VALUATION OF UNREGISTERED LANDS

PRESENTATION OUTLINE

- The need for valuation
- Unregistered lands and properties
- Contributors to value
- Unclear valuation challenges
- Possible impacts of unclear valuation
- Way forward
GLTN BRIEFING AND PROGRAMME

FACILITATED BY:

LAND REQUIREMENTS -> NEED FOR VALUATION

• Global population growth leading to pressure on land – scarcity of land and increase in value.
• Climate Change -> natural disasters and rendering some lands unusable
• Urbanization and rural – urban nexus
• Land markets becoming global – urban investments, infrastructure investments, large scale investments in land
• Limited access to land for disadvantaged groups – proliferation of informal settlements (unregistered lands)

UNREGISTERED LANDS AND PROPERTIES

• State or public land held intrust by governments and used by citizens.
• Ownership units that are not formally registered. (estimated to be 70%)
• Communally owned lands under customary and pastoral usage.
• Natural resources within such unregistered lands including forests, thatching grasses, medicinal plants, water resources, etc.
• Informal settlements, previously customary lands included in urban boundary, squatter settlements, unplanned settlements
VALUATION OF UNREGISTERED LANDS

MASHIMONE INFORMAL SETTLEMENT - NAIROBI

FAcilitated BY:

INFORMAL SETTLEMENT UPGRADE
KAPMI MOTO - NAIROBI

FAcilitated BY:

UN-HABITAT
FOR A BETTER URBAN FUTURE
### FACTORS INFLUENCING VALUE

- **Market performance** – limited information for unregistered lands
- **Security of tenure** – perceptions of insecurity in land tenure, including customary
- **Market distortion** – speculative purchases deliberately lowering the values
- **Injurious affection** – development adversely affecting neighbourhood property values

### CHALLENGES OF UNCLEAR VALUATION

- inefficient and inequitable land market,
- constrains to economic development
- Uncertainty about value based tax liability
- Lack of clear valuations/bases for taxation liabilities,
- Uncertainty over the transparency of the process,
- Payment of large numbers of additional unofficial payments to officials at each stage
- Lack of internationally accepted land valuation system or standards for unregistered land
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**CHALLENGES CONT’D**

- Limited capacity in land valuation profession
- Ineffective and inefficient land valuation approaches – prone to being challenged.
- Confusing and conflicting valuation methodologies/formulas used inappropriate environment.
- Increased perception of deliberate misrepresentation of valuation for tax collection.
- Confusion leading to payment of informal fees rather than objective professional valuations.

**IMPACTS**

- Limited information on unregistered lands makes determining value complex leading to disagreements and variations.
- The problem gets compounded when dealing with acquisition, compensation and resettlements.
- The poor and disadvantaged groups are usually the ones affected.
- Results include speculative buying by the rich, gentrification, and perpetual poverty circles. - *The poor are unable to join property ladder*
- The opaque values of unregistered lands impede realisation of value of unregistered properties.
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WAY FORWARD

• GTLN and partners (FIG, RICS, etc.) working to develop a tool for valuation of unregistered lands and property.

• Links to other GLTN initiatives – CoFLAS, PILAR

• The initiative supports the paradigm shift towards continuum of land rights

• Inputs of stakeholders and professionals on how to proceed.

Thank you for your attention

WANT TO KNOW MORE?

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