

Land and Property Valuation in Nepal

Subash Ghimire (Nepal), Danilo Ramos Antonio (Philippines), Markus Olavi Kukkonen (Finland) and Ganesh Prasad Bhatta (Nepal)

Key words: Capacity building; Informal settlements; Property taxes; Real estate development; Valuation; Land and property: Valuation: Nepal

SUMMARY

A robust land and property valuation system underpins the optimization of land and property use and facilitates disaster risk management. The study's objective is to present a comprehensive situational analysis of Nepal's land and property valuation. It delves deep into the challenges faced by the system, examining how these challenges hinder the government's ability for valuation. The desk study followed by a literature and case study has been carried out in Nepal. The key informant's interview has been carried out for primary data collection. The study reveals that Nepal's real estate market suffers from a notable lack of transparency, which affects valuation. The issue primarily stems from the fact that transaction sale prices remain undisclosed to the public albeit disclosed in deed documents and there is a significant shortage of true property transaction data. The country's cadastral and land registry records have relatively good coverage and are readily accessible in digital format, presenting a valuable opportunity to leverage this digital data for the establishment of a modern and current land valuation system, also applied for disaster risk management. However, the cadastral and land registry data are not fully harmonized, there is a lack of a common identity of the parcel, which is unique in both databases, which is the basic requirement to communicate between two systems with different databases, and the information systems are not linked. Nepal's current land and property valuation infrastructure is institutionally fragmented and lacks robustness. Various laws assign distinct responsibilities to different institutions for conducting valuation processes, with minimal inter-agency collaboration. Under the current 1977 legislation, a committee determines the values of affected lands and properties for acquisition and compensation through a minimum valuation approach and ad-hoc determination of land prices but typically falls significantly below actual market values. This paper highlights the key findings and recommendations on various aspects of land and property valuation. It is highly recommended to conduct an in-depth study and comparative analysis on the merits of transitioning to a market-oriented approach to determine recurrent property valuation in consultation with

Land and Property Valuation in Nepal (12889)

Subash Ghimire (Nepal), Danilo Ramos Antonio (Philippines), Markus Olavi Kukkonen (Finland) and Ganesh Prasad Bhatta (Nepal)

FIG Regional Conference 2024 - Nepal

Climate Responsive Land Governance and Disaster Resilience: Safeguarding Land Rights

Kathmandu, Nepal, 14–16 November 2024

relevant government agencies, valuation practitioners, and key stakeholders. Through inclusive and participatory consultations, it is necessary to revise the 1977 Land Acquisition Act comprehensively to address the challenges related to valuation and compensation to adopt a market-based land valuation approach in the determination of the appropriate and just compensation, which also applies to disaster risk management.

Land and Property Valuation in Nepal (12889)

Subash Ghimire (Nepal), Danilo Ramos Antonio (Philippines), Markus Olavi Kukkonen (Finland) and Ganesh Prasad Bhatta (Nepal)

FIG Regional Conference 2024 - Nepal

Climate Responsive Land Governance and Disaster Resilience: Safeguarding Land Rights

Kathmandu, Nepal, 14–16 November 2024