

# **ADVANTAGES OF THE UNIFIED MULTIPURPOSE LAND REGISTRY SYSTEM**

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## **INTRODUCTION**

According to statistics, in developed countries, the value of land and real estates together with mortgages on properties is about 60-65 % of the national asset.

The land and property related activities, including property developments, generating about the 30-35 % of the GDP.

The value of mortgages on properties in developed countries is 30-35 % of the GDP (in CEE transition countries this figure is 3-5%)

The implementation of sustainable development (economy, society, environment) is also one of the main topics world wide in developed and developing countries as well.

There have been many changes related to land and properties during the last decade, resulted new challenges to be solved. These changes very much effected the developed, transition and developing countries.

In respect above it's obvious, every country needs such a legal and institutional framework, fully operational nation wide infrastructure supporting the land and property related activities.

There is general consensus among professionals and world organisations, like UN, World Bank, etc., Land Administration and especially land registry, cadastre institutions should be the proper infrastructure for sustainable development and land, property related activities.

Land administration is the “process of determining, recording and disseminating information about the ownership, value and use of land when implementing land management policies”(ref. UNECE Land Administration Guidelines)

“ Ownership” should be seen as a broad concept of land tenure within various jurisdictions (statutory, customary, informal, etc.), “land” includes constructions at subsurface level, ground level and above land level (e.g.buildings)

Land management is the implementation of land policy by a wide range of land policy instruments (e.g. land reform, land consolidation, land markets, land taxation, marine resource management, etc.) (ref. FIG Commission 7 Work plan 2002-2006 prof. Paul van der Molen chairman)

## **CHANGES AND NEW CHALLENGES RELATED TO LAND AND PROPERTY DURING THE LAST DECADE**

The world has been continuously changing. The speed of changes has been accelerated in recent years not in the technical field only but in the economy and the world society as well, creating new challenges to be solved, implemented world wide.

These changes has extremely influenced the land and property related activities and the states, governments have to find out effective solutions, developing, modernising public administrations to answer the new challenges in the 21<sup>st</sup> century.

I try to support and prove in my paper that the unified land registry system is a proper tool to fulfil requirements described above.

### **Changes and facts**

Globalisation

Revolution in the Information Technology

Political and economical changes in Central Eastern European Countries

Increasing gap between developed and developing countries

Growing population in the developing world

Rural population moves to urban area

Lack of security in land tenure in many developing countries / Bathurst Declaration/

### **New challenges related to land**

Sustainable development

Developing active land market in countries in transition and in developing countries

Rapid urbanisation in the developing world ( Asia, Africa, Latin- South America )

Creating secure land tenure in developing countries

Supplying sufficient food and drinking water for the world population / Bathurst Declaration/

Post conflict problems

## **ROLE OF FIG AND UN ORGANISATIONS**

The solutions and successful implementation of new challenges related to land and property requires tools, well thought plans and new kind of legal and institutional framework which can answer to the new challenges and co-ordinate the essential land related activities.

The majority of countries world wide have recognised the importance of solving above problems, looking for effective legal, institutional and technical tools.

The International Federation of Surveyors, FIG, has developed its new long term strategy during the recent years working out several programs and issued publications supporting the modernisation of cadastral systems and land administrations all over the world.

The FIG Commission 7 dealing with cadastre, land management matters is the flagship of the FIG in this activities.

United Nations has also recognised that the implementation of the sustainable development, creation secure land tenure for all are very complicated and difficult tasks in every country, region and through its organisations was looking for partner NGOs which can give professional support.

UN organisations and FIG especially Commission 7 has been working together since years, organising events, joint workshops to support land related activities. It's a common recognition that cadastres and land registry systems, land management, all together land administration should be the effective tool and infrastructure for the sustainable development.

The land and real estate property is one of the most valuable assets in every nation and the proper registration of land and property, secure land tenure is essential for developing and maintaining an active land market in developed, developing countries and countries in transition as well. The land registration sector is a key component of a free market economy whereby the safe and secure transfer of title can be freely conveyed.

In respect of above the role of land administration especially cadastre and land registry has been growing during the recent years world wide.

## **CADASTRE, LAND REGISTRY IN THE WORLD**

In developed countries land administration, the cadastre and legal registry are working well, thanks for the technical development and modern technology, but in many cases separate organisations.

The situation is very different in the developing countries ( Asia, Africa, Latin- South America ) and the majority of Central Eastern European Countries in transition. Which is common in these countries, there are not too many well functioning land administration ( cadastre, legal record ) no secure land tenure and there is a very strong need to establish or modernising cadastre and land registry systems.

Problems to be solved are various from country to country in CEECs in transition and in developing countries as well.

In some countries they have to start from the beginning to establish the modern, effective legal and institutional framework of land administration. In other countries the task is to re-establish, restructure land administration sector to make them fully operational and modernising of the institutional and technical conditions.

In some countries there are fully operational cadastre and legal registry, the main task is/ was to modernise and improve the technical conditions and introduce the IT technology.

In many developing countries indigenous populations have no secure land tenure though informal law is existing and the access to land is restricted.

About fifty per cent of the occupation of expanding cities in developing countries is informal, people have no secure tenure ( Bathurst Declaration )

In these countries is absolutely essential to improve the security of tenure providing appropriate tools for registration of informal or customary tenure.

## **RECOMMENDED SOLUTION AND PROFESSIONAL PUBLICATIONS**

The question appears in many countries which is the best solution concerning the development or re-establishing the cadastre, land registry systems.

Develop separately the land cadastre and legal record under different authority or establish the unified land registry system which is the integration of cadastre and legal record on legal basis and institutional level.

Two key publications have been issued by FIG during recent years based on experience giving professional guidelines for the future.

The " Cadastre 2014" vision on the future cadastre by Jürg Kaufmann.

This publication describes the future of cadastre. In the publication the statement says the cadastre and legal record must be integrated.

The other key paper is the Bathurst Declaration, Land Administration Infrastructure for Sustainable Development, which is the result of a joint FIG/UN workshop in Bathurst, Australia describes that an integrated, co-ordinated legal and institutional framework -land administration- should manage effectively the sustainable development.

Both publications declare and it's a world trend as well that the integrated, multipurpose land administration is the most effective tool to manage the land and property related activities. The most important elements in the land administration are the well operating cadastre and land registry organisations. These organisations are responsible to maintain and register cadastral mapping and legal data and in the same time they are the data holders concerning land and property, providing these data for external users.

Today, thanks for the modern information technology, there is no more technical problem to integrate different land, real estate, property related legal and mapping data in one computerised data base. In many developed countries the integration of data has been already implemented but generally organisations, institutions, responsible for maintaining, updating above data have been acting under different authority and they share the income coming from the data service.

According to professional opinions it seems obvious and the " Cadastre 2014" also declares that the integration of cadastre and legal registry on legal basis and organisational level, the Unified Land Registry should be more effective infrastructure for the land, property related activities

The statement in " Cadastre 2014 " also says that the modern cadastre ( unified land registry) must be cost recovery which means that their income by the data service, registration fees, other services have to cover the annual budget. How is it possible ?

There is no way to increase price of data or other services too much because, in this case users can't or don't want to buy it. What is the best way to reach the cost recovery? Probably there are more recipe but I think the integration of cadastre and legal registry could be a solution, or in countries where the task is to establish operational land administration the development of unified land registry system on legal basis and institutional level.

The other important step for cost recovery stage is to extend the data content of cadastre or the land registry as much as possible and the system become multipurpose land registry. The system must fulfil the requirements by the external users and the whole society. Of course it's very important to maintain and update all legal, mapping and

other data because only reliable up-to-date information should be marketable therefore the extension of data content and quality of services depends on the capacity of cadastre, land registry organisations and the advanced IT technology

I think above arguments are acceptable from one side but the achievement is not so easy question.

In countries, where the traditional multi authority systems are well operating (developed countries) there are legal difficulties to integrate organisations on legal basis and institutional level but on the other hand it's true that they can generally fulfil all the demands, using modern technology, requires by the market economy and the society.

But in developing, transition countries- where the task is to establish or reconstruct cadastre and land registry there are no legal difficulties to develop the Unified Land Registry System with many advantages.

## **TASKS TO BE ACHIEVED IN DEVELOPING COUNTRIES AND COUNTRIES IN TRANSITION**

There are tremendous tasks in the developing countries and countries in transition to be solved quickly, required by changes and new challenges during the last decade. To implement these important goals, effective land administration is necessary.

In Central Eastern European countries when they have changed political system and introducing the market economy have faced several problems related to land and property. Mass privatisation, ownership of agricultural land, compensation, restitution, land consolidation had to be implemented and in the same time the modernisation of legal and institutional framework was also essential fit to the requirements by the market economy. There was a very strong need for developing the information technology and computerisation of cadastre and land registry organisation.

In developing countries the land reform is one of the most important task to be achieved. The other important task in the developing world to be solved is the registration of poor's ownership or registration of informal rights in the legal registry, etc.

There are experiences and examples that countries ( CEECs. in transition, developing countries) establishing, reconstructing, modernising cadastre or land registry systems, the unified land registry system is more effective and should support the development of land market, privatisation processes have been quicker than in case of multi authority systems.

## **HUNGARIAN EXAMPLE**

Hungary is an example in Central Eastern Europe which proves the advantages of the Unified Land Registry System.

In Hungary the cadastre and legal registry ( Grundbuch) was integrated on legal basis and institutional level in 1971 already.

As many countries in Europe and all over the world from the middle of the 19<sup>th</sup> century lands and real estate properties were double registered.

On one hand land and real estate cadastre was created for the purposes of the state and politics for taxation. On the other hand there was the factual land registry, which the negotiable and mortgaged real estate was involved in. The land registers were aiming at the security of the ownership the unperturbedness of the land transactions as well as the

creditors' interests. The difference between the land registers and land tax cadastre can be recognised by the diverging structure and authorisation, since the land registers were within juridical scope while the land cadastre was a part of the public administration.

The cadastral map served as common basis for the land registers and for the land cadastre. The land registers and the land cadastre were parallel used and mutual data exchange took place between them. After some time this fact resulted in double data registration, but the data stemmed from another sources were not really authentic in the home files, and this fact caused a lot of uncertainty in the use.

Although in the majority of the countries the two organisations are still existing under different authority, due to traditions and difficulties in legal changes, but there are examples where the legal registry and the cadastre was integrated on legal basis and organisational level. ( The Netherlands, Czech Rep. Norway, Slovak Rep. )

## **AIMS AND SYSTEMS OF THE UNIFIED LAND REGISTRY**

There are two aims to be pursued. Legally the land registers provide a kind of defence for the titles, deeds, etc. to real estate and also they give certainty for the bona fide holders as well as they promote the advantageous financial obligations for planning and for supplying statistical data for the government and organisation of land utilisation.

The Unified Land Registration consists of

1, Real estate registration map-this is identical with the cadastral map and serves also for land surveying purposes.

2, Property sheet consists of three parts

Part I. the descriptive data(parcel number, address, site area, features of cultivation, soil quality, etc. )

Part II. titles i.e. data relating to the ownership (name, birth, address, personal id. number, etc.)

Part III. all the other titles and deeds( mortgages, restrictions, easements, etc.)

3, The land book contains the descriptive data of every real estate inside the community arranged according to the parcel number order showing the extent of the total area as well.

The Unified Land Registry system register all of the land and real estate properties, including condominiums and the entire country is covered by large scale 1:1000-1:2000 cadastral maps.

The system is multipurpose nature, containing wide range of the descriptive data and rights (parcel number, address, boundary co-ordinates, building, land use, etc. ownership rights, mortgage, restrictions, easements, etc.

The land lease registration is also their responsibility but separate registration with link to the land registry.

In broader sense the Land Administration institution is also responsible for the topographic mapping, remote sensing supporting agriculture and providing maps for the payment of the EU agricultural subsidies

The structure and the content of the unified land registry system proves that the system can fulfil all the requirements what the two separate systems - cadastre, land record-together.

Furthermore the system allows to enlarge the land and property related data content.

There are objections sometimes against the unified land registry system, especially in Europe, saying that the separate legal registry ( Grundbuch ) acts under court and the unified land registry is not able to guarantee the same legal security. It is not true. The institutional structure guarantee the first and second instance within the public administration and after the second instance decision clients can go to court.

### **Reasons of establishing the unified land registry system in Hungary**

1. Data integrity and consistency was not well maintained in the two records
2. To avoid parallel data updating and registration
3. Reducing number of staff and cost

Thanks for the Unified Land Registry legal and institutional system, when Hungary introduced the multi party democracy and the market economy, the country could achieve the most important tasks, like privatisation processes, compensation, registration of new ownership and technical modernisation, computerisation of the Land Registry quicker and more effectively then the majority of countries in Central Eastern Europe.

### **ADVANTAGES OF THE UNIFIED LAND REGISTRY SYSTEMS**

I tried to describe the most important challenges related to land and property today and in the near future. The solution of tasks requires tools and our responsibility is to select the best, most effective one. The Unified Land Registry can be one of the most effective tools because of it's advantages comparing with other legal and institutional systems.

#### **1, Single authority organisation, one decision maker**

I think it's obvious when cadastre and legal registry is integrated, decisions related to land and property have been made by one authority. In developing countries or countries in transition one decision maker can co-ordinate effectively the process of land reform, surveying, mapping, registration of changes, new ownership resulted of privatization, compensation procedures. As a result of above the time of implementing land related acts, laws, procedures is shorter which is very important in countries introducing the market economy.

#### **2, Legal and mapping data integrity and consistency is much better**

The secure land tenure, the quality of data is very important for investors and users in every countries all over the world. The secure land tenure, ownership encourage foreign investors from developed countries to invest which is a key question for developing countries and countries in transition for developing their market economy and active land market.

### **3, Reducing number of staff and running cost of the organisations**

The reform of public administration sector is important task nowadays all over the world. One of the elements of this reform is to reduce the budget. In case of separate organisations there is double registration of changes which means parallel activities. In case of unified land registry system we avoid parallel activities resulting the reduction the number of staff and in the same Time the reduction of running cost and budget.

### **4, Workflow, data updating is quicker, the quality of information should be better the data service is more efficient.**

It's obvious that the workflow of legal and mapping data updating within one organisation is quicker then between two separate organisations. There is a guarantee by law for simultaneous updating of the same data on cadastral map and on legal part (property sheet ) of the land registry. As a result of this workflow and data updating process the quality of information should be better and the data service is more efficient. Of course the Unified Land Registry System itself doesn't guarantee the good quality of information and data but easier to fulfil the quality requirements.

### **5, Implementation of technical modernisation, legal and institutional reform is quicker and more effective.**

In countries in transition and in developing countries the technical modernisation, computerisation, the legal and institutional reform is essential. The time factor of implementing projects is important.

The unified land registry is a single authority organisation, there is one decision maker. Co-ordination and implementation of computerisation projects are more effective and cheaper. The legal and institutional reform should be achieved quicker as well.

There are examples and experiences that in countries where the responsibility of land related activities has been divided between different authorities projects are not co-ordinated, financial sources haven't been concentrated, the result of projects have been fragmented and the efficiency and outputs of programs generally poor.

### **6, Advanced services, cost recovery requirement should be achieved easier due to the multipurpose nature of the Unified Land Registry System.**

When the cadastre and legal record is integrated or the unified land registry is established, the mapping and legal data is owned by one organisation and the data content should be extended further. It's easier to produce quality data if the mapping and legal data updating is simultaneous workflow.

The quality data is valuable data the market accepts it. The multipurpose unified land registry (cadastre) organisation as the owner and provider of legal and mapping data can fulfil all of the demands required by the economy, decision makers and the society, the cost recovery expectation can be achieved.

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Developing the market economy

## **Biographical Notes**

Academic experience: Dipl. Ing. Land surveyor MSc. Budapest Technical University  
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International experience: expert in Nigeria 1977-79, 1982-86

Activities in home and International relations: Member Hungarian Society of Surveying and Mapping and  
Remote Sensing 1971-  
Member Chamber of Juridical Expert 1995-  
FIG Commission 7. Hungarian Delegate 1995-  
Chair FIG Comm. 7 working group on Land markets 1998-2002  
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