



International Federation of Surveyors



National Technical University of Athens  
School of Rural and Surveying Engineering

## REAL ESTATE MARKET NEEDS FOR SDI AND e-PLANNING

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## Formal Real Estate Market Needs *so that all dealings will be safe and secure (I)*

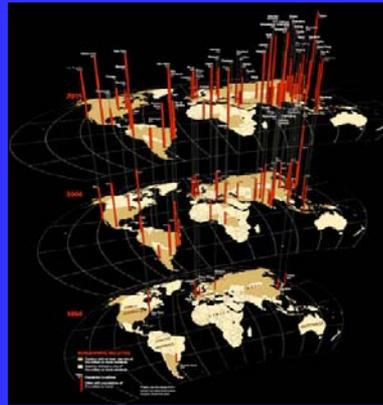
UN/ECE WPLA, 2005, Among several others:

- **Security of tenure**, Legal definitions and regulations for the registration of land ownership and rights, restrictions and obligations on land
- **Land use regulations** : legal or financial restrictions to use the land, and development or utility provision restrictions (similar importance)
- **Transparency** in procedures: with secure, speedy, low cost and easy access to all land market participants.
- Fundamental facilities like **Mortgage** and **Credit** access and stable, transparent and fair land **Taxation Systems**

## Formal Real Estate Market Needs *so that all dealings will be safe and secure (II)*

- **Availability of digital, interoperable, and updated data sets**: with common spatial reference is required concerning **ownership, value, and use** of land, so that lenders should not be affected by unregistered encumbrances ; records should be integrated
- **Coordination** among institutions involved in land policy is critical to success
- **Improving public awareness**: of the social and economic benefits of e-governance and participatory democracy
- **Registration of housing** (urban areas) should be given first priority by Land Administration Agencies

## Rapid urbanization - Megacities



2015 Latin America,  
Central Africa,  
Asia

2000 Latin America,  
India, North  
America, Asia

1950s New York,  
Tokyo, Buenos  
Aires,  
European  
Capitals

## Informal Urban Development

- Land values at the fringe of urban areas are lower and more affordable to those earning less than the average household income; usually informal urban development is located in such areas
- Today there are about **1 billion slum dwellers** in the world; UN-Habitat estimates that if the current trends continue, the slum population will reach 1.4 billion by 2020
- one of every three city residents live in inadequate housing with few or no basic services

## Informal Settlements- Informal Real Estate Markets



## Informal Urban Development

- “Informal”, “unplanned”, “illegal” or “random” urban development is an issue of major importance in a large number of countries worldwide.
- There is no clear common definition of what an “informal settlement” is.
- The most important factors for characterizing an area as such are: **land tenure, quality and size of construction, access to services, and land-use zoning**

## The common reasons for informal settlements whether in regions of Europe, Africa, Central and Latin America, or Asia are:

- special historic, political, social, and economic conditions leading to urbanization
- lack of important spatial information & insufficient planning
- unrealistic zoning regulations
- marginalization, poverty and lack of financing mechanisms for affordable housing
- inconsistent and complex legislation
- unnecessary bureaucracy for land development and permitting
- illegal subdivision and construction on agricultural lands
- political reluctance to confront the situation

## Squatting on state land is less common phenomenon today

- Today the majority of informal construction in many places is of a **good, permanent type**, and can be characterized as “affordable housing” rather than as “slums”; especially where no affordable housing policy is provided by the state

## Unplanned development means not always slums



Examples of informal building constructions on legally-owned land parcels in Greece

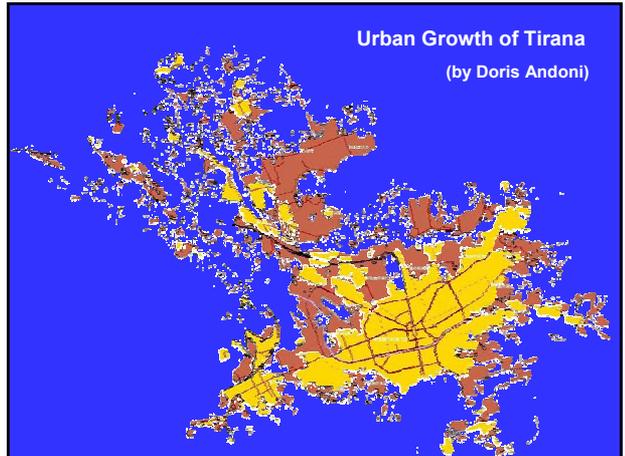
(in general: 25% of the housing construction in Greece has informalities)

Constitution: each person has the right to choose the place to live (information by Doris Andoni)



## Urban Growth of Tirana

(by Doris Andoni)



## Types of Informal buildings

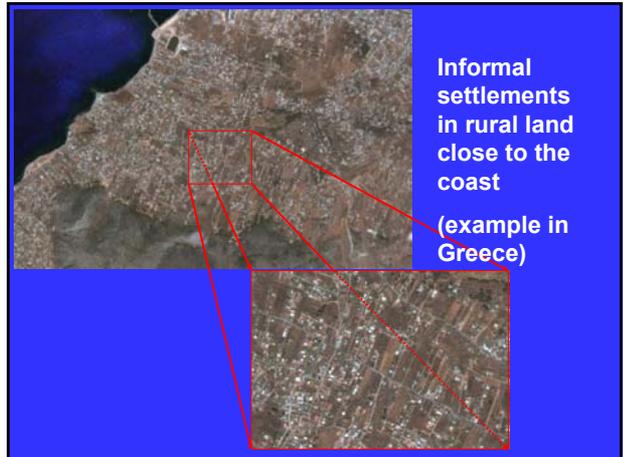
In some regions these are single-family houses, while in some others they may even be as extensive as 10 story multi-family buildings!



Informal development appears also within formal urban areas, in order to increase profit (Examples from Greece)



Informal development appears in attractive vacation areas, too, due to the rapid increase of land demand by local or international market participants (e.g., Greece, Spain, Italy, Cyprus)



construction costs in such areas may grow even higher than normal and in most cases they are inconsistent with construction quality, due to the risk of illegality and prosecution to the constructor

In general, in addition to the risks of high penalties, demolition of buildings or even imprisonment of the owner, due to legislation,

such constructions are usually unable:

**to receive infrastructure services from the state, and most importantly,**

**to be legally transferred or mortgaged**

- *The old-fashioned theory, which “viewed informal settlements as threats to public safety and health requiring demolition”, seems to have been gradually replaced by a common recognition that informal housing is a valuable capital asset which should find its way to the real property market.*
- *Informal Settlements should be given the highest priority by mechanisms and procedures that will speedily introduce them into legality through land registration and will discourage the creation of even more informal settlements*

## Examples in Albania

(by Doris Andoni)

### Scale of informality:

- Number of buildings – 230,000 (?) requests for legalization
- Area occupied – 23,000 hectares
- Number of people leaving in illegal settlements – 800,000 (?)
- Funds invested (dead capital): 4 – 6 billion USD

## Is legalization the most appropriate solution?

When unplanned development becomes a massive phenomenon, this means the system needs to be changed.

Yes, legalization where feasible, to support the real estate market and the national economy, may be one step.

## Legalization of existing informal developments, examples from Italy

- Law N° 47 of 28.2.1985 (Craxi-Nicolazzi government); Law N° 724 of 23.12.97 (Berlusconi government); Decree Law 269/2003 converted into Law 326/2003 (information by Pres. Piero PANUNZI)
- In the period 1994-1998, 232,000 new houses were built illegally, for a total floor area of 32.5 million sq.m and a value of 29 billion lire. Tax evaded amounted to 6,700 billion lire. (information by Pres. Piero PANUNZI)

In several countries informal constructions if they are not considered as “illegality of need” are demolished (e.g., Greece, Croatia, Italy).

In Croatia 1,600 buildings are demolished while 9,000 more are planned so (information by Damir Pahic)

Exceptions are constructions leading to general environmental burdening, e.g., **building on public land, river routes, floodplains, coastal zone, archaeological sites, forests, and high risk or radioactive waste areas**

Informal constructions cause:

- Corruption and
  - loss of state revenue (taxation, building permit and transaction fees, etc)
- while middle or low-income owners are forced to make financially bad investments

Informal building owners are also considered as “second class” citizens, who through their activity may in the future cause significant environmental problems such as:

- water pollution,
- soil erosion,
- traffic congestion, while also
- demanding public services, schools, clinics, and safety in these areas.



## Informal buildings within forest land, in Greece

Situation after a big fire



Legalization through integration to the urban plan

## Spatial Planning Systems The European Perspective

	Close (there is a close relationship between the objectives of the system and what happens in practice)	Distant (there is a distant relationship between the objectives and the reality of the system)
Discretionary (Departures to plans can be made)	UK	
Moderate (Mechanisms exist for departures to plans to be made)	Denmark Finland Ireland Netherlands	Belgium Portugal
Committed (no discretion for decisions to be made contrary to plans and policies)	Austria France Germany Luxembourg Sweden	Greece Italy Spain

Source: Stig Enemark, President of FIG, Keynote speech 'Integrated Land-Use Management for Sustainable Development', March 2007



Preparatory land-use plan in Germany, overview

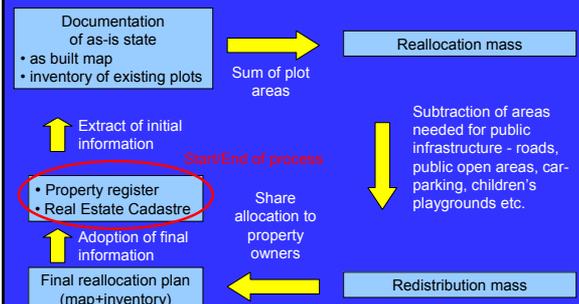
Source: City of Mainz, Germany



Legally binding land-use plan in Germany

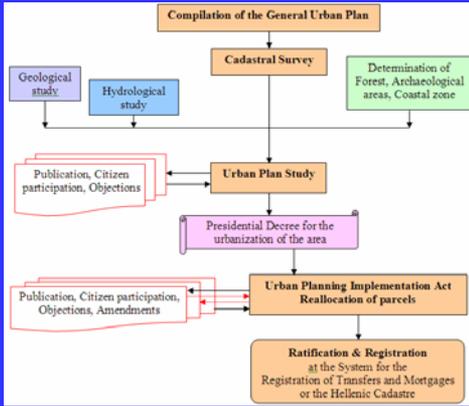
Source: City of Mainz, Germany

Preparation and update on demand

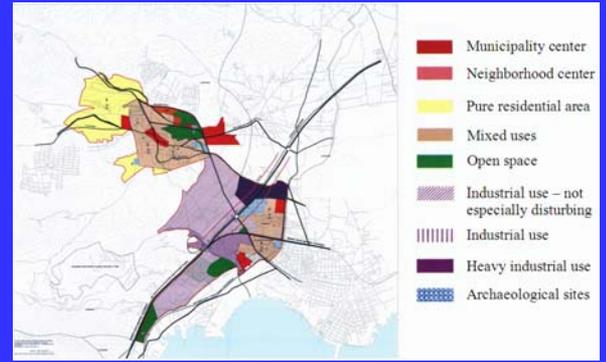


Process of Land Reallocation in Germany

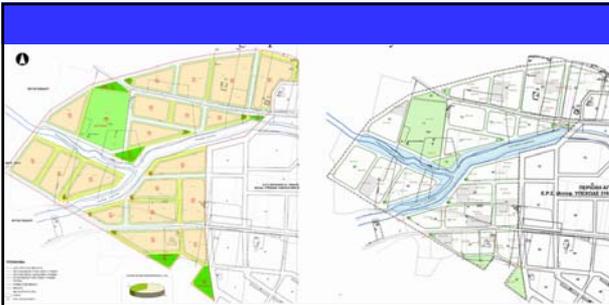
## Flow chart of urbanization process in Greece



## Hellenic General Urban Plan



Municipality of Mandra, Attica, dated at 2003



“Urban Plan” map (left) and “Urban Planning Implementation Act” map (right) from the urbanization process of an area  
Municipality of Mandra, Attica

## Spatial Planning Systems The European Perspective

	Close (there is a close relationship between the objectives of the system and what happens in practice)	Distant (there is a distant relationship between the objectives and the reality of the system)
Discretionary (Departures to plans can be made)	UK	<b>Different results!</b>
Moderate (Mechanism departure: be made)	Denmark Finland Ireland Netherlands	Belgium Portugal
Committed (no discretion for decisions to be made contrary to plans and policies)	Austria France Germany Luxembourg Sweden	Greece Italy Spain

Source: Stig Enemark, President of FIG, Keynote speech 'Integrated Land-Use Management for Sustainable Development', March 2007

## Necessary steps to improve and control the situation seem to be:

- Legalization of existing informal developments, where feasible, to support the real estate market and the national economy.
- Application of suitable controls. The promising tools of today are: low-cost technology such as satellite imagery and automated photogrammetric procedures for spatial data collection, registration of illegal buildings into spatial data infrastructures, coordination of cadastral & planning projects to support land market assessment, efficient urban planning, e-governance, transparency, and sustainable development.
- Reduction of unrealistic and complex land-use regulations and subdivision standards to increase land supply and decrease land values, and to expedite development permitting process, while making development control possible.