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## Understanding Property Price Movements in Port Moresby: Lessons from a Price Tracking Experiment

### 1. Introduction

Port Moresby has witnessed a properties boom in the last five or so years. Commentators attribute the construction phase of the \$US17 billion PNG LNG Project as being the driver for the increased level of activity in the properties market. While the stock of properties at the high end has increased markedly, the same cannot be said of the middle to the lower end of the housing market spectrum. This gap has attracted the attention of public debate. In response, the government has initiated several policy initiatives, including the recently announced K200 million First Home Buyers Scheme, in partnership with the Bank of South Pacific Ltd and the *Land and Affordable Housing Policy*. In the absence of an established database, much of the debate and policy intervention is driven by anecdotal evidence. This paper attempts to fill this void.

The paper draws on data from an experiment to create a database for tracking property prices using advertised data from the daily newspapers. This is aimed at providing details on the dynamics that drive the properties market, focusing on Port Moresby, which is indeed the largest market in the country. The data used in this analysis was generated using advertised prices of properties from *The National*, one of the dailies, on a monthly basis. The data gathered cover a one-year period, from July 2012 to July 2013 and is desegregated into two streams — location (suburbs) and time (month), for the analysis. Hence, the analysis is restricted to residential properties: standalone, units/apartments, town houses, and land, within Port Moresby, over the 12-month period for both sales and leases.

The main findings of the study are as follows: First, sales prices for properties across all residential property types have been volatile but remain on a rising trend during the study period. Rental prices appear to have stabilised, having shown evidence of high volatility during the first part of the study period. Second, and perhaps more importantly, apartments, town houses, and hotels are replacing standalone houses in locations zoned for residential (standalone houses) purposes. Further, properties developed within the unplanned segments (referred to here as informal developments) of the Port Moresby property market are being advertised, especially for rental purposes.

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This has significant policy implications on the nexus between planning, development and records management. Here, planning and approval processes are lagging actual development. Third, apartments and units are being marketed as a complete set rather than individual units. This is reflective of the absence of appropriate institutions for facilitating transactions on individual units such as strata titling laws. Fourth, suburbs which were traditionally classified as low cost have registered rising prices in the absence of development in complementary infrastructure and services. The rise in value, therefore, appears to be demand driven rather than the intrinsic value based on access to basic infrastructure and services. This implies that residents are deprived of access to basic services, utilities, and shops. State intervention through structural reforms into the planning, development and administration of land titles is required to correct this anomaly, which is currently leaving many residents without basic amenities.

The three policy recommendations are:

1. Adopt a new planning, development and administration system in which individual leases are subject to the operative town plan. This will ensure that a system and process which accommodates the changing expectations and interests of and land use overtime coherently drives the development. This requires a review of the legal and administrative system for land planning, development, and records system.
2. Institute legal and administrative frameworks for strata titling to facilitate transactions on units, apartments, and town houses.
3. Introduce a computerised data management system which will enable access to actual sale prices from a standardised database. This will provide useful information for not only informing policy but also for allowing the public at large, to be engaged.

The rest of the paper is organised as follows: Section 2 provides a brief background of Port Moresby, the focus of this study. Section 3 describes the data collection and analysis process. Section 4 provides the data analysis and reports on the findings. Section 5 draws policy lessons and implications. The conclusion brings the paper to a close.

## **2. Port Moresby — Study Focus**

Port Moresby is the capital city of Papua New Guinea (PNG). Politically, Port Moresby is divided into three open electorates and is headed by a governor. The three open electorates are: Moresby North East, Moresby North West and Moresby South (see Map in Figure 1). The National Capital District Commission (NCDC) and the Motu-Koita Assembly are the recognised lower level governments within the National Capital District (NCD).

The NCDC operates as the municipal authority of the NCD. The Motu-Koita Assembly, on the other hand, is entrusted to pursue and protect the interests of the original customary landowners of the NCD, namely the Motuans and Koitabuans.

The historical development of Port Moresby, from pre-colonisation to independence is nicely documented in Oram (1976). Until the last five years, the formal segment of the Port Moresby property sector market was stagnant for much of the independence era. During this period, there was rapid growth in property in the informal settlements segment. In fact, the development of the informal housing market slowly changed the landscape of the city, as discussed in Chand and Yala (2012). Broadly defined, all properties developed, either on land under State ownership or customary tenure, in contravention of the approved physical planning and building board regulations, constitute the informal property market.

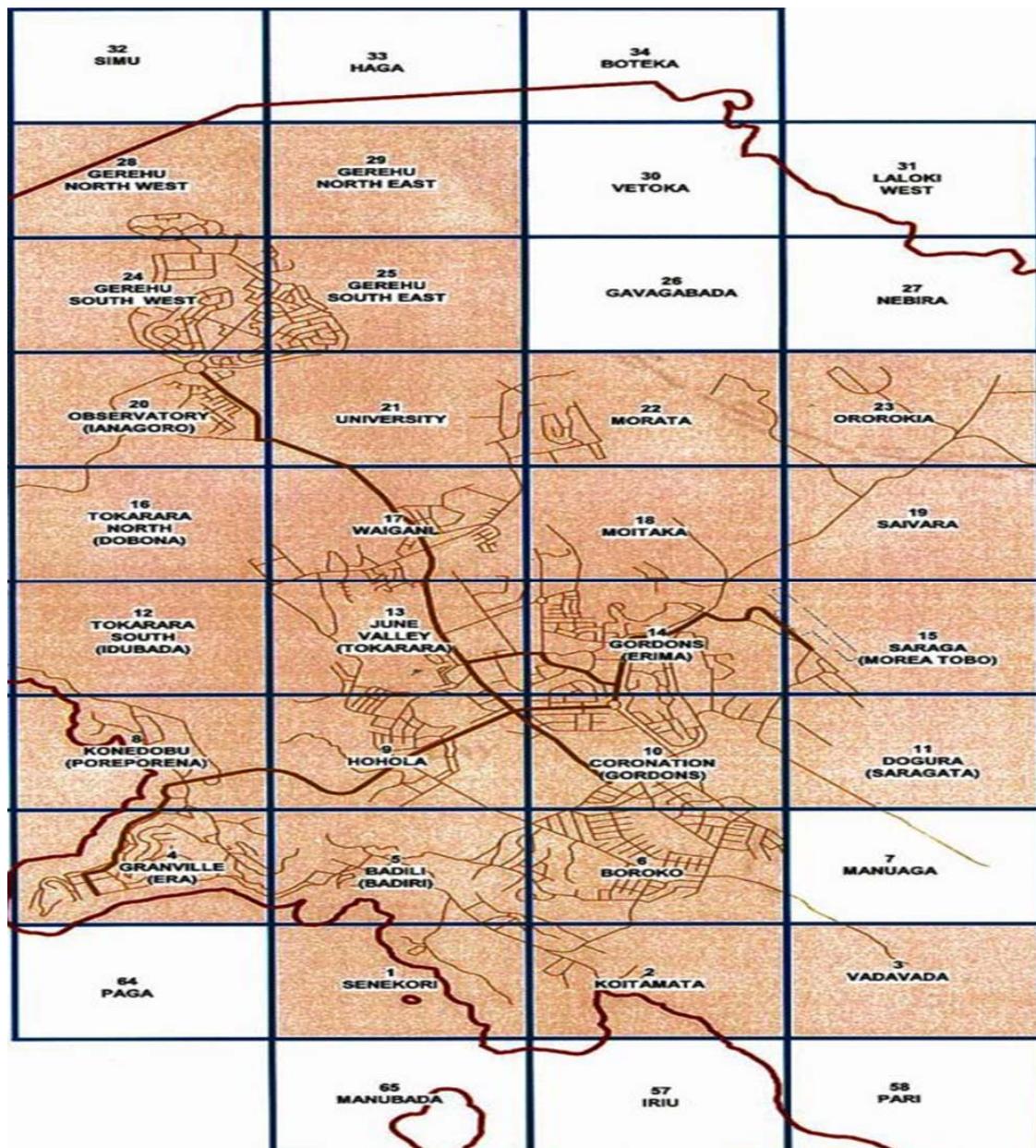
As of 2010, the multibillion dollar PNG LNG Project induced a rapid growth into the property market. This induced a rapid growth of both the formal and informal properties market segment. For instance, the entire Taurama Valley in the Moresby South Electorate was transformed into a high class informal settlement on land which remains under customary tenure, within a space of three years. In contrast, skyscrapers have transformed the hills of Touaguba and Paga, within the Port Moresby precinct. The once settled suburbs of Boroko, Korobosea and Gordons underwent significant redevelopment, changing from standalone to commercial and high density (units/apartments/town houses) accommodation. The ongoing carving out of

Port Moresby’s picturesque hill tops, in violation of the prohibitions defined in the *Physical Planning Act* is testament to the ongoing development of the property sector, both formally and informally (if not illegally in some cases), thereby permanently changing the Port Moresby landscape.

The data used in the analysis covers the period, July 2012 to July 2013. This was a critical year when the changes described above were at their peak. The data gathered focused on the sale and rental prices for residential properties and land within the NCD as advertised monthly in *The National*.

All the suburbs within the three electorates shown in Figure 1 are captured in Table 1.

**Figure 1: Cadastral Map of Port Moresby, National Capital District**



Source: Port Moresby Cadastral Map Booklet, National Mapping Bureau, 2007.

The three electorates of Port Moresby are divided into five distinct localities: Hohola, Granville, Matirogo, Boroko and Bomana. Residential leases are legally registered as per these localities. These areas are further broken up into suburbs (see Table 1).

**Table 1: Residential property sales and rentals by locality and suburbs**

Locality	Suburb
Hohola	Gerehu Stages 1, 2, 3, 3A, 3B, 4, 5 & 6; Walala Estate; Rainbow Estate; Rainbow Heights;
	Ensis Valley; Waigani North; Waigani Heights; Games Village; Waigani Drive; Morata;
	Tokarara; Tokarara Heights; June Valley; Garden Hills;
	Islander Village; Lamana Heights;
	Hohola 1, 2, 3, 4 & 5; Burns Peak;
	Gordons, Gordons 5; 5 Mile; Henao Drive;
	Erima.
Granville	Konedobu; Paga Hill; Touaguba Hill; Ela Beach; Kok; Airvos Avenue.
Matirogo	Badili; 2 Mile Hill;
	Kilakila; Gabutu; Kaugere; Sabama.
Boroko	Korobosea; 3 Mile; Manu Auto Port;
	Boroko; East Boroko;
	Kanage Street; Air Nuigini Village (PX); 6 Mile commercial area;
	8 Mile; Malolo Estate;
	9 Mile; Nasfund Compound (NPF).
Bomana	Bomana;
	14 Mile.

Source: Authors

### 3. Data Collection and Analysis

The data gathered was from the property sales and rentals listings published in the Homes and Property pages of *The National*. This data was monitored monthly, specifically from the first Tuesday edition of *The National* over a period of one year from 10 June 2012 to 2 July 2013 (see Appendix A).

Properties were advertised by different real estate agents operating in Port Moresby. As shown in Appendix B, a total of 15 real estate companies were captured through the data gathering process. The research team developed an Excel spreadsheet to gather and process the raw data and created a database. The objective was to develop a template for gathering, collating, and processing such data which could be used for policy analysis.

The main fields captured in the data-gathering process constitute the following:

- location defined by suburb;
- property type;
- sale or rental amount; and

- date of advertisement.

These are the key fields used in the data collection and compiled in the database. Location was defined by suburb because one of the objectives was to monitor and analyse property sales and rentals by location. Property type was confined to properties for residential purposes only: standalone houses, units/apartments, town houses, and land. From this data, we wanted to analyse the type of property and the price range across different locations.

Sales and rental prices were captured because we are interested in both the sales and rental markets. Date of advertisement is important for capturing the price and rental rates over time. In this case, we captured the data on a monthly basis. The raw data gathered in the database was then processed and the median sale prices and rentals analysed by location and time (month) are used in the subsequent analysis. The rest of the basic statistical data is presented in Tables A, B, and C in the Annex.

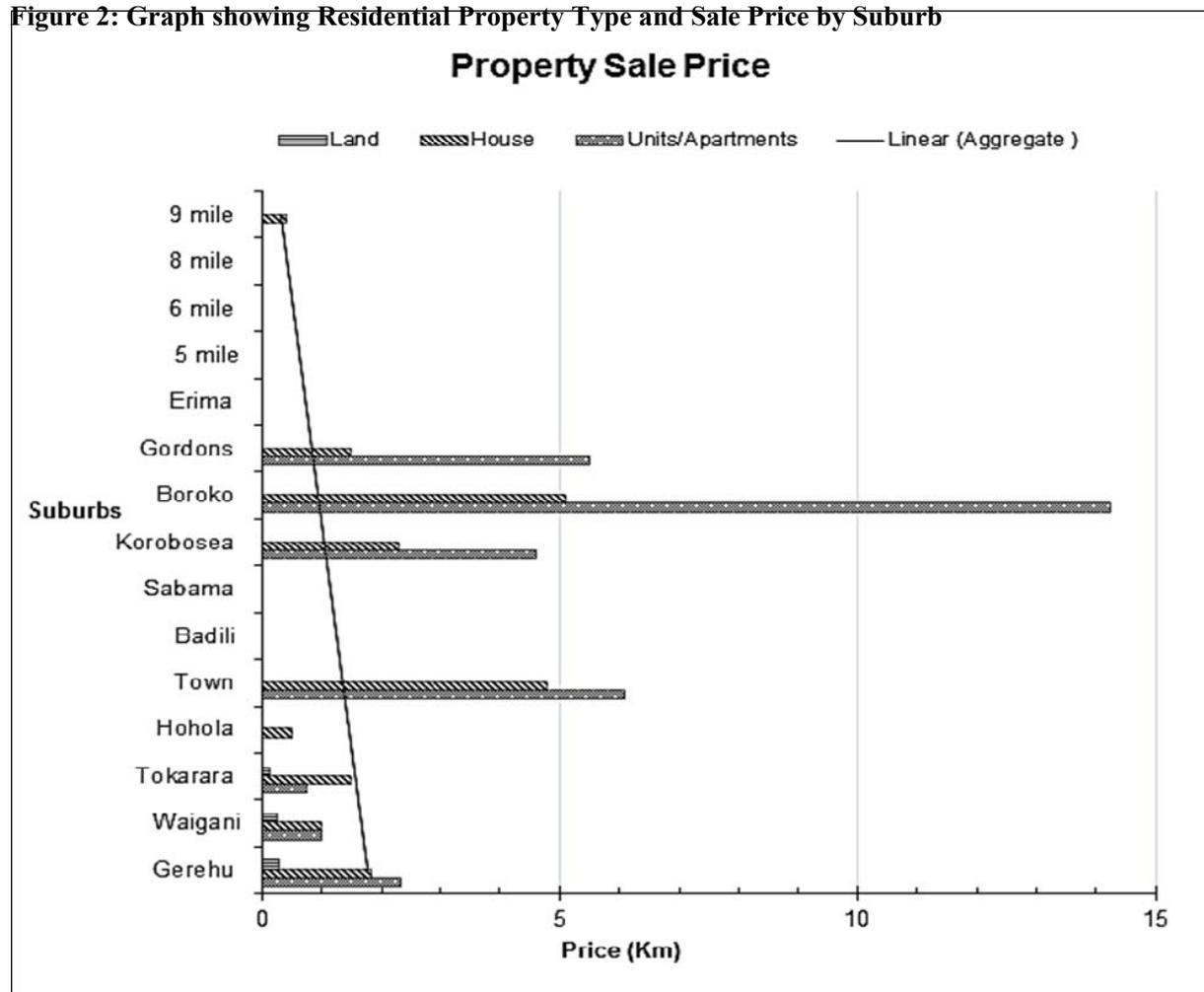
#### 4. Data Analysis and Findings

In this section, we analyse the data and report some findings from the analysis. We first analyse using location and then by time, and report their findings, respectively.

##### 4.1 Data analysis by location and findings

Figure 2 and 3 provide the primary data for analysis across suburbs for sales and rentals, respectively.

**Figure 2: Graph showing Residential Property Type and Sale Price by Suburb**



Source: Authors

### ***Residential Property Sales Prices***

Figure 2 shows sales prices for properties segregated into locations, defined by the different suburbs. The cumulative price depicted in the aggregate price shows a price range between K1–K7.0 million.

Historically defined as low covenant suburbs, Gerehu (which now includes Rainbow), Waigani, Tokarara (including Ensisi Valley), and Hohola recorded significant appreciation in prices. Sales prices in these suburbs ranged between K0.68–K2.0 million.

The ‘Downtown’ area, covering largely Paga Hill, Touaguba Hill, and Badili Point, which hosts some of the most prestigious executive properties in Port Moresby recorded a price range between K5–K6.9 million. In contrast, properties in suburbs such as Sabama and Erima are rarely transacted. This is evidenced in the data sampled with no recorded advertised sales as shown in Figure 2.

Property sales prices in the Boroko and Gordons suburbs were also high. These suburbs are traditionally considered medium to high covenant residential suburbs. In the recent past, the development of multi-tenanted units has increased, replacing the old colonial government-built standalone houses.

With the outward expansion of the city, Port Moresby North East extends further to the city’s outskirts suburbs such as 6 Mile, 8 Mile and 9 Mile. These areas largely constitute informal settlements on state-owned land. The properties in these suburbs do not have formal titles, as they are built on land owned by the State but developed without town planning approval. These developments are therefore part of the informal property segment.

The analysed data provide three insights:

1. Residential properties of all types that are located within the vicinity of the central business districts such as Downtown Port Moresby and Boroko, show high sales prices.
2. Higher prices in Boroko, Gordons, and parts of Downtown Port Moresby depict the sale of multi-tenanted/apartment properties being sold as one block rather than as individual units.
3. Properties developed on land without formal urban planning, approval, and title, are rarely listed in the formal market. This includes suburbs such as Sabama, Erima, parts of 6 Mile, 8 Mile and 9 Mile, Morata, and parts of Badili and 2 Mile Hill. Sales, if any, must be occurring within the informal market.

### ***Rental Property Price***

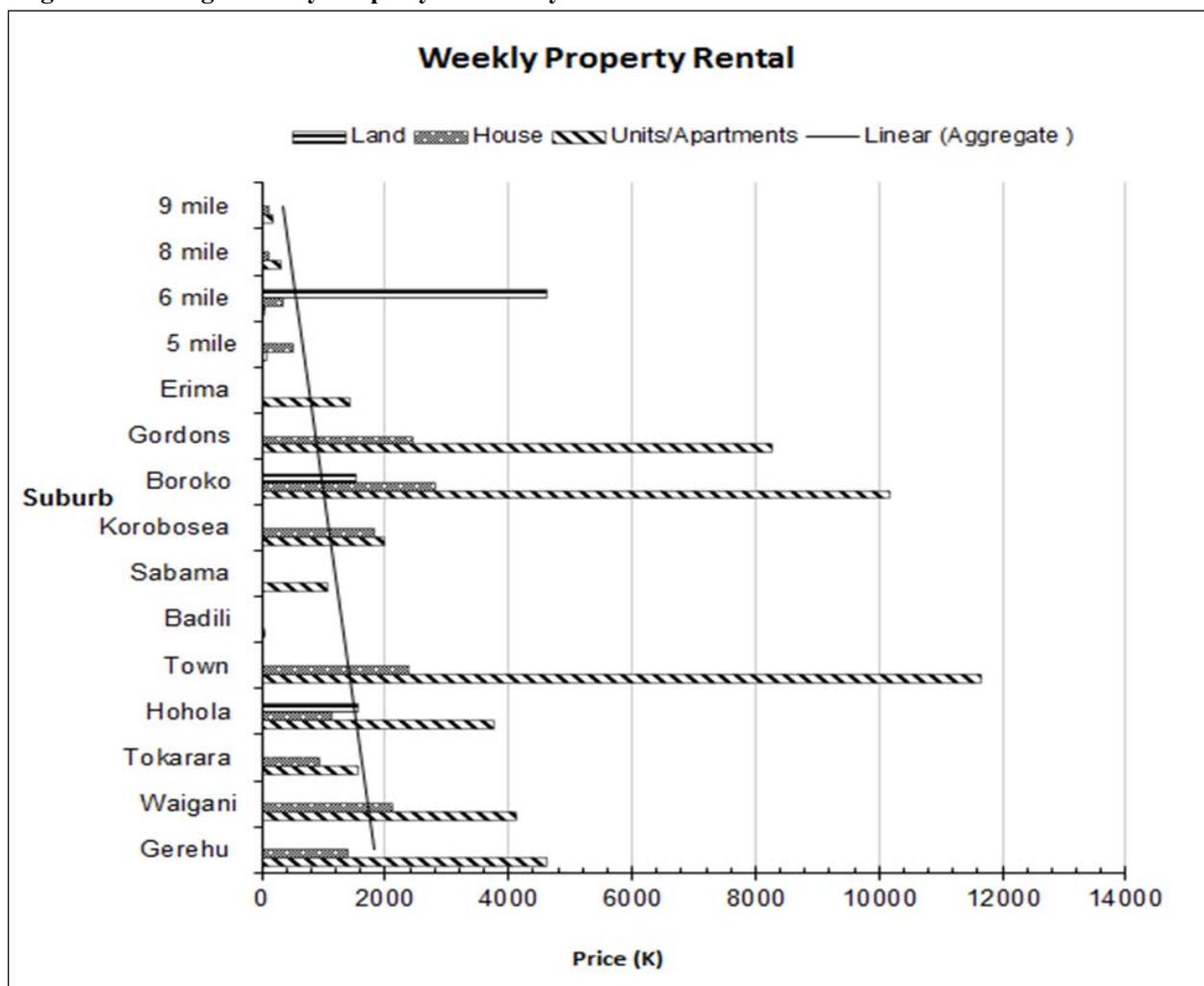
The rental property price data is shown in Figure 3. The rental property market mirrors the property sales market trend. For instance, the areas within the vicinity of the central business districts are considered high covenant, hence high rental rates. This trend of high rentals has flowed into the historically low covenant areas such as Hohola, Gerehu, Waigani, and Tokarara.

Whilst executive residences and apartments in Downtown Port Moresby are showing rentals that range between K5,000–K10,000 per week, the weekly rental rates for residential properties situated in the historically low to medium covenant areas have increased and show a range between K950–K2800 per week. In the urban periphery, rental rates for properties (unit, apartment and house) reflect an average rate of K1,400 per week.

The analysed data provides two insights:

1. Rental prices largely mimic sales price trends in terms of locations.
2. Rental prices were captured in the suburbs developed on land without formal titles and planning approval. This contrasts with data on the sale of properties. This raises the question on how rental contracts are being enforced while it is difficult for sales, through the formal market. This is an issue worth investigating in subsequent studies.

**Figure 3: Average Weekly Property Rentals by Suburb**



Source: Authors

**Advertised land prices — sales and rental**

Vacant residential land sales in Downtown Port Moresby area show an average sale price of K4.5 million. The average sale price of vacant land in the other suburbs of the city reflect sales prices that range from K142,000–K2.0 million. Suburbs located on the periphery of the urban fringe show an average vacant land sale price of K100,000.

Vacant land was also advertised for rental. Hence, these figures are depicted in Figure 3. These vacant land rentals are limited to certain suburbs in Port Moresby. Further investigation revealed that these land are leased mainly for industrial purposes, especially utilised as laydown sites for container storage yards.

Rental rates ranged from K1,500–K4,500 per square metre per week. The main locations were Gerehu, Burns Peak, Hohola, Boroko and 6 Mile.

The analysed data provides two insights:

1. Sale of vacant land for residential purposes is high within the Downtown Port Moresby area.
2. Land lease for container laydown sites and industrial purposes predominate the purposes for which land is being advertised for lease in the outer suburbs. The leases are generally for three- to five-year terms with the option to renew upon expiry of the lease.

### ***Overall Findings from the Data Analysis by Location***

The property markets for both sales and rentals in the suburbs that are relatively in close proximity to the central business districts are noticeably high when compared to those further from them. Traditionally, we can explain this difference in value on the basis of locality, type and conditions of the improvements on the property, affordability and availability of infrastructure, social and security services.

Having said this, it is observed that the sales and rental values in some historically low covenant suburbs and outskirt areas are rising in the absence of the core traditional factors such as access to services, infrastructure and security. Factors driving this may include overall improvement in the economy spurred by the PNG LNG Project, increase in population growth (partly due to internal migration), increase in employment opportunities and the consequential increase in the demand for housing. This implies that the drivers of increased property prices are not the traditional factors such as access to services, security and employment. Rather, they are being driven by the demand for housing spurred by the PNG LNG Project injected boost in the economy.

Noticeable differences in sale prices of apartments as one parcel, rather than the sale of the individual units is another factor driving property prices. With the introduction of Strata Titling laws, units would be sold separately, thereby reducing the price of apartments. The adoption of Strata Titling laws is therefore urgent.

The development of multiple complexes, which is changing the landscape of old suburbs like Boroko and parts of downtown Port Moresby, maybe undergoing development outside of the Physical Planning Board's approval process. The legally approved process in short, is as follows: The applicant must:

- seek approval from the NCDC Physical Planning Board for development approval for the proposed development;
- acquire title for the new land use purpose from the Land Board; and
- secure Building Board approval for the actual development of the new property.

However, board meetings for both the NCDC Physical Planning Board and the National Land Board are irregular. Hence, development without approval has preceded any formal approval process requirements. The agendas of both the NCDC Physical Planning Board and the National Land Board appear to be clogged up by applications for rectifying completed developments. This implies that the decisions of these two boards are retrospectively correcting illegal developments. This practice undermines the orderly development of liveable suburbs.

This highlights the need to change use-prescriptive titles in favour of a system that subjects the land title lease conditions to an operative town plan. This would enable the timely development of properties, consistent with the changes and demands of the land. For instance, Boroko, under the new system could have been declared an area for urban renewal. Hence, a new and updated plan for the area driving development, consistent with the changing demands of this part of the city would drive developments within this suburb. The same could be said about the land within Waigani and the University of Papua New Guinea precinct.

Finally, the rapid development of properties on unplanned land has compromised planned development and the value of the investments therein. The data depicting the absence of property sales in suburbs like Morata, Sabama, 8 Mile, 9 Mile, Erima, and 6 Mile highlights the significance of this issue. However, increasing evidence of rental listing provides the case for further studies.

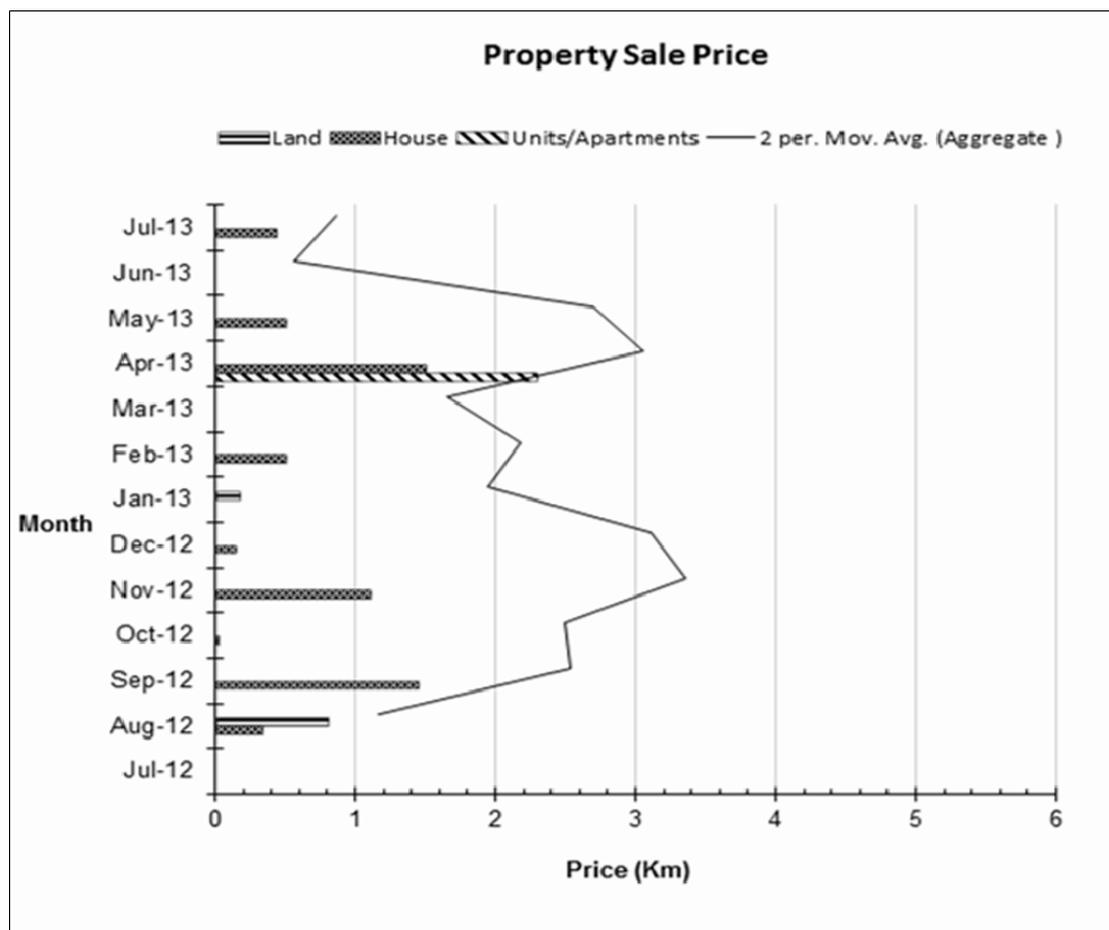
**4.2 Analysis by time (monthly basis) and findings**

This section provides an analysis of the data on a monthly basis. The objective is to capture the change in sales and rental prices over the 12-month period. Figure 4 and 5 present the monthly sales and rental prices, respectively.

*Analysis of Property Sales by Month*

Figure 4 shows that over the one-year period, aggregate Port Moresby prices averaged between K2.5 and K8.1 million. The graph shows that from July to September 2012, the price increased to K7.7 million and then dropped to K2.6 million in December 2012, increasing again in January 2013 and slightly dropping again to K4.3 million in February and March 2013. The average price significantly increased in April 2013 to an average of K8 million and then decreased again in May 2013 to K2.5 million. Notably, based on the collected data, the aggregate property sales prices fell in May, 2013 but picked up in July, 2013. Overall, the graph in Figure 4 depicts fluctuating aggregate sales prices for residential properties over the one-year period.

**Figure 4: Property Sales by Month**



Source: Authors

The sales prices for units and apartments ranged between K600,000 to K4.8 million. Over the one-year period, the price fluctuated with a significant decrease in December 2012, a peak in January 2013, further decrease in February and March 2013, and then a sudden increase in April 2013. There was a sudden drop in May, 2013 and gradual increase in June and July, 2013.

In comparison to the unit/apartment sector, the standalone residences/single dwellings sector shows a more stable and steady sales price over the same period. The overall price ranged between K900,000 to K2.5 million.

The sale of vacant land ranged between K8,000 to K1.9 million. Generally, the sale of vacant state land in Port Moresby is rare and limited. This is because only 60 percent of the total land in NCD is state owned. Much of this land has been built over, both through formal and informal developments. Encroachment of state-owned land through illegal transactions is a widely recognised issue. The other 40 percent remains under customary tenure. This land is facing pressure from the increased demand for land for housing. The rapid growth in the high covenant informal settlement in Taurama Valley is a classic example of such encroachment.

### *Analysis of Property Rentals by Month*

Figure 5 depicts weekly rental rates of residential property over the same one-year period. The aggregate rental rate for residential properties increased in late 2012. During this period, an aggregate rental rate of K7,700 per week was recorded. This rate decreased in May 2013 to K2,000 per week. In June 2013, the rate increased to over K3,000 per week.

The rental rate for units and apartments ranged between K3,000 to K6,000 per week. The rental rate for standalone houses rose in September 2012 and then fell in December 2012. Overall, the rate depicted a downward trend as of November 2013. Throughout, it remained at the rate of above K1,000 per week.

Vacant land was occasionally advertised in the rental market, largely for purposes of container laydown areas. During the period, August, October, December 2012, and January 2013, vacant land was advertised at an average rental rate of K500–K4,000 per week for land areas ranging between 600 square metres to one hectare.

Overall insights from the sales and rental price data analysed and presented in this section include:

- sale prices were highly volatile during this period;
- because the analysis is using advertised prices, the question on whether the advertised prices translated into sales or rental prices remain unanswered. This highlights the need for a structured process to capture the real sales and rental prices; and
- rental prices started at high rates but depicted a declining trend as of November, 2012. The question on whether this is depicting a growing but stable rental market remains to be established through further research.

## **5. Policy Lessons and Implications**

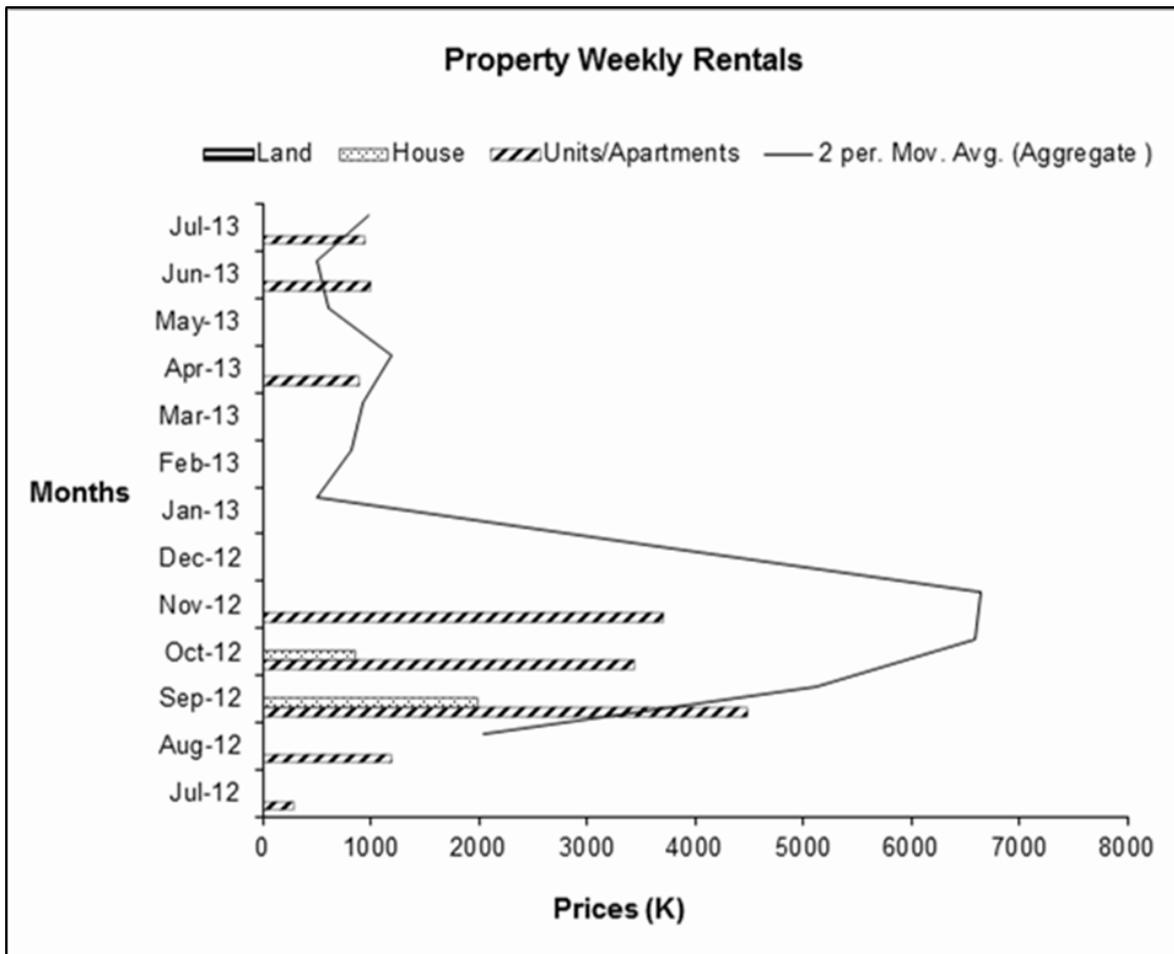
In this section, we draw policy lessons and their implications from the preceding analysis. We first provide some general observations from the analysis:

- The boom in the property market over the past five years was a direct result of the economic growth driven by the PNG LNG Project. The construction phase of the PNG LNG Project resulted in increased employment opportunities coupled with high internal migration levels contributing to population growth in the city. An increased population leads to the centralising of infrastructure and services development in Port Moresby. These factors created a ripple-down effect, causing rapid real estate development in Port Moresby.

With the low supply of residential properties in the city, the associated high demand for housing has resulted in increased sales prices and rentals rates in the residential property sector, both in the formal and informal property markets.

- The data analysed in this paper shows a fluctuation in both the sales price and rental rates over the year. However, the rental prices showed a declining trend. One plausible explanation is the coming to end of the construction phase of the LNG plant, resulting in low absorption particularly, in the rental market with recorded decreases in rental rates. It is also plausible that the increased stock of properties, both in the formal and informal markets, more specifically in the units and apartments segment is driving down the price of rental properties. The same cannot be said about sales prices, which appears to be highly volatile. Answering these questions will demand ongoing research and analysis.
- Vacant land is scarce in Port Moresby and when made available in the market the sale price of vacant land is considerably high depending on the location and its proximity to the availability of amenities and services such as electricity, water and telecommunication. With the limited availability of state land in Port Moresby, large portions of customary land in the urban periphery are being transacted informally, resulting in unplanned urban settlements. This alone demands major structural reforms to the planning, development and administration of all, including customary land in the country.
- Suburbs within the vicinity of the central business districts are usually the medium to high covenant residential areas. These suburbs experienced high sales and rental prices. The low covenant suburbs and those areas in the outskirts of the city have traditionally showed lower sales prices and rental rates. Many of the newly developed suburbs in the outskirts constitute informal settlements, largely

Figure 5. Weekly property rentals by month



because they fail to meet any planning and development approval requirements, and many do not have land titles. However, the trend of increasing prices, both for sales and rentals captured in this paper demands further research and analysis.

The following implications for policy are drawn from the preceding analysis:

- *The need for a Strata Titling System* The sale of units and apartments in one complete set is one reason for the high prices. For instance, a typical advertisement for such depicted: 3x8 for K14 million, indicating that a complete set of 8 units comprising 3 bedrooms is on sale for K14 million. Such highlights the need and urgency for the introduction of a Strata Titling System as it is vital for facilitating the development of units/apartments/town houses and transactions on such properties in single units.

PNG does not have the Strata Titling System. Currently, transactions on units, duplexes and town houses are facilitated through sub-lease arrangements. The absence of a Strata Titling System is further constraining an equitably viable residential property market.

With the introduction of a strata titling legislation, the owners of strata properties will be able to enjoy the benefits of an indefeasible title and furthermore have the unrestricted right to transfer or lease their properties in a similar way that owners of land properties can. This has the potential to bring the prices down substantially, especially within the developed central business district localities.

- *The need for improved urban planning, development and records management system:* Two sets of results from the preceding analysis demand the need for an improved urban planning, development, and records management system. The first is the transformation of standalone properties to units and apartments within the developed central business district suburbs such as Boroko, showing the need to review, update and modernise the legal and administrative processes for planning, development and management of records. An administrative system which subjects the lease conditions to the operations of an operating town plan, drives new developments, and issues new lease titles with new terms and conditions, in response to the changing demand for, and use of land, is required. This will ensure that the use of the land is subject to change, consistent with the change in the demand for its use. This is critical because the use of land changes overtime, given the changes in the economy and related demands for its use. Therefore the need to adopt a system of planning, development and records management to accommodate and facilitate such changes. Lessons from the recent changes in the use of land in suburbs such as Boroko, Korobosea, and downtown Port Moresby are instructive in this respect.

Second, the rapid growth of informal developments — developments not consistent with urban planning and building board regulations — raise both the need and urgency to proactively facilitate formal and orderly development. This will require the development of an efficient planning, development and administrative system.

- *Sound government policies:* The role of the government in the real estate sector is critical. Efficiency of the real property market can be attained by Government interventions, including the following: a sound land planning, development, and records management system; coordination in development of trunk infrastructure; and structural reforms to the land sector.

Further, a sound policy framework is necessary for channelling economic booms for the greater benefit. For instance, a key factor depicted in the data analysed was the role of the PNG LNG Project on the Port Moresby real estate market. The property market reacted significantly to the impact of the PNG LNG Project thereby resulting in the rapid growth in the development of the informal housing market and the rapid growth in property prices, both for sale and rental, within the last five years.

The key policy lesson from this experience is the need to have sound policy frameworks to channel the impact of major changes to the different sectors of the economy, in this case, the real estate market, from changes in the national economy.

- *Improve access to land*: There is a need to improve the accessibility of land for development, especially the customary land in the urban periphery. It is estimated that 60% of the land within NCD is owned by the State. The remainder is within customary tenure.

The challenge remains to mobilise all land within the NCD into productive use. The way forward is projected by the Government of PNG funded National Land Development Program (NLDP) and the Ministerial Committee on Land and Affordable Housing, established in 2013. The Independent Consumer and Competition Commission (2012) also has a report that advocates for the development of a competitive real estate and properties market.

Collectively, these strategies are geared towards improving, and attracting the private sector and citizens to invest in property development to alleviate the housing problem currently faced by the country. These policies, especially the core components of the NLDP, which advocates for the efficient mobilisation of land under customary tenure for development need to be aggressively implemented with the view to increase the supply of land with secure titles into the market.

- *Need to improve access to sales database*: The data used in this analysis was advertised prices. We have not been able to ascertain the final sale price and the settlement period. With regards to the sale price, the only government agency with the full data set is the Office of the Valuer General. Unfortunately, this information is not publicly available. With regards to the settlement period, Chand, Ondopa and Nao (2013) showed the minimum of six months and maximum of 12 months. This is unfortunately a very long time period, compared to Australia, for instance, where the settlement period is 30 days, being the minimum.

These factors combine to raise the importance of the need to have a property database to capture actual sales and rental data for each urban centre in the country. The starting point should be the processing and use of the data available within the Office of the Valuer General. Access to the data will provide information useful for sound policy analysis. It is also useful for the wider community to be aware of the property market and trends.

## 6. Conclusion

This Issues Paper used advertised prices gathered from *The National* newspaper to analyse the Port Moresby property market. The analysis was done across location and time (month) for both sales and rental of residential properties over a twelve-month period. Where data was available, land sales and lease prices were also analysed.

Within the study period, the prices of property within Port Moresby were highly volatile. Rental prices depicted a downward trend. While standalone houses were being transformed into units and apartments, the stock of informal housing was also on the rise. Traditionally low cost suburbs experienced rapid booms in both prices for sales and rental. Land prices were also high during this period.

The key policy lessons were the need to have Strata Titling Laws; improved planning, development and records management systems; sound government policies; improved access to land; and access to sales database. There are existing Government of PNG initiatives making inroads into each of these areas. Of all these initiatives, investments into the core components of the NLDP have the potential to deliver.

The study also raised many research issues that will require further investigation. This includes the need to understand why rental markets operate in the informal housing sector (compared to sales), how effectively does the contract based sales on units/apartments/town houses market functions, and understanding the drivers of change of land use within the established suburbs like Boroko.

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## APPENDIX

## A. List of Dates of The National Newspaper

No.	The National Newspaper Dates
1	10 July 2012
2	7 August 2012
3	4 September 2012
4	2 October 2012
5	6 November 2012
6	4 December 2012
7	8 January 2013
8	5 February 2013
9	5 March 2013
10	9 April 2013
11	7 May 2013
12	4 June 2013
13	2 July 2013

## B. List of Real Estate Agents Monitored

No.	List of Real Estate Agents
1	ACE Real Estate
2	Ayakul Real Estate Ltd
3	Champion Real Estate
4	Countrywide Realty Ltd
5	Eden Reality
6	Hawai Real Estate
7	Linpossible Real Estate
8	Massive Real Estate Ltd
9	Mosbi City Realty Ltd
10	Our Real Estate Ltd
11	Paradise Property
12	Ray White
13	Redhills Realty
14	Spring Real Estate Ltd
15	DAC Real Estate

**C. Summary Statistics**

**i) Table A: Average and Median Property Sales and Rental Prices by Suburbs**

Average Sales & Rental Prices (Kina)						
	Sales (K)			Rentals (K)		
	Units/ Apartments	House	Land	Units/ Apartments	House	Land
Gerehu	2,772,308	2,779,231	1,166,538	4,616	1,394	-
Waigani	2,265,385	1,173,846	718,462	4,135	2,127	-
Tokarara	1,020,000	1,550,000	142,308	1,573	950	-
Hohola	923,077	635,385	683,077	3,779	1,121	1,577
Town	5,840,769	6,342,308	4,769,231	11,650	2,385	-
Badili	-	346,154	430,769	54	-	-
Sabama	-	379,231	379,231	1,077	-	-
Korobosea	5,253,846	2,900,215	883,462	1,975	1,815	-
Boroko	14,467,692	5,823,077	1,240,000	10,173	2,800	1,538
Gordons	6,361,538	1,619,231	250,769	8,276	2,454	-
Erima	-	50,000	653,846	1,435	-	-
5 Mile	115,385	-	215,385	92	500	-
6 Mile	-	134,615	-	62	346	4,615
8 Mile	-	-	-	319	123	-
9 Mile	9,230,769	406,154	2,330,769	196	196	131
Median Sales & Rentals Prices (Kina)						
Gerehu	2,330,000	1,850,000	290,000	4,616	1,394	-
Waigani	1,000,000	1,000,000	250,000	4,135	2,127	-
Tokarara	750,000	1,500,000	150,000	1,573	950	-
Hohola	-	500,000	-	3,779	1,121	1,577
Town	6,100,000	4,800,000	-	11,650	2,385	-
Badili	-	-	-	54	-	-
Sabama	-	-	-	1,077	-	-
Korobosea	4,600,000	2,300,000	-	1,975	1,815	-
Boroko	14,230,000	5,100,000	-	10,173	2,800	1,538
Gordons	5,500,000	1,500,000	-	8,276	2,454	-
Erima	-	-	-	1,435	-	-
5 Mile	-	-	-	92	500	-
6 Mile	-	-	-	62	346	4,615
8 Mile	-	-	-	319	123	-
9 Mile	-	430,000	-	196	131	-

ii) Table B: Aggregate Average and Median Sales and Rental Prices by Suburbs

Aggregate Sales & Rentals (Kina)				
	<i>Average Sales (K)</i>	<i>Median Sales (K)</i>	<i>Average Rental (K)</i>	<i>Median Rental (K)</i>
Gerehu	2,239,359	1,850,000	2,003	1,394
Waigani	1,385,897	1,000,000	2,087	2,127
Tokarara	904,103	750,000	841	950
Hohola	747,179	-	2,159	1,577
Town	5,650,769	4,800,000	4,678	2,385
Badili	258,974	-	18	-
Sabama	252,821	-	359	-
Korobosea	3,012,508	442,718	1,263	1,815
Boroko	7,176,923	5,100,000	4,837	2,800
Gordons	2,743,846	1,500,000	3,577	2,454
Erima	234,615	-	478	-
5 Mile	110,256	-	197	92
6 Mile	44,872	-	1,674	346
8 Mile	-	-	147	123
9 Mile	912,338	-	109	131

iii) Table C. Statistics (average & median) for Individual Properties by months

Sales Prices (Kina)						
	Average			Median		
	<i>Units/ Apartments</i>	<i>House</i>	<i>Land</i>	<i>Units/ Apartments</i>	<i>House</i>	<i>Land</i>
10-Jul-12	1,415,333	930,000	.276,667	-	-	-
7-Aug-12	2,785,333	1,760,667	1,950,000	-	330,000	800,000
4-Sep-12	4,420,000	2,338,000	972,000	-	1,450,000	-
2-Oct-12	2,698,000	1,886,853	1,228,667	-	2,800	-
6-Nov-12	2,438,000	2,284,000	401,000	-	1,100,000	-
4-Dec-12	966,667	741,333	953,333	-	150,000	-
8-Jan-13	3,923,333	1,760,000	1,258,000	-	-	170,000
5-Feb-13	2,645,333	1,370,000	293,333	-	500,000	-
5-Mar-13	3,432,000	1,010,000	106,667	-	-	-
9-Apr-13	4,878,080	2,036,000	1,233,333	2,300,000	1,500,000	-
7-May-13	642,000	1,944,667	8,333	-	500,000	-
4-Jun-13	846,667	1,537,333	1,510,667	-	-	-
2-Jul-13	2,726,667	1,322,000	1,823,333	-	430,000	-

iii) Table C. Statistics (average &amp; median) for Individual Properties by months (cont'd)

Rentals Prices (Kina)						
	Average			Median		
	<i>Units/ Apartments</i>	<i>House</i>	<i>Land</i>	<i>Units/ Apartments</i>	<i>House</i>	<i>Land</i>
10-Jul-12	4,503	467	-	300	-	-
7-Aug-12	2,907	693	4,000	1,200	-	-
4-Sep-12	4,102	2,607	-	4,490	2,000	-
2-Oct-12	3,933	2,203	567	3,450	850	-
6-Nov-12	5,927	1,243	-	3,700	-	-
4-Dec-12	4,339	827	800	-	-	-
8-Jan-13	3,900	1,003	1,333	-	-	-
5-Feb-13	2,880	713	-	-	-	-
5-Mar-13	2,823	523	-	-	-	-
9-Apr-13	2,363	508	-	900	-	-
7-May-13	1,232	825	-	-	-	-
4-Jun-13	2,067	693	-	1,000	-	-
2-Jul-13	1,989	1,453	-	950	-	-

iv) Table D. Aggregate Average and Median Sales and Median Rental Prices by Months

Sales & Rental Prices (Kina)				
	Sales		Rentals	
	<i>Average</i>	<i>Median</i>	<i>Average</i>	<i>Median</i>
10-Jul-12	2,622,000	500,000	4,970	850
7-Aug-12	6,496,000	1,830,000	7,600	3,250
4-Sep-12	7,730,000	3,250,000	6,435	7,000
2-Oct-12	5,813,520	1,740,000	6,703	6,200
6-Nov-12	5,123,000	4,960,000		
4-Dec-12	2,661,333	1,250,000	5,965	-
8-Jan-13	6,941,333	2,650,000	6,237	1,000
5-Feb-13	4,308,667	1,700,000	3,593	650
5-Mar-13	4,548,667	1,600,000	3,347	1,200
9-Apr-13	8,147,413	4,500,000	2,872	1,200
7-May-13	2,595,000	900,000	2,056	
4-Jun-13	3,894,667	230,000	2,760	1,000
2-Jul-13	5,872,000	1,500,000	3,443	950

### About the Authors

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*The views expressed in this paper are entirely the authors' own and not those of the National Research Institute.*

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