# Costing and Financing of Land Administration Services

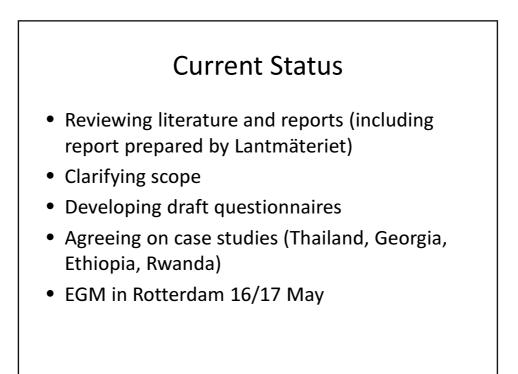
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## Study Objective

The objective of the study is to develop a useful and practical methodology (tool) whereby the costing and financing of land administration services (land services) in developing countries can be reformed and modernized with a view to enabling the agencies provide **cost effective**, **efficient, sustainable** and **affordable** services.

### Methodology

- Clarify objectives and scope
- Prepare questionnaires
- Test Questionnaires
- Gather case study data
- Prepare report (data analysis, best practices, recommendations)
- Review/validation of report
- Prepare dissemination material

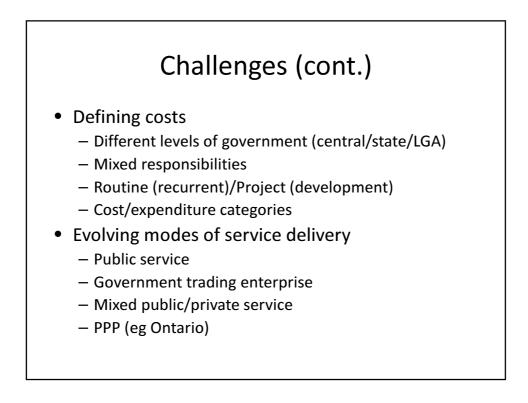


## Challenges

- Definition of 'land administration services', or 'land services'
- Definition of 'land revenue'
  - Annual property/land taxes (ground rent, lease payments, school levies, LGA rates, utility fees (water, sewerage, etc.) etc)
  - Transaction fees and taxes (fees, stamp duty, capital gains tax, etc.)
  - Other revenue (permits/approvals, sale of maps/data, GRN/CORS revenue, fees for registration of professionals, etc.)
  - Sale of state land (including urbanisation)

#### • Sharing of revenue

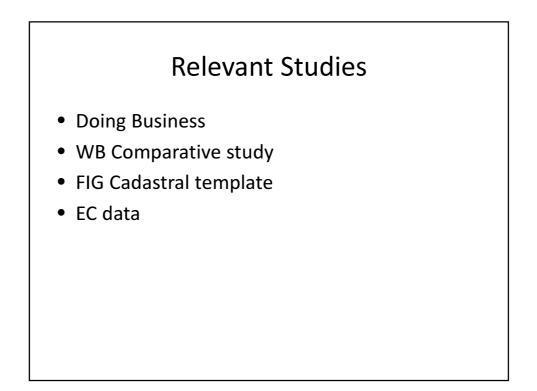
- Levels of government
- Private service providers



	Simple / Low Co	st	Complex	x / High Cost
Registration Deed	Claims / Grant	Deeds with indices and standard forms	Deeds, indices, standard form, linked to ma	ip
Registration <i>Title</i>	No guarantee, simple spatial sketch or graphical map , limited access to historical record	Guarantee, coordinated cadastre Some access to historical data		Guarantee Digital Cadastra Database online access to full historical data
Land Records	Manual copy limited backup/ archive No policy for doc retentio	Scanned copy (indexed) m	Scanned, data entry for extraction	
Customary Records	Oral	Letters of allocation	Allocation recorded and mapped	Recorded and mapped digitally
Survey	Tape / plane table	Graphical / Digitized		Fully Coordinated
Service Delivery	Centralised Government	Decentralised		Deconcentrated
Role of Private Sector	None	Some services (survey, notary prepare contract)	Service largely outsourced, State remains as regulator	Full outsourced (PPP

Coverage	Limited cadastral map base Few registered parcels	>50% cadastral map base <50% registered parcels	Complete cadastral map base Complete register of parcel
	High density urban areas registered	Widespread of urban proper registered	rties Urban and rural area properties registered
Participation	Low awareness		High level of awarenes
	Limited access		Ease of access
	High fees for services		Low service fee
	Non-transparent services Pre-requisite conditions to parti	isingto in	Transparent and predictable service: Limited pre-requisites to participate
	formal system	cipate in	Elimited pre-requisites to participat
	Individual tenure recorded only		All tenure types recorded
Taxes and Fees	Poor record s of eligible tax pay	ers	Comprehensive record s of eligible tax payers
	Limited information on market a determination of ad valorem fee		stantial market activity to support ad valoren fee setting
	Complicated, arbitrary schedule	of fees	Clear, known and published schedule of fee
	Arbitrary and unclear exemption	ns	Clear and known unclear exemption
Market Activity	Low level of market activity cap	tured	High level of market activity captured

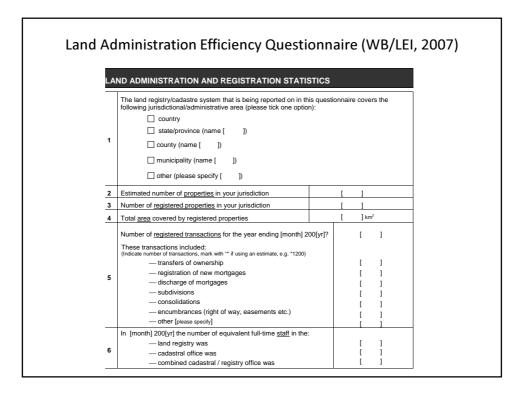
	Financing Model Stru	cture		
Delivery Model	Public Finance and Administration	State / Governm Enterpri		Public Private Partnership
Finance Base	Tax / Revenue			Cost recover
Financial Return	Annual taxation			Transaction base
Tax and Fee Base	Fixed rate Set nominal fees	Fees based on co	ost recovery	Ad valorem rate Fees based on transaction value
Revenue Retention	Consolidated revenue	Partly consolidat	e revenue	Decentralised revenue



### WB Land Administration Comparative Study (2003) TABLE IV. PROPERTY MARKET AND MAINTENANCE DETAILS

ACTIVITY	Total	Comments
1. Total number of registrations per annum (distinguish those done as part of project).		Specify year(s)
2. Total number of sales, mortgages and lease transactions per annum.		Specify year(s) and include data for pre-project period if possible
3. Ratio (expressed as a %) of transactions to total property units in the country.		Distinguish between urban and rural
4. Ratio of staff numbers to numbers of registrations per day		
5. Average time taken to produce official title search certificate		
<ol><li>Average time taken to complete registration.</li></ol>		Distinguish between first and subsequent registrations if possible
7. Registry running costs divided by numbers of registrations.		Distinguish between sporadic and systematic registration if possible
8. Cost for general registry information		
9. Cost for official title search certificate (for notary use)		State range if fees vary with type of property.
10. Cost of notary/ lawyer/ intermediary		State range if fees vary with type of property
11. Cost of other investigations		
12. Cost of registration		State range if fees vary with type of property

ACTIVITY	Total	Comments
13. Transaction Fees		State range if fees vary with type of property
14. Total transaction cost to proprietor		
15. Annual budget provided by Govt. Treasury:		
a. Registry		
b. Cadastre Office(s)		
16. Overall annual revenue (including 15):		
a. Registry		
<li>b. Cadastre Office(s)</li>		
17. Survey cost (parcel subdivision)		Give range and factors affecting cost (also indicate if private/state surveyors)
18. Cost of cadastral certificate (if required)		
19. Payments from indemnity fund (if it exists)		
20. Average daily salary of normal worker		Provide general cost of living indicators if available
21. Total average transaction cost:		State range if costs vary with type of
– sale		property
<ul> <li>subdivision</li> </ul>		
<ul> <li>mortgage</li> </ul>		
– lease		
22. No. of days work required to pay transaction cost		21 divided by 20
23. Transaction fee as a percentage of average		Specify cost for different types of
property market prices.		property (city, rural, peri-urban, etc.)
24.Annual operational costs:		If decentralized structure give costs for
<ul> <li>registry office(s)</li> </ul>		representative cases. Costs should
<ul> <li>cadastral office(s)</li> </ul>		relate only to legal cadastral activities.



	following financial information applies for the year ending [month] 200[yr] ency)	and is in [	] (unit of
7	Annual registry/cadastre <u>running cost</u> (expenditure): — land registry (if available as a separate budget) — cadastre (if available as a separate budget)	]	1
	— combined land registry and cadastre budget     — other costs [please specify]	[ [	i 1
8	Total annual <u>land registry revenue:</u> If possible, indicate the breakdown of this revenue: (Mark with "" if using an estimate, e.g. *12,000) — from Stamp Duty — from Registration Fees — from Capital Cains Tax	] [ [	] ] ]
	— from Transfer Tax — other [please specify]	[ [	1
9	Total revenue received from <u>cadastral services;</u> If possible, indicate the breakdown of this revenue: (Mark with "" tiusing an estimate, e.g. 12,000) — from sale of maps / data — from mapping services — other [please specify]	[ [ [ [ [	] ] ] ]

### Thailand – Revenue/Transactions 1997-2001

_		Type year ending 30/9/97		year ending 30/9/98		year ending 30/9/99		year ending 30/9/00		year ending 30/9/01	
_		Number	Revenue (US\$)	Number	Revenue (US\$)	Number	Revenue (US\$)	Number	Revenue (US\$)	Number	Revenue (US\$)
2 Titl	ansfer fee	3,467,749	471,874,009	2,407,380	204,398,718	2,316,508	190,939,643	2,380,897	200,740,080	2,439,284	181,621,831
	tle issuance fee	710,688	833,682	992,030	712,702	619,905	660,565	531,083	507,782	350,726	336,052
3 Cer	ertificate of Utilisation is	35,056	32,941	39,647	18,935	25,112	19,078	11,027	15,543	10,203	16,20
4 Sur	rvey fee	-	963,560	-	536,053	-	608,354	-	808,154	-	662,25
5 Mis	iscellaneous fee	872,455	846,958	833,095	543,185	891,513	620,272	937,244	691,306	977,444	661,35
6 Oth	her fee	300,299	1,517,959	276,090	908,007	210,862	758,502	240,641	725,492	249,120	698,72
7 Bot	oundary mark stone	-	1,668,682	-	1,346,416	-	1,075,272	-	922,325	-	733,37
8 inco	come tax (capital gain ta	-	276,225,335	-	130,741,637	-	131,635,751	-	148,022,387	-	147,120,74
9 star	imp duty	-	54,013,848	-	20,969,437	-	18,943,011		22,632,505		17,833,27
10 Spe	ecial business tax	-	-	-	-	-	75,692,739	-	100,428,877	-	4,648,14
	Total	5,386,247	807,976,975	4,548,242	360,175,090	4,063,900	420,953,187	4,100,892	475,494,451	4,026,777	354,331,983

Summary of BOR Budget 2000/2001 Punjab Province, Pakistan US\$ Sub-Tota Districts Rs. Sub-Tota Districts 70 Sub-Total ub-Tota HQ Sub-Fotal HQ stablishment Charge Pay of officers Pay of other staff Regular allowances 81,536,000 566,879,000 358,984,000 4,447,000 **1,011,846,000** 210,000 1,370,353 9,527,378 6,033,345 74,739 17,005,815 3,529 9,944,000 69,535,000 49,835,000 91,480,000 636,414,000 408,819,000 167,126 ,168,655 837,563 5.7% 40.2% 28.8% 0.7% 6.3% 44.1% 28.3% 1,537,479 6.4% 44.7% 28.3% 0.4% 1 10,696,034 6,870,908 94,958 19,199,378 95,630 420,857 20,218 2,193,563 92,101 53,782 79.7 130,517,00 1,142,363,0 75.4% 210,0 21,841,0 367,07 7,512,000 4,762,000 8,400,000 1,858,000 7,374,000 1,078,000 73,000 169,000 2,607,000 88,122,000 64,859,000 78,912,000 13,845,000 9,972,000 3,228,000 520,000 1,573,000 7,996,000 1,354,790 1,010,034 1,185,076 201,462 43,664 36,134 7,513 23,597 90,571 1,481,042 1,090,067 1,326,252 232,689 167,597 54,252 8,739 26,437 134,387 80,610,000 60,097,000 70,512,000 11,987,000 2,598,000 126,252 80,034 141,176 31,227 123,933 18,118 1,227 2,840 43,815 4.3% 2.8% 4.9% 1.1% 4.3% 0.6% 0.0% 0.1% 6.4% 4.7% 5.6% 0.9% 0.2% 0.2% 0.0% 0.1% 6.1 4.5% 5.5% 1.0% 0.7% 0.2% 0.0% 0.1% fice Stationary nting and Publication Initing and Publication ent, royalties, rates and taxes niform and Liveries ewspapers, Periodicals and Books ther commodities and services otal Commodities and Services 2,598,000 2,150,000 447,000 1,404,000 5 389,000 33,833,000

## **Key Questions**

- 1. What is the scope of 'land administration services'?
- 2. What is 'land revenue'?
- 3. Are there standard cost/budget categories?
- 4. Suggestions for country case studies
- 5. References and relevant material