Mass Appraisal – the Method and an Experience in Lithuania
Evaluation de masse – la recherche de la méthode et l’expérience en Lituanie (4890)

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MAIN TOPICS

• TRENDS OF MASS APPRAISAL AND MAIN ASPECTS OF THE MASS APPRAISAL SYSTEM IN LITHUANIA;
• DATA AS A MAIN ELEMENT OF APPRAISAL SYSTEM;
• USE OF MASS APPRAISAL RESULTS IN LITHUANIA.
Trends of mass appraisal

- MASS VALUATION system is more and more based on digital data.
- Relation between the descriptive and geometric data is 1 to 1 and stored into 1 (relational) database.
- Data sharing (no work duplication) became a fundamental requirement.
- APPRAISAL RESULTS are more and more provided via electronic means.
- Standardisation and Concentration is the most effective tool.
- New Products and Markets are upcoming.

Data – main element of mass valuation

- Mass appraisal requires complete and accurate data, effective valuation models, and proper management of resources.
- Collecting property characteristics data is a critical and expensive phase of reappraisal.
- A robust data collection system must be available to the Valuer. The recording of data has evolved from the use of manual methods to the creation of sophisticated data banks that facilitate computer-assisted appraisal, often incorporating geographic information systems (GIS). Property data may be quantitative (e.g., land areas, dimensions, building specifications) and/or qualitative (assessment of the physical condition, character, or market desirability of the improvements).

(International valuation guidance note – mass appraisal for property taxation, IVSC)
Main Aspects of the Mass Appraisal System in Lithuania:

- Almost all information necessary for mass appraisal is collected at one enterprise (State Enterprise Centre of Registers);

- Information all over the country is collected according to the same system: cadastre and market (from notarized RP purchase-sale agreements);

- All information is electronic, integrated with GIS and supported with software;

- Minimum of interagency problems with solving mass appraisal issues.

Objects links and registers interaction
System of State Registers (Integration of Information)

- POPULATION REGISTER
  - INFORMATION ABOUT A DIRECTOR OR OTHER RESPONSIBLE PERSON
  - DATA ON THE OWNER - NATURAL PERSON
- INFORMATION ABOUT OWNER - LEGAL ENTITY
  - DOMICILE ADDRESS
  - ADDRESS OF RESIDENTIAL PLACE
- CADASTRE AND REGISTER OF LAND AND OTHER REAL PROPERTY
- REGISTER OF MOVABLE PROPERTY
- ADDRESS REGISTER
  - INFORMATION ABOUT ADDRESSES OF BUILDINGS, CONSTRUCTIONS, PREMISES, FLATS

Procedure Of Real Property Transaction Following “One-stop-shop” Principle

- OWNER AND BUYER
- Application; Contract; Title documents
- NOTARY OFFICE
  - Draft contract
  - Information from CDB
  - Ordering of Certificate for Transaction
  - Preparation of Certificate for Transaction
  - Electronic contract sent
  - Application to register
  - Confirmation of registration
- CENTRE OF REGISTERS
  - E DOCUMENTS VIA INTERNET
  - Central Data Bank
  - Digital archive
Property valuation and market research webservices

Mass appraisal model

Purpose of use
- Location factor
- Time factor
- Other quantitative and qualitative factors

VALUE MAPS

RELIABLE MARKET DATA

SPECIFIED FACTORS
- Model type
- Non-calibrating models
- Calibrating models

CALIBRATING MODELS

Model specification
- Calibration of models
- Checking of models

RELIABLE MODELS

NON-RELIABLE MODELS

Provision of real property market data via the Internet
- Comparable objects of real property
- Value spreadsheet with time adjustment function
- Number of real property transactions self-service
- Forecasts (in the process of development)

Dynamics of real property market transactions
- Annual packaged transactions
- Analysis of transaction prices self-service

Real property construction cost tariffs
- Values established by mass valuation
- Number of transaction objects
- Statistics of the Dwelling's stock
- Data for the Department of Statistics

Social support requirements
- Area adjustment coefficients
- Social support requirements
- Housing Price Index

Comparable objects of real property
- Value spreadsheet with time adjustment function
- Number of real property transactions self-service
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Mass valuation
- Value zones and models
- Real property construction cost tariffs
- Area adjustment coefficients
- Social support requirements
- Housing Price Index
- Data for the Department of Statistics

Spreadsheet for non registered property

Webservice for Social Welfare Division of Municipalities

Webservice for Appeals

Property valuation and market research webservises

FIG Working Week 2011
Bridging the Gap between Cultures
Marrakech, Morocco, 18-22 May 2011
Use of mass appraisal system

Market values (mass appraisal) are used for:

- Taxation and fees;
- Provision of social support;
- Calculation of initial sales or lease price of state-owned property);
- Market research;
- Valuation;
- Mortgage;
- Other.
Delivering of Housing Price Indexes Information by Internet

- From 2003, the State Enterprise Centre of Registers supplies the Bank of Lithuania with the information on changes in housing prices, which, in its turn, delivers such information to the European Central Bank. From November 2006, the Centre of Registers started to publish this information on its web site.
International awards – quality evidences

IAAO - 2003

IRRV - 2007