

# Kommersant's annual forum

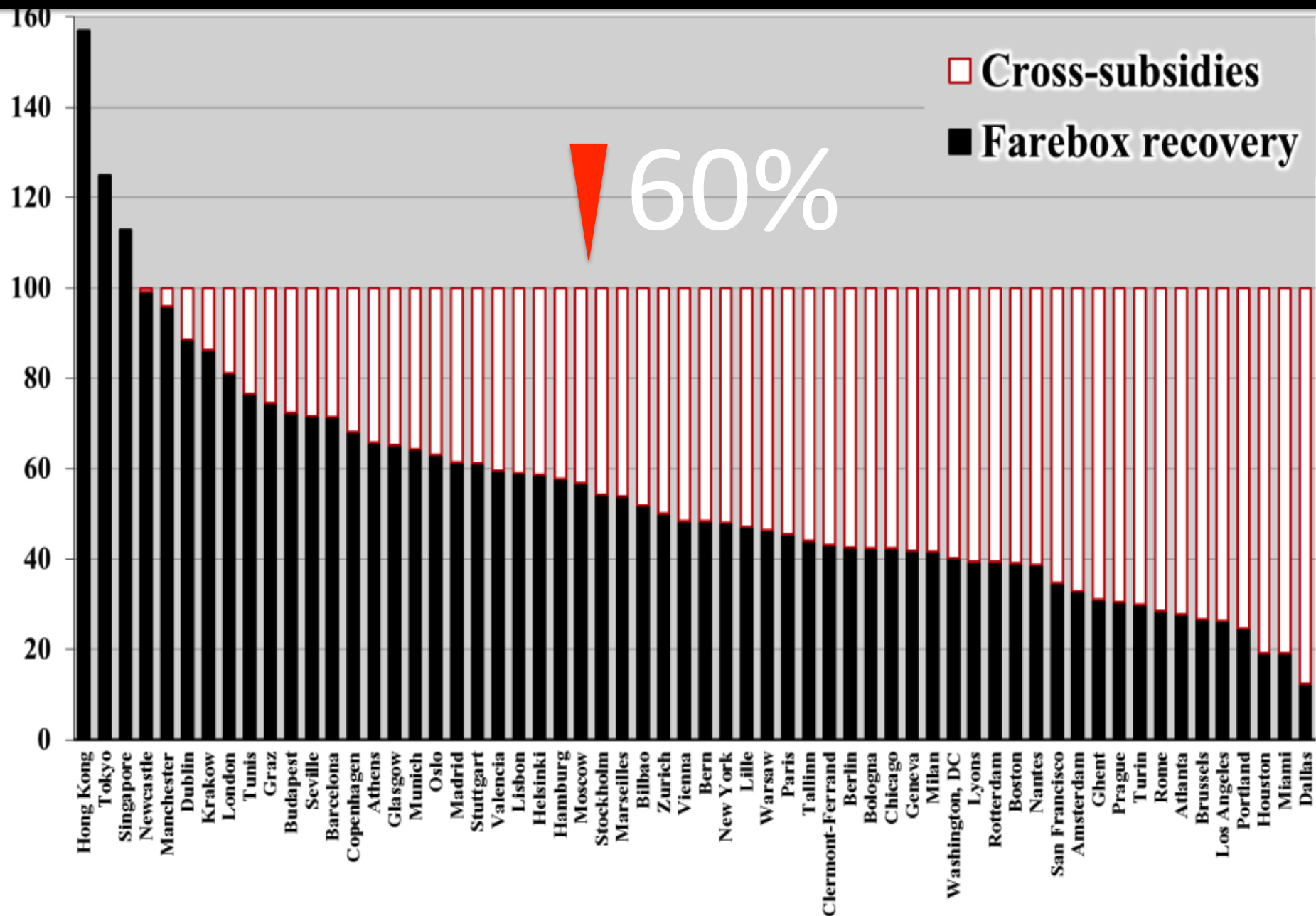
“DEVELOPMENT 2014: GROWTH POINTS”

DEVELOPMENT BASE –  
LAND VALUE CAPTURE FINANCE

NIKKEN SEKKEI

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# FARE REVENUE – GLOBAL CITIES

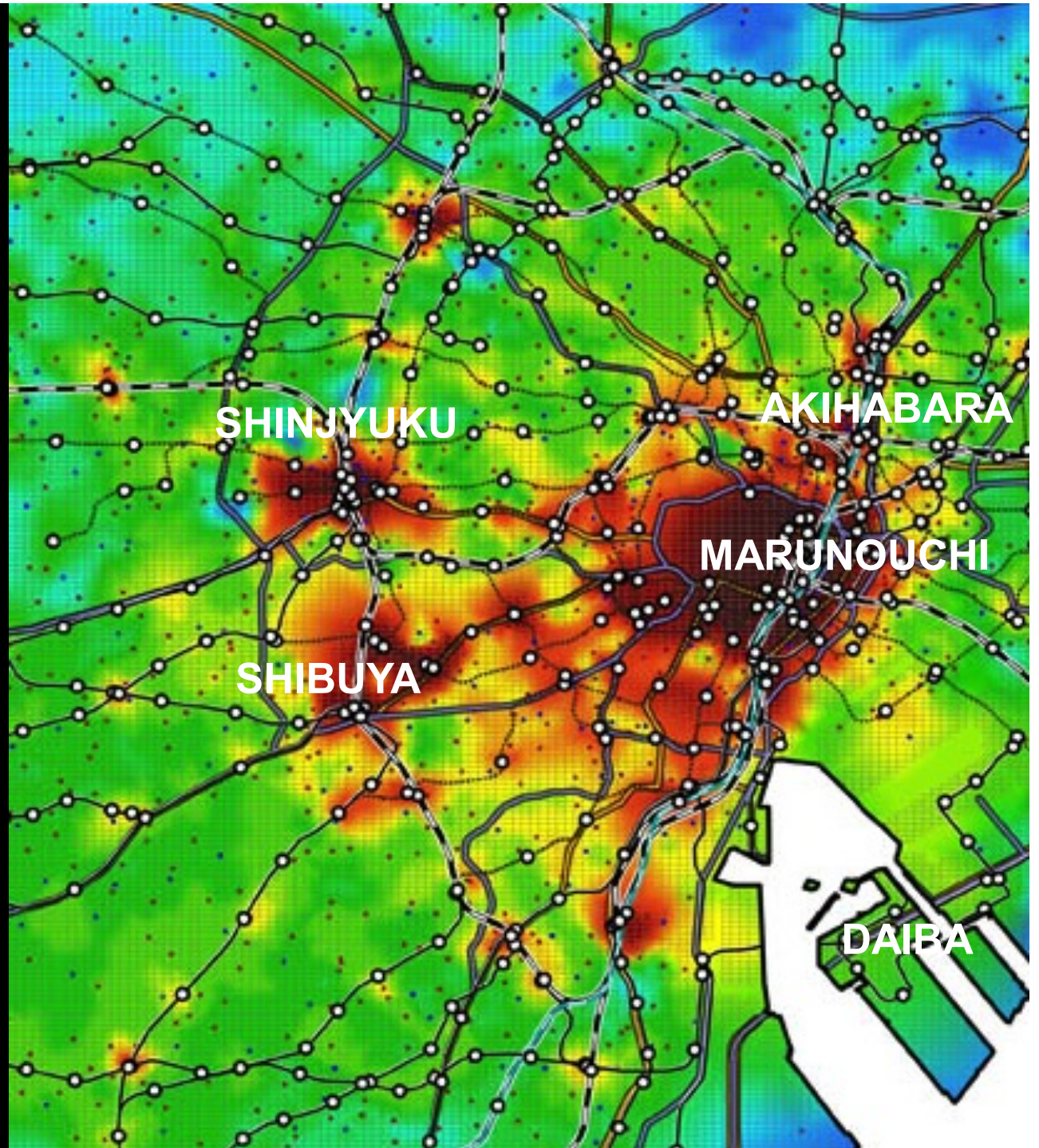


Source: Murakami Lin 2012 Transit Value Capture

# TOKYO

## LAND VALUE MAP

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# DB LVC FINANCE - INSTRUMENTS

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## TAX X DEVELOPMENT VALUE CAPTURE

Table O.1 Succinct Features of Selected Land Value Capture Instruments

|                   | Instrument                                | Description   |
|-------------------|---|---|
| Tax- or Fee-Based | Property and Land Tax                     | Tax that is levied on estimated value of land or land and buildings combined. Revenues usually go into budgets for general purposes.  |
|                   | Betterment Levies and Special Assessments | Surtaxes imposed by governments on estimated benefits created by public investments, so as to require property owners who benefit directly from public investments to pay for their costs.  |
|                   | Tax Increment Financing (TIF)             | A surtax on properties within an area that will be redeveloped by public investment to be financed by municipal bonds, against the expected increase in property tax, which is pledged. <i>Instrument mainly used in US.</i>  |
|                   | Exactions/Impact Fees                     | Fees (or in-kind contribution) collected from private developers to pay for the cost of providing additional public infrastructure and services, and to accommodate additional population generated by their new development projects.  |
| Development-Based | Land Sale or Land Lease                   | Governments sell developers land for payment or the land use right, in return for either an upfront leasehold charge or payments of annual land rent through the term of the lease.   |
|                   | Air Right Sale                            | Governments sell development rights extended beyond the limits specified in land use regulations (e.g., FAR) or created by regulatory changes to raise funds to finance public infrastructure and services.   |
|                   | Land Readjustment                         | Landowners pool their land together for reconfiguration and contribute a portion of their land for sale to raise funds to partially defray public infrastructure development costs.   |
|                   | Urban Redevelopment Financing             | Landowners together with a developer establish one cooperative entity to consolidate piecemeal land parcels into a single site that they then develop (e.g., high-rise building and/or mixed use building) with new access roads and public open spaces. The local government then modifies zoning codes and increases maximum floor area ratios in the targeted redevelopment district (typically around rail transit stations). <i>Instrument mainly used in Japan.</i> |

Source: Author.



# CASE 1 – TOKYO STATION FAR TRANSFER

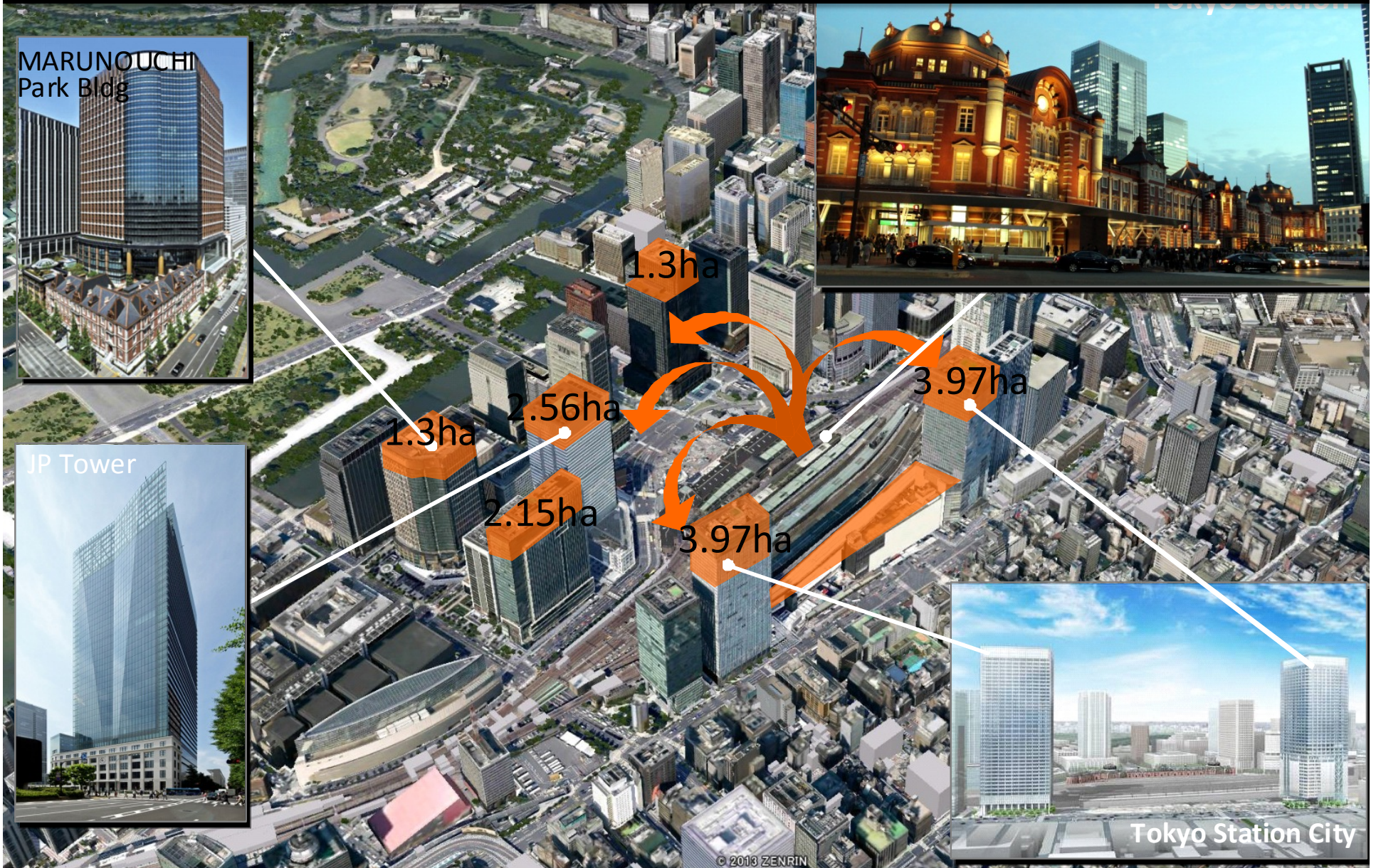
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# CASE 1 – FAR TRANSFER

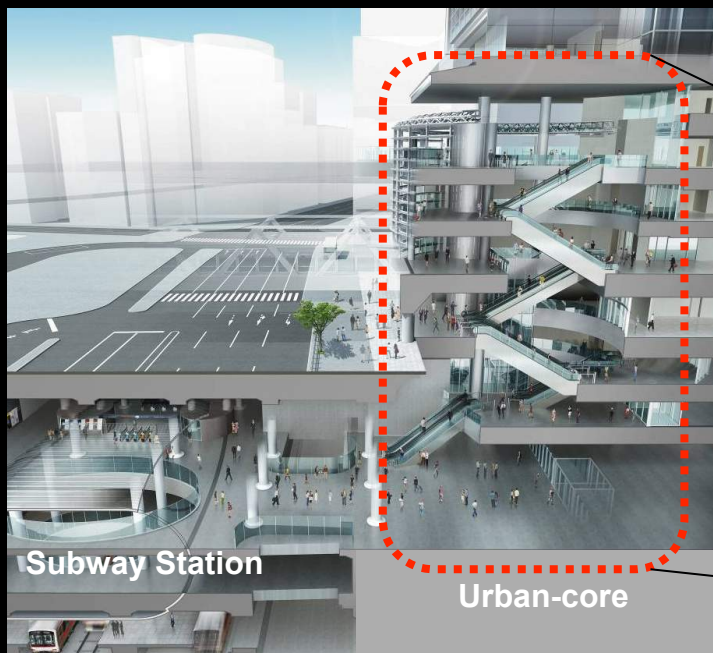
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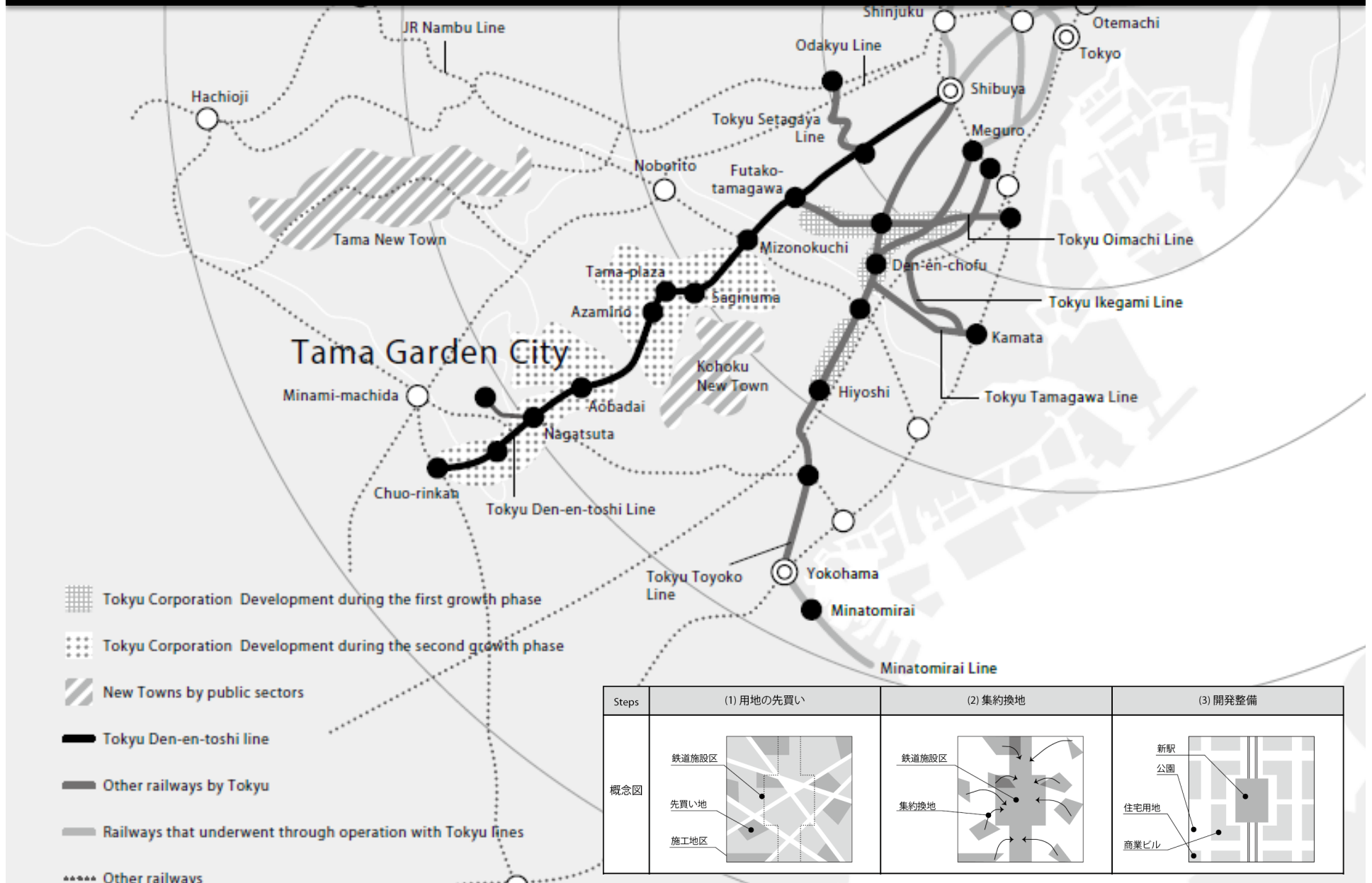


# CASE 2 – SHIBUYA HIKARIE FAR BONUS

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# CASE 3 – TAMA NEW TOWN LAND READJUSTMENT





# CASE 4 – MOSCOW BOTANICHESKI SAD

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