



Planning for a Circular City

An implementation guide to strategic urban planning policy for circularity



Circular
Cities & Regions
Initiative

Communities of Practice



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Executive Summary

As cities across Europe continue to grow, they absorb land and valuable ecosystems, and consume large amounts of energy and materials. Yet substantial resource values are already embedded in existing buildings, infrastructures, and urban land that could be reused, adapted, or intensified. Circular economy approaches can help ease these pressures if they are actively embedded in how cities plan and regulate urban space through existing urban planning instruments and decisions.

Several **key challenges** make circular urban planning difficult to operationalise in practice:

- **Weak integration of CE with planning systems.** Circular strategies are often led by waste, innovation, or economic departments and often weakly connected to planning and land-use decisions.
- **Planning tools built for linear systems.** Planning tools were designed for a linear “build–use–demolish” model, not for circular approaches like reuse or modular buildings.
- **Unclear spatial requirements.** It is often not clear how much space circular activities need or what supporting infrastructure they will need, making it complicated and time-intensive to allocate land and allow permits.
- **Competition for space.** Urban land is in high demand. Circular activities are frequently outcompeted in land and property markets and pushed to marginal or temporary sites.
- **Issues of scale.** Material flows cross municipal, regional, and sometimes national borders, while mandates and regulations of urban space are fragmented across governance levels.
- **Market prices.** The prices of materials and construction products often do not reflect their full social and environmental costs (e.g. disposal, carbon, resource depletion), so linear options appear cheaper than they really are. Circular requirements in plans, zoning or permits are therefore often challenged by developers as “uneconomic” under current market conditions.

This guide responds to these challenges with strategic recommendations for local, regional, and national governments, illustrated by cases from cities across Europe. The policy recommendations are categorised under the main urban goals that circular urban planning can help cities achieve:

- **Preserve and intensify the use of existing built assets**
 - Prioritise renovation and transformation over demolition for existing buildings
 - Use financial instruments to extend the use of existing buildings
- **Embed circular design and materials in new development**
 - Make secondary and low-impact materials the default in new development
 - Make adaptability and multiple lives a core design objective for new buildings
 - Align building codes and planning law with circular requirements
- **Plan space for circular infrastructure and incentivise circular activities**
 - Financially incentivise local circular initiatives
 - Allocate space for circular infrastructure and urban logistics hubs for reverse flows and secondary materials
 - Coordinate circular infrastructure, value chains and logistics at regional / metropolitan scale
- **Reduce land take**
 - Discourage long-term vacancy of plots planned for development
 - Protect agricultural land, forests, and ecological corridors and prioritise brownfield redevelopment

Problem Description

Cities are increasingly expected to do more with less: provide more and better housing, improve services, meet climate goals¹ and protect nature, all within finite urban land and tight public budgets. That makes the question of how existing land and buildings are used more important than ever. Across the EU, buildings and construction generate more than a third of total waste and consume around half of extracted materials, while land take in cities has risen by about a third between the last two monitoring periods.² This points to a core question for planners: how to meet urban needs without relying on continual expansion and linear construction?

A circular city seeks to reverse these trends by keeping buildings and materials in use for longer, minimising virgin resource use and construction waste, and limiting new land take by regenerating and intensifying already urbanised areas. Urban planning is the arena where these long-term spatial decisions are made by:

- defining what can be built where, at what intensity and for which functions
- setting conditions for development, including environmental and performance standards
- allocating space for urban functions such as housing, industry, green and public areas, transport and circular infrastructure.

If these instruments fail to incorporate circular economy principles, implementation will likely remain fragmented, relying on pilots, voluntary efforts, and project-specific negotiations. This is becoming more urgent as the circular economy shifts from strategy and measurement towards physical implementation, where real spaces, infrastructure and coordinated material flows are needed. Urban planners are central to making this shift come to fruition.

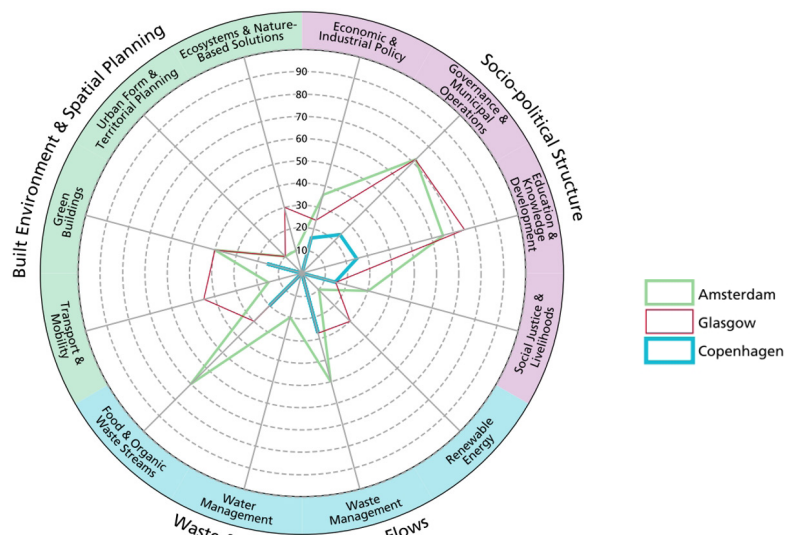
Despite the clear benefits, several challenges make it difficult to operationalise circular principles in urban planning processes.

1. Circular strategies are weakly connected to planning practice

In many cities, circular strategies are led by waste, innovation or economic departments and are only loosely connected to statutory planning and land-use decisions. Planners are asked to “support circularity” but are not systematically involved in shaping targets, priorities based on instruments in land use planning and regulations they have at hand.

A comparative study on circular strategies in Amsterdam, Glasgow and Copenhagen shows that local circular agendas often emphasise Governance & Municipal Operations, Education & Knowledge Development and Food & Organic Waste streams and Waste Management while spatial planning themes such as Urban Form & Territorial Planning and Ecosystems & Nature Based Solutions are lacking across all studied strategic documents (Figure 1)³

Figure 1:
Comparative visualisation
of the policy areas addressed
in the three cities' CE strategies.



As a result, planners often receive broad objectives (“promote reuse”, “reduce embodied carbon”) rather than concrete operational guidance such as:

- which planning instruments to use (local plans, zoning, building codes, permits)
- what types of circular conditions or requirements are legally possible within their state/regional or national policy frameworks
- how to balance circular priorities with other urgent needs such as housing, mobility or economic development.

This combination of strategic disconnect and limited “how-to” guidance often leads to pilots and flagship projects, but limited change in everyday planning procedures and decisions.

2. Planning tools were built for a linear model

Most existing zoning categories, building codes and planning regulations were developed for a linear urban development model where land uses are strictly separated (housing, industry, commerce), buildings follow a one-off “build–use–demolish” life cycle, and there is limited formal recognition of reuse, modularity or multiple building lives.

Recent reviews of spatial planning and circularity note that traditional land-use classifications, density norms and building standards rarely consider material flows, adaptability or deconstruction, and can actively constrain mixed-use productive neighbourhoods, modular buildings and circular infrastructures such as repair hubs or urban-mining facilities⁴. Stakeholder surveys on circular economy barriers in the EU also underline that many actors feel they are “operating within a linear system”, with planning and regulatory frameworks reinforcing the status quo rather than enabling circular practices.⁵

Because of this, planners often have few robust legal possibilities to require circular principles such as renovation-first and reuse-first approaches, set minimum thresholds for secondary or low-impact materials, or demand design for adaptability, modularity, and selective dismantling as routine permit conditions.⁶

This results in circular measures often being required through negotiations between the local governments and developers, which takes considerable time, making it difficult to scale - with no legal consequence if these are not actually implemented.

3. Unclear spatial requirements of circular activities

Circular infrastructure such as repair hubs, reuse centres, material banks, urban-mining facilities and local remanufacturing has specific spatial needs including:

- proximity to users, suppliers and material flows,
- access to logistics and multimodal transport,
- zoning and multifunctionality, allowing co-location of functions typically separated by conventional zonings (e.g. production, repair, storage and waste handling with housing and public functions),
- suitable building typologies, and
- ecologically and socially suitable sites tolerating certain externalities (e.g. noise, odours, dust, traffic, and visual impacts).

Yet there is limited knowledge on how much space this infrastructure requires, on where such activities should be located, at what scale, and what social and environmental impacts they generate.

Research on the territorial embeddedness of circular practices in Brussels, for instance, shows that circular initiatives tend to cluster in certain neighbourhoods, interact with existing socio-spatial inequalities and can contribute to “eco-gentrification” if not deliberately planned. Scoping work on “spatial circularity” similarly highlights that many cities lack criteria and data to match circular functions to appropriate locations, making it difficult to integrate them into land-use plans and infrastructure strategies. This uncertainty complicates land allocation, slows permitting decisions and makes it hard to plan and scale the infrastructure needed to support circular value chains across a city or region.⁸

4. Circular uses are outcompeted in land and property markets

Repair workshops, reuse and sorting hubs, community sharing initiatives and circular SMEs often operate on thin margins and do not fit neatly into conventional zoning categories. In competitive urban land markets, they struggle to compete with more profitable residential or commercial development and are frequently pushed to peripheral, marginal or short-term sites.⁹

Literature notes that land-market dynamics and speculative pressures tend to prioritise high-yield uses, making it hard to secure central or well-connected locations for circular infrastructure.¹⁰ Case studies of circular districts further show that without protection in statutory plans or long-term land-use arrangements, circular activities remain vulnerable to displacement as neighbourhoods redevelop or property values rise.¹¹

This undermines the visibility, accessibility and long-term viability of circular uses, even when city strategies formally recognise them as priorities.

5. Responsibilities for circular land use and materials are fragmented

Most value chains already operate across boundaries where construction materials, products and waste routinely move between municipalities, regions and countries as they are extracted, manufactured, used and discarded. When cities try to make these value chains circular, the spatial footprint becomes even more complex, as outputs from one place (demolition waste, surplus materials, used products) need to be captured, processed and fed back in as inputs somewhere else (reuse, repair, remanufacturing, secondary materials).

By contrast, the main levers that shape land use and infrastructure such as zoning, infrastructure planning and many fiscal tools are typically organised and exercised within individual jurisdictions, each with its own priorities, rules and timeframes. This creates a structural mismatch where value chains and material flows operate at regional or cross-border scales, while planning and regulation remain largely local and uncoordinated across the spatial scales.

Studies of circular city policies show that responsibilities for the circular economy are often spread across departments and tiers of government without clear coordination mechanisms, leading to gaps, overlaps and inconsistent signals for investors and operators. The result is that regional or cross-municipal circular ecosystems (networks of recycling parks, urban-mining hubs and circular industry zones that could exchange inputs and outputs) are difficult to plan, fund and govern coherently, and many opportunities to “close the loop” across boundaries are missed or underutilised.¹²

6. Market incentivises a linear economy

Underlying market incentives continue to favour linear construction models, which directly constrains what planners can realistically require. Studies of circular economy barriers in EU cities highlight two related issues:

- **Market failures** – materials and products are not priced to reflect their full social and environmental costs (e.g. disposal, pollution, resource depletion), information on quality and performance of secondary materials is scarce, and logistics and infrastructure for circular solutions are underdeveloped.
- **Economic barriers** – circular options remain less profitable under current business models, require higher capital investment and face uncertain returns, especially while technologies and supply chains are not yet at scale.

For urban planners, this creates a feasibility problem as circular requirements in plans, zoning or permits can be challenged by developers as “uneconomic” under current market conditions. Where land values are high and financial models are based on standard, linear construction, renovation-first approaches or use of secondary materials may be seen as adding cost or risk without clear financial upside. As a result, circular provisions are often diluted during negotiations, applied only to flagship projects, or framed as optional “extras” rather than standard practice.¹³

Strategic Recommendations

The following strategic recommendations were distilled from the Community of Practice on Urban Planning, which brought together representatives from 10 cities across the EU. They are designed to respond directly to these previously presented challenges by showing how existing instruments can be repurposed or strengthened to deliver more circular use of buildings, materials, and land.

Reflecting the insights from the Community of Practice, the strategic recommendations are organised around the main circular outcomes that urban planning processes can deliver, each recommendation illustrated by concrete cases, the level(s) of government involved, and the instruments used. These recommendations can help cities achieve the following outcomes:

- Keep buildings and materials in use longer
- Build new with circular materials and adaptable design
- Allocate space for circular activities and value chains
- Use land more efficiently and limit new land take.

The strategic recommendations are targeting both direct urban planning tools and processes (e.g. zoning, land use, planning process) but also indirect influences on use of urban land through financial incentives (grants, subsidies, taxes).

Each recommendation is tagged based on two dimensions: the type of policy lever it represents, and its legal feasibility for local and regional governments.

Type of policy lever:



Quick win

Creates visibility, low-risk starter, good to create momentum.



Enabler

Unlocks / strengthens other measures and creates conditions for change.



Transformative

Changes the “rules of the game” if fully implemented.

Legal feasibility:



Local ready

City/region can do this under most cities' existing planning systems without national or regional law changes (e.g. use public land tenders, soft guidance, strategic plans, subsidies).



Mixed

Part can be done now, full effect needs higher-level reform (e.g. cities can use WLC as guidance and in public projects now, but need law change to make WLC mandatory for all private major developments).



Needs enabling law

Typically requires national or regional legal change (planning act, building code, tax law) before it can be made binding (e.g. mandatory WLC in permits in many countries, vacancy taxes where cities have no tax powers).

1. Preserve and intensify the use of existing built assets

Cities lose a huge amount of value when buildings are demolished prematurely, and materials are treated as waste. By making renovation and reuse the default through planning processes or financial instruments, buildings are kept productive use while the need for virgin materials is minimised.

Policy recommendation

1.1: Prioritise renovation and transformation over demolition for existing buildings

Make renovation and adaptive reuse the default option, so demolition is only allowed as a last resort. This keeps buildings and embedded materials in use longer and avoids unnecessary construction and waste.

This is best suited for cities with strong redevelopment pressures and significant existing building stock.



Mixed

Local governments can already apply retrofit-first in their own projects and through non-binding guidance, however, making it a binding default in permits often needs national/regional backing.



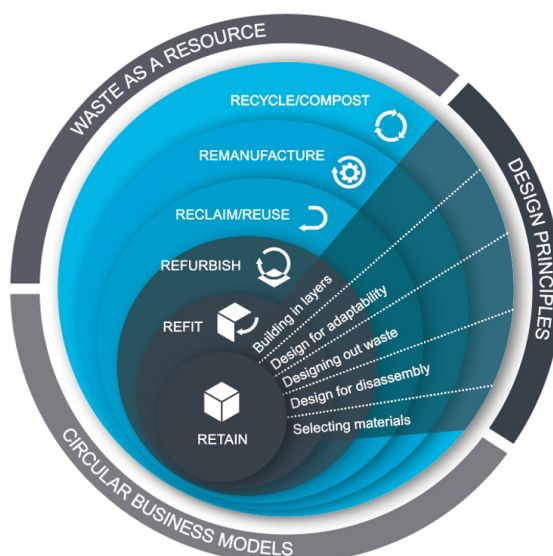
Enabler

If enforced, it flips the default from “demolish unless justified otherwise” to “retain unless demolition is the only option”.

Cases

London (UK) – Putting Retain at the heart of the circular building hierarchy

The London Plan (Policies SI 2 and SI 7) and their Whole Life-Cycle Carbon and Circular Economy Statement guidance effectively create a retrofit-first approach: applicants must first explore retaining and retrofitting existing structures and only justify demolition where its benefits clearly surpass those of reuse.¹⁴



Government
Local

Instrument
Permit

Douai (FR) – Demolition as last resort in The Plan Local d'Urbanisme (PLU)

Douai's local urban plan includes explicit regulatory provisions stating that demolition should be used only as a last resort and then only where it forms part of a concurrent project of restructuring, re-planning or reconstruction (“Démolition uniquement un dernier recours et sous réserve d'un projet concomitant de restructuration, réaménagement ou reconstruction”). This makes it clear in the legally binding zoning and building rules that demolition is not a neutral option but must be justified within a broader transformation strategy, nudging both private and public actors towards renovation and adaptive reuse first.¹⁵

Government
Local

Instrument
Planning
regulation

Policy recommendation

1.2: Use financial instruments to extend the use of existing buildings

Use taxes, grants and preferential fiscal treatment to make renovation, reuse and circular upgrading of existing buildings more attractive than vacancy, demolition and new-builds.

This is especially relevant in cities or regions with high vacancy/underuse and some fiscal leeway to adjust taxes, grants or renovation support schemes.



Local ready

Cities/regions usually control grants.



Needs enabling law

However, tax instruments (property, VAT, transaction taxes) are often set nationally.



Enabler

Mainly improve the business case for reusing existing stock and circular renovation, making circular planning measures more feasible.

Cases

Brussels-Capital Region (BE) – Vacant dwelling tax

In Brussels, regional legislation defines prolonged residential vacancy as an offence and applies an escalating vacancy tax to empty dwellings. The tax increases the longer a property remains unused, and in some cases public actors can step in to renovate and rent long-term vacant homes. This regional fiscal tool makes it costly to leave buildings empty, pushing owners towards renovation and reuse and helping to bring existing stock back into active use instead of relying on new construction.¹⁶

Government

Local,
regional

Instrument

Tax

Portugal – Tax incentives for urban rehabilitation in designated areas

Portugal's national framework for Urban Rehabilitation Areas (Áreas de Reabilitação Urbana, ARU) grants substantial tax incentives for rehabilitation works within designated zones, including exemptions or reductions in municipal property tax (IMI), exemptions from property transfer tax (IMT) on acquisition for rehabilitation, and reduced VAT on renovation works. These instruments make renovating and reusing existing buildings in ARU areas financially more attractive than demolition and new-build on the same sites or greenfields, aligning national fiscal policy with a “rehabilitation-first” and land-efficient urban development logic.¹⁷

Government

Local,
National

Instrument

Tax

Brussels-Capital Region (BE) – Financial incentives for circular renovations

Through the RENOLUTION strategy, Brussels bundles renovation grants (“Primes RENOLUTION”) and targeted schemes such as RenoClick and Renolab.B to subsidise a wide range of renovation and energy-saving works. These instruments increasingly prioritise high-quality, durable and circular solutions (e.g. reuse of materials, careful transformation of existing structures), making ambitious renovation financially more attractive than demolition and rebuild and steering owners towards upgrading the existing stock.¹⁸

Government

Local,
regional

Instrument

Subsidies

2. Embed circular design and materials in new developments

New buildings and developments should be designed for adaptability, disassembly and material recovery from the outset. This means specifying low-carbon and recycled materials, and ensuring that what is built today can be repurposed or reclaimed tomorrow.

Policy recommendation

2.1: Make secondary and low-impact materials the default in new development

Embed requirements for life-cycle assessments, whole-life-carbon limits and minimum shares of secondary or low-impact materials into planning and development-control processes.

This policy is especially suited for cities experiencing expansive growth.



Mixed

Cities can already use WLC and circular criteria in their own projects or in land tenders. For private developers these measures can be encouraged and part of the negotiation. Making WLC, carbon limits or minimum secondary-material shares binding for all major private developments often needs explicit legal basis.



Transformative

When binding, it structurally reorients design and procurement choices towards circular materials.

Cases

London (UK) – Whole Life-Cycle Carbon Assessments (WLC) as a statutory planning requirement for major developments

Developers must quantify embodied and operational carbon and demonstrate that options such as retention, reuse and low-impact materials have been considered. These assessments are required at application stage and used by planning authorities to decide whether schemes comply with the Plan, effectively embedding circular, low-carbon design choices into the formal development-control process.¹⁹

Government
Local

Instrument
Permit

Helsinki (FI) – Carbon-footprint limits in building permits

Helsinki requires life-cycle carbon assessments as part of the building-permit process for certain new residential buildings and, where specified in the local plan or plot allocation, applies binding carbon-footprint limit values. Developers must calculate whole-life emissions using the national LCA methodology and stay below a maximum kgCO₂e/m² threshold to obtain a permit. This effectively pushes design teams towards low-carbon, often bio-based or recycled materials and creates a statutory link between material choices and local development control.²⁰

Government
Local

Instrument
Permit

Est Ensemble (FR) – Circular material as a statutory condition for larger developments

For any new construction over 15 dwellings or 900 m², the Intermunicipal Local Urbanism Plan (PLUi) requires structural concrete to contain at least 5% recycled aggregates and 1–5% (by mass or value) of construction/finishing materials to come from reuse or repurposing. These quantitative thresholds are written into the binding regulatory part of the PLUi and must be demonstrated in planning applications, effectively turning secondary and low-impact materials from a voluntary ambition into a mandatory element of development control. (Source case study)

Government
Local

Instrument
Planning
regulation

Amsterdam (NL) – Circular land tenders for new developments

Amsterdam uses its role as municipal landowner (leasehold) to embed circularity into land-allocation decisions. In several harbour and business-area tenders, the city requires bidders to demonstrate circular design strategies (e.g. high shares of secondary materials, design for disassembly, material passports, flexible layouts) and scores proposals partly on their circular performance. Only projects that meet or exceed these expectations can win access to prime municipal land on long leases. In this way, land tendering becomes a core local land-and-finance instrument: it steers private investment towards circular buildings and business models without needing to change national planning law.²¹

Government
Local

Instrument
Land
ownership /
tender

Policy recommendation

2.2: Make adaptability and multiple lives a core design objective for new buildings

Embed rules on adaptability, modularity, and reversibility as central design goals for new buildings, so they can change use over time.



Local ready

Cities can unilaterally set such expectations in strategies, project briefs and competitions for municipal projects.



Enabler

Primarily builds practice, skills and examples that shapes the pipeline more than instantly transforming status quo.

Case

Helsinki (FI) – Strategic focus on adaptable and modular housing, easy to modify, repair and dismantle

Through the “Kehittyvä kerrostalo” (Developing Apartment Building) programme and its circular/sharing economy roadmap, Helsinki sets a clear strategic direction that new apartment buildings should be adaptable, modular and easy to modify, repair and, where needed, dismantle. The city promotes these qualities via pilots, design competitions, and project briefs that favour flexible layouts, modular structures, and the use of recycled and repurposed materials in municipal projects. While these expectations are not binding permit rules, they shape the design of new developments commissioned by the city and build practical experience and political momentum that can later inform more formal planning and building requirements.²²

Government

Local

Instrument

Strategic plan

Policy recommendation

2.3: Align building codes and planning law with circular requirements

Update national building codes and planning legislation so that municipalities and regions can require circular practices (reuse, modularity, circular demolition) through existing planning instruments.



Needs enabling law

By definition, this is a call for national/regional law change (building codes, planning acts).



Enabler

It does not itself deliver outcomes but unlocks and strengthens many of the other tools (retrofit-first, mandatory WLC, design-for-disassembly).

Cases

In many countries, existing building codes and nationally set planning regulations do not clearly allow municipalities and regions to require circular practices (e.g. reuse, modularity, LCA, circular demolition) through their standard planning instruments.

Valuable reforms:

- Adjust national building codes so reused components and secondary materials are explicitly permitted under clear performance and safety criteria.
- Enable local and regional plans to require life-cycle or whole-life-carbon assessments, design for adaptability, and selective dismantling as part of normal permitting.
- Provide clauses and guidance so municipalities can insert circular conditions into local plans, zoning ordinances, development agreements and public-procurement rules.

Government

Regional,
National

Instruments

Zoning,
planning
regulations

3. Plan space for circular infrastructure and incentivise circular activities

Circularity in cities requires physical space for repair, reuse, sorting, remanufacturing and urban mining, and these functions must be located where value chains actually operate.

Policy recommendation

3.1: Allocate space for circular infrastructure and urban logistics hubs for reverse flows and secondary materials

Treat circular infrastructure (reuse hubs, repair spaces, material banks, urban-mining sites, circular SMEs) as essential urban functions and embed spaces for them in urban plans.

This is a high priority in cities where circular uses (repair, reuse, urban manufacturing) risk displacement from central or well-connected locations due to land pressure.



Local ready

Most municipalities can already zone for productive/mixed uses and grant temporary/permanent permits to circular operators within existing law.



Enabler

Securing and stabilising locations for circular functions is both directly useful and a prerequisite for viable circular value chains.

Cases

Amsterdam (NL) – Using zoning and temporary use rights to make space for circular experimentation

Amsterdam allocates space for circular activities by combining flexible zoning with temporary land-use rights. In areas such as Buiksloterham, the municipal land-use plan allows mixed and productive uses, and the city grants time-limited permits and leases to circular initiatives like reuse hubs, urban manufacturing and repair spaces. These decisions are taken within the statutory planning framework, so circular operators have a legal basis to occupy and invest in sites. Successful activities can later be “locked in” through revised zoning or long-term land-lease conditions, gradually turning experimental circular spaces into permanent components of the city’s spatial structure.²³

Government
Local

Instruments
Zoning &
Permits

Guimarães (PT) – Treating circular infrastructure as a strategic land-use priority

Guimarães has elevated circular infrastructure to a strategic priority by embedding it in its Sustainable Energy and Climate Action Plan (SECAP). The city uses the SECAP to map existing and potential sites for circular activities, identify productive areas that should be preserved for reuse and recycling, and steer future projects and investments towards those locations. While the SECAP itself is not a zoning document, it sends a clear signal that circular functions must be considered alongside housing, green space and industry, and provides a mandate for planners and project teams to secure space for circular hubs in subsequent statutory plans and public investments.

Government
Local,
regional

Instruments
Strategic
planning

Policy recommendation

3.2: Coordinate circular infrastructure and value chains at regional / metropolitan scale

Coordinate locations of recycling parks, urban-mining hubs, circular industry zones and logistics corridors at regional or metropolitan scales, so they serve multiple municipalities and match actual material flows.



Local ready

Where regional/metropolitan planning bodies exist, they can typically develop joint strategies and indicative spatial frameworks within current mandates.



Enabler

Mainly coordinate and align local actions and investments, making cross-municipal circular systems possible.

Cases

Brussels-Capital Region (BE) – Regional network and coordinated logistics of recycling parks and circular hubs

Brussels plans and manages a network of regional recycling parks and emerging circular construction hubs to serve the whole region. Regional strategies identify the types and locations of facilities needed, and regional planning and permitting allocate space for them, giving municipalities a common framework to plug into. Alongside this physical infrastructure, the region has invested in the logistics systems needed to make circular material flows viable at scale including a digital platform that map reclaimed material dealers across the Benelux to connect supply and demand across municipal boundaries. Together, the network of facilities and the logistics layer that connects them form an integrated regional system for keeping materials in circulation.²⁴

Government
Regional

Instruments
Strategies,
subsidies,
zoning and
permit

Amsterdam Metropolitan Region (NL) – Coordinated circular business locations and corridors

Within the Amsterdam Metropolitan Region, municipalities work together to coordinate where circular businesses and logistics functions should concentrate, and how freight and mobility corridors connect them. Joint regional strategies steer individual municipal land-use plans, helping avoid competition for the same functions and ensuring that key circular activities are located where they can serve the wider functional region.²⁵

Government
Local,
National

Instrument
Strategies

Plaine Commune / Île-de-France (FR) – Inter-site circular logistics for construction materials

Plaine Commune, an intermunicipal authority of nine cities north of Paris, launched an urban metabolism project to create circulation loops for construction materials across its territory. Working within the broader Île-de-France regional framework, the project develops synergies between construction sites, designates locations for materials reuse platforms, structures local recovery and reuse networks, and uses a digital tool to connect material sources with construction and renovation sites across municipal boundaries. The reuse approach has been applied across more than 30 construction sites, including the Paris 2024 Olympic village. At the regional level, the Île-de-France Waste Prevention and Management Plan designates construction and demolition waste as a priority flow, sets binding material recovery targets, and the Regional Circular Economy Strategy aims to double the use of locally sourced and recycled construction materials by 2030.²⁶

Government
Inter-
municipal /
regional

Instruments
Strategies,
subsidies

Policy recommendation

3.3: Financially incentivise local circular initiatives

Provide small grants, space and light-touch support to enable and trial grassroots circular initiatives (repair, sharing, composting, local reuse) that extend product and material lifetimes and demonstrate circular solutions in local neighbourhoods.



Local ready

Typically sits fully within local powers (small grants, use of municipal space).



Quick win

Easy to launch, visible, and politically attractive, but system impact depends on scaling and other measures.

Case

Amsterdam (NL) – District-level pilots for grassroots circular initiatives

Amsterdam supports grassroots circular projects at district and neighbourhood level through schemes such as "*Ruimte voor Duurzaam Initiatief*" and green neighbourhood subsidies. Residents and local organisations can obtain small grants and, in some cases, space and light-touch support for initiatives like worm hotels, shared-tool libraries and local reuse or repair hubs. These projects are framed within the city's broader climate and circular-economy agenda and district sustainability plans, allowing Amsterdam to experiment with circular services and spatial arrangements in real neighbourhoods and, where successful, scale lessons up into wider policies and investments.²⁷

Government

Local

Instruments

Subsidies,
grants

4. Reduce land take

Cities need to use existing urban land more efficiently and stop the conversion of agricultural and natural areas. This helps preserve green spaces that cool cities, absorb stormwater, provide habitat and recreation, and avoids the higher public infrastructure costs of low-density expansion.

Policy recommendation

4.1: Discourage long-term vacancy of plots planned for development

Use differentiated property tax rates to make it more expensive to hold building sites that are already zoned for residential or commercial use in high-demand urban areas but remain vacant. This encourages timely development or transfer of land that could be put into productive use within the existing urban fabric.



Needs enabling law

Differentiated property-tax rates usually depend on national tax law and may only be configurable within nationally set bands.



Enabler

The measure supports more efficient use of already-urbanised land and complements other densification and circular-land-use policies.

Case

Finland – Higher real-estate tax on undeveloped building sites

Finland's Property Tax Act allows municipalities to levy a significantly higher tax rate on vacant construction sites than on developed property, with unbuilt sites typically taxed several percentage points above the general land tax rate. This national framework creates a strong financial signal against speculative land banking by holding zoned but undeveloped land becomes costly, encouraging landowners either to build, redevelop or dispose of plots so they can be brought into productive use within the existing urban fabric.²⁸

Government
National

Instruments
Tax

Policy recommendation

4.2: Protect agricultural land, forests, and ecological corridors and prioritise brownfield redevelopment

Adopt spatial policies that commit to zero net additional land take by a given target year, and use them to guide zoning, rezoning and investment towards brownfield regeneration, infill and densification.

This is particularly relevant for regions experiencing ongoing suburbanisation and farmland/nature loss, and where a higher-tier government can set binding spatial objectives.



Mixed

Regions/cities can adopt non-binding No Net Land Take (NNLT) goals and start steering plans and investments accordingly now, but making NNLT a binding constraint on development often requires national/regional legal backing).



Transformative

Once used to guide zoning, rezoning and major investments, NNLT fundamentally shifts development from greenfield expansion to reuse/intensification of existing urban areas.

Case

Flanders (BE) – Regional no net land-take objective

Flanders has set a regional goal of reaching zero net additional land take by 2050 and embedded this in its spatial policy framework. These objectives guide zoning and rezoning decisions, makes new greenfield development harder to justify, and directs investment and planning effort towards reusing and intensifying already urbanised areas, encouraging municipalities to focus on brownfield, infill and transformation projects rather than outward expansion.²⁹

Government

Local,
regional

Instruments

Visionary plan

Conclusions

Circular cities will not emerge from isolated pilots or technical fixes, but from a deliberate shift in how urban space is planned, regulated, and used over time. The measures in this guide show that existing planning tools, including local plans, permits, land tenders, regional strategies and national codes, can already be leveraged to keep buildings and materials in use longer, embed circular construction, safeguard space for circular activities and halt new land take.

For cities, the next step is to prioritise suitable policy recommendations in a pragmatic way. First, use the contextual insights to filter what fits each city's reality. Cities with very high land pressure may focus on renovation-first policies, vacancy taxes and no-net-land-take rules, while cities with a lot of municipally owned land might start with circular land tenders and space for circular activities. Second, identify the measures that can already be implemented under current laws and planning frameworks, for example, how publicly owned land can be used, how tenders are designed, what's put into strategies and guidance, and where permits are processed more quickly or on better terms. These “do-now” measures can start shifting practices without waiting for national reform. In parallel, identify the measures that clearly require changes in national or regional planning law, building codes or fiscal rules. Those become the advocacy agenda that can be piloted in projects and used as soft guidance as evidence is collected to argue for formal legal change later.

Regional and national authorities have a complementary role to play including updating planning, building, and fiscal frameworks so that local governments are enabled rather than constrained when they try to apply these measures. If local, regional and national levels move in the same direction, circular economy principles can shift from being a separate “agenda” to becoming part of everyday planning practice, helping cities move away from linear “build–use–demolish” patterns towards long-lived, resource-efficient and more resilient urban fabrics.

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This implementation guide was developed by Kristin Strandberg (Circle Economy) and Leah Lazer (ICLEI), with the direct input of the cities participating in the community of practice on “Urban planning for the circular economy”.

More information: [Circular Cities and Regions Initiative website](#)



Circular
Cities & Regions
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Communities of Practice

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