



URBAN LAND REFORM BRIEFING PAPER NO 3 EXPLAINING MAJORITY LAND ASSEMBLY

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This is one of six briefing papers prepared by Professor David Adams of the University of Glasgow to help explain key proposals for urban land reform made in 2014 by the Scottish Government's [Land Reform Review Group](#) (LRRG) to whom he acted as an independent adviser. This paper focuses on the LRRG's recommendation "that the Scottish Government explore the feasibility of introducing a Majority Land Assembly measure" (see pages 125-126 of the LRRG report).

What is majority land assembly?

Majority land assembly (MLA) is a legal procedure intended to speed up the redevelopment of land in multiple ownership without the need for state intervention through compulsory purchase. At present, this can be hard to achieve because the last owner to settle (often located in the middle of a redevelopment area) is a powerful position to hold out for excessive payment from any developer. MLA provides a private property rights solution to this 'hold-out' problem.

How would majority land assembly work?

MLA could be applied to any area first approved for redevelopment by the local planning authority. A prospective developer would then be required to purchase the vast majority of ownership interests by negotiation: maybe around 85% to 90%. At that point, the developer could apply to the Courts or Lands Tribunal for Scotland to force the private sale of the remaining interests. MLA thus applies principles of corporate law already governing company takeovers in many jurisdictions to redevelopment areas.

What is the benefit of majority land assembly?

MLA would speed up urban redevelopment by encouraging private negotiation. At present, there is every incentive for existing owners to seek to be the last one to settle. But with MLA, market dynamics change fundamentally. If, for example, ten ownership interests have to be assembled, the crucial purchase is no longer that of the tenth, but of the ninth interest. But no-one can be sure whether they will be the ninth or tenth to settle, so all will be encouraged to negotiate reasonably. This eliminates the 'hold-out' problem without the need to persuade the local authority to undertake lengthy and expensive compulsory purchase action.

What protection would exist for existing owners?

At the start of the process, the local planning authority would need to agree that the proposed redevelopment was in the public interest: for example, to achieve much-needed urban regeneration. And in deciding any applications for MLA, the Courts or Land Tribunal for Scotland would be expected to apply specified statutory tests, including that of reasonable developer behaviour. An independent statutory valuation procedure would ensure owners receive a fair price for any land bought under MLA.

Does majority land assembly happen anywhere else?

A broadly similar scheme was enacted in [Hong Kong](#) in 1999 enabling private developers who had acquired 90% of the ownership rights in any redevelopment project to apply to the Lands Tribunal effectively to force the sale of the remaining 10% of ownership rights.