



United Nations Economic Commission for Europe  
WORKING PARTY ON LAND ADMINISTRATION



Agenzia del  
Territorio



**UNECE workshop on:**  
***Cadastral and real estate registration  
systems: Economic information for  
real estate markets in the UNECE  
region***

*Roma, 5-6 May 2011*

Maurizio Festa

*Agenzia del Territorio*

*Head of Statistics and real estate market studies Office*

72nd session of the  
COMMITTEE ON HOUSING AND LAND MANAGEMENT  
Geneva, 3-4 October 2011



# Cadastral and real estate registration systems: Economic information for real estate markets in the **UNECE** region - Roma, 5-6 May 2011

## Agenda

- Workshop figures
- Why talking about “Economic information for real estate markets”
- The main goal of the four sessions
- Conclusions





## Workshop figures



2 days of works  
4 sessions

12 hours of speeches

35 speakers

31 represented countries

100 participants

The workshop was attended by representatives of the following countries:

Armenia, Belarus, Colombia, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, Georgia, Germany, Greece, Iceland, Ireland, Italy, Lithuania, Macedonia, Malta, Moldova, Netherlands, Palestine, Poland, Russia, Serbia, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom and USA.





## Why talking about “Economic information for real estate markets”

The main objective of the workshop was to analyze the potential of government and private initiatives to produce, manage and share economic knowledge on real estate based on different national experiences.

Sound real estate markets require transparency and efficiency in their institutional frameworks.

Main topic was then the importance of producing quality and detailed information to support and develop an efficient and transparent real estate market.

Knowledge of the trends in the real estate market is also part of the information necessary for monitoring macroeconomic developments, but an efficient market also needs to implement a proper process of evaluation of assets based on sufficiently strong and detailed information.

The unavailability of this information makes the market players quite unable to control the opportunities and risks that the market presents.



## Session 1 - Information for the real estate market efficiency and transparency

The sale of a property requires, first, certainty of title but also knowledge of the legal, technical and economic characteristics of an asset.

Transaction prices do not include all necessary pieces of information, but further micro and macro-economic indicators are needed for the support of real estate markets.

The Real estate transparency index\*, processed in 81 countries, shows Europe as the macro-area with the highest scores but, among the five considered sub-indices, those with a score further away from transparency are related to the availability of economic information.

In Europe there is still no methodologically consistent information regarding the real estate market.

We must work for a regulated system of information also to avoid the risk of “information overload”.

In this sense, work could be done to standardize a core of information, initially limited, that would be useful for the macro-economic knowledge of the real estate market.



## Session 2 – The real estate market monitoring and knowledge tools

There is a high demand for quality statistics on national, euro area and EU real estate market.

A suitable legal, institutional and technical framework is a prerequisite to develop a transparent and efficient real estate market.

Need of suitable rules in order to:

- foster the emergence of real price in the contracts
- foster homogeneous collection of data about real estate

A well functioning Land Registry and Cadastral system, updated and managed with the latest technology and efficient tools, offers the most accurate representation of real estate market, providing prices, trading volumes and characteristics of the assets.

Some benefits in producing property indexes price are:

- Increase in property portfolio revaluation services
- Implementation of automated property valuation models (also for fiscal purposes)
- Mortgage arrears forecasting

Public - private partnerships must be considered as an important element for ensuring the good functioning of the real estate market monitoring system.



## Session 3 – Information for real estate valuation and fiscal purposes

Valuation needs fixed rules, clear standards, specific references to the market.

Need to define appraisal standards, but these should not be limited to the definition of theoretical "principles", formally flawless but utterly inapplicable, due to the lack of "raw materials": micro-economic information.

It would be useful to identify the necessary minimal conditions for the availability of information that can make the principles of appraisal practice operationally concrete.

Appraisal needs support by Land Registry Authorities.

All properties must be valued and this requires accurate cadastral data.

The cadastral value must be consistent with the market value, on the long-term period. Such a value facilitates assessment activities and reduces the risk of tax evasion.

Cadastral values inconsistent with the market force to perform specific assessments, that are very expensive for the charged authority.



## Session 4 – Geo-referencing of data collected from the real estate market

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Economic information available through the Cadastre and Land Registry data bases has to be more accurate, up-to-date, reliable and useable.

Links between geography and base registries should be created.

3D cadastre is a new challenge for all of us and its development is our common issue.

It is important to agree on standards, which can be based on the INSPIRE (Infrastructure for Spatial Information in Europe) directive.

Technology solutions for geo-referenced data reached an advanced stage.



Accurate and detailed economic information about the real estate sector was recognized as a valuable tool to support the economic choices of government authorities, private investors and consumers, as well as for the professional training of experts in real estate markets. Transaction information should be based on micro- and macro-economic indicators in order to ensure efficiency and transparency of the real estate market.

Availability of suitable legal, institutional and technical frameworks was considered a prerequisite for improving the transparency of real estate markets. Suitable legislation would help to improve the reliability of property valuation processes as well as to promote homogeneous data collection.

It is desirable that the production of economic information come about with government regulation or through the direct involvement of the public sector in information production in order to avoid the risk of distorting the information market (monopolies and cartels) and consequently the real estate appraisal market.



Considering the development and the consolidation of an economic information system too, public - private partnerships were regarded as an important element for ensuring well functioning of the real estate markets.

Best practices should be shared in the UNECE region.

A comparison of indicators for the transparency and efficiency of formal property markets in the UNECE region should be considered by the WPLA.

If well monitored and regulated, the real estate sector could be a driving force for development, producing social, economic and environmental benefits for Member States.

In this context, the principles and guidelines contained in the UNECE Policy Framework for Sustainable Real Estate Markets were recognized as relevant and useful for developing a sound European real estate sector.



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# Thank you for your attention



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[maurizio.festa@agenziaterritorio.it](mailto:maurizio.festa@agenziaterritorio.it)

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