

Quantifying the Effects of Land Policy on a National Economy

Steven Nystrom (USA) and Chryssy Potsiou (Greece)

Key words: Informal settlements; Land management; Real estate development; Risk management; Security of tenure; Valuation; informal Settlements; Dead Capital; Property Taxation; Valuation; Legalization; Property Formalization; Zoning; Land Policy Efficiency; Human Capital; Linkages; Economic Barriers

SUMMARY

This paper will focus on methodologies that can be used to economically quantify the effects of land policy on a national economy. A greater understanding of these balancing factors will lead to more efficient economies, allowing more resources to flow where they can be best utilized. Human Capital and the Real Estate Market sectors represent the vast majority of “value” in the world. Land Policies and other regulations affecting the use of real property and the flow of human capital have huge wide ranging effects on GDP and national economic prosperity. This paper explores common regulatory sectors with emphasis on when policies create little or no economic distortion, and when they create roadblocks inhibiting the efficient flow of human, land and real property resources. Most understanding of the interconnection of these factors is compartmentalized within specific categories and focuses on limited and short range influences while placing secondary or no consideration of the broader effects of such policies. This analysis looks specifically at these broader secondary effects and begins to quantify their economic impact to foster more efficient governmental policies with the least negative economic distortion through greater understanding of their underlying connections.