Land development and management in post-socialist countries
[Track no 6]

Towards comprehensive and integrated land management practices in Albania. How can the new paradigmatic shift in land use planning and growth management foster a positive impact on local finances and the tax base? The case of Municipality of Tirana.

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Abstract: This research draws upon the array of changes that have occurred in the spatial planning system in Albania over the last decade, and examines possible impacts at local level, namely on the financial situation of local governments. The research is conducted in two inter-relational directions: firstly, it tackles the possible impact of land use changes and tools that determine the change patterns, on taxation and local budgets; and secondly, it analyses the strategies used to address urban growth, through development indicators, principles, etc. and assesses their possible influence on the tax base. These aspects are analyzed for the municipality of Tirana, which has the highest development rate and financial growth in the country; and are anchored to the current planning document in place: the General Local Territorial Plan (GLTP) of Tirana, for the period 2016-2030. The research contributes to the overall discussion on the relevance of local planning instruments, with respect to improving the tax base, the fiscal autonomy of local governances, the provision of services, the urban growth in terms of sprawl or densification, and the prioritization of investment projects. Methodologically, the research is based both on desk review of land use planning theories; current planning legislation and documents in Albania, and local finance studies; as well as sample studies of specific spatial typologies in the city of Tirana, and their development scenarios in relation to the proposed land use changes and development indicators, in terms of tax revenues. This research, albeit not exhaustive, draws conclusions on the real potential of using land development instruments to induce growth in local financial capacities, both through property tax, and other taxes that are related to land and property.

Keywords: land use change; local finances; growth management; land development indicators

1. Introduction

The majority of the world's population now lives in urban areas and depends on urban systems for housing, job opportunities, health services and all typologies of social and economic activities. Particularly in developing countries, the size of urban areas will continuously increase as cities daily blossom and expand to accommodate the new comers/residents.

In an effort to contribute to successful urban policies (both in terms of growth and investment capability), this research explores how plans, policies and development normative affect planning systems to their core: the fiscal local autonomy, in order to support the upcoming challenges of urban growth.

THE LAND BENEATH OUR CITIES - AND ALL POLICIES THAT REGULATE IT - SHAPE THE CHARACTER OF HUMAN SETTLEMENTS. THIS IS A CRITICAL AWARENESS FOR A RAPIDLY URBANIZING PLANET. LAND IS, QUITE LITERALLY, FOUNDATIONAL TO THE DEVELOPMENT OF PRODUCTIVE, SUSTAINABLE, AND EQUITABLE CITIES.

(Moody, et al,2014)

2. Context overview

This chapter introduces the main pillars of the research work in a theoretical and legislative point of view. Firstly, an overview of the main challenges faced in Albania in the last decades is presented, which highlights the main reforms that are still under way, and their impact on territorial governance, especially at local level.

Secondly, it sets the context on the relationship between land-use changes and the fiscal situation of local government units, underlining the possibility to use land-use zoning as a tool to make effective investment plans in the territory. Thirdly, it draws some conclusions on the strategies used to address urban growth in different contexts, and the way they are implemented in the Albanian legislation after the planning reform.

2.1 Albania - filling the gaps towards a comprehensive integrated approach to planning

The planning concept in Albania has changed drastically in the recent years, with a paradigmatic shift from an 'urbanist' approach in city planning, to a more comprehensive and integrated style[1]. (European Commision, 1997). This constitutes an emergent need to also change the mentality of perceiving the city as a rigid division of forms and functions, as was the case in the "central planning period 1950-1990". (Toto, 2012) The idea of *building complexes* and *building blocks* functioning as compositional parts of one-another, in hierarchical way, albeit theoretically very stimulating, has long been outdated in the urban realities Albanian cities (and not only)

[1] This is referenced to the classification of the Planning Systems in Europe in 4 main traditions in accordance to the political and legislative context: (1) Land use / (2) Urbanist / (3) Regional Economic Development / (4) Comprehensive Integrated Approach). For the purpose of this comparison, the other dimension: (5) South East Europe, where Albania would fall under, is not taken into consideration. For more information see: European Commision, 1997. *The EU compendium of spatial planning systems.* Luxembourg: Office for Official Publications of the European Communities.

are facing today. Urban areas are multifunctional. They are also, in most cases, built realities, where property issues need to be met in urgency, before taking action on idealistic planning instruments. Furthermore, the change in planning systems in Albania has been introduced in parallel to several political processes, such as: the Decentralization process; the territorial administrative reform, and the ongoing Europeanization process[2]. The issue gets more complex, when the challenge of territorial governance is accompanied by the overwhelming issue of poor local capacities, both, in human resources, and financial aspects. Indeed, it comes as no surprise that the urban context in Albania is hampered in an irreversible way, and the fact that the planning system and the instruments are changing quickly and continuously makes it almost impossible to observe and benchmark real results from the reform in the territory. (Co-PLAN, NTPA, USAID, 2015)

The General Local Territorial Plan (GLTP) is the main instrument of local planning to date, which defines the framework policies for territorial planning, as well as all proposed interventions, development scenarios, and investments for the next 15 years. The implemented zoning principle is very similar to the form-based codification system, used in the US[3]: the territory is divided into the so-called *structural units*, which are supposed to be manageable areas in terms of land development, divided upon given criteria. In other words, structural units are the smallest scale where the standards and land development norms are set and applied, serving thusly as a basic unit of planning and development. (Dhrami, 2018)

[2] In 2014, a newly elected Albanian Government defined the decentralization reform as main priorities. A territorial Administrative Reform was implemented, resulting in the amalgamation of 373 municipalities and communes (urban and rural local self-government units) into 61 consolidated municipalities. This was followed by the preparation of a new Decentralization Strategy, aiming to give more power and autonomy to local self-government units in Albania, and the preparation of a Law on Local Finances, which should address further the fiscal decentralization for Local Government Units.

[3] Form-based codes are a land management instrument used in the USA that falls into the category of zoning, but also differs considerably from conventional zoning. This coding system divides the territory into different districts based on the character and intensity of land development, as well as the desired urban form. (Marshall, 2011)

Figure 1. Example of division of territories into structural units- Municipality of Fier (on the left- the whole municipal territory ; on the right, excerpt from the center)

Source: Municipality of Fier, Co-PLAN, 2015

Moreover, this planning reform also created the opportunity to expand the concept of public-private partnerships to land development, by promoting area-based development instead of rigid, profit oriented plot based development. (Allkja & Toto, 2018) Law no. 107/2014 introduced the General Local Detailed Plan as a planning instrument, bringing together 4 typologies of stakeholders (developers, landowners, the municipality, and citizens) in the development process, through the implementation of several financial instruments[4].

In terms of development indicators, the following table summarizes the requirements on national level, to be determined for each structural unit.

Table 1. Development indicators to be defines at the level of structural units

Development indicators	Definition	Comments
Code	[Municipality_System code_Land Use Subcategory code_No.] This is a unique code for each unit	

[4] The instruments include, but are not limited to: Transfer of Development Rights, Land Readjustment, Betterment Fees, Bonus FAR, etc.

Area	ha	
Number of inhabitants	No. of inhabitants expected to be accomodated in the unit, as regards to te carrying capacity	There is no indicated way to calculate the carrying capacity based on the typology of the structural unit and the proposed development indicators
Population density	inhabitants/ha	
Territorial system	In accordance with article 72 of DCM 686 Each structural unit should be part of one territorial system	The categories of territorial systems are: urban, infrastructural, agricultural, natural, water.This makes it impossible to have a structural unit with 2 land uses that are not part of the same system, making the zoning process more rigid (f.e. the case of adjacent agricultural and urban plots)
Land Use Category (percentage of each)	In accordance with article 77 of DCM 686 Each of them is defined according to the percentage occupied in coverage area or in built area.	The categories of land use are pre-defined into 22 main ones, followed by subcategories and functions. Among the main categories, 2 mixed ones can be found: agriculture-residential; and residential - service. Both are interpreted vaguely and overlap with the idea of distinguishing between percentages of uses in one structural unit.
Other allowed land uses	In accordance with article 77 of DCM 686, all other allowed uses should be listed	This takes into consideration land use changes that can occurr during the implementation period, that do not impact the typology of the area in a thorough way, or land uses that are not covering significant percentage of the total area. Hence, the total percentage of proposed land uses does not always total to 100%
Prohibited land uses	In accordance with article 77 of DCM 686, all prohibited land uses or activities should be listed	
Conditioned land uses	In accordance with article 77 of DCM 686	
Land Use Subcategories	In accordance with article 76 of DCM 686	All subcategories and functions are listed in a detailed way in the Planning Regulation. The development indicators are defined on the basis of main categories of land use, so the subcategories and functions are more suggested, rather than obligatory
Functions	In accordance with article 77 of DCM 686	
Floor area ratio	Total built area / Total buildable plot area for each category of land use (maximum value)	This definition of FAR for each land use makes the process rigid, since it relies on the idea that an exact estimation of each land use area / percentage can be defined. This is not always the case, thus the FAR is usually defined at unit level, even though the regulation states otherwise. This indicator is calculated at plot level or area level, depending on whether the unit is subject to DLP or not.

Plot Coverage Ratio	Total ground floor area/ Total buildable plot area (in percentage), for each category of land use (maximum value)	Same as FAR.
Road Coverage Ratio	Total road area / Total unit area (minimum value)	This indicator is calculated at unit level, and it is perceived as indicative, since it is not always possible to know the exact network of proposed street area. Especially when the unit is not subjected to an DLP, this indicator is very difficult to implement.
Public Plot Coverage Ratio	Total public plot / Total unit area (minimum value)	The definition of public plot takes into consideration all properties that are of public nature, from public gardens to state-owned facilities. Hence, the indicator is not a fair measure of livability, but more of division of public and private rights.
Height	both, in meters and number of floors	
Minimum plot size		There is no national law defining minimum plot sizes for different typologies of buildings. This is the only element in the local planning documents that regulates subdivision.
Distance indicators	According to the Territorial Development Regulation (DCM 408, dated 13.05.2015)	The regulation has changed the distance norm many times in the last decade. It defines three parameters: distance from building to building, distance from plot boundaries, and distance from the road. This is one of the most defining factors of plot-based development
Green areas/inhabitant	m2/inhabitant for units belonging to the urban system	The standard for green areas used to be defined at national level (9m2/inh for all types of greenery, and 2.5m2/inh for zone level), but it was recently removed from DCM 686 with all other planning standards. It is responsibility of the local authorities now to define the minimum green areas per person
No. of parking spaces	no/inhabitant	Ths standard for parking used to be defined at national level (6 m2/inh) but was removed.
Proposed intervention	densification, regeneration, redevelopment, consolidation, conservation, urbanisation, etc.	Categories of intervention are defined more thoroughly by the local level. In theory this indicator should be the basis of all decisions on FAR, Coverage ratio, DLP, etc.
Spatial typology	to be defined only for the units belonging to the urban system	Categories of spatial typology are to be defined al local level. In theory this indicates many spatial characteristics of the unit, such as FAR, plot size, etc. Nevertheless, in practice the typologies are so mixed, that this serves as an indicative measure

Detailed local plan	According to article 68 of DCM 686, all units that are subject to development or redevelopment; major regeneration; major change of land use and development indicators; major public investments should be designed through a Detailed Local Plan	The DLP is a process that involves all actors in the structural unit (or the part of the structural unit where it is applied), and is approved by the mayor. If a unit is subject to DLP no building permission can be issued before the approval of the DLP.
Development instruments	By law: Bonus FAR, transfer of development rights, etc.	These instruments aim at balancing the public and private interest through new financing mechnisms. The law proposes 2 instruments but the local authorities have the right to implement as many as they see effective, as long as they mention them on their planning documents and draft detailed programs for the implementation.
Development phasing	Short term (1 year) Mid-term (1-4 years) Long term (4-10 years) Long term (+10 years) etc.	The phasing process should define development priorities according to the Capital Investment Plan and the Mid Term Budget Plan of the Municipality. Nevertheless, this correlation almost never exists.

Source: DCM 686, dated 22.11.2017 'For the approval of the Territorial Planning Regulation'; author's contribution

The table shows that, while more comprehensive in scope, planning at zone level has become increasingly more rigid in Albania. This is manifested firstly in the wide array of pre-defined indicators at national level, which are not always relevant to local contexts, and moreover, reduce local autonomy in decision-making processes that are related to land management. Secondly, there is visible discrepancy between the indicators used, both within themselves, and the principles of flexibility, comprehensive approach that are stipulated in the legislation. While the new planning and development legislation[5] brings new paradigmatic changes in the planning system, the accompanying bylaws (DCM 686 and DCM 408) are reintroducing similar concepts to the ones of the 1993 Law on Urbanistics, such as functional zoning, the 'yellow line' of urbanization, etc. What is even more troublesome, is the fact that indeed these new bylaws have changed repeatedly in the last 8 years, and these changes have not been favourable to the local autonomy or public interest. For example, the distance norm has been reduced and all standards that regulated public amenities, such as green areas, parking, public spaces and structures, sport terrains, etc, removed all together from the national legislation. The case of GLTP of Tirana demonstrates better than any other municipality the issues of normativity and growth management.

2.2 Land use changes and the impact on fiscal autonomy

Regardless of the geographical location, genesis or the size of a territory (urban or not), land use patterns are constantly changing in time as the result of human activities running for the best locations through demand and

[5] Law no. 107/2014 ' On territorial planning and development'

supply forces set out by the market. As stated above, cities are more than the sums of their built environment. In terms of territory, their character is defined in large part by land policies, ranging from planning for development to the collection of land based revenues, from new environmental challenges to the provision of affordable housing and adequate services.

Experiences in drafting general local plans, territorial development strategies, detailed or partial plans etc. have shown that land use analysis as an instrument is one of the key steps in assessing spatial and developmental impacts of urban growth.And while research has shown that urban growth and land use change analysis have to be linked to urban form and processes to lead to effective urban interventions (Longley and Masev, 2008), any urban intervention is associated with several decisions / fiscal issues.

Every day, new opportunities for good land use policies to improve the lives of urban populations expand, as these cities grow too. Responding to this (and climate challenge we must add being a very expensive proposition), comes at a difficult time when most local governments are burden by financial stress.

From an economic perspective, land is one of the factors of production, which attracts investment and generates wealth at the same time when socially is a sensible and scarce source, thus taxes on land (or property) are the oldest and most common form of taxation. But the European and developed countries experience has shown that the basic forms of taxations re not really enough to finance all the required development. New and innovative forms of taxation and adequate and reliable land- based revenue streams will be needed to finance the delivery of urban services and supporting urban growth and expansion of our cities

In this framework, the Municipality of Tirana, being the main growth centre of the country, is the most interesting case to study in terms of fiscal capacity, and other ways to foster urban growth and provide better services.

2.3 Growth management strategies and the approach to normativity

Traditionally, zoning and subdivision control plans have been the two main instruments embedded in most planning legislations and culture, to enable sustainable growth management. Of course, this is only one of the functions of zoning.

For example, zoning codes that include the distribution of density for permitted use areas determine a theoretical figure of the maximum population. On the other hand, subdivision control regulations affect liveability by determining the minimum size of the parcel. This, in turn, influences the phasing and the development rate of the areas. (Juergensmeyer & Roberts, 2007)

Literature on property development suggests that there are some concepts of growth management that are strongly connected to each other: carrying capacity, impact analysis and sustainable development. The origin of all these concepts in the environmental legislation. "Carrying capacity" is used to determine the environmental criteria upon which land use decisions will be based and refers to the level at which the land in its current or natural state can develop without deploying the ecosystem. This comes as a very crucial concept in terms of attributing development rights in urban areas in Albania.

Another growth management instrument, with a more advanced approach to planning, is the Smart Code, an integrated land development ordinance, created by Duany Plater-Zyberk in 2003. Its aim is to have a more ‘new urbanism’ oriented legal model of city development. Essentially, it is a form-based code that incorporates Smart Growth and New Urbanism principles. This coding system divides the territory into different districts based on the character and intensity of land development, as well as the desired urban form. Zoning usually regulates only land use, and development standards (maximum building height, distances, FAR, coverage ratios, etc.). But form based codes regulate things that are not typically part of zoning, such as the design of streets, sidewalks,

and other public spaces, which conventionally would be regulated by subdivision manuals, or public work manuals. Thus, Form based codes bring all these manuals together, in an integrated document that addresses land use, development indicators, provision of public/non-profitable services and subdivision regulations. The integration ensures that these documents are coordinated and coherent with each other. (Marshall, S., 2011).

Is this approach applicable in Albania? Following the subtle tendencies of 'Europeanisation' of planning traditions in EU member countries, Albania has seen some drastic changes in the way it approaches spatial (territorial) and urban planning. The level of normativity has increased, and the responsibility to establish norms and standards is shared between the central and local governments. Even though the system is supposed to be more flexible, it adopts various concepts of the post-New Urbanism planning framework, including zoning, form based codes, as explained above. (Dhrami, 2018)

It is yet to be seen, whether an integrated model such as Smart Code, or even more flexible, can be applied in the context of Albania.

Figure 2: Example of transect zoning in Handsboro Community Plan

Source: Handsboro Community Plan, 2008[6]

3. Methods

From a methodological standpoint, this study is of a comparative and empirical nature. Specific areas of distinguished typology have been extracted from the General Territorial Local Plan, Tirana 2030 and analysed accordingly. Based on the theoretical framework set out above, this study attempts to calculate, in a simplified and general way, the level of local tax revenues that may be collected by the Municipality of Tirana, based on these proposals and development indicators, as to understand the impact of the proposals on the possible fiscal autonomy of the municipality. On the other hand, the research sheds light on the growth management instruments applied and whether they are realistic or not.

[6] Handsboro is the third existing community in Gulfport to make the SmartCode mandatory within its boundaries. Its Community Plan was adopted as an integral part of the City's SmartCode in February 2008. The Regulating Plan depicts the boundaries of the planning area, assigns the new Transect zones, and features new overlay districts such as transportation and retail corridors, density-receiving areas and neighborhood conservation districts.

This research takes into account all the limitations set out in the study, such as the lack of an accurate database on land use, lack of information on potential investments carried out in the study area as part of the plan projections, or lack of the precise indicators of monitoring the implementation of the plan. On the other hand, taking into account the complexity of both the planning and the tax burden estimates, the study is limited to the calculation of the 4 potential taxes that represent a more direct link to land use and development, which are:

- Tax on agricultural land
- Tax on Infrastructure Impact for the new buildings
- Residential property tax
- Commercial property tax

The main research question raised by the study is: How can the new paradigmatic shift in land use planning and growth management foster a positive impact on local finances and the tax base?

In order to validate this hypothesis, in an imbalanced real estate market situation with the inability to generate enough revenues and a shortage of taxpayers, the study raises a simple matrix to answer the above question. The study also tries to give an assessment of the legislative and territorial context where the respective plans are implemented, to understand how land development and the implementation of local plans directly affect the fiscal situation, and can have a greater contribution to growth management in Tirana Municipality.

Table 2 Framework of empirical research

	Area A (urban) 3 samples	Area B (periurban) 3 samples	Area C (rural) 3 samples
General Local Plan Proposals			
Area of the sub-unit			
% of land use categories			
Development indicator			
Area of agricultural land			
Area of residential urban land			
Area of commercial urban land			
proposed Built area			
Potential revenues as per taxable base			
Tax on agricultural land			
Tax on residential building			
Tax on commercial building			
Tax on Impact in Infrastructure			
Estimated total Revenues			

The selection of the case studies (or samples) has been done strategically based on the categorization of spatial typologies assessed in the TR030 Plan.

However, land value after development varies from many factors, such as distance to the centre, vicinity to main services, etc. In the same way, the reliability of various revenue sources (considering here taxes) likely will vary

with factors such as the rate of urban growth or decline, the national legal structure, etc .Therefore, this value will be generalized.

4. Tirana - from planning to economic growth

4.1 Main principles of growth management adapted in the General Local Plan of Tirana

The Local Territorial Plan 'TR030' is the first designed for the municipality after the territorial reform. It was prepared by Stefano Boeri Architetti, UNLAB, IND in cooperation with the Municipality of Tirana and financed by the Ministry of Urban Development and the National Territorial Planning Agency. At present, this plan is the guiding document of territorial development policies in the Municipality of Tirana, and is implemented for the period 2016-2030.

In 2016, Tirana's overall local plan shows the future of a polycentric and kaleidoscopic metropolis, which will host in every part of it a balance between city and nature. The vision identified the ten strategic objectives that aim to direct urban development , economic and social development of Tirana in the next 15 years.

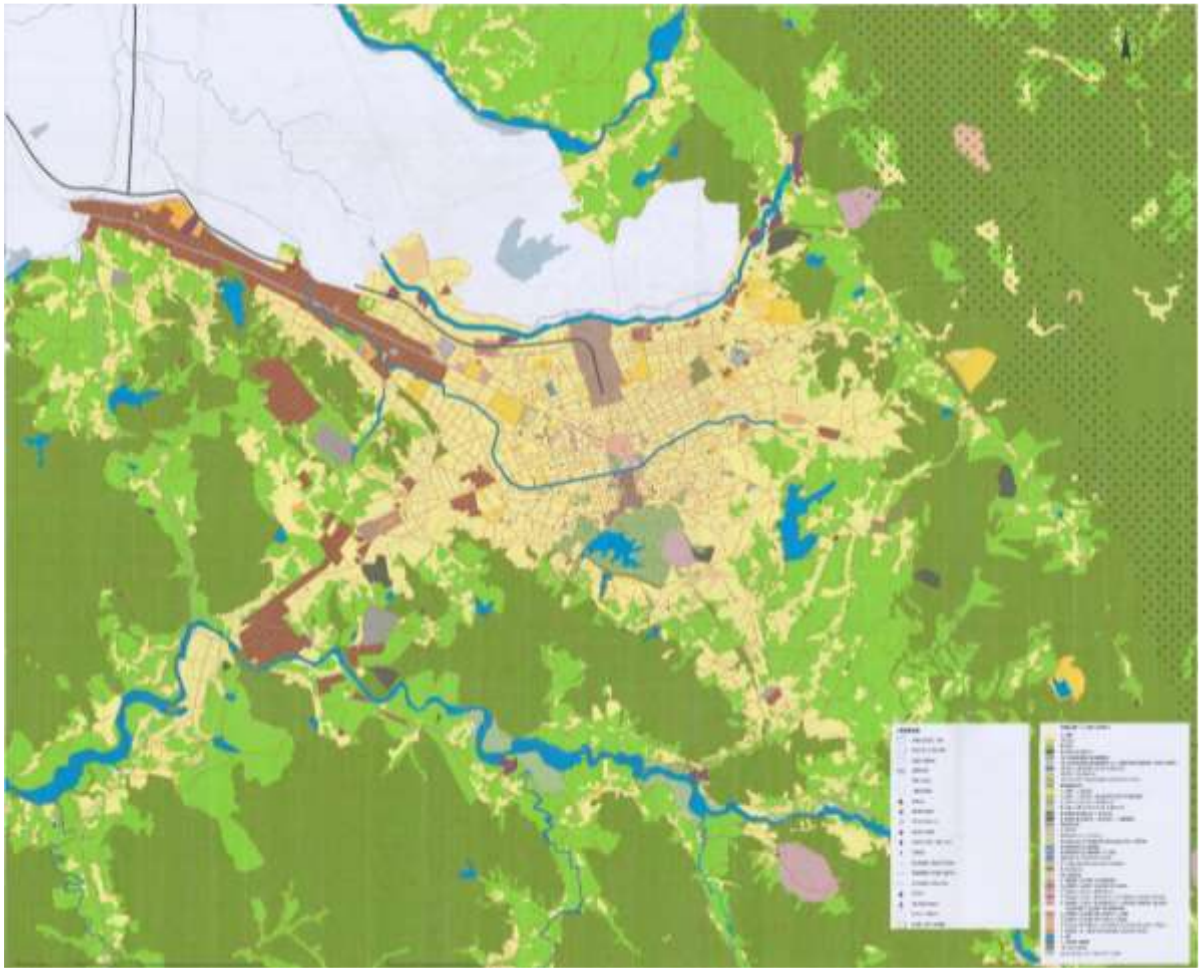
TR030 envisages the territory as a hierarchic correlation between 3 main typologies: urban, peri-urban, rural:

a. The urban territory includes all urbanized areas, which are almost completely constructed and comprised of compact urban medium and high density urban areas where urban residential, tertiary and commercial services prevail.

b. The suburban area includes all medium density built areas that consist of informal residential palaces, industrial and commercial buildings dispersed in different ways and the presence of the main infrastructure in the city's service.

c. The rural territory includes all areas located outside suburban areas and include urban units (poles) and agricultural and natural areas characterized by the presence of scattered buildings with mainly agricultural and residential purpose.

Figure 3. Proposed land use at city level, Municipality of Tirana



Source: Tirana 2030, Municipality of Tirana, 2016

4.2 Fiscal autonomy in Tirana - an overview

Catchphrases such as “metropolitan areas are the engines that pull the national economy” turn out to be fairly accurate. But the same comparative advantages of metropolitan areas that draw investment also draw migrants who need jobs and housing, lead to demands for better infrastructure and social services, and result in increased congestion, environmental harm, and social problems. Roy W. Bahl, *et al.* 2013.

The structure of financial resources for municipalities can be used as an indirect indicator to assess their financial capacity, the ability to undertake investments independently and meet community service requirements. While Local Government Units (LGU) revenues in Albania are made up of its own revenues, governmental transfers and separate taxes, *local own source revenues* are essential for an efficient, effective and autonomous local government. Yet the financial performance of the municipalities in Albania remains still, while investment needs become more and more urgent. On average, for the 61 municipalities in the country, revenues from its own resources accounted for only 25.4% of total resources at the end of the first half of 2018.

The view that local governments have little capacity to deliver services (or collect revenues)7 is, however, too broad a generalization, after almost 20 years in decentralization process.

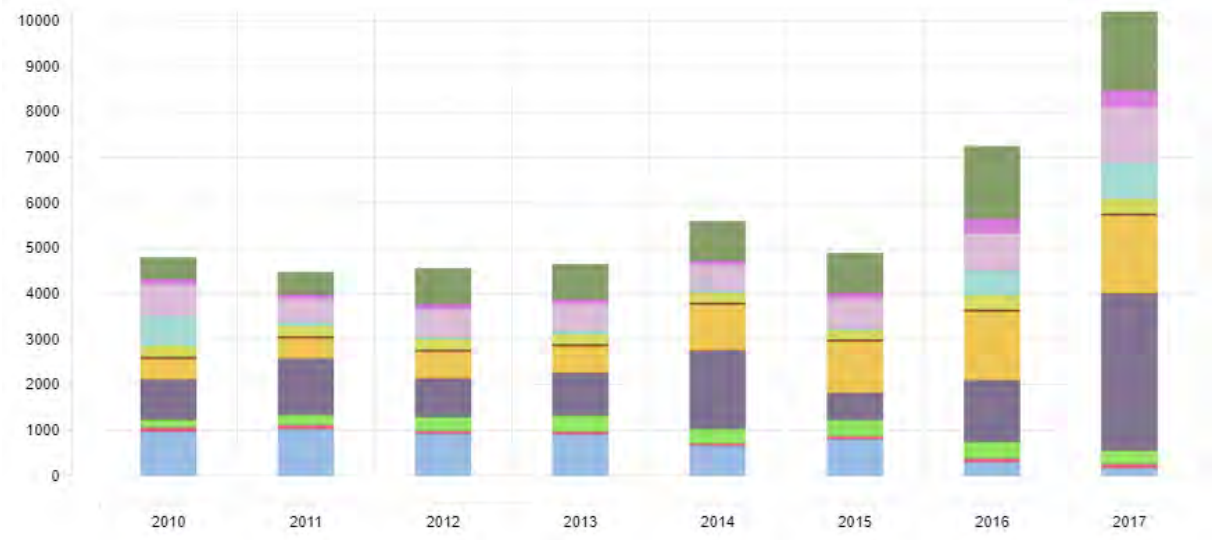
Tirana Municipality reports significant improvements in urban public management. And the quality of public services delivered in the metropolitan area is far better than that provided in the rest of the country. The financial resources available in the Municipality of Tirana have followed an upward trend in recent years. In 2017, the available resources were about Albanian Lek (ALL) 16.7 billion, up by about 16.2% in annual terms. This performance was largely determined by the increase in local source revenues, the increase in infrastructure impact tax and real estate tax shown in the chart below (Local Finance Portal, 2017). Namely, the transition from 600,757 ALL in 2015 to 3,466,070 ALL in 2017, taxes collected from the infrastructure impact tax, clearly demonstrates the increase of the construction activity in the Municipality of Tirana, which is directly related to the increase of the number of construction permits after the approval of the Plan.

Tax on buildings, in the other hand, reports lower incremental rhythms (1,145,184 ALL in 2015 to 1,718,480 ALL in 2017), which in comparison to the allocations provided by Impact on Infrastructure Tax, is approximately ½ less of it. Even though many may justify the potential of allocating revenues from property tax by the fact that only in June 2018 the property tax will be applied on the basis of its value, (and that before this period it is very difficult to estimate the potential of property tax in a context where data on taxpayers are still missing), this reform is not really fundamental.The property tax reform in Albania remains still much generalized, calculating the tax burden, on the basis of several macro-zones with a fixed estimation of the property values on the whole area, rather than apprising the real property value regarding the real estate market. This shift in the way this tax is calculated, has only increased the tax burden by 0.05%, thus making really small difference in terms of lump sum allocations in one hand, and not really making the differences between well-serviced and high valued properties with the lesser ones[8].

7 Local revenues and taxes in Albania are regulated through the legal framework specified in Law no. 139/2015 'On Local Self-Government' and Law no. 9632, 2006, "On the Local Tax System", as amended.

[8] It is a common evidence in the city of Tirana that within these macro-zones high rise building, new building residences, and well maintained streets, or better school provisions lie beside (sometimes just across the streets) with low rise old building, historical ones, amortized infrastructure etc.

Figure 4 Distribution of local own revenues through the years, Municipality of Tirana (respectively purple color representing the infrastructure impact tax and in yellow tax on buildings)



Source: Local Finance Portal in Albania, 2018 (www.financatvendore.al)

Though the Municipality of Tirana is one of the few municipalities in Albania that show a positive balance in terms of government dependency, the potential to further improve its performance fiscal policy has not yet been captured. The challenges of Tirana metropolitan public finances are to capture a share of the economic growth, as a consequence of new developments, that is adequate to finance the new and growing expenditure needs and to organize governance so that services can be delivered in a cost- effective way. At the same time, care must be taken to avoid over densification, over taxation and short term financial resources, which will hamper the successful implementation of the planning instrument.

All this is well-articulated in the principles of GLP TR030, but there's an evident missing of any instrument/ tool which ensures the implementation and the monitoring of these principles.

5. Empirical analysis and preliminary findings

Following is a summary of the chosen areas for study and their characteristics.

	1. Building complexes of the communist period This typology is represented by apartment blocks, constructed by the state in the period 1945-1990. Some general characteristics of these areas are: the densification of the area after the fall of communism; good access to services, poor quality of public spaces. The typology occupies about 9% of the urban areas in Tirana. Structural Unit: TR371
	2. Historical urban tissue This typology is comprised of villas constructed in the early 20's and 30's, mixed with high-rise buildings, constructed after the 90's. The oldest villas date back to the ottoman period and are part of very small plots. These plots are merged eventually to make room fo high-rise dwellings, which make for a lack of public space. The road network is not regular, but is well-connected with the center. This typology makes up 3% of the urban area in the city. Structural Unit: TR317
	3. Mixed central areas This typology represents a mix of form and function, from villas to longitudinal buildings and high rise buildings. They are characterized by a rapid densification, a quadratic road network and a good access to public services. This typology makes up 5% of the urban area in the city. Structural Unit: TR363
	4. Informal areas The informal typology is comprised mostly of 2-3 storey buildings, constructed after 1990. These areas usually have a quadratic road network, poor access to services, and tend

	to be densified in height. These areas make up 41% of the cities urban area. Structural Unit: TR412

	6. Urbanized village centers (T5) These areas are located in administrative units around the Tirana urban center, and differ in mixing between old structures of villages and new housing. Usually have poor or medium access to public services, road system in irregular networks, and gradual densitization. Typology constitutes 3% of the residential area and 2% of the population (TR030). To represent this typology, Unit TR69, Sauk Village was selected.
	7. Areas developed around rural infrastructure (T7) This typology includes all urban areas developed along the connecting roads between small centers. They predominate an individual home, with a height of 2-3 floors, with significant deficiencies in infrastructure and public services. This typology occupies about 13% of the inhabited area (TR030). To represent this typology, Unit FA30 was selected in the Farkë administrative unit.
	8. Areas developed in mountain relief (T8) This typology refers to high-rise areas, built in recent years. Occupy about 5% of residential areas in Tirana (TR030). To represent this typology, Unit DA75 was selected in the administrative unit Dajt.
	9. Area developed along main economic stripes (T9) These are mainly industrial zones, with mixed economic

and commercial functions, extending along the Tirana-Durres interurban road. This typology occupies about 5% of urban territory (TR030). To represent this typology, Unit KA158 was selected, part of the Kashar One.

Below the main finding are shown in a conclusive table:

Unit	TR372	TR317	TR363	TR412	KA252	DA75	KA158	TR69	FA30
Code	T1	T2	T3	T4	T5	T6	T7	T8	T9
Category	urban	urban	urban	suburban	suburban	suburban	suburban	rural	rural
Typology	Communi st blocks	Mixed central	Historic	Informal area	Tower buildings	Mountain areas	Economic areas	Urbaniz ed villages	Areas along infrastructur e
Area (m2)	77,100	47,200	33,300	188,400	43,300	140,900	76,300	115,900	524,700
Existing FAR	1.99	0.95	1.54	0.42	2.36	1.07	0.56	0.51	0.09
Proposed FAR	3.5	2.95	4	0.6	2.5	1.6	2.6	0.6	0.6
% of categores of land use (existing)	A (73%); AS (9%); IN (9%); S (4%); AR (5%)	A (82%); AS (7%); IN (11%)	A (73%); IN (15%); AS (12%)	A (62%); IE (22%); B (12%); IN (4%)	A (73%);B (21%); IN (6%)	A (85%); N (6%); S (5%); IN (4%)	IE+S (83%); A (9%); B (5); IN (3%)	A (73%); B (12%); S (2%); IN (12%); AS (1%)	B (92%); A (5%); IN (3%)
% e of categores of land use (proposed)	A (78%); AS (9%); IN (4%); S (5%); AR (2%)	A (89%); AS (7%); IN (4%)	A (82%); S (5%); IN (7%); AS (6%)	A (97%); IN (3%)	A (70%);B (14%); S (10) IN (6%)	A (78%); N (16%); B (4%); IN (3%)	IE+S (98%); IN (2%)	A (93%); IN (3%); AS (3%); B (1%)	B (52%); A (46%); IN (2%)
Total revenue from TII	3,428,123,476	8,574,646,667	5,896,235,846	287,841,046	23,340,400	1,141,630,688	0	109,065,810	1,148,780,819
Total revenues from tax on agriculture	0	0	0	-7,941	-1,055	2,029	-1,437	-4,450	-76,605
Total revenues from tax on residential property	3,390,254,644	10,718,308,333	6,599,066,808	359,801,308	-1,215,699,500	1,427,038,360	0	662,281,100	2,487,699,950
Total revenues from tax on commercial property	3,579,598,800	0	4,627,368,000	0	4,979,500,000	0	80,682,086,016	0	0

As it seems, in the 9 typologies studied there are different models of land use changes. Mainly, the trend has been the expansion of the residential area both in the parcel and in the densities. Five of the areas provide DLP instrument, accompanied, where appropriate, by conditional intensity instruments. This means that redevelopment and alienation of most of the existing typologies is proposed and, in some cases, of the land uses.

It is estimated that classifiable typologies such as urban areas (including historic areas, state-owned and mixed-use areas) may generate tax revenue of approximately 45,000,000,000 Lek[9], based on plan proposal. Of these, the TII, which is only collected once, in the process of obtaining the construction permit, is estimated at about 17,899,000,000 Lek. The rest are revenues that would be generated periodically every year. These areas, at the level of interventions proposed by the local plan, mainly undergo significant densification, and a small increase in the percentage of occupied services.

Suburban areas, including informal areas in northern Tirana, and peripheral housing blocks (in Kashar and Dajti) and the Tr-Dr economic zone, may generate revenues of about 103,821,000,000 Lek in the first year, out of which 17,589,229,337 are only one time beneficial from TNI, and the rest are generated year after year in addition to the existing one. The suburban typology is considered as a predominant relative to the urban territory of the Municipality of Tirana (with about 57% of it), therefore the tax values are considerably higher.

Finally, rural areas, represented by village centers and developed areas along the roads, represent about 12% of the urban terrain of the Municipality of Tirana, and usually experience very small changes in intensity but major changes in land use: agricultural territory replaced by urban territory at 50%. Thus, the taxes generated from these areas by TII are around 218,130,000 Lek, while other periodically collected taxes amount to 3,149,981,000 Lek (additional to the existing ones). Of course, in these areas, from the conversion of agricultural land, they lose about 81,056 Lek each year.

6. Conclusions and discussions

As far as efficient investment planning and budgeting matters are concerned, drafting a realistic planning document can be considered the most important step. In the absence of proper financial analysis (Capital Investment Plan being one as such), the actual GLP for Tirana misses the linkage between its strategic objectives to foster future urban growth with its actual efforts (and possibilities) for implementation.

The empirical analysis above has shown that the building proposals of the GLP can generate a high immediate value from Impact on Infrastructure Tax (20 billion ALL). But this tax, remains a one-time tax, which partially justifies the need for investments needed for including these new buildings to the city. In the other hand, maximizing the efforts for improving the system for collecting the property tax on buildings might result in a collection of considerable budget of 184 billion ALL, each year. These values together, exceed the actual municipal budget, highly rising the opportunities for better services to its residents.

As a consequence of the above discussion, it is necessary to improve the system of asset registration, tax collection, etc., so that this potential is not untapped. Adapting new and innovative financial instruments for land development as well, remains a highly considerable solution to foster future urban growth, while ensuring public goods to the community.

[9] 1 euro is equivalent to approximately 122 Lek

On the other hand, it is important to link the taxation (purpose, base, etc.) to territory through land use instruments and normative. The first one, with the requirement of being more flexible, might help better planning and better projections of financial resources that can be allocated from the differentiation of the tax types.

In addition, in the way the rules for structural units have been drafted, this study highlights some of gaps as follows:

- Often the proposals on land use categories (in percentage) do not really reflect the reality (the existing land use situation).

- On the other hand, the Kshp and Kshr proposals contradict the Surfaces in% estimated for Infrastructure, Education, Recreation and Similar uses as well as the greening areas specified in the passport. In any case, the document becomes speculative as far as the standard you can refer to in each case.

- With regard to the proposals, taking into account unit holding capacity, the expected population in the Municipality of Tirana for the next 15 years will increase by an average of 421,000 people, i.e. by almost 50%. This does not reflect the real growth trends of the city.

Finally, it is certainly worth mentioning that this assessment takes into account the ideal situation, where any Local Plan is implemented. This is not realistic in the long run. However, it should be borne in mind that the planning function is to predict the country's socio-economic, territorial, environmental, etc. dynamics as pecisely as possible, and to precede it with instruments and orientations to enable development and increase prosperity.

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