

# Finding Comparable Urban Land for the Valuation Purposes: Challenges and Solution Offers

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## SUMMARY

Approximately 1.5 million condominium unit have subjected to transaction in Turkish real estate market in every year. On the other hand, urban land transaction is very limited compared to this situation and it is very hard to find appropriate urban land for the comparable sales (especially for the expropriation of urban lands) in the urban environment. When the urban land and building on it is subjected to sale, it can be used as a comparable property in the market. The rule is that; the building is not subject to condominium ownership system. However, according to the supreme court decisions, condominium unit sale that subject to condominium ownership system, can not be used as a comparable property. Because, condominium unit sale price composed of replacement cost of the unit and value of urban land which belongs to the unit. And it is very hard to determine and separate replacement cost of the unit and value of urban land. The aim of this study is showing that condominium unit sale can be used as a comparable property and used for the valuation of urban lands for expropriation purposes. So, factors which affect to replacement cost of each condominium unit in the condominium ownership system are determined, analyzed and formalized. This study shows that it is possible to determine part of the sale price that corresponds to urban parcel in the case of determining each factors that affect to replacement cost of the unit. So, the quantity of the appropriate comparable urban land can be increased in the limited urban land transaction market.