



International Workshop on Land Consolidation and Land Banking

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Selling Land by Public Authorities within EU rules

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Structure of the presentation :

- what is a public authority
 - why has the EU rules about selling land and buildings by public authorities?
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- principles of selling
 - quality of valuation report
 - case Valmont
 - conclusions
 - personal opinions



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Property of the State, Province, Municipalities

Also special body installed by the Government :

The Netherlands : BBL, 38.500 ha(2009)

France : SaFer, 472.000 ha

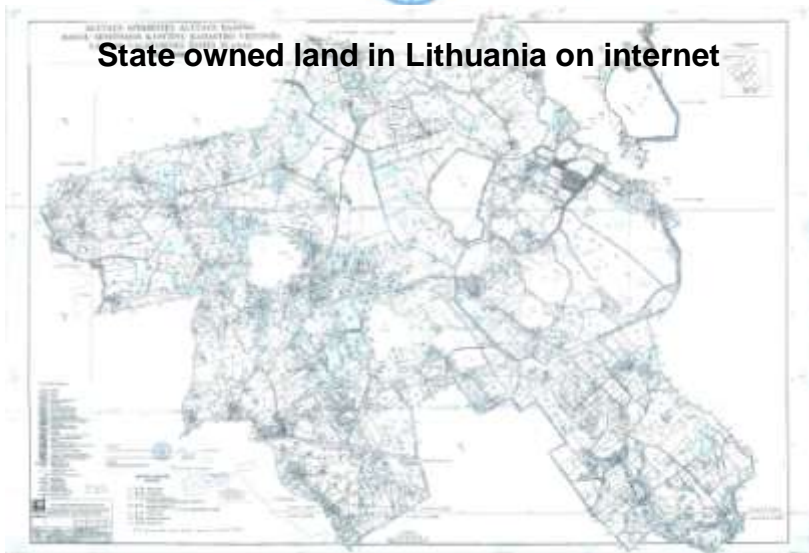
Slovenia : National Farm Land and Forest Fund (NFLaFF), 396.932 ha(2009)

Poland : Agricultural Property Agency 4.300.000 ha



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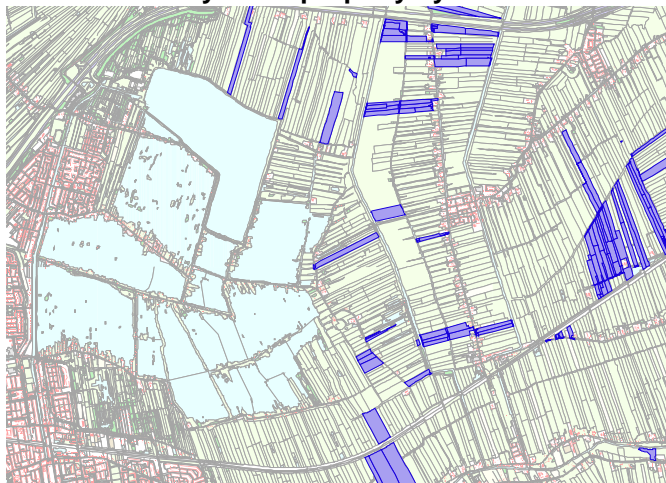
State owned land in Lithuania on internet



Static property by State Treasury



Dynamic property by BBL



why has the EU rules about selling land?

The Commission has investigated several sales of publicly owned land and buildings in order to establish whether there was an **element of State aid in favour of the buyers**.

The Commission has drawn up general guidance to Member States in order to make its general approach with regard to the problem of State aid through sales of land and buildings by public authorities **transparent** and to **reduce** the number of cases it has to examine.

Principles:

- a. an unconditional bidding procedure
- b. without an unconditional bidding procedure

Principle a:

an unconditional bidding procedure or public tender

Is similar to a public auction

public announcement two months ahead in national newspaper, in real estate magazines, internet

unconditional bid is accepted on price, only a few

restrictions can be made about for instance noise reduction, health conditions



Principle b:

without an unconditional bidding procedure or public tender

- Valuation by expert (appraiser)
 - education on (agricultural) valuation
 - relevant experience in valuation of landmarket
- Independency of expert, no orders from above about the result of the valuation

Market value : price negotiated between free buyer and free seller with good preparation on both sides

- margin of 5% is allowed, longer time then make a new valuation
- special obligations because of general interest can be made
- price given by the public authorities can give information of the market value of the land (within a period of three years with no in/decrease of market value or the independent appraiser has committed so)
- notification of exceptions to EC
- complaints of third parties by EC, information from State member will be asked

Elements for the valuation report:

Valuation depends of destination of zoning plan
Future change of zoning plan can be part of the valuation

Reference prices of comparable parcels/property

EC can also do the valuation by itself or ask an appraiser to do





Case Valmont 18-7-2001:

Municipality Maarheeze sells land to Valmont 1-7-1993

EC: State aid because of selling land and parking lot
for a cheaper price

General Court of Luxembourg 16-9-2004

1. Independent appraiser has to examine on the spot;
2. The valuation should have objective and controlling criteria
3. The valuation should have reference prices
4. A statement which is not underpinned is not correct

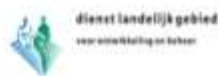
Decision: No state aid



Interesting links:

<http://curia.europa.eu/jurisp/cgi-bin/form.pl?lang=en>
search on 97/C209/03

<http://eur-lex.europa.eu/>
search on 97/C209/03



Main conclusions:

1. Choose the principle of selling comparing with to the goals you want to achieve
2. In case of unconditional bidding make of a good valuation of land
3. To have a clear view of the land prices a good and transparent information system(Kadaster) of land prices is essential
4. The appraiser should have a good education on valuation of land
5. In case of a complaint the EU Commission can make an investigation and even ask an appraiser to make a valuation
6. In case of a decision of the EU Commission of State Aid the State Member has to refund the money(10 years)



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A few personal opinions:

Think before you act, you can be a problem solver

Choose for an Integrated approach

Land is not only useful for agriculture purposes but can also be used for N2000, water-storage, infrastructure, climate change adaptation

Landbanking/Land Fund

Land Fund strategy Plan,

Landfund operation/management Plan

Exchange knowledge between countries about landvaluation in case of less landmobility



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Thank you

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