

UNECE

Survey on costs for registration and transfer of real estate and mortgages for the ECE region



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**Survey on costs for registration and
transfer of real estate and mortgages
for the ECE region**

In 2018, the Working Party on Land Administration initiated a study on benchmarking in land administration on the costs for registration/transfer of real estate and mortgages for the ECE region. The study covers costs of the registration of transfers, establishment of mortgages, subdivision of a land parcel and inspection fees for the registers. The costs are taken from the perspective of the residents, who are involved in buying and selling real estate properties.

All member States of ECE have been requested to complete a questionnaire, 33 responses were received, and results of the survey were analyzed.

This document provides final results of the study.

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Executive Summary

Land registration is a complex process and is implemented differently in each country. The study on benchmarking in land administration on the costs for registration/transfer of real estate and mortgages for the ECE region was conducted in 2018-2019. The study covers costs of the registration of transfers, establishment of mortgages, subdivision of a land parcel and inspection fees for the registers.

Representatives of land administration authorities in the ECE region have been requested to complete a questionnaire, 33 responses to the questionnaire were received.

The limitations of the conducted survey are: differing definitions and interpretations of the topics addressed in the study which affect the analysis; and absence of information on the situation in the countries from which responses to the questionnaire were not received.

The following preliminary findings of the survey were reported:

- The value of an average dwelling in the ECE region is, based on responses of 18 respondents, € 146,000. With regard to transfer of such a dwelling, the average mandatory costs are 3.4 per cent of the selling price, representing €5,901 as average total costs.
- The average transfer tax is 2.7 per cent and is therefore the main mandatory cost item for a transfer of real estate throughout ECE region. Seventeen countries do not charge fees (or did not report on them unambiguously) for one or more of the services or taxes mentioned. Regarding the registration of mortgages, the costs for mandatory legal/technical services varied between € 38 and €2,000, while for registration services they range between €4 and €2,400.
- Taxes on mortgages vary from 0.05 to 2 per cent. The costs for subdivision of a parcel of 500 m² ranges from €43 to €3,500. Total mandatory costs for transfer, registering a mortgage and subdivision could only be determined unambiguously for five countries. The total costs differ to a great extent, both in absolute terms (€125 - €16,040) and relatively when related to the value of the dwelling (0.1 – 8.0 per cent) or to the country's Gross National Income (3.7 – 51.4 per cent).
- Costs for inspection of the registers are reported to be free or maximum of €58 for a certified copy of the register with a map or diagram delivered by normal mail. Cost recovery was mainly reported as the argument to set up the fee structure, while amendments were made to cater for specific aims or solutions.
- In line with earlier reports from the Working Party, it is concluded that comparing costs of land registration across countries is complex, that parties involved, processes, types of costs and values of costs vary to a large extent, all depending on the social, economic and cultural environment of each country.

I. Introduction

1. The Working Party for Land Administration carries out benchmarking studies from time to time. In the past, comprehensive studies were done. These types of studies required a lot of preparatory work for the Working Party and the questionnaires were quite time consuming for the respondents. For those reasons, the Bureau decided to conduct a study on a more specific topic: costs for registration and transfer of real estate and registration of mortgages. This study aims to get more insight into the costs, fees and taxes related to the transactions and related services like the establishment of mortgage loans and technical land surveying work.



Fig 1.1 Member States of ECE Region (source: <http://www.regionalcommissions.org/about/the-regional-commissions/economic-commission-for-europe-ece/>)

2. This study is about costs and fees from the user's perspective through the application of three common use cases in real estate transactions. The outcomes will enable States to compare and evaluate cost levels and costing models and at the same time, related trends in the region might be recognized. In order to be able to compare the results, the following basic use cases in the domain of real estate transactions are defined as follows:
 - Transfer of a residential dwelling with average value
 - Establishment of a mortgage for a dwelling covering 100 per cent of the transfer value
 - Subdivision of an unbuilt parcel of a standard size in a residential area.

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