Questioning the Real Values of Abandoned Properties (Brownfields) in Conflict Zones Using Non-Market Valuation Approaches

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An Introduction to Abandoned Properties as a Result of Geopolitical Conflicts

- Conflicts of interest in geopolitical areas produce contested power over space (Foucault, 1980), which produces conflict zones in geographical regions.

- The term ‘geopolitical brownfields’ (GPB) will refer to abandoned properties in conflict zones as a result of geopolitical conflicts (Shojaee Far & Marmolejo, 2014)
An Introduction to Abandoned Properties as a Result of Geopolitical Conflicts

This study contests the claim that abandoned properties within conflict zones are not just typical vacant and abandoned areas resulting from insufficiencies.

In Fact

- There is so much interest in returning and developing abandoned properties in conflict zones
- And they suffer from several major drawbacks, such as physical or legal inaccessibility
Ignored Values Associated With No Man’s Lands

- Understanding the value of GPB lands plays an important role in the land management and development processes.

- There is many hidden and real values of non-existence places (GPB lands), in contrast to the current values of them.

- Negative externalities impact the value of property surrounding classic brownfields, obviously the same externalities also occur in the case of GPBs, with higher and more intensive impacts.
Ignored Values Associated With No Man’s Lands

- Policymakers should take a regulatory intervention to correct, or at least manage, these value divergences.

- As GPBs are suffering from ownership status, they usually have not any market values, then:

  → consequently they should be accounted as non-market-valued asset
Cyprus Conflict (1974-Present)
Ignored Values Associated With No Man’s Lands

- In land management and real estate concerns on valuation, land values are associated with market values and economic interests, and in GPBs, since they have no market values and basically are removed and ignored from possible real estate markets, usually their non-market values also have been ignored.

- The GPB’s real value, based on non-market values, has been strongly questioned by this study as the core argument of this presentation.
Ignored Values Associated With No Man’s Lands

Taken together, these discussions suggest that to measure and understand values associated with ‘non-existence places’, understanding and paying attentions to non-market values and impacts of externalities will play a key role in any possible scenarios.
The Role of Political Uncertainty Is A Key Factor

Despite the existence of a very strong negative connection between political uncertainty and possible conflict resolutions, which affects the social context of the affected areas, the nature of this relation has not been studied in detail in the fields of land management and urbanism.
The Role of Political Uncertainty Is A Key Factor

It can be suggested that accepted policies that are associated with political uncertainty advance a level of risk into the existing instability of land-management issues in conflict zones. The risk is larger when the conflict resolutions are in progress.
Possible Valuation Methods for Non-Existence Lands

Because of inaccessibility, high levels of uncertainty within related stakeholders, and not being closely related to any marketed goods, GPBs cannot be valued the same as normal abandoned properties.

Until now, there has been no reliable valuation method for abandoned properties in conflict zones.
Possible Valuation Methods for Non-Existence Lands

Evidences suggest that there should be two big discussions on valuation of GPBs, which are related to the economic assessment of land inside them and the value of externalities that GPBs exerts over and around other areas in the border/proximity influenced by them, where market prices do actually operate. The total economic assessment of the eventual regeneration/recovery of such areas implies the addition of both intrinsic and external values.
Possible Valuation Methods for Non-Existence Lands

Correspondingly, valuation techniques for GPB lands and their externalities would be different. A preferable option for valuing GPBs would be a ‘stated preferences’ technique, and a ‘revealed preferences’ techniques would be the correct way of valuing the externalities.

However, as both models are based on random utility theory, the combination of both models and their information would produce more valid estimations (Adamowicz, Louviere, & Williams, 1994).
this study attempts to discuss the adaptation of combined ‘stated preferences’ and ‘revealed preferences’ approaches to the situation of GPBs. In both models, random data are collected from the same individuals; a stated preference approach is developed and data is collected according to choices from hypothetical choice sets, and the attributes are responsive to the series of attributes in the revealed preference choice set (Adamowicz et al., 1994).
Possible Valuation Methods for Non-Existence Lands

- These discussions confirm the association between stated preferences and revealed preferences to be able to provide a combined analysis and results for GPBs’ valuation and externalities, where the combination of two separate data sources may provide possibilities to test their validity.

- Currently, this adaptation is just a hypothesis to provide a basis of discussions on GPB valuations, and currently it is an ongoing investigation and study.
Conclusion

This study advocates that one of the important elements to deal with geopolitical brownfields is to know the real values of them and stresses the question of ‘how to value GPBs’ as a key question that remain unanswered at present.

To highlight the elements with high priorities in GPBs’ valuation, the contingent valuation model and surveys have been suggested, where the survey participants are people from the affected areas. However, it is important to bear in mind that the possible bias in responses may require comparison and validation of results.
Conclusion

- This study highlighted that policies associated with political uncertainty advance a level of risk into the existing instability of land-management issues in conflict zones, especially at the time of conflict resolutions.

- Taken together, these discussions suggest that there might be a possible way to assess the real value of abandoned properties within conflict zones by designing surveys based on a combination of direct and indirect methods, through both stated preferences and revealed preferences approaches, in order to be able to estimate the real values of GPB land by the local communities.
Thanks For Your Attention