LOOKING FOR COST-EFFECTIVE VALUATION SYSTEM

The total **annual expenditures** for property tax administration generally are in the **range of 5 to 10%** of annual property tax revenues in developed countries. Although the costs and effectiveness of valuation systems seem little studied, valuation costs can be as low as **1 to 2%** in high property tax countries like the United Kingdom and the United States. (R.Almy)

Costs for mass valuation of land and structures in Lithuania make **0.5%** of the tax collected. Total costs for administration of both taxes are not calculated exactly; however they **do not exceed 1% of tax revenue**.
Mass valuation system consists of:

- Data collection and management
- Data analysis
- Value computation
- Methodical-administrative component
The three-quarters of mass valuation costs are usually allocated for collection and maintenance of data on properties. In order to reduce the mass valuation costs, it is necessary to look for ways how to collect and use the data more effectively.
Traditionally recommended ways to make data collection cost-effective:

- Valuers can often be more judicious in determining **which data elements are needed** in valuation.
- **Field data** entry can now be **automated**.
- **Aerial imagery** and other techniques can be used to **detect unassessed** properties and new constructions.
- Well-designed **taxpayer declarations** can also reduce or eliminate the need to inspect properties on site.
The recommendation of the International Association of Assessing Officers (IAAO) Standard on Mass Appraisal (International Guidance) directs to use the data and values in multiple ways.
Lithuania’s practice in mass valuation and the multi-purpose use of its results corresponds to the recommendation of the International Guidance.

The multi-purpose real property cadastre and mass valuation system plays an important role by providing adequate tax platform and the use of mass valuation results for other public needs.
MULTI-PURPOSE CADASTRE AND REGISTER SYSTEM

• Effectiveness of the Lithuanian mass valuation system is ensured by the appropriate choice of Real Property Administration System
• Real property and its transactions in Lithuania are registered in one Real Property Cadastre and Register Database
The mass valuation system was built on the integrated digital data of Real Property Cadastre and Register.
Data collection has become the function of SURVEYORS who are surveying newly formed real property units or updating the information in case of changes related to property.
Data on physical characteristics of property and the sales are collected, stored and updated in the Cadastre and Register DB and are used by valuers.
Lithuania managed to establish a **multi-purpose cadastre and register system** that contributes:

- to improving the protection of ownership rights
- to developing the real property administration
- to promoting the economic development in the country
MASS VALUATION
Data collection is not a function of valuers, except specific market data is collected.

Mass valuation process is based on the digital data of Real Property Cadastre and Register.
Integrated data used for mass valuation are based on the following key elements:

- physical characteristics of real property
- GIS information
- archive of e-documents
- data about legal status of real property, owners and users, real rights, their restrictions and legal facts
Real property e-transaction data

E-sale contract

on-line

Centre of Registers

Data on real property transactions are integrated in the real property database
More than 100,000 real property transactions in the country are concluded per year, which form the basis of the transactions database used for market analysis and mass valuation.
Over 5.5 million units of properties (2.2 million land parcels and 3.3 million buildings and premises) are assessed annually using CAMA system.

The overall valuation process is carried out with statistical NCSS (Statistical Software) program.
Results of mass valuation are used for different purposes (I):

- To **estimate taxable** values of land and buildings (two separate taxes)
- To make decisions on provision of **social support** and state guaranteed legal assistance for citizens
- To **estimate sales and rental values** of the state-owned land parcels and buildings
Results of mass valuation are used for different purposes (2):

- To estimate the **inherited** property taxable value
- To **calculate fees for registration** of real property and rights to it
- To **estimate notary fees** for real property transactions
Results of mass valuation are public

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Free of charge:
Free of charge:

- textual data - the **average market value or taxable value** by unique number
- search for **value zones** by municipalities and addresses
- mass **valuation documents**
- materials of public discussions and graphical data, e.g. **value maps** of the territory of Lithuania
- **graphical search** for value zones
MUTUAL BENEFITS OF TWO SYSTEMS

Mass valuation benefits from Cadastre and Register

Cadastre and Register benefits from ma...

Mutual benefits
Mass valuation benefits from Cadastre and Register
Database of the Cadastre and Register provides data on characteristics of property, legal facts as well as sales data.

It allows to save three quarters of financial resources and to direct human and technical resources for data analysis and assessment.
Cadastre and Register benefits from mass valuation
Mass valuation complements the cadastral system with values, value zones and other attributes that enrich the database and provide more information to consumers.
Mutual benefits
Integration of mass valuation system with the Cadastre and Register creates preconditions for more effective submission of information to consumers
Administration and integration of several registers allows consumers to choose various ways of access to information - such as use of personal data, address, property ID, and other parameters.
3 levels of provision of information through the Internet:

1. **for public** (anonymous users) - free of charge but minimum information provided
2. **for professional** users - complete information; available both in HTML/XML; different authentication methods available
3. **self-service** - complete information about owned property; limited information about any property. Interactive authentication via ipasas.lt
REGIA is the regional environment geoinformation service, based on the cadastral map of Lithuania with built-in three state registers: Address, Legal Entities and Real Property

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Thank You For Your Attention!