

The Land Valuation Issues In Turkey

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SUMMARY

To assess the value of a real estate by evaluating several factors related to land, e.g. location, environment, topography, utilisation conditions etc. is called land assessment which is one of the key factors for land management. In Turkey as well as worldwide, real estate valuation is used in quite a few applications, directly or indirectly by private or public sectors. Several problems are faced because an administrative infrastructure for real estate valuation in Turkey has not been established yet. According to the researches, these problems on real estate valuation in Turkey could be listed as follows: i. There is no an efficient legal infrastructure for real estate valuation: Although there are plenty of regulations on land a specific act for “value” as an attribute of real estate does not exist. Also these regulations on real estate and their disorganisation cause legislative complexities and problems in practice. For example, in land consolidation process a value is determined, then another value for land title and different values for tax and mortgage are determined, furthermore a value for expert appraisal can be determined separately too. ii. An administrative structure for real estate valuation have not been established yet: In Turkey real estate valuation is used directly or indirectly by local municipalities and over 20 national governments for various applications. There is a need for an authority, which will organise, specify the rules and supervise the real estate process. iii. Rules and standards on real estate valuation have not been created: Objective criteria on real estate valuation do not exist in Turkey. Only some factors, which have to be considered in real estate valuation, are mentioned in Land Consolidation Act. These are not objective and sufficient. In fact various factors have to be evaluated altogether while valuing a real estate. These factors must be used based on national standards. Likewise these national standards must be suitable with the International Valuation Standards. As well as standards for valuation factors, standards for valuation methods must be established. Especially real estate valuation process must be carried out with geographical information technologies. In this paper the land valuation issues in Turkey will be discussed in the context of information given above. Moreover, land management issues in developing countries similar to Turkey and the suggestions to them will be examined and experiences will be shared.