

**Development obligations for tourism land uses: a case study in the Algarve  
(Portugal)**

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Territorial planning legislation is currently under review in Portugal, linked together with the revision of municipal master plans and respective regulations, other legislation that falls on territory, and the new Cadastral Law. The new Land, Territorial Ordinance and Urbanism Act is already enforced, as well as the new Juridical Regime of Urbanization and Edification, and the new Juridical Regime of Territorial Management Instruments. A deep reflection has been pursued, and a new paradigm has emerged on the economic and financial sustainability of urban development processes, and technical studies are now being required for plans' approval. Besides, as the current crisis framework strongly impacts on municipal finance, this research aims at contributing to endow municipalities with financing-efficient instruments, able to reinforce their ability to fight for the interests of their populations.

The research reported in this article aims at assessing how land capture direct instruments applied at the municipal level can allocate for the social interest the land unearned increments that stem from public decisions concerning the implementation of territorial plans and/or changes in land uses or land use intensities. More specifically, herein are presented the theoretical framework, methodology, results and conclusions of a proposal of a kind of non-negotiable development obligation - applied at the Municipal level - aimed at capturing at least part of the land surplus values engendered by plans concerning the allocation of concrete building capacities, objectively computed from the parameters settled in the Municipal Master Plan, Urban Development Plans, Detail Plans, parcelling out procedures, or other instruments of territorial management. It is based on an economic assessment method that consists in charging landowners/promoters a

20% fee on land surplus-values that result from the assignment by urban plans of specific building capacities to urban interventions especially targeted to tourism uses. The proposed methodology is applied to the Urban Development Plan of the Planning Unit 11 of the municipality of Lagoa, located in the Algarve, Portugal.

These non-negotiable development obligations may be easily applied to other municipalities, within the scope of different kinds of urban plans. It ensures that the surplus-values they engender are pointed to social purposes. And it further supports municipal economic and financial sustainability based on a strategic and integrated planning perspective.

**Key words:** value capture; economic and financial sustainability of urban developments; non-negotiable municipal developer obligations; territorial planning legislation

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