

Development and Redevelopment of Urban Areas

Urban Redevelopment Policy

The Urban Redevelopment Policy is a master plan that comprehensively systematizes measures for urban redevelopment on a long-term basis, thereby aiming to ensure fair guidance and planned promotion of redevelopment.

The revised Urban Renewal Act of 1980 has designated urban areas that require planned redevelopment (Category 1 Urban Areas) and those that should promote integrated and comprehensive redevelopment and have shown the momentum and activities for redevelopment as redevelopment promotion districts (Category 2 Areas or Quasi-Category 2 Areas), and areas that fall short of redevelopment promotion districts but are desirable to be developed and expected of development effects as redevelopment guidance districts.

Status of formulation of urban redevelopment policies

(As of April 1, 2013)

City planning area	Urban areas that require planned redevelopment (Category 1 Urban Areas)	Redevelopment promotion districts (Category 2 / Quasi-Category 2 Areas)	Redevelopment guidance districts
Tokyo (ward area)	3 Areas Approx. 58,193 ha	404 Areas Approx. 15,073 ha	170 Areas
(Tama area)	37 Areas Approx. 20,932 ha	51 Areas Approx. 859 ha	65 Areas
Hachioji	1 Area Approx. 1,300 ha	6 Areas Approx. 117 ha	9 Areas
Tachikawa	8 Areas Approx. 1,537 ha	8 Areas Approx. 189 ha	7 Areas
Musashino	3 Areas Approx. 1,073 ha	1 Area Approx. 1 ha	6 Areas
Mitaka	3 Areas Approx. 1,650 ha	2 Areas Approx. 87 ha	6 Areas
Fuchu	5 Areas Approx. 2,726 ha	12 Areas Approx. 107 ha	11 Areas
Chofu	4 Areas Approx. 2,048 ha	6 Areas Approx. 198 ha	7 Areas
Ome	1 Area Approx. 300 ha	1 Area Approx. 2 ha	2 Areas
Machida	1 Area Approx. 517 ha	2 Areas Approx. 8 ha	2 Areas
Koganei	1 Area Approx. 1,133 ha	2 Areas Approx. 20 ha	5 Areas
Hino	1 Area Approx. 2,240 ha	2 Areas Approx. 31 ha	2 Areas
Kodaira	1 Area Approx. 2,046 ha	4 Areas Approx. 53 ha	3 Areas
Kokubunji	3 Areas Approx. 1,150 ha	2 Areas Approx. 36 ha	2 Areas
Higashimurayama	1 Area Approx. 1,627 ha	1 Area Approx. 6 ha	1 Area
Nishitokyo	4 Areas Approx. 1,585 ha	2 Areas Approx. 4 ha	2 Areas

Notes:

City planning decisions are made in each city planning area

Tachikawa City Plan (CP) covers three cities: Tachikawa, Musashimurayama and Higashiyamato

Chofu CP covers Chofu City only.

Higashimurayama CP covers Higashimurayama City only.

Urban Redevelopment Projects

In existing urban areas, there are, in spite of their urban central locations, many areas that lack infrastructure such as roads, those that are with low land use efficiency and poor urban environment due to their fragmented land use, and those that carry disaster risks due to high concentration of old wooden houses.

As for urban redevelopment, the term “redevelopment” may be used in so broad a sense as to cover a case where a landowner promotes construction of fireproof or high-rise buildings by consolidating or converting land use voluntarily in a personal or corporate capacity. In this regard, various methods are utilized.

It is, however, difficult to promote redevelopment if depending only on voluntary construction activities in areas where relationships of rights are subdivided or where effective land use cannot be pursued only by private funding. This is not only undesirable for the area but also harmful to the sound urban development.

It is the Urban Redevelopment Project under the Urban Renewal Act that carries out redevelopment in accordance with certain rules of law by setting forth the development of public facilities (e.g. roads) and communalization of buildings as a uniform project while restricting individual building reconstructions.

By developing public facilities (e.g. roads) and sharing land use, the Urban Redevelopment Project is implemented utilizing the schemes for relaxation of the floor area ratio that allows improvements to the urban environment, (e.g. designation of high-level use districts) for funding for costs required for communalization of lands and buildings (e.g. support), and for preferential tax treatment.

By creating floors that exceed those possessed by the original right holders by means of high-level land use, the costs of urban development projects are to be covered by subsidies as well as funds obtained by selling those floors (including a piece of land corresponding to the floor).

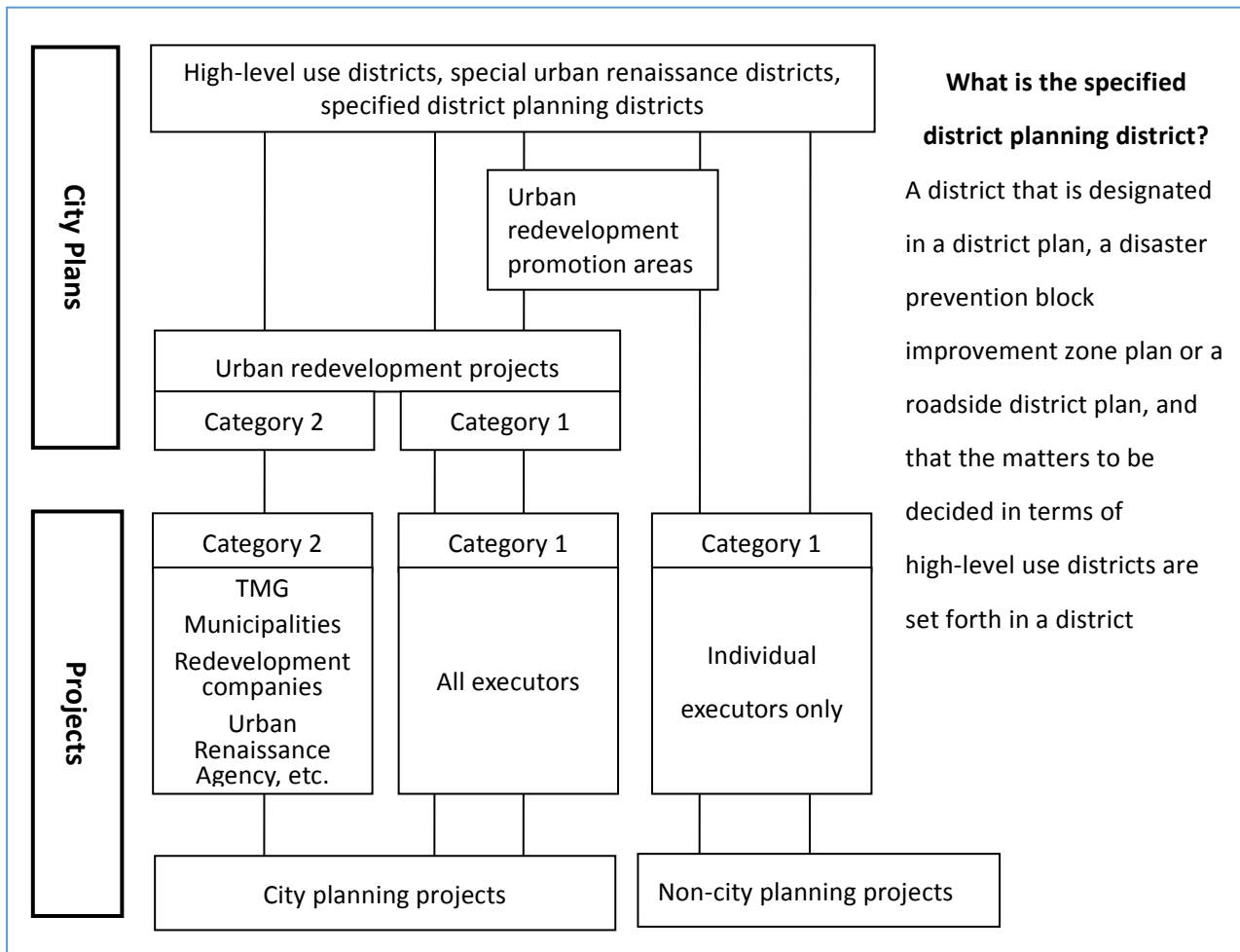
1 Relationship between City Plans and Projects

Urban redevelopment projects can be implemented within high-level use districts, special urban renaissance districts or specified district planning districts.

Urban redevelopment projects are divided into two types: Categories 1 and 2.

There are cases where an execution area and other details are set forth as an urban redevelopment project in a city plan; however, there can be cases where the project is carried out within the execution area and where the project is not set forth in a city plan. Category 2 projects are required to be set forth as Category 2 Urban Redevelopment Projects in the City Plan and allowed to be executed only within said areas while Category 1 projects may be executed without being set forth as Category 1 Urban Redevelopment Projects in the Plan.

Relationship between City Plans and projects



2 Requirements for the Urban Redevelopment Project Areas Designated in City Plans

In setting forth urban redevelopment projects in the City Plan, Category 1 Urban Redevelopment Project areas must fall under all the requirements (a) to (d), and Category 2 Urban Redevelopment Project areas must be 0.5 ha or more, and fall under all the requirements (a) to (d) and any one of (e), (f) or (g).

- (a) The project is to be carried out within high-level use districts, special urban renaissance districts or specified district planning areas.
- (b) The ratio of fireproof buildings except old, low-rise, under-used and small-size ones is about one third or less to all the buildings.
- (c) The land use status is unsound due to matters such as lack of public facilities (e.g. roads) and fragmentation of land use.
- (d) Ensuring of high-level land use will contribute to improvement of urban functions.
- (e) The district is a populated urban area that is dangerous in case of disasters or have faulty environment.

- (f) The area is in need of urgent development of important public facilities (station squares, disaster-prevention parks, roads, etc.)
- (g) The area is an urban Disaster Recovery Promotion Area

Types of Urban Redevelopment Projects

The difference between Category 1 Urban Redevelopment Projects and Category 2 Urban Redevelopment Projects are as follows.

1 Category 1 Urban Redevelopment Projects

Category 1 Urban Redevelopment Projects are executed by the method called right conversion. The right conversion is a method of equivalent exchange between rights (original assets) such as the ownership, lease right and rented house right of land and building prior to the project execution and a right to land and building after the project execution (resultant assets = entitled floors).

Among building floors that are constructed by the project (including pieces of land corresponding to the floors), floors that exceed entitled floors are called reserved floors that are sold to obtain the funds to cover the costs of launching a project.

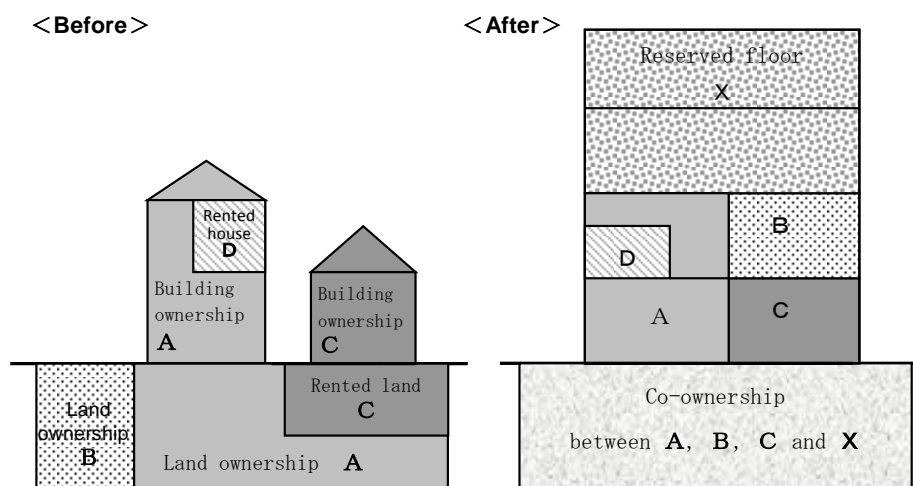
In addition, those who do not prefer the right conversion may make a request to that effect, thereby obtaining compensation from the project executor to move out to another place.

2 Category 2 Urban Redevelopment Projects

Category 2 Urban Redevelopment Projects are executed by the method that project executors purchase land and buildings within the project areas. Only local governments, redevelopment companies or the Urban Renaissance Agency are entitled to become executors.

If the right holders intend to live or run business within the area, floors equivalent to his/her original assets will be guaranteed by making an advance request for obtaining floors of a building to be constructed within the area.

System of right conversion (in case of Category 1)



Executors of Urban Redevelopment Projects

In the following are the executors of urban redevelopment projects; the relationship between executors, and types and areas of projects to be executed is shown in Relationship between City Plans and projects.

1 Individual executor

A landowner, or a land lease right holder or a group of them, within the project area may become an executor or executors by preparing the constitution and the project plan, obtaining unanimous consent of right holders within the area and permission for execution from the prefectural governor.

Those other than right holders within the area may also become executors by obtaining unanimous consent of right holders within the area.

2 Urban Redevelopment Association

If the founders composed of at least five landowners or land lease right holders within the project area have prepared the articles of incorporation and the project plan, and obtained consent of at least a two-thirds majority of landowners and land lease right holders within said area, and if the right area of consenters constitutes at least two-thirds of the total right area, then they may become executors by obtaining the authorization from the prefectural governor and establishing a partnership.

3 Redevelopment companies

If business corporations and limited liability companies that share a two-thirds of the parcel area within the project area and hold more than half of voting rights have prepared the articles of incorporation and the project plan and obtained consent of a two-thirds majority of landowners and land lease right holders within said area, and if the right area of consenters constitutes two thirds or more of the total right area, then they may become executors by obtaining the authorization from the prefectural governor.

4 Local governments

TMG and municipalities may become executors by obtaining the project approval from the Minister of the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) and the prefectural governor, respectively.

5 Urban Renaissance Agency, etc.

The Urban Renaissance Agency and the Tokyo Metropolitan Housing Supply Corporation may become executors by obtaining the project approval from the Minister of MLIT.

6 Others

There are members participating in the Urban Redevelopment Association and specified architects who carry out the project in cooperation with the above executors through the provision

of funding or technology to them.

Urban redevelopment projects undertaken by the metropolitan government

Two urban redevelopment projects of the metropolitan government are currently underway: the Urban Facilities Redevelopment Project, which develops essential urban facilities such as city-planned roads and promotes intensive use of the land in surrounding areas, is being implemented in two districts, and the Urban Redevelopment Project Related to Disaster Reduction, currently implemented in one district, aims to create disaster-resistant communities by developing evacuation areas and routes, and also improving the living environment.

While promoting the steady progress of these projects, the vitality of the private sector is employed through such programs as the designated builder system.

Urban Facilities Redevelopment Project

<Kita-Shinjuku District>

Despite being located on the northwest side of the Shinjuku sub-center, the Kita-Shinjuku district had many narrow roads as well as fractional residential areas. As such, the renewal of buildings was not progressing and the land was not being put to effective use prior to the commencement of the project.

To resolve this, a project is underway to develop city-planned road Radial Route 6 and the surrounding concentration of low-rise buildings together and make the transition to land-use befitting of the Shinjuku sub-center area, with the aim to enhance the area's level of disaster resistance and the living environment (project period: FY1998 through FY2014).



Image of the completed Kita-Shinjuku district

Ring Road No. 2 and the Shimbashi/Toranomon District>

In order to respond to the requests of rights holders, who wished to continue to reside at the same location, the system for integrated development of roads and buildings has been employed in the development of Ring Road No. 2 in the Shimbashi and Toranomon districts. By placing the main line of Ring Road No. 2 underground, allowing the space above and below the road to be used for building construction, a building is under construction in Block III.

Construction of the underground portion of Ring Road 2 (the main line) is advancing as a Tokyo Metropolitan Bureau of Construction road project, with the above-ground portion of the project advancing as part of the redevelopment project (project period: FY2002 through FY2014).

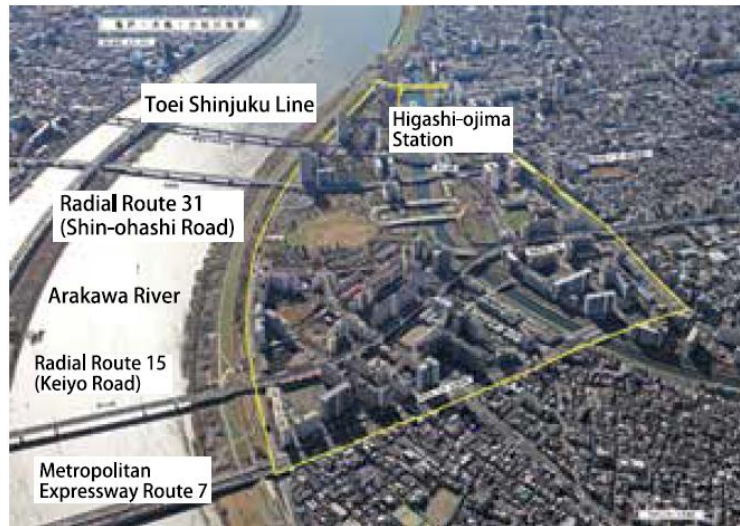


Image of the completed Shimbashi/Toranomon Ring Road No. 2 area

Urban Redevelopment Projects Related to Disaster Reduction

<Kameido, Ojima, and Komatsugawa district>

One of the largest redevelopment projects in Japan is underway in the vast area (approx. 98.6 ha.) of the Kameido/Ojima/Komatsugawa district, which straddles Koto and Edogawa wards. The district is situated on relatively soft soil, has a high population concentration, and has been vulnerable to disaster. Therefore, with the aim to build a disaster-resistant community, the development of a disaster-reduction base has been promoted under the Basic Plan for Redevelopment of the Koto District established in 1969, in order to develop evacuation areas and evacuation routes, as well as to improve the living environment and provide a stable supply of housing (project period: FY1979 through FY2017).



Kamedo/Ojima/Komatsukawa Development Area

Urban development undertaken by the private sector and others

Private organizations or “associations” established by landowners and leasehold owners undertake numerous land readjustment and urban redevelopment projects in many districts in Tokyo.

The metropolitan government is responsible for approving the plans of such projects, and offers necessary guidance as well as financial and technical support for the smooth implementation of the projects.

It also takes a supervisory position in approving the land readjustment and urban redevelopment projects undertaken by the municipalities and in the execution of subsidies granted from the central government to these projects.

The Kachidoki 6-chome project was implemented by a private redevelopment company established and financed by landowners and leaseholders.

In the Otemachi district (Chiyoda Ward) and the Minato 2-chome district (Chuo Ward), integrated urban redevelopment projects are being carried out within areas designated for land readjustment projects.



Otemachi 1-chome districtArea