

# Belgian and foreign cadastral income: valuation of properties in Belgium and abroad

Jolien Neckebroeck  
Measurements and Valuations Department  
Patrimonial Documentation Belgium  
PCC Conference Spain October 2023



# VALUATION OF PROPERTIES IN BELGIUM



# Valuation of real estate : WHY?

Property tax



Income tax

Inheritance and registration duties  
(Transfer taxes)

# Property tax

## Valuation of real estate : WHEN?

Occupation of newly constructed properties

Major transformations (rebuilt, enlargements etc)



New machinery or equipment put into service

Completion of properties already occupied

Rectification of valuation errors

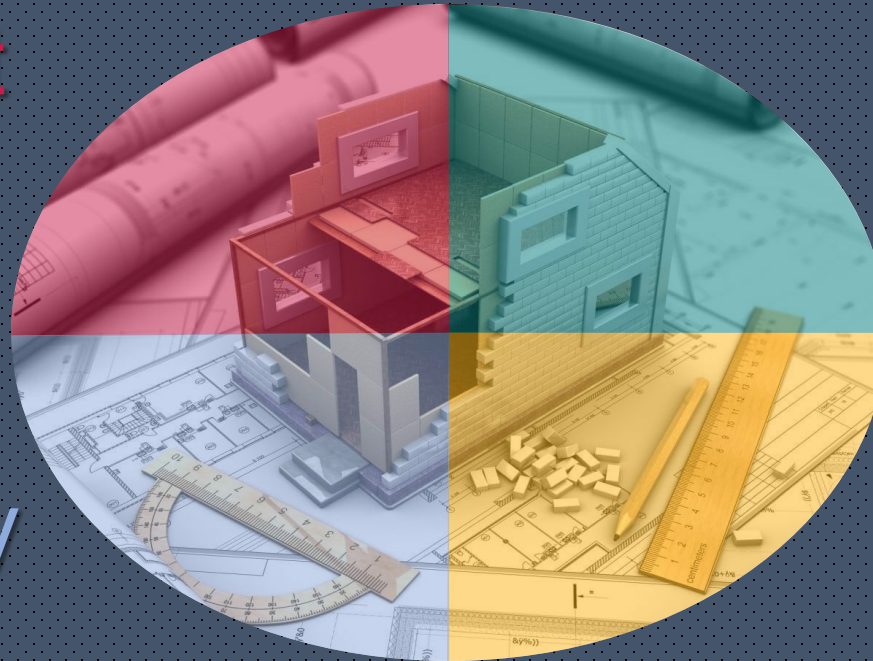
# Valuation of real estate : Sources of information

Building permit  
information

Architectural  
plans

Declarations by  
the owner

Site visits



# Definition of cadastral income

## Average

- Average income of similar properties

## Normal

- Exclusion of abnormally low or high incomes

## Net

- Reduced for maintenance and repair costs by:
  - - 40% for built property
  - - 10% for non-built property

## Annual

- 1 year at the reference date

# Reference date



# Valuation methods



## Unbuilt properties

Valuation based on  
scales of cadastral  
incomes per hectare

**Number of properties**

4.439.574



# Valuation methods



## Machinery and equipment

Valuation: 5.3% of use value

Number of properties

64.221

# Valuation methods



## Built properties

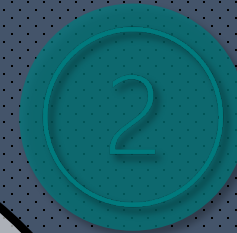
4 methods  
→ Cascade system  
determined by  
legislation

**Number of properties**

6.856.400

# Valuation methods

Rental value  
in 1975



Comparison  
points

## Built properties

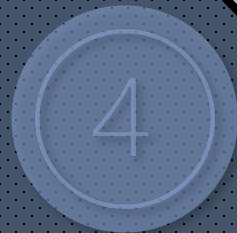
4 methods → Cascade  
system determined by  
legislation

Most common method

sales value x 5,3% to  
obtain the reference  
period rental value

value converted back to  
the reference period

Current sales  
value



Reference  
period sales  
value

# Valuation principles based on the comparison method (method 2)



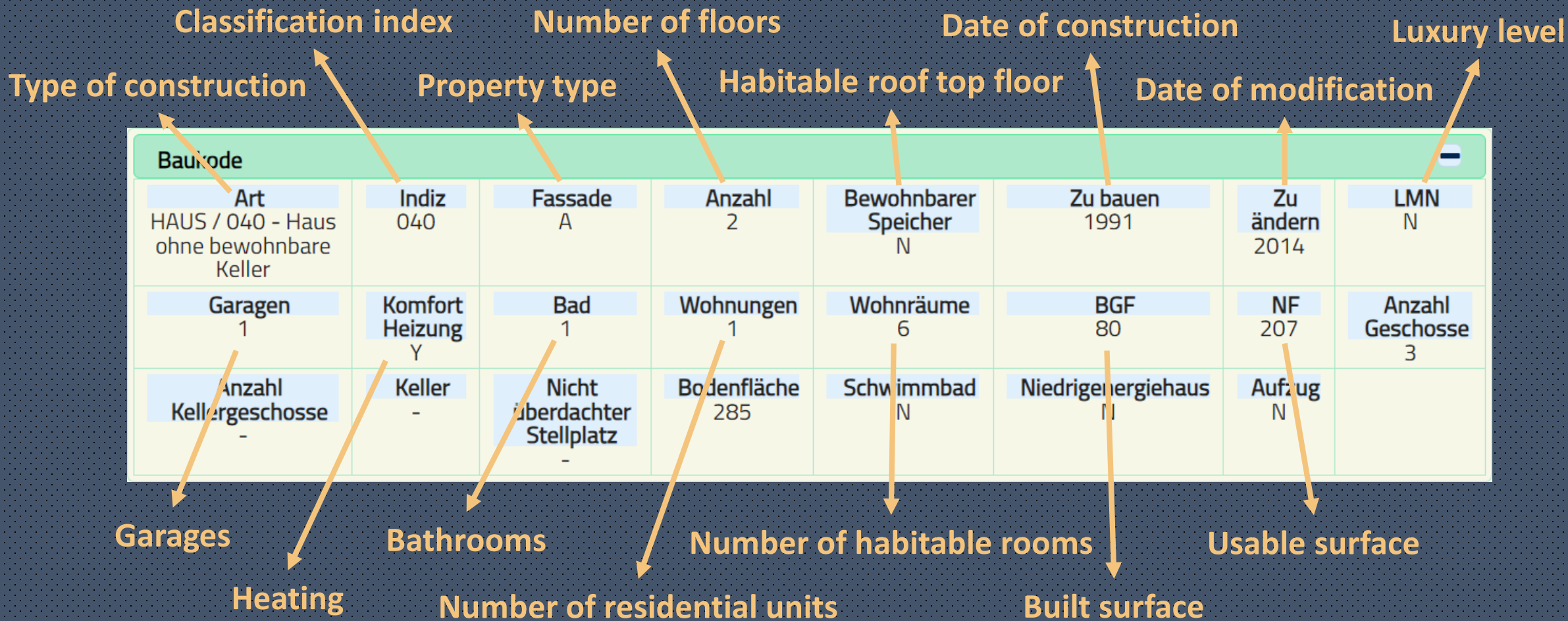
## Comparison points

### Valuation elements

- Location
- Property characteristics  
→ construction code

Baukode							
Art HAUS / 040 - Haus ohne bewohnbare Keller	Indiz 040	Fassade A	Anzahl 2	Bewohnbarer Speicher N	Zu bauen 1991	Zu ändern 2014	LMN N
Garagen 1	Komfort Heizung Y	Bad 1	Wohnungen 1	Wohnräume 6	BGF 80	NF 207	Anzahl Geschosse 3
Anzahl Kellergeschosse -	Keller -	Nicht überdachter Stellplatz -	Bodenfläche 285	Schwimmbad N	Niedrigenergiehaus N	Aufzug N	

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Classification index

Type of construction

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40 House without habitable basement



30 Villa



470 Castle

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Usable surface



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Usable Surface = Coefficient \* Surface



Ground floor

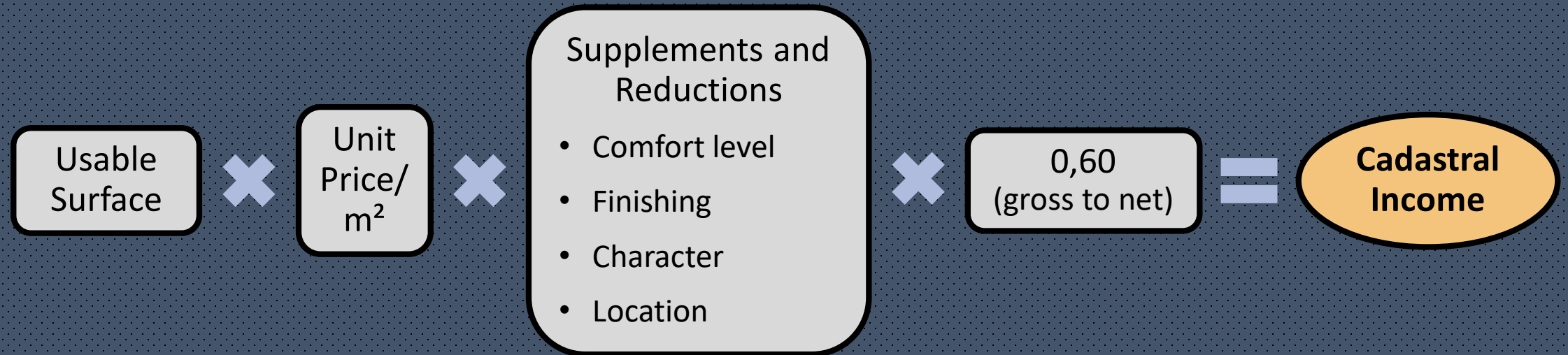


1st floor



2nd floor

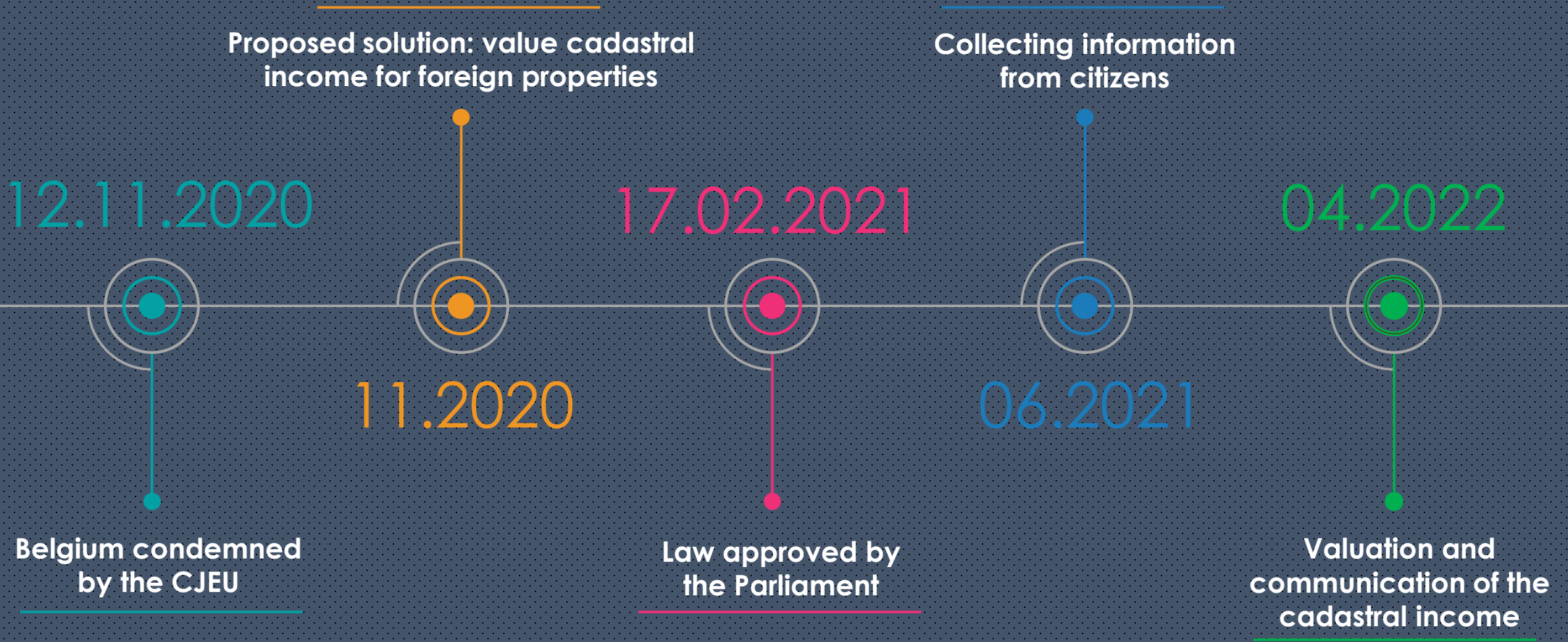
# Valuation principles based on the comparison method (method 2)



# VALUATION OF PROPERTIES ABROAD



# BACKGROUND TIMELINE

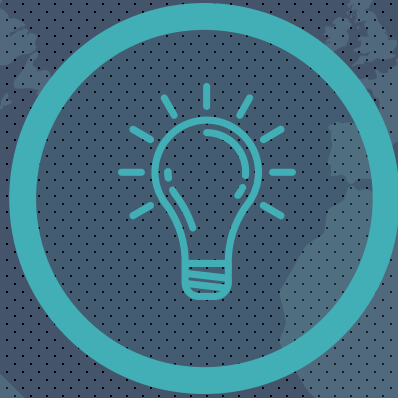


# Implemented solution



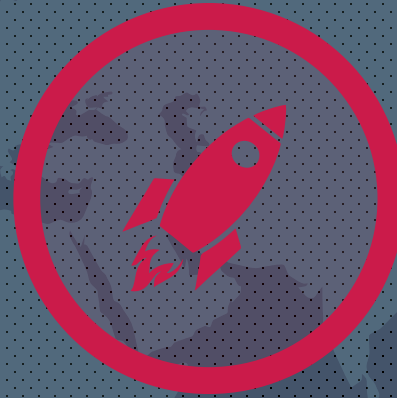
## PROBLEM

How to calculate cadastral incomes without reference points in 1975 ?



## IDEA

What capital did one have to have in 1975 to purchase the same property?



## METHOD

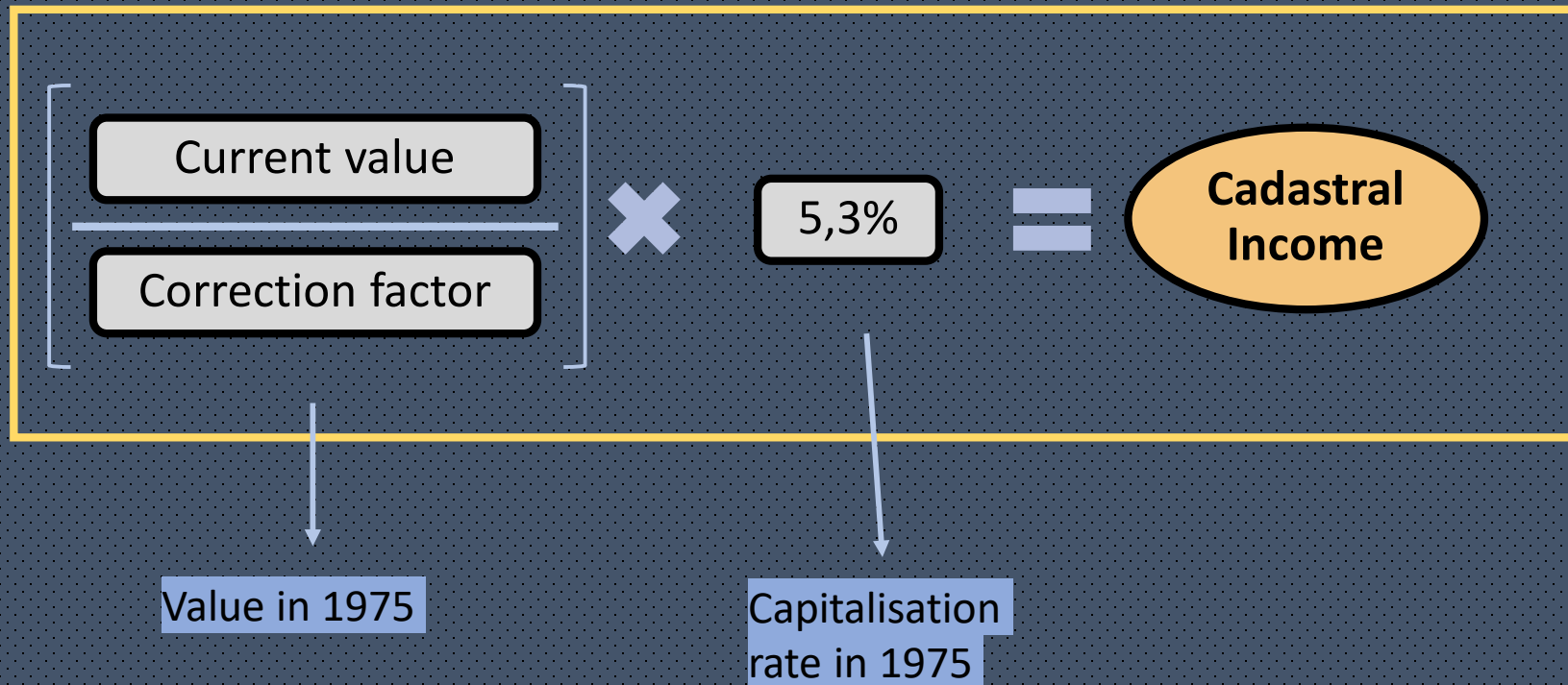
Current sales value is converted back to 1975.



## ACHIEVEMENT

Correction factor for every year since 1975.

# Valuation method based on the current sales value (method 4)



# Examples : valuation method based on the current sales value

1) House in France with a current selling price of 275.000€

$$\text{Cadastral Income} = \frac{275.000\text{€}}{15,25} \times 5,3\% = 955\text{€}$$

2) Apartment bought in Spain in 2019 for 180.000€

$$\text{Cadastral Income} = \frac{180.000\text{€}}{15,006} \times 5,3\% = 635\text{€}$$

# A FEW KEY FIGURES

200 different countries



208.460 different Belgian citizens



199.602 properties\*

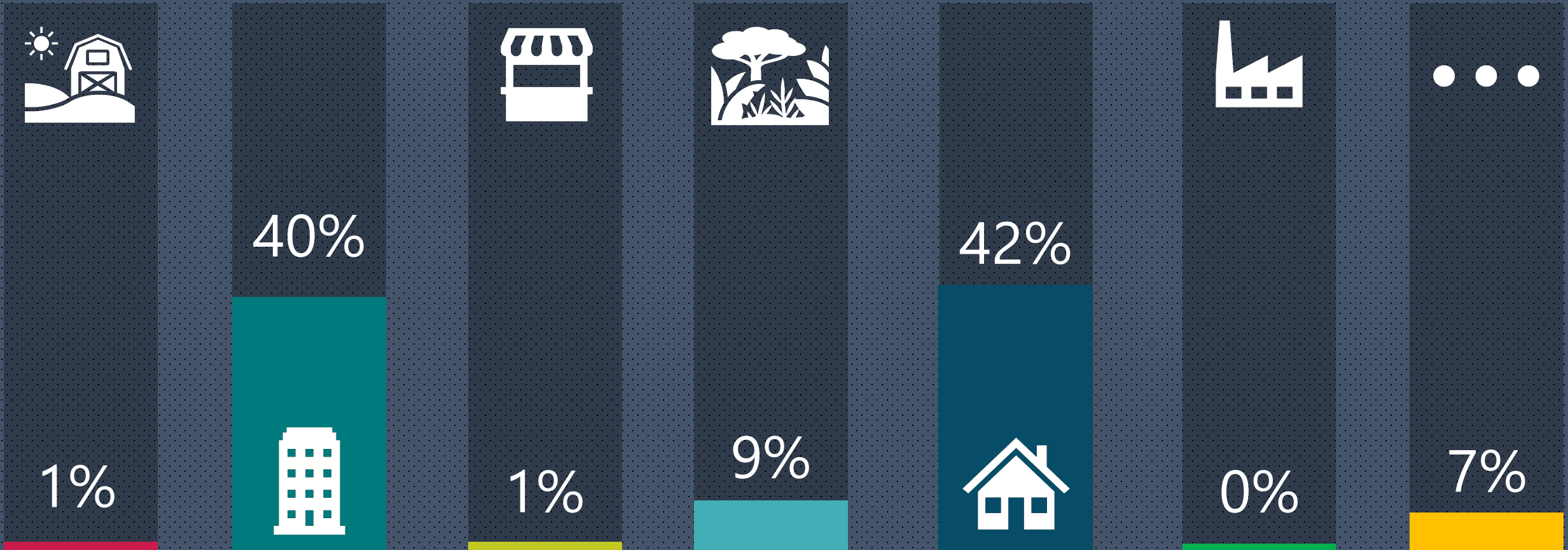


24.259 multi-owners\*





# Type of properties



# Top 3 countries by continent

## 1 North America

1. USA
2. Canada
3. Mexico

## 2 South America

1. Brazil
2. Colombia
3. Argentina

## 3 Europe

1. France
2. Spain
3. Italy

## 4 Asia

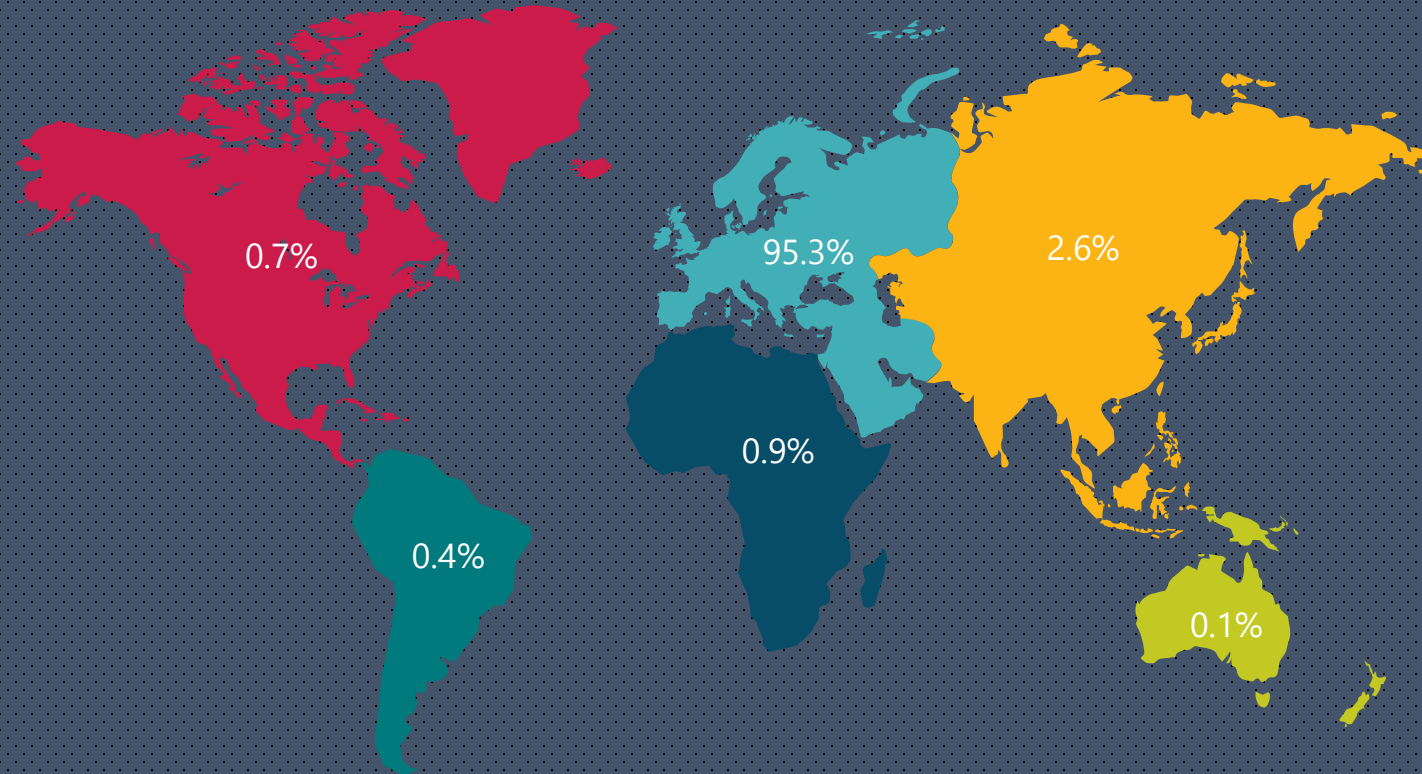
1. Turkey
2. India
3. Israel

## 5 Oceania

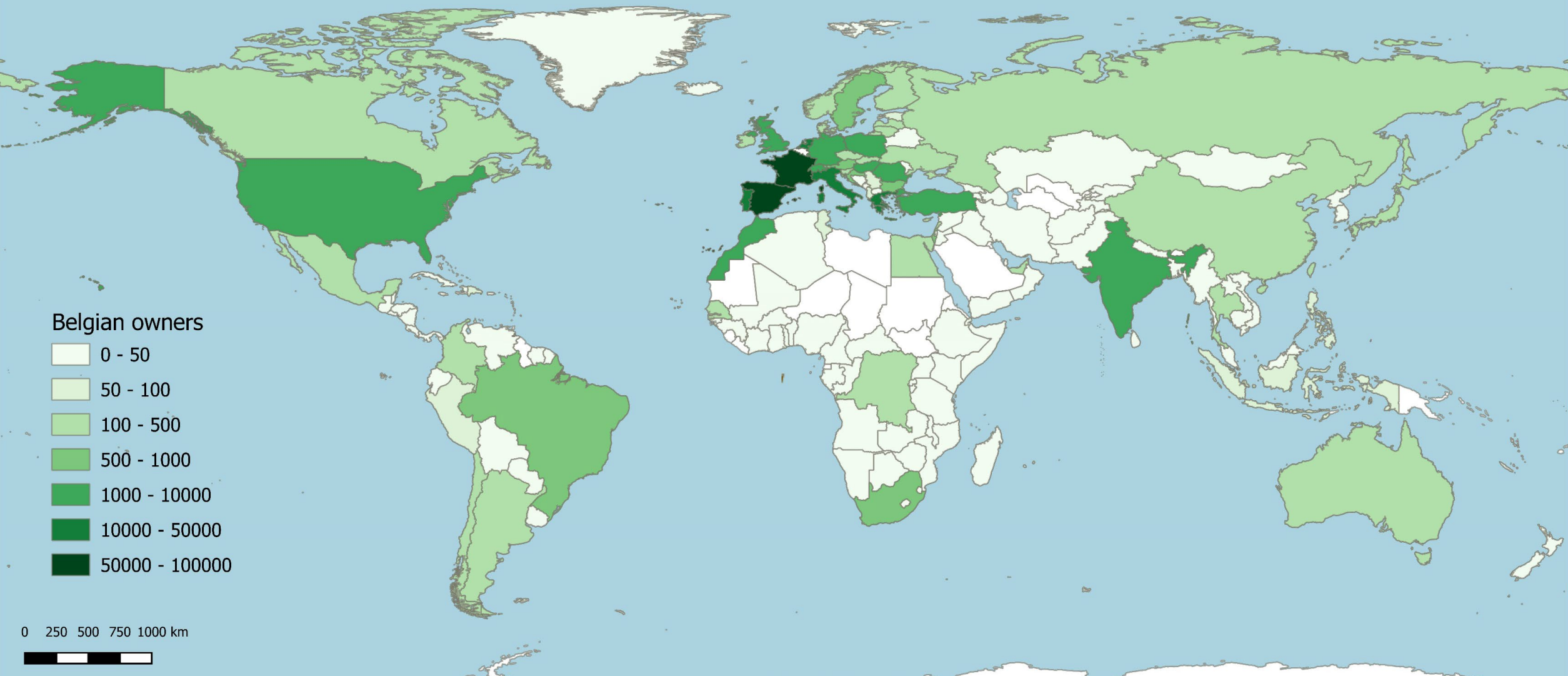
1. Australia
2. New Zealand
3. French Polynesia

## 6 Africa

1. Morocco
2. South Africa
3. Congo



# Number of owners by foreign country



Belgian owners

- 0 - 50
- 50 - 100
- 100 - 500
- 500 - 1000
- 1000 - 10000
- 10000 - 50000
- 50000 - 100000

0 250 500 750 1000 km



# Future challenges

- ✓ **Rework property tax base**
- ✓ **Move towards a new valuation method**
  - > mass valuation system
- ✓ **Better collaboration with the local and regional authorities**
  - > collection of data
- ✓ **Better collaboration with other countries**
  - > exchange data on properties of Belgian citizens abroad
  - > OME?
- ✓ **Moving towards open data cadastre**



# Questions remarks ?

Contacts:

[jolien.neckebroeck@minfin.fed.be](mailto:jolien.neckebroeck@minfin.fed.be)

[els.dewulf@minfin.fed.be](mailto:els.dewulf@minfin.fed.be)

[cedric.jacmain@minfin.fed.be](mailto:cedric.jacmain@minfin.fed.be)



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