Swedish system for mass valuation and property taxation

Presenter: Hans Söderblom, Lantmäteriet
“395 years of experience”

Lantmäteriet has been mapping Sweden since 1628.
Lantmäteriet, Section for Real Estate Economics

10 persons in business team; land surveyours, real estate economics, forest economics, statistichal experts (supported by IT-team, approx. 6 persons)

Coordinator for and partner with the Swedish Tax Agency in the preparatory work for mass valuation for taxation and assessment procedures

Example of other tasks:
Support Lantmäteriets internal organisation in valuation issues for cadastral services
Responsible for software for forest valuation
Experts of valuation in Lantmäteriets international projects
Assessment of Properties in Sweden

Executed by:
Swedish Tax Agency

With assistance of:
Lantmäteriet
Valuation experts
Organization

Lantmäteriet is responsible for preparatory work
• Collecting price/information for transactions
• Managing the Sales Price Register with the transactions
• Managing process for verification of transactions
• Developing GIS-CAMA system
• Making market analysis
• Constructing of valuation models and tables
• Producing value maps with value zones
• Coordinator of preparatory work

Swedish Tax Agency is responsible for carrying out the assessment of real property
• Administration
• Assessment of property units
• Collection of property taxes

Valuation experts
• Is by procurement hired by Swedish Tax Agency, securing the competence and knowledge of the Real Estate Market in local and regional level
Assessment Cycles

• **General Appraisal** - every sixth year

• **Simplified General Appraisal**
  - three years after a General Assessment

• **Special Appraisal** - every year, if needed
  (for example when a new building has been erected; when a building has been reconstructed; after subdivision or reallocation)
Example:
Year for taxation for Residential – Family house is 2024

Year for valuation (date for valuation) is two years before year for taxation = 2022.

Appraised value should correspond to 75% of market value for the year of valuation.

AFT = General appraisal
FFT = Simplified General appraisal
**SALES VERIFICATION PROCESS**

<table>
<thead>
<tr>
<th>Type of property</th>
<th>Number of Taxation units (2022)</th>
<th>Number of transactions/year (approximatively)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural and Forest Land including farm buildings and farmers house</td>
<td>390,170</td>
<td>3,000</td>
</tr>
<tr>
<td>Single-family house (summer cottages)</td>
<td>2,470,765</td>
<td>60 - 70,000 (10,000)</td>
</tr>
<tr>
<td>Apartment blocks/commercial properties</td>
<td>141,232</td>
<td>3,000</td>
</tr>
<tr>
<td>Industrial properties</td>
<td>166,867</td>
<td>1,500</td>
</tr>
<tr>
<td>Condominium</td>
<td>3,354</td>
<td>&lt;100</td>
</tr>
<tr>
<td>Earth excavated units</td>
<td>1,744</td>
<td>&lt;50</td>
</tr>
<tr>
<td>Electrical Power Plants</td>
<td>5,664</td>
<td>&lt;20</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,179,786</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Representative sales**

**Not representative sales**

**GIS-CAMA System for mass valuation**
Valuation Models

- Different value factors for each value category
- Different Valuation models are used for different value categories

Example:

\[
\text{Value} = \left\{ \left[ RN + M \times (AV - AN) \right] \times B + V \times (KN - KV) \right\} \times F
\]

- Value factor of Location is handled by Value Zones
CALIBRATION OF VALUE LEVELS WITH QUALITY CONTROL
Value zone with value levels – Website of Swedish Tax Agency  www.skatteverket.se

General Assessment of Single-family houses 2021
Representative and Not representative transactions

<table>
<thead>
<tr>
<th>Datum för lagfart</th>
<th>Kod för bortgallrad</th>
<th>T/K-tal</th>
<th>Köpesumma</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019-12-10</td>
<td></td>
<td>0.55</td>
<td>2 560 000 kr</td>
</tr>
<tr>
<td>2019-11-21</td>
<td></td>
<td>0.62</td>
<td>2 800 000 kr</td>
</tr>
<tr>
<td>2019-09-30</td>
<td></td>
<td>0.93</td>
<td>2 000 000 kr</td>
</tr>
<tr>
<td>2019-09-02</td>
<td></td>
<td>0.73</td>
<td>2 900 000 kr</td>
</tr>
<tr>
<td>2019-05-24</td>
<td></td>
<td>1.05</td>
<td>2 510 000 kr</td>
</tr>
<tr>
<td>2019-05-24</td>
<td>IG</td>
<td></td>
<td>1 400 000 kr</td>
</tr>
<tr>
<td>2019-04-01</td>
<td></td>
<td>0.87</td>
<td>1 900 000 kr</td>
</tr>
<tr>
<td>2018-11-30</td>
<td></td>
<td>0.61</td>
<td>2 400 000 kr</td>
</tr>
<tr>
<td>2017-11-15</td>
<td></td>
<td>0.66</td>
<td>2 850 000 kr</td>
</tr>
<tr>
<td>2017-11-01</td>
<td>S</td>
<td></td>
<td>2 510 000 kr</td>
</tr>
<tr>
<td>2017-09-29</td>
<td></td>
<td>0.32</td>
<td>1 395 000 kr</td>
</tr>
<tr>
<td>2017-07-17</td>
<td></td>
<td>0.67</td>
<td>3 525 000 kr</td>
</tr>
<tr>
<td>2017-02-03</td>
<td></td>
<td>0.54</td>
<td>3 850 000 kr</td>
</tr>
</tbody>
</table>

1) Date of transaction
2) Price for transaction
3) Quota; Assessed value/price for transaction
4) Code for Not representative transaction
Property tax/Municipality fee

Single family house 0,75 % (limit 930 Euro)
Residential land plot 1 %

Commercial and multi-family dwelling properties
0,3 % (or limit 150 Euro/residential dwelling)

Industrial properties
0,5 %

Electrical power stations
0,5 %
Yearly revenues from property taxation

- Property Taxes – approx. 3 500 000 000 €
Lantmäteriets experience abroad in projects of valuation and/or mass appraisal issues

Ongoing projects with valuation components:

Albania
Bosnia & Hercegovina
Rwanda
Thank you!
Tack så mycket!
Muchas Gracias!