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Is the attribution of ‘value’ a precursor to the establishment of land & property rights?

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Valuation of Unregistered land – what's the problem? World Bank 2015

- **'Valuation' can be applied to rights in unregistered land and property**
- **Enabling a 'trade' in land and property rights**
- **Lack of market data and professional capacity**
- **'The development of transparent and active property markets are pre-requisites for valuers to undertake traditional methods of valuation, which are well capable of dealing with the risk associated with unregistered land title.'**
- **Valuation – a social construct which relies on transparency, data, trust and market information**

Insurmountable issues? – The Wicked Problem©

- **Compulsory acquisition/purchase**
- **Taxation** – *‘The strength of a property based tax rests on the robustness of the valuation of property on which it is levied’*
- **Investment – Infrastructure (Indonesia/UK examples)**
- **Risk**
- **Lack of market data – comparable methodology**

IVSC def of ‘market value’

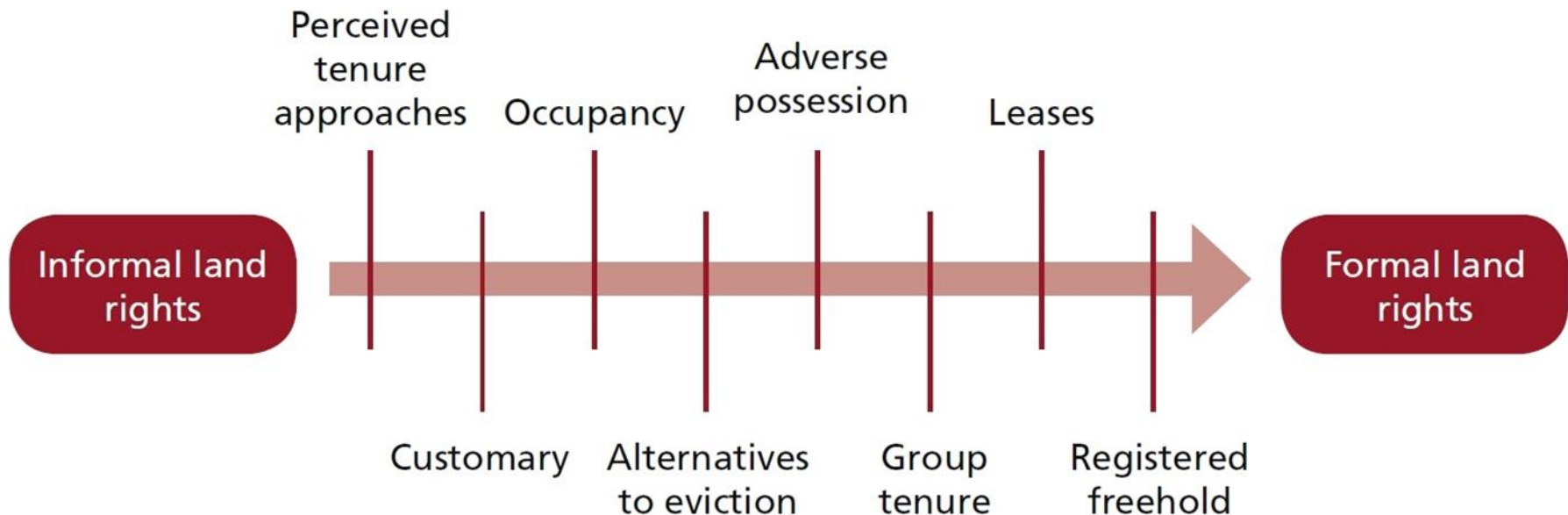
“Market value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arms length transaction, after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion.”

Continuums

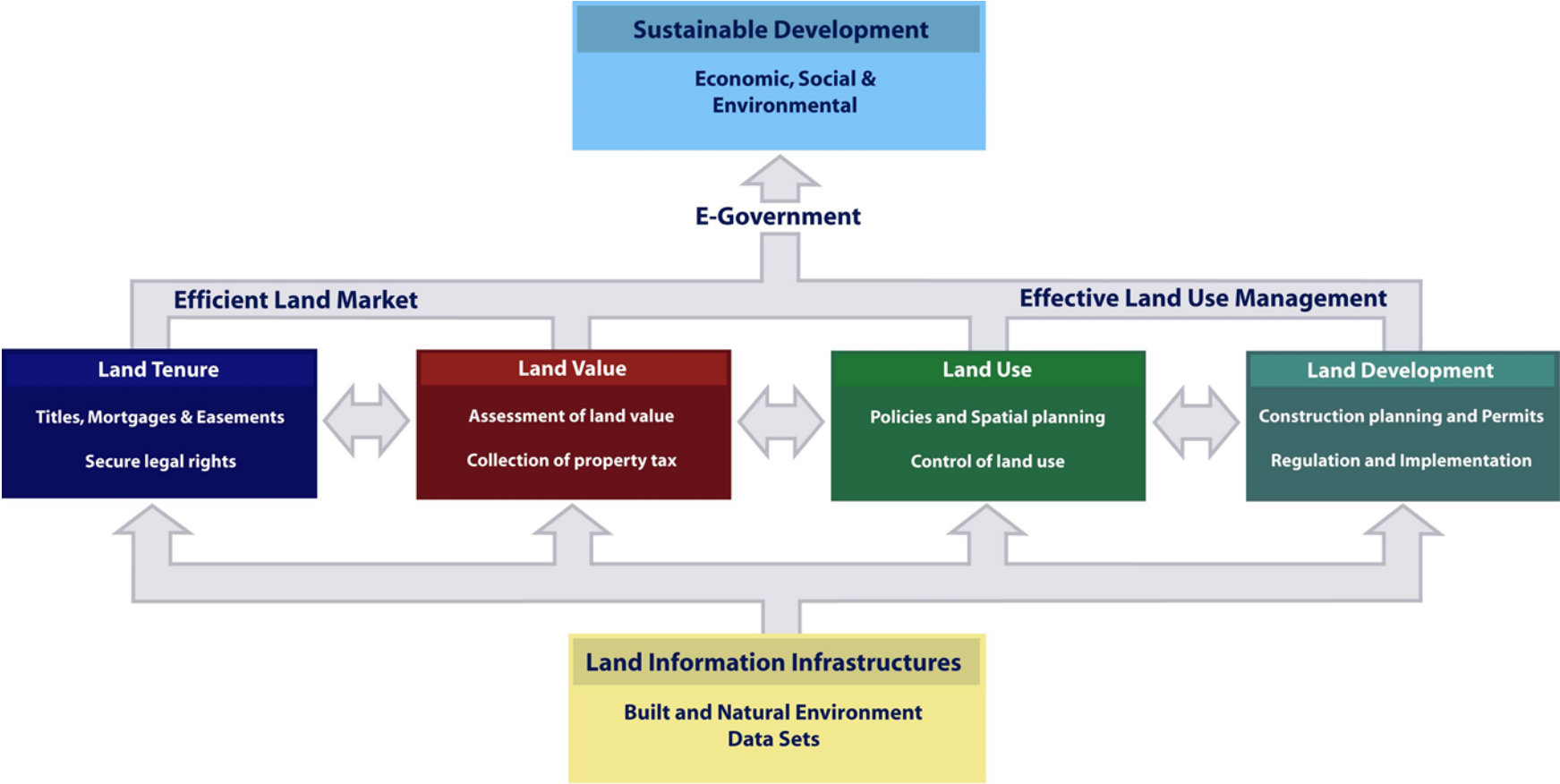
Freehold/fee-simple, Leasehold, Usufruct, Commonhold, Customary

Continuum of Land Rights – connected to 'Value' due to a reduction in 'risk'?

Complexity and unforeseen outcomes – supply and demand



Attribution of 'value' and establishment of land/property rights



Attribution of 'value' and establishment of land/property rights

Ecosystem of Shared Value Enabling Banks to Lend to Farmers

Building mutually beneficial bridges between:

- Banks & Governments
- Governments & Farmers
- Farmers & Banks



- Access to New Customers
- Unlock \$450bn market opportunity
- Compete in new markets



- Increased Farmer Productivity
- Improved Access to Information
- Reliable / affordable capital
- Improved Access to financial services

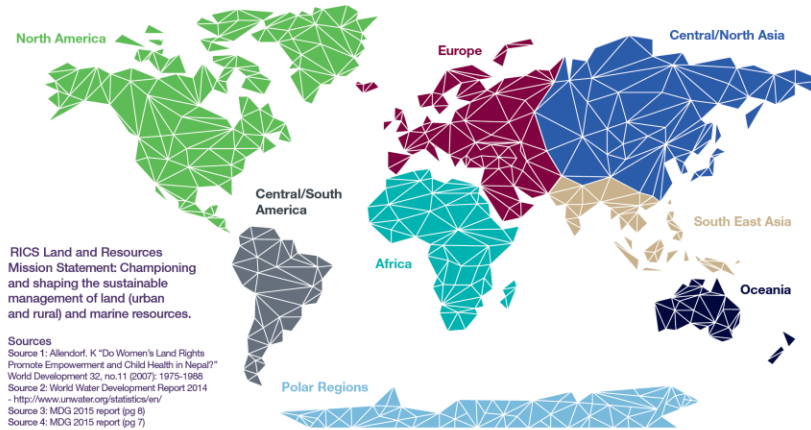


- Increase Financial inclusion
- Better Mapping & Documenting of Land Rights
- Improved Agriculture financing

Attribution of 'value' and establishment of land/property rights



Land and resource issues across the world Confidence through professional standards – November 2015



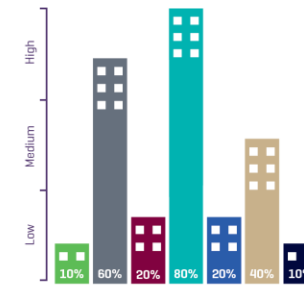
Land professionals

Key fact: Europe, China, India and the US comfortably fit into Africa's landmass but it has less than 10% of their land professionals.



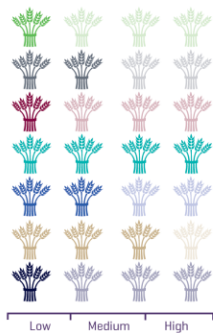
Unregistered land and property %

Key fact: Approx 70% of land and property is unregistered in the formal system.



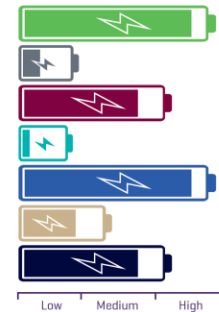
Food insecurity

Key fact: Children whose mothers own land are 33% less likely to be severely underweight (source 1).



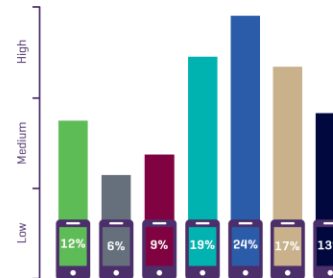
Energy consumption

Key fact: Global energy demand is expected to grow by more than 1/3 over the period to 2035, with China, India and the Middle Eastern countries accounting for about 60% of the increase (source 2).



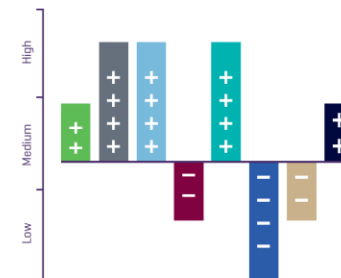
Technology – mobile usage as % of global web traffic

Key fact: The number of mobile-cellular subscriptions has grown almost tenfold in the last 15 years, from 738 million in 2000 to over 7 billion in 2015 (source 3).



Ecosystem credit and debit

Key fact: Terrestrial and marine protected areas in many regions have increased substantially since 1990. In Latin America and the Caribbean, coverage of terrestrial protected areas rose from 8.8 per cent to 23.4 per cent between 1990 and 2014 (source 4).



Attribution of 'value' and establishment of land/property rights



40% of the world's urban expansion is taking place in informal settlements, including favelas, slums and shanty towns. The lack of basic infrastructure and tenure security can create an environment of constant fear and instability.

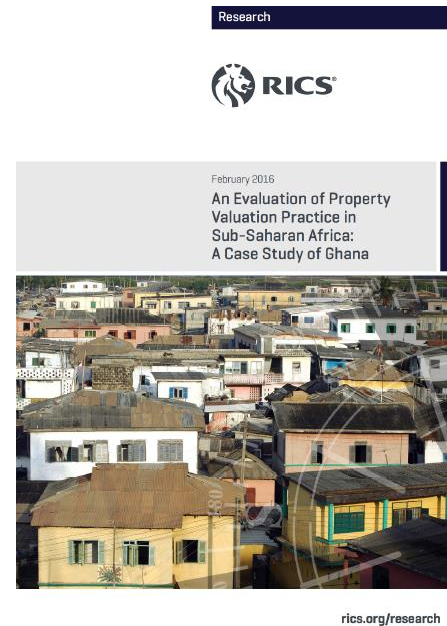
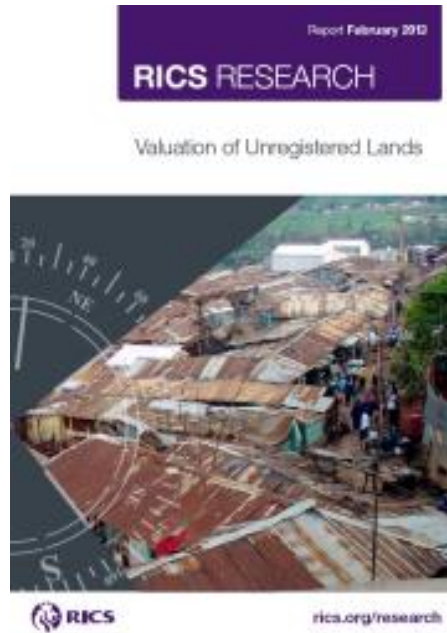


International Standards

High level principles based, collaboration, coalitions and owned by all

- **Ethical Standards IES**
- **Valuation Standards - IVS**
- **Land Standards – reporting and measurement - ILMS**
- **Property Measurement – IPMS**
- **Construction Measurement - ICMS**

Current Initiatives



Global Land Tools Network GLTN, FAO

KPMG & Thomson Reuters

FFP as applied to land and property valuation (Para-Valuers)

Conclusions

- **Valuation as major element of Land Admin**
- **Capacity building and the profession – bringing 'valuation' to land professionals**
- **Political will**
- **Innovative methods of finance, investment, implementation**
- **Fitness for purpose, Secure Enough**
- **International standards – acceptance of a minimum threshold**

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