

Integration of Market Price Comparison Approach and Income Approach in Urban Land Assessment

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SUMMARY

The rapid development of urban development and the high rate of population growth is a factor driving the increasing urban land demand in various countries in the world. Increasing urban land demand causes urban land prices tend to continue to rise. Information on land prices is absolutely necessary in urban land management.

Bandung became the location of the study selected, where the land prices tend to experience a very significant increase. To get the price of land, it must first look for the value of land that can be obtained through the process of land valuation. There are three approaches in land valuation, which are market price comparison approach, cost approach, and income capitalization approach. Currently land valuations in Indonesia generally use a market price comparison approach. This still leaves the problem, namely the technical calculation of land valuation is still subjective by averaging the market value so that the assessment does not reflect the true value.

This study integrates a market price comparison approach with an income capitalization approach. The advantages of income capitalization approach are able to explain the effect of macroeconomic factors and expectations of future income on current market price of land, especially urban land. The income capitalization approach can be applied to complement and simultaneously control the results of the land price estimation of the market price comparison approach. The method of analysis used is geostatistic, which is one of the sciences that use spatial analysis. The results of research in the form of a definitive land value zone that can be used as a reference for various interests.