

# 2010 Prague Regional Workshop on Land Tenure and Land Consolidation-Land Banking and Public Land Management

## THE MISTERY OF LAND BANKING IN ARMENIA

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THE STATE COMMITTEE OF THE REAL PROPERTY CADASTRE OF  
THE GOVERNMENT OF THE REPUBLIC OF ARMENIA

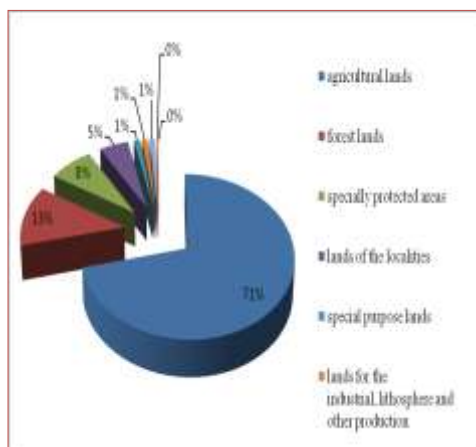
### The Republic of Armenia



- Area: 29.8 thous. Sq. km
- Population: 3.3 mln.
- Number of real property units: 2.5 mln.
- Number of regions (marz): 10
- Communities: 915, of which
- 49- urban and
- 866- rural communities.
- The capital: Yerevan

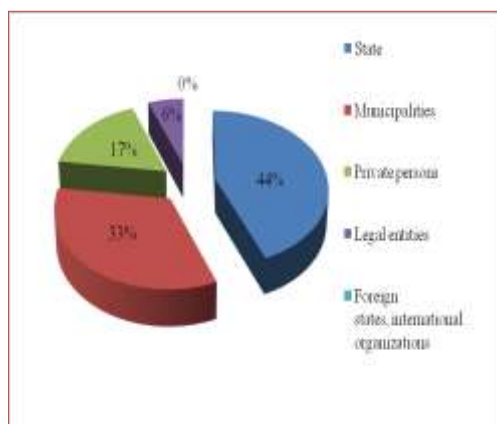
## OVERALL LAND STOCK AT 1-ST JULY 2009 2974.26 THOUSAND HECTARES

### DISTRIBUTION OF LAND STOCK BY PURPOSES OF USE



Land type	Overall area /thousand hectares/
agricultural lands	2120.31
forest lands	369.79
specially protected areas	229.89
lands of the localities	151.63
special purpose lands	31.71
lands for the industrial, lithosphere and other production	29.36
water lands	28.59
energy, communications, transportation and public utilities	12.39
reserve lands	0.62

### Distribution of lands by the ownership type



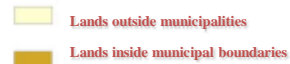
Ownership type	Overall area /thousand hectares/
State	1374.63
Municipalities	1042.92
Private persons	535.41
Legal entities	181.06
Foreign states, international organizations	0.08

## MUNICIPAL AND STATE OWNED LANDS

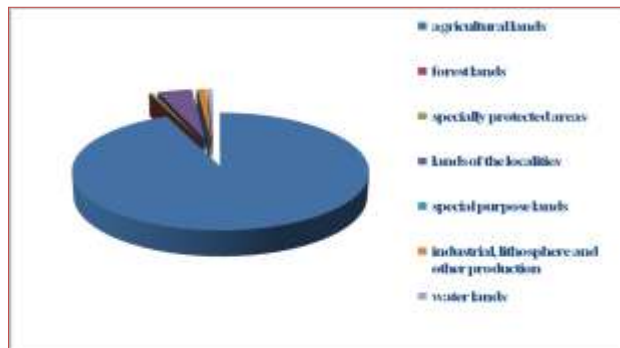


**SINCE 2009: SECOND PHRASE  
OF TRANSFER OF LANDS TO  
MUNICIPALITIES.**

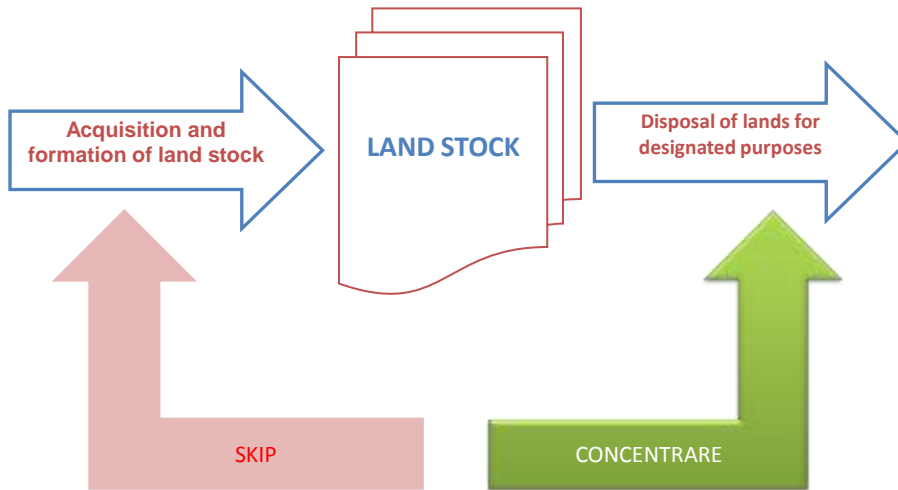
**PROCESS OF TRANSFER OF  
STATE OWNED LANDS  
SITUATED OUTSIDE OF  
MUNICIPALITIES INTO THE  
MUNICIPAL BORDERS**



## DISTRIBUTION OF MUNICIPAL LANDS BY PURPOSES OF USE



agricultural lands	976.8
forest lands	0.2
specially protected areas	4.5
lands of the localities	44.2
special purpose lands	0.0
industrial, lithosphere and other production	11.4
water lands	4.3
energy, communications, transportation and public utilities	1.5



## POSSIBILITIES OF DISPOSAL FOR LAND CONSOLIDATION PURPOSES

- *Exchange of municipal lands with private lands for better land use conditions and elimination of land fragmentation and improved land formation*
- *Direct sale of municipal lands for purposes of enlargement of private parcels-municipal land may be sold only if it cannot be disposed as a separate land unit and the area does not exceed the area of private parcel*

## BOTTLENECKS

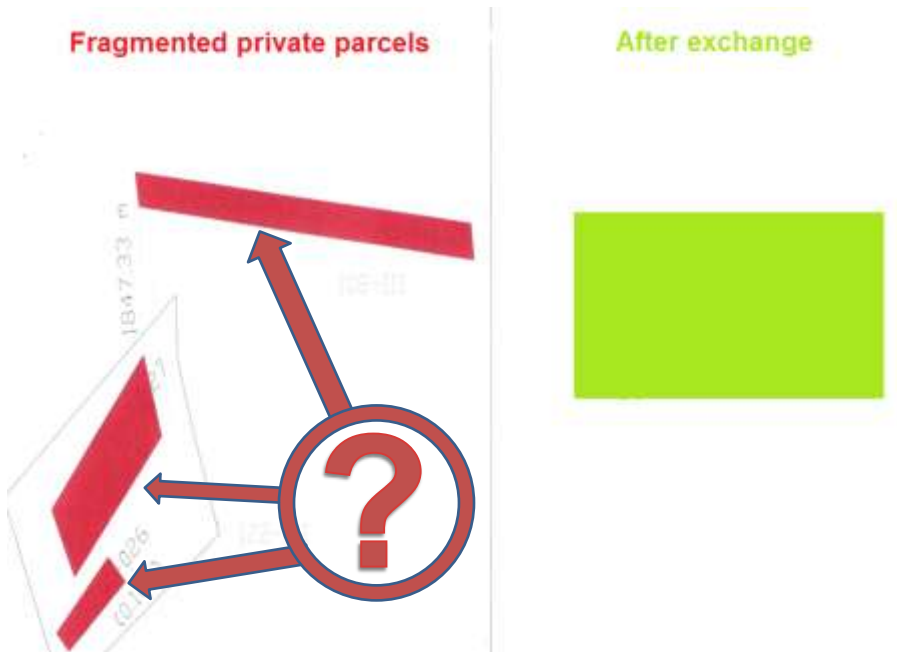
### *Direct sale of municipal lands for purposes of enlargement of private parcels*

- *No definition of parcel, which must be regarded as a separate land unit.*
- *Absence of flexible mechanisms of sale of lands for land consolidation purposes:*
  - *The purchase price should be paid as a lump sum upon the conclusion of the sale contract,*
  - *Legal costs of transaction are the same, as the costs for agricultural land transaction in usual cases /which are, however, lower then costs for other types of land/*

## BOTTLENECKS

### *Exchange of municipal lands with private lands*

- *Clear legal regulation of the procedure of exchange:*
  - *The basis for exchange: value or land area?*
  - *In practice – the value of the exchanged parcels.*
  - *Which value should be taken as a basis: market value or cadastral /normative/ value of lands?*
  - *In case of market value- the value before the exchange is conducted or the value of newly formed land parcels after the exchange?*



## AFTER EXCHANGE...

*The private parcels which have been conveyed to the municipal ownership via exchange may not be regarded as subject to direct sale for enlargement of neighboring parcels as these parcels should be treated as a separate property units ...*

*There is a possibility to rent these parcels by the owners of neighboring parcels, but in this case the rented part of the parcel usually is not considered as an attractive collateral for credits...*

## POSSIBILITIES OF DISPOSAL FOR LAND FOR NON-CONSOLIDATION PURPOSES

- *Sale of municipal lands via auction*
- *Direct sale of municipal lands under the circumstances directly prescribed by the law, f.i.*
  - *Land parcels allocated to citizens and legal entities for purposes of housing, industrial and commercial construction*
  - *Land users with right of preemption purchase of allocated land parcel*
  - *To foreign states and international organizations, for purposes of development of buildings for diplomatic missions and local branches*

***NO CASES OF DIRECT SALE OF AGRICULTURAL LAND PARCELS,  
EXCEPT OF  
DIRECT SALE OF STATE AND MUNICIPAL AGRICULTURAL LANDS  
ILLEGALLY OCCUPIED BY LAND OWNERS IN THE FRAMES OF  
SYSTEMATIC REGISTRATION OF REAL PROPERTY RIGHTS  
DURING 2000-2003***



**IN 2003 A LAW “ON LEGAL STATUS OF ILLEGAL BUILDINGS AND ILLEGALLY OCCUPIED STATE AND MUNICIPAL LANDS”  
THE ILLEGALLY OCCUPIED STATE AND MUNICIPAL AGRICULTURAL LANDS, NEIGHBORING THE PRIVATE PARCELS WERE RECOGNIZED AS THE OWNERSHIP OF LAND USERS BY VIRTUE OF LAW**



## **ONE MORE ISSUE ON NON-CONSOLIDATION DISPOSAL OF MUNICIPAL LANDS**

### **Sale of municipal lands via auction**

- *Sale must be in accordance with the land zoning and use plans of the municipality*
- *The advertisement of public tender is placed 30 days before the date of the auction in official governmental newspaper*
- *Any participant of the auction must pay a registration fee equal to 5% of starting price of the lot*
- *The starting price should not be lower than 50% of cadastral value of the land parcel*
- *The area of one lot should not exceed 25 hectares*



## Comparative data on purchase and sale of private agricultural lands and public tender of state and municipal agricultural lands

Region	Public tender of state and municipal owned lands					Purchase and sale of private parcels				
	number of units	total area	Price for 1 hectare /thousand AMD/			number of units	total area	Price for 1 hectare /thousand AMD/		
			min	max	average			min	max	average
ARAGATSOTN REGION										
Ashtarak	144	199.07	32.2	2407.5	219.1	382	220.83	365.0	12000.0	4264.8
Aparan	8	21.98	42.1	446.8	172.9	32	36.81	86.5	2727.3	518.9
Talin	48	498.84	33.6	184.0	72.8	70	118.05	93.6	5494.5	485.2
Tsaghkahovit	2	0.15	700.0	7000.0	3950.0	35	77.52	79.5	1000.0	233.0
ARARAT REGION										
Artashat	13	28.69	69.5	2590.4	1014.2	335	138.83	335.1	10833.3	2049.0
Masis	47	112.12	10.0	2185.5	326.1	141	94.37	200.0	11904.8	2894.1
Vedi	19	102.74	17.7	3000.0	558.4	284	132.04	207.0	10795.1	1817.1
ARMAVIR REGION										
Armavir	44	137.04	35.7	1604.3	175.4	475	450.40	294.3	9090.0	1132.0
Baghranyan	20	93.51	33.8	797.5	181.9	141	460.04	90.6	2561.1	645.8
Vagharshapat	22	63.26	5.6	774.4	373.7	313	180.78	444.4	11764.7	2669.6
GEGHARQUNIK REGION										
Gavar	2	1.19	72.7	102.4	87.6	362	127.29	199.8	1875.0	443.7
Chambarak	16	84.90	78.6	989.0	459.5	86	73.95	60.5	953.3	230.1
Martuni	2	3.20	106.7	2444.0	1275.4	16	4.42	51.1	2850.0	554.7
Sevan	11	16.80	44.0	1221.0	329.5	38	45.09	52.2	2134.8	226.4
Vardenis	2	1.89	55.2	618.1	336.7	57	105.11	41.2	2575.1	380.4
LORI REGION										
Alaverdi	1	0.50	70.4	70.4	70.4	218	71.21	170.4	6424.2	1006.3
Gugark	61	905.27	35.5	405.8	275.4	24	9.09	234.6	6865.9	1077.3
Spyak	110	2032.97	27.3	1120.0	276.0	14	5.26	250.0	5555.5	588.6
Stepanavan	22	44.58	210.0	1197.0	556.6	57	53.67	90.6	1686.6	400.2
KOTAYK REGION										
Abovyan	95	133.66	45.8	5203.7	402.4	433	183.52	279.3	11942.7	4773.9
Eghvard	68	116.92	74.3	1807.9	485.1	386	322.04	174.4	11971.8	3336.4
Hrazdan	28	76.64	45.0	861.3	410.1	122	106.67	130.5	10256.4	1471.5
SHIRAK REGION										
Agharutan	6	18.24	165.0	448.4	301.2	115	105.66	252.0	1693.1	481.9
Amasia	9	28.35	39.4	385.0	166.4	18	49.43	40.9	261.0	133.9
Ani	14	19.67	85.3	716.9	382.7	74	86.52	110.6	546.9	281.8
SYUNIK REGION										
Goris	11	40.35	137.5	2220.0	691.5	60	51.97	92.6	1023.2	458.6
Kapan	22	101.73	40.3	1025.6	250.6	20	15.99	120.0	841.6	271.9
Sisian	2	6.00	190.0	263.0	226.5	51	75.13	46.3	1977.4	290.7
VAYOTS DZOR REGION										
Eghgnadzor	43	34.99	34.3	986.0	120.8	111	34.52	125.0	10000.0	1479.3
Vayk	37	78.07	34.2	246.0	82.7	47	31.28	58.8	1430.7	508.3
YAVUSHI REGION										
Berd	5	2.04	147.1	519.6	378.5	67	16.71	213.3	3783.8	487.0
Mjervan	18	22.95	49.3	14300.0	3360.1	43	13.80	267.5	9454.5	993.0
Novemberyan	2	1.41	149.8	312.2	231.0	96	61.89	46.7	7368.4	729.6

# THANK YOU

## TIME FOR DISSCUSSION

