A tool for affordable housing development

Dr. Chryssy Potsiou, Ass. Professor of Cadastre and Land Management
Dr. Charalabos Ioannidis, Professor of Photogrammetry
Sofia Soile, Rural & Surveying Engineer, MSc, Researcher
Styliani Verykokou, Rural & Surveying Engineer, PhD Candidate

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Workshop on Sustainable Real Estate Markets Policy Framework and Necessary Reforms
Need for Land Readjustment

We are expected to provide solutions: **functional, reliable, affordable, inclusive & fit-for-purpose**

to satisfy a world that cannot wait!

- Urban land readjustment
- Self financed & small projects
- Voluntary participation
- Fair property valuation & redistribution of property rights
- Involvement of the private sector
- Affordable housing provision
- Increased urban densities

**Best Use of Urban Land**
Affordable Housing

Encompasses a wide spectrum of housing types, prices and occupants.

- Rental housing
- For-sale housing
- Government-subsidized housing
- Public social housing

Policies usually speak of affordability as:

**Low-income rental housing**: Subsidies for production or for occupants (object grant/subject grant) or both to make it affordable to low- (50-80% of median income) and very-low-income (50% of median income) households.

**Affordable ownership housing**: Market-rate unsubsidized housing for moderate-income (80-95%) households, first-time buyers, and subsidized ownership housing for low-and moderate-income buyers.
Characteristics of the Technical Tool

serves the need for **small-sized urban land reforms**, especially through **readjustment of property rights** within urban areas

achieves the **“best use” of land** and allows for **energy saving** improvements and **inclusive planning for affordable housing** provision

serves both **public and private sectors**

applicable in **various geographical regions** (e.g., developed and developing economies/markets, formal and informal urban settlements)

serves various **self-financed, small land management purposes**, various **land policies and land reforms** with **voluntary participation** of citizens and the private sector, with great **transparency**
General Framework

1. 3D modelling of the existing situation at different Levels of Detail (LoDs)
2. Valuation of Properties
3. Metadata enrichment – Cadastral database
4. Readjustment of property rights and affordable housing scenario
3D Modelling at Different LoDs

- **Aerial images + GCPs**
  - Bundle adjustment + stereo plotting
  - Footprints & 3D geometry of external parts of buildings
  - 3D models at LoD1

- **Terrestrial / UAV images + GCPs**
  - SfM + dense image matching
  - Point clouds and orthoimages
  - Procedural modelling

- **3D models of internal and external parts of buildings**

- Dimensions of each part of a building + Footprints of each inner part of building

- **Color or textural information**

- **3D models at LoD2 and LoD3**
Valuation of Properties

Estimation of the Market Values of the subject properties

• in accordance to the rules and guidelines of the International Valuation Standards (IVS), Standard 1
• taking into account the principle of the “highest and best use”
• taking into account their current and their potential condition, assuming vacant possession

various methods, e.g., Sales Comparison Method, Residual Method

• an inspection has to be carried out in the field
• a thorough market research has to be carried out, in order to determine all the critical factors that affect the value of the properties, like property market trends, demand and supply for residential units in the area, sale duration, vacancy rates etc.
Readjustment of Property Rights & Affordable Housing Scenario

- determination of the **appropriate blocks of plots** for the implementation of the regeneration scenario;
- informing the property owners about the **benefits and the incentives** of a regeneration project with a property rights readjustment and ensuring their voluntary participation;
- creation of a **3D cadastral database** that should be updated with all the necessary information that allows for a fair property valuation;
- estimation of the **market values** of the existing property rights;
- **merging** of the allocated parcels;
- **demolition of the old constructions** and planning of a **new building with increased building factor** by a state decision;
- agreement with **a developer to finance and build new constructions** by implementing energy saving policies in a controlled-profit manner (i.e., by agreeing that a certain number of property units will be given at **affordable prices to a certain target group**);
- valuation of the new property units;
- **redistribution of the property rights** for the new units
Readjustment of Property Rights & Affordable Housing Scenario

The new right holders

- **the old right holders**, who will receive new units of a higher value than the one they had prior to the reform, in order to ensure their voluntary participation and their resettlement costs for the period of reconstruction.

- **the developer**, who will finance the new construction and work to develop the new units; the developer should receive at least as much profit as a usual project.

- **the target group beneficiaries**, who will be low and low-to-middle income households, as defined in the state list.

Owners should by all means receive more than what they would normally do if they would make a usual agreement with a developer.
Application Case Study

one urban block in the municipality of Kessariani, in the eastern part of Athens, Greece

• medium class residential area of the greater metropolitan area of Athens
• multi-storey apartment blocks & private residencies of bad condition
• building factor: 3.0

Input data → aerial & terrestrial imagery → ground control points → cadastral & other data
3D Modelling of the Existing Situation

Camera exterior orientation calculation of each aerial image through bundle adjustment

Photogrammetric stereo-plotting

Structure from Motion and Dense Image Matching using the terrestrial images

Procedural Modelling
3D Modelling of the Existing Situation - Results

LoD1

LoD2

LoD3
3D Modelling of the Existing Situation - Results

LoD2 details

LoD3 details
Valuation of the Existing Properties

External inspection of the buildings

Thorough market research & consultation with real estate agents, developers and property owners

Valuation of the existing properties using both the Sales Comparison Method and the Residual Method

For the assessment of the market value of the subject properties, comparable evidence of land plots and residential properties and, more specifically, newly built and 20-25 year old apartments in the immediate and broader district were considered.

The resulted range of values has been found to have good correlation to reasonable asking as well as to the actual market values.
Planning for Affordable Housing & Design of the New Building

after the completion of the project the right holders should be offered apartment(s) of a significantly larger market value than the one they owned plus the resettlement costs.

voluntary merging of the 5 land parcels for the creation of a unified parcel

The total land area of the selected parcels is 1,077 m², while the total built-up area is 701 m².

35% increase of the building factor
New building factor: 4.07
New allowable built-up area: up to 4,385 m²
Planning for Affordable Housing & Design of the New Building

- **13 apartments** were given to the **old right holders/owners**. Each owner was given a property of a **market value 75% higher than their old property**, in order to ensure that all costs for resettlement are covered and that the owners will voluntarily participate in the project.

- **20 apartments** were given to the **developer**, in order to cover all soft and hard costs, his profit as it would be if he/she had invested in this plot with a building factor of 3.0, and the cost for the construction of those apartments that should be offered at an affordable price.

- **16 apartments** were given to a **target group eligible for affordable housing**. These apartments correspond to an area of 48.30-83.25 m², so that they satisfy the housing needs of families comprising 2 to 4 members.
Planning for Affordable Housing & Design of the New Building

The new total built-up area of 4,382 m² is distributed to:

**The old owners:**  
25.1% of the built-up area  
27.8% of the value

**The developer:**  
48.1% of the built-up area  
56.6% of the value

**Affordable residences:**  
26.8% of the built-up area  
15.6% of the value.
Planning for Affordable Housing & Design of the New Building
Conclusions

- A technical tool that supports affordable housing policies, within the framework and the rules of the globalized economy, and the good governance of cities was presented.

- A realistic and financially sustainable affordable housing scenario that supports public justice was presented.

- The urban regeneration and the affordable housing policies support the upgrading of the cities characterized by increased urban sprawl or the informally developed areas and may be applied in countries with increased challenges due to unplanned development.
Thank you for your attention!

Questions?