

Just Compensation in Expropriation?

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Key words: Expropriation, Compensation, Ownership, Valuation Methods, Real Estate, Profit-Sharing.

ABSTRACT

In the western societies based on private ownership expropriation of private property for the public good has been enabled by legislation. Such legislation may have issued from the hindrance of developments required for the public good caused by the landowner, possibly in a monopolistic position, when refusing of a voluntary transfer of his land or claiming for an unrealistically high compensation. Another reason may also have been to ensure the efficiency of land acquisition.

According to legislation the determination of just compensation is the principle rule for expropriation of property, i.e. paying such compensation that the landowner's financial situation will remain the same despite the expropriation. In the Finnish condition this traditionally means a market price calculated from comparable real property transactions. This raises a few questions, which may even be of general interest:

- How well does the statistical price determined according to comparable transactions compensate for the losses?
- Will the compensation statutes, valuation methods and manners really lead to just compensation?
- How just will it be if the expropriator gets the whole profit from a property, especially when expropriated by private quarters mainly for private purposes?

The article is treating the situation mainly from the Finnish and Nordic tradition, but also aims at considering the future in a wider sweep. Only compensations to the owner are treated.

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JS26 Education of Valuers – Collecting the Substance for Virtual Academy
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FIG XXII International Congress
Washington, D.C. USA, April 19-26 2002