



How much does a subdivision cost in the Nordic countries?

Nordic Benchmarking Project, June 2006
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The Project

• Project description and purpose

"To make a reliable comparison (benchmarking) of price, costs and financing for a standard subdivision"

• Steering committee

Magnar Danielsen, Statens Kartverk, Norway (chairman)
Sören Reeberg Nielsen, KMS, Denmark
Arvo Kokkonen, Lantmäteriverket, Finland
Lars Jansson, Lantmäteriet, Sweden
Margrét Hauksdóttir, Landmaelinger, Iceland

• Project manager

Göran Eriksson, Karin Lindgren Gardby,
project co-worker, Lantmäteriet, Sweden.

• Limited extent, timetable important

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The Report

1. Summary, introduction
 2. Subdivision in the Nordic countries
 3. Inventory
 - fees, costs, financing
 - handling-time for a subdivision and total time consumption
 - specification of price for the subdivision and registration of ownership
 4. Analysis of similarities and differences
 5. Suggestions for further studies
- Appendix:* Essential documents from the cadastral dossier for a subdivision from each country

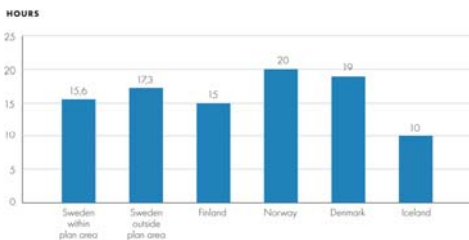
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Basis for comparison

- Subdivision of a real estate unit for housing inside and outside a detailed development plan, area < 3000 m²
- Seller and buyer have agreed and contract of sale exists
- Measurements, such as field work, are included
- Establishing a road servitude
- Including registration of the real estate unit, i.e. recording in the Real Property Register and on the Cadastral Index Map
- Prices and costs referred to 2005 price levels
- Amounts are given in the country's own currency and in Euro
- The residual parcel has a mortgage which should no longer be valid in the subdivided parcel
- Costs for registration of ownership

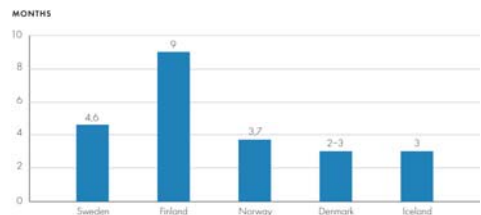
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Total time consumption in hours



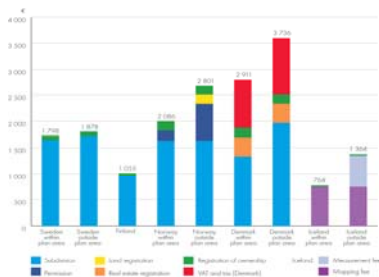
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The handling-time in months



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Total price paid (in Euros) by the client



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Analysis of similarities and differences

Sweden

- Financed by the involved parties; no governmental subsidy
- Pricing is ratified by Lantmäteriet, principle of full cost recovery
- Government and municipal monopoly – an official assignment
- Analysis of suitability, consultations, establishing of rights
- The cadastral surveyor investigates, takes decisions and has the overall responsibility for the cadastral procedure
- New boundaries are demarcated and a cadastral map is produced
- Management in the digital Trossen system
- Cadastral surveys and registration in a single process
- The subdivided parcel is freed from mortgages on the residual property in the cadastral procedure
- The cadastral surveyor has a land surveyor (MSc) qualification or is a qualified technician

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Analysis: Finland compared to Sweden

Similarities

- Government and municipal monopoly – an official assignment
- Real estate legislation is generally similar
- Management in the digital JAKO system
- Implementation by surveyor, sometimes MSc

Differences

- Prices are set by the government, fixed prices
- Registration of ownership before subdivision, witness of purchase
- No analysis of suitability or consultations
- Schematic cadastral map, no detailed measurements, no field surveying during the winter months
- Compulsory meeting when taking decisions
- Long handing-time but ownership formalized at an early stage
- Price is significantly lower than in Sweden

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Analysis: Norway compared to Sweden

Similarities

- Careful analysis of suitability, consultations
- Field survey, measurements and presentation of cadastral map
- Time for handing relatively similar

Differences

- Cadastral procedure divided into three parts:
 1. Application and permission,
 2. Subdivision (municipality)
 3. Registration in *GAB* and *grunnboka* (governmental)
- Price is set by individual municipality according to price policy
- Official employed by the municipality
- Transfer of responsibility for land registration to Statens Kartverk is in progress
- Other cadastral procedures are made by court, *Jordskifterettertena*
- The subdivided parcel is not freed from mortgages on the residual property in the cadastral procedure
- The total price is higher than in Sweden

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Analysis: Denmark compared to Sweden

Similarities

- Careful analysis of suitability, consultations, approval by the municipality
- Field survey, measurements and presentation of cadastral map
- Digital support in the MIA system for KMS

Differences

- Competing private survey companies
- The price is set in consultation with the client based on the company's general prices
- Short time for implementation, priorities are made
- Registration of real estate is done by KMS, i.e. divided process
- New parcel not freed from mortgages in the cadastral procedure
- Cadastral surveyor prepares basic data for decision-making. The municipality takes the final decision
- The cadastral surveyor must have the required qualifications
- Price significantly higher: VAT 25% and a special tax

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Iceland

- The Cadastral system is different from systems in the other Nordic countries
- Land is leased (site leasehold)
- Difficulty to make a comparison

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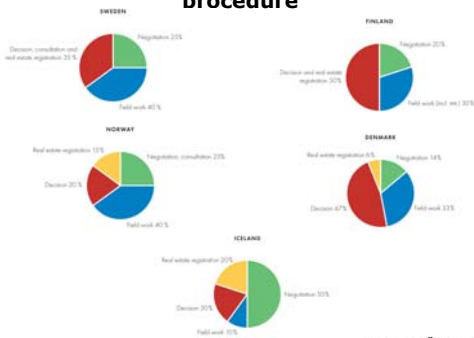
Summary

- **The Cadastral system:**
 - Historical background
 - Distinctive national character
 - *No system is better than the other!*
- **General similarities:**
Sweden and Finland. Denmark and Norway. Iceland deviates
- **Price/cost rankings from lowest to highest:**
Iceland, Finland, Sweden, Norway, Denmark
- **Time of delivery from fast to slow:**
Denmark, Iceland, Norway, Sweden, Finland
- **Average time for implementation:** Very similar
- **The cadastral process:**
A closely integrated process results in lower costs.

Suggestions for further studies

- Prices and costs, productivity
- Subdivision – land registration
- Quality of the real property register
- Web communication, e-signatures
- Cadastral procedure for infrastructure, expropriation of land for roads, railways, electricity, telephone etc.

Time for different parts of the cadastral procedure



Costs for registration of ownership and stamp duty (transfer tax)

	Stamp Duty % of amount	Registration of ownership €	Mortgage deed €	Mortgage deed % of amount
Sweden	1,5	86	39	2
Finland	4,0	60	40	0
Norway	2,5	186	234	-
Denmark	0,6	185	185	1,5
Iceland	0,4	14	13	1,5