ANNEXE SEVEN

German Model of Land Pooling (Readjustment): Umlegung

Dieterich et al. (1993, 66–67) subdivide the complicated process of *Umlegung* into the following stages:

1. The municipality makes the formal decision to start the procedure by determining the area of the *Umlegung.*

2. The rights and claims of all plots within the area of the *Umlegung* are established and added together.

3. Land designated for streets, other public space or similar amenities in the local plan is appropriated from the area of the *Umlegung.*

4. The remaining private properties are returned to all of the owners involved using a special *Verteilungsmaßstab* (standard of distribution). Standards of redistribution can be formulated according to either plot values or sizes. The size standard is only suitable to use if the values of all former plots are fairly similar. The principle of allocation has to take into account the former ratio of ownership, so that if, for example, a landowner possessed in total 20 percent of the overall value of all former plots, he should receive back 20 percent of the value of the reallocated plots.

5. New plots are allocated to landowners on the basis that each gets one or more developed plots according to entitlement, with monetary compensation if necessary.

6. When using the value-based *Verteilungsmaßstab,* the landowner has to pay the difference between the value of his former plot (undeveloped) and the value of his serviced new plot after the procedure of the *Umlegung,* whose process incidentally permits the municipality to retain betterment value (Müller-Jökel 1997). When using the *Verteilungsmaßstab* according to the sizes of the plots, the municipality is allowed to retain land equal to the increase in value caused by the *Umlegung* itself; however, according to the *BauGB,* this may not be more than 30 percent in greenfield areas and 10 percent in inner-city locations. In these calculations, the former appropriation for streets etc. (referred to in stage 3) also has to be taken into account.