



Real Property Valuation Use of Valuation Data

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Valuations

- Land Board
 - Mass valuation for land taxation purposes (in co-operation with private valuers)
 - Valuation of state land sold in public auctions (in co-operation with private valuers)
 - Real Property Transactions Database
- Private sector
 - Valuation of properties by qualified valuers

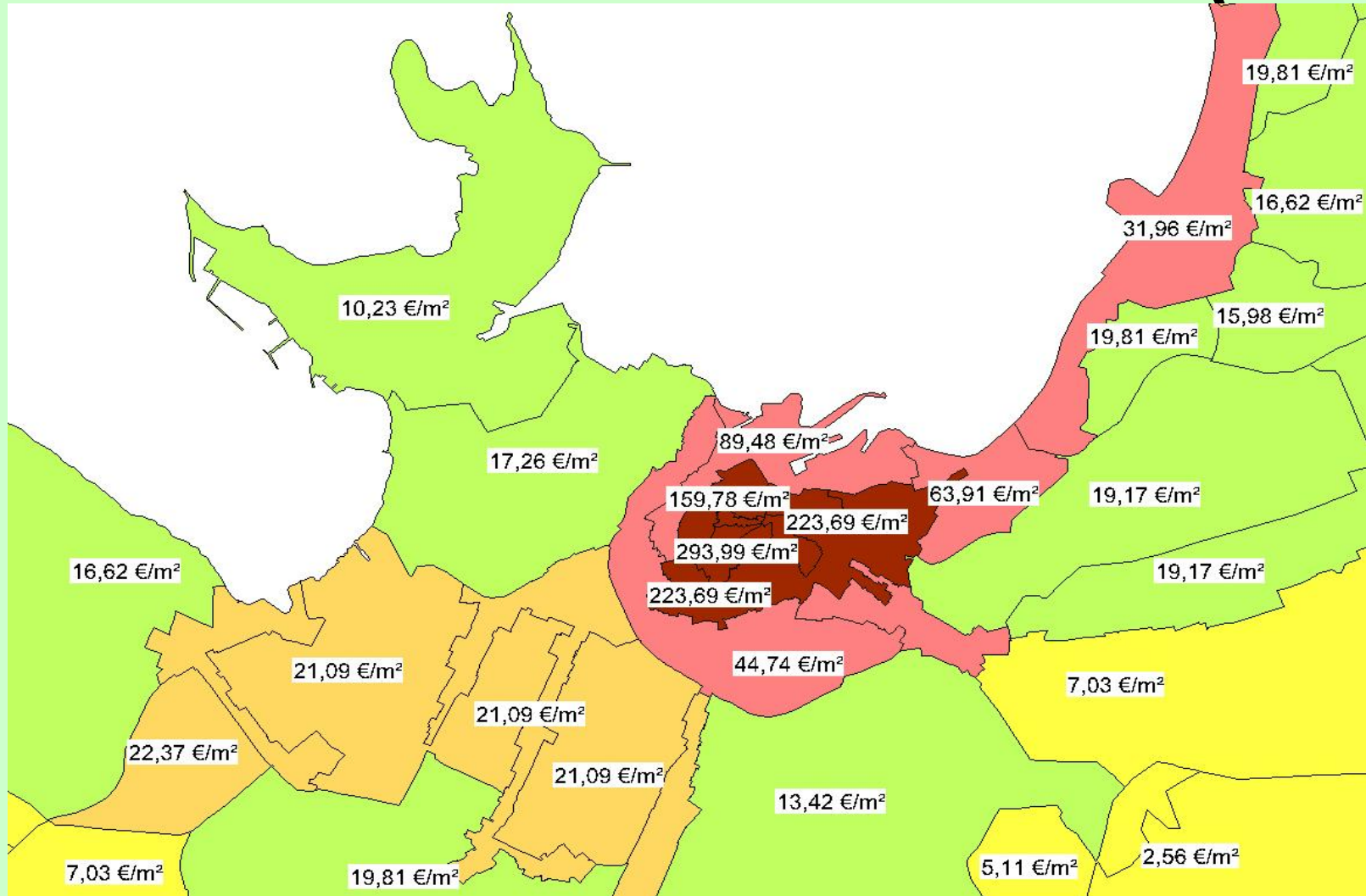


Mass valuation of land

- Valuations - 1993, 1996, 2001, next valuation?
- The carrying out of mass valuation shall be decided by the Government of the Republic on the proposal of the Minister of the Environment
- In 2001 based on information in Real Property Transactions Database
- The results include maps of value zones and a list of the value of land by value zones and intended purpose
- In total ~1000 land value zones and ~5000 agricultural land zones (based on soil fertility)

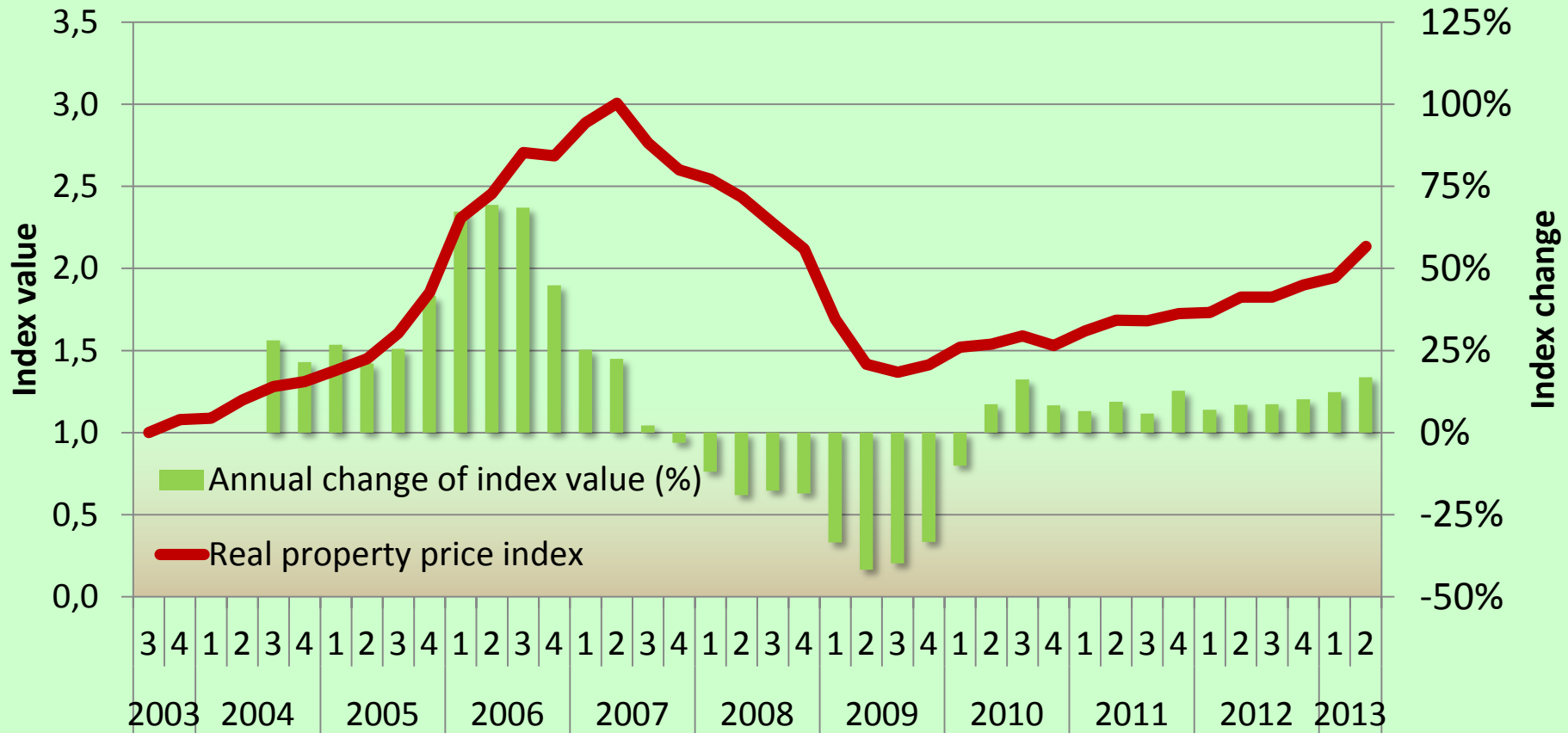


Values of residential land in Tallinn (2001)





Real property price index (2003 III = 1)



*Index includes the following market sectors: immovables, apartments and residential land with buildings.

Source: Estonian Land Board, Database of Transactions



Land Tax

- Land Board responsible for valuation
- Tax and Customs Board - tax collection
- Local Government – taxpayers information
- Revenue in 2012 ~59 million EUR
- National tax, 100 % of revenues to local budgets
- Tax rate within limits (annually decided by local councils) of 0.1 - 2.5 %
 - Rates for agricultural land are: 0.1- 2.0 %



Public auctions of state properties 1

- Land that is not needed by the state
- State assets may only be transferred for a fee that corresponds to their usual value, unless otherwise prescribed by law. The usual value of an object is its average local selling price (market price)
- Starting prices are determined by Land Board (based on data in transactions database – database is a part of cadastre)
 - In addition complex valuations made by private qualified valuers



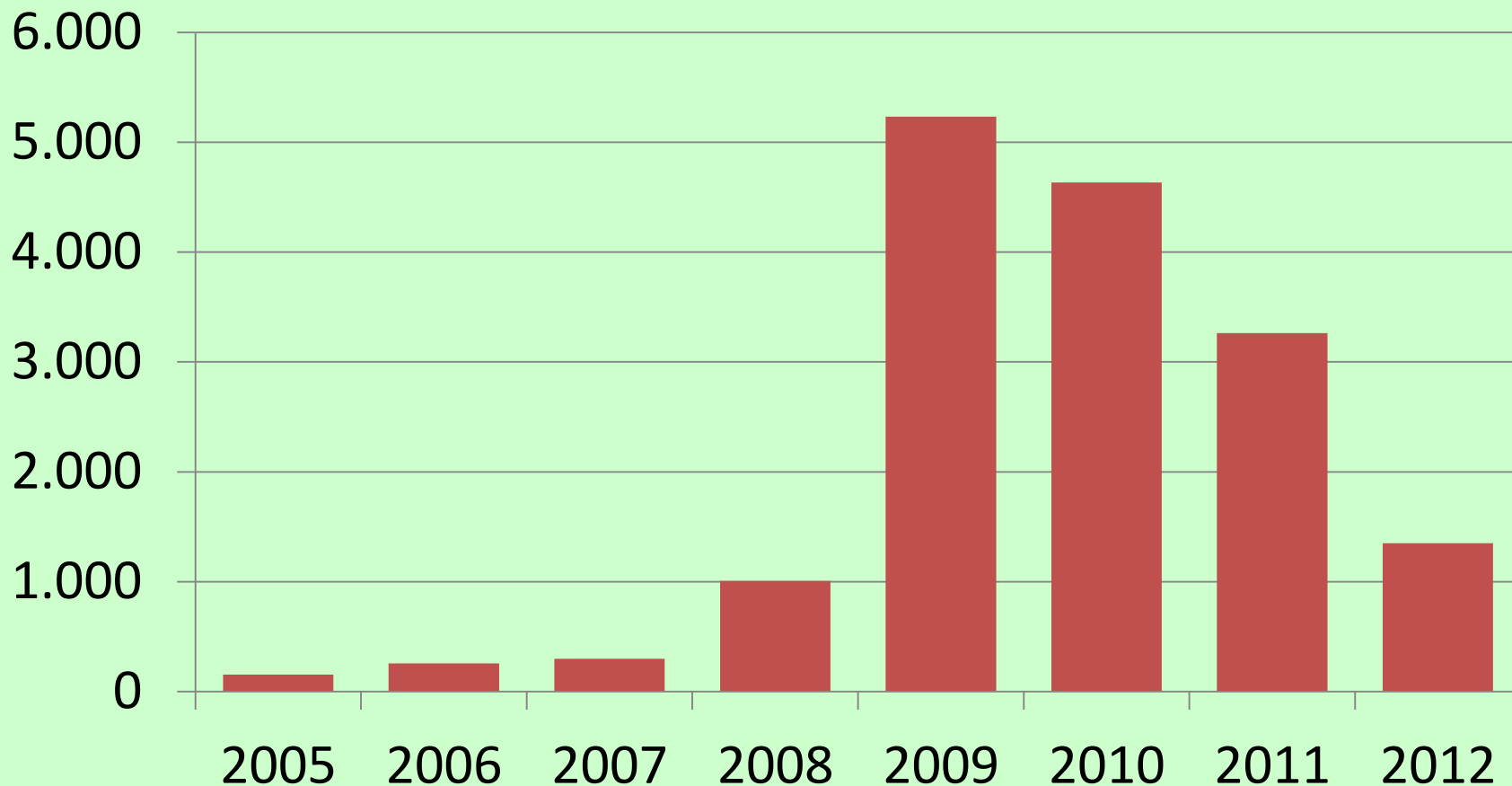
Public auctions of state properties 2

	2009	2010	2011	2012
Sold properties	1 581	1 953	1 401	754
Sold area (ha)	16 670	18 476	14 793	6 778
Total price €	34,49 mln	32,36 mln	26,53 mln	15,67 mln

2012 - 86% of sold properties were with profit yielding land (mostly forest and arable land)



Valuations to determine starting prices



*Valuations determined by Land Board, includes repeated valuations and discounts.



Auctioned land and other sales

	2009	2010	2011	2012
Number	11%	18%	13%	7%
Area	14%	20%	16%	7%
Total price	10%	15%	12%	7%

	2009	2010	2011	2012
Profit yielding land	15%	22%	17%	8%
- forest land	18%	27%	19%	7%
Residential land	7%	11%	6%	6%



Real Property Transactions Database

- Information from 1996
- At the moment ~535 000 real property transactions
- Transactions in 2012 ~47 000
- Data Collection - electronically from notaries
- Access restricted



Information to the public

- Query of Real Property Price Statistics – online reports from transactions database
 - <http://www.maaamet.ee/kinnisvara/htraru/>
 - www.maaamet.ee Sphere of Activity – Land Valuation – Query of Real Property Price Statistics
- Real Property Price Index (published quarterly)
- Annual reviews of Transactions Database



Qualified valuers 1

- Coordinated by Estonian Association of Appraisers
- Valuations based on Estonian Valuation Standards
- Most of valuations for banks in purpose to buy property with loan
 - bigger banks make inside valuations
- Ca 65 valuers today, 3 levels



Qualified valuers 2

- The licence in land valuation
 - issued by Land Board
 - access to Transactions Database
 - valuation of state land, mass valuation, expropriation, etc
 - today 33 valuers
- Court experts having a special authorization by their own system



Conclusions

- Estonian Land Board in co-operation with private sector performs only mass valuation of land for taxation purposes and valuations to determine auction starting prices
 - Both valuations are very time costly and expensive in case making individual valuation reports for every property



Thank You!

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