



Land Governance in an Interconnected World

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Valuation of Unregistered Lands in Developing Countries: Challenges, Applications and Potential Impacts for Responsible Land Governance

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Abstract

Valuation of unregistered land in developing countries is in the critical path of achieving many important global, regional and national development goals such as: addressing climate change, sustainable urban development, food security, promoting responsible investments, addressing the conflict often associated with large-scale land investments, and common human rights abuses associated with land all which if not checked affect the poor and women most. These may be immediate and urgent needs. The affected parties require accurate market valuations for many different reasons; neither they nor valuers can afford to wait until their markets are formalized. Rather, valuers (including those working with government authorities) should be at the coal face of seeking, understanding and developing land markets, rather than sitting back and waiting to be served by other property professionals.

Key Words: International Valuation Standards, Pro-poor, Sustainable Development, Unregistered lands, Valuation.



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1. INTRODUCTION

1.1 FOCUSING ON THE VALUATION OF UNREGISTERED LANDS

Valuation of unregistered land in developing countries is in the critical path of achieving many important global, regional and national development goals such as: addressing climate change, sustainable urban development, food security, promoting responsible investments, addressing conflicts often associated with large-scale land investments, and common human rights abuses associated with land all which if not checked affect the poor and women most. In many developing countries only thirty percent of land rights are registered and valuation has generally been focused on this registered land. This is despite the dire need for governments and individuals to be able to value unregistered land. Valuation of unregistered land approach is to support developing countries that have unregistered land to be able to value it. Valuation is necessary to improve control over land and property in a way that builds equitable access to financial services and mobilizes resources for economic growth and poverty reduction. It is critical to upgrade informal settlements, support the resettlement of displaced people and for investment and development projects. It is vital for improving transparency in opaque land markets, which disadvantage the poor who may lose out on getting the right value for their land and would entrench poverty even further in their lives.

According to Ratcliff (1965), valuation is an integral part of the decision-making function of real-estate investors, mortgage lenders, public bodies, and many other individuals and institutions. Financial lenders, how owners selling property, government rating agencies, NGOs undertaking informal settlement upgrade projects, large scale land based investors and those acquiring natural resources are some of those interested in valuations. According to Nzioki, Swazuri, Tracey-White and Yahya (2013), a range of situations where the valuation of unregistered land is often needed include inheritance, eviction, credit, court bail, disputes that need settlement, expropriation and group action like during slum upgrading.

1.1.1 UNREGISTERED LAND AND THE GLOBAL AGENDA

The Sustainable Development Goals (SDGs) (United Nations: 2015) address food security, land degradation, women's land rights, poverty, urban and rural development, housing and displacement, among other things. Professional standard valuations are critical to achieve these goals in an equitable, efficient and effective manner. For the first time in human history, more than half the world's population live in cities and "the world can expect to add close to 1.5 billion urbanites in the next 15 years, and 3 billion by 2050" (UNFPA: 2016). Most of these people will probably move to unregistered land in slum areas, particularly in Asia, Africa and Latin America. The New Urban Agenda (NUA) is intended to



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address this emerging urban reality. Early estimates of the cost of its implementation run into tens of trillions of dollars and will require many land valuation-related strategies for unregistered land. These global trends have implications for the valuation of unregistered land. A market valuation can be an important corrective to abuses and may provide opportunities for transparency and accountability. Valuations could also facilitate development, economic growth and poverty alleviation.

1.2 VISION AND ROLE OF GLTN

The Global Land Tool Network (GLTN) is an alliance of global, regional and national partners contributing to poverty alleviation through land reform, improved land management and security of tenure, particularly through the development and dissemination of pro-poor and gender-sensitive land tools. The GLTN partners include land professionals, urban and rural civil society, research and training institutions and multilaterals and bilateral organizations. Valuation of unregistered land emerged out of the international recognition of the Global Land Tool Networks' continuum of land rights that describes a range of land rights (e.g. formal, informal, customary), where registered land rights is just one of many rights. The approach is a result of that work and discussion by the international valuation profession whereby valuation principles, approaches and a number of valuation methods have been identified which can be used for unregistered land

1.3 IMPORTANCE OF MARKET/SOCIAL MARKET VALUE

Market value is of critical importance to users in the formal and informal economy, for both registered and unregistered land. The current IVSC definition of market value is: "The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion" (IVSC, 2017). That is, for market value a number of processes need to take place. Firstly, there are three stages involving the eventual buyer and seller namely conflict, mutuality and order. Only when all three stages are completed properly is a transaction regarded as authoritative evidence of the value of a comparable asset in terms of the definition of market value. Secondly, market participants must both demonstrate attention and intention meaning that valuers have to decide whether both parties are "reasonably well-informed and normally diligent" for a transaction between them to be accepted as evidence of market value. While the IVS definition is based on a formal market, it also applies to informal markets and valuers should be able to value anywhere there is a market that meets the definition of market value.



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There is an emerging paradigm shift to include Social Market Value in valuations. In Obeng-Odoom and McDermott's "Valuing Unregistered Land" (2017), a research under RICS, it is argued that valuation should include the full range of values that should be paid by a compensation package and go beyond the usual definition of a market value to include the social market values. This has been supported by FAO's VGGT (2012) which state that that valuation systems consider non-market values such as social, cultural, religious, spiritual and environmental values. FAO's Technical Guide on Valuation (2017) when describing non-market values reiterates existence of socio-cultural values that people will trade as well as some values that people will not trade, particularly aspects linked to identity. Combining conventional market valuation methods with non-market methods is deemed to arrive at fairer estimation of the value of tenure rights.

1.4 VALUATION AND THE CONTINUUM OF LAND RIGHTS

The continuum of land rights is a key framework for valuers to understand unregistered land as an aid to their valuation analysis and to understand its impact. GLTN partners successfully promoted the continuum of land rights (see Diagram 1 below) and it is now an international standard since the adoption of the New Urban Agenda (UN-Habitat: 2016).

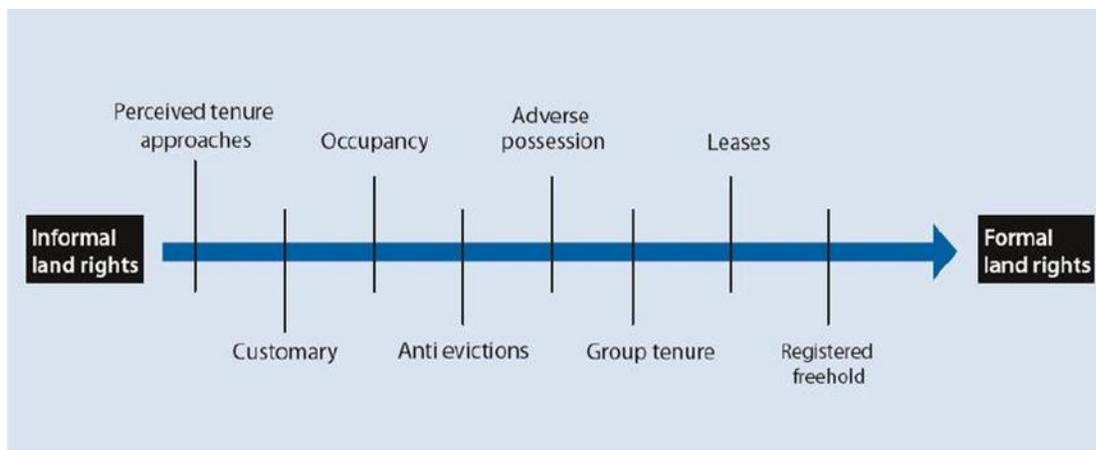


Diagram 1: Continuum of land rights (UN-Habitat/GLTN: 2015)

In practice there exists a wide and complex spectrum of appropriate, legitimate tenure arrangements between informal and formal land rights whose rights can be documented as well as undocumented, formal as well as informal, for individuals as well as groups, legal or extra-legal. The rights may overlap and registered freehold is not seen as the preferred or ultimate form. The most appropriate form/s depends on context. The continuum provides for recognition and increase of security across the spectrum, with



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opportunity for movement between the tenure forms. Valuers working on unregistered land need to be aware of these complexities when undertaking valuations and develop appropriate research techniques and valuation methods.

1.5 METHODOLOGY

This paper is based on the Guide to the Valuation of Unregistered Lands, valuation research by Royal Institution of Chartered Surveyors (RICS) who are GLTN partners, Expert Group meetings (EGM) consisting practitioners, academic representatives and affected stakeholder in the valuation of unregistered land and properties, sessions during World Bank Land Conferences and sessions on Valuations of Unregistered Lands during FIG Congress and Workings Weeks.



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2. CHALLENGES IN VALUING UNREGISTERED LANDS

2.1 PROPERTY MARKET CHALLENGES

Excessive or insufficient government involvement includes failure to provide a legal / administrative framework conducive to an efficient and transparent property market; weak governance linked to corrupt practices at the level of the institution and/or individuals; long-term rent controls which transfer value from the property owner to the lessee; below-market lease rates by government that transfers value to the lessees/ tenants; and inadequate monitoring, evaluation and enforcement of policies, laws and administration. Other market related challenges are linked to markets that are not mature, are small, volatile, corrupt or risky because of crime or armed conflict.

Markets with unregistered lands can be any of these. They may also be geographically remote increasing the cost of the valuation, have small populations or may be part of the poorest sector of society where local incomes are insufficient to pay for a IVS compliant valuation. Additional challenges for valuers are inactive markets. In small markets the cost to regulate, educate and police the valuation industry is not cost efficient. Governments are unlikely to create laws to regulate a small number of valuers. Also, the costs and time associated with continuing professional development (for travel and courses) are often unaffordable. Finally, real estate market volatilities are caused by internal (within the country) or external (outside the country) forces. Internal forces include political instability, land title disputes, poor enforcement of land rights, lack of market infrastructure, and unstable monetary policy. External forces like the global financial crisis affected many markets across the globe. Wars and other crises in Africa, the Middle East, Asia, and South America affected the property markets in those areas. Other external forces may be refugee crises, currency devaluation, trade embargos, etc.

2.2 LEGAL AND REGULATORY FRAMEWORK ISSUES

The legal framework is foundational to the effectiveness of a real estate market. Some of the challenges include: poor or inadequate legal and regulatory frameworks and inefficient legal structure. Likewise for unregistered land the compensation values and methods for identifying values are often unregulated. This leads to costly litigations and project delays with the poor being forced to accept whatever they are offered. Legal pluralism and consequent conflicts lead to lengthy court cases, forum shopping, and frozen properties in deceased estates, all of which impact the land market and valuation methods.

2.3 INABILITY TO OBTAIN COMPARABLE EVIDENCE

The main challenges or barriers to the work of a valuer (Nzioki et al.: 2013) are discussed below:



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2.3.1 DETERMINING THE LAND OWNER AND BOUNDARIES

Unregistered land generally does not have legal documentation describing certain evidence of the land right and therefore it is difficult to establish the final certain evidence of who has the land right, what type of right it is, and where is the land right. Likewise for unregistered lands, the boundaries and size of land are usually not documented which makes it difficult to determine them. Some unregistered rights are legal rights, and some are extra-legal. Value is a socially constructed phenomenon. If a claim over an asset is sufficiently recognized socially, that claim has a value. This approach to value is particularly important in unregistered land where de facto ownership rather than de jure ownership is common.

BOX 1: Example of overlapping interests in land: Case study of Marshall Islands

In some markets the same physical plot/parcel can have numerous legal owners. In the Marshall Islands the land has three equal, horizontal owners. One third is the user or usufruct (e.g. the farmer); the island chief has a third; and the chief of the group of islands has a third. This customary and traditional method is codified in statute. In many parts of Sub Saharan Africa there are secondary rights over land giving access to water, thatching material, fruit and rights of way for cattle. Some of these are seasonal. The valuer needs to be aware of how this works in their jurisdictions

2.3.2 LACK OF ADEQUATE INFORMATION

The valuation process includes the collection and analysis of data. For unregistered land it is unlikely that governments have digital data available even where the land right is legal but not a registered right. Even the registration of deeds often provides little or no help as vendors often under-declare the value of the transaction to avoid transfer taxes. Collecting data from government may be extremely difficult, even impossible. Without such information valuers are unable to gather specific information regarding comparable properties and this situation is exacerbated in unregistered land particularly where there is no land tax system in place. According to FAO (2012) impacts on the markets of lack of published information, or difficulty in obtaining information, regarding transactions include; greater volatility of property markets; two-tier markets; suspicious land transfers; unreliable sources of information; lack of transparency;; volatility in the business community and negative impacts on the poor as communities may have little idea of the market value of their resources.

2.4 INSUFFICIENTLY TRAINED AND/OR REGULATED VALUERS

Many developing countries' property markets face lack of legal, financial, valuation, land brokering and land management skills. This is linked to the lack of proper or meaningful regulation of valuers,



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brokerage and property management. Often few of the brokers and/or property managers have any formal training and they do not subscribe to any code of conduct, ethics or professional standards. Some countries have no valuers, in others valuers may have little experience or education, and there may be no continuing professional education. The skills have not developed because there is no market, but the market's growth is limited due to the lack of qualified property professionals (McDermott, 2012). Likewise, outdated or lack of any national standards a negative impact on unregistered land. Adoption of IVS by either government regulators or by local professional associations has been slow. Sometimes those that have adopted the IVS standards lack the structure to educate valuers on how to meet them and, more importantly to enforce compliance.

2.5 WICKED AND COMPLEX

Differentiating between market value and not market value transactions can be simple, complicated, complex, or wickedly difficult. The challenges outlined above in regard to unregistered land demonstrate just how complex and wicked markets can be. Yet these wickedly difficult problems are managed by markets/ social markets all the time. This is done by satisfying the market/social market value definition about parties to the transaction being reasonably well informed, normally diligent and that the parties agree about the market/social market value definition. This also holds for markets/social markets of unregistered land.

According to Hutter and Throsby (2011) the wickedly difficult problems are overcome because “value is a socially constructed phenomenon and the determination of value cannot be divorced from the social context it occurs”. Valuers using their expertise should use the social construct of value to estimate amount in accordance with the market/social market value definition where there is an absence of recent, directly comparable sales information and by reading how the market participants resolved the wicked problems may use the evidence to apply to valuations concerned.



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3. APPLICATION OF VALUATION OF UNREGISTERED LAND

3.1 APPLICATION PRINCIPLES

3.1.1 GLOBAL STANDARD VALUATION AND THE IVSC FRAMEWORK

The International Valuation Standards Council (IVSC) produces and implements universally accepted standards for the valuation of assets across the world in the public interest. While the focus of the IVSC is on the formal market, many of the standards are universal and can be applied to unregistered lands. The feasibility of obtaining an accurate valuation of unregistered lands using standard valuation procedures will vary greatly with circumstances. However, it remains relevant to describe the standard procedure, as this process should be the first recourse of the valuer of unregistered land and provide the framing for any additional processes applied. The IVS framework includes generally accepted valuation concepts, principles and definitions for IVSC compliant valuations. Some of the items the valuer should review are judgment, objectivity, competence, cost and value, markets and market activities, basis of value, market value, transaction costs, and valuation methods.

3.1.2 SOCIAL, CULTURAL, RELIGIOUS AND ENVIRONMENTAL CONCERNS

The World Business Council for Sustainable Development supports valuing social, cultural, religious, spiritual and environmental assets. The Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security state that emphasizes taking into account non-market values, such as social, cultural, religious, spiritual and environmental values where applicable” (FAO 2012). This is emphasized in most of the human rights standards too. IVS definition of market value is adapted to include the social market value relevant to unregistered land.

The social, cultural, religious, spiritual and environmental values have to be taken into account in these settings because people make deals on the basis of the values they hold. These values determine the frames through which they see the world, including land markets, and the facts they seek and find there, including the land they want to buy, or what they want if they sell the land (Lakoff: 2004).



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BOX 2: An example of considering social, cultural, religious and environmental concerns in valuations

Namati and its partners designed a ‘Community Land and Natural Resource Valuation Activity’ to address information asymmetries and strengthen communities’ bargaining position during land concession negotiations with potential investors in customary areas. The Activity aimed to get the community to grasp the inherent value of their common before consenting to land concession agreements.

In the activity Namati and the community arrived at a ‘standard basket’ of resources used by community members across different countries. The total annual replacement cost of these goods was added up to arrive at the annual replacement cost for a typical family. The facilitators also lead a discussion about the kinds of activities – ceremonies, celebrations, cultural festivals, etc. – that take place on the common land and that cannot be valued on the market. They also discussed the idea of the community’s common lands as a ‘free supermarket’ critical to a household’s ability to feed and clothe children, build its home, etc. Namati’s partners’ field teams reported that after undertaking the valuation activity, community members expressed feeling more cautious about agreeing to potential investments, more emboldened to demand benefits from land deals, and more adamant about imposing limits or restrictions on investors’ actions.

Adapted from “*Balancing the Numbers: Using Grassroots Land Valuation to Empower communities in Land Investment Negotiations*” by Rachael Knight, Esq. 2015. Communal Land Valuation. pg. 1-23.

Adapted with permission.

3.1.3 ENSURING GENDER EQUITY DURING VALUATION

The GLTN’s training package for land professionals on “Designing and Evaluating Land Tools with a Gender Perspective” (UN-Habitat/GLTN: 2011) with its emphasis on equal participation by women and men can be adapted for valuation and used as a framework by valuers for their work. It reiterates the importance of accessible and affordable markets to women and which also provides equity for women and men. Promotion of innovation in economic models to favor women’s benefit from land in situations where the socio-cultural context disadvantages women particularly when evictions, foreclosures, access to credit and compensation for government led acquisitions are concerned is emphasized. Training of valuers in gender aspects might be required to ensure that valuers are following IVS standards to perpetuate gender inequality in their valuations and within their markets.



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Table 1: Gender equity evaluation during valuations

| Evaluation question | What needs to be done | What the valuer should do |
|---|--|---|
| <p>Is the tool transparent and inclusive for both men and women and is the information does it empower, both women and men to utilize the tool and know their rights related to the tool?</p> | <p>To provide opportunities for enhancing capacity development for both women and men.</p> <p>To ensure availability and transparency of the tool and clarify any misconceptions that prevents maximum utilization by both women and men.</p> <p>To enable women and men to influence processes from their perspective and needs</p> | <p>Part of the market/social market value definition is that all the intended users understand their particular market. In unregistered land this is likely to require capacity development for both women and men. In cases of compulsory purchase for example, the valuer can assess whether both women and men know their rights in regard to the value of their land and how the compensation package was decided</p> |
| <p>Is the tool based on the principle of equality and does it protect women's land/tenure rights?</p> | <p>To recognize that women form a disproportionate percentage of the poor without access to land, which means they require land/tenure rights based on gender equality</p> | <p>Valuers can ensure that women do not lose out as a result of valuation by carefully investigating the tenure relations associated with unregistered land. Women's land rights are generally nested within family rights in these situations. This is particularly important for inheritance when women often lose their access to land.</p> |



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| | | |
|---|--|---|
| <p>Does the tool promote a bundle of rights and provide different tenure options, recognizing the continuum of land rights?</p> | <p>To promote gendered access to land by taking into consideration the different and diverse rights/needs that women and men may have in land, including user/secondary rights which are common in customary land. The tool should recognize and facilitate a variety of tenure types that may serve women better.</p> | <p>Valuers can carefully investigate the bundle of rights associated with unregistered land identifying the rights of both women and men. This will help them to better recognize the types of rights within the bundle that are serving women better, including access to secondary rights such as natural resources - for example firewood. Valuers can use this when valuing for inheritance, for compulsory purchase and during the sale/leasing of land and natural resources to investors</p> |
|---|--|---|

Adapted from “*Designing and Evaluating Land Tools with a Gender Perspective: A Training Package for Land Professional’s*.” (UN-HABITAT/GLTN, 2011)

3.2 USING ESTABLISHED VALUATION METHODS BUT ADOPTED FOR UNREGISTERED LAND

3.2.1 THE DIRECT COMPARISON METHOD

A key principle of practice is to compare like with like. The closer any sales evidence is the better in terms of its: highest and best use, social, geological, geographic, available services and amenities, existing or potential title and tenure and other market-relevant characteristics, as well as reasonable terms and conditions of sale by the standards of the market concerned. In all cases the closer the circumstances of the sale are to complying with the adapted IVS market/social market value definition the better. In practice only, a recent sale of the land or property itself is a near perfect comparison. The valuer is therefore always dealing with degrees of comparability on many different fronts. For this reason, depending on the sufficiency of evidence available, no sale should be automatically rejected before its circumstances and specifics are known. While this method is used extensively in registered land, it has applicability in unregistered land. However, in unregistered land it is likely to be much more difficult to get the evidence showing comparability particularly as there are no public records of the land plot.



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3.2.2 THE CAPITALIZATION OF RENTAL VALUES

It is possible to lease unimproved vacant land or buildings and land together and capitalize the income on a gross or net basis to arrive at a value. For example, if there is a rental agreement over land, which the valuer's investigations show are relatively similar to the subject land rent potential and in accordance with the adapted IVS market/social market value definition, the rental could be capitalized at a gross or net basis, depending on how the market works. While this method is used extensively in registered land, especially for improved commercial properties and productive farm-land, it has applicability in unregistered land especially if there is information on income, capitalization rates and expenses.

3.2.3 HYPOTHETICAL DEVELOPMENT APPROACH

This approach is used to value land or property that is not being used to its highest and best use. It is done by estimating what the land would be worth if it was used at its highest and best use, deducting all the costs involved to achieve this. Also, this assumes adequate support to what the value of the land or property is after it has achieved its highest and best use, likely through the application of other approaches to value. Depending on the market concerned, nowadays this approach is often analyzed using a Discounted Cash Flow (DCF) approach. The hypothetical development approach is often used for compulsory purchase for unregistered land particularly by government agencies to budget for developments prior to any compulsory land acquisition.

Other established methods that could be used include the Summation method which assumes that other valuation methods have been used to accurately value the individual components of the greater land and buildings with the greater land and buildings being the whole or sum of the parts; the residual approach which can be used to analyze large-scale sale transactions or mixed-use properties and the Depreciated Replacement Cost which is about the current replacement cost.

3.3 INNOVATIVE APPROACHES TO VALUATIONS

To strengthen valuation reports of unregistered land, community perceptions and local practices and expectations based on local knowledge and could be used. These alternative methods could have application to valuing unregistered land depending on the concerned market, the scale of the assignment, and the quality and quantity of the evidence needed to support a reliable value conclusion by more traditional methods.

3.3.1 MOOTS

Moots are facsimiles of court proceedings that have been developed and refined through centuries of experience within the legal profession. They may be seen as an extension of a valuer's normal practice of



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interviewing willing buyers and willing sellers to determine if they meet the criteria stated in the IVS definition. In particular, such parties represent the willing buyers and sellers competent to meet the standards of the adapted IVS market/social market value definition in the market under consideration. They would not be the actual buyers and sellers, but competent, arms-length parties brought in to testify in a moot to draw a valuation conclusion. That conclusion is to be based on the evidence put before them by the valuers concerned, combined with their own expertise as qualified market participants. In this context, they should get to see both sides of the transaction, not just their own.

3.3.2 VALUE RESEARCH JURIES

There are circumstances where properties have public amenity value. This method could involve teams of valuers being jointly and severally responsible for a valuation report of unregistered land. Valuer juries would be selected by a team leader to provide the requisite spread of expertise to cover the challenges. Jury members must justify their decisions to other members of the value research jury before presenting their joint valuation. As with peer review, the team could be as small as three, or as large as twelve, the normal jury size for common law. If the scope of the assignment is large enough to justify the time / cost of such a valuer jury, and the national or regional pool of qualified valuers is deep enough to fill these juries, then this approach could be utilized reasonably as a basis for a value conclusion by this method. However, it should not be considered as a substitute for traditional valuation methods.

3.3.3 CITIZEN VALUE JURIES.

When it comes to evidence, the strongest is that of directly comparable sales or rentals. However, in the absence of sufficient credible and reliable evidence of such as for unregistered land, community discussion, perceptions and other inclusive and participatory approaches could be used. However, this needs to be done within the time/cost budget and be utilized alongside more traditional methods. The most fruitful engagement in that context would be with arms-length people with the qualities required to meet the standards of the adapted IVS definition of market/social market value, as applicable to the market concerned. Valuation of unregistered land under certain circumstances may well be able to use moots, value juries and citizen value juries usefully to obtain market price but more work needs to be done to pilot these methods. All of these methodologies have very high time / costs and would only be applicable for large scale valuations.



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4. POTENTIAL IMPACTS FOR RESPONSIBLE GOVERNANCE

Valuation of unregistered land is often in the critical path of achieving many important global, regional and national development goals and human rights such as: addressing climate change, sustainable urban development, food security, addressing the conflict often associated with large-scale land investments, and overcoming common human rights abuses associated with land. The users of the approach will learn how fairness and accountability is achieved through the valuation principles and examples of best practices and fit for purpose approaches. This will help them to map out their own strategies to successfully implement valuations of unregistered land.

The approach is intended to strengthen the implementation of GLTN's continuum of land rights approach. It is framed in a way to support the SDGs, NUA, VGGTs, the African Union, UN Economic Commission for Africa and African Development Bank Land Policy Initiative Framework and Guidelines and other human rights standards. The New Urban Agenda advocates ending inequality and fostering equal rights, benefits and opportunities. The VGGT is explicit on inclusion of social, cultural, spiritual and environmental values. These are often part of unregistered land and important to the poor.

Land valuations are crucial in enabling stakeholders in land issues to be sufficiently confident to make decisions (Koshal 2013). Land valuation is also helpful in estimation of compensation during land acquisitions. Information from land valuation is used by governments, financial institutions and lenders to determine policies and rates of interests. The approach will consolidate these benefits in unregistered land areas and transactions to the benefit of the owners of these lands who usually make up the poor in society.

According to Potsiou (as cited in Mouaiad AL-OMARI, 2008) good land valuation systems provide control on land administration systems as good land use planning, productive land development strategies, beneficial housing strategies, sustained economic strategies, good environmental planning among others depend on the existence of reliable land valuation system. The approach thus stands to impact the management of unregistered land to ensure good stewardship and informed decision making both for government institutions and all the stakeholders. Reliable land valuation if extended to unregistered land can support decision makers in both private and public sectors in all kinds of land reforms. It provides transparency in valuation decision, reduced public expenditures for example during expropriation, reduced land disputes between private actors, the state and other land market participants, facilitates land market developments, reduced corruption, increased land related developments that lead to sustainable nation economic development and improved livelihoods for all.



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5. CONCLUSION AND WAY FORWARD

On ethical standards and morality when valuing unregistered lands, the responsibility should not only be to the valuer rather the suppliers of information and the customer should also be responsible to provide accurate information and they should not ask the valuer to change the reality for their own benefit.

The private sector which plays a role of an agent between the customer and the public-sector shares in the burden of introducing the infrastructure of economic development and community welfare. The sector therefore needs to provide and maintain accurate and comprehensive profession standards, high ethical standards, strong educational system and a reliable data bank. High ethical standards and adherence to human rights instruments will limit human right abuses which can be associated with Large-Scale-Land-Based- Investments(LSLBI) / land grabbing.

The public sector should ensure a comprehensive institutional framework exists and enforcement of rules and regulations that includes a focus on unregistered lands. It should set strong legal and regulatory frameworks to administer and monitor the land market and enhance the existence of objective market evidence for both registered and unregistered land.

The valuation of unregistered land is not just a challenge to developing countries at the national level. It is a challenge to the international valuation industry as a whole. The industry has for a number of years been working to understand how to move forward on this agenda. The valuation of unregistered land approach by the UN-Habitat/Global Land Tool Network partners is an attempt to put some of the detailed principles and practices in both urban and rural areas together. It also links practical approaches with the big human rights questions on this issue, key for compulsory purchases. Other work at the technical level is coming on stream from FAO and RICS. More work is needed so that comprehensive IVS standard manuals become available for the developing world for valuation of all the different types of unregistered land. International institutions such as UN-Habitat/GLTN, RICS, FIG, FAO and IVSC should continue to coordinate the work in this area and ensure that the agenda remains on the table, including putting it more firmly on the table of the bilateral Western donors who remain concerned about LSLBI.

Finally, valuation of unregistered land approach serves to strengthen the implementation of the continuum of land rights, a key tool to understanding and strengthening security of tenure for all, including women. Governments, policy makers, the valuation industry, practitioners, capacity development institutions, and other interested parties should use this approach to help achieve the SDG goals of conflict prevention, food security, gender equity, and sustainable urban and rural development acquisitions which negatively impact local communities.



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Tables

Table 1 : Gender equity evaluation during valuations

Boxes

Box 1 : Example of overlapping interests in land: Case study of Marshalls Island

Box 2 : An example of considering social, cultural, religious and environmental concerns in valuations

Diagrams

Diagram 1 : Continuum of land rights