Technical Session on Valuation of Unregistered Land and Properties

Wednesday, 18 June 2014, 11:30–13:00, Kuala Lumpur Convention Centre Room R403/R404

This technical session is supported by FAO, World Bank and UN Habitat-GLTN

There prevails a general consensus that about seventy percent (70%) of land ownership units in developing countries are not formally registered and the initiatives for land registration are proceeding at slow pace; in some countries it is estimated that it could take up to 600 years to achieve comprehensive cadastral coverage. This situation adversely affects owners of unregistered lands and properties. In most situations lands and properties under informal tenure arrangements do not attract reliable property values even though there exist social value, investment cost and speculative value used in informal markets and transactions. The informal and speculative values affect lands and property owners in unregistered land who are displaced at incomprehensible rate of compensation. This session will discuss how land professionals can develop and agree on reliable approaches for valuation of unregistered land and properties in various situations where they prevail that can benefit the poor and vulnerable groups.

GLTN partners have introduced a paradigm shift of continuum of land rights concept that essentially provides for recognition and all people to land relationships and not only the formally registered titles. In terms of the continuum of land rights concept, land rights are seen as lying on a continuum between informal and formal rights. In between these extremes are wide ranges of rights. In reality these rights do not lie on a single line, and they may overlap with each other. Tenure can take a variety of forms. Individualised freehold rights, located at the most formal end of the continuum, should not be seen as the preferred or ultimate form. It is one of a number of appropriate and legitimate forms. The most appropriate form depends on the particular situation. This means systematic approaches for valuation of lands and properties along the continuum of land rights; thus enhance inclusive approaches in all aspect of land management and administration.

In most countries policies and legal framework have been put in place providing for prompt payment of compensation for urban or rural land acquired for development projects. There is no reference to registration status of the land and property that is acquired; however for those unregistered lands and properties compensation values and methods of reaching those values become questionable. In cases where land owners can afford, they challenge the basis of compensation, leading to costly litigations and project delays. Unfortunately the poor they have no recourse for litigation and have to accept what is offered. In addressing challenges on land and food security, land professionals are stimulating participatory and inclusive approaches. The approaches to valuation should therefore be broadened to be inclusive and accommodate unregistered lands and properties. This should be the beginning of solving the “social mess”.

It is expected that any initiative will consider existing studies and research on appropriate valuation approaches including the RICS Research Trust/GLTN “Valuation of Unregistered Lands”\(^1\). GLTN, FIG and other partners are keen to stimulate interests and considerations of approaches and alternatives, begin conversations and discussions leading to the conceptualization and then the development of a tool to support the appraising or valuation of unregistered land and properties.

Objectives:

- To share best practices and innovations on valuation of unregistered lands and properties.

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\(^1\) A Research Report commissioned by RICS and supported by RICS Research Trust and UN-Habitat Global Land Tool Network, February 2013.
- To discuss how valuation professionals can develop and agree on reliable approaches for valuation of unregistered land and properties
- To propose intermediate actions that have to be initiated towards a tool for valuation of unregistered lands and properties

**Tentative Programme**

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<th>Time</th>
<th>Presentation/Discussion</th>
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<td>11:30 - 11:35</td>
<td>Introduction by the Chairperson</td>
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<td>11:35 - 11:50</td>
<td>The Need for and motivations underpinning development of a tool to support the appraising or valuation of unregistered land and properties, Cyprian Selebalo, Land and GLTN Unit, UN-Habitat, Kenya</td>
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<td>11:50 - 12:00</td>
<td>RICS Research’s Valuation of Unregistered Land, James Kavanagh, RICS, United Kingdom (tbc)</td>
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<td>12:00 – 12:15</td>
<td>Innovation and alternatives for the valuation of unregistered land and properties, Mike McDermott, Global Property Analytics Pty Ltd, Australia</td>
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| 12:15 - 13:00 | Proposed Discussants: Paul Munro-Faure, FAO, Italy  
Keith Bell, World Bank, United States  
Matt Myers, RMIT University, Australia  
[Discussants each will have 3-5 minutes each and together with the presenters, participate in the open discussion and interactions] |

Closing Remark