

# UNECE: Armenia Country Profile – land administration chapter

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# Introduction

Julie Barry

UK civil servant

- Land registration specialist - 40 years Her Majesty's Land Registry for England and Wales
- Land administration expert on four UNECE Country Profile Reviews - 2013 to 2016 in Europe and Central Asia
- Participated in land projects in Jordan, Bahrain and for the UK government in one of its Overseas Territories
- Former vice-Chairman of the UNECE Working Party on Land Administration and Board member of European Land Information Service (EULIS) 2010 - 2017

# Armenia Country Profile



## Methodology

- Pre and post mission research
- Face-to-face interviews

## Scope

- 15 days desk research
- 5-7 days in country – face to face interviews
- 14 days report writing

## Areas of research

- Land policy
- Law
- Mapping
- Registration
- Valuation and taxation
- Use
- Real estate markets

# Findings: Land law



Armenia has a strong, well drafted legislative framework of primary legislation and subordinate laws including:

Constitution

Civil Code

Land Code

Urban Planning Code

Tax code

At the time of the 2015 visit there was no Housing Code

**Recommendation:** Introduce a Housing Code

# Findings: Mapping



1999 study into The Economic Contribution of Ordnance Survey (Great Britain), by Oxford Economic Research Associates (OXERA) Ltd, calculated that £100 billion GBP of economic activity, approximately 10% of UK Gross Domestic Product (GDP), was underpinned by Ordnance Survey data

## Highlights

- National coverage since 2005
- Range of scales
- Comprehensive National Spatial Data Infrastructure 6 groups and 16 subgroups
- National cadastre
- No recent national resurvey

## Recommendations:

1. Limited re-survey;
  - the three most economically active conurbations of Yerevan, Gyumri, and Vanadzor
  - Goris should be included in any re-survey programme due to its “Smart City” designation
2. Research drones, automatic change detection and crowd-sourcing; membership of COST
3. Consider INSPIRE compliance

# Findings: Registration



## Highlights

- Armenia is well served by its cadastre
- Simple, cheap and fast;
- Effective complaints handling and dispute resolution procedures
- World Bank exemplar

## Recommendations:

None



# Findings: Land valuation

## UNECE: Land valuation international best practice (to help international markets and facilitate inward investment)

Classification of property to agreed characteristics relating to use, size, type of construction and any improvements

Collection and analysis of market data for accurate revaluation (including sales prices, rents, building maintenance costs, and the details of the dates when these applied)

Determination of the value of each real property in accordance with publicised procedures ideally based on market values and computer assisted mass valuation systems

Different valuation methods e.g. comparative sales, income and cost

Method of valuation adopted should depend on the purpose for which the valuation is required

## Highlights

### **Culture and history have shaped Armenia's approach to land valuation**

- Some adherence to international standards; mass valuation is in use but not related to market value or sales price
- No differentiation between land categories for valuation purposes;
- notional cadastral values are set by the cadastral authority so values do not behave in accordance with market conditions

### **Recommendation:**

Increase confidence and transparency into the land market and consider adoption of international best practice, especially in respect of valuation methods.



# Findings: Land taxation

## UNECE: Land taxation international best practice

Services clearly defined social objectives

Raises significant revenue

Exclusive government control

Administered in a way that the public sees as fair

Simple and cheap to collect

Difficult to avoid making payments

Shares the tax burden fairly across the community

Encourages good use of resources

## Highlights

National and local land taxation system

Administered by the State and municipalities (who have powers to decide how taxes are used)

Good collection procedures

## Recommendation:

None

# Findings: Land use



## Highlights

- Some land consolidation has taken place to correct allocation policies which were introduced over 25 years ago
- land fragmentation is a significant impediment to further growth in agricultural productivity

## Recommendations:

1. Reprise the land consolidation programme outlined by the 2011 Land Consolidation Concept Paper. The desired outcome should be that farmed land should be consolidated into larger, better shaped agricultural parcels.
2. Re-aligned boundaries arising from any such land consolidation programme be an input into the re-survey exercise
3. Review/ modernise the agricultural educational system and research to take advantage of modern capabilities, methodologies and tools needed for production in a competitive market



# Findings: Real estate and housing



## Highlights

- Especially in urban areas, there are problems with:
- Poor quality construction
- Illegal development
- Inadequate maintenance of multi-family dwellings
- Lack of trust in management companies' use of maintenance fees
- Inadequate compliance and enforcement of housing laws

## Recommendations:

1. Introduce a Housing Code
2. Introduce new Building Regulations and enforcement scheme
3. Law on Condominiums
4. Law should allow homeowners to buy the land upon which their home is built.

# Three pillars of an effective land policy

Pillar	Recommendation
<b>Security of tenure</b>	
Embedded in legislation Mechanism for dispute resolution Supports land and property taxation	Definite strengths in all areas; no recommendations
<b>Security for credit</b>	
Developed and monitored land markets  Accurate governmental statistics used for forecasting	Upgrade the national base maps for economically active areas Introduce Housing Code Use international standards as the basis for valuation to stimulate the real estate market Law to allow building owners to buy the land on which their building sits
<b>Socially desirable land use</b>	
Enable land reform Protect State lands Improve urban planning and infrastructure development Support environmental management	Re-introduce land consolidation programme Re-focus on agricultural research and education Introduce and enforce building regulations

# Key conclusions



Laws can be drafted to achieve economic outcomes



Clear division between ministries will encourage security of land tenure



Certainty of tenure is essential for efficient agricultural production



Improvements to operating conditions **and** land consolidation programmes will achieve better farm productivity



Good laws also need strong enforcement to ensure a healthy land market



Land consolidation can help resolve land registration problems



# Key conclusions



New technology offers opportunities where traditional surveying methods are inappropriate.



To increase property values and appeal to future investors, the legal distinction between land and buildings should be removed. If in separate ownership, law should allow homeowners to buy the land upon which their home is built.

Land markets function best with transparent processes and information. Base tax on market value.

