

## **TRENDS IN APARTMENT REGISTRATION AND ADMINISTRATION IN EUROPE**

**RICHARD BALDWIN AND EMA POGORELČNIK**

<sup>1</sup> BlomInfo A/S  
Denmark

<sup>2</sup> Surveying and Mapping Authority of the Republic of Slovenia  
Slovenia

### **ABSTRACT**

The registration of apartments can pose certain problems compared to other real estate objects such as complete buildings and land parcels. The paper tries to show that an efficient administration of apartments calls for secure establishment of the ownership interests, adequate procedures to support maintenance and adequate definition of the responsibilities of the various parties, and the provision of supporting technical information. Some countries have introduced Building and Dwelling Registers to separate the purely technical needs from the legal interests. Other countries have special condominium laws. In central and eastern Europe the registration of apartments often lags behind other real estate objects and these countries are trying to find ways to solve the problem in a cost effective manner. The paper reviews the current status in a number of European countries and tries to identify some important issues that need to be addressed in establishing systems appropriate for the transition countries.

## INTRODUCTION

### Background

The countries of Central and Eastern Europe have re-established systems of property rights over the last ten years following the communist/socialist period between WWII and the beginning of the 1990's. This reform has been accompanied by property restitution and compensation programmes in most of the countries, where eligible people and legal entities have been able to reclaim property that was in some way taken into state ownership. The countries have embarked on modernisation programmes that have involved the drafting of new laws, the establishment of new institutional structures, technical modernisation (computerisation and large data conversion programmes) and this has taken place at the same time as large privatisation programmes, especially involving apartments.

The registration of real estate objects involves the identification of the rights including ownership, the establishment of the physical definition of the property, and the recording of any financial charges or encumbrances. However, in a transition economy, the registration process can face significant barriers and other disincentives which act as impediments. These may be associated with cost, availability and completeness of existing records, procedural and bureaucratic barriers or lack of institutional capacity. The situation may also be more complicated if several separate institutions are involved in different parts of the process, especially if these institutions themselves are undergoing reform and modernisation, or have only recently been re-established. See (*Baldwin, Bogaerts, Csaki, Dale, Remetey-Fullop and Zichy, 1998*) and (*Swinen, 1997*) for more detailed reviews of the re-establishment of the land registration process in the transition countries and the problems inherited from the socialist period.

Multi-residence buildings (buildings made up of apartments) pose special problems in the registration process. From a legal viewpoint it is necessary to identify and describe the rights of the individual apartment owners, including the rights that they may have in connection with the common parts of the property. The rights are not only concerned with ownership, but also must establish the liability for repairs and maintenance of the common parts, which requires the agreement of other parties (the other apartment owners and possibly the building owner).

From a wider land administration viewpoint, there is a need to ensure that certain technical information concerning the apartments is available. This includes the information needed to control the permitted occupation and use, the information needed to implement a property taxation system, and

also to supply information needed for basic registers such as Street Gazetteers or definitive lists of addresses. In many jurisdictions it is the role of the cadastre to supply much of this technical information, however the cadastre is based on registered units of property, and this in turn implies that each and every apartment must be identified and recorded in the cadastre and land register. In these systems, if the apartment is not registered, then it is not visible to the administration as a real estate object

The countries of Europe have an established history of the maintenance of public registers relating to property ownership, either through registration of Title or Deeds. In the developed west European economies, the registration of property is not always compulsory, however, where it affects individual properties, it is usually carried out. There are many approaches to dealing with apartments, which may or may not be supported by special laws, and even within the developed economies of the EU member states, we can see a wide variety of approaches.

This presentation explores the range of approaches to apartment registration which are adopted in Austria, Denmark, France, Norway, Sweden, UK (Scotland) and in two of the EU applicant countries, the Czech Republic and Slovenia. From this review, the opportunity is taken to identify some key issues that must be considered with respect to apartments when implementing land administration systems.

### **The comparison countries**

The Countries selected in this study represent a sample from the EU member states, plus two of the other transition countries in the first wave of EU applicants. The aim of the study is to compare the various approaches adopted in different countries for the registration of apartments. Table One summarises some basic geographic and social/economic data for the study countries.

The countries selected exhibit a variety of legal systems, yet all have a shared history in terms of cultural development, society and democracy, all broadly following the so called western liberal democrat model, though varying to some degree in the provisions of social support and openness as market economies. However there are some noticeable contrasts between the countries considered.

This paper does not consider guidelines for sound land administration system nor does it describe the land administration systems in the study countries, nor specific condominium requirements . See (*Baldwin, 2000*),

(UN ECE/MOLA, 1998), (UN ECE/MOLA, 1996) and (UN ECE/MOLA –in preparation) for further details.

	1.	2.	3.	4.			5.
	Area	Population	Density	% of population whose primary income is			GDP (PPP)
	(sq. km)	(million) (July 2000 est.)	Persons / sq. km	Agriculture	industry	Services	Per Capita (1999) Euro
<b>Austria</b>	83,858	8.131	97	1.3%	32.4%	66.3%	€23,400
<b>Czech Republic</b>	78,866	10.272	136	5%	42%	53%	€13,030
<b>Denmark</b>	42,394	5.336	125	4%	27%	69%	€23,800
<b>Finland</b>	337030	5.167	15	5%	32%	63%	€21,000
<b>France</b>	545,630	59.330	108	3.3%	26.1%	70.6%	€23,300
<b>Norway</b>	324,000	4.481	15	2.2%	26.3%	71.5%	€25,100
<b>Slovenia</b>	20253	1.928	95	4%	35%	61%	€15,590
<b>Sweden</b>	4410,934	8.873	22	2.2%	30.5%	67.3%	€20,700
<b>United Kingdom</b>	244,820	59.511	243	1.7%	25.3%	73%	€21,800

(Source: GDP PPP figures - Slovenia, Czech R “Business Central Europe: Jan 2001, Col 5, other data-CIA Factbook, Col 1-4.)

### ***Legal basis***

The UK and to some extent Sweden have legal systems based on customary law (Norway has some customary aspects) The UK does not have a formal constitution; the Norwegian constitution dates from 1814, while that of Sweden is from 1975. Finland has a Civil Law system based on that of Sweden. Denmark too has a civil law system. Austria, France, Slovenia and the Czech Republic have systems based on a civil code and are formally constituted as Republics. Sweden, Norway, UK, Denmark are constitutional monarchies.

### ***Geography and people***

There is a marked difference in the population densities with Austria, Slovenia, Czech Republic, France and Denmark all having intermediate densities (95-135 people per sq. kilometre), the UK is very densely populated, while Finland, Sweden, and Norway have very low density. In climatic terms, the countries of Austria, Slovenia, and Czech Republic may be broadly grouped together; the Nordic countries have more extreme climate The UK has a temperate maritime climate. France has a temperate / Mediterranean climate.

### ***Economic activity***

The UK and France form two of the largest European and world economies. The Nordic Countries and Austria have similar size economies to each other and are within the EU economic zone (Norway is not a member of the EU, but is a member of the certain European economic groups). The Czech Republic and Slovenia are both EU applicant countries and are considered to be two of the most advanced economies of this group. In terms of living patterns and occupations, there are again some marked similarities and differences between the countries. All of the countries have a dominant service sector. The UK, Norway, Sweden and Austria have a small percentage of the population whose primary activity is agriculture. However this masks some important differences within the agricultural sector of those countries, for example, productivity and average farm size vary greatly between these countries, as does the “secondary” level of agricultural production (weekend or hobby farming). The Czech Republic, Slovenia, Denmark and Finland have a higher percentage of people primarily involved in agriculture, though again the patterns vary within the group

### ***Social Policy***

There are some differences in the social organisation and the perceived level of equality between persons exhibited by the comparison countries. The countries of Denmark, Sweden, Norway and Finland exhibit the “Nordic model”, where great emphasis is placed on social cohesion, and a very high level of state support for social services and the promotion of equality. The cost is a very high level of personal taxation, but this seems to be accepted by the populace. France also has a highly developed social model with a high level of state involvement in many aspects of commercial and civil life, but does not have the highly homogenous and developed social structures of the Scandinavian countries. The UK has pursued a different path and has substantially reduced the state involvement in the social sector in recent years. Slovenia and the Czech Republic are in the process of moving from a state controlled socialist economy to a market economy and perhaps it is not clear if these countries will follow more of a Nordic or UK type approach in the coming years.

Table Two : Basic Information about real estate objects for the comparison countries								
	A.	B.			C.			
	Population (million) (July 2000 est.)	No of Real Estate Objects			Real estate market activity (last 12mths)			
		Parcels (% registered)	Buildings (% registered)	Total No of Apartments (% that are registered)	Transfers of parcels	Transfers of apartments	Total transfers	No of charges registered
Austria	8.131	10.5million 100%	2,2 million Not registered separately	2,1million <sup>1</sup> (450000 are condominiums (100%)	500,000 (est.)	300,000 (est.)	800,000	400,000
Czech Republic	10.272	23 million 100%	Not registered separately	1.5 million (30%) <sup>2</sup>	700,000	114000	814000 (est.)	Not available
Denmark	5.336	2.1 million 100%	Registered in BDR <sup>3</sup> (100%)	1.03 million condominiums 100%	80,000 (est.)	80,000 (est.)	160,000	280,000
Finland	5.167	2.1 million 100%	2.6 million (100%)	1.2 Million <sup>4</sup> (100%)	83,000	75,000	158,000	120,000
France	59.330	100 million 100%	Not registered separately	15 million 100%	Not available	Not available	3,000,000 (est.)	Not available
Norway <sup>5</sup>	4.481	2.6 million 100%	Registered in the Building part of the cadastre <sup>6</sup>	280,000 condominium (100%)	110.000	25,000 (condominiums only)	140,000 (includes land parcels)	450,000
Slovenia	1.928	5.1 million 100%	Building cadastre planned	700,000 <5% (est.)	75,000 (est.)	10,000 (est.)	85,000 (est.)	80,000 (est.)
Sweden	8.873	3.2 million 100%	Not registered separately	2.1 million <sup>7</sup> ? (0%)	Not available	Not available	295,000	500,000 (est.)
a. England and Wales	a. 52 million	17 million (95%)	Not Registered separately (a. 98%)	a.1.5 million (100%)	a. 1.7 million?	a. 140,000 <sup>9</sup>	a.1.85 million	a. 1.3 million
b. Scotland	b. 5.1 million	2.4 million (100%) <sup>8</sup>	(b. 100%)	b. not available	b. not available	b. not available	b. 162,000	b. not available

(Source: Column A: CIA Factbook, Column B.1, C3.C4 HMLR / UN ECE Inventory of land Administration Systems 1998, other figures from matrix response volume II, or referenced in Footnote.)

1. Austria: only the 450,000 condominiums are registered.
2. Czech Republic: of the 1.5 million flats in the Czech Republic, only the private flats are registered (about 450,000 or 30%).
3. Denmark: The BDR (Building and Dwelling Register) is operated by the municipalities under guidelines issued by the National Survey and Cadastre and according to a structure defined by the ministry of Housing and Building.
4. Finland: in Finland no apartments are registered, However the BDR (Building and dwelling Register) is operated by the Population centre under the Ministry of Interior. The BDR does not include legal information of ownership.
5. Norway: individually owned apartments are registered in the property part of the cadastre, other types of apartments are registered in the building register part of the cadastre, but this part is not yet complete.
6. Norway: 100% of the buildings are registered, but not all data is loaded.
7. Sweden: apartments are not registered in Sweden.
8. Scotland is converting from Registry of Deeds to Title as of 1981. As of 1.1.2001 it is estimated that this is 25% complete.
9. UK: average no of apartment transfers estimated from HMLR residential property report Apr-Jun 1999.

All of the comparison countries have a history of public registration of immovable property. The definitions of what formally constitutes an immovable property are different in different countries, as are the objects that are registered, and also the defined rights, or interests, that are registered. There are also very large differences in the institutional structures that provide the land administration functions. These differences are rooted in history, the legal basis, the social attitude of people to property, and also the exposure of the country to armed conflict, and hence forced revision of property boundaries and ownership

In the urban sector, all the comparison countries have significant centres of population of considerable size relative to the overall population. It is here that the pressure on living space has resulted in the construction of buildings containing a large number of living units or apartments. In some countries such as the UK, the large tenement blocks are associated with the provision of social housing, and the normal mode of occupancy is rental from the overall building owner, who often is a legal entity such as a Housing Association or a local authority. In other countries, especially in Scandinavia, there are a large number of people living in apartments either as owner-occupiers or as members of Housing Co-operatives or Housing Companies that are the legally recognised owner of the property.

## **Methodology**

The aim of this study is to throw light on the Apartment Registration process, and try to identify simple cost effective solutions that can be adopted by the transition countries. The approach adopted was to firstly identify representative selection of European countries that exhibit different kinds of approaches, and to then prepare a detailed comparison matrix/questionnaire that involved questions concerned with the legal framework, institutional aspects, technical and financial aspects. The questionnaires were completed by experts within the study countries<sup>10</sup>). The questionnaires were collected, and wherever possible, copies of relevant laws were also collected. The final report was completed in three volumes (volume 1- main report, volume II – comparison matrix/questionnaire, and volume III – copies of relevant laws). The full text of volume I and II is available on the web site of the Surveying and Mapping Agency of the Republic of Slovenia (see [www.sigov.si](http://www.sigov.si)).

The comparative findings are reported in the Tables contained in the Appendix One -Tables A.1.-A.13 which are presented at the end of this paper, the main findings are presented and discussed in the next section.

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<sup>10</sup> See Acknowledgements

## MAIN FINDINGS OF THE COMPARATIVE STUDY

### Introduction

In the Czech Republic, Slovenia and other former socialist countries, a large number of apartment buildings were created during the period 1960-1980 during the communist period, and the ownership was never considered important. What was of great importance was the right to occupy and live in an apartment, i.e. the right of usage. With the political changes of 1989 and the rush to privatisation, large numbers of people in the Czech Republic and in Slovenia, suddenly found themselves no longer occupiers, but, in principle, owners, of these apartments. However, it was not clear at that time how these objects should be registered within the newly re-established land administration system (the cadastre, and the land register).

At the same time in both countries, a restitution process was under way and the authorities were tasked with the setting up of an institutional structure able to provide a land administration service. This included the establishment of the necessary legal framework; the drafting of regulations, and the investigation and updating of whatever land records were in existence. The result was that the registration of apartments was not prioritised, however, what was prioritised was the privatisation of the apartments. Different approaches were followed in the Czech Republic and in Slovenia, and in some cases the initial privatisation has resulted in additional complexities to be solved now in the registration process. These are highlighted in the discussion that follows

All of the comparison countries have a legal framework that embraces and protects the rights of ownership of private property. Some countries have a legal system largely based upon precedent and an accumulated body of legal rulings, termed common law. Other legal systems are strictly codified. There are advantages and disadvantages of both approaches, however as countries' legal framework evolve over a considerable period of time, it is unlikely that any country would contemplate fundamental changes of this nature in the foreseeable future

With respect to the land administration sector, we can see a range of solutions that have been adopted, both for registration of property in general and apartments in particular. Noticeable is the simplicity of the Scottish system, compared to the central European approach, and fundamental to the Scottish (and English approach) is the concept of general boundaries that avoids the necessity for precise geometric representation of property boundaries in legal documents. Finland demonstrates another simple approach where the requirement to register is

removed entirely, and the apartments are considered to be simply another moveable asset.

It is often considered that there should be a difference in how urban land should be managed compared to agricultural land, and there many precedents for this in history. However, where registration exists, there is not usually a difference in terms of the legal requirements for registration and the obligations between the parties involved in a transfer. The differences arise in terms of the planning and use regulations; the tax and valuation procedures; and in some cases, the prioritisation for sale, disposal and inheritance.

Within the urban sector, it is customary to consider houses either as single objects that can be conveyed freely, or else as a real estate object that itself can contain a number of separate real estate objects (flats, apartments, business premises) that can be conveyed and owned separately. The term “condominium” is also used increasingly. All of the comparative countries contain a significant number of these flats or apartments. With the exception of the Czech Republic and Slovenia, the system for recording apartment ownership interests through registration or being a member of a shareholding company basically work.

The comparative tables of the main review are contained in tables A.1.-A.13 in the appendix at the end of this chapter. The full text is available for review at [www.sigov.si](http://www.sigov.si). This section is concerned with identifying trends in the implementation of land administration and how the administration of apartments in particular is organised.

### **Objectives of apartment registration and administration**

In each of the study countries of Austria, Denmark, Finland, France, Sweden and the UK there is a system for the land administration of apartments. We can see that in each of these market economies a system has been implemented with greater or lesser cost, and greater or lesser expense, which is able to achieve the following three objectives.

<b>Objective</b>		
<b>A</b>	Legal	Provide a system for securing the legal interest in occupancy and ownership of apartments
<b>B</b>	Management and Maintenance	Provide a system that ensures the rights, duties and obligations of the building management and maintenance are adequately catered for and balanced with the rights and obligations of the apartment owners / occupiers
<b>C</b>	Technical information	Provide a system able to provide the necessary technical information that is required to support the municipal and administrative tasks of compliance with planning and construction regulations; valuation, tax assessment and collection, building occupancy and usage, consistent with the common good

It is important to recognise that there is not one mechanism that is satisfying fully these three objectives, and also that responsibility for those different matters is necessarily spread across many government ministries and has impacts at both the local municipal level and the central state level.

We can characterise the different approaches of the comparison countries and this is now done in terms of the three objectives stated above. The titles in the following section may appear a little frivolous, but they do illustrate the trends.

### **The legal registration of apartments**

We see that there are a variety of trends discernible in solving the problem of category A (see tables A1-A13):

*Provide a system for securing the legal interest in occupancy and ownership of apartments* and these are discussed below.

#### ***Austria and France: the two old masters***

The Austrian and the French system both have their roots firmly in legislation that dates from the nineteenth century and the early part of the twentieth century. Both systems are claimed to provide strong protection of property rights, however they have very different legal approach with the French notarial deed being the legal instrument on the one hand compared to the Austrian landbook entry on the other. However notice that France produces an extract of the Deed that is recorded at the land registry. Many jurisdictions around the world have moved from Deeds based systems to Title based systems, on the basis of the greater efficiency of title registration, however, there have been some arguments put forward recently once more in favour of Deeds, so doubtless the discussion will continue.

In terms of apartment registration, both systems are able to manage the registration of apartments, and also it is noticeable that both systems do not have supplementary technical registers, as is the case with Scandinavian countries.

To summarise, both France and Austria base the creation of the land administration system firmly on the legal registers of the cadastre and the land register (or Deed Register).

The implication of this is that if a property is not the subject of an individual ownership and consequently is not registered, then it is not visible to the land administration authorities. Austria has difficulties with exactly this problem - one of the Key Issues at the current time is the lack of completeness and currency of the situation with respect to flats and buildings, as neither the cadastre nor the land register record all apartments and buildings that exist

Both systems use notaries, though in Austria, as in Slovenia the Notary only verifies signatures, in France the Notary makes the decision on approval of the application. Both countries require that a precise survey of the floorplan of the apartment be carried out.

Both countries require that agreements concerning common parts and building maintenance should be in place before the transfer is approved. Land registration is compulsory for all real estate. Neither law provides for the situation where a building owner is also the owner of the flats in the building, as long as he does not subdivide the property, he may enjoy undivided ownership while separately letting the properties.

### ***The UK: quick easy and cheap***

The UK adopts a very liberal position by comparison, no agreements, no maintenance, no floorplans, just a short description, an identification of the building outline on a supporting large scale map, and a signed contract between the parties, duly witnessed. Registration is compulsory in England & Wales, but only on transfer. Registration is not compulsory in Scotland, but is carried out in 99.9% of cases.

### ***Leasehold and leases***

Some countries have long lease, and some countries have leasehold. The leasehold differs from the long lease in that it is recognised as a kind of ownership interest that is absolute in every term except to the overriding freehold interest. In many apartments in England and Wales, the individual apartments are owned as leasehold, and the overall freehold of the property may be held by a third party, or indeed, by the leaseholders themselves as

joint property. By comparison, long leases are not bought and sold, but terminated and re assigned.

### ***Scandinavian liberalism or independence***

The Scandinavian countries of Denmark and Norway can be considered even more liberal in that they do not insist on registration at all. They leave it up to people's sense of self-interest to ensure that their interests are protected.

### ***Scandinavia: strong role of the state***

And then we have Sweden and Finland. In neither country are apartments registered, as they are not considered a real estate object, yet both countries have adopted continental style land registration systems with land book and supporting cadastre. In the case of Finland, the Notariate has been introduced, while it has no role in land administration in the other Scandinavian countries of Norway, Denmark and Sweden.

### ***The Scandinavian Model: a modern solution***

There is another legal trend at work, and that is the Scandinavian model of the Housing Company, which is found in all of the Scandinavian countries to a greater or lesser degree, for instance, exclusively in Finland, while coexisting with other traditional land book/cadastre forms in Denmark. It is also found in Sweden and in Norway. The idea of the housing company is that the legal entity of the company is the owner of the building, - all of the apartments and the common parts. The purchase of a shareholding in the Housing Company gives you the right to live in a designated apartment. The problems of definition of common parts disappear, as all parts are common, you just have different rights to different parts. You can buy and sell the shareholding you can obtain a mortgage, the rights are fully protected, but the individual rights of apartment occupancy are protected by *contract law*, not by *land registration law*. The Building remains in the legal ownership of the Housing Company as far as the land register is concerned. The problems of maintenance of all parts outside of the apartment that you occupy are also solved; these are the responsibility of the Housing Company who makes an annual service charge to cover this.

### ***Czech Republic and Slovenia: transition countries***

Both the Czech Republic and Slovenia have adopted continental style landbook/cadastre solutions, though the Czechs have taken the opportunity to integrate these two components into one organisation, this overcoming some of the institutional problems that may arise. As for apartment registration, we see now that Slovenia went for a rapid privatisation of former state and municipal property, under the 1992 law, issuing very quick contracts that were not registered, while the Czech Republic made

registration a condition of the privatisation programme. This meant that the privatisation of apartments proceeded more slowly (in percentage terms) in the Czech Republic, but those apartments are now fully registered real estate objects in the land register and the cadastre. The Czech experience is now showing that the number of people who are interested in privatising their apartment is now beginning to reduce, and it seems clear that not all people who are eligible will seek to obtain private ownership of their properties they occupy. In time, this too will be a problem, as the building maintenance problems get greater and the properties continue to stay off the register and out of visibility.

### **Building management and maintenance**

In some countries such as Austria, France, Norway and the Czech Republic there is no direct institutional support for building management and maintenance. There is no building cadastre or technical register of Buildings that is complete. It is a requirement that a document exists laying out the building maintenance share between the apartments in a building, before a property is conveyed at first registration, This is then incumbent on all subsequent transfers. In the case of the Czech Republic, it was a condition of the privatisation of apartments that apartments should be registered and that an agreement on building maintenance must be reached before individual units (apartment or non-apartment) can be transferred and registered. A building register is currently under development in the Czech Republic.

In Denmark and Finland there are Building and Dwelling Registers (BDR) that provide a comprehensive technical register of building information about usage, physical characteristics and other technical information, An entry exists for every apartment, condominium, building and property in Denmark and it is managed by the municipality. The Act on Condominiums contains an annex with a default contract that establishes the rights and obligations of condominium owners for building maintenance and management.

In Finland it is centralised at the Population Register centre. There are comprehensive laws concerning the trading in real estate, the operation and obligations of Housing Companies, and the use of leasing. The law specifies many of the obligations including the maintenance and management of apartments.

The issue of building management and maintenance is currently an issue in Slovenia. As many apartments are currently not registered, and not accounted for in any building register, it is not known as to how effective is

the building management of apartment buildings. A building cadastre is under construction. This will produce a technical (and legal) register of buildings and apartments.

In Sweden there is a building register but apartments are not registered. This is thought to be a problem, and proposals are under development for introducing apartment registration. What does exist is a comprehensive technical description of all buildings, as these are considered to be real estate objects and are included in the Land Data Bank. However, graphical information is not included in the land data bank, (i.e. apartment floor plans).

The UK has no direct institutional support, building management and maintenance is the subject of the agreement between the lessee and the lessor. In the case of housing associations the obligations are in the statutes of the association.

Generally speaking, where owners have co-operated and reached agreement, property has been registered or is under the control of a building company, then the management and maintenance is settled, assuming there is enough wealth to drive the process.

However, in the situation such as Slovenia where there has been a rapid (and low cost) privatisation, with contracts that do not spell out adequate measures for maintenance, management, or may not even clearly identify apartments, then there is a risk to the overall life of the building stock itself., as the maintenance and management agreements may not be clear and accepted.

The UN ECE has recognised the problems of providing for adequate building management and maintenance in the central and east European countries and has commissioned the preparation of guidelines (*UN ECE / MOLA 1996*).

### **Technical information**

The problems of Category C

*Provide a system able to provide the necessary technical information that is required to support the municipal and administrative tasks of compliance with planning and construction regulations; valuation, tax assessment and collection, building occupancy and usage, consistent with the common good,*

have been solved in the most effective way in Finland and Denmark. The model of the Building and Dwelling Register containing only technical information means that the population of the data can be by assessment, questionnaire an appeal, without impacting on any of the legal rights or privilege of any party.

Denmark has a comprehensive Building and Dwelling register maintained at the municipal level, and operated in accordance with guidelines issued by the National Land Survey and Cadastre and the Ministry of Housing and Building. From 1991 this information is mostly open to public access. The BDR contains information about:

- properties (may consist of one or more buildings);
- buildings (comprising one or more units);
- units (dwelling unit or trade unit).

The property/building/unit number uniquely identify a property.

The BDR was established in 1977-1979 (set up in two years) and was produced as a result of a questionnaire sent to every household. It is organised as a LIS subsystem, with registers that contain current information (ordinary register), historical information (historic information) and a register of changes (alteration register). The information includes purpose of building, access, year of construction, physical construction and size, number of units, dwellings, tenure, rent, etc. This is managed by the municipality, and this acts as a counter balance to the cadastre, keeping the cadastre smaller in content and concentrating on matters which have legal significance.

The UK approach is to provide greater connectivity between institutions. This is possible when the institutions are well developed and mature, with large existing data sets, however if there are to be new institutions and new data sets, then it is important to consider where these should be located. There are some arguments that the location should be at the point where the updating costs are the least expensive.

## **SUMMARY OF KEY ISSUES BY COUNTRY**

This section lists some of the items that are considered import at the present time in connection with apartment registration in the study countries.

### ***Austria***

1. The Key issue is the lack of completeness and currency of the situation with respect to flats and buildings, as neither the cadastre nor the land register record all apartments and buildings that exist.

2. The Austrian land registry and cadastre has a long and proud tradition that is held in good respect by the populace. There could be arguments for streamlining some of the procedures.
3. The municipalities have a moderate role in land administration.

### ***Czech Republic***

1. The key issue here is how to carry the privatisation of apartments forward, as there is less inclination amongst the populace to continue with this process.
2. A Building and Dwelling Register are planned, but not yet implemented, experiments proceed with a prototype building register.
3. Overhaul of property tax and valuation.

### ***Denmark***

1. The Key issue in Denmark is the social/political approach which has brought the subject of apartments into public focus. Owing to high taxation and social security levies, the savings rates of individuals in Denmark is low, and the opportunity to accrue capital is limited. This means that access to the housing market is a political issue, and various conservative and liberal attempts have been made to influence the market. There are two forces at work:
  - encourage greater home ownership (through condominiums);
  - encourage housing for all (through controlled rental of apartments and “properties held in parts”).
2. The Danish Mortgage credit is linked to the property, not the person, this means that a property can be sold with a mortgage, and this makes access to the property market more accessible, especially for young families.
3. In Denmark, the BDR ensures that every building, apartment and condominium, office premise, is recorded and described in technical terms. This is managed by the municipality. It is claimed that this.
  - a) reduces the cost for valuation assessment for property tax to one third of the previous amount,
  - b) supports an annual household census at a nation-wide cost of USD 200,000 and
  - c) ensures that every property unit is covered by the tax assessment programme, the system is updated daily at the municipality level.
- 4 The involvement of the local municipality in land administration is large.

### ***Finland***

1. In Finland there are 88 different cadastres, 87 at the municipal level and one at state level, basically in former times the state cadastre covered the agricultural sector. However, the Finns have used technology to help manage the systems and provide country wide reporting.

2. In Finland there is no registration of buildings or apartments, as these are considered moveable properties. This does not seem to create problems. An extensive Building and Dwelling Register provides information about most (but not all) buildings and apartments.
3. The municipalities have a high involvement in land administration.

### ***France***

1. In France there can be some difficulties concerning responsibility for the integrity of the land register records, as both the Public Notary and the land Registrar are personally responsible.
2. The cadastre is the key repository of technical information concerning buildings. In France, long term leases are registered but short term leases are not, Properties with undivided ownership subject to short leases will not show up in the cadastral or land registry records, and in the absence of a technical building register, it is difficult to track these.
3. The French system supports an extraordinary number of property units.
4. The French valuation and tax system is considered to be complex, bureaucratic and overdue for modernisation.
5. There is an almost complete lack of involvement of the local municipality in the land administration process.

### ***Norway***

1. Relaxing the state monopoly on cadastral surveying and training surveyors in other wider aspects of land administration.
2. Possibility of removing the landbook from the legal sector.
3. Completion of the digital cadastre.

### ***Slovenia***

1. The most pressing problem in his sector is how to provide satisfactory land administration for apartments. Strategies involving registration and co-financing of the process have been proposed.
2. A secondary problem is how to provide the technical systems necessary to underpin land valuation and property tax.

### ***Sweden***

1. A condominium law is under consideration, as there is currently no specific law in this sector.
2. The costs of the Swedish land administration are considered excessive.
3. No involvement of private surveyors.
4. Using technology to reduce the number of operational courts.

### ***United Kingdom (Scotland)***

1. Considering some adaptation of existing land law.
2. Completion of the registration programme (of title).

3. Improving the descriptions of apartments.
4. Introduction of on-line conveyancing.

## **RECOMMENDATIONS AND CONCLUSIONS**

The main findings of the comparison study are as follows:

1. The land administration framework requires that a number of measures are taken to ensure that the three objectives are met, reliance on one mechanism, e.g. registration to ensure that all properties are identified and described is shown not to work (experience of Austria).
2. Several countries have constructed workable land administration without compulsory registration, which are able to fully satisfy the three objectives, indeed in some countries (Finland, Sweden) apartments are not registered at all.
3. The most successful countries seem to be those that have separated the legal registration requirement from the purely technical systems needed to support the wider land administration requirements. The Finnish Building and Dwelling Register, The Danish Building and Dwelling Register are all measures aimed at providing the technical information needed to support land administration. The Swedish Land data Bank is able to fill some of these functions, but it also serves as the main cadastral database, and therefore has an additional legal function. It is supplemented with a Dwelling Register.
4. The most successful systems also seem to be highly decentralised, with strong active participation of the municipalities, as they have a strong interest in these registers, as they form the basis of property tax, which is an important revenue stream for the community.
5. No country has been able to enforce registration on all real estate objects that arise in the land market. Strategies for registration that have proved successful include
  - compulsory registration on transfer;
  - compulsory registration for mortgage, easement or any other pledge, burden and
  - tax exemptions for registration.
6. Countries are able to ensure that technical registers cover every real estate object, based on occupancy or owner if there is no current

occupant. Associated with this, the response to self assessment, i.e. response to questionnaires has been good where it has been used.

7. It is recognised that in the emergent economies there are actually some disincentives to becoming a private owner of property, as increased maintenance charges, and lack of help from other parties may prevent essential maintenance from taking place. Occupants may also fear that they will be subject to higher and higher taxes.

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**Table A.1: The legal basis of the registration of ownership of real estate objects**

	The system Registers Deeds or title	The system requires a precise cadastral plan	A building must have the same owner as the underlying land	Is the concept of leasehold / freehold legally recognised	Is there a special law for mortgage	Is there a special law for apartment registration
<b>Austria</b>	Title	Yes	Yes, unless leasehold	Yes	No	No
<b>Czech Republic</b>	Title	Yes	No	No	No	No (Law for management of Housing Cooperatives)
<b>Denmark</b>	Title	Yes	Yes, usually <sup>11</sup>	Yes <sup>12</sup>	No	Yes (condominiums)
<b>Finland</b>	Title	Yes	Yes, unless leasehold	Yes	Yes	Yes <sup>13</sup> (Housing Company Law)
<b>France</b>	Deeds	Yes	Yes, unless leasehold	Yes	No	Yes (1965/557 1967/223)
<b>Norway</b>	Title	Yes, but with flexible standard	Yes, unless leasehold	Yes	Yes	Yes (1995 act on condominiums)
<b>Slovenia</b>	Title	Yes	Yes in law, but in practice, no <sup>14</sup>	No	No, under development	Yes (Act 33/1995 and 89/1999)
<b>Sweden</b>	Title	Yes	Yes. Unless leasehold	Yes	No	No
<b>England/Wales</b>	Title	No	Yes, unless leasehold	Yes	No	No
<b>Scotland<sup>15</sup></b>		No		Yes	Yes	No

(Source: comparative study Volume II)

<sup>11</sup> Denmark: it is possible to have a building constructed on rented land, but this is an exception and usually applies to harbours / industrial sites.

<sup>12</sup> Denmark: this arises mostly in the case of agricultural land.

<sup>13</sup> Finland: but note that apartments are not registered in the land registry or cadastre, they are managed via Housing Companies.

<sup>14</sup> Slovenia: There exist many apartment buildings where the building ownership (i.e. apartments) and the underlying land ownership are not the same.

<sup>15</sup> Scotland: in the processing of converting from Deed Registry to Title Registry.

**Table A.2: Legal basis of ownership and technical information for apartments**

	Is registered Ownership of apartment by an individual permitted	Is registered ownership by Housing Company permitted	Housing company has special law	Law on Housing Associations (to manage buildings)	Technical Building register exists (Defined in law?)	Is the land Register/ cadastre the base for technical information
<b>Austria</b>	Yes	Yes	Yes	Yes	No	No
<b>Czech Republic</b>	Yes	No	No	Yes (co-operative)	No	Partly - (Collection of documents of cadastre)
<b>Denmark</b>	Yes	Yes	Yes <sup>16</sup>	Yes <sup>17</sup>	Yes	No
<b>Finland</b>	Yes	Yes	Yes	(see Housing company law)	Yes	No
<b>France</b>	Yes	Yes	No	No	No	Partly, cadastre & land register
<b>Norway</b>	Yes	Yes	No	Yes	As a special part of the cadastre	Yes <sup>18</sup>
<b>Slovenia</b>	Yes	No	No	No	(under construction)	At present
<b>Sweden</b>	No	Yes <sup>19</sup>	Yes	Yes	No	Yes, cadastre (land databank)
<b>England/Wales Scotland</b>	Yes	Yes Any legal entity	No (not for ownership rights)	Some legislation for social housing	No, but data held by several agencies	No No

(Source: comparative study Volume II)

<sup>16</sup> Denmark: in the case of "*properties owned in pairs*", there is a special law.

<sup>17</sup> Denmark: if no special maintenance agreement is drawn up, then a standard agreement defined in an annex to the Condominium Law is used.

<sup>18</sup> Norway: note that comprehensive technical information for buildings is held in the cadastre (GAB).

<sup>19</sup> Sweden: the housing company is the owner of the property (land and buildings).

**Table A.3: Legal Ownership Profile of Apartments**

	State and Local Govt, municipalities (not for profit)	Housing co-operatives	Housing Associations	Indeterminate	Private Individuals And legal entities	Other
<b>Austria</b>	27%	0%	28%	0	45%	0
<b>Czech Republic</b>	Not available	Not available	Not available	Not available	Not available	Not available
<b>Denmark</b>	6%	5%	30%	1%	60%	1%
<b>Finland</b>	6%	2%	4%	1%	86%	1%
<b>France</b>	Not available	Not available	Not available	Not available	Not available	Not available
<b>Norway</b>	4%	1%	27%	1%	66%	1%
<b>Slovenia</b>	9% (est.)				90% (est.)	1%
<b>Sweden</b>	20%	15%	20%	0	40%	5%
<b>England/Wales Scotland</b>	15%(est.)	(with housing associations)	25% (est.)	0	60%(est.)	0%

(Source: comparative study Volume II)

Table A.4: Legal treatment of common areas of apartment buildings						
	Are common areas of apartment buildings / business premises recognised by Law	Are the common areas separately registered? On their own land book entry	Are the common areas recorded as shares on individual land book entries	Are the common areas held by a legal entity, of which apartment owners are members/shareholders	Does the law state what methods of survey must be used	Remarks
<b>Austria</b>	Yes	No	No	No	Yes	These responses are valid only for registered condominium
<b>Czech Republic</b>	Yes	No	Yes (in cadastre)	No	No	These responses are valid only for registered apartments
<b>Denmark<sup>20</sup></b>	Yes	Yes	No	No	No	These responses are valid for "Condominiums" in the Danish sense
<b>Finland</b>	No	No	No	No	No	Common areas of apartment buildings are the property of the Housing company
<b>France</b>	Yes	Supporting document	Supporting documents	Yes?	Yes	All apartments re registered
<b>Norway</b>	Yes	Yes	No'	Yes	Yes	These responses are only valid for condominiums
<b>Slovenia</b>	Yes	No	Yes	No	Yes	
<b>Sweden</b>	No	No	No	Yes, with building	No	
<b>England/Wales Scotland</b>	Yes <sup>21</sup>	No	No	It is possible	No	Common areas of apartment buildings are not specifically defined in law

(Source: comparative study Volume II)

<sup>20</sup> Denmark: the responses are for those real estate objects identified as condominiums in Denmark (i.e. can be bought and sold).

<sup>21</sup> UK: common areas are implicitly recognised as such in a verbal description of the property, but there is no special legislation.

**Table A.5 Legal requirements for registering an apartment**

	Contract of sale	Must contract or signatures be notarised	Agreement on common parts	Must a building maintenance agreement be in place	Is an Apartment survey plan required, and who prepares it	Is Building Footprint Survey required, and who prepares it	Is Functional land defined in Law, and must it be settled
<b>Austria</b>	Yes	Signature	Yes	Yes	Yes Architect, Civil Engineer	No	No
<b>Czech Republic</b>	Yes	No	Yes	Yes	No, only sketches	No	No
<b>Denmark<sup>22</sup></b>	Yes	No	Yes	No	Yes Surveyor <sup>23</sup>	Yes Surveyor	No
<b>Finland<sup>24</sup></b>	Not applicable for apartments	Not applicable for apartments	No	Specified in Housing company Law	No	Yes Surveyor	No
<b>France</b>	Yes	contract	Yes	Yes	Yes surveyor	Yes Surveyor	Yes
<b>Norway</b>	Yes	No	Yes	No	No specific survey requirements <sup>25</sup>	no	No
<b>Slovenia</b>	Yes	Signatures	Yes	No	Yes, C.Eng. (95 law), Owner or surveyor (99 law)	Yes Surveyor	Yes under 95 law, no under 99 law
<b>Sweden</b>	Yes	No	No	No	Yes, Architect	Yes Surveyor at municipality	No
<b>England/Wales Scotland</b>	Yes	No	No	No	No	No	No

(Source: comparative study Volume II)

<sup>22</sup> Denmark: response is for condominiums, i.e. objects that can be bought and sold.

<sup>23</sup> Denmark: But the survey plan is only recorded in the land register, NOT in the cadastre.

<sup>24</sup> Finland: the apartment is not registered, the entire building is registered in the name of the Housing company.

<sup>25</sup> Norway: no specific requirements are set for floorplans, apartments are often shown on the appropriate building construction drawings.

Table A.6: Leasing of apartments							
	By law, Are residential leases registered	What is the minimum length of registered residential lease	What is the maximum length of registered residential lease	In practice, are the residential leases registered	By law, are business Leases registered	What is the maximum minimum length of registered lease for business	Is there a Law on Leasing
<b>Austria</b>	Possible, but not obligatory	No limit	No limit	Sometimes, on request	Not obligatory	No limit	Yes
<b>Czech Republic</b>	No <sup>26</sup>	Not applicable	Not applicable	No	No	Not applicable	Yes, Civic Code
<b>Denmark</b>	Not obligatory	No limit	No limit	Not usually	Not obligatory	No limit	No
<b>Finland</b>	No	No limit	No limit	No	No	No limit	Yes
<b>France</b>	Yes if >12yrs	12 yrs.	No limit	Yes	Yes	1 years	Yes
<b>Norway</b>	Not compulsory	No limit	No limit	No	No	No limits'	Yes (law on Housing rent)
<b>Slovenia</b>	No	Not applicable	Not applicable	No	No	Not applicable	No
<b>Sweden</b>	Yes but not obligatory	5 yrs.	50 years	Not normally, unless leasehold occupancy	No	Not applicable	Yes
<b>England/Wales</b> <sup>27</sup>	No, except leasehold	21 years	No limit leasehold	Leasehold	No	Not applicable	Yes
<b>Scotland</b>	No <sup>28</sup>	No	No	No	If >20 yrs.	Min=20 yrs.	Yes (law of Tenement)

## NOTES

In the UK, there are both short-term tenancy leases and Leasehold properties. Leasehold properties are registered in the same way as freehold, with the note that the property is subject to a freehold interest. Short term tenancies are not registered.

The Swedish leasehold is similar to the UK leasehold; they can be bought, sold, pledged.

The Norwegian leasehold is similar to the UK leasehold; they can be bought, sold, pledged.

<sup>26</sup> Czech Republic: by law, leases were supposed to be registered up until 1996, however in practice this never took place and the law was changed.

<sup>27</sup> England and Wales: short term tenancies are not registered, leaseholds are registered, but these are considered the same as freehold properties except having a different tenure.

<sup>28</sup> Scotland: only leases greater than 20 years are registered, however, by law, property under leases of more than 20 years cannot be used as residences, so effectively, residential leases are not registerable.

**Table A.7: Institutional structures**

	Individual Legal ownership is registered by	Legal description/boundary is registered by	Recording any mortgages / charges	Housing Company records are legally managed by	Land law is drafted by	Cadastral System is centralised or decentralised	Building Register is centralised or decentralised
<b>Austria</b>	186 District Courts	41 Cadastral offices	186 district courts	No special requirement	Ministry of Justice	Records centralised Maintenance Decentralised	No Building Register
<b>Czech Republic</b>	77 Cadastral Offices	77 Cadastral Offices	77 Cadastral Offices	(?) No special requirement	COSMC	decentralised	Building Register under construction
<b>Denmark</b>	82 district courts	Private licensed surveyor in municipality	82 district courts	No special requirement other than BDR entries	Ministry of Justice	Centralised, updates	BDR is Decentralised at the 275 municipalities
<b>Finland</b> <sup>29</sup>	66 district courts	13 cadastre offices and 87 municipalities	66 district courts	Housing Company	Ministry of Justice	Decentralised	BDR is centralised at Population Register Centre
<b>France</b>	315 land offices	315 land offices	354 mortgage offices	No special requirement	Ministry of Finance	Decentralised	No Building Register
<b>Norway</b>	87 district courts	435 municipalities. Municipal personnel update the cadastre	87 district courts	Housing Company	No separate land law exists <sup>30</sup>	Cadaastre is centralised, update is provided by municipality <sup>31</sup>	Cadaastre has some of attributes of building register (Central)
<b>Slovenia</b>	44 County Courts	46 Cadastral Offices	44 County Courts	Not applicable	Ministry of Justice	decentralised	Under construction
<b>Sweden</b> <sup>32</sup>	94 District Courts (from 2001, 7 special courts)	70 Cadastral offices and 38 municipal offices	94 District Courts (from 2001, 7 special courts)	Housing Company	Ministry of Justice	Decentralised and a central databank	Central Land DataBank (NLS) contains much technical data
<b>England/Wales</b>	22 Regional offices HLMR Registers of Scotland	Not directly applicable <sup>34</sup>	22 Regional offices HLMLR	Not applicable	Office of Lord Chancellor Scottish Min Justice	Centralised	Technical data is held by respective authorities
<b>Scotland</b>			One central office			centralised	

<sup>29</sup> Finland: note that apartments are not registered as they are not considered real estate objects.

<sup>30</sup> Norway: but several ministries co-operate in drafting different property law.

<sup>31</sup> Norway: cadastral maps are kept at the municipality.

<sup>32</sup> Sweden: the number of district courts will soon be reduced to seven by use of technology.

<sup>33</sup> Sweden: County Cadastral Offices are part of National Land Survey, apartments are not registered as they are not considered as property (not attached to the land).

<sup>34</sup> England and Wales, and Scotland: cadastral maps do not exist in the UK, Property boundaries are shown in outline on large scale Ordnance Survey maps.

Table A.8 Responsibility for technical information- about apartments							
	Ownership information	Occupant information	Building/ apartment technical description	Recording Usage	Physical planning	Valuation data	Tracking Sales information
<b>Austria</b>	186 District Courts	Registration of Population	Municipalities	Municipalities	Municipalities Local administration	Tax offices	Tax offices
<b>Czech Republic</b>	77 Cadastral Offices	Only owner is recorded	77 Cadastral offices	77 cadastral offices		Not held	RIAE, MOF
<b>Denmark</b> a) apartments b) condominiums	a). In BDR b) 82 district courts	Not recorded	a) In BDR b) In BDR and land register (Not cadastre)	a) In BDR b) In BDR	Municipality and County	Municipality valuation Register	a. no sales b. done by municipality
<b>Finland</b>	Housing company Records	Housing Company records	BDR at population register centre	BDR (not legally binding)	Municipality	Not applicable for apartments	Real estate agents
<b>France</b>	354 land registry offices	315 cadastre offices	Cadastre (partly)	Cadastre (partly)	Ministry of Public Works	Cadastral valuers	Land Offices
<b>Norway</b>	87 district courts	Not recorded	Cadastre (partly)	Cadastre (partly)	Municipality	State tax authorities/municipalities	Central bureau of Statistics <sup>35</sup>
<b>Slovenia</b>	44 County Courts	Not recorded	Planned for building cadastre	Planned for building cadastre	Municipality	Cadastre (municipality)	Not clear
<b>Sweden</b>	94 district courts <sup>36</sup> (7 from 2001)	Not recorded	Land Data Bank (partly) (cadastre)	Land DataBank (cadastre)	Municipality	Tax authority	Land data bank
<b>England/Wales</b>	22 HMLR district offices	Not recorded	Municipalities	Municipalities	Municipality	Municipality and valuation Agency	HMLR
<b>Scotland</b>	Registers of Scotland	Not recorded	Municipalities	Municipalities	Municipality	Municipality	Registers of Scotland

<sup>35</sup> Norway: based on reports from the land book offices.

<sup>36</sup> Sweden: soon to be reduced to 7, owing to IT advances.

	No of cadastral Employees	No of Land Registry employees	Total sector employees	Parcels per employee	WAN in place	Internet access supported	Municipalities have on line access
<b>Austria</b>	1000(X)	600	1,600	6500 (X)	100% complete	Yes	Complete
<b>Czech Republic</b>	(one organisation)		4,260	5,400 (X)	100% complete	Planned	Not Yet
<b>Denmark</b>	540(X)	600	1,140	1800(X)	100% complete	Yes	Complete
<b>Finland</b>	2000	860	2,860	1363	100% complete	Yes	Complete
<b>France</b>	4200+ est. 1350 IT	8000 + 1350 IT	14,900	6700 (X)	Ministry of Finance 100%	Planned for next year	Planned for next year
<b>Norway</b>	450 (mun-icipalities)	200	700	3500	Yes	Yes	yes
<b>Slovenia</b>	842 (X)	200	1050	4,850	100% complete for land registry	No	No
<b>Sweden</b>	3,100 est.	200	3,300	970	100% complete	Partly (landau bank)	Complete
<b>England/Wales</b>	500	8,000	8,500	2,000	100% complete	(Partly) -must register and get account	Not all, but most
<b>Scotland</b>	(including the OS staff)	1,300	1,300	2,000			

**NOTES**

1. (X) means not including private surveyors who carry out private cadastral surveying.

Table A.10: Workflow observations							
	Who prepares cadastral survey	Who prepares contracts of sale	Who carries out valuation a. sale. b. Tax assessment	Does the cadastral check the cadastral survey in the field	Does the cadastral check the cadastral survey against existing records	Who approves the entry into the register	Is there a backlog in processing applications
<b>Austria</b>	Private surveyors	Private lawyers & notaries	a. Private valuer b. Tax office,	No	Yes	Case officer	No
<b>Czech Republic</b>	Private surveyor	No demands by law, but it is common to use lawyers or notaries	a. Private valuer b. Owner (tax) c. Private valuer <sup>37</sup>	Sometimes <sup>38</sup> (inspection)	Yes	Cadastral office	No,
<b>Denmark</b>	Private licensed surveyors	Private lawyers	a. private valuer b. municipal e valuer	No	No	Case officer	No
<b>Finland</b>	Public surveyor from NLS / municipal cadastre	Standard document from Housing Company	a. Private valuer b. VTT <sup>39</sup>	Yes for real property Not applicable for apartment	Yes for real property Not applicable for apartment	Case officer	No
<b>France</b>	Private Licensed surveyor	Notary	a. Notary or pvt valuer b. Cadastral valuer	Yes	Yes	The Land Registrar	No
<b>Norway</b>	Municipal personnel	Any person, usually lawyer/broker	a. Pvt valuer b. Owner / layman <sup>40</sup>	No	No	Case officer	No
<b>Slovenia</b>	Private surveyor	Lawyer or notary	a. Private valuer b. Cadastral valuer	No	Yes	Land Registrar (case officer)	Yes, greater than one year in Ljubljana
<b>Sweden</b>	Public surveyor from NLS/ municipal cadastral office	Lawyer or Financial institution, Broker	a. Private valuer b. Pprivate valuer	Yes	Yes	Land Registrar (Judge) or case officer	No
<b>England/Wales Scotland</b>	Private companies under contract to OS	Solicitor (Lawyer)	a. Private valuer b. private valuer	Not applicable	Not applicable	Case Officer In both cases	No

<sup>37</sup> Czech Republic: in the case of transfer, heritage and gift taxes.

<sup>38</sup> Czech Republic: cadastral office must confirmed that survey sketch fits into cadastre, field check is carried out only exceptionally by Inspectors.

<sup>39</sup> Finland: VTT: technical Research Centre of Finland has CAMA valuation model driven be sales information.

<sup>40</sup> Norway: data for state tax is decided by owner, elected laymen provide data for municipal tax.

**Table A.11: Estimated Operating costs and estimated transaction costs**

(X) denotes that the land survey charges are not included  
 (Y) denotes that the Public Notary charges are not included (in France the Public Notary reviews and decides on entry, the land registry merely records an extract)

A	B. ANNUAL OPERATING COSTS (USD)			C. NO OF TRANSFERS /SUBDIVISIONS		D. COST PER TRANSACTION USD		E. Expenditure Per parcel USD (% turnover)
	Land Registry (annual)	Cadastre (annual)	Combined (annual)	Transfers/ registrations	Subdivision	Land registry	Cadastre	
Austria	37 million	64 million (integrated system)	101 million	800,000	100,000	48	640 (X)	10(X) (8%)
Czech Republic			39 million	816,000	118000	integrated system	42 (X)	2(X) (4%)
Denmark	9 million	14 million	23 million	160,000	15,000	56	933 (X)	11(X) (8%)
Finland	19 million	51 million	70 million	158,000	25,000	120	2040	34 (8%)
France	63 million	250 million	313 million	3 million	320,000	3(Y)	781 (X)	3 (X) (Y) (3%)
Norway	11 million	15 million	26 million	140,000	40,000	78	375 (X?)	10(X)? (5%)
Slovenia	4 million	16 million	20 million	85,000	15,000	47	1066 (X)	4(X) (2%)
Sweden	21 million	45 million	66 million	295,000	12,000	71	3750	21 (9%)
England/Wales	288 million	(OS charges included by Land Registry)	288 million	1.85million	Not applicable	155(for both)		17 (11%)
Scotland	46 million		46 million	162,000		283(for both)		19 (7%)

(Source: UN ECE Land Administration Guidelines and Comparative Matrices Vol. II)

#### NOTES

1. Table A.11 is an attempt to quantify the operating and transaction related costs that are incurred within the comparison countries. The figures should be used with caution, as published global figures for operating costs are simply connected with published figures for annual number of transfers, and subdivisions. Nevertheless, it is interesting to see the results of such a comparison, assuming the "operating costs" include the same basic fundamentals within each country.
2. Column B: costs are from UN ECE Inventory of Land Administration Systems and converted to Euro/Dollars at 2001 exchange rates, based on Euro/USD party, or s supplied in Vol. II.
3. Costs for Slovenia are calculated from the state budget for the year 2000. Approximately one third of the total amount is contained within the WB REM project.
4. Column C is taken from the UN ECE Inventory (1998 figures), or as supplied in comparative matrices.
5. Column D assumes that operating costs are funded from income and a "cost per transaction" is calculated by dividing the costs by the number of transactions (subdivisions). In practice of course, the total costs include other activities, however it is derived above to provide a comparative indicator.
6. Column E is not an actual cost, but a comparative Indicator based on dividing the annual total operating cost (column B) by the total number of parcels that exist (see Table two for total number of parcels) and provides a rough index for comparison.
7. Turnover (% column) is calculated as total number of transfers /no of parcels, i.e. what percent of parcels change ownership each year).

**Table A.12: Estimated Apartment registration transaction costs during a sale**  
(all figures are €) The figures below are based on registration of one apartment in a multi-apartment block

A Country	B. Cadastral preparation work		C. Contract preparation (usual prices if undertaken by professional)		D. Tax	E. Service Fee (usual fee)	F. Total	
	Costs of surveying	Cadastral Office Fee.	Contract preparation by lawyer (notary)	Notarial Fee authentication				Land Registry Fee (e.g. search)
<b>Austria</b>	--	--	1500 optional	75	1% of sale price	2-3.5%	3% real estate agency fee	2575+5%
<b>Czech Republic</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Denmark</b>	1000	600	1000	0	-nil	0.6% of sale price 1.5% of mortgage	3%--	2600+ 5%
<b>Finland</b>	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	1.6% for apartments	4% real estate agent fee	5.6% of purchase price
<b>France</b>	300-600	Nil	See →	1.28% of sale price	0.1% of sale price	7%	5% real estate agency	600 + 13.38%
<b>Norway</b>	800-1000	0	0	Not applicable	78	2.5%	3% real estate agency <sup>41</sup>	1100 + 5.5%
<b>Slovenia<sup>42</sup></b>	200	5	See →	150	8 (0.5% for later transfer)	2%	150 +	513+2% 513 +2.5% later transfer
<b>Sweden</b>	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	100 + 1.5% 50 + 2% mortgage)	4% real estate agent fee	100 +7.5%
<b>England/Wales Scotland</b>	150	nil	500	nil	100	1%	2%	750+3%

## NOTES

1. The figures have been generated from available data concerning the estimated costs of apartment registration in the comparison companies. In carrying out the comparison, an attempt has been made to use the actual costs reported in Volume II, and to include all costs that are connected with the transaction, under the relevant legislation of the country in consideration.
2. All data (columns B-F) are from the comparative matrices Volume II.
3. Note that Sweden and Finland do not involve any surveying or registration costs in this comparison exercise.

<sup>41</sup> Norway: includes the cost of preparation of contract and deed.

<sup>42</sup> Slovenia: the assumption here is that it is the first registration of an apartment, therefore no registration fee.

**Table A.13: Estimated Normalised Apartment registration transaction costs during a sale**  
 (all figures are €) The figures below are based on registration of one apartment in a multi-apartment block, drawn from Table 14, and using average sale price of 100,000 USD,

Country	A. total cost estimates (includes real estate agent fee) from table 14, column F)	B. Final cost of 100,000 USD transfer (Including real estate agent Fee)	C, Final USD cost of 100,000 USD transfer (Not including real estate agent Fee)	D. Relative to Finland
Austria	2575+5% of sale price	7575	5575	348%
Czech Republic	Not available	Not available	Not available	Not available
Denmark	2600+ 5% of sale price	7600	4600	287%
Finland	5.6% of purchase price	5,600	1600	100%
France	600 +13.38% of sale price	13,980	8,980	561%
Norway	1100 + 5.5% of sale price	6,600	3,600	225%
Slovenia	513+2%	2,513	513	32%
Sweden	100 + 7.5%	7,600	3,600	220%
England/Wales Scotland	750+ 3%	3750	1750	109%

## NOTES

- Table 15 represents an attempt to normalise the costs, based on a standard sale price of USD 100,000. Note that another valid approach would be to use the average cost of an equivalent apartment in each country, converted to USD, however this has not been done. In interpreting the costs, care should be taken in coming to any definite conclusions; however, it is possible to detect the following trend.

**ABOUT THE AUTHORS**

*Richard Baldwin* has obtained his B.Sc. (Hons) in Geography and Geology at the University of Leeds in 1977. In 1980 he took his M.Sc. degree in Photogrammetry (with Remote Sensing) with distinction at the University College of London. For this work he received the Hart Prize. In 1983 he obtained his doctorate with a dissertation on 'An underwater measurement system' at the University of Newcastle upon Tyne. In the period 1985-1987 he worked as a software engineer and hydrographic surveyor. After that (1987-1989) he was a lecturer at the North East London Polytechnic. From 1989 till 1991 he was a Science Technology Agency Research Fellow in Japan. In 1991 he became a lecturer again at the North East London Polytechnic. In the period 1993-1998 he has been involved among other things as an international chief technical advisor, team leader and/or director in a large number of EU programmes (Phare and ACE) in Central and Eastern Europe. From August 1998 till February 2000 he was project director on behalf of the supplier for design and implementation of a national scale land registration system (COMAP-01 – World Bank) in Lebanon.

His present position is GIS/LIS Project Director for Central and Eastern Europe with BlomInfo A/S Denmark. In this capacity he is located in Slovenia, where he is involved in consultancy and business development in geo-informatics and land markets.

*Ema Pogorelčnik* has obtained her B.Sc. in Geodesy at the University of Ljubljana, Faculty of Civil Engineering and Geodesy. After graduation she stated working at the Surveying and Mapping Authority of the Republic of Slovenia, where she first worked in the Department of the Register of Spatial Units. She continued her career by heading the Project for the Set-up of the Register of Geographical Names. For several years she was also an active member of the government commission for the standardization of geographical names. She actively participated in the process of data quality control. She is also a member of the CERCO working party, specializing in operation and data quality control. She continued to work in the Real Estate Sector, specifically as the Head of the Building Cadastre Department. Ema Pogorelčnik is responsible for the component of the Real Estate Registration Modernization Project called Photogrammetric Acquisition of Buildings Outlines. She is also the Head of the Apartment Registration Development Subproject.

**CONTACT ADDRESS**

Name: Dr Richard Baldwin  
GIS/LIS Project Director

Institution: BlomInfo A/S

Office address: Vejlegade 6  
DK-2100 Copenhagen  
Denmark

Telephone: +386 61 283 4314

E-mail: [blomsi@siol.net](mailto:blomsi@siol.net)

Name: Mrs. Ema Pogorelčnik

Institution: Surveying and Mapping Authority of the Republic of  
Slovenia

Office address: Zemljemerska ulica 12  
1000 Ljubljana  
Slovenia

Telephone: +386 1 478 4884

Fax: +386 1 478 4834

E-mail: [ema.pogorelcnik@gov.si](mailto:ema.pogorelcnik@gov.si)