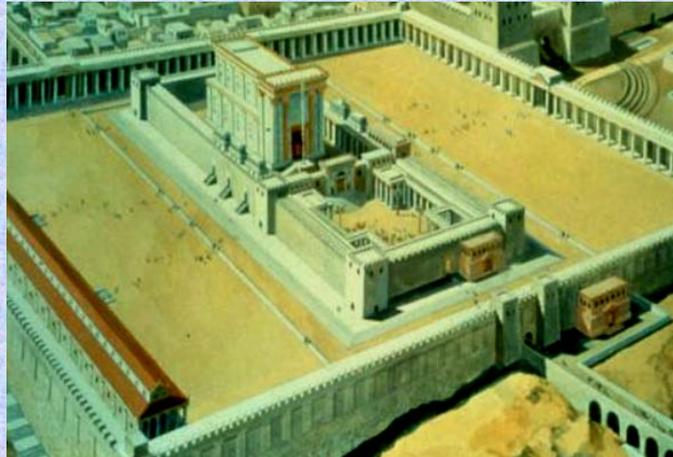


# **Real-estate Evaluation in the Jewish Tradition**

Religious, Judicial, Social and Economical Aspects



## **Personal Introduction**

- *The author is an experienced real estate appraiser, member of the Real Estate Appraisers Association in Israel, graduate of Yeshiva (Jewish high religious institution) as well as a graduate of the Jerusalem Hebrew University, the Tel Aviv University and M.A. of Urban Planning.*
- *This lecture relates only to informative aspects, according to his humble knowledge.*

## **Judaism – General Background**

Judaism, as a Religion, is a general view and life pattern, which relates to the whole life aspects, worship aspects as well as daily actual life.

The essence of Judaism is expressed as Jewish laws, which consisted of:

- The Pentateuch – the Torah – B.C. 1,312
- The Mishnah –A.C. 188
- The Talmud –A.C. 500
- The scholars from the completion of the Talmud until now.

## **GENERAL BACKGROUND**

- The aim of Judaism is the connection of the individual to the Lord, the Torah, to the Jewish Nation and to the country of Israel.
- Every life aspect, in Judaism begins from religious and sacredness classification:
- Work is qualified as the 39 kinds of work needed for the Temple.
- Army is qualified as the staff of the Levis which served in the Temple.
- Land and appraisal will clarified as follows.

## **Land's role in the Jewish national life**

- This lecture relates only to land and property in the Land of Israel, land and rights abroad are subject to the specific law in every country.
- The Roles of Land:
  - A place for The Worship of the Lord.
  - Commercial and Economic Property

## **The Jewish Nation**

This partition is not actual since the exile of ten from twelve tribes in –555, and the mixing of the remaining tribes.

- The tribes of Israel (12) – having definite estates (agricultural and urban).
- The Kohanim (the priests of the Temple).– having no definite estates, except donations.
- The Tribe of Levi - having no definite estates except their houses and urban plots

## **Land as a place of Worship**

The sanctified degrees:

- The temple
- Sanctified land donations to the temple
- The levi's lands
- The Israel tribes' lands

## **Sanctified land donations to the Temple**

- **Here begins the role of the Appraiser:**
- This category of land is elected by the individual who donates a land in any place to the Temple.
- This land is sold according to an appraised price which is evaluated by appraisers.
- According to the Mishna, the appraisal has to be made by 10 appraisers, one of them from the "Kohanim" (the priests of the Temple).
- The redemption is dedicated for the maintenance of the Temple.

## **Land as a Property**

The basic principal is that every tribe and family has a certain part of the country.

The typical land uses are:

- Land for Agricultural Cultivation
- Land as Dwelling and Commercial Place
- Land as a Mortgage Base
- Land as a Penal Currency

The basic assumption is the ultimate value of land.

Nevertheless, the possibility of changes in the land value are taken in account.

## **Agricultural Land evaluation**

- When all of the Israeli Nation is in the Land of Israel, land cannot be sold for more than 50 years (Jubilee) and after the Jubilee it returns to the original owner. The first owner has the priority to re-buy the land all over the period after one year.
- These arrangements are in order to maintain the tribal land distribution.
- The evaluation of the land price is according to the income approach for the remaining period until the year of the Jubilee.

## **Land evaluation – Urban Properties**

- Urban property can be sold for good according to market value.
- In the first year, the seller has the right to re-buy the property.
- **Actually, when the tribes are not all entirely in the Land of Israel, the transactions of agricultural lands are according to market value, for good, or until all the tribes shall return to the Land of Israel.**

## **Land rights main principles**

- Definite estates of the tribes.
- Contemporary transaction of rural properties (for maximal period of 50 years).  
Evaluation according to the income approach.
- Absolute transaction of urban properties (after a year).  
Evaluation according to the market value approach.

## **Land as a Penal Currency**

- The ultimate means to return damage (in lack of cash payment) is a payment of land in the value of the damage.
- Need for evaluation of the damage, and evaluation of the economic land unit to figure out the extent of the land return.
- The principle of damage evaluation is Before & After attitude.

## **Land as a Mortgage Base**

Based upon 2 principles

- The ultimate value of land
- The awareness of the public to the mortgage

Various kinds of mortgages:

- Floating mortgage
- Specific mortgage
- Self returning mortgage

## **Mortgage Evaluation**

- The evaluation refers to the mortgaged property.
- In case of dispute, the evaluation is made by the Court (or by it's deputy).
- One of the judge's qualification is an adequate knowledge of lands.

## **Various Appraisal Aspects**

- The subjective and variant Land Value.
- The need for evaluation by several appraisers in order to get a due value of land.
- The priority of Land as a Means of Payment.

## **The appraiser**

- The stand of the appraiser caused by his proficiency.
- The validity of the appraisal based on the possibility to examine the result of the appraisal by another expert.

## **Case study No. 1**

- The time: about 2,550 years ago.
- The place : Jerusalem, the City of David the jail.
- The property: A field in Anatot – north to Jerusalem.
- Environmental conditions of the Deed: Jerusalem is besieged and in desperate struggle before its destruction.
- Personal conditions of the Deed: Yirmiyahu is imprisoned, His uncle Hanamel Ben Shalum offers him to buy the Land in Anatot. Yrmiyahu has the priority to buy because he is from the same family.
- The price: Seven Shekels and ten Silvers.
- The procedure: Signing a contract terms and an exposed deed in the book of transactions. Yirmiyahu Chp. 32

## The Environment



## Conclusion

