

**Study on the Response of Local Legislation to Coordinate the Interests of Multiple Subjects in Urban Renewal from the Perspective of Property Rights**

Author: ZHAO ZHAO

Current affiliation: Beijing Municipal institute of City Planning & Design

Position: Engineer

Postal addresses: No.60 Nanlishi Road, Xicheng District, Beijing, China, 100054

Master's degree: Peking University, Urban and Regional Planning(2017-2020)

Bachelor's degree: Sun Yat-sen University(2013-2017)

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**Abstract:** This article analyses the challenges of coordinating the interests of multiple parties in urban renewal and the institutional response through the development of local legislation on urban renewal in Beijing, using the policy mechanisms and practices of urban renewal projects in Beijing as an example. The article is divided into three sections: (1) defining the characteristics of property rights in urban renewal, and clarifying the key points of the legislation; (2) constructing an analytical framework of 'subject identification-interest expression-interest coordination' for the pluralistic subjects; and (3) analysing the responses of local legislation, including the concept and responsibilities of each type of subject, and the establishment of conflict negotiation and mediation mechanisms. Overall, the legislative design effectively responds to the property rights dilemma in practice. This principled legal framework clarifies the responsibilities of different government departments and facilitates the next step of developing specific policy tools to guide project practice.

**Key words:** Urban renewal; property rights; co-ordination of interests; multiple subjects; local legislation

### 1 Introduction

Urban renewal is currently a significant development strategy in China. The new period of urbanisation in China is faced with the need to promote the optimisation of urban structure, functional improvement and quality enhancement, and has put forward new requirements for the transformation of urban development methods. It has become a consensus among Chinese cities to safeguard urban renewal activities through laws. Since 2020, Shenzhen, Shanghai, Liaoning and Guangzhou have enacted or disseminated local regulations, while Chongqing, Xi'an, Zhuhai and Chengdu have introduced local regulatory documents.

Urban renewal is a complex process that involves a multitude of legal and regulatory issues, including land management law, urban planning and construction law. Currently, China has not yet enacted specific legislation on urban renewal at the national level. The coordination of the interest related to property rights must adhere to the framework of laws and regulations in order to ensure the legality and fairness of the renewal process. Consequently, property rights has become a pivotal concern in the examination of local legislation on urban renewal. This plays a pivotal role in guiding and constraining the resolution of property rights issues in practice. The reasonable resolution of property rights issues can facilitate the smooth progression of urban renewal and the realisation of sustainable urban development.

Nevertheless, the current policy framework for property rights remains inadequate, and a comprehensive analysis of the property rights relationship in urban renewal is required. The ladder theory of public participation, as proposed by Arnstein & Sherry (1969), identifies three levels of participation: no participation, symbolic participation, and civic power. However, public participation in China's current urban governance remains limited and the autonomous participation is weak (Hu Juan, 2013). This paper takes the policy mechanism and project practice of urban renewal in Beijing as an example and analyses the characteristics of the property rights in urban renewal, the key points of concern in renewal legislation. An analytical framework for the property rights of multiple subjects is built to analyse the challenges of coordinating the interests of multiple subjects. Lastly, the institutional response in urban renewal in light of the practice of local legislation in urban renewal in Beijing is discussed.

## **2 Defining the connotation of property rights in urban renewal and identifying the key points of legislation**

As urban renewal is not just a matter of "wiping the slate clean" for the original property rights holders, the various types of renewal involve a wide range of stakeholders. Urban renewal is characterised by many objects, many types of relationships and complex property rights relationships. This paper starts from an analysis of the characteristics and problems of property rights relationships and further identifies the key points that should be considered in the legislation.

Urban renewal is not simply a "wiping the table" type of process for the original property owner. There are many stakeholders involved in different types of renewal, and the renewal period will occur during the replacement, reorganisation or buyout of property rights. This will result in changes to the original property rights relationships. Urban renewal is characterised by many objects, many types of relationships and complex property rights relationships. This paper analyses the characteristics and problems of property rights relationships and identifies the core points that should be addressed in legislation.

### **2.1 Characteristics and Problems of Current Property Rights Relationships**

#### **2.1.1 Diversified and complex property rights relationships for stock assets**

##### **2.1.1.1 Unclear management rights and responsibilities**

As an example, Beijing has a significant number of old residential communities, with a total floor area of approximately 160 million square metres of urban residential districts constructed before 2000, representing over 25 per cent of the city's urban housing. In the context of restructuring, bankruptcy and reorganisation of the original ownership units of the districts and the implementation of the housing system reform, the property rights of the old districts exhibit characteristics of diversification and fragmentation. In particular, the special type of "public housing" in old residential areas, namely non-commercial housing, is typically constructed by the government or enterprises and then leased to lessees. The management of this type of public housing is even more dispersed, with property rights, asset management of the housing (which may be in the hands of the government), and the actual property management unit being inconsistent. The inconsistency between the actual occupants and the property rights unit, as well as the property management unit has led to unclear management responsibilities and low levels of property management.

##### **2.1.1.2 Obstacles to reaching Willingness for Renewal**

For commercial buildings, it is also challenging to reach a unified willingness to renew. Currently, commercial buildings are frequently sold in a decentralised manner, with fragmented property rights. This results in inconsistent renewal needs among owners, which in turn makes it challenging to reach a willingness to renew. The associated negotiation costs are high, which often leads to a prolonged project cycle due to a lengthy negotiation process. This, in turn, further increases the investment cost of the project.

## **2.1.2 Unequal rights and obligations of property rights holders of stock assets**

### **2.1.2.1 Low utilisation efficiency of land and housing of state-owned enterprises (SOEs)**

The stock of land and housing resources of Beijing's state-owned enterprises (SOEs) is considerable in scale, yet the current utilisation efficiency is low. In Beijing, the majority of SOEs acquire land at a lower cost. While a considerable proportion of land has a low plot ratio, with approximately 60% of SOEs' land having a plot ratio of less than 0.5 (Chen Xiangling et al., 2015). However, there is currently no evaluation mechanism or assessment requirements for the efficiency of land use by SOEs. Furthermore, the cost of holding land and housing assets by SOEs is low, and renewal often brings high economic costs, arising from the demolition and reconstruction of buildings or changes in the function of the land. Consequently, SOEs lack incentives to renew.

### **2.1.2.2 Residents' low willingness to contribute to renewal and reconstruction**

At present, the old residential communities has not yet established a mature property management and property fee payment mechanism. Residents lack responsibility for the maintenance of community public space and the collection rate of the property charge is low. On the one hand, residents anticipate the advantages of enhanced asset value and improved living quality resulting from renewal. However, they are reluctant to shoulder the associated economic costs, such as renovation fees. On the other hand, residents exhibit a lack of awareness regarding the quality of their old residential communities. The majority of elderly residents are content with the current state of property management, which is based on cost-saving measures. Consequently, they are unwilling to pay a high level of property fees to obtain a higher quality living environment.

### **2.1.3 Difficulty in reorganising rights and interests**

The renewal of stock space assets frequently entails changes in ownership and use rights, as well as fluctuations in asset values before and after renewal. Current methods of reorganising interests and benefits of the assets are limited. In particular, the revitalisation and utilisation of historic buildings is challenging. Due to their high historical conservation value, the form of renovation is based on conservation and repair, and the original function of the buildings is mainly residential (Figure 1). Following renovation, they are mostly used as offices, flats, retail and other integrated business operations. The majority of these historic buildings are in the form of public housing property rights. Therefore, they are unable to obtain ownership of the buildings while only be granted the right to operate the building. This leads to difficulties in balancing the costs of the project with the long-term operating revenues, as well as difficulties in obtaining bank loans through the mortgage of the buildings.



Figure.1 No.23 House of Shijia Hutong, originally used for residential purpose, now converted into Shijia Hutong Museum

## 2.2 Identifying the key elements of the legislation

Property rights in urban regeneration include not only the ownership of assets, but also the right to use and the right to operate. In addition to residential and commercial buildings with clear property rights, attention should also be paid to tenants of public housing, management units of public spaces and facilities, and transformation and operation companies involved in the adaptive use of historic buildings, etc. Therefore, the definition and interpretation of property rights are the core legislative points of urban renewal. The interests of different subjects change before and after urban renewal, and the reorganisation of these rights and interests depends on the change of ownership and use rights, so the key to optimising the allocation of urban resources through urban renewal is to reduce the institutional costs of reorganising the above property rights. By analysing the main features and problems of property rights in current urban renewal, it can be concluded that the core of the coordination of interests in urban renewal legislation is to reduce the system costs, which can be divided into four aspects: defining the boundaries of property rights, emphasising the reciprocity of rights and responsibilities, restructuring the flexible rights and interests, and improving the dispute resolution mechanism.

Firstly, the boundaries of property rights for different renewal objects should be classified and defined. This should be accompanied by a clarification of the rights and responsibilities of various property owners according to the characteristics of their rights and interests. In addition, the corresponding asset management rights should be refined. Secondly, there should be an emphasis on the equivalence of rights and responsibilities. This should be accompanied by the establishment of a system of full life-cycle responsibility for property owners. Furthermore, the right to renewal should be equated with the obligation to renew. For instance, in the case of older residential areas and other privately owned properties, it is essential to clarify that the owners of

these properties are responsible for maintaining them and for funding any necessary renewal or reconstruction. In accordance with the Land Management Law and other pertinent legal requirements, state-owned land use right holders are responsible for the use of land and all buildings within the designated land use period. This responsibility encompasses the obligation to ensure that the land is used efficiently for industrial purposes in alignment with urban development requirements. Concurrently, the mechanism for reorganising rights and interests should be flexible. In the event that a property rights holder lacks the capacity to renew, a third party may be engaged to facilitate renewal through a range of methods, including transfer and collaboration. Finally, the dispute resolution mechanism should be enhanced to provide institutionalised channels for the expression of demands and consultation for multiple subjects.

### **3 constructing a framework for analysing the interests of multiple parties in urban renewal**

In general, the subjects involved in urban renewal projects can be divided into three main categories: management subjects, implementation subjects and property rights subjects. The renewal and transformation of physical space inevitably brings about changes in the interests of different subjects, which leads to a large difference in the demands. The lack of effective negotiation and distribution mechanisms results in a large number of renewal projects gives rise to contradictions and disputes (Wang Shujing & Guo Fei, 2021). Consequently, it is imperative that different subjects are guided to effectively express their core demands and facilitate the formation of consensus among them. The topic divides the analysis of property rights issues in urban renewal into three stages: subject identification, interest expression, and interest coordination, with the aim of elucidating the roles and responsibilities of different subjects in the city and the key points of policy support needed at different stages of the urban renewal process.

#### **3.1 Subject identification Stage**

##### **3.1.1 Property Rights Holders**

###### **3.1.1.1 Types of Property Right Holders**

As the concept of property owner is vague and lacks clear explanations in various regulations and policies, this paper uses the concept of "property right holders" in the *Beijing Urban Renewal Regulations* to analyse property rights issues in urban renewal. The assets involved in urban renewal can be divided into three categories: private assets, state-owned assets, and public property rights, including public space and public facilities. Each category of asset corresponds to a distinct type of property rights holder. Among these, private assets include land and housing assets owned by individuals and private enterprises. State-owned assets comprise land and housing assets owned by SOEs and government agencies, which are often subject to stricter supervision due to their special nature. Finally, space assets such as roads, parks, metro stations, and other social common use assets are included.

It is necessary to determine the corresponding responsible subjects according to the different types of characteristics. For those with clear property rights, such as old commercial housing, commercial buildings, and public buildings with clear property rights (such as schools, hospitals, and administrative organisations), the owners shall be the right holders of the renewal and reconstruction. In the case of property rights

relationships that are more complex, such as those pertaining to publicly owned housing, it is necessary to identify and designate specific types of property rights units. These may include, for example, enterprise-owned dormitory flats, guaranteed housing built by the government in the early days, and so forth. These units shall serve as the right holders for renewal and reconstruction. In the case of public assets, such as roads, squares, green spaces, waterfront spaces and other public spaces, the relevant authorities shall be the right holders for renewal and reconstruction.

**3.1.1.2 Concept of property right holders and their rights and obligations**

The majority of the relevant provisions pertaining to the rights and obligations of property rights holders are derived from the Property Management Ordinance, which delineates the rights and obligations of property rights holders. For instance, the ordinance explicitly states that property rights holders in Shenzhen can declare the urban renewal programme, demolition and reconstruction type of renewal. Furthermore, the ordinance allows property rights holders to express their will to renew. In particular, with regard to the renewal of commercial buildings, commercial housing and other housing, the concept of 'owners' as defined in the Civil Code is analogous to that of property right holders. Consequently, property right holders are entitled to exercise rights and assume obligations with regard to the exclusive part of the building, as well as the common part, including the right to make decisions, to undertake repairs and maintenance, and to assume obligations in this regard.

**3.1.2 Implementing entities**

**3.1.2.1 Concept and Responsibilities of the Implementing Body**

The implementation entity is typically a government-commissioned organisation or a market-oriented enterprise, which is specifically responsible for project declaration, scheme design, identification of construction units, management of the construction process, acceptance of project completion and completion of delivery, and is also responsible for property management, etc. It is the executor of urban renewal.

However, there is no uniform and clear definition of the concept and responsibilities of the implementation entity in Beijing. Consequently, different projects are easily confused with the concepts of property rights and construction units. In addition, for comprehensive regional renewal projects, including commercial building renovation and old residential area renovation, there are often multiple implementation entities, and it is challenging to establish cross-project collaboration between different implementation bodies. Therefore, it is essential to clarify the selection of the implementation entities and the specific content of the work.

Chinese cities such as Shanghai and Shenzhen have elucidated that urban renewal projects can be implemented by property rights holders, market players, or led by the government. However, the definition and responsibilities of the implementing entities vary from place to place (e.g. Table 1). From the perspective of urban renewal implementers, these can be broadly classified into four categories: property rights holders' independent implementation mode, market players' individual implementation mode, government-led implementation mode (including local state-owned enterprises), and co-operation implementation mode.

Table.1: Comparison of Different Cities on Implementing and Coordinating Subjects

municipalities	The main body of implementation	Responsibilities of the implementing entity
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<b>Shanghai</b>	<b>Implementing entities:</b> property right holders implement on their own or in cooperation with market players <b>Coordinating body:</b> market players	The main body of renewal coordination is responsible for promoting the willingness to achieve regional renewal, integrating market resources, investigating the current situation, conducting thematic studies, preparing regional renewal programs, and coordinating and promoting the implementation of renewal projects, etc.
<b>Shenzhen</b>	<b>Implementing entities:</b> by the property rights holders, enterprises with real estate development qualifications (hereinafter referred to as market players) or municipal or district people's governments	Preparation of urban renewal unit plans, fulfillment of the obligation to hand over public land, urban infrastructure and public service facilities, innovative industrial housing, public housing, etc., without compensation, and establishment of fund supervision accounts or other supervisory measures, etc., in accordance with the plans.
<b>Chongqing</b>	<b>Implementing entities:</b> Government, property rights holders, relevant entities	Signing of performance monitoring agreements, advice on area planning programs, etc.

(Source: mapping based on comparisons of local documents)

### **3.1.2.1 Selection of implementation organisations**

The manner in which different cities select the implementation body varies. For instance, the city of Shenzhen stipulates that an urban renewal project that adheres to the stipulated regulations may be implemented by property rights holders, market entities, or through a joint effort between municipal and district governments. In addition, Shenzhen differentiates between the roles of the reporting body and the main body in implementing renewal projects. The scope of the reporting body's responsibilities varies depending on the specific renewal project. For instance, the reporting body may be tasked with reporting on the original property rights or those held by a market entity. In such cases, the reporting body may be required to coordinate with multiple property rights holders. Alternatively, the reporting body may be commissioned by a single property rights holder or market entity to oversee the project.

Concurrently, in instances where multiple property rights holders fall within the scope of renewal, various jurisdictions permit urban renewal projects to adopt a collaborative implementation mode. For instance, the city of Shanghai has put forth the concept of a coordinating body for renewal, which is tasked with facilitating the achievement of regional consensus on renewal, integrating market resources, and preparing regional renewal programmes. Additionally, the proposal suggests that market entities (non-property rights holders) may serve as both the implementing body and the coordinating body.

### **3.1.3 Neighbouring rights holders**

In current practice, there is a problem of difficulty in dealing with the conflict of neighbouring relationships. For example, the vertical pipeline reconstruction within the building itself of the old district faces the problem of whether the property right holders with neighbouring relationships agree or not. This can result in the implementation of the project being affected. In urban renewal activities, neighbouring property rights holders are expected to provide the necessary facilities, help to achieve an improved quality of the living environment, eliminate housing safety hazards and pursue other public interests. Nevertheless, the majority of cities currently lack the requisite framework to accommodate the concept, rights, and obligations of neighbouring rights holders.

## **3.2 Expression of Interest Stage**

### **3.2.1 Status and Problems**

It is evident that public participation represents an important avenue for the expression of interest. This paper primarily analyses the form of interest expression that involves the participation of property rights holders as a central element. Currently, Beijing has established a process of public participation in urban renewal, and has accumulated some practical experience. For instance, in the context of installing lifts in

older districts, local government officials and community self-governance organisations convene residents to engage in deliberations and communication with the objective of resolving conflicts and disputes. This is typically conducted through a structured forum known as a "discussion meeting." In the renewal of commercial districts, business associations, as industry organisations, act as intermediaries in the upgrading and management of commercial districts, inviting commercial tenants in the districts to participate in the renewal activities.

However, most urban renewal projects still suffer from a lack of resident participation, as evidenced by the absence of a mechanism for coordinating the interests of all parties involved in the transformation of old neighbourhoods, the lack of interaction between multiple actors, insufficient publicity of policies, and imperfect information and feedback mechanisms.

The grass-roots governments of street offices and communities are frequently responsible for coordinating the interests of all parties in a project and guiding bottom-up demands for renewal. However, the current limited number of grass-roots government (street offices and communities) staff, as well as the lack of operational paths to promote co-operation among all parties, make it challenging to negotiate and discuss the actual work of the project.

### **3.2.2 relevant experience**

Successful cases of urban regeneration usually have used consultation throughout the process. The Roppongi project in Tokyo, Japan, explored the "everyone does it, everyone benefits" model. The implementing body and the original owners set up "agreement meeting" to widely gather the opinions of the residents. And through the rights exchange, the value of the rights of the land owners, legal building owners, other rights holders or implementers before the renewal, and the proportion of the funds provided, are used to allocate the due rights of the buildings and their land after the renewal. Through the rights exchange, the complex land ownership problems are solved by allocating the due rights of the renewed buildings and their land in proportion to the value of the rights and the funds provided by the former land owners, other rights holders or implementers.

Shanghai has established the 'One Map, Three Meetings' system, which facilitates communication and consultation between community units and residents on matters of immediate interest and community development. This system also allows for the collection of opinions and suggestions from residents through the establishment of a system of programme design maps, hearings, co-ordination meetings and appraisal committees. This integration of pluralistic main bodies throughout the planning and consultation, construction and implementation, and operation and management processes is designed to stimulate the long-term motivation for self-renewal of the aboriginal people. Integrate multiple subjects throughout the entire process of planning, consultation, construction, implementation, and operation management, thereby fostering long-term motivation for self-renewal of the residents.

### **3.3 Coordination of Interests Phase**

#### **3.3.1 Present situation and problems**

Urban regeneration itself is a process of reconciling existing interests, and an effective mechanism for coordinating interests is crucial to the implementation of regeneration. From a practical point of view, the most difficult problem in the consultation process is the 'resolution of disputes', and this is also an issue that has received a great deal of attention in legislation.

Nevertheless, the coordination mechanism of interests in the current renewal practice in Beijing is still in its infancy, as evidenced by the following four aspects: (1) It is challenging to ascertain who benefits and who pays in the financing of renewal projects. Furthermore, in the transformation of old neighbourhoods, residents desire to enjoy the benefits of improved living quality, yet the awareness of contributing to the payment of fees has not yet been established. (2) The current urban renewal projects are challenging to achieve consensus on the willingness to renew. For instance, some of the current safety, energy saving and environmental protection aspects of the buildings do not meet the standards. Furthermore, there is a lack of cooperation from small owners in the renewal and transformation process, which has resulted in difficulties in implementing the project. (3) There is a dearth of efficacious conflict mediation mechanisms, and the majority of communities have yet to implement an effective democratic deliberation workflow. (4) It is challenging to establish an effective communication mechanism with property owners for projects with complex ownership structures.

#### **3.3.2 relevant experience**

In order to protect the interests of the "majority", Hong Kong, Taiwan and Japan have introduced compulsory sale systems. In Hong Kong, the Land (Compulsory Sale for Redevelopment) Ordinance stipulates that a person in possession of more than 80 per cent of the freehold interest may, in the event of unsuccessful attempts to purchase the minority freehold interest, apply to the court for a compulsory sale order to auction the minority freehold interest on the basis of a valuation report on the value of the freehold interest. The sale is to be conducted by way of public auction in order to ensure that the interests of the minority freeholders are not prejudiced. In order to ensure that the interests of minority shareholders are not prejudiced, the sale must be conducted in the form of a public market auction.

In Japan, the right to request for sale was created, whereby the purchaser designee has the right to request the owner who does not agree to the redevelopment, or his/her successor, to sell his/her right to zone ownership and the right to utilise the base at the market price. Furthermore, if the aforementioned subject experiences significant difficulties in his/her life after the right to request for sale has been exercised and his/her continued residence will not have a significant impact on the implementation of the

resolution on redevelopment, he/she may apply to the court to request for the postponement of the period of the transfer. Taiwan has established a rights conversion system, which facilitates the conversion of rights such as building ownership, lease contracts, and mortgages. To illustrate, in the case of building ownership, negotiations are held in principle, and in the event of a failure to reach an agreement, a rights conversion plan is implemented to assess the value of each right, with the land and buildings subsequently allocated in proportion to the value.

#### **4 Response of local regulations to the issue of coordination of interests**

Finally, this paper analyses the main aspects of urban renewal, including the implementation process, negotiation of interests, and dispute resolution procedures outlined in the *Beijing Urban Renewal Regulations*<sup>1</sup> (*hereinafter referred to as The Regulations*), which is implemented in 2023. The aim is to demonstrate how local legislation responds to the needs of disputing and coordinating interests in reality. *The Regulations* address the solutions in several areas, including the rights and obligations of the property rights holders, implementing entities, and neighbouring rights holders, as well as the rules and procedures of the consultation mechanism and the disposal of objections.

##### **4.1 Clarify the concept and rights and obligations of property right holders**

###### **4.1.1 Concept, rights and obligations**

*The Regulations* clarify the legal relationship of urban renewal, make it clear that property right holders are responsible for the renewal of the properties they hold, enjoy corresponding rights and assume corresponding obligations, and encourage property right holders to play the role of the main body in urban renewal, effectively responding to the problem of residents' unwillingness to bear the costs of renovation, and safeguarding the right to propose and vote on the renewal programme.

Article 18 proposes that the rights of property rights holders include the right to propose proposals for renewal needs, independent or cooperative renewal with market entities, independent selection of the implementation of the main body, joint implementation of the renewal of the renewal and other renewal methods and paths, and the right to enjoy the right to operate and the right to income according to the law, the right to be informed of the implementation of urban renewal, the right to supervise and the right to make suggestions, etc.

Article 19 puts forward, the property rights holder shall bear the obligations including cooperate with the investigation, provide materials, cooperate with the illegal construction management, construction, etc., and actively perform the decision of the owners, etc., and clearly participate in the update meeting, carry out common consultation is the property rights holder common part to manage, execute the

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<sup>1</sup> Beijing Urban Renewal Regulations

implementation of the implementation of the programme by the law after the vote, review and adoption of the obligations in the aspects of the project involving hidden safety hazards of the people's livelihood, the property rights holders have the obligation to carry out or co-operate with the renewal.

#### **4.1.2 Special property right holders: state-owned enterprises**

State-owned enterprises occupy a unique position in relation to property rights. On the one hand, they are property right holders, which entails the right and obligation to renew and reconstruct their own assets. On the other hand, they are the users and possessors of state-owned assets, which entails the responsibility of preserving and increasing the value of state-owned assets. Consequently, the "Regulations" for state-owned enterprises to update the responsibility and task for special provisions are necessary in order to resolve the aforementioned low efficiency of state-owned enterprises in land use. The assessment mechanism is not yet mature enough to address this issue.

Article 7 proposes that state-owned enterprises and institutions, as property right holders, should take the initiative to carry out renewal.

Article 56 proposes that the state-owned assets supervision and management agency should establish and improve an assessment mechanism that is appropriate to the participation of state-owned enterprises in urban renewal activities.

### **4.2 Implementing entities and Their Responsibilities**

#### **4.2.1 Connotation and Determination of the Implementing entities**

The Regulation specifies the connotation, duties and selection method of the implementation subject, which effectively responds to the current unclear meaning of the implementation subject, and the unclear concept of the property right subject and the construction unit.

Article 20 proposes that for different tenure relationships, differentiated ways of determining the main body of implementation should be designed. The urban renewal project involves a single property right holder, who is responsible for determining the implementation of the main body. In the case of a property right holder with more than one property, the implementation of the main body is jointly commissioned after consensus. In the event that consensus cannot be reached, the property right holder is required to vote in accordance with the law to determine the implementation of the main body. However, in the case of urban renewal projects with complex tenure relationships, the aforementioned rules cannot be applied to determine the implementation of the main body. Instead, the laws and regulations pertaining to public interest, public safety, and other relevant considerations must be taken into account. In the event that the necessity for renewal is absolute, the people's government of the district is empowered to adopt the bidding process and other means of determining the implementation body in

accordance with the law.

Concurrently, the Shanghai mechanism for coordinating the main body, as set forth in Article 22, explicitly permits the designation of regional (district) renewal projects or multiple urban renewal projects as urban renewal implementation units. This designation allows for unified planning, coordinated implementation, and the balancing of funds for regional renewal through the packaging of multiple projects. For urban renewal projects implemented as an implementation unit, a unit co-ordination subject system is established, authorising the district people's government to determine the subject that is compatible with the urban renewal activities within the scope of the implementation unit to be the coordinating subject of the implementation unit.

#### **4.2.2 Duties and rights of the implementing entity**

Article 23 delineates the qualifications of the implementation body and its specific work responsibilities, which serves to enhance the enthusiasm of relevant enterprises to participate in urban renewal, protects the rights and interests of the implementation body, and also provides guidance to the implementation body on the implementation of the project. In addition, the implementing body is responsible for conducting an assessment of the current situation within the project, an assessment of the performance of housing buildings, an assessment of fire safety, a solicitation of renewal needs, and the preparation of an implementation plan. In light of the actual situation, the district government may empower the implementation unit coordinator to undertake functions such as integrating market resources. Given the multifaceted nature of the implementation body's responsibilities, it is advisable to select a body with the requisite expertise to fulfil the aforementioned roles. This could include entities with the capacity to plan and design, renovate and construct, manage properties and operate at a later stage.

#### **4.3 Rights and obligations of neighbouring rights holders**

In accordance with the Civil Code, neighbouring rights holders are obliged to provide the necessary facilities in a manner consistent with the principles of favourable production, convenient living, solidarity and mutual assistance, fairness and reasonableness. Article 28 stipulates that neighbouring rights holders must provide the necessary facilities for urban renewal activities, including cooperation (e.g. surveying, etc.), granting the necessary access areas and construction workplaces, and providing the necessary water and drainage facilities for the implementation of renewal and reconstruction. Concurrently, in the event that losses are incurred by the neighbouring rights holders as a consequence of the aforementioned provision of facilities, they shall be compensated or indemnified in accordance with the relevant legislation.

#### **4.4 The establishment of a consultative platform**

With regard to the establishment of a consultation platform, the Regulations provide for institutional design at three levels: public participation, consultation and voting, and democratic deliberation mechanisms.

Article 8 sets forth the overarching principles of public participation, which must align with the tenets of transparency, impartiality, and fairness. These principles are intended to enhance the involvement of property rights holders and interested parties in the formulation of urban renewal plans, the creation of policy, and the conduct of democratic decision-making in accordance with the law. Moreover, they are designed to empower owners' self-governing organizations, thereby safeguarding the public's right to know, participate, and supervise in urban renewal projects.

Article 24 delineates the stipulations pertaining to consultative voting on the implementation programme. In instances where multiple property rights holders are involved, the owners are required to vote on the implementation programme of the common parts in accordance with the law.

Article 25 proposes the establishment of a democratic deliberation system for urban renewal projects. This system would facilitate multi-dimensional consultation on project generation, implementation and evaluation, and would provide a platform for the expression of opinions and suggestions from a range of stakeholders. This could be achieved through the use of community forums and other forms of engagement, in conjunction with the specific needs of the project.

#### **4.5 Procedures for handling objections**

The Regulations stipulate a corresponding mechanism for the disposal of objections in the event of refusal to implement the implementation plan or in the event that a small number of people are unable to reach a consensus, thus forming an effective programme for the protection of public interests and public security.

In the event that an individual property rights holder declines to implement the implementation programme adopted by vote, other property rights holders, owners' associations or owners' committees are entitled to file lawsuits to the People's Court in accordance with the law. And the use of the People's Mediation System to help parties reach voluntary mediation agreements is encouraged. In the event that the implementation of the project entails considerations of public safety as stipulated by laws and regulations, the district urban renewal authority may make a renewal decision with reference to the relevant provisions on major administrative decisions. Should the property right holder be dissatisfied with the decision, they may apply for administrative reconsideration or file an administrative lawsuit in accordance with the relevant legislation.

#### **5 Conclusion**

The article commences with an examination of the definition of property rights, followed by an analysis of the connotations of property rights. This is then extended to encompass the connotations of property rights in urban renewal. The characteristics of the current situation are then constructed, a framework for analysing the interests of multiple subjects is constructed, and finally, the response of Beijing's urban renewal legislation to the current property rights issues is analysed. The article presents a research framework comprising the identification of subjects, expression of interests

and coordination of interests. It then analyses the problems and experiences of the current situation. The primary strategies of the legislation are evaluated in the context of Beijing's legislative practice, including the clarification of the types of property rights and the corresponding objects of property rights, the clarification of the concept of property rights subjects and their rights and obligations, and the clarification of the implementation subjects and their responsibilities in the process of defining the rights and obligations of neighbouring rights. In general, the legislative system has been designed to address the issues related to property rights in Beijing. On the one hand, the legislation has established a system of duties for the property right holder (Table 2), which facilitates the delineation of rights and responsibilities and thus contributes to the protection of rights and interests in practice. Concurrently, the legislation should also facilitate the rights and responsibilities of neighbouring right holders, which would also assist the public in distinguishing ownership and facilitate the smooth implementation of urban renewal projects involving the public interest.

In essence, the majority of the institutional framework within the legislation is guided by principles. While the policies in principle cannot be directly supported in project practice, they offer numerous advantages and provide flexibility in the implementation of the law. This encompasses the specification of the details of support policies in terms of funding, planning and land to be issued by different sectoral authorities. Additionally, it empowers district-level governments to consider regional characteristics and realities when formulating support policies conducive to the implementation of the project, such as guidelines on the specific implementation process.

In the subsequent stages of legislation and law implementation, it is recommended that the operational guidelines be refined in the future, taking into account the successful experience of specific projects. For instance, in the domains of interest consultation and conflict resolution, it is proposed that the workbook on consultation and shared governance be further refined in the subsequent phase, with due consideration of the experience of practical projects. This will enable grassroots staff and residents to participate in proposing topics and putting forward their needs for the urban renewal.

Table 2: Comparison of Property Rights Dilemmas and Institutional Responses

Property Rights Dilemma	Stage	Practical challenges	Response of Local Legislation
Ambiguity in property rights boundaries	Subject identification	The responsible entities for different updating objects are not clearly defined	Clarify the concept and rights and obligations of property right holders
			Clarify the responsibilities and tasks of SOEs
The difficulty of property rights restructuring		Lack of clarity in the responsibilities of the implementing entities	Clarify the process of determining the implementing entities and its responsibilities

		and failure to protect their rights and interests	
Ambiguity in property rights boundaries		Lack of definition of neighborhood relations, difficult to achieve public interest and public security	Clarify the rights and obligations of neighboring rights holder
The difficulty of property rights restructuring	Expression of Interest	Lack of interaction between different parties	Define the rules of the democratic consultation mechanism
		Lack of feedback mechanism	
The rights and responsibilities of property rights holders are not equivalent	Coordination of Interests	Lack of awareness of funding	Clarify the concept and rights and obligations of property right holders
		Conflict of interest affects public safety and public interest	Define the procedures for handling objections

There are still limitations and shortcomings in this paper, as it only analyses the conflicts of interest and adjustments associated with the change in ownership of the asset, but does not analyse the corresponding changes in interests associated with the increase in plot ratio, the change in land use and the increase in housing value. In the future, all types of interest changes in urban renewal should be analysed more systematically, as well as the impacts and problems they bring.

## 6 References

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