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Original Research

# Examining Institutional Challenges of Land Value Capture: The Case of Implementing Land-based Taxes in the Philippines

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## Abstract

Leveraging the increase in property values emerges as an innovative financing method, enabling property owners and developers to contribute to collective benefit. The special assessment tax or special levy is a land value capture tool used to recover the costs of government infrastructure projects. Despite its long-standing existence in the Philippines' Local Government Code, it is underutilized and its potentials as revenue sources have not been realized. This qualitative study combines extensive literature reviews and semi-structured interviews, including a self-assessment scoring of government staff in the cities of Metro Manila, citing perspectives and experiences in land taxation to examine institutional challenges in utilizing the special assessment tax. Findings reveal that institutional, financial, and technical capacity problems have prevented its utilization despite existing legal mechanisms. Moreover, there is a noteworthy gap in understanding and application at the local level, as the concept of land value capture is yet to be mainstreamed in local public finance. The discussions aim to inform cities and municipalities about the untapped potential of the special assessment tax as a viable revenue source for local development and the regulation of urban growth. Additionally, the study advocates for the importance of building capacities in land-based financing. It emphasizes the need for support and improvements in the current institutional arrangements of land valuation to address socio-economic inequalities.

**Keywords**— *institutional capacity, land value capture, local government financing, land governance, special assessment tax*

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## 1 Introduction

Urbanization is a global phenomenon with significant implications for governance, infrastructure development, and sustainable urban growth. In urbanization, greater demands for ecosystem services occur, creating an opportunity for transdisciplinary study approaches. As such, land use changes and the development of infrastructures lead to value-creation incorporated in socio-economic, environmental, and political decision-making [1].

In many developing countries with weak economic bases, there is a growing need for innovative financing mechanisms to support critical infrastructure and public services amidst rapid urbanization. Land-based financing emerges as a promising avenue, leveraging the immovable nature of land to generate stable revenues for local governments. However, the full potential of land-based financing tools remains largely untapped, hampering practical efforts to address urban development challenges [2, 3].

### 1.1 Value Capturing as a Land-based Financing Tool

The land is an immovable and visible asset relevant to influencing sustainability, offering a robust basis for local revenue generation through taxes and fees [4, 5]. Leveraging the increase in property values spurred by public infrastructure enhancements, value capture mechanisms like betterment charges, special assessment fees, and other charges emerge as innovative financing methods, enabling property owners or developers to contribute to the collective benefit [6]. Despite the recognized potential of land value capture (LVC) in fueling urban development, its full realization often remains elusive, particularly in developing countries like the Philippines [7, 8]. In some cases, like Anambra State in Nigeria, they are interested in undertaking LVC instruments; however, policies supporting its implementation are not yet in place [2].

Three broad categories of land value capture mechanisms exist, each serving distinct purposes within urban governance and human settlements development frameworks. Macro value capture instruments operate within overarching policy regimes, while direct instruments for value capture involve redistributing raised value to society, typically through legislative enforcement. Indirect instruments, on the other hand, prioritize pragmatic revenue generation for local public services [1, 9].

The special assessment tax, a variation of the betterment charge, presents a nuanced approach to infrastructure financing by incrementally collecting charges added to annual property taxes over time. The special assessment tax is also classified as an infrastructure levy, a tax or fee levied on landowners possessing land that has gained value due to government-initiated infrastructure development and is commonly applied in transportation projects [10]. The charge is added to the annual property tax and is collected over the years instead of a one-time collection. Despite its potential as a direct or indirect value-capture tool, this system is often underutilized due to a lack of awareness and clear guidelines [7]. Consequently, its role as a powerful planning and regulatory device remains largely overlooked, highlighting the need for deeper understanding and enhanced implementation [11, 12].

Implementing land value capturing (LVC) tools is driven by diverse motivations, including the need to deepen land value taxation, finance urban infrastructure, and control land use within urban areas. Rooted in social function and benefit distribution principles, LVCs offer a strategic means to foster equitable development and shape the spatial distribution of urban growth [8]. While LVCs may seem appealing, their implementation is hampered by lacking a unified analytical and institutional framework, strategies, and exchanges of good practices, resulting in varying successful implementation across countries [4, 10]. Moreover, LVC implementation requires, at a minimum, adequate updating of cadastres to address land tenure issues, technical capacity to assess land value increases, and the political will and administrative capacity to enforce the value capture tool [8, 13]. These requirements are also relevant for effective property taxes. Research

on land-based financing focused on Europe, the USA, South America and Asia. However, minimal research on LVC application windfall gains from public infrastructure in the Philippines and African countries like Nigeria and Ghana [2, 14]. Experiences of Cuenca, Ecuador, and Medellin, Colombia, highlight the importance of shared responsibility, political stability, institutional credibility, and active citizenship in successful LVC implementation [7, 15]. Successful implementation requires a robust institutional framework, technical capacity, and political will [7, 8, 11, 12].

## 1.2 Land-value Capturing in the Philippine Context

The fiscal autonomy granted to local government units (LGU) by the Local Government Code of 1991 empowers them to generate revenues through taxation and levies. However, fiscal autonomy remains constrained by centralized control over public finances, resulting in a discrepancy between decentralized planning and centralized budgeting decisions [16]. This imbalance is exacerbated by unfunded mandates, where local governments are assigned expenditure functions without adequate revenue sources, leading to a reliance on fiscal transfers and a lack of initiative in raising local revenues [14, 16, 17].

The special assessment tax is among the mechanisms available to LGUs for revenue generation, as defined in Section 240 of the Local Government Code. This is a special levy on lands especially benefited by public projects or improvements, which is up to 60% of the actual cost of such projects, including the costs of land acquisition related to the project. This mechanism aims at capturing value increments to fund local infrastructure, aligning with principles of equity and social function [11].

Despite its potential, the implementation of this tool remains underexplored in the Philippine context, necessitating a deeper understanding of the factors influencing its adoption [18]. The potential of special assessment tax as a land value capture tool to recover portion of the costs of public projects or improvements has been recognized in many literatures. Costs recovered can then be used to reinvest in other infrastructure projects contributing to the development goals of the local government.

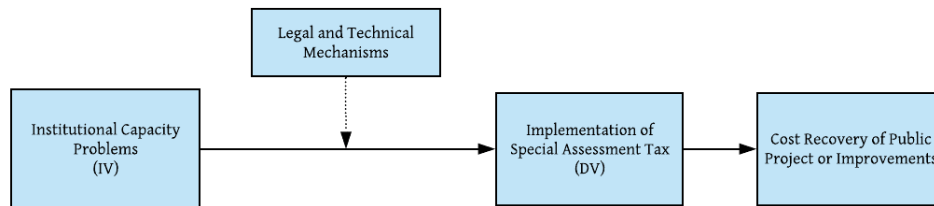
In the broader institutional context, the Philippines grapples with fiscal imbalance, unfunded mandates, and limited institutional capacity, hindering effective revenue generation and service delivery. In addition, urbanization complemented by health crises and climate and disaster risks heightens financial demand and requires local and national strategic land management [2, 10]. This research aims to examine institutional challenges in utilizing the special assessment tax, specifically, determine key challenges hindering the implementation of special assessment tax, as well as opportunities and capacities of city governments in Metro Manila as the case study. Consequently, the study aspires to contribute to developing countries' academic discourse on land-based financing applications.

Economic, social and environmental values, when integrated with governance policies and urban planning, improve efficiency in resource management [1]. This context underscores the importance of exploring and enhancing the utilization of land value capture tools like the special assessment tax through a transdisciplinary approach, not only to address fiscal gaps but also to promote equitable development and governance, which are critical in developing sustainable human ecological systems [16, 17, 18].

## 1.3 Conceptual Framework

The concept of institutional capacity is multifaceted and dynamic, encompassing the ability of institutions or organizations to effectively fulfill their functions and achieve their objectives utilizing available resources, skills, and knowledge. In this study, institutional capacity includes tangible resources and intangible factors such as social capital, empowerment, enabling environments,

and prevailing power dynamics. Given the diverse conceptualizations of institutional capacity, its measurement and assessment vary. For this research, institutional capacity is examined explicitly, as well as the ability of cities in Metro Manila to implement the special assessment tax. Drawing from the literature, five key indicators were identified to assess the capacities of selected cities in Metro Manila regarding the successful implementation of the special assessment tax. These indicators include infrastructure development, technical resources and capacity, stakeholder engagement, financial capacity, and governance and employment.



**Figure 1.**  
Conceptual framework of the study

## 2 Methodology

### 2.1 Metro Manila, Philippines as a Case Study

In Metro Manila or the National Capital Region (NCR), local government units (LGUs) exhibit a significant capacity for generating local revenues, exceeding those from fiscal transfers. Local revenues, comprising 77.4% of total revenues, surpass the national average with tax revenues as the largest component. The primary revenue source has shifted over time, with taxes on businesses dominating since 2009, indicative of the region's evolving economic landscape [19]. This trend underscores the region's economic vibrancy, potentially impacting the implementation of LVC mechanisms, including the special assessment tax.

The absence of documented cases of cities implementing the special assessment tax led to our focus on Metro Manila, the Philippines' capital region. Several key factors derive from selecting Metro Manila as a case study for assessing LVC. Firstly, the Philippine Local Government Code of 1991 mandates the implementation of such a mechanism, which aligns with the decentralization principle. However, despite this mandate, many local governments rely heavily on fiscal transfers from the national government, indicating a broader institutional and political capacity issue. Notably, cities are suggested to have superior institutional capacities, making them more adept at implementing such taxes, as proposed by Lakshminarayan [20]. Moreover, literature suggests a positive correlation between economic prosperity and institutional capacity, with economically vibrant cities generally demonstrating better capacity to implement such taxes. Finally, Zhao, Z.J. and Larson, K. [6] identify favorable conditions for implementing this tax, such as a growing regional economy, high public demands for improvement, and supportive regulatory frameworks.

Metro Manila serves as a compelling case study due to its significance as the economic and political center of the Philippines. Its unique characteristics, including a small but densely populated land area and a composition of highly urbanized cities, make it an ideal microcosm for studying the challenges and opportunities associated with LVC mechanisms. The selection of cities within Metro Manila is based on their perceived capability to implement the special assessment tax, a factor influenced by their economic strength, as indicated in the existing literature. The purposive selection of participating cities, including Manila, Quezon, Mandaluyong, Navotas, Malabon, Pasig, and Makati, ensures a representative sample for a comprehensive analysis of institutional capacity challenges in utilizing the special assessment tax.

## 2.2 Data collection and Analysis

This study adopts a problem-focused and solution-oriented approach to explore the challenges and opportunities associated with land value capturing in the Philippines [21]. Specifically, it examines institutional capacity problems in Metro Manila cities that hinder the implementation of the special assessment tax, considering legal and technical mechanisms as moderating variables.

The research entails a single embedded case study qualitative research design, employing primary and secondary data collection methods. Key informant interviews using a semi-structured questionnaire were conducted at local/city and national levels, providing diverse perspectives. Snowball sampling technique was used to ensure the right person or representatives were chosen, thus contributing to the study's external validity. Twelve (12) interviewees participated (see Table 1) in the case study, focusing on depth and richness of insights rather than quantity. Interview questions concerned the participants' familiarity with special assessment tax, insights and perceived institutional capacities and challenges to implement the said LVC, particularly related to the indicators - infrastructure development, technical resources and capacity, stakeholder engagement, financial capacity, and governance and employment.

**Table 1.** Summary of the interview participants

Sector	Designation	Number of interviewees
Local: City Assessor's Office	Head or Technical Staff	7
National: Department of Finance-Bureau of Local Government and Finance (DOF-BLGF)	Local Assessment Operations Division, Chief and Staff	1
Department of Human Settlements and Urban Development (former HLURB)	Policy Development Group Staff	1
UN-Habitat Philippines	Urban Development and Local Finance expert	2
Academe	Retired Professor/Planning Expert	1
<b>Total</b>		<b>12</b>

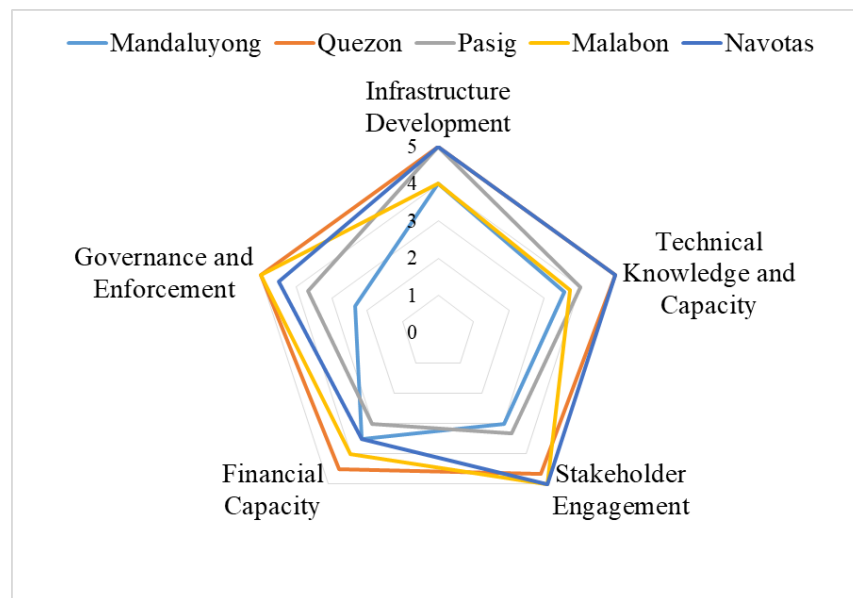
Along with the semi-structured interview questionnaire, a self-assessment scorecard tool was utilized inspired by the capacity assessment methodology of the United Nations Development Program (UNDP), which was used in a study assessing institutional capacity for climate change adaptation in coastal communities [22]. City representatives provide scores based on their perceived existing and desired capability to undertake the responsibilities associated with implementing the special assessment tax, contributing valuable insights to the study. Meanwhile, secondary data from government documents and reports complement the primary data. Interview responses were subjected to thematic and network analysis, which involved organizing interview transcriptions into codes and themes and establishing networks to analyze linkages of narratives. Computer-assisted analysis software [ATLAS.ti](#) aided in analyzing the textual data, while the researcher conducted further post-computer analysis and desk research to support established relationships.

## 3 Key Findings

### 3.1 Self-assessment of Capacities to Implement Special Assessment Tax

The cities demonstrate moderate to strong overall capacity based on the self-assessment of cities' institutional capacity across various dimensions such as financial capacity, governance and enforcement, stakeholder engagement, infrastructure development, and technical resources (see Figure 2). This assessment aligns with previous research suggesting that cities generally exhibit

better institutional capacity than municipalities [20]. With this level of institutional capacity, cities possess significant potential to implement the special assessment tax successfully, provided they receive adequate guidelines and support from the government. Cities identify governance and enforcement as the most critical indicators of institutional capacity for successful special assessment tax implementation, suggesting the need for strengthening these aspects. These findings align with previous studies, emphasizing the importance of shared responsibility, political stability, institutional credibility, and active citizenship in successful tax implementation [15]. As highlighted by Zhao and Larson [6], regulatory support is deemed crucial to facilitate effective financial strategies such as special assessments.



**Figure 2.**

Comparison of perceived overall capacities of selected cities to implement the special assessment tax

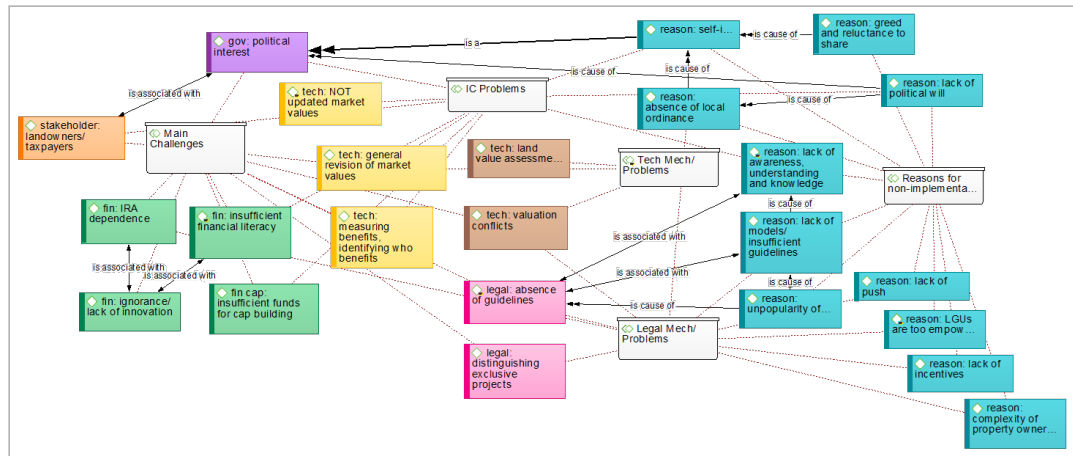
Quezon City stands out with the highest overall capacity score among the participant cities, reflecting its potential as a frontrunner in implementing the special assessment tax. However, its relatively lower score in governance and enforcement highlights a specific area requiring capacity-building interventions. Anecdotal evidence supports this observation, as instances of unsuccessful fee imposition on business establishments for sidewalk improvements underscore challenges in enforcement effectiveness despite proactive efforts.

The assessment further underscores the significance of 'governance and enforcement,' as identified by city representatives, as the most critical factor for successful tax implementation. This emphasizes the crucial role of solid governance and political will in enforcing policies, irrespective of resource availability. While these capacity assessments entail subjective evaluations, they offer valuable insights into cities' strengths and weaknesses in land and tax administration, laying the groundwork for addressing challenges hindering the special assessment tax implementation in subsequent discussions.

### 3.2 Challenges in the Implementation of Special Assessment Tax

Various challenges and difficulties preventing cities from implementing the special assessment tax were identified in the study concerning the institutional capacity indicators. The section below cites practices and anecdotal experiences of interview participants on implementing other land-based taxes which are perceived to be the same challenges that prevent the utilization of special

assessment tax. Figure 3 presents the connections between interview responses, making sense of the narratives and establishing relationships between causes and effects of institutional challenges resulting in the non-utilization of the special assessment tax.



**Figure 3.**  
Network analysis of coded responses

### 3.2.1 Stakeholder engagement

Effective communication with landowners and property owners regarding tax updates, particularly the special assessment tax, is crucial for effective land value capture. Local ordinances provide the legal framework for these changes, with communication channels involving various forms of paper-based notices and public consultations. Despite these established processes, the effectiveness of these communication tools is notably inadequate.

Land and property owners are informed about updated Schedule of Market Values (SMFVs) through published newspapers, posters in government offices, and public spaces. Written notices of property assessments are provided, accompanied by public consultations. Delinquencies are also communicated through notices posted in government offices, imposing penalties of 2% per month on unpaid taxes. However, resistance from landowners remains a significant challenge, rooted in the perception that these taxes are burdensome and that the government is perceived as abusive.

Illustrative examples from Quezon City and Pasig City highlight the difficulties in capturing user-benefit fees. Attempts to collect fees for sidewalk and parking space improvements faced reluctance from private landowners, while complaints regarding idle lands tax imposition in Pasig City were not formally filed, rendering appeals invalid. Despite these challenges, overall tax collection efficiency remains high in Metro Manila cities, a major income source for the city governments [2, 23].

### 3.2.2 Political interest

Political interest significantly influences local governance and enforcement capacities, particularly regarding collecting land-based taxes such as the real property tax (RPT) and others, revealing the interconnectedness of governance structures with the broader human ecology fabric. Noteworthy initiatives showcase innovative urban development approaches, such as Quezon City's socialized housing tax and Makati City's bonus incentives for developers.

Despite notable efficiency in RPT collection, averaging 93% across cities, challenges arise from leaders' reluctance to approve updated market values and explore alternative revenue sources, fearing voter backlash and potential political repercussions. This hesitancy stems from their dual roles as property owners and officials, highlighting the critical role of political will in implementing



instruments like the special assessment tax.

Decisions on local taxes in the Philippines are made through local ordinances approved by city mayors and the local legislative body, influencing leaders' reputations among constituents. Despite authorization, local leaders often avoid implementing additional land-based taxes, such as the idle land tax, to evade public resistance and maintain voter support. Similarly, updating the schedule of fair market values faces opposition due to fears of losing voter support, reflecting the perception that additional taxes are tantamount to 'political suicide' [24, 25, 26]. Moreover, leaders' self-interest hinder governance and enforcement, as they are reluctant to explore revenue sources that may result in additional taxes, given their property ownership interests. Ultimately, political will emerges as the pivotal factor for instrument implementation, with city government staff following directives from local leaders. This concern is what Davoudi [27] cited in Nascimento Neto et al. [28] regarded as "the intricate interplay between theoretical knowledge, technical knowledge, moral values, and practice," which is critical in the context of Global South as this interplay blurs the boundaries between public and private interests.

Additionally, considering the government's obligation to provide infrastructure services, a perception exists that the additional levy is unnecessary. Despite this perception, the study highlights that general taxes from the people remain the major revenue sources for local governments. The principles of social function and obligation associated with property ownership, emphasize the need for a more equitable approach in local government financing to address social justice and fairness concerns [21].

### **3.2.3 Financial Capacity**

The financing and financial literacy section explores the financial dynamics of the city assessor's office, highlighting the crucial role of financial resources in government operations. It notes that the annual budget of the city assessor's office, as exemplified by Quezon City, varies based on proposed amounts approved by the city council. The budget allocation primarily caters to salaries and operating expenses, illustrating the self-sufficiency of cities in Metro Manila relative to most cities and municipalities in the country. Despite the ability to borrow funds and incur debts, cities maintain minimal debt levels, underscoring their financial independence.

Although cities recognize the significance of the special assessment tax as an additional funding source, challenges persist in understanding its technicalities and securing financial resources for capacity-building initiatives. The discretionary nature of budget allocations for training, often at the City Mayor's discretion, poses constraints on staff development.

Moreover, concerns arise regarding the implementation costs of nuisance taxes, which may exceed actual revenues. This resonates with the study in Colombia, suggesting that special assessment taxes can be deemed too expensive to implement, leading to disputes over land value gains. However, given the cities' general capacity, the feasibility of conducting a study before the actual imposition of the special assessment tax is highlighted, allowing for a more informed decision-making process on tax reforms [16, 21].

### **3.2.4 Technical Capacities and Project Impact Assessment**

A major difficulty lies in optimizing revenues, which necessitates updated land values, identification of benefited lands, and careful estimation of value increments and the amounts to be levied. For local governments lacking expertise and administrative capacity, it is even more difficult [10], as experienced by the cities under study. Although some of the participants in the study are familiar with the special assessment tax, they never had the opportunity to undergo capacity on its technicalities and actual implementation, resulting in a lack of skills and experience in LVC tools. Their training is limited to land valuation, real property appraisal, and assessment. There are perceptions that a lot still needs to be learned about the instrument, reflecting the need for soft



and hard capacities of key personnel in land tax administration. These experiences are prevalent in developing countries like Ghana and Nigeria, where, despite legal and institutional frameworks, implementation challenges exist due to organizational capacity constraints [14, 26].

While cities in the study boast computerized assessor records and utilize Geographic Information Systems (GIS) for spatial database management, discrepancies in information technologies and strategies exist. For example, through GIS, Quezon City pioneered electronic tax mapping in real property taxation (payment and issuance of receipts) in the Philippines. At the same time, the City of Manila is being serviced by third-party technology consulting services to manage the city's GIS and tax map database. Cadastral surveys and lot surveys, although previously devolved to LGUs, are now being done by the Department of Environment and Natural Resources (DENR), reducing the duties of LGUs.

Despite having updated and 100% coverage of cadastre maps in most cities, a notable challenge emerges in the outdated market values. The oldest record dates to 1996, falling short of the legal mandate requiring market values to be updated every three years. Complicating matters, proposed revisions often face hurdles in gaining approval from the local council, leading to wasted efforts by the assessor's office. Moreover, determining project benefits and beneficiaries remains challenging, especially in infrastructure projects like the Malolos-Clark railway, highlighting the complexity of measuring and quantifying benefits.

Updating market values is acknowledged as a difficult process, compounded by the additional challenge of securing local council approval. A further special assessment tax is perceived to be difficult since benefits and beneficiaries of the project are difficult to determine and quantify. In this regard, local governments must take an active approach to the governance of land development as the primary regulators [3].

### **3.2.5 Limitations on Land and Infrastructure Projects**

The source of the special assessment tax is infrastructure projects or improvements for public use in line with local governments' revenue assignments, where they are responsible for providing services and facilities. Cities are capable of financing and implementing projects for transportation, social services, education, and health infrastructures; however, since these cities are highly urbanized, lands available for the construction of new projects are limited which they perceive as a limitation in imposing the special assessment tax unless they implement public projects that do not demand highly of lands.

This is a misconception about the special assessment tax. It should be noted that the special assessment tax can be imposed on 'improvements' of already existing infrastructure projects as provided in Presidential Decree 464 Section 47, "*all lands comprised within the district benefited, except lands exempt from the real property tax under Section 40 hereof, shall be subject to the payment of the special levy*", thus, there is still an opportunity to impose such a levy. Moreover, Diokno-Sicat [19] suggests that since Metro Manila has most medium to large businesses, potential revenues are neutralized by increased demand for public services, especially with the growing population trend.

## **4 Opportunities and Enablers to Implement the Special Assessment Tax**

While challenges persist in implementing the special assessment tax, some significant opportunities and enablers can support its successful implementation. Enablers, in this context, refer to prerequisites and responses to challenges that could facilitate the implementation of the tax.

One key enabler is the presentation of clear evidence showcasing the increase in land value resulting from government infrastructure projects. For example, a study on the impacts of the Metro Railway Transit (MRT) Line 3 in Metro Manila demonstrated a significant increase in land values near MRT stations compared to farther areas [29]. This evidence underscores the potential windfalls for property owners, which can be captured through land value capture mechanisms

(LVCs) like the special assessment tax. By leveraging such evidence, cities can recover the costs of infrastructure improvements and fund future projects.

Additionally, involvement and guidance from national government institutions like the Department of Finance-Bureau of Local Government Finance (DOF-BLGF) are crucial. These institutions can provide supervision, capacity building, and guidelines for implementing the special assessment tax. Collaboration with other national bodies, such as the Department of Human Settlements and Urban Development (DSHUD) and Department of Interior and Local Government (DILG) can further promote the use of the instrument as a regulatory planning tool for urban development.

At the local level, strong leadership and political will anchored on ethical values are vital enablers. If leaders prioritize social equity and benefit-sharing among society, the special assessment tax can be successfully implemented. By fulfilling the corporate functions outlined in the law, local governments can innovate in taxation by using land to create value and generate local revenues. Moreover, formal organizations like the League of Cities in the Philippines provide platforms for discussion and learning exchange among cities on the special assessment tax and other forms of LVC, fostering collaborative efforts toward implementation.

## 5 Conclusion

This research provides a comprehensive overview of the perspectives surrounding the special assessment tax, highlighting varying insights among cities. While some perceive it as relevant, others express doubts. However, the study aims to underscore the importance of not discounting the potential of land-value capture (LVC) schemes as revenue-generating mechanisms.

Despite cities demonstrating strong institutional capacity based on self-assessments and supporting data, challenges persist, hindering the implementation of the special assessment tax. These challenges primarily stem from four indicators of institutional capacity and specific issues within existing legal and technical mechanisms. Stakeholder engagement emerges as a critical factor, particularly regarding difficulties in dealing with landowners or property owners when imposing new taxes or charges. Challenges in governance, enforcement, and the current legal framework are identified as key hindrances.

This case study suggests that the ineffective legal mechanism, characterized by the lack of clear implementation guidelines and institutional capacity issues related to governance and enforcement influenced by local leaders' political and self-interests, prevents the successful implementation of the special assessment tax. The study implies a causal relationship where local governments may not fully utilize their devolved powers without national government support and pressure. The politicization of technical functions further exacerbates challenges, hindering the fulfillment of property's social function and exacerbating social equity issues. Therefore, the special assessment tax should be discussed alongside this broader socio-political environment rather than merely as a technical financing instrument.

Moreover, the Philippines' political landscape, dominated by parochial interests and powerful political families, weakens government accountability, and poses risks to effective urban development and management. The country's interplay of land and politics complicates efforts to promote social equity and justice, exacerbated by challenges such as the suppression of land and environmental activists.

## 6 Recommendations

LVCs, such as the special assessment tax, represent a significant but underappreciated revenue stream. Despite existing legislation for decades, successful implementation has proven elusive. This study sheds light on the challenges and the potential of the special assessment tax. With the requisite political will and a foundation built on good governance values and social equity, cities

in Metro Manila and LGUs with similar capacities are encouraged to capitalize on their strengths, serving as trailblazers for LVC initiatives.

It is therefore recommended that proactive efforts from the national government be made to educate LGUs and political leaders about the importance of LVC instruments for revenue generation and urban planning. Practical steps include facilitating knowledge exchanges with countries that have successfully implemented such instruments informing the development of technical guidelines. For instance, the ongoing efforts of the DOF-BLGF in drafting guidelines for idle land taxes can serve as a model.

In terms of further studies, the complexity of implementing the special assessment tax necessitates careful examination and estimation. To enhance the validity and reliability of research, it is recommended to supplement data with more in-depth discussions and roundtable sessions involving local councils or legislators, residents, and property owners. Additionally, conducting cost-benefit and feasibility analyses based on historical and empirical evidence supported by economic methods can provide valuable insights. Pilot testing the implementation in medium-sized urbanizing cities or those within Metro Manila can also offer justifiable reasons to utilize the instrument. Lastly, collaborating with government or non-government agencies such as DSHUD, DILG, DOF-BLGF, and UN Habitat-Philippines can facilitate these endeavors.

## **Statements and Declarations**

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### **Data Availability**

The data in this study are available upon request from the authors.

### **Ethical Considerations**

The ethical considerations maintained in this research included informed consent from the interview participants. Confidentiality and anonymity were strictly maintained throughout the research process..

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### **Competing Interest**

The authors declare no conflicts of interest.

### **Author Contributions**

**S.S.S** conceived and designed the study, analyzed data, drafted, and finalized the manuscript. **K.S.M.M.** restructured, proofread, revised, and refined the manuscript. All authors have read and agreed to the published version of the manuscript.

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