State Land Service
Republic of Latvia

UE23
PRESIDENCIA ESPAÑOLA
CONSEJO DE LA UNIÓN EUROPEA

ROLE OF CADASTRE IN THE REAL ESTATE MASS VALUATION PROCESS

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GOBIERNO DE ESPAÑA
MINISTERIO DE HACIENDA Y FUNCIÓN PÚBLICA
SECRETARÍA DE ESTADO DE HACIENDA
DIRECCIÓN GENERAL DEL CATASTRO

eurogeographics
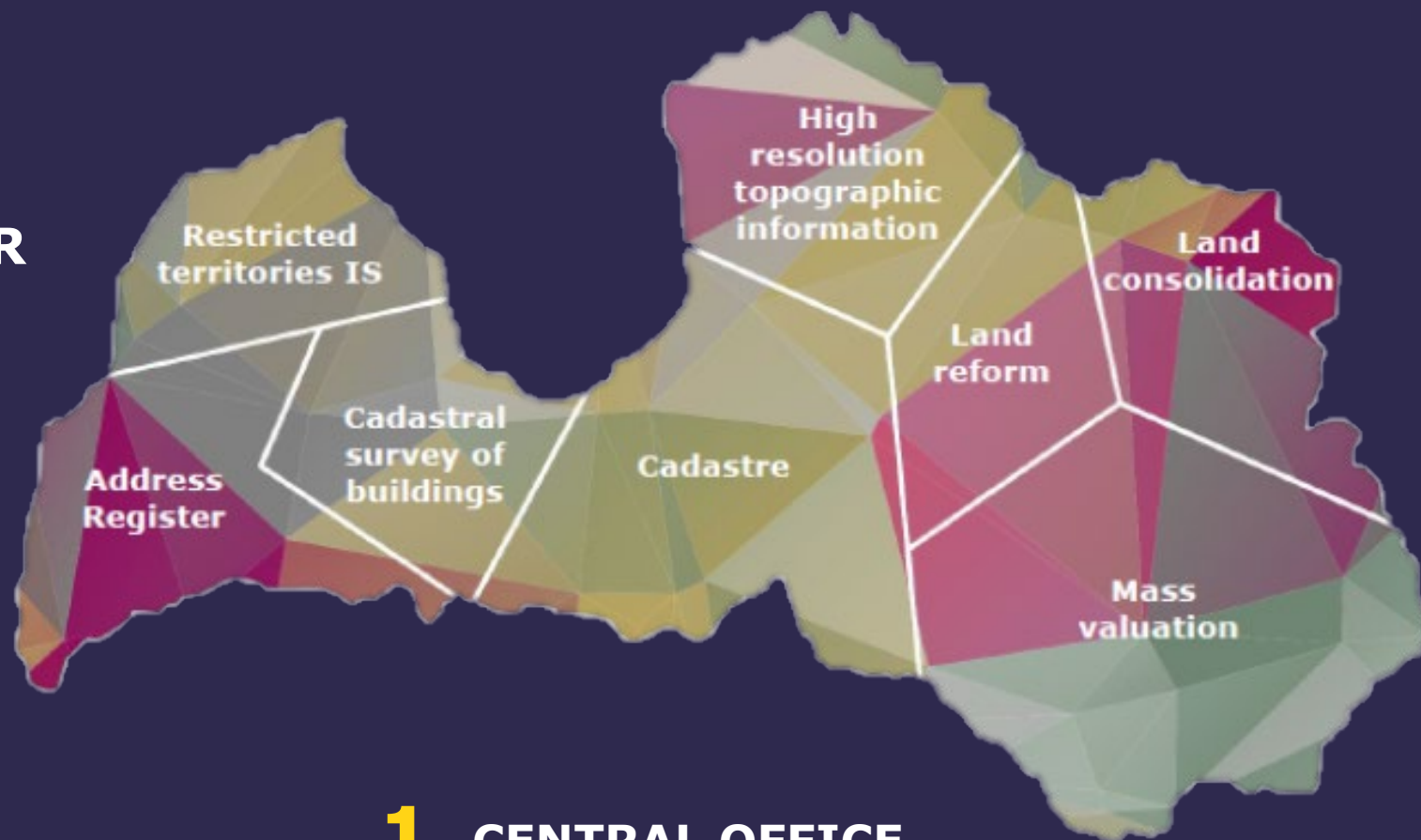
PCC

630

EMPLOYEES ALL OVER THE COUNTRY

Capital: **Riga**

Area: **64 589 km²**
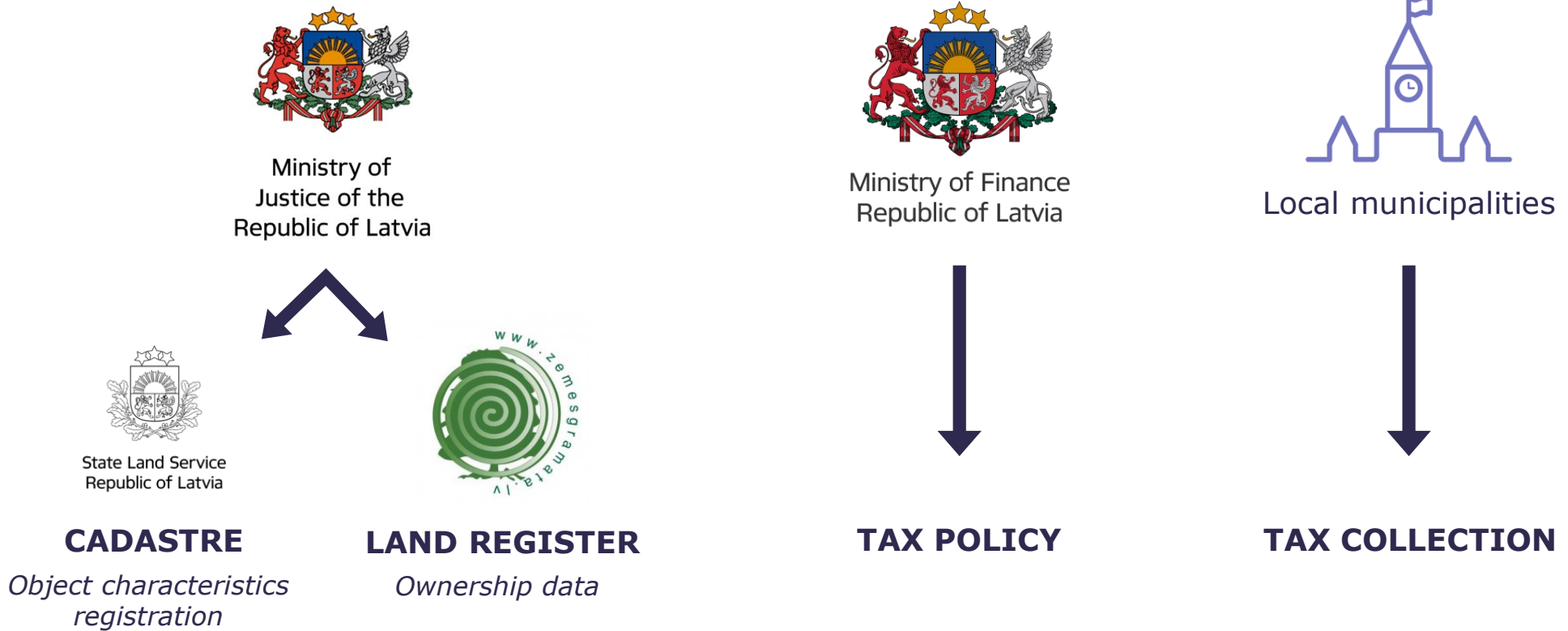
Population: **1,88 million**

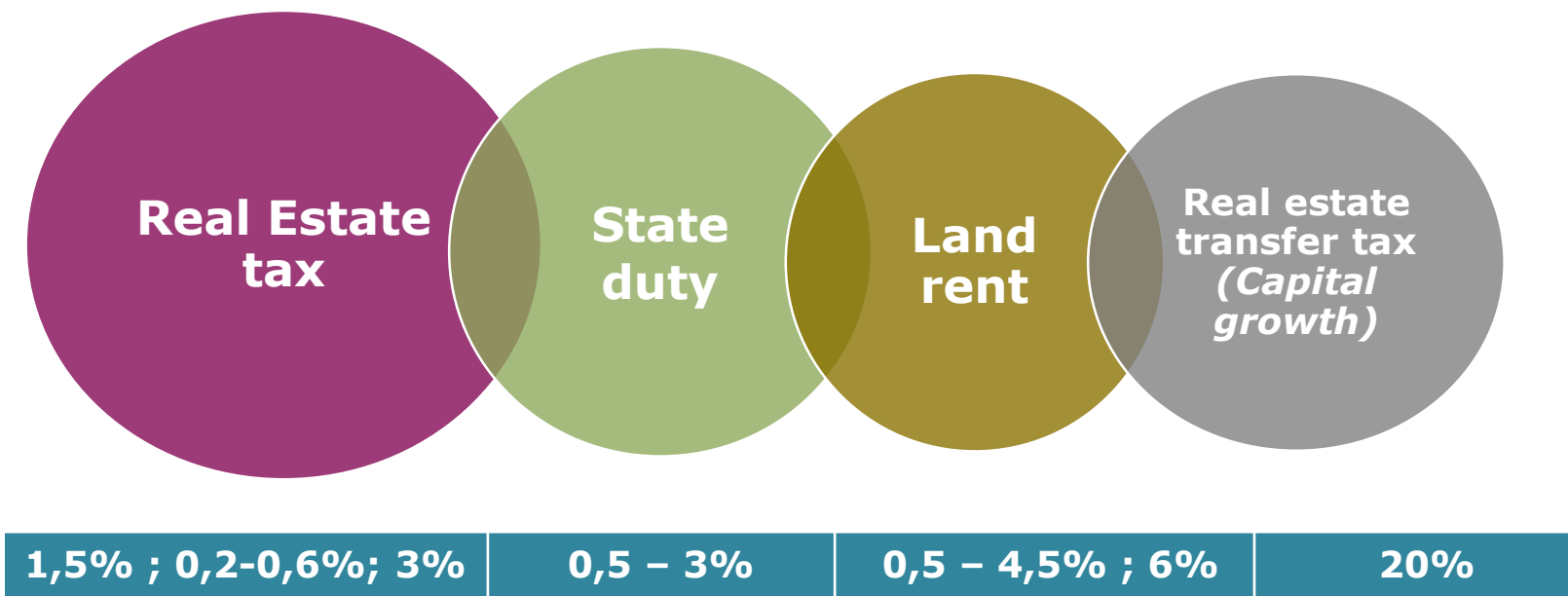Local municipalities: **43**

State cities: **10**

Coastline: **498 km**

Restricted territories IS

High resolution topographic information

Land consolidation

Land reform

Address Register

Cadastral survey of buildings

Cadastre

Mass valuation

1 CENTRAL OFFICE

5 REGIONAL ADMINISTRATIONS

18 CUSTOMER SERVICE CENTERS

REAL ESTATE REGISTRATION AND TAXATION SYSTEM IN LATVIA

Ministry of Justice of the Republic of Latvia

Ministry of Finance Republic of Latvia

Local municipalities

State Land Service Republic of Latvia

CADASTRE

Object characteristics registration

LAND REGISTER

Ownership data

TAX POLICY

TAX COLLECTION

REAL ESTATE TAXES IN LATVIA

Real Estate tax	State duty	Land rent	Real estate transfer tax (Capital growth)
1,5% ; 0,2-0,6%; 3%	0,5 – 3%	0,5 – 4,5% ; 6%	20%

Usage of cadastral value is increasing because of its objectivity, and full coverage of objects in Latvia

REAL ESTATE TAX RATES

FOR LAND

1.5%

+1.5% for uncultivated agricultural land or land with dilapidated buildings

FOR BUILDINGS

COMMERCIAL BUILDINGS
1.5%

RESIDENTAL BUILDINGS
0.2 – 0.6%
(depending on the cadastral value)

Additional tax **up to 3%** if the building is dilapidated

REAL ESTATE TRANSFER TAX RATES

Applied during the registration of proprietary rights:

0,5% for relatives

1,5% for private individuals

2% for legal entities

The Real Estate Transfer Tax is calculated from either cadastral value or transaction amount (largest one)

Cadastral values are **calculated** automatically for all real estate registered in the Cadastre by applying calculation models approved by the government

Cadastral values are **re-calculated** if the base of values or real estate data (factors included in the valuation formulas) changes

JAN 1
Every year values for each real estate object are calculated automatically

JUN 15
Cadastral value prognosis for next year is calculated for municipalities who can plan the tax revenue accordingly

Value zoning
- Rural properties (zonings of agricultural land and forest land)
- Residential properties
- Industrial properties
- Commercial and public property

Valuation models

Base value

Valuation models

Value base

Cadastral data
(land and building)

Mass assessment

- All property on January, 1st (real property tax)
- Calculation process ~ 28 hours

Cadastral value changes

Online Cadastre object data

PRINCIPLES OF CADASTRAL VALUATION

Cadastral valuation

mass valuation process that uses standardised models and valuation methods to value real estate on the basis of real estate market information

Complete real estate market information	**Up-to-date (actual) data on real estate**
Valuation models	**Legal framework**

Cadastral valuation system
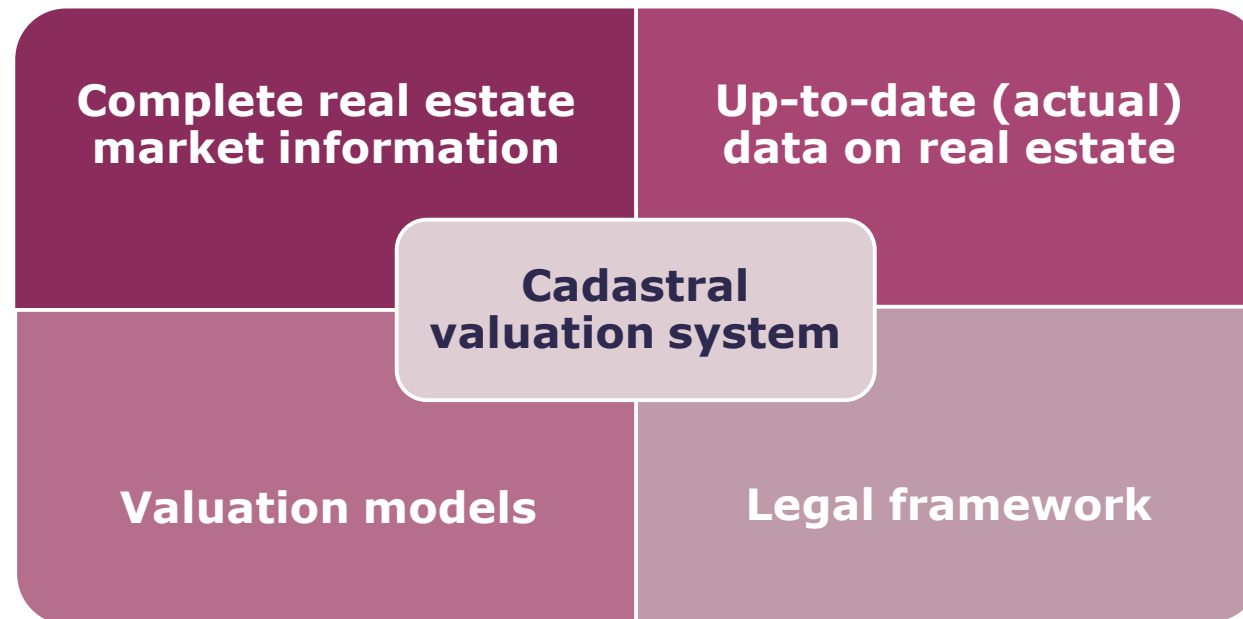
REAL ESTATE MASS VALUATION IN LATVIA

IMPLEMENTATION

The State Land Service of Latvia

BASIC PRINCIPLES OF CADASTRAL VALUATION

Set in the National Cadastre Law (here, ENG)

VALUATION PROCESS

In accordance with the Regulations, set by the Cabinet of Ministers and approved by the government

CADASTRAL VALUATION PROCESS

DEVELOPMENT OF A CADASTRAL VALUE BASE

- Accumulates information on real estate market transactions and other factors affecting the cadastral value
- Applies internationally recognised valuation techniques
- Develops value zonings, establishes baselines (base values, reference areas, correction factors)
- Performs valuation quality assessment
- Develops/alters valuation models

CALCULATION OF CADASTRAL VALUES

Cadastral values are calculated automatically using the data registered in the Cadastre, without surveying the property in the field

CADASTRAL VALUATION PROCESS
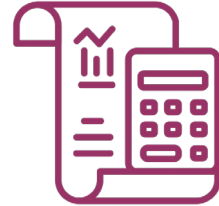
Cadastral values
calculated automatically
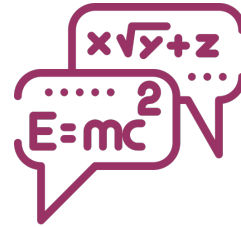
Formulas approved
by the government

Data used from
the Cadastre

Valuation models

- building land;
- rural land;
- individual residential housing;
- multifunctional buildings;
- other non - residential buildings.

Development of cadastral valuation base

- value zoning;
- value base indicators (base values, standard area, correction coefficients).

DEVELOPMENT OF VALUE ZONING

VALUE ZONING

Division of the state territory into territories where the value of mutually comparable real estate in the real estate market is relatively similar.
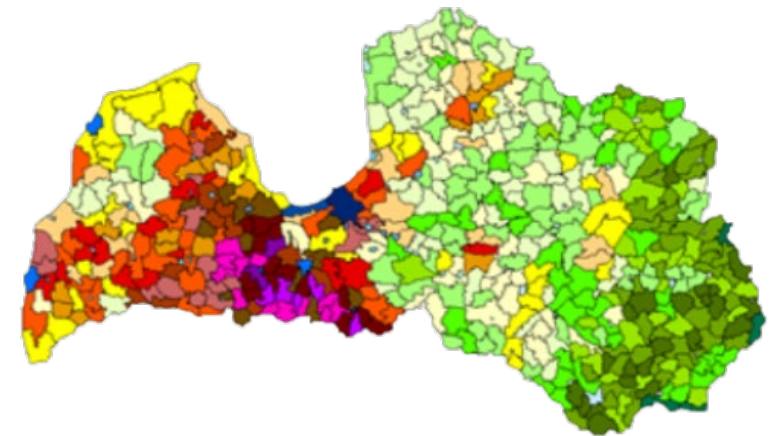
FOR RURAL LAND VALUATION

- Agricultural zoning
- Zoning of forest land

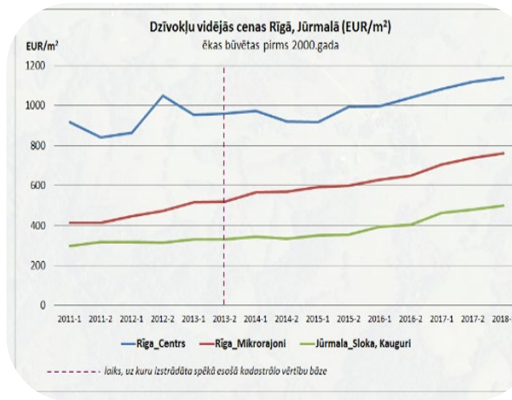### FOR BUILDINGS AND BUILDING LAND VALUATION

- Building zoning

Most important factor influencing the value: Location of the object

PUBLICATION OF THE CADASTRAL VALUE BASE
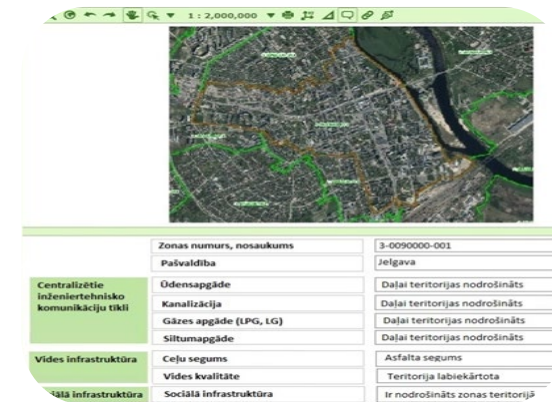
kadastrs.lv
vzd.gov.lv

Real estate price trends

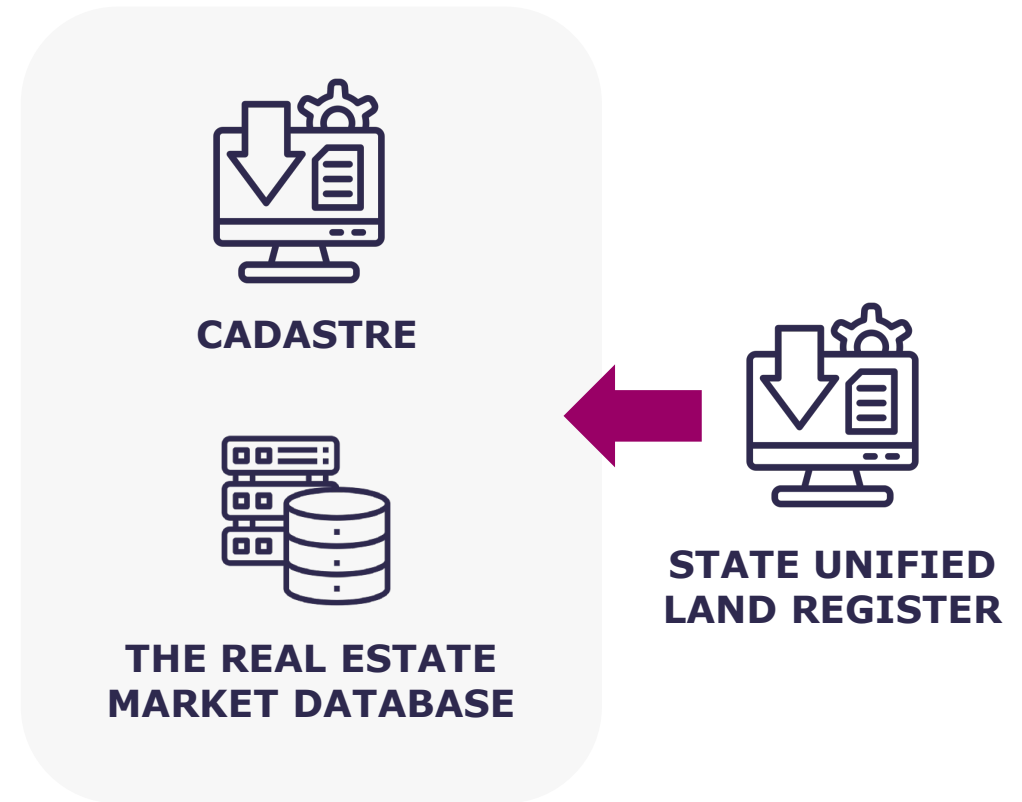Real estate market transaction information

Ratio analysis (with current and projected cadastral values) - in the country, by municipalities, by property groups

Value zone describing information (provision of technical, environmental and social infrastructure, etc.)

THE REAL ESTATE MARKET DATABASE **PURPOSE**: DEVELOPMENT OF THE CADASTRAL VALUE BASE

CADASTRE

THE REAL ESTATE MARKET DATABASE

STATE UNIFIED LAND REGISTER

The data from the Real Estate Market Database is open for the public since 2022 and available on the Latvian Open Data Portal *here*

WHAT TYPE OF DATA IS STORED IN THE REAL ESTATE DATABASE?

Data describing the market transactions

- time,
- price,
- place

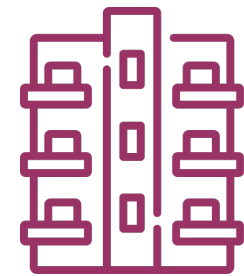**Data describing the land**

- area,
- use,
- land cover

Data describing the buildings

- area,
- type of use,
- depreciation

Data on apartments/ groups of premises

- size,
- number of premises,
- floor

THE IMPORTANCE OF CADASTRAL DATA FOR VARIOUS IMPORTANT DECISIONS IS NOT FULLY RECOGNIZED YET.

WE HAVE THE OPPORTUNITY TO CHANGE THIS AND WE ARE WORKING TOWARDS IT!

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ANY QUESTIONS?

State Land Service
Republic of Latvia