UNECE Working Party on Land Administration

SESSION 2
THE REAL ESTATE MARKET
MONITORING AND KNOWLEDGE TOOLS

Chair: Mr. Franco Maggio
(Agenzia del Territorio – ITALY)

Discussant: Mr. Gualtiero Tamburini
(Federimmobiliare – ITALY)

Cadastral and real estate registration systems:
Economic information for real estate markets in the UNECE region
Rome, Italy
5 and 6 May 2011
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- Mr. Bogdan Marola (EUROSTAT)
  House Price Statistics - Recent European Developments

- Mr. Mauro Politi (ISTAT - Italy)
  Statistical methodologies and use of administrative sources for estimating the trend of house prices in Italy

- Mr. Peter Creuzer (LGLN - Germany)
  Market transparency for the real estate market in Germany (case study of Lower Saxony)

- Mr. Eddie Davies (Land Registry - United Kingdom)
  How Land Registry data support the UK property market

- Ms. Maja Pupacic (SGA - Croatia)
  Renewed cadastre for real estate market

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House Price Statistics - Recent European Developments

EMERGING ITEMS

- **High demand for quality statistics on national, euro area and EU housing markets**
- **Owner Occupied Housing Index and House Price Index**
- **Benefits:** Surveillance of Macroeconomic Imbalances
- **Needs:** Relevance for policy only if data for all EU MSs are harmonised and comparable
- **Criticality:**
  - various sources (often outside official statistics) - different price data (transactions prices, appraisals values, offer prices) - different coverage of regions and dwelling types - different treatment of quality attributes of dwellings
- **State of the art:**
  - OOH technical manual and Residential Property Price Indices Handbook
  - releasing data on House Price Index from the NSIs participating in the OOH pilot project.
- **Next steps:** Progressive switch from experimental data to regular production (planned from 2012) - Expanding the housing statistics, including beyond HPI

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EMERGING ITEMS

- Use of the Administrative Sources for the production of the Residential Property Prices Indexes (HPI and OOH);
- Project based on the OMI DB of Agenzia del Territorio (real estate quotations – coming from offer prices, assessments and contracts - published every six months by the AdT’s Real Estate Market Monitoring System)
- Use of the data coming from the Single Fulfilment (the sw procedure use by the Italian notary when there is a real estate selling). Data available 60 days after the end of each quarter.
- Need of Quality Adjustment of the dwelling prices
  - HPI will be disseminated by June 2012 (starting with data of Q1/2008 and base year 2009).
  - Timeliness of the dissemination: 90 days after the end of the reference quarter.
  - OOH indices will be produced in 2014 (as stated by the EU Regulation).
EMERGING ITEMS

- A suitable **Legal, Institutional and Technical framework** as a prerequisite for a R.E. Market Transparency;

- **The good practice of the Lower Saxony – The Transactions Database**
  - Technical, legal and economical data treated in order to produce:
    - Index progressions
    - Conversion factors
    - Comparison factors
    - Market adjustment factors
    - Asset value factors, factors for building leases
    - Property yield

- **State as provider**

- **Accessibility: broadband Internet access, E-Government components, E-payment**

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EMERGING ITEMS

- Statistics on house prices: different users, different needs
- High priority on the inclusion of owner occupiers’ housing costs (OOH) in the CPI
- Data on the actual price paid for property available since 1995 (Land Registry)
- General statistical information available free of charge (bespoke reports against payment)
- The Land Registry HPI offers the most accurate representation of price movements in the country (by using a large dataset).
- Benefits of house price indices:
  - Property portfolio revaluation services
  - Automated property valuation models (AVMs)
  - Surveyor auditing tools
  - Mortgage arrears forecasting

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Renewed cadastre for real estate market

EMERGING ITEMS

- A renewed Cadastre and Land book system as prerequisite to develop R.E. market
- Legal value: new cadastre and land book are official. State guarantee for data in registers - Third persons are legally protected if they act according to cadastral and land book data in legal transfer of real estates - Security in legal transfer of real estates is insured
- Web access to the data of the renewed Cadastre and Land book system
- Positive impact of the renewed Cadastre and Land book system:
  - Increase of legal transactions
  - Lawsuits reducing
  - Optimal spatial planning
  - Housing loans
  - Increase of government revenues
- Main obstacles in developing an efficient land market: Economic crisis – Market price unrealistic – Conditions for investment unfavourable – Paperwork – Discrepancy between Cadastre and Land Registers, low quality in processing the land registration applications

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CONCLUSIONS

- A suitable Legal, Institutional and Technical framework as a prerequisite for a R.E. Market Transparency;

- Needs:
  - Suitable rules in order to:
    - foster the emersion of real price in the contracts
    - foster homogeneous data collection

- Benefits in producing Property Indexes Price:
  - Increase in property portfolio revaluation services
  - Implementation of automated property valuation models (also for fiscal purposes)
  - Surveyor auditing tools
  - Mortgage arrears forecasting

- Public or Public/Private partnership involvement
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