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**Kathmandu, Nepal 14–16 November**

**REGIONAL CONFERENCE 2024**

*Climate Responsive Land Governance and Disaster Resilience: Safeguarding Land Rights*



**Presented at the FIG Regional Conference 2024,  
14-16 November 2024 in Kathmandu, Nepal**

# Global Valuation Practice: Lessons for Nepal

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## OUTLINE

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2

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3

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8



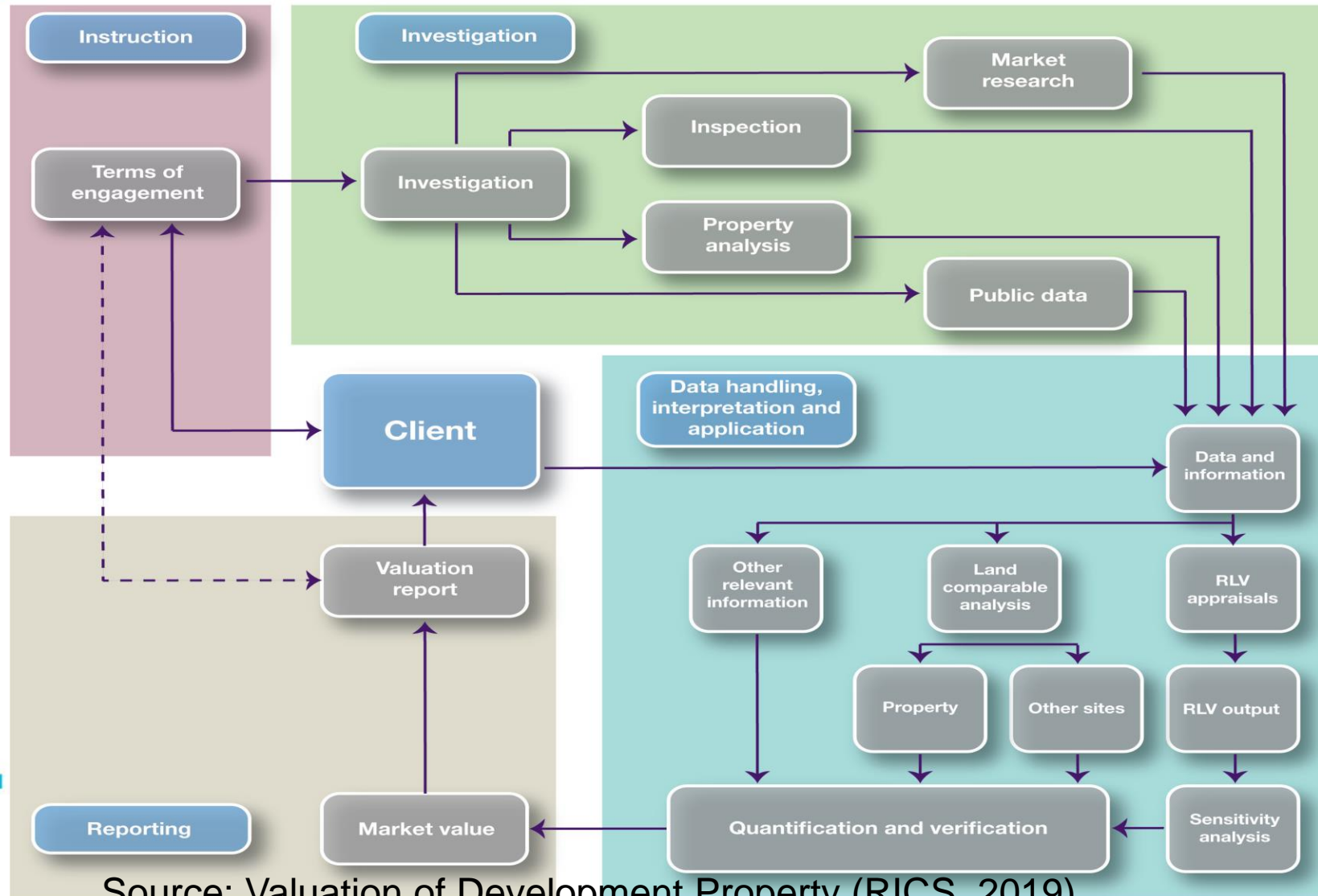


# Land Valuation

Land valuation deals on **processes related to assessment** of the value of land and properties

Land valuation demands **determination of market value** of land and thus to be uniform for **all purposes**

With **established standards and framework** of regulatory bodies, legislation and institutional setup



Source: Valuation of Development Property (RICS, 2019)



## INTRODUCTION

### The Role of Valuation in Land Administration

- Valuation supports land tenure, land use, market and land development.
- Systems vary by region, shaped by local laws and conditions.
- In Nepal, key challenges include unstructured frameworks, unreliable data, and limited professional training.

### Land Valuation Key Steps

#### 01. Data/ Information Collection

Gathering data on land, property and market information

#### 03. Valuation Model

Applying models to estimate land value including income, cost and market approaches

#### 04. Reporting

Presenting valuation findings

#### 02. Data Compilation and information analysis

Compiling and analysis of relevant data for accurate valuation

#### 03. Valuation Outcome

Determining the final assessed value

#### 05. Review/ Adjustment/ Re-valuation

information or market changes





## IMPORTANCE OF VALUATION

### Why Effective Valuation is Crucial

It plays a significant role in determining land value for taxation, compensation, and investment.

1

Helps ensure transparency, professionalism, and consistency in land markets

3

Provides fair property value for legal, financial, and development purposes

2

Importance in infrastructure projects, public land acquisition, and private sector development

4



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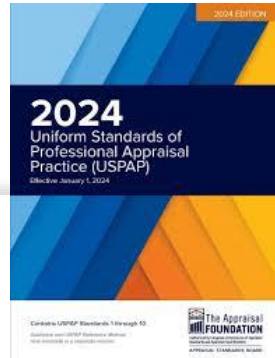
## GLOBAL BEST PRACTICE- Learning from Global Valuation Models

The **International Valuation Standards (IVS)** provide a harmonized approach to valuation practices across many jurisdictions globally



### United States

The Appraisal Foundation sets the **Uniform Standards of Professional Appraisal Practice (USPAP)**, the benchmark for ethical and competent appraisals. Compliance is mandatory for state-licensed and certified appraisers in federally related transactions, ensuring consistent valuation standards across the U.S.



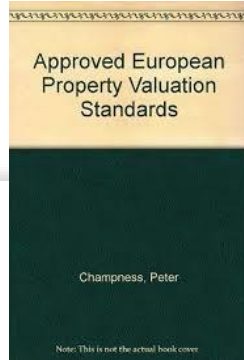
### United Kingdom

The Royal Institution of Chartered Surveyors (RICS) enforces stringent valuation standards through its **RICS Red Book**, alongside the **International Valuation Standards (IVS)**. Valuers are trained through robust educational programs and certifications, with Continuous Professional Development (CPD) ensuring they stay updated on best practices.



### Europe

The **European Valuation Standards (EVS)** and **International Valuation Standards (IVS)** to ensure consistency and professionalism across the EU. Local variations are shaped by national legal and economic conditions, with countries like Germany and France incorporating these standards into their laws for greater transparency in the valuation process.



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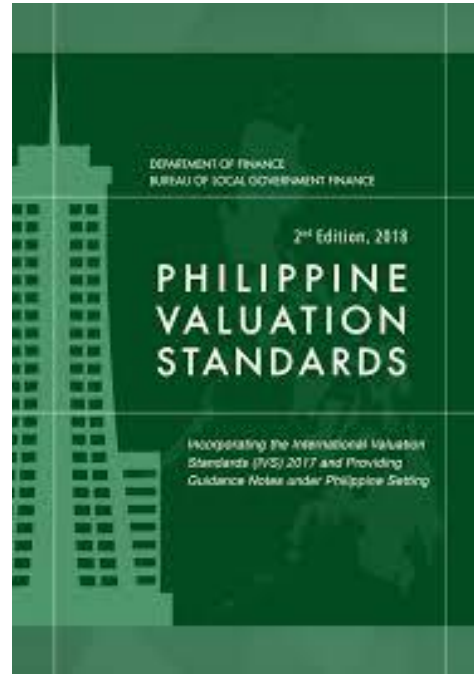
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## Countries have dedicated Valuation Standards, and Dedicated institutions



University of Sri Jayewardenepura

B.Sc. (Special)  
Estate Management  
and Valuation



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## International best practices advocate pro-poor and gender responsive valuation practices and good land governance

REPORT 01 / 2018

### VALUATION OF UNREGISTERED LANDS

A Policy Guide

SECURING LAND AND PROPERTY RIGHTS FOR ALL

UN-HABITAT FOR A BETTER URBAN FUTURE | FIG INTERNATIONAL FEDERATION OF SURVEYORS | GLTN GLOBAL LAND TOOL NETWORK

REPORT 5 / 2015

### APPLICATIONS OF THE VOLUNTARY GUIDELINES ON THE RESPONSIBLE GOVERNANCE OF TENURE OF LAND, FISHERIES AND FORESTS IN THE CONTEXT OF NATIONAL FOOD SECURITY (VGGT) IN URBAN AND PERI-URBAN AREAS

Key Concepts, Considerations and Prospects

SECURING LAND AND PROPERTY RIGHTS FOR ALL

UN-HABITAT FOR A BETTER URBAN FUTURE | GLTN GLOBAL LAND TOOL NETWORK

### Designing and Evaluating Land Tools with a Gender Perspective

A Training Package for Land Professionals

UN-HABITAT FOR A BETTER URBAN FUTURE | FIG INTERNATIONAL FEDERATION OF SURVEYORS | UEL UNIVERSITY OF EARTH AND ENVIRONMENTAL SCIENCES | GLTN GLOBAL LAND TOOL NETWORK







# CHALLENGES IN NEPAL'S VALUATION SYSTEM

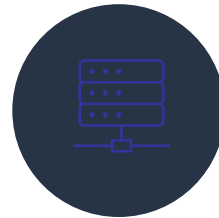
## Current Issues in Nepal's Valuation Framework



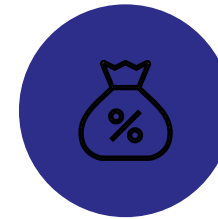
Fragmented regulatory bodies and inconsistent valuation methods



Discrepancies between market and official values (up to 3-4 times lower in official valuations)



Lack of comprehensive market data and limited professional capacity



Taxation and compensation undervalued, leading to unfair outcomes for landowners



Valuation, Taxation and compensation of unregistered land missing, leading to unfair social justice

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## CURRENT INITIATIVES IN NEPAL

### Recent Developments in Land Administration in Nepal

The Ministry of Land Management and development partners together with GLTN collaboration for better land governance

01



02

Programs improving tenure security, land use planning, and market formalization

Emphasis on transparent land management, integrating technology, and stakeholder engagement

03



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## KEY LESSONS FROM GLOBAL VALUATION PRACTICE

### Applying Global Lessons to Nepal

Institutional, Legislative and Regulatory frameworks are crucial for consistency and trust



Integration of modern technology (GIS, valuation databases) to ensure accuracy



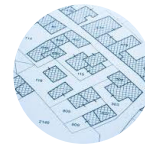
01



02

Need for professional training and certification

03



04

Focus on local context: balance conventional approaches to valuation with emerging issues such Environmental Social Governance (ESG), inclusivity and livelihood considerations





## STRENGTHENING VALUATION FRAMEWORKS IN NEPAL

### Institutional Framework:

Specialized land valuation bodies, ministry coordination, and capacity strengthening efforts.

### Professional Development

Mandatory certification and training for property valuers/  
Partnerships with universities to offer valuation programs

### Legislative Framework

Adopt Land Valuation Act, amend existing laws, enforce reforms for transparency and fairness.

Creation of specialized bodies, legal reforms, regulatory oversight, professional training, technological integration, and public engagement to ensure transparent and equitable land valuation

### Regulatory Oversight:

Centralized body for harmonizing standards and coordinating national-local implementation

### Technological Integration

Digital land information systems (GIS) enhance data management and transparency, integrating land and cadastre data for real-time access.

### Public Awareness & Stakeholder Engagement

Increased public outreach to build trust in the valuation system/  
Consultation with communities to ensure equitable practices



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## CONTRIBUTION TO SDGS

Alignment with Sustainable Development Goals (SDGs)

**SDG 1 (No Poverty):** Improved land tenure security boosts livelihoods

01



02



03

**SDG 16 (Peace, Justice & Strong Institutions):** Transparent land markets ensure justice and fairness in property transactions

**SDG 11 (Sustainable Cities):** Supports transparent and sustainable urban development



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## CONCLUSION AND NEXT STEPS

### The Way Forward for Nepal

A structured, transparent, and fair valuation framework is critical for Nepal's land market stability

1

Institutional reform, regulatory frameworks, and professional development are essential

3

Nepal can learn from international practices, adopt and adapt global best practices to fit its context

2

**Call to Action:** Engage stakeholders, build capacity, and align with global standards

4



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