

The Need for Modern Real Estate Management in Urban Ethiopia: the Case of Bahir Dar City

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1. Introduction

Bahir Dar is the capital of ANRS, established in its present form in early 1930's, and has now the status of City Administration.

Has 13 Kebeles of which 4 are rural, and includes 3 satellite towns namely Tis Abay, Zegie, and Meshenti.

Population of Bahir Dar: 210,000

Location of Bahir Dar: 565 km N of Addis., at the Southern extreme of Lake Tana, largest lake and source of Blue Nile., has an altitude of 1800m above sea level, an area of nearly 42,000 ha.

Two types of land administration systems in Bahir Dar and other towns, namely land rent (old system) and lease systems (new system).

Major problems in Bahir Dar and other towns: e.g. housing problems, lack of efficient urban land information system., etc.

2. Land Administration, Real Estate Management and Real Estate Registration

- **Land administration:** the process of determining, recording and disseminating information about the tenure, value and use of immovables when implementing land management policies.
- It includes cadastre, land registration and land information systems.
- **Real Estate (Land) Management:** the process of managing the use and development of land resources. It is the process by which the resources of land are put into an appropriate use or effect.
- **Real Estate Registration:** the official recording of individual immovables (cadastre) and the legally recognised interests (land register).
- an important means to achieve an effective or modern real estate management.
- Land administration encompasses all these concepts.
- The context in this paper.

3. Cadastre: Purpose, Mission, Goals, and Strategies

Purpose: ensure sustainable economic development especially in developing countries such as my country, improve the efficiency to use land resources, provide incentives for development including the provision of housing and basic infrastructure, help protect the natural environment from degradation, provide efficient real estate transactions, increases government revenue, help secure ownership and related rights.

Mission: administration of all land related functions, implementation of abstract rights of subjects on defined real property objects, application of economic measurements to objects through a valuation process needed to facilitate transactions, to develop a land market and to enable property based taxation.

Goals: guarantee real property ownership, security of tenure and other rights on real property, to facilitate real property transactions through simple and efficient, transparent and affordable procedures, to improve land use planning and control and infrastructure development to promote maintenance and improvement of buildings, particularly of housing to protect the environment.

Strategies: Land reform: privatization, consolidation, agricultural land; land policies: spatial planning, land use and urban planning; cadastre modernization, real property rights registration system, land market promotion.

4. Cadastre in Bahir Dar

4.1 Introduction to Cadastre in Ethiopia and ANRS

Customary institutions and laws underlying real estate management in Ethiopia, both urban and rural.

After 1997 some policy initiatives made to establish sound land administration system- rural land registration and certification in Oromia, Amhara, Tigray and Southern Nations Nationalities Peoples regional states.

Especially, in Amhara Region, major steps began to be taken in 2000. The ANRS first law on rural land administration was issued (Proc. No.46/2000) following the issuance of the Federal

Government Rural Land Administration Proclamation in 1997 (Proclamation No.89/97).

Later replaced by a new law 'The Revised (Amhara) Rural Land Administration and Use Determination Proclamation No.133/2006.'

This law adopted following the replacement in 2005 of the 1997 Federal Law by the 'FDRE

Rural Land Administration and Land Use Proclamation No. 456/2005.'

The relationship between the Federal Land Administration laws with those of the Amhara region is that the latter are adopted to implement or facilitate the Federal land laws

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This law regulates the surveying and land registration, or generally cadastral activities and procedures in the wider context.

systematic land registration.

two types of registration in the region: the conventional (using modern surveying instruments like GPS) and non-conventional (using traditional and non-geometric methods)

The conventional systems of surveying, registration and mapping activities started in two pilot Kebeles: Adisnaguilt and Gerado Endodbir .

The data obtained is kept both in manual and computerized form.

The data in the permanent book of register is transferred to a computer data base system called Information for Land Administration (ISLA) . Thus automation is an important part ...

The Environmental Protection, Land Administration and Use Authority/ EPLAUA, is the regional equivalent of the Federal public agency called Ministry of Agriculture and Rural Development (MOARD), as it is responsible to the effective management, administration and use of rural land at the regional level.

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EPLAUA is hierarchically organized at four levels, namely at Regional, Wereda, Kebelle and sub-Kebelle levels, having coordination.

annual official report of EPLAUA: about 98.14% of households have their lands registered and measured

This expected to be completed in 2008.

From this, 46.35% have received provisional land holding certificate and 49.8% of them have received first level book of holdings.

In general, out of those whose land is measured and registered, 96.12% have received either of the certificates.

This shows that the rural land registration in the region is being undertaken relatively effectively.

Presently the urban land in the region is being treated differently from the rural one and far behind the latter.

differences: organizational structure, legal framework, technicalities, scope, attention, and so on.

We shall see this in the remaining part of this work.

4.2 Cadastre in Bahir Dar: From Where to Where

4.2.1 The 2006 Cadastral Project: Current Trend

Bahir Dar has started cadastre only in September 1999 by forming a steering committee that has five members from the Bureau of Urban Works and Development and Municipality.

The major task of the steering committee: coordinate and supervise the overall activities of the cadastre project and it is chaired by the bureau head.

There was a task force which was organized to undertake the operational activity of the project.

At the time, the total number of human force involved in the cadastre work was 27 of which almost half were newly hired in contract bases only for this project. This number includes also the foreign technical advisor from German technical support (CIM) and one CAD operation expert from the bureau.

Spatial data collection was done through detail topography surveying work. Parallel to the surveying work, field investigation (collection of attribute data) was done.

scope: ground surveying and socioeconomic data collection work was completed in 8 Kebeles (former Kebeles 03,04,05,06,12,13,15 and 16) out of the former 17. The completed number of plots was 7,100 on an area of 820 hectares.

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Since 2004, the data collection and updating activities had stopped, hampered the completion of the intended project.

The reasons for this are :

- lack of general awareness of cadastre,
- lack of understanding the significance of cadastre on the part of the administrators in the municipality,
- operating the system by simple guess with out clear guidelines and procedures (e.g., no regulations),
- lack of correct attribute and socio-economic data,
- lack of fairness and independence where the powerful people were advantaged at the cost of the weaker people,
- non-conformity with the physical planning resulting in such as closing of roads.

These problems in turn resulted in division of opinion among the task force themselves- whether it should continue or not in that way; and chaos in the urban people.

What is more, the foreign technical advisor completed his contractual period.

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We can therefore observe four stages with respect to cadastre in Bahir Dar in terms of time as shown in the following table.

Before 1999	1999-2004	2004-2006	After 2006
No cadastre	Cadastre in 8 Kebeles/ project	Cadastre in 8 Kebeles, no further expansion	New project to commence the Cadastre

Table 1. The various stages of Cadastre in Bahir Dar

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In 2006 a new project was designed to keep up the cadastre in Bahir Dar.

This project provides the objectives of the project, the scope of the work, the methodology, and a brief description of the major activities.

a. Objectives of the Project

The general objective of the project is to complete the stopped effort of establishing an efficient land management system in Bahir Dar.

The main specific objectives include:

- establish an up-to-date and accurate land information system,
- increase the income of the municipality through introducing an efficient land taxation system,
- complete by updating and introducing GIS application to the eight surveyed Kebeles,
- standardize and issue land certificate to all real property owners,
- promote GIS supported decision making process,
- introduce plot addressing system/ parcel-based cadastre.-

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- modernize the urban land administration system by introducing IT and art of date skill,
- improve the municipal service provision system by introducing transparency and efficient working procedures, and
- produce a tourist guide map,

b. Scope of Work

two contexts: the spatial coverage of the project and the depth or quantity of work to be performed.

Spatially, the project will cover the city of Bahir Dar as it was delineated recently. This area includes the previous urban area, which includes the new 9 urban Kebeles and (the former 17 kebeles), and the 4 neighboring rural Kebeles, an area which is designated for future urban expansion.

Depth wise, the scope of work can be grouped in to three major activities. These are:

- 1) **Raw data collection**; an activity which mainly includes the ground surveying and the socio-economic data collection activities.
- 2) **System Building**; this activity incorporates data entry, base map and data base formulation, detail plan study, and introduction of GIS application.

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This activity includes also the formulation of procedures and regulations.
3) **System implementation**; here, the preparation of title deeds, the preparation of tax bills, the production of GIS maps, the production of address maps and tourist maps will be incorporated, among other things.

c. Methodology

The data collection process: primary and secondary. The base map will be produced using the primary data which is obtained from the detail ground survey.

The same applies to the data base development. Data will be collected from field using the socio-economic data questionnaire. The questionnaire will be completed by interviewing property owners. In the case of the secondary data, individual files found in Municipality's archive will be used to cross check information collected from the field investigation.

Public awareness creation meetings prior to entering a new Kebele.. workshops will be organized to evaluate the progress of the work.
The consultant is expected to submit a monthly progress report.

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d. Major Activities of the Project

updating the eight formerly surveyed Kebeles,
graphic/ spatial data collection and base map production,
attribute data collection, data entry,
detail plan preparation,
GIS application,
producing working procedures and regulations,
training, and
system implementation.

The 2006 project is still at a quite early stage. Only the first step, selection of a consultant has been made already.

On the other hand, the 1999 project was implemented for about five years, and though it was stopped in 2004, the already collected and processed data laid a practical, solid foundation for urban land management and is, in fact, still being used in some measure; there is a cadastral office, personnel (mainly surveyors), property owners coming to it in quite many tens daily, and so on.

For these reasons, the remaining discussion will focus on the 1999 cadastral system.

4.2.2 Cadastre from 1999-2004

a. Justification of Cadastre in Bahir Dar

- Urban land and development policy:
 - The present Urban Development Policy of Ethiopia recognizes four components that are believed to bring about quick and fair development in the urban areas:
 - expansion of micro-business enterprises,
 - housing development, provision of lands and development infrastructure,
 - development of social services, and
 - setting urban classification, urban planning and environmental protection.
 - We can see that provision of lands is one major component and that the Urban Land Policy is included in the Urban Development Policy.
 - This provision of lands component itself incorporates seven principles among which real estate registration, provision of title deeds, and enhancing real property transactions is unambiguously provided.
 - Therefore, real estate registration in Bahir Dar has the strong backing of the national Urban Development and Urban Land Policies.
 - This urban land policy together with the objectives indicated in the 2006 cadastral project sounds good though some other elements such as long-term strategic plan are hardly indicated any where.
- land disputes.

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■ The cadastral system that began in 1999 in Bahir Dar is equally a fresh attempt to:

- facilitate effective real estate transaction,
- safeguard dwellers' real property rights, and
- contribute significantly to bring about sustainable development in Bahir Dar in particular and in Ethiopia in general.

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b. Data Content and Type

In the 1999 cadastral system of Bahir Dar, the data are set in six separate database tables connected by a common Code Number.

The first is the Owner's Table. It has the code number, details of the owner (name, address, nationality), details of acquisition of the land (type, document, and date of acquisition), and a note of whether tax is paid or not.

The second table is the Parcel Table. This includes the code number, parcel area (as to the document in the Municipal archive, and actual measurement), access to road (asphalt road, gravel road, etc.), type of tenure (lease, rental, other), access to street light, and liability to flooding.

The third table is the Building Table. It consists of the code number, year of construction, ownership type (owner -occupied, Kebele -rented, R.H.A rented, public owner, religious, other), the number of storeys, building area (as per the document in the Municipal archive and actual measurement), use of building (residential, commercial, manufacturing, public, mixed), number of annex buildings, building material, type of roof, type of ceiling, and type of floor. The other is the Utilities Table. It contains the code number, type and use of toilet, details of the kitchen (private, shared, none), details of electricity (private meter, shared meter, none), type of use of water facility, and telephone description.

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Then comes the Dispute Table. It consists of whether or not there is a boundary dispute and if there is one the parcel number, and ownership dispute.

The last is the PLOTADD Table which consists of the Code Number, Town, Wereda, Kebelle, Block, Parcel Number, Parcel Grade and House Number.

This cadastral system also includes cadastral map showing the relative location of each property and its parcels in relation to other property, parcel number, parcel area, boundary, and main roads- but it does not show such matters as land use, water and sewerage facilities, etc.

Observations on technical problems or inefficiencies:

- the completeness of the data. The system does not include information about the value of the real estate. (Tax value or other).
- no room for restrictions or encumbrances mainly mortgage and rights of use such as easement.
- no description of the boundaries.
- no data on agricultural land, forest land, environmental quality, and demography.
- no registration manual book/only socio-economic or attribute data.

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- a good maintenance and updating system also needed.
- Clear guidelines and procedures are required for this.
- Clear guidelines also required on the role of different users to logging of access, monitoring and following-up of logging, and authorized approval of entered data to keep the demands of safety and security of the information.
- Type:
 - systematic approach, and
 - the conventional method applied.

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c. Financing the Cadastre

the Cadastre run by the government's money.
little contribution by the land holders called 'surveying fee' and 'stone planting fee', generally for the service given by the surveyors.
But the system has not put any mechanism to sell the information for the users in general.

Question	Answer
The cost of the Cadastre is covered by:	Government:9 User:0 Both:4

Table 2. The way of financing the Cadastre in Bahir Dar.

Against the general trend in efficient cadastral systems which seek financing more directly from the users.

5. LAND REGISTRATION IN BAHIR DAR

5.1 The Nature and Content of Land Registration in Bahir Dar

the power of the Justice Bureau deriving this power from Proc. No.120/2006.

Sporadic system.

the duty of the contracting parties to initiate and effect registration of real property.

The land registration data kept in a large book. It consists of the serial number, date of registration, file/registration code, the name and address of the seller, the name and address of the buyer, and the amount of tax paid/revenue.

If the buyer afterwards sales the property, the same process starts afresh which means that there is no updating of the already recorded data.

there is a limited attempt to use computers, however, they repeat the same process as the manual one with out using an efficient updating system.

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Observation:

- parcel identifier should be included in the land registration book,
- surveying should be practiced when land is subdivided or partitioned for transfer.
- The land registration personnel in the Justice Bureau are low in terms of number (not more than five) and competence, and no opportunity to get training. The responses of five persons:

Question	Answer
The personnel involved in the land registration is:	High:0 medium:1 Low:4
Trainings and related opportunities to personnel involved in land registration:	Exist: 0 Not Exist:5

Table 3. The land registration personnel in Bahir Dar and training and capacity building opportunities in Bahir Dar.

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- **Financing the land registration:** though it is run by public budget, some percentage is charged from the value of the property transferred (2% of the sale price or some times of its value as estimated by the Municipality's land administration unit.)
- More income should be obtained by encouraging access to the information recorded and then selling same by a fair price.
- -an effective computer soft ware lacking and repeating the same process whenever hands change with regard to same land object.
- **Conclusion/Observation:** land registration in Bahir Dar has a long way to go to meet the institutional and technical principles.

5.2 Land Registration Procedures

some act or decision a prerequisite for land register: sale, donation, succession, or court decision for debt.

the procedure is different depending on the cause of transfer.

In the case of sale and donation, the parties must first go to the Justice Office.

in the case of succession or will and transfer by court decision they need not go to the Justice Office.

In these cases, the Municipality checks and receives the court decision and transfers ownership title to the applicant.

and the amount of fee to be paid by the applicant is decided by the Court.

In the common cases, the procedure is the result of the interplay between the Justice Office and the Municipality.

These parties must bring together the contract of sale, acquisition document, the parcel map, the design plan, and receipt for the current year's tax payment.

The 'notary' ensures that all these are fulfilled before ordering further process.

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The office sends a letter to the Municipality requesting to check :
-if the building is really located in the place as mentioned in the sale contract,
- if it is free from debt or court attachment, and
-requesting the estimated value of the property.

At the same time, it sends another letter to the Ethiopian Commercial Bank if the Bank has not taken the building as security for debt.

Response received.

Then the Justice Office sends the estimated value of the building to the Finance Unit (located in the Municipality's compound) in a letter.

This Unit charges 2% of the value as tax and the Justice Office is notified about this fact.

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The Justice Office approves the sale or donation contract, and maintains its own file for each applicant which contains the contractual document, acquisition document, the parcel map, the design plan, and receipt for tax payment.

It then sends a letter to the Municipality stating that it has approved the contract and requests the transfer of ownership title to the applicant. The Municipality does so and opens a new file for the new owner. The file of the transferor is considered as dead file but is kept in the archive for any future reference.

Observation: land registration quite a long and bureaucratic process in Bahir Dar and other towns in the region: both the seller and buyer must appear together in the Justice Office, including three witnesses; and the long time taken by the municipality to check the location and size of the property, any mortgages and court attachments, and estimation of value and charging taxes.

this is a practical phenomenon which hinders real estate transaction and investment thereby hindering sustainable development.

also puts the institutional and legal principles or requirements in to question.

6. THE LEGAL FRAMEWORK OF REAL ESTATE MANAGEMENT

No binding legislation regarding any aspects of the cadastre such as the organs having power on cadastre, the number and competence of personnel, the type and quality of data, the technical matters such as IT, updating the cadastre, and so on.

Question	Answer
Law governing different aspects of cadastre in Bahir Dar:	Exists:0 Does not exist (but only minutes of meetings, policy document...):13

Table 4. Responses of 13 interviewees on the legal aspect of cadastre in Bahir Dar.

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In land registration, the same problem of lack of governing laws is observed.

But, here it is clear who has the power to handle land registration (Proc. No. 120/2006).

However, this is a general provision, i.e., No answer for:

- what kind of people will handle land registration?
- what content (types of rights) and quality should the data have?
- what procedures and requirements have to be observed?
- what kind of relationship should there be with other involved organs such as the Municipality and Banks?
- what system (title or deed) is it followed?

Result: poor and protracted land registration system.

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The content and status of the civil code provisions on registration of immovables under Title X. There are 93 articles:

- regulate cadastre and land registration in a unified approach.
- provide the responsible body for realestate registration (Civil Code, 1960, Art. 1554),
- the major types of registration (registration of immovables-both private and public, of owners, of mortgages, of acts/documents, and envisage even others),
- contents of the register and rights which are register able,
- procedures and forms of registration,
- some aspects of updating the register, and
- the effects of the registration.
- also provide principles of real estate registration (publicity of the register, financing of the register by charging of fees, individualization of registered immovables by giving parcel identifiers, and completeness, (though they fail in some features mainly state guarantee of the register by paying compensation during loss or error.)

meet the minimum standards for cadastre and land registration and could, if applied, contribute quite significantly to the country's Development.

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- The paradox: their application suspended until an order setting a date for their application is issued by the government.
- Sadly, no government has ever issued such order leaving the real property registration matters unregulated or subjecting them to the awkward customary practices.
- This is a serious economic failure that requires an urgent action.
- Conclusion: the real estate registration in Bahir Dar greatly fails to meet the legal principles.

7. INSTITUTIONAL ISSUES

Cadastre of Bahir Dar is handled by the Municipality; but no legal basis.
Cadastre Team in the Munc. is in charge of this.

This unit shares responsibilities with the Urban Works and Development.

The Bureau of UWD is in charge of direct control or following up of the Municipality (Proc. No. 120/2006, Art. 18(10)).

- the cadastral task is its objective. e.g. It has initiated and is monitoring the 2006 cadastral project.

the total number of personnel in the Cadastre Team is not more than 12.

Of all surveyors, there is only one Degree holder, the team leader, and some three Diploma holders.

The rest are only twelve complete.

The cadastral staff not adequate in number, get no training.

The response from 13 persons half of whom are the cadastre staff and the other half administrators in the Municipality and the Bureau of UWD confirms this:

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Questions	Answers
The personnel for implementing cadastre/land management in Bahir Dar is:	Adequate: 0 medium:1 low: 12
Is there any cadastral capacity building such as training or similar opportunity, or any plan in this regard?	Yes: 0 No: 13

Table 5. Human resource in the Bahir Dar Cadastre

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no private surveying institution in Bahir Dar.

with out the necessary human resource and strong institutional base, accessibility of cadastral service, accountability for responsibilities, and gaining legitimacy and legality are far from being realized. This is also against the principles of administration.

So, the cadastre in Bahir Dar given its present conditions does not conform to the accepted institutional principles required for effective real estate registration.

One most important issue in the land administration of Bahir Dar: which public organ must be in charge of real estate registration-which I call the Municipality/ the EPLAUA dilemma.

The responses from 20 interviewees (10 from EPLAUA and 10 from the Municipality and Bureau of Urban Works and Development) have clearly show that the EPLAUA is better:

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Question	Answer
Of the two real estate registration authorities which do you think is better to effect real property registration?	EPLAUA: 16 Municipality: 4

Table 6: Institutional arrangement in operating real estate registration in Bahir Dar.

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The justifications in favor of EPLAUA:

1. better available human, legal, technical and financial resources:
 - EPLAUA has at least 15 specialists on land (MSc. holders),
 - there is a law governing rural land administration (Proc.133/2006),
 - there is already a computer system called ISLA, and
 - public budget allocated for same purpose.
2. commonality of the nature, principles, objectives and significances, evaluation frameworks and technologies of real property registration in respect of both the rural and urban land.
3. saving of human, financial and technological resources.
4. the need for the uniformity of the responses given to similar various problems in land administration.
5. payment of compensation during expropriation. This needs to be done based on similar rules to attain the required fairness and equality.
6. the urban expansion that is happening in Amhara region at an alarming rate.
7. the current global trend in the world towards multipurpose cadastre and cooperation.

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conclusion: a paradigm shift (EPLAUA should handle real estate registration with respect to all lands-urban or rural- in Amhara region).

Alternative position acc. to some people: EPLAUA can have some degree of involvement in the urban real estate registration by the Municipality with out complete takeover of it .

But the problem with this position:

- difficult to define the limit of that relationship
- requires not less commitment and resources to effect it than required by what we referred to above as better; and
- most important of all, it will bring less effective land administration of Urban Amhara.

matters that must be considered following the above policy decision (paradigm shift):

- change of legislations, institutional reengineering, recruitment of additional staff, and
- the financial and technical implications.
- cooperation/coordination and political awareness.

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Major users:

- The Finance and Economic Development Bureau.
- The Banks can probably take the same kind of information for mortgage valuation.

But so far low use/involvement.
coordination becomes essential.

But in reality, loose coordination observed. One striking example: In the same Municipality and just very close to the Cadastre Unit, there is another small office (Server Room) named Bahir Dar City Administration Management Information system also called Tilahun 1960

- given to the Municipality gratuitously by an ITC specialist and consultant by the name Aleazar Tilahun.
- has two functions, namely, Land Information System and File Information System.

-the LIS part is performing exactly the same function as the Cadastre Unit: it is not sound to create this office for a similar function to that of the Cadastre Unit as it creates wastage of the resources and confusion among the public.

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The second function is called File Information System. Its purposes:

- locating the movement of files from one office to the other in the Municipality for different purposes.
- Its data content is the name of the client, the office where the file is located, the name of the person handling the file, office number, the day and hour when the file entered the office and so on.

- Conclusion: while the very separate establishment of the software can be justified by this latter activity, it is purposeless for it to engage in land information system.

8. Conclusion and Recommendation

present real estate or land management in Bahir Dar far behind in meeting the requirements of a modern land management.

This is true with respect to the institutional, legal and technical standards.

Institutional criterion:

- Municipality weak, has no law, no coordinated, predictable, long term and long term strategic vision.
- The cadastral and land registration personnel are few in number and lack the required specialization and capacity building.
- The same functions of LIS unnecessarily given to another unit.
- The land registration procedure is time taking and awkward taking months or years.

Legal criterion:

- no legislations and guidelines.
- Many matters of the land registration unregulated due to suspension of the Civil Code provisions on registration of immovables which is still not lifted.

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Technical criterion:

- generally a good start in the cadastre of Bahir Dar.
- there are weaknesses, however:
 - valuation data missing.
 - data on restrictions or encumbrances such as mortgage are missing.
 - not supported by a manual registration book.
 - no efficient security and updating systems.
 - in the land register, generally the computerization system is underdeveloped.
 - it is not supported by computer data base software and there is no system of mutations.

Recommendation:

- to develop an effective and modern real estate management system in Bahir Dar:
- real estate registration should be moved from the Municipality and the Justice Bureaus to the experienced and better equipped EPLAUA
- This is also the modern trend.
- This can be a good model for all other urban areas in Ethiopia, too.

Thank you!

**I very much applaud you for your
attention!!!**