

FIG
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6-11 May 2018, İstanbul

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EMBRACING OUR SMART WORLD WHERE THE CONTINENTS CONNECT:
ENHANCING THE GEOSPATIAL MATURITY OF SOCIETIES

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6-11 May 2018, Istanbul



The Connectivity of Land Valuation, Land Transfer Standards (ILMS) and Land Acquisition/taxation – Integrating Fit for Purpose Principles Along the Land Continuum (9353)

James Kavanagh (United Kingdom):

TS06I: The Property Management, Planning and Administration of Real Estate Assets

Commission: 7, 8 & 9

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1. Introduction and context
2. Land Acquisition: a global issue
3. International land transfer : the problem
4. What ILMS is and what it not
5. ILMS current status
6. Conclusions

‘We cannot solve our problems with the same level of thinking that created them.’ – Albert Einstein

‘There is no such thing as an investment without property rights that are negotiable and transferable.’ – De Soto

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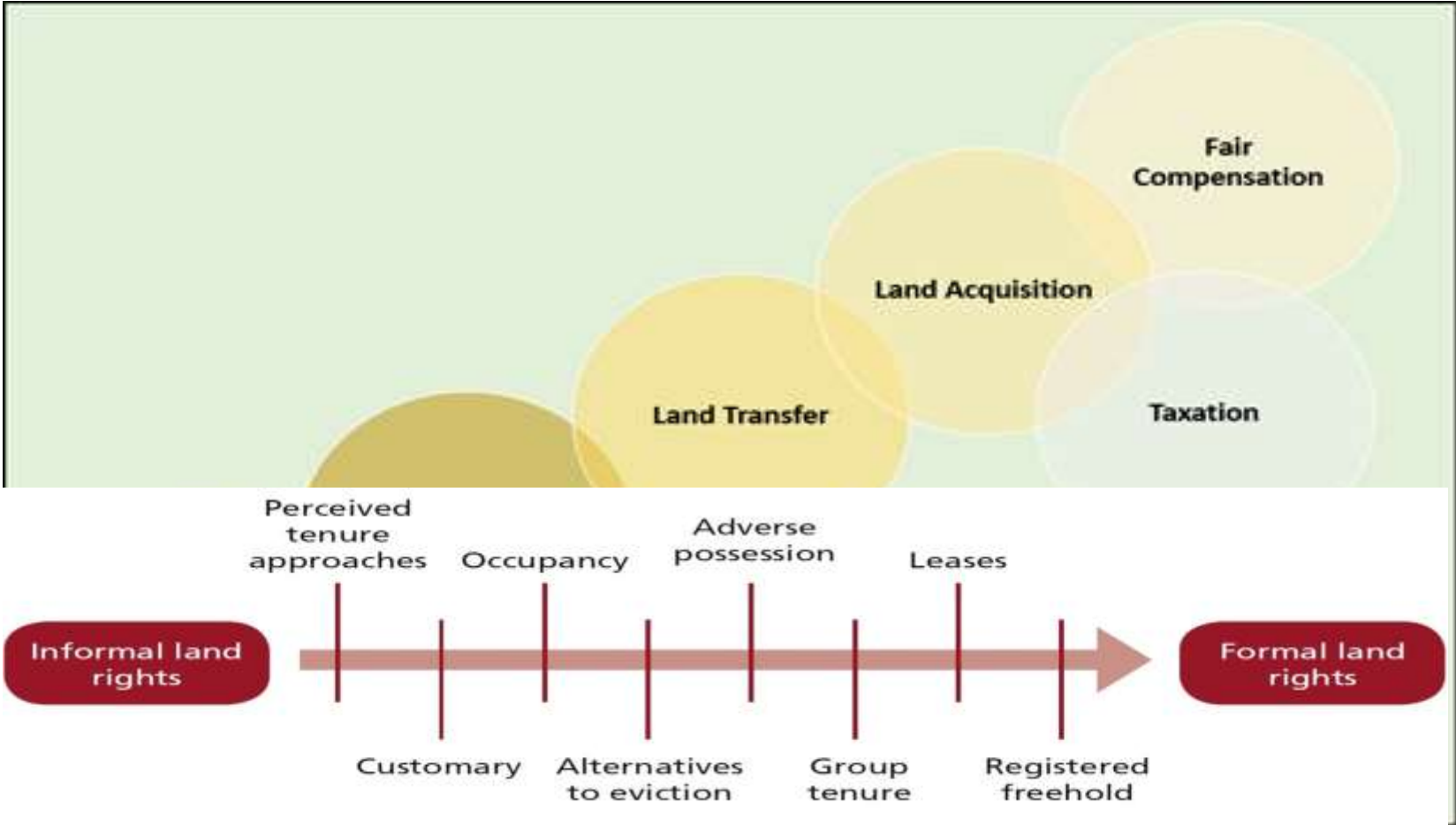
Sustainable Development Goals (SDGs)



- 1,2,5,11,15,16 are directly related to Land issues
- New Urban Agenda & Rapid Urbanisation

ILMS – fit for purpose connectivity

Fit for purpose as related to other land activities



Land Acquisition – a global issue

Standards
work and
land transfer
needs them.

International
standards
are the new
frontier.

In the *United Kingdom*, standards made an annual contribution of **GBP 2.5 billion** to the economy, and **13 %** of the growth in labour productivity was attributed to standards. Standards were identified as enablers of innovation and facilitators of technological Change.

Roughly **10-15 million people are displaced** from development projects each year. In China, approximately 80 million people were displaced by development projects between 1950 and 2015; in India, 65 million people were displaced between 1950 and 2005. As governments respond to resource scarcity, urbanization, and population growth, increases in land acquisitions and forced displacement for infrastructure expansion, extraction of natural resources, and other development projects are likely be more dramatic in the coming years.

Conflicts over land in *India* stall projects worth billions of dollars - <http://www.thisisplace.org/i/?id=9bce5bf2-36c5-48e7-b6fc-170d83713a63> from the Thomson Reuters Foundation initiative 'Place' highlights how an analysis of 289 cases, making up 40 percent of major land conflicts in India, found they affected 3.1 million people and more than **\$178 billion** of investment.

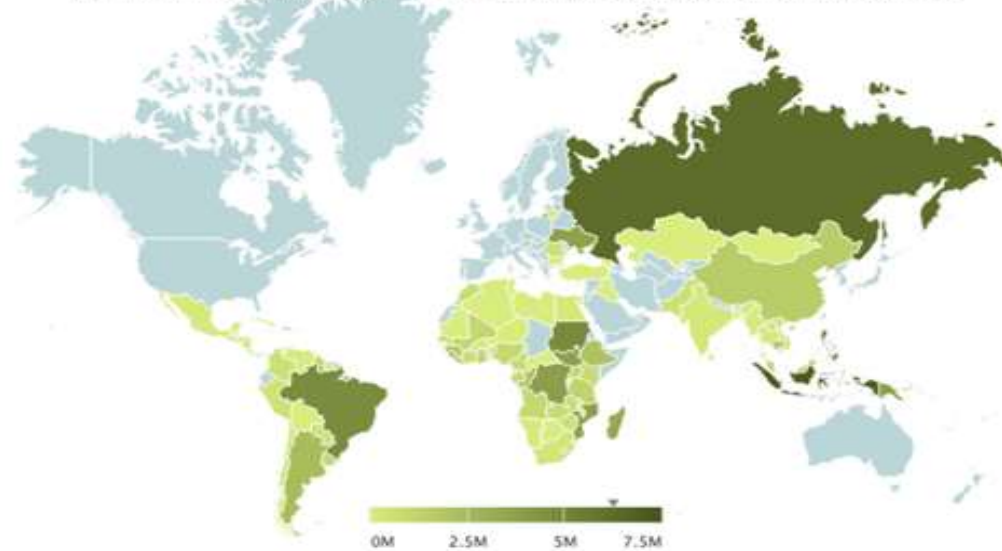
Land Acquisition – a global issue

Total Hectares in deals

2000-2016

Total Hectares in deals – 2000–2016

Total Area (ha) calculated as the sum of all deals, in a given country over the period 2000–2015. A "deal" is referred to as an intended, concluded or failed attempt to acquire at least 200 Ha of land through purchase, lease or concession. It can be compared to the Total Number of Deals.



- India: Total hectares bought: 5,420,209 (about 13.4 million acres)
- USA: Total hectares bought: 4,136,973 (about 10.2 million acres)
- UK: Total hectares bought: 3,008,472 (about 7.4 million acres)
- South Korea: Total hectares bought: 2,696,297 (about 6.7 million acres)

Sustainable taxation

Country	World Bank Reg of prop	Country ¹	Total Taxes as % of GDP (2012)	Fiscal Year	Property Taxes as % of GDP	GDP per Capita in USD (2012)	Income Level (2016)
Ghana	120/119						
Indonesia	72/106	Niger	14.5	2010	0.06	394	Low
Peru	58/44	Nigeria	10.2	-	No data	2,740	Lower-middle
OECD	27/44	Rwanda	13.6	2011	0.1	667	Low
		São Tomé and Príncipe	14.2	2012	0.32	1,488	Lower-middle
		Senegal	19.3	2012	0.10	1,019	Low
		Seychelles	29.6	-	No data	12,845	High
		Sierra Leone	10.7	2010	0.05	619	Low
		South Africa	23.2	2013	1.60	7,592	Upper-middle
		Sudan	5.4	-	No data	1,662	Lower-middle
		Swaziland ³	36.0	2012	0.05	3,989	Lower-middle
		Tanzania	11.6	2011	0.08	828	Low
		Togo	15.4	2010	0.24	581	Low
		Tunisia	21.0	2012	0.53	4,188	Lower-middle
		Uganda	10.5	-	No data	656	Low
		Zambia	15.0	2008	0.03	1,687	Lower-middle
		Zimbabwe ²	26.3	2012	0.00	851	Low

<http://www.doingbusiness.org/data/exploretopics/registering-property>

https://www.transparency.org/news/feature/corruption_perceptions_index_2017

<https://data.oecd.org/tax/tax-on-property.htm>

ILMS - Coalition

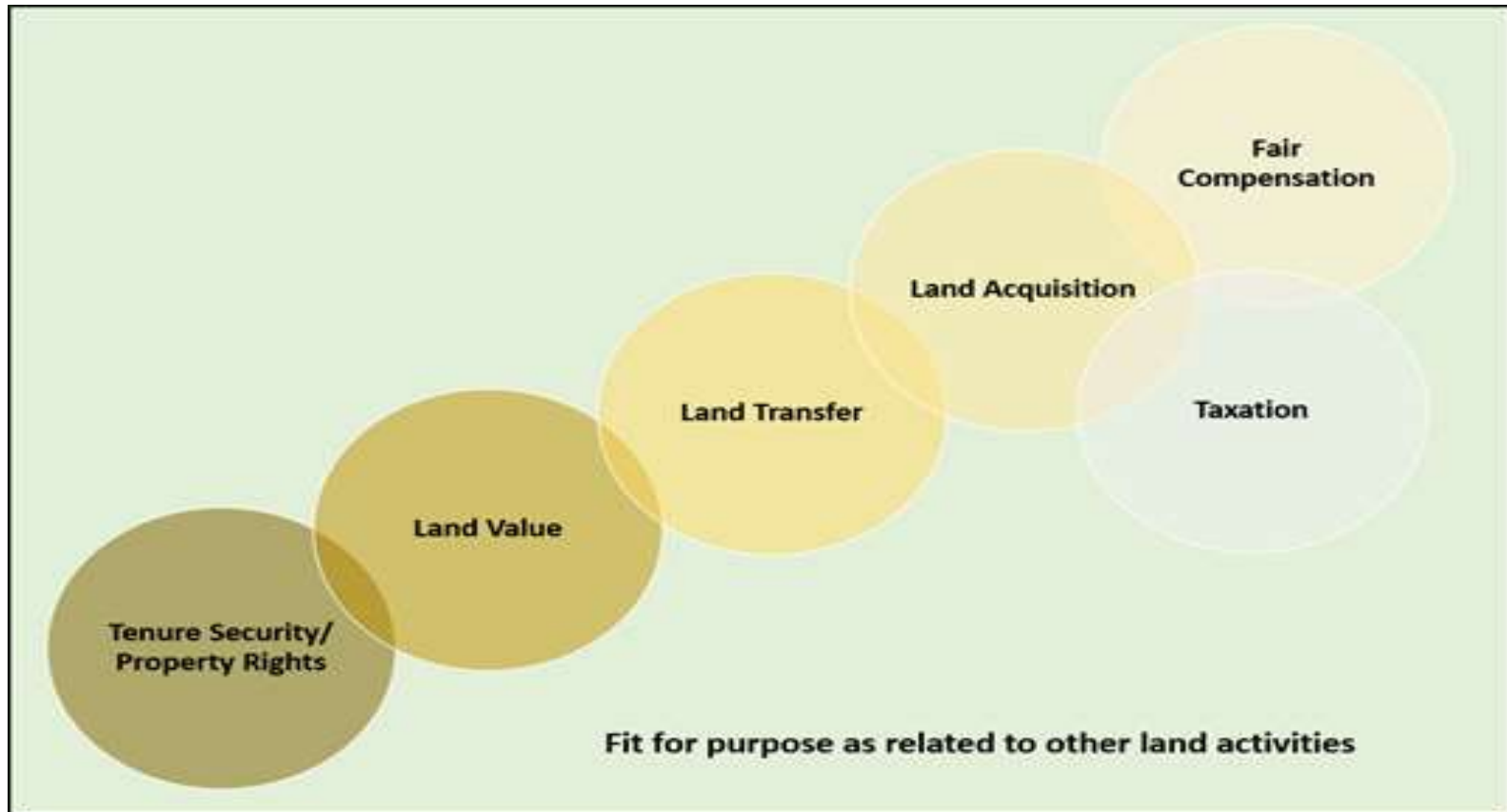
ILMS will be a strong international, principles, based standard, in the public interest, focused on key land information elements, as required to de-risk and aid the process of transaction and strengthen land tenure security, land rights, investment, government revenue raising and economic development.

- Inaugural meeting of 24 coalition members at FAO HQ, Rome
- Coalition officially launched Oct 2016 (30 members – new members can join anytime)
- ILMS officers elected
- ILMS Standards Setting Committee formed Jan 2017
- Milestone dates: World Bank Land March 2017/18 & FIG 2017/18
- Initial global consultation: Dec – Feb 2018
- Exposure draft consultation: May – Sept 2018



ILMS – fit for purpose connectivity

Fit for purpose as related to other land activities



The 7 key land information elements of ILMS

- Both a standard and a framework for reporting
- Aim to reduce risks in the land transfer process by creating consistency of application and facilitating and supporting land governance, robust conveyancing, secure lending and land registration
- Goal: to support global consistency by setting standards for classifying, defining, measuring, analysing, presenting and reporting land information
- Can be applied at a project, regional, state, national or international level
- 7 key elements required during a ‘due diligence’ process
- Attribution of ‘value’ as a form of tenure securitisation
- Creates land data feedback ‘loop’ where elements such as valuation can be improved as land data becomes available
- Flexibility to take informal data sources and add a ‘risk’ status
- Potential for use with Blockchain technology or traditional systems
- A ‘tractor engine for a tractor’

ILMS in practice

World Bank Land & Poverty Conference 2018

Modernising Land Service delivery through the application of a continuum approach:
Examining the Appropriateness of the International Land Management Standards (ILMS)
– Kat Grimsley George Mason Uni, James Kavanagh RICS

- **3 Countries: Mozambique, Peru, United Kingdom**
- **3 Acquisition Scenarios: Large-scale infrastructure, Investment, Urban Informal**



Source: Wikipedia



Credit: P. Smith



Credit: Robin King /

- ▶ Scenario 1:
Large-scale acquisition
of infrastructure
- ▶ Scenario 2:
investment
- ▶ Scenario 3:
acquisition of informal
property in urban context



Challenges under Scenario 3:

- 1) Lack of reporting: there is no impetus for use of ILMS under informal transactions
- 2) Lack of awareness: uneducated parties are unaware that surveys or the ILMS exists
- 3) Poverty: parties are unlikely to be able to afford a valuation survey, with or without an ILMS component
- 3) Fear: disincentive for compliance even by those that are aware of and can afford the service
- 3) Corruption

Connectivity



Computational
and Co
Recommendations



FIG Commission 9 – Valuation



Valuing

A technical guide on valuation
Guidelines on the Resilient
Forests in the Context



REPORT 01 / 2018



VALUATION OF UNREGISTERED LANDS

A Policy Guide

SECURING LAND AND PROPERTY RIGHTS FOR ALL



Conclusions

- Bring consistency and transparency to an opaque and often corrupt process
- Help strengthen land security and property rights by helping legitimate owners realise the economic value of their rights
- Bring land professionals closer to the investment community
- Bring connectivity between the 'soft law' instrument's of VGGT & 'hard' standards such as LADM
- De-risk the internal and external investment in land and property
- Enable the use of 'informal data sources' and highlight risk
- Aid efficiency and fair compensation in Large Scale Land Acquisition
- Help deliver large scale infrastructure and sustainable urban expansion
- Enable technology by creating a robust land acquisition data format

Contact - ILMS

ILMS Coalition officers:

Chair : James Kavanagh jkavanagh@rics.org
Vice Chair: Maurice Barbieri maurice.barbieri@clge.eu
Secretary General: Pedro J. Ortiz pjortizt@gmail.com

ILMS Standards Setting Committee SSC

Chair: Rob Mahoney robmahoney@mahgeo.com
Vice Chairs : Duncan Moss Duncan.Moss@os.uk
Thomas Jacubeit Jacubeit@jacubeit.de
Executive Sec: Alexander Aronsohn aaronsohn@rics.org

Join the ILMS coalition @ jkavanagh@rics.org

Consultation: <https://consultations.intstandards.org/consult.ti/ilms/consultationHome>