

## TURKEY

### ISTANBUL— SALE OF PUBLIC LAND OR EQUIVALENT

LAND VALUE  
CAPTURE

#### Sale of public land and real estate assets to finance large infrastructure projects

##### DESCRIPTION

Sale of old municipal bus station and former administrative site

##### LEVEL OF GOVERNMENT OR ACTOR INITIATOR

Istanbul Metropolitan Municipality (IMM)

##### TRACK RECORD OF THE USE OF THIS INSTRUMENT

Following a debt crisis due to heavy borrowing practices in the 1990s and to the Turkish lira devaluation, the Turkish government took over debt service and reduced transfers. Capital finance through borrowing had to be replaced by income from land valuation, gaining momentum from 2006 on.

##### EVOLUTIONS AND OUTCOMES

US\$ 1,5 billion in auction proceeds, to be dedicated to capital investment (for comparison, total municipal capital spending in fiscal year 2005 was USD 994 million).

##### ANALYSIS AND ASSESSMENT OF THE TOOL

Allows to earn revenues for financing infrastructure and accelerate new private investment on centrally located land.

**Prerequisite:** Land has to be municipally-owned.