

## The value of using information collected for real property taxation for valuation, granting loans and other purposes

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- A transparent property market
- The use of standardised determination of real property values
- The future provision of register values for real properties
- Quantifying the value of access to real property tax assessment information

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## A transparent property market

### Characteristics

- Openness
- Well-defined organisation
- Stable set of rules
- Consequent application of laws and regulations
- Respect for private ownership
- Uncomplicated purchase/sell process
- Relevant register information about real property
- Real property register openly available

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## The use of standardised determination of real property values

### Information from the real property taxation process

- Standardised, calculated values
- Type codes; defining the use of the property
- Size, age, standard etc.

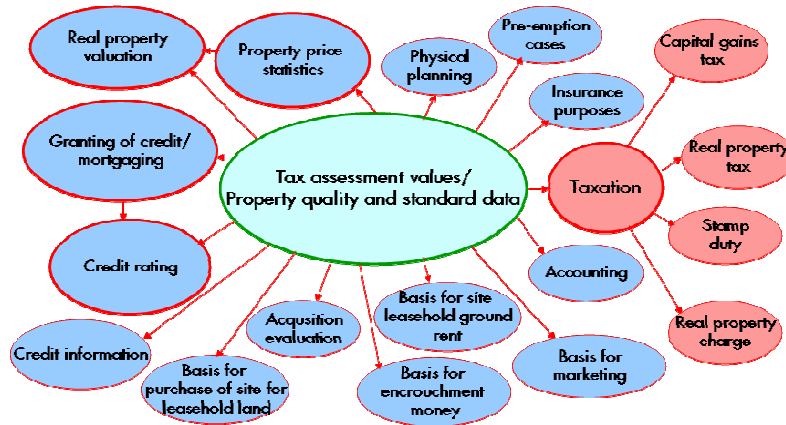


Tax assessed value: 2 250 000 SEK  
Type code: 220 (Single family house for permanent living)  
Size: Building 195 sqm., Lot 1240 sqm.  
Age: Built 1929  
Standard: 35 points ("Good quality")

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## The use of standardised determination of real property values

### Important areas of use for tax assessment values, type codes and associated properties



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## The use of standardised determination of real property values

### Taxation

- Real property tax/charge - real property assessed value x 0,75 %
- Stamp duty – highest value of purchase price and assessed tax value
- Capital gains tax – 150 % x property tax assessment year 1952 = purchase price

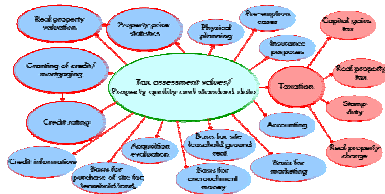


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## The use of standardised determination of real property values

### Granting of credit/ mortgaging

- Cost-effective process
- Access to automated valuation systems
- Standardised valuations of single-family houses
- Quick and at a low cost
- Input data from Real property register – prices standardised using taxation assessment values (P/T)



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## The use of standardised determination of real property values

### Real property valuation

- Information from taxation part of Real Property Register
- Type codes, size, age, quality
- Used for selection of comparable purchased properties
- Standardising prices using the market comparison method

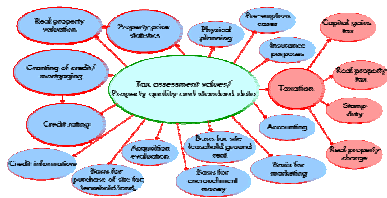


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## The use of standardised determination of real property values

### Credit rating

- Capital coverage rules (Basel II) changed the way banks handled credit risks
- Part of credit capital for real property has been valued in a standardised way, based on information from taxation part of the Real Property Register

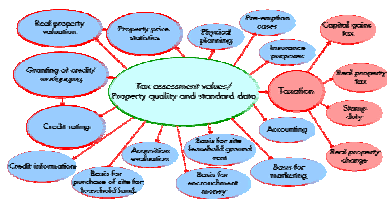


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## The use of standardised determination of real property values

### Property price statistics

- Real property and real property price statistics are based on a combination of real property prices and tax assessment
- Statistical products – "Single family house barometer" indicator for the price development



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## Quantifying the value of access to real property tax assessment

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### **Cost:**

**20 million € for collection of data, compiling the results and setting new tax assessment values**

### **Benefits:**

**The granting of credit and real property valuation can be made efficient, normally all relevant information is available for the processes - leads to lower interest, lower risk for credit losses**

### **Calculations:**

**Total loans with single-family houses amounted to approx. 100 billion €. Assume the interest being kept 0,01-0,03 % lower, savings for the households alone will be 10-30 million €**

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## Conclusion

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**The society needs relevant tax assessment values and associated information; the value is higher than the cost**

**Thank you for your attention!**

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