

Bernardo Ynzenga

# FROM DREAM TO NIGHTMARE: MADRID EASTERN STRATEGY, MENDING OR PUSHING THROUGH?

**THE** present paper<sup>1</sup> deals with the rise, fall and possible futures of the Madrid Eastern Strategy, arguably the largest urban operation undertaken in Spain in the last decades; probably the largest in Europe.

## YEARS AGO: DREAMING

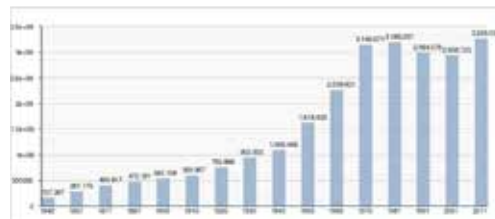
The Eastern Strategy is the name given to a development proposal extending over close to 60 km<sup>2</sup>. (5.865 Has. 14.492 acres) on the south-eastern fringe of Madrid. It was part of the 1997 General Master Plan of Madrid (*Plan General de Ordenación Urbana de Madrid -PGOUM*). It was designated for 158,000 dwellings and an expected population of about 450,000 people. The Plan also included other, smaller but not minor operations elsewhere which were supposed to attract their share of future population and push additional potential growth significantly. However and in dire contrast, when those decisions were made the total population of Madrid was less than three million people, and declining<sup>2</sup>. These numbers depict a panorama of unbounded development optimism, remote from demographic and urban realities.

### A planned for development:

- 60 km<sup>2</sup> (5.865 has, 14.492 acres).
- Relatively low densities.
- 158.000 dwellings, and estimated population : 450.000 people.

### At the same time:

- Madrid total population: 2.900.000, with negative growth rate



Somebody made those decisions. They may have thought things would change for the better

(for the infinitely better) or dreamt that such a supply of planned areas would bring to Madrid most, or all the growth which was going to other regions or Metropolitan Area cities at that time. Those decisions were surprising. If one had to simplify, one would say they had emanated from an academic question and an array of wishful thoughts.

The seemingly innocuous academic question was: what could the capacity of this large Eastern Area be? How many dwellings, offices, activities, infrastructure, etc. could fit in there if fully developed?

Wishful thinking assumed that, given the anticipated (not to say desired) dynamic of the real estate market, there would be enough financial and economic muscle to promote and urbanise it all; and enough effective demand to buy all of the resulting plots. I say 'plots' because, as we will see, selling urbanised land was then the only business prospects expected by promoters.

Additionally, in a burst of optimism, the City and the area's landowners agreed on an extremely fast timetable whereby urbanisation had to be completed in eight years. To make things even rosier, they oversimplified and subdivided the area into only a handful of very large sub areas, each to be urbanised separately, fully and as free standing development.

### **Territorial growth context**

The planned Eastern development strategy occupied an extremely large area: large in its own terms and relatively even larger when compared with the extension of Madrid's consolidated area.

Until the mid 20<sup>th</sup> century, the central part of Madrid was a compact and dense city, with two rather distinct parts: the Historical City and its 19<sup>th</sup> century Enlargement – or *ensanche*.

Madrid was chosen as Capital of the Reign in 1561, and for three hundred years, up to mid

19<sup>th</sup> century, that Historical City was all there was. Everything happened inside its confines.<sup>3</sup> Crowded within its relatively small surface (450 hectares), its population reached a quarter of a million people, at a density of some 125-130 dwelling per hectare. In 1860, the city approved a growth plan -The Enlargement or Plan Castro - that added some 1500 new hectares on a regular grid pattern. When The Enlargement was fully occupied, in mid 20<sup>th</sup> century, it contained an additional half a million people at an average density of 80-85 dwellings per hectare. After 400 years from Madrid's founding, the Historical City (now the Central District) plus the Enlargement (today's Core Area) jointly contained 2000 hectares, over 750,000 people and more than a significant amount of commerce, office space and all kinds of different activities, including governmental and institutional ones. This should be kept in mind as a reference.

Madrid was not confined to that Core Area. It had grown, grew and kept growing beyond it to reach a total population of 3,000,000.<sup>4</sup> Neighbouring municipalities grew and formed an extensive inter-related Metropolitan Area of 5,300,000 people.<sup>5</sup>

### **Economic and financial context**

By the end of the 20<sup>th</sup> century, after a sustained period of real and expected economic growth, world financial capabilities had reached unheard levels. An ocean of potential investment money was looking for places, and a legion of local authorities, land owners, real estate developers and others were eagerly labouring to attract as much of it as possible. Easy and plentiful financing boosted demand beyond any reasonable limits. As a result, or as one of the most significant ones, the size and scale of urban land-development operations increased to record levels, boosted even more by the explicit or implicit support of cheerful

– if not greedy- local authorities. In the 1950s and 1960s a development of a few hundred dwellings was 20<sup>th</sup> century, the size of development areas had reached what seemed utopian to the early Moderns.

### Urban management context

In Spain, two factors contributed to making large scale, and even larger private land development initiatives relatively ‘easy’. They were the way in which land is dealt with and urbanised before final construction may begin; and the practice of ‘*buying the future*’, accepted by many eager buyers, ready to acquire property on the only basis of drafted plans.

At the risk of over simplification, the process for land development in Spain went and goes as follows:

- Urban plans identify possible future growth areas and set some basic conditions for their development.
- The landowners of a given area get together and create a Compensation Board, ‘*Junta de Compensación*’, tantamount to a shareholders private corporation.
- The Board designs and submits a detailed zoning and layout for the area for approval.
- Once approved, they subdivide the area into plots-to-be, inscribe them in the Land Registry, and begin to sell future plots to third parties before any work or construction of any kind have taken place.
- With either the revenue of those sales or with their own or financed resources, the landowners represented on these Boards have to complete all the urban works: streets, infrastructures, connections, etc.
- When they are completed, construction permits may be issued and building construction may commence.

The above described dynamic, boosted by banking institutions, by plentiful and aggressive

financial practices and by overoptimistic future expectations, sped up the rhythm and scale of development initiatives, focusing on few sectors. Because of public works being costly, a more than significant level of investment had to be disbursed well before real final construction got underway. Obviously, in the meanwhile, the benefits to be obtained by the sale of land transformed-into-plots were the landholder’s main concern, leaving the risk and tasks of construction and development to others.<sup>7</sup> Excel tables showing expected land sales results were more relevant, by far, than the characteristics of detailed urban planning, which were seen not as an end but as a mean to assist sales and to reduce costs.

An additional urban development management practice has to be taken into account: the ‘*Convenios Urbanísticos*’, or pre-planning agreements between local public authorities and private landowners. Those agreements are contracts whereby the public sector allows a given urban growth in a given area in exchange of receiving jointly accepted given amounts of future plots and other surplus land, works or services, above the minimum legal requirements. Normally, both parties negotiate their ‘*Convenio*’, before any serious planning or urban design has taken place. It is a ‘what do I get, what do I give’ kind of dialogue. Once the ‘*Convenio*’ is signed, design and other initiatives are transferred almost fully to the private sector, within the constraints or conditions jointly set up.<sup>8</sup> This proceeding implies two risks:

- Public responsibility for the design and quality of the urban environment gets passed on (or abandoned) to private interested parties.
- Whatever accepted growth there is gets thinly spread and densities pushed down because more and more owners want and claim to be part of these deals: too much toast for little butter.

## The Eastern Development Strategy proposal

The Eastern Strategy was the largest urban expansion area designated in the 1997 Madrid Master Plan. It aimed to extend the city over practically all the then undeveloped outskirts east of Madrid. It involved an enormous area and thus claimed to accommodate an inordinate amount of contents (land, population and dwellings):

- It occupies an area larger than the entire Core Area –the Central District plus Enlargements.
- At the current persons per dwelling rate, it could contain almost one seventh (14%) of the municipality’s total population; more than one time and a half of Madrid’s growth over the past 20 years.<sup>9</sup>
- Even if the crisis did not lead to lesser population and housing forecasts and even if all future growth would only occur in the Eastern Development, it would take at least another 20 years to occupy it fully (current Madrid City data<sup>10</sup> imply an increase of only 9,000 dwellings per annum<sup>11</sup>).

The stated capacity (158,000 dwellings) is misleading. It seems high, but density is low. The average density is about 30 dwellings per hectare<sup>12</sup>, half or one third of that in Madrid’s consolidated areas.

## Areas

The General Development Plan divided the East into nine areas or sectors, generically called PAU’s, *Programas de Actuación Urbanística*. Two PAU’s were intended for industrial and economic activities and seven for predominantly residential use. The residential areas were very large: most were close to 500 hectares; in *Berrocales* they amounted to more than 800 ha, and to an exceedingly high 1900 ha in *Valdecarros*. According to the City, Valdecarros

would be “*the biggest development project realised so far in the city of Madrid with an area and estimated population similar to that of a city the size of Albacete*”. Again, a comparison suffices to see the huge scale of these areas: Valdecarros is several times bigger than the Central District and exceeds that of all Madrid’s Enlargement, whose development took 100 years.

## Detailed planning

According to the Master Plan, the detailed planning and design of the Eastern Strategy area should result from assembling and juxtaposing a series of independent Partial Plans, linked up by a first level network of high capacity highways, as well as a longitudinal large avenue. The latter would be implemented incrementally (according to expectations) as each area developed, fragment by fragment, until all segments were fully urbanised (in the meantime it would remain an interrupted or incomplete avenue).

The urban landscape designed for this assembly of parts, and for most of each separate part, tends to be conspicuously homogeneous:

- For whatever reasons –which we don’t know but can well imagine- urban design leans almost exclusively toward an urban fabric based on a grossly over-dimensioned hierarchical grid system of streets, boulevards and avenues, defining standard sized city blocks.
- Architectural typologies are dominantly, and almost solely, based on collective buildings, aligned with the sidewalks, on the borders of the blocks, surrounding central common courtyards; all of it was complemented by some areas for row houses and occasionally a few blocks with somewhat different designs.<sup>13</sup> It is interesting to note that the Municipal Housing Society (Empresa Municipal de la Vivienda, EMV, part of the City government) has been the

first one not to follow this imposed model, allowing significant design changes for the blocks it developed.

- Green areas and open spaces spin off towards the outer edges, far and away from the centre of gravity of the living quarters. Large gaps isolate and separate each area from the adjacent ones (and from the municipality boundaries).
- Space is reserved for public facilities and local open spaces supposedly to ease design, but in reality pre-empting any other kind of construction within whole (or half) blocks, creating gaps that interrupt the (doubtful but pursued) the continuity of the theoretical street façade.
- The oversized dimensions of the partial plans is one of the reasons for this homogeneity. The fact that they were designed by a very small number of authors chosen by the various Compensation Boards at their convenience (five teams, nine partial plans<sup>14</sup>) may be another.

## YEARS LATER: A NIGHTMARE

As these sectors led to unique independent actions, each Board faced very large investments and had to obtain heavy financing. According to the 1997 Master Plan, urbanisation infrastructure had to be completed for all the residential sectors in eight years. However, fifteen years later realisation was way behind the schedule. By 2012 most of the area had not yet been completed, and on some plots work had not yet started, or barely<sup>15</sup>. The financial situation was critical.

Compensation Boards - one for each area - have resorted to varying degrees of financing, including bank loans and anticipated sales of future plots-to-be.

Some of the buyers, often housing cooperatives in the making, began marketing or selling

ownership rights for future dwellings-to-be in turn. A few thousand families had bought them.

Development and urbanisation are almost at a standstill. In a number of sectors, it has not gone beyond earth movements, or even less, but transforming the terrains' natural conditions.

The large amounts of oversized fixed capital weigh heavily on final land plus housing costs; costs which, if passed on to prices, will have a negative impact on demand levels (and therefore on revenue flows). Little has changed, and not for the better.

On the positive side, almost all the highway infrastructures providing access to uninitiated or delayed sectors have been completed.

However, there has been an important recent change. A ruling of the Supreme Court has declared null and void the Eastern Strategy PAU's provisions (and others) of the 1997 Madrid Master Plan. The municipality has responded with an urgent review of the Plan, including, basically and among other things: smaller development units (but probably with the same number of development shareholders per development unit<sup>16</sup>); and, larger development periods (up to 30 years).

For the PAUs this is a break, but nobody believes that good times will return soon if at all.

## THE PRESENT: A NEW STRATEGY?

The dreams of yesterday collide with actual economic, demographic and urban growth conditions. It is not possible to carry on as if nothing had happened. Changes are required, and there are two sides to them.

Those who would like things to be as they were would only accept changes that would survive the effects of the crisis. They want to maintain the present design, keep and attempt to increase densities or other contents, attempt and reduce obligations, subdivide large areas into smaller ones for easier development and,

above all, bide for time. These changes will neither improve urban quality nor overcome the built-in urban shortcomings discussed above.

On the opposite side, there are those who would like to see the crisis as an opportunity. They would opt for profound conceptual and design changes, sensible use of the investments already made, restoring and achieving urban quality, healing the scars left in areas that will remain unoccupied for long...

The question, or the alternative, is: unjustified hope or positive action? The answer seems clear: waiting will not bring the desired results, not in the relevant future. A new kind of approach seems to be called for. Its key words are: shrinkage, density, concentration, recycling, preservation, attentiveness, adjustment... This approach was developed in a Master Degree Workshop held in 2012<sup>17</sup> and the following sections are based on it.

### Observations

Several kinds of observations arose from the dynamic of the workshop, and as a response to the then current state of affairs.

From an urban planning and design point of view:

- The area offers an exceptional opportunity to mobilise and realise the best of contemporary up-to-date thinking and architecture, a positive contribution to the local urban environment and to the town as a whole.
- Average planned densities are too low: they lead to dubious urban quality, poor sustainability and high costs of urbanisation and maintenance.
- The prevalence of the block-grid and its formalistic rigour fosters uncritical and easy use of past models and hampers freedom and project quality. It seems to have been adopted more for reasons of convenience

(ease of subdivision into plots and marketing) than for a concern for urban quality.

- The extreme and ubiquitous presence of a hypertrophied rhetoric street system dominates the urban scene, with oversized sections, profusion of roundabouts and axial boulevards, formalistic exedras conceived as convex outward borders to reinforce the autonomy of each section.
- The offish, distant, introverted and self-assertive character of the design adopted for the various areas, together with the treatment of their eastern limits, leads to a notorious anti-urban image.
- The inadequate proportion between buildings and road areas, and the absence of non-residential activities onto the street generate an empty urban scene' difficult to use (and expensive to maintain).
- The location and size of (many) local facilities and open spaces are emptying any other uses in what are now exclusively residential blocks, and distort the continuity of the urban tissue and the intended arguable 'street' image.
- On many occasions, the way in which the layout and grouping modes of city blocks have been planned contradict their intended character as part of a continuous grid. They parade, linearly, along the main avenues, as nostalgic reminders of the big old 'city beautiful'.

From an urban and development management point of view:

- Under the present conditions of uncertainty and change, the joint once-and-for-all detailed planning and management of such vast areas, whose occupation may take decades, is a burden in terms of frozen investment and deadlines.

A comment on the future:

- Urban space, form and environmental

quality, key for individual and collective well-being, are public goods that institutions should promote and reinforce.

- Under the terms of the *Convenios Urbanísticos*, or whatever adjustments to them may be agreed upon, the City would become the main or one of the main land and property rights owners, and it would also have full responsibility for maintenance and repair of all urban infrastructures and services. In any case, the City should take a more direct leadership role for the design, ensure the pursuit of excellence, and monitoring actively the development process and its results.

## Criteria

Based on these observations, the workshop adopted several basic criteria.

Concerning the content:

- Reduce by about half the aggregate dwelling capacity of the host areas to about 80,000.<sup>18</sup>
- Raise average density to about 50 dwellings per hectare, so as to increase sustainability by more intense use of already realised infrastructure and of urbanised land plots.<sup>19</sup>
- Improve urban quality by facilitating the establishment of local commerce and activities, mixed-use buildings, and multi-purpose public buildings.
- Reorganise and redesign the system of open spaces to produce a more coherent system of routes and sites, better integrated into the everyday habitat.
- Improve appearance and non-vehicular use of the street system.
- Resolve the boundary conditions and avoid the permanent appearance of a “*sorry, construction works ahead*” landscape.
- Maintain in reserve, all the land for which occupation is neither necessary nor intended, and restore its environmental

quality by taking into account its present state and the changes caused by interrupted land movements and by other works.

Regarding management:

- Preserve the rights of those who have already acquired home ownership or other rights in the same place or sector if its development is going ahead, or in its proximity if that sector is not being developed.
- Given the fall of land prices and real estate expectations, analyse the advisability of negotiating the public acquisition of land in sectors, parts of sectors or even urbanised land not expected to be developed in the relevant future, (Bad Bank?).

## An alternate schematic strategy

The observations and proposed criteria led to an alternative strategy that calls for more density and less content, which means that the amount of total committed land should be reduced. If densities are doubled, land take divided by half, and if, moreover, expected population declines, land requirement lessens in identical proportion. With such higher, but reasonable, densities the total capacity of the area would soon reach an extravagant three quarter million people... or more.

Taking all this into account and with more realistic growth expectations and forecasts, the strategy proposed a cut down of the number of dwellings, from 158,000 to 78,000, and an increase of average densities, from 28 to 45 dwellings per hectare<sup>20</sup> which meant freeing 3850 hectares.

In terms of urban design, the alternative strategy should include the following aims:

- Acknowledge the presence of already developed land and the condition where earthworks have begun; and in particular the existence of nodes and links on the highway system.
- Concentrate development on areas close

**Alternative**

|                                    | sup. in m2        | dwellings      | dwell/ha  | sup. m2 equiv     | viv            | dwell/ha  |
|------------------------------------|-------------------|----------------|-----------|-------------------|----------------|-----------|
| New Eastern Centrality             | 5.730.000         | 12.000         | 21        | 2.865.000         | 12.000         | 42        |
| Dehesa                             | 0                 | 0              | 0         | 0                 | 0              | 0         |
| Cañaverál                          | 5.373.000         | 14.200         | 26        | 5.373.000         | 21.300         | 40        |
| Cerros                             | 4.620.000         | 14.300         | 31        | 0                 | 0              | 0         |
| Ahijones                           | 5.684.500         | 16.800         | 30        | 710.563           | 4.000          | 56        |
| Berrocales                         | 8.270.000         | 22.000         | 27        | 827.000           | 4.000          | 48        |
| Vallecas Enlargement               | 7.360.000         | 28.000         | 38        | 7.360.000         | 36.400         | 49        |
| Atalayuela                         | 0                 | 0              | 0         | 0                 | 0              | 0         |
| Valdecarros                        | 19.135.300        | 51.000         | 27        | 500.000           | 3.000          | 60        |
| <b>Total</b>                       | <b>56.172.800</b> | <b>158.300</b> | <b>28</b> | <b>17.635.563</b> | <b>80.700</b>  | <b>45</b> |
| <b>Population (2,7 pers/dwell)</b> |                   | <b>427.410</b> |           |                   | <b>210.600</b> |           |

to existing highways and nodes, on or by already urbanised land and on sites where works have already advanced to some significant level.

- Cancel development on untouched sites, allowing only whatever may be needed to seal or complete present or semi-finished developments.
- Improve continuity and connectivity among the new eastern areas and between them and the city's urban continuum.
- Set a large land reserve aside, and give differential treatment to land where natural conditions have been altered by earthworks.
- Design for and achieve a more differentiated urban environment; denser nodes with higher amounts of activities; concentration along the main local road links; higher quality of contemporary residential areas; more a sensible and better scaled system of urban services, facilities and public open spaces.
- Plan for smaller development units and incremental development.

### Towards a new Master Plan

In the last municipal election campaign, the

City governing party (PP) promised to update and review the Master Plan. Soon it set up a Master Plan Office. Numerous studies, preliminary drafts and wide-open consultations have already taken place.

On the Eastern Strategies areas, and conscious of the controversy and tension between the 'keep things as they are' and the 'let us change them' approaches, the Office proceeded cautiously and carefully. However, after the recent Supreme Court rulings, pressure for quick reaction increased the immediate response towards the 'keep things' camp<sup>21</sup>.

The result was a somewhat contradictory pair of decisions:

- On the one hand and as already said, a partial and urgent Plan Revision was set in motion to maintain, strengthen, facilitate and prolong the 1997 decisions and has been approved,.
- On the other hand, the new Master Plan process continues theoretically as if nothing had happened... uninterrupted, but 'freezing' any additional decision on the Eastern Strategy... following the 'don't let one hand know what the other does' advice.



What the new Master Plan can achieve is as yet unknown because the partial and urgent Plan Revision, already approved despite its claims to the contrary, will make any future change of its contents extremely difficult, costly, and practically impossible. But... the Plan Revision will, no doubt, face new court challenges... and uncertain results. Let us hope that for those who have embarked on it, and for the good of the city, theirs is not a Medusa raft.

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This is not a happy story. It is a story of unjustified dreams and predictable nightmares. What happens after awakening will take time to find out. In the meantime, let us wait... actively.

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1. The paper is based on a conference given at the 2013 San Pablo University, CEU's 2013 Summer Course Strategies for the Post-speculative City. See also: Ynzenga Acha, Bernardo. 'Mega barrios: la oportunidad perdida' in Carmen Priego Fernández del Campo (ed.): 'Sociedad y espacio urbano de Madrid en el siglo XX' Museo de Historia. Madrid. 2010.
  2. In recent years Madrid's total population has increased somewhat, to 3.324.000, with a feeble forecasted rate of growth of about 20.000 to 15.000 per year.
  3. A fiscal fence surrounded the city. Built by Felipe IV in 1625, it stood unchanged up to 1868.
  4. More in the 70's and 80's, less 20 years later
  5. Madrid Metropolitan Area around 2000: 29 municipalities; 1.935,97 Km<sup>2</sup>.; 5.285.242 resident population
  6. Occasionally, building permits may be issued before all public works are finished.
  7. Some shareholders may choose to continue with the development business.
  8. The Public Sector retains supervision and approval.
  9. Population 1991=2.984.576; population 2011=3.256.038. From 1991 to 2011: an increase of 280.462 people.
  10. Building and Housing Census, 2001. "Main family dwellings by districts and sections, by type of housing. Government Finance and Administration Department. Department of Statistics. Institute of Statistics of the Community of Madrid Registration Office. Estimated population at 1 January of each year (2010-2020). Base Population 2009 "
  11. Using annual mean values: annual increase of 24,879 people and average family size, 2.76 leads to an increase of 9.014 homes per year.
  12. City of Madrid Planning and Housing Government Area. GIS Department. Monitoring of management in new urban developments. April 30, 2012.
  13. Blocks around the central core of the Cañaveral
  14. Just one team, Valentín Merino Architects SLP, designed almost half of the entire area (nearly 2,900 of the 5,800 hectares corresponding to the partial plans of La Dehesa, Vallecas Enlargement, Atalayuela and Valdecarros). In addition, another team, CA14 Architecture and Urbanism & Zealand Limited, designed 40% of the remainder area (the 1,140 hectares of New Centrality and Ahijones).
  15. The PAU of Vallecas Enlargement is fully urbanized and partially built. The two industrial areas and the residential area El Cañaveral are fully urbanized but building activity has not yet begun. In Berrocales some urbanization has begun and in Ahijones just earth movements. In Los Cerros and the quite large Valdecarros, no works have started.
  16. Initially, all the landowners in a given area participated proportionally in all revenues. If the area is subdivided, its land owners will be a subset, leaving out the rest. But as all had commenced together, the rest would claim to be in; and so the resulting subdivision will have to be in smaller lots, fragments of a block, with negative effect on final urban scene (blocks as sum of different projects instead as platform for unified ones).
  17. Master in Collective Housing. Departamento de Proyectos Arquitectónicos. Escuela Técnica Superior de Arquitectura de Madrid, ETSAM. (<http://www.mchmaster.com/>)
  18. This figure includes the dwellings already built in the Vallecas Enlargement.
  19. In the Vallecas Enlargement, increase density of occupation by inserts in, or ordinance changes for, unoccupied lots or urbanized blocks.
  20. Achieving higher average densities would be difficult, in so far as part of the areas are already developed or under final housing developments.
  21. Fear of lawsuits and significant compensations was, no doubt, one of the reasons for the City's decision.