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3D Property Formation Review

Current situation, alternatives, legislation reform

Markku Markkula
Deputy Director-General National Land Survey (NLS)
3D Properties in Finland
Helsinki June 2nd 2017



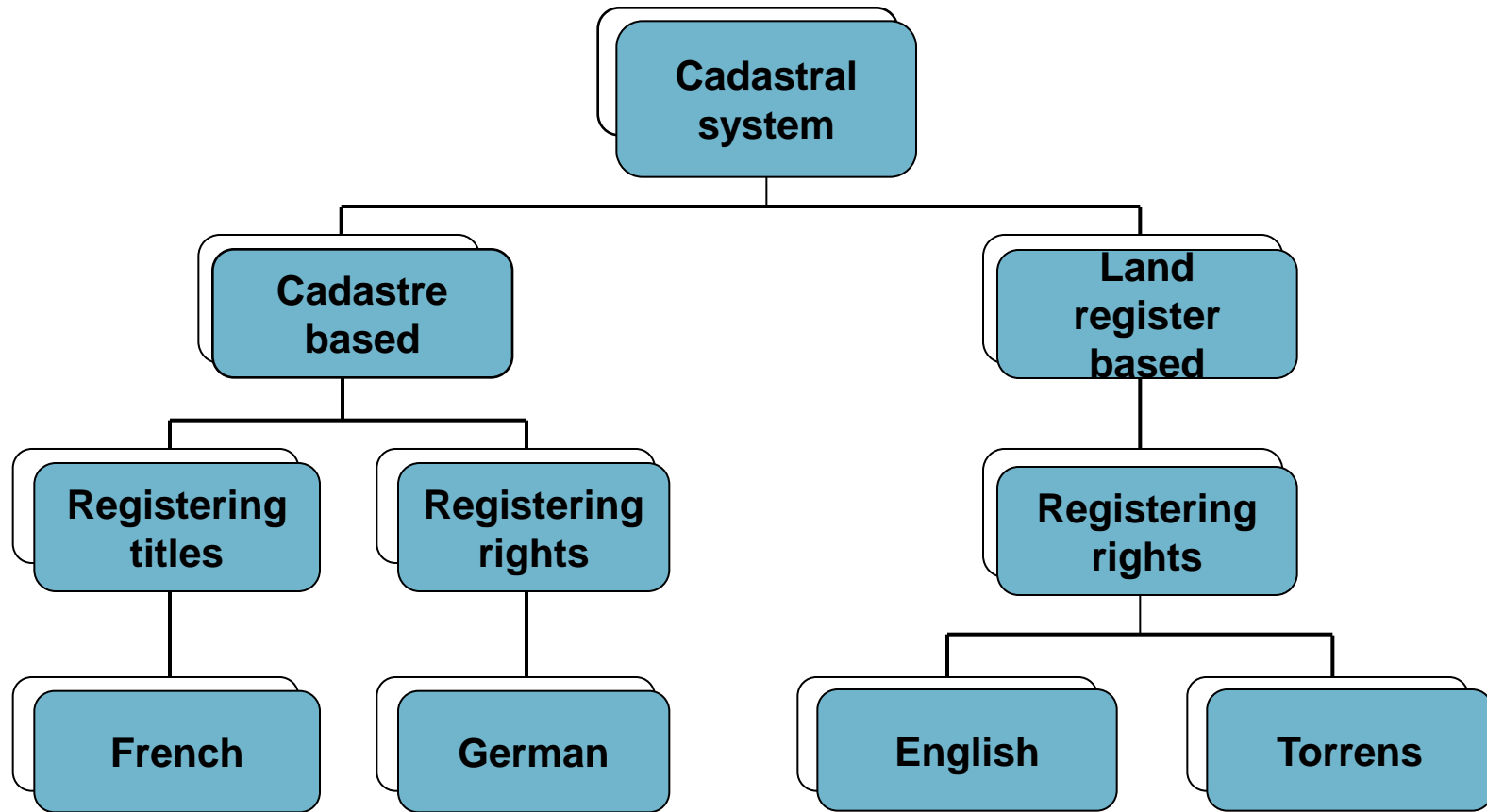
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- Why do we need 3D?
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- Joint arrangement, 3D easement or building easement?
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- Legislative project?



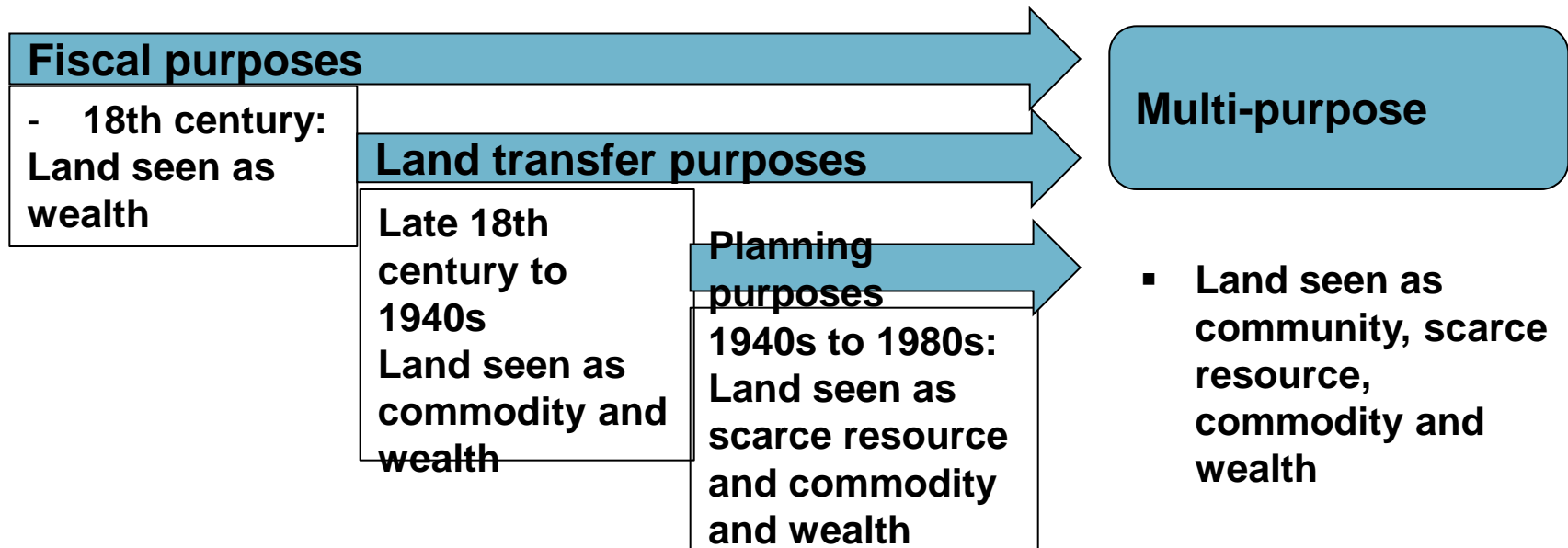
Cadastral Systems and their Western Types

(Larsson 1991, Henssen 1995 and FIG 1995)



Evolution of Land Administration Infrastructure

(according to Williamson 1999)



The Real Estate Register Act

The following are entered into the Real Estate Register as real estates:

- 1) estates;
- 2) plots of land;
- 3) public areas;
- 4) State-owned forest lands;
- 5) conservation areas (conservation areas) founded on a State owned area in accordance with the Nature Conservation Act or the legislation in force prior to it;
- 6) areas partitioned based on redemption (redemption units);
- 7) areas partitioned for public needs;
- 8) separate reliction (vesijättö) areas;
- 9) public water areas.

3D Cadastre

- ❖ A new type of property in the Cadastre?
- ❖ Unseparated 3D parcel?
- ❖ 3D right-of-way?



Premises

- ❑ Clarity of the real property system
- ❑ A 3D property is the equivalent of an "ordinary" property
 - Ownership, conveyance, parcelling (subdivision), mortgaging, expropriation
- ❑ Additional tool for implementing a zoning plan
- ❑ Decreasing the need for contracts
- ❑ Property formation based on zoning plan and plot division



Matters to be solved

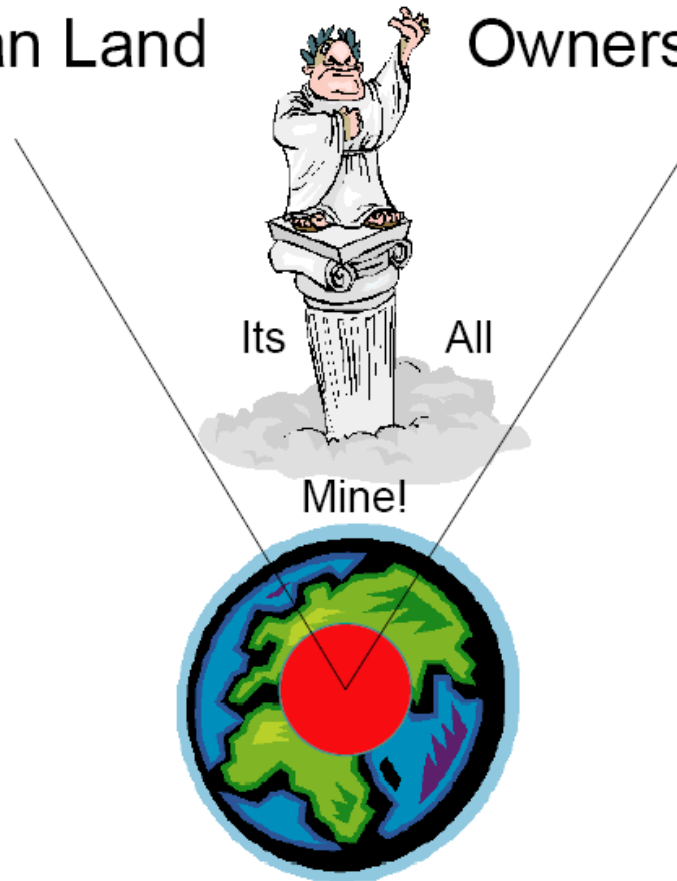
- ❑ Acquiring the right to own a 3D property
- ❑ Relationship between a 3D property and a basic property
- ❑ Technical questions
 - Managing the size and vertical scope of 3D properties
 - Register entries
 - How to show 3D properties on a map
- ❑ No technical barriers to implementation



Not a new concept

Roman Land

Ownership



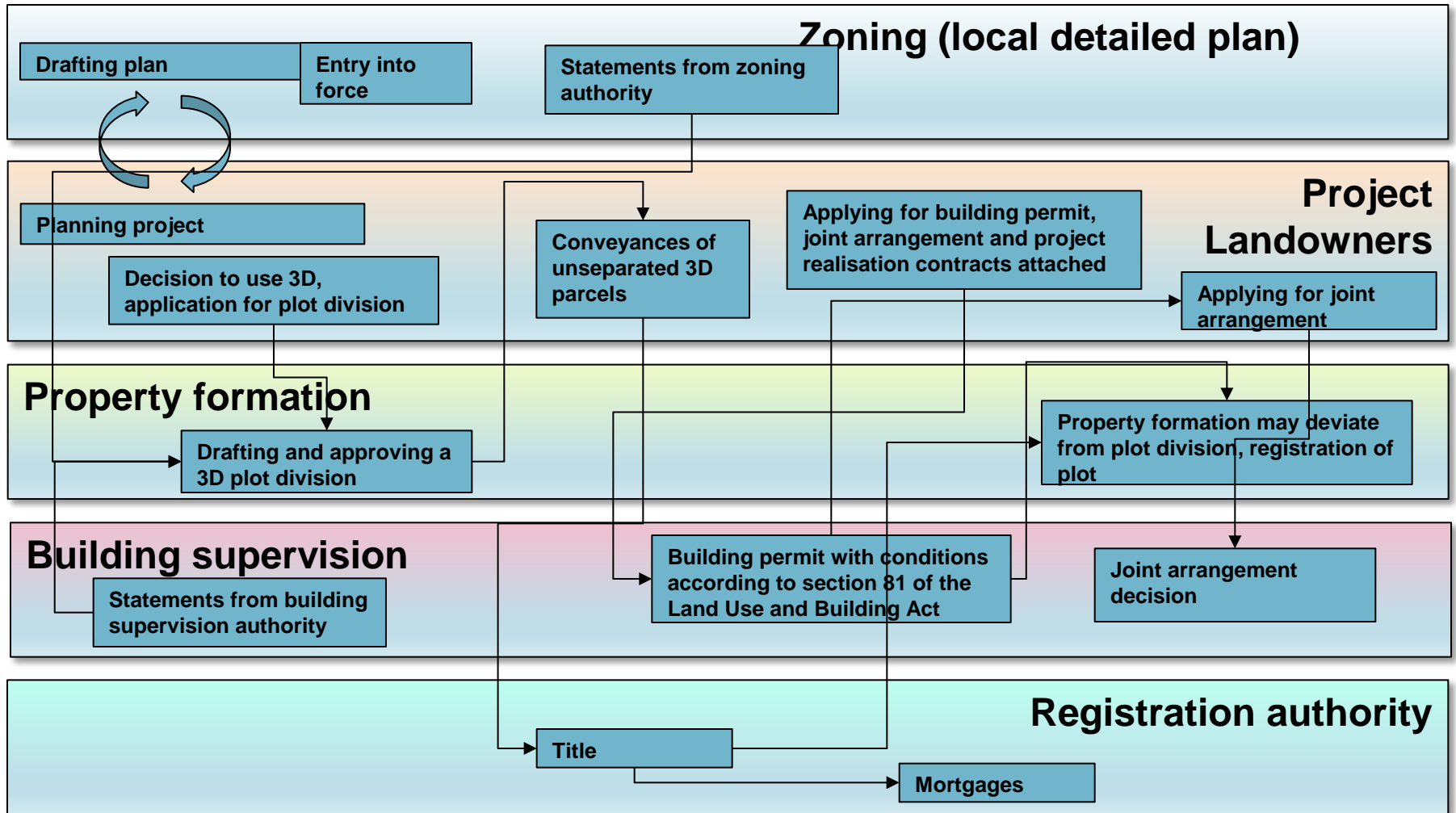
When is three dimensionality justified?

- Urban area, zoning plan with legal force and binding plot division with legal force
- Only if ordinary 2D properties are insufficient
- The trustworthiness and unambiguity of the property and securities system must remain intact
- A 3D property is the equivalent of an "ordinary" property
 - Ownership, conveyance, parcelling, mortgaging, expropriation
- Basic properties and 3D properties do not need identical boundaries

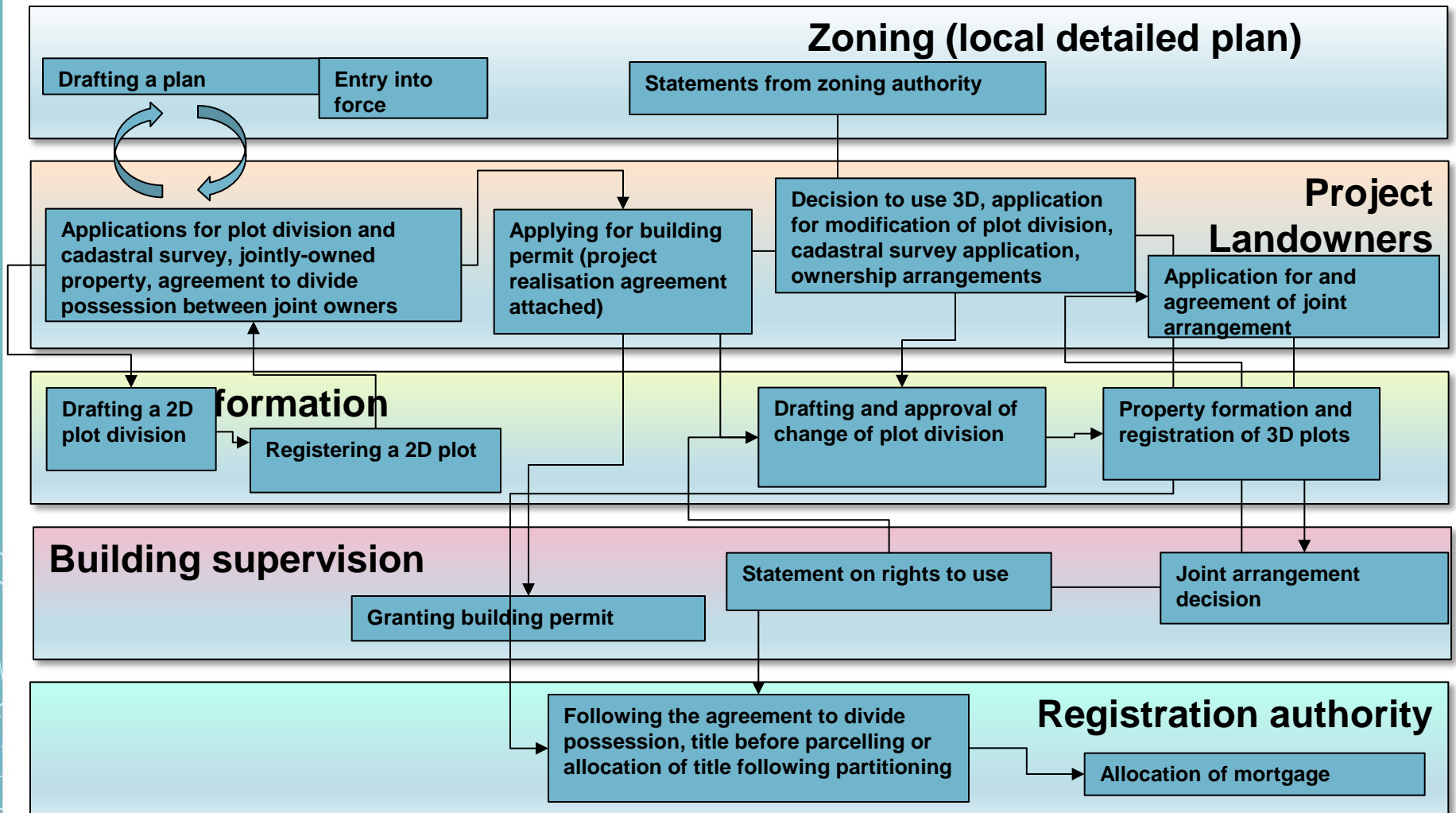
Process of 3D property formation

- **Four basic cases**
 - 1) **Landowner conveys building sites as unseparated 3D parcels.**
 - 2) **Landowner conveys building sites as complete 3D properties.**
 - 3) **Firstly, a 2D property conforming to a local detailed plan is formed whose ownership is split into shares. Then a building permit is granted, plot division changed and 3D properties are formed by parcelling or partitioning.**
 - 4) **The joint owners of an existing building wish to divide it up between themselves by creating several 3D properties.**

Case 1 – Stages



Case 3 – Stages



Connections to local detailed plan and building supervision authority

- ❑ Even an old zoning plan can be the legal grounds for 3D property formation
- ❑ Possible to get building permit without registering parcelling of plot
- ❑ Plot division possible even below ground
- ❑ For example, an area allocated C in an old local detailed plan could be object of 3D property formation



Contract of cooperation and implementation

- ❑ Always based on zoning plan and binding plot division
- ❑ Cooperation and project realisation agreements could also be the basis of agreements on premises located on top of one another, including ownership structures
- ❑ Agreements also to dissolve joint-ownership relationships based on shares
- ❑ Include joint arrangements between properties as specified in section 164 of the Land Use and Building Act – lift shafts, staircases, common rooms etc.



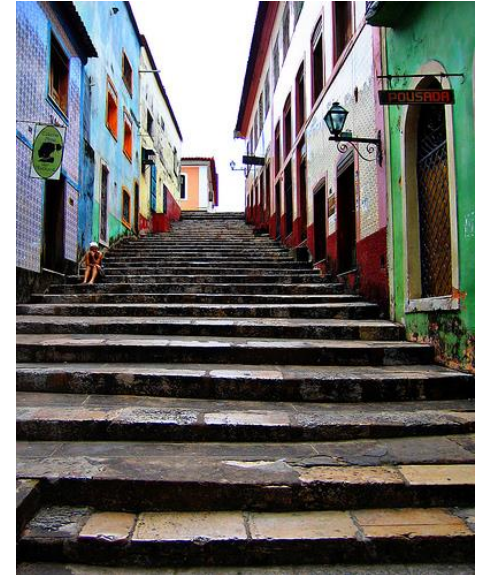
Easement or joint arrangement?

- ❑ A traditional easement can be used to arrange underground access to parking through a volume owned by someone else.
- ❑ Building easements based on decisions by building supervisory authorities are related to the mutual obligations of several 3D properties and other ownership units.
- ❑ A joint arrangement (facility) between properties as specified in section 164 of the Land Use and Building Act is probably the most flexible way to arrange the relationships between 3D properties.
- ❑ All three may be needed to arrange the contractual relationships between 3D properties.



Is mandatory purchase necessary?

- ❑ The realisation of 3D premises above ground should in general be based on contracts governed by civil law.
- ❑ In the acquisition of underground premises, expropriation proceedings as specified in e.g., the Act on Redemption, section 96 of the Land Use and Building Act and section 62 etc. of the Real Estate Formation Act on the acquisition of a part of a plot by expropriation to ensure one owner for the plot



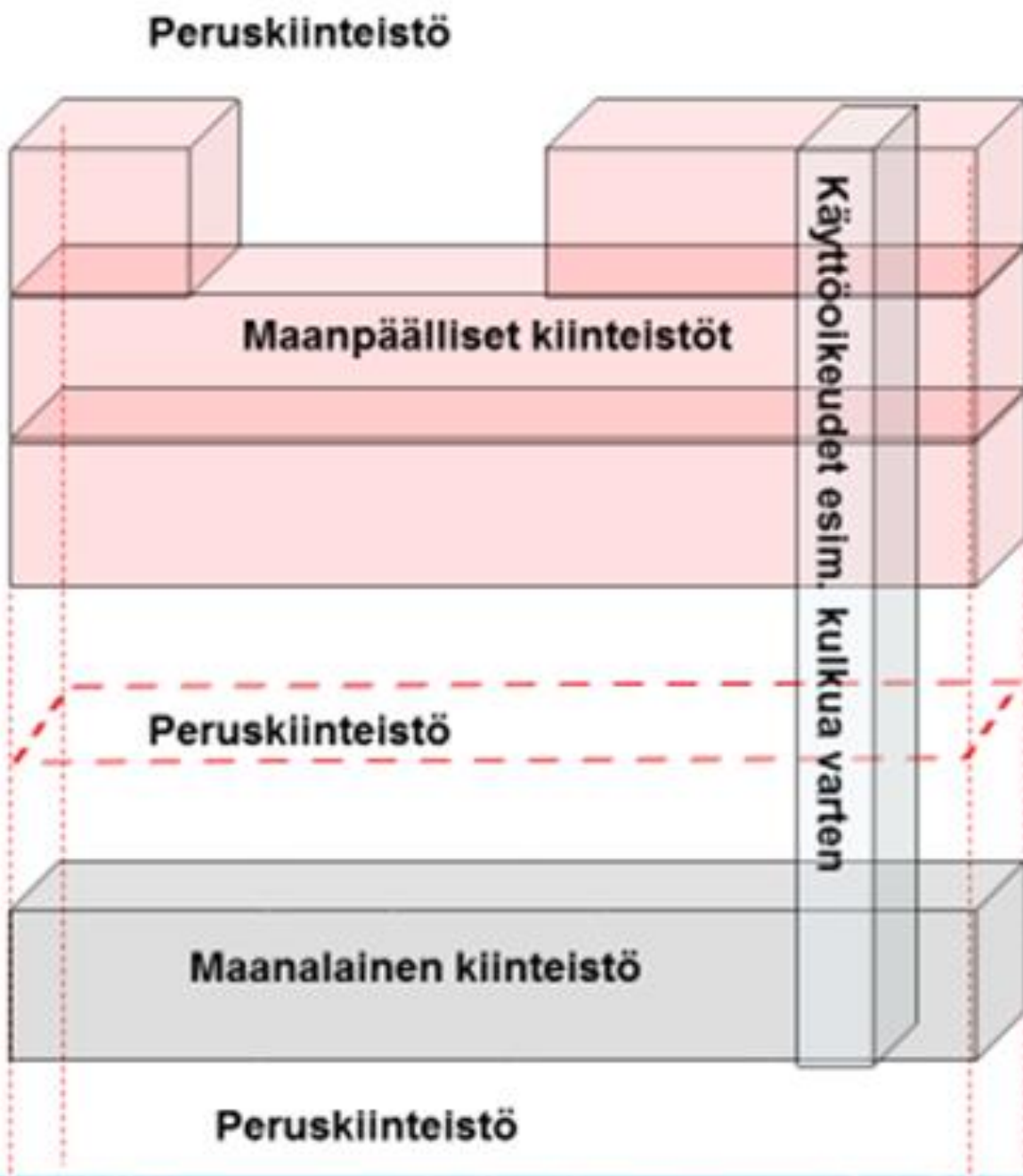
Differences between projects above and below ground

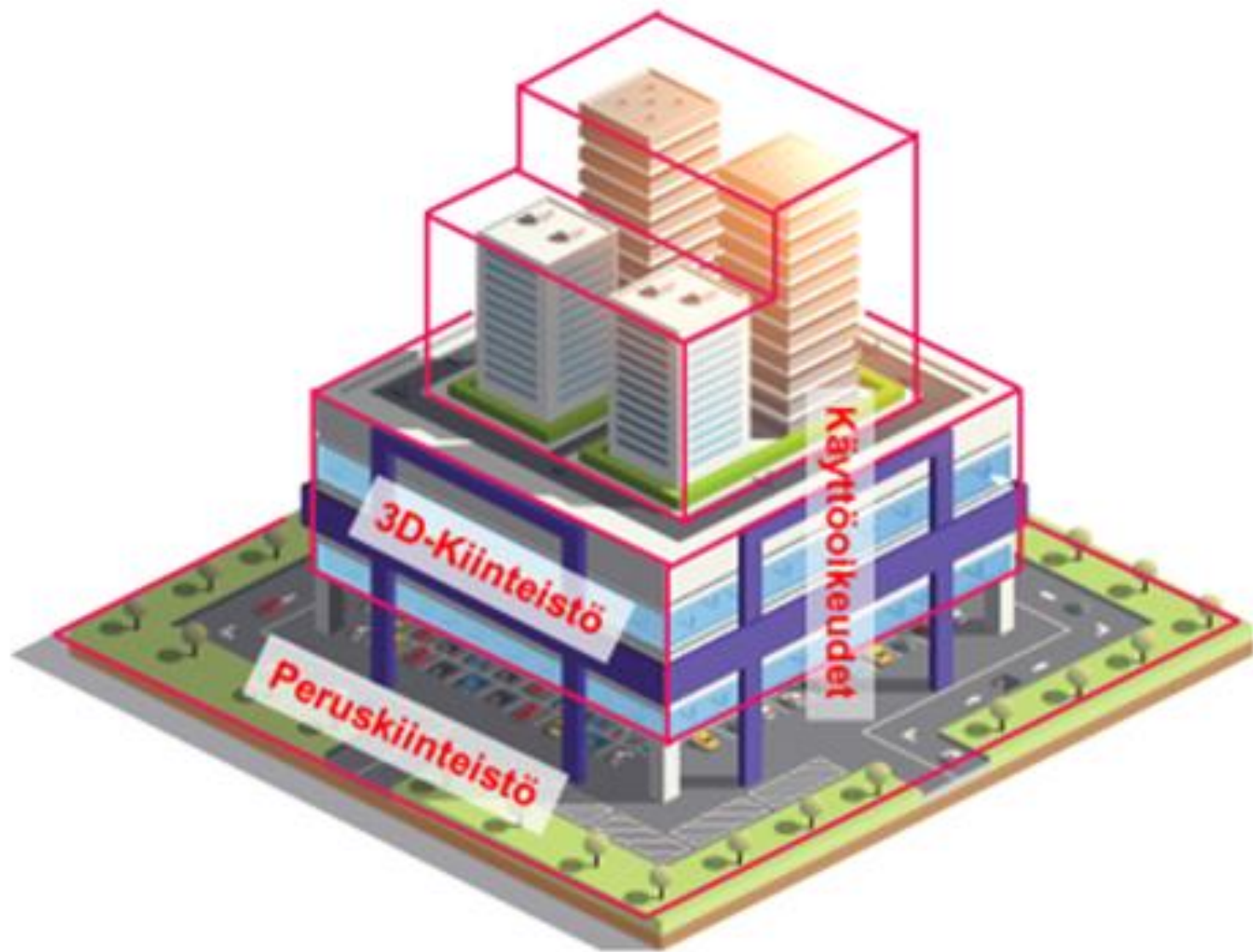
- ❑ The realisation of a project above ground is based on the acquisition of a 2D property by one owner, if necessary through expropriation
- ❑ Contract of cooperation and implementation – normal procedure
- ❑ More extensive opportunities for expropriation in projects below ground





Periaatekuva



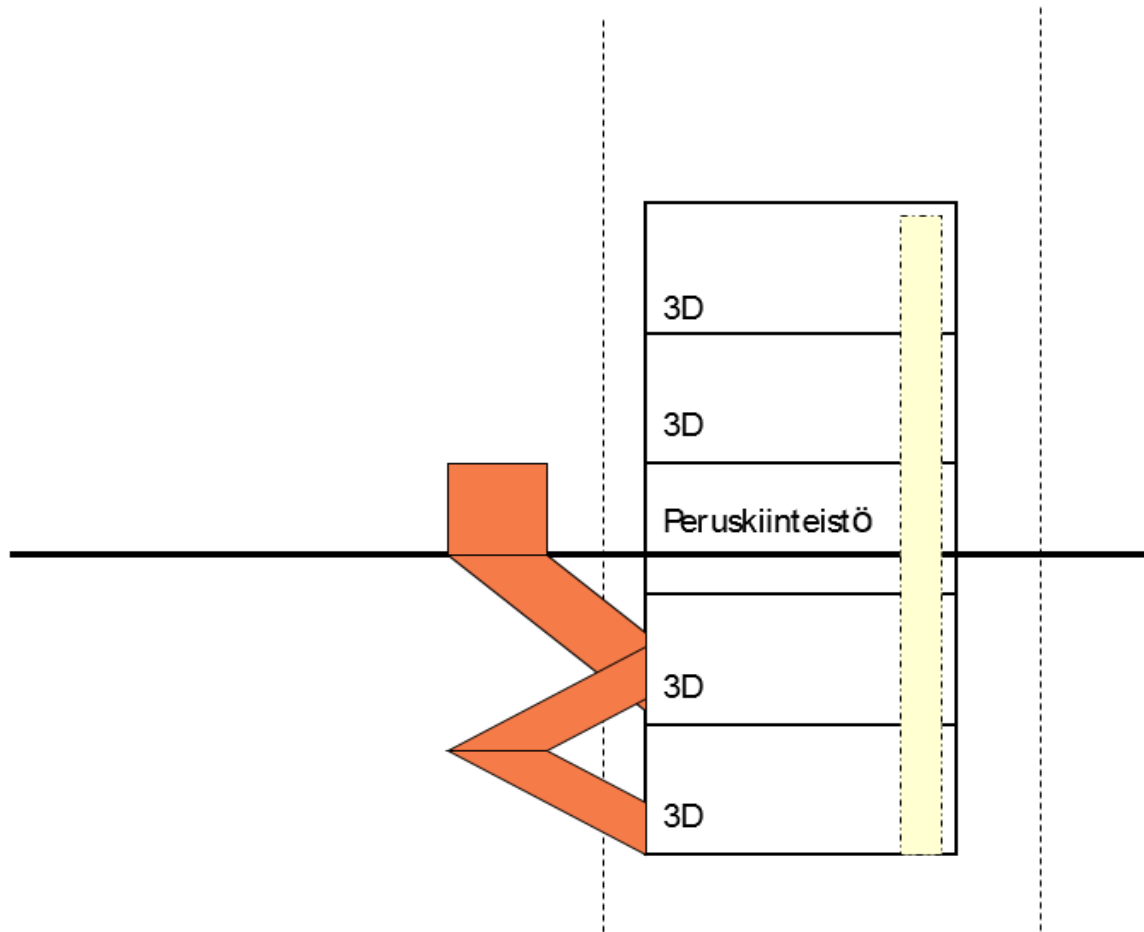


Registration in the Cadastre and the cadastral index map

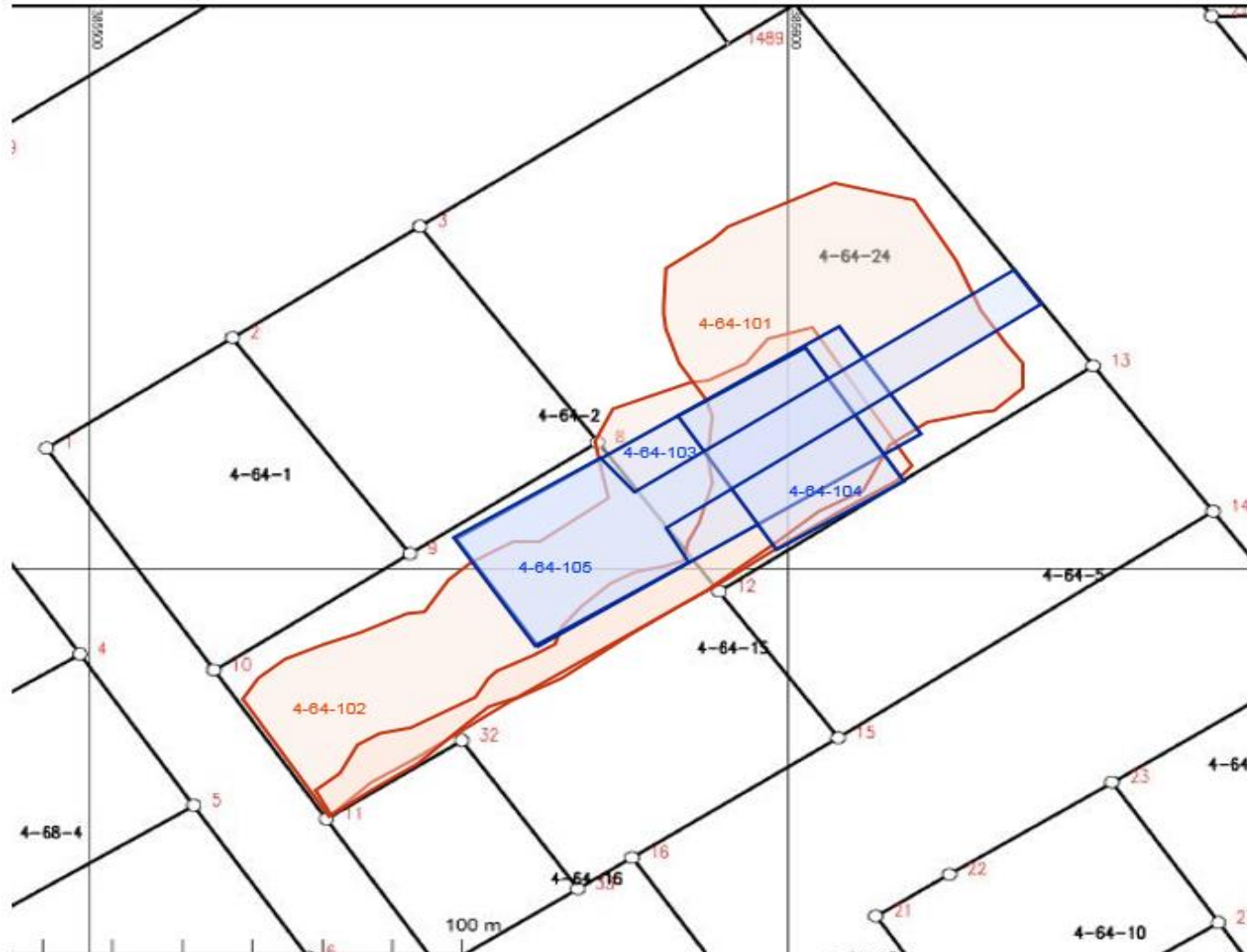
- ❑ A 3D property has entries concerning other properties above or below it.
- ❑ Laser scanned (or BIM) topographic models will replace cadastral index map in future.
- ❑ In parcelling, the dimensions and extent of a property must be unambiguously defined.
- ❑ Each ownership unit consists of one parcel of land.



This is how it works



Properties horizontally

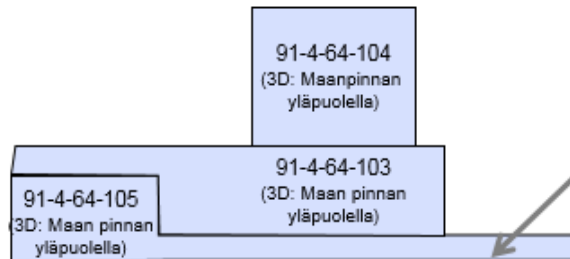


Properties vertically

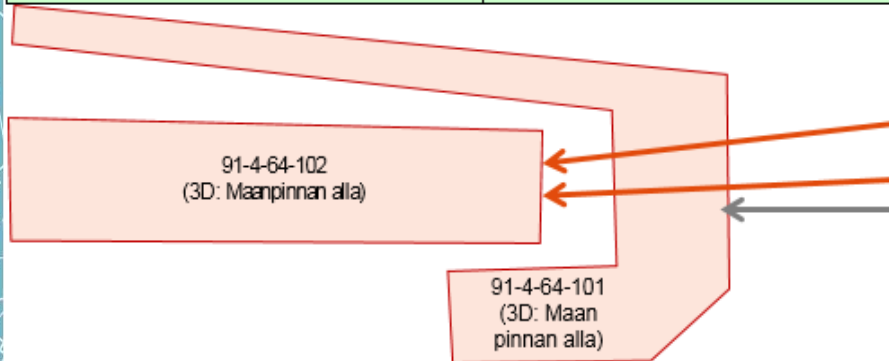
3D easements on excerpts

- 91-4-64-15
 - 2D- Maanpinnalla oleva kiinteistö
 - 3D-rasittavuus:
 - Alapuolella:
 - 91-4-64-101 (3D-Maanpinnan alapuolinen kiinteistö)
 - 91-4-64-102 (3D-Maanpinnan alapuolinen kiinteistö)
 - Yläpuolella:
 - 91-4-64-105 (3D-Maanpinnan yläpuolinen kiinteistö)
 - 91-4-64-103 (3D-Maanpinnan yläpuolinen kiinteistö)

- 91-4-64-105
 - 3D- Maanpinnan yläpuolinen kiinteistö
 - Vertikaalitaso: +20 m / +60 m
 - 3D-rasittavuus:
 - Alapuolella:
 - 91-4-64-15 (2D-Maanpinnalla oleva kiinteistö)
 - 91-4-64-24 (2D-Maanpinnalla oleva kiinteistö)
 - 91-4-64-101 (3D-Maanpinnan alapuolinen kiinteistö)
 - 91-4-64-102 (3D-Maanpinnan alapuolinen kiinteistö)
 - Yläpuolella:
 - 91-4-64-103 (3D-Maanpinnan yläpuolinen kiinteistö)
 - 91-4-64-104 (3D-Maanpinnan yläpuolinen kiinteistö)



91-4-64-15 (2D: Maanpinnalla) 91-4-64-24(2D: Maanpinnalla)



- 91-4-64-101
 - 3D- Maanpinnan alapuolinen kiinteistö
 - Vertikaalitaso: 0 m / -65 m
 - 3D-rasittavuus:
 - Alapuolella:
 - 91-4-64-102 (3D-Maanpinnan alapuolinen kiinteistö)
 - Yläpuolella:
 - 91-4-64-102 (3D-Maanpinnan alapuolinen kiinteistö)
 - 91-4-64-15 (2D-Maanpinnalla oleva kiinteistö)
 - 91-4-64-24 (2D-Maanpinnalla oleva kiinteistö)
 - 91-4-64-105 (3D-Maanpinnan yläpuolinen kiinteistö)
 - 91-4-64-103 (3D-Maanpinnan yläpuolinen kiinteistö)
 - 91-4-64-104 (3D-Maanpinnan yläpuolinen kiinteistö)

Current stage of legislative project

- ❑ The legislative working group led by the Ministry of Agriculture and Forestry, appointed by Minister Tiilikainen in 2015, has been given more time until the end of 2016.
- ❑ Representatives from the Ministry of the Environment, Association of Finnish Local and Regional Authorities, Ministry of Justice, Ministry of Agriculture and Forestry and the NLS
- ❑ The need to change the Land Use and Building Act is considered.



Finally

- ❑ Challenges set by the aims and limits of the project
 - Above ground level
 - Buildings
 - Local detailed plan
 - Boundary demarcation based on coordinates

- ❑ Cooperation between NLS and municipalities important



Finally

- ❑ The reform is seen as necessary
- ❑ A complex issue with many challenges
- ❑ Analysis of invested resources and expected benefits needed



Thank you!

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