



# FIG WORKING WEEK 2023

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## Distribution of Net Added Value from Rezoning

### A Challenging Measure in the Norwegian Land Consolidation Act

Helén E. Elvestad

Associate professor and Head of Department

Department of Property and Law

Norwegian University of Life Sciences



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## The purpose of the paper

- take a closer look at the proceedings in cases of distribution of net added value from rezoning
- focus on the challenges that arise with the use of this measure and why it is not being used to a greater extent.

## The organization of land consolidation in Norway

- Specialized court
- Judges with a masters degree in land management subjects, law, economy, spatial planning and geomatics
- 19 land consolidation courts, located 34 places, 72 judges

## Background and Method

- Traditionally, land consolidation in Norway has been practiced in rural areas
- In 2006, a new measure was introduced: The land consolidation court may distribute the net added value from rezoning between the properties that are covered by a zoning plan
- The study is mainly based on legal methods and legal sources, such as preparatory documents to the relevant acts, circulars and reports.

## Procedural rules

- Competence of the land consolidation court is regulated in section 3-30.
- How the land consolidation court shall perform its valuation is regulated in section 3-31
- How the land consolidation court shall distribute net added value is regulated in section 3-32.

## Distribution and valuation of net added value from rezoning

- The distribution is a transfer of net added value from an owner of a property with development area to another owner with property that does not have such area, or that has a worse degree of utilization for development.
- The land consolidation court must value all the plots based on "their characteristics for development purposes", regardless of the purpose in the zoning plan.

## Challenges

- Valuation of transformation areas, may be challenging.
  - No guidelines regarding such valuation
- In urban transformation areas, there is often a high degree of shared infrastructure and dependency within the development area
  - No guidance on how such situations can be resolved.

## Concluding remarks

- As of February 2023, only two cases regarding net added value have been processed
- The greatest risks for the landowners, will be uncertainty in the valuations that form the basis of new property design and matters related to the time spent, especially on appeals.
- The legal rules on net added values provide few guidelines, especially regarding valuation.
- Today's rules on distribution of net added values may work in virgin areas.