



# **UNECE Country Profiles:**

Supporting prosperity and stability in  
member states

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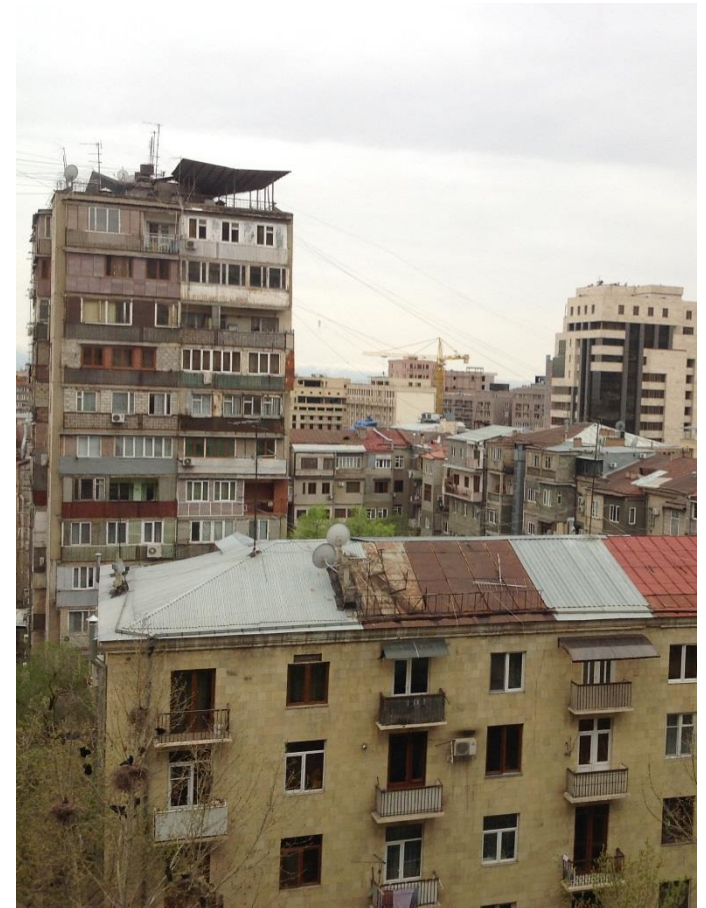
Vice-Chair of UNECE Working Party for Land Administration

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## **This presentation will cover:**

- An overview of land administration and real estate markets in three countries studied by the United Nations Economic Commission for Europe between 2013 and 2015
- Key conclusions and recommendations





A 2013

B 2014

C 2015

## Chronology



- Pre and post mission research
- Face-to-face interviews

## Methodology



- 15 days research
- 5-7 days in country
- 14 days report writing

## Scope

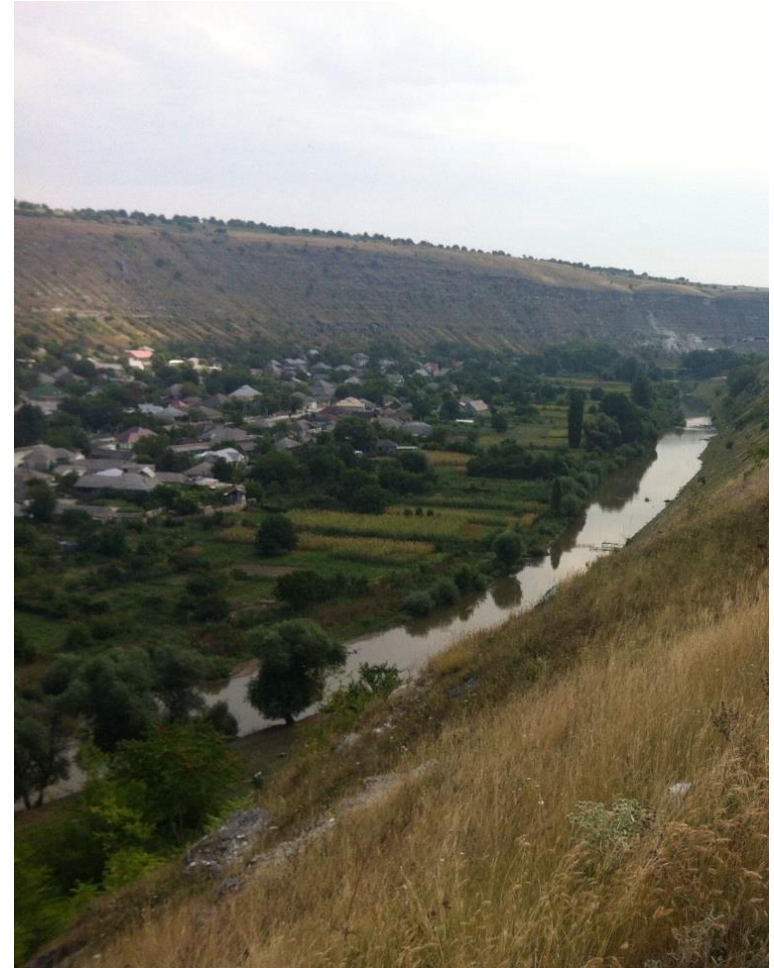


Output: Land administration chapter for UNECE Country Profiles



Strong similarities **A** **B** **C** :

- Independence -1990s
- Lower Middle Income (World Bank)
- Agricultural economy
- Landlocked
- Diaspora population



# Areas of focus for the Country Profiles



Comprehensive review of:

- Policy
- Law
- Mapping
- Registration
- Valuation and taxation
- Use
- Real estate markets



# Three pillars of effective land policy



## Security of tenure

- Embedded in legislation
- Mechanism for dispute resolution
- Land and property taxation

## Land markets

- Security for credit
- Monitored land markets
- Accurate governmental statistics used for forecasting

## Socially desirable land use

- Platform for land reform
- Protect State lands
- Improve urban planning and infrastructure development
- Support environmental management



**A** **B** **C** had a strong legislative framework of primary legislation and subordinate laws including:

- Constitution
- Civil Code
- Land Code
- Urban Planning Code
- Housing Code (except in **C**)
- Tax code





## A B C - Strong similarities

- Full map coverage
- Range of scales
- National cadastre
- Up to 20 layers in the cadastre

Same issue:

Keeping imagery up to date:

- Lack of finance
- Inaccessible terrain
- Sparsely populated areas









## UNECE - effective land valuation:

Classification of property to agreed characteristics

Collection and analysis of market data for accurate revaluation

Determination of the value of each real property in accordance with publicised procedures

Different valuation methods

Method of valuation adopted should depend on the purpose for which the valuation is required

A

- Well functioning land valuation system using all appropriate methods.

B

- Some elements of a functioning system:
- Income method to value agricultural land
- Comparative sales method for apartments
- “New builds” valued to cover project costs not land and construction costs

C

- No differentiation between land categories – notional cadastral valuation applied to all sales by the cadastral authority.



## UNECE - effective land taxation:

Services clearly defined social objectives

Raises significant revenue

Exclusive government control

Administered in a way that the public sees as fair

Simple and cheap to collect

Difficult to avoid making payments

Shares the tax burden equitably across the community

Encourages good use of resources

With some caveats, **A** **B** **C** demonstrated evidence of land taxation systems:

- Taxes payable by individuals and corporate entities
- Tax collected by cadastral and local authorities
- Compliance regimes in evidence but -
- Tax base is determined by different factors in **A** **B** **C**





Land fragmentation  
and/or insecurity of land  
tenure affects agricultural  
productivity in **A** **B** **C**





## Disincentives to borrowing and lending money using land as collateral

### **Inadequate information:**

Lack of insolvency/ credit information forces mortgage providers to price for risk.



### **Impeding collateral growth:**

Distinction between land and buildings diminishes value especially when they are in separate ownership.



### **Impediment to transparency: four registers**

(land, residential buildings, non-residential buildings and mortgages).





- Poor quality construction
- Illegal development
- Inadequate maintenance of multi-family dwellings
- Lack of trust in management companies' use of maintenance fees
- Inadequate compliance and enforcement of housing laws

# Key conclusions



Laws can be drafted to achieve economic outcomes



Clear division between ministries will encourage security of land tenure



Good laws also need strong enforcement to ensure a healthy land market



Improvements to operating conditions **and** land consolidation programmes = achieve better farm productivity



Certainty of tenure is essential for efficient agricultural production



Land consolidation can help resolve land registration problems



To increase property values and appeal to future investors, the legal distinction between land and buildings should be removed. If in separate ownership, law should allow homeowners to buy the land upon which their home is built.



Land markets function best with transparent processes and information. Base tax on market value.



New technology offers opportunities where traditional surveying methods are inappropriate.







“A fully mature land administration system encourages investment and wealth. A transparent system for recording land ownership, land values, land use and other land-related data is an indispensable tool for a market economy to work properly, as well as for the sustainable management of land resources.” UNECE





Land  
Registry



[gov.uk/land-registry](https://www.gov.uk/land-registry)