METHOD OF COMPENSATION’SEVALUATION IN ULAANBAATAR

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ABSTRACT

It is significant to make evaluation of ger area, determine market price of compensation, process evaluation procedure of compensation evaluation, transfer land for need of capital city and determine compensation using methods in international evaluation standards of land and cadastre evaluations methods.

Land of Ulaanbaatar city is divided in 65 regions for evaluation, market price per a square meters of land is 156063 Tugrugs.

In making adjustment on regional market price using factors to impact on land in accordance with certain methods, price of land per square meter reached 220049 Tugrugs.

KEYWORDS: land price, evaluation, compensation and real estate

BACKGROUND

Evaluation of land and on-ground building and constructions began to collect tax and fee from land and transfer land to private ownership since 1990. In connection with bad development of land market at that time, evaluation of rural land was calculated on the basis of budget method to increase investment cost of unit land, evaluation of urban land was calculated by income capitalization method.

Using norm price has more advantages. Because market information was in closed condition and price information has little information and experience for evaluation in invisible condition, it is easy to use and understand for fee inspectors.

GOAL AND OBJECTIVES OF THE RESEARCH

The main goal of the research is to determine evaluation methods of land compensation using methods in international standards and methods of cadastre evaluation.

To fulfill the above-mentioned goal, the following research objectives were formulated in advance. Thus:

When market becomes open and price information is more found, it should transfer from norm price to cadastre price and from cadastre price to market price. In current conditions, land is being used very intensively, land evaluation, as a main instrument to regulate land relations is drawing attention, basic price which adopted by state is not possible, inflexible and unsuitable to regulate by land tax, land price and land compensation.
Main tendency in evaluation of land with purpose of the World tax and payment is that making land value evaluation and determining quoted market price on basis of whole mass and precise cadastre evaluation. 

1. Do market price study of land, and classify land price; 
2. Determine regions of land evaluations and quoted market price of certain region; 
3. Determine factors impacting on land evaluations using regression analyses; 
4. Develop adjustment of factors impacting on land price using cadastre evaluation method, make evaluation of unit field and determine compensation amount.

ADVANTAGE AND NEW ASPECT OF RESEARCH

1. Collect land prices which land was sold in the market and determine the quoted market price and compare price with the quoted market price. 
2. Comparison analyses for price of on-ground real estate by cost and income methods in accordance with international standard. 
3. Factors to impact on land price will be determined by regression analyses. 
4. Evaluation of unit field will be made by cadastre evaluation method.

Main advantage and new aspect of the research is that to make land evaluation of ger area of Ulaanbaatar city using international evaluation methods and cadastre evaluation methods being used by the World countries, determine real price of compensation market.

RESULT OF THE RESEARCH

The study will determine land price to be used in land compensation with respect to the following factors, herein:

- Location of land 
- Region of land evaluation 
- Quoted market price within land region for evaluation 
- Socio-economic condition 
- Ecological condition

Region of land evaluation was determined on the basis of “Schedule of cadastre regions” (figure 1) which specified in appendix one of “Rule to number unit field” upon Order No: 16 of Chairman of Land Affairs, Geodesy and Cartography Authority dated January 08, 2010.

Figure 1. Regions and quoted market price of land ing area, Ulaanbaatar city.
In order to determine quoted market price of land evaluation, average value of market price of land used. In order to factors impacting on land price, it selects coefficients in table one. In order to land price to transfer back with compensation, it multiplied quoted market price with sum of land price and coefficients of factors impacting on land price, made adjustment, used the following formula.

Formula to determine land price with compensation:

\[ G_u = (B_{j'u} \times T) \times K_u; \]

- \( G_u \): land price, tug
- \( B_{j'u} \): quoted market price of regions of land evaluation, tug
- \( T \): land area, \( \text{m}^2 \)
- \( K_u \): sum of coefficients impacting on land evaluation,

\[ K_u = 1 + [K_1 + K_2 + K_3 + K_4 + K_5 + K_6 + K_7 + K_8]; \]

- \( K_1 \): coefficient of distance to public transport station
- \( K_2 \): coefficient of distance to water distribution point
- \( K_3 \): coefficient of distance to public and state service
- \( K_4 \): coefficient of impact of land slope,
- \( K_5 \): coefficient of land scope
- \( K_6 \): coefficient of engineering infrastructure
- \( K_7 \): coefficient of type of land right
- \( K_8 \): coefficient of other factors

**Table 1**

<table>
<thead>
<tr>
<th>№</th>
<th>Factord influencing land evaluation</th>
<th>Specifications</th>
<th>Impact coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>distance to public transport stop (by meter)</td>
<td>0-200</td>
<td>+0.14</td>
</tr>
<tr>
<td></td>
<td></td>
<td>201-400</td>
<td>+0.07</td>
</tr>
<tr>
<td></td>
<td></td>
<td>401-600</td>
<td>0.0</td>
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<tr>
<td></td>
<td></td>
<td>601-800</td>
<td>-0.07</td>
</tr>
<tr>
<td></td>
<td></td>
<td>801-1000</td>
<td>-0.14</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1001 or above</td>
<td>-0.21</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0-100</td>
<td>+0.12</td>
</tr>
<tr>
<td></td>
<td></td>
<td>101-200</td>
<td>+0.06</td>
</tr>
<tr>
<td>2</td>
<td>distance to water distribution point (by meter)</td>
<td>201-300</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>301-400</td>
<td>-0.06</td>
</tr>
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<td></td>
<td></td>
<td>401-500</td>
<td>-0.12</td>
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<td></td>
<td></td>
<td>501 or above</td>
<td>-0.18</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0-400</td>
<td>+0.05</td>
</tr>
<tr>
<td>3</td>
<td>distance to public and state service (by meter)</td>
<td>401-800</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>801-1200</td>
<td>-0.05</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1200 or above</td>
<td>-0.1</td>
</tr>
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<td></td>
<td></td>
<td>0-8</td>
<td>0</td>
</tr>
<tr>
<td>4</td>
<td>Land slope (by degree)</td>
<td>9-20</td>
<td>-0.05</td>
</tr>
<tr>
<td></td>
<td></td>
<td>21 or above</td>
<td>-0.1</td>
</tr>
<tr>
<td>5</td>
<td>Location and environment (along road)</td>
<td>Facial row</td>
<td>+0.1</td>
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<tr>
<td></td>
<td></td>
<td>Back row</td>
<td>0</td>
</tr>
<tr>
<td>6</td>
<td>Engineering</td>
<td>With line water line</td>
<td>+0.1</td>
</tr>
</tbody>
</table>
1. Market price of land in Ulaanbaatar city were studied, and analyses made in 65 regions of land evaluation and determined quoted market price.
2. The maximum average price of land per unit square meter is 156063 Tugrugs near to Gandan of Bayangol district.
3. When making adjustment on regional quoted market price in accordance with certain method, maximum land price of Ulaanbaatar city per unit square meter is 220049 Tugrug.

**REFERENCE**

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