

An Approach for Re-Engineering Organizational Structure of Real Estate Valuation System in Turkey

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SUMMARY

Real estate values are needed in many real estate related activities such as sale, taxation, compulsory purchase, mortgage, insurance, privatization and nationalization. Therefore, countries build up their valuation systems and determine the real estate values both to use in different applications and to provide transparency in the market. Similar to the situation in many other systems, real estate valuation systems need to be re-engineered over time based on the changing expectations of societies, new organizational structures, modern trends, technological developments and so on. Turkey is one of those countries where a re-engineering process in real estate valuation is needed. Real estate valuations for taxation purposes are carried out by the municipalities without sufficient data on real estate characteristics and sales prices. Some other public organizations, such as General Directorates of Highways and State Hydraulic Works, determine real estate values for compulsory purchases through the commissions set up in their institutions. Members of the commissions are mostly not real estate valuation experts. Mortgage and insurance based valuations are carried out by private valuation corporations. Valuations for the purposes of privatization and nationalization are performed by relevant administrations. The country does not have a public authority to organize and supervise the overall valuation system or works. This paper, firstly, introduces current organizational structure of the real estate valuation system in Turkey. Then, it describes the issues experienced during the valuation works carried out by both public and private organizations. It provides an approach for re-engineering organizational structure of real estate valuation system in Turkey.