



FIG Working Week 2016



CHRISTCHURCH, NEW ZEALAND
2-6 May 2016

Recovery
from disaster

VALUATION OF UNREGISTERED LANDS TOOL - OUTLOOK

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INCREASE IN LAND DEMAND - NEED FOR VALUATION

- **Global population growth leading to pressure on land**
 - *scarcity of land and increase in value.*
 - *Need for food production increase*
- **Climate Change**
 - *sea level rise – land mass reduction;*
 - *natural disasters and rendering some lands unusable*
- **Urbanization and rural – urban nexus**
 - Reduced access to land (used for food production, housing or other basic needs) for the local population
 - Land use conversions and diminishing agricultural land
- **Land markets becoming global**
 - urban investments, infrastructure investments,
 - large scale investments in land
- **Limited access to land for disadvantaged groups**
 - *proliferation of informal settlements (unregistered lands)*
 - *Speculation and land hoarding*

VALUATION OF UNREGISTERED LANDS

Lands and properties that are not registered:

- State or public land held in trust by governments and used by citizens.
- Communally owned lands under customary usage.
- Natural resources used by communities for livelihoods.
- Informal settlements, previously customary lands included in urban boundary, squatter settlements, unplanned settlements
- Ownership units that are not formally registered. (estimated to be 70%)

many people do not have legal rights, and if they have legal rights they do not have documents to prove it.



INCLUSIVE RESPONSE TO LAND CHALLENGES

Why valuation in informal situations

- To benefit unregistered land owners in urban and peri-urban sprawl
- Instill equity in developments including infrastructure projects entailing compensation
- Upgrading of informal settlements
- Large scale land investments and resettlement initiatives
- Disaster related resettlements, redressing historical displacements, and
- Individual owners –mostly from disadvantaged groups -needing to borrow against their land or do share-cropping or sub-leasing of their land due to socio-economic pressures, etc.



VALUATION APPROACHES

MARKET VALUE DEFINED

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”. IVSC

LACK OF MARKET INFORMATION

Need for data on unregistered lands

- **Market performance** – *lack or limited information unregistered lands and properties*
- **Security of tenure** – *perceptions of insecurity in land tenure, including customary.*
- **Market distortion** – *speculative purchases deliberately lowering the values.*
- *Valuation to determine value of community lands e.g. Namati community lands protection*

Confronting a **wicked problem**: one that is very hard and potentially impossible to solve because of its multilayered complexities and the **lack of information** about them.

IMPLICATIONS OF IMPROPER SOLUTIONS



- Inefficient and inequitable land market,
- Limits economic development
- Uncertainty about value based tax liability
- Uncertainty over the transparency of the process,
- Payment of large numbers of additional unofficial payments to officials at each stage
- Need for internationally accepted land valuation approaches or standards covering unregistered lands



RECOMMENDATIONS

- **Increased capacity in land valuation professional/technical to address wicked problem**
- **Effective and Efficient land valuation approaches that are transparent**
- **Valuation to depend on all factual data on use and benefits not limited to legal status**
- **Relevant approaches and methods to meet situation, requirements and environment.**
- **Respecting free, prior and informed consent in land acquisition**
- **Valuation to be aligned with Continuum of Rights**
- **Enhance trust on valuation for tax collection.**
- **Instill governance approaches to limit payment of informal fees.**

THE JOURNEY TO DATE – VALUATION TOOL DEVELOPMENT

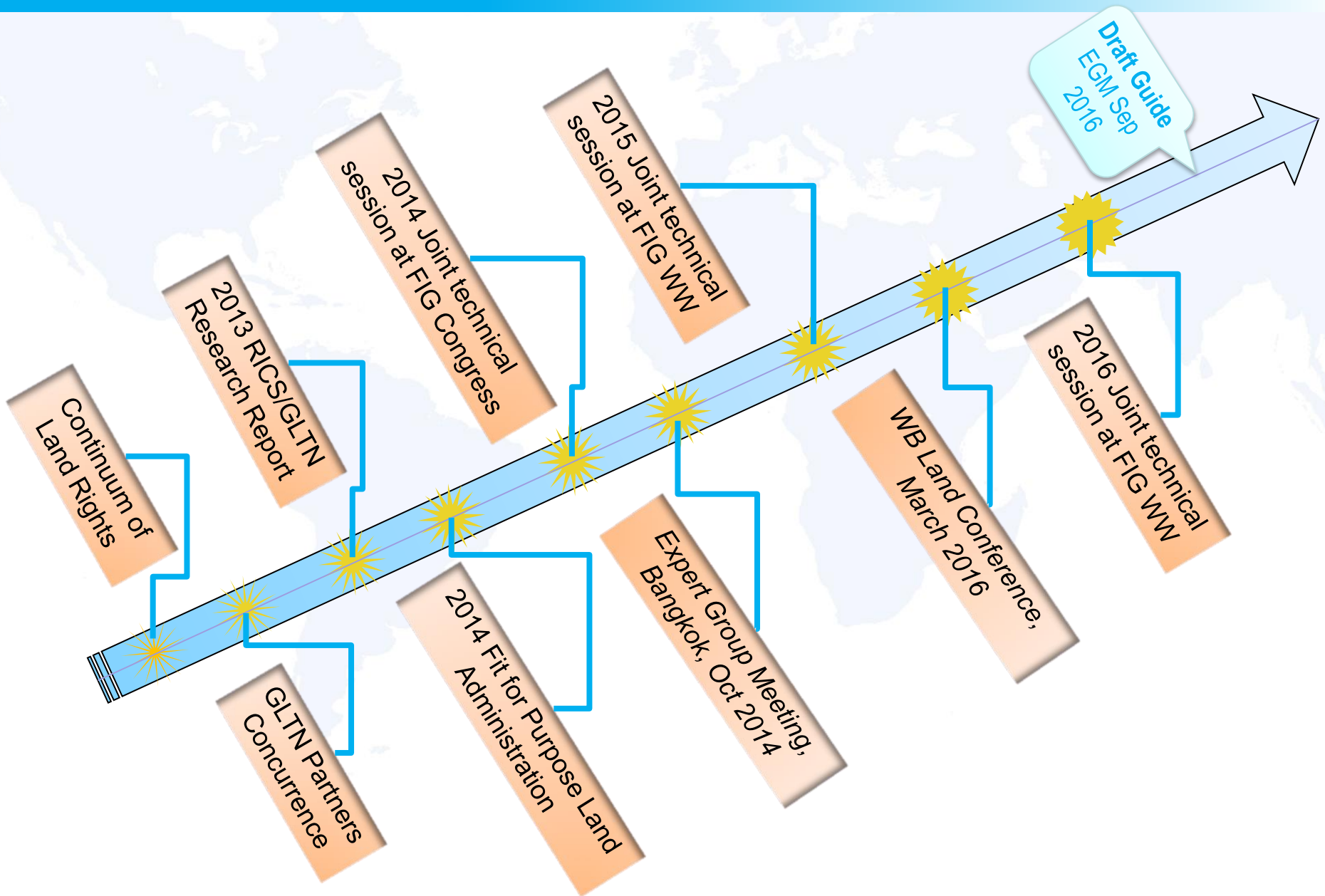




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