



# PHILIPPINES - August 2017

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## **ADB EXPERT CITES BENEFITS OF LAND VALUE CAPTURE FOR CONGESTED URBAN CENTERS..... 1**

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### **ADB expert cites benefits of land value capture for congested urban centers**

Congested cities like Metro Manila can benefit from land value capture (LVC) that can improve accessibility to prime locations, according to the Asian Development Bank (ADB).

In an Asian Development Blog, ADB East Asia Department Principal Transport Specialist Sharad Saxena said governments will not have enough public funds to address infrastructure needs, such as those needed to improve mass-transport facilities.

Saxena said LVCs capture the increase in the value of land generated by improved accessibility through taxes. These taxes are then “recycled” or invested in much-needed infrastructure projects that can improve access in congested cities.

“Rising urban population growth and private vehicle ownership are making Asian cities unlivable. City dwellers lose precious time in traffic jams, where they also suffer the negative health impact of deadly air pollution,” Saxena said.

The use of LVCs has proven efficient for cities like Tokyo, which is also one of the most populated cities on the planet.

The funds collected through LVCs allowed Tokyo to build efficient mass-transport facilities that ultimately discourage residents from taking their cars to go to work or elsewhere in the city.

Saxena said Tokyo’s private railways partly financed railway-development costs collected from profits from real-estate developments through LVCs.

He said private railway companies were able to benefit from higher passenger volume, while increasing the value of their commercial and residential real-estate holdings.