

A Study on the Public-Private Partnership System for Promoting the Distribution of Vacant Houses and Land in the Used Housing Market

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[S Y N O P S I S]

This study selected Tsuruoka Land Bank (Tsuruoka LB), a non-profit organization in Tsuruoka City, Yamagata Prefecture, one of the most advanced cases in Japan in terms of remarketing vacant houses and vacant land.

First, we clarified the unique public-private partnership mechanism of Tsuruoka LB and its establishment process. Furthermore, using data on over 400 cases of vacant houses and land that the NPO has consulted on, we analyzed the background to consultations on vacant houses, trends in location conditions and property characteristics for each case, and characteristics of cases that were successfully distributed on the market.

The reasons why vacant houses and lots do not reach the second-hand market are related to a wide range of issues such as inheritance, adjustment of rights, and unresolved boundary issues such as sites and roads. In order to resolve these issues, real estate judicial scriveners, administrative scriveners, architects, land and house investigators, and administrative officials, to establish a consistent processing system for the professional examination and remarketing of individual properties, which is a major feature of Tsuruoka LB.

In addition, since vacant houses and land generally have low market value and are low-cost real estate transactions, private-sector real estate operators cannot expect to earn commission income and are likely to be reluctant to actively pursue transactions. The data on transactions handled by Tsuruoka LB also suggests that the average contract price is low. Tsuruoka LB has successfully remarketed 142 properties (between H25 and R2), or about 30% of the deals it handled. This has been made possible through a mechanism whereby members of the Tsuruoka LB provide free consultation services and also utilize a fund prepared by the Tsuruoka LB to provide operating funds and subsidies to members, but the fund continues to dwindle and there are challenges to its sustainability. It is necessary to continue a supplementary mechanism that provides incentives to members.