



XXVII FIG CONGRESS

11-15 SEPTEMBER 2022
Warsaw, Poland

Volunteering
for the future –
Geospatial excellence
for a better living

What Makes a Real Estate Market Transparent?

Team of the Netherlands council for Real Estate Assessment

Ruud M. Kathmann

Luc D. Hermans

Marco Kuijper



ORGANISED BY



PLATINUM SPONSORS



Program

- Introduction
- The Netherlands
- System of Base Registers
- Asking prices/listings
- Information of commercial real estate
- Transparency of the Property Tax System
- Concluding Remarks

The Netherlands

- 17 million inhabitants
- Area: 41,526 km² (16,221 square miles)
- 9 million residential and non-residential properties
- Total value: € 2,000 billion
- More than € 11 billion tax revenues based on the assessed value
- Total costs for appraisal and assessment: € 170 million





Assessment in the Netherlands

- 344 municipalities perform annual valuations
- National government and 21 polderboards also levy property taxes (besides municipalities)
- Valuations based on market value
- January 1st valuation date (one year prior to the tax year)
- Oversight is executed by independent organization



Netherlands Council for Real Estate Assessment

- In short: NCREA
- Oversight agency
- Independent governing body
- Supervises and monitors assessment quality
- Consultative body and expert centre for assessment and appraisal
- Advises the Minister of Finance on the real estate market and appraisals
- 11 Board members and 23 staff
- Objective NCREA: increase trust in property taxation



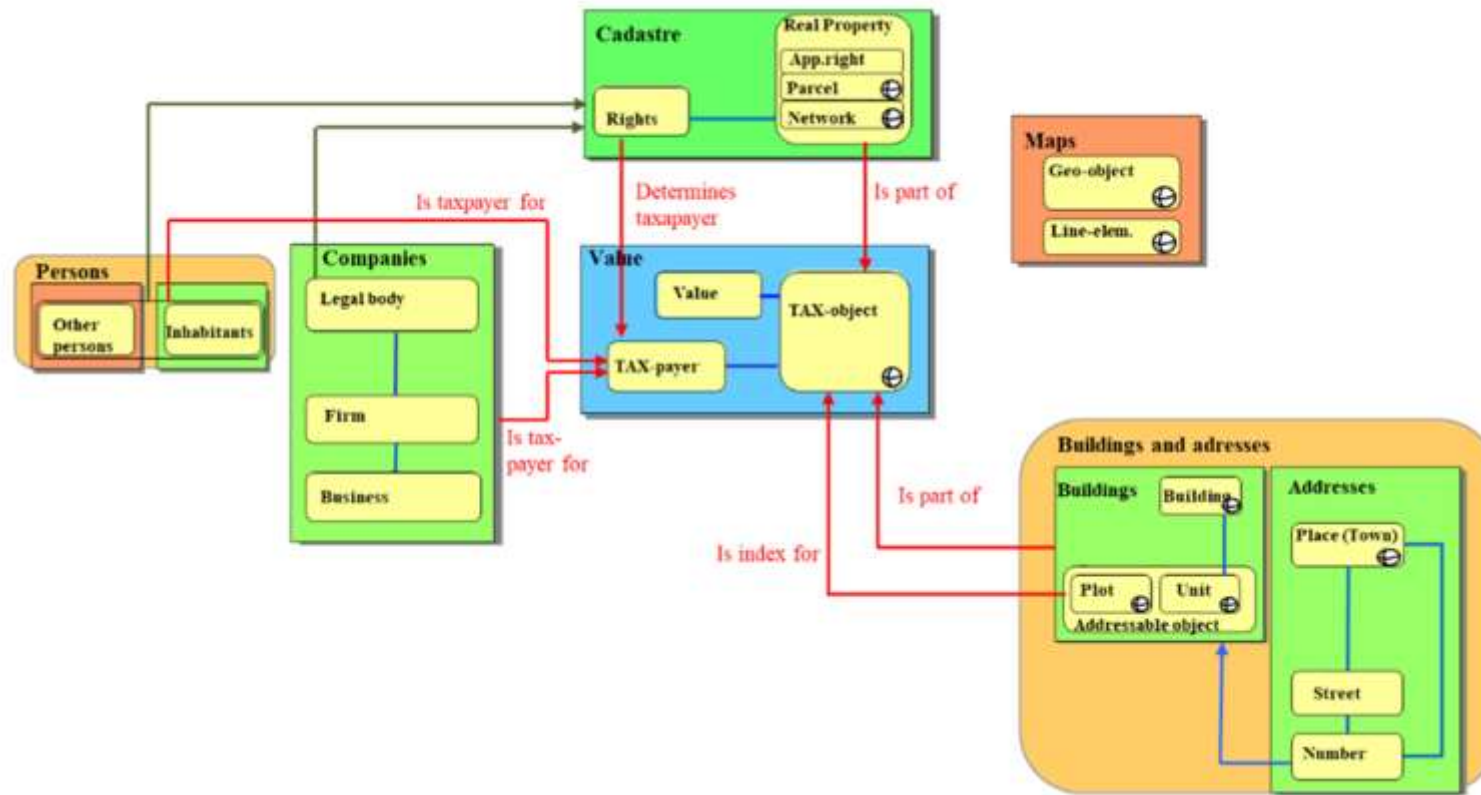
Transparency of real estate market

Sources of transparency:

1. System of Base Registers
2. Asking prices/listings
3. Rental information of commercial real estate
4. Transparency of the Property Tax System

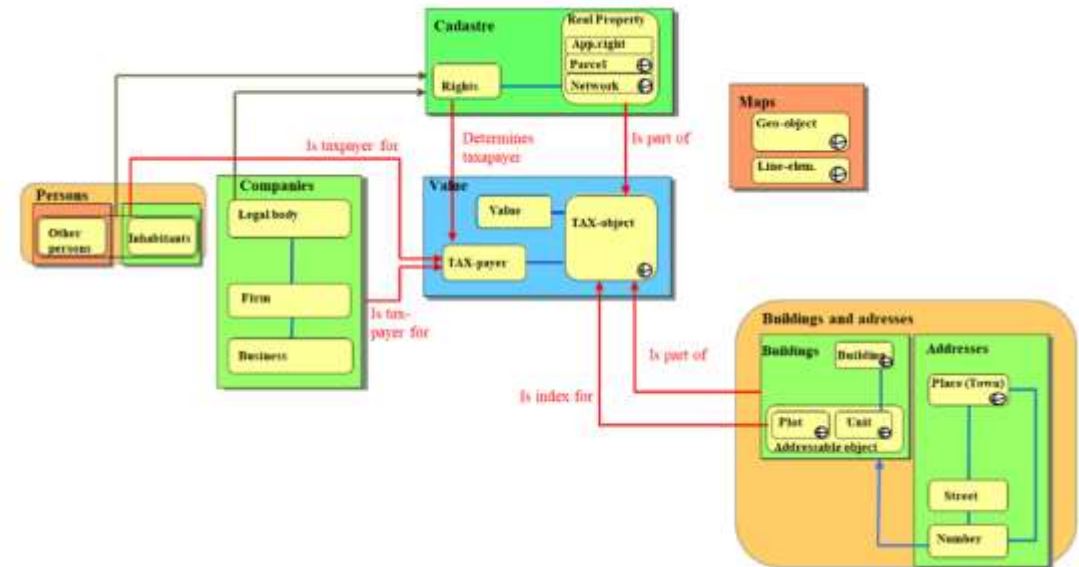


System of base registers



Base Register Cadastre

- Oldest of the Base Registers
 - Founded by Napoleon Bonaparte (start of the 19th century)
- Contains all sale prices
- In the Netherlands most people buy their house at (nearly) 100% of the mortgage
- Reliable and tested system
- Digital interlinked with the municipal registrations (daily synchronized)
- Responsibility of The Netherlands' Cadastre, Land Registry and Mapping Agency



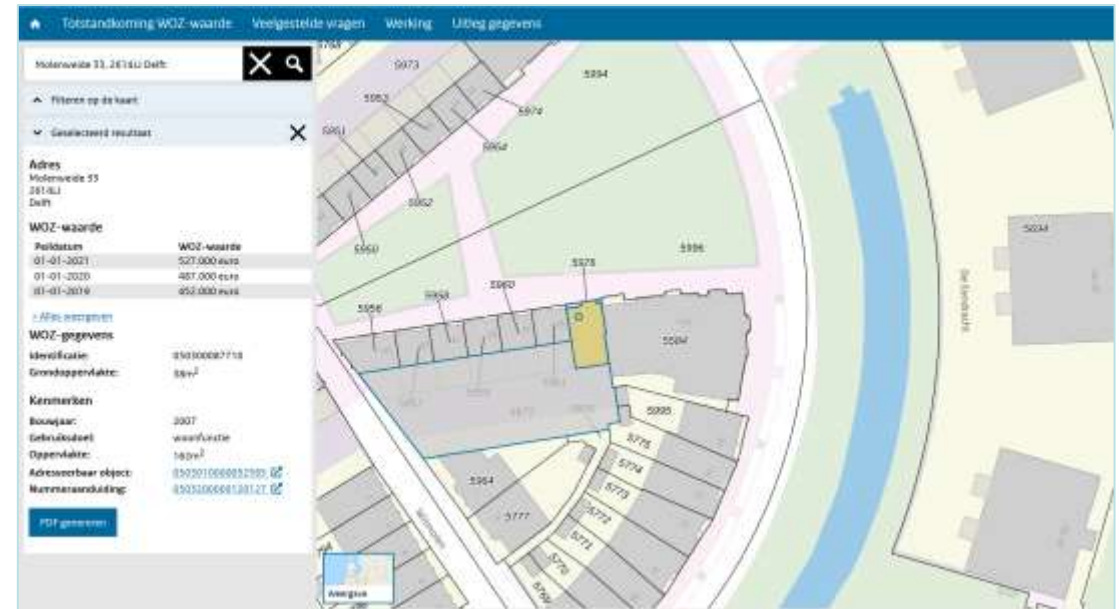
Base Register of Addresses and Buildings

- Founded in 2009
- Municipalities responsible for registration and quality control
- Contains:
 - Address
 - Size
 - Building year
 - Geometry
- Compulsory use of size and building year for taxation purposes
- However, for an accurate appraisal more object characteristics are needed



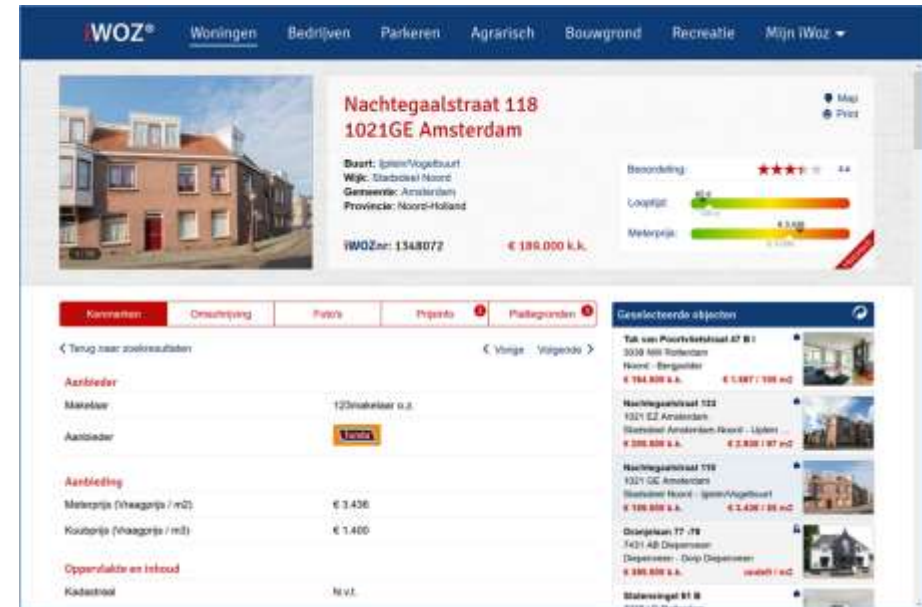
Base Register of Values

- Founded in 2009
 - Publicly available since 2016
- Goals:
 - Enhancing trust
 - Broader use of assessed values
 - Insight in the real estate market
- Municipalities responsible for registration and quality control
- At this moment available via an online portal (limited to 10 views per minute)
 - Future: open data



Asking prices/listings

- Funda is comparable to Zillow (central brokers website)
- Central registration of asking prices (real estate listings)
- Tool iWOZ:
 - Central system
 - Developed by one municipality
 - Financed and used by all other municipalities
 - Systematic registration of primary characteristics derived from ads
 - Comparison with own data and base registers
 - Info is being saved for future use
 - Including all pictures



Information of commercial real estate

- Selling prices are registered by the “Kadaster”
- Selling prices are less useful for market analysis
 - Many investor transactions
- Municipalities dependent on market information from owners and users (rental prices)
 - No (central) registration of rental contracts and prices
 - Taxpayers must provide this information
- Owners and users are both taxable
- changes are a trigger to ask information to the taxpayer



Transparency of the property tax system

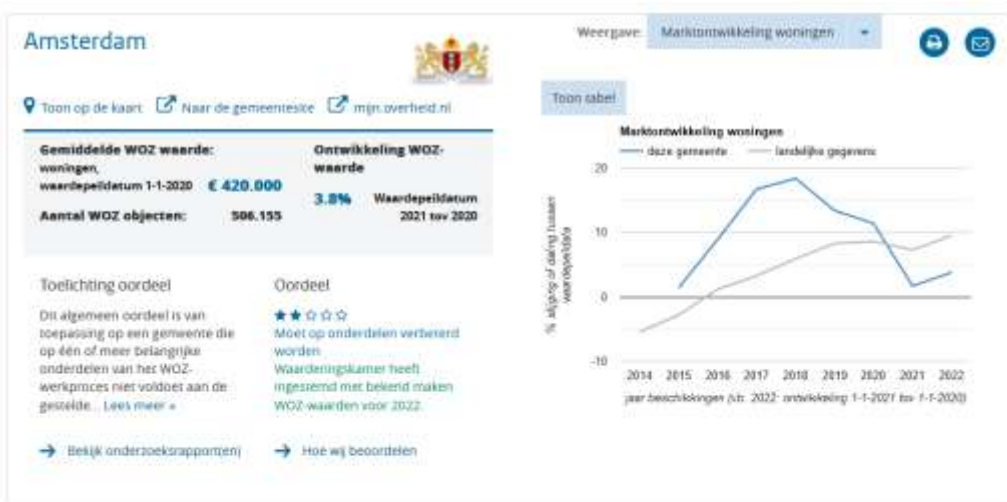
- Property tax on local level
 - Municipalities and polderboards
 - Owners and users are taxed
- Relative low rates
 - Average house € 400.000
 - pays € 700 per year to municipality
 - pays € 200 per year to polderboard
- Few exemptions
 - Churches, Public roads, nature
 - Agricultural land
- Also on central level
 - Income (owner occupied house: € 1000 per year)
 - Landlord tax (social housing: €1000 per year)
 - Inheritance tax
- Corporation tax (limits on fiscal depreciation)



Valuation process

- Annual revaluation
- Formal base: special act for real estate assessment (1995)
- Municipalities responsible for annual revaluation
- Oversight carried out by the Netherlands Council for Real Estate Assessment

Municipal oversight information



- Part of website NCREA
- General data
- Our ruling
- Market development per municipality
- Percentage of appeals
- Meant for the taxpayer

WOZ informatie

Oppervlakte gemeente in ha	21.949
Aantal inwoners	873.338
Totale WOZ-waarde in mln euro (2021, peildatum 1-1-2020)	€ 238.181
Gemiddelde WOZ-waarde woningen (2021, peildatum 1-1-2020)	€ 420.000
Dagtekening beschikkingen/aanslagen 2022 (peildatum 1-1-2021)	26-2-2022

Woningen onder bezwaar	Meer weergeven ↓
2021 (peildatum 1-1-2020)	1,5 %
Niet-woningen onder bezwaar	Meer weergeven ↓
2021 (peildatum 1-1-2020)	0,9 %
Totale WOZ-waarde woningen	Meer weergeven ↓
2021 (peildatum 1-1-2020, in mln. euro)	€ 189.438
Totale WOZ-waarde niet-woningen	Meer weergeven ↓
2021 (peildatum 1-1-2020, in mln. euro)	€ 48.743

Modernized valuation report and accountability document

This page shows the 'Accounting' section of a valuation report. It includes a table of financial data, a line graph showing trends over time, and a summary of key metrics. The layout is clean and professional, with clear headings and organized data presentation.

This page displays three columns of property listings, each with a small image and a table of details. The tables include information such as location, area, and valuation. The design is consistent and easy to navigate.

This page features two columns of property listings and a large text block on the right. The text block appears to be a detailed analysis or commentary related to the properties. The overall design maintains the professional and modern aesthetic.

This page includes a map of a residential area, a table of data, and a text block. The map provides a visual context for the properties discussed in the report. The layout is well-structured and informative.

Concluding remarks (1)

- A transparent real estate market has many benefits for a country. To reach this transparency:
 - Sales prices must be reliable, complete and easily accessible
 - Properties on the market, including asking prices must be easily accessible
 - Market data also includes other transactions like rental prices for commercial real estate
- Transparency of the real estate market is also essential for a value-based property tax system:
 - Market analysis and mass appraisal techniques can be based on it
 - Public and private valuers have a level playing field
 - Taxpayers have a better sense of market value

Concluding remarks (2)

- In the Netherlands the real estate market for residential property is pretty transparent:
 - Public element with a highly developed system of base registers, with publicly available:
 - Market data (sales prices)
 - Object characteristics (size and building year)
 - Assessed values
 - Private element with central digital marketplace for real estate listings
 - Difference between residential and non-residential real estate market information
- The future will bring:
 - More transparency (availability of data) thanks to using new techniques of extracting data from for instance arial photos and satellite images
 - Embracing new techniques for data analytics, market analysis and valuation models
 - Machine learning techniques as part of the tool set for geospatial data in combination with sales prices and not as a replacement for the appraisal experts working for property taxations and other filed of real estate valuation

Q&A

- Contact:
 - r.kathmann@waarderingskamer.nl