

International Housing Coalition

IHC

Housing for All

70573

Report on Survey of Urban Land Prices
In the Developing World

Prepared for the World Bank by the
International Housing Coalition (IHC) with the Cooperation of
the National Association of Realtors (NAR)

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Preface

The World Bank awarded contract # 714690 to the International Housing Coalition (IHC) (Vendor 98521) to help the World Bank create a database of land prices for cities in developing and transitional countries. The IHC along with its partner, the National Association of Realtors (NAR), agreed to collect information on land values from real estate associations in different countries affiliated with NAR.

The IHC would like to thank Miriam Lowe, V.P. International Operations, the staff of NAR's International Operations Department and the regional coordinators of NAR's International Operations Committee for their assistance in disseminating the questionnaire to the NAR affiliates as well as the associations that completed the questionnaire. IHC consultant Agnes Pawelkowska tabulated the results of the survey and reviewed the results. The questionnaire was designed by Robin Rajack of the World Bank.

The IHC is a non-profit housing advocacy organization that supports "Housing for All" and seeks to raise the priority of housing on the international development agenda. The IHC supports the basic principles of private property right, secure tenure, effective title systems and efficient and equitable housing finance systems---all essential elements to economic growth, civic stability and democratic values. To learn more about the IHC visit its web site at www.Intlhc.org

Introduction and Background

There is currently a significant data gap that inhibits the development and research communities from understanding how urban land markets function and whether there are any correlations between land prices and public policy interventions. This gap relates to reliable land price information derived from in-depth knowledge of real estate transactions. As a step toward filling this gap and helping the World Bank to leverage its global credibility, the IHC and NAR collected cross-sectional land pricing information for a series of developing and transition country capital and other cities using a short survey instrument developed by the World Bank.

The World Bank envisions that in time the database will become a systematic source of panel data that can be used in evaluating the impacts of public policy interventions. The initiative will also likely open the door for enhanced dialogue with central and sub-national governments on urban land markets by providing tangible bottom line indicators of how their city land markets compare regionally in terms of affordability. By reconciling pricing information with income distribution data routinely collected by the World Bank, the research may be able to build on some aspects of the Housing Indicators Initiative of 1990s.

Approach and Methodology

The IHC is a non-profit housing advocacy and applied research organization supported in part by NAR. The IHC partnered with the NAR to request real estate associations in developing countries around the world affiliated with NAR complete a short survey developed by the World Bank on land market prices in capital and major cities. The survey request was sent to 25 associations in developing and transition countries. Miriam Lowe, NAR Vice President of International Operations, divided responsibility for the data collection exercise among her colleagues at NAR who liaise with associations in different geographic region of the world. The IHC assumed final responsibility for follow-up with the NAR affiliates, ensuring that they utilized a consultative process across their membership to the extent possible to complete the data collection instrument for the targeted cities in a timely fashion.

The study was intended to compare land value across cities. Data was collected in the following categories:

1. Middle price range of residential land in formal/planned communities
 - A. Near the traditional city center.
 - B. Near the second most important business center (if applicable).
 - C. In the well-established suburbs near the urban fringe.
 - D. In less built up areas near the urban fringe.

2. Middle price range for residential land in informal/unplanned settlements
 - A. Near the traditional city center.
 - B. Near the second most important business center (if applicable).

- C. Near the urban fringe.
- 3. Middle price range of agricultural land with no infrastructure/permits near the urban fringe
- 4. Middle price range of formal commercial office space in the city center
- 5. Replacement construction cost of a middle range home in a formal settlement.

Results

The IHC received and tabulated the responses of 18 associations. The Central and South American region was the most difficult region from which to collect completed surveys. The Asian region was the most responsive and was followed by the Central European region. In general the associations contacted for information were slow in responding, and those who actually responded had to be reminded several times to do so.

The IHC put all of the responses to the 15 question survey into an Excel spreadsheet format. The responses were first reviewed to determine that they had been completed. If data was missing an effort was made to collect it. The responses were mostly given in the national currencies which IHC then converted into US Dollar values. In some cases extensive follow up was required to obtain the information. A matrix of the survey results is attached.

The data from the survey should be reviewed carefully, and in some cases skeptically, and compared to data from other sources because it presents a number of problems. Some of the terms may have been interpreted differently by different associations (e.g. “urban fringe”, “middle priced” and “well established suburbs”). Calculation of land values using official exchange rates may not reflect real market values. In some cases the person completing the survey may have lacked good current market information.

Land prices varied significantly by the location and the region. The very lowest prices were found in Honduras, compared to the very highest land prices found in South Korea and Vietnam. The prices were higher around cities centers and lower in the residential or agricultural areas.

The two cities in Central America—Roatan and San Salvador—generally have the lowest land values.

Land prices in the cities in former Communist countries—Romania, the Ukraine and Slovakia – appear to have high land prices in their city centers.

The general hypothesis that land values in both formal and informal areas may not be reflective of income levels in the country seems to be the case in many cities (e.g. some of the poorest cities—Bangalore, Ho Chi Minh City and Jakarta). On the other hand Seoul, Korea has the highest land prices in most categories.

Lessons Learned

A number of the associations did not respond in spite of their relationship to NAR and repeated requests by email and telephone by NAR and the IHC. In some cases the association director was not willing to organize the collection of data and the president of the association was not willing to put in the time to collect the information.

In a few cases the association appeared concerned that it would not be able to accurately complete the survey and therefore did not respond to the request.

It had been anticipated that the associations would want to contribute to a World Bank survey. It appears in some cases this was not sufficient to motivate the staff or president to take the time to compile the data and complete the survey.

Collecting data from professional real estate associations in the developing world, many of which have very limited staff capacity, does not appear to be as easy as anticipated and the experience with this survey brings into question whether such data could be collected periodically with a high degree of accuracy.

Attachments

Matrix of Survey Result

Survey Instrument

Survey of Land Prices in Capital and Other Cities

Questions	Country 1	Country 2	Country 3	Country 4	Country 5	Country 6	Country 7	Country 8	Country 9	Country 10
1. City Name	Sao Paulo	Jakarta	Mexico City	Bangkok	Roatan	Buenos Aires	Bratislava	Kyiv	Bucharest	Bangalore
2. Country Name	Brazil	Indonesia	Mexico	Thailand	Honduras	Argentina	Slovak Republic	Ukraine	Romania	India
3. Monetary Currency of your answers	US\$	Rupiah (Rp)	Pesos	Baht	US\$	US\$	US\$	US\$	LEU	Rupees (Rs)
4. Date	11/8/2007	11/28/2007	11/27/2007	12/8/2007	11/5/2007	11/6/2007	1/17/2008	1/23/2008	2/6/2008	2/8/2008
5. E-mail address	ltemple@secovi.com.br	tony@tonyeddy.com	ampinar@ampi.org	sopon@thaiappraisal.org	philweir@roatanlife.com	colegio@martilleros-si.org.ar	narks@narks.sk	vika@asnu.net	office@aral.ro	farook@silverlinerealty.com
6. Name (optional)	Laerte Temple	N/A	Barbara Gaxoet	N/A	Phil Weir		Matin Lazik	Alexey Kotenko		Farook Mahmood
7. Organization name (optional)	Secovi-SP	N/A	Asociacion Mexicana de Profesionales	N/A	Roatan Realtors Association (ANABIR)	Colegio de Martilleros y Corredores Publicos del	NARKS	URA's Analytics Committee	Romanian Association of Realtors	National Association of Realtors
8. What is the middle price range of residential land in formal/planned settlements near the traditional city centre?	US\$ 588 per sq meter	Rp 10 million per sq meter	8,000-12,000 per sq meter	10,000 per sq meter	1.6 per sq foot	US\$ 400 per sq meter	US\$ 950 per sq meter	US\$ 1000-1500 per sq meter	2000-5000 per sq meter	Rs 10,000 per square foot
US\$ per sq meter	\$ 588.00	\$ 1,076.31	\$ 923.69	\$ 302.65	\$ 17.20	\$ 400.00	\$ 950.00	\$ 1,250.00	\$ 1,386.01	\$ 2,729.80
9. If there is more than one big business centre, what is the middle price range of residential land in formal/planned settlements near the second most important business center?	US\$ 440 per sq meter	Rp 12 million per sq meter	15,000-20,000 per sq meter	20,000 per sq meter	N/A	US\$ 200 per sq meter	US\$ 230 per sq meter	US\$ 500-800 per sq meter	2000-5000 per sq meter	Rs 5,000 per square foot
US\$ per sq meter	\$ 440.00	\$ 1,291.57	\$ 1,616.45	\$ 605.29	N/A	\$ 200.00	\$ 230.00	\$ 650.00	\$ 1,386.01	\$ 1,364.90
10. What is the middle price range of residential land in formal/planned settlements in the well established suburbs near the urban fringe?	US\$ 147 per sq meter	Rp 15 million per sq meter	4,000-8000 per sq meter	15,000 per sq meter	US\$ 2.5 per sq foot	US\$ 250-300 per sq meter	US\$ 150 per sq meter	US\$ 100-300 per sq meter	400-2000 per sq meter	Rs 1,500 per square foot
US\$ per sq meter	\$ 147.00	\$ 1,614.47	\$ 554.21	\$ 453.97	\$ 26.88	\$ 275.00	\$ 150.00	\$ 200.00	\$ 475.20	\$ 409.47
11. What is the middle price range of residential land in formal/planned settlements in less built up areas near the urban fringe?	US\$ 90 per sq meter	Rp 3 million per sq meter	2,500 -4,000 per sq meter	5,000 per sq meter	US\$ 2.00 per sq foot	US\$ 150-200 per sq meter	US\$ 80 per sq meter	US\$ 80-200 per sq meter	200-1000 per sq meter	Rs 1,000 per square foot
US\$ per sq meter	\$ 90.00	\$ 322.69	\$ 300.20	\$ 151.32	\$ 21.51	\$ 175.00	\$ 80.00	\$ 140.00	\$ 237.60	\$ 272.98
12. What is the middle price range of residential land in informal/unplanned settlements near the traditional city centre?	US\$ 60 per sq meter	Rp 5 million per sq meter	Most of the city centers are buildings that are not regular according to the price of value for location (it is called "Frozen")	2,500 per sq meter	US\$ 1.75 per sq foot	US\$ 200 per sq meter	US\$ 450 per sq meter	US\$ 900-1200 per sq meter	1500-4000 per sq meter	N/A
US\$ per sq meter	\$ 60.00	\$ 538.16	N/A	\$ 75.66	\$ 18.82	\$ 200.00	\$ 450.00	\$ 1,050.00	\$ 1,089.01	N/A
13. If there is more than one big business center, what is the middle price range of residential land in informal/unplanned settlements near the second most important business center?	US\$ 47 per sq meter	Rp 7 million per sq meter	1,500 - 3,000 per sq meter	N/A	US\$ 1.66 per sq foot	US\$ 100-150 per sq meter	US\$ 130 per sq meter	US\$ 500-700 per sq meter	1500-4000 per sq meter	Rs 2,000 per square foot
US\$ per sq meter	\$ 47.00	\$ 753.42	\$ 207.83	N/A	\$ 17.85	\$ 125.00	\$ 130.00	\$ 600.00	\$ 1,089.01	\$ 545.96
14. What is the middle price range of residential land in informal/unplanned settlements near the urban fringe?	US\$ 30 per sq meter	Rp 5 million per sq meter	1,000 - 2,500 per sq meter	N/A	US\$ 1.25 per sq foot	US\$ 200 per sq meter	US\$ 50 per sq meter	US\$ 80-150 per sq meter	200-600 per sq meter	Rs 800 per square foot
US\$ per sq meter	\$ 30.00	\$ 538.16	\$ 161.64	N/A	\$ 13.44	\$ 200.00	\$ 50.00	\$ 115.00	\$ 156.72	\$ 218.38
15. What is the middle price range of raw land currently in agricultural use with no urban infrastructure services or development permits near the urban fringe?	US\$ 12 per sq meter	Rp 500,000 per sq meter	50-100 per sq meter	625 per sq meter	US\$ 1.00 per sq foot	No available land for agriculture in our area	US\$ 20 per sq meter	There was no official sale	100-1500 per hectare	Rs 400 per square foot
US\$ per sq meter	\$ 12.00	\$ 53.82	\$ 6.93	\$ 18.92	\$ 10.75	N/A	\$ 20.00	N/A	\$ 0.03	\$ 109.19
16. What is the middle price range of formal commercial office space in the city centre?	US\$ 1,180 per sq meter	Rp 13 million per sq meter	12,000-20,000 per sq meter	60,000 per sq meter	US\$ 2.00 per sq foot	US\$ 1500 per sq meter	US\$ 3,000 per sq meter	For sale US\$ 4500-5500 per sq meter; For rent US\$ 45-55 per sq meter	15-20 per sq meter	Rs 6,000 per square foot
US\$ per sq meter	\$ 1,180.00	\$ 1,399.20	\$ 1,477.90	\$ 1,815.87	\$ 21.51	\$ 1,500.00	\$ 3,000.00	\$ 5,000.00	\$ 6.93	\$ 1,637.88
17. What is the construction price (defined as the present replacement cost for labor, materials, on-site infrastructure, management and contractor profits) of a mid-range-priced home in a formal settlement?	US\$ 600 per sq meter	Rp 4 million per sq meter	6,500-8,000 per sq meter	8,000 per sq meter	US\$ 100 per sq foot	US\$ 1300 per sq meter	US\$ 190,000 per sq meter	US\$ 3000 per sq meter	600 per sq meter	Rs 600 per square foot

Survey of Land Prices in Capi

Questions	Country 11	Country 12	Country 13	Country 14	Country 15	Country 16	Country 17	Country 18	19	20
1. City Name	Seoul	Ho Chi Minh	Cape Town	Guezon City	San Ignacio	San Salvador	Penang	Warsaw		
2. Country Name	South Korea	Viet Nam	South Africa	Philippines	Belize	El Salvador	Malaysia	Poland		
3. Monetary Currency of your answers	KRW (WON)	US\$	SA Rands	Peso	US\$	US\$	Ringgit (MYR)	Euro		
4. Date	2/13/2008	1/31/2008	3/7/2008	3/5/2008	4/22/2008	4/28/2008	5/23/2008	5/27/2008		
5. E-mail address	ukyoobe@hanmail.net	ngodinhhan@yahoo.com	willie@homenetmaxima.co.za	marealtor@yahoo.com	belizenar@gmail.com	gominguez@jmia.com.sv	mikegeh@mac.com	szymon@gestia.pl		
6. Name (optional)	Sun Hwa Youn	Ngo Dinh Han	Andrew Golding	Antonio Panuza	Macarena Rose	Luis Ernesto Dominguez	Mike Geh	M.Stelmaszek		
7. Organization name (optional)	CIPS Korea	Phat Hung Real	Institute of East Agents of South Africa	Philippines Association of Realtors Board, Inc	Belize National Association of	JM Administracion Y Desarrollos	Raine & Horne	PREF		
8. What is the middle price range of residential land in formal/planned settlements near the traditional city centre?	KRW 7,600,000 per sq meter	US\$ 4,000-7,000 per sq meter	R4,000 per sq meter	P80,000 per sq meter	US\$ 104.73 per sq foot	US\$9.11 per sq foot	250 MYR per sq foot	Euro 2500 per sq meter		
US\$ per sq meter	\$ 8,051.70	\$ 5,500.00	\$ 493.83	\$ 1,923.08	\$ 1,126.13	\$ 98.10	\$ 817.20	\$ 3,892.50		
9. If there is more than one big business centre, what is the middle price range of residential land in formal/planned settlements near the second most important business center?	KRW 5,000,000 per sq meter	US\$ 3,000-4,000 per sq meter	R4,000 per sq meter	P10,000 per sq meter	US\$ 104.73 per sq foot	US\$16.61 per sq foot	not available	Euro 1350 per sq meter		
US\$ per sq meter	\$ 5,297.17	\$ 3,500.00	\$ 493.83	\$ 240.38	\$ 1,126.13	\$ 178.85	N/A	\$ 2,102.00		
10. What is the middle price range of residential land in formal/planned settlements in the well established suburbs near the urban fringe?	KRW 3,000,000 per sq meter	US\$ 1000-2000 per sq meter	R5,000 per sq meter	P4,000 per sq meter	US\$98.34 per sq foot	US\$8.71 per sq foot	200 MYR per sq foot	200 Euro per sq meter		
US\$ per sq meter	\$ 3,178.30	\$ 1,500.00	\$ 617.28	\$ 96.15	\$ 1,057.42	\$ 93.76	\$ 659.70	\$ 311.40		
11. What is the middle price range of residential land in formal/planned settlements in less built up areas near the urban fringe?	KRW 1,700,000 per sq meter	US\$ 500-800 per sq meter	R4,500 per sq meter	P2,000 per sq meter	US\$ 78.75 per sq foot	US\$4.55 per sq foot	80MYR per sq foot	110 Euro per sq meter		
US\$ per sq meter	\$ 1,801.04	\$ 650.00	\$ 555.56	\$ 48.08	\$ 846.77	\$ 49.04	\$ 263.90	\$ 172.00		
12. What is the middle price range of residential land in informal/unplanned settlements near the traditional city centre?	KRW 1,900,000 per sq meter	US\$ 10,000-20,000 per sq meter	R3,000 per sq meter	P1,000 per sq meter	US\$ 78.75 per sq foot	US\$1.59 per sq foot	150MYR per sq foot	not available		
US\$ per sq meter	\$ 2,012.93	\$ 15,000.00	\$ 370.37	\$ 24.04	\$ 846.77	\$ 17.16	\$ 494.80	N/A		
13. If there is more than one big business center, what is the middle price range of residential land in informal/unplanned settlements near the second most important business center?	KRW 1,500,000 per sq meter	US\$ 3,000-5,000 per sq meter	R3,000 per sq meter	P500 per sq meter	US\$ 78.75 per sq foot	US\$2.39 per sq foot	not available	900 Euro per sq meter		
US\$ per sq meter	\$ 1,589.15	\$ 4,000.00	\$ 370.37	\$ 12.02	\$ 846.77	\$ 25.75	N/A	\$ 1,401.30		
14. What is the middle price range of residential land in informal/unplanned settlements near the urban fringe?	KRW 700,000 per sq meter	US\$ 700-1500 per sq meter	R4,000 per sq meter	P750 per sq meter	US\$ 10,000 per residential lot	US\$0.79 per sq foot	50MYR per sq foot	175 Euro per sq meter		
US\$ per sq meter	\$ 741.60	\$ 1,100.00	\$ 493.83	\$ 18.03	N/A	\$ 8.58	\$ 164.90	\$ 273.00		
15. What is the middle price range of raw land currently in agricultural use with no urban infrastructure services or development permits near the urban fringe?	KRW 100,000 per sq meter	US\$ 200-400 per sq meter	R200 per sq meter	P100 per sq meter	US\$ 1000 per acre	US\$0.30 per sq foot	3MYR per sq foot	45 Euro per sq meter		
US\$ per sq meter	\$ 105.94	\$ 300.00	\$ 24.69	\$ 2.40		\$ 3.27	\$ 9.90	\$ 70.00		
16. What is the middle price range of formal commercial office space in the city centre?	KRW 3,000,000 per sq meter	US\$ 20 per sq meter	R80 per sq meter	N/A	US\$ 76.75 per sq foot	US\$46.41	200MYR per sq foot	20 Euro per sq meter		
US\$ per sq meter	\$ 3,178.30	\$ 20.00	\$ 9.88	N/A	\$ 825.27	\$ 500.00	\$ 659.70	\$ 31.10		
17. What is the construction price (defined as the present replacement cost for labor, materials, on-site infrastructure, management and contractor profits) of a mid-range-priced home in a formal settlement?	KRW 660,000 per sq meter	US\$ 200-300 per sq meter	R6,000 per sq meter	P16,000 per sq meter	US\$ 75 per sq foot	US\$42.46 per sq foot	70MYR per sq foot	1000 Euro per sq meter		

Annex 1:

Survey of Land Prices in Cities

There is currently a big data gap when it comes to land prices in developing and transition country cities. By partnering with real-estate networks internationally, the World Bank in collaboration with the International Housing Coalition (IHC) and the National Association of Realtors (NAR) is trying to plug this data gap. The Bank stands to benefit from a better understanding of the effects of various policies and can use this evidence in its dialogues with national and city governments. The real-estate and private sector developer communities stand to benefit from changes in policy which may allow land markets to operate more freely and predictably. *The World Bank, IHC and NAR would really value your participation in this survey.*

- *Please browse all the questions first and then answer each one.*
- *Middle price range means half are typically above this price and half are typically below.*
- *Formal/planned settlements refer to housing areas with most basic services (such as water, electricity, roads, drainage and sanitation) and recognized ownership/tenure.*
- *Informal/unplanned settlements refer to housing areas lacking several basic services and not having fully recognized ownership/tenure.*

Qu.1. City Name?	Qu. 2 Country name?.....
Qu. 3. Monetary Currency of your answers?.....	Qu. 4. Date? day month year
Qu. 5. Your email address?.....	
Qu. 6. Your Name (optional)?..... Qu. 7. Organisation name (optional)?.....	
Qu. 8. What is the middle price range of residential land in formal/planned settlements near the traditional city centre?per square meter orper square foot	
Qu. 9. If there is more than one big business centre, what is the middle price range of residential land in formal/planned settlements near the second most important business center?per square meter orper square foot	
Qu. 10. What is the middle price range of residential land in formal/planned settlements in the well established suburbs near the urban fringe?per square meter orper square foot	
Qu. 11. What is the middle price range of residential land in formal/planned settlements in less built up areas near the urban fringe?per square meter orper square foot	
Qu. 12 What is the middle price range of residential land in <i>informal/unplanned</i> settlements near the traditional city centre?per square meter orper square foot	
Qu. 13. If there is more than one big business centre, what is the middle price range of residential land in <i>informal/unplanned</i> settlements near the second most important business center?per square meter orper square foot	
Qu. 14. What is the middle price range of residential land in <i>informal/unplanned</i> settlements near the urban fringe?per square meter orper square foot	
Qu. 15. What is the middle price range of raw land currently in agricultural use with no urban infrastructure services or development permits near the urban fringe?per square meter orper square foot	
Qu. 16 What is the middle price range of formal commercial office space in the city centre?per square meter orper square foot	
Qu. 17. What is the construction price (defined as the present replacement cost for labor, materials, on-site infrastructure, management and contractor profits) of a mid-range-priced home in a formal settlement?	

.....per square meter **or** per square foot

Please check that you have written your answers next to the right unit of measurement i.e. square meter or square feet. Also check that you have filled in the city name (Qu 1), the monetary currency of your answers (Qu. 3) and your email address (Qu. 5). Thank you!