Land Administration Review
Republic of Moldova

Housing and Land Management
Background

- 2015 - 1st LAR – part of its 2nd Country Profile (CP)
- 2002 – 1st CP – analysis of the housing sector only

Overview of land administration, land registration, land policy and real estate markets

- Successful in the registration of properties (85%)
- Has a single agency with the mandate to register land (Cadastru)
- Property and the land on which it stands are taxed separately
- Agency on Land Relations and Cadastre (ALRC) – responsible for the implementation of State land policy. Where policies for rural lands are concerned, mandate overlaps with the Ministry of Agriculture and Food Industry.
Key recommendations*

- Complete the real estate register
- Undertake a quality improvement for the land register to align registered properties with the physical occupation of the property
- Ensure compliance of responsible data owner and data providers with the EU INSPIRE (Infrastructure for spatial information in Europe) Directive
- Consider merging land and real estate taxes to make tax collection more efficient

These key recommendations are contained in the draft National Action Plan on Sustainable Housing, Urban Development and Land Management of Moldova.

* A full list of the recommendations can be found in the CP Moldova (2015), which is available at http://www.unece.org/index.php?id=41823
Complete the real estate register

Register the remaining 15% unregistered privatized properties. This will benefit property owners and the real estate market in general.

Property owners: will benefit from a legally valid registration title that they could use, for example, to sell or rent out a property at a fair price or pass it on as inheritance.

Banks: a legal ownership title will give them secured credit against real estate and this could encourage them to provide more residential mortgage lending on more affordable terms.

Real estate market: availability of register information, such as ownership and property location, will stimulate the development of the real estate market.

As the real estate register becomes more complete, its value to society becomes greater. In the future, there may be opportunities to use land registry data to improve land management, forecasting and predicting trends which will help improve the efficiency and transparency of the land market.
Undertake a quality improvement for the land register to align registered properties with the physical occupation of the property

There are discrepancies between the legal title issued and the physical occupation, partly caused by plots inadequately delineated. Subsequent re-surveys, which have used different surveying methods, has worsened the situation.

This situation results in insecurity of tenure and lack of confidence in the land register.
Ensure compliance of responsible data owner and providers with the EU INSPIRE Directive

The INSPIRE Directive is obligatory for EU member states. Moldova is aspiring to EU membership and has made efforts to establish its National Spatial Data Infrastructure (NSDI) in accordance with INSPIRE to ensure that it is harmonized with those of EU member states. It is recommended that the Government should fully support this process.
Consider merging land and real estate taxes to make tax collection more efficient

2007: the Government initiated a reform to modernize taxation (levy a single tax for property and bring assessed values of real properties closer to market prices), through a mass appraisal system using data collected by Cadastru. Completion of mass appraisal to cover all property types and objects was targeted for 2012 but intended results were not achieved (target pushed back to 2020).

If tax collection takes place only once, savings can be made, and this would lead to lower costs.

At the same time, consider reviewing the collection of taxes, as the costs of collection barely exceed revenue. Collection of taxes is only useful if it brings in revenue.
Thank you!

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