

LAND ACQUISITION METHODS FOR THE MASS HOUSING PROJECTS: A CASE STUDY IN ISTANBUL

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The aim of the paper

- This aim of this paper is to examine **the land development process** by making a detailed analysis of the different cases which focus on some mass housing areas in Istanbul

Keywords: Land development process, land acquisition methods, mass housing projects, Turkey, Istanbul.

Why is so important the Mass Housing Projects for Turkey ?

There are two basic problems in housing sector in Turkey.

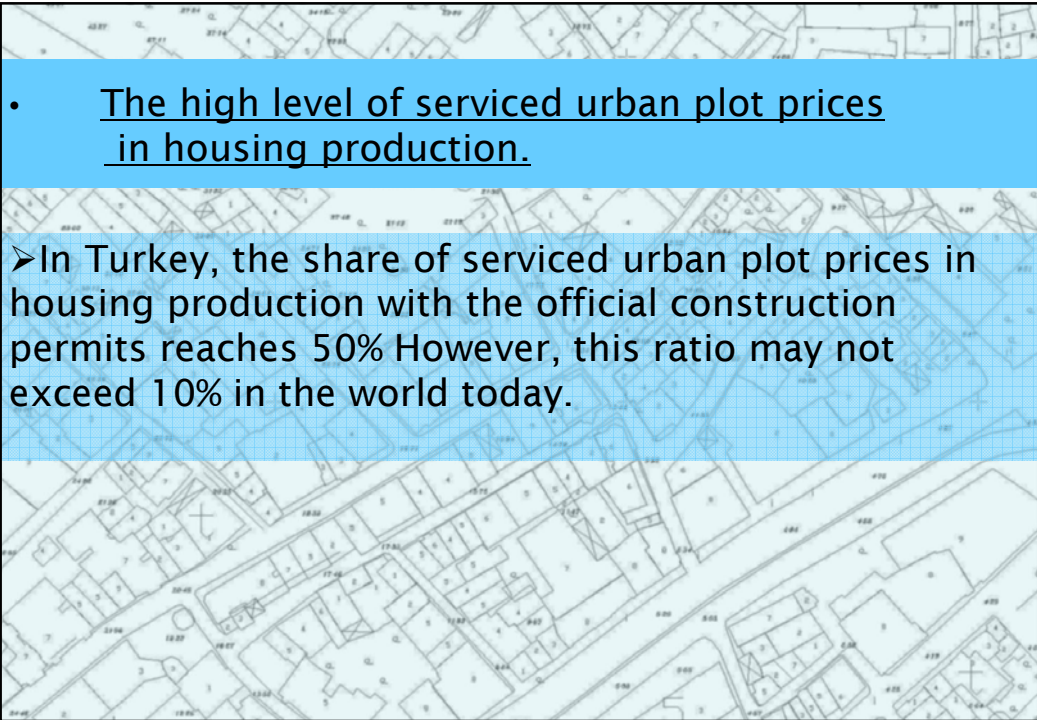
1- The deficiencies of the houses built in terms of both quality and quantity

Problem in terms of quantity

- The number of housing needed between 1990 and 2005 was 7,868,400 in urban areas was calculated in Turkey.
- In the same period the number of dwellings having construction permits was 6,221,915 and the number of dwellings having occupancy permits was 3,632,123.
- It is seen that housing stock produced over the last 15 years has **remained behind the need.**

Problem in terms of quality

- Once again, it is seen that there is housing stock that has been produced without occupation permits in this period and such dwellings had met most of the needs.
- The rate of the number of dwellings having construction permits to the number of dwellings having occupancy permits is 0.50. This means that the half of legal housing stock has quality problem.

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- The high level of serviced urban plot prices in housing production.

➤ In Turkey, the share of serviced urban plot prices in housing production with the official construction permits reaches 50% However, this ratio may not exceed 10% in the world today.

When the situation in Turkey's biggest city Istanbul is examined;

- In terms of quality and quantity of dwellings production, only 48% of the 3,136,931 houses in total have construction permits while the number of buildings with occupancy permits is 1,518,441.
- Only 39 have occupation permits in 100 houses with construction permit. Number of the houses built and used without construction permit is 1,618,490 .
- The costs of serviced urban plots in Istanbul are very high in mass housing production. The new residence prices, which were €/m² 700 in average in 2002, increased to €/m² 1,900 in average in 2008.

➤ It is required to produce serviced building plot sufficient enough in terms of both quality and quantity in legal building plot market. **Large scale housing projects (mass housing projects) can bring solution to both Turkey's and Istanbul's housing problem in terms of both quality and quantity.**

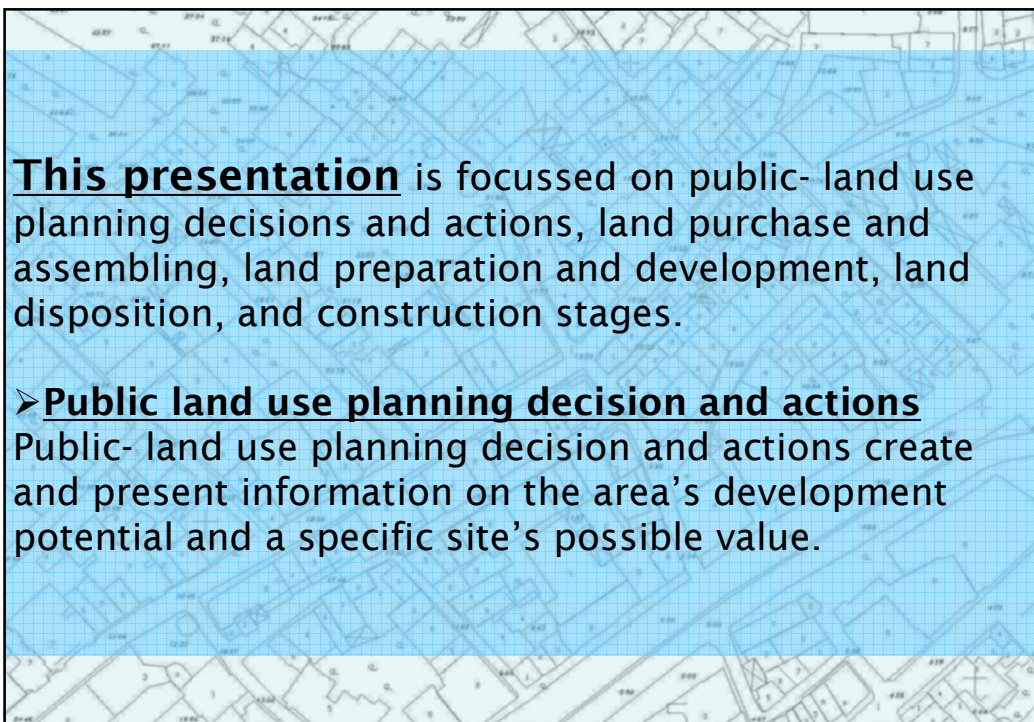
✓ However, the main problem here is the point that it is not been able to procure serviced plot for large scale housing supply. Legal land market has to ease the production of serviced urban parcels in development of large scale housing projects.

Land Development Process

➤ Land development process includes the following stages:

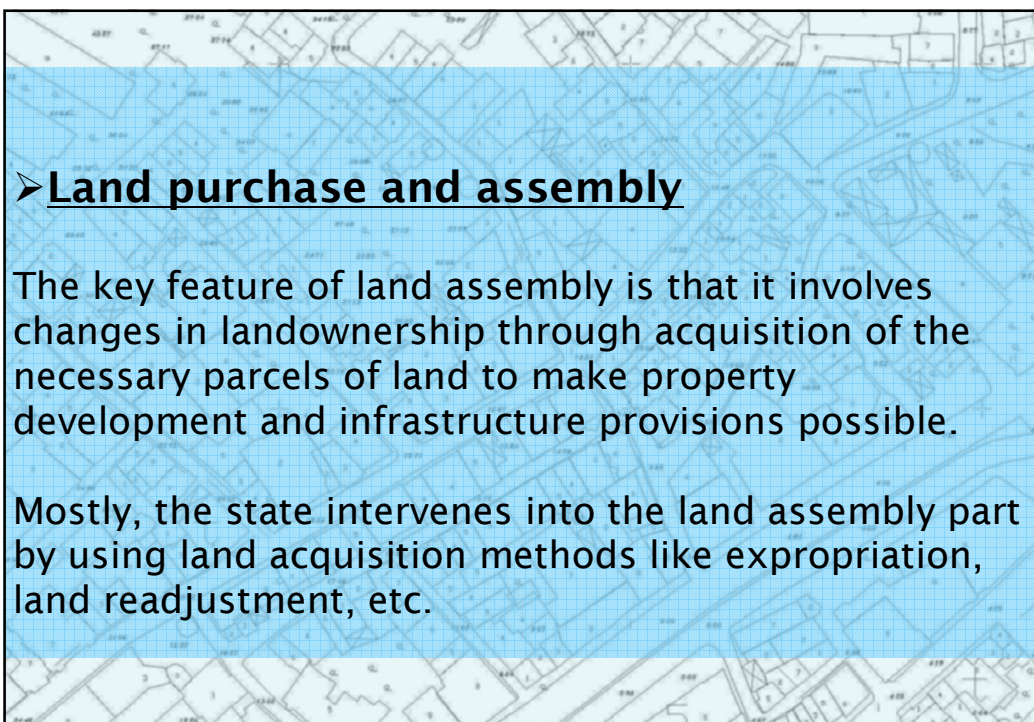
- (1) Land purchase and assembling
- (2) Financing
- (3) Land preparation and development
- (4) Land disposition
- (5) Construction
- (6) Property Transfer

Before land purchase and assembling, public-land use planning decisions and actions are also important in this process



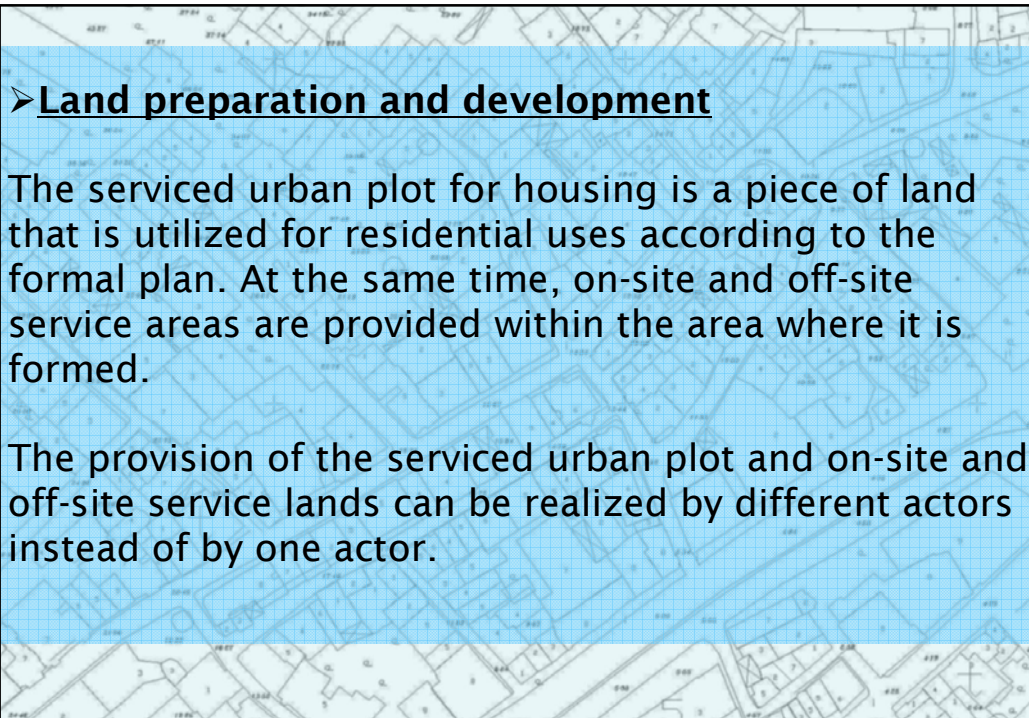
This presentation is focussed on public- land use planning decisions and actions, land purchase and assembling, land preparation and development, land disposition, and construction stages.

➤ **Public land use planning decision and actions**
Public- land use planning decision and actions create and present information on the area's development potential and a specific site's possible value.



➤ **Land purchase and assembly**
The key feature of land assembly is that it involves changes in landownership through acquisition of the necessary parcels of land to make property development and infrastructure provisions possible.

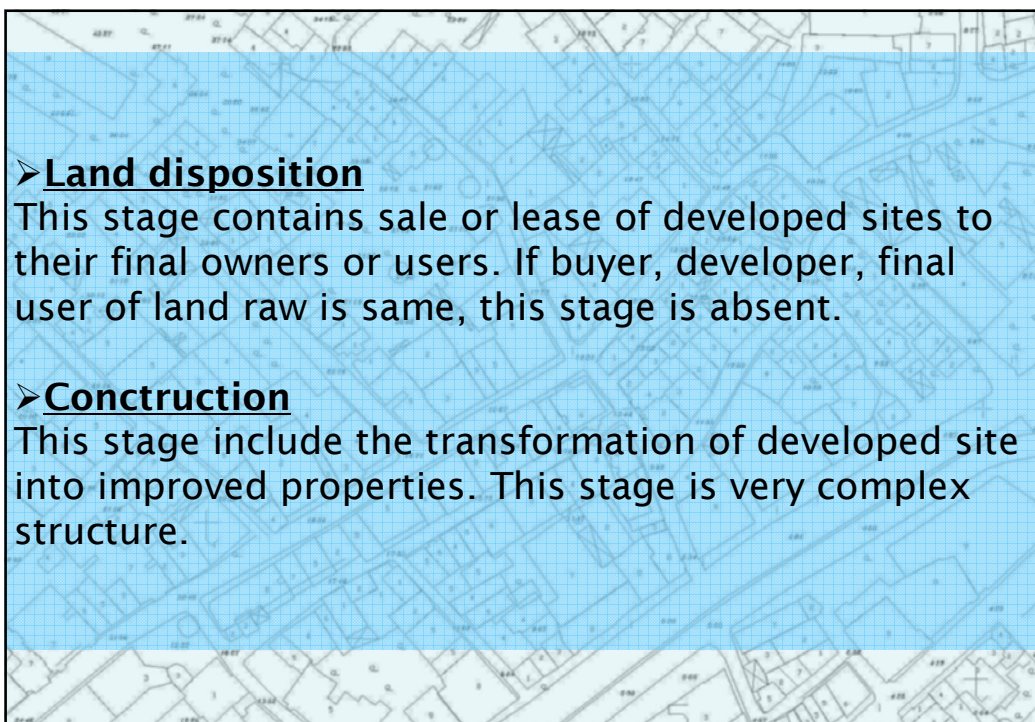
Mostly, the state intervenes into the land assembly part by using land acquisition methods like expropriation, land readjustment, etc.



➤ **Land preparation and development**

The serviced urban plot for housing is a piece of land that is utilized for residential uses according to the formal plan. At the same time, on-site and off-site service areas are provided within the area where it is formed.

The provision of the serviced urban plot and on-site and off-site service lands can be realized by different actors instead of by one actor.



➤ **Land disposition**

This stage contains sale or lease of developed sites to their final owners or users. If buyer, developer, final user of land raw is same, this stage is absent.

➤ **Conctruction**

This stage include the transformation of developed site into improved properties. This stage is very complex structure.

Important Changes in Housing Sector in Turkey

➤ From 1930s to the end of 1960s

- Multiple story residences on one plot in urban areas
- Multiple story housing types, differently from today's usage, have been the buildings built for renting that belong to one person .

➤ From the end of 1960s to 1980s

- With the Condominium Ownership Law dated 1965, for multiple people that came together, to have an independent section in "multiple storey buildings" was made a solution for this problem
- Small scale production system "build-and-sell" (yap-satci) system (Small producers /one-man firms)

Important Changes in Housing Sector in Turkey

➤ From 1980s to 1990s

- "Mass housing cooperatives"
- Developing larger and better-arranged urban parts (big scale development)
- Credit resources provided by the Mass Housing Administration (TOKI)

➤ From 1990s to present days

- The middle-upper and upper income groups have started to settle in self-sufficient gated communities outside of the city
- Mass housing blocks in the city built by public or private developers
- Mass housing blocks in suburban areas built by co-operatives and/or public or private developers

Important Changes in Housing Sector in Turkey

- The changes in the political atmosphere after the 2000s have created the appearance of new actors and changing roles in the housing sector.
- This time, the public (both national units and local governments) has entered into the housing sector as a leading producer.

The Land Development Process in Turkey

➤ Public-land use planning

Land use planning through the statutory planning process plays an important roles in the land development process. Municipalities has the power related to preparation and approval of “local land use plan” and “local detailed plan” with Reconstruction Law in 1985. According to Reconstruction law, the amendment of “local land use” and “local detailed plan” depends on the existence of “public interest” .

Some public authorities have also planning power with special laws.

Land purchase and assembly

➤ The land assembly in the land development process in Turkey is realized in two different ways.

First is the using of expropriation or land readjustment. The methods of this intervention are identified by legal sources.

Second is purchase according to the suitability of some aims by the state, the public, private developers, etc. The purchase is completely carried out within the framework of private law principles and market mechanisms.

Land preparation and development

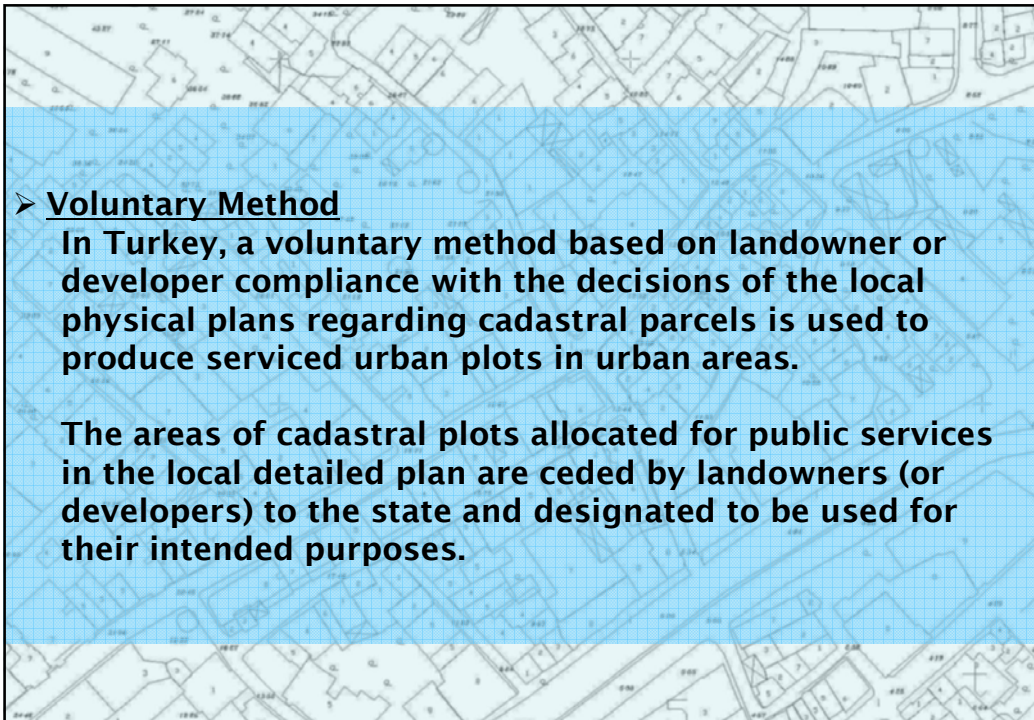
Both the production of the serviced urban area and on-site and off-site service areas, can be provided by using

➤ Expropriation

In Turkey, the state has the power to expropriate lands that are owned by individuals or legal persons where the public interest so requires.

➤ Land readjustment (LR)

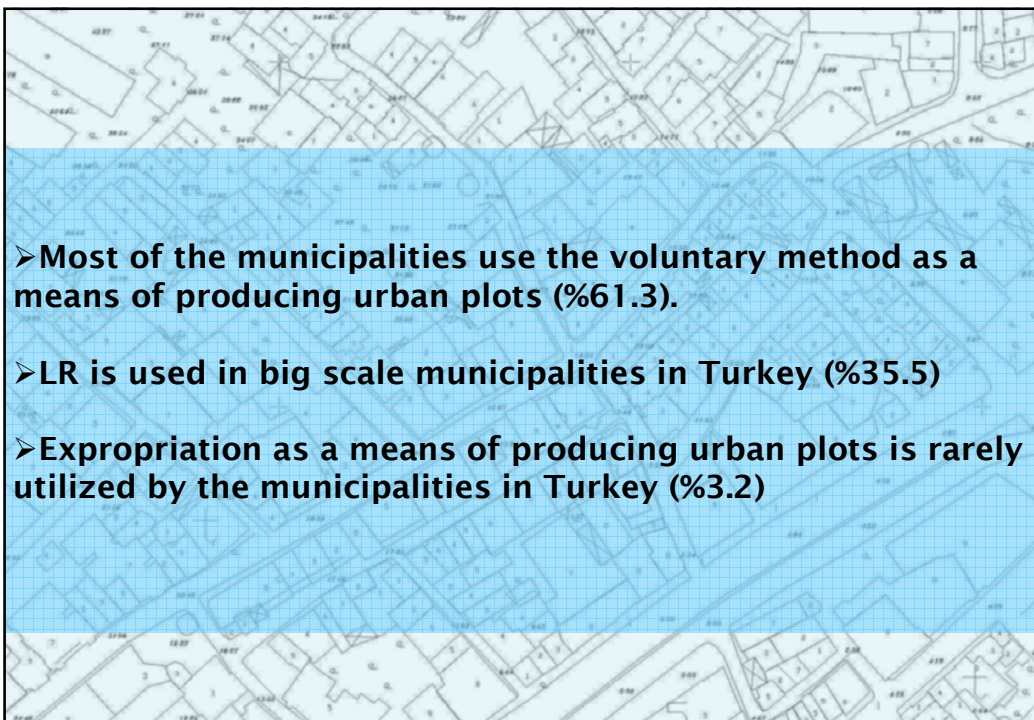
This method is applied, in connection with the local physical plans, to manage the readjustment and development of built or unbuilt areas, to produce serviced urban lands at forms and sizes complying with local physical plans, and to provide land for on-site and off-site service areas.



➤ **Voluntary Method**

In Turkey, a voluntary method based on landowner or developer compliance with the decisions of the local physical plans regarding cadastral parcels is used to produce serviced urban plots in urban areas.

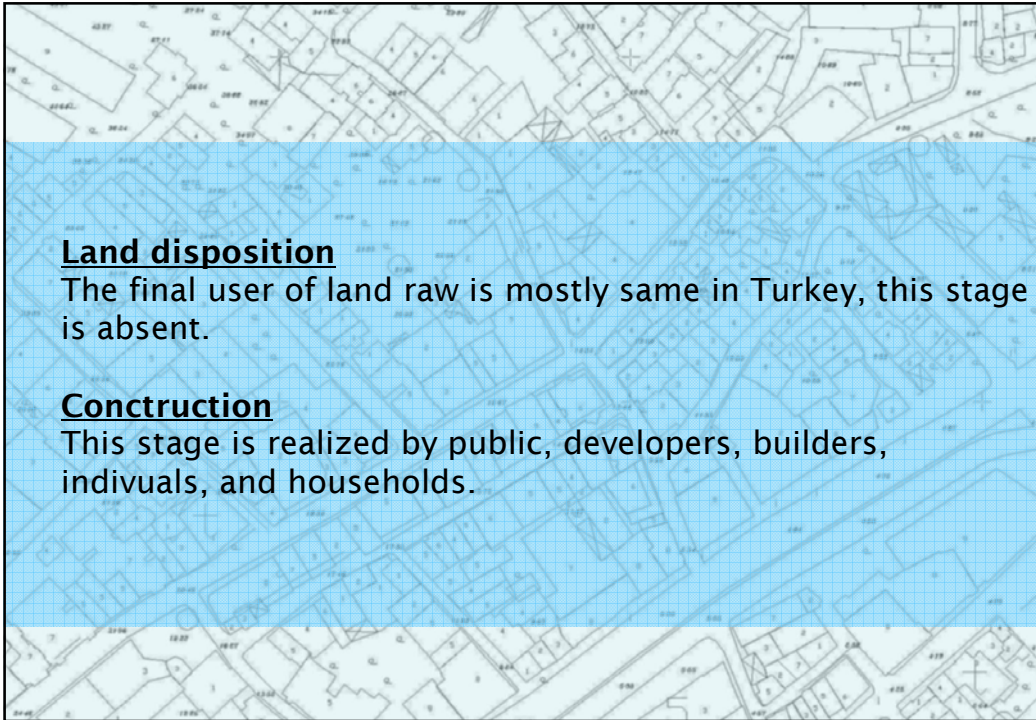
The areas of cadastral plots allocated for public services in the local detailed plan are ceded by landowners (or developers) to the state and designated to be used for their intended purposes.



➤ **Most of the municipalities use the voluntary method as a means of producing urban plots (%61.3).**

➤ **LR is used in big scale municipalities in Turkey (%35.5)**

➤ **Expropriation as a means of producing urban plots is rarely utilized by the municipalities in Turkey (%3.2)**



Land disposition
The final user of land raw is mostly same in Turkey, this stage is absent.

Concrtuction
This stage is realized by public, developers, builders, individuals, and households.



Methodology

- In this article, land development processes of large scale housing projects on different cases in Istanbul and the actors that take place in this process are investigated.
- For this reason, four **different mass housing areas** developed by different actors on Istanbul metropolitan area are investigated as case. **The reason to choose these examples is to determine whether the housing development processes in which various actors took place and the land acquisition methods have been changed.**

Ikitelli Bağaköyü Mass Housing Area

Ikitelli Basaksehir Mass Housing Area		
47.3 Ha. 3004 housing units		
	Methods	Actors
First Owner	-	Finance Treasury
Planning	Local detailed plans in 1992 Development right was given for mass housing area	Istanbul Metropolitan Municipality
Land purchase and assembly	-Sale	-Istanbul Metropolitan Municipality
Land Preparation and development	Land readjustment	-Istanbul Metropolitan Municipality
Construction	Private Contract	KIPTAS



Halkalı Mass Housing Area

Halkalı Mass Housing Area		
895 Ha. 11.410 housing units		
	Methods	Actors
First Owner	-	-Land Office -Finance Treasury -Private Owners
Planning	- Local detailed plans in 1989 -Amendment of local detailed plans in 1992	-TOKI -Istanbul Metropolitan Municipality -District mun.
Land purchase and assembly	-Sale (for plots in Finance Treasury) -Expropriation (for plots in private owners)	-TOKI
Land Preparation and development	-Land readjustment -After LR, TOKI purchased the other shares in multi ownership	-TOKI -Finance Treasury -Kucukcekmece Mun (in multi shared ownership)
Construction	Private Contract	Contractor companies



Avrupa Houses Area

Avrupa Houses Area		
9.7 Ha. 1368 housing units		
	Methods	Actors
First Owner	-	-Land Office -Finance Treasury -Private Owners
Planning	- Local detailed plans in 1989 -Amendment of local detailed plans in 1992 -Another modification of local detailed plan in 2005	-TOKI -Istanbul Metropolitan Municipality -Distict mun.
Land purchase and assembly	-Sale (for plots in Finance Treasury) -Expropriation (for plots in private owners)	-TOKI
Land Preparation and development	-Land readjustment	-TOKI -Kucukcekmece Mun
Construction	The revenue sharing scheme in return for land sale with the private developers	Constructor companies



Soyak Yenişehir

Avrupa Houses Area		
32 Ha. 2905 housing units		
	Methods	Actors
First Owner	-	-Private Owner
Planning	-Very low density with Local detailed plan in 1984 -Extra development rights in return for abandonment of surplus on-site and off-site serviced areas	-Istanbul Metropolitan Municipality -Distict mun.
Land purchase and assembly	Sale	SOYAK Co.
Land Preparation and development	Voluntary Method	SOYAK Co.
Construction		SOYAK Co.



Concluding remarks.....

In accordance with the cases investigated,

- Public land use planning decisions and actions are very important in the land development process. The amendment of local detailed plans can be often used in the projects realized by public authorities.
- When looked at land assembly methods used it was seen that none of the assembly methods were used alone.
- The land assembly method based on public law was used mostly at the beginning of the process. After acquiring urban land available for development, mostly methods based on private law are used.

Concluding remarks.....

- Taking into account all other actors (small producers ('build-and-sellers'), developers, cooperatives, private entrepreneurs, etc.) in the housing market beginning with the 1980s, it is obvious that the public (both TOKI and the municipalities) have an important advantage with the recent changes.
- TOKI and the municipalities are able to use direct public intervention instruments apart from private law instruments especially in the acquisition the lands of mass housing areas, production of serviced urban parcels, on-site and off-site service areas.

Concluding remarks.....

- **In addition to these, TOKI and the municipalities have a voice about the development rights given to the area because of their authority of direct planning. These advantages are essential for the development of large-scale housing projects.**
- **The main point is how the structure formed with these new changes will respond to two basic problems in Turkey and its biggest city, Istanbul, as stated at the beginning. It can be said that success was achieved in the meaning of production with these changes. However two main problems still continue.**