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THE BELGIAN CADASTRE:

ECONOMIC IMPACT ON THE NATIONAL AND LOCAL LEVELS OF SOCIETY

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FIRST, LET'S TALK TAXES...



REAL ESTATE INCOME

Mainly represented by taxes and duties:

- Property Tax
- Estate Duties (Registration Tax)
- Inheritance Tax
- Mortgage duties
- Tax on second properties

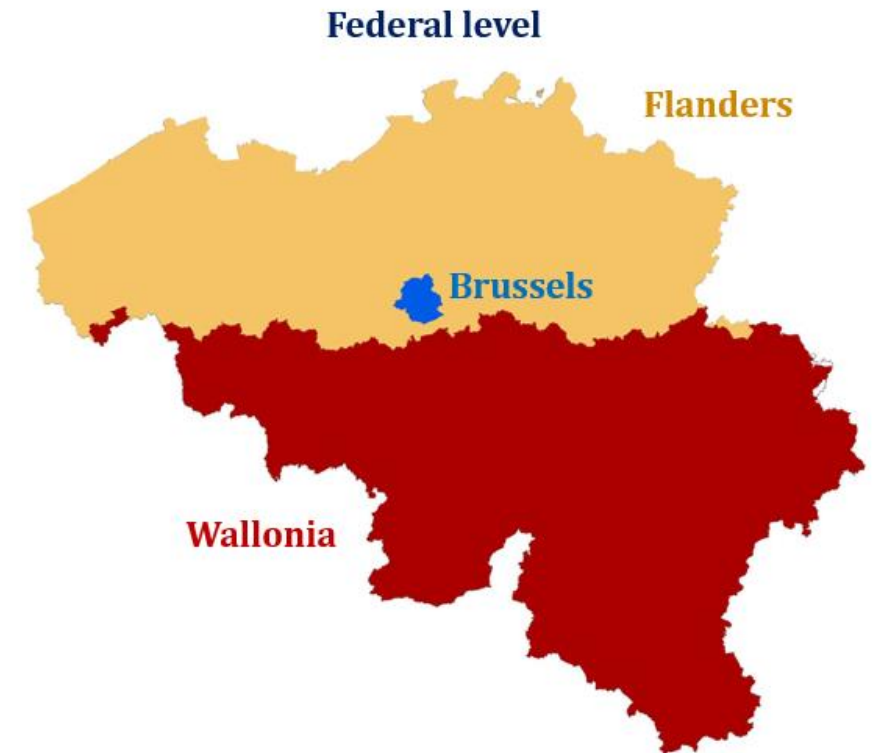




PROPERTY TAX

- Annual Tax on all real estate (buildings and plots of land)
- **Property Tax base (Cadastral Income)**
 - the average annual (fictitious) rental value of the immovable property
 - On the reference date 1/1/1975
 - Reviewed after every material change in property

→ **assessed and calculated at federal level**
- **Property Tax collection**
 - Flanders: regional level (since 1999)
 - Brussels capital: regional level (since 2018)
 - Wallonia: federal level
(expected to be regionalised in 2021)





REGISTRATION TAX AND INHERITANCE TAX

- Registration Tax = Real estate transfer tax
- Change in ownership
- In case of decease
- Managed by the federal government for Wallonia and Brussels
- Managed by the Flemish region for Flanders
- Collaboration between Measurements and Assessments Department (FPS Finance), the Land Registry (FPS Finance) and the regions





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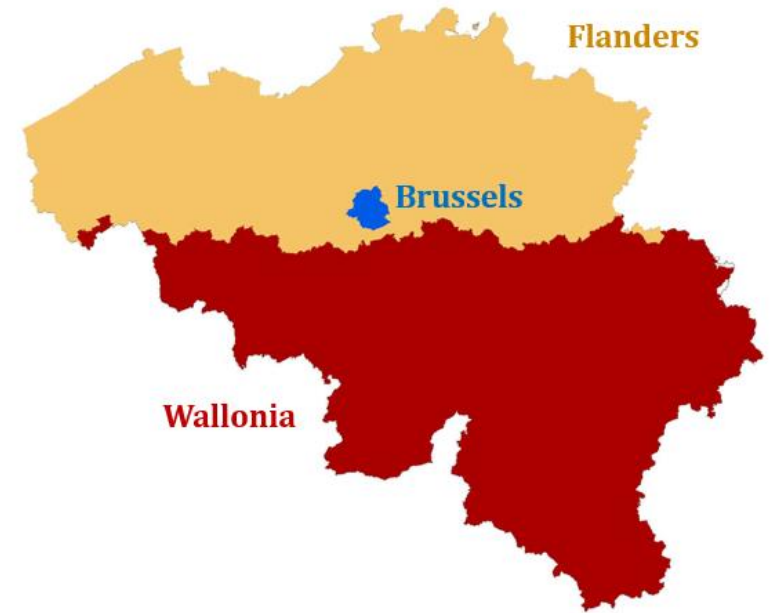
NOW, LET'S TALK NUMBERS...



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REAL ESTATE MARKET: NUMBERS IN 2018

- Increase of 1,6% in property transactions
- **Average price of a house** (villas, country mansions excl.)
 - Brussels : 452.721 EUR
 - Flandres : 277.304 EUR
 - Wallonie : 189.257 EUR
 - Belgium: 251.584 EUR





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REAL ESTATE MARKET: NUMBERS IN 2018

- **Average price of an apartment**
 - Brussels : 240.250 EUR
 - Flandres : 224.331 EUR
 - Wallonie : 174.410 EUR
 - Belgium: 220.095 EUR



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REAL ESTATE MARKET: NUMBERS

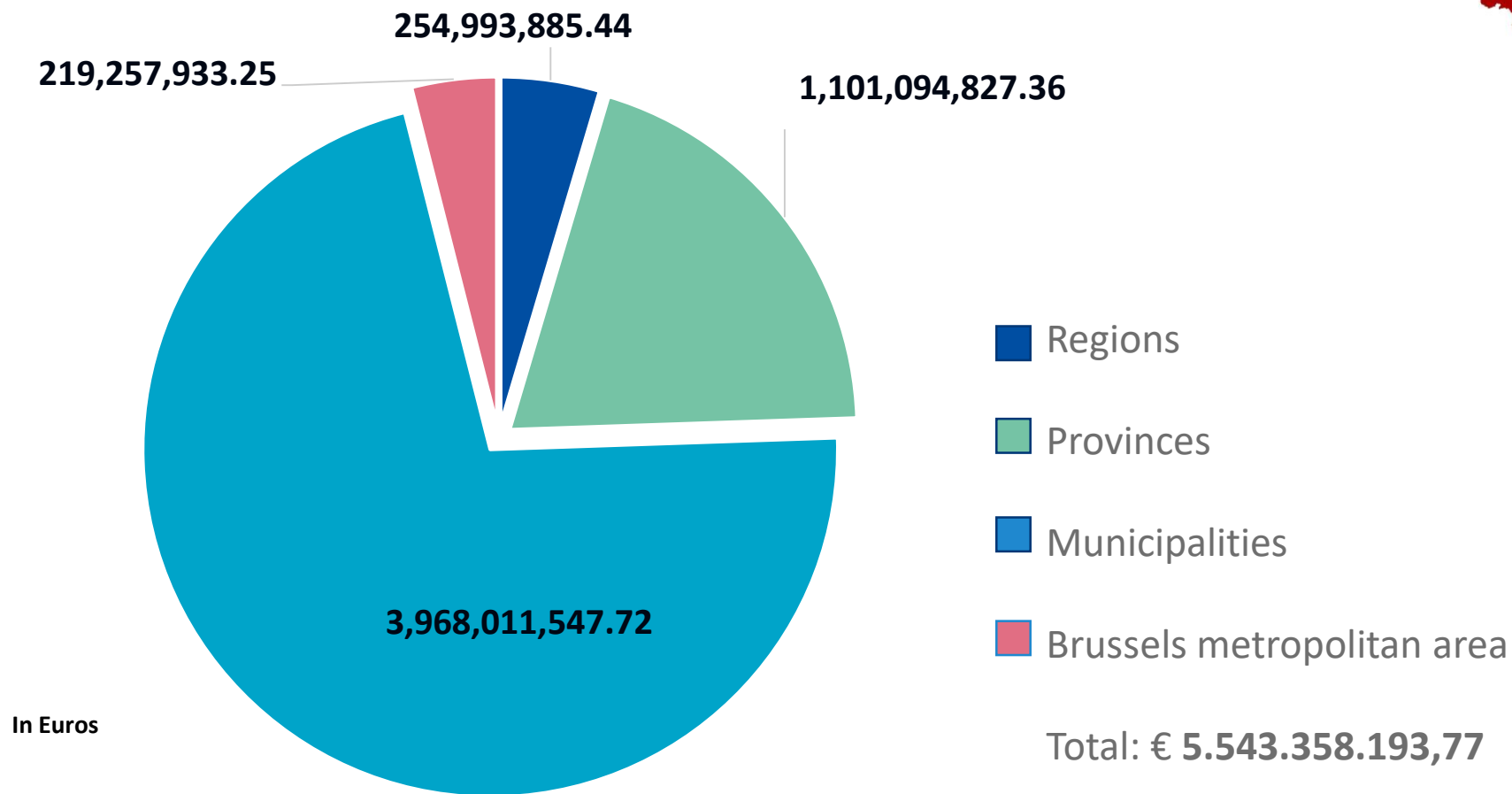
- Total value of residential properties:
1,2 Trillion Euros (estimated value)
- Total amount of mortgages (2018)
34 Billion Euros
- Total amount of property tax (2018)
5,5 Billion Euros





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PROPERTY TAX REPARTITION

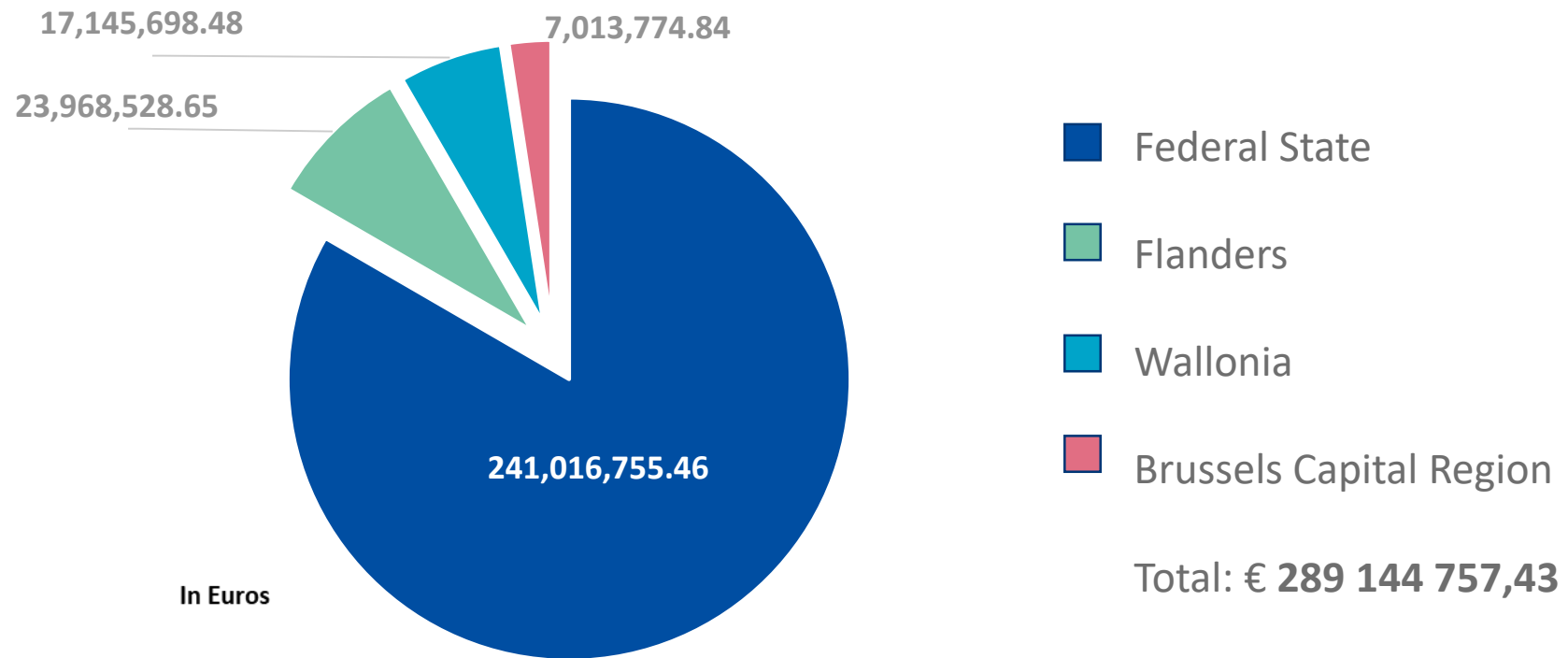




CADASTRAL INCOME: INFLUENCE ON THE INCOME TAX

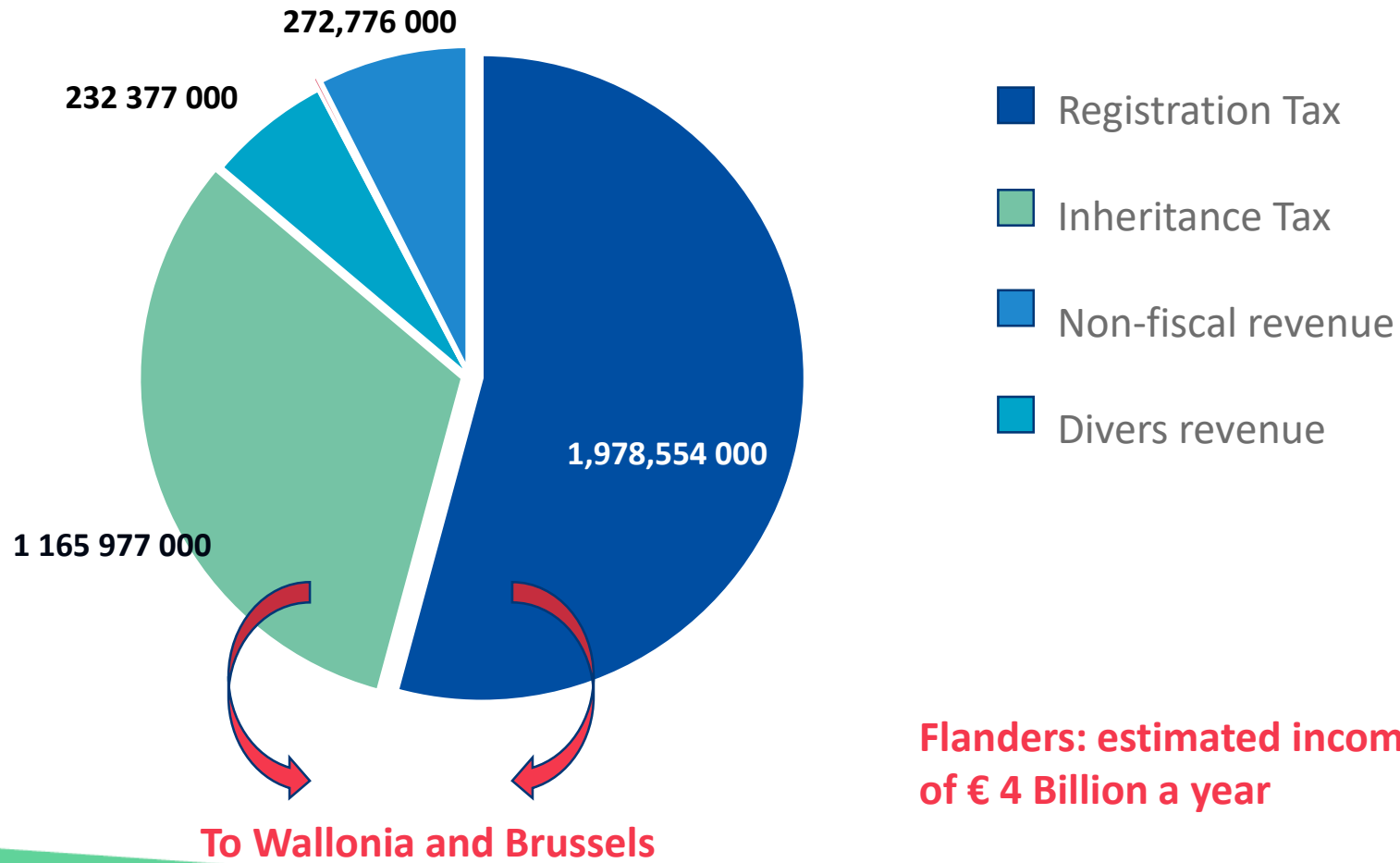


Personal Income Tax





REGISTRATION TAX AND INHERITANCE TAX



**Flanders: estimated income
of € 4 Billion a year**



In Euros



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ADDITIONAL ECONOMIC IMPACT



"DEAD HAND" INCOME

- Budget yearly reserved by the Ministry of Internal Affairs
- Income for the municipalities
- For losses in property tax
- Compensation measure for property exempt from taxation
- Total of € 127 Million





AGRICULTURAL LEASE PRICES

- Cadastral Income is binding for agricultural tenancy
- Max. price fixed in accordance to cadastral income per hectare
- Multiplied by a coefficient
 - to provide economic security in the agricultural sector





PENALTIES SYSTEM



- For late and non-declaration of changes in real estate
- Expected income of € 6 Million a year
- Increase awareness of the importance of correct cadastral information

→ To be implemented soon



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THANK YOU FOR LISTENING..

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