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## Qpacity by design - Transparency of the allotment garden market in **Warsaw (12422)**

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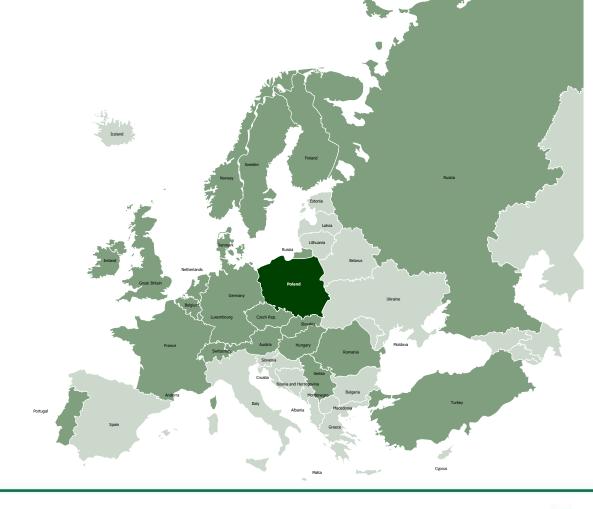
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### **Background**

- Allotment garden (not) a socialistic relic
- Changing environment
- Market

#### Aim

- Explore market nature
- Check for rent-seeking behaviour

















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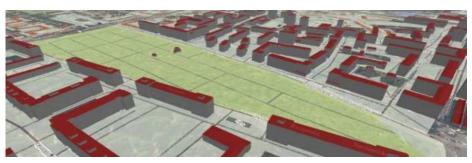
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### Warsaw's allotment gardens

- 190 family gardens
- 30,000 allotment gardens
- 1,200ha (2.3% of Warsaw's area)
- 7% of all green areas in the city























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### Private spaces but public green infrastructure Property but "not property"

- Act on family allotment gardens (AFAG, 2013)
- Green areas public infrastructure
- Allotment garden:
  - Max 500m<sup>2</sup>
  - Gardening and/or recreation
- Family garden:
  - Allotment gardens
  - Common infrastructure





- Maintenance obligation
- Building max. 35m<sup>2</sup> and height of 4/5m
- No permanent residency and gainful activities
- Not inheritable
- Transferable "free" + remuneration for investments















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### Methodology

Archival searches Landscape surveys

On-line offers

Univariate analysis

Stacked imputation

Hedonic price model

- Applications of hedonic price models:
  - residential units (Sirmans et al., 2006; Hill, 2013; Heyman et al., 2019)
  - residential land (Diewert et al., 2015)
- Multiple imputation:
  - Chained equations (van Buuren & Groothuis-Oudshoorn, 2011)
  - Rubin's rules and stacked imputation (Wood et al., 2008)













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### Social changes & Environmental issues & Buildings





























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#### **Transaction framework**

- Transfer of rights and obligations to the allotment garden between the current and new allotment gardener
  - No compensation (price) for rights and obligations to the allotment garden
  - Remuneration for legally permitted plantations, installations, and objects (site improvements), that are owned by the allotment gardener
- Limited formal "transfer" requirements and role of the notary, no central registration
- Transfer tax (1% right, 2% remuneration)
- Income tax on sale (remuneration only)















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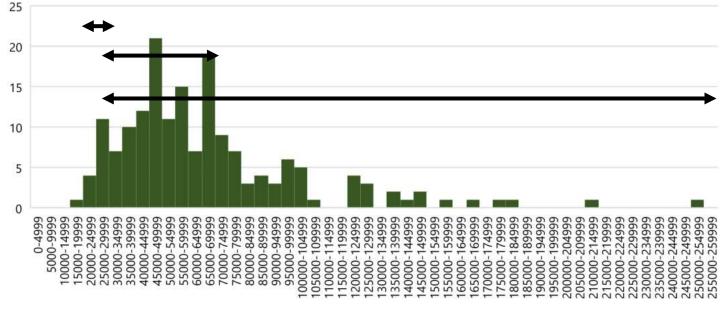
### **Market offers (in PLN)**

n=175, 52 locations, June 2023 / September 2023

15,000-25,000 (\$5,000-8,000) Pre-2010:

Pre-pandemic: 20,000-75,000 (\$5,000-20,000)

19,900-260,000 (\$5,000-63,000) 2023:



Sale prices in PLN















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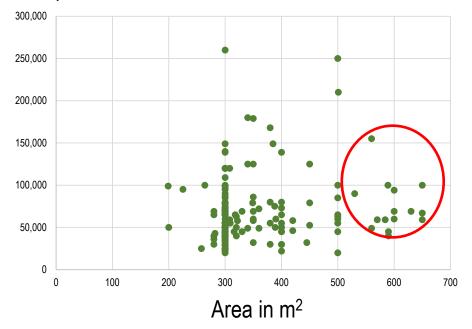
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### Characteristics, data gaps and other issues

- Building
- Floor area
- Number of floors
- **Building material**
- Bathroom
- Kitchen
- External building quality
- Fit-out
- Occupancy type
- Green area Type
- Green area Maintenance
- Land size
- District
- Distance to the city centre

- Data completness
- 9% allotment gardens exceeding the AFAG maximum area of 500m<sup>2</sup>
- 5% advertised for *all-year* occupation (!)

#### Sale prices in PLN















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### **Hedonic regression**

- $R^2 = 63.4\%$
- Small, poor-quality allotment garden with no building was greater than zero:
  - USD 9,600;
- Asking price increases with land size:
  - USD 13/m<sup>2</sup>

- Building
- Floor area
- Number of floors
- Building material (brick)
- Bathroom
- Kitchen
- External building quality
- Fit-out
- Occupancy type
- Green area Type
- Green area Maintenance
- Land size
- **District**
- Distance to the city centre















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#### **Conclusions**

- Ineffective transaction and land management framework
- Investment positively impacting price offers:
  - Building size & quality
  - Maintenance of green area
- Rent-seeking intrinsic "land value" and size effect
- No impact of location

### **Next steps**

- Data
- Compliance interventions
- Preservation of urban green infrastructure















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