1. Introduction
2. Project Planning
3. DLS & GV Section Org. Structure Org. Chart of
4. Purpose of General Valuation
5. General Valuation Law
6. Data Capture Project
7. Valuation Project
8. Good Practices, Experiences and Self Assessment of the new General Valuation
1. INTRODUCTION

MILESTONES OF THE CYPRUS REPUBLIC

1960 – Independent State
1974 – Invasion and occupation of 36% of the territory of Cyprus by Turkey

Area: 9,252 KM²
Population: 877,800
1. INTRODUCTION

01.05.2004: Member of the European Union

01.01.2008: Accession to EURO Currency

30.4.2013 Economic Crisis and Sign the MoU with EC/ECB/IMF

Measure 3.8

“The new General Valuation must be completed by 30.06.2014 on 01.01.2013”

2. PROJECT PLANNING FOR NEW G.V

See project plan
3. DLS & G.V SECTION ORG. STRUCTURE

ORGANIZATIONAL STRUCTURE – DEPARTMENT OF LANDS AND SURVEYS

Director

1st Lead Officer

2nd Lead Officer

3rd Lead Officer

District Land Officers (6)

SLO Administration

SLO Research 
& Development

SLO Transfers, 
Mortgages 
& Lands

SLO Management of 
Lands

SLO Tenure

SLO Valuation

SLO Survey

SLO Cartography

SLO Gender 
& Special 
Surveys 
& Mapping

SLO Support

3. G.V SECTION ORG. CHART (HQ)

Director

Senior G.V Officer

Data capture Coordinator

General valuation Coordinator
3. G.V SECTION ORG. CHART
(District Offices)

New General Valuation Section and Taxation Section

- CILIS Support & Admin. Section
- NICOSIA DISTRICT
- LARNACA DISTRICT
- FAMAG. DISTRICT
- LIMASSOL DISTRICT
- PAPHOS DISTRICT

- G.V SECTION OFFICER (H.Q): V. PASIOULIS
- Data Capture Coordinator (P. Flori)
- General Valuation Coordinator (A. Christofidou)
- VALUATION SECTION
- SURVEY/CARTOGRAPHY SECTION

Section Leader
- 9 Personnel
- 45 Personnel
- 17 Personnel
- 97 Personnel
- 40 Personnel
- 294/(8,9)

4. PURPOSE OF GENERAL VALUATION

THE BASIS FOR ALL PROPERTY TAXES IN CYPRUS

- Immovable Prop. Tax
- Municipal/Communal Tax
- Sewerage Tax
5. GENERAL VALUATION LAW

Based on the Immovable Property (Tenure, Registration and Valuation) Law, Cap. 224, 1.9.1946

Immovable Property Law {S.2 (1)}
- land
- Buildings and other erections
- Water rights
- Undivided shares
- Privileges
- Liberties
- Easements
- Rights restricting the use

Section 69: The Council of Minister may order a new general valuation for the purpose of securing Up-to-date and Uniform Valuation

6. DATA CAPTURE PROJECT

DIVIDED INTO TWO SUBPROJECTS

DATA CAPTURE OF LAND CHARACTERISTICS
- NO LOCAL INSPECTION

DATA CAPTURE OF BUILDING CHARACTERISTICS
- EXTERNAL LOCAL INSPECTION
### 6. DATA CAPTURE PROJECT (CONT.)

#### VOLUME OF WORK

<table>
<thead>
<tr>
<th>DISTRICT</th>
<th>NO. OF UNITS</th>
<th>RESIDENTIAL UNITS</th>
<th>COMMERCIAL UNITS</th>
<th>NO. OF PARCELS</th>
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<td>34.150</td>
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<td>PAPHOS</td>
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#### HR MANAGEMENT

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<td>9</td>
<td>5</td>
<td>19</td>
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<tr>
<td>DATA ENTRY INTO CLIS</td>
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<td>23</td>
<td>7</td>
<td>8</td>
<td>20</td>
<td>65</td>
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<tr>
<td>QUALITY CHECKS</td>
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<td>4</td>
<td>0</td>
<td>4</td>
<td>0</td>
<td>9</td>
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<td>2</td>
<td>0</td>
<td>4</td>
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<td>1</td>
<td>3</td>
<td>2</td>
<td>14</td>
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<tr>
<td>TOTAL</td>
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<td>48</td>
<td>17</td>
<td>97</td>
<td>40</td>
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**H.R Support by Town Planning Offices and District Offices**

<table>
<thead>
<tr>
<th>DISTRICT</th>
<th>PERSONNEL REQUIRED</th>
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<tbody>
<tr>
<td>NICOSIA</td>
<td>17</td>
</tr>
<tr>
<td>LARNACA</td>
<td>12</td>
</tr>
<tr>
<td>FAMAGUSTA</td>
<td>4</td>
</tr>
<tr>
<td>LIMASSOL</td>
<td>17</td>
</tr>
<tr>
<td>PAPHOS</td>
<td>11</td>
</tr>
<tr>
<td>TOTAL</td>
<td>61</td>
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</tbody>
</table>
6. DATA CAPTURE PROJECT (CONT.)

Stage 1.a Preparation
Stage 1.b Area calculation Extent*
Stage 2 Local Inspection
Stage 3 Quality control N314A
Stage 5 Quality Control in CILIS
Stage 4 Data entry to CILIS

* DLS/TPD/ District Offices

6. DATA CAPTURE PROJECT (CONT.)

ACTUAL VOLUME OF WORK - UNITS

- 2000-03.2013 Data capture 125.000 units (remaining 375.000 units)
- Full utilization of technology for identifying parcels that units on it, have not been captured. This was achieved by combining data from:
  - Land Information System (L.I.C)
  - Satellite images
  - Geographic Information Systems (GIS)
### DISTRICT Statistics

<table>
<thead>
<tr>
<th>DISTRICT</th>
<th>Total No. of Parcels with no Units Captured</th>
</tr>
</thead>
<tbody>
<tr>
<td>NICOSIA</td>
<td>73,412</td>
</tr>
<tr>
<td>LARANCA</td>
<td>37,185</td>
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<td>LIMASSOL</td>
<td>57,529</td>
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<tr>
<td>FAMAGUSTA</td>
<td>10,556</td>
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<tr>
<td>PAPHOS</td>
<td>33,199</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>211,881</strong></td>
</tr>
</tbody>
</table>

* Yellow = Fiscal units without fiscal characteristics
* Pink = registered units without fiscal characteristics
* Orange = horizontally divided units without fiscal characteristics
* Delineated in red = Units in ruins
6. DATA CAPTURE PROJECT (CONT.)

Application of software Visat with GIS for identifying units on parcels and their external characteristics

During Local Inspection 58,808 photos have been captured
Actual Volume of work – Land Characteristics
2000 - 03.2013 125,000 parcels captured
(Remaining 1 m parcels)

Parcel characteristics captured:
- Access code (Road / No road)
- Road access relation (standard, corner/premium, other)
- Shape (Regular, irregular, very irregular)

Mass updated through GIS by applying special algorithms or/and existing coding

6. DATA CAPTURE PROJECT (CONT.)
6. DATA CAPTURE PROJECT (CONT.)

Town Planning Zones: Updated since 2007
7. VALUATION PROJECT

Amending the exiting Law

Deviating from “market value” definition to “value of general valuation”

Section 2 of Cap. 224 – adding a new definition

“Value of General Valuation” – in relation to immovable property means the amount which results from performing a general valuation or revaluation or revising a general valuation, which is as close as possible to the “market value”

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7. VALUATION PROJECT (CONT.)

VALUATION METHODOLOGY

Base Model applied as developed in CILIS

Market value = L value + B value * Development Factor

VALUATION ANALYSIS

- Comparable sales – market evidence
- Construction costs – Contractors/PWD/Stats Dept.
- Residual analysis for land (fields/building sites) and buildings
7. VALUATION PROJECT (CONT.)

VALUATION STAGES

- Comparable Sales Analysis
  - Before and after 01.01.2013
  - The economic crisis and the decrease in values in the property market was taken into consideration
- Physical and Legal characteristics
- Town Planning zones
- Type of Property
Determination of Parameter Values by:

i) Geographical area, ii) Town planning zones, iii) Property type and iv) location

Process:

- Pilot area by District
- Refinements made according to the findings of the pilot areas (size of plots, seafront properties, allocation of density values for additional HDU.
- Parcel characteristics were updated in mass and consistently in CILIS.
- Other Valuations within the Department were also used

Adjustments on specific property characteristics based on the base value within the same planning zone category:

- Land
  - Extent
  - Accessibility – enclosed/ road access
  - Road site relation – standard/corner-premium/3 sites road
  - Shape – regular/irregular/very irregular

- Units
  - Extent
  - Year built (depreciation factor 1.3% av. p.a)
  - Category (class) – Luxury, A, B, C, D -difference 15%
  - Condition - V.Good, Good, Fair, Bad
  - View – standard, Sea
### Hotel Valuations
- Sales comparable analyzed
- Location, condition, No. of Rooms, Star* rating

### Special Properties valued manually
- Gold Courses
- Marina/Ports
- Airports
- Wind Generators
- Photovoltaics
- Shopping Centers
- Thematic parks
- Petroleum tanks
- Exceptional buildings

### 7. VALUATION PROJECT (CONT.)
- CAMA System used to implement the G. Valuations
- Spot values were applied for quality assurance purposes
- At the final stage quality assurance checks were made to validate the values.
- Proper ratio study (A/S ratio) was performed after the publication of the GV Assessment
Three basic statistical indicators were applied:

1. Measure of Appraisal Level - Median

2. Measure of Variability (Uniformity) – Coefficient of dispersion (COD)

3. Vertical Inequity – Measured by Price Related Differential (PRD)
7. VALUATION PROJECT (CONT.)

QUALITY ASSURANCE : RATIO-STUDIES

7.4.1.1 Building Sites

**COD INDICATOR - BUILDING SITES IN NICOSIA DISTRICT**

Assessment regressivity is observed: High or low value prop. are underappraised

**PRO INDICATOR - NICOSIA DISTRICT AND ALL PROPERTY TYPES**

Assessment regressivity is observed: High or low value prop. are underappraised
7. VALUATION PROJECT (CONT.)

QUALITY ASSURANCE: RATIO STUDIES

RATIO STUDY RESULTS

1. COD Assessment – Very good results which show horizontal equity to taxpayers.

2. Medial Level – Overall good, but falls within the lower limit of the standards. This is neutralized by the very good COD.

3. PRD Assessment – Overall good, but limited data. Values are located on the upper level of the standard. Slight regressivity is observed- High value or low value properties are under appraised.

8. GOOD PRACTICES AND EXPERIENCES OF G.V- SELF ASSESSMENT

Problems/Deficiencies/Issues/challenges for the Future Data Capture process:

I. Establish legal enforcement to L.A/T.P.H/D.O and promote technological instruments for automatic updating of property characteristics in LIS. A project is under way to link LIS with Municipal Auth.

II. Self declaration methodology! S.67, Cap. 224

III. D.C extra character. for land: slope, view, terrain, irrigation, subsoil quality, plantations e.t.c

IV. Update all unregistered or unsynchronized properties (Land register Vs Cadastral plan)

V. Multiple planning zones
Problems/Deficiencies/Issues/challenges for the Future (cont.)

Data Capture process:
vi. Category (class), condition and age coding
vii. Type of Construction (Reinforced/prefabricated)

Valuation process:
I. Microlocation: A defined area in the same Pl. zone and Geo. area. Need to redefine some geograph. areas under Pl.Z.
II. Size of parcels and adjustments (zoning !)
III. Depreciation factor ! (straight line method)
IV. Multicollinearity issue ! (category/condition/age)
V. High deviation between planning zone values within the same pl.z category. The base value applied for adjusting property characteristics is a problem.
Valuation process:
vi. Improve the quality of sales and property file
vii. Improve mechanisms for time adjustment (Annual increases/decreases/indices-commercial/residential/land)

Other Issues:
• Valuing and taxing leased properties
• PR and Objection strategy (objections 1.7% - Practice 3% - 5% according to revaluation freq. and type of properties)
• Web access to public (property data, values!)
• COTS (commercial of the shelf package)!

THANK U FOR U ATTENTION