“Property Registration: from the Marathon run to Flash operation - as effect of ICT and BPR”

“Tradition meets Innovation“ Conference

200 Years of Austrian Cadastre

AKADIS b.v.

Vienna 5-6 Oct. 2017

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Content

• Short introduction to Cadastre and Land/Property Registration

• E-technology from historical perspective

• Enhancing the Cadastres/Property Registrations with the help of ICT

• “The Marathon” Property Registration case incl. some conclusions

• Some recommendations for Marathon-case

• The example of “Flash” Property Registration

• What next?
Cadastre / Land Registration like to be simple

Well, it depends on the country and situation
The Cadastre / Land Registration is about providing legal security of ownership and other rights (for owners and leasers) based on 3 pillars:

- **Subject** (person): Natural Person, Legal entity; Or any Combination
- **Object**: Parcel/House, Apartment (Id, Address, Description, Area, etc.)
- **Right**: Ownership; Mortgage; Servitude; Lease, Use, Possession, etc.

Because Cadastre/ Land Registration always deals with securing of possession of Land/Property, but LAND is the most valuable what the people have - Therefore it is important!
Various Land Registration /Cadastre models

They are different cadastral /LR models and definitions, e.g.:

• Deed or Title oriented (or combination)
• Integrated or Divided
• Positive or Negative
• Customary or State
• Fiscal or Legal or Land use oriented

But also:

• unified cadastre, full cadastre, single cadastre, land cadastre, state cadastre, light cadastre, land register, real estate register, real estate cadastre, utility cadastre, vineyard cadastre, and also ... cemetery cadastre, etc.

In “normal situation” the key LR/Cadastral data are available as:

• 100% complete,
• Up-to-date &
• Legal.

Unfortunately it is not a case in many countries.
E-technology in a historical perspective ...

- “We don’t need telephones, we have messenger boys” - says once English MP

- 1950 : nobody had interest to have a TV

- In 1995 were only few GSM’s , now there are milliards

  - In 1829 as a part of industrial revolution the railway has been invented --> it mastered the distance, but not only...

  - The railway changed every nation’s economy and workforce, it changed humanity’s mindset, its horizon, its “mental geography” (P.Drucker)

Similar changing huge impacts of ICT, Internet and E-technology we observing everywhere.

The E-technology eliminates the distance at all, therefore our horizon changed form local into global one (unlimited)! All this affects the Cadastres too.
My statement regarding overall affect of E-technology (from 15 years ago)

- **R. Junqueiro:**
  
  - “If you think that the E-business will not affect your organization you’re a fool
  
  - If you think to know exactly what kind of impact will the E-business have, you’re even a bigger fool”

..Therefore it is difficult to forecast the future (e-Government, e-Cadastre, etc.)..., but at least we need to be ready for ... the change
A few trends affecting Cadastres

- Quick automation of the Clients
- Automation of Cadastres
- One Stop Shopping
- Electronic Government

- From Data collection into more Service providing organisation
- From State oriented into User oriented
- From self doing it into more outsourcing organisation incl. PPP
- From State budget financing into more market income oriented
- Etc.
Enhancing of Cadastre / Property Registration with help of ICT.

How it usually goes?

| SELLER | REAL ESTATE AGENT | NOTARY | REGISTRATION OF RIGHTS | SELLER AND BUYER |

Introduction of ICT enhances a bit, but it is not successful without **BPR** (Business Process Engineering) and **BVC** (Business Value Chain) approach.
Example of Property Registration Process (AS-IS), as defined in the law, that need to be BPR-ed

Procedures, Process steps

- Receiving of application
- Application is registered
- Are documents in order?
- Decision about registration
- Issuing registration certificate
- All needed documents, cadastre surveying*
- Entering a record into Application’s register
- Verification of documents and in DB, field survey**
- No; written refusal
- No; written refusal
- Yes
- Yes
- No; written refusal
- Registration of right
- Forming and conferment of a cadastral number
- Preparing and entering registration record into the property rights register (paper and/or DB)
- Reflection land plot boundaries on the index map (plan)

Max. 10 days

Generally looks fine! But ...
But in the practice, sometimes it is 1 year “Marathon-Run”

Biggest Problem at-front preparatory activities: many multi visits to various bodies & many payment moments (creates the “Applicant’s Marathon”)

- Ministry of Justice, + Notary
- Real Estate Agents (Optional)
- Tax Office
- Municipality
- State Comm. For Arch. & Const
- Telecom
- Bank
- Electricity Supplier
- Goscomzem Geodes Cadastre

Red Color indicates very essential visit/document

Existing One Window

Applicants Marathon Run
(Private/Legal Entities)
The broken Business Value Chain: resulting in the long journey to get Property Registered

(Practical Study Case)
PHASE 1: Aug-Sept, 2014

   Application + legal docs

2. Topo Measurements Dep.
   Agreement + Payment

3. Topo measurements of property/land

   CD disk with measurements data

5. Cadastr. Dep
   Copy of leg. docs+CD with measur. data

   Adjustment of Legal doc and topo measurements data

7. Property measurements by Architec. Dep. specialist

   All docs& data lost (as involved specialist left to another job)
**PHASE 2: Oct. 2014**

   - Backup copy of Topo measurements

   - Property measurements by Architec. Dep. specialist

   - Study of legal docs, Topo measurements and own measurements data

4. City Archive
   - Copy of Municipality permission for construction which was built in 2002 (not found)

5. Oblast Archive
   - Copy of Municipality permission for construction which was built on the land in 2002

6. City Power supply system
   - Update status of high voltage able running under the construction (was dead since 2001; confirming doc d-d by 2002 was available)

   - All legal docs, archive doc, updated status of HV cable
1. Cadastr. Dep. refused make registration without Architect. Dep’s. approval. Without the approval the construction should be destroyed or be registered as illegal one.

2. Architecture Dep. refused to update construction charts and said “there are too many questions about the documents, architectural charts which were made initially, beside, there is high-voltage cable placed under the construction which is very dangerous.” I’ve tried to point at the documents saying that the cable was dead since 2001 and was not required for city use in future. Nevertheless, as new head of Architecture Department was not hired and old one was fired at that moment, nobody wanted to take responsibility.
1. Attempts to bring Arch. Dep. and Cadastr. Dep. Together didn't give any results

2. Consultations with lawyers and legal consultants

3. Appointment of new Head of Arch. Dep. Meeting with the Head.

4. Municipality Letter requesting inspection of property docs and confirmation of legal status of construction


6. Tax Inspection Status of tax payments/debts

7. Cadastr. Dep. Property value calculations
1. BTI
   Final approvals and Property Inspection report

2. Getting signatures in Inspection report (Arch. Dep., Cadastr. Dep, SES, BTI, Topo Measur. Dep, City Fire Ptotec. Dep, City Khokim)

3. City Major’s approval of legal status of construction and request for property registration

4. Village/district and neighbors
   Confirmation of propriety owners

   Payment for Cdastr. Book preparation

   Property registration finalized and Cadastral Book provided to the owner.

PHASE: April-May, 2015
In the ICT terms this looks as follows
The Value Business Chain does not work at all! No any connections between involved stakeholders is available!

The Applicant’s “Marathon Run” has the function of connecting chain

The Applicants are not aware about the procedures and required docs

There is no any system in place to take care for making required docs ready – the “One Stop Shop” is limited to receipt or delivery of the documents

More Client orientation is the must

The fee/tariff system reform is required

Some process steps could be fully eliminated - e.g. utility bills, and other could be an option (up to the applicant decision) e.g. re-measuring of the object

On-line operations/Establishing of Key Registers/Data Sharing/flows needs to get priority

Legal changes necessary (Paper, Paper, ...)

The task of Property Registration sector is not to taking care for the income of the utility companies!
Property Registration - some ICT recommendation for TO-BE

MoU?  New Law?

**Condition for success (CSF):**
- Willingness to cooperate (MoU/Agreement)
- Political Support & Legal changes
- Leadership (Steering Committee)
- Data exchange/sharing
- Cost/Fee sharing
- Digital data and technology (Later)

**Some rules:**
- BVC should operate as representative of Property Registration Sector (Legislative, Fee, etc. changes.)
- Each organisation is responsible for its own data and its quality
- ICT systems/data needs to be compatible to each other
This was example of Marathon Property Registration - Doe is exists any Flash one?

I think there are already some; hereby the NL example, based on ➔

Chain integration
Easier – Quicker - Cheaper

- Enhance quality
- More efficient process
- Cost reduction
Electronic Conveyancing with E-signature

Digital signature

- Digitally signed messages
From Paper to Electronic Conveyance
The result of BPR and BVC approach: 1 day Registration

1. Registration
2. Notification to Seller and Buyer
3. Seller and Buyer Pay Cadastre Fee
4. Paying the Cadastre Fee
5. Notification of Acceptance / Registration
6. Receipt Registration / Indexing / Scanning
7. Expertise of Submitted Deed
8. Update of Data in the Central Cadastre / LR Database

NOTARY OFFICE

CADASTRE / LR OFFICE (1 day!)

SELLER

SELLER AND BUYER

TAX Office

Via Post
Objectives and achieved results

**eConveyancing (operational)**
- Simple working procedures
- Fast legal transactions
- Earlier transfer of purchase price

**Automated processing (in progress)**
- Options for computerised processing and signaling (partly standardized deed and free text)
- Improved efficiency
- Less errors due to standardisation
- Up to 40% lower fees
- Even faster transactions
- Possibly longer business hours
The quiet day at the info desk in a local office looks like this
The busy day at the info desk in a local office looks like this.
What next?
Questions?

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Thank you for your attention!

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