

Land markets

Why are they required and how will they develop?

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Presentation overview

■ Land Markets

- What are they ?
- Why are they required?
- How will they develop?
- How do they impact less developed economies?

Land markets - Why are they required and how will they develop?



Land Markets What are they?



What are they ? Why are they required? How will they develop? How do they impact less developed economies?

Land markets - Why are they required and how will they develop?



Land Markets What are they?

Land is immovable



What are they ? Why are they required? How will they develop? How do they impact less developed economies?

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Land Markets What are they?

- Land Markets exist when and wherever it is possible to exchange rights in land
- Land Markets underpin the ability to raise capital
- Land Markets enable Landowners to invest



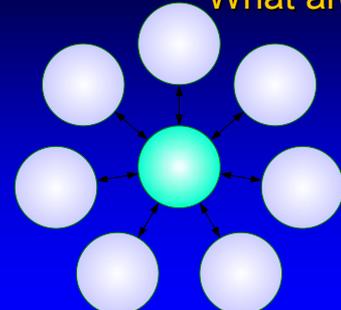
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Land Markets What are they?

Interaction with the Land Market



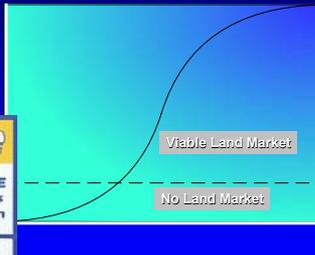
What are they ? Why are they required? How will they develop? How do they impact less developed economies?

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Land Markets What are they?

- A Land Market exists when the number of transactions reaches a critical threshold



What are they? Why are they required? How will they develop? How do they impact less developed economies?

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Land Markets What are they?

- Land Markets require
 - Land tenure system
 - Land administration system



What are they? Why are they required? How will they develop? How do they impact less developed economies?

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Land Markets What are they?

Land tenure system



Systems of land registration around the world Based on a map produced by Enemark S. 2005

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Land Markets What are they?

Land administration system

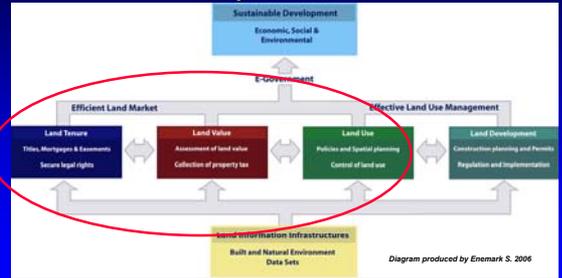


Diagram produced by Enemark S. 2005

What are they? Why are they required? How will they develop? How do they impact less developed economies?

Land markets - Why are they required and how will they develop?



Land Markets Why are they required?



What are they? Why are they required? How will they develop? How do they impact less developed economies?

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Land Markets Why are they required?

- Economic development depends to some degree upon land
- Land Markets provide institutional checks and balances
- Land Markets make the valuation of land and real property more transparent

What are they? Why are they required? How will they develop? How do they impact less developed economies?

Land markets - Why are they required and how will they develop?



Land Markets

Why are they required?

A poorly working land market generates ...

- Uncoordinated and chaotic planning system
- Massive economic inefficiency
- No link between developments or infrastructure
- Lack of property valuation systems

Leading to...

- Investors not having any confidence in underlying value of investment
- Inability to compare performance cross-border

What are they? Why are they required? How will they develop? How do they impact less developed economies?

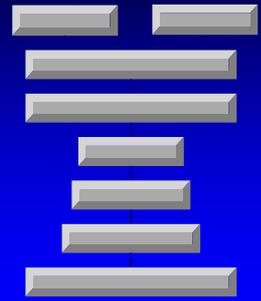
Land markets - Why are they required and how will they develop?



Land Markets

Why are they required?

- There is a connection between good title and prosperity
- Land Markets impact 'quality of life'



What are they? Why are they required? How will they develop? How do they impact less developed economies?

Land markets - Why are they required and how will they develop?



Land Markets

How will they develop?



What are they? Why are they required? How will they develop? How do they impact less developed economies?

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Land Markets

How will they develop?

Land markets in developing countries tend to flourish best in urban and peri-urban areas where commercial opportunities are high and migration can stimulate land market development

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Land Markets

How will they develop?

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Land markets - Why are they required and how will they develop?



Eulis was officially launched as a live service on 22 November 2006. Currently connected to the live service are:

- Sweden
- Netherlands
- England & Wales
- Norway
- Lithuania

Land Markets

How will they develop?



What are they? Why are they required? How will they develop? How do they impact less developed economies?

Land markets - Why are they required and how will they develop?



Land Markets

How will they develop?

- Land Markets are closely linked to the development of a Nation:
 - Its economic well being
 - Quality of life for its citizens
- Will this trend continue?
 - Where prices fall the result can be negative equity

What are they? Why are they required? How will they develop? How do they impact less developed economies?

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Land Markets

How will they develop?



The Land Market may be vulnerable

"The economic consequences may be large; so may the political ones."
Economist March 24th 2007

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Land Markets

How do they impact less developed economies?



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Land Markets

How do they impact less developed countries?

- Land Markets require the injection of capital to make them function
 - Corporate investors can (normally) gain access to capital or credit
 - Communities and individuals can find difficulties in financing acquisitions



What are they? Why are they required? How will they develop? How do they impact less developed economies?

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Land Markets

How do they impact less developed countries?

They require...

- Policy and legal frameworks
- An institutional framework
- An effective land registration and cadastral system
- Land administration System
- Equal Rights for women and minority groups
- Human resources and professional skills

What are they? Why are they required? How will they develop? How do they impact less developed economies?

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Land Markets

How do they impact less developed countries?

- A formal credit structure is necessary but may not be sufficient to trigger the creation of greater wealth for more people
- 'De Soto' tested
 - Land Markets can provide capital in under capitalised areas

What are they? Why are they required? How will they develop? **How do they impact less developed economies?**



Land markets - Why are they required and how will they develop?

Final remarks

- Globalisation will impact Land Markets
 - Information technology, in particular Web Based Services
- A number of critical factors need to be in place to make effective Land Markets
 - Land Administration
 - Good Land Policy
 - Legal Framework

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Final remarks

Thank you

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