municipalities is laid. As this thesis will try to describe the social-economic course of spatial planning, a closer look at the financial implications is taken. Analysing the current state of spatial planning, two main operations can be detected (Nijmeijer, Verhaal van grondexploitatiekosten, 2022). The first operation is via public law, where a certain set of tools is provided by law. These tools provide measures such as land-use plans as a list of recoverable costs for example. The land-use plan can be regarded as the significant tool, owing to its capacity to generate value. The second operation is via private law, where the municipality draws up a contract between a project developer and themselves for example. The catch in this system is the link between the private and public way of developing. The private way of developing offers more freedom in operations and possibilities regarding the project outcome (Nijmeijer, Verhaal van grondexploitatiekosten, 2022). On the other hand, the private approach may not guarantee the certainty of agreements, as misunderstandings may arise and alternative modes of development may become precluded. As most project developments are based on an anterior agreement (van der Krabben, Understanding land-based finance, 2023), most projects will also have a negotiation process present regarding the cost recovery. The anterior agreement is based on private law which makes most contracts disclosed. The exact cost recovery and how this comes about is unknown, therefore each project in which an anterior agreement is made, charges different costs. The effectiveness of this planning tool is relatively unknown for most cases as there is also a lack of transparency. Analysing past anterior agreements is crucial to understand their contribution to the hindrance of the financial health of Dutch municipalities.

In conclusion, the current state of business in Dutch municipalities is marked by structural financial problems, and the land management strategy being implemented may be a significant contributing factor. The trust placed in local and regional authorities to execute spatial planning has resulted in the predominance of local and regional land-use plans. However, this policy places significant operational and financial pressure on municipalities. As such, it is necessary to examine the social-economic course of spatial planning, with a particular focus on the financial implications of these plans. The use of public and private law operations for project development in Dutch municipalities offers different possibilities and outcomes. Analysing the negotiation process on cost recovery within an anterior agreement is crucial to understand their contribution to or hindrance of the financial health of Dutch municipalities.

1.2 Problem statement

The financial struggles faced by Dutch municipalities are a growing concern. While much trust is placed in local and regional authorities for executing spatial planning, this policy places significant pressure on smaller municipalities, which are struggling to keep up. The current land management strategy being implemented is coming under scrutiny as a potential contributing factor to these structural financial problems. The OECD (2017) published a policy document in which this statement was substantiated with the clear example of Amsterdam. The structural financial problems occur because “the national fiscal framework limits own source municipal revenue” (OECD, 2017). Therefore, there is a need to understand the social-economic course of spatial planning in Dutch municipalities, with a particular focus on the financial implications of these plans. The effectiveness of anterior agreements, in generating value by changing land-use plans in exchange for cost recovery aspects needs to be examined. The problem statement, therefore, is to analyse the negotiation process in which the effectiveness of cost recovery is the main point of focus. In addition to this problem statement an analysis is made of the extent to which the anterior agreements contribute to the hindrance of the financial health of municipalities.

1.3 Research objective and questions

The general research objective can be stated as followed: To understand and being able to explain differences in cost recovery in anterior agreements due to the negotiation process, in Dutch municipalities. The aim is to understand how anterior agreements contribute to or hinder the financial health of Dutch municipalities, given the current state of business and the pressure placed on municipalities. The research will also examine land-use instruments to gain insights into the social-economic course of spatial planning in Dutch municipalities. Overall, the research objective is to provide a comprehensive analysis of the impact the negotiation process of anterior agreements on the financial health of Dutch municipalities and to identify opportunities for improvement.

As this research objective is relatively broad, the scope of this thesis is on a limited to comparative case-study. This is a limitation for the overall understanding of anterior agreements, but it will enhance the validity of the research.

The negotiation process between municipality and private developer to finalize an anterior agreement, cannot be understood to its fullest as many documents are not public. To reveal effects, possible respondents for expert interviews have been selected to gain insights. These will be further discussed in the methodological section. The two cases which are going to be analysed are the municipality of Heerlen and Eindhoven. Both municipalities have had large projects since the year 2000 with opportunities to develop real estate. Another commonality which can be found between the cases, is the public-private partnership that has been set up with a confidential anterior agreement that recovers all costs made (Gemeente Heerlen, 2012) (Strijp-S, 2023). The research objective that emerges from this case is to understand how the negotiation process has played a role in the cost recovery of infrastructure, suburban facilities and public space.

To fully understand and analyse the research objective, a main research question is made. The research question sounds: *How can the difference in cost recovery between projects within the municipalities of Eindhoven and Heerlen be explained based on the negotiation process of the anterior agreements?* To answer this main research question, further sub questions were formulated:

- How does the planning tool anterior agreement fit within the land-use theory?
- Which costs of project development can be recovered via public planning tools using anterior agreements?
- How does the public way of cost recovery influence private ways of cost recovery of developments in Dutch municipalities (based on anterior agreements)?
- How do the negotiation processes take place between the municipality and private developer based on the principal-agent theory?

1.4 Relevance

1.4.1 Societal relevance

Societal relevance is of importance for the contribution this paper ought to make to the community. The definition for societal relevance can be seen as “*the quest towards answering questions that society asks or to solve problems it faces*” (Rijksuniversiteit Groningen, 2021). As this is a quest, there is a potential to answering the problems or questions society has. In this section, we will try to get a more comprehensive understanding of the societal issue at hand.

As new projects and developments take place on a daily basis, the use of planning tools is evident and necessary to get great spatial development. As these tools are used, the impact of these can be seen in both the process of planning and in the physical world. As different planning systems are used, different outcomes can be seen in the physical environment. A clear example of these differences is between land-readjustment and an exploitation plan for example. Land-readjustment may physically change whole plots of land by new distributions of the original built area (Larsson, 1997), as exploitation plans do not change the way plots are divided necessarily but give regulatory incentives to build what and where (Nijmeijer, Verhaal van grondexploitatiekosten, 2022). How does the current planning system make use of these tools to gain private sector investments and increases in cost recovery in order to maintain and develop urban necessities? This question is of importance because of the impact it has on the physical domain and thus the daily environment.

The relation between urban necessities and other social relevant themes, emerges from the fact both need amounts of space to manifest. Evidently, space can be used once, so the issues all have a certain impact on the other. When taken all together, resolving these issues can help better the quality of life in a certain area. With the use of anterior agreements and developer obligations, the possibilities to finance both urban necessities and other life quality bettering developments are present. This statement links the main context of this research to the societal relevance, as we will take a closer look at how efficient the anterior agreement tool actually is regarding its confidentiality. This will be done to provide a sustainable financial future for Dutch municipalities.

Based on previous paragraphs, a conclusion can be made that the current state of affairs provides a suboptimal use of planning tools. This conclusion will be substantiated in the next chapter in which scientific sources will conclude a similar result. By putting a spotlight on anterior agreements, a broadening view on this topic is made for policy makers, government officials, project-developers, but most of all society is made. By conducting expert interviews and policy analyses, it is possible to gain new insights into the process of land-based finance planning. This ensures new information which can fill the social knowledge gap about land-based finance systems.

1.4.2 Scientific relevance

Scientific relevance can be explained as whether research help add significant information to the already existing knowledge base (Weimert & Zweck, 2022). This section will try to explain how this research will add significant knowledge to the existing knowledge gap about the negotiation process within an anterior agreement between in Dutch municipalities and project developers.

The scientific relevance of this research lies in its potential to contribute to a better understanding of the effectiveness and transparency of anterior agreements. By looking into the cost recovery process by using anterior agreements, the research can gain insights on how municipalities can finance their public services and infrastructure more sustainable. The findings and recommendations of this research can inform policymaking and advice municipalities in the development of land-use mechanisms and processes to increase their sustainability. Therefore, this research contributes scientific knowledge and

is beneficial for civil servants, academics and private initiators in the field of spatial planning and project development. For the next paragraph, already existing research will be discussed to further understand which knowledge gap is present.

In existing research about land-based finance tools and cost recovery, the focus is laid mostly on implications and policy making. A significant publication is one of the United Nations Habitat (2016) which provides a training guide for using land-based finance in local governments (United Nations Human Settlements Programme, 2016). In this paper, seven distinct tools for land-based finance are analysed on how to apply these to specific cases. As this paper gives guidelines on the application of these tools, it does not provide any analysis on the negotiation process that lies behind the mechanisms. Furthermore, as we explore relevant scientific publications, the implications of several instruments are explained with their conditions respectively (Berrisford, Cirolia, & Palmer, 2018) (McGraffin, Viruly, & Boyle, 2021). Not paying attention to the negotiation process behind the anterior agreement, a knowledge gap can be found. In the paper of McGraffin et al. (2021), investment triggers are analysed for multiple land-based finance instruments. These investments triggers focus on the broad public/private domain, which includes instruments such as property tax (McGraffin, Viruly, & Boyle, 2021). It is explained that the tools mentioned in the paper of McGraffin et al. (2021), are “*Cash-flow management instruments to bridge a funding gap.*” This explanation of the land-based finance tools entails the usage of them and the intended outcome but it lacks an analysis about the initial private investment and the final private investment.

To compare the previous with Dutch and comparative European cases, scientific literature that discusses this lack of analysis can be discussed. Most land-based finance research that can be found is done via quantitative analyses or via policy analysis, such as Tirumala & Tiwari (2021) or Fox & Jiwei (2017). By using a qualitative approach new insights behind the negotiation process can be found, as information is not gathered via statistics, but via a holistic approach. Studies on land-based finance using qualitative approach are popping up more recently, such as the study from Brouwers (2022). This study from Brouwers (2022) is relatively the same as this one, focussing on land-based finance instruments in Dutch municipalities. As Brouwers (2022) is focussing on developer obligations as a tool to finance municipal expenditures, it does not analyse the differences in cost recovery when using developer obligations. A second scientific source claims the high financial risk that is paired with the Dutch active land policy, has effect on the policy that enables project development (Spit & Hartmann, 2015). This institutional policy approach can be integrated as Dutch municipal policies change over time, adjusting to the land market and vice versa. Concluding, this research will provide information to the discussion regarding the sustainability, transparency and effectiveness anterior agreements and the negotiation process behind them.

Chapter 2: Literature review and Theoretical framework

2.1 Literature Review

In this literature review, an attempt for gaining information about land-value capture (LVC) instruments, land-based finance and negotiation processes will be made. Firstly, literature about LVC will be briefly discussed. This is followed up by literature about land-based finance models, concluding with negotiation process literature. The aim of the literature review is to identify relevant themes on which new scientific research can be written.

When analysing land value capture literature, many case studies where such land value capture instruments were implemented appear. A publication of Lee & Locke (2021), the implementation of land value capture models can be seen in the case study of the Sydney Metro City and Southwest (SMCSW) project. Lee & Locke (2021) used the dichotomy of passive and active land value mechanisms to explain choices made within the SMCSW project. Active land value capture models were not used because of the difficulties developing a fair basis for using active land planning (Lee & Locke, 2021). We can conclude from this proposition that active land value capture models may not apply to each case. A question that emerges from this statement could be, what characteristics do land-use plans need to have to make active land value capture models successful. This statement can also be analysed the other way around by looking at the passive land value capture models. By elaborating further on these two models, we can look deeper into both active land value capture and passive land value capture models. For passive land value capturing models, there are multiple models. One of them is the implementation of developer obligations. According to Chen, Chau, & Yang (2022) are developer contributions, negotiable as non-negotiable, an important instrument for capturing land value. Developer obligations are passive land value capture instruments used to gain contributions in exchange for land-use regulations. Relevant literature that discusses the implementation of developer obligations and the use of value capture, is the paper of Kok, Bisaro, de Bel, Hinkel, & Bouwer (2021). The case of interests is Sophiastrand in the Netherlands where land value capture has been used to finance the beach nourishment project. This source provides an understanding on the public-private partnership that enables cost recovery by using land-use plan modifications. The value capture process in this case emerges from the increasing tax revenue from new holiday homes, more expenditures on leisure and the beverage industry and property and property transfer tax (Kok, Bisaro, de Bel, Hinkel, & Bouwer, 2021). Interesting for this case is the negotiation process which enabled both municipalities as private parties to have a positive financial outcome. Therefore, this partnership stimulated private investments in exchange for land-use plan modifications which allow more commercial activities (Kok et al., 2021).

In Chen et al. (2022) it is stated that the use of developer obligations differs per region according to the needs of the actors, for example the municipalities. The commonalities between all different uses of developer obligations are eventually land value captures which enable private financing for public amenities (Chen, Chau, & Yang, 2022). The efficiency between countries in implementing different LVC instruments such as these developer obligations is further researched in a publication of Muñoz Gielen (2022). In this publication the use of developer obligations in different situations and countries is discussed. This publication split different discussions about the use of developer obligations in their discussion section. Firstly, it is considered that developer obligations could be of direct as of indirect rationale. The direct rationale entails that value increase that is captured belongs to the community (Muñoz Gielen D., 2022). The indirect rationale prescribes that *“the developers should internalize the negative externalities of development”* (Muñoz Gielen D., 2022). These rationales are different for each scenario and create conditions for implementing different land value capture instruments. Therefore, Muñoz Gielen (2022) states that legislatives have different attitudes towards property rights and development rights. Where property rights tend to be more affected by direct rationales and the development rights more of indirect rationales. Nevertheless, direct rationales can still be implemented in models that use development rights. This might be an interesting take on a master thesis where direct measures support indirect rationales capturing land value. As different publications are elaborated on, a

thread towards a more detailed take on land value capture instruments can be seen as we go from a broad approach to a more detailed approach.

Furthermore, leverage effects of land-based finance on private sector investment will be looked into. This has some interfaces with the land value capture models discussed before as land value is also captured but in an indirect way. As mentioned earlier, many studies about land-based finance and land value capture methods refer to case studying or a comparative analysis, as does the publication of Berrisford et al. (2018). In this paper an analysis about land-based finance models in African cities is done. A comparative analysis is done between different projects where land-based finance models were applied. From this single publication, different uses of land-based finance instruments can be analysed which concluded that there is no one-size-fits-all approach. There is also a demand for land-based financing instruments outside of Africa, which makes this paper relevant for a possible comparison or application of different instruments. The land-based finance methods that can be detected in Dutch cases on the other hand are development contribution plans (*exploitatieplan*), which may provide resources for financing the public infrastructure (Muñoz Gielen D., 2019). As municipalities are not satisfied with this instrument, they prefer to recover the costs via negotiated development agreements (Muñoz Gielen D., 2019), as referred to before. In the publication of Muñoz Gielen (2019), it is described that less than 3% of all building plans used the contribution plans before 2010. Because the use of negotiated development obligations were present during this timeframe, the impact these development contributions may have on the overall agreement may be significant. This significance will be further analysed and may be proven present within Dutch agreements.

A second publication which describes how land-based finance models can give incentives for private investments is by Peterson (2009). In this book the possibility to unlock these land values is discussed with the possible attached measures that public bodies as developers can take. Firstly, a reference is made to the Henry George theorem about the single tax on land where the so called “benefit zone” must be internalized to make the development economically efficient (Peterson, 2009). This is done by investing the profit of land values resulting from the development. One of the underlying theories of Henry George can thus be applied to relevant land value capture models. It can be concluded that by specifying techniques such as betterment charges, the effect of negotiation processes on the cost recovery does not apply as these techniques indicate direct rationales. There would be no direct incentive for private developers to invest in public amenities.

Now that land-based finance models and LVC instruments have been discussed and can be considered to be clear, we will look more deeply into negotiation process theories. This will be done to create a mutual understanding of the concept to avoid any misunderstandings when assumptions or conclusions based on the concept are made. The literature review will also help gain information that may help create a theoretical framework.

A paper of Andreas, Mateo, & Thomas (2010) describes the negotiation process within the European Union. This paper is significant as negotiation processes within public institutions are analysed which can be linked to regional public institutions. Andreas et al. (2010) have made a collection of negotiations of European Union politics with the aim to stimulate more, and more systematically, the research on negotiations within the European Union. The paper of Andreas et al. (2010) focusses on the relevance of negotiation theory, as it applies this theory to understand decision-making processes in the EU. As the EU has shared characteristics as a municipality regarding both their dynamics and governance structure, a comparison can be made. The validity of this comparison is important as this paper may help understand the use of negotiation theory within Dutch municipalities. Coming back to the contents of the paper of Andreas et al. (2010), different concepts of the negotiation theory are applied. Firstly, the authors describe the complex nature of EU negotiations which are characterized by a vast number of actors, with diversified interests and different institutional contexts (Andreas, Mateo, & Thomas, 2010). This complex composition of these different aspects almost obliges the actors to seek compromise, build coalition and engage dialogue. To meet these three conditions, an extensive dialogue between actors must be present, otherwise seen as the negotiation process (Andreas, Mateo, & Thomas, 2010). As we

can figure out from the paper of Andreas et al. (2010), the negotiation process is a circular system in which there must be navigated through power dynamics, gaps between actors, and analysing conflicting interests to understand how a satisfactory outcome has been reached.

Secondly, a publication of Lewicki, Barry, & Saunders (2016) invites the reader to critically discuss the concepts of power relation, ethics, culture and emotions within the negotiation process. These concepts are considered to be key factors, affecting the outcome of any negotiation process (Lewicki, Barry, & Saunders, 2016). This publication differs from Andreas et al. (2010) as it does not discuss the quantitative factors such as number of actors, coalitions and amount of dialogues. Lewicki et al. (2016) delve deeper into the qualitative aspects of the negotiation process, analysing underlying concepts which are mentioned before. These concepts cannot be measured directly as the data is subjective and personal. Lewicki et al. (2016) explain the power relations as follows: *“The relative influence, control, and leverage that parties possess in a negotiation.”* The imbalance in power relations between actors affect the overall outcome which also may affect the ability to reach mutual (beneficial) agreements (Lewicki, Barry, & Saunders, 2016). Furthermore, the ethics refer to the behaviour and principals of actors during the negotiation process according to Lewicki et al. (2016). As fairness, honesty and integrity must be considered, it will build trust and maintain relationships. Trust will help the negotiation process as there will be less information asymmetry which may reduce the transaction costs. Culture is the third concept within the paper of Lewicki et al. (2016). Culture includes the shared beliefs, values, customs, and norms that influence the behaviour and communication patterns of individuals and groups (Lewicki, Barry, & Saunders, 2016). Cultures influence the negotiation styles of the actors as cultures differ in sensitivity, negotiation strategy and adaptability. Lastly, emotions are considered to influence decision-making, communication and relationships (Lewicki, Barry, & Saunders, 2016). Maintaining rationality and fostering collaboration can only be done when emotions are managed effectively. When all four concepts are considered and evaluated, an analysis of a negotiation process can be done effectively and efficiently. Combining both the paper of Andreas et al. (2010) and the paper of Lewicki et al. (2016), an overall analysis and conclusion can be made of a certain negotiation process.

Another theory of interest for this research is the environmental negotiation. Harvard Law School (2023) describes environmental negotiations as *“negotiations between corporate interests and individuals or communities with recognition of the limits of natural resources.”* As there are competing interests and little trust to begin with, the alignment of interest is of importance when wanting to use limited natural resources and space. Environmental negotiations have been present for a long period of time, regarding the publications in the Journal of Environmental Economics and Management of Porter (1988). These early publications refer to environmental negotiations as alternatives for lengthy legal proceedings which were time consuming and uncertain regarding the outcome (Porter, 1988). The contents of these negotiations were largely about environmental safeguarding and diminishing environmental damage from an industrialist perspective, according to Porter (1988). The differences between environmental negotiations referred to in Porter’s publication and current environmental negotiations, is the scope of interest. Current environmental negotiations do not only look at legal and economic characteristics of environmental disputes, but also at the procedural and distributive justification in the negotiation (Albin & Druckman, 2017). The way in which this theory is of value for this research, is to emphasize and substantiate the principal-agent theory which will be discussed and analysed in the next chapter. As the environmental negotiation theory includes a broad scope on the negotiation process between private and public enterprises.

2.2 Policy review

To get a better understanding of the interlinkage between Dutch planning in theory and Dutch planning in practice, a closer look at the Dutch planning policies will be taken. By adding secondary sources that may explain and substantiate the planning praxis, a more robust conclusion and recommendation can be given.

First of all, a brief description of the contexts in which the policies are formed and implemented is given. National policies are stressing the social context, for which the policies are implemented. In the coalition agreement of the Dutch cabinet reaching from 2021 to 2025, multiple implementations for the betterment of the social context becomes clear (Rijksoverheid, 2022). The Dutch government mentions focussing on building more affordable housing, investing in more sustainable prosperity through innovation, providing a good business climate for entrepreneurs, and more (Rijksoverheid, 2022). For the social context, these implications may increase the efficiency and effectiveness for land use as the need for it will be higher to accommodate the current housing shortage. For the national economic context, the policy describes the accommodation of a good business climate. The coalition agreement policy aims to create a positive condition for these entrepreneurs, investing in public-private cooperation, assuming to result in an entrepreneurial, innovative and fair economy (Rijksoverheid, 2022). Thirdly, the political context within which the coalition agreement is formulated and implemented, is the willingness to change the political culture (Rijksoverheid, 2022). Within the coalition agreement (2022), it is stated that cooperation with constructive parties is sought after. The supervisory and legislative task of representatives is emphasized as it needs to be properly exercised (Rijksoverheid, 2022).

The coalition agreement can be seen as the umbrella under which all other specific policies are made. Within this policy review, we will further specify the policies and national programs regarding spatial planning. The different policies vary between visions, recommendations and programs on spatial planning and participatory trajectories. From the different policies, multiple stakeholders can be detected, which are significant for both the formation and implementation of the policies. For both formation and implementation of policies, public bodies are main stakeholders. This conclusion can be made, based on the policy context of both policy making as policy implementation from spatial planning policies, environmental vision, national planning policies, coalition agreements and spatial advice documents (Gemeente Heerlen, 2019) (Gemeente Eindhoven, 2020) (Overheid, 2021) (Rijksoverheid, 2022) (Raad voor de leefomgeving en infrastructuur, 2017). A clear example of the relevant stakeholders within the formulation and development of policies, can be seen in the coalition agreement (Rijksoverheid, 2022). Within this policy document, it is clearly stated that the formulation and development of this policy has been executed by various government officials from different parties. The relevant stakeholders are therefore officials from different public bodies, agreeing on the relevant policies. From the publication of Albert (2020), it becomes clear that for having a development within the policy implementation, cooperation agreements need to be signed. Within this agreement, the second main stakeholder is introduced, namely, the project developer. Having the project developer as a second main stakeholder, a dichotomy between public and private bodies is present. For policy, this dichotomy is important for understanding how these policies are formed and implemented. Overall, the policies are formed in order to provide tools for public bodies concerning spatial planning. These tools therefore entail the positioning and use of tools in order to cooperate with these stakeholders. Zooming in policies regarding the actualisation of developments, we can deduct that more stakeholders are becoming involved. In the national policy and law, concerning place specific developments, the importance of stakeholders is emphasized. This is done by dedicating specific chapters or laws to the say of relevant stakeholders (Overheid, 2021). By the implementation of this policy, procedural justification and distribution of power can be made more equal in order to create more acceptance and support (Gemeente Arnhem, 2021).

In order to analyse the policies in a more valid manner, the criteria for policy assessment by the OECD (2021) will be used. The criteria mentioned in the report are relevance, effectiveness, efficiency, impact and sustainability and coherence (OECD, 2021). Based on these six criteria, we will take a closer look at eight Dutch national and regional policies on spatial planning. The limitations of using the OECD criteria, is the lack of criteria analysing comparisons between policies. Therefore, a separate paragraph with a brief comparative review will be added to the analysis. The methodology used in order to analyse the policy documents, will be a thematic review, focussing on themes, topics and underlying goals.

Municipality of Heerlen

The first document which will be analysed using the OECD criteria, is the partnership policy of the municipality of Heerlen (Albert, 2020). The partnership policy concerns the positioning of the municipality with the public powers for spatial planning. The policy addresses the “usage of spatial planning and determine what is in accordance with the principles of good spatial planning” (Albert, 2020). The effect of this policy can be seen in documents using the policy as a basis in order to partner up with commercial parties in order to develop. These documents provide the data on which the OECD criteria can be assessed. An example of such a partnership policy is the performance agreement between the municipality of Heerlen and relevant real-estate stakeholders (Gemeente Heerlen, 2023). The first criteria is relevance, which has to do with the extent to which the implementation benefits needs, policies and priorities (OECD, 2021). The implementation was done in order to better the affordability, sustainability and liveability in the municipality (Gemeente Eindhoven, 2023). Because the agreement focusses on the performance of commercial stakeholders which control the housing supply, affordability can be influenced by addressing maximum rent or price (Gemeente Heerlen, 2023). Furthermore, does the performance agreement influence the sustainability and liveability as physical characteristics of real estate can be determined within the policy. The effectiveness of the policy, as the extent to which the policy achieves its objectives, can be deduced from the incentive behind introducing the policy. The incentive behind the policy comes from the political agenda, aiming at affordable housing (Gemeente Heerlen, 2023). Therefore, when agreeing on performance factors influencing the housing affordability, the achievability of the policy can be validated. The efficiency factor within this policy document can be considered to be not optimal. Because of the large number of stakeholders present in the partnership, a timely and swiftly event of development is truly challenging. The remaining factors impact, sustainability and coherence can be regarded neutral/ positive. Impact is considered positive as the policy tries to affect the liveability, housing affordability for the municipalities inhabitants. Sustainability can be regarded neutral as the effects are only temporary as this municipals policy is influenced by political factors that vary over time. Coherence can also be regarded positive as the policy and its stakeholders are interlinked with legal, planning and executing characteristics.

The municipality of Heerlen has next to the partnership policy, a policy regarding the process of setting up zoning plans (Gemeente Heerlen, 2019). This policy is visualised into a handbook in order to create a systematic process. The relevance of this policy can be seen as very positive as it aims to make the overall process of setting up zoning plans more efficient, more transparent and provide a clear view of the municipalities spatial incentives (Gemeente Heerlen, 2019). The efficiency of this policy can also be regarded as significant as the policy provides a framework for setting up, analysing and evaluating processes concerning zoning plans. Furthermore, does the policy effectuate its objectives as it provides a frame for both municipal officials as external stakeholders in order to create a uniform process. Resulting in scoring positive on the criteria effectiveness as the policy is able to reach its objective. The OECD’s (2021) criterium impact, its option to generate higher-level effects, is relatively neutral within this policy. Because the policy only creates a basic all-included frame, it does not give room for additions or alternatives as it is a premise (Gemeente Heerlen, 2019). Therefore, it may not have a significant impact to generate higher-level effects other than providing an efficient and effective frame. Sustainability on the other hand can be considered to be a significant factor as the policy constitutes a static frame for all stakeholders, creating transparency and mutual understanding of the process (Gemeente Heerlen, 2019). Coherence as a criterium, is a difficult factor to analyse, as the policy sets a

new frame considering a relatively difficult process. Internal coherence, addressing the interlinkages with other policies (OECD, 2021) within the municipality of Heerlen, may be positive as it sets a precedent for how to frame a process. External coherence, addressing the co-ordination with external stakeholders (OECD, 2021), is definitely positive, as the policy clarifies internal processes.

Municipality of Eindhoven

The other case chosen for inspection and analysis, is the municipality of Eindhoven. Eindhoven has published all of its visions, agreements and policies regarding spatial planning as separate documents. To provide a clear policy analysis for the municipality of Eindhoven, the most relevant policy has been selected to give a valid investigation. The policy chosen, is the recent policy containing performance agreements (Gemeente Eindhoven, 2023). According to the criteria of the OECD, the relevance of this policy originates from the initial incentive of the municipality of Eindhoven to make the city affordable, accessible and inclusive. These incentives differ from those of the municipality of Heerlen, resulting in different reasons for the policy to be relevant. In order to meet the municipalities objectives and needs, the policy needs to include and better these incentives. Gemeente Eindhoven (2023) stated within the policy document that three main themes will cover the needs mentioned before. Firstly, increasing the social housing stock will be one of the effects of the policy, partly covering the affordability problem (Gemeente Eindhoven, 2023). Secondly, the focus will be put on increasing the chances for vulnerable inhabitants to get housing, in order to increase the liveability within the city (Gemeente Eindhoven, 2023). Lastly, investments in sustainable housing will be made in order to achieve a responsible policy (Gemeente Eindhoven), covering the inclusive city incentive. The criteria relevance will therefore be approved as the policy covers the municipalities incentives and needs. Effectiveness of the policy can be analysed by looking at the municipalities plans in order to achieve the policy. The municipality of Eindhoven (2023) has elaborated three plans, consisting out of the partnership with housing cooperations to provide more housing in an unorthodox manner, a multidisciplinary approach focussing on one district at a time and investing on sustainable housing. These three plans all cover parts of the desired policy respectively, resulting in effective planned policy. In terms of efficiency, we can state that the policy has a timeframe of 4 years (Gemeente Eindhoven, 2023), in which all of these plans need to be effectuated and have their supposed impact. The extent to which the intervention is likely to deliver results in a timely manner (OECD, 2021) can be considered to be positive. The other half of the criteria stated in the OECD's rapport (2021) about the economic extent, may not be as positive. In the policy, the ambition of 85% affordable housing (Gemeente Eindhoven, 2023) is a though challenge for commercial parties. Therefore, we do not know whether the municipality has the capacity to engage in significant developments with this policy. On the other hand, does this policy significantly impact the affordability and inclusiveness of the city using this policy. There is also a possibility for a higher-level effect when applying this policy, as new creative ways for financing housing may be found. Again, as this is policy is made based on a point of discussion (Wagner, 2023), it may not be sustainable as political agenda's often change (Stickelbroek-Dictus, 2023). Lastly, the coherence of this policy is very strong with other policies as it builds upon prior agreements and visions regarding the present housing shortage and liveability (Gemeente Eindhoven, 2023).

National policy

Zooming out from the two cases, a closer look at the national policies regarding spatial planning and project development can be taken. The national policies provide a basis upon which the regional policies can be made. The relevant national policies which are going to be analysed using the OECD criteria, are the spatial planning policy (Rijksoverheid, 2020), national land policy instruments (Raad voor de leefomgeving en infrastructuur, 2017) and the NOVEX program (Rijksoverheid, 2022).

The spatial planning policy of the Dutch government provides a list of national interests, providing careful decision-making processes and considerations (Rijksoverheid, 2020). The policy is split up between national laws and national visions. This dichotomy provides the incentives on how to spatially shape the Dutch environment, using the legal framework given in the same policy. The relevance of the spatial planning policy arrives from the fact that the policies objectives, creating a legal and visionary framework, benefit the national needs and priorities (Rijksoverheid, 2020). The beneficiaries this policy gives, is the improvement of effectiveness, efficiency and transparency of processes on multiple scales. The effectiveness of the policy can be seen both successful as lacking because of several factors. First of all, does the policy provide a clear legal framework for spatial planning as it provides national visions on which regional policies can be made (Rijksoverheid, 2020). On the other hand, does this national spatial planning policy have certain pitfalls, such as the strong bureaucratic character which withholds flexibility when needed (Hatch, 2018). Therefore, the criteria effectiveness can be regarded both positive as negative. Efficiency is linked to the criteria effectiveness, as efficiency refers to delivering results in an economic and timely way. Economically, because of the bureaucratic character of the spatial planning policy, transaction costs are high, therefore diminishing the overall efficiency. On the other hand, by providing a clear legal framework, agreements are already made regarding social, physical and spatial aspects, making further negotiations unnecessary. This will diminish transaction costs. Because this national spatial planning policy affects almost every inhabitant linked to real-estate, the impact of this policy is extensive. The national government expects individuals as institutions to have knowledge about this policy and its legal framework when renovating, building or modify property (Overheid, 2021). These higher-effects are significant and need extra mechanisms supporting the effect of the policy such as legal consultancies or spatial consultants. Therefore, the impact of the spatial planning policy can be considered to have a significant impact. The OECD (2021) criteria sustainability for the spatial planning policy can be seen as positive, as the policy has been in place for a couple of years with some adjustments in order to adjust to current changes in play. Because a new Dutch environmental law will be put into place beginning in 2024 (Ministry of the Interior and Kingdom Relations, 2023), the current sustainability of the spatial planning law can be considered to decline. Lastly, the coherence of the current spatial planning act can be considered to be significant as it contains multiple laws, visions and agreements regarding the effect of the policy (Rijksoverheid, 2020). Because of its broad character, it must interlink with these documents in order to reach the policy its objectives.

The second national policy provides instruments for land policy in the Dutch context (Raad voor de leefomgeving en infrastructuur, 2017). The policy was provided as an advisory document for the national government as the nation went into a transition needing the deployment of spatial instruments (Raad voor de leefomgeving en infrastructuur, 2017). The relevance of this policy can be found within the policies objectives and design where the importance of the spatial planning instruments is emphasized. The council for living environment and infrastructure (2017) emphasizes that in order to tackle area developments, integrating, harmonising and using the right instruments for complex spatial assignments is of the essence. Because the policy focusses the relevance of the supplementary law on land ownership, underlying regulatory frames are a point of interest in order to address and solve spatial challenges. The policy document accentuates the link between the spatial instruments and the legal policies (Raad voor de leefomgeving en infrastructuur, 2017) which has both impact on the criteria relevance as the criteria coherence. Coherence of the policy in relation to other documents or policies can be found within the link the policy makes between legal and regulatory policies. For the analysis of the effectiveness of the policy, we need to know the objectives of the policy. The council for living environment and infrastructure (2017) lists 8 recommendations within the policy, ranging from the compatibility of the land policy instruments to regional collaborations. All these recommendations are focussing on the modernisation of the current regulations concerning land policy instruments (Raad voor de leefomgeving en infrastructuur, 2017). The effectiveness of the policy is therefore significant as the policy suggest multiple recommendations regarding the modernisation of the current regulations, addressing multiple complexities and options on how to target these. The efficiency of the policy can

also be regarded significant as the policy provides a range of approaches in order to achieve the usage of correct and efficient policy instruments (Raad voor de leefomgeving en infrastructuur, 2017). Therefore, indicating imperfections of the law and implying the use of effective instruments. The impact this advisory policy may have, is the ability to generate new insights on using existing legal instruments and networks. Adding to this, the policy suggests the implementation of a policy instrument toolbox which provides guidance for realising sustainable interventions in spatial planning (Raad voor de leefomgeving en infrastructuur, 2017). Therefore, the criteria impact can be seen as positive as the policy may generate significant positive effects. The extent to which the net benefits of the policy will continue (OECD, 2021) depends on the applicability and regional agenda as it is an advisory policy. Therefore, the criteria sustainability is challenging to determine.

The last policy document NOVEX addresses the executional challenges concerning the shift from vision towards physical implementation (Rijksoverheid, 2022). The relevance of this policy comes from the beneficiaries regarding enabling municipalities to implement and execute spatial challenges (Rijksoverheid, 2022). Furthermore, does the programme NOVEX (Rijksoverheid, 2022) policy respond to the regional needs of making balanced, honest and efficient choices regarding both private and public spaces. The extent to which the policy reaches its objectives (OECD, 2021), “accelerating the implementation of the National Environmental Vision, strengthening the spatial management role of the national government and renewing the cooperation in the (implementation) relationship with provinces and in areas” (Rijksoverheid, 2022), can be regarded significant. This is because the policy provides a structure and way to work with making the right choices. It does not provide objective solutions, but more of a handbook for decision-making as the Rijksoverheid (2022) advises. By indicating a clear framework for decision-making regarding spatial challenges across all Dutch regions from a national vision, publishing this policy will integrate national and regional processes leading to better effectiveness and efficiency. The sustainability criterium of the NOVEX programme will be significant as the policy does not give direct solutions but long-term decision-making advice. Next to the character of the policy document, does the content of the policy document also have significance regarding the sustainability criteria. The policy focusses on providing sustainable housing, nature and energy transition process. Because of this focus, with sustainability as a guiding factor (Rijksoverheid, 2022). Lastly, the coherence of the policy in relation to other policies and documents can also be considered positive as multiple themes such as biodiversity, nature conservation and climate adaptation are incorporated in the policy, interlinking with other policies and advisory documents (Rijksoverheid, 2022).

Cross-comparison

Having analysed multiple relevant policy documents ranging from municipal policies to national policies, a cross-comparison can be made between these. Some common themes and patterns can be detected as all policies take the great housing challenge into consideration. The criteria relevance of the OECD framework (OECD, 2022) showed us that each policy tries to enhance the current spatial planning processes, focussing on decision-making and stakeholder management. The common themes that can be found between the policies, are the themes affordability, liveability, accessible and inclusive. These four themes are used in both Heerlen's and Eindhoven's policy regarding spatial planning, suggesting that the political agenda of both municipalities is influenced by national policy as these themes are also present in the NOVEX (Rijksoverheid, 2022). Furthermore, we can look at the type of implementations which are advised / suggested. For both the municipality of Heerlen as the municipality of Eindhoven partnerships with regional commercial stakeholder, who influence the housing stock quality and quantity, are advised. Because of this sought-after partnership, options and negotiations about housing supply, rent-prices as housing type are present, resulting into possible interventions.

2.2 Theoretical framework

This section of the research will give further understandings on how new knowledge could be provided to already existing theories. As a link will be made between this research and existing theories, a structure to the research will be given. In the literature review, existing literature about land-based finance instruments and municipal policies was given to further illustrate the problem statement. Besides illustrating the problem statement, the literature review also helps build the conceptual model (Rocco & Plakhotnik, 2009). The theoretical framework will however give a presentation of an already existing theory, or theories which structure and frame the study (Rocco & Plakhotnik, 2009).

As there are multiple theories about the use of planning instruments and about public-private relationships, two main supporting theories will be used. By not using only one theory, multiple domains of spatial planning can be entered for structuring this thesis. The first theory that is going to be analysed is the land-use theory. This theory provides content on how public bodies can 'capture' value created by public investments in infrastructure, the change of land-uses and improvements through land-based finance mechanism (van der Krabben, Land and Real Estate Markets: Smart Governance, Finance and Business Models, 2022). This theory provides foundation for the assessment of land-based finance mechanisms and instruments which are going to be analysed.

The second theory that will be used is the principal-agent theory, which focusses on the relationship between the principal (in this case the municipalities) and the agent (the private developers) and how their behaviour and performance is affected. As municipalities have the capability to use land-based financing instruments, they can align the interests of the private developer with the public interest. Next to Gillen having these capabilities, can municipalities use these instruments to monitor and give incentives for the developer's behaviour. This theory is going to be used to understand the deeper relationship which occurs when analysing the leverage effect which may be present when using these instruments or mechanisms.

Land-use Theory

Land use theory can be seen as a broad theory that is concerned with the use of land and how land is managed by societies. Many models have been made to try and understand how land is used and affects environmental, economic and social systems. An early and significant model is the Von Thünen model for example, which suggests that “*the relative cost for the transport of agricultural products to the central market is the one that determines the use of agricultural land around the city*” (Malamis, et al., 2016). These early theories indicate how models can be used to understand phenomena concerning the use of land and its implications. More recent theories about land-use include the sustainable land-use theory which focuses on promoting land-use practices that are environmentally, socially, and economically sustainable. A paper of Cucari et al. (2019) shows this focus on sustainability by analysing the land-use planning concerning the tourism industry. The paper describes the sustainable use of land by focussing on Albergo Diffuso as an example of sustainable community-based entrepreneurial land use and its implications on the tourism industry. Albergo Diffuso can be described as “*enhancing historical and cultural real estate heritage,*” mostly in rural parts of the country (Cucari, Wankowicz, & Esposito De Falco, 2019). As land-use theories can be used in a broad variation of expertises, it shows it’s practical applications, especially in solving or understanding urban planning and management issues. Even in policy-making, can land-use theories help guide choice making and analyse probable impacts of land-use changes. Overall, the understanding and use of land-use theory is fundamental for understanding complex relationships between society and the environment. Next to this understanding of complex relationships, do land-use theories give instruments for developing sustainable solutions to land-use management challenges. This chapter will further look into different land-use theories and the use of land-use theory in scientific research to emphasize it’s importance to this research.

Lagopoulos’ (2018) paper, provides a comprehensive overview of the theoretical framework of land-use planning theory and its practical applications. The paper aims to provide clarity and precision to the concepts that underlie the planning process, and to elucidate the relationships between theory and practice in the field of land-use planning. The paper argues that land-use planning is a complex and multidisciplinary field that requires an understanding of various theoretical frameworks in order to achieve effective and sustainable outcomes. One of the central theoretical concepts discussed in the paper is sustainability, which is defined as “*meeting the needs of the present generation without compromising the ability of future generations to meet their own needs*” (Lagopoulos, 2018). Sustainability is particularly important given the current housing deficit, paired with nature conservation in Dutch municipalities.

A second important concept within land-use planning theory is the concept of spatial planning. Lagopoulos (2018) argues that spatial planning is essential for achieving sustainable outcomes in land-use planning, as it enables planners to consider the spatial implications of their decisions and to ensure that development is distributed in an equitable and efficient manner. As land-use theory and land-use planning is such a broad concept, the participation of a wide range of stakeholders is required for effective planning. Overall, land-use theory provides a comprehensive framework for understanding land-use planning and its practical applications. By highlighting the importance of sustainability, spatial planning, and stakeholder engagement, the theory provides valuable insights to substantiate new ideas and practical implications for spatial planning.

The theory has, according to Lagopoulos (2018), a dichotomy between analytical theories and applied technical theory. For this thesis, the applied theoretical theory is of importance. The applied theoretical theory of land-use provides the procedural considerations which allow us to analyse the relevant cases.

Next to the publication of Lagopoulos (2018), an additional look into the implications of land-use theory can be taken. The OECD published a report which provides practice insights on how governments can transition towards more sustainable land-use systems (OECD, 2020). The key findings that were found within this report involve the misalignment of national strategies. The report recommends analysing the coherence across relevant national strategies and plans (OECD, 2020). Objectively, this can be effectuated by applying the concrete recommendations. The concrete recommendations are divided into three main operations. The engagement of relevant ministries and key stakeholders regarding the preparation of strategies and plans in a coordinated manner (1) is seen as one of the concrete objectives which needs to be achieved (OECD, 2020). When this objective is completed, a better understanding of misalignments can be gotten. The OECD (2020) mention the purpose of having SMART targets (2), regarding being specific, measurable, actionable, realistic, and time-bound. When SMART targets are present, governments can assess, compare and improve projects in order to become more sustainable. Lastly, the assessment and consideration of transboundary impacts (3) is recommended to be considered (OECD, 2020). According to the OECD (2020), this would have implications as these transboundary impacts are relevant for the relation between national strategies and the land-nexus. Implementing these three recommendations would improve the sustainability of land-use systems on a national and international level (OECD, 2020).

The last significant framework that is of importance for this research, which can be applied to the data, is the 3P concept. Najjar (2018) stresses the importance of planning, power and politics (3P's) when analysing spatial transformations linked with interconnected spatial relations when attached to conflict areas. The research of Najjar (2018) focusses on the influence of the 3P's on conflict areas, but these concepts can also be used when addressing spatial planning conflicts between stakeholders. Illustrating the relations between planning, power and politics may reveal the range of political influence upon spatial planning and the incentives of stakeholders (Najjar, 2018). Power is brought in relation with space, as spatial ownership represents influence and strength (Najjar, 2018). Because space is a limited object to a certain extent, the ownership of it increases the power position of individuals. Spatial division is therefore also a reason for power unbalances. Planning is considered to be the tool used for making the division of power. Najjar (2018) indicates that planning tools are control tools over the marginal group instead of using planning tools for positive change. The objective of the planning tool is to *"indicate the necessity for integrating several spatial sectorial policies in order to create positive synergies"* (Najjar, 2018). The last concept is politics, which is mentioned to have a causal relation with planning. Najjar (2018) mentioned that politics influence the planning tools as politics decide, elaborate on and indicate the planning tools used. Politics can therefore be seen as the starting point for analysing spatial transformations. For this research the 3P's can be applied to the data analysis in order to see how the 3P's influence each other and the cost recovery process.

Principal-Agent theory

The second theory that will provide a theoretical framework for this research is the principal-agent theory. This theory will be used to analyse the relationship between municipalities and private developers as both are dependent of each other in regard to land-based finance developments. The main idea of the principal-agent theory is that “*the interests of principals* (in this case the local authorities) *are against those of agents*” (in this case the private developers) (Hatch, 2018). Furthermore, this relation between principal and agent leads to the agency problem stated by Hatch (2018). The agency problem is that the capital of agents is provided by the principals and therefore principals and agents face different kinds of risks (Hatch, 2018). The importance of understanding this theory for this research, is to understand the initial relationship between local authorities and private developers. The understanding of this relationship, guides us towards being able to explain this relationship.

There are some core concepts within the principal-agent theory which help understand how the theory functions. The main concepts that can be found within the theory are: The principal’s objectives, the agent’s incentives and the information asymmetry between them (Hatch, 2018). To overcome the difference in the principals’ objectives and the agent’s incentives, agency theorists provided some control systems that should ensure that agents act in the best interests of principals, according to Hatch (2018). One control system that is mostly used is via contracts. In these contracts, specific goals, incentives and measures can be taken up that provide guidelines for the agent’s behaviour and thus incentives. Now that both agent’s incentives are clear and principals’ objectives are clear, the third concepts comes into place. Information asymmetry is considerably the most importance concept in the theory as it deregulates the mechanism. Because of information asymmetry, the ability to monitor the performance of the agents from a principal’s perspective is not guaranteed (Hatch, 2018). According to Hatch (2018), the rule within the principal-agent theory states that the amount, relevance and quality of information available to both principal and agent, determines the alignment between agents’ behaviour and principals will. When there is relatively much information asymmetry, the ability of agents to gain more control over the collection, analysis and spread of information that is fed to the system increases (Hatch, 2018). In the spatial planning sphere, this also takes place between local authorities and private developers. As there is not much transparency within public-private partnerships such as land-based financing models (Reig, Gasco-Hernandez, & Esteve, 2021), the disadvantage local authorities have over private developers is considerable. When certain principal’s objective such as social housing, needs to be addressed in the land-use plan, the agents may differ from this objective as private developers can make more net profit out of free sector real estate. The information asymmetry between these two may cause a suboptimal development for the plot as both parties have different incentives and objectives. The agency theory explains how this information asymmetry led to higher costs of information collection and information spread (Hatch, 2018). In the next paragraph we will see how land-based finance instruments can be used to align the objectives and incentives within the principal-agent theory.

Just as in the land-use theory, we will look at the land-based finance instruments developer obligations, land-use tax and land-readjustment mechanisms to analyse how these affect the principal-agent theory. With the use of developer obligations, municipalities require the private developers to contribute to the costs of implementing public infrastructure in exchange for changes in the land use plan, as seen before (Muñoz-Gielen, The role of developer obligations in achieving sustainable and inclusive cities, 2022). This system helps align the interests of the municipality and the private developers as contracts are set up (Hatch, 2018). As both the interests of the principal as for the agent need to be aligned, a negotiation process is set up. Within this process, interests can be discussed, altered and established in return for changes in regulations of financial compensation. For the principal-agent theory, developer obligations are able to reduce the information asymmetry as clear goals are set and the manipulation of information by the agent is minimalised (Hatch, 2018). By creating financial incentives in the form of tax reductions or increases for certain developments, developers will proceed developing the project for which the

incentives are shaped. Interests of the private developer will differ following these land-use tax as we take into account that profits need to be maximized (Muñoz-Gielen, The role of developer obligations in achieving sustainable and inclusive cities, 2022). The municipal objectives are reached as the private developer may alter their interests, following the provision of the necessary infrastructure and services. The land readjustment mechanism introduced the exchange of land and or private property to later redistribute in a more spatially efficient way (Larsson, 1997). By exchanging the land, municipalities can ensure that private developers contribute to the cost of infrastructure development, while private developers can receive land that is more suitable for their projects, both financially as spatially. With this end-situation in mind, both incentives of private developers as objectives of the municipalities will align because of the efficiency and effectiveness of the strategy.

2.3 Conceptual framework

From the literature review and the theoretical framework, a conceptual model can be developed that will help understand this research. By giving a visual representation of the variables used in this research, the information and limitations of the research can be mapped.

In figure 1 below, the variables that are going to be used are illustrated within a simple model. It shows that firstly, there are three main concepts within the conceptual model. These three are the municipality, the private developers and the negotiation process respectfully. The external variable cost recovery is influenced by the negotiation process. The second external variable information asymmetry influences the public-private partnership. The third external variable incentives influences the relations between the two stakeholders and the negotiation process. The relations which are presented within the conceptual model will be explained by stating the type of relation and which assumption is made within this relation.

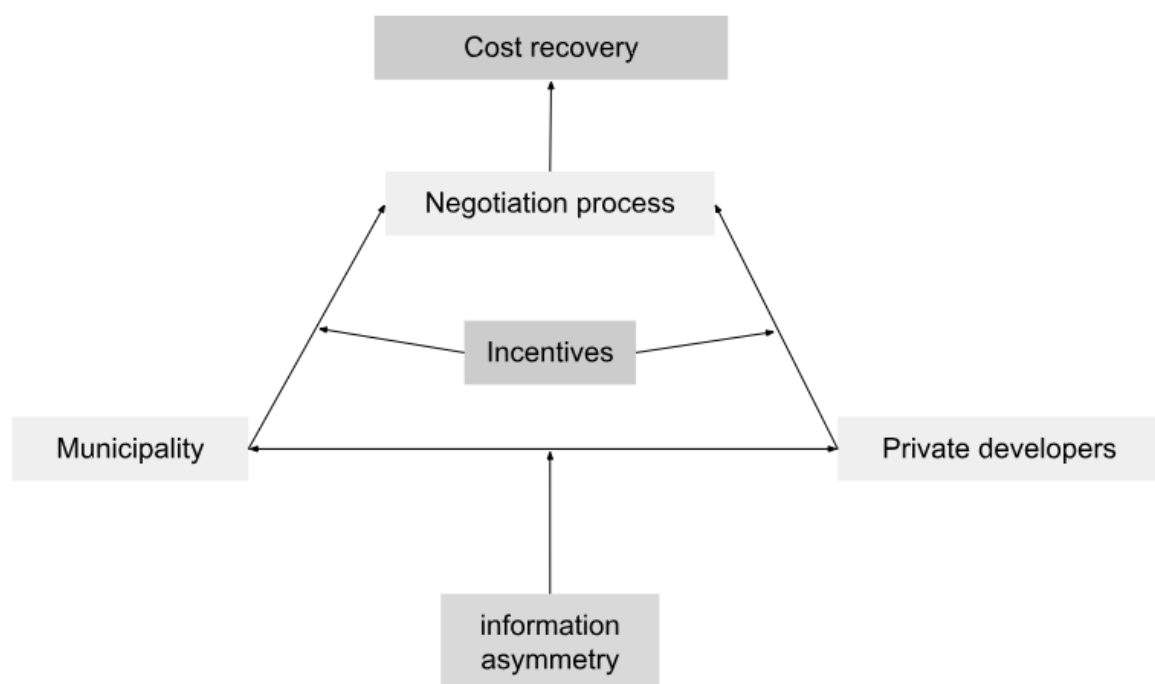


Figure 1: Conceptual framework

Both endogenous and exogenous variable municipality has a direct effect on the negotiation process as the municipality is one of the fundamental stakeholders within the process. Municipalities are a facilitating stakeholder within the passive land-policy mechanism, which involves the collaboration with project developers. This implicates having influence on the negotiation process as factors for cost recovery need to be stated and determined. The municipality as an endogenous variable, derives from the fact that project developers influence the municipality in terms of demands and incentives. Because the municipality is a facilitating stakeholder able to authorize projects, the project developers are depending on the municipality, resulting in requesting collaborations. These requests may influence the municipality in terms of workload and pressure. Continuing with the private developers, it is noticeable that this variable is also exogenous as endogenous. The project developers have a same kind of exogenous relationship with the variable negotiation process as they are a fundamental stakeholder. The project developers are responsible for executing the project and ensuring spatial quality. As the project developers are private firms with the notion of making profits in order to be sustainable, their incentives may be different from the ones of municipalities. This is where the variable incentives comes into play. This exogenous variable influences the relation between the municipality and negotiation process and

the relation between project developers and negotiation process. This variable can be derived from the principal-agent theory where interests of both the principal and agent are conflicting, resulting in negotiations and contracts (Hatch, 2018). The endogenous variable cost recovery is assumed to be affected by the negotiation process. The negotiation process is therefore also an exogenous variable as the negotiation process eventually concludes which planning tools are used and which cost-items are going to be recovered from the project developer. The last variable which needs to be explained is the variable information asymmetry. This variable is derived from the principal-agent theory and is assumed to have an effect on the relation between the municipalities and project developers. Information asymmetry affects the relation because it may cause higher transaction costs (Hatch, 2018), assuming to influence the partnership, thus influencing the trustworthiness, efficiency and effectivity of the partnership.

Chapter 3: Methodology

This chapter will provide a better understanding of the methods and procedures used to conduct the research. It will help the reader to further interpret how the data was collected and analysed when using certain methods (Tellis, 1997).

3.1 Research design

Methods and strategy

The research design used in this study is qualitative research with a case-study approach. The choice of a case study design arises from the fact that several conditions are present that are necessary for this research according to Yin (2009). These conditions are according to Yin (2009), “*The research question needs to be a how or why*”, “*The researcher has little or no control over the research situation*” and “*The research focusses on contemporary events.*” These three conditions do apply to the research as it entails a ‘how’ question in the form of how the negotiation process influences the cost recovery in an anterior agreement. The researcher in this case does not have any control over the situation as he elaborates a contemporary event that already took place, which satisfies both the second and third condition. As we take a case-study approach, we still need to consider the use of a qualitative approach. As this research aims to understand the complexity and richness of phenomena in their natural setting, a qualitative approach fits best. Qualitative approaches make use of exploring people's experiences, perceptions, and attitudes through open-ended questions and observations which help to understand this complexity of phenomena in their natural setting (Vennix, 2019).

Case-study designs have multiple types which can be used for qualitative research. These types have been categorized as exploratory, descriptive and explanatory (Yin, 2009). The type used for this research is exploratory and explanatory. The exploratory type emerges from the fact that this research will try to gain new information about the significance of the negotiation process behind negotiable developer obligations between Dutch municipalities and private developers. How the differences in cost recovery in anterior agreements is arranged and can be influenced, is still unclear. By using an exploratory case study, new information about this phenomenon can be found which provides new significant additions to existing literature and theory. By using subquestions, the explanatory element of this research can be conducted which gives a steady basis for the exploratory research.

To further illustrate the research design, a closer look at inductive, deductive and abductive strategies. As this research uses qualitative methods of gathering and analysing data, it is important to understand why certain research is chosen. The research strategy induction means in methodological terms, going from specific to general (Vennix, 2019). The knowledge created with an inductive strategy comes from gathering data about a certain phenomenon about which conclusions are made (Vennix, 2019). These conclusions lead to the construction of a theory. The second known research strategy is deduction, which makes use of existing theories to try explaining certain phenomena (Vennix, 2019). Vennix (2019) also states that this strategy, parallel to induction, arguments from the universal towards the specific. Lastly, the research strategy abduction, the method of hypothesis is used. Instead of making use of deduction, which is believed to not create new knowledge because “*The conclusion is enclosed in the premises*” (Vennix, 2019), abduction can be used as a strategy. Abductive strategies make use of creating a hypothesis which can explain an empirical phenomenon (Vennix, 2019). To relate these strategies to this research, the research objective and questions need to be examined. As stated before, does this research have both exploratory as explanatory elements which try to understand the phenomenon of cost recovery within an anterior agreement. Because both explanatory and exploratory elements are present, we can state that induction and deduction is present. The use of theoretical knowledge that is available to understand certain phenomena, in this case theories such as the principal-agent theory, gives this

research a deductive strategy. On the other hand, by gathering data and information about a certain phenomena, for which conclusions and theories are made, gives this research an inductive strategy. We can therefore argue that both strategies are present within this research. Abduction is not used, as hypotheses are not used to explain empirical phenomena.

Case-study criteria

Before choosing a certain case, which seems relevant to investigate, a look at selection criteria needs to be taken. Because this research focusses on a particular set of municipal instruments, a relevant case that aligns with the use of these instruments must be taken for a valid analysis. Because case-studies have a holistic approach, it is difficult to set boundaries for the scope of the research (Vennix, 2019). When gathering information about general criteria, the following criteria have been chosen to base the case-study on: Relevance, importance, complexity, feasibility. This list has been made by looking at the research objective and questions which need to connect to a certain case for selection.

For the relevance of the case, we need to take into account that the case should align with the conditions mentioned in both research objective as research question. The first condition a case must satisfy, is the fact that a Dutch municipality used anterior agreements for realising project development. To know of these mechanisms have been used, a closer look at the used municipal land policy instruments needs to be taken. These can be found within the destination plan of cities and their neighbourhoods. To know if these destination plans include anterior agreements, they need to be analysed on how the financial costs were recovered. In many instances, by looking at the economic feasibility chapter within a destination plan, it is stated what kind of financial tools were used. It would be irrelevant to go through all municipal destination plans, so going to through the national structural vision to detect interesting development areas would be more favourable. Withing the national vision, it is stated that investments into infrastructure to improve the accessibility of areas close by mainports are prioritised (Rijksoverheid, 2012). In Figure 2, mainports and additional top sectors based in the Netherlands are shown. As the national vision states, areas close to mainports are of importance regarding new developments. New developments close by these mainports are for example: Helmond Brainport Smart District, Maankwartier Heerlen, Strijp-S Eindhoven and Spoorzone Tilburg, all of these are close to these mainports.



Figure 2 (inter)national accessibility of urban regions with top sectors.

The importance of the case is regarded as the second condition to which case selection needs to be satisfied. Importance is seen in terms of its potential impact or significance (Oxford Languages, 2023). The case of Maankwartier Heerlen can be seen as having a potential impact as it focusses on the revitalization of the city centre of Heerlen. Limburg in its totality has been coping with a shrinking population as there are more job opportunities in the dense urban Randstad (CBS, 2022). By revitalizing a city near mainport Maastricht in Limburg, a possibility for a metropolitan area is created. The impact of a project such as Maankwartier can therefore allow Heerlen centre to have a better liveability, higher

attractiveness which connects with the near mainport. For the municipality of Eindhoven, the impact of Strijp-S can also be seen as significant as it influences the overall urban image of Eindhoven (Rijksdienst voor het Cultureel Erfgoed, n.d.).

The complexity of this case, which is needed for an in-depth analysis of the phenomenon being studied, comes from the use of anterior agreements. Because the destination plan provides the reader with the information about the cost recovery, it is clear that an anterior agreement was present which is disclosed. Because of its disclosure, the complexity in its whole cannot be described, as only parts of the puzzle are open for inspection. Furthermore, because of a public-private partnership, the negotiation process has been disclosed together with the concluding agreements. By looking more into this partnership and possible effectiveness of the negotiation process, the complexity of case is evident.

Lastly, the case-study needs to be feasible in terms of data accessibility and resources needed to collect data. The most important data that is needed can be accessed through the municipalities of Heerlen and Eindhoven. Next to this data source, the private developers can be contacted. Both municipality as the private developer involved in these cases may provide relevant individuals who are suitable for an in-depth interview about reason projects. The accessibility of this data may be complex as the cost recovery was fully disclosed within the destination plan. This challenge of data accessibility will be further explored in the next chapter.

3.2 Data requirements

As stated before in chapter 3.1, the importance of choosing the most suitable research strategy is significant. Interviews and observations play an important role as methods of data collection in qualitative research (Vennix, 2019). The data sources used in this research include primary data, collected from these mentioned interviews, and secondary data collected from databases, online repositories, or published literature. As the primary data will be gathered from interviews, an inspection in the type of interview will follow in the next paragraph.

According to Jamshed (2014), the use of interviews instead of observing, gives the researcher capability to extrapolate the thought process, analysing and estimating the issues from an in-depth perspective. The in-depth perspective emerges from the interviewee which needs to be evaluated before interviewing. The interviewee is of importance as knowledge is constructed because of the interaction between interviewer and interviewee (Creswell & Poth, 2018). The questions used in an interview are most of the time the subquestions used in the research but rephrased in a more practical way (Creswell & Poth, 2018). By gathering information about these subquestions, an answer can be given based on this information together with information gathered from secondary sources. When the information given by the interviewee is incomplete for answering the research question, approaches such as probing can be used to complete the missing information (Creswell & Poth, 2018). On the basis of the information above, we can state that using interviews can be a valuable research tool as they allow the researcher to gather in-depth, personal insights and perspectives from participants.

Patton (1980) identifies four main types of interviews, which are based on the extent to which the interview is structured in advance. These types are (1) informal, (2) based on an interview guide, (3) standardized open-ended (semi-structured) and (4) the structured interview respectively. The type of interview used in this research is the semi-structured interview. The semi-structured interview allows the interviewer to prepare a list of topics that are brought up during the interview (Vennix, 2019). By having this interview guide, the optimum use of interview time is used because information can be gathered more systematically and comprehensively (Jamshed, 2014). Jamshed (2014) argues that another reason for using an interview guide may be that the focus of the interview will be more on the desired line of action instead of wandering off into different irrelevant topics. Arguably the most important reason for the use of an interview guide, is the structure it will give to interviews. By having the same interview guide for multiple interviews, it will provide a basis on which the data can be compared. The interview guide that has been used for conducting the interviews can be found in appendix 1.

Data collection methods

The data collection methods used in this research will be extensively described in this chapter. The choices made regarding data collection will be substantiated and evaluated to increase the validity and reliability of the research. Firstly, the type of interviews, participant selection, recruitment process and interview conduction will be analysed. Secondly, policy selection, document selection, data extraction and data analysis will be conducted. These two data sources will provide the needed information to give answers on the main research question.

First of all, a short analysis of the preparation for the interviews will be done. In the second paragraph, we will further analysis the execution of the interviews. As seen in the previous chapter, the type of interview used in this research is the semi-structured interview. Repeating the previous chapter, the optimum use of interview time is used because information can be gathered more systematically and comprehensively (Jamshed, 2014). By using the same interview guide for all interviewees, a more objective comparison of answers can be made between the respondents.

The process of selecting the participants can be simplified into a couple of steps. Firstly, the main research question was taken and analysed to see where the negotiation process takes place, between which actors. Once these actors were known as municipality and project developer, a second step could be taken. Secondly, the criteria for the case selection needed to be taken to provide a demarcated area. After the cases were selected, the primary participants were known: Project managers of the municipalities and employees of project developing firms that had worked on developments within these municipalities. Secondary participants were also selected with the intention to gain more information about policymaking and land-based finance mechanisms.

The way in which the participants were recruited, was via purposive sampling and snowball sampling. As both the municipality of Heerlen as Eindhoven were contacted via telephone and e-mails, they both gave contact details of the participants needed. This was also done for contacting relevant project development firms. The challenges of the recruitment process were many, as Dutch municipalities experience difficulties giving fast response (Pricon, 2022), it took a longer than expected time to get in contact. Secondly, as this research concerns negotiation processes about contract details, it entails having sensible content. Both private and public firms are not very willing to give nor talk about this sensitive content. This unwillingness holds back the opportunity to gain this data. After having spoken to some participants, the snowballing method was used to get more possible respondents. Contact information was given if needed and used to arrange new interviews.

The interview guide used for the interviews can be seen in appendix 1. The interview guide was developed according to the subquestions raised in chapter 1.2. The opening of the interview guide is used to welcome and guide the interviewee in the questions which are going to be asked. Once the ice is broken, some introductory questions will be asked. These will be followed up by 8 main questions, divided into two themes with both 4 questions. The first theme is the land-based finance theme in which the respondent is asked to describe the process which they use for their developments. The second theme is the negotiation process in which the relation between municipality and project developer is further analysed based on the principal-agent theory. Within the interview, probing and follow up questions are used to gain a deeper understanding of the answers given. This is a well-considered implementation as it may give additional significant information (Creswell & Poth, 2018). Before the interview guide was used, a pilot testing was conducted with Professor of Area Development at Radboud University Nijmegen E. van der Krabben to refine the interview guide.

For the execution of the interviews, an investigation of the procedure will be done, including obtaining informed consent, setting up the interview environment, and establishing rapport with participants. The procedure in which the interviews were conducted had any ethical considerations, as confidentiality and anonymity needed to be assured. While the interview environment was set up, informed consent needed to be obtained, which was done by asking the respondent if the interview could be recorded and used for an analysis. Afterwards, the respondent was asked if they would like to get informed when an analysis was made based on their responses. Once the used data was approved by some respondents, it was used within this research.

The interviews were recorded using audio recording devices (audio recorder app, telephone and pc). During the interview and the recording, additional notes were made to ensure the understanding of certain concepts. The observations made during the interview were mainly based on the respondent's attitude to assure their comfort and if necessary, ask for any clarifications if they looked uncertain. The anticipated sample size for the interviews were 2 to 3 respondents per case. More respondents were interviewed as the snowball method paid off. Data saturation may be unsatisfactory as more insights into land-based cost recovery could always be attained. Data saturation can be determined when further coding does not have any influence on saturation of data. The strategy with which data saturation can be achieved, is through the process of coding, interviewing and analysing more data (Mwita, 2022). This

has to be done to ensure no information is left out to make a valid statement. The estimated duration of each of the interviews was 30 minutes. In these 30 minutes it was possible to get a well elaborated answer on each of the questions, with room for probing questions. If there was more time available than the 30 minutes, the interview was led in a more explorative way to see what further information there was to gather. The role that I as an interviewer took, was a leading look with an active listener role. As a Master student, numerous courses were followed in which the art of gathering qualitative data was taught and practiced. This enabled me, as a researcher to extract the needed data from respondents with neutrality and minimized bias during the interviews.

The data collection method for the policy analysis went similar as the interviewee selection and collection. Firstly, the relevant policies needed to be selected according to some criteria. These criteria, which were used to identify the policies, are based on the concepts used within the research questions. The rationale behind policy selection is grounded in the use of main concepts within the research questions. By aligning the policy selection with the concepts used, we can assure a targeted approach for addressing and answering the research question. This rationale stems from the idea that significant policies are those which are informed by the key concepts investigated in this research. The manner in which policy documents will be collected, is via relevant municipal web pages. Each municipality must publish their policy documents to inform residents (Overheid, 2022), which allows everyone to access these documents. Next to retrieving these documents from municipal web pages, official reports were retrieved from interview respondents. These reports are used only for research purposes as the respondent asked for his anonymity. The limitations or challenges associated with accessing these policy documents, is that these are well 'hidden' on the internet. Municipal web pages will not provide a clear link to these documents. Websites such as 'Ruimtelijkeplannen.nl' allow to search and read every environmental plan in the Netherlands with the relevant publications.

Data analysis methods

For both the interviews and policy analysis, a theoretical lens will be used to gather the needed information. The theoretical framework or lens that will be used to gather data out of both the transcribed interviews and the policy documents, is the rational decision-making framework. Gabor (1976) stresses that rational decision-making is based on the foundation of measurable facts that may help with systematic problem solving. This theory assumes that actors make decisions based on rational calculations of costs and benefits (Gabor, 1976). This framework is of importance as the research stresses the cost recovery process and the relation between municipality and project developer. The framework uses the components of the principal-agent theory which was mentioned and explained in previous chapters.

The manner in which all data will be extracted from the documents is via a systematic coding process. The program which is used to systematically code the documents is Atlas.Ti. Atlas.Ti provides an efficient organization and management system that allows the user to have a transparent and interactive coding process (ATLAS.ti, 2023). Furthermore, does Atlas.Ti (2023) provide a range of coding and analysis capabilities such as in-vivo coding, thematic coding or open coding. In terms of visualization and reporting, does Atlas.Ti provide tools such as frequency analysis, code co-occurrence and network views. These tools help understand and explain the coding process and create the pedestal for the analytical chapter within research papers. Vennix (2019) explains that the analysis of coded documents is an iterative process with each time, initial attempts to interpret the material based on the theoretical framework. The used codes will provide a clear link between the empirical material and the theoretical framework (Vennix, 2019). As mentioned in the research methods and strategy chapter, this research has both inductive as deductive research strategies. This can be clearly recognized within the coding process, as the coding will be firstly based upon the theoretical concepts found within the used theories (deduction). Secondly, open coding will be used to search for additional codes which may contribute to a better understanding of the subject (induction).

By creating a ‘display’, the used codes based on the theoretical framework are displayed and distilled in a meaningful manner (Vennix, 2019). This display can also be seen as a operationalisation table in which concepts from the theory are operationalized. Information can be arranged within this display from initial codes, to their operationalized concepts. These operationalized concepts are also used in the interview guide, as mentioned before. In appendix 2, an overview of the display in the form of a codebook can be found to grant further insights.

In figure 3 below, the used code groups are presented, which are used to code both the interviews and policy documents. The total amount of codes is an amount of 77 codes which have been addressed in the documents.

Code Groups	
◇◇ Anterior agreement properties	(15)
◇◇ Bargaining position	(10)
◇◇ Control system	(8)
◇◇ Land-use mechanisms	(9)
◇◇ Mechanisms	(4)
◇◇ Municipal policy	(11)
◇◇ Principal-agent theory	(13)
◇◇ Stakeholder characteristics	(10)

Figure 3: Code groups

3.4 Validity and Reliability

This chapter is dedicated to explaining the concepts of validity and reliability. These two concepts help substantiate whether the research is scientifically sound and trustworthy. As a description and analysis of the concepts will be given in this chapter, an analysis of these concepts apply to the research will be given in the reflection chapter.

Validity

The concept validity is used for analysing the correct measure instruments and to measure what should be measured. Vennix (2019) stated that there are multiple forms of validity, such as content validity. Content validity can be defined as “*the ultimate measuring instrument that provides a proper reflection of the theoretical concept that is being measured*” (Vennix, 2019). Having a solid content validity depends on the operationalization of the theoretical concept. The theoretical concept needs to be defined as specific as possible when operationalizing. There are two possible approaches to augment the content validity. Vennix (2019) states that one approach uses an analysis to gather available knowledge about the phenomenon under investigation. The analysis can take place in the form of a literature review which has been carried out. The second approach is performing a peer review focussing on the measuring instruments (Vennix, 2019). In this research, this peer-review has been done by both fellow master students and supervising professors.

A second form of validity is construct validity. Construct validity is a significant aspect of the overall validity as it refers to how a particular concept is related to other relevant concepts within a theory (Vennix, 2019). Because a conceptual model is made in which the relationship between concepts is measured, it is crucial to consider the construct validity. If analysed correctly, the findings in this research can be considered valid as construct validity will substantiate the relation between concepts. When flaws are found within the construct validity, and a relation between concepts cannot be observed, several causes can be present. Vennix (2019) describes a first flaw can be the measuring instrument which is invalid. When this is the case, the measuring instruments fails to accurately measure what it is intended to measure. A second flaw within the construct validity may be the theoretical framework which describes insignificant relationships between concepts (Vennix, 2019).

Next to construct and content validity, two other forms of validity are present which have no significant relation to the measuring instruments. These concepts of validity are internal and external validity (Streefkerk, 2019). Streefkerk (2019) mentions that internal validity refers to “*the degree of confidence that the causal relationship being tested is trustworthy and not influenced by other factors or variables.*” When rephrasing this sentence, it is clear that the relationship which is analysed, may not be influenced by external factors. Secondly, external validity refers to the extent to which results from the research can be applied to other cases or situations (Streefkerk, 2019).

For increasing validity, there has been made use of multiple triangulations. This concept entails the use of 4 methods. These methods are (1) data triangulation, (2) investigator triangulation, (3) theory triangulation and (4) methodological triangulation (Bhandari, 2022). Data triangulation refers to the use of data from different sources which differ in time, space and author (Bhandari, 2022). This has been done by extensively reviewing literature from different theoretical perspectives. Investigator triangulation involves the use of different researchers in collecting or analysing data (Bhandari, 2022). Making use of peer-reviews and supervisors to validate the findings and methods, increases the validity as investigator triangulation is used. Theory triangulation, the use of different theoretical perspectives (Bhandari, 2022), has also been applied as a theoretical framework with relevant theories are provided. Lastly, methodological triangulation is defined as the use of different methodologies to approach the same topic (Bhandari, 2022). Within this research, the use of semi-constructed interviews and desk research on policies is present which also satisfies the methodological triangulation. Due to these findings for triangulation, no difficulties are expected for validity.

Reliability

In addition to validity, reliability is a measure that can be evaluated in terms of errors (Vennix, 2019). While systematic errors affect validity, as the concept which is being measured is not measured precisely, do random errors affect the reliability of the research. When the results are stable when research is conducted multiple times over time, it can be assumed that the measuring instruments are reliable (Vennix, 2019). For qualitative research, this application of reliability is slightly different as interviews are conducted and respondents are unique. Reliability can therefore be described as the consistency within the employed analytical procedures (Noble & Smith, 2015) in qualitative research. Noble and Smith (2015) give two criteria to evaluate the reliability of qualitative research nevertheless. Firstly, the consistency of the research has to be sound. The consistency relates to *“the ‘trustworthiness’ by which the methods have been undertaken and is dependent on the researcher maintaining a decision trail”* (Noble & Smith, 2015). When the researcher can present that his decision is based on relevant and significant choices which are transparent and clear, consistency can be established. Secondly, neutrality is of importance when assessing reliability. According to Noble and Smith (2015), neutrality can be achieved by addressing truth value, consistency and applicability. Next to these three concepts, the acknowledgement of the complexity of interviews, the methods used and the intrinsically connected findings to the researcher’s position should be present (Noble & Smith, 2015). To further reduce the researcher’s influence on the reliability of the research, personal biases should be accounted for and respondent validation as well (Noble & Smith, 2015).

Chapter 4: Findings / results / analysis

Before diving into the raw data combined with the coding schemes, we will first provide a recap of the research aims and objectives. Reason for this, is to ensure the right research aim is being followed and to ensure a valid answer on the research question is being given. The research aim of this master thesis is to understand how anterior agreements contribute to or hinder the financial health of municipalities, given the current state of business and the pressure placed on smaller municipalities. This research aim can be reached by gaining a deeper understanding of the anterior agreements and the negotiation process in which these agreements are accomplished. An objective has been set which allows us to understand these anterior agreements. The objective of the research sounded: To provide a comprehensive analysis of the impact the negotiation process of anterior agreements on the financial health of Dutch municipalities and to identify opportunities for improvement. As the research aim and objective are interrelated, an attempt is made to fulfil both the research aim and objective. To collect new insights and information about the research objective, multiple approaches were used. Firstly, literature reviews and policy documents were analysed and coded in order to gather information about the negotiation and development process. Secondly, interviews were transcribed and coded to, again, gain information about both negotiation and development processes. Within the coding process, coding based on theory as open coding was used, as mentioned in previous chapters. These approaches were used because it used both inductive and deductive methods which helps gather new information as it links the data to existing theory. The rationale behind choosing the data analysis techniques is split into 4 sections. Firstly, coding via Atlas.Ti was chosen for its capacity and facilitation of data exploring. Secondly, the analysis technique allows the researcher to systematically organize qualitative data within a program. A third reason for this data analysis technique was the facilitation of comparative analysis between documents. Comparative analysis led to a better understanding of similarities and differences between policies. This chapter will be subdivided into five subchapters to clearly show the process of data analysis. Firstly, the collected interview data will be presented and described. Secondly, the coding and categorization of the data will be elaborated and described. Thirdly, a thematic analysis based on the theoretical framework will be drafted. Afterwards, a summarization of the main findings will be presented. The chapter will finish with a summary.

4.1 Presentation and Description of the Collected Data

Firstly, an overview of the interviewed participants and their backgrounds will be given. This will validate their experiences, expertise and opinion. All participants we're asked if they wanted to be anonymised, to which they all agreed to have their names mentioned. In the table below, a clear overview of the participants and their background is presented.

<i>Name</i>	<i>Function</i>	<i>Background</i>
K. Damoiseaux	Project leader for the municipality of Heerlen	Active for the municipality of Heerlen for the past 13 years as project leader. Relevant project: Renovation of the new city office, development of mixed-use neighbourhood and public space developments.
Anonymous 1	Development manager for a project developer in Heerlen	Active for a project developer in the Netherlands. Responsible for acquisition of land and development of large logistic centre.
M.van Hout	Project manager of the municipality of Eindhoven	Active for the municipality of Eindhoven Responsible for both development of public space as for the negotiation process between developer and municipality.
H.van Stiphout	Director-major shareholder of Okko in Eindhoven	Active for a project developer in the Netherlands. Responsible for the development of real estate at own expense and risk. Also operating and acting for third party clients regarding project development.
Anonymous 2	Planning economist	*Can't disclose employer in terms of privacy Responsible for the cost recovery of projects. Involved in small projects as well as large projects. Also, partly responsible for projects of housing corporations as private developers.
R. Wagner	Project manager at Grouwels-Daelmans in Maastricht	Mainly active as a project manager at Grouwels-Daelmans project development. Also active as project manager at Jansen de Jong project development. Responsible for the trajectory through which project development goes. From initial plans to delivery of real-estate.

T. Verbeek	Planning economist for the municipality of Eindhoven	Active for the municipality of Eindhoven. Responsible for the financial feasibility of project development plans. Indicated that his function is much broader than just planning economist as he also is involved in negotiation processes and as a project manager.
J. Rademakers	Board advisor for city region Parkstad	Active for Regio Parkstad in the southern parts of the Netherlands. Responsible for advising several municipalities in the Regio Parkstad partnership. He advises the partnership on several aspects but is mainly concerned with the housing deficit and liveability.
M. Stichelbroek-Dictus	Real estate lawyer for the municipality of Heerlen	Active for the municipality of Heerlen Mainly concerned with area developments and physical plans in the centre of Heerlen. Has also been involved in expropriations, preferential rights. Mainly engaged in the amicable process with agreements.

Figure 4: Overview of interviewees

Next to the interviewees, a contract document of the municipality of Eindhoven was coded and analysed. The sender of this document would like to remain anonymous because of the sensitive information in this contract. The contents of the document however can be used exclusively for this research.

The data collection procedure and interview process elapsed in a swift manner as respondents were eager to provide information regarding the negotiation process of anterior agreements. During the interview, semi-structured questions were asked with probing or follow-up questions, as mentioned in the methodology chapter. The moment in which the interviews were conducted, the data was stored on a hard drive and used for transcription within Microsoft Word. To present the interview data in a clear and organized manner, key themes, codes and excerpts are visualised in figure 4.

<i>Key Themes</i>	<i>Codes</i>	<i>Excerpts</i>
<i>Stakeholder characteristics</i>	<i>Custom, Ethics, Fairness, Honesty, Ignorance, Incentives, Political incentives, Propositions, Rationale, Sustainability</i>	<p>“The principle is that the municipality often wears two hats. The public-law hat and a private-law hat” (Anonymous, 2023).</p> <p>“I think that has to do with several factors. The board is Of course for the short term. Yes, we can say of well in collective we have agreed of We are going to use that location for housing. yes, well, that's good, then they say yes. While they would prefer to have a different function for their own policy there” (Stickelbroek-Dictus, 2023).</p>
<i>Anterior Agreement Properties</i>	<i>Capacity, Commercial, Complexity, Compromise, Control, Cost item, Custom, Development rights, Duality problem, Efficiency, Ownership, Permit, Risk insurance</i>	<p>“On the basis of customization, aimed at that project, sometimes doing something different to the left or to the right. But that list of costs, that is the basis on which we also start” (Damoiseaux, 2023).</p> <p>“Then you discuss the risk and there we also secure the moment that we are going to secure the deal, then we are also going to build in a reasonably large pot of unforeseen risk, so you know that that will be the main point of discussion (within the anterior agreement)” (Verbeek, 2023).</p>
<i>Bargaining position</i>	<i>Bargaining position, Capacity, Conflict, Cost item, Developer obligations, Development rights, Incentives, Need, Ownership, Permit</i>	<p>“In this sense, the developer is, because he invests and also has the ability to invest, also somewhat at turn” (van Hout, 2023).</p> <p>“There are the stakeholders that you feel are occasionally also lending you a piece of position from something other than ground position, just a power... the multitude of projects they have that allow them to use their power; in quotes, in discussions with the municipality” (Van Stiphout, 2023).</p>
<i>Control System</i>	<i>Agency problem, Agent, Anterior agreements, Contracts, Control, Developer obligations, Principal, Risk insurance</i>	<p>“The moment we have to incur costs, then we must also have some certainty about the value, that we can get that money back. Otherwise, you will not get a project financed, you will not complete the project and there will be no plan. So, you have to have some risk insurance” (Anonymous, 2023).</p> <p>“We are also politically bound to that, we can do nothing about it... That has to go through many policy layers along the aldermen's politics” (Anonymous 2, 2023).</p>
<i>Land-use mechanisms</i>	<i>Active mechanism, Anterior agreement, Developer obligations, Development rights, Exploitation plan, Land-value capture instruments, Land-based finance, Land-use plan</i>	<p>“An exploitation plan for the development of a business park, is that the municipality will charge certain costs for the construction of public areas. Basically, all the costs they have to incur to make the area ready for construction and housing” (Anonymous, 2023).</p> <p>“You can also talk about the input value of the land. If you bought land at high rates 3 years ago with a different expectation. And in these cases, you can say these who have are the gold-diggers, but on the other hand, if you have a development company, at a certain point you have no choice. Because if you don't buy land, you won't have an order book in 3 or 4 years. We have organized it this way in the Netherlands. That the development companies</p>

		are forced to buy land beforehand” (Verbeek, 2023)
<i>Municipal policy</i>	<i>Agency problem, Commercial, Control, Dynamic structure, Facilitating, Municipality, Passive mechanism, Policy, Risk insurance, Static structure, Sustainability.</i>	<p>“The task of the municipality is actually, only wanting to sell the piece of land, providing the exact rules, so that we (project developers) can focus exclusively on that and that we actually do everything else ourselves, so we actually do not need that municipality. That's the idea behind it” (van Hout, 2023).</p> <p>“In some places, we as a government would be quite happy to play an unprofitable role. Things aren't happening right now. Houses are not being built because demand is lower. The risk is estimated higher and there is a profit loss with a certain return requirement. While we (municipalities) would cover that loss quite well, but because everyone is afraid of I know what, state aid, or I don't know what, and then it doesn't happen. Places remain impoverished, those ultimately where there is a social interest in developing them” (Rademakers, 2023).</p>
<i>Principal-agent construction</i>	<i>Agency problem, Commercial, Control, Dynamic structure, Facilitating, Municipality, Passive mechanism, Policy, Risk insurance, Static structure, Sustainability.</i>	<p>“...That is also the reason why we (project developer) want to commit ourselves to an anterior agreement. That ultimately has to do with the fact that the municipality will put effort and time into it, but which compensation do we get for this commitment. That is also part of spatial planning, that we have to hand over to the municipality. This is the time to make such an anterior agreement or appointment. The municipality ultimately also has the title to justify this development” (Anonymous, 2023).</p> <p>“And if you are actually talking about transparency, if we as a municipal government can be more transparent at the front about what we want in a certain place, it will be much easier for that developer to act, because then they also know what they should score on, so to speak. Yes, a kind of iterative process of quite some time” (Verbeek, 2023).</p>
<i>Mechanisms</i>	<i>Active mechanism, Leverage effects, Passive mechanism, Static structure</i>	<p>“But then the municipality will still want to steer, say well, we want to, but we have plans or ideas for that. And we kind of invite developers to come up with their own initiatives, we like it, but that has to fit into our planning policy, because this kind of architecture, this type of housing for those target group, those facilities belong to those places and otherwise we just don't do it” (van Hout, 2023).</p> <p>“Start conversations to develop initiatives. That often happens. You also notice that private, well that developers or private owners are moving themselves, because apparently something probably hurts or because they see a lot of opportunities” (Rademakers, 2023) leading to a development in which the municipality assumes a facilitating role.</p>

Figure 5: Overview interview data

Example of open coding:

1. Code: *Financing*
Excerpt: “A plan that everyone or at least the majority supports. We then work that out further into a preliminary design and final design. That’s what we're going to sell. Also depending on your sales strategy of course.”
2. Code: *Frame*
Excerpt: “I think there should still be a frame, but I think it will also be very much location bound. I think you end up with kind of catalogue anyway.”
3. Code: *Rationale*
Excerpt: “That's how you want to deal with each project. And sometimes you agree, does the municipality maybe also take on some of the development in other projects?”

Example of Axial coding:

1. Code: *Stakeholder characteristics*
Subcode: *Ignorance*
Excerpt: “One starts acting on that expectation, which cannot correspond to reality at all. Because a concept, we as professionals know what a concept entails, it is not yet final. But any layman will think, "this is the drawing, this is the harsh reality”.”
2. Code: *Anterior agreement properties*
Subcode: *Commercial*
Excerpt: “You as a municipality, you are also a land company for example, and then you are also just a company and then you also have to stay financially healthy and then you have to keep an eye on your revenue from your costs.”
3. Code: *Mechanisms*
Subcode: *Active (mechanism)*
Excerpt: “The municipality takes the initiative itself and, for example, has land that it wants to develop. Planning policy. Then the land exploitation project comes out.”

After having indicated an in-depth exploration of the coding process, meaningful themes, patterns and relationships can be uncovered using the different functions of Atlas.Ti. In the next subchapter we will further explain the thematic analysis based on the theoretical framework.

4.4 Thematic Analysis based on the Theoretical Framework

The theoretical framework used in this research has been split into two main supporting theories which will substantiate the findings. The two introduced theories were the land-use theories and principal-agent theory. The relevance of the theories comes from the environmental/economical component and from the social component of the negotiation processes within anterior agreements. The environmental/economical components are the contracts and land-use mechanisms present in these processes. The social component is present within the negotiation process where both municipalities and project developers try to reach an agreement. As mentioned before, codes were deducted from these theories to establish a link from the data to the theories. The link enables the researcher to make assumptions about the data, based on the existing theories.

The key themes and patterns that emerged from the data can be extracted from figure 5. In figure 6, the right side of the coding network has been zoomed in on, to briefly discuss the key themes and patterns that can be found. First of all, the relation between ‘anterior agreements’, ‘custom’ and ‘cost recovery’, is of importance to understand the basic principle of the negotiation process. Secondly, a theme that can be identified is the forced partnership between public and private organisation. This partnership can be marked as forced because of the interrelationship between municipality and developer when wanting to develop.

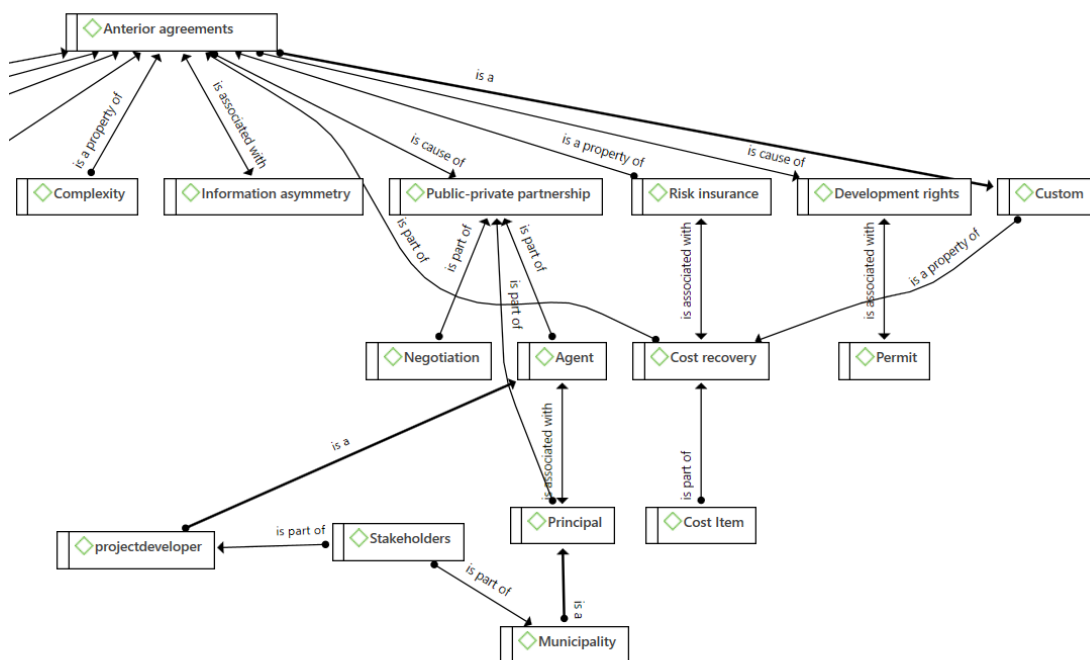


Figure 7: Right side of the zoomed-in coding network

For the third pattern/theme we need to zoom in on the other side of the coding network scheme. Presented in figure 7 is the left-hand side of the coding network scheme. The main theme / pattern that can be found is between the codes ‘exploitation plan’, ‘transparency’, ‘anterior agreements’, ‘efficiency’ and ‘instruments.’ This pattern dives deeper in the mechanism and effects of policy. In the next paragraph we will further analyse and interpret the themes in relation to the research question.

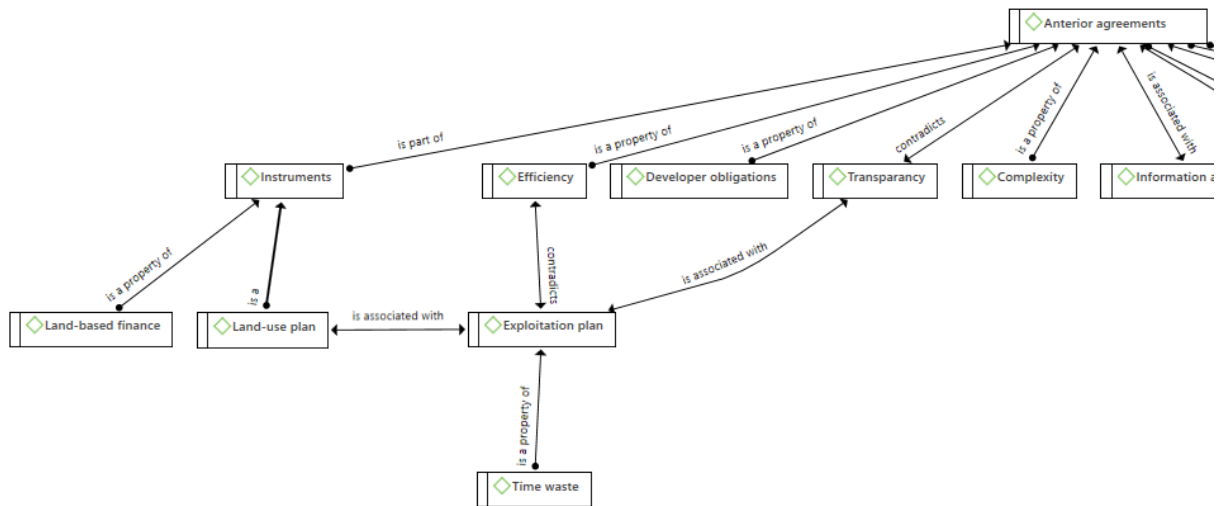


Figure 8: Left side of the zoomed-in coding network

After having named the three recurring patterns/themes from the coding network and full coding process, we will further analyse how these patterns and themes are in relation to the research question. The pattern between ‘anterior agreements’, ‘custom’, and ‘cost recovery’, can be interpreted as the characteristic of the contract itself. As the data shows that each cost recovery process is unique, it is of importance that an objective comparison between cases is excluded. Nonetheless can we assume that the negotiation process is significantly more important than the exact cost items for the case comparison. This will be further substantiated in chapter 5. For the main research question, this means that looking into exact cost-items is insignificant. This first assumption is of importance as the research question focusses on the negotiation process rather than exact cost-items. The second theme that emerged from analysing the data and code network was the forced partnership between municipality and project developer. At first glance this partnership seems obvious, because Dutch planning systems are based on the principal ‘you cannot build without a permit’ (Nijmeijer, Bouwen en omgevingsvergunningen, 2022). As the partnership is needed, both stakeholders form their own point of view and policies with which they address the negotiation process. Individual points of view or perspectives are the main reason why the negotiation process starts. It can be stated that the negotiation process therefore derives from a conflict of interests. The research question aligns with these findings as it tries to clarify how this process affects the cost recovery. Lastly, the codes ‘exploitation plan’, ‘transparency’, ‘anterior agreements’, ‘efficiency’ and ‘instruments’ are established as a pattern deriving from the code network and analysis. These five concepts are related because these are part of the reasoning behind using a certain mechanism. From the relationships established between the codes, which are shown in figure 7, we can draw the conclusion that anterior agreements have a better time-management trajectory compared to exploitation plans. These relationships are established both on the code analysis as on the precise given answers of the significant respondents (see figure 3). Another pattern that can be found within the third theme of mechanisms, is the secrecy that both parties want to persist. As the code transparency contradicts anterior agreements, it is an interesting factor to look into. Secrecy is seen as a substantial reason for using anterior agreements, therefore having influence on the negotiation process and thus the research question.

4.5 Interpretation of the Findings within the Theoretical Framework

The theoretical concepts of land-use theory and principal-agent theory can be integrated in the analysis by looking at how they correlate to the data and codes. To accomplish this integration, we will split the integration into two parts to preserve the overview. Firstly, an interpretation of the findings with the land-use theory will be discussed. Afterwards the interpretation of the principal-agent theory and the findings will be discussed.

Land-use Theory

The main concepts of the land-use theory are sustainability, spatial planning and the 3P concept, all as referred to in the theoretical framework. These concepts of land-use theory may shed light on the patterns, dynamics and observations in the data.

Sustainability

The concept of sustainability within the land-use theory was defined as “*meeting the needs of the present generation without compromising the ability of future generations to meet their own needs*” (Lagopoulos, 2018). Within the data, this process is shown when respondent Anonymous 1 explains the financial situation of project developers. In this explanation, Anonymous 1 stated that each project needed investments in advance which may take years before actually being used. The concept sustainability helps understanding how these prior investments help future developers with financing future developments. These future developments then may be realized in a profitable way, for which new projects are financed again. Furthermore, can the same process be applied for municipal projects, but in a different manner. From the data analysis of M. van Hout’s interview it was clear that granting project to one particular was prohibited after the Didam-arrest (Rijksoverheid, 2022). Only for social housing developers, it is legal to grant projects. For the interpretation of the concept of sustainability, this instrument of granting projects is of importance. As relationships between public and private bodies arise, it is of importance to maintain those relationships in order to meet both own needs as the needs of future generations.

Spatial Planning

Next to the concept of sustainability, spatial planning was one of the main concepts of the land-use theory. The connections that can be drawn between spatial planning and the data, are the implications of the anterior agreements. The data and coding process have shown that anterior agreements have spatial implications when there is a conflict between municipality and project developer about the distribution of the costs of a particular development (van Hout, 2023). An excerpt of M. van Hout that shows this concession is:

“No one wants to house those things (trash containers) at the bottom of the plinth of your residential tower, it is often not an option. So, the municipality is looking at that. Isn't it allowed somewhere in public space? Well, the municipality is starting to contradict these allegations of course, I need all those wheelchair spaces in the public space” (van Hout, 2023).

It may seem like a vague excerpt, but it may be a realistic discussion between the two stakeholders, who takes the costs for his own account. The spatial implications these discussions bring can vary, as trash containers are a relatively small implication compared to a sewage system. Furthermore, does the concept of spatial planning content the complexity of stakeholder participation for effective planning. The data matches this theorem as it shows the implications of discontent between stakeholders regarding project developments. Excerpts show that involving many stakeholders into the planning process, may implicate high financial costs. The exact excerpt that substantiates this relation is:

“Anyone can object. The issue for us is that we prefer to submerge a zoning plan into an environmental permit. Because then you have a certain legal certainty. The moment we have an established zoning plan, but people are still going to litigate, for whatever reason, there can also be a

piece of emotion that is in someone's mind, is that someone doesn't want a plan at all. For example, you know the concept, 'not in my backyard.' Someone doesn't want that at all, of course we also have something on the counter with an interest counter running, where we have been waiting for two years until we can even visit the Council of State at all. Two years of interest at the moment you have purchased a piece of land is an awful lot of money, especially if the market suddenly collapses” (Anonymous, 2023).

3P concept

The 3P concept, as mentioned in the theoretical framework has to do with the power dynamics within societal groups concerning land-use. Planning, power and politics (3P) all can be linked to patterns and excerpts in the data, as the negotiation process indulges in these concepts. The codes ‘Power imbalance’, ‘Power dynamics’, ‘Political incentives’ and ‘Spatial planning’ all can be linked to these 3P’s. Planning is referred to as “The necessity for integrating several spatial sectorial policies in order to create positive synergies” (Najjar, 2018). This can be related to the data, as multiple quotations, both from public as private parties, responded that there are more values to space rather than only economical values. Integrating sectoral policies of cultural, historical or social values was mentioned to be an important incentive (Anonymous, 2023) (Damoiseaux, 2023). The power and politics concepts are interrelated with the codes ‘Power dynamics’ and ‘Political incentives’. The coding process regarding the code ‘Power dynamics’, showed that both public and private parties use their legal instruments and ownership position to gain a better position within the negotiation process. For example, an excerpt of H. van Stiphout (2023) who is active as a director-major shareholder of Okko in Eindhoven sounded:

“There are the stakeholders that you feel are occasionally also lending you a piece of position from something other than ground position, just a power... the multitude of projects they have that allow them to use their power, in quotes, in discussions with the municipality.”

From this excerpt we can state that for project developers, using their real-estate portfolio and network, a leverage effect can be put into force. Having a relatively large portfolio helps effectuating a more profitable bargaining position for the stakeholder in question. This bargaining position is able to induce the municipality into a more active stakeholder involving covering certain development costs. An important notice is that the municipality still has a passive / facilitating role when this mechanism takes place. The municipality is only pushed into more active stakeholder, meaning they may put more effort and time in a certain project (van Hout, 2023). The political incentives, which can be linked to the ‘P’ of politics, contains excerpts on how the political agenda of municipalities is formed. The concept politics within the land-use theory is referred to as, how the policies of a political body are formed (Najjar, 2018). When relating this process of policy making to political incentives, an assumption can be made that there is a causal relation. Because of the concept policy, political incentives arise, having impact on the negotiation process. Thus, both concepts are not directly linked, but the relation can be seen as a causality, for which they are linked. An excerpt that illustrates this link is the following:

“Our political environment, so where the attention is at that moment. For example, now as a municipality we have a number of programs within our municipality. For example, our program ‘Center’, which is now receiving a lot of attention. But also Heerlen Noord, so the municipality often also focuses administratively for a certain period, on a certain area” (Damoiseaux, 2023).

The excerpt shows that the focus is laid on different programs, on different periods, depending on the political environment. For the negotiation process, this means that the manner in which municipalities react to environmental plans differs, due to the political environment.

Principal-agent Theory

The main concepts within the principal-agent theory are principal objective, agent incentive, information asymmetry, control, risk insurance and performance monitor. The theoretical basis of the principal-agent theory and the associated concepts will be used as a lens through which the findings will be interpreted. The connections drawn between the data and principal-agent theory will substantiate the findings and conclusions.

Principal's objective

The concept of the principal's objective has to do with creating incentives for other actors (the agents) to make decisions that the principal prefers (Gailmard, 2014). To get a correct interpretation of the data, it needs to be clear which actor is the principal and which actor is the agent in the negotiation process. As the principal needs to create incentives to make decisions the principal prefers, we can state that the municipality can be regarded as the principal. This has to do with the fact that the municipality provides the society with environmental visions. These visions are the municipalities objectives, for which incentives such as permits are given. The concept principal's objective can thus be related to the data, as excerpts show the municipalities objective regarding creating incentives for project developers for reaching the objective. For example, the following excerpt:

“That you just have to tender. So, if you have a piece of land, you can say, everyone wants to qualify. Then it will just be put in the newspaper and then everyone can participate and then it will also say in any case with an eligibility, then it will also state on the basis of which criteria a tender will take place and then maybe the price will be not known, but that is already a fairly open process” (van Hout, 2023).

In the passage above, an example of a principal's objective can be seen, which is selling a plot of land with the aim of facilitating a part of an environmental plan. The excerpt itself explains how current anterior agreements may seem fairly transparent, but for the explanation of creating incentives, a closer look at the process must be taken. In the excerpt it is stated that by publishing development plans for a plot of land, incentives are created for project developers to participate.

Agent's incentive

The project developers on the other hand, can be seen as the agent in the negotiation process. In this research, the municipality plays a passive role and is the facilitator, thus 'hires' project developers for the development of real estate. This is done in order to achieve the principals' objectives. The project developer, in this theorem known as the agent, has the incentive to make profit. The agent's incentive can be related to the data as the codes 'Commercial' and 'Incentive' are both used within an excerpt. For example, the following excerpt shows the agents incentives:

“The margin or your profit, must be in proportion to the risk you want, so the throughput speed is higher for cheap homes. So, you can conclude, I have to earn less on cheap homes. But if you have more expensive homes, there's just a chance you'll be stuck with it for a lot longer and maybe even stick with it forever, so that margin of that profit to risk ratio has got to be much higher” (Wagner, 2023).

In the previous excerpt, an incentive of a project developer has been displayed. Wanting to have certainty that relative levels of value are created as a reward for an interlinked level of risk is the incentive.

Information asymmetry

The third concept within the theory, which is of importance, is information asymmetry. Information asymmetry occurs when one stakeholder has different, more or better information than the other party. Within this research, information asymmetry occurs because of the difference in expertise between both parties. Municipalities have much broader expertise regarding planning public space in comparison with project developers (van Hout, 2023). On the other hand, do project developers have much more expertise with the development of real estate and the corresponding selling strategy (Anonymous, 2023). The excerpt that shows the relation between the data and the theory is:

“Well, of course we have a lot of in-house disciplines that a developer does not have. Or vice versa, if a developer says, relatively simple, I will make a plan for the layout of the public space. Of course, he can also hire an urban design agency himself and make a plan, but there is a very great chance that you will forget three quarters” (van Hout, 2023).

The excerpt above shows how difference in expertise and procedural information may lead to different outcomes. Within the principal-agent theory, the agent is expected to have more information that problematizes the principal as he cannot directly ensure the agent is acting in their best interest (Hatch, 2018). For this research objective, it can be translated into the quality of the development. As the project developer may know a lot more about the costs and possible net profit, it may ask for a lower amount of cost-recovery (Muñoz-Gielen, Grondbeleid in Nederland: Ontwikkelingsmodellen, soorten grondbeleid, 2021). Information asymmetry leads us to the next two concepts. These are contract and risk insurance respectfully.

Contracts and monitoring

In order to ensure that the agents incentives align with the principals’ objectives, contracts are set up. The contracts within the principal-agent theory can be related to the anterior agreements, private contract. As the principal, the municipality, bears the risk of developing inferior public space, it aligns the interests of the agent by negotiating costs and type of development (van Hout, 2023). Through the concept of contracts, we can draw the conclusion that for the alignment of interests between municipality and project developer, anterior agreements are set up. In the following excerpt, the alignment of interests can be seen as the setup of the contract:

“On [●], the Parties concluded a letter of intent on the basis of which further research was conducted into the feasibility of the Operator's intention and agreements were made about the planning, provision of information and reimbursement of costs;” (Gemeente Eindhoven, 2023).

“The Parties agree to inform each other in a timely and correct manner during the term of this agreement about matters of interest to the parties and any bottlenecks for the implementation of the redevelopment of the exploitation Area” (Gemeente Eindhoven, 2023).

The excerpts above are taken from a current contract, which is used when setting up an anterior agreement between the municipality of Eindhoven and an initiative taker. The contract specifies goals and measures to be used to monitor and sanction agent performance as mentioned in the principal-agent theory (Hatch, 2018). Another concept through which the above excerpts and data can be looked at, is risk insurance and performance monitor. Municipalities as project developers both take risk in taking on an anterior agreement. Municipalities take risk in securing qualitative public spaces and project developers in financial terms respectfully. Both try to seek insurance, for which they use the anterior agreement. The excerpts below show how parties try to secure the risk looking through the lens of risk insurance from the principal agent theory.

“Basically, we actually have no risks. But ultimately, as a developer, you are a risk taker. But avoiding risk one hundred percent, one expresses that in money, and two is the question of whether you want and can take that risk. and then you run the risk of not having a plan” (Anonymous, 2023) (Project developer).

“So, for us that is a risky process in that sense. We also have to see whether we will indeed be reimbursed for those costs, because usually a developer pays an advance and then you have to pay close attention to this” (Damoiseaux, 2023) (Municipality).

When analysing previous coding processes, findings of the main themes and patterns, interrelations, interpretations of the data through a theoretical lens, a recap can be made. The key findings and theme identified through data analysis have to do with the dichotomy between the financial and social implications. The data analysis showed that for each of the respondents, the initial cost-items and distribution of these did not matter much beforehand. This has to do with the fact that setting up an initial cost-list is irrelevant as each project is very distinct with each their own list of costs. As mentioned in the literature review, there is a basic cost-list that must be recovered for the municipalities. The cost-list mentioned in the literature review corresponded with the data, for which was used as a basis. This cost-list is used by all stakeholders as a basis on which the negotiations may pursue. A second key finding from the data, was the relevance of secrecy. Both stakeholders have a business model that is secluded from the public because it may tell a lot about the current financial position of both parties. When these financial positions are known, opposing negotiators may use this information to get a better result, at the expense of the municipality or project developer.

The extent to which the research question can be answered must be investigated by answering the subquestions. In the next chapter, an attempt at answering the subquestions will be made, with the purpose of answering the main research questions. Next to answering the research questions, a further discussion of the findings will be presented in order to validate the data and answers.

Chapter 5: Conclusions

The conclusions chapter may be regarded as the pinnacle of this Master Thesis, as it summarizes the key findings and implications of previous chapters. The previous chapters are marked as the extensive analysis and inspection of cost recovery negotiation processes. Throughout the analytical procedure, we have stumbled upon large qualitative databases, using different theories, techniques and methods to gather the valid information. These proceedings helped getting a deeper understanding of the subject in order to build upon these frameworks. This chapter is used to give a reflection on the research objectives and aim. By looking through the lens of the relevant theories, new information regarding the implications and significance of cost recovery negotiation processes can be accomplished. A comprehensive summary of research's main findings will be offered. The chapter will be highlighting the implication for practice and policy as findings may apply to new negotiation processes between municipalities and project developers.

5.1 Key Findings

Before addressing the key findings again as mentioned in the previous chapter, we will firstly make a short recap of the research question, objective and aim. The main research question sounded: *How can the difference in cost recovery between projects within the municipalities of Eindhoven and Heerlen be explained based on the negotiation process of the anterior agreements*. This research question was constructed to reach the Master Thesis' research aim, which is to understand how anterior agreements contribute to or hinder the financial health of Dutch municipalities. In order to answer these questions, a summary of the main findings from the data analysis will be given. This ensures a clear and concise presentation of the key findings in relation to the research question and subquestions.

The main findings from the data analysis can be summarized into three processes, coding, theoretical framework, and interpretation. From the coding process we could deduct significant code groups of stakeholder characteristics, anterior agreement properties and municipal policy. These code groups created the basis on which the theoretical framework could be linked to. Figure 5, the coding network scheme provided the clear overview of significant codes. The theoretical framework could therefore be applied to the coding network when zoomed in on. The findings derived from the theoretical framework were summarized into themes and pattern. These themes and patterns were the basic principle of the negotiation process, the forced partnership between public and private organisations and mechanism and effects of policy respectively. Lastly, the interpretation of the findings with the theoretical framework provided new insights regarding the applicability of the theorem to the data. Findings within the land-use theory showed politics were the overall starting point on how projects were prepared and engaged. Next to this discovery, the principal-theory showed that the alignment of interests between the two main stakeholders were more of importance than the actual cost-items which were negotiated. This had to do with the uniqueness of each project. Another important finding, which is of significance for this research, is the use of secrecy instead of transparency. According to the data and theorem, all stakeholders have a business model which is secluded from the public as it may leak the financial position of both parties. The disclosure of this information may diminish the negotiation position of the business under investigation.

Figure 8 shows a concise presentation of the key findings in relation to the research question and subquestions. At the top, the main code groups and codes are presented, under which the main themes and patterns are located. As the model is not a causal model, it must be interpreted as a process through which the main research question can be answered.

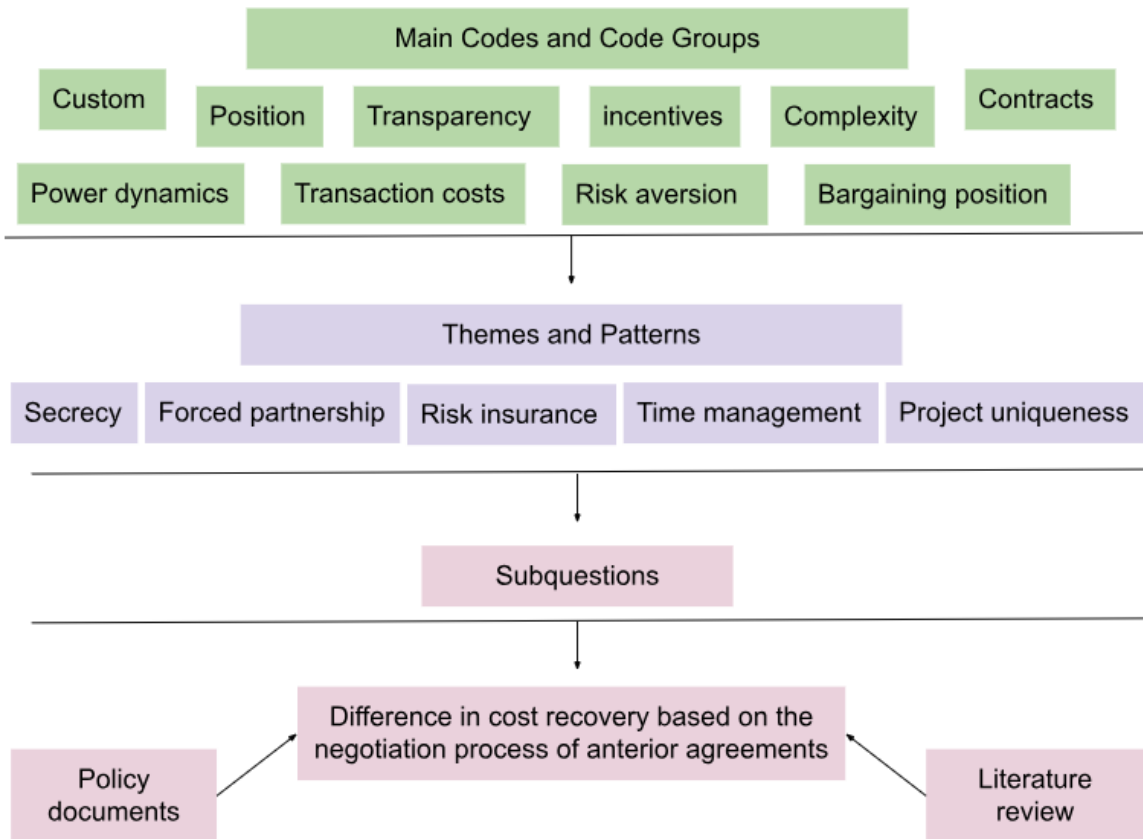


Figure 9: Key findings in relation to the research question.

In the next subchapter, a comparison of the cost recovery process between the municipality Eindhoven and Heerlen is made. This is done to see if similarities and differences can be found to explain the cost recovery process in order to evaluate the overall cost recovery process.

5.2 Comparison of Cost Recovery between Eindhoven and Heerlen

As the municipality of Eindhoven as the municipality of Heerlen adopt a passive / facilitating role in project development, a similar cost recovery mechanism is used. As the cost recovery process is mandatory by law, and anterior agreements are used in both municipalities, the mechanism is the same. Being a facilitating municipality, which both of the concerning cases are, you are depending on initiative takers which acknowledge the published environmental plan (Damoiseaux, 2023; van Hout, 2023; Anonymous, 2023; Rademakers, 2023; Stichelbroek-Dictus, 2023). The mechanism that is put into motion is that for both municipalities, the incentive of the initiator goes through inquiry. According to Damoiseaux (2023), van Hout (2023), Anonymous (2023), Anonymous 2 (2023), Verbeek (2023) and Rademakers (2023) when approved, municipalities will offer the initiator, if via anterior agreement, a model contract of the anterior agreement. From this place, the negotiation process commences. The basic, mandatory cost recovery is then covered by using the appointed agreement. This process is the same for the municipality of Eindhoven as Heerlen when acting as a facilitating public body.

The differences, however, are within the approach of the negotiation process regarding the cost recovery process. For the municipality of Eindhoven, it seemed needless to say that there was a lot of demand for

project development (van Hout, 2023; Anonymous 2, 2023; Verbeek, 2023). This implicated that projects each had different levels of importance / concern. The procedure therefore was depending on the concern and implications of the project that needed to be developed (van Hout, 2023). For the cost recovery process this meant, that certain negotiations needed a standard list of cost-items that project developers can expect when wanting to develop. Van Hout (2023) explained that having a certain frame for cost recovery could help clarify which costs project developers need to pay if wanting to develop a certain project. For the municipality of Heerlen, where the demand is relatively low (Damoiseaux, 2023), initiators are of importance. The municipality takes on each project initiative as a custom process. As the standard cost-list of the public law is mandatory to be recovered, it was clear that all other costs could be divided between stakeholders. This is done with deliberation between both municipality and stakeholder (Anonymous, 2023; Damoiseaux, 2023). The main differences between the municipalities are found within the position of the municipality coping with the demand. The identification of significant variations in cost recovery outcomes is, based on the previous data and excerpts, irrelevant. Reason for this irrelevance, comes from the fact that all data showed that each development is so unique, that comparisons can't be made. Excerpts that show this uniqueness perfectly:

"I think it's so specific. I think that basically the same negotiation will never happen a second time" (van Hout, 2023).

"That's a bit custom, isn't it? That is how you want to deal with each project, how you want to deal with it" (Damoiseaux, 2023).

"Because every project is tailor-made, so you want to be able to weigh up if there are reasons to say, well, in this case it is different, then we want to be able to cooperate" (Rademakers, 2023).

"We do try to help where we can and where we are allowed. But that is custom work for each project" (Verbeek, 2023).

As the main differences and comparisons have been presented, we will further look at which key factors or elements influence cost recovery outcomes. Furthermore, will the theoretical framework be applied to try and explain the differences from the theory.

5.3 Explanation of Differences in Cost Recovery based on the Negotiation Process within the Anterior Agreements

From the analysis it became evident that the negotiation process was the main factor influencing the cost recovery within the anterior agreement rather than the cost-items themselves. In the previous chapter the difference between municipal policies was addressed. The policies mentioned, had to do with the position the municipalities take in relation with the demand for project development. For the municipality of Eindhoven, it became clear that the current large demand for project development, put pressure on public bodies (van Hout, 2023). The pressure resulted in having projects with different levels of importance. Having these levels of importance influences the negotiation process, as importance may be a contributing factor to overall bargaining position. Furthermore, within the negotiation process, it became evident that there was another significant factor. Van Stiphout (2023) mentioned a lack of transparency and trust between the two stakeholders within the municipality of Eindhoven. This lack of transparency emerged from the supposed fact that cost quoted are filled in subjectively which led to false cost-items which need to be covered by the developers (Van Stiphout, 2023). The negotiation process in which this 'subjective' calculation is present, was also acknowledged by stakeholders present in the municipality of Heerlen (Wagner, 2023). More respondents from the municipality of Eindhoven

suggested other factors influencing the difference in cost recovery based on the negotiation process. As many studies focussed on the cost-items (see literature review and theoretical framework), Verbeek (2023) mentions the importance of other factors influencing the negotiation process. Verbeek (2023) acknowledges that these other factors may influence the financial outcome significantly in regards to the cost-items themselves. The factors mass / volume and programme are assumed to have a larger impact than the cost-items themselves as they influence the factor to which all the costs are calculated (Verbeek, 2023).

The municipality of Heerlen on the other hand, respondents explained that initiators 'could' react to the municipality's environmental policy. In this scenario, the municipality of Heerlen has a facilitating role, waiting for initiators to provide ideas or concrete plans (Damoiseaux, 2023; Rademakers, 2023). Taking on a very passive, facilitating role as municipality, also influences the bargaining position. One can assume that having less demand for project developing influences the bargaining position of the municipality more unfavourable. Secondly, it was evident that for the municipality of Heerlen an internal sub-efficient negotiation process was present regarding the alignment of interests between the different departments (Stickelbroek-Dictus, 2023; Wagner, 2023; Rademakers, 2023). This internal sub-efficient negotiation process emerges from the bureaucratic nature of the taken procedures. When a development needs permission from the municipality, the municipality tests the spatial requirements for each department. This is not done efficiently as each department needs to wait on a green light from the previous department before sending it through (Stickelbroek-Dictus, 2023; Wagner, 2023; Rademakers, 2023). Ending in a long process through which each department has to be positive about the plan. Whenever one department is not positive, more internal discussions arise, resulting in even longer procedures. The influence this has on the cost-recovery process is significant as all administrative costs need to be covered by the project developers according to law. Justice of cost distribution can therefore be inspected more comprehensive as municipal inefficiency affects developments.

The key factors that influence the cost recovery outcomes that can be identified are diverse. Firstly, the factor that was presented in the preceding paragraph was importance. As levels of importance may influence the bargaining position of a municipality, it is important to look at how this factor influences the bargaining position. As mentioned, when projects are suggested by initiators such as project developers, municipalities are obliged to respond to these within a certain time period (Rijksoverheid, 2023). This time frame puts municipalities in tense situations, to which they must respond. For the negotiation process it can be assumed that for the negotiation process, municipalities cannot afford much costs when having limited time. In the model anterior agreement of the municipality of Eindhoven (2023), it is also stated that just about all costs that need to be recovered are for the initiator. This model can therefore be used when limited time is available for projects with lower levels of importance. For higher levels of importance, the negotiation process may differ. The factor incentives may also influence cost recovery outcomes. In the codebook, incentives are explained as: Something that motivates or encourages someone to do something. The explanation indicates that for municipalities, certain incentives may be present for which they would like to cover some costs themselves. Damoiseaux (2023) mentioned in the interview that some aspects of public space were of importance within an environmental vision. Elements mentioned were "cultural aspects" and "historical aspects". Rademakers (2023) on the other hand mentioned in one of his responses that the municipalities have to "*beg on their knees*" to get investments and are willing to give multiple incentives. The municipality of Heerlen therefore were willing to cover some of these costs themselves, as these elements have high levels of importance. Also here does the concept of importance play a role in cost recovery. A third key factor that influences the cost recovery outcome, is risk insurance. In the data analysis, risk insurance became recognised as a factor that influences cost recovery outcomes. Both the municipality as project developers, want to take steps towards a financially secure agreement. For the cost recovery process, this meant that payments in advance need to be made to ensure certain costs. These advanced payments

typically are covered by the project developer (van Hout, 2023; Anonymous, 2023; van Stiphout, 2023; Stickelbroek-Dictus, 2023; Wagner, 2023). The high and time of these payments in advance is seen as a significant factor influencing the negotiation process, as it influences rent costs and liquidity of the institutions (Stickelbroek-Dictus, 2023; Wagner, 2023).

Uniqueness is a key factor that influences the cost recovery outcomes in another manner. As uniqueness has a relatively vague relation with the cost recovery outcome, it can be used to describe parts of the cost recovery progress. Uniqueness specially influences the cost recovery in terms of possibilities. As each project is unique, each cost-item (exclusive from the standard list) can be (re)covered by both parties. This enables developments to have external cost-items listed that have radical impacts on the financial outcome.

Verbeek (2023) indicated that, when having a conversation about cost recovery processes, we are tempted to produce a tunnel vision regarding cost-items. In the specific interview, Verbeek (2023) mentions the mechanism of three 'gears' on which can be tweaked on while negotiating the anterior agreement. The tunnel vision concerning cost-recovery needed to be broadened to contain the factors mass/volume and programme (Verbeek, 2023). These two factors influence the financial outcome during the negotiation process significantly, as these are factors by which the cost-items may be multiplied. Stickelbroek-Dictus (2023) acknowledges the significance of these factors by implying that project developers will try to take the directional role when negotiating mass/volume or housing programme. This urge for direction implies the financial and spatial significance of these 'forgotten' factors. Therefore we can state that the tunnel vision can be seen as a key factor influencing the differences in cost Recovery based on the negotiation process within the anterior agreements.

The last two key factors that emerged from the analysis that may influence the differences in cost recovery based on the negotiation process, are trust and bureaucracy. The key factor trust turned up while interviewing van Stiphout. While discussing points of improvement for the negotiation process between municipality and project developers, he acknowledged a gap in mutual trust regarding each others incentives (Van Stiphout, 2023). Van Stiphout (2023) claimed that having a certain view or bias about one another influences the cost recovery proces, as it may increase transaction costs. It became evident that the example of negotiation processes between van Stiphout versus the municipality of Eindhoven proved the point. Private institutions may be biased that municipalities do not work efficient enough in order to lower the costs that need to be covered by themselves (the project developers) (Van Stiphout, 2023; Wagner, 2023). While municipalities often are biased that private developers are more interested in the net profit that is obtainable, rather than the spatial quality of a development (Van Stiphout, 2023). This leads to discussions, control and checkups which lead to a higher time investment, thus higher transaction costs for both parties. For the municipality, organizational costs need to be legally covered by the private developers within anterior agreements as shown before. Overall, this leads to distributive unfairness regarding the cost coverage by both parties, which is a result of lacking trust. The other key factor bureaucracy, can be linked to the key factor trust. This has to do with the internal municipal process regarding developments which has proven to be not transparant for project developers (van Stiphout, 2023; Wagner, 2023). The way in which bureaucracy and the municipal process of project developing influences the differences between cost recovery processes, has to do with policy. The current municipal policy expects each municipal department regarding spatial planning to check the development under investigation (Stickelbroek-Dictus, 2023; Rademakers, 2023; Wagner, 2023; van Hout, 2023). Interviewees all agreed that this process is inefficient and increases the transaction costs of each development, which again need to be legally covered by the project developer, influencing the differences in cost recovery processes. The key factor bureaucracy, in terms of the internal municipal processes, has a significant effect on the differences in cost recovery within the negotiation processes regarding anterior agreements.

Having discussed the key factors influencing the cost recovery, a further investigation at how the negotiation process impacts the difference in cost recovery between municipalities. Having seen the differences in how key factors affect the cost recovery, similarities between the municipalities in the negotiation process are more present. Both municipalities have indicated to use the basis cost-list stated in the public law (Damoiseaux, 2023) (van Hout, 2023) (Van Stiphout, 2023) (Verbeek, 2023) (Anonymous 2, 2023). External costs (not included in the cost-list), are the factors on which the negotiation process takes place. The most important excerpts that answer the question, which differences there are present, were mentioned before. Stakeholders from both municipalities and project developers mentioned the uniqueness and custom character of each project. This implicated that the negotiation process upon which the anterior agreement is based, is as unique. The exact cost-items which are (re)covered by a party are different for each project. This uniqueness and custom character will therefore be one of the most significant factors for this research, next to the negotiation process itself and how parties position themselves.

Applicating the theoretical framework to explain the differences in cost-recovery outcomes, we will see the importance of the principal-agent theory. For the alignment of interests, contracts are used to ensure the financial risk and risk of non-development. The previous paragraphs illustrated how financial securement was reached in order to diminish the risk of cost-recovery. From the principal-agent theory, we can conclude that the alignment of interest in order to secure the risk, brings transaction costs, therefore having influence on the cost-recovery outcome, as most of the costs are for the initiator. Next to this, the influence of the concept incentives can also be explained, using both land-use theories as the principal-agent theory. Firstly, from a land-use theory perspective, we can conclude that the municipality has best interests in creating qualitative public space while recovering all costs without any large profit margins in order to be sustainable (Cucari, Wankowicz, & Esposito De Falco, 2019). With this mechanism in mind, a conclusion can be made that the cost-recovery is influenced by not only the initiator, as long as the municipality is able to create qualitative public space while breaking even (Damoiseaux, 2023). Incentives, from a principal-agent theory perspective, influence the cost-recovery outcome in a way that the interest of one party affects the alignment. Because of information asymmetry, which is always present (CFI Team, 2022), incentives may provide clarification from one party to another. When making known a certain incentive, interests can be altered in order to align the overall agreement. The incentives do however take into account higher costs for the stakeholder with the incentive, provided that the other stakeholder does not align with this incentive. The stakeholder with the relevant incentives needs to make compromises however, as long as he wants to continue with these incentives. Concluding, incentives take into account higher costs for the party with the incentive, provided that the other party does not have the same incentive.

Overall, differences in cost-recovery from key factors as from the negotiation process, can be explained by applicating concepts from the theory. Differences between the municipalities regarding cost recovery seemed marginal, as the projects presented are all equally unique and custom. From a comparative view, it can be concluded that a comparison between projects from each municipality is irrelevant. Comparisons between negotiation processes from each municipality on the other hand, seemed more significant. The significance in negotiation differences between municipalities was therefore explained using the relevant theories and collected data.

5.4 Discussion of Findings in relation to the Theoretical Framework

The theoretical framework used was based on the two theories of land-use theory and principle-agent theory. The relevance of these two theories had to do with the two aspects of the research question. One of these aspects was the practical / financial side, which is in relation with the anterior agreement and its implications. The second aspect was the social side, which is in relation with the negotiation process between municipality and project developers. The land-use theory is used to substantiate findings related to the anterior agreements. The principal-agent theory on the other hand, is used to substantiate findings related to the negotiation process.

In chapter 4.5, an interpretation of the findings in relation to these theories has been given. Based on this interpretation, a discussion can be started in order to state if these interpretations align or deviate from the theoretical expectations. The theoretical expectations within the land-use theory are diverse as the land-use theory involves many different aspects. The first theoretical expectation we can derive from the theoretical framework is the understanding of land-use theory, in order to understand and analyse complex relationships. Land-use theory is used in order to provide instruments for developing sustainable solutions to land-use management challenges (Lagopoulos, 2018). To compare this first expectation with the findings, we can assume that the instrument of anterior agreement used for project cost recovery is sustainable. The sustainability of anterior agreements comes from the fact that it provides procedural and substantive freedom for project development. While having a basic cost recovery framework, it provides freedom for development regarding the uniqueness of each project. A second theoretical expectation deriving from the land-use theory, is the provision of insights to substantiate new ideas and practical implications for spatial planning (Lagopoulos, 2018). The findings roughly align with the theoretical expectations. This has to do with the fact that the findings concluded that each anterior agreement is unique and tailor fitted to each project. From this statement we can determine, that for each project new ideas and thus practical implications for spatial planning are contrived. One may learn from other specific, unique projects, the use of new mechanisms or processes which may help build a better understanding of land-use planning and practical applications.

The principal-agent theory has the theoretical expectation that information asymmetry leads to higher costs of information collection and information spread (Hatch, 2018). The findings proved that the presence of information asymmetry, do lead to higher transaction costs, as transaction costs are present in order to finish a negotiation process in which the alignment of interests is settled. Secondly, a theoretical expectation of the principal agent theory is that contracts are able to reduce the information asymmetry (Hatch, 2018). Findings showed that the alignment of interests via contracts, diminished the risk and therefore stakeholders are able to discuss the division of cost-items (Anonymous, 2023) (Wagner, 2023) (Anonymous 2, 2023). Information asymmetry is therefore reduced as both the municipality as project developer may open up about willingness to cover certain costs.

Within the discussion of the findings in relation to the theoretical framework, some identifications of gaps could be found. Firstly, both theories do not consider the use of secrecy as an effective instrument. Within the research, secrecy was firstly presented as a barrier for improving the negotiation process. Afterwards, findings showed that secrecy was a helpful tool, using it to better the municipals bargaining position. This identification of a gap within the theory may be significant for further research. In the following chapter, we will further look at how the findings link with previous research and how these support or contradict prior studies.

5.5 Linking the Findings with Previous Research

Now that the findings have been discussed multiple times, we will investigate how these findings align with existing literature and previous research. The land-value capture literature mentioned in the literature review, showed multiple ways on how municipalities are able to extract value out of the developed land. The mechanism mentioned in the literature review, was the implementation of development obligations. Developer obligations are also used within the anterior agreements researched in this thesis, in order to recover exclusive costs (not mentioned in the cost-list) (Muñoz-Gielen, *The role of developer obligations in achieving sustainable and inclusive cities*, 2022). When municipalities decide to take developer obligations into account within the anterior agreement, they are able to request recovery of many costs. As long as the developer obligations are mentioned in the anterior agreement, which is a private contract, the project developer is not obliged to sign (Muñoz Gielen D., 2019). The obligation only occurs when using exploitation plans, which is a mechanism used for development via public law (Muñoz-Gielen, *Grondbeleid in Nederland: Ontwikkelingsmodellen, soorten grondbeleid*, 2021). The developer obligations used within the anterior agreements are for example, getting more buildable floor space in exchange for developing underground trash containers concerning the project developer (van Hout, 2023). Based on these developer obligations, Muñoz Gielen (2022) mentioned the rationales which the developer obligations could be based upon. These rationales were the direct and indirect rationale, relating to whom gets the created value or who should internalize the negative externalities. The findings showed that the anterior agreements used for the municipality of Eindhoven as the municipality of Heerlen were based on an indirect rationale. This can be deduced from the fact that almost all externalities such as planning damage, need to be covered by the initiator / project developer (Gemeente Eindhoven, 2023; Damoiseaux, 2023; Anonymous, 2023; Stickelbroek-Dictus, 2023). Folker (2011) investigated critical factors for a successful process of project development. Folker uses these critical factors in order to see if they were executed correctly and if the corresponding project was therefore successful. Important critical factors were: Plans must be demand-driven, clear division of risk, creating institutional support and a clear overall goal. These critical factors are also present in the current findings, as will be shown. For the demand-driven factor, we can demonstrate that each initial project starts with the demand from the municipality or private initiators for development. Demand is formed when environmental plans are made public and a tender is published or when initiators state the willingness to develop. Secondly, the division of risk is settled within the findings during the negotiation process. The process diminishes the risk for both parties, as contracts are drawn up and both financial as spatial risks are secured. The institutional support concept aligns with the findings, as we can link those to the incentives. The incentives from both stakeholders substantiate the support when these align. Alignment is formed also during the negotiation process as mentioned before. Lastly, the clear overall goal of a project aligns with the findings, as the findings showed that transparency of both stakeholders towards each other secures a better partnership. Therefore, transparency between stakeholders makes sure the alignment of interests elapses swiftly and clear objectives are stated.

As can be seen in the previous paragraph, existing literature can substantiate the findings to a certain extent. Because the negotiation process between municipalities and project developers regarding anterior agreements has not been investigated before, we cannot compare previous research. Only parts of previous research or parts of the research can be compared with existing literature as it specifies on a certain concept or process.

In comparison to previous research, where other processes were analysed, this research identified novel insights regarding the influence of the negotiation process on the cost-recovery process. First of all, the analysis shed light on unexplored factors influencing the negotiation process, such as secrecy, trust and tunnel visions. These factors contribute to the understanding of cost recovery and may add new insights for future research or literature. Secondly, the exploration of the negotiation process contributed to the overall understanding of public-private partnerships. The dynamics involved in this partnership are

looked into, providing not only information regarding the negotiation process about anterior agreements, but also about the overall dynamics between public bodies and private firms. These dynamics involving the applied principal-agent theory. Furthermore, by using qualitative research and using a comparative case study, not only financial and measurable outcomes can be analysed, but also the significant factors influencing these financial outcomes. These significant factors being the bargaining position, incentives, transparency and other contextual influences on cost recovery processes. Lastly, as there is not only theoretical knowledge to be added, practical knowledge for policymakers, civil servants and initiators is also contributed. This research can advise on decision-making processes regarding cost-recovery processes. The aim of the thesis was to understand how anterior agreements contribute to or hinder the financial health of Dutch municipalities, given the current state of business and the pressure placed on municipalities. Therefore, the practical knowledge created by this research may improve cost-recovery processes and thus help understand how the anterior agreements contribute to the financial situations of Dutch municipalities.

5.6 Answering the Research Questions

The process of literature reviews, case selection, data collection and data collection were arranged in order to provide a clear answer on the main research question. The main research question sounded: *How can the difference in cost recovery between projects within the municipalities of Eindhoven and Heerlen be explained based on the negotiation process of the anterior agreements?* In order to answer this question, it was subdivided into multiple subquestions. These are as followed:

- How does the planning tool anterior agreement fit within the land-use theory?
- Which costs of project development can be recovered via public planning tools using anterior agreements?
- How does the public way of cost recovery influence private ways of cost recovery of developments in Dutch municipalities (Based on anterior agreements)?
- How do the negotiation processes take place between the municipality and private developer based on the principal-agent theory?

From the analysis of the findings, we will first answer the subquestions in order to give an accurate answer to the main question.

Firstly, the land-use theory is presented as a complex, extensive framework for the understanding of land-use concepts and mechanisms. From the literature review and policy analysis, it became evident that the anterior agreement has multiple positions within the land-use theory. Anterior agreements are first of all a tool within land-use mechanisms, which is used for setting up project developments, including details about cost-recovery and elaborations of the concrete plans. Within the land-use theory, the concept of sustainability is of importance, as we have seen in chapters 2.2, 4.5 and 5.4. Anterior agreements preserve the sustainability of project development as secrecy is used in order to maintain a relevant bargaining position. The last position anterior agreements take within the land-use theory, is one of spatial planning concern. In order to achieve sustainable outcomes in land-use planning, spatial planning is used, using tools such as the anterior agreement (Lagopoulos, 2018). Anterior agreements therefore have spatial implications as developments are distributed using these agreements. Therefore, anterior agreements are significantly influencing the efficiency, distribution and spatial implications of developments. The planning tool anterior agreement therefore takes multiple places within the land-use theory as the theory is extensive.

The second sub-question entailed which costs of project development can be recovered via public planning tools using anterior agreements. Because the anterior agreement is a private contract between two or more stakeholders, public planning tools are not used at all within the process. As tools are excluded from the use of anterior agreements, it is still mandatory for municipalities to recover the basic cost-list mentioned in public law (Rijksoverheid, 2023). The necessity of recovering the cost-items from the list, indirectly is the usage of public planning tools. The exact costs of project development which can be recovered via public planning tools are therefore the costs mentioned in article 6.17.1 of the Dutch Spatial Planning Act (Overheid, 2021).

Following up the previous sub question, a more in-depth analysis of the influence of the public planning tools is made. The sub question that emerges is: How does the public way of cost recovery influence private ways of cost recovery of developments in Dutch municipalities? (Based on anterior agreements). The influence of the public way of cost recovery happened to be fairly significant as the previous sub question already suggested. Instead of looking which costs are recovered by using public planning tools, we will now look at the implications of these public planning tools. Through the analysis of the interviews, we can conclude that the public planning tools do have a significant effect on the private way of cost recovery as it gives a basis to each negotiation process. By providing a basis in the form of a cost catalogue, information asymmetry can be reduced for each stakeholder as there is a known cost-

list. Because the cost-list is already known and used, it already influences each negotiation process, stating the mandatory costs. The exact costs for each project however, differs, as each project was stated to be unique and custom. The cost-list therefore only provides an estimation of which cost-items will be present, not the exact costs. Van Hout (2023) indicated that using this public planning tool can also act as a calculation tool. As the mandatory cost-items are presented and clear, initiators as municipalities can use this planning tool in order to make a superficial comparison of projects in order to estimate certain costs. On the other hand, respondents have generally accepted that this calculation tool is very subjective and may increase conflict between parties as each calculation was made with different substantiations (Stickelbroek-Dictus, 2023; Wagner, 2023; van Stiphout, 2023). The trust that is needed in order to resolve conflict is not present, due to the lack of transparency between municipal processes and the project developer. Again, this subjective manner of calculating cost recovery processes influences the amount of information exchanges between the stakeholders, increasing the transaction costs thus indirectly the cost recovery process.

The last sub question that needs to be answered in order to give a complete and valid answer on the main question was: How do the negotiation processes take place between the municipality and private developer based on the principal-agent theory. For this sub question, an understanding of the position and incentives of the stakeholders must be present. In chapter 4.5, a link between the findings and theory has been made in order to substantiate the findings from a theoretical perspective. From the interviews we can derive the fact that municipalities are the principals and the project developers can be seen as the agents within the theory. The principal-agent theory states that the interests, of the municipality in this case, are against those of the agents, in this case the project developers. The negotiation process emerges from the fact that for project development, permits are needed for project developers. As these permits are provided by the municipality, we saw from the findings that a forced partnership emerges. Within this partnership, both stakeholders may have different incentives as seen within the principal-agent theory. Because of information asymmetry, there must be an alignment of interests between the two stakeholders, as we have seen in chapter 4.5. In the end, a contract is set up aligning the interests of the two stakeholders and reducing the information asymmetry in order for the principal and agent to work together. The negotiation process therefore is significant for the alignment of interests, in this case the cost-recovery and spatial implications. Additionally, the negotiation process tries to reduce the risk for both stakeholders both financially as spatially. The financial risk decreases as prices, building capacity and building program can be negotiated and secured within the contract. Externalities regarding the financial risk can however not be secured as the market changes frequently. The spatial risk has to do with the quality that project developers delivers with project development.

Ultimately, all subquestions have been answered to the extent for which a clear answer can be given for the main research question. *How can the difference in cost recovery between projects within the municipalities of Eindhoven and Heerlen be explained based on the negotiation process of the anterior agreements?*

The key finding that provides an understanding of the differences in cost recovery between the municipalities of Eindhoven and Heerlen, based on the negotiation process of the anterior agreements, is the uniqueness of each project, the incentives of the stakeholders, mutual trust between the stakeholders and the tunnel vision regarding the usable instruments within the anterior agreement. All the data and findings proved that for each development, custom expenses and cost-items are added to the basic cost-list present in the Dutch Spatial Planning Act. The main items for negotiation can therefore be split into three groups (Verbeek, 2023). Firstly, the cost-items mentioned in public law, which are mandatory to be recovered for the municipality. Secondly, the building capacity such as mass and building programme. Because of the variety of possibilities within private contracts, items for negotiation can be altered within the agreement in terms of space, mass, housing type, etc. Thirdly, the factor of legal measures which were mentioned by Verbeek (2023) is an item for negotiation. With legal measures, the spatial possibilities are discussed. As the municipality has the possibility to change and

address the possibilities of a plot, fitting within the environmental plan, it affects the overall cost recovery process. The way legal measures influence the cost recovery process, is via the value of the land contributed to a development for example. When legal changes are made regarding the possibilities on a specific plot, there can be an uplift in land-value, translating into a rise in asset value for the land owners. The legal measures taken at the cost recovery process within anterior agreements, are using the leverage effects of the uplift in land-value in order to recover more costs from the project developer thus internalising and capturing the uplift in value (Verbeek, 2023).

The main difference in cost recovery between projects within the municipalities can therefore be found within the recovery of costs for the items excluded from the basic cost-item list. We have mentioned before that projects within or between municipalities cannot be compared because of their uniqueness. The negotiation process however, shows that comparable factors influencing the cost recovery process are present. Findings presented the significance of incentives which may influence the cost recovery process. The data showed that for the municipality of Eindhoven a model anterior agreement is used, which states that almost all costs need to be covered by the initiator (Gemeente Eindhoven, 2023). The municipality of Heerlen and a respondent from a relevant project developer however, mentioned that certain incentives altered the cost recovery (Anonymous, 2023) (Damoiseaux, 2023). Examples of incentives were the conservation of cultural and historical places within the municipality. The way in which these incentives altered the cost recovery process, is that these incentives are taken into account during the negotiation process, resulting in an altered division of costs. Next to the incentives between stakeholders, are incentives between municipal departments also present (Rademakers, 2023; Stickelbroek-Dictus, 2023). This affects the cost-recovery process in an unilateral way, meaning only affecting the costs of the project developer as municipal costs need to be covered by the developer (Gemeente Eindhoven, 2023).

The negotiation process also includes the matter of starting position before commencing the partnership and negotiations. The starting position can be either based on the division of ownership or based on the demand for development. Findings deriving from the data analysis demonstrated that the division of ownership is of importance when making demands. Because both stakeholders are interdependent, having more ownership of real estate, plots and public space, enables the owner to make more demands from the other stakeholder as an equal division of transaction costs is cherished (Damoiseaux, 2023; Wagner, 2023). The demand for development on the other hand, influences the negotiation process in terms of neediness. As interdependence is present, creating demand for development is putting the opposing stakeholder into a more favourable position as they are able to make the call to either develop (project developer) or authorize (municipalities) (Rademakers, 2023). However, this demand for development from a developer's perspective, may not be cherished by municipalities. According to Rademaker (2023), Wagner (2023), van Stiphout (2023), Verbeek (2023) and Anonymous 2 (2023), the demand that occurs does not always align with municipal policies. Current municipal policies from the municipality of both Eindhoven and Heerlen are focussing on developing more social housing which is unfavourable for project developers because of unprofitable margins (van Stiphout, 2023; Wagner, 2023). This will increase the transaction costs as more negotiations concerning both financial factors as building programme are needed in order to align interests.

Lastly, the findings presented that the presence of expertise within an organization has influence on the negotiation process. Van Hout (2023) and Anonymous (2023) mentioned that project developers do not have overarching expertise regarding the full process of project development. The missing expertise is supplied by the municipalities, which do have overarching information regarding project development (van Hout, 2023). The influence this division of information has on the negotiation process, is the rise of information asymmetry. Information asymmetry leads therefore to higher transaction costs (Hatch, 2018). These transaction costs manifest as labour costs for the municipality, which can be recovered from the project developer as stated in the Dutch Spatial Planning Act (Overheid, 2021). In the end, the cost recovery process is affected by the factor 'expertise'.

From this conclusion, we can state that the difference in cost recovery between projects and within the municipalities of Eindhoven and Heerlen is primarily depending on the uniqueness and custom character of each anterior agreement. The exact items which are recovered within a development are therefore somehow irrelevant as similar developments will likely never happen again. The exact costs which are recovered within the negotiation process however, are influenced by multiple factors such as incentives, ownership, mass, programme and expertise.

5.7 Recommendations and Implications of the Findings for Theory and Practice

Having examined the findings of this research, recommendations can be given in order to stimulate further research and for practise.

Future research

Before continuing to the limitations chapter, some recommendations for further research can be made. These recommendations are therefore based on investigating the research theme on a larger scale and investigating possible relations between concepts.

First of all, as the case-selection is fairly narrow, with only 2 cases compared to each other, a broader scope with more cases can be applied. This can be done in order to see how the cost-recovery process develops outside of the cases relevant in the national vision. As the scope is broadened, different, significant or similar results can be found. This may increase the validity of the research or provide new insights regarding the cost recovery process.

The theoretical framework stated some of the relations which were investigated, using the concepts from the literature review and theoretical framework. After analysing the data and findings, new key factors contributing to the cost recovery process and the negotiation process were found. These key concepts such as secrecy, trust and tunnel vision which are seen as vital characteristics of the anterior agreements, may have significant influences on the cost recovery process which are not known yet. By focussing on the relation between transparency / secrecy, the influence of these key factors can be stated. When executing the research on these factors influencing the cost recovery process on a large scale, a quantitative research can be developed. As Brouwers (2022) mentioned in his research, by quantifying the negotiation process and cost recovery processes the exact extent to which anterior agreements contribute to the hindrance of the financial health of municipalities can be measured. When measurements are available, less subjective conclusions can be made, on which policies, project development and cost recovery processes can be substantiated on.

Furthermore, the findings did mention an importance level for developments for the municipality of Eindhoven. These importance levels determine which developments are put into motion from a municipal perspective (van Hout, 2023). The determination depends on the obliged time-frame in which an evaluation has to be made according to the Dutch Spatial Planning Act. This research did not take a close look at the implications of these levels of importance, which may have a significant impact on the efficiency, quality and management of developments.

A significant excerpt which can be used for further research, was from Damoiseaux (2023), who mentioned that the lack of anterior agreement transparency was fascinating. The respondent of the municipality of Eindhoven however, mentioned the importance of anterior agreements being unintelligible (van Hout, 2023). The dichotomy between the importance of transparency between the municipalities can be seen as an interesting conflict to further investigate. The investigation of this conflict of interests in multiple municipalities may prove the importance or insignificance of secrecy. When transparency is settled to be of importance for the cost recovery and negotiation process, the use of exploitation plans via public law may be evident. On the other hand, does secrecy affect the mutual trust between stakeholders, resulting in an increase of transaction costs, influencing all stakeholders.

Lastly, a prominent recommendation that can be made for theoretical practices, is the misconception of the cost-recovery process itself which is broader than that may seem. This has been proven while conducting the interviews. In the interview with Verbeek (2023) especially, we have noticed not to be talking about the cost-items present within the negotiation processes but mostly about the broader aspects within anterior agreements influencing the cost-items. These broader aspects have to do with factors such as building capacity, building programme and legal possibilities regarding developments.

Verbeek (2023) indicated the importance of these factors as they influence the cost-items significantly as we have seen in previous chapters. As most studies and papers reflect and analyse the cost recovery processes using cost-items and negotiation processes, a recommendation can be made to zoom out and focus on the underlying factors that significantly influence these cost-items.

Practical implications

The first recommendation this research gives to the praxis, is the use of a cost framework. Because of the complexity and uniqueness, a calculation for estimating project development costs and cost recovery cannot be made. By creating a cost framework, also mentioned by van Hout (2023) and by van Stiphout (2023), information asymmetry can be reduced. Furthermore, can the cost framework alert project developers and other significant initiators on the process which they embark. When alerted, demand may rise as transaction costs are reduced. For municipalities such as Heerlen, which acknowledged a decrease in demand, it may be a significant improvement. As cost indicating formats have been put into place (Stickelbroek-Dictus, 2023), it has been proven to improve transparency and trust between stakeholders. The format used in this example, are quotations implemented to state the distribution of costs throughout a development process (Stickelbroek-Dictus, 2023). Similar formats can be implemented in order to clarify processes.

Secondly, as the ownership situation proved to be of importance for the negotiation process, thus cost recovery, municipalities can respond to this. Because this research is focussed on passive land mechanisms, recovering costs from anterior agreements, using active land mechanisms in order to acquire ownership, is out of the question. Knowing this, we can recommend using the ownership of public space as a negotiable factor (Verbeek, 2023). As developments have spatial impacts, such as trash containers as mentioned in the interview with van Hout (2023), municipalities may use these negative externalities. The externalities can be used as a leverage effect in order to recover more costs, resulting in a positive development process. The leverage effect takes place when municipalities offer to accommodate these negative externalities, recovering these costs from project developers, negotiating for better spatial quality.

Furthermore, did most of the respondents indicate a lack of a decisive figure within municipal anterior agreement processes (Stickelbroek-Dictus, 2023; Wagner, 2023; Rademakers, 2023; van Stiphout, 2023). Because of the municipal bureaucratic process when developments need to be analysed and approved, time is not used efficiently as each department is considered equal. The practical implication both private and public parties stated was the appointment of an authoritative person who is assigned to align the interests of the municipal departments in order to rationalize the internal negotiation process.

The final recommendation given concerns the quality and quantity of expertise within municipalities. As the municipal operating costs and costs of external experts (other than as a result of a capacity shortage) can be recovered from the project developer for the municipality of Eindhoven for example (Gemeente Eindhoven, 2023), we recommend hiring expertise until information saturation is met. This should improve the bargaining position of the municipality, which may result in a more effective cost recovery result.

5.8 Reflection

This chapter will reflect upon the validity, reliability and limitations of the research after having conducted the full analysis. The reflection is based on the assumptions and statements made in previous validity and reliability chapters, including a statement of the acknowledged limitations.

Validity and Reliability

In chapter 3.4, the overall validity and reliability of the research have been analysed, resulting in showing that no difficulties were expected. Below, a second analysis, based upon a reflection, will be done in order to showcase if there are indeed no difficulties regarding the validity and reliability of the research.

Reflecting on the validity of the research, we have mentioned that there were multiple forms of validity, which need to be addressed. Firstly, content validity needs to be achieved by specifying the theoretical concepts when operationalising (Vennix, 2019). In order to achieve content validity, knowledge concerning the phenomenon under investigation was gathered. Having collected knowledge in the form of literature reviews, policy review and expert interviews, an analysis of the theoretical concepts in relation to the knowledge / data was done. This ensures the content validity. A second approach in improving the content validity, was performing peer-reviews by fellow master students and supervising professors. These have also been executed in order to achieve content validity.

Secondly, construct validity needs to be achieved by validating significant aspects of how concepts are related to other relevant concepts within a theory (Vennix, 2019). Construct validity has been achieved by providing a conceptual model. Next to providing a conceptual model, relating the concepts from the findings to relevant theories, will also substantiate the relations. Therefore, if analysed correctly, construct validity will substantiate the relation between concepts. In chapter 3.4, external validity was also mentioned as a form of validity. External validity refers to the extent to which results from the research can be applied to other cases or situations, also referred to as generalizability (Streefkerk, 2019). As this research is a comparative case study, looking into the details of the negotiation process of cost-recovery between two municipalities, a direct application is not possible. For the analysis of the negotiation process itself and the analysis of the public-private partnership, results can be applied to other situations or cases. These factors are not, only related to specific cases but can be applied to each case in which anterior agreements are present. The overall validity has been increased by using multiple triangulations. With the use of data triangulation, investigator triangulation, theory triangulation and methodological triangulation, all as mentioned in chapter 3.4, no further difficulties can be found for validity.

The reliability of this research, as mentioned in chapter 3.4, has to do with the consistency within the employed analytical procedures (Noble & Smith, 2015). Noble & Smith (2015) give two criteria for evaluating the reliability of the research. Firstly, the consistency has to be sound. This has been affected by proving the researcher's decision trail throughout the research. Decisions made are based on relevant and significant choices which are transparent and clear. Secondly, neutrality has to be established in order to achieve reliability (Noble & Smith, 2015). This has been achieved by addressing consistency as mentioned before and also, as mentioned before, applicability. Besides consistency and applicability, must the acknowledgement of the complexity of interviews, methods used and intrinsically connected findings to the researcher's position be present (Noble & Smith, 2015). This has been achieved by discussing these factors within the limitations chapter as well as in the methodological chapter. Lastly, to further reduce the researchers influence on the reliability, personal biases are accounted for and respondent validation as well as mentioned in Noble & Smith (2015).

Limitations

The identification and discussion of the limitations and constraints of the research are of importance as it provides understanding of the Master Thesis' shortcomings.

Firstly, the data collection commenced with a case-study selection where two relevant municipalities and relevant project developers were chosen. The case-selection, in relation with the precise targets for respondents, led the way for a valid and reliable data collection. The marked group of respondents were project managers and planning economists from the municipality of Eindhoven and Heerlen. Next to the public servants, project developers were approached in order to get a full view of the negotiation process. Before the interviews were conducted, a pilot was held with van der Krabben (2023) in order to gain information from a scholar regarding the main research question. So far, the scope that the research takes is quite broad. However, having indicated the preferred respondents, getting in contact with these and collecting data, did not elapse smoothly. Having 9 interviews may not ensure data saturation. On the other hand, the respondents were the exact experts needed which could provide me with the data needed for answering the research question. Note that more project developers as interviewees could have given a better picture of the private side of the negotiation process. A factor that could have influenced the data collection process, may be the characteristic of anterior agreements as they are classified and contain sensible content. This may restrain possible respondents of getting in contact and wanting to conduct an interview.

Due to time limitations, more interviews did not take place. As municipalities are eager to participate, organising interviews does not have high levels of importance.

A third potential bias or shortcoming in the data collection, has to do with the qualitative approach of the research. Because of performing interviews, denying potential bias is practically impossible. As certain questions capitalize on the respondents' ideas about certain concepts, bias is present. These biases were used in order to compare how both municipalities and project developer engage the anterior agreements. Again, biases are a threat for the validity of the research to certain extents.

For the coding process, limitations can also be explained as multiple ways of coding have been applied. The use of deductive coding is not regarded as a biased process as codes are derived from significant concepts within theorems. Open coding however, may have some notions of bias as codes are made based on the interpretation of the researcher. This implicates the possibility of bias when the researcher does not take into account the correct operationalisation / description of the codes.

Lastly, as in many qualitative researches, the effects of the key factors influencing the negotiation process of cost recovery cannot be quantified, resulting in the disability of proving its significance. Therefore, the effects between the variables and key factors cannot be presented in detail.

References

- Albert, K. (2020, October 19). *Samenwerking tussen een projectontwikkelaar en de gemeente*. Retrieved July 6, 2023, from Bg.legal advocaten: <https://bg.legal/de-afhankelijkheid-van-de-projectontwikkelaar-van-gemeentelijke-medewerking#:~:text=Vaak%20worden%20de%20afspraken%20tussen%20de%20projectontwikkelaar%20en,gemeente%20gebruik%20zal%20maken%20van%20haar%20publiekrechtelijke%20bevoegdheden>.
- Albin, C., & Druckman, D. (2017). Negotiating Effectively: Justice in International Environmental Negotiations. *Group Decis Negot*, 93-113. doi:<https://doi.org/10.1007/s10726-016-9509-3>
- Andreas, D., Mateo, G., & Thomas, D. (2010). Negotiation theory and the EU: the state of the art. *Journal of European Public Policy*, 17(5), 613-618. Retrieved from https://www.researchgate.net/profile/Andreas-Duer/publication/233173970_Negotiation_theory_and_the_EU_The_state_of_the_art/links/0912f510b770ed2379000000/Negotiation-theory-and-the-EU-The-state-of-the-art.pdf
- Anonymous 2. (2023, July 10). Cost Recovery Process of Anterior Agreements. (T. Heijnen, Interviewer)
- Anonymous. (2023, May 17). Cost Recovery Process of Anterior Agreements. (T. Heijnen, Interviewer)
- ATLAS.ti. (2023). *Why ATLAS.ti*. Retrieved May 25, 2023, from Atlas.ti: <https://atlasti.com/why-atlas-ti>
- BDO Accountants & Adviseurs. (2022, January 18). *BDO*. Retrieved 2023, from BDO.nl: <https://www.bdo.nl/nl-nl/nieuws/2022/bdo-benchmark-nederlandse-gemeenten-2022-tekorten-nemen-af-uitdagingen-worden-groter-ps-bm-gem-lo-22>
- Berrisford, S., Cirolia, L., & Palmer, I. (2018). Land-based financing in sub-Saharan African cities. *Environment and Urbanization*, 35-52. doi:10.1177/0956247817753525
- Bhandari, P. (2022, January 3). *Triangulation in Research: Guide, Types, Examples*. Retrieved from Scribbr: <https://www.scribbr.com/methodology/triangulation/>
- Brouwers, C. (2022). *Financing our urban future*. Radboud University Nijmegen. Nijmegen: Radboud University. Retrieved 2023, from <https://theses.ubn.ru.nl/server/api/core/bitstreams/80e9dfed-1613-4b98-81f5-7586ad47585a/content>
- CBS. (2022, December 19). *Opendata.CBS*. Retrieved from CBS: <https://opendata.cbs.nl/#/CBS/nl/dataset/70072ned/table>
- CFI Team. (2022, December 25). *Asymmetric Information: Unequal, disproportionate, or lopsided information between two parties*. Retrieved June 18, 2023, from Corporate Finance Institute: <https://corporatefinanceinstitute.com/resources/wealth-management/asymmetric-information/>
- Chen, Y., Chau, K., & Yang, L. (2022). How the combined use of non-negotiable and negotiable developer obligations affects land value capture. *Habitat International*, 1-13. doi:10.1016/j.habitatint.2021.102494
- Creswell, J. W., & Poth, C. N. (2018). *Qualitative Inquiry & Research Design* (4 ed.). Sage.

- Cucari, N., Wankowicz, E., & Esposito De Falco, S. (2019). Rural tourism and Albergo Diffuso: A case study for sustainable land-use planning. *Land Use Policy*, 82, 105-119. doi:<https://doi.org/10.1016/j.landusepol.2018.11.050>
- Damoiseaux, K. (2023, May 26). Cost Recovery Process of Anterior Agreements. (T. Heijnen, Interviewer)
- Deloitte. (2021). *Actief grondbeleid en woningbouwproductie*. Amsterdam: Deloitte Financial Advisory B.V. Retrieved from <https://open.overheid.nl/documenten/ronl-830ef6d1-2f0b-4627-a7fe-57dd181d7cfc/pdf>
- Duff, D. (2004). *Benefit Taxes and User Fees in Theory and Practice*. Toronto: University of Toronto Law Journal.
- Fischel, W. A. (2013). *Fiscal Zoning and Economists' Views of the Property Tax*. Cambridge: Lincoln Institute of Land Policy.
- Folker, M. (2011). *Kritieke succes- en faalfactoren voor de voortgang van een ruimtelijk ontwikkelingsproces : Een evaluatie van de ontwikkeling van woningbouwlocaties ten behoeve van KlokOntwikkeling*. Faculty of Social Sciences. Nijmegen: Radboud Universiteit Nijmegen. Retrieved from <https://theses.uibn.ru.nl/server/api/core/bitstreams/50bebc4c-395f-443c-ade9-47298e74e95c/content>
- Gabor, P. (1976). Management Theory and Rational Decision Making. *Management Decision*, 14(5), 274-281. Retrieved from https://www.emerald.com/insight/content/doi/10.1108/eb001112/full/pdf?casa_token=3EvpxvNW__IAAAAA:VWIXuSIRog6xwO_j8q7ra7IRGw1H6JMMm5n96tV9JGE3WrKiEhxnwdUW4C4BiP8Z0JY-zLXXNru2GmvfkRsmqFOG-JfNfvWdBuxqgDe07edRGVJpnxqC
- Gailmard, S. (2014). Accountability and Principal-Agent Models. *Oxford Handbook of Public Accountability*, 1-27. Retrieved from [https://www.law.berkeley.edu/files/csIs/Gailmard_-_Accountability_and_Principal-Agent_Models\(2\).pdf](https://www.law.berkeley.edu/files/csIs/Gailmard_-_Accountability_and_Principal-Agent_Models(2).pdf)
- Gemeente Arnhem. (2021, October 21). *Participatie steeds grotere rol bij plannen in de buurt*. Retrieved July 6, 2023, from Omgevingsweb: <https://www.omgevingsweb.nl/wp-content/uploads/po-assets/596772.pdf>
- Gemeente Eindhoven. (2020). *Integrale visie voor de fysieke leefomgeving van Eindhoven*. Eindhoven: Gemeente Eindhoven. Retrieved from <https://www.eindhoven.nl/sites/default/files/2020-10/boekwerk%20vaststelling%20omgevingsvisie%202020-06%20-%20digi%20toegankelijk.pdf>
- Gemeente Eindhoven. (2023, April 11). Model-Anterieure overeenkomst. Eindhoven, Brabant, Netherlands: Gemeente Eindhoven.
- Gemeente Eindhoven. (2023). *Prestatieafspraken*. Eindhoven: Gemeente Eindhoven. Retrieved from https://www.eindhoven.nl/sites/default/files/2023-02/WEBTX_Prestatieafspraken%20ondertekend%202023-2026.pdf
- Gemeente Heerlen. (2012). *Bestemmingsplan Maankwartier*. Heerlen: BRO.
- Gemeente Heerlen. (2019). *Handboek ruimtelijke plannen*. Heerlen: City Council of Heerlen. Retrieved from <https://www.heerlen.nl/gemeente-heerlen/handboek-ruimtelijke-plannen.pdf>

- Gemeente Heerlen. (2019). *Handboek ruimtelijke plannen*. Heerlen: Gemeente Heerlen. Retrieved from <https://www.heerlen.nl/gemeente-heerlen/handboek-ruimtelijke-plannen.pdf>
- Gemeente Heerlen. (2023). *PRESTATIEAFSPRAKEN HEERLEN JAARSCHIJF 2023*. Heerlen: Gemeente Heerlen. Retrieved from <https://www.bing.com/ck/a?!&&p=c376521a52aca589JmItdHM9MTY5MjkyMTYwMCZpZ3VpZD0wMGNiYjAxYS0zYmJlLTZmNmItMTc3Mi1iZTM4M2E3NjZlNTkmaW5zaWQ9NTE5NQ&ptn=3&hsh=3&fclid=00cbb01a-3bbc-6f6b-1772-be383a766e59&psq=gemeente+heerlen+prestatieafspraken&u=a1aHR0cHM6Ly93d3>
- Harvard Law School. (2023). *Environmental Negotiations*. Retrieved 05 15, 2023, from Program on Negotiation Harvard Law School: <https://www.pon.harvard.edu/tag/environmental-negotiations/>
- Hatch, M. J. (2018). *Organization Theory*. Oxford: Oxford University Press.
- Jamshed, S. (2014). Qualitative research method-interviewing and observation. *Journal of basic and clinical pharmacy*, 87-88. doi:10.4103/0976-0105.141942
- Kok, S., Bisaro, A., de Bel, M., Hinkel, J., & Bouwer, L. (2021, January). The potential of nature-based flood defences to leverage public investment in coastal adaptation: Cases from the Netherlands, Indonesia and Georgia. *Ecological Economics*, 179. doi:10.1016/j.ecolecon.2020.106828
- Lagopoulos, A. (2018). Clarifying Theoretical and Applied Land-Use Planning Concepts. *Urban Science*, 2(17). doi:10.3390/urbansci2010017
- Larsson, G. (1997). Land Readjustment: A Tool for Urban Development. *Habitat*, 21(2), 141-152.
- Lee, C., & Locke, M. (2021, March 15). The effectiveness of passive land value capture mechanisms in funding infrastructure. *Journal of Property Investment & Finance*, 283-293. doi:10.1108/JPIF-07-2020-0084
- Lewicki, R., Barry, B., & Saunders, D. (2016). *Essentials of Negotiation*. New York: McGraw-Hill Education. Retrieved from <http://proz-x.com/stephanlangdon/Academic/Neg/Essentials%20of%20Negotiation%20-%20Roy%20J.%20Lewicki,%20Bruce%20Barry.pdf>
- Malamis, S., Katsou, E., Inglezakis, V., Kershaw, S., Venetis, D., & Folini, S. (2016). Modeling of Land Use. *Environment and Development*, 287-362. doi:<https://doi.org/10.1016/B978-0-444-62733-9.00005-8>
- McGraffin, R., Viruly, F., & Boyle, L. (2021). An investigation into the use of land-based financing to fund infrastructure in South Africa. *Journal of Property Investment & Finance*, 39(3), 183-198. doi:10.1108/JPIF-02-2019-0016
- Ministry of Infrastructure and the Environment. (2013, July 24). *Summary National Policy Strategy for Infrastructure and Spatial Planning*. Retrieved 2023, from Rijksoverheid: <https://www.government.nl/topics/spatial-planning-and-infrastructure/documents/publications/2013/07/24/summary-national-policy-strategy-for-infrastructure-and-spatial-planning>
- Ministry of the Interior and Kingdom Relations. (2023, August 18). *Omgevingswet*. Retrieved August 26, 2023, from Rijksoverheid.nl: <https://www.rijksoverheid.nl/onderwerpen/omgevingswet>

- Muñoz Gielen, D. (2019). Public Infrastructure, Private Finance. In D. Muñoz Gielen, & E. van der Krabben, *Public Infrastructure, Private Finance* (pp. 91-99). London: Routledge.
- Muñoz Gielen, D. (2022, September 28). The role of developer obligations in achieving sustainable and inclusive cities. *Land and Real Estate Markets*. Nijmegen, Gelderland, Netherlands: Radboud Universiteit Nijmegen. Retrieved from <https://brightspace.ru.nl/d2l/le/content/354908/viewContent/1901632/View>
- Muñoz-Gielen, D. (2021, September 15). Grondbeleid in Nederland: Ontwikkelingsmodellen, soorten grondbeleid. *Gebiedsontwikkeling*. Nijmegen, Gelderland, Netherlands: Radboud University Nijmegen. Retrieved June 14, 14
- Muñoz-Gielen, D. (2022, September 28). The role of developer obligations in achieving sustainable and inclusive cities. *Land and Real Estate Markets*. Nijmegen, Gelderland, Netherlands: Radboud Universiteit Nijmegen. Retrieved from <https://brightspace.ru.nl/d2l/le/content/354908/viewContent/1901632/View>
- Mwita, K. (2022). Factors influencing data saturation in qualitative studies. *International Journal of Research in Business and Social Science*, 2147-4478. doi:10.20525/ijrbs.v11i4.1776
- Najjar, R. (2018). *Planning, Power, and Politics (3P): Critical Review of the Hidden Role of Spatial Planning in Conflict Areas*. IntechOpen. doi:10.5772/intechopen.78779
- Nijmeijer, T. (2022, December 6). Bouwen en omgevingsvergunningen. *In-depth Study of Law and Institution*. Nijmegen, Gelderland, Netherlands: Radboud Universiteit Nijmegen.
- Nijmeijer, T. (2022, December 12). Verhaal van grondexploitatiekosten. *Verhaal van grondexploitatiekosten*. Nijmegen, Gelderland, Netherlands: Radboud Universiteit Nijmegen.
- Noble, H., & Smith, J. (2015). Issues of validity and reliability in qualitative research. *Evidence-Based Nursing*, 34-35. Retrieved from <https://eprints.hud.ac.uk/id/eprint/23995/1/SmithIssues.pdf>
- OECD. (2017). *The governance of land use in the Netherlands: The case of Amsterdam*. Paris: OECD Publishing,. Retrieved from <https://www.google.com/url?client=internal-element-cse&cx=012432601748511391518:xzeadub0b0a&q=https://www.oecd.org/regional/regional-development/Amsterdam-Policy-Highlights-EN.pdf&sa=U&ved=2ahUKEwih0s78gu39AhWuiPOHHXspCI0QFnoECAgQAQ&usg=AOvVaw0qA3AOvFuRJ-T>
- OECD. (2020). *Towards Sustainable Land Use: Aligning Biodiversity, Climate and Food Policies*. Paris: OECD Publishing. doi:<https://doi-org.ru.idm.oclc.org/10.1787/3809b6a1-en>
- OECD. (2021). *Purpose and use of the guidance: Better criteria, better evaluation*. Paris: OECD Publishing. doi:<https://doi.org/10.1787/aa111fda-en>.
- OECD/Lincoln Institute of Land Policy, PKU-Lincoln Institute Center. (2022). *Global Compendium of Land Value Capture Policies*,. Paris: OECD Publishing. doi:10.1787/4f9559ee-en.
- Overheid. (2021, July 1). *Wet ruimtelijke ordening*. Retrieved June 20, 2023, from Overheid: <https://wetten.overheid.nl/jci1.3:c:BWBR0020449&hoofdstuk=6&afdeling=6.4&artikel=6.17&z=2021-07-01&g=2021-07-01>
- Overheid. (2022, 05 01). *Bekendmakingswet*. Retrieved 05 24, 2023, from Overheid: <https://wetten.overheid.nl/BWBR0004287/2022-05-01/0#Artikel2>

- Owens, S., & Cowell, R. (1994). Lost land and limits to growth: Conceptual problems for sustainable land use change. *Land Use Policy*, 11(3), 168-180. doi:[https://doi.org/10.1016/0264-8377\(94\)90020-5](https://doi.org/10.1016/0264-8377(94)90020-5)
- Oxford Languages. (2023, 03 09). *Google*. Retrieved from Google: https://www.google.com/search?q=definition+of+importance&rlz=1C1SQJL_nINL782NL782&oq=definition+of+importance&aqs=chrome..69i57j33i160l2.3927j1j15&sourceid=chrome&ie=UTF-8
- Peterson, G. E. (2009). *Unlocking Land Values to Finance Urban Infrastructure*. Washington DC: The International Bank for Reconstruction and Development . doi: 10.1596/978-0-8213-7709-3
- Pogodzinski, J. M. (1991). The Effects of Fiscal and Exclusionary Zoning on Household Location. *Journal of Housing Research*, 2(2), 145-160. Retrieved from <https://www.jstor.org/stable/24825922>
- Porter, R. C. (1988). Environmental negotiation: Its potential and its economic efficiency. *Journal of Environmental Economics and Management*, 15(2), 129-142. doi:[https://doi.org/10.1016/0095-0696\(88\)90013-7](https://doi.org/10.1016/0095-0696(88)90013-7)
- Pricon. (2022). *Onderzoek E-mailgedragslijn bij gemeenten*. Emmen: Pricon. Retrieved 05 16, 2023, from <https://www.pricon.nl/onderzoek-emailgedragslijn-gemeenten/>
- Raad voor de leefomgeving en infrastructuur. (2017). *GROND VOOR GEBIEDSONTWIKKELING: INSTRUMENTEN VOOR GRONDBELEID IN EEN ENERGIEKE SAMENLEVING*. Den Haag: Raad voor de leefomgeving en infrastructuur. Retrieved from https://www.rli.nl/sites/default/files/advies_grond_voor_gebiedsontwikkeling_def.pdf
- Rademakers, J. (2023, July 24). Cost Recovery Process of Anterior Agreements. (T. Heijnen, Interviewer)
- Reig, M., Gasco-Hernandez, M., & Esteve, M. (2021). *Internal and External Transparency in Public-Private Partnerships*. Barcelona: Sustainability. doi:10.3390/su13041777
- Rijksdienst voor het Cultureel Erfgoed. (n.d.). *Striip-S culturele hart van Brainport Eindhoven*. Retrieved June 21, 2023, from Overzicht praktijkvoorbeelden cultureel erfgoed: <https://www.cultureelerfgoed.nl/onderwerpen/praktijkvoorbeelden/overzicht-praktijkvoorbeelden/striip-s-wordt-culturele-hart-van-brainport-eindhoven>
- Rijksoverheid. (2012). *Structuurvisie Infrastructuur en Ruimte (SVIR)*. Rijksoverheid. Retrieved from <https://open.overheid.nl/documenten/ronl-archief-b78e7eec-caf3-437e-9b0e-2ed34836effc/pdf>
- Rijksoverheid. (2020). *Beleid ruimtelijke ordening*. Den Haag: Rijksoverheid. Retrieved from <https://www.rijksoverheid.nl/onderwerpen/ruimtelijke-ordening-en-gebiedsontwikkeling/beleid-ruimtelijke-ordening>
- Rijksoverheid. (2022). *Omzien naar elkaar, vooruitkijken naar de toekomst*. Den Haag: Rijksoverheid. Retrieved July 5, 2023, from <https://open.overheid.nl/repository/ronl-f3cb0d9c-878b-4608-9f6a-8a2f6e24a410/1/pdf/coalitieakkoord-2021-2025.pdf>
- Rijksoverheid. (2022). *Onroerende zaken en het bieden van gelijke kansen*. Ministerie van Binnenlandse Zaken en Koninkrijksrelaties. Den Haag: Rijksoverheid. Retrieved from <https://www.volkshuisvestingnederland.nl/binaries/volkshuisvestingnederland/documenten/>

brieven/2022/07/05/getekende-brief-brief-aan-gemeenten-tav-onroerende-zaken-en-het-bieden-van-gelijke-kansen/Getekende+brief+aan+gemeenten+over+onroerende+zaken+en+het+

Rijksoverheid. (2022). *Programma NOVEX*. Ministry of the Interior and Kingdom Relations. Den Haag: Rijksoverheid. Retrieved August 26, 2023, from <https://open.overheid.nl/repository/rnl-4f4cc9e4ca36babcb05a661dc5859b723d24a3d2/1/pdf/programma-novex.pdf>

Rijksoverheid. (2023, April 19). *Wet algemene bepalingen omgevingsrecht*. Retrieved June 18, 2023, from Overheid: <https://wetten.overheid.nl/BWBR0024779/2023-04-19>

Rijksuniversiteit Groningen. (2021, August 06). *Rug.nl*. Retrieved 2023, from Rijksuniversiteit Groningen: <https://www.rug.nl/society-business/science-shops/taal-cultuur-en-communicatie/projecten/3-publicaties-en-rapporten/evaluating-societal-relevance-of-research?lang=en#:~:text=A%20main%20characteristic%20of%20the,to%20solve%20problems%20it%20faces.>

Rocco, T., & Plakhotnik, M. (2009). Literature Reviews, Conceptual Frameworks, and Theoretical Frameworks. *Human Resource Development Review*, 120-130.

Shahab, S., Hartmann, T., & Jonkman, A. (2020). Strategies of municipal land policies: housing development in Germany, Belgium, and Netherlands. *European Planning Studies*, 29(6), 1132-1150. doi:10.1080/09654313.2020.1817867

Spit, T., & Hartmann, T. (2015). Dilemmas of involvement in land management - Comparing an active (Dutch) and a passive (german) approach. *Land Use Policy*, 42,, pp. 729-737.

Stickelbroek-Dictus, M. (2023, July 25). Cost Recovery Process of Anterior Agreements. (T. Heijnen, Interviewer)

Streefkerk, R. (2019, May 15). *Internal vs. External Validity: Understanding Differences & Threats*. Retrieved from Scribbr: <https://www.scribbr.com/methodology/internal-vs-external-validity/#:~:text=Internal%20validity%20refers%20to%20the,situations%2C%20groups%2C%20or%20events.>

Striip-S. (2023). *Striip-S History*. Retrieved from Striip-S: <https://striip-s.nl/en/history/>

Tellis, W. (1997). Application of a Case Study Methodology. *The Qualitative Report*, 1-19.

United Nations. (2019). *LAND READJUSTMENT IN THE REPUBLIC OF KOREA: A CASE STUDY FOR LEARNING LESSONS*. Nairobi: United Nations Human Settlements Programme.

United Nations Human Settlements Programme. (2016). *LEVERAGING LAND: LAND-BASED FINANCE FOR LOCAL GOVERNMENTS*. Nairobi: Global Land Tool Network. Retrieved from <https://unhabitat.org/sites/default/files/download-manager-files/Leveraging%20Land%20for%20LBF%20%20Trainers%20Guide.pdf>

van der Krabben, E. (2022, September 7). Land and Real Estate Markets: Smart Governance, Finance and Business Models. Nijmegen, Gelderland, Netherlands. Retrieved 2023, from <https://brightspace.ru.nl/d2l/le/content/354908/viewContent/1862587/View>

van der Krabben, E. (2023, April 3). Understanding land-based finance. (T. Heijnen, Interviewer)

van Hout, M. (2023, June 1). Cost Recovery Process of Anterior Agreements. (T. Heijnen, Interviewer)

Van Stiphout, H. (2023, June 26). Cost Recovery Process of Anterior Agreements. (T. Heijnen, Interviewer)

Vennix, J. (2019). *Research Methodology*. Pearson.

Verbeek, T. (2023, July 13). Cost Recovery Process of Anterior Agreements. (T. Heijnen, Interviewer)

Wagner, R. (2023, July 7). Cost Recovery Process of Anterior Agreements. (T. Heijnen, Interviewer)

Weimert, B., & Zweck, A. (2022). *Standards of Futures Research*. Wiesbaden: Springer.
doi:10.1007/978-3-658-35806-8_12

Yin, R. K. (2009). *Case Study Research: Design and Methods* (4 ed.). California: SAGE.

Chapter 6: Appendices

6.1 Interview guide

Introductory script:	
<i>Interviewee introduction</i>	<ul style="list-style-type: none"> - Please introduce yourself, your function and daily practice. - Relevant projects
<i>Land-based finance</i>	<ul style="list-style-type: none"> - Guide us through the process of project development, from initial plan to concrete development. - What main reason can be found for municipalities to use anterior agreements instead of exploitation plans? - What instruments from the cost recovery (kostenverhaal) according to Artikel 6.12 lid 2a Wro which refers to the list in Artikel 6.13 lid 1, are mentioned within the negotiation process. - Is there a standard list that is being used for the cost recovery or is this list drafted with both parties. Which cost-items are added to this list if this list is present? - Which cost-items are most negotiated about?
<i>Negotiation Process</i>	<ul style="list-style-type: none"> - How can, if present, the public-private partnership between municipality and private developer be described. - How, if present, is the conflict of interest between municipality and project developer addressed from your point of view. - What attitude does the municipality take with regard to project management? (Directing role, supporting role, accompanying) - Why do municipalities not make the negotiation process between developers and themselves transparent?
<i>Conclusion</i>	<ul style="list-style-type: none"> - What view does the interviewee have on the transparency of anterior agreements

	<p>between municipalities.</p> <ul style="list-style-type: none"> - What possible implementations could be taken to make the bargaining position of municipalities better? - Which implementations can be put into praxis in order to get a better view of the possible cost recovery items? - Closing remarks? - Questions - Addressing disclosure of interviewee if wanted. - Asking if results would like to be shared. - Asking for further contact information if needed.
--	---

6.2 Codebook

<i>Code</i>	<i>Definition</i>	<i>Purpose / meaning of code</i>
Agency problem	A conflict of interests between the principal and agent, where agents don't fully represent the best interests of principals.	Identify excerpts where a conflict of interests is present.
Active mechanism	Municipalities acquiring agricultural land and develop this land before reselling it to developers, businesses, or individuals.	Identifying processes in which this mechanism has been used.
Agent	A person who acts on behalf of another person or group.	Identifying stakeholders who act as an agent within the specific case.
Anterior agreements	Agreement between two or more stakeholders regarding the cost recovery and other spatial implications before initiating the development.	Identifying mechanisms in which the use of anterior agreements is present.
Bargaining position	Position of a person, group, or organization in a negotiation, with respect to their ability to achieve a deal which is favourable to themselves.	Identifying factors influencing the bargaining position.
Capacity	Ability to contain or deal with something	Identifying factors influencing the capacity of stakeholders.
Commercial	Making or intended to make a profit	Identifying characteristics of stakeholders in making profits.

Complexity	The state or quality of being intricate or complicated	Identifying the characteristic of processes in being complicated.
Communication	the imparting or exchanging of information by speaking, writing, or using some other medium	Identifying communication processes between stakeholders regarding the negotiation process.
Compromise	An agreement or settlement of a dispute that is reached by each side making concessions	Identifying concessions being made by a stakeholder(s).
Contracts	A written or spoken agreement, that is intended to be enforceable by law.	Identifying the use of a contract.
Conflict	An active disagreement	Identifying opposing incentives, ideas or opinions.
Control	The power to influence or direct people's behaviour or the course of events	Identifying stakeholders' ability to influence processes.
Cost Item	An item of expenditure that needs to be covered within an anterior agreement.	Identifying which cost items are present within an anterior agreement.
Cost recovery	Recouping the cost of any expense.	Identifying aspects of the negotiation process in which cost recovery occurs.
Custom	Made or done to order; custom-made.	Characteristic of cost-recovery process and cost-items.
Decision-making process	The process of making choices by identifying a decision, gathering information, and assessing alternative resolutions.	Identifying the process of decision-making.
Developer obligations	Financial contributions sought from a developer to mitigate the impact of their development on the community.	Identifying the use of developer obligations within spatial planning and within the negotiation process.
Development	A business process, encompassing activities that range from the purchase of land to the renovation and re-lease of real estate.	Identifying spaces in need of development or under development.
Development rights	Unused rights that allow developers to make changes to their property within the limitations imposed by state or local law.	Identification of the release of development rights from a municipality to a project developer.
Distributive justification	Socially just allocation of resources, goods, opportunity in a society	Identification of just or unjust distribution of ownership, resources or rights.
Duality problem	Difficulties that arise when someone has two or more functions	Identifying where duality problems arise and if there are duality problems

	in which one has to look after opposing interests.	present within current processes.
Dynamic structure	The behaviour of a structure subjected to dynamic (actions having high acceleration) loading.	Identifying the dynamicity of municipal structures such as project groups.
Exploitation plan	A plan that allows municipalities to keep a grip on construction initiatives when the municipality does not own the land itself, in which specific allocation of costs and space are settled.	Identification of the use of exploitation plans or characteristics of exploitation plans.
Efficiency	An action designed to achieve efficiency	Identification of how processes may elapse better in a more efficient way. Identification of possible cost reductions.
Ethics	Moral principles that govern a person's behaviour or the conducting of an activity.	Identification of how ethics may influence the cost recovery process or negotiation process.
Facilitating	Position of a stakeholder in order to make something easier or more likely to happen.	Identify the municipal or developers' position regarding facilitation project development.
Fairness	Impartial and just treatment or behaviour without favouritism or discrimination.	Identify which costs need to be recovered in order to gain a fair distribution of costs between stakeholders.
Financing	Provide funding for project development.	Identifying acts of providing funding or covering costs in order to achieve effective project development.
Forced	Obtained or imposed by coercion; Involuntary.	Identification of being forced into a certain position within a partnership.
Frame	The formulation of concepts / items.	Identification of frames being present in cost recovery processes in order to summarize or calculate costs.
Honesty	The quality of being honest.	Identifying acts of being honest in order to improve the transparency and reduce information asymmetry.
Ignorance	lack of knowledge or information.	Identifying moments in which stakeholders do not have the wright information or have a lack of

		information regarding project development.
Incentives	Something that motivates or encourages someone to do something.	Identifying incentives of stakeholders for participating in project development; Identifying reasons for covering certain costs.
Information asymmetry	An imbalance between two negotiating parties in their knowledge of relevant factors and details.	Identifying the imbalance of the presence of information between municipalities and project developers and its influence.
Instruments	A tool used in spatial planning in order to implement change.	Identification of the spatial planning tools used within the anterior agreements.
Interdependent	Depending on one another.	Identifying the dependence of one actor to another actor regarding developments or partnerships.
Invoke	Cite or appeal to (someone or something) as an authority for an action or in support of an argument.	Identification of the use of invokes during the project development process.
Land-based finance	An approach that enables local governments to generate revenues for or recover costs of infrastructure investments by recovering increases in land values that are the result of public investment and administrative or regulatory actions.	Identification of the use of land-based finance approaches in order to recover municipal costs.
Land value capture instruments	A policy approach that enables communities to recover and reinvest land value increases that result from public investment and government actions using instruments given by law.	Identification of the use of land value capture instruments in order to recover municipal costs.
Land-use plan	The tools available to use in land-use plans which can are used for project development.	Identification of the use of instruments within land-use plans.
Leverage effects	The power that one side of a negotiation has to influence the other side to move closer to their negotiating position.	The identification of the use of leverage effects in order to influence the eventual outcome of the cost recovery process.
Management	The process of dealing with or controlling things or people.	Identifying the act or process of managing others in order to achieve a satisfying partnership.
Market conformity	If the amount that is paid is approximately equal to the	Identifying if market conformity is a reason for

	amounts of other providers or transactions.	acting differently in negotiation processes.
Municipality	A town or district that has local government.	Identifying which concepts entail with the municipality.
Need	Expressing necessity or obligation.	Identifying the factor of need from one stakeholder in order to get the cherished outcome.
Negotiation	Discussion aimed at reaching an agreement.	Identification of the procedure of a negotiation between the stakeholders regarding multiple factors concerning project development.
Ownership	The state, relation, or fact of being an owner	Identification of ownership of space, real estate or development rights.
Passive mechanism	A supply-driven approach to land development where the government offers building land to the land market and developers but does not actively implement such projects.	Identify where passive mechanisms have been implemented by the municipalities.
Permit	An official document giving someone authorization to do something	Identification of granting permits or the identification of the use of a permit.
placemaking	A collaborative process by which we can shape our public realm in order to maximize shared value.	Identification of the use of placemaking, in which the incentives are present to shape a public place.
Policy	A course or principle of action adopted or proposed by an organization or individual	Identification of ideas and principles of action that influence the cost-recovery process.
Political incentives	Motivations or encouragements from a certain political view.	Identification of which political incentives are present when making policies or when taking on a certain negotiation position.
Position	A person's point of view or attitude towards something	Identification of stakeholder's attitude towards certain factors regarding the negotiation process.
Power dynamics	The way different people or different groups of people interact with each other and where one of these sides may be more powerful than the other one.	The identification of how power relations are settled between stakeholders involved in an anterior agreement negotiation process.

Power imbalance	When there are asymmetrical relations of power among persons, institutions or states.	The identification of differences in power relations.
Principal	A person for whom another acts as an agent or representative; Someone who delegates and lends its resources in order to achieve a goal.	Identification of which stakeholder is the principal in the negotiation process between stakeholders.
Procedural justification	The idea of fairness in the processes that resolve disputes and allocate resources.	Identification of factors influencing the procedural justification during the negotiation process.
Project developer	A professional who manages the operations of a project by conducting research and creating plans that best suit the needs of the project.	Identification of the stakeholders who are concerned with the project development and who are the actual project developers.
Propositions	Something suggested for discussion and thought.	Identification of propositions given by stakeholders, influencing the cost recovery process.
Public amenities	Amenities that are available to everyone in the area.	Identification of how public amenities influence the cost-items and eventual cost recovery.
Public-private partnership	Collaboration between a government agency and a private-sector company that can be used to finance, build, and operate projects.	Identification of public-private partnerships present within the data.
Quality	The standard of something as measured against other things of a similar kind; the degree of excellence of something	Identification of a characteristic wanted for project development from a municipal viewpoint.
Rationale	A set of reasons or a logical basis for a course of action or belief.	Identification of rationales of stakeholders to make a certain decision.
Risk	Exposing (someone or something valued) to danger, harm, or loss	Identification of how risk affects decision-making and the cost recovery process for the relevant stakeholders.
Risk aversion	The tendency of people to prefer outcomes with low uncertainty to those outcomes with high uncertainty, even if the average outcome of the latter is equal to or higher in monetary value than the more certain outcome.	The identification how risk aversion affects the negotiation process; The way in which risk aversion affects the eventual cost recovery.
Risk insurance	Product that protects against potential losses or damages	Identification of products or actions that may protect a

	resulting from specific risks or events.	stakeholder against financial risks.
Spatial planning	The coordination of practices and policies affecting spatial organization.	Identification of how spatial planning is evaluated within the negotiation process.
Stakeholders	a person with an interest or concern in project development	Identification of the relevant stakeholder within the dataset.
Static structure	The lack of action or change from the arrangement of and relations between parts of public bodies.	Identification of the municipal mechanism regarding taking on development projects and the operations arrangement.
Subjective	Influenced by or based on personal beliefs or feelings, rather than based on facts.	Identification of using subjectivity when evaluating results or a process within a development.
Substantiation	Provision of evidence to support or prove the truth of.	Identification of substantiations given for certain decisions or policies.
Sustainability	Capacity to endure in a relatively ongoing way across various domains of life.	Identification of the characteristic sustainability for cost recovery processes and the financial health of stakeholders.
Time waste	Spend time doing something that is unnecessary or does not produce any benefit.	Identification of processes that entail time waste.
Transaction costs	Any expense incurred when conducting an economic transaction.	Identification of occurring transaction costs during the negotiation process.
Transparency	The quality of being easy to perceive or detect.	Identification of the use and willingness of transparency in anterior agreements.
Trust	to rely upon or place confidence in someone or something.	Identifying the lack or need of trust between two stakeholders regarding a result or process within a development.