

# Needs for New Services in Land Administration International Trends

András OSSKÓ, Hungary

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## SUMMARY

There is a general consensus among the land administration profession and different players of the economy, that the land administration is one of the most important infrastructures for the economic growth and the implementation of sustainable development.

There is an increasing demand of land and real estate property related data and services by the economy and the entire society world wide. Land administration institutions have been facing new challenges to fulfill the strong needs for data and new services.

To answer new challenges, besides the traditional functions, land administration has to broaden their activities, extending data contents, offering new services and providing transparent procedures. To achieve above goals modernization of institutional structure, development of advanced IT systems and legal changes have been required.

In the European Union there is a wide range of variety of legal and institutional environment in land administration (cadastre, land registry). These differences create a lot of barriers of cross border land administration data and other services and hinder the economic growth. Legal harmonization and changes are needed to remove existing barriers of cross border activities.

# **Needs for New Services in Land Administration International Trends**

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## **1. IMPORTANCE OF LAND ADMINISTRATION IN THE 21ST. CENTURY**

There is a general consensus among the land administration professionals and different players of the economy in the developed countries and more and more in the developing world as well, that the Land Administration is one of the most important infrastructure for the economic growth and the implementation of sustainable development. This fact is proved by statistical data.

In developed countries the value of the land and real estate properties, together with mortgages is about 60-65 % of the state assets. The land and real estate property related activities generating about 30-35% of the GDP. The value of mortgages on properties is 30-35 % of the GDP in developed countries and 3-8 % in transition countries.

The land and real estate properties have been registered in the cadastre, land registry or integrated land administration institutions. These institutions are maintaining, updating legal and mapping data related land and real estate properties and in the same time providing data and other services. This means the registration and maintenance of a huge, high value of databases and also services which are essential for the economy and the entire society. In respect of above it's obvious that the role and importance of land administration has been increasing world wide and there is an increasing demand for land administration data and services.

To guarantee the security of property and other rights related to land and real estates is fundamental in the existing democracies therefore the land administration data and other services became top priority required by the economy and the society. To fulfill the growing demands, besides the traditional services, new kind of services, legal changes and transparent procedures, without bureaucracy are needed. This also means the necessary extension of electronic services, digital data and also user friendly approach. To answer new challenges it's clear the modernization of land administration institutions and introduction of new attitude are essential as well

## **2. CHANGING ROLE OF LAND ADMINISTRATION**

In the majority of European countries the cadastre and legal registries were established in the XIX th. and at the beginning of the XX th. century, separately, under different authorities. The activity of the two registration systems was parallel, partly overlapping and mutual data exchange took place between them. On one hand land and real estate cadastre was created for the purpose of the state and politics for taxation, on the other hand there was factual land registry, which negotiable and mortgaged real estate was involved in. The land registers were aiming at the security of ownership the unperturbedness of the land transactions as well as the

creditors' interests. The difference between the land registers and the land tax cadastre can be recognized by the diverging structure and authorization. The land registers were within juridical scope while the land cadastre was part of the public administration.

It was common up to the middle of the XXth. century, the data and other services haven't played too much role in their activity. After the World War II, especially since 1970s the land and real estate related activities have been changed and multiplied very much. The importance and number of real estate investments have dramatically increased and became one of the engines of the economic growth. The importance and roles of mortgage system also increased and the total value of mortgages has been grown rapidly. Nowadays the land and real estate is not property only but goods as well and the land, real estate related activities services generating huge incomes and contributing to the GDP significantly. Besides of the changing role of land and real estate properties in the economy, the IT development, which is still rapidly developing also accelerated the growing demands for data and services. The new technology has made the extension of data, quick direct access and new format of services possible. The changing role of real estates, the importance of real estate investments in the economy, the new IT technology and the increasing demands for data and services forced the reorganization, modernization of the legal and institutional framework in land administration especially in developed countries to fulfill the demands of the economy and the entire society.

### **3. MODERNIZATION OF LAND ADMINISTRATION INSTITUTIONS**

The land administration institutions had to answer the new challenges in order to fill the needs of the economy and the society for data and services. To achieve above goals the renewal, modernization of land administration institutions became essential. The majority of countries used step by step approach and different ways.

Possible solutions

- 1, development of multipurpose cadastre
- 2, integration of cadastre and legal registry (unified system)
- 3, cost recovery approach, self financing institutions
- 4, new agency model in land administration

#### **3.1 Development of multipurpose cadastre**

Originally Cadastre and legal registry achieved special tasks. In countries where the land book (Grundbuch) is still existing, under courts, separately, working traditional way. In many countries the Cadastre still serves taxation purposes, but they extended their activities during recent years. Creation of new digital cadastral maps, maintenance, updating of cadastral maps. Digital databases became more and more important allowing them to provide cadastral data and other services. Cadastre also deals with the establishment and maintenance of control point networks and other mapping activities.

This model is existing for example in Spain, Belgium and some Latin American countries.

### **3.2 Integration of cadastre and land registry, unified system**

During the last decades, following the professional trends and demands of the economy, it became quite obvious, that the unified system, the integration of cadastre and legal registry on legal basis and institutional level is the most efficient land administration institution, with special regard to the increasing demands for services. The integrated system contains huge number of data and information, generating, providing wide range of services.

As I mentioned earlier the security of property and other rights related land and real estate is fundamental in the developed countries the data and other services became top priority in land administration institutions, demanding by the economy and the society. The integrated institutions can provide more efficient, quality services. Based on above facts, more and more countries integrated the cadastre and land registry .

The Dutch Kadaster has been operating unified system since decades, Hungary since 1970, Czech and Slovak Republic since 90s. It's remarkable that during the passed years Norway, Sweden and Finland decided about the integration of cadastre and land registry and other mapping activities. The aim was to create such an institution which can fulfill the increasing demands for legal and mapping data and other services related to land and real estate properties.

The centralized IT system, one decision maker (authority), avoiding overlapping activities and other circumstances make the institutions more efficient, reducing operational costs and creating user friendly environment.

Unified system is operating, in many countries in Europe, for example in The Netherlands, Hungary, Norway, Czech Republic, Slovak Republic, Romania, Moldavia and will operate in Sweden and Finland soon.

### **3.3 Self financing land administration institutions**

The majority of cadastres, land administration institutions provide services for fees. It can be registration fee, fee for data and other services, etc.

As the result of the increasing demands for land administration services the income generated by services has been continuously growing. The growing revenue could cover a high rate of the budget and in many cases the total budget of institutions. In the last case we can speak about self financing, cost recovery institutions. Of course there are still cadastre, land registry institutions 100% financed by the state.

The financing solution is the question of political decision. In case of self financing institutions the revenue generated by services must cover the total budget but the price of services have to be accepted by the external users and citizens. To keep reasonable prices it's also important to minimize the number of free data and services.

It's obvious that a self financing institution must operate different way than an institution financed by governmental budget. To operate self financing governmental institution for long term, changing of institutional structure and business like approach is needed.

Some of the examples of the self financing institutions: The Netherlands, Sweden, Hungary, England, etc.

### **3.4 Agency model in land administration**

Integrated Cadastre and land (public) registry agency as institutional model is existing in more and more countries in Europe. The Cadastre agency with integrated multipurpose activities provides official tasks and business like services as well. It operates different way comparing with traditional governmental institutions. One of the main difference that the agency is quite independent they have more authority to make decisions. In many cases their supervisory body is not a ministry but the government itself. The agency can decide not only in professional but also in financial matters.

This kind of institutions can answer challenges, like the recent financial crises, quicker and more effective way. The income of land administration institutions, generated by data and other services, dramatically dropped during the last years due to the economic crises. Based on experience, the income of the independent land administration agencies have been decreased to a lesser degree during the economic crisis.

Some example of the agency model. The Netherlands, Norway, Czech Republic, Sweden, Romania, Moldova.

## **4. NECESSARY LEGAL CHANGES IN LAND ADMINISTRATION**

To modernize land administration institutions and to create new kind of services, concerning contents and technology, legal changes are necessary. There is an increasing need of legal changes in land administration in Hungary and the European Union but I think all over the world, but the achievement in the majority of countries is always a long process because of the bureaucracy. Fortunately the economy needs always force the changes.

The legal changes must support the extension of data, electronic services and free movement of cross border land administration services in the European Union.

### **4.1 Possible extension of cadastral data and services**

Condominium registration, legal and mapping information of public utilities, introduction of 3D Cadastre, etc. can be the future possible extension.

Extension of electronic services is also important, like electronic conveyance, signature, payment, mobile phone services and others. For the extension of land administration data and activities, legal changes are needed.

Many countries have already introduced changes but still a lot to do.

### **4.2 Free movement of cross border land administration services in the EU**

The Lisbon Treaty in 2003 declared that the European Union must be the most competitive economy in the world in 2010. To achieve this goal the member states have to guarantee the free movement of cross border services within the EU. Unfortunately none of the goals have been achieved. There are a lot of barriers of different cross border services including land administration ones, due to the wide range of variety concerning legal and institutional environment in land administration (cadastre, land registry)

It's obvious if the European Union wants to achieve above goals, legal changes and harmonization are needed in the field of land administration in the EU member countries. The

European Union must formulate basic principles and recommendations supporting legal harmonization which is a very difficult task according to experience.

## **5. THE NEEDS FOR NEW SERVICES IN LAND ADMINISTRATION, CADASTRE**

The increasing needs for land administration data and services world wide by the economy and the entire society, continues rapid development of the IT, the integration of land and real estate property activities and other circumstances allowing to provide new services considering the extension of data and formats.

The integrated multipurpose land administration databases contain huge number of data and information and could be extended any further. The number and kind of data and other services very much depends on the political and professional decisions, the existing legal environment and the level of democracy.

The needs of the economy and the society must be top priority. To fulfill the demands of the economy and the society the implementation of user friendly servicing state is fundamental.

### **5.1 Some example of extension of data and services :**

- statistical data for the economy and government
- condominium registration
- public utilities registration, information property tax information
- public restrictions
- 3D cadastre

### **5.2 Changes in format and way of services**

In the majority of developed countries the paper based analogue services have been replaced by electronic services. In the less developed countries it would be essential to develop the full IT infrastructure to guarantee the equal right to access of data and information for all citizens. Public data and transparent procedures are also essential.

### **5.3 E- government**

The introduction of operational e- government is an important task in the European Union member states. In many countries the e-government activities have been coordinated by cadastre institutions, mapping authorities as the most suitable institutions.

These institutions are responsible to keep and maintain the mapping, spatial and legal data related to land and real estate properties which are important to carry out many of the activities like environment protection, transport, traffic control, disaster management, police, ambulance and many others.

The professional staff of these institutions have sufficient knowledge as well to manage, coordinate e-government activities.

### **5.4 e-Cadastre, u-Cadastre**

Land administration, Cadastre services have been operating via internet in many countries since years. In the recent years, especially in the developed Asian countries (South Korea, Singapore, Malaysia and others) introduced “ubiquitous”, so called u-Cadastre. This means

the cadastral, land administration information, services can be accessible by mobile phone everywhere for all.

## **BIOGRAPHICAL NOTES**

Name: András OSSKÓ

Academic experience: Dipl. Ing. Land surveyor MSc.  
Dipl. Certified Engineer

Current position: Advisor  
Institute of Geodesy Cartography and Remote Sensing

International experience: International expert, Nigeria 1977-79, 1982-86

Project advisor Swiss supported Budapest INFOCAM  
Digital Cadastral Mapping 1993-1995

Advisor, consultant in PHARE supported international projects  
“ Computerization of the Hungarian Land registry 1993-2000

Central European Land Knowledge center  
Member of Advisory Committee 2002-2005

Consultant in Moldova First cadastral Project 2007-2009

Activities in home and International relations: Member, Hungarian Society of Surveying Mapping and Remote sensing, MFTTT 1971-

Member Chamber of Judicial Experts 1988-  
Hungarian Delegate, FIG Commission 7 1995-  
Chairman FIG Commission 7 Working group 1998-2002  
Vice chair FIG Commission 7 2002-2006  
Chair FIG Commission 7 2007-2010

## **CONTACTS**

Name: András OSSKÓ

Institution: Institution of Geodesy Cartography and Remote Sensing (FÖMI)

Address: 1149. Bosnyák tér 5

City: Budapest

Country: HUNGARY

Tel: +36 1 460 4039

Fax: +36 1

Email: [ossko.andras@fomi.hu](mailto:ossko.andras@fomi.hu)

Website: [www.fomi.hu](http://www.fomi.hu)