

The Immovable Valuation Missions of the General Administration of the Patrimonial Documentation of Belgium (3890)

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Key words: Cadastre, Real Estate Development, Risk Management, Valuation

SUMMARY

The "Measures and Valuations" Service of the General Administration of the Patrimonial Documentation (former : "Cadastre administration") has among its main missions of valuating immovable:

- to fix the cadastral revenues (rental value for the immovable),
- to control the prices stipulated in the deeds and the declared values when making out the registration duties and the inheritance taxes,
- to establish the venal and rental values (sales and purchases) for the Acquisition Committees (Patrimonial Services) and the Public Authorities.

The Acquisition Committees intervene in the expropriation procedures for reason of public utility, and also as "Notaries" of the State in the sales or purchases of immovable where the Public Authorities are parties at large (State, Regions, Provinces, Communes, etc...).

To carry out the missions of valuation described above, the "Measures and Evaluations" Service has had to review its structures by creating branches (grouping together services) or in the Brussels-Capital Region by creating units grouping several branches.

- At the technical level, new working methods were implemented :
- The REK (Real Estate Key) application, which namely draws up an identity sheet for each building. The REK application clusterize the data necessary for the appraiser to set up the quality of the immovable and to set up the value.
 - An Hedonic Evaluation System through mathematical models.

Through the processes described above, the General Administration of Patrimonial Documentation, by its "Measures and Evaluations" Service (Cadastre administration), has become a key actor in the valuation of immovable, whether in rental, venal or construction values.

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1. THE KINGDOM OF BELGIUM

1.1 The Organization of the State

1.1.1

The Kingdom of Belgium is a country in northwest Europe. Straddling the cultural boundary between Germanic and Latin Europe, Belgium is home for two main linguistic groups, the Flemings and the French-speakers, mostly Walloons, plus a small group of German-speakers.

Belgium's linguistic diversity and related political and cultural conflicts are reflected in the political history and a complex system of government.

1.1.2 The political role of the King

In the political field, the King's function does not entail the exercising of personal authority. It is by suggesting, advising, warning and encouraging that the King brings this action to bear on political protagonists. His perspective is one of continuity of duration, of long-term objectives, and of "grand designs" for the country and the State.

1.1.3 The Federal Government

The Federal Government exercises the federal executive power. This Government is now limited to 15 ministers. With the possible exception of the Prime Minister, the Federal Government consists of the same number of Dutch-speakers and French-speakers. Secretaries of State may also be added.

The Government implements the legislation. The Government also participates in the legislative power, through its right of initiative. The Government can submit bills to the Parliament and has the right to propose amendments. This means that it can submit amendments to its own bills, and to the bills of members of parliament. A bill that has been approved by Parliament only becomes law after signature by the Government, i.e. the King and the Ministers.

1.1.4 The position of Prime Minister

The Prime Minister is the head of the Government. In general, he forms the Government of which he leads and coordinates the activities. He chairs the Council of Ministers, and therefore has real authority over his colleagues.

1.1.5 The Regions

Apart from the Federal State, there are the Regions. There are three Regions. The names of the three regional institutions are borrowed from the name of the territory they represent. So we refer to (from north to south) the Flemish Region, the Brussels-Capital Region and the Walloon Region.

Regions have powers in fields that are connected to their region or territory in the broadest meaning of the term.

So the Flemish Region, the Brussels-Capital Region and the Walloon Region have powers relating to the economy, employment, agriculture, water policy, housing, public works, energy, transport (except Belgian Railways), the environment, town and country planning, nature conservation, credit, foreign trade, supervision of the provinces, communes and intercommunal utility companies.

1.1.6 The Communities

In addition to the three Regions, the Federal State has three Communities. They are based on the "language". So we talk about the Flemish, French and German-speaking Communities.

The territory of the Communities:

The Flemish Community exercises its powers in the Flemish provinces and in Brussels, the French Community in the Walloon provinces, with the exception of German-speaking communes, and in Brussels, the German-speaking Community in the communes of the province of Liège that form the German language area.

The powers of the Communities:

Since the Communities are based on the concept of "language" and language is "dependent on the individual", a number of other powers are obviously associated with the Communities. The Community has powers for culture (theatre, libraries, audiovisual media, etc.), education, protection of youth, social welfare, aid to families, immigrant assistance services, etc.

1.2 The Kingdom of Belgium is also... ... in brief...

Motto	"L'union fait la force" (French) "Eendracht maak macht" (Dutch) "Einigkeit macht stark" (German) "Strength through Unity"
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Anthem	The "Brabançonne"
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Capital	Brussels (50°51'N 4°21'E)
Largest metropolitan area	Brussels Capital Region
Official Languages	Dutch, French, German
Demonym	Belgian
Government monarchy	Parliamentary democracy and Constitutional
- King	Albert II
- Prime Minister	Yves Leterme
Independence	
- Declared	4 October 1830
- Recognized	19 April 1839
EU Accession	25 March 1957 (The First President of the EU Council (since 01.01.2010) is the Belgian Herman Van Rompuy)
Area	
- Total	30.528 km ²
- Water (%)	6.4
Population	
- 2008 estimate	10,666,866
- 2001 census	10,296,350
- Density	344.32/km ²
GDP (PPP)	2007 estimate
- Total	€ 296.000 billion
- Per capita	€ 28
GDP (nominal)	2007 estimate
- Total	€ 356.000 billion
- Per capita	€ 33
HDI (2005)	0.946 (high)
Currency	Euro (€) <i>Before 1999: Belgian franc</i>

Time zone CET (UTC+1)
- Summer (DST) CEST (UTC+2)

Internet TLD .be
The .eu is also used, as it is shared with other European Union member states/

Calling code 32

2. THE "PATRIMONIAL DOCUMENTATION" ADMINISTRATION OF BELGIUM

2.1 The New Chart Organization

The "Coperfin Reform", the reform of the Ministry of Finance of Belgium has led to the creation of new organization charts and new structures.

The Ministry of Finance became the "Federal Public Service Finance".

The Finance FPS collects and manages some 70 billion EUR in taxation every year. This amount covers the majority of public spending. The Finance FPS aspires to the greatest possible fiscal equality. This public service also responds to a series of collective needs. For example, it carries out audits on products and makes sure that property transactions are conducted in a legally sound manner.

The "Federal Public Service Finance" is now composed of three general administrations:

1. Taxes and Tax Collection;
2. Patrimonial Documentation;
3. Treasury.

The general administration of the Patrimonial Documentation (previously the "Coperfin Reform": Cadastre, Registration, Public Property administration and Mortgage Service) is composed of five general departments:

1. Legal Security;
2. Surveys and Valuations;
3. Patrimonial Services;
4. Not fiscal Tax office;
5. Collect and Swap of information.

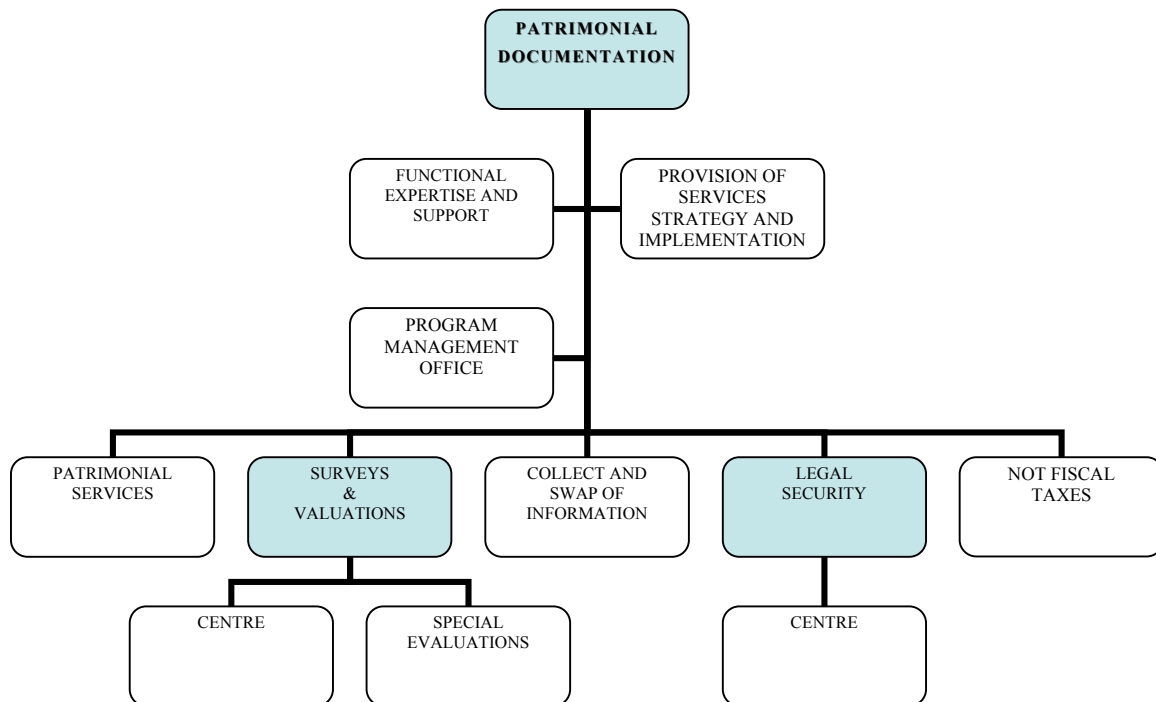


Figure 1 : The chart of the Patrimonial Documentation

2.2 The new assignments of the "Surveys and Valuations" administration (before the Reform: Cadastre)

2.2.1 Cadastre

Historically, Belgium has a Napoleonic Cadastre. Notwithstanding the will to create a juridical cadastre of the “Land Book” Type, in fact, as a result of the way in which it has been set up, the Belgian cadastre is of the “Personal” Type. Registration in the cadastral file and in the cadastral plans does not *ipso facto* implies the existence of a “title deed”.

Transfers with respect to the exercise of a right in immovable property are only registered in the Cadastre on the basis of the “Official” plan. In practice, the percentage of reliability of the cadastral registrations is very high. Only a small percentage of the registrations are liable to contain “ancestral” errors or inaccuracies. As a result of the quality of resurveying and of the authentication of the persons concerned, in numerous cases, one can say that the Belgian Cadastre has characteristics of a juridical system. By way of example, the parts of the territory which have been consolidated or those parts that have been expropriated have a “Juridical Guarantee” as far as cadastral registration is concerned.

Contractual transfers of rights in immovable property must be drawn up by a Public Officer (usually a Notary) so that they can be transcribed at the Mortgage Registry Offices.

Therefore, it is necessary that the immovable covered by the transaction be identified (in particular at the graphic level) in the most complete manner and without any uncertainty.

2.2.2 Surveys and Valuations

The "Surveys and Valuations" administration determines and verifies the different values of immovable property (the cadastral income, the market values in respect of the registration duties and the inheritance taxes, the rental value), measure the parcels of land and the construction, determine the boundaries of the pieces of land as well as the administrative boundaries within the framework of the updating of the cadastral map and the development of a geographic information system. In the future, the "Surveys and Valuations" administration will also be entrusted with verifying the construction value in respect of VAT as well as the value of movable assets such as holdings of enterprises, works of art, etc.

So the "Measures and Valuations" Service of the General Administration of the Patrimonial Documentation (former : "Cadastral administration") has among its main missions of valuating immovable:

- to fix the cadastral revenues (rental value for the immovable),
- to control the prices stipulated in the deeds and the declared values when making out the registration duties and the inheritance taxes,
- to establish the venal and rental values (sales and purchases) for the Acquisition Committees (Patrimonial Services) and the Public Authorities.

2.3 The new assignments of the "Legal Security" administration (before the Reform: Registration)

2.3.1 Registration

Registration serves as the basis for drawing up the Cadastre, thanks to the information taken from the registers relating to the deeds transferring and declaring title.

It facilitates the control of the obligations imposed by law on the public officers, drafters of the authentic deeds.

The registers kept at the Registry constitute a precious source of documentation to which, subject to certain conditions, the public is given access, namely:

- a) subject to certain conditions, copies of the registrations can be issued to private individuals;
- b) proof of the origin of immovable property must be issued to any interested party.

2.3.2 Legal Security Administration

"Legal Security" administration collects the registration duties and the inheritance taxes, which are mainly transferred to the Regions, the mortgage duties and the court fees. But beyond the tax mission of this administration, "Legal Security" administration adds an essential legal piece to the puzzle of the immovable property's picture: the publication, by the

Mortgage Registry Offices, of the public officers' instruments, with respect to which we have verified the correctness of the data. "Legal Security" administration updates the documentation in the light of these instruments in order for the information to correspond to reality as soon as possible.

"Legal Security" administration is at the service of the general public world (notaries, bailiffs, lawyers, credit institutions, citizens). "Legal Security" administration makes sure to maintain the quality of the service in order to deserve its complete confidence.

2.4 Patrimonial Services

The pillar Patrimonial Services acquires, amicably or through expropriation, immovables that are useful or absolutely necessary to the realization of the infrastructures decided on by the public authorities. In its capacity as real estate agent and at their request, this pillar sells the immovables of these authorities. In its capacity as "Public Notary", it draws up the authentic deeds relating to the acquisitions and the sales as well as certain special deeds on behalf of public enterprises.

This pillar also manages the private immovable patrimony of the State, either by renting it out or conceding it, or by putting it up for sale.

2.5 Mortgage Service

Publicity is effected by way of registers. The registers are kept at the Mortgage Registry Office established in the principal town of the judicial district where the immovable is situated.

There are two main registers, the register of the transcriptions and the register of the registrations (privileges and mortgages).

Transcription consists in a copy of the deed, with a margin where Article 3 of the Belgian Mortgage Law must be mentioned. Registration consists in a copy of a statement (or summary of the deed containing the essential indications: name, identity of the parties, detail of the encumbrances that burden the immovable and the identification of the immovable).

As the transcription and the registration require some time, the legislator created a register in which the Recorder of Mortgages registers the deeds as soon as they are submitted to him for publicity.

The Recorder of Mortgages closes this register on a day-by-day basis. He mentions a brief analysis of the deed to be transcribed or registered.

The Belgian legislator established a personal publicity system based on the name of the owner. It is the name of the owner of the immovable which constitutes the basis of the publicity regime. Thus, a sale is recorded on the basis of the name of the buyer who becomes owner. Likewise, a mortgage is recorded on the basis of the name of the person who has burdened his immovable.

3. THE MISSIONS OF THE “MEASURES AND VALUATIONS” SERVICE WITHIN THE CONTEXT OF THE E-GOVERNMENT

3.1 Introduction

The projects and the partnerships (with the public and the private sectors) of the "Patrimonial Documentation" Administration are established within the framework of "E-Government".

These projects and partnerships lead to a Juridical Security and to an Economic Growth.

3.2 Objective

Belgium wants to be and remain a country in which people like to live, to learn, work and reside and in which it is gravitational for the societies to undertake. With this intention, the authorities must provide services of great quality.

To carry out that in an optimal way, it is necessary that all the authorities (Federal, Community and Regionally, Provincial and Communal) and the world of the companies collaborate.

3.3 Definition

E-government is a basically new manner, to integrate and continue to provide services by using a maximum number of possibilities of new information technologies and communication.

It is thus also and same especially what one does not see on Internet because the process develops in the back office.

3.4 Double role of the administration

The administration plays a double part.

On the one hand, it must act as "allowing" (enabler). That's means it must remove the obstacles (legal and administrative) and must create the necessary conditions for the realization of the company of information. On the other hand, the administration must create a context and a climate in which the various actors can profit with maximum chances that the company of information offers to them.

Moreover, the administration must fulfill it-self a function of example by the way in which it uses the ICT and of which it interacts with its customers. Indeed, the administration is it-self one of the most important suppliers of services bases on information.

3.5 A virtual administration uniquely

Citizens and the companies considerate "the administration" as only an ensemble independent of the distribution of the task and responsibilities between different the administrative levels and a whole series from administration and services. They ask a total solution to their problems. They are not interested in knowing which administration and/or which public authority are implicated in this process.

3.6 The changes

E-government makes it possible to carry out a single virtual administration by completely respecting the specific competence of each one.

What will be the changes for the citizens and enterprises?

E-government will modify the provision of services by administration to customers at 4 levels:

- More efficient: because the user does not have to move any more for the provision of services lasting time to wait administration making double jobs; the feedback could be given in real time;
- More convivial: because that the citizens and the companies will have access 24h on 24h and 7 days a week at the administration in any place where they are. In the other hand always will be able to appeal to the easiest information to find and the rendered service will be more personalizes;
- Less contact: since the data-base of the citizens and companies will have to be collected only once. That data-base will be interchange in a maximum way between the administrations and that information will be managed in a pro-active way;
- More transparent: the citizens and the companies will have a greater participation in the decision, they could communicate directly with the competent public and access to the personal data that the administration has to arrange to its necessities.

4. THE CONCEPTS APPLICATED BY THE PROJECTS OF PATRIMONIAL DOCUMENTATION ADMINISTRATION

4.1 Concepts

The concepts are validated notions that will allow to approach the missions for the bast.

4.2 UNIDENT

Identifying immovable properties in an univocal way in order to improve the establishment of the relationship between persons, duties and properties.

4.3 PRECAD

Implementing UNIDENT; give a previous identification to any immovable property before any intervention.

4.4 Single counter

Abolishing the geographical spreading of the documentation; allow any natural person or legal entity to obtain any information or to deposit a document in any office of the country; a few professionals (notaries, bailiffs, etc) will remain localized for judicial security reasons; the portal will also be integrated in the concept.

4.5 Single file

Consolidating data of persons, their duties, their tax and non tax obligations and their patrimonial obligations.

4.6 Unified formality

Making all the formalities on the basis of a single request.

4.7 Priority of the patrimonial mission

Updating the patrimonial documentation independently of the collection of duties, taxes, salaries that are connected with the transfer or with the constitution of real right.

4.8 Authentic source

Increasing the value of our data and their treatment: we accept therefore the authenticity of the coming products (for example, the national registry) and we deliver outgoing authenticated products.

4.9 Regulation

Draft of a bill concerning the integration of the conservation of mortgages in the public service and concerning the previously surveying and registering of properties.

5.

Within the context of the E-Government and within the context of the concepts applied of valuation described above and to carry out the missions, the Measures and Valuations Service has had to review its structures by creating branches (grouping together services) or in the Brussels-Capital Region by creating units grouping several branches.

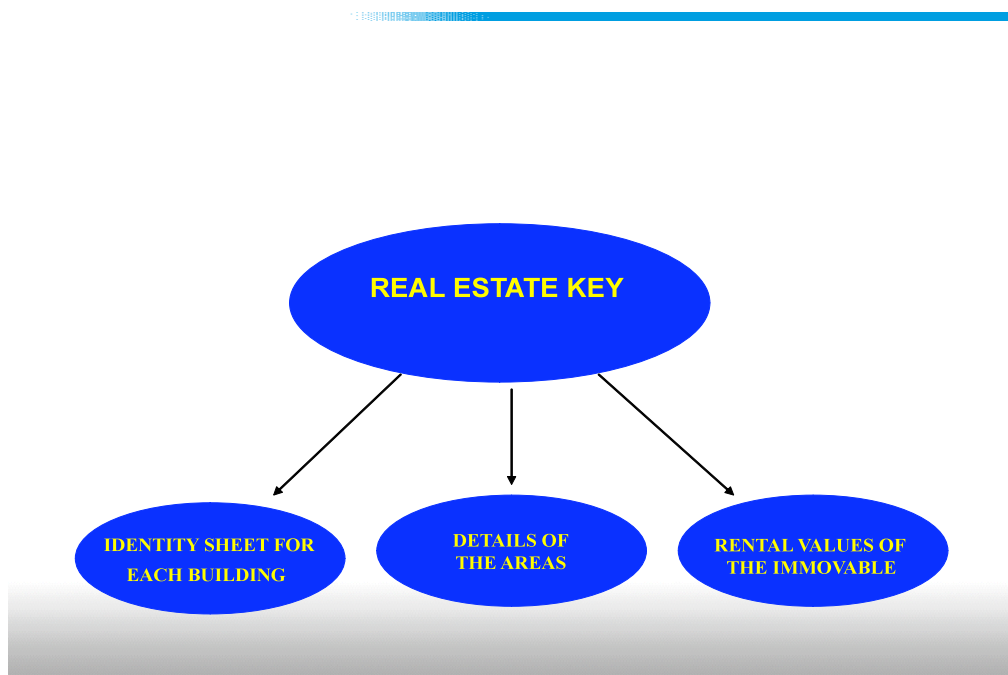
So the Unit "Updating of the cadastral data", the Unit updating of the Cadastral Map of Parcels and the Unit "Appraisals" have been created.

6. THE REK (REAL ESTATE KEY APPLICATION)

6.1

At the technical level, new working methods were implemented :

- The REK (Real Estate Key) application, which namely draws up an identity sheet for each building. The REK application clusterize the data necessary for the appraiser to set up the quality of the immovable and to set up the value.
- An Hedonic Evaluation System through mathematical models.



6.2 Internal Advantages

Rental Values but can be used also for of the REK application :

- Every values : Building Value, Monetary Value, Renovation Value;
- Every Reference Periods : Date of the appraisal;
- Web application;
- Convivial application;
- Permit a Risk Management.

6.3 External Advantages

- “Immovable Data” available for :

TS 10F – Land Taxation and Fiscal Cadastre

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- The Citizen;
- The Notaries;
- The Appraisers;
- The Real Estate Agent;
- The Investment Offices.

- Transparency for the Market

- Response for the expectations of the Authorities.

6.4 The Structure

Data base = MySQL

Programmation language = PHP

Photos Stockage = FTP Server

7. AN HEDONIC EVALUATION SYSTEM THROUGH MATHEMATICAL MODELS

7.1 Improvement of the Mathematical Models

On the basis of the fundamental principle of the hedonistic approach that claims that consumers take advantage not of the properties strictly speaking but from the characteristics of these properties, we can assert that it is necessary to:

- admit that these characteristics "account for", statistically speaking, the property price;
- analyze the value of the properties within the market which they are part of (segmentation of markets), in this case, the housing sector.

The theory of hedonistic prices assumes the existence of a numerical function that links each characteristics combination to the price that an individual has to pay to obtain the said combination. By integrating the economic laws of the price formation (equation of supply and demand), the mathematical model existing could be improved by a provisional modeling covering not only competitive markets but also monopolistic markets.

The characteristics applied on the housing sector can be shared out in two categories of explanatory variables:

- the structural variables concerning the housing itself: number of rooms, surface, comfort, etc;
- the variables concerning the location, that is to say:

- the accessibility attributes: distance from the city centre, distance from different secondary poles;
- the quality of the neighbourhood: social increase in value of areas, accessibility to local public premises, quality of the physical environment, vicinity of green equipments.

The location should be more attached to the notion of the labour market area or of the everyday nature, not only with respect to the accessibility by determining a global variable on the basis of social and economic parameters but also with respect to the life quality. Other exogenous variables that account for the value ground-support would be created this way.

8. CONCLUSION

Through the processes described above, the General Administration of Patrimonial Documentation, by its "Measures and Evaluations" Service (Cadastre administration), has become a key actor in the valuation of immovable, whether in rental, venal or construction values.

BIOGRAPHICAL NOTES

Francis GABELE (63)

- Studies : Surveyor certificated by the Belgian State
Town Planner qualified by the Town Planning Institute
- Practice :
- General Deputy at the "Federal Public Service Finance" – Patrimonial Documentation (Cadastre, Registration, Public Property, Mortgage Service)
 - In charge of the general inspection of the services of the cadastre for Brussels and the Walloon Region
 - In charge of the International Relations for the Patrimonial Documentation
 - Belgian Delegate to the PCC
 - Member of the National Council of the Belgian Association of Surveyors
 - Editor of the review "Surveyor"
 - Professor of property law (Engineer Surveyor)
 - Scientist Adviser at the University of Liège (Geomatic Engineer Department).
- FIG : - Delegate of the "Patrimonial Documentation administration" of Belgium (member Affiliate FIG)

Marc VANDERSCHUEREN (53)

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- Practice : In 1982 – 1983, private surveyor in London, UK
At present, First Attaché at the "Federal Public Service Finance" – Patrimonial Documentation (Cadastre, Registration, Public Property, Mortgage Service). Human Resources Department.

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