

Global Valuation Practice: Lessons for Nepal

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SUMMARY

Valuation practice is a fundamental aspect of land administration, playing a critical role in the national economy by determining the value of land and property for various purposes, including taxation, investment, and compensation. Reliable and consistent valuation ensures fair transactions, fosters economic stability, and supports effective land management policies. In countries with well-established valuation frameworks, the practice is governed by rigorous standards and regulatory bodies that ensure professionalism, transparency, and reliability. However, many developing countries in the global south, including Nepal face significant challenges due to the lack of a structured framework for valuation practice. The absence of standardized methods and regulatory oversight leads to inconsistencies and inaccuracies in property valuation, undermining confidence in the land market and hampering overall land administration and economic development. This issue is compounded by limited professional training and certification opportunities for valuers, insufficient technological infrastructure, and a lack of comprehensive property data. These challenges create a pressing need for Nepal to develop a robust valuation framework that aligns with international standards while addressing its unique socio-economic and cultural contexts. This has been in discussions in Nepal for long and the National Land Policy adopted in 2019 enunciates reform in real-estate valuation and land taxation system and formalize land market as one among the six key pillars of land governance reform in the country.

In this backdrop, the aim of this paper is to assess the existing land valuation practices in Nepal and document global practices in valuation, highlighting best practices and lessons learned from various countries that Nepal, which is in the process of developing its land valuation framework can adopt in developing its valuation framework. By examining the valuation systems in developed countries such as the United States, United Kingdom, and Australia, as well as in developing countries like Kenya, India, and South Africa, this paper seeks to provide a comprehensive understanding of the

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key components of effective valuation practice. The analysis will focus on several critical areas: the establishment of regulatory frameworks, professional training and certification, the integration of technology in valuation processes, and the consideration of socio-economic factors in property valuation. Moreover, the paper will discuss the importance of addressing cultural and socio-economic factors, such as land rights of poor and vulnerable and the different land tenure systems including Guthi and unregistered land, which are particularly relevant in Nepal. There is need for a balanced approach that integrates market-based methods with socio-economic considerations to ensure that valuations are fair and equitable. The paper will also emphasize the need for public awareness and stakeholder engagement in the development of valuation policies to build trust and acceptance among the public.

This paper is informed by the ongoing work of UN-Habitat and the Global Land Tool Network (GLTN) in Nepal, which aims to support the country in its pursuit for a sustainable and effective land administration system. The paper will borrow from research already undertaken by professional bodies such as Royal Institution of Chartered Surveyors (RICS) in collaboration with the UN-Habitat, such as the GLTN publications on the valuation of unregistered lands – both the policy guide and the practice manuals. The paper provides recommendations for creating regulatory standards, designing professional training programs, and integrating technology into the valuation process. Furthermore, the paper aims to raise awareness among policymakers, practitioners, and stakeholders about the importance of a structured valuation system and its impact on economic development and land administration. Based on global best practices, this paper seeks to provide a roadmap in support to developing a comprehensive and effective valuation system that promotes transparency, fairness, and sustainability.